ÇELEBİ HAVA SERVİSİ A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(ORIGINALLY ISSUED IN TURKISH)

ÇELEBİ HAVA SERVİSİ A.Ş.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY-30 SEPTEMBER 2006

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CONSOLIDATED INTERIM BALANCE SHEETS
AT 30 SEPTEMBER 2006 AND 31 DECEMBER 2005
(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated)

	Notes	30 September 2006	31 December 2005
ASSETS			
CURRENT ASSETS		**111.913.937**	**65.325.402**
Cash and cash equivalents	4	80.880.430	46.224.642
Marketable securities - net	5	502.865	-
Trade receivables - net	7	23.446.899	11.315.115
Finance lease receivables - net	8	-	-
Due from related parties - net	9	328.476	3.188.386
Other receivables - net	10	1.577.670	1.103.966
Biological assets - net	11	-	-
Inventories - net	12	2.954.544	1.645.705
Receivables on construction contracts - net	13	-	-
Deferred tax assets	14	-	-
Other current assets	15	2.223.053	1.847.588
NON-CURRENT ASSETS		**140.153.592**	**162.556.463**
Trade receivables - net	7	-	-
Finance lease receivables - net	8	-	-
Due from related parties - net	9	-	-
Other receivables (net)	10	-	-
Financial assets - net	16	14.307	-
Positive/negative goodwill - net	17	-	-
Investment property - net	18	-	-
Property, plant and equipment - net	19	80.595.050	84.672.641
Intangible assets - net	20	58.972.171	72.392.249
Deferred tax assets	14	452.754	5.466.421
Other non-current assets	15	119.310	25.152
TOTAL ASSETS		**252.067.529**	**227.881.865**

The consolidated interim financial statements prepared as at and for the period ended 30 September 2006 were approved for issue by the Board of Directors and General Manager S. Samim Aydın and Financial Affairs Director H. Tanzer Gücümen on 1 December 2006 and signed on its behalf.

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH
ÇELEBİ HAVA SERVİSİ A.Ş.
CONSOLIDATED INTERIM BALANCE SHEETS
AT 30 SEPTEMBER 2006 AND 31 DECEMBER 2005

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated)

	Notes	30 September 2006	31 December 2005
LIABILITIES		**131.917.099**	**125.998.544**
CURRENT LIABILITIES		**67.288.682**	**51.001.396**
Financial liabilities - net	6	11.907	4.517.116
Short-term portion of long-term financial liabilities - net	6	35.153.403	31.225.098
Finance lease obligations - net	8	269.603	622.203
Other financial liabilities - net	10	-	-
Trade payables - net	7	6.482.573	7.064.743
Due to related parties - net	9	2.199.020	349.667
Advances received	21	193.530	48.732
Construction contracts progress payments - net	13	-	-
Provisions	23	11.425.960	2.336.483
Deferred tax liability	14	-	-
Other liabilities - net	15	11.552.686	4.837.354
NON-CURRENT LIABILITIES		**64.628.417**	**74.997.148**
Financial liabilities - net	6	49.793.361	59.727.770
Finance lease obligations - net	8	-	92.834
Other financial liabilities - net	10	-	-
Trade payables - net	7	2.993	2.934
Due to related parties - net	9	-	-
Advances received	21	-	-
Provisions	23	8.706.473	5.194.356
Deferred tax liability	14	6.125.590	9.979.254
Other liabilities - net	15	-	-
MINORITY INTEREST	24	**89.861**	**52.343**
SHAREHOLDERS' EQUITY		**120.060.569**	**101.830.978**
Share capital	25	**13.500.000**	**13.500.000**
Investment capital net-off		**-**	
Capital reserves	26	**11.785.483**	**11.785.483**
Share premiums		-	-
Share cancellation profit		-	-
Revaluation fund		-	-
Financial assets revaluation fund		-	-
Equity inflation adjustment differences	26	11.785.483	11.785.483
Profit reserves	27	**35.684.457**	**16.729.600**
Legal reserves		8.455.399	6.899.658
Statutory reserves		-	-
Extraordinary reserves		27.229.058	9.829.942
Special reserves		-	-
Investment and property sales gains to be transferred to the share capital		-	-
Translation reserves		-	-
Net income for the period		**30.431.520**	**31.156.786**
Retained earnings	28	**28.659.109**	**28.659.109**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**252.067.529**	**227.881.865**

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

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

ÇELEBİ HAVA SERVİSİ A.Ş.

CONSOLIDATED INTERIM STATEMENTS OF INCOME FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2006 AND 30 SEPTEMBER 2005

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated)

		2006		Restated 2005	
	Notes	**1 January-30 September**	**1 July-30 September**	**1 January-30September**	**1 July-30September**
OPERATING REVENUE					
Net Sales	36	180.516.056	80.274.779	150.622.390	75.307.730
Cost of Sales	36	(113.491.496)	(43.358.778)	(101.034.763)	(44.855.080)
Service Revenues-Net	36	-	-	-	-
Other Operating Income	36	-	-	-	-
GROSS OPERATING PROFIT		**67.024.560**	**36.916.001**	**49.587.627**	**30.452.650**
Operating Expenses	37	(20.653.496)	(7.024.724)	(15.930.742)	(4.233.347)
NET OPERATING PROFIT		**46.371.064**	**29.891.277**	**33.656.885**	**26.219.303**
Other Income and Profits	38	3.004.789	1.836.894	554.651	15.312
Other Expenses and Losses	38	(4.645.136)	(156.352)	(307.153)	(92.616)
Financial Expenses	39	(8.597.913)	1.508.218	(4.038.502)	(1.054.671)
OPERATING PROFIT		**36.132.804**	**33.080.037**	**29.865.881**	**25.087.328**
Net Monetary Gain/ Loss	40	-	-	-	-
MINORITY INTEREST	24	(37.518)	(14.257)	(27.757)	(27.757)
PROFIT BEFORE TAXATION		**36.095.286**	**33.065.780**	**29.838.124**	**25.059.571**
Taxes on Income	41	(5.663.766)	(7.795.799)	1.830.879	(5.350.932)
NET PROFIT FOR THE PERIOD		**30.431.520**	**25.269.981**	**31.669.003**	**19.708.639**
PROFIT PER SHARE	42	**2,25**	**1,87**	**2,35**	**1,46**

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

ÇELEBİ HAVA SERVİSİ A.Ş.
CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006 AND 30 SEPTEMBER 2005

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

Change in consolidated shareholders' equity for the period 1 January-30 September 2005:

	Share capital	Inflation adjustments to shareholders' equity	Legal Reserves	Extraordinary Reserves	Retained Earnings	Net income/(loss) for the year	Total shareholders' equity
1 January 2005 previously reported	**13.500.000**	**11.785.483**	**6.899.658**	**8.195.215**	**27.756.683**	**1.634.727**	**69.771.766**
Prior period adjustment (Note 2.4)					1.043.477	(141.051)	902.426
1 January 2005 adjusted	**13.500.000**	**11.785.483**	**6.899.658**	**8.195.215**	**28.800.160**	**1.493.676**	**70.674.192**
Transfers to retained earnings	-				1.493.676	(1.493.676)	-
Transfers to reserves	-			1.634.727	(1.634.727)		-
Net profit for the year	-					31.669.003	31.669.003
30 September 2005	**13.500.000**	**11.785.483**	**6.899.658**	**9.829.942**	**28.659.109**	**31.669.003**	**102.343.195**

Change in consolidated shareholders' equity for the period 1 January-30 September 2006

	Share capital	Inflation adjustments to shareholders' equity	Legal Reserves	Extraordinary Reserves	Retained Earnings	Net income/(loss) for the year	Total shareholders' equity
1 January 2006	**13.500.000**	**11.785.483**	**6.899.658**	**9.829.942**	**28.659.109**	**31.156.786**	**101.830.978**
Transfers to retained earnings	-	-	-	-	31.156.786	(31.156.786)	-
Transfers to reserves			1.555.741	23.095.819	(24.651.560)		-
Dividend payment				(5.696.703)	(6.505.226)		(12.201.929)
Net profit for the year				-		30.431.520	30.431.520
30 September 2006	**13.500.000**	**11.785.483**	**8.455.399**	**27.229.058**	**28.659.109**	**30.431.520**	**120.060.569**

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

NOTE 1 - ORGANISATION AND PRIMARY OPERATIONS OF THE COMPANY

Çelebi Hava Servisi A.Ş (the "Company") established in 1958 was the first private ground handling service company in the Turkish aviation sector. The Company provides ground handling services (representation, traffic, ramp, cargo, flight operations and airshaft maintenance etc) and fuel supplies to domestic and foreign airline and private cargo companies. The Company operates in İstanbul, İzmir, Ankara, Adana , Antalya, Dalaman, Bodrum, Çorlu, Bursa Yenişehir, Gaziantep, Diyarbakır, Erzurum, Kayseri, Samsun, Trabzon, Tokat, Van, Malatya, Kars, Mardin, Isparta and Sivas airports, which are under the control of the State Airports Administration ("DHMI").

The address of the Company is as follows:

Atatürk Havalimanı, Yeşilköy
34149 Yeşilköy, İstanbul

The Company was consolidated with Çelebi IC Antalya Havalimanı Terminal Yatırım ve İşletme A.Ş. ("Çelebi IC") with %49,99 shares using the joint venture consolidation method as of 30 September 2006. Çelebi IC was established on 23 March 2004 based on the "Antalya Airport 2nd International Terminal (Terminal) construction, management and transfer agreement" between the Company and the DHMI on 24 February 2006. Based on this agreement and an additional contract prepared on 10 November 2004, the construction of the building was finished and operations started as of 4 April 2005. Çelebi IC will run this terminal for 54 months and then transfer it to the DHMI without any charge. The other main shareholder of Çelebi IC is İçtaş İnşaat Sanayi ve Ticaret A.Ş. with %49,99 shares.

The Company has also consolidated Çelebi Güvenlik Sistemleri ve Danışmanlık A.Ş. ("Çelebi Güvenlik") in which it hold %94,8 (2005: %94,8) of shares. Çelebi Güvenlik maintains security at the Terminal and provides security services to the airline companies.

As of 30 September 2006, the consolidated financial statements of the Company include the Company, Çelebi IC and Çelebi Güvenlik (collectively, the "Group").

As of 30 September 2006 and 31 December 2005, the average number of employees of the Group was 3.978 and 3.430 respectively.

The Company also participated in tender offer at 7 August 2006 opened by Budapest Airport Budapest Ferihegy Nemzetközi Repülöter Üzemeltetö Zartkörüen Müködö Reszvenytarsasag ("Ba Zrt") Company resident in Budapest, Hungary for the acquisition of Budapest Airport Handling Kereskedelmi es Szolgaltato Korlatolt Feleössegü Tarsasag ("BAGH") company that provides ground handling services at Budapest Airport and in which ("Ba Zrt") has %100 share. The company was informed of winning the tender offer at 14 August 2006 and has participated in Celebi Tanacsado Korlatolt Felelossegu Tarsasag" ("Celebi Kft.") Company that was founded on 22 September 2006 as founding shareholder for the realization of abovementioned share transfer. Çelebi Kft has a share capital of 3.000.000 Hungary Forint ("HUF") in which the Company has a share of 2.100.000 HUF (%70). The other shares belong to Çelebi Holding A.Ş which is also the shareholder of the Company. Since the subsidiary's operating volume, total revenues and total assets are low, it has not been consolidated in the interim financial statements for the nine month period ended 30 September 2006 and rather disclosed as Available for Sale financial asset.

NOTE 2 - BASIS OF PRESENTATION

2.1 Accounting policies

The consolidated interim financial statements of the Group have been prepared in accordance with accounting and reporting principles published by the Capital Markets Board ("CMB"), namely "CMB Accounting Standards". The CMB published a comprehensive set of accounting principles in Communiqué No: XI-25 "The Accounting Standards in the Capital Markets". In the aforementioned communiqué, it has been stated that applying the International Financial Reporting Standards "IFRS" issued by the International Accounting Standards Board ("IASB") is accepted as an alternative to conform to the CMB Accounting Standards.

With the decision taken on 17 March 2005, the CMB has announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with CMB Accounting Standards. Accordingly, the Company did not apply IAS 29 "Financial Reporting in Hyperinflationary Economies" issued by the IASB in its financial statements for the accounting periods starting 1 January 2005. The consolidated financial statements and the related notes have been prepared in accordance with the alternative method mentioned above and presented in accordance with the formats required by the CMB with the announcement dated 20 December 2004.

The consolidated financial statements are prepared in New Turkish lira ("YTL") based on the historical cost conversion except for the financial assets and liabilities which are expressed with their fair values.

2.2 Adjustments on Balance Sheet Items for Hyperinflationary Periods

Inflation adjustment was not performed for the periods 1 January-30 September 2006 and 2005.

2.3 Consolidation Principles

The consolidated interim financial statements have been prepared based on explanations mentioned in the paragraphs (a) to (c) and the accounts of the Company, Çelebi Hava Servisi A.Ş, subsidiaries and joint ventures prepared based on paragraphs (a) and (b). The financial statements of the companies included in the scope of consolidation and prepared according to the historical cost method have been prepared as of the date of the consolidated financial statements with adjustments and reclassifications for the purpose of fair presentation in accordance with CMB Accounting Standards and the application of uniform accounting policies and presentation.

a) Subsidiaries are companies over which the Company has the power to control the financial and operating policies, either (a) through the power to exercise more than %50 of voting rights relating to shares in the companies as a result of ownership interest owned directly and indirectly by itself, or (b) although not having the power to exercise more than %50 of the ownership interest, the power to exercise control over financial and operating policies.

The balance sheets and statements of income of the Subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by the Company and its Subsidiaries eliminated against the related shareholders' equity. Intercompany transactions and balances between the Company and its Subsidiaries are eliminated during the consolidation. The cost of, and the dividends arising from, shares held by the Company in its Subsidiaries are eliminated from shareholders' equity and income for the period, respectively.

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 2 - BASIS OF PRESENTATION (Continued)

The Subsidiaries and their ownership included in the consolidation as of 30 September 2006 are as follows:

	Direct/Indirect control of the Company (%) 30 September 2006	Direct/Indirect control of the Company (%) 31 December 2005
Çelebi Güvenlik (*)	%94,8	%94,8

(*) Çelebi Güvenlik was classified as an available-for-sale financial asset in the consolidated financial statements until 30 June 2005 due to the small size of its assets, revenue and operations. However, taking into consideration the development in operating size of Çelebi Güvenlik and the increase in its revenue, it has been included for the first time in the consolidated financial statements for the nine-month period ended 30 September 2005. Çelebi Güvenlik is included in the consolidated interim financial statements for the nine-month period ended 30 September 2006.

b) Joint ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by Çelebi Hava Servisi and one or more other parties. The Group's interest in joint ventures is accounted for by way of proportionate consolidation. According to this method, the Group includes its share of the assets, liabilities, income and expenses of each joint venture in the relevant components of the financial statements. Çelebi IC is a %49,99 participation of the Company jointly managed by the other shareholders of Çelebi IC.

c) The minority shares in the net assets and operating results of Subsidiaries are separately classified in the consolidated balance sheets and statements of income as "minority interest".

2.4 Comparatives and restatement of prior periods' financial statements

Where necessary, comparative figures have been reclassified to conform to changes in presentation of the current year's consolidated financial statements.

Consolidated interim financial statements for the nine-month period ended 30 September 2005 were restated due to the correction in the provision of employment termination benefits. After the restatement, net profit for the period 30 September 2005 has changed from YTL 30.720.890 to YTL 31.669.003, provision for the employment termination benefits has changed from YTL 6.287.764 to YTL 3.644.137, and deferred tax liability (net) for the period has changed from YTL 4.228.653 to YTL 5.021.741.

The Group has reclassified the build-operate-transfer investment at Çelebi IC under intangible assets in the consolidated financial statements as at 31 March 2006 whereas it was booked under tangible fixed assets at 31 December 2005; the net book value of the investment is YTL 58.129.276 as of 30 September 2006.

NOTE 2 - BASIS OF PRESENTATION (Continued)

According to the contract and bid specifications related to the construction, management and transfer of Antalya Airport 2nd international terminal signed between DHMI and Çelebi IC, DHMI has guaranteed foreign passenger income of US Dollars ("USD") 15 per up to 2.277.472 passengers (2005: 2.211.138) to Çelebi IC. After reaching the guaranteed passenger number in one operating year, the entire passenger income will be transferred to the DHMI. The foreign passenger income to be transferred to DHMI has been offsetted between sales and cost of sales in interim consolidated financial statements for the period ended 30 September 2005 and 2006. As a result of offsetting, net sales and cost of sales of the Group that had been reported in interim consolidated financial statements for the nine month period ended 30 September 2005 has been restated from YTL 165.488.378 to YTL 150.622.390 and from YTL 115.900.751 to YTL 101.034.763, respectively. As of 30 September 2006, offsetting amount between sales and cost of sales is YTL 8.160.070.

2.5 Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or when the acquisition of the assets and settlement of the liabilities are concurrent.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated financial statements are summarised below:

3.1 Revenue recognition

Revenues are the invoiced values of trading goods sold and services given. Revenues are recognised on an accrual basis at the time the Group sells a product to the customer, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group at the fair value of considerations received or receivable. Net sales represent the invoiced value of trading goods sold and services given less sales returns, discount and commissions (Note 36). Rent incomes are recorded on accrual basis, while interest incomes are recorded on

effective interest yield method basis. Dividend incomes are recorded as income as of the collection right transfer date.

Passenger service income is recognised on an accrual basis, invoiced over amounts determined per traveller with reference to the service contracts to the airport firms or their representatives for the services rendered to the passengers going abroad from the terminal. In accordance with the "Antalya Airport 2nd International Terminal construction, management and transfer agreement" signed between Çelebi IC and DHMI and also with the conditions of the contract, the DHMI committed to foreign lines service revenue of 2.277.472 (2005: 2.211.138) passengers and agreed USD15 per person as the foreign line passenger service price. After reaching the guaranteed passenger number in one operating year, the entire passenger income will be transferred to the DHMI.

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Inventories

Inventories are valued at the lower of cost, or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. Cost elements included in inventories are cost of purchases, cost of conversion and other costs for maintenance. Stocks are valued with the moving average cost method (Note 12).

3.3 Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation, restated to equivalent purchasing power at 31 December 2004 for the items purchased before 1 January 2005 and stated at cost less depreciation for the items purchased after 1 January 2005. Depreciation is provided on restated amounts of property, plant and equipment using the straight-line method based on the estimated useful lives of the assets(Note 19).

The depreciation periods for property and equipment, which approximate the economic useful lives of assets concerned, are as follows:

Machinery and equipment	5-20 years
Vehicles	5 years
Furniture and fixtures	5 years
Leasehold improvements	5-15 years
Software	5 years

Where the carrying amount of the asset is greater than its recoverable amount, it is written down immediately to its recoverable amount. Revenue and losses due to fixed asset disposals are calculated over restated fixed asset balances and recorded in profit and loss accounts.

Expenses for repair and maintenance of property, plant and equipment are normally charged to the statement of income. They are, however, capitalised in exceptional cases if they result in an enlargement or substantial improvement of the respective assets and amortised based on the remaining useful life of the fixed asset.

3.4 Intangible assets

Intangible assets comprise computer programmers, information systems and rights. They are stated at cost less amortisation, restated to equivalent purchasing power at 31 December 2004 for the items purchased before 1 January 2005 and stated at cost less amortisation for the items purchased after 1 January 2005. Amortisation is calculated using the straight-line method over a period not exceeding five years (Note 20).

Where an indication of impairment exists, the carrying amount of any intangible assets is assessed and written down immediately to its recoverable amount (Note 20).

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Company has reclassified the build-operate-transfer investment at Çelebi IC under intangible assets in the consolidated financial statements at 30 Septermber 2006 while the investment was first reclassified at the consolidated interim financial statements as of 31 March 2006. The Company booked the build-operate-transfer investment under tangible fixed assets at 31 December 2005. The amortisation of the leasehold improvements related with the construction of the terminal has been conducted using the straight-line method based on the operation of the terminal for 54 months.

Borrowing costs that are directly attributable to the build-operate-transfer investment are capitalised as part of the cost of that asset, if the amount of costs can be measured reliably and it is probable that the economic benefits associated with the qualifying asset will flow to the Group.

3.5 Impairment of assets

The Company assesses at each reporting date whether there is any indication that an asset, except for a deferred tax asset is impaired (Note 3.22 and Note 14). If any such indication exists, the recoverable amount of the asset is estimated. Impairment is recognised in the income statement as expense.

An impairment loss recognised in prior periods for an asset is reversed, not exceeding the previously recognised impairment loss amount, if there is a subsequent increase in the recoverable amount due to an event the occurance of since the last impairment loss was recognised.

3.6 Borrowing costs

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. They are stated at amortised cost using the effective interest yield method; any difference between proceeds (except cost of operation) and the redemption value is recognised in the income statement over the period of the borrowings. Financial expenses related with borrowings are recorded in the consolidated income statement when realised (Note 39). The difference between the total amount of the borrowing (minus the transaction fees) and that at the repayment date is recorded in the consolidated income statement during the period the borrowing is effective.

3.7 Financial assets

Financial assets are classified based on the intent of the investment. Group management determines the appropriate classification of its financial assets at the time of the purchase and re-evaluates such designations on a regular basis. The Group classifies its financial assets as below:

a) <u>Borrowings and receivables</u>

Credits and receivables comprise non-derivative financials assets which are not quoted in an active market, and which comprise of fixed or certain payments. Credits and receivables arise when they are not held-for-trading, and when the Company supplies money, goods and services to a debtor directly. If their maturities are 12 months shorter than the balance sheet date, they are recognised in current assets, if more than that, they are recognised in non-current assets. Credits and receivables are included in the trade receivables (Note 3.16) and other receivables in the balance sheet. Credits and receivables are recognised over values after deducting the transaction costs of the related amounts. Credits and receivables are recognised afterwards over the cost value discounted by the effective interest yield method.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Available-for-sale assets

Financial instruments held for an indefinite period, and which can be sold to meet liquidity requirements, or changes in the interest rates, and which are not subject to other classifications are classified as available-for-sale assets. These are included in non-current assets if management does not plan to hold the financial asset for a period of less than 12 months, and if no need will arise to increase operating capital (otherwise it is included in the current assets). Group management classifies these financial instruments when they are acquired, and reviews classifications regularly.

All the financial investments are recognised over the cost values including the reasonable value, and acquisition costs related to the investment. The Group values the available-for-sale assets at the balance sheet date over the reasonable value and accounts for the arising reasonable value differences under equity capital (Note 16). The Group accounts for the losses and gains related to available-for-sale assets under equity capital directly until these assets are removed from the financial statements. Negative differences between the acquisition cost of available for sale assets, and their reasonable values are related to the consolidated financial statements if differences are permanent.

3.8 Mergers and acquisitions

None (2005: None).

3.9 Foreign exchange rate risk

Income and expenses arising in foreign currencies have been translated into YTL at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into YTL at the exchange rates prevailing at the balance sheet dates. Exchange gains or losses arising from settlement and translation of foreign currency items have been included in the statements of income. Foreign currency non-monetary items which are carried with costs are translated into YTL at the exchange rates prevailing at the purchase dates.

3.10 Earnings per share

Earnings per share disclosed in the consolidated statements of income are determined by dividing net profit by the weighted average number of shares that have been outstanding during the period concerned (Note 42).

Companies can increase their share capital by making a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings in Turkey. For the purpose of earnings per share computations, such bonus share issuances are regarded as issued shares. Accordingly the weighted average number of shares used in earnings per share computations is derived by giving retroactive effect to the issuances of the shares without consideration.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 Subsequent events

Provisions are made when there is current legal or valid liability as a result of past transaction, it is probable that there will be outflow of cash, and a reliable estimate can be made of this amount (Note 34).

Possible assets or obligations arising at subsequent balance sheet dates that require correction in the financial statements will be corrected accordingly and assets and obligations arising subsequently which do not require correction to the financial statements but will possibly affect the economic decisions of the financial statement users will be disclosed under notes to the financial statements.

3.12 Provisions, contingent assets and liabilities

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company will be disclosed in financial statement notes. They are not included in financial tables and treated as contingent assets or liabilities.

Provisions are reflected with their discounted values with a pre-tax discount ratio that converts expected expenses to today's market values in cases when the historical value of money gains importance. Market interest rates and the risk for the provision are considered to determine the discount rate for the calculation of the present value of provisions. A discount rate should be applied before the tax rate and discount values should not include future cash flow risks.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company are not included in financial tables and treated as contingent assets or liabilities(Note 31).

3.13 Changes and errors in the accounting policies and estimates

Significant changes and errors in the accounting policies are adjusted retrospectively and previous period's financial statements are prepared accordingly. Significant changes in accounting policy estimates are adjusted in the period in which the changes have occurred if the changes are related to only one period. If the estimated changes have effects on the prospective periods, they are adjusted in the period in which the changes have occurred and in the prospective periods.

3.14 Leases

Finance leases

Assets acquired under finance lease agreements are capitalised at the inception of the lease at the fair value of the leased asset, net of grants and tax credits receivable, or at the present value of the lease payment, whichever is the lower. Principal lease payments are treated as comprising of capital and interest elements, the capital element is treated as reducing the capitalised obligation under the lease and the interest element is charged to the consolidated income statement as loss. Depreciation on the relevant asset is also charged to the statement of income over its useful life (Note 8).

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating leases

Leases, where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

3.15 Related parties

For the purpose of these financial statements, shareholders, key management personnel and board members, in each case together with their families and companies controlled by or affiliated with them, investments, associated companies and joint venture partners are considered and referred to as related parties (Note 9).

3.16 Trade receivables and provision for doubtful receivables

Trade receivables that are originated by the Company by way of providing goods or services directly to a debtor are carried at amortised cost using the effective yield method. Short-term trade receivables with no stated interest rate are measured at original invoice amount unless the effect of imputing interest is significant (Note 7).

A credit risk provision for trade receivables is established if there is objective evidence that the Company will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other operating income.

3.17 Segment reporting

The Group operates in handling services, airport security services and airport construction and management . Financial information related with these service lines are reported according to these segments. (Not 33).

The first format type identified by the Group for segment reporting is industrial sections. Industrial sections includes operations or assets which are different to services or products served by other sevice areas of the Group from a risk and advantage view.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Geographic segment reporting was not performed as the Group delivers products and services in geographical areas that are affected by economic environments with risk and advantages of a similar nature.

3.18 Construction agreements

None (2005: None).

3.19 Discontinued operations

None (2005: None).

3.20 Government grants and incentives

Government grants, including non-monetary grants at fair value, are not recognised until there is reasonable assurance that the entity will comply with the conditions attached to them and that the grants will be received (Note 30).

3.21 Investment properties

None (2005: None).

3.22 Taxes on income

Taxes on income included in the statement of income comprise of current and deferred tax (Note 14 and Note 41). Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of prior years.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. Currently enacted tax rates are used to determine deferred income tax.

Deferred tax liabilities are recognised for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilised. Deferred tax asset is booked where there is a probability that a tax advantage can be gained in future periods. This asset is removed from the related asset where there is no probability of utilising this asset.

3.23 Employment termination benefits

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee whose employment is terminated without due cause, is called up for military service, or dies. Employment termination benefits represent the present value of the estimated total reserve of the future probable obligation of the Company arising from the retirement of the employees calculated in accordance with the Turkish Labour Law(Note 23).

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.24 Retirement plans

None (2005: None).

3.25 Agricultural operations

None (2005: None).

3.26 Reporting of cash flows

Cash flows related to the period are reported and classified according to operating, investment and financial activities.

Cash flows resulting from operating activities indicate cash flows resulting from the Group's handling and airport construction and management operations.

Cash flows from investment operations indicate cash flows acquired and used in the Group's investment activities (fixed investment and financial investment).

Cash flows from financial operations indicate sources used in financial activities of the Group and repayments thereof.

Cash and cash equivalents include cash and banks.

3.27 Purchase and resale agreements ("Reverse Repo")

None (2005: None).

3.28 Share capital and dividends

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared. Dividend receivables are accounted for income at the date dividend collection is eligible.

3.29 Financial instruments and financial risk management

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Risk management is carried out under policies approved by their Boards of Directors.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest rate risk

The Company is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities.

Funding risk

The ability to fund the existing and prospective debt requirements is managed by maintaining the availability of adequate committed funding lines from high quality lenders.

Receivable risk

Financial assets are exposed to the risk of not obeying a contract by the third party. This risk is monitored through restricting the risk of the third party (except related parties) for each contract and receiving guarantee letters if needed.

Currency risk

The Company is exposed to foreign exchange risk through the impact of rate changes in the translation of foreign currency denominated liabilities to local currency. These risks are monitored and limited by the analysis of foreign currency position (Note 29).

Fair value of financial instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realise in a current market exchange.

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

Monetary assets

The fair values of balances denominated in foreign currencies, which are translated at period-end exchange rates, are considered to approximate carrying value.

The fair values of certain financial assets carried at cost, including cash and cash equivalents are considered to approximate their respective carrying values due to their short-term nature.

The carrying value of trade receivables along with the related allowances for uncollectibility is estimated to be their fair values.

The fair values of financial assets not quoted on the market are determined through the application of generally accepted valuation techniques or by their historical costs after impairment losses are deducted.

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Monetary liabilities

The fair values of short-term bank borrowings and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature.

Long-term borrowings, which are denominated in foreign currencies, are translated at period-end exchange rates and accordingly their carrying amounts approximate their fair values.

Trading liabilities have been estimated at their fair values.

3.30 Important accounting estimates, assumptions

The preparation of financial statements necessitates the use of estimates and assumptions that affect asset and liability amounts reported as of the balance sheet date, explanations of contingent liabilities and assets; and income and expense amounts reported for the accounting period. Although these estimates and assumptions are based on all management information related to the events and transactions, actual results may differ from them.

NOTE 4 - CASH AND CASH EQUIVALENTS

		30 September 2006		31 December 2005
Cash		73.105		26.318
Banks				
-time deposits		78.326.597		38.687.695
-USD	42.924.408		8.922.168	
-Euro	29.130.335		21.474.504	
- YTL	6.271.854		8.291.023	
-demand deposits		2.473.051		7.290.629
-USD	683.736		3.582.244	
- Euro	1.371.416		3.221.996	
- YTL	375.976		443.018	
- GBP	41.923		43.371	
Other liquid assets		7.677		220.000
		80.880.430		**46.224.642**

Average effective interest rates for YTL, EUR and USD time deposits are %16,63-20,00, %1,56-3,40 and %2,69-5,90, respectively as of 30 September 2006 (31 December 2005: YTL %12,83-15,00, USD %1,20–3,80 and Euro %2,17-4,25). Periods for time deposits are 1-90 days as of 30 September 2006.(31 December 2005: YTL 2-31 days, USD 2-17 days and Euro 2-51 days).

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 5 - MARKETABLE SECURITIES

The classification of marketable securities are as follows:

	30 September 2006	31 December 2005
Treasury Bills and Government Bonds		
Liquid Mutual Fund	502.865	-
	502.865	**-**

NOTE 6 - FINANCIAL LIABILITIES

		30 September 2006	
	Yearly effective average interest rate (%)	Original amount	YTL
Short-term borrowings			
Short-term borrowings			
YTL borrowings		11.907	11.907
			11.907
Short-term portion of long-term borrowings			
Interest expense accrual		1.974.415	2.955.896
USD borrowings	Libor+%2,9-%5,5	21.506.584	32.197.507
			35.153.403
Long-term borrowings			
USD borrowings	Libor+%2,9-%5,5	33.259.877	49.793.361
			49.793.361

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 6 - FINANCIAL LIABILITIES (Continued)

		31 December 2005	
	Yearly effective average interest rate (%)	**Original amount**	**YTL**
Short-term borrowings			
Short-term bank borrowings			
YTL borrowings	-	697	697
EUR borrowings	%3,2	1.999.760	3.174.619
USD borrowings	%5,5	1.000.000	1.341.800
			4.517.116
Short-term portion of long-term borrowings			
Interest accrual-Euro	-	81.111	128.764
Interest accrual-USD	-	1.668.504	2.238.799
USD borrowings	Libor+%2,9-%5,5	21.506.584	28.857.535
			31.225.098
Long-term borrowings			
USD borrowings	Libor+%2,9-%5,5	44.513.169	59.727.770
			59.727.770

The redemption schedule of the long-term bank borrowings as of 30 September 2006 and 31 December 2005 is as follows:

	30 September 2006	31 December 2005
2007	15.350.205	28.857.535
2008	32.197.506	28.857.535
2009 and over	2.245.650	2.012.700
	49.793.361	**59.727.770**

The borrowings amounting to USD36.433.128 comprise of the loans used by the joint venture of the Company Çelebi IC in the terminal construction as of 30 September 2006. The maturities of the loans which do not have to be repaid in the first two years range from 3,5-4 years; repayment began on April 2006 and will be realized through six monthly equal instalments.

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

	30 September 2006	31 December 2005
Short-term trade receivables		
Trade receivables	23.494.765	11.679.500
Notes receivable	1.303	-
Deposits and guarantees given	15.318	7.833
Doubtful receivables	2.418.211	2.418.211
	25.929.597	**14.105.544**
Less: Provision for doubtful receivables	(2.418.211)	(2.418.211)
Less: Unearned financial income from credit sales	(64.487)	(372.218)
	23.446.899	**11.315.115**

Yearly effective interest rates for trade receivables as of 30 September 2006 for the YTL, USD and Euro respectively are %13,00, %5,31 and %3,26, respectively(31 December 2005: %13,09, %4,32 and %2,37).

Movements of the provision for doubtful receivables for the years ended 30 September 2006 and 31 December 2005 are as follows:

	30 September 2006	31 December 2005
Opening balance	2.418.211	2.387.471
Additions/ (disposals)	-	30.740
Ending balance	**2.418.211**	**2.418.211**

	30 September 2006	31 December 2005
Short-term trade payables		
Trade payables	5.191.870	7.157.646
Notes payable	1.301.762	-
	6.493.632	**7.157.646**
Less: Unearned credit finance charges	(11.059)	(92.903)
	6.482.573	**7.064.743**

Average weighted effective interest rates for accruals not calculated for short-term trade receivables as of 30 September 2006 for USD, Euro, GBP and YTL are %4,45, %3,24, %4,96 and %10,35 respectively (31 December 2005: %4,32, %2,37, %4,32 and %13,09).

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 7 - TRADE RECEIVABLES AND PAYABLES (Continued)

	30 September 2006	31 December 2005
Long-term trade payables		
Deposits and guarantees received	2.993	2.934
	2.993	**2.934**

NOTE 8 - FINANCIAL LEASING RECEIVABLES AND PAYABLES

	30 September 2006			31 December 2005		
	Minimum lease payments	Interest	Total Obligation	Minimum lease payments	Interest	Total Obligation
Less than 1 year	277.146	(7.543)	269.603	658.559	(36.356)	622.203
1 to 2 years	28.538	(28.538)	-	95.322	(2.488)	92.834
2 to 3 years	311	(311)	-	25.578	(25.578)	-
4 years and more	510	(510)	-	736	(736)	-
	306.505	**(36.902)**	**269.603**	**780.195**	**(65.158)**	**715.037**

NOTE 9 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Amounts due from and due to related parties during periods and a summary of major transactions with related parties during the period are as follows:

	30 September 2006	31 December 2005
Due from related parties		
Çelebi-IC Hava Terminali İşletme ve Ticaret A.Ş.	41.678	2.801.684
Çelebi Holding A.Ş.		10.730
Çelebi Hizmet Restorant İşletmeleri ve Gıda Turizm İnşaat Sanayi ve Ticaret A.Ş.		84
Çelebi Kft	1.114	
	42.792	**2.812.498**
Less: Unearned financial income from sales on credit terms	(3)	(16.205)
	42.789	**2.796.293**

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 9 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES(Continued)

	30 September 2006	31 December 2005
Due to related parties		
Çe-Tur Çelebi Turizm Ticaret A.Ş.	1.141.600	352.680
Çelebi Holding A.Ş. (*)	1.056.820	-
Shareholders	883	2.276
	2.199.303	**354.956**
Less: Unincurred financial expense from purchase on credit terms	(283)	(5.289)
	2.199.020	**349.667**

	30 September 2006	31 December 2005
Due from joint ventures		
Çelebi IC Antalya Havalimanı Terminal Yatırım ve İşletme A.Ş.	285.705	393.870
	285.705	**393.870**
Less: Unearned financial income from sales on credit terms	(18)	(1.777)
	285.687	**392.093**

(*) YTL 846.624 portion of due to Çelebi Holding consists of invoices issued for the Company and Çelebi Güvenlik as contributions to holding expenses.

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 9 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

	2006		2005	
	1 January-30 September	1 July-30 September	1 January-30 September	1 July-30 September
Sales to related parties				
Çelebi IC Hava Terminali İşletme ve Ticaret A.Ş.	304.783	105.730		-
Çelebi Holding A.Ş.	12.983	4.525	51.033	15.739
Çe-Tur Çelebi Turizm Ticaret A.Ş.	2.978	101	25.152	-
Çelebi Hizmet Restorant İşletmeleri ve Gıda Turizm İnşaat Sanayi ve Ticaret A.Ş.	664	-	-	-
Çelebi Hizmet Gıda İşletmeleri Turizm Sanayi ve Ticaret A.Ş.	629	-	-	-
	322.037	**110.356**	**76.185**	**15.739**

	2006		2005	
	1 January-30 September	1 July-30 September	1 January-30 September	1 July-30 September
Sales to joint ventures				
Çelebi IC Antalya Havalimanı Terminal Yatırım ve İşletme A.Ş.	2.244.947	828.304	1.645.260	1.645.260
	2.244.947	**828.304**	**1.645.260**	**1.645.260**

	2006		2005	
	1 January-30 September	1 July-30 September	1 January-30 September	1 July-30 September
Rent income from related parties				
Çelebi IC Hava Terminali İşletme ve Ticaret A.Ş.	16.182.958	5.984.182	10.198.766	8.361.332
	16.182.958	**5.984.182**	**10.198.766**	**8.361.332**

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 9 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

	2006		2005	
	1 January-30 September	1 July-30 September	1 January-30 September	1 July-30 September
Transportation expenses to related parties				
Çe-Tur Çelebi Turizm Ticaret A.Ş.	3.239.044	1.256.969	3.040.802	1.106.141
	3.239.044	**1.256.969**	**3.040.802**	**1.106.141**

	2006		2005	
	1 January-30 September	1 July-30 September	1 January-30 September	1 July-30 September
Contribution to holding expenses (**)				
Çelebi Holding A.Ş.	6.384.780	2.345.824	5.111.277	2.766.452
	6.384.780	**2.345.824**	**5.111.277**	**2.766.452**

	2006		2005	
	1 January-30 September	1 July-30 September	1 January-30 September	1 July-30 September
General expenses contribution income from related companies (***)				
Çelebi IC Hava Terminali İşletme ve Ticaret A.Ş.	3.236.592	1.196.837	2.039.753	545.379
	3.236.592	**1.196.837**	**2.039.753**	**545.379**

	2006		2005	
	1 January-30 September	1 July-30 September	1 January-30 September	1 July-30 September
Other purchases from related parties (****)				
Çe-Tur Çelebi Turizm Ticaret.A.Ş.	1.259.211	248.299	981.381	411.504
Çelebi Holding A.Ş.	254.161	88.400	156.909	94.249
Çelebi- IC Hava Terminali İşletme ve Ticaret A.Ş.	152.013	152.013	-	
Çelebi Hizmet Restorant İşletmeleri ve Gıda Turizm İnşaat Sanayi ve Ticaret A.Ş.			7.537	-
Çelebi Hizmet Gıda İşletmeleri Turizm Sanayi ve Ticaret A.Ş.	5.403	-	1.898	-
	1.670.788	**488.712**	**1.147.725**	**505.753**

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 9 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

	2006		2005	
	1 January-30 September	1 July-30 September	1 January-30 September	1 July-30 September
Other purchases from joint ventures				
Çelebi IC Antalya Havalimanı Terminal Yatırım ve İşletme A.Ş.	297.393	129.818	429.925	243.945
	297.393	**129.818**	**429.925**	**243.945**

	2006		2005	
	1 January-30 September	1 July-30 September	1 January-30 September	1 July-30 September
Fixed asset purchases from related parties				
Çelebi Holding A.Ş.	75.882	16.945	14.200	14.200
Çelebi Hizmet Restorant İşletmeleri ve Gıda Turizm İnşaat Sanayi ve Ticaret A.Ş.	-	-	16.422	-
	75.882	**16.945**	**30.622**	**14.200**

(**) Contribution paid to Çelebi Holding A.S for services (legal counselling, financial consultancy and human resource consultancy) provided to Çelebi Hava Servisi and Çelebi Güvenlik by Çelebi Holding A.Ş. These expenses have been consistently incurred between periods and participations in Çelebi Holding A.Ş, in the consideration of criteria such as staff number, company turnover and asset size.

(***) Contribution income comprises of rental income from offices and locations leased to Çelebi IC Hava Terminali İşletme ve Ticaret A.Ş. in accordance with the agreement and management plans and contributions to commonly used electricity, heating and other expenses incurred within the terminal.

(****) Other purchases include vehicle rent, organisational cost and other expenses.

Guarantees given to related parties as of 30 September 2006 and 31 December 2005 are detailed below:

	30 September 2006		31 December 2005	
	USD	YTL	USD	YTL
Çelebi Holding A.Ş.	2.000.000	5.300.000	2.000.000	970.000
Çelebi IC (*)	45.154.400	-	45.154.400	-

(*) Çelebi IC signed an agreement for the borrowings amounting to USD 90.308.800 (2005: USD 90.308.800). The Company gave a guarantee for %50 of these borrowings.

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 9 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Remuneration paid to top management:

	2006		2005	
	1 January-30 September	1 July-30 September	1 January-30 September	1 July-30 September
Remuneration paid to top management	3.785.512	1.063.963	1.884.277	724.398
	3.785.512	**1.063.963**	**1.884.277**	**724.398**

NOTE 10 - OTHER RECEIVABLES AND LIABILITIES

	30 September 2006	31 December 2005
Other short-term receivables		
Value-added tax ("VAT") to be refunded	899.919	676.713
Interest income accruals	298.318	90.477
Advances given to personnel	180.343	85.978
Advances given to suppliers	135.931	237.045
Taxes receivable from tax office	44.135	-
Other miscellaneous receivables	19.024	13.753
	1.577.670	**1.103.966**

NOTE 11 - BIOLOGICAL ASSETS

None (31 December 2005: None).

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 12 - INVENTORIES

	30 September 2006	31 December 2005
Trade goods	309.426	337.586
Other inventories	2.609.430	1.307.764
Order advances given	35.688	355
	2.954.544	**1.645.705**

Other inventories include fuel oil, baggage sticker, boarding passes, various periodicals, clothes and spare parts.

NOTE 13 - BALANCES RELATED TO CONSTRUCTION CONTRACTS

None (31 December 2005: None).

NOTE 14 - DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between their financial statements as reported for CMB Communiqué purposes and its statutory tax financial statements.

Deferred income taxes will be calculated on temporary differences that are expected to be realized or settled based on the taxable income in coming years under the liability method using a principal tax rate of %20 (2005: %30). However, Çelebi IC has considered the expenses related to the build-operate-transfer terminal investment as deduction from the corporate income tax base since it is an investment incentive. As a result, it is forecasted that the corporate tax rate applied on the income generated by Çelebi IC is %30. Since the investment incentive is not foreseen to be utilised in 2007, the Company has calculated deferred tax assets and liabilities over %30 from the temporary differences that will be realised in 2006 and over %20 from temporary differences which indicates of tangible and intangible assets after 31 December 2006 and from employment termination benefits. Temporary differences arising from tangible and intangible assets until 31 December 2006 and temporary differences that will be arisen after 31 December 2006 are presented separately in the table below which indicates deferred tax assets and liabilities.

The breakdown of cumulative temporary differences and the resulting deferred tax assets/(liabilities) provided at 30 September 2006 and 31 December 2005 using the enacted future tax rates is as follows:

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 14 - DEFERRED TAX ASSETS AND LIABILITIES (Continued)

	Cumulative taxable temporary differences		Deferred tax assets/liabilities	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005
Provision for doubtful receivables	(49.781)	(49.781)	9.956	14.934
Unincurred financial expenses	(58.346)	(354.051)	11.669	106.213
Personnel bonus accrual	(208.534)	(294.768)	41.707	88.431
Provision for vacation pay	(1.425.902)	(921.851)	285.180	276.555
Accrued sales commissions	(1.975.590)	(1.231.390)	395.118	369.417
Provision for employment termination benefits	(3.184.871)	(3.408.395)	636.974	1.022.518
Net difference between the tax base and carrying amount of property plant and equipment and intangible assets	37.514.091	39.204.004	(7.502.818)	(11.761.201)
Unearned financial income	16.886	320.001	(3.376)	(96.000)
Other	-	402	-	(121)
Net deferred tax liability			**(6.125.590)**	**(9.979.254)**
Investment incentive	(2.689.553)	(19.987.758)	806.866	5.996.327
Unincurred financial expenses	(6.161)	(36.148)	1.848	10.846
Personnel bonus accrual	(125.698)	(106.479)	37.709	31.944
Provision for vacation pay	(188.627)	(88.780)	39.197	26.634
Provision for employment termination benefits	(22.914)	(72.180)	4.583	21.654
Non-deductible financial losses	-	(48.154)	-	14.446
Net difference between the tax base and carrying amount of property plant and equipment and intangible assets until 31 December 2006	585.877	2.114.243	(169.228)	(634.271)
Net difference between the tax base and carrying amount of property plant and equipment and intangible assets after 31 December 2006	1.334.118	-	(266.824)	-
Unearned financial income	2.098	186.677	(629)	(55.999)
Other	2.561	(182.801)	(768)	54.840
Net deferred tax asset			**452.754**	**5.466.421**

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 14 - DEFERRED TAX ASSETS AND LIABILITIES (Continued)

Deferred tax movement table is indicated below:

	2006	2005
1 January	**(4.512.833)**	**(8.019.435)**
Current period deferred tax income/(expense) (Note 41)	(1.160.003)	2.997.694
30 September	**(5.672.836)**	**(5.021.741)**

NOTE 15 - OTHER CURRENT/NON-CURRENT ASSETS AND OTHER CURRENT/NON-CURRENT LIABILITIES

	30 September 2006	31 December 2005
Other Current Assets		
Prepaid expenses	2.092.941	1.331.347
Prepaid taxes and funds	130.112	145.386
Transferred VAT	-	85.375
Corporate tax receivable	-	285.480
	2.223.053	**1.847.588**

	30 September 2006	31 December 2005
Other Non-Current Assets		
Prepaid expenses	118.862	24.750
Deposits and guarantees given	448	402
	119.310	**25.152**

	30 September 2006	31 December 2005
Other Short-Term Liabilities		
Corporate tax payable (Note 41)	3.971.363	-
Wages and salaries payable	3.095.378	2.075.061
Social security payables	2.974.694	1.067.601
Taxes and funds payable	995.778	962.886
Deferred Income	340.861	287.277
Bonus payable	125.698	401.248
Other miscellaneous liabilities	48.914	43.281
	11.552.686	**4.837.354**

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 16 - FINANCIAL ASSETS

	30 September 2006	31 December 2005
Çelebi Kft	14.307	-
	14.307	**-**

Çelebi Kft has been established on 22 September 2006 at Budapest, Hungary by the Company and Çelebi Holding A.Ş; the shareholder of the Company, in which the Company and Çelebi Holding A.Ş. have %70 and %30 share, respectively, upon the winning of the tender offer opened on 7 August 2006 in order to realize the share transfer of BAGH Company that provides ground handling services at Budapest Airport from Ba Zrt Company. Çelebi Kft has not been consolidated in the interim financial statements as at 30 September 2006 since its operation volume, total revenues and total asset size are low and will not materially affect the financial statements of the Group.

NOTE 17 - POSITIVE/NEGATIVE GOODWILL

None (2005: None).

NOTE 18 - INVESTMENT PROPERTY

None (2005: None).

NOTE 19 - PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment for the year ended 30 September 2006 are as follows:

	1 January 2006	Additions	Disposals	Transfers	30 September 2006
Cost					
Machinery and equipment	113.601.327	4.320.927	(30.048)	-	117.892.206
Vehicles	3.672.552	-	(44.994)	-	3.627.558
Furniture and fixtures	10.469.663	486.693	(451.670)	-	10.504.686
Leasehold improvements (*)	51.249.046	3.157.560	(4.889.384)	-	49.517.222
Construction in progress	-	-	-	-	-
Advances given	243.844	1.288.310	(643.599)	-	888.555
	179.236.432	**9.253.490**	**(6.059.695)**	**-**	**182.430.227**
Accumulated Depreciation					
Machinery and equipment	67.580.896	5.116.646	(3.149)	-	72.694.393
Vehicles	2.824.443	256.704	(46.085)	-	3.035.062
Furniture and fixtures	8.910.341	455.395	(89.099)	-	9.276.637
Leasehold improvements (*)	15.248.111	2.537.846	(956.872)	-	16.829.085
	94.563.791	**8.366.591**	**(1.095.205)**	**-**	**101.835.177**
Net book value	**84.672.641**				**80.595.050**

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 19 - PROPERTY, PLANT AND EQUIPMENT (Continued)

(*)The land plots where the stations were the constructed by Çelebi Hava Servisi A.Ş in the airports within which it operates were rented from DHMI. The station buildings on this land were constructed by the Group and recorded under the tangible assets of the Group as leasehold improvements. As of 30 September 2006 the net book value of these stations was YTL 32.573.855. The lease contract signed by the Group and the DHMI is valid for one year. If no objection arises from any of the parties, the agreement is renewed automatically. The Group amortizes these station buildings over 15 years which corresponds to their economic life. If the DHMI does not renew the lease contract within this period, the Group may have to amortize the relevant leasehold improvements over a shorter period.

The warehouse located at Atatürk Airport Terminal C in which the Company carries out cargo-antrepo operations has been damaged due to the fire broke out on 24 May 2006. As a consequence of the fire, leasehold improvements, whose net book value was YTL 3.932.522 as of 30 June 2006 were written off from accounting records since the DHMI cancelled the rent agreement related to the mentioned warehouse and the leasehold improvements were partially damaged. However, it is not possible to determine the damage to the machinery & equipment and furniture & fixtures in the warehouse at the date of the fire whose net book values are YTL 1.927.421 and YTL 79.441, respectively as of 30 June 2006 and that on the goods of third parties because related expert and insurance specialist reports have not been concluded as yet. Therefore, in interim period provisions have not been made for tangible fixed asstes in consolidated financial statements. The Company has insurance policies including fire risk amounting to USD 2.200.000 for leasehold improvements, USD 1.000.000 in total for machinery & equipment, USD 1.000.000 of which is for general content, USD 600.000 of which is for broken machinery and USD 400.000 of which is for electronic equipment and USD 150.000 for furniture & fixtures. Also, the Company has an insurance policy also covering fire risk amounting to USD 41.000.000 related to the equipment whose net book value is YTL 621.448.

The nine-month depreciation charges for the period ended 30 September 2006 amounting to YTL 1.999.471 and YTL 6.367.120 are included in operating expenses and cost of sales, respectively.

The net book value of financial lease assets in machinery and equipment is YTL 951.829 as of 30 September 2006 (31 December 2005: YTL 1.021.720).

Movements in tangible fixed assets movement for the period ended 30 September 2005 are as follows:

	1 January 2005	Additions	Disposals	Transfers	Impairment	30 September 2005
Costs						
Machinery and equipment	109.917.033	3.611.354	(1.069)	-	-	113.527.318
Vehicles	4.581.039	62.030	(62.086)	-	-	4.580.983
Furniture and fixtures	9.595.976	976.244	(59.698)	-	-	10.512.522
Leasehold improvements (*)	44.845.597	948.764		4.780.524	-	50.574.885
Construction in progress	3.341.331	1.532.135		(4.780.524)	-	92.942
Advances Given	353.535	935.184		-	-	1.288.719
	172.634.511	**8.065.711**	**(122.853)**	**-**	**-**	**180.577.369**

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 19 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	1 January 2005	Additions	Disposals	Transfers	Impairment	30 September 2005
Accumulated depreciation						
Machinery and equipment	61.009.092	4.926.186	(7)	-	-	65.935.271
Vehicles	3.196.490	323.326	(2.047)	-	-	3.517.769
Furniture and fixtures	8.194.398	609.728	(4.838)	-	-	8.799.288
Leasehold improvements (*)	12.023.007	2.362.327	-	-	258,422	14.643.756
	84.422.987	**8.221.567**	**(6.892)**	**-**	**258,422**	**92.896.084**
Net Book value	**88.211.524**					**87.681.285**

(*)Leasehold improvements include stations and other buildings constructed on the rented area of the airports of the DHMI.

NOTE 20 - INTANGIBLE ASSETS

Movements in intangible assets for the period ended 30 September 2006 are as follows:

	1 January 2006	Additions	Disposals	Trasfers	30 September 2006
Costs					
Rights	541.894	710	-	-	542.604
Software	2.111.068	224.112	-		2.335.180
Build-operate-transfer Investment	85.075.985	1.091.872	(117.046)	-	86.050.811
	87.728.947	**1.316.694**	(117.046)	**-**	**88.928.595**
Accumulated depreciation					
Rights	393.143	50.086	-	-	443.229
Software	1.402.296	189.364	-	-	1.591.660
Build-operate-transfer Investment (*)	13.541.259	14.411.996	(31.720)	-	27.921.535
	15.336.698	**14.651.446**	(31.720)	**-**	**29.956.424**
Net book value	**72.392.249**				**58.972.171**

(*) Build-operate-transfer investment the net book value of which is YTL 58.129.276, comprises of the advances and progress payments given to contracting firms which were capitalized as of 30 September 2006 related to the construction of Antalya Airport 2. International Terminal with respect to the terminal building operation and transfer processes between Çelebi IC and DHMI. The Group will depreciate the leasehold improvements related to the terminal building within the operating period of 54 months.

The nine-month depreciation charges for the period ended 30 September 2006 amounting to YTL 50.452 and YTL 14.600.994 are included in operating expenses and cost of sales respectively.

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 20 - INTANGIBLE ASSETS (Continued)

Movements in intangible fixed assets for the period ended 30 September 2005 are as follows

	1 January 2005	Additions	Disposals	Transfers	30 September 2005
Costs					
Rights	1.786	540.110	-	-	541.896
Software	1.763.829	80.064	-	-	1.843.893
Build-operate-transfer Investments	37.071.623	46.483.285	-	-	83.554.908
	38.837.238	**47.103.459**	**-**	**-**	**85.940.697**
Accumulated depreciation			-	-	
Rights	200	379.155	-	-	379.355
Software	1.137.560	177.764	-	-	1.315.324
Build-operate-transfer Investments	211.279	9.199.289	-	-	9.410.568
	1.349.039	**9.756.208**	**-**	**-**	**11.105.247**
Net book value	**37.488.199**				**74.835.450**

Build-operate- transfer investment consists of advances and progress payments given to contracting firms for the construction of Antalya Airport 2. International Terminal, whose 49,99% is owned by the Company, based on the agreement signed between Çelebi IC and DHMI as of 24 February 2004.

NOTE 21 - ADVANCES RECEIVED

	30 September 2006	31 December 2005
Advances received	193.530	48.732
	193.530	**48.732**

NOTE 22 - RETIREMENT PLANS

There are no pension plans other than the provision for employment termination benefits explained in Note 23 - Provisions.

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 23 - PROVISIONS

	30 September 2006	31 December 2005
Short-term provisions		
Accrued sales commissions	1.975.590	1.231.390
DHMI expense provision	7.060.432	-
Provision for vacation pay	1.614.529	1.010.632
Commissions for services given	675.190	-
Financial consultancy expense provision	-	94.461
Other liability provisions	100.219	-
	11.425.960	**2.336.483**

	30 September 2006	31 December 2005
Long-term provisions		
Provision for employment termination benefits	3.191.432	3.480.575
DHMI agreement depreciation provision (*)	5.515.041	1.713.781
	8.706.473	**5.194.356**

(*) DHMI agreement depreciation provision is the amount that will be paid to the DHMI for the depreciation of the fixed assets in the Antalya terminal run by Çelebi IC in the context of the build-operate-transfer investment when the terminal is delivered to the DHMI in 2009. Also according to the related agreement, a guarantee letter is to be given for the depreciation accrued from the ask rate of the USD declared by the Central Bank of Turkish Republic ("CBTR") no later than four months following the year-end. Since the Company's liabilities at period end are in terms of USD, foreign exchange gains or losses that have arisen from the valuation of the guarantee letter under consideration are included in the provision.

Provision for employment termination benefits is booked according to the explanations below:

The amountof indemnity payable consists of one month's salary limited to a maximum of YTL 1.857,15 (31 December 2005: YTL 1.727,15) for each period of service at 30 September 2006.

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

The provision has been calculated by estimating the present value of the future probable obligation of the Company registered in Turkey arising from the retirement of employees.

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 23 – PROVISIONS(Continued)

IFRS requires 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:

	30 September 2006	31 December 2005
Discount rate (%)	5,49	5,49
Turnover rate to estimate the probability of retirement (%)	94,20	93,90

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. Since the Group calculates the reserve for employment termination benefits every six months the maximum amount of YTL 1.857,15 which is effective from 1 July 2006 (1 January 2006: YTL 1.770,62) has been taken into consideration in the calculations.

Movements in the provision for employment termination benefits are as follows:

	30 September 2006	31 December 2005
1 January	3.480.575	4.898.445
Paid during the year	(642.813)	(917.062)
Increase during the year	353.670	(500.808)
30 Seprember	**3.191.432**	**3.480.575**

NOT 24 - MINORITY INTEREST

Changes in the minority interest are as follows:

	30 September 2006	31 December 2005
Beginning balance	52.343	
Increase due to the affiliates included in the consolidation (Çelebi Güvenlik)	-	52.343
Minority loss/profit	37.518	
Ending balance	**89.861**	**52.343**

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 25 - SHARE CAPITAL/INVESTMENT CAPITAL NET OFF

At 30 September 2006, the authorised and paid-in share capital of the Group is YTL 13.500.000 comprising of 1.350.000.000 registered shares with a YKr (TL10.000) face value each (31 December 2005: 1.350.000.000 shares).

At 30 September 2006 and 31 December 2005, the shareholding structure can be summarised as follows:

	Shares (%)	30 September 2006	Shares (%)	31 December 2005
Çelebi Holding A.Ş.	52,69	7.112.250	52,35	7.067.250
Engin Çelebioğlu	10,01	1.351.350	10,01	1.351.350
Can Çelebioğlu	7,49	1.011.650	10,45	1.411.200
Canan Çelebioğlu Tokgöz	7,49	1.011.650	10,45	1.411.200
Other	22,32	3.013.100	16,74	2.259.000
	100,00	**13.500.000**	**100,00**	**13.500.000**

NOTE 26 - CAPITAL RESERVES

The restated amounts of the capital and legal reserves stated as their historical amounts in the consolidated financial statements and the inflation adjustment differences are as follows:

30 September 2006

	Historical Amounts	Restated amounts	Equity inflation adjustment differences
Capital	13.500.000	14.992.722	1.492.722
Legal Reserves	8.455.399	18.395.839	9.940.440
Extraordinary Reserves	27.229.058	27.581.379	352.321
	49.184.457	**60.969.940**	**11.785.483**

31 December 2005

	Historical amounts	Restated amounts	Equity inflation adjustment differences
Capital	13.500.000	14.992.722	1.492.722
Legal Reserves	6.899.658	16.840.098	9.940.440
Extraordinary Reserves	9.829.942	10.182.263	352.321
	30.229.600	**42.015.083**	**11.785.483**

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 27 - PROFIT RESERVES

The historical amounts of profit reserves as of 30 September 2006 and 31 December 2005 are as follows:

	30 September 2006	31 December 2005
Legal Reserves	8.455.399	6.899.658
Extraordinary Reserves	27.229.058	9.829.942
	35.684.457	**16.729.600**

NOTE 28 - RETAINED EARNINGS

Retained earnings as per the statutory financial statements, other than legal reserve requirements, are available for distribution subject to the legal reserve requirement referred to below. The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of %5 per annum, until the total reserve reaches %20 of the Group's paid-in share capital. The second legal reserve is appropriated at the rate of %10 per annum of all cash distributions in excess of %5 of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed %50 of paid-in share capital.

Quoted companies are subject to dividend requirements regulated by the CMB as follows :

Effective from 1 January 2004, the net income computed from the financial statements prepared in accordance with the basis of preparation of financial statements explained in Note 2 in the context of Communiqué No: XI-25 must be distributed in the ratio of a minimum of %30 of total distributable profit. This distribution may be made either as cash, as pro-rata shares on the condition that no less than %30 of profits is distributed, or as a combination of both.

Among the accounts of shareholders' equity resulting from the first financial table arrangement restated for inflation according to Communiqué No XI-25, 'Capital, Emission Premium, Legal Reserves, Statutory Reserves, Special Reserves and Extraordinary Reserves' are shown with booked values on the balance sheet. Restatement differences of these accounts are shown in the "shareholders' equity restatement differences" account in the Shareholders' Equity group.

Equity inflation adjustment differences can only be netted-off against prior years' losses and used as an internal source in capital increases where extraordinary reserves can be netted-off against prior years' losses, or used in the distribution of bonus shares and dividends to shareholders. Additionally, for capital increases made by internal resources, the lower of the amount found by CMB account applications and legal booking amounts should be recorded.
According to the Board of Directors minutes regardings the dividend policy defined for profit distributions in 2006 and the following years in line with decree 4/67 of the Capital Markets Board dated 27 January 2006;

- Starting from 2006 and for the following years, at least %50 of distributable profit will be distributed unless contradicted by the rules and regulations of the Capital Markets Board;

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 28 - RETAINED EARNINGS (Continued)

- Dividends will be distributed either as cash or bonus shares generated through the addition of dividends to the share capital or bonus shares distributed at a specified rate considering investment and financing needs of the Company for long-term growth;

- The Company's dividend policy will be maintained unless there are extraordinary developments in the general economic environment or financing and investment needs of the Company.

The details of retained earnings as of 30 September 2006 and 31 December 2005 are as follows:

	Retained Earnings
31 December 2004 balance	**28.800.160**
Transfer to reserves	(1.634.727)
Transfer from net profit for the year 2004	1.634.727
Adjustment for employment termination benefit (net)	(141.051)
31 December 2005 balance	**28.659.109**
Transfer to reserves	(24.651.560)
Transfer from net profit for the year 2005	31.156.786
Dividends paid	(6.505.226)
30 September 2006 balance	**28.659.109**

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 29 - FOREIGN CURRENCY POSITION

30 September 2006	**USD Original Amount**	**YTL**	**EUR Original Amount**	**YTL**	**Other YTL**	**Total**
Assets:						
Cash and cash equivalents	29.136.495	43.620.247	16.098.326	30.528.865	56.078	74.205.190
Trade receivables	4.223.509	6.323.015	7.547.580	14.313.231	-	20.636.246
Due from related parties	-	-	-	-	-	-
Other	91.533	137.034	92.704	175.804	2.517	315.355
	33.451.537	**50.080.296**	**23.738.610**	**45.017.900**	**58.595**	**95.156.791**
Liabilities:						
Short portion of long- term financial liabilities	(23.480.999)	(35.153.403)	-	-	-	(35.153.403)
Short term financial liabilities	-	-	-	-	-	-
Long-term financial liabilities	(33.259.877)	(49.793.361)	-	-	-	(49.793.361)
Trade payables	(1.326.361)	(1.985.695)	(66.875)	(126.822)	(63.469)	(2.175.986)
Due to related parties	-	-	(23.018)	(43.651)	-	(43.651)
Short-term finance lease obligations	(180.084)	(269.603)	-	-	-	(269.603)
Long-term finance lease obligations	-	-	-	-	-	-
Long-term provisions	(2.204.704)	(2.923.217)	-	-	-	(2.923.217)
Other	(720.071)	(1.078.018)	-	-	-	(1.078.018)
					-	
	(61.172.096)	**(91.203.297)**	**(89.893)**	**(170.473)**	**(63.469)**	**(91.437.239)**
Net foreign currency position	**(27.720.559)**	**(41.123.001)**	**23.648.717**	**44.847.427**	**(4.874)**	**3.719.552**

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 29 - FOREIGN CURRENCY POSITION(Continued)

31 December 2005

	USD Original Amount	YTL	EUR Original Amount	YTL	Other YTL	Total
Assets:						
Cash and cash equivalents	9.426.334	12.648.255	15.596.470	24.759.396	46.623	37.454.274
Trade receivables	4.758.610	6.385.103	2.525.601	4.009.392	-	10.394.495
Due from related parties	61.505	82.527	448.976	712.749	-	795.276
Other	232.371	311.795	4.476	7.106	-	318.901
	14.478.820	**19.427.680**	**18.575.523**	**29.488.643**	**46.623**	**48.962.946**
Liabilities:						
Short portion of long- term financial liabilities	(23.175.088)	(31.096.334)	(81.111)	(128.764)		(31.225.098)
Short term financial liabilities	(1.000.000)	(1.341.800)	(1.999.760)	(3.174.619)	-	(4.516.419)
Trade payables	(1.352.747)	(1.815.116)	(169.718)	(269.427)	(4.999)	(2.089.542)
Due to related parties	(89.431)	(119.999)				(119.999)
Long-term financial liabilities	(44.513.169)	(59.727.770)				(59.727.770)
Short-term finance lease obligations	(463.711)	(622.203)	-	-	-	(622.203)
Long-term finance lease obligations	(69.186)	(92.834)				(92.834)
Long-term provisions	(1.292.542)	(1.713.781)	-	-	-	(1.713.781)
Other	(36.765)	(49.331)	(1.368)	(2.172)		(51.503)
	(71.992.639)	**(96.579.168)**	**(2.251.957)**	**(3.574.982)**	**(4.999)**	**(100.159.149)**
Net foreign currency position	**(57.513.819)**	**(77.151.488)**	**16.323.566**	**25.913.661**	**41.624**	**(51.196.203)**

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 30 - GOVERNMENT GRANTS

The Group holds investment incentive allowance certificates granted by the Turkish Government authorities in connection with certain major capital expenditures, which entitle the Group to:

i) %100 exemption from customs duty on machinery and equipment to be imported;

ii) investment allowance of %40 of the cost of purchases and construction incurred for the expansion of the facilities; and

iii) custom exemption for import materials, VAT exemption for domestic purchases, exemption from stamp tax and dues.

The amount of projected investment incentive allowance to be utilized by the Group in the current and next periods is YTL 2.689.553 (2005: YTL 19.987.758).

NOTE 31 - PROVISIONS, COMMITMENTS AND CONTINGENT LIABILITIES

Provisions

Provisions of the Group as at 30 September 2006 and 31 December 2005 are explained in Note 23.

Commitments and Contingent liabilities

	30 September 2006	31 December 2005
Guarantees received:		
Guarantee letters received	6.065.761	7.219.872
Guarantee notes received	2.223.218	780.003
Guarantee cheque received	776.755	468.157
	9.065.734	**8.468.032**
Guarantees given:		
Guarantee letters given	15.081.539	8.011.059
Guarantee notes given	-	-
	15.081.539	**8.011.059**

The Company has contingent assets amounting to YTL 1.139.737 due to the legal cases in favor of the Company and contingent liabilities amounting to YTL 4.452.892 due to the legal cases against the Company as of 30 September 2006.

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 32 - BUSINESS COMBINATIONS

None (2005: None).

NOTE 33 - SEGMENT REPORTING

1 January - 30 September 2006

	Reportable Segments				
	Ground Handling Services	Airport Security Services	Airport Terminal Construction and Management	Consolidation Eliminations	After Consolidation
Sales income (net)	128.003.518	6.291.183	49.492.615	(3.271.260)	180.516.056
Cost of sales	(88.529.496)	(4.777.797)	(23.496.414)	3.312.211	(113.491.496)
Gross operating profit	39.474.022	1.513.386	25.996.201	40.951	67.024.560
Operating expenses	(17.769.539)	(720.001)	(2.191.028)	27.072	(20.653.496)
Net operation profit/loss	21.704.483	793.385	23.805.173	68.023	46.371.064
Operating profit	30.594.980	919.520	16.336.109	(11.717.805)	36.132.804
Net income/(loss)	**30.129.621**	**721.498**	**11.335.726**	**(11.755.325)**	**30.431.520**

1 July - 30 September 2006

	Reportable Segments				
	Ground Handling Services	Airport Security Services	Airport Terminal Construction and Management	Consolidation Eliminations	After Consolidation
Sales income (net)	59.447.548	2.205.025	19.830.950	(1.208.744)	80.274.779
Cost of sales	(34.968.933)	(1.712.456)	(7.865.813)	1.188.424	(43.358.778)
Gross operating profit	24.478.615	492.569	11.965.137	(20.320)	36.916.001
Operating expenses	(6.248.009)	(201.593)	(581.232)	6.110	(7.024.724)
Net operation profit/loss	18.230.606	290.976	11.383.905	(14.210)	29.891.277
Operating profit	19.707.698	343.177	13.029.160	2	33.080.037
Net income/(loss)	**15.896.411**	**274.157**	**9.113.669**	**(14.256)**	**25.269.981**

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 33 - SEGMENT REPORTING (Continued)

	Reportable Segments				
	Ground Handling Services	Airport Security Services	Airport Terminal Construction and Management	Consolidation Eliminations	After Consolidation
30 September 2006					
Balance Sheet					
Total Assets	159.260.303	2.811.255	107.408.431	(17.412.460)	252.067.529
Total Liabilities	62.123.598	1.083.165	69.086.276	(375.940)	131.917.099

1 January -30 September 2005

	Reportable Segments				
	Ground Handling Services	Airport Security Services	Airport Terminal Construction and Management	Consolidation Eliminations	After Consolidation
Sales income (net)	112.278.570	4.539.939	36.417.151	(2.613.270)	150.622.390
Cost of sales	(85.944.974)	(3.992.247)	(13.144.236)	2.046.694	(101.034.763)
Gross operating profit	26.333.596	547.692	23.272.915	(566.576)	49.587.627
Operating expenses	(12.984.916)	(255.507)	(3.256.895)	566.576	(15.930.742)
Net operation profit/loss	13.348.680	292.185	20.016.020	-	33.656.885
Operating profit	11.608.507	291.424	17.965.950	-	29.865.881
Net income/(loss)	**8.652.677**	**505.992**	**22.510.334**		**31.669.003**

1 July - 30 September 2005

	Reportable Segments				
	Ground Handling Services	Airport Security Services	Airport Terminal Construction and Management	Consolidation Eliminations	After Consolidation
Sales income (net)	54.475.426	4.539.939	18.719.655	(2.427.290)	75.307.730
Cost of sales	(36.114.867)	(3.992.247)	(6.608.680)	1.860.714	(44.855.080)
Gross operating profit	18.360.559	547.692	12.110.975	(566.576)	30.452.650
Operating expenses	(2.993.900)	(255.507)	(1.550.516)	566.576	(4.233.347)
Net operation profit/loss	15.366.659	292.185	10.560.459	-	26.219.303
Operating profit	15.091.977	291.424	9.703.927	-	25.087.328
Net income/(loss)	**11.326.208**	**505.992**	**7.876.439**	**-**	**19.708.639**

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 33 - SEGMENT REPORTING (Continued)

30 September 2005

	Reportable Segments				
	Ground Handling Services	Airport Security Services	Airport Terminal Construction and Management	Consolidation Eliminations	After Consolidation
Balance Sheet					
Total Assets	151.411.937	1.962.060	115.058.750	(22.342.362)	246.090.385
Total Liabilities	71.876.019	1.062.577	76.020.887	(5.259.066)	143.700.417

NOTE 34 - SUBSEQUENT EVENTS

- The share capital of Celebi Kft. established on 22 September 2006 by the Company and Çelebi Holding A.Ş., the shareholder of the Company upon winning of the tender offer opened on 7 August 2006 in order to acquire the shares of BAGH from Ba Zrt; has been increased from 3.000.000 HUF to 2.700.000.000 HUF by an amount of 2.697.000.000 HUF on 10 October 2006. It was agreed that the Company to pay 1.887.900.000 HUF for its %70 share in the share capital of Çelebi Kft.

- Celebi Kft established on 22 September 2006 with %70 participation of the Company as a founder shareholder together with Çelebi Holding A.Ş. took over the shares of BAGH Company from Ba Zrt Company which had %100 of BAGH's shares. In accordance with the share transfer agreement, an amount of 25.593.870 Euro was paid in cash and in a single sum to Ba Zrt Company by Çelebi Kft. In accordance with the abovementioned share transfer agreement, all the machines and equipments registered to Ba Zrt Company's assets, which had been used for the ground handling service operations, were acquired by BAGH from Ba Zrt Company for an amount of 1.929.000.000 HUF (excluding %20 VAT) in cash and in a single sum at 26 October 2006.

- According to loan agreement signed between Çelebi Kft., the subsidiary of the Company and a bank resident in Turkey which has preliminary financing nature for project financing whose restructuring operations have currently been continuing, amounting to 30.000.000 Euro, the shares of the Company in the share capital of Celebi Kft., %70, were pledged to the mentioned bank on 18 October 2006.

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOT 34 - SUBSEQUENT EVENTS (Continued)

2005:

- As a result of the shareholders' transactions of the shares after the balance sheet date, shares in the capital of the Company have been changed as follows:

Capital	Current Status		31 December 2005	
Çelebi Holding A.Ş.	%52.68	7,112,250	%52.35	7,067,250
Engin Çelebioğlu	%10.01	1,351,350	% 10.01	1,351,350
Can Çelebioğlu	% 7.45	1,006,200	% 10.45	1,411,200
Canan Çelebioğlu Tokgöz	% 7.45	1,006,200	% 10.45	1,411,200
Diğer	%22.41	3,024,000	% 16.74	2,259,000
Toplam	**%100.00**	**13,500,000**	**%100.00**	**13,500,000**

NOT 35 - DISCONTINUED OPERATIONS

None (2005: None).

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 36 - OPERATING INCOME

	2006		2005	
	1 January-30 September	1 July-30 September	1 January-30 September	1 July-30 September
Ground handling services	116.520.240	54.576.830	97.078.361	46.986.863
Antrepo services	9.756.456	3.345.737	6.669.418	2.258.353
Passenger service income (*)	25.269.124	10.476.356	20.635.948	7.369.211
Non-aeronautical rent income (**)	17.883.761	6.575.912	11.536.209	8.417.403
Aeronautical fuel sold	3.988.106	2.141.043	10.064.178	6.120.582
Airport security services	3.409.519	1.175.786	2.404.411	2.404.411
Aeronautical rent income (***)	2.473.558	1.320.044	2.159.892	1.283.227
Contribution income to general expenses (****)	3.560.461	1.326.720	2.256.536	1.728.097
Less: Returns and discounts	(2.345.169)	(663.649)	(2.182.563)	(1.260.417)
Sales (net)	**180.516.056**	**80.274.779**	**150.622.390**	**75.307.730**
Cost of service given	(109.755.932)	(41.331.024)	(91.318.542)	(38.886.288)
Cost of fuel sold	(3.735.564)	(2.027.754)	(9.716.221)	(5.968.792)
Cost of sales (-)	**(113.491.496)**	**(43.358.778)**	**(101.034.763)**	**(44.855.080)**
Gross Operating Profit	**67.024.560**	**36.916.001**	**49.587.627**	**30.452.650**

(*) In accordance with the “Antalya Airport 2nd International Terminal Building Construction, Management and Transfer Agreement” signed between Çelebi IC and DHMI and also with the conditions of the contract, the DHMI committed to foreign lines service revenue of 2.277.472 (2005: 2.211.138) passengers and agreed USD 15 per person as the foreign line passenger service price; in subsequent years this figure will be increased by %3 over the previous year. After reaching the guaranteed passenger number in one operating year, the entire passenger fare will be transferred to the DHMI.This mentioned passenger fare, which is belong to DHMI, is offset in the Group’s interim period consolidated financial statements between sales and cost of sales which end on 30.September 2006 and 2005. After this offseting, The net sales and cost of sales in the previously reported consolidated financial statements have been changed from YTL 165.488.378 to YTL 150.622.390 and YTL 115.900.751 to YTL 101.034.763, respectively. As of 30 September 2006, the offsetting between sales and cost of sales is YTL 8.160.070.

(**) The rent income, which does not relate to aviation, consists of the rent of certain commercial places and offices.

(***) Rent income related to aviation comprises of income from services such as bridges, desks, water, PCA and 400Hz that Çelebi IC obtained in the Second International Terminal Building.

(****) Contribution income comprises of rent income from offices and locations leased to Çelebi IC Hava Terminali İşletme ve Ticaret A.Ş. in accordance with the agreement and management plans and contributions to commonly used electricity, heating and other expenses incurred within the context of build-operate-transfer in 2nd International Terminal.

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 37 - OPERATING EXPENSES

	2006		2005	
	1 January-30 September	1 July-30 September	1 January-30 September	1 July-30 September
General administrative expenses	20.653.496	7.024.724	15.930.742	4.233.347
	20.653.496	**7.024.724**	**15.930.742**	**4.233.347**

General administrative expenses consist of personnel, management, depreciation and amortisation of tangible and intangible assets, representation and accomodation, rent, insurance, travel, advertising, repair and maintenance costs, stationery, taxes, transportation and cargo expenses.

NOTE 38 - OTHER INCOME/EXPENSES AND OTHER PROFIT/LOSSES

	2006		2005	
	1 January-30 September	1 July-30 September	1 January-30 September	1 July-30 September
Other operating income:				
Income from insurance claims	2.107.495	1.438.406	43.500	16.502
Rent income	369.986	127.784	321.777	106.996
Fixed asset sales income	110.557	-		
Scrap sales income	9.787	6.362	46.348	4.071
Cancellation of impairment provision of financial assets	-	-	-	(166.790)
Sponsorship income	-	-	24.245	-
Other income	406.964	264.342	118.781	54.533
	3.004.789	**1.836.894**	**554.651**	**15.312**

	2006		2005	
	1 January-30 September	1 July-30 September	1 January-30 September	1 July-30 September
Other operating expenses:				
Amortisation of leasehold improvements	(3.932.522)	-	-	-
Insurance claim recoveries	(373.476)	(38.547)	-	-
Provision for impairment of tangible assets	-	-	(258.422)	(68.857)
Other expense	(339.138)	(117.805)	(48.731)	(23.759)
	(4.645.136)	**(156.352)**	**(307.153)**	**(92.616)**
	(1.640.347)	**1.680.542**	**247.498**	**(77.304)**

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 39 - FINANCIAL EXPENSES

	2006		2005	
Financial Income	**1 January- 30 September**	**1 July- 30 September**	**1 January- 30 September**	**1 July - 30 September**
Interest income	1.901.593	842.888	419.061	275.772
Unearned financial income	371.997	(5.260)	-	(305.930)
Foreign exchange gains	43.067.370	29.971.488	8.034.066	5.933.799
	45.340.960	**30.809.116**	**8.453.127**	**5.903.641**

	2006		2005	
Financial Expenses	**1 January- 30 September**	**1 July- 30 September**	**1 January- 30 September**	**1 July - 30 September**
Foreign exchange losses	(47.656.321)	(26.905.484)	(9.299.224)	(5.870.052)
Interest expense	(5.658.673)	(2.366.120)	(3.116.147)	(1.056.687)
Unincurred financial expenses	(533.999)	7.328	-	-
Other financial expenses	(89.880)	(36.622)	(76.258)	(31.573)
	(53.938.873)	**(29.300.898)**	**(12.491.629)**	**(6.958.312)**
	(8.597.913)	**1.508.218**	**(4.038.502)**	**(1.054.671)**

NOTE 40 - MONETARY POSITION GAIN/LOSS

With the decision on 17 March 2005, the CMB has announced that the application of inflation accounting is no longer required for companies operating in Turkey. Consequently, since inflation adjustments are not made for periods beginning on or after 1 January 2005, there is no monetary gain/loss for the period ended 30 September.

NOTE 41 - TAXATION

	30 September 2006	**31 December 2005**
Corporate tax	4.503.763	881.336
Less: Prepaid taxes	(532.400)	(1.166.816)
Taxes liability/(receivable) - net (Note 15)	3.971.363	(285.480)
Deferred tax liability (net) - (Note 14)	5.672.836	4.512.833
	9.644.199	**4.227.353**

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 these consolidated financial statements, have been calculated on a separate-entity basis.

NOT 41 - TAXATION (Continued)

Turkish Corporate Tax Law has been amended by Law No. 5520 dated 13 June 2006. Most of the articles of this new Law No. 5520 have come into force effective from 1 January 2006. The corporation tax rate for the fiscal year 2006 is %20 (2005: %30).Corporation tax rate is applicable on the total income of the companies after adjusting for certain disallowable expenses, income tax exemptions (participation exemption, investment allowance exemption, etc) and income tax deductions (like research and development expenses). No further tax is payable unless the profit is distributed (except withholding tax at the rate of %19,8 on the investment incentive allowance utilised within the scope of the Income Tax Law transitional article 61).

Except for the dividends paid to non-resident corporations, which have a representative office in Turkey, or resident corporations, dividends are not subject to withholding tax. Dividends paid to other organisations or individuals are subject to withholding tax at the rate of %10 .Transfer of profit to capital is not accepted as a dividend distribution.

Corporations are required to pay advance corporation tax quarterly at the rate of %20 on their corporate income. Advance tax is declared by the 10th and paid by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. Despite the credit from annual corporation tax liability, if the Company still has excess advance corporate tax, it can receive this balance in cash from the Government or as a credit for another financial debt to the Government.

In accordance with Tax Law No. 5024 “Law regarding amendments to Tax Procedural Law, Income Tax Law and Corporate Tax Law” that was published in the Official Gazette on 30 December 2003 effective from 1 January 2004, income and corporate tax-payers will prepare the statutory financial statements by adjusting the non-monetary assets and liabilities for the changes in the general purchasing power of the New Turkish lira. In accordance with the aforementioned Law’s provisions, in order to apply the inflation adjustment, the cumulative inflation rate (SIS-WPI) over the last 36 months and 12 months must exceed %100 and %10, respectively. Inflation adjustment has not been applied as these conditions were not fulfilled in the fiscal year 2005.

In Turkey there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns by the 25th of the fourth month following the close of the financial year to which they relate.

Competent authorities, which is authorized to tax inspection, can control accounting records within the 5 years and by reason of tax assessment, tax amounts can change if inaccurate transaction is ascertained.

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

There are numerous exemptions in the Corporation Tax Law concerning the corporations. Those related to the Company are as follows:

Dividend income earned from investments in another company’s shares is excepted in the calculation of the corporate tax (dividend income gained related to the participation in investment funds and investment trust shares is excluded).

New share issue premiums, which represent the difference between the nominal and sale values of shares issued by joint-stock companies, are exempt from corporation tax.

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOT 41 - TAXATION (Continued)

The participation income of corporations participating for at least one continuous year of %10 that does not have their legal or business centre in Turkey (except for corporations whose principal activity is financial leasing or investment of marketable securities) up until the date the income is generated and transferred to Turkey and until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax subject to those subsidiaries being subject to corporate income tax, or alike in their country of legal or business centre at the rate of at least %15 (the corporate income tax rate applicable in Turkey for those companies whose principal activity is financial assurance or insurance).

%75 portion of corporations' profits from the sale of participation shares, founding shares, pre-emptive rights and property, which have been in their assets for at least for two years is exempt from corporate tax provided that these profits are added to share capital and not withdrawn within five years. Income from the sale is generated until the end of the second calendar year following the year in which sale was realised.

The investment allowance application of %40 for fixed asset purchases over a specified amount, which had been in force for a significant period of time, was abolished by Law No.5479 dated 30 March 2006. However, in accordance with temporary article 69 of the Income Tax Law, income and corporate taxpayers can also deduct the following as the investment allowances from their income related to the years 2006, 2007 and 2008 which were present as of 31 December 2005, in accordance with the legislation (including the provisions related to tax rates) in force as of 31 December 2005:

a) in the scope of the investment incentive certificates prepared related to the applications before 24 April 2003, investments to be made after 1 January 2006 in the scope of the certificate for the investments started in accordance with the additional 1st, 2nd, 3rd, 4th, 5th and 6th articles prior to the abrogation of Income Tax Law No.193, with Law No.4842 dated on 9 April 2003.

b) in the scope of the abolished 19th article of Income Tax Law No.193, the investment allowance amounts to be calculated in accordance with the legislation in force at 31 December 2005 for investments which were started before 1 January 2006 and which display an economic and technical integrity.

Accordingly, the above mentioned profits within trade income/loss are considered in the calculation of corporate income tax.

Apart from the above mentioned exemptions considered in the determination of the corporate income tax base, allowances stated in Corporate Income Tax Law articles 8, 9, 10 and Income Tax Law article 40 are also taken into consideration.

The taxes on income for the periods ended 30 September 2006 and 2005 are summarised as follows:

	2006		2005	
	1 January-30 September	**1 July-30 September**	**1 January-30 September**	**1 July-30 September**
- Current period corporate tax	(4.503.763)	(3.995.392)	(1.166.815)	(1.166.815)
- Deferred tax income/(expense)	(1.160.003)	(3.800.407)	2.997.694	(4.184.117)
	(5.663.766)	**(7.795.799)**	**1.830.879**	**(5.350.932)**

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 42 - EARNINGS PER SHARE

Earnings per share is determined by dividing net profit amounting to YTL 30.431.520 to that class of shares by the weighted average number of such shares outstanding during the year concerned (2006:13.500.000 shares, 2005: 13.500.000 shares). The calculation is as follows:

	2006		2005	
	1 January-30 September	**1 July-30 September**	**1 January-30 September**	**1 July-30 September**
Net profit for the period	30.431.520	25.269.981	31.669.003	19.708.639
Weighted average number of share				
Weighted average number of ordinary shares	13.500.000	13.500.000	13.500.000	13.500.000
Profit per share with face value of YTL 1 each	2,25	1,87	2,35	1,46

(Amounts expressed in thousands of New Turkish lira (YTL) unless otherwise indicated)

NOTE 43 - STATEMENT OF CASH FLOWS

	Notes	1 January-30 September 2006	1 January-30 September 2005
Cash flow from operating activities			
Profit before tax		36.095.286	29.838.124
Adjustments to reconcile loss before tax to net cash inflows from operating activities			
Depreciation	19-20	23.018.037	17.977.776
Provision for employment termination benefits	23	642.813	1.742.837
Impairment provision of tangible assets	38		258.422
Cancellation of impairment provision of financial assets	38		
Interest income	39	(1.901.593)	(419.061)
Interest expense	39	5.658.673	3.116.147
Change in provision for doubtful receivable	7		(11.445)
Minority interest	24	37.518	46.773
Net cash before changes in assets and liabilities		**63.550.734**	**52.549.573**
Changes in assets and liabilities			
Change in trade receivables	7	(12.131.784)	(16.024.601)
Change in due from related parties	9	2.859.910	(7.879.392)
Change in inventories	12	(1.308.839)	(442.727)
Change in other receivables	10	(473.704)	(1.060.127)
Change in other current/non-current assets	15	(1.002.023)	632.435
Change in trade payables	7	(582.170)	1.336.724
Change in due to related parties	9	1.849.353	1.904.542
Change in short-term liability provisions	23	5.118.114	10.878.193
Change in other short-term liabilities	15	6.715.332	1.800.897
Change in long-term liability provisions	23	3.512.117	(2.708.894)
Change in advances taken	21	144.798	38.707
Employment termination benefits paid	23	(642.813)	(288.249)
Cash flow from operating activities		**67.609.025**	**40.737.081**
Investment operations			
Purchase of tangible assets	19	(5.219.972)	(6.540.466)
Purchase of intangible	20	(1.318.418)	(47.103.460)
Interest received	39	1.901.593	185.180
Change in construction in progress	19-20		(1.532.135)
Change in financial assets	16	(14.307)	240.648
Income from sale of tangible assets	19-20	515.216	122.854
Cash flow from investment operations		**(4.135.888)**	**(54.627.379)**
Financial operations			
Change in borrowings	6	(10.511.313)	46.130.808
Change in short-term finance lease obligations	8	(352.600)	(846.951)
Change in long-term finance lease obligations	8	(92.834)	176.966
Dividends paid		(12.201.929)	
Interest paid	39	(5.658.673)	(3.116.147)
Cash flow from financial operations		**(28.817.349)**	**42.344.676**
Net change in cash and cash equivalents		34.655.788	28.454.378
Beginning balance of cash and cash equivalents	**4**	**46.224.642**	**13.338.556**
Ending balance of cash and cash equivalents	**4**	**80.880.430**	**41.792.934**

NOTE 44 - DISCLOSURE OF OTHER MATTERS, WITH A MATERIAL EFFECT ON FINANCIAL STATEMENTS, REQUIRED FOR THE PURPOSE OF UNDERSTANDING AND INTERPRETING THE FINANCIAL STATEMENTS

- Explanation added for convenience translation into English:

  As of 30 September 2006, the accounting principles described in Notes 2 (defined as CMB Accounting Standards) to the accompanying consolidated financial statements differ from International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board with respect to the application of inflation accounting, presentation of the basic financial statements and the notes to them. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

- The warehouse located at Atatürk Airport Terminal C in which the Company carries out cargo-antrepo operations has been damaged due to the fire broke out on 24 May 2006. As a consequence of the fire, leasehold improvements whose net book value was YTL 3.932.522 as of 30 June 2006 were written off from accounting records since the DHMI cancelled the rent agreement related to the mentioned warehouse and the leasehold improvements were partially damaged. However, it is not possible to determine the damage to the machinery & equipment and furniture & fixtures in the warehouse at the date of the fire whose net book values are YTL 1.927.421 and YTL 79.441 respectively as of 30 September 2006 and that the goods of third parties because related expert and insurance specialist reports have not been concluded as yet. The Company has insurance policies including the fire risk amounting to USD 2.200.000 for leasehold improvements, USD 2.000.000 in total for machinery & equipment, USD 1.000.000 of which is for general content, USD 600.000 of which is for broken machinery and USD 400.000 of which is for electronic equipment and USD 150.000 for furniture & fixtures. In addition, the Company has an insurance policy covering fire risk amounting to USD 41.000.000 related with the equipment park whose net book value is YTL 621.448.

  During the fire broke out in the warehouse, goods belonging to third parties have also been damaged besides the above mentioned property, plant and equipment and leasehold improvements of the Company. Assessments for the damage of goods in the warehouse during the fire are still being conducted by specialists. The Company has an insurance policy related with the goods of third parties amounting to USD 1.500.000 and additionally, there is another policy amounting to USD 10.000.000 effective if the Company is not held legally responsible for the consequences of the fire broke out.

  The Bakırkoy Office of the Directorate of Public Prosecutions has completed its inquiries regarding the responsible parties of the fire in the file of inquiry number 2006/71719. In the inquiry numbers 2006/17525E and 2006/2689 of Bakırkoy Office of the Directorate of Public Prosecutions, it was found out that the fire has broke out in the shed of Atatürk Airport terminal. Concerning the fire in the shed of the airport terminal, responsible public officials has been filed for lawsuit regarding the article number 171/1a of Turkish Criminal Code. In the inquiry files, there mentioned no guilt of the Company related to the fire broke out and the damage, on the contrary, the Company has been mentioned as one of the claimants. There provided no provision booked related to the fire in the consolidated interim financial statements for the nine month period ended 30 September 2006 since the damage to the machinery, equipment and furnitures & fixtures can not be assessed and the expertise reports of insurance companies are still in progress.

NOTE 44 - DISCLOSURE OF OTHER MATTERS, WITH A MATERIAL EFFECT ON FINANCIAL STATEMENTS, REQUIRED FOR THE PURPOSE OF UNDERSTANDING AND INTERPRETING THE FINANCIAL STATEMENTS (Continued)

In addition, the Company is continuing its antrepo operations at Gunesli Antrepo and Ataturk Airport Terminal facilities rented from THY A.O through the approval of the DHMI.

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