TAV HAVALİMANLARI HOLDİNG A.Ş.
AND ITS SUBSIDIARIES (previously known as
"TAV HAVALİMANLARI İŞLETME A.Ş.")

CONSOLIDATED FINANCIAL
STATEMENTS AS AT 30 SEPTEMBER 2006

INDEX TO THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
TAV Havalimanlari Holding A.Ş.

1. We have audited the accompanying consolidated balance sheets of TAV Havalimanlari Holding A.Ş. (the "Company") and its subsidiaries (together the "Group") as at 30 September 2006 and the related consolidated statements of income, shareholders' equity and cash flows for the nine months periods ended as of 30 September 2006 and 2005. These consolidated financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance on whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, the evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We were not able to observe the taking of the physical inventories of duty free goods and catering as of 30 September 2005 because this date was prior to the date we were engaged as auditors for the Group. The duty free goods and catering inventory were stated at EUR 4,577,080 at 30 September 2005. Due to the nature of the Group's records, we were unable to satisfy ourselves as to the inventory quantities by means of other auditing procedures.

4. In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Group as of 30 September 2006 and the results of its operations and its cash flows for the nine months periods ended as of 30 September 2006 and 2005, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to observe the physical inventories of duty free goods and catering at 30 September 2005, in accordance with International Financial Reporting Standards ("IFRS").

5. Without qualifying our opinion we draw your attention to the following:

   The Group was not in compliance with certain of its loan covenants and, accordingly, the associated long term loans in the amount of EUR 814,498,716 have been classified as short term loans as of 30 September 2006 in accordance with IAS 1 "Presentation of Financial Statements" paragraph 65. As a result, the Group's current liabilities exceed its current assets by EUR 606,653,293 as of 30 September 2006. However, after the completion of a Group restructuring (as described in Note 1 B) and completing certain actions required by its lenders, the Group has received letters from its lenders on 22 January 2007 that waive all events of default.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of DELOITTE TOUCHE TOHMATSU

İstanbul, 31 January 2007

TAV HAVALİMANLARI HOLDİNG A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Amounts expressed in Euro unless otherwise stated)

	Notes	30 September 2006	31 December 2005
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	10,677,470	10,928,081
Restricted bank balances	6	191,244,039	135,428,001
Investments held for trading	7	63,015	610,178
Trade receivables (net)	8	22,513,836	11,741,203
Trade receivables from related parties	9	1,300,051	535,994
Inventories	10	5,264,058	5,339,262
Prepaid concession expenses, current portion	15	183,893,756	117,289,312
Other receivables and current assets	11	34,359,424	29,636,084
Total Current Assets		**449,315,649**	**311,508,115**
NON CURRENT ASSETS			
Long term trade receivables (net)		106,999	127,167
Available-for-sale investments	7	28,086	28,086
Long term loan receivable from related parties	9	62,817,546	202,985,126
Goodwill	12	72,717,730	72,717,730
Property, plant and equipment	13	28,712,926	18,227,224
Other intangible assets	16	17,718,378	14,833,834
Built-operate-transfer (BOT) Inventory	10	3,459,560	9,802,672
Built-operate-transfer (BOT) Investment (net)	14	402,395,936	134,333,720
Prepaid concession expenses	15	184,788,356	308,187,815
Other non-current assets	11	31,684,912	56,115,903
Deferred tax assets	23	5,683,828	20,275,136
Total Non-Current Assets		**810,114,257**	**837,634,413**
TOTAL ASSETS		**1,259,429,906**	**1,149,142,528**
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Bank loans, current portion	18	914,999,645	211,490,892
Obligations under finance leases, current portion	19	39,640	39,560
Loans payable to related parties	9	49,428,343	17,800,487
Trade payables to related parties	9	34,782,128	28,114,654
Trade payables	20	28,508,010	9,298,370
Derivative financial instruments	33	6,555,423	1,534,012
Other payables and deferred revenue	21	19,086,276	14,363,721
Current tax liabilities	23	2,569,477	713,960
Total Current Liabilities		**1,055,968,942**	**283,355,656**
NON CURRENT LIABILITIES			
Bank loans	18	33,934,126	673,137,540
Obligations under finance leases	19	6,975	39,669
Provision for employment termination benefits	22	2,690,662	2,359,745
Other non current liabilities	21	20,031,856	19,565,648
Deferred tax liabilities	23	6,278,653	3,927,151
Total Non-Current Liabilities		**62,942,272**	**699,029,753**
EQUITY			
Share capital	25	82,060,070	82,060,070
Legal reserves	25	8,766,287	8,362,895
Purchase of shares of entities under common control		(12,367,409)	(12,367,409)
Translation reserves		(187,931)	183,918
Retained earnings		19,517,050	45,106,420
Equity attributable to equity holders of the parent		**97,788,067**	**123,345,894**
Minority interest		42,730,625	43,411,225
Total Equity		**140,518,692**	**166,757,119**
TOTAL LIABILITIES AND EQUITY		**1,259,429,906**	**1,149,142,528**

The accompanying notes form an integral part of these financial statements.

TAV HAVALİMANLARI HOLDİNG A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED INCOME STATEMENTS

(Amounts expressed in Euro unless otherwise stated)

	Notes	9 months period ended 30 September 2006	9 months period ended 30 September 2005
Continuing operations			
Operating income	26	283,892,925	203,312,902
Other operating income	27	9,694,040	12,335,339
Cost of catering inventory sold		(4,291,633)	(3,753,355)
Cost of duty free inventory sold		(33,273,574)	(29,922,497)
Cost of services rendered		(22,159,968)	(8,202,788)
Employee benefit expense		(48,027,798)	(27,133,651)
Concession rent expenses		(100,806,365)	(34,272,938)
Depreciation and amortisation expense		(6,299,667)	(49,892,680)
Other operating expenses	28	(54,854,689)	(36,063,045)
Operating profit		23,873,271	26,407,287
Investment income	29	12,681,973	9,872,323
Other gains and losses	30	477,839	(815,398)
Finance costs (net)	31	(49,256,145)	(19,634,747)
Transaction gain/(loss) (net)		(7,290,808)	16,109,310
Monetary gain/(loss) (net)		—	(181,490)
Profit/(loss) before tax		(19,513,870)	31,757,285
Income tax benefit /(expense)	23	(17,456,705)	3,564,005
Profit/(loss) for the period from continuing operations		(36,970,575)	35,321,290
Attributable to			
Equity holders of the parent		(24,851,723)	28,526,062
Minority interest		(12,118,852)	6,795,228
		(36,970,575)	**35,321,290**
Weighted average number of shares outstanding		**200,000,000**	**200,000,000**
Earnings/(loss) per share — basic and diluted		**(0.12)**	**0.14**

The accompanying notes form an integral part of these financial statements.

TAV HAVALİMANLARI HOLDİNG A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts expressed in Euro unless otherwise stated)

	Share Capital	Legal Reserves	Translation Reserves	Retained Earnings	Purchase of shares of entities under common control	Attributable to Equity Holders of the Parent	Minority Interest	Total
Balance at 1 January 2005	**82,489,227**	**7,942,904**	**215,247**	**22,229,184**	**—**	**112,876,562**	**10,000,381**	**122,876,943**
Effect of group structure change	56,943	—	—	—	—	56,943	—	56,943
Exchange differences on translation reserves	—	—	(31,433)	—	—	(31,433)	(12,695)	(44,128)
Transfers (note 25)	—	419,991	—	(419,991)	—	—	—	—
Profit for the year	—	—	—	28,526,062	—	28,526,062	6,795,228	35,321,290
Dividends	—	—	—	(4,129,405)	—	(4,129,405)	—	(4,129,405)
Issue of share capital	—	—	—	—	—	—	3,919,475	3,919,475
Balance at 30 September 2005	**82,546,170**	**8,362,895**	**183,814**	**46,205,850**	**—**	**137,298,729**	**20,702,389**	**158,001,118**
Balance at 1 January 2006	**82,060,070**	**8,362,895**	**183,918**	**45,106,420**	**(12,367,409)**	**123,345,894**	**43,411,225**	**166,757,119**
Effect of group structure change	—	—	—	(334,255)	—	(334,255)	26,648	(307,607)
Exchange differences on translation reserves	—	—	(371,849)	—	—	(371,849)	(77,044)	(448,893)
Transfers (note 25)	—	403,392	—	(403,392)	—	—	—	—
Loss for the period	—	—	—	(24,851,723)	—	(24,851,723)	(12,118,852)	(36,970,575)
Issue of share capital	—	—	—	—	—	—	11,488,648	11,488,648
Balance at 30 September 2006	**82,060,070**	**8,766,287**	**(187,931)**	**19,517,050**	**(12,367,409)**	**97,788,067**	**42,730,625**	**140,518,692**

The accompanying notes form an integral part of these financial statements.

TAV HAVALİMANLARI HOLDİNG A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENTS
(Amounts expressed in Euro unless otherwise stated)

	Notes	9 months period ended 30 September 2006	9 months period ended 30 September 2005
OPERATING ACTIVITIES			
Profit/(Loss) for the period		(36,970,575)	35,321,290
Adjustments to reconcile net profit to net cash provided by operating activities:			
— Depreciation of BOT Investments	14	794,074	48,324,992
— Depreciation of property, plant and equipment	13	3,822,103	1,152,587
— amortisation of other intangible assets	16	1,683,490	415,101
— amortisation of concession asset	15	100,806,365	34,272,938
— VAT expensed		7,548,068	2,195,203
— Provision for employment termination benefits	22	617,591	562,889
— Allowance for doubtful receivables		948,375	788,627
— Discount on receivables and payables		(60,532)	99,346
— Gain on disposal of property, plant and equipment		(92,051)	(1,150,163)
— Unused vacation accrual	21	183,104	480,257
— Provision for slow moving inventory	10	65,625	31,934
— Unrealised foreign exchange differences on loans		(23,772,987)	(46,672,547)
— Accrued interest income		(9,793,818)	(7,917,390)
— Accrued interest expense		39,417,692	7,813,828
— Income tax (income)/expense net of monetary gain	23	20,596,963	(4,574,934)
— Mark to market valuation of derivative instruments		5,021,411	2,284,282
Operating cash flows before movements in working capital		110,814,898	73,428,240
— (Increase)/decrease in trade receivables		(11,863,248)	(11,553,051)
— (Increase)/decrease in inventories		6,344,773	(4,601,261)
— (Increase)/decrease in related party receivables		(765,009)	2,682,958
— Increase in other receivables and current assets		(6,059,979)	(20,928,506)
— Increase/(decrease) in trade payables		19,355,923	(2,116,003)
— Increase/(decrease) in advances received		1,646,143	722,766
— Increase/(decrease) in related party payables		6,659,164	64,468,336
— Increase in other payables and current liabilities		2,837,257	4,345,074
— Increase in restricted bank balances		(55,816,038)	(19,549,059)
Cash generated from operations		73,153,884	86,899,494
— Income taxes paid		(1,798,635)	(1,820,445)
— Interest paid		(32,676,586)	(2,540,346)
— Retirement benefits paid	22	(286,674)	(980,172)
Net cash provided from/(used in) operating activities		**38,391,989**	**81,558,531**
INVESTING ACTIVITIES			
— Net change in investments held for trading/held to maturity		547,163	39,864,956
— Loans collected/(provided) from/(to) related parties		149,961,398	(91,241,513)
— Acquisition of subsidiary	32	—	(96,161,277)
— Additions to concession expenses	15	(44,011,350)	(159,437,705)
— Proceeds on tangible and intangible assets disposed		776,396	1,879,433
— Additions to BOT Investments	14	(268,861,755)	(66,938,000)
— Purchases of property, plant and equipment	13	(15,244,853)	(1,015,914)
— Purchases of intangible assets	16	(4,612,409)	(223,308)
— Change in VAT portion of prepaid rent		18,384,715	(20,775,459)
— Change in other long term assets		331,240	(338,199)
Net cash used in investing activities		**(162,729,455)**	**(394,386,986)**
CASH FLOWS FROM FINANCING ACTIVITIES			
— New borrowings raised		236,743,943	363,502,228
— Repayment of borrowings		(155,406,723)	(62,922,446)
— New loans raised from related parties		31,627,856	16,999,730
— Dividends paid		—	(4,129,405)
— Issue of share capital by shareholders		11,488,648	3,919,475
— Effect of group structure change		(334,255)	56,943
— Repayments of obligations under finance leases		(32,614)	(157,954)
Net cash provided from financing activities		**124,086,855**	**317,268,571**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(250,611)	4,440,116
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD		10,928,081	17,709,130
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		**10,677,470**	**22,149,246**

The accompanying notes form an integral part of these financial statements.

(Amounts expressed in Euro unless otherwise stated)

1 A. BACKGROUND AND DESCRIPTION OF OPERATIONS

TAV Havalimanlari Holding A.Ş. (formerly known as TAV Havalimanlariİşletme A.Ş.) ("TAV" or "the Company") was established in 1997 under the name of Tepe Akfen Vie Yatirim Yapim ve İşletme A.Ş. in Turkey for the purpose of reconstructing the İstanbul Atatürk Airport (International Lines Building) and operating it for a limited period of 66 months. On 7 August 2006, the Company's name has been changed to TAV Havalimanlari Holding A.Ş.

On 29 December 2005, 27 March 2006 and 17 May 2006, the ultimate shareholders of the Company transferred their shares in certain companies and joint ventures, which are responsible for the operation of the İstanbul airport, to the Company. As a result of this share transfer, the Company became parent company of these subsidiaries. The immediate parent and ultimate controlling party of the TAV and its subsidiaries are Tepe and Akfen Group.

TAV, its subsidiaries and its joint ventures are collectively referred to as "the Group" in this report. The details of the Company's subsidiaries at 30 September 2006 and 31 December 2005 are as follows:

			30 September 2006		31 December 2005	
Name of Subsidiary	Principal Activity	Place of incorporation and Operation	Proportion of ownership interest %	Proportion of voting power held %	Proportion of ownership interest %	Proportion of voting power held %
BTA Havalimanlari Yiyecek ve İçecek Hizmetleri A.Ş. ("BTA")	Food and Beverage Services	Turkey	66.66	66.66	66.66	66.66
TAV İşletme Hizmetleri A.Ş. ("TAV İşletme")	O&M, Lounge Services	Turkey	99.99	99.99	99.99	99.99
TAV İstanbul Terminal İşletmeciliği A.Ş. ("TAV HTI")	İstanbul Airport terminal services	Turkey	100.00	100.00	100.00	100.00
TAV Esenboğa Yatirim Yapim ve İşletme A.Ş. ("TAV Esenboğa")	Ankara Airport terminal services	Turkey	1	100.00	1	100.00
TAV Bilişim Hizmetleri A.Ş. ("TAV Bilişim")	Software and system services	Turkey	96.00	96.00	—	—
TAV Özel Güvenlik Hizmetleri A.Ş. ("TAV Güvenlik")	Security services	Turkey	66.67	66.67	—	—
İzmir Adnan Menderes Havalimani Uluslararasi Terminal İnşaati, İşletmeciliği ve Yatirim A.Ş. ("TAV İzmir")(*)	İzmir Airport terminal services	Turkey	59.99	100.00	38.99	100.00

(*) The Company's ownership interest on Tav İzmir represents the effective ownership interest of HAVAS.

1 A. BACKGROUND AND DESCRIPTION OF OPERATIONS (cont'd)

TAV Esenboğa is reflected as a subsidiary due to a formal protocol signed between TAV and shareholders of TAV Esenboğa which transfers all operational and financial control of TAV Esenboğa to TAV.

In July 2005, HAVAS owned 64.99% of TAV İzmir. At the time of the acquisition by HAVAS, the other shareholder in HAVAS agreed to transfer the other shares of TAV İzmir shares under conditions determined by TAV and in doing so relinquished all any rights to or control of the shares in TAV İzmir. Accordingly, TAV in substance owns and controls 100% of TAV İzmir from July 2005. In 2006, HAVAS purchased an additional 35% of the shares in TAV İzmir.

The details of the Company's joint ventures at 30 September 2006 and 31 December 2005 are as follows;

			30 September 2006		31 December 2005	
Name of Joint Venture	**Principal Activity**	**Place of incorporation and operation**	**Proportion of ownership interest %**	**Proportion of voting power held %**	**Proportion of ownership interest %**	**Proportion of voting power held %**
ATÜ Turizm İşletmeciliği A.Ş. ("ATÜ")	Duty free Services	Turkey	49.98	50.00	49.98	50.00
HAVAŞ HavalimanlariYer Hizmetleri A.Ş. ("HAVAŞ")............................	Ground handling services	Turkey	60.00	50.00	60.00	50.00
TAV Urban Georgia LLC ("TAV Georgia")....................	Airport services	Georgia	60.00	50.00	—	—

1 A. BACKGROUND AND DESCRIPTION OF OPERATIONS (cont'd)

Description of Operations

The Group's operations relate to the construction and operation of airports. The Group companies incorporated in Turkey enter into Build — Operate — Transfer (BOT) Agreements with Devlet Hava Meydanlari İşletmesi Genel Müdürlüğü (DHMİ), and the Directorate General of State Airports of Georgia. Under these agreements the Group agrees to build, or reconstruct, an airport within specified period of time and in exchange receives the right to operate the airport for a preestablished amount of time. At the end of the contract, the Group transfers the ownership of the building back to the DHMİ. In addition, the Group enters into subsequent stand alone contracts for the operation of airports.

BOT Agreements

During the periods presented in these financial statements the Group had following BOT Agreements in place.

Atatürk International Airport

A BOT agreement was executed between TAV and DHMİ regulating the reconstruction, investment and operations of the Atatürk International Airport International Lines Building (referred as "Atatürk Airport Terminal" or "AAT") in 1998. TAV was required to complete the construction by August 2000 and then had the right to operate the facilities of the International Lines Building for 3 years, 8 months and 20 days. TAV completed the reconstruction of the International Lines Building in January 2000 and started the operation seven months early, after completion of a significant portion of the construction. Construction of remaining parts of the project was finalised in August 2000. DHMİ and the Undersecretariat of Treasury gave their acceptance of the project in August 2000 when the investment period was formally completed.

An addendum to the agreement was made in September 2000. Under the terms of the addendum, TAV committed to enlarge the International Lines Building by 30% by 2004. In return for extending the International Lines Building, operation period of TAV was increased by 13 months 12 days (to approximately 66 months in total) through June 2005. The contract expired in June 2005 and TAV transferred AAT to DHMİ.

Ankara Esenboğa International Airport

A BOT agreement was executed between TAV and DHMİ on 18 August 2004 regulating the reconstruction, investment and operations of the Ankara Esenboğa International Airport. According to the Agreement, TAV is required to complete the construction within 36 months after the agreement date and will then have the right to operate the facilities of the Ankara Esenboğa International Airport for a period of 15 years and 8 months. In the operations phase, TAV Esenboğa is going to provide mainly passenger, ramp and check-in counter services.

İzmir Adnan Menderes Airport

A BOT agreement was executed between TAV and DHMİ on 20 May 2005 regulating the reconstruction, investment and operations of the İzmir Adnan Menderes Airport. According to the Agreement, TAV is required to complete the construction within 24 months after the agreement date and will then have the right to operate the facilities of the İzmir Adnan Menderes Airport for a period of 6 years, 7 months and 29 days. TAV İzmir started to provide mainly passenger, ramp and check-in counter services since 13 September 2006.

Tbilisi Airport

A BOT agreement was executed between of TAV Urban Georgia LLC and JSC Tbilisi International Airport on 6 September 2005. BOT agreement undertakes the design, engineering, financing, construction, testing, commissioning and maintenance of the new terminal for Tbilisi International Airport, for an initially agreed term of 10 years and 6 months from the commencement date of the new terminal operations. Subsequently, the period of Tbilisi airport operations was extended to another 9.5 years. Currently, the Company operates the existing terminal of the Tbilisi International Airport and the related infrastructure and is in the process of constructing the new terminal.

1 A. BACKGROUND AND DESCRIPTION OF OPERATIONS (cont'd)

Operations Contracts

During 2005, the Group bid on, and was awarded, contracts for the operations of AAT. Under these contracts the Group continues to operate the international terminal as it did under the BOT described above, and was awarded contracts for other operations of the airport. The contract includes the following:

Terminal services — The Group operates the terminal and mainly give passenger, ramp and check-in counter services. A fee is charged to each airline based on the number of passengers that utilise the airport, ramps utilised by aircrafts and check-in counters utilised by the airlines.

Duty free goods — Duty free goods are available for purchase by both arriving and departing passengers. The sales are operated by the Group or, in certain circumstances, subcontracted to other companies in exchange for a commission based on sales.

Catering and airport hotel services — The Group has the right to manage all food and beverage operations within the terminal both for the passengers and the terminal personnel. The Group subcontracts the operation of certain of the food and beverage operations in exchange for a commission based on sales.

Area allocation revenue — The Group has right to rent office space at the airport to airlines for ticket office, banks, etc.

In addition to the above services, the Group also provides the following services:

Ground handling — The group is responsible for all ground handling operations. Ground handling involves providing traffic, ramp, flight operation, cargo and all other ground handling services for domestic and international flights under the Civil Aviation Legislation license ("SHY 22"). Additional activities include shuttle bus and car parking.

Lounge services — The Group has the right to operate or rent the lounges to provide CIP or VIP services to the passengers who are member of.

Bus and car parking services — The Group has the right to operate operations for spaces in the car park and for valet parking service. Revenues from bus operations include from shuttle services from airports to city centers.

Software and System services — The Group develops software and systems on operational and financial optimisation in aviation, particularly terminal, flight management system and software programs and to meet the information systems requirements of group companies and certain other parties.

Security services — The Group operates the security services within the terminal.

The concession agreement requires the Company to make annual rent payments totaling USD 2,543,000,000 (EUR 2,007,553,944) excluding VAT over the life of the concession agreement, of which USD 584,890,000 (EUR 491,231,077) excluding VAT has been prepaid at the beginning of the concession agreement under the terms of the agreement. In addition, the Company is required to make certain enhancements and improvements to the domestic terminal within the first year of the concession agreement and to maintain the facilities through the concession period.

The Group employs approximately 9,000 (average: 7,900) people as of 30 September 2006, 4,790 (average: 4,160) people as of 31 December 2005.

1 B. FINANCIAL RESTRUCTURE OF THE GROUP

Growth of the Group

The Group has experienced major and rapid growths in the recent years following the award of contracts at İzmir Adnan Menderes Airport, Ankara Esenboğa Airport, Tbilisi Airport and İstanbul Atatürk Airport. In connection with these contracts, the Group constructed the airports or made large prepayments for operational leasing under the terms of concession agreements with airport authorities. Although construction cost and prepayments amounted to approximately EUR 942 Million in the last two years, cash flows from their operations will be primarily generated in periods commencing from 2007 as the construction was (will be) primarily completed in 2006, except İstanbul Airport that has been in operation since July 2005. Additionally TAV paid USD 125 Million for the HAVAŞ acquisition. These long term projects, the leases and the acquisition were financed through facilities from various third party lenders. These borrowing facilities contained certain covenants that, among other things, required the Group to maintain certain financial ratios, limited the Group's and the shareholders ability to transfer assets outside of the Group and restricted the use of cash, and required regular payments based on the terms of the borrowing facilities.

Event of Default

As of 30 September 2006 the Group was not in compliance with certain of these covenants, and accordingly, the associated loans, in the amount of EUR 814,498,716, have been classified as short term loans as of 30 September 2006 in accordance with IAS 1 "Presentation of Financial Statements" paragraph 65. IAS 1 Paragraph 65 says; "When an entity breaches an undertaking under a long-term loan agreement on or before the balance sheet date with the effect that the liability becomes payable on demand, the liability is classified as current, even if the lender has agreed, after the balance sheet date and before the authorisation of the financial statements for issue, not to demand payment as a consequence of the breach. The liability is classified as current because, at the balance sheet date, the entity does not have an unconditional right to defer its settlement for at least twelve months after that date." As a result of this classification, the Group's current liabilities exceeded its current assets by EUR 606,653,293 as of September 30, 2006, which created a substantial doubt about the Group's ability to continue as a going concern at that time. The management of the Group has completed a financial restructuring subsequent to September 30, 2006 as described below. Upon completion of the restructuring, and other conditions established by the banks, the banks have waived all events of default on January 22, 2007 and as a result, the loans are payable on the original schedule, and accordingly, management believes this has eliminated the substantial doubt about its ability to continue as a going concern.

Funds Provided by Shareholders to the Group

The Company's shareholders, Tepe and Akfen Group companies, sold certain of their shares in the Company, (representing 21% of the total outstanding shares) to third parties, and obtained an additional USD 89 million of a loan from a bank. The investors and lender placed certain restrictions on how these proceeds would be used by the shareholders including, among other things, a requirement that certain amounts be injected into the Group. According to the agreement, the shareholders would use USD 336.5 million of the proceeds to repay loans, discharge certain debts of the Group, establish specific reserve accounts that would be limited to use of funds for a specific purpose and pay for constructions works. As of January 29, 2007, the shareholders have transferred USD 336.5 million to the Group through the purchase of additional shares in the Company for USD 249.5 million, through a capital contribution to TAV Esenboğa of USD 33 million, and through loans from related parties to TAV Esenboğa of USD 54 million. The Group has used USD 297.9 million of the proceeds as follows and has retained the remainder of the cash.

1 B. FINANCIAL RESTRUCTURE OF THE GROUP (cont'd)

- The Group repaid outstanding loans of USD 75.2 million comprising repayment of loans from Demir Halkbank and Oyak Loans to TAV of USD 13.2 million and repayment of a portion of TAV HTI's senior loan and mezzanine loan totaling USD 62 million.
- The Group repaid loans from related parties of USD 30 million.
- The Group paid USD 20 million to TAV Construction to fund overruns in December 2006.
- The Group paid USD 11 million for construction related costs at İzmir.
- The Group has used USD 15.5 million to fund various operating expenses.
- The Group has deposited USD 15 million into accounts reserved for debt service payments and to fund construction retention as required by the lenders as a condition of waiving the events of default.
- The Group has deposited USD 84.7 million into an account reserved for the repayment of outstanding loans as required by certain of the share sales agreement entered into by the shareholders.
- The Group has deposited USD 10.5 million into reserve accounts with the bank that will be used to fund various operating expenses as required by certain of share purchase agreements entered into by the shareholders.
- The Group has deposited USD 36 million into reserve accounts that will be used to fund remaining construction costs as required by certain of share purchase agreements entered into by the shareholders.

Waive of Default Matters

Upon completion of the restructuring, and other conditions established by the banks, the banks have waived all events of default on January 22, 2007. As a condition of the waivers, the Group has agreed to a Deed of Undertaking whereby it has agreed to complete certain additional actions including many that must be completed prior to pre-determined dates. The actions include, but are not limited to, delivery of a Five Year Master Plan, and delivery of quarterly Operation and Maintenance budget for third financial quarter of 2006. Management has completed, or expects to be able to complete, all such actions within the timeframe required by the Deed of Undertaking. Upon completion all of the conditions as of January 30, 2007, the banks have provided a further letter on January 30, 2007 and confirmed that TAV HTI has fulfilled its obligation under the Deed of Undertaking to the satisfaction of Lenders, except delivery of a Five Year Master Plan by February 28, 2007 and the requirement to review and approve the Financial Model within four business days of receiving a revised version of the Financial Model from the Lenders (TAV HTI has not received such financial model from the Lenders). Other obligations are contingent and or ongoing obligations; such as to procure that its Articles of Association are amended such that any bearer shares in the Majority Shareholder are converted into registered shares, if the IPO does not occur by March 15, 2007.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("the IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are effective for accounting periods beginning on 1 January 2005.

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

IFRS 7	Financial Instruments: Disclosures
IFRS 8	Operating Segments
IFRIC 7	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
IFRIC 8	Scope of IFRS 2
IFRIC 9	Reassessment of Embedded Derivatives
IFRIC 10	Interim Financial Reporting and Impairment
IFRIC 11	Group and Treasury Share Transactions
IFRIC 12	Service Concession Arrangements

The management of the Group does not anticipate that the adoption of these Standards and Interpretations in future periods will have a material impact on the financial statements of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation of consolidated financial statements

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Group maintains its books of account and prepares its statutory financial statements in Yeni Türk Lirasi (TRY) in accordance with accounting principles in the Turkish Commercial Code and tax legislation. The accompanying consolidated financial statements expressed in Euro (EUR), the functional currency of the Group, are based on the statutory records, with adjustments and reclassifications, including re-measurement from TRY to Euro for the purpose of fair presentation in accordance with IFRS.

The principal accounting policies adopted are set out below.

Foreign currencies

Although the currency of the country in which the Group is domiciled is TRY, the Group's functional currency and reporting currency is Euro. Euro is used to a significant extent in, or has a significant impact on, the operations of the Group and reflects the economic substance of the underlying events and circumstances relevant to the Group. Therefore, the Group uses the Euro in measuring items in its financial statements and as the reporting currency. All currencies other than the currency selected for measuring items in the financial statements are treated as foreign currencies. Accordingly, transactions and balances not already measured in Euro have been re-measured to Euro in accordance with the relevant provisions of IAS 21 ("The Effects of Changes in Foreign Exchange Rates").

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in EUR, which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the group's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

The financial statements of subsidiaries that report in the currency of a hyperinflationary economy (Turkey) are restated in terms of the measuring unit current at the balance sheet dates until 31 December 2005 before they are translated into Euros. Turkey came off highly inflationary status for the period beginning after 15 December 2005, therefore restatement for IAS 29 has not been applied as of 30 September 2006.

The TRY/EUR exchange rates, the annual change against EUR and Turkish countrywide wholesale price index ("WPI") inflation as of the end of each year are as follows:

Year:	9/2006	2005	9/2005	2004	2003
TRY/EUR..	1.8964	1.5875	1.6161	1.8268	1.7451
TRY (Appreciation)/Depreciation Against the EUR......	19%	(13%)	(12%)	5%	2%
WPI inflation..	12.0%	4.5%	6.5%	13.8%	13.9%

The financial statements of subsidiaries, namely BTA, TAV İşletme and TAV Güvenlik (established in 2006), which have the TRY as their functional currency, were restated to compensate for the effect of changes in the general purchasing power of the TRY, until 31 December 2005, in accordance with IAS 29 as TRY was the currency of a hyperinflationary economy. Financial statements of such subsidiaries are then translated into Euro, the reporting currency of the Group, at the closing balance sheet exchange rate.

Basis of Consolidation

The consolidated financial statements consolidate the financial statements of the Company and entities controlled or jointly controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Each entity is consolidated based on the following methods:

TAV HTI and TAV İzmir are fully consolidated.

BTA, TAV İşletme, TAV Esenboğa, TAV Bilişim and TAV Güvenlik are fully consolidated with the minority's ownership reflectedas a minority interest.

ATÜ, HAVAŞ and TAV Georgia are proportionally consolidated.

Although the Company owns insignificant amount of shares of TAV Esenboğa, it has the power to appoint and remove the majority of the board of directors and control of the entity by the board. Consequently, TAV Esenboğa is controlled by the Company and is consolidated in these financial statements.

The results of a subsidiary, HAVAŞ including TAV İzmir, acquired from independent third party, during 2005 are included in the consolidated income statement from the effective date of acquisition.

BTA, TAV İşletme, TAV HTI, TAV Esenboğa, and ATÜ were acquired from parents of the Company on 29 December 2005. The acquired subsidiaries and the joint venture which were under common control, are accounted through a restatement of all periods presented.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

TAV Georgia and TAV Bilişim were acquired from parents of the Company on 27 March 2006 and 17 May 2006 respectively. The acquired subsidiary and the joint venture were also under common control. Since these entities have been established in 2005 and their 2005 key figures were not material to the consolidated financial statements, 31 December 2005 financial statements have not been restated.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination (see below) and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Business combinations for independent third party purchases

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

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Business combinations for entities under common control

Acquisitions from entities under common control are accounted for by use the uniting of interests method of accounting. Accordingly, the financial statements of the Group are retrospectively restated to reflect the effect of the structure change for the comparative years.

Interests in joint ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

Where a group entity undertakes its activities under joint venture arrangements directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other venturers are recognised in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Group and their amount can be measured reliably.

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Group reports its interests in jointly controlled entities using proportionate consolidation. The Group's share of the assets, liabilities, income and expenses of jointly controlled entities are combined with the equivalent items in the consolidated financial statements on a line-by- line basis.

Where the Group transacts with its jointly controlled entities, unrealised profits and losses are eliminated to the extent of the Group's interest in the joint venture.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Goodwill

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

Aviation income: Aviation income is recognised based on the daily reports obtained from related airline companies for terminal service income charged to passengers; as well as for ramps utilised by aircraft and check-in counters utilised by the airlines.

Area allocation income: Area allocation income is recognised by the issuance of monthly invoices based on the contracts made for allocated areas in the airport.

Sales of duty free goods: Sales of goods are recognised when goods are delivered and title has passed.

Catering services income: Catering services income is recognised when services are provided. The Group defers revenue for collections from long term contracts until the services have been provided.

There are no deferred costs related to these revenues since these are related with the selling rights given to food and beverage companies to sell their products at Domestic and International Lines.

Ground handling income: Ground handling income is recognised when services are provided.

Commission: The Group subcontracts the right to operate certain of the catering services to third parties. The third parties pay the Group a specified percentage of their sales for the right to operate these concessions. The commission revenue is recognised when in every 2 to 3 days according to sales reports provided from the entities.

Software and system sales: Software and system sales are recognised when goods are delivered and title has passed, or when services provided.

Lounge services: Lounge service income is recognised when services are provided.

Bus and car parking operations: Income from bus and car parking operations is recognised when services are provided.

In addition, the Group has other income as summarised below:

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

3. SIGNIFICANT ACCOUNTING POLICIES

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, and other related costs that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the First-in-First-out ("FIFO") method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to write off the cost or valuation of assets, other than land and construction in progress, over their estimated useful lives, using the straight line method.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Build Operate Transfer (BOT) Investment

All construction expenditures and equipment and system investments, made during BOT period according to the agreements commenced with DHMİ in the context of a Build-Operate-Transfer model, are accounted as BOT Investments.

BOT investments related to building are depreciated during the operation period of BOT. Other BOT assets are depreciated based on their useful lives not to exceed the BOT operation period.

Accounting for Operations Contract

The costs associated with the operations contract primarily include rental payments and payments enhance and improve the domestic terminal at AAT. The Company prepaid certain rental amounts and the prepayment is deferred as prepaid rent and is recognised over the life of the prepayment period. The amounts the Company incurs to enhance and improve the domestic terminal are recorded as prepaid development expenditures and are being amortised over the life of the associated contract. Any other costs associated with regular maintenance are expensed in the period in which they are incurred.

Intangible assets

Intangible assets are carried at historical cost and are presented after amortization and impairment loss. Purchase intangible assets, primarily software, are amortized over five years using the straight-line method.

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets carried at cost less accumulated depreciation to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Borrowing costs

Borrowing costs directly attributable to the acquisition and construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Taxation and deferred income taxes

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Prepaid corporation taxes and corporation tax liabilities are offset as they relate to income taxes levied by the same taxation authority. Deferred tax assets and liabilities are also offset for individual entities.

Retirement pay provision

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. The Group recognises liability by estimating the present value of the future probable obligation of the Company and its Subsidiaries and Joint Ventures registered in Turkey arising from the retirement of employees. Group management used some assumptions (detailed in Note 22) in the calculation of the total liability.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Foreign currency transactions

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in EUR, which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period.

Leasing — the Group as Lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see borrowing costs note).

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Earnings per share

Earnings per common share for 30 September 2006 and 30 September 2005 has been determined using the number of TAV's shares as of 30 September 2006 as if those shares had been outstanding for all periods presented as there is a non-cash increase in share capital in 2006. There are no potentially dilutive securities.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. The Group's Managers consider that the carrying amount of trade and other receivables approximates their fair value.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Due to/from related parties

The close family members of board of directors and key management personnel and any companies controlled or affiliated with them are considered as related parties.

The carrying value of the due to and from related parties are estimated to be their fair values.

Investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs.

Held to maturity investments are measured at amortised cost using the effective interest rate method. Investments classified as held for trading and available-for-sale are measured at subsequent reporting dates at fair value. Where securities are held for trading purposes, gains and losses arising from changes in fair value are included in profit or loss for the period. For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The carrying amount of these assets approximates their fair value.

Restricted bank balances

Group's uses of Project Accounts or Reserve Accounts or Funding Accounts are upon the lenders' consent according to financial agreements. Therefore, bank balances included in these accounts are presented as restricted bank balances in the balance sheet and classified under operating activities in the cash flow statements.

Bank borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. The Group's Managers consider that the carrying amount of trade and other payables approximates their fair value.

Derivative financial instruments

The Group's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rates. Two subsidiaries in the Group, TAV HTI and TAV Esenboğa, use derivative financial instruments (primarily interest rate derivative contracts) to manage its risks associated with interest rate fluctuations relating to certain firm commitments and forecasted transactions.

Derivative financial instruments are initially measured at fair value on the contract date, and are remeasured to fair value at subsequent reporting dates. The Group has not designated the derivative financial instruments as hedges and, accordingly, the changes in the fair value of non-hedging derivatives are charged to income in the related year.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

The Group's credit risk is minimum, as most of its sales are collected in cash or by credit cards.

Events After Balance Sheet Date

Events after the balance sheet date are those events, favourable and unfavourable, that occur between the balance sheet date and the date when the financial statements are authorised for issue. Two types of events can be identified:

— those that provide evidence of conditions that existed at the balance sheet date (adjusting events after the balance sheet date); and

— those that are indicative of conditions that arose after the balance sheet date (non-adjusting events after the balance sheet date).

The Group records adjusting events after the balance sheet date and disclose non-adjusting events after the balance sheet date on the attached financial statements.

Change in Accounting Policies, Accounting Estimates and Errors

Adjustments due to the changes in accounting policies or accounting errors are applied retrospectively and the financial statements of the previous year are restated changes in accounting estimates are deemed to affect that period only, and thus adjustments applied in the current period. If however the estimated changes are for the following periods, changes are applied both on the current and following periods prospectively.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying the entity's accounting policies

In the process of applying the entity's accounting policies, which are described in note 3, management has made the following judgements that have most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

BTA, TAV İşletme, TAV HTI, TAV Esenboğa, and ATÜ were acquired from parents of the Company on 29 December 2005. The acquired subsidiaries and the joint venture, which all are in airport terminal related operations and could be treated as an integrated operation of TAV by nature or by transfer of knowledge, were under common control by TAV since the beginning of their operations and are accounted for by use of the pooling of interest method. This application is based on management judgement that this treatment is the best way to present the economic substance of the transaction because there is no independent third party involved and hence measurement of the fair value is very difficult and, therefore meets the criteria of IAS 8.10-12. IAS 8.10 states that "In the absence of a standard or an interpretation that specifically applies to a transaction, other event or condition, management shall use its judgement in developing and applying an accounting policy that results in information that is: (a) relevant to the economic decision-making need's of users; and (b) reliable, in that financial statements. IAS 8.12 states that "in making the judgement described in paragraph 10, management may also consider the most recent pronouncement of other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature, and accepted industry practices, to the extent that these do not conflict with the sources in paragraph 11. Accordingly, the financial statements of these entities have been retrospectively restated to reflect the effect of structure change for the earliest period.

5. CASH AND CASH EQUIVALENTS

	30 September 2006	31 December 2005
Cash on hand	468,259	245,133
Cash at banks — demand deposits	4,284,170	3,228,151
Cash equivalents	5,674,539	7,312,855
Other liquid assets	250,502	141,942
	10,677,470	10,928,081

	30 September 2006	31 December 2005
Cash equivalents		
Time deposits	4,012,291	4,542,136
Reverse repurchase agreements	1,662,248	2,770,719
	5,674,539	7,312,855

The details of the Group's time deposits, maturities and interest rates as at 30 September 2006 and 31 December 2005 are as follows:

Original Currency	Maturity	Interest rate %	30 September 2006
USD	02.10.2006	4.22-4.95	651,291
EUR	02.10.2006	2.00-2.40	3,361,000
			4,012,291

Original Currency	Maturity	Interest rate %	31 December 2005
TRY	02.01.2006	13.00-14.00	2,538,243
EUR	16.01.2006	3.50	2,003,893
			4,542,136

The details of the Group's reverse repurchase agreements, maturities and interest rates as at 30 September 2006 and 31 December 2005 are as follows:

Original Currency	Maturity	Interest rate %	30 September 2006
TRY	02.10.2006	12.75	92,807
TRY	02.10.2006	18.00	1,284,680
TRY	02.10.2006	17.20-17.85	233,084
TRY	02.10.2006	14.45	51,677
			1,662,248

Original Currency	Maturity	Interest rate %	31 December 2005
TRY	02.01.2006	12.68	122,605
TRY	02.01.2006	—	34,959
TRY	03.01.2006	14.00	2,112,901
EUR	02.01.2006	2.00	500,254
			2,770,719

6. RESTRICTED BANK BALANCES

	30 September 2006	31 December 2005
Project, reserve and funding accounts(*).....	156,4	71,9
Cash collaterals(**).....................................	34,8	63,5
	191,2	135,4

(*) Some of the subsidiaries namely TAV HTI, TAV İzmir and ATÜ ("the Borrowers") opened Project Accounts or Reserve Accounts or Funding Accounts to fund Project Accounts based on agreements with their lenders. Based on these agreements, the Group can access the money but all withdrawals from the project accounts are upon the lenders' consent. Project accounts should be used for its designated purpose such as debt service, lease payment to Airport Authority and etc.

(**) The Group has deposited cash equivalents of EUR 34,803,341 as of 30 September 2006 (31 December 2005: EUR 63,504,471) in respect of the Group's indebtedness under bridge loan agreements.

7. INVESTMENTS

a) Investments held for trading

	30 September 2006	31 December 2005
Debt securities:		
Investment funds- short term....	63,015	610,178
	63,015	610,178

b) Available-for-sale investments

	Shareholding %	30 September 2006	31 December 2005
Available for sale equity securities:			
Unlisted entities			
TAV Havacilik A.Ş	3.00	28,086	28,086
		28,086	28,086

8. TRADE RECEIVABLES (NET)

	30 September 2006	31 December 2005
Trade receivables..	22,620,857	11,728,247
Notes receivable	9,640	13,272
Discount on receivables (—)	(130,616)	(20,709)
Doubtful receivables...................................	2,232,092	1,266,152
Allowance for doubtful receivables (—).....	(2,232,092)	(1,266,152)
Other...	13,955	20,393
	22,513,836	11,741,203

Allowance for doubtful receivables has been determined by reference to past default experience.

The Borrowers irrevocably and unconditionally assign and transfer, as security for the fulfillment of all the obligations at any time due, in respect of the finance documents to the lenders all of their receivables and rights, title, interest and benefit in, to and under their receivables, as well as the claims arising from such receivables under the following "assigned receivables" such as income from the lease, area lease, duty free, food and beverage, contractors, O&M providers, insurers including VAT refunds, and etc.

9. RELATED PARTY TRANSACTIONS

The major immediate parent and ultimate controlling parties of the Group are Tepe and Akfen groups.

The Company has a number of operating and financial relationships with its shareholders and other entities owned by its shareholders. For example, TAV Tepe Akfen Yat. İnş. ve İşl. A.Ş. is the constructor company of Ankara Airport and major contractor for all construction works handled by the Group. There are no set payment terms for any of the related party transactions. The related party receivables and payables resulting from operating activities are generally settled in the normal course of business.

All other transactions not described in this footnote between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. Details of transactions between the Group and other related parties are disclosed below.

Trading transactions

	30 September 2006	31 December 2005
Trade receivables from related parties		
HAVAŞ Havaalanlari Yer Hizmetleri A.Ş	377,284	—
ATÜ Turizm İşletmeciliği A.Ş	—	216,377
Tepe Savunma ve Güvenlik Sis. A.Ş	179,843	—
TAV Havacilik A.Ş	182,757	82,390
TAV Bilişim A.Ş	—	91,048
Arti Döviz Ticaret A.Ş	365,136	62,431
Task Tepe Akfen Su Kanal. İşl. A.Ş	101,873	58,544
Park Havacilik A.Ş	—	23,240
Other related parties	93,158	1,964
	1,300,051	535,994
Trade payables to related parties		
TAV Tepe Akfen Yat. İnş. ve İşl. A.Ş	17,483,045	16,952,475
IBS Brokerlik ve Sigorta Hizmetleri A.Ş	5,415,494	2,104,658
Unifree Dutyfree A.Ş	5,049,299	2,019,353
ATÜ Turizm İşletmeciliği A.Ş	3,549,882	2,036,069
TAV Yatirim Holding A.Ş	1,604,969	2,400,416
Akfen İnşaat Turizm ve Ticaret A.Ş	605,286	226,998
Park Enerji Yatirim Holding	380,808	—
Meteksan Sistem ve Bilgisayar Tekn. A.Ş	368,283	277,309
Akinisi — Ekin Ortak Girişimi	238,630	255,181
Tepe İnşaat Sanayi A.Ş	30,953	314,026
Tepe Savunma ve Güvenlik Sistemleri A.Ş	—	173,024
Akfen Turizm Yat. ve İnş. A.Ş	3,924	57,733
Sera Yapi End. Ve Tic. Ltd. Şti	—	34,617
HAVAŞ Havaalanlari Yer Hizmetleri A.Ş	—	1,219,341
Other related parties	51,555	43,454
	34,782,128	28,114,654

	9 months period ended 30 September 2006	9 months period ended 30 September 2005
Services rendered to related parties		
ATÜ Turizm İşletmeciliği A.Ş	35,720,349	27,967,957
HAVAŞ Havaalanlari Yer Hizmetleri A.Ş	5,564,066	454,741
TAV Tepe Akfen Yat.İnşaat ve İşl. A.Ş	1,158,616	14,584
Arti Döviz Ticaret A.Ş	826,924	740,589
Tepe Savunma ve Güvenlik Sistemleri A.Ş	248,241	904,007
TAV Yatirim Holding A.Ş	179,830	27,442
Task Tepe Akfen Su Kanal. İşl. A.Ş	25,064	939
Other related parties	71,285	10,688
	43,794,375	30,120,947

9. RELATED PARTY TRANSACTIONS (cont'd)

Nature of major transactions with related parties:

The Company generates commission income, rent income and utility participating fee from ATÜ and these amounts are included in revenues. Services rendered to HAVAŞ represents the bus and parking income of TAV İşletme.

TAV İnşaat has purchased software and hardware from TAV Bilişim.

	9 months period ended 30 September 2006	9 months period ended 30 September 2005
Services rendered by related parties		
Unifree Dutyfree A.Ş	33,392,717	35,795,209
TAV Yatirim Holding A.Ş	8,706,968	1,419,519
Park Enerji Holding A.Ş	3,839,581	2,285,470
Meteksan Sistem ve Bilgisayar Tekn. A.Ş	3,574,488	463,098
HAVAŞ Havaalanlari Yer Hizmetleri A.Ş	1,576,772	795,291
Tepe Savunma ve Güvenlik Sistemleri A.Ş	1,389,904	3,710,123
Akinisi — Ekin Ortak Girişimi	1,365,249	1,367,762
Tepe İnşaat Sanayi A.Ş	282,989	255,849
Akfen İnşaat Turizm ve Ticaret A.Ş	261,749	339,268
Bilintur Bilkent Tur. İnş. Yat. Tic. Ltd. Şti	46,965	9,565
Park Holding A.Ş	7,142	10,250
Other related parties	138,751	91,029
	54,583,275	46,542,433

Nature of major transactions with related parties:

The Company receives maintenance services of computer systems from Meteksan Sistem. Expenses incurred from Park Enerji Holding A.Ş. are related with consultancy expenses. HAVAŞ renders bus services and parking lot services to TAV İşletme.

TAV Yatirim Holding A.Ş ("TAV Holding") provided support, consultancy and such facilities to TAV HTI in connection with information technology, finance, human resource, administration, accounting, general management and operations by way of human resources and/or consultants and allowed TAV HTI to utilise any kind of resources of TAV Holding including know-how the matters mentioned during the period. The Company paid USD 2,000,000 excluding VAT per month for such consulting and support services to TAV Holding for the first three months of the year. USD 1,500,000 excluding VAT was charged for April and May. The Support and Services Agreement with TAV Yatirim Holding is terminated on 27 September 2006 with effect from 1 July 2006.

The expenses charged by Tepe Savunma ve Güvenlik A.Ş. are related to the security management services until May 2006.

IBS Brokerlik ve Sigorta Hizmetleri A.Ş. provides insurance intermediatory services to the Group. Total insurance premium expenses of the Group including insurance intermediatory fees are EUR 5,591,949 as of 30 September 2006 (30 September 2005: EUR 604,535).

Akinisi-Ekin Ortak Girişimi is mechanical system maintenance service provider of the Company.

9. RELATED PARTY TRANSACTIONS (cont'd)

ATÜ purchases the duty free goods sold from Unifree Dutyfree A.Ş.ATÜ operates duty free shops at the airport.

	9 months period ended 30 September 2006	**9 months period ended 30 September 2005**
Construction work rendered by related parties		
TAV Tepe Akfen Yat. İnş. ve İşl. A.Ş	119,380,069	56,011,802
	119,380,069	56,011,802

Nature of major transactions with related parties:

TAV Tepe Akfen Yat. İnş. ve İşl. A.Ş. provided services related to refurbishment of Domestic and International Lines and construction of Esenboğa Airport.

Financing transactions

	30 September 2006	**31 December 2005**
Loans receivable from related parties		
TAV Tepe Akfen Yat. İnş. Ve İşl. A.Ş	—	45,711,388
Tepe İnşaat Sanayi A.Ş.	31,978,037	88,100,764
Akfen İnşaat Turizm ve Ticaret A.Ş	21,177,527	60,108,539
Urban İnşaat Sanayi ve Ticaret A.Ş	4,711,312	—
Sera Yapi End. ve Tic. Ltd. Şti	—	5,197,833
TAV Havacilik A.Ş	2,238,409	2,238,257
Akfen Holding A.Ş	1,288,156	1,538,809
Park Enerji Yatirim Holding	1,046,932	—
Other related parties	377,173	89,536
	62,817,546	202,985,126

	30 September 2006	**31 December 2005**
Loans payable to related parties		
TAV Tepe Akfen Yat. İnş. ve İşl. A.Ş	17,388,696	—
Tepe İnşaat Sanayi A.Ş.(*)	11,897,503	—
Akfen İnşaat Turizm ve Ticaret A.Ş.(*)	11,539,432	—
ATI Services SA	3,044,193	—
TAV Yatirim Holding A.Ş	2,889,084	15,185,586
HAVAŞ Havaalanlari Yer Hizmetleri.A.Ş	1,456,890	—
Sera Yapi End. Ve Tic. Ltd. Şti	768,865	—
Bilintur Bilkent Tur. İnş. Yat. Tic. Ltd. Şti	17,509	994,776
Tepe Emlak Yatirim İnşaat ve Tic. A.Ş	—	823,383
Other related parties	426,171	796,742
	49,428,343	17,800,487

(*) EUR 23,436,079 of the total balance comes from the capital advance payments of Tepe İnşaat and Akfen İnşaat for TAV Esenboğa and TAV İzmir. As the capital increase has not been made and registered as of this report date, these payments have been classified as loans payable to related parties.

Loans payable to related parties are classified as current liabilities being their maturities are not known and there is no previous history of payment as they were obtained in 2005 for the first time.

The average interest rate used within the Group is 6.6% (2005: 5.5%). The Group converts related party TRY loan receivable and payable balances to USD at month end. Then charges interest on the USD balances. The interest rate was calculated as 6.6% (2005: 5.5%) per annum. The USD conversion was performed using the Central Bank's announced exchange rates.

9. RELATED PARTY TRANSACTIONS (cont'd)

	9 months period ended 30 September 2006	9 months period ended 30 September 2005
Interest income from related parties		
Akfen İnşaat Turizm ve Ticaret A.Ş	4,150,908	2,190,051
Tepe İnşaat Sanayi A.Ş	3,539,229	2,601,721
TAV Tepe Akfen Yat. İnş. Ve İşl. A.Ş	1,259,083	1,405,561
Sera Yapi End. ve Tic. Ltd. Şti	678,482	268,108
TAV Havacilik A.Ş	120,915	—
TAV Yatirim Holding A.Ş	42,767	1,449,191
Other related parties	2,434	2,758
	9,793,818	7,917,390
Interest expense to related parties		
TAV Yatirim Holding A.Ş	647,807	2,030
Akfen İnşaat Turizm ve Ticaret A.Ş	183,331	—
Tepe İnşaat Sanayi A.Ş	110,811	—
HAVAŞ Havaalanlari Yer Hizmetleri.A.Ş	364,629	17,200
TAV Tepe Akfen Yat. İnş. Ve İşl. A.Ş	98,779	753
Task Tepe Akfen Su Kanal. İşl. A.Ş	39,911	—
Other related parties	65,884	2,084
	1,511,152	22,067

Other transactions:

	9 months period ended 30 September 2006	9 months period ended 30 September 2005
Other gains from related parties		
TAV Tepe Akfen Yat. İnş. Ve İşl. A.Ş	1,065,827	1,109,344
TAV Yatirim Holding A.Ş	169,016	1,150,163
HAVAŞ Havaalanlari Yer Hizmetleri A.Ş	279	217,214
TAV Havacilik A.Ş	35,820	310
Tepe Savunma ve Güvenlik Sistemleri A.Ş	39,080	6,668
Bilintur Bilkent Tur. İnş. Yat. Tic. Ltd. Şti	18,790	—
Other related parties	13,167	157,098
	1,341,979	2,640,797

Nature of other major transactions with related parties:

Other gain from TAV Yatirim Holding was generated from sales of leaseholds. Gains from TAV Tepe Akfen İnş. A.Ş. were related with income from services related to business projects.

	9 months period ended 30 September 2006	9 months period ended 30 September 2005
Other expenses with related parties		
Donations to Bilkent University	217,968	1,529,482
	217,968	1,529,482

9. RELATED PARTY TRANSACTIONS (cont'd)

Compensation of key management personnel:

The remuneration of directors and other members of key management during the year was as follows:

	9 months period ended 30 September 2006	9 months period ended 30 September 2005
Short-term benefits (salaries and bonuses)	1,406,875	1,018,995
	1,406,875	1,018,995

Some of the key management of the Group are included in TAV Yatirim Holding A.Ş.'s payroll, therefore they are not included in the above table as such expenses separately invoiced by TAV Yatirim Holding A.Ş.

10. INVENTORIES

	30 September 2006	31 December 2005
Duty free inventories	4,944,855	4,898,553
Catering inventories	496,418	464,565
Goods in transit	33,546	127,527
Other inventories	106,180	101,562
Order advances given	1,629	—
Less: Provision for slow moving and obsolete inventories	(318,570)	(252,945)
	5,264,058	5,339,262

Provision for slow moving and obsolete inventories:

	30 September 2006	31 December 2005
At 1 January	252,945	209,634
Additional provision for the year	65,625	43,311
At the end of the period	318,570	252,945

	30 September 2006	31 December 2005
BOT Inventory		
Spare parts	2,586,045	2,347,468
Order advances given	873,515	7,455,204
	3,459,560	9,802,672

11. OTHER RECEIVABLES, CURRENT AND NON-CURRENT ASSETS

	30 September 2006	31 December 2005
Other receivables and current assets:		
Advances given to DHMİ for VAT portion (short term)	19,859,024	21,205,685
Prepaid rent	39,055	1,265,459
Prepaid insurance	6,827,979	3,217,110
Advances to suppliers	1,164,076	—
Income accruals	1,247,269	365,429
VAT deductible and carried forward	3,802,841	1,813,838
Prepaid taxes and dues	283,763	1,115,846
Advances given to personnel	151,145	73,949
Business advances given	226,316	42,532
Other receivables	757,956	536,236
	34,359,424	29,636,084
Other non current assets:		
Advances given to DHMİ for VAT portion (long term)	30,751,021	55,337,143
Non current prepaid insurance	827,978	778,760
Other non current receivable	105,913	—
	31,684,912	56,115,903

12. GOODWILL

Cost

At 1 January 2005	—
Arising on acquisition of a subsidiary	72,7
At 31 December 2005	72,7
At 30 September 2006	72,7
Carrying amount	
At 31 December 2005	72,7
At 30 September 2006	72,7

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

See Note 32 for the details related to acquisition of subsidiary (HAVAŞ).

13. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Leaseholds Improvements	Construction in progress	Advances given and other PP&E	Total
Cost								
Opening balance, 1 January 2005	585,724	794,382	166,789	2,157,484	—	19,369	—	3,723,748
Foreign currency translation effect	—	24,858	17,290	320,164	6,429	15,763	—	384,504
Additions	—	95,666	152,623	618,747	119,840	12,772	16,266	1,015,914
Acquired on acquisition of a subsidiary		44,602	27,519,255	4,459,588	3,403,555	5,738,610	—	41,165,610
Disposals	—	(9,944)	(19,302)	(262,117)	(547,828)	(25,850)	—	(865,041)
Closing balance, 30 September 2005	630,326	28,424,217	4,776,988	6,237,833	5,317,051	22,054	16,266	45,424,735
Opening balance, 1 January 2006		630,326	28,802,443	6,434,448	7,563,362	6,023,105	174,276	62,433
Foreign currency translation effect	(6,530)	(37,868)	(76,095)	(403,001)	(16,462)	(20,592)	—	(560,548)
Effect of change in group structure	197,873	1,172,053	1,897,526	44,135	—	—	—	3,311,587
Additions	112,016	775,397	1,819,326	1,493,833	923,766	4,381,788	2,488,349	11,994,475
Disposals	—	(92,735)	(182,587)	(76,272)	(16)	(406,241)	(209,357)	(967,208)
Transfers from CIP	—	—	—	769,627	723,250	(1,492,877)	—	—
Closing balance, 30 September 2006	933,685	30,619,290	9,892,618	9,391,684	7,653,643	2,636,354	2,341,425	63,468,699
Accumulated depreciation								
Opening balance, 1 January 2005	976	788,600	116,588	1,338,224	—	—	—	2,244,388
Foreign currency translation effect	—	10,280	10,738	226,196	6,429	—	—	253,643
Depreciation charge for the period	11,941	601,959	153,373	274,437	110,877	—	—	1,152,587
Acquired on acquisition of a subsidiary	11,709	18,970,158	2,284,687	2,910,447	2,758,806	—	—	26,935,807
Eliminated on disposals	—	(2,301)	(19,302)	(23,978)	(90,190)	—	—	(135,771)
Closing balance, 30 September 2005	24,626	20,368,696	2,546,084	4,725,326	2,785,922	—	—	30,450,654
Opening balance, 1 January 2006	24,852	20,961,832	2,661,193	4,876,633	2,938,659	—	—	31,463,169
Foreign currency translation effect	76	(27,153)	(7,761)	(271,965)	(1,041)	—	—	(307,844)
Effect of change in group structure	366	20,225	40,113	505	—	—	—	61,209
Depreciation charge for the period	677	1,682,199	1,008,369	621,121	509,737	—	—	3,822,103
Eliminated on disposals	—	(90,347)	(150,714)	(41,787)	(16)	—	—	(282,864)
Closing balance, 30 September 2006	25,971	22,546,756	3,551,200	5,184,507	3,447,339	—	—	34,755,773
Carrying amount at 30 September 2005	605,700	8,055,521	2,230,904	1,512,507	2,531,129	22,054	16,266	14,974,081
Carrying amount at 31 December 2005	605,474	7,840,611	3,773,255	2,686,729	3,084,446	174,276	62,433	18,227,224
Carrying amount at 30 September 2006	907,714	8,072,534	6,341,418	4,207,177	4,206,304	2,636,354	2,341,425	28,712,926

13. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The depreciation periods for property, plant and equipment are as follows:

	Useful life
Buildings	50 years
Machinery and equipment ...	5 years
Vehicles	5 years
Furniture and fixtures	5 years
Leasehold improvements	5-6 years

The carrying amount of the Group's fixtures and equipment includes an amount of EUR 243,379 (2005: EUR 316,673) in respect of assets held under finance leases.

14. BUILT-OPERATE-TRANSFER (BOT) INVESTMENTS (NET)

	Atatürk International Airport		Ankara Esenboğa International Airport	İzmir Adnan Menderes Airport			Tbilisi International Airport	Batumi International Airport	
	BOT Investment	Advances given (for BOT)	Construction in progress (for BOT)	BOT Investment	Construction in progress (for BOT)	Advances given (for BOT)	Construction in progress (for BOT)	Construction in progress (for BOT)	Total
Cost									
Opening balance, 1 January 2005	389,047,011	14,038	7,428,598	—	—	—	—	—	396,489,647
Foreign currency translation effect	1,624,293	—	—	—	—	—	—	—	1,624,293
Additions	23,236	64,147	61,950,082	—	529,130	4,434,110	—	—	67,000,705
Transfers from advances	15,480	(78,185)	—	—	—	—	—	—	(62,705)
Transfer to DHMİ - İstanbul airport	(390,710,020)	—	—	—	—	—	—	—	(390,710,020)
Closing balance, 30 September 2005	—	—	69,378,680	—	529,130	4,434,110	—	—	74,341,920
Opening balance, 1 January 2006	—	—	112,500,369	—	12,407,579	9,425,772	—		134,333,720
Foreign currency translation effect	—	—	—	—	—	—	(5,465)	—	(5,465)
Effect of change in group structure	—	—	—	—	—	—	165,618	—	165,618
Additions	—	—	133,227,162	—	120,924,958	1,908,565	8,936,973	3,698,479	268,696,137
Transfers from advances	—	—	—	142,758,309	(133,332,537)	(9,425,772)	—	—	—

14. BUILT-OPERATE-TRANSFER (BOT) INVESTMENTS (NET) (cont'd)

Closing balance, 30 September 2006	—	—	245,7	142,7	—	1,908,565	9,097,126	3,698,479	403,190,010
Accumulated depreciation									
Opening balance, 1 January 2005	341,027,662	—	—	—	—	—	—	—	341,027,662
Foreign currency translation effect	1,357,366	—	—	—	—	—	—	—	1,357,366
Depreciation charge for the period	48,324,992	—	—	—	—	—	—	—	48,324,992
Transfer to DHMİ - İstanbul airport	(390,710,020)	—	—	—	—	—	—	—	(390,710,020)
Closing balance, 30 September 2005	—	—	—	—	—	—	—	—	—
Opening balance, 1 January 2006	—	—	—	—	—	—	—	—	—
Depreciation charge for the period	—	—	—	794,(	—	—	—	—	794,074
Closing balance, 30 September 2006	—	—	—	794,(	—	—	—	—	794,074
Carrying amount at 30 September 2005	—		69,3	—	529,130	4,434,110	—	—	74,341,920
Carrying amount at 31 December 2005	—	—	112,5	—	12,407,579	9,425,772	—	—	134,333,720
Carrying amount at 30 September 2006	—	—	245,7	141,9	—	1,908,565	9,097,126	3,698,479	402,395,936

BOT Investments are depreciated during the BOT contract period commencing from the date of operation of the terminals.

15. PREPAID CONCESSION EXPENSES

30 September 2006	Rent	Prepaid Development expenditures	Total
Opening	423,360,803	2,116,324	425,477,127
Additions	—	44,011,350	44,011,350
Current period concession expense (1 January 2006 — 30 September 2006)	(98,514,433)	(2,291,932)	(100,806,365)
	324,846,370	43,835,742	368,682,112
Represented as short term prepaid concession expense	140,058,014	43,835,742	183,893,756
Represented as long term prepaid concession expense	184,788,356	—	184,788,356

31 December 2005	Rent	Prepaid Development expenditures	Total
Additions	491,231,077	4,161,231	495,392,308
Current year concession expense (3 July 2005 — 31 December 2005)	(67,870,274)	(2,044,907)	(69,915,181)
	423,360,803	2,116,324	425,477,127
Represented as short term prepaid concession expense	117,289,312	—	117,289,312
Represented as long term prepaid concession expense	306,071,491	2,116,324	308,187,815

30 September 2005	Rent	Prepaid Development expenditures	Total
Additions	159,437,705	—	159,437,705
Current period concession expense (3 July 2005 — 30 September 2005)	(33,269,477)	(1,003,461)	(34,272,938)
	126,168,228	(1,003,461)	125,164,767
Represented as short term prepaid concession expense	126,168,228	(1,003,461)	125,164,767
Represented as long term prepaid concession expense	—	—	—

Rent:

The total rent associated with the concession agreement is US Dollar 2,543,000,000 plus VAT (Euro 2,007,553,944). TAV HTI paid 23% of the total amount as required by the Concession Agreement. A payment representing 5.5% of the total rent amount will be paid within the first five workdays of each rental year following the first rental year. Below is the payment schedule per the Concession Agreement, excluding VAT.

Date	Amount USD	Amount Euro
03.01.2007	139,865,000	110,415,467
03.01.2008	139,865,000	110,415,467
03.01.2009	139,865,000	110,415,467
03.01.2010	139,865,000	110,415,467
03.01.2011	139,865,000	110,415,467
03.01.2012	139,865,000	110,415,467
After 2013 to 2020	1,118,920,000	883,323,736
	1,958,110,000	1,545,816,538

Prepaid development expenditures:

This represents costs incurred related to the installation of EDS Security Systems for the International and Domestic Lines Terminals, and various re-design at the exterior of the Domestic Lines Terminal as required by the concession agreement.

16. OTHER INTANGIBLE ASSETS

	Purchased Software	Customer relationships	DHMİ License	Total
Cost				
Opening balance, 1 January 2005	310,325	—	—	310,325
Foreign currency translation effect	32,475	—	—	32,475
Additions	223,308	—	—	223,308
Acquired on acquisition of subsidiary	282,782	13,539,909	1,393,814	15,216,505
At 30 September 2005	848,890	13,539,909	1,393,814	15,782,613
Opening balance, 1 January 2006	898,342	13,539,909	1,393,814	15,832,065
Foreign currency translation effect	(72,289)	—	—	(72,289)
Effect of change in group structure	734,880	—	—	734,880
Additions	3,892,618	—	—	3,892,618
At 30 September 2006	5,453,551	13,539,909	1,393,814	20,387,274
amortisation				
Opening balance, 1 January 2005	99,715	—	—	99,715
Foreign currency translation effect	11,508	—	—	11,508
Acquired on acquisition of subsidiary	85,604	—	—	85,604
Charge for the period	76,603	338,498	—	415,101
At 30 September 2005	273,430	338,498	—	611,928
Opening balance, 1 January 2006	321,236	676,995	—	998,231
Foreign currency translation effect	(27,914)	—	—	(27,914)
Effect of change in group structure	15,089	—	—	15,089
Charge for the period	667,997	1,015,493	—	1,683,490
At 30 September 2006	976,408	1,692,488	—	2,668,896
Carrying amount				
Net book value, as of 30 September 2005	575,460	13,201,411	1,393,814	15,170,685
Net book value, as of 31 December 2005	577,106	12,862,914	1,393,814	14,833,834
Net book value, as of 30 September 2006	4,477,143	11,847,421	1,393,814	17,718,378

Purchased softwares are amortised over their estimated useful lives, which is on average five years. Intangible assets related to HAVAŞ acquisition are customer relationships and DHMİ licence. Customer relationships have 10 years useful life and DHMİ rights have indefinite useful life.

17. JOINT VENTURES

The Group has the following significant interests in joint ventures:

A 49.98 percent equity shareholding with an equivalent voting power, in ATÜ Turizm İşletmeciliği A.Ş., a joint venture established in Turkey. The following amounts are included in the Group's financial statements as a result of the proportionate consolidation of ATÜ Turizm İşletmeciliği A.Ş.:

	30 September 2006	31 December 2005
Current assets	14,224,110	11,745,182
Non-current assets	18,478,438	19,065,433
Current liabilities	9,612,391	4,780,851
Non-current liabilities	18,384,434	19,419,908
Income	78,744,403	69,535,195*
Expenses	76,521,484	65,961,701*

* Represents the income and expenses for the nine month period ended September 30, 2005.

17. JOINT VENTURES (cont'd)

A 60.00 per cent equity shareholding with an equivalent voting power, in HAVAŞ Havalimanlari Yer Hizmetleri A.Ş., a joint venture acquired in 2005. The following amounts are included in the Group's financial statements as a result of the proportionate consolidation of HAVAŞ HavalimanlariYer Hizmetleri A.Ş.:

	30 September 2006	31 December 2005
Current assets................	46,141,174	7,232,281
Non-current assets.........	18,852,870	21,007,703
Current liabilities	40,703,207	6,034,252
Non-current liabilities...	2,519,251	2,091,606
Income	52,170,423	36,865,796*
Expenses	49,647,057	36,785,195*

* Represents the income and expenses for the nine month period ended September 30, 2005.

A 60.00 per cent equity shareholding with an equivalent voting power, in TAV Urban Georgia LLC., a joint venture has been included in the consolidated financial statements in 2006. The following amounts are included in the Group's financial statements as a result of the proportionate consolidation of TAV Urban Georgia LLC.:

	30 September 2006
Current assets	5,610,378
Non-current assets.........	16,130,194
Current liabilities...........	6,917,820
Non-current liabilities ...	—
Income..........................	4,849,862
Expenses.......................	2,953,798

18. BANK LOANS

The details of the Group's bank loans as at 30 September 2006 are as follows:

	Presented as	
	Current liabilities	Non-current liabilities
TAV HTI	578,293,870	—
TAV İzmir	134,223,617	—
TAV Esenboğa	148,137,979	—
ATÜ................................	20,323,083	—
TAV Georgia...................	3,805,391	—
TAV................................	29,114,732	33,350,000
Others	1,100,973	584,126
	914,999,645	33,934,126

The Group has obtained project loans to finance construction of its B.O.T concession projects, namely TAV Esenboğa and TAV İzmir; and to be able to finance advance payments to Airport Authority related to concession leasing project, TAV HTI. Details of the loans are summarised for each project loans as below:

18. BANK LOANS (cont'd)

TAV HTI

Original Currency	Maturity	Interest rate %	Presented as Current Liabilities	Non-current liabilities
USD....................	31.12.2015	Libor+2.50	142,1	—
EUR....................	31.12.2015	Euribor+2.50	402,4	—
EUR....................	31.12.2015	Euribor+5.00	33,6	—
			578,2	—

TAV HTI has bank loans in the amount of EUR 402,493,311 ("Tranch A") and USD originated EUR 142,117,236 ("Tranch B") under a senior facility agreement and EUR 33,683,323 under a mezzanine facility agreement. These loans require semi annual principal and interest payments at each 30 June and at each 31 December according to bank agreements. TAV HTI has cancelled the use of Tranch C bank loan amounting to USD 15 million. There are not any outstanding amounts TAV HTI can borrow from the bank related to the borrowing agreements. However, with the consent of the facility agent, TAV HTI has a right to have an additional;

- subordinated debt approved in advance by the Facility Agent
- indebtedness upto USD 1 million for the acquisition cost of any assets or leases of assets
- indebtedness upto USD 3 million for the payment of tax and social security liabilities

These loans are subject to certain restrictive covenants including the requirement to maintain certain financial ratios, and certain restrictions on the transactions entered into by TAV HTI or its shareholders. At September 30, 2006, TAV HTI is not in compliance with some of these covenants including a payment defaults caused by a late payment which was cured 2 business days following the due date, failure to meet certain financial ratios, sale of shares without permission of the lenders, and failure to report certain activities to the lenders. The lender informed TAV HTI that they are not in compliance with some of the covenant matters and therefore loans have been classified as short term loans in accordance with IAS 1, paragraph 65 (see note 1.B).

The lender waived the payment default on 20 July 2006 and, as described in Note 1.B "Financial Restructuring" and the lender has waived the remaining default matters at 20 December 2006 after ensuring that their major conditions for a cash contribution of USD 97 million has been made by the shareholders. Cash contribution will be used for a prepayment of a senior loan amounting to USD 40 million, prepayment of a mezzanine loan amounting to USD 22 million and an additional reserve in the lender's reserve account amounting to USD 35 million. The money has been received from TAV at 19 December and 21 December 2006. For the purposes of syndication, the financial model which is the basis for the loan agreement is being updated. The update of the financial model will include the amendment of the repayment schedule to properly reflect the seasonality of cashflows. However, the amended repayment schedule has not been finalised as of our reporting date.

In addition, unless an Initial Public Offering has occured, on each date upon which a distribution could take place pursuant to the terms of the borrowing agreements (whether or not in fact TAV HTI makes such distribution) TAV HTI must pay 25% the free cash available toward the loan balance.

If TAV HTI, sells, transfers or otherwise disposes of any assets having a value individually in excess of USD 500,000 or in the aggregate in any Fiscal Year of the Company in excess USD 1,000,000 and does not apply those proceeds in the purchase of an asset serving a similar purpose, such proceeds of disposal shall be applied by the Company in repayment of the Loans on the next prepayment date.

The borrowing repayable according to the original term of the contract as of 30 September 2006 is as follows;

	30 September 2006
On demand or within one year	26,720,421
In the second year.........................	26,903,194
In the third year	37,629,682
In the fourth year	47,950,304
In the fifth year.............................	56,937,362
After five years.............................	382,152,907
	578,293,870

18. BANK LOANS (cont'd)

TAV İzmir

Original Currency	Maturity	Interest rate %	Presented as Current liabilities	Non-current liabilities
EUR	14.12.2006	Euribor+3.00	12,623,015	—
EUR	12.01.2007	Euribor+2.00	10,084,109	—
EUR	04.10.2006	Euribor+2.00	10,079,004	—
EUR	23.07.2013	Euribor+3.00	99,417,534	—
EUR	10.01.2007	Euribor+3.00	2,019,955	—
			134,223,617	—

TAV İzmir has bank loans in the amount of EUR 134,223,617 from two different banks. The first type of loan is used as bridge loan and this loan is due in December 2006 and January 2007. The second type of bank loan is subject to certain restrictive covenants. Cash from the receipts of second type of bank loans is collateralised for bridge loan balances. The second type of loan requires semi annual principal payments and interest payments at each 23 January and 23 July according to bank agreements. TAV İzmir has the option to use EUR 5 million available loan related to the borrowing agreement. The use of the indebtedness has expired at 30 November 2006. The management is not planning to use EUR 5 million. However, with the consent of the facility agent, TAV İzmir has a right to have an additional;

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

TAV İzmir was not in compliance with the certain covenants at September 30, 2006 and, accordingly, the bank loans have been classified as a current liability liability in accordance with IAS 1 paragraph 65. The compliance violations include the following:

a) TAV İzmir has failed to provide some financial and informational documents such as security service agreement, financial statements, operating report, operating and maintenance budget

b) Conversion of TAV İzmir's capital advances to share capital has not been completed on time

As of 30 September 2006 certain of these covenants has been violated and accordingly the loans are classified as current liability in accordance with IAS 1 (note 1.B). The lender has waived the default matters at 20 December 2006, after ensuring that their major conditions for a cash contribution of USD 39 million (equivalent of EUR 29 million) has been made by the shareholders. Cash contribution, which of USD 31 million must be used for construction works and the remaining USD 8 million will be used to pay various operating expenses. The money has been received from TAV at 19 December 2006.

The borrowing repayable according to the original term of the contract as of 30 September 2006 is as follows;

	30 September 2006
On demand or within one year	37,113,856
In the second year	9,128,712
In the third year	13,668,396
In the fourth year	15,790,205
In the fifth year	17,171,848
After five years	41,350,600
	134,223,617

18. BANK LOANS (cont'd)

TAV Esenboğa

Original Currency	Maturity	Interest rate %	Presented as Current Liabilities	Non-current liabilities
EUR...................	31.12.2016	Euribor+3.50	127,087,994	—
EUR...................	30.06.2016	Euribor+0.85	21,049,985	—
			148,137,979	—

TAV Esenboğa has bank loans in the amount of EUR 148,137,979 under loan agreement.

The loans are subject to certain covenants similar to those for TAV HTI. As of September 30, 2006 certain of these covenants had been violated and, accordingly, the loans are classified as a current liability per IAS 1 "Presentation of Financial Statements" paragraph 65 (note 1.B). These loans require semi annual principal and interest payments at each 30 June and at each 31 December according to bank agreements. TAV Esenboğa have the option to use EUR 5 million available loan related to the borrowing agreement. However, with the consent of the facility agent, TAV Esenboğa has a right to have an additional;

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

As of 30 September 2006, certain of these covenants have been violated and accordingly the loans are classified as current. The lender has waived the default matters at 20 December 2006, after ensuring that their major conditions for a cash contribution of USD 87 million has been made by the shareholders. Cash contribution was used by USD 15 million to make loan repayment, USD 6 million to be injected to debt service reserve account, USD 9 million to be injected in TAV Esenboğa's construction retention funds, USD 16 million to be injected in additional reserve account, USD 41 million will be used as construction cost overrun payment. The money has been received from shareholders at 19 December and 21 December 2006 and 29 December 2006.

The borrowing repayable according to the original term of the contract as of 30 September 2006 is as follows;

	30 September 2006
On demand or within one year	210,500
In the second year.........................	6,350,452
In the third year	8,572,519
In the fourth year	11,430,025
In the fifth year............................	13,862,593
After five years............................	107,711,890
	148,137,979

Pledges regarding to the project bank loans:

a) Share pledge: In case of an event of default, the banks have the right to the shares of the company. Upon the occurrence of any event of default, the banks can demand the sale of shares by way of public auction in accordance with the applicable provisions of the Bankruptcy and Execution Law of the Republic of Turkiye or by way of private auction among the nominees.

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

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

18. BANK LOANS (cont'd)

ATÜ

			Presented as	
Original Currency	**Maturity**	**Interest rate %**	**Current liabilities**	**Non-current liabilities**
EUR....................	21.12.2015	Euribor+2.70	20,323,083	—
			20,323,083	—

ATÜ has bank loans in the amount of EUR 20,323,083 under loan agreement. The loan agreement requires 50% of all monies otherwise available for distribution as dividends shall be utilised for mandatory prepayment of the Facility. ATÜ did not comply with the above mentioned mandatory prepayment before distributing all of its distributable profit for the year 2005 which was distributed in 2006. There are not any outstanding amounts ATÜ can borrow from the bank related to the borrowing agreement. The Company is not in compliance with the covenant matter, therefore long term portion of long term loans have been classified as short term loans in accordance with IAS 1 (note 1.B). The lender has waived the default matter on December 25, 2006.

TAV Georgia

			Presented as	
Original Currency	**Maturity**	**Interest rate %**	**Current liabilities**	**Non-current liabilities**
USD.....................	29.07.2007	11.00	2,844,645	—
USD.....................	05.04.2007	11.00	486,496	—
USD.....................	28.12.2006	11.00	474,250	—
			3,805,391	—

TAV Georgia has bank loans in the amount of EUR 3,805,391 under loan agreement. These borrowings are payable within one year. TAV Georgia has the option to use USD 54 million available loans related to the borrowing agreement.

TAV

			Presented as	
Original Currency	**Maturity**	**Interest rate %**	**Current Liabilities**	**Non-current liabilities**
USD	06.02.2007	Libor+1.50	15,786,477	—
EUR	04.07.2008	Euribor+4.00	7,008,225	13,350,000
EUR	04.01.2007	Euribor+1.90	4,998,866	—
EUR	07.12.2010	Euribor+3.75	450,239	5,000,000
EUR	20.01.2011	Euribor+3.75	445,951	10,000,000
EUR	18.01.2011	Euribor+3.75	424,974	5,000,000
			29,114,732	33,350,000

TAV Havalimanlari Holding A.Ş. has obtained bank loans in the amount of EUR 62,464,732 (USD 79.5 million) under loan agreement. According to loan agreements, there are some informational covenant matters that are not restrictive. TAV deposited the USD 79.5 million (EUR 62.5 Million, equal to the total outstanding principal amounts of the loans) for the above loan as cash collateral to the lender's bank to pay the borrowing liability at the maturity date.

The borrowing repayable according to the original term of the contract as of 30 September 2006 is as follows;

	30 September 2006
On demand or within one year.....	29,114,732
In the second year	19,062,000
In the third year............................	8,568,000
In the fourth year..........................	4,288,000
In the fifth year.............................	1,432,000
	62,464,732

The majority of the borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk. The Euribor rate as of 30 September 2006 is between 3.083% — 3.716% (31 December 2005: 2.362% — 2.844%) and Libor rate as of 30 September 2006 is between 5.3229% — 5.2985% (31 December 2005: 4.3857% — 4.8226%).

The details of the Group's bank loans as at 31 December 2005 are as follows:

	Presented as	
Projects	**Current liabilities**	**Non-current liabilities**
TAV HTI	92,433,616	564,075,027
TAV İzmir	32,862,303	—
TAV Esenboğa	—	79,483,793
ATÜ................................	1,086,219	18,940,263
TAV................................	84,546,627	10,000,000
Other...............................	562,127	638,457
	211,490,892	673,137,540

19. OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments		Present value of Minimum lease payments	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005
Amounts payable under finance leases				
Within one year	42,782	45,805	39,640	39,560
In the second to fifth years inclusive	7,209	42,071	6,975	39,669
	49,991	87,876	46,615	79,229
Less: future finance charges	(3,376)	(8,647)	—	—
Present value of lease obligations	46,615	79,229	46,615	79,229

It is the Group's policy to lease certain of its fixtures and equipment under finance leases. The average remaining lease term is 1.25 years as of 30 September 2006 (2005: 2 years). For the period ended 30 September 2006, the average effective borrowing rate was 7.9% (2005: 8.3%). Interest rates are fixed at the contract date, and thus expose the Group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

All lease obligations are denominated in USD.

20. TRADE PAYABLES

	30 September 2006	31 December 2005
Trade payables	28,231,054	9,006,904
Notes payable	983	1,271
Discount on payables (—)	(238,880)	(68,442)
Deposits and guarantees received	505,665	328,686
Other trade creditors	9,188	29,951
	28,508,010	9,298,370

Trade creditors principally comprise amounts outstanding for trade purchases and ongoing costs.

21. OTHER PAYABLES AND DEFERRED REVENUE

	30 September 2006	31 December 2005
Current liabilities:		
Due to personnel	2,026,397	492,005
Employment termination benefit payable	—	1,610,783
Advances received	2,268,717	620,520
VAT payable	444,475	283,769
Taxes and dues payable	3,589,203	3,616,262
Social security premiums payable	2,325,856	2,170,134
Expense accruals	2,453,340	1,724,650
Deferred revenue	4,532,272	2,705,084
Unused vacation	942,885	759,781
Other accruals and liabilities	503,131	380,733
	19,086,276	14,363,721
Non current liabilities:		
Deferred income(*)	20,031,856	19,565,648

(*) Deferred income amounting to EUR 18,393,992 (2005: EUR18,207,209) is related with the prepaid concession rent income from ATÜ.

22. PROVISION FOR EMPLOYMENT TERMINATION BENEFITS

Under the Turkish Labour Law, the Company and its Turkish subsidiaries and associates are required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men). Since the legislation was changed on 8 September 1999, there are certain transitional provisions relating to length of service prior to retirement.

The amount payable consists of one month's salary limited to a maximum of EUR 979 (31 December 2005: 1,088) for each period of service at 30 September 2006.

The liability is not funded, as there is no funding requirement.

The provision has been calculated by estimating the present value of the future probable obligation of the Company and its Subsidiaries and Joint Venture registered in Turkey arising from the retirement of employees. IFRS require actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly the following actuarial assumptions were used in the calculation of the total liability:

- The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 30 September 2006, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at 30 September 2006 and 31 December 2005 have been calculated assuming an annual inflation rate of 6.175% and a discount rate of 12% resulting in a real discount rate of approximately 5.49%. It is planned that, retirement rights will be paid to employees at the end of concession periods. Accordingly, present value of the future probable obligation has been calculated based on the concession periods.

	30 September 2006	31 December 2005	30 September 2005
Present value at 1 January	2,359,745	2,503,553	2,503,553
Service cost	1,160,897	1,273,158	668,592
Interest cost	74,126	133,498	82,206
Retirement pay paid	(286,674)	(1,550,045)	(980,172)
Retirement pay payable(*)	—	(1,610,783)	(1,205,755)
Provision released	(61,445)	(44,666)	(35,464)
Obligation acquired on acquisition of subsidiary	—	1,258,894	1,258,894
Translation (gain)/loss	(555,987)	396,136	(152,445)
Present value at end of the period	2,690,662	2,359,745	2,139,409

(*) At the time of new concession agreement, all personnel have been transferred from the Company to TAV HTI. Accordingly, management decided to pay employee termination benefits to all personnel. EUR 1,550,045 of total liability has been paid in 2005 and the remaining payable balance of EUR 1,610,783 has been paid in 2006.

23. TAXATION ON INCOME

	30 September 2006	31 December 2005
Current tax liability:		
Current corporate tax provision.....	3,654,152	2,134,669
Prepaid taxes and funds................	(1,084,675)	(1,420,709)
	2,569,477	713,960

	9 months period ended 30 September 2006	9 months period ended 30 September 2005
Income tax expense/(benefit):		
Current tax	3,654,152	2,541,112
Deferred tax charge/(benefit)....	13,802,553	(6,105,117)
	17,456,705	(3,564,005)

Corporate Tax

The Group is subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the years and periods.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilised.

The effective rate of tax in 2006 is 20% (2005: 30%).

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate in 2006 is 20% (2005: 30%).

Losses are allowed to be carried 5 years maximum to be deducted from the taxable profit of the following years. However, losses occurred cannot be deducted from the profit occurred in the prior years retroactively.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

Income withholding tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 10% starting from 24 April 2003. This rate was changed to 15% with the code numbered 5520 article 15 commencing from 21.06.2006. However until the resolution of council of ministers, it will be used as 10%. After the resolution, declared in official journal in July 23 2006, this rate changed to 15% commencing from July 23 2006. Undistributed dividends incorporated in share capital are not subject to income withholding taxes. Withholding tax at the rate of 19.8% is still applied to investment allowances relating to investment incentive certificates obtained prior to 24 April 2003. Subsequent to this date, companies can deduct 40% of the investments within the scope of the investment incentive certificate and that are directly related to production facilities of the company. The investments without investment incentive certificates do not qualify for tax allowance.

Investment incentive certificates are revoked commencing from 1 January 2006. If companies cannot use investment incentive due to inadequate profit, such outstanding investment incentive can be carried forward to following years as of 31 December 2005 so as to be deducted from taxable income of subsequent profitable years. However the companies can deduct the carried forward outstanding allowance from 2006, 2007 and 2008 taxable income. The investment incentive amount that cannot be deducted from 2008 taxable income will not be carried forward to following years.

The tax rate that the companies can use in the case of deducting the tax investment incentive amount in 2006, 2007 and 2008 is 30%. If the Company cannot use the investment incentive carried forward, the effective tax rate will be 20% and the unused investment incentive will be cancelled.

As the management of the Group planned not to use the investment incentives, the consolidated Group companies have used 20% corporate tax rate as of 30 September 2006.

23. TAXATION ON INCOME (cont'd)

Inflation adjusted legal tax calculation

For 2003 and previous years, taxable profits were calculated without any inflation adjustment to the statutory records, except that fixed assets and the related depreciation were revalued annually. Law No. 5024 published in the Official Gazette No. 25332 on 30 December 2003 requires the application of inflation accounting in Turkey in 2004 and future years for tax purposes, if the actual rate of inflation meets certain thresholds, using principles which do not differ substantially from the principles in IAS 29 "Financial Reporting in Hyperinflationary Economies". As inflation met certain thresholds as of 31 December 2004, the Group has adjusted its statutory financial statements as of 31 December 2004 in accordance with Law No. 5024 and inflation adjusted balances as at 31 December 2004 were taken as opening balances as of 1 January 2005. However, as inflation did not meet the required thresholds as at 31 December 2005, no further inflation adjustment made to the Group's statutory financial statements in 2005.

Deferred Tax

The Group recognises deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for IFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for IFRS and tax purposes and they are given below.

For calculation of deferred tax asset and liabilities, the rate of 20% (2005: 30%) is used.

In Turkey, the companies cannot declare a consolidated tax return, therefore subsidiaries that have deferred tax assets position were not netted off against subsidiaries that have deferred tax liabilities position and disclosed separately.

Subsidiaries that have deferred tax assets position:

	30 September 2006	**31 December 2005**
Deferred tax (assets)/liabilities:		
Revaluation and depreciation/amortisation differences of fixed assets	47,233	(260,313)
Revaluation of prepaid rent to DHMİ	4,904,418	(563,141)
Provision for employment termination benefits	(231,557)	(278,470)
Unused investment incentive	—	(15,536,271)
Tax losses carried forward	(11,774,901)	(2,230,428)
Allowance for tax losses carried forward	3,643,246	—
Change in fair value of interest rate derivatives	(1,150,826)	(460,204)
Discount on receivables and payables	25,799	12,223
Provision for doubtful receivables	(163,107)	(140,091)
Other	(984,133)	(818,441)
Net deferred tax assets	(5,683,828)	(20,275,136)

Subsidiaries that have deferred tax liabilities position:

	30 September 2006	**31 December 2005**
Deferred tax (assets)/liabilities:		
Revaluation and depreciation/amortisation differences of fixed assets	7,149,677	4,925,967
Provision for employment termination benefits	(300,674)	(429,454)
Unused investment incentive	—	(155,516)
Change in fair value of interest rate derivatives	(160,258)	—
Discount on receivables and payables	(4,148)	2,097
Provision for doubtful receivables	(128,148)	(40,695)
Other	(277,796)	(375,248)
Net deferred tax liabilities	6,278,653	3,927,151

23. TAXATION ON INCOME (cont'd)

At the balance sheet date, the Group has unused tax losses of EUR 58,874,505 (2005: EUR 7,434,759) available for offset against future profits. A deferred tax asset at the effective tax rate of 20% has been calculated in respect of EUR 11,774,901 (2005: at the effective rate of 30% EUR 2,230,428) of such losses and an allowance of Euro 3,643,246 has been provided for some of the subsidiary in the Group. Unutilised tax losses will expire as follows:

	30 September 2006	31 December 2005
Expire in 2009...	—	547,445
Expire in 2010...	—	6,887,314
Expire in 2011...	58,874,505	—
Total.................	58,874,505	7,434,759

Movements of deferred tax (assets)/liabilities are as follows:

	9 months period ended 30 September 2006	9 months period ended 30 September 2005
Opening balance at 1 January	(16,347,985)	(7,684,830)
Acquisition of subsidiary(*)........................	—	4,519,475
Charged to profit or loss for the period........	13,802,553	(6,105,117)
Translation effect	3,140,257	(1,010,929)
Closing balance at the end of the period	594,825	(10,281,401)

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* Balance represents the deferred tax liability of HAVAŞ at the time of acquisition.

Total charge for the year can be reconciled to the accounting profit as follows:

	9 months period ended 30 September 2006	9 months period ended 30 September 2005
Reconciliation of taxation:		
Profit/(Loss) before tax	(19,513,870)	31,757,285
Tax at the domestic income tax rate of 20% (2005: 30%)	(3,902,774)	9,527,186
-tax effects of:		
-expenses that are not deductible in determining taxable profit	296,423	403,985
-non-taxable income...	—	(68,853)
-tax rate change..	218,733	—
-utilisation of tax losses not previously recognised	—	(651,586)
-investment incentives recognised	—	(8,019,000)
-allowance for carryforward tax losses	3,643,246	—
-write off of investment incentives(*)......................................	12,757,032	—
-effect of consolidation eliminations..	(789,201)	(716,579)
-effect of other adjustments..	5,233,246	(4,039,158)
Tax (income)/expense for the year...	17,456,705	(3,564,005)

(*) due to change in tax regulations.

24. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

Commitments and contingencies

	30 September 2006	31 December 2005
Letter of guarantees given to DHMİ	116,838,532	117,993,819
Letter of guarantees given to third parties	40,593,071	94,186,677
Letter of credit	9,039,850	1,020,103
Notes payable given	50,585	88,855
	166,522,038	213,289,454

Majority of letter of guarantees given to third parties includes the guarantees given to customs and some customers. Majority of letter of credit includes letter of credits given for the constructions of Ankara Esenboğa and İzmir Adnan Menderes airports.

The Group is obliged to give 6% of the total rent amount of USD 152,580,000 as a letter of guarantee for according to the rent agreement made with the Landlord Authority ("DHMİ"). EUR 110,190,476 of the total obligation has been provided by the Group, and the rest of the obligation of EUR 10,262,761 in terms of letter of guarantees has been provided by Akfen İnşaat ve Turizm A.Ş.

HAVAŞ's shares have been pledged for the loan amounting to EUR 39,472,158 (USD 50,000,000) taken by TAV Tepe Akfen Yatirim İnşaat ve İşletme A.Ş.

The accounts of TAV Havalimanlari Holding A.Ş. for the years ended 2001 through 2004 are under review by the Head Account Specialists of the Ministry of Finance for tax purposes ("Tax Authority"). The Company has received the Tax Authority report for 2001, which has identified certain expenses that were deducted in 2001, 2002, 2003 but should have been deducted in 2004 and 2005. The assessment therefore results in a difference in the timing of the tax payments, and any resulting impacts. The initial assessment is that there are 19,060,911 TRY, 17,665,143 TRY and 25,518,857 TRY should have been added to tax base for the years of 2001, 2002 and 2003 respectively and that there are additional expenses that can be recognised of 2,201,345 TRY in 2004 and and 60,585,779 TRY in 2005. Management believes the treatment they adopted is in accordance with Turkish Tax Legislation rules, and on January 29, 2007 the Company has applied to the court to challenge the position of the Tax Authority. Management believes that the case will be settled in its favor based on compliance with present tax legislation rules, judgement decisions and applications of the Ministry of Finance. Therefore, no provision has been reflected in the financial statements. If the court were to find against the Group, management estimates the late tax payment liability would be 13 Million TRY as of September 30, 2006.

Contractual obligations

TAV HTI

TAV HTI is bound by the terms of the Concession Agreement made with DHMİ. If the Company does not follow the rules and regulations set forth in the concession agreement, this might lead to the forced cessation of the Company's operation.

DHMİ may terminate the Concession Agreement if the ownership of interest of TAV and founding partner in TAV HTI should be below 49% during the first three years of the operation period.

At the end of the contract period, the Company will be responsible for one year for the maintenance and repair of the devices, system and equipment supplied for the contractual facilities. In case the necessary maintenance and repairs not made, DHMİ will have this maintenance and repair made, and the price will be set off from the final acceptance.

Pursuant to the provisions of this agreement, the contractual obligations the Company include the rental of the above mentioned facilities for a period of fifteen and a half years beginning on July 3(rd), 2005; the operation of the facilities in compliance with international norms and standards within the rental (operation) period; the performance of periodic repair and maintenance activities on the facilities and the transfer of the facilities in question including the supporting systems, equipment, furniture and fixtures in a proper and usable condition to the owner authority ("DHMİ") upon the expiry of the rental period.

In the case where the Company as the renter performs a delayed and/or incomplete rent payment to the State Airports Authority, the Company is charged a fine of 10% of the rent amount to be paid. The Company is then obliged to perform the payment latest within five days. Otherwise, the State Airports Authority shall be entitled to cancel the rent agreement. The Company is not entitled to claim the rent payments performed to the State Airports Authority prior to the cancellation of the contract.

24. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS (cont'd)

TAV Esenboğa and TAV İzmir

TAV Esenboğa and TAV İzmir are bound by the terms of the BOT Agreement made with DHMİ. If the Company does not follow the rules and regulations set forth in the concession agreement, this might lead to the forced cessation of the Company's operation according to the BOT Agreement. According to the BOT agreement:

Share capital of the Company can not be less than 20% of fixed investment amount.

The Companies have a commitment to make additional investment up to 20% of the initial BOT investment upon request of DHMİ. DHMİ has requested an extension of EUR 13,900,000 (13% of the initial investment) from TAV İzmir on 21 August 2006 which extended the operation period by 8 months and 27 days. DHMİ has not requested the rest of the additional investment within 20% limit as of this report date.

At the end of the contract period, the Companies will be responsible for one year for the maintenance and repair of the devices, system and equipment supplied for the contractual facilities. In case the necessary maintenance and repairs not made, DHMİ will have this maintenance and repair made, and the price will be set off from the final acceptance.

All equipments used by the Company must be brand new and under warranty and need to meet the international standards and Turkish Standards as well.

If the need shall arise to replace fixed assets subject to depreciation, which become unusable within the rent period and the depreciation rates of which are not delineated in the Tax Application Law, the renter is obliged to perform the replacement.

All fixed assets covered by the implementation contract will be transferred to DHMİ free of charge. Transferred items must be in working conditions and should not be damaged.

The Company has the responsibility of repair and maintenance of all fixed assets under the investment.

HAVAŞ

Prior to the legal transfer of 95% of the shares in TAV İzmir in December 2006, Havas owned 100% of TAV İzmir. Based on a prior agreement, it intended to transfer 100% of these shares to the Group. A Protocol for Joint Venture was executed between Bayindir İnşaat Turizm A.Ş. ("Bayindir"), Havaalanlari Yer Hizmetleri A.Ş. ("Havaş") and Urart Gümrüksüz Magaza İşletmeciliği ve Ticaret A.Ş. ("Urart") on August 13, 2004 relating to İzmir Adnan Menderes Airport New International Terminal. This Joint Venture Protocol contains provisions to the effect that when İzmir Adnan Menderes Havalimani Uluslararasi Terminal İnşaati ve İşletmeciliği A.Ş. ("TAV İzmir"), which has not been incorporated as of the date of the Joint Venture Protocol, is incorporated, Havaş will sell the 5% of the shares that it owns in TAV İzmir to Urart. In 2005, Urart filed a lawsuit against Bayindir, Havaş and TAV İzmir for the specific performance of the above mentioned Joint Venture Protocol. Under the said lawsuit the court has rendered a preliminary injunction order for prohibiting the sale, transfer or establishment of any personal and/or real rights (rights in rem) on such number of shares owned by Havaş in TAV İzmir that corresponds to the 5% of the share capital of TAV İzmir. This preliminary injunction order is still in effect since the lawsuit is still pending being litigated at the court.

In the event that the court renders a judgement ruling for the transfer of such number of the shares owned by Havaş in TAV İzmir that corresponds to the 5% of the share capital of TAV İzmir to Urart, as the Joint Venture Protocol does not set forth the purchase price, the purchase price to be determined by the court will be paid by Urart to Havaş for acquiring these shares.

In accordance with the general ground handling agreement (an integral part of the ground handling operation A Group licence) signed with the Landlord Authority ("DHMİ"), the Company undertakes the liability of all the losses incurred by its personnel to DHMİ or to third parties. It also takes the responsibility of the training facilities given to the personnel and the quality of the service provided by its personnel together with the repair and maintenance of the ground handling vehicles and equipment. The Company is required to provide DHMİ with a letter of guarantee amounting to USD 1,000,000. Fines received from losses incurred by the ground handling personnel or fines arising from the violation of the related agreement will be charged to the Company. Fines which are over due in accordance with the appointed agreement/ period declared by DHMİ will be settled by the liquidation of the letter of guarantee. If DHMİ liquidates the collateral, the Company is obliged to complete the collateral at its original amount which is USD 1,000,000 within 15 days.

In accordance with the rental agreements signed with the DHMİ regarding the several parking areas, land, buildings, offices at the Atatürk, Esenboğa, Adnan Menderes, Dalaman, Adana, Trabzon, Milas, Kapadokya, Antalya and Kayseri airports; when the rent period ends, DHMİ will have the right to retain the immovables built in the area without any pay.

TAV Georgia

The Company is bound by the terms of the BOT Agreement. In case the Company fails to comply with the rules and regulations set forth in the agreement, it may be forced to cease its operations.

According to the BOT Agreement, the Company is required to:

Invest funds of USD 62 million to finance its obligations to design, engineer, construct, test and commission the new Tbilisi International Airport terminal and to provide additional financing of USD 28.5 million for the construction of Batumi airport (USD 90.5 million in total);

Complete the construction of the new Tbilisi and Batumi airport terminals and organise the inauguration ceremony of the fully completed new Tbilisi International Airport terminal on or before 7 February 2007 and complete Batumi airport new terminal by 30 August 2007;

Comply with all applicable safety standards and ensure that the airport and all other ancillary equipment are operated in a manner safe to passengers, workers and general public, as well as to comply with the technical and operational requirements of Tbilisi International Airport and environmental standards of Georgia;

Ensure that its subcontractors and the Company itself obtain and maintain relevant insurance policies from financially strong and internationally reputable insurance companies;

Remedy accidents that might occur upon mechanical damage inflicted by the Company to existing communication networks or inappropriate use or operation thereof.

Contingent asset

The Company is able to expense VAT on concession rent payments upon the issuance of the related invoice, and DHMİ issues the invoice annually. Cumulative VAT expense related with DHMİ invoices as of 30 September 2006 is EUR 11,965,986 (31 December 2005: EUR 4,417,918).

The Company has opened a tax court case in February 2006 against Ministry of Finance for the concession rent, which has been paid partially and the remaining will be paid to DHMİ, for not being subject to VAT. According to temporary VAT code number 12, the Group stated that airport privatisations are exempt from VAT. Group management believes that this court will be finalised in Group's favor, paid VAT will be reimbursed to the Group, and the Group will not pay VAT on concession rent anymore.

25. SHARE CAPITAL AND LEGAL RESERVES

The parent's share capital held as of 30 September 2006 and 31 December 2005 is as follows:

Shareholders	(%)	30 September 2006
Tepe İnşaat San. A.Ş.	43.17	86,333,749
Sera Yapi Endüstrisi ve Tic. Ltd. Şti	3.90	7,800,000
Akfen İnşaat Tur. ve Tic. A.Ş	2.86	5,719,500
Akfen Holding A.Ş	38.30	76,610,499
IDB Infrastructure Fund L.P	4.87	9,740,000
Tepe Emlak Yatirim İnşaat ve Tic. A.Ş	1.90	3,796,250
Global Investment House KSCC	3.00	6,000,000
Global Opportunistic Fund II Company BSCC	2.00	4,000,000
Mehmet Cem Kozlu	1.00	2
Paid in capital in TRY (nominal)	100.00	200,000,000
Paid in capital in EUR (nominal)		105,462,982
Effect of non-cash increases and exchange rates		(23,402,912)
Paid in capital EUR	100.00	82,060,070

Shareholders	(%)	31 December 2005
Tepe İnşaat San. A.Ş.	7.50	11,000,000
TAV Yatirim Holding A.Ş	40.00	
Akfen İnşaat Tur. ve Tic. A.Ş	6.80	10,718,500
Akfen Holding A.Ş	0.70	281,500
Hyper Foreign Trade Holland N.V	45.00	18,000,000
Paid in capital in TRY (nominal)	100.00	40,000,000
Paid in capital in EUR (nominal)		25,196,850
Effect of non-cash increases and exchange rates		56,863,220
Paid in capital EUR	100.00	82,060,070

The Company's share capital consists of 200,000,000 shares amounted to TRY 200,000,000 in 2006 (2005: 40,000,000).

Tepe İnşaat Sanayi A.Ş., Sera Yapi End. ve Tic. Ltd. Şti. and Akfen İnşaat Turizm ve Ticaret A.Ş. are shareholders of Hyper Foreign Trade Holland N.V.

BTA, TAV İşletme, TAV HTI, TAV Esenboğa, and ATÜ were acquired from parents of the Company on 29 December 2005. The acquired subsidiaries and the joint venture which were under common control, are accounted for by use of the pooling of interest method. Accordingly, the financial statements of these entities have been retrospectively included in the accompanying consolidated financial statements. Share capital represents the combined share capital of the Group at 30 September 2005 as there is not a legal parent company and effective from 31 December 2005 share capital represents the parent Company's capital.

Legal Reserves

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions.

Changes in share capital structure

During 2006, the Company increased its number of principal shareholders as follows:

In March 2006 Tepe Insaat Sanayi A.S., Akfen Insaat Turizm ve Ticaret A.S., and Akfen Holding A.S., (collectively, the "Sellers") sold 4.87% shares of the Company in TAV to IDB Infrastructure Fund L.P. ("IDB").

In August 2006, The Sellers sold 5% shares of the Company to Global Investment House KSCC and Global Opportunistic Fund II Company BSCC (collectively will be referred as "GIH").

In December 2006, the Sellers and Tepe Emlak Yatirim Insaat ve Ticaret A.S. sold 6% shares of the Company to Babcock Brown Turkish Airports LLC ("B&B").

In December 2006, the Sellers sold 15% shares of the Company to Goldman Sachs International ("GS").

25. SHARE CAPITAL AND LEGAL RESERVES (cont'd)

After these share sales, the shareholding percentages are as follows;

Shareholders	%
Tepe İnşaat San. A.Ş	27.06
Sera Yapi Endüstrisi ve Tic. Ltd. Şti	3.28
Akfen İnşaat Tur. ve Tic. A.Ş	0.78
Akfen Holding A.Ş	23.01
IDB Infrastructure Fund L.P	4.87
Global Investment House KSCC	3.00
Global Opportunistic Fund II Company BSCC	2.00
Mehmet Cem Kozlu	1
Goldman Sachs International(*)	30.00
Babcock Brown Turkish Airports LLC	6.00
	100.00

(*) 34,875,000 of the shares owned by Goldman Sachs that correspond to the 15% of the share capital of the company have been provided by Tepe İnşaat Sanayi A.Ş., Akfen Holding A.Ş. and Sera Yapi Endüstrisi ve Ticaret A.Ş. to Goldman Sachs International as collateral and the title of those shares have been transferred to Goldman Sachs International for this purpose. A pledge in favor of Tepe İnşaat Sanayi A.Ş., Akfen Holding A.Ş. and Sera Yapi Endüstrisi ve Ticaret A.Ş. exists on those shares. Voting rights, right of receiving dividends, pre-emption rights for participating in cash share capital increase in connection with those shares (except for acquiring gratis shares under share capital increase) belong to Tepe İnşaat Sanayi A.Ş., Akfen Holding A.Ş. and Sera Yapi Endüstrisi ve Ticaret A.Ş.

Under the terms of the Share Sale and Purchase Agreements (“SSPA”) of each shareholders there are various rights and conditions:

A. IDB SSPA

Put Option

In the event that an IPO does not take place prior to the 15(th) of March 2007 other than as a result of unfavorable market conditions (to be determined by mutual agreement of IDB and the Sellers or, in the absence of agreement, by an investment bank engaged by the Sellers and IDB jointly), IDB may on not less than 10 Business Days prior written notice require the Sellers to buy the shares owned by IDB in the Company from IDB at the pre-agreed exit price specified in IDB SSPA. No collateral has been given to IDB for its Put Option right.

Adjustment

If the IPO value of the shares occurs to be less than the Initial Value an adjustment will be made according to the formula specified in the IDB SSPA and the Sellers shall transfer such number of shares calculated by applying adjustment formula to IDB. There is no upper limit for Sellers transfers to IDB. “Initial Value” means the value of the Company Shares taken into consideration for determining the purchase price paid by IDB, GIH, B&B and GS. The initial value is the same for all the said transactions.

In the event that the IPO value is greater than the Initial Value, an adjustment will be made according to the formula specified in the IDB SSPA and IDB shall transfer such number of shares calculated by applying adjustment formula to the Sellers. There is an upper limit for IDB transfers to the Sellers.

Certain number of Company shares owned by IDB and certain number of Company shares owned by the Sellers have been delivered to an escrow agent as collateral for effecting the adjustment and balancing transfers as described above.

25. SHARE CAPITAL AND LEGAL RESERVES (cont'd)

B. GIH SSPA

Put Option

If an IPO has not been achieved by 31 December 2007, then GIH shall have the option to offer selling the shares that GIH owns in the Company to the Sellers in consideration for the pre-agreed exit price specified in GIH SSPA. Upon the receipt of the notice by GIH exercising their Put Option, the Sellers shall purchase the Shares from GIH in consideration for such pre-agreed price and shall pay the consideration within fifteen days from the date of notice by GIH. No collateral has been given to GIH for its Put Option right.

Adjustment

If the IPO value of the shares occurs to be less than the Initial Value an adjustment will be made according to the formula specified in the GIH SSPA and the Sellers shall transfer such number of shares calculated by applying adjustment formula to GIH. There is no upper limit for Sellers transfers to GIH.

In the event that the IPO value is greater than Initial Value, an adjustment will be made according to the formula specified in the GIH SSPA and GIH shall transfer such number of shares calculated by applying adjustment formula to the Sellers. There is an upper limit for GIH transfers to the Sellers.

Certain number of Company shares owned by GIH and certain number of Company shares owned by the Sellers have been delivered to an escrow agent as collateral for effecting the adjustment and balancing transfers as described above. Those shares are endorsed by blank endorsement by all relevant parties.

In the event that GIH does not sell pro-rata at the IPO then the share adjustment as described above shall not be applicable and the Sellers shall procure that GIH owns at least 5% of the shares of the company post IPO.

C. B&B SSPA

Put Option

If the Completion of Restructuring is not achieved by 31 January 2007 or if an IPO does not occur by 30 April 2007, then the Sellers shall use their best endeavors to assist B&B in selling all the shares held B&B, who will appoint an investment bank to assist in such a sale. If B&B has not been successful for the sale of its shares at a price acceptable to it, then the Sellers, shall be obliged to purchase the shares held by B&B in consideration for the pre-agreed price specified in B&B SSPA. In such a case, the share transfer shall be completed within 15 (fifteen) days as of the receipt by the Sellers of the notification of B&B. No collateral has been given to B&B for its Put Option right.

Adjustment

If the IPO value of the shares occurs to be less than the Initial Value an adjustment will be made according to the formula specified in the B&B SSPA and the Sellers shall transfer such number of shares calculated by applying adjustment formula to B&B. There is no upper limit for Sellers transfers to B&B.

In the event that the IPO value is greater than Initial Value, an adjustment will be made according to the formula specified in the B&B SSPA and B&B shall transfer such number of shares calculated by applying adjustment formula to the Sellers. There is an upper limit for B&B transfers to the Sellers.

Certain number of Company shares owned by B&B and certain number of Company shares owned by the Sellers have been delivered to an escrow agent as collateral for effecting the adjustment and balancing transfers as described above. Those shares are endorsed by blank endorsement by all relevant parties.

25. SHARE CAPITAL AND LEGAL RESERVES (cont'd)

D. GS SSPAs

According to the GS SSPA the sellers are obliged to use the proceeds in the way that it was set out in the agreements (see note 1 B "Financial restructure of the group"). By this way the sellers will pay USD 249 million as a contribution to the Company and USD 86 million to TAV Esenboğa. The Company and the sellers are obliged to use the proceeds as per agreements otherwise it will create an event of default and GS may use its put option.

Default Put Option

In the event that

i) the Sellers fail to achieve Completion of Restructuring by 12 February 2007; or

ii) the Sellers fail to amend the articles of association by 15 March 2007 to incorporate the special rights of the minority shareholders (namely IDB, GIH, B&B and GIH) specified in the Shareholders Agreement if IPO does not occur by 15 February 2007; or

iii) the Sellers fail to comply with the requirements specified in GS SSPA in respect of usage of share transfer proceeds received from GS and fails to remedy such failure within 3 Business Days of a default notice by GS. GS may exercise Put Option within 10 Business days.

Put Option

Regardless whether an IPO occurs or not GS has the right to exercise Put Option during such period commencing on 20 November 2007 and ending 10 Business Days after the first anniversary of Completion (21 December 2007).

Regardless whether an IPO occurs or not GS has the right to exercise Put Option during such period commencing on 27 November 2008 and ending 10 (ten) Business Days thereafter.

GS does not have any Put Option thereafter if it has not exercised its Put Option within periods described above.

If the Sellers fail to acquire the shares offered by GS under Put Option within the period specified in GS SSPAs in consideration for the pre-agreed prices agreed in the GS SSPA for the Put Option Right 2007 and Put Option Right 2008 separately or cause a third party to do so, GS will send a default notice of 15 Business Days. If the Sellers fail to complete the foregoing transaction within this notice period then GS will have right to enforce the Collateral Shares described below.

Trade Sale Adjustment

If an IPO has not occurred until 20 April 2007, and if GS receives a bona fide offer from a third party to purchase some or all of shares owned by GS, or the Sellers have received a bona fide offer from a third party to purchase some or all the shares owned by the Sellers, in either case where the offer price is at least equivalent to an implied equity value that was mutually agreed for the Company , if GS sells or wishes to sell some or all of its Shares to that third party GS shall be entitled to provide a written notice (**"Trade Sale Notice"**) to the Sellers specifying the number of Trade Sale Adjustment Shares to be transferred from the Sellers to the Purchaser and within 15 (fifteen) Business Days of the receipt of this notice by the Sellers, the Sellers shall deliver the Share Certificates representing the Trade Sale Adjustment Shares to the Purchaser.

Sellers Call Option

After an IPO has taken place and provided the Sellers have sold such number of their Ordinary Shares into the IPO as is in accordance with the advice of the IPO Adviser, then prior to 31 December 2007, the Sellers shall be entitled to request GS to transfer back 2,325,000 shares that GS owns in the Company to the Sellers at the pre-agreed price specified in the GS SSPA.

Adjustment

If the IPO value of the shares occurs to be less than the Initial Value an adjustment will be made according to the formula specified in the GS SSPAs and the Sellers shall transfer such number of shares calculated by applying adjustment formula to GS SSPAs. There is no upper limit for Sellers transfers to GS.

25. SHARE CAPITAL AND LEGAL RESERVES (cont'd)

Collateral Shares

Tepe Insaat Sanayi ve Ticaret A.S. (Tepe Insaat), Akfen Holding A.S. (Akfen Holding) and Sera Yapi Endustrisi ve Ticaret A.S. (Sera Yapi) have lent and transferred the title of such number of shares that correspond to the 15% of the present share capital of the Company under an agreement named collateralised Stock Borrowing Agreement as a security for the performance of the obligations of the Sellers specified under Default Put Option and the obligations of the Sellers regarding Trade Sale Adjustment, Adjustment and payment of stamp duty of the transaction documents.

GS has created pledge in favor of Tepe Insaat, Akfen Holding and Sera Yapi on the Collateral Shares. All voting rights, dividends, rights for participating in share capital increase in connection with the Collateral Shares shall belong to Tepe Insaat, Akfen Holding and Sera Yapi, provided that gratis (bonus) shares issued as the result of such share capital increase made by way of adding the reserves to equity shall belong to GS in connection with the Collateral Shares.

GS is entitled to enforce such number of Collateral Shares that are sufficient for adjustment or Trade Sale or payment of stamp duty respectively upon occurring of the respective enforcement event specified above. GS is entitled to enforce all of the Collateral Shares in respect of enforcement event regarding Put Option. Upon enforcement share pledge is released on such Collateral Shares.

Collateral Shares are maintained by the Escrow Agent.

Transfer to GS Affiliates

At any time including prior to IPO or thereafter GS is entitled to transfer the shares that it owns in the Company to its Affiliates.

Although all shareholders including, IDB, GIH, B&B and GS are bound with lock up period, GS SSPAs envisage that Put Option of GS and Call Option by Sellers may be exercised during lock up period.

Shareholder Agreement

A shareholders agreement exists between all of the shareholders of the Company except for Mr. Cem Kozlu. The Shareholders Agreement sets forth certain special rights for the shareholders. The Shareholders Agreement will automatically terminate upon IPO.

26. REVENUE

An analysis of the Group's revenue for the year is as follows:

	9 months period ended 30 September 2006	9 months period ended 30 September 2005
Continuing operations		
Sales of duty free goods	77,197,016	67,466,969
Aviation income(*)	70,696,299	51,972,258
Ground handling income(*)	43,084,610	15,313,585
Concession fee- duty free(*)	36,423,178	27,098,808
Catering services income(*)	18,387,645	17,575,724
Bus services income(*)	10,822,989	4,179,898
Income from car parking operations(*)	10,113,176	8,905,515
Area allocation income(*)	8,471,408	6,479,028
Income from lounge services(*)	3,970,557	1,721,218
Income from hotel operation(*)	2,940,579	1,984,652
Baggage transfer system income	—	281,890
Hardware sales income(*)	397,873	—
Software sales income(*)	917,588	—
Security services income(*)	366,949	—
Ticket sales income	254,567	—
Prime class income(*)	253,532	363,995
Prime valet services income	411,198	275,974
Operating income — Gross	284,709,164	203,619,514
Sales returns and discounts (—)	(816,239)	(306,612)
Net operating income	283,892,925	203,312,902

(*) See Note 9 for related party transactions.

27. OTHER OPERATING INCOME

	9 months period ended 30 September 2006	9 months period ended 30 September 2005
Advertising income(*)	4,527,880	4,301,296
Utility and general participation income(*)	2,851,876	2,009,664
Furniture & fixture renewal income	—	4,489,814
Rent income(*)	1,588,878	999,465
Project Income(*)	—	528,699
Other	725,406	6,401
	9,694,040	12,335,339

(*) See Note 9 for other related party transactions.

28. OTHER OPERATING EXPENSE

	9 months period ended 30 September 2006	9 months period ended 30 September 2005
VAT not recoverable	10,048,473	2,670,798
Management consultancy fee(*)	8,160,575	1,113,793
Maintenance expenditures(*)	7,729,263	12,899,825
Consultancy expense(*)	6,118,403	3,026,688
Utility cost	5,368,080	3,780,810
Insurance expense(*)	3,791,911	1,065,882
Cleaning expense	2,937,947	2,771,239
Security cost(*)	1,488,056	3,742,971
Provision expenses	1,423,710	391,243
Rent expense(*)	1,016,252	582,985
Communication and stationary expenses	889,055	283,955
Investment purchase transaction cost	793,263	—
Advertisement and marketing expenses	484,757	398,837
Cost of software and hardware sold(*)	406,825	—
Traveling and transportation expenses	335,744	233,545
Taxes	368,071	1,035,007
Representation expenses(*)	353,377	141,827
Project expense(*)	—	33,923
Expenses incurred from customs	136,449	113,452
Packaging and label expenses	131,548	148,039
Other operating expenses(*)	2,872,930	1,628,226
	54,854,689	36,063,045

(*) See Note 9 for related party transactions.

29. INVESTMENT INCOME

	9 months period ended 30 September 2006	9 months period ended 30 September 2005
Interest on bank deposits and intercompany loans(*)	12,673,524	9,509,478
Profit on sale of marketable securities	8,449	362,845
	12,681,973	9,872,323

(*) See Note 9 for related party transactions

30. OTHER GAINS AND LOSSES

	9 months period ended 30 September 2006	9 months period ended 30 September 2005
Donations to Bilkent University (—)	(217,968)	(1,529,482)
Collections from insurance companies	707,362	—
Gain on sale of fixed assets(*)	92,051	1,150,163
Other expense	(103,606)	(436,079)
	477,839	(815,398)

(*) See Note 9 for related party transactions.

31. FINANCE COSTS (NET)

	9 months period ended 30 September 2006	9 months period ended 30 September 2005
Interest on loans(*)	(39,417,693)	(8,263,830)
Commission for letter of guarantees	(1,995,078)	(1,406,559)
Bank charges	(2,692,060)	(6,617,493)
	(44,104,831)	(16,287,882)
Discount interest expense/(income) — net	62,937	(903,741)
Fair value of derivatives	(5,021,411)	(2,284,282)
Other finance costs (—)	(192,840)	(158,842)
	(49,256,145)	(19,634,747)

(*) See Note 9 for related party transactions.

Net borrowing costs including in the cost of qualifying assets during the period are EUR 15,048,286 (2005: EUR 1,456,739). These costs were reduced from finance costs.

32. ACQUISITION OF SUBSIDIARY

On 1 July 2005, the Group acquired 60% of the issued share capital of HAVAŞ Havaalanlari Yer Hizmetleri A.Ş. ("HAVAŞ) for cash consideration of USD 125,000,000 (EUR 103,357,493). At the date of this acquisition, the Group or HAVAŞ had right to acquire the remaining shares of TAV İzmir without any additional consideration. According to the conditions of the agreement, TAV İzmir's other shareholder has committed to transfer the rest of TAV İzmir shares based on the conditions those will be set by the Group, and accordingly transferred all rights and liabilities on TAV İzmir to the Group. In 2006, remaining 35% of TAV İzmir shares have been transferred to the Group. Therefore, at the time of acquisition of HAVAŞ, it was considered that, 100% of TAV İzmir shares have also been purchased with the consideration paid amounting to USD 125,000,000. This transaction has been accounted for by the purchase method of accounting.

The net assets acquired in the transaction, and the goodwill arising, are as follows:

	Acquiree's carrying amount before combination	Fair value adjustments	Fair value
Net assets acquired			
Property, plant and equipment	11,463,365	—	11,463,365
Intangible assets	—	14,933,724	14,933,724
Deferred tax assets	533,184	—	533,184
Inventories	396,720	—	396,720
Trade receivables	1,566,893	—	1,566,893
Cash and cash equivalents	7,196,216	—	7,196,216
Other assets	5,218,600	—	5,218,600
Retirement benefit obligation	(1,258,894)	—	(1,258,894)
Trade payables	(4,329,313)	—	(4,329,313)
Deferred tax liability	(1,018,759)	(4,061,973)	(5,080,732)
	19,768,012	10,871,751	30,639,763
Goodwill			72,717,730
Total consideration, satisfied by cash			103,357,493
Net cash outflow arising on acquisition			
Cash consideration paid			103,357,493
Cash and cash equivalents acquired			(7,196,216)
			96,161,277

The goodwill arising on the acquisition of HAVAŞ Havaalanlari Yer Hizmetleri A.Ş. is attributable to the anticipated profitability of the distribution of the Group's services and the anticipated future operating synergies from the combination.

If the acquisition of HAVAŞ Havaalanlari Yer Hizmetleri A.Ş. had been completed on the first day of the financial year, Group revenues for the period would have been increased by EUR 20,653,071 and group profit attributable to equity holders of the parent would have been decreased by EUR 2,143,459.

33. DERIVATIVE FINANCIAL INSTRUMENTS

	30 September 2006		
	Assets	Liabilities	Net Amount
Interest rate cap	(106,308)	—	(106,308)
Interest rate floor	—	49	49
Interest rate swap	(197,571)	907,553	709,982
Cross currency swap	—	5,951,700	5,951,700
	(303,879)	6,859,302	6,555,423
Current	(303,879)	6,859,302	6,555,423

	31 December 2005		
	Assets	Liabilities	Net Amount
Interest rate cap	(102,782)	—	(102,782)
Interest rate floor	—	17,475	17,475
Interest rate swap	—	1,619,319	1,619,319
	(102,782)	1,636,794	1,534,012
Current	(102,782)	1,636,794	1,534,012

Interest rate derivatives

TAV Esenboğa uses interest rate derivatives (cap, floor and swap) to manage its exposure to interest rate movements on its bank borrowings. Contracts with nominal values of EUR 178,000,000 have floating interest receipts at EURIBOR plus 3.5%.

TAV HTI uses interest rate and cross currency derivatives to manage its exposure to interest rate and foreign currency exchange rates on its bank borrowings and concession fees that will be paid to DHMİ.

Cross currency swap

A derivative contract was concluded for the period of the project finance facilities that fixes the respective exchange rate between USD and EUR. The contract was signed for the period in line with the fee payments of DHMİ to be paid at the end of each December until 2014. The notional amount of the contract is USD 276,005,199 / EUR 216,305,015.

Interest rate swap

A derivative contract has been signed between HVB and TAV HTI on 17 January 2006 for the 50% of junior facility (in total EUR 33,961,623).

The fair value of derivatives entered into at 30 September 2006 is estimated at EUR 6,555,423 (2005: EUR 1,534,012). These amounts are based on market values of equivalent instruments at the balance sheet date. Changes in the fair value of these non-hedging interest rate derivatives amounting to EUR 5,021,411 (2005: EUR 1,534,012) have been charged to income in the year.

34. BUSINESS SEGMENTS

For management purposes, the Group is currently organised into five divisions; Terminal Services, Catering Service, Duty Free Service, Ground Handling Service and Other. These divisions are the basis on which the Group reports its primary segment information. The principal activities of each are as follows:

- Terminal services: Operating Terminal Buildings, the Carpark and the General Aviation Terminal. The Group companies included in this segment are TAV, TAV HTI, TAV Esenboğa, TAV İzmir, and TAV Georgia. TAV Georgia also includes the ground handling operations as they are not outsourced and are run by the airport.

- Catering service: Managing all food & beverage operations of the terminal, both for the passengers and the terminal personnel, which is run by BTA.

- Duty free service: Sales of duty free goods for the international arriving and departing passengers. The Group operates its duty free service through ATÜ.

- Ground handling service: Providing, traffic, ramp, flight operation, cargo and all other ground handling services for domestic and international flights under the Civil Aviation Legislation license. The Group operates the ground handling services through HAVAŞ.

- Other: Providing CIP, IT and Security services. The Group companies included in this segment are TAV İşletme, TAV Bilişim and TAV Güvenlik.

34. BUSINESS SEGMENTS (cont'd)

30 September 2006

	Terminal Services	Catering Service	Duty Free Service	Ground handling service	Other	Consolidation Eliminations	Consolidated
Operating income......	169,945,913	23,812,751	77,197,016	51,838,615	20,437,634	(59,339,004)	283,892,925
Operating expenses ...	(118,482,250)	(20,111,044)	(39,467,741)	(45,803,795)	(11,199,277)	20,205,102	(214,859,005)
Other operating income....................	8,719,629	501,670	1,464,854	—	385,573	(1,377,686)	9,694,040
Other operating expenses	(48,267,226)	(1,598,072)	(36,385,073)	(4,136,528)	(5,037,118)	40,569,328	(54,854,689)
Operating profit.........	11,916,066	2,605,305	2,809,056	1,898,292	4,586,812	57,740	23,873,271
Other Information Assets	1,638,032,727	16,491,941	32,702,548	64,994,044	31,431,305	(524,222,659)	1,259,429,906
-Liabilities	(1,411,292,255)	(13,516,260)	(27,996,825)	(43,222,458)	(27,589,571)	404,706,155	(1,118,911,214)
Tangible, intangible assets and BOT purchases..........	279,915,776	7,002,157	894,511	2,363,469	3,833,090	—	294,009,003
Tangible, intangible assets and BOT depreciation and amortisation............	1,379,644	267,840	131,862	3,769,060	751,261	—	6,299,667
Concession rent expense	100,806,365	—	—	—	—	—	100,806,365

30 September 2005

	Terminal Services	Catering Service	Duty Free Service	Ground handling service	Other	Consolidation Eliminations	Consolidated
Operating income.......	132,089,881	21,847,389	67,464,907	40,342,052	6,381,117	(64,812,444)	203,312,902
Operating expenses	(93,662,653)	(20,670,243)	(35,058,413)	(32,476,890)	(3,742,693)	32,432,983	(153,177,909)
Other operating income.....................	12,045,912	310,233	1,121,032	—	164,100	(1,305,938)	12,335,339
Other operating expenses	(32,710,273)	(3,915,835)	(28,804,152)	(3,659,744)	(2,070,161)	35,097,120	(36,063,045)
Operating profit..........	17,762,867	(2,428,456)	4,723,374	4,205,418	732,363	1,411,721	26,407,287
Other information							
31 December 2005							
-Assets.......................	1,372,820,603	6,647,431	30,810,615	28,239,984	6,308,016	(295,684,121)	1,149,142,528
-Liabilities	(1,124,713,082)	(8,687,613)	(24,200,759)	(8,125,858)	(5,350,281)	188,692,184	(982,385,409)
30 September 2005							
Tangible, intangible assets and BOT purchases.................	67,092,089	152,205	309,298	182,682	519,133	—	68,255,407
Tangible, intangible assets and BOT depreciation and amortisation.............	46,397,401	1,767,367	457,019	1,216,714	54,179	—	49,892,680
Concession rent expense....................	34,272,938	—	—	—	—	—	34,272,938

35. ADDITIONAL EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to 30 September 2006, TAV Esenboğa has started its operations on 16 October 2006.

TAV Havalimanlari Holding A.Ş.'s nominal share has been increased from TRY 200,000,000 to TRY 232,500,000 at 6 December 2006. TRY 32,500,000 of this increase was paid as capital commitment and recorded as capital and also TRY 321,750,000 was paid as emission premium recorded as shares premium in the books. The increased capital has been fully paid on 22 December 2006.

36. RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS

The 2005 financial statements were restated to consolidated 100% of TAV İzmir, for the allocation of foreign currency translation effect within the cash flow statement and to reclassify certain amounts. These restatements are fully described in the financial statements of the Group as of and for the year ended 31 December 2005.