

Akfen Holding Anonim Őirketi

**Consolidated Condensed Interim
Financial Statements
As at and for the Period Ended
31 March 2012**

AKFEN HOLDİNG ANONİM ŞİRKETİ
CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE
PERIOD ENDED 1 JANUARY- 31 MARCH 2012

TABLE OF CONTENTS		PAGE
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET		1-2
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME..		3
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY		4-5
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS.....		6-7
CONDENSED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS		
NOTE 1	REPORTING ENTITY	8
NOTE 2	BASIS OF PREPARATION OF FINANCIAL STATEMENTS	14
NOTE 3	JOINT VENTURES	19
NOTE 4	SEGMENT REPORTING	19
NOTE 5	CASH AND CASH EQUIVALENTS	22
NOTE 6	FINANCIAL INVESTMENTS	24
NOTE 7	LOANS AND BORROWINGS	25
NOTE 8	DERIVATIVE FINANCIAL INSTRUMENTS	50
NOTE 9	TRADE RECEIVABLES AND PAYABLES	53
NOTE 10	OTHER RECEIVABLES AND PAYABLES	57
NOTE 11	RESTRICTED CASH	58
NOTE 12	INVENTORY	59
NOTE 13	DUE FROM/DUE TO CUSTOMERS FOR CONTRACT WORK	59
NOTE 14	INVESTMENT PROPERTY	61
NOTE 15	PROPERTY PLANT AND EQUIPMENT	62
NOTE 16	INTANGIBLE ASSETS.....	64
NOTE 17	GOODWILL	66
NOTE 18	COMMITMENTS AND CONTINGENCIES	66
NOTE 19	OTHER ASSETS AND LIABILITIES	67
NOTE 20	EQUITY	70
NOTE 21	REVENUE AND COST OF SALES	73
NOTE 22	SALES, MARKETING AND DISTRIBUTION EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES	74
NOTE 23	OTHER INCOME/EXPENSE.....	74
NOTE 24	FINANCE INCOME	75
NOTE 25	FINANCE EXPENSES	75
NOTE 26	ASSET CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS	76
NOTE 27	TAXATION	77
NOTE 28	EARNINGS PER SHARE.....	82
NOTE 29	RELATED PARTY DISCLOSURES	82
NOTE 30	NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS	86
NOTE 31	SUBSEQUENT EVENTS	95
NOTE 32	OTHER MATTERS THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR MAKE THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE	97

Akfen Holding Anonim Şirketi
Condensed Interim Consolidated Balance Sheet as at 31 March 2012 2011
(Currency: Thousands of TL)

	<u>Notes</u>	<u>Not Audited</u> <u>31 March 2012</u>	<u>Audited</u> <u>31 March 2011</u>
Assets			
Total Current Assets		773.735	1.286.026
Cash and cash equivalents	5	301.567	518.590
Trade receivables			
-Due from related parties	9-29	2.847	6.000
-Other trade receivables	9	143.638	300.603
Other receivables			
-Due from related parties	10-29	5.713	5.068
-Other receivables	10	18.320	11.460
Derivative financial instruments	8	--	2.685
Restricted cash	11	133.252	150.708
Inventory	12	14.696	26.165
Other current assets	19	153.702	264.747
		773.735	1.286.026
Asset classified as held for sale and discontinued operations	26	1.122.373	--
Total non-current assets		3.541.494	4.152.943
Trade receivables			
-Due from related parties	9-29	2.121	5.510
-Other trade receivables	9	74.612	159.598
Other receivables			
-Due from related parties	10-29	41.081	39.225
-Other trade receivables	10	995	1.556
Financial investments	6	90	151
Investment in equity accounted investees		1.526	1.436
Investment property	14	1.089.453	1.080.092
Property, plant and equipment	15	919.944	938.031
Intangible assets	16	1.097.945	1.503.865
Goodwill	17	60.577	128.452
Deferred tax assets	27	76.062	109.683
Other non-current assets	19	177.088	185.344
TOTAL ASSETS		5.437.602	5.438.969

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

Akfen Holding Anonim Şirketi
Condensed Interim Consolidated Balance Sheet as at 31 March 2012
(Currency: Thousands of TL)

	<u>Notes</u>	<u>Not Audited</u> <u>31 March 2012</u>	<u>Audited</u> <u>31 December 2011</u>
LIABILITIES			
Total Current Liabilities		797.201	1.287.177
Loans and borrowings	7	508.441	743.422
Derivative financial instruments	8	28.344	80.896
Trade payables			
-Due to related parties	9-29	8.067	25.125
-Other trade payables	9	87.182	184.822
Other payables			
-Due to related parties	10-29	14.823	15.564
-Other payables	10	73.619	150.466
Provisions		7.590	12.671
Other current liabilities	19	69.135	74.211
		797.201	1.287.177
Liabilities arising from assets held for sale	26	864.166	--
Total non-current liabilities		2.609.665	2.999.911
Loans and borrowings	7	2.357.611	2.730.724
Derivative financial instruments	8	83.638	86.649
Trade payables			
-Due to related parties	9-29	607	1.083
-Other trade payables	9	16.679	36.780
Other payables			
-Due to related parties	10-29	6.233	9.002
-Other non-trade payables	10	60.246	43.832
Employee benefits		11.594	17.873
Deferred tax liabilities	27	66.199	58.816
Provisions		679	681
Other non-current liabilities	19	6.179	14.471
Total Equity		1.166.570	1.151.881
Total equity attributable to equity holders of the parent		773.627	758.916
Paid in capital	20	145.500	145.500
Adjustments to share capital		(7.257)	(7.257)
Share premium		454.782	454.782
Treasury shares		(6.187)	(4.010)
Business combination of entities under common control		20.062	20.062
Foreign currency translation reserve		80.758	101.443
Revaluation reserve		(2.347)	(2.294)
Cash flow hedge reserves		(109.308)	(104.992)
Other reserves		(112.768)	(112.112)
Legal reserves		20.496	19.699
Retained earnings		247.388	312.819
Profit / (loss) for the period		42.508	(64.724)
Non-controlling interest		392.943	392.965
TOTAL LIABILITIES AND EQUITY		5.437.602	5.438.969

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

Akfen Holding Anonim Şirketi
Condensed Interim Consolidated Income Statement for the Period Ended;
31 March 2012

(Currency: Thousands of TL.)

	<u>Notes</u>	<u>Not Audited</u> <u>31 March</u>	<u>Not Audited</u> <u>31 March 2011</u>
CONTINUING OPERATIONS			
Revenue	21	358.938	281.258
Cost of sales (-)	21	(281.260)	(225.789)
Gross profit		77.678	55.469
General administrative expenses (-)	22	(49.085)	(35.500)
Other operating income	23	10.700	51.616
Other operating expense (-)		(2.993)	(3.284)
Result from operating expenses		36.300	68.301
Financial income	24	104.257	18.964
Financial expense	25	(83.937)	(86.518)
Profit before tax		56.620	747
Tax expense		(12.979)	(9.350)
Tax expense	27	(8.228)	(3.030)
Deferred tax expense	27	(4.751)	(6.320)
Profit from continuing operation after tax		43.641	(8.603)
Discontinued operations			
Profit from discontinued operation, net off tax		--	--
Profit for the period		43.641	(8.603)
Other comprehensive income			
Change in revaluation of property, plant and equipment		10	10
Change in net fair value change in cash flow hedges	24	(6.711)	8.316
Change in foreign currency translation differences	24	(23.748)	19.719
Tax expense for other comprehensive income	24	1.882	(1.837)
Other comprehensive income		(28.567)	26.208
Total comprehensive income		15.074	17.605
Profit attributable to:			
Non-controlling interest		1.133	6.938
Equity holders of the parent		42.508	(15.541)
Profit for the period		43.641	(8.603)
Total comprehensive income attributable to:			
Non-controlling interest		(1.166)	11.300
Equity holders of the parent		16.240	6.305
Total comprehensive income		15.074	17.605
Basic and diluted earnings / (loss) per share	28	0,300	(0,107)

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

Akfen Holding Anonim Şirketi

Condensed Interim Consolidated Statements of Changes in Equity for the Period Ended 31 March 2011

(Currency: Thousands of TL.)

	<i>Paid in capital</i>	<i>Capital corrections</i>	<i>Share premium</i>	<i>Treasury shares</i>	<i>Entities under common control</i>	<i>Translation reserves</i>	<i>Revaluation fund</i>	<i>Hedging reserve</i>	<i>Other reserves</i>	<i>Legal reserves</i>	<i>Retained earnings</i>	<i>Net loss for the period</i>	<i>Total</i>	<i>Non- controlling interest</i>	<i>Total equity</i>
Balances as at 1 January 2011	145.500	(7.257)	454.782	(3.709)	20.062	17.914	(2.076)	(71.363)	(93.780)	12.081	322.027		794.181	160.605	954.786
Total comprehensive income for the period															
Profit for the period	--	--	--	--	--	--	--	--	--	--	--	(15.541)	(15.541)	6.938	(8.603)
Other comprehensive income															
Foreign currency translation differences (Note 33)	--	--	--	--	--	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 (Note 33)	--	--	--	--	--	--	--	6.049	--	--	--	--	6.049	430	6.479
Total other comprehensive income	--	--	--	--	--	15.787	10	6.049	--	--	--	--	21.846	4.362	26.208
Total comprehensive income	--	--	--	--	--	15.787	10	6.049	--	--	--	(15.541)	6.305	11.300	17.605
Transactions with owners, recorded directly in equity															
Transfer to legal reserves	--	--	--	--	--	--	--	--	--	388	--	--	388	--	388
Acquisition of the shares of the Company	--	--	--	--	--	--	--	180	681	--	7.099	--	7.960	(55)	7.905
Total transactions with owners	--	--	--	--	--	--	--	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	329.126	(15.541)	808.834	171.850	980.684

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

Akfen Holding Anonim Şirketi

Condensed Interim Consolidated Statements of Changes in Equity for the Period Ended 31 March 2012

(Currency: Thousands of TL.)

	<i>Paid in capital</i>	<i>Adjustments to share capital</i>	<i>Share premium</i>	<i>Treasury shares</i>	<i>Entities under common control</i>	<i>Translation reserve</i>	<i>Revaluation reserve</i>	<i>Hedging reserve</i>	<i>Other reserves</i>	<i>Legal reserves</i>	<i>Retained earnings</i>	<i>Net profit for the period</i>	<i>Total</i>	<i>Non controlling interest</i>	<i>Total equity</i>
Balances as at 1 January 2012	145.500	(7.257)	454.782	(4.010)	20.062	101.443	(2.294)	(104.992)	(112.112)	19.699	248.095	--	758.916	392.965	1.151.881
Total comprehensive income for the period															
Profit for the period	--	--	--	--	--	--	--	--	--	--	--	42.508	42.508	1.133	43.641
Other comprehensive income															
Foreign currency translation differences	--	--	--	--	--	(21.962)	--	--	--	--	--	--	(21.962)	(1.786)	(23.748)
Revaluation of property, plant and equipment	--	--	--	--	--	--	(53)	--	--	--	63	--	10	--	10
Net fair value change in cash flow hedges	--	--	--	--	--	--	--	(4.316)	--	--	--	--	(4.316)	(513)	(4.829)
Total other comprehensive income	--	--	--	--	--	(21.962)	(53)	(4.316)	--	--	63	--	(26.268)	(2.299)	(28.567)
Total comprehensive income	--	--	--	--	--	(21.962)	(53)	(4.316)	--	--	63	42.508	16.240	(1.166)	15.074
Transactions with owners, recorded directly in equity															
Transfer to legal reserves	--	--	--	--	--	(27)	--	--	--	797	(770)	--	--	--	--
Acquisition of the shares of the Company	--	--	--	(2.177)	--	--	--	--	--	--	--	--	(2.177)	--	(2.177)
Changes in subsidiaries equity interest	--	--	--	--	--	1.304	--	--	(656)	--	--	--	648	1.144	1.792
Total transactions with owners	--	--	--	(2.177)	--	1.277	--	--	(656)	797	(770)	--	(1.529)	1.144	(385)
Balances as at 31 December 2011	145.500	(7.257)	454.782	(6.187)	20.062	80.758	(2.347)	(109.308)	(112.768)	20.496	247.388	42.508	773.627	392.943	1.166.570

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

Akfen Holding Anonim Şirketi ve Bağlı Ortaklıkları
Condensed Interim Consolidated Cash Flow Tables for the Period Ended
31 March 2012

(Currency: Thousands of TL)

	<u>Notes</u>	<i>Not Audited</i> 31 March <u>2012</u>	<i>Not Audited</i> 31 March <u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		43.641	(8.603)
Adjustments for:			
Depreciation of property, plant and equipment	15	11.262	5.478
Amortization of intangible assets	16	14.714	11.042
Provision for employee termination benefits		1.529	1.250
Unearned interest income, net	25	1.094	(155)
Rediscount interest gains from IFRIC 12 effect	24	(2.002)	(1.372)
Provision / (release of provision) for claims and vacation pay		96	28
Gain on investment property		--	(47.406)
Unrealized foreign exchange differences on balance sheet items		(93.833)	100.901
Interest income		(7.757)	(6.407)
Interest expense		61.028	46.661
Tax benefit / (expense)	27	12.979	(9.350)
Cash flow from operating activities before changes in working capital		42.751	92.067
Changes in:		(58.074)	(21.727)
Other current trade receivables		(6.860)	(4.367)
Other current assets		(121.884)	4.739
Other non-current trade receivables		84.986	(3.089)
Other non-current non-trade receivables		561	1.199
Financial assets		61	(4.126)
Inventories		(211)	(836)
Due from related parties		(19.406)	12.167
Other non-current assets		76.041	(60.449)
Other current trade payables		(32.873)	6.121
Other current non-trade payables		(80.791)	9.494
Other short term liabilities		117.752	7.979
Other non-current trade payables		(20.101)	1.583
Other non-current non-trade payables		16.414	478
Due to related parties		4.250	(18.234)
Other non-current liabilities		(8.292)	(52)
Net cash provided by operating activities		(5.676)	22.947
Taxes paid		(2.526)	(4.832)
Retirement benefit paid		(615)	(1.180)
Interest paid		(61.028)	(22.740)
Net cash provided by / (used in) operating activities		(69.845)	(5.805)

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

Akfen Holding Anonim Şirketi
Condensed Interim Consolidated Cash Flow Tables for the Period Ended
31 March 2011
(Currency: Thousands of TL)

	<u>Notes</u>	<i>Not Audited</i> 31 March <u>2012</u>	<i>Not Audited</i> 31 March <u>2011</u>
Cash flow from investing activities			
Interest received		2.049	3.148
Acquisition of property, plant and equipment	15	(95.249)	(59.959)
Proceeds from sale of property, plant and equipment		1.350	2.338
Acquisition of intangible assets	16	(2.106)	(10.763)
Purchases of investment property	14	(14.617)	(11.695)
Changes in asset held for sale	26	(148.668)	--
Net cash used in investing activities		(257.241)	(76.931)
Net cash flow from financing activities			
Proceeds from borrowings		469.263	82.511
Change in project, reserves and fund accounts		164.461	38.263
Change in non-controlling interest		1.110	(7.161)
Repayment of borrowings		(360.296)	(69.075)
Net cash from financing activities		274.538	44.538
Net increase in cash and cash equivalents		(52.548)	(38.198)
Cash and cash equivalents at 1 January		218.425	166.349
Cash and cash equivalents at period end of 31 March		165.877	128.151

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the six-month period ended 31 March 2012
(Currency: Thousands of TL.)

1 REPORTING ENTITY

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

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

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

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

Akfen Holding is registered on the Capital Markets Board (“CMB”) and its shares are traded on the Istanbul Stock Exchange (‘ISE’) under ‘AKFEN’ code since 14 May 2010. The shareholders of Akfen Holding and the ownership ratios as at 31 December 2011 are as follows (Note: 20)

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

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

Koza Sokak No:22
Gaziosmanpaşa
06700/ Ankara-Türkiye
Tel: 90 312 408 10 00
Fax: 90 312 441 07 82
Web: <http://akfen.com.tr>

The number of employees of Akfen Holding and subsidiaries and jointly controlled entities of the Group at 31 March 2011 is 310 (31 December 2011: 292) and 26.193 (31 December 2011: 25.306), respectively.

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

1 REPORTING ENTITY (continued)

The affiliates and subsidiaries of Akfen Holding are listed below:

Akfen İnşaat Turizm ve Ticaret A.Ş.

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

The construction experience of Akfen makes important contribution to Group activities. Over the last 20 years Akfen has completed a total of USD 1,8 billion dollars of construction projects.

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

Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.

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

The shares of Akfen GYO have been trading on the ISE under ‘AKFGY’ code since 11 May 2011.

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

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

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

1 REPORTING ENTITY (continued)

Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.(continued)

Akfen GYO has an exclusive partnership with Accor S.A., one of the most important international hotel chains of the world, and in accordance with the rental contract renewed in April 2010, it develops hotel projects in all provinces of Turkey and in specific cities of Russia under Ibis and Novotel trademarks. The period of the rental contracts is 25+/- 10 years and according to the contracts, a specific percentage of gross operational profit or the high percentage of turnover is paid by Accor S.A. to Akfen as the rent income.

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

Akfen GYO established a subsidiary titled Akfen Karaköy Gayrimenkul Yatırımları ve İnşaat A.Ş. ('Akfen Karaköy') on 31 May 2011 in order to develop a hotel project in Istanbul, Karaköy. 70% shares of Akfen Karaköy belong to Akfen GYO.

Energy Sector

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

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

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

Beyobası Enerji Üretimi A.Ş. ("Beyobası"), İdeal Enerji Üretimi A.Ş. ("İdeal") and Çamlıca Enerji Üretimi Sanayi ve Ticaret A.Ş. ("Çamlıca") are the subsidiaries of Akfen HES I, which has 100% voting right as at 31 December 2011 and 2010.

Total ten projects are included in HES I and total installed power is 128,43 MW. 9 power plants having 124,97 MW installed power are operated for energy generation and the investment in 1 power plant is continuing. Investments have begun in 6 power plants included in HES II and their total installed power is 95.20 MW. The total installed power of HES I and HES II portfolios shall rise up to 224 MW when 7 projects, whose investments are continuing to start operating. There are also 2 projects included in HES III having 109,5 MW installed power.

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

1 REPORTING ENTITY (continued)

Energy sector (continued)

BT Bordo Elektrik Enerji Üretim Dağıtım Pazarlama A.Ş. (“BT Bordo”), Elen Enerji Sanayi ve Ticaret A.Ş. (“Elen”), Pak Enerji Üretim Sanayi ve Ticaret A.Ş. (“Pak”), Rize İpekyolu Enerji Üretim Dağıtım Pazarlama Sanayi ve Ticaret A.Ş. (“Rize”), Yeni Doruk Elektrik Üretim ve Ticaret A.Ş. (“Yeni Doruk”) and Zeki Enerji Elektrik Üretim Dağıtım Pazarlama, Sanayi ve Ticaret A.Ş. (“Zeki”) are the subsidiaries of Akfen HES II in which it has a 100% voting right directly or through the companies under the same control structure as at 31 December 2011 and 2010.

Laleli Elektrik Enerji Dağıtım Pazarlama A.Ş. (“Laleli”), Değirmenyanı Elektrik Üretim Sanayi ve Ticaret A.Ş. (“Değirmenyanı”) and Akörenbeli Enerji Elektrik Üretim Dağıtım Pazarlama Sanayi ve Ticaret A.Ş. (“Akörenbeli”) are the subsidiaries of Akfen HES III in which it has a 100% voting right directly or through the companies under the same control structure as at 31 December 2011 and 2010.

TAV Havalimanları Holding A.Ş.

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

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

Akfen Holding Anonim Şirketi

Notes to the Condensed Interim Consolidated Financial Statements

As at and for the three-month period ended 31 March 2012

(Currency: Thousands of TL.)

1 REPORTING ENTITY (continued)

TAV Yatırım Holding A.Ş.

TAV Yatırım Holding A.Ş. (“TAV Yatırım”) was established on 1 July 2005 in order to make investments in aviation and construction sectors. The main activity fields of the Group are construction, aviation and parking operation. TAV Tepe Akfen Yatırım Yapım ve İşletme A.Ş. (“TAV İnşaat”) and TAV Havaş A.Ş. (“TAV Havaş”) are subsidiaries of TAV Yatırım. TAV İnşaat has branches in Egypt Cairo (“TAV Egypt”), The United Arab Emirates, Dubai (“TAV Gulf”), Qatari Doha (“TAV Doha”), Tunisia (“TAV Tunisia”), Libya (“TAV Libya”) and Bahrain (“TAV Bahrain”). TAV İnşaat has also subsidiaries called TAV G Otopark Yatırım Yapım ve İşletme A.Ş. (“TAV G”), TAV İnşaat Muscat LLC (“TAV Muscat”) and Riva İnşaat Turizm Ticaret İşletme ve Pazarlama A.Ş. (“Riva”) with 49,99%, 70% and 99.99 % stakes, respectively.

Mersin Uluslararası Liman İşletmeciliği A.Ş.

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

Akfen Çevre ve Su Yatırım Yapım İşletme A.Ş.

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

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

Akfen Güllük Çevre ve Su Yatırım Yapım İşletme A.Ş. (“Akfen Su Güllük”) has started operating on 24 August 2006. The company, having completed all of its investments, served 5.256 subscribers as at 2011 December.

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

1 REPORTING ENTITY (continued)

Istanbul Deniz Otobüsleri Sanayi ve Ticaret A.Ş.

Istanbul Deniz Otobüsleri Sanayi ve Ticaret A.Ş. (“İDO”) was sold to TASS Denizcilik ve Ulaştırma Hizmetleri Turizm Sanayi ve Ticaret A.Ş. (“TASS”), belonging to Tepe İnşaat Sanayi A.Ş., Akfen Holding, Souter Investments LLP and Sera Gayrimenkul Yatırım ve İşletme A.Ş. Jointly Controlled Entity Group by the Istanbul Metropolitan Municipality, the previous main shareholder, through a block sale on 16 June 2011. İDO provides passenger and vehicle transportation service under ‘Sea Bus and Fast Ferry Lines’ title both in local and the country seaways. İDO serves with 19 lines in Istanbul and out of Istanbul to 32 points with 25 sea buses, 10 fast ferries and 18 vehicle ferries. The sea buses, fast ferries and vehicle ferries have a total of 35.813 passengers and 3.312 vehicle capacity. TASS was transferred to İDO on 26 December 2011 with all of its rights and liabilities according to the merger general rules in accordance with TTK and related regulations and TASS was dissolved without liquidation.

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

2 BASIS OF PREPARATION

2.1 Basis of Preparation

(a) Statement of compliance

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

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

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

According to fifth article of the Communique the Companies should apply International Accounting / Reporting Standards (“UMS/IFRS”) as accepted by European Union. But considering the temporary second article until the differences of UMS/ IFRS is accepted by International Accounting Standards Board (“UMSK”), the standards which are accepted by UMSK will be used. Thus the Company has prepared its financials in accordance with the accepte UMS/IFRS as at 31 March 2012.

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

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

(b) Preparation of the Financial Statements

The Group’s condensed interim consolidated financial statements prepared in accordance with IAS and IFRS approved by the Board of Directors as at 18 May 2012.

The consolidated financial statements and notes as at 31 March 2012 are prepared according to the Communiqué XI No 29 of CMB which was announced by the decision numbered 11/467 at 17 April 2008 related to the Principles Regarding Financial Reporting on capital market.

(c) Accounting in Hyperinflationary Periods

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

(d) Basis of measurement

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

2 BASIS OF PREPARATION (continued)

2.1 Basis of preparation (continued)

(e) Functional and presentation currency

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

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

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

<u>Company</u>	<u>Functional Currency</u>
Akfen İnşaat	TL
Akfen GYO	TL
Akfen Enerji	TL
Akfen HES I	TL
Akfen HES II	TL
Akfen HES III	TL
TAV Havalimanları	Euro
TAV Yatırım	USD
MIP	USD
IDO	TL
PSA Akfen Liman İşletmeciliği ve Yönetim Danışmanlığı AŞ ("PSA Liman")	TL
Akfen Su	TL
ATI Services SA ("ATI")	CHF
Hyper Foreign Trade Holland N.V. ("Hyper Foreign")	Euro
Alsim Alarko Akfen Adi Ortaklığı ("Alsim Alarko")	TL
RHI	Euro
RPI	Euro
HDI	Euro

Akfen Holding Anonim Şirketi

Notes to the Condensed Interim Consolidated Financial Statements

As at and for the three-month period ended 31 March 2012

(Currency: Thousands of TL .)

2 BASIS OF PREPARATION (continued)

2.1 Basis of preparation (continued)

(f) Basis of consolidation

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

(i) Subsidiaries

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

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

(ii) Joint ventures

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

(iii) Acquisitions from entities under common control

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

Transactions eliminated on consolidation

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

2 BASIS OF PREPARATION (continued)

2.1 Basis of preparation (continued)

(f) Basis of consolidation (continued)

(iv) Acquisitions made from third parties

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

(g) Foreign currency

(i) Foreign currency transactions

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

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

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

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

	<u>31 March 2012</u>	<u>31 December 2011</u>
Euro / TL	2,3664	2,4438
USD / TL	1,7729	1,8889

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

	<u>2012</u>	<u>2011</u>
Euro / TL	2,3461	2,1466
USD / TL	1,7899	1,5706

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

2 BASIS OF PREPERATION (continued)

2.1 Basis of preparation (continued)

(g) Foreign currency (continued)

(ii) Foreign operations

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

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

2.2 Summary of Significant Accounting Policies

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

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective as at 31 March 2012, and have not been applied in preparing these condensed interim consolidated financial statements. Among those new standards, the following are expected to have effect on the consolidated financial statements of the Group:

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

2 BASIS OF PREPARATION ESASLAR (continued)

2.2 Summary of Significant Accounting Policies (continued)

New standards and interpretations not yet adopted (continued)

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

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

3 JOINTLY CONTROLLED ENTITIES

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

Statement of financial position	31 March	31 December 2011
Current assets	1.226.786	2.953.178
Non-current assets	3.201.891	6.553.926
Current liabilities	(1.116.588)	(2.164.284)
Non-current liabilities	(2.778.041)	(5.602.006)
Net Assets	534.037	1.740.814

Statement of comprehensive income	31 March	31 March 2011
Total revenues and income	631.469	808.449
Total expenses and costs	(538.598)	(840.109)
Profit for the period	92.871	(31.656)

4 SEGMENT REPORTING

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

The information regarding the results of each reportable segment is for Tav Yatırım, Akfen İnşaat, Akfen GYO, HES I-II-III, MIP, Akfen 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 Condensed Interim Consolidated Financial Statements
As at and for the six-month period ended 31 March 2012
(Currency: Thousands of TL.)

4 SEGMENT REPORTING (continued)

1 January-31 March 2012	<u>Tav</u>	<u>Akfen</u>	<u>Akfen</u>	<u>HES I-</u>		<u>Akfen</u>	<u>Tav</u>		<u>Inter segments</u>		
	<u>Yatırım</u>	<u>İnşaat</u>	<u>GYO</u>	<u>II-III</u>	<u>MIP</u>	<u>Su</u>	<u>Havalimanları</u>	<u>IDO</u>	<u>Other</u>	<u>eliminations</u>	<u>Total</u>
External revenues	140.758	66	6.984	10.754	53.469	850	119.120	26.009	928	--	358.938
Inter segment revenue	2.011	24.775	--	--	--	--	--	--	4.021	(30.807)	--
Total sales	142.769	24.841	6.984	10.754	53.469	850	119.120	26.009	4.949	(30.807)	358.938
Cost of sales	(139.924)	(22.356)	(1.068)	(6.449)	(23.957)	(513)	(88.560)	(22.263)	(1.301)	25.131	(281.260)
Gross profit/ (loss)	2.845	2.485	5.916	4.305	29.513	337	30.560	3.746	3.648	(5.677)	77.678
General administrative expenses	(6.061)	(5.093)	(1.779)	(967)	(2.880)	(333)	(23.045)	(3.322)	(8.950)	3.344	(49.085)
Other operating income	155	1.892	792	779	--	--	6.341	576	175	(10)	10.700
Other operating expense	(3)	(75)	(16)	(87)	--	(200)	--	(684)	(2.329)	401	(2.993)
Operating profit / (loss)	(3.064)	(791)	4.914	4.029	26.633	(196)	13.856	316	(7.455)	(1.942)	36.300
Financial profit / loss (net)	(465)	(383)	6.854	7.667	(6.902)	293	(8.960)	20.156	2.060	--	20.320
Profit of continuing operations before tax / (loss)	(3.529)	(1.174)	11.768	11.696	19.731	97	4.896	20.472	(5.395)	(1.942)	56.620
Tax income (expense) for the period	(274)	(4.335)	(3.498)	(2.678)	(2.754)	9	527	29	--	--	(12.979)
Profit of continuing operations after tax / (loss)	(3.803)	(5.509)	8.269	9.018	16.977	106	5.423	20.501	(5.395)	(1.942)	43.641
Profit (loss) for the period attributable to the parent of the Company	(3.253)	(5.509)	8.365	9.107	16.977	--	7.332	20.501	(5.416)	(5.596)	42.508
Depreciation and amortization expenses	1.564	133	16	3.281	5.496	84	10.777	4.509	117	--	25.977
Investments of tangible and intangible assets	356	708	20	37.527	14.807	9	1.995	1.070	40.860	--	97.353
31 March 2012											
Segment assets	252.849	356.068	1.154.828	902.253	782.333	29.618	396.684	460.836	1.511.395	(1.531.636)	4.315.229
Segment liabilities	233.370	173.227	357.774	531.996	666.013	16.936	288.658	431.160	836.187	(128.455)	3.406.866

Segment assets related with the agreement made for sale of TAV Havalimanları and TAV İnşaat amounting TL 1.122.373 are presented in assets held for sale and segment liabilities amounting TL 864.166 are presented in liabilities arising from assets held for sale.

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

4 SEGMENT REPORTING (continued)

1 January-31 March 2011	<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>Akfen</u> <u>Su</u>	<u>Tav</u> <u>Havalimanları</u>	<u>Other</u>	<u>Inter segments</u> <u>eliminations</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)	--
Total sales	130.168	29.195	5.813	19	40.786	796	101.166	3.077	(29.762)	281.258
Cost of sales	(128.128)	(28.794)	(889)	(1.108)	(15.163)	(492)	(79.710)	--	28.495	(225.789)
Gross profit/ (loss)	2.040	401	4.924	(1.089)	25.623	304	21.456	3.077	(1.267)	55.468
General administrative expenses	(2.722)	(4.161)	(831)	(733)	(6.922)	(458)	(18.311)	(4.182)	2.820	(35.500)
Other operating income	57	676	46.437	102	--	12	4.316	71	(55)	51.616
Other operating expense	(111)	(717)	(832)	(198)	--	--	--	(211)	(1.214)	(3.283)
Operating profit / (loss)	(736)	(3.802)	49.698	(1.919)	18.701	(142)	7.461	(1.243)	285	68.301
Financial profit / loss (net)	(3.422)	76	(13.812)	(11.186)	(7.600)	(544)	(14.226)	(16.527)	(314)	(67.554)
Profit of continuing operations before tax / (loss)	(4.158)	(3.726)	35.886	(13.105)	11.101	(686)	(6.765)	(17.770)	(29)	747
Tax income (expense) for the period	(182)	(4.125)	(3.267)	2.976	(2.109)	55	(2.663)	(35)	--	(9.350)
Profit of continuing operations after tax / (loss)	(4.340)	(7.851)	32.619	(10.128)	8.992	(631)	(9.428)	(17.805)	(29)	(8.602)
Profit (loss) for the period attributable to the parent of the Company	(4.281)	(7.851)	32.619	(12.560)	8.992	(527)	(8.114)	(17.805)	(6.014)	(15.541)
Depreciation and amortization expenses	1.591	121	10	1.062	4.839	100	8.622	174	--	16.519
Investments of tangible and intangible assets	1.702	233	18	55.381	415	15	12.519	439	--	70.722
31 December 2011										
Segment assets	523.789	372.855	1.128.520	864.506	809.138	30.033	1.328.461	1.408.948	(1.479.758)	4.986.492
Segment liabilities	479.496	184.505	342.694	550.968	701.787	17.185	969.468	736.240	(136.888)	3.845.455

As at 31 December 2011, there were segment assets and liabilities belonging to IDO, amounting TL 452.477 and TL 441.633 respectively.

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

5 CASH AND CASH EQUIVALENTS

As at 31 March 2012 and 31 December 2011, cash and cash equivalents comprised of the following:

	<u>31 March 2012</u>	<u>31 December 2011</u>
Cash	1.529	1.411
Banks	120.902	162.828
-Demand deposit	41.145	83.355
-Time deposit	79.757	79.473
Project, reserves and fund accounts	135.690	300.165
Other cash and equivalents(*)	43.446	54.186
Cash and equivalents	301.567	518.590
Project, reserves and fund accounts	(135.690)	(300.165)
Bank overdrafts used for cash management purposes	--	--
Cash and equivalents in the statement of cash flow	165.877	218.425

(*)As at 31 March 2012 TL 42.326 (31 December 2011: TL 53.414) of cash and equivalents consists of overnight repo, which belongs to Akfen Holding.

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

	<u>31 March 2012</u>	<u>31 December 2011</u>
MIP	107.514	101.243
Tav Havalimanları	57.761	266.765
Akfen Holding	50.501	61.864
HES I-II-III	28.853	14.492
Tav Yatırım	21.455	56.886
Akfen GYO	16.267	7.792
IDO Denizcilik	11.338	2.721
Akfen Su	4.348	3.484
Akfen İnşaat	1.926	2.744
Other	1.604	599
Total	301.567	518.590

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

Currency	<u>31 March 2012</u>	<u>31 December 2011</u>
TL	17.299	22.411
USD	9.672	14.125
Qatari Riyal	4.768	29.480
Euro	2.087	2.928
Other	7.319	14.411
	41.145	83.355

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

5 CASH AND CASH EQUIVALENTS (continued)

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

<u>Currency</u>	<u>Maturity</u>	<u>Interest rate %</u>	<u>31 March 2012</u>
TL	April – May 2012	4,00 - 12,50	30.092
USD	April – June 2012	0,50 - 5,50	37.127
Euro	April – June 2012	0,50 - 5,49	8.844
Qatari Riyal	April 2012	1,75	3.694
			79.757

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

Project and Reserve Accounts

TAV Havalimanları, MIP, Akfen Su and HES, has Project and Reserve accounts, regarding the agreements made with banks, in order to fund their projects. These accounts can only be used for the purposes which are mentioned in terms and conditions of the agreements. Project and reserve amounts in cash and cash equivalents are amounting to 40.575 TL (2011: 218.032 TL), 72.358 TL (2011: 77.705 TL), 453 TL (2011: 467 TL) and 22.304 TL (2011: 3.961 TL) belongs to TAV Havalimanları, MIP, Akfen Su and HES companies, respectively.

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

<u>Currency</u>	<u>Interest rate %</u>	<u>31 March 2012</u>
TL	4,00-12,50	23.421
USD	0,50-5,49	71.229
Euro	0,50-5,50	40.737
Other		302
		135.690

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

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

As at 31 March 2012 and 31 December 2011, there is no pledge on bank accounts except as disclosed.

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

6 FINANCIAL INVESTMENTS

Short-term financial investments

None.

Long-term financial investments

At 31 March 2012 and 31 December 2011 the Group holds equity investments in the following companies:

	<u>Ownership</u>	<u>31</u>	<u>Ownership</u>	<u>31</u>
	<u>(%)</u>	<u>2012</u>	<u>(%)</u>	<u>December</u>
				<u>2011</u>
Batı Karadeniz Elekt. Dağıtım ve Sis. AŞ	12,5	1.493	12,5	1.493
TAV Urban Georgia LLC	--	--	--	--
Other		90		151
Subtotal		1.583		1.644
Less: Impairment on financial investments		(1.493)		(1.493)
Total financial assets		90		151

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

The provision for losses was booked as at 31 March 2012 and 31 December 2011 since any profit was not expected in the future from the investments of the Group in Batı Karadeniz Elektrik Dağıtım ve Sistemleri A.Ş.

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

7 LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest bearing loans and borrowings, which are measured at amortized cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see note 30.

The Group's financial liabilities as at 31 March 2012 are as follows:

	<u>Nominal Value</u>	<u>Carrying Amount</u>
Current liabilities		
Secured bank loans	99.137	92.852
Unsecured bank loans	11.237	11.563
Current portions of non-current secured bank loans	314.394	397.066
Current portions of non-current unsecured bank loans	2.746	3.513
Current portions of long-term issued bonds	--	1.818
Short term finance lease obligations	1.577	1.627
	429.091	508.439
Non-current liabilities		
Non-current secured bank loans	2.113.596	2.053.797
Non-current unsecured bank loans	20.330	18.526
Non-current issued bonds	280.000	280.000
Long term finance lease obligations	5.204	5.289
	2.419.130	2.357.612

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

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

7 LOANS AND BORROWINGS (continued)

The Group's bank loans, bonds and lease borrowings as at 31 March 2012 are as follows:

	<u>Nominal Value</u>	<u>Carrying Amount</u>
Bank loans	2.561.440	2.577.315
Bonds	280.000	281.820
Finance lease obligations	6.781	6.916
	2.848.221	2.866.051

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

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

The bank loans and the distribution of the issued bonds according to the segments of the Group as at 31 March 2012 are as follows:

<u>Carrying amount</u>	<u>Current liabilities</u>	<u>Non-current liabilities</u>	<u>Total</u>
Akfen Holding	171.993	610.274	782.267
Akfen İnşaat	32.482	23.661	56.143
Akfen GYO	82.215	211.002	293.217
Akfen HES I-II	82.476	382.919	465.395
Akfen Su	1.485	13.851	15.336
MIP	22.756	533.870	556.626
TAV Yatırım	41.714	17.744	59.458
TAV Havalimanları	37.529	193.829	231.358
IDO	34.162	365.173	399.335
	506.812	2.352.323	2.859.135

<u>Nominal value</u>	<u>Current liabilities</u>	<u>Non-current liabilities</u>	<u>Total</u>
Akfen Holding	143.886	619.993	763.879
Akfen İnşaat	29.677	24.765	54.442
Akfen GYO	78.074	213.328	291.402
Akfen HES I-II	50.237	409.418	459.655
Akfen Su	761	14.622	15.383
MIP	23.535	541.410	564.945
TAV Yatırım	41.098	17.304	58.402
TAV Havalimanları	28.918	203.303	232.221
IDO	31.328	369.783	401.111
	427.514	2.413.926	2.841.440

Akfen Holding Anonim Şirketi

Notes to the Condensed Interim Consolidated Financial Statements

As at and for the three-month period ended 31 March 2012

(Currency: Thousands of TL.)

7 LOANS AND BORROWINGS (continued)

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

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

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

Conditions and repayment schedules

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

	<u>Nominal Value</u>		<u>Carrying Amount</u>	
	<u>31 March</u>	<u>31 December</u>	<u>31 March</u>	<u>31 March</u>
Within 1 year	427.514	684.444	506.812	739.022
1 – 2 years	756.931	704.619	770.036	726.265
2 – 3 years	284.264	339.252	292.861	358.878
3 – 4 years	328.447	395.162	298.087	364.007
5 years and more	1.044.284	1.337.720	991.339	1.269.977
	2.841.440	3.461.197	2.859.135	3.458.149

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the six-month period ended 31 March 2012
(Currency: Thousands of TL .)

7 LOANS AND BORROWINGS (continued)

As at 31 March 2012 and 31 December 2011 breakdown of, bank loans and issued bonds of the Group based on currency are as follows:

	<u>Nominal Value</u>		<u>Carrying Amount</u>	
	<u>31 March 2012</u>	<u>31 December 2011</u>	<u>31 March 2012</u>	<u>31 December 2011</u>
USD	1.359.202	1.543.407	1.361.725	1.536.442
Euro	1.174.260	1.710.494	1.187.121	1.710.136
TL	303.963	207.106	306.272	211.380
Other	4.015	190	4.017	191
	2.841.440	3.461.197	2.859.135	3.458.149

Since most of the financial liabilities are the floating interest rate loans, the Group is exposed to the interest rate risk. The interest rates of the floating interest rate loans in Euro, USD and TL currencies as at 31 March 2012 and 31 December 2011 are presented below:

	<u>31 March 2012</u>			<u>31 December 2011</u>		
	TL	USD	Euro	TL	USD	Euro
Fixed rate loans				Fixed rate loans		
Minimum	10,00%	3,50%	3,75%	Minimum	10,00%	3,75%
Maximum	15,41%	9,95%	7,10%	Maximum	16,88%	6,95%
				Variable rate		
Variable rate loans				loans		
Minimum	13,29%	0,13%	1,54%	Minimum	10,55%	1,54%
Maximum	13,95%	8,00%	7,50%	Maximum	14,84%	7,50%

As stated in the Note 8, 81 % of the floating interest rate loan of MIP, 73% floating interest rate loan of HES I group companies and 75 % of the floating interest rate loan of IDO were fixed with interest rate swap. 100%, 49%, 100%, 50%, 85% and 100% floating interest rate loans of TAV Istanbul, TAV İzmir, TAV Esenboğa, HAVAŞ, TAV Tunisia and TAV Macedonia, respectively, were fixed with interest rate swap

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

The total bank project loans is TL 1.903.213 as at 31 March 2012 (31 December 2011:TL 2.454.373) and its share in total loans is 66,57 % (31 December 201: 70,97%).

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

7 LOANS AND BORROWINGS (continued)

Akfen Holding

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

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loans ⁽¹⁾	USD	6,85	2012	13.297	13.910
Secured bank loans ⁽²⁾	USD	7,80	2013	5.319	5.362
Secured bank loans ⁽²⁾	USD	7,50	2013	8.865	9.150
Secured bank loans ⁽³⁾	USD	9,00	2013	17.729	17.925
Secured bank loans ⁽¹⁾	USD	6,75	2013	13.297	13.346
Secured bank loans ⁽¹⁾	USD	6,25	2013	14.626	14.632
Secured bank loans ⁽²⁾	USD	Libor+3,50	2014	39.398	40.043
Secured bank loans ⁽³⁾	USD	7,40	2014	17.729	18.134
Secured bank loans ⁽³⁾	USD	6,90	2014	31.912	33.680
Secured bank loans ⁽⁴⁾	USD	9,95	2015	132.968	138.873
Secured bank loans ⁽⁵⁾	Euro	Euribor+4,20	2014	186.260	192.898
Secured bank loans ⁽⁶⁾	TL	15,41(**)	2014	2.479	2.494
Bond ⁽⁷⁾	TL	DİBS+4,00(***)	2013	80.000	80.122
Bond ⁽⁸⁾	TL	DİBS + 4,00(*)	2014	200.000	201.698
				763.879	782.267

⁽¹⁾ The sureties are given by Akfen İnşaat, Akfen Turizm Yatırımları ve İşletmecilik A.Ş. (“Akfen Turizm”), Akınısı Makine Sanayi ve Ticaret A.Ş. (“Akınısı”) and Hamdi Akın.

⁽²⁾ Sureties given by Hamdi Akın and Akfen İnşaat.

⁽³⁾ Sureties given by Akfen İnşaat

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

⁽⁵⁾ 86,988,875 shares pledged on Akfen GYO.

⁽⁶⁾ It is İş Yatırım share buying loan; 347.150 Holding shares are in the safe custody account of İş Yatırım in the frame of Share Buyback Programme.

⁽⁷⁾ The liability which has a maturity of 2 years and coupon payment of 91 days with a floating interest rate amounting to TL 80.000 as at 27 December 2011. The 2nd period coupon payment date is 27 June 2012.

⁽⁸⁾ The liability which has a maturity of 2 years and coupon payment of six months with a floating interest rate amounting to TL 200.000 as at 9 March 2012. The 1st period coupon payment is on 7 September 2012.

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

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

^(***) The interest of 2nd period coupon payment according to the net additional income rate (27 June 2012). The interest rate for coupon payments is 3,31 % and the coupon payments shall be made in 91 days.

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

7 LOANS AND BORROWINGS (continued)

Akfen Holding (continued)

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

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

⁽¹⁾ Sureties given by Akfen İnşaat.

⁽²⁾ Sureties given by Akfen İnşaat, Akfen Turizm, Akınısı and Hamdi Akın.

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

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

⁽³⁾ As at 5 March 2010 bonds are showing the, payables arising from the bonds which have maturity of two years and coupon payment of 182 days, with a floating interest rate amounting to TL 100.000. The 4th term coupon payment date is 2 March 2012.

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

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

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

^(*)The interest of 4th period coupon payment according to the net additional income rate (2 March 2012). The coupon payments shall be made in every 182 days.

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

^(***)The interest of 1st period coupon payment according to the net additional income rate (27 March 2012). The coupon payments shall be made in every 91 days.

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

7 LOANS AND BORROWINGS (continued)

Akfen Holding (continued)

Repayment schedule of the financial liabilities are presented below:

	<u>Nominal value</u>		<u>Carrying amount</u>	
	31 March 2012	31 December	31 March 2012	31 December 2011
Within 1 year	143.886	231.908	171.993	261.878
1 – 2 years	399.330	237.709	410.784	247.154
2 – 3 years	87.695	91.401	96.833	100.551
3 – 4 years	132.968	141.668	102.657	106.659
5 years and more	--	--	--	--
	763.879	702.686	782.267	716.242

Akfen İnşaat:

The breakdown of bank loans as at 31 March 2012 is given below:

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loans ⁽²⁾	USD	8,73	2012	7.793	7.887
Secured bank loans ⁽¹⁾	USD	7,80	2013	8.865	8.937
Secured bank loans ⁽²⁾	USD	7,98	2013	7.092	7.297
Secured bank loans ⁽³⁾	USD	7,20	2014	361	397
Secured bank loans ⁽²⁾	USD	6,90	2014	21.275	22.453
Secured bank loans ⁽²⁾	TL	1,20*	2012	917	922
Secured bank loans ⁽²⁾	TL	1,15*	2013	2.498	2.583
Secured bank loans ⁽²⁾	TL	1,18*	2013	3.205	3.208
Secured bank loans ⁽²⁾	TL	1,15*	2013	926	935
Secured bank loans ⁽²⁾	TL	1,18*	2013	860	869
Secured bank loans ⁽²⁾	TL	1,27*	2014	650	655
				54.442	56.143

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

⁽²⁾ The sureties are given by Akfen Holding.

⁽³⁾ The sureties are given by Hamdi Akın

^(*) Monthly interest rates.

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

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

7 LOANS AND BORROWINGS (continued)

Akfen İnşaat (Continued)

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

Repayment schedules of bank loans of according to the original maturities as at 31 March 2012 and 31 December 2011 are as follows:

	<u>Nominal Value</u>		<u>Carrying Amount</u>	
	<u>31 March 2012</u>	<u>31 December 2011</u>	<u>31 March 2012</u>	<u>31 December 2011</u>
Within 1 year	29.677	15.630	32.482	20.080
1 – 2 years	17.541	46.303	17.109	44.572
2 – 3 years	7.224	7.692	6.552	6.934
3 – 4 years	--	--	--	--
5 years and more	--	--	--	--
	54.442	69.625	56.143	71.586

Akfen GYO:

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

	<u>Nominal value</u>		<u>Carrying amount</u>	
	<u>31 March 2012</u>	<u>31 December 2011</u>	<u>31 March 2012</u>	<u>31 December 2011</u>
Akfen GYO	216.687	199.916	217.964	202.465
RHI	58.150	63.010	58.575	65.932
RPI	16.565	17.107	16.678	17.341
	291.402	280.033	293.217	285.738

Akfen GYO:

The breakdown of bank loans as at 31 March 2012 is given below:

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loans ⁽¹⁾	Euro	8,75	2014	23.664	23.628
Secured bank loans ⁽²⁾	Euro	Euribor +3,70	2015	24.847	24.922
Secured bank loans ⁽³⁾	Euro	Euribor +3,75	2020	156.974	157.914
Secured bank loans ⁽⁴⁾	TL	10,00	2016	11.202	11.500
				216.687	217.964

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

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loans ⁽²⁾	Euro	Euribor +3,70	2015	29.326	29.835
Secured bank loans ⁽¹⁾	Euro	Euribor +3,75	2020	158.349	160.092
Secured bank loans ⁽⁴⁾	TL	10,00	2016	12.241	12.538
				199.916	202.465

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

7 LOANS AND BORROWINGS (continued)

Akfen GYO (continued)

⁽¹⁾ The sureties are given by Akfen Holding.

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

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

The right of tenancy of TRNC Mercure Hotel is pledged in favor of ING Bank A.Ş.

⁽³⁾ The Company signed a loan agreement of EUR 100 million on 30 July 2008 with Türkiye İş Bankası AŞ (“İş Bankası”) and Türkiye Sınai Kalkınma Bankası AŞ (“TSKB”) to finance the ongoing hotel projects based on the Framework Agreement signed between the Company and ACCOR S.A. to develop hotel projects in Turkey. Based on the loan agreement, the Company pays commitment commission which is calculated as an annual rate of 1.25% on the unused portion of the loan at each quarter from the agreement date till the maturity date. The Company also pays 0.50% of the amount used in the portion as arrangement commission at each disbursement from TSKB and 1.00% of the related amount as commission. As at 31 December 2011, Akfen GYO used the portion of the loan amounting to EUR 74,10 millions. The Company recognises loan commission accrual amounting to TL 168 for the unused portion of EUR 25,90 millions. Bank borrowings obtained with this agreement is secured by the followings:

- Right of tenancy of the hotels in Gaziantep, Kayseri, Trabzon, Bursa and Zeytinburnu and the land on which hotels are going to be built in Esenyurt and Adana are pledged in favor of the creditors,
- Rental revenue of these hotels is pledged to the creditors,
- Demand deposits in banks and financial institutions related with these projects are pledged in favor of the creditors,
- Sureties of Akfen Holding and Akfen İnşaat are 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 Ticaret AŞ are pledged on behalf of Akfen GYO in favour of banks.

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

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

7 LOANS AND BORROWINGS (continued)

RHI:

The breakdown of bank loans as at 31 March 2012 is given below:

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loans ⁽¹⁾	Euro	Euribor +7,50	2012	28.333	28.527
Secured bank loans ⁽²⁾	Euro	Euribor+6,50	2022	29.817	30.048
				58.150	58.575

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

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loans ⁽¹⁾	Euro	Euribor +7,50	2012	63.010	65.932
				63.010	65.932

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

⁽²⁾ Loan limit in amount of Euro 12.600.000 EUR given within the scope of agreement signed with European Bank for Construction and Development (“EBRD”) and International Finance Corporation (“IFC”) related to Samara Hotel project has been used by RHI on 26 February 2012. Sureties of Akfen Holding are given for the total outstanding loan amount. The company pledged the shares of Akfen GT and Cüneyt Baltaoğlu in ratio of 95% and 5%, respectively and also land and hotel that Samara Hotel is being constructed which belongs to Akfen GYO Samara Hotel is mortgaged in favor of creditors. Besides, rent revenue of Samara Ibis Hotel is alienated in favor of the creditor. According to loan contract signed with European Bank For Construction and Development (EBRD) and International Finance Corporation (IFC), in 2012 Group will refinance the loans obtained from Credit Europe Bank. Ceilings allocated by EBRD and IFC are equal and amount of the total credit ceiling is Euro 31.800.000. Division of the amount per Project is as follows: For Samara Hotel Project, Yaroslavl Hotel Project and Kaliningrad Hotel Project Euro 12.600.000, Euro 9.200.000 and Euro 10.000.000, respectively. Based on the loan contract signed, the rate for accrual commission that is calculated through unused portion of allocated credit limits 1% for Samara Hotel Project and Yaroslavl Hotel Project, while it is 0,5% for Kaliningrad Hotel Project. Usage commission rate for used portion of loans is 0,5% for all projects. Used loans will be paid back by equal installments once every three month.

RPI:

The breakdown of bank loans as at 31 March 2012 is given below:

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loans ⁽¹⁾	Euro	Euribor +7,50	2012	16.565	16.678
				16.565	16.678

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

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loans ⁽¹⁾	Euro	Euribor +7,50	2012	17.107	17.341
				17.107	17.341

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

7 LOANS AND BORROWINGS (continued)

RPI (continued)

Redemption schedules of bank loans according to the original maturities as at 31 March 2012 and 31 December 2011 are as follows

	<u>Nominal value</u>		<u>Carrying amount</u>	
	<u>31 March 2012</u>	<u>31 December 2011</u>	<u>31 March 2012</u>	<u>31 December 2011</u>
Within 1 year	78.074	112.646	82.216	118.982
1 – 2 years	54.865	30.250	53.014	30.389
2 – 3 years	32.089	29.672	31.800	29.386
3 – 4 years	28.794	29.702	28.497	29.257
5 years and more	97.579	77.761	97.690	77.724
	291.402	280.033	293.217	285.738

HES I-II:

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

	<u>Nominal Value</u>		<u>Carrying Amount</u>	
	<u>31 March 2012</u>	<u>31 December 2011</u>	<u>31 March 2012</u>	<u>31 December 2011</u>
HES I	304.930	314.903	306.935	310.341
HES II	154.725	145.542	158.460	146.422
	459.655	460.445	465.395	456.763

HES I:

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

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loans	Euro	Euribor+6,50	2013-2020	304.930	306.935
				304.930	306.935

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

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loans	Euro	Euribor+6,50	2013-2020	314.903	310.341
				314.903	310.341

The loans of HES I companies are secured up to 73 %, against the interest rate fluctuations by the interest swap agreements made. All shares owned by Akfen Group in HES I and HES I subsidiaries put in pledge to İş Bankası guarantee attorney of Consortium composed of TSKB, İş Bankası, YKB, Denizbank A.Ş. ("Denizbank") and Finansbank reward credit of companies in group HES I as guarantee within the context of project finance and in addition to share pledge the guarantees below have been given:

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

-The sureties given by Akfen İnşaat as a guarantee for completion were removed for the loans used by Çamlıca and İdeal while the same surety still continues for Beyobası.

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

7 LOANS AND BORROWINGS (continued)

HES I (continued)

HES I group companies gave cross sureties to each other and shareholder of Akfen Holding, HES I and companies consolidated under HES I (Beyobası, Çamlıca and İdeal), gave capital subscription surety during the Project period.

Loan is comprised of two components; Senior Loan and VAT Loan. Maturity of senior loan is 2020 and maturity of VAT loan is 2013.

Redemption schedules of bank loans according to the original maturities as at 31 March 2012 and 31 December 2011 are as follows:

	<u>Nominal Value</u>		<u>Carrying Amount</u>	
	<u>31 March 2012</u>	<u>31 December 2011</u>	<u>31 March 2012</u>	<u>31 December 2011</u>
Within 1 year	46.083	47.590	67.169	69.413
1 – 2 years	41.010	42.351	41.011	42.352
2 – 3 years	33.116	34.199	33.116	34.199
3 – 4 years	33.116	34.199	33.116	34.199
5 years and more	151.606	156.565	132.522	130.178
	304.930	314.903	306.935	310.341

HES II:

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

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
				Secured bank loans	Euro
				154.725	158.460

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

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
				Secured bank loans	Euro
				145.543	146.422

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

- Deposit pledge on accounts of the Company
 - Assignment of insurance receivables,
 - Assignment of receivables arising from the letter of guarantee,
 - Assignment of VAT receivables,
 - Assignment of receivables arising from the EPC contract,
 - Assignment of Go-risk receivables
 - Assignment of Project incomes
- The capital commitment undertake/guarantee is granted by Akfen Holding, HES II and HES II companies (BT Bordo, Elen, Pak, Rize, Yenidoruk, Zeki) during the project period.

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

7 LOANS AND BORROWINGS (continued)

HES II: *(continued)*

Redemption schedules of bank loans according to the original maturities as at 31 March 2012 and 31 December 2011 of Akfen HES II are as follows:

	<u>Nominal Value</u>		<u>Carrying Amount</u>	
	<u>31 March 2012</u>	<u>31 December 2011</u>	<u>31 March 2012</u>	<u>31 December 2011</u>
Within 1 year	4.154	3.894	15.307	14.383
1 – 2 years	17.192	16.172	17.192	16.172
2 – 3 years	17.192	16.172	17.192	16.172
3 – 4 years	17.192	16.172	17.192	16.172
5 years and more	98.995	93.134	91.577	83.523
	154.725	145.542	158.460	146.422

Akfen Su:

The breakdown of bank loans as at 31 March 2012 is given below:

	<u>Currency</u>	<u>Nominal</u>		<u>Nominal Value</u>	<u>Carrying Amount</u>
		<u>Interest rate</u>	<u>Maturity</u>		
Secured bank loans ⁽¹⁾	Euro	Euribor+4,00	2020	15.375	15.325
Secured bank loans	TL	10,68-11,68	2013	8	11
				15.383	15.335

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

	<u>Currency</u>	<u>Nominal</u>		<u>Nominal Value</u>	<u>Carrying Amount</u>
		<u>Interest rate</u>	<u>Maturity</u>		
Secured bank loans ⁽¹⁾	Euro	Euribor+4,00	2020	15.878	15.629
Secured bank loans	TL	10,68-11,68	2013	12	12
				15.890	15.641

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

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

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

7 LOANS AND BORROWINGS *(continues)*

Akfen Su *(continued)*

Redemption schedules of bank loans according to the original maturities as at 31 March 2012 and 31 December 2011 are as follows:

	<u>Nominal Value</u>		<u>Carrying Amount</u>	
	<u>31 March 2012</u>	<u>31 December 2011</u>	<u>31 March 2012</u>	<u>31 December 2011</u>
Within 1 year	761	786	1.485	1.524
1 – 2 years	1.584	1.639	2.127	2.168
2 – 3 years	1.691	1.747	2.035	2.074
3 – 4 years	1.784	1.842	1.933	1.970
5 years and more	9.563	9.876	7.756	7.905
	15.383	15.890	15.336	15.641

MIP:

The breakdown of bank loans as at 31 March 2012 is given below:

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loans ⁽¹⁾	USD	Libor+1,0	2013	102.052	102.051
Secured bank loans ⁽²⁾	USD	Libor+2,5	2019	462.894	454.576
				564.946	556.627

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

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loans ⁽¹⁾	USD	Libor+1,0	2013	108.729	108.963
Secured bank loans ⁽²⁾	USD	Libor+2,5	2019	493.181	483.628
				601.910	592.591

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

⁽¹⁾The Main Loan is the Project Financing loan and the pledge of MIP shares, accounting pledge, project income and assignment of receivables, insurance receivables form the security. 80,67% of the loan is hedged with interest rate swap against interest rate risk until the maturity of the loan.

⁽²⁾ The main loan is re-imburement in the sub loan due date and the interests accrued until that time may be added to the loan amount. Akfen Holding presented letter of guarantee in the amount of 50% of the loan.

Redemption schedules of bank loans according to the original maturities as at 31 March 2012 and 31 December 2011 are as follows:

	<u>Nominal Value</u>		<u>Carrying Amount</u>	
	<u>31 March 2012</u>	<u>31 December</u>	<u>31 March 2012</u>	<u>31 December</u>
Within 1 year	23.535	25.075	22.756	23.791
1 – 2 years	132.885	141.580	131.455	140.056
2 – 3 years	40.661	43.322	39.274	41.844
3 – 4 years	44.805	47.736	43.508	46.355
5 years and more	323.059	344.197	319.633	340.545
	564.946	601.910	556.626	592.591

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

7 LOANS AND BORROWINGS (continued)

TAV Yatırım:

The breakdown of bank loans as at 31 December 2011 and 31 December 2010 are given below:

<u>Nominal Value</u>		<u>Carrying Amount</u>	
<u>31 March 2012</u>	<u>31 December 2011</u>	<u>31 March 2012</u>	<u>31 December 2011</u>
58.402	113.070	59.459	115.028
58.402	113.070	59.459	115.028

TAV İnşaat

The breakdown of bank loans as at 31 March 2012 is given below:

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loans ⁽¹⁾	USD	3,50-3,75	2012	3.843	3.849
Secured bank loans ⁽¹⁾	USD	4,25	2012	3.843	3.901
Secured bank loans ⁽¹⁾	USD	5,90	2012	1.921	1.968
Secured bank loans ⁽¹⁾	USD	Libor+4,07	2012	1.921	1.958
Secured bank loans ⁽¹⁾	USD	3,75	2012	1.921	1.937
Secured bank loans ⁽²⁾	USD	5,00	2012	1.921	1.965
Secured bank loans ⁽²⁾	USD	4,95	2012	4.611	4.706
Unsecured bank loans	USD	3,75	2012	3.843	4.003
Secured bank loans ⁽¹⁾	USD	4,65	2013	1.921	1.983
Secured bank loans ⁽¹⁾	USD	Libor +3,90	2013	3.843	3.921
Secured bank loans ⁽¹⁾	USD	6,40	2013	5.768	5.812
Secured bank loans ⁽¹⁾	USD	5,45	2013	1.921	1.992
Secured bank loans ⁽¹⁾	USD	5,63	2013	1.921	1.992
Secured bank loans ⁽¹⁾	USD	5,62	2013	2.882	2.982
Secured bank loans ⁽¹⁾	USD	Libor+3,65	2013	3.843	3.909
Secured bank loans ⁽¹⁾	Euro	Euribor+3,25	2013	3.334	3.409
Secured bank loans ⁽¹⁾	Euro	3,75	2013	2.565	2.599
Secured bank loans ⁽¹⁾	Euro	6,05	2013	2.565	2.555
Secured bank loans ⁽³⁾	OMR	4,85	2012	1.003	1.004
Secured bank loans ⁽³⁾	OMR	5,10	2012	3.012	3.013
				58.402	59.459

⁽¹⁾ The sureties of TAV Yatırım

⁽²⁾ The sureties of Akfen Holding, Tepe and TAV Yatırım

⁽³⁾ The sureties of Tav İnşaat

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

7 LOANS AND BORROWINGS (continued))

TAV Yatırım (continued)

TAV İnşaat (continued)

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

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loans ⁽¹⁾	USD	3,50-3,75	2012	8.028	7.987
Secured bank loans ⁽¹⁾	USD	4,25	2012	8.028	8.064
Secured bank loans ⁽¹⁾	USD	5,90	2012	4.014	4.053
Secured bank loans ⁽¹⁾	USD	3,60	2012	12.042	12.638
Secured bank loans ⁽¹⁾	USD	Libor+4,07	2012	4.014	4.044
Secured bank loans ⁽¹⁾	USD	3,75	2012	4.014	4.088
Secured bank loans ⁽²⁾	USD	5,00	2012	4.014	4.069
Secured bank loans ⁽²⁾	USD	4,95	2012	9.633	9.741
Unsecured bank loans	USD	3,75	2012	8.028	8.286
Secured bank loans ⁽¹⁾	USD	4,65	2013	4.014	4.192
Secured bank loans ⁽¹⁾	USD	Libor +3,90	2013	8.028	8.108
Secured bank loans ⁽¹⁾	USD	5,45	2013	4.014	4.105
Secured bank loans ⁽¹⁾	USD	5,63	2013	4.014	4.103
Secured bank loans ⁽¹⁾	USD	5,62	2013	6.021	6.142
Secured bank loans ⁽¹⁾	USD	Libor+3,65	2013	8.028	8.083
Secured bank loans ⁽¹⁾	Euro	Euribor+3,25	2013	6.751	6.826
Secured bank loans ⁽¹⁾	Euro	3,75	2013	5.193	5.213
Secured bank loans ⁽¹⁾	Euro	6,05	2013	5.193	5.286
				113.071	115.028

⁽¹⁾ The sureties of TAV Yatırım

⁽²⁾ The sureties of Akfen Holding, Tepe and TAV Yatırım

⁽³⁾ The sureties of Tav İnşaat

Redemption schedules of bank loans according to the original maturities as at 31 March 2012 and 31 December 2011 are as follows:

	<u>Nominal Value</u>		<u>Carrying Amount</u>	
	<u>31 March 2012</u>	<u>31 December 2011</u>	<u>31 March 2012</u>	<u>31 December 2011</u>
Within 1 year	41.098	67.007	41.714	68.966
1 – 2 years	17.304	46.063	17.744	46.062
2 – 3 years	--	--	--	--
3 – 4 years	--	--	--	--
5 years and more	--	--	--	--
	58.402	113.070	59.458	115.028

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

7 LOANS AND BORROWINGS (continued)

TAV Havalimanları:

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

	<u>Nominal Value</u>		<u>Carrying Amount</u>	
	<u>31 March</u> <u>2012</u>	<u>31 December</u> <u>2011</u>	<u>31 March</u> <u>2012</u>	<u>31 December</u> <u>2011</u>
TAV Holding	28.817	63.137	29.211	63.821
TAV İstanbul	68.322	241.329	67.332	240.630
TAV Esenboğa	24.151	80.234	23.925	78.678
TAV İzmir	--	26.394	--	26.665
TAV Gazipaşa	3.226	10.588	3.371	10.850
TAV Tunus	71.509	237.565	71.487	234.842
TAV Tiflis	4.110	13.992	4.187	14.146
TAV Makedonya	13.449	44.681	13.018	42.485
HAVAŞ	14.095	49.366	14.005	49.466
A.T.Ü. Turizm İşletmeciliği A.Ş. ("ATÜ")	4.542	15.266	4.426	15.412
	232.221	782.552	230.962	776.995

TAV Holding

The breakdown of bank loan of TAV Holding as at 31 March 2012 is as follows:

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Unsecured bank loan	Euro	4,25 - 7,10	2012-2014	26.226	26.542
Unsecured bank loan	USD	3,75 - 4,25	2012	2.591	2.669
				28.817	29.211

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

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Unsecured bank loan	Euro	4,25 - 6,95	2012-2014	54.256	54.766
Unsecured bank loan	USD	3,75 - 4,25	2012	8.881	9.055
				63.137	63.821

TAV İstanbul

The breakdown of bank loan of TAV İstanbul as at 31 March 2012 is as follows:

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loan(*)	Euro	Euribor + 2,50	2018	68.322	67.332
				68.322	67.332

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

7 LOANS AND BORROWINGS (continued)

TAV Havalimanları (continued)

TAV İstanbul (continued)

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

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loan(*)	Euro	Euribor + 2,50	2018	241.329	240.630
				241.329	240.630

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

TAV Esenboğa

The breakdown of bank loan of TAV Esenboğa as at 31 March 2012 is as follows:

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loan	Euro	Euribor + 2,35	2021	24.151	23.925
				24.151	23.925

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

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loan	Euro	Euribor + 2,35	2021	80.234	78.678
				80.234	78.678

TAV İzmir

As at 31 March 2012 TAV does not have any bank loans.

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

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loans	Euro	Euribor + 3,00	2013	26.394	26.665
				26.394	26.665

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

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

7 LOANS AND BORROWINGS (continued)

TAV Havalimanları (continued)

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

Pledges amounting to TL 65.006 (Group share: TL 16.980), TL 2.750 (Group share: TL 718) and TL 7.840 (Group share: TL 2.047) are imposed on the receivables of TAV İstanbul, TAV İzmir and TAV Esenboğa, respectively (31 December, 2010: TL 40.047 (Group share: TL 10.460), TL 2.820 (Group share: TL 737) and TL 6.305 (Group share: TL 1.647)).

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

Pledges amounting to TL 641.516 (Group share: TL 167.564), TL 94.202 (Group share: TL 24.606) and TL 48.279 (Group share: TL 12.610) are imposed on the bank accounts of TAV İstanbul, TAV İzmir and TAV Esenboğa, respectively (31 December, 2010: TL 555.750 (Group share: TL 145.162), TL 68.494 (Group share: TL 17.891) and TL 63.029 (Group share: TL 16.463)).

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

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

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

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

Pledges regarding the project bank loan of TAV Tunisia:

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

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

7 LOANS AND BORROWINGS (continued)

TAV Havalimanları (continued)

TAV Gazipaşa

The breakdown of bank loan of TAV Gazipaşa as at 31 March 2012 is as follows:

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loan	Euro	5,40 - 6,75	2012	2.008	2.096
Secured bank loan	TL	11,00	2012	1.218	1.275
				3.226	3.371

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

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loan	Euro	5,40 - 6,75	2012	6.670	6.861
Secured bank loan	TL	11,00	2012	3.918	3.989
				10.588	10.850

TAV Tunus

The breakdown of bank loan of TAV Gazipaşa as at 31 March 2012 is as follows:

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loan	Euro	Euribor + 1,90	2022	20.650	20.630
Secured bank loan	Euro	Euribor + 2,28	2028	31.856	31.853
Secured bank loan	Euro	Euribor + 1,54	2028	13.247	13.213
Secured bank loan	Euro	Euribor + 4,75	2028	5.754	5.791
				71.509	71.487

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

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loan	Euro	Euribor + 1,90	2022	68.604	67.849
Secured bank loan	Euro	Euribor + 2,28	2028	105.833	104.600
Secured bank loan	Euro	Euribor + 1,54	2028	44.011	43.498
Secured bank loan	Euro	Euribor + 4,75	2028	19.117	18.895
				237.565	234.842

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

7 LOANS AND BORROWINGS (continued)

TAV Havalimanları (continued)

TAV Tiflis

The breakdown of bank loan of TAV Tbilisi as at 31 March 2012 is as follows:

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loan	USD	Libor + 4,50	2015	4.110	4.187
				4.110	4.187

TAV Tiflis

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

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loan	USD	Libor + 4,50	2015	13.992	14.146
				13.992	14.146

Pledges regarding the project loans of TAV Tbilisi:

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

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

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

7 LOANS AND BORROWINGS (continued)

TAV Havalimanları (continued)

TAV Macedonia

The breakdown of bank loan of TAV Macedonia as at 31 March 2012 is as follows:

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loans	Euro	Euribor + 5,50	2020	13.449	13.018
				13.449	13.018

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

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loans	Euro	Euribor + 5,50	2011	44.681	42.485
				44.681	42.485

Pledges regarding the project bank loan of TAV Macedonia:

TAV Macedonia has granted share pledge in favor of the lenders. In addition, receivables of TAV Macedonia amounting to TL 3.632 (Group share: TL 949) (31 December 2010: TL 3.872 (Group share: TL 1.011)) have been pledged and all the commercial contracts and insurance policies have been assigned to the lenders.

There is a pledge on the receivables of TAV Macedonia amounting TL 3.680 (Group's share: TL 298) (31 December 2011: TL 3.632 (Group's share: TL 871)).

HAVAŞ

The breakdown of bank loans of HAVAŞ as at 31 March 2012 is as follows:

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loans	Euro	6,40	2012	769	769
Secured bank loans	Euro	Euribor + 5,75	2017	3.332	3.364
Secured bank loans	Euro	Euribor + 4,75	2018	9.995	9.872
				14.095	14.005

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

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loans	Euro	Euribor + 5,75	2017	11.068	10.968
Secured bank loans	Euro	Euribor + 4,75	2018	38.298	38.498
				49.366	49.466

On 24 March 2010, HAVAŞ utilized a bank loan amounting to EUR 60.000.000 (Group share: EUR 15.672.000) with an interest rate of Euribor + 4.75% and a maturity of March 2018 from Türkiye İş Bankası A.Ş. Following securities are provided in favor of the lender:

- TAV Holding has provided surety of EUR 10.000.000 (Group share: EUR 2.612.000) ,
- Second ranking pledge was established on 50% of the shares in TGS,
- Dividend receivables arising from subsidiaries and jointly controlled entities of HAVAŞ are assigned to repayment of the outstanding loan
- Second ranking pledge was established on the shares of HAVAŞ.

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

7 LOANS AND BORROWINGS (continued)

TAV Havalimanları (continued)

HAVAŞ (continued)

In accordance with the loan agreement, HAVAŞ will have the right for the distribution of dividends only if there is a net cash balance in the related bank's accounts at least EUR 5 million, the first three repayment installments have been fully paid, all other payments related to financial liabilities are made till the maturity date and no event of default has occurred.

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

On 9 December 2009, HAVAŞ utilized a bank loan amounting to EUR 20.000.000 (Group share: EUR 5.224.000) with an interest rate of Euribor + 5.75% and maturity of December 2017 from Türkiye İş Bankası A.Ş.. Following securities are provided in favor of the lender:

- First degree and first ranking pledge was established on 50% of the shares in TGS,
- Time and demand deposit amounting to TL 34.611 (Group share: TL 9.040) is blocked as a guarantee,
- TAV Holding was provided surety for the total outstanding loan amount.
- Dividend receivables arising from subsidiaries and jointly controlled entities are assigned to repayment of the outstanding loan,
- Pledge has been registered with first priority against but not limited to business entity and entity name registered in trade register, machinery and equipment, furnitures and fixtures and vehicles of HAVAŞ
- First ranking pledge was established on the shares of HAVAŞ.

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

Related with the bank loans amounting to EUR 60.000.000 (Group share: EUR 15.672.000), with an interest rate of Euribor + 4.75% and a maturity of March 2018 and the bank loan amounting to EUR 20.000.000 (Group share: EUR 5.224.000 with an interest rate of Euribor + 5.75% and a maturity of December 2017 from Türkiye İş Bankası A.Ş., 65% shares of HAVAŞ with a nominal amount of TL 118.711 have been pledged in favor of Türkiye İş Bankası A.Ş. by TAV Holding. However, the voting right for these shares remains at TAV Holding.

ATÜ

The breakdown of bank loans of TAV ATU as at 31 March 2012 is as follows:

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loan	Euro	4,80 - 6,00	2012 - 2018	2.841	2.752
Secured bank loan	Euro	Euribor + 2,70	2015	1.653	1.628
Secured bank loan	Tunisian Dinar	5,23	2013	48	47
				4.542	4.426

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

7 LOANS AND BORROWINGS (continued)

TAV Havalimanları (continued)

ATÜ (continued)

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

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loan	Euro	4,80 - 6,00	2012 - 2018	9.703	9.867
Secured bank loan	Euro	Euribor + 2,70	2015	5.373	5.354
Secured bank loan	Tunisian Dinar	4,98	2013	190	191
				15.266	15.412

Redemption schedules of bank loans according to the original maturities as at 31 March 2012 and 31 December 2011 of Tav Havalimanları are as follows:

	<u>Nominal Value</u>		<u>Carrying Amount</u>	
	<u>31 March 2012</u>	<u>31 December 2011</u>	<u>31 March 2012</u>	<u>31 December 2011</u>
Within 1 year	28.918	97.031	37.529	126.995
1 – 2 years	35.979	100.743	40.360	115.791
2 – 3 years	20.037	67.573	23.417	80.686
3 – 4 years	23.746	74.788	25.141	80.987
5 years and more	123.540	443.738	104.911	373.863
	232.221	783.874	231.358	778.322

İDO:

The breakdown of bank loans of İDO as at 31 March 2012 is as follows:

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loans ⁽¹⁾	USD	Libor+0,22	2014	9.585	9.590
Secured bank loans ⁽¹⁾	USD	Libor+0,13	2017	19.216	19.245
Secured bank loans ⁽²⁾	USD	Libor+8	2018	26.594	32.529
Secured bank loans ⁽²⁾	USD	Libor+4,9	2023	345.715	337.971
				401.110	399.335

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

	<u>Currency</u>	<u>Nominal Interest rate</u>	<u>Maturity</u>	<u>Nominal Value</u>	<u>Carrying Amount</u>
Secured bank loans ⁽³⁾	USD	Libor+1,65	2012	1.319	1.329
Secured bank loans ⁽¹⁾	USD	Libor+0,85	2012	1.085	1.094
Secured bank loans ⁽¹⁾	USD	Libor+0,22	2014	12.255	12.282
Secured bank loans ⁽¹⁾	USD	Libor+0,13	2017	22.335	22.384
Secured bank loans ⁽²⁾	USD	Libor+8	2018	28.334	28.341
Secured bank loans ⁽²⁾	USD	Libor+4,9	2023	368.336	360.808
				433.664	426.238

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

7 LOANS AND BORROWINGS *(continued)*

İDO *(continued)*

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

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

⁽²⁾ The guarantee provided by Akfen for the loan is as follows: the shares held by Akfen Holding in İDO are given to the lenders. Furthermore, Akfen Holding has a completion guarantee up to 70% of USD 25.000.000 (USD 17.500.000) completely with and severally from Tema and Sera, among other shareholders, for purpose of providing a debt service coverage ratio from the beginning of the fiscal year 2012 until completely reimbursement of the loan, provided that it is returned and renewed yearly. The remaining 30% (USD 7.300.000) of the guarantee is of Souter. Souter's liability limit is 30.000.000 USD totally, and if Souter's liability limit is exceeded and the debt service coverage ratio should be completed, Akfen Holding commits a completion guarantee completely with and severally from Tepe, Akfen and Sera, provided that it never exceeds USD 25.000.000 annually. The completion guarantee shall be provided by (i) making a capital investment in İDO; (ii) borrowing İDO; or (iii) submitting the lenders a bank guarantee letter, provided that its selection is subject to the provisions under the guarantee agreement. The completion guarantee is committed completely with and severally from Tema and Sera, among other shareholders.

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

⁽³⁾ Total amount of the liens delivered to the banks and relevant suppliers over tangible property, plant and equipment is USD 114.480.618 as at 31 December 2011 (Group share: USD 34.344.185). As at 31 March 2012, related loan is wholly paid back and the process for the removal of respective pledges has started.

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

Redemption schedules of bank loans according to the original maturities as at 31 March 2012 and 31 December 2011 are as follows:

	<u>Nominal Value</u>		<u>Carrying Amount</u>	
	<u>31 March 2012</u>	<u>31 December 2011</u>	<u>31 March 2012</u>	<u>31 December 2011</u>
Within 1 year	31.328	32.878	34.163	33.010
1-2 years	39.240	41.808	39.240	41.549
2 -3 years	44.559	47.474	42.642	47.032
3-4 years	46.043	49.056	46.043	48.408
5 years and more	239.940	262.448	237.247	256.239
	401.110	433.664	399.335	426.238

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

7 LOANS AND BORROWINGS *(continued)*

Finance lease liabilities

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

	31 March 2012			31 December 2011		
	Future minimum lease payments	<u>Inte</u> <u>rest</u>	Present value of minimum lease payments	Future minimum lease payments	<u>Inter</u> <u>est</u>	Present value of minimum lease payments
1 year	1.957	329	1.628	5.126	719	4.407
1-5 year	4.413	834	3.579	9.531	1.833	7.698
5 years and more	1.864	155	1.709	4.272	380	3.892
	8.234	1.318	6.916	18.929	2.932	15.997

As at 31 March 2012, the finance lease liabilities consist of lease of fixtures and equipment by the TAV Havalimanları and Akfen Su as well as lease of two aircrafts by TAV Yatırım.

8 DERIVATIVE FINANCIAL INSTRUMENTS

Short term financial liabilities

As at 31 March 2012 and 31 December 2011 current derivative financial liabilities comprised of TAV Havalimanları derivative instruments.

	31 March 2012		
	Assets	Liabilities	Net Amount
Interest rate swap	--	(25.881)	(25.881)
Cross currency swap	--	(2.463)	(2.463)
	--	(28.344)	(28.344)
	31 December 2011		
	Assets	Liabilities	Net Amount
Interest rate swap	--	(80.896)	(80.896)
Cross currency swap	2.685	--	2.685
	2.685	(80.896)	(78.211)

Interest rate swap

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

8 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Interest rate swap (continued)

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

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

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

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

TAV Macedonia uses interest derivative instruments in order to secure the interest liabilities caused from bank loans against floating interest rate risk. As at 31 March 2012, 100% of the project financing loan was secured against interest rate risk with interest rate swap (31 December 2011: None).

IDO uses interest derivative instruments in order to secure the interest liabilities caused from bank loans against floating interest rate risk. As at 31 March 2012, 75% of the project financing loan was secured against interest rate risk with interest rate swap.

Cross currency swap:

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

TAV Istanbul had signed a derivative contract with Dexia Credit Local (“DCL”) on 12 March 2008 to manage and fix its exposure to foreign currency exchange rates between USD and EUR on the rent installments that will be paid to DHMİ until 2018. TAV Istanbul has terminated the hedge relationship in 2010 and new two cross currency swap contracts have been signed by and between TAV Istanbul, DCL, and ING Bank N.V. on 16 December 2010. The total notional amount of the contract is USD 29.461 (in exchange of Euro 22.072) as at 31 March 2012 (31 December 2011: USD 94.775 (in exchange of Euro 71.909)).

The fair value of derivatives at 31 March 2012 is estimated at TL 27.335 (31 December 2011: TL 78.211). This amount is based on market values of equivalent instruments at the reporting date. Since the Group applied hedge accounting as at 31 March 2012, changes in the fair value of these interest rate derivatives and cross currency swaps were reflected to equity amounting to TL 2.831 (31 December 2011: TL 6.281).

The fair value agreement of cross currency derivatives made by IDO is TL 1.545. Amounts stated are attributed to amounts determined for similar instruments as at reporting period.

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

8 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Long-term derivative financial instruments

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

	31 March 2012		
	<u>Assets</u>	<u>Liabilities</u>	<u>Net Amount</u>
Interest rate swap	--	(83.638)	(83.638)
	<u>--</u>	<u>(83.638)</u>	<u>(83.638)</u>
	31 December 2011		
	<u>Assets</u>	<u>Liabilities</u>	<u>Net Amount</u>
Interest rate swap	--	(86.649)	(86.649)
	<u>--</u>	<u>(86.649)</u>	<u>(86.649)</u>

As at 31 March 2012 and 31 December 2011 the long-term financial liabilities comprised of MIP and HES derivative instruments.

Interest rate swap

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

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

9 TRADE RECEIVABLES AND PAYABLES

Short term trade receivables

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

	<u>31 March 2012</u>	<u>31 December 2011</u>
Due from related parties-trade (Note 29)	2.847	6.000
Other trade receivables	143.638	300.603
	146.485	306.603

As at 31 March 2012 and 31 December 2011, other trade receivables comprised the following:

	<u>31 March 2012</u>	<u>31 December 2011</u>
Due from customers for contract work (Note 13)	78.889	117.695
Trade receivables	33.926	69.127
Contract receivables	25.197	98.866
Retention receivable (Note 13)	7.238	14.798
Guaranteed passenger fee receivable from DHMİ	3.917	12.454
Notes receivables	269	937
Allowance for doubtful receivables (-)	(5.798)	(13.274)
	143.638	300.603

The distribution of the trade receivables according to the companies as at 31 December 2011 and 31 December 2010 is as follows:

	<u>31 March 2012</u>	<u>31 December 2011</u>
TAV Havalimanları	12.571	40.278
Akfen İnşaat	7.819	7.724
MIP	4.764	7.663
Akfen GYO	1.132	4.572
HES I	1.907	3.164
Other	5.733	5.726
	33.926	69.127

As at 31 December 2011, contract receivable is mainly comprised of receivable from Doha International Airport, Muscat-Umman International Airport and Libya International Airport.

The guaranteed passenger fee receivable represents the remaining discounted guaranteed passenger fee to be received from DHMİ according to the agreements made for the operations of Ankara Esenboğa Airport and İzmir Adnan Menderes Airport as a result of IFRIC 12 application. As at 31 March 2012, the receivable amount from Ankara Esenboğa Airport is TL 1.785 (31 December 2011: TL 6.001) and the receivable amount from İzmir Adnan Menderes Airport is TL 2.159 (31 December 2011: TL 6.453).

The collaterals 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. The related retentions consisted of the receivables of TAV İnşaat as at 31 March 2012 and 31 December 2011.

As at 31 March 2012 TL 16.037 (31 December 2010: TL 37.074), represents overdue amount of trade receivables in which any allowance has not been booked. The aging of these trade receivables is as follows:

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

9 TRADE RECEIVABLES AND PAYABLES (continued)

Short term trade receivables (continued)

	<u>31 March 2012</u>	<u>31 December 2011</u>
1-30 days overdue	1.197	3.610
1-3 months overdue	2.030	4.463
3-12 months overdue	8.839	28.485
1-5 years overdue	8.918	12.842
Overdue more than 5 years	852	948
	21.835	50.348
Impairment	(5.798)	(13.274)
Credit risk	16.037	37.074

The movement of allowance for doubtful trade receivables as at 31 March 2012 and 31 December 2011 are as follows:

	<u>31 March 2012</u>	<u>31 December 2011</u>
1 January 2011	(13.274)	(5.801)
Change in group structure	6.933	--
Translation effect	607	(835)
Allowance during the year	(64)	(10.272)
Business combinations effects	--	(32)
Collections	--	3.666
31 March 2012	(5.798)	(13.274)

Long term trade receivables

As at 31 March 2012 and 31 December 2011, long term trade receivables comprised of the following:

	<u>31 March 2012</u>	<u>31 December</u>
Due from related parties-trade (Note 29)	2.121	5.510
Other trade receivables	74.612	159.598
	76.733	165.108

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

9 TRADE RECEIVABLES AND PAYABLES (continued)

Long term trade receivables (continued)

As at 31 March 2012 and 31 December 2011, other trade receivables comprised of the following:

	<u>31 March 2012</u>	<u>31 December 2011</u>
Retentions held by the Employer (Note 13)	31.448	60.778
Guaranteed passenger fee receivable from DHMI	17.232	60.191
Receivables from OSB	16.145	16.804
Due from customers for contract work (Note 13)	5.640	13.116
Other trade receivables	4.147	8.709
	<u>74.612</u>	<u>159.598</u>

The collateral held by the employer as the security is the amount deducted from the progress payment in the proportion determined in the scope of the contract. The mentioned securities shall be collected following the completion of the Project. The related remainings as at 31 March 2012 and 31 December 2011 are consisted of the receivables of TAV İnşaat.

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

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

Short term trade payables

As at 31 March 2012 and 31 December 2011, short term trade payables of the Group comprised of the following:

	<u>31 March 2012</u>	<u>31 December 2011</u>
Due to related parties- trade (Note 29)	8.067	25.125
Other trade payables	87.182	184.822
	<u>95.249</u>	<u>209.947</u>

As at 31 March 2012 and 31 December 2011, short term other trade payables are comprised of following:

	<u>31 March 2012</u>	<u>31 December 2011</u>
Trade payables	80.686	173.226
Retentions held by the Group	5.760	8.538
Due to customers for contract work (Note 13)	736	3.058
	<u>87.182</u>	<u>184.822</u>

As at 31 March 2012, amount of TL 28.712 of trade payables consist of payables to subcontractors of TAV İnşaat (31 December 2011: TL 95.177). The currency and liquidity risk of the Group related with trade payables is explained in Note 30.

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

9 TRADE RECEIVABLES AND PAYABLES (continued))

The distribution of trade payables between subsidiaries and jointly controlled entities as at 31 March 2012 and 31 December 2011 are as follows:

	<u>31 March 2012</u>	<u>31 December 2011</u>
TAV Yatırım	30.252	97.915
İDO	13.288	3.173
Akfen İnşaat	7.632	17.320
MIP	7.463	9.386
HES II	7.249	9.772
TAV Havalimanları	6.060	25.134
HES I	4.502	5.607
GYO	2.283	2.507
Akfen Holding	1.295	993
Other	662	1.418
	80.686	173.226

The aging of the trade payables of the Group as at 31 March 2012 and 31 December 2011 is as follows:

	<u>31 March 2012</u>	<u>31 December 2011</u>
0 - 3 months overdue	73.539	161.901
3 months - 1 year overdue	13.643	22.921
1 - 5 years overdue	16.679	36.780
	103.861	221.602

Long term trade receivables

As at 31 March 2012 and 31 December 2011, long term trade payables comprised of the following:

	<u>31 March 2012</u>	<u>31 December 2011</u>
Due to related parties-trade (Note 30)	607	1.083
Other trade payables	16.679	36.780
	17.286	37.863

As at 31 March 2012 and 31 December 2011, other long term trade payables comprised of the following:

	<u>31 March 2012</u>	<u>31 December 2011</u>
Retentions held by the Group	16.679	36.706
Other trade payables	--	74
	16.679	36.780

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

10 OTHER RECEIVABLES AND PAYABLES

Other short term receivables

As at 31 March 2012 and 31 December 2011, other short term non trade receivables comprised the following:

	<u>31 March 2012</u>	<u>31 December 2011</u>
Due from related parties-non trade (Note 29)	5.713	11.666
Provision for due from related parties-non trade (Note	--	(6.598)
Other non-trade receivables	18.320	11.460
	<u>24.033</u>	<u>16.528</u>

As at 31 March 2012, TL 6.311 of short term non-trade receivables is consisted of capital receivables of Akfen GYO (31 December 2011: TL 5.851) and TL 7.694 of short term non-trade receivables is consisted of various receivables of Akfen İnşaat from tax offices (31 December 2011: TL 2.808).

Other long term receivables

As at 31 March 2012 and 31 December 2011, the other short term receivables of the Group are as follows:

	<u>31 March 2012</u>	<u>31 December 2011</u>
Due from related parties-non trade (Note 29)	41.081	39.225
Other long term non-trade receivables	995	1.556
	<u>42.076</u>	<u>40.781</u>

As at 31 March 2012, short term portion of the other long term receivables includes deposit and guarantees amounting TL 497 (31 December 2011: TL 1.556).

Other short term receivables

As at 31 March 2012 and 31 December 2011, the other short term payables of the Group are as follows:

	<u>31 March 2012</u>	<u>31 December 2011</u>
Non-trade liabilities to the related parties (Note 29)	14.823	15.564
Other non-trade liabilities	73.619	150.466
	<u>88.442</u>	<u>166.030</u>

As at 31 March 2012 and 31 December 2011, other non-trade payables comprised of the following:

	<u>31 March 2012</u>	<u>31 December 2011</u>
Advances received	33.982	94.637
Deposits and guarantees received	11.595	10.832
Taxes and duties payable	10.078	21.595
Corporate tax payable	5.982	12.441
Payable to personnel	4.959	8.208
Concession payable of TAV Tunisia	395	1.271
Other payables	6.628	1.482
	<u>73.619</u>	<u>150.466</u>

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

10 OTHER RECEIVABLES AND PAYABLES (continued)

Other short term payables (continued)

Amounting TL 30.729 of the advances received are arising from the advance amounts received from the contractors pursuant to the contracts related to the construction projects of TAV Yatırım as at 31 March 2012. (31 December 2011: TL 85.918).

TAV Tunisia, Monastir Airport and Enfidha Airport have a concession period of 40 years with a concession rent fee that will increase in a linear rate between 11% and 26% of the annual revenues to be paid. As a result of the negotiation made with OACA, the concession rental amount of 2011 was decreased as TL 11,4 million and the concession rental amount of 2011, 2012 and 2013 was suspended for 3 years as 2014, 2015 and 2016.

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

Long term other payables

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

	<u>31 March 2012</u>	<u>31 December 2011</u>
Due to related parties- non trade (Note 29)	6.233	9.002
Other non- trade liabilities	60.246	43.832
	<u>66.479</u>	<u>52.834</u>

As at 31 March 2012, TL 24.395 of the other non-trade payables are arising from the advances received from contractors for construction projects (31 December 2011: TL 24.395).

11 RESTRICTED CASH

As at 31 December 2011 short term restricted cash is comprised of the time deposits of Akfen Holding and HAVAŞ amounting to TL 132.968 (USD 75 million) (31 December 2011: TL 141.668) and 284 (31 December 2011: TL 9.040) which is pledged for bank loans.

	<u>31 March 2012</u>	<u>31 December 2011</u>
Akfen Holding	132.968	141.668
Havaş	284	9.040
	<u>133.252</u>	<u>150.708</u>

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the six-month period ended 31 March 2012
(Currency: Thousands of TL .)

12 INVENTORIES

As at 31 March 2012 and 31 December 2011, inventories comprised of the following:

	<u>31 March 2012</u>	<u>31 December 2011</u>
Spare parts	6.145	8.946
Raw material and supplies	3.732	6.864
Tax-free shop inventory	2.045	6.906
Other inventories	2.774	3.449
	<u>14.696</u>	<u>26.165</u>

As at 31 March 2012, TL 1.335 of the spare parts is the inventory of TAV Havalimanları (31 December 2011: TL 3.951) and TL 4.180 of the spare parts is the inventory of IDO (31 December 2011: TL 4.995) and the tax-free shop inventory is the inventory of TAV Havalimanları and the raw material and supplies are the inventories of TAV Yatırım.

13 DUE FROM/DUE TO CUSTOMERS FOR CONTRACT WORK

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

	<u>31 March 2012</u>	<u>31 December 2011</u>
Total costs incurred on uncompleted contracts	855.905	1.732.736
Estimated earnings/(costs)	46.847	91.291
Total estimated revenue on uncompleted contracts	902.752	1.824.027
Less: Billings to date	(818.959)	(1.696.274)
Net amounts due from customers for contract work	<u>83.793</u>	<u>127.753</u>

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

	<u>31 March 2012</u>	<u>31 December 2011</u>
Due from customers for contract work (Note 9)	84.530	130.811
Due to customers for contract work (Note 9)	(736)	(3.058)
	<u>83.793</u>	<u>127.753</u>

As at the amount of the sureties held by the employers is TL 36.685 (31 December 2011: TL 75.576) (Note 9).

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

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

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

	<u>31 March 2012</u>	<u>31 December 2011</u>
<i>Receivables from ongoing construction contracts</i>		
Construction projects abroad	83.139	129.478
Local construction projects	1.391	1.333
	84.530	130.811
<i>Liabilities of ongoing construction contracts</i>		
Construction projects abroad	736	2.134
Local construction projects	--	924
	736	3.058

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

	<u>31 March 2012</u>	<u>31 December 2011</u>
Doha	46.898	57.632
Muscat	29.640	57.929
Libya	5.649	11.783
Turkey	1.391	1.333
Other	952	2.134
	84.530	130.811

As at 31 December 2011, the liabilities related to the ongoing construction contracts are the liabilities to Turkey Central projects and the projects in Dubai and they are TL 924 and TL 2.134, respectively (31 December 2010: TL 276 and TL 5.166).

As at 31 December 2011 the amount of the advance received by the Group for the construction projects is TL 110.313 and shown in the short and long term other non-trade liabilities items (31 December 2010: TL 64.976)

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

14 INVESTMENT PROPERTY

As at 31 March 2012 and 31 December 2011, investment property comprised of the following:

	<u>31 March 2012</u>	<u>31 December 2011</u>
1 January	1.080.092	658.758
Additions	14.617	75.446
Change in group structure	(4.552)	--
Translation difference	(701)	--
Disposals	(3)	--
Change in fair value	--	282.140
Effect of business combination	--	63.748
Balance at period end	<u>1.089.453</u>	<u>1.080.092</u>

Additions

As at 31 March 2012 TL 14.269 of additions are comprised of additions of Akfen GYO (31 December 2011: TL 65.549, in addition to this as at 31 December 2011 TL 9.897 additions are comprised of TAV İnşaat.

Change in group structure

As at 31 March 2012 change in group structure is resulted from the agreement made to on sale of 20,825 % of TAV Yatırım shares.

Pledges

As at 31 March 2012, the total pledge amount on investment property under development is amounting to TL 524.749 (31 December 2011: TL 541.913).

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

15 PROPERTY, PLANT AND EQUIPMENT

The movements of the property, plant and equipment and related accumulated depreciation during the year ended 31 March 2012 was as follows:

	Land and buildings	Machinery, facility and equipment	Vessels	Vehicles	Furniture and fixtures	Other tangible fixed assets	Construction in progress	Leasehold improvements	Total
Cost									
Balance at 1 January 2012	59.452	477.134	154.980	46.783	36.013	62	204.258	93.068	1.071.750
Change in group structure (*)	(4.291)	(46.504)	--	(24.141)	(13.229)	--	(5.530)	(64.453)	(158.148)
Additions (**)	74	12.878	--	898	1.620	--	75.419	4.360	95.249
Transfers	--	1.032	--	--	8	--	(1.222)	182	--
Translation difference	(289)	(3.882)	--	(2.330)	(765)	--	(1.451)	(2.599)	(11.315)
Disposals	--	(498)	--	(690)	(433)	--	(816)	(8)	(2.444)
31 March 2012 closing balance	54.946	440.160	154.980	20.520	23.214	62	270.659	30.551	995.092
Less: Accumulated depreciation									
Balance at 1 January 2011	(922)	(61.299)	(3.247)	(21.870)	(25.261)	(62)	--	(21.058)	(133.719)
Provision for impairment of tangible fixed assets	--	--	--	323	--	--	--	--	323
Depreciation charge for the period	(427)	(4.659)	(1.616)	(820)	(976)	--	--	(2.764)	(11.262)
Translation difference	5	2.116	--	1.025	562	--	--	216	3.924
Change in group structure	70	28.409	--	11.840	8.510	--	--	15.479	64.308
Disposals	--	350	--	798	128	--	--	2	1.278
31 March 2012 closing balance	(1.274)	(35.083)	(4.863)	(8.704)	(17.037)	(62)	--	(8.125)	(75.148)
Net book value									
Net book value as at 31 December 2011	58.530	415.835	151.733	24.913	10.752	--	204.258	72.010	938.031
Net book value as at 31 March 2012	53.672	405.077	150.117	11.816	6.177	--	270.659	22.426	919.944

(*) Resulted from the reclass of tangibles of TAV Havalimanları, and TAV Yatırım to asset held for sale.

(**) The addition amounting TL 40.600 comes from the land purchase for Mersin Natural Gas Cycle plant.

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

15 PROPERTY, PLANT AND EQUIPMENT (continued)

The movements of the property, plant and equipment and related accumulated depreciation during the year ended 31 December 2011 was as follows:

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

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

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

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

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

16 INTANGIBLE FIXED ASSETS

As at 31 March 2012, intangible fixed assets and related accumulated amortization are as follows:

	Development Costs	Licences	Amortisation of Ambarlı Port(*)	Amortisation of Terminals(*)	Rental agreement for vessels	Other intangible fixed assets	Customer relations	Water service operation right	Port operation right	Airport operation right	Total
Cost											
1 January opening balance	3.032	78.140	--	--	--	1.738	17.847	6.105	601.524	447.609	1.155.995
Change in group structure	--	1.243	--	--	--	--	--	(17)	--	--	1.226
Additions	--	1.623	--	--	--	86	--	154	4.456	40.607	46.926
Transfers	(2.873)	2.873	--	--	--	--	--	--	--	--	--
Transfers from tangible fixed assets	--	261	--	--	--	--	--	--	--	--	261
Translation difference (**)	--	2.399	--	--	--	397	3.438	--	133.418	90.885	230.537
Effect of business combinations(***)	--	1.038	20.990	223.433	39.554	--	--	--	--	--	285.015
Disposals	--	(2.112)	--	--	--	--	--	--	--	--	(2.112)
31 December 2011 closing balance	159	85.465	20.990	223.433	39.554	2.221	21.285	6.242	739.398	579.101	1.717.848
1 January 2012 opening balance	159	85.465	20.990	223.433	39.554	2.221	21.285	6.242	739.398	579.101	1.717.848
Change in group structure	--	(12.063)	--	--	--	(190)	(14.179)	--	--	(385.549)	(411.981)
Additions	--	544	--	--	--	6	--	9	1.490	57	2.106
Translation difference (**)	--	(510)	--	--	--	--	(710)	--	(45.420)	(19.701)	(66.351)
31 March 2012 closing balance	159	73.436	20.990	223.433	39.554	2.037	6.396	6.251	695.468	173.908	1.241.632

(*)The amortisation of Ambarlı Port and terminals, lines and vessels of IBB.

(**)TL 230.216 of translation difference is the translation difference of TAV Havalimanları and MIP.

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

16 INTANGIBLE FIXED ASSETS (continued)

	Development Costs	Licences	Amortisation of Ambarlı Port(*)	Amortisation of Terminals(*)	Rental agreement for vessels	Other tangible fixed assets	Customer relations	Water service operation right	Port operation right	Airport operation right	Total
Accumulated Amortization											
Balance at 1 January 2011	--	(9.864)	--	--	--	(1.283)	(5.700)	(417)	(60.356)	(54.621)	(132.241)
Change in group structure	--	(21)	--	--	--	--	--	3	--	--	(18)
Amortisation for the period	--	(3.093)	(350)	(3.724)	(659)	(177)	(1.878)	(195)	(18.287)	(22.299)	(50.662)
Translation differences	--	(1.309)	--	--	--	(131)	(1.202)	--	(15.665)	(12.993)	(31.300)
Disposals	--	238	--	--	--	--	--	--	--	--	238
Balance at 31 December 2011	--	(14.049)	(350)	(3.724)	(659)	(1.591)	(8.780)	(609)	(94.308)	(89.913)	(213.983)
Balance at 1 January 2012	--	(14.049)	(350)	(3.724)	(659)	(1.591)	(8.780)	(609)	(94.308)	(89.913)	(213.983)
Change in group structure	--	5.062	--	--	--	190	6.216	--	--	64.003	75.471
Amortisation for the period	--	(713)	(172)	(1.852)	(330)	(72)	(522)	(52)	(4.848)	(6.153)	(14.714)
Translation differences	--	352	--	--	--	(3)	282	--	5.714	3.194	9.539
Balance at 31 March 2012	--	(9.348)	(522)	(5.576)	(989)	(1.476)	(2.804)	(661)	(93.442)	(28.869)	(143.687)
Net book value											
Net book value as at 31 December 2011	159	71.416	20.640	219.709	38.895	630	12.505	5.633	645.090	489.188	1.503.865
Net book value as at 31 March 2012	159	64.088	20.468	217.857	38.565	561	3.592	5.590	602.021	145.039	1.097.945

(*)As at 31 December 2011, the operation right of Airports is the operation right of the airports of TAV Havalimanları. The group shares related to the airport operation rights is Ankara Esenboğa Airport TL 48.454, İzmir Adnan Menderes Airport TL 18.568, Tbilisi International Airport TL 41.576, Enfidha International Airport TL 312.954, Gazipaşa Airport TL 12.919 and Skopje International Airport TL 54.317, respectively.

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

17 GOODWILL

Cost

Net book values as at 1 January 2011	113.781
Translation effect	15.879
Effect of change in group structure	(1.208)
31 December 2011	128.452
Net book values as at 1 January 2012	128.452
Translation effect	(3.075)
Effect of change in group structure	(64.800)
31 March 2011	60.577

Change in group structure as at 31 March 2012 is resulted from reclass of TAV Havalimanları to asset held for sale.

The income and market approaches were used in the determination of the fair value of the equities of the companies of which goodwill is calculated. The analysis is mostly done by using income approach (reduced cash flow method). As a result of impairment test carried out according to the items producing cash, the impairment loss was not recorded as at 31 March 2012.

18 COMMITMENT AND CONTINGENCIES

(a) Commitments, Pledges and Mortgages

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

<u>Commitments, Pledges, Mortgages ("CPM") are given by the Group:</u>	<u>31 March</u>	<u>31 December</u>
	<u>2012</u>	<u>2011</u>
A. Total amount of CPM is given on behalf of own legal personality	1.719.434	1.697.397
B. Total amount of CPM is given in favor of subsidiaries which are fully consolidated		
C. Total amount of CPM is given for assurance of third party's debts in order to conduct of usual business activities	952.521	1.326.177
D. Total Amount of other CPM		
i. Total amount of CPM is given in favor of parent company	--	--
ii. Total amount of CPM is given in favor of other group companies, which B and C doesn't include	39.772	46.445
iii. The amount of CPM is given in favor of third party which C doesn't include	--	--
ii. The amount not included in B and C articles		
Total amount of CPM given in favor of other Group companies	39.772	46.445
ii. Total amount of CPM given to the third parties not included in the Article C	--	--
Total	2.711.727	3.070.019

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

18 COMMITMENT AND CONTINGENCIES *(continued)*

As at 31 March 2012, total of other commitments and contingencies given by the Group is equal to 3% of the Group's equity (31 December 2011: % 4).

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

	<u>31 March 2012(*)</u>			<u>31 December 2011(*)</u>		
	<u>EURO</u>	<u>USD</u>	<u>Other</u>	<u>EURO</u>	<u>USD</u>	<u>Other</u>
Total amount of CPM given on behalf of Group's own legal personality	597.227	942.219	--	641.353	922.323	--
Total amount of CPM given in favor of subsidiaries which are fully consolidated	697.919	85.110	136.370	766.288	159.635	347.120
Other CPM's given	--	38.472	--	--	45.240	--
	1.295.146	1.065.801	136.370	1.407.641	1.127.198	347.120

(*)All the amounts are presented as TL equivalent.

(b) Letter of Guarantees Received

Akfen Holding and its subsidiaries has also received letters of guarantee, cheques and securities amounting to TL 167.168 in total as at 31 December 2011 (31 December 2010: TL 144.828) from subcontractors. Letters of guarantees comprise of securities given to hydroelectric production companies amounting to TL 15.960 (2010: TL 15.990), securities taken from construction companies amounting to TL 33.319 (2010: TL 29.219) as at 31 December 2011. As at 31 December 2011, the jointly control entities has received the letters of guarantee, cheques and sureties amounting to TL 99.827 (Group's share: TL 37.296) (31 December 2010: TL 18.526 (Group's share: TL 9.263)).

19 OTHER ASSETS AND LIABILITIES

Other Current Assets

As at 31 March 2012 and 31 December 2011, other current assets comprised of the following:

	<u>31 March 2012</u>	<u>31 December</u>
Advances given to sub-contractors	40.408	40.360
VAT carried forward	29.208	53.268
Order advances given	21.718	42.487
Prepaid concession expenses	18.239	78.798
Prepaid expenses	13.706	12.126
Prepaid taxes and funds	13.489	8.028
Accrued income	9.636	16.358
Job advances	1.956	3.734
Other	5.342	9.588
	153.702	264.747

TAV Istanbul paid 23% of the total amount in advance in accordance with the rental agreement. After the first year, 5,5% of the total rent amount shall be paid within the first 5 days of each year. As at 31 December 2011, the short term proportion of prepaid rent is TL 78.798 (31 December 2010: TL 65.612).

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

19 OTHER ASSETS AND LIABILITIES (continued)

Other non-current assets (continued)

As at 31 December 2011, VAT receivable of MIP for storage and terminal services amounted to TL 24.234 since MIP cannot offset its VAT payable resulted from given services with its VAT receivable resulted from received services (31 December 2010: TL 20.263). VAT receivables amounting to TL 5.248 is resulted from VAT related with TAV Tbilisi and TAV Tunisia due to local laws (31 December 2010: TL 3.225).

As at 31 December 2011, advances given to subcontractors are comprised of TL 16.829 of advances given by TAV İnşaat related to the projects in Doha, Muscat and Central (Turkey) and TL 10.757 of advances given represents the energy projects of HES I and HES II companies and TL 4.093 of advances given represents the hotel projects of Akfen GYO. As at 31 December 2010, advances given to subcontractors are comprised of TL 27.793 advances for the construction projects in Turkey, Libya, Tunisia, Macedonia, Doha, Dubai and Omman and TL 13.672 advances for the energy projects of HES I and HES II companies and TL 4.617 advances for the hotel projects of Akfen GYO.

Other non-current assets

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

	<u>31 March 2012</u>	<u>31 December 2011</u>
VAT carried forward	97.523	96.482
Prepaid rent expenses	33.084	41.791
Accrued income	14.627	14.627
Prepaid expenses	12.986	12.706
Taxes and funds to be refunded	9.921	9.825
Advances paid	8.636	9.342
Other	311	571
Other non-current assets	<u>177.088</u>	<u>185.344</u>

As at 31 December 2011, VAT carried forward is mainly related to the VAT incurred from capital expenditures amounted to TL 65.273 (31 December 2010: TL 52.868) especially made for the hydroelectric plant projects. Since these plants are in construction progress for hydroelectric plant projects, the Group does not have adequate VAT payable in order to net-off these VAT receivables. VAT carried forward belongs to Akfen GYO is TL 27.798 (31 December 2010: TL 27.152). According to the new Corporate Tax Law, Revenues of real estate investment companies exempt from corporate tax. However, these companies are subjected to 18% VAT for construction contracts

As at 31 December 2011 income accruals belongs to Aliğa project is TL 14.627 (2010: TL 17.685).

Advances given amounting to TL 9.247 of TL 9.341 is related with fixed asset advance of Akfen HES.

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

19 OTHER ASSETS AND LIABILITIES (continued)

Other current liabilities

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

	<u>31 March 2012</u>	<u>31 December 2011</u>
Expense accruals	53.284	54.165
Deferred income	2.070	7.093
Nondeductible VAT	4.858	4.786
Damage and discount provisions	5.251	2.436
Other	3.672	5.731
	<u>69.135</u>	<u>74.211</u>

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

Other long term liabilities

As at 31 March 2012 and 31 December 2011, other long term term liabilities are as follows

	<u>31 March 2012</u>	<u>31 December 2011</u>
Deferred income	3.902	12.719
Advertisement income for future years	1.676	1.161
Other	601	591
	<u>6.179</u>	<u>14.471</u>

As at 31 December 2011, TL 12.719 (2010: TL 11.608) of the other long term liabilities is the rental income paid in cash by ATÜ to TAV Havalimanları and TL 1.161 is the advertisement income of IDO for future years.

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

20 EQUITY

As at 31 December 2011, Akfen Holding had 145.500.000 shares, each has TL 1 of nominal value. As at 31 December 2011, the whole of TL 145.500 capital was paid.

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

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

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

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

The concessions of the Company related to 99.209.000 (A) group shares are as follows:

There are three voting rights for each share in Group A in the General Assembly and these have also voting concession.

One of the auditors to who would be assigned within the company shall be elected among the candidates proposed by the majority of the A Group shareholders and the other auditor shall be elected among the candidates proposed by the majority of the B Group shareholders in the General Assembly.

In the frame of the Repurchase Programme approved in the General Assembly of the company on 12 September 2011, 42.000 Akfen Holding A.Ş. shares were purchased for TL 301 amount as at 31 December 2011.

Translation reserve

As at 31 December 2011 the translation reserve amounting TL 101.443 (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.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instrument related to hedged transaction that have not yet occurred. As at 31 December 2011 the hedging reserve amounting to, TL 104.992 is recognized in equity which is related to the interest rate swap contracts made in 2011 by HES Group MIP and TAV Havalimanları (31 December 2010: TL 71.363) MIP and TAV Havalimanları "swap" agreements.

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

20 EQUITY (continued)

Revaluation surplus

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

The accompanying consolidated financial statements include the Group's share of the revaluation surplus as at 31 December 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 combinations of entities that are under common control are accounted for at book values. The net amount of consideration paid over the book value of the net assets acquired is recognized directly in equity.

Restricted Reserves

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

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

20 EQUITY (continued)

Other reserves

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

Share premium

During the public offerings carried out on 14 May 2010 and 24 November 2010, because of sale of company shares in a higher price than the nominal value, TL 90.505 and TL 364.277 differences were recognized as the share premium respectively. These premiums are presented in the equity and cannot be distributed, however, these may be used in the capital increase in the future.

Non-controlling interests

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

As at 31 December 2011 and 31 December 2010, the amounts classified under the ‘non-controlling interest’ item in the statement of financial position are TL 392.965 and TL 160.605, respectively. Again, the shares excluded from direct and/or indirect control of the main partnership of net assets of the subsidiaries are classified under the ‘non-controlling interest’ in the consolidated statement of comprehensive income. The profit of the non-controlling interest for the year ended 31 December 2011 and 2010 are TL 104.112 and TL 40.119, respectively.

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

21 REVENUE AND COST OF SALES

21.1 Sales

For the periods ended 31 March, revenue comprised of the following:

	<u>2012</u>	<u>2011</u>
Contract revenue	137.237	129.951
Revenue from ship side operations	53.469	40.786
Revenue from sales of tax free goods	30.167	22.610
Revenue from aviation services	27.526	20.168
Marine transportation income	24.783	--
Ground handling income	24.467	19.365
Commission from sales of duty free goods	12.670	9.818
Electric power sale income	11.681	--
Revenue from catering services	9.659	6.178
Rent income from investment property	6.984	5.813
Field allocation income	4.384	3.189
Parking income	4.207	3.109
Salon services income	2.378	2.899
Bus services income	1.902	2.713
Construction revenues arising from IFRIC 12	88	9.753
Other	7.336	4.906
	358.938	281.258

21.2 Cost of sales

For the periods ended 31 March, cost of sales comprised of the following:

	<u>2012</u>	<u>2011</u>
Contract cost	134.932	128.155
Personnel expense	37.675	26.973
Cost of ship side operations	23.502	15.163
Rent expense	21.955	18.248
Depreciation and amortisation	18.208	8.217
Cost of trading goods sold	12.039	8.744
Cost of services sold	9.257	6.005
Fuel oil cost of vessels	7.972	--
Outsourced expenses	4.794	98
Cost of catering services	3.837	2.151
Construction costs arising from IFRIC 12	85	9.752
Other	7.004	2.283
	281.260	225.789

Akfen Holding Anonim Şirketi

Notes to the Condensed Interim Consolidated Financial Statements

As at and for the three-month period ended 31 March 2012

(Currency: Thousands of TL.)

22 SALES, MARKETING AND DISTRIBUTION EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES

General Administrative Expenses

For the periods ended 31 March, general administrative expenses comprised of the following:

	<u>2012</u>	<u>2011</u>
Personnel expenses	22.144	11.852
General Office expenses	5.995	4.410
Consultancy expenses	2.411	1.174
Insurance expenses	2.123	1.505
Rent expenses	2.091	1.676
Nondeductable VAT	2.015	1.731
Depreciation and redemption costs	1.370	5.588
Travel expenses	1.173	729
Taxes and duties	919	950
Advertisement expenses	845	329
Office equipment expenses	640	552
Outsourced expenses	419	231
Representation expenses	374	241
Bad debt expenses	96	144
Other expenses	6.470	4.388
	<u>49.085</u>	<u>35.500</u>

23 OTHER INCOME/EXPENSE

For the periods ended 31 March, other income comprised of the following:

	<u>2012</u>	<u>2011</u>
Advertising income	2.910	1.802
Rental income	2.073	1.352
Divident income from subsidiaries	1.352	--
Insurance income	667	--
Gain on sale of tangible assets	126	--
Change in fair value of investment property	--	47.406
Other	3.572	1.057
	<u>10.700</u>	<u>51.616</u>

As at 31 March 2011 change in fair value of investment property is composed of the increase in fair value of Akfen GYO investment property.

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

24 FINANCIAL INCOME

For the periods ended 31 March, financial income comprised of the following:

	<u>2012</u>	<u>2011</u>
Foreign exchange gain	93.823	11.006
Interest income	7.757	6.407
Discount income related to IFRIC 12(*)	2.002	1.372
Unearned interest income, net	--	155
Others	675	24
	104.257	18.964

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

For the periods ended 31 March, financial income / (expenses) accounted in other comprehensive income as a result of hedging agreements signed by the Group and its subsidiaries and the functional reporting currency differences are as follows:

	<u>2012</u>	<u>2011</u>
Foreign currency translation differences	(23.748)	19.719
Hedging reserve	(6.498)	8.316
	(30.246)	28.035

As at 31 December 2011, the hedging reserve amounting TL 36.000 (31 December 2010: TL 14.194) is recognized in equity which is related to the interest rate swap contracts made by HES I, MIP and TAV Havalimanları.

The translation reserve amounting TL 91.478 comprises of foreign exchange difference arising from the translation of the financial statements of MIP, TAV Yatırım, RPI, RHI and TAV Havalimanları, from their functional currency of USD and Euro to the presentation currency TL which is recognized in equity for the year ended 31 December 2011 (31 December 2010: TL 8.238 from TAV Yatırım, RPI, RHI and TAV Havalimanları).

25 FINANCIAL EXPENSES

For the periods ended 31 March, financial expense comprised of the following:

	<u>2012</u>	<u>2011</u>
Interest expenses	61.028	46.661
Foreign exchange loss	19.807	38.574
Unearned interest expense, net	1.094	--
Other	2.008	1.283
	83.937	86.518

Akfen Holding Anonim Şirketi

Notes to the Condensed Interim Consolidated Financial Statements

As at and for the three-month period ended 31 March 2012

(Currency: Thousands of TL.)

26 ASSET CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

Group reached an agreement with Aéroports de Paris Management at 11 March 2012 which states the sale of 18 % of the Group's share on TAV Havalimanları which is equal to 68,91% of the Group's total share which is 26,12 % and 20,825 % of the Group's share on TAV Yatırım which is equal to 49 % of the Group's total share which is 42,5%. According to this agreement, amounts of assets and liabilities belonging to TAV Havalimanları and TAV Yatırım that are subject to sale were included in assets and liabilities held for sale. At 16 May 2012, parties signed a closing protocol which states the terms for transfer of shares and share transfer amount was transferred to Group's bank accounts and the transfer of shares that are subject to sale was completed.

Assets classified as held for sale	1.122.373
Cash and cash equivalents	148.668
Due from related parties	23.447
Other trade receivables	215.039
Inventories	11.680
Other assets	254.908
Tangible assets	93.129
Intangibles	337.221
Deferred tax assets	38.281
Liabilities regarding, assets classified as held for sale	864.166
Loans and borrowings	577.693
Due to related parties	25.294
Other trade payables	64.767
Other liabilities	128.006
Employee termination benefit	7.193
Derivative financial liabilities	57.426
Deferred tax liabilities	3.787

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

27 TAXATION

Corporate tax:

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

As at 31 March 2012, the tax rates (%) used in the deferred tax calculation by taking into account the tax regulations in force in each country are as follows:

Country	Tax rate
Tunisia	30%
Georgia	15%
Egypt	20%
Macedonia	10%
Latvia	15%
Libya (*)	15-40%
Qatari	10%
Oman	12%
Cyprus	24%
Russia	20%

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

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

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

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

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

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

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

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

Akfen Holding Anonim Şirketi

Notes to the Condensed Interim Consolidated Financial Statements

As at and for the three-month period ended 31 March 2012

(Currency: Thousands of TL.)

27 TAXATION (continued)

Corporate tax (continued)

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

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

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

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

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

27 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 at 1 January 2006. At this perspective, an investment allowance which cannot be deducted partially or fully in three years time was not allowed to be carried forward to the following years and became unavailable as at 31 December 2008. On the other side, the Article 19 of the Income Tax Law was annulled and the investment allowance practice was ended as at 1 January 2006 with effectiveness of the Article 2 and the Article 15 of the Law no.5479 and the investment allowance rights on the investment expenditures incurred during the period of 1 January 2006 and 8 April 2006 became unavailable.

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

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

27 TAXATION (continued)

Income withholding tax:

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

Transfer pricing regulations:

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

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

27.1 Taxation income/(expense)

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

	<u>2012</u>	<u>2011</u>
Corporation tax expense	(8.228)	(3.030)
Deferred tax benefits / loss	(4.751)	(6.320)
Tax expense recognized in profit / loss	(12.979)	(9.350)
Deferred tax income recognized in comprehensive income	1.882	(1.837)
Total	(11.097)	(11.187)

	<u>2012</u>	<u>2011</u>
Income tax expense from continued operations	(11.097)	(11.187)
Total	(11.097)	(11.187)

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

27 TAXATION (continued)

27.2 Deferred tax assets and liabilities

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

Recognised deferred tax assets and liabilities

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

	<u>Assets</u>		<u>Liabilities</u>		<u>Net</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Trade and other receivables	2.157	1.979	(69)	(282)	2.088	1.697
Depreciation, redemption and activation differences of tangible and intangible fixed assets and airport operation right	16.726	20.338	(28.230)	(35.026)	(11.504)	(14.688)
Effect of IAS 11	6.914	10.910	(3.518)	(5.184)	3.396	5.726
Effect of IFRIC 12	--	--	--	(841)	--	(841)
Derivative financial instruments	22.302	34.126	--	--	22.302	34.126
Rent expenses paid in cash	--	--	(1.132)	(2.572)	(1.132)	(2.572)
Investment promotion	22.409	35.027	--	--	22.409	35.027
Investment properties	2.926	2.926	(71.981)	(60.658)	(69.055)	(57.732)
Tax losses transferred	40.203	45.751	--	--	40.203	45.751
Financial liabilities	1.245	2.470	(1.510)	(3.945)	(265)	(1.475)
Other temporary differences	2.310	7.981	(890)	(2.133)	1.420	5.848
Subtotal	117.193	161.508	(107.330)	(110.641)	9.863	50.867
Net-off tax	(41.131)	(51.825)	41.131	51.825	--	--
Total deferred tax assets/(liabilities)	76.062	109.683	(66.199)	(58.816)	9.863	50.867

According to the Tax Procedural Law, statutory losses can be carried forward maximum for five years. Consequently, 2017 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 45.751 (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 Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

28 EARNINGS PER SHARE

For the periods ended 31 March amounts of earning per share as TL 42.508 and (TL 15.441) respectively is calculated by dividing the consolidated statement of comprehensive income/(loss) on attributable to main shareholders by the weighted average number of ordinary shares outstanding during the period.

	<u>2012</u>	<u>2011</u>
Income/(loss) on attributable to main shareholders of the Company	42.508	(15.441)
The weighted average number of shares outstanding during the period(*)	141.504.867	141.504.867
Profit/ (Loss) per share from operations (full TL)	0,300	(0,109)

(*)The calculation of earnings per share was made by deducting 3,994,903 shares of Akfen İnşaat from total share number.

29 RELATED PARTY DISCLOSURES

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

29.1 Related party balances

At 31 March 2012 and 31 December 2011, the Group had the following short term receivables and payables balances from its related parties:

	<u>31 March 2012</u>	<u>31 December 2011</u>
Trade receivables	2.847	6.000
Non-trade receivables	5.713	5.068
	8.560	11.068
Trade payables	8.067	25.125
Non-trade payables	14.823	15.564
	22.890	40.689

At 31 March 2012 and 31 December 2011, the Group had the following long term receivables and payables balances from its related parties:

	<u>31March 2012</u>	<u>31 December 2011</u>
Trade receivables	2.121	5.510
Non-trade receivables	41.081	39.225
	43.202	44.735
Trade payables	607	1.083
Non-trade payables	6.233	9.002
	6.840	10.085

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

29 RELATED PARTY DISCLOSURES (continued)

29.1 Related party balances (continued)

At 31 March 2012 and 31 December 2011, the Group had the following short term trade receivables from its related parties:

<i>Due from related parties (short term-trade):</i>	<u>31 March 2012</u>	<u>31 December 2011</u>
Sky Oryx Joint Venture	1.591	4.175
BTA Denizyolları ve Limanları Yiyecek ve İçecek Hizmetleri Turizm Sanayi ve Ticaret A.Ş.	516	--
ATÜ	482	1.110
Sera Yapı End. ve Tic. A.Ş. (Sera Yapı) (*)	148	104
TAV Tunus	--	9
Other	110	602
	2.847	6.000

At 31 March 2012 and 31 December 2011, the Group had the following short term non trade receivables from its related parties:

<i>Due from related parties (short term-nontrade):</i>	<u>31 March 2012</u>	<u>31 December 2011</u>
Tepe İnşaat Sanayi A.Ş. ("Tepe İnşaat")	1.946	3.670
Sera Yapı	3.518	932
Task Water B.V.	--	6.598
Other	249	466
Provision for doubtful trade receivables (Note 11)	--	(6.598)
	5.713	5.068

At 31 March 2012 and 31 December, the Group had the following long term trade receivables from its related parties:

<i>Due from related parties (long term- trade):</i>	<u>31 March 2012</u>	<u>31 December 2011</u>
LCC Sabha International Airport Project	1.139	2.379
Sky Oryx Joint Venture	971	1.909
Other	11	1.222
	2.121	5.510

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

29 RELATED PARTY DISCLOSURES (continued)

29.1 Related party balances (continued)

At 31 March 2012 and 31 December 2011, the Group had the following long term non trade receivables from its related parties:

<i>Due from related parties (long term-non trade):</i>	<u>31 March 2012</u>	<u>31 December 2011</u>
Akfen Gayrimenkul Yatırımları Ticaret A.Ş.	36.271	32.421
Hyper Foreign	2.850	2.724
Kirazlı Konutları Adi Ortaklığı	1.189	1.181
Mustafa Keten	--	1.563
Selim Akın	--	713
Other	771	623
	41.081	39.225

At 31 December, the Group had the following short term trade payables to its related parties:

<i>Due to related parties (short term- trade):</i>	<u>31 March 2012</u>	<u>31 December 2011</u>
Ibs Sigorta Brokerlik Hiz.A.Ş.	3.171	3.721
Muscat CCC & TAV Cons.	2.744	4.202
Sky Oryx Joint Venture (*)	1.302	11.475
Tav İstanbul Terminal İşl. A.Ş.	589	451
TAV Bilişim Hizm. A.Ş.	99	288
BTA Yiyecek İçecek Hizm. A.Ş.	92	79
Tepe İnşaat Sanayi A.Ş.	--	2.502
TAV İnşaat	--	90
Other	70	2.317
	8.067	25.125

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

(**) Payable to TAV İnşaat represents the trade payables related with the construction and renovation of Enfidha, Monastir and Gazipaşa Airports.

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

29 RELATED PARTY DISCLOSURES (continued)

29.1 Related party balances (continued)

At 31 March 2012 and 31 December 2011, the Group had the following short term non trade payables to its related parties:

<i>Due to related parties (short term-non trade):</i>	31 March 2012	31 December 2011
TAV Ege Terminal Yat. Yap. ve İşl. A.Ş.	7.773	--
Tav İstanbul Terminal İşl. A.Ş.	1.561	887
Sky Oryx Joint Venture	1.528	9.540
Tav Havalimanları	1.413	--
TGS	885	2.785
TAV Tunus	334	304
Hamdi Akın	92	117
ATÜ	--	1.177
Other	1.237	754
	14.823	15.564

29.2 Related party transactions

For the periods ended 31 March, the transactions with related parties comprised of the following:

<i>Services rendered to related parties:</i>	2012	2011
Atü	13.573	10.250
Sky Oryx Joint Venture	4.764	5.382
BTA	841	--
Havaalanları Yer Hizmetleri AŞ.	161	--
TAV İstanbul Terminal İşl. A.Ş.	93	2.224
TAV Macedonia Dooel Skopje	--	12.669
Other	1.137	1.698
	20.569	32.221

For the periods ended 31 March, the transactions with related parties comprised of the following:

<i>Services rendered from related parties:</i>	2012	2011
IBS Sigorta	738	512
Tepe Servis ve Yönetim Hizmetleri A.Ş.	105	255
TAV Bilişim Hizmetleri A.Ş.	63	60
Tav Havacılık	63	25
TAV G.	42	252
TAV İnşaat	22	9.361
Other	209	435
	1.242	10.900

29.3 Key management personnel compensation

Total salaries provided to key management personnel for the Group and subsidiaries amounted to TL 3.416 for the period ended 31 March 2012 (31 March 2011: TL 974). Total salaries provided to key management personnel for the jointly controlled entities amounted to TL 15.040 (Group's share: TL 4.735) (31 March 2011: TL 8.928 (Group's share: TL 2.534)).

Akfen Holding Anonim Şirketi

Notes to the Condensed Interim Consolidated Financial Statements

As at and for the three-month period ended 31 March 2012

(Currency: Thousands of TL .)

30 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS

Credit risk

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

31 March 2012	Receivables				Deposits on Banks	Derivative Instruments	Other
	Trade Receivables		Other Receivables				
	Related Party	Other Party	Related Party	Other party			
Exposure to maximum credit risk as at reporting date (A+B+C+D+E)	4.968	218.250	46.794	19.315	433.850	--	--
- Portion of maximum risk covered any guarantee	--	78.980	--	--	--	--	--
A. Net carrying value of financial assets which are not impaired or overdue (2)	4.968	218.250	46.794	19.315	433.850	--	--
B. Net carrying value of financial assets that are restructured, otherwise which will be regarded as overdue or impaired (3)	--	--	--	--	--	--	--
C. Net carrying value of financial assets which are overdue but not impaired (6)	--	16.037	--	--	--	--	--
- The portion covered by any guarantee	--	--	--	--	--	--	--
D. Net carrying value of impaired assets (4)	--	--	--	--	--	--	--
- Past due (gross book value)	--	5.798	--	--	--	--	--
- Impairment (-)	--	(5.798)	--	--	--	--	--
- Not past due (gross book value)	--	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--	--
E. Off balance sheet items with credit risks	--	--	--	--	--	--	--

31 March 2012	Receivables		Deposits on Banks	Derivative Instruments	Other
	Trade receivables	Other receivables			
Past due 1-30 days	1.197	--	--	--	--
Past due 1-3 months	2.030	--	--	--	--
Past due 3-12 months	8.839	--	--	--	--
Past due 1-5 years	8.918	--	--	--	--
More than 5 years	852	--	--	--	--

(*) As at 31 March 2012 TL 133.252 deposit was reflected in the restricted bank balances item.

Akfen Holding Anonim Şirketi

Notes to the Condensed Interim Consolidated Financial Statements

As at and for the three-month period ended 31 March 2012

(Currency: Thousands of TL .)

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

Credit risk (continued)

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

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

(*) As at 31 December 2011 TL 150.708 deposits are represented as restricted cash.

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

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

Impairment

Movements in the allowance for doubtful receivables for the years ended 31 March 2012 and 31 December 2011 are as follows:

	<u>31 March 2012</u>	<u>31 December 2011</u>
Balance at the beginning of the period	(13.274)	(5.801)
Effect of change in group structure	6.933	--
Translation effect	607	(835)
Allowance for the period	(64)	(10.272)
Effect of business combinations	--	(32)
Collections	--	3.666
Balance at the end of the period	(5.798)	(13.274)

Liquidity risk

The following tables provide an analysis of monetary liabilities of the Group into relevant maturity groupings including interest payments based on the remaining periods to repayment as at 31 March 2012:

		<i>31 March 2012</i>					
	<u>Note</u>	<u>Carrying Amount</u>	<u>Expected Cash Flow</u>	<u>3 months Or less</u>	<u>3-12 months</u>	<u>1-5 years</u>	<u>More than 5 years</u>
Financial liabilities							
Loans and borrowings	7	2.866.052	(2.962.405)	(149.788)	(298.995)	(1.598.620)	(915.002)
Trade payables	9	103.861	(104.687)	(73.539)	(14.469)	(16.679)	--
Due to related parties	9-10-29	29.730	(29.473)	1.026	(29.296)	(795)	(408)
Other payables (*)		28.087	(28.087)	(15.428)	(4.070)	(8.589)	--
Other short term liabilities(*)		58.017	(58.017)	(58.017)	--	--	--
Interest rate swap		107.631	(109.624)	(8.554)	(15.640)	(69.421)	(16.009)
Outflow		--	(52.903)	--	(7.717)	(31.966)	(13.221)
Inflow		--	51.549	--	7.534	31.208	12.907
Total		3.193.378	(3.293.647)	(304.300)	(362.653)	(1.694.862)	(931.733)

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

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

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

31 December 2011

	Note	Carrying Amount	Expected Cash Flow	3 months Or less	3-12 months	1-5 years	More than 5 years
Financial liabilities							
Loans and borrowings	8	3.474.146	(4.296.910)	(234.345)	(595.299)	(2.233.612)	(1.233.654)
Trade payables	10	221.602	(221.667)	(161.901)	(22.986)	(36.780)	--
Due to related parties	10-11-38	50.774	(52.092)	(29.239)	(15.598)	(5.423)	(1.832)
Other payables (*)		52.125	(52.125)	(30.011)	(6.086)	(16.028)	--
Other short term liabilities (*)		58.017	(58.017)	(58.017)	--	--	--
Interest rate swap		167.545	(179.007)	(12.294)	(24.159)	(109.414)	(33.140)
Outflow		--	(175.756)	--	(25.638)	(106.197)	(43.921)
Inflow		(2.685)	179.048	--	26.118	108.186	44.744
Total		4.021.524	(4.856.526)	(525.807)	(663.648)	(2.399.268)	(1.267.803)

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

Akfen Holding Anonim Şirketi

Notes to the Condensed Interim Consolidated Financial Statements

As at and for the three-month period ended 31 March 2012

(Currency: Thousands of TL.)

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

Currency risk

Exposure to currency risk

As at 31 March 2012, the Group's exposure to foreign currency risk resulted from foreign currency assets and liabilities is listed below.

	31 March 2012				
	TL Equivalent	USD	Euro	TL	Other (*)
1. Trade receivables	25.745	1.321	8.413	2.274	1.221
2a. Monetary Financial Assets (including Cash and Cash at Banks)	70.456	6.779	12.884	24.222	3.726
2b. Non-monetary Financial Assets	2.775	308	51	1.714	394
3. Other	145.980	75.000	2.464	6.907	267
4. Current Assets (1+2+3)	244.957	83.408	23.813	35.117	5.608
5. Trade receivables	9	--	--	9	--
6a. Monetary Financial Assets	245	--	--	238	7
6b. Non-monetary Financial Assets	2.589	1	1.092	2	1
7. Other	12.244	4.438	1.849	--	--
8. Non-current Assets (5+6+7)	15.088	4.438	2.942	250	7
9. Total Assets (4+8)	260.044	87.846	26.754	35.367	5.616
10. Trade Payables	40.832	3.482	13.226	1.903	1.458
11. Financial Liabilities	403.726	89.647	100.952	1.280	4.611
12a. Other Monetary Liabilities	15.668	140	4.162	4.744	828
12b. Other Non-monetary Liabilities	178	9	--	138	24
13. Short Term Liabilities (10+11+12)	460.403	93.278	118.339	8.064	6.921
14. Trade Payables	492	--	208	--	--
15. Financial Liabilities	1.309.563	333.627	303.433	2	--
16a. Other Monetary Liabilities	5.159	983	1.163	665	--
16b. Other Non-monetary Liabilities	--	--	--	--	--
17. Long Term Liabilities (14+15+16)	1.315.215	334.610	304.803	668	--
18. Total Liabilities (13+17)	1.775.618	427.888	423.142	8.732	6.921
19. Net Asset/ (Liabilities) Position of Off Balance sheet Derivatives (19a-19b)	--	--	--	--	--
19a. Total Assets Hedged (**)	--	--	--	--	--
19b. Total Liabilities Hedged (**)	--	--	--	--	--
20. Net Foreign Currency Assets/(Liabilities) Position (9-18+19)	(1.515.573)	(340.042)	(396.388)	26.635	(1.305)
21. Net Foreign Currency Asset/ (Liability) Position Of Monetary Items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(1.678.208)	(420.500)	(401.912)	19.707	(1.287)
22. Total fair Value of Financial Instruments Used For Currency Hedge (**)	--	--	--	--	--
23. Export (**)	--	--	--	--	--
24. Import (**)	--	--	--	--	--

Akfen Holding Anonim Şirketi

Notes to the Condensed Interim Consolidated Financial Statements

As at and for the three-month period ended 31 March 2012

(Currency: Thousands of TL .)

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

Currency risk (continued)

Exposure to currency risk (continued)

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

31 December 2011

	TL Equivalent	USD	Euro	TL	Other (*)
1. Trade receivables	23.325	3.963	3.173	3.137	4.949
2a. Monetary Financial Assets (including Cash and Cash at Banks)	262.114	82.525	5.915	74.978	16.801
2b. Non-monetary Financial Assets	7.287	22	--	5.849	1.397
3. Other	26.803	7	7.938	6.486	906
4. Current Assets (1+2+3)	319.529	86.517	17.026	90.450	24.053
5. Trade receivables	--	--	--	--	--
6a. Monetary Financial Assets	7	--	--	--	7
6b. Non- monetary Financial Assets	32	2	--	7	20
7. Other	8.124	46	3.288	--	--
8. Non-current Assets (5+6+7)	8.163	48	3.288	7	27
9. Total Assets (4+8)	327.692	86.565	20.314	90.457	24.080
10. Trade Payables	40.390	2.683	9.963	6.301	4.674
11. Financial Liabilities	451.109	83.881	117.766	3.994	877
12a. Other Monetary Liabilities	17.975	605	658	12.067	3.156
12b. Other Non-monetary Liabilities	470	31	--	331	81
13. Short Term Liabilities (10+11+12)	509.944	87.200	128.387	22.693	8.788
14. Trade Payables	2.077	--	850	--	--
15. Financial Liabilities	1.365.514	368.342	274.061	4	--
16a. Other Monetary Liabilities	1.850	833	113	--	--
16b. Other Non-monetary Liabilities	390	--	160	--	--
17. Long Term Liabilities (14+15+16)	1.369.831	369.175	275.184	4	--
18. Total Liabilities (13+17)	1.879.775	456.375	403.571	22.697	8.788
19. Net Asset/ (Liabilities) Position of Off Balance sheet Derivatives (19a-19b)	--	--	--	--	--
19a. Total Assets Hedged (**)	--	--	--	--	--
19b. Total Liabilities Hedged (**)	--	--	--	--	--
20. Net Foreign Currency Assets/(Liabilities) Position (9-18+19)	(1.552.083)	(369.810)	(383.257)	67.760	15.292
21. Net Foreign Currency Asset/ (Liability) Position Of Monetary Items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(1.593.469)	(369.856)	(394.323)	55.749	13.050
22. Total fair Value of Financial Instruments Used For Currency Hedge (**)	--	--	--	--	--
23. Export (**)	--	--	--	--	--
24. Import (**)	--	--	--	--	--

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

Akfen Holding Anonim Şirketi

Notes to the Condensed Interim Consolidated Financial Statements

As at and for the three-month period ended 31 March 2012

(Currency: Thousands of TL.)

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

Currency risk (continued)

Exposure to currency risk

(**) TAV Istanbul, affiliate of TAV Havalimanları, entered into a cross currency swap fixing the parity between USD and EUR currencies. The contract was concluded for the payments to be affected to General Directorate of State Airports Authority on December each year till year 2018. As at 31 December 2011, the nominal value of the agreement was TL 672.801 (Group's share is TL 175.376) (USD 362.857.733 (Group's share is USD 94.788.440), EUR 275.309.357 (Group's Share is EUR 71.910.804)) (in 31 December 2010: TL 647.524 (Group's share was TL 169.133). USD 416.493.513 (Group's Share was USD 108.788.105), EUR 316.004.183 (Group's share is EUR 82.540.292).

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 2012				
	Profit/Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Assumption of devaluation/appreciation by 10% of USD against Euro and TL				
1- Net USD asset/liability	(60.289)	60.289	17.985	(14.715)
2- USD risk averse portion (-)	--	--	--	--
3- Net USD Effect (1+2)	(60.289)	60.289	17.985	(14.715)
Assumption of devaluation/appreciation by 10% of Euro against TL				
4- Net Euro asset/liability	(93.801)	93.801	--	--
5- Euro risk averse portion (-)	--	--	--	--
6- Net Euro Effect (4+5)	(93.801)	93.801	--	--
Assumption of devaluation/appreciation by 10% of other currencies against TL				
7- Other currency net asset/liability	2.533	(2.533)	--	--
8- Other currency risk averse portion (-)	--	--	--	--
9- Net other currency effect (7+8)	2.533	(2.533)	--	--
TOTAL (3+6+9)	(151.557)	151.557	17.985	(14.715)

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

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

Currency risk (continued)

Sensitivity analysis (continued)

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

Interest rate risk

Profile

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

	<u><i>31 March 2012</i></u>	<u><i>31 December 2011</i></u>
Fixed rate instruments		
Financial assets	293.742	585.670
Financial liabilities	557.839	733.847
Variable rate instruments		
Financial assets	--	12.420
Financial liabilities	2.419.125	2.917.595

Fair value sensitivity analysis for fixed rate instruments:

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

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL .)

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

Interest rate risk (continued)

Cash flow sensitivity analysis for variable rate instruments:

When the debt profile of the Group is considered, 100 base points increase in Euribor or Libor rate, when the effect of derivative financial instruments is disregarded, caused to approximately TL 14.845(31 December 2010: TL 11.848) increase in the annual interest costs of floating interest rate liabilities of the Group. TL 5.297 of this amount (31 December 2010: TL 7.743) was hedged with due interest rate swap (HES I: TL 194 TL (31 December 2010: TL 185), TAV Havalimanları: 1.202 TL (31 December 2010: TL 4.179), MIP: TL 3.901 (31 December 2010: TL 3.379)). Because of this reason, the net risk on profit and loss is TL 9.548 (31 December 2010: TL 4.105).

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

Interest rate profile			
		31 March 2012	31 December 2011
Fixed rate financial instruments			
Financial Assets	Assets recognized at fair value through profit or loss	--	--
	Financial asset held for sale	--	--
Financial Liabilities		--	--
Variable Rate Financial Instruments			
Financial Assets		--	--
Financial Liabilities		(16.916)	(14.845)

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

31 SUBSEQUENT EVENTS

Akfen Holding and its Affiliates

Company has signed a memorandum of understanding with Aquila HydropowerINVEST Investitions GmbH & Co. KG (“vendee”), which is settled in Hamburg, Germany related with the whole amount of shares of İdeal, Çamlıca and Beyobası which are under HES I. Terms are as follows;

1. The agreement for the sale of shares of İdeal, which has Karasu 1, Karasu 2, Karasu 4.2, Karasu 4.3 and Karasu 5 HES projects, will be signed at 29 June 2012 at the latest, while it will be signed at 31 August 2012 if the 70 % of the share transfer value is paid to trust accounts until 29 June 2012. Sale agreement is still paraphed by the parties, whole amount of share transfer price will be paid to trust accounts at the time of sign of agreement. Parties estimates a period of maximum 45 days pursuant to sign of agreement for fulfillment of preconditions and transfer of shares. Share sale amount will be paid as Euro 86.242.000 which is calculated through Company’ value. Forfeit Money amounting Euro 1.000.0000 was transferred to trust accounts and within 5 days, 10% of the total sale amount (Euro 8.624.200) will be transferred to trust accounts as an advance payment.

2. Vendee has the right to purchase whole part of shares of Çamlıca, which has Çamlıca 3 and Saraçbendi HES Projects (total 180,6 million Kwh), by paying Euro 111,972.000 which is determined through Company’s value. This right can be used by the transfer of forfeit money of 3% and advance payment of 10% to the trust account. Parties reached an agreement for the sale agreement of sale mentioned. In the case of use of purchase right, sale agreement will be signed on 15 October 2012 at the latest by the transfer of sale amount to trust accounts and related preconditions will be fulfilled and share transfer will be done at 30 November 2012.

3. Vendee has the right to purchase whole part of the shares of Beyobası, which has the Sirma HES, Otluca HES and Sekiyaka II HES projects (total 251,1 million Kwh), untill the sign date of sale agreement of Çamlıca by paying Euro 155.682.000 which is determined through Company’s value. This right can be used if the forfeit money of 3 % and advance payments of 10 % are transferred to trust accounts. For the agreement of related sale parties reached an agreement. In the case of use of purchase right, by the transfer of sale value to trust account, sale agreement will be signed at 28 December 2012 at the latest, preconditions will be fulfilled and share transfer will be done until 15 February 2013.

With the use of purchasing rights, total sale amount will be Euro 353.896.000 through Company’s value.

Akfen Holding Anonim Şirketi
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three-month period ended 31 March 2012
(Currency: Thousands of TL.)

31 SUBSEQUENT EVENTS (continued)

Sale of shares of TAV Havalimanları and TAV Yatırım

Company signed a share sale and purchase agreement contract with Tepe İnşaat Sanayi A.Ş. (Tepe), Sera Yapı Endüstrisi ve Ticaret A.Ş. (Sera) and Aéroports de Paris Group to sell 18% of the shares of Company's affiliate TAV Havalimanları Holding with a value amounting USD 414.000.000 on 12 March 2012 and the announcement about the approvals obtained from Competition Authority was made through Public Disclosure Platform at 27 April 2012.

As at 16 May 2012, closing protocol was negotiated between the parties and because of the dividend payment that was made on 15 May 2012 which was made according to 2011 Ordinary General Assembly decision, TL 16.348, dividend amount paid for shares subject to sale is deducted from sale price of shares announced at 12 March 2012 and sale of shares made to Tank ÖWA alpha GmbH, a company wholly owned by Aéroports de Paris Group, was made with a sale price of USD 404.959.655. Amount arising from transfer of shares was reflected to Company's accounts and transfer was completed.

Agreement of partnership was signed on 16 May 2012 between the parties. Chairman of The Board Hamdi Akın and Chief Executive Officer Sani Şener will continue with their positions and Board of Directors of TAV Havalimanları will be comprised of 11 people. There will be 3 members for Aéroports de Paris Group Board of Directors, Tepe and Akfen will present 3 candidates for Board of Directors together. Chief Executive Officer will also be a Board Member and there will be 4 independent members.

Company sold the 20,325 % of total shares of its jointly controlled entity TAV Yatırım with an amount USD 20.325.000 and Akfen İnşaat also sold its share on TAV Yatırım which is equal to 5% of the total shares with an amount USD 500.000 on 16 May 2012. Amount representing the sale of shares, USD 20.325.000 and USD 500.000 were transferred to accounts of Akfen Holding and Akfen İnşaat. Parallel to that, share transfer to Tank ÖWC Beta GmbH, which is wholly owned by Aéroports de Paris Group was completed.

As at 16 May 2012, agreement of partnership was signed between the parties. Chief Executive Officer Sani Şener will continue with his current position and Board of Directors of TAV Yatırım will be comprised of 5 members. There will be 2 members for Aéroports de Paris Board of Directors, Tepe and Akfen will present two candidates for Board of Directors together. Chief Executive Officer Sani Şener also will be a member of Board of Directors.

Akfen Holding Anonim Şirketi

Notes to the Condensed Interim Consolidated Financial Statements

As at and for the three-month period ended 31 March 2012

(Currency: Thousands of TL .)

31 RAPORLAMA DÖNEMİNDEN SONRAKİ OLAYLAR

Tav Yatırım

The notice was sent by Saudia Aerospace Engineering Industries Company which states that Company's affiliate under common control, TAV İnşaat, won the bid for construction of new airplane maintenance, repairment and operation facility in King Adul Aziz International Airport, located in Jeddah on 18 April 2012.

Contract price of bid won by TAV İnşaat-Al Rajhi Holding-Al Habtoor Leighton Joint Venture is about USD 800 million. Facility that is planned to be completed within 900 days will be comprised of 11 aerodrome buildings, airplane maintenance support buildings, administrative Office, parking garage and airplane parking aprons. The Joint Venture that designs and constructs the facility will undertake the second phase which is planned already upon the request of contractor.

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

None.