

**Akfen Holding Anonim Őirketi**  
**Condensed Consolidated Interim**  
**Financial Statements**  
**As at and for the Nine Month Period**  
**Ended**  
**30 September 2012**

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

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**Akfen Holding Anonim Şirketi**  
**Condensed Interim Consolidated Balance Sheet as at 30 June 2012**  
(Currency: Thousands of TL)

	<u>Notes</u>	<u>Not Audited</u> <u>30 September 2012</u>	<u>Audited</u> <u>31 December 2011</u>
<b>ASSETS</b>			
<b>Total current assets</b>		<b>1.082.646</b>	<b>1.286.026</b>
Cash and cash equivalents	5	514.997	518.590
Trade receivables		151.489	306.603
- <i>Due from related parties</i>	9-29	1.888	6.000
- <i>Other trade receivables</i>	9	149.601	300.603
Other receivables		24.103	16.528
- <i>Due from related parties</i>	10-29	9.941	5.068
- <i>Other receivables</i>	10	14.162	11.460
Financial investments	6	103.090	--
Derivative financial instruments	8	757	2.685
Restricted cash	11	134.345	150.708
Inventories	12	17.059	26.165
Other current assets	19	136.806	264.747
<b>Total non-current assets</b>		<b>3.722.486</b>	<b>4.152.943</b>
Trade receivables		71.566	165.108
- <i>Due from related parties</i>	9-29	2.629	5.510
- <i>Other trade receivables</i>	9	68.937	159.598
Other receivables		40.335	40.781
- <i>Due from related parties</i>	10-29	39.160	39.225
- <i>Other receivables</i>	10	1.175	1.556
Financial investments	6	38.221	151
Investment in equity accounted investees		1.589	1.436
Investment property	14	1.082.503	1.080.092
Property, plant and equipment	15	1.038.616	938.031
Intangible assets	16	1.200.876	1.503.865
Goodwill	17	40.539	128.452
Deferred tax assets	27	36.835	109.683
Other non-current assets	19	171.406	185.344
<b>TOTAL ASSETS</b>		<b>4.805.132</b>	<b>5.438.969</b>

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

**Akfen Holding Anonim Şirketi**  
**Condensed Interim Consolidated Balance Sheet as at 30 June 2012**  
*(Currency: Thousands of TL)*

	<u>Notes</u>	<u>Not Audited</u> <u>30 September 2012</u>	<u>Audited</u> <u>31 December 2011</u>
<b>LIABILITIES</b>			
<b>Total Current Liabilities</b>		<b>820.374</b>	<b>1.287.177</b>
Loans and borrowings	7	531.407	743.422
Derivative financial instruments	8	36.958	80.896
Trade payables		94.302	209.947
- <i>Due to related parties</i>	9-29	18.493	25.125
- <i>Other trade payables</i>	9	75.809	184.822
Other payables		101.262	166.030
- <i>Due to related parties</i>	10-29	16.197	15.564
- <i>Other payables</i>	10	85.065	150.466
Provisions		8.555	12.671
Other current liabilities	19	47.890	74.211
<b>Total Non-Current Payables</b>		<b>2.304.664</b>	<b>2.999.911</b>
Loans and borrowings	7	2.040.091	2.730.724
Derivative financial instruments	8	90.925	86.649
Trade payables		18.303	37.863
- <i>Due to related parties</i>	9-29	647	1.083
- <i>Other trade payables</i>	9	17.656	36.780
Other payables		66.072	52.834
- <i>Due to related parties</i>	10-29	12.088	9.002
- <i>Other payables</i>	10	53.984	43.832
Employee benefits		13.374	17.873
Deferred tax liabilities	27	69.532	58.816
Provisions		677	681
Other non-current liabilities	19	5.690	14.471
<b>TOTAL EQUITY</b>		<b>1.680.094</b>	<b>1.151.881</b>
<b>Total equity attributable to equity holders of</b>		<b>1.318.450</b>	<b>758.916</b>
Paid in capital	20	145.500	145.500
Adjustments to share capital		(7.257)	(7.257)
Share premium		454.782	454.782
Treasury shares		(6.187)	(4.010)
Business combination of entities under		6.236	20.062
Foreign currency translation reserve		34.824	101.443
Revaluation reserve		126	(2.294)
Cash flow hedge reserves		(91.454)	(104.992)
Other reserves		(114.716)	(112.112)
Legal reserves		9.915	19.699
Retained earnings		236.799	312.819
Profit / (loss) for the period		649.882	(64.724)
<b>Non-controlling interest</b>		<b>361.644</b>	<b>392.965</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>4.805.132</b>	<b>5.438.969</b>

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

**Akfen Holding Anonim Şirketi**  
**Condensed Interim Consolidated Statement of Comprehensive Income**  
**for the Nine Month Period Ended 30 September 2012**  
*(Currency: Thousands of TL)*

	<i>Notes</i>	<i>Not Audited 1 January-30 September 2012</i>	<i>Not Audited 1 July- 30 September 2012</i>	<i>Not Audited 1 January-30 September 2011</i>	<i>Not Audited 1 July-30 September 2011</i>
<b>CONTINUING OPERATIONS</b>					
Revenue	21	862.699	222.471	982.024	406.605
Cost of sales (-)	21	(592.644)	(136.150)	(716.440)	(274.560)
<b>GROSS PROFIT</b>		<b>270.055</b>	<b>86.321</b>	<b>265.584</b>	<b>132.045</b>
General Administrative Expenses (-)	22	(118.246)	(28.241)	(119.566)	(46.537)
Other operating income	23	594.244	5.166	271.201	134.872
Other operating expense (-)		(11.370)	(4.705)	(20.132)	(2.025)
<b>OPERATING PROFIT</b>		<b>734.683</b>	<b>58.541</b>	<b>397.087</b>	<b>218.355</b>
Finance income	24	215.785	52.947	102.475	40.870
Finance expense	25	(244.756)	(83.254)	(468.471)	(228.661)
<b>PROFIT BEFORE TAX</b>		<b>705.712</b>	<b>28.234</b>	<b>31.091</b>	<b>30.564</b>
<b>Tax Expense</b>		<b>(49.345)</b>	<b>(9.602)</b>	<b>(24.796)</b>	<b>(7.219)</b>
Current tax expense	27	(27.522)	(6.621)	(23.676)	(8.666)
Deferred tax (expense) / income	27	(21.823)	(2.981)	(1.120)	1.447
<b>PROFIT / (LOSS) FROM CONTINUING OPERATIONS AFTER TAX</b>		<b>656.367</b>	<b>18.632</b>	<b>6.295</b>	<b>23.345</b>
<b>DISCONTINUED OPERATIONS</b>					
Profit / (loss) from discontinued operations, net off tax		--	--	--	--
<b>PROFIT / (LOSS) FOR THE PERIOD</b>		<b>656.367</b>	<b>18.632</b>	<b>6.295</b>	<b>23.345</b>
<b>Other Comprehensive Income</b>					
Change in revaluation of property, plant and equipment		20	4	34	13
Change in net fair value change in cash flow hedges	24	(16.189)	(8.314)	(40.477)	(38.294)
Change in foreign currency translation differences	24	(31.246)	(706)	99.782	49.982
Tax income / (expense) for other comprehensive income items	24-27	3.253	1.302	3.265	3.303
<b>OTHER COMPREHENSIVE INCOME</b>		<b>(44.162)</b>	<b>(7.714)</b>	<b>62.604</b>	<b>15.004</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>612.205</b>	<b>10.918</b>	<b>68.899</b>	<b>38.349</b>
<b>Profit/(Loss) Attributable to:</b>					
Non-controlling interest		6.485	1.935	93.306	41.996
Equity holders of the parent		649.882	16.697	(87.011)	(18.651)
<b>Profit/(Loss) For The Period</b>		<b>656.367</b>	<b>18.632</b>	<b>6.295</b>	<b>23.345</b>
<b>Total Comprehensive Income Attributable to:</b>					
Non-controlling interest		2.987	1.633	102.685	42.748
Equity holders of the parent		609.218	9.285	(33.786)	(4.399)
<b>Total Comprehensive Income</b>		<b>612.205</b>	<b>10.918</b>	<b>68.899</b>	<b>38.349</b>
<b>Basic and diluted earnings / (loss) per share</b>	28	<b>4,604</b>	<b>0,118</b>	<b>(0,615)</b>	<b>(0,132)</b>

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

# Akfen Holding Anonim Şirketi

## Condensed Interim Consolidated Statement of Changes in Equity for the Nine Month Period Ended 30 September 2011

(Currency: Thousands of TL)

	<i>Paid in capital</i>	<i>Adjustments for share capital</i>	<i>Share premium</i>	<i>Treasury shares</i>	<i>Entities under common control</i>	<i>Translation reserves</i>	<i>Revaluation fund</i>	<i>Hedging reserves</i>	<i>Other reserves</i>	<i>Legal reserves</i>	<i>Retained earnings</i>	<i>Total</i>	<i>Non-controlling interest</i>	<i>Total equity</i>
Balances as at 1 January 2011	145.500	(7.257)	454.782	(3.709)	20.062	17.914	(2.076)	(71.363)	(93.780)	12.081	322.027	794.181	160.605	954.786
<b>Total comprehensive income/(expense)</b>														
Profit/(Loss) for the period	--	--	--	--	--	--	--	--	--	--	(87.011)	(87.011)	93.306	6.295
<b>Other comprehensive income/(expense)</b>														
Foreign currency translation differences	--	--	--	--	--	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)
<b>Total other comprehensive income/(expense)</b>	--	--	--	--	--	87.590	34	(34.399)	--	--	--	53.225	9.379	62.604
<b>Total comprehensive income/(expense)</b>	--	--	--	--	--	87.590	34	(34.399)	--	--	(87.011)	(33.786)	102.685	68.899
<b>Transactions with owners, recorded directly in equity</b>														
Transfer to legal reserves	--	--	--	--	--	2.036	--	--	--	7.592	--	9.628	--	9.628
Change in ownership rate of subsidiaries	--	--	--	--	(3.114)	(2.778)	--	--	(31.222)	--	(9.322)	(46.437)	138.963	92.526
<b>Total transactions with owners</b>	--	--	--	--	(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 condensed interim consolidated financial statements.

# Akfen Holding Anonim Şirketi

## Condensed Interim Consolidated Statement of Changes in Equity for the Nine Month Period Ended 30 September 2012

(Currency: Thousands of TL)

	<i>Paid in capital</i>	<i>Adjustments for hare capital</i>	<i>Share Premium</i>	<i>Treasury shares</i>	<i>Entities under common control</i>	<i>Translation reserves</i>	<i>Revaluation fund</i>	<i>Hedging reserve</i>	<i>Other reserves</i>	<i>Legal reserves</i>	<i>Retained earnings</i>	<i>Net profit for the period</i>	<i>Total</i>	<i>Non-controlling interest</i>	<i>Total equity</i>
Balances as at 1 January 2012	145.500	(7.257)	454.782	(4.010)	20.062	101.443	(2.294)	(104.992)	(112.112)	19.699	312.819	(64.724)	758.916	392.965	1.151.881
<b>Total comprehensive income/(expense) for the period</b>															
Profit for the period	--	--	--	--	--	--	--	--	--	--	--	649.882	649.882	6.485	656.367
<b>Other comprehensive income/(expense)</b>															
Foreign currency translation differences	--	--	--	--	--	(24.064)	--	--	--	--	--	--	(24.064)	(7.182)	(31.246)
Revaluation of property, plant and equipment	--	--	--	--	--	--	(63)	--	--	--	38	--	(25)	45	20
Net fair value change in cash flow hedges	--	--	--	--	--	--	--	(16.575)	--	--	--	--	(16.575)	3.639	(12.936)
<b>Total other comprehensive income/(expense)</b>	--	--	--	--	--	<b>(24.064)</b>	<b>(63)</b>	<b>(16.575)</b>	--	--	<b>38</b>	--	<b>(40.664)</b>	<b>(3.498)</b>	<b>(44.162)</b>
<b>Total comprehensive income/(expense)</b>	--	--	--	--	--	(24.064)	(63)	(16.575)	--	--	38	649.882	609.218	2.987	612.205
<b>Transactions with owners, recorded directly in equity</b>															
Change in ownership rate of entities under common control	--	--	--	--	--	770	--	--	--	10.564	(76.058)	64.724	--	--	--
Acquisition of own shares	--	--	--	(2.177)	--	(13.826)	(43.325)	2.483	30.113	(2.604)	(20.348)	--	(47.507)	(34.308)	(81.815)
<b>Total transactions with owners</b>	--	--	--	(2.177)	(13.826)	(42.555)	2.483	30.113	(2.604)	(9.784)	(76.058)	64.724	(49.684)	(34.308)	(83.992)
Balances as at 30 September 2012	145.500	(7.257)	454.782	(6.187)	6.236	34.824	126	(91.454)	(114.716)	9.915	236.799	649.882	1.318.450	361.644	1.680.094

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

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

	<u>Notes</u>	<u>Not Audited</u> <u>30 September</u> <u>2012</u>	<u>Not Audited</u> <u>30 September</u> <u>2011</u>
<b>Cash flow from operating activities</b>			
Profit/(loss) for the period		<b>656.367</b>	<b>6.295</b>
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment	15	30.421	20.606
Amortization of intangible assets	16	37.178	33.082
Provision for employee termination benefits		7.102	4.507
Allowance for doubtful receivables	30	255	4.090
Unearned interest income, net		(3.487)	16
Gain on sale of property, plant and equipment		(292)	(965)
Gain on investment property	14-23	--	(236.511)
Gain on sale of entities under common control and subsidiaries	23	(562.935)	(4.714)
Provision for claims and vacation pay		230	613
Unrealized foreign exchange differences on balance sheet items		(87.296)	310.849
Interest expense	25	186.236	207.798
Interest income	24	(31.042)	(23.927)
Income tax expense	27	49.345	24.796
<b>Cash flow from operating activities before changes in working capital</b>		<b>282.082</b>	<b>346.535</b>
<u>Changes in:</u>			
Other current trade receivables		18.915	(74.294)
Other current receivables		(13.726)	(6.114)
Other current assets		40.844	(87.540)
Other non-current trade receivables		8.812	(46.542)
Other non-current non-trade receivables		381	750
Inventories		(4.278)	(5.903)
Due from related parties		(96.537)	(2.212)
Other non-current assets		(54.067)	(76.106)
Other current trade payables		(69.765)	29.352
Other current non-trade payables		22.699	(42.086)
Other short term liabilities		(77.818)	54.723
Other non-current trade payables		21.797	6.732
Other non-current non-trade payables		10.152	864
Due to related parties		3.595	13.707
Other non-current liabilities		7.062	1.785
<b>Net cash provided by/(used in) operating activities</b>		<b>100.148</b>	<b>113.651</b>
Taxes paid		(6.633)	(16.877)
Retirement benefit paid		(3.606)	(2.001)
Collections of allowance for doubtful receivable		--	3.434
Interest paid		(186.236)	(175.861)
<b>Net cash used in operating activities</b>		<b>(96.327)</b>	<b>(77.654)</b>

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



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

	<u>Notes</u>	<i>Not Audited</i> <b>30 September</b> <u>2012</u>	<i>Not Audited</i> <b>30 September</b> <u>2011</u>
<b>Cash flow from investing activities</b>			
Interest received		31.042	13.945
Acquisition of property, plant and equipment	15	(231.898)	(187.660)
Proceeds from sale of property, plant and equipment		2.946	10.522
Acquisition of intangible assets	16	(13.256)	(46.705)
Purchases of investment property	14	(27.551)	(47.314)
Change in financial investments		(141.170)	7.991
Net cash provided by sale of entities under common control and subsidiaries		713.419	18.508
Cash outflow from acquisition of shares of entities under common control and subsidiaries		--	(17.821)
Business combinations, net cash effect		(7.529)	(400.967)
<b>Net cash provided by/(used in) investing activities</b>		<b>326.003</b>	<b>(649.501)</b>
<b>Cash flow from financing activities</b>			
Proceeds from borrowings		553.842	777.548
Repayment of borrowings		(697.883)	(197.911)
Change in project, reserves and fund accounts		56.648	(13.472)
Acquisition of own shares		(2.177)	--
Change in non-controlling interest		1.890	175.375
<b>Net cash provided by/(used in) financing activities</b>		<b>(87.680)</b>	<b>741.540</b>
<b>Net increase in cash and cash equivalents</b>		<b>141.996</b>	<b>14.385</b>
<b>Cash and cash equivalents at 1 January</b>		<b>218.425</b>	<b>166.349</b>
<b>Cash and cash equivalents at the period end</b>	5	<b>360.421</b>	<b>180.734</b>

The accompanying notes are an integral part of these 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 2012

(Currency: Thousands of TL)

### 1 REPORTING ENTITY

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

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

As at 30 September 2012, Akfen Holding has 9 (31 December 2011:6) subsidiaries and 6 (31 December 2011: 6) jointly controlled entities. The consolidated financial statements of the Group as at and for the period ended 30 September 2012 concluded in the same year include the shares of Akfen Holding and its affiliates and the Group’s stakes in the participations and the jointly controlled entities. Akfen Holding controls all the affiliates of the Group and the companies, in which it has shares directly or indirectly through stocks with voting rights and/or the shares of Hamdi Akin.

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

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

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

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

Koza Sokak No:22

Gaziosmanpaşa

06700/ Ankara-Türkiye

Tel: 90 312 408 10 00

Fax: 90 312 441 07 82

Web: <http://akfen.com.tr>

The number of employees of Akfen Holding and subsidiaries and jointly controlled entities of the Group at 30 September 2012 is 324 (31 December 2011: 292) and 28.755 (31 December 2011: 25.306), respectively.

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**1 REPORTING ENTITY (continued)**

The affiliates and subsidiaries of Akfen Holding are listed below:

**i) Affiliates**

*Akfen İnşaat Turizm ve Ticaret A.Ş.*

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

The construction experience of Akfen makes important contribution to Group activities. Over the last 20 years Akfen has completed a total of USD 1,86 billion dollars of construction projects.

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

*Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.*

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

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

Akfen Holding signed a Memorandum of Understanding (“MoU”) with a 100% owned subsidiary of ACCOR S.A., one of the world’s leading hotel groups. Based on the MoU the entities will join their efforts to establish a partnership to develop hotel projects in Turkey. After the later adjustments to contract, Akfen GYO and Tamaris Turizm A.Ş. became the parties of MoU. The Company will develop primarily Novotel and İbis Hotel branded hotels and lease them to wholly owned subsidiary of ACCOR S.A., Tamaris Turizm A.Ş. (Tamaris).

According to leasing contract renewed on 12 April 2010, validation time of the contract is 25+/-10 years, and certain rate of higher of gross operational profit and revenue is paid by Tamaris to Akfen as rental income. According to the “Development Program” stated in the “Amendment to MoU” signed on 12 April 2010, in the following five years period starting from 1 January 2011 to 31 December 2015, minimum 8 hotels shall be developed and leased to ACCOR S.A. by the Company in Turkey. Two of these hotels should be constructed in İstanbul, the other hotels should be constructed in Esenyurt, İzmir, Adana and in two other cities which should be mutually determined by the parties. The lands have been provided for hotels to be constructed in Esenyurt, İzmir, Adana, Ankara and Karaköy. The parties may reduce the number of hotels to be constructed under the Development Program by their mutual agreement writing during the first year of the relevant five year period, provided that the reduced number of hotels to be developed under the Development Program shall not be less than 6. The parties shall use their best efforts to agree on a new development program at the latest on 30 June 2015.

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**1 REPORTING ENTITY (continued)**

*Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.(continued)*

A total of 10 hotels in Turkey as Ibis and Novotel in Istanbul, Zeytinburnu and Ibis in Eskişehir, Novotel in Trabzon, Ibis and Novotel in Kayseri, Ibis and Novotel in Gaziantep, Ibis in Bursa and Ibis in Adana and a total of 2 Ibis hotels in Russia Yaroslavl and Samara and 1 hotel called Mercure in the Turkish Republic of Northern Cyprus are being operated. In addition to these, lands have been purchased in Istanbul Esenyurt and Adana for hotel investments and the construction of these hotels have begun in the first quarter of 2011. The tender made by General Directorate of Foundations on 25 August 2010 in İzmir was awarded and the land located in Konak district Alsancak location was rented for 49 years. It also purchased a land which is 1.5 km away from Ankara Esenboğa Airport. The investment process is continuing. Also, Akfen GYO established Akfen Karaköy with a 70% stake in order to develop a project in Istanbul Karaköy.

The projects in Istanbul Karaköy and Ankara Esenboğa Airport are in the development and design stages. The hotel construction in Russia, Klaningrad is continuing.

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

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

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

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

**Akfen Holding Anonim Şirketi**  
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**1 REPORTING ENTITY (continued)**

*HES I-II-III-IV-V ("HES Group")*

Akfen Holding has been investing in hydroelectric power plants (HES) through its subsidiaries since January 2007.

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

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

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

Constructions continue on 5 of 7 plants of HES II which have 104,2 MW of installed power. Total installed power capacity of plants that are in construction process is 85,8 MW. A project with 8,4 MW of installed capacity started in August and another project with 10 MW of installed capacity is in the development progress.

There are 4 projects included in HES III whose total installed power capacity is 133,4 MW and one of them is dam project.

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

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

As at reporting period, in 10 plants production continues whose total installed power capacity is 133,4 MW. In 6 plants construction still continues and total installed power capacity of these plants is 89,3 MW. After starting up production in these plants, total installed power capacity of for HES I, HES II, HES IV and HES V portfolio will reach to 222,6 MW.

**Akfen Holding Anonim Şirketi**  
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**1 REPORTING ENTITY (continued)**

*HES I*

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

*HES II*

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

*HES III*

Laleli Elektrik Enerji Dağıtım Pazarlama A.Ş. (“Laleli”), Değirmenyanı Elektrik Üretim Sanayi ve Ticaret A.Ş. (“Değirmenyanı”), Akörenbeli Enerji Elektrik Üretim Dağıtım Pazarlama Sanayi ve Ticaret A.Ş. (“Akörenbeli”), H.H.K Enerji Elektrik Üretim A.Ş. (HHK) and Kurtal Elektrik Üretim A.Ş. (Kurtal) which are acquired on July 2012 and Memülü Enerji Elektrik Üretim A.Ş. (Memülü) which is established on 14 August 2012 are the subsidiaries of Akfen HES III in which it has a 100% voting right directly or through the companies under the same control structure as at 30 September 2012 and 31 December 2011.

*HES IV*

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

*HES V*

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

**Akfen Holding Anonim Şirketi**  
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**1 REPORTING ENTITY (continued)**

*Akfen Enerji*

Group obtained the production license on 8 March 2012 for the natural gas based electricity production plant investment located in Mersin which has installed power capacity of 450 MW and included in Akfen Enerji Üretim ve Ticaret A.Ş. that is consolidated under the Akfen Enerji Yatırımları Holding A.Ş., the Company that Group plans to make other investments for energy sector under. In order to increase the total installed power capacity to 570 MW, license modification appeal was made on 23 March 2012. Modification appeal was approved by 3961-12 numbered resolution of Energy Market Regulatory Board on 09.08.2012. For the capacity increase the resolution stated that EIA is not required on 21 September 2012. Preliminary preparations for the subjected plant investment continue.

**ii) Subsidiaries**

*TAV Havalimanları Holding A.Ş.*

TAV Havalimanları Holding A.Ş. (“TAV Havalimanları”) was founded in Turkey in 1997 under the title of Tepe Akfen Vie Yatırım Yapım ve İşletme A.Ş. for the purpose of reconstruction of Istanbul Ataturk Airport (International Terminal). The foundation aim of TAV Havalimanları is to reconstruct the Terminal Building of Istanbul Ataturk International Airport (“AUHT”) and to operate it for 66 months. The main work of TAV Havalimanları is the construction of terminal buildings and operation of terminal buildings or airport. TAV Istanbul Terminal İşletmeciliği A.Ş. (“TAV İstanbul”) signed a rental contract with the General Directorate of State Airports Operations (DHMI) on 3 June 2005 in order to operate AUHT and Ataturk Airport Domestic Terminal for 15,5 years until 2021. TAV operates the airports through its affiliates. TAV Havalimanları, TAV Esenboğa YatırımYapım ve İşletme A.Ş. (“TAV Esenboğa”), TAV İzmir Terminal İşletmeciliği A.Ş. (“TAV İzmir”) and TAV Gazipaşa Yatırım Yatırım ve İşletme A.Ş. (TAV Gazipaşa) signed Build – Operate – Transfer Agreements with DHMI; TAV Urban Georgia LLC (“TAV Tbilisi”) signed a Build – Operate – Transfer Agreement with Georgia State Airports Operations (“JSC”); TAV Batumi Operations LLC (“TAV Batumi”) signed a Build – Operate – Transfer Agreement with Georgia Ministry of Economic Development (“GMED”); TAV Tunisia SA (“TAV Tunisia”) signed a Build – Operate – Transfer Agreement with Tunisia State Airports Operations (“OACA”); TAV Macedonia Doel Petrovec (“TAV Macedonia”) signed a Build – Operate – Transfer Agreement with Macedonia Ministry of Transportation. Tibah Development signed a a Build – Operate – Transfer Agreement agreement wiTh Saudi Arabia State Aripport Operations (“GACA”). TAV Ege has signed a concession agreement with Turkish State Airport Operations (“DHMI”).

## **Akfen Holding Anonim Şirketi**

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## **1 ŞİRKET'İN ORGANİZASYONU VE FAALİYET KONUSU (devamı)**

### *TAV Havalimanları Holding A.Ş.(devamı)*

Bu sözleşmelere göre, TAV Havalimanları belirlenen sürelerde havalimanı inşası, yeniden yapılması veya yönetimini gerçekleştirmekte ve bunun karşılığında önceden belirlenen süreler için havalimanını işletme hakkını elde etmektedir. Sözleşme dönemleri sonunda, Grup inşa edilmiş olan binanın mülkiyetini ilgili kuruma (DHMİ, JSC, GMED, OACA, MOTC ve GACA'ya) devredecektir. TAV Havalimanları, gümrük hattı dışı eşya satış mağazacılığı (duty-free), yiyecek-içecek hizmetleri, yer hizmetleri, bilgi işlem, güvenlik ve işletme hizmetleri gibi havalimanı operasyonunun diğer alanlarında da faaliyet göstermektedir. faaliyet göstermektedir.

TAV Havalimanları 23 Şubat 2007 tarihinde halka açılmıştır ve bu tarihten itibaren 'TAVHL' adı altında İstanbul Menkul Kıymetler Borsası'nda işlem görmektedir.

### *TAV Yatırım Holding A.Ş.*

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

### *Mersin Uluslararası Liman İşletmeciliği A.Ş.*

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

### *Akfen Çevre ve Su Yatırım Yapım İşletme A.Ş.*

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

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

Akfen Güllük Çevre ve Su Yatırım Yapım İşletme A.Ş. ("Akfen Su Güllük") has started operating on 24 August 2006. The company, having completed all of its investments, served 5.451 subscribers as at 2012 September.



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**1 REPORTING ENTITY (continued)**

*Akfen Çevre ve Su Yatırım Yapım İşletme A.Ş. (continued)*

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

*İstanbul Deniz Otobüsleri Sanayi ve Ticaret A.Ş.*

Istanbul Deniz Otobüsleri Sanayi ve Ticaret A.Ş. (“İDO”) was sold to TASS Denizcilik ve Ulaştırma Hizmetleri Turizm Sanayi ve Ticaret A.Ş. (“TASS”), belonging to Tepe İnşaat Sanayi A.Ş., Akfen Holding, Souter Investments LLP and Sera Gayrimenkul Yatırım ve İşletme A.Ş. Jointly Controlled Entity Group by the Istanbul Metropolitan Municipality, the previous main shareholder, through a block sale on 16 June 2011. TASS was transferred to İDO on 26 December 2011 with all of its rights and liabilities according to the merger general rules in accordance with TTK and related regulations and TASS was dissolved without liquidation. İDO provides passenger and vehicle transportation service under ‘Sea Bus and Fast Ferry Lines’ title both in local and the country seaways. İDO serves passenger and vehicle transportation in Marmara Sea area through its modern fleet comprised of 54 sea vehicles (25 sea buses, 19 vehicle ferries and 10 fast ferryboats) and 18 lines consisted of 12 sea buses, 2 vehicle ferries and 4 ferryboats. The sea buses, fast ferryboats and vehicle ferries have a total of 36.231 passengers capacity for summer period and 30.717 passengers capacity for winter period and 2.790 vehicles capacity for both periods as at September 2012.

**2 BASIS OF PREPARATION**

**2.1 Basis of Presentation**

**(a) Statement of compliance**

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

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

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

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

With the governing decree law numbered 660 published in the Official Gazette on 2 November 2011, the establishment article of TASB stated in the 2499 numbered law with an additional article number one has been superseded and the Council of Ministers decided to establish Public Oversight Accounting and Auditing Standards Agency (“Oversight Agency”). In accordance with the transitional article number one of the governing decree law, until the date of the issuing

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of standards and regulations by Oversight Agency, the existing regulations will be applied. Accordingly, as at reporting date, the Basis of Presentation has not been changed.

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

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

The Group’s condensed interim consolidated financial statements prepared in accordance with IAS and IFRS approved by the Board of Directors on 15 November 2012.

**(b) Preparation of the financial statements**

The condensed interim consolidated financial statements and notes as at 30 June 2012 are prepared according to the Communiqué XI No 29 of CMB which was announced by the decision numbered 11/467 at 17 April 2008 related to the Principles Regarding Financial Reporting on capital market.

**(c) Accounting in hyperinflationary periods**

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

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**2 BASIS OF PREPARATION (continued)**

**2.1 Basis of Presentation (continued)**

**(e) Functional and presentation currency**

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

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

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

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**2 BASIS OF PREPARATION (continued)**

**2.1 Basis of Presentation (continued)**

**(f) Basis of consolidation**

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

**(i) Subsidiaries**

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

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

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

	<b>30 September 2012</b>	
	Ownership (%)	Voting power held
HES IV	100,00	100,00
HES V	100,00	100,00

**(ii) Jointly controlled entities**

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

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

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

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**2 BASIS OF PREPARATION (continued)**

**2.1 Basis of Presentation (continued)**

**(f) Basis of consolidation (continued)**

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

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

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

**(iii) Acquisitions of entities under common control**

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses ultimately are controlled by the same party or parties both before and after the combination. The acquisition of the entity being under common control is accounted for using book values. The Group has preferred the acquisition of the entity being under common control to be accounted from the acquisition date.

*Transactions eliminated on consolidation*

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

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

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

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**2 BASIS OF PREPARATION** *(continued)*

**2.1 Basis of Presentation** *(continued)*

**(g) Foreign currency**

**(i) Foreign currency transactions**

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

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

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

As at 30 September 2012 and 31 December 2011 yearly changes for period ends and as at 30 September 2012 and 30 September 2011 nine month average changes are as follows:

	Average Rates		Period End Rates	
	30 September 2012	30 September 2011	30 September 2012	31 December 2011
US Dollar	1,7942	1,6181	1,7847	1,8889
Euro	2,2996	2,2773	2,3085	2,4438
Georgian Lari (“GEL”)	1,0882	0,9553	1,0757	1,1307
Macedonian Denar (“MKD”)	0,0373	0,0371	0,0375	0,0397
Tunisan Dinar (“TND”)	1,1509	1,1621	1,1352	1,2608
Swedish Krona (“SEK”)	0,2633	0,2528	0,2736	0,2732
Saudi Riyal (“SAR”)	0,4783	0,4320	0,4788	0,5028

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**2 BASIS OF PREPARATION (continued)**

**2.1 Basis of Presentation (continued)**

**(g) Foreign Currency (continued)**

**(ii) Foreign operations**

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

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

**2.2 Summary of Significant Accounting Policies**

The condensed interim consolidated financial statements for the period ended 30 September 2012 are prepared in accordance with IAS 34. The accounting policies used in the preparation of these condensed interim consolidated financial statements are consistent with those used in the preparation of annual consolidated financial statements for the year ended 31 December 2011. Accordingly, these condensed interim consolidated financial statements should be evaluated in conjunction with the annual consolidated financial statements for the year ended 31 December 2011.

**New standards and interpretations not adopted yet**

A number of new standards, amendments to standards and interpretations are not yet effective as at 30 September 2012, and have not been applied in preparing these condensed interim consolidated financial statements. Among those new standards, the following are expected to have effect on the consolidated financial statements of the Group:

- IAS 1 The amendments to IAS 1 *Presentation of Items of Other Comprehensive Income* require that an entity present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The amendments are effective for annual periods beginning on or after 1 July 2012.
- IFRS 10 *Consolidated Financial Statements* supersedes IAS 27 (2008) and SIC-12 *Consolidation—Special Purpose Entities* and becomes effective for annual periods beginning on or after 1 January 2013.
- IFRS 11 *Joint Arrangements* supersedes IAS 31 and SIC-13 *Jointly Controlled Entities—Non-Monetary Contributions by Venturers* and becomes effective for annual periods beginning on or after 1 January 2013.
- IFRS 12 *Disclosure of Interests in Other Entities* contains the disclosure requirements for entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities and becomes effective for annual periods beginning on or after 1 January 2013.
- IFRS 13 *Fair Value Measurement* replaces the fair value 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.

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**2 BASIS OF PREPARATION** *(continued)*

**2.2 Summary of Significant Accounting Policies** *(continued)*

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

- IAS 27 *Separate Financial Statements (2011)* supersedes IAS 27 (2008) and becomes effective for annual periods beginning on or after 1 January 2013.
- IAS 28 *Investments in Associates and Jointly Controlled Entities (2011)* supersedes IAS 28 (2008) and becomes effective for annual periods beginning on or after 1 January 2013.
- IFRS 9 *Financial Instruments* could change the classification and measurement of financial assets and becomes effective for annual periods beginning on or after 1 January 2015.

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

**3 JOINTLY CONTROLLED ENTITIES**

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

<b>Balance Sheet</b>			<b>30 September 2012</b>	<b>31 December 2011</b>
Current assets			3.260.840	2.953.178
Non-current assets			6.404.539	6.553.926
Current liabilities			(2.487.162)	(2.164.284)
Non-current liabilities			(5.192.997)	(5.602.006)
<b>Net Assets</b>			<b>1.985.220</b>	<b>1.740.814</b>
	<b>1 January- 30 September 2012</b>	<b>1 July- 30 September 2012</b>	<b>1 January- 30 September 2011</b>	<b>1 July- 30 September 2011</b>
<b>Statement of Comprehensive Income</b>				
Total revenues and income	2.663.097	1.553.542	3.066.999	1.272.290
Total expenses and costs	(2.359.165)	(1.430.406)	(2.659.801)	(831.045)
Profit/(loss) for the period	303.932	123.136	407.198	441.245

**4 SEGMENT REPORTING**

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

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

*Others*

Subsidiaries and jointly controlled entities in other operations segment are Akfen Enerji, Sim-Er Enerji Üretim Sanayi ve Ticaret Ltd. Şti. ("Simer"), PSA Liman and Akfen Holding.



**Akfen Holding Anonim Şirketi**  
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**4 SEGMENT REPORTING (continued)**

<u>1 January-30 September 2012</u>	<u>Tav</u> <u>Yatirim</u>	<u>Akfen</u> <u>İnşaat</u>	<u>Akfen</u> <u>GYO</u>	<u>HES</u> <u>Group</u>	<u>MIP</u>	<u>Akfen</u> <u>Su</u>	<u>Tav</u> <u>Havalimanları</u>	<u>IDO</u> <u>Denizcilik</u>	<u>Other</u>	<u>Inter Segment</u> <u>Eliminations</u>	<u>Total</u>
External revenues	224.618	615	24.257	42.130	167.660	3.490	281.806	115.930	2.193	--	862.699
Inter segment revenue	7.354	111.008	--	1.526	--	--	--	--	12.205	(132.093)	--
<b>Total sales</b>	<b>231.972</b>	<b>111.623</b>	<b>24.257</b>	<b>43.656</b>	<b>167.660</b>	<b>3.490</b>	<b>281.806</b>	<b>115.930</b>	<b>14.398</b>	<b>(132.093)</b>	<b>862.699</b>
Cost of sales	(223.135)	(102.273)	(3.382)	(22.581)	(74.535)	(1.774)	(194.949)	(78.171)	(2.811)	110.967	(592.644)
<b>Gross profit/(loss)</b>	<b>8.837</b>	<b>9.350</b>	<b>20.875</b>	<b>21.075</b>	<b>93.125</b>	<b>1.716</b>	<b>86.857</b>	<b>37.759</b>	<b>11.587</b>	<b>(21.126)</b>	<b>270.055</b>
General administrative expenses	(9.388)	(9.443)	(5.723)	(10.738)	(9.574)	(982)	(47.968)	(12.254)	(22.948)	10.772	(118.246)
Other operating income	233	4.792	5.458	1.819	--	28	13.694	1.143	573.344	(6.267)	594.244
Other operating expense	(940)	(3.341)	(1.151)	(4.991)	--	(258)	--	(938)	(6.018)	6.267	(11.370)
<b>Operating profit/(loss)</b>	<b>(1.258)</b>	<b>1.358</b>	<b>19.459</b>	<b>7.165</b>	<b>83.551</b>	<b>504</b>	<b>52.583</b>	<b>25.710</b>	<b>555.965</b>	<b>(10.354)</b>	<b>734.683</b>
Finance income/expense, (net)	(772)	(3.458)	2.197	4.949	(21.642)	611	(14.703)	5.034	(1.187)	--	(28.971)
<b>Profit/(loss) of continuing operations before tax</b>	<b>(2.030)</b>	<b>(2.100)</b>	<b>21.656</b>	<b>12.114</b>	<b>61.909</b>	<b>1.115</b>	<b>37.880</b>	<b>30.744</b>	<b>554.778</b>	<b>(10.354)</b>	<b>705.712</b>
Tax income/(expense) for the period	(894)	(3.818)	(4.341)	(4.109)	(11.106)	(225)	(6.416)	(47)	(18.389)	--	(49.345)
Profit of continuing operations after tax / (loss)	(2.924)	(5.918)	17.315	8.005	50.803	890	31.464	30.697	536.389	(10.354)	656.367
Profit (loss) for the period attributable to the parent of the Company	(2.092)	(5.918)	17.704	7.691	50.803	656	31.796	30.697	536.175	(17.630)	649.882
Depreciation and amortization expenses	3.340	483	40	9.895	18.494	205	21.029	13.698	415	--	67.599
Investments on tangible, intangible assets and investment property	763	2.686	27.285	142.821	37.337	309	14.333	5.416	41.755	--	272.705
<b>30 September 2012</b>											
Segment assets	234.246	434.982	1.141.353	1.012.140	813.552	30.239	426.351	479.191	1.887.661	(1.654.583)	4.805.132
Segment liabilities	214.164	256.976	340.836	575.116	662.671	16.980	311.569	445.148	632.106	(330.528)	3.125.038

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**4 SEGMENT REPORTING (continued)**

<u>1 July-30 September 2012</u>	<u>Tav</u> <u>Yatırım</u>	<u>Akfen</u> <u>İnşaat</u>	<u>Akfen</u> <u>GYO</u>	<u>HES</u> <u>Group</u>	<u>MIP</u>	<u>Akfen</u> <u>Su</u>	<u>Tav</u> <u>Havalimanları</u>	<u>IDO</u> <u>Denizcilik</u>	<u>Others</u>	<u>Inter Segment</u> <u>Eliminations</u>	<u>Total</u>
<b>External revenues</b>	<b>33.096</b>	<b>241</b>	<b>8.291</b>	<b>9.189</b>	<b>56.555</b>	<b>1.558</b>	<b>62.072</b>	<b>51.175</b>	<b>294</b>	<b>--</b>	<b>222.471</b>
Inter segment revenues	3.217	58.245	--	318	--	--	--	--	2.967	(64.747)	--
<b>Total sales</b>	<b>36.313</b>	<b>58.486</b>	<b>8.291</b>	<b>9.507</b>	<b>56.555</b>	<b>1.558</b>	<b>62.072</b>	<b>51.175</b>	<b>3.261</b>	<b>(64.747)</b>	<b>222.471</b>
Cost of sales	(34.462)	(52.933)	(958)	(8.796)	(24.750)	(750)	(39.230)	(29.885)	(318)	55.932	(136.150)
<b>Gross profit/(loss)</b>	<b>1.851</b>	<b>5.553</b>	<b>7.333</b>	<b>711</b>	<b>31.805</b>	<b>808</b>	<b>22.842</b>	<b>21.290</b>	<b>2.943</b>	<b>(8.815)</b>	<b>86.321</b>
General administrative expenses	(819)	(4.427)	(1.831)	(1.865)	(3.323)	(306)	(8.703)	(4.451)	(5.438)	2.922	(28.241)
Other operating income	66	(2.963)	1.293	369	--	7	2.815	291	6.607	(3.319)	5.166
Other operating expense	(77)	(1.702)	(517)	(7)	--	(49)	--	(35)	(5.640)	3.319	(4.705)
<b>Operating profit/(loss)</b>	<b>1.021</b>	<b>(3.539)</b>	<b>6.278</b>	<b>(792)</b>	<b>28.482</b>	<b>460</b>	<b>16.954</b>	<b>17.097</b>	<b>(1.528)</b>	<b>(5.892)</b>	<b>58.541</b>
Finance income/expense, (net)	(818)	1.787	(4.472)	(11.397)	(7.371)	74	(3.025)	(1.038)	(4.047)	--	(30.307)
<b>Profit/(loss) of continuing operations before tax</b>	<b>203</b>	<b>(1.752)</b>	<b>1.806</b>	<b>(12.189)</b>	<b>21.111</b>	<b>534</b>	<b>13.929</b>	<b>16.059</b>	<b>(5.575)</b>	<b>(5.892)</b>	<b>28.234</b>
Tax income/(expense) for the period	(456)	(3.072)	(947)	1.067	(3.685)	(100)	(2.388)	(49)	26	--	(9.603)
Profit of continuing operations after tax / (loss)	<b>(253)</b>	<b>(4.824)</b>	<b>859</b>	<b>(11.122)</b>	<b>17.426</b>	<b>434</b>	<b>11.541</b>	<b>16.010</b>	<b>(5.549)</b>	<b>(5.892)</b>	<b>18.627</b>
Profit (loss) for the period attributable to the parent of the Company	(210)	(4.824)	1.007	(11.071)	17.426	357	9.956	16.010	(5.775)	(6.181)	16.695
Depreciation and amortization expenses	693	184	11	3.325	6.688	70	3.284	4.652	173	--	19.080
Investments on tangible, intangible assets and investment property	121	1.898	27.270	66.807	4.721	278	8.041	2.085	653	--	111.874

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**4 SEGMENT REPORTING (continued)**

<b>1 January-30 September 2011</b>	<b><u>Tav</u></b> <b><u>Yatırım</u></b>	<b><u>Akfen</u></b> <b><u>İnşaat</u></b>	<b><u>Akfen</u></b> <b><u>GYO</u></b>	<b><u>HES</u></b> <b><u>Group</u></b>	<b><u>MIP</u></b>	<b><u>Akfen</u></b> <b><u>Su</u></b>	<b><u>Tav</u></b> <b><u>Havalimanları</u></b>	<b><u>IDO</u></b> <b><u>Denizcilik</u></b>	<b><u>Other</u></b>	<b><u>Inter Segment</u></b> <b><u>Eliminations</u></b>	<b><u>Total</u></b>
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)	--
<b>Total sales</b>	<b>401.437</b>	<b>114.059</b>	<b>20.828</b>	<b>23.060</b>	<b>130.340</b>	<b>3.391</b>	<b>401.878</b>	<b>44.705</b>	<b>11.655</b>	<b>(169.329)</b>	<b>982.024</b>
Cost of sales	(392.274)	(106.210)	(2.423)	(8.258)	(49.198)	(1.347)	(279.045)	(23.227)	(9)	145.551	(716.440)
<b>Gross profit/(loss)</b>	<b>9.163</b>	<b>7.849</b>	<b>18.405</b>	<b>14.802</b>	<b>81.142</b>	<b>2.044</b>	<b>122.833</b>	<b>21.478</b>	<b>11.646</b>	<b>(23.778)</b>	<b>265.584</b>
General administrative expenses	(6.495)	(18.133)	(4.426)	(2.702)	(21.045)	(1.124)	(60.624)	(2.914)	(13.896)	11.793	(119.566)
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)
<b>Operating profit/(loss)</b>	<b>1.847</b>	<b>(12.903)</b>	<b>258.528</b>	<b>10.137</b>	<b>59.777</b>	<b>946</b>	<b>76.124</b>	<b>17.315</b>	<b>389</b>	<b>(15.073)</b>	<b>397.087</b>
Finance income/expense, (net)	(5.980)	(11.567)	(51.633)	(90.205)	(22.592)	(2.716)	(35.391)	(69.270)	(76.642)	--	(365.996)
<b>Profit/(loss) of continuing operations before tax</b>	<b>(4.133)</b>	<b>(24.470)</b>	<b>206.895</b>	<b>(80.068)</b>	<b>37.185</b>	<b>(1.770)</b>	<b>40.733</b>	<b>(51.955)</b>	<b>(76.253)</b>	<b>(15.073)</b>	<b>31.091</b>
Tax income/(expense) for the period	(786)	(2.759)	(7.995)	16.406	(7.097)	247	(18.622)	--	(4.190)	--	(24.796)
Profit of continuing operations after tax / (loss)	(4.919)	(27.229)	198.900	(63.662)	30.088	(1.523)	22.111	(51.955)	(80.443)	(15.073)	6.295
Profit (loss) for the period attributable to the parent of the Company	(4.681)	(26.821)	172.647	(63.662)	30.088	(1.228)	20.931	(51.955)	(80.443)	(81.888)	(87.011)
Depreciation and amortization expenses	4.269	369	52	1.441	15.275	126	28.793	2.993	370		53.688
Investments on tangible, intangible assets and investment property	14.912	262	47.349	148.179	8.962	134	60.877	462	542		281.679
<b>31 December 2011</b>											
Segment assets	523.789	372.855	1.128.520	864.506	809.138	30.033	1.328.461	452.477	1.408.948	(1.479.758)	5.438.969
Segment liabilities	479.496	184.505	342.694	550.968	701.787	17.185	969.468	441.633	736.240	(136.888)	4.287.088

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**4 SEGMENT REPORTING (continued)**

<b>1 July-30 September 2011</b>	<b><u>Tav</u> <u>Yatırım</u></b>	<b><u>Akfen</u> <u>İnşaat</u></b>	<b><u>Akfen</u> <u>GYO</u></b>	<b><u>HES</u> <u>Group</u></b>	<b><u>MIP</u></b>	<b><u>Akfen</u> <u>Su</u></b>	<b><u>Tav</u> <u>Havalimanları</u></b>	<b><u>IDO</u> <u>Denizcilik</u></b>	<b><u>Other</u></b>	<b><u>Inter Segment</u> <u>Eliminations</u></b>	<b><u>Total</u></b>
<b>External revenues</b>	133.449	--	7.653	11.681	46.888	1.282	160.949	44.705	(2)	--	406.605
Inter segment revenues	15.711	40.703	--	--	--	--	--	--	4.378	(60.792)	--
<b>Total sales</b>	<b>149.160</b>	<b>40.703</b>	<b>7.653</b>	<b>11.681</b>	<b>46.888</b>	<b>1.282</b>	<b>160.949</b>	<b>44.705</b>	<b>4.376</b>	<b>(60.792)</b>	<b>406.605</b>
Cost of sales	(143.892)	(36.993)	(1.111)	(2.709)	(17.838)	(422)	(101.496)	(23.227)	(10)	53.138	(274.560)
<b>Gross profit/(loss)</b>	5.268	3.710	6.542	8.972	29.050	860	59.453	21.478	4.366	(7.654)	132.045
General administrative expenses	(1.827)	(6.613)	(2.031)	(1.078)	(7.731)	(322)	(22.985)	(2.914)	(5.519)	4.483	(46.537)
Other operating income	39	4.364	124.503	8	--	8	6.271	389	60	(770)	134.872
Other operating expense	(917)	(55)	(348)	(141)	--	--	--	(680)	(2)	118	(2.025)
<b>Operating profit/(loss)</b>	2.563	1.406	128.666	7.761	21.319	546	42.739	18.273	(1.095)	(3.823)	218.355
Finance income/expense, (net)	(2.126)	(7.176)	(21.529)	(36.370)	(7.384)	(970)	(9.306)	(58.964)	(43.966)	(0)	(187.791)
<b>Profit/(loss) of continuing operations before tax</b>	437	(5.770)	107.137	(28.609)	13.935	(424)	33.433	(40.691)	(45.061)	(3.823)	30.564
Tax income/(expense) for the period	(286)	1.516	(4.920)	6.808	(2.658)	86	(7.764)	--	(1)	--	(7.219)
Profit of continuing operations after tax / (loss)	151	(4.254)	102.217	(21.801)	11.278	(338)	25.669	(40.691)	(45.063)	(3.823)	23.345
Profit (loss) for the period attributable to the parent of the Company	228	(4.190)	122.072	(22.210)	11.278	(255)	23.543	(40.691)	(45.063)	(63.363)	(18.651)
Depreciation and amortization expenses	1.316	124	21	438	5.559	11	10.593	2.993	124	--	21.179
Investments on tangible, intangible assets and investment property	10.722	13	23.076	52.184	2.216	26	21.170	462	488	--	110.357

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**5 CASH AND CASH EQUIVALENTS**

At 30 September 2012 and 31 December 2011, cash and cash equivalents comprise the following:

	<u>30 September 2012</u>	<u>31 December 2011</u>
Cash on hand	1.254	1.411
Cash at banks	328.316	162.828
- <i>Demand deposits</i>	89.007	83.355
- <i>Time deposits</i>	239.309	79.473
Project, reserves and fund accounts	154.576	300.165
Other cash and cash equivalents (*)	30.851	54.186
<b>Cash and cash equivalents</b>	<b>514.997</b>	<b>518.590</b>
Project, reserve and fund accounts	(154.576)	(300.165)
<b>Cash and equivalents in the statement of cash flow</b>	<b>360.421</b>	<b>218.425</b>

(\*) As at 30 September 2012, cash and cash equivalents are comprised of overnight repo balances belonging to Akfen Holding amounting TL 29.210 (31 December 2011: TL 53.414) and Akfen Enerji amounting TL 1.076 (31 December 2011: nil).

As at 30 September 2012 and 31 December 2011 the distribution of the cash and cash equivalents of the Group per companies is as follows:

	<u>30 September 2012</u>	<u>31 December 2011</u>
Akfen Holding	194.525	61.864
MIP	123.696	101.243
Tav Havalimanları	89.690	266.765
HES Group	42.523	14.492
IDO Denizcilik	33.192	2.721
Tav Yatırım	20.835	56.886
Akfen Su	5.661	3.484
Akfen GYO	2.774	7.792
Akfen İnşaat	651	2.744
Other	1.450	599
<b>Total</b>	<b>514.997</b>	<b>518.590</b>

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

<b>Currency</b>	<u>30 September 2012</u>	<u>31 December 2011</u>
Euro	66.242	2.928
Qatari Riyal	8.558	29.480
US Dollar	8.162	14.125
TRY	5.915	22.411
Other	130	14.411
	<b>89.007</b>	<b>83.355</b>

## Akfen Holding Anonim Şirketi

### Notes to the Condensed Interim Consolidated Financial Statements

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#### 5 CASH AND CASH EQUIVALENTS (continued)

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

<u>Currency</u>	<u>Due date</u>	<u>Interest rate %</u>	<u>30 September 2012</u>
TL	October – December 2012	0,50 - 10,00	33.592
USD	October 2012	0,25 - 5,00	175.235
Euro	October – December 2012	0,50 - 10,10	19.274
Qatari Riyal	October 2012	1,50	11.159
Other	October 2012	5,00	49
			<b>239.309</b>

<u>Currency</u>	<u>Due date</u>	<u>Interest rate %</u>	<u>31 December 2011</u>
TL	January 2012	5,75 - 12,05	30.194
ABD Doları	January 2012	0,50 - 5,74	25.916
Avro	January 2012	1,00 - 5,67	23.363
			<b>79.473</b>

#### Project, reserve and fund accounts

TAV Havalimanları, MIP, Akfen Su and HES I-II-IV-V have project, reserve and fund accounts, regarding the agreements made with banks, in order to fund their projects. These accounts can only be used for the purposes which are mentioned in terms and conditions of the agreements. As at 30 September 2012 and 31 December 2011 the detail of project, reserve and fund accounts is as follows:

	<u>30 September 2012</u>	<u>31 December 2011</u>
MIP	65.111	77.705
TAV Havalimanları	58.890	218.032
HES I-II-IV-V	29.458	3.961
Akfen Su	1.117	467
<b>Total</b>	<b>154.576</b>	<b>300.165</b>

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**5 CASH AND CASH EQUIVALENTS (continued)**

As at 30 September 2012 and 31 December 2011, the interest rate details of Group's project, reserve and fund accounts are as follows:

<u>Currency</u>	<u>Interest rate %</u>	<u>30 September 2012</u>
TRY	8,00-11,50	14.039
USD	0,50-9,00	74.361
Euro	0,50-4,50	48.952
		<b>137.352</b>
Demand deposits		17.224
		<b>154.576</b>
<u>Currency</u>	<u>Interest rate %</u>	<u>31 December 2011</u>
TRY	3,50-9,70	59.359
USD	0,10-9,00	80.924
Euro	0,08-4,50	158.294
Other		1.588
		<b>300.165</b>

The Group's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities are disclosed in Note 30. As at 30 September 2012 and 31 December 2011, there is no pledge on bank accounts except for the accounts disclosed in restricted cash.

## Akfen Holding Anonim Şirketi

### Notes to the Condensed Interim Consolidated Financial Statements

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## 6 FINANCIAL INVESTMENTS

### Short-term financial investments

As at 30 September 2012 Group's short-term financial investments are consisted of time deposits which have due dates longer than three months, private sector bonds and Eurobonds amounting TL 57.681 (31 December 2011: nil), TL 1.519 (31 December 2011: nil) and TL 43.890 (31 December 2011: nil), respectively.

### Long-term financial investments

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

	<u>30 September 2012</u>	<u>31 December 2011</u>
Time deposits longer than 1 year due date (*)	38.031	--
Financial assets	190	151
	<b>38.221</b>	<b>151</b>

(\*) As at 30 September 2012, Group's time deposits longer than 1 year of due date were reclassified into long-term financial investments.

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

	<u>Ownership</u>	<u>30</u> <u>September</u> <u>2012</u>	<u>Ownership</u>	<u>31</u> <u>December</u> <u>2011</u>
	(%)		(%)	
Batı Karadeniz Elekt. Dağıtım ve Sis. A.Ş.	12,5	1.493	12,5	1.493
Other		190		151
Subtotal		1.683		1.644
Less: Impairment of investments		(1.493)		(1.493)
<b>Total financial assets</b>		<b>190</b>		<b>151</b>

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



**Akfen Holding Anonim Şirketi**  
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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 30.

The detail of Group's financial liabilities as at 30 September 2012 is as follows:

	<b><u>Nominal</u></b> <b><u>Value</u></b>	<b><u>Carrying</u></b> <b><u>Amount</u></b>
<b>Current financial liabilities</b>		
Secured bank loans	142.898	143.740
Unsecured bank loans	5.793	5.962
Current portions of non-current secured bank loans	312.598	374.887
Current portions of non-current unsecured bank loans	2.644	3.756
Current portions of long-term issued bonds	--	1.271
Short term finance lease obligations	1.815	1.791
	<b>465.748</b>	<b>531.407</b>
<b>Non-current financial liabilities</b>		
Non-current secured bank loans	1.824.460	1.779.352
Non-current unsecured bank loans	31.164	30.665
Non-current issued bonds	225.030	225.030
Long term finance lease obligations	5.083	5.044
	<b>2.085.737</b>	<b>2.040.091</b>

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

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

## Akfen Holding Anonim Şirketi

### Notes to the Condensed Interim Consolidated Financial Statements

As at and for the nine-month period ended 30 September 2012

(Currency: Thousands of TL)

#### 7 LOANS AND BORROWINGS (continued)

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

	<u>Nominal Value</u>	<u>Carrying Amount</u>
Bank loans	2.319.557	2.338.362
Bonds	225.030	226.301
Finance lease obligations	6.897	6.835
	<b>2.551.484</b>	<b>2.571.498</b>

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

	<u>Nominal Value</u>	<u>Carrying Amount</u>
Bank loans	3.281.197	3.274.637
Bonds	180.000	183.512
Finance lease obligations	16.015	15.997
	<b>3.477.212</b>	<b>3.474.146</b>

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

<u>Carrying Amount</u>	<u>Current liabilities</u>	<u>Non-current liabilities</u>	<u>Total</u>
Akfen Holding	117.421	464.605	582.026
Akfen İnşaat	249	100	349
Akfen GYO	65.648	217.051	282.699
Akfen HES I-II-IV-V	84.232	350.845	435.077
Akfen Su	2.189	12.824	15.013
MIP	134.530	420.127	554.657
TAV Yatırım	51.411	7.737	59.148
TAV Havalimanları	34.306	208.232	242.538
IDO	39.631	353.525	393.156
	<b>529.617</b>	<b>2.035.046</b>	<b>2.564.663</b>

<u>Nominal Value</u>	<u>Current liabilities</u>	<u>Non-current liabilities</u>	<u>Total</u>
Akfen Holding	98.717	465.571	564.288
Akfen İnşaat	168	107	275
Akfen GYO	62.120	218.235	280.355
Akfen HES I-II-IV-V	57.837	372.670	430.507
Akfen Su	1.505	13.499	15.004
MIP	132.725	425.394	558.119
TAV Yatırım	50.385	7.737	58.122
TAV Havalimanları	26.329	216.850	243.179
IDO	34.147	360.591	394.738
	<b>463.933</b>	<b>2.080.654</b>	<b>2.544.587</b>

## Akfen Holding Anonim Şirketi

### Notes to the Condensed Interim Consolidated Financial Statements

As at and for the nine-month period ended 30 September 2012

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#### 7 LOANS AND BORROWINGS (continued)

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

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

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

#### Conditions and repayment schedules

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

	<u>Nominal Value</u>		<u>Carrying Amount</u>	
	<u>30 September 2012</u>	<u>31 December 2011</u>	<u>30 September 2012</u>	<u>31 December 2011</u>
Within 1 year	463.933	684.444	529.617	739.022
1 – 2 years	532.457	704.619	549.724	726.265
2 – 3 years	358.361	339.252	356.974	358.878
3 – 4 years	189.132	395.162	189.939	364.007
5 years and more	1.000.704	1.337.720	938.409	1.269.977
	<b>2.544.587</b>	<b>3.461.197</b>	<b>2.564.663</b>	<b>3.458.149</b>

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

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

	<u>Nominal Value</u>		<u>Carrying Amount</u>	
	<u>30 September 2012</u>	<u>31 December 2011</u>	<u>30 September 2012</u>	<u>31 December 2011</u>
<b>USD</b>	1.184.224	1.543.407	1.194.105	1.536.442
<b>Euro</b>	1.101.549	1.710.494	1.110.101	1.710.136
<b>TRY</b>	235.686	207.106	237.343	211.380
<b>Others</b>	23.128	190	23.114	191
	<b>2.544.587</b>	<b>3.461.197</b>	<b>2.564.663</b>	<b>3.458.149</b>

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

	<u>30 September 2012</u>			<u>31 December 2011</u>		
	<u>TRY</u>	<u>USD</u>	<u>Euro</u>	<u>TRY</u>	<u>USD</u>	<u>Euro</u>
<b>Fixed Rate Loans</b>				<b>Fixed Rate Loans</b>		
The Lowest	10,00%	4,25%	4,25%	The Lowest	10,00%	3,50%
The Highest	11,68%	9,95%	8,75%	The Highest	16,88%	9,95%
<b>Floating Interest Rate Loans</b>				<b>Floating Interest Rate Loans</b>		
The Lowest	11,23	0,13%	1,54%	The Lowest	10,55%	0,13%
The Highest	11,28	8,00%	7,50%	The Highest	14,84%	8,00%

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

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

The total of bank project loans is TL 1.917.062 as at 30 September 2012 (31 December 2011: TL 2.454.373) and its share in total loans is 75% (31 December 2011: 71%).

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

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**7 LOANS AND BORROWINGS (continued)**

**Akfen Holding**

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loans <sup>(1)</sup>	USD	Libor+1,25	2012	17.610	17.623
Secured bank loans <sup>(1)</sup>	USD	Libor+1,25	2012	1.936	1.937
Secured bank loans <sup>(1)</sup>	USD	Libor+1,25	2012	2.713	2.714
Secured bank loans <sup>(2)</sup>	USD	Libor+3,50	2014	31.728	32.303
Secured bank loans <sup>(3)</sup>	USD	9,95	2015	133.853	147.047
Secured bank loans <sup>(4)</sup>	Euro	Euribor+4,00	2014	151.418	154.101
Bond <sup>(5)</sup>	TRY	GDS+4,00(*)	2013	70.940	71.072
Bond <sup>(6)</sup>	TRY	GDS + 4,00	2014	154.090	155.229
				<b>564.288</b>	<b>582.026</b>

<sup>(1)</sup> In order to purchase Eurobonds, Bond Purchasing Loan used with amount equal to 50% of total portfolio. Total of 11.450.000 nominal Eurobond is in warehouse account as surety.

<sup>(2)</sup> Sureties were given by Hamdi Akin and Akfen İnşaat.

<sup>(3)</sup> 1/1 cash collateral. USD amount equal to loan amount with annual 9,20% gross interest rate as the credit security are held as the deposit.

<sup>(4)</sup> 86,988,875 shares pledged on Akfen GYO.

<sup>(5)</sup> The liability which has a maturity of 2 years and coupon payment of 91 days with a floating interest rate amounting to TL 80.000 as at 27 December 2011. The 4th period coupon payment date is 25 December 2012.

According to determined additional rate of return, coupon interest rate that will be given for 4th period coupon payment (25 December 2012) is 2,80%. Coupon payments are done once in 91 days.

As at 30 September 2012, Akfen Holding purchased a part of this bond with a nominal value of TL 9.060 from the market. Purchased portion was netted off from bond liability.

<sup>(6)</sup> Represents the liability of bond which has been issued on 9 March 2012 and has a maturity of 2 years and coupon payment of 6 months with a floating interest rate amounting to TL 200.000. The 2nd period coupon payment date is 8 March 2013.

According to determined additional rate of return, coupon interest rate that will be given for 4th period coupon payment (8 March 2013) is 5,63%. Coupon payments are done once in 6 months.

As at 30 September 2012, Akfen Holding purchased a part of this bond with a nominal value of TL 45.910 from the market. Purchased portion was netted off from bond liability.

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

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**7 LOANS AND BORROWINGS (continued)**

**Akfen Holding (continued)**

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

	<b>Currency</b>	<b>Nominal interest rate</b>	<b>Year of maturity</b>	<b>Nominal value</b>	<b>Carrying amount</b>
Secured bank loans <sup>(1)</sup>	USD	6,85	2012	14.167	14.563
Secured bank loans <sup>(2)</sup>	USD	6,75	2013	18.889	19.295
Secured bank loans <sup>(2)</sup>	USD	6,25	2013	20.778	21.127
Secured bank loans <sup>(3)</sup>	USD	7,50	2013	9.445	9.550
Secured bank loans <sup>(3)</sup>	USD	8,10	2013	24.556	25.026
Secured bank loans <sup>(3)</sup>	USD	7,80	2013	5.667	5.832
Secured bank loans <sup>(3)</sup>	USD	Libor+3,50	2014	41.976	42.229
Secured bank loans <sup>(1)</sup>	USD	7,40	2014	18.889	18.957
Secured bank loans <sup>(1)</sup>	USD	6,90	2014	34.000	35.284
Secured bank loans <sup>(4)</sup>	USD	9,95	2015	141.668	144.287
Secured bank loans <sup>(5)</sup>	Euro	Euribor+4,20	2014	192.350	196.278
Bond <sup>(6)</sup>	TRY	GDS+2,50 (*)	2012	100.000	103.382
Secured bank loans <sup>(7)</sup>	TRY	16,88(**)	2013	301	302
Bond <sup>(8)</sup>	TRY	GDS+ 4,00	2013	80.000	80.130
				<b>702.686</b>	<b>716.242</b>

<sup>(1)</sup> Sureties given by Akfen İnşaat.

<sup>(2)</sup> Sureties given by Akfen İnşaat, Akfen Turizm, Akınısı and Hamdi Akın.

<sup>(3)</sup> Sureties given by Akfen İnşaat and Hamdi Akın.

<sup>(4)</sup> 1/1 cash collateral. Annual 9,20% gross interest rate and USD as the credit security are held as the deposit.

<sup>(5)</sup> 86,988,875 shares pledged on Akfen GYO.

<sup>(6)</sup> As at 5 March 2010 bonds are showing the, payables arising from the bonds which have maturity of two years and coupon payment of 182 days, with a floating interest rate amounting to TL 100.000. The 4th term coupon payment date is 2 March 2012.

According to determined additional rate of return, coupon rate for the 4th coupon payment period (2 March 2012) is 5,13%. Coupon payments are done once in 182 days.

<sup>(7)</sup> It is İş Yatırım share buying loan; 42.000 Holding shares are in the safe custody account of İş Yatırım in the frame of Share Buyback Programme.

<sup>(8)</sup> The liability which has a maturity of 2 years and coupon payment of 91 days with a floating interest rate amounting to TL 80.000 as at 27 December 2011. The 1st period coupon payment date is 27 March 2012.

According to determined additional rate of return, coupon rate for the 1th coupon payment period (27 March 2012) is 3,51%. Coupon payments are done once in 91 days.

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

(\*\*) Overnight interest rate that is applied to loans for stock purchase issues. Overnight interest rate is determined by 60% more of maximum of weekly repo lending interest rate of Central Bank of Turkey and weighted average interest rate of the shortest maturity repo operations in ISE Bond and Bill Repo and Reverse Repo Market.

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

**Akfen Holding (continued)**

The repayment schedules of the bank loans are as follows:

	<u>Nominal Value</u>		<u>Carrying Amount</u>	
	<u>30 September 2012</u>	<u>31 December 2011</u>	<u>30 September 2012</u>	<u>31 December 2011</u>
Within 1 year	98.717	251.908	117.422	261.878
1 – 2 years	301.461	237.709	314.150	247.154
2 – 3 years	164.110	91.401	150.454	100.551
3 – 4 years	--	121.668	--	106.659
5 years and more	--	--	--	--
	<b>564.288</b>	<b>702.686</b>	<b>582.026</b>	<b>716.242</b>

**Akfen İnşaat:**

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loans <sup>(1)</sup>	USD	7,20	2014	275	349
				<b>275</b>	<b>349</b>

<sup>(1)</sup> The sureties are given by Hamdi Akın.

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

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

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

**Akfen İnşaat:** *(continued)*

<sup>(1)</sup> The loan, of which, sureties are given by Akfen Holding and Hamdi Akın.

<sup>(2)</sup> The sureties are given by Akfen Holding.

<sup>(3)</sup> The sureties are given by Hamdi Akın.

<sup>(\*)</sup> Monthly interest rates.

The repayment schedules of the bank loans are as follows:

	<u>Nominal Value</u>		<u>Carrying Amount</u>	
	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Within 1 year	168	15.630	249	20.080
1 – 2 years	107	46.303	100	44.572
2 – 3 years	--	7.692	--	6.934
3 – 4 years	--	--	--	--
5 years and more	--	--	--	--
	<b>275</b>	<b>69.625</b>	<b>349</b>	<b>71.586</b>

**Akfen GYO:**

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

	<u>Nominal Value</u>		<u>Carrying Amount</u>	
	<u>30 September 2012</u>	<u>31 December 2011</u>	<u>30 September 2012</u>	<u>31 December 2011</u>
Akfen GYO	202.397	199.916	204.025	202.465
RHI	60.102	63.010	60.757	65.932
RPI	17.856	17.107	17.917	17.341
	<b>280.355</b>	<b>280.033</b>	<b>282.699</b>	<b>285.738</b>

**Akfen GYO:**

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loans <sup>(1)</sup>	Euro	8,75	2014	23.085	23.063
Secured bank loans <sup>(2)</sup>	Euro	Euribor +3,70	2015	20.777	20.825
Secured bank loans <sup>(3)</sup>	Euro	Euribor +3,75	2020	149.237	150.586
Secured bank loans <sup>(4)</sup>	TRY	10,00	2016	9.298	9.551
				<b>202.397</b>	<b>204.025</b>

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

	<u>Currency</u>	<u>Nominal interest rates</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loans <sup>(2)</sup>	Euro	Euribor +3,70	2015	29.326	29.835
Secured bank loans <sup>(3)</sup>	Euro	Euribor +3,75	2020	158.349	160.092
Secured bank loans <sup>(4)</sup>	TRY	10,00	2016	12.241	12.538
				<b>199.916</b>	<b>202.465</b>



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

**Akfen GYO (continued)**

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

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

- According to the pledge of shares contract signed between Akfen GYO and ING bank A.Ş. on 8 September 2008, 279,996 shares of Akfen GYO in Akfen Gayrimenkul Ticareti ve İnşaat A.Ş. amounting TL 7.000 were pledged to ING Bank A.Ş.
- Rental revenue of the casino in Mercure Hotel in Northern Cyprus is transferred to the creditors,
- Rental revenue of Mercure Hotel in Northern Cyprus is transferred to the creditors,
- Sureties for the total outstanding loan amount were given by Akfen GYO,
- The right of tenancy of TRNC Mercure Hotel is pledged in favor of ING Bank A.Ş.

<sup>(3)</sup> The Company signed a loan agreement of EUR 100 million on 30 July 2008 with Türkiye İş Bankası AŞ (“İş Bankası”) and Türkiye Sınai Kalkınma Bankası AŞ (“TSKB”) to finance the ongoing hotel projects based on the Framework Agreement signed between the Company and ACCOR S.A. to develop hotel projects in Turkey. Based on the loan agreement, the Company pays commitment commission which is calculated as an annual rate of 1.25% on the unused portion of the loan at each quarter from the agreement date till the maturity date. The Company also pays 0.50% of the amount used in the portion as arrangement commission at each disbursement from TSKB and 1.00% of the related amount as commission. As at 30 June 2012, Akfen GYO used the portion of the loan amounting to EUR 78,86 millions. The Company recognises loan commission accrual amounting to TL 128 for the unused portion of EUR 21,14 millions. Bank borrowings obtained with this agreement is secured by the followings:

Right of tenancy of the hotels in Gaziantep, Kayseri, Trabzon, Bursa and Zeytinburnu and the land on which hotels are going to be built in Esenyurt and Adana are pledged in favor of the creditors,

- Rental revenue of these hotels is pledged to the creditors,
- Demand deposits in banks and financial institutions related with these projects are pledged in favor of the creditors,
- Akfen Holding and Akfen İnşaat gave completion guarantees for related projects. As at 30 September 2012, these guarantees do not exist for İzmir and Esenyurt Hotel projects.
- 1st, 2nd and 3rd independent divisions recognised in the inventories and 50% owned by the Akfen Ticaret AŞ are pledged on behalf of Akfen GYO in favour of banks.

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

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

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

**Akfen GYO (continued)**

**RHI:**

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Unsecured bank loans	Euro	8,50	2012	542	544
Secured bank loans <sup>(1)</sup>	Euro	Euribor +6,50	2021	29.088	29.514
Secured bank loans <sup>(2)</sup>	Euro	Euribor+6,50	2022	21.238	21.397
Secured bank loans <sup>(3)</sup>	Euro	Euribor+6,50	2023	9.234	9.302
				<b>60.102</b>	<b>60.757</b>

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loans <sup>(4)</sup>	Euro	Euribor +7,50	2012	63.010	65.932
				<b>63.010</b>	<b>65.932</b>

<sup>(1)</sup> Loan limit amounting Euro 12,600,000 EUR given within the scope of agreement signed with European Bank for Construction and Development (“EBRD”) and International Finance Corporation (“IFC”) related to Samara Hotel project has been used by RHI on 26 February 2012. Loans borrowed within the scope of agreement were secured by the following:

- Akfen Holding gave surety equal to loan amount.
- The company pledged, the shares of Akfen GT and Cüneyt Baltaoğlu in ratio of 95% and 5%, respectively in favor of creditors.
- Land that Samara Hotel is builded on and hotel building that belong to Group, were pledged in favor of creditors.
- Rent revenue of Samara Ibis Hotel is alienated in favor of the creditor

<sup>(2)</sup> Loan limit amounting Euro 9,200,000 EUR given within the scope of agreement signed with EBRD and IFC related to Yaroslavl Hotel project has been used by RHI on 7 September 2012. Loans borrowed within the scope of agreement were secured by the following:

- Akfen Holding gave surety equal to loan amount.
- The company pledged the shares of Akfen GT and Cüneyt Baltaoğlu in ratio of 95% and 5%, respectively in favor of creditors.
- Land that Samara Hotel is builded on and hotel building that belong to Group, were pledged in favor of creditors.
- Rent revenue is alienated in favor of the creditor.

<sup>(3)</sup> Loan limit amounting Euro 4,000,000 EUR given within the scope of agreement signed with EBRD and IFC related to Kaliningrad Hotel project has been used by RHI on 7 September 2012. Loans borrowed within the scope of agreement were secured by the following:

- Akfen Holding gave surety equal to loan amount.
- The company pledged the shares of Akfen GT and Cüneyt Baltaoğlu in ratio of 95% and 5%, respectively in favor of creditors.
- Land that Samara Hotel is builded on and hotel building that belong to Group, were pledged in favor of creditors.
- Rent revenue is alienated in favor of the creditor.

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

**Akfen GYO (continued)**

**RHI (continued)**

<sup>(4)</sup> It is the loan borrowed from Credit Europe Bank for Russian Hotel. Land located in Samara for the hotel project and shares of YaroslavlOtelInvest and SamstroyKom, which are 100% owned by RHI were given as sureties. Akfen GYO and Akfen Ticaret gave joint guarantees equal to loan amount.

**RPI:**

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loans	Euro	8,50	2012	542	544
Secured bank loans <sup>(1)</sup>	Euro	Euribor+7,50	2012	17.314	17.373
				<b>17.856</b>	<b>17.917</b>

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loans <sup>(1)</sup>	Euro	Euribor +7,50	2012	17.107	17.341
				<b>17.107</b>	<b>17.341</b>

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

The repayment schedules of the bank loans are as follows:

	<u>Nominal Value</u>		<u>Carrying Amount</u>	
	<u>30 September 2012</u>	<u>31 December 2011</u>	<u>30 September 2012</u>	<u>31 December 2011</u>
Within 1 year	62.120	112.646	65.648	118.982
1 – 2 years	44.496	30.250	43.586	30.389
2 – 3 years	34.874	29.672	34.593	29.386
3 – 4 years	28.709	29.702	28.547	29.257
5 years and more	110.156	77.763	110.325	77.724
	<b>280.355</b>	<b>280.033</b>	<b>282.699</b>	<b>285.738</b>

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

**HES Group**

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

	<u>Nominal Value</u>		<u>Carrying Amount</u>	
	<u>30 September 2012</u>	<u>31 December 2011</u>	<u>30 September 2012</u>	<u>31 December 2011</u>
HES I	90.733	314.903	90.769	310.341
HES II	155.516	145.542	159.024	146.422
HES IV	69.653	--	70.137	--
HES V	114.605	--	115.147	--
	<b>430.507</b>	<b>460.445</b>	<b>435.077</b>	<b>456.763</b>

**HES I**

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loans	Euro	Euribor+6,50	2013-2020	90.733	90.769
				<b>90.733</b>	<b>90.769</b>

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loans	Euro	Euribor+6,50	2013-2020	314.903	310.341
				<b>314.903</b>	<b>310.341</b>

The loans of HES I companies are secured up to 75,60 %, against the interest rate fluctuations by the interest swap agreements made. All shares owned by Akfen Group in Beyobası and HES I subsidiaries put in pledge to İş Bankası guarantee attorney of Consortium composed of TSKB, İş Bankası, YKB, Denizbank A.Ş. ('Denizbank') and Finansbank reward credit of companies in group HES I as guarantee within the context of project finance and in addition to share pledge the guarantees below have been given:

- Deposit pledge on accounts of the Company
- Assignment of insurance receivables,
- Assignment of receivables arising from the letter of guarantee,
- Assignment of VAT receivables,
- Assignment of receivables arising from the EPC contract,

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

**HES Group (continued)**

**HES I (continued)**

- Assignment of Go-risk receivables,
- Assignment of Project incomes,
- Commercial enterprise pledge.
- Assignment of 1st degree pledge on real estate
- As at 30 September 2012, completion guarantees of Akfen Holding and Akfen İnşaat continues
- Completion guarantee of Akfen İnşaat will be over after the payment of two principal and interest payments following the start of operation of last HES project, Sekiyaka HES. Completion guarantee of Akfen Holding will be over after the Company pays two principal and interest payments by its own revenue. There is no guarantee of completion of HES I that lasts during the whole loan period.

There is a cross surety between HES I-IV-V (Beyobası, İdeal and Çamlıca) during the life of the loan. Besides, HES I guarantees all the loans and borrowings undertaken by Beyobası. In order to make shareholders of HES I and Beyobası reach the desired level of Debt Payment Enablement Ratios determined by loan agreements, Akfen Holding will (i) Increase the capital, (ii) make payment of shareholder debt ant time during the loan life.

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

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

	<u>Nominal Value</u>		<u>Carrying Amount</u>	
	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Within 1 year	14.274	47.590	20.246	69.413
1 – 2 years	11.742	42.351	11.743	42.352
2 – 3 years	10.366	34.199	10.366	34.199
3 – 4 years	10.366	34.199	10.366	34.199
5 years and more	43.985	156.564	38.048	130.178
	<b>90.733</b>	<b>314.903</b>	<b>90.769</b>	<b>310.341</b>

**HES II**

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loans	Euro	Euribor+5,50	2021	155.516	159.024
				<b>155.516</b>	<b>159.024</b>

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loans	Euro	Euribor+5,50	2021	145.542	146.422
				<b>145.542</b>	<b>146.422</b>

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

**HES Group (continued)**

**HES II (continued)**

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

- Deposit pledge on accounts of the Company,
- Assignment of insurance receivables,
- Assignment of receivables arising from the letter of guarantee,
- Assignment of VAT receivables,
- Assignment of receivables arising from the EPC contract,
- Assignment of Go-risk receivables,
- Assignment of Project incomes
- Assignment of 1st degree pledge on real-estate
- As at 30 September 2012, completion guarantees of Akfen Holding and Akfen İnşaat continues
- Completion guarantee of Akfen İnşaat will be over after the payment of two principal and interest payments following the start of operation of the last HES project. Completion guarantee of Akfen Holding will be over after the Company pays two principal and interest payments by its own revenue. There is no guarantee of completion of HES II that lasts during the whole loan period.

There is a cross surety between HES II companies (BT Bordo, Elen, Pak, Yenidoruk, Zeki) during the life of the loan. Besides, HES II guarantees all the loans and borrowings undertaken. In order to make shareholders of HES II reach the desired level of Debt Payment Enability Ratios determined by loan agreements, Akfen Holding will (i) Increase the capital, (ii) make payment of shareholder debt ant time during the loan life.

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

	<u>Nominal Value</u>		<u>Carrying Amount</u>	
	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Within 1 year	12.882	3.894	23.169	14.383
1 – 2 years	17.280	16.172	16.998	16.172
2 – 3 years	17.280	16.172	16.998	16.172
3 – 4 years	17.280	16.172	16.998	16.172
5 years and more	90.794	93.132	84.861	83.523
	<b>155.516</b>	<b>145.542</b>	<b>159.024</b>	<b>146.422</b>

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

**HES Group (continued)**

**HES IV**

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loans	Euro	Euribor+6,50	2013-2020	69.653	70.137
				<b>69.653</b>	<b>70.137</b>

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

- Deposit pledge on accounts of the Company,
- Assignment of insurance receivables,
- Assignment of receivables arising from the letter of guarantee,
- Assignment of VAT receivables,
- Assignment of receivables arising from the EPC contract,
- Assignment of Go-risk receivables,
- Assignment of Project incomes,
- Commercial enterprise pledge
- Assignment of 1st degree pledge on real-estate
- The completion guarantee of Akfen Holding continues as at 30 September 2012.
- Completion guarantee of Akfen Holding will be over after the Company pays two principal and interest payments by its own revenue. There is no guarantee of completion of HES IV that lasts during the whole loan period.

There is a cross surety between HES I, HES IV and HES V companies (Beyobası, İdeal and Çamlıca) during the life of the loan. Besides, HES IV guarantees all the loans and borrowings undertaken by İdeal. In order to make shareholders of HES IV and İdeal reach the desired level of Debt Payment Enablement Ratios determined by loan agreements, Akfen Holding will (i) Increase the capital, (ii) make payment of shareholder debt ant time during the loan life.

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

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

	<u>Nominal Value</u>		<u>Carrying Amount</u>	
	<u>30 September 2012</u>	<u>31 December 2011</u>	<u>30 September 2012</u>	<u>31 December 2011</u>
Within 1 year	10.969	--	15.229	--
1 – 2 years	8.384	--	8.384	--
2 – 3 years	8.384	--	8.384	--
3 – 4 years	8.384	--	8.384	--
5 years and more	33.532	--	29.756	--
	<b>69.653</b>	--	<b>70.137</b>	--

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

**HES Group (continued)**

**HES V**

The detail of bank loans as at 30 September 2012 is given below:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loans	Euro	Euribor+6,50	2013-2020	114.605	115.147
				<b>114.605</b>	<b>115.147</b>

The loans of HES V companies are secured up to 70 %, against the interest rate fluctuations by the interest swap agreements made. All shares owned by Akfen Holding in Çamlıca and HES V subsidiaries put in pledge to İş Bankası guarantee attorney of Consortium composed of TSKB, İş Bankası, YKB, Denizbank A.Ş. ('Denizbank') and Finansbank reward credit of companies in group HES V as guarantee within the context of project finance and in addition to share pledge the guarantees below have been given:

- Deposit pledge on accounts of the Company,
- Assignment of insurance receivables,
- Assignment of receivables arising from the letter of guarantee,
- Assignment of VAT receivables,
- Assignment of receivables arising from the EPC contract,
- Assignment of Go-risk receivables,
- Assignment of Project incomes
- Commercial enterprise pledge
- Assignment of 1st degree pledge on realestate
- Completion guarantee of Akfen Holding continues as at 30 September 2012.
- Completion guarantee of Akfen Holding will be over after the Company pays two principal and interest payments by its own revenue. There is no guarantee of completion of HES V that lasts during the whole loan period.

There is a cross surety between HES I, HES IV and HES V companies (Beyobası, İdeal and Çamlıca) during the life of the loan. Besides, HES V guarantees all the loans and borrowings undertaken by Çamlıca In order to make shareholders of HES V and Çamlıca reach the desired level of Debt Payment Enability Ratios determined by loan agreements, Akfen Holding will (i) Increase the capital, (ii) make payment of shareholder debt ant time during the loan life.

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

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

	<u>Nominal Value</u>		<u>Carrying Amount</u>	
	<u>30 September 2012</u>	<u>31 December 2011</u>	<u>30 September 2012</u>	<u>31 December 2011</u>
Within 1 year	19.712	--	25.588	--
1 – 2 years	13.556	--	15.095	--
2 – 3 years	13.556	--	13.556	--
3 – 4 years	13.556	--	13.556	--
5 years and more	54.225	--	47.352	--
	<b>114.605</b>	<b>--</b>	<b>115.147</b>	<b>--</b>



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

**Akfen Su**

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loans <sup>(1)</sup>	Euro	Euribor+4,00	2020	14.999	15.007
Secured bank loans	TRY	10,68-11,68	2013	5	6
				<b>15.004</b>	<b>15.013</b>

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loans <sup>(1)</sup>	Euro	Euribor+4,00	2020	15.878	15.629
Secured bank loans	TRY	10,68-11,68	2013	12	12
				<b>15.890</b>	<b>15.641</b>

<sup>(1)</sup> Akfen Su Arbiogaz Dilovası and Akfen Su Güllük signed a loan agreement with Avrupa İmar ve Kalkınma Bankası (“EBRD”) in 2010 October in the amount of EUR 13.500.000 and EUR 2.500.000, respectively. Akfen Su Arbiogaz Dilovası used EUR 10.500.000 (Group share: EUR 5.250.000), of this loan in 2010 December and Akfen Su Güllük used EUR 2.500.000 (Group share: EUR 1.250.000) of this loan in April 2011.

The following guarantees were presented in the use of this loan:

- Pledge of shares of Akfen Su Arbiogaz Dilovası and Akfen Su Güllük,
- Deposit pledge on accounts of the project,
- Assignment of receivables from common loans,
- Assignment of insurance receivables,
- Assignment of Build – Operate – Transfer Agreement signed with Dilovası Directorate of Organizaed Industrial Zone.

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

The repayment schedules of the bank loans are as follows:

	<u>Nominal Value</u>		<u>Carrying Amount</u>	
	<u>30 September 2012</u>	<u>31 December 2011</u>	<u>30 September 2012</u>	<u>31 December 2011</u>
Within 1 year	1.505	786	2.189	1.524
1 – 2 years	1.590	1.639	2.095	2.168
2 – 3 years	1.695	1.747	1.989	2.074
3 – 4 years	1.800	1.842	1.901	1.970
5 years and more	8.414	9.876	6.839	7.905
	<b>15.004</b>	<b>15.890</b>	<b>15.013</b>	<b>15.641</b>

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

**MIP**

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loans <sup>(1)</sup>	USD	Libor+1,0	2013	103.590	104.282
Secured bank loans <sup>(2)</sup>	USD	Libor+2,5	2019	454.529	450.375
				<b>558.119</b>	<b>554.657</b>

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

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

MIP has obtained two bank borrowings namely Senior Debt Loan and Mezzanine Loan amounting to USD 600.000.000 (Group share: USD 300.000.000) and USD 100.000.000, respectively (Group share: USD 50.000.000). As at 30 September 2012 balances of Senior Debt Loan and Mezzanine Loan are USD 509.363.605 (Group's share: USD 254.681.303) and USD 100.000.000 (Group's share: USD 50.000.000), respectively.

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

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

The repayment schedules of the bank loans are as follows:

	<u>Nominal Value</u>		<u>Carrying Amount</u>	
	<u>30 September 2012</u>	<u>31 December 2011</u>	<u>30 September 2012</u>	<u>31 December 2011</u>
Within 1 year	132.725	25.075	134.530	23.791
1 – 2 years	34.184	141.580	34.184	140.056
2 – 3 years	43.183	43.322	43.183	41.844
3 – 4 years	48.216	47.736	48.216	46.355
5 years and more	299.812	344.197	294.546	340.545
	<b>558.120</b>	<b>601.910</b>	<b>554.659</b>	<b>592.591</b>

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

**TAV Yatırım**

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

	<u>Nominal Value</u>		<u>Carrying Amount</u>	
	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
TAV İnşaat	58.122	113.070	59.148	115.028
	<b>58.122</b>	<b>113.070</b>	<b>59.148</b>	<b>115.028</b>

**TAV İnşaat**

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loans <sup>(1)</sup>	USD	Libor+4,07	2012	1.934	1.976
Secured bank loans <sup>(1)</sup>	USD	5,90%	2012	1.934	2.040
Secured bank loans <sup>(1)</sup>	USD	4,25%	2012	3.868	3.928
Secured bank loans <sup>(1)</sup>	USD	4,65%	2013	1.934	1.953
Secured bank loans <sup>(1)</sup>	USD	6,40%	2013	5.806	5.851
Secured bank loans <sup>(1)</sup>	USD	Libor+3,90	2013	3.868	3.947
Secured bank loans <sup>(1)</sup>	USD	Libor+3,65	2013	3.868	3.940
Secured bank loans <sup>(1)</sup>	USD	5,20%	2013	1.934	1.945
Secured bank loans <sup>(1)</sup>	USD	5,45%	2013	1.934	2.062
Secured bank loans <sup>(1)</sup>	USD	5,63%	2013	1.934	2.063
Secured bank loans <sup>(1)</sup>	USD	5,62%	2013	2.901	3.088
Secured bank loans <sup>(1)</sup>	USD	5,90%	2014	3.868	3.886
Secured bank loans <sup>(1)</sup>	USD	5,70%	2014	3.868	3.894
Secured bank loans <sup>(1)</sup>	Euro	Euribor+3,25	2013	3.252	3.326
Secured bank loans <sup>(1)</sup>	Euro	6,05	2013	2.502	2.533
Secured bank loans <sup>(2)</sup>	OMR	4,85	2012	1.017	1.082
Secured bank loans <sup>(2)</sup>	OMR	4,85	2012	3.052	3.033
Secured bank loans <sup>(2)</sup>	OMR	4,85	2012	2.035	2.022
Secured bank loans <sup>(2)</sup>	OMR	4,85	2012	2.543	2.528
Secured bank loans <sup>(2)</sup>	OMR	4,85	2012	1.526	1.517
Secured bank loans <sup>(2)</sup>	OMR	4,85	2012	2.543	2.534
				<b>58.121</b>	<b>59.148</b>

<sup>(1)</sup> The surety of TAV Yatırım Holding

<sup>(2)</sup> These loans were used by TAV Dubai, a branch of TAV İnşaat, by the surety of TAV İnşaat.

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

**TAV Yatırım (continued)**

**TAV İnşaat (continued)**

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

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

<sup>(1)</sup> The surety of TAV Yatırım Holding.

<sup>(2)</sup> The sureties of Akfen Holding, Tepe and TAV Yatırım.

The repayment schedules of the bank loans are as follows:

	<u>Nominal Value</u>		<u>Carrying Amount</u>	
	<u>30 September 2012</u>	<u>31 December 2011</u>	<u>30 September 2012</u>	<u>31 December 2011</u>
Within 1 year	50.385	67.007	51.411	68.966
1 – 2 years	7.737	46.063	7.737	46.062
2 – 3 years	--	--	--	--
3 – 4 years	--	--	--	--
5 years and more	--	--	--	--
	<b>58.122</b>	<b>113.070</b>	<b>59.148</b>	<b>115.028</b>

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

**TAV Havalimanları**

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

	<u>Nominal Value</u>		<u>Carrying Amount</u>	
	<u>30 September 2012</u>	<u>31 December 2011</u>	<u>30 September 2012</u>	<u>31 December 2011</u>
TAV Holding	38.517	63.137	39.295	63.821
TAV İstanbul	64.251	241.329	63.302	240.630
TAV Esenboğa	22.982	80.234	22.748	78.678
TAV İzmir	--	26.394	--	26.665
TAV Gazipaşa	3.177	10.588	3.331	10.850
TAV Tunisia	69.043	237.565	68.949	234.842
TAV Tbilisi	3.602	13.992	3.720	14.146
TAV Macedonia	13.120	44.681	12.730	42.485
HAVAŞ	14.125	49.366	14.055	49.466
ATÜ. Turizm İşletmeciliği A.Ş. ("ATÜ")	3.723	15.266	3.753	15.412
TIBAH Development	10.366	--	10.375	--
Other	273	1.322	280	1.327
	<b>243.179</b>	<b>783.874</b>	<b>242.538</b>	<b>778.322</b>

**TAV Holding**

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Unsecured bank loans	Euro	4,25 - 7,10	2012-2014	38.517	39.295
				<b>38.517</b>	<b>39.295</b>

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

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

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

**TAV Havalimanları (continued)**

**TAV İstanbul**

The detail of bank loan of TAV İstanbul as at 30 September 2012 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loan(*)	Euro	Euribor + 2,50	2018	64.251	63.302
				<b>64.251</b>	<b>63.302</b>

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

The detail of bank loan of TAV İstanbul as at 31 December 2011 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loan(*)	Euro	Euribor + 2,50	2018	241.329	240.630
				<b>241.329</b>	<b>240.630</b>

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

**TAV Esenboğa**

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loan	Euro	Euribor + 2,35	2021	22.982	22.748
				<b>22.982</b>	<b>22.748</b>

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loan	Euro	Euribor + 2,35	2021	80.234	78.678
				<b>80.234</b>	<b>78.678</b>

**TAV İzmir**

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

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loan	Euro	Euribor + 3,00	2013	26.394	26.665
				<b>26.394</b>	<b>26.665</b>

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

**TAV Havalimanları (continued)**

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

a) Share pledge: TAV İstanbul, TAV İzmir and TAV Esenboğa have pledges over shares amounting to TL 180.000 (Group's share: TL 14.615), TL 150.000 (Group's share: TL 19.620), and TL 241.650 (Group's share: TL 19.620), respectively (31 December 2011 Group's shares: TL 47.015, TL 63.117, and TL 39.179, respectively). In case of an event of default, the banks have the right to take control of the shares. Upon the occurrence of any event of default, the banks can demand the sale of shares by way of public auction in accordance with the applicable provisions of the Bankruptcy and Execution Law of the Republic of Turkey or by way of private auction among the nominees. Share pledges will expire after bank loans are paid or on the dates of maturity.

b) Receivable pledge: In case of an event of default, the banks have the right to take control of the receivables of project companies in order to perform its obligations under the loan documents. Immediately upon the occurrence of default, and all payments relating to assigned receivables shall be made to the banks which shall be entitled to collect the assigned receivables and exercise all rights with respect to assigned receivables.

Pledges amounting to TL 92.633 (Group share: TL 7.521) and TL 10.699 (Group share: TL 869) are imposed on the receivables of TAV İstanbul and TAV Esenboğa, respectively (31 December, 2011: TL 65.006 (Group share: TL 5.267), TL 2.750 (Group share: TL 223) and TL 7.840 (Group share: TL 636) are imposed on the receivables of TAV İstanbul, TAV İzmir and TAV Esenboğa, respectively).

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

Pledges amounting to TL 499.619 (Group share: TL 40.564) and TL 66.557 (Group share: TL 5.404) are imposed on the bank accounts of TAV İstanbul and TAV Esenboğa, respectively (31 December, 2011: TL 641.516 (Group share: TL 167.564), TL 94.202 (Group share: TL 24.606) and TL 48.279 (Group share: TL 12.610) are imposed on the bank accounts of TAV İstanbul, TAV İzmir and TAV Esenboğa, respectively).

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

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

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

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

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

**TAV Havalimanları (continued)**

**TAV Gazipaşa**

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loans	Euro	5,30 - 6,00	2013	1.959	1.984
Secured bank loan	TRY	11,00	2012	1.218	1.347
				<b>3.177</b>	<b>3.331</b>

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loan	Euro	5,40 - 6,75	2012	6.670	6.861
Secured bank loan	TRY	11,00	2012	3.918	3.989
				<b>10.588</b>	<b>10.850</b>

**TAV Tunisia**

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loan	Euro	Euribor + 1,90	2022	19.742	19.699
Secured bank loan	Euro	Euribor + 2,28	2028	30.855	30.821
Secured bank loan	Euro	Euribor + 1,54	2028	12.832	12.785
Secured bank loan	Euro	Euribor + 4,75	2028	5.614	5.644
				<b>69.043</b>	<b>68.949</b>

**Pledges regarding the project bank loan of TAV Tunisia:**

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

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



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**7 LOANS AND BORROWINGS (continued)**

**TAV Havalimanları (continued)**

**TAV Tunisia (continued)**

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

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

**TAV Tbilisi**

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loan	USD	Libor + 4,50	2015	3.602	3.720
				<b>3.602</b>	<b>3.720</b>

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loan	USD	Libor + 4,50	2015	13.992	14.146
				<b>13.992</b>	<b>14.146</b>

Pledges regarding the project loans of TAV Tbilisi:

- Share pledge: to take control of 75 percent plus one share of the charter capital of TAV Tbilisi,
- Revenue pledge: to take control of the revenues derived from Tbilisi International Airport operations as stipulated in the BOT Agreement,
- Pledge over bank accounts: to take control of TAV Tbilisi's bank accounts in JSC Bank of Georgia, JSC Bank Republic and JSC TBC Bank and be entitled to set-off and apply the whole or any part of the cash standing to the credit of the accounts and any interests, proceeds and other income that may accrue or arise from the accounts,
- Pledge over insurance proceeds: to receive all insurance compensation and any other amounts payable under the insurance policies of TAV Tbilisi,
- Pledge over BOT rights to control all interests and benefits of TAV Tbilisi pursuant to the BOT Agreement,
- Pledge over rights under the construction guarantees: to control all right, title and interest under each construction guarantee,

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**7 LOANS AND BORROWINGS (continued)**

**TAV Havalimanları (continued)**

**TAV Tiflis (continued)**

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

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

- a) to pay to EBRD and IFC on demand, and in the currency in which the same falls due for payment by TAV Tbilisi, all monies and liabilities which shall have been advanced to, become due, owing or incurred by TAV Tbilisi to or in favor of EBRD and IFC;
- b) to indemnify EBRD and IFC in full on demand against all losses, costs and expenses suffered or incurred by EBRD and IFC arising from or in connection with any one or more of the purported liabilities or obligations of TAV Tbilisi to EBRD and IFC under the loan and related agreements.

**TAV Macedonia**

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loan	Euro	Euribor + 5,50	2020	13.120	12.730
				<b>13.120</b>	<b>12.730</b>

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loan	Euro	Euribor + 5,50	2020	44.681	42.485
				<b>44.681</b>	<b>42.485</b>

Pledges regarding the project bank loan of TAV Macedonia:

TAV Macedonia has granted share pledge in favor of the lenders. In addition, receivables of TAV Macedonia amounting to TL 6.039 (Group share: TL 490) (31 December 2011: TL 3.632 (Group share: TL 871)) have been pledged and all the commercial contracts and insurance policies have been assigned to the lenders.

**HAVAŞ**

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loan	Euro	5,75-6,40	2012-2013	1.125	1.137
Secured bank loan	Euro	Euribor + 5,75	2017	3.250	3.279
Secured bank loan	Euro	Euribor + 4,75	2018	9.750	9.639
				<b>14.125</b>	<b>14.055</b>

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loan	Euro	Euribor + 5,75	2017	11.068	10.968
Secured bank loan	Euro	Euribor + 4,75	2018	38.298	38.498
				<b>49.366</b>	<b>49.466</b>

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**7 LOANS AND BORROWINGS (continued)**

**TAV Havalimanları (continued)**

**HAVAŞ (continued)**

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

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

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

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

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

- First degree and first ranking pledge was established on 50% of the shares in TGS,
- Time and demand deposit amounting to TL 6.062 (Group's share: TL 492) is blocked as a guarantee,
- TAV Havalimanları was provided surety for the total outstanding loan amount,
- Dividend receivables arising from subsidiaries and jointly controlled entities are assigned to repayment of the outstanding loan,
- Pledge has been registered with first priority against but not limited to business entity and entity name registered in trade register, machinery and equipment, furnitures and fixtures and vehicles of HAVAŞ,
- First ranking pledge was established on the shares of HAVAŞ.

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

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

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**7 LOANS AND BORROWINGS (continued)**

**TAV Havalimanları (continued)**

**ATÜ**

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loan	Euro	4,80 - 6,00	2012- 2018	2.324	2.349
Secured bank loan	Euro	Euribor+2,70	2015	1.381	1.386
Secured bank loan	Tunisian Dinar	5,65	2013	18	18
				<b>3.723</b>	<b>3.753</b>

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

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

**TIBAH Development**

The breakdown of bank loans of Tibah Development as at 30 September 2012 is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loan	SAR	Saibor +0,87	2015	10.104	10.113
Secured bank loan	SAR	Saibor +1,25	2017	262	262
				<b>10.366</b>	<b>10.375</b>

**Pledges regarding the project bank loan of Tibah Development:**

- a) Receivable pledge: Upon sending a notification of an unremedied Event of Default, the banks have the right to take control of the receivables of Tibah Development in order to perform its obligations under the loan documents. Immediately upon the occurrence of default, and all payments relating to assigned receivables shall be made to the banks which shall be entitled to collect the assigned receivables and exercise all rights with respect to assigned receivables.  
Tibah Development has pledged its receivables amounting to TL 13.881 (Group's share: TL 1.086) as at 30 September 2012.
- b) Pledge over bank accounts: Upon sending a notification of an unremedied Event of Default, the banks have the right to control the bank accounts of Tibah Development in order to perform its obligations under the loan documents. Upon the occurrence of event of default Tibah Development shall be entitled to set-off and apply the whole or any part of the cash standing to the credit of the accounts and any interests, proceeds and other income that may accrue or arise from the accounts.  
Tibah Development has pledge over bank accounts amounting to TL 106,498 (Group's share: TL 8.647) as at 30 September 2012.
- c) Assignment of contracts: Upon sending a notification of an unremedied Event of Default, the lenders have the right to step-in and exercise the relevant rights under the assigned contracts (assigned contracts are including but not limited to BTO Agreement, Construction Contract, Guarantee Agreements etc.)

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**7 LOANS AND BORROWINGS (continued)**

**TAV Havalimanları (continued)**

The repayment schedules of the bank loans are as follows:

	<u>Nominal Value</u>		<u>Carrying Amount</u>	
	<u>30 September</u> <u>2012</u>	<u>31 December</u> <u>2011</u>	<u>30 September</u> <u>2012</u>	<u>31 December</u> <u>2011</u>
Within 1 year	26.329	127.031	34.306	126.995
1 – 2 years	49.743	100.743	53.179	115.791
2 – 3 years	21.241	67.573	33.777	80.686
3 – 4 years	22.503	74.788	23.653	80.987
5 years and more	123.363	413.739	97.623	373.863
	<b>243.179</b>	<b>783.874</b>	<b>242.538</b>	<b>778.322</b>

**İDO**

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Nominal value</u>	<u>Carrying amount</u>
Secured bank loans <sup>(1)</sup>	USD	Libor+0,22	2014	7.719	7.722
Secured bank loans <sup>(1)</sup>	USD	Libor+0,13	2017	17.585	17.612
Secured bank loans <sup>(2)</sup>	USD	Libor+8	2018	26.771	27.367
Secured bank loans <sup>(2)</sup>	USD	Libor+4,9	2023	342.663	340.455
				<b>394.738</b>	<b>393.156</b>

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

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

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

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**7 LOANS AND BORROWINGS (continued)**

**İDO (continued)**

<sup>(1)</sup> It is bought against the guarantee of the Istanbul Metropolitan Municipality. In consideration of such guarantee, a guarantee letter of USD 108.000.000 is submitted by TASS to the Istanbul Metropolitan Municipality.

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

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

<sup>(3)</sup> Total amount of the liens delivered to the banks and relevant suppliers over tangible property, plant and equipment is USD 114.480.618 as at 31 December 2011 (Group share: USD 34.344.185). The related bank loan was closed and loan pledges were released as at 30 September 2012.

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

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**7 LOANS AND BORROWINGS (continued)**

**İDO (continued)**

The repayment schedules of the bank loans are as follows:

	<b><u>Nominal Value</u></b>		<b><u>Carrying Amount</u></b>	
	<b><u>30 September</u></b> <b><u>2012</u></b>	<b><u>31 December</u></b> <b><u>2011</u></b>	<b><u>30 September</u></b> <b><u>2012</u></b>	<b><u>31 December</u></b> <b><u>2011</u></b>
Within 1 year	34.147	32.878	39.631	33.010
1 – 2 years	42.178	41.808	42.178	41.549
2 – 3 years	43.673	47.474	43.673	47.032
3 – 4 years	38.319	49.056	38.319	48.408
5 years and more	236.421	262.448	229.355	256.239
	<b>394.738</b>	<b>433.664</b>	<b>393.156</b>	<b>426.238</b>

**Finance lease liabilities**

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

	<b><u>30 September 2012</u></b>			<b><u>31 December 2011</u></b>		
	<b><u>Future minimum lease payments</u></b>	<b><u>Interest</u></b>	<b><u>Present value of minimum lease payments</u></b>	<b><u>Future minimum lease payments</u></b>	<b><u>Interest</u></b>	<b><u>Present value of minimum lease payments</u></b>
Within 1 year	1.542	307	1.791	5.126	719	4.407
1 - 5 years	2.733	819	3.457	9.531	1.833	7.698
5 years or more	1.460	128	1.587	4.272	380	3.892
	<b>5.735</b>	<b>1.254</b>	<b>6.835</b>	<b>18.929</b>	<b>2.932</b>	<b>15.997</b>

As at 30 September 2012, the finance lease liabilities are consisted of lease of fixtures and equipment by the TAV Havalimanları (TL 936), İDO (TL 226) and Akfen Su (TL 232) as well as lease of two aircrafts by TAV Yatırım (TL 5.440).

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**8 DERIVATIVE FINANCIAL INSTRUMENTS**

**Short term derivative financial instruments**

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

	<b>30 September 2012</b>		
	<b>Assets</b>	<b>Liabilities</b>	<b>Net Amount</b>
Interest rate swap	--	(34.789)	(34.789)
Cross currency swap	757	(2.169)	(1.412)
	<b>757</b>	<b>(36.958)</b>	<b>(36.201)</b>
	<b>31 December 2011</b>		
	<b>Assets</b>	<b>Liabilities</b>	<b>Net Amount</b>
Interest rate swap	--	(80.896)	(80.896)
Cross currency swap	2.685	--	2.685
	<b>2.685</b>	<b>(80.896)</b>	<b>(78.211)</b>

***Interest rate swap***

TAV Esenboğa uses interest rate derivatives to manage its exposure to interest rate fluctuations on its bank borrowings. As at 30 September 2012, 100% of project finance loan is hedged through Interest Rate Swap (“IRS”) contract during the life of the loan with an amortizing schedule depending on repayment of the loan (31 December 2011: 100%).

TAV Tunisia uses interest rate derivatives to manage its exposure to interest rate fluctuations on its bank borrowings. As at 30 September 2012, 85% of floating senior bank loan is hedged through IRS contract during the life of the loan with an amortizing schedule depending on repayment of the loan (31 December 2011: 85%).

TAV Istanbul uses interest rate derivatives to manage its exposure to interest rate fluctuations on its bank borrowings. As at 30 September 2012, 100% of project finance loan is hedged through IRS contract during the life of the loan with an amortizing schedule depending on repayment of the loan (31 December 2011: 100%).

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

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

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



**Akfen Holding Anonim Şirketi**  
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**8 DERIVATIVE FINANCIAL INSTRUMENTS (continued)**

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

İDO uses interest derivative instruments in order to secure the interest liabilities caused from bank loans against floating interest rate risk. As at 30 September 2012, % 75 of loan is hedged through Interest Rate Swap (“IRS”) contract during the life of the loan with an amortizing schedule depending on repayment of the loan.

***Cross currency swap***

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

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

The fair value of derivatives at 30 September 2012 is estimated at 27.618 TL (31 December 2011: TL 78.211). This amount is based on market values of equivalent instruments at the reporting date. Since the Group applied hedge accounting as at 30 September 2012 changes in the fair value of these interest rate derivatives and cross currency swaps were reflected to other comprehensive income amounting to TL 3.243 (31 December 2011: TL 6.281) net of tax.

The fair value of cross currency swap contracts which signed by İDO is TL 8.583. This amount is based on market values of equivalent instruments at the reporting date.

**Long term derivative financial instruments**

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

	<b>30 September 2012</b>		
	<b>Assets</b>	<b>Liabilities</b>	<b>Net Amount</b>
Interest rate swap	--	(90.925)	(90.925)
	<b>--</b>	<b>(90.925)</b>	<b>(90.925)</b>
	<b>31 December 2011</b>		
	<b>Assets</b>	<b>Liabilities</b>	<b>Net Amount</b>
Interest rate swap	--	(86.649)	(86.649)
	<b>--</b>	<b>(86.649)</b>	<b>(86.649)</b>

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

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**8 DERIVATIVE FINANCIAL INSTRUMENTS (continued)**

**Interest rate swap**

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

HES I-IV-V group companies (Beyobası, İdeal, Çamlıca) use interest rate swap to manage its exposure to Euribor interest rate movements of its bank debts. Mentioned loans are under protection against interest rate risk with interest rate swap during its use life with the rates of 76%, 75% and 70%, respectively. (31 December 2011: 73%).

**9 TRADE RECEIVABLES AND PAYABLES**

**Short term trade receivables**

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

	<b><u>30 September 2012</u></b>	<b><u>31 December 2011</u></b>
Due from related parties - trade (Note 29)	1.888	6.000
Other trade receivables	149.601	300.603
	<b><u>151.489</u></b>	<b><u>306.603</u></b>

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

	<b><u>30 September 2012</u></b>	<b><u>31 December 2011</u></b>
Due from customers for contract work (Note 13)	70.722	117.695
Trade receivables	55.435	69.127
Receivables from contractors (Note 13)	15.174	14.798
Contract receivables	11.098	98.866
Guaranteed passenger fee receivable from DHMİ	3.038	12.454
Notes receivables	209	937
Allowance for doubtful receivables (-)	(6.075)	(13.274)
	<b><u>149.601</u></b>	<b><u>300.603</u></b>

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

	<b><u>30 September 2012</u></b>	<b><u>31 December 2011</u></b>
TAV Havalimanları	19.962	40.278
Akfen İnşaat	7.732	7.724
MIP	7.402	7.663
IDO	6.111	3.311
Akfen GYO	5.593	4.572
HES I-IV-V	4.672	3.164
Other	3.963	2.415
	<b><u>55.435</u></b>	<b><u>69.127</u></b>

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

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**9 TRADE RECEIVABLES AND PAYABLES (continued)**

**Short term trade receivables (continued)**

The guaranteed passenger fee receivable represents the remaining discounted guaranteed passenger fee to be received from DHMİ according to the agreements made for the operations of Ankara Esenboğa Airport and İzmir Adnan Menderes Airport as a result of IFRIC 12 application. As at 30 September 2012, the receivable amount from Ankara Esenboğa Airport is TL 1.388 ( 31 December 2011: TL 6.001) and the receivable amount from İzmir Adnan Menderes Airport is TL 1.650 (31 December 2011: TL 6.453).

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

As at 30 September 2012 TL 23.400 (31 December 2011: TL 37.074) represents overdue amount of trade receivables in which any allowance has not been booked. The aging of accounts receivables is as follows:

	<b><u>30 September 2012</u></b>	<b><u>31 December 2011</u></b>
1-30 days overdue	6.329	3.610
1-3 months overdue	1.810	4.463
3-12 months overdue	8.711	28.485
1-5 years overdue	11.767	12.842
Overdue more than 5 years	858	948
	<b>29.475</b>	<b>50.348</b>
Impairment	(6.075)	(13.274)
<b>Credit risk</b>	<b>23.400</b>	<b>37.074</b>

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

	<b><u>30 September 2012</u></b>	<b><u>31 December 2011</u></b>
Opening balance	(13.274)	(5.801)
Effect of change in group structure	7.277	--
Currency translation effect	108	(843)
Allowance during the year	(255)	(10.264)
Reversals	69	--
Business combinations effect	--	(32)
Collections	--	3.666
<b>Closing balance</b>	<b>(6.075)</b>	<b>(13.274)</b>

**Long term trade receivables**

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

	<b><u>30 September 2012</u></b>	<b><u>31 December 2011</u></b>
Due from related parties-trade (Note 29)	2.629	5.510
Other trade receivables	68.937	159.598
	<b>71.566</b>	<b>165.108</b>

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**9 TRADE RECEIVABLES AND PAYABLES (continued)**

**Long term trade receivables (continued)**

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

	<b><u>30 September 2012</u></b>	<b><u>31 December 2011</u></b>
Retention receivables from contractors (Note 13)	27.875	60.778
Receivables from Organized Industrial Zone	15.462	16.804
Guaranteed passenger fee receivable from DHMİ	15.082	60.191
Due from customers for contract work (Note 13)	6.320	13.116
Other trade receivables	4.198	8.709
	<b><u>68.937</u></b>	<b><u>159.598</u></b>

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

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

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

**Short term trade payables**

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

	<b><u>30 September 2012</u></b>	<b><u>31 December 2011</u></b>
Due to related parties- trade (Note 29)	18.493	25.125
Other trade payables	75.809	184.822
	<b><u>94.302</u></b>	<b><u>209.947</u></b>

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

	<b><u>30 September 2012</u></b>	<b><u>31 December 2011</u></b>
Trade payables	56.961	164.844
Notes payable	13.245	8.382
Retentions held by the Group	5.603	8.538
Due to customers for contract work (Note 13)	--	3.058
	<b><u>75.809</u></b>	<b><u>184.822</u></b>

As at 30 September 2012 TL 10.903 of trade payables consist of payables to subcontractors of TAV İnşaat (31 December 2011: TL 95.177). The currency and liquidity risk of the Group related with trade payables is explained in Note 30.

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**9 TRADE RECEIVABLES AND PAYABLES (continued)**

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

	<b><u>30 September 2012</u></b>	<b><u>31 December 2011</u></b>
HES Group	16.910	15.415
TAV Yatırım	10.908	95.177
MIP	8.354	9.386
İDO	8.033	3.173
TAV Havalimanları	7.632	25.134
Akfen GYO	2.263	2.711
Akfen İnşaat	1.414	11.677
Akfen Holding	1.042	993
Other	405	1.178
	<b><u>56.961</u></b>	<b><u>164.844</u></b>

**Long term trade payables**

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

	<b><u>30 September 2012</u></b>	<b><u>31 December 2011</u></b>
Due to related parties-trade (Note 29)	647	1.083
Other trade payables	17.656	36.780
	<b><u>18.303</u></b>	<b><u>37.863</u></b>

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

	<b><u>30 September 2012</u></b>	<b><u>31 December 2011</u></b>
Retentions held by the Group	17.656	36.706
Other trade payables	--	74
	<b><u>17.656</u></b>	<b><u>36.780</u></b>

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

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

	<b><u>30 September 2012</u></b>	<b><u>31 December 2011</u></b>
0 - 3 months	64.014	161.901
3 months - 1 year	11.795	22.921
1 year and more	17.656	36.780
	<b><u>93.465</u></b>	<b><u>221.602</u></b>

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**10 OTHER RECEIVABLES AND PAYABLES**

**Other short term receivables**

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

	<u>30 September 2012</u>	<u>31 December 2011</u>
Due from related parties-non trade (Note 29)	9.941	11.666
Provision for due from related parties-non trade (Note29)	--	(6.598)
Other non-trade receivables	14.162	11.460
	<b>24.103</b>	<b>16.528</b>

As at 30 September 2012, TL 6.625 of short term non-trade receivables consists of capital receivables of Akfen GYO (31 December 2011: TL 5.851) and TL 5.730 of short term non-trade receivables consists of various receivables of Akfen İnşaat from tax offices (31 December 2011: TL 2.808).

**Other long term receivables**

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

	<u>30 September 2012</u>	<u>31 December 2011</u>
Due from related parties-non trade (Note 29)	39.160	39.225
Other long term non-trade receivables	1.175	1.556
	<b>40.335</b>	<b>40.781</b>

As at 30 September 2012 other long term non-trade receivables includes deposit and securities TL 601 (31 December 2011: 1.556 TL).

**Other short term payables**

As at 30 September 2012 and 31 December 2011 other short term payables are as follows:

	<u>30 September 2012</u>	<u>31 December 2011</u>
Due to related parties-non trade (Note 29)	16.197	15.564
Other non-trade payables	85.065	150.466
	<b>101.262</b>	<b>166.030</b>

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

	<u>30 September 2012</u>	<u>31 December 2011</u>
Advances received	42.294	94.637
Deposits and guarantees received	14.093	10.832
Taxes and duties payable	12.589	21.595
Corporate tax payable	7.497	12.441
Payables to personnel	4.802	8.208
Concession payable	1.102	1.271
Others	2.688	1.482
	<b>85.065</b>	<b>150.466</b>

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**10 OTHER RECEIVABLES AND PAYABLES (continued)**

**Other short term payables (continued)**

As at 30 September 2012, TL 28.757 of the advances received are the advance amounts received from the contractors pursuant to the contracts related to the construction projects of TAV Yatırım (31 December 2011: TL 85.918).

As at 30 June 2012, the deposits and guarantees received consist of the deposits and guarantees received for the energy projects and hotel projects in the amounts of TL 12.704 and TL 924 respectively (31 December 2011: TL 9.946 and TL 669).

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

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

**Long term other payables**

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

	<b><u>30 September 2012</u></b>	<b><u>31 December 2011</u></b>
Due to related parties- non trade (Note 29)	12.088	9.002
Other non- trade payables	53.984	43.832
	<b><u>66.072</u></b>	<b><u>52.834</u></b>

As at 30 September 2012, TL 32.480 of the other non-trade payables mainly consists of payables to Directorate of Privatization Administration (31 December 2011: 0) and TL 10.903 of payables consists of advances received from contractors for construction projects (31 December 2011: TL 24.395).

**11 RESTRICTED CASH**

As at 30 June 2012 short term restricted cash is comprised of the time deposits of Akfen Holding and HAVAŞ which are pledged for bank loans and details are as follows:

	<b><u>30 September 2012</u></b>	<b><u>31 December 2011</u></b>
Akfen Holding	133.853	141.668
Havaş	492	9.040
	<b><u>134.345</u></b>	<b><u>150.708</u></b>

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**12 INVENTORIES**

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

	<b><u>30 September 2012</u></b>	<b><u>31 December 2011</u></b>
Spare parts	6.103	8.946
Raw material and supplies	4.052	6.864
Tax free shop inventory	2.411	6.906
Trading properties	1.264	--
Other inventories	3.229	3.449
	<b><u>17.059</u></b>	<b><u>26.165</u></b>

As at 30 September 2012 , TL 1.413 of the spare parts is the inventory of TAV Havalimanları (31 December 2011: TL 3.951) and TL 4.690 of the spare parts is the inventory of IDO (31 December 2011: TL 4.995 ), and the tax-free shop inventory is the inventory of TAV Havalimanları and the raw material and supplies are the inventories of TAV Yatırım. All trading properties balance consists of the inventory of TAV Yatırım.

**13 DUE FROM / DUE TO CUSTOMERS FOR CONTRACT WORK**

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

	<b><u>30 September</u></b>	<b><u>31 December</u></b>
	<b><u>2012</u></b>	<b><u>2011</u></b>
Total costs incurred on uncompleted contracts	924.631	1.732.736
Estimated earnings/(costs)	50.353	91.291
Total estimated revenue on uncompleted contracts	974.984	1.824.027
Less: Billings to date	(897.941)	(1.696.274)
<b>Net amounts due from customers for contract work</b>	<b><u>77.043</u></b>	<b><u>127.753</u></b>

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

	<b><u>30 September</u></b>	<b><u>31 December</u></b>
	<b><u>2012</u></b>	<b><u>2011</u></b>
Due from customers for contract work (Note 9)	77.043	130.811
Due to customers for contract work (Note 9)	--	(3.058)
	<b><u>77.043</u></b>	<b><u>127.753</u></b>

The amount of the retentions held by contractors is TL 43.049 TL as at 30 September 2012 and shown in the other short and long term trade receivables (31 December 2011: TL 75.576) (Note 9).



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

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

	<b><u>30 September 2012</u></b>	<b><u>31 December 2011</u></b>
<i>Receivables from ongoing construction contracts</i>		
Construction projects abroad	68.196	129.478
Domestic construction projects	8.847	1.333
	<b>77.043</b>	<b>130.811</b>
<i>Liabilities of ongoing construction contracts</i>		
Construction projects abroad	--	2.134
Domestic construction projects	--	924
	--	<b>3.058</b>

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

	<b><u>30 September 2012</u></b>	<b><u>31 December 2011</u></b>
Muscat	43.370	57.929
Doha	18.691	57.632
Turkey	8.847	1.333
Libya	5.678	11.783
Other	457	2.134
	<b>77.043</b>	<b>130.811</b>

As at 30 September 2012 the amount of the advance received by the Group for the construction projects is TL 39.761 and shown in the short and long term other non-trade liabilities items (31 December 2011: TL 110.313).

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**14 INVESTMENT PROPERTIES**

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

	<u><b>30 September 2012</b></u>	<u><b>31 December 2011</b></u>
Net book value opening balance	1.080.092	658.758
Additions	27.551	75.447
Effect of change in group structure	(4.638)	--
Currency translation effect	(5.459)	--
Disposals	(15.043)	--
Change in fair value	--	282.139
Effect of business combination	--	63.748
<b>Net book value closing balance</b>	<u><b>1.082.503</b></u>	<u><b>1.080.092</b></u>

**Additions**

As at 30 September 2012, TL 27.203 of additions are arising from additions of Akfen GYO (31 December 2011: TL 65.549), additionally as at 30 September 2012 there exists an investment property addition of TAV İnşaat amounting to TL 348 (31 December 2011: TL 9.898).

**Effect of change in group structure**

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

**Disposals**

The land amounting TL 15.043, which belongs to Akfen İnşaat was transferred to Renkyol during the purchase of 25,96 % of Akfen GYT-Renkyol Ordinary Partnership's total shares. As at 30 September 2012, all disposals come from that transfer.

**Mortgages**

As at 30 September 2012, mortgages on investment property amount to TL 511.910 (31 December 2011: TL 541.913).

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**15 PROPERTY, PLANT AND EQUIPMENT**

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

	Land and buildings	Machinery, facility and equipment	Vessels	Vehicles	Furniture and fixtures	Other tangible fixed assets	Construction in progress	Leasehold improvements	Total
<b>Cost</b>									
Balance at 1 January 2012	59.452	477.134	154.980	46.783	36.013	62	204.258	93.068	1.071.750
Changes in ownership rate of jointly controlled entities (*)	(4.291)	(46.504)	--	(24.141)	(13.229)	--	(2.071)	(60.787)	(151.023)
Additions (**)	160	43.488	629	7.452	5.466	--	172.149	2.554	231.898
Transfers	8.130	7.532	--	--	65	--	(18.786)	189	(2.870)
Translation difference	481	(6.289)	--	(2.596)	(1.528)	--	14	(3.815)	(13.733)
Disposals	(213)	(936)	--	(1.565)	(503)	--	(1.442)	(8)	(4.667)
Balance at 30 September 2012	63.719	474.425	155.609	25.933	26.284	62	354.122	31.201	1.131.355
<b>Less: Accumulated depreciation</b>									
Balance at 1 January 2012	(922)	(61.299)	(3.247)	(21.870)	(25.261)	(62)	--	(21.058)	(133.719)
Provision for impairment of tangible fixed assets	--	--	--	(430)	--	--	--	--	(430)
Depreciation charge for the period	(1.297)	(13.903)	(4.920)	(2.316)	(2.392)	--	--	(5.593)	(30.421)
Translation difference	11	2.684	--	820	704	--	--	1.139	5.358
Changes in ownership rate of jointly controlled entities	70	28.409	--	11.840	8.510	--	--	15.479	64.308
Disposals	9	487	--	1.398	269	--	--	2	2.165
Balance at 30 September 2012	(2.129)	(43.622)	(8.167)	(10.558)	(18.170)	(62)	--	(10.031)	(92.739)
<b>Net book value</b>									
Net book value as at 31 December 2011	58.530	415.835	151.733	24.913	10.752	--	204.258	72.010	938.031
Net book value as at 30 September 2012	61.591	430.781	147.443	15.374	8.114	--	354.685	20.627	1.038.616

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

(\*\*)As at 30 September 2012, 56% of total additions amounting to TL 129.284 is resulted from construction in progress additions related with HES Projects and 18% of total additions amounting TL 40.600 is resulted from purchase of land related with Mersin natural gas cycle plant.

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**15 PROPERTY, PLANT AND EQUIPMENT (continued)**

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

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

(\*) The tangible fixed assets acquired as a result of acquisition of IDO.

(\*\*) TL 213.813 corresponds to 82.26% of the additions is made for the investments in the scope of HES projects as at 31 December 2011.

(\*\*\*) TL 413.831 corresponds to 96.38% of the transfers is the capitalization of the investments made in the scope of HES I projects as at 31 December 2011.

(\*\*\*\*) TL 87.264 of the leasehold improvements consists of the balance of TAV Havalimanları as at 31 December 2011.

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**16 INTANGIBLE FIXED ASSETS**

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

	Development costs	Licenses	Usufruct right of Ambarlı Port(**)	Usufruct right of Terminals (**)	Rental agreement for vessels	Other tangible assets	Customer relations	Water service operation right	Port operation right	Airport operation right	Total
<b>Cost</b>											
<b>Balance at 1 January 2011</b>	3.032	78.140	--	--	--	1.738	17.847	6.105	601.524	447.609	1.155.995
Effect of change in group structure	--	1.243	--	--	--	--	--	(17)	--	--	1.226
Additions	--	1.623	--	--	--	86	--	154	4.456	40.607	46.926
Transfers	(2.873)	2.873	--	--	--	--	--	--	--	--	--
Transfers from tangible fixed assets	--	261	--	--	--	--	--	--	--	--	261
Translation difference	--	2.399	--	--	--	397	3.438	--	133.418	90.885	230.537
Effect of business combination (***)	--	1.038	20.990	223.433	39.554	--	--	--	--	--	285.015
Disposals	--	(2.112)	--	--	--	--	--	--	--	--	(2.112)
<b>Balance at 31 December 2011</b>	159	85.465	20.990	223.433	39.554	2.221	21.285	6.242	739.398	579.101	1.717.848
<b>Balance at 1 January 2012</b>	159	85.465	20.990	223.433	39.554	2.221	21.285	6.242	739.398	579.101	1.717.848
Change in ownership rate of jointly controlled entities (*)	--	(12.063)	--	--	--	(190)	(14.179)	--	--	(385.549)	(411.981)
Effect of business combination(****)	--	5.324	--	--	--	106.932	--	--	--	--	112.256
Additions	--	1.338	--	--	--	227	--	309	3.461	7.921	13.256
Transfers from tangible fixed assets	--	392	--	--	--	--	--	--	--	--	392
Translation difference(****)	--	(859)	--	--	--	--	(876)	--	(40.804)	(24.472)	(67.011)
Disposals	--	--	--	--	--	--	--	--	--	(148)	(148)
<b>Balance at 30 September 2012</b>	159	79.597	20.990	223.433	39.554	109.190	6.230	6.551	702.055	176.853	1.364.612

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

(\*\*)The usufruct rights of Ambarlı Port and terminals, lines and vessels of IBB.

(\*\*\*)The effect of intangible assets acquired as a result of IDO acquisition.

(\*\*\*\*)Effect of business combinations on licenses comes from the effect of acquisition of HHK and Kurtal on intangible assets. Effect of business combinations on other intangible assets comes from the purchase of shares of Akfen GYT-Renkyol Ordinary Partnership since the excess payment compared to Company's net asset value was related with purchased company's construction project rights and accounted as other intangible asset.

(\*\*\*\*\*)Translation difference is arising from change in foreign exchange rates compared to 31 December 2011 on intangible assets of MIP and TAV Havalimanları which have different presentation currency other than TL.

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**16 INTANGIBLE FIXED ASSETS (continued)**

	Development costs	Licenses	Usufruct right of Ambarh Port	Usufruct right of Terminals	Rental agreement for vessels	Other intangible assets	Customer relations	Water service operation right	Port operation right	Airport operation right (**)	Total
<b>Amortisation</b>											
<b>Balance at 1 January 2011</b>	--	(9.864)	--	--	--	(1.283)	(5.700)	(417)	(60.356)	(54.621)	(132.241)
Effect of change in group structure	--	(21)	--	--	--	--	--	3	--	--	(18)
Amortisation for the period	--	(3.093)	(350)	(3.724)	(659)	(177)	(1.878)	(195)	(18.287)	(22.299)	(50.662)
Translation differences	--	(1.309)	--	--	--	(131)	(1.202)	--	(15.665)	(12.993)	(31.300)
Disposals	--	238	--	--	--	--	--	--	--	--	238
<b>Balance at 31 December 2011</b>	--	(14.049)	(350)	(3.724)	(659)	(1.591)	(8.780)	(609)	(94.308)	(89.913)	(213.983)
<b>Balance at 1 January 2012</b>	--	(14.049)	(350)	(3.724)	(659)	(1.591)	(8.780)	(609)	(94.308)	(89.913)	(213.983)
Change in ownership rate of jointly controlled entities (*)	--	5.062	--	--	--	189	6.217	--	--	64.003	75.471
Amortization for the period	--	(1.945)	(524)	(5.576)	(987)	(143)	(1.013)	(171)	(14.848)	(11.971)	(37.178)
Translation differences	--	497	--	--	--	--	522	--	5.144	5.791	11.954
<b>Balance at 30 June 2012</b>	--	(10.435)	(874)	(9.300)	(1.646)	(1.545)	(3.054)	(780)	(104.012)	(32.090)	(163.736)
<b>Net Book Value</b>											
<b>Net Book Value As At 31 December 2011</b>	159	71.416	20.640	219.709	38.895	630	12.505	5.633	645.090	489.188	1.503.865
<b>Net Book Value As At 30 September 2012</b>	159	69.163	20.116	214.133	37.907	107.645	3.176	5.770	598.042	144.763	1.200.876

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

(\*\*)As at 30 September 2012 the operation right of Airports is the operation right of the airports of TAV Havalimanları. The group shares related to the airport operation rights is Ankara Esenboğa Airport TL 13.399 (31 December 2011: TL 48.454), İzmir Adnan Menderes Airport TL 4.077 (31 December 2011: TL 18.568), Tbilisi International Airport 11.681 TL (31 December 2011: TL 41.576 TL), Enfidha International Airport TL 89.920 (31 December 2011: TL 312.954), Gazipaşa Airport TL 3.711 (31 December 2011: TL 12.919), Üsküp International Airport TL 15.296 (31 December 2011: TL 54.317) and Medine International Airport TL 6.680 (31 December 2011: TL 0).

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**17 GOODWILL**

**Cost**

<b>Net book value as at 1 January 2011</b>	113.781
Translation effect	15.879
Effect of change in group structure	(1.208)
<b>Net book value as at 31 December 2011</b>	<b>128.452</b>
<b>Net book value as at 1 January 2012</b>	128.452
Translation effect	(6.315)
Effect of change in group structure	(81.598)
<b>Net book value as at 30 September 2012</b>	<b>40.539</b>

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

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

**18 COMMITMENTS AND CONTINGENCIES**

**(a) Commitments, Pledges and Mortgages**

As at 30 September 2012 and 31 December 2011 the group's position related to letter of guarantees given, Pledges and Mortgages were as follows:

<b><u>Commitments, Pledges, Mortgages ("CPM") given by the Group</u></b>	<b><u>30 September 2012</u></b>	<b><u>31 December 2011</u></b>
A. Total amount of CPM is given on behalf of own legal personality	1.785.356	1.697.397
B. Total amount of CPM is given in favor of subsidiaries which are fully consolidated	928.305	1.326.177
C. Total amount of CPM is given for assurance of third party's debts in order to conduct of usual business activities	--	--
D. Total Amount of other CPM	19.202	46.445
i. Total amount of CPM is given in favor of parent company	--	--
ii. Total amount of CPM is given in favor of other group companies, which B and C doesn't include	19.202	46.445
ii. Total amount of CPM given to the third parties not included in the Article C	--	--
<b>Total</b>	<b>2.732.863</b>	<b>3.070.019</b>

As at 30 September 2012 the ratio of total amount of other CPM given by the group to its equity is 1 % (31 December 2011: 4%).

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**18 COMMITMENT AND CONTINGENCIES** *(continued)*

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

	<u>30 September 2012(*)</u>			<u>31 December 2011(*)</u>		
	<u>EURO</u>	<u>USD</u>	<u>Other</u>	<u>EURO</u>	<u>USD</u>	<u>Other</u>
Total amount of CPM is given on behalf of own legal personality	557.640	1.007.169	--	641.353	922.323	--
Total amount of CPM is given in favor of subsidiaries which are fully consolidated	635.354	75.936	188.522	766.288	159.635	347.120
Other CPMs given	--	17.921	--	--	45.240	--
	<b>1.192.994</b>	<b>1.101.026</b>	<b>188.522</b>	<b>1.407.641</b>	<b>1.127.198</b>	<b>347.120</b>

(\*)All amounts are expressed as TL equivalent.

**(b) Letter of Guarantees Received**

As at 30 September 2012, Akfen Holding and its subsidiaries have also received letters of guarantee amounting to TL 66.956, cheques amounting to TL 26.079 and notes amounting to TL 33.507 which totally amounts to TL 126.542 (31 December 2011: TL 167.168) from subcontractors. As at 30 September 2012, TL 28.214 (31 December 2011: TL 15.960) of notes are given to Akfen Holding and construction firms of its subsidiaries, TL 3.087 (31 December 2011: TL 33.319) of notes given to hydroelectric production companies of the Group. As at 30 September 2012, the jointly control entities has received the letters of guarantee, cheques and sureties amounting to TL 132.740 (Group's share: TL 40.207) (31 December 2011: TL 99.827 (Group's share: TL 37.296)).

**19 OTHER ASSETS AND LIABILITIES**

**Other current assets**

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

	<u>30 September 2012</u>	<u>31 December 2011</u>
VAT carried forward	44.148	53.268
Prepaid concession expenses	25.684	78.798
Advances given to sub-contractors	17.222	40.360
Advances given to suppliers	17.012	42.487
Prepaid expenses	15.625	12.126
Accrued income	4.409	16.358
Job advances given	1.395	3.734
Prepaid taxes and funds	2.799	8.028
Other	8.512	9.588
	<b>136.806</b>	<b>264.747</b>

TAV Istanbul paid 23% of the total amount in advance in accordance with the rental agreement. After the first year, 5,5% of the total rent amount shall be paid within the first 5 days of each year. As at 30 September 2012 the short term proportion of prepaid rent is TL 25.684 (31 December 2011: TL 78.798).



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**19 OTHER ASSETS AND LIABILITIES (continued)**

**Other current assets (continued)**

As at 30 September 2012, VAT receivable of MIP for storage and terminal services amounted to TL 24.910 since MIP cannot offset its VAT payable resulted from given services with its VAT receivable resulted from received services (31 December 2011: TL 24.234). VAT receivables amounting to TL 687 is resulted from VAT related with TAV Tbilisi and TAV Tunisia due to local laws (31 December 2011: TL 5.248).

As at 30 June 2012, advances given to subcontractors are comprised of TAV İnşaat advances TL 8.702 (31 December 2011: TL 16.829) related Doha, Dubai, Muscat and Central (Turkey) and advances given for energy projects amounting to TL 5.603 (31 December 2011: TL 16.829) and advances given to Akfen GYO for hotel projects amounting to TL 837 (31 December 2011: TL 4.093).

**Other non-current assets**

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

	<b><u>30 September 2012</u></b>	<b><u>31 December 2011</u></b>
VAT carried forward	106.933	96.482
Prepaid rent expenses	17.284	41.791
Income accruals	14.627	14.627
Prepaid expenses	14.118	12.706
Taxes and funds to be refunded	11.842	9.825
Advances paid	5.979	9.342
Other	623	571
<b>Other non-current assets</b>	<b><u>171.406</u></b>	<b><u>185.344</u></b>

As at 30 September 2012, VAT carried forward is mainly related to the VAT incurred from capital expenditures amounted to TL 76.351 (31 December 2011: TL 65.273) especially made for the hydroelectric plant projects. Since these plants are in construction progress for hydroelectric plant projects, the Group does not have adequate VAT payable in order to net-off these VAT receivables. VAT carried forward belongs to Akfen GYO is TL 29.151 (31 December 2011: TL 27.798). According to the new Corporate Tax Law, Revenues of real estate investment companies exempt from corporate tax. However, these companies are subjected to 18% VAT for construction contracts.

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

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

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**19 OTHER ASSETS AND LIABILITIES (continued)**

**Other current liabilities**

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

	<b><u>30 September 2012</u></b>	<b><u>31 December 2011</u></b>
Expense accruals	33.100	54.165
Non-deductible VAT	5.778	4.786
Deferred income	4.608	7.093
Damage and discount provisions	--	2.436
Other	4.404	5.731
	<b>47.890</b>	<b>74.211</b>

As at 30 September 2012, other current liabilities mainly include expense accruals and TL 28.553 (31 December 2011: TL 45.416) expense accruals related to Doha, Muscat, Dubai, Abu Dhabi and Central (Turkey) projects of TAV Yatırım and TL 1.644 expense accruals of TAV Havalimanları (31 December 2011: TL 1.737) and TL 2.098 (31 December 2011: TL 3.832) of expense accruals for Akfen İnşaat HES and hotel projects.

**Other long term liabilities**

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

	<b><u>30 September 2012</u></b>	<b><u>31 December 2011</u></b>
Deferred income	3.476	12.719
Advertisement income for future years	1.576	1.161
Other	638	591
	<b>5.690</b>	<b>14.471</b>

As at 30 September 2012, TL 2.963 of other long term liabilities is the rental income paid in cash by ATÜ to TAV Havalimanları and TL 1.576 is the advertisement income of IDO for future years (31 December 2011: TL 12.719 and TL 1.161, respectively).

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**20 EQUITY**

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

	<u>30 September 2012</u>	<u>31 December 2011</u>
Registered equity ceiling	1.000.000	1.000.000
Paid capital	145.500	145.500

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

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

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

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

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

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

***Translation reserve***

As at 30 September 2012 the translation reserve amounting TL 34.824 (31 December 2011: TL 101.443) comprise of foreign exchange difference arising from the translation of the financial statements of MIP, TAV Yatırım, RHI, RPI, Hyper Foreign, ATI and TAV Havalimanları from their functional currency of USD and Euro to the presentation currency TL which is recognized under equity.

***Hedging reserve***

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instrument related to hedged transaction that have not yet occurred. As at 30 September 2012 the hedging reserve amounting to, TL 84.713 is recognized in equity which is related to the interest rate swap contracts made in 2012 by HES I-IV-V, MIP, TAV Havalimanları and İDO (HES I-IV-V: TL 8.221, MIP TL 61.113, TAV Havalimanları TL 14.622, İDO: TL 7.498) (31 December 2011: TL 104.992 (HES I-IV-V: TL 5.783, MIP TL 61.243 and TAV Havalimanları: TL 37.966)).

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**20 EQUITY (continued)**

***Revaluation surplus***

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

The accompanying consolidated financial statements include the Group's share of the revaluation surplus as at 30 September 2012 and 31 December 2011.

***Treasury shares***

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

***Business combination of entities under common control***

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

***Restricted Reserves***

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

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

***Other reserves***

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

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**20 EQUITY (continued)**

***Share premium***

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

***Non-controlling interests***

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

As at 30 September 2012 and 31 December 2011, the amounts classified under the 'non-controlling interest' item in the balance sheet are TL 361.644 and TL 392.965, respectively. Again, the shares excluded from direct and/or indirect control of the main partnership of net assets of the subsidiaries are classified under the 'non-controlling interest' in the consolidated statement of comprehensive income. The profit attributable to non-controlling interests for the six month period ended 30 June 2012 and 2011 are TL 6.485 and TL 93.306, respectively.

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**21 REVENUE AND COST OF SALES**

**21.1 Sales**

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

	<b>1 January-30</b>	<b>1 July-30</b>	<b>1 January-30</b>	<b>1 July-30</b>
	<b>September 2012</b>	<b>September 2012</b>	<b>September 2011</b>	<b>September 2011</b>
Construction revenue	217.334	31.472	349.808	130.867
Revenue from seaport operations	167.661	56.556	130.340	46.888
Marine transportation income	114.664	53.937	44.705	44.705
Revenue from sales of tax free	68.152	12.941	88.161	35.454
Revenue from aviation services	65.948	14.737	82.637	35.945
Ground handling income	59.328	13.260	87.188	38.124
Electric power sale income	44.690	9.851	23.040	11.661
Commission from sales of duty free goods	28.876	5.561	37.946	15.158
Revenue from catering services	21.457	825	22.951	9.128
Rental income from investment property	24.085	8.118	20.828	7.653
Car parking income	8.997	1.505	10.802	3.840
Area allocation income	8.780	1.428	11.686	4.145
Lounge services income	4.817	841	7.693	2.365
Bus services income	3.997	731	9.447	3.418
Construction revenues arising from IFRIC 12	7.680	6.469	38.733	11.434
Other	16.233	4.239	16.059	5.820
	<b>862.699</b>	<b>222.471</b>	<b>982.024</b>	<b>406.605</b>

**21.2 Cost of sales**

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

	<b>1 January-30</b>	<b>1 July-30</b>	<b>1 January-30</b>	<b>1 July-30</b>
	<b>September 2012</b>	<b>September 2012</b>	<b>September 2011</b>	<b>September 2011</b>
Construction costs	210.679	29.653	349.529	125.922
Personnel expenses	86.394	17.757	90.438	35.003
Cost of sea park operations	74.534	25.674	49.198	17.838
Rent expenses	47.112	9.692	63.357	24.229
Depreciation and amortization	44.087	11.289	34.110	15.490
Cost of services sold	20.529	3.834	27.534	8.637
Fuel oil cost of vessels	32.779	14.168	11.017	11.017
Cost of trading goods sold	26.971	5.071	35.247	14.895
Outsourcing expenses	13.367	4.909	3.249	3.058
Cost of catering services	9.273	2.182	7.692	2.936
Construction costs arising from IFRIC 12	7.649	6.443	38.718	11.418
Cost of raw materials	707	237	--	--
Other	18.563	5.241	6.351	4.117
	<b>592.644</b>	<b>136.150</b>	<b>716.440</b>	<b>274.560</b>

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**22 SALES, MARKETING AND DISTRIBUTION EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES**

**General Administrative Expenses**

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

	<b>1 January-30 September 2012</b>	<b>1 July-30 September 2012</b>	<b>1 January-30 September 2011</b>	<b>1 July-30 September 2011</b>
Personnel expenses	49.634	11.553	37.019	13.011
General office expenses	13.465	3.017	14.070	5.413
Consultancy expenses	7.498	2.272	5.393	2.635
Insurance expenses	5.449	728	4.826	1.800
Rent expenses	4.947	1.278	5.503	1.811
Depreciation and amortization expenses	5.700	2.280	17.338	6.371
Non-deductible VAT	3.981	607	5.226	1.750
Travel expenses	3.795	1.167	3.414	1.638
Advertisement expenses	2.390	519	--	--
Taxes and duties expenses	2.111	860	2.767	708
Office supplies expenses	1.450	316	1.859	763
Representation expenses	944	291	970	349
Outsourcing expenses	817	246	814	176
Bad debt expenses	96	--	--	--
Other	15.969	3.107	20.367	10.112
	<b>118.246</b>	<b>28.241</b>	<b>119.566</b>	<b>46.537</b>

**23 OTHER OPERATING INCOME/EXPENSES**

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

	<b><u>1 January-30 September 2012</u></b>	<b><u>1 July-30 September 2012</u></b>	<b><u>1 January-30 September 2011</u></b>	<b><u>1 July-30 September 2011</u></b>
<b>Other operating income</b>				
Gain on sale of subsidiary (*)	562.935	--	4.714	4.553
Advertising income (**)	5.493	871	6.055	2.195
Rental income (***)	4.700	1.130	5.271	2.135
Change in fair value of investment property (****)	--	--	236.511	112.307
Income from acquisition of subsidiaries (*****)	--	--	11.889	11.889
Other	21.116	3.165	6.761	1.793
	<b>594.244</b>	<b>5.166</b>	<b>271.201</b>	<b>134.872</b>

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**23 OTHER OPERATING INCOME/EXPENSES (continued)**

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

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

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

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

(\*\*\*\*\*) It is the profit occurred after Akfen GYO bought its subsidiaries shares.

**24 FINANCE INCOME**

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

	<u>1 January-30</u> <u>September 2012</u>	<u>1 July-30</u> <u>September 2012</u>	<u>1 January-30</u> <u>September 2011</u>	<u>1 July-30</u> <u>September 2011</u>
<b>Finance income</b>				
Foreign exchange gain	179.211	36.490	71.364	28.089
Interest income	31.042	14.962	23.927	9.424
Discount interest income related to IFRIC 12(*)	4.529	1.162	7.174	3.355
Other	1.003	333	10	2
	<b>215.785</b>	<b>52.947</b>	<b>102.475</b>	<b>40.870</b>

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

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

	<u>1 January-30</u> <u>September 2012</u>	<u>1 July-30</u> <u>September 2012</u>	<u>1 January-30</u> <u>September 2011</u>	<u>1 July-30</u> <u>September 2011</u>
Foreign currency translation	(31.246)	(706)	99.782	49.982
Hedging reserve	(16.189)	(8.314)	(40.477)	(38.294)
Tax income/(expense) in other comprehensive income	3.253	1.302	3.265	3.303
	<b>(44.182)</b>	<b>(7.718)</b>	<b>62.570</b>	<b>14.991</b>

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

The hedging reserve comprises the effective portion of the current year net change in the fair value of cash flow hedging instrument related to hedged transaction that have not yet occurred. Amounting TL 3.046, TL 8.068, TL (2.423) and TL 7.498 are comprised of change in fair values of hedges belonging to HES I-IV-V, TAV Havalimanları, MIP and IDO respectively.



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**25 FINANCE EXPENSE**

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

	<u>1 January-30</u> <u>September 2012</u>	<u>1 July-30</u> <u>September 2012</u>	<u>1 January-30</u> <u>September 2011</u>	<u>1 July-30</u> <u>September 2011</u>
<b>Finance expense</b>				
Interest expenses	186.236	64.797	207.798	91.524
Foreign exchange loss	50.666	17.644	255.931	134.731
Others	7.854	813	4.742	2.406
	<b>244.756</b>	<b>83.254</b>	<b>468.471</b>	<b>228.661</b>

**26 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS**

None.

**27 TAXATION**

**Corporate tax:**

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

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

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

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

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

In Northern Cyprus, corporate income tax is levied at the rate of 23.5%, which is determined by modifying accounting income for certain exclusions and allowances for tax purposes for the related year. Thus, the operations of the branch of Akfen Ticaret and Akfen İnşaat are subject to this tax rate. As at 1 January 2008 corporate income tax is decreased from 20% to 15% according to Georgia laws. Deferred tax is calculated for relevant assets and liabilities with 15% rate as at 31 December 2009.

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**27 TAXATION (continued)**

**Corporate tax (continued)**

Tunisian corporate income tax is levied at a rate of 30% on income less deductible expenses. According to concession agreement, TAV Tunisia is exempt from corporate tax for a period of 5 years starting from the concession agreement date.

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

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

The transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General 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.

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**27 TAXATION (continued)**

**Corporate tax (continued)**

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

**Investment allowance**

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

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

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

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**27 TAXATION (continued)**

**Income withholding tax**

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

**Transfer pricing regulations**

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of “disguised profit distribution via transfer pricing”. The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

**27.1 Taxation income/(expense)**

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

	<u>1 January</u> <u>30 September</u> <u>2012</u>	<u>1 July</u> <u>30 September</u> <u>2012</u>	<u>1 January</u> <u>30 September</u> <u>2011</u>	<u>1 July</u> <u>30 September</u> <u>2011</u>
Corporate tax expense	(27.522)	(6.621)	(23.676)	(8.666)
Deferred tax income/(expense)	(21.823)	(2.981)	(1.120)	1.447
<b>Tax expense recognized in profit / loss</b>	<b>(49.345)</b>	<b>(9.602)</b>	<b>(24.796)</b>	<b>(7.219)</b>
Deferred tax income / (expense) recognized in comprehensive income	3.253	1.302	3.265	3.303
<b>Total</b>	<b>(46.092)</b>	<b>(8.300)</b>	<b>(21.531)</b>	<b>(3.916)</b>

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**27 TAXATION (continued)**

**27.2 Deferred tax assets and liabilities**

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

*Recognised deferred tax assets and liabilities*

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

	<u>Assets</u>		<u>Liabilities</u>		<u>Net</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Trade and other receivables	2.283	1.979	(90)	(282)	2.193	1.697
Depreciation, redemption and activation differences of tangible and intangible fixed assets and airport operation right	18.856	20.338	(51.652)	(35.026)	(11.409)	(14.688)
Effect of IAS 11	7.965	10.910	(4.072)	(5.184)	3.893	5.726
Effect of IFRIC 12	--	--	(741)	(841)	(741)	(841)
Derivative financial instruments	22.873	34.126	--	--	22.873	34.126
Rent expenses paid in cash	--	--	(879)	(2.572)	(879)	(2.572)
Investment incentive	20.507	35.027	--	--	20.507	35.027
Investment properties	--	2.926	(63.392)	(60.658)	(63.392)	(57.732)
Tax losses carried forward	14.685	45.751	(1.409)	--	14.685	45.751
Loans and borrowings	1.382	2.470	(1.429)	(3.945)	(47)	(1.475)
Other temporary differences	2.804	7.981	(388)	(2.133)	1.007	5.848
<b>Subtotal</b>	<b>91.355</b>	<b>161.508</b>	<b>(124.052)</b>	<b>(110.641)</b>	<b>(11.310)</b>	<b>50.867</b>
Net-off tax	(54.520)	(51.825)	54.520	51.825	--	--
<b>Total deferred tax assets/(liabilities)</b>	<b>36.835</b>	<b>109.683</b>	<b>(69.532)</b>	<b>(58.816)</b>	<b>(11.310)</b>	<b>50.867</b>

As at 30 September 2012, the Group management has recognized deferred tax asset amounting to TL 14.685 (31 December 2011: TL 45.751) for the tax losses in which taxable profits are estimated to be available in 2012 and the following years.

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**27 TAXATION (continued)**

**27.2 Deferred tax assets and liabilities (continued)**

*Unrecognized deferred tax assets and liabilities*

At the balance sheet date, the Group has unused statutory tax losses of TL 78.665 (31 December 2011: TL 141.562) available for offset against future profits. TL 15.733 deferred tax (31 December 2011: TL 28.312) was not recognized since the Group management estimates that there will not be sufficient future taxable profits. The expiry date of unrecognized tax losses are as follows:

	<u>30 September 2012</u>	<u>31 December 2011</u>
Expire in 2011	--	283
Expire in 2012	2.611	5.601
Expire in 2013	13.014	43.489
Expire in 2014	6.345	8.182
Expire in 2015	1.556	1.952
Expire in 2016	46.943	82.055
Expire in 2017	8.196	--
	<u>78.665</u>	<u>141.562</u>

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

**28 EARNINGS PER SHARE**

For the periods ended 30 September, amounts of earning per share as TL 649.882 and TL (87.011), respectively is calculated by dividing the consolidated statement of comprehensive income/(loss) on attributable to main shareholders by the weighted average number of ordinary shares outstanding during the period.

	<u>1 January-30</u> <u>September</u> <u>2012</u>	<u>1 July-30</u> <u>September</u> <u>2012</u>	<u>1 January-30</u> <u>September</u> <u>2011</u>	<u>1 July-30</u> <u>September</u> <u>2011</u>
Income/(loss) on attributable to main shareholders of the Company	649.882	16.697	(87.011)	(18.651)
The weighted average number of shares outstanding during the period(*)	141,168,847	141,157,947	141,505,097	141,505,097
<b>Profit/ (Loss) per share from operations (full TL)</b>	4,604	0,118	(0,615)	(0,132)

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

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**29 RELATED PARTY DISCLOSURES**

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

**29.1 Related party balances**

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

	<u>30 September 2012</u>	<u>31 December 2011</u>
Trade receivables	1.888	6.000
Non-trade receivables	9.941	5.068
	<u>11.829</u>	<u>11.068</u>
Trade payables	18.493	25.125
Non-trade payables	16.197	15.564
	<u>34.690</u>	<u>40.689</u>

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

	<u>30 September 2012</u>	<u>31 December 2011</u>
Trade receivables	2.629	5.510
Non-trade receivables	39.160	39.225
	<u>41.789</u>	<u>44.735</u>
Trade payables	647	1.083
Non-trade payables	12.088	9.002
	<u>12.735</u>	<u>10.085</u>

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

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

<b><i>Due from related parties (short term-trade):</i></b>	<u>30 September 2012</u>	<u>31 December 2011</u>
ATÜ	751	1.110
Sky Oryx Joint Venture	285	4.175
Sera Yapı End. ve Tic. A.Ş. ("Sera Yapı")	138	104
Other	714	611
	<u>1.888</u>	<u>6.000</u>

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**29 RELATED PARTY DISCLOSURES (continued)**

**29.1 Related party balances (continued)**

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

<i>Due from related parties (short term-nontrade):</i>	<b><u>30 September 2012</u></b>	<b><u>31 December 2011</u></b>
Sera Yapı	4.422	932
AL Arrab Contracting CO. CJSC	2.398	--
Tepe İnşaat	2.095	3.670
Task Water B.V.	--	6.598
Other	1.026	466
Provision for doubtful receivable (Note 10)	--	(6.598)
	<b>9.941</b>	<b>5.068</b>

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

<i>Due from related parties (long term- trade):</i>	<b><u>30 September 2012</u></b>	<b><u>31 December 2011</u></b>
LCC Sabha International Airport Project	1.146	2.379
Sky Oryx Joint Venture	1.067	1.909
ODTC JV	416	--
Other	--	1.222
	<b>2.629</b>	<b>5.510</b>

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

<i>Due from related parties (long term-non trade):</i>	<b><u>30 September 2012</u></b>	<b><u>31 December 2011</u></b>
Akfen Gayrimenkul Yatırımları Ticaret A.Ş.	34.452	32.421
Hyper Foreign	3.158	2.724
Kirazlı Konutları Adi Ortaklığı	1.222	1.181
Mustafa Keten	--	1.563
Selim Akın	--	713
Other	328	623
	<b>39.160</b>	<b>39.225</b>



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**29 RELATED PARTY DISCLOSURES (continued)**

**29.1 Related party balances (continued)**

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

<i>Due to related parties (short term- trade):</i>	<u>30 September 2012</u>	<u>31 December 2011</u>
Medinah Airport Joint Venture	4.463	--
Muscat CCC & TAV Cons.	4.304	4.202
Ibs Sigorta Brokerlik Hiz.A.Ş.	3.374	3.721
Tepe Servis ve Yönetim A.Ş.	1.029	--
Sky Oryx Joint Venture (*)	995	11.475
Tav İstanbul Terminal İşl. A.Ş.	404	451
Tepe Savunma ve Güvenlik Sistemleri A.Ş.	294	--
BTA Unlu Mamüller San. ve Tic. A.Ş.	123	--
TAV Tepe Akfen Yatırım İnş. İşl. A.Ş.	74	--
BTA Yiyecek İçecek Hizm. A.Ş.	39	79
TAV Bilişim Hizm. A.Ş.	21	288
Tepe İnşaat	--	2.502
Other	3.373	2.407
	<b>18.493</b>	<b>25.125</b>

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

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

<i>Due to related parties (short term-non trade):</i>	<u>30 September 2012</u>	<u>31 December 2011</u>
TAV Ege Terminal Yat. Yap. ve İşl. A.Ş.	12.378	--
Tav Havalimanları	1.451	--
Tav İstanbul Terminal İşl. A.Ş.	547	887
TAV Tunisia	222	304
Sky Oryx Joint Venture	213	9.540
Hamdi Akın	97	117
TGS	--	2.785
ATÜ	--	1.177
Other	1.289	754
	<b>16.197</b>	<b>15.564</b>

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**29 RELATED PARTY DISCLOSURES (continued)**

**29.2 Related party transactions**

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

<b>Services rendered to related parties:</b>		<b>30 September 2012</b>		<b>30 September 2011</b>	
<b>Company</b>	<b>Amount</b>	<b>Service</b>	<b>Amount</b>	<b>Service</b>	
ATÜ	36.142	Sale	40.177	Sale	
Sky Oryx Joint Venture	10.638	Construction Services	12.438	Construction Services	
Tav İstanbul Terminal İşl. AŞ.	3.866	Construction Services	9.492	Construction Services	
BTA Denizyolları ve Limanları Yiyecek ve İçecek Hizmetleri Turizm Sanayi ve Ticaret A.Ş.	2.246	Construction Services	--		
MIP	1.056	Sale	--		
IDO	371	Sale	--		
TAV Ege Terminal Yatırım Yap. Ve İşl. AŞ.	9.247	Construction Services	--		
TAV Macedonia Dooel Skopje	--		58.604	Construction Services	
TAV Gazipaşa Yat. Ve İşl. A.Ş	--		1.408	Construction Services	
TAV Tunisia	--		2.064	Construction Services	
Akfen GYT	5.548	Interest income	239	Interest income	
Other	2.477		4.517		
	<b>71.591</b>		<b>128.939</b>		

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

<b>Services rendered from related parties:</b>		<b>30 September 2012</b>		<b>30 September 2011</b>	
<b>Company</b>	<b>Amount</b>	<b>Service</b>	<b>Amount</b>	<b>Service</b>	
IBS Sigorta	1.792	Purchases	1.810	Purchases	
TAV Insaat	281	Interest Expense	18	Finance Expense	
Tav Bilişim Hizmetleri AŞ.	424	Purchases	622	Purchases	
TAV İnşaat	--		89	Construction Services	
BTA Yiyecek ve İçecek Hizmetleri	181	Purchases	336	Purchases	
TAV G.	159	Purchases	4	Purchases	
Alsim Alarko	950	Other	957	Other	
Other	1.038	--	1.698	--	
	<b>4.825</b>		<b>5.534</b>		

**29.3 Key management personnel compensation**

Total salaries and similar expenses provided to key management personnel for the Group and subsidiaries amounted to TL 6.287 as at 30 September 2012 (30 September 2011: TL 3.703) Total salaries and similar expenses provided to key management personnel for the jointly controlled entities amounted to TL 45.185 (Group share: TL 9.879) (30 September 2011: TL 27.980 (Group share: TL 8.056)).

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**30 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS**

**Credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at reporting date is as follows:

30 September 2012	Receivables				Deposits on Banks (*)	Derivative Instruments	Other
	Trade Receivables		Other Receivables				
	Related Party	Other Party	Related Party	Other Party			
<b>Exposure to maximum credit risk as at reporting date (A+B+C+D+E)</b>	<b>4.517</b>	<b>218.538</b>	<b>49.101</b>	<b>15.337</b>	<b>743.800</b>	<b>757</b>	<b>--</b>
- Portion of maximum risk covered any guarantee	--	26.690					--
<b>A.</b> Net carrying value of financial assets which are not impaired or overdue (2)	4.517	195.132	49.101	15.337	743.800	757	--
<b>B.</b> Net carrying value of financial assets that are restructured, otherwise which will be regarded as overdue or impaired (3)	--	--	--	--	--	--	--
<b>C.</b> Net carrying value of financial assets which are overdue but not impaired (6)	--	23.400	--	--	--	--	--
- The portion covered by any guarantee	--	8.570	--	--	--	--	--
<b>D.</b> Net carrying value of impaired assets (4)	--	6	--	--	--	--	--
- Past due (gross book value)	--	6.081	--	--	--	--	--
- Impairment (-)	--	(6.075)	--	--	--	--	--
- Not past due (gross book value)	--	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--	--
<b>E.</b> Off balance sheet items with credit risks	--	--	--	--	--	--	--

30 September 2012	Receivables		Deposits on Banks	Derivative Instruments	Other
	Trade Receivables	Other Receivables			
Past due 1-30 days	6.328	--	--	--	--
Past due 1-3 months	1.810	--	--	--	--
Past due 3-12 months	8.711	--	--	--	--
Past due 1-5 years	11.767	--	--	--	--
More than 5 years	865	--	--	--	--

(\*)As at 30 September 2012, TL 134.345 deposit was reflected in the restricted cash. As at 30 September 2012, time deposit longer than three months amounting to TL 57.681 are shown in short term financial investments and time deposit longer than three months amounting to TL 38.031 are shown in the long term financial investments.

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

31 December 2011	Receivables				Deposits on Banks(*)	Derivative Instruments	Other
	Trade Receivables		Other Receivables				
	Related Party	Other Party	Related Party	Other Party			
<b>Exposure to maximum credit risk as at reporting date (A+B+C+D+E)</b>	11.510	460.201	44.293	13.016	667.887	2.685	--
- Portion of maximum risk covered any guarantee	--	76.105	--	--	--	--	--
<b>A.</b> Net carrying value of financial assets which are not impaired or overdue (2)	11.510	423.127	44.293	13.016	667.887	2.685	--
<b>B.</b> Net carrying value of financial assets that are restructured, otherwise which will be regarded as overdue or impaired (3)	--	--	--	--	--	--	--
<b>C.</b> Net carrying value of financial assets which are overdue but not impaired (6)	--	37.066	--	--	--	--	--
- The portion covered by any guarantee	--	3.516	--	--	--	--	--
<b>D.</b> Net carrying value of impaired assets (4)	--	8	--	--	--	--	--
- Past due (gross book value)	--	13.282	6.598	--	--	--	--
- Impairment (-)	--	(13.274)	(6.598)	--	--	--	--
- Not past due (gross book value)	--	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--	--
<b>E.</b> Off balance sheet items with credit risks	--	--	--	--	--	--	--

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

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

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

**Impairment**

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

	<b>30 September 2012</b>	<b>31 December 2011</b>
Balance at the beginning of the period	(19.872)	(5.801)
Effect of change in group structure	7.277	--
Effect of foreign exchange rates	109	(843)
Allowance for the period	(255)	(16.862)
Provisions released during the period	6.666	--
Effect of business combinations	--	(32)
Collections	--	3.666
<b>Balance at the end of the period</b>	<b>(6.075)</b>	<b>(19.872)</b>

**Liquidity risk**

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

	<b>30 September 2012</b>						
	<b>Note</b>	<b>Carrying Amount</b>	<b>Expected Cash Flow</b>	<b>3 months or Less</b>	<b>03 - 12 months</b>	<b>1-5 years</b>	<b>More than 5 years</b>
<b>Financial liabilities</b>							
Loans and borrowings	7	2.571.498	(3.040.774)	(198.092)	(462.849)	(1.712.358)	(667.475)
Trade payables	9	93.465	(93.562)	(54.492)	(20.644)	(18.426)	--
Due to related parties	9-10-29	47.425	(48.165)	(3.253)	(9.226)	(35.425)	(261)
Other payables (*)		26.443	(26.443)	(16.690)	(3.182)	(6.571)	--
Other short term liabilities(*)		15.327	(15.327)	(13.436)	(1.891)	--	--
Interest rate swap		125.713	(125.645)	(83.330)	(14.050)	(22.865)	(5.400)
Outflow		2.169	(49.611)	--	(9.755)	(31.555)	(8.301)
Inflow		(757)	48.340	--	7.728	32.153	8.459
<b>Total</b>		<b>2.881.283</b>	<b>(3.351.187)</b>	<b>(369.293)</b>	<b>(513.869)</b>	<b>(1.795.047)</b>	<b>(672.978)</b>

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

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

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

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

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

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

**Currency risk**

**Exposure to currency risk**

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

	30 September 2012				
	TRY	USD	Euro	TRY	Other
1. Trade receivables	5.064	13	2.078	2	241
2a. Monetary Financial Assets (including Cash and Cash at Banks)	410.963	209.621	15.369	1.333	41
2b. Non-monetary Financial Assets	11.195	240	4.567	225	--
3. Other	--	--	--	--	--
<b>4. Current Assets (1+2+3)</b>	<b>427.222</b>	<b>209.874</b>	<b>22.014</b>	<b>1.560</b>	<b>282</b>
5. Trade receivables	23	--	5	12	--
6a. Monetary Financial Assets	478	--	--	471	7
6b. Non- monetary Financial Assets	--	--	--	--	--
7. Other	10.820	3.876	1.690	--	--
<b>8. Non-current Assets (5+6+7)</b>	<b>11.321</b>	<b>3.876</b>	<b>1.695</b>	<b>483</b>	<b>7</b>
<b>9. Total Assets (4+8)</b>	<b>438.543</b>	<b>213.750</b>	<b>23.709</b>	<b>2.043</b>	<b>289</b>
10. Trade Payables	26.619	5.554	6.335	1.974	109
11. Financial Liabilities	305.071	51.981	91.962	6	--
12a. Other Monetary Liabilities	75.970	6	32.568	772	5
12b. Other Non-monetary Liabilities	3.636	--	1.575	--	--
<b>13. Short Term Liabilities (10+11+12)</b>	<b>411.296</b>	<b>57.541</b>	<b>132.440</b>	<b>2.752</b>	<b>114</b>
14. Trade Payables	7.697	3	3.332	--	--
15. Financial Liabilities	1.109.655	281.476	263.074	--	--
16a. Other Monetary Liabilities	2.059	1.067	55	27	--
16b. Other Non-monetary Liabilities	--	--	--	--	--
<b>17. Long Term Liabilities (14+15+16)</b>	<b>1.119.411</b>	<b>282.546</b>	<b>266.461</b>	<b>27</b>	<b>--</b>
<b>18. Total Liabilities (13+17)</b>	<b>1.530.707</b>	<b>340.086</b>	<b>398.901</b>	<b>2.779</b>	<b>114</b>
<b>19. Net Asset/ (Liabilities) Position of Off Balance sheet Derivatives (19a-19b)</b>	<b>13.385</b>	<b>7.500</b>	--	--	--
<b>19a. Total Assets Hedged (*)</b>	<b>13.385</b>	<b>7.500</b>	--	--	--
<b>19b. Total Liabilities Hedged</b>	--	--	--	--	--
<b>20. Net Foreign Currency Assets/(Liabilities) Position (9-18+19)</b>	<b>(1.078.779)</b>	<b>(118.837)</b>	<b>(375.192)</b>	<b>(736)</b>	<b>175</b>
<b>21. Net Foreign Currency Asset/ (Liability) Position Of Monetary Items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(1.110.543)</b>	<b>(130.453)</b>	<b>(379.874)</b>	<b>(961)</b>	<b>175</b>
<b>22. Total fair Value of Financial Instruments Used For Currency Hedge</b>	--	--	--	--	--
<b>23. Export</b>	--	--	--	--	--
<b>24. Import</b>	--	--	--	--	--

(\*)Amount TL 102 is hedged for the USD risk through the hedging agreements.

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

**Currency risk (continued)**

**Exposure to currency risk (continued)**

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

	<b>31 December 2011</b>				
	<b>TRY Equivalent</b>	<b>USD</b>	<b>Euro</b>	<b>TRY</b>	<b>Other(*)</b>
1. Trade receivables	23.325	3.963	3.173	3.137	4.949
2a. Monetary Financial Assets (including Cash and Cash at Banks)	262.114	82.525	5.915	74.978	16.801
2b. Non-monetary Financial Assets	34.090	29	7.938	12.335	2.303
3. Other	--	--	--	--	--
<b>4. Current Assets (1+2+3)</b>	<b>319.529</b>	<b>86.517</b>	<b>17.026</b>	<b>90.450</b>	<b>24.053</b>
5. Trade receivables	--	--	--	--	--
6a. Monetary Financial Assets	7	--	--	--	7
6b. Non- monetary Financial Assets	32	2	--	7	20
7. Other	8.124	46	3.288	--	--
<b>8. Non-current Assets (5+6+7)</b>	<b>8.163</b>	<b>48</b>	<b>3.288</b>	<b>7</b>	<b>27</b>
<b>9. Total Assets (4+8)</b>	<b>327.692</b>	<b>86.565</b>	<b>20.314</b>	<b>90.457</b>	<b>24.080</b>
10. Trade Payables	40.390	2.683	9.963	6.301	4.674
11. Financial Liabilities	451.109	83.881	117.766	3.994	877
12a. Other Monetary Liabilities	17.975	605	658	12.067	3.156
12b. Other Non-monetary Liabilities	470	31	--	331	81
<b>13. Short Term Liabilities (10+11+12)</b>	<b>509.944</b>	<b>87.200</b>	<b>128.387</b>	<b>22.693</b>	<b>8.788</b>
14. Trade Payables	2.077	--	850	--	--
15. Financial Liabilities	1.365.514	368.342	274.061	4	--
16a. Other Monetary Liabilities	1.850	833	113	--	--
16b. Other Non-monetary Liabilities	390	--	160	--	--
<b>17. Long Term Liabilities (14+15+16)</b>	<b>1.369.831</b>	<b>369.175</b>	<b>275.184</b>	<b>4</b>	<b>--</b>
<b>18. Total Liabilities (13+17)</b>	<b>1.879.775</b>	<b>456.375</b>	<b>403.571</b>	<b>22.697</b>	<b>8.788</b>
<b>19. Net Asset/ (Liabilities) Position of Off Balance sheet Derivatives (19a-19b)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>19a. Total Assets Hedged (**)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>19b. Total Liabilities Hedged (**)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>20. Net Foreign Currency Asset/ (Liability) Position (9-18+19)</b>	<b>(1.552.083)</b>	<b>(369.810)</b>	<b>(383.257)</b>	<b>67.760</b>	<b>15.292</b>
<b>21. Net Foreign Currency Asset/ (Liability) Position Of Monetary Items (UFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(1.593.469)</b>	<b>(369.856)</b>	<b>(394.323)</b>	<b>55.749</b>	<b>13.050</b>
<b>22. Total fair Value of Financial Instruments Used For Currency Hedge (**)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>23. Export (**)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>24. Import (**)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

(\*) Assets and liabilities in other currencies are presented in TRY equivalent amounts.



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

**Currency risk (continued)**

(\*\*) As at 30 September 2012 and 31 December 2011, fair values of financial instruments used for cross currency swap are TL (1.412) and TL 2.685, respectively.

**Sensitivity analysis**

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

<b>Currency Sensitivity Analysis</b>				
<b>30 September 2012</b>				
	<b>Profit/Loss</b>		<b>Equity</b>	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Assumption of devaluation/appreciation by 10% of USD against Euro and TL				
1- Net USD asset/liability	(21.209)	21.209	5.295	(4.324)
2- USD risk averse portion (-)	--	--	--	--
<b>3- Net USD Effect (1+2)</b>	<b>(21.209)</b>	<b>21.209</b>	<b>5.295</b>	<b>(4.324)</b>
Assumption of devaluation/appreciation by 10% of Euro against TL				
4- Net Euro asset/liability	(86.613)	86.613	--	--
5- Euro risk averse portion (-)	--	--	--	--
<b>6- Net Euro Effect (4+5)</b>	<b>(86.613)</b>	<b>86.613</b>	<b>--</b>	<b>--</b>
Assumption of devaluation/appreciation by 10% of other currencies against TL				
7- Other currency net asset/liability	(56)	56	--	--
8- Other currency risk averse portion (-)	--	--	--	--
<b>9- Net other currency effect (7+8)</b>	<b>(56)</b>	<b>56</b>	<b>--</b>	<b>--</b>
<b>TOTAL (3+6+9)</b>	<b>(107.878)</b>	<b>107.878</b>	<b>5.295</b>	<b>(4.324)</b>

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

**Currency risk** *(continued)*

**Sensitivity analysis** *(continued)*

<b>Currency Sensitivity Analysis</b>				
<b>31 December 2011</b>				
	<b>Profit/Loss</b>		<b>Equity</b>	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Assumption of devaluation/appreciation by 10% of USD against Euro and TL				
1- Net USD asset/liability	(69.325)	69.325	19.046	(15.581)
2- USD risk averse portion (-)	--	--	--	--
<b>3- Net USD Effect (1+2)</b>	<b>(69.325)</b>	<b>69.325</b>	<b>19.046</b>	<b>(15.581)</b>
Assumption of devaluation/appreciation by 10% of Euro against TL				
4- Net Euro asset/liability	(87.412)	87.412	--	--
5- Euro risk averse portion (-)	--	--	--	--
<b>6- Net Euro Effect (4+5)</b>	<b>(87.412)</b>	<b>87.412</b>	<b>--</b>	<b>--</b>
Assumption of devaluation/appreciation by 10% of other currencies against TL				
7- Other currency net asset/liability	1.529	(1.529)	--	--
8- Other currency risk averse portion (-)	--	--	--	--
<b>9- Net other currency effect (7+8)</b>	<b>1.529</b>	<b>(1.529)</b>	<b>--</b>	<b>--</b>
<b>TOTAL (3+6+9)</b>	<b>(155.208)</b>	<b>155.208</b>	<b>19.046</b>	<b>(15.581)</b>

**Interest rate risk**

**Profile**

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

	<u><b>30 September 2012</b></u>	<u><b>31 December 2011</b></u>
<b>Fixed rate instruments</b>		
Financial assets	725.099	585.670
Financial liabilities	310.404	733.847
<b>Variable rate instruments</b>		
Financial assets	43.890	12.420
Financial liabilities	2.291.207	2.917.595

***Fair value sensitivity analysis for fixed rate instruments:***

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

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

**Interest rate risk (continued)**

**Cash flow sensitivity analysis for variable rate instruments:**

When the debt profile of the Group is considered, 100 base points increase in TRY Base Interest Rate, Euribor or Libor rate, when the effect of derivative financial instruments is disregarded, caused to approximately TL 22.912 (31 December 2011: TL 29.176) increase in the annual interest costs of floating interest rate liabilities of the Group. TL 11.605 of this amount (31 December 2011: TL 5.297) was hedged with due interest rate swap (HES I-IV-V: TL 2.022 (31 December 2011: TL 194), TAV Havalimanları: TL 3.099 (31 December 2011: TL 1.202), MIP TL 3.693 (31 December 2011: TL 3.901), IDO TL 2.791 (31 December 2011: nil). Because of this reason, the net risk on profit and loss is TL 11.307 (31 December 2011: TL 23.879). As at 30 September 2012, amount of loans which are hedged by agreements for protection from financial risk is TL 1.006.830 (31 December 2011: TL 1.215.651).

As at 30 September 2012 and 31 December 2011, a one basis point increase in interest rates consolidated comprehensive income will be affected in the following. All variables are assumed constant including foreign exchange rates during analysis.

<b>Interest rate profile</b>		<b>30 September 2012</b>	<b>31 December 2011</b>
<b>Fixed Rate Financial Instruments</b>			
Financial Assets	Assets recognized at fair value through profit or loss	--	--
	Financial asset held for sale	--	--
Financial Liabilities		--	--
<b>Variable Rate Financial Instruments</b>		--	--
Financial Assets		439	--
Financial Liabilities		(22.912)	(29.176)

**Akfen Holding Anonim Şirketi**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**As at and for the nine-month period ended 30 September 2012**

**31 SUBSEQUENT EVENTS**

**Akfen Holding and Its Subsidiaries**

Mr. Vedat Tural, who had been the Deputy General Manager since 02.05.2007, assigned as General Manager after the request of Mr. Orhan Gündüz for resignation from his position as General Manager was accepted at the board meeting of Akfen GYO at 31 October 2012.

In order to lease Five Star hotel located in TRNC, Girne which is in Akfen Ticaret's portfolio to Voyager for 20 years together with its all outhouses and casino Leasing Contract was signed between parties at 15.05.2012. Transfer of whole facility was done on 01.10.2012.

For Adadağı HES, hydro electrical power plant of Değirmenyanı, which is a subsidiary of Enerji Kaynakları, a subsidiary of Akfen Holding, Energy Market Regulatory Authority gave license which is valid for 49 years in order to produce electricity at 27 September 2012. Related plant is located in Giresun and has 4,7 MW installed capacity and 18.2 KW hour yearly production capacity.

**Entities Under Common Control:**

**TAV Havalimanları**

Remaining shares of Havaş, 35% of total shares was purchased from HSBC Investment Bank Holdings Plc and İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. on 3 October 2012 through the payment of whole purchase price on cash. After this purchase, TAV Holding's share on HAVAŞ became 100%.

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

None.