TAV Havalimanları Holding A.Ş.
and its Subsidiaries

Consolidated Interim Financial Statements
As at and for the Nine-Month Period Ended 30 September 2009

12 November 2009
This report contains the "Consolidated
Interim Financial Statements and
their explanatory notes" comprising 98 pages.

TAV Havalimanları Holding A.Ş.
and its Subsidiaries

Table of Contents

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Consolidated Interim Statement of Financial Position
As at 30 September 2009

(Amounts expressed in Euro unless otherwise stated)

ASSETS	Notes	(Unaudited) 30 September 2009	31 December 2008
Property and equipment	17	87,747,000	78,111,498
Intangible assets	18	30,075,741	32,679,835
Airport operation right	19	676,701,195	457,410,838
Other investments	20	13,823,687	24,238
Goodwill	7	131,564,539	131,564,539
Prepaid concession expenses, non-current portion	21	139,646,873	120,285,515
Non-current trade receivables	25	139,919,840	156,306,856
Non-current due from related parties	40	8,658,677	8,140,329
Other non-current assets	24	13,640,704	14,891,066
Deferred tax assets	22	38,219,625	37,366,642
Total non-current assets		**1,279,997,881**	**1,036,781,356**
Inventories	23	11,549,813	9,770,719
Prepaid concession expenses, current portion	21	116,487,380	128,688,749
Trade receivables	25	75,601,477	55,968,143
Due from related parties	40	8,298,471	7,019,918
Derivative financial instruments	36	4,531,922	32,257,634
Other receivables and current assets	24	21,951,818	46,732,857
Cash and cash equivalents	26	46,378,398	22,572,015
Restricted bank balances	27	281,063,571	291,098,061
Total current assets		**565,862,850**	**594,108,096**
TOTAL ASSETS		**1,845,860,731**	**1,630,889,452**

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Consolidated Interim Statement of Financial Position
As at 30 September 2009

(Amounts expressed in Euro unless otherwise stated)

	Notes	(Unaudited) 30 September 2009	31 December 2008
EQUITY			
Share capital	28	162,383,978	104,910,267
Share premium		220,286,470	220,182,481
Legal reserves		18,385,795	15,062,069
Revaluation surplus		2,409,726	2,665,932
Purchase of shares of entities under common control		40,063,860	40,063,860
Cash flow hedge reserve		(69,036,865)	(31,301,803)
Translation reserves		(1,582,178)	(872,551)
Accumulated losses		(28,727,915)	(56,688,149)
Total equity attributable to equity holders of the Company		**344,182,871**	**294,022,106**
Non-controlling interest		34,277,656	15,017,194
Total Equity		**378,460,527**	**309,039,300**
LIABILITIES			
Loans and borrowings	30	1,027,441,583	876,556,773
Reserve for employee severence indemnity	31	4,591,057	3,247,519
Due to related parties	40	9,443,099	9,591,944
Deferred income	33	15,998,141	16,659,877
Long term trade payables		-	75,022
Deferred tax liabilities	22	5,182,405	5,752,448
Total non-current liabilities		**1,062,656,285**	**911,883,583**
Bank overdraft	26	2,564,319	1,844,425
Loans and borrowings	30	214,116,131	220,234,320
Trade payables	35	41,860,310	27,543,307
Due to related parties	40	4,203,365	52,428,667
Derivative financial instruments	36	94,169,565	69,699,812
Current tax liabilities	16	4,861,679	2,488,341
Other payables	32	33,710,621	25,299,953
Provisions	34	3,786,484	3,762,121
Deferred income	33	5,471,445	6,665,623
Total current liabilities		**404,743,919**	**409,966,569**
Total Liabilities		**1,467,400,204**	**1,321,850,152**
TOTAL EQUITY AND LIABILITIES		**1,845,860,731**	**1,630,889,452**

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Consolidated Interim Statement of Comprehensive Income
For the Nine-month Period Ended 30 September 2009

(Amounts expressed in Euro unless otherwise stated)

	Notes	(Unaudited) 1 January- 30 September 2009	(Unaudited) 1 July- 30 September 2009	(Unaudited) 1 January- 30 September 2008	(Unaudited) 1 July- 30 September 2008
Construction revenue	8	248,756,746	51,174,532	170,561,286	61,775,170
Operating revenue	9	435,607,233	177,807,847	437,117,816	175,260,327
Other operating income	10	27,905,582	16,050,919	19,936,183	7,261,962
Construction expenditure	8	(237,215,908)	(48,908,671)	(162,439,320)	(58,833,495)
Cost of catering inventory sold		(10,204,152)	(3,669,399)	(9,717,329)	(3,691,923)
Cost of duty free inventory sold		(42,450,356)	(16,014,931)	(45,708,068)	(16,803,611)
Cost of services rendered		(25,012,022)	(10,900,135)	(27,902,282)	(12,258,985)
Personnel expenses	11	(110,864,857)	(37,922,805)	(110,783,078)	(39,173,986)
Concession rent expenses	12	(109,001,339)	(38,936,910)	(116,600,677)	(41,236,513)
Depreciation and amortisation expense	14	(27,470,475)	(9,117,239)	(25,743,229)	(8,844,318)
Other operating expenses	13	(51,046,793)	(17,442,592)	(55,336,091)	(21,313,186)
Operating profit		**99,003,659**	**62,120,616**	**73,385,211**	**42,141,442**
Finance income		12,988,304	5,047,827	11,587,903	3,980,641
Finance costs		(60,034,615)	(21,465,053)	(68,087,578)	(17,831,997)
Net finance costs	15	**(47,046,311)**	**(16,417,226)**	**(56,499,675)**	**(13,851,356)**
Profit before income tax		**51,957,348**	**45,703,390**	**16,885,536**	**28,290,086**
Income tax expense	16	(16,666,950)	(7,944,291)	(6,552,447)	(1,103,495)
Profit for the period		**35,290,398**	**37,759,099**	**10,333,089**	**27,186,591**
Other comprehensive income / (loss)					
Revaluation of property and equipment		51,240	17,080	51,240	17,080
Effective portion of changes in fair value of cash flow hedges		(46,456,238)	(16,586,607)	16,867,069	2,272,492
Foreign currency translation differences for foreign operations		(979,090)	(802,335)	3,417,244	3,011,334
Income tax on cash flow hedge reserves		7,843,337	2,922,811	(2,368,726)	(169,913)
Other comprehensive income / (loss) for the period, net of tax		**(39,540,751)**	**(14,449,051)**	**17,966,827**	**5,130,993**
Total comprehensive income / (loss) for the period		**(4,250,353)**	**23,310,048**	**28,299,916**	**32,317,584**

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Consolidated Interim Statement of Comprehensive Income
For the Nine-month Period Ended 30 September 2009

(Amounts expressed in Euro unless otherwise stated)

	Notes	(Unaudited) 1 January- 30 September 2009	(Unaudited) 1 July- 30 September 2009	(Unaudited) 1 January- 30 September 2008	(Unaudited) 1 July- 30 September 2008
Profit attributable to:					
Owners of the Company		33,781,943	35,876,105	9,855,259	26,970,271
Non-controlling interest		1,508,455	1,882,994	477,830	216,320
Profit for the period		**35,290,398**	**37,759,099**	**10,333,089**	**27,186,591**
Total comprehensive income / (loss) attributable to:					
Owners of the Company		(4,611,506)	22,335,963	27,857,217	31,762,364
Non-controlling interest		361,153	974,085	442,699	555,220
Total comprehensive income / (loss) for the period		**(4,250,353)**	**23,310,048**	**28,299,916**	**32,317,584**
Weighted average number of shares outstanding		**341,021,369**	**363,281,250**	**242,187,500**	**242,187,500**
Income per share – basic	29	**0.10**	**0.10**	**0.04**	**0.11**

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TAV Havalimanları Holding A.Ş. and its Subsidiaries

Consolidated Interim Statement of Changes in Equity
For the Nine-month Period Ended 30 September 2009

(Amounts expressed in Euro unless otherwise stated)

	Attributable to equity holders of the Company										
	Share Capital	Share Premium	Legal Reserves	Revaluation Surplus	Purchase of Shares of Entities Under Common Control	Cash Flow Hedge Reserve	Translation Reserves	Accumulated Losses	Total	Non-Controlling Interest	Total Equity
Balance at 31 December 2007 as previously reported	**104,910,267**	**220,182,481**	**10,559,039**	**3,007,539**	**40,063,860**	**-**	**343,039**	**(53,499,998)**	**325,566,227**	**14,986,680**	**340,552,907**
Effect of adoption of IFRIC 12 (Note 43)	-	-	-	-	-	-	-	(3,084,599)	(3,084,599)	-	(3,084,599)
Balance at 31 December 2007 as restated	**104,910,267**	**220,182,481**	**10,559,039**	**3,007,539**	**40,063,860**	**-**	**343,039**	**(56,584,597)**	**322,481,628**	**14,986,680**	**337,468,308**
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	9,855,259	9,855,259	477,830	10,333,089
Other comprehensive income											
Revaluation of property and equipment	-	-	-	(256,206)	-	-	-	307,446	51,240	-	51,240
Effective portion of changes in fair value of cash hedges, net of tax	-	-	-	-	-	14,498,343	-	-	14,498,343	-	14,498,343
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	3,452,375	-	3,452,375	(35,131)	3,417,244
Total other comprehensive income	-	-	-	(256,206)	-	14,498,343	3,452,375	307,446	18,001,958	(35,131)	17,966,827
Total comprehensive income for the period	-	-	-	(256,206)	-	14,498,343	3,452,375	10,162,705	27,857,217	442,699	28,299,916
Transactions with owners, recorded directly in equity											
Dividend distributions	-	-	-	-	-	-	-	-	-	(653,998)	(653,998)
Total transactions with owners	-	-	-	-	-	-	-	-	-	(653,998)	(653,998)
Transfers	-	-	4,503,030	-	-	-	-	(4,572,301)	(69,271)	69,271	-
Released from minority	-	-	-	-	-	-	-	-	-	79,985	79,985
Balance at 30 September 2008	**104,910,267**	**220,182,481**	**15,062,069**	**2,751,333**	**40,063,860**	**14,498,343**	**3,795,414**	**(50,994,193)**	**350,269,574**	**14,924,637**	**365,194,211**
Balance at 1 January 2009	**104,910,267**	**220,182,481**	**15,062,069**	**2,665,932**	**40,063,860**	**(31,301,803)**	**(872,551)**	**(56,688,149)**	**294,022,106**	**15,017,194**	**309,039,300**
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	33,781,943	33,781,943	1,508,455	35,290,398
Other comprehensive income											
Revaluation of property and equipment	-	-	-	(256,206)	-	-	-	307,446	51,240	-	51,240
Effective portion of changes in fair value of cash hedges, net of tax	-	-	-	-	-	(37,735,062)	-	-	(37,735,062)	(877,839)	(38,612,901)
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	(709,627)	-	(709,627)	(269,463)	(979,090)
Total other comprehensive income	-	-	-	(256,206)	-	(37,735,062)	(709,627)	307,446	(38,393,449)	(1,147,302)	(39,540,751)
Total comprehensive income for the period	-	-	-	(256,206)	-	(37,735,062)	(709,627)	34,089,389	(4,611,506)	361,153	(4,250,353)
Transactions with owners, recorded directly in equity											
Issue of share capital	57,473,711	103,989	-	-	-	-	-	-	57,577,700	19,973	57,597,673
Dividend distributions	-	-	-	-	-	-	-	-	-	441,610	441,610
Changes in ownership interest in subsidiaries that do not result in loss of control											
Sale of non-controlling interest	-	-	-	-	-	-	-	(3,359,950)	(3,359,950)	19,006,365	15,646,415
Total transactions with owners	57,473,711	103,989	-	-	-	-	-	(3,359,950)	54,217,750	19,467,948	73,685,698
Transfers	-	-	3,323,726	-	-	-	-	(2,755,087)	568,639	(568,639)	-
Exchange differences on translation reserves	-	-	-	-	-	-	-	(14,118)	(14,118)	-	(14,118)
Balance at 30 September 2009	**162,383,978**	**220,286,470**	**18,385,795**	**2,409,726**	**40,063,860**	**(69,036,865)**	**(1,582,178)**	**(28,727,915)**	**344,182,871**	**34,277,656**	**378,460,527**

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Consolidated Interim Statement of Cash Flows
For the Nine-month Period Ended 30 September 2009

(Amounts expressed in Euro unless otherwise stated)

	Notes	1 January-30 September 2009	1 January-30 September 2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		**35,290,398**	**10,333,089**
Adjustments for:			
Amortisation of airport operation right	14-19	14,208,889	14,202,350
Depreciation of property and equipment	14-17	9,861,449	8,776,160
Amortisation of intangible assets	14-18	3,400,137	2,764,719
Amortisation of concession asset	12	109,001,339	116,600,677
Provision for employment termination benefits	31	2,106,376	2,467,123
Provision set for doubtful receivables	38	237,438	229,794
Provision set for tax penalties	34	972,275	392,339
Other provisions (released) / set		(13,261)	608,688
Gain on sale of non-controlling interest in a subsidiary		(8,993,461)	-
Discount on receivables and payables, net		213,920	136,401
Gain on sale of property and equipment		(59,798)	(384,924)
Accrual set for unused vacation	34	700,936	412,238
Addition for slow moving inventory		14,387	-
Accrued interest income		(425,793)	(624,051)
Accrued interest expense on financial liabilities		35,119,148	50,111,488
Income tax expense	16	16,666,950	6,552,447
Marked to market valuation of derivative instruments		5,242,298	(16,117,150)
Unrealised foreign exchange differences on statement of financial position items		5,714,617	(57,656,371)
Cash flows from operating activities		**229,258,244**	**138,805,017**
Change in trade receivables		(20,007,380)	(26,571,768)
Change in non-current trade receivables		16,387,016	17,343,274
Change in inventories		(1,793,481)	(2,915,449)
Change in due from related parties		(1,796,901)	(15,864,173)
Change in restricted bank balances		57,239,724	61,101,801
Change in other receivables and current assets		25,206,832	22,233,539
Change in trade payables		2,536,730	(5,685,254)
Change in due to related parties		(48,374,147)	52,613,473
Change in other payables and provisions		4,870,382	6,951,801
Change in other long term assets		1,250,361	37,459,376
Additions to prepaid concession expenses	21	(104,458,367)	(95,196,116)
Change in VAT portion of prepaid rent		-	(38,605,549)
Cash generated from operations		**160,319,013**	**151,669,972**
Income taxes paid	16	(6,498,534)	(2,497,506)
Interest paid		(41,165,144)	(21,061,502)
Retirement benefits paid	31	(733,524)	(798,336)
Net cash from operating activities		**111,921,811**	**127,312,628**

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Consolidated Interim Statement of Cash Flows
For the Nine-month Period Ended 30 September 2009

(Amounts expressed in Euro unless otherwise stated)

	Notes	1 January- 30 September 2009	1 January- 30 September 2008
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		7,615,708	7,788,524
Proceeds from sale of property and equipment and intangible assets and correction of airport operation right		340,602	3,320,161
Acquisition of property and equipment	17	(20,501,080)	(11,007,190)
Proceeds from sale of non-controlling interest in a subsidiary		27,999,826	-
Net change in investments		(13,799,449)	248,683
Additions to airport operation right	19	(234,710,210)	(155,745,118)
Acquisition of intangible assets	18	(559,242)	(2,430,588)
Net cash used in investing activities		**(233,613,845)**	**(157,825,528)**
CASH FLOWS FROM FINANCING ACTIVITIES			
New borrowings raised		305,617,978	758,553,258
Repayment of borrowings		(154,281,617)	(698,907,986)
Change in restricted bank balances		(59,536,934)	(60,115,716)
Non-controlling interest change		(4,045,669)	(62,043)
Change in revaluation surplus and translation reserves		(453,422)	3,196,170
Repayment of finance lease liabilities		(99,513)	-
Increase in share premium		103,989	-
Increase in share capital	28	57,473,711	-
Net cash provided from financing activities		**144,778,523**	**2,663,683**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**23,086,489**	**(27,849,217)**
CASH AND CASH EQUIVALENTS AT 1 JANUARY	26	**20,727,590**	**62,681,735**
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	26	**43,814,079**	**34,832,518**

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

Notes to the consolidated interim financial statements

(Amounts expressed in Euro unless otherwise stated)

1. REPORTING ENTITY

TAV Havalimanları Holding A.Ş. ("TAV", "TAV Holding" or "the Company") was established in 1997 under the name of Tepe Akfen Vie Yatırım Yapım 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 Havalimanları Holding A.Ş.. The address of the Company's registered office is İstanbul Atatürk Havalimanı Dış Hatlar Terminali 34149 Yeşilköy, İstanbul, Turkey.

The Company is listed in İstanbul Stock Exchange since 23 February 2007 and Company's shares are traded as "TAVHL".

The immediate parents and ultimate controlling parties of TAV and its subsidiaries are Tepe Group and Akfen Group. As explained in Note 3, Significant accounting policies, in years 2005, 2006 and 2007, the ultimate shareholders of the Company transferred their shares in certain companies and joint ventures to the Company. As a result of these share transfers, the Company became the parent company of these subsidiaries.

TAV, its subsidiaries and its joint ventures are collectively referred to as "the Group" in this report. The Company's subsidiaries as at 30 September 2009 and 31 December 2008 are as follows:

			30 September 2009		31 December 2008	
Name of Subsidiary	**Principal Activity**	**Place of operation**	**Ownership interest %**	**Voting power held %**	**Ownership interest %**	**Voting power held %**
TAV İstanbul Terminal İşletmeciliği A.Ş. ("TAV İstanbul")	İstanbul Airport Terminal Services	Turkey	100.00	100.00	100.00	100.00
TAV Esenboğa Yatırım Yapım ve İşletme A.Ş. ("TAV Esenboğa")	Ankara Airport Terminal Services	Turkey	100.00	100.00	100.00	100.00
TAV İzmir Terminal İşletmeciliği A.Ş. ("TAV İzmir")	İzmir Airport Terminal Services	Turkey	100.00	100.00	100.00	100.00
TAV Tunisie S.A. (" TAV Tunisie")	Airport Operator	Tunisia	85.00	85.00	100.00	100.00
TAV Batumi Operations LLC ("TAV Batumi")	Airport Management Service Provider	Georgia	60.00	100.00	60.00	100.00
Batumi Airport LLC	Airport Operator	Georgia	-	100.00	-	100.00
TAV Macedonia Dooel Skopje ("TAV Macedonia")	Airport Operator	Macedonia	100.00	100.00	100.00	100.00
TAV Gazipaşa Yapım, Yatırım ve İşletme A.Ş. ("TAV Gazipaşa")	Airport Operator	Turkey	100.00	100.00	100.00	100.00
HAVAŞ Havaalanları Yer Hizmetleri A.Ş. ("HAVAŞ")	Ground Handling Services	Turkey	100.00	100.00	100.00	100.00
BTA Havalimanları Yiyecek ve İçecek Hizmetleri A.Ş. ("BTA")	Food and Beverage Services	Turkey	66.66	66.66	66.66	66.66
BTA Georgia LLC ("BTA Georgia")	Food and Beverage Services	Georgia	66.66	66.66	66.66	66.66
BTA Tunisie SARL	Food and Beverage Services	Tunisia	66.66	66.66	66.66	66.66
BTA Unlu Mamülleri Pasta Üretim Turizm Gıda Yiyecek İçecek Hizmetleri San ve Tic A.Ş. ("Cakes & Bakes")	Food and Beverage Services	Turkey	66.66	66.66	66.66	66.66
TAV İşletme Hizmetleri A.Ş. ("TAV İşletme")	Operations &Maintenance ("O&M"), Lounge Services	Turkey	100.00	100.00	100.00	100.00
TAV Georgia Operation Services LLC ("TAV İşletme Georgia")	Lounge Services	Georgia	99.99	99.99	99.99	99.99
TAV Bilişim Hizmetleri A.Ş. ("TAV Bilişim")	Software and System Services	Turkey	97.00	97.00	97.00	97.00
TAV Özel Güvenlik Hizmetleri A.Ş. ("TAV Güvenlik")	Security Services	Turkey	66.67	66.67	66.67	66.67

(Amounts expressed in Euro unless otherwise stated)

1. REPORTING ENTITY (continued)

The entities that are jointly controlled by the Company as at 30 September 2009 and 31 December 2008 are as follows:

			30 September 2009		31 December 2008	
Name of joint venture	**Principal activity**	**Place of operation**	**Ownership interest %**	**Voting power held %**	**Ownership interest %**	**Voting power held %**
ATÜ	Duty free Services	Turkey	49.98	50.00	49.98	50.00
ATÜ Georgia Operation Services LLC ("ATÜ Georgia")	Duty free Services	Georgia	49.98	50.00	49.98	50.00
TAV Urban Georgia LLC ("TAV Tbilisi")	Airport Operator	Georgia	60.00	50.00	60.00	50.00
TAV Gözen Havacılık İşletme ve Ticaret A.Ş. ("TAV Gözen")	Operating Special Hangar	Turkey	32.40	32.40	32.40	32.40
Cyprus Airport Services Ltd. ("CAS")	Management and Ground Handling	KKTC	50.00	50.00	50.00	50.00

HAVAŞ, Gözen Havacılık ve Ticaret A.Ş. and Türkmen Havacılık Taşımacılık ve Ticaret A.Ş. formed a joint venture under the name of TAV Gözen on 10 September 2008. HAVAŞ has 32.4% ownership in TAV Gözen as at 30 September 2009. TAV Gözen is engaged in management of all operational inventory, machinery and system in the special hangar of İstanbul Atatürk Airport, any construction and investment related to its subject.

HAVAŞ and Kıbrıs Türk Havayolları Limited Şirketi ("KTHY") formed a joint venture as 50% + 1 of participation for KTHY under the name of CAS according to the protocol signed on 1 September 2006 to construct an airport terminal and to undertake its management for ground handling operations in the Turkish Republic of Northern Cyprus ("KKTC"). CAS started its operations on 1 August 2008.

On 28 November 2008, HAVAŞ has become preferred bidder for the tender held by the Turkish Airlines ("THY") to participate in the 50% of its share in TGS Yer Hizmetleri A.Ş. ("TGS"). TGS is planned to start its operations in 2010.

1. REPORTING ENTITY (continued)

Description of Operations

The Group's core businesses are related to the construction of terminal buildings, management and operation of terminals or airports. The Group companies incorporated in Turkey enter into Build – Operate – Transfer ("BOT") Agreements with Devlet Hava Meydanları İşletmesi Genel Müdürlüğü (General Directorate of State Airports Authority) ("DHMİ"), TAV Tbilisi with JSC Tbilisi International Airport ("JSC"), TAV Batumi with Georgian Ministry of Economic Development ("GMED"), TAV Tunisie with Tunisian Airport Authority (Office De L'Aviation Civil Et Des Aeroports) ("OACA") and TAV Macedonia with Macedonian Ministry of Transportation and Communication ("MOTC). Under these agreements, the Group agrees to build or renovate or manage an airport or terminal within a specified period of time and in exchange receives the right to operate the airport and terminal for a preestablished period of time. At the end of the contracts, the Group will transfer the ownership of the terminal buildings or airports back to the related public authority, DHMİ, JSC, GMED, OACA or MOTC accordingly. In addition, the Group enters into subsequent stand alone contracts for the operation of airports and terminals.

BOT Agreements

The airport terminals operated by the Group are as follows:

<u>İstanbul Atatürk International Airport</u>

A BOT agreement was executed between TAV and DHMİ regulating the reconstruction, investment and operations of Atatürk International Airport International Lines Building (referred to as "Atatürk International Airport Terminal" or "AIAT") in year 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 the 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 year 2004. In return for extending the International Lines Building, the operation period of TAV was extended by 13 months 12 days (approximately 66 months in total) through September 2005. The contract expired in September 2005 and TAV transferred AAT to DHMİ. On 3 September 2005, TAV İstanbul signed a concession agreement to operate AIAT and Atatürk Domestic Airport Terminal (referred to as "ADAT") for 15.5 years until year 2021. The concession agreement requires TAV İstanbul to make annual rent payments totaling US Dollar ("USD") 2,543,000,000 plus VAT (18%) over the life of the concession agreement, of which USD 584,890,000 plus VAT has been prepaid at the beginning of the concession agreement under the terms of the agreement. In addition, TAV İstanbul 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.

An addendum has been signed on 4 November 2008 for Atatürk Airport Development Project regarding addition of docking positions which is projected to be approximately EUR 36 million.

<u>Ankara Esenboğa International Airport</u>

A BOT agreement was executed between TAV Esenboğa and DHMİ on 18 August 2004 regulating the reconstruction, investment and operations of the Ankara Esenboğa International Airport (international and domestic terminals). According to the Agreement, TAV Esenboğa was required to complete the construction within 36 months after the agreement date and would then have the right to operate the facilities of the Ankara Esenboğa International Airport Terminal for a period of 15 years and 8 months. In the operations phase, TAV Esenboğa has been providing mainly passenger, ramp and check-in counter services since 16 October 2006.

1. REPORTING ENTITY (continued)

BOT Agreements (continued)

<u>İzmir Adnan Menderes International Airport</u>

A BOT agreement was executed between TAV İzmir and DHMİ on 20 May 2005 regulating the reconstruction, investment and operations of İzmir Adnan Menderes Airport International Terminal. According to the Agreement, TAV İzmir was required to complete the construction within 24 months after the agreement date and would then have the right to operate the facilities of İzmir Adnan Menderes Airport International Terminal for a period of 6 years, 7 months and 29 days. An addendum to the Agreement was signed on 21 August 2006. Under the terms of the addendum, in return for additional works, the operation period of TAV İzmir was extended by 11 months 17 days through January 2015. TAV İzmir has started to provide mainly passenger, ramp and check-in counter services on 13 September 2006.

<u>Tbilisi International Airport</u>

A BOT agreement was executed between TAV Tbilisi and JSC on 6 September 2005 for the operations of airport (both international, domestic terminals and parking-apron-taxi ways). The 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, this period was extended by another 9.5 years in exchange for an obligation by TAV Tbilisi to invest an additional amount for the construction of the terminal (including construction of additional runways, extension of apron etc.) for Batumi airport. TAV Tbilisi has started to provide all airport activities such as passenger, ramp, check-in counter services and parking-apron-taxi services excluding air traffic services in New Tbilisi International Airport on 8 February 2007.

<u>Batumi International Airport</u>

On 9 August 2007, TAV Batumi Operations signed an agreement with the Georgian Ministry of Economic Development to transfer the management rights of all shares of the Batumi Airport LLC to TAV Batumi for 20 years. According to such share management agreement, all airport operations (excluding only the air traffic control and aviation security services) of the Batumi International Airport will be carried out by TAV Batumi until August 2027. The air traffic control and aviation security services will strictly be under Georgian Government's responsibility.

<u>Tunisie Monastir and Enfidha International Airports</u>

A BOT agreement was executed between TAV Tunisie and OACA on 18 May 2007, for the operation of existing Monastir Habib Bourguiba Airport and new Enfidha Airport (International, domestic terminals and parking-apron-taxi-ways).

Through the BOT agreement TAV Tunisie undertakes the operation of the existing Monastir Habib Bourguiba Airport and design, engineering, financing, construction, testing, commissioning and maintenance of the new terminal of Enfidha Airport. The operation of Enfidha Airport will be undertaken following the completion of the construction within the last quarter of 2009. The operation of Monastir Habib Bourguiba Airport was undertaken on 1 January 2008. The concession periods of both airports will end in May 2047. The operation of the Monastir and Enfidha Airports will cover all airport activities such as passenger handling, ramp, check-in counter services, ground handling, cargo and parking apron taxi services excluding air traffic services.

1. REPORTING ENTITY (continued)

BOT Agreements (continued)

Gazipaşa Airport

Relating to the transfer of the operational rights of Antalya-Gazipaşa Airport via a lease, the concession agreement between TAV Gazipaşa and DHMİ was signed on 4 January 2008. The operation period of Antalya-Gazipaşa Airport, which currently has 500,000 annual passenger capacity, is 25 years, and the operation of the airport will cover activities within airside and landside facilities and area of runway, apron and taxiway. TAV Gazipaşa shall make an annual rent payment of US$ 50,000 plus VAT as a fixed amount, until the end of the operation period; as well as a share of 65% of the net profit to DHMİ.

Macedonia Skopje, Ohrid and Shtip Airports

On 24 September 2008, the 20-year Concession Agreement for the construction and operation of Alexander the Great Airport in Skopje, renovation and operation of the St. Paul the Apostle Airport in Ohrid, and the construction and optional operation of the New Cargo Airport in Shtip airports was signed between TAV Macedonia and the Ministry of Transport and Communication of Macedonia. The operation of the two airports shall cover all airport activities with the exception of air traffic control, and modernisation activities are contemplated to include the technical infrastructure. The effective date of the concession contract is notified by the Ministry of Transport and Communication of Macedonia as 1 March 2010.

Operations Contracts

BOT operations and management contracts include the following:

Terminal and airport services – The Group has the right to operate the terminals and airports as mentioned in the preceeding paragraphs. This includes passenger, ramp and check-in counter services and services for parking-apron-taxi ways (for airport operations). A fee is charged to each airline based on the number of passengers that utilize the airport, based on the number of aircrafts that utilize ramps and runways and based on the number of check-in counters utilised by the airlines.

Duty free goods – The Group has the right to manage duty free operations within the terminals which the Group operates. Duty free shopping is available to both arriving and departing passengers. The duty free shops are either 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 terminals both for the passengers and the terminal personnel. The Group subcontracts certain food and beverage operations in exchange for a commission based on sales.

Area allocation services – As a lessor, the Group leases office space in the airport terminal including the offices leased to the airlines for ticket office and banks.

1. REPORTING ENTITY (continued)

Ground handling – The Group has the right to provide 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 services to the passengers who have the membership.

Bus and car parking services – The Group has the right to operate the car park and render valet parking services. Revenues from bus operations include shuttle services running 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 third parties.

Security services – The Group operates the security services within the domestic terminals.

The Group employs approximately 12,818 (average: 12,204) people as at 30 September 2009 (30 September 2008: 11,500 (average: 11,198) people).

Growth of the Group

The Group has experienced major and rapid growth in the recent years following the award of contracts at İstanbul Atatürk Airport, İzmir Adnan Menderes Airport, Ankara Esenboğa Airport, Tbilisi International Airport, Batumi International Airport, Antalya Gazipaşa Airport, Tunisia Monastir and Enfidha International Airports, Macedonia Skopje, Ohrid and Shtip Airports 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.

These long term projects, the leases and the acquisitions 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.

2. BASIS OF PREPARATION

a) Statement of compliance

The consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

The Group's consolidated interim financial statements were approved by the Board of Directors on 12 November 2009.

b) Basis of measurement

The consolidated interim financial statements have been prepared on the historical cost basis except for derivative financial instruments which are measured at fair value.

The methods used to measure fair values are discussed further in note 4.

c) Functional and presentation currency

TAV Holding and its subsidiaries operating in Turkey maintain their books of account and prepare their statutory financial statements in Turkish Lira ("TRY") in accordance with the accounting principles as promulgated by the Capital Markets Board of Turkey, the Turkish Commercial Code and tax legislation. The foreign subsidiaries and jointly controlled entities maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. The accompanying consolidated interim financial statements expressed in EUR, the functional currency of TAV Holding, are based on the statutory records, with adjustments and reclassifications, including re-measurement from TRY to EUR for the purpose of fair presentation in accordance with IFRS.

Although the currency of the country in which the majority of the Group entities are domiciled is TRY, most of the Group entities' functional currency and reporting currency is EUR. The table below summarizes the functional currencies of the Group entities:

Company	Functional Currency
TAV Holding	EUR
TAV İstanbul	EUR
TAV Esenboğa	EUR
TAV İzmir	EUR
TAV Tunisie	EUR
ATÜ	EUR
HAVAŞ	EUR
BTA	TRY
TAV Gazipaşa	EUR
TAV Tbilisi	Georgian Lari ("GEL")
TAV Batumi	GEL
TAV Macedonia	EUR
Batumi Airport LLC	GEL
TAV İşletme	TRY
TAV Bilişim	EUR
TAV Güvenlik	TRY
ATU Georgia	GEL
BTA Georgia	GEL
TAV İşletme Georgia	GEL
BTA Tunisie SARL	Tunisian Dinar
Cakes & Bakes	TRY
TAV Gözen	USD
CAS	USD

2. BASIS OF PREPARATION (continued)

d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated interim financial statements is included in the following notes:

Note 7 – goodwill

Note 3(f) – mark-up applied to construction expenditure

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 22 – utilisation of tax losses

Note 31 – measurement of reserve for employee severance indemnity

Notes 34 and 39 – provisions and contingencies

Note 18 – valuation of intangible assets

Note 38 – valuation of financial instruments

e) Changes in accounting policies

Starting as of 1 January 2009, the Group has changed its accounting policies in the following areas:

- Determination and presentation of operating segments
- Presentation of financial statements

i) Determination and presentation of operating segments

As of 1 January 2009 the Group determines and presents operating segments based on the information that internally is provided to the top management, who are the Group's chief operating decision makers. This change in accounting policy is due to the adoption of IFRS 8 "*Operating Segments*". Previously operating segments were determined and presented in accordance with IAS 14 "*Segment Reporting*". The new accounting policy in respect of segment operating disclosures is presented as follows.

Comparative segment information has been re-presented in conformity with the transitional requirements of such standard. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

2. BASIS OF PREPARATION (continued)

e) Changes in accounting policies (continued)

i) Determination and presentation of operating segments (continued)

Segment results that are reported to the management include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure includes the total cost incurred during the period to acquire property and equipment, and intangible assets other than goodwill.

ii) Presentation of financial statements

The Group applies revised IAS 1 *Presentation of Financial Statements (2007)*, which became effective as of 1 January 2009. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated interim financial statements, and have been applied consistently by Group entities, except as explained in note 2e), which addresses changes in accounting policies.

Certain comparative amounts have been reclassified to conform with the current year's presentation (See note 43).

a) Basis of consolidation

The consolidated interim financial statements include the financial statements of the Company and entities controlled or jointly controlled by the Company (its subsidiaries and jointly controlled entities). 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 İstanbul, TAV İzmir, TAV Esenboğa, HAVAŞ, TAV İşletme, TAV Gazipaşa, TAV Batumi and TAV Macedonia are fully consolidated without non-controlling interest's ownership. After acquisition of the remaining 40% shares of HAVAŞ in November 2007 from independent third party, HAVAŞ is fully consolidated as at 31 December 2007 from the effective date of acquisition whereas it was consolidated proportionally until 30 September 2007.
- TAV Tunisie, BTA, BTA Georgia, BTA Tunisie, Cakes & Bakes, TAV İşletme Georgia, TAV Bilişim, Batumi Airport LLC and TAV Güvenlik are fully consolidated with the non-controlling interest's ownership reflected as a minority interest. The share capital of Batumi Airport LLC is fully allocated as non-controlling interest interest due to the transfer of right on shares to JSC at the end of share management agreement period.
- ATÜ, ATÜ Georgia, TAV Tbilisi, TAV Gözen and CAS are proportionately consolidated.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Basis of consolidation (continued)

i) Subsidiaries:

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated interim financial statements from the date that control commences until the date control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

ii) Acquisitions from entities under common control:

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group's controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity except that any share capital of the acquired entities is recognised as part of share premium. Any cash paid for the acquisition is recognised directly in equity.

iii) Jointly controlled entities:

Joint ventures are those entities over whose activities the Group has joint control established by contractual agreement and requiring unanimous concent for strategic financial and operating decisions. 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 interim financial statements on a line-by-line basis.

iv) Transactions eliminated on consolidation:

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

v) 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.

(Amounts expressed in Euro unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Foreign currency

i) Foreign currency transactions:

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on qualifying cash flow hedges, which are recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

ii) Foreign operations:

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

The Group entities use either EUR, TRY, USD, Tunisian Dinar or GEL as functional currencies since these currencies are used to a significant extent in, or have a significant impact on, the operations of the related Group entities and reflect the economic substance of the underlying events and circumstances relevant to these entities. All currencies other than the currency selected for measuring items in the financial statements are treated as foreign currencies. Accordingly, transactions and balances not already measured in the functional currency have been re-measured to the related functional currencies in accordance with the relevant provisions of IAS 21 (“The Effects of Changes in Foreign Exchange Rates”). The Group uses EUR as the reporting currency.

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 reporting dates until 31 December 2005 before they are translated into EUR. Turkey came off highly inflationary status for the period beginning after 15 December 2005, therefore restatement for IAS 29 has not been applied since 1 January 2006.

The financial statements of subsidiaries, namely BTA, TAV İşletme and TAV Güvenlik, 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 main reporting currency of the Group, by the exchange rate ruling at reporting date.

The EUR / TRY, EUR / GEL, EUR / Tunisian Dinar, EUR / USD and exchange rates as of the related periods are as follows:

	30 September 2009	31 December 2008	30 September 2008
EUR / TRY	2.1603	2.1408	1.7978
EUR / GEL	2.4405	2.3648	2.0134
EUR / Tunisian Dinar	1.8970	1.8409	1.7926
EUR / USD	1.4577	1.4155	1.4597

Foreign currency differences are recognised in other comprehensive income, under the foreign currency translation reserve (“FCTR”). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss as part of the profit or loss on disposal.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Financial instruments

i) Non-derivative financial assets:

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial assets of the Group comprise loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables, due from related parties, guaranteed passenger fee receivable from DHMİ (Concession receivables) (see note 25).

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

The Group's use of Project Accounts or Reserve Accounts or Funding Accounts is dependent upon the lenders' consent according to financial agreements. Therefore, bank balances included in these accounts are presented as restricted bank balances in the statement of financial position.

The Group recognises a financial asset arising from a service concession arrangement when it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction or upgrade services provided. Such financial assets are measured at fair value upon initial recognition. Subsequent to initial recognition the financial assets are measured at amortised cost.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Financial instruments (continued)

i) Non-derivative financial assets (continued)

Loans and receivables (continued)

If the Group is paid for the construction services partly by a financial asset and partly by an intangible asset, then each component of the consideration received or receivable is accounted for separately and is recognised initially at the fair value of the consideration received or receivable (see also note 3(f)).

ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts, and trade and other payables and due to related parties.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

iii) Share capital:

Ordinary shares are classified as equity.

iv) Derivative financial instruments, including hedge accounting:

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80-125 percent. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported net income.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Financial instruments (continued)

ii) Derivative financial instruments (continued)

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. The amount recognised in other comprehensive income is removed and included in profit or loss in the same period as the hedged cash flows affect profit or loss under the same line item in the statement of comprehensive income as the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in other comprehensive income and presented in the hedging reserve in equity remains there until the forecast transaction affects profit or loss. When the hedged item is a non-financial asset, the amount recognised in other comprehensive income is transferred to the carrying amount of the asset when the asset is recognised. If the forecast transaction is no longer expected to occur, then the balance in other comprehensive income is recognised immediately in profit or loss. In other cases the amount recognised in other comprehensive income is transferred to profit or loss in the same period that the hedged item affects profit or loss.

d) Property and equipment

i) Recognition and measurement:

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs (see note 2(e)). Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognised net within “other operating income” in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Property and equipment (continued)

ii) Subsequent costs:

The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

iii) Depreciation:

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	50 years
Machinery and equipment	4-15 years
Vehicles	5 years
Furniture and fixtures	2-15 years
Leasehold improvements	1-15 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

e) Intangible assets

i) Goodwill:

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets.

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (negative goodwill), it is recognised immediately in profit or loss.

Acquisitions of non-controlling interests

Goodwill arising on the acquisition of a non-controlling interest in a subsidiary represents the excess of the cost of the additional investment over the fair value of the net assets acquired at the date of exchange.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

ii) Intangible assets recognised in a business combination:

Customer relationships and DHMİ license are the intangible assets recognised during the purchase of HAVAŞ shares in years 2006 and 2007. In a business combination or acquisition, the acquirer recognises separately an intangible asset of the acquiree at the acquisition date only if it meets the definition of an intangible asset in IAS 38 *Intangible Assets* and its fair value can be measured reliably.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Intangible assets (continued)

ii) Intangible assets recognised in a business combination (continued)

The fair values of DHMİ licence and customer relationship are determined by an independent external third party expert.

The Group applied proportionate consolidation method to account for its 60% ownership interest in HAVAŞ until 30 September 2007. Therefore, intangible assets arising from the initial acquisition of HAVAŞ were reflected by 60%, being the shareholding of the Group, in the consolidated financial statements. In accordance with IFRS 3, the Group applied step acquisition during the purchase of remaining 40% shareholding in HAVAŞ. Customer relationship and DHMİ licence were remeasured to their fair values. The fair value change attributable to 60% portion is recorded to the revaluation reserve under equity. This figure reflected the change in fair value of intangibles that were already carried in the consolidated interim financial statements prior to the acquisition of the additional 40% shareholding.

iii) Other intangible assets:

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

iv) Subsequent expenditure:

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

v) Amortisation:

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

Purchased software is amortised over estimated useful lives, which is between 3-5 years. Intangible assets related to HAVAŞ acquisition are customer relationships and DHMİ licence. Customer relationships have 10 years useful life and DHMİ licence has indefinite useful life. DHMİ licence is annually tested for impairment.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

f) Service concession arrangements

TAV Esenboğa and TAV İzmir are bound by the terms of the BOT Agreements made with DHMİ. According to the BOT agreements, TAV Esenboğa and TAV İzmir have guaranteed passenger fee to be received from DHMİ. The agreements cover a period up to January 2015 for TAV İzmir and May 2023 for TAV Esenboğa.

A BOT agreement was executed between TAV Tbilisi and JSC on 6 September 2005 for the operations of airport (both international, domestic terminals and parking-apron-taxi ways). The agreement covers a period up to August 2027.

A BOT agreement was executed between TAV Tunisie and OACA on 18 May 2007, for the operation of existing Monastir Habib Bourguiba Airport and new Enfidha Airport (International, domestic terminals and parking-apron-taxi-ways) which is planned to be constructed in two years. The concession periods of both airports will end in May 2047.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Service concession arrangements (continued)

i) Intangible assets

The Group recognizes an intangible asset arising from a service concession agreement when it has a right to charge for usage of concession infrastructure. Intangible assets received as consideration for providing construction or upgrade services in a service concession agreement are measured at fair value upon initial recognition. Subsequent to initial recognition the intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses.

The airport operation right as an intangible asset is initially recognised at cost, being the fair value of consideration transferred to acquire the asset, which is the fair value of the consideration received or receivable for the construction services delivered. The fair value of the consideration received or receivable for the construction services delivered includes a mark-up on the actual costs incurred to reflect a margin consistent with other similar construction work. Mark-up rates for TAV İzmir, TAV Esenboğa, TAV Tbilisi, TAV Tunisie and TAV Gazipaşa are 0%, 0%, 15%, 5% and 0%, respectively. As of 30 September 2009, total cost of airport operation right is EUR 734,567,640 (EUR 111,500,212 for TAV Esenboğa, EUR 80,469,270 for TAV İzmir, EUR 48,394,858 for TAV Tbilisi, EUR 484,699,462 for TAV Tunisie and EUR 9,503,838 for TAV Gazipaşa) (31 December 2008: total cost of airport operation right is EUR 501,411,040 (EUR 111,500,212 for TAV Esenboğa, EUR 80,469,270 for TAV İzmir, EUR 49,948,468 for TAV Tbilisi, EUR 256,388,415 for TAV Tunisie and EUR 3,104,675 for TAV Gazipaşa).

The consideration receivable for the construction services delivered includes direct costs of construction and borrowing and other similar costs that are directly related to the construction of the airport and related infrastructure.

Amortisation of the airport operation right is calculated on a straight line basis. The calculated amortisation for the period ended 30 September 2009 amounts to EUR 5,036,538 for TAV Esenboğa, EUR 7,319,485 for TAV İzmir and EUR 1,852,866 for TAV Tbilisi. For TAV Tunisie and TAV Gazipaşa, no amortisation has been calculated as the construction of the airport is still in progress. The estimated useful life of an intangible asset in a service concession arrangement is the period from when it is available for use to the end of the concession period.

ii) Financial assets

The Group recognizes the guaranteed amount due from DHMİ as financial asset which is determined by the agreements with TAV Esenboğa and TAV İzmir. Financial assets are initially recognised at fair value. Fair value of financial assets are estimated as the present value of all future cash receipts discounted using the prevailing market rate of instrument.

As at 30 September 2009, the short and long term guaranteed passenger fee receivable from DHMİ equals to EUR 164,260,546 (31 December 2008: EUR 179,431,222).

iii) Accounting for operations contract (TAV İstanbul)

The costs associated with the operations contract primarily include rental payments and payments made to enhance and improve ADAT. TAV İstanbul prepaid certain rental amounts and the prepayment is deferred as prepaid rent and is recognised over the life of the prepayment period. The expenditures TAV İstanbul 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Service concession arrangements (continued)

Under IFRIC 12 "Service Concession Arrangements" an operator recognises an intangible asset or financial asset received as consideration for providing construction or upgrade services or other items. In TAV İstanbul there is neither construction nor significant upgrade service provided and the contract is in operating phase. Therefore, no intangible asset or financial asset is recognised in TAV İstanbul's financial statements and the revenue and costs relating to the operation services are recognised in accordance with IAS 18 as required by IFRIC 12.

Amortisation of the airport operation right is calculated on a straight line basis over the BOT periods of each project from the date of commencement of physical construction of the terminal.

g) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised on the Group's statement of financial position.

h) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

i) Impairment

i) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Group considers evidence of impairment for receivables and held-to-maturity investment securities at both a specific asset and collective level. All individually significant receivables and held-to-maturity investment securities are assessed for specific impairment. All individually significant receivables and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together receivables and held-to-maturity investment securities with similar risk characteristics.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Impairment (continued)

i) Financial assets (continued)

In assessing collective impairment the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that one not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

j) Reserve for employee severance indemnity

In accordance with the existing labour law in Turkey, the Group entities operating in Turkey are required to make lump-sum payments to employees who have completed one year of service and whose employment is terminated without cause or who retire, are called up for military service or die. Such payments are calculated on the basis of 30 days' pay maximum TRY 2,365 as at 30 September 2009 (equivalent to EUR 1,095 as at 30 September 2009) (31 December 2008: TRY 2,173 (equivalent to EUR 1,015 as at 31 December 2008)) per year of employment at the rate of pay applicable at the date of retirement or termination. Reserve for retirement pay is computed and reflected in the accompanying consolidated interim financial statements on a current basis. The management of the Company used some assumptions (detailed in Note 31) in the calculation of the retirement pay provision. The calculation was based upon the retirement pay ceiling announced by the Government.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money where appropriate and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

l) Revenue

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Construction revenue and costs: Construction revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Service concession agreements: Revenue relating to construction services under a service concession arrangement is recognised based on the stage of completion of the work performed, consistent with the Group's accounting policy on recognising revenue on construction contracts. Operation or service revenue is recognised in the period in which the services are provided by the Group. When the Group provides more than one service in a service concession arrangement the consideration received is allocated by reference to the relative fair values of the services delivered.

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 terminal.

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

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 are 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 terminals as well as third parties out of the terminals where the subsidiaries operate.

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

Commission: The Group subcontracts the right to operate certain duty free operations and 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 based on the sales reports provided from the subcontractor entities in every 2 to 3 days.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Revenue (continued)

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

m) Lease payments

Payments made under operating leases are recognised in profit and loss on a straight-line basis over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

n) Finance income and finance costs

Finance income comprises interest income on funds invested, unwinding of discount on guaranteed pasanger fee receivable from DHMİ, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

Finance costs comprise interest expense on borrowings, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets, and losses on hedging instruments that are recognised in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

o) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

o) Income tax (continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

p) Earnings per share

The Group presents basic earning per share (“EPS”) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. There are no potentially dilutive shares.

q) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Group’s other components. All operating segments’ operating results are regularly reviewed by the Group Management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available (see note 2e)).

r) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the nine-month period ended 30 September 2009, and have not been applied in preparing these consolidated interim financial statements. None of these will have an effect on the consolidated financial statements of the Group.

4. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

i) Property and equipment

The fair value of property and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly. The fair value of items of equipment, fixtures and fittings is based on the market approach and cost approaches using quoted market prices for similar items when available and replacement cost when appropriate.

ii) Intangible assets

The fair value of intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

The fair values of customer relationship and DHMİ licence were computed according to the cost approach method.

The airport operation right as an intangible asset is initially recognised at cost, being the fair value of consideration transferred to acquire the asset, which is the fair value of the consideration received or receivable for the construction services delivered. The fair value of the consideration received or receivable for the construction services delivered includes a mark-up on the actual costs incurred to reflect a margin consistent with other similar construction work. Mark-up rates for TAV İzmir, TAV Esenboğa, TAV Tbilisi, TAV Tunisie and TAV Gazipaşa are 0%, 0%, 15%, 5% and 0%, respectively.

iii) Trade and other receivables

The fair value of trade and other receivables, is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

iv) Derivatives

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds) or option pricing models.

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

v) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

5. FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated interim financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group has established a Risk Management Department and the Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

All directors act to ensure an effective internal control, providing assurance in relation to control, governance and the risk management process.

The Group Audit Committee is assisted in its oversight role by Internal Audit. The mission of Internal Audit Directorate of the Group is to assist TAV Holding Board of Directors and Management (including subsidiaries) in their oversight, management and operating responsibilities by identifying; ineffectivenesses of internal control, risk management and governance processes inefficiencies that cause waste of its resources and making professional recommendations through independent audits (reports) and / or advisory services.

Internal audit plans are based on risk assessments as well as the issues highlighted by the Audit Committee and the management. Risk assessment is conducted on a continuous basis so as to identify not only existing risks but also emerging risks. Formally, risk assessment is made annually but more often if required.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and bank balances.

The Group's principal financial assets are cash and cash equivalents and trade and other receivables.

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

The Group has procedures in place to ensure that services are provided to customers with an appropriate credit history. The carrying amount of trade and other receivables, net of provision for impairment of receivables, and the total of cash and cash equivalents, represents the maximum amount exposed to credit risk. The main customer is Turkish Airlines ("THY"). Based on past history with this customer, the Group management believes there is no significant credit risk for this customer. Although collection of receivables could be influenced by economic factors, management believes that there is no significant risk of loss to the Group beyond the provisions already recorded due to reputation and type of customers for the airlines (well-known reputable, international and flag carrier companies), method of sales which is cash or credit card basis for duty free sales.

In addition, the Group receives letters of guarantee, and notes from some customers whose credibilities are low.

5. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments. Typically the Group ensures that it has sufficient cash on demand to meet expected operational and financial expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by lenders and executives of the Group as mentioned in Note 36.

i) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group has exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. As at 30 September 2009, the Group had balances that are denominated in a currency other than the respective functional currencies of Group entities, primarily the Euro, but also USD, GEL, Tunusian Dinar and TRY which are disclosed within the relevant notes to these consolidated interim financial statements. The Group manages this currency risk by maintaining foreign currency cash balances. The currency risk is managed by using of some financial intruments as mentioned in Note 38.

ii) Interest rate risk

The Group adopts a policy of ensuring that between 75 and 100 percent of its exposure to changes in interest rates on borrowings is on a fixed rate basis. This is achieved by entering into interest rate swaps as mentioned in Note 38.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence; to sustain future development of the business and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

5. FINANCIAL RISK MANAGEMENT (continued)

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.

Compliance with Group standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and senior management of the Group.

6. SEGMENT REPORTING

Operating Segments:

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

- ***Terminal operations:*** Operating Terminal Buildings, the Car Park and the General Aviation Terminal, the Group companies included in this segment are TAV İstanbul, TAV Esenboğa, TAV İzmir, TAV Gazipaşa, TAV Tunisie, TAV Tbilisi, TAV Batumi, Batumi Airport LLC and TAV Macedonia,TAV Tbilisi and TAV Batumi also include the ground handling operations, and parking-apron-taxi ways as they are not outsourced and are run by the airport.

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

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

- ***Ground handling and bus operations:*** 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, CAS and TAV Gözen which also provides bus operations.

- ***Other:*** Providing lounge services, IT and Security services, the Group companies included in this segment are TAV Holding, TAV İşletme, TAV İşletme Hizmetleri Georgia, TAV Bilişim and TAV Güvenlik.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating profit, as included in the internal management reports that are reviewed by the Group's Management. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

(Amounts expressed in Euro unless otherwise stated)

6. SEGMENT REPORTING (continued)

Operating Segments

	Nine months ended 30 September											
	Terminal Operations		**Catering Operations**		**Duty Free Operations**		**Ground Handling and Bus Operations**		**Other Operations**		**Total**	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Total external revenues	181,876,013	184,045,629	30,972,778	30,241,589	106,341,271	112,204,708	98,799,760	95,307,288	17,617,411	15,318,602	435,607,233	437,117,816
Inter-segment revenue	63,953,272	67,397,539	7,636,387	7,347,297	-	-	39,655	46,467	10,320,674	10,655,892	81,949,988	85,447,195
Interest income	7,335,306	7,284,778	53,346	46,187	621,950	136,985	578,326	513,341	2,434,751	1,792,557	11,023,679	9,773,848
Interest expense	(26,223,659)	(40,408,298)	(150,818)	(7,356)	(1,168,267)	(1,254,815)	(24,256)	(38,627)	(10,431,708)	(10,172,196)	(37,998,708)	(51,881,292)
Depreciation and amortisation	(17,388,201)	(16,587,478)	(1,527,207)	(1,551,436)	(457,442)	(438,300)	(6,899,502)	(5,627,910)	(1,198,123)	(1,538,105)	(27,470,475)	(25,743,229)
Operating profit / (loss)	**54,215,851**	**49,983,722**	**3,283,280**	**820,960**	**9,148,271**	**8,578,478**	**22,225,717**	**19,536,092**	**10,219,624**	**(5,093,517)**	**99,092,743**	**73,825,735**
	As at 30 September 2009 and 31 December 2008											
Reportable segment assets	1,509,748,786	1,343,826,641	13,670,449	12,144,439	19,566,166	16,847,084	85,755,942	67,224,111	217,119,388	190,847,177	1,845,860,731	1,630,889,452
Investment in associates	-	-	-	-	-	-	13,799,449	-	24,238	24,238	13,823,687	24,238
Capital expenditure	251,425,336	159,479,585	1,101,048	1,269,667	745,074	720,365	1,606,805	6,183,878	892,269	1,529,401	255,770,532	169,182,896
Reportable segment liabilities	1,207,507,764	979,659,610	9,779,489	9,568,725	33,749,692	32,676,045	19,447,569	14,737,148	196,915,690	285,208,624	1,467,400,204	1,321,850,152

(Amounts expressed in Euro unless otherwise stated)

6. SEGMENT REPORTING (continued)

Operating Segments

	Three months ended 30 September											
	Terminal Operations		Catering Operations		Duty Free Operations		Ground Handling and Bus Operations		Other Operations		Total	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Total external revenues	73,022,335	73,258,149	11,766,441	11,628,284	40,208,041	40,348,577	46,975,217	44,623,224	5,835,813	5,402,093	177,807,847	175,260,327
Inter-segment revenue	24,400,121	24,758,329	2,522,485	2,634,308	-	-	13,191	32,202	3,446,132	3,893,673	30,381,929	31,318,512
Interest income	2,592,010	2,160,890	37,938	24,911	203,016	83,158	167,634	212,412	642,061	662,781	3,642,659	3,144,152
Interest expense	(8,404,882)	(10,691,323)	(78,106)	(3,557)	(349,536)	(328,303)	(6,338)	(10,970)	(2,673,611)	(4,782,271)	(11,512,473)	(15,816,424)
Depreciation and amortisation	(5,743,657)	(5,732,491)	(515,882)	(557,420)	(149,383)	(151,845)	(2,317,955)	(1,923,950)	(390,362)	(478,612)	(9,117,239)	(8,844,318)
Operating profit / (loss)	**30,816,512**	**25,750,901**	**1,307,732**	**1,595,368**	**3,808,834**	**2,861,510**	**16,382,423**	**14,938,560**	**10,295,854**	**(2,619,910)**	**62,611,355**	**42,526,429**

(Amounts expressed in Euro unless otherwise stated)

6. SEGMENT REPORTING (continued)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

Revenues	**1 January-30 September 2009**	**1 July-30 September 2009**	**1 January-30 September 2008**	**1 July-30 September 2008**
Total revenue for reportable segments	489,619,136	198,907,831	496,590,517	197,283,073
Other revenue	27,938,085	9,281,945	25,974,494	9,295,766
Elimination of inter-segment revenue	(81,949,988)	(30,381,929)	(85,447,195)	(31,318,512)
Consolidated revenue	**435,607,233**	**177,807,847**	**437,117,816**	**175,260,327**

Operating profit	**1 January-30 September 2009**	**1 July-30 September 2009**	**1 January-30 September 2008**	**1 July-30 September 2008**
Segment operating profit	88,873,119	52,315,501	78,919,252	45,146,339
Other operating profit	10,219,624	10,295,854	(5,093,516)	(2,619,910)
Elimination of inter-segment operating profit	(89,084)	(490,739)	(440,525)	(384,987)
Consolidated operating profit	**99,003,659**	**62,120,616**	**73,385,211**	**42,141,442**
Finance income	12,988,304	5,047,827	11,587,903	3,980,641
Finance expense	(60,034,615)	(21,465,053)	(68,087,578)	(17,831,997)
Consolidated profit before tax	**51,957,348**	**45,703,390**	**16,885,536**	**28,290,086**

Assets	**30 September 2009**	**31 December 2008**
Total assets for reportable segments	1,628,741,343	1,440,042,275
Other assets	217,119,388	190,847,177
Consolidated total assets	**1,845,860,731**	**1,630,889,452**

Liabilities	**30 September 2009**	**31 December 2008**
Total liabilities for reportable segments	1,270,484,514	1,036,641,528
Other liabilities	196,915,690	285,208,624
Consolidated total liabilities	**1,467,400,204**	**1,321,850,152**

Interest income	**1 January-30 September 2009**	**1 July-30 September 2009**	**1 January-30 September 2008**	**1 July-30 September 2008**
Total interest income for reportable segments	8,588,928	3,000,598	7,981,291	2,481,371
Other interest income	2,434,751	642,061	1,792,557	662,781
Elimination of inter-segment interest income	(2,880,598)	(997,800)	(1,787,750)	(1,022,163)
Consolidated interest income	**8,143,081**	**2,644,859**	**7,986,098**	**2,121,989**

(Amounts expressed in Euro unless otherwise stated)

6. SEGMENT REPORTING (continued)

Interest expense	1 January- 30 September 2009	1 July- 30 September 2009	1 January- 30 September 2008	1 July- 30 September 2008
Total interest expense for reportable segments	(27,567,000)	(8,838,862)	(41,709,096)	(11,034,153)
Other interest expense	(10,431,708)	(2,673,611)	(10,172,196)	(4,782,271)
Elimination of inter-segment interest expense	2,879,560	1,026,886	1,769,804	1,071,832
Consolidated interest expense	**(35,119,148)**	**(10,485,587)**	**(50,111,488)**	**(14,744,592)**

Geographical segments

The main geographical segments of the Group are comprised of Turkey, Tunisie and Georgia.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	1 January- 30 September 2009	1 July- 30 September 2009	1 January- 30 September 2008	1 July- 30 September 2008
Turkey	396,093,609	157,319,696	398,408,771	155,353,000
Georgia	7,257,518	2,820,499	6,973,192	2,683,227
Tunisie	30,612,145	17,058,814	31,735,853	17,224,100
Other	1,643,961	608,838	-	-
Consolidated revenue	**435,607,233**	**177,807,847**	**437,117,816**	**175,260,327**

	30 September 2009	31 December 2008
Turkey	728,260,455	689,181,197
Georgia	61,917,867	77,012,450
Tunisie	489,476,585	270,188,534
Other	342,974	399,175
Consolidated non-current assets	**1,279,997,881**	**1,036,781,356**

(Amounts expressed in Euro unless otherwise stated)

7. GOODWILL

An analysis of goodwill as at 30 September 2009 and 31 December 2008 is as follows:

	30 September 2009	31 December 2008
Goodwill	131,564,539	131,564,539
	131,564,539	**131,564,539**

On 9 November 2007, TAV Holding purchased 40% shareholding of HAVAŞ, increasing its total share from 60% to 100%. The transaction comprised the purchase of 17,999,990 B group registered shares with 1 TRY nominal value each, in return for USD 114,999,936 by TAV Holding, from Park Yatırım Holding A.Ş. ("Park Holding"), purchase of 10 B group registered shares in return for USD 63.89 by TAV Bilişim. The price of the shares corresponding to 40% of HAVAŞ capital has been determined through negotiations between parties, taking as the basis the valuation made by independent third party appraiser.

8. CONSTRUCTION REVENUE AND EXPENDITURE

An analysis of the Group's construction revenue and expenditure for the nine-month and three-month periods ended 30 September is as follows:

	1 January-30 September 2009	1 July-30 September 2009	1 January-30 September 2008	1 July-30 September 2008
Construction expenditure	**237,215,908**	**48,908,671**	**162,439,320**	**58,833,495**
Mark up on construction expenditure	11,540,838	2,265,861	8,121,966	2,941,675
Construction revenue	**248,756,746**	**51,174,532**	**170,561,286**	**61,775,170**

Construction revenue and expenditure for the nine-month period ended 30 September 2009 relate to the construction of Enfidha International Airport and Antalya Gazipaşa Airport in year 2009 (Construction revenue and expenditure for the nine-month period ended 30 September 2008 relate to the construction of Enfidha International Airport).

9. OPERATING REVENUE

An analysis of the Group's operating revenue for the nine-month and three-month periods ended 30 September is as follows:

	1 January-30 September 2009	1 July-30 September 2009	1 January-30 September 2008	1 July-30 September 2008
Sales of duty free goods	106,341,271	40,208,041	112,204,708	40,348,577
Aviation income	101,190,070	42,495,429	99,561,803	42,386,942
Ground handling income	89,756,542	43,139,039	85,082,264	40,485,391
Commission from sales of duty free goods	51,680,604	20,381,365	54,873,701	16,893,339
Catering services income	27,736,731	10,692,390	27,648,690	10,854,255
Income from car parking operations and valet service income	14,995,923	5,438,574	16,785,543	6,336,221
Area allocation income	13,351,384	4,693,528	10,811,021	6,214,826
Income from lounge services	12,884,110	3,873,760	11,815,259	4,968,045
Bus services income	10,340,225	4,191,382	11,642,280	4,573,843
Other operating revenue	7,330,373	2,694,339	6,692,547	2,198,888
Total operating revenue	**435,607,233**	**177,807,847**	**437,117,816**	**175,260,327**

10. OTHER OPERATING INCOME

An analysis of the Group's other operating income for the nine-month and three-month periods ended 30 September is as follows:

	1 January-30 September 2009	1 July-30 September 2009	1 January-30 September 2008	1 July-30 September 2008
Net gain on sale of non-controlling interest in a subsidiary (*)	8,993,461	8,993,461	-	-
Advertising income	7,805,675	3,039,612	8,114,907	2,661,844
Rent income from sublease	5,665,059	2,209,828	6,255,407	2,337,992
Utility and general participation income and other income (**)	5,441,387	1,808,018	5,565,869	2,262,126
Total other operating income	**27,905,582**	**16,050,919**	**19,936,183**	**7,261,962**

(*) On 30 June 2009, an agreement regarding the sale of 15% of shares of TAV Tunisie at a sales price of EUR 27,999,825 to International Finance Corporation ("IFC"), a World Bank entity, was signed by the parties. Fore-mentioned shares have been transfered to IFC in August 2009 and IFC has the control of these shares afterwards. As a result, TAV Holding's stake in TAV Tunisie decreased to 85%.

(**) Utility participation income consists of electricity, water supplies, heat, natural gas expenses which are initially paid by the Group and charged to the tenants of the terminal according to the m^2 of the areas rented.

(Amounts expressed in Euro unless otherwise stated)

11. PERSONNEL EXPENSES

An analysis of the Group's personnel expenses for the nine-month and three-month periods ended 30 September is as follows:

	1 January-30 September 2009	1 July-30 September 2009	1 January-30 September 2008	1 July-30 September 2008
Wages and salaries	84,725,016	28,996,788	80,696,201	26,438,817
Compulsory social security contributions	11,813,051	4,179,480	14,692,264	5,299,942
Employment termination benefit expenses	2,106,376	234,450	2,531,832	712,567
Other personnel expenses	12,220,414	4,512,087	12,862,781	6,722,660
Total personnel expenses	**110,864,857**	**37,922,805**	**110,783,078**	**39,173,986**

12. CONCESSION RENT EXPENSES

An analysis of the Group's concession rent expenses for the nine-month and three-month periods ended 30 September is as follows:

	1 January-30 September 2009	1 July-30 September 2009	1 January-30 September 2008	1 July-30 September 2008
TAV İstanbul	97,298,378	32,517,287	105,694,516	35,488,670
TAV Tunisie (*)	11,702,961	6,419,623	10,906,161	5,747,843
Total concession rent expenses	**109,001,339**	**38,936,910**	**116,600,677**	**41,236,513**

(*) TAV Tunisie has concession period of 40 years with a concession rent fee that will increase in a linear rate between 11% and 26% of the annual revenues of the Monastır and Enfidha Airports to be paid. According to the concession agreement, for the Monastir Airport, TAV Tunisie is obliged to pay 33.7% and 11.7% of the total revenues for 2008 and 2009 respectively, or minimum EUR 14.8 million per year will be paid to Tunisian government, as the concession rent expense.

(Amounts expressed in Euro unless otherwise stated)

13. OTHER OPERATING EXPENSES

An analysis of the Group's other operating expenses for the nine-month and three-month periods ended 30 September is as follows:

	1 January-30 September 2009	1 July-30 September 2009	1 January-30 September 2008	1 July-30 September 2008
VAT non-recoverable	8,700,340	2,702,042	8,736,073	2,843,343
Utility cost	8,917,793	2,964,653	8,981,809	3,817,688
Maintenance expenditures	5,789,376	2,061,946	6,338,658	2,692,077
Insurance expense	5,630,635	1,882,432	5,534,997	1,894,651
Cleaning expense	4,668,937	1,621,267	5,179,056	1,720,336
Taxes (*)	3,549,236	1,798,216	3,346,504	836,938
Consultancy expense	2,438,923	347,895	5,697,386	3,209,468
Communication and stationary expenses	1,858,260	685,638	1,771,523	701,115
Traveling and transportation expenses	1,683,329	595,913	2,292,338	893,054
Rent expense	1,407,340	323,399	1,413,167	502,266
Advertisement and marketing expenses	1,214,137	285,946	1,076,047	253,285
Representation expenses	696,733	238,900	953,400	443,479
Security cost	372,094	130,040	338,507	127,843
Other operating expenses	4,119,660	1,804,305	3,676,626	1,377,643
Total other operating expenses	**51,046,793**	**17,442,592**	**55,336,091**	**21,313,186**

(*) Taxes include tax penalty and other tax expenses.

14. DEPRECIATION AND AMORTISATION

An analysis of the Group's depreciation and amortisation expenses for the nine-month period ended 30 September is as follows:

	Airport operation right	Property and equipment	Other intangible assets	Total
Balance at 1 January 2008	**25,258,857**	**56,695,410**	**6,087,281**	**88,041,548**
Effect of movements in exchange rates	868,904	80,971	(12,059)	937,816
Charge for the period	14,202,350	8,776,160	2,764,719	25,743,229
Disposals	-	(1,318,802)	(5,259)	(1,324,061)
Balance at 30 September 2008	**40,330,111**	**64,233,739**	**8,834,682**	**113,398,532**
Balance at 1 January 2009	**44,000,202**	**64,079,963**	**10,081,126**	**118,161,291**
Effect of movements in exchange rates	(342,646)	(183,030)	(114,588)	(640,264)
Charge for the period	14,208,889	9,861,449	3,400,137	27,470,475
Disposals	-	(682,385)	(26)	(682,411)
Balance at 30 September 2009	**57,866,445**	**73,075,997**	**13,366,649**	**144,309,091**

(Amounts expressed in Euro unless otherwise stated)

15. FINANCE INCOME AND FINANCE COSTS

Recognised in profit or loss

An analysis of the Group's finance income and finance costs for the nine-month and three-month periods ended 30 September is as follows:

	1 January-30 September 2009	1 July-30 September 2009	1 January-30 September 2008	1 July-30 September 2008
Interest income on bank deposits and intercompany loans	8,143,081	2,644,859	7,986,098	2,121,989
Discount income (*)	4,775,899	2,378,463	3,585,820	1,737,139
Fair value of derivatives	-	-	-	108,940
Other finance income	69,324	24,505	15,985	12,573
Finance income	**12,988,304**	**5,047,827**	**11,587,903**	**3,980,641**
Interest expense on financial liabilities and intercompany loans	(35,119,148)	(10,485,587)	(50,111,488)	(14,744,592)
Fair value of derivatives	(9,714,079)	(4,628,346)	(6,749,307)	-
Foreign exchange loss, net	(8,144,123)	(4,212,034)	(4,431,157)	(1,945,600)
Commission expense	(1,035,900)	(374,550)	(1,053,511)	(338,531)
Other finance costs (**)	(6,021,365)	(1,764,536)	(5,742,115)	(803,274)
Finance costs	**(60,034,615)**	**(21,465,053)**	**(68,087,578)**	**(17,831,997)**
Net finance costs	**(47,046,311)**	**(16,417,226)**	**(56,499,675)**	**(13,851,356)**

(*) Discount income includes unwinding of discount on guaranteed passenger fee receivables from DHMİ (concession receivables).

(**) Other finance costs include bank charges and consultancy expenses charged in accordance with the requirements of project financing facilities.

Recognised in other comprehensive income

	1 January-30 September 2009	1 July-30 September 2009	1 January-30 September 2008	1 July-30 September 2008
Effective portion of changes in fair value of cash flow hedges	(46,456,238)	(16,586,607)	16,867,069	2,272,492
Foreign currency translation differences for foreign operations	(979,090)	(802,335)	3,417,244	3,011,334
Income tax on cash flow hedge reserves	7,843,337	2,922,811	(2,368,726)	(169,913)
Finance costs recognised in other comprehensive income, net of tax	**(39,591,991)**	**(14,466,131)**	**17,915,587**	**5,113,913**

(Amounts expressed in Euro unless otherwise stated)

15. FINANCE INCOME AND FINANCE COSTS (continued)

Attributable to	1 January-30 September 2009	1 July-30 September 2009	1 January-30 September 2008	1 July-30 September 2008
Equity holders of the Company	(38,444,689)	(13,557,222)	17,950,718	4,775,013
Non-controlling interest	(1,147,302)	(908,909)	(35,131)	338,900
Finance costs recognised in other comprehensive income, net of tax	**(39,591,991)**	**(14,466,131)**	**17,915,587**	**5,113,913**

16. INCOME TAX EXPENSE

An analysis of the Group's income tax expense for the nine-month and three-month periods ended 30 September is as follows:

	1 January-30 September 2009	1 July-30 September 2009	1 January-30 September 2008	1 July-30 September 2008
Current tax expense				
Current period tax expense	8,871,872	4,890,038	7,900,651	4,008,182
Deferred tax expense				
Origination and reversal of temporary differences	7,795,078	3,054,253	(1,348,204)	(2,904,687)
Total income tax expense	**16,666,950**	**7,944,291**	**6,552,447**	**1,103,495**

Income tax recognised in other comprehensive income

	1 January - 30 September 2009			1 January - 30 September 2008		
	Before tax	Tax benefit	Net of tax	Before tax	Tax expense	Net of tax
Revaluation of property and equipment	51,240	-	51,240	51,240	-	51,240
Effective portion of changes in fair value of cash flow hedges	(45,747,486)	7,134,585	(38,612,901)	16,867,069	(2,368,726)	14,498,343
Foreign currency translation differences for foreign operations	(979,090)	-	(979,090)	3,417,244	-	3,417,244
	(46,675,336)	**7,134,585**	**(39,540,751)**	**20,335,553**	**(2,368,726)**	**17,966,827**

	30 September 2009	31 December 2008
Corporate tax provision	8,871,872	8,605,731
Add / (less): taxes payable from previous period	2,488,341	1,487,698
Less: corporation taxes paid during the period	(6,498,534)	(7,605,088)
Current tax liabilities	**4,861,679**	**2,488,341**

(Amounts expressed in Euro unless otherwise stated)

16. INCOME TAX EXPENSE (continued)

Reconciliation of effective tax rate

The reported income tax expenses for the nine-month and three-month periods ended 30 September 2009 and 2008 are different than the amounts computed by applying the statutory tax rate to profit before income tax of the Group, as shown in the following reconciliation:

	%	1 January-30 September 2009	%	1 July-30 September 2009	%	1 January-30 September 2008	%	1 July-30 September 2008
Profit for the period		35,290,398		37,759,099		10,333,089		27,186,591
Total income tax expense		16,666,950		7,944,291		6,552,447		1,103,495
Profit before income tax		**51,957,348**		**45,703,390**		**16,885,536**		**28,290,086**
Income tax using the Company's domestic tax rate	20	10,391,470	20	9,140,677	20	3,377,107	20	5,658,017
Tax effects of:								
- not deductible expenses	2	1,063,581	(3)	(1,365,639)	14	2,419,026	1	161,979
- translation of non monetary items according to IAS 21	<1	(180,328)	<1	(223,142)	2	284,760	2	610,251
-investment incentives used	<1	(12,204)	<1	(12,204)	-	-	-	-
- tax exempt income	(2)	(1,208,343)	(2)	(823,508)	(30)	(5,001,958)	(7)	(2,002,889)
- translation effect on carried forward loss	<1	(38,875)	<1	(26,638)	4	645,648	(5)	(1,463,509)
- change in previously recognized tax losses	4	2,065,567	-	-	-	-	-	-
- current year losses which no deferred tax asset is recognized	4	2,136,004	<1	122,576	25	4,292,552	(9)	(2,458,369)
- effect of consolidation adjustments	-	-	-	-	-	-	<1	(1,860)
- effect of different tax rates for foreign juristictions	4	1,882,211	2	950,461	12	2,069,169	4	1,236,164
- other consolidation adjustments	1	567,867	<1	181,708	(9)	(1,533,857)	(2)	(636,289)
Income tax expense	**32**	**16,666,950**	**17**	**7,944,291**	**39**	**6,552,447**	**4**	**1,103,495**

Corporate tax:

The Turkish entities within the Group are subject to Turkish corporate taxes. Provision is made in the accompanying consolidated interim financial statements for the estimated charge based on the each of the Group entities' results for the year.

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.

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate at 30 September 2009 is 20% (30 September 2008: 20%).

Losses can be carried forward for offsetting against future taxable income for up to 5 years. Losses cannot be carried back.

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

16. INCOME TAX EXPENSE (continued)

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

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 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 September 2006. After the resolution, declared in official gazette in on 23 July 2006, this rate was changed to 15% thereafter. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

Transfer pricing regulations:

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

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

(Amounts expressed in Euro unless otherwise stated except share amounts)

17. PROPERTY AND EQUIPMENT

	Land	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Leaseholds improvements	Construction in progress	Total
Cost								
Balance at 1 January 2008	**14,533,311**	**252,595**	**50,581,208**	**14,618,526**	**15,638,912**	**26,005,111**	**1,211,341**	**122,841,004**
Effect of movements in exchange rates	2,203,600	19,286	162,066	439,055	(113,807)	(321,284)	(6,542)	2,382,374
Additions	-	28,604	2,242,974	864,245	1,586,741	1,792,420	4,492,206	11,007,190
Disposals	-	(175,091)	(1,473,107)	(508,207)	(553,344)	(212,684)	-	(2,922,433)
Transfers	-	-	-	-	-	1,926,786	(2,578,481)	(651,695)
Balance at 30 September 2008	**16,736,911**	**125,394**	**51,513,141**	**15,413,619**	**16,558,502**	**29,190,349**	**3,118,524**	**132,656,440**
Balance at 1 January 2009	**14,336,908**	**94,701**	**51,250,566**	**16,603,763**	**16,124,474**	**28,143,964**	**15,637,085**	**142,191,461**
Effect of movements in exchange rates	(426,537)	(2,736)	(73,851)	(87,675)	(78,560)	(69,015)	(31,975)	(770,349)
Additions	-	229,872	697,139	1,009,730	1,554,322	1,126,440	15,883,577	20,501,080
Disposals	-	-	(15,971)	(130,433)	(207,059)	(605,209)	-	(958,672)
Transfers (*)	-	-	(76,396)	-	76,396	3,479,102	(3,619,625)	(140,523)
Balance at 30 September 2009	**13,910,371**	**321,837**	**51,781,487**	**17,395,385**	**17,469,573**	**32,075,282**	**27,869,062**	**160,822,997**

(Amounts expressed in Euro unless otherwise stated except share amounts)

17. PROPERTY AND EQUIPMENT (continued)

	Land	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Leaseholds improvements	Construction in progress	Total
Accumulated depreciation								
Balance at 1 January 2008	**-**	**61,760**	**36,858,002**	**4,695,449**	**7,793,590**	**7,286,609**	**-**	**56,695,410**
Effect of movements in exchange rates	-	4,455	61,469	116,341	(63,919)	(37,375)	-	80,971
Depreciation for the period	-	7,573	2,169,639	1,883,930	1,969,046	2,745,972	-	8,776,160
Eliminated on disposals	-	(44,801)	(453,577)	(467,031)	(314,838)	(38,555)	-	(1,318,802)
Balance at 30 September 2008	**-**	**28,987**	**38,635,533**	**6,228,689**	**9,383,879**	**9,956,651**	**-**	**64,233,739**
Balance at 1 January 2009	**-**	**24,688**	**39,381,757**	**6,654,941**	**9,219,041**	**8,799,536**	**-**	**64,079,963**
Effect of movements in exchange rates	-	(1,405)	(41,674)	(43,978)	(65,359)	(30,614)	-	(183,030)
Depreciation for the period	-	26,826	2,120,554	2,248,489	1,980,827	3,484,753	-	9,861,449
Transfers	-	-	(49,345)	-	49,345	-	-	-
Eliminated on disposals	-	-	(15,190)	(51,571)	(82,258)	(533,366)	-	(682,385)
Balance at 30 September 2009	**-**	**50,109**	**41,396,102**	**8,807,881**	**11,101,596**	**11,720,309**	**-**	**73,075,997**
Carrying amounts								
At 30 September 2008	**16,736,911**	**96,407**	**12,877,608**	**9,184,930**	**7,174,623**	**19,233,698**	**3,118,524**	**68,422,701**
At 31 December 2008	**14,336,908**	**70,013**	**11,868,809**	**9,948,822**	**6,905,433**	**19,344,428**	**15,637,085**	**78,111,498**
At 30 September 2009	**13,910,371**	**271,728**	**10,385,385**	**8,587,504**	**6,367,977**	**20,354,973**	**27,869,062**	**87,747,000**

(*) The remaining portion of transfer amounting to EUR 140,523 comprises intangible assets.

(Amounts expressed in Euro unless otherwise stated except share amounts)

17. PROPERTY AND EQUIPMENT (continued)

There is a pledge on vehicles of HAVAŞ amounting to EUR 1,869,948 for the outstanding notes payable amounting to EUR 514,173 (31 December 2008: EUR 1,869,948).

There is a pledge on property and equipment of TAV Tunisie amounting to EUR 2,811,779 with respect to the borrowings from financial institutions (31 December 2008: EUR 2,953,306).

18. INTANGIBLE ASSETS

	Purchased software and brandmarks	Customer relationships	DHMİ license	Total
Cost				
Balance at 1 January 2008	**7,930,596**	**23,228,550**	**5,323,771**	**36,482,917**
Effect of movements in exchange rates	(27,682)	-	-	(27,682)
Additions	2,430,588	-	-	2,430,588
Disposals	(18,063)	-	-	(18,063)
Transfers from construction in progress	651,695	-	-	651,695
Balance at 30 September 2008	**10,967,134**	**23,228,550**	**5,323,771**	**39,519,455**
Balance at 1 January 2009	**14,208,640**	**23,228,550**	**5,323,771**	**42,760,961**
Effect of movements in exchange rates	(13,793)	-	-	(13,793)
Additions	559,242	-	-	559,242
Disposals	(4,543)	-	-	(4,543)
Transfers from construction in progress	140,523	-	-	140,523
Balance at 30 September 2009	**14,890,069**	**23,228,550**	**5,323,771**	**43,442,390**
Amortisation				
Balance at 1 January 2008	**2,536,257**	**3,551,024**	-	**6,087,281**
Effect of movements in exchange rates	(12,059)	-	-	(12,059)
Amortisation for the period	1,251,082	1,513,637	-	2,764,719
Disposals	(5,259)	-	-	(5,259)
Balance at 30 September 2008	**3,770,021**	**5,064,661**	**-**	**8,834,682**
Balance at 1 January 2009	**4,511,920**	**5,569,206**	-	**10,081,126**
Effect of movements in exchange rates	(114,588)	-	-	(114,588)
Amortisation for the period	1,886,500	1,513,637	-	3,400,137
Disposals	(26)	-	-	(26)
Balance at 30 September 2009	**6,283,806**	**7,082,843**	**-**	**13,366,649**
Carrying amounts				
At 30 September 2008	**7,197,113**	**18,163,889**	**5,323,771**	**30,684,773**
At 31 December 2008	**9,696,720**	**17,659,344**	**5,323,771**	**32,679,835**
At 30 September 2009	**8,606,263**	**16,145,707**	**5,323,771**	**30,075,741**

(Amounts expressed in Euro unless otherwise stated except share amounts)

19. AIRPORT OPERATION RIGHT

	Ankara Esenboğa International Airport	İzmir Adnan Menderes International Airport	Tbilisi International Airport	Enfidha International Airport	Antalya Gazipaşa Airport	Total
__Cost__						
Balance at 1 January 2008	**111,500,212**	**80,422,360**	**50,661,866**	**78,510,014**	**-**	**321,094,452**
Effect of movements in exchange rates	-	-	8,004,143	-	-	8,004,143
Additions	-	55,987	-	155,689,131	-	155,745,118
Balance at 30 September 2008	**111,500,212**	**80,478,347**	**58,666,009**	**234,199,145**	**-**	**484,843,713**
Balance at 1 January 2009	**111,500,212**	**80,469,270**	**49,948,468**	**256,388,415**	**3,104,675**	**501,411,040**
Effect of movements in exchange rates	-	-	(1,553,610)	-	-	(1,553,610)
Additions	-	-	-	228,311,047	6,399,163	234,710,210
Balance at 30 September 2009	**111,500,212**	**80,469,270**	**48,394,858**	**484,699,462**	**9,503,838**	**734,567,640**

(Amounts expressed in Euro unless otherwise stated except share amounts)

19. AIRPORT OPERATION RIGHT (continued)

	Ankara Esenboğa International Airport	İzmir Adnan Menderes International Airport	Tbilisi International Airport	Enfidha International Airport	Antalya Gazipaşa Airport	Total
Accumulated amortization						
Balance at 1 January 2008	**8,083,319**	**12,314,121**	**4,861,417**	**-**	**-**	**25,258,857**
Effect of movements in exchange	-	-	868,904	-	-	868,904
Amortisation for the period	5,036,489	7,277,165	1,888,696	-	-	14,202,350
Balance at 30 September 2008	**13,119,808**	**19,591,286**	**7,619,017**	**-**	**-**	**40,330,111**
Balance at 1 January 2009	**14,817,090**	**22,100,886**	**7,082,226**	**-**	**-**	**44,000,202**
Effect of movements in exchange rates	-	-	(342,646)	-	-	(342,646)
Amortisation for the period	5,036,538	7,319,485	1,852,866	-	-	14,208,889
Balance at 30 September 2009	**19,853,628**	**29,420,371**	**8,592,446**	**-**	**-**	**57,866,445**
Carrying amounts						
At 30 September 2008	**98,380,404**	**60,887,061**	**51,046,992**	**234,199,145**	**-**	**444,513,602**
At 31 December 2008	**96,683,122**	**58,368,384**	**42,866,242**	**256,388,415**	**3,104,675**	**457,410,838**
At 30 September 2009	**91,646,584**	**51,048,899**	**39,802,412**	**484,699,462**	**9,503,838**	**676,701,195**

(Amounts expressed in Euro unless otherwise stated except share amounts)

20. OTHER INVESTMENTS

Non-current investments

At 30 September 2009 and 31 December 2008, non-current investments comprised the following:

	Ownership %	30 September 2009	31 December 2008
Unlisted entities			
TGS (*)	50.00	13,799,449	-
TAV Havacılık A.Ş.	1.00	24,238	24,238
		13,823,687	**24,238**

(*) On 28 November 2008, HAVAŞ has become preferred bidder for the tender held by the Turkish Airlines ("THY") to participate in the 50% of its share in TGS Yer Hizmetleri A.Ş. ("TGS"). TGS is planned to start its operations in 2010.

21. PREPAID CONCESSION EXPENSES

An analysis of the Group's prepaid concession expenses as at 30 September 2009, 31 December 2008 and 30 September 2008 is as follows:

30 September 2009	Rent	Prepaid development expenditures	Total
Balance at 31 December 2008	**211,984,112**	**36,990,152**	**248,974,264**
Rent payments	104,458,367	-	104,458,367
Current period concession expense	(94,995,982)	(2,302,396)	(97,298,378)
Balance at 30 September 2009	**221,446,497**	**34,687,756**	**256,134,253**
Represented as current prepaid concession expense	**114,184,984**	**2,302,396**	**116,487,380**
Represented as non-current prepaid concession expense	**107,261,513**	**32,385,360**	**139,646,873**

31 December 2008	Rent	Prepaid development expenditures	Total
Balance at 31 December 2007	**254,875,995**	**40,076,882**	**294,952,877**
Rent payments	95,196,117	-	95,196,117
Current year concession expense	(138,088,000)	(3,086,730)	(141,174,730)
Balance at 31 December 2008	**211,984,112**	**36,990,152**	**248,974,264**
Represented as current prepaid concession expense	**125,610,454**	**3,078,295**	**128,688,749**
Represented as non-current prepaid concession expense	**86,373,658**	**33,911,857**	**120,285,515**

21. PREPAID CONCESSION EXPENSES (continued)

30 September 2008	Rent	Prepaid development expenditures	Total
Balance at 31 December 2007	**254,875,995**	**40,076,882**	**294,952,877**
Rent payments	95,196,116	-	95,196,116
Current period concession expense	(103,377,354)	(2,317,162)	(105,694,516)
Balance at 30 September 2008	**246,694,757**	**37,759,720**	**284,454,477**
Represented as current prepaid concession expense	**130,128,623**	**3,086,730**	**133,215,353**
Represented as non-current prepaid concession expense	**116,566,134**	**34,672,990**	**151,239,124**

Rent:

The total rent associated with the concession agreement is USD 2,543,000,000 plus VAT (equivalent to EUR 1,744,538,259 as at 30 September 2009). TAV İstanbul paid 23% of the total amount plus VAT as required by the Concession Agreement. A payment representing 5.5% of the total rent amount will be made 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, as at 30 September 2009:

Year	Amount (US Dollar)	Amount (Euro)
2010	139,865,000	95,949,604
2011	139,865,000	95,949,604
2012	139,865,000	95,949,604
2013	139,865,000	95,949,604
After 2014 to 2020	979,055,000	671,647,229
	1,538,515,000	**1,055,445,645**

Prepaid development expenditures:

Prepaid development expenditures represent costs incurred related to the installation of EDS Security Systems ("EDS") 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.

(Amounts expressed in Euro unless otherwise stated except share amounts)

22. DEFERRED TAX ASSETS AND LIABILITIES

The Group recognizes 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% for subsidiaries and joint ventures in Turkey (31 December 2008: 20%), the rate of 15% for subsidiaries and joint ventures in Georgia (31 December 2008: 15%) and the rate of 30% for subsidiaries in Tunisie (31 December 2008: 30%) is used.

In Turkey, 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.

Recognised deferred tax assets and liabilities

As at 30 September 2009 and 31 December 2008, deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	30 September 2009	31 December 2008	30 September 2009	31 December 2008	30 September 2009	31 December 2008
Property and equipment, airport operation right, and other intangible assets	6,862,734	7,684,088	(16,277,126)	(11,360,710)	(9,414,392)	(3,676,622)
Prepaid concession expenses	-	-	(9,016,952)	(8,711,900)	(9,016,952)	(8,711,900)
Other investments	-	-	(3,061,313)	(3,396,840)	(3,061,313)	(3,396,840)
Derivatives	13,348,914	5,744,933	-	(1,647,264)	13,348,914	4,097,669
Loans and borrowings	2,539,436	826,003	(659,339)	(704,793)	1,880,097	121,210
Reserve for employee severance indemnity	832,066	397,080	-	-	832,066	397,080
Provisions	596,587	447,062	-	-	596,587	447,062
Trade and other receivables and payables	87,853	25,260	(151,363)	(30,086)	(63,510)	(4,826)
Other items	474,471	695,491	(40,729)	(81,708)	433,742	613,783
Tax loss carry-forwards	37,501,981	41,727,578	-	-	37,501,981	41,727,578
Deferred tax assets / (liabilities)	**62,244,042**	**57,547,495**	**(29,206,822)**	**(25,933,301)**	**33,037,220**	**31,614,194**
Set off of tax	(24,024,417)	(20,180,853)	24,024,417	20,180,853	-	-
Net deferred tax assets / (liabilities)	**38,219,625**	**37,366,642**	**(5,182,405)**	**(5,752,448)**	**33,037,220**	**31,614,194**

(Amounts expressed in Euro unless otherwise stated except share amounts)

22. DEFERRED TAX ASSETS AND LIABILITIES (continued)

Movement in temporary differences during the period

	Balance at 1 January 2008	Recognised in profit or loss	Recognised in other comprehensive income	Balance at 31 December 2008	Recognised in profit or loss	Recognised in other comprehensive income	Balance at 30 September 2009
Property and equipment, airport operation right and other intangible assets	9,204,795	(12,881,417)	-	(3,676,622)	(5,704,629)	(33,141)	(9,414,392)
Prepaid concession expenses	(16,095,521)	7,383,621	-	(8,711,900)	(305,052)	-	(9,016,952)
Other investments	-	(3,396,840)	-	(3,396,840)	335,527	-	(3,061,313)
Inventories	36,955	(36,955)	-	-	-	-	-
Trade and other receivables and payables	99,123	(103,949)	-	(4,826)	(58,684)	-	(63,510)
Derivatives	3,331,946	(2,623,196)	3,388,919	4,097,669	-	9,251,245	13,348,914
Loans and borrowings	(420,053)	541,263	-	121,210	1,758,887	-	1,880,097
Reserve for employee severance indemnity	965,098	(568,018)	-	397,080	434,986	-	832,066
Provisions	582,488	(135,426)	-	447,062	149,525	-	596,587
Tax loss carry-forwards	18,344,246	23,383,332	-	41,727,578	(4,225,597)	-	37,501,981
Other items	527,528	86,255	-	613,783	(180,041)	-	433,742
Tax liabilities / (assets)	**16,576,605**	**11,648,670**	**3,388,919**	**31,614,194**	**(7,795,078)**	**9,218,104**	**33,037,220**

(Amounts expressed in Euro unless otherwise stated except share amounts)

22. DEFERRED TAX ASSETS AND LIABILITIES (continued)

Unrecognised deferred tax assets and liabilities

Deferred tax assets have not been recognised in respect of a portion of tax loss carry forwards because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

Movement in unrecognised temporary differences during the period

	Balance at 1 January 2008	Additions	Recognised	Balance at 31 December 2008	Additions	Recognised	Balance at 30 September 2009
Tax loss carry forwards	9,499,594	5,042,452	(7,655,056)	6,886,990	2,136,004	(4,488,646)	4,534,348
Unrecognised deferred tax liabilities / (assets)	**9,499,594**	**5,042,452**	**(7,655,056)**	**6,886,990**	**2,136,004**	**(4,488,646)**	**4,534,348**

(Amounts expressed in Euro unless otherwise stated except share amounts)

22. DEFERRED TAX ASSETS AND LIABILITIES (continued)

At the reporting date, the Group has unused tax losses of EUR 210,210,631 (31 December 2008: EUR 243,381,299) available for offset against future profits. Tax losses can be carried forward for five years under the current tax legislation. The Group management assessed that EUR 22,671,742 (31 December 2008: EUR 34,434,949) of tax losses will not be utilised because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom. Unutilised tax losses will expire as follows:

	30 September 2009	31 December 2008
Expire in year 2009	-	10,327,833
Expire in year 2010	20,619,294	20,807,110
Expire in year 2011	31,270,014	56,575,367
Expire in year 2012	20,732,139	20,993,327
Expire in year 2013	111,146,420	134,677,662
Expire in year 2014	26,442,764	-
Total	**210,210,631**	**243,381,299**

In accordance with IAS 12 "*Income Taxes*", at 30 September 2009, a deferred tax liability of EUR 31,061,981 (31 December 2008: EUR 20,308,700) related to investments in subsidiaries and joint ventures was not recognized since it is assessed as probable that the temporary difference will not reverse in the foreseeable future.

Movements of deferred tax assets are as follows:

	1 January- 30 September 2009	1 January- 30 September 2008
Balance at 31 December	**31,614,194**	**16,561,378**
Effect of adoption of IFRIC 12 (Note 43)	**-**	15,227
Restated balance at 1 January	**31,614,194**	**16,576,605**
Recognised in other comprehensive income	9,218,104	(2,368,726)
Charged to profit or loss for the period	(7,795,078)	1,348,204
Balance at 30 September	**33,037,220**	**15,556,083**

23. INVENTORIES

At 30 September 2009 and 31 December 2008, inventories comprised the following:

	30 September 2009	31 December 2008
Duty free inventories	6,759,883	5,928,455
Spare parts and other inventories	3,795,473	2,716,234
Catering inventories	994,457	1,126,030
	11,549,813	**9,770,719**

At 30 September 2009, the write-down of inventories to net realizable value amounted to EUR 150,252 (31 December 2008: EUR 135,864).

(Amounts expressed in Euro unless otherwise stated except share amounts)

24. OTHER RECEIVABLES, CURRENT AND NON-CURRENT ASSETS

At 30 September 2009 and 31 December 2008, other receivables and current assets comprised the following:

Other receivables and current assets	**30 September 2009**	**31 December 2008**
VAT deductible and carried forward (*)	8,559,126	29,549,216
Prepaid insurance	2,855,860	4,764,376
Advances to suppliers	5,145,025	7,102,759
Prepaid taxes and funds	1,019,759	970,664
Income accruals	425,793	289,393
Advances given to personnel	387,497	413,891
Other receivables	3,558,758	3,642,558
	21,951,818	**46,732,857**

At 30 September 2009 and 31 December 2008, non-current assets comprised the following:

Other non-current assets:	**30 September 2009**	**31 December 2008**
VAT deductible and carried forward (*)	4,938,126	5,088,941
Deferred commission cost (**)	1,506,973	6,204,102
Non-current prepaid insurance expenses	5,615	435,642
Other non-current receivables	7,189,990	3,162,381
	13,640,704	**14,891,066**

(*) VAT deductible is mainly attributable to the VAT of TAV Tbilisi and TAV Tunisie according to local legislations.

(**) Deferred commission cost represents the transaction costs and commitment fees for the portion of TAV Tunisie's borrowings which are not utilised yet.

(Amounts expressed in Euro unless otherwise stated except share amounts)

25. TRADE RECEIVABLES

At 30 September 2009 and 31 December 2008, trade receivables comprised the following:

Trade receivables:	**30 September 2009**	**31 December 2008**
Trade receivables	50,840,037	32,194,853
Guaranteed passenger fee receivable from DHMİ (*)	24,340,706	23,124,366
Doubtful receivables	1,699,516	1,846,399
Allowance for doubtful receivables (-)	(1,699,516)	(1,846,399)
Notes receivable	319,264	630,223
Other	101,470	18,701
	75,601,477	**55,968,143**
Non-current trade receivables:		
Guaranteed passenger fee receivable from DHMİ (*)	139,919,840	156,306,856
	139,919,840	**156,306,856**

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

The Group's exposure to credit and currency risks and impairment losses related to trade receivables are disclosed in Note 38.

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

(Amounts expressed in Euro unless otherwise stated except share amounts)

26. CASH AND CASH EQUIVALENTS

At 30 September 2009 and 31 December 2008, cash and cash equivalents comprised the following:

	30 September 2009	**31 December 2008**
Cash on hand	663,804	539,136
Cash at banks		
- Demand deposit	9,776,764	5,732,228
- Time deposits	33,873,975	15,909,904
- Reverse repurchase agreements	134,011	168,609
Other liquid assets	1,929,844	222,138
Cash and cash equivalents	**46,378,398**	**22,572,015**
Bank overdrafts used for cash management purposes	(2,564,319)	(1,844,425)
Cash and cash equivalents in the statement of cash flows	**43,814,079**	**20,727,590**

The details of the Group's time deposits, maturities and interest rates as at 30 September 2009 and 31 December 2008 are as follows:

30 September 2009

Original Currency	**Maturity**	**Interest rate %**	**Balance**
TRY	October 2009	7.25 - 10.08	12,042,542
USD	October 2009	1.00 - 4.20	11,822,584
EUR	October 2009	2.50 - 7.23	10,008,849
			33,873,975

31 December 2008

Original Currency	**Maturity**	**Interest rate %**	**Balance**
TRY	January 2009	9.00 - 15.00	1,268,770
USD	January 2009	2.00 - 5.00	6,180,835
EUR	January 2009	3.00 - 6.75	8,460,299
			15,909,904

The Group's exposure interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 38.

There is no blockage or restriction on the use of cash and cash equivalents as at 30 September 2009 and 31 December 2008.

(Amounts expressed in Euro unless otherwise stated except share amounts)

27. RESTRICTED BANK BALANCES

At 30 September 2009 and 31 December 2008, restricted bank balances comprised the following:

	30 September 2009	31 December 2008
Project reserve and funding accounts (*)	281,063,571	291,098,061
	281,063,571	**291,098,061**

(*) Some of the subsidiaries, namely TAV İstanbul, TAV Esenboğa, TAV İzmir, TAV Tunisie, TAV Tbilisi and ATÜ ("the Borrowers") opened Project Accounts designated mainly in order to reserve required amount of debt services, lease payment to DHMİ based on agreements with their lenders. As a result of pledges regarding the project bank loans as explained in Note 30, all cash except for cash on hand are classified in these accounts. Based on these agreements, the Group can access and use such restricted cash but all withdrawals from the project accounts are upon the lenders' consent.

Interest rates are in the range of 0.46% - 4.15% (31 December 2008: 1.50% - 7.49%) for EUR reserves, in the range of 0.21% - 2.50% (31 December 2008: 0.11% - 1.77%) for USD reserves, and in the range of 5.75% - 10.75% (31 December 2008: 13.75% - 20.50%) for TRY reserves.

28. CAPITAL AND RESERVES

At 30 September 2009 and 31 December 2008, the shareholding structure of the Company was as follows:

Shareholders	(%)	30 September 2009
Tepe İnşaat Sanayi A.Ş. ("Tepe İnşaat")	26.06	94,664,476
Akfen Holding A.Ş. ("Akfen Holding")	18.06	65,597,929
Goldman Sachs International ("GS") (*)	4.08	14,821,875
Sera Yapı Endüstrisi ve Tic. Ltd. Şti. ("Sera Yapı")	3.91	14,203,378
Akfen İnşaat Turizm ve Ticaret A.Ş. ("Akfen İnşaat")	0.01	41,294
Other Non – Floated	5.07	18,401,370
Free Float	42.82	155,550,928
Paid in capital in TRY (nominal)	**100.00**	**363,281,250**
Paid in capital in EUR (nominal) as at 30 September 2009		168,162,407
Effect of non-cash increases and exchange rates		(5,778,429)
Paid in capital EUR		**162,383,978**

(*) 14,821,875 of the shares owned by GS that correspond to 4.08% of the Company's issued and outstanding share capital have been provided by Akfen Holding to GS as collateral and the title of those shares have been transferred to GS for this purpose as at 30 September 2009. A pledge granted by GS in favour of Akfen Holding exists on those shares. As a result, the voting rights, right of receiving dividends, pre-emption rights for participating in cash share capital increase in connection with those (except for acquiring gratis shares under any share capital increase) belong to Akfen Holding as if such shares had not been owned by GS.

(Amounts expressed in Euro unless otherwise stated except share amounts)

28. CAPITAL AND RESERVES (continued)

Shareholders	(%)	31 December 2008
Tepe İnşaat	18.86	45,672,151
Akfen Holding	16.02	38,791,328
GS (*)	14.40	34,875,000
Airports International	8.85	21,443,250
IDB Infrastructure Fund L.P.	4.92	11,924,792
Babcock Brown Turkish Airports LLC	3.46	8,372,535
Sera Yapı	2.83	6,853,294
Akfen İnşaat	0.01	27,529
Other Non – Floated	6.41	15,514,505
Free Float	24.24	58,713,116
Paid in capital in TRY (nominal)	**100.00**	**242,187,500**
Paid in capital in EUR (nominal) as at 31 December 2008		113,129,438
Effect of non-cash increases and exchange rates		(8,219,171)
Paid in capital EUR		**104,910,267**

(*) 34,875,000 of the shares owned by GS that correspond to 14.4% of the Company's issued and outstanding share capital have been provided by Tepe, Akfen Holding and Sera to GS as collateral and the title of those shares have been transferred to GS for this purpose as at 31 December 2008. A pledge granted by GS in favour of Tepe, Akfen Holding and Sera exists on those shares. As a result, the voting rights, right of receiving dividends, pre-emption rights for participating in cash share capital increase in connection with those (except for acquiring gratis shares under any share capital increase) belong to Tepe, Akfen Holding and Sera as if such shares had not been owned by GS.

The Company's share capital consists of 363,281,250 shares amounting to TRY 363,281,250 as at 30 September 2009 (31 December 2008: 242,187,500 shares amounting to TRY 242,187,500).

On 20 February 2009, TAV Holding has increased its capital to TRY 363,281,250 from TRY 242,187,500 within the Company's TRY 1.5 billion maximum registered capital limit and the amount is fully paid in February 2009.

Legal Reserves

Retained earnings in the statutory tax financial statements can be distributed as dividends other than judgments related to legal reserves described below:

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; however holding companies are not subject to this application. Legal reserves, if less than 50% of the paid-in capital, can only be used to net-off the losses.

Publicly held companies distribute dividends based on the Capital Market Board ("CMB") regulations explained below:

28. CAPITAL AND RESERVES (continued)

Legal Reserves (continued)

In accordance with the CMB's decision numbered 7/242 dated 25 February 2005; if the amount of net distributable profit based on the CMB's requirement regarding the minimum profit distribution arrangements which is computed over the net profit determined according to the CMB's regulations does not exceed net distributable profit in the statutory accounts, the whole amount should be distributed. On the contrary, the amount of net distributable profit based on the CMB's requirement regarding the minimum profit distribution arrangements which is computed over the net profit determined according to the CMB's regulations exceeds net distributable profit in the statutory accounts; distributable amount is limited with the figures in the statutory accounts.

Collateral Shares

Tepe İnşaat, Akfen Holding and Sera Yapi have lent and transferred the title of some share capital of TAV Holding ("Collateral Shares") under an agreement named Collaterised Stock Borrowing Agreement.

GS has created a pledge in favor of Tepe İnşaat, 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 İnşaat, Akfen Holding and Sera Yapı, 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.

As of 31 December 2008, GS had 34,875,000 collateral shares that correspond to 14.4% of the Company's issued and outstanding share capital. With the increase in TAV Holding's capital on 20 February 2009, GS had 52,312,505 collateral shares that again correspond to 14.4% of TAV Holding's share capital.

On 18 May 2009, GS announced that they transferred 17,437,499 TAV Holding shares, which was received with TAV Holding's capital increase to Tepe İnşaat, Akfen Holding and Sera Yapi. This transaction reduced the amount of collateral shares back to 34,875,000, that correspond to 9.6% of TAV Holding's share capital.

Following the exercise of the put option of TAV Holding shares by cash settlement by GS, on 17 August 2009, GS reimbursed 20,053,125 TAV Holding shares, which are held as collateral to Tepe İnşaat and Sera Yapi. On 3 November 2009, Akfen Holding announced that they received 14,821,875 TAV Holding shares (corresponding to 4.08% of TAV Holding capital) from GS.

As of the date of the issuance of this report, GS does not have any collateral shares in TAV Holding.

Share premium

Excess amount of selling price and nominal value for each share was recorded as share premium in equity.

Revaluation surplus

The revaluation surplus comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

Purchase of shares of entities under common control

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

Cash flow hedge reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

(Amounts expressed in Euro unless otherwise stated except share amounts)

29. EARNINGS PER SHARE

The calculation of basic income per share at 30 September 2009 was based on the loss attributable to ordinary shareholders of EUR 33,781,943 (30 September 2008: EUR 9,855,259) and a weighted average number of ordinary shares outstanding of 341,021,369 (30 September 2008: 242,187,500), calculated as follows:

	1 January-30 September 2009	1 July-30 September 2009	1 January-30 September 2008	1 July-30 September 2008
Numerator:				
Profit for the period	**33,781,943**	**35,876,105**	**9,855,259**	**26,970,271**
Denominator:				
Weighted average number of shares	341,021,369	363,281,250	242,187,500	242,187,500
Basic profit per share	**0.10**	**0.10**	**0.04**	**0.11**

	1 January-30 September 2009	1 July-30 September 2009	1 January-30 September 2008	1 July-30 September 2008
Issued ordinary shares at 1 January	242,187,500	242,187,500	242,187,500	242,187,500
Effect of shares issued during the period	98,833,869	121,093,750	-	-
Weighted average number of ordinary shares	**341,021,369**	**363,281,250**	**242,187,500**	**242,187,500**

30. LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see Note 38.

	30 September 2009	31 December 2008
Non-current liabilities		
Secured bank loans (*)	1,022,845,835	870,190,669
Unsecured bank loans	4,384,032	6,028,750
Finance lease liabilities	211,716	337,354
	1,027,441,583	**876,556,773**
Current liabilities		
Current portion of long term secured bank loans (*)	96,202,060	115,393,290
Short term unsecured bank loans	83,008,776	95,137,724
Short term secured bank loans (*)	28,330,279	3,034,282
Current portion of long term unsecured bank loans	6,364,844	6,484,977
Current portion of finance lease liabilities	210,172	184,047
	214,116,131	**220,234,320**

(*) Secured bank loans mainly consist of project finance loans that have been secured by pledges.

(Amounts expressed in Euro unless otherwise stated except share amounts)

30. LOANS AND BORROWINGS (continued)

The Group's total bank loans and finance lease liabilities as at 30 September 2009 and 31 December 2008 are as follows:

	30 September 2009	31 December 2008
Bank loans	1,241,135,826	1,096,269,692
Finance lease liabilities	421,888	521,401
Total	**1,241,557,714**	**1,096,791,093**

The Group's bank loans as at 30 September 2009 are as follows:

	Presented as		
	Current liabilities	Non-current liabilities	Total
TAV İstanbul	35,444,293	406,328,726	441,773,019
TAV Tunisie	8,961,594	340,543,429	349,505,023
TAV Holding	128,309,118	45,469,569	173,778,687
TAV Esenboğa	7,977,142	139,237,274	147,214,416
TAV İzmir	18,321,831	56,647,851	74,969,682
ATÜ	3,253,359	20,629,557	23,882,916
TAV Tbilisi	3,270,788	16,754,888	20,025,676
Others	8,367,834	1,618,573	9,986,407
	213,905,959	**1,027,229,867**	**1,241,135,826**

The Group's bank loans as at 31 December 2008 are as follows:

	Presented as		
	Current Liabilities	Non-current liabilities	Total
TAV İstanbul	30,137,220	399,061,134	429,198,354
TAV Tunisie	8,273,103	161,985,258	170,258,361
TAV Holding	142,402,369	67,707,090	210,109,459
TAV Esenboğa	9,342,966	136,604,226	145,947,192
TAV İzmir	19,194,739	71,244,697	90,439,436
ATÜ	3,474,037	21,480,932	24,954,969
TAV Tbilisi	3,508,323	17,820,686	21,329,009
Others	3,717,516	315,396	4,032,912
	220,050,273	**876,219,419**	**1,096,269,692**

(Amounts expressed in Euro unless otherwise stated except share amounts)

30. LOANS AND BORROWINGS (continued)

Redemption schedules of the Group's bank loans according to original maturities as at 30 September 2009 and 31 December 2008 are as follows:

	30 September 2009	31 December 2008
On demand or within one year	213,905,959	220,050,273
In the second year	114,314,730	117,407,773
In the third year	121,935,865	104,649,809
In the fourth year	118,962,108	108,136,742
In the fifth year	97,552,546	92,630,677
After five years	574,464,618	453,394,418
	1,241,135,826	**1,096,269,692**

The majority of the borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk. Spread for EUR and USD denominated loans as at 30 September 2009 is between 1.54% – 5.00% and 1.20% – 9.00%, respectively (31 December 2008: 1.10% – 4.75% and 1.20% – 9.00%, respectively).

100%, 75% and 100% of floating bank loans for TAV İstanbul, TAV İzmir and TAV Esenboğa, respectively are fixed with financial derivatives, 100% of floating bank loans for TAV Tunisie is fixed with financial derivative until 31 December 2009 and 85% of floating bank loans for TAV Tunisie is fixed with financial derivative starting from 1 January 2010, as explained in Note 36.

The Group has obtained project loans to finance construction of its BOT concession projects, namely TAV Esenboğa, TAV İzmir, TAV Tbilisi and TAV Tunisie; and to be able to finance advance payments to DHMİ related to concession leasing project, TAV İstanbul. Details of the loans are summarised for each project below:

<u>TAV İstanbul</u>

The breakdown of bank loans as at 30 September 2009 is as follows:

	Original Currency	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount
Secured bank loans (*)	EUR	2018	Euribor + 2.50%	415,800,000	406,297,399
Secured bank loans (**)	EUR	2019	Euribor + 2.50%	36,339,675	35,475,620
				452,139,675	**441,773,019**

TAV İstanbul has bank loan in the amount of EUR 406,297,399 under the facility agreement. The terms of the loan require monthly principal and interest payments for first year and semi-annual principal and interest payments on 4 July and 4 January of each year according to the loan agreements. TAV İstanbul also has additional borrowing right which is a maximum amount of EUR 40,000,000 related to facility agreement from which EUR 35,475,620 has already been utilised.

(*) Interest rate is Euribor+2.50% until 4 January 2013, Euribor+2.65% between the period of 4 January 2013 and 4 January 2016 and Euribor+2.75% between the period of 4 January 2016 and 4 July 2018.

(**) Interest rate is Euribor+2.50% until 4 January 2013, Euribor+2.65% between the period of 4 January 2013 and 4 January 2016 and Euribor+2.75% between the period of 4 January 2016 and 4 January 2019.

(Amounts expressed in Euro unless otherwise stated except share amounts)

30. LOANS AND BORROWINGS (continued)

TAV İstanbul (continued)

The breakdown of bank loans as at 31 December 2008 is as follows:

	Original Currency	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount
Secured bank loans (*)	EUR	2018	Euribor + 2.50%	433,840,000	422,936,015
Secured bank loans (**)	EUR	2019	Euribor + 2.50%	6,421,798	6,262,339
				440,261,798	**429,198,354**

(*) Interest rate is Euribor+2.50% until 4 January 2013, Euribor+2.65% between the period of 4 January 2013 and 4 January 2016 and Euribor+2.75% between the period of 4 January 2016 and 4 July 2018.

(**) Interest rate is Euribor+2.50% until 4 January 2013, Euribor+2.65% between the period of 4 January 2013 and 4 January 2016 and Euribor+2.75% between the period of 4 January 2016 and 4 January 2019.

Redemption schedules of the TAV İstanbul bank loans according to the original maturities as at 30 September 2009 and 31 December 2008 are as follows:

	30 September 2009	31 December 2008
On demand or within one year	35,444,293	30,137,220
In the second year	42,112,806	39,768,340
In the third year	46,139,845	40,599,391
In the fourth year	50,506,834	42,763,429
In the fifth year	54,329,314	45,536,116
After five years	213,239,927	230,393,858
	441,773,019	**429,198,354**

TAV Tunisie

The breakdown of bank loans as at 30 September 2009 is as follows:

	Original Currency	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount
Secured bank loan	EUR	2028	Euribor+2.28%	154,292,151	151,259,259
Secured bank loan	EUR	2022	Euribor+2.00%	103,552,711	101,321,208
Secured bank loan	EUR	2028	Euribor+1.54%	70,000,000	69,359,801
Secured bank loan	EUR	2028	Euribor+4.75%	28,169,898	27,564,755
				356,014,760	**349,505,023**

(Amounts expressed in Euro unless otherwise stated except share amounts)

30. LOANS AND BORROWINGS (continued)

TAV Tunisie (continued)

The breakdown of bank loans as at 31 December 2008 is as follows:

	Original Currency	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount
Secured bank loan	EUR	2022	Euribor+2.00%	113,843,360	110,446,126
Secured bank loan	EUR	2028	Euribor+2.28%	47,310,342	46,282,604
Secured bank loan	EUR	2028	Euribor+4.75%	13,846,298	13,529,631
				175,000,000	**170,258,361**

Redemption schedules of the TAV Tunisie bank loans as at 30 September 2009 and 31 December 2008 are as follows:

	30 September 2009	31 December 2008
On demand or within one year	8,961,594	8,273,103
In the second year	16,246,401	8,543,071
In the third year	20,928,372	10,713,388
In the fourth year	21,503,356	12,761,229
In the fifth year	23,443,205	10,662,760
After five years	258,422,095	119,304,810
	349,505,023	**170,258,361**

TAV Holding

The breakdown of bank loans as at 30 September 2009 is as follows:

	Original Currency	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount
Secured bank loan	USD	2012	Libor + 1.85%	61,360,305	61,677,163
Unsecured bank loan	EUR	2010	Euribor + 4.00%- Euribor + 5.00%	40,000,000	40,414,986
Unsecured bank loan	TRY	2009-2010	9.00%-16.50%	30,852,197	31,589,706
Secured bank loan	EUR	2010	Euribor + 4.00%	20,000,000	20,348,491
Unsecured bank loan	USD	2009-2010	Libor + 1.20%- Libor + 9.00%	15,435,356	16,186,559
Unsecured bank loan	EUR	2010	6.25%	3,500,000	3,561,782
				171,147,858	**173,778,687**

(Amounts expressed in Euro unless otherwise stated except share amounts)

30. LOANS AND BORROWINGS (continued)

TAV Holding (continued)

The breakdown of bank loans as at 31 December 2008 is as follows:

	Original Currency	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount
Secured bank loan	USD	2012	Libor + 1.85%	72,211,634	72,590,029
Secured bank loan	EUR	2010	Euribor + 4.00%	30,000,000	30,866,610
Unsecured bank loan	USD	2009	Libor + 4.00%	27,832,876	29,028,308
Unsecured bank loan	EUR	2009	Euribor + 1.1% - Euribor 3.00%	57,000,000	58,736,950
Unsecured bank loan	USD	2009-2010	Libor + 1.20%- Libor + 9.00%	18,837,818	18,887,562
				205,882,328	**210,109,459**

Redemption schedules of the TAV Holding bank loans as at 30 September 2009 and 31 December 2008 are as follows:

	30 September 2009	31 December 2008
On demand or within one year	128,309,118	142,402,369
In the second year	20,718,755	34,045,658
In the third year	16,801,551	17,426,517
In the fourth year	7,949,263	16,234,915
	173,778,687	**210,109,459**

(Amounts expressed in Euro unless otherwise stated except share amounts)

30. LOANS AND BORROWINGS (continued)

TAV Esenboğa

The breakdown of bank loans as at 30 September 2009 is as follows:

	Original Currency	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount
Secured bank loans	EUR	2021	Euribor + 2.35%	148,500,000	147,214,416
				148,500,000	**147,214,416**

TAV Esenboğa has a bank loan in the amount of EUR 147,214,416 under loan agreement. The terms of the loan require semi-annual principal and interest payments at each 30 September and 31 December according to the loan agreements starting from 31 December 2007 for interest and 30 September 2008 for principal.

The breakdown of bank loans as at 31 December 2008 is as follows:

	Original Currency	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount
Secured bank loans	EUR	2021	Euribor + 2.35%	149,175,000	145,947,192
				149,175,000	**145,947,192**

Redemption schedules of the TAV Esenboğa borrowings according to original maturities as at 30 September 2009 and 31 December 2008 are as follows:

	30 September 2009	31 December 2008
On demand or within one year	7,977,142	9,342,966
In the second year	9,452,695	9,916,117
In the third year	11,430,834	11,219,471
In the fourth year	12,167,714	11,987,061
In the fifth year	13,295,964	12,518,658
After five years	92,890,067	90,962,919
	147,214,416	**145,947,192**

(Amounts expressed in Euro unless otherwise stated except share amounts)

30. LOANS AND BORROWINGS (continued)

TAV İzmir

The breakdown of bank loans as at 30 September 2009 is as follows:

	Original Currency	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount
Secured bank loan	EUR	2013	Euribor + 3.00%	74,312,653	74,969,682
				74,312,653	**74,969,682**

TAV İzmir has bank loans in the amount of EUR 74,969,682 under loan agreements. The terms of the loan require semi-annual principal and interest payments at each 23 January and 23 July according to the loan agreements.

The breakdown of bank loans as at 31 December 2008 is as follows:

	Original Currency	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount
Secured bank loan	EUR	2013	Euribor + 3.00%	87,981,049	90,439,436
				87,981,049	**90,439,436**

Redemption schedules of the TAV İzmir bank loans according to original maturities as at 30 September 2009 and 31 December 2008 are as follows:

	30 September 2009	31 December 2008
On demand or within one year	18,321,831	19,194,739
In the second year	18,373,109	18,301,326
In the third year	18,869,232	17,742,754
In the fourth year	19,405,510	17,586,602
In the fifth year	-	17,614,015
	74,969,682	**90,439,436**

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

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

b) Receivable pledge: In case of an event of default, the banks have the right to take control of the receivables of project companies (disclosed as the Borrowers in Note 27) in order to perform its obligations under the loan documents. Immediately upon the occurrence of default, and all payments relating to assigned receivables shall be made to the banks which shall be entitled to collect the assigned receivables and exercise all rights with respect to assigned receivables.

(Amounts expressed in Euro unless otherwise stated except share amounts)

30. LOANS AND BORROWINGS (continued)

Pledges regarding the project bank loans of TAV İstanbul, TAV İzmir and TAV Esenboğa (continued)

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

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

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

Pledges regarding the project bank loan of TAV Tunisie:

Similar to above, TAV Tunisie has granted share pledge, account pledge and pledge of rights from the Concession Agreement to the lenders. TAV Tunisie has a right to have additional indebtedness;

- with a maturity of less than one year for an aggregate amount not exceeding EUR 3,000,000 (up to 1 January 2020) and not exceeding EUR 5,000,000 (thereafter),
- under finance or capital leases of equipment if the aggregate capital value of the equipment leased does not exceed EUR 5,000,000,
- incurred by, or committed in favour of, Tav Tunisie under an Equity Subordinated Loan Agreement,
- disclosed in writing by Tav Tunisie to the Intercreditor Agent and in respect of which it has given its prior written consent.

ATÜ

The breakdown of bank loans as at 30 September 2009 is as follows:

	Original Currency	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount
			Euribor +		
Secured bank loan	EUR	2015	2.70%	13,837,126	13,784,972
Secured bank loan	EUR	2018	7.00%	9,996,249	10,097,944
				23,833,375	**23,882,916**

The breakdown of bank loans as at 31 December 2008 is as follows:

	Original Currency	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount
			Euribor +		
Secured bank loan	EUR	2015	2.70%	15,170,868	14,677,898
Secured bank loan	EUR	2018	7.00%	9,996,250	10,277,071
				25,167,118	**24,954,969**

(Amounts expressed in Euro unless otherwise stated except share amounts)

30. LOANS AND BORROWINGS (continued)

ATÜ (continued)

Redemption schedules of the ATÜ bank loans as at 30 September 2009 and 31 December 2008 are as follows:

	30 September 2009	31 December 2008
On demand or within one year	3,253,359	3,474,037
In the second year	3,634,581	3,301,553
In the third year	3,906,221	3,601,976
In the fourth year	3,543,259	3,577,281
In the fifth year	3,201,943	3,164,670
After five years	6,343,553	7,835,452
	23,882,916	**24,954,969**

TAV Tbilisi

The breakdown of bank loans as at 30 September 2009 is as follows:

	Original Currency	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount
Secured bank loan	USD	2015	Libor+4.50%	20,011,348	20,025,676
				20,011,348	**20,025,676**

The breakdown of bank loans as at 31 December 2008 is as follows:

	Original Currency	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount
Secured bank loan	USD	2015	Libor+4.50%	21,025,582	21,329,009
				21,025,582	**21,329,009**

Redemption schedules of the TAV Tbilisi bank loans as at 30 September 2009 and 31 December 2008 are as follows:

	30 September 2009	31 December 2008
On demand or within one year	3,270,788	3,508,323
In the second year	3,279,728	3,216,312
In the third year	3,317,635	3,346,312
In the fourth year	3,306,430	3,226,225
In the fifth year	3,282,120	3,134,458
After five years	3,568,975	4,897,379
	20,025,676	**21,329,009**

(Amounts expressed in Euro unless otherwise stated except share amounts)

30. LOANS AND BORROWINGS (continued)

TAV Tbilisi (continued)

Pledges regarding the bank loans

a) Share pledge - to take control of 75 percent plus one share of the charter capital of TAV Tbilisi;

b) Revenue pledge - to take control of the revenues derived from Tbilisi International Airport operations as stipulated in the BOT Agreement;

c) Pledge over bank accounts – to take control of TAV Tbilisi's bank accounts in JSC Bank of Georgia, JSC Bank Republic and JSC TBC Bank and be entitled to set-off and apply the whole or any part of the cash standing to the credit of the accounts and any interests, proceeds and other income that may accrue or arise from the accounts;

d) Pledge over insurance proceeds – to receive all insurance compensation and any other amounts payable under the insurance policies of TAV Tbilisi;

e) Pledge over BOT rights – to control all interests and benefits of TAV Tbilisi pursuant to the BOT Agreement;

f) Pledge over rights under the construction guarantees – to control all right, title and interest under each construction guarantee;

g) Pledge over project reserve account – to control the project reserve account.

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

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

Finance lease liabilities

	Minimum lease payments	
	30 September 2009	**31 December 2008**
Amounts payable under finance leases		
Less than one year	210,172	184,047
Between one and five years	211,716	337,354
Present value of lease obligations	**421,888**	**521,401**

It is the Group's policy to lease certain of its fixtures and equipment under finance leases. The average remaining lease term is three years as at 30 September 2009. For the nine-month period ended 30 September 2009, the average effective borrowing rate was 6.49% (31 December 2008: 6.09%). 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.

(Amounts expressed in Euro unless otherwise stated except share amounts)

31. RESERVE FOR EMPLOYEE SEVERANCE INDEMNITY

Under the Turkish Labour Law, the Company and its Turkish subsidiaries and joint ventures 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.

Such payments are calculated on the basis of 30 days' pay maximum full TRY 2,365 as at 30 September 2009 (equivalent to EUR 1,095 as at 30 September 2009) (31 December 2008: TRY 2,173 (equivalent to EUR 1,015 as at 31 December 2008)) per year of employment at the rate of pay applicable at the date of retirement or termination. Reserve for retirement pay is computed and reflected in the financial statements on a current basis. The reserve has been calculated by estimating the present value of future probable obligation of the Company and its Turkish subsidiaries and joint ventures arising from the retirement of the employees. The calculation was based upon the retirement pay ceiling announced by the government.

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. IFRSs 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 consolidated interim financial statements as at 30 September 2009, the provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provision at 30 September 2009 has been calculated assuming an annual inflation rate of 5.40% and a discount rate of 12.00% resulting in a real discount rate of approximately 6.26% (31 December 2008: annual inflation rate of 5.40% and a discount rate of 12.00% resulting in a real discount rate of approximately 6.26%). 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.

	1 January-30 September 2009	**1 January-30 September 2008**
Balance at 1 January	3,247,519	4,884,107
Provisions set during the period	2,106,376	2,467,123
Payment made during the period	(733,524)	(798,336)
Effects of change in foreign exchange rate	(29,314)	(208,241)
Balance as at 30 September	**4,591,057**	**6,344,653**

(Amounts expressed in Euro unless otherwise stated except share amounts)

32. OTHER PAYABLES

At 30 September 2009 and 31 December 2008, other payables comprised the following:

	30 September 2009	31 December 2008
TAV Tunisie concession payable (**)	9,994,941	4,194,176
Taxes and duties payable	7,202,343	5,814,954
Due to personnel	5,563,027	4,813,399
Expense accruals	4,424,254	1,046,766
Social security premiums payable	3,367,485	3,576,364
VAT penalty (*)	1,381,567	4,885,194
Advances received	666,591	847,252
Other accruals and liabilities	1,110,413	121,848
	33,710,621	**25,299,953**

(*) Includes the tax penalty for BTA and TAV Holding amounting to EUR 1,163,577 and EUR 217,990 respectively.
(**) According to the concession agreement, for the Monastir Airport, TAV Tunisie is obliged to pay 33.7% and 11.7% of the total revenues for 2008 and 2009 respectively, or minimum EUR 14.8 million per year will be paid to Tunisian government, as the concession rent expense (30 September 2008: 33.7%).

The Group's exposure to currency and liquidity risk is related to other payables is disclosed in Note 38.

33. DEFERRED INCOME

The breakdown of deferred income as at 30 September 2009 and 31 December 2008 is as follows:

	30 September 2009	31 December 2008
Deferred income		
Short-term deferred income	5,471,445	6,665,623
Long-term deferred income	15,998,141	16,659,877
	21,469,586	**23,325,500**

EUR 15,243,253 (31 December 2008: EUR 17,271,354) of deferred income is related with the unearned concession rent income from ATÜ.

34. PROVISIONS

The Group's unused vacation and tax penalty provisions are as follows:

	30 September 2009	31 December 2008
Unused vacation provision	3,216,449	2,538,425
Tax penalty (*)	528,101	1,168,501
Other provisions	41,934	55,195
	3,786,484	**3,762,121**

(*) EUR 528,101 includes the tax penalty notices issued pursuant to the assessment of the Auditors of the Ministry of Finance for the accounts of October 2007 - December 2007 of BTA (As at 31 December 2008, taking into consideration the similar outcomes of possible examinations in the relevant sector carried by tax authorities, as well as the general assessments carried out by TAV İstanbul management, a provision of TL 2,501,524 (equivalent of EUR 1,168,501 at 31 December 2008) has been made by TAV İstanbul in the financial statements as at 31 December 2008. The tax penalty amount has been paid in 2009).

(Amounts expressed in Euro unless otherwise stated except share amounts)

34. PROVISIONS (continued)

Tax penalty

	1 January- 30 September 2009	1 January- 30 September 2008
Balance at 1 January	**1,168,501**	**9,248,823**
Provision set during the period, net	972,275	392,339
Reclassification of tax penalty to other payables	(1,609,354)	(7,799,066)
Effects of change in foreign exchange rate	(3,321)	(450,660)
Balance at 30 September	**528,101**	**1,391,436**

Unused vacation

	1 January- 30 September 2009	1 January- 30 September 2008
Balance at 1 January	**2,538,425**	**2,284,737**
Provision set during the period, net	700,936	412,238
Effects of change in foreign exchange rate	(22,912)	(111,327)
Balance at 30 September	**3,216,449**	**2,585,648**

35. TRADE PAYABLES

At 30 September 2009 and 31 December 2008, trade payables comprised the following:

	30 September 2009	31 December 2008
Trade payables	41,241,379	27,103,474
Deposits and guarantees received	569,086	439,195
Other	49,845	638
	41,860,310	**27,543,307**

Trade creditors principally comprise amounts outstanding for trade purchases and ongoing costs. The Group's exposure to currency and liquidity risk related to trade payables is disclosed in Note 38.

(Amounts expressed in Euro unless otherwise stated except share amounts)

36. DERIVATIVE FINANCIAL INSTRUMENTS

At 30 September 2009 and 31 December 2008, derivative financial instruments comprised the following:

	30 September 2009		
	Assets	**Liabilities**	**Net Amount**
Interest rate swap	-	(94,169,565)	(94,169,565)
Cross currency swap	4,531,922	-	4,531,922
	4,531,922	**(94,169,565)**	**(89,637,643)**

	31 December 2008		
	Assets	**Liabilities**	**Net Amount**
Interest rate swap	-	(69,699,812)	(69,699,812)
Cross currency swap	32,257,634	-	32,257,634
	32,257,634	**(69,699,812)**	**(37,442,178)**

Interest rate swap

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

TAV Tunisie uses interest rate derivatives to manage its exposure to interest rate fluctuations on its bank borrowings. 85%-100% of project finance loan is hedged through IRS instrument contract during the life of the hedging contract loan with an amortising schedule depending on repayment of the loan.

TAV İstanbul uses interest rate derivatives to manage its exposure to interest rate fluctuations on its bank borrowings. Approximately 100% of project finance loan is hedged through IRS contract during the life of the loan with an amortising schedule depending on repayment of the loan.

TAV İzmir uses interest rate derivative to manage its exposure to interest rate fluctuations on its bank borrowings. Approximately 75% of total project finance loan is hedged through IRS contract during the life of the loan.

Cross currency swap

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

TAV İstanbul has signed a derivative contract to manage and fix its exposure to foreign currency exchange rates between USD and EUR on the concession installments that will be paid to DHMİ. The contract term matches with the terms of the rent payments made to DHMİ which is the end of each December until year 2018. The total notional amount of the contract is EUR 334,854,316 (equivalent of USD 496,588,951) as at 30 September 2009 (31 December 2008: EUR 349,947,316 (equivalent of USD 518,971,869)).

The fair value of derivatives at 30 September 2009 is estimated at EUR 89,637,643 (31 December 2008: EUR 37,442,178). This amount is based on market values of equivalent instruments at the reporting date since the Company applied hedge accounting as at 30 September 2009 changes in the fair value of these interest rate derivatives and cross currency swaps were reflected to other comprehensive income amounting to a loss of EUR 37,735,062 (30 September 2008: a gain of EUR 14,498,343) net of tax.

(Amounts expressed in Euro unless otherwise stated except share amounts)

37. OPERATING LEASES

The Group entered into various operating lease agreements (excluding concession agreement for TAV İstanbul, TAV Tunisie and TAV Gazipaşa). For the nine-month period ended 30 September 2009, total rent expenses for operating leases amounted to EUR 1,407,340 (30 September 2008: EUR 910,901).

38. FINANCIAL INSTRUMENTS

Exposure to credit, interest rate and currency risks arises in the normal course of the Group's business. However, most of Group revenues are denominated in hard currency. The gap between hard currency assets and liabilities are hedged by derivative financial instruments such as cross currency swaps. In addition to hedging of the currency risk, TAV İstanbul, TAV İzmir, TAV Esenboğa and TAV Tunisie use interest rate swaps as hedging the fluctuations in Euribor and Libor rates (i.e.100%, 75%, 100% and 85% of floating loans for TAV İstanbul, TAV İzmir, TAV Esenboğa and TAV Tunisie, respectively are fixed).

Credit risk

Exposure to credit risk

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

	Note	30 September 2009	31 December 2008
Non-current trade receivables	25	139,919,840	156,306,856
Trade receivables	25	75,601,477	55,968,143
Due from related parties	40	16,957,148	15,160,247
Other receivables and current assets (*)	24	8,844,540	1,363,095
Restricted bank balances	27	281,063,571	291,098,061
Cash and cash equivalents (**)	26	45,714,594	22,032,879
Interest rate and cross currency swaps used for hedging	36	4,531,922	32,257,634
		572,633,092	**574,186,915**

(*) Non-financial instruments such as advances given to DHMİ for VAT portion, VAT deductible and carried forward, prepaid expenses and advances given are excluded from other current assets and other non-current assets.

(**) Cash on hand is excluded from cash and cash equivalents.

(Amounts expressed in Euro unless otherwise stated except share amounts)

38. FINANCIAL INSTRUMENTS (continued)

Impairment losses

The movements in the allowance for impairment in respect of trade receivables during the nine-month period ended 30 September were as follows:

	1 January-30 September 2009	1 January-30 September 2008
Balance at 1 January	**(1,846,399)**	**(1,389,209)**
Collections during the period	367,654	28,406
Provision for the period	(237,438)	(229,794)
Effect of change in foreign exchange rates	16,667	(10,921)
Balance at 30 September	**(1,699,516)**	**(1,601,518)**

Allowance for doubtful receivables is determined by reference to past default experience. The allowance accounts in respect of trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amount considered irrecoverable is written off against the trade receivable directly.

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

30 September 2009	Carrying Amount	Contractual cash flows	6 months or less	6 -12 months	1-2 years	More than two years
Non-derivative financial liabilities						
Secured bank loans	1,147,378,174	(1,607,038,654)	(67,897,586)	(105,967,424)	(128,247,708)	(1,304,925,936)
Unsecured bank loans	93,757,652	(100,038,301)	(40,797,025)	(55,239,973)	(3,521,836)	(479,467)
Financial lease liabilities	421,888	(415,257)	(99,021)	(107,771)	(203,424)	(5,041)
Bank overdraft	2,564,319	(2,564,319)	(2,564,319)	-	-	-
Trade payables (*)	41,291,224	(41,448,806)	(41,448,806)	-	-	-
Due to related parties	13,646,464	(13,295,208)	(765,347)	(3,086,762)	(320,063)	(9,123,036)
Other payables (*)	33,044,030	(33,044,030)	(32,819,552)	(224,478)	-	-
Derivative financial liabilities						
Interest rate swaps used for hedging	94,169,565	(122,930,566)	(13,786,594)	(12,673,002)	(25,583,412)	(70,887,558)
Currency swaps						
Outflow	-	(334,854,317)	(17,379,649)	(20,244,609)	(36,353,869)	(260,876,190)
Inflow	(4,531,922)	335,533,076	17,414,878	20,285,646	36,427,559	261,404,993
	1,421,741,394	**(1,920,096,382)**	**(200,143,021)**	**(177,258,373)**	**(157,802,753)**	**(1,384,892,235)**

(Amounts expressed in Euro unless otherwise stated except share amounts)

38. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

31 December 2008

	Carrying Amount	Contractual cash flows	6 months or less	6 -12 months	1-2 years	More than two years
Non-derivative financial liabilities						
Secured bank loans	988,618,241	(1,366,335,772)	(71,281,517)	(50,278,228)	(122,502,035)	(1,122,273,992)
Unsecured bank loans	107,651,451	(110,400,109)	(86,704,467)	(17,244,879)	(6,450,763)	-
Financial lease liabilities	521,401	(571,373)	(213,453)	(213,453)	(144,467)	-
Bank overdraft	1,844,425	(1,844,425)	(1,844,425)	-	-	-
Trade payables (*)	27,179,134	(27,414,028)	(27,331,577)	-	(82,451)	-
Due to related parties	62,020,611	(62,020,611)	(51,458,569)	(970,097)	(1,291,847)	(8,300,098)
Other payables (*)	24,452,701	(24,452,701)	(24,452,701)	-	-	-
Derivative financial liabilities						
Interest rate swaps used for hedging	69,699,812	(86,995,370)	(7,253,113)	(5,811,152)	(16,250,430)	(57,680,675)
Cross currency swaps						
Outflow	-	(349,947,316)	(15,092,999)	(17,379,649)	(36,629,413)	(280,845,255)
Inflow	(32,257,634)	407,412,180	17,351,099	19,674,824	42,438,609	327,947,648
	1,249,730,142	**(1,622,569,525)**	**(268,281,722)**	**(72,222,634)**	**(140,912,797)**	**(1,141,152,372)**

(*) Non-financial instruments such as deposits on guarantees and advances received are excluded from trade payables and other payables.

The following table indicates the periods in which the cash flows associated with derivatives that are cash flow hedges are expected to occur.

30 September 2009

	Carrying Amount	Contractual cash flows	6 months or less	6 -12 months	1-2 years	More than two years
Interest rate swaps						
Assets	-	-	-	-	-	-
Liabilities	(94,169,565)	(122,930,566)	(13,786,594)	(12,673,002)	(25,583,412)	(70,887,558)
Cross currency swaps						
Assets	4,531,922	678,759	35,229	41,037	73,690	528,803
Liabilities	-	-	-	-	-	-

31 December 2008

	Carrying Amount	Contractual cash flows	6 months or less	6 -12 months	1-2 years	More than two years
Interest rate swaps						
Assets	-	-	-	-	-	-
Liabilities	(69,699,812)	(86,995,370)	(7,253,113)	(5,811,152)	(16,250,430)	(57,680,675)
Cross currency swaps						
Assets	32,257,634	57,464,864	2,258,100	2,295,175	5,809,196	47,102,393
Liabilities	-	-	-	-	-	-

(Amounts expressed in Euro unless otherwise stated except share amounts)

38. FINANCIAL INSTRUMENTS (continued)

Currency risk

Exposure to currency risk

The Group's exposure to foreign currency risk was as follows in Euro equivalent of their original currencies:

30 September 2009

Foreign currency denominated monetary assets	USD	EUR (*)	TRY	Other	Total
Other non-current assets	29,361	-	97,913	742,086	869,360
Trade receivables	11,283,082	1,518,778	7,730,593	4,525,975	25,058,428
Due from related parties	10,874,445	2,872	2,702,132	809,056	14,388,505
Derivative financial instruments	4,531,922	-	-	-	4,531,922
Other receivables and current assets	114,403	434,413	2,586,308	8,544,536	11,679,660
Restricted bank balances	79,885,908	775	66,020,679	17,796,108	163,703,470
Cash and cash equivalents	15,375,740	586,273	12,622,374	2,426,778	31,011,165
	122,094,861	**2,543,111**	**91,759,999**	**34,844,539**	**251,242,510**
Foreign currency denominated monetary liabilities					
Loans and borrowings	(99,423,186)	-	(36,599,619)	-	(136,022,805)
Bank overdraft	-	-	(1,913,997)	-	(1,913,997)
Trade payables	(1,836,990)	(79,105)	(4,648,676)	(14,092,955)	(20,657,726)
Due to related parties	(601,938)	-	(112,559)	(36,269)	(750,766)
Other payables	(3,076,764)	(15,007)	(11,238,398)	(1,739,800)	(16,069,969)
	(104,938,878)	**(94,112)**	**(54,513,249)**	**(15,869,024)**	**(175,415,263)**
Net exposure	**17,155,983**	**2,448,999**	**37,246,750**	**18,975,515**	**75,827,247**

(Amounts expressed in Euro unless otherwise stated except share amounts)

38. FINANCIAL INSTRUMENTS (continued)

Currency risk (continued)

Exposure to currency risk (continued)

31 December 2008

Foreign currency denominated monetary assets	USD	EUR (*)	TRY	Other	Total
Other non-current assets	2,969,675	-	162,264	383	3,132,322
Trade receivables	6,900,910	978,606	3,544,097	3,996,713	15,420,326
Due from related parties	9,508,701	7,214	1,378,354	272,299	11,166,568
Derivative financial instruments	32,257,634	-	-	-	32,257,634
Other receivables and current assets	81,579	1,687	2,725,659	28,139,356	30,948,281
Restricted bank balances	102,494,804	-	52,991,337	514,745	156,000,886
Cash and cash equivalents	10,155,923	1,197,666	1,822,354	1,024,364	14,200,307
	164,369,226	**2,185,173**	**62,624,065**	**33,947,860**	**263,126,324**
Foreign currency denominated monetary liabilities					
Loans and borrowings	(141,834,909)	-	-	-	(141,834,909)
Bank overdraft	-	-	(1,504,978)	-	(1,504,978)
Trade payables	(4,270,514)	(127,354)	(7,361,363)	(3,817,822)	(15,577,053)
Due to related parties	(37,000,386)	-	(43,689)	-	(37,044,075)
Other payables	(534,425)	(22,290)	(11,587,679)	(4,812,174)	(16,956,568)
	(183,640,234)	**(149,644)**	**(20,497,709)**	**(8,629,996)**	**(212,917,583)**
Net exposure	**(19,271,008)**	**2,035,529**	**42,126,356**	**25,317,864**	**50,208,741**

(*) The figures in this column reflect the Euro position of subsidiaries that have functional currencies other than Euro.

(Amounts expressed in Euro unless otherwise stated except share amounts)

38. FINANCIAL INSTRUMENTS (continued)

The following significant exchange rates applied during the year:

	Average Rate		Reporting Date Closing Rate	
	30 September 2009	31 December 2008	30 September 2009	31 December 2008
USD	0.7333	0.6841	0.6860	0.7064
TRY	0.4678	0.5272	0.4629	0.4671
GEL	0.4388	0.4569	0.4098	0.4229

Sensitivity analysis

The Group's principal currency rate risk relates to changes in the value of the Euro relative to TRY and the USD. The Group manages its exposure to foreign currency risk by entering into derivative contracts and, where possible, seek to incur expenses with respect to each contract in the currency in which the contract is denominated and attempt to maintain its cash and cash equivalents in currencies consistent with its obligations.

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

A 10 percent strengthening of the EUR against the following currencies at 30 September 2009 and 31 December 2008 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2008

	Equity	Profit or loss
30 September 2009		
USD	(27,309,883)	1,262,406
TRY	-	3,724,675
Other	-	1,897,552
Total	**(27,309,883)**	**6,884,633**
31 December 2008		
USD	(33,310,535)	(5,152,864)
TRY	-	4,212,636
Other	-	2,531,786
Total	**(33,310,535)**	**1,591,558**

10 percent weakening of the EUR against the above currencies at 30 September 2009 and 31 December 2008 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

The Group has used material amounts of bank borrowings from foreign sources and banks. Although most of these loans used have floating interest rates, the Group management and banks fixed interest rates by using derivative financial instruments. TAV İstanbul, TAV İzmir, TAV Esenboğa and TAV Tunisie use interest rate swap as hedging of fluctuations in Euribor and Libor rates (i.e. 100%, 75%, 100% and 85% of floating loans for TAV İstanbul, TAV İzmir, TAV Esenboğa and TAV Tunisie, respectively are fixed).

(Amounts expressed in Euro unless otherwise stated except share amounts)

38. FINANCIAL INSTRUMENTS (continued)

Interest rate risk (continued)

Profile

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

	Carrying amount	
	30 September 2009	**31 December 2008**
Fixed rate instruments		
Financial assets	326,969,119	268,297,889
Financial liabilities	(162,233,142)	(132,324,186)
	164,735,977	**135,973,703**

	Carrying amount	
	30 September 2009	**31 December 2008**
Variable rate instruments		
Financial assets	13,286,730	11,937,503
Financial liabilities	(1,185,899,987)	(1,081,959,709)
	(1,172,613,257)	**(1,070,022,206)**

Fair value sensitivity analysis for fixed rate instruments:

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments:

Based on the Group's current borrowing profile, a 50 basis points increase in Euribor or Libor would have resulted in additional annual interest expense of approximately EUR 1.8 million on the Group's variable rate debt when ignoring effect of derivative financial instruments. EUR 1.5 million of the exposure is hedged through IRS contracts. Therefore, the net exposure on income statement would be EUR 0.3 million. A 50 basis points increase in Euribor or Libor would have resulted a decrease in hedging reserve in equity approximately by EUR 21 million.

(Amounts expressed in Euro unless otherwise stated except share amounts)

38. FINANCIAL INSTRUMENTS (continued)

Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

		30 September 2009		31 December 2008	
	Note	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial assets					
Non-current trade receivables	25	139,919,840	139,919,840	156,306,856	156,306,856
Trade receivables	25	75,601,477	75,601,477	55,968,143	55,968,143
Due from related parties	40	16,957,148	16,957,148	15,160,247	15,160,247
Other receivables and current assets (*)	24	8,844,540	8,844,540	1,363,095	1,363,095
Restricted bank balances	27	281,063,571	281,063,571	291,098,061	291,098,061
Cash and cash equivalents	26	46,378,398	46,378,398	22,572,015	22,572,015
Derivative financial instruments	36	4,531,922	4,531,922	32,257,634	32,257,634
Financial liabilities					
Bank overdraft	26	(2,564,319)	(2,564,319)	(1,844,425)	(1,844,425)
Loans and borrowings	30	(1,241,557,714)	(1,241,557,714)	(1,096,791,093)	(1,096,791,093)
Trade payables (**)	35	(41,291,224)	(41,291,224)	(27,179,134)	(27,179,134)
Due to related parties	40	(13,646,464)	(13,646,464)	(62,020,611)	(62,020,611)
Derivative financial instruments	36	(94,169,565)	(94,169,565)	(69,699,812)	(69,699,812)
Other payables (**)	32	(33,044,030)	(33,044,030)	(24,452,701)	(24,452,701)
		(852,976,420)	**(852,976,420)**	**(707,261,725)**	**(707,261,725)**

(*) Non-financial instruments such as prepaid expenses, prepaid taxes and dues and advances given are excluded from other non-current assets and other receivables and current assets.
(**) Non-financial instruments such as advances received are excluded from trade payables and other payables.

The methods used in determining the fair values of financial instruments are discussed in Note 4.

39. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

Commitments and contingencies

	30 September 2009	31 December 2008
Letters of guarantee given to DHMİ	111,363,491	113,807,149
Letters of guarantee given to Tunisian Government	69,100,000	68,881,100
Letters of guarantee given to third parties	44,222,430	69,186,805
Letters of guarantee given to Macedonian Government	6,000,000	6,000,000
	230,685,921	**257,875,054**

The Group is obliged to give 6% of the total rent amount of USD 152,580,000 of TAV İstanbul as a letter of guarantee according to the rent agreement made with DHMİ. The total obligation has been provided by TAV İstanbul.

39. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS (continued)

Commitments and contingencies (continued)

The Group is obliged to give a letter of guarantee at an amount equivalent of EUR 52,600,000 to the Ministry of Transport and EUR 16,500,000 to OACA according to the BOT agreement signed with OACA in Tunisia. The total obligation has been provided by the Group.

Majority of letters of guarantee given to third parties includes the guarantees given to customs and some customers.

Contractual obligations

TAV İstanbul

At the end of the contract period, TAV İstanbul 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 are not made, DHMİ will have this maintenance and repair made, and the cost will be charged to TAV İstanbul.

Pursuant to the provisions of this agreement, the contractual obligations of TAV İstanbul include the rental of the above mentioned facilities for a period of fifteen and a half years beginning on 3 July 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 DHMİ upon the expiry of the rental period.

TAV Esenboğa and TAV İzmir

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 are not made, DHMİ will have this maintenance and repair made and the cost will be charged to TAV İzmir and TAV Esenboğa.

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 operator 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. TAV Esenboğa and TAV İzmir have the responsibility of repair and maintenance of all fixed assets under the investment period.

39. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS (continued)

Contractual obligations (continued)

TAV Tbilisi

The commercial operation of the New Terminal is carried out based on the Provisional Acceptance Protocol concluded according to the BOT Agreement for Tbilisi International Airport terminal building and related infrastructure. The Final Acceptance Protocol was not concluded as of the date of approval for issue of these consolidated interim financial statements, as the legal form of transfer of the New Terminal was still under discussion among the parties to the BOT Agreement in order to be in compliance with the Georgian legislation. The legal form of the final acceptance of the New Terminal may have various effects on the TAV Tbilisi's financial and/or tax positions.

Tax legislation and contingencies

On 6 July 2009, Large Taxpayers Inspection of the Ministry of Finance of Georgia has issued an order to pledge TAV Tbilisi's assets over the tax charge of GEL 5,479,370 (approximately EUR 2.3 million) reported in the interim report prepared by the Auditing Department of Ministry of Finance of Georgia based on the tax audit of TAV Tbilisi. As per the report submitted by TAV Tbilisi to the Large Taxpayers Inspection of the Ministry of Finance the pledged assets consist of construction expenditure included in the Airport Operation Right of GEL 176,318,827 (approximately EUR 73.9 million) property, plant and equipment with carrying value of GEL 13,190,081 (approximately EUR 5.5 million) and trade gross receivables of GEL 7,115,947 (approximately EUR 2.9 million) outstanding as at 31 May 2009.

On 22 July 2009, the management submitted a legal objection to the Ministry of Finance of Georgia to contest the imposed tax charges of GEL 5,479,370. As at the date of the issuance of these consolidated interim financial statements, TAV Tbilisi received an acknowledgement of acceptance of legal objection for consideration, however the outcome of consideration and resolution of the submitted objection has not been finalized yet.

On 30 July 2009, a tax liability and penalty of in total of GEL 64,372,900 (approximately EUR 27 million) has been imposed and notified referring to the final report prepared by the Auditing Department of Ministry of Finance of Georgia based on the tax audit of TAV Tbilisi. The said tax and its penalty mainly result from the assessment of the agreement as a BOT Agreement by the Georgian tax auditors, who have considered the acceptance of the Tbilisi Airport construction as the transfer of the investment to JSC, and asserted that the transfer is subject to VAT and cancelled the deducted VAT amount.

The management considers the assessment made by the Auditing Department of the Ministry of Finance of Georgia as an exceptionally unfair interpretation of the articles of the BOT Agreement and plans to use right of objection to contest the imposed tax charges.

39. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS (continued)

Contractual obligations (continued)

TAV Tunisie

According to Enfidha Concession Agreement, TAV Tunisie is required to:

- design, construct, maintain, repair, renew, operate and improve at its own costs and risks and under its liabilities, the land made available to it, infrastructures, buildings, facilities, equipments, networks and services necessary for the operation of Enfidha Airport;
- complete the construction of the Airport and start operating it at the latest on 1 October 2009, unless the requirements by the Terms and Specifications of the Agreement fails;
- finance up to 30% of the Project by Equity.

According to Monastir Concession Agreement, TAV Tunisie is required to maintain, repair, renew, operate and improve at its own costs and risks and under its liabilities, the land made available to it, infrastructures, buildings, facilities, equipments, networks and services necessary for the operation of Monastir Airport.

TAV Gazipaşa

The Agreement is made for a period of twenty-five years effective from the date TAV Gazipaşa obtains the operation authorisation from the Ministry of Transportation. The contractual obligations of TAV Gazipaşa include the operation of the facilities in compliance with the international norms and standards subject to the supervison of the Ministry of Transportation Civil Aviation General Directorate and DHMİ; obtaining maintenance and periodic maintenance and repairs of all systems and equipment requisite for the operation and the transfer of the facilities together with the systems, equipment, furniture and fixtures in a proper and usable condition to DHMİ, without any debt or liabilities, upon the expiry of the Agreement (if the economic lives of the systems, equipment, furniture and fixtures have come to an end, they should be renewed before the transfer to DHMİ). Upon the expiry of the Agreement, TAV Gazipaşa will be responsible for one year for the maintenance and repair of the systems and equipment in the facilities. In case the necessary maintenance and repairs are not made, DHMİ will have this maintenance and repairs made and the cost will be charged to TAV Gazipaşa.

If expropriation of land is required for construction of additional facilities or systems during the term of the Agreement, TAV Gazipaşa will be responsible for the compensation for expropriation and will not demand any compensation and/or additional rent period from DHMİ and the owner of the subject land will be DHMİ.

Management believes that as at 30 September 2009, the Group has complied with the terms of the contingencies mentioned above.

39. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS (continued)

Contingent asset

TAV İstanbul is able to expense VAT on concession rent payments upon the issuance of the related invoice and DHMİ issues the invoice monthly. Cumulative VAT expense related with DHMİ invoices as at 30 September 2009 is EUR 49,802,283 (31 December 2008: EUR 33,532,119).

TAV İstanbul has opened a tax court case in February 2006 against the 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, TAV İstanbul stated that airport privatisations are exempt from VAT. The resolution of the İstanbul First Tax Court has been declared to TAV İstanbul on 9 April 2007. The resolution sets forth that the administrative transaction is not a tax error in the manner prescribed in the Tax Procedures Law, and that no legal inappropriateness had been observed in the transaction that had been formed via the rejection of the application made upon complaint. The decision does not assess whether there is an exemption from the VAT or not; and it is judged that the application does involve a legal shortcoming; TAV İstanbul had submitted the case to the Court of Appeals. With regard to the mentioned case, the Company had submitted a letter to the 4th Department of the Court of Appeals on 28 May 2007 and required a motion for stay. TAV İstanbul has brought a tax case against Ministry of Finance and Maltepe Tax Administration, with the claim that the rent amounts paid to the State Airports Authority General Directorate are exempt from value added tax; and the Tax Court dismissed the case on the grounds of incompetence. TAV İstanbul had applied against the dismissal decision of the Tax Court. The award of the 4th Chamber of the Council of State ("Danistay") had been declared to TAV İstanbul on 25 July 2007. Accordingly, the Council of State approved the application of TAV İstanbul and decided to reverse the judgement of the Tax Court. The case reverted to the Tax Court according to the Code of Administrative Procedures and the Tax Court rejected the case with the decision notified to TAV İstanbul on 29 November 2007. An application for appeal has been made, and the process is continuing as of the date of this report. Group management believes that this court will be finalised in Group's favour, paid VAT will be reimbursed to the Group, and the Group will not pay VAT on concession rent anymore.

(Amounts expressed in Euro unless otherwise stated except share amounts)

40. RELATED PARTIES

The major immediate parents and ultimate controlling parties of the Group are Tepe and Akfen Groups.

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 balances between the Group and other related parties are disclosed below.

Key management personnel compensation:

The remuneration of directors and other members of key management during the period comprised the following:

	1 January-30 September 2009	1 July-30 September 2009	1 January-30 September 2008	1 July-30 September 2008
Short-term benefits (salaries, bonuses etc.)	4,428,254	1,000,670	4,504,616	2,065,017
	4,428,254	**1,000,670**	**4,504,616**	**2,065,017**

As at 30 September 2009 and 2008, none of the Group's directors and executive officers has outstanding personnel loans from the Group.

The details of the transactions between the Group and any other related parties are disclosed below:

Other related party transactions:

	30 September 2009	31 December 2008
Due from related parties	5,059,586	4,068,907
Current loan to related parties	3,238,885	2,951,011
Non-current loan to related parties	8,658,677	8,140,329
	16,957,148	**15,160,247**

Due from related parties	30 September 2009	31 December 2008
ATÜ	1,736,629	2,815,542
TAV Tepe Akfen Yat.İnş ve İşl.A.Ş. ("TAV İnşaat") (*)	2,609,447	-
Other related parties	713,510	1,253,365
	5,059,586	**4,068,907**

Loan to related parties	30 September 2009	31 December 2008
TAV Havacılık A.Ş.	908,941	897,041
TAV Gözen	564,602	416,277
CAS	419,740	403,807
Other related parties	1,345,602	1,233,886
	3,238,885	**2,951,011**

(Amounts expressed in Euro unless otherwise stated except share amounts)

40. RELATED PARTIES (continued)

Non-current loan to related parties	30 September 2009	31 December 2008
TAV Tbilisi	8,658,677	8,140,329
	8,658,677	**8,140,329**

	30 September 2009	31 December 2008
Due to related parties	1,240,614	14,227,623
Loan from related parties, short term	2,962,751	38,201,044
Loan from related parties, long term	9,443,099	9,591,944
	13,646,464	**62,020,611**

Due to related parties	30 September 2009	31 December 2008
IBS Brokerlik ve Sigorta Hizmetleri A.Ş. (*)	1,062,999	4,119,366
TAV İnşaat (**)	-	9,793,089
Other related parties	177,615	315,168
	1,240,614	**14,227,623**

(*) IBS Sigorta provides insurance intermediatory services to the Group.

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

Loan from related parties, short-term	30 September 2009	31 December 2008
TAV İnşaat	1,869,112	2,976,453
ATÜ	680,766	3,318,119
Tepe İnşaat	412,873	31,906,472
	2,962,751	**38,201,044**

Loan from related parties, long-term	30 September 2009	31 December 2008
ATÜ	9,443,099	9,591,944
	9,443,099	**9,591,944**

Services rendered to related parties	1 January-30 September 2009	1 July-30 September 2009	1 January-30 September 2008	1 July-30 September 2008
ATÜ (*)	48,372,886	18,247,220	50,462,245	17,945,266
Other related parties	4,155,098	930,843	2,089,385	910,386
	52,527,984	**19,178,063**	**52,551,630**	**18,855,652**

(*) Services rendered to ATÜ comprise of non-eliminated portion of concession fee duty-free per partially consolidation.

(Amounts expressed in Euro unless otherwise stated except share amounts)

40. RELATED PARTIES (continued)

Services rendered by related parties	**1 January-30 September 2009**	**1 July-30 September 2009**	**1 January-30 September 2008**	**1 July-30 September 2008**
IBS Brokerlik ve Sigorta Hizmetleri A.Ş.	5,657,574	1,988,942	5,046,490	1,502,593
TAV İnşaat	311,586	764	-	-
Other related parties	746,181	428,002	1,093,428	271,745
	6,715,341	**2,417,708**	**6,139,918**	**1,774,338**

Interest (expense) / income from related parties (net)	**1 January-30 September 2009**	**1 July-30 September 2009**	**1 January-30 September 2008**	**1 July-30 September 2008**
ATÜ	(520,968)	(149,539)	(47,391)	-
Tepe İnşaat	(236,568)	(996)	(806,696)	(501,457)
TAV İnşaat	(610,847)	(544,089)	180,023	86,524
TAV Havacılık A.Ş.	24,757	-	90,188	29,460
Other related parties	359,682	347,520	198,133	52,443
	(983,944)	**(347,104)**	**(385,743)**	**(333,030)**

The average interest rate used within the Group is 4.12% per annum (30 September 2008: 6.96%). The Group converts related party TRY loan receivable and payable balances to USD at month end using the Central Bank's announced exchange rates and then charges interest on the USD balances.

Construction work rendered by related parties	**1 January-30 September 2009**	**1 July-30 September 2009**	**1 January-30 September 2008**	**1 July-30 September 2008**
TAV İnşaat	210,362,889	24,289,573	173,503,307	121,146,710
	210,362,889	**24,289,573**	**173,503,307**	**121,146,710**

As at 30 September 2009 and 2008, TAV İnşaat provided services to renovation of Monastır and Gazipaşa Airports and construction of Enfidha Airport.

(Amounts expressed in Euro unless otherwise stated except share amounts)

41. JOINT VENTURES

The Group has the following significant interests in joint ventures:

- 49.98% equity shareholding with 50% voting power in ATÜ, a jointly controlled entity established in Turkey and its subsidiary ATÜ Georgia. Summary of financial information of ATÜ and ATÜ Georgia,, not adjusted for the percentage ownership held by the Group is as follows:

Statement of Financial Position	**30 September 2009**	**31 December 2008**
Current assets	33,776,716	36,100,704
Non-current assets	57,909,810	57,942,847
Current liabilities	(28,760,073)	(26,725,396)
Non-current liabilities	(42,305,935)	(44,250,402)

Statement of Comprehensive Income	**1 January-30 September 2009**	**1 July-30 September 2009**	**1 January-30 September 2008**	**1 July-30 September 2008**
Total revenues	218,616,260	82,757,243	114,378,445	41,161,823
Total expenses	(206,475,474)	(77,468,674)	(109,416,505)	(39,162,157)
Profit for the period	12,140,786	5,288,569	4,961,940	1,999,666

- 60.00% equity shareholding with 50% voting power, in TAV Tbilisi, a joint venture established in Georgia. Summary of financial information of TAV Tbilisi, not adjusted for the percentage ownership held by the Group is as follows:

Statement of Financial Position	**30 September 2009**	**31 December 2008**
Current assets	7,822,408	4,307,985
Non-current assets	80,471,845	86,467,903
Current liabilities	(13,422,488)	(13,111,527)
Non-current liabilities	(49,608,970)	(50,007,903)

Statement of Comprehensive Income	**1 January-30 September 2009**	**1 July-30 September 2009**	**1 January-30 September 2008**	**1 July-30 September 2008**
Total revenues	11,991,006	4,136,444	12,019,920	3,339,543
Total expenses	(13,635,605)	(4,211,537)	(9,246,350)	(3,110,925)
(Loss) / profit for the period	(1,644,599)	(75,093)	2,773,570	228,618

(Amounts expressed in Euro unless otherwise stated except share amounts)

41. JOINT VENTURES (continued)

- 50.00% equity shareholding with 50% voting power, in CAS, a joint venture established in KKTC. Summary of financial information of CAS, not adjusted for the percentage ownership held by the Group is as follows:

Statement of Financial Position	**30 September 2009**	**31 December 2008**
Current assets	654,225	1,252,664
Non-current assets	683,858	728,736
Current liabilities	(1,763,948)	(1,334,388)

Statement of Comprehensive Income	**1 January-30 September 2009**	**1 July-30 September 2009**	**1 January-30 September 2008**	**1 July-30 September 2008**
Total revenues	3,305,520	1,224,293	-	-
Total expenses	(4,432,371)	(1,462,171)	-	-
Loss for the period	(1,126,851)	(237,878)	-	-

- 32.40% equity shareholding with 32.40% voting power, in TAV Gözen, a joint venture established in Turkey. Summary of financial information of TAV Gözen, not adjusted for the percentage ownership held by the Group is as follows:

Statement of Financial Position	**30 September 2009**	**31 December 2008**
Current assets	270,837	180,914
Non-current assets	2,541,275	2,896,750
Current liabilities	(2,677,237)	(2,402,855)
Non-current liabilities	-	(15,485)

Statement of Comprehensive Income	**1 January-30 September 2009**	**1 July-30 September 2009**	**1 January-30 September 2008**	**1 July-30 September 2008**
Total revenues	389,870	118,872	-	-
Total expenses	(930,115)	(346,856)	-	-
Loss for the period	(540,245)	(227,984)	-	-

42. SUBSEQUENT EVENTS

- The Company executive is notified of the tax review reports and the tax penalty notices issued pursuant to the assessment of the Auditors of the Ministry of Finance for the accounts of October 2007 - December 2007 of BTA, of which TAV has a 66.66% share, stating that the food and beverage sales of the company carried out at the customs zones of the airports (also known as "airside") must not be exempt from value added tax. Through this notice, TL 1,483,014 value added tax for the last quarter of 2007 and TL 222,523 corporate tax for 2007 are imposed and a tax loss penalty of 1.5 times more is calculated. A reconcialition shall be demanded by BTA for this notification.

- TAV have been informed by the SJSC Riga International Airport Management that the tender is cancelled due to the decision of the Latvian Government in consideration of the changing economical conditions in Latvia. The Cabinet of Ministers of Latvia has assigned the SJSC Riga International Airport Management to find a short term and long term solution for a new development plan involving airlines, which provide transit passenger services at Riga Internatioanal Airport. In line with this new strategy of the Cabinet of Ministers of Latvia, TAV has started partnership negotiations with Air Baltic, the flag carrier airline company of Latvia, to operate a new terminal that will meet the requirements of Air Baltic in Riga International Airport.

- As the result of the negotiations with the potential investors, TAV has agreed to establish a New Company ("the New Company") as per the laws of the Republic of Turkey that the Group has 65%, HSBC Investment Bank Holdings has 28,3333% and İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. has 6,6667% of the shares. TAV shall participate to the New Company by transferring equity of EUR 78,000,000 and the New Company will take over the whole shares of Havaş by paying EUR 180 million. A Subscription and Shareholders Agreement ("the Agreement") is signed between TAV and HSBC Investment Bank Holdings Plc and İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. on 16 October 2009. As per the stipulations of the Agreement, the establishment of the New Company depends upon fulfilling various pre-conditions and getting the authorization of the Competition Authority and the permissions of any such kind. All in all, the net cash proceeds from the sale of Havaş shares will be around EUR 102 million.

- GS has reimbursed 14,821,875 of TAV Holding shares to Akfen Holding as at 3 November 2009. All voting rights, dividends, rights for participating in share capital increase in connection with the Collateral Shares shall belong to Akfen Holding. Therefore Akfen Holding's stake in TAV Holding has increased to 22.22% (both floated and not floated).

- A Joint Venture Agreement is signed on 9 November 2009 between TAV Airports Holding and AL-RAJHI Holding Group which is established and has been operating in the Kingdom of Saudi Arabia.

  Within the context of this Agreement, it has been agreed to cooperate on a joint venture basis to seek build-operate-transfer and management contracts at Saudi airports, including integrated airport management, operating and maintenance services, etc. Within this context, the parties agreed on bidding for the projects which are mutually decided, in case of winning the contract and contracting with the airport operator, establishing a company to render the services stipulated by the subject contract, establishing a separate company for each of the winning project contract, determining the company capital as per the economical and legal requirements of the project. Finally it has been agreed that each party has 50% share in such company and the company to be managed as stipulated by the principals of the Joint Venture Agreement.

(Amounts expressed in Euro unless otherwise stated except share amounts)

43. RESTATEMENT OF PRIOR PERIODS' FINANCIAL STATEMENTS

The consolidated financial statements as at 31 December 2007 have been restated for the following:

	Accumulated losses
Balance at 31 December 2007, as previously reported	**(53,499,998)**
Effect of adoption for IFRIC 12 as at 31 December 2006	3,115,646
Effect of adoption for IFRIC 12	(6,215,472)
Deferred tax effect of adoption for IFRIC 12 as at 31 December 2006	(802,157)
Deferred tax effect of adoption for IFRIC 12	817,384
Balance at 31 December 2007, as restated	**(56,584,597)**

Change in classification of certain statement of financial position items:

The Group has changed the classification of certain statement of financial position items in order to achieve a more appropriate presentation in the current period, The comparatives are restated unless impracticable as presented below:

	Restated at 31 December 2008	Previously Reported at 31 December 2008
Cash and cash equivalents	22,572,015	59,572,792
Restricted bank balances	291,098,061	254,097,284
Property and equipment	78,111,498	81,216,173
Airport operation right	457,410,838	454,306,163

Change in classification of certain statement of comprehensive income:

The Group has changed the classification of certain statement of comprehensive items in order to achieve a more appropriate presentation in the current period, The comparatives are restated unless impracticable as presented below:

	Restated at 30 September 2008	Previously Reported at 30 September 2008
Finance income	11,587,903	11,726,153
Finance costs	(68,087,578)	(68,225,828)
Commission from sales of duty free goods	54,873,701	48,867,207
Area allocation income	10,811,021	16,817,515