



**AKFEN HOLDİNG A.Ş.**  
**MANAGEMENT'S REVIEW OF**  
**1<sup>st</sup> HALF 2011 RESULTS**  
**1 January 2011 – 30 June 2011**

**29 August 2011**

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## 1. AKFEN HOLDING – HIGHLIGHTS OF 1<sup>st</sup> HALF 2011

### 1.1 Summary Financials

US\$ 000	30.06.2011	30.06.2010
Revenues	367,891	302,063
Adjusted EBITDA	74,025	53,459
EBITDA Margin (%)	20.4%	17.5%
Net Profit from Continuing Operations	-10,901	-6,167
Net Profit from Discontinued Operations	0	11,359
Net Profit	-10,901	5,192
US\$ 000	30.06.2011	31.12.2010
Shareholder's Equity	666,567	617,583
Consolidated Net Debt	1,521,161	1,100,110
Total Assets	2,890,586	2,405,605
Number of Employees	25,249	23,109

**1H Consolidated revenue increased significantly:** As of June 30, 2011, Akfen Holding A.S. ("Akfen" or "Akfen Holding") generated a consolidated revenue of USD 367.9 mn, increased by 21.8% compared to the same period of 2010 driven by improved key performance indicators and commissioning of energy assets. Excluding construction revenue, all business units except Akfen Construction revenue recorded double digit revenue growth. TAV Airports Holding ("TAV Airports" or "TAV Airports Holding"), TAV Investment Holding ("TAV Investment" or "TAV Investment Holding"), and Mersin International Port ("MIP") were the main contributors to an increase on the top-line. Our consolidated revenue numbers also include contribution of energy assets, which have just began generating electricity this year.

**As a result of strong operational performance of TAV Airports Holding and MIP, EBITDA increased by 38.5%:** EBITDA increased by 38.5%, accounting for USD 74.0 mn in 1H 2011. Thanks to strong EBITDA growth in two business units TAV Airports Holding and MIP as well as income contributions from the Akfen HEPP-I, EBITDA margin increased to 20.4% which was 17.5% in same period of previous year. EBITDA margin improvement was slightly offset by lower profitability of TAV Investment Holding.

**Net loss in 1H2011** Akfen posted net loss of USD 10.9 mn in 1H2011. High net financial expenses due to higher debt to fund new acquisition/on-going investments and depreciation of TL are the main factor behind the loss. During the first six months of 2010, Akfen Holding carved out some business units such as Akfen Altyapı Danışmanlık, Akınısı, Akfen Turizm, Artı Döviz IBS, whose profit was classified as "profit from discontinued operations, net of tax". This particular profit was the main source of the profitability in this period.

**In the first 6 months of 2011 the total asset grew by 20.2%,** mainly due to the acquisition of Istanbul Fast Ferries ("IDO"), increase in investment property of Akfen REIT and ongoing investments in hydro power plants.

**Number of employees** – As of 30 June 2011, Akfen Holding and its subsidiaries and joint ventures employed a total of 25,249 people. Compared with the previous year, the number has increased by 9.3%, which is chiefly attributable to take-over of IDO, multistage taken over of services by TGS, addition of new ground-handling stations and shifting from outsourcing to insourcing in Mersin container port. Number of employees in HEPP-I increased significantly as the plants became operational.

## 2. MAIN PERFORMANCE FIGURES BY BUSINESS UNITS

IH 2011 (US\$ 000)	TAV Construc.	Akfen Construc.	Akfen REIT	HEPP I-II-III	MIP	Akfen Water	TAV Airports	TASS	Other	Other Discont. Operat.	Elimin.	Classific.	Total
Ownership Percentage	42,5%	100,0%	100,0%	100,0%	50,0%	49,98%	26,1%	30,0%					
Revenue	143.452	0	8.423	7.275	53.354	1.348	154.037	0	2	0	0	0	367.891
EBITDA	3.928	-4.563	6.152	3.330	31.004	798	39.574	0	-543	0	-5.655	0	74.025
EBITDA Margin	2,4%	n.a.	73,0%	45,8%	58,1%	45,3%	26,7%	0,0%	n.a.	n.a.	n.a.	n.a.	20,4%
Net Profit	-3.252	-14.689	61.894	-26.764	12.026	-758	-2.324	-7.202	-22.620	n.a.	-7.214	n.a.	-10.902
Capex	2.570	153	11	58.885	4.138	66	24.357	0	301	0	0	0	90.482
Total Assets	246.071	216.894	579.637	481.981	423.575	16.692	760.171	289.362	764.122	0	-887.919	0	2.890.586

IH 2010 (US\$ 000)	TAV Construc.	Akfen Construc.	Akfen REIT	HEPP I-II-III	MIP	Akfen Water	TAV Airports	TASS	Other	Other Discont. Operat.	Elimin.	Classific.	Total
Ownership Percentage	42,5%	100,0%	100,0%	100,0%	50,0%	49,98%	26,1%	30,0%					
Revenue	128.063	4.722	5.765	227	46.171	3.743	113.343	0	29	9.424	0	-9.424	302.063
EBITDA	6.206	-9.192	4.708	-756	25.351	138	29.658	0	200	11.259	-2.607	-11.259	53.459
EBITDA Margin	4,6%	n.a.	81,7%	n.a.	54,9%	n.a.	24,3%	0,0%	n.a.	119,5%	0,0%	0,0%	17,5%
Net Profit	1.087	-13.429	21.895	4.133	5.560	332	2.387	n.a.	-22.618	11.359	-5.513	n.a.	5.192
Capex	2.208	175	3	75.536	3.917	68	19.361	0	167	0	0	0	101.434
Total Assets (*)	240.704	221.223	452.138	418.628	418.235	16.673	706.043	0	775.301	0	-843.340	0	2.405.605

(\*) Total assets as of 31.12.2010.

Diff. 2011/2010	TAV Construc.	Akfen Construc.	Akfen REIT	HEPP I-II-III	MIP	Akfen Water	TAV Airports	TASS	Other	Other Discont. Operat.	Elimin.	Classific.	Total
Ownership Percentage	42,5%	100,0%	100,0%	100,0%	50,0%	49,98%	26,1%	30,0%					
Revenue	12,0%	-100,0%	46,1%	3097,8%	15,6%	-64,0%	35,9%	n.a.	-94,8%	-100,0%	0,0%	-100,0%	21,8%
EBITDA	n.a.	n.a.	30,7%	n.a.	22,3%	n.a.	33,4%	n.a.	n.a.	n.a.	n.a.	n.a.	38,5%
EBITDA Margin	n.a.	n.a.	n.a.	n.a.	3,2%	n.a.	24,3%	n.a.	n.a.	n.a.	n.a.	n.a.	3,0%
Net Profit	n.a.	9,4%	182,7%	n.a.	116,3%	n.a.	n.a.	n.a.	0,0%	n.a.	30,8%	0,0%	n.a.
Capex	16,4%	-12,8%	n.a.	-22,0%	5,6%	-2,9%	25,8%	n.a.	80,2%	0,0%	0,0%	0,0%	-10,8%
Total Assets	2,2%	-2,0%	28,2%	15,1%	1,3%	0,1%	7,7%	n.a.	-1,4%	0,0%	0,0%	0,0%	20,2%

### MIP

Container throughput recorded a 9% increase in 1H 2011 compared to the same period in 2010. Thanks to compound effects of volume growth and tariff increase in June 2010 which was partially offset by decline in conventional cargo and in CFS, 2% and 5% respectively, MIP revenues increased by 15.6%. Tariff adjustments, cost savings through economies of scale as well as operational improvements are the main reasons of EBITDA margin improvement. Capital expenditure totaled to USD 4.1 mn for the acquisition of RTGs.

### TAV AIRPORTS HOLDING

Its revenues increased by 35.9% due to an increase of 10% in number of passengers despite of strong contraction in Tunisia, and strong contribution from ground handling and duty free operations. TAV's consolidated EBITDA increased by 33.4% in 1H2011 compared to 1H2010 thanks to various positive factors such as increase in limitations from duty free shops, weaker TL and the growth in number of flights served, favorable price developments at TGS. TAV Airports continued to undertake capital expenditures in Macedonia.

**TAV INVESTMENT HOLDING**

TAV Investment Holding generated USD 143.5 mn of construction revenue, representing an increase of 12.0% in 1H 2011. The growth stemmed mainly from faster completion of Qatar Project in 1H 2011 during which no revenue was booked in Libya due to ongoing political turmoil in the country. An EBITDA of USD 3.9 mn or an EBITDA margin of 2.4% is still low because TAV Investment was obliged to book a reversal of profit when the expected profit margin of Doha Project was reduced around 1 % .

**AKFEN HEPP**

Of the three portfolios, Akfen has recently eight operational plants (Sirma, Çamlıca III, Otluca I, Saraçbendi, Karasu I, Karasu II, Otluca II, Karasu 4.3 ve Karasu 5) in the portfolio, out of these eight plants, two of them, namely Otluca and Camlica III, started generating electricity in April 2011, Saracbendi and Karasu I in May 2011, Karasu II in June 2011, Otluca II in July 2011, Karasu 4.3 and Karasu 5 in August 2011. The weight of Akfen HEPP still small within Akfen financials as most of the operational plants commenced to generate electricity by the end of 1H2011. The spot market price has been around TRKurus 9.3 /kwh during April – June period which increased significantly in July and August. Akfen HEPP I-II's debt constitute of Euro loans, thus strong Euro puts pressure on the net profit margin of Akfen HEPP. Following the commissioning of Karasu 5 and Karasu 4.3, HEPP-I reached a total installed capacity of 111.66 MW and a projected electricity generation capacity of 488.46 GWh through its eight operating hydroelectric power plants.

**AKFEN REIT**

As of 30 June 2011, Akfen REIT has a room capacity of 1,768. The revenue of Akfen REIT was increased by 46.1% and EBITDA by 30.7% in 1H 2011 compared to the same period of the previous year due to the increase in the performance of the hotels, the additional income generated from hotel opening in Bursa in November of 2010 as well as the revised revenue sharing model. T-Revpar of all hotels (except Eskişehir) and the occupancy rates of all hotels increased by 15.7% and 22.1%, respectively in 1H2011. On top of the high operational profitability, the change in the appraisal value of existing portfolio are accounted as asset revaluation gain, which resulted in higher net profit.

**AKFEN SU**

With the start of Dilovası operation in July 2010, consolidated EBITDA increased to USD 1.6 mn in 1H2011. Excluding the construction revenue, the topline increased to USD 3.5 mn in 1H2011, up by 462% YTD.

**AKFEN CONSTRUCTION**

Akfen Construction remained focused on Akfen subsidiaries construction projects, primarily Akfen REIT and Akfen HEPP I-II.

**TASS**

TASS Denizcilik ve Ulaştırma Hizmetleri Turizm San. ve Tic. A.Ş ("TASS"), which is a SPV established for the acquisition of IDO, was proportionally consolidated into our 1H2011 financials. The financial statements of TASS are included into our financials. Having said that,

no revenue from IDO was booked in our consolidated income statement in 1H2011 and only IDO's balance sheet was consolidated. Financial statements of TASS and IDO are provided in the Appendix for information purposes. Besides adjusted EBITDA of IDO for 1H2011, 1H2010 and year end 2010 is submitted in Section 6.7.

### 3. KEY EVENTS OF THE PERIOD AND FACTS OCCURRED

#### 3.1 AKFEN HOLDING

The consortium between Akfen (30%), Tepe Construction (30%) ("Tepe"), Souter Investments LLP (30%) ("Souter") and Sera Construction (10%) ("Sera") won the tender for block sale of 100% of IDO stake by submitting USD 861mn bid on April 8th, 2011. Akfen, Tepe, Souter and Sera founded TASS, into which Akfen injected capital of around USD 39.5 mn. The share capital of TASS, amounting TL 211 mn or USD 132 mn, Akfen has joint control with Tepe and Souter. The acquisition price was paid and the share transfer was completed on June 16<sup>th</sup>, 2011.

Due to recent price volatility and recent drop in share price which does not reflect the real performance of Akfen, the Board of Directors ("BOD") passed a resolution 2011/26 dated on August 16th, 2011 concerning the implementation of SBBP which is subject to the approval of to Extraordinary General Assembly ("EGM"). According to this resolution, BOD decided to invest a sum not exceeding TL 30,000,000 for buying back the shares. The lowest and the highest share price, at which the share acquisitions are allowed, are TL 0 and TL 12, respectively. The fund to be allocated for SBBP shall be borne from Akfen's sources or income of its activities.

Pursuant to the resolution 26/267 of the Capital Market Board dated on August 10th, 2011, all listed companies are allowed to acquire their own shares from Istanbul Stock Exchange. Key principles of the resolution are as follows:

- Listed companies are allowed to buy back up to 10% of their paid-in capital
- The duration of share buy-back program ("SBBP") can extend up to 18 months
- Listed companies are allowed to hold the acquired shares for a maximum period of three years. Following this period, the paid-in capital will be reduced as much as the number of unsold shares.
- Listed companies are not allowed to sell the acquired shares prior to the conclusion of SBBP
- The acquired shares are entitled to obtain bonus shares only. No other rights such as dividend, voting are attached to the acquired shares.
- The amount of daily share buy backs is permitted to be up to 25% of average daily trading volume over the previous three months
- Listed companies must disclose daily share buyback transactions on the next trading day.

The agenda of EGM to be held on September 12th, 2011 shall be as follows:

1. Amendment of the Company's Articles of Association (Article 3 - Purpose and Subject Matter)
2. Granting authorization to BOD to acquire its own shares
3. Approval of SBBP

General Assembly meeting of Akfen Holding took place on June 15<sup>th</sup>. Annual Report and the Audit Report for 2010 were approved. Corporate Management Conformity Report, Akfen

Holding A.Ş. Codes of Ethic and Akfen Holding A.Ş. Informing Policy, which have been accepted with the Resolutions of Executive Board are also accepted at the General Assembly meeting.

As of 30 June 2011, the price of Akfen Holding's bond realized at TRY 103.699 (dirty price). Total trading volume in June was TRY 2,601,550. The yield as of 30 June 2011 corresponds to %9.18 + 173 bps spread. Interest rate of third coupon payment was determined as 5.55% and coupon payment is due on September 2<sup>nd</sup>.

### **3.2. MIP**

As a result of the insourcing process of the CFS service, the subcontractor MPO's personnel was employed by MIP starting from 1<sup>st</sup> of January 2011.

Beginning from 1 January 2011, 18% VAT application on the following services started: ISPS, stuffing-unstuffing, lashing, reefer container monitoring, bunkering, weighbridge, customs inspection, assembly / disassembly, packing, charging/discharging (truck), truck intrusion cost, port entrance fee, vessel leasing cost.

Automotive import started with the establishment of Specialized Customs Directorate for Automotive in Mersin in March 2011 which is expected to have a positive impact on Marine and Ro-Ro revenues.. MIP is the only port which has such an automotive import permit in the region.

As of 22<sup>nd</sup> July 2011, MIP started to provide fuel oil sale which is exempt from the special consumption tax and value added tax through Petrol Ofisi station which started to operate in Mersin Port, to exporter companies' transport vehicles. The regulation reduces the transportation cost for export goods which would eventually create a competitive advantage. .

### **3.3. TAV AIRPORTS HOLDINGS**

In TAV Urban Georgia LLC ("TAV Urban"), 66% of the capital of which is owned by TAV Airports, the shares of Sera YapıEndüstrisi Tic. A.Ş., i.e. 5.5% and of Akfen İnşaat Turizm ve Ticaret A.Ş., i.e. 4.5%, corresponding to 10% of TAV Urban's capital was acquired by TAV Airports in return for USD 8,583,000 and the share transfer is finalized on August 8<sup>th</sup>, 2011.

In TAV Batumi Operations LLC ("TAV Batumi"), 60% of the capital of which is owned by TAV Airports, the shares of Aeroser International Holding, i.e. 6% and the shares of Akfen İnşaat Turizm ve Ticaret A.Ş., i.e. 10%, corresponding to 16% of TAV Batumi's capital, was acquired by TAV Airports in return for 667,200 USD and the share transfer is finalised on July 4<sup>th</sup>, 2011.

In TAV Özel Güvenlik Hizmetleri A.Ş.(TAV Security), 66.67% of the capital of which is owned by TAV Airports, the shares of Tepe Savunma ve Güvenlik Sistemleri Sanayi A.Ş. corresponding to 33.33% of TAV Security's capital was be acquired by TAV Airports in return for 6,000,000 TL and the share transfer is finalised on May 4<sup>th</sup>, 2011.

Regarding the latest developments in Tunisia, some European countries like England, France and Germany have removed / eased their warnings for their citizens regarding their travels to Tunisia. The operations at Monastir and Enfidha Airports have been going on uninterrupted.

Both airports will be operated by TAV Tunisia SA until 2047, in which TAV Airports has a 67% stake.

The consortium consisting of TAV Airports, Saudi Oger Ltd. and Al Rajhi Holding (each partner will hold 1/3 of the project) was announced as the preferred bidder for the Build-Transfer-Operate (“BTO”) tender of Medina International Airport on 8<sup>th</sup> of August. The duration of the project shall be 25 years and the local authority or the client is Kingdom of Saudi Arabia General Authority of Civil Aviation. After obtaining the required approvals and signing of the contracts, the current 4 million passenger capacity will be increased to 8 million with the addition of the new terminal building. The cost of the construction of the new terminal is expected to be in the range of USD 1 bn to USD 1.5 bn.

### **3.4. TAV INVESTMENT HOLDING**

Abu Dhabi Pile caps project has been awarded in late January 2011. This project is the first project of TAV Investment in Abu Dhabi and is a part of Abu Dhabi International Airport project. Therefore, it is considered as an access point to Abu Dhabi International Airport project.

With the rising tension in the MENA region and the turmoil in Libya in January 2011, TAV Investment and their partners in Libya (Odebrecht, CCC) successfully evacuated their construction site by the end of February and moved their headquarters and key personnel to Malta. The Consortium is monitoring the situation in order to decide for the further steps.

With respect to governmental sanction decree approved on July 2<sup>nd</sup>, 2011, Article 5 (4), the resolution prepared in accordance to United Nations Security Council decision (number 1970 and 1973; decision reference: 2011/2011; decision date: 21.06.2011; official gazette number. 27982): “Until a decision is taken which would revoke the sanction decrees in resolution number 1970 and 1973, in accordance to the clauses specified in resolution number 1973 Article 27, claim of indemnity based on letter of guarantees given on behalf of Turkish citizens and legal entities or real persons subject to Turkish law, to the legal entities or real person based in Libia or the legal and real parties which are acting on behalf of these Libian entities/person are not taken into consideration.”

Tripoli and Sebha International Airport projects of TAV Investment are in the scope of above mentioned government decision taken based on United Nations Security Council resolution. Foreign banks which have issued letter of guarantees for these projects made a written statement that they will give negative respond to the claim of guarantees until the embargos are released and as well as a certain period after the release of embargos based on the resolution of United Nations. Turkish Banks have stated they they will respond to the claim of guarantees in accordance to the resolution of the Government Council of Ministers.

Given the high probability of a successful closing of BTO project in Medina, it is fair to state that the project will be jointly carried out by TAV Investment , Saudi Oger and Al Rajhi both of whom are leading construction companies of Saudi Arabia. TAV Construction is expected to undertake 1/3 of the project



### 3.5. AKFEN SU

On October 15, 2010, European Bank of Reconstruction and Development (EBRD) has extended two long-term senior loans to Akfen Su companies for a total of Euro16 mn to refinance the Gulluk and Dilovası projects and to finance further capital expenditures of the companies. The first tranche of TASK Dilovası loan agreement amounting EURO 10,500,000 was utilized on December 24<sup>th</sup>, 2010. TASK Güllük loan agreement amounting EURO 2,500,000 was utilized on April 18<sup>th</sup>, 2011.

On July 12<sup>th</sup>, 2011, the General Assembly of TASK Su Kanalizasyon Yatırım Yapım ve İşletme A.S (“TASK” or “Akfen Su”) has been held and with the General Assembly resolution, the name of TASK Su Kanalizasyon Yatırım Yapım ve İşletme A.Ş. has been changed to Akfen Çevre ve Su Yatırım, Yapım İşletme A.Ş. (“TASK” or “Akfen Su”). At the same General Assembly, capital of Akfen Su was increased from 13,000,000 TL to 28,000,000 TL.

On July 11<sup>th</sup>, 2011, the General Assembly of TASK Güllük Su Kanalizasyon Yatırım Yapım ve İşletme A.Ş. has been held and with the General Assembly resolution, the name of TASK Güllük Su Kanalizasyon Yatırım Yapım ve İşletme A.Ş has been changed to Akfen Güllük Çevre ve Su Yatırım Yapım İşletme A.Ş. (“TASK Gulluk” or “Akfen Su Güllük”). At the same General Assembly, capital of Akfen Su Gulluk was increased from 7,300,000 TL to 10,400,000 TL.

On July 6<sup>th</sup>, 2011, the General Assembly of TASK Çorlu Su Kanalizasyon Yatırım Yapım ve İşletme A.Ş. has been held and with the General Assembly resolution, the name of TASK Çorlu Su Kanalizasyon Yatırım Yapım ve İşletme A.Ş has been changed to Akfen Çevre ve Su Yatırım A.Ş. (“Akfen Su Çorlu”).

### 3.6. AKFEN HEPP

Construction in the projects under HEPP-I portfolio was completed. Commissioning was successfully achieved in Çamlıca 3, Otluca 1, Saraçbendi, Karasu 1, Karasu 2 and these power plants became operational in April 2<sup>nd</sup>, April 8<sup>th</sup>, May7<sup>th</sup>, May 20<sup>th</sup> and June 7<sup>th</sup> 2011, respectively. As of the publishing date of this report, Otluca 2, Karasu 4.3 and Karasu 5 became operational. Hence, HEPP-I reached a total installed capacity of 111.66 MW and a projected electricity generation capacity of 488.46 GWh through its eight operating hydroelectric power plants. Temporary acceptance process is ongoing for Boguntu HEPP which is a part of Otluca HEPP project and for Karasu 4.2. The mobilization was commenced at Sekiyaka HEPP and legal process for Yuvarlakcay is ongoing. When these three projects are completed HEPP-I portfolio will reach to an installed capacity of 128.4 MW with a projected electricity generation capacity of 571 GWh.

Construction in 6 of 8 projects under HEPP-II portfolio ( except Catak and Tepe HEPP) is ongoing. It is planned to finalise the construction in the first quarter of 2012. HEPP-II portfolio has an installed capacity of 118.81 MW and annual projected electricity generation capacity of 476.78 GWh. With the completion of HEPP-IIprojects in 1Q 2012, total installed capacity of Akfen HEPP I-II will reach to 224 MW and annual projected electricity generation capacity of 972 GWs. The second tranche of the Project Finance Facility of HEPP-II portfolio was utilized.

Akfen Enerji Kaynakları Yatırım ve Ticaret A.Ş.(HEPP-III) covers a 99 MW of dam type Project, namely Laleli HEPP and a renewable project of 4.7 MW installed capacity, namely Adadağı HEPP. License was granted for Laleli HEPP on February 9<sup>th</sup>, 2011. The process for the license and Environmental Impact Assesment is ongoing for Adadağı HEPP. The total installed capacity of HEPP-III projects is 103.7 MW representing an annual projected generation capacity of 258.7 GWh.

With respect to other renewable energy investments, license application was made for 30 MW Taşlıktepe WPP in Hatay, Belen. However, Akfen failed in the tender pursued by TEIAS on 19 August 2011 for the so-called WPP, hence the application for the license is cancelled. Another application for WPP license with an installed capacity of is ongoing.

### **3.7 AKFEN REIT**

The construction works for Esenyurt Ibis Hotel and Adana Ibis Hotel started in January 2011. Lease agreement between Akfen REIT and Tamaris Tourism (affiliate of Accor Group in Turkey) was signed on February 2nd, 2011 for the development in İzmir Alsancak.

On February 4<sup>th</sup>, 2011, Akfen REIT has signed a share purchase agreement with Horus International B.V. in order to acquire Keramit Financial Company B.V.I.(“Keramit”). Keramit owns 100% of Dinamo- Petrovskiy Park XXI Vek-MS, which holds the rights to develop a 475 room hotel in Central Moscow. The share transfer is subject to the fulfillment of certain conditions of the SPA.

The land plot which is located at Bafra, Nothern Cyprus was allocated to Akfen Insaat for 49 years. Akfen Gayrimenkul Ticareti ve İnşaat A.Ş. (“Akfen GT”), a wholly-owned subsidiary of Akfen REIT, took over the contract in the beginning of the year and the transfer was approved by the Council of Ministers on February 23th, 2011.

Prior to the IPO, Akfen REIT established a dividend distribution policy based on which a minimum of 30% of the distributable profit will be proposed to the General assembly every year.

Akfen REIT closed successfully its offering of 54,117,500 shares with the issue oversubscribed approximately 3.1 times. Turkish retail investors oversubscribed around 5.4 times, while leading Turkish and international institutional investors became new shareholders of Akfen REIT. 85% of the IPO, 46,000,000 shares, are newly issued shares and the remaining 15%, 8,117,500 shares, are secondary shares sold by Akfen. Immediately following the IPO, Akfen REIT has an aggregate of 184.000.000 shares outstanding, including a free-float of 54,117,500 shares, representing 29.41% of Akfen REIT's capital. After the IPO, the share of Akfen in Akfen REIT reduced to 51.71%. The offer price was set at TL 2.28 per share. Based on the offer price, the gross proceeds from the offering is approximately TL 105 mn and TL 18.5 mn for Akfen REIT and Akfen, respectively. In the scope of price stabilization, Akfen used almost all of the proceeds of the secondary offering and bought back 4.37% of Akfen REIT shares. Currently, Akfen holds 56.09% of Akfen REIT.

Akfen REIT formed a new special purpose subsidiary named Akfen Karaköy Real Estate Investment and Construction (“Akfen Karaköy”) with a 70% participation in order to develop a hotel project in Karaköy, İstanbul. On June 22<sup>nd</sup>, 2011, Akfen Karaköy took over a 49 years land lease agreement signed with General Directorate of Foundations to develop a 4-star or higher hotel project on a 3,428 sqm land in Karaköy, İstanbul. Project design and planning works of a approximately 200-rooms Novotel started.

Akfen REIT acquired a 14.443 m<sup>2</sup> land plot at a distance of 2 km from Ankara Esenboğa Airport for TL 4.5 mn on July 21<sup>st</sup> 2011. Akfen REIT plans to develop a 125-180 rooms hotel project on this plot and lease the hotel to Accor S.A. The project is expected to have the characteristics of an airport hotel and serve to Esenboğa Airport.

Akfen GT acquired Kasa Investment BV's 45% shares in its 50% owned affiliates established in Holland - Russian Hotel Investment BV and Russian Property Investment BV – for EURO 4,352,000. Russian Hotel Investment BV owns 100 % shares of SPVs incorporated for 204 rooms Samara Ibis Hotel and 177 rooms Yaroslavl Ibis Hotel projects that are planned to be operational during the second half of 2011 and as well as 167 rooms Kaliningrad Ibis Hotel project. Russian Property Investment BV owns 100% shares of SPV incorporated for Samara Office project that has a 5,000 m<sup>2</sup> net leasable area and planned to be operational during the second half of 2011. Transactions were closed on 29<sup>th</sup> of July 2011 and as a result, Akfen GT's participation in both companies increased to %95.

### **3.8. AKFEN CONSTRUCTION**

Akfen İnşaat decided to sell all its shares in TAV Urban (4.5%) to TAV Airports and TAV Batumi (10%) to TAV Airports and share transfer was finalized on August 8<sup>th</sup>, 2011 and July 4<sup>th</sup>, 2011 respectively.

### **3.9 TASS**

IDO has implemented the dynamic pricing system in Yenikapı-Bandırma line (effective from July 1<sup>st</sup>, 2011), in all fast ferries and in sea bus inter-city lines (effective from August 8<sup>th</sup>, 2011).

With the approval of Istanbul Metropolitan Municipality Coordination of Transportation Department, effective from August 15<sup>th</sup>, 2011, an tariff increase of 8% will be effective on sea bus inner-city lines and 17%, 8%, 6% and 10% tariff increase will be effective on Sirkeci-Harem conventional ferry line for motorcycles tariff, automobile-jeep tariff, 0-2.5 ton truck tariff, trucks bigger than 2.5 ton tariff respectively. The last tariff adjustment on inner-city lines was realized on October 30<sup>th</sup>, 2010.

## 4. FINANCIAL RESULTS

### A. Income Statement Explanations

US\$ 000	30.06.2011	30.06.2010
Total Revenue	367,891	302,063
Adjusted EBITDA	74,025	53,459
Depreciation	20,784	20,015
Corporate Income Tax & Deferred Tax	-11,238	-6,532
Net Profit / (Loss) from Continuing Operations	-10,901	-6,167
Net Profit from Discontinued Operations	0	11,359
Net Profit	-10,901	5,192
Net Profit Holding Share	-0.300	0.028

Revenues increased by 21.8% to USD 367.9 mn in 1H 2011. Among the two main businesses, namely TAV Airports and MIP, of Akfen, revenues of TAV Airports increased by 35.9% growth. The growth is fuelled by an increase of 10% on number of passengers using TAV airports while the number of aircrafts served by Havas and TGS surged by 17%. The alleviation of the limitations on duty free purchases resulted in higher average per passenger spending against the dilutive impact of commencement of Macedonia and Tunisia operations and also increase in transit/transfer traffic. The top line of MIP increased by 15% thanks to operational growth of 9%, base impact of the last tariff increase in June 2010 as well as the growth of Ro-Ro business volume in Mersin and its hinterland. Each business units except Akfen Insaat booked double digit revenue growth.

International sales stand at c.a. USD 180.2 mn to reach 46.7% of total revenues. It is important to underline that international revenue primarily consists of TAV Investment.

With regard to geographical distribution of revenue, Turkey represents the major chunk with 53.2%, followed by Qatar with 25.4%, Oman, Macedonia, Tunisia, Georgia, Dubai and Abu Dhabi make up the rest.

The operating profit was at USD 114.2 mn, representing 226% growth YOY, as the profitability of each business unit except TAV Investment improved strongly. The revaluation gain of USD 76 mn with regards to Akfen REIT assets played a major role in fueling higher profit in 1H2011.

Net financial expenses remained to be the drag on the profitability of Akfen. Due to weaker TL, Akfen suffered from its consolidated short currency position of USD 857 mn, thus the net financial FX gain of USD 14.7 mn in 1H2010 turned into net financial FX loss of USD 49.8 mn in 1H2011. As Akfen has high debt level, the financial expenses increased from USD 53.1 mn in 1H2010 to USD 74.3 mn in 1H2011. Around USD 8.5 mn of interest income was accounted during the first 6 months of 2011.

With regards to EBITDA performance, EBITDA increased by 38.5% mainly thanks to MIP and TAV Airports. EBITDA of MIP stood at around USD 31.0 mn in 1H 2011, increasing from USD 25.3 in 1H2010. TAV Airports' EBITDA increased to USD 39.5 mn in 1H2011

from USD 29.7 mn in 1H2010. Meanwhile, EBITDA contribution of Akfen HES I-II and Akfen REIT remained relatively small, since both subsidiaries are still in investment phase. Once significant new capacity (completion of ongoing 6 projects in Akfen HES II and of that of 6 hotels in Turkey and in Russia) will come on stream for both businesses, their revenue and EBITDA contribution will be more remarkable.

Net Income recorded at a loss of USD 10.9 mn (including minority interest). Excluding MIP and Akfen REIT, net income of all other subsidiaries were in red. Net loss attributable to current shareholders of Akfen was realized at around USD 42 mn in 1H2011 compared to net profit of USD 3 mn in 1H 2010.

## B. Balance Sheet

US\$ 000	30.06.2011	31.12.2010
<b>Non – Current Assets</b>	<b>2,222,078</b>	<b>1,760,086</b>
of which intangible fixed assets	688,156	662,195
of which tangible fixed assets	488,982	348,288
of which property investments	495,164	426,105
Other	549,775	323,498
<b>Current Assets</b>	<b>668,509</b>	<b>645,519</b>
of which cash and cash equivalents	273,022	273,331
of which restricted bank balance	78,187	79,806
Trade Receivables	144,114	142,673
Other	173,185	149,710
<b>TOTAL ASSETS</b>	<b>2,890,586</b>	<b>2,405,605</b>
Equity	456,704	513,699
Non-Controlling Interest	209,863	103,884
<b>Total Equity</b>	<b>666,567</b>	<b>617,583</b>
Financial Debt	1,872,371	1,453,246
Other Current Liabilities	239,193	233,868
Other Non-Current Liabilities	110,540	100,907
<b>TOTAL LIABILITIES</b>	<b>2,890,586</b>	<b>2,405,605</b>

In 1H 2011, Akfen's total assets increased by 20.2% to USD 2.89 bn compared to year end 2010. This increase was especially due to following reasons:

- Acquisition of IDO
- Revaluation of investment property of Akfen REIT
- Ongoing HEPP and REIT investments

Akfen's consolidated debt increased from USD 1,444 mn to USD 1,864 mn as of the end of 1H2011.

**Financial Debt Obligations:****Maturity Profile**

Holding consolidated financial debt at 30 June 2011 is USD 1,864 mn, of which 21% are short-term, 39% are medium term and the remaining 40% are long-term.

The consolidated gross debt increased by 29% during first six months of 2011. The outstanding financial debt of TAV Airports, TAV Investment, HEPP-I-II, Akfen Construction and TASS increased due to; concession rent payment for Istanbul Ataturk Airport, speeding up the construction in Muscat project & funding on-going parking construction & funding the Dubai projects funding on-going construction work of hydro assets, replacing outstanding shareholders' loan balance to Akfen with debt and funding the acquisition of IDO transaction, respectively.

<b>HOLDING CONSOLIDATED (US\$ 000)*</b>				
	<b>1H 2011</b>	<b>Share</b>	<b>2010</b>	<b>Share</b>
Withing one year	374,547	20%	238,626	17%
In the 2 <sup>nd</sup> Year	243,257	13%	270,233	19%
In the 3 <sup>rd</sup> Year	261,786	14%	233,545	16%
In the 4 <sup>th</sup> Year	219,498	12%	86,882	6%
After 5 Years	765,000	41%	615,477	43%
<b>TOTAL</b>	<b>1,864,088</b>		<b>1,444,763</b>	

\* Leasing Obligations of USD 8.283 in 1H 2011 and USD 8.484 in 1H2010 are not included.

Weighted Average Maturity (WAM) of consolidated debt of Akfen Holding is 1,798 days or close to 5 years.

<b>Consolidated</b>	<b>WAM (Day)</b>
<b>Akfen Holding</b>	<b>823</b>
Akfen Construction	710
Akfen REIT	992
Akfen HEPP	1,770
Akfen Su	2,002
MIP	1,835
TAV Investments Holding	510
TAV Airports	2,069
TASS	2,011
<b>Consolidated (WAM)</b>	<b>1,798</b>

Akfen's solo gross financial debt consists of 38% short-term, and 62% medium-term. Akfen's corporate bond has a maturity date of March 2012, which makes the largest portion of short-term debt. Prior to the maturity date, we intend to roll over into a new bond.

Cash collateralized debt obligation, amounting USD 75 mn is the largest portion of the medium-term debt. The debt increased by 12.5 % by due to the equity contribution to TASS for acquisition of 100% IDO's shares.

<b>HOLDING SOLO (US\$ 000)</b>				
	<b>1H 2011</b>	<b>Share</b>	<b>2010</b>	<b>Share</b>
Withing one year	118,165	38%	49,372	18%
In the 2 <sup>nd</sup> Year	63,507	20%	155,767	56%
In the 3 <sup>rd</sup> Year	57,612	18%	14,338	5%
In the 4 <sup>th</sup> Year	75,523	24%	9,222	3%
After 5 Years			51,050	18%
<b>TOTAL</b>	<b>314,807</b>			<b>279,749</b>

Akfen Holding extended the maturity of its Euro 78 mn bank debt for 16.5 months in April 2011 at the expenses of raising the margin from 300 bps to 420 bps. The weighted average maturity of Akfen Holding solo financial debt is 823 days.

Repayment Schedule of Holding Solo Financial Debt (in Face Value) is given below:

<b>Currency 000</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
TRY	0	100,000	0	0	0
Dollar	4,444	17,888	14,888	10,444	75,000
Euro	0	26,237	26,237	26,237	0

### Net Debt

<b>US\$ 000</b>	<b>1H 2011</b>	<b>2010</b>	<b>Diff 1H2011/ 2010</b>
<b>Akfen Holding</b>	<b>238,564</b>	<b>194,689</b>	<b>23%</b>
Akfen Construction	11,898	-8,589	n.a.
Akfen REIT	112,609	136,408	-17%
Akfen HEPP	245,456	175,377	40%
TASK	7,698	6,376	21%
MIP	278,230	291,112	-4%
TAV Investments Holding	48,307	20,479	136%
TAV Airports	341,326	284,372	20%
TASS	237,139	n.a.	n.a.
Other	-66	-114	- 43%
<b>Total</b>	<b>1,521,161</b>	<b>1,100,110</b>	<b>38%</b>

Since Akfen Holding does not have any cash inflow from its subsidiaries, it used further leverage to pay its operational expenses, financial expenses as well as support short-term cash

needs of its subsidiaries. Meanwhile, appreciation of EURO against USD resulted in higher net debt in USD terms.

Net debt figure in Akfen Construction also increased due to pay back of Akfen Holding's short-term cash support.

Due to funding annual concession rent payment to DHMI for Istanbul Ataturk Airport in January, TAV Airports's net debt increased to 341 USD mn as of the end of 1H2011. Since no rent payment is scheduled for 2011, we expect the net debt figure to decrease until the year end.

Our energy business continue to be under construction and completion phase thus the net debt kept increasing in the second quarter of 2011. Due to successful completion of its IPO, net debt balance of Akfen REIT decreased by 17%. Appreciation of EURO against other currencies is an important factor in the increased of both companies' net debt. Meanwhile, Akfen completed most of its capital commitment for energy and all of them for REIT projects

TAV Investment Holding's net debt increased in the 1H2011 due to deploying intercompany loan to parking business for the construction of on-going parking facilities, funding Muscat project to speed-up construction, funding Dubai projects. Akfen Su Güllük utilized Euro 2.5 mn credit from EBRD, in the second quarter of 2011 which was used for the repayment of outstanding shareholder loan.

In order to finance the acquisition of IDO transaction, TASS, a SPV in which Akfen has 30% participation, obtained a long term debt facility of USD 700 mn and a short-term debt facility of USD 50 mn.

All our subsidiaries borrow FX denominated loans whose currency risk is tried to be balanced by revenue flow from operations in the same currency.

### C. Cash Flow Statement

US\$ 000	30.06.2011	30.06.2010
Profit for the period	-10,901	5,192
Adjustments for the profit	138,527	9,428
Net Cash provided from / (used in) operating activities	-155,258	-40,452
Net Cash provided from / (used in) investing activities	-344,144	-61,069
Net Cash provided from financing activities	385,585	125,622
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	<b>13,809</b>	<b>38,722</b>
<b>Cash and Cash Equivalents at 1 January</b>	<b>259,213</b>	<b>218,463</b>
<b>Cash and Cash Equivalents at 30 June</b>	<b>273,022</b>	<b>257,184</b>

Due to ongoing investments and the financing cost, consolidated free cash flow remained negative.



## 5. BUSINESS PERFORMANCE BY BUSINESS UNITS

### 5.1 MIP

#### Operational Results:

As of 30 June 2011

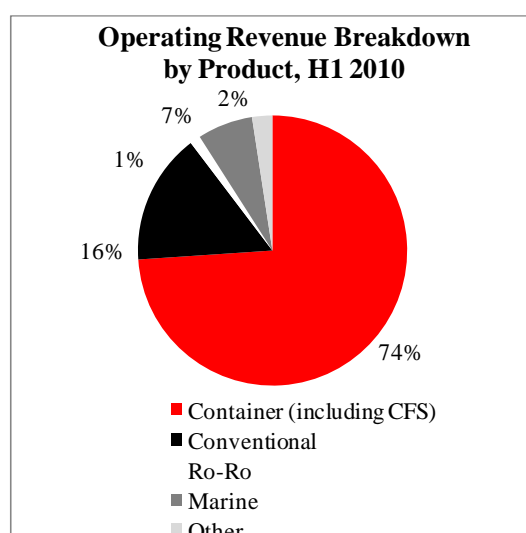
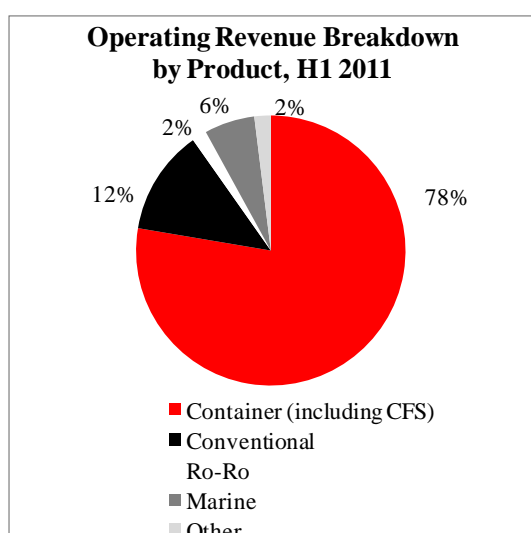
Container & Conventional Cargo Statistics					
	LTM 2011	2010	Δ YTD	Δ MoM	Δ LTM
Container Volumes (TEU)	1.078.267	1.030.391	9,3%	-2,2%	9,4%
Conventional Throughput (Ton)*	6.588.665	6.652.028	-1,8%	-20,3%	3,0%

\* General Cargo - Dry Bulk - Liquid Bulk

Container Regime Breakdown		
	LTM 2011	2010
Import	41,8%	42,9%
Export	43,3%	43,4%
Transit	10,7%	10,5%
Transshipment	2,9%	2,7%
Cabotage	1,2%	0,5%

As of June 2011, according to the last 12 months data (July 2010 – June 2011), the container volume handled in MIP (1.08 million TEU) was increased by 9% compared to the same period in the previous year. In the said periods the conventional cargo throughput handled was realized as 6.6 million tons and showed an increase of 3%.

In 1H2011, the container volume (562,333 TEU) was increased by 9% compared to the same period of 2010 whereas in the same period the conventional cargo throughput (3.4 million tons) was contracted by 2%.



## 5.2 TAV Airports Holding

### Traffic Results:

As of 30 June 2011

<b>Passenger Figures*</b>					
	<b>LTM 2011</b>	<b>2010</b>	<b>Δ YTD</b>	<b>Δ MoM</b>	<b>Δ LTM</b>
<b>Atatürk Airport</b>	<b>33.906.899</b>	<b>32.145.619</b>	<b>11,8%</b>	<b>17,5%</b>	<b>8,8%</b>
International	21.556.855	20.344.620	13,0%	15,8%	10,5%
Domestic	12.350.044	11.800.999	9,7%	20,3%	5,9%
<b>Esenboğa Airport</b>	<b>8.332.913</b>	<b>7.759.479</b>	<b>16,3%</b>	<b>10,2%</b>	<b>23,1%</b>
International	1.411.923	1.325.989	16,0%	2,9%	19,7%
Domestic	6.920.990	6.433.490	16,4%	11,7%	23,8%
<b>İzmir Airport</b>	<b>2.321.766</b>	<b>2.127.457</b>	<b>25,0%</b>	<b>16,7%</b>	<b>28,1%</b>
<b>TAV TURKEY TOTAL</b>	<b>44.561.578</b>	<b>42.032.555</b>	<b>13,1%</b>	<b>16,1%</b>	<b>12,1%</b>
International	25.290.544	23.798.066	14,1%	15,2%	12,4%
Domestic	19.271.034	18.234.489	12,0%	17,2%	11,7%
<b>Monastir+Enfidha Airports</b>	<b>3.276.122</b>	<b>3.916.977</b>	<b>-47,0%</b>	<b>-46,0%</b>	<b>-12,3%</b>
<b>Tbilisi Airport</b>	<b>927.019</b>	<b>821.605</b>	<b>32,7%</b>	<b>28,5%</b>	<b>26,8%</b>
<b>Batumi Airport</b>	<b>97.835</b>	<b>88.624</b>	<b>28,9%</b>	<b>22,3%</b>	<b>22,0%</b>
<b>Macedonia (Skopje &amp; Ohrid)***</b>	<b>765.721</b>	<b>730.095</b>	<b>11,7%</b>	<b>13,8%</b>	<b>-</b>
<b>TAV TOTAL</b>	<b>49.628.275</b>	<b>47.589.856</b>	<b>9,6%</b>	<b>9,3%</b>	<b>11,3%</b>
International	30.305.563	29.307.402	7,9%	4,8%	11,0%
Domestic	19.322.712	18.282.454	12,0%	17,0%	11,7%

\* Both departing and arriving passengers, excluding transit

<b>Air Traffic Movements **</b>					
	<b>LTM 2011</b>	<b>2010</b>	<b>Δ YTD</b>	<b>Δ MoM</b>	<b>Δ LTM</b>
<b>Atatürk Airport</b>	<b>285.392</b>	<b>273.704</b>	<b>9,0%</b>	<b>11,8%</b>	<b>5,2%</b>
International	186.487	178.817	9,0%	9,1%	6,3%
Domestic	98.905	94.887	8,9%	17,0%	3,4%
<b>Esenboğa Airport</b>	<b>69.621</b>	<b>63.385</b>	<b>21,9%</b>	<b>20,1%</b>	<b>24,2%</b>
International	12.199	11.742	9,1%	6,2%	11,6%
Domestic	57.422	51.643	24,6%	23,4%	27,2%
<b>İzmir Airport</b>	<b>16.931</b>	<b>16.149</b>	<b>12,2%</b>	<b>11,4%</b>	<b>16,6%</b>
<b>TAV TURKEY TOTAL</b>	<b>371.944</b>	<b>353.238</b>	<b>11,3%</b>	<b>13,3%</b>	<b>8,8%</b>
International	215.617	206.708	9,2%	9,2%	7,3%
Domestic	156.327	146.530	14,3%	19,2%	11,0%
<b>Monastir+Enfidha Airports</b>	<b>27.311</b>	<b>31.801</b>	<b>-37,2%</b>	<b>-39,6%</b>	<b>0,0%</b>
<b>Tbilisi Airport</b>	<b>18.018</b>	<b>16.470</b>	<b>21,7%</b>	<b>19,7%</b>	<b>21,2%</b>
<b>Batumi Airport</b>	<b>2.720</b>	<b>2.276</b>	<b>54,5%</b>	<b>69,3%</b>	<b>49,8%</b>
<b>Macedonia (Skopje &amp; Ohrid)***</b>	<b>12.007</b>	<b>11.802</b>	<b>4,1%</b>	<b>-13,1%</b>	<b>-</b>
<b>TAV TOTAL</b>	<b>432.000</b>	<b>415.587</b>	<b>8,6%</b>	<b>7,4%</b>	<b>9,7%</b>
International	272.879	266.919	4,9%	0,8%	8,5%
Domestic	159.121	148.668	15,0%	20,2%	11,7%

\*\* Commercial flights only

\*\*\* As the operations started on 1 March 2010, LTM change data cannot be given

Source: State Airports Authority (DHMI), Georgian Authority for Tbilisi and Batumi, TAV Tunisia for Monastir and Enfidha, TAV Macedonia for Skopje and Ohrid Airports

The number of passengers using airports operated by TAV increased by 10% to 23.3 million in the 1H 2011. The number of international and domestic passengers served by TAV also showed a similar trend, increasing by 8% and 12% YoY to 13.6 million and 9.7 million in 1H2011 respectively.

### 5.3 TAV Investments Holding

As of 30 June 2011						
ONGOING PROJECTS						
Project	Employer	TAV Construction's Share	Contract Value (US\$ mio)	Physical Completion as of 30 June 2011	Backlog 2010	Backlog 06-2011
DUBAI - SULFAFA TOWER	MR MOHAMMED ABDULLA MOHAMMED AL SAYYAH	100%	104	100,00%	--	--
DUBAI - EFT	EMIRATES FINANCIAL TOWERS LLC	100%	115	99,50%	--	--
DUBAI - MARINA 101	M/S SHEFFIELD HOLDINGS LIMITED	100%	198	45,10%	85,00	76,38
MACEDONIA	TAV MACEDONIA DOOEL SKOPJE	100%	111	81,85%	86,49	31,02
2010 INVESTMENTS	TAV İSTANBUL TERMINAL İŞLETMECİLİĞİ A.Ş.	100%	36	100,00%	--	--
2011 YATIRIMLARI	TAV İSTANBUL TERMINAL İŞLETMECİLİĞİ A.Ş.	100%	18	3,06%	6,60	30,17
LIBYA - TRIPOLI	THE LIBYAN CIVIL AVIATION AUTHORITY	25%	2.103	36,90%	323,25	323,25
LIBYA - SEBHA	THE LIBYAN CIVIL AVIATION AUTHORITY	50%	229	6,99%	114,50	114,50
DOHA	GOVERNMENT OF THE STATE OF QATAR	35%	3.750	77,10%	501,85	333,29
OMAN MC1	SULTANATE OF OMAN MINISTRY OF TRANSPORT AND COMM.	50%	1.178	36,60%	413,54	364,49
ABU DABI - PILECAPS	SUPERVISION COMMITTEE FOR THE EXPANSION OF ABU DHABI INTERNATIONAL	50%	57	34,00%	29,00	19,96
<b>TOTAL</b>			<b>7.898</b>		<b>1.560,23</b>	<b>1.293,06</b>

TAV Investment's backlog as of June 2011 is USD 1,293mn which was USD 1,560 mn end of year 2010. Airport construction related projects accounts for 94% of the total backlog as of first half of 2011.

### 5.4 AKFEN SU

TASK Güllük - As of 30 June 2011					
Volume (m3)					
TASK Güllük	2011 LTM	2010	Δ YTD	Δ MoM	Δ LTM
Invoiced Water Volume (m3)	512.134	467.246	24%	26%	13,0%

TASK Dilovası - As of 31 July 2011					
TASK Dilovası	2011 LTM	2010*	Δ YTD	Δ MoM	Δ LTM
Treated Waste Water Volume(m3)	2.574.255	1.220.723	-	59%	-

\*TASK Dilovası is operational since July 2010.

EBRD loan of Euro 2.5 mn granted to Akfen Su Güllük was utilized in April 2011.

The invoiced water volume in Akfen Su Güllük increased by 24% in January – June 2011 compared with the same period in the previous year, reaching 233,460 m3 from 188,572 m3. The total subscriber number increased by 8% and reached to 5,151 in 1H 2011.

The volume of treated waste water in Dilovası reached to 1,292,054 m3 in the first half of 2011. As of June 2011, the number of operating factories in Dilovası Organized Industrial Zone was 211.

### 5.5 Akfen HEPP

The hydro activities are divided into three entities, namely Akfenhes Yatirimlari ve Elektrik Uretim A.S. ("HEPP-I"), Akfen Hidroelektrik Santrali Yatirimlari A.S. ("HEPP-II") and Akfen Enerji Kaynaklari Yatirim ve Tic A.S. ("HEPP-III").

As of June 2011					
Company	HEPP	Installed Capacity (MW)	Generation Capacity (GWh/yr)	Operational (Y/N)	Civil Work Progress (%)
Beyobası	Otluca	44,7	207,6	Y	98,4%
	Sırma	5,9	26,7	Y	100,0%
	Yuvarlakçay <sup>1</sup>	3,2	22,8	N	-
	Sekiyaka	3,5	16,8	N	-
İdeal	Karasu – 1	3,7	23,1	Y	100,0%
	Karasu – 2	3,1	19,6	Y	100,0%
	Karasu – 4.2	9,9	56,4	N	98,0%
	Karasu – 4.3	3,7	16,9	N	98,0%
	Karasu – 5	4,0	23,2	N	98,0%
Çamlıca	Çamlıca III	25,8	94,5	Y	100,0%
	Saraçbendi	24,0	86,1	Y	100,0%
<b>HEPP 1</b>		<b>131,7</b>	<b>593,7</b>		
Elen	Doğançay	30,6	171,6	N	31,2%
Pak	Kavakcalı	10,9	48,2	N	4,1%
	Demirciler	9,4	32,3	N	55,0%
	Gelinkaya	7,1	30,9	N	40,1%
BT Bordo	Yağmur	8,5	36,2	N	38,2%
Yenidoruk	Doruk	28,8	82,1	N	12,0%
Zeki	Çatak <sup>2</sup>	10,0	42,9	N	-
Rize İpek	Tepe <sup>3</sup>	13,6	32,6	N	-
<b>HEPP 2</b>		<b>118,8</b>	<b>476,8</b>		
Laleli	Laleli	99,0	240,5	N	-
Değirmenyanı	Adadağı <sup>4</sup>	4,7	18,2	N	-
<b>HEPP 3</b>		<b>103,7</b>	<b>258,7</b>		
<b>Total</b>		<b>354,2</b>	<b>1.329,2</b>		

(1) Stay of execution decision has been taken by the local court. Legal process is ongoing.

(2) Plant area has been announced as the first degree protected area in 2010 and court case is ongoing. Application has been made in the scope of Renewable Energy Law for constructing HEPP in the protected area and the process is ongoing.

(3) Stay of execution decision has been taken by the local court. Legal process is ongoing.

(4) Licencing process has been continuing.

During the reporting period, Çamlıca III, Otluca I, Saraçbendi, Karasu I, Karasu II became operational respectively whereas Otluca II, Karasu 4.3 and Karasu 5 started to operate as of the publishing date of this Report, hence Akfen reached to a total installed capacity of 111.66 MW which corresponds to an annual generation capacity of 488.46 GWh through its eight operating hydro plants.

## 5.6 Akfen REIT

Akfen REIT portfolio has a total room capacity of 1,768 with the opening of 5 hotels in 2010 and 5 hotels before 2010.

Average room price of 4 hotels in Turkey which are opened before 2010 increased 7% in 1H 2011 compared to the same period of previous year and reached to € 66.4. Average occupancy rate increased from 72% to 81%. Total rev par increased 18% and reached to €72.

Average room price of 5 hotels in Turkey opened in 2010 decreased 6% and realized as € 38.9 due to the negative impact of exchange rate. Occupancy rate increased from 20% to 46%. Please note that these hotels are under operation since 2010 and are still at maturing period. Total revpar reached to €24 with an increase rate of 143%. Total income of these hotels increased 236% in terms of TL with the positive impact of Euro exchange rate. Total rent income increased 244% in terms of Euro and 286% in terms of TL. Accelerated increase in the performance of these hotels are expected and they get stabilized in 3-4 years duration.

Rent income from the above mentioned 9 hotels in Turkey increased 60% in terms of Euro and reached to € 3,590,789. Increase in rent income in TL basis is 76% which corresponds to 7,939,721 TL.

Total rent income of 10 hotels including Mercure Hotel in KKTC increased 36% in 1H 2011 compared to the same period of previous year and reached to € 5,945,709. Increase in terms of TL is 51% corresponding to total rent income of 13,174,949 TL.

The construction of offices and Ibis hotel of 204 rooms in Samara, Russia has reached a progress level of 99%. The construction of Ibis Hotel with 177 rooms in Yaroslavl has reached a progress level of 98%.

## As of 30 June 2011

Occupancy Rate					
Hotels	Room Number*	June 2011	YTD 2011	LTM 2011	2010
Zeytinburnu Ibis	228	90%	89%	88%	84%
Zeytinburnu Nov	208	91%	84%	85%	84%
Eskişehir Ibis	108	76%	77%	74%	74%
Trabzon Novotel	200	87%	71%	71%	61%
Gaziantep Ibis	177	49%	45%	33%	19%
Gaziantep Novotel	92	54%	52%	44%	29%
Kayseri Ibis	160	39%	43%	40%	31%
Kayseri Novotel	96	44%	46%	43%	36%
Bursa Ibis	200	51%	46%	-	24%

Rev Par (€)**					
Hotels	Room Number*	June 2011	YTD 2011	LTM 2011	2010
Zeytinburnu Ibis	228	67	64	62	58
Zeytinburnu Nov	208	79	71	70	65
Eskişehir Ibis	108	34	36	36	37
Trabzon Novotel	200	50	37	37	32
Gaziantep Ibis	177	16	15	12	7
Gaziantep Novotel	92	24	24	21	14
Kayseri Ibis	160	13	14	15	12
Kayseri Novotel	96	21	22	22	19
Bursa Ibis	200	21	19	-	11

Total Rev Par (€)***					
Hotels	Room Number*	June 2011	YTD 2011	LTM 2011	2010
Zeytinburnu Ibis	228	77	74	73	68
Zeytinburnu Nov	208	108	96	96	89
Eskişehir Ibis	108	39	41	41	43
Trabzon Novotel	200	84	62	62	54
Gaziantep Ibis	177	19	18	14	9
Gaziantep Novotel	92	42	39	36	27
Kayseri Ibis	160	16	19	19	16
Kayseri Novotel	96	31	35	35	31
Bursa Ibis	200	25	22	-	13

\* Mercure Hotel in Northern Cyprus with 299 rooms is not included

\*\* Rev Par = Average Room Rate x Occupancy Rate

\*\*\* Total Rev Par = Rev Par + Other Revenues (food & beverage, seminar-congress, banquet revenues etc.)

Russia Projects			
City	Type	Status	Completion( %)
Samara	Ibis Hotel	Under construction	99%
Yaroslavl	Ibis Hotel	Under construction	98%
Kaliningrad	Ibis Hotel	Licensing stage	n.a
Moskova	Ibis Hotel	Design stage	n.a
Samara	Office	Under construction	99%

Turkey Projects			
City	Type	Status	Completion( %)
Istanbul	Esenyurt Ibis Hotel	Under construction	17%
Adana	Ibis Hotel	Under construction	40%
Izmir	Ibis Hotel	Under development	n.a

## 5.7 Akfen Construction

As of 30 June 2011, the total contract value of Akfen Construction assignments in HEPP projects is €95.0 million and the total amount of cumulated progress payments of ongoing HEPP projects reached to €41 million. This amount corresponds the 43% of the total contract value.

As of June 2011, with Adana Ibis, Izmir Ibis and Esenyurt Ibis construction contracts, Akfen Construction's total contract value in hotel projects reached to €17.4 million (including Akfen Construction's mark up).

## 5.8 TASS

Number of total passengers carried with IDO vessels in 1H2011 increased to 25 million indicating a YOY growth of 11.3%. Looking closer to the increase in passenger growth, the number of passengers carried on sea bus, fast ferry and conventional ferry vessels increased by 0.3%, 5.2% and 14.0%, respectively.

On the other hand, the number of total vehicles carried with the vessels under IDO umbrella reached to 3.6 million in 1H2011 indicating a YOY growth of 13.1%. In the same period, the number of vehicles carried by IDO in fast ferry and conventional ferry lines increased by 5% and 14.5% respectively.

## 6. APPENDICES

### 6.1 Consolidated Income Statement (Akfen Holding)

Consolidated Income Statement	TL 000	US\$ 000	TL 000	US\$ 000
	30 Haz 2011	30 Haz 2011	30 Haz 2010	30 Haz 2010
<b>CONTINUING OPERATIONS</b>				
Revenues	575.419	367.891	458.079	302.063
Cost of Sales (-)	-441.880	-282.514	-353.518	-233.114
<b>GROSS PROFIT</b>	<b>133.539</b>	<b>85.378</b>	<b>104.561</b>	<b>68.949</b>
General Administration Expenses (-)	-73.029	-46.691	-76.748	-50.609
Other Operational Income	136.329	87.161	41.240	27.194
Other Operating Expenses (-)	-18.107	-11.577	-16.210	-10.689
<b>OPERATING PROFIT</b>	<b>178.732</b>	<b>114.271</b>	<b>52.843</b>	<b>34.845</b>
Financial Income	61.605	39.387	100.590	66.330
Financial Expenses (-)	-239.810	-153.321	-152.879	-100.810
<b>PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATION</b>	<b>527</b>	<b>337</b>	<b>554</b>	<b>365</b>
<b>Tax Income (Expense) of Continuing Operations</b>	<b>-17.577</b>	<b>-11.238</b>	<b>-9.906</b>	<b>-6.532</b>
Tax Expense for the Period	-15.010	-9.597	-13.176	-8.688
Deferred Tax Income	-2.567	-1.641	3.270	2.156
<b>PROFIT/(LOSS) FROM THE CONTINUING OPERATIONS</b>	<b>-17.050</b>	<b>-10.901</b>	<b>-9.352</b>	<b>-6.167</b>
<b>DISCONTINUED OPERATIONS</b>				
Profit/Loss from the discontinued operations	0	0	17.226	11.359
<b>PROFIT / LOSS FOR THE PERIOD</b>	<b>-17.050</b>	<b>-10.901</b>	<b>7.874</b>	<b>5.192</b>
<b>Other Comprehensive Income / Expense</b>				
Revaluation surplus change in non current assets	21	13	17	11
Hedging Reserves	-2.183	-1.396	-13.403	-8.838
Foreign Currency Conversion Adjustments	49.800	31.839	-17.615	-11.616
Tax income/expense of Other Comprehensive Income	-37	-24	-232	-153
<b>OTHER COMPREHENSIVE INCOME / EXPENSE AFTER TAX</b>	<b>47.601</b>	<b>30.433</b>	<b>-31.233</b>	<b>-20.595</b>
<b>TOTAL COMPREHENSIVE INCOME / EXPENSE</b>	<b>30.551</b>	<b>19.533</b>	<b>-23.359</b>	<b>-15.403</b>
<b>Distribution of the Profit / Loss</b>				
Non-Controlling Interest	51.310	32.805	3.281	2.164
Owners of the Company	-68.360	-43.706	4.593	3.029
<b>Net Profit / Loss of the Period</b>	<b>-17.050</b>	<b>-10.901</b>	<b>7.874</b>	<b>5.192</b>
<b>Distribution of Total Comprehensive Income / Expense</b>				
Minority Interests	59.938	38.321	-3.391	-2.236
Subsidiaries	-29.387	-18.788	-19.968	-13.167
<b>Total Comprehensive Income</b>	<b>30.551</b>	<b>19.533</b>	<b>-23.359</b>	<b>-15.403</b>
<b>Profit/(Loss) per Share</b>	<b>-0,469</b>	<b>-0,300</b>	<b>0,043</b>	<b>0,028</b>

## 6.2 Consolidated Balance Sheet (Akfen Holding)

Consolidated Balance Sheet	TL 000	US\$ 000	TL 000	US\$ 000
	30 Haz 2011	30 Haz 2011	31 Dec 2010	31 Dec 2010
<b>ASSETS</b>				
<b>Current Assets</b>	<b>1.089.803</b>	<b>668.509</b>	<b>997.973</b>	<b>645.519</b>
Cash and Cash Equivalents	445.081	273.022	422.569	273.331
Trade Receivables				
- Due from related parties	12.013	7.369	12.039	7.787
- Other Trade Receivables	234.935	144.114	220.572	142.673
Other receivables				
-Due from related parties	12.832	7.871	10.514	6.801
-Other Receivables	16.466	10.101	4.498	2.909
Financial investments	0	0	5.671	3.668
Derivative Instruments	310	190	0	0
Restricted bank balances	127.460	78.187	123.380	79.806
Inventories	17.689	10.851	8.205	5.307
Other Current Assets	223.017	136.803	190.525	123.237
	<b>1.089.803</b>	<b>668.509</b>	<b>997.973</b>	<b>645.519</b>
<b>Non-Current Assets</b>	<b>3.622.431</b>	<b>2.222.078</b>	<b>2.721.093</b>	<b>1.760.086</b>
Trade Receivables				
-Due from related parties	4.000	2.454	2.007	1.298
-Other related receivables	145.533	89.273	109.351	70.732
Other Trade Receivables				
-Due from related parties	24.047	14.751	24.465	15.825
-Other receivables	654	401	1.934	1.251
Financial Investments	3.221	1.976	2.520	1.630
Property Investments	807.217	495.164	658.758	426.105
Tangible Assets	797.139	488.982	538.453	348.288
Intangible Assets	1.121.832	688.156	1.023.754	662.195
Goodwill	415.377	254.801	113.781	73.597
Deferred tax assets	75.291	46.185	66.770	43.189
Other non-current assets	228.120	139.934	179.300	115.977
<b>TOTAL ASSETS</b>	<b>4.712.234</b>	<b>2.890.586</b>	<b>3.719.066</b>	<b>2.405.605</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>	<b>1.026.849</b>	<b>629.891</b>	<b>732.246</b>	<b>473.639</b>
Bank Loans	636.916	390.698	370.686	239.771
Obligations under finance leases	63.138	38.730	56.180	36.339
Trade Payables				0
-Due to related parties	12.171	7.466	16.043	10.377
-Other Trade Payables	116.423	71.416	106.802	69.083
Other Payables				0
-Due to related parties	19.470	11.943	14.323	9.265
-Other trade payables	96.364	59.112	108.975	70.488
Provisions	10.209	6.262	8.665	5.605
Other Current Liabilities	72.158	44.263	50.572	32.712
	<b>1.026.849</b>	<b>629.891</b>	<b>732.246</b>	<b>473.639</b>
<b>NON-CURRENT LIABILITIES</b>	<b>2.595.626</b>	<b>1.592.213</b>	<b>2.032.035</b>	<b>1.314.382</b>
Bank Loans	2.415.423	1.481.673	1.876.033	1.213.475
Derivatives	55.329	33.940	50.354	32.571
Trade Payables				0
-Due to related parties	51	31	0	0
-Other Trade Payables	27.351	16.778	21.329	13.796
Other Payables				0
-Due to related parties	16.202	9.939	14.607	9.448
-Other trade payables	32.435	19.896	26.141	16.909
Provision for employment termination benefits	15.332	9.405	9.672	6.256
Deferred tax liabilities	20.240	12.416	21.239	13.738
Other non-current liabilities	13.263	8.136	12.660	8.189
<b>SHAREHOLDERS' EQUITY</b>	<b>1.089.759</b>	<b>668.482</b>	<b>954.785</b>	<b>617.583</b>
<b>Total equity attributable to equity holders of the Company</b>	<b>747.641</b>	<b>458.619</b>	<b>794.180</b>	<b>513.699</b>
Paid-in Capital	145.500	89.253	145.500	94.114
Adjustments to share capital	-7.257	-4.452	-7.257	-4.694
Capital adjustments due to cross ownership	-3.709	-2.275	-3.709	-2.399
Business combination of entities under common control	20.062	12.306	20.062	12.977
Revaluation Reserve	-2.181	-1.338	-2.076	-1.343
Risk preventing reserve	-74.819	-45.896	-71.363	-46.160
Foreign Currency Conversion Adjustments	61.721	37.861	17.914	11.587
Limited reserves redeemed from the profit	19.673	12.068	12.081	7.814
Other reserves	-110.843	-67.993	-93.780	-60.660
Share Premiums	454.782	278.973	454.782	294.167
Accumulated Profit	313.072	192.045	250.199	161.836
Net Profit for the period	-68.360	-43.706	71.827	47.913
Translation Profit/(Loss)	0	1.772	0	-1.454
<b>Non-Controlling interest</b>	<b>342.118</b>	<b>209.863</b>	<b>160.605</b>	<b>103.884</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>4.712.234</b>	<b>2.890.586</b>	<b>3.719.066</b>	<b>2.405.605</b>



**6.3 Consolidated Balance Sheet (TASS)**

Consolidated Balance Sheet	TL 000	US\$ 000
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	61.634	37.807
Trade receivables, net	-	-
Due from related parties	-	-
Other trade receivables	19.984	12.258
Other receivables	-	-
Due from related parties	0	0
Other receivables	-	-
Investments	-	-
Inventories	19.623	12.037
Other current assets	8.003	4.909
<b>Total current assets</b>	<b>109.243</b>	<b>67.012</b>
<b>NON CURRENT ASSETS</b>		
Trade receivables, net	-	-
Due from related parties	-	-
Other trade receivables	-	-
Other receivables	-	-
Due from related parties	-	-
Other receivables	-	-
Available for sale investments	2.242	1.375
Property plant and equipment	493.631	302.804
Intangible assets	257	157
Goodwill	965.080	592.001
Deferred tax asset	-	-
Other long-term assets	1.945	1.193
<b>Total non-current assets</b>	<b>1.463.155</b>	<b>897.531</b>
<b>TOTAL ASSETS</b>	<b>1.572.398</b>	<b>964.543</b>
<b>CURRENT LIABILITIES</b>		
Bank loans	215.927	132.454
Obligations under finance leases	-	-
Trade payables	0	-
Due to related parties	-	-
Other trade payables	14.497	8.893
Other payables	0	-
Due to related parties	-	-
Other payables	804	493
Provisions	-	-
Other current liabilities	17.116	10.499
<b>Total current liabilities</b>	<b>248.344</b>	<b>152.340</b>
<b>NON CURRENT LIABILITIES</b>		
Bank loans	1.134.321	695.817
Obligations under finance leases	-	-
Trade payables	-	-
Other payables	-	-
Due to related parties	-	-
Other payables	-	-
Provision for employment termination benefits	14.993	9.197
Provisions	1.387	851
Deferred tax liabilities	-	-
<b>Total non current liabilities</b>	<b>1.150.701</b>	<b>705.865</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	210.900	129.371
Net loss for the period	(37.547)	(24.006)
Minority interest	-	-
Translation Profit (Loss)	-	973
<b>Total equity</b>	<b>173.353</b>	<b>106.338</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1.572.398</b>	<b>964.543</b>

**6.4 Consolidated Income Statement (TASS)**

Consolidated Income Statement	TL 000	US\$ 000
<b>CONTINUING OPERATIONS</b>		
Revenues	-	-
Cost of sales (-)	-	-
<b>GROSS PROFIT</b>	-	-
General administrative expenses (-)	0	0
Other operational expenses (-)	-3.195	-2.042
<b>OPERATING PROFIT</b>	<b>-3.195</b>	<b>-2.042</b>
Financial income	36.922	23.606
Financial expenses	-71.275	-45.569
<b>PROFIT / (LOSS) BEFORE TAX FROM CONTINUING OPERATION</b>	<b>-37.547</b>	<b>-24.006</b>
Tax expense for the period	-	-
Deferred income/ (expenses)	-	-
<b>PROFIT / (LOSS) BEFORE FROM CONTINUING OPERATION</b>	<b>-37.547</b>	<b>-24.006</b>

**6.5 Consolidated Balance Sheet (IDO)**

Balance Sheet	TL 000		US\$ 000	
	30.06.2011	30.06.2011	31.12.2010	31.12.2010
<b>Current Assets</b>	<b>101.249</b>	<b>62.108</b>	<b>68.649</b>	<b>44.404</b>
Cash and Cash Equivalent	54.217	33.258	34.547	22.346
1,499	0	0	0	0
-Due from related parties	0	0	2.215	1.433
-Trade receivables	19.980	12.256	7.890	5.103
Inventory	19.623	12.037	21.156	13.684
Other Current Assets	7.428	4.556	2.841	1.838
<b>Non-Current Assets</b>	<b>498.069</b>	<b>305.526</b>	<b>550.375</b>	<b>356.000</b>
Financial Assets	2.242	1.375	2.242	1.450
Property, Plant and Equipment	493.631	302.804	545.447	352.812
Intangible Assets	251	154	292	189
Other Non-Current Assets	1.945	1.193	2.395	1.549
<b>TOTAL ASSETS</b>	<b>599.318</b>	<b>367.635</b>	<b>619.025</b>	<b>400.404</b>
<b>Current Liabilities</b>	<b>68.967</b>	<b>42.306</b>	<b>64.188</b>	<b>41.519</b>
Financial Borrowings	36.605	22.454	35.790	23.150
Trade Payables	0	0	0	0
-Due to related parties	0	0	7.822	5.060
-Trade payables	14.488	8.887	7.047	4.558
Other Payables	804	493	1.118	723
Expense accruals	0	0	812	525
Other Current Liabilities	17.070	10.471	11.598	7.502
<b>Non-Current Liabilities</b>	<b>104.657</b>	<b>64.199</b>	<b>116.685</b>	<b>75.476</b>
Financial Borrowings	88.277	54.151	100.925	65.281
Expense accruals	1.387	851	2.006	1.298
Provision for Employment Benefits	14.993	9.197	13.754	8.897
<b>Share Capital</b>	<b>425.693</b>	<b>261.129</b>	<b>438.151</b>	<b>283.409</b>
Paid in capital	539.967	331.228	539.967	349.267
Inflation adjustmetns	113.133	69.398	113.133	73.178
Retained earnings	-214.949	-131.854	-213.999	-138.421
Net income	-12.459	-7.965	-950	-633
Translation Profit (Loss)		323		19
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>599.318</b>	<b>367.635</b>	<b>619.025</b>	<b>400.404</b>

**6.6 Consolidated Income Statement (IDO)**

Income Statement	TL 000	US\$ 000	TL 000	US\$ 000
	30.06.2011	30.06.2011	30.06.2010	30.06.2010
<b>CONTINUING OPERATIONS</b>				
Revenues	169.575	108.417	140.820	92.858
Cost of sales (-)	-129.333	-82.688	-131.655	-86.815
<b>GROSS PROFIT</b>	<b>40.242</b>	<b>25.729</b>	<b>9.165</b>	<b>6.044</b>
Marketing and sales expenses	-4.086	-2.613	-7.762	-5.118
General administrative expenses (-)	-10.052	-6.427	-8.019	-5.288
Other operational income	2.927	1.871	3.989	2.630
Other operational expenses (-)	-34.614	-22.130	0	0
<b>OPERATING PROFIT</b>	<b>-5.583</b>	<b>-3.569</b>	<b>-2.627</b>	<b>-1.733</b>
Financial income	1.188	760	542	357
Financial expenses	-8.064	-5.156	-19.857	-13.094
<b>PROFIT / (LOSS) BEFORE TAX FROM CONTINUING OPERATION</b>	<b>-12.459</b>	<b>-7.965</b>	<b>-21.943</b>	<b>-14.470</b>
<b>TAX INCOME / (EXPENSE) CONTINUED OPERATIONS</b>				
Tax expense for the period	-	-	-	-
Deferred income/ (expenses)	-	-	-	-
<b>PROFIT / (LOSS) BEFORE FROM CONTINUING OPERATION</b>	<b>-12.459</b>	<b>-7.965</b>	<b>-21.943</b>	<b>-14.470</b>
<b>DISCONTINUED OPERATIONS</b>				
Loss from discontinued operations after tax	-	-	-17.836	-11.762
<b>NET PROFIT / (LOSS) FOR THE PERIOD</b>	<b>-12.459</b>	<b>-7.965</b>	<b>-39.780</b>	<b>-26.231</b>

Income Statement	TL 000	US\$ 000
	31.12.2010	31.12.2010
<b>CONTINUING OPERATIONS</b>		
Revenues	347.353	231.723
Cost of sales (-)	-244.535	-163.132
<b>GROSS PROFIT</b>	<b>102.818</b>	<b>68.591</b>
Marketing and sales expenses	-13.825	-9.223
General administrative expenses (-)	-15.367	-10.252
Other operational income	7.685	5.127
Other operational expenses (-)	-6.496	-4.333
<b>OPERATING PROFIT</b>	<b>74.816</b>	<b>49.911</b>
Financial income	2.515	1.678
Financial expenses	-18.219	-12.154
<b>PROFIT / (LOSS) BEFORE TAX FROM CONTINUING OPERATION</b>	<b>59.112</b>	<b>39.435</b>
<b>TAX INCOME / (EXPENSE) CONTINUED OPERATIONS</b>		
Tax expense for the period	-	-
Deferred income/ (expenses)	-	-
<b>PROFIT / (LOSS) BEFORE FROM CONTINUING OPERATION</b>	<b>59.112</b>	<b>39.435</b>
<b>DISCONTINUED OPERATIONS</b>		
Loss from discontinued operations after tax	-60.062	-40.068
<b>NET PROFIT / (LOSS) FOR THE PERIOD</b>	<b>-950</b>	<b>-633</b>

## 6.7 Adjusted EBITDA of IDO

<u>30 June 2011 (*)</u>	<u>Sea Bus</u>	<u>Fast Ferry</u>	<u>Conventional Ferry Lines</u>	<u>Total</u>
Continuing Operations				
Revenue	11.949.696	39.648.597	56.818.899	108.417.193
Cost of Goods sold	(20.736.406)	(41.908.487)	(20.043.581)	(82.688.473)
Gross Profit	(8.786.709)	(2.259.889)	36.775.318	25.728.719
Marketing and Sales Expenses	(498.221)	(1.278.468)	(835.941)	(2.612.631)
General Expenses	(1.905.331)	(2.476.026)	(2.045.351)	(6.426.707)
Other Income				(20.258.694)
Finance Income				759.552
Finance Expense				(5.155.531)
				--
Profit/(Loss) from continuing operations				(7.965.292)
Depreciation and Amortization	2.571.583	8.125.980	2.003.131	12.700.694
<b>EBITDA</b>	<b>-8.618.679</b>	<b>2.111.597</b>	<b>35.897.157</b>	<b>29.390.075</b>
<b>EBITDA Margin</b>	<b>n.a.</b>	<b>5,33%</b>	<b>63,18%</b>	<b>27,11%</b>

\* The statutory COGS and operating expenses are adjusted proportionally with respect to IFRS in accordance to revenue.

<u>30 June 2010 (*)</u>	<u>Sea Bus</u>	<u>Fast Ferry</u>	<u>Conventional Ferry Lines</u>	<u>Total</u>
Continuing Operations				
Revenue	10.519.122	35.493.181	46.846.194	92.858.497
Cost of Goods sold	(22.094.628)	(42.272.681)	(22.447.584)	(86.814.894)
Gross Profit	(11.575.506)	(6.779.501)	24.398.609	6.043.602
Marketing and Sales Expenses	(1.070.851)	(2.299.275)	(1.747.962)	(5.118.087)
General Expenses	(1.550.437)	(2.151.733)	(1.585.989)	(5.288.160)
Other Income				2.630.098
Finance Income				357.113
Finance Expense				(13.094.272)
				--
Profit/(Loss) from continuing operations				(14.469.706)
Depreciation and Amortization	2.937.532	10.051.278	2.316.879	15.305.689
<b>EBITDA</b>	<b>-11.259.262</b>	<b>-1.179.231</b>	<b>23.381.537</b>	<b>10.943.045</b>
<b>EBITDA Margin</b>	<b>n.a.</b>	<b>n.a.</b>	<b>49,91%</b>	<b>11,78%</b>

\* The statutory COGS and operating expenses are adjusted proportionally with respect to IFRS in accordance to revenue.

<u>31 December 2010 (*)</u>	<u>Sea Bus</u>	<u>Fast Ferry</u>	<u>Conventional Ferry Lines</u>	<u>Other</u>	<u>Total</u>
Continuing Operations					
Revenue (**)	29.291.060	89.465.934	113.638.357	160.096	232.555.447
Cost of Goods sold (***) (****)	(39.944.187)	(69.229.649)	(33.558.620)	(1.784.102)	(144.516.559)
Gross Profit	(10.653.127)	20.236.285	80.079.737	(1.624.006)	88.038.888
Marketing and Sales Expenses	(1.894.399)	(4.047.361)	(3.280.379)	--	(9.222.139)
General Expenses	(3.181.860)	(3.638.968)	(2.065.605)	(1.364.415)	(10.250.849)
Other Income					793.678
Finance Income					1.677.929
Finance Expense					(12.153.218)
					--
Profit/(Loss) from continuing operations					58.884.289
Depreciation and Amortization	6.577.166	18.863.661	4.684.746	--	30.125.573
<b>EBITDA</b>	<b>-9.152.221</b>	<b>31.413.616</b>	<b>79.418.499</b>	<b>-2.988.422</b>	<b>98.691.473</b>
<b>EBITDA Margin</b>	<b>n.a.</b>	<b>35,11%</b>	<b>69,89%</b>	<b>n.a.</b>	<b>42,44%</b>

\* The statutory COGS and operating expenses are adjusted proportionally with respect to IFRS in accordance to revenue.

(\*\*) Sea bus and conventional ferry lines lease income of USD 847,576 are included in revenue.

(\*\*\*) Adjustment of renewed pier lease contracts; in total USD 16,238,378: Sea Bus USD 1,668,926, Fast Ferry USD 9,137,870, Conventional Ferry Line USD 5,431,582.

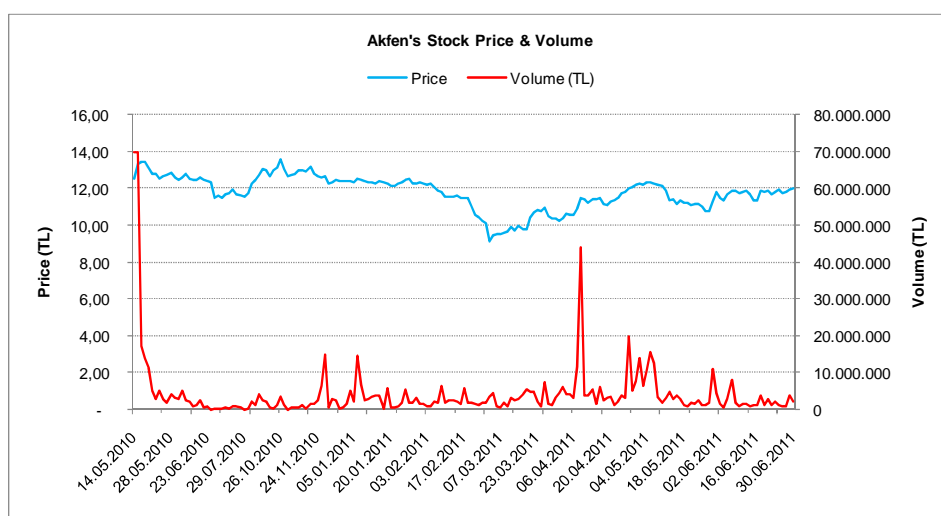
(\*\*\*\*) Adjustment of Ecrimisil expenses; in total USD 2,366,410. Sea bus USD 162,980, Fast Ferry USD 1,546,046, Conventional Ferry Lines USD 656,677.

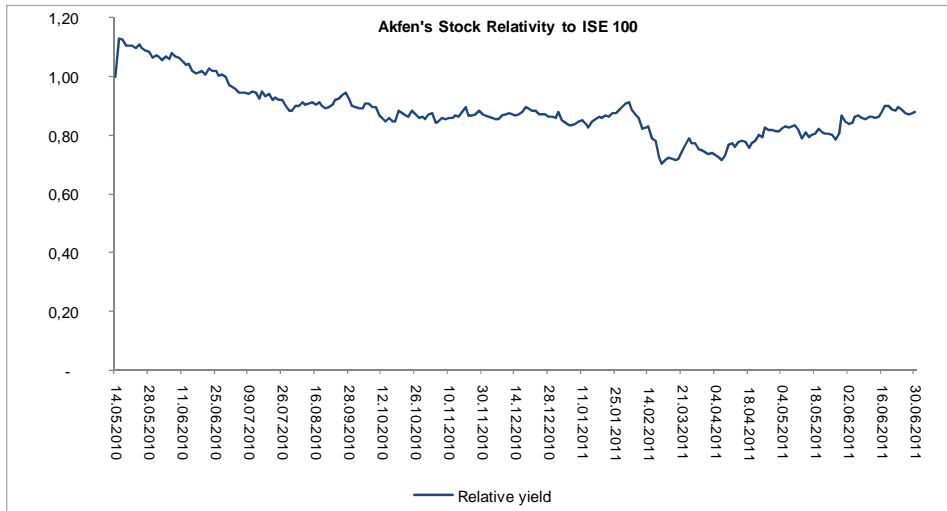
## 6.8 Employees

Company/ Number of Employee	1H 2011	2010	Diff 1H2011/ 2010
Akfen Holding	42	41	2.4%
Akfen İnşaat	124	126	-1.6%
Akfen HEPP Companies	90	19	373.7%
Akfen REIT	45	30	50.0%
TAV Investments Holding	2,970	3,537	-16.0%
TAV Airports Holding	20,389	18,768	8.6%
MIP	903	550	64.2%
TASK	40	38	5.3%
TASS	646	0	n.a.
<b>Total</b>	<b>25,249</b>	<b>23,109</b>	<b>9.3%</b>

## 6.9 Akfen Share Performance

AKFEN.IS	
Number of shares outstanding (mn)	145.5
Closing Price (as of 30.06.2011) (TL)	12.00
Average Price over the period (TL)	11.41
Average Daily Volume (TL)	3,750,970
Max. Volume (14.05.2010 – 30.06.2011) (TL)	69,823,620
Min. Volume (14.05.2010 – 30.06.2011) (TL)	203.11

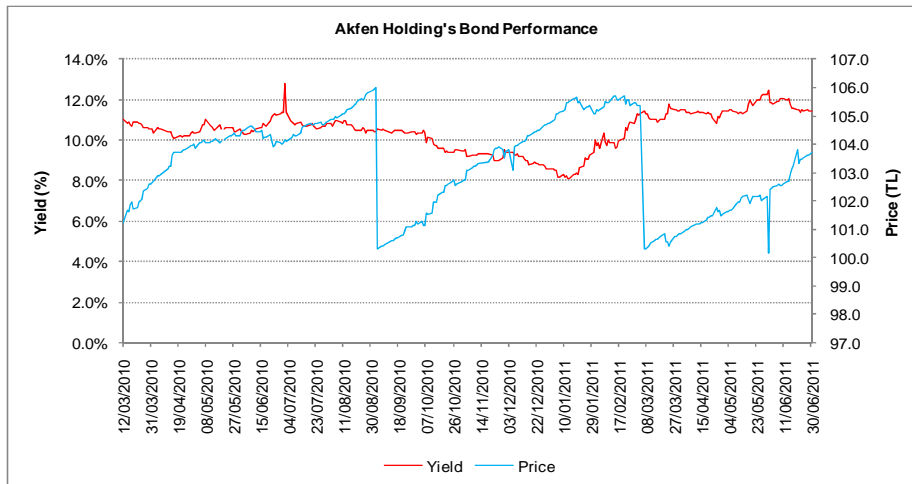




As of 30 June 2011, Akfen Holding's market cap was realized as USD 1.08 billion.

## 6.10 Akfen Bond Performance

SAKFH31213B	
Closing Price (as of 30.06.2011) (TL)	103.7
Average Price over the period (TL)	103.0
Average Daily Volume (TL)	65,001
Max. Volume (12.03.2010) (TL)	10,449,638
Min. Volume (08.10.2010) (TL)	4,062



As of 30 June 2011, the issue price of Akfen Holding's bond was TL 103.7. Total trading volume in June was TL 2,601.5 thousands. As of 30 June 2011, the issue yield corresponding benchmark bond (TRT080812T26) compound rate of 9.18% + 173 bps spread.

### 6.11 Akfen Shareholding Structure

Shareholder	Share (000 TRY)	Share %
Hamdi Akın	99,209	68.19%
Akfen İnşaat Turizm ve Tic. A.Ş.	3,995	2.75%
Akınısı Makine San. ve Tic. A.Ş.	529	0.36%
Akfen Turizm Yat. ve İşl. A.Ş.	529	0.36%
Other	122	0.08%
Free Float	41,116	28.26%
<b>Total</b>	<b>145,500</b>	<b>100.00%</b>

### 6.12 Accounting Policies

IFRIC 12 is a new application regarding to interpretation of most of existing standards in the IFRS for example, IAS 11-Construction Contracts, IAS 16-Property Plant and equipment, IAS 17-Leases, IAS 36-Impairment of Assets and IAS 38-Intangible Assets,

IFRIC 12 Service Concession Arrangements was developed by the International Financial Reporting Interpretations Committee, Effective date of the application is 1 January 2008,

IFRIC 12 affects P&L in terms of the decrease in aviation income (for the guaranteed passenger fees) and depreciation expenses while the increase in financial income in accordance with such interpretation, "BOT assets" are classified as "airport operation right" and "trade receivable" in the consolidated financial statements, same applies for TASK Dilovası regarding the guaranteed revenue by the Organized Industrial Zone.

Subsidiaries, TAV Istanbul, TAV Esenboga, TAV Izmir, Havaş and TAV Tunisie under TAV Airports enter into swap transactions in order to diminish exposure to foreign currency mismatch relating to DHMI installments and interest rate risk to manage exposure to the floating interest rates relating to loans used.

100%, 65%,100% and 50% of floating bank loans for TAV Istanbul, TAV Izmir, TAV Esenboga and HAVAŞ, respectively are fixed with financial derivatives, 100% of floating senior bank loans for TAV Tunisie was fixed with financial derivative until 31 October 2009 and 85% of floating senior bank loans for TAV Tunisie is fixed with financial derivative starting from 1 November 2009. 75% of the senior loan agreement of Mersin International Port amounting USD 450 mn is fixed with interest rate swap agreement.

### 6.13 Contact Details

For further information please contact:

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**6.14 Disclaimer**

Information contained in this Review are prepared by Akfen Holding A.Ş. for information purposes only. The content of the Review is based on the information that are publicly announced by Akfen and on the data collected by Akfen from sources that are believed to be assuring by Akfen. Information contained in this Review, are prepared by the Company management referring to numerous assumptions on both current and future operations, therefore these information may be affected by the possible changes in the assumptions and these assumptions may never be realized.

Any of the information contained in this Review does not constitute a invitation or an offer in relation to selling or issuing or purchasing shares of Akfen or making a commitment for purchasing shares of Akfen. No information contained herein does create a contract or an offer or a commitment itself or its principal. The investors who invest in or intent to invest in equities of Akfen will make the corresponding decisions according to the result of their research, review and evaluation.

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This Review is prepared by the date 29 August 2011. The assumptions contained in this Review regarding the future, are only valid for the date of this Review. Akfen is not responsible to update the Review or maintain the Review updated.