

Akfen Holding Anonim Őirketi

**Consolidated Condensed Interim
Financial Statements
As at and for the Period Ended
30 June 2011**

**AKFEN HOLDING ANONIM SIRKETI
CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE
PERIOD ENDED 1 JANUARY- 30 JUNE 2011**

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Akfen Holding Anonim Şirketi
Condensed Interim Consolidated Balance Sheet as at 30 June 2011
(Currency: Thousands of TL)

		<i>Reviewed</i>	<i>Audited</i>
	<u>Notes</u>	<u>30 June</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Assets			
Total Current Assets		1.089.803	997.973
Cash and cash equivalents	5	445.081	422.569
Trade receivables			
-Due from related parties	10-27	12.013	12.039
-Other trade receivables	10	234.935	220.572
Other receivables			
-Due from related parties	11-27	12.832	10.514
-Other receivables	11	16.466	4.498
Financial investments	6	--	5.671
Derivative financial instruments	8	310	--
Restricted cash	9	127.460	123.380
Inventories	12	17.689	8.205
Other current assets	18	223.017	190.525
		1.089.803	997.973
Total non-current assets		3.622.431	2.721.093
Trade receivables			
-Due from related parties	10-27	4.000	2.007
-Other trade receivables	10	145.533	109.351
Other receivables			
-Due from related parties	11-27	24.047	24.465
-Other receivables	11	654	1.934
Financial investments	6	3.221	2.520
Investment property	14	807.217	658.758
Property, plant and equipment	15	797.139	538.453
Intangible assets	16	1.121.832	1.023.754
Goodwill	16	415.377	113.781
Deferred tax assets	25	75.291	66.770
Other non-current assets	18	228.120	179.300
TOTAL ASSETS		4.712.234	3.719.066

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

Akfen Holding Anonim Şirketi
Condensed Interim Consolidated Balance Sheet as at 30 June 2011
(Currency: Thousands of TL)

	<u>Notes</u>	<i>Reviewed</i> 30 June <u>2011</u>	<i>Audited</i> 31 December <u>2010</u>
LIABILITIES			
Total current liabilities		1.026.849	732.246
Loans and borrowings	7	636.916	370.686
Derivative financial instruments	8	63.138	56.180
Trade payables			
-Due to related parties	10-27	12.171	16.043
-Other trade payables	10	116.423	106.802
Other payables			
-Due to related parties	11-27	19.470	14.323
-Other payables	11	96.364	108.975
Provisions		10.209	8.665
Other current liabilities	18	72.158	50.572
Total non-current liabilities		2.595.626	2.032.035
Loans and borrowings	7	2.415.423	1.876.033
Derivative financial instruments	8	55.329	50.354
Trade payables			
-Due to related parties	10-27	51	--
-Other trade payables	10	27.351	21.329
Other payables			
-Due to related parties	11-27	16.202	14.607
-Other non-trade payables	11	32.435	26.141
Employee benefits		15.332	9.672
Deferred tax liabilities	25	20.240	21.239
Other non-current liabilities	18	13.263	12.660
TOTAL EQUITY		1.089.759	954.785
Total equity attributable to equity holders of the Company		747.641	794.180
Paid in capital	19	145.500	145.500
Adjustments to share capital		(7.257)	(7.257)
Treasury shares		(3.709)	(3.709)
Business combination of entities under common control		20.062	20.062
Revaluation reserve		(2.181)	(2.076)
Cash flow hedge reserves		(74.819)	(71.363)
Translation reserves		61.721	17.914
Legal reserves		19.673	12.081
Other reserves		(110.843)	(93.780)
Share premium		454.782	454.782
Retained earnings		313.072	250.199
Profit / (loss) for the period		(68.360)	71.827
Non-controlling interest		342.118	160.605
TOTAL LIABILITIES		4.712.234	3.719.066

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

Akfen Holding Anonim Şirketi
Condensed Interim Consolidated Income Statement for the Period Ended;
30 June 2011
(Currency: Thousands of TL.)

		<i>Reviewed</i>	<i>Not Audited</i>	<i>Reviewed</i>	<i>Not Audited</i>
	<i>Notes</i>	<i>1 January-30 June 2011</i>	<i>1 April-30 June 2011</i>	<i>1 January-30 June 2010</i>	<i>1 April-30 June 2010</i>
CONTINUING OPERATIONS					
Revenue	4	575.419	294.161	458.079	246.719
Cost of sales (-)		(441.880)	(216.091)	(353.518)	(180.865)
GROSS PROFIT		133.539	78.070	104.561	65.854
General and administrative expenses (-)		(73.029)	(37.529)	(76.748)	(42.981)
Other income	20	136.329	84.713	41.240	26.989
Other expense (-)	21	(18.107)	(14.823)	(16.210)	(13.810)
Results from operating activities		178.732	110.431	52.843	36.052
Finance income	22	61.605	42.641	100.590	58.419
Finance expense	23	(239.810)	(153.292)	(152.879)	(88.147)
PROFIT / (LOSS) BEFORE TAX		527	(220)	554	6.324
CONTINUING OPERATIONS TAX EXPENSE		(17.577)	(8.227)	(9.906)	(7.644)
Tax expense	25	(15.010)	(11.980)	(13.176)	(7.424)
Deferred tax income/expense	25	(2.567)	3.753	3.270	(220)
PROFIT/LOSS FROM CONTINUING OPERATIONS		(17.050)	(8.447)	(9.352)	(1.320)
DISCONTINUED OPERATIONS					
Profit/(loss) from discontinued operations, net of tax	24			17.226	(2.247)
PROFIT/(LOSS) FOR THE PERIOD		(17.050)	(8.447)	7.874	(3.567)
Other Comprehensive Income / (Expense)					
Change in Revaluation of plant and equipment		21	11	17	17
Change in Net fair value change in cash flow hedges		(2.183)	(10.499)	(13.403)	(5.613)
Change in Foreign currency translation differences	22	49.800	30.081	(17.615)	(5.045)
Tax expense for other comprehensive income		(37)	1.800	(232)	(304)
Other comprehensive income /(loss) for the period, net of tax		47.601	21.393	(31.233)	(10.945)
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD		30.551	12.946	(23.359)	(14.512)
Profit attributable to:					
Non-controlling interest		51.310	44.372	3.281	15.754
Owners of the Company		(68.360)	(52.819)	4.593	(19.321)
Profit/(Loss) for the period		(17.050)	(8.447)	7.874	(3.567)
Total comprehensive income/expense attributable to:					
Non-controlling interest		59.938	48.638	(3.391)	10.455
Owners of the Company		(29.387)	(35.692)	(19.968)	(24.967)
Total Comprehensive Income/Expense for the period		30.551	12.946	(23.359)	(14.512)
Earnings per share	26	(0,469)	(0,363)	0,043	(0,177)

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

Akfen Holding Anonim Şirketi
Condensed Interim Consolidated Statements of Changes in Equity for the Period Ended 30 June 2010
(Currency: Thousands of TL.)

	<i>Paid in capital</i>	<i>Capital corrections</i>	<i>Share Premium</i>	<i>Treasury shares</i>	<i>Entities under common control</i>	<i>Translation differences</i>	<i>Revaluation fund</i>	<i>Hedging reserve</i>	<i>Other reserves</i>	<i>Restricted reserves</i>	<i>Retained earnings</i>	<i>Total</i>	<i>Non controlling interest</i>	<i>Total equity</i>
Balances as at 1 January 2010	99.669	(7.257)		(4.767)	20.062	25.004	(2.010)	(60.677)	--	14.985	264.088	349.097	179.911	529.008
Total comprehensive income/(expense)														
Profit for the period	--	--	--	--	--	--	--	--	--	--	4.593	4.593	3.281	7.874
Other comprehensive income/(expense)														
Foreign currency translation reserve	--	--	--	--	--	(16.014)	--	--	--	--	--	(16.014)	(1.601)	(17.615)
Revaluation of property, plant and equipment	--	--	--	--	--	--	(86)	--	--	--	103	17	--	17
Net fair value change in cash flow hedges	--	--	--	--	--	--	--	(8.564)	--	--	--	(8.564)	(5.071)	(13.635)
Total other comprehensive income/(expense)	--	--	--	--	--	(16.014)	(86)	(8.564)	--	--	103	(24.561)	(6.672)	(31.233)
Total comprehensive income/(expense) for the period	--	--	--	--	--	(16.014)	(86)	(8.564)	--	--	4.696	(19.968)	(3.391)	(23.359)
Transactions with owners recorded under equity														
Dividend distributions	--	--	--	--	--	--	--	--	--	--	--	--	(321)	(321)
Transfers to legal reserves	--	--	--	--	--	(113)	--	--	--	936	(1.031)	(208)	268	60
Share Premium	--	--	90.505	--	--	--	--	--	--	--	--	90.505	--	90.505
Change in subsidiaries equity interest	--	--	--	--	(73.172)	--	--	--	--	--	(7.942)	(81.114)	7.824	(73.290)
Public offering expenses	12.715	--	--	--	--	--	--	--	--	--	--	12.715	109	12.824
Sale of subsidiaries, net	--	--	--	1.058	--	--	--	--	7.340	(2.037)	2.037	8.398	27.987	36.385
Total transactions with owners	12.715	--	90.505	1.058	(73.172)	(113)	--	--	7.340	(1.101)	(6.936)	30.296	35.867	66.163
Balances as at 30 June 2010	112.384	(7.257)	90.505	(3.709)	(53.110)	8.877	(2.096)	(69.241)	7.340	13.884	261.848	359.425	212.387	571.812

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

Akfen Holding Anonim Şirketi
Condensed Interim Consolidated Statements of Changes in Equity for the Period Ended 30 June 2011
(Currency: Thousands of TL.)

	<i>Paid in capital</i>	<i>Capital corrections</i>	<i>Share Premium</i>	<i>Treasury shares</i>	<i>Entities under common control</i>	<i>Translation differences</i>	<i>Revaluation fund</i>	<i>Hedging reserve</i>	<i>Other reserves</i>	<i>Restricted reserves</i>	<i>Retained earnings</i>	<i>Total</i>	<i>Non controlling interest</i>	<i>Total equity</i>
Balances as at 1 January 2011	145.500	(7.257)	454.782	(3.709)	20.062	17.914	(2.076)	(71.363)	(93.780)	12.081	322.026	794.180	160.605	954.785
Total comprehensive income/(expense)														
Profit for the period	--	--	--	--	--	--	--	--	--	--	(68.360)	(68.360)	51.310	(17.050)
Other comprehensive income/(expense)														
Foreign currency translation reserve	--	--	--	--	--	42.408	--	--	--	--	--	42.408	7.392	49.800
Revaluation of property, plant and equipment	--	--	--	--	--	--	(105)	--	--	--	126	21	--	21
Net fair value change in cash flow hedges	--	--	--	--	--	--	--	(3.456)	--	--	--	(3.456)	1.236	(2.220)
Total other comprehensive income/(expense)	--	--	--	--	--	42.408	(105)	(3.456)	--	--	126	38.973	8.628	47.601
Total comprehensive income/(expense) for the period	--	--	--	--	--	42.408	(105)	(3.456)	--	--	(68.234)	(29.387)	59.938	30.551
Transactions with owners recorded under equity														
Transfers to legal reserves	--	--	--	--	--	1.399	--	--	--	7.592	(9.080)	(89)	89	--
Change in subsidiaries equity interest	--	--	--	--	--	--	--	--	(17.063)	--	--	(17.063)	121.486	104.423
Total transactions with owners	--	--	--	--	--	1.399	--	--	(17.063)	7.592	(9.080)	(17.152)	121.575	104.423
Balances as at 30 June 2011	145.500	(7.257)	454.782	(3.709)	20.062	61.721	(2.181)	(74.819)	(110.843)	19.673	244.712	747.641	342.118	1.089.759

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

Akfen Holding Anonim Şirketi
Condensed Interim Consolidated Cash Flow Tables for the Period Ended
30 June 2011

(Currency: Thousands of TL)

	<u>Notes</u>	<u>Reviewed</u> <u>30 June</u> <u>2011</u>	<u>Reviewed</u> <u>30 June</u> <u>2010</u>
Cash flow from operating activities			
Profit/(loss) for the period		(17.050)	7.874
Depreciation of property and equipment	15	11.364	10.558
Amortization of intangible assets	16	21.145	19.795
Gain on sale of investment security		--	(519)
Provision for employee termination benefits		2.787	1.727
Release of provision/(provision for doubtful debts)	28	1.177	209
Unearned interest income/(expense), net		(949)	(2.487)
Gain or loss on sale of property, plant and equipment		(107)	(861)
Provision for impairment of property, plant and equipment	15	--	3.495
Revaluation reserve of investment property	14-20	(124.204)	(16.377)
Gain on sale of subsidiaries	20	(161)	(8.877)
Gain on sale of discontinued operations	24	--	(15.056)
Provision/ (release of provision) for litigation and vacation		610	415
Unrealised foreign exchange differences on statement of financial position items		123.729	(56.601)
Interest expense	23	116.244	65.223
Interest income	22	(13.553)	(6.318)
Tax benefit/(expense)	25	17.577	10.397
		138.609	12.597
Change in other trade receivables		(12.951)	(21.056)
Change in other non-trade receivables		(11.968)	36.148
Change in other current assets		(34.652)	33.228
Change in other non-current trade receivables		(36.182)	619
Change in other non-current non-trade receivables		1.280	629
Change in financial assets		5.643	1.418
Change in inventory		(3.597)	1.021
Change in due from related parties		(3.867)	(1.780)
Change in other non-current assets		(60.309)	(1.139)
Change in other current trade payables		9.621	(13.253)
Change in other current non-trade payables		(28.275)	(13.049)
Change in other current liabilities		17.399	14.870
Change in other non-current trade payables		1.676	(4.702)
Change in other non-current non-trade payables		6.053	(7.956)
Change in due to related parties		2.921	(1.786)
Change in other non-current liabilities		183	2.168
		(8.416)	37.977
Cash flows from / (used in) operating activities			
Tax paid		(11.433)	(25.985)
Retirement benefit paid		(1.625)	(568)
Doubtful receivables collection		3.405	209
Interest paid		(96.423)	(62.736)
		(114.492)	(51.103)
Net cash provided from / (used in) operating activities			

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

Akfen Holding Anonim Şirketi
Condensed Interim Consolidated Cash Flow Tables for the Period Ended
30 June 2011

(Currency: Thousands of TL)

		<i>Reviewed</i>	<i>Reviewed</i>
		<i>30 June</i>	<i>30 June</i>
	<i>Notes</i>	<i>2011</i>	<i>2010</i>
Cash flow from investing activities			
Interest received		6.522	6.318
Acquisition of property, plant and equipment	15	(115.286)	(147.605)
Effect of group structure change		--	6.262
Proceeds from sale of property, plant and equipment		4.744	10.195
Acquisition of intangible assets	16	(31.781)	(9.212)
Proceeds from sale of intangible assets		--	29.564
Purchases of investment property	14	(24.255)	(22.481)
Proceeds from sale of investment property		--	30.794
Business combinations		(400.967)	--
Net cash provided from/(used in) investing activities		(561.023)	(96.165)
Cash flows from financing activities			
Proceeds from the borrowings		644.510	401.074
Capital increase	19	--	12.715
Repayment of borrowings		(137.644)	(205.770)
Share premium		--	90.505
Public offering commissions	19	--	(7.942)
Changes in non-controlling interest		(17.821)	(73.192)
Proceed from subsidiary shares		18.508	70.992
Change in project, reserves accounts		59.280	(35.897)
Change in derivative instruments		11.933	12.812
Change in non-controlling shares		108.891	(25.930)
Net cash from financing activities		687.657	239.367
Translation differences on balance sheet		69.447	10.426
Net increase in cash and cash equivalents		81.589	102.525
Cash and cash equivalents at 1 January		166.349	122.829
Cash and cash equivalents at period end	5	247.938	225.354

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the six-month period ended 30 June 2011
(Currency: Thousands of TL.)

1 REPORTING ENTITY

Akfen Holding Anonim Şirketi, performing infrastructure projects founded by Hamdi Akın as Akınısı Makine Sanayi ve Ticaret AŞ in 1976 has completed restructuring of its operations and has become a holding as at 1999. Akfen Holding Anonim Şirketi, its subsidiaries, joint ventures and associates are referred to as (“Group” or “Akfen Group” or “Akfen Holding” or “the Company”). Akfen Holding continues its activities by directly and indirectly participating the Companies which operating in Construction, airport management, duty free shop management, harbor management, natural gas and hydroelectric power plant management and construction, energy production, real estate investments, catering services, water sewage and water investments

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, water sewage and water investmets and management, energy production via hydroelectric power stations.

%68,19 of the Company is owned by Hamdi Akın.

The address of the registered office of Akfen Holding is as follows:

Koza Sokak No:22
Gaziosmanpaşa
06700/ Ankara-Türkiye

The number of employees of Akfen Holding and subsidiaries and joint ventures of the Group at 30 June 2011 is 271 (31 December 2010: 200) and 24.978 (31 December 2010: 22.909) respectively.

2 BASIS OF PREPARATION

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 legislations applicable in the countries they operate.

The condensed interim consolidated financial statements are prepared within the framework of Communiqué XI, No:29 dated 9 April 2008 (the “Communiqué”) and related promulgations to this Communiqué as issued by the CMB, in accordance with the financial reporting standards accepted by the CMB (“CMB Financial Reporting Standards”).

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the six-month period ended 30 June 2011
(Currency: Thousands of TL.)

2 BASIS OF PREPARATION (continued)

2.1 Basis of preparation (continued)

(a) Statement of compliance (continued)

According to fifth article of the Communiqué the Companies should apply International Accounting / Reporting Standards (“UMS/UFRS”) as accepted by European Union. But considering the temporary second article until the differences of UMS/ UFRS is accepted by International Accounting Standards Board (“UMSK”), the standards which are accepted by UMSK will be used. Thus the Company has prepared its financials in accordance with the accepted UMS/UFRS as at 30 June 2011.

The decree of CMB, as at 17 March 2005 states that inflation accounting is not applicable for the Companies applying the accounting and reporting principles of CMB (“CMB Financial Reporting Standards”) beginning from 1 January 2005. Thus inflation accounting is not applied in summary consolidated financial statements beginning from 1 January 2005.

In accordance with the Communiqué, entities are allowed to prepare a complete or condensed set of interim financial statements in accordance with IAS 34, “Interim Financial Reporting”. In this respect, the Group has preferred to prepare condensed consolidated financial statements in the interim periods and prepared the aforementioned condensed consolidated financial statements in compliance with CMB Financial Reporting Standards.

(b) Preparation of the Financial Statements

The Group’s condensed interim consolidated financial statements prepared in accordance with IAS and IFRS approved by the Board of Directors as at 26 August 2011.

The consolidated financial statements and notes as at 30 June 2011 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) Accounting in 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 condensed interim 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,

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the six-month period ended 30 June 2011
(Currency: Thousands of TL.)

2 BASIS OF PREPARATION (continued)

2.1 Basis of preparation (continued)

(e) Functional and presentation currency

The accompanying condensed interim consolidated financial statements are presented in TL which is Akfen Holding's functional currency. All financial information presented in TL has been rounded to the nearest thousand.

Akfen Holding and its subsidiaries operating in Turkey prepare their accounting records and legal financial statements in accordance with the the accounting principles per Turkish Uniform Chart of Accounts and per Capital Market Board of Turkey. 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. Enclosed, consolidated financial statements are presented in TL which is the Company's functional 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:

<u>The Company</u>	<u>Functional Currency</u>
Akfen İnşaat Turizm ve Ticaret AŞ ("Akfen İnşaat")	TL
Akfen Gayrimenkul Yatırım Ortaklığı AŞ ("Akfen GYO")	TL
Akfen Enerji Yatırımları Holding AŞ ("Akfen Enerji")	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
TAV Havalimanları Holding AŞ ("TAV Havalimanları")	EURO
TAV Yatırım Holding AŞ ("TAV Yatırım")	USD
Mersin Uluslararası Liman İşletmeciliği AŞ ("MIP")	USD
PSA Akfen Liman İşletmeciliği ve Yönetim Danışmanlığı AŞ ("PSA Liman")	TL
Task Tepe Akfen Su Kanalizasyon Yatırım Yapım ve İşletme AŞ ("TASK Su")	TL
ATI Services SA ("ATI")	CHF
Hyper Foreign Trade Holland N.V. ("Hyper Foreign")	EURO
Russian Property Investments B.V. ("RPI")	EURO
Russian Hotel Investments B.V. ("RHI")	EURO
TASS Denizcilik A.Ş. ("TASS Denizcilik" veya "TASS")	TL

(f) Basis of consolidation

The accompanying condensed interim consolidated financial statements include the accounts of the parent company, Akfen Holding, its subsidiaries, joint ventures.

(i) Subsidiaries

In preparing the accompanying condensed interim consolidated financial statements, subsidiaries that the Group has control power on their financial and activity policies are determined below:

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 does not have more than 50% voting right.

Akfen Holding Anonim Şirketi

Notes to the Condensed Interim Consolidated Financial Statements

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(Currency: Thousands of TL.)

2 BASIS OF PREPARATION (continued)

2.1 Basis of preparation (continued)

(f) Basis of consolidation (continued)

(i) Subsidiaries (continued)

As at 30 June 2011 and 31 December 2010 the ownership and voting rights which subsidiaries subjected the consolidation did not change except for the company below:

	30 June 2011		31 December 2010		Principal activity
	Ownership (%)	Voting Power Held	Ownership (%)	Voting Power Held	
Akfen GYO	56,09	74,75	74,84	99,75	Real Estate

Voting right is determined by considering Akfen İnşaat, Hamdi Akın and Süha Güçsav's shares together with Akfen Holding shares.

(ii) Joint Ventures

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 joint ventures entities are combined with the equivalent items in the consolidated financial statements on a line-by-line basis.

As at 30 June 2011 Joint Ventures subjected to consolidation voting rights and partnership structure did not change in accordance with 31 December 2010 except the companies mentioned below.

Tass Denizcilik A.Ş. is established by Tepe İnşaat Sanayi A.Ş., Akfen Holding, Souter Investments LLP and Sera Gayrimenkul Yatırım ve İşletme A.Ş. to operate marine transportation on 15 June 2011. The Company owns 30 % of TASS Denizcilik A.Ş. shares.

(iii) Acquisition 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. 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. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Akfen Holding Anonim Şirketi
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2 BASIS of PREPARATION (continued)

2.1 Basis of preparation(continued)

(f) Basis of consolidation (continued)

(iv) Acquisitions made from third parties

Acquisitions made from third parties is accounted with purchase price method. Purchas price is determined as the total value of the issued equity instruments and attributable transaction costs in order to obtain the control of the assets and liabilities at the purchase date. According to IFRS 3, the identifiable assets and liabilities are accounted with their fair values.

İstanbul Deniz Otobüsleri Sanayi ve Ticaret A.Ş.'s 100% shares purchase

Share purchase agreement of, 100 % shares of İDO, İstanbul Deniz Otobüsleri Sanayi ve Ticaret A.Ş. of which İstanbul Büyükşehir Belediyesi ("İBB") is the main shareholder, has been signed on 16 June 2011 between İBB, other shareholders and TASS which is established by Akfen Holding, Tepe İnşaat Sanayi A.Ş., Souter Investments LLP ve Sera Gayrimenkul Yatırım ve İşletme A.Ş. to take over the shares of İDO İstanbul Deniz Otobüsleri Sanayi ve Ticaret A.Ş. ("İDO") with the block sale method in the context of Privatization Law numbered 4046. The amount of the privatization is USD 861 million (group's share: USD 258.3 million) TL equivalent is, 1.390.773 (group's share: TL 417.232).

The Group has consolidated operational results of İDO as at 30 June 2011, by using proportional consolidation method. If the acquisition had occurred on 1 January 2011, it is estimated that consolidated revenue and income would have been higher by TL 50.873 and TL 3.737, respectively. The acquisition had the following effect on the Group's assets and liabilities on the acquisition date:

	<u>Note</u>	Pre- acquisition values	Faie value adjustment	Acquisition value
Tangible assets	15	148.089	--	148.089
Intangible assets	16	77	--	77
Other assets		15.365	--	15.365
Cash and cash equivilants		16.265	--	16.265
Financial liabilities		(37.465)	--	(37.465)
Other liabilities		(14.623)	--	(14.623)
Identifiable assets and liabilities		127.708	--	127.708
Goodwill arising from acquisition				289.524
Cash consideration paid				(417.232)
Cash and cash equivalents acquired				16.265
Net cash outflow arising from acquisition				<u>(400.967)</u>

Pre-acquisition values are calculated in accordance with International Financial Reporting Standards just before the aquisition date.

Akfen Holding Anonim Şirketi
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2 BASIS OF PREPARATION (continued)

2.1 Basis of preparation(continued)

(f) Basis of consolidation (continued)

(iv) Acquisitions made from third parties (continued)

Fair values of recognized assets and liabilities as well as the cost of the combination at the date of acquisition are provisionally accounted by the Group. The time period for recognition of additional items or adjustments to the fair values of assigned recognized assets, liabilities and contingent liabilities is limited to 12 months from the date of acquisition.

(g) Foreign currency

(i) Foreign currency transactions

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 the 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 UMS 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 rate 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 or 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 period are as follows:

	<u>30 June 2011</u>	<u>31 December 2010</u>
Euro/ TL	2,3492	2,0491
USD / TL	1,6302	1,5460

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

	<u>2011</u>	<u>2010</u>
Euro/ TL	2,1948	2,0154
USD / TL	1,5641	1,5165

Akfen Holding Anonim Şirketi
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As at and for the six-month period ended 30 June 2011
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2 BASIS OF PREPARATION (continued)

2.1 Basis of preparation(continued)

(g) Foreign currency (continued)

(ii) Foreign operations

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.

2.2 Summary of Significant Accounting Policies

The condensed interim consolidated financial statements for the period ended 30 June 2011 are prepared in accordance with TMS 34. The accounting policies used in the preparation of these condensed interim consolidated financial statements are consistent with those used in the preparation of annual consolidated financial statements for the year ended 31 December 2010. Accordingly, these condensed interim consolidated financial statements should be evaluated in conjunction with the annual consolidated financial statements for the year ended 31 December 2010.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective as at 30 June 2011, and have not been applied in preparing these condensed interim consolidated financial statements. Among those new standards, the following are expected to have effect on the consolidated financial statements of the Group:

- Amendments to IAS 1 Presentation of Items of Other Comprehensive Income require that an entity present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The amendments are effective for annual periods beginning on or after 1 July 2011.
- IFRS 9 Financial Instruments could change the classification and measurement of financial assets and becomes effective for annual periods beginning on or after 1 January 2013.
- IFRS 10 Consolidated Financial Statements supersedes IAS 27 (2008) and SIC-12 Consolidation—Special Purpose Entities and becomes effective for annual periods beginning on or after 1 January 2013.
- IFRS 11 Joint Arrangements supersedes IAS 31 and SIC-13 Jointly Controlled Entities—Non-Monetary Contributions by Venturers and becomes effective for annual periods beginning on or after 1 January 2013.
- IFRS 12 Disclosure of Interests in Other Entities contains the disclosure requirements for entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities and becomes effective for annual periods beginning on or after 1 January 2013.

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2 BASIS OF PREPARATION *(continued)*

2.2 Summary of Significant Accounting Policies *(continued)*

New standards and interpretations not yet adopted *(continued)*

- IFRS 13 Fair Value Measurement replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance and becomes effective for annual periods beginning on or after 1 January 2013.
- IAS 27 Separate Financial Statements (2011) supersedes IAS 27 (2008) and becomes effective for annual periods beginning on or after 1 January 2013.
- IAS 28 Investments in Associates and Joint Ventures (2011) supersedes IAS 28 (2008) and becomes effective for annual periods beginning on or after 1 January 2013.

The Group does not plan to adopt these standards early and the extent of the impact has not been determined yet.

3 JOINT VENTURES

Total current assets, non-current assets, short term liabilities, long term liabilities, profits and losses of joint ventures are listed below:

Balance sheet			30 June 2011	31 December 2010
Current assets			2.419.102	2.236.769
Non-current assets			6.483.033	4.314.324
Current liabilities			(1.951.089)	(1.603.288)
Non-current liabilities			(5.161.650)	(3.513.483)
Statement of Income	1 January- 30 June 2011	1 April- 30 June 2011	1 January- 30 June 2010	1 April- 30 June 2010
Total revenues	1.794.709	986.260	1.409.974	776.305
Total expenses	(1.828.756)	(988.651)	(1.377.859)	(721.652)
Profit / (loss) for the period	(34.007)	(2.351)	32.115	54.653

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4 SEGMENT REPORTING

For management purposes, the Group is currently organised into eight operating segments 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 (including RHI and RPI), HES I-II-III, MIP, Task Su, Tav Havalimanları and Tass Denizcilik.

Other

Subsidiaries and jointly controlled entities in other operations segment are Akfen Enerji, Simer, PSA Liman, Hyper Foreign, ATI and Alsim Alarko. Akfen Holding is included in the other industrial segment as well.

Discontinued Operations

Profit and loss for the period ended 30 June 2010 of disposed entities, which are Akfen Altyapı Danışmanlık AŞ ("Akfen Altyapı Danışmanlık"), Akınısı Makina Sanayi ve Ticaret AŞ ("Akınısı Makina"), Akfen Turizm Yatırımları ve İşl. AŞ ("Akfen Turizm"), Artı Döviz AŞ ("Artı Döviz") and IBS Sigorta Brokerlik Hizmetleri AŞ (IBS), are presented under "profit/(loss) from discontinued operations, net of tax" line by the Group.

Akfen Holding Anonim Şirketi
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4 SEGMENT REPORTING(continued)

<u>1 January – 30 June 2011</u>	<u>TAV</u> <u>Yatırım</u>	<u>Akfen</u> <u>İnşaat</u>	<u>Akfen GYO</u>	<u>HES I-II-</u> <u>III</u>	<u>MIP</u>	<u>TASK</u> <u>Su</u>	<u>TAV</u> <u>Havalimanları</u>	<u>TASS</u> <u>Denizcilik</u>	<u>Other</u>	<u>Inter-segment</u> <u>elimination</u>	<u>Total</u>
External revenues	224.373	--	13.175	11.379	83.452	2.109	240.929	--	2	--	575.419
Inter segment revenue	27.905	73.356	--	--	--	--	--	--	7.278	--	108.539
Other operation income	120	1.521	124.384	368	--	18	9.309	--	3.046	(2.437)	136.329
Other operation expense	(63)	(8.449)	(3.990)	(2.196)	(320)	--	(1.665)	(958)	(466)	--	(18.107)
Financial income	943	2.842	2.394	12.517	1.127	796	7.084	11.077	25.278	(2.453)	61.605
Financial expense	(4.797)	(7.232)	(32.498)	(66.353)	(16.336)	(2.542)	(33.169)	(21.383)	(57.953)	2.453	(239.810)
Depreciation and amortization	2.953	245	31	1.003	9.716	115	18.200	--	246	--	32.509
Reportable Segment profit/(loss) before income tax	(4.586)	(18.700)	99.882	(51.458)	23.248	(1.346)	7.223	(11.264)	(31.190)	(11.282)	527
Capital expenditure	4.190	249	18	95.559	6.746	108	39.707	--	490	--	147.067
30 June 2011											
Reportable Segment assets	401.145	353.581	944.924	785.725	690.512	27.211	1.239.230	471.718	1.245.673	(1.447.485)	4.712.234
Reportable Segment liabilities	366.387	153.960	288.950	514.841	598.254	16.500	916.867	419.713	532.667	(185.664)	3.622.475
<u>1 April – 30 June 2011</u>	<u>TAV</u> <u>Yatırım</u>	<u>Akfen</u> <u>İnşaat</u>	<u>Akfen GYO</u>	<u>HES I-II-</u> <u>III</u>	<u>MIP</u>	<u>TASK</u> <u>Su</u>	<u>TAV</u> <u>Havalimanları</u>	<u>TASS</u> <u>Denizcilik</u>	<u>Other</u>	<u>Inter-segment</u> <u>elimination</u>	<u>Total</u>
External revenues	94.811	--	7.362	11.360	42.666	1.313	136.647	--	2	--	294.161
Inter segment revenue	27.298	47.277	--	--	--	--	--	--	4.200	--	78.775
Other operation income	63	845	77.947	266	--	6	4.993	--	2.975	(2.382)	84.713
Other operation expense	48	(7.732)	(3.159)	(1.998)	(320)	--	(1.665)	(958)	(255)	1.216	(14.823)
Financial income	400	2.300	490	7.967	672	392	4.137	11.077	16.278	(1.072)	42.641
Financial expense	(832)	(6.766)	(16.781)	(50.617)	(8.280)	(1.594)	(15.996)	(21.383)	(32.115)	1.072	(153.292)
Depreciation and amortization	1.362	124	21	411	4.877	15	9.578	--	73	--	16.461
Reportable Segment profit/(loss) before income tax	(428)	(14.974)	63.996	(38.824)	12.147	(660)	13.988	(11.264)	(33.607)	9.406	(220)
Capital expenditure	2.488	17	--	40.178	6.331	92	27.188	--	51	--	76.345

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4 SEGMENT REPORTING(continued)

	<u>TAV</u>	<u>Akfen</u>	<u>Akfen</u>	<u>HES I-II-</u>			<u>TAV</u>		<u>Inter-segment</u>		<u>Other</u>
<u>1 January – 30 June 2010</u>	<u>Yatırım</u>	<u>İnsaat</u>	<u>GYO</u>	<u>III</u>	<u>MIP</u>	<u>Task Su</u>	<u>Havalimanları</u>	<u>Other</u>	<u>eliminations</u>	<u>Total</u>	<u>discontinued</u>
External revenues	194.207	7.161	8.742	345	70.019	5.676	171.885	44	--	458.079	14.292
Inter segment revenue	9.802	75.038	--	--	--	--	1.584	12.914	--	99.338	--
Other operation income	586	9.226	16.163	7	--	10	11.904	9.767	(6.423)	41.240	83
Other operation expense	(111)	(14.806)	(107)	(548)	--	--	--	(2.478)	1.840	(16.210)	(23)
Financial income	1.754	5.059	20.754	21.968	854	654	7.383	43.042	(878)	100.590	828
Financial expense	(2.489)	(5.909)	(8.836)	(10.339)	(18.209)	(75)	(23.151)	(84.926)	1.055	(152.879)	(651)
Depreciation and amortization	2.867	1.389	31	1.538	9.450	148	14.595	249	--	30.267	86
Reportable Segment profit/(loss) before income tax	1.342	(21.759)	35.083	8.404	11.640	650	8.094	(34.540)	(8.360)	554	17.226
Capital expenditure	3.413	271	4	116.778	6.056	105	29.932	258	--	156.817	--
31 December 2010											
Reportable Segment assets	372.129	342.010	699.005	647.199	646.592	25.777	1.091.543	1.198.615	(1.303.804)	3.719.066	--
Reportable Segment liabilities	333.710	119.414	236.253	380.728	575.349	12.101	802.326	443.864	(139.464)	2.764.281	--
<u>1 April – 30 June 2010</u>	<u>Yatırım</u>	<u>İnsaat</u>	<u>GYO</u>	<u>HES I-II-</u>			<u>TAV</u>		<u>Inter-segment</u>		<u>Other</u>
External revenues	100.234	3.487	4.500	113	38.813	2.405	97.157	10	--	246.719	--
Inter segment revenue	6.369	58.187	--	--	--	--	1.584	10.158	--	76.298	--
Other operation income	(556)	2.954	16.107	406	--	6	8.420	593	(941)	26.989	--
Other operation expense	12	(14.298)	(102)	(546)	--	--	--	(174)	1,298	(13.810)	--
Financial income	(994)	3.615	10.720	13.313	455	480	4.949	26.222	(341)	58.419	--
Financial expense	(1.199)	(2.385)	(3.658)	(7.721)	(10.125)	(75)	(12.134)	(51.462)	342	(88.417)	--
Depreciation and amortization	1.625	1.120	15	1.350	5.780	95	7.867	213	--	18.065	--
Reportable Segment profit/(loss) before income tax	1.488	(18.828)	26.917	4.514	7.222	378	16.442	(24.671)	(7.138)	6.324	(2,722)
Capital expenditure	2.092	257	4	64.784	1.941	85	16.798	170	--	86,131	--

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5 CASH and CASH EQUIVALENTS

As at 30 June 2011 and 31 December 2010 cash and cash equivalents comprised the following.

	<u>30 June</u>	<u>31 December</u>
	<u>2011</u>	<u>2010</u>
Project, reserve and fund accounts	195.199	254.479
Cash at banks	247.385	151.814
-Demand deposit	59.127	76.654
-Time deposit	188.258	75.160
Cash on hand	1.603	673
Other liquid Assets	894	15.603
Cash and cash equivalents	445.081	422.569
Project, reserve and fund accounts	(195.199)	(254.479)
Bank overdrafts used for cash management purposes	(1.944)	(1.741)
Cash and cash equivalents	247.938	166.349

The details of the Group's time deposits, maturities and interest rates as at 30 June 2011 and 31 December 2010 are as follows:

<u>Original currency</u>	<u>Maturity</u>	<u>Interest rate %</u>	<u>30 June 2011</u>
TL	July - September 2011	0,15 - 11,00	125.551
USD	July 2011	0,50 - 4,75	30.856
EUR	July 2011	1,25 - 4,50	18.377
QAR	July 2011	1,50 - 1,58	13.474
			188.258

<u>Original currency</u>	<u>Maturity</u>	<u>Interest rate %</u>	<u>31 December 2010</u>
TL	January 2011	0,15 - 9,00	32.991
USD	January 2011	0,50 - 4,75	3.050
EUR	January 2011-February 2011	1,25 - 4,50	13.812
QAR	January 2011	3,00	25.307
			75.160

Project Reserve Accounts

TAV Airports and MIP, has Project and Reserve accounts, regarding the agreements made with banks, in order to fund their projects. These accounts can only be used for the areas decided in the agreements. These kind of cash and cash equivalents are amounting to TL 143.611 and TL 51.588 for TAV Airports and MIP respectively (2010: TL 197.988 and TL 56.491).

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5 CASH and CASH EQUIVALENTS (continued)

The details of the Group's project, reserve and fund accounts, maturities and interest rates as at 30 June 2011 and 31 December 2010 are as follows:

<u>Original currency</u>	<u>Maturity</u>	<u>Interest rate %</u>	<u>30 June 2011</u>
TL	July-August 2011	5,45-10,00	35.599
USD	July-October 2011	0,30-4,50	86.454
EUR	July-December 2015	0,30-4,10	51.558
Other	July 2011	0,30	1.529
			175.140
Demand deposits			20.059
			195.199

<u>Original currency</u>	<u>Maturity</u>	<u>Interest rate %</u>	<u>31 December 2010</u>
TL	January 2011	150-9,00	51.834
USD	January 2011	0,24-3,00	59.597
EUR	January 2011	0,10-2,75	117.858
			229.289
Demand deposits			25.191
			254.480

The Group's exposure interest rate risk and sensitivity analysis for financial assets and liabilities are disclosed in Note 28.

As at 30 June 2011 and 31 December 2010, there is no pledge on bank accounts except as disclosed in restricted bank accounts.

6 FINANCIAL INVESTMENTS

Current financial investment:

As at 30 June 2011 and 31 December 2010 investments comprised the following

	<u>30 June</u>	<u>31 December</u>
	<u>2011</u>	<u>2010</u>
Government bond available for sale	--	5.671
	--	5.671

As at 31 December 2010 the maturity and interest rate of government bonds are 2020 and 5,25% with coupon payments every six months.

As at 30 June 2011 and 31 December 2010 non current investments comprised of the following

	<u>Ownership</u>		<u>Ownership</u>	
	<u>(%)</u>	<u>2011</u>	<u>(%)</u>	<u>2010</u>
TAV Urban Georgia LLC	4,5	2.368	4,5	2.368
Batı Karadeniz Elekt. Dağıtım ve Sis. AŞ	12,5	1.493	12,5	1.493
Other		853		152
Sub total		4.714		4.013
Less: Impairment of investment		(1.493)		(1.493)
Total investments		3.221		2.520

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7 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 28.

As at 30 June 2011 and 31 December 2010 breakdown of loans and leased borrowings of the Group is as follows:

	<u>30 June</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Current liabilities		
Secured bank loan	89.840	65.975
Unsecured bank loan	26.704	25.683
Current portion of long –term secured bank loans ^(*)	409.408	273.459
Current portion of long –term unsecured bank loans	5.147	336
Coupon payment of long term bond	101.804	1.722
Spot loan	2.136	1.741
Short term finance lease obligations	1.877	1.770
	636.916	370.686
Non-current liabilities		
Non-current secured bank loans ^(*)	2.377.579	1.764.370
Non-current unsecured bank loans	26.218	317
Non-current bond	--	100.000
Long term finance lease obligations	11.626	11.346
	2.415.423	1.876.033

^(*) Secured bank loans comprised of group companies and/or shareholders personal guarantees, shares pledged, real estate mortgages, assignments of project income and go-risk receivables within the context of Project finance.

The Group's bank loans, bonds and lease borrowings as at 30 June 2011 and 31 December 2010 are as follows:

	<u>30 June</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Bank loans	2.937.033	2.131.881
Bonds	101.804	101.722
Finance lease obligations	13.502	13.116
	3.052.339	2.246.719

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7 LOANS AND BORROWINGS (continued)

The Group's bank loans as at 30 June 2011 are as follows:

	<u>Current</u> <u>liabilities</u>	<u>Non-current</u> <u>liabilities</u>	<u>Total</u>
Akfen Holding	192.633	320.566	513.199
Akfen İnşaat	7.810	12.707	20.517
Akfen GYO	71.804	168.081	239.885
Akfen HES I-II-III	77.950	371.417	449.367
TASK Su	608	14.426	15.034
MIP	17.645	500.742	518.387
TAV Yatırım	75.468	48.059	123.527
TAV Havalimanları	126.342	627.503	753.845
TASS Denizcilik	64.778	340.296	405.074
	635.039	2.403.797	3.038.837

The Group's bank loans as at 31 December 2010 are as follows:

	<u>Current</u> <u>liabilities</u>	<u>Non-current</u> <u>liabilities</u>	<u>Total</u>
Akfen Holding	76.329	356.163	432.492
Akfen İnşaat	398	575	973
Akfen GYO	47.629	164.563	212.192
Akfen HES I-II-III	62.406	272.711	335.117
TASK Su	487	10.030	10.517
MIP	16.561	489.988	506.549
TAV Yatırım	43.342	31.950	75.292
TAV Havalimanları	121.764	538.707	660.471
	368.916	1.864.687	2.233.603

Repayment schedule of the Group bank loans according to original maturities as at 30 June 2011 and 31 December 2010 are as follows:

	<u>30 June</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Within one year	635.040	368.916
In the second year	396.558	417.780
In the third year	426.763	361.060
In the fourth year	357.825	134.319
In the fifth and more than five years	1.222.650	951.528
	3.038.837	2.233.603

Akfen Holding Anonim Şirketi

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7 LOANS AND BORROWINGS (continued)

The majority of the borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk. Spread for EUR and USD denominated loans as at 30 June 2011 is between %1,54 – %7,50 and %0,13-%5,5, respectively (31 December 2010%1,50 – %7,50 and %1 - 4,50, respectively).

Spread for EUR and USD fixed loans as at 30 June 2011 is %3,75-%7,50 ve %3,50-%9,50 and %5,55 ve %14,00, respectively (31 December 2010: %3,75-%7,50 ve %3,50-%9,95 and %5,21-%14,00, respectively).

%75 and %75 of floating bank loans for MIP and HES I, respectively are fixed with interest rate swaps. 100%, 55%, 100%, 50% and 100% of floating bank loans for TAV İstanbul, TAV İzmir, TAV Esenboğa, HAVAŞ and TAV Macedonia, respectively are fixed with interest rate swaps, 100% of floating senior bank loans for TAV Tunisia was fixed with interest rate swap until 31 October 2009 and 85% of floating senior bank loans for TAV Tunisia is fixed with interest rate swap starting from 1 November 2009, as explained in Note 8.

The Group has obtained project loans to finance construction of its BOT concession projects, namely TAV Esenboğa, TAV İzmir, TAV Tbilisi, TAV Macedonia and TAV Tunisia; and to be able to finance advance payments to DHMİ related to concession leasing project, TAV İstanbul; to finance Oman Project, TAV İnşaat; to privatization of Mersin Port, MIP; to Hepp investments,

HES I and HES II; to hotel constructions due to Accor SA agreement, GYO; to privatization of %100 shares of IDO, TASS.

As at 30 June 2011 project loans sum is 2.265.076 YL and the rate of 77,12% in whole loans.

Details of the loans summarized for each subsidiary are as follows:

Akfen Holding:

The breakdown of bank loans as at 30 June 2011 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans ⁽¹⁾	USD	Libor+3,5	2014	43.472	41.377
Secured bank loans ⁽²⁾	USD	9,95	2015	122.265	130.886
Bond ⁽³⁾	TL	5,55*	2012	100.000	101.804
Secured bank loans ⁽⁴⁾	EUR	Euribor+4,2	2014	184.906	193.298
Secured bank loans ⁽⁵⁾	USD	7,4	2014	16.302	16.356
Secured bank loans ⁽⁵⁾	USD	6,9	2014	29.344	29.431
Spot loan	TL	--	2011	47	47
				496.336	513.199

⁽¹⁾ Sureties given by Hamdi Akın and Akfen İnşaat

⁽²⁾ 1/1 cash collatera. USD deposit held with annual interest rate of 9,20% with the credit amount for credit guarentee

⁽³⁾ Securities issued as of 30 June 2011, bonds are showing the, payables arising from the bonds which have maturity of two years and coupon payment of 182 days, with a floating interest rate amounting to TL 100.000 which issued in 5 Mart 2010 in accordance with the agreement made between Company and İŞ Yatırım menkul Değerler A.Ş. 3. Coupon payment date is 2 September 2011

⁽⁴⁾ Shares pledged on Akfen GYO with 86,988,875 shares

⁽⁵⁾ Sureties given by Akfen İnşaat

^(*)Showing the interest to be given for the third coupon payment period (182 days) at 2 September 2011.

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7 LOANS AND BORROWINGS (continued)

The breakdown of bank loans as at 31 December 2010 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans ⁽¹⁾	USD	Libor+3,5	2014	48.098	48.963
Secured bank loans ⁽²⁾	USD	9,95	2015	115.950	118.072
Bond ⁽³⁾	TL	5,21*	2012	100.000	101.722
Secured bank loans ⁽⁴⁾	EUR	Euribor+3,0	2012	161.285	163.679
Spot loan	TL	--	2011	56	56
				425.389	432.492

⁽¹⁾ Sureties given by Hamdi Akın and Akfen İnşaat

⁽²⁾ 1/1 cash collateral. USD deposit held with annual interest rate of 9,20% with the credit amount for credit guarantee

⁽³⁾ Securities issued as of 31 December 2011, bonds are showing the, payables arising from the bonds which have maturity of two years and coupon payment of 182 days, with a floating interest rate amounting to TL 100.000 which issued in 5 Mart 2010 in accordance with the agreement made between Company and İş Yatırım menkul Değerler A.Ş. 3. Coupon payment date is 4 March 2011

⁽⁴⁾ Shares pledged on Akfen GYO with 103,224,000 shares

^(*) Showing the interest to be given for the second coupon payment period (182 days) at 4 March 2011.

	<u>30 June 2011</u>	<u>31 December 2010</u>
Within one year	192.633	76.329
In the second year	103.529	240.816
In the third year	93.919	22.167
In the fourth year	123.118	14.257
In the fifth year and more than five years	--	78.923
	513.199	432.492

Akfen İnşaat:

As at 30 June 2011 breakdown of bank loans is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans ⁽¹⁾	USD	7,2	2014	460	772
Secured bank loans ⁽²⁾	USD	6,9	2014	19.549	19.620
Spot loan	TL	--	2011	125	125
				20.134	20.517

⁽¹⁾ Sureties given by Hamdi Akın.

⁽²⁾ Sureties given by Akfen Holding.

As at 31 December 2010 breakdown of bank loans is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans ⁽¹⁾	USD	7,2	2014	522	850
Spot loan	TL	--	2011	123	123
				645	973

⁽¹⁾ Sureties given by Hamdi Akın.

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7 LOANS AND BORROWINGS (continued)

Akfen İnşaat (Continued)

	<u>30 June</u>	<u>31 December</u>
	<u>2011</u>	<u>2010</u>
Within one year	7.810	398
In the second year	6.774	252
In the third year	5.933	231
In the fourth year	0	92
In the fifth year and more than five years	0	0
	<u>20.517</u>	<u>973</u>

Akfen GYO:

As at 30 June 2011 and 31 December 2010 breakdown of bank loans is as follows:

	<u>30 June</u>	<u>31 December</u>
	<u>2011</u>	<u>2010</u>
Akfen GYO	201.480	185.162
RHI	28.993	20.033
RPI	9.412	6.997
	<u>239.885</u>	<u>212.192</u>

Akfen GYO:

The breakdown of bank loans as at 30 June 2011 is as follows:

	<u>Currency</u>	<u>Nominal</u>	<u>Year of</u>	<u>Face Value</u>	<u>Carrying</u>
		<u>interest rate</u>	<u>Maturity</u>		<u>amount</u>
Unsecured bank loans ⁽¹⁾	EUR	Euribor +3.75	2019	154.823	154.823
Unsecured bank loans ⁽²⁾	EUR	Euribor +3.70	2015	34.730	32.252
Secured bank loans ⁽³⁾	TL	10	2016	16.434	14.405
				<u>205.987</u>	<u>201.480</u>

The breakdown of bank loans as at 31 December 2010 is as follows:

	<u>Currency</u>	<u>Nominal</u>	<u>Year of</u>	<u>Face</u>	<u>Carrying</u>
		<u>interest rate</u>	<u>Maturity</u>	<u>Value</u>	<u>amount</u>
Secured bank loans ⁽¹⁾	Avro	Euribor + 4.75	2019	138.377	138.377
Secured bank loans ⁽²⁾	Avro	Euribor + 3.70	2015	31.222	31.222
Secured bank loans ⁽³⁾	TL	10.00	2016	15.563	15.563
				<u>185.162</u>	<u>185.162</u>

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7 LOANS AND BORROWINGS (continued)

Akfen GYO (continued)

⁽¹⁾ The Company signed a loan agreement of Euro 100 million on 30 July 2008 with Türkiye İş Bankası AŞ (“Türkiye İş Bankası”) and Türkiye Sınai Kalkınma Bankası AŞ (“TSKB”) to finance the ongoing hotel projects based on the Memorandum of Understanding (“MoU”) signed between the Company and ACCOR S.A. to develop hotel projects in Turkey. Based on the loan agreement, the Company pays commitment commission which is calculated as an annual rate of 1.25% on the unused portion of the loan at each quarter from the agreement date till the maturity date. The Company also pays 0.50% of the amount used in the portion as arrangement commission at each disbursement from TSKB and 1.00% of the related amount as commission. As at 30 June 2011, the Company used the portion of the loan amounting to Euro 68,86 million. The Company recognises loan commission accrual amounting to TL 180 for the unused portion of Euro 31,14 million in other current liabilities. Bank borrowings obtained with this agreement is secured by the followings:

- Right of tenancy of the hotels in Gaziantep, Kayseri, Trabzon, Bursa and Zeytinburnu and the land on which hotels are going to be built in Esenyurt and Adana are pledged in favor of the creditors,
- Rental revenue of these hotels is pledged to the creditors,
- Demand deposits in banks and financial institutions related with these projects are pledged in favour of the creditors,
- Sureties of Akfen Holding and Akfen İnşaat, the shareholders’ of the Company, is given for the completion guarantee of the related projects,
- 1st, 2nd and 3rd independent divisions recognised in the inventories (Note 9) and 50% owned by the Akfen Gayrimenkul Yatırımları ve Ticaret AŞ are pledged on behalf of the Company in favour of banks.

⁽²⁾ Letter of quarantine obtained from ING European Financial Services Plc for refinancing of the bank borrowings obtained from various banks for financing the construction of Mercure Hotel in Northern Cyprus.

Letter of quarantine obtained from ING European Financial Services Plc is secured by the followings:

- According to the share pledge agreement between Akfen GYO and ING Bank A.Ş. dated 8 September 2008, the Company pledged 279,996 number of shares of Akfen Ticaret amounting TL 6,999,900 to ING Bank A.Ş. Kızılay branch as a surety,
- Rental revenue of the casino in Mercure Hotel in Northern Cyprus is transferred to the creditors,
- Rental revenue of Mercure Hotel in Northern Cyprus is transferred to the creditors,
- Sureties of Akfen GYO is given for the total outstanding loan amount,
- Right of tenancy of Mercure Hotel in Northern Cyprus is pledged in favour of ING Bank

⁽³⁾ Bank borrowings obtained from Türkiye Kalkınma Bankası A.Ş. for financing construction of Mercure Hotel in Northern Cyprus is secured by the followings:

- Letter of guarantees from various banks are obtained for the 105% of total outstanding loan amount,
- Sureties Akfen İnşaat, the shareholders’ of the Company, is given for the total outstanding loan amount.

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7 LOANS AND BORROWINGS (continued)

Akfen GYO (continued)

	<u>30 June 2011</u>	<u>31 December 2010</u>
Within one year	33.399	28.582
In the second year	31.982	27.899
In the third year	27.803	24.802
In the fourth year	27.119	23.717
In the fifth and more than five years	81.177	80.162
	201.480	185.162

RHI:

The breakdown of bank loans as at 30 June 2011 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	EUR	Euribor +7,5	2012	28.993	28.993
				28.993	28.993

The breakdown of bank loans as at 31 December 2010 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	EUR	Euribor +7,5	2012	20.033	20.033
				20.033	20.033

Russian Hotel has obtained the loan from Credit Europe Bank. The land in Samara City which project to be developed and shares of YaroslavlOtelInvest and SamstroyKom is pledged. Sureties of Akfen GYO and Akfen Gayrimenkul Ticareti ve İnşaat A.Ş. are given for the total outstanding loan amount.

RPI:

The breakdown of bank loans as at 30 June 2011 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	EUR	Euribor +7,5	2011	9.412	9.412
				9.412	9.412

The breakdown of bank loans as at 31 December 2010 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	EUR	Euribor +7,5	2010	6.997	6.997
				6.997	6.997

Russian Property has obtained the loan from Credit Europe Bank. The land in Samara City which project to be developed and shares of Volgostroykom are pledged. Sureties of Akfen GYO and Akfen Gayrimenkul Ticareti ve İnşaat A.Ş. are given for the total outstanding loan amount.

	<u>30 June 2011</u>	<u>31 December 2010</u>
Within one year	38.405	19.047
In the second year	--	7.983
In the third year	--	--
In the fourth year	--	--
In the fifth year and more than five years	--	--
	38.405	27.030

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7 LOANS AND BORROWINGS (continued)

Akfen HES:

As at 30 June 2011 and 31 December 2010 breakdown of bank loans is as follows:

	<u>30 June</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Akfen HES I	320.468	300.597
Akfen HES II	128.899	34.520
	<u>449.367</u>	<u>335.117</u>

Akfen HES I:

The breakdown of bank loans as at 30 June 2011 is as follows:

	<u>Currency</u>	<u>Nominal</u> <u>interest rate</u>	<u>Year of</u> <u>Maturity</u>	<u>Face</u> <u>Value</u>	<u>Carrying</u> <u>amount</u>
Secured bank loans	EUR	Euribor+6,5	2013-2020	325.588	320.451
Spot loan	TL	--	2011	17	17
				<u>325.605</u>	<u>320.468</u>

The breakdown of bank loans as at 31 December 2010 is as follows:

	<u>Currency</u>	<u>Nominal</u> <u>interest rate</u>	<u>Year of</u> <u>Maturity</u>	<u>Face</u> <u>Value</u>	<u>Carrying</u> <u>amount</u>
Secured bank loans	EUR	Euribor+6,5	2013-2020	306.819	300.579
Spot loan	TL	--	2011	18	18
				<u>306.837</u>	<u>300.597</u>

The loans of HES 1 companies are secured up to 75 %, against the interest rate fluctuations by the interest swap agreements made. All shares owned by Akfen Group in HES 1 and HES 1 subsidiaries put in pledge to İş Bankası guarantee attorney of Consortium composed of TSKB, İş Bankası, YKB, Denizbank and Finansbank reward credit of companies in group HES 1 as guarantee within the context of project finance and in addition to share pledge the guarantees below have been given:

- Deposit pledge on accounts of Project
- Assignment of insurance receivables,
- Assignment of receivables arising from the letter of guarantee,
- Assignment of VAT receivables,
- Assignment of receivables arising from the EPC contract,
- Assignment of Go-risk receivables
- Assignment of Project incomes,

Capital commitment payments granted by Akfen İnşaat during the construction of Project, Akfen HES, Akfen Holding and the shareholders during the Project period. Credit; consist of two separate parts which are Senior and VAT loan. Senior and VAT loans maturity are 2020 and 2013 respectively.

	<u>30 June</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Within one year	68.573	60.021
In the second year	43.879	39.799
In the third year	36.144	35.917
In the fourth year	32.875	28.720
In the fifth year and more than five years	138.997	136.140
	<u>320.468</u>	<u>300.597</u>

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7 LOANS AND BORROWINGS (continued)

Akfen HES II:

The breakdown of bank loans as at 30 June 2011 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	EUR	Euribor+5,5	2021	128.010	128.899
				128.010	128.899

The breakdown of bank loans as at 31 December 2010 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	EUR	Euribor+5,5	2021	34.322	34.520
				34.322	34.520

All shares owned by Akfen Group in HES 2 and HES 2 subsidiaries put in pledge to İş Bankası guarantee attorney of Consortium composed of TSKB, İş Bankası, YKB, Denizbank and Fiananbank reward credit of companies in group HES 2 as guarantee within the context of project finance and in addition to share pledge the guarantees below have been given:

- Deposit pledge on accounts of Project
- Assignment of insurance receivables,
- Assignment of receivables arising from the letter of guarantee,
- Assignment of VAT receivables,
- Assignment of receivables arising from the EPC contract,
- Assignment of Go-risk receivables
- Assignment of Project incomes,
- Capital commitment payments granted by Akfen İnşaat during the construction of Project, Akfen Hidro, Akfen Holding and the shareholders during the Project period

	<u>30 June</u>	<u>31 December</u>
	<u>2011</u>	<u>2010</u>
Within one year	9.377	2.385
In the second year	10.556	1.025
In the third year	14.224	3.814
In the fourth year	14.224	3.814
In the fifth year and more than five years	80.518	23.482
	128.899	34.520

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7 LOANS AND BORROWINGS *(continued)*

Task Su:

The breakdown of bank loans as at 30 June 2011 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans ⁽¹⁾	EUR	Euribor+4	2020	15.034	15.034
				15.034	15.034

The breakdown of bank loans as at 31 December 2010 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans ⁽¹⁾	EUR	Euribor+4	2020	10.508	10.508
Spot loan	TL	--	--	9	9
				10.517	10.517

⁽¹⁾ Task Dilovası and Task Güllük have signed loan agreements in October 2010 with EBRD amounted Euro 10.500 (total limit Euro 13.500) and Euro 2.500. Task Dilovası has been used Euro 10.500 (Group's share: Euro 5.250) part of the credit. Task Güllük has been used Euro 2.500 used in April 2011

The following pledges has been given for these loans:

- Shares pledged on Task Dilovası and Task Güllük
- Assignment of time deposit Project accounts
- Assignment of receivables
- Assignment of insurance receivables,
- Assignment of receivables due to BOD agreement between Dilovası Organize Sanayi Bölgesi Müdürlüğü

	<u>30 June 2011</u>	<u>31 December 2010</u>
Within one year	608	487
In the second year	707	984
In the third year	1.486	1.372
In the fourth year	1.587	1.321
In the fifth year and more than five years	10.646	6.353
	15.034	10.517

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7 LOANS AND BORROWINGS *(continued)*

MIP:

The breakdown of bank loans as at 30 June 2011 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans ⁽¹⁾	USD	Libor+2,5	2020	425.235	425.235
Secured bank loans ⁽²⁾	USD	Libor+1	2013	93.154	93.154
				518.389	518.389

The breakdown of bank loans as at 31 December 2010 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans ⁽¹⁾	USD	Libor+2,5	2020	418.845	418.845
Secured bank loans ⁽²⁾	USD	Libor+1	2013	87.704	87.704
				506.549	506.549

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.

⁽¹⁾Senior loan is subjected to Project finance loan and guarantee consist of shares pledged on MIP, assignment of Project income and receivables. The loan is secured up to 75 %, against the interest rate fluctuations by the interest swap agreements.

⁽²⁾ Mezzanine credit is principal payment credit and accrued interest can be added to amount paid to credit. Letter of guarantee has been given with a shareholder rate of Akfen Holding ve PSA International.

	<u>30 June 2011</u>	<u>31 December 2010</u>
Within one year	17.647	16.561
In the second year	23.833	--
In the third year	124.378	203.535
In the fourth year	39.445	--
In the fifth year and more than five years	313.086	286.453
	518.389	506.549

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7 LOANS AND BORROWINGS (continued)

TAV Yatırım:

As at 30 June 2011 and 31 December 2010 breakdown of bank loans is as follows:

	<u>30 June</u>	<u>31 December</u>
	<u>2011</u>	<u>2010</u>
TAV Yatırım	4.592	3.875
TAV İnşaat	118.935	71.417
	<u>123.527</u>	<u>75.292</u>

TAV Yatırım

The breakdown of bank loans as at 30 June 2011 is as follows:

	<u>Currency</u>	<u>Nominal</u> <u>interest</u> <u>rate</u>	<u>Year of</u> <u>Maturity</u>	<u>Face Value</u>	<u>Carrying</u> <u>amount</u>
Secured bank loans ⁽¹⁾	EUR	7,50	2011	4.592	4.592
				<u>4.592</u>	<u>4.592</u>

The breakdown of bank loans as at 31 December 2010 is as follows:

	<u>Currency</u>	<u>Nominal</u> <u>interest rate</u>	<u>Year of</u> <u>Maturity</u>	<u>Face</u> <u>Value</u>	<u>Carrying</u> <u>amount</u>
Secured bank loans ⁽¹⁾	EUR	7,50	2011	3.875	3.875
				<u>3.875</u>	<u>3.875</u>

⁽¹⁾ Sureties given bu Akfen İnşaat and Tepe İnşaat.

TAV İnşaat

The breakdown of bank loans as at 30 June 2011 is as follows:

	<u>Currency</u>	<u>Nominal</u> <u>interest rate</u>	<u>Year of</u> <u>Maturity</u>	<u>Face</u> <u>Value</u>	<u>Carrying</u> <u>amount</u>
Secured bank loans ⁽¹⁾	USD	3,50-3,75	2012	6.949	6.949
Secured bank loans ⁽¹⁾	USD	4,25	2012	6.959	6.959
Secured bank loans ⁽¹⁾	USD	4,65	2013	3.532	3.532
Secured bank loans ⁽¹⁾	USD	4,36	2013	6.998	6.998
Secured bank loans ⁽¹⁾	USD	7,5	2012	3.975	3.975
Secured bank loans ⁽¹⁾	USD	3,60	2012	10.714	10.714
Secured bank loans ⁽¹⁾	USD	4,50	2012	3.489	3.489
Secured bank loans ⁽¹⁾	USD	3,75	2012	3.527	3.527
Unsecured bank loans	USD	3,50-3,75	2012	6.949	6.949
Secured bank loans ⁽¹⁾	USD	4,08	2013	6.977	6.977
Secured bank loans ⁽³⁾	USD	5,00	2012	3.499	3.499
Secured bank loans ⁽³⁾	USD	4,95	2012	8.369	8.369
Secured bank loans ⁽¹⁾	EUR	4,80	2013	6.562	6.562
Secured bank loans ⁽¹⁾	EUR	7,50	2011	12.644	12.644
Secured bank loans ⁽¹⁾	EUR	3,75	2012	5.009	5.009
Secured bank loans ⁽³⁾	OMR	4,75	2011	22.783	22.783
				<u>118.935</u>	<u>118.935</u>

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7 LOANS AND BORROWINGS (continued)

TAV İnşaat (continued)

The breakdown of bank loans as at 31 December 2010 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans ⁽¹⁾	USD	7,50	2011	7.429	7.429
Secured bank loans ⁽¹⁾	USD	3,75	2012	3.332	3.332
Secured bank loans ⁽¹⁾	USD	3,60	2012	9.983	9.983
Secured bank loans ⁽¹⁾	USD	3,50	2012	3.290	3.290
Secured bank loans ⁽²⁾	USD	4,95	2012	7.936	7.936
Secured bank loans ⁽²⁾	USD	5,00	2012	3.319	3.319
Secured bank loans ⁽²⁾	USD	6,00	2011	6.536	6.536
Secured bank loans ⁽¹⁾	EUR	7,50	2011	10.666	10.666
Secured bank loans ⁽¹⁾	EUR	3,75	2012	4.370	4.370
Secured bank loans ⁽²⁾	EUR	6,50	2011	5.974	5.974
Secured bank loans ⁽³⁾	OMR	4,75	2011	8.582	8.582
				71.417	71.417

⁽¹⁾ Sureties given by TAV Yatırım Holding.

⁽²⁾ Sureties given by Akfen İnşaat, TAV Yatırım Holding and Tepe İnşaat.

⁽³⁾ Sureties given by TAV Tepe Akfen Yatırım İnşaat ve İşl A.Ş..

	<u>30 June 2011</u>	<u>31 December 2010</u>
Within one year	75.468	43.342
In the second year	48.059	31.950
In the third year	--	--
In the fourth year	--	--
In the fifth year and more than five years	--	--
	123.527	75.292

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7 LOANS AND BORROWINGS (continued)

TAV Havalimanları:

As at 30 June 2011 and 31 December 2010 breakdown of bank loans is as follows:

	<u>30 June</u>	<u>31 December</u>
	<u>2011</u>	<u>2010</u>
TAV İstanbul	238.054	230.676
TAV Tunus	227.406	199.208
TAV Esenboğa	85.050	75.335
HAVAŞ	50.146	43.599
TAV İzmir	29.122	31.939
TAV Holding	49.648	22.645
ATÜ	16.765	15.129
TAV Tiflis	14.491	15.053
TAV Makedonya	28.933	10.616
TAV Gazipaşa	9.946	9.076
TGS	2.633	6.306
Other	1.651	889
	<u>753.845</u>	<u>660.471</u>

TAV İstanbul

The breakdown of bank loans as at 30 June 2011 is as follows:

	<u>Currency</u>	<u>Nominal</u>	<u>Year of</u>	<u>Face Value</u>	<u>Carrying</u>
		<u>interest rate</u>	<u>Maturity</u>		<u>amount</u>
Secured bank loans	EUR	Euribor + 2,50	2018	237.889	237.648
Spot loan	TL	--	2011	406	406
				<u>238.295</u>	<u>238.054</u>

The breakdown of bank loans as at 31 December 2010 is as follows:

	<u>Currency</u>	<u>Nominal</u>	<u>Year of</u>	<u>Face</u>	<u>Carrying</u>
		<u>interest rate</u>	<u>Maturity</u>	<u>Value</u>	<u>amount</u>
Secured bank loans	EUR	Euribor + 2,50	2018	230.792	230.286
Spot loan	TL	--	--	390	390
				<u>231.182</u>	<u>230.676</u>

Akfen Holding Anonim Şirketi
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7 LOANS AND BORROWINGS *(continued)*

TAV Tunus

The breakdown of bank loans as at 30 June 2011 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	EUR	Euribor + 2,28	2028	102.253	101.035
Secured bank loans	EUR	Euribor + 2,00	2022	66.963	66.197
Secured bank loans	EUR	Euribor + 1,54	2028	42.522	42.016
Secured bank loans	EUR	Euribor + 4,75	2028	18.377	18.158
				230.115	227.406

The breakdown of bank loans as at 31 December 2010 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	EUR	Euribor + 2,00	2028	89.641	88.547
Secured bank loans	EUR	Euribor + 1,54	2022	58.704	58.005
Secured bank loans	EUR	Euribor + 2,28	2028	37.276	36.822
Secured bank loans	EUR	Euribor + 4,75	2028	16.030	15.834
				201.651	199.208

TAV Holding

The breakdown of bank loans as at 30 June 2011 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Unsecured bank loans	EUR	4,25	2014	18.408	18.756
Unsecured bank loans	USD	5,50	2011	10.645	10.833
Unsecured bank loans	EUR	4,00 - 6,00	2011	9.817	9.822
Unsecured bank loans	USD	3,75 - 4,25	2012	7.664	7.730
Secured bank loans	EUR	6,00	2011	2.454	2.462
Spot loan	TL	-	-	45	45
				49.033	49.648

The breakdown of bank loans as at 31 December 2010 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Unsecured bank loans	USD	5,50	2011	10.095	10.271
Unsecured bank loans	EUR	4,10 - 8,00	2011	9.099	9.106
Secured bank loans	EUR	6,00	2011	3.211	3.221
Spot loan	TL	--	--	47	47
				22.452	22.645

Akfen Holding Anonim Şirketi
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7 LOANS AND BORROWINGS (continued)

TAV Esenboğa

The breakdown of bank loans as at 30 June 2011 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	EUR	Euribor + 2,35	2021	86.516	84.941
Spot loan	TL	--	--	109	109
				86.625	85.050

The breakdown of bank loans as at 31 December 2010 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	EUR	Euribor + 2,35	2021	76.669	75.226
Spot loan	TL	--	--	109	109
				76.778	75.335

TAV İzmir

The breakdown of bank loans as at 30 June 2011 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	EUR	Euribor + 3,00	2013	28.521	29.122
				28.521	29.122

The breakdown of bank loans as at 31 December 2010 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	EUR	Euribor + 3,00	2013	31.322	31.939
				31.322	31.939

TAV Tiflis

The breakdown of bank loans as at 30 June 2011 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	USD	Libor + 4,50	2015	14.337	14.491
				14.337	14.491

The breakdown of bank loans as at 31 December 2010 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	USD	Libor + 4,50	2015	14.886	15.053
				14.886	15.053

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7 LOANS AND BORROWINGS (continued)

ATÜ

The breakdown of bank loans as at 30 June 2011 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	EUR	Euribor + 2,70	2015	5.811	5.790
Secured bank loans	EUR	6,00	2018	6.134	6.278
Secured bank loans	EUR	5,00	2015	2.760	2.763
Secured bank loans	EUR	5,00 - 5,20	2012	869	872
Secured bank loans	EUR	4,80 - 5,64	2016	644	658
Secured bank loans	TND	5,93	2013	279	279
Spot loan	TL	-	-	125	125
				16.622	16.765

The breakdown of bank loans as at 31 December 2010 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	EUR	Euribor + 2,70	2015	5.632	5.607
Secured bank loans	EUR	6,00	2018	5.350	5.481
Secured bank loans	EUR	5,00	2015	2.675	2.679
Secured bank loans	EUR	5,20	2012	574	598
Secured bank loans	EUR	5,00	2012	439	440
Secured bank loans	TND	5,93	2013	338	324
				15.008	15.129

HAVAS

The breakdown of bank loans as at 30 June 2011 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	EUR	Euribor + 4,75	2018	36.816	37.055
Secured bank loans	EUR	Euribor + 5,75	2017	12.272	12.171
Unsecured bank loans	EUR	Euribor + 3,50	2015	35	35
Spot loan	TL	--	--	885	885
				50.008	50.146

The breakdown of bank loans as at 31 December 2010 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	EUR	Euribor + 4,75	2018	32.112	32.221
Secured bank loans	EUR	Euribor + 5,75	2017	10.704	10.607
Unsecured bank loans	EUR	Euribor + 3,50	2015	18	18
Spot loan	TL	--	--	753	753
				43.587	43.599

TAV Makedonya

The breakdown of bank loans as at 30 June 2011 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	EUR	Euribor + 5,50	2020	31.040	28.933
				31.040	28.933

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7 LOANS AND BORROWINGS (continued)

TAV Makedonya

The breakdown of bank loans as at 31 December 2010 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	EUR	Euribor + 1,50	2011	10.704	10.616
				10.704	10.616

TAV Gazipaşa

The breakdown of bank loans as at 30 June 2011 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	EUR	4,00 - 4,25	2011	3.344	3.395
Secured bank loans	TL	8,50	2011	3.265	3.465
Secured bank loans	EUR	5,40	2012	3.068	3.086
				9.677	9.946

The breakdown of bank loans as at 31 December 2010 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	EUR	4,00 - 7,00	2011	5.593	5.756
Secured bank loans	TL	8,50	2011	3.265	3.320
				8.858	9.076

TGS

The breakdown of bank loans as at 30 June 2011 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Unsecured bank loans	TL	7,95	2011	2.612	2.633
				2.612	2.633

The breakdown of bank loans as at 31 December 2010 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Unsecured bank loans	TL	6,95-7,95	2011	6.269	6.306
				6.269	6.306

	<u>30 June 2011</u>	<u>31 December 2010</u>
Within one year	126.342	121.764
In the second year	96.049	67.073
In the third year	84.349	69.220
In the fourth year	77.803	62.399
In the fifth year and more than five years	369.302	340.015
	753.845	660.471

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7 LOANS AND BORROWINGS (continued)

TASS Denizcilik:

	<u>30 June 2011</u>	<u>31 December 2010</u>
TASS	367.610	--
İDO	37.464	--
	405.074	--

TASS Denizcilik

The breakdown of bank loans as at 30 June 2011 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans ⁽¹⁾	USD	Libor+4,9	2023	343.157	343.157
Secured bank loans ⁽²⁾	USD	Libor+5,5	2011	24.453	24.453
				367.610	367.610

Credit was used from Garanti, Vakıfbank, İş Bankası, TSKB and Denizbank within the context of privatization of İDO. Related credit is consist of two parts amounting USD 700.000 (Group share is USD 210.000) and USD 50.000 (Group share is USD 15.000)

⁽¹⁾ Related to loan, guarentee provided by Akfen is as follows: Akfen Holding shares pledged on Tass in favour of creditors. Moreover, Akfen Holding and other shareholders Tepe and Sera have completion guarentee from the begining of fiscal year 2012 until the loan is paid off completly for debt service coverage ratio in order to ensure that every year and renewal with an amount of 70% of USD 25.000 (USD 17.500). The remaining 30% guarentee is related to Souter. Souter's total liability limit is USD 30.000 and if Souter's liability limit exceeded and debt service coverage ratio has to be completed, Akfen Holding, Tepe and Sera have joint and several annual completion guarentee with a limit of USD 25.000. Shareholders can select of completion guarentee, under the conditions specified in the contract guarentee agreement (i)invest capital to TASS (ii) loan to TASS or (iii) provide letter of guarentee to creditors. Completion guarentee has been committed with other shareholders Tepe and Sera joint and successively.

⁽²⁾ USD 50.000 (Group share USD 15.000)TL indexed short-term credit. Akfen together with other shareholders Tepe and Sera have joint and successive guarentee with an amount of USD 35.000. Remaining guarentee with an amount of USD 15.000 related to Souter.

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7 LOANS AND BORROWINGS (continued)

İDO

The breakdown of bank loans as at 30 June 2011 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans ⁽¹⁾	USD	Libor + 0,22	2014	13.981	13.981
Secured bank loans ⁽¹⁾	USD	Libor + 0,13	2017	19.325	19.325
Secured bank loans ⁽¹⁾	USD	Libor + 1,65	2012	1.877	1.877
Secured bank loans ⁽²⁾	USD	Libor + 0,85	2012	2.281	2.281
				37.464	37.464

⁽¹⁾ Sureties given by İstanbul Büyükşehir Belediyesi

⁽²⁾ Pledged vessels given below.

<u>Vessel</u>	<u>Currency</u>	<u>Degree</u>	<u>Mortgage amount</u>	<u>Akfen Share</u>
Recep Tayyip Erdoğan	USD	1. Degree 1. Rank	38.160	11.448
Fatih Sultan Mehmet-I	USD	1. Degree 1. Rank	38.160	11.448
Kaptan Paşa	USD	2. Degree 1. Rank	6.360	1.908
Oruç Reis-V	USD	2. Degree 1. Rank	6.360	1.908
Piri Reis-II	USD	2. Degree 1. Rank	6.360	1.908
Hızır Reis-III	USD	2. Degree 1. Rank	6.360	1.908
Temel Reis-II	USD	2. Degree 2. Rank	6.360	1.908
Seydi Ali Reis-I	USD	2. Degree 2. Rank	6.360	1.908
			114.480	34.344

	<u>30 June 2011</u>	<u>31 December 2010</u>
Within one year	64.778	--
In the second year	31.191	--
In the third year	38.527	--
In the fourth year	41.655	--
In the fifth year and more than five years	228.923	--
	405.074	--

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8 DERIVATIVE FINANCIAL INSTRUMENTS

Current Derivative Financial Instruments

As at 30 June 2011 and 31 December 2010 current financial liabilities comprised the followings:

	30 June 2011		
	Assets	Liabilities	Net Amount
Interest rate swap	310	(51.701)	(51.391)
Cross currency swap	--	(11.437)	(11.437)
	310	(63.138)	(62.828)

	31 December 2010		
	Assets	Liabilities	Net Amount
Interest rate swap	--	(53.246)	(53.246)
Cross currency swap	--	(2.934)	(2.934)
	--	(56.180)	(56.180)

Interest rate swap

TAV Esenboğa uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 30 June 2011, 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 (31 December 2010: 100%).

TAV Tunisia uses interest rate swaps to manage its exposure to interest rate fluctuations on its bank borrowings. As at 30 June 2011, 85% of floating senior bank loan is hedged through IRS contract during the life of the loan with an amortising schedule depending on repayment of the loan (31 December 2010: 85%).

TAV İstanbul uses interest rate swaps to manage its exposure to interest rate fluctuations on its bank borrowings. As at 30 June 2011, 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 (31 December 2010: 100%).

TAV İzmir uses interest rate derivative to manage its exposure to interest rate fluctuations on its bank borrowings. As at 30 June 2011, 55% of total project finance loan is hedged through IRS contract (31 December 2010: 65%).

HAVAŞ uses interest rate derivative to manage its exposure to interest rate fluctuations on its bank borrowings. As at 30 June 2011, 50% of total loan is hedged through IRS contract (31 December 2010: 50%).

TAV Macedonia uses interest rate derivative to manage its exposure to interest rate fluctuations on its bank borrowings. As at 30 June 2011, 100% of total loan is hedged through IRS contract (31 December 2010: None).

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8 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Cross currency swap

TAV İstanbul uses cross currency swaps to manage its exposure to foreign currency exchange rate fluctuations on its rent installments that will be paid to DHMİ in terms of USD.

TAV İstanbul had signed a derivative contract with Dexia Credit Local (“DCL”) on 12 March 2008 to manage and fix its exposure on foreign currency exchange rate fluctuations between USD and EUR on the rent installments that will be paid to DHMİ till 2018. TAV İstanbul terminated the hedge relationship in 2010 and two new cross currency swap contracts were signed by and between TAV İstanbul, DCL, and ING Bank N.V. on 16 December 2010. The total notional amount of the contract is USD 101.049 (in exchange of EUR 76.669) as at 30 June 2011 (31 December 2010: USD 108.784 (in exchange of USD 82.538)).

The fair value of derivatives at 30 June 2011 is estimated at TL 62.828 (31 December 2010: TL 56.180). This amount is based on market values of equivalent instruments at the reporting date.

Since the Group applied hedge accounting as at 30 June 2011, changes in the fair value of these interest rate swaps and cross currency swaps are reflected to other comprehensive income resulting to a gain of TL 2.407 (30 June 2010: a gain of TL 3.656), net of tax.

Non-current derivative financial instruments

As at 30 June 2011 and 31 December 2010 non-current financial liabilities comprised of MIP and Hes Group Companies derivative instruments.

MIP uses interest rate swap to manage its exposure to interest rate movements on 75% of its Senior Debt Loan from Bayerische Hypo-und Vereinsbank AG and ABN Amro Bank.

HEPP group uses interest rate swap to manage its exposure to Euribor interest rate movements on 75% of its loan.

As at 30 June 2011 and 31 December 2010 non-current financial liabilities comprised of the followings:

	30 June 2011		
	Assets	Liabilities	Net Amount
Interest rate swap	--	(55.329)	(55.329)
	--	(55.329)	(55.329)
	31 December 2010		
	Assets	Liabilities	Net Amount
Interest rate swap	--	(50.354)	(50.354)
	--	(50.354)	(50.354)

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9 RESTRICTED CASH

As at 30 June 2011 and 31 December 2010 short term restricted cash is comprised of the time deposits which are kept at bank as a guarantee for the loans used;

	30 June 2011	31 December 2010
Akfen Holding	122.265	115.950
Havaş	5.195	6.706
TAV İnşaat	--	724
	127.460	123.380

10 TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables

As at 30 June 2011 and 31 December 2010 current trade receivables comprised the following:

	30 June 2011	31 December 2010
Due from related parties (Note 27)	12.013	12.039
Other trade receivables	234.935	220.572
	246.948	232.611

As at 30 June 2011 and 31 December 2010 other trade receivables are comprised the following:

	30 June 2011	31 December 2010
Due from customers for contract work (Note 13)	88.538	82.912
Trade receivables	71.483	47.467
Contract receivables	52.693	71.912
Guaranteed passenger fee receivable from DHMİ	12.857	11.050
Retentions held by employer	12.500	11.811
Notes receivable	990	1.221
Allowances for doubtful receivables (-)	(4.126)	(5.801)
	234.935	220.572

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 UFRYK 12 application.

Retentions held by the employer as guarantee are retentions held from progress payments to specified contractual rates. Such guarantees are collected following the completion of the project.

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10 TRADE RECEIVABLES AND PAYABLES (continued)

Long-term trade receivables

As at 30 June 2011 and 31 December 2010 non-current trade receivables are comprised the following:

	<u>30 June 2011</u>	<u>31 December 2010</u>
Due from related parties (Note 27)	4.000	2.007
Other trade receivables	145.533	109.351
	149.533	111.358

As at 30 June 2011 and 31 December 2010 long term trade receivables are comprised the following.

	<u>30 June 2011</u>	<u>31 December 2010</u>
Guarenteed passanger fee receivable from DHMI(*)	63.847	60.913
Retentions held by employer	56.635	33.316
Guarenteed receivables from OSB(**)	14.882	15.122
Due from customers for contract work (Note 13)	10.169	--
	145.533	109.351

(*)Guaranteed passenger fee receivable represents the remaining discounted guaranteed passenger fee to be received from DHMI according to the agreements made for the operations of Ankara Esenboğa Airport and İzmir Adnan Menderes Airport as a result of UFRYK 12 application.

(**)TASK Dilovaşı is bound by the terms of the BOT Agreements made with Dilovaşı Organize Sanayi Bölgesi Müdürlüğü ("OSB"). According to the BOT agreement, TASK Dilovaşı has guaranteed minimum waste water for the specified years to be received from OSB. The agreement covers a period up to the year 2037.

Short-term trade payables

As at 30 June 2011 and 31 December 2010 current trade payables of the Group are comprised the following:

	<u>30 June 2011</u>	<u>31 December 2010</u>
Due to related parties (Note 27)	12.171	16.043
Other trade payables	116.423	106.802
	128.594	122.845

As at 30 June 2011 and 31 December 2010 other current trade payables are comprised the following:

	<u>30 June 2011</u>	<u>31 December 2010</u>
Trade payables	104.783	95.238
Retentions held by the Group	8.177	6.122
Customers for contract work (Note 13)	3.463	5.442
	116.423	106.802

Trade payables consist of payables to the suppliers for construction in progress activities, payables to subcontractors and payables to insurance companies. Currency risk related with trade payables is explained in Note 28.

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10 TRADE RECEIVABLES AND PAYABLES (continued)

Long-term trade payables

As at 30 June 2011 and 31 December 2010 non-current trade payables are comprised the following:

	<u>30 June</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Due to related parties (Note 27)	51	--
Other trade payables	27.351	21.329
	<u>27.402</u>	<u>21.329</u>

As at 30 June 2011 and 31 December 2010 other non-current payables are comprised the following:

	<u>30 June</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Retentions held by the Group	27.101	21.073
Other trade payables	250	256
	<u>27.351</u>	<u>21.329</u>

11 OTHER RECEIVABLES and PAYABLES

Other short-term receivables

As at 30 June 2011 and 31 December 2010 other short-term receivables are comprised the following:

	<u>30 June</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Due from related parties (Note 27)	12.832	10.514
Other non-trade receivables	16.466	4.498
	<u>29.298</u>	<u>15.012</u>

Other long-term receivables

As at 30 June 2011 and 31 December 2010 other long-term receivables of the Group are as follows:

	<u>30 June</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Due to related parties (Note 27)	24.047	24.465
Other payables	654	1.934
	<u>24.701</u>	<u>26.399</u>

As at 30 June 2011 non-current portion of other receivables TL 269 (31 December 2010: TL 1.934) includes deposits and guarantees given.

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11 OTHER RECEIVABLES and PAYABLES (continued)

Other short-term payables

As at 30 June 2011 and 31 December 2010 other current payables of the Group are as follows:

	<u>30 June</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Due to related Parties (Note 27)	19.470	14.323
Other Payables	96.364	108.975
	<u>115.834</u>	<u>123.298</u>

As at 30 June 2011 and 31 December 2010 other current payables comprised the following:

	<u>30 June</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Advances received	54.212	66.507
Taxes and duties payable	9.561	3.681
Corporate tax payable	8.654	9.516
TAV Tunus concession payable	8.384	10.012
Due to personnel	7.904	6.972
Deposits and guarantees received	6.269	10.532
Other payables	1.380	1.755
	<u>96.364</u>	<u>108.975</u>

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 concession agreement TAV Tunus is obliged to pay between 11 % and 26 % of the total revenues of Monastir and Enfidha Airports for 40 years.

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11 OTHER RECEIVABLES and PAYABLES (continued)

Other long-term payables

As at 30 June 2011 and 31 December 2010 non-current payables of the Group are as follows:

	<u>30 June</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Due to related parties (Note 27)	16.202	14.607
Other payables	32.435	26.141
	<u>48.637</u>	<u>40.748</u>

As at 30 June 2011 and 31 December 2010 other payables mainly comprised of advances received from employers for construction projects and tax obligation due to increase in tax base (Note 25).

12 INVENTORIES

As at 30 June 2011 and 31 December 2010, inventories comprised the following:

	<u>30 June</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Spare parts	8.773	3.106
Tax-free shop inventory	6.283	3.635
Other inventory	2.633	1.464
	<u>17.689</u>	<u>8.205</u>

As at 30 June 2011 and 31 December 2010 Tax-free shop inventory belongs to Tav Havalimanları and spare parts belongs to TASS and TAV Havalimanları.

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13 DUE FROM/DUE TO CUSTOMERS FOR CONTRACT WORK

As at 30 June 2011 and 31 December 2010 details of uncompleted contracts are as follows:

	<u>30 June</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Total costs incurred on uncompleted contracts	1.275.514	1.044.752
Estimated earnings/(costs)	64.671	58.900
Total estimated revenue on uncompleted contracts	1.340.185	1.103.652
Less: Billings to date	(1.244.941)	(1.026.182)
Net amounts due from (due to) customers for contract work	95.244	77.470

The portion of due from/due to contractual works included in consolidated balance sheet is as follows:

	<u>30 June</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Due from customers for contract work (Note 10)	98.707	82.912
Due to customers for contract work (Note 10)	(3.463)	(5.442)
	95.244	77.470

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14 INVESTMENT PROPERTY

Movements of investment property during the periods ended 30 June 2011 and December 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Net book value, opening	658.758	531.647
Effect of change in group structure	--	(15.743)
Additions	24.255	22.481
Disposals	--	(30.794)
Increase in value	124.204	16.377
Net book value, closing	807.217	523.968

Increase in fair value

As at 30 June 2011 increase in fair value of investment properties owned by Akfen GYO comprised of NOVOTEL/İBİS Kayseri Hotel's valuation amount TL 4.598, Mercure Hotel's valuation amount TL 14.284, NOVOTEL Trabzon Hotel valuation amount TL 4.688, NOVOTEL/İBİS Gaziantep Hotel valuation amount TL 6.542, NOVOTEL/İBİS Zeytinburnu Hotel valuation amount TL 9.940, IBIS Bursa hotel valuation amount TL 3.378 and IBIS Eskişehir Hotel valuation amount TL 1.335. As at 30 June 2011 increase in value of investment properties in progress amount TL 1.650 comprised of İBİS İzmir Hotel valuation, İBİS Esenyurt Hotel and IBIS Adana Hotel valuation, whereas amount TL 77.879 attributable to Karaköy Hotel Project valuation. Those increases are accounted in other operating income for the period ended at 30 June 2011.

Additions

Major additions occurred in six month interim period ended with 30 June 2011 and 2010 comprised of Akfen GYO, RHI and RPI additions.

Mortgage and pledge

As at 30 June 2011 investment properties owned by Akfen GYO and Akfen İnşaat encumbered with a mortgage amount of TL.

483.770. (31 December 2010: TL 454.388)

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15 PROPERTY and EQUIPMENT

Six months movements of property, plant and equipment and related accumulated depreciation during the periods ended 30 June 2011 and 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Balance at 1 January		
Cost	627.950	384.088
Accumulated amortization	(89.497)	(77.922)
Net book value	<u>538.453</u>	<u>306.166</u>
Net book value, opening	538.453	306.166
Effect of business combinations (Note:2.1.f)	148.089	--
Effect of change in group structure	--	(1.748)
Additions (*)	115.286	147.605
Impairment	--	(3.495)
Translation difference	10.839	(6.634)
Disposals	(4.040)	(9.334)
Depreciation for the period	(11.364)	(10.558)
Transfers to intangibles	(124)	(173)
Net book value, closing	<u>797.139</u>	<u>421.829</u>
Balance at 30 June		
Cost	982.134	517.924
Accumulated depreciation	(184.995)	(96.095)
Net book value	<u>797.139</u>	<u>421.829</u>

(*)As at 30 June 2011 additions are mainly comprised of HEPP project amounting to TL 95.358 (83%)

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16 INTANGIBLE ASSETS and GOODWILL

Intangible assets

Movements of intangible assetst and related accumulated depreciation during the six months periods ended 30 June 2011 and 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Balance at 1 January		
Cost	1.155.995	1.137.353
Accumulated amortization	(132.241)	(94.734)
Net book value	1.023.754	1.042.619
Net book value, opening	1.023.754	1.042.619
Effect of business combinations (Note:2.1.f)	77	--
Effect of change in group structure	--	(23)
Additions	31.781	9.212
Transfer from property and equipment	124	173
Translation differences	87.838	(19.919)
Disposals	(597)	--
Amortization for current period	(21.145)	(19.795)
Net book value, closing	1.121.832	1.012.267
Balance at 30 June		
Cost	1.289.073	1.123.565
Accumulated amortization	(167.241)	(111.298)
Net book value	1.121.832	1.012.267

Goodwill

Cost

Balance at 1 January	116.777
Translation differences	(4.397)
Additions	1.401
Balaance at 31 December 2010	113.781
Balance at 1 January	113.781
Translation differences	12.072
Additions(*)	289.524
Balance at 30 June 2011	415.377

(*) As at 30 June 2011 TL 289.524 goodwill resulting from acquisition of IDO, of which details are disclosed in 2.1.f, provisionally booked to consolidated financial statements. Final estimation will be completed within one year.

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17 COMMITMENT and CONTINGENCIES

(a) Commitments, Pledges and Mortgages

As at 30 June 2011 and 31 December 2010, the group's position related to letter of guarantees given, Pledges and Mortgages were as follows:

Commitments, Pledges, Mortgages ("CPM") are given by the Group	<u>30 June</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
A. Total amount of CPM is given on behalf of own legal personality	1.106.734	962.280
B. Total amount of CPM is given in favor of subsidiaries which are fully consolidated	1.548.980	1.276.063
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	285.608	218.921
i. Total amount of CPM is given in favor of parent company	180.853	135.096
ii. Total amount of CPM is given in favor of other group companies, which B and C doesn't include	104.755	83.825
iii. The amount of CPM is given in favor of third party which C doesn't include	--	--
	<u>2.941.322</u>	<u>2.457.264</u>

As at 30 June 2011, balances of commitments, pledges and mortgages given by Group on behalf of its own legal personallity are Euro 360.247 and USD 123.281 (31 December 2010: Euro 276.501 and USD 186.618). As at 30 June 2011, balances of commitments, pledges and mortgages given by Group to its subsidiaries included in the consolidation are Euro 316.422, USD 225.896 and other^(*) currency 332.857 (31 December of 2010: Euro 289.768, USD 50,977 and other currency 293.208). As at 30 June 2011, balances of commitments, pledges and mortgages given by Group in favour of main shareholder are Euro 32.648 and USD 127.229 (31 December of 2010: Euro 26.000 and USD 106.202).

(*) Other is presented as TL equivalent. As at 30 June 2011, total amount of other CPM given by the group is 304% (2010:257%) of the Group's equity.

(b) Letter of Guarantees Received

Akfen Holding and its subsidiaries have also received letters of guarantee, cheques and securities amounting to TL 149.395 in total as at 30 June 2011 (31 December 2010: TL 144.828) from subcontractors. Letters of guarantees comprise of securities given to Akfen Holding and its subsidiaries construction companies amounting to TL 14.316 (31 December 2010:TL 15.990) and hydroelectric production companies amounting to TL 33.463 (31 December 2010: TL 29.219), The jointly control entities has received the letters of guarantee, cheques and sureties amounting to TL 91.930 (Group's share: TL 32.434) (31 December 2010: TL 18.526 (Group's share: TL 9.263))

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18 OTHER ASSETS and LIABILITIES

Other current assets

As at 30 June 2011 and 31 December 2010 other current assets comprised the following:

	<u>30 June 2011</u>	<u>31 December 2010</u>
Prepaid concession expenses	73.065	65.612
Advance given to subcontractors	43.455	46.082
VAT carried forward	40.367	32.486
Accrued income	17.165	8.436
Prepaid expenses	18.019	8.915
Job advances	14.733	1.427
Advances given to suppliers	6.517	12.342
Prepaid taxes and funds	2.224	5.172
Taxes and funds to be refunded	716	1.663
Other	6.756	8.390
	<u>223.017</u>	<u>190.525</u>

As at 30 June 2011 prepaid concession expenses are belong to Tav Havalimanları. Advances given to subcontractors comprised of advances given to subcontractors from Akfen İnşaat and Tav İnşaat. VAT carried forward comprised of Mersin Limanı and Tav İnşaat. Accrued income consist of insurance income resulting from the damage and loss of labor in generators of Trijeneration Project damage of Tav Holding and accrued income from construction business of Akfen İnşaat and TAV.

Other non-current assets

As at 30 June 2011 and 31 December 2010 other non-current assets comprised the following:

	<u>30 June 2011</u>	<u>31 December 2010</u>
Carried forward VAT	92.243	84.924
Prepaid concession expense	79.838	44.039
Accrued income	17.685	17.685
Prepaid expenses	13.622	1.451
Advances given	12.832	12.697
Taxes and funds to be refunded	10.840	9.567
Advance given to subcontractors	296	8.699
Other	764	238
	<u>228.120</u>	<u>179.300</u>

As at 30 June 2011 prepaid concession amounting to TL 79.838 is related to Tav Havalimanları (31 December 2010: TL 44.039).

As at 30 June 2011, VAT carried forward is mainly related to the VAT incurred from capital expenditures amounting to TL 62.478 (31 December 2010: TL 52.868) 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 30 June 2011 VAT carried forward related to Akfen GYO is TL 26.791 (31 December 2010: TL 27.152). According to the new Corporate Tax Law, revenues of real estate investment companies are exempt from corporate tax. However, purchases of construction materials are subject to 18% VAT.

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18 OTHER ASSETS and LIABILITIES (continued)

Other current liabilities

As at 30 June 2011 other current liabilities consist of expense accrual amounting to TL 28.115 related to TAV Yatırım, provisions to subcontractors of Akfen Holding's Hepp and Hotel projects amounting to TL 8.602 and deferred income amounting to TL 5.396 related to TAV Havalimanları.

As of 31 December 2010, 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 25.679, provisions related to subcontractors of HES projects of Akfen Insaat, Loft 2 and Bursa Hotel projects amounting to TL 4.021, bonus provision and provision for unreceived invoices of MIP amounting to TL 2.292.

As at 30 June 2011 and 31 December 2010 other non-current liabilities comprised the following:

	<u>30 June 2011</u>	<u>31 December 2010</u>
Deferred income	12.691	11.608
Other	572	1.052
	<u>13.263</u>	<u>12.660</u>

19 EQUITY

As at 30 June 2011 and 31 December 2010, the shareholding structure of the Company based on the number of shares is presented below:

	<u>30 June 2011</u>		<u>31 December 2010</u>	
	<u>Shares</u>	<u>% of ownership</u>	<u>Shares</u>	<u>% of ownership</u>
Hamdi Akin	99.209	68,18	99.209	68,18
Akfen İnşaat	3.995	2,75	3.995	2,75
Other non-publicly traded shares	1.180	0,81	1.180	0,81
Publicly traded shares	41.116	28,26	41.116	28,26
Paid in capital (nominal)	<u>145.500</u>	<u>100</u>	<u>145.500</u>	<u>100</u>

As at 30 June 2011 and 31 December 2010 there is no pledge on Akfen Holding shares.

As at 30 June 2011 the number of shares is 145.500,00 with a par value of TL 1 each. As at 30 June 2011 capital amounting to TL 145.500 has been paid.

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19 EQUITY (continued)

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 combinations 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.

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 the revaluation surplus as at 30 June 2011 and 31 December 2010.

Translation reserve

As at 30 June 2011 the translation reserve amounting TL 61.721 (31 December 2010: 17.914 TL) 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.

Restricted reserves

Retained earnings as per statutory financial statements, other than legal reserve requirements, are available for distribution subject to legal reserve requirement referred to below:

The legal reserve consist 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 statutory 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.

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 30 June 2011 the hedging reserve amounting, TL 74.819 is recognized in equity which is related to the interest rate swap contracts made in 2010 by HEPP Group MIP and TAV Havalimanları (31 December 2010: 71.363 TL MIP and TAV Havalimanları "swap"agreements)

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19 EQUITY (continued)

Other reserves

Other reserve comprises all gain or loss realized on sale of non-controlling interest in a subsidiary. The Board of Directors of Akfen GYO decided to increase the share capital with an amount of TL 46.000 on 24 January 2011. The public offering of shares was held on 11 May 2011 for 54.117.500 units of shares including the Company's existing 8,117,500 units of shares with a nominal value of TL 8.118 owned by Akfen Holding and the share capital increased by 46.000.000 units of shares. In the days following the public offering Akfen Holding purchased 8.040.787 unit shares to maintain price stability. The transactions causing a change in ownership power without losing control are accounted under other reserves in equity after netting off the transaction cost.

Share premium

The surplus of the sales price over the nominal value of the shares amounted to TL 90.505 and TL 364.277 during the initial public offering of the shares at 14 May 2010 and 24 November 2010 were accounted as share premium.

Non-controlling interest

The portion of the net assets in subsidiaries which are not directly or indirectly controlled by the main shareholder are classified as "non-controlling interest"

The amounts classified in "non-controlling interest" as at 30 June 2011 and 31 December 2010 are TL 342.118 and TL 160.605 respectively. The portion of the profit/(loss) for the period in subsidiaries which are not directly or indirectly controlled by the main shareholder are classified as "non-controlling interest" in consolidated income statement. The amounts classified in "non-controlling interest" as at 30 June 2011 and 2010 are TL 51.310 and TL 3.281.

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20 OTHER OPERATING INCOME

For the six months periods ended 30 June 2011 and 2010 other operating income comprised the following:

	1 January- 30 June 2011	1 April- 30 June 2011	1 January- 30 June 2010	1 April- 30 June 2010
Other operating income				
Increase in value of investment property (note 14)	124.204	76.799	16.377	16.377
Gain on sale of investment(*)	161	161	8.877	--
Insurance income(**)	--	--	4.161	4.161
Advertisement income(***)	3.860	2.058	3.147	1.643
Rent income (****)	3.136	1.784	2.193	997
Other	4.968	3.911	6.485	3.811
	136.329	84.713	41.240	26.989

(*)For the six-month period ended as as at 30 June 2010, gain on sale of investment is comprised of sale of Akfen Gayrimenkul Yatırımları shares.

(**) For the six-month period ended as 30 June 2011, for the damage occurred on the generators of the Trigeneration Project of TAV İstanbul. Insurance income is accrued for the receivables from insurance companies.

(***) The revenues earned from billboards at airports are accounted under the operating income as advertisement income.

(****) Rent income comprised of rent income obtained from sub companies of BTA and ATÜ.

21 OTHER OPERATING EXPENSE

As at 30 June 2011 Akfen Holding and its subsidiaries take advantage of 6111 numbered tax assessment increase with VAT amounting to TL 10.861 and tax reconsilation related to stamp tax accounted under other operating expenses.

As at 30 June 2010 loss on sale of investment propert with an amount of TL 15.100 is accounted under other operating expense.

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22 FINANCE INCOME

For the periods ended 30 June 2011 and 2010 financial income comprised the following.

	1 January- 30 June 2011	1 April- 30 June 2011	1 January- 30 June 2010	1 April- 30 June 2010
Finance income				
Foreign exchange gain	43.275	32.269	91.496	54.933
Interest income	13.553	7.146	6.318	3.042
Discount income related to IFRIC 12 ^(*)	3.819	2.447	2.109	1.225
Other	958	779	667	(781)
	61.605	42.641	100.590	58.419

^(*)Discount income includes unwinding of discount on guaranteed passenger fee receivables from DHMI (concession receivables).

For the periods ended 30 June 2011 and 2010 financial income/(expenses) accounted in other comprehensive income are as follows:

	1 January- 30 June 2011	1 April- 30 June 2011	1 January- 30 June 2010	1 April- 30 June 2010
Foreign currency translation differences	49.800	30.081	(17.615)	(5.045)
Hedging reserve	(2.183)	(10.499)	(13.403)	(5.613)
Tax income/(expense) for other comprehensive income	(37)	1.800	(232)	(304)
	47.580	21.382	(31.250)	(10.962)

23 FINANCE EXPENSES

For the periods ended 30 June 2011 and 2010 finance expense is comprised of the following:

	1 January- 30 June 2011	1 April- 30 June 2011	1 January- 30 June 2010	1 April- 30 June 2010
Finance expense				
Financial expenses	116.244	69.583	80.615	42.898
Foreign exchange loss	121.230	82.656	69.164	43.764
Other	2.336	1.053	3.100	1.485
	239.810	153.292	152.879	88.147

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24 ASSET CLASSIFIED AS HELD FOR SALE and DISCONTINUED OPERATIONS

Profit from discontinued operations, net of tax

The Group, has sold its shares in %99,87 owned Akfen Danışmanlık to Hamdi Akın, Selim Akın and Pelin Akın; on March 10 , %100 owned Akfen Turizm and Akınısı on March 18, %42.50 owned Artı Döviz on April 5 and %37 owned IBS shares to Akfen Altyapı Danışmanlık.

For the six months periods ended 30 June 2011 and 2010 profit for the period of Akfen Altyapı Danışmanlık, Akınısı, Akfen Turizm, Artı Döviz IBS is classified as “profit from discontinued operations, net of tax” for the consolidated financial statements.

	1 January- 30 June 2011	1 April- 30 June 2011	1 January- 30 June 2010	1 April- 30 June 2010
Revenue	--	--	14.292	--
Cost of sales	--	--	(9.387)	--
Other income	--	--	83	--
Other expenses	--	--	(23)	--
General administrative expenses	--	--	(2.481)	65
Finance income	--	--	828	--
Finance expense	--	--	(651)	--
Tax income/expense	--	--	(491)	(16)
Non controlling share	--	--	--	--
Profit/(Loss) for the period	--	--	2.170	49
Gain of sale of investments (Turizm, Akınısı ve Altyapı Danışmanlık)	--	--	15.056	(2.296)
	--	--	17.226	(2.247)

25 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.

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25 TAXATION (continued)

Corporate tax (continued):

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 Communiqué 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.

Georgian corporate income tax is levied at a rate of 15% on income less deductible expenses.

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.

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25 TAXATION (continued)

Corporate tax (continued):

In accordance with the Code numbered 5266 which is published in Official Register in 9 December 2004, income acquired from vessel registered to The International Ship Registry of Turkey is exempt from the corporate tax. In this context, IDO's income acquired from its registered ships had been exempt in the calculation of corporate tax base and expenses made to the related vessels to generate this income had been considered as a non-deductible expense.

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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25 TAXATION (continued)

Investment allowance: (continued):

As per the annulment decision of the Turkish Constitutional Court (see Note 16), TAV Esenboğa and TAV İzmir, consolidated subsidiaries of the Company, are subject to investment allowance ruling and can use their available allowances to reduce their taxable corporate income without any time limitations. Accordingly, deferred tax asset amounting to TL 8.874 (31 December 2010: TL 8.802) on such investment allowance is recorded in the accompanying consolidated interim financial statements as at 30 June 2011 considering the fact that TAV Esenboğa and TAV İzmir may use their right of deducting investment allowances from their corporate income in the future.

New treatment on investment incentive was introduced by the Law no. 6009 “Law on the Amendment of the Income Tax Law and Certain Laws and Decree Laws” which was promulgated in the Official Gazette on 1 August 2010. The Article 5 of the Law regulates the amount of investment incentive to be benefited in computing the corporate tax base after the cancellation of the clause no.2 of the Article of the Law no. 5479. According to the Law no. 6009, the taxpayers are allowed to benefit from the investment incentive stemming from the periods before the promulgation of the Law no. 5479 up to 25% of the taxable income of the respective tax period.

The Group has recognised deferred tax assets on the capital expenditures subject to 100% of investment allowance is amounted to TL 16.012 (31 December 2010: TL 16.012) completed until 31 December 2008 in Northern Cyprus.

The Law numbered 6111

The Law numbered 6111 has been put into effect following its promulgation in the Official Gazette on 25 February 2011. According to the law, no tax investigation or tax assessment regarding corporate and value added taxes will be made for the tax-payers who increase their tax bases for the years between 2006 and 2009.

Some of the subsidiaries of Akfen Holding have benefited from the aforementioned law for the fiscal years 2006-2009 for corporate and value added taxes by increasing their tax bases, which resulted in additional and corporate taxes amounting to TL 6.044 and VAT amounting to TL10.831. The related corporate tax expense is included in the current tax expense for the period as an adjustment for prior periods in the accompanying consolidated interim financial statements. VAT amounting to 10.861 TL and stamp tax accounted under other operating expenses (note 21).

As at 30 June 2011 in this context tax liability to be paid amounting to TL 8.707 under short term other non-trade payables and amounting to TL 6.588 under long term non-trade payables.

The taxation charge for the years ended 30 June 2011 and 2010 comprised the following items:

	1 January- 30 June 2011	1 April- 30 June 2011	1 January- 30 June 2010	1 April- 30 June 2010
Current corporation and income tax expense	(15.010)	(11.980)	(13.176)	(7.424)
Deferred tax benefits	(2.567)	3.753	2.779	(236)
Total tax expense	(17.577)	(8.227)	(10.397)	(7.660)

25.1 Deferred tax assets and liabilities

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.

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25 TAXATION (continued)

25.1 Deferred tax assets and liabilities (continued)

Recognised deferred tax assets and liabilities

Deferred tax assets and deferred tax liabilities as at 30 June 2011 and 31 December 2010 were attributable to the items detailed in the table below:

	<u>Assets</u>		<u>Liabilities</u>		<u>Net</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Trade and other receivables	942	1.201	(873)	(785)	69	416
Airport operation right	--	7.286	--	(7.752)	--	(466)
Intangible assets	21.134	3.257	(22.953)	(17.395)	(1.819)	(14.138)
Effect of IAS 11 application	8.474	9.959	(6.366)	(2.477)	2.108	7.482
Effect of IFRIC 12 application	--	--	(708)	(673)	(708)	(673)
Derivatives	23.380	20.641	(62)	--	23.318	20.641
Concession fee	--	--	(5.002)	(2.346)	(5.002)	(2.346)
Investment incentive	24.886	24.813	--	--	24.886	24.813
Investment property	2.926	5.845	(30.158)	(23.922)	(27.232)	(18.077)
Tax loss carry-forward	34.475	28.159	--	--	34.475	28.159
Investment incentive	3.550	1.905	(2.082)	(4.004)	1.468	(2.099)
Investment property	4.104	5.493	(616)	(3.674)	3.488	1.819
Investment incentive	123.871	108.559	(68.820)	(63.028)	55.051	45.531
Investment property	(48.580)	(41.789)	48.580	41.789	--	--
Total deferred tax assets/(liabilities)	75.291	66.770	(20.240)	(21.239)	55.051	45.531

According to the Tax Procedural Law, statutory losses can be carried forward maximum for five years. Consequently, 2016 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 2011 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 34.475 (31 December 2010: TL 28.159) will be realisable; hence, such realisable deferred tax assets are recognised in the consolidated financial statements

Unrecognized deferred tax assets and liabilities

At the balance sheet date, the Group has statutory tax losses of TL 224.132 (31 December 2010: TL 168.227) available for offset against future profits. Deferred tax asset amounting TL 11.258 (31 December 2010: TL 6.165) has not been recognized in respect of the statutory tax losses carried forward. Such losses carried forward expire until 2016. 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:

	<u>30 June 2011</u>	<u>31 December 2010</u>
Expire in 2011	5.256	4.447
Expire in 2012	10.344	8.490
Expire in 2013	66.626	116.231
Expire in 2014	56.836	21.329
Expire in 2015	24.857	17.730
Expire in 2016	60.213	--
	224.132	168.227
Used tax losses	(167.841)	(137.399)
Unused tax losses	56.291	30.828

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25 TAXATION *(continued)*

25.1 Deferred tax assets and liabilities *(continued)*

Unrecognized deferred tax assets and liabilities

As at 30 June 2011 deferred tax has occurred due to investment incentive amounting to TL 13.122 (31 December 2010: TL 12.220) related with TAV Havalimanları.

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.

26 EARNING PER SHARE

For the periods ended 30 June 2011 and 2010 amounts of earning per share as TL (68.360) (2010: TL 4.593), respectively is calculated by dividing the consolidated statement of comprehensive income/(loss) on attributable to main shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

	1 January- 30 June 2011	1 April- 30 June 2011	1 January- 30 June 2010	1 April- 30 June 2010
Income/(loss) on attributable to main shareholders of the Company	(68.360)	(52.819)	4.593	(19.321)
The weighted average number of shares outstanding during the period	145,500,000	145,500,000	106,736,112	108,958,334
Profit/(loss) per share from operations (full TL)	(0,469)	(0,363)	0,043	(0,177)

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27 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.

27.1 Related party balances

At 30 June 2011 and 31 December 2010, the Group had the following short term trade receivables balances from its related parties:

	<u>30 June</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
<i>Short term trade receivables</i>		
Sky Oryx Joint Venture	5.703	475
Sera Yapı End. ve Tic. A.Ş. (Sera Yapı)	2.394	3
ATÜ	1.657	858
Alsim Alarko Sanayi Tes. Tic. A.Ş.	1.256	--
Akfen Gayrimenkul Yatırım Ticaret A.Ş.	446	3.510
Odebrecht TAV LCCC JV ("ODTC JV")	--	3.956
LCC Sabha Uluslararası Havalimanı Projesi	--	1.947
TAV Tunus	--	23
Task Water B.V.	--	16
Other	557	1.251
	12.013	12.039

At 30 June 2011 and 31 December 2010, the Group had the following short term other receivables balances from its related parties:

	<u>30 June</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
TASK WATER B.V.	6.343	5.533
Tepe İnşaat	3.451	3.248
Sera Yapı	865	785
CAS	281	261
TAV Tunus	--	84
Other	1.892	603
	12.832	10.514

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27 RELATED PARTY DISCLOSURES (continued)

At 30 June 2011 and 31 December 2010, the Group had the following long term trade receivables balances from its related parties:

<i>Long term trade receivables</i>	<u>30 June</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Sky Oryx Joint Venture	1.192	574
Kirazlı Konutları Adi Ortaklığı	1.320	--
Alarko-Akfen İnş.Ort.Girişim	468	--
Other	1.020	1.433
	4.000	2.007

At 30 June 2011 and 31 December 2010, the Group had the following long term non-trade receivables balances from its related parties:

<i>Long term non-trade receivables</i>	<u>30 June</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Akfen Turizm	7.620	7.177
Akınısı	7.112	6.723
Akfen Gayrimenkul Yatırımları Ticaret A.Ş.	3.992	1.191
Mustafa Keten	2.471	2.150
Hyper Foreign	2.066	2.072
Selim Akın	713	1.037
İbrahim Süha Güçsav	--	1.961
Kirazlı Konutları Adi Ortaklığı	--	1.321
Other	73	833
	24.047	24.465

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27 RELATED PARTY DISCLOSURES (continued)

At 30 June 2011 and 31 December 2010, the Group had the following short term trade payables to its related parties:

<i>Short term trade payables</i>	<u>30 June</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
IBS	2.841	4.048
Alsim -Alarko	2.158	--
Tepe İnşaat Sanayi A.Ş.	2.098	1.829
Kasa Akfen	1.587	--
Muscat CCC & TAV Cons.	1.476	5.032
ODTC JV	938	890
TAV İstanbul Terminal İşl. A.Ş.	376	198
TAV Bilişim Hizm. A.Ş.	75	266
BTA Yiyecek İçecek Hizm. A.Ş.	70	50
TAV Havalimanları	69	56
Sera Yapı End. ve Tic. Ltd. Sti.	69	58
TAV Havacılık AŞ	34	13
TAV İnşaat	29	29
TAV İşl. Hizm. A.Ş.	3	1
Sky Oryx Joint Venture	--	1.092
Other	348	2.481
	12.171	16.043

<i>Short term non-trade payables</i>	<u>30 June</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Sky Oryx Joint Venture	8.363	5.094
TAV İstanbul Terminal İşl. A.Ş.	3.515	2.575
TGS	3.012	2.741
ATÜ	1.271	665
TAV Tunus	370	384
Hamdi Akın	118	66
Other	2.821	2.798
	19.470	14.323

Companies, subsidiaries and joint ventures which aren't mentioned on this note subjected to elimination during consolidation process.

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27 RELATED PARTY DISCLOSURES *(continued)*

27.2 Related party balances

<u>Services rendered to related parties:</u>		<u>30 June 2011</u>		<u>30 June 2010</u>	
<u>Company</u>	<u>Amount</u>	<u>Service</u>	<u>Amount</u>	<u>Service</u>	
Atü	24.354	Sale	17.654	Sale	
		Construction		Construction	
Sky Oryx Joint Venture	4.932	Service	1.550	Service	
		Construction		Construction	
TAV İstanbul Terminal İşl. A.Ş.	701	Service	4.808	Service	
		Construction		Construction	
TAV Macedonia Dooel Skopje	14.212	Service	346	Service	
Kasa Akfen	85	Sale	--	--	
		Construction		Construction	
TAV Gazipaşa Yat. Ve İşl. A.Ş.	205	Service	1.760	Service	
		Construction		Construction	
TAV Tunus	292	Service		Service	
Other	4.701		2.836		

<u>Services rendered from related parties</u>		<u>30 June 2011</u>		<u>30 June 2010</u>	
<u>Company</u>	<u>Amount</u>	<u>Service</u>	<u>Amount</u>	<u>Service</u>	
		Construction		Construction	
TAV İnşaat	277	Service	506	Service	
IBS Sigorta	1.040	Purchases	1.989	Purchases	
TAV Bilişim Hizmetleri A.Ş.	308	Purchases	1.394	Purchases	
Alsim Alarko	957	Other	--	--	
TGS	--	Financial expense	418	Financial expense	
TAV İnşaat	175	Financial expense	94	Financial expense	
BTA Yiyecek İçecek Hizm. A.Ş.	336	Purchases	248	Purchases	
TAV G	2.863	Purchases	--	Purchases	
Other	2.404	--	1.364	--	

27.3 Key management personnel compensation

Total salaries provided to key management personnel for the Group and subsidiaries amounted to TL 2.329 for the period ended 30 June 2011 (31 December 2010: TL 2.003). Total salaries provided to key management personnel for the joint ventures amounted to TL 22.481 (Group's share: TL 6.492) for the period ended 30 June 2011 (31 December 2010: TL 11.916 (Group's share: TL 3.604)).

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28 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 30 June 2011 is as follows:

30 June 2011	Receivables				Deposits on Banks	Derivative Instruments	Other
	Trade Receivables		Other Receivables				
	Related Party	Other Party	Related Party	Other Party (*)			
Exposure to maximum credit risk as at reporting date (A+B+C+D+E)	16.013	380.468	36.879	17.120	394.041	310	--
- Portion of maximum risk covered any guarantee	--	83.228	--	--	--	--	--
A. Net carrying value of financial assets which are not impaired or overdue (2)	16.013	349.271	30.536	17.120	394.041	310	--
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)	--	31.197	6.343	--	--	--	--
- The portion covered by any guarantee	--	6.524	--	--	--	--	--
D. Net carrying value of impaired assets (4)	--	--	--	--	--	--	--
- Past due (gross book value)	--	4.126	--	--	--	--	--
- Impairment (-)	--	(4.126)	--	--	--	--	--
- Not past due (gross book value)	--	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--	--
E. Off balance sheet items with credit risks	--	--	--	--	--	--	--

30 June 2011	Receivables		Deposits on Banks	Derivative Instruments	Other
	Trade Receivables	Other Receivables			
Past due 1-30 days	6.095	--	--	--	--
Past due 1-3 months	3.872	--	--	--	--
Past due 3-12 months	21.522	6.343	--	--	--
Past due 1-5 years	2.544	--	--	--	--
More than 5 years	1.290	--	--	--	--

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28 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (continued)

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at 31 December 2010 is as follows:

	Receivables				Deposits on Banks	Derivative Instruments	Other
	Trade Receivables		Trade Receivables				
	Releated Party	Releated Party	Releated Party	Releated Party			
31 December 2010							
Exposure to maximum credit risk as at reporting date (A+B+C+D+E)	14.046	329.923	34.979	6.432	406.293	--	--
- Portion of maximum risk covered any guarantee	--	78.245	--	--	--	--	--
A. Net carrying value of financial assets which are not impaired or overdue (2)	14.046	299.204	29.446	6.048	406.293	--	--
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)	--	30.719	5.533	384	--	--	--
- The portion covered by any guarantee	--	6.279	--	--	--	--	--
D. Net carrying value of impaired assets (4)	--	--	--	--	--	--	--
- Past due (gross book value)	--	5.801	--	--	--	--	--
- Impairment (-)	--	(5.801)	--	--	--	--	--
- Not past due (gross book value)	--	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--	--
E. Off balance sheet items with credit risks	--	--	--	--	--	--	--

31December 2010	Receivables		Deposits on Banks	Derivative Instruments	Other
	Trade Receivables	Trade Receivables			
Past due 1-30 days	2.757	--	--	--	--
Past due 1-3 months	2.948	--	--	--	--
Past due 3-12 months	19.763	--	--	--	--
Past due 1-5 years	10.487	--	--	--	--
More than 5 years	566	5.917	--	--	--

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28 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS *(continued)*

Currency risk

Exposure to currency risk

As at 30 June 2011, the Group's exposure to foreign currency risk resulted from foreign currency assets and liabilities listed below:

	30 Haziran 2011			
	TL	USD	EUR	Other (*)
	Equivalent			
1. Trade receivables	188.174	6.309	22.509	125.012
2a. Monetary Financial Assets (including Cash and Cash at Banks)	251.634	109.088	12.243	45.037
2b. Non-monetary Financial Assets	1.070	35	4	1.004
3. Other	66.058	269	10.557	40.818
4. Current Assets (1+2+3)	506.936	115.701	45.313	211.871
5. Trade receivables	5.075	3.113	--	--
6a. Monetary Financial Assets	6	--	--	6
6b. Non- monetary Financial Assets	80	2	30	6
7. Other	20.441	--	8.686	37
8. Non-current Assets (5+6+7)	25.602	3.115	8.716	49
9. Total Assets (4+8)	532.538	118.816	54.029	211.920
10. Trade Payables	141.590	5.831	16.101	94.260
11. Financial Liabilities	359.457	74.996	91.048	23.307
12a. Other Monetary Liabilities	39.126	577	1.058	35.700
12b. Other Non-monetary Liabilities	88.313	30	9.914	64.975
13. Short Term Liabilities (10+11+12)	628.486	81.434	118.121	218.242
14. Trade Payables	49.092	3.862	8.897	21.894
15. Financial Liabilities	1.248.030	337.348	297.159	--
16a. Other Monetary Liabilities	1.643	897	77	--
16b. Other Non-monetary Liabilities	1.745	--	744	--
17. Long Term Liabilities (14+15+16)	1.300.510	342.107	306.877	21.894
18. Total Liabilities (13+17)	1.928.996	423.541	424.998	240.136
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)	(1.396.458)	(304.725)	(370.969)	(28.216)
21. Net Foreign Currency Asset/ (Liability) Position Of Monetary Items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(1.394.049)	(305.001)	(379.588)	(5.106)
22. Total fair Value of Financial Instruments Used For Currency Hedge	--	--	--	--
23. Export	--	--	--	--
24. Import	--	--	--	--

(*) Other are presented as TL equivalent.

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28 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (continued)

Currency risk (continued)

Exposure to currency risk (continued)

As at 31 December 2010, the Group's exposure to foreign currency risk resulted from foreign currency assets and liabilities listed below:

	31 Aralık 2010			
	TL Equivilant	USD	EUR	Other (*)
1. Trade receivables	50.317	4.807	4.433	33.802
2a. Monetary Financial Assets (including Cash and Cash at Banks)	173.602	88.823	12.838	9.975
2b. Non-monetary Financial Assets	944	17	1	917
3. Other	22.604	68	7.581	6.964
4. Current Assets (1+2+3)	247.467	93.715	24.853	51.658
5. Trade receivables	4.774	3.088	--	--
6a. Monetary Financial Assets	7.230	--	712	5.771
6b. Non- monetary Financial Assets	9	2	--	6
7. Other	21.661	--	10.571	--
8. Non-current Assets (5+6+7)	33.674	3.090	11.283	5.777
9. Total Assets (4+8)	281.141	96.805	36.136	57.435
10. Trade Payables	56.566	10.298	14.448	11.040
11. Financial Liabilities	232.076	34.533	86.963	492
12a. Other Monetary Liabilities	18.255	1.959	1.631	11.885
12b. Other Non-monetary Liabilities	11.095	28	5.002	801
13. Short Term Liabilities (10+11+12)	317.992	46.818	108.044	24.218
14. Trade Payables	18.409	--	--	18.409
15. Financial Liabilities	693.245	90.904	269.732	--
16a. Other Monetary Liabilities	17.214	725	7.854	--
16b. Other Non-monetary Liabilities	--	--	--	--
17. Long Term Liabilities (14+15+16)	728.868	91.629	277.586	18.409
18. Total Liabilities (13+17)	1.046.860	138.447	385.630	42.627
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)	(765.719)	(41.642)	(349.494)	14.808
21. Net Foreign Currency Asset/ (Liability) Position Of Monetary Items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(799.842)	(41.701)	(362.645)	7.722
22. Total fair Value of Financial Instruments Used For Currency Hedge	--	--	--	--
23. Export	--	--	--	--
24. Import	--	--	--	--

(*) Other are presented as TL equivalent.

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28 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (continued)

Currency risk (continued)

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				
30 June 2011				
	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	(49.676)	49.676	16.881	(13.820)
2- USD risk averse portion (-)	--	--	--	--
3- Net USD Effect (1+2)	(49.676)	49.676	16.881	(13.820)
Assumption of devaluation/appreciation by 10% of Euro against TL				
4- Net Euro asset/liability	(87.148)	87.148	--	--
5- Euro risk averse portion (-)	--	--	--	--
6- Net Euro Effect (4+5)	(87.148)	87.148	--	--
Assumption of devaluation/appreciation by 10% of other currencies against TL				
7- Other currency net asset/liability	(2.822)	2.822	--	--
8- Other currency risk averse portion (-)	--	--	--	--
9- Net other currency effect (7+8)	(2.822)	2.822	--	--
TOTAL (3+6+9)	(139.646)	139.646	16.881	(13.820)

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28 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (continued)

Currency risk (continued)
Sensitivity analysis (continued)

Currency Sensitivity Analysis				
31 December 2010				
	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	(6.438)	6.438	16.990	(13.901)
2- USD risk averse portion (-)	--	--	--	--
3- Net USD Effect (1+2)	(6.438)	6.438	16.990	(13.901)
Assumption of devaluation/appreciation by 10% of Euro against TL				
4- Net Euro asset/liability	(71.615)	71.615	--	--
5- Euro risk averse portion (-)	--	--	--	--
6- Avro Net Etki (4+5)	(71.615)	71.615	--	--
Assumption of devaluation/appreciation by 10% of other currencies against TL				
7- Other currency net asset/liability	1.481	(1.481)	--	--
8- Other currency risk averse portion (-)	--	--	--	--
9- Net other currency effect (7+8)	1.481	(1.481)	--	--
TOTAL (3+6+9)	(76.572)	76.572	16.990	(13.901)

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28 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS *(continued)*

Interest rate risk

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	<u>30 June 2011</u>	<u>31 December 2010</u>
Fixed rate instruments		
Financial assets	399.694	353.282
Financial liabilities	605.129	576.266
Variable rate instruments		
Financial assets	25.128	7.697
Financial liabilities	2.562.345	1.552.387

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 30 June 2011 and 31 December 2010, 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.

Interest rate profile			
		30 June 2011	31 December 2010
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		(38.215)	(15.524)

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28 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (continued)

Impairment

As at 30 June 2011 and 31 December 2010 movements in the allowance for doubtful receivables were as follows:

	<u>30 June 2011</u>	<u>31 December 2010</u>
Balance at the beginning of the period	(5.801)	(2.066)
Amount recovered during the period	3.405	308
Allowance for the period	(1.177)	(4.010)
Effect of foreign exchange rates	33	(33)
Effect of change in ownership	(586)	--
Balance at the end of the period	(4.126)	(5.801)

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 30 June 2011 and 31 December 2010:

<u>30 June 2011</u>							
	Note	Carrying Amount	Expected Cash flow	3 Months Or less	03-12 months	1-5 years	More than Years
Financial liabilities							
Loans and borrowings	7	3.052.339	(4.183.757)	(168.791)	(521.252)	(1.628.012)	(1.865.702)
Trade payables	10	143.774	(143.833)	(60.746)	(48.795)	(34.292)	--
Due to related parties	10-11	47.894	(48.895)	(8.610)	(10.213)	(29.266)	(806)
Other payables (*)		40.869	(40.870)	(17.819)	(14.617)	(8.248)	(186)
Other short term liabilities(*)		6.602	(6.602)	(6.602)	--	--	--
Interest rate swap		106.720	(115.036)	(1.723)	(16.526)	(37.643)	(59.144)
Outflow		11.437	(180.135)	--	(24.826)	(101.852)	(53.457)
Inflow		--	164.754	--	22.707	93.155	48.892
Total		3.409.635	(4.554.374)	(264.291)	(613.522)	(1.746.158)	(1.930.403)

<u>31 December 2010</u>							
	Note	Carrying Amount	Expected Cash flow	3 Months Or less	03-12 months	1-5 years	More than Years
Financial liabilities							
Loans and borrowings	7	2.246.719	(2.766.474)	(708.777)	(303.075)	(1.414.937)	(953.940)
Trade payables	10	128.131	(128.374)	(82.561)	(19.309)	(26.514)	--
Due to related parties	10-11	44.973	(51.792)	(35.475)	(8.216)	(5.733)	(2.370)
Other payables (*)		18.739	(18.739)	(18.739)	--	--	--
Other short term liabilities(*)		5.768	(5.768)	(5.768)	--	--	--
Interest rate swap		53.246	(68.719)	(4.160)	(12.061)	(39.899)	(12.599)
Outflow		2.934	(169.149)	--	(21.780)	(87.423)	(59.946)
Inflow		--	165.905	--	21.747	86.487	57.671
Total		2.500.510	(3.043.110)	(855.480)	(342.694)	(1.488.019)	(971.184)

(*)Non-financial instruments such as deposits on guarantees, advances received and deferred income are excluded from other payables and other short term liabilities.

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29 SUBSEQUENT EVENTS

Akfen Holding and Its Subsidiaries

In the Company's Board of Directors Meeting numbered 2011/26 and dated 16 August 2011; within the framework of the clause N of the article "The policy and procedures to be applied for the companies related to the purchases of own shares traded in the Istanbul Stock Exchange " numbered 26/767 and dated 10 August 2011 and its sub-paragraphs; by evaluating the current market conditions, the Company has decided to re-purchase its own shares if deemed necessary by the Board of Directors, for which the funding shall be met from the revenues of the Company's sources and operations and the upper limit shall not exceed the total of TL 30.000 and the transactions shall be carried out within the maximum rate allowed by the legislation with the lower price limit being TL 0 and the upper price limit being TL 12 and the necessary authority approval for 18 months will be requested from the General Assembly

At 12 September 2011 Extraordinary General Meeting will be held for the approval of authorization of the Board of Directors for the purchases of own shares and for the change in 3rd article in the main contract of the Company.

Akfen HES

Provisional acceptance of the second part of OTLUCA HEPP PROJECT of Beyobası Enerji Üretim AŞ located in Mersin - Anamur with the licence number EÜ/1245-3/894 granted by Energy Market Regulatory Authority (EMRA) and with a total installed capacity of 44,72 MW and an annual energy production capacity of 207,64 GWh, is approved by the Republic Of Turkey Ministry of Energy and Natural Resources. As at the midnight of 13 July 2011, OTLUCA II HEPP has started the energy production; hereby allowing allowing Otluca Hepp Project to reach an installed capacity of 41.36MW and an annual energy production capacity of 198.39 GWs.

Karasu 4.3 and Karasu 5 HEPP projects located in Erzincan-Tercan of İdeal Enerji Üretim Sanayi ve Ticaret A.Ş which is a subsidiary of Akfenhes Yatırımları ve Enerji Üretim A.Ş. have started the commercial energy production on 5 August 2011. Karasu 4.3 HEPP will be operating under the licence number EÜ/1813-15/1459 and EU/1062-3/783 granted by Energy Market Regulatory Authority (EMRA) with an installed capacity of 3,71 MW and an annually energy production capacity of 16,89 GWh whereas Karasu 5 HEPP project is operating under the licence number EÜ/1062-3/783) with an installed capacity of 4.03 MW and an annually energy production capacity of 23.16 GWh.

Akfen GYO

The Company purchased a land that is 2 km from Esenboga Airport and 14,443 m² in the frontage of protocol road with a cost of TL 4.500 on 21 July 2011. The Company is planning to construct a 125-180 room hotel on the land.

Akfen Gayrimenkul Yatırımları ve Ticaret A.Ş., 100% subsidiary of the Company, which owns 50% of RHI and RPI, has taken over 45% shares of RHI and RPI previously owned by Kasa Investments BV at an amount of EUR 4.352 RHI is 100% shareholder of the companies that were established related to Ibis Hotel Samara, Yaroslavl and Kaliningrad Ibis Hotel projects. RPI is 100% shareholder of the companies that were established related to Samara Office Project. The transfer process was completed on 29 July 2011 and The Group's ownership of shares increased to 95% in RHI and RPI.

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29 SUBSEQUENT EVENTS (continued)

Akfen Holding and Its Subsidiaries(continued)

Akfen GYO (continued)

In the meeting held by Akfen Reit's Board of Directors numbered 2011/36 and dated 17 August 2011; within the framework of the clause N of the article "The policy and procedures to be applied for the companies related to the purchases of own shares traded in the Istanbul Stock Exchange " numbered 26/767 and dated 10 August 2011 and its sub-paragraphs; by evaluating the current market conditions, the Company has decided to re-purchase its own shares if deemed necessary by the Board of Directors, for which the funding shall be met from the revenues of the Company's sources and operations and the upper limit shall not exceed the total of TL 10.000 and the transactions shall be carried out within the maximum rate allowed by the legislation with the lower price limit being TL 0 and the upper price limit being TL 2,28, provided that the decision is presented to the General Assembly in their first meeting.

Joint ventures

TAV Havalimanları

TAV Havalimanları Holding purchased 10% of the shares of TAV Urban Georgia LLC with an amount of USD 8.583 corresponding to the shares of Sera Yapı Endüstrisi Tic. AŞ by 5.5% and Akfen İnşaat Turizm ve Ticaret AŞ by 4.5% in which the company previously owned 66% of the shares and the transfer of shares was completed on 8 August 2011. Thus, Akfen İnşaat transferred all of its shares of TAV Urban Georgia LLC. corresponding to 4.5% of the total shares for USD 3.863.

TAV Havalimanları Holding purchased 16% of the shares of TAV Batumi Operations LLC with an amount of USD 667 corresponding to the shares of Aeroser International Holding by 6% and Akfen İnşaat Turizm ve Ticaret AŞ by 10% in which the company previously owned 60% of the shares and the transfer of shares was completed on 4 July 2011. Thus, Akfen İnşaat transferred all of its shares of TAV Batumi Operations LLC corresponding to 10% of the total shares for USD 667.

As a result of the evaluation carried out in relation to the Medina International Airport tender by the local authority, General Directorate of Civil Aviation, Kingdom of Saudi Arabia, it was announced that the consortium including TAV Holding was the preferred bidder of the tender on 8 August 2011.

After obtaining the required approvals and signing of the contracts, the current 4 million passenger capacity will be increased to 8 million with the addition of the new terminal building to be built at the Medina Airport of which the consortium will gain the operating rights for 25 years on the basis of the Build-Transfer-Operate model.

Mersin Uluslararası Limanı (MIP)

As at 22 July 2011 Petrol Ofisi station, which commenced its operations in Mersin Limanı, started to sell VAT and Special Consumption Tax free fuel to export purpose heavy vehicles.

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29 SUBSEQUENT EVENTS (*continued*)

Joint ventures (*continued*)

TASK Su

General Assembly meeting of TASK Güllük was held on 11 July 2011. The company's share capital is increased from TL 7.300 to TL 10.400 and company's legal name is changed from TASK Güllük Su Kanalizasyon Yatırım Yapım ve İşletme A.Ş. to Akfen Güllük Çevre ve Su Yatırım Yapım İşletme A.Ş. with the decision of the General Assembly.

General Assembly meeting of TASK Su was held on 12 July 2011. The company's share capital is increased from TL 13.000 to TL 28.800 and company's legal name is changed from TASK Su Kanalizasyon Yatırım Yapım ve İşletme A.Ş. to Akfen Çevre ve Su Yatırım, Yapım İşletme A.Ş. ("Akfen Su") with the decision of the General Assembly.

TASS

Dynamic pricing implementation is started for Yenikapı-Bandırma line effective on 1 July 2011 and for Fast Ferry lines and Conventional Inter-City Ferry lines effective on 8 August 2011. As at 15 August 2011, the fees of Conventional Ferry domestic lines and Sirkeci-Harem Fast Ferry line is increased in a range from 6% to 17% with the approval of İstanbul Büyükşehir Belediyesi Ulaşım Koordinasyon Merkezi (UKOME).

30 OTHER MATTERS THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR MAKE THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE

None.