PRICEWATERHOUSECOOPERS

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers
BJK Plaza, Süleyman Seba Caddesi
No:48 B Blok Kat 9 Akaretler
Beşiktaş 34357 İstanbul-Turkey
www.pwc.com/tr
Telephone +90 (212) 326 6060
Facsimile +90 (212) 326 6050

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REVIEW REPORT ORIGINALLY ISSUED IN TURKISH

REPORT ON REVIEW OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the Board of Directors of Çelebi Hava Servisi Anonim Şirketi

Introduction

1. We have reviewed the accompanying consolidated balance sheet of Çelebi Hava Servisi Anonim Şirketi, its Subsidiaries and Joint-venture (collectively referred to as the "Group") as of 30 June 2008, and the related consolidated statement of income, changes in shareholders' equity and cash flows for the six-month period then ended. The Group management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with the financial reporting standards issued by the Capital Markets Board. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of review

2. We conducted our review in accordance with the principles and standards on the review of interim financial statements as set out in "Section 34 of the Communique No: X-22 on the auditing standards issued by the Capital Markets Board". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with independent auditing standards issued by the Capital Markets Board and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an independent audit opinion.

Conclusion

3. Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly, in all material respects, the consolidated financial position of Çelebi Hava Servisi Anonim Şirketi as of 30 June 2008, and its consolidated financial performance and its consolidated cash flows for the six-month period then ended in accordance with financial reporting standards issued by the Capital Markets Board (Note 2).

Emphasis of matter

4. As explained in Note 28 to the consolidated financial statements, the cargo building of Çelebi Hava Servisi A.Ş. (the "Company") located in Atatürk Airport Terminal C in which the Company carries out its cargo-antrepo operations was damaged due to the fire that broke out on 24 May 2006. As a result of the fire, the goods belonging to third parties located in the cargo building during the fire was also damaged. Some of the owners of the goods, insurance companies and airline transportation companies have applied to the Company and its insurance company for the compensation of their losses by filing law suits against the Company and through enforcement proceedings. The Company was not found to be responsible for the fire and therefore, was not considered to be legally responsible for the losses of the third parties. Although, the Company believes that the probability of being liable for the losses is remote, the indemnities related to the damaged goods of the third parties is estimated by the Company as YTL 7.581.115 at most, in reference to existing legal cases and demands considering the international airline transportation rules and related regulations. Since the assessment of the damage to the goods in the cargo building can not be determined reliably and the probability of being liable for the losses is considered to be remote, no provision has been accounted for in the accompanying consolidated interim financial statements as of 30 June 2008.

Additional paragraph for convenience translation into English

5. The accounting principles described in Note 2 to the interim 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 for the period between 1 January - 31 December 2005. Accordingly, the accompanying interim consolidated financial statements are not intended to present the financial position and results of operations of the Group in accordance with IFRS.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers

Originally issued and signed in Turkish

Murat Sancar, SMMM
Partner

İstanbul, 26 August 2008

ÇELEBİ HAVA SERVİSİ A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2008
TOGETHER WITH INDEPENDENT AUDITOR'S REVIEW REPORT

(ORIGINALLY ISSUED IN TURKISH)

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH SEE NOTE 2.1.5

ÇELEBİ HAVA SERVİSİ A.Ş.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 30 JUNE 2008

CONTENTS **PAGE**

ÇELEBİ HAVA SERVİSİ A.Ş.

CONSOLIDATED INTERIM BALANCE SHEETS AT 30 JUNE 2008 AND 31 DECEMBER 2007

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

	Notes	30 June 2008	31 December 2007
ASSETS			
Current assets			
Cash and cash equivalents	5	53.451.610	45.968.249
Trade receivables (net)	7	34.646.984	18.166.289
Due from related parties	24	4.338.031	284.609
Other receivables	8	175.826	311.544
Inventories	9	4.893.401	4.359.374
Other current assets	15	5.560.840	5.177.901
Total current assets		**103.066.692**	**74.267.966**
Non-current assets			
Goodwill	12	18.995.744	15.830.639
Property, plant and equipment (net)	10	96.769.822	98.869.546
Intangible assets (net)	11	50.484.415	58.427.621
Deferred tax assets	22	3.322.100	2.960.914
Other non-current assets	15	101.754	52.109
Total non-current assets		**169.673.835**	**176.140.829**
TOTAL ASSETS		**272.740.527**	**250.408.795**

These consolidated interim financial statements as at and for the period ended 30 June 2008 have been approved for issue by the Board of Directors ("BOD") on 26 August 2008 and signed on its behalf of BOD by S. Samim Aydın, General Manager and by H. Tanzer Gücümen, Finance Director.

ÇELEBİ HAVA SERVİSİ A.Ş.

CONSOLIDATED INTERIM BALANCE SHEETS AT 30 JUNE 2008 AND 31 DECEMBER 2007

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

	Notes	30 June 2008	31 December 2007
LIABILITIES			
Current Liabilities			
Financial liabilities	6	41.182.915	33.225.569
Trade payables	7	10.039.721	10.880.008
Due to related parties	24	852.932	1.740.927
Provisions	13	6.688.470	3.191.791
Other current liabilities	15	16.376.226	8.996.493
Total current liabilities		**75.140.264**	**58.034.788**
Non-current Liabilities			
Financial liabilities	6	56.878.337	48.946.861
Other liabilities	8	2.447	2.329
Provisions	13	9.022.286	7.559.094
Deferred tax liability	22	5.161.205	5.098.855
Provision for employment termination benefits	14	3.778.460	3.543.901
Other non-current liabilities	15	3.847.172	4.129.823
Total non-current liabilities		**78.689.907**	**69.280.863**
Total liabilities		**153.830.171**	**127.315.651**
EQUITY	16		
Attributable to equity holders of the parent			
Share capital		24.300.000	24.300.000
Cumulative translation differences		1.708.296	355.326
Restricted reserves		15.358.025	11.351.163
Retained earnings		54.526.957	57.782.206
Net income for the period		19.251.051	26.141.069
Minority Interest		**3.766.027**	**3.163.380**
Equity		**118.910.356**	**123.093.144**
TOTAL EQUITY AND LIABILITIES		**272.740.527**	**250.408.795**
Provisions, contingent assets and liabilities	13		

ÇELEBİ HAVA SERVİSİ A.Ş.

CONSOLIDATED INTERIM STATEMENTS OF INCOME FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2008 AND 2007

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

	Notes	1 January - 30 June 2008	1 April - 30 June 2008	1 January - 30 June 2007	1 April - 30 June 2007
<u>CONTINUING OPERATIONS</u>					
Sales - net	17	140.942.775	88.943.313	126.117.331	79.840.035
Cost of sales (-)	17	(100.861.224)	(54.651.371)	(93.579.602)	(51.272.522)
GROSS PROFIT		**40.081.551**	**34.291.942**	**32.537.729**	**28.567.513**
Operating expenses (-)	18	(20.961.820)	(10.682.628)	(21.119.484)	(11.635.552)
Other operating income	19	4.232.595	608.956	746.399	481.199
Other operating expense (-)	19	(921.389)	(726.973)	(885.348)	(699.774)
OPERATING PROFIT		**22.430.937**	**23.491.297**	**11.279.296**	**16.713.386**
Financial income	20	14.167.915	10.676.951	7.921.652	5.406.006
Financial expenses (-)	21	(10.981.594)	(1.693.206)	(8.379.155)	(5.968.053)
INCOME BEFORE TAXATION		**25.617.258**	**32.475.042**	**10.821.793**	**16.151.339**
Income tax expense		**(6.296.230)**	**(6.860.084)**	**(1.701.093)**	**(2.315.881)**
Taxes on income	22	(6.157.010)	(5.801.335)	(3.839.853)	(3.582.232)
Deferred income tax	22	(139.220)	(1.058.749)	2.138.760	1.266.351
NET INCOME FOR THE PERIOD		**19.321.028**	**25.614.958**	**9.120.700**	**13.835.458**
Attributable to:					
Minority interest		69.977	1.654.945	(1.182.864)	(742.366)
Equity holders of the parent		19.251.051	23.960.013	10.303.564	14.577.824
Total		**19.321.028**	**25.614.958**	**9.120.700**	**13.835.458**
Earnings per share (YKr)	23	0,79	0,99	0,76	1,08

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

ÇELEBİ HAVA SERVİSİ A.Ş.

CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2008 AND 2007

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

	Share capital	Equity inflation restatement differences	Restricted reserves	Cumulative translation differences	Retained earnings	Net income for the year	Minority interest	Total equity
Balances at 1 January 2007	**13.500.000**	**1.492.722**	**8.455.399**	**768.988**	**66.180.928**	**22.204.955**	**4.672.871**	**117.275.863**
Transfers to retained earnings	-	-	-	-	22.204.955	(22.204.955)	-	-
Transfers to reserves	-	-	2.895.764	-	(2.895.764)	-	-	-
Dividends paid	-	-	-	-	(18.400.635)	-	-	(18.400.635)
Cumulative translation differences	-	-	-	(303.069)	-	-	(129.587)	(432.656)
Net income for the period	-	-	-	-	-	10.303.564	(1.182.864)	9.120.700
Balances at 30 June 2007	**13.500.000**	**1.492.722**	**11.351.163**	**465.919**	**67.089.484**	**10.303.564**	**3.360.420**	**107.563.272**
Balances at 1 January 2008	**24.300.000**	**-**	**11.351.163**	**355.326**	**57.782.206**	**26.141.069**	**3.163.380**	**123.093.144**
Transfers to retained earnings	-	-	-	-	26.141.069	(26.141.069)	-	-
Transfers to reserves	-	-	4.006.862	-	(4.006.862)	-	-	-
Dividends paid	-	-	-	-	(25.389.456)	-	-	(25.389.456)
Cumulative translation differences	-	-	-	1.352.970	-	-	532.670	1.885.640
Net income for the period	-	-	-	-	-	19.251.051	69.977	19.321.028
Balances at 30 June 2008	**24.300.000**	**-**	**15.358.025**	**1.708.296**	**54.526.957**	**19.251.051**	**3.766.027**	**118.910.356**

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

ÇELEBİ HAVA SERVİSİ A.Ş.

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2008 AND 2007

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

	Notes	30 June 2008	30 June 2007
Cash flow from operating activities			
Income before tax		25.617.258	10.821.793
Adjustments to reconcile income before tax to net cash provided/used by operating activities			
Depreciation and amortisation	10-11	19.626.884	19.151.497
Provision for employment termination benefits	14	1.050.851	1.042.148
Interest income	20	(1.628.716)	(1.527.687)
Interest expense	21	3.066.177	4.536.434
Increase in provision for doubtful receivable	7	7.471	-
Cumulative translation differences		1.885.640	(432.656)
Cash flows from operating activities before changes in operating assets and liabilities		**49.625.565**	**33.591.529**
Trade receivables		(16.488.166)	(11.861.897)
Due from related parties		(4.053.422)	(2.002.213)
Inventories		(534.027)	(1.249.022)
Income taxes paid	22	(615.373)	-
Other receivables		(3.029.387)	3.492.054
Other current/non-current assets		(793.770)	2.450.723
Trade payables		(840.287)	(12.018.290)
Due to related parties		(887.995)	709.085
Short-term provisions		3.496.679	3.928.475
Other short-term liabilities		1.761.223	1.834.138
Other long-term liabilities		(282.648)	1.956.900
Long-term provisions		1.463.310	1.105.911
Advances taken		-	(9.207)
Employment termination benefits paid	14	(816.292)	(461.671)
Net cash provided by operating activities		**28.005.410**	**21.466.515**
Investing activities:			
Purchase of tangible assets	10	(5.324.089)	(12.060.621)
Purchase of intangible assets	11	(4.469.946)	(652.958)
Interest received		999.483	423.760
Proceeds from sale of tangible assets		210.081	93.005
Net cash used in investing activities		**(8.584.471)**	**(12.196.814)**
Financing activities:			
Change in borrowings		15.823.917	(18.557.189)
Change in short-term finance lease obligations		63.555	(97.245)
Change in long-term finance lease obligations		204.207	-
Dividends paid		(25.389.456)	(18.400.635)
Interest paid		(2.639.801)	(436.685)
Net cash used in financing activities		**(11.937.578)**	**(37.491.754)**
Net change in cash and cash equivalents		7.483.361	(28.222.053)
Cash and cash equivalents at the beginning of the period	5	**45.968.249**	**67.010.705**
Cash and cash equivalents at the end of the period	5	**53.451.610**	**38.788.652**

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

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 aircraft 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, Diyarbakır, Erzurum, Kayseri, Samsun, Trabzon, Tokat, Van, Malatya, Kars, Mardin, Denizli, Hatay, Kahramanmaraş, Isparta and Erzincan 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 has consolidated Çelebi IC Antalya Havalimanı Terminal Yatırım ve İşletme A.Ş. ("Çelebi IC") with %49,99 of shares using the joint-venture consolidation method as of 30 June 2008. 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 2004. 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 of shares.

The Company has also consolidated Çelebi Güvenlik Sistemleri ve Danışmanlık A.Ş. ("Çelebi Güvenlik") in which it holds %94,8 (2007: %94,8) of shares. Çelebi Güvenlik maintains security at the Terminal and provides security services to the airline companies.

The Company has also participated in a tender offer as of 7 August 2006 called by the Budapest Airport Budapest Ferihegy Nemzetközi Repülöter Üzemeltetö Zartkörüen Müködö Reszvenytarsasag ("Ba Zrt") company resident in Budapest, Hungary for the acquisition of the 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 a %100 share. The Company was informed of winning the tender offer on 14 August 2006 and participates in the Celebi Tanacsado Korlatolt Felelossegu Tarsasag" ("Celebi Kft.") company that was founded on 22 September 2006 as founding shareholder for the realisation of the abovementioned share transfer. Celebi Kft acquired all the shares of BAGH on 26 October 2006 and the trade name of BAGH has been changed to Celebi Ground Handling Hungary Földi Kiszolgáló Korlátolt Felelősségű Társaság ("CGHH"). Celebi Kft has share capital of 2.700.000.000 Hungary Forint ("HUF") in which the Company has a share of HUF 1.890.000.000 (%70). The other shares belong to Çelebi Holding A.Ş which is also the shareholder of the Company. Celebi Kft has been taken over by CGHH with all assets and liabilities and merger transactions have been completed at 31 October 2007 after the completion of the registration, related changes in Articles of Association and General Assembly decisions carried out within the legal framework effective in Hungary. Since Celebi Kft owned %100 of CGHH shares before the merger, the Company's share has remained %70 in CGHH share capital which is determined as HUF 900.000.000. The capital of CGHH has been increased to HUF 910.000.000 after the merger and as of 30 June 2008 the Company has share capital of HUF 637.000.000 (%70). Remaining part amounted HUF 273.000.000 (%30) is owned by Çelebi Holding A.S.

As of 30 June 2008, the consolidated financial statements of the Company include the Company, Çelebi IC, Çelebi Güvenlik and CGHH (collectively, referred to as the "Group").

As of 30 June 2008 and 31 December 2007, the average number of employees of the Group is 4.956 and 4.200, respectively.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

1. Basis of the Presentation

1.1 Financial Reporting Standards

The Capital Markets Board (“CMB”) regulates the principles and procedures of preparation and presentation of financial statements prepared by the entities with the Communiqué No: XI-29, “Principles of Financial Reporting in Capital Markets” (“the Communiqué”). This Communiqué is effective for the annual periods starting from 1 January 2008 and cancels the Communiqué No: XI–25 “The Financial Reporting Standards in the Capital Markets”. According to the Communiqué, companies shall prepare their financial statements in accordance with International Financial Reporting Standards (“IAS/IFRS”) accepted by the European Union. Until the differences of the IAS/IFRS as acknowledged by the European Union from the IAS/IFRS issued by the International Accounting Standards Board (“IASB”) are announced by Turkish Accounting Standards Board (“TASB”), IAS/IFRS issued by the IASB shall be applied. Accordingly, Turkish Accounting/Financial Reporting Standards (“TAS/TFRS”) issued by the TASB which are in line with the aforementioned standards shall be considered.

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 Financial Reporting 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.

As the differences of the IAS/IFRS endorsed by the European Union from the ones issued by the IASB have not been announced by TASB as of the date of preparation of these consolidated interim financial statements, the consolidated interim financial statements have been prepared within the framework of Communiqué XI, No: 29 and related promulgations to this Communiqué as issued by the CMB in accordance with the accounting and reporting principles accepted by the CMB (“CMB Financial Reporting Standards”) which are based on IAS/IFRS. The consolidated interim financial statements and the related notes to them are presented in accordance with the formats required by the CMB including the compulsory disclosures. Accordingly, required reclassifications have been made in the comparative financial statements (See Note 2.4.28).

The consolidated financial statements are based on the statutory records with adjustments and reclassifications made for the purpose of fair presentation and measurement in accordance with the Communiqué No: 29 “Principles of Financial Reporting in Capital Markets” issued by CMB. Consequently, the Company, its Subsidiaries and Affiliates (the “Group”) that are resident in Turkey have conformed to the CMB, Turkish Commercial Code, Turkish Corporate Tax Law standards and regulations and the Uniform Chart of Accounts as defined by the Ministry of Finance in the preparation of the statutory financial statements and in the accounting principles adopted. Foreign affiliates are subject to rules and regulations defined in their countries.

The consolidated financial statements have been 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.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

1.2 Amendments in International Financial Reporting Standards (IFRS)

(a) No standards, amendments and interpretations relevant to Group operations have been effective in 2008.

(b) Standards, amendments and interpretations effective in 2008 but not relevant to Group operations

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2008 but they are not relevant to the Group's operations:

IFRIC 13, 'Customer loyalty programmes' (effective from 1 January 2008). IFRIC 13 is not relevant to the Group's operations because none of the Group's companies operate any loyalty programmes.

IFRIC 14, 'IAS 19 The limit on a defined benefit asset, minimum funding requirements and their interaction' (effective from 1 January 2008). IFRIC 13 is not relevant to the Group's operations because Group has no defined benefit plan.

(c) Standards, amendments and interpretations that are not effective in 2008 and not applied by Group prior to effective date

The following interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2009 or later periods but are not applied by Group before the effective date.

IAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2009. The Group will apply IAS 23 (Amended) from 1 January 2009

IFRS 8, 'Operating segments' (effective from 1 January 2009). IFRS 8 replaces IAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, 'Disclosures about segments of an enterprise and related information'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes.

1.3 Translation of Financial Statements of Foreign Subsidiaries

Financial statements of Subsidiaries operating in foreign countries are prepared according to the legislation of the country in which they operate and adjusted to the CMB Financial Reporting Standards to reflect the proper presentation and content. Foreign Subsidiaries' assets and liabilities are translated into YTL from the foreign exchange rate at the balance sheet date and income and expenses are translated into YTL at the average foreign exchange rate. Exchange differences arising from the retranslation of the opening net assets of foreign undertakings and differences between the average and balance sheet date rates are included in the "cumulative translation differences" under the equity.

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

1.4 Consolidation Principles

The consolidated financial statements have been prepared based on explanations mentioned in paragraphs (a) to (e) and the accounts of the Company, Çelebi Hava Servisi A.Ş, the Subsidiaries and Joint-venture (collectively referred as "Group"). 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 Financial Reporting 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 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.

Subsidiaries are consolidated beginning from the date control is transferred to the Group and are excluded from the consolidation beginning from the date control is ended. If required, accounting principles adopted by the Subsidiaries are altered to reflect the accounting principles adopted in the preparation of the Group's consolidated financial statements.

The Subsidiaries and their ownership included in the consolidation as of 30 June 2008 and 31 December 2007 are as follows:

	Direct/indirect control of the Company (%) 30 June 2008	**Direct/Indirect control of the Company (%) 31 December 2007**
Çelebi Güvenlik	%94,8	%94,8
CGHH (*)	%70,0	%70,0

(*) The Company, as disclosed in Note 1, participated in Celebi Tanacsado Korlatolt Felelossegu Tarsasag" ("Celebi Kft") established on 22 September 2006 as a founding partner in order to realise the share transfer following the winning of the tender offer opened on 7 August 2006. The Company has a share of HUF 1.890.000.000 (70%) (YTL 13.182.399) in total equity capital of HUF 2.700.000.000 of Celebi Kft and Celebi Kft has been consolidated in the financial statements for the period ended 31 December 2006. As of 31 December 2007, CGHH has been included in the scope of consolidation following the merge of CGHH and Celebi Kft (Note 1).

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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".

d) In preparing the consolidated financial statements, all balances and unrealised revenues resulting from intercompany transactions have been eliminated. Unrealized revenue transactions with the joint ventures have been eliminated by the rate of the controlling power of the Group over the Affiliate. Dividends from the shares the Company owns have, also been eliminated from the related equity and income statement accounts.

e) The assets and liabilities of the foreign affiliates have been translated by using the foreign exchange rate at the balance sheet date. Revenues and expenses have been translated into New Turkish lira by using average foreign exchange rates. The foreign exchange differences resulting from the translation of net assets at the beginning period and utilization of average exchange rates, have been followed as cumulative translation adjustments under equity.

1.5 Convenience translation into English of consolidated financial statements originally issued in Turkish

The financial reporting standards issued by the CMB as described in Note 2.1.1 to these 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 for the period between 1 January - 31 December 2005 and the presentation of basic financial statements and the notes to them. Accordingly, these consolidated financial statements are not intended to present the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with IFRS.

2. Changes in Accounting Policies

Material changes in accounting policies or material errors are corrected, retrospectively; by restating the prior period financial statements. There is no change in accounting policies for the interim period ended 30 June 2008.

3. Changes and Errors in the Accounting Estimates

The changes in accounting estimates are recognized prospectively by including them in net profit or loss in the period of the change if the change affects that period only, or in the period of the change and future periods if the change affects both. There is no change in accounting estimates for the interim period ended 30 June 2008.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

4. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

4.1 Cash and Cash Equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents consist of cash on hand, deposits at banks and highly liquid investments with maturity periods of less than three months (Note 5).

4.2 Revenue Recognition

Revenues are the invoiced values of trading goods sold and services given. Revenues are recognized 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 17). Rent income is recorded on an accrual basis, while interest income is recorded on an effective interest yield method basis. Dividend income is recorded as income as of the collection right transfer date.

Passenger service income is recognized 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 the foreign lines service revenue from 2.416.171 (2007: 2.345.796) passengers and agreed USD15 per person as the foreign line passenger service price. After reaching the guaranteed passenger number in one operating year, the remainder of the passenger income will be transferred to the DHMI.

4.3 Property, Plant and Equipment

Property, plant and equipment are stated at cost less depreciation, restated to the 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 10).

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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 the 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.

4.4 Intangible Assets

Intangible assets comprise computer programmers, information systems and rights. They are stated at cost less amortisation, restated to the 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 11).

Where an indication of impairment exists, the carrying amount of any intangible assets is assessed and written down immediately to its recoverable amount (Note 11).

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.

Customer relationship was recognized as an intangible asset during the acquisition of l00% of CGHH shares as a result of valuation studies performed by an independent valuation company on 26 October 2006. Amortisation is calculated on a straight-line basis over their estimated useful lives for a period not exceeding seven years from the date of acquisition.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

4.5 Inventories

Inventories are valued at the lower of cost, or net realizable value. Net realizable 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 9).

4.6 Impairment of Assets

The Group assesses at each reporting date whether there is any indication that an asset, except for a deferred tax asset is impaired (Note 2.4.23 and Note 22). If any such indication exists, the recoverable amount of the asset is estimated. Impairment is recognized in the income statement as expense.

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

4.7 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 21). The difference between the total amount of the borrowing (less the transaction fees) and that at the repayment date is recorded in the consolidated income statement during the period the borrowing is effective.

4.8 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) Borrowings and receivables

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 Group 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 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 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

4.8 Financial Assets (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.

Unrealised gains and losses due to changes in the reasonable value of available for sale financial assets, are booked under equity and disclosed as "Financial assets revaluation fund" after the reflection of the deferred tax effect in line with the alterations made in IAS 39.

All 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. 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.

When affiliates are not quoted in stock exchange in which the Group has less than a 20 % share, and other methods in determining the fair value of the financial asset are not applicable and therefore the fair value of the affiliate cannot be assessed, impairment losses (if they exist) are deducted from the acquiring cost of the financial asset.

4.9 Trade Payables

Trade payables are initially recognised at historical cost and subsequently carried at amortised cost using the effective yield method (Note 7).

4.10 Unincurred Financial Income/Expense Due to Credit Sales and Purchases

Deferred financial income/expense represents financial income and expenses on credit sales and purchases. These, income an expenses are recognized using the effective yield method during the due date of the credit sales and purchases and disclosed under financial income and expenses (Note 20, Note 21).

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

4.11 Mergers and Acquisitions

The accounting of mergers and acquisitions depends on the purchase method used. The cost of a business combination is allocated by recognising the acquiree's identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill is recognised as an asset and is initially measured as the excess of the cost of the combination over the fair value of the acquiree's assets, liabilities and contingent liabilities. Goodwill arising due to business combinations is not amortized, rather the carrying value of goodwill is reviewed annually for permanent impairment and the impairment provision, if any, is immediately recognised in the income statement.

4.12 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 the 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.

4.13 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 23).

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.

4.14 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 27).

Possible assets or obligations arising at subsequent balance sheet dates that require the correction in the financial statements 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.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

4.15 Provisions, Contingent Assets and Liabilities

The conditions which are required to be met in order to recognise a provision in the consolidated financial statements are that the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount of the provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

Liabilities or assets 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 which are not wholly within the control of the entity should not be recognised as liabilities or assets, however they should be disclosed as contingent liabilities or assets (Note 13).

4.16 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 6).

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.

4.17 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 24).

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

4.18 Trade Receivables and Provision for Doubtful Receivables

Trade receivables that are originated by the Group 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 Group 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.

4.19 Segment Reporting

Reportable segments are industrial or geographical segments in which segment information is compulsory to disclose. Industrial segments include operations or assets which are different to services or products served by other service areas of the Group from a risk and advantage view. Geographic segments include economic environments in which different services or products are served by other service areas of the Group from a risk and advantage view.

In order for an industrial or a geographic segment to be identified as a reportable segment, most of the segment revenue should be generated from the sales made out of the Group and each segment revenue should be at least 10% of all segments reported, segment assets should be at least 10% of total assets of segments reported or each segment result should be 10% of total of segment results making profit and making loss.

In Turkey, the Group operates in handling services, airport security services and airport construction and management and in Hungary operates in handling services. The first format type identified by the Group for segment reporting is industrial sections. Industrial sections include operations or assets which are different to services or products served by other service areas of the Group from a risk and advantage view. Geographic segment reporting was performed as a secondary format rather than a reportable segment since the Group delivers products and services in geographical areas that are affected by economic environments by risk and advantages of a similar nature (Note 4).

4.20 Discontinued Operations

According to International Financial Reporting Standard 5 ("IFRS 5") "Non-current Assets Held for Sale and Discontinued Operations", the discontinued operation is the part of an entity which either is classified as held-for-sale or has been disposed of and whose activities and cash flows can be treated as separable from the entity's activities and cash flows. Discontinued operations represent separate business or geographical segments, which are part of a plan to sell or dispose, or is a subsidiary acquired for selling.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

4.20 Discontinued Operations (Continued)

Net assets of discontinued operations are measured at fair value less cost to sell. An analysis of the revenue, expenses and pre-tax profit or loss of discontinued operations, income tax expense of discontinued operations and the gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal groups constituting the discontinued operation are disclosed in the notes to the consolidated financial statements. Besides, the net cash flows attributable to the operating, investing and financing activities of discontinued operations are separately disclosed either in the notes or on the face of consolidated financial statements.

4.21 Government Grants and Incentives

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

4.22 Investment Properties

Land and buildings held to earn rent or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business are classified as investment property and carried at cost less accumulated depreciation (except land) under the cost method. The cost of a self-constructed investment property is its cost at the date when the construction or development is complete. Until that date, the Group applies IAS 16, Property, Plant and Equipment. At that date, the property becomes investment property and thus it is transferred to investment property.

4.23 Taxes on Income

Taxes include current period income taxes and deferred taxes (Note 22). Current year tax liability consists of tax liability on period income calculated according to currently enacted tax rates and tax legislation in force as of balance sheet date and includes adjustments related to previous years' tax liabilities.

Deferred income tax is provided, using the liability method, for temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Tax bases of assets and liabilities comprise of the amounts that will affect the future period tax charges based on the tax legislation. Currently enacted tax rates, which are expected to be effective during the periods when the deferred tax assets will be utilised or deferred tax liabilities will be settled, 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 utilized. 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 utilizing this asset.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

4.23 Taxes on Income (Continued)

When the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority and there is a legally enforceable right to offset current tax assets against current tax liabilities, deferred tax assets and deferred tax liabilities are offset accordingly.

4.24 Employment Termination Benefits

Under the Turkish Labour Law, the Group 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 Group arising from the retirement of the employees calculated in accordance with the Turkish Labour Law (Note 14).

4.25 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 the financial activities of the Group and the repayments thereof.

Cash and cash equivalents include cash and banks.

4.26 Share Capital and Dividends

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

4.27 Accounting of Financial Derivatives and Hedging

The derivative instruments of the Group mainly consist of foreign exchange forward contracts and foreign currency and interest rate swap transactions. These derivative financial instruments, even though providing effective economic hedges under the Group risk management position, do not qualify for hedge accounting under the specific rules in IAS 39, “Financial Instruments: Recognition and Measurement”, and are therefore accounted for as derivatives held-for-trading in the consolidated financial statements.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

4.27 Accounting of Financial Derivatives and Hedging (Continued)

Held-for-trading derivative financial instruments are initially recognized in the consolidated financial statements at cost and are subsequently remeasured at their fair value. Changes in the fair values of held-for-trading derivative financial instruments are included in the consolidated statements of income.

Forward foreign exchange contracts are valued at quoted market prices or discounted cash flow models as appropriate. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

4.28 Comparatives and Restatement of Prior Periods' Financial Statements

Comparative financial information is reclassified to enable conformity with the presentation of the current period financial statements where necessary.

In order to allow for the determination of the financial situation and performance trends, the Group's financial statements have been presented comparatively with the previous period. The balance sheet of the Group at 30 June 2008 includes the comparative financial information of 31 December 2007 and the consolidated statement of income, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows for the interim period 1 January - 30 June 2008, including the comparative financial information of the interim period 1 January - 30 June 2007.

The Group has performed reclassifications in the consolidated interim balance sheet as of 31 December 2007 in order to conform to presentation of balance sheet as of 30 June 2008. Such reclassifications are explained as follows:

i. Capital reserves amounted YTL28.137.614 classified in "extraordinary reserves" on the consolidated balance sheet of 31 December 2007 are reclassified under "retained earnings" (Note 16).

ii. Legal reserves inflation adjustment differences and extraordinary reserves inflation adjustment differences amounted YTL985.483 classified in "equity inflation restatement differences" on the consolidated balance sheet at 31 December 2007 are reclassified under "retained earnings" (Note 16).

iii. Deposits and guarantees given amounted YTL15.692 in "trade receivables" on the balance sheet of 31 December 2007 is reclassified into "other receivables". Value-added tax ("VAT") to be refunded amounted YTL1.436.820, income accruals amounted YTL150.383, advances given to personnel amounted YTL110.480, advances given to suppliers amounted YTL172.523 classified in "other receivables" on the balance sheet at 31 December 2007 are reclassified under "other current assets" and orders given amounted YTL21.146 in inventories is reclassified into "other current assets".

iv. Order advances received amounted YTL204 in "advances received" on the consolidated balance sheet of 31 December 2007 is reclassified into "other current liabilities". The provision for employment termination benefits amounted YTL3.543.901 in "long-term liability provisions" on the consolidated balance sheet at 31 December 2007 is reclassified under "provision for employment termination benefits".

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

4.29 Offsetting

Financial assets and liabilities are offset and reported in the net amount when there is a legally enforceable right or when there is an intention to settle the assets and liabilities on a net basis or realize the assets and settle the liabilities simultaneously.

4.30 Share Premiums

Share premiums represent the difference between the nominal values and the fair values of the company shares issued or the difference between the sale price of shares of subsidiaries and their nominal values.

5. Information, Disclosure of Which is Required by CMB

In accordance with the Communiqué Serial:XI No:29 of CMB and announcements clarifying this communiqué, it is mandatory for enterprises to disclose the hedging rate of their total foreign exchange liability as well as total export and import amounts in the notes to their financial statements.

6. Significant 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 3 - JOINT VENTURES

Shares in Joint Ventures

Çelebi IC Antalya Havalimanı Terminal Yatırım ve İşletme A.Ş. as described in Note 2 is the joint venture included in the consolidation by the way of proportionate consolidation. Financial information summary of the joint venture relating to balances included in the consolidated financial statements before the consolidation eliminations is as follows:

	30 June 2008	**31 December 2007**
Current assets	62.706.338	59.952.749
Non-current assets	51.605.387	70.870.400
Total assets	**114.311.725**	**130.823.149**
Current liabilities	32.090.490	44.110.273
Non-current liabilities	18.098.159	15.183.356
Shareholders' equity	64.123.076	71.529.520
Total liabilities and shareholders' equity	**114.311.725**	**130.823.149**

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 3 - JOINT VENTURES (Continued)

	1 January-30 June 2008	1 April-30 June 2008	1 January-30 June 2007	1 April-30 June 2007
Sales - net	64.190.761	44.552.419	59.585.857	40.840.300
Gross profit	30.609.721	26.911.809	27.401.840	23.965.368
Operating profit	27.336.845	25.201.611	24.087.585	22.322.041
Net profit for the period	20.305.066	21.483.537	21.666.173	20.093.766

NOTE 4 - SEGMENT REPORTING

The Group management considers industrial segment as the primary format for reporting segment information. Industrial segments represent assets or operations that have a different nature to the production of either services or goods or the risks and benefits. Geographical segments are presented as a secondary reporting format in the consolidated interim financial statements at 30 June 2008 and 30 June 2007. Geographical segments represent economic regions that are different to other regions in terms of risk and return.

a) Industrial Segments

1 January - 30 June 2008

	Reportable Segments				
	Ground Handling Services	Airport Security Services	Airport Terminal Construction and Management	Inter segment adjustment	Consolidated
Sales income - net	106.245.890	4.940.078	32.091.529	(2.334.722)	140.942.775
Cost of sales	(82.986.671)	(3.672.933)	(16.788.505)	2.586.885	(100.861.224)
Gross profit	23.259.219	1.267.145	15.303.024	252.163	40.081.551
Operating expenses	(18.578.096)	(778.091)	(1.636.242)	30.609	(20.961.820)
Other operating income/ expense - net	17.420.370	6.756	20.945	(14.136.865)	3.311.206
Operating profit	22.101.493	495.810	13.687.727	(13.854.093)	22.430.937
Net profit	**22.398.577**	**625.227**	**10.151.314**	**(13.854.090)**	**19.321.028**

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 4 - SEGMENT REPORTING (Continued)

1 April - 30 June 2008

	Reportable Segments				
	Ground Handling Services	Airport Security Services	Airport Terminal Construction and Management	Inter segment adjustment	Consolidated
Sales income - net	65.279.673	2.741.679	22.273.536	(1.351.575)	88.943.313
Cost of sales	(45.408.708)	(1.989.612)	(8.819.246)	1.566.195	(54.651.371)
Gross profit	19.870.965	752.067	13.454.290	214.620	34.291.942
Operating expenses	(9.346.860)	(500.741)	(849.461)	14.434	(10.682.628)
Other operating income/ expense - net	89.265	6.364	15.408	(229.054)	(118.017)
Operating profit	10.613.370	257.690	12.620.237	-	23.491.297
Net profit	**14.600.031**	**274.450**	**10.740.477**	**-**	**25.614.958**
30 June 2008					
Balance Sheet					
Total Assets	245.978.154	5.049.025	57.149.004	(35.435.656)	272.740.527
Equity	117.501.583	3.821.821	32.057.690	(34.470.738)	118.910.356

1 January - 30 June 2007

	Reportable Segments				
	Ground Handling Services	Airport Security Services	Airport Terminal Construction and Management	Inter segment adjustment	Consolidated
Sales income - net	93.936.709	4.384.334	29.789.353	(1.993.065)	126.117.331
Cost of sales	(76.262.324)	(3.279.069)	(16.090.077)	2.051.868	(93.579.602)
Gross profit	17.674.385	1.105.265	13.699.276	58.803	32.537.729
Operating expenses	(19.100.275)	(618.684)	(1.656.929)	256.404	(21.119.484)
Other operating income/ expense - net	13.253.386	9.216	1.759	(13.403.310)	(138.949)
Operating profit	11.827.496	495.797	12.044.106	(13.088.103)	11.279.296
Net profit	**9.768.391**	**425.762**	**10.831.787**	**(11.905.240)**	**9.120.700**

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 4 - SEGMENT REPORTING (Continued)

1 April - 30 June 2007

	Reportable Segments				
	Ground Handling Services	Airport Security Services	Airport Terminal Construction and Management	Inter segment adjustment	Consolidated
Sales income - net	58.069.691	2.484.699	20.417.699	(1.132.054)	79.840.035
Cost of sales	(42.101.974)	(1.899.666)	(8.436.453)	1.165.571	(51.272.522)
Gross profit	15.967.717	585.033	11.981.246	33.517	28.567.513
Operating expenses	(10.739.570)	(329.786)	(815.123)	248.927	(11.635.552)
Other operating income/ expense - net	13.102.067	3.370	(4.683)	(13.319.329)	(218.575)
Operating profit	18.330.214	258.617	11.161.440	(13.036.885)	16.713.386
Net profit	**15.429.362**	**214.441**	**10.045.677**	**(11.854.022)**	**13.835.458**
30 June 2007					
Balance Sheet					
Total Assets	227.255.858	3.613.930	73.365.138	(31.330.296)	272.904.630
Equity	100.216.112	2.340.942	32.152.421	(30.506.623)	104.202.852

b) Geographical segments

i) Geographical Analysis for the interim period 1 January - 30 June 2008

	Turkey	Hungary	Total Combined	Inter segment adjustment	Total
Net sales	117.329.089	23.613.686	140.942.775	-	140.942.775
Cost of sales	(80.119.892)	(20.741.332)	(100.861.224)	-	(100.861.224)
Gross profit	37.209.197	2.872.354	40.081.551	-	40.081.551
Operating expenses	(17.013.797)	(3.948.023)	(20.961.820)	-	(20.961.820)
Other operating income/ expense - net	3.320.089	(8.883)	3.311.206	-	3.311.206
Operating profit	**23.515.489**	**(1.084.552)**	**22.430.937**	**-**	**22.430.937**

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 4 - SEGMENT REPORTING (Continued)

Geographical Analysis for the interim period 1 April - 30 June 2008

	Turkey	Hungary	Total Combined	Inter segment adjustment	Total
Net sales	76.305.046	12.638.267	88.943.313	-	88.943.313
Cost of sales	(43.392.014)	(11.259.357)	(54.651.371)	-	(54.651.371)
Gross profit	32.913.032	1.378.910	34.291.942	-	34.291.942
Operating expenses	(9.206.579)	(1.476.049)	(10.682.628)	-	(10.682.628)
Other operating income/ expense - net	(143.429)	25.412	(118.017)	-	(118.017)
Operating profit	**23.563.024**	**(71.727)**	**23.491.297**	**-**	**23.491.297**

Geographical Analysis for the interim period 1 January - 30 June 2007

	Turkey	Hungary	Total Combined	Inter segment adjustment	Total
Net sales	106.223.827	19.893.504	126.117.331	-	126.117.331
Cost of sales	(74.944.434)	(18.635.168)	(93.579.602)	-	(93.579.602)
Gross profit	31.279.393	1.258.336	32.537.729	-	32.537.729
Operating expenses	(16.963.535)	(4.155.949)	(21.119.484)	-	(21.119.484)
Other operating income/ expense - net	(161.334)	22.385	(138.949)	-	(138.949)
Operating profit	**14.154.524**	**(2.875.228)**	**11.279.296**	**-**	**11.279.296**

Geographical Analysis for the interim period 1 April - 30 June 2007

	Turkey	Hungary	Total Combined	Inter segment adjustment	Total
Net sales	69.104.263	10.735.772	79.840.035	-	79.840.035
Cost of sales	(41.239.937)	(10.032.585)	(51.272.522)	-	(51.272.522)
Gross profit	27.864.326	703.187	28.567.513	-	28.567.513
Operating expenses	(9.906.706)	(1.728.846)	(11.635.552)	-	(11.635.552)
Other operating income/ expense - net	(246.412)	27.837	(218.575)	-	(218.575)
Operating profit	**17.711.208**	**(997.822)**	**16.713.386**	**-**	**16.713.386**

ii) Total assets

	30 June 2008	31 December 2007
Turkey	190.136.792	177.216.789
Hungary	79.281.635	70.231.092
Unallocated assets	3.322.100	2.960.914
	272.740.527	**250.408.795**

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 4 - SEGMENT REPORTING (Continued)

iii) Capital expenditures, depreciation and amortization expenses

	30 June 2008	30 June 2007
Capital expenditures		
Turkey	2.121.878	11.281.464
Hungary	510.761	2.644.295
	2.632.639	**13.925.759**

	30 June 2008	30 June 2007
Depreciation and amortisation		
Turkey	15.988.173	15.743.681
Hungary	3.638.711	3.407.816
	19.626.884	**19.151.497**

iv) Minority interest

	30 June 2008	31 December 2007
Turkey	198.735	166.222
Hungary	3.567.292	2.997.158
	3.766.027	**3.163.380**

NOTE 5 - CASH AND CASH EQUIVALENTS

		30 June 2008		31 December 2007
Cash		184.535		84.423
Banks				
- time deposits		37.030.378		33.547.984
- US dollar	23.357.891		25.492.465	
- YTL	6.428.115		4.563.264	
- Euro	7.244.372		3.492.255	
- demand deposits		16.236.697		12.335.842
- Euro	9.853.674		5.333.626	
- Hungarian Forint ("HUF")	5.102.238		5.086.307	
- US dollar	760.222		1.205.436	
-YTL	413.803		630.005	
-GBP	106.760		80.468	
		53.451.610		**45.968.249**

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 5 - CASH AND CASH EQUIVALENTS (Continued)

Effective interest rates for YTL, Euro and US dollar time deposits are %17,68, %4,41 and %3,55 respectively, as of 30 June 2008. (31 December 2007: YTL %18,11, Euro %4,48 US dollar %4,97). Maturities of time deposits as of 30 June 2008 are YTL 1-38 days, Euro 1-41 days and US dollar 1-45 days (31 December 2007: YTL 1-113 days, Euro 1-32 days, US dollar 1-36 days).

NOTE 6 - FINANCIAL LIABILITIES

	30 June 2008		
	Effective interest rate p.a.(%)	**Original amount**	**YTL**
Short-term bank borrowings			
YTL borrowings	0,00%	1.807.656	1.807.656
Euro borrowings	5,50%	7.500.000	14.453.250
			16.260.906
Short-term portion of long-term borrowings			
Interest expense accrual-Euro		1.237.761	2.385.290
Interest expense accrual-US dollar		214.002	261.874
US dollar borrowings	5,62%	6.466.667	7.913.261
Euro borrowings	7,26%	7.419.454	14.298.029
			24.858.454
Short-term finance lease obligations			63.555
Short-term financial liabilities			**41.182.915**
Long-term financial liabilities:			
Euro borrowings	%6,86	29.409.024	56.674.130
Long-term bank borrowings			**56.674.130**
Long-term finance lease obligations			204.207
Long-term financial liabilities			**56.878.337**

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 6 - FINANCIAL LIABILITIES (Continued)

	30 June 2008		31 December 2007	
	Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
Long-term borrowings	56.674.130	56.638.984	48.946.861	48.863.216

The fair value of current borrowings equals their carrying amount as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on the borrowing rate of %6,32 (31 December 2007: %6,38).

	31 December 2007		
	Yearly effective interest rate (%)	**Original amount**	**YTL**
Short-term bank borrowings			
YTL borrowings	-	22.249	22.249
Euro borrowings	%5,58	2.000.000	3.420.400
			3.442.649
Short-term portion of long-term borrowings			
Interest expense accrual-Euro		150.172	256.824
Interest expense accrual-US dollar		124.703	145.242
US dollar borrowings	%6,80	6.933.334	8.075.254
Euro borrowings	%7,45	12.457.958	21.305.600
			29.782.920
Short-term bank borrowings			**33.225.569**
US dollar borrowings	%5,50	1.500.000	1.747.050
Euro borrowings	%6,96	27.599.000	47.199.811
Long-term bank borrowings			**48.946.861**
Total bank borrowings			**82.172.430**

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 6 - FINANCIAL LIABILITIES (Continued)

The redemption schedule of the long-term bank borrowings as of 30 June 2008 and 31 December 2007 is as follows:

	30 June 2008	31 December 2007
2009	6.147.401	4.107.041
2010	4.244.245	3.766.546
2011	5.739.028	5.093.086
2012 and over	40.543.456	35.980.188
	56.674.130	**48.946.861**

As of 30 June 2008, the borrowings amounting to EUR 5.728.478 comprise of the loans used by the Joint-venture of the Company Çelebi IC for the terminal construction. 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 equal installments in every six months.

The redemption schedule of the financial lease obligations as of 30 June 2008 is as follows:

	30 June 2008			31 December 2007		
	Minimum lease payments	Interest	Total Obligation	Minimum lease payments	Interest	Total Obligation
Less than 1 year	87.636	(24.081)	63.555	22.202	(22.202)	-
1 to 2 years	87.636	(17.378)	70.258	249	(249)	-
2 to 3 years	87.636	(9.968)	77.668	564	(564)	-
4 years and over	58.427	(2.146)	56.281	-	-	-
	321.335	**(53.573)**	**267.762**	**23.015**	**(23.015)**	**-**

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

	30 June 2008	31 December 2007
Short-term trade receivables		
Trade receivables	34.646.984	18.190.780
Doubtful receivables	2.465.714	2.458.243
	37.112.698	**20.649.023**
Less: Provision for doubtful receivables	(2.465.714)	(2.458.243)
Less: Unearned financial income from credit sales	-	(24.491)
	34.646.984	**18.166.289**

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 7 - TRADE RECEIVABLES AND PAYABLES (Continued)

Yearly effective interest rates for trade receivables as of 31 December 2007 for the YTL, US dollar and Euro are %16,15, %4,86 and %4,44, respectively. The fair value of current trade receivables as of 30 June 2008 equals their carrying amount as the impact of discounting is not significant.

The Group's previous experience in the collection of receivables has been considered in the provisions booked. Therefore, the Group does not foresee any additional receivable risk for the possible collection losses.

Movements of the provision for doubtful receivables for the years ended 30 June 2008 and 31 December 2007 are as follows:

	30 June 2008	**31 December 2007**
Opening balance	2.458.243	2.456.314
Additions	7.471	1.929
Ending balance	**2.465.714**	**2.458.243**

Short-term trade payables

Trade payables	9.960.842	10.885.170
Notes payables	78.879	-
Less: Unearned credit finance charges	-	(5.162)
	10.039.721	**10.880.008**

Effective interest rates for unearned credit finance charges as of 31 December 2007 for US dollar, Euro and YTL are %4,86, %4,44 and %15,96, respectively. The fair value of short-term trade payables as of 30 June 2008 equals their carrying amount as the impact of discounting is not significant.

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 8 - OTHER RECEIVABLES AND PAYABLES

	30 June 2008	31 December 2007
Other short-term receivables		
Receivables from Tax Office	149.797	276.800
Deposits and guarantees given	14.386	15.692
Other miscellaneous receivables	11.643	19.052
	175.826	**311.544**

	30 June 2008	31 December 2007
Other long-term payables		
Deposits and guarantees received	2.447	2.329

NOTE 9 - INVENTORIES

	30 June 2008	31 December 2007
Trade goods	302.417	348.645
Other inventories	4.590.984	4.010.729
	4.893.401	**4.359.374**

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

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment for the period ended 30 June 2008 are as follows:

	Opening 1 January 2008	Additions	Disposals	Transfers (**)	Cumulative translation adjustments	Closing 30 June 2008
Cost						
Machinery and equipment	121.948.890	732.551	(610.565)	-	504.474	122.575.350
Vehicles	18.385.783	225.991	-	-	2.946.991	21.558.765
Furniture and fixtures	11.799.713	738.280	(28.117)	2.399	142.975	12.655.250
Leasehold improvements (*)	63.394.155	409.038	(2.361)	-	-	63.800.832
Advances given	87.649	284.089	(23.979)	(7.096)	-	340.663
	215.616.190	**2.389.949**	**(665.022)**	**(4.697)**	**3.594.440**	**220.930.860**
Accumulated depreciation						
Machinery and equipment	(79.281.217)	(3.430.383)	538.080	-	(85.891)	(82.259.411)
Vehicles	(5.685.326)	(1.307.972)	-	-	(617.237)	(7.610.535)
Furniture and fixtures	(10.099.557)	(357.970)	25.900	-	(61.566)	(10.493.193)
Leasehold improvements (*)	(21.680.544)	(2.117.407)	52	-	-	(23.797.899)
	(116.746.644)	**(7.213.732)**	**564.032**	**-**	**(764.694)**	**(124.161.038)**
Net book value	**98.869.546**					**96.769.822**

(*) The land plots where the stations were constructed by Çelebi Hava Servisi A.Ş in the airports within which it operates were rented from the 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 June 2008 the net book value of these stations was YTL36.735.383. The lease contract signed by the Group and the DHMI is valid for one year and the agreement is renewed every year. The agreement is renewed automatically. The Group amortizes these station buildings over 15 years which correspond to their economic lives. 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.

(**) Comprised of transfers to intangible assets.

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT (Continued)

As explained in details in Note 28, as a consequence of the fire that broke out on 24 May 2006 in the warehouse located at Atatürk Airport Terminal C in which the Company carries out cargo - warehouse operations; leasehold improvements, machinery and equipment and furniture & fixtures whose net book values were YTL3.932.522, YTL522.232 and YTL29.851 respectively as of 31 December 2006 and machinery and equipment and furniture & fixtures whose net book values were YTL1.579.944 and YTL47.257 respectively as of 31 December 2007 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. Leasehold improvements, machinery and equipment and furniture and fixtures whose net book values are totalled YTL6.139.001 including those that written off in 2008 have been written off with the finalization of reports prepared by judicial experts and insurance specialists relating to damage conditions of fixed assets. Judicial experts and insurance specialists have completed their reports to determine the damage to the machinery and equipment and furniture and fixtures and the compensation amounting to USD2.135.583 has been made to the Company as of 30 June 2008 under the coverage of insurance policies comprising leasehold improvements, machinery and equipment and general content, broken machinery, electronic equipment, furniture and fixtures and fire risk coverage of machinery equipment.

The depreciation charges for the period ended 30 June 2008 amounting to YTL2.050.579 and YTL5.163.153 are included in operating expenses and cost of sales, respectively. The net book value of financial lease assets that are included in machinery and equipment is YTL721.006 as of 30 June 2008 (31 December 2007: YTL845.085).

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in property, plant and equipment for the period ended 30 June 2007 are as follows:

	Opening 1 January 2007	Additions	Disposals	Transfers	Cumulative translation adjustments	Closing 30 June 2007
Cost						
Machinery and equipment	117.755.698	5.044.123	(979.091)	82.594	(94.104)	121.809.220
Vehicles	16.386.396	1.904.239	-	-	(263.669)	18.026.966
Furniture and fixtures	10.949.169	434.087	(10.670)	-	(18.030)	11.354.556
Leasehold improvements (*)	54.063.249	5.528.437	(2.230)	-	-	59.589.456
Advances given	1.167.366	533.773	-	(1.158.948)	-	542.191
	200.321.878	**13.444.659**	**(991.991)**	**(1.076.354) (**)**	**(375.803)**	**211.322.389**
Accumulated depreciation						
Machinery and equipment	(73.021.216)	(3.584.145)	919.940	-	4.067	(75.681.354)
Vehicles	(3.408.910)	(1.249.627)	-	-	28.701	(4.629.836)
Furniture and fixtures	(9.485.483)	(313.920)	9.313	-	5.047	(9.785.043)
Leasehold improvements (*)	(17.494.700)	(1.925.450)	37	-	-	(19.420.113)
	(103.410.309)	**(7.073.142)**	**929.290**	**-**	**37.815**	**(109.516.346)**
Net book value	**96.911.569**					**101.806.043**

(*) The land plots where the stations were constructed by Çelebi Hava Servisi A.Ş in the airports within which it operates were rented from the 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 June 2007 the net book value of these stations was YTL38.344.054. The lease contract signed by the Group and the DHMI is valid for one year and the agreement is renewed every year. The agreement is renewed automatically. The Group amortizes these station buildings over 15 years which correspond to their economic lives. 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.

(**) Comprised of transfers to intangible assets.

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 11 - INTANGIBLE ASSETS

Movements in intangible assets for the period ended 30 June 2008 are as follows:

	Opening 1 January 2008	Additions	Disposals	Transfers	Cumulative translation adjustments	Closing 30 June 2008
Cost						
Rights	545.219	11.197	-	-	-	556.416
Customer Relations	27.017.944	-	-	-	5.401.841	32.419.785
Software	3.160.706	19.288	(27.924)	-	71.495	3.223.565
Build-operate-transfer investments (*)	87.533.504	212.205	-	4.697	-	87.750.406
	118.257.373	**242.690**	**(27.924)**	**4.697**	**5.473.336**	**123.950.172**
Accumulated depreciation						
Rights	(499.553)	(28.037)	-	-	-	(527.590)
Customer Relations	(4.946.485)	(2.091.926)	-	-	(1.206.406)	(8.244.817)
Software	(2.013.063)	(198.470)	931	-	(17.378)	(2.227.980)
Build-operate-transfer investments (*)	(52.370.651)	(10.094.719)	-	-	-	(62.465.370)
	(59.829.752)	**(12.413.152)**	**931**	**-**	**(1.223.784)**	**(73.465.757)**
Net book value	**58.427.621**					**50.484.415**

(*) The build-operate-transfer investment the net book value of which is YTL25.285.036 comprises of the advances and progress payments given to contracting firms which were capitalized as of 30 June 2008 related to the construction of Antalya Airport 2. International Terminal with respect to the terminal building operation and transfer processes between Çelebi IC and the DHMI. The Group will depreciate the leasehold improvements related to the terminal building within the operating period of 54 months.

Depreciation charges for the period ended 30 June 2008 amounting to YTL1.317.623 and YTL11.095.529 are included in operating expenses and cost of sales.

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 11 - INTANGIBLE ASSETS (Continued)

Movements in intangible assets for the period ended 30 June 2007 are as follows:

	Opening 1 January 2007	Additions	Disposals	Transfers	Cumulative translation adjustments	Closing 30 June 2007
Cost						
Rights	542.969	-	-	-	-	542.969
Customer Relations	29.468.201	-	-	-	(951.910)	28.516.291
Software	2.705.348	172.643	-	-	(8.838)	2.869.153
Build-operate-transfer investments (*)	86.150.153	308.457	-	1.076.354	-	87.534.964
	118.866.671	**481.100**	**-**	**1.076.354**	**(960.748)**	**119.463.377**
Accumulated depreciation						
Rights	(447.513)	(28.712)	-	-	-	(476.225)
Customer Relations	(761.216)	(2.065.704)	-	-	55.697	(2.771.223)
Software	(1.666.412)	(170.669)	-	-	555	(1.836.526)
Build-operate-transfer investments (*)	(32.745.525)	(9.813.270)	-	-	-	(42.558.795)
	(35.620.666)	**(12.078.355)**	**-**	**-**	**56.252**	**(47.642.769)**
Net book value	**83.246.005**					**71.820.608**

(*) The build-operate-transfer investment the net book value of which is YTL44.976.169 comprises of the advances and progress payments given to contracting firms which were capitalized as of 30 June 2007 related to the construction of Antalya Airport 2. International Terminal with respect to the terminal building operation and transfer processes between Çelebi IC and the DHMI. The Group will depreciate the leasehold improvements related to the terminal building within the operating period of 54 months.

Depreciation charges for the period ended 30 June 2007 amounting to YTL138.299 and YTL11.940.056 are included in operating expenses and cost of sales.

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 12 - GOODWILL

Positive goodwill at 30 June 2008 and 31 December 2007 is as follows:

	30 June 2008	31 December 2007
Goodwill due to acquisition of CGHH	18.995.744	15.830.639

The Company participated in the tender offer on 7 August 2006 opened by the Budapest Airport Budapest Ferihegy Nemzetközi Repülöter Üzemeltetö Zartkörüen Müködö Reszvenytarsasag ("Ba Zrt") company resident in Budapest, Hungary for the acquisition of the 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 a %100 share. The company was informed of winning the tender offer on 14 August 2006 and is participating in the Celebi Tanacsado Korlatolt Felelossegu Tarsasag" ("Celebi Kft.") company founded on 22 September 2006 as a founding shareholder for the realization of the abovementioned share transfer. The trade name of the company BAGH was changed to Celebi Ground Handling Hungary Földi Kiszolgáló Korlátolt Felelősségű Társaság ("CGHH") after the acquisition dated 26 October 2006.

After the studies of the independent valuation company named American Appraisal Hungary Ltd., fair value of the net assets of CGHH was determined to be YTL31.287.893 as of 26 October 2006 and acquired by Celebi Kft at a price of YTL49.448.419 which is the YTL equivalent of 6.691.261 thousand Hungarian Forint (EUR25.593.870). The acquisition has been accounted for according to the clauses of IFRS 3 "Business Combinations" and the goodwill amounting to YTL18.160.526 projected after the acquisition has been reflected in the financial statements at 31 December 2006. At 30 June 2008, after finalizing the completion statements the final purchase price of the Company has been determined to be less than the amount paid by YTL827.657.

It is assumed that there is no impairment for the goodwill arising from the acquisition at 30 June 2008 and 31 December 2007, since the transaction has been realized at a date close to the balance sheet date and the acquisition price has been determined by a sealed tender. Goodwill details relating to the acquisition of the Subsidiary (CGHH) are below:

Acquisition amount	49.448.419
Less: Fair values of assets, liabilities and contingent liabilities	(31.287.893)
Final purchase price adjustment	(827.657)
Currency translation adjustment	1.662.875
Goodwill	**18.995.744**

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 13 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short-term provisions	30 June 2008	31 December 2007
Provision for unused vacation rights	1.763.605	1.607.570
DHMI expense accruals	2.692.187	12.444
Accrued sales commissions	1.545.638	1.011.487
Provision for legal claims	375.329	312.735
Other provisions	311.711	247.555
	6.688.470	**3.191.791**

Long-term provisions	30 June 2008	31 December 2007
DHMI agreement depreciation provision (*)	9.022.286	7.559.094

(*) The 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 operated 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.

Contingent assets and liabilities

Guarantees received:	30 June 2008	31 December 2007
Guarantee letters	6.573.599	6.953.598
Guarantee notes	2.187.798	1.532.549
Guarantee cheque	1.130.285	2.003.816
	9.891.682	**10.489.963**

Guarantees given:

Guarantee letters given	**22.530.274**	**19.083.380**

The Group has contingent assets amounting to YTL1.599.638 due to the legal cases in favour of the Group and contingent liabilities amounting to YTL58.316.462 due to the legal cases and enforcement proceedings against the Group as of 30 June 2008. YTL57.336.464 portion of contingent liabilities are comprised of legal cases and enforcement proceedings related with the fire in warehouse (Note 28) in which Company is a sole defendant and co-defendant with the DHMI, other warehouse management companies and insurance companies.

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 14 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS

	30 June 2008	**31 December 2007**
Provision for employment termination benefits	3.778.460	3.543.901

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

Under the Turkish Labour Law, the Group is required to pay termination benefits to each employee who has completed one year of service, who achieves the retirement age (58 for women and 60 for men), who has charged 25 years of services (20 years for women) and whose employment is terminated without due cause, is called up for military service or who dies Since the legislation was changed on 23 May 2002 there are certain transitional provisions relating to length of service prior to retirement. The amount payable at 30 June 2008 consists of one month's salary limited to a maximum of YTL 2.087,92 (31 December 2007: YTL 2.030,19) for each year of service.

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

IFRS requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Employee termination benefit liability is calculated by estimating the present value of the future probable obligation to the employees of the group in its subsidiaries that are registered in Turkey arising from the retirement of the employees. Accordingly the following actuarial assumptions were used in the calculation of the total liability:

	30 June 2008	**31 December 2007**
Discount rate (%)	5,71	5,71
Turnover rate to estimate the probability of retirement (%)	94,37	93,85

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 2.173,18 which is effective from 1 July 2008 (31 December 2007: YTL 2.087, 92) has been taken into consideration in the calculations.

	30 June 2008	**30 June 2007**
Balance at the beginning of the year	3.543.901	3.093.259
Paid during the year	(816.292)	(461.671)
Increase/ (Decrease) during the year	1.050.851	1.042.148
Ending balance	**3.778.460**	**3.673.736**

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 15 - OTHER ASSETS AND LIABILITIES

	30 June 2008	31 December 2007
Other current assets		
Prepaid expenses	3.079.594	2.586.119
Value-added tax ("VAT") to be refunded	1.522.754	1.436.820
Income accruals	454.985	150.383
Advances given to personnel	258.356	110.480
Prepaid taxes and funds	19.136	684.302
Other	226.015	209.797
	5.560.840	**5.177.901**

	30 June 2008	31 December 2007
Other non-current assets		
Prepaid expenses	53.636	6.215
Deposits and guarantees given	2.300	2.283
Other receivables	45.818	43.611
	101.754	**52.109**

	30 June 2008	31 December 2007
Other current liabilities		
Corporate taxes payable (Note 22)	5.015.562	259.078
Wages and salaries payable	4.873.426	3.589.990
Social security payables	2.262.547	1.949.335
Taxes and funds payable	1.641.892	1.512.726
Deferred income	931.080	378.237
Accrued bonus payable	397.253	364.425
Other miscellaneous liabilities	1.254.466	942.702
	16.376.226	**8.996.493**

	30 June 2008	31 December 2007
Other non-current liabilities		
SWAP agreements (Note 26)	2.011.622	2.369.158
Deferred insurance claim recovery (*)	1.835.550	1.747.050
Deferred other revenues	-	13.615
	3.847.172	**4.129.823**

(*) The deferred insurance claim recovery amount is comprised of the insurance policy related to the goods of third parties amounting to USD1.500.000 which has been fully collected as of 30 June 2008 and is planned to be utilized by the Company under the circumstances that the Company is found to be liable for the losses incurred during the fire that broke out in Atatürk Airport ("AHL") Terminal C (Note 28).

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 16 - EQUITY

Share Capital

As of 30 June 2008, the authorized share capital of the Group is YTL 24.300.000 comprising of 2.430.000.000 registered shares with a face value each of 1 YKr (TL10.000) (31 December 2007: 2.430.000.000 shares).

At 30 June 2008 and 31 December 2007, the shareholding structure is stated below:

	30 June 2008		31 December 2007	
Shareholders	**YTL**	**Share %**	**YTL**	**Share %**
Çelebi Holding A.Ş.	12.802.050	52,69	12.802.050	52,69
Engin Çelebioğlu	2.432.430	10,01	2.432.430	10,01
Can Çelebioğlu	1.822.770	7,50	1.822.770	7,50
Canan Çelebioğlu Tokgöz	1.820.970	7,49	1.820.970	7,49
Other	5.421.780	22,31	5.421.780	22,31
	24.300.000	**100,00**	**24.300.000**	**100,00**

Restricted Reserves

The Turkish Commercial code ("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. 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. In addition, according to Exemption for sale of Participation shares and property, a 75% portion of corporations' profits arising from such sales are not withdrawn within 5 years and are followed in special reserves.

As of 30 June 2008 and 31 December 2007, restricted reserves consist of legal reserves.

Retained earnings

In accordance with the CMB regulations effective until 1 January 2008, "Capital, Share Premiums, Legal Reserves, Special Reserves and Extraordinary Reserves" were recorded at their statutory carrying amounts and the inflation adjustment differences related to such accounts were recorded under "inflation adjustment differences" at the initial application of inflation accounting. "Equity inflation adjustment differences" could have been utilised in issuing bonus shares and offsetting accumulated losses, carrying amount of extraordinary reserves could have been utilised in issuing bonus shares, cash dividend distribution and offsetting accumulated losses.

NOTE 16 - EQUITY (Continued)

In accordance with the Communiqué No:XI-29 and related announcements of CMB, effective from 1 January 2008, “Share capital”, “Restricted Reserves” and “Share Premiums” shall be carried at their statutory amounts. The valuation differences shall be classified as follows:

- the difference arising from the “Paid-in Capital” and not been transferred to capital yet, shall be classified under the “Inflation Adjustment To Share Capital”;

- the difference due to the inflation adjustment of “Restricted Reserves” and “Share Premium” and the amount has not been utilised in dividend distribution or capital increase yet, shall be classified under “Prior years’ income”.

Other equity items shall be carried at the amounts calculated based on CMB Financial Reporting Standards.

Dividend distribution

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

In addition, based on the CMB Decree 7/242, dated 25 February 2005, if the amount of profit distributions calculated in accordance with the net distributable profit requirements of the CMB does not exceed the statutory net distributable profit, the whole amount of distributable profit should be distributed. If it exceeds the statutory net distributable profit, the whole amount of the statutory net distributable profit should be distributed. It is stated that dividend distributions should not be made if there is a loss in either the financial statements prepared in accordance with CMB regulations or in the statutory financial statements.

The profits of subsidiaries, joint ventures and associates, that are included in the consolidated financial statements of the parent, are not considered in the calculation of distributable profits within the context of CMB Financial Reporting Standards, if the decision on profit distribution has not been taken in the general assemblies of the related subsidiaries, joint ventures and associates.

In accordance with the decision of Capital Markets Board on 8 February 2008 no 4/138 the minimum profit distribution ratio shall be applied as 20% (31 December 2007: 20%) in relation to publicly-listed joint stock partnerships as of 1 January 2008. Accordingly, it has been made possible that shares, issued in cash or through the addition of dividend to the capital upon the decision of the Company's general assembly, can be distributed to the partners free of charge or that the distribution can be partly made in cash and partly through the free distribution of shares. It has been further enabled that initial dividend amount be left to the partnership without distribution, if such amount is lower than the 5% of the existing paid-up/issued capital amount. Nevertheless, with regard to the joint stock partnerships, which have increased its capital without performing a dividend distribution as to the previous period and which separates its shares as "new" and "old", it has been made obligatory for those partnerships, which will distribute dividend out of its 2007 profits, to distribute the initial dividend amount in cash.

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 17 - SALES AND COST OF SALES

	1 January - 30 June 2008	1 April - 30 June 2008	1 January - 30 June 2007	1 April - 30 June 2007
Ground handling services	99.660.297	62.036.497	90.540.756	56.578.419
Passenger service income (*)	15.815.627	13.300.651	14.370.653	12.291.654
Rent income not related to aviation (**)	12.398.201	6.416.255	11.881.341	5.885.356
Antrepo services income	8.181.329	4.467.687	6.461.709	3.666.020
Airport security services	2.638.296	1.393.189	2.391.488	1.352.864
Contribution income to general expenses (****)	2.497.817	1.296.921	2.358.755	1.173.979
Rent income related to aviation (***)	1.381.744	1.261.569	1.189.032	974.636
Aviation fuel sold and commission income	117.873	62.930	308.911	68.028
Less: Returns and discounts	(1.748.409)	(1.292.386)	(3.385.314)	(2.150.921)
Sales - net	**140.942.775**	**88.943.313**	**126.117.331**	**79.840.035**
Cost of service given	(100.776.640)	(54.602.394)	(93.310.466)	(51.217.545)
Cost of aviation fuel sold	(84.584)	(48.977)	(269.136)	(54.977)
Cost of sales	**(100.861.224)**	**(54.651.371)**	**(93.579.602)**	**(51.272.522)**
Gross profit	**40.081.551**	**34.291.942**	**32.537.729**	**28.567.513**

(*) 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 from 2.416.171 (2007: 2.345.796) 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.

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

(****) Contribution income comprises 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 the 2nd International Terminal.

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 18 - OPERATING EXPENSES

	2008		2007	
	1 January - 30 June	**1 April - 30 June**	**1 January - 30 June**	**1 April - 30 June**
Payroll expenses	7.212.450	3.843.047	6.518.026	3.619.050
Consultancy expenses	6.023.952	3.349.278	7.214.390	4.761.011
Depreciation and amortization	3.368.202	1.106.033	3.558.625	1.816.081
Travel and transportation expenses	914.712	537.095	640.323	340.676
Repair, maintenance and security expenses	856.385	458.590	882.425	504.925
Rent expenses	572.628	303.561	597.697	295.107
Insurance premiums	368.202	197.386	397.482	190.615
Other	1.645.289	887.638	1.310.516	108.087
	20.961.820	**10.682.628**	**21.119.484**	**11.635.552**

NOTE 19 - OTHER OPERATING INCOME/EXPENSES

	1 January - 30 June 2008	**1 April - 30 June 2008**	**1 January - 30 June 2007**	**1 April - 30 June 2007**
Other operating income:				
Return income from contribution to holding expenses (*)	2.616.255	-	-	-
Income from insurance claims	864.986	46.356	119.360	107.081
Fixed asset sales income	210.081	200.774	70.417	32.319
Rent income	206.057	102.135	233.900	113.668
Income from scrap sales	10.237	5.184	20.079	20.079
Other	324.979	254.507	302.643	208.052
	4.232.595	**608.956**	**746.399**	**481.199**

(*) Çelebi Holding A.Ş. (Holding) has reflected the salaries and similar payments made to Holding administrators to subsidiaries and joint ventures for their services and functions in subsidiaries and joint-ventures in accordance with a distribution key between the years 2004 and 2008. Holding has decided to return amounts received from Çelebi Hava Servisi (the Company) with accrued interest by considering the payments made by Çelebi Hava Servisi to the Chairman of the Board of Directors and the Deputy Chairman of the Board for their administrative function in the Company. The amount calculated in this context has been collected from the Holding and accrued as income.

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 19 - OTHER OPERATING INCOME/EXPENSES (Continued)

	1 January- 30 June 2008	1 April- 30 June 2008	1 January- 30 June 2007	1 April- 30 June 2007
Other operating expenses:				
Insurance expenses	(63.336)	(32.127)	(117.537)	(113.543)
Provision expenses	(62.593)	(62.593)	(31.696)	(31.696)
Other expenses	(795.460)	(632.253)	(736.115)	(554.535)
	(921.389)	**(726.973)**	**(885.348)**	**(699.774)**

NOTE 20 - FINANCIAL INCOME

	1 January- 30 June 2008	1 April- 30 June 2008	1 January- 30 June 2007	1 April- 30 June 2007
Foreign exchange gains	11.009.349	5.886.243	6.045.264	4.348.010
Interest income	1.628.716	793.885	1.527.687	739.994
Unearned financial income	776.895	624.849	348.701	318.002
SWAP contracts valuation gains	752.955	3.371.974	-	-
	14.167.915	**10.676.951**	**7.921.652**	**5.406.006**

NOTE 21 - FINANCIAL EXPENSES

	1 January- 30 June 2008	1 April- 30 June 2008	1 January- 30 June 2007	1 April- 30 June 2007
Foreign exchange losses	(7.765.230)	(156.094)	(3.543.340)	(2.281.705)
Interest expenses	(3.066.177)	(1.525.910)	(4.536.434)	(3.466.817)
Unincurred financial expenses	(65.744)	(11.202)	(156.434)	(109.430)
Other financial expenses	(84.443)	-	(142.947)	(110.101)
	(10.981.594)	**(1.693.206)**	**(8.379.155)**	**(5.968.053)**

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 22 - TAXES ON INCOME

	30 June 2008	31 December 2007
Corporate tax	5.630.935	9.897.678
Less: Prepaid taxes	(615.373)	(9.638.600)
Taxes liability/ (receivable) - net (Note 15)	**5.015.562**	**259.078**

	30 June 2008	31 December 2007
Deferred tax assets	3.322.100	2.960.914
Deferred tax liabilities	(5.161.205)	(5.098.855)
Deferred tax liability - net	**(1.839.105)**	**(2.137.941)**

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.

<u>Turkey</u>

The corporation tax rate for the fiscal year 2008 is %20 (2007: %20). Corporation tax rate is applicable on the total income of 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 organizations or individuals are subject to withholding tax at the rate of %15 .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 (2007: %20). Advance tax is declared by the 14th 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.

NOTE 22 - TAXES ON INCOME (Continued)

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

Domestic participation exemption

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).

Preferential right certificate sales and issued premiums exemption

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.

Foreign company participation exemption

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).

Real property, investment equity, preferential rights, usufruct shares, founding shares, sales exemption:

A %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 are 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 realized.

Investment allowance exemption

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 regulatory provisions; the ratio of investment tax credit is %19,8.

NOTE 22 - TAXES ON INCOME (Continued)

b) in the scope of the abolished 19th article of Income Tax Law, 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. The ratio of investment tax credit for this is %40.

Investment allowances can be deducted from revenues for the years 2006, 2007 and 2008 in accordance with the legislation (including the provisions related to tax rates of the article of Income Tax Law No.5422) in force as of 31 December 2005.

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.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 25th of the fourth month following the close of the related financial year. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Corporations established abroad and controlled directly or indirectly by tax resident companies and real persons by means of separate or joint participation in the capital or dividends or voting rights at the rate of a minimum 50% are considered as Controlled Foreign Corporations "CFC" provided that the below conditions are fulfilled:

a) 25% or more of the gross revenue of the foreign subsidiary must be composed of passive income like interest, dividend, rent, license fee, or marketable securities sales income;

b) Controlled Foreign Corporations "CFC" must be subject to an effective income tax rate lower than 10% for its commercial profit in its home country; and,

c) Gross revenue of the CFC must exceed the equivalent of YTL 100 in a foreign currency in the related period.

CFC profit is included in the corporate income tax base of the controlling resident corporation, irrespective of whether it is distributed or not, at the rate of the shares controlled, in the fiscal period covering the month of closing of the fiscal period of the CFC. CFC profit that has already been taxed in Turkey as per this article will not be subject to additional tax in Turkey in the event of dividend distribution; whereas the portion of the profit distributed that has not been previously taxed in Turkey will be subject to taxation.

Hungary

In Hungary, the corporate tax rate is changed from 16% to 20% beginning on 1 September 2006. This additional tax increase is applicable to earnings before tax beginning from the last quarter of the fiscal year 2006 and the increased tax rate will be applicable thereafter.

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 22 - TAXES ON INCOME (Continued)

The taxes on income for the periods ended 30 June 2008 and 2007 are summarized as follows:

	1 January-30 June 2008	**1 April-30 June 2008**	**1 January-30 June 2007**	**1 April-30 June 2007**
- Current period tax (expense)	(6.157.010)	(5.801.335)	(3.839.853)	(3.582.232)
- Deferred tax (expense)/income	(139.220)	(1.058.749)	2.138.760	1.266.351
	(6.296.230)	**(6.860.084)**	**(1.701.093)**	**(2.315.881)**

Deferred tax

Turkish Tax Legislation does not allow the main company to declare its tax return in the consolidated financial statements of all its affiliates and subsidiaries. For this purpose, tax provisions disclosed in consolidated financial statements are calculated separately for each company that is in the context of full consolidation.

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. Temporary differences generally arise due to the recording of incomes and expenses in different reporting periods according to Tax Laws and CMB Accounting Standards. Deferred income taxes will be calculated on temporary differences that are expected to be realized or settled based on the taxable income in the coming years under the liability method using a principal tax rate of %20 (31 December 2007: %20). The related ratio for Hungary is 20%.

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 22 - TAXES ON INCOME (Continued)

The breakdown of cumulative temporary differences and the resulting deferred tax assets/ (liabilities) provided at 30 June 2008 and 31 December 2007 using the enacted future tax rates is as follows:

	Cumulative Taxable Temporary Differences		Deferred Tax Assets/Liabilities	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
Non-deductible financial losses (*)	(14.285.630)	(11.905.332)	2.857.126	2.381.066
SWAP contracts foreign currency valuations	-	(1.998.977)	-	399.796
Net difference between the tax base and carrying amount of property plant and equipment and intangible assets	(2.069.228)	(676.019)	413.846	135.204
Provision for unused vacation rights	(222.641)	(201.367)	44.528	40.273
Provision for employment termination benefits	(33.000)	(22.874)	6.600	4.575
Net deferred tax asset			**3.322.100**	**2.960.914**
Net difference between the tax base and carrying amount of property plant and equipment and intangible assets	34.475.328	33.818.736	(6.895.066)	(6.763.747)
Provision for employment termination benefits	(3.745.460)	(3.521.027)	749.092	704.205
Deferred insurance claim recovery	(1.835.550)	(1.747.050)	367.110	349.410
Provision for unused vacation rights	(1.540.964)	(1.406.203)	308.193	281.241
Accrued sales commissions	(1.545.638)	(1.011.487)	309.128	202.297
SWAP contracts foreign currency valuations	820.668	-	(164.134)	-
Provision for legal claims	(375.329)	(312.735)	75.066	62.547
Personnel bonus accrual	(397.253)	(256.850)	79.450	51.370
Provision for doubtful receivables	(49.781)	(49.781)	9.956	9.956
Unincurred financial expenses	-	(24.491)	-	4.898
Unearned financial income	-	5.162	-	(1.032)
Net deferred tax liability			**(5.161.205)**	**(5.098.855)**

(*) There is no expiration of the carry-forward tax losses in the Hungary Tax System.

Deferred tax movement table is indicated below:

	30 June 2008	30 June 2007
1 January	**(2.137.941)**	**(4.900.035)**
Cumulative translation difference	438.056	(52.267)
Current period deferred tax (expense)/income	(139.220)	2.138.760
30 June	**(1.839.105)**	**(2.813.542)**

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 23 - EARNINGS PER SHARE

Earnings per share is determined by dividing net loss amounting to YTL 19.251.051 to that class of shares by the weighted average number of such shares outstanding during the year concerned (30 June 2008:24.300.000 shares, 30 June 2007: 13.500.000 shares). The calculation is as follows:

	1 January-30 June 2008	**1 April-30 June 2008**	**1 January-30 June 2007**	**1 April-30 June 2007**
Net income attributable to the shareholders	19.251.051	23.960.013	10.303.564	14.577.824
Weighted average number of share				
Weighted average number of shares withYKr 1 face value each	24.300.000	24.300.000	13.500.000	13.500.000
Earnings per share	0,79	0,99	0,76	1,08

NOTE 24 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

(i) Balances with related parties

	30 June 2008	**31 December 2007**
Due from related parties		
Çelebi-IC Hava Terminali İşletme ve Ticaret A.Ş.	3.949.979	-
Ortadoğu Antalya Liman İşletmeleri A.Ş.	52.179	35.189
Other	47.103	23.507
	4.049.261	**58.696**

Due from Joint-ventures

	30 June 2008	**31 December 2007**
Çelebi IC Antalya Havalimanı Terminal Yatırım ve İşletme A.Ş.	288.770	225.913
Due from related parties - net	**4.338.031**	**284.609**

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 24 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Due to related parties

	30 June 2008	31 December 2007
Çelebi Holding A.Ş. (*)	530.186	703.323
Çe-Tur Çelebi Turizm Ticaret A.Ş.	318.656	765.680
Payables to shareholders (Dividends payable)	4.090	1.309
Çelebi IC Hava Terminali İşletme ve Ticaret A.Ş.	-	260.617
Çelebi Hizmet Gıda İşletmeleri A.Ş	-	9.998
	852.932	**1.740.927**

(*) YTL488.195 portion of due to Çelebi Holding (31 December 2007: YTL506.838) consists of invoices issued for the Company and Çelebi Güvenlik as contributions to holding expenses.

(ii) Transactions with related parties:

	1 January-30 June 2008	1 April-30 June 2008	1 January-30 June 2007	1 April-30 June 2007
Sales to related parties				
Ortadoğu Antalya Liman İşletmeleri A.Ş.	244.142	120.093	192.746	104.111
Çelebi IC Hava Terminali İşletme ve Ticaret A.Ş.	242.426	138.642	164.314	92.311
Çelebi Holding A.Ş.	213.094	133.747	80.071	53.007
Çe-Tur Çelebi Turizm Ticaret A.Ş.	151.410	60.535	85.026	44.174
Çelebi Marina ve Yat İşletmeciliği A.Ş.	143.245	99.873	19.914	19.914
Çelebi Hizmet Gıda İşletmeleri Turizm Sanayi ve Ticaret A.Ş.	-	-	4.563	4.363
Çelebi Hizmet Restorant İşletmeleri ve Gıda Turizm İnşaat Sanayi ve Ticaret A.Ş.	-	-	353	353
	994.317	**552.890**	**546.987**	**318.233**
Sales to Joint-ventures				
Çelebi IC Antalya Havalimanı Terminal Yatırım ve İşletme A.Ş.	**1.506.441**	**881.946**	**1.403.504**	**839.811**

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 24 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

	1 January-30 June 2008	1 April-30 June 2008	1 January-30 June 2007	1 April-30 June 2007
Rent income from related parties				
Çelebi IC Hava Terminali İşletme ve Ticaret A.Ş.	**11.312.442**	**5.786.405**	**10.867.096**	**5.346.559**
Employee and transportation expenses payable to related parties				
Çe-Tur Çelebi Turizm Ticaret A.Ş.	2.276.386	1.254.020	2.148.911	1.153.674
Çelebi IC Hava Terminali İşletme ve Ticaret A.Ş.	1.425.687	793.381	1.323.715	723.336
	3.702.073	**2.047.401**	**3.472.626**	**1.877.010**

	1 January-30 June 2008	1 April-30 June 2008	1 January-30 June 2007	1 April-30 June 2007
Contribution to holding expenses (**)				
Çelebi Holding A.Ş.	4.474.735	2.517.704	5.062.637	2.858.596
General expenses contribution income from related companies (***)				
Çelebi IC Hava Terminali İşletme ve Ticaret A.Ş.	2.262.488	1.157.281	2.173.419	1.069.312
Return income from contribution to Holding expenses				
Çelebi Holding A.Ş. (Note 19)	2.616.255	-	-	-
Other purchases from related parties (****)				
Çelebi Holding A.Ş.	1.006.835	892.040	642.209	501.657
Çe-Tur Çelebi Turizm Ticaret. A.Ş.	980.614	465.160	1.302.949	623.902
Other	17.183	32	5.880	5.880
	2.004.632	**1.357.232**	**1.951.038**	**1.131.439**
Other purchases from Joint-ventures				
Çelebi IC Antalya Havalimanı Terminal Yatırım ve İşletme A.Ş.	64.939	48.937	105.249	90.067

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 24 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

(**) Contribution paid to Çelebi Holding A.S for services (legal counseling, financial consultancy and human resource consultancy) provided to Çelebi Hava Servisi and Çelebi Güvenlik Sistemleri ve Danışmanlık A.Ş. 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 (Note 19).

(***) 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, organizational cost and other expenses. Purchases from Çelebi Holding A.Ş. that are classified under other purchases from related parties are comprised of expenses directly related to the Company that are business development projects and tenders executed and followed up Çelebi Holding A.Ş.

Guarantees given to related parties as of 30 June 2008 and 31 December 2007 are detailed below:

	30 June 2008		31 December 2007	
	US dollar	**YTL**	**US dollar**	**YTL**
Çelebi Holding A.Ş.	-	25.750.000	-	25.750.000
Çelebi IC (*)	45.154.000	-	45.154.000	-

(*) Çelebi IC signed an agreement for the borrowings amounting to USD 90.308.800 (2007: USD 90.308.800). The Company gave a guarantee for %50 of these borrowings. Related borrowing amount has been EUR 5.728.479 as of 30 June 2008 after back payments.

Remuneration paid to top management:

	1 January-30 June 2008	**1 April-30 June 2008**	**1 January-30 June 2007**	**1 April-30 June 2007**
Remuneration paid to top management	3.150.110	1.751.502	2.699.135	1.540.429

NOTE 25 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

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 minimize potential adverse effects on the financial performance of the Group.

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

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed using natural hedges that arise from offsetting interest rate sensitive assets and liabilities. The Group also manages these risks by offsetting interest bearing assets and liabilities and using derivative instruments for hedging purposes.

If other variables are kept constant, interest income generated from time deposits would have been either YTL34.749 higher or lower if the interest rates were 2% more or less in the interim financial statements for the nine-month period ended 30 June 2008.

Funding risk

Cash flow generated through amount and term of borrowing back payments is managed by considering the amount of unreserved cash flow from its operations. Hence, on one hand it is possible to pay debts with the cash generated from operating activities when necessary, and on the other hand sufficient and reliable sources of high quality loans are accessible. The Group has long-term financial liabilities amounted YTL56.878.337 as of 30 June 2008 (31 December 2007: YTL48.946.861) (Note 6).

Credit Risk

Credit risk consists of cash and cash equivalents, bank deposits and receivables from customers exposed to credit risk.

In order to manage credit risk, the Company determines a risk limit for each customer (excluding related parties) through the use of bank guarantees, mortgages, receivable insurance policies and other guarantees and continues its business transactions considering the customer risk level. Where guarantees are not present or should be passed over, business transactions are managed through the company procedures identified but not all the transactions could be covered by guarantees.

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 25 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Currency risk

The Group is exposed to foreign exchange risk through the impact of rate changes in the translation of foreign currency denominated liabilities to local currency. Foreign currency positions relative to total equity is determined to be kept in a certain level. Foreign currency position is periodically reviewed and currency risk is managed through the use of balance sheet related transactions or off balance sheet derivatives.

As of 30 June 2008, other things being constant, if the YTL was to appreciate/depreciate by 10% against the USD, foreign exchange gains/losses resulting from trade receivables and payables, cash and cash equivalents and advances received and given would increase/decrease net income by YTL1.354.252 (30 June 2007: YTL579.872).

As of 30 June 2008, other things being constant, if the YTL was to appreciate/depreciate by 10% against the Euro, foreign exchange gains/losses resulting from trade receivables and payables, cash and cash equivalents and advances received and given would increase/decrease net income by YTL 4.973.553 (30 June 2007: YTL6.582.807).

	30 June 2008	31 December 2007
Assets	83.769.496	56.230.719
Liabilities	(117.286.371)	(92.608.401)
Net foreign currency position	**(33.516.875)**	**(36.377.682)**

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

NOTE 25 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

30 June 2008	**US dollar**	**Euro**	**Other Currencies**	**Total YTL**
Assets:				
Cash and cash equivalents	24.107.059	17.157.633	5.295.347	46.560.039
Trade receivables	8.116.396	20.883.892	1.254.329	30.254.617
Due from related parties	529	4.019.575	-	4.020.104
Other	164.101	35.507	2.735.128	2.934.736
	32.388.085	**42.096.607**	**9.284.804**	**83.769.496**
Liabilities:				
Short term financial liabilities	(8.238.689)	(31.136.569)	-	(39.375.258)
Long-term financial liabilities	(204.207)	(56.674.130)	-	(56.878.337)
Trade payables	(1.120.351)	(471.031)	(3.645.369)	(5.236.751)
Due to related parties	(19.581)	-	-	(19.581)
Long-term provisions	(9.022.286)	-	-	(9.022.286)
Other	(240.448)	(3.550.409)	(2.963.301)	(6.754.158)
	(18.845.562)	**(91.832.139)**	**(6.608.670)**	**(117.286.371)**

31 December 2007	**US dollar**	**Euro**	**Other currencies**	**Total YTL**
Assets:				
Cash and cash equivalents	26.709.008	8.837.830	5.222.586	40.769.424
Trade receivables	3.823.019	10.242.156	973.812	15.038.987
Due from related parties	97.637	244.306	6.822	348.765
Other	71.989	1.554	-	73.543
	30.701.653	**19.325.846**	**6.203.220**	**56.230.719**
Liabilities:				
Short term financial liabilities	(8.220.496)	(24.982.824)	-	(33.203.320)
Long-term financial liabilities	(1.747.050)	(47.199.810)	-	(48.946.860)
Trade payables	(1.175.233)	(252.229)	(4.120.649)	(5.548.111)
Due to related parties	(112.509)	(28.160)	(35.210)	(175.879)
Long-term provisions	(4.729.359)	-	-	(4.729.359)
Other	-	-	(4.872)	(4.872)
	(15.984.647)	**(72.463.023)**	**(4.160.731)**	**(92.608.401)**

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

NOTE 25 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Total hedging ratio of foreign currency position:

	30 June 2008	31 December2007
US dollar	%172	%192
Euro	%(46)	%(26)

	2008		2007	
	1 January - 30 June	1 April - 30 June	1 January - 30 June	1 April - 30 June
Total exports	171.900	171.900	644.092	492.861
Total imports	280.555	91.756	3.163.319	3.122.779

Liquidity risk

Prudential liquidity risk management stands for holding sufficient amount of cash and marketable securities, the ability to utilize sufficient amount of borrowing and fund resources and the ability of the power of closing market positions. Management reviews the Company's liquidity reserves considering the forecasted cash flows.

As of the balance sheet date, below table summarizes maturity analysis of the assets and liabilities based on their due dates:

30 June 2008	0 - 3 months	3 - 12 months	Over 1 year	Total
Financial liabilities	7.135.075	34.047.840	56.878.337	98.061.252
Trade payables	10.039.721	-	2.447	10.042.168
Due to related parties	852.932	-	-	852.932
Provisions	6.688.470	-	12.800.746	19.489.216
Other liabilities	7.951.223	8.425.003	3.847.172	20.223.398

31 December 2007	0 - 3 months	3 - 12 months	Over 1 year	Total
Financial liabilities	3.442.649	29.782.920	48.946.861	82.172.430
Trade payables	10.880.008	-	-	10.880.008
Due to related parties	1.740.927	-	-	1.740.927
Provisions	250.956	2.940.835	7.559.094	10.750.885
Other liabilities	5.496.630	3.499.863	4.132.152	13.128.645

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

NOTE 25 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The shareholders' of the Company, in order to maintain or modify capital structure, can change the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and sell assets to decrease financing needs consistent with the regulations of the CMB.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities (including borrowings and trade and other payables, as shown in the consolidated balance sheet) less cash and cash equivalents and deferred tax liability. Total capital is calculated as equity, as shown in the consolidated balance sheet, plus net debt.

Net debt/ (Equity+net debt) ratio as of 30 June 2008 and 31 December 2007 is as follows:

	30 June 2008	31 December 2007
Total liabilities	153.830.171	127.315.651
Cash and cash equivalents	(53.451.610)	(45.968.249)
Deferred tax liability	(5.161.205)	(5.098.855)
Net debt	95.217.356	76.248.547
Equity	118.910.356	123.093.144
Equity+net debt	214.127.712	199.341.691
Net debt/ (Equity+net debt) ratio	44%	38%

NOTE 26 - FINANCIAL INSTRUMENTS

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 Group 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 realize in a current market exchange.

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

NOTE 26 - FINANCIAL INSTRUMENTS (Continued)

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 values of trade receivables along with the related allowances for uncollectibility are 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.

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.

Derivative Instruments

	2008		**2007**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Interest rate SWAP	-	(2.163.256)	-	370.181
Currency forward contracts	2.916.211	-	-	1.998.977
	2.916.211	**(2.163.256)**	**-**	**2.369.158**

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

NOTE 26 - FINANCIAL INSTRUMENTS (Continued)

Movement of derivative financial instruments as of 30 June 2008 is as following:

	1 January 2008	Profit(*)	Loss(*)	Foreign currency differences	30 June 2008
Interest rate SWAP	(370.181)	-	(2.163.256)	(298.851)	(2.832.288)
Currency forward contracts	(1.998.977)	2.916.211	-	(96.568)	820.666
	(2.369.158)				**(2.011.622)**

(*) Financial income related to aforementioned agreements amount to YTL752.955 (31 December 2007 Loss: YTL2.369.158) (Note 20).

a) Interest rate SWAP

Within the framework of the project finance agreement entered into with the related bank, CGHH has entered into a knock in radial swap transaction corresponding to the amount used for the project amounting to EUR28.600.000 as of 30 June 2008 in order to hedge interest rate risk. The mentioned amount will decrease parallel to the redemption schedule of the project borrowing. Details of the terms and conditions of the interest rate swap are as follows:

Termination date	31 December 2015	
Amount	EUR28.600.000	
Index - Banka	6 month Euribor	
Index - Celebi Kft	First 6 months (1.semester)	% 4,00 (excluding spread)
	Thereafter each semester	previous coupon+ C * (Index - Strike)
	C = 1, If Index > Barrier	C = 0, If Index < Barrier
Previous Coupon	Coupon rate paid in the previous semester	
Barrier	5,40 %	
Strike	5,15 %	
Index	6 month Euribor	

As long as nine-month Euribor is below %5,40, the effective interest rate for CGHH is %4,00. In circumstances where Euribor is equal or higher than %5,40, the aforementioned formula will be put into service and for each semester a new formula will be calculated.

b) Currency forward contracts

Within the framework of the project finance agreement entered into with the related bank, CGHH has entered into a risk reversal option transaction corresponding to the amount used for the project amounting to EUR28.600.000 as of 30 June 2008 in order to hedge foreign exchange risk. Taking into consideration the cash flow projection presented to the Bank, the Company has made a commitment to sell Euros and to buy Hungarian forint each month until 31 December 2011.

As a consequence of the fact that the subsidiary CGHH and a bank located in Turkey granted a loan agreement amounting to EUR28.600.000 for the preliminary financing of the continuing project, the Company pledged %70 of its share of CGHH in accordance with the agreement.

NOTE 27 - SUBSEQUENT EVENTS

i) The company has decided to enter to the auction dated on 14 July 2008, which will be organized by the Delhi International Airport Private Ltd. "DIAL", the operator of the Delhi International airport, resident in Delhi City, India, about acquiring the operational license for providing airport ground services for 10 years, with the joint venture established with the Shaurya Aeronautics Private Ltd. "SAPL" company which is currently operating the same airport with general aeronautical activities. According to the auction procedures, it was announced that in case of the winning the auction, the % 67 of capital the joint venture company, which is established in order to organize the ground services, would be contributed by the Company and the % 33 of it would be contributed by the "SAPL".

ii) The tender offer opened by the airport authority that is resident in Amman city of Jordan for providing ground handling services in Queen Alia International Airport resulted in favour of another tender participant apart from the Company.

NOTE 28 - DISCLOSURE OF OTHER MATTERS, WITH A MATERIAL EFFECT ON FINANCIAL STATEMENTS, REQUIRED FOR THE PURPOSE OF UNDERSTANDING AND INTERPRETING THE FINANCIAL STATEMENTS

The cargo building of the Company located at Atatürk Airport ("AHL") Terminal C in which the Company carries out cargo - warehouse operations has been damaged due to the fire that broke out on 24 May 2006.

As a result of the fire, goods belonging to third parties were also damaged in addition to the damage of the property, plant and equipment and leasehold improvements of the Company (as explained in Note 10). As of 30 June 2008; some of the owners of the goods have applied to the Company and its insurance company for the compensation of their losses by filing law suits against the Company and through enforcement proceedings.

Because of the aforementioned fire, judicial inquiry has been held with the inquiry file 2006/37927 E. at Bakırkoy Office of the Directorate of Public Prosecutions and in accordance with the results of the judicial inquiry criminal prosecution has been initiated for the four security guards of the DHMI and a security guard of Atatürk Airport that have been found responsible concerning the fire for their acts with the inquiry number 2006/817 E. at Third Bakırköy Magistrate Criminal Court. The Company has been described as aggrieved party in the indictment prepared by the Bakırköy Office of the director of public prosecutions. The Company, with all rights related to private Law reserved, has submitted a petition to be a participant in court proceedings for the penalty of the perpetrators since it has been described as aggrieved party.

As a result of the inquiries; the management, the legal adviser and the lawyers of the Company believes that the Company is not found to be responsible for the fire and therefore is not considered to be legally responsible for the losses of the third parties. Consequently, since the Company that has not caused the fire by its own acts (or by the acts of the individuals under the responsibility of the Company) and any legal negligence of the Company has not been identified until now related with the prevention of the losses occurred in the fire, the probability of being liable for the losses of the fire is remote.

NOTE 28 - DISCLOSURE OF OTHER MATTERS, WITH A MATERIAL EFFECT ON FINANCIAL STATEMENTS, REQUIRED FOR THE PURPOSE OF UNDERSTANDING AND INTERPRETING THE FINANCIAL STATEMENTS (Continued)

As of 30 June 2008, although the Company believes that the probability of being liable for the losses is remote, the indemnities related to the damaged goods of the third parties is estimated by the Company management as YTL7.581.115. On the other hand, there are legal cases and enforcement proceedings amounting to YTL57.336.464 comprised of legal cases and enforcement proceedings amounting to YTL51.510.128 (Note 13) in which the Company is a co-defendant along with the DHMI, other warehouse management companies and insurance companies and legal cases and enforcement proceedings amounting to YTL5.826.336 in which the Company is the sole defendant. The Company has an insurance policy related with the goods of third parties amounting to USD1.500.000 which has been fully collected as of 30 June 2008 and is planned to be utilized by the Company under the circumstances that the Company is found to be liable for the losses incurred during the fire and additionally, there is another insurance policy amounting to USD10.000.000 that will be effective if the Company is held legally liable for the losses.

The Company has not accounted for any provision in the consolidated financial statements at 30 June 2008 and 31 December 2007 because damage related with the goods belonging to third parties in the warehouse during the fire could not be determined precisely and the remote probability of being liable for the losses.

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

…………………………