Akfen Holding Anonim Şirketi
Condensed Consolidated Interim Financial Statements
As at and for the Six Month Period Ended
30 June 2012 and
Independent Auditor's Report

(Originally Issued in Turkish)

AKFEN HOLDİNG ANONİM ŞİRKETİ
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTH PERIOD ENDED - 30 JUNE 2012

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Akfen Holding Anonim Şirketi

Condensed Interim Consolidated Balance Sheet as at 30 June 2012

(*Currency: Thousands of TL*)

	Notes	*Reviewed 30 June 2012*	*Audited 31 December 2011*
ASSETS			
Total Current Assets		**1.142.628**	**1.286.026**
Cash and cash equivalents	*5*	609.157	518.590
Trade receivables			
-Due from related parties	*9-29*	1.606	6.000
-Other trade receivables	*9*	146.883	300.603
Other receivables			
-Due from related parties	*10-29*	8.353	5.068
-Other receivables	*10*	19.033	11.460
Financial investments	*6*	63.484	--
Derivative financial instruments	*8*	2.413	2.685
Restricted cash	*11*	136.197	150.708
Inventory	*12*	16.201	26.165
Other current assets	*19*	139.301	264.747
		1.142.628	**1.286.026**
Total non-current assets		**3.596.106**	**4.152.943**
Trade receivables			
-Due from related parties	*9-29*	2.515	5.510
-Other trade receivables	*9*	77.498	159.598
Other receivables			
-Due from related parties	*10-29*	59.854	39.225
-Other trade receivables	*10*	1.240	1.556
Financial investments	*6*	37.232	151
Investment in equity accounted investees		1.548	1.436
Investment property	*14*	1.081.370	1.080.092
Property, plant and equipment	*15*	973.593	938.031
Intangible assets	*16*	1.096.245	1.503.865
Goodwill	*17*	40.115	128.452
Deferred tax assets	*27*	52.339	109.683
Other non-current assets	*19*	172.557	185.344
TOTAL ASSETS		**4.738.734**	**5.438.969**

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

Akfen Holding Anonim Şirketi

Condensed Interim Consolidated Balance Sheet as at 30 June 2012

(*Currency: Thousands of TL*)

	Notes	Reviewed 30 June 2012	Audited *l* December 2011
LIABILITIES			
Total Current Liabilities		**806.779**	**1.287.177**
Loans and borrowings	*7*	516.756	743.422
Derivative financial instruments	*8*	31.410	80.896
Trade payables			
-Due to related parties	*9-29*	13.258	25.125
-Other trade payables	*9*	75.779	184.822
Other payables			
-Due to related parties	*10-29*	15.594	15.564
-Other payables	*10*	85.073	150.466
Provisions		8.422	12.671
Other current liabilities	*19*	60.487	74.211
		806.779	**1.287.177**
Total Non-current Liabilities		**2.266.950**	**2.999.911**
Loans and borrowings	*7*	2.017.775	2.730.724
Derivative financial instruments	*8*	84.882	86.649
Trade payables			
-Due to related parties	*9-29*	627	1.083
-Other trade payables	*9*	17.624	36.780
Other payables			
-Due to related parties	*10-29*	11.169	9.002
-Other non-trade payables	*10*	56.581	43.832
Employee benefits		12.787	17.873
Deferred tax liabilities	*27*	58.854	58.816
Provisions		677	681
Other non-current liabilities	*19*	5.974	14.471
Total Equity		**1.665.005**	**1.151.881**
Total equity attributable to equity holders of the parent		**1.304.965**	**758.916**
Paid in capital	*20*	145.500	145.500
Adjustments to share capital		(7.257)	(7.257)
Share premium		454.782	454.782
Treasury shares		(6.187)	(4.010)
Business combination of entities under common control		6.236	20.062
Foreign currency translation reserve		31.254	101.443
Revaluation reserve		142	(2.294)
Cash flow hedge reserves		(84.713)	(104.992)
Other reserves		(114.716)	(112.112)
Legal reserves		9.900	19.699
Retained earnings		236.839	312.819
Profit / (loss) for the period		633.185	(64.724)
Non-controlling interest		**360.040**	**392.965**
TOTAL LIABILITIES AND EQUITY		**4.738.734**	**5.438.969**

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

Akfen Holding Anonim Şirketi

Condensed Interim Consolidated Statement of Comprehensive Income for the Six Month Period Ended 30 June 2012

(*Currency: Thousands of TL*)

	Notes	Reviewed 1 January-30 June 2012	Reviewed 1 April-30 June 2012	Reviewed 1 January-30 June 2011	Not reviewed 1 April-30 June 2011
CONTINUING OPERATIONS					
Revenue	*21*	640.228	281.290	575.419	294.161
Cost of sales (-)	*21*	(456.494)	(175.234)	(441.880)	(216.091)
GROSS PROFIT		**183.734**	**106.056**	**133.539**	**78.070**
General administrative expenses (-)	*22*	(90.005)	(40.920)	(73.029)	(37.529)
Other operating income	*23*	589.078	578.378	136.329	84.713
Other operating expense (-)		(6.665)	(3.672)	(18.107)	(14.823)
OPERATING PROFIT		**676.142**	**639.842**	**178.732**	**110.431**
Financial income	*24*	162.842	58.585	61.605	42.641
Financial expenses	*25*	(161.502)	(77.565)	(239.810)	(153.292)
PROFIT BEFORE TAX		**677.482**	**620.862**	**527**	**(220)**
Tax Expense		**(39.742)**	**(26.763)**	**(17.577)**	**(8.227)**
Current tax expense	*27*	(20.901)	(12.673)	(15.010)	(11.980)
Deferred tax (expense) / income	*27*	(18.841)	(14.090)	(2.567)	3.753
PROFIT / (LOSS) FROM CONTINUING OPERATIONS AFTER TAX		**637.740**	**594.099**	**(17.050)**	**(8.447)**
DISCONTINUED OPERATIONS					
Profit / (loss) from discontinued operations, net off tax		--	--	--	--
PROFIT / (LOSS) FOR THE PERIOD		**637.740**	**594.099**	**(17.050)**	**(8.447)**
Other Comprehensive Income					
Change in revaluation of property, plant and equipment		16	6	21	11
Change in net fair value change in cash flow hedges	*24*	(7.875)	(1.164)	(2.183)	(10.499)
Change in foreign currency translation differences	*24*	(30.540)	(6.792)	49.800	30.081
Tax income / (expense) for other comprehensive income items	*24-27*	1.951	69	(37)	1.800
OTHER COMPREHENSIVE INCOME		**(36.448)**	**(7.881)**	**47.601**	**21.393**
TOTAL COMPREHENSIVE INCOME		**601.292**	**586.218**	**30.551**	**12.946**
Profit/(Loss) Attributable to:					
Non-controlling interest		4.555	3.422	51.310	44.372
Equity holders of the parent		633.185	590.677	(68.360)	(52.819)
Profit/(Loss) For The Period		**637.740**	**594.099**	**(17.050)**	**(8.447)**
Total Comprehensive Income Attributable to:					
Non-controlling interest		1.354	2.520	59.938	48.638
Equity holders of the parent		599.938	583.698	(29.387)	(35.692)
Total Comprehensive Income		**601.292**	**586.218**	**30.551**	**12.946**
Basic and diluted earnings / (loss) per share	*28*	**4,485**	**4,185**	**(0,483)**	**(0,373)**

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

Akfen Holding Anonim Şirketi

Condensed Interım Consolidated Statement of Changes in Equity for the Six Month Period Ended 30 June 2011

(*Currency: Thousands of TL*)

	Paid in capital	*Adjustments for Share Capital*	*Share premium*	*Treasury shares*	*Entities under common control*	*Translation reserves*	*Revaluation fund*	*Hedging reserve*	*Other reserves*	*Legal reserves*	*Retained earnings*	*Total*	*Non controlling interest*	*Total equity*
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														
Profit / (Loss) for the period	--	--	--	--	--	--	--	--	--	--	(68.360)	(68.360)	51.310	(17.050)
Other comprehensive income														
Foreign currency translation differences	--	--	--	--	--	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	--	--	--	--	--	42.408	(105)	(3.456)	--	--	126	38.973	8.628	47.601
Total comprehensive income	--	--	--	--	--	42.408	(105)	(3.456)	--	--	(68.234)	(29.387)	59.938	30.551
Transactions with owners, recorded directly in equity														
Transfer to legal reserves	--	--	--	--	--	1.399	--	--	--	7.592	(9.080)	(89)	89	--
Change in ownership rate of subsidiaries	--	--		--		--	--		(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 condensed interim consolidated financial statements.

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Akfen Holding Anonim Şirketi

Condensed Interım Consolidated Statement of Changes in Equity for the Six Month Period Ended 30 June 2012

(*Currency: Thousands of TL*)

	Paid in capital	*Capital corrections*	*Share Premium*	*Treasury shares*	*Entities under common control*	*Translation reserves*	*Revaluation fund*	*Hedging reserve*	*Other reserves*	*Legal reserves*	*Retained earnings*	*Net profit for the period*	*Total*	*Non-controlling interest*	*Total equity*
Balances as at 1 January 2012	145.500	(7.257)	454.782	(4.010)	20.062	101.443	(2.294)	(104.992)	(112.112)	19.699	312.819	(64.724)	758.916	392.965	1.151.881
Total comprehensive income for the period															
Profit for the period	--	--	--	--	--	--	--	--	--	--		633.185	633.185	4.555	637.740
Other comprehensive income															
Foreign currency translation differences	--	--	--	--	--	(27.634)		--	--	--	--		(27.634)	(2.906)	(30.540)
Revaluation of property, plant and equipment	--	--	--	--	--	--	(47)	--	--	--	63		16		16
Net fair value change in cash flow hedges	--	--	--	--	--		--	(5.629)	--	--	--		(5.629)	(295)	(5.924)
Total other comprehensive income	--	--	--	--	--	(27.634)	(47)	(5.629)	--	--	63	--	(33.247)	(3.201)	(36.448)
Total comprehensive income	--	--	--	--	--	(27.634)	(47)	(5.629)	--	--	63	633.185	599.938	1.354	601.292
Transactions with owners, recorded directly in equity															
Transfers	--	--	--	--	--	770	--	--	--	10.549	(76.043)	64.724	--	--	--
Change in ownership rate of entities under common control	--	--	--	--	(13.826)	(43.325)	2.483	25.908	(2.604)	(20.348)	--	--	(51.712)	(34.279)	(85.991)
Acquisition of own shares	--	--	--	(2.177)	--	--	--	--	--	--	--	--	(2.177)	--	(2.177)
Total transactions with owners	--	--	--	(2.177)	(13.826)	(42.555)	2.483	25.908	(2.604)	(9.799)	(76.043)	64.724	(53.889)	(34.279)	(88.168)
Balances as at 30 June 2012	145.500	(7.257)	454.782	(6.187)	6.236	31.254	142	(84.713)	(114.716)	9.900	236.839	633.185	1.304.965	360.040	1.665.005

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

Akfen Holding Anonim Şirketi
Condensed Interim Consolidated Statement of Cash Flow Tables
for the Six Month Period Ended 30 June 2012
(*Currency: Thousands of TL*)

	Notes	Reviewed 30 June 2012	Reviewed 30 June 2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) for the period		**637.740**	**(17.050)**
Adjustments for:			
Depreciation of property, plant and equipment	*15*	21.405	11.364
Amortization of intangible assets	*16*	27.115	21.145
Provision for employee termination benefits		5.310	2.787
Allowance for doubtful receivables	*30*	633	1.177
Unearned interest income, net		(107)	(949)
Gain on sale of property, plant and equipment		(175)	(107)
Gain on investment property	*14-23*	--	(124.204)
Gain on sale of entities under common control and subsidiaries	*23*	(562.935)	(161)
Provision for claims and vacation pay		319	610
Unrealized foreign exchange differences on balance sheet items		(144.127)	193.176
Interest income	*25*	121.439	116.244
Interest expense	*24*	(16.080)	(13.553)
Income tax expense	*27*	39.742	17.577
Cash flow from operating activities before changes in working capital		**130.279**	**208.056**
Changes in:			
Other current trade receivables		19.049	(12.951)
Other current receivables		(18.597)	(11.968)
Other current assets		34.841	(34.652)
Other non-current trade receivables		251	(36.182)
Other non-current non-trade receivables		316	1.280
Inventories		(1.776)	(3.597)
Due from related parties		(42.247)	(3.867)
Other non-current assets		(54.753)	(60.309)
Other current trade payables		(69.795)	9.621
Other current non-trade payables		24.648	(28.275)
Other short term liabilities		(70.991)	17.399
Other non-current trade payables		21.765	1.676
Other non-current non-trade payables		12.749	6.053
Due to related parties		(3.182)	2.921
Other non-current liabilities		1.302	12.116
Net cash provided by/(used in) operating activities		**(16.141)**	**67.321**
Taxes paid		(3.766)	(11.433)
Retirement benefit paid		(2.401)	(1.625)
Collections of allowance for doubtful receivable		--	3.405
Interest paid		(90.942)	(96.423)
Net cash used in operating activities		**(113.250)**	**(38.755)**

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

Akfen Holding Anonim Şirketi

Condensed Interim Consolidated Statement of Cash Flow Tables
for the Six Month Period Ended 30 June 2012

(*Currency: Thousands of TL*)

	Notes	Reviewed 30 June 2012	Reviewed 30 June 2011
Cash flow from investing activities			
Interest received		16.078	6.522
Acquisition of property, plant and equipment	*15*	(162.394)	(115.286)
Proceeds from sale of property, plant and equipment		2.310	4.744
Acquisition of intangible assets	*16*	(5.192)	(31.781)
Purchases of investment property	*14*	(19.576)	(24.255)
Change in financial investments		(100.320)	5.643
Net cash provided by sale of entities under common control and subsidiaries		713.419	18.508
Cash outflow from acquisiton of shares of entities under common control and subsidiaries		--	(17.821)
Business combination		--	(400.967)
Net cash provided by/(used in) investing activities		**444.325**	**(554.693)**
Cash flow from financing activities			
Proceeds from borrowings		471.720	644.510
Repayment of borrowings		(625.954)	(137.644)
Change in project, reserves and fund accounts		110.130	59.280
Acquisition of own shares		(2.177)	--
Change in non-controlling interest		4.844	108.891
Net cash provided by/(used in) financing activities		**(41.437)**	**675.037**
Net increase in cash and cash equivalents		**289.638**	**81.589**
Cash and cash equivalents at 1 January		**218.425**	**166.349**
Cash and cash equivalents at the period end	*5*	**508.063**	**247.938**

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

1 REPORTING ENTITY

Akfen Holding A.Ş. ("Akfen Holding", "Group" or "Company") was founded in Turkey in 1999. The activity fields of Akfen Holding, which founded its first company in 1976, are to make investment and provide the coordination and management to the affiliate partners which deal with the industrial branches such as the management and operation of airports, construction, maritime and port authority, marine transportation, water distribution and waste water services, energy and real estate.

Akfen Holding extended its construction activities, since its foundation, through Ataturk Airport Build-Operate-Transfer Model ('BOT') in 1997 and implemented the investment planning models in airports in many infrastructure projects in Turkey as the executor and became one of the most important infrastructure holdings of Turkey.

As at 30 June 2012, Akfen Holding has 9 (31 December 2011:7) subsidiaries and 7 (31 December 2011: 7) jointly controlled entities. The consolidated financial statements of the Group as at and for the period ended 30 June 2012 concluded in the same year include the shares of Akfen Holding and its affiliates and the Group's stakes in the participations and the jointly controlled entities. Akfen Holding controls all the affiliates of the Group and the companies, in which it has shares directly or indirectly through stocks with voting rights and/or the shares of Hamdi Akın.

It manages the partnerships together with the nationally and internationally recognized companies such as Tepe İnşaat Sanayi A.Ş. Group, PSA International, Souter Investments LLP, Kardan N.V and Aéroports de Paris Management ("ADP"). There is also a framework agreement between Akfen Holding and ACCOR S.A., one of the major hotel chains of the world, based on mutual exclusivity for the trademarks of Novotel and Ibis Hotel to be constructed in Turkey.

Akfen Holding is registered on the Capital Markets Board ("CMB") and its shares are traded on the Istanbul Stock Exchange ('ISE') under 'AKFEN' code since 14 May 2010. The shareholders of Akfen Holding and the ownership ratios as at 30 June 2012 are as follows (Note: 20)

	30 June 2012		31 December 2011	
	Share Amount	Ownership Rate %	Share Amount	Ownership Rate %
Hamdi Akın	99.249	68,21	99.209	68,18
Akfen İnşaat Turizm ve Ticaret A.Ş.	3.995	2,75	3.995	2,75
Other partners	1.140	0,78	1.180	0,81
Public shares	41.116	28,26	41.116	28,26
Paid in capital (nominal)	**145.500**	**100**	**145.500**	**100**

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

Koza Sokak No:22
Gaziosmanpaşa
06700/ Ankara-Türkiye
Tel: 90 312 408 10 00
Fax: 90 312 441 07 82

Web: http://akfen.com.tr

The number of employees of Akfen Holding and subsidiaries and jointly controlled entities of the Group at 30 June 2012 is 323 (31 December 2011: 292) and 28.756 (31 December 2011: 25.306), respectively.

1 REPORTING ENTITY *(continued)*

The affiliates and subsidiaries of Akfen Holding are listed below:

i) Affiliates

Akfen İnşaat Turizm ve Ticaret A.Ş.

Akfen Holding owns 99.85% of Akfen İnşaat Turizm ve Ticaret A.Ş ("Akfen İnşaat") which is one of the core segments of the Company. The company, which was initially established to produce feasibility and engineering services of the industrial facilities, has expanded its range of services to include manufacturing, installation and assembly work. The company has successfully completed the construction of superstructure, infrastructure, environmental protection and integrated airport building projects.

The construction experience of Akfen makes important contribution to Group activities. Over the last 20 years Akfen has completed a total of USD 1,6 billion dollars of construction projects.

The major projects include airport terminals plus associated infrastructure, natural gas pipe lines/ distribution systems, hospitals, schools, industrial plants, energy projects in hydroelectric / thermal sectors, water distribution, sewage systems and waste water treatment facilities.

Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.

The Company, which was restructured as Aksel Turizm Yatırımları ve İşletmecilik A.Ş. in 25 June 1997, was registered in 25 August 2006 upon the approval of Capital Markets Board ('CMB') dated 14 July 2006 and transformed in to a 'Real Estate Investment Trust'.

The Company's main operations and activities are investing in real estates, real estate projects and other capital markets instruments, as described on CMB Communiqué Series: VI No: 11, Clause 23 and 25 regulating Real Estate Investment Trusts.

Akfen Holding signed a Memorandum of Understanding ("MoU") with a 100% owned subsidiary of ACCOR S.A., one of the world's leading hotel groups. Based on the MoU the entities will join their efforts to establish a partnership to develop hotel projects in Turkey. After the later adjustments to contract, Akfen GYO and Tamaris Turizm A.Ş. became the parties of MoU. The Company will develop primarily Novotel and İbis Hotel branded hotels and lease them to wholly owned subsidiary of ACCOR S.A., Tamaris Turizm A.Ş. (Tamaris). According to leasing contract renewed on 12 April 2010, validation time of the contract is 25+/- 10 years, and certain rate of higher of gross operational profit and revenue is paid by Tamaris to Akfen as rental income.

A total of 9 hotels in Turkey as Ibis and Novotel in Istanbul, Zeytinburnu and Ibis in Eskişehir, Novotel in Trabzon, Ibis and Novotel in Kayseri, Ibis and Novotel in Gaziantep and Ibis in Bursa and a total of 2 Ibis hotels in Russia Yaroslavl and Samara and 1 hotel called Mercure in the Turkish Republic of Northern Cyprus are being operated. In addition to these, lands have been purchased in Istanbul Esenyurt and Adana for hotel investments and the construction of these hotels have begun in the first quarter of 2011. The tender made by General Directorate of Foundations on 25 August 2010 in İzmir was awarded and the land located in Konak district Alsancak location was rented for 49 years. The investment process is continuing. Also, Akfen GYO established Akfen Karaköy with a 70% stake in order to develop a project in Istanbul Karaköy. It also purchased a land which is 1.5 km away from Ankara Esenboğa Airport. The projects in Istanbul Karaköy and Ankara Esenboğa Airport are in the development and design stages. The hotel construction in Russia, Klaningrad is continuing.

1 REPORTING ENTITY *(continued)*

Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.(continued)

Akfen GYO shares have been traded on İMKB since 11 May 2011with "AKFGY" share code.

The shares of Akfen Gayrimenkul Ticareti ve İnşaat A.Ş. ('Akfen Ticaret'), which is a subsidiary of Akfen Holding, were transferred to Akfen GYO with nominal value on 21 February 2007. The main activity fields of Akfen Ticaret are to make real estate investments, to create and develop a real estate portfolio.

Akfen Ticaret has established Russian Hotel Investment BV ('Russian Hotel' or 'RHI') in Holland on 21 September 2007 and Russian Property Investment BV in Holland on 3 January 2008 ('Russian Property' or 'RPI') together with Eastern European Property Investment Ltd. ("EEPI Ltd.") It transferred its 45% shares in RHI and RPI to Kasa Investments BV ('Kasa BV') in December 2010 and 5% to Cüneyt Baltaoğlu. %45 shares which belonged to RHI and RPI and were transferred to Kasa BV were taken over by Akfen Ticaret on 29 July 2011. The main activity field of Russian Hotel is to develop the hotel investments to be operated by ACCOR S.A. in Ukraine and Russia. The main activity field of Russian Property is to implement Office projects in Russia. As at 31 December 2011, 95% shares of Russian Hotel and Russian Property belonged to Akfen Ticaret and 5% shares belonged to Cüneyt Baltaoğlu.

Akfen GYO established a subsidiary named Hotel Development and Investment BV ('HDI') in Holland on 18 March 2011 in order to develop hotel projects in Russia. In accordance with the contract signed between Akfen GYO and Horus International B.V. on 4 February 2011 and amended on 24 November 2011, the shares of Keramit Financial Company Limited ('Keramit') of which the Head Office is in British Virgin Islands, were taken over by HDI, a 100% owned subsidiary of Akfen GYO, with USD 1 million on 24 November 2011.İstanbul Karaköy and Ankara Esenboğa projects are under development and projection processes. Hotel construction in Russia Klaningrad continues.

Energy Sector

Akfen Holding has been investing in hydroelectric power plants (HES) through its subsidiaries since January 2000.

Akfen Holding, planning to be active in the energy sector including energy generation and distribution, grouped the hydroelectric power plants under five main companies and is also planning its other investments in the energy sector under the title of Akfen Enerji Yatırımları Holding ("Akfen Enerji").

The Renewable Hydroelectric Power Plant portfolio of Akfen Holding is grouped under five entities as Akfen HES Yatırımları ve Enerji Üretim A.Ş. ("HES I"), Akfen Hidroelektrik Santrali Yatırımları A.Ş. ("HES II"), Akfen Enerji Kaynakları Üretim ve Ticaret A.Ş. ("HES III"), Karasular Enerji Üretimi ve Ticaret A.Ş. ("HES IV") and Saraçbendi Enerji Üretimi ve Ticaret A.Ş. ("HES V").

Total of three projects are included in HES I and total installed power is 54,1 MW. 2 power plants having 50,7 MW installed power are operated for energy generation and the investment in 1 power plant is continuing.

1 REPORTING ENTITY *(continued)*

Energy Sector (continued)

Constructions continue on 6 of 7 plants of HES II which have 105,2 MW of installed power. Total installed power capacity of plants that are in construction process is 95,2 MW.

There are 2 projects included in HES III whose total installed power capacity is 109,5 MW and one of them is dam project.

There are 5 plants included in HES IV whose total installed power capacity is 24,5 MW and production continues in all of these plants.

There are 2 plants included in HES V whose total installed power capacity is 49,8 MW. Production continues in both plants.

As at reporting period, in 9 plants production continues whose total installed power capacity is 125 MW. In 7 plants construction still continues and total installed power capacity of these plants is 99 MW. After starting up production in these plants, total installed power capacity of for HES I, HES II, HES IV and HES V portfolio will reach to 223,6 MW.

HES I

100% subsidiaries of HES I, İdeal Enerji Üretimi Sanayi ve Ticaret A.Ş. ("İdeal") and Çamlıca Elektrik Üretim A.Ş. ("Çamlıca"), seperated partially under Holding. Capital transfers to newly established HES IV and HES V were completed on 19 June 2012. After these transfers, Beyobası Enerji Üretim A.Ş. ("Beyobası") is under HES I, İdeal and Çamlıca is consolidated under HES IV and HES V respectively.

HES II

BT Bordo Elektrik Enerji Üretim Dağıtım Pazarlama A.Ş. ("BT Bordo"), Elen Enerji Sanayi ve Ticaret A.Ş. ("Elen"), Pak Enerji Üretim Sanayi ve Ticaret A.Ş. ("Pak"), Rize İpekyolu Enerji Üretim Dağıtım Pazarlama Sanayi ve Ticaret A.Ş: ("Rize"), Yeni Doruk Elektrik Üretim ve Ticaret A.Ş. ("Yeni Doruk") and Zeki Enerji Elektrik Üretim Dağıtım Pazarlama, Sanayi ve Ticaret A.Ş. ("Zeki") are the subsidiaries of Akfen HES II in which it has a 100% voting right directly or through the companies under the same control structure as at 30 June 2012 and 31 December 2011.

HES III

Laleli Elektrik Enerji Dağıtım Pazarlama A.Ş. ("Laleli"), Değirmenyanı Elektrik Üretim Sanayi ve Ticaret A.Ş. ("Değirmenyanı") and Akörenbeli Enerji Elektrik Üretim Dağıtım Pazarlama Sanayi ve Ticaret A.Ş. ("Akörenbeli") are the subsidiaries of Akfen HES III in which it has a 100% voting right directly or through the companies under the same control structure as at 30 June 2012 and 31 December 2011.

HES IV

As at 31 December 2011, 100% subsidiary of HES I, İdeal, partially separated under Holding and capital transfer to newly established HES IV was completed on 19 June 2012. İdeal is the subsidiary of Akfen HES IV in which it has a 100% voting right directly or through the company under the same control structure as at 30 June 2012.

1 REPORTING ENTITY *(continued)*

HES V

As at 31 December 2011, 100% subsidiary of HES I, Çamlıca, partially seperated under Holding and capital transfer to newly established HES IV was completed on 19 June 2012. Çamlıca is the subsidiary of Akfen HES IV in which it has a 100% voting right directly or through the company under the same control structure as at 30 June 2012.

Akfen Enerji

Group obtained the production license on 8 March 2012 for the natural gas based electricity production plant investment located in Mersin which has installed power capacity of 450 MW and included in Akfen Enerji Üretim ve Ticaret A.Ş. that is consolidated under the Akfen Enerji Yatırımları Holding A.Ş., the Company that Group plans to make other investments for energy sector under. In order to increase the total installed power capacity to 570 MW, license modification appeal was made on 23 March 2012. Preliminary preparations for the subjected plant investment continue.

ii) Subsidiaries

TAV Havalimanları Holding A.Ş.

TAV Havalimanları Holding A.Ş. ("TAV Havalimanları") was founded in Turkey in 1997 under the title of Tepe Akfen Vie Yatırım Yapım ve İşletme A.Ş. for the purpose of reconstruction of Istanbul Ataturk Airport (International Terminal). The foundation aim of TAV Havalimanları is to reconstruct the Terminal Building of Istanbul Ataturk International Airport ("AUHT") and to operate it for 66 months. The main work of TAV Havalimanları is the construction of terminal buildings and operation of terminal buildings or airport. TAV Istanbul Terminal İşletmeciliği A.Ş. ("Tav Istanbul") signed a rental contract with the General Directorate of State Airports Operations (DHMİ) on 3 June 2005 in order to operate AUHT and Ataturk Airport Domestic Terminal for 15,5 years until 2021. TAV Havalimanları, TAV Esenboğa YatırımYapım ve İşletme A.Ş. ("TAV Esenboğa"), TAV İzmir Terminal İşletmeciliği A.Ş. ("TAV İzmir") and TAV Gazipaşa Yapım Yatırım ve İşletme A.Ş: (TAV Gazipaşa) signed Build – Operate – Transfer Agreements with DHMİ; TAV Urban Georgia LLC ("TAV Tbilisi") signed a Build – Operate – Transfer Agreement with Georgia State Airports Operations ("JSC"); TAV Batumi Operations LLC ("TAV Batumi") signed a Build – Operate – Transfer Agreement with Georgia Ministry of Economic Development ("GMED"); TAV Tunisia SA ("TAV Tunisia") signed a Build – Operate – Transfer Agreement with Tunisia State Airports Operations ("OACA"); TAV Macedonia Dooel Petrovec ("TAV Macedonia") signed a Build – Operate – Transfer Agreement with Macedonia Ministry of Transportation. Tibah Development signed a Build – Operate – Transfer Agreement agreement with Saudi Arabia State Airport Operations ("GACA"). TAV Ege has signed a concession agreement with Turkish State Airport Operations ("DHMİ"). In accordance with these agreements TAV Havalimanları shall carry out the construction, reconstruction or management of the airport and shall have the right to operate the airport within the period previously determined. At the end of the contract period, TAV Havalimanları also shall have the right to operate Medina Airport in Saudi Arabia together with Saudi Oger and Al Rajhi Holding. TAV Group shall transfer the property right of the constructed building to the related organization (DHMİ, JSC, GMED, OACA, Macedonia Ministry of Transportation and GACA). TAV Havalimanları also deals with the other activities of the airport operation such as duty-free, food and beverages, ground services, data processing, security and operation services.

TAV Havalimanları shares have been trading on Istanbul Stock Exchange under the code of 'TAVHL' since 23 February 2007.

1 REPORTING ENTITY *(continued)*

TAV Yatırım Holding A.Ş.

TAV Yatırım Holding A.Ş. ("TAV Yatırım") was established on 1 July 2005 in order to make investments in aviation and construction sectors. The main activity fields of the Group are construction, aviation and parking operation. TAV Tepe Akfen Yatırım Yapım ve İşletme A.Ş. ("TAV İnşaat") and TAV Havacılık A.Ş. ("TAV Havacılık") are subsidiaries of TAV Yatırım. TAV İnşaat has branches in Egypt Cairo ("TAV Egypt"), The United Arab Emirates, Sharjah and Abu Dhabi ("TAV Gulf" and "TAV Abu Dhabi"), Qatari Doha ("TAV Doha"), Tunisia ("TAV Tunisia"), Libya ("TAV Libya") and Bahrain ("TAV Bahrain"), Macedonia ("TAV Macedonia") and Saudi Arabia ("TAV Saudi Arabia"). TAV İnşaat has also subsidiaries called TAV G Otopark Yatırım Yapım ve İşletme A.Ş. ("TAV G"), TAV İnşaat Muscat LLC ("TAV Muscat"), Riva İnşaat Turizm Ticaret İşletme ve Pazarlama A.Ş. ("Riva") and TAV – Alrajhi Construction Co. ("TAV Alrajhi")with 49,99%, 70%, 49% and 50% stakes, respectively.

Mersin Uluslararası Liman İşletmeciliği A.Ş.

Mersin Uluslararası Liman İşletmeciliği A.Ş ("MIP") was founded on 9 May 2007 by Port of Singapore ('PSA') and Akfen Ortak Girişim Grubu who were awarded the transfer of operation right of Mersin Port for 36 years belonging to TCDD upon bidding the highest offer by T.R. Directorate of Privatization Administration ('PA'). MIP took over Mersin Port from TCDD upon a Concession Agreement signed with T.R. Directorate of Privatization Administration and TCDD on 11 May 2007 in order to operate it for 36 years. The concession period for 36 years began on 11 May 2007. Mersin International Port is one of the most important ports of Turkey, Middle East and East Mediterranean with its geographical status, capacity, wide hinterland and advantages with multimode connection characteristics.

Akfen Çevre ve Su Yatırım Yapım İşletme A.Ş.

Akfen Çevre ve Su Yatırım Yapım İşletme A.Ş ("Akfen Su") was established on 26 April 2005 in order to establish facilities to supply drinking and utility water from surface and ground water resources, collect domestic and industrial waste water and provide waste water treatment services.

Akfen Holding and TASK Water BV have joint administration rights in Akfen Su with 50% shares. The subsidiaries of Akfen Su provide water and waste water services to Güllük Municipality and waste water treatment services to Dilovası Organized Industrial Zone.

Akfen Güllük Çevre ve Su Yatırım Yapım İşletme A.Ş. ("Akfen Su Güllük") has started operating on 24 August 2006. The company, having completed all of its investments, served 5.256 subscribers as at 2012 June.

Akfensu-Arbiogaz Dilovası Atıksu Arıtma Tesisi Yapım ve İşletim A.Ş. ("Akfen Su Arbiogaz Dilovası") was founded on 19 July 2007. It completed its investments on 1 July 2010 and started operating and currently it still serves the Dilovası district with a 40.000 population together with factories and operations in Dilovası Organized Industrial Zone.

1 REPORTING ENTITY *(continued)*

İstanbul Deniz Otobüsleri Sanayi ve Ticaret A.Ş.

Istanbul Deniz Otobüsleri Sanayi ve Ticaret A.Ş. ("İDO") was sold to TASS Denizcilik ve Ulaştırma Hizmetleri Turizm Sanayi ve Ticaret A.Ş. ('TASS'), belonging to Tepe İnşaat Sanayi A.Ş., Akfen Holding, Souter Investments LLP and Sera Gayrimenkul Yatırım ve İşletme A.Ş. Jointly Controlled Entity Group by the Istanbul Metropolitan Municipality, the previous main shareholder, through a block sale on 16 June 2011. TASS was transferred to IDO on 26 December 2011 with all of its rights and liabilities according to the merger general rules in accordance with TTK and related regulations and TASS was dissolved without liquidation. İDO provides passenger and vehicle transportation service under 'Sea Bus and Fast Ferry Lines' title both in local and the country seaways. İDO serves passenger and vehicle transportation in Marmara Sea area through its modern fleet comprised of 54 sea vehicles (25 sea buses, 19 vehicle ferries and 10 fast ferryboats) and 18 lines consisted of 12 sea buses, 2 vehicle ferries and 4 ferryboats. The sea buses, fast ferryboats and vehicle ferries have a total of 32.730 passengers and 2.852 vehicles capacity as at 30 June 2012.

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 "Communique") 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").

According to fifth article of the Communique the Companies should apply International Accounting / Reporting Standards ("IAS/IFRS") as accepted by European Union. But considering the temporary second article until the differences of UMS/ UFRS is accepted by International Accounting Standards Board ("IASB"), the standards which are accepted by IASB will be used. Thus the Company has prepared its financials in accordance with the accepte IAS/IFRS as at 30 June 2012.

With the governing decree law numbered 660 published in the Official Gazette on 2 November 2011, the establishment article of TASB stated in the 2499 numbered law with an additional article number one has been superseded and the Council of Ministers decided to establish Public Oversight Accounting and Auditing Standards Agency ("Oversight Agency"). In accordance with the transitional article number one of the governing decree law, until the date of the issuing of standards and regulations by Oversight Agency, the existing regulations will be applied. Accordingly, as at reporting date, the Basis of Presentation has not been changed.

2 BASİS OF PREPATION *(continued)*

2.1 Basis of preparation *(continued)*

(a) Statement of compliance *(continued)*

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 1January 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.

The Group’s condensed interim consolidated financial statements prepared in accordance with IAS and IFRS approved by the Board of Directors on 29 August 2012.

(b) Preparation of the Financial Statements

The condensed interim consolidated financial statements and notes as at 30 June 2012 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.

(b) 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, 2005.

(c) 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.

2 BASIS OF PREPARATION *(continued)*

2.1 Basis of Preparation *(continued)*

(d) Functional and presentation currency

Akfen Holding and its subsidiaries operating in Turkey prepare their accounting records and legal financial statements in accordance with the accounting principles per Turkish Uniform Chart of Accounts and per Capital Market Board of Turkey. Accounting records of subsidiaries and jointly controlled entities established abroad are subject to regulations and accounting principles that are applied in the countries in which they operate. The accompanying condensed interim 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:

Company	Functional Currency
Akfen İnşaat Turizm ve Ticaret A.Ş. ("Akfen İnşaat")	TL
Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. ("Akfen GYO")	TL
Akfen Enerji Yatırımları Holding A.Ş. ("Akfen Enerji")	TL
Akfenhes Yatırımları ve Enerji Üretim A.Ş. ("HES I")	TL
Akfen Hidroelektrik Santral Yatırımları A.Ş. ("HES II")	TL
Akfen Enerji Kaynakları Üretim ve Ticaret A.Ş. ("HES III")	TL
Karasular Enerji Üretimi ve Ticaret A.Ş. ("HES IV")	TL
Saraçbendi Enerji Üretimi ve Ticaret A.Ş. ("HES V")	TL
Sim-Er Enerji Üretim Sanayi ve Ticaret LTD ŞTİ. ("Sim-Er")	TL
TAV Havalimanları Holding A.Ş. ("TAV Havalimanları")	Euro
TAV Yatırım Holding A.Ş. ("TAV Yatırım")	USD
Mersin Uluslararası Liman İşletmeciliği A.Ş. ("MIP")	USD
PSA Akfen Liman İşletmeciliği ve Yönetim Danışmanlığı A.Ş. ("PSA Liman")	TL
Akfen Çevre ve Su Yatırım Yapım ve İşletme A.Ş. ("Akfen Su")	TL
İDO İstanbul Deniz Otobüsleri A.Ş. ("İDO")	TL

2 BASIS OF PREPARATION *(continued)*

2.1 Basis of Preparation *(continued)*

(f) Basis of consolidation

The accompanying condensed interim consolidated financial statements include the accounts of the parent company, Akfen Holding, its subsidiaries, joint ventures, prepared in accordance with the basis of preparation stated in those financial statements.

(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.

Except for the HES IV and HES V, which are established in June 2012, voting rights and ownerships of consolidated subsidiaries did not change compared to 31 December 2012. İdeal and Çamlıca are consolidated under HES IV and HES V respectively while they were subsidiaries of HES 1 as at 31 December 2011.

	30 June 2012	
	Ownership (%)	Voting power held
HES IV	100,00	100,00
HES V	100,00	100,00

(ii) Jointly controlled entities

Jointly controlled entities 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.

Except for the companies listed below, as at 30 June 2012 ownerships voting rights of companies subject to proportionate consolidation did not change compared to 31 December 2011.

	30 June 2012		**31 December 2011**		
	Ownership (%)	Voting power held	Ownership (%)	Voting power held	Principal activity
TAV Havalimanları	8,12	8,12	26,12	26,12	Operation of airports
TAV Yatırım	21,68	21,68	42,50	42,50	Construction and operation of airports

2 BASIS OF PREPARATION *(continued)*

2.1 Basis of Preparation *(continued)*

(f) Basis of consolidation *(continued)*

(ii) ***Jointly controlled entities*** *(continued)*

As at 16 May 2012, 68,91% of Group's share which is equal to 18 % of TAV Havalimanları's total shares and 49 % of Group's share which is equal to 20,83 % of TAV Yatırım's total shares were sold to Tank ÖWC Beta GmbH ("Tank"), wholly owned by Aéroports de Paris Group. As a result of these agreements Groups share on TAV Havalimanları and TAV Yatırım decreased to 8,12% and 21,68% respectively. Despite the decrease in ownership rates, based on the terms stated on the agreements, material decisions for TAV Havalimanları and TAV Yatırım should be taken by the participation of all main shareholders. For that reason, TAV Havalimanları and TAV Yatırım remains consolidated by proportionate consolidation method according to IAS 31.

Despite of the fact that Tank is included in new ownership structure of TAV Havalimanları and TAV Yatırım by 38% and 49% respectively, decreases on ownership were not evaluated as loss of common control because of the continuing presence of Akfen Holding on jointly decision making mechanism of these companies.

(iii) ***Acquisitions of 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. 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 unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with associates and jointly controlled entities are eliminated against the investment to the extent of the Group's interest in the investee.

(iv) ***Business combinations for acquisition from third parties***

Acquisitions from third parties are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair values at the acquisition date.

2 BASIS OF PREPARATION *(continued)*

2.1 Basis of presentation *(continued)*

(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 IAS 21, *The effect of changes in foreign exchange rates*. The Group uses TL as the reporting currency.

Assets and liabilities of the Group entities with a different functional currency than the reporting currency of the Group are translated into the reporting currency of the Group at the rate of exchange 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:

	30 June 2012	**31 December 2011**
Euro / TL	2,2742	2,4438
USD / TL	1,8065	1,8889

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

	2012	**2011**
Euro / TL	2,3268	2,1948
USD / TL	1,7935	1,5641

2 BASIS OF PREPARATION *(continued)*

2.1 Basis of Presentation *(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 2012 are prepared in accordance with IAS 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 2011. Accordingly, these condensed interim consolidated financial statements should be evaluated in conjunction with the annual consolidated financial statements for the year ended 31 December 2011.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective as at 31 March 2012, 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:

- IAS 1 The 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 2012.olacaktır.

- 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.

- IFRS 13 *Fair Value Measurement replaces the fair value m*easurement 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.

2 BASIS OF PREPARATION *(continued)*

2.2 Basis of Presentation *(continued)*

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

- 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 Jointly Controlled Entities (2011)* supersedes IAS 28 (2008) and becomes effective for annual periods beginning on or after 1 January 2013.
- 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 2015.

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

3 JOINTLY CONTROLLED ENTITIES

The consolidated financial statements, which have been consolidated by using the proportional consolidation method. Jointly controlled entities' total current assets, liabilities and net profit of the period are as follows:

Balance sheet	**30 June 2012**	**31 December 2011**
Current assets	2.662.695	2.953.178
Non-current assets	6.454.332	6.553.926
Current liabilities	(2.411.601)	(2.164.284)
Non-current liabilities	(4.913.889)	(5.602.006)
Net Assets	**1.791.537**	**1.740.814**

Statement of comprehensive income	**1January-30 June 2012**	**1 April-30 June 2012**	**1 January-30 June 2011**	**1 April-30 June 2011**
Total revenues and income	2.185.011	1.553.542	1.794.709	986.260
Total expenses and costs	(1.969.004)	(1.430.406)	(1.828.756)	(988.651)
Profit/ (loss) for the period	216.007	123.136	(34.047)	(2.391)

4 SEGMENT REPORTING

For management purposes, the Group is currently organised into eight operating segment of which results and the performance are reviewed regularly by the Group's board of directors. Performance is measured based on segment operating profit, as included in the internal management reports that are reviewed by the Group's Management.

The information regarding the results of each reportable segment is for Tav Yatırım, Akfen İnşaat, Akfen GYO, HES I-II-III-IV-V (HES Group), MIP, Akfen Su and Tav Havalimanları.

Others

Subsidiaries and jointly controlled entities in other operations segment are Akfen Enerji, Sim-Er Enerji Üretim Sanayi ve Ticaret Ltd. Şti. ("Simer"), PSA Liman, Hyper Foreign, and Alsim Alarko. Akfen Holding is included in the other industrial segment as well.

4 SEGMENT REPORTING *(continued)*

1 January-30 June 2012	*TAV Yatırım*	*Akfen İnşaat*	*Akfen GYO*	*HES Group*	*MIP*	*Akfen Su*	*TAV Havalimanları*	*İDO*	*Others*	*Inter Segment Eleminations*	*Total*
External revenues	191.522	374	15.967	32.942	111.105	1.932	219.734	64.755	1.897	--	640.228
Inter segment revenue	4.137	52.763	--	1.208	--	--	--	--	9.238	(67.346)	--
Total sales	**195.659**	**53.137**	**15.967**	**34.150**	**111.105**	**1.932**	**219.734**	**64.755**	**11.135**	**(67.346)**	**640.228**
Cost of sales	(188.673)	(49.340)	(2.425)	(13.785)	(49.784)	(1.024)	(155.719)	(48.288)	(2.490)	55.034	(456.494)
Gross profit/ (loss)	**6.986**	**3.797**	**13.542**	**20.365**	**61.321**	**908**	**64.015**	**16.467**	**8.645**	**(12.312)**	**183.734**
General administrative expenses	(8.569)	(5.015)	(3.891)	(8.873)	(6.252)	(676)	(39.264)	(7.803)	(17.511)	7.849	(90.005)
Other operating income	167	7.755	5.443	1.450	--	21	10.879	852	565.459	(2.948)	589.078
Other operating expense	(863)	(1.640)	(635)	(4.985)	--	(209)	--	(903)	(378)	2.948	(6.665)
Operating profit / (loss)	**(2.279)**	**4.897**	**14.459**	**7.957**	**55.069**	**44**	**35.630**	**8.613**	**556.215**	**(4.463)**	**676.142**
Financial profit / loss (net)	46	(5.246)	6.670	16.346	(14.271)	537	(11.678)	6.072	2.864	--	1.340
Profit of continuing operations before tax / (loss)	**(2.233)**	**(349)**	**21.129**	**24.303**	**40.798**	**581**	**23.952**	**14.685**	**559.079**	**(4.463)**	**677.482**
Tax income (expense) for the period	(438)	(746)	(3.395)	(5.176)	(7.421)	(125)	(4.028)	2	(18.415)	--	(39.742)
Profit of continuing operations after tax / (loss)	**(2.671)**	**(1.095)**	**17.734**	**19.127**	**33.377**	**456**	**19.924**	**14.687**	**540.664**	**(4.463)**	**637.740**
Profit (loss) for the period attributable to the parent of the Company	(1.882)	(1.095)	17.975	18.764	33.377	299	21.840	14.687	540.669	(11.449)	633.185
Depreciation and amortization expenses	2.647	300	29	6.570	11.806	135	17.745	9.046	242	--	48.520
Investments on tangible, intangible assets and investment property	642	1.136	19.243	76.270	39.115	32	6.292	3.332	41.100	--	187.162
30 June 2012											
Segment assets	239.766	383.917	1.137.495	962.820	804.637	28.984	385.630	463.608	1.894.690	(1.562.813)	4.738.734
Segment liabilities	219.244	196.661	340.866	538.659	669.363	16.299	280.502	442.858	647.403	(278.126)	3.073.729

4 SEGMENT REPORTING *(continued)*

1 April-30 June 2012	*TAV Yatırım*	*Akfen İnşaat*	*Akfen GYO*	*HES Group*	*MIP*	*Akfen Su*	*TAV Havalimanları*	*İDO*	*Others*	*Inter Segment Eleminations*	*Total*
External revenues	50.764	308	8.983	22.188	57.636	1.082	100.614	38.746	969	--	281.290
Inter segment revenue	2.126	27.988	--	1.208	--	--	--	--	5.217	(36.539)	--
Total sales	**52.890**	**28.296**	**8.983**	**23.396**	**57.636**	**1.082**	**100.614**	**38.746**	**6.186**	**(36.539)**	**281.290**
Cost of sales	(48.749)	(26.984)	(1.357)	(7.336)	(25.827)	(511)	(67.159)	(26.025)	(1.189)	29.903	(175.234)
Gross profit / (loss)	**4.141**	**1.312**	**7.626**	**16.060**	**31.809**	**571**	**33.455**	**12.721**	**4.997**	**(6.636)**	**106.056**
General administrative expenses	(2.508)	78	(2.112)	(7.906)	(3.372)	(343)	(16.219)	(4.481)	(8.562)	4.505	(40.920)
Other operating income	12	5.863	4.651	671	--	21	4.538	276	565.284	(2.938)	578.378
Other operating expense	(860)	(1.565)	(619)	(4.898)	--	(9)	--	(219)	1.951	2.547	(3.672)
Operating profit / (loss)	**785**	**5.688**	**9.546**	**3.927**	**28.437**	**240**	**21.774**	**8.297**	**563.670**	**(2.522)**	**639.842**
Financial profit / loss (net)	511	(4.862)	(184)	8.679	(7.369)	244	(2.718)	(14.084)	803	--	(18.980)
Profit / (loss) of continuing operations before tax	**1.296**	**826**	**9.362**	**12.606**	**21.068**	**484**	**19.056**	**(5.787)**	**564.473**	**(2.522)**	**620.862**
Tax income / (expense) for the period	(164)	3.590	103	(2.498)	(4.666)	(134)	(4.555)	(27)	(18.412)	--	(26.763)
Profit / (loss) of continuing operations after tax	**1.132**	**4.416**	**9.465**	**10.108**	**16.402**	**350**	**14.501**	**(5.814)**	**546.061**	**(2.522)**	**594.099**
Profit (loss) for the period attributable to the parent of the Company	1.371	4.416	9.610	9.655	16.400	299	14.508	(5.814)	546.085	(5.853)	590.677
Depreciation and amortization expenses	1.083	167	13	3.289	6.310	51	6.968	4.537	124	--	22.542
Investments on tangible, intangible assets and investment property	286	80	4.954	38.487	24.308	23	4.297	2.262	241	--	74.938

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the six-month period ended 30 June 2012
(*Currency: Thousands of TL*)

4 SEGMENT REPORTING *(continued)*

1 January-30 June 2011	*TAV Yatırım*	*Akfen İnşaat*	*Akfen GYO*	*HES Group*	*MIP*	*Akfen Su*	*TAV Havalimanları*	*İDO*	*Others*	*Inter Segment Eleminations*	*Total*
External revenues	224.373	--	13.175	11.379	83.452	2.109	240.929	--	2	--	575.419
Inter segment revenue	27.904	73.356	--	--	--	--	--	--	7.277	(108.537)	--
Total sales	**252.277**	**73.356**	**13.175**	**11.379**	**83.452**	**2.109**	**240.929**	**--**	**7.279**	**(108.537)**	**575.419**
Cost of sales	(248.382)	(69.217)	(1.312)	(5.549)	(31.360)	(925)	(177.549)	--	--	92.414	(441.880)
Gross profit / (loss)	**3.895**	**4.139**	**11.863**	**5.830**	**52.092**	**1.184**	**63.380**	**--**	**7.279**	**(16.123)**	**133.539**
General administrative expenses	(4.688)	(11.520)	(2.395)	(1.623)	(13.315)	(802)	(37.639)	--	(8.377)	7.330	(73.029)
Other operating income	120	1.521	124.384	368	--	18	9.309	--	3.046	(2.437)	136.329
Other operating expense	(63)	(8.449)	(3.990)	(2.198)	(320)	--	(1.665)	(958)	(464)	--	(18.107)
Operating profit / (loss)	**(736)**	**(14.309)**	**129.862**	**2.377**	**38.457**	**400**	**33.385**	**(958)**	**1.484**	**(11.230)**	**178.732**
Financial profit / loss (net)	(3.854)	(4.391)	(30.104)	(53.835)	(15.208)	(1.746)	(26.085)	(10.306)	(32.676)	--	(178.205)
Profit / (loss) of continuing operations before tax	**(4.590)**	**(18.700)**	**99.758**	**(51.458)**	**23.249**	**(1.346)**	**7.300**	**(11.264)**	**(31.192)**	**(11.230)**	**527**
Tax income / (expense) for the period	(500)	(4.275)	(3.075)	9.597	(4.439)	161	(10.858)	--	(4.188)	--	(17.577)
Profit / (loss) of continuing operations after tax	**(5.090)**	**(22.975)**	**96.683**	**(41.861)**	**18.810**	**(1.185)**	**(3.558)**	**(11.264)**	**(35.380)**	**(11.230)**	**(17.050)**
Profit (loss) for the period attributable to the parent of the Company	(4.909)	(22.631)	50.575	(41.452)	18.810	(973)	(2.612)	(11.264)	(35.380)	(18.524)	(68.360)
Depreciation and amortization expenses	2.953	245	31	1.003	9.716	115	18.200	--	246	--	32.509
Investments on tangible, intangible assets and investment property	4.190	249	24.273	95.995	6.746	108	39.707	--	54	--	171.322
Segment assets	523.789	372.855	1.128.520	864.506	809.138	30.033	1.328.461	452.477	1.408.948	(1.479.758)	5.438.969
Segment liabilities	479.496	184.505	342.694	550.968	701.787	17.185	969.468	441.633	736.240	(136.888)	4.287.088

4 SEGMENT REPORTING *(continued)*

1 April-30 June 2011	TAV Yatırım	Akfen İnşaat	Akfen GYO	HES Group	MIP	Akfen Su	TAV Havalimanları	İDO	Others	Inter Segment Eleminations	Total
External revenues	94.811	(3.116)	7.362	11.360	42.666	1.313	139.763	--	2	--	294.161
Inter segment revenue	27.298	47.277	--	--	--	--	--	--	4.200	(78.775)	--
Total sales	**122.109**	**44.161**	**7.362**	**11.360**	**42.666**	**1.313**	**139.763**	**--**	**4.202**	**(78.775)**	**294.161**
Cost of sales	(120.254)	(40.423)	(423)	(4.441)	(16.197)	(433)	(97.839)	--	--	63.919	(216.091)
Gross profit / (loss)	**1.855**	**3.738**	**6.939**	**6.919**	**26.469**	**880**	**41.924**	**--**	**4.202**	**(14.856)**	**78.070**
General administrative expenses	(1.966)	(7.359)	(1.564)	(890)	(6.393)	(344)	(19.328)	--	(4.195)	4.510	(37.529)
Other operating income	63	845	77.947	266	--	6	4.993	--	2.975	(2.382)	84.713
Other operating expense	48	(7.732)	(3.158)	(1.998)	(320)	--	(1.665)	(958)	(254)	1.214	(14.823)
Operating profit / (loss)	**--**	**(10.508)**	**80.164**	**4.297**	**19.756**	**542**	**25.924**	**(958)**	**2.728**	**(11.514)**	**110.431**
Financial profit / loss (net)	(432)	(4.466)	(16.291)	(42.650)	(7.608)	(1.202)	(11.859)	(10.306)	(16.151)	314	(110.651)
Profit / (loss) of continuing operations before tax	**(432)**	**(14.974)**	**63.873**	**(38.353)**	**12.148**	**(660)**	**14.065**	**(11.264)**	**(13.423)**	**(11.200)**	**(220)**
Tax income / (expense) for the period	(318)	(150)	192	6.622	(2.329)	106	(8.195)	--	(4.155)	--	(8.227)
Profit / (loss) of continuing operations after tax	**(750)**	**(15.124)**	**64.065**	**(31.731)**	**9.819**	**(554)**	**5.870**	**(11.264)**	**(17.578)**	**(11.200)**	**(8.447)**
Profit (loss) for the period attributable to the parent of the Company	(628)	(14.780)	17.956	(28.892)	9.819	(446)	5.502	(11.264)	(17.576)	(12.510)	(52.819)
Depreciation and amortization expenses	1.362	124	24.276	(59)	4.877	15	9.578	--	72	--	40.245
Investments on tangible, intangible assets and investment property	2.488	16	--	40.614	6.331	93	27.188	--	51	--	76.781

5 CASH AND CASH EQUIVALENTS

At 30 June 2012 and 31 December 2011, cash and cash equivalents comprised the following

	30 June 2012	31 December 2011
Cash on hand	1.261	1.411
Cash at banks	135.344	162.828
- Demand deposits	32.195	83.355
-Time deposits	103.149	79.473
Project, reserves and fund accounts	101.094	300.165
Other cash and cash equivalents (*)	371.458	54.186
Cash and cash equivalents	**609.157**	**518.590**
Project, reserve and fund accounts	(101.094)	(300.165)
Cash and equivalents in the statement of cash flow	**508.063**	**218.425**

(*) As at 30 June 2012, other cash and cash equivalents are comprised of overnight repo balances amounting TL 369.022 (31 December 2011: 53.414), TL 1.260 (31 December 2011: Nil) and TL 800 (31 December 2011: Nil) which belong to Akfen Holding, Akfen İnşaat and Akfen Enerji, respectively.

As at 30 June 2012 and 31 December 2011 the distribution of the cash and cash equivalents of the company is as follows:

	30 June 2012	31 December 2011
Akfen Holding	380.113	61.864
MIP	104.369	101.243
Tav Havalimanları	54.230	266.765
Tav Yatırım	20.689	56.886
HES Group	17.042	14.492
IDO Denizcilik	13.102	2.721
Akfen GYO	12.707	7.792
Akfen Su	3.258	3.484
Akfen İnşaat	2.206	2.744
Other	1.441	599
Total	**609.157**	**518.590**

As at 30 June 2012 and 31 December 2011 the distribution of demand deposits, foreign currency and Turkish Liras of the Group are as follows:

Currency	**30 June 2012**	**31 December 2011**
TL	20.586	22.411
Qatari Riyal	4.300	29.480
Euro	2.384	2.928
USD	1.630	14.125
Other	3.295	14.411
	32.195	**83.355**

5 CASH AND CASH EQUIVALENTS *(continued)*

The details of the time deposits, due dates and interest rates of the Group as at 30 June 2012 and 31 December 2011 are as follows:

Currency	Due date	Interest rate %	30 June 2012
TL	July – August 2012	5,59 - 12,00	37.549
USD	July – August 2012	0,50 - 9,20	49.710
Euro	July 2012	0,04 - 4,5	6.419
Qatari Riyal	July 2012	1,64	9.412
Other	July 2012	0,10	59
			103.149

Currency	Due date	Interest rate %	31 December 2011
TL	January 2012	5,75 - 12,05	30.194
USD	January 2012	0,50 - 5,74	25.916
Euro	January 2012	1,00 - 5,67	23.363
			79.473

Project, reserve and fund accounts

TAV Havalimanları, MIP, Akfen Su and HES I-II-IV-V 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 purposes which are mentioned in terms and conditions of the agreements. Project and reserve amounts in cash and cash equivalents are amounting to TL 39.409 (31 December 2011: TL 218.032), TL 59.810 (31 December 2011: TL 77.705), TL 1.101 (31 December 2011: TL 467) and TL 774 (31 December 2011: TL 3.961) belongs to TAV Havalimanları, MIP, Akfen Su and HES companies, respectively.

The details of the project, reserve and fund accounts and interest rates of the Group as at 31 June 2012 and 31 December 2011 are as follows:

Currency	Interest rate %	30 June 2012
TL	8,00-11,50	7.800
USD	0,50-9,00	67.632
Euro	0,50-4,50	18.237
		93.669
Demand deposits		7.425
		101.094

Currency	Interest rate %	31 December 2011
TL	3,50-9,70	59.359
USD	0,10-9,00	80.924
Euro	0,08-4,50	158.294
Other		1.588
		300.165

The Group's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities are disclosed in Note 30.

As at 30 June 2012 and 31 December 2011, there is no pledge on bank accounts except for the accounts disclosed in restricted cash.

6 FINANCIAL INVESTMENTS

Short-term financial investments

As at 30 June 2012, the Group's short-term financial investments consist of time deposits with maturities longer than 3 months and private sector bonds amounting to TL 62.021 and TL 1.463, respectively.

Long-term financial investments

As at 30 June 2012 and 31 December 2011, Group's long-term financial investments are comprised of following:

	30 June 2012	31 December 2011
Time deposits longer than 1 year due date	37.037	--
Financial assets	195	151
	37.232	**151**

Group's time deposits longer than 1 year of maturity were reclassed into long-term financial investments.

At 30 June 2012 and 31 December 2011, the Group holds equity investments in the following companies:

	Ownership (%)	30 June 2012	Ownership (%)	31 December 2011
Batı Karadeniz Elekt. Dağıtım ve Sis. A.Ş.	12,5	1.493	12,5	1.493
Other		195		151
Subtotal		1.688		1.644
Less: Impairment of investments		(1.493)		(1.493)
Total financial assets		**195**		**151**

Since the effect of the investments or the ownership rates of the Group on these investments were low, they have been stated at cost less impairment losses in the accompanying consolidated financial statements as at 30 June 2012 and 31 December 2011.

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 30.

The Group's financial liabilities as at 30 June 2012 are as follows:

	Nominal Value	Carrying Amount
Current liabilities		
Secured bank loans	59.000	63.294
Unsecured bank loans	28.836	29.723
Current portions of non-current secured bank loans	359.921	410.128
Current portions of non-current unsecured bank loans	2.630	3.586
Current portions of long-term issued bonds	--	8.265
Short term finance lease obligations	1.790	1.760
	452.177	**516.756**
Non-current liabilities		
Non-current secured bank loans	1.787.527	1.727.652
Non-current unsecured bank loans	36.400	34.653
Non-current issued bonds	250.230	250.230
Long term finance lease obligations	5.271	5.240
	2.079.428	**2.017.775**

The Group's financial liabilities as at 31 December 2011 are as follows:

	Nominal Value	Carrying Amount
Current liabilities		
Secured bank loans	79.685	86.527
Unsecured bank loans	24.802	26.919
Current portions of non-current secured bank loans	469.001	511.296
Current portions of non-current unsecured bank loans	10.956	10.768
Current portions of long-term issued bonds	100.000	103.512
Short term finance lease obligations	2.087	4.400
	686.531	**743.422**
Non-current liabilities		
Non-current secured bank loans	2.659.730	2.603.444
Non-current unsecured bank loans	37.023	35.683
Non-current issued bonds	80.000	80.000
Long term finance lease obligations	13.928	11.597
	2.790.681	**2.730.724**

7 LOANS AND BORROWINGS *(continued)*

As at 30 June 2012, Group's total bank loans, issued bonds and financial leasing obligations are as follows:

	Nominal Value	Carrying Amount
Bank loans	2.274.314	2.269.036
Bonds	250.230	258.495
Finance lease obligations	7.061	7.000
	2.531.605	**2.534.531**

As at 31 December 2011, Group's total bank loans, issued bonds and financial leasing obligations are as follows:

	Nominal Value	Carrying Amount
Bank loans	3.281.197	3.274.637
Bonds	180.000	183.512
Finance lease obligations	16.015	15.997
	3.477.212	**3.474.146**

The bank loans and the distribution of the issued bonds according to the segments of the Group as at 30 June 2012 are as follows:

Carrying amount	Current Liabilities	Non-Current Liabilities	Total
Akfen Holding	98.877	486.896	585.773
Akfen İnşaat	251	130	381
Akfen GYO	81.786	200.938	282.724
Akfen HES I-II-IV-V	83.788	334.335	418.123
Akfen Su	2.127	12.453	14.580
MIP	131.591	425.259	556.850
TAV Yatırım	46.710	6.852	53.562
TAV Havalimanları	35.167	184.233	219.400
IDO	34.699	361.439	396.138
	514.996	**2.012.535**	**2.527.531**

Nominal Value	Current Liabilities	Non-Current Liabilities	Total
Akfen Holding	75.726	491.277	567.003
Akfen İnşaat	173	149	322
Akfen GYO	76.423	202.747	279.170
Akfen HES I-II-IV-V	56.732	364.881	421.613
Akfen Su	1.484	13.300	14.784
MIP	132.725	432.212	564.937
TAV Yatırım	45.598	6.852	52.450
TAV Havalimanları	26.962	194.010	220.972
IDO	34.564	368.729	403.293
	450.387	**2.074.157**	**2.524.544**

7 LOAND AND BORROWINGS *(continued)*

The bank loans and the distribution of the issued bonds according to the segments of the Group as at 31 December 2011 are as follows:

Carrying amount	Current Liabilities	Non-Current Liabilities	Total
Akfen Holding	261.878	454.364	716.242
Akfen İnşaat	20.080	51.506	71.586
Akfen GYO	118.982	166.756	285.738
Akfen HES I-II	83.796	372.967	456.763
Akfen Su	1.524	14.117	15.641
MIP	23.791	568.800	592.591
TAV Yatırım	68.966	46.062	115.028
TAV Havalimanları	126.995	651.327	778.322
IDO	33.010	393.228	426.238
	739.022	**2.719.127**	**3.458.149**

Nominal Value	Current Liabilities	Non-Current Liabilities	Total
Akfen Holding	251.908	450.778	702.686
Akfen İnşaat	15.630	53.995	69.625
Akfen GYO	112.646	167.387	280.033
Akfen HES I-II	51.483	408.962	460.445
Akfen Su	786	15.104	15.890
MIP	25.075	576.835	601.910
TAV Yatırım	67.007	46.063	113.070
TAV Havalimanları	127.031	656.843	783.874
IDO	32.878	400.786	433.664
	684.444	**2.776.753**	**3.461.197**

Conditions and repayment schedules

The repayment schedules of the bank loans and issued bonds of the Group as at 30 June 2012 and 31 December 2011 according to the original maturities are as follows:

	Nominal Value		Carrying Amount	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Within 1 year	450.387	684.444	514.996	739.022
1 – 2 years	552.112	704.619	569.315	726.265
2 – 3 years	358.276	339.252	344.621	358.878
3 – 4 years	178.518	395.162	182.642	364.007
5 years and more	985.251	1.337.720	915.957	1.269.977
	2.524.544	**3.461.197**	**2.527.531**	**3.458.149**

7 LOANS AND BORROWINGS *(continued)*

As at 30 June 2012 and 31 December 2011 the currency distribution of bank loans and issued bonds is as follows:

	Nominal Value		Carrying Amount	
	30 June 2012	**31 December 2011**	**30 June 2012**	**31 December 2011**
USD	1.179.658	1.543.407	1.175.188	1.536.442
Euro	1.074.167	1.710.494	1.072.998	1.710.136
TL	262.078	207.106	270.566	211.380
Others	8.641	190	8.779	191
	2.524.544	**3.461.197**	**2.527.531**	**3.458.149**

Since most of the financial liabilities are the floating interest rate loans, the Group is exposed to the interest rate risk. As at 30 June 2012 and 31 December 2011, the lowest and highest interest rates of loans that the Company used are as follows:

30 June 2012				31 December 2011			
Fixed rate loans	**TL**	**USD**	**Euro**	**Fixed rate loans**	**TL**	**USD**	**Euro**
The Lowest	10,00%	3,75%	3,75%	The Lowest	10,00%	3,50%	3,75%
The Highest	11,68%	9,95%	8,50%	The Highest	16,88%	9,95%	6,95%
Floating interest rate loans	**TL**	**USD**	**Euro**	**Floating interest rate loans**	**TL**	**USD**	**Euro**
The Lowest	13,29%	0,13%	1,54%	The Lowest	10,55%	0,13%	1,54%
The Highest	13,29%	8,00%	7,50%	The Highest	14,84%	8,00%	7,50%

As stated in the Note 8, 81% of Major Loan (Senior Loan) of MIP, respectively 76%,75% and 70% of Major and VAT loans of HES I-IV-V Group companies, and 75% of Major Loan (Senior Loan) of IDO were fixed with interest rate swap. 100%, 100%, 50%, 85% and 100% floating interest rate loans of TAV Istanbul, TAV Esenboğa, HAVAŞ, TAV Tunisia and TAV Macedonia, respectively, were fixed with interest rate swap.

The project loans were borrowed in order to finance the construction of the Build – Operate – Transfer projects of the Group, TAV Esenboğa, TAV İzmir, TAV Georgia, TAV Macedonia and TAV Tunisia companies and to finance prepaid expense of TAV Istanbul to DHMI; financing for the privatization cost of Turkish State Railways Mersin Port; the investment in hydroelectric power plants included in HES I-II-IV-V companies; to finance of the hotel projects to be constructed in the scope of the framework contracts signed with Accor SA; financing of Akfen Su Arbiogaz Dilovasi and Akfen Su Güllük investments and to finance the privatization of 100 % shares of İDO.

The total bank project loans is TL 1.857.610 as at 30 June 2012 (31 December 2011: TL 2.454.373) and its share in total loans is 74% (31 December 2011: 71%).

The details of the loans and borrowings for each subsidiaries and partnerships controlled jointly are given below:

7 LOANS AND BORROWINGS *(continued)*

Akfen Holding

The breakdown of bank loans as at 30 June 2012 is as follows:

	Currency	Nominal interest rate	Year of Maturity	Nominal value	Carrying amount
Secured bank loans [1]	USD	Libor+3,50	2014	32.116	32.333
Secured bank loans [2]	USD	9,95	2015	135.488	145.109
Secured bank loans [3]	Euro	Euribor+4,00	2014	149.169	149.836
Bond [4](***)	TL	GDS+4,00(*) +4[***]	2013	70.940	71.070
Bond [5](****)	TL	GDS + 4,00(**)	2014	179.290	187.425
				567.003	**585.773**

[1] Sureties given by Hamdi Akın and Akfen İnşaat.

[2] 1/1 cash collateral. Annual 9,20% gross interest rate and USD as the credit security are held as the deposit.

[3] 86,988,875 shares pledged on Akfen GYO.

[4] The liability which has a maturity of 2 years and coupon payment of 91 days with a floating interest rate amounting to TL 80.000 as at 27 December 2011. The 3rd period coupon payment date is 25 September 2012.

[5] Represents the liability of bond which has been issued on 9 March 2012 and has a maturity of 2 years and coupon payment of 6 months with a floating interest rate amounting to TL 200.000. The 1st period coupon payment date is 7 September 2012.

[*] The interest rate of 3rd period coupon payment according to the net additional income rate is 3,16% (25 September 2012). The coupon payments shall be made in every 91 days.

[**]The interest rate of 1st period coupon payment according to the net additional income rate is 6,42% (7 September 2012). The coupon payments shall be made in every 6 months.

[***]Akfen Holding has purchased the portion of the bond with a nominal value of TL 500 at 1 June 2012 and has purchased the portion of that bond with TL 8.560 at 4 June 2012 from the market. The portions that have been purchased are netted off from bond obligations.

[****]Akfen Holding has purchased the portion of the bond with a nominal value of TL 20.710 at 4 June 2012 from market. The portions that have been purchased are netted off from bond obligations.

[GDS] 'Indicator Interest Rate', which provides base to annual compound yield of Treasury Bills, is calculated as the weighted average arithmetical mean of annual compound interest rates, which were effective at the last five working days at ISE Treasury Bills and Bonds Trade Market, of discounted indicator of the furthermost future dated treasury bills issued by Undersecreteriat of Treasury.

7 LOANS AND BORROWINGS *(continued)*

Akfen Holding *(continued)*

The breakdown of bank loans as at 31 December 2011 is as follows:

	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans (1)	USD	6,85	2012	14.167	14.563
Secured bank loans (2)	USD	6,75	2013	18.889	19.295
Secured bank loans (2)	USD	6,25	2013	20.778	21.127
Secured bank loans (3)	USD	7,50	2013	9.445	9.550
Secured bank loans (3)	USD	8,10	2013	24.556	25.026
Secured bank loans (3)	USD	7,80	2013	5.667	5.832
Secured bank loans (3)	USD	Libor+3,50	2014	41.976	42.229
Secured bank loans (5)	USD	7,40	2014	18.889	18.957
Secured bank loans (5)	USD	6,90	2014	34.000	35.284
Secured bank loans (2)	USD	9,95	2015	141.668	144.287
Secured bank loans (4)	Euro	Euribor+4,20	2014	192.350	196.278
Bond (3)	TL	5,13(*)	2012	100.000	103.382
Secured bank loans (7)	TL	16,88(**)	2013	301	302
Bond (8)	TL	3,51(***)	2013	80.000	80.130
				702.686	**716.242**

(1) Sureties given by Akfen İnşaat.
(2) Sureties given by Akfen İnşaat, Akfen Turizm, Akınısı and Hamdi Akın.
(3) Sureties given by Akfen İnşaat and Hamdi Akın.
(2) 1/1 cash collateral. Annual 9,20% gross interest rate and USD as the credit security are held as the deposit.
(3) As at 5 March 2010 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. The 4th term coupon payment date is 2 March 2012.
(4) 86,988,875 shares pledged on Akfen GYO.
(7) It is İş Yatırım share buying loan; 42.000 Holding shares are in the safe custody account of İş Yatırım in the frame of Share Buyback Programme.
(8) The liability which has a maturity of 2 years and coupon payment of 91 days with a floating interest rate amounting to TL 80.000 as at 27 December 2011. The 1st period coupon payment date is 27 March 2012.
(*) The interest of 4th period coupon payment according to the net additional income rate (2 March 2012). The coupon payments shall be made in every 182 days.
(**) Overnight interest rate that is applied to loans for stock purchase issues. Overnight interest rate is determined by 60% more of maximum of weekly repo lending interest rate of Central Bank of Turkey and weighted average interest rate of the shortest maturity repo operations in ISE Bond and Bill Repo and Reverse Repo Market.
(***) The interest of 1st period coupon payment according to the net additional income rate (27 March 2012). The coupon payments shall be made in every 91 days.

7 LOANS AND BORROWINGS *(continued)*

Akfen Holding *(continued)*

The repayment schedules of the bank loans are as follows:

	Nominal Value		Carrying Amount	
	30 June 2012	**31 December 2011**	**30 June 2012**	**31 December 2011**
Within 1 year	75.726	251.908	98.877	261.878
1 – 2 years	325.956	237.709	338.476	247.154
2 – 3 years	165.321	91.401	148.420	100.551
3 – 4 years	--	121.668	--	106.659
5 years and more	--	--	--	--
	567.003	**702.686**	**585.773**	**716.242**

Akfen İnşaat:

The breakdown of bank loans as at 30 June 2012 is given below:

	Currency	Nominal İnterest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans (1)	USD	7,20	2014	322	381
				322	**381**

(1) The sureties are given by Hamdi Akın.

The breakdown of bank loans as at 31 December 2011 is given below:

	Currency	Nominal İnterest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans (1)	USD	8,10	2013	18.889	19.251
Secured bank loans (2)	USD	7,98	2013	7.556	7.619
Secured bank loans (3)	USD	7,20	2014	434	447
Secured bank loans (2)	USD	6,90	2014	22.667	23.522
Secured bank loans (1)	USD	7,80	2013	9.445	9.720
Secured bank loans (2)	TL	1,20*	2012	1.140	1.206
Secured bank loans (2)	TL	1,15*	2013	3.191	3.324
Secured bank loans (2)	TL	1,18*	2013	3.689	3.783
Secured bank loans (2)	TL	1,15*	2013	1.026	1.099
Secured bank loans (2)	TL	1,18*	2013	932	954
Secured bank loans (2)	TL	1,27*	2014	656	661
				69.625	**71.586**

7 LOANS AND BORROWINGS *(continued)*

Akfen İnşaat: *(continued)*

(1) The loan, of which, sureties are given by Akfen Holding and Hamdi Akın.
(2) The sureties are given by Akfen Holding.
(3) The sureties are given by Hamdi Akın.
(*) Monthly interest rates.

The repayment schedules of the bank loans are as follows:

	Nominal Value		Carrying Amount	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Within 1 year	173	15.630	251	20.080
1 – 2 years	149	46.303	130	44.572
2 – 3 years	--	7.692	--	6.934
3 – 4 years	--	--	--	--
5 years and more	--	--	--	--
	322	**69.625**	**381**	**71.586**

Akfen GYO:

The breakdown of bank loans as at 30 June 2012 and 31 December 2011 are given below:

	Nominal Value		Carrying Amount	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Akfen GYO	207.336	199.916	209.851	202.465
RHI	52.503	63.010	53.263	65.932
RPI	19.331	17.107	19.610	17.341
	279.170	**280.033**	**282.724**	**285.738**

Akfen GYO:

The breakdown of bank loans as at 30 June 2012 is given below:

	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans (1)	Euro	8,75	2014	22.743	23.211
Secured bank loans (2)	Euro	Euribor +3,70	2015	23.879	24.262
Secured bank loans (3)	Euro	Euribor +3,75	2020	150.337	151.797
Secured bank loans (4)	TL	10,00	2016	10.377	10.581
				207.336	**209.851**

The breakdown of bank loans as at 31 December 2011 is given below:

	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans (2)	Euro	Euribor +3,70	2015	29.326	29.835
Secured bank loans (1)	Euro	Euribor +3,75	2020	158.349	160.092
Secured bank loans (4)	TL	10,00	2016	12.241	12.538
				199.916	**202.465**

7 LOANS AND BORROWINGS *(continued)*

Akfen GYO *(continued)*

(1) On 29 March 2012, Euro 10,000,000 loan with 2 year maturity has been used from Fiba Banka. Sureties of Akfen Holding are given for the total outstanding loan amount.

(2) The loan was borrowed against the letter of guarantee provided from ING European Financial Services Plc and ING Bank A.Ş. For refinancing of the bank borrowings obtained from various banks for financing the construction of Mercure Hotel in Northern Cyprus. The letter of guarantee provided from ING Bank A.Ş. is secured by the followings.

- According to the pledge of shares contract signed between Akfen GYO and ING bank A.Ş. on 8 September 2008, 279,996 shares of Akfen GYO in Akfen Gayrimenkul Ticareti ve İnşaat A.Ş. amounting TL 7.000 were pledged to ING Bank A.Ş,
- 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,
- The right of tenancy of TRNC Mercure Hotel is pledged in favor of ING Bank A.Ş.

(3)The Company signed a loan agreement of EUR 100 million on 30 July 2008 with Türkiye İş Bankası AŞ ("İş Bankası") and Türkiye Sınai Kalkınma Bankası AŞ ("TSKB") to finance the ongoing hotel projects based on the Framework Agreement 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 2012, Akfen GYO used the portion of the loan amounting to EUR 78,86 millions. The Company recognises loan commission accrual amounting to TL 128 for the unused portion of EUR 21,14 millions. 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 favor of the creditors,
- Sureties of Akfen Holding and Akfen Inşaat are given as the completion guarantee of the related projects,
- 1st, 2nd and 3rd independent divisions recognised in the inventories and 50% owned by the Akfen Ticaret AŞ are pledged on behalf of Akfen GYO in favor of banks.

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

- Letter of guarantees from various banks are obtained for 105% loan amount,
- The surety is given by Akfen İnşaat, the shareholders' of Akfen GYO , for the total outstanding loan amount.

7 LOANS AND BORROWINGS *(continued)*

Akfen GYO *(continued)*

RHI:

The breakdown of bank loans as at 30 June 2012 is given below:

	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans [1]	Euro	Euribor +7,50	2012	20.437	20.682
Unsecured bank loans	Euro	8,50	2012	3.411	3.430
Secured bank loans [2]	Euro	Euribor+6,50	2022	28.655	29.151
				52.503	**53.263**

The breakdown of bank loans as at 31 December 2011 is given below:

	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans [1]	Euro	Euribor +7,50	2012	63.010	65.932
				63.010	**65.932**

[1] It is the loan of RHI borrowed from Credit Europe Bank. RHI presented the land in Samara city where it shall make construction and 100% shares of YaroslavlOtelInvest and SamstroyKom as the security. Akfen GYO and Akfen Ticaret severally presented surety in the amount of bank loan.

[2] Loan limit in amount of Euro 12,600,000 EUR given within the scope of agreement signed with European Bank For Construction And Development ("EBRD") and International Finance Corporation ("IFC") related to Samara Hotel project has been used by RHI on 26 February 2012. Sureties of Akfen Holding are given for the total outstanding loan amount. The company pledged the shares of Akfen GT and Cüneyt Baltaoğlu in ratio of 95% and 5%, respectively and also land and hotel that Samara Hotel is being constructed which belongs to Akfen GYO Samara Hotel is mortgaged in favor of creditors. Besides, rent revenue of Samara Ibis Hotel is alienated in favor of the creditor.

RPI:

The breakdown of bank loans as at 30 June 2012 is given below:

	Currency	Nominal Interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans [1]	Euro	8,50	2012	3.411	3.430
Secured bank loans [1]	Euro	Euribor +7,50	2012	15.920	16.180
				19.331	**19.610**

The breakdown of bank loans as at 31 December 2011 is given below:

	Currency	Nominal Interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans [1]	Euro	Euribor +7,50	2012	17.107	17.341
				17.107	**17.341**

7 LOANS AND BORROWINGS *(continued)*

Akfen GYO *(continued)*

***RPI** (continued):*

(1)It is the loan of RPI borrowed from Credit Europe Bank. RPI presented the land in Samara city where it shall make construction and 100% shares of Volgostroykom as the security. Akfen GYO and Akfen Ticaret have joint and several surety in the amount of bank loan.

The repayment schedules of the bank loans are as follows:

	Nominal Value		Carrying Amount	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Within 1 year	76.423	112.646	81.786	118.982
1 – 2 years	53.400	30.250	51.993	30.389
2 – 3 years	31.361	29.672	31.039	29.386
3 – 4 years	27.961	29.702	27.737	29.257
5 years and more	90.025	77.763	90.169	77.724
	279.170	**280.033**	**282.724**	**285.738**

HES Grubu

The breakdown of bank loans as at 30 June 2012 and 31 December 2011 are given below:

	Nominal Value		Carrying Amount	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
HES I	89.385	314.903	87.749	310.341
HES II	150.708	145.542	151.530	146.422
HES IV	68.618	--	67.703	--
HES V	112.902	--	111.141	--
	421.613	**460.445**	**418.123**	**456.763**

HES I

The breakdown of bank loans as at 30 June 2012 is given below:

	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans	Euro	Euribor+6,50	2013-2020	89.385	87.749
				89.385	**87.749**

The breakdown of bank loans as at 31 December 2011 is given below:

	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans	Avro	Euribor+6,50	2013-2020	314.903	310.341
				314.903	**310.341**

The loans of HES I companies are secured up to 75,60 %, against the interest rate fluctuations by the interest swap agreements made. All shares owned by Akfen Group in Beyobası and HES I subsidiaries put in pledge to İş Bankası guarantee attorney of Consortium composed of TSKB, İş Bankası, YKB, Denizbank A.Ş. ('Denizbank') and Finansbank reward credit of companies in group HES I 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 the Company
- 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,

7 LOANS AND BORROWINGS *(continued)*

HES Grubu *(continued)*

***HES I** (continued)*

- Assignment of Go-risk receivables,
- Assignment of Project incomes,
- Commercial enterprise pledge.
- As at 30 June 2012 completion guarantee of Akfen İnşaat is maintained for loans of Beyobası.

There is a cross surety between HES I-IV-V companies and also the capital commitment undertake/guarantee is granted by Akfen Holding and the companies in HES I, HES IV and HES V groups (İdeal, Çamlıca and Beyobası) during the project period.

The loan consists of two separate parts as the Main Loan and VAT Loan. The maturity of the VAT Loan is 2013.

The repayment schedules of the HES I bank loans are as follows:

	Nominal Value		Carrying Amount	
	30 June 2012	**31 December 2011**	**30 June 2012**	**31 December 2011**
Within 1 year	14.062	47.590	20.146	69.413
1 – 2 years	11.568	42.351	11.568	42.352
2 – 3 years	10.212	34.199	10.211	34.199
3 – 4 years	10.212	34.199	10.211	34.199
5 years and	43.331	156.564	35.613	130.178
	89.385	**314.903**	**87.749**	**310.341**

HES II

The breakdown of bank loans as at 30 June 2012 is given below:

	Currency	Nominal Interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans	Euro	Euribor+5,50	2021	150.708	151.530
				150.708	**151.530**

The breakdown of bank loans as at 31 December 2011 is given below:

	Currency	Nominal Interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans	Euro	Euribor+5,50	2021	145.542	146.422
				145.542	**146.422**

All shares owned by Akfen Group in HES II and HES II subsidiaries put in pledge to İş Bankası guarantee attorney of Consortium composed of TSKB, İş Bankası, YKB, Denizbank consortium reward credit of companies in group HES II 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 the Company,
- 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.

7 LOANS AND BORROWINGS *(continued)*

HES Grubu *(continued)*

HES II *(continued)*

- The capital commitment undertake/guarantee is granted by Akfen Holding, HES II and HES II companies (BT Bordo, Elen, Pak, Rize, Yenidoruk, Zeki) during the project period.

The repayment schedules of the HES II bank loans are as follows:

	Nominal Value		Carrying Amount	
	30 June 2012	**31 December 2011**	**30 June 2012**	**31 December 2011**
Within 1 year	12.445	3.894	22.824	14.383
1 – 2 years	16.746	16.172	16.746	16.172
2 – 3 years	16.746	16.172	16.746	16.172
3 – 4 years	16.746	16.172	16.746	16.172
5 years and more	88.025	93.132	78.468	83.523
	150.708	**145.542**	**151.530**	**146.422**

HES IV

The breakdown of bank loans as at 30 June 2012 is given below:

	Currency	Nominal Interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans	Euro	Euribor+6,50	2013-2020	68.618	67.703
				68.618	**67.703**

The loans of HES IV companies are secured up to 75 %, against the interest rate fluctuations by the interest swap agreements made. All shares owned by Akfen Holding in İdeal and HES IV subsidiaries put in pledge to İş Bankası guarantee attorney of Consortium composed of TSKB, İş Bankası, YKB, Denizbank A.Ş. (‘Denizbank’) and Finansbank reward credit of companies in group HES IV 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 the Company,
- 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,
- Commercial enterprise pledge.

There is a cross surety between HES I-IV-V companies and also the capital commitment undertake/guarantee is granted by Akfen Holding and the companies in HES I, HES IV and HES V groups (İdeal, Çamlıca and Beyobası) during the project period.

The loan consists of two seperate parts as the Main Loan and VAT Loan. The maturity of the Main Loan is 2020 and VAT Loan is 2013.

7 LOANS AND BORROWINGS *(continued)*

HES Grubu *(continued)*

HES IV (continued)

The repayment schedules of the HES IV bank loans are as follows:

	Nominal Value		Carrying Amount	
	30 June 2012	**31 December 2011**	**30 June 2012**	**31 December 2011**
Within 1 year	10.806	--	15.229	--
1 – 2 years	8.259	--	8.551	--
2 – 3 years	8.259	--	8.259	--
3 – 4 years	8.259	--	8.259	--
5 years and	33.035	--	27.405	--
	68.618	**--**	**67.703**	**--**

HES V

The breakdown of bank loans as at 30 June 2012 is given below:

	Currency	Nominal Interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans	Euro	Euribor+6,50	2013-2020	112.902	111.141
				112.902	**111.141**

The loans of HES V companies are secured up to 70 %, against the interest rate fluctuations by the interest swap agreements made. All shares owned by Akfen Holding in Çamlıca and HES V subsidiaries put in pledge to İş Bankası guarantee attorney of Consortium composed of TSKB, İş Bankası, YKB, Denizbank A.Ş. ('Denizbank') and Finansbank reward credit of companies in group HES V 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 the Company,
- 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,
- Commercial enterprise pledge.

There is a cross surety between HES I-IV-V companies and also the capital commitment undertake/guarantee is granted by Akfen Holding and the companies in HES I, HES IV and HES V groups (İdeal, Çamlıca and Beyobası) during the project period.

The loan consists of two separate parts as the Main Loan and VAT Loan. The maturity of the Main Loan is 2020 and VAT Loan is 2013.

7 LOANS AND BORROWINGS *(continued)*

HES Grubu *(continued)*

HES V (continued)

The repayment schedules of the HES V bank loans are as follows:

	Nominal Value		Carrying Amount	
	30 June 2012	**31 December 2011**	**30 June 2012**	**31 December 2011**
Within 1 year	19.419	--	25.588	--
1 – 2 years	13.355	--	14.871	--
2 – 3 years	13.355	--	13.355	--
3 – 4 years	13.355	--	13.355	--
5 years and more	53.418	--	43.972	--
	112.902	**--**	**111.141**	**--**

Akfen Su

The breakdown of bank loans as at 30 June 2012 is given below:

	Currency	Nominal Interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans (1)	Euro	Euribor+4,00	2020	14.776	14.572
Secured bank loans	TL	10,68-11,68	2013	8	8
				14.784	**14.580**

The breakdown of bank loans as at 31 December 2011 is given below:

	Currency	Nominal Interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans (1)	Euro	Euribor+4,00	2020	15.878	15.629
Secured bank loans	TL	10,68-11,68	2013	12	12
				15.890	**15.641**

(1) Akfen Su Arbiogaz Dilovası and Akfen Su Güllük signed a loan agreement with European Bank for Reconstruction and Development ("EBRD") in 2010 October in the amount of EUR 13.500.000 and EUR 2.500.000, respectively. Akfen Su Arbiogaz Dilovası used EUR 10.500.000 (Group share: EUR 5.250.000), of this loan in 2010 December and Akfen Su Güllük used EUR 2.500.000 (Group share: EUR 1.250.000) of this loan in April 2011.
The following guarantees were presented in the use of this loan:
- Pledge of shares of Akfen Su Arbiogaz Dilovası and Akfen Su Güllük,
- Deposit pledge on accounts of the project,
- Assignment of receivables from common loans,
- Assignment of insurance receivables,
- Assignment of Build – Operate – Transfer Agreement signed with Dilovası Directorate of Organizaed Industrial Zone.

Akfen Holding and Tahal Group Assets B.V. ("Tahal") gave sureties by 50% for each as a guarantee for reaching the debt to profit before interest and amortization, debt to equity and debt service coverage (DSCR) ratios that are stated for once only and any financial year on loan agreement and for the payment of first principal payment on December 2012 or hedging the debt service reserve account (DSRA) with an amount equal to that payment.

Akfen Su *(continued)*

The repayment schedules of the bank loans are as follows:

	Nominal Value		Carrying Amount	
	30 June 2012	**31 December 2011**	**30 June 2012**	**31 December 2011**
Within 1 year	1.484	786	2.127	1.524
1 – 2 years	1.567	1.639	1.981	2.168
2 – 3 years	1.670	1.747	1.963	2.074
3 – 4 years	1.773	1.842	1.862	1.970
5 years and more	8.290	9.876	6.647	7.905
	14.784	**15.890**	**14.580**	**15.641**

MIP

The breakdown of bank loans as at 30 June 2012 is given below:

	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans (1)	USD	Libor+1,0	2013	104.855	107.044
Secured bank loans (2)	USD	Libor+2,5	2019	460.082	449.806
				564.937	**556.850**

The breakdown of bank loans as at 31 December 2011 is given below:

	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans (1)	USD	Libor+1,0	2013	108.729	108.963
Secured bank loans (2)	USD	Libor+2,5	2019	493.181	483.628
				601.910	**592.591**

(1) MIP has obtained two bank borrowings namely Senior Debt Loan and Mezzanine Loan amounting to USD 600.000.000 (Group share: USD 300.000.000) and USD 100.000.000, respectively (Group share: USD 50.000.000).

(1) The main loan is re-imbursement in the sub loan due date and the interests accrued until that time may be added to the loan amount. Akfen Holding presented letter of guarantee in the amount of 50% of the loan by addressing PSA.

(2) The Main Loan is the Project Financing loan and the pledge of MIP shares, accounting pledge, project income and assignment of receivables, insurance receivables form the security. 81% of the loan is hedged with interest rate swap against interest rate risk until the maturity of the loan.

The repayment schedules of the bank loans are as follows:

	Nominal Value		Carrying Amount	
	30 June 2012	**31 December 2011**	**30 June 2012**	**31 December 2011**
Within 1 year	132.725	25.075	131.591	23.791
1 – 2 years	36.043	141.580	36.043	140.056
2 – 3 years	45.083	43.322	45.083	41.844
3 – 4 years	50.071	47.736	50.071	46.355
5 years and more	301.015	344.197	294.062	340.545
	564.937	**601.910**	**556.850**	**592.591**

7 LOANS AND BORROWINGS *(continued)*

TAV Yatırım

The breakdown of bank loans as at 30 June 2012 and 31 December 2011 are given below:

	Nominal Value		Carrying Amount	
	30 June 2012	**31 December 2011**	**30 June 2012**	**31 December 2011**
TAV İnşaat	52.450	113.070	53.562	115.028
	52.450	**113.070**	**53.562**	**115.028**

TAV İnşaat

The breakdown of bank loans as at 30 June 2012 is given below:

	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans [1]	USD	3,75	2012	1.958	1.985
Secured bank loans [1]	USD	4,25	2012	3.916	3.933
Secured bank loans [1]	USD	5,90	2012	1.958	2.035
Secured bank loans [1]	USD	Libor+4,07	2012	1.958	1.972
Secured bank loans [1]	USD	3,75	2012	1.958	1.994
Unsecured bank loans	USD	3,75	2012	3.913	4.118
Secured bank loans [1]	USD	3,75	2013	1.958	1.997
Secured bank loans [1]	USD	Libor +3,90	2013	3.916	3.955
Secured bank loans [1]	USD	6,40	2013	1.958	2.058
Secured bank loans [1]	USD	5,45	2013	1.958	2.058
Secured bank loans [1]	USD	5,63	2013	2.937	3.082
Secured bank loans [1]	USD	Libor+3,65	2013	3.916	3.944
Secured bank loans [1]	USD	6,40	2013	5.873	5.922
Secured bank loans [1]	Euro	Euribor+3,25	2013	3.204	3.239
Secured bank loans [1]	Euro	3,75	2013	2.465	2.529
Unsecured bank loans	OMR	4,85	2012	1.012	1.029
Unsecured bank loans	OMR	4,85	2012	3.037	3.081
Unsecured bank loans	OMR	4,85	2012	2.024	2.063
Unsecured bank loans	OMR	4,85	2012	2.531	2.568
				52.450	**53.562**

[1] The surety of TAV Yatırım Holding.

7 LOANS AND BORROWINGS *(continued)*

TAV Yatırım *(continued)*

TAV İnşaat *(continued)*

The breakdown of bank loans as at 31 December 2011 is given below:

	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans [1]	USD	3,50-3,75	2012	8.028	7.987
Secured bank loans [1]	USD	4,25	2012	8.028	8.064
Secured bank loans [1]	USD	5,90	2012	4.014	4.053
Secured bank loans [1]	USD	3,60	2012	12.041	12.638
Secured bank loans [1]	USD	Libor+4,07	2012	4.014	4.044
Secured bank loans [1]	USD	3,75	2012	4.014	4.088
Secured bank loans [2]	USD	5,00	2012	4.014	4.069
Secured bank loans [2]	USD	4,95	2012	9.633	9.741
Unsecured bank loans	USD	3,75	2012	8.028	8.286
Secured bank loans [1]	USD	4,65	2013	4.014	4.192
Secured bank loans [1]	USD	Libor +3,90	2013	8.028	8.108
Secured bank loans [1]	USD	5,45	2013	4.014	4.105
Secured bank loans [1]	USD	5,63	2013	4.014	4.103
Secured bank loans [1]	USD	5,62	2013	6.021	6.142
Secured bank loans [1]	USD	Libor+3,65	2013	8.028	8.083
Secured bank loans [1]	Euro	Euribor+3,25	2013	6.751	6.826
Secured bank loans [1]	Euro	3,75	2013	5.193	5.213
Secured bank loans [1]	Euro	6,05	2013	5.193	5.286
				113.070	**115.028**

[1] The surety of TAV Yatırım Holding.
[2] The sureties of Akfen Holding, Tepe and TAV Yatırım.
[3] The surety of Tav İnşaat.

The repayment schedules of the bank loans are as follows:

	Nominal Value		Carrying Amount	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Within 1 year	45.598	67.007	46.710	68.966
1 – 2 years	6.852	46.063	6.852	46.062
2 – 3 years	--	--	--	--
3 – 4 years	--	--	--	--
5 years and more	--	--	--	--
	52.450	**113.070**	**53.562**	**115.028**

7 LOANS AND BORROWINGS *(continued)*

TAV Havalimanları

The bank loans of TAV Havalimanları as at 30 June 2012 and 31 December 2011 are as follows:

	Nominal Value		Carrying Amount	
	30 June 2012	**31 December 2011**	**30 June 2012**	**31 December 2011**
TAV Holding	26.671	63.137	27.092	63.821
TAV İstanbul	65.660	241.329	65.340	240.630
TAV Esenboğa	22.641	80.234	22.216	78.678
TAV İzmir	--	26.394	--	26.665
TAV Gazipaşa	3.147	10.588	3.304	10.850
TAV Tunus	68.017	237.565	67.257	234.842
TAV Tiflis	3.679	13.992	3.718	14.146
TAV Makedonya	12.925	44.681	12.290	42.485
HAVAŞ	13.915	49.366	13.939	49.466
ATÜ Turizm İşletmeciliği A.Ş. ("ATÜ")	3.988	15.266	3.908	15.412
Other	329	1.322	336	1.327
	220.972	**783.874**	**219.400**	**778.322**

TAV Holding

The breakdown of bank loan of TAV Holding as at 30 June 2012 is as follows:

	Currency	**Nominal interest rate**	**Year of maturity**	**Nominal value**	**Carrying amount**
Unsecured bank loans	Euro	4,25 - 7,10	2012-2014	25.204	25.547
Unsecured bank loans	USD	3,75	2012	1.467	1.545
				26.671	**27.092**

The breakdown of bank loan of TAV Holding as at 31 December 2011 is as follows:

	Currency	**Nominal interest rate**	**Year of maturity**	**Nominal value**	**Carrying amount**
Unsecured bank loans	Euro	4,25 - 6,95	2012-2014	54.256	54.766
Unsecured bank loans	USD	3,75 - 4,25	2012	8.881	9.055
				63.137	**63.821**

7 LOANS AND BORROWINGS *(continued)*

TAV Havalimanları *(continued)*

TAV İstanbul

The breakdown of bank loan of TAV Istanbul as at 30 June 2012 is as follows:

	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans(*)	Euro	Euribor + 2,50	2018	65.660	65.340
				65.660	**65.340**

(*)The interest rate is Euribor + 2,50% until 4 January 2013 and Euribor + 2,65% between 4 January 2013 and 4 January 2016 and Euribor + 2,75% between 4 January 2016 and 4 July 2018.

The breakdown of bank loan of TAV Istanbul as at 31 December 2011 is as follows:

	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans(*)	Euro	Euribor + 2,50	2018	241.329	240.630
				241.329	**240.630**

(*)The interest rate is Euribor + 2,50% until 4 January 2013 and Euribor + 2,65% between 4 January 2013 and 4 January 2016 and Euribor + 2,75% between 4 January 2016 and 4 July 2018.

TAV Esenboğa

The breakdown of bank loan of TAV Esenboğa as at 30 June 2012 is as follows:

	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans	Euro	Euribor + 2,35	2021	22.641	22.216
				22.641	**22.216**

The breakdown of bank loan of TAV Esenboğa as at 31 December 2011 is as follows:

	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans	Euro	Euribor + 2,35	2021	80.234	78.678
				80.234	**78.678**

TAV İzmir

There is no bank loan of TAV İzmir as at 30 June 2012.

The breakdown of bank loan of TAV İzmir as at 31 December 2011 is as follows:

	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans	Euro	Euribor + 3,00	2013	26.394	26.665
				26.394	**26.665**

7 LOANS AND BORROWINGS *(continued)*

TAV Havalimanları *(continued)*

Pledges regarding the project bank loans of TAV İstanbul, TAV İzmir and TAV Esenboğa:

a) Share pledge: TAV İstanbul, TAV İzmir and TAV Esenboğa have pledges over shares amounting to TL 180.000, TL 150.000, and TL 241.650, respectively. In case of an event of default, the banks have the right to take control of the shares. Upon the occurrence of any event of default, the banks can demand the sale of shares by way of public auction in accordance with the applicable provisions of the Bankruptcy and Execution Law of the Republic of Turkey or by way of private auction among the nominees. Share pledges will expire after bank loans are paid or on the dates of maturity.

b) Receivable pledge: In case of an event of default, the banks have the right to take control of the receivables of project companies in order to perform its obligations under the loan documents. Immediately upon the occurrence of default, and all payments relating to assigned receivables shall be made to the banks which shall be entitled to collect the assigned receivables and exercise all rights with respect to assigned receivables.
Pledges amounting to TL 73.365 (Group share: TL 5.957) and TL 8.163 (Group share: TL 663) are imposed on the receivables of TAV Istanbul and TAV Esenboğa, respectively (31 December, 2011: TL 65.006 (Group share: TL 5.267), TL 2.750 (Group share: TL 223) and TL 7.840 (Group share: TL 636) are imposed on the receivables of TAV Istanbul, TAV İzmir and TAV Esenboğa, respectively).

c) Pledge over bank accounts: In case of an event of default, the banks have the right to control the bank accounts of project companies in order to perform its obligations under the loan documents. Upon the occurrence of event of default project companies shall be entitled to set-off and apply the whole or any part of the cash standing to the credit of the accounts and any interests, proceeds and other income that may accrue or arise from the accounts.

Pledges amounting to TL 384.638 (Group share: TL 31.229) and TL 49.627 (Group share: TL 4.029) are imposed on the bank accounts of TAV Istanbul and TAV Esenboğa, respectively (31 December, 2011: TL 641.516 (Group share: TL 167.564), TL 94.202 (Group share: TL 24.606) and TL 48.279 (Group share: TL 12.610) are imposed on the bank accounts of TAV İstanbul, TAV İzmir and TAV Esenboğa, respectively).

With the consent of the facility agent, TAV İstanbul and TAV Esenboğa have a right to have an additional:

- subordinated debt approved in advance by the Facility Agent
- indebtedness up to USD 0.5 million for the acquisition cost of any assets or leases of assets
- indebtedness up to USD 3 million for the payment of tax and social security liabilities.

Distribution lock-up tests for TAV İstanbul, TAV Esenboğa, TAV Tunisia, TAV Tbilisi and TAV Macedonia must satisfy following conditions before making any distribution:

- no default has occurred and is continuing,
- no default would result from such declaration, making or payment,
- the reserve accounts are each fully funded,
- all mandatory prepayments required to have been made,
- debt service cover ratio is not less than 1.30 for TAV İstanbul, 1.25 for TAV Esenboğa, 1.20 for Tunisia, 1.30 for TAV Tbilisi and 1.20 for TAV Macedonia,
- the first repayment has been made,
- all financing costs have been paid in full, and
- any tax payable in connection with the proposed distribution has been paid from amounts available for paying such distribution.

7 LOANS AND BORROWINGS *(continued)*

TAV Havalimanları *(continued)*

Pledges regarding the project bank loans of TAV İstanbul, TAV İzmir and TAV Esenboğa (continued):

Pledges regarding the project bank loan of TAV Tunisia:

Similar to above, TAV Tunisia has granted share pledge, account pledge and pledge of rights from the Concession Agreement to the lenders. TAV Tunisia has pledge over shares amounting to TND 245.000.000. Share pledge will expire after bank loan is paid or on the date of maturity. TAV Tunisia has a right to have additional indebtedness:

- with a maturity of less than one year for an aggregate amount not exceeding EUR 3.000.000 (up to 1 January 2020) and not exceeding EUR 5.000.000 (thereafter),
- under finance or capital leases of equipment if the aggregate capital value of the equipment leased does not exceed EUR 5.000.000;
- incurred by, or committed in favor of, TAV Tunisia under an Equity Subordinated Loan Agreement, and
- disclosed in writing by TAV Tunisia to the Intercreditor Agent and in respect of which it has given its prior written consent.

TAV Gazipaşa

The breakdown of bank loans TAV Gazipaşa as at 30 June 2012 is as follows:

	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans	Euro	5,40 - 6,75	2012	1.930	1.994
Secured bank loans	TL	11,00	2012	1.217	1.310
				3.147	**3.304**

The breakdown of bank loans TAV Gazipaşa as at 31 December 2011 is as follows:

	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans	Euro	5,40 - 6,75	2012	6.670	6.861
Secured bank loans	TL	11,00	2012	3.918	3.989
				10.588	**10.850**

TAV Tunisia

The breakdown of bank loan of TAV Tunisia as at 30 June 2012 is as follows:

	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans	Euro	Euribor + 1,90	2022	19.449	19.243
Secured bank loans	Euro	Euribor + 2,28	2028	30.397	30.050
Secured bank loans	Euro	Euribor + 1,54	2028	12.641	12.497
Secured bank loans	Euro	Euribor + 4,75	2028	5.530	5.467
				68.017	**67.257**

7 LOANS AND BORROWINGS *(continued)*

TAV Havalimanları *(continued)*

TAV Tunisia (continued)

The breakdown of bank loan of TAV Tunisia as at 31 December 2011 is as follows:

	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans	Euro	Euribor + 1,90	2022	68.604	67.849
Secured bank loans	Euro	Euribor + 2,28	2028	105.833	104.600
Secured bank loans	Euro	Euribor + 1,54	2028	44.011	43.498
Secured bank loans	Euro	Euribor + 4,75	2028	19.117	18.895
				237.565	**234.842**

TAV Tbilisi

The breakdown of bank loan of TAV Tbilisi as at 30 June 2012 is as follows:

	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans	USD	Libor + 4,50	2015	3.679	3.718
				3.679	**3.718**

The breakdown of bank loan of TAV Tbilisi as at 31 December 2011 is as follows:

	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans	USD	Libor + 4,50	2015	13.992	14.146
				13.992	**14.146**

Pledges regarding the project loans of TAV Tbilisi:

a) Share pledge: to take control of 75 percent plus one share of the charter capital of TAV Tbilisi,

b) Revenue pledge: to take control of the revenues derived from Tbilisi International Airport operations as stipulated in the BOT Agreement,

c) Pledge over bank accounts: to take control of TAV Tbilisi's bank accounts in JSC Bank of Georgia, JSC Bank Republic and JSC TBC Bank and be entitled to set-off and apply the whole or any part of the cash standing to the credit of the accounts and any interests, proceeds and other income that may accrue or arise from the accounts,

d) Pledge over insurance proceeds: to receive all insurance compensation and any other amounts payable under the insurance policies of TAV Tbilisi,

e) Pledge over BOT rights to control all interests and benefits of TAV Tbilisi pursuant to the BOT Agreement,

f) Pledge over rights under the construction guarantees: to control all right, title and interest under each construction guarantee,

g) Pledge over project reserve account: to control the project reserve account.

7 LOANS AND BORROWINGS *(continued)*

TAV Havalimanları *(continued)*

TAV Tbilisi (continued)

Pledges regarding the project loans of TAV Tbilisi *(continued)*:

The shareholders of TAV Tbilisi, TAV Holding, Urban İnşaat Sanayi ve Ticaret A.Ş., and Aeroser International Holding (UK) Limited concluded Guarantee, Share Retention, Support and Subordination Deed with EBRD and IFC in respect of the loans extended to TAV Tbilisi. Accordingly, all shareholders irrevocably and unconditionally guarantee, on joint and several basis:

a) to pay to EBRD and IFC on demand, and in the currency in which the same falls due for payment by TAV Tbilisi, all monies and liabilities which shall have been advanced to, become due, owing or incurred by TAV Tbilisi to or in favor of EBRD and IFC;

b) to indemnify EBRD and IFC in full on demand against all losses, costs and expenses suffered or incurred by EBRD and IFC arising from or in connection with any one or more of the purported liabilities or obligations of TAV Tbilisi to EBRD and IFC under the loan and related agreements.

TAV Macedonia

The breakdown of bank loans of TAV Macedonia as at 30 June 2012 is as follows:

	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans	Euro	Euribor + 5,50	2020	12.925	12.290
				12.925	**12.290**

The breakdown of bank loans of TAV Macedonia as at 31 December 2011 is as follows:

	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans	Euro	Euribor + 5,50	2020	44.681	42.485
				44.681	**42.485**

Pledges regarding the project bank loan of TAV Macedonia:
TAV Macedonia has granted share pledge in favor of the lenders. In addition, receivables of TAV Macedonia amounting to TL 3.882 (Group share: TL 315) (31 December 2011: TL 3.632 (Group share: TL 871)) have been pledged and all the commercial contracts and insurance policies have been assigned to the lenders.

HAVAŞ

The breakdown of bank loans of HAVAŞ as at 30 June 2012 is as follows:

	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans	Euro	6,40	2012	1.108	1.127
Secured bank loans	Euro	Euribor + 5,75	2017	3.202	3.175
Secured bank loans	Euro	Euribor + 4,75	2018	9.605	9.637
				13.915	**13.939**

The breakdown of bank loans of HAVAŞ as at 31 December 2011 is as follows:

	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans	Euro	Euribor + 5,75	2017	11.068	10.968
Secured bank loans	Euro	Euribor + 4,75	2018	38.298	38.498
				49.366	**49.466**

7 LOANS AND BORROWINGS *(continued)*

TAV Havalimanları *(continued)*

HAVAŞ (continued)

On 24 March 2010, HAVAŞ utilized a bank loan amounting to EUR 60.000 (Group share: EUR 4.871) with an interest rate of Euribor + 4.75% and a maturity of March 2018 from Türkiye İş Bankası A.Ş.. Following securities are provided in favor of the lender:

- TAV Holding has provided surety of EUR 10.000,
- Second ranking pledge was established on 50% of the shares in TGS,
- Dividend receivables arising from subsidiaries and jointly controlled entities of HAVAŞ are assigned to repayment of the outstanding loan,
- Second ranking pledge was established on the shares of HAVAŞ.

In accordance with the loan agreement, HAVAŞ will have the right for the distribution of dividends only if there is a net cash balance in the related bank's accounts at least EUR 5.000, the first three repayment installments have been fully paid, all other payments related to financial liabilities are made till the maturity date and no event of default has occurred.

The loan agreement includes covenants, including restrictions on the ability of HAVAŞ to incur additional indebtedness; to make certain other restricted payments, loans; to create liens; to give guarantees; to dispose of assets, and to acquire a business or an undertaking.

On 9 December 2009, HAVAŞ utilized a bank loan amounting to EUR 20.000 with an interest rate of Euribor + 5.75% and maturity of December 2017 from Türkiye İş Bankası A.Ş. Following securities are provided in favor of the lender:

- First degree and first ranking pledge was established on 50% of the shares in TGS,
- Time and demand deposit amounting to TL 709 is blocked as a guarantee,
- TAV Havalimanları was provided surety for the total outstanding loan amount,
- Dividend receivables arising from subsidiaries and jointly controlled entities are assigned to repayment of the outstanding loan,
- Pledge has been registered with first priority against but not limited to business entity and entity name registered in trade register, machinery and equipment, furnitures and fixtures and vehicles of HAVAŞ,
- First ranking pledge was established on the shares of HAVAŞ.

The loan agreement includes covenants, including restrictions on the ability of HAVAŞ to incur additional indebtedness; to make certain other restricted payments, loans; to create liens; to give guarantees; to dispose of assets, and to acquire a business or an undertaking.

Related with the bank loans amounting to EUR 60.000 with an interest rate of Euribor + 4.75% and a maturity of March 2018 and the bank loan amounting to EUR 20.000 with an interest rate of Euribor + 5.75% and a maturity of December 2017 from Türkiye İş Bankası A.Ş., 65% shares of HAVAŞ with a nominal amount of TL 118.711 have been pledged in favor of Türkiye İş Bankası A.Ş. by TAV Havalimanları. However, the voting right for these shares remains at TAV Havalimanları.

7 LOANS AND BORROWINGS *(continued)*

TAV Havalimanları *(continued)*

ATÜ

The breakdown of bank loans of TAV ATÜ as at 30 June 2012 is as follows:

	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans	Euro	4,80 - 6,00	2012- 2018	2.570	2.522
Secured bank loans	Euro	Euribor+2,70	2015	1.385	1.354
Secured bank loans	Tunisian Dinar	5,93	2013	33	32
				3.988	**3.908**

The breakdown of bank loans of TAV ATÜ as at 31 December 2011 is as follows:

	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans	Euro	4,80 - 6,00	2012 - 2018	9.703	9.867
Secured bank loans	Euro	Euribor + 2,70	2015	5.373	5.354
Secured bank loans	Tunisian Dinar	5,93	2013	190	191
				15.266	**15.412**

The repayment schedules of the bank loans are as follows:

	Nominal Value		Carrying Amount	
	30 June 2012	**31 December 2011**	**30 June 2012**	**31 December 2011**
Within 1 year	26.962	127.031	35.167	126.995
1 – 2 years	35.524	100.743	39.366	115.791
2 – 3 years	20.110	67.573	23.415	80.686
3 – 4 years	19.483	74.788	23.758	80.987
5 years and more	118.893	413.739	97.694	373.863
	220.972	**783.874**	**219.400**	**778.322**

İDO

The breakdown of bank loans of İDO as at 30 June 2012 is as follows:

	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans (1)	USD	Libor+0,22	2014	9.767	9.795
Secured bank loans (1)	USD	Libor+0,13	2017	19.580	19.654
Secured bank loans (2)	USD	Libor+8	2018	27.098	27.226
Secured bank loans (2)	USD	Libor+4,9	2023	346.848	339.463
				403.293	**396.138**

7 LOANS AND BORROWINGS *(continued)*

İDO *(continued)*

The breakdown of bank loans of İDO as at 31 December 2011 is as follows:

	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying amount
Secured bank loans [3]	USD	Libor+1,65	2012	1.319	1.329
Secured bank loans [1]	USD	Libor+0,85	2012	1.085	1.094
Secured bank loans [1]	USD	Libor+0,22	2014	12.255	12.282
Secured bank loans [1]	USD	Libor+0,13	2017	22.335	22.384
Secured bank loans [2]	USD	Libor+8	2018	28.334	28.341
Secured bank loans [2]	USD	Libor+4,9	2023	368.336	360.808
				433.664	**426.238**

Within the scope IDO's 100% privatization, the loans obtained from the banks Garanti, Vakifbank, Is Bankasi, TSKB and Denizbank. The relevant loan consists of two parts as USD 700.000.000 (Group share: USD 210.000.000) and USD 50.000.000 (Group share: USD 15.000.000). The loan is revised on 22nd September, 2011, and the banks, which allow the principal loan to be used on 15th June, 2011, assigned the part amounting to USD 100.000.000 of the loan to EBRD

[1] It is bought against the guarantee of the Istanbul Metropolitan Municipality. In consideration of such guarantee, a guarantee letter of USD 108.000.000 is submitted by TASS to the Istanbul Metropolitan Municipality.

[1] The guarantee provided by Akfen for the loan is as follows: the shares held by Akfen Holding in IDO are given to the lenders. Furthermore, Akfen Holding has s completion guarantee up to 70% of USD 25.000.000 (USD 17.500.000) completely with and severally from Tema and Sera, among other shareholders, for purpose of providing a debt service coverage ratio from the beginning of the fiscal year 2012 until completely reimbursement of the loan, provided that it is returned and renewed yearly. The remaining 30% (USD 7.300.000) of the guarantee is of Souter. Souter's liability limit is 30.000.000 USD totally, and if Souter's liability limit is exceeded and the debt service coverage ratio should be completed, Akfen Holding commits a completion guarantee completely with and severally from Tepe, Akfen and Sera, provided that it never exceeds USD 25.000.000 annually. The completion guarantee shall be provided by (i) making a capital investment in IDO; (ii) borrowing IDO; or (iii) submitting the lenders a bank guarantee letter, provided that its selection is subject to the provisions under the guarantee agreement. The completion guarantee is committed completely with and severally from Tema and Sera, among other shareholders.

[2] Total amount of pledges guaranteed to the banks and relevant suppliers over property, plant and equipment is USD 1.275.000.000 (Group share: USD 382.500.000).

[3]Total amount of the liens delivered to the banks and relevant suppliers over tangible property, plant and equipment is USD 114.480.618 as at 31 December 2011 (Group share: USD 34.344.185). The related bank loan was closed and the process of releasing loan pledges has started as at 30 June 2012.

The guarantees of the Principal Loan and Successive Loan include share liens, pledges of commercial enterprise, maritime mortgage, insurance receivable, receivable and income assignments of IDO.

7 LOANS AND BORROWINGS *(continued)*

İDO *(continued)*

The repayment schedules of the bank loans are as follows:

	Nominal Value		Carrying Amount	
	30 June 2012	**31 December 2011**	**30 June 2012**	**31 December 2011**
Within 1 year	34.564	32.878	34.699	33.010
1 – 2 years	42.694	41.808	42.694	41.549
2 – 3 years	46.160	47.474	46.160	47.032
3 – 4 years	30.658	49.056	30.658	48.408
5 years and more	249.217	262.448	241.927	256.239
	403.293	**433.664**	**396.138**	**426.238**

Finance lease liabilities

Terms and structures of the leasing payables as at 30 June 2012 and 31 December 2011 are as follows:

	30 June 2012			**31 December 2011**		
	Future minimum lease payments	**Interest**	**Present value of minimum lease payments**	**Future minimum lease payments**	**Interest**	**Present value of minimum lease payments**
1 year	1.490	322	1.760	5.126	719	4.407
1 - 5 year	2.910	799	3.652	9.531	1.833	7.698
5 years and more	1.460	128	1.588	4.272	380	3.892
	5.860	**1.249**	**7.000**	**18.929**	**2.932**	**15.997**

As at 30 June 2012, the finance lease liabilities consist of lease of fixtures and equipment by the TAV Havalimanları, İDO and Akfen Su as well as lease of two aircrafts by TAV Yatırım.

8 DERIVATIVE FINANCIAL INSTRUMENTS

Short term derivative financial instruments

As at 30 June 2012 and 31 December 2011, current financial liabilities comprised of TAV Havalimanları and IDO financial instruments.

	30 June 2012		
	Assets	**Liabilities**	**Net Amount**
Interest rate swap	--	(25.933)	(25.933)
Cross currency swap	2.413	(5.477)	(3.064)
	2.413	**(31.410)**	**(28.997)**

	31 December 2011		
	Assets	**Liabilities**	**Net Amount**
Interest rate swap	--	(80.896)	(80.896)
Cross currency swap	2.685	--	2.685
	2.685	**(80.896)**	**(78.211)**

Interest rate swap

TAV Esenboğa uses interest rate derivatives to manage its exposure to interest rate fluctuations on its bank borrowings. As at 30 June 2012, 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 2011: 100%).

TAV Tunisia uses interest rate derivatives to manage its exposure to interest rate fluctuations on its bank borrowings. As at 30 June 2012, 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 2011: 85%).

TAV Istanbul uses interest rate derivatives to manage its exposure to interest rate fluctuations on its bank borrowings. As at 30 June 2012, 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 2011: 100%).

TAV İzmir uses interest rate derivative to manage its exposure to interest rate fluctuations on its bank borrowings. As at 31 December 2011, 49% of total project finance loan is hedged through IRS contract. As at 23 January 2012, interest rate swap contact concluded.

HAVAŞ uses interest rate derivative to manage its exposure to interest rate fluctuations on its bank borrowings. As at 30 June 2012, 50% of total loan is hedged through IRS contract (31 December 2011: 50%).

TAV Macedonia uses interest derivative instruments in order to secure the interest liabilities caused from bank loans against floating interest rate risk. As at 30 June 2012, 100% of the project financing loan was secured against interest rate risk with interest rate swap (31 December 2011: %100).

8 DERIVATIVE FINANCIAL INSTRUMENTS *(continued)*

***Interest rate swap** (continued)*

İDO uses interest derivative instruments in order to secure the interest liabilities caused from bank loans against floating interest rate risk. As at 30 June 2012, % 75 of 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.

Cross currency swap

TAV Istanbul uses cross currency derivatives to manage its exposure to foreign currency exchange rates on its rent installments that will be paid to DHMI.

TAV Istanbul had signed a derivative contract with Dexia Credit Local ("DCL") on 12 March 2008 to manage and fix its exposure to foreign currency exchange rates between USD and EUR on the rent installments that will be paid to DHMİ until 2018. TAV Istanbul has terminated the hedge relationship in 2010 and new two cross currency swap contracts have been signed by and between TAV Istanbul, DCL, and ING Bank N.V. on 16 December 2010. The total notional amount of the contract is USD 27.082 (in exchange of Euro 20.548) as at 30 June 2012 (31 December 2011: USD 94.775 (in exchange of Euro 71.909)).

The fair value of derivatives at 30 June 2012 is estimated at 23.521 TL'dir (31 December 2011: TL 78.211). This amount is based on market values of equivalent instruments at the reporting date. Since the Group applied hedge accounting as at 30 June 2012 changes in the fair value of these interest rate derivatives and cross currency swaps were reflected to other comprehensive income amounting to TL 303 (31 December 2011: TL 6.281) net of tax.

The fair value of cross currency swap contracts which signed by IDO is TL 5.477. This amount is based on market values of equivalent instruments at the reporting date.

Long term derivative financial instruments

As at 30 June 2012 and 31 December 2011, other long-term derivative financial instruments comprised the following:

	30 June 2012		
	Assets	**Liabilities**	**Net Amount**
Interest rate swap	--	(84.882)	(84.882)
	--	**(84.882)**	**(84.882)**

	31 December 2011		
	Assets	**Liabilities**	**Net Amount**
Interest rate swap	--	(86.649)	(86.649)
	--	**(86.649)**	**(86.649)**

As at 30 June 2012 and 31 December 2011 the long-term financial liabilities comprised of MIP and HES I-IV-V derivative instruments.

8 DERIVATIVE FINANCIAL INSTRUMENTS *(continued)*

Interest rate swap

MIP uses interest derivative instruments in order to protect the interest liabilities against the floating interest rate risk caused from debt loan from Bayerische Hypo-und Vereisbank AG and ABN Amro Bank. 81% of the mentioned loans is under protection against interest rate risk with interest rate swap during its use life (31 December 2011: 81%).

HES I-IV-V group companies (Beyobası, İdeal, Çamlıca) use interest rate swap to manage its exposure to Euribor interest rate movements of its bank debts. 73% of the mentioned loans is under protection against interest rate risk with interest rate swap during its use life (31 December 2011: 73%).

9 TRADE RECEIVABLES AND PAYABLES

Short term trade receivables

As at 30 June 2012 and 31 December 2011, short term trade receivables of the Group comprised the following:

	30 June 2012	31 December
Due from related parties - trade (Note 29)	1.606	6.000
Other trade receivables	146.883	300.603
	148.489	**306.603**

As at 30 June 2012 and 31 December 2011 other trade receivables comprised the following:

	30 June 2012	31 December 2011
Due from customers for contract work (Note 13)	69.096	117.695
Trade receivables	49.210	69.127
Contract receivables	25.696	98.866
Receivables from contractors (Note 13)	5.329	14.798
Guaranteed passenger fee receivable from DHMİ	3.655	12.454
Notes receivables	235	937
Allowance for doubtful receivables (-)	(6.338)	(13.274)
	146.883	**300.603**

The distribution of the trade receivables according to the companies as at 30 June 2012 and 31 December 2011 is as follows:

	30 June 2012	31 December 2011
TAV Havalimanları	16.057	40.278
IDO	8.133	3.311
Akfen İnşaat	7.989	7.724
Akfen GYO	7.310	4.572
MIP	5.615	7.663
HES I-IV-V	2.001	3.164
Other	2.105	2.415
	49.210	**69.127**

As at 30 June 2012 contract receivable is mainly comprised of receivable from Doha International Airport, Muscat-Umman Airport and Libya International Airport.

9 TRADE RECEIVABLES AND PAYABLES *(continued)*

Short term trade receivables *(continued)*

The guaranteed passenger fee receivable represents the remaining discounted guaranteed passenger fee to be received from DHMİ according to the agreements made for the operations of Ankara Esenboğa Airport and İzmir Adnan Menderes Airport as a result of IFRIC 12 application. As at 30 June 2012, the receivable amount from Ankara Esenboğa Airport is TL 1.608 (31 December 2011: TL 6.001) and the receivable amount from İzmir Adnan Menderes Airport is TL 2.047 (31 December 2011: TL 6.453).

The retention receivables from contractors are held from progress payments to specified contractual rates. Such guarantees are collected following the completion of the project. The related retentions consisted of the receivables of TAV İnşaat as at 30 June 2012 and 31 December 2011.

As at 30 June 2012 TL 19.175 (31 December 2011: TL 37.074) represents overdue amount of trade receivables in which any allowance has not been booked. The aging of accounts receivables is as follows:

	30 June 2012	31 December 2011
1-30 days overdue	2.430	3.610
1-3 months overdue	1.263	4.463
3-12 months overdue	9.321	28.485
1-5 years overdue	11.594	12.842
Overdue more than 5 years	905	948
	25.513	**50.348**
1-30 days overdue	(6.338)	(13.274)
1-3 months overdue	**19.175**	**37.074**

The movement of allowance for doubtful trade receivables as at 30 June 2012 and 31 December 2011 is as follows:

	30 June 2012	31 December 2011
Opening balance	(13.274)	(5.801)
Effect of change in group structure	7.277	--
Currency translation effect	249	(843)
Allowance during the year	(633)	(10.264)
Reversals	43	--
Business combinations effect	--	(32)
Collections	--	3.666
Closing balance	**(6.338)**	**(13.274)**

Long term trade receivables

As at 30 June 2012 and 31 December 2011 long term trade receivables of the Group comprised the following:

	30 June 2012	31 December 2011
Due from related parties-trade (Note 29)	2.515	5.510
Other trade receivables	77.498	159.598
	80.013	**165.108**

9 TRADE RECEIVABLES AND PAYABLES *(continued)*

Long term trade receivables *(continued)*

As at 30 June 2012 and 31 December 2011 other long term trade receivables comprised the following:

	30 June 2012	31 December 2011
Retention receivables from contractors (Note 13)	36.412	60.778
Guaranteed passenger fee receivable from DHMİ	15.709	60.191
Receivables from Organized Industrial Zone	15.364	16.804
Due from customers for contract work (Note 13)	5.747	13.116
Other trade receivables	4.266	8.709
	77.498	**159.598**

The retention receivables from contractors as the security is the amount deducted from the progress payment in the proportion determined in the scope of the contract. The mentioned securities shall be collected following the completion of the Project. The related balances as at 30 June 2012 and 31 December 2011 are consisted of the receivables of TAV İnşaat.

The passenger receivables from DHMİ are related to IFRIC 12 application due to the contracts signed between DHMI and TAV Havalimanları for the operation of Ankara Esenboğa Airport and İzmir Adnan Menderes Airport.

The receivable from Organized Industrial Zone is related to IFRIC 12 application due to the minimum waste water flow and waste water treatment price guarantee in Euro currency guaranteed by the Administration by years in the scope of Akfen Su Arbiogaz Dilovası Build – Operate – Transfer Contract.

Short term trade payables

30 June 2012 and 31 December 2011 short term trade payables of the Group comprised the following:

	30 June 2012	31 December 2011
Due to related parties- trade (Note 29)	13.258	25.125
Other trade payables	75.779	184.822
	89.037	**209.947**

As at 30 June 2012 and 31 December 2011 other short term trade payables comprised the following:

	30 June 2012	31 December 2011
Trade payables	58.576	164.844
Notes payable	11.701	8.382
Retentions held by the Group	5.478	8.538
Due to customers for contract work (Note 13)	24	3.058
	75.779	**184.822**

As at 30 June 2012 TL 11.920 of trade payables consist of payables to subcontractors of TAV İnşaat (31 December 2011: TL 95.177). The currency and liquidity risk of the Group related with trade payables is explained in Note 30.

9 TRADE RECEIVABLES AND PAYABLES *(continued)*

As at 30 June 2012 and 31 December 2011, the distribution of trade payables between joint ventures and associates of the Group is as follows:

	30 June 2012	**31 December 2011**
MIP	14.183	9.386
TAV Yatırım	11.920	95.177
TAV Havalimanları	7.254	25.134
HES Grubu	12.069	15.415
İDO	5.932	3.173
Akfen İnşaat	2.803	11.677
GYO	2.260	2.711
Akfen Holding	1.489	993
Other	666	1.178
	58.576	**164.844**

As at 30 June 2012 and 31 December 2011 repayment schedule of other trade payables of the Group according to maturities is as follows:

	30 June 2012	**31 December 2011**
0 - 3 months overdue	63.984	161.901
3 months - 1 year overdue	11.795	22.921
1+ years overdue	17.624	36.780
	93.403	**221.602**

Long term trade payables

30 June 2012 and 31 December 2011 long term trade payables comprised the following:

	30 June 2012	**31 December 2011**
Due to related parties-trade (Note 29)	627	1.083
Other trade payables	17.624	36.780

As at 30 June 2012 and 31 December 2011 other long term trade payables comprised the following:

	30 June 2012	**31 December 2011**
Retentions held by the Group	17.618	36.706
Other trade payables	6	74
	17.624	**36.780**

TAV Yatırım holds retention in a certain amount as the surety in the payments made for the Project. These retentions shall be paid after the completion of the Projects.

10 OTHER RECEIVABLES AND PAYABLES

Other short term receivables

30 June 2012 and 31 December 2011 other short term non trade receivables comprised the following:

	30 June 2012	31 December 2011
Due from related parties-non trade (Note 29)	8.353	11.666
Provision for due from related parties-non trade (Note29)	--	(6.598)
Other non-trade receivables	19.033	11.460
	27.386	**16.528**

As at 30 June 2012, TL 6.428 of short term non-trade receivables consists of capital receivables of Akfen GYO. (31 December 2011: TL 5.851) and TL 6.977 of short term non-trade receivables consists of various receivables of Akfen İnşaat from tax offices (31 December 2011: TL 2.808).

Other long term receivables

As at 30 June 2012 and 31 December 2011 other long term non trade receivables of the Group comprised the following:

	30 June 2012	31 December 2011
Due from related parties-non trade (Note 29)	59.854	39.225
Other long term non-trade receivables	1.240	1.556
	61.094	**40.781**

As at 30 June 2012 other long term non-trade receivables includes deposit and securities TL 1.240 (31 December 2011: 1.556 TL).

Other short term payables

As at 30 June 2012 and 31 December other short term payables of the Group are as follows:

	30 June 2012	31 December 2011
Due to related parties-non trade (Note 29)	15.594	15.564
Other non-trade payables	85.073	150.466
	100.667	**166.030**

30 June 2012 and 31 December 2011, other non-trade payables comprised the followings:

	30 June 2012	31 December 2011
Advances received	46.429	94.637
Taxes and duties payable	11.933	21.595
Deposits and guarantees received	10.337	10.832
Corporate tax payable	8.325	12.441
Payables to personnel	6.950	8.208
Concession payable	403	1.271
Others	696	1.482
	85.073	**150.466**

10 OTHER RECEIVABLES AND PAYABLES *(continued)*

Other short term payables *(continued)*

As at 30 June 2012, TL 31.531 of the advances received are the advance amounts received from the contractors pursuant to the contracts related to the construction projects of TAV Yatırım (31 December 2011: TL 85.918).

As at 30 June 2012, the deposits and guarantees received consist of the deposits and guarantees received for the energy projects and hotel projects in the amounts of TL 8.704 and TL 1.222 respectively (31 December 2011: TL 9.946 and TL 669).

TAV Tunisia, Monastır Airport and Enfidha Airport have a concession period of 40 years with a concession rent fee that will increase in a linear rate between 11% and 26% of the annual revenues to be paid. As a result of the negotiation made with OACA, the concession rental amount of 2011 was decreased as TL 11.352, the concession rental amount of 2012 was decreased at least TL 11.808, the concession rental amount of 2013 was decreased at least TL 13.163, and the concession rental amount of 2011, 2012 and 2013 was suspended for 3 years as 2014, 2015 and 2016.

The concession rental amount of TAV Macedonia is 15% of annual gross endorsement until the number of the passengers reaches up to 1 million and when the number of the passengers exceeds 1 million, this amount shall change between 4% and 2% due to the number of the passengers.

Long term other payables

As at 30 June 2012 and 31 December 2011 other long term payables of the Group are as follows:

	30 June 2012	**31 December 2011**
Due to related parties- non trade (Note 29)	11.169	9.002
Other non- trade payables	56.581	43.832
	67.750	**52.834**

As at 30 June 2012, TL 32.480 of the other non-trade payables mainly consists of payables to Directorate of Privatization Administration (31 December 2011: 0) and TL 11.852 of payables consists of advances received from contractors for construction projects (31 December 2011: TL 24.395).

11 RESTRICTED CASH

As at 30 June 2012 short term restricted cash is comprised of the time deposits of Akfen Holding and HAVAŞ amounting to TL 135.488 (USD 75 million) (31 December 2011: TL 141.668) and TL 709 (31 December 2011: TL 9.040) which are pledged for bank loans.

	30 June 2012	**31 December 2011**
Akfen Holding	135.488	141.668
Havaş	709	9.040
	136.197	**150.708**

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12 INVENTORIES

As at 30 June 2012 and 31 December 2011, inventories comprised the following:

	30 Haziran 2012	31 Aralık 2011
Spare parts	6.199	8.946
Raw material and supplies	3.707	6.864
Tax free shop inventory	2.202	6.906
Trading properties	1.264	--
Other inventories	2.829	3.449
	16.201	**26.165**

As at 30 June 2012, TL 1.362 of the spare parts is the inventory of TAV Havalimanları (31 December 2011: TL 3.951) and TL 4.836 of the spare parts is the inventory of IDO (31 December 2011: TL 4.995), and the tax-free shop inventory is the inventory of TAV Havalimanları and the raw material and supplies are the inventories of TAV Yatırım. All trading properties balances consist of the inventory of TAV Yatırım.

13 DUE FROM / DUE TO CUSTOMERS FOR CONTRACT WORK

As at 30 June 2012 and 31 December 2011, the details of uncompleted contracts were as follows:

	30 June 2012	31 December 2011
Total costs incurred on uncompleted contracts	906.500	1.732.736
Estimated earnings/(costs)	47.800	91.291
Total estimated revenue on uncompleted contracts	954.300	1.824.027
Less: Billings to date	(879.481)	(1.696.274)
Net amounts due from customers for contract work	**74.819**	**127.753**

Due from customers for contract work and due to customers for contract work were included in the accompanying consolidated balance sheets under the following captions:

	30 June 2012	31 December 2011
Due from customers for contract work (Note 9)	74.843	130.811
Due to customers for contract work (Note 9)	(24)	(3.058)
	74.819	**127.753**

The amount of the retentions held by contractors is TL 41.741 TL as at 30 June 2012 and shown in the other short and long term trade receivables (31 December 2011: TL 75.576) (Note 9).

13 DUE FROM/DUE TO CUSTOMERS FOR CONTRACT WORK *(continued)*

The distribution of the receivables and payables of the Group as at 30 June 2012 and 31 December 2011 is as follows:

	30 June 2012	**31 December 2011**
Receivables from ongoing construction contracts		
Construction projects abroad	71.452	129.478
Domestic construction projects	3.391	1.333
	74.843	**130.811**
Liabilities of ongoing construction contracts		
Construction projects abroad	24	2.134
Domestic construction projects	--	924
	24	**3.058**

The distribution of the receivables related to the construction contracts based on projects as at 30 June 2012 and 31 December 2011 is as follows:

	30 June 2012	**31 December 2011**
Muscat	41.144	57.929
Doha	24.336	57.632
Libya	5.747	11.783
Turkey	3.391	1.333
Other	225	2.134
	74.843	**130.811**

As at 30 June 2012, the liabilities related to the ongoing construction contracts are the liabilities to the projects in Dubai amounting to TL 24 (31 December 2011: Turkey Central Projects TL 924 and Dubai projects TL 2.134).

As at 30 June 2012 the amount of the advance received by the Group for the construction projects is TL 43.384 and shown in the short and long term other non-trade liabilities items (31 December 2011: TL 110.313).

14 INVESTMENT PROPERTIES

As at 30 June 2012 and 31 December 2011, movement table of investment property are as follows:

	30 June 2012	31 December 2011
Net book value opening balance	1.080.092	658.758
Additions	19.576	75.447
Effect of change in group structure	(4.638)	--
Currency translation effect	(13.660)	--
Change in fair value	--	282.139
Effect of business combination	--	63.748
Net book value closing balance	**1.081.370**	**1.080.092**

Additions

As at 30 June 2012, TL 19.228 of additions are arising from additions of Akfen GYO (31 December 2011: TL 65.549), additionally as at 30 June 2012 there exists an investment property addition of TAV İnşaat amounting to TL 348 (31 December 2011: TL 9.898).

Effect of change in group structure

As at 30 June 2012, effect of change in group structure is arising from sale of 20,825 % shares of TAV Yatırım which corresponds 49% of TAV Yatırım shares.

Mortgages

As at 30 June 2012, mortgages on investment property amount to TL 504.304 (31 December 2011: TL 541.913).

15 PROPERTY, PLANT AND EQUIPMENT

As at 30 June 2012, the movements of the property, plant and equipment and related accumulated depreciation are as follows:

	Land and buildings	Machinery, facility and equipment	Vessels	Vehicles	Furniture and fixtures	Other tangible fixed assets	Construction in progress	Leasehold improvements	Total
Cost									
Balance at 1 January 2012	59.452	477.134	154.980	46.783	36.013	62	204.258	93.068	1.071.750
Changes in ownership rate of jointly controlled entities (*)	(4.291)	(46.504)	--	(24.141)	(13.229)	--	(2.071)	(60.787)	(151.023)
Additions (**)	205	34.536	397	7.278	4.068	--	113.810	2.100	162.394
Transfers	(838)	1.032	--	--	65	--	(2.095)	183	(1.653)
Translation difference	(292)	(5.734)	--	(2.410)	(1.497)	--	(6.903)	(4.161)	(20.997)
Disposals	(172)	(855)	--	(1.526)	(413)	--	(1.100)	(8)	(4.074)
Balance at 30 June 2012	54.064	459.609	155.377	25.984	25.007	62	305.899	30.395	1.056.397
Less: Accumulated depreciation									
Balance at 1 January 2012	(922)	(61.299)	(3.247)	(21.870)	(25.261)	(62)	--	(21.058)	(133.719)
Provision for impairment of tangible fixed assets	--	--	--	649	--	--	--	--	649
Depreciation charge for the period	(854)	(9.363)	(3.240)	(1.620)	(1.755)	--	--	(4.573)	(21.405)
Translation difference	8	2.638	--	925	670	--	--	1.289	5.530
Changes in ownership rate of jointly controlled entities	70	28.409	--	11.840	8.510	--	--	15.479	64.308
Disposals	2	487	--	1.156	186	--	--	2	1.833
Balance at 30 June 2012	(1.696)	(39.128)	(6.487)	(8.920)	(17.650)	(62)	--	(8.861)	(82.804)
Net book value									
Net book value as at 31 December 2011	58.530	415.835	151.733	24.913	10.752	--	204.258	72.010	938.031
Net book value as at 30 June 2012	52.368	420.481	148.890	17.064	7.357	--	305.899	21.534	973.593

(*) Sale of shares of TAV Havalimanları which corresponds to 18% of TAV Havalimanları's total shares and sale of shares of TAV Yatırım which corresponds to 20,83% TAV Yatırım's total shares.

(**)As at 30 June 2012, 72% of total additions amounting to TL 75.588 is resulted from construction in progress additions related with HES Projects and TL 40.600 of total addition is resulted from purchase of land related with Mersin natural gas cycle plant.

15 PROPERTY, PLANT AND EQUIPMENT *(continued)*

As at 31 December 2011, the movements of the property, plant and equipment and related accumulated depreciation are as follows:

	Land and buildings	Machinery, facility and equipment	Vessels	Vehicles	Furniture and fixtures	Other tangible fixed assets	Construction in progress	Leasehold improvements (****)	Total
Cost									
Balance at 1 January 2011	16.453	89.340	--	36.103	28.309	62	407.223	50.460	627.950
Effect of business combination (*)	143	1.414	154.686	437	1.047	--	--	3.049	160.776
Additions (**)	--	7.836	294	3.791	4.823	--	239.042	4.130	259.916
Transfers (***)	46.850	367.014	--	(34)	25	--	(441.761)	27.645	(261)
Translation difference	1.019	15.395	--	7.554	2.434	--	4.980	8.502	39.884
Changes in ownership rate of subsidiaries	--	1.917	--	86	93	--	--	66	2.162
Disposal	(5.013)	(5.782)	--	(1.154)	(718)	--	(5.226)	(784)	(18.677)
Balance at 31 December 2011	59.452	477.134	154.980	46.783	36.013	62	204.258	93.068	1.071.750
Less: Accumulated depreciation									
Balance at 1 January 2011	(403)	(42.193)	--	(15.643)	(19.784)	(55)	--	(11.419)	(89.497)
Provision for impairment of tangible fixed assets	--	--	--	425	--	--	--	--	425
Depreciation charge for the period	(661)	(13.434)	(3.247)	(3.749)	(3.738)	(4)	--	(7.808)	(32.641)
Translation difference	92	(7.583)	--	(3.498)	(2.161)	(3)	--	(2.213)	(15.366)
Change in ownership rate of subsidiaries	--	(271)	--	(21)	(42)	--	--	(13)	(347)
Disposals	50	2.182	--	616	464	--	--	395	3.707
Balance at 31 December 2011	(922)	(61.299)	(3.247)	(21.870)	(25.261)	(62)	--	(21.058)	(133.719)
Net book value									
Net book value as at 31 December 2010	16.050	47.147	--	20.460	8.525	7	407.223	39.041	538.453
Net book value as at 31 December 2011	58.530	415.835	151.733	24.913	10.752	--	204.258	72.010	938.031

(*) The tangible fixed assets acquired as a result of acquisition of IDO.
(**) TL 213.813 corresponds to 82.26% of the additions is made for the investments in the scope of HES projects as at 31 December 2011.
(***) TL 413.831 corresponds to 96.38% of the transfers is the capitalization of the investments made in the scope of HES I projects as at 31 December 2011.
(****) TL 87.264 of the leasehold improvements consists of the balance of TAV Havalimanları as at 31 December 2011.

16 INTANGIBLE FIXED ASSETS

As at 30 June 2012, movements of intangible fixed assets and related accumulated amortization is as follows:

	Development Costs	Licenses	Usufruct right of Ambarlı Port(**)	Usufruct right of Terminals (**)	Rental agreement for vessels	Other intangible assets	Customer relations	Water service operation right	Port operation right	Airport operation right	Total
Cost											
Balance 1 January 2011	3.032	78.140	--	--	--	1.738	17.847	6.105	601.524	447.609	1.155.995
Effect of change in group structure	--	1.243	--	--	--	--	--	(17)	--	--	1.226
Additions	--	1.623	--	--	--	86	--	154	4.456	40.607	46.926
Transfers	(2.873)	2.873	--	--	--	--	--	--	--	--	--
Transfers from tangible fixed assets	--	261	--	--	--	--	--	--	--	--	261
Translation difference	--	2.399	--	--	--	397	3.438	--	133.418	90.885	230.537
Effect of business combination (***)	--	1.038	20.990	223.433	39.554	--	--	--	--	--	285.015
Disposals	--	(2.112)	--	--	--	--	--	--	--	--	(2.112)
Balance at 31 December 2011	159	85.465	20.990	223.433	39.554	2.221	21.285	6.242	739.398	579.101	1.717.848
Balance at 1 January 2012	159	85.465	20.990	223.433	39.554	2.221	21.285	6.242	739.398	579.101	1.717.848
Change in ownership rate of jointly controlled entities (*)	--	(12.063)	--	--	--	(190)	(14.179)	--	--	(385.549)	(411.981)
Additions	--	1.028	--	--	--	219	--	31	2.185	1.729	5.192
Transfers from tangible fixed assets	--	83	--	--	--	--	--	--	--	--	83
Translation difference (****)	--	(608)	--	--	--	--	(973)	--	(32.244)	(26.381)	(60.206)
Disposals	--	--	--	--	--	--	--	--	--	(148)	(148)
Balance at 30 June 2012	159	73.905	20.990	223.433	39.554	2.250	6.133	6.273	709.339	168.752	1.250.788

(*) Consist of TAV Havalimanları shares of which corresponds to 18% of TAV Havalimanları's and total shares of TAV Yatırım which corresponds to 20,83% TAV Yatırım's total shares.
(**) The usufruct rights of Ambarlı Port and terminals, lines and vessels of IBB.
(***) The effect of intangible assets acquired as a result of IDO acquisition.
(****) Translation difference is arising from change in foreign exchange rates compared to 31 December 2011 on intangible assets of MIP and TAV Havalimanları which have different presentation currency other than TL

16 INTANGIBLE FIXED ASSETS *(continued)*

	Development Costs	Licenses	Usufruct right of Ambarlı Port	Usufruct right of Terminals	Rental agreement for vessels	Other intangible assets	Customer relations	Water service operation right	Port operation right	Airport operation right (**)	Total
Amortisation											
Balance at 1 January 2011	--	(9.864)	--	--	--	(1.283)	(5.700)	(417)	(60.356)	(54.621)	(132.241)
Effect of change in group structure	--	(21)	--	--	--	--	--	3	--	--	(18)
Amortisation for the period	--	(3.093)	(350)	(3.724)	(659)	(177)	(1.878)	(195)	(18.287)	(22.299)	(50.662)
Translation differences	--	(1.309)	--	--	--	(131)	(1.202)	--	(15.665)	(12.993)	(31.300)
Disposals	--	238	--	--	--	--	--	--	--	--	238
Balance at 31 December 2011	--	(14.049)	(350)	(3.724)	(659)	(1.591)	(8.780)	(609)	(94.308)	(89.913)	(213.983)
Balance at 1January 2012	--	(14.049)	(350)	(3.724)	(659)	(1.591)	(8.780)	(609)	(94.308)	(89.913)	(213.983)
Change in ownership rate of jointly controlled entities (*)	--	5.062	--	--	--	189	6.217	--	--	64.003	75.471
Amortisation for the period	--	(1.376)	(345)	(3.704)	(659)	(94)	(858)	(104)	(9.847)	(10.128)	(27.115)
Translation differences	--	514	--		--	--	569	--	3.908	6.093	11.084
Balance at 30 June 2012	--	(9.849)	(694)	(7.428)	(1.318)	(1.496)	(2.852)	(712)	(100.247)	(29.945)	(154.543)
Net book value											
Net book value as at 31 December 2011	159	71.416	20.640	219.709	38.895	630	12.505	5.633	645.090	489.188	1.503.865
Net book value as at 30 June 2012	159	64.056	20.295	216.005	38.235	754	3.281	5.562	609.092	138.806	1.096.245

(*) Consists of TAV Havalimanları shares of which correspond to 18% of TAV Havalimanları's total shares and sale of shares of TAV Yatırım which corresponds to 20,83% TAV Yatırım's total shares.

(**) As at 30 June 2012 the operation right of Airports is the operation right of the airports of TAV Havalimanları. The group shares related to the airport operation rights is Ankara Esenboğa Airport TL 13.511 (31 December 2011: TL 48.454), İzmir Adnan Menderes Airport TL 4.468 (31 December 2011: TL 18.568), Tiflis International Airport 12.137 TL (31 December 2011:TL 41.576 TL), Enfidha International Airport TL 89.218 (31 December 2011: TL 312.954), Gazipaşa Airport TL 3.665 (31 December 2011: TL12.919), Üsküp International Airport TL 15.286 (31 December 2011: TL 54.317) and Medine International Airport TL 522 (31 December 2011: TL 0).

17 GOODWILL

Cost

Net book value as at 1 January 2011	113.781
Translation effect	15.879
Effect of change in group structure	(1.208)
Net book value as at 31 December 2011	**128.452**
Net book value as at 1 January 2012	128.452
Translation effect	(6.739)
Effect of change in group structure	(81.598)
Net book value as at 30 June 2012	**40.115**

As at 30 June 2012, effect of change in group structure is arising from sale of 18% TAV Havalimanları share which corresponds 69% of shares that the Company held.

The income and market approaches were used in the determination of the fair value of the equities of the companies of which goodwill is calculated. The analysis is mostly done by using discounted cash flow method for income approach. As a result of impairment test carried out on cash generating unit basis, the no impairment loss was recorded as at 30 June 2012.

18 COMMITMENT AND CONTINGENCIES

(a) Commitments, Pledges and Mortgages

As at 30 June 2012 and 31 December 2011 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	**30 June 2012**	**31 December 2011**
A. Total amount of CPM is given on behalf of own legal personality	1.745.598	1.697.397
B. Total amount of CPM is given in favor of subsidiaries which are fully consolidated	835.275	1.326.177
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	40.120	46.445
i. Total amount of CPM is given in favor of parent company	--	--
ii. Total amount of CPM is given in favor of other group companies, which B and C doesn't include	40.120	46.445
ii. Total amount of CPM given to the third parties not included in the Article C	--	--
Total	**2.620.993**	**3.070.019**

As at 30 June 2012 total amount of other CPM given by the group is 2 % (31 December 2011: 4%).

18 COMMITMENT AND CONTINGENCIES *(continued)*

The currency distribution of CPM given by the Group is as follows:

	30 June 2012(*)			31 December 2011(*)		
	Euro	USD	Other	Euro	USD	Other
Total amount of CPM is given on behalf of own legal personality	563.360	1.002.733	--	641.353	922.323	--
Total amount of CPM is given in favor of subsidiaries which are fully consolidated	617.854	48.738	139.168	766.288	159.635	347.120
Other CPMs given	--	38.824	--	--	45.240	--
	1.181.214	**1.090.295**	**139.168**	**1.407.641**	**1.127.198**	**347.120**

(*) All amounts are expressed TL equivalent.

(b) Letter of Guarantees Received

Akfen Holding and its subsidiaries have also received letters of guarantee amounting to TL 89.407, cheques amounting to TL 1.432 and notes amounting to TL 50.474 which totally amounts to TL 141.313 (31 December 2011: TL 167.168) from subcontractors. As at 30 June 2012, TL 17.421 (31 December 2011: TL 15.960) of notes are given to Akfen Holding and construction firms of its subsidiaries, TL 16.404 (31 December 2011: TL 33.319) of notes given to hydroelectric production companies of the Group. As at 30 Haziran 2012, the jointly control entities has received the letters of guarantee, cheques and sureties amounting to TL 132.740 (Group's share: TL40.207) (31 December 2011: TL 99.827 (Group's share: TL 37.296)).

19 OTHER ASSETS AND LIABILITIES

Other current assets

As at 30 June 2012 and 31 December 2011 other current assets comprised the following:

	30 June 2012	31 December 2011
VAT carried forward	38.570	53.268
Prepaid concession expenses	25.261	78.798
Advances given to sub-contractors	24.594	40.360
Advances given to suppliers	18.980	42.487
Prepaid expenses	15.557	12.126
Accrued income	10.694	16.358
Job advances given	1.062	3.734
Prepaid taxes and funds	913	8.028
Other	3.670	9.588
	139.301	**264.747**

TAV Istanbul paid 23% of the total amount in advance in accordance with the rental agreement. After the first year, 5,5% of the total rent amount shall be paid within the first 5 days of each year. As at 30 June 2012, the short term proportion of prepaid rent is TL 25.261 (31 December 2011: TL 78.798).

19 OTHER ASSETS AND LIABILITIES *(continued)*

Other current assets *(continued)*

As at 30 June 2012, VAT receivable of MIP for storage and terminal services amounted to TL 24.417 since MIP cannot offset its VAT payable resulted from given services with its VAT receivable resulted from received services (31 December 2011: TL 24.234). VAT receivables amounting to TL 2.434 is resulted from VAT related with TAV Tbilisi and TAV Tunisia due to local laws (31 December 2011: TL 5.248).

As at 30 June 2012, advances given to subcontractors are comprised of TAV İnşaat advances TL 9.849 (31 December 2011: TL 16.829) related Doha, Dubai, Muscat and Central (Turkey) and advances given for energy projects amounting to TL 11.858 (31 December 2011: TL 16.829) and advances given to Akfen GYO for hotel projects amounting to TL 1.722 (31 December 2011: TL 4.093).

Other non-current assets

As at 30 June 2012 and 31 December 2011, other non-current assets comprised the following:

	30 June 2012	31 December 2011
VAT carried forward	104.134	96.482
Prepaid rent expenses	23.444	41.791
Income accruals	14.627	14.627
Prepaid expenses	11.720	12.706
Taxes and funds to be refunded	10.566	9.825
Advances paid	7.554	9.342
Other	512	571
Other non-current assets	**172.557**	**185.344**

As at 30 June 2012, VAT carried forward is mainly related to the VAT incurred from capital expenditures amounted to TL 71.616 (31 December 2011: TL 65.273) especially made for the hydroelectric plant projects. Since these plants are in construction progress for hydroelectric plant projects, the Group does not have adequate VAT payable in order to net-off these VAT receivables. VAT carried forward belongs to Akfen GYO is TL 28.859 (31 December 2011: TL 27.798). According to the new Corporate Tax Law, Revenues of real estate investment companies exempt from corporate tax. However, these companies are subjected to 18% VAT for construction contracts.

As at 30 June 2012, income accruals belong to Aliağa project amounting to TL 14.627 (31 December 2011: TL 14.627)

As at 30 June 2012, advances given amounting to TL 6.833 are related with fixed asset advances of HES I and HES II (31 December 2011: TL 9.247).

19 OTHER ASSETS AND LIABILITIES *(continued)*

Other Current liabilities

As at 30 June 2012 and 31 December 2011, other short term liabilities are as follows:

	30 June 2012	31 December 2011
Expense accruals	44.752	54.165
Non-deductible VAT	5.400	4.786
Deferred income	2.052	7.093
Damage and discount provisions	1.126	2.436
Other	7.157	5.731
	60.487	**74.211**

As at 30 June 2012, other current liabilities mainly include expense accruals and TL 37.168 expense accruals related to Doha, Muscat, Dubai, Abu Dhabi and Central (Turkey) projects of TAV Yatırım and TL 1.461 expense accruals of TAV Havalimanları and TL 3.578 of expense accruals for Akfen İnşaat HES and hotel projects (31 December 2011: TL 45.416, TL 1.737 and TL 3.832 respectively).

Other long term liabilities

As at 30 June 2012 and 31 December 2011, other long term liabilities are as follows:

	30 June 2012	31 December 2011
Deferred income	3.612	12.719
Advertisement income for future years	1.743	1.161
Other	619	591
	5.974	**14.471**

30 June 2012, TL 3.612 of other long term liabilities is the rental income paid in cash by ATÜ to TAV Havalimanları and TL 1.743 is the advertisement income of IDO for future years (31 December 2011: TL 12.719 and TL 1.161, respectively).

20 EQUITY

As at 30 June 2012, Akfen Holding had 145.500.000 shares, each has TL 1of nominal value. As at 30 June 2012, the whole of TL 145.500 capital was paid.

	30 June 2012	31 December
Registered equity ceiling	1.000.000	1.000.000
Paid capital	145.500	145.500

28.729.368 shares of Hamdi Akın, the shareholder of the Company, are the registered shares in Group A and 116.770.632 B Group shares are wholly bearer shares.

	30 June 2012		31 December 2011	
	Share Amount	% of ownership	Share Amount	% of ownership
Hamdi Akın	99.249	68,21	99.209	68,18
Akfen İnşaat	3.995	2,75	3.995	2,75
Other non-publicly traded shares	1.140	0,78	1.180	0,81
Publicly traded shares	41.116	28,26	41.116	28,26
Paid in capital (nominal)	**145.500**	**100**	**145.500**	**100**

As at 30 June 2012 and 31 December 2011 there is no pledge on Akfen Holding's share.

The concessions of the Company related to 28,729,368 (A) group shares are as follows:

- There are three voting rights for each share in Group A in the General Assembly and these have also voting concession.
- One of the auditors to who would be assigned within the company shall be elected among the candidates proposed by the majority of the A Group shareholders and the other auditor shall be elected among the candidates proposed by the majority of the B Group shareholders in the General Assembly.

In the frame of the Repurchase Programme approved in the General Assembly of the Company on 12 September 2011, 347,150 Akfen Holding A.Ş. shares were purchased for TL 2.478 amount as at 30 June 2012.

Translation reserve

As at 30 June 2012 the translation reserve amounting TL 31.254 (31 December 2011: TL 101.443) comprise of foreign exchange difference arising from the translation of the financial statements of MIP, TAV Yatırım, RHI, RPI, Hyper Foreign, ATI and TAV Havalimanları from their functional currency of USD and Euro to the presentation currency TL which is recognized under equity.

Hedging reserve

The hedging reserve comprises 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 2012 the hedging reserve amounting to, TL 84.713 is recognized in equity which is related to the interest rate swap contracts made in 2012 by HES I-IV-V, MIP, TAV Havalimanları and İDO (HES I-IV-V: TL 6.691, MIP TL 61.215 and TAV Havalimanları TL 12.026, İDO: TL 4.781) (31 December 2011: TL 104.992 (HES I-IV-V: TL 5.783, MIP TL 61.243 and TAV Havalimanları: TL 37.966)).

20 EQUITY *(continued)*

Revaluation surplus

The customer relationship and DHMİ license 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 2012 and 31 December 2011.

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.

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 consists 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.

Other reserves

Other reserve comprises all gain or loss realized on sale and purchase of non-controlling interest in a subsidiary. Akfen GYO increased its capital as TL 46.000 upon the decision of the Board of Directors dated 24 January 2011. 46,000,000 shares corresponding to this increase and total 54.117.500 Akfen GYO shares with TL 54.118 nominal value and 8.117.500 shares of Akfen GYO held by Akfen Holding corresponding to TL 8.118 were offered to public on 11 May 2011. In the following days, Akfen Holding repurchased total 8.040.787 shares in order to provide price stability of Akfen GYO shares. These transactions, of which ownership was changed without losing control, were recognized under the other reserves item net-off transaction costs incurred.

20 EQUITY *(continued)*

Share premium

During the public offering carried out on 14 May 2010 and special offering to corporate investors in ISE wholesale market on 24 November 2010, the sale of Company's shares were realized in higher prices than the nominal value, accordingly, the differences amounting to TL 90.505 and TL 364.277 differences were recognized as the share premium, respectively. These premiums are presented in the equity and cannot be distributed, however, these may be used in the capital increase in the future.

Non-controlling interests

The shares excluded from direct and/or indirect control of the main partnership of net assets of the subsidiaries are classified under the 'non-controlling interest' item in the consolidated financial statements.

As at 30 June 2012 and 31 December 2011, the amounts classified under the 'non-controlling interest' item in the balance sheet are TL 360.040 and TL 392.965, respectively. Again, the shares excluded from direct and/or indirect control of the main partnership of net assets of the subsidiaries are classified under the 'non-controlling interest' in the consolidated statement of comprehensive income. The profit attributable to non-controlling interests for the six month period ended 30 June 2012 and 2011 are TL 4.555 and TL 51.310, respectively.

21 REVENUE AND COST OF SALES

21.1 Sales

For the periods ended 30 June, sales comprised the following:

	1 January – 30 June 2012	1 April – 30 June 2012	1 January – 30 June 2011	1 April – 30 June 2011
Construction revenue	185.862	48.625	218.940	88.989
Revenue from seaport operations	111.105	57.636	83.452	42.666
Marine transportation income	60.727	35.944	--	--
Revenue from sales of tax free goods	55.211	25.044	52.707	30.097
Revenue from aviation services	51.211	23.685	46.692	26.524
Ground handling income	46.068	21.601	49.064	29.699
Electric power sale income	34.839	23.158	11.379	11.360
Commission from sales of duty free goods	23.315	10.645	22.788	12.970
Revenue from catering services	20.632	10.973	13.824	7.646
Rental income from investment property	15.967	8.983	13.175	7.362
Car parking income	7.492	3.285	6.962	3.853
Area allocation income	7.352	2.968	7.541	4.352
Lounge services income	3.976	1.598	5.328	2.429
Bus services income	3.266	1.364	6.030	3.317
Construction revenues arising from IFRIC 12	1.211	1.123	27.300	17.547
Other	11.994	4.658	10.237	5.350
	640.228	**281.290**	**575.419**	**294.161**

21.2 Cost of sales

For the periods ended 30 June, cost of sales comprised the following:

	1 January – 30 June 2012	1 April – 30 June 2012	1 January – 30 June 2011	1 April – 30 June 2011
Construction costs	181.026	46.094	223.607	95.452
Personnel expenses	68.637	30.962	55.435	28.462
Cost of seapark operations	48.860	25.358	31.360	16.197
Rent expenses	37.420	15.465	39.128	20.880
Depreciation and amortisation expenses	32.798	14.590	18.620	10.403
Cost of trading goods sold	21.900	9.861	20.352	11.608
Fuel oil cost of vessels	18.611	10.639	--	--
Cost of services sold	16.695	7.438	18.897	12.834
Outsourced expenses	8.458	3.667	191	58
Cost of catering services	7.091	3.254	4.756	2.605
Construction costs arising from IFRIC 12	1.206	1.121	27.300	17.547
Cost of raw materials	470	470	--	--
Other	13.322	6.315	2.234	45
	456.494	**175.234**	**441.880**	**216.091**

22 SALES, MARKETING AND DISTRIBUTION EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES

General Administrative Expenses

For the periods ended 30 June, general administrative expenses comprised the following:

	1 January – 30 June 2012	1 April – 30 June 2012	1 January – 30 June 2011	1 April – 30 June 2011
Personnel expenses	38.081	15.937	24.008	12.319
General office expenses	10.448	4.453	8.657	4.479
Consultancy expenses	5.226	2.815	2.758	1.627
Insurance expenses	4.721	2.598	3.026	1.521
Rent expenses	3.669	1.578	3.692	2.058
Depreciation and amortisation expenses	3.420	2.050	10.967	5.434
Non-deductible VAT	3.374	1.359	3.476	1.745
Travel expenses	2.628	1.455	1.776	1.069
Advertisement expenses	1.871	1.026	434	--
Taxes and duties expenses	1.251	332	2.059	1.111
Office supplies expenses	1.134	494	1.096	544
Representation expenses	653	279	621	390
Outsourced expenses	571	152	638	407
Bad debt expenses	96	--	144	--
Other	12.862	6.392	9.677	4.825
	90.005	**40.920**	**73.029**	**37.529**

23 OTHER OPERATING INCOME/EXPENSES

For the periods ended 30 June, other operating income comprised the following:

	1 January – 30 June 2012	1 April – 30 June 2012	1 January – 30 June 2011	1 April – 30 June 2011
Other operating income				
Gain on sale of subsidiary (*)	562.935	562.935	161	161
Advertising income (**)	4.622	1.712	3.860	2.058
Rental income (***)	3.570	1.497	3.136	1.784
Dividend income from subsidiaries	2.888	1.536	--	--
Change in fair value of investment property (****)	--	--	124.204	76.799
Other	15.063	10.698	4.968	3.911
	589.078	**578.378**	**136.329**	**84.713**

23 OTHER OPERATING INCOME/EXPENSE *(continued)*

(*) For the six month period ended as at 30 June 2012, gain on sale of subsidiary comprises of the sale of shares of TAV Havalimanları and TAV Yatırım.

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

(***) Rental income comprises of the rent income obtained from sub administrative companies of BTA and ATÜ.

(****) Change in fair value of investment property comprises of the change in fair value of investment property of Akfen GYO.

24 FINANCIAL INCOME

For the periods ended 30 June, financial income comprised the following:

	1 January – 30 June 2012	1 April – 30 June 2012	1 January – 30 June 2011	1 April – 30 June 2011
Financial income				
Foreign exchange gain	142.721	48.897	43.275	32.269
Interest income	16.080	8.323	13.553	7.146
Discount interest income related to IFRIC 12(*)	3.367	1.365	3.819	2.447
Other	674	--	958	779
	162.842	**58.585**	**61.605**	**42.641**

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

For the periods ended 30 June, financial income / (expenses) accounted in other comprehensive income as a result of hedging agreements signed by the Group and its subsidiaries and the functional reporting currency differences are as follows:

	1 January – 30 June 2012	1 April – 30 June 2012	1 January – 30 June 2011	1 April – 30 June 2011
Foreign currency translation differences	(30.540)	(6.792)	49.800	30.081
Hedging reserve	(7.875)	(1.164)	(2.183)	(10.499)
Tax income/(expense) in other comprehensive income	1.951	69	(37)	1.800
	(36.464)	**(7.887)**	**47.580**	**21.382**

The hedging reserve comprises the effective portion of the current year net change in the fair value of cash flow hedging instrument related to hedged transaction that have not yet occurred. Amounting TL 1.134, TL 4.281, TL (2.321) and TL 4.781 are comprised of change in fair values of hedges belonging to HES I-IV-V, TAV Havalimanları, MIP and IDO respectively.

The translation reserve is comprised of foreign exchange difference arising from the translation of the financial statements of MIP, TAV Yatırım, RPI, RHI, Hyper Foreign and TAV Havalimanları, from their functional currency of USD and Euro to the presentation currency TL which is recognized under equity for the period ended 30 June 2012.

25 FINANCIAL EXPENSES

For the periods ended 30 June, financial expenses comprised the following:

	1 January – 30 June 2012	1 April – 30 June 2012	1 January – 30 June 2011	1 April – 30 June 2011
Financial expenses				
Interest expenses	121.439	60.411	116.244	69.583
Foreign exchange loss	33.022	13.215	121.230	82.656
Others	7.041	3.939	2.336	1.053
	161.502	**77.565**	**239.810**	**153.292**

26 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None.

27 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.

As at 30 June 2012, the tax rates (%) used in the deferred tax calculation by taking into account the tax regulations in force in each country are as follows:

Country	Tax Rate
Tunusia	30%
Georgia	15%
Egypt	20%
Macedonia	10%
Latonia	15%
Libya (*)	15-40%
Qatar	10%
Oman	12%
Cyprus	24%
Russia	20%

The corporate tax is not applied in Dubai and Abu Dhabi.

(*)The corporate tax is changed gradually according to the net profit for the period in Libya.

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 and Akfen İnşaat are subject to this tax rate.

As at 1 January 2008 corporate income tax is decreased from 20% to 15% according to Georgia laws. Deferred tax is calculated for relevant assets and liabilities with 15% rate as at 31 December 2009.

27 TAXATION *(continued)*

Corporate tax *(continued)*

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.

There is also a withholding tax on the dividends paid and is accrued only at the time of such payments. The withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15 percent. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

According to the Corporate Tax Law, 75% of the capital gains arising from the sale of properties and investments in equity shares owned for at least two years are exempted from corporate tax on the condition that such gains are reflected in the equity with the intention to be utilized in a share capital increase within five years from the date of the sale. The remaining 25% of such capital gains are subject to corporate tax.

The transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of “disguised profit distribution via transfer pricing”. The General Communique on disguised profit distribution via transfer pricing dated 18 November 2007 sets details about implementation. If a tax payer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm’s length basis, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as a tax deductible for corporate income tax purposes.

In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes shown in the consolidated financial statements reflects the total amount of taxes calculated on each entity that are included in the consolidation.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to five years. Tax losses cannot be carried back.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within four months following the close of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

According to Article 5/1(d) (4) of the New Corporate Tax Law 5220, the income of Real Estate Investment Trusts ("REIT") is exempt from Corporate Income Tax in Turkey. This exemption is also applicable to Quarterly Advance Corporate Tax.

27 TAXATION *(continued)*

Corporate tax *(continued)*

According to Corporate Tax Law, the sale of proportional shares of TAV Havalimanları and TAV Yatırım, is defined as sale of shares of affiliates that have been included in Company's assets at least for two years and it is possible to exempt 75% of the income generated from these sales from tax. Based on the Corporate Tax, Akfen Holding plans to hold 75% of income from these sales for tax exemption and add on equity within five years.

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 at 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 at 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 at 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 at 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.

27 TAXATION *(continued)*

Income withholding tax

In addition to corporate taxes, companies should also calculate income withholding taxes on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey. The rate of income withholding tax is 10% starting from 24 April 2003. This rate was changed to 15% with the code numbered 5520 article 15 commencing from 21 September 2006. After the resolution, declared in Official Gazette on 23 July 2006, this rate was changed to 15% thereafter. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

Transfer pricing regulations

In Turkey, 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 taxpayer 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 principle, 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 tax deductible for corporate income tax purposes.

27.1 Taxation income/(expense)

The taxation charge for the periods ended 30 June comprised the following items:

	1 January 30 June 2012	1 April 30 June 2012	1 January 30 June 2011	1 April 30 June 2011
Corporation tax expense	(20.901)	(12.673)	(15.010)	(11.980)
Deferred tax income/(expense)	(18.841)	(14.090)	(2.567)	3.753
Tax expense recognized in profit / loss	**(39.742)**	**(26.763)**	**(17.577)**	**(8.227)**
Deferred tax income / (expense) recognized in comprehensive income	1.951	69	(37)	1.800
Total	**(37.791)**	**(26.694)**	**(17.614)**	**(6.427)**

27 TAXATION *(continued)*

27.2 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.

Recognised deferred tax assets and liabilities

Deferred tax assets and deferred tax liabilities as at 30 June 2012 and 31 December 2011 were attributable to the items detailed in the table below:

	Assets		***Liabilities***		***Net***	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**
Trade and other receivables	2.691	1.979	(81)	(282)	2.610	1.697
Depreciation, redemption and activation differences of tangible and intangible fixed assets and airport operation right	19.279	20.338	(29.205)	(35.026)	(9.926)	(14.688)
Effect of IAS 11	7.986	10.910	(2.959)	(5.184)	5.027	5.726
Effect of IFRIC 12	--	--	(661)	(841)	(661)	(841)
Derivative financial instruments	22.349	34.126	--	--	22.349	34.126
Rent expenses paid in cash	--	--	(672)	(2.572)	(672)	(2.572)
Investment incentive	20.742	35.027	--	--	20.742	35.027
Investment properties	2.926	2.926	(62.381)	(60.658)	(59.455)	(57.732)
Tax losses carried forward	10.868	45.751	--	--	10.868	45.751
Loans and borrowings	1.323	2.470	(1.428)	(3.945)	(105)	(1.475)
Other temporary differences	3.208	7.981	(500)	(2.133)	2.708	5.848
Subtotal	**91.372**	**161.508**	**(97.887)**	**(110.641)**	**(6.515)**	**50.867**
Net-off tax	(39.033)	(51.825)	39.033	51.825	--	--
Total deferred tax assets/(liabilities)	**52.339**	**109.683**	**(58.854)**	**(58.816)**	**(6.515)**	**50.867**

As at 30 June 2012, the Group management has recognized deferred tax asset amounting to TL 10.868 (31 December 2011: TL 45.751) for the tax losses in which taxable profits are estimated to be available in 2012 and the following years.

27 TAXATION *(continued)*

27.2 Deferred tax assets and liabilities *(continued)*

Unrecognized deferred tax assets and liabilities

At the balance sheet date, the Group has unused statutory tax losses of TL 75.769 (31 December 2011: TL 141.562) available for offset against future profits. TL 15.154 deferred tax (31 December 2011: TL 28.312) was not recognized since the Group management estimates that there will not be sufficient future taxable profits. The expiry date of unrecognized tax losses are as follows:

	30 June 2012	31 December 2011
Expire in 2011	--	283
Expire in 2012	3.462	5.601
Expire in 2013	15.520	43.489
Expire in 2014	9.937	8.182
Expire in 2015	2.221	1.952
Expire in 2016	41.575	82.055
Expire in 2017	3.054	--
	75.769	**141.562**

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.

28 EARNINGS PER SHARE

For the periods ended 30 June, amounts of earning per share as TL 633.185 and TL (68.360), respectively is calculated by dividing the consolidated statement of comprehensive income/(loss) on attributable to main shareholders by the weighted average number of ordinary shares outstanding during the period.

	1 January-30 June 2012	1 April-30 June 2012	1 January-30 June 2011	1 April-30 June 2011
Income/(loss) on attributable to main shareholders of the Company	633.185	590.677	(68.360)	(52.819)
The weighted average number of shares outstanding during the period(*)	141,174,388	141,157,947	141,505,097	141,505,097
Profit/ (Loss) per share from operations (full TL)	4,485	4,185	(0,483)	(0,373)

(*) The calculation of earnings per share was made by deducting the publicly traded 347,150 shares which were purchased by the Group and 3,994,903 shares of Akfen İnşaat from total number of shares.

29 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 jointly controlled entities 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.

29.1 Related party balances

As at 30 June 2012 and 31 December 2011, short term receivables and payables balances from its related parties are as follows:

	30 June 2012	31 December 2011
Trade receivables	1.606	6.000
Non-trade receivables	8.353	5.068
	9.959	**11.068**
Trade payables	13.258	25.125
Non-trade payables	15.594	15.564
	28.852	**40.689**

As at 30 June 2012 and 31 December 2011, long term receivables and payables balances from its related parties are as follows:

	30 June 2012	31 December 2011
Trade receivables	2.515	5.510
Non-trade receivables	59.854	39.225
	62.369	**44.735**
Trade payables	627	1.083
Non-trade payables	11.169	9.002
	11.796	**10.085**

All transactions between Company, subsidiaries and jointly controlled entities not explained in related party disclosures are eliminated during consolidation. Related party balances between the Group and other related parties are explained in the following pages.

As at 30 June 2012 and 31 December 2011, the Group had the following short term trade receivables from its related parties:

Due from related parties (short term-trade):	30 June 2012	31 December 2011
ATÜ	580	1.110
Sky Oryx Joint Venture	330	4.175
Sera Yapı End. ve Tic. A.Ş. ("Sera Yapı")	115	104
Other	581	611
	1.606	**6.000**

29 RELATED PARTY DISCLOSURES *(continued)*

29.1 Related party balances *(continued)*

As at 30 June 2012 and 31 December 2011, the Group had the following short term non trade receivables from its related parties:

Due from related parties (short term-nontrade):	**30 June 2012**	**31 December 2011**
Sera Yapı	3.570	932
AL Arab Contracting CO. CJSC	2.428	--
Tepe İnşaat	2.023	3.670
Task Water B.V.	--	6.598
Other	332	466
Provision for doubtful receivable (Note 10)	--	(6.598)
	8.353	**5.068**

As at 30 June 2012 and 31 December 2011, the Group had the following long term trade receivables from its related parties:

Due from related parties (long term- trade):	**30 June 2012**	**31 December 2011**
LCC Sabha International Airport Project	1.160	2.379
Sky Oryx Joint Venture	1.080	1.909
ODTC JV	275	--
Other	--	1.222
	2.515	**5.510**

As at 30 June 2012 and 31 December 2011, the Group had the following long term non trade receivables from its related parties:

Due from related parties (long term-non trade):	**30 June 2012**	**31 December 2011**
Akfen Gayrimenkul Yatırımları Ticaret A.Ş.	55.234	32.421
Hyper Foreign	3.192	2.724
Kirazlı Konutları Adi Ortaklığı	1.208	1.181
Mustafa Keten	--	1.563
Selim Akın	--	713
Other	220	623
	59.854	**39.225**

29 RELATED PARTY DISCLOSURES *(continued)*

29.1 Related party balances *(continued)*

As at 30 June 2012 and 31 December 2011, the Group had the following short term trade payables to its related parties:

Due to related parties (short term- trade):	**30 June 2012**	**31 December 2011**
Muscat CCC & TAV Cons.	3.962	4.202
Ibs Sigorta Brokerlik Hiz.A.Ş.	3.907	3.721
Sky Oryx Joint Venture (*)	925	11.475
Tepe Servis ve Yönetim A.Ş.	881	--
Tav İstanbul Terminal İşl. A.Ş.	358	451
Tepe Savunma ve Güvenlik Sistemleri A.Ş.	214	--
BTA Unlu Mamüller San. ve Tic. A.Ş.	149	--
TAV Tepe Akfen Yatırım İnş. İşl. A.Ş.	120	--
BTA Yiyecek İçecek Hizm. A.Ş.	84	79
TAV Bilişim Hizm. A.Ş.	9	288
Tepe İnşaat	--	2.502
Other	2.649	2.407
	13.258	**25.125**

(*)Payable to Sky Oryx Jointly Controlled Entity mainly comprised of advances received by the Group for the construction works.

As at 30 June 2012 and 31 December 2011, the Group had the following short term non-trade payables to its related parties:

Due to related parties (short term-non trade):	**30 June 2012**	**31 December 2011**
TAV Ege Terminal Yat. Yap. ve İşl. A.Ş.	10.488	--
Tav İstanbul Terminal İşl. A.Ş.	1.746	887
Tav Havalimanları	1.469	--
TAV Tunus	235	304
Sky Oryx Joint Venture	216	9.540
Hamdi Akın	97	117
TGS	--	2.785
ATÜ	--	1.177
Other	1.343	754
	15.594	**15.564**

29 RELATED PARTY DISCLOSURES *(continued)*

29.2 Related party transactions

As at 30 June 2012 and 2011, services rendered to related parties comprised the following:

Services rendered to related parties:	**30 June 2012**		**30 June 2011**	
Company	**Amount**	**Service**	**Amount**	**Service**
ATÜ (*)	24.592	Sale	24.354	Sale
Sky Oryx Joint Venture	7.912	Construction Services	4.932	Construction Services
Tav İstanbul Terminal İşl. AŞ.	770	Construction Services	701	Construction Services
BTA Denizyolları ve Limanları Yiyecek ve İçecek Hizmetleri Turizm Sanayi ve Ticaret A.Ş.	668	Construction Services	--	
MIP	925	Sale	--	
IDO	754	Sale	--	
TAV Ege Terminal Yatırım Yap. Ve İşl. AŞ.	1.531	Construction Services	--	
TAV Macedonia Dooel Skopje	--		14.212	Construction Services
Kasa Akfen	--		85	Sale
TAV Gazipaşa Yat. Ve İşl. A.Ş	--		205	Construction Services
TAV Tunus	--		292	Construction Services
Akfen GYT	2.837	Interest income	248	Construction Services
Other	4.039		4.453	
	44.028		**49.482**	

As at 30 June 2012 and 2011, services rendered from related parties comprised the following:

Services rendered from related parties:	**30 June 2012**		**30 June 2011**	
Company	**Amount**	**Service**	**Amount**	**Service**
IBS Sigorta	1.493	Purchases	1.040	Purchases
TAV Insaat	281	Interest Expense	175	Financing Expense
Tav Bilişim Hizmetleri AŞ.	219	Purchases	308	Purchases
TAV İnşaat	--		277	İnşaat Hizmetleri
BTA Yiyecek ve İçecek Hizmetleri	82	Purchases	336	Purchases
TAV G.	41	Purchases	2.863	Purchases
Alsim Alarko	950	Other	957	Other
Other	1.034	--	2.404	--
	4.100		**8.360**	

29.3 Key management personnel compensation

Total salaries and similar expenses provided to key management personnel for the Group and subsidiaries amounted to TL 4.776 as at 30 June 2012 (30 June 2011: TL 2.329) Total salaries and similar expenses provided to key management personnel for the jointly controlled entities amounted to TL 37.839 (Group share: TL 9.154) (30 June 2011: TL 22.481(Group share: TL 6.492)).

30 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 reporting date is as follows:

	Receivables						
	Trade Receivables		Other Receivables				
30 June 2012	**Relegated Party**	**Other Party**	**Related Party**	**Other party**	**Deposits on Banks (*)**	**Derivative Instruments**	**Other**
Exposure to maximum credit risk as at reporting date (A+B+C+D+E)	4.121	224.381	68.207	20.273	843.151	2.413	--
- Portion of maximum risk covered any guarantee	--	27.307					--
A. Net carrying value of financial assets which are not impaired or overdue (2)	4.121	205.212	68.207	20.273	843.151	2.413	--
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)	--	19.169	--	--	--	--	--
- The portion covered by any guarantee	--	7.944	--	--	--	--	--
D. Net carrying value of impaired assets (4)	--	6	--	--	--	--	--
- Past due (gross book value)	--	6.344	--	--	--	--	--
- Impairment (-)	--	(6.338)	--	--	--	--	--
- Not past due (gross book value)	--	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--	--
E. Off balance sheet items with credit risks	--	--	--	--	--	--	--

	Receivables				
30 June 2012	**Trade Receivables**	**Other Receivables**	**Deposits on Banks**	**Derivative Instruments**	**Other**
Past due 1-30 days	2.430	--	--	--	--
Past due 1-3 months	1.263	--	--	--	--
Past due 3-12 months	9.321	--	--	--	--
Past due 1-5 years	11.594	--	--	--	--
More than 5 years	905	--	--	--	--

(*) As at 30 June 2012, TL 136.197 deposit was reflected in the restricted cash. As at 30 June 2012, time deposit longer than three months amounting to TL 62.021 are shown in short term financial investments and time deposit longer than three months amounting to TL 37.037 are shown in the long term financial investments.

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

Credit risk *(continued)*

	Receivables						
	Trade Receivables		Other Receivables				
31 December 2011	Relegated Party	Other Party	Relegated Party	Other Party	Deposits on Banks(*)	Derivative Instruments	Other
Exposure to maximum credit risk as at reporting date (A+B+C+D+E)	11.510	460.201	44.293	13.016	667.887	2.685	--
- Portion of maximum risk covered any guarantee	--	76.105	--	--	--	--	--
A. Net carrying value of financial assets which are not impaired or overdue (2)	11.510	423.127	44.293	13.016	667.887	2.685	--
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)	--	37.066	--	--	--	--	--
- The portion covered by any guarantee	--	3.516	--	--	--	--	--
D. Net carrying value of impaired assets (4)	--	8	--	--	--	--	--
- Past due (gross book value)	--	13.282	6.598	--	--	--	--
- Impairment (-)	--	(13.274)	(6.598)	--	--	--	--
- Not past due (gross book value)	--	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--	--
E. Off balance sheet items with credit risks	--	--	--	--	--	--	--

	Receivables				
31 December 2011	Trade Receivables	Other Receivables	Deposits on Banks	Derivative Instruments	Derivative Instruments
Past due 1-30 days	3.610	--	--	--	--
Past due 1-3 months	4.463	--	--	--	--
Past due 3-12 months	28.485	--	--	--	--
Past due 1-5 years	12.842	--	--	--	--
More than 5 years	948	6.598	--	--	--

(*) As at 31 December 2011, TL 150.708 deposit was reflected in the restricted cash.

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

Impairment

Movements in the allowance for doubtful receivables for the periods ended 30 June 2012 and 31 December 2011 was as follows:

	30 June 2012	31 December 2011
Balance at the beginning of the period	(19.872)	(5.801)
Effect of change in group structure	7.277	--
Effect of foreign exchange rates	249	(843)
Allowance for the period	(633)	(16.862)
Provisions released during the period	6.641	--
Effect of business combinations	--	(32)
Collections	--	3.666
Balance at the end of the period	**(6.338)**	**(19.872)**

Liquidity risk

The following tables provide an analysis of monetary liabilities of the Group into relevant maturity groupings including interest payments based on the remaining periods to repayment as at 30 June 2012:

	30 June 2012						
	Note	Carrying Amount	Expected Cash Flow	3 months Or less	03 - 12 months	1-5 years	More than 5 years
Financial liabilities							
Loans and borrowings	7	2.534.531	(2.791.299)	(115.145)	(397.699)	(1.575.772)	(702.683)
Trade payables	9	93.403	(93.557)	(63.420)	(11.744)	(18.393)	--
Due to related parties	9-10-29	40.648	(41.656)	(25.472)	(4.015)	(11.777)	(392)
Other payables (*)		95.514	(95.789)	(35.304)	(40.528)	(19.957)	--
Other short term liabilities(*)		57.499	(58.419)	(54.841)	(2.445)	(1.133)	--
Interest rate swap		25.933	(26.844)	(923)	(4.511)	(16.403)	(5.007)
Outflow		--	(46.737)	--	(7.472)	(31.087)	(8.178)
Inflow		(2.413)	49.677	--	7.942	33.043	8.692
Total		**2.845.115**	**(3.104.624)**	**(295.105)**	**(460.472)**	**(1.641.479)**	**(707.568)**

(*) The non-financial instruments such as deposits guaranteed, advances received and deferred income are not included in the other liabilities and other short term liabilities items.

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

The following tables provide an analysis of monetary liabilities of the Group into relevant maturity groupings including interest payments based on the remaining periods to repayment as at 31 December 2011:

	31 December 2011						
	Note	Carrying Amount	Expected Cash Flow	3 months Or less	3-12 months	1-5 years	More than 5 years
Financial liabilities							
Loans and borrowings	7	3.474.146	(4.296.910)	(234.345)	(595.299)	(2.233.612)	(1.233.654)
Trade payables	9	221.602	(221.667)	(161.901)	(22.986)	(36.780)	--
Due to related parties	9-10-29	50.774	(52.092)	(29.239)	(15.598)	(5.423)	(1.832)
Other payables (*)		52.125	(52.125)	(30.011)	(6.086)	(16.028)	--
Other short term liabilities (*)		58.017	(58.017)	(58.017)	--	--	--
Interest rate swap		167.545	(179.007)	(12.294)	(24.159)	(109.414)	(33.140)
Outflow		--	(175.756)	--	(25.638)	(106.197)	(43.921)
Inflow		(2.685)	179.048	--	26.118	108.186	44.744
Total		**4.021.524**	**(4.856.526)**	**(525.807)**	**(663.648)**	**(2.399.268)**	**(1.267.803)**

(*) The non-financial instruments such as deposits guaranteed, advances received and deferred income are not included in the other liabilities and other short term liabilities items.

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

Currency risk

Exposure to currency risk

As at 30 June 2012, the Group's exposure to foreign currency risk resulted from foreign currency assets and liabilities listed below:

	30 June 2012				
	TL Equivalent	USD	Euro	TL	Other
1. Trade receivables	7.491	66	2.979	416	181
2a. Monetary Financial Assets (including Cash and Cash at Banks)	487.258	264.573	2.437	2.124	1.640
2b. Non-monetary Financial Assets	2	--	--	1	1
3. Other	26.338	1.007	8.707	4.461	257
4. Current Assets (1+2+3)	**521.089**	**265.646**	**14.123**	**7.002**	**2.079**
5. Trade receivables	10	--	--	10	--
6a. Monetary Financial Assets	524	--	--	517	7
6b. Non- monetary Financial Assets	176	--	77	--	--
7. Other	13.981	4.438	2.622	--	--
8. Non-current Assets (5+6+7)	**14.691**	**4.438**	**2.699**	**527**	**7**
9. Total Assets (4+8)	**535.780**	**270.084**	**16.822**	**7.529**	**2.086**
10. Trade Payables	48.077	5.494	16.265	1.044	119
11. Financial Liabilities	292.350	36.396	99.637	7	--
12a. Other Monetary Liabilities	27.532	--	11.813	651	17
12b. Other Non-monetary Liabilities	--	--	--	--	--
13. Short Term Liabilities (10+11+12)	**367.959**	**41.890**	**127.715**	**1.702**	**136**
14. Trade Payables	9.163	--	4.029	--	--
15.Financial Liabilities	1.126.190	281.247	271.795	1	--
16a. Other Monetary Liabilities	2.055	1.054	56	23	--
16b. Other Non-monetary Liabilities	40	--	17	--	--
17. Long Term Liabilities (14+15+16)	**1.137.448**	**282.301**	**275.897**	**24**	**--**
18. Total Liabilities (13+17)	**1.505.407**	**324.191**	**403.612**	**1.726**	**136**
19. Net Asset/ (Liabilities) Position of Off Balance sheet Derivatives (19a-19b)	13.549	7.500	--	--	--
19a. Total Assets Hedged	--	--	--	--	--
19b. Total Liabilities Hedged	--	--	--	--	--
20. Net Foreign Currency Assets/(Liabilities) Position (9-18+19)	**(956.078)**	**(46.607)**	**(386.790)**	**5.803**	**1.950**
21. Net Foreign Currency Asset/ (Liability) Position Of Monetary Items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	**(1.010.084)**	**(59.552)**	**(398.179)**	**1.341**	**1.692**
22. Total fair Value of Financial Instruments Used For Currency Hedge	--	--	--	--	--
23. Export	--	--	--	--	--
24. Import	--	--	--	--	--

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

Currency risk *(continued)*

Exposure to currency risk *(continued)*

As at 31 December 2011, the Group's exposure to foreign currency risk resulted from foreign currency assets and liabilities listed below:

31 December 2011	TL Equivalent	USD	Euro	TL	Other (*)
1. Trade receivables	23.325	3.963	3.173	3.137	4.949
2a. Monetary Financial Assets (including Cash and Cash at Banks)	262.114	82.525	5.915	74.978	16.801
2b. Non-monetary Financial Assets	7.287	22	--	5.849	1.397
3. Other	26.803	7	7.938	6.486	906
4. Current Assets (1+2+3)	**319.529**	**86.517**	**17.026**	**90.450**	**24.053**
5. Trade receivables	--	--	--	--	--
6a. Monetary Financial Assets	7	--	--	--	7
6b. Non- monetary Financial Assets	32	2	--	7	20
7. Other	8.124	46	3.288	--	--
8. Non-current Assets (5+6+7)	**8.163**	**48**	**3.288**	**7**	**27**
9. Total Assets (4+8)	**327.692**	**86.565**	**20.314**	**90.457**	**24.080**
10. Trade Payables	40.390	2.683	9.963	6.301	4.674
11. Financial Liabilities	451.109	83.881	117.766	3.994	877
12a. Other Monetary Liabilities	17.975	605	658	12.067	3.156
12b. Other Non-monetary Liabilities	470	31	--	331	81
13. Short Term Liabilities (10+11+12)	**509.944**	**87.200**	**128.387**	**22.693**	**8.788**
14. Trade Payables	2.077	--	850	--	--
15.Financial Liabilities	1.365.514	368.342	274.061	4	--
16a. Other Monetary Liabilities	1.850	833	113	--	--
16b. Other Non-monetary Liabilities	390	--	160	--	--
17. Long Term Liabilities (14+15+16)	**1.369.831**	**369.175**	**275.184**	**4**	**--**
18. Total Liabilities (13+17)	**1.879.775**	**456.375**	**403.571**	**22.697**	**8.788**
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)	**(1.552.083)**	**(369.810)**	**(383.257)**	**67.760**	**15.292**
21. Net Foreign Currency Asset/ (Liability) Position Of Monetary Items (UFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	**(1.593.469)**	**(369.856)**	**(394.323)**	**55.749**	**13.050**
22. Total fair Value of Financial Instruments Used For Currency Hedge (**)	--	--	--	--	--
23. Export (**)	--	--	--	--	--
24. Import (**)	--	--	--	--	--

(*) TL equivalent amounts are given for the assets and liabilities in accounted in other currencies.

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

Currency risk *(continued)*

(**)TAV Istanbul, affiliate of TAV Havalimanları, entered into a cross currency swap fixing the parity between USD and EUR currencies. The contract was concluded for the payments to be affected to General Directorate of State Airports Authority on December each year till year 2018. As at 31 December 2011, the nominal value of the agreement was TL 575,543 (Group's share is TL 46.729)(USD 333,552 (Group share is USD 27.082), EURO 253.075 (Group share is EURO 20.548)) (in 31 December 2011: TL 685.402 (Group share was TL 179.021). USD 362.858 (Group share was USD 94.788), EURO 275.309 (Group share is EURO 71.911)). Related swap transactions does not affect current foreign currency position since they are related with future DHMİ payments.

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 2012				
	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 Euro and TL				
1- Net USD asset/liability	(8.420)	8.420	5.221	(4.319)
2- USD risk averse portion (-)	--	--	--	--
3- Net USD Effect (1+2)	(8.420)	8.420	5.221	(4.319)
Assumption of devaluation/appreciation by 10% of Euro against TL				
4- Net Euro asset/liability	(87.964)	87.964	--	--
5- Euro risk averse portion (-)	--	--	--	--
6- Net Euro Effect (4+5)	(87.964)	87.964	--	--
Assumption of devaluation/appreciation by 10% of other currencies against TL				
7- Other currency net asset/liability	775	(775)	--	--
8- Other currency risk averse portion (-)	--	--	--	--
9- Net other currency effect (7+8)	775	(775)	--	--
TOTAL (3+6+9)	(95.609)	95.609	5.221	(4.319)

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

Currency risk *(continued)*

Sensitivity analysis *(continued)*

Currency Sensitivity Analysis				
31 December 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 Euro and TL				
1- Net USD asset/liability	(69.325)	69.325	19.046	(15.581)
2- USD risk averse portion (-)	--	--	--	--
3- Net USD Effect (1+2)	(69.325)	69.325	19.046	(15.581)
Assumption of devaluation/appreciation by 10% of Euro against TL				
4- Net Euro asset/liability	(87.412)	87.412	--	--
5- Euro risk averse portion (-)	--	--	--	--
6- Net Euro Effect (4+5)	(87.412)	87.412	--	--
Assumption of devaluation/appreciation by 10% of other currencies against TL				
7- Other currency net asset/liability	1.529	(1.529)	--	--
8- Other currency risk averse portion (-)	--	--	--	--
9- Net other currency effect (7+8)	1.529	(1.529)	--	--
TOTAL (3+6+9)	(155.208)	155.208	19.046	(15.581)

Interest rate risk

Profile

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

	30 June 2012	31 December 2011
Fixed rate instruments		
Financial assets	835.165	585.670
Financial liabilities	296.693	733.847
Variable rate instruments		
Financial assets	1.463	12.420
Financial liabilities	2.266.533	2.917.595

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.

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

Interest rate risk *(continued)*

Cash flow sensitivity analysis for variable rate instruments:

When the debt profile of the Group is considered, 100 base points increase in Euribor or Libor rate, when the effect of derivative financial instruments is disregarded, caused to approximately TL 22.665 (31 December 2011: TL 14.845) increase in the annual interest costs of floating interest rate liabilities of the Group. TL 6.708 of this amount (31 December 2011: TL 5.297) was hedged with due interest rate swap (HES I: TL 1.946 (31 December 2011: TL 194), TAV Havalimanları: TL 52 (31 December 2011: TL 1.202), MIP TL 4.710 (31 December 2011: TL 3.901), because of this reason, the net risk on profit and loss is TL 15.957 (31 December 2011: TL 9.548).

As at 30 June 2012 and 31 December 2011, 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 2012	**31 December 2011**
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		14	--
Financial Liabilities		(22.665)	(14.845)

31 SUBSEQUENT EVENTS

Akfen Holding and Its Subsidiaries

Akfen Enerji Kaynakları Üretim ve Ticaret A.Ş., which is one of the Company's subsidiaries, signed the contract for transfer of shares of H.H.K Enerji Elektrik Üretim A.Ş. and Kurtal Elektrik Üretim A.Ş. at 27 June 2012. Based on this contract;

H.H.K. Enerji, the owner of Çalıkobası HES Project which has EÜ/3876-17/2354 license number and 16,98 MW installed power was purchased on 18 July 2012 by USD 1.414.012 and withdrawal of suppliers' liability amounting TL 1.506 (total amount is USD 2,24 million). Kurtal Elektrik Üretim A.Ş., the owner of Çiçekli I-II Regulator and HES Project which has EÜ/ EÜ/3876-2/2351 license number and 6,993 MW installed power was purchased on 18 July 2012 by USD 944.055 and withdrawal of suppliers' liability amounting TL 288 (total amount is USD 1,1 million). For these share transfers mentioned above, related approvals were obtained from Enerji Piyasası Düzenleme Kurumu.

In addition to purchases made from debt instruments issued by Company with ISIN code of TRSAKFH31411 whose maturity is 07 March 2012 amounting TL 200.000.000 before the end of reporting period, following purchases were done:

On 17 July 2012, 100.000 nominal with full price of TL 102, 10 with effective date of 17 July, 2012,

On 25 July 2012, 25.000.000 nominal with full price of TL 102,10 with effective date of 25 July 2012,

Total of repurchase of debt instruments made by Company is TL 9.060 nominal (11,11% of whole amount) for the debt instrument with ISIN code of TRSAKFHA1313 and TL 45.910 nominal (22,96% of whole amount) for the debt instrument with ISIN code of TRSAKFH31411.

Demirciler HES Project, located in Kale district of Denizli with EÜ/1424-2/1034 license number given by EPDK, belongs to PAK Enerji Üretimi Sanayi Tic. A.Ş., subsidiary of Akfen Hidroelektrik Santrali Yatırımları A.Ş. which is a subsidiary of the Company, obtained substantial completion from Ministry of Energy for 5,317 MW portion on 27 August 2012. Plant started to commercial energy production at 24:00 in accordance with the legislation. Including the portion that was put into use on 03 August 2012 with 3,124 MW installed power, all units of Demirciler HES started operating. After the license amendment new installed power is 8,4 MW an expected yearly energy production is 30,5 GW.

Parallel to Company's investment program, Company continues to put HES power plants into use. As at 28 August 2012, installed power capacity through subsidiaries is 133,4 MW and Company reached to total of 584,6 GW yearly production capacity.

31 SUBSEQUENT EVENTS *(continued)*

Akfen Holding and Its Subsidiaries *(continued)*

Akfen Karaköy Gayrimenkul Yatırımları ve İnşaat A.Ş., subsidiary of Akfen GYO, obtained the construction license on 17 August 2012 for construction of 200 bed capacity of hotel on the land leased from Vakıflar Genel Müdürlüğü for 49 years which is located in Karaköy Rıhtım Street, also known as old Kozluca Han with area of 3.074,58 square meters.

Landed estate located in Beynam village of Bala, Ankara with 808.754 square meters belonging to Akfen İnşaat Turizm ve Ticaret A.Ş. transferred to Renk-Yol Yapı İnşaat ve Turizm A.Ş. (“RenkYol”) (amounting TL 24.500 excluding VAT). In return, to start a construction on 808.754 square meter land property of RenkYol located on Gölbaşı Hacılar District, Ankara Statutory Form Promise of Sale of Real Estate Agreement was done and 25,962% share of Akfen Gayrimenkul Yatırımları ve Ticaret A.Ş. and Renk-Yol Yapı İnşaat ve Ticaret A.Ş. Ordinary Partnership, which is contractor of Flat for Land Basis Construction Agreement, was obtained. Based on the agreement, Ordinary Partnership will have 68% of right on the Project that will be constructed.

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

None.