

**Akfen Holding Anonim Őirketi**

**Consolidated Interim Financial  
Statements  
As at and for the Period Ended  
31 March 2011**

**AKFEN HOLDİNG ANONİM ŞİRKETİ**  
**CONSOLIDATED SUMMARY FINANCIAL STATEMENTS FOR THE PERIOD ENDED**  
**1 JANUARY- 31 MARCH 2011**

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# Akfen Holding Anonim Şirketi

## Summary Consolidated Balance Sheets as at 31 March 2011 and 31 December 2010

(Currency: Thousands of TL)

		<i>Not Audited</i>	<i>Audited</i>
		<i>31 March</i>	<i>31 December</i>
	<i>Notes</i>	<i>2011</i>	<i>2010</i>
<b>ASSETS</b>			
<b>Total current assets</b>		<b>930.862</b>	<b>997.973</b>
Cash and cash equivalents	5	346.299	422.569
Trade receivables			
-Due from related parties	9-24	1.175	12.039
-Other trade receivables	9	242.299	220.572
Other receivables			
-Due from related parties	10-24	11.180	10.514
-Other receivables	10	8.865	4.498
Financial investments	6	2.835	5.671
Derivative financial instruments	8	1.788	--
Restricted cash		121.129	123.380
Inventories	11	9.041	8.205
Other current assets	16	186.251	190.525
		<b>930.862</b>	<b>997.973</b>
<b>Total non-current assets</b>		<b>2.928.487</b>	<b>2.721.093</b>
Trade receivables			
-Due from related parties	9-24	1.976	2.007
-Other trade receivables	9	112.440	109.351
Other receivables			
-Due from related parties	10-24	22.527	24.465
-Other receivables	10	735	1.934
Financial investments		9.482	2.520
Investment property		717.859	658.758
Property and equipment	13	595.603	538.453
Intangible assets	14	1.050.219	1.023.754
Goodwill		119.111	113.781
Deferred tax assets	22	64.116	66.770
Other non-current assets	16	234.419	179.300
<b>TOTAL ASSETS</b>		<b>3.859.349</b>	<b>3.719.066</b>

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

# Akfen Holding Anonim Şirketi

## Summary Consolidated Balance Sheets as at 31 March 2011 and 31 December 2010

(Currency: Thousands of TL)

		<i>Not Audited</i>	<i>Audited</i>
		<i>31 March</i>	<i>31 December</i>
	<u>Notes</u>	<u>2011</u>	<u>2010</u>
<b>LIABILITIES</b>			
<b>Total current liabilities</b>		<b>897.988</b>	<b>732.246</b>
Loans and borrowings	7	547.693	370.686
Derivative financial instruments	8	52.863	56.180
Trade payables			
-Due to related parties	9-24	2.617	16.043
-Other trade payables	9	112.923	106.802
Other payables			
-Due to related parties	10-24	13.087	14.323
-Other payables	10	101.561	108.975
Provisions		7.998	8.665
Other current liabilities	16	59.246	50.572
<b>LIABILITIES</b>		<b>897.988</b>	<b>732.246</b>
<b>Total non-current liabilities</b>		<b>1.980.677</b>	<b>2.032.035</b>
Loans and borrowings	7	1.826.727	1.876.033
Derivative financial instruments	8	49.720	50.354
Trade payables			
-Due to related parties	9-24	44	--
-Other trade payables	9	22.912	21.329
Other payables			
-Due to related parties	10-24	10.991	14.607
-Other non-trade payables	10	26.619	26.141
Employee benefits		9.742	9.672
Deferred tax liabilities	22	21.312	21.239
Other non-current liabilities		12.610	12.660
<b>Total Equity</b>		<b>980.684</b>	<b>954.785</b>
<b>Total equity attributable to equity holders of the Company</b>		<b>808.834</b>	<b>794.180</b>
Paid in capital	17	145.500	145.500
Adjustments to share capital		(7.257)	(7.257)
Treasury shares		(3.709)	(3.709)
Business combination of entities under common control		20.062	20.062
Revaluation reserve		(2.066)	(2.076)
Hedging reserve		(65.134)	(71.363)
Translation reserves		33.701	17.914
Legal reserves		12.469	12.081
Other reserves		(93.099)	(93.780)
Share premium		454.782	454.782
Retained earnings		329.126	250.199
Profit / (loss) for the period		(15.541)	71.827
<b>Non-controlling interest</b>		<b>171.850</b>	<b>160.605</b>
<b>TOTAL LIABILITIES</b>		<b>3.859.349</b>	<b>3.719.066</b>

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

**Akfen Holding Anonim Şirketi**  
**Summary Consolidated Income Statement for the Periods Ended;**  
**31 March 2011 and 2010**  
*(Currency: Thousands of TL.)*

		<i>Not Audited</i>	<i>Not Audited</i>
	<i>Notes</i>	<u>2011</u>	<u>2010</u>
<b>CONTINUING OPERATIONS</b>			
Revenue	4	281.258	211.360
Cost of sales (-)		(225.789)	(172.653)
<b>GROSS PROFIT</b>		<b>55.469</b>	<b>38.707</b>
General and administrative expenses (-)		(35.500)	(33.767)
Other income	18	51.616	14.251
Other expense (-)		(3.284)	(2.400)
<b>Results from operating activities</b>		<b>68.301</b>	<b>16.791</b>
Finance income	19	18.964	42.171
Finance expense	20	(86.518)	(64.732)
<b>PROFIT / (LOSS) BEFORE TAX</b>		<b>747</b>	<b>(5.770)</b>
<b>CONTINUING OPERATIONS TAX EXPENSE</b>			
Tax expense	22	(3.030)	(5.752)
Deferred tax income/expense	22	(6.320)	3.490
<b>PROFIT/LOSS FROM CONTINUING OPERATIONS</b>		<b>(8.603)</b>	<b>(8.032)</b>
<b>DISCONTINUED OPERATIONS</b>			
Profit/(loss) from discontinued operations, net of tax	21	--	19.473
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>(8.603)</b>	<b>11.441</b>
<b>Other Comprehensive Income / (Expense)</b>			
Change in revaluation of plant and equipment		10	--
Change in net fair value change in cash flow hedges	19	8.316	(7.790)
Change in foreign currency translation differences	19	19.719	(12.570)
Tax expense for other comprehensive income		(1.837)	72
<b>Other comprehensive income / (loss) for the period, net of tax</b>		<b>26.208</b>	<b>(20.288)</b>
<b>TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE PERIOD</b>		<b>17.605</b>	<b>(8.847)</b>
<b>Profit attributable to:</b>			
Non-controlling interest		6.938	(12.473)
Owners of the Company		(15.541)	23.914
<b>Profit/(Loss) for the period</b>		<b>(8.603)</b>	<b>11.441</b>
<b>Total comprehensive income / (expense) attributable to:</b>			
Non-controlling interest		11.300	(13.846)
Owners of the Company		6.305	4.999
<b>Total comprehensive income / (expense) for the period</b>		<b>17.605</b>	<b>(8.847)</b>
<b>Basic and diluted earnings per share</b>		<b>(0,107)</b>	<b>0,229</b>

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

# Akfen Holding Anonim Şirketi

## Summary Consolidated Statements of Changes in Equity for the Periods Ended 31 March 2011 and 2010

(Currency: Thousands of TL.)

	<i>Paid in capital</i>	<i>Capital corrections</i>	<i>Treasury shares</i>	<i>Entities under common control</i>	<i>Translation differences</i>	<i>Revaluation fund</i>	<i>Hedging reserve</i>	<i>Other reserves</i>	<i>Restricted reserves</i>	<i>Retained earnings</i>	<i>Total</i>	<i>Non controlling interest</i>	<i>Total equity</i>
Balances as at 1 January 2010	99.669	(7.257)	(4.767)	20.062	25.004	(2.010)	(60.677)	--	14.985	264.088	349.097	179.911	529.008
<b>Total comprehensive income/(expense)</b>													
Profit for the period	--	--	--	--	--	--	--	--	--	23.914	23.914	(12.473)	11.441
<b>Other comprehensive income/(expense)</b>													
Foreign currency translation reserve	--	--	--	--	(11.377)	--	--	--	--	--	(11.377)	(967)	(12.344)
Revaluation of property, plant and equipment	--	--	--	--	--	(46)	--	--	--	46	--	--	--
Net fair value change in cash flow hedges	--	--	--	--	--	--	(7.312)	--	--	--	(7.312)	(406)	(7.718)
<b>Total other comprehensive income/(expense)</b>	--	--	--	--	(11.377)	(46)	(7.312)	--	--	46	(18.689)	(1.373)	(20.062)
<b>Total comprehensive income/(expense) for the period</b>	--	--	--	--	(11.377)	(46)	(7.312)	--	--	23.960	5.225	(13.846)	(8.621)
<b>Transactions with owners recorded under equity</b>													
Dividend distributions	--	--	--	--	--	--	--	--	--	--	--	(216)	(216)
Transfers to legal reserves	--	--	--	--	--	--	--	--	762	(530)	232	22	(254)
Change in ownership	--	--	--	--	--	--	--	--	--	--	--	7.009	7.009
Capital increase in subsidiaries	4.845	--	--	--	--	--	--	--	--	--	4.845	86	4.931
Sale of subsidiaries, net	--	--	1.058	--	--	--	--	(3.098)	(304)	304	(2.040)	25.641	23.601
<b>Total transactions with owners</b>	4.845	--	1.058	--	--	--	--	(3.098)	458	(226)	3.037	32.542	35.579
Balances as at 31 March 2010	104.514	(7.257)	(3.709)	20.062	13.627	(2.056)	(67.989)	(3.098)	15.443	287.822	357.359	198.607	555.966

# Akfen Holding Anonim Şirketi

## Summary Consolidated Statements of Changes in Equity for the Periods Ended 31 March 2011 and 2010

(Currency: Thousands of TL.)

	<i>Paid in capital</i>	<i>Capital corrections</i>	<i>Share Premium</i>	<i>Treasury shares</i>	<i>Entities under common control</i>	<i>Translation differences</i>	<i>Revaluation fund</i>	<i>Hedging reserve</i>	<i>Other Reserves</i>	<i>Restricted reserves</i>	<i>Retained earnings</i>	<i>Total</i>	<i>Non controlling interest</i>	<i>Total equity</i>
Balances as at 1 January 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 for the period	--	--	--	--	--	--	--	--	--	--	(15.541)	(15.541)	6.938	(8.603)
<b>Other comprehensive income/(expense)</b>														
Foreign currency translation reserve	--	--	--	--	--	15.787	--	--	--	--	--	15.787	3.932	19.719
Revaluation of property, plant and equipment	--	--	--	--	--	--	10	--	--	--	--	10	--	10
Net fair value change in cash flow hedges	--	--	--	--	--	--	--	6.049	--	--	--	6.049	430	6.479
<b>Total other comprehensive income/(expense)</b>	--	--	--	--	--	15.787	10	6.049	--	--	--	21.846	4.362	26.208
<b>Total comprehensive income/(expense) for the period</b>	--	--	--	--	--	15.787	10	6.049	--	--	(15.541)	6.305	11.300	17.605
<b>Transactions with owners recorded under equity</b>														
Dividend distributions	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Transfers to legal reserves	--	--	--	--	--	--	--	--	--	388	--	388	--	388
Change in ownership	--	--	--	--	--	--	--	180	681	--	7.099	7.960	(55)	7.905
<b>Total transactions with owners</b>	--	--	--	--	--	--	--	180	681	388	7.099	8.348	(55)	8.293
Balances as at 31 March 2011	145.500	(7.257)	454.782	(3.709)	20.062	33.701	(2.066)	(65.134)	(93.099)	12.469	313.585	808.834	171.850	980.684

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

**Akfen Holding Anonim Şirketi**  
**Summary Consolidated Cash Flow Tables for the Periods Ended**  
**31 March 2011 and 2010**  
*(Currency: Thousands of TL)*

		<i>Not Audited</i>	<i>Not audited</i>
		<i>31 March</i>	<i>31 March</i>
	<u>Notes</u>	<u>2011</u>	<u>2010</u>
<b>Cash flow from operating activities</b>			
Profit/(loss) for the period		<b>(15.541)</b>	<b>23.914</b>
Depreciation of property and equipment	13	5.478	3.755
Amortization of intangible assets	14	11.042	8.533
Provision for employee termination benefits		1.250	1.850
Release of provision/(provision for doubtful debts)		--	(2)
Unearned interest income/(expense), net		(155)	(639)
Gain or loss on sale of property and equipment		(4)	(620)
Gain on sale of subsidiaries	18	--	(8.877)
Provision /(release of provision) for litigation and vacation		28	261
Impairment in investment property		(47.406)	--
Unrealised foreign exchange differences on statement of financial position items		103.484	(3.402)
Interest income		(6.407)	(3.276)
Interest expense		46.661	37.717
Tax benefit/(expense)	22	(9.350)	(2.155)
Marked to market valuation of derivative instruments		--	(7.335)
		<b>89.080</b>	<b>49.724</b>
Change in trade receivables		(21.727)	69.666
Change in other receivables		(4.367)	(3.454)
Change in other current assets		4.739	2.617
Change in non-current trade receivables		(3.089)	(1.666)
Change in non-current receivables		1.199	444
Change in financial assets		(4.126)	(10.027)
Change in inventory		(836)	33.442
Change in due from related parties		12.167	(60.394)
Change in other non-current assets		(60.449)	(9.923)
Change in current trade payables		6.121	(47.292)
Change in other current payables		9.494	(25.190)
Change in other current liabilities		7.979	17.713
Change in non-current trade payables		1.583	1.768
Change in other non-current payables		478	(3.832)
Change in due to related parties		(18.234)	(4.261)
Change in other non-current liabilities		(52)	11
<b>Cash flows from/ (used in) operating activities</b>		<b>19.960</b>	<b>9.346</b>
Tax paid		(4.832)	(961)
Retirement benefit paid		(1.180)	(342)
Doubtful receivables collection		--	2
Interest paid		(22.740)	(11.642)
<b>Net cash provided from / (used in) operating activities</b>		<b>(8.792)</b>	<b>(3.597)</b>

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



**Akfen Holding Anonim Şirketi**  
**Summary Consolidated Cash Flow Tables for the Periods Ended**  
**31 March 2011 and 2010**  
*(Currency: Thousands of TL)*

		<i>Not audited</i>	<i>Not audited</i>
		<i>31 March</i>	<i>31 March</i>
	<u>Notes</u>	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		3.148	3.276
Acquisition of property and equipment	13	(59.959)	(65.028)
Effect of group structure change	13-14	--	1.889
Proceeds from sale of property and equipment		2.338	1.484
Acquisition of intangible assets	14	(10.763)	(5.658)
Purchases of investment property		(11.695)	(4.715)
Change in non-controlling interest		(223)	--
<b>Net cash provided from/(used in) investing activities</b>		<b>(77.154)</b>	<b>(68.752)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from the borrowings		82.511	125.544
Change in project, reserves and fund accounts		38.263	37.972
Change in derivative instruments		(3.951)	7.335
Capital increase		--	4.845
Repayment of borrowings		(69.075)	(87.479)
<b>Net cash from financing activities</b>		<b>47.748</b>	<b>88.217</b>
<b>Net increase in cash and cash equivalents</b>		<b>(38.198)</b>	<b>15.868</b>
<b>Cash and cash equivalents at 1 January</b>		<b>166.349</b>	<b>122.829</b>
<b>Cash and cash equivalents at period end</b>		<b>128.151</b>	<b>138.697</b>

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

# **Akfen Holding Anonim Şirketi**

## **Notes to the Consolidated Financial Statements as at 31 March 2011**

(Currency: Thousands of TL.)

### **1 REPORTING ENTITY**

In 1976, Akınısı Makine Sanayi ve Ticaret A.Ş. founded by Hamdi AKIN which activate in infrastructure investments. After restructuring of the company's activities Akfen Holding Anonim Şirketi ("Akfen Holding", "Company", "Group") has been found in 1999. The group's principal activity among the subjects of energy, airport, construction, port management and other infrastructure investments and real estate investment projects include the construction and management.

Today, Akfen Holding and its subsidiaries' operations include residence construction, industrial facilities, natural gas networks and city distribution systems, environmental protection and infrastructure facilities, cauldrons, steel construction and conveyors, duty free shop management, catering services, water sewage and water investments and management, energy production via hydroelectric power stations.

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

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

Koza Sokak No:22

Gaziosmanpaşa

06700/ Ankara-Türkiye

The number of employees of Akfen Holding and subsidiaries and joint ventures of the Group at 31 March 2011 is approximately 209 (31 December 2010: 200) and 22.842 (31 December 2010: 22.909).

### **2 BASIS OF PREPARATION**

#### **2.1 Basis of Preparation**

##### **(a) Statement of compliance**

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

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

The accompanying consolidated financial statements are based on these statutory records with adjustments and reclassifications for the purpose of fair presentation in accordance with Capital Markets Board's ("CMB") regulations.

## **Akfen Holding Anonim Şirketi**

### **Notes to the Consolidated Financial Statements as at 31 March 2011**

(Currency: Thousands of TL.)

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

### **2.1 Basis of preparation (continued)**

#### **(a) Statement of compliance (continued)**

According to fifth article of the communique the Companies should apply International Accounting / Reporting Standarts (“UMS/UFRS”) as accepted by European Union. But considering the temporary second article until the differences of UMS / UFRS is accepted by International Accounting Standarts Board (“UMSK”), the standards which are accepted by UMSK will be used. Thus the Company has prepared its financials in accordance with the accepted UMS/UFRS as at 31 March 2011.

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

Based on the communique the Companies are free to choose preparing a full set report or summary report considering “IAS 34 Interim Financial Reporting”. The Group has selected to prepare summary financial statements in accordance with CMB Financial Reporting Standards.

#### **(b) Preparation of the Financial Statements**

The Group’s summary consolidated financial statements prepared in accordance with IAS and IFRS was approved by the Board of Directors as at 12 May 2011. The consolidated financial statements and notes as at 31 March 2011 are prepared according to the Communiqué XI No 29 of CMB which was announced by the decision numbered 11/467 at 17 April 2008 related to the Principles Regarding Financial Reporting on capital market.

#### **(c) Accounting in Hyperinflationary Periods**

In accordance with the decree of CMB as at 17 March 2005 The Group, do not applied inflation accounting beginning from 1 January 2005.

#### **(d) Basis of measurement**

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- derivative financial instruments are measured at fair value,
- investment properties are measured at fair value

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

## 2 BASIS OF PREPARATION (continued)

### 2.1 Basis of preparation (continued)

#### (e) Functional and presentation currency

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

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

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

<u>The Company</u>	<u>Functional Currency</u>
Akfen İnşaat Turizm ve Ticaret AŞ ("Akfen İnşaat")	TL
Akfen Gayrimenkul Yatırım Ortaklığı AŞ ("Akfen GYO")	TL
Akfen Enerji Yatırımları Holding AŞ ("Akfen Enerji")	TL
Akfen Hes Yatırımları ve Enerji Üretim AŞ ("Akfen HES I")	TL
Akfen Hidroelektrik Santral Yatırımları AŞ ("Akfen HES II")	TL
Akfen Enerji Kaynakları ve Yatırımları AŞ ("Akfen HES III")	TL
TAV Havalimanları Holding AŞ ("Tav Havalimanları")	Euro
TAV Yatırım Holding AŞ ("TAV Yatırım")	USD
Mersin Uluslararası Liman İşletmeciliği AŞ ("MIP")	USD
PSA Akfen Liman İşletmeciliği ve Yönetim Danışmanlığı AŞ ("PSA Liman")	TL
Task Tepe Akfen Su Kanalizasyon Yatırım Yapım ve İşletme AŞ ("Task Su")	TL
ATI Services SA ("ATI")	CHF
Hyper Foreign Trade Holland N.V. ("Hyper Foreign")	Euro
Russian Property Investments B.V. ("RPI")	Euro
Russian Hotel Investments B.V. ("RHI")	Euro

## **Akfen Holding Anonim Şirketi**

### **Notes to the Consolidated Financial Statements as at 31 March 2011**

(Currency: Thousands of TL.)

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

### **2.1 Basis of preparation(continued)**

#### **(f) Basis of consolidation**

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

The ownership and voting power rates are not changed from 31 December 2010 to 31 March 2011.

#### **(i) Acquisition from entities under common control**

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

#### **(ii) Transactions eliminated on consolidation**

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

#### **(iii) Business combinations for acquisitions from third parties**

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

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

## 2 BASIS OF PREPARATION (continued)

### 2.1 Basis of preparation(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 that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognized in the consolidated statement of comprehensive income.

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

Assets and liabilities of the Group entities with a different functional currency than the reporting currency of the Group are translated into the reporting currency of the Group at the rate of exchange 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 or in full, the relevant amount in the FCTR is transferred to profit or loss.

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

	<u>31 March 2011</u>	<u>31 December 2010</u>
Euro/ TL	2,1816	2,0491
USD / TL	1,5483	1,5460

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

	<u>2011</u>	<u>2010</u>
Euro/ TL	2,1466	2,0787
USD / TL	1,5706	1,5014

##### (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.

## **Akfen Holding Anonim Şirketi**

### **Notes to the Consolidated Financial Statements as at 31 March 2011**

(Currency: Thousands of TL.)

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

### **2.2 Changes in Accounting Policies**

#### **(a) Changes in Accounting Policies**

The significant changes in accounting policies and the identified errors corrected retrospectively. For the period ended 1 January - 31 March 2011 no changes has been made except the followings:

#### ***Accounting of increases in rights without control authorization.***

As at 1 January 2010 Tav Havalimanları has applied IFRS 3 “Business Combination” and IAS 27 “Consolidated and Separate Financial Statements” standards for changes in rights which does not have control authorization. Tav Havalimanları, IAS 27 “Consolidated and Separate Financial Statements” has applied for changes in rights which does not have control authorization. According to new accounting policies, parent company presents decreases in ownership in equity as long as the parent company has the control of subsidiaries (For example: transaction with shareholders as long as they are shareholder). At the end of the transaction the profit or loss is not changed. The changes in accounting policy is prospectively applied and does not result in material changes in earning per share.

#### **(b) New standards and interpretations not yet adopted**

A number of new standards, amendments to standards and interpretations are not yet effective for the period ended 31 March 2011, and have not been applied in preparing these consolidated financial statements. The Company management thinks that none of these will have an effect on the consolidated financial statements.

### **2.3 Summary of Significant Accounting Policies**

The summary consolidated financials statements for the period ended 31 March 2011 are prepared in compliance with TMS 34. Beyond this, the financial statements for the period ended, 31 March 2011 are in compliance with the accounting policies applied in, 31 December 2010. Thus, these summary consolidated financial statements should be evaluated with the financial statements for the year ended 31 December 2010.

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

#### 3 JOINT VENTURES

Total current assets, non-current assets, short term liabilities, long term liabilities and income and expense of joint ventures is listed below:

<b>Statement of financial position</b>	<b>31 March 2011</b>	<b>31 December 2010</b>
Current assets	2.155.453	2.236.769
Non-current assets	4.656.641	4.314.324
Current liabilities	(1.580.348)	(1.603.288)
Non-current liabilities	(3.712.291)	(3.513.483)

<b>Statement of Income</b>	<b>31 March 2011</b>	<b>31 March 2010</b>
Total revenues	808.449	633.669
Total expenses	(840.105)	(656.207)
Profit / (loss) for the period	(31.656)	(22.538)

#### 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.

Information regarding the results of each reportable segment is included Tav Yatırım, Akfen İnşaat, Akfen GYO, HES I-II-III, MIP, Task Su and Tav Havalimanları.

##### *Others*

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



## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

#### 4 SEGMENT REPORTING (continued)

<u>1 January-31 March 2011</u>	<u>Tav</u> <u>Yatırım</u>	<u>Akfen</u> <u>İnşaat</u>	<u>Akfen</u> <u>GYO</u>	<u>HES I-</u> <u>II-III</u>	<u>MIP</u>	<u>Task</u> <u>Su</u>	<u>Tav</u> <u>Havalimanları</u>	<u>Other</u>	<u>Other</u> <u>Discontinued</u>	<u>Total</u>
External revenues	129.562	3.116	5.813	19	40.786	796	101.166	--	--	281.258
Inter segment revenue	606	26.079	--	--	--	--	--	3.077	--	29.762
Other operating income	57	676	46.437	102	--	12	4.316	72	--	51.671
Other operating expense	(111)	(717)	(832)	(198)	--	--	--	(211)	--	(2.069)
Financial income	543	542	1.904	4.550	456	404	2.947	8.999	--	20.345
Financial expense	(3.965)	(466)	(15.716)	(15.736)	(8.056)	(948)	(17.173)	(5.340)	--	(67.399)
Depreciation and amortization	1.591	121	10	1.062	4.839	100	8.622	174	--	16.520
Reportable segment profit/ (loss) before income tax	(4.158)	(3.726)	35.886	(13.105)	11.101	(686)	(6.765)	2.417	--	20.964
Tangible and intangible asset investments	1.702	233	18	55.381	415	15	12.519	439	--	70.722
<b>31 March 2011</b>										--
Reportable segment assets	347.694	330.711	771.758	678.805	648.094	26.053	942.869	113.365	--	3.859.349
Reportable segment liabilities	344.628	115.959	264.230	404.230	585.028	13.007	835.950	315.634	--	2.878.665

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

#### 4 SEGMENT REPORTING (continued)

<b><u>1 January-31 March 2010</u></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 I-</u></b> <b><u>II-III</u></b>	<b><u>MIP</u></b>	<b><u>Task Su</u></b>	<b><u>Tav</u></b> <b><u>Havalimanları</u></b>	<b><u>Other</u></b>	<b><u>Other</u></b> <b><u>Discontinued</u></b>	<b><u>Total</u></b>
External revenues	93.973	3.674	4.242	232	31.206	3.271	74.728	34	14.292	225.652
Inter segment revenue	3.433	16.851	--	--	--	--	--	2.756	--	23.040
Other operating income	1.142	6.272	57	404	--	4	3.484	9.173	83	20.619
Other operating expense	(123)	(5.970)	(64)	(2)	--	--	--	(2.488)	(23)	(8.670)
Financial income	2.748	1.444	11.193	8.595	399	174	2.434	15.649	828	43.464
Financial expense	(1.290)	(3.524)	(5.223)	(2.614)	(8.084)	--	(11.017)	(31.985)	(651)	(64.388)
Depreciation and amortization	1.242	269	16	188	3.670	53	6.728	122	86	12.374
Reportable segment profit/ (loss) before income tax	(146)	(2.931)	8.166	3.890	4.418	272	(8.348)	(9.869)	19.948	15.400
Tangible and intangible asset investments	1.321	14	--	51.994	4.115	20	13.134	88	--	70.686
<b>31 December 2010</b>										
Reportable segment assets	337.482	342.010	699.005	647.199	629.561	25.675	895.643	142.491	--	3.719.066
Reportable segment liabilities	331.263	119.414	236.253	380.728	575.349	12.051	802.321	306.902	--	2.764.281

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

#### 4 SEGMENT REPORTING (continued)

	<u>31 March 2011</u>	<u>31 March 2010</u>
Segment revenues	307.943	231.609
Other revenues	3.077	17.083
Elimination between segments	(29.762)	(23.040)
Discontinued operations	--	(14.292)
<b>Consolidated revenues</b>	<b>281.258</b>	<b>211.360</b>

	<u>31 March 2011</u>	<u>31 March 2010</u>
Operating profit		
Segment operating profit/(loss)	18.548	5.321
Other operating profit/(loss)	2.417	10.079
	20.964	15.400
Elimination between segments	(20.217)	(1.222)
Discontinued operations	--	(19.948)
<b>Consolidated profit/(loss) before tax</b>	<b>747</b>	<b>(5.770)</b>

Assets	<u>31 March 2011</u>	<u>31 December 2010</u>
Segment assets	3.745.984	3.576.575
Other assets	113.365	142.491
<b>Total assets</b>	<b>3.858.349</b>	<b>3.719.066</b>

Liabilities	<u>31 March 2011</u>	<u>31 December 2010</u>
Segment liabilities	2.563.031	2.457.379
Other liabilities	315.634	306.902
<b>Total liabilities</b>	<b>2.878.665</b>	<b>2.764.281</b>

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

#### 5 CASH and CASH EQUIVALENTS

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

	<u>31 March</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Project, reserve and fund accounts	216.216	254.479
Cash at banks	120.462	151.814
-Demand deposit	45.618	76.654
-Time deposit	74.844	75.160
Cash on hand	934	673
Other liquid assets	8.687	15.603
Cash and cash equivalents	346.299	422.569
Project, reserve and fund accounts	(216.216)	(254.479)
Bank overdrafts used for cash management purposes	(1.932)	(1.741)
<b>Cash and cash equivalents</b>	<b>128.151</b>	<b>166.349</b>

As at 31 March 2011, the interest rate and the maturity of the foreign currency time deposits and Turkish Lira time deposits range between 0,15%-0.75% and April 2011, and 6.00%-9.00% and April 2011, respectively, which are amounting TL 74.844 TL in total.

As at 31 December 2010, the interest rate and the maturity of the foreign currency time deposits and Turkish Lira time deposits range between 0,15%-0.75% and January 2010, and 6.00%-9.00% and January 2010, respectively, which are amounting TL 75.160 in total.

TAV Airports and MIP, has Project and Reserve accounts, regarding the agreements made with banks, in order to fund their projects. These accounts can only be used for the areas decided in the agreements. These kind of cash and cash equivalents are amounting to TL 141.151 and TL 75.065 for TAV Airports and MIP respectively (2010: TL 197.988 and TL 56.491).

As at 31 March 2011, the interest rate range of Euro reserves between 0,50% - 4,00% (31 December 2010: 0,10% - 3,70%); the interest rate range of US Dolar reserves between 0,50% - 3,70% (31 December 2010: 0,24% - 3,00%); the interest rate range of TL reserves between 4,25% - 8,60% (31 December 2010: 1,50% - 9,00%).

The Group's exposure interest rate risk and sensitivity analysis for financial assets and liabilities are disclosed in Note 25.

As at 31 March 2011 and 31 December 2010, there is no pledge on bank accounts except as disclosed.

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

## 6 FINANCIAL INVESTMENTS

### Current investment

As at 31 March 2011 and 31 December 2010 investments comprised of the following:

	<u>31 March 2011</u>	<u>31 December</u> <u>2010</u>
Government bond available for sale	2.835	5.671
	<u>2.835</u>	<u>5.671</u>

As at 31 March 2011 and 31 December 2010 the maturity and interest rate of government bonds are 2020 and 5,25% with coupon payments every six months.

## 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 25.

The Group's financial liabilities as at 31 March 2011 and 31 December 2010 are as follows:

	<u>31 March</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
<b>Non-current liabilities</b>		
Non-current secured bank loans	1.798.179	1.764.370
Non-current unsecured bank loans	17.471	317
Non-current bond	--	100.000
Long term finance lease obligations	11.077	11.346
	<u>1.826.727</u>	<u>1.876.033</u>
<b>Current liabilities</b>		
Secured bank loan	80.447	65.975
Unsecured bank loan	21.756	25.683
Current portion of long –term secured bank loans	271.965	273.459
Current portion of long –term unsecured bank loans	69.298	336
Coupon payment of long term bond	100.376	1.722
Spot loan	1.931	1.741
Short term finance lease obligations	1.920	1.770
	<u>547.693</u>	<u>370.686</u>

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

	<u>31 March</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Bank loans	2.261.047	2.131.881
Bond	100.376	101.722
Finance lease obligations	12.997	13.116
	<u>2.374.420</u>	<u>2.246.719</u>

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

#### 7 LOANS AND BORROWINGS(continued)

The Group's bank loans and lease borrowings as at 31 March 2011 are as follows:

	<b><u>Current liabilities</u></b>	<b><u>Non-current liabilities</u></b>	<b><u>Total</u></b>
Akfen Holding	221.872	227.214	449.086
Akfen İnşaat	407	514	921
Akfen GYO	39.516	159.133	198.649
Akfen HES I-II-III	68.714	292.544	361.258
TASK Su	539	10.795	11.334
MIP	15.629	491.999	507.628
TAV Yatırım	65.775	35.563	101.338
TAV Havalimanları	111.238	586.482	697.720
RHI	14.623	11.406	26.029
RPI	7.460	--	7.460
	<b>545.773</b>	<b>1.815.650</b>	<b>2.361.423</b>

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

	<b><u>Current liabilities</u></b>	<b><u>Non-current liabilities</u></b>	<b><u>Total</u></b>
Akfen Holding	76.329	356.163	432.492
Akfen İnşaat	398	575	973
Akfen GYO	28.582	156.580	185.162
Akfen HES I-II-III	62.406	272.711	335.117
TASK Su	487	10.030	10.517
MIP	16.561	489.988	506.549
TAV Yatırım	43.342	31.950	75.292
TAV Havalimanları	121.764	538.707	660.471
RHI	12.050	7.983	20.033
RPI	6.997	--	6.997
	<b>368.916</b>	<b>1.864.687</b>	<b>2.233.603</b>

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

#### 7 LOANS AND BORROWINGS(continued)

##### Terms and debt repayment schedule

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

	<u>31 March 2011</u>	<u>31 December 2010</u>
Within one year	545.773	368.916
In the second year	339.401	417.780
In the third year	283.876	361.060
In the fourth year	180.902	134.319
In fifth year and more than five years	1.011.471	951.528
	<b>2.361.423</b>	<b>2.233.603</b>

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

##### Akfen Holding:

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

	<u>Currency</u>	<u>Nominal Interest Rate %</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying Amount</u>
Secured Bank Loans <sup>(4)</sup>	Euro	Euribor+3,0	2012	171.714	177.079
Secured Bank Loans <sup>(1)</sup>	USD	Libor+3,5	2014	48.169	49.838
Secured Bank Loans <sup>(2)</sup>	USD	9,95	2015	116.123	121.743
Spot Loan	TL	--	2011	50	50
Bond <sup>(3)</sup>	TL	5,55*	2012	100.000	100.376
				<b>436.056</b>	<b>449.086</b>

(1) Sureties given by Hamdi Akın and Akfen İnşaat

(2) 1/1 cash collateral

(3) As at 31 March 2011 bonds are showing the, payables arising from the bonds which have maturity of two years and coupon payment of 182 days, with a floating interest rate amounting to TL 100.000

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

(\*)Showing the interest to be given for the first coupon payment period (182 days).

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

#### 7 LOANS AND BORROWINGS(continued)

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

	<u>Currency</u>	<u>Nominal Interest Rate %</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying Amount</u>
Secured Bank Loans <sup>(4)</sup>	Euro	Euribor+3,0	2012	161.285	163.679
Secured Bank Loans <sup>(1)</sup>	USD	Libor+3,5	2014	48.098	48.963
Secured Bank Loans <sup>(2)</sup>	USD	9,95	2015	115.950	118.072
Spot Loan	TL	--	2011	56	56
Bond <sup>(3)</sup>	TL	5,21*	2012	100.000	101.722
				<b>425.389</b>	<b>432.492</b>

(1) Sureties given by Hamdi Akın and Akfen İnşaat

(2) 1/1 cash collateral

(3) As at 31 December 2010 bonds are showing the, payables arising from the bonds which have maturity of two years and coupon payment of 182 days, with a floating interest rate amounting to TL 100.000

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

(\*)Showing the interest to be given for the first coupon payment period (182 days).



## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

#### 7 LOANS AND BORROWINGS(continued)

##### Akfen İnşaat:

As at 31 March 2011 breakdown of bank loans is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured Bank Loans(1)	USD	7,2	2014	479	789
Spot Loan	TL	--	2011	132	132
				<b>612</b>	<b>921</b>

(1) Sureties given by Hamdi Akın

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

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

(1) Sureties given by Hamdi Akın

##### Akfen GYO:

As at 31 March 2011 breakdown of bank loans is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Unsecured bank loans (1)	Euro	Euribor +3.75	2020	144.381	144.381
Unsecured bank loans (2)	Euro	Euribor +3.70	2015	29.545	29.545
Secured bank loans (3)	TL	10	2016	14.710	14.710
Secured bank loans (4)	TL	10,75	2011	5.513	5.513
Secured bank loans (5)	TL	11,95	2011	3.000	3.000
Unsecured bank loans	TL	10	2011	1.000	1.000
Secured bank loans (5)	TL	10,15	2011	500	500
				<b>198.649</b>	<b>198.649</b>

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

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

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

#### 7 LOANS AND BORROWINGS(continued)

<sup>(1)</sup> The Company signed a loan agreement of Euro 100 million on 30 July 2008 with Türkiye İş Bankası AŞ (“Türkiye İş Bankası”) and Türkiye Sınai Kalkınma Bankası AŞ (“TSKB”) to finance the ongoing hotel projects based on the Memorandum of Understanding (“MoU”) signed between the Company and ACCOR S.A. to develop hotel projects in Turkey. Based on the loan agreement, the Company pays commitment commission which is calculated as an annual rate of 1.25% on the unused portion of the loan at each quarter from the agreement date till the maturity date. The Company also pays 0.50% of the amount used in the portion as arrangement commission at each disbursement from TSKB and 1.00% of the related amount as commission. As at 31 March 2011, the Company used the portion of the loan amounting to Euro 68.86 million. Bank borrowings obtained with this agreement is secured by the followings:

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

<sup>(2)</sup> Bank borrowings obtained from ING European Financial Services Plc for refinancing of the bank borrowings obtained from various banks for financing the construction of Mercure Hotel in Northern Cyprus is secured by the followings.

- According to the Board of Directors resolution numbered 2008/16 and dated 3 July 2008, the Company pledged 279,996 number of shares of Akfen Gayrimenkul Ticareti ve İnşaat A.Ş. amounting TL 6,999,900 as a surety,
- Rental revenue of the casino in Mercure Hotel in Northern Cyprus is transferred to the creditors,
- Rental revenue of Mercure Hotel in Northern Cyprus is transferred to the creditors,
- Sureties of Akfen GYO is given for the total outstanding loan amount,
- Right of tenancy KKTC Mercure Hotel is pledged on behalf of ING Bank A.Ş.

Letter of guarantee is obtained from ING Bank AŞ for the total outstanding loan amount. Right of tenancy of Mercure Hotel in Northern Cyprus is pledged in favour of ING Bank AŞ as a guarantee for the letter of guarantee.

<sup>(3)</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 the total outstanding loan amount,
- Sureties Akfen İnşaat, the shareholders’ of the Company, is given for the total outstanding loan amount.

<sup>(4)</sup> Sureties given by Akfen Holding

<sup>(5)</sup> Sureties given by Akfen Holding and Akfen İnşaat

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

#### 7 LOANS AND BORROWINGS(continued)

##### Akfen HES I:

As at 31 March 2011 breakdown of bank loans is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	Euro	Euribor+6,5	2013-2020	323.601	323.860
Spot loan	TL	--	2011	19	19
				<b>323.616</b>	<b>323.879</b>

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

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	Euro	Euribor+6,5	2013-2020	306.819	300.579
Spot loan	TL	--	2011	19	19
				<b>306.838</b>	<b>300.598</b>

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

- Deposit pledge on accounts of Project
- Assignment of insurance receivables,
- Assignment of receivables arising from the letter of guarantee,
- Assignment of VAT receivables,
- Assignment of receivables arising from the EPC contract,
- Assignment of Go-risk receivables
- Assignment of Project incomes,
- Capital completion guarantee of Akfen İnşaat during the construction period,
- Capital completion guarantee of Akfen Hes, Akfen holding and shareholders during the Project period

##### Akfen HES II:

As at 31 March 2011 breakdown of bank loans is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	Euro	Euribor+5,5	2021	36.542	37.379
				<b>36.542</b>	<b>37.379</b>

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

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	Euro	Euribor+5,5	2021	34.322	34.519
				<b>34.322</b>	<b>34.519</b>

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

#### 7 LOANS AND BORROWINGS(continued)

##### Akfen HES II (continued)

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

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

##### Task Su:

As at 31 March 2011 breakdown of bank loans is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans <sup>(1)</sup>	Euro	Euribor+4	2020	11.610	11.279
Spot loan	TL	14	-	55	55
				<u>11.665</u>	<u>11.334</u>

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

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans <sup>(1)</sup>	Euro	Euribor+4	2020	10.508	10.508
Spot loan	TL	14	--	9	9
				<u>10.517</u>	<u>10.517</u>

<sup>(1)</sup> Task Dilovası and Task Güllük have signed loan agreements in December 2010 with EBRD amounted Euro 10.500( total limit Euro 13.500) and Euro 2.500 with Euribor + 4 and utilize in 1 June 2020.

Task Dilovası shares owned by Task Water, Task Su, Akfen Holding, Task Güllük and Arbiogaz amounting to TL 12.100 have been pledged in order to obtain Hapoalim Bank borrowings

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

#### 7 LOANS AND BORROWINGS(continued)

##### MIP:

As at 31 March 2011 breakdown of bank loans is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans <sup>(1)</sup>	USD	Libor+2,5	2020	419.792	419.792
Secured bank loans <sup>(1)</sup>	USD	Libor+1	2020	87.836	87.836
				<b>507.628</b>	<b>507.628</b>

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

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

<sup>(1)</sup> The Company has obtained two bank borrowings namely Senior Debt Loan and Mezzanine Loan amounting to USD 300,000 thousand and USD 50,000 thousand respectively, in order to finance the payment regarding the transfer of operation rights of Mersin International Port. Mezzanine loan is a rotative loan and the principal payment can be paid at the maturity date of 2020 where till that date unpaid interest expenses are added to the principle.

According to the share pledge agreement signed on 11 May 2007 with Syndication Banks, the shares of MIP have been given as collateral for Senior Debt Loan to these banks. Beyond this all bank accounts, collections, receivables of MIP given as collateral for Senior Debt. Mezzanine loan is secured by the surety of PSA International Group and the Company.

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

#### 7 LOANS AND BORROWINGS(continued)

##### TAV Yatırım:

The breakdown of bank loans as at 31 March 2011 and 31 December 2010 are as follows:

	<u>31 March 2011</u>	<u>31 December 2010</u>
TAV Yatırım	4.194	3.875
TAV İnşaat	97.144	71.417
	<b>101.338</b>	<b>75.292</b>

##### TAV Yatırım

As at 31 March 2011 breakdown of bank loans is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans <sup>(1)</sup>	Euro	7,50	2011	4.194	4.194
				<b>4.194</b>	<b>4.194</b>

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

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

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

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

## 7 LOANS AND BORROWINGS(continued)

### TAV İnşaat

As at 31 March 2011 breakdown of bank loans is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans <sup>(1)</sup>	USD	3,50-3,75	2012	6.619	6.619
Secured bank loans <sup>(1)</sup>	USD	4,65	2013	3.315	3.315
Secured bank loans <sup>(1)</sup>	USD	7,50	2011	7.564	7.564
Secured bank loans <sup>(1)</sup>	USD	3,60	2012	10.086	10.086
Secured bank loans <sup>(1)</sup>	USD	3,75	2012	3.317	3.317
Secured bank loans <sup>(2)</sup>	USD	6,00	2012	6.643	6.643
Secured bank loans <sup>(2)</sup>	USD	5,00	2012	3.363	3.363
Secured bank loans <sup>(1)</sup>	USD	4,95	2012	8.046	8.046
Unsecured bank loans	USD	3,75	2012	6.606	6.606
Secured bank loans <sup>(1)</sup>	Euro	6,50	2011	6.463	6.463
Secured bank loans <sup>(1)</sup>	Euro	7,50	2011	11.547	11.547
Secured bank loans <sup>(1)</sup>	Euro	3,75	2012	4.696	4.696
Secured bank loans <sup>(3)</sup>	OMR	4,75	2011	18.879	18.879
				<b>97.144</b>	<b>97.144</b>

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

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

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

<sup>(2)</sup> Sureties given by Akfen İnşaat, TAV Yatırım and Tepe İnşaat

<sup>(3)</sup> Sureties given by TAV Yatırım Holding

<sup>(4)</sup> Sureties given by TAV Tepe Akfen Yatırım İnşaat ve İşl A.Ş.

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

#### 7 LOANS AND BORROWINGS(continued)

##### **TAV Havalimanları:**

The breakdown of bank loans as at 31March 2011 and 31 December 2010 are as follows:

	<b><u>31 March 2011</u></b>	<b><u>31 December 2010</u></b>
TAV İstanbul	218.313	230.676
TAV Tunus	215.156	199.208
TAV Esenboğa	81.253	75.335
HAVAŞ	46.052	43.599
TAV İzmir	26.721	31.939
TAV Holding	44.734	22.645
ATÜ	16.589	15.129
TAV Tiflis	15.301	15.053
TAV Makedonya	21.376	10.616
TAV Gazipaşa	9.474	9.076
TGS	1.840	6.306
Other	911	889
	<b><u>697.720</u></b>	<b><u>660.471</u></b>



## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

#### 7 LOANS AND BORROWINGS(continued)

##### TAV İstanbul

As at 31 March 2011 breakdown of bank loans is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loan	Euro	Euribor + 2,50	2018	220.918	217.949
Spot loan	TL	--	2011	364	364
				<b>221.282</b>	<b>218.313</b>

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

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

##### TAV Tunus

As at 31 March 2011 breakdown of bank loans is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loan	Euro	Euribor + %2,28	2028	95.437	95.667
Secured bank loan	Euro	Euribor + %2,00	2022	62.500	62.584
Secured bank loan	Euro	Euribor + %1,54	2028	39.688	39.690
Secured bank loan	Euro	Euribor + %4,75	2028	17.066	17.214
				<b>214.691</b>	<b>215.156</b>

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

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

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

## 7 LOANS AND BORROWINGS(continued)

### TAV Holding

As at 31 March 2011 breakdown of bank loans is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Unsecured bank loan	Euro	4,25%	2014	17.094	17.225
Unsecured bank loan	USD	5,50%	2011	10.110	10.142
Unsecured bank loan	Euro	% 4,00 - % 6,00	2011	9.687	9.774
Unsecured bank loan	USD	3,75%	2012	4.044	4.057
Secured bank loan	Euro	6,00%	2011	3.419	3.482
Spot loan	TL	-	-	53	53
				<b>44.408</b>	<b>44.734</b>

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

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

### TAV Esenboğa

As at 31 March 2011 breakdown of bank loans is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loan	Euro	Euribor + 2,35	2021	81.626	81.151
Spot loan	TL	--	--	102	102
				<b>81.728</b>	<b>81.253</b>

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

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

**Akfen Holding Anonim Şirketi**  
**Notes to the Consolidated Financial Statements as at 31 March 2011**  
*(Currency: Thousands of TL.)*

**7 LOANS AND BORROWINGS***(continued)*

**TAV İzmir**

As at 31 March 2011 breakdown of bank loans is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loan	Euro	Euribor + 3,00	2013	26.486	26.721
				<b>26.486</b>	<b>26.721</b>

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

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loan	Euro	Euribor + 3,00	2013	31.322	31.939
				<b>31.322</b>	<b>31.939</b>

**TAV Tiflis**

As at 31 March 2011 breakdown of bank loans is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loan	USD	Libor + 4,50	2015	14.910	15.301
				<b>14.910</b>	<b>15.301</b>

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

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

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

#### 7 LOANS AND BORROWINGS(continued)

##### ATÜ

As at 31 March 2011 breakdown of bank loans is as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loan	Euro	Euribor +%2,70	2015	5.996	6.047
Secured bank loan	Euro	6,00%	2015	5.696	5.744
Secured bank loan	Euro	5,00%	2018	2.848	2.889
Secured bank loan	Euro	5,20%	2015	535	536
Secured bank loan	Euro	5,00%	2012	409	410
Secured bank loan	Euro	5,64%	2012	384	375
Secured bank loan	TND	5,93%	2016	300	300
Secured bank loan	Euro	4,80%	2013	171	173
Spot loan	TL	-	--	116	116
				<b>16.455</b>	<b>16.589</b>

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

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

##### HAVAS

As at 31 March 2011 breakdown of bank loans is as follows:

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loan	Euro	Euribor + %4,75	2018	34.189	33.772
Secured bank loan	Euro	Euribor + %5,75	2017	11.396	11.545
Unsecured bank loan	Euro	Euribor + %3,50	2015	17	17
Spot loan	TL	--	--	717	717
				<b>46.319</b>	<b>46.052</b>

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

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

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

#### 7 LOANS AND BORROWINGS(continued)

##### TAV Makedonya

As at 31 March 2011 breakdown of bank loans is as follows:

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loan	Euro	Euribor + 5,50	2020	22.353	21.376
				<b>22.353</b>	<b>21.376</b>

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

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loan	Euro	Euribor + 1,50	2011	10.704	10.616
				<b>10.704</b>	<b>10.616</b>

##### TAV Gazipaşa

As at 31 March 2011 breakdown of bank loans is as follows:

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loan	Euro	%4,00 - %7,00	2011	5.955	6.083
Secured bank loan	TL	8,50%	2011	3.265	3.391
				<b>9.219</b>	<b>9.474</b>

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

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loan	Euro	%4,00 - %7,00	2011	5.593	5.756
Secured bank loan	TL	8,50%	2011	3.265	3.320
				<b>8.858</b>	<b>9.076</b>

##### TGS

As at 31 March 2011 breakdown of bank loans is as follows:

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Unsecured bank loan	TL	%7,95	2011	1.828	1.840
				<b>1.828</b>	<b>1.840</b>

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

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

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

#### 7 LOANS AND BORROWINGS(continued)

##### **RHI:**

As at 31 March 2011 breakdown of bank loans is as follows:

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	Euro	Euribor +7,5	2012	26.029	26.029
				<b>26.029</b>	<b>26.029</b>

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

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

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

##### **RPI:**

As at 31 March 2011 breakdown of bank loans is as follows:

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Year of Maturity</u>	<u>Face Value</u>	<u>Carrying amount</u>
Secured bank loans	Euro	Euribor +7,5	2011	7.460	7.460
				<b>7.460</b>	<b>7.460</b>

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

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

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

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

## 8 DERIVATIVE FINANCIAL INSTRUMENTS

### Short term derivative financial instruments

As at 31 March 2011 and 31 December 2010 short term derivative financial assets and liabilities are as follows:

	31 March 2011		
	Assets	Liabilities	Net Amount
Interest rate swap	1.788	(43.417)	(41.629)
Cross currency swap	--	(9.446)	(9.446)
	<b>1.788</b>	<b>(52.863)</b>	<b>(51.075)</b>

  

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

#### Interest rate swap

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

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

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

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

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

TAV İstanbul uses interest rate derivatives to manage its exposure to interest rate fluctuations on its bank borrowings. As at 31 March 2011, 92% of project finance loan is hedged through IRS contract during the life of the loan with an amortising schedule depending on repayment of the loan (31 December 2010: None).

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

## 8 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

### Cross currency swap

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

TAV İstanbul had signed a derivative contract with Dexia Credit Local (“DCL”) on 12 March 2008 to manage and fix its exposure to foreign currency exchange rates between USD and EUR on the rent installments that will be paid to DHMİ till 2018. TAV İstanbul has terminated the hedge relationship in 2010 and new two cross currency swap contracts have been signed by and between TAV İstanbul, DCL, and ING Bank N.V. on 16 December 2010. The total notional amount of the contract is USD 109.784 (in exchange of EUR 82.537) as at 31 March 2011, (31 December 2010: USD 109.784 (in exchange of EUR 82.537)).

The fair value of derivatives at 31 March 2011 is estimated at TL 52.302 (31 December 2010: TL 56.179). This amount is based on market values of equivalent instruments at the reporting date. Since the Group applied hedge accounting as at 31 March 2011 changes in the fair value of these interest rate derivatives and cross currency swaps were reflected to other comprehensive income amounting to a loss of TL 6.655 (31 December 2010: TL 4.670) net of tax.

### **Non-current derivative financial instruments**

As at 31 March 2011 and 31 December 2010, non-current derivative financial liabilities are as follows:

	<b>31 March 2011</b>		
	<b>Assets</b>	<b>Liabilities</b>	<b>Net Amount</b>
Cross currency swap	--	(49.720)	(49.720)
	<b>--</b>	<b>(49.720)</b>	<b>(49.70)</b>

  

	<b>31 December 2010</b>		
	<b>Assets</b>	<b>Liabilities</b>	<b>Net Amount</b>
Cross currency swap	--	(50.354)	(50.354)
	<b>--</b>	<b>(50.354)</b>	<b>(50.354)</b>

### ***Interest rate swap***

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

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



## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

## 9 TRADE RECEIVABLES AND PAYABLES

### Short term trade receivables

As at 31 March 2011 and 31 December 2010, short term trade receivables comprised the following:

	<b><u>31 March 2011</u></b>	<b><u>31 December 2010</u></b>
Due from related parties, trade (Note 24)	1.175	12.039
Other trade receivables	242.299	220.572
	<b>243.474</b>	<b>232.611</b>

As at 31 March 2011 and 31 December 2010, other trade receivables comprised the following:

	<b><u>31 March 2011</u></b>	<b><u>31 December 2010</u></b>
Due from customers for contract work (Note 12)	110.269	82.912
Contract receivables	56.581	71.912
Trade receivables	49.726	47.467
Guaranteed passenger fee receivable from DHMİ	12.279	11.050
Retention receivable	15.026	11.811
Notes receivables	1.336	1.221
Allowance for doubtful receivables ( - )	(2.918)	(5.801)
	<b>242.299</b>	<b>220.572</b>

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

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

### Long term trade receivables

As at 31 March 2011 and 31 December 2010, long term trade receivables comprised the following:

	<b><u>31 March 2011</u></b>	<b><u>31 December 2010</u></b>
Due from related parties, trade (Note 24)	1.976	2.007
Other trade receivables	112.440	109.351
	<b>114.416</b>	<b>111.358</b>

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

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

As at 31 March 2011 and 31 December 2010, other trade receivables comprised the following:

	<b><u>31 March 2011</u></b>	<b><u>31 December 2010</u></b>
Guarenteed passenger fee receivable from DHMI	62.072	60.913
Retentions held by the Group	35.370	33.316
Receivables from OSB	14.998	15.122
	<b>112.440</b>	<b>109.351</b>

#### Short term trade payables

As at 31 March 2011 and 31 December 2010, short term trade payables comprised the following:

	<b><u>31 March 2011</u></b>	<b><u>31 December 2010</u></b>
Due to related parties, trade (Note 24)	2.617	16.043
Other trade payables	112.923	106.802
	<b>115.540</b>	<b>122.845</b>

As at 31 March 2011 and 31 December 2010, other trade payables comprised the following:

	<b><u>31 March 2011</u></b>	<b><u>31 December 2010</u></b>
Trade payables	100.966	95.238
Retentions held by the Group	7.384	6.122
Customers for contract work (Note 12)	4.573	5.442
	<b>112.923</b>	<b>106.802</b>

Trade payables consist of payables to the suppliers for construction in progress activities, payables to subcontractors and payables to insurance companies. Currency and liquidity risk related with trade payables is explained in Note 25.

#### Long term trade payables

As at 31 March 2011 and 31 December 2010, long term trade payables comprised the following:

	<b><u>31 March 2011</u></b>	<b><u>31 December 2010</u></b>
Due to related parties, trade (Note 24)	44	--
Other trade payables	22.912	21.329
	<b>22.956</b>	<b>21.329</b>

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

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

As at 31 March 2011 and 31 December 2010, other trade payables comprised the following:

	<u>31 March</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Retentions held by the Group	22.657	21.073
Other trade payables	255	256
	<b>22.912</b>	<b>21.329</b>

#### 10 OTHER RECEIVABLES and PAYABLES

##### Other short-term receivables

As at 31 March 2011 and 31 December 2010 other current receivables comprised the following:

	<u>31 March</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Due from related parties (Not 24)	11.180	10.514
Other non-trade receivables	8.865	4.498
	<b>20.045</b>	<b>15.012</b>

##### Other long-term receivables

As at 31 March 2011 and 31 December 2010 other non-current receivables of the Group are as follows:

	<u>31 March</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Due from related parties (Not 24)	22.527	24.465
Other non-current receivables	735	1.934
	<b>23.262</b>	<b>26.399</b>

As at 31 March 2011 non-current portion of other receivables TL 735 (31 December 2010: TL 1.934) includes deposits and guarantees given.

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

#### 10 OTHER RECEIVABLES and PAYABLES (continued)

##### Other short-term payables

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

	<u>31 March</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Due to related Parties (Note 24)	13.087	14.323
Other Payables	101.561	108.975
	<b>114.648</b>	<b>123.298</b>

As at 31 March 2011 and 31 December 2010 other payables comprised of the following:

	<u>31 March</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Advances received	63.307	66.507
Concession payable of TAV Tunus	10.410	10.012
Payable to personel	8.248	6.972
Deposits and guarantees received	7.427	10.532
Corporate tax payable	5.466	9.516
Taxes and duties payable	3.457	3.681
Other payables	3.246	1.755
	<b>101.561</b>	<b>108.975</b>

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

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

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

##### Other long-term payables

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

	<u>31 March</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Due to related parties (Not 24)	10.991	14.607
Other payables	26.619	26.141
	<b>37.610</b>	<b>40.748</b>

As at 31 March 2011 and 31 December 2010 advances received are mainly comprised of advances received from employers for construction projects.

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

#### 11 INVENTORIES

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

	<u>31 March</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Tax-free shop inventory	4.225	3.635
Spare parts	3.383	3.106
Other inventory	1.433	1.464
	<b>9.041</b>	<b>8.205</b>

As at 31 March 2011 tax-free shop inventory and spare parts belongs to TAV Havalimanları.

#### 12 DUE FROM/DUE TO CUSTOMERS FOR CONTRACT WORK

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

	<u>31 March</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Total costs incurred on uncompleted contracts	1.159.540	1.044.752
Estimated earnings/(costs)	58.192	58.900
Total estimated revenue on uncompleted contracts	1.217.732	1.103.652
Less: Billings to date	(1.112.036)	(1.026.182)
<b>Net amounts due from (due to) customers for contract work</b>	<b>105.696</b>	<b>77.470</b>

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

	<u>31 March</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Due from customers for contract work (Note 10)	110.269	82.912
Due to customers for contract work (Note 10)	(4.573)	(5.442)
	<b>105.696</b>	<b>77.470</b>

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

#### 13 PROPERTY AND EQUIPMENT

Movements of property and equipment and related accumulated depreciation during the periods ended 31 March 2011 and 31 March 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Balance at 1 January		
Cost	627.950	384.088
Accumulated depreciation	(89.497)	(77.922)
<b>Net book value</b>	<b>538.453</b>	<b>306.166</b>
Net book value, opening	538.453	306.166
Effect of change in group structure	--	(1.933)
Additions	59.959	65.028
Transfers to intangibles	(136)	(185)
Translation difference	5.139	(2.527)
Disposals	(2.334)	(679)
Depreciation for the period	(5.478)	(3.755)
<b>Net book value, closing</b>	<b>595.603</b>	<b>362.115</b>
Balance at 31 March		
Cost	692.357	439.639
Accumulated depreciation	(96.754)	(77.524)
<b>Net book value</b>	<b>595.603</b>	<b>362.115</b>

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

#### 14 INTANGIBLE ASSETS

Movements of intangible assets and related accumulated amortization during the periods ended 31 March 2011 and 31 March 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Balance at 1 January		
Cost	1.155.995	1.137.353
Accumulated amortization	(132.241)	(94.734)
<b>Net book value</b>	<b>1.023.754</b>	<b>1.042.619</b>
<b>Net book value, opening</b>	<b>1.023.754</b>	<b>1.042.619</b>
Effect of change in group structure	--	44
Additions	10.763	5.658
Transfers from property and equipment	136	185
Translation differences	26.608	(14.835)
Disposals	--	(1)
Amortization for current period	(11.042)	(8.533)
<b>Net book value, closing</b>	<b>1.050.219</b>	<b>1.025.137</b>
Balance at 31 March		
Cost	1.197.784	1.126.432
Accumulated amortization	(147.565)	(101.295)
<b>Net book value</b>	<b>1.050.219</b>	<b>1.025.137</b>

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

## 15 COMMITMENTS and CONTINGENCIES

### (a) Letter of guarantees and suretyship

Commitments and contingent liabilities arising in the ordinary course of business for the Group comprised the following items as at 31 March 2011 and 31 December 2010:

	<u>31 March</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Commitments, Pledges, Mortgages ("CPM") are given by the Group		
A. Total amount of CPM is given on behalf of own legal personality	996.208	962.280
B. Total amount of CPM is given in favor of subsidiaries which are fully consolidated	1.281.380	1.276.063
C. Total amount of CPM is given for assurance of third party's debts in order to conduct of usual business activities	--	--
D. Total Amount of other CPM	231.555	218.921
i. Total amount of CPM is given in favor of parent company	135.297	135.096
ii. Total amount of CPM is given in favor of other group companies, which B and C doesn't include	96.258	83.825
iii. The amount of CPM is given in favor of third party which C doesn't include	--	--
	<u>2.509.143</u>	<u>2.457.264</u>

As at 31 March 2011, total amount of other CPM given by the group is 256% (2010:257%) of the Group's equity

### (b) Letter of Guarantees Received

As at 31 March 2011 Akfen Holding has taken letter of guarantees, notes as guarantee from the subcontractors. amounting to TL 155.825 (31 December 2010; TL 148.828) As at 31 March 2011 notes taken for the construction companies of Akfen Holding and its subsidiaries are amounting to TL 17.875 (31 December 2010: TL 15.990), and for the hydroelectric companies amounting to TL 30.757 (31 December 2010: TL 29.219) .



## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

## 16 OTHER ASSETS AND LIABILITIES

### Other current assets

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

	<u>31 March</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Prepaid rent expense	68.886	65.612
Advance given to subcontractors	36.222	46.0842
VAT carried forward	34.154	32.486
Income accrual	9.060	8.436
Prepaid expense	11.338	8.915
Job advances	13.552	1.427
Advance given	4.666	12.342
Prepaid taxes and funds	1.076	5.172
Withholding taxes over progress billings	1.696	1.663
Other	5.601	8.390
	<b>186.251</b>	<b>190.525</b>

### Other non-current assets

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

	<u>31 March</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Prepaid rent expense	90.962	44.039
Carried forward VAT	89.230	84.924
Income accruals	17.685	17.685
Advances given	13.423	12.697
Withholding taxes over progress billings	10.480	9.567
Advances given to subcontractors	7.192	8.699
Prepaid expenses	3.301	1.451
Other	2.146	238
	<b>234.419</b>	<b>179.300</b>

As at 31 March 2011 prepaid concession expense of Tav Havalimanı is TL 90.962 (31 December 2010: TL 44.039).

As at 31 March 2011, VAT carried forward is mainly related to the VAT incurred from capital expenditures amounted to TL 58.842 (31 December 2010: TL 52.868) since these plants are under construction for hydroelectric plant projects, the Group does not have adequate VAT payable in order to net-off these VAT receivables. As at 31 March 2011 Akfen GYO has VAT amounting to TL 26.973 (31 December 2010: TL 27.152). The income of real estate investment trusts is exempt from Corporate Income Tax according to New Corporate Tax Law. However, Akfen GYO is subject to pay 18% VAT for the purchase of construction materials

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

#### 16 OTHER ASSETS AND LIABILITIES (continued)

##### Other current liabilities

As at 31 March 2011 other current liabilities is composed of expense accruals. TL 21.002 TL of these accruals belongs to Tav Yatırım Tav İnşaat Libya, Tav İnşaat Gulf, Tav İnşaat Tunus, Tav İnşaat Mısır, Tav İnşaat Türkiye, Tav İnşaat Doha, Tav İnşaat Oman, TL 5.011 belongs to loan provisions of Tav İnşaat to subcontractors due to HEPP projects and Adana Hotel project and TL 4.103 belongs to deferred income of TAV Holding.

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

#### 17 EQUITY

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

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

As at 31 March 2011 and 31 December 2010 there is no pledge on Akfen Holding's share.

As at 31 March 2011 the number of shares is 145.500,00 with a par value of TL 1 each. As at 31 December 2010 capital amounting to TL 145.500,00 has been paid.

##### Translation reserve

As at 31 March 2011 the translation reserve amounting TL 33.701 (31 December 2010: TL 17.914) comprise of foreign exchange difference arising from the translation of the financial statements of MIP, TAV Yatırım, RHI, RPI, Hyper Foreign and TAV Havalimanları from their functional currency of USD and Euro to the presentation currency TL which is recognized in other comprehensive income under equity

## **Akfen Holding Anonim Şirketi**

### **Notes to the Consolidated Financial Statements as at 31 March 2011**

(Currency: Thousands of TL.)

#### **17 EQUITY (continued)**

##### ***Hedging reserve***

The hedging reserve comprise the effective portion of the cumulative net change in the fair value of cash flow hedging instrument related to hedged transaction that have not yet occurred. As at 31 March 2011 the hedging reserve amounting, TL 65.134 is recognized in equity which is related to the interest rate swap contracts made by HEPP Group MIP and TAV Havalimanları (31 December 2010: TL 71.363 MIP and TAV Havalimanları “swap” agreements)

##### ***Revaluation surplus***

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

The accompanying consolidated financial statements include the Group’s share of the revaluation surplus as at 31 March 2011 and 2010.

##### ***Treasury shares***

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

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

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

##### ***Restricted reserves***

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

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

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

#### 17 EQUITY (continued)

##### *Other reserves*

Other reserve comprises all gain or loss realized on sale of non-controlling interest in a subsidiary.

##### *Share premium*

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

#### 18 OTHER INCOME

For the periods ended 31 March 2011 and 2010 other income comprised the following:

	<u>31 March 2011</u>	<u>31 March 2010</u>
Change in fair value of investment property	47.406	--
Advertising income	1.802	1.504
Rent income	1.352	1.196
Gain on sale of trading properties	--	519
Gain on sale of investments (*)	--	8.877
Others	1.057	2.155
	<u>51.616</u>	<u>14.251</u>

(\*)As at 31 March 2010 gain on sale of investments comprised of Akfen Gayrimenkul Yatırımları.

#### 19 FINANCE INCOME

For the periods ended 31 March 2011 and 2010 financial income comprised the following.

	<u>31 March 2011</u>	<u>31 March 2010</u>
<b>Finance income</b>		
Foreign exchange gain	11.006	36.563
Interest income	6.407	3.276
Interest income related to IFRIC 12(*)	1.372	884
Unearned interest income, net	155	764
Other	24	684
	<u>18.964</u>	<u>42.171</u>

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

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

#### 19 FINANCE INCOME (continued)

For the periods ended 31 March, financial income/(expenses) accounted in other comprehensive income are as follows:

	<u>31 March 2011</u>	<u>31 March 2010</u>
Foreign currency translation differences	19.719	(12.570)
Hedging reserve	8.316	(7.790)
	<u>28.035</u>	<u>(20.360)</u>

#### 20 FINANCIAL EXPENSES

For the periods ended 31 March 2011 and 2010 finance expense is comprised of the following:

	<u>31 March 2011</u>	<u>31 March 2010</u>
Interest expense	46.661	37.717
Foreign exchange loss	38.574	25.400
Unearned interest expense, net	--	125
Other	1.283	1.490
	<u>86.518</u>	<u>64.732</u>

#### 21 ASSET CLASSIFIED AS HELD FOR SALE and DISCONTINUED OPERATIONS

##### Durdurulan faaliyetler vergi sonrası dönem karı/(zararı)

The Group, has sold its shares in %99,87 owned Akfen Danışmanlık to Hamdi Akın, Selim Akın and Pelin Akın; on March 10 , %100 owned Akfen Turizm and Akınısı on March 18, %42.50 owned Artı Döviz on April 5 and %37 owned IBS shares to Akfen Altyapı Danışmanlık. Assets and liabilities of Artı Döviz and IBS are classified as asset held for sale as at 31 March 2010.

For the periods ended 31 March 2010 profit for the period of Akfen Altyapı Danışmanlık, Akınısı, Akfen Turizm, Artı Döviz IBS is classified as “profit from discontinued operations, net of tax” for the consolidated financial statements.

	<u>31 March 2011</u>	<u>31 March 2010</u>
Revenue	--	14.292
Cost of sales	--	(9.387)
Other income	--	83
Other expenses	--	(23)
General administrative expenses	--	(2.546)
Finance income	--	828
Finance expense	--	(651)
Tax income/expense	--	(475)
Profit/(Loss) for the period	--	2.121
Gain of sale of investments	--	17.352
	<u>--</u>	<u>19.473</u>

## **Akfen Holding Anonim Şirketi**

### **Notes to the Consolidated Financial Statements as at 31 March 2011**

*(Currency: Thousands of TL.)*

## **22 TAXATION**

### **Corporate tax:**

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

There is also a withholding tax on the dividends paid and is accrued only at the time of such payments. The withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15 percent. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax. The transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of “disguised profit distribution via transfer pricing”. The General Communique on disguised profit distribution via transfer pricing dated 18 November 2007 sets details about implementation. If a tax payer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm’s length basis, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as a tax deductible for corporate income tax purposes.

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

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

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

## **Akfen Holding Anonim Şirketi**

### **Notes to the Consolidated Financial Statements as at 31 March 2011**

(Currency: Thousands of TL.)

#### **22 TAXATION**(continued)

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

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

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

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

## **Akfen Holding Anonim Şirketi**

### **Notes to the Consolidated Financial Statements as at 31 March 2011**

(Currency: Thousands of TL.)

## **22 TAXATION(continued)**

### **Investment allowance:**

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

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

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

The taxation charge for the periods ended 31 March comprised the following items:

	<b><u>31 March 2011</u></b>	<b><u>31 March 2010</u></b>
Current corporation and income tax expense	(3.030)	(5.752)
Deferred tax benefits	(6.320)	3.015
<b>Total tax expense</b>	<b>(9.350)</b>	<b>(2.737)</b>



## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

#### 22 TAXATION (continued)

	<u>31 March 2011</u>	<u>31 March 2010</u>
Continued operations-income tax benefit /(expense)	(9.350)	(2.262)
Discontinued operations-income tax benefit/(expense) (Note 21)	--	(475)
<b>Total tax expense</b>	<b>(9.350)</b>	<b>(2.737)</b>

#### 22.1 Deferred tax assets and liabilities

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

##### *Recognized deferred tax asset and liabilities*

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

	<u>Assets</u>		<u>Liabilities</u>		<u>Net</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Trade and other receivables	1.075	1.201	(824)	(785)	251	416
Airport operation rights	5.254	7.286	(8.863)	(7.752)	(3.609)	(466)
Tangible and intangible assets	8.574	3.257	(13.855)	(17.395)	(5.281)	(14.138)
Effect of UMS 11	7.580	9.959	(5.971)	(2.477)	1.609	7.482
Effect of UFRYK 12	--	--	(685)	(673)	(685)	(673)
Derivatives	19.645	20.641	(358)	--	19.287	(20.641)
Concession fee	--	--	(4.360)	(2.346)	(4.360)	(2.346)
Investment incentive	25.566	24.813	--	--	25.566	(24.813)
Investment property	2.926	5.845	(29.740)	(23.922)	(26.814)	(18.077)
Tax loss carry-forward	36.412	28.159	--	--	36.412	(28.159)
Financial liabilities	2.962	1.905	(2.146)	(4.004)	816	(2.099)
Other temporary differences	4.485	5.493	(4.873)	(3.674)	(388)	1.819
Subtotal	114.479	108.559	(71.675)	(63.028)	42.804	45.531
Net-off tax	(50.363)	(41.789)	50.363	41.789	--	--
<b>Total deferred tax assets/(liabilities)</b>	<b>64.116</b>	<b>66.770</b>	<b>(21.312)</b>	<b>(21.239)</b>	<b>42.804</b>	<b>45.531</b>

According to the Tax Procedural Law, statutory losses can be carried forward maximum for five years. Consequently, 2016 is the latest year for recovering the deferred tax assets arising from carried forward tax losses. The Group management forecasted to generate taxable income during 2011 and the years thereafter and based on this forecast, it has been assessed as probable that the deferred tax assets resulting from carried forward tax losses in the amount of TL 36.412 TL (31 December 2010: TL 28.159) will be realisable; hence, such realisable deferred tax assets are recognised in the consolidated financial statements.

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

## 22 TAXATION (continued)

### 22.1 Deferred tax assets and liabilities (continued)

#### Unrecognized deferred tax assets and liabilities

At the balance sheet date, the Group has statutory tax losses of TL212.962 (31 December 2010: TL 168.227) available for offset against future profits. Deferred tax asset amounting TL 30.901 (31 December 2010: TL 30.828) has not been recognized in respect of the statutory tax losses carried forward. Such losses carried forward expire until 2016. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits there from. Tax losses will expire as follows:

	<u>31 March 2011</u>	<u>31 December 2010</u>
Expire in 2011	3.519	4.447
Expire in 2012	11.559	8.490
Expire in 2013	71.280	116.231
Expire in 2014	64.669	21.329
Expire in 2015	19.808	17.730
Expire in 2016	42.127	--
	<hr/> 212.962	<hr/> 168.227
Used amounts	(181.738)	(137.399)
<b>Unused tax losses</b>	<hr/> <b>31.224</b> <hr/>	<hr/> <b>30.828</b> <hr/>

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.

## 23 EARNING PER SHARE

For the periods ended 31 March 2011 and 2010 amounts of earning per share as TL (14.462) (2010: TL (23.914)), respectively is calculated by dividing the consolidated statement of comprehensive income/(loss) on attributable to main shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

	<u>31 March</u> <u>2011</u>	<u>31 March</u> <u>2010</u>
Income/(loss) on attributable to main shareholders of the Company	(15.541)	23.914
the weighted average number of shares outstanding during the period	145.000.000	104.513.890
<b>Profit/(loss) per share from operations (full TL)</b>	<b>(0,107)</b>	<b>0,229</b>

## 24 RELATED PARTY DISCLOSURES

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

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

## 24 RELATED PARTY DISCLOSURES (continued)

### 24.1 Related party balances

As at 31 March 2011 and 31 December 2010 due from and due to related party balances are as follows:

	31 March 2011			31 December 2010		
	Joint ventures	Other	Total	Joint ventures	Other	Total
<b>Current</b>						
Trade receivables	120	1.055	1.175	6.403	5.636	12.039
Other receivables	28	11.152	11.180	84	10.430	10.514
Trade payables	1.026	1.591	2.617	7.099	8.944	16.043
Other payables	741	12.346	13.087	5.478	8.845	14.323
<b>Non-current</b>						
Trade receivables	116	1.860	1.976	574	1.433	2.007
Other receivables	2.743	19.784	22.527	3.393	21.072	24.465
Trade payables	--	44	44	--	--	--
Other payables	3.470	7.521	10.991	4.612	9.995	14.607

The subsidiaries and joint ventures that is not included in this note are eliminated for consolidation purposes.

### 24.2 Related party transactions

Related party transactions	31 March 2011			31 March 2010		
	Joint ventures	Other	Total	Joint ventures	Other	Total
Sales to related parties	10.260	1.269	11.529	8.376	2.176	10.522
Purchases from related parties	143	1.521	1.664	1.695	1.516	3.211
Net finance income/(expense)	(99)	--	(100)	(119)	(103)	(222)
Construction services rendered	5.672	2.181	7.852	2.153	462	2.615
Construction services charged	9.320	252	9.573	1.328	--	1.328

### 24.3 Key management personnel compensation

Total salaries provided to key management personnel for the Group and subsidiaries amounted to TL 947 for the year ended 31 March 2011 (31 March 2010: TL 627). Total salaries provided to key management personnel for the joint ventures amounted to TL 8.928 (Group's share: TL 2.534) for the year ended 31 March 2011 (31 March 2010: TL 6.029 (Group's share: TL 1.575)).

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

## 25 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS

### Foreign currency risk

#### Exposure to currency risk

As at 31 March 2011, the Group's exposure to foreign currency risk was as follows in TL equivalent of their original currencies:

	31 March 2011			Other(*) (TL equivalent)
	TL Equivalent	USD	Euro	
1. Trade receivables	55.132.474	5.394.172	17.211.452	9.232.175
2a. Monetary Financial Assets (including Cash and Cash at Banks)	185.518.711	92.170.580	15.001.317	10.084.128
2b. Non-monetary Financial Assets	915.633	37.515	2.741	851.570
3. Other	7.740.819	276.916	3.351.701	--
<b>4. Current Assets (1+2+3)</b>	<b>249.307.637</b>	<b>97.879.182</b>	<b>35.567.210</b>	<b>20.167.873</b>
5. Trade receivables	4.781.248	3.088.063	--	--
6a. Monetary Financial Assets	19.611.802	--	8.986.890	6.003
6b. Non- monetary Financial Assets	6.421	2.168	--	3.064
7. Other	22.834.188	--	10.466.716	--
<b>8. Non-current Assets (5+6+7)</b>	<b>47.233.659</b>	<b>3.090.231</b>	<b>19.453.606</b>	<b>9.067</b>
<b>9. Total Assets (4+8)</b>	<b>296.541.296</b>	<b>100.969.413</b>	<b>55.020.817</b>	<b>20.176.940</b>
10. Trade Payables	39.571.021	5.168.677	10.884.938	7.821.777
11. Financial Liabilities	238.251.445	29.960.990	79.083.773	19.333.684
12a. Other Monetary Liabilities	8.288.478	873.036	1.944.913	2.693.734
12b. Other Non-monetary Liabilities	115.366	28.263	--	71.607
<b>13. Short Term Liabilities (10+11+12)</b>	<b>286.226.309</b>	<b>36.030.966</b>	<b>91.913.625</b>	<b>29.920.801</b>
14. Trade Payables	32.211.971	--	6.159.430	18.774.558
15. Financial Liabilities	740.043.162	61.020.483	295.913.617	--
16a. Other Monetary Liabilities	1.140.942	719.587	12.287	--
16b. Other Non-monetary Liabilities	171.476	--	78.601	--
<b>17. Long Term Liabilities (14+15+16)</b>	<b>773.567.551</b>	<b>61.740.070</b>	<b>302.163.935</b>	<b>18.774.558</b>
<b>18. Total Liabilities (13+17)</b>	<b>1.059.793.860</b>	<b>97.771.037</b>	<b>394.077.560</b>	<b>48.695.360</b>
<b>19. Net Asset/ (Liabilities) Position of Off Balance sheet Derivatives (19a-19b)</b>	--	--	--	--
<b>19a. Total Assets Hedged</b>	--	--	--	--
<b>19b. Total Liabilities Hedged</b>	--	--	--	--
<b>20. Net Foreign Currency Assets/(Liabilities) Position (9-18+19)</b>	<b>(763.252.564)</b>	<b>3.198.377</b>	<b>(339.056.743)</b>	<b>(28.518.420)</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>(763.887.777)</b>	<b>3.186.956</b>	<b>(338.980.883)</b>	<b>(29.301.447)</b>
<b>22. Total fair Value of Financial Instruments Used For Currency Hedge</b>	--	--	--	--
<b>23. Export</b>	--	--	--	--
<b>24. Import</b>	--	--	--	--

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

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

### Currency risk (continued)

#### Exposure to currency risk (continued)

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

	31 December 2010			Other(*) (TL equivalent)
	TL Equivalent	USD	Euro	
1. Trade receivables	50.317	4.807	4.433	33.802
2a. Monetary Financial Assets (including Cash and Cash at Banks)	173.602	88.823	12.838	9.975
2b. Non-monetary Financial Assets	944	17	1	917
3. Other	22.604	68	7.581	6.964
<b>4. Current Assets (1+2+3)</b>	<b>247.467</b>	<b>93.715</b>	<b>24.853</b>	<b>51.658</b>
5. Trade receivables	4.774	3.088	--	--
6a. Monetary Financial Assets	7.230	--	712	5.771
6b. Non- monetary Financial Assets	9	2	--	6
7. Other	21.661	--	10.571	--
<b>8. Non-current Assets (5+6+7)</b>	<b>33.674</b>	<b>3.090</b>	<b>11.283</b>	<b>5.777</b>
<b>9. Total Assets (4+8)</b>	<b>281.141</b>	<b>96.805</b>	<b>36.136</b>	<b>57.435</b>
10. Trade Payables	56.566	10.298	14.448	11.040
11. Financial Liabilities	297.526	34.533	118.904	492
12a. Other Monetary Liabilities	18.255	1.959	1.631	11.885
12b. Other Non-monetary Liabilities	11.095	28	5.002	801
<b>13. Short Term Liabilities (10+11+12)</b>	<b>383.442</b>	<b>46.818</b>	<b>139.985</b>	<b>24.218</b>
14. Trade Payables	18.409	--	--	18.409
15. Financial Liabilities	979.346	90.904	409.354	--
16a. Other Monetary Liabilities	17.214	725	7.854	--
16b. Other Non-monetary Liabilities	--	--	--	--
<b>17. Long Term Liabilities (14+15+16)</b>	<b>1.014.969</b>	<b>91.629</b>	<b>417.208</b>	<b>18.409</b>
<b>18. Total Liabilities (13+17)</b>	<b>1.398.411</b>	<b>138.447</b>	<b>557.193</b>	<b>42.627</b>
<b>19. Net Asset/ (Liabilities) Position of Off Balance sheet Derivatives (19a-19b)</b>	--	--	--	--
<b>19a. Total Assets Hedged</b>	--	--	--	--
<b>19b. Total Liabilities Hedged</b>	--	--	--	--
<b>20. Net Foreign Currency Assets/(Liabilities) Position (9-18+19)</b>	<b>(1.117.270)</b>	<b>(41.642)</b>	<b>(521.057)</b>	<b>14.808</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>(1.151.393)</b>	<b>(41.701)</b>	<b>(534.208)</b>	<b>7.722</b>
<b>22. Total fair Value of Financial Instruments Used For Currency Hedge</b>	--	--	--	--
<b>23. Export</b>	--	--	--	--
<b>24. Import</b>	--	--	--	--

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

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

### Currency risk (continued)

#### Sensitivity analysis

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

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

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

Currency Sensitivity Analysis				
31 March 2011				
	Profit/Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Assumption of devaluation/appreciation by 10% of USD against TL				
1- Net USD asset/liability	495	(495)	17.002	(13.911)
2- USD risk averse portion (-)	--	--	--	--
<b>3- Net USD Effect (1+2)</b>	<b>495</b>	<b>(495)</b>	<b>17.002</b>	<b>(13.911)</b>
Assumption of devaluation/appreciation by 10% of Euro against TL				
4- Net Euro asset/liability	(73.952)	73.952	--	--
5- Euro risk averse portion (-)	--	--	--	--
<b>6- Net Euro Effect (4+5)</b>	<b>(73.952)</b>	<b>73.952</b>	<b>--</b>	<b>--</b>
Assumption of devaluation/appreciation by 10% of other currencies against TL				
7- Other currency net asset/liability	(2.930)	2.930	--	--
8- Other currency risk averse portion (-)	--	--	--	--
<b>9- Net other currency effect (7+8)</b>	<b>(2.930)</b>	<b>2.930</b>	<b>--</b>	<b>--</b>
<b>TOTAL (3+6+9)</b>	<b>(76.387)</b>	<b>76.387</b>	<b>17.002</b>	<b>(13.911)</b>

## Akfen Holding Anonim Şirketi

### Notes to the Consolidated Financial Statements as at 31 March 2011

(Currency: Thousands of TL.)

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

Currency risk (continued)

Sensitivity analysis (continued)

Currency Sensitivity Analysis				
31 December 2010				
	Profit/Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Assumption of devaluation/appreciation by 10% of USD against TL				
1- Net USD asset/liability	(6.447)	6.447	16.990	(13.901)
2- USD risk averse portion (-)	--	--	--	--
<b>3- Net USD Effect (1+2)</b>	<b>(6.447)</b>	<b>6.447</b>	<b>16.990</b>	<b>(13.901)</b>
Assumption of devaluation/appreciation by 10% of Euro against TL				
4- Net Euro asset/liability	(109.645)	109.645	--	--
5- Euro risk averse portion (-)	--	--	--	--
<b>6- Net Euro Effect (4+5)</b>	<b>(109.645)</b>	<b>109.645</b>	<b>--</b>	<b>--</b>
Assumption of devaluation/appreciation by 10% of other currencies against TL				
7- Other currency net asset/liability	772	(772)	--	--
8- Other currency risk averse portion (-)	--	--	--	--
<b>9- Net other currency effect (7+8)</b>	<b>772</b>	<b>(772)</b>	<b>--</b>	<b>--</b>
<b>TOTAL (3+6+9)</b>	<b>(115.140)</b>	<b>115.140</b>	<b>16.990</b>	<b>(13.901)</b>

## **Akfen Holding Anonim Şirketi**

### **Notes to the Consolidated Financial Statements as at 31 March 2011**

(Currency: Thousands of TL.)

## **26 SUBSEQUENT EVENTS**

### **Akfen Holding and Its Subsidiaries:**

Provisional acceptance of ÇAMLICA III HEPP PROJECT, located in Kayseri, the licence number EÜ/778-1/643 granted by Energy Market Regulatory Authority(EMRA),25.81 MW installed capacity and annually 94.47 GWh energy production capacity, of Çamlıca Elektrik Üretim A.Ş, subsidiary of the Company's subsidiary Akfen Hidroelektrik Santral Yatırımları A.Ş. has been made by the Republic Of Turkey Ministry of Energy and Natural Resources. As at the midnight of 1 April 2011, this HEPP has started the energy production.

Provisional acceptance of first part of OTLUCA HEPP PROJECT, located in Mersin - Anamur, the licence number EÜ/1245-3/894 granted by Energy Market Regulatory Authority (EMRA), 38,32 MW of 48,77 MW total installed capacity and annually 169,82 MWh of 224 GWh energy production capacity, of Beyobası Enerji Üretim A.Ş, subsidiary of the Company's subsidiary Akfen Hidroelektrik Santral Yatırımları A.Ş., has been made by the Republic Of Turkey Ministry of Energy and Natural Resources. As at the midnight of 7 April 2011, OTLUCA I HEPP has started the energy production.

Provisional acceptance of OTLUCA II HES and BOĞUNTU HEPP which is second and third parts of OTLUCA HEPP PROJECT will be made in May and entire Hepp Project of Otluca is expected to go into the commercial energy production.

Provisional acceptance of SARAÇBENDİ HEPP PROJECT, located in Sivas, the licence number EÜ/472-1/536 granted by Energy Market Regulatory Authority(EMRA),24,01 MW installed capacity and annually 86,13 GWh energy production capacity, of Çamlıca Elektrik Üretim A.Ş, subsidiary of the Company's subsidiary Akfen Hidroelektrik Santral Yatırımları A.Ş., has been made by the Republic Of Turkey Ministry of Energy and Natural Resources. As at the midnight of 6 May 2011, this SARAÇBENDİ HEPP has started the energy production.

İstanbul Metropolitan Municipality ("IMM") shareholder of İDO has opened a tender for privatization of İDO İstanbul Deniz Otobüsleri Sanayi ve Ticaret A.Ş's 100% shares within the block sale method in the context of 4046 numbered Privatization Law. The highest bid with 861 million USD for his tender has been made by Company, Tepe İnşaat Sanayi A.Ş, Souter Investments LLP and Sera Gayrimenkul Yatırım ve İşletme A.Ş. Joint Venture.

According to the specifications of the tender process; following the decision of the tender commission, application to Competition Board for authorization and acceptance of IMM Committee; share purchase agreement signed accompanied by founded company accordance with the terms of tender by consortium partners.

Akfen Real Estate Investment Co. Inc., subsidiary of the Company, has made application to Capital Market of Boars related to public offering discussed in it's meeting held on 28 April 2011, increase the paid in capital amount from TL 138.000 to TL 184.000 within the registered paid in capital ceiling amounted to TL 1.000.000 , and offer the 46.000.000 shares corresponds to this TL 46.000 increase to public, according to the Capital Markets Board rulings and declarations and additional TL 8.118 nominal valued shares provided that sufficient demand permitted with GYO-80/430 numbered decision. Akfen REIT's public offering was held on 9 May 2011.



## **Akfen Holding Anonim Şirketi**

### **Notes to the Consolidated Financial Statements as at 31 March 2011**

(Currency: Thousands of TL.)

#### **26 SUBSEQUENT EVENTS** *(continued)*

##### **Akfen Holding and Its Subsidiaries:** *(continued)*

Akfen Reit increase the paid in capital amount from TL 138.000 to TL 184.000, increase in share capital amount was TL 46.000.

8.117.500 shares corresponds to TL 8.118 sold under joint sale.

Akfen Reit's minimum free float rate (25%) provided in accordance with legislation.

Akfen Reit's free float rate is 29,41%. The Company has not used the right of additional sale and ownership rate is 51,72 after public offering in Akfen Reit.

##### **Jointly controlled entities:**

10 % of TAV Tbilisi's shares will be acquired in return for USD 8.583 from Sera Yapı (shares corresponding to 5,5% of capital) and Akfen İnşaat (shares corresponding to 4,5% of capital). The share transfer is planned within the next 3 months after 25 March 2011.

16 % of TAV Batumi's shares will be acquired in return for USD 667 from Akfen İnşaat Turizm ve Ticaret A.Ş. (shares corresponding to 10% of capital) and Aeroser International Holding (shares corresponding to 6 % of capital). The share transfer is planned within the next 3 months after 25 March 2011.

33.33 % of TAV Güvenlik's shares will be acquired from Tepe Savunma ve Güvenlik Sistemleri Sanayi A.Ş. in return for TL 6.000. The share transfer is planned within the next 3 months after 25 March 2011.

#### **27 OTHER ISSUES**

None.