



**AKFEN HOLDİNG A.Ş.**  
**1 January 2010 – 30 September 2010**  
**Interim Period Activity Report**

## HIGHLIGHTS OF THE FIRST NINE MONTHS

### 1. AKFEN HOLDING

#### a. Financial Performance

Summary Financials			
US\$ mn	2009	9M09	9M10
<b>Turnover</b>	665,3	481,8	485,5
<b>EBITDA</b>	82,4	97,0	98,8
<b>Net Income</b>	99,2	-3,4	23,6
<b>Total Assets</b>	2.206,5	2.384,2	2.388,4
<b>Total Liabilities</b>	1.855,1	2.146,5	2.078,8
<b>Shareholder'Equity</b>	351,3	237,7	309,5

Summary Financials			
TL mn	2009	9M09	9M10
<b>Turnover</b>	1.029,3	755,9	735,1
<b>EBITDA</b>	127,6	152,2	149,6
<b>Net Income</b>	153,5	-5,3	35,7
<b>Total Assets</b>	3.322,3	3.533,4	3.466,0
<b>Total Liabilities</b>	2.793,3	3.181,1	3.016,8
<b>Shareholder'Equity</b>	529,0	352,3	449,2

*Net Income includes profit attributable to non-controlling interest.*

Consolidated revenues of Akfen Holding decreased by 2.8% in first nine months of 2010 in comparison to the same period of previous year.

Costs and revenues of TAV Airport in connection with construction in BOT projects such as Enfidha Airport project in Tunisia are reflected in the financial statements pursuant to IFRIC 12 standard. In this context, the construction revenues incorporated in turnover for the first nine months of 2009 are not included in the first nine months of 2010, since construction for extension in İstanbul Atatürk Airport and Gazipaşa airport construction have been completed, in addition to very limited amount generated from Enfidha airport project, due to the completion of this project. Even though aeronautical and non-aeronautical revenues of TAV Airport have displayed an increase in the current period in comparison to the same period of the previous year, lack of construction revenue (TL 8 mn in 9M10 versus TL 118 mn in the same period of 2009) due to the above reason in the first nine months of 2010 has caused a decline in total revenues.

According to the first nine months results of 2010, Akfen Holding's gross profit margin is 25%, net profit margin excluding minority interest is 2% compared to 21.8% and -0.5%, respectively, in the same period of 2009. The primary factor for the increase in consolidated gross profit margin is that the share of MIP revenues in total consolidated turnover increased from 11.4% to 14.9%. In addition to that, profit increase resulting from the operations of Akfen REIT as well as TAV Airports are other reasons behind the improvement in the gross profit margin.

In the first three quarters of 2010, Akfen REIT, MIP and TAV Airports EBITDA's increased by 31%, 33% and 40%, respectively, compared to same period in 2009. Thanks to the start of operations in Dilovası OIZ, TASK Water's EBITDA turned from TL -73.000 to TL +694,000. The investments in HEPP I-II are still at the construction phase, as a result of this, there is no EBITDA contribution to Akfen. The reasons for drop in consolidated EBITDA are decline in EBITDA generated by TAV Yatırım Holding and negative EBITDA of Akfen İnşaat. Please also note that, even though consolidated EBITDA improved slightly in USD terms, TL consolidated EBITDA recorded a minor drop in the first nine months of 2010 as compared to the same period of the previous year.

The main business segments of the Holding are TAV Yatırım, Akfen İnşaat, Akfen GYO, HEPP I-II-III, MIP, Task Su and TAV Airports. Mersin International Port, TAV Airports and Akfen REIT are the main companies contributing to earnings. Earnings before tax from the continuing operations were realized as TL -5,586 thousand, and TL 31,274 thousand, in the first nine months of 2009 and 2010, respectively.

Discontinued operations in 2010 comprise companies such as Akfen Altyapı Danışmanlık, Akınısı, Akfen Turizm, Artı Döviz and IBS which were carved out before Holding IPO in May 2010. While profit from discontinued operations amounting to TL 13,888 thousand during the first nine months of 2009 increased to TL 17,226 thousand in the same period of 2010, it should be noted that, the discontinued operations in 2009 include the profits regarding the sale of TUVTURK Kuzey, Güney, İstanbul, Adana İçel and Hatay vehicle inspection companies.

As a result of positive developments in the continuing operations in the first nine months of 2010, the period loss amounting to TL 5,340 thousand in the first nine months of 2009 has changed into profit in the first nine months of 2010 and reached TL 35,747 thousand.

Total asset size of Akfen Holding increased by 4.3% during the first nine months of 2010 and has reached an asset size of TL 3.47 billion as of 30 September 2010 compared to 31 December 2009. The main reasons are an increase in fixed tangible assets of TL 215 mn, namely investments in progress in energy and that of TL 70 mn in cash and cash equivalents.

The increase in financial debts for the financing of energy investments and financial debts at the Holding level are the main sources of increase in total liabilities. Liabilities to sub-contractors decreased to TL 68 mn level due progress in investments during the same period.

The reasons of the decrease in the equity compared to 31 December 2009 are negative revaluation funds and decrease in translation reserves, goodwill incurred on the transaction day of the share purchase in REIT (acquisition of REIT shares as a result of Goldman Sachs put option) and Akfen Enerji Yatırımları Holding A.Ş. and the decrease in minority share resulting from share purchases of our subsidiaries.

#### **Consolidated Debt :**

The consolidated net debt of Akfen Holding is USD525.710 thousand, EUR 609.441 thousand and TL 42.997 thousand as of 9M 2010. There is TL 38.331 equivalent of Qatar Riyal in the cash values.

#### **Holding Level Solo Net Debt :**

Akfen Holding issued 100.000 thousand TL bond with 2 year maturity on 5 March 2010 and utilized €78,7 mn loan for the financing of share purchase of 32,466% of the shares held by Goldman Sachs and for the use of general company purposes. The funds incurred by the new financing are used for all fees and expenses (including advertisement expenses) related to the bond issuance and public offering,

for energy projects and for the other expenses of Holding. Due to these debt utilizations gross debt increased to USD 474 mn and the net debt realized as USD 392 mn as of 30 September 2010.

Akfen Holding Solo Net Debt		
1000 TL	30 Sept 2010	31 Dec 2009
Short term Financial Debt	232.476	61.676
Long term Financial Debt	455.726	421.801
Total Debt	688.202	483.477
Cash and Cash Equivalents, Reserve	118.652	119.971
<b>Net Financial Debt</b>	<b>569.550</b>	<b>363.506</b>

Akfen Holding Solo Net Debt		
USD 000	30 Sept 2010	31 Dec 2009
Short term Financial Debt	160.196	40.962
Long term Financial Debt	314.034	280.136
Total Debt	474.230	321.098
Cash and Cash Equivalents, Reserve	81.761	79.678
<b>Net Financial Debt</b>	<b>392.469</b>	<b>241.420</b>

### Segmental Breakdown as of 9M09 and 9M10:

	30.09.2010 (USD)	Tav Investment	Akfen Cons.	Akfen REIT	HEPP I-II-III	MIP	Task Su	Tav Airports	Other	Discont'nd (*)	Eliminations	Classifications	Total
External Revenues		204.693	5.780	8.968	637	72.140	4.937	188.241	78	9.439	0	-9.439	485.473
Inter segmental Revenues		7.875	76.201	0	0	0	0	1.463	9.477	0	0	0	95.016
Other Operational Income		953	6.415	17.683	27	0	11	10.835	9.590	55	-6.020	-55	39.494
Other Operational Expenses		-1.840	-14.504	-740	-360	0	0	0	-2.387	-15	4.822	15	-15.008
Financing Income		3.208	6.711	15.894	16.731	1.031	715	5.726	59.147	547	-1.175	-547	107.989
Financing Expenses		-8.050	-5.885	-13.203	-14.331	-16.183	-503	-23.011	-79.952	-430	173	430	-160.946
Depreciation and Redemption Expenses		2.875	1.474	28	1.341	9.315	131	14.938	130	57	0	-57	30.232
Profit before tax		1.260	-14.211	26.323	-1.031	16.189	549	18.466	-18.144	11.376	-8.749	-11.376	20.654
Tangible and Intangible Asset Investments		3.105	188	3	114.338	6.730	224	26.384	145	0	0	0	151.116
Segmental Assets	<b>30.9.10</b>	222.366	133.519	365.433	384.230	427.663	8.168	589.351	257.628	0	0	0	2.388.359
Segmental Liabilities		216.377	55.172	128.525	243.231	408.521	8.082	542.623	476.283	0	0	0	2.078.814
<b>EBITDA</b>		<b>9.865</b>	<b>-5.474</b>	<b>6.716</b>	<b>-1.757</b>	<b>40.656</b>	<b>458</b>	<b>39.854</b>	<b>-4.411</b>	<b>11.277</b>	<b>-6.549</b>	<b>-11.277</b>	<b>79.358</b>
<b>EBITDA Margin</b>		<b>4,64%</b>		<b>74,89%</b>		<b>56,36%</b>	<b>9,28%</b>	<b>21,01%</b>					<b>16,35%</b>
Adjusted EBITDA (Including TAV Airports Ankara&Izmir guaranteed passenger fee revenues)								59.275					98.779
								29,04%					19,76%

TL 7.260 K project finance expense of TAV Inv. is included in financing expenses as of 30.09.2009

TL 8.779 K project finance expense of TAV Inv. is included in financing expenses as of 30.09.2010

Construction Revenues (IFRIC 12) are included in TAV Airports Revenues

Construction Revenues (IFRIC 12) are excluded while calculating Adjusted EBITDA and Margin

	30.09.2009 (USD)	Tav Investment	Akfen Cons.	Akfen REIT	HEPP I-II-III	MIP	Task Su	Tav Airports	Other	Discont'nd (*)	Eliminations	Classifications	Total
External Revenues		204.052	4.732	8.489	599	55.046	2.343	206.521	0	147.475	0	-147.475	481.783
Inter segmental Revenues		54.417	60.422	0	0	0	0	0	4.054	2.231	0	-2.231	118.893
Other Operational Income		734	2.507	38	10	0	0	9.656	2.252	407	885	-407	16.083
Other Operational Expenses		-1	-1.224	-199	-94	0	0	0	-272	-22	660	22	-1.130
Financing Income		1.059	15.173	11.681	-462	916	65	3.920	7.900	8.091	-3.862	-8.091	36.390
Financing Expenses		-10.149	-21.731	-20.853	-1.715	-17.816	-90	-18.117	-33.549	-9.912	5.842	9.912	-118.177
Depreciation and Redemption Expenses		2.836	384	36	709	8.793	15	8.290	381	1.108	0	-1.108	21.444
Profit before tax		19.261	-8.657	-4.420	-3.678	3.739	-87	15.679	-26.144	11.403	746	-11.403	-3.560
Tangible and Intangible Asset Investments		2.243	654	11.539	54.704	699	2.280	78.004	3.795	39	0	-39	153.918
Segmental Assets	<b>31.12.09</b>	240.959	72.935	318.743	210.482	414.626	13.078	716.586	219.065	0	0	0	2.206.473
Segmental Liabilities		211.856	81.982	127.536	87.057	379.450	4.129	565.312	397.812	0	0	0	1.855.136
<b>EBITDA</b>		<b>30.453</b>	<b>-2.998</b>	<b>4.948</b>	<b>-708</b>	<b>29.432</b>	<b>-47</b>	<b>28.511</b>	<b>-2.095</b>	<b>13.946</b>	<b>-2.778</b>	<b>-13.946</b>	<b>84.718</b>
<b>EBITDA Margin</b>		<b>11,78%</b>		<b>58,29%</b>		<b>53,47%</b>		<b>13,81%</b>					<b>17,58%</b>
Adjusted EBITDA (Including TAV Airports Ankara&Izmir guaranteed passenger fee revenues)								40.823					97.030
								27,94%					23,03%

TL 7.260 K project finance expense of TAV Inv. is included in financing expenses as of 30.09.2009

TL 8.779 K project finance expense of TAV Inv. is included in financing expenses as of 30.09.2010

Construction Revenues (IFRIC 12) are included in TAV Airports Revenues

Construction Revenues (IFRIC 12) are excluded while calculating Adjusted EBITDA and Margin

	Tav Investment	Akfen Cons.	Akfen REIT	HEPP I- II-III	MIP	Task Su	Tav Airports	Other	Discont'nd (*)	Eliminations	Classifications	Total
<b>30.09.2010 (TL)</b>												
External Revenues	309.946	8.752	13.579	964	109.234	7.476	285.034	118	14.292		-14.292	735.104
Inter segmental Revenues	11.924	115.384	0	0	0	0	2.216	14.350	0			143.874
Other Operational Income	1.443	9.714	26.776	40	0	16	16.407	14.521	83	-9.115	-83	59.802
Other Operational Expenses	-2.786	-21.962	-1.120	-545	0	0	-3.614	-23	7.302	-23	23	-22.726
Financing Income	4.858	10.162	24.067	25.334	1.562	1.082	8.670	89.561	828	-1.779	-828	163.517
Financing Expenses	-12.190	-8.912	-19.992	-21.700	-24.504	-761	-34.844	-121.064	-651	262	651	-243.705
Depreciation and Redemption Expenses	4.354	2.232	42	2.030	14.105	199	22.619	197	86		-86	45.778
Profit before tax	1.908	-21.518	39.858	-1.561	24.513	832	27.961	-27.473	17.226	-13.247	-17.226	31.274
Tangible and Intangible Asset Investments	4.702	284	4	173.130	10.190	340	39.951	219	0		0	228.819
<b>30.9.10</b>												
Segmental Assets	322.698	193.763	530.317	557.595	620.624	11.853	855.266	373.870	0		0	3.465.986
Segmental Liabilities	314.006	80.065	186.515	352.977	592.845	11.729	787.455	691.182	0		0	3.016.774
<b>EBITDA</b>	<b>14.937</b>	<b>-8.288</b>	<b>10.169</b>	<b>-2.660</b>	<b>61.561</b>	<b>694</b>	<b>60.347</b>	<b>-6.680</b>	<b>17.075</b>	<b>-9.917</b>	<b>-17.075</b>	<b>120.164</b>
<b>EBITDA Margin</b>	<b>4,64%</b>		<b>74,89%</b>		<b>56,36%</b>	<b>9,28%</b>	<b>21,01%</b>					<b>16,35%</b>
<b>Adjusted EBITDA (Including TAV Airports Ankara&amp;İzmir guaranteed passanger fee revenues)</b>							<b>89.755</b>					<b>149.572</b>
							<b>29,04%</b>					<b>19,76%</b>

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Construction Revenues (IFRIC 12) are excluded while calculating Adjusted EBITDA and Margin

	Tav Investment	Akfen Cons.	Akfen REIT	HEPP I- II-III	MIP	Task Su	Tav Airports	Other	Discont'nd (*)	Eliminations	Classifications	Total
<b>30.09.2009 (TL)</b>												
External Revenues	320.158	7.425	13.320	940	86.367	3.676	324.032	0	231.389		-231.389	755.918
Inter segmental Revenues	85.380	94.802	0	0	0	0	0	6.361	3.500		-3.500	186.543
Other Operational Income	1.152	3.933	60	16	0	0	15.150	3.534	639	1.389	-639	25.234
Other Operational Expenses	-1	-1.921	-312	-148	0	0	-426	-34	-426	1.035	34	-1.773
Financing Income	1.662	23.807	18.328	-725	1.437	102	6.150	12.395	12.695	-6.060	-12.695	57.096
Financing Expenses	-15.923	-34.096	-32.718	-2.691	-27.953	-141	-28.425	-52.638	-15.552	9.166	15.552	-185.419
Depreciation and Redemption Expenses	4.450	602	57	1.112	13.796	24	13.007	598	1.739		-1.739	33.646
Profit before tax	30.220	-13.583	-6.935	-5.771	5.867	-136	24.601	-41.020	17.891	1.171	-17.891	-5.586
Tangible and Intangible Asset Investments	3.520	1.026	18.105	85.831	1.097	3.577	122.388	5.954	61		-61	241.498
<b>31.12.09</b>												
Segmental Assets	362.812	109.818	479.931	316.922	624.302	19.691	1.078.964	329.846	0		0	3.322.286
Segmental Liabilities	318.992	123.441	192.031	131.082	571.338	6.217	851.191	598.986	0		0	2.793.278
<b>EBITDA</b>	<b>47.780</b>	<b>-4.704</b>	<b>7.764</b>	<b>-1.111</b>	<b>46.179</b>	<b>-73</b>	<b>44.733</b>	<b>-3.287</b>	<b>21.882</b>	<b>-4.359</b>	<b>-21.882</b>	<b>132.922</b>
<b>EBITDA Margin</b>	<b>11,78%</b>		<b>58,29%</b>		<b>53,47%</b>		<b>13,81%</b>					<b>17,58%</b>
<b>Adjusted EBITDA (Including TAV Airports Ankara&amp;İzmir guaranteed passanger fee revenues)</b>							<b>64.051</b>					<b>152.240</b>
							<b>27,94%</b>					<b>23,03%</b>

TL 7.260 K project finance expense of TAV Inv. is included in financing expenses as of 30.09.2009

TL 8.779 K project finance expense of TAV Inv. is included in financing expenses as of 30.09.2010

Construction Revenues (IFRIC 12) are included in TAV Airports Revenues

Construction Revenues (IFRIC 12) are excluded while calculating Adjusted EBITDA and Margin

Mersin International Port, TAV Airports and Akfen REIT are the main contributors to the profit.

The adjusted EBITDA resulting from the proportional consolidation of the guaranteed passenger revenues of the airports operated by TAV Airports Holding in Ankara and İzmir, decreased to TL 149.572 thousand in 9M10 from TL 152.240 thousand in 9M09.

The main reason that deteriorated TAV Yatırım's EBITDA figures are cost over-runs in its Dubai high rise projects, where the contracts are lump sum turnkey characteristics and TAV Yatırım did not subcontract the construction. In relation to these cost over-runs, TAV Yatırım made claims from the clients; The total claim figure increased to AED 113 mn (approximately USD 30 mn) from AED 96 mn (approximately USD 26 mn) compared to the previous period. The amount of the claims included in the revenue reached to AED 51 mn (approximately USD 14 mn) as compared to AED 42 mn (approximately USD 11 mn) of the previous period

Another important reason for the negative performance in TAV Yatırım's EBITDA is the fact of no-profit calculation in Qatar airport new expansion project so called 'Big Change'. In line with the progress level, the company and its partner did not book any profit for the completed construction of USD 79 mn during the first 9 months of 2010 which has no contribution to EBITDA and once booked, profitability of the company will be higher.

The third reason for the poor performance of TAV Yatırım EBITDA figure is the delay in the project implementation in Oman and Libya projects resulting from the design and project amendments. Due to

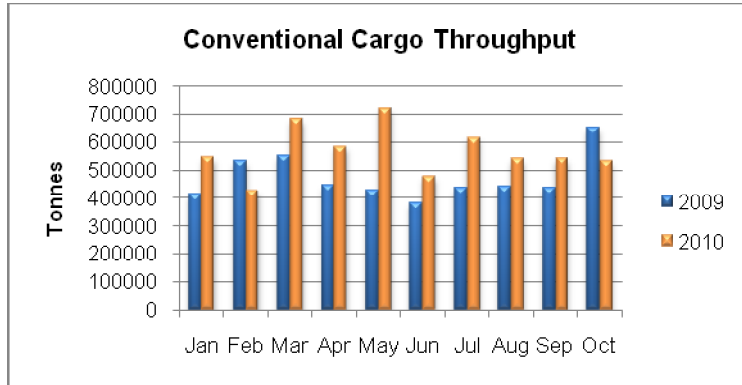


25% increase has been achieved in Mersin Uluslararası Liman İşletmeciliği (MIP) reaching 777.3 thousand TEU in container handling in the first nine months of 2010 compared with the same period of 2009.

Conventional Cargo Throughput (Tonnes)\*

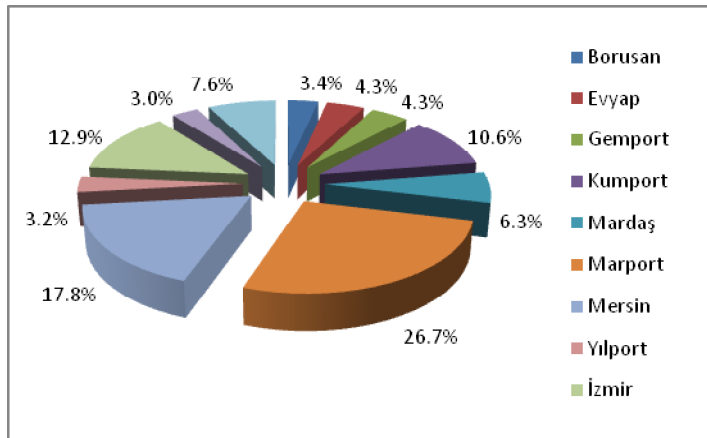
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
2009	412.649	531.456	550.134	446.620	428.001	378.755	436.284	438.843	437.359	4.062.111
2010	545.981	426.325	684.002	585.968	722.268	478.214	618.657	541.173	542.394	5.146.992

\* General Cargo, Dry Bulk, Liquid Bulk, Ro-Ro and Passenger



While Mersin Uluslararası Liman İşletmeciliği (MIP) A.Ş. handled 5,146,992 tons conventional cargo in 9M2010, this amount was 4,062,111 tons in the same period of last year, resulting in a 27% y/y increase.

#### January -September 2010 Container Handling in Turkish Ports (Est.) (%)



**Note:** Please note that except TCDD Ports (İzmir and Haydarpaşa), the rest of January-September volume figures are based on TURKLİM (Port Operator Associations of Turkey) reports. TCDD ports' volumes are based on management estimates as TCDD has not yet declared September 2010 volume figures for its own ports.

Mersin Port is the second largest port in terms of overall container handling, after Marport. However, it is the leading port in Import-Export container handling between January and September 2010. While 85.5% of MIP's volumes was based on imports and exports; import-export share in Marport was only 37.5% for the first nine months of 2010. The rest of Marport container volume was based on transshipment/transit cargo, which is currently around 14% in Mersin's volume.

**b. Financial Performance:**

<b>Summary Financials</b>			
<b>US\$ mn</b>	<b>2009</b>	<b>9M09</b>	<b>9M10</b>
<b>Turnover</b>	151,9	110,1	144,3
<b>EBITDA</b>	79,5	58,9	81,3
<b>Net Income</b>	10,6	6,2	26,6
<b>Total Assets</b>	829,3	837,1	878,8
<b>Total Liabilities</b>	758,9	785,1	817,0
<b>Shareholder'Equity</b>	70,4	52,0	61,8

<b>Summary Financials</b>			
<b>TL mn</b>	<b>2009</b>	<b>9M09</b>	<b>9M10</b>
<b>Turnover</b>	235,0	172,7	218,5
<b>EBITDA</b>	123,0	92,4	123,1
<b>Net Income</b>	16,4	9,7	40,2
<b>Total Assets</b>	1.248,7	1.240,7	1.275,3
<b>Total Liabilities</b>	1.142,7	1.163,5	1.185,6
<b>Shareholder'Equity</b>	106,0	77,1	89,6

MIP's turnover reached USD 144,3 million in 9M2010, pointing to a 31% increase compared to the first nine months of 2009. 25% increase in the operation volume and 15% increase in the port service tariffs in June brought forth the aforesaid increase.

Gross profit reached USD 87,6 million with an increase of 37% percent (costs increased only 23% compared with 31% increase in the revenues).

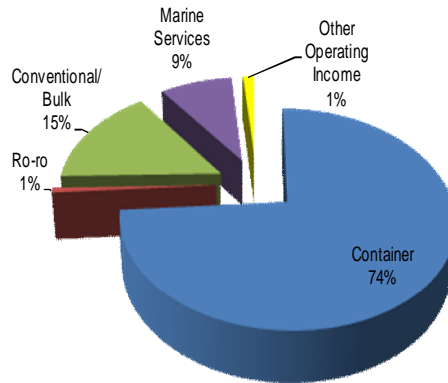
MIP's EBITDA reached USD 81,3 million in 9M2010, showing a 38,3% increase compared to an EBITDA of USD 58,86 million in the first nine months of 2009. EBITDA margin reached 56,4% as of the end of September 2010, compared to 53,5% in the same period of 2009.

**Turnover Breakdown :**

<i>mio USD</i>	<b>January - September</b>		<b>%</b>
	<b>2009</b>	<b>2010</b>	<b>Change</b>
<b>Port Services</b>	<b>99.085</b>	<b>129.362</b>	<b>31%</b>
Container	81.324	105.919	30%
Ro-ro	815	1.761	160%
Conventional/Bulk	16.946	21.682	28%
<b>Marine Services</b>	<b>9.427</b>	<b>11.065</b>	<b>17%</b>
<b>Other Operating Income</b>	<b>1.578</b>	<b>3.853</b>	<b>144%</b>
<b>Total Revenue</b>	<b>110.090</b>	<b>144.280</b>	<b>31%</b>
<b>EBITDA</b>	<b>58.863</b>	<b>80.841</b>	<b>37%</b>



Jan- Sep 2010 Revenue Breakdown



Container related services make up 74% of MIP's revenues while conventional bulk generates around 15%.

### c. Recent Developments

Investments required to meet the capacity requirements to be achieved in the Port within initial 5 years under the Concession Agreement (The operator is obliged to make required investments to increase the capacity, a minimum capacity to handle 1.2 million TEU containers and 7.5 tons of dry bulk, in the port in the first five years according to the concession agreement. However depending on the preference of the operator, the obligation would be achieved by only increasing container handling capacity. In this case, assumption of 1 TEU=15 tons of dry bulk will be accepted and the operator would fulfill the requirement when 1,7 million TEU level is reached.) have been started to be realized. In this context, 8 new RTGs (field equipment) were put into operation in March, 2 mobile quay cranes are purchased and were delivered to the port in order to start operation in September whereas tender for an additional two quay cranes is pursued.

## B. TAV HAVALIMANLARI HOLDING

### a. Operational Performance

#### Traffic Results :

Passengers <sup>(1)</sup>	January - September		Change %
	2010	2009	
<b>Ataturk Airport</b>	<b>24.159.355</b>	<b>22.362.483</b>	<b>8%</b>
International	15.124.148	13.630.286	11%
Domestic	9.035.207	8.732.197	3%
<b>Esenboga Airport <sup>(2)</sup></b>	<b>5.675.224</b>	<b>4.486.312</b>	<b>27%</b>
International	983.783	824.649	19%
Domestic	4.691.441	3.661.663	28%
<b>Izmir Airport <sup>(3)</sup></b>	<b>1.716.322</b>	<b>1.341.675</b>	<b>28%</b>
<b>Monastir Airport (Inc, Enfidha) <sup>(4)</sup></b>	<b>3.240.473</b>	<b>3.175.151</b>	<b>2%</b>
<b>Tbilisi Airport <sup>(5)</sup></b>	<b>613.319</b>	<b>529.404</b>	<b>16%</b>
<b>Batumi Airport <sup>(6)</sup></b>	<b>70.616</b>	<b>52.678</b>	<b>34%</b>
<b>Macedonia (Skopje&amp;Ohrid) <sup>(8)</sup></b>	<b>557.292</b>	<b>493.647</b>	<b>13%</b>
<b>TAV TOTAL <sup>(9)</sup></b>	<b>36.032.601</b>	<b>31.947.703</b>	<b>13%</b>
International	22.305.953	19.533.344	14%
Domestic	13.726.648	12.414.359	11%

Air Traffic Movements <sup>(7)</sup>	January - September		Change %
	2010	2009	
<b>Ataturk Airport</b>	<b>200.987</b>	<b>198.559</b>	<b>1%</b>
International	130.448	125.987	4%
Domestic	70.539	72.572	-3%
<b>Esenboga Airport <sup>(2)</sup></b>	<b>45.816</b>	<b>37.474</b>	<b>22%</b>
International	8.762	7.474	17%
Domestic	37.054	30.000	24%
<b>Izmir Airport <sup>(3)</sup></b>	<b>12.921</b>	<b>10.231</b>	<b>26%</b>
<b>Monastir Airport (Inc, Enfidha) <sup>(4)</sup></b>	<b>25.866</b>	<b>25.203</b>	<b>3%</b>
<b>Tbilisi Airport <sup>(5)</sup></b>	<b>11.888</b>	<b>10.150</b>	<b>17%</b>
<b>Batumi Airport <sup>(6)</sup></b>	<b>1.720</b>	<b>1.442</b>	<b>19%</b>
<b>Macedonia (Skopje&amp;Ohrid) <sup>(8)</sup></b>	<b>9.745</b>	<b>9.824</b>	<b>-1%</b>
<b>TAV TOTAL <sup>(9)</sup></b>	<b>308.943</b>	<b>283.059</b>	<b>9%</b>
International	199.724	178.931	12%
Domestic	109.221	104.122	5%

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

Note: DHMI figures for January - June 2010 are tentative, DHMI passenger figures are including transfer passengers

<sup>(1)</sup> Both departing and arriving passengers, excluding transit

<sup>(2)</sup> Operation commencement date: October 16, 2006

<sup>(3)</sup> International Terminal only and operation commencement date: September 13, 2006

<sup>(4)</sup> operation commencement date: January 1, 2008, Transit passengers are not included in pax numbers, (Including Enfidha Airport)

<sup>(5)</sup> Operation commencement date for new terminal: February 7, 2007

<sup>(6)</sup> Operation commencement date: May 26, 2007 (Including passenger using Hopa Terminal)

<sup>(7)</sup> Commercial flights only

<sup>(8)</sup> Operation commencement date: March 01, 2010

<sup>(9)</sup> TAV 2009 traffic figures do not include Macedonia

The number of passengers utilizing airports operated by TAV Airports Holding has increased by 13% in the first nine months of 2010 and has been 36 million. According to DHMI statistics which includes transfer passengers, the number of international passengers of İstanbul Airport International terminal has been 15,1 million corresponding to an increase of 11% in the first nine months of 2010.

Aviation revenues (including ground handling services and Ankara and İzmir guaranteed passenger revenues) as part of total reached 47% during the first nine months of 2010. Aviation revenues constituted 44% of total revenues in 9M09. . The ratio of aviation revenues has increased with the duty free revenues growing less than other revenue items. Duty free sales constitute the second biggest item among revenues with a portion of 30%. While food and beverages accounts for around 6% of total revenues, other revenues such as insurance income stemming from the trigeneration power plant in İstanbul, bus service, car park area allocation, lounge revenues, constitute around 18% of total revenues. TGS's start of operation in İstanbul, Izmir, Ankara, Antalya and Adana airports since the beginning of the year and also in Sabiha Gökçen airport since July has contributed to earnings. The 32% increase in the number of planes Havas started serving (including TGS, reaching 184 thousand) has increased the aviation income as well.

With the increase in passenger numbers, with a share of 30% in total revenue, duty free revenues performed as the second highest contributor following aviation revenues (including ground services) in total income. Duty free sales increased 13% from EUR106 million in 9M09 to EUR120 million in 9M2010. As the limits applied to duty free sales since October 2009 by the Undersecretariat of Customs have been cancelled in early September 2010, the positive impact of the cancellation was limited, only affecting September results.

## b. Financial Performance

<b>Summary Financials</b>			
<b>EUR mn</b>	<b>2009</b>	<b>9M09</b>	<b>9M10</b>
<b>Turnover *</b>	639,7	483,7	593,8
<b>EBITDA</b>	167,4	135,1	172,5
<b>Net Income</b>	51,5	35,3	39,4
<b>Total Assets</b>	1.923,1	1.846,1	2.037,4
<b>Total Liabilities</b>	1.510,1	1.501,9	1.627,2
<b>Shareholder'Equity</b>	413,0	344,2	410,1

<b>Summary Financials</b>			
<b>TL mn</b>	<b>2009</b>	<b>9M09</b>	<b>9M10</b>
<b>Turnover *</b>	1.375,7	1.035,1	1.183,2
<b>EBITDA</b>	360,0	289,2	343,6
<b>Net Income</b>	110,8	75,5	78,5
<b>Total Assets</b>	4.154,5	3.987,6	4.024,6
<b>Total Liabilities</b>	3.262,3	3.244,1	3.214,4
<b>Shareholder'Equity</b>	892,2	743,5	810,2

\*Construction revenues are excluded while computing the operational income.

TAV Airports Holding announced EUR 39.4 million profit in 9M10 versus EUR 35.3 million profit in 9M09, implying 12% growth YoY.

Construction revenues and construction expenditures are excluded and guaranteed passenger fee revenues from airports in Ankara and Izmir are included while computing adjusted EBITDA.

Holding debt level decreased from EUR 200 million in 2008 to EUR 47 million as of September 30<sup>th</sup>, 2010 with the cash obtained from the sale of minority shares of 18% in TAV Tunisia. Consolidated period debt of EUR 941 million decreased to EUR 890 million as of September 30<sup>th</sup>, 2010.

With the completion of the airport construction and the start of operation in Tunisia, a free cash flow (net cash from the operations-cash spent for investment) amount of minus EUR 144 million in 9M09 has increased to EUR 74 million in 9M10. While the investment expenditures were EUR 256 million in 9M09, it decreased to EUR 77 million in 9M10.

### c. Recent Developments

#### 18.10.2010, Stake in TAV IT increased to 99% from 97%.

TAV IT Services Co., a subsidiary of TAV Airports Holding has increased its paid-in capital from TL 2,500,000 (two million five hundred thousand) to TL 5,500,000 (five million five hundred thousand). Accordingly, the share of TAV Airports Holding in the capital of TAV IT Services has been marked up from TL 2,425,000 (two million four hundred twenty-five thousand) to TL 5,425,000 (five million four hundred twenty-five thousand). As a result, the share of TAV Airports Holding in TAV IT has been increased to 99% from 97%.

#### 06.10.2010, Establishment of SIA TAV Latvia

TAV Airports Holding announced on September 27, 2010 that it will undertake the operations of the commercial areas within SJSC Riga International Airport in Latvia. The Board of Directors of the company agreed to establish and register a company under the name of "SIATAV Latvia" in Latvia for managing the operations of the commercial areas (Duty-Free, Food and Beverage, Lounges, Exchange Offices, etc.) within SJSC Riga International Airport in Latvia. The capital stock of SIATAV Latvia is 2,000 LVL (two thousand Lats) splitted in 2,000 (two thousand) shares; each share having a nominal value of 1 LVL (one Lat).

#### 06.09.2010, Amendment in Customs Law (#4458)

With the amendment in Customs Law (#4458), Article #134, effective as of September 6, 2010, restrictions applied to products which can be brought from abroad has been relieved. Accordingly, maximum purchase limits applied to arriving international passengers have also changed with the amendment, as ATU's sales at international arrival terminals is subject to Customs Law.

#### 01.07.2010, Take over of service points from USAS

TAV Airports Holding's 66.66% subsidiary, BTA Airports Food and Beverage Co. (BTA) has taken over the operations of 5 F&B service points (Kantin, Beerport, Kokpit Cafe, Kokpit Brasserie, Botanik Cafe) at the Istanbul Ataturk Airport Domestic Terminal from USAŞ Uçak Servisi A.Ş. as of July 1st, 2010. With the take-over, BTA's service points increased to 138.

### C. TAV YATIRIM HOLDING A.S.

#### a. Operational Performance

Ataturk Airport development, extension works have been completed. After adding this project to the completed works, the amount of airport and other construction projects completed by TAV İnşaat has reached 2,45 billion US Dollars.

ONGOING PROJECTS (USD mn)			
PROJECT NAME	BACKLOG FOR TAV CONSTRUCTION PORTION	TAV CONSTRUCTION PORTION	TOTAL PROJECT VALUE
New Doha Intl. Airport Passenger Terminal and Concourses A&B&C - Qatar	620	1.292	3.691
New Sepha International Airport - Libya	140	140	279
New Tripoli International Airport Terminal Buildings - Libya	465	654	2.616
Sulafa Tower Project, Dubai - UAE	1	103	103
Emirates Financial Tower Project, Dubai - UAE	12	110	110
Marina 101 Hotel and Residence, UAE	101	206	206
Ataturk Airport (AHL) 2010 Investments, Turkey	20	43	43
Oman - Muscat International Airport / MC-1 Package, Oman	468	585	1.170
Skopje and Ohrid Airports Construction and Renovation Works, Macedonia	119	140	140
<b>TOTAL</b>	<b>1.946</b>	<b>3.273</b>	<b>8.358</b>

<b>FOLLOW-UP PROJECTS (USD mn)</b>		
<b>PROJECT NAME</b>	<b>CONTRACT VALUE TAV CONSTRUCTION PORTION</b>	<b>TOTAL PROJECT VALUE</b>
Cairo International Airport TB2 Renovation Works, Egypt	117	350
Kuwait International Airport – Civil Works, Kuwait	290	580
Oman- Muscat International Airport/Ancillary Buildings (MC-2), Oman	75	150
Oman- Muscat International Airport / Building Works (MC-3), Oman	973	1.946
Madina Prince M. Bin Abdulaziz Airport, Saudi Arabia	375	1.500
Abu Dhabi International Airport Midfield Terminal Complex, UAE	2.000	6.000
Abu Dhabi International Airport Utility Works Package, UAE	150	300
Abu Dhabi International Airport Pile Caps and Associated Works, UAE	29	57
Riga International Airport	180	180
Sohar International Airport Project, Oman	100	200
Brunei Int. Airport, Brunei	50	100
New Istanbul Dev Project, Istanbul	25	25
Hurghada Runway, Egypt	25	50
Pulkovo Int Airport, Russia	1.105	1.105
Haydar Aliyev International Airport;Azerbaijan	175	350
<b>TOTAL</b>	<b>5.669</b>	<b>12.893</b>

### **Medinah International Airport Project**

The bidding date for the project, which is carried out as a BOT (Build- Operate-Transfer) scheme is revised as **28 February 2011** as of the first week of November.

TAV Construction will submit its bid with the below partnership structure:

- TAV Airports Holding (25%)
- Saudi Oger (25%)
- CCC(25%)
- AL Rajhi (25%)

### **Abu Dhabi Int. Airport Midfield Terminal Building Construction Works**

Pre-qualification is obtained. The issuance of the tender documentation is awaited. TAV Construction will submit its bid with the below partnership structure:

- TAV Construction (33%) - Leader
- CCC (33%)
- Arabtec (33%)

### **Kuwait International Airport - Package 1**

TAV Construction's bid was submitted on 04 August 2009 with the below partnership structure:

- TAV Construction (50%) - Leader
- Al Kharafi & Sons (50%)

TAV Construction submitted second best bid. The best bid was invalidated due to its non-compliance with the scope and design given by the administration. Currently, invitation of the administration for negotiation and contract discussions is awaited.

### **Pulkovo International Airport - St.Petersburg, RUSSIA**

PPP contract was signed on 30 October 2009 between St. Petersburg City and Northern Capital Gateway LLC (Fraport 35.5% - VTB Bank 57.5% - Copelouzos Group 7%) and the operation rights has been transferred to NCG group as of the end of April 2009. The tender is realized in two phases and the date of the second phase bid is 25 November 2010.

### **Riga International Airport**

The results of the contest that was held for the design of the terminal is in evaluation stage. In the tender stage, TAV Construction will submit a bid.

### **Haydar Aliyev International Airport**

TAV Construction will submit its final offer for Haydar Aliyev International Airport on 23 November 2010. This tender is carried out as invitation tender. The conceptual design of the project is done by Arup. The administration has invited all the bidders to a meeting last week to ensure that each bidder's proposal will be in same conditions and details. CCC is %50 partner in this Project.

### **Muscat MC3**

As of 30 September TAV Yatırım's position for the project compared to the previous period has not changed. But the administration requested prices from all firms on 11 October. In the last week of October, Oman television has announced that the project was awarded to Bechtel Consortium. The official notification was not delivered as of the report date.

## **b. Financial Performance**

<b>Summary Financials</b>			
<b>US\$ mn</b>	<b>2009</b>	<b>9M09</b>	<b>9M10</b>
<b>Turnover</b>	788,4	608,2	500,2
<b>EBITDA</b>	50,6	71,7	23,2
<b>Net Income</b>	10,5	30,9	3,2
<b>Total Assets</b>	578,0	559,9	579,4
<b>Total Liabilities</b>	512,0	474,6	513,1
<b>Shareholder'Equity</b>	66,0	85,4	66,3

<b>Summary Financials</b>			
<b>TL mn</b>	<b>2009</b>	<b>9M09</b>	<b>9M10</b>
<b>Turnover</b>	1.218,7	954,2	757,3
<b>EBITDA</b>	77,8	112,4	35,1
<b>Net Income</b>	16,2	48,5	4,9
<b>Total Assets</b>	870,3	829,8	840,8
<b>Total Liabilities</b>	770,9	703,3	744,5
<b>Shareholder'Equity</b>	99,4	126,5	96,2

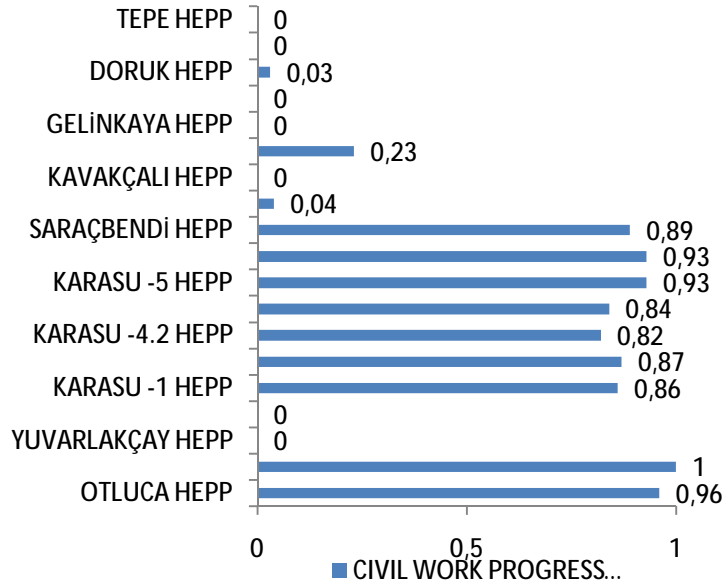
On the back of the losses realized in Dubai, EBITDA margin remained around 5% which is lower compared to Q309.

#### D. AKFEN HEPP PROJECTS ( HES I-II-III)

Akfen Holding has been continuing its hydro-electric power plant investments with its companies of AkfenHEPP Yatırımları ve Enerji Üretim A.Ş. (HEPP1), Akfen Hidroelektrik Santrali Yatırımları A.Ş. (HEPP 2) and Akfen Enerji Kaynakları Yatırım ve Ticaret A.Ş. (HEPP 3) The progress status of the projects as of September 2010 are as follows:

##### a. Construction Status

Project	CIVIL WORK PROGRESS as of September 2010	Expected Project Completion Date
OTLUCA HEPP	96%	Dec-10
SIRMA HEPP	100%	Mar.09
YUVARLAKÇAY HEPP	0%	-
SEKİYAKA HEPP	0%	Dec-11
KARASU -1 HEPP	86%	Dec-10
KARASU -2 HEPP	87%	Dec-10
KARASU -4.2 HEPP	82%	Dec-10
KARASU -4.3 HEPP	84%	Dec-10
KARASU -5 HEPP	93%	Dec-10
ÇAMLICA III HEPP	93%	Dec-10
SARAÇBENDİ HEPP	89%	Dec-10
DOĞANÇAY HEPP	4%	Dec-11
KAVAKÇALI HEPP	0%	Dec-11
DEMİRCİLER HEPP	23%	Dec-11
GELİNKAYA HEPP	0%	Dec-11
YAĞMUR HEPP	0%	Dec-11
DORUK HEPP	3%	Dec-11
ÇATAK HEPP	0%	-
TEPE HEPP	0%	Mar.12



## **b. Recent Developments**

Tranche 3 under the loan agreements of project companies under HEPP 1 has been utilized and the amount of loan utilized for the projects until today has reached EUR 149,3 mn.

Loan agreements of EUR 137.8 mn have been signed between project companies under Akfen Hidroelektrik Santrali Yatırımları A.Ş. (HEPP 2 portfolio) and a consortium formed by Denizbank A.Ş., Türkiye Sınai Kalkınma Bankası A.Ş., Yapı ve Kredi Bankası A.Ş., T. İş Bankası A.Ş. as of 05.05.2010.

In regard to financing of projects under HEPP 2, loan agreement for EUR 137,8 mn was executed in May and first tranche amounting to EUR 20,25 mn was utilized on September 1<sup>st</sup>,2010.

Except Yuvarlakçay and Çatak projects, carbon financing agreement was signed with Future Camp for all HEPP 1 and HEPP 2 projects. Agreements were signed with Bureau Veritas which will carry the accreditation for all projects excluding Yuvarlakçay, Çatak and Tepe.

Stay of execution decision for Yuvarlakçay HEPP was taken. Legal process is ongoing. Application for termination of Yuvarlakçay HEPP license and return of letter of guarantee was submitted to EPDK and the process is ongoing.

The region where Çatak HEPP is located has been declared as Degree 1 site zone by Trabzon Culture and Natural Assets Protection Board. A lawsuit has been initiated for termination of the decision and legal proceeding is ongoing.

A “share sale and purchase” agreement, with an amount of EUR 10 mn is signed between Kardemir A.Ş. and Akfen Hidroelektrik Santral Yatırımları A.Ş., a subsidiary of Akfen Holding A.Ş., concerning the sale of 100% shares of Enbatı Elektrik Üretim Sanayi ve Ticaret A.Ş., which will be operating a hydro power plant with a capacity of 22.5 MW. Share transfer will be completed following obtaining the permissions of related authorities, EMRA being the prior one. Please note that, the Buyer will complete the remaining portion of the investment.

Laleli Dam- HEPP (104,76 MWm/101,64 MWe), a project of Laleli Enerji Elektrik Üretim A.Ş. which is a subsidiary of Laleli Enerji Elektrik Üretim A.Ş. ( a subsidiary of AKFEN Enerji Kaynakları Üretim Ve Ticaret A.Ş.), qualified for a positive Environment Impact Assessment decision (EIA) report on 09.11.2010 submitted by the Ministry of Environment and Forestry.

## **E. TASK Su Kanalizasyon Yatırım ve İşletim A.Ş.**

### **a. Operational Performance**

The test process started upon completion on 31 March 2010 of TASK Dilovası investment was completed on 1 July 2010 and accepted by Dilovası Organized Industrial Zone management. As a result, TASK Dilovası became operational as of 1 July 2010.



## Task Güllük Operational Data

Task Güllük	H109	9M09	2009	9M10	YoY Change (%)
INVOICED WATER VOLUME (m <sup>3</sup> )	169.294	364.917	433.864	397.759	9%
TOTAL SUBSCRIBER	3.938	4.527	4.624	4.959	10%
INVOICED AMOUNT (TL - VAT Excluded)	561.580	1.398.893	1.716.238	1.893.225	35%
BASE WATER TARIFF (TL/m <sup>3</sup> )*	2,35	3,20	3,20	3,35	5%
WASTEWATER TARIFF (% of Water Tariff)	30%	50%	50%	50%	0%

\* Residential Subscribers Drinking Water Base Tariff

## Task Dilovası Operational Data

Task Dilovası	2010			
	Unit	July	August	September
Treated Waste Water Volume	m3	103.892	179.470	203.971
Tariff	€m3	1,325	1,325	1,325
Invoiced Amount (VAT excluded)	€	137.657	237.798	270.262
Monthly Equivalent of the Guaranteed Flow	m3	200.000	200.000	200.000

**Note: For the first operational Year Annual Guaranteed Flow is 2,400,000 m3**

Task Dilovası has started its operation in July 2010. During the first 3 months of its operation the completion of factory connections to the Task Dilovası wastewater network occurred gradually and it is still ongoing. The Administration of the Organized Industrial Zone is the responsible party to complete the factory connections and the Administration targets to complete all connections by December 2010.

Task Dilovası surpassed the minimum guarantee level provided by the OIZ management in terms of waste water volume as of its third month of operation where the guarantee flow is stated in the agreement as 200.000 m3 per month which translates into 2.400.000 m3 for the first year of the operation (July 2010-June 2011).

### b. Financial Performance

Summary Financials			
Euro mn	2009	9M09	9M10
Turnover	7,0	3,4	7,5
EBITDA	-0,1	-0,1	0,7
Net Income	-0,2	-0,3	0,6
Total Assets	18,2	17,1	26,2
Total Liabilities	5,8	3,1	11,9
Shareholder'Equity	12,5	14,0	14,3

\*Since this project was BOT, in line with IFRYC 12 standards of IFRS, the company had to book construction revenue and expenses realized for the BOT investment. Total construction turnover was EUR 6,2 mn, EUR 2,8 mn and EUR 5,9 mn for 2009, Q309 and Q310 respectively whereas the total construction expenses were EUR 5,6 mn, EUR 2,5 mn, EUR 5,3 mn for the same periods respectively.

<b>Summary Financials</b>			
<b>TL mn</b>	<b>2009</b>	<b>9M09</b>	<b>9M10</b>
<b>Turnover</b>	15,0	7,4	15,0
<b>EBITDA</b>	-0,1	-0,1	1,4
<b>Net Income</b>	-0,5	-0,7	1,3
<b>Total Assets</b>	39,4	37,0	51,8
<b>Total Liabilities</b>	12,4	6,7	23,5
<b>Shareholder'Equity</b>	27,0	30,3	28,2

\*Total construction turnover was TL 13,3 mn, TL 5,9 mn and TL 11,7 mn for 2009, 9M09 and 9M10 respectively whereas the total construction expenses were TL 12,1 mn, TL 5,4 mn, TL 10,6 mn for the same periods respectively.

Task Güllük achieved TL 1.963.321 turnover during the the first three quarters of 2010. Task Dilovası achieved TL 1.267.903 turnover during the third quarter of 2010.

Task Güllük's net debt of 0 TL as of the third quarter of 2009 increased to TL 131.935 as of the third quarter of 2010. Task Dilovası's net debt of TL 7.433.093 as of 9M 2009 increased to TL 18.555.091 as of the third quarter of 2010.

Task Güllük's net profit of TL 639.249 as of the third quarter of 2009 declined to TL 123.627 as of the third quarter of 2010. The reason for the decrease is the depreciation and the amortization of the tangible and intangible assets. Task Dilovası's net profit of TL 159.288 as of the third quarter of 2009 increased to TL 1.392.230 as of the third quarter of 2010.

Task Water companies' consolidated net debt of TL 7.388.000 as of the third quarter of 2009 increased to TL 18.684.000 as of 9M 2010. The reason for the increase is utilization of the loan for the investments of Dilovası. While Task Water companies' having a net loss of TL 729.103 as 9M09, in the first 9 months of 2010 recorded a profit of 1.273.715 TL.

### **c. Recent Developments**

Task Dilovası and Task Güllük are at an advanced stage of closing long term senior loan agreements with European Bank of Reconstruction and Development. EBRD will be extending two loans to TASK Group companies for a total of EUR16 million that will be used for the refinancing of Task companies and for the financing of Task companies' planned investments. Since the beginning of EBRD's operations in Turkey, this transaction represents the first EBRD loan in Turkish municipal sector, providing long-term funding for investments in water and wastewater sector in Turkey.

In October, Task Dilovası Waste Water facility has treated 258.243 m3 of Waste Water which is around 27% higher than that of in September.

## **F. Akfen REIT**

### **a. Operational Performance**

177 rooms for Ibis and 92 rooms for Novotel became operational in Gaziantep on 8 January 2010.

162 rooms in Ibis and 96 rooms in Novotel started operations in Kayseri on 15 March 2010.

Hotel	No of Rooms	Occupancy			A.R.R. (Euros)			T-Revpar (Euros)		
		2009	2010 (9 Months)	Change (%)	2009	2010 (9 Months)		2009	2010 (9 Months)	
Zeytinburnu Ibis	228	75,7%	84,6%	12%	70,12	68,36	-3%	60,80	68,12	12%
Zeytinburnu Nov	208	72,1%	84,8%	18%	77,98	76,02	-3%	74,99	88,70	18%
Eskişehir Ibis	108	66,0%	73,8%	12%	44,76	49,98	12%	34,04	42,54	25%
Trabzon Novotel	200	46,9%	60,3%	29%	53,48	52,57	-2%	41,95	53,12	27%
Gaziantep Ibis	92	n.a.	16,0%	n.a.	n.a.	36,79	n.a.	n.a.	7,38	n.a.
Gaziantep Novotel	177	n.a.	25,0%	n.a.	n.a.	48,41	n.a.	n.a.	23,43	n.a.
Kayseri Ibis	160	n.a.	28,5%	n.a.	n.a.	39,94	n.a.	n.a.	14,61	n.a.
Kayseri Novotel	96	n.a.	33,2%	n.a.	n.a.	52,54	n.a.	n.a.	28,61	n.a.

(\*) 4 Hotels in Kayseri and Gaziantep became operational by 2010

As can be seen from the table above;

- The room capacity for 8 hotels in Turkey (except Northern Cyprus Mercure and Bursa Ibis hotel) reached 1269 rooms and increased 71% from 2009 to September 2010.
- In all hotels which were in operational in 2009, occupancy rates increased. For the other four hotels (Gaziantep and Kayseri), as expected the start up occupancies started with relatively lower rates which increased by each month.
- Average Room Rate decreased by 3% in Zeytinburnu Novotel and Ibis hotel and 2% in Trabzon Novotel. On the other hand, average room rate increased by 12% in Eskişehir Ibis.
- T-RevPar increased in all the hotels which were operational in 2009.

#### b. Financial Performance

Summary Financials			
EUR mn	2009	9M09	9M10
Turnover	8,2	6,2	6,8
EBITDA	5,7	3,6	5,1
Net Income	8,0	-2,3	18,7
Total Assets	230,0	216,8	283,3
Total Liabilities	98,4	95,4	95,9
Shareholder'Equity	131,5	121,4	187,4

Summary Financials			
TL mn	2009	9M09	9M10
Turnover	17,7	13,3	13,6
EBITDA	12,3	7,8	10,2
Net Income	17,2	-4,9	37,3
Total Assets	496,8	468,4	559,6
Total Liabilities	212,6	206,1	189,4
Shareholder'Equity	284,2	262,1	370,2

The lease revenue of Akfen REIT which was realized as EUR 6;2 mn in 9M2009 performed an increase of 9,4% and reached to EUR 6;8 mn in 9M 2010. The reason behind this increase was the increase in the performance of the hotels opened before 2010 as well as new hotels being added to the portfolio in 2010 in Gaziantep and Kayseri. However, as a result of the depreciation in EUR/TL parity, the leased revenue which is indexed to Euro translates into TL 13.319.549 in 9M09, increasing by only 1,95% to TL 13.579.404 in 9M10.

Turkey and Cyprus hotels' total financial debt of EUR 86,3 mn as of 31.12.2009 increased to EUR 91;4 as of 30.09.2010. While the percentage of short term debt was %4 and long term debt was 96% as of 31.12.2009, the percentage of short term debt declined to 1.7% and the percentage of long term debt increased to 98.3 % as of 30.09.2010. The total credit balance of RHI and RPI, both of which are 50% affiliates of Akfen GYO, is EUR 20;5 as of 30.09.2010.

Our previous experience and the historic data show that in order to have a reasonable performance, c.12 to 18 operational months are required for our hotels.

RevPar (RevPar=Occupancy Rate x Room Rate ) increase is significant between the opening year and the following year in our 4 hotels which leads us to foresee the same trend in our 5 new hotels that were opened this year. When a comparison of the performance of Istanbul and Eskisehir hotels between 2007and 2008 is to be made;

Zeytinburnu IBIS 2007- 2008 Revpar increase rate: %47.86

Zeytinburnu NOVOTEL 2007- 2008 Revpar increase rate: %44.32

Eskişehir IBIS 2007- 2008 Revpar increase rate: %34.89

The EBITDA figure of TL 7.764 thousand Akfen REIT in 9M09 showed an increased by 31% and reached TL10.169 thousand in 9M10. The reason behind this increase was the increase in lease revenues, as well as decrease in headquarters opex. Hence, the EBITDA margin of 58.29% in 9M09 increased to 74,89% in 9M10. Further increase in EBITDA margin is expected following the stabilization in performance of the hotels opened in 2010 together with additional hotels to be developed in the meantime.

### **c. Recent Developments**

An agreement between Russian Hotel Investments B.V, a subsidiary of Akfen Gayrimenkul Ticareti ve İnşaat A.Ş (which is also a subsidiary of Akfen Holding A.Ş.) in Holland and also the owner of the companies founded for the hotel developments in Russia, and International Finance Corporation and European Bank for Reconstruction and Development has been signed concerning the borrowing of € 45,2 million project finance loan and becoming a 15% shareholder in Russian Hotel Investments B.V. Partnership agreement negotiations are still in progress.

An agreement regarding purchase of 32.466.150 Group D shares owned by THO B.V (a project company owned by Goldman Sachs), in relation with the put option of Goldman Sachs, was signed on 19 July 2010 and thus put option of THO B.V. has ended and share transfer was made on 31 August 2010 following legal and contractual approvals. Simultaneously during the conduct of the said share transfer, a loan agreement for obtaining loan amounting to EUR78.710.194,04 in total for financing the purchase price for purchase of the shares in Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. by THO B.V. to be purchased from THO B.V. by Akfen Holding and also a certain amount thereof for general company purposes was signed on 19 July 2010. The guarantee of the Loan Agreement is the shares owned by Akfen Holding A.Ş. in Akfen GYO A.Ş.

Construction of IBIS hotel for 200 rooms in Bursa was completed and put into operation in November 2010.

The construction of offices and Ibis hotel of 204 rooms in Samara, Russia has reached a progress level of 70%. The construction of Ibis Hotel with 177 rooms in Yaroslavl has reached a progress level of 40%.

The remaining 50% of the land in Beylikdüzü was purchased on September 30<sup>th</sup>, 2010.

A land in Adana was purchased for TL 3.625.000 on August 3rd, 2010 in order to build an Ibis hotel with 161 rooms. Project works started.

A tender organized by General Directorate of Foundations is achieved on 25.08.2010 and the land in Alsancak/Konak is leased for 49 years. The project to develop a 140 room Ibis Hotel on the land has started.

Application for capital increase was made to Capital Markets Board and İstanbul Stock Exchange on August 18<sup>th</sup>, 2010 was approved on September 24<sup>th</sup>, 2010. Our company's paid-in capital increased to TL 138.000.000 as of 30.09.2010.

#### **G. Akfen İnşaat Turizm ve Ticaret A.Ş.**

Akfen İnşaat's completed works corresponds to 1,6 billion dollars while the ongoing works are all consisting of HEPP constructions. Akfen İnşaat's portion of the HEPP investments amounts for EUR 225,2 million, EUR 113,7 million portion of this investment amount is completed and the rest of the investments amounting to EUR 111.5 million is still in process as of the end of September,2010.

Yuvarlakçay HEPP project amounting EUR 3.2 million, Pirinçlik HEPP project amounting EUR 22,5 million and Çatak HEPP project amounting EUR 3,7 million are included in the above-mentioned ongoing works.

The total amount of Akfen Energy companies' electromechanical investments conducted by Akfen İnşaat is EUR 17 million. EUR 10,2 million part of this investment amount is finished and the rest of the investments costing EUR 6.8 million are still in process as of the end of September,2010.

### 3. Akfen Holding Consolidated Summary Financials as of 30 September 2010

#### A. Balance Sheet

	1.000 TL	US\$ 000	1.000 TL	US\$ 000
<b>UNAUDITED</b>				
	30 Sept 2010	30 Sept 2010	31 Dec 2009	31 Dec 2009
<b>ASSETS</b>				
<b>Current Assets</b>	<b>1.035.664</b>	<b>713.660</b>	<b>998.027</b>	<b>662.833</b>
Cash and Cash Equivalents	356.325	245.538	285.866	189.856
Trade Receivables				
- Due from related parties	14.982	10.324	23.804	15.809
- Other Trade Receivables	252.206	173.791	258.927	171.965
Other receivables				
-Due from related parties	6.540	4.507	5.295	3.517
-Other Receivables	174.625	120.331	183.805	122.073
Financial Investments	15.711	10.826	3.706	2.461
Inventories	10.604	7.307	45.758	30.390
Other Current Assets	204.671	141.036	190.866	126.762
<b>Non Current Assets</b>	<b>2.430.323</b>	<b>1.674.699</b>	<b>2.324.259</b>	<b>1.543.640</b>
Trade Receivables				
-Due from related parties	703	484	3.751	2.491
-Other related receivables	82.518	56.862	99.407	66.020
Other Trade Receivables				
-Due from related parties	9.527	6.565	1.878	1.247
-Other receivables	2.865	1.974	2.214	1.470
Financial Investments	4.247	2.927	2.779	1.846
Available for sale Investments	533.213	367.429	531.647	353.090
Tangible Assets	480.734	331.267	306.166	203.338
Intangible Assets	970.394	668.684	1.042.619	692.448
Goodwill	111.095	76.554	116.777	77.557
Deferred tax assets	70.036	48.261	54.976	36.512
Other non-current assets	164.991	113.693	162.045	107.621
<b>TOTAL ASSETS</b>	<b>3.465.987</b>	<b>2.388.359</b>	<b>3.322.286</b>	<b>2.206.473</b>
<b>UNAUDITED</b>				
	30 Sept 2010	30 Sept 2010	31 Dec 2009	31 Dec 2009
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>	<b>855.582</b>	<b>589.569</b>	<b>725.356</b>	<b>481.740</b>
Bank Loans	474.083	326.683	292.799	194.460
Obligations under finance leases	72.877	50.218	48.188	32.004
Trade Payables				0
-Due to related parties	16.639	11.466	24.650	16.371
-Other Trade Payables	87.357	60.196	154.571	102.657
Other Payables				0
-Due to related parties	18.129	12.492	13.143	8.729
-Other trade payables	120.516	83.046	152.801	101.482
Provisions	8.598	5.925	5.384	3.576
Other Current Liabilities	57.383	39.542	33.820	22.461
<b>NON-CURRENT LIABILITIES</b>	<b>2.161.192</b>	<b>1.489.245</b>	<b>2.067.922</b>	<b>1.373.396</b>
Bank Loans	2.017.337	1.390.116	1.941.972	1.289.747
Obligations under finance leases	54.567	37.601	37.596	24.969
Trade Payables				
-Due to related parties	5.173	3.565	5.889	3.911
-Other Trade Payables	12.681	8.738	10.422	6.922
Other Payables				
-Due to related parties	9.921	6.836	10.833	7.195
-Other trade payables	23.475	16.176	27.181	18.052
Provision for employment termination benefits	8.547	5.890	6.449	4.283
Deferred tax liabilities	19.198	13.229	19.034	12.641
Other non-current liabilities	10.293	7.093	8.546	5.676
<b>SHAREHOLDERS' EQUITY</b>	<b>449.213</b>	<b>309.546</b>	<b>529.008</b>	<b>351.337</b>
<b>Partner Company Capital</b>	<b>309.763</b>	<b>213.453</b>	<b>349.097</b>	<b>231.850</b>
Paid-in Capital	112.384	77.442	99.669	66.194
Capital Adjustments	-7.257	-5.001	-7.257	-4.820
Capital adjustments due to cross ownership	-3.709	-2.556	-4.767	-3.166
Partner Companies	-82.788	-57.048	20.062	13.324
Growth Fund	-94.257	-64.951	-62.687	-41.633
Foreign Currency Conversion Adjustments	1.288	888	25.004	16.606
Limited reserves redeemed from the profit	13.884	9.567	14.985	9.952
Other reserves	7.545	5.199	0	0
Share Premiums	90.505	62.366	0	0
Accumulated Profit	257.261	177.275	114.208	75.850
Net Profit for the period	14.907	9.845	149.880	99.542
Translation Profit	0	427	0	0
<b>Minority Interests</b>	<b>139.450</b>	<b>96.093</b>	<b>179.911</b>	<b>119.487</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>3.465.987</b>	<b>2.388.359</b>	<b>3.322.286</b>	<b>2.206.473</b>

## B. Income Statement

	1.000 TL	US\$ 000	1.000 TL	US\$ 000
<b>UNAUDITED</b>				
	1 Jan-30 Sept 2010	1 Jan-30 Sept 2010	1 Jan-30 Sept 2010	1 Jan-30 Sept 2010
<b>CONTINUING OPERATIONS</b>				
Revenues	735.104	485.474	755.918	481.783
Cost of Sales (-)	-551.621	-364.299	-591.506	-376.996
<b>GROSS PROFIT</b>	<b>183.483</b>	<b>121.175</b>	<b>164.412</b>	<b>104.788</b>
General Administration Expenses (-)	-117.876	-77.847	-72.397	-46.142
Other Operational Income	59.802	39.494	25.234	16.083
Other Operating Expenses (-)	-22.726	-15.009	-1.773	-1.130
<b>OPERATING PROFIT</b>	<b>102.683</b>	<b>67.813</b>	<b>115.477</b>	<b>73.599</b>
Financial Income	163.517	107.989	57.096	36.390
Financial Expenses (-)	-234.926	-155.149	-178.159	-113.549
<b>PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATION</b>	<b>31.274</b>	<b>20.654</b>	<b>-5.586</b>	<b>-3.560</b>
<b>Tax Income (Expense) of Continuing Operations</b>	<b>-12.753</b>	<b>-8.422</b>	<b>-13.641</b>	<b>-8.694</b>
Tax Expense for the Period	-16.189	-10.691	-17.987	-11.464
Deferred Tax Income	3.436	2.269	4.346	2.770
<b>LOSS FROM THE CONTINUING OPERATIONS</b>	<b>18.521</b>	<b>12.232</b>	<b>-19.228</b>	<b>-12.255</b>
<b>DISCONTINUED OPERATIONS</b>				
Profit/Loss from the discontinued operations	17.226	11.376	13.888	8.851
<b>PROFIT / LOSS FOR THE PERIOD</b>	<b>35.747</b>	<b>23.608</b>	<b>-5.340</b>	<b>-3.403</b>
<b>Other Comprehensive Income / Expense</b>				
Revaluation surplus change in non current assets	26	17	25	16
Hedging Reserves	-42.473	-28.050	10.002	6.375
Foreign Currency Conversion Adjustments	-25.680	-16.959	1.604	1.022
Tax Income (expense) from other comprehensive income items	4.612	3.046	4.134	2.635
<b>OTHER COMPREHENSIVE INCOME / EXPENSE AFTER TAX</b>	<b>-63.515</b>	<b>-41.946</b>	<b>15.765</b>	<b>10.048</b>
<b>TOTAL COMPREHENSIVE INCOME / EXPENSE</b>	<b>-27.768</b>	<b>-18.338</b>	<b>10.425</b>	<b>6.644</b>
<b>Distribution of the Profit / Loss</b>				
Minority Interests	20.840	13.763	-8.936	-5.695
Subsidiaries	14.907	9.845	3.596	2.292
<b>Net Profit / Loss of the Period</b>	<b>35.747</b>	<b>23.608</b>	<b>-5.340</b>	<b>-3.403</b>
<b>Distribution of Total Comprehensive Income / Expense</b>				
Minority Interests	12.395	8.186	-9.838	-6.270
Subsidiaries	-40.163	-26.524	20.263	12.915
<b>Total Comprehensive Income</b>	<b>-27.768</b>	<b>-18.338</b>	<b>10.425</b>	<b>6.644</b>

Rates Used	2009	9M09	9M10
End of period USD	1,5057	1,482	1,4512
End of period EURO	2,1603	2,16	1,9754
Average USD	1,5471	1,569	1,5142
Average EURO	2,1505	2,14	1,9925