

Akfen Holding Anonim Őirketi

**Consolidated Condensed Interim Financial
Statements**

**As at and for the Period Ended
30 September 2011**

(Originally Issued in Turkish)

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

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Akfen Holding Anonim Şirketi

Condensed Interim Consolidated Balance Sheet as at 30 September 2011

(Amounts expressed in thousands of TL unless otherwise stated.)

		<i>Not Audited</i>	<i>Audited</i>
	<u>Notes</u>	<u>30 September 2011</u>	<u>31 December 2010</u>
Assets			
Total Current Assets		1.198.905	997.973
Cash and cash equivalents	5	450.588	422.569
Trade receivables			
-Due from related parties	10-27	8.407	12.039
-Other trade receivables	10	293.336	220.572
Other receivables			
-Due from related parties	11-27	12.291	10.514
-Other receivables	11	10.612	4.498
Financial investments	6	--	5.671
Derivative financial instruments	8	634	--
Restricted cash	9	153.779	123.380
Inventories	12	19.995	8.205
Other current assets	18	249.263	190.525
		1.198.905	997.973
Total non-current assets		4.050.680	2.721.093
Trade receivables			
-Due from related parties	10-27	6.952	2.007
-Other trade receivables	10	155.893	109.351
Other receivables			
-Due from related parties	11-27	23.587	24.465
-Other receivables	11	1.184	1.934
Financial investments	6	873	2.520
Investment properties	14	1.006.331	658.758
Property, plant and equipment	15	869.922	538.453
Intangible assets	16	1.233.544	1.023.754
Goodwill	16	422.075	113.781
Deferred tax assets	25	93.099	66.770
Other non-current assets	18	237.220	179.300
TOTAL ASSETS		5.249.585	3.719.066

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

Akfen Holding Anonim Şirketi
Condensed Interim Consolidated Balance Sheet as at 30 September 2011
(Amounts expressed in thousands of TL unless otherwise stated.)

	<i>Notes</i>	<i>Not Audited</i> 30 September 2011	<i>Audited</i> 31 December 2010
LIABILITIES			
Total current liabilities		1.186.000	732.246
Loans and borrowings	7	704.651	370.686
Derivative financial instruments	8	81.916	56.180
Trade payables			
-Due to related parties	10-27	20.271	16.043
-Other trade payables	10	136.154	106.802
Other payables			
-Due to related parties	11-27	23.759	14.323
-Other payables	11	96.368	108.975
Provisions		13.079	8.665
Other current liabilities	18	109.802	50.572
Total non-current liabilities		2.937.745	2.032.035
Loans and borrowings	7	2.720.685	1.876.033
Derivative financial instruments	8	85.209	50.354
Trade payables			
-Due to related parties	10-27	1.128	--
-Other trade payables	10	32.407	21.329
Other payables			
-Due to related parties	11-27	13.522	14.607
-Other non-trade payables	11	27.246	26.141
Employee benefits		16.676	9.672
Deferred tax liabilities	25	26.008	21.239
Other non-current liabilities	18	14.864	12.660
TOTAL EQUITY		1.125.840	954.785
Total equity attributable to equity holders of the Company		723.586	794.180
Paid in capital	19	145.500	145.500
Adjustments to share capital		(7.257)	(7.257)
Treasury shares		(3.709)	(3.709)
Business combination of entities under common control		16.948	20.062
Revaluation reserve		(2.042)	(2.076)
Cash flow hedge reserves		(105.762)	(71.363)
Foreign currency translation difference		104.761	17.914
Legal reserves		19.673	12.081
Other reserves		(125.002)	(93.780)
Share premium		454.782	454.782
Retained earnings		312.705	250.199
Profit / (loss) for the period		(87.011)	71.827
Non-controlling interest		402.254	160.605
TOTAL LIABILITIES		5.249.585	3.719.066

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

Akfen Holding Anonim Şirketi
Condensed Interim Consolidated Income Statement for the Period Ended;
30 September 2011

(Amounts expressed in thousands of TL unless otherwise stated.)

		<i>Not Audited</i>	<i>Not Audited</i>	<i>Not Audited</i>	<i>Not Audited</i>
	<i>Notes</i>	<u><i>1 January-30 September2011</i></u>	<u><i>1 July-30 September2011</i></u>	<u><i>1 January-30 September2010</i></u>	<u><i>1 July-30 September2010</i></u>
CONTINUING OPERATIONS					
Revenue	4	982.024	406.605	735.104	277.025
Cost of sales (-)		(716.440)	(274.560)	(551.621)	(198.103)
GROSS PROFIT		265.584	132.045	183.483	78.922
General and administrative expenses (-)		(119.566)	(46.537)	(115.210)	(38.462)
Other income	20	271.201	134.872	59.802	18.562
Other expense (-)	21	(20.132)	(2.025)	(25.392)	(9.182)
Results from operating activities		397.087	218.355	102.683	49.840
Finance income	22	102.475	40.870	163.517	62.927
Finance expense	23	(468.471)	(228.661)	(234.926)	(82.047)
PROFIT / (LOSS) BEFORE TAX		31.091	30.564	31.274	30.720
CONTINUING OPERATIONS TAX EXPENSE					
Tax expense	25	(24.796)	(7.219)	(12.753)	(2.847)
Deferred tax income/expense	25	(1.120)	1.447	3.436	166
PROFIT/LOSS FROM CONTINUING OPERATIONS		6.295	23.345	18.521	27.872
DISCONTINUED OPERATIONS					
Profit/(loss) from discontinued operations, net of tax	24	--	--	17.226	--
PROFIT/(LOSS) FOR THE PERIOD		6.295	23.345	35.747	27.872
Other Comprehensive Income / (Expense)					
Change in Revaluation of plant and equipment		34	13	26	9
Change in Net fair value change in cash flow hedges	22	(40.477)	(38.294)	(42.473)	(29.070)
Change in Foreign currency translation differences	22	99.782	49.982	(25.680)	(8.065)
Tax expense for other comprehensive income		3.265	3.303	4.612	4.844
Other comprehensive income /(loss) for the period, net of tax		62.604	15.004	(63.515)	(32.282)
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD		68.899	38.349	(27.768)	(4.409)
Profit attributable to:					
Non-controlling interest		93.306	41.996	20.840	17.559
Owners of the Company		(87.011)	(18.651)	14.907	10.314
Profit/(Loss) for the period		6.295	23.345	35.747	27.872
Total comprehensive income/expense attributable to:					
Non-controlling interest		102.685	42.748	12.395	15.786
Owners of the Company		(33.786)	(4.399)	(40.163)	(20.195)
Total Comprehensive Income/Expense for the period		68.899	38.349	(27.768)	(4.409)
Earnings per share	26	(0,598)	(0,128)	0,137	0,092

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

Akfen Holding Anonim Şirketi

Condensed Interim Consolidated Statements of Changes in Equity for the Period Ended 30 September 2010

(Currency: Thousands of TL.)

	<i>Paid in share capital</i>	<i>Adjustments to share capital</i>	<i>Share premium</i>	<i>Treasurys hares</i>	<i>Entities under common control</i>	<i>Currency translation differences</i>	<i>Revaluation fund</i>	<i>Hedging reserve</i>	<i>Other reserves</i>	<i>Restricted reserves allocated from net profit</i>	<i>Retained earnings</i>	<i>Total</i>	<i>Non controlling interest</i>	<i>Total equity</i>
Balances as at 1 January 2010	99.669	(7.257)	--	(4.767)	20.062	25.004	(2.010)	(60.677)	--	14.985	264.088	349.097	179.911	529.008
Total comprehensive income/(expense)														
Profit for the period	--	--	--	--	--	--	--	--	--	--	14.907	14.907	20.840	35.747
Other comprehensive income/(expense)														
Foreign currency translation difference	--	--	--	--	--	(23.603)	--	--	--	--	--	(23.603)	(2.077)	(25.680)
Revaluation of property, plant and equipment	--	--	--	--	--	--	(77)	--	--	--	103	26	--	26
Net fair value change in cash flow hedges	--	--	--	--	--	--	--	(31.493)	--	--	--	(31.493)	(6.368)	(37.861)
Total other comprehensive income/(expense)														
Total comprehensive income/(expense) for the period														
	--	--	--	--	--	(23.603)	(77)	(31.493)	--	--	103	(55.070)	(8.445)	(63.515)
Transactions with owners recorded under equity														
Dividend distributions	--	--	--	--	--	--	--	--	--	--	--	--	(321)	(321)
Transfers to legal reserves	--	--	--	--	--	(113)	--	--	--	936	(1.031)	(208)	268	60
Change in ownership of partnership	--	--	--	--	--	--	--	--	--	--	--	--	(86.413)	(86.413)
Share Premium	--	--	90.505	--	--	--	--	--	--	--	--	90.505	--	90.505
Change in subsidiaries equity interest	--	--	--	--	(102.850)	--	--	--	--	--	--	(102.850)	5.517	(97.333)
Public offering expenses	--	--	--	--	--	--	--	--	--	--	(7.942)	(7.942)	--	(7.942)
Increase in share capital	12.715	--	--	--	--	--	--	--	--	--	--	12.715	109	12.824
Sale of subsidiaries, net	--	--	--	1.058	--	--	--	--	7.545	(2.037)	2.044	8.610	27.984	36.594
Total transactions with owners	12.715	--	90.505	1.058	(102.850)	(113)	--	--	7.545	(1.101)	(6.930)	829	(52.856)	(52.027)
Balances as at 30 September 2010	112.384	(7.257)	90.505	(3.709)	(82.788)	1.288	(2.087)	(92.170)	7.545	13.884	272.168	309.763	139.450	449.213

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

Akfen Holding Anonim Şirketi

Condensed Interim Consolidated Statements of Changes in Equity for the Period Ended 30 September 2011

(Currency: Thousands of TL.)

	<i>Paid in share capital</i>	<i>Adjustments to Share Capital</i>	<i>Share Premium</i>	<i>Treasury shares</i>	<i>Entities under common control</i>	<i>Currency Translation differences</i>	<i>Revaluation fund</i>	<i>Hedging reserve</i>	<i>Other reserves</i>	<i>Restricted reserves allocated from net porfit</i>	<i>Retained earnings</i>	<i>Total</i>	<i>Non controlling interest</i>	<i>Total equity</i>
Balances as at 1 January 2011	145.500	(7.257)	454.782	(3.709)	20.062	17.914	(2.076)	(71.363)	(93.780)	12.081	322.027	794.181	160.605	954.786
Total comprehensive income/(expense)														
Profit for the period	--	--	--	--	--	--	--	--	--	--	(87.011)	(87.011)	93.306	6.295
Other comprehensive income/(expense)														
Foreign currency translation difference	--	--	--	--	--	87.590	--	--	--	--	--	87.590	12.192	99.782
Revaluation of property, plant and equipment	--	--	--	--	--	--	34	--	--	--	--	34	--	34
Net fair value change in cash flow hedges	--	--	--	--	--	--	--	(34.399)	--	--	--	(34.399)	(2.812)	(37.211)
Total other comprehensive income/(expense)	--	--	--	--	--	87.590	34	(34.399)	--	--	--	53.225	9.379	62.604
Total comprehensive income/(expense) for the period	--	--	--	--	--	87.590	34	(34.399)	--	--	(87.011)	(33.786)	102.685	68.899
Transactions with owners recorded under equity														
Transfers to legal reserves	--	--	--	--	--	2.036	--	--	--	7.592	--	9.628	--	9.628
Change in subsidiaries equity interest	--	--	--	--	(3.114)	(2.778)	--	--	(31.222)	--	(9.322)	(46.437)	138.963	92.526
Total transactions with owners	--	--	--	--	(3.114)	(742)	--	--	(31.222)	7.592	(9.322)	(36.809)	138.963	102.154
Balances as at 30 September 2011	145.500	(7.257)	454.782	(3.709)	16.948	104.762	(2.042)	(105.762)	(125.002)	19.673	225.694	723.586	402.254	1.125.840

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

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

(Currency: Thousands of TL)

	<i>Notes</i>	<i>Not Audited</i> <i>30 September</i> <i>2011</i>	<i>Not Audited</i> <i>30 September</i> <i>2010</i>
Cash flow from operating activities			
Profit/(loss) for the period		6.295	35.747
Depreciation of property and equipment	15	20.606	14.360
Amortization of intangible assets	16	33.082	29.714
Provision for employee termination benefits		4.507	3.126
Release of provision/(provision for doubtful debts)	28	4.090	219
Unearned interest income/(expense), net		16	(5.935)
Gain or loss on sale of property, plant and equipment		(965)	(1.947)
Gain on sale of subsidiaries	20	(4.714)	(8.877)
Gain on sale of discontinued operations	24	--	(15.056)
Provision for property, plant and equipment	15	--	3.455
Revaluation reserve of investment property	14-20	(236.511)	(23.462)
Provision/ (release of provision) for litigation and vacation		613	272
Unrealised foreign exchange differences on statement of financial position items		310.849	(26.867)
Interest income	22	(23.927)	(19.786)
Interest expense	23	207.798	120.159
Tax benefit/(expense)	24	24.796	8.141
		346.535	113.263
Change in other trade receivables		(74.294)	(39.468)
Change in other non-trade receivables		(6.114)	9.077
Change in other current assets		(87.540)	(24.831)
Change in other non-current trade receivables		(46.542)	16.889
Change in other non-current non-trade receivables		750	(653)
Change in financial assets		7.991	--
Change in inventories		(5.903)	1.247
Change in due from related parties		(2.212)	2.798
Change in other non-current assets		(76.106)	2.410
Change in other current trade payables		29.352	(30.041)
Change in other current non-trade payables		(42.086)	(10.284)
Change in other current liabilities		57.911	(2.468)
Change in other non-current trade payables		6.732	2.328
Change in other non-current non-trade payables		864	(3.706)
Change in due to related parties		13.707	(590)
Change in other non-current liabilities		1.785	1.746
Cash flows from / (used in) operating activities		(8.416)	37.717
Tax paid		(16.877)	(41.717)
Retirement benefit paid		(2.001)	(946)
Doubtful receivables collection		3.434	219
Interest paid		(175.861)	(104.770)
Net cash provided from / (used in) operating activities		(66.475)	(109.497)

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

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

(Currency: Thousands of TL)

		<i>Not Audited</i>	<i>Not Audited</i>
		<i>30 September</i>	<i>30 September</i>
	<i>Notes</i>	<i>2011</i>	<i>2010</i>
Cash flow from investing activities			
Interest received		13.945	10.332
Acquisition of property, plant and equipment	15	(187.660)	(215.285)
Effect of group structure change		(63.779)	(2.592)
Proceeds from sale of property, plant and equipment		10.522	17.733
Acquisition of intangible assets	16	(46.705)	(13.535)
Acquisition of investment property	14	(47.314)	(33.199)
Proceeds from sale of investment property		--	55.095
Proceeds from sale of discontinued operations		--	29.564
Business combinations		(400.967)	--
Net cash provided from/(used in) investing activities		(721.958)	(151.887)
Cash flows from financing activities			
Proceeds from the borrowings		777.548	667.884
Change in project, reserves accounts		(13.472)	(17.410)
Change in derivative instruments		60.591	31.392
Repayment of borrowings		(197.911)	(266.656)
Proceed from sales of subsidiaries and common control partnership		18.508	(195.949)
Outflow from subsidiary share purchases		(17.821)	70.992
Public offering commissions		--	(7.942)
Capital increase	19	--	12.715
Changes in non-controlling interest		175.375	(75.037)
Share premium		--	90.505
Net cash from financing activities		802.818	310.494
Net increase in cash and cash equivalents		14.385	49.110
Cash and cash equivalents at 1 January		166.349	122.829
Cash and cash equivalents at period end		180.734	171.939

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the nine-month period ended 30 September 2011
(Amounts expressed in thousands of TL unless otherwise stated.)

1 REPORTING ENTITY

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

Today, Akfen Holding and its subsidiaries’ operations include airport management, residence construction, energy production, industrial facilities, natural gas networks and city distribution systems, environmental protection and infrastructure facilities, cauldrons, steel construction and conveyors, tourism investments and management, seaport management, maritime transportation, duty free shop management, catering services, real estate projects, water sewage and water investmets and management, energy production via hydroelectric power stations.

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

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

Koza Sokak No:22
Gaziosmanpaşa
06700/ Ankara-Türkiye

The number of employees of Akfen Holding and subsidiaries and joint ventures of the Group at 30 September 2011 is 295 (31 December 2010: 200) and 25.787 (31 December 2010: 22.909) respectively.

2 BASIS OF PREPARATION

2.1 Basis of Preparation

(a) Statement of compliance

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

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

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

Akfen Holding Anonim Şirketi

Notes to the Condensed Interim Consolidated Financial Statements

As at and for the nine-month period ended 30 September 2011

(Amounts expressed in thousands of TL unless otherwise stated.)

2 BASIS OF PREPARATION (continued)

2.1 Basis of preparation (continued)

(a) Statement of compliance (continued)

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

The decree of CMB, as at 17 March 2005 states that inflation accounting is not applicable for the Companies applying the accounting and reporting principles of CMB (“CMB Financial Reporting Standards”) beginning from 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.

(b) Preparation of the Financial Statements

The consolidated financial statements and notes as at 30 September 2011 are prepared according to the Communiqué XI No 29 of CMB which was announced by the decision numbered 11/467 at 17 April 2008 related to the Principles Regarding Financial Reporting on capital market.

(c) Accounting in Hyperinflationary Periods

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

(d) Basis of measurement

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

Akfen Holding Anonim Şirketi

Notes to the Condensed Interim Consolidated Financial Statements

As at and for the nine-month period ended 30 September 2011

(Amounts expressed in thousands of TL unless otherwise stated.)

2 BASIS OF PREPARATION (continued)

2.1 Basis of preparation (continued)

(e) Functional and presentation currency

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

Akfen Holding and its subsidiaries operating in Turkey prepare their accounting records and legal financial statements in accordance with the the accounting principles per Turkish Uniform Chart of Accounts and per Capital Market Board of Turkey. Subsidiaries and jointly controlled entities established abroad accounting records are subject to regulations and accounting principles that are applied in the countries in which they operate. Enclosed, consolidated financial statements are presented in TL which is the Company's functional currency and converted from legal basis to IFRS basis by series of adjustments and reclassifications.

The functional currency of the subsidiaries and jointly controlled entities are as follows:

<u>The Company</u>	<u>Functional Currency</u>
Akfen İnşaat Turizm ve Ticaret AŞ ("Akfen İnşaat")	TL
Akfen Gayrimenkul Yatırım Ortaklığı AŞ ("Akfen GYO")	TL
Akfen Enerji Yatırımları Holding AŞ ("Akfen Enerji")	TL
Akfen Hes Yatırımları ve Enerji Üretim AŞ ("Akfen HES I")	TL
Akfen Hidroelektrik Santral Yatırımları AŞ ("Akfen HES II")	TL
Akfen Enerji Kaynakları ve Yatırımları AŞ ("Akfen HES III")	TL
TAV Havalimanları Holding AŞ ("TAV Havalimanları")	EURO
TAV Yatırım Holding AŞ ("TAV Yatırım")	USD
Mersin Uluslararası Liman İşletmeciliği AŞ ("MIP")	USD
PSA Akfen Liman İşletmeciliği ve Yönetim Danışmanlığı AŞ ("PSA Liman")	TL
Akfen Çevre ve Su Kanalizasyon Yatırım Yapım ve İşletme AŞ ("Akfen Su")	TL
ATI Services SA ("ATI")	CHF
Hyper Foreign Trade Holland N.V. ("Hyper Foreign")	EURO
TASS Denizcilik A.Ş. ("TASS Denizcilik" or "TASS")	TL

(f) Basis of consolidation

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

(i) Subsidiaries

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

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

Akfen Holding Anonim Şirketi

Notes to the Condensed Interim Consolidated Financial Statements

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(Amounts expressed in thousands of TL unless otherwise stated.)

2 BASIS OF PREPARATION (continued)

2.1 Basis of preparation (continued)

(f) Basis of consolidation (continued)

(i) Subsidiaries (continued)

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

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

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

(ii) Joint Ventures

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

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

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

(iii) Acquisition from entities under common control

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

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Akfen Holding Anonim Şirketi

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(Amounts expressed in thousands of TL unless otherwise stated.)

2 BASIS of PREPARATION (continued)

2.1 Basis of preparation(continued)

(f) Basis of consolidation (continued)

(iv) Acquisitions made from third parties

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

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

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

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

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

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

Akfen Holding Anonim Şirketi
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2 BASIS OF PREPARATION (continued)

2.1 Basis of preparation(continued)

(f) Basis of consolidation (continued)

(iv) Acquisitions made from third parties (continued)

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

(g) Foreign currency

(i) Foreign currency transactions

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

The Group entities use USD, Euro or TL, as functional currency since these currencies are used to a significant extent in, or have a significant impact on, the operations of the related Group entities and reflect the economic substances of the underlying events and circumstances relevant to these entities. All currencies other than the currency selected for measuring items in the financial statements are treated as foreign currencies. Accordingly, transactions and balances not already measured in the functional currency have been re-measured to the related functional currencies in accordance with the relevant provisions of UMS 21, *The effect of changes in foreign exchange rates*. The Group uses TL as the reporting currency.

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

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

	<u>30 September 2011</u>	<u>31 December 2010</u>
Euro/ TL	2,5157	2,0491
USD / TL	1,8453	1,5460

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

	<u>2011</u>	<u>2010</u>
Euro/ TL	2,2773	1,9925
USD / TL	1,6181	1,5142

Akfen Holding Anonim Şirketi

Notes to the Condensed Interim Consolidated Financial Statements

As at and for the nine-month period ended 30 September 2011

(Amounts expressed in thousands of TL unless otherwise stated.)

2 BASIS OF PREPARATION (continued)

2.1 Basis of preparation(continued)

(g) Foreign currency (continued)

(ii) Foreign operations

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

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

2.2 Summary of Significant Accounting Policies

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

New standards and interpretations not yet adopted

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

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

Akfen Holding Anonim Şirketi

Notes to the Condensed Interim Consolidated Financial Statements

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(Amounts expressed in thousands of TL unless otherwise stated.)

2 BASIS OF PREPARATION (continued)

2.2 Summary of Significant Accounting Policies (continued)

New standards and interpretations not yet adopted (continued)

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

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

3 JOINT VENTURES

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

			30 September 2011	31 December 2010
Balance sheet				
Current assets			2.739.423	2.236.769
Non-current assets			6.867.993	4.314.324
Current liabilities			(2.123.425)	(1.603.288)
Non-current liabilities			(5.686.349)	(3.513.483)
	1 January- 30	1 July-30	1 January- 30	1 July- 30
Statement of Income	September 2011	September 2011	September 2010	September 2010
Total revenues	3.066.999	1.272.290	2.226.240	816.266
Total expenses	(2.659.801)	(831.045)	(2.109.776)	(731.917)
Profit / (loss) for the period	407.198	441.245	116.464	84.349

Akfen Holding Anonim Şirketi

Notes to the Condensed Interim Consolidated Financial Statements

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(Amounts expressed in thousands of TL unless otherwise stated.)

4 SEGMENT REPORTING

For management purposes, the Group is currently organised into eight operating segments. Performance is measured based on segment operating profit, as included in the internal management reports that are Not Audited by the Group's Management.

Information regarding the results of each reportable segment is included Tav Yatırım, Akfen İnşaat, Akfen GYO (including RHI and RPI), HES I-II-III, MIP, Akfen Su, Tav Havalimanları and Tass Denizcilik.

Other

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

Discontinued Operations

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
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(Amounts expressed in thousands of TL unless otherwise stated.)

4 SEGMENT REPORTING(continued)

<u>1 January – 30 September 2011</u>	<u>TAV</u> <u>Yatırım</u>	<u>Akfen</u> <u>İnşaat</u>	<u>Akfen GYO</u>	<u>HES I-II-</u> <u>III</u>	<u>MIP</u>	<u>Akfen</u> <u>Su</u>	<u>TAV</u> <u>Havalimanları</u>	<u>TASS</u> <u>Denizcilik</u>	<u>Other</u>	<u>Inter-segment</u> <u>elimination</u>	<u>Total</u>
External revenues	357.822	--	20.828	23.060	130.340	3.391	401.878	44.705	--	--	982.024
Inter segment revenue	43.615	114.059	--	--	--	--	--	--	11.655	--	169.329
Other operating income	159	5.885	248.887	376	--	26	15.580	389	3.106	(3.207)	271.201
Other operating expense	(980)	(8.504)	(4.338)	(2.339)	(320)	--	(1.665)	(1.638)	(466)	118	(20.132)
Financial income	1.217	4.468	4.966	18.862	2.494	1.176	12.963	13.476	45.817	(2.964)	102.475
Financial expense	(7.197)	(16.034)	(56.599)	(109.067)	(25.086)	(3.892)	(48.354)	(82.746)	(122.460)	2.964	(468.471)
Depreciation and amortization	4.269	369	52	1.441	15.275	126	28.793	2.993	370	--	53.688
Reportable Segment profit/(loss) before income tax	(4.133)	(24.470)	206.895	(80.067)	37.185	(1.770)	40.733	(51.955)	(76.254)	(15.073)	31.091
Capital expenditure	14.912	262	35	148.179	8.962	134	60.877	462	542	--	234.365
30 September 2011											
Reportable Segment assets	456.372	361.413	1.080.217	838.007	804.667	28.059	1.344.992	456.092	1.303.931	(1.424.165)	5.249.585
Reportable Segment liabilities	418.234	166.046	321.731	573.336	706.218	17.687	989.597	444.777	636.358	(150.240)	4.123.744
<u>1 July – 30 September 2011</u>											
External revenues	133.447	--	7.653	11.681	46.888	1.282	160.949	44.705	--	--	406.605
Inter segment revenue	15.711	40.703	--	--	--	--	--	--	4.376	--	60.790
Other operating income	39	4.364	124.535	8	--	8	6.271	389	60	(802)	134.872
Other operating expense	(917)	(55)	(348)	(143)	--	--	--	(680)	0	118	(2.025)
Financial income	274	1.626	2.572	6.345	1.367	380	5.879	2.399	20.539	(511)	40.870
Financial expense	(2.400)	(8.802)	(24.101)	(42.714)	(8.750)	(1.350)	(15.185)	(61.363)	(64.507)	511	(228.661)
Depreciation and amortization	1.316	124	21	438	5.559	11	10.593	2.993	2.746	--	23.801
Reportable Segment profit/(loss) before income tax	453	(5.770)	107.013	(28.609)	13.937	(424)	33.510	(40.691)	(45.064)	(3.792)	30.563
Capital expenditure	10.722	13	17	52.620	2.216	26	21.170	462	52	--	87.298

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4 SEGMENT REPORTING(continued)

	<u>TAV</u>	<u>Akfen</u>	<u>Akfen</u>	<u>HES I-II-</u>		<u>Akfen</u>	<u>TAV</u>		<u>Inter-segment</u>		<u>Other</u>
<u>1 January – 30 September 2010</u>	<u>Yatırım</u>	<u>İnşaat</u>	<u>GYO</u>	<u>III</u>	<u>MIP</u>	<u>Su</u>	<u>Havalimanları</u>	<u>Other</u>	<u>eliminations</u>	<u>Total</u>	<u>discontinued</u>
External revenues	309.946	8.752	13.579	964	109.234	7.476	285.034	118	--	735.104	14.292
Inter segment revenue	11.924	115.384	--	--	--	--	2.216	14.350	--	143.874	--
Other operating income	1.443	9.714	28.643	40	--	16	16.407	12.654	(9.115)	59.802	83
Other operating expense	(2.786)	(24.629)	(2.689)	(545)	--	--	--	(2.045)	7.302	(25.392)	(23)
Financial income	4.858	10.162	24.938	25.334	1.562	1.082	8.670	88.690	(1.779)	163.517	828
Financial expense	(3.411)	(8.912)	(22.518)	(21.700)	(24.504)	(761)	(34.844)	(118.538)	262	(234.926)	(651)
Depreciation and amortization	4.354	442	42	2.030	14.105	199	22.619	283	--	44.074	86
Reportable Segment profit/(loss) before income tax	1.908	(21.518)	37.514	(1.561)	24.513	832	27.961	(25.129)	(13.247)	31.274	17.226
Capital expenditure	4.702	284	4	173.130	10.190	340	39.912	258	--	228.820	--
31 December 2010									--	--	--
Reportable Segment assets	372.129	342.010	699.005	647.199	646.592	25.777	1.091.543	1.198.615	(1.303.804)	3.719.066	--
Reportable Segment liabilities	333.710	119.414	236.253	380.728	575.349	12.101	802.326	443.864	(139.464)	2.764.281	--
<u>1 July – 30 September 2010</u>	<u>TAV</u>	<u>Akfen</u>	<u>Akfen</u>	<u>HES I-II-</u>		<u>Akfen</u>	<u>TAV</u>		<u>Inter-segment</u>		<u>Other</u>
	<u>Yatırım</u>	<u>İnşaat</u>	<u>GYO</u>	<u>III</u>	<u>MIP</u>	<u>Su</u>	<u>Havalimanları</u>	<u>Other</u>	<u>eliminations</u>	<u>Total</u>	<u>discontinued</u>
External revenues	115.739	1.591	4.837	619	39.215	1.800	113.149	74	--	277.025	--
Inter segment revenue	2.122	40.346	--	--	--	--	632	1.436	--	44.536	--
Other operating income	857	488	12.480	33	--	6	4.503	2.887	(2.692)	18.562	--
Other operating expense	(2.675)	(9.823)	(2.582)	3	--	--	--	433	5.462	(9.182)	--
Financial income	3.104	5.103	4.184	3.366	708	428	1.287	45.648	(901)	62.927	--
Financial expense	(922)	(3.003)	(13.682)	(11.361)	(6.295)	(686)	(11.693)	(31.918)	901	(82.047)	--
Depreciation and amortization	1.487	147	11	492	4.655	51	8.024	34	--	13.807	--
Reportable Segment profit/(loss) before income tax	566	241	2.431	(9.965)	12.873	182	19.867	9.411	(4.887)	30.720	--
Capital expenditure	1.289	13	--	56.352	4.134	235	9.980	--	--	72.003	--

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5 CASH and CASH EQUIVALENTS

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

	<u>30 September</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Project, reserve and fund accounts	267.951	254.479
Cash at banks	179.655	151.814
-Demand deposit	63.204	76.654
-Time deposit	116.451	75.160
Cash on hand	1.541	673
Other liquid assets	1.441	15.603
Cash and cash equivalents	450.588	422.569
Project, reserve and fund accounts	(267.951)	(254.479)
Bank overdrafts used for cash management purposes	(1.903)	(1.741)
Cash and cash equivalents	180.734	166.349

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

<u>Original currency</u>	<u>Maturity</u>	<u>Interest rate %</u>	<u>30 September 2011</u>
TL	October 2011 - January 2012	3,75 - 11,10	48.849
USD	October - November 2011	0,50 - 4,92	28.248
EUR	October 2011	0,30 - 4,15	35.583
QAR	October 2011	1,25	3.771
			<u>116.451</u>

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

Project Reserve Accounts

TAV Havalimanları and MIP, has Project and Reserve accounts, regarding the agreements made with banks, in order to fund their projects. These accounts can only be used for the areas decided in the agreements. These kind of cash and cash equivalents are amounting to TL 198.828 and TL 69.123 for TAV Havalimanları and MIP respectively (2010: TL 197.988 and TL 56.491).

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5 CASH and CASH EQUIVALENTS (continued)

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

<u>Original currency</u>	<u>Maturity</u>	<u>Interest rate %</u>	<u>30 September 2011</u>
TL	October-November 2011	3,50-9,70	53.227
USD	October-December 2011	0,50-4,20	109.129
EUR	October-December 2015	0,65-4,25	61.336
			223.692
Demand deposits			44.259
			267.951

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

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

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

6 FINANCIAL INVESTMENTS

Current financial investment:

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

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

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

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

	<u>Ownership</u>	<u>2011</u>	<u>Ownership</u>	<u>2010</u>
	<u>(%)</u>		<u>(%)</u>	
Batı Karadeniz Elekt. Dağıtım ve Sis. AŞ	12,5	1.493	12,5	1.493
TAV Urban Georgia LLC	--	--	4,5	2.368
Other		873		152
Sub total		2.266		4.013
Less: Impairment of investment		(1.493)		(1.493)
Total investments		873		2.520

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7 LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest bearing loans and borrowings, which are measured at amortized cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see note 28.

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

	<u>30 September</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Current liabilities		
Secured bank loan	81.994	65.975
Unsecured bank loan	30.190	25.683
Current portion of long –term secured bank loans ^(*)	478.857	273.459
Current portion of long –term unsecured bank loans	9.165	336
Coupon payment of long term bond	100.428	1.722
Spot loan	1.903	1.741
Short term finance lease obligations	2.114	1.770
	704.651	370.686
Non-current liabilities		
Non-current secured bank loans ^(*)	2.696.189	1.764.370
Non-current unsecured bank loans	11.896	317
Non-current bond	--	100.000
Long term finance lease obligations	12.600	11.346
	2.720.685	1.876.033

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

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

	<u>30 September</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Bank loans	3.310.195	2.131.881
Bonds	100.428	101.722
Finance lease obligations	14.713	13.116
	3.425.336	2.246.719

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

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

	<u>Current</u> <u>liabilities</u>	<u>Non-current</u> <u>liabilities</u>	<u>Total</u>
Akfen Holding	227.797	389.641	617.438
Akfen İnşaat	16.658	27.076	43.734
Akfen GYO	119.011	172.177	291.188
Akfen HES I-II-III	84.187	409.622	493.809
Akfen Su	686	15.628	16.314
MIP	20.356	566.813	587.169
TAV Yatırım	77.747	57.389	135.136
TAV Havalimanları	132.933	661.598	794.531
TASS Denizcilik	23.162	408.141	431.303
	702.537	2.708.085	3.410.622

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

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

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

	<u>30 September</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Within one year	702.537	368.916
In the second year	467.439	417.780
In the third year	468.685	361.060
In the fourth year	399.410	134.319
In the fifth and more than five years	1.372.551	951.528
	3.410.622	2.233.603

Akfen Holding Anonim Şirketi

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7 LOANS AND BORROWINGS (continued)

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

Spread for EUR and USD fixed loans as at 30 September 2011 is %3,75-%7,50 and %3,50-%9,95 and %5,55 ve %10,00, respectively (31 December 2010: %3,75-%7,50 ve %3,50-%9,95 and %5,21-%14,00, respectively).

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

The Group has obtained project loans to finance construction of its BOT concession projects, namely TAV Esenboğa, TAV İzmir, TAV Tbilisi, TAV Macedonia and TAV Tunisia; and to be able to finance advance payments to DHMİ related to concession leasing project, TAV İstanbul; to finance Oman Project, TAV Insaat; to privatization of Mersin Port, MIP; to Hepp investments, HES I and HES II; to hotel constructions due to Accor SA agreement, GYO; to privatization of %100 shares of IDO, TASS.

As at 30 September 2011 project loans are amounting to TL 2.457.633 and composes of 72,06 % in whole loans.

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

Akfen Holding:

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans ⁽¹⁾	USD	Libor+3,5	2014	49.208	47.735
Secured bank loans ⁽¹⁾	USD	7,8	2013	5.536	5.582
Secured bank loans ⁽²⁾	USD	9,95	2015	138.398	151.970
Bond ⁽³⁾	TL	5,13*	2012	100.000	100.428
Secured bank loans ⁽⁴⁾	EUR	Euribor+4,2	2014	198.011	206.052
Secured bank loans ⁽⁵⁾	USD	7,4	2014	18.453	18.873
Secured bank loans ⁽⁵⁾	USD	6,9	2014	33.215	33.887
Secured bank loans ⁽⁵⁾	USD	6,85	2012	13.840	14.092
Secured bank loans ⁽⁶⁾	USD	6,75	2013	18.453	18.517
Secured bank loans ⁽⁶⁾	USD	6,25	2013	20.298	20.302
				595.412	617.438

⁽¹⁾ Sureties given by Hamdi Akın and Akfen İnşaat

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

⁽³⁾ Securities issued as at 30 September 2011, bonds are showing the, payables arising from the bonds which have maturity of two years and coupon payment of 182 days, with a floating interest rate amounting to TL 100.000 which issued in 5 March 2010 in accordance with the agreement made between Company and İş Yatırım menkul Değerler A.Ş. 4. Coupon payment date is 2 March 2012

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

⁽⁵⁾ Sureties given by Akfen İnşaat

Akfen Holding Anonim Şirketi

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7 LOANS AND BORROWINGS (continued)

Akfen Holding: (continued)

⁽⁶⁾ Sureties given by Akfen İnşaat, Akfen Turizm, Akınısı, Hamdi Akın.

^(*) Showing the interest to be given for the forth coupon payment period (182 days) at 2 March 2012.

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

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

⁽¹⁾ Sureties given by Hamdi Akın and Akfen İnşaat

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

⁽³⁾ Securities issued as of 31 December 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 which issued in 5 March 2010 in accordance with the agreement made between Company and İş Yatırım menkul Değerler A.Ş. 3. Coupon payment date is 4 March 2011

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

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

	<u>30 September 2011</u>	<u>31 December 2010</u>
Within one year	227.797	76.329
In the second year	140.079	240.816
In the third year	107.052	22.167
In the forth year	142.510	14.257
In the fifth year and more than five years	--	78.923
	617.438	432.492

Akfen İnşaat:

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans ⁽¹⁾	USD	7,20	2014	472	808
Secured bank loans ⁽²⁾	USD	6,90	2014	22.144	22.591
Secured bank loans ⁽²⁾	TL	1,15*	2013	3.860	3.957
Secured bank loans ⁽²⁾	TL	1,18*	2013	3.777	3.876
Secured bank loans ⁽²⁾	TL	1,20*	2012	1.140	1.161
Secured bank loans ⁽²⁾	TL	1,15*	2013	1.026	1.059
Secured bank loans ⁽²⁾	TL	1,18*	2013	956	978
Secured bank loans ⁽³⁾	USD	7,80*	2013	9.227	9.304
				42.602	43.734

⁽¹⁾ Sureties given by Hamdi Akın.

⁽²⁾ Sureties given by Akfen Holding.

⁽³⁾ Sureties given by Akfen Holding and Hamdi Akın.

^(*) Monthly interest rate

Akfen Holding Anonim Şirketi

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7 LOANS AND BORROWINGS (continued)

Akfen İnşaat (Continued)

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

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

⁽¹⁾ Securities given by Hamdi Akın.

	<u>30 September 2011</u>	<u>31 December 2010</u>
Within one year	16.658	398
In the second year	20.314	252
In the third year	6.762	231
In the fourth year	--	92
In the fifth year and more than five years	--	0
	43.734	973

Akfen GYO:

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

	<u>30 September 2011</u>	<u>31 December 2010</u>
Akfen GYO	207.648	185.162
RHI	65.854	20.033
RPI	17.686	6.997
	291.188	212.192

Akfen GYO:

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Unsecured bank loans ⁽¹⁾	EUR	Euribor +3,75	2019	164.041	164.041
Unsecured bank loans ⁽²⁾	EUR	Euribor +3,70	2015	30.275	30.275
Secured bank loans ⁽³⁾	TL	10,00	2016	13.332	13.332
				207.648	207.648

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

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

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7 LOANS AND BORROWINGS (continued)

Akfen GYO (continued)

⁽¹⁾ The Company signed a loan agreement of Euro 100 million on 30 July 2008 with Türkiye İş Bankası AŞ (“Türkiye İş Bankası”) and Türkiye Sınai Kalkınma Bankası AŞ (“TSKB”) to finance the ongoing hotel projects based on the Memorandum of Understanding (“MoU”) signed between the Company and ACCOR S.A. to develop hotel projects in Turkey. Based on the loan agreement, the Company pays commitment commission which is calculated as an annual rate of 1.25% on the unused portion of the loan at each quarter from the agreement date till the maturity date. The Company also pays 0.50% of the amount used in the portion as arrangement commission at each disbursement from TSKB and 1.00% of the related amount as commission. As at 30 September 2011, the Company used the portion of the loan amounting to Euro 72,10 million. The Company recognises loan commission accrual amounting to TL 185 for the unused portion of Euro 27,90 million in other current liabilities. Bank borrowings obtained with this agreement is secured by the followings:

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

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

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

- According to the share pledge agreement between Akfen GYO and ING Bank A.Ş. dated 8 September 2008, the Company pledged 279.996 number of shares of Akfen Gayrimenkul Ticareti ve İnşaat A.Ş. amounting TL 7.000 to ING Bank A.Ş. Kızılay branch as a surety,
- Rental revenue of the casino in Mercure Hotel in Northern Cyprus is transferred to the creditors,
- Rental revenue of Mercure Hotel in Northern Cyprus is transferred to the creditors,
- Sureties of Akfen GYO is given for the total outstanding loan amount,
- Right of tenancy of Mercure Hotel in Northern Cyprus is pledged in favour of ING Bank

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

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

Akfen Holding Anonim Şirketi

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7 LOANS AND BORROWINGS (continued)

Akfen GYO (continued)

	<u>30 September</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Within one year	35.472	28.582
In the second year	30.740	27.899
In the third year	29.679	24.802
In the fourth year	29.604	23.717
In the fifth and more than five years	82.154	80.162
	207.649	185.162

RHI:

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

	<u>Currency</u>	<u>Nominal</u> <u>interest rate</u>	<u>Year of</u> <u>Maturity</u>	<u>Face</u> <u>Value</u>	<u>Carrying</u> <u>amount</u>
Secured bank loans	EUR	Euribor +7,5	2012	65.853	65.853
				65.853	65.853

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

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

Russian Hotel has obtained the loan from Credit Europe Bank. The land in Samara City which project to be developed and 100% shares of YaroslavlOtelInvest and SamstroyKom is pledged. Sureties of Akfen GYO and Akfen Gayrimenkul Ticareti ve İnşaat A.Ş. are given for the total outstanding loan amount.

RPI:

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

	<u>Currency</u>	<u>Nominal</u> <u>interest rate</u>	<u>Year of Maturity</u>	<u>Face</u> <u>Value</u>	<u>Carrying</u> <u>amount</u>
Secured bank loans	EUR	Euribor +7,5	2011	17.686	17.686
				17.686	17.686

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

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

Russian Property has obtained the loan from Credit Europe Bank. The land in Samara City which project to be developed and 100% shares of Volgostroykom are pledged. Sureties of Akfen GYO and Akfen Gayrimenkul Ticareti ve İnşaat A.Ş. are given for the total outstanding loan amount.

	<u>30 September</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Within one year	83.540	19.047
In the second year	--	7.983
In the third year	--	--
In the fourth year	--	--
In the fifth year and more than five years	--	--
	83.540	27.030

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7 LOANS AND BORROWINGS (continued)

Akfen HES:

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

	<u>30 September</u>	<u>31 December</u>
	<u>2011</u>	<u>2010</u>
Akfen HES I	351.425	300.597
Akfen HES II	142.384	34.520
	<u>493.809</u>	<u>335.117</u>

Akfen HES I:

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

	<u>Currency</u>	<u>Nominal</u>	<u>Year of</u>	<u>Face</u>	<u>Carrying</u>
		<u>interest rate</u>	<u>Maturity</u>	<u>Value</u>	<u>amount</u>
Secured bank loans	EUR	Euribor+6,5	2013-2020	348.663	351.425
				<u>348.663</u>	<u>351.425</u>

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

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

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

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

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

	<u>30 September</u>	<u>31 December</u>
	<u>2011</u>	<u>2010</u>
Within one year	73.711	60.021
In the second year	46.989	39.799
In the third year	38.706	35.917
In the fourth year	35.205	28.720
In the fifth year and more than five years	156.814	136.140
	<u>351.425</u>	<u>300.597</u>

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7 LOANS AND BORROWINGS (continued)

Akfen HES II:

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	EUR	Euribor+5,5	2021	138.971	142.384
				138.971	142.384

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

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

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

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

Capital commitment payments granted by Akfen İnşaat during the construction of Project, Akfen Hidro, Akfen Holding and the shareholders during the Project period

	<u>30 September</u>	<u>31 December</u>
	<u>2011</u>	<u>2010</u>
Within one year	10.476	2.385
In the second year	11.514	1.025
In the third year	15.442	3.814
In the fourth year	15.442	3.814
In the fifth year and more than five years	89.510	23.482
	142.384	34.520

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7 LOANS AND BORROWINGS *(continued)*

Akfen Su:

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans ⁽¹⁾	EUR	Euribor+4	2020	16.309	16.309
Spot loan	TL	--	--	5	5
				16.314	16.314

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

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

⁽¹⁾ Task Dilovası and Akfen Güllük have signed loan agreements in October 2010 with EBRD amounted Euro 13.500 and Euro 2.500. Task Dilovası has been used Euro 10.500 part of the credit in December 2010. Akfen Güllük has been used Euro 2.500 used in April 2011

The following pledges has been given for these loans:

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

	<u>30 September</u>	<u>31 December</u>
	<u>2011</u>	<u>2010</u>
Within one year	681	487
In the second year	2.099	984
In the third year	2.036	1.372
In the fourth year	1.995	1.321
In the fifth year and more than five years	9.503	6.353
	16.314	10.517

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7 LOANS AND BORROWINGS (continued)

MIP:

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans ⁽¹⁾	USD	Libor+2,5	2020	481.724	481.724
Secured bank loans ⁽²⁾	USD	Libor+1	2013	105.445	105.445
				587.169	587.169

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

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

The Company has obtained two bank borrowings namely Senior Debt Loan and Mezzanine Loan amounting to USD 600.000 (Group's share is USD 300.000) and USD 100.000 (Group's share is USD 50.000) respectively.

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

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

	<u>30 September 2011</u>	<u>31 December 2010</u>
Within one year	20.356	16.561
In the second year	26.977	--
In the third year	140.789	203.535
In the fourth year	44.650	--
In the fifth year and more than five years	354.397	286.453
	587.169	506.549

Akfen Holding Anonim Şirketi

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(Amounts expressed in thousands of TL unless otherwise stated.)

7 LOANS AND BORROWINGS (continued)

TAV Yatırım:

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

	<u>30 September</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
TAV Yatırım	--	3.875
TAV İnşaat	135.136	71.417
	135.136	75.292

TAV Yatırım

As at 31 September 2011 no bank loans are available.

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

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

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

TAV İnşaat

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

	<u>Currency</u>	<u>Nominal</u> <u>interest rate</u>	<u>Year of</u> <u>Maturity</u>	<u>Face</u> <u>Value</u>	<u>Carrying</u> <u>amount</u>
Secured bank loans ⁽¹⁾	USD	3,50-3,75	2012	7.818	7.818
Secured bank loans ⁽¹⁾	USD	4,25	2012	7.962	7.962
Secured bank loans ⁽¹⁾	USD	4,65	2013	4.046	4.046
Secured bank loans ⁽¹⁾	USD	4,36	2013	8.003	8.003
Secured bank loans ⁽¹⁾	USD	5,45-5,63	2013	13.822	13.822
Secured bank loans ⁽¹⁾	USD	3,60	2012	12.236	12.236
Secured bank loans ⁽¹⁾	USD	4,50	2012	3.995	3.995
Secured bank loans ⁽¹⁾	USD	3,75	2012	3.954	3.954
Unsecured bank loans	USD	3,75	2012	8.020	8.020
Secured bank loans ⁽¹⁾	USD	4,08	2013	7.979	7.979
Secured bank loans ⁽²⁾	USD	5,00	2012	4.033	4.033
Secured bank loans ⁽²⁾	USD	4,95	2012	9.666	9.666
Secured bank loans ⁽¹⁾	EUR	4,80	2013	7.107	7.107
Secured bank loans ⁽¹⁾	EUR	6,05	2013	5.383	5.383
Secured bank loans ⁽¹⁾	EUR	3,75	2012	5.416	5.416
Secured bank loans ⁽³⁾	OMR	4,75	2011	6.111	6.111
Secured bank loans ⁽³⁾	OMR	4,85	2011	19.585	19.585
				135.136	135.136

Akfen Holding Anonim Şirketi

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As at and for the nine-month period ended 30 September 2011

(Amounts expressed in thousands of TL unless otherwise stated.)

7 LOANS AND BORROWINGS (continued)

TAV İnşaat (continued)

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

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

⁽¹⁾ Sureties given by TAV Yatırım Holding.

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

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

	<u>30 September 2011</u>	<u>31 December 2010</u>
Within one year	77.747	39.467
In the second year	57.389	31.950
In the third year	--	--
In the fourth year	--	--
In the fifth year and more than five years	--	--
	135.136	71.417

Akfen Holding Anonim Şirketi

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As at and for the nine-month period ended 30 September 2011

(Amounts expressed in thousands of TL unless otherwise stated.)

7 LOANS AND BORROWINGS (continued)

TAV Havalimanları:

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

	<u>30 September</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
TAV İstanbul	245.011	230.676
TAV Tunus	246.688	199.208
TAV Esenboğa	92.104	75.335
HAVAŞ	53.639	43.599
TAV Holding	42.058	22.645
TAV İzmir	27.288	31.939
TAV Makedonya	39.472	10.616
ATÜ	17.231	15.129
TAV Tiflis	16.644	15.053
TAV Gazipaşa	10.499	9.076
TGS	2.702	6.306
Other	1.195	889
	794.531	660.471

TAV İstanbul

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

	<u>Currency</u>	<u>Nominal</u> <u>interest rate</u>	<u>Year of</u> <u>Maturity</u>	<u>Face</u> <u>Value</u>	<u>Carrying</u> <u>amount</u>
Secured bank loans	EUR	Euribor + 2,50	2018	248.429	245.011
				248.429	245.011

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

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

Akfen Holding Anonim Şirketi

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As at and for the nine-month period ended 30 September 2011

(Amounts expressed in thousands of TL unless otherwise stated.)

7 LOANS AND BORROWINGS (continued)

TAV Tunus

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	EUR	Euribor + 2,28	2028	109.500	109.636
Secured bank loans	EUR	Euribor + 1,90	2022	71.709	71.742
Secured bank loans	EUR	Euribor + 1,54	2028	45.536	45.480
Secured bank loans	EUR	Euribor + 4,75	2028	19.680	19.830
				246.424	246.688

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

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

TAV Holding

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Unsecured bank loans	EUR	4,25	2014	19.712	19.868
Unsecured bank loans	EUR	4,00 - 6,00	2011	10.513	10.628
Unsecured bank loans	USD	3,75 - 4,25	2012	8.676	8.839
Secured bank loans	EUR	6,00	2011	2.629	2.677
Spot loan	TL	--	--	46	46
				41.576	42.058

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

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

Akfen Holding Anonim Şirketi

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(Amounts expressed in thousands of TL unless otherwise stated.)

7 LOANS AND BORROWINGS (continued)

TAV Esenboğa

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	EUR	Euribor + 2,35	2021	92.649	91.993
Spot loan	TL	--	--	111	111
				92.760	92.104

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

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

TAV İzmir

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	EUR	Euribor + 3,00	2013	27.171	27.288
				27.171	27.288

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

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

TAV Tiflis

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	USD	Libor + 4,50	2015	16.258	16.644
				16.258	16.644

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

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

Akfen Holding Anonim Şirketi

Notes to the Condensed Interim Consolidated Financial Statements

As at and for the nine-month period ended 30 September 2011

(Amounts expressed in thousands of TL unless otherwise stated.)

7 LOANS AND BORROWINGS (continued)

ATÜ

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	EUR	Euribor + 2,70	2015	6.223	6.271
Secured bank loans	EUR	6,00	2018	6.130	6.184
Secured bank loans	EUR	5,00	2015	2.956	2.999
Secured bank loans	EUR	5,00 - 5,20	2012	772	774
Secured bank loans	EUR	4,80 -5,64	2016	620	625
Secured bank loans	TND	5,93	2013	260	244
Spot loan	TL	--	--	134	134
				17.095	17.231

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

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

HAVAS

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	EUR	Euribor + 4,75	2018	39.425	38.955
Secured bank loans	EUR	Euribor + 5,75	2017	13.142	13.299
Unsecured bank loans	EUR	Euribor + 3,50	2015	35	35
Spot loan	TL	--	--	1.350	1.350
				53.952	53.639

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

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

TAV Makedonya

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	EUR	Euribor + 5,50	2020	41.901	39.472
				41.901	39.472

Akfen Holding Anonim Şirketi

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7 LOANS AND BORROWINGS (continued)

TAV Makedonya

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

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

TAV Gazipaşa

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	EUR	5,40 - 6,75	2011	6.866	6.957
Secured bank loans	TL	8,50	2011	3.265	3.542
				10.131	10.499

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

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

TGS

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Unsecured bank loans	TL	9,90	2011	2.612	2.702
				2.612	2.702

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

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

	<u>30 September 2011</u>	<u>31 December 2010</u>
Within one year	132.933	121.764
In the second year	96.032	67.073
In the third year	84.610	69.220
In the fourth year	84.848	62.399
In the fifth year and more than five years	396.108	340.015
	794.531	660.471

Akfen Holding Anonim Şirketi

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(Amounts expressed in thousands of TL unless otherwise stated.)

7 LOANS AND BORROWINGS (continued)

TASS Denizcilik:

	<u>30 September 2011</u>	<u>31 December 2010</u>
TASS	393.583	--
İDO	37.721	--
	431.304	--

TASS Denizcilik

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans ⁽¹⁾	USD	Libor+4,9	2023	365.903	365.903
Secured bank loans ⁽²⁾	USD	Libor+8	2018	27.680	27.680
				393.583	393.583

Credit was used from Garanti Bankası, Vakıfbank, İş Bankası, TSKB and Denizbank within the context of privatization of İDO. Related credit is consist of two parts amounting USD 700.000 (Group share is USD 210.000) and USD 50.000 (Group share is USD 15.000). Credit transform at 22 September 2011 and USD 100.000 portion of credit has been pledged in a favour of EBRD as at 15 June 2011.

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

⁽²⁾ USD 50.000 credit is consecutive credit and used to close USD 50.000 credit as at 30 September 2011 which is issued at 15 June 2011. Repayments and loan guarentees consecutive to senior credit.

Guarentees of these loans are share pledges of İDO and TASS, pledge of commercial enterprise of İDO and TASS, ship mortgages, insurance receivables and assignments of receivables and revenue.

Akfen Holding Anonim Şirketi

Notes to the Condensed Interim Consolidated Financial Statements

As at and for the nine-month period ended 30 September 2011

(Amounts expressed in thousands of TL unless otherwise stated.)

7 LOANS AND BORROWINGS (continued)

İDO

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans ⁽¹⁾	USD	Libor + 0,22	2014	11.984	11.984
Secured bank loans ⁽¹⁾	USD	Libor + 0,13	2017	21.841	21.841
Secured bank loans ⁽¹⁾	USD	Libor + 0,85	2012	1.061	1.061
Secured bank loans ⁽²⁾	USD	Libor + 1,65	2012	2.578	2.578
Spot loan	TL	--	--	257	257
				37.721	37.721

⁽¹⁾ Sureties given by İstanbul Büyükşehir Belediyesi

⁽²⁾ Pledged vessels given below.

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

	<u>30 September 2011</u>	<u>31 December 2010</u>
Within one year	23.163	--
In the second year	35.307	--
In the third year	43.611	--
In the fourth year	45.156	--
In the fifth year and more than five years	284.067	--
	431.304	--

Akfen Holding Anonim Şirketi

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(Amounts expressed in thousands of TL unless otherwise stated.)

8 DERIVATIVE FINANCIAL INSTRUMENTS

Current Derivative Financial Instruments

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

	30 September 2011		
	Assets	Liabilities	Net Amount
Interest rate swap	634	(80.020)	(79.386)
Cross currency swap	--	(1.896)	(1.896)
	634	(81.916)	(81.282)

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

Interest rate swap

TAV Esenboğa uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 30 September 2011, 100% of project finance loan is hedged through Interest Rate Swap ("IRS") contract during the life of the loan with an amortising schedule depending on repayment of the loan (31 December 2010: 100%).

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

TAV İstanbul uses interest rate swaps to manage its exposure to interest rate fluctuations on its bank borrowings. As at 30 September 2011, 100% of project finance loan is hedged through IRS contract during the life of the loan with an amortising schedule depending on repayment of the loan (31 December 2010: 100%).

TAV İzmir uses interest rate derivative to manage its exposure to interest rate fluctuations on its bank borrowings. As at 30 September 2011, 49% of total project finance loan is hedged through IRS contract (31 December 2010: 65%).

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

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

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8 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Cross currency swap

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

TAV İstanbul had signed a derivative contract with Dexia Credit Local (“DCL”) on 12 March 2008 to manage and fix its exposure on foreign currency exchange rate fluctuations between USD and EUR on the rent installments that will be paid to DHMİ till 2018. TAV İstanbul terminated the hedge relationship in 2010 and two new cross currency swap contracts were signed by and between TAV İstanbul, DCL, and ING Bank N.V. on 16 December 2010. The total notional amount of the contract is USD 101.050 (in exchange of EUR 76.669) as at 30 September 2011 (31 December 2010: USD 108.784 (in exchange of USD 82.538)).

The fair value of derivatives at 30 September 2011 is estimated at TL 81.916 (31 December 2010: TL 56.179). This amount is based on market values of equivalent instruments at the reporting date. Since the Group applied hedge accounting as at 30 September 2011, changes in the fair value of these interest rate swaps and cross currency swaps are reflected to other comprehensive income resulting to a gain of TL 8.646 (30 September 2010: a gain of TL 13.447), net of tax.

Non-current derivative financial instruments

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

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

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

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

	30 September 2011		
	Assets	Liabilities	Net Amount
Interest rate swap	--	(85.209)	(85.209)
	--	(85.209)	(85.209)
	31 December 2010		
	Assets	Liabilities	Net Amount
Interest rate swap	--	(50.354)	(50.354)
	--	(50.354)	(50.354)

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9 RESTRICTED CASH

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

	30 September 2011	31 December 2010
Akfen Holding	138.398	115.950
Havaş	15.381	6.706
TAV İnşaat	--	724
	153.779	123.380

10 TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables

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

	30 September 2011	31 December 2010
Due from related parties (Note 27)	8.407	12.039
Other trade receivables	293.336	220.572
	301.743	232.611

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

	30 September 2011	31 December 2010
Due from customers for contract work (Note 13)	138.477	82.912
Trade receivables	82.615	47.467
Contract receivables	53.480	71.912
Guaranteed passenger fee receivable from DHMİ	11.549	11.050
Retentions held by employer	14.505	11.811
Notes receivable	317	1.221
Allowances for doubtful receivables (-)	(7.607)	(5.801)
	293.336	220.572

Guaranteed passenger fee receivable represents the remaining discounted guaranteed passenger fee to be received from DHMİ according to the agreements made for the operations of Ankara Esenboğa Airport and İzmir Adnan Menderes Airport as a result of IFRIC12 application.

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

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10 TRADE RECEIVABLES AND PAYABLES (continued)

Long-term trade receivables

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

	<u>30 September 2011</u>	<u>31 December 2010</u>
Due from related parties (Note 27)	6.952	2.007
Other trade receivables	155.893	109.351
	162.845	111.358

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

	<u>30 September 2011</u>	<u>31 December 2010</u>
Guaranteed passenger fee receivable from DHMI(*)	65.167	60.913
Retentions held by employer	55.998	33.316
Guaranteed receivables from OSB(**)	14.783	15.122
Due from customers for contract work (Note 13)	11.511	--
Other	8.434	--
	155.893	109.351

(*)Guaranteed passenger fee receivable represents the remaining discounted guaranteed passenger fee to be received from DHMI according to the agreements made for the operations of Ankara Esenboğa Airport and İzmir Adnan Menderes Airport as a result of IFRIC12 application.

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

Short-term trade payables

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

	<u>30 September 2011</u>	<u>31 December 2010</u>
Due to related parties (Note 27)	20.271	16.043
Other trade payables	136.154	106.802
	156.425	122.845

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

	<u>30 September 2011</u>	<u>31 December 2010</u>
Trade payables	123.619	95.238
Retentions held by the Group	9.047	6.122
Due from customers for contract work (Note 13)	3.488	5.442
	136.154	106.802

Trade payables consist of payables to the suppliers for construction in progress activities, payables to subcontractors and payables to insurance companies. Currency risk related with trade payables is explained in Note 27.

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10 TRADE RECEIVABLES AND PAYABLES (continued)

Long-term trade payables

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

	<u>30 September</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Due to related parties (Note 27)	1.128	--
Other trade payables	32.407	21.329
	33.535	21.329

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

	<u>30 September</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Retentions held by the Group	32.407	21.073
Other trade payables	--	256
	32.407	21.329

11 OTHER RECEIVABLES and PAYABLES

Other short-term receivables

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

	<u>30 September</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Due from related parties (Note 27)	12.291	10.514
Other non-trade receivables	10.612	4.498
	22.903	15.012

Other long-term receivables

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

	<u>30 September</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Due to related parties (Note 27)	23.587	24.465
Other payables	1.184	1.934
	24.771	26.399

As at 30 September 2011 non-current portion of other receivables TL 275 (31 December 2010: TL 1.934) includes deposits and guarantees given.

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11 OTHER RECEIVABLES and PAYABLES (continued)

Other short-term payables

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

	<u>30 September</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Due to related Parties (Note 27)	23.759	14.323
Other Payables	96.368	108.975
	120.127	123.298

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

	<u>30 September</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Advances received	50.389	66.507
Taxes and duties payable	3.561	3.681
Corporate tax payable	12.875	9.516
TAV Tunus concession payable	12.711	10.012
Due to personnel	7.454	6.972
Deposits and guarantees received	7.731	10.532
Other payables	1.647	1.755
	96.368	108.975

Advances received are mainly comprised of advances received from employers for construction projects.

Deposits and guarantees received are mainly comprised of guarantee deductions from subcontractors' progress payments.

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

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11 OTHER RECEIVABLES and PAYABLES (continued)

Other long-term payables

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

	<u>30 September</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Due to related parties (Note 27)	13.522	14.607
Other payables	27.246	26.141
	40.768	40.748

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

12 INVENTORIES

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

	<u>30 September</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Spare parts	10.170	3.106
Tax-free shop inventory	7.615	3.635
Other inventory	2.210	1.464
	19.995	8.205

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

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13 DUE FROM/DUE TO CUSTOMERS FOR CONTRACT WORK

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

	<u>30 September</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Total costs incurred on uncompleted contracts	1.602.820	1.044.752
Estimated earnings/(costs)	71.513	58.900
Total estimated revenue on uncompleted contracts	1.674.333	1.103.652
Less: Billings to date	(1.527.833)	(1.026.182)
Net amounts due from (due to) customers for contract work	146.500	77.470

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

	<u>30 September</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Due from customers for contract work (Note 10)	149.988	82.912
Due to customers for contract work (Note 10)	(3.488)	(5.442)
	146.500	77.470

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14 INVESTMENT PROPERTY

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

	<u>2011</u>	<u>2010</u>
Net book value, opening	658.758	531.647
Effect of change in group structure	63.748	--
Additions	47.314	33.199
Disposals	--	(55.095)
Increase in value	236.511	23.462
Net book value, closing	1.006.331	533.213

Increase in fair value

As at 30 September 2011 increase in fair value of investment properties owned by Akfen GYO comprised of NOVOTEL/İBİS Kayseri Hotel's valuation amount TL 5.399, Mercure Hotel's valuation amount TL 41.357, NOVOTEL Trabzon Hotel valuation amount TL 24.078, NOVOTEL/İBİS Gaziantep Hotel valuation amount TL 1.417, NOVOTEL/İBİS Zeytinburnu Hotel valuation amount TL 50.580, IBIS Bursa hotel valuation amount TL 3.414 and IBIS Eskişehir Hotel valuation amount TL 2.805. As at 30 September 2011 increase in value of investment properties in progress amount TL 2.851 comprised of İBİS İzmir Hotel valuation, amount TL 9.842 comprised of İBİS Esenyurt Hotel valuation, amount TL 5.947 comprised of İBİS Adana Hotel valuation, amount TL 550 comprised of İBİS Ankara Hotel valuation, whereas amount TL 88.291 attributable to Karaköy Hotel Project valuation. Those increases are accounted in other operating income for the period ended at 30 September 2011.

Additions

Major additions occurred in nine months interim period ended with 30 September 2011 and 2010 comprised of Akfen GYO, RHI and RPI additions.

Mortgage and pledge

As at 30 September 2011 investment properties owned by Akfen GYO and Akfen İnşaat encumbered with a mortgage amount of TL 483.770. (31 December 2010: TL 454.388)

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15 PROPERTY and EQUIPMENT

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

	<u>2011</u>	<u>2010</u>
Balance at 1 January		
Cost	627.950	384.088
Accumulated amortization	(89.497)	(77.922)
Net book value	538.453	306.166
Net book value, opening	538.453	306.166
Effect of business combinations (Note:2.1.f)	148.089	--
Effect of change in group structure	31	748
Additions (*)	187.660	215.285
Impairment	--	(3.455)
Translation difference	25.456	(7.675)
Disposals	(9.016)	(15.786)
Depreciation for the period	(20.606)	(14.360)
Transfers to intangibles	(145)	(189)
Net book value, closing	869.922	480.734
Balance at 30 September		
Cost	1.071.647	561.112
Accumulated depreciation	(201.725)	(80.378)
Net book value	869.922	480.734

(*) As at 30 September 2011 additions are mainly comprised of HEPP projects amounting to TL 147.736 of TL 187.660 (79%)

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16 INTANGIBLE ASSETS and GOODWILL

Intangible assets

Movements of intangible assets and related accumulated depreciation during the nine months periods ended 30 September 2011 and 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Balance at 1 January		
Cost	1.155.995	1.137.353
Accumulated amortization	(132.241)	(94.734)
Net book value	1.023.754	1.042.619
Net book value, opening	1.023.754	1.042.619
Effect of business combinations (Note:2.1.f)	77	--
Effect of change in group structure	--	(58)
Additions	46.705	13.535
Transfer from property and equipment	145	189
Translation differences	196.486	(56.177)
Disposals	(541)	--
Amortization for current period	(33.082)	(29.714)
Net book value, closing	1.233.544	970.394
Balance at 30 September		
Cost	1.430.615	1.091.699
Accumulated amortization	(197.071)	(121.305)
Net book value	1.233.544	970.394

Goodwill

Cost

Balance at 1 January	116.777
Translation differences	(4.397)
Additions	1.401
Balaance at 31 December 2010	113.781
Balance at 1 January	113.781
Translation differences	18.770
Additions(*)	289.524
Balance at 30 September 2011	422.075

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

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17 COMMITMENT and CONTINGENCIES

(a) Commitments, Pledges and Mortgages

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

Commitments, Pledges, Mortgages ("CPM") are given by the Group	<u>30 September</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
A. Total amount of CPM is given on behalf of own legal personality	1.236.498	962.280
B. Total amount of CPM is given in favor of subsidiaries which are fully consolidated	1.946.479	1.276.063
C. Total amount of CPM is given for assurance of third party's debts in order to conduct of usual business activities	--	--
D. Total Amount of other CPM	402.427	218.921
i. Total amount of CPM is given in favor of parent company	262.480	135.096
ii. Total amount of CPM is given in favor of other group companies, which B and C doesn't include	139.387	83.825
iii. The amount of CPM is given in favor of third party which C doesn't include	--	--
	<u>3.584.404</u>	<u>2.457.264</u>

As at 30 September 2011, balances of commitments, pledges and mortgages given by Group on behalf of its own legal personallity are Euro 345.090 and USD 165.850 (31 December 2010: Euro 276.501 and USD 186.618). As at 30 September 2011, balances of commitments, pledges and mortgages given by Group to its subsidiaries included in the consolidation are Euro 306.564, USD 394.599 and other^(*) currency 335.531 (31 December of 2010: Euro 289.768, USD 50.977 and other currency 293.208). As at 30 September 2011, balances of commitments, pledges and mortgages given by Group in favour of main shareholder are Euro 32.648 and USD 172.730 (31 December of 2010: Euro 26.000 and USD 106.202).

(*) Other is presented as TL equivalent. As at 30 September 2011, total amount of other CPM given by the group is 319% (2010:257%) of the Group's equity.

(b) Letter of Guarantees Received

Akfen Holding and its subsidiaries have also received letters of guarantee, cheques and securities amounting to TL 176.490 in total as at 30 September 2011 (31 December 2010: TL 144.828) from subcontractors. Letters of guarantees comprise of securities given to Akfen Holding and its subsidiaries construction companies amounting to TL 16.203 (31 December 2010:TL 15.990) and hydroelectric production companies amounting to TL 34.150 (31 December 2010: TL 29.219), The jointly control entities has received the letters of guarantee, cheques and sureties amounting to TL 100.206 (Group's share: TL 35.100) (31 December 2010: TL 18.526 (Group's share: TL 9.263))

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18 OTHER ASSETS and LIABILITIES

Other current assets

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

	<u>30 September 2011</u>	<u>31 December 2010</u>
Prepaid concession expenses	79.337	65.612
Advance given to subcontractors	47.830	46.082
VAT carried forward	40.717	32.486
Accrued income	21.705	8.436
Prepaid expenses	13.961	8.915
Job advances	25.253	1.427
Advances given to suppliers	1.599	12.342
Prepaid taxes and funds	5.541	5.172
Taxes and funds to be refunded	1.586	1.663
Other	11.734	8.390
	249.263	190.525

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

Other non-current assets

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

	<u>30 September 2011</u>	<u>31 December 2010</u>
Carried forward VAT	99.600	84.924
Prepaid concession expense	64.254	44.039
Accrued income	14.627	17.685
Prepaid expenses	13.408	1.451
Advances given	23.363	12.697
Taxes and funds to be refunded	12.262	9.567
Advance given to subcontractors	201	8.699
Other	9.505	238
	237.220	179.300

As at 30 September 2011 prepaid concession amounting to TL 64.254 is related to Tav Havalimanları (31 December 2010: TL 44.039).

As at 30 September 2011, VAT carried forward is mainly related to the VAT incurred from capital expenditures amounting to TL 68.620 (31 December 2010: TL 52.868) for the hydroelectric plant projects. Since these plants are under construction for hydroelectric plant projects, the Group does not have adequate VAT payable in order to net-off these VAT receivables. As at 30 September 2011 VAT carried forward related to Akfen GYO is TL 27.253 (31 December 2010: TL 27.152). According to the new Corporate Tax Law, revenues of real estate investment companies are exempt from corporate tax. However, purchases of construction materials are subject to 18% VAT.

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18 OTHER ASSETS and LIABILITIES (continued)

Other current liabilities

As at 30 September 2011 other current liabilities consist of expense accrual amounting to TL 47.262 related to TAV Yatırım, provisions to subcontractors of Akfen Holding's Hepp and Hotel projects amounting to TL 6.019 and deferred income amounting to TL 7.373 related to TAV Havalimanları.

As of 31 December 2010, other current liabilities mainly include expense accruals of Tav Yatırım, Tav Insaat Libya, Tav Insaat Gulf, Tav Insaat Tunusia, Tav Insaat Egypt, Tav Insaat Turkey, Tav Insaat Doha, Tav Insaat Umman amounting to TL 25.679, provisions related to subcontractors of HEPP projects of Akfen Insaat, Loft 2 and Bursa Hotel projects amounting to TL 4.021, bonus provision and provision for unreceived invoices of MIP amounting to TL 2.292.

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

	<u>30 September 2011</u>	<u>31 December 2010</u>
Deferred income	14.286	11.608
Other	578	1.052
	<u>14.864</u>	<u>12.660</u>

19 EQUITY

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

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

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

As at 30 September 2011 the number of shares is 145.500.000 (31 December 2010 : 145.500.000 each) with a par value of TL 1 each. As at 30 September 2011 capital amounting to TL 145.500 has been paid.

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19 EQUITY (continued)

Treasury shares

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, is net off any tax effects, and is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and resulting surplus or deficit on the transaction is transferred to/from retained earnings.

Business combination of entities under common control

Business combinations of entities that are under common control are accounted for at book values. The net amount of consideration paid over the book value of the net assets acquired is recognized directly in equity.

Revaluation surplus

The customer relationship and DHMI licence were remeasured to their fair values by TAV Havalimanları in 2007. The change in fair value is reflected as revaluation surplus in the consolidated financial statements of TAV Havalimanları.

The accompanying consolidated financial statements include the Group's share of the revaluation surplus as at 30 September 2011 and 31 December 2010.

Translation reserve

As at 30 September 2011 the translation reserve amounting TL 104.761 (31 December 2010: 17.914 TL) comprise of foreign exchange difference arising from the translation of the financial statements of MIP, TAV Yatırım, RHI, RPI, Hyper Foreign and TAV Havalimanları from their functional currency of USD and Euro to the presentation currency TL which is recognized in other comprehensive income under equity.

Restricted reserves

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

The legal reserve consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

Hedging reserve

The hedging reserve comprise the effective portion of the cumulative net change in the fair value of cash flow hedging instrument related to hedged transaction that have not yet occurred. As at 30 September 2011 the hedging reserve amounting, TL 105.762 is recognized in equity which is related to the interest rate swap contracts made in 2010 by HEPP Group MIP and TAV Havalimanları (31 December 2010: 71.363 TL MIP and TAV Havalimanları "swap" agreements)

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19 EQUITY (continued)

Other reserves

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

Share premium

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

Non-controlling interest

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

The amounts classified in "non-controlling interest" as at 30 September 2011 and 31 December 2010 are TL 402.254 and TL 160.605 respectively. The portion of the profit/(loss) for the period in subsidiaries which are not directly or indirectly controlled by the main shareholder are classified as "non-controlling interest" in consolidated income statement. The amounts classified in "non-controlling interest" as at 30 September 2011 and 2010 are TL 93.306 and TL 20.840.

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20 OTHER OPERATING INCOME

For the nine months periods ended 30 September 2011 and 2010 other operating income comprised the following:

	<u>1 January- 30</u> <u>September 2011</u>	<u>1 July- 30</u> <u>September 2011</u>	<u>1 January- 30</u> <u>September 2010</u>	<u>1 July- 30</u> <u>September 2010</u>
Other operating income				
Increase in value of investment property (note 14)	236.511	112.307	23.462	9.224
Gain on purchase of commercial undertake ⁽¹⁾	11.889	11.889	--	--
Advertisement income ⁽²⁾	6.055	2.195	4.904	1.757
Rent income ⁽³⁾	5.271	2.135	3.648	1.455
Gain on sale of investment ⁽⁴⁾	4.714	4.553	8.877	--
Insurance income ⁽⁵⁾	--	--	4.644	483
Gain on sale of real estate	--	--	1.868	1.349
Other	6.761	1.793	12.399	4.294
	271.201	134.872	59.802	18.562

⁽¹⁾ The revenues earned from purchase of Akfen GYO's subsidiaries shares.

⁽²⁾ The revenues earned from billboards at airports are accounted under the operating income as advertisement income.

⁽³⁾ Rent income comprised of rent income obtained from sub companies of BTA and ATÜ.

⁽⁴⁾ For the nine-month period ended as as at 30 September 2011 and 2010, gain on sale of investment is comprised of sale of Akfen Gayrimenkul Yatırımları shares.

⁽⁵⁾ For the nine-month period ended as 30 September 2010, for the damage occurred on the generators of the Trigenation Project of TAV İstanbul. Insurance income is accrued for the receivables from insurance companies.

21 OTHER OPERATING EXPENSE

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

As at 30 September 2010 loss on sale of investment propert with an amount of TL 17.766 is accounted under other operating expense.

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22 FINANCE INCOME

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

	<u>1 January- 30</u> <u>September 2011</u>	<u>1 July- 30</u> <u>September 2011</u>	<u>1 January- 30</u> <u>September 2010</u>	<u>1 July- 30</u> <u>September 2010</u>
Finance income				
Foreign exchange gain	71.364	28.089	137.683	46.187
Interest income	23.927	9.424	19.786	13.468
Discount income related to IFRIC 12 (*)	7.174	3.355	4.150	2.041
Unearned finance income	--	--	1.848	1.220
Other	10	2	50	11
	102.475	40.870	163.517	62.927

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

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

	<u>1 January- 30</u> <u>September 2011</u>	<u>1 July- 30</u> <u>September 2011</u>	<u>1 January- 30</u> <u>September 2010</u>	<u>1 July- 30</u> <u>September 2010</u>
Foreign currency translation differences	(40.477)	(38.294)	(42.473)	(29.070)
Hedging reserve	99.782	49.982	(25.680)	(8.065)
Tax income/(expense) for other comprehensive income	3.266	3.303	4.612	4.844
	62.571	14.991	(63.541)	(32.291)

23 FINANCE EXPENSES

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

	<u>1 January- 30</u> <u>September 2011</u>	<u>1 July- 30</u> <u>September 2011</u>	<u>1 January- 30</u> <u>September 2010</u>	<u>1 July- 30</u> <u>September 2010</u>
Finance expense				
Financial expenses	207.768	91.524	120.159	39.544
Foreign exchange loss	255.961	134.731	110.047	40.883
Unearned finance income	16	16	63	(187)
Other	4.726	2.390	4.657	1.807
	468.471	228.661	234.926	82.047

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24 ASSET CLASSIFIED AS HELD FOR SALE and DISCONTINUED OPERATIONS

Profit from discontinued operations, net of tax

The Group, has sold its shares in %99,87 owned Akfen Danışmanlık to Hamdi Akın, Selim Akın and Pelin Akın; on 10 March 2010, %100 owned Akfen Turizm and Akınısı on 18 March 2010, %42.50 owned Artı Döviz on 6 April 2010 and %37 owned IBS shares to Akfen Altyapı Danışmanlık.

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

	<u>1 January- 30</u> <u>September 2011</u>	<u>1 July- 30</u> <u>September 2011</u>	<u>1 January- 30</u> <u>September 2010</u>	<u>1 July- 30</u> <u>September 2010</u>
Revenue	--	--	14.292	--
Cost of sales	--	--	(9.387)	--
Other income	--	--	83	--
Other expenses	--	--	(23)	--
General administrative expenses	--	--	(2.481)	--
Finance income	--	--	828	--
Finance expense	--	--	(651)	--
Tax income/expense	--	--	(491)	--
Profit/(Loss) for the period	--	--	2.170	--
Gain of sale of investments (Turizm, Akınısı ve Altyapı Danışmanlık)	--	--	15.056	--
	--	--	17.226	--

25 TAXATION

Corporate tax:

In Turkey, corporate income tax is levied at the rate of 20% on the statutory corporate income tax base, which is determined by modifying accounting income for certain exclusions and allowances for tax purposes.

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

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25 TAXATION (continued)

Corporate tax (continued):

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

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

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

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

According to Article 5/1(d) (4) of the New Corporate Tax Law 5220, the income of Real Estate Investment Trusts ("REIT") is exempt from Corporate Income Tax in Turkey. This exemption is also applicable to Quarterly Advance Corporate Tax. However, the Tax Inspectors' Board challenges this exemption for the Real Estate Investment Trusts ("REIT") which are not publicly traded and imposes tax penalties to these REITs. On the other hand, the Capital Markets Board is of the opinion that REIT status is obtained by companies instantaneously founded or transformed to the REIT after the Board's approval of the amendments in the Articles of Association in case of transformation, and approval of establishment in case of immediate establishment. Therefore, the management and the legal advisors of the Group do not expect to be exposed to any tax exposure related with this penalty and expects the Tax Authorities to settle the tax assessments in due course.

In Northern Cyprus, corporate income tax is levied at the rate of 23.5%, which is determined by modifying accounting income for certain exclusions and allowances for tax purposes for the related year. Thus, the operations of the branch of Akfen Ticaret, Akfen Turizm and Akfen İnşaat are subject to this tax rate.

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

Macedonian corporate income tax is levied at a rate of 10% on income less deductible expenses. Unless there is a dividend distribution, no corporate tax is levied. Losses cannot be carried forward in determining corporate tax base. Corporate taxpayers should pay tax on their non-deductible expenses at a rate of %10. However, in determining the base of the tax over non-deductible expenses, losses can be carried forward for five years according to the amendment on tax legislation.

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25

TAXATION (continued)

Corporate tax (continued):

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

Tunisian corporate income tax is levied at a rate of 30% on income less deductible expenses.

According to concession agreement, TAV Tunisia is exempt from corporate tax for a period of 5 years starting from the concession agreement date.

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

Investment allowance:

The Temporary Article 69 added to the Income Tax Law no.193 with the Law no.5479, which became effective starting from 1 January 2006, upon being promulgated in the Official Gazette no.26133 dated 8 April 2006, stating that taxpayers can deduct the amount of the investment allowance exemption which they are entitled to according to legislative provisions effective at 31 December 2005 (including rulings on the tax rate) only from the taxable income of 2006, 2007 and 2008. Accordingly, the investment incentive allowance practice was ended as of 1 January 2006. At this perspective, an investment allowance which cannot be deducted partially or fully in three years time was not allowed to be carried forward to the following years and became unavailable as of 31 December 2008. On the other side, the Article 19 of the Income Tax Law was annulled and the investment allowance practice was ended as of 1 January 2006 with effectiveness of the Article 2 and the Article 15 of the Law no.5479 and the investment allowance rights on the investment expenditures incurred during the period of 1 January 2006 and 8 April 2006 became unavailable

However, at 15 October 2009, the Turkish Constitutional Court decided to cancel the clause no.2 of the Article 15 of the Law no.5479 and the expressions of "2006, 2007, 2008" in the Temporary Article 69 related to investment allowance mentioned above that enables effectiveness of the Law as of 1 January 2006 rather than 8 April 2006, since it is against the Constitution. Accordingly, the time limitations for the carried forward investment allowances that were entitled to in the previous period of mentioned date and the limitations related with the investments expenditures incurred between the issuance date of the Law promulgated and 1 January 2006 were eliminated. According to the decision of Turkish Constitutional Court, cancellation related with the investment allowance became effective with promulgation of the decision on the Official Gazette and the decision of the Turkish Constitutional Court was promulgated in the Official Gazette no.27456 dated 8 January 2010.

According to the decision mentioned above, the investment allowances carried forward to the year 2006 due to the lack of taxable income and the investment allowances earned through the investments started before 1 January 2006 and continued after that date constituting economic and technical integrity will be used not only in 2006, 2007 and 2008, but also in the following years. In addition, 40% of investment expenditures that are realized between 1 January 2006 and 8 April 2006, within the context of the Article 19 of the Income Tax Law will have the right for investment allowance exemption

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25 TAXATION (continued)

Investment allowance: (continued):

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

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

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

The Law numbered 6111

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

Some of the subsidiaries of Akfen Holding have benefited from the aforementioned law for the fiscal years 2006-2009 for corporate and value added taxes by increasing their tax bases, which resulted in additional and corporate taxes amounting to TL 6.044 and VAT amounting to TL10.831. The related corporate tax expense is included in the current tax expense for the period as an adjustment for prior periods in the accompanying consolidated interim financial statements. VAT amounting to TL 10.831 and stamp tax accounted under other operating expenses (note 21).

The taxation charge for the periods ended 30 September 2011 and 2010 comprised the following items:

	<u>1 January- 30</u>	<u>1 July-30</u>	<u>1 January-30</u>	<u>1 July-30</u>
	<u>September 2011</u>	<u>September2011</u>	<u>September2010</u>	<u>September2010</u>
Current corporation and income tax expense	(23.676)	(8.666)	(16.189)	(3.013)
Deferred tax benefits	(1.120)	1.447	3.436	166
Total tax expense	(24.796)	(7.219)	(12.753)	(2.847)

25.1 Deferred tax assets and liabilities

Deferred tax is provided, using the balance sheet method, on all taxable temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except for the differences relating to goodwill not deductible for tax purposes and the initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

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25 TAXATION (continued)

25.1 Deferred tax assets and liabilities (continued)

Recognised deferred tax assets and liabilities

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

	<u>Assets</u>		<u>Liabilities</u>		<u>Net</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Trade and other receivables	1.458	1.201	(235)	(785)	1.223	416
Airport operation right	--	7.286	--	(7.752)	--	(466)
Intangible assets	23.736	3.257	(25.552)	(17.395)	(1.816)	(14.138)
Effect of IAS 11 application	9.667	9.959	(7.595)	(2.477)	2.072	7.482
Effect of IFRIC 12 application	--	--	(778)	(673)	(778)	(673)
Derivatives	33.764	20.641	(127)	--	33.637	20.641
Concession fee	--	--	(3.717)	(2.346)	(3.717)	(2.346)
Investment incentive	25.617	24.813	--	--	25.617	24.813
Investment property	2.926	5.845	(34.529)	(23.922)	(31.603)	(18.077)
Tax loss carry-forward	38.009	28.159	--	--	38.009	28.159
Financial liabilities	2.299	1.905	(2.084)	(4.004)	215	(2.099)
Other temporary differences	4.992	5.493	(760)	(3.674)	4.232	1.819
Sub total	142.468	108.559	(75.377)	(63.028)	67.091	45.531
Deductible tax amount	(49.369)	(41.789)	49.369	41.789	--	--
Total deferred tax assets/(liabilities)	93.099	66.770	(26.008)	(21.239)	67.091	45.531

According to the Tax Procedural Law, statutory losses can be carried forward maximum for five years. Consequently, 2016 is the latest year for recovering the deferred tax assets arising from carried forward tax losses. The Group management forecasted to generate taxable income during 2011 and the years thereafter and based on this forecast, it has been assessed as probable that the deferred tax assets resulting from carried forward tax losses in the amount of TL 38.009 (31 December 2010: TL 28.159) will be realisable; hence, such realisable deferred tax assets are recognised in the consolidated financial statements

Unrecognized deferred tax assets and liabilities

At the balance sheet date, the Group has statutory tax losses of TL 283.614 (31 December 2010: TL 168.227) available for offset against future profits. Such losses carried forward expire until 2016. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits there from. Tax losses will expire as follows:

	<u>30 September 2011</u>	<u>31 December 2010</u>
Expire in 2011	4.889	4.447
Expire in 2012	9.386	8.490
Expire in 2013	71.789	116.231
Expire in 2014	57.288	21.329
Expire in 2015	10.964	17.730
Expire in 2016	129.298	--
	283.614	168.227
Used tax losses	(190.046)	(137.399)
Unused tax losses	93.568	30.828

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25 TAXATION *(continued)*

25.1 Deferred tax assets and liabilities *(continued)*

Unrecognized deferred tax assets and liabilities

As at 30 September 2011 deferred tax has occurred due to investment incentive amounting to TL 13.459 (31 December 2010: TL 12.220) related with TAV Havalimanları.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

26 EARNING PER SHARE

For the periods ended 30 September 2011 and 2010 amounts of earning per share as TL (87.011) (2010: TL 14.907), respectively is calculated by dividing the consolidated statement of comprehensive income/(loss) on attributable to main shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

	<u>1 January-30</u> <u>September 2011</u>	<u>1 July-30</u> <u>September 2011</u>	<u>1 January-30</u> <u>September 2010</u>	<u>1 July-30</u> <u>September 2010</u>
Income/(loss) on attributable to main shareholders of the Company	(87.011)	(18.651)	14.907	10.314
The weighted average number of shares outstanding during the period	145,500,000	145,500,000	108,535,691	112,383,890
Profit/(loss) per share from operations (full TL)	(0,598)	(0,128)	0,137	(0,092)

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27 RELATED PARTY DISCLOSURES

For the purpose of the consolidated financial statements, the shareholders, key management personnel and the Board members, and in each case, together with their families and companies controlled by/affiliated with them; and associates, investments and joint ventures are considered and referred to as the related parties. A number of transactions are entered into with the related parties in the normal course of business. Most of the related party activity is eliminated at consolidation and the remaining activity is not material to the Group. These transactions were carried out on an arm's-length basis during the normal course of business.

27.1 Related party balances

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

	<u>30 September</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
<i>Short term trade receivables</i>		
Sky Oryx Joint Venture	4.780	475
Sera Yapı End. ve Tic. A.Ş. (Sera Yapı)	115	3
ATÜ	1.582	858
Akfen Gayrimenkul Yatırım Ticaret A.Ş.	--	3.510
Odebrecht TAV LCCC JV ("ODTC JV")	--	3.956
LCC Sabha Uluslararası Havalimanı Projesi	--	1.947
TAV Tunus	--	23
Task Water B.V.	--	16
Other	1.930	1.251
	8.407	12.039

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

	<u>30 September</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
TASK WATER B.V.	6.792	5.533
Tepe İnşaat	3.558	3.248
Sera Yapı	904	785
CAS	321	261
TAV Tunus	--	84
Other	716	603
	12.291	10.514

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27 RELATED PARTY DISCLOSURES (continued)

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

<i>Long term trade receivables</i>	<u>30 September</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Sky Oryx Joint Venture	1.620	574
LCC Sabha International Airport Project	2.324	--
Kirazlı Konutları Adi Ortaklığı	1.315	--
Alarko-Akfen İnş.Ort.Girişim	1.087	--
Other	606	1.433
	6.952	2.007

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

<i>Long term non-trade receivables</i>	<u>30 September</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Akfen Turizm	7.063	7.177
Akınısı	6.804	6.723
Akfen Gayrimenkul Yatırımları Ticaret A.Ş.	3.923	1.191
Mustafa Keten	1.633	2.150
Hyper Foreign	2.601	2.072
Selim Akın	--	1.037
İbrahim Süha Güçsav	--	1.961
Kirazlı Konutları Adi Ortaklığı	--	1.321
Other	1.563	833
	23.587	24.465

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27 RELATED PARTY DISCLOSURES (continued)

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

<i>Short term trade payables</i>	<u>30 September</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Muscat CCC & TAV Cons.	8.976	5.032
TAV İnşaat	3.323	29
IBS	2.490	4.048
TAV İstanbul Terminal İşl. A.Ş.	412	198
BTA Yiyecek İçecek Hizm. A.Ş.	192	50
TAV Havalimanları	92	56
TAV Havacılık AŞ	87	13
TAV Bilişim Hizm. A.Ş.	22	266
Sera Yapı End. ve Tic. Ltd. Sti.	14	58
TAV İşl. Hizm. A.Ş.	1	1
Tepe İnşaat Sanayi A.Ş.	--	1.829
ODTC JV	--	890
Sky Oryx Joint Venture	--	1.092
Other	4.662	2.481
	20.271	16.043

<i>Short term non-trade payables</i>	<u>30 September</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Sky Oryx Joint Venture	8.557	5.094
TAV İstanbul Terminal İşl. A.Ş.	6.348	2.575
TGS	3.149	2.741
ATÜ	1.554	665
TAV Tunus	929	384
Hamdi Akın	85	66
Other	3.137	2.798
	23.759	14.323

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

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27 RELATED PARTY DISCLOSURES (continued)

27.2 Related party balances

Services rendered to related parties: 30 September 2011 30 September 2010

<u>Company</u>	<u>Amount</u>	<u>Service</u>	<u>Amount</u>	<u>Service</u>
Atü	40.177	Sale	17.654	Sale
		Construction		Construction
Sky Oryx Joint Venture	12.438	Service	1.550	Service
		Construction		Construction
TAV İstanbul Terminal İşl. A.Ş.	9.492	Service	4.808	Service
		Construction		Construction
TAV Macedonia Dooel Skopje	58.604	Service	346	Service
Kasa Akfen	--	Sale	--	--
		Construction		Construction
TAV Gazipaşa Yat. Ve İşl. A.Ş.	1.408	Service	1.760	Service
		Construction		Construction
TAV Tunus	2.064	Service		Service
Other	4.517		2.836	

Services rendered from related parties 30 September 2011 30 September 2010

<u>Company</u>	<u>Amount</u>	<u>Service</u>	<u>Amount</u>	<u>Service</u>
		Construction		Construction
TAV İnşaat	89	Service	506	Service
IBS Sigorta	1.810	Purchases	1.989	Purchases
TAV Bilişim Hizmetleri A.Ş.	622	Purchases	1.394	Purchases
TGS	347	Financial expense	418	Financial expense
TAV İnşaat	18	Financial expense	94	Financial expense
BTA Yiyecek İçecek Hizm. A.Ş.	502	Purchases	248	Purchases
TAV G	4	Purchases	--	Purchases
Other	1.351	--	1.364	--

27.3 Key management personnel compensation

Total salaries provided to key management personnel for the Group and subsidiaries amounted to TL 3.703 for the period ended 30 September 2011 (30 September 2010: TL 6.106). Total salaries provided to key management personnel for the joint ventures amounted to TL 27.980 (Group's share: TL 8.056) for the period ended 30 September 2011 (30 September 2010: TL 15.452 (Group's share: TL 4.767)).

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28 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS

Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at 30 September 2011 is as follows:

	Receivables				Deposits on Banks	Derivative Instruments	Other
	Trade Receivables		Other Receivables				
	Releated Party	Other Party	Releated Party	Other Party (*)			
30 September 2011							
Exposure to maximum credit risk as at reporting date (A+B+C+D+E)	15.359	449.229	35.878	11.796	449.047	--	--
- Portion of maximum risk covered any guarantee	--	81.376	--	--	--	--	--
A. Net carrying value of financial assets which are not impaired or overdue (2)	15.359	413.370	29.007	11.796	449.047	--	--
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)	--	35.860	6.872	--	--	--	--
- The portion covered by any guarantee	--	4.660	--	--	--	--	--
D. Net carrying value of impaired assets (4)	--	--	--	--	--	--	--
- Past due (gross book value)	--	7.614	--	--	--	--	--
- Impairment (-)	--	(7.609)	--	--	--	--	--
- Not past due (gross book value)	--	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--	--
E. Off balance sheet items with credit risks	--	--	--	--	--	--	--

	Receivables		Deposits on Banks	Derivative Instruments	Other
	Trade Receivables	Other Receivables			
30 September 2011					
Past due 1-30 days	6.010	--	--	--	--
Past due 1-3 months	4.641	--	--	--	--
Past due 3-12 months	19.248	--	--	--	--
Past due 1-5 years	11.970	6.872	--	--	--
More than 5 years	1.604	--	--	--	--

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

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

	Receivables				Deposits on Banks	Derivative Instruments	Other
	Trade Receivables		Trade Receivables				
	Releated Party	Releated Party	Releated Party	Releated Party			
31 December 2010							
Exposure to maximum credit risk as at reporting date (A+B+C+D+E)	14.046	329.923	34.979	6.432	406.293	--	--
- Portion of maximum risk covered any guarantee	--	78.245	--	--	--	--	--
A. Net carrying value of financial assets which are not impaired or overdue (2)	14.046	299.204	29.446	6.048	406.293	--	--
B. Net carrying value of financial assets that are restructured, otherwise which will be regarded as overdue or impaired (3)	--	--	--	--	--	--	--
C. Net carrying value of financial assets which are overdue but not impaired (6)	--	30.719	5.533	384	--	--	--
- The portion covered by any guarantee	--	6.279	--	--	--	--	--
D. Net carrying value of impaired assets (4)	--	--	--	--	--	--	--
- Past due (gross book value)	--	5.801	--	--	--	--	--
- Impairment (-)	--	(5.801)	--	--	--	--	--
- Not past due (gross book value)	--	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--	--
E. Off balance sheet items with credit risks	--	--	--	--	--	--	--

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

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

Foreign currency risk

Exposure to currency risk

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

	30 September 2011			
	TL Equivalent	USD	EUR	Other (*)
1. Trade receivables	26.371	5.144	3.746	7.454
2a. Monetary Financial Assets (including Cash and Cash at Banks)	256.003	108.525	17.028	12.905
2b. Non-monetary Financial Assets	1.595	28	3	1.536
3. Other	39.976	295	10.015	14.235
4. Current Assets (1+2+3)	323.945	113.993	30.792	36.130
5. Trade receivables	372	--	148	--
6a. Monetary Financial Assets	28.882	15.648	--	7
6b. Non-monetary Financial Assets	150	2	45	32
7. Other	19.172	2.542	5.093	1.669
8. Non-current Assets (5+6+7)	48.576	18.193	5.285	1.708
9. Total Assets (4+8)	372.521	132.185	36.078	37.838
10. Trade Payables	41.477	5.521	9.730	6.811
11. Financial Liabilities	402.997	82.321	99.615	489
12a. Other Monetary Liabilities	5.782	843	197	3.730
12b. Other Non-monetary Liabilities	382	40	89	84
13. Short Term Liabilities (10+11+12)	450.638	88.726	109.630	11.114
14. Trade Payables	3.187	--	1.267	--
15. Financial Liabilities	1.420.012	356.950	302.632	--
16a. Other Monetary Liabilities	1.750	764	135	--
16b. Other Non-monetary Liabilities	1.509	--	600	--
17. Long Term Liabilities (14+15+16)	1.426.459	357.715	304.634	--
18. Total Liabilities (13+17)	1.877.097	446.441	414.265	11.114
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)	(1.504.576)	(314.256)	(378.187)	26.724
21. Net Foreign Currency Asset/ (Liability) Position Of Monetary Items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(1.563.577)	(317.083)	(392.654)	9.336
22. Total fair Value of Financial Instruments Used For Currency Hedge	--	--	--	--
23. Export	--	--	--	--
24. Import	--	--	--	--

(*) Other are presented as TL equivalent.

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

Currency risk (continued)

Exposure to currency risk (continued)

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

	31 December 2010			
	TL Equivalent	USD	EUR	Other (*)
1. Trade receivables	50.317	4.807	4.433	33.802
2a. Monetary Financial Assets (including Cash and Cash at Banks)	173.602	88.823	12.838	9.975
2b. Non-monetary Financial Assets	944	17	1	917
3. Other	22.604	68	7.581	6.964
4. Current Assets (1+2+3)	247.467	93.715	24.853	51.658
5. Trade receivables	4.774	3.088	--	--
6a. Monetary Financial Assets	7.230	--	712	5.771
6b. Non- monetary Financial Assets	9	2	--	6
7. Other	21.661	--	10.571	--
8. Non-current Assets (5+6+7)	33.674	3.090	11.283	5.777
9. Total Assets (4+8)	281.141	96.805	36.136	57.435
10. Trade Payables	56.566	10.298	14.448	11.040
11. Financial Liabilities	232.076	34.533	86.963	492
12a. Other Monetary Liabilities	18.255	1.959	1.631	11.885
12b. Other Non-monetary Liabilities	11.095	28	5.002	801
13. Short Term Liabilities (10+11+12)	317.992	46.818	108.044	24.218
14. Trade Payables	18.409	--	--	18.409
15. Financial Liabilities	693.245	90.904	269.732	--
16a. Other Monetary Liabilities	17.214	725	7.854	--
16b. Other Non-monetary Liabilities	--	--	--	--
17. Long Term Liabilities (14+15+16)	728.868	91.629	277.586	18.409
18. Total Liabilities (13+17)	1.046.860	138.447	385.630	42.627
19. Net Asset/ (Liabilities) Position of Off Balance sheet Derivatives (19a-19b)	--	--	--	--
19a. Total Assets Hedged	--	--	--	--
19b. Total Liabilities Hedged	--	--	--	--
20. Net Foreign Currency Assets/(Liabilities) Position (9-18+19)	(765.719)	(41.642)	(349.494)	14.808
21. Net Foreign Currency Asset/ (Liability) Position Of Monetary Items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(799.842)	(41.701)	(362.645)	7.722
22. Total fair Value of Financial Instruments Used For Currency Hedge	--	--	--	--
23. Export	--	--	--	--
24. Import	--	--	--	--

(*) Other are presented as TL equivalent.

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

Foreign Currency risk (continued)

Sensitivity analysis

The Group's principal currency rate risk relates to changes in the value of the TL relative to the Euro and the USD.

The basis for the sensitivity analysis to measure foreign exchange risk is an aggregate corporate-level currency exposure. The aggregate foreign exchange exposure is composed of all assets and liabilities denominated in foreign currencies, both short-term and long-term purchase contracts. The analysis excludes net foreign currency investments.

Group has realized medium and long term borrowings with the same currency of project revenues. Short term borrowings are realized as balanced portfolio with TL, Euro and USD.

Currency Sensitivity Analysis				
30 September 2011				
	Profit/Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Assumption of devaluation/appreciation by 10% of USD against TL				
1- Net USD asset/liability	(57.989)	57.989	20.110	(16.456)
2- USD risk averse portion (-)	--	--	--	--
3- Net USD Effect (1+2)	(57.989)	57.989	20.110	(16.456)
Assumption of devaluation/appreciation by 10% of Euro against TL				
4- Net Euro asset/liability	(96.635)	96.635	--	--
5- Euro risk averse portion (-)	--	--	--	--
6- Net Euro Effect (4+5)	(96.635)	96.635	--	--
Assumption of devaluation/appreciation by 10% of other currencies against TL				
7- Other currency net asset/liability	2.672	(2.672)	--	--
8- Other currency risk averse portion (-)	--	--	--	--
9- Net other currency effect (7+8)	2.672	(2.672)	--	--
TOTAL (3+6+9)	(151.951)	151.951	16.881	(13.820)

Akfen Holding Anonim Şirketi**Notes to the Condensed Interim Consolidated Financial Statements****As at and for the nine-month period ended 30 September 2011***(Amounts expressed in thousands of TL unless otherwise stated.)***28 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (continued)****Foreign currency risk (continued)****Sensitivity analysis (continued)**

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

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

Interest rate risk

Profile

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

	<u>30 September</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Fixed rate instruments		
Financial assets	441.525	353.282
Financial liabilities	1.303.760	576.266
Variable rate instruments		
Financial assets	9.843	7.697
Financial liabilities	2.199.494	1.552.387

Fair value sensitivity analysis for fixed rate instruments:

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect equity.

Cash flow sensitivity analysis for variable rate instruments:

As of 30 September 2011 and 31 December 2010, a one basis point increase in interest rates consolidated comprehensive income will be affected in the following. All variables are assumed constant including foreign exchange rates during analysis.

Interest rate profile			
		30 September 2011	31 December 2010
Fixed Rate Financial Instruments			
Financial Assets	Assets recognized at fair value through profit or loss	--	--
	Financial asset held for sale	--	--
Financial Liabilities		--	--
Variable Rate Financial Instruments			
Financial Assets		--	--
Financial Liabilities		(11.903)	(15.524)

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

Impairment

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

	<u>30 September 2011</u>	<u>31 December 2010</u>
Balance at the beginning of the period	(5.801)	(2.066)
Amount recovered during the period	3.434	308
Allowance for the period	(4.090)	(4.010)
Effect of foreign exchange rates	(564)	(33)
Effect of change in ownership	(586)	--
Balance at the end of the period	(7.607)	(5.801)

Liquidity risk

The following tables provide an analysis of monetary liabilities of the Group into relevant maturity groupings based on the remaining periods to repayment as of 30 September 2011 and 31 December 2010:

<u>30 September 2011</u>							
	Note	Carrying Amount	Expected Cash flow	3 Months Or less	03-12 months	1-5 years	More than Years
Financial liabilities							
Loans and borrowings	7	3.425.336	(4.088.101)	(193.720)	(567.442)	(1.837.797)	(1.489.142)
Trade payables	10	168.561	(161.784)	(109.162)	(10.417)	(42.205)	--
Due to related parties	10-11	58.680	(58.680)	(13.357)	(32.532)	(10.511)	(2.280)
Other payables (*)		36.171	(36.171)	(21.055)	(11.976)	(3.032)	(108)
Other short term liabilities(*)		16.350	(16.350)	(15.770)	--	--	(580)
Interest rate swap		164.595	(211.288)	(12.460)	(25.383)	(120.871)	(52.574)
Outflow		1.896	(192.902)	(11.976)	(14.610)	(109.071)	(57.245)
Inflow		--	186.493	11.578	14.125	105.447	55.343
Total		3.871.589	(4.578.784)	(365.922)	(648.234)	(2.018.040)	(1.546.588)

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

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

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29 SUBSEQUENT EVENTS

According to the Decree Law No:660 which is announced in the Official Gazette on 2 November 2011 and effective from that date, TASB's article of establishment, Law No:2499 additional article 1, was abolished. Council of Ministers has decided to set up a new organization called Public Oversight Accounting and Auditing Standards Board ("Board"). According to the provisional clause no:1 of this Decree Law, the existing legislations and regulations will remain applicable until the new standards and regulations that will be put into use by the Board. Accordingly, this development does not affect the basis of preparation of financial statements referred in Note 2.

Akfen Holding and Its Subsidiaries

Akfen Enerji Üretim Ve Ticaret Anonim Şirketi, subsidiary of Akfen Enerji Yatırımları Holding A.Ş., gives the highest bid to 58.000.000 m2 squared measure real estate, which is located in Mersin Providence, Akdeniz county, Karaduvar neighbourhood, 1503 numbered parcel is registered on behalf of Treasury, subjected to capitilization by privatization administration due to "sale" method.

Akfen Enerji Üretim ve Ticaret Anonim Şirketi has rights on the land which is subjected to tender, in order to install natural gas based power plant with a total installed capacity of 450 MW and annual energy production capacity of 3.262,5 billion KWh. Company has manufacturing licence application granted by Energy Market Regulatory Authority (EMRA) on 11 April 2009 and EIA positive certificate taken on behalf of company on 12 January 2010. Investment has option to increase the installed capacity to 800MW.

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

None.