CELEBİ HAVA SERVİSİ A.S.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2012

(ORIGINALLY ISSUED IN TURKISH)

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

CELEBI HAVA SERVISI A.S.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2012
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

CELEBİ HAVA SERVİSİ A.S.

CONSOLIDATED BALANCE SHEETS
AT 31 MARCH 2012 AND 31 DECEMBER 2011
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	31 March 2012	31 December 2011
ASSETS			
Current assets			
Cash and cash equivalents	5	57,974,304	99,412,758
Trade receivables	8	41,635,404	34,884,512
Due from related parties	26	348,111	818,897
Other receivables	9	13,488,967	5,348,745
Inventories	10	7,602,153	6,389,345
Other current assets	16	32,356,114	58,235,707
Total current assets		**153,405,053**	**205,089,964**
Non-current assets			
Financial investments	6	1,536,105	1,536,105
Other non-current receivables	9	15,054,203	14,615,540
Property, plant and equipment	11	145,017,703	144,261,128
Intangible assets	12	121,819,686	123,429,163
Goodwill	13	19,950,907	18,551,365
Deferred tax assets	24	13,782,718	13,311,495
Other non-current assets	16	22,651,715	16,368,684
Total non-current assets		**339,813,037**	**332,073,480**
Total assets		**493,218,090**	**537,163,444**

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

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

CELEBİ HAVA SERVİSİ A.S.

CONSOLIDATED BALANCE SHEETS
AT 31 MARCH 2012 AND 31 DECEMBER 2011
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	31 March 2012	31 December 2011
LIABILITIES			
Current liabilities			
Financial liabilities	7	57,465,776	105,191,130
Trade payables	8	17,897,730	17,963,107
Due to related parties	26	4,295,970	17,791,417
Other payables	9	3,305,380	2,327,466
Provisions	14	13,698,999	14,410,901
Provision for employee benefits	15	1,035,373	358,261
Current tax liabilities	24	-	-
Other current liabilities	16	20,018,800	15,632,273
Total current liabilities		**117,718,028**	**173,674,555**
Non-current liabilities			
Financial liabilities	7	251,916,057	231,022,474
Other non-current payables	9	953,955	1,055,879
Deferred income tax liabilities	24	4,157,680	4,341,550
Provision for employee benefits	15	7,800,998	7,517,332
Other non-current liabilities	16	64,007,976	69,069,432
Total non-current liabilities		**328,836,666**	**313,006,667**
Total liabilities		**446,554,694**	**486,681,222**
EQUITY			
Equity attributable to equity holders of the parent		**35,898,772**	**39,404,861**
Capital	17	24,300,000	24,300,000
Restricted reserves	17	26,573,456	26,573,456
Foreign currency translation differences		4,706,895	4,380,047
Additional contribution to shareholders' equity related to share purchase	17	(34,297,074)	(34,297,074)
Retained earnings	17	16,774,114	10,824,798
Net profit/ loss for the year	17	(2,158,619)	7,623,634
Non-controlling interest		**10,764,624**	**11,077,361**
Total equity		**46,663,396**	**50,482,222**
Total liabilities and equity		**493,218,090**	**537,163,444**

Contingent assets and liabilities 14

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

CELEBİ HAVA SERVİSİ A.S.

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED 31 MARCH 2012 AND 2011
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	31 March 2012	Restated 31 March 2011
CONTINUING OPERATIONS			
Revenue - net	18	109,849,791	85,348,302
Cost of sales (-)	18	(93,068,766)	(71,115,531)
GROSS PROFIT	**18**	**16,781,025**	**14,232,771**
General administrative expenses (-)	20	(20,506,686)	(18,104,331)
Other operating income	21	1,362,570	1,317,175
Other operating expense (-)	21	(731,423)	(577,856)
OPERATING LOSS		**(3,094,514)**	**(3,132,241)**
Financial income	22	8,961,951	6,310,775
Financial expenses (-)	23	(9,159,599)	(7,861,766)
LOSS BEFORE TAXATION		**(3,292,162)**	**(4,683,232)**
Income tax expense		**205,752**	**(1,197,725)**
Current tax expense	24	(692,167)	(2,469,450)
Deferred tax income	24	897,919	1,271,725
NET LOSS FOR THE YEAR		**(3,086,410)**	**(5,880,957)**
Attributable to:			
Non-controlling interest		(927,791)	945,824
Equity holders of the parent		(2,158,619)	(6,826,781)
		(3,086,410)	**(5,880,957)**
Earnings per share (Kr)	25	(0.001)	(0.003)

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 MARCH 2012 AND 2011
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	31 March 2012	Restated 31 March 2011
Net profit for the year	**(3,086,410)**	**(5,880,957)**
Other comprehensive income:		
Currency translation differences	210,652	717,790
Other comprehensive income for the year	**210,652**	**717,790**
Total comprehensive loss for the year	**(2,875,758)**	**(5,163,167)**
Total comprehensive income/ loss attributable to:		
Non-controlling interest	(1,043,987)	1,068,092
Equity holders of the parent	(1,831,771)	(6,231,259)
	(2,875,758)	**(5,163,167)**

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

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

CELEBİ HAVA SERVİSİ A.S.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED 31 MARCH 2012 AND 2011
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Capital	Restricted reserves	Cumulative translation differences	Additional contribution to equity related to share purchase	Retained earnings	Net profit/loss for the year	Non-controlling interest	Total equity
Balances at 1 January 2011 (previously reported)		**24,300,000**	**22,962,009**	**4,041,133**	**(545,407)**	**34,650,353**	**26,619,503**	**16,481,577**	**128,509,168**
Effects of restatements (Note 2.2)		-	-	(476,188)	-	(650,502)	(7,536,262)	(3,043,740)	(11,706,692)
Balances at 1 January 2011 (restated)	**17**	**24,300,000**	**22,962,009**	**3,564,945**	**(545,407)**	**33,999,851**	**19,083,241**	**13,437,837**	**116,802,476**
Transfers to retained earnings		-	-	-	-	19,083,241	(19,083,241)	-	-
Transfers to reserves	17	-	-	-	-	-	-	-	-
Total comprehensive loss	17	-	-	595,522	-	-	(6,826,781)	1,068,092	(5,163,167)
Balances at 31 March 2012 (restated)		**24,300,000**	**22,962,009**	**4,160,467**	**(545,407)**	**53,083,092**	**(6,826,781)**	**14,505,929**	**111,639,309**
Balances at 1 January 2012	**17**	**24,300,000**	**26,573,456**	**4,380,047**	**(34,297,074)**	**10,824,798**	**7,623,634**	**11,077,361**	**50,482,222**
Transfers to retained earnings		-	-	-	-	7,623,634	(7,623,634)	-	-
Transfers to reserves	17	-	-	-	-	(731,250)	-	731,250	-
Changes in shares of joint venture		-	-	-	-	(241,447)	-	-	(241,447)
Equity effect for share buy of joint venture		-	-	-	-	(701,621)	-	-	(701,621)
Total comprehensive loss	17	-	-	326,848	-	-	(2,158,619)	(1,043,987)	(2,875,758)
Balances at 31 March 2012		**24,300,000**	**26,573,456**	**4,706,895**	**(34,297,074)**	**16,774,114**	**(2,158,619)**	**10,764,624**	**46,663,396**

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

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

CELEBİ HAVA SERVİSİ A.S.

CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE PERIODS ENDED 31 MARCH 2012 AND 2011
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Restated 31 March 2012	Restated 31 Mart 2011
Cash flow provided from operating activities			
Profit before tax		(3,292,162)	(4,683,232)
Adjustments to reconcile income before tax to net cash provided by operating activities:			
Depreciation and amortization	11, 12	8,416,460	7,780,517
Provision for employment termination benefits	15	2,226,148	676,076
Provision for unused vacation	14	41,158	97,691
Provision for sales commissions	14	2,736,993	58,352
Provision for credit commission expense	14	-	-
Expense accrual for DHMI	14	2,727,828	3,766,326
Provision for litigation	14	-	(21,752)
Other provisions	14	5,467,545	1,258,283
Provision for doubtful receivable	8	143,335	-
Change in derivative financial instruments		-	(2,066,408)
Interest income	22	(792,418)	(648,584)
Interest expense	23	6,105,553	2,760,483
(Losses) / Gains from sales of property plant and equipment, net		(135,907)	(177,047)
Foreign exchange differences (income) / expense		4,066,909	(292,000)
Net profit belongs to non-controlling interest		(927,791)	931,007
Cash flow provided before changes in assets and liabilities		**26,783,651**	**9,439,712**
Trade receivables		(6,894,227)	(5,153,034)
Due from related parties		470,786	1,316,731
Inventories		(1,212,808)	(512,912)
Income taxes paid	24	(692,167)	(3,976,858)
Other receivables		(8,140,222)	(305,022)
Other non-current receivables		(438,663)	(2,035,698)
Other current assets		25,879,593	(4,714,947)
Other non-current assets		(6,432,333)	(7,230,950)
Trade payables		(65,377)	4,100,198
Due to related parties		(13,495,447)	695,328
Other payables		875,990	(3,362,009)
Other current liabilities		4,386,527	1,574,545
Other non-current liabilities		(5,061,456)	(3,194,665)
Doubtful receivable collections	8	34,364	39,559
Employment termination benefits paid	15	(1,258,490)	(983,657)
Vacation benefits paid	14	(50,036)	(5,922)
Expense accrual paid to authorities	14	(1,259,474)	(3,197,887)
Borrowing commission expenses paid	14	(796,534)	-
Sales commission's provisions paid	14	(1,830,775)	(226,803)
Investment consultancy expenses paid	14	-	(466,290)
Litigation provisions paid	14	(34,255)	(14,829)
Other provisions paid	14	(7,451,152)	(2,951,860)
Net cash generated from operating activities		**3,317,495**	**(21,167,270)**
Investing activities			
Purchases of property, plant and equipment	11	(6,737,330)	(6,719,674)
Purchase of intangible assets	12	(3,152,244)	(260,290)
Interest received		821,848	680,971
Subsidiaries included in consolidation		(1,820,300)	-
Proceeds from sale of property, plant and equipment		740,460	759,044
Net cash used in investing activities		**(10,147,566)**	**(5,539,949)**
Cash flow provided from financing activities			
Change in borrowings		(29,726,596)	14,103,914
Change in short-term finance lease obligations		85,092	864,460
Change in long-term finance lease obligations		(299,173)	6,698,635
Changes in shares of joint venture		(241,447)	-
Interest paid		(2,996,647)	(1,337,633)
Net cash (used in) / generated from financing activities		**(33,178,771)**	**20,329,376**
Decrease in restricted cash and cash equivalents	5	16,479,352	2,017,791
Cumulative translation adjustment		(1,397,386)	554,849
Net increase in cash and cash equivalents		**(24,926,876)**	**(3,805,203)**
Cash and cash equivalents at the beginning of the period	**5**	**68,727,345**	**66,688,989**
Cash and cash equivalents at the end of the period	**5**	**43,800,469**	**62,883,786**

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS OF THE GROUP

Çelebi Hava Servisi A.S. (collectively referred to as the "Company" or "Celebi Hava") 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 airlines and private cargo companies. The Company operates in Istanbul Ataturk, Izmir, Ankara, Adana, Antalya, Dalaman, Bodrum, Corlu, Bursa Yenisehir, Diyarbakir, Erzurum, Kayseri, Samsun, Trabzon, Van, Malatya, Kars, Mardin, Denizli, Hatay, Kahramanmaras, Isparta, Erzincan, Canakkale and Balikesir Edremit airports, which are under the control of the State Airports Administration ("DHMI") and Istanbul Sabiha Gökçen airport which is under the control of the Airport Administration and Aviation Industries A.S. ("HEAS"). The company is registered in Capital Markets Board "CMB" and has been listed in Istanbul Stock Exchange "ISE" since 18 November 1996.

The address of the Company is as follows:

Anel İş Merkezi Saray Mahallesi Site Yolu Sokak No:5 Kat:9
34768 Ümraniye / İstanbul

The Company has consolidated Celebi IC Antalya Havalimani Terminal Yatırım ve İşletme A.Ş. ("Çelebi IC Yatirim") with 49.99% of shares using the joint-venture consolidation method as of 31 March 2012. The capital of Çelebi IC Yatırım has been decreased from TL 44,004,280 to TL 50,000 according to the general assembly resolution dated 22 July 2010.

The Company has also consolidated Çelebi Güvenlik Sistemleri ve Danışmanlık A.Ş. ("Çelebi Güvenlik") in which it holds 94.8% of shares. Çelebi Guvenlik 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 Nemzetkozi Repuloter Uzemelteto Zartkoruen Mukodo Reszvenytarsasag ("Ba Zrt") company resident in Budapest, Hungary for the acquisition of the Budapest Airport Handling Kereskedelmi es Szolgaltato Korlatolt Feleossegu 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 realization 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 Foldi Kiszolgalo Korlatolt Felelossegu Tarsasag ("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 Celebi Holding A.S 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. The Capital of CGHH has been increased to HUF 1,000,000,000 from HUF 910,000,000 in 31 December 2009. As of 2011, shares representing 30% of CGHH were purchased from Çelebi Havacılık Holding A.Ş. for TL 33,712,020. As a result shareholding percentage of the Company has increased to 100% and CGHH was fully consolidated to the financial statements and this transaction was accounted for as an equity transaction disclosed as "Additional contribution to shareholders equity related to share purchase" on the consolidated financial statements.

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS OF THE GROUP (Continued)

Within the framework of the tender relating to provide ground handling services for 10 years period in Mumbai Chhatrapati Shivaji International Airport in India which resulted in favor of the consortium in which the Company takes part, a joint venture company has been established on 12 December 2008 with a capital of 100,000,000 Indian Rupee (Indian Rupee: "INR") and the title of "Celebi Nas Airport Services India Private Limited ("Celebi Nas") resident in Maharashtra, Mumbai India to provide ground handling services. The Company, as co-founder, has a 55% stake in Celebi Nas and the capital of the company is amounting to INR 552.000.000. Also INR 228,00,000 has been paid as capital advance which has been registered by Celebi Nas' partners yet.

The Company participated as a co-founders in the company with capital of INR 100,000 under the title Celebi Delhi Cargo Terminal Management India Private Limited ("Celebi Delhi Cargo") to carry out activities relating to the development, modernization and 25-year operation of the existing cargo terminal in the airport ("Brownfield") in New Delhi in India on 6 May 2009, and its capital share in Celebi Delhi Cargo is 74%.The paid capital of the Celebi Delhi Cargo is amounting to INR 720,000,000.

The equity needed to meet financial requirement of the investments planned and the fulfillment of the requirements arising from the Concession Agreement signed by Celebi Ground Handling Delhi Private Limited ("Celebi GH Delhi"), established in 18th November 2009, with a paid-in capital amounting to INR14,200,000 and in which the Company participated at 74%, with the tender authority upon winning the tender opened for the conduct of airport ground handling services in Delhi International Airport for 10 years, was met through a premium capital increase according to the legal legislation in India by paying INR 845,154,000 and the Company has a 74% stake in Celebi GH Delhi.

As of 25 March 2010, the Company participated 100% of a company that was established in Madrid, Spain under the title "Celebi Ground Handling Europe" ('Celebi Europe') with the capital of EUR 10,000 as a founding partner for the purpose of investing business in foreign countries, especially those in the European Union but Celebi Europe has not started its operations yet.

The Company acquired shares of Çelebi Kargo Depolama ve Dağıtım Hizmetleri A.Ş ("Çelebi Kargo"), owning TL 150,000 paid capital, having a nominal value of TL 144,000 from Çelebi Holding A.Ş, with cash amounted to TL 146,880 (1 TL nominal value: 1.02 TL) as of 20 August 2010. Çelebi Kargo provides cargo storage and handling services in storage and warehouse facilities on rented area in Frankfurt Cargo City Süd by Celebi Cargo Gmbh which is subsidiary of Çelebi Kargo with 100% shares, amounting EUR 6,000,000 paid capital, established in November 2009 located in Frankfurt, Germany. As of 31 March 2012, the capital of Çelebi Cargo has been increased to TL 14,500,000 out of TL 14,000,000 was paid.

The Company participated 16.67% of company Delhi Aviation Services Private Limited ("DASL") with capital of INR 250,000,000 under the title Celebi GH Delhi to carry out activities relating to the development, modernization and standardization to the international standards of air-conditioning, power generators and water system on passenger bridges on the airport.

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS OF THE GROUP (Continued)

As of 31 March 2012, the consolidated financial statements of the Company include the Company, Çelebi IC Yatırım, CGHH, Çelebi Güvenlik, Celebi Nas, Celebi Delhi Cargo, Celebi GH Delhi, Çelebi Kargo, Celebi Cargo GmbH and DASL (collectively, referred to as the "Group").

These consolidated financial statements for the period 1 January - 31 March 2012 have been approved for issue by the Board of Directors on 18 May 2012 and signed by Talha Goksel (General Manager) and Ayfer Atlı (Accounting Director) on behalf of Board of Directors. The shareholders of the Company have the power to amend the consolidated financial statements after the issue in the General Assembly meeting of the Company.

Subsidiaries:

The Company has the following subsidiaries (the "Subsidiaries"). The nature of the business of the Subsidiaries and for the purpose of the consolidated financial statements, their respective geographical segments are as follows:

Subsidiary	Country of incorporation	Geographical segment	Nature of business
Çelebi Güvenlik	Turkey	Turkey	Aviation and other security services
CGHH	Hungary	Hungary	Ground handling services
Celebi Delhi Cargo	India	India	Warehouse and cargo services
Celebi GH Delhi	India	India	Ground handling services
Celebi Europe	Spain	Spain	Ground handling services (inactive)
Çelebi Kargo	Turkey	Turkey	Warehouse and cargo services
Celebi Cargo GmbH	Germany	Germany	Warehouse and cargo services

Joint ventures:

The Company has the following joint ventures (the "Joint ventures"). The nature of the business of the Joint ventures and for the purpose of the consolidated financial statements, their respective geographical segments are as follows:

Joint ventures	Country of incorporation	Geographical segment	Nature of business
Çelebi IC Yatırım	Turkey	Turkey	Airport terminal construction and operating (inactive)
Celebi Nas	India	India	Ground handling services

Financial investment:

The Company has the following financial investment. The nature of the business of the financial investment and for the purpose of the consolidated financial statements, their respective geographical segments are as follows:

Financial investment	Country of incorporation	Geographical segment	Nature of business
DASL	India	India	Ground handling services

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1. Basis of the Presentation

2.1.1 Financial Reporting Standards

The consolidated financial statements of the Group have been prepared in accordance with the accounting and reporting principles accepted by the Capital Markets Board ("CMB"), namely "CMB Financial Reporting Standards".

CMB regulated the principles and procedures of preparation, presentation and announcement 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 supersedes the Communiqué No: XI-25, "The Financial Reporting Standards in the Capital Markets". According to the Communiqué, entities shall prepare their financial statements in accordance with International Financial Reporting Standards ("IAS/IFRS") endorsed by the European Union. Until the differences of the IAS/IFRS as endorsed by the European Union from the ones 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 Standards/Turkish Financial Reporting Standards ("TAS/TFRS") issued by the TASB which are in line with the aforementioned standards shall be considered.

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 financial statements, the consolidated 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 financial statements and the related notes to them are presented in accordance with the formats required at the announcements of CMB those dated 14 April 2008, 9 January 2009 and 25 October 2010. As per CMB's Communiqué Serial XI, No:29 and its announcements clarifying this communiqué enterprises are obliged to present the hedging rate of their total foreign exchange liability and total export and import amounts in the notes to the financial statements (Note 27).

As the differences between IAS/IFRS endorsed by the European Union and IAS/IFRS issued by the IASB have not been announced by TASB yet, these financial statements have been prepared within the framework of Communiqué XI, No: 29 and related promulgations to this Communiqué as accepted by the CMB, in accordance with the CMB Financial Reporting Standards which are based on IAS/IFRS. Financial statements and the related notes to them are presented in accordance with the formats recommended by the CMB including the compulsory disclosures.

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 interim consolidated financial statements, the consolidated 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 financial statements and the related notes to them are presented in accordance with CMB Financial Reporting Standarts and IAS 34

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

(Interim Financial Reporting Standarts The interim consolidated financial statements and the related notes to them are presented in accordance with the formats required at the announcements of CMB those numbered as 2008/16, 2008/18, 2009/2, 2009/4 and 2009/40. As per CMB's Communiqué Serial XI, No:29 and its announcements clarifying this communiqué enterprises are obliged to present the hedging rate of their total foreign exchange liability and total export and import amounts in the notes to the financial statements.

The Company maintains its books of account and prepares its statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance and accounting principles issued by the CMB. The foreign Subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. These consolidated financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the CMB Financial Reporting Standards.

The consolidated financial statements have been prepared in Turkish lira ("TL") which is functional currency of the Group based on the historical cost conversion except for the financial assets and liabilities which are expressed with their fair values.

Adjustments of the Financial Statements During High Inflation Periods

With a resolution passed on 17 March 2005, CMB has announced that inflation accounting will not apply for those companies operating in Turkey and that have drawn up the financial statements in accordance with CMB Accounting Standards as of 1 January 2005. Therefore, effective as of 1 January 2005, the standard number 29 "Financial Reporting in the Economies with High Inflation" (IAS 29) published by IASB have not been implemented.

Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in TL, which are the functional currency of the Company and the presentation currency of the Group.

Going Concern

Group prepared consolidated financial statements in accordance with the going concern assumption.

Translation of Financial Statements of Foreign Subsidiaries and Joint Ventures Operating in Foreign Countries

Financial statements of Subsidiaries and Joint Ventures 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' and Joint Ventures' assets and liabilities are translated into TL from the foreign exchange rate at the balance

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

sheet date and income and expenses are translated into TL 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.

2.1.2 Amendments and Interpretations in International Financial Reporting Standards ("IFRS")

The Group has applied standards, amendments and interpretations to existing standarts published by IASB and IFRIC that are effective as at 1 January 2012 and are relevant to the Group's operations. There are no relevant amendments or interpretations for the Group which have been enforced as of 1 January 2012 and in interim periods subsequent to 1 January 2012.

New and amended standards and interpretations:

The new standards, amendments and interpretations which are effective as at 1 January 2012 are as follows:

IAS 12 Income Taxes: Recovery of Underlying Assets (Amendment)

IAS 12 has been updated to include i) a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale and ii) a requirement that deferred tax on non-depreciable assets, measured using the revaluation model in IAS 16, should always be measured on a sale basis. These amendments will be applied retrospectively. This standard has not yet been endorsed by the EU. Adoption of this amendment did not have any impact on the financial position or performance of the Group.

IFRS 7 Financial Instruments: Disclosures - Enhanced Derecognition Disclosure Requirements (Amended)

The purpose of this amendment is to allow users of financial statements to improve their understanding of transfer transactions of financial assets (e.g. securitizations), including understanding the possible effects of any risks that may remain with the entity which transferred the assets. The amendment also requires additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. Comparative disclosures are not required. The amendment affects disclosures only and did not have any impact on the financial position or performance of the Group.

a) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the interim consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, after the new standards and interpretations become in effect.

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

IAS 1 Presentation of Financial Statements (Amended) – Presentation of Items of Other Comprehensive Income

The amendments are effective for annual periods beginning on or after 1 July 2012, but earlier application is permitted. The amendments to IAS 1 change only the grouping of items presented in other comprehensive income. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time would be presented separately from items which will never be reclassified. The amendments will be applied retrospectively. This standard has not yet been endorsed by the EU. The amendment affects presentation only and will have no impact on the financial position or performance of the Group.

IAS 19 Employee Benefits (Amended)

Amended standard is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. With very few exceptions retrospective application is required. Numerous changes or clarifications are made under the amended standard. Among these numerous amendments, the most important changes are removing the corridor mechanism and making the distinction between short-term and other long-term employee benefits based on expected timing of settlement rather than employee entitlement. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the amended standard on the financial position or performance of the Group.

IAS 27 Separate Financial Statements (Amended)

As a consequential amendment to IFRS 10 and IFRS 12, the IASB also amended IAS 27, which is now limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. Transitional requirement of this amendment is similar to IFRS 10. This standard has not yet been endorsed by the EU. The Group does not expect that this amendment will have any impact on the financial position or performance of the Group.

IAS 28 Investments in Associates and Joint Ventures (Amended)

As a consequential amendment to IFRS 11 and IFRS 12, the IASB also amended IAS 28, which has been renamed IAS 28 Investments in Associates and Joint Ventures, to describe the application of the equity method to investments in joint ventures in addition to associates. Transitional requirement of this amendment is similar to IFRS 11. This standard has not yet been endorsed by the EU. The Group does not expect that this amendment will have any impact on the financial position or performance of the Group.

IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial liabilities (Amended)

The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. This standard has not yet been endorsed by the EU. These amendments are to be retrospectively applied for annual

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

periods beginning on or after 1 January 2014. The Group is in the process of assessing the impact of the new standard on the financial position or performance of the Group.

IFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities (Amended)

New disclosures would provide users of financial statements with information that is useful in (a) evaluating the effect or potential effect of netting arrangements on an entity's financial position and (b) analysing and comparing financial statements prepared in accordance with IFRSs and other generally accepted accounting standards. This standard has not yet been endorsed by the EU. The amendments are to be retrospectively applied for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The amendment affects disclosures only and will have no impact on the financial position or performance of the Group.

IFRS 9 Financial Instruments – Classification and measurement

As amended in December 2011, the new standard is effective for annual periods beginning on or after 1 January 2015. Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial instruments. The amendments made to IFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option (FVO) liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. Early adoption is permitted. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on the financial position or performance of the Group.

IFRS 10 Consolidated Financial Statements

The standard is effective for annual periods beginning on or after 1 January 2013 and is applied on a modified retrospective basis. This new Standard may be adopted early, but IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities should be also adopted early.

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. A new definition of control is introduced, which is used to determine which entities are consolidated. This is a principle based standard and require preparers of financial statements to exercise significant judgment. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on the financial position or performance of the Group.

IFRS 11 Joint Arrangements

The standard is effective for annual periods beginning on or after 1 January 2013 and is applied on a modified retrospective basis. This new Standard may be adopted early, but IFRS 10 Consolidated Financial Statements and IFRS 12 Disclosure of Interests in Other Entities should be also adopted early.

The standard describes the accounting for joint ventures and joint operations with joint control. Among other changes introduced, under the new standard, proportionate consolidation is not permitted

for joint ventures. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on the financial position or performance of the Group.

IFRS 12 Disclosure of Interests in Other Entities

The standard is effective for annual periods beginning on or after 1 January 2013 and is applied on a modified retrospective basis. This new Standard may be adopted early, but IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements should be also adopted early.

IFRS 12 includes all of the disclosures that were previously in IAS 27 Consolidated and Separate Financial Statements related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 Interests in Joint Ventures and IAS 28 Investment in Associates. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. This standard has not yet been endorsed by the EU. Under the new standard the Group will provide more comprehensive disclosures for interests in other entities.

IFRS 13 Fair Value Measurement

The new Standard provides guidance on how to measure fair value under IFRS but does not change when an entity is required to use fair value. It is a single source of guidance under IFRS for all fair value measurements. The new standard also brings new disclosure requirements for fair value measurements. IFRS 13 is effective for annual periods beginning on or after 1 January 2013 and will be adopted prospectively. Early application is permitted. The new disclosures are only required for periods beginning after IFRS 13 is adopted - that is, comparative disclosures for prior periods are not required. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on the financial position or performance of the Group.

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

The Interpretation is effective for annual periods beginning on or after 1 January 2013 with earlier application permitted. Entities will be required to apply its requirements for production phase stripping costs incurred from the start of the earliest comparative period presented. The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. This standard has not yet been endorsed by the EU.

The interpretation is not applicable for the Group and will not have any impact on the financial position or performance of the Group.

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

2.1.3 Basis of Consolidation

a) The consolidated financial statements include the accounts of the parent company, Celebi Hava, its Subsidiaries and its Joint ventures (collectively referred to as the "Group") on the basis set out in sections (b), to (h) below. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and have been prepared in accordance with CMB Financial Reporting Standards applying uniform accounting policies and presentation. The results of Subsidiaries and Joint ventures are included or excluded from their effective dates of acquisition or disposal respectively.

b) Subsidiaries including special purpose entities are companies which have owned more than 50% of the voting rights relating to shares in the companies, otherwise having the power to exercise control over the financial and operating policies. The available or convertible existence of potential voting rights are considered for the assessing whether the Group controls another organization Subsidiaries are consolidated from the date on which the control is transferred to the Group and consolidated by using full consolidation method. Subsidiaries are no longer consolidated from the date that the control ceases. The acquisition of the subsidiaries by the Group is recognized by using purchase method. The acquisition cost includes; the fair value of the assets on the purchase date, equity instruments disposed and the liabilities incurred at the exchange date and costs that directly attributable to the acquisition. The identifiable asset during the merge of the companies is measured by fair value at the purchase date of liabilities and contingent liabilities regardless of the minority shareholders. The Group recognised the goodwill for the exceed portion of the cost of acquisition that the fair value of net identifiable assets acquired. If the acquisition cost is below the fair value of identifiable net asset of subsidiary, the difference is recognised to the comprehensive income statement. Transactions between inter companies the balances and unearned gains arising from transactions between Group companies are eliminated. Unaccrued losses are also subjected to elimination. The accounting policies of subsidiaries are revised in accordence with the Group's policies.

The balance sheets and income statements of the Subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by the Group and its Subsidiaries is eliminated against the related equity. Intercompany transactions and balances between Alarko Holding and its Subsidiaries are eliminated during the consolidation. The nominal amount of the shares held by the Group in its Subsidiaries and the associated dividends are eliminated from equity and income for the period, respectively.

Subsidiaries are consolidated from the date on which the control is transferred to the Group and are no longer consolidated from the date that the control ceases.

Where necessary, accounting policies related with subsidiaries are amended to ensure compliance with accounting policies applied by the Group.

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

The table below sets out all Subsidiaries and demonstrates their shareholding structures:

	Direct and indirect shareholding by Çelebi Hava and its Subsidiaries (%)	
Subsidiary	**31 March 2012**	**31 December 2011**
Çelebi Güvenlik	94,8	94,8
CGHH	100,0	100,0
Celebi Delhi Cargo	74,0	74,0
Celebi GH Delhi	74,0	74,0
Celebi Europe (1)	100,0	100,0
Çelebi Kargo	99,9	99,9
Celebi Cargo GmbH	100,0	100,0

(1) As of 31 March 2012 Celebi Europe has directly and indirectly 100% voting right. However, Celebi Europe has not been consolidated in consolidated financial statements by reason of being immaterial for the consolidated financial statements and the company operations has not started as of 31 March 2012. (Note 6)

c) Foreign Subsidiaries' assets and liabilities are translated into TL from the foreign exchange rate at the balance sheet date and income and expenses are translated into TL 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.

d) The non-controlling shareholders' share in the net assets and results of Subsidiaries for the year are separately classified as non-controlling interest in the consolidated balance sheets and statements of income. When the losses applicable to the non-controlling exceed the non-controlling interest in the equity of the subsidiary, the excess loss and the further losses applicable to the non-controlling interest are charged against the majority interest except to the extent that the non-controlling interest has a binding obligation to, and is able to make good the losses.

e) 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.

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

	Direct and indirect shareholding by Çelebi Hava (%)	
Joint Ventures	**31 March 2012**	**31 December 2011**
Çelebi IC Yatırım	%49,99	%49,99
Celebi Nas (*)	%55,00	%51,00

(*) The %4 shares of Çelebi Nas has been purchased by Sovika Aviation Private Limited which has already owned %8 shares of Celebi Nas on January 26, 2012.

f) For available for sale financial assets under 20% of voting rights or over 20% of voting rights and that are excluded from the scope of consolidation on the grounds of materiality where there is no quoted market price and where a reasonable estimate of fair value cannot be determined since other methods are inappropriate and unworkable, they are carried at cost less any impairment in value.

g) In preparing the consolidated financial statements, all balances and unrealized 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.

h) Associates are companies in which the Group has the interest that is more than 20% and less than 50% of the ordinary share capital held for the long-term and over which a significant influence is exercised. Equity method is used for accounting of associates. Investments on associates are recorded at acquisiton cost in financial statements and goodwill (after deduction of cumulative impairment) that raises during acquisition is included in purchase amount.

The shares per Group of income and loss after acquisition of subsidiaries is followed up in comprehensive income statement and the shares per Group of the movements , which has occurred in subsidiary's capital reserve after acquisition , is followed up in reserves. Then affect of these movements after acquisition is reflected to accounted subsidiary amount.(book-entry share amount)If the share per Group in the loss of the subsidiary is equal to or greater than the investment amount in the subsidiary, the Group has not undertaken the liabilities or stood warrantor to the debts of the Company, subsidiary is followed up with residual value and no more loss is accounted. As the investment in the subsidiary has been evaluated, the non-current receivables of the Group from the subsidiary and receivable equivalents has been taken into consideration.

The accrued income, which has arised from the transactions between Group and subsidiaries, has been set off as much as the amount that has fallen to the share per Group in the subsidiary.The accrued loss has been set off in case there is no impairment indicator. The accounting policies of the subsidiary has been reviewed in accordance with the Group policies and the editings(adjustments) can be made if necessary.

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

2.2. Changes and Errors in the Accounting Policies

In order to allow for the determination of the financial situation and performance trends, the Group's consolidated financial statements have been presented comparatively with the preceding financial period. The Group presented the consolidated balance sheet as of 31 March 2012 comparatively with the consolidated balance sheet prepared as of 31 December 2011 and presented the consolidated statements of comprehensive income, cash flows and changes in equity for the year ended 31 March 2012 comparatively with such financial statements for the period ended 31 March 2011.

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current period

The Group has detected errors in the previous year's consolidated financial statements and corrected them retrospectively in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Accordingly, the Group presented the consolidated income statement as of 31 March 2011 comparatively with the restated consolidated income statement as of 31 March 2012. At 31 March 2011, the effect of these corrections on the consolidated financial statements are as follows:

		The amendments to the scope of IFRIC 12	The amendments to the scope of IAS 17	
	31 March 2011 (Previously reported)	Effect of restatement	Effect of restatement	31 March 2011 (Restated)
Other current assets	12.792.874	10.468.597	-	23.261.471
Property,plant and equipment - net	155.583.336	(16.808.358)	-	138.774.978
Intangible assets - net	66.278.541	53.853.088	-	120.131.629
Deferred tax assets	-	3.382.001	3.899.382	7.281.383
Other non-current liabilities	2.322.450	57.440.931	11.743.631	71.507.012
Retained earnings	61.269.856	(3.756.815)	(4.429.949)	53.083.092
Foreign currency translation differences	4.691.470	(219.535)	(311.468)	4.160.467
Net profit/(loss) for the year	(4.896.058)	(866.889)	(1.063.834)	(6.826.781)
Non-controlling interest	18.247.291	(1.702.364)	(2.038.998)	14.505.929

		The amendments to the scope of IFRIC 12	The amendments to the scope of IAS 17	
	1 January 2011 - 31 March 2011 (Previously reported)	Effect of restatement	Effect of restatement	1 January 2011- 31 March 2011 (Restated)
Revenue - net	77.641.027	7.707.275	-	85.348.302
Cost of sales	(60.549.654)	(8.413.194)	(2.152.683)	(71.115.531)
General administrative expenses	(18.128.310)	23.979	-	(18.104.331)
Financial expenses	(6.888.596)	(1.144.371)	-	(8.032.967)
Deferred tax income/ expense	(98.183)	654.841	715.067	1.271.725

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

Restatements related with accounting of concession agreements within the scope of IFRIC 12;

Celebi Delhi Cargo Terminal Management India Private Limited ("Celebi Delhi Cargo"), the subsidiary of the Group, established in New Delhi India, signed a concession agreement on 6 May 2009 with Delhi International Airport Private Limited ("DIAL") for development, modernization and operating of the cargo terminal at the airport in the city of New Delhi for 25 years.

The Group identified errors in the accounting of capital expenditures for the aforementioned investment in accordance with Service Concession Agreements "IFRIC 12" in its consolidated financial statements as of 31 December 2010 and 2009. Error identified by the Group is related with the interpretation difference of intangible assets' concession rights recognized within the context of expenditures incurred in accordance with the concession agreement and incomplete technical analysis of capacity increase and its effect on reveue that should be used during the determination of revenue in future periods.

The Group retrospectively corrected the effects of the errors in accordance with IAS 8.

Restatements regarding straight-line accounting of operational leasing costs within the scope of IAS 17:

The Group identified errors mainly due to the interpretation difference in the accounting of rental payments within the scope of concession agreements of the areas that had been rented by Celebi Delhi Cargo for a period of 25 years with a fixed annual increase rate of 7.5% in the airport located in New Delhi, India. In accordance with IAS 17, fixed annual increases in lease payments are part of lease payments and should be spread on a straight-line basis over the lease term.

2.3. Changes and Errors in the Accounting Estimates

The effect of changes in accounting estimates affecting the current period is recognized in the current period; the effect of changes in accounting estimates affecting current and future periods is recognized in the current and future periods.

2.4. Summary of Significant Accounting Policies

The significant accounting policies applied in the preparation of these consolidated financial statements are summarized below. These accounting policies are applied on a consistent basis for the comparative balances and results, unless otherwise indicated.

2.4.1 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits at banks and highly liquid short-term investments, with maturity periods of less than three months, which has insignificant risk of change in fair value.

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

2.4.2 Revenue

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. 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.

In case of the Group sells on credit and does not acquired any interest throughout the maturity term or applies the lower interest rate than market interest rate and thus the transaction involves an effective financing process, the fair value of the provision for the sale is calculated by discounting the present value of receivables. The difference between the fair value and the nominal amount of the consideration is recognized as financial income in accordance with effective rate (internal efficiency).

According to the concession agreement signed by Celebi Delhi Cargo and Delhi International Airport Private Limited ("DIAL") on 24 August 2009, 36% of the income is generated from the operation of the cargo terminal in the airport in New Delhi for 25 years, belongs to DIAL and this amount is indicated in the consolidated financial statements by netting off against the sales income of Celebi Delhi Cargo (Note 18).

According to the concession agreement signed by Celebi Nas and Mumbai International Airport Private Limited ("MIAL") on 14 November 2008, 15% of the income is generated from the airport ground services provided in the airport in Mumbai for 11 years, belongs to MIAL and this amount is indicated in the consolidated financial statements by netting off against the sales income of Celebi Nas (Note 18).

According to concession agreement signed by Celebi GH Delhi and Delhi International Airport Private Limited ("DIAL") on 2 June 2010, comparatively higher amount among 15% of the income which is generated from the airport ground services provided in the airport in New Delhi for 10 years or 12.75% of income based on price ceiling determined by DIAL, belongs to DIAL and this amount is indicated in the consolidated financial statements by netting off against the sales income of Celebi Nas (Note 18).

Since the gross revenue of CGHH is not subject to concession fee payment to authorities, revenue of CGHH has not been net off in the consolidated financial statements.

2.4.3 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 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:

	Useful Lives (Years)
Machinery and equipment	5-20
Motor vehicles	5
Furniture and fixtures	5
Leasehold improvements	15

Depreciation is provided for assets when they are ready for use. Depreciation continues to be provided on assets when they become idle.

Gains or losses on disposals of property, plant and equipment are determined by comparing the carrying amount at financial statements and collected amount and included in the other income or expense accounts, as appropriate.

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of asset net selling price or value in use. The recoverable amount of the property, plant and equipment is the higher of future net cash flows from the utilization of this property, plant and equipment or fair value less cost to sell.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits with the item will flow to the company. Repairs and maintenance are charged to the statements of income during the financial year in which they are incurred.

2.4.4 Intangible Assets

Intangible assets are comprised of trademark licenses, patents, Build-Operate-Transfer investments, customer relations and computer software (Note 12).

a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included classified in 'intangible assets'.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

The estimations related with the future cash flows do not include cash inflows and outflows related with restructuring that the Group has not commited yet or the enhancing or the improving the

performance of the asset.

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

b) Contractual customer relationships

Contractual customer relationships acquired in a business combination are recognized at fair value at the acquisition date. The contractual customer relations have a finite useful life (7 Years) and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected life of the customer relationship. Where there is any indication that a contractual customer relationships may be impaired, the carrying value of asset is tested for impairment.An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

c) Computer software (Rights)

Rights arising on computer software are recognized at its acquisition cost. Computer software is amortized on a straight-line basis over their estimated useful lives and carried at cost less accumulated amortization. The estimated useful life of computer software is 5 years. Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

d) Service Concession Arrangements

A service concession arrangement is an arrangement whereby a government or other public sector body contracts with a private operator to develop (or upgrade), operate and maintain the grantor's infrastructure. During the arrangement period, operator recognizes revenue in return for the services it provides. The grantor controls or regulates what services the operator must provide using the assets, to whom, and at what price, and also controls any significant residual interest in the assets at the end of the term of the arrangement. The operator is obliged to hand over the infrastructure to the party that grants the service arrangement.

Since the Group has a right to charge to users regarding usage of investment, determined with Service Concession Agreements, Group has applied an intangible asset model described in IFRIC 12 "Service Concession Agreements" for the agreements listed below.

Intangibles arising from service concession agreement classified as build- operate - transfer investment as intangible assets.

The operator shall account for revenue and costs relating to construction or upgrade services in accordance with Construction Contracts "IAS 11".

Operation or service income are recognized in the reporting period in whici the services are rendered.

According to service concession agreements, maintenance and modernization within in the scope of the contractual obligations are accounted in accordance with IAS 37 ("Provisions, Contingent Liabilities and Contingent Assets").

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

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 period of the terminal.

Celebi Nas	11 years
Celebi Delhi Cargo	25 years
Celebi GH Delhi	10 years

Borrowing costs that are directly attributable to the build-operate-transfer investment are capitalized 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.

Celebi Delhi Cargo

An Agreement regarding improvement, modernization, financing and 25 years finite operating rights of the airport located in Delhi city of India has been signed on 24 August 2009. INR 1,200,000,000 deposit had been paid.

Celebi Nas

Operating rights agreement regarding ground services of airport in Mumbai, India for 11 years had been signed on 14 November 2008. INR 200,000,000 had been paid as deposit. As of 31 March 2012 INR 32,500,000 of the deposit amount had been returned back.

Celebi GH Delhi

Ground services agreement for 10 years regarding airport in Delhi city of India has been signed on 2 June 2010. INR 400,000,000 deposit has been paid.

According to these concession agreements, the Group has capitalized the differences between the paid deposit and its today's value as build-operate-transfer investment and amortized them during the periods of concession agreements (Note 12).

2.4.5 Inventories

Inventories are valued at the lower of cost or net realizable value less costs to sell. Cost of inventories is comprised of the purchase cost and the cost of bringing inventories into their present location and condition. Cost is determined by the monthly moving weighted average method. The cost of borrowings is not included in the costs of inventories. Net realizable value less costs to sell is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale (Note 10).

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

2.4.6 Impairment of Assets

At each reporting date, the Group assesses whether there is any indication that an asset other than deferred tax asset, intangible assets with indefinite useful lives, financial assets at fair value and goodwill may be impaired. When an indication of impairment exists, the Group estimates the recoverable values of such assets. Impairment exists if the carrying value of an asset or a cash generating unit is greater than its recoverable amount which is the higher of value in use or fair value less costs to sell. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. An impairment loss is recognized immediately in profit or loss. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash flows from other assets or group of assets

An impairment loss recognized in prior period for an asset is reversed if the subsequent increase in the asset's recoverable amount is caused by a specific event since the last impairment loss was recognized. Such a reversal amount cannot be higher than the previously recognized impairment loss and shall not exceed the carrying amount that would have been determined, net of amortization or depreciation, had no impairment loss been recognized for the asset in prior years. Such a reversal is recognized as income in the consolidated financial statements.

2.4.7 Financial Liabilities and Borrowing Costs

Borrowings are recognized initially at the proceeds received, net off transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective yield method; any difference between proceeds, net of transaction costs, and the redemption value is recognized in the income statement over the period of the borrowings.

International Accounting Standard 23 ("Borrowing Costs") was revised on 29 March 2007 by the IASB. Besides, the revised IAS 23 is effective at 1 January 2009. The Group opted for early adoption and changed its accounting policy, choosing the policy envisaged in IAS 23 related to borrowing costs since 1 January 2007. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset in the period in which the asset is prepared for its intended use or sales

2.4.8 Financial Instruments

Trade receivables

Trade receivables that are created by way of providing goods or services directly to a debtor are carried at amortized cost using the effective interest method (Note 8).

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

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 income

Financial assets

Financial assets are initially recognized in the consolidated financial statements at their acquisition costs including the operational costs. Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale in accordance with the requirements of IAS 39, “Financial Instruments”. These are included in non-current assets unless management has the express intention of holding the investment for less than 12 months from the balance sheet date or unless they will need to be sold to raise operating capital, in which case they are included in current assets. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of financial assets classified as available for sale, a significant or prolonged decline in the fair value of the assets below its cost is considered as an indicator that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value- is removed from “Financial Assets Fair Value Reserve” in equity and the remained amount recognized as loss in the comprehensive income statement of the period.

The unrealized gains and losses arising from changes in the fair value of available-for-sale securities are recognized in “Financial Assets Fair Value Reserve” in equity. Gains and losses previously recognized in “Financial Assets Fair Value Reserve” are transferred to the statement of income when such available-for-sale financial assets are derecognized.

Available-for-sale assets that do not have a quoted market price in active markets and whose fair value cannot be measured reliably, the fair value of these assets are determined by using valuation techniques. These valuation techniques include taking as a basis the current transactions compatible with market conditions and other similar investment tools and the discount cash flow analyses considering the conditions specific for the company invested in.

For investments as subsidiaries that are excluded from the scope of consolidation on the grounds of materiality where there is no quoted market price and where a reasonable estimate of fair value cannot be determined since other methods are inappropriate and unworkable, they are carried at cost less any impairment in value.

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

2.4.9 Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.4.10 Deferred Financial Income/Expense

Deferred financial income/expense represents financial income and expenses on credit sales and purchases. These, income and 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.

2.4.11 Business Combinations and Goodwill

A business combination is the bringing together of separate entities or businesses into one reporting entity. Business combinations are accounted for using the purchase method in accordance with IFRS 3.

The cost of a business combination is allocated by recognizing the acquiree's identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill has been recognized as an asset and has initially been measured as the excess of the cost of the combination over the fair value of the acquiree's assets, liabilities and contingent liabilities. In business combinations, the acquirer recognizes identifiable assets (such as deferred tax on carry forward losses), intangible assets (such as trademarks) and/or contingent liabilities which are not included in the acquiree's financial statements at their fair values in the consolidated financial statements. The goodwill previously recognized in the financial statements of the acquiree is not considered as an identifiable asset.

Goodwill recognized as a result of business combinations is not amortized and its carrying value is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. Provisions for goodwill impairment loss are not cancelled at subsequent periods. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

Any excess of the Group's share in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the business combination is accounted for as income in the related period.

In combinations involving entities under common control, assets and liabilities subject to a business combination are recognized at their carrying amounts in the consolidated financial statements. In addition, a statement of income contains the operations that take place after the business combination. Similarly, comparative consolidated financial statements are restated retrospectively for comparison purposes. As a result of these transactions, no goodwill is recognized. The difference arising in the elimination of the carrying value of the investment held and share capital of the acquired company is directly accounted as "effect of transactions under common control" under "Additional contribution to shareholders' equity related to take-over".

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

Transactions with minority shareholders

The Group applies a policy of treating transactions with minority interests as transactions with equity owners of the Group. Regarding the purchases from minority interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded from equity. Gains or losses on disposals to minority interests are also accounted for in equity. For disposals to minority interests, differences between any proceeds received and the relevant share of minority interests are also accounted for in equity.

2.4.12 Foreign currency transactions

Transactions in foreign currencies during the period have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated 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 consolidated statements of income.

2.4.13 Earnings per Share

Earnings per share presented in the consolidated statement of income are determined by dividing consolidated net income attributable to that class of shares by the weighted average number of such shares outstanding during the year concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them retroactive effect for the year in which they were issued and for each earlier period.

2.4.14 Subsequent events

The Group adjusts the amounts recognized in the consolidated financial statements to reflect the adjusting events after the balance sheet date. If non-adjusting events after the balance sheet date have material influences on the economic decisions of users of the financial statements, they are disclosed in the notes to the consolidated financial statements.

2.4.15 Provisions, contingent liabilities and contingent assets

The conditions which are required to be met in order to recognize a provision in the consolidated financial statements are those 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

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

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 recognized as liabilities or assets, however they should be disclosed as contingent liabilities or assets.

2.4.16 Leases

Financial leases

Assets acquired under finance lease agreements are capitalized 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. Lease payments are treated as comprising capital and interest elements, the capital element is treated as reducing the capitalized obligation under the lease and the interest element is charged as expense to the statement of income. Depreciation on the relevant asset is also charged to the statement of income over its useful life.

Operational 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 consolidated statement of income on a straight-line basis over the period of the lease.

2.4.17 Related Parties

Shareholders who have control or common control on the Group, the companies or affiliates controlled by or affiliated to the shareholders, key management personnel and members of the board of directors, their families, the companies or affiliates controlled by or affiliated to them are deemed elated parties in accordance with the aim of these consolidated financial statements (Note 27).

2.4.18 Segment Reporting

The operating segments are evaluated in parallel to the internal reporting and strategic sections presented to the organs or persons authorized to make decisions regarding the activities of the Group. The organs and persons authorized to make strategic decisions regarding the Group's activities with respect to the resources to be allocated to these sections and their evaluation are defined as the Group's senior managers of the Group. The Group's senior managers follow up the Group's activities on activity basis such as; ground handling services, airport security services, airport terminal operating and cargo and warehouse services (Note 4).

2.4.19 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

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

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.

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 recognized 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 cash flows.

2.4.20 Government Incentives and Grants

Government incentives, including non-monetary grants at fair value, are included in the financial statements only if there is reasonable assurance that the Company will fulfill all required conditions and acquire the incentive.

2.4.21 Investment Property

Buildings held for rental yields 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". Investment properties are carried at cost less accumulated depreciation and any accumulated impairment losses. As of 31 March 2012, the company has no investment property in financials.

Investment properties are reviewed for impairment losses. Where the carrying amount of the investment property is greater than the estimated recoverable amount, it is written down to its recoverable amount. The recoverable amount of the investment property is the higher of future net cash flows from the recognized of this investment property or fair value less cost to sell.

2.4.22 Taxes on Income

Current and deferred income tax

Taxes on income for the period comprise of current tax and the change in the deferred income taxes. Current taxes on income comprise tax payable calculated on the basis of expected taxable income for the period using the tax rates enacted at the balance sheet date and any adjustment in taxes payable for previous periods.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. Currently enacted tax rates are used to determine deferred income tax at the balance sheet date (Note 24).

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

Deferred income tax liabilities are recognized for all taxable temporary differences, whereas deferred income tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

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 (Note 24).

2.4.23 Employee Benefits

Employment termination benefits, as required by the Turkish Labor Law and the laws applicable in the countries where the joint ventures operate, represent the estimated present value of the total reserve of the future probable obligation of the Group arising in case of the retirement of the employees, termination of employment without due cause, call for military service, be retired or death upon the completion of a minimum one year service. Provision which is allocated by using defined benefit pension's current value is calculated by using estimated liability method. All actuarial profits and losses are recognized in consolidated statements of income (Note 15).

2.4.24 Statement of Cash Flows

Cash flows during the period are classified and reported by main, investing and financing activities in the cash flow statements.

Cash flows from main activities represent the cash flows of the Group generated from airport ground handling services, airport construction and operating activities.

Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (fixed investments and financial investments).

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

Cash and cash equivalents comprise cash on hand and bank deposits and short-term, highly liquid investments that are readily convertible to definite amounts of cash with maturities equal or less than three months and which are subject to an insignificant risk of changes in value (Note 5).

2.4.25 Dividends

Dividends receivable are recognized as income in the period when they are declared. Dividends payable are recognized as an appropriation of profit in the period in which they are declared.

2.4.26 Paid-in Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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

2.4.27 Derivative financial instruments and hedging activities

Derivative financial instruments are initially recognized in the consolidated financial statements at cost and are subsequently measured at their fair value. The derivative instruments of the Group mainly consist of interest rate exchange and foreign exchange forward contracts.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedgeaccounting, anycumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transactionis ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported inequity is immediately transferred to the income statement within related financail statements line.

The Group should document the Group's risk management objectives, hedging strategies, and the relationship between hedgingg insturment and hedging item. In addition, the Group should regularly document the valuation of effective balance in changes in hedging instruments' fair value and in changes in cash flows.

Since the Group has not performed aforementioned documentation and activity analysis, financial derivative instruments are accounted as "financial derivative instruments held for trading" and reasonable changes in values are presented in the consolidated statements of income.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group is utilizing observable market data at the valuation process (Note 28).

2.4.28 Comparatives and restatement of prior periods' financial statements

The consolidated financial statements of the Group include comparative financial information to enable the determination of the financial position and performance. The consolidatede balance sheet of the Group at 31 March 2012 has been provided with the comparative financial information of 31 December 2011 and the statement of income, the statement of changes in equity and the statement of cash flows for the period 1 January - 31 March 2012 have been provided with the comparative financial information, for the period 1 January - 31 March 2011.

- Exchange gains amounting to TL 830,763 which were previously presented in "Financial Income", respectively have been reclassified to "Other Income" on the consolidated statement of compherensive income for the year ended 31 March 2011 (Note 21).

- Exchange losses amounting to TL 171,201 which were previously presented in "Financial Expenses", respectively have been reclassified to "Other Expenses" on the consolidated statement of compherensive income for the year ended 31 March 2011 (Note 21).

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

2.4.29 Offsetting

All items with significant amounts and nature, even with similar characteristics, are presented separately in the financial statements. Insignificant amounts are grouped and presented by means of items having similar substance and function. When the nature of transactions and events necessitate offsetting, presentation of these transactions and events over their net amounts or recognition of the assets after deducting the related impairment are not considered as a violation of the rule of non-offsetting. As a result of the transactions in the normal course of business, revenue other than sales are presented as net provided that the nature of the transaction or the event will qualify for offsetting.

2.4.30 Share premium

Share premium represents differences resulting from the sale of the Company's Subsidiaries' and Joint Ventures shares at a price exceeding the face value of those shares or differences between the face value and the fair value of shares issued for acquired companies.

2.5. Critical Accounting Estimates and 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. The estimates and assumptions that may have a material adjustment to the carrying amounts of assets and liabilities for the next reporting period are outlined below:

(a) Goodwill impairment tests

As explained in Note 2.4.11, the Group performs impairment tests on goodwill annually at 31 December or more frequently if events or changes in circumstances indicate that it might be impaired. The recoverable amount of the cash generating unit has been determined based on the fair value less costs to sell calculations. These calculations include certained estimations and assumptions. As a result of the impairment tests performed with the use of the above assumptions, no impairment was detected in the goodwill amount as of 31 December 2011 (Note 13).

(b) Impairment of intangible assets

According to the accounting policy stated in Note 2.4.4., the intangible non-current assets are shown with their net value after the deduction of the accumulated depreciation, if any, and the value subtracted from the acquisition costs. As a result of the valuation studies performed at the purchase of 100% of CGHH shares, "Customer Relations" has been considered as an identifiable asset by the Group and shown under the intangible non-current assets. While the terms of the agreements signed by CGHH with its clients are either unlimited or for two to three years, it is seen that the clients continue the agreements for more than two to three years considering the average terms in the sector. The redemption and amortization are determined as seven years according to these estimates; all the important clients of CGHH have continued to work with CGHH since the year it started operations in Budapest and no important level of decrease is expected in the existing market share of CGHH. Thanks to the positive developments in the operations of CGHH, no indicator has been noted relating

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

to whether or not there is a decrease in the registered net book value of the intangible non-current assets which are defined as "Customer Relations" and whose useful life is determined as seven years (Note 12).

(c) Provisions

As explained in Note 2.4.15, provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when reliable estimate can be made of the amount of the obligation. In this context, the Group has evaluated the law suits and court cases opened against it at 31 March 2012 and for the ones where the Group estimates more than 50% probability of losing them necessary provisions are accounted for in the consolidated financial statements (Note 14 and Note 29).

(d) Taxes on income

As explained in Note 2.4.22, a provision is recognized for the current year tax liability based on the period results of the Group at the balance sheet date. Tax legislations in the Group's subsidiaries' and joint ventures' operating countries are subject to different manners of interpretation and subject to be altered frequently. Accordingly, the interpretation of tax implications regarding the operations of subsidiaries and joint ventures in foreign countries by the tax authorities may differ from the interpretation of the management. Consequently, the Group may encounter additional taxes, penalties and interests.

As of 31 March 2012, the Group has evaluated the possibility of any tax exposure that may arise in foreign subsidiaries and joint ventures and has not identified any necessity to recognize a provision.

(e) Accounting of derivative financial instruments and hedging activities

Derivatives are initially recognized at acquisition cost including the transaction fees on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The derivative instruments of the Group mainly consist of interest rate exchange and foreign exchange forward contracts. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group is utilizing observable market data at the valuation process.

(f) Unusued carry-forward tax losses

Deferred tax asset is booked where there is a probability that a tax advantage can be gained in future periods.

As of 31 March 2012, since there has been no expiry date for the utilization of carry-forward tax losses in the Hungarian Tax System and CGHH has strength probability of ability to utilize carry-forward tax losses amounting to TL 8,730,391, the Company has accounted for deferred tax asset amounted to TL 873,039.

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

Celebi Nas has not booked deferred tax amounted to TL 1,309,946 to its financial statements as of 31 March 2012 which is arisen from the carry forward losses amounted to 4,037,436 TL due to the probability of inability to utilize carry-forward tax losses.

Same as above, the Celebi GH Delhi has not booked deferred tax amounted to TL 4,585,946 to its financial statements as of 31 March 2012 which is arisen from the carry forward losses amounted to TL 14,134,524 due to the probability of inability to utilize carry-forward tax losses.

(g) Expenditures made within the scope of concession agreements according to IFRIC 12 application

Celebi Delhi Cargo Terminal Management India Private Limited ("Celebi Delhi Cargo"), the subsidiary of the Group, established in New Delhi India, signed a concession agreement on 6 May 2009 with Delhi International Airport Private Limited ("DIAL") for development, modernization and operating of the cargo terminal at the airport in the city of New Delhi for 25 years.

Group, has accounted the capital expenditures related to the aforementioned investments in accordance with the with International Financial Reporting Interpretations Committee ("IFRIC 12") Service Concession Arrangements.

The estimates used by the Group in the application of IFRIC 12 are as follows:

i) TL 3,555,169 has been provided regarding the estimated future renovation obligations in the consolidated financial statements as at 31 March 2012. The aforementioned provision was amortized by using average rate of 8.04% (31 December 2011: 8.04%).

ii) Concession rights presented under intangible assets has been determined by including profit margin determined by using the similar construction services on top of the estimated costs of the development and modernization of cargo terminal in accordance with the aforementioned concession agreement. Aforementioned intangible assets has been carried at amortized costs. Profit margin and discount rate is 2% (31 December 2011:2%) and 7.25% (31 December 2011: 7.25%) as at 31 March 2012.

NOTE 3 - JOINT VENTURES

Shares in joint ventures

Celebi IC Antalya Havalimani Terminal Yatirim ve Isletme A.S. and Celebi Nas as described in Note 2 are 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:

	31 March 2012	31 December 2011
Current assets	5,256,271	7,535,387
Non-current assets	34,349,233	36,420,630
Total assets	**39,605,504**	**43,956,017**
Current liabilities	10,403,171	14,784,409
Non-current liabilities	9,708,820	11,616,502
Shareholders' equity	19,493,513	17,555,106
Total liabilities and shareholders' equity	**39,605,504**	**43,956,017**

	31 March 2012	31 March 2011
Revenue - net	6,023,578	6,148,475
Gross profit	400,740	1,636,878
Operating profit /(loss)	(375,960)	940,299
Net profit/ (loss) for the period	(987,225)	249,424

NOTE 4 - SEGMENT REPORTING

Management determines the operating segments based on the reports analyzed by the board of directors, and found effective in strategically decision taking.

The management considers the Group within the views named geographic and operational segments. They are assessing the Group's performance on an operating segment basis; Ground Handling Services, Security Services, Cargo and Warehouse Services, Terminal Construction and Management. Reportable operating segment revenues are Ground Handling Services, Security Services, Terminal Construction and Management and Cargo and Warehouse Services. The management assesses the performance of the operating segments based on a measure of EBITDA after IFRIC 12 effect and expense offsetting amount, that does not have any cash-flow effect, regarding to operating leasing are excluded.

NOTE 4 - SEGMENT REPORTING (Continued)

The segment information provided to the board of directors as of 31 March 2012 is as follows:

1 January - 31 March 2012

	Reportable Segments					
	Ground Handling Services	Airport Security Services	Airport Terminal Construction and Management	Cargo and Warehouse Services	Consolidation Adjustments	Consolidated
Revenue - net	75,526,924	286,432	-	34,141,390	(104,955)	109,849,791
Cost of sales	(61,848,436)	(532,176)	-	(30,867,948)	179,794	(93,068,766)
Gross profit	**13,678,488**	**(245,744)**	**-**	**3,273,442**	**74,839**	**16,781,025**
General administrative expenses	(15,330,609)	(96,949)	(1,069)	(5,376,924)	298,865	(20,506,686)
Addition: Depreciation and amortization	6,534,071	8,396	-	1,873,993	-	8,416,460
Addition: Operating leasing costs equilization (*)	79,572	-	-	2,112,855	-	2,192,427
Addition: IFRIC 12 effect	-	-	-	719,444	-	719,444
EBITDA	**4,961,522**	**(334,297)**	**(1,069)**	**2,602,810**	**373,704**	**7,602,670**

(*) Operating leasing costs equalization, within the frame of IAS 17 "Leases", consists of the difference between lease amounts defined on service concession agreement and the amount calculated taking into consideration future constant lease ncreases and reflected on straight line basis on financial statements.

NOTE 4 - SEGMENT REPORTING (Continued)

The segment information provided to the board of directors as of 31 March 2011 is as follows:

1 January - 31 March 2011

	Ground Handling Services	Airport Security Services	Airport Terminal Construction and Management	Cargo and Warehouse Services	Consolidation Adjustments	Consolidated
Revenue - net	52,343,110	1,266,368	-	32,156,500	(417,676)	85,348,302
Cost of sales	(44,069,970)	(1,334,558)	-	(26,418,467)	707,464	(71,115,531)
Gross profit	**8,273,140**	**(68,190)**	**-**	**5,738,033**	**289,788**	**14,232,771**
General administrative expenses	(14,695,098)	(194,794)	(3,889)	(3,234,657)	24,107	(18,104,331)
Addition: Depreciation and amortization	6,290,156	10,308	29	1,480,024	-	7,780,517
Addition: Operating leasing costs equilization (*)	-	-	-	2,152,683	-	2,152,683
Addition: IFRIC 12 effect	-	-	-	437,723	-	437,723
EBITDA	**(131,802)**	**(252,676)**	**(3,860)**	**6,573,806**	**313,895**	**6,499,363**

(*) Operating leasing costs equalization, within the frame of IAS 17 “Leases”, consists of the difference between lease amounts defined on service concession agreement and the amount calculated taking into consideration future constant lease increases and reflected on straight line basis on financial statements.

NOTE 4 - SEGMENT REPORTING (Continued)

Reconciliation of EBITDA figure to income before tax is provided as follows:

	31 March 2012	**31 March 2011**
EBITDA for reported segments	7,602,671	6,499,363
Depreciation and amortization	(8,416,460)	(7,780,517)
Operating leasing equalization	(2,192,428)	(2,152,683)
IFRIC 12 effect	(719,444)	(437,723)
Other operating income	1,362,570	1,317,175
Other operating expenses (-)	(731,423)	(577,856)
Operating loss	**(3,094,514)**	**(3,132,241)**
Financial income	8,961,951	6,310,775
Financial expense (-)	(9,159,599)	(7,861,766)
Loss before tax	**(3,292,162)**	**(4,683,232)**

The figures provided to the board of directors with respect to total assets and liabilities are measured in a manner consistent with that of the consolidated financial statements. These assets and liabilities are allocated based on the operations of the segment and the physical location of the asset.

Total Assets	**31 March 2012**	**31 December 2011**
Turkey	321,375,184	283,281,605
India	194,731,047	218,296,448
Hungary	49,652,955	44,624,824
Germany	17,486,583	19,602,159
Segment Assets (*)	**583,245,769**	**565,805,036**
Unallocated assets	43,607,416	101,084,575
Less: Inter-segment elimination	(133,635,095)	(129,726,167)
Total assets as per consolidated financial statements	**493,218,090**	**537,163,444**

(*) Total combined assets are generally formed of assets that are related with operations and do not include deferred income tax assets, time deposits.

NOTE 4 - SEGMENT REPORTING (Continued)

Total Liabilities	31 March 2012	31 December 2011
Turkey	46,163,697	55,882,152
India	77,182,349	82,891,265
Hungary	7,311,888	5,674,130
Germany	4,310,912	4,147,025
Segment liabilities (*)	**134,968,846**	**148,594,572**
Unallocated liabilities	313,539,513	340,555,154
Less: Inter-segment elimination	(1,953,665)	(2,468,504)
Total liabilities as per consolidated financial statements	**446,554,694**	**486,681,222**

(*) Total combined liabilities are generally formed of liabilities that are related with operations and do not include tax provision, deferred income tax liabilities.

NOTE 4 - SEGMENT REPORTING (Continued)
Geographical Segments
Geographical Analysis for the interim period 1 January - 31 March 2012

	Turkey	Hungary	India	Germany	Total Combined	Inter-segment Elimination	Total
Revenue	63,747,052	14,915,299	27,413,984	3,773,486	109,849,821	(30)	109,849,791
Cost of sales	(51,962,253)	(9,517,171)	(25,911,835)	(5,726,710)	(93,117,969)	49,203	(93,068,766)
Gross profit	11,784,799	5,398,128	1,502,149	(1,953,224)	16,731,852	49,173	16,781,025
General administrative expenses	(13,213,076)	(2,775,029)	(3,510,277)	(1,159,414)	(20,657,796)	151,110	(20,506,686)
Other operating income/ expense - net	784,288	18,008	105,108	(3,351)	904,053	(272,906)	631,147
Operating loss	**(643,989)**	**2,641,107**	**(1,903,020)**	**(3,115,989)**	**(3,021,891)**	**(72,623)**	**(3,094,514)**

Geographical Analysis for the interim period 1 January - 31 March 2011

	Turkey	Hungary	India	Germany	Total Combined	Inter-segment Elimination	Total
Revenue	41,646,341	12,521,067	28,748,585	2,432,309	85,348,302	-	85,348,302
Cost of sales	(35,511,234)	(9,095,209)	(24,629,259)	(2,131,201)	(71,366,903)	251,372	(71,115,531)
Gross profit	6,135,107	3,425,858	4,119,326	301,108	13,981,399	251,372	14,232,771
General administrative expenses	(11,189,470)	(2,916,736)	(1,696,840)	(2,301,285)	(18,104,331)	-	(18,104,331)
Other operating income/ expense - net	1,186,765	(24,934)	123,834	10,788	1,296,453	(557,134)	739,319
Operating loss	**(3,867,598)**	**484,188**	**2,546,320**	**(1,989,389)**	**(2,826,479)**	**(305,762)**	**(3,132,241)**

NOTE 5 - CASH AND CASH EQUIVALENTS

	31 March 2012	31 December 2011
Cash	247,516	136,945
Banks		
- time deposit	29,824,698	87,773,080
- demand deposit	27,902,090	11,502,733
	57,974,304	**99,412,758**

Effective interest rates on TL, Euro and USD denominated time deposits at 31 March 2012 are 8.40%, 2.99% and 1.95% (31 December 2011: TL 9.50%, Euro 4.50%, USD 3.50%, Rupee 7.20%) respectively. The maturity days on TL, Euro and USD denominated time deposits as of 31 March 2012, 2-28 days for USD and Euro, 2 days for TL (31 December 2011: Euro and USD 20-60 days, INR 1-17 days).

The analysis of cash and cash equivalents in terms of consolidated statements of cash flows at 31 March 2012 and 31 December 2011 are as follows:

	31 March 2012	31 March 2011
Cash and banks	57,974,304	68,444,313
Less: Interest Accruals	(12,090)	(9,133)
Less: Restricted cash (*)	(14,161,745)	(5,551,394)
	43,800,469	**62,883,786**

(*) TL 14,040,077 of the mentioned amount represents the collections from the customers kept in mandatory restricted accounts according to the concession agreements signed for the operation of the terminals in New Delhi Airport in India (31 March 2011: TL 5,551,394).

NOTE 6 - FINANCIAL INVESTMENTS

Available-for-sale assets:

	31 March 2012		31 December 2011	
	%	TL	%	TL
DASL	%16.7	1,515,580	%16.7	1,515,580
Celebi Europe (*)	%100.0	20,525	%100.0	20,525
		1,536,105		**1,536,105**

(*) As of 31 March 2012, Celebi Europe has not been consolidated in the consolidated financial statements by reason of being immaterial for the consolidated financial statements and as Celebi Europe has not started its operations, it is accounted for as available for sale financial assets.

NOTE 7 - FINANCIAL LIABILITIES

Short-term financial liabilities:

	31 March 2012		
	Effective interest rate (%)	**Original amount**	**TL**
Kısa vadeli banka kredileri:			
TL borrowings	-	50,768	50,768
Euro borrowings	Euribor+5.50%	750,000	1,774,800
INR borrowings	11%-12.90%	22,321,190	780,572
			2,606,140
Short-term portion of long-term borrowings:			
Interest expense accrual - US Dollar	-	88,452	156,816
Interest expense accrual - Euro	-	2,102,401	4,975,121
Interest expense accrual - INR	-	5,412,754	189,284
US Dollar borrowings	Libor+ 3.40%	2,000,000	3,545,800
INR borrowings	11%-12.90%	360,978,496	12,623,418
Euro borrowings	Euribor+ 3.40%- Euribor+ 6.50%	13,524,204	32,003,676
			53,494,115
Short-term finance lease obligations:			
Short-term finance lease obligations - Euro		568,094	1,344,338
Short-term finance lease obligations – US Dollar		11,948	21,183
Short-term financial liabilities			**57,465,776**
Long-term financial liabilities:			
US Dollar borrowings	Libor+ 3.40%	2,000,000	3,545,800
INR borrowings	11%-12.90%	1,976,158,993	69,106,280
Euro borrowings	Euribor+ 3.40%- Euribor+ 6.50%	72,703,827	172,046,337
			244,698,417
Long-term finance lease obligations:			
Long-term finance lease obligations – US Dollar		16,157	28,645
Long-term finance lease obligations - Euro		3,037,946	7,188,995
Long-term financial liabilities			**251,916,057**
Total financial liabilities			**309,381,833**

NOTE 7 - FINANCIAL LIABILITIES (Continued)

	31 March 2012		31 December 2011	
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
Long-term financial liabilities	**251,916,057**	**247,709,563**	**223,505,661**	**219,773,588**

The fair value of current borrowings equals their carrying amount as the impact of discounting is not significant. The fair values of long-term bank borrowings are based on cash flows discounted using a rate based on the borrowing rate of 6.50% (31 December 2011: 6.88%).

Short-term financial liabilities:

	31 December 2011		
	Effective interest rate (%)	**Original amount**	**TL**
Short-term bank borrowings:			
Euro borrowings	7.85%	3,811,328	9,314,124
INR borrowings (*)	11%-12,90%	1,272,464,734	45,426,991
			54,741,115

(*) A loan agreement has been signed between Celebi Delhi Cargo; subsidiary of the Group; and resident bank as of 31.12.2011 loan amounted 1,220,000,000 hint rupees (TL 43,554,000) for the refinancing of the debts of Celebi Delhi Cargo. However, the amount transfer; which was on the last day of the year to close the loan; has been seen still open by the prior(former) bank because of the value date (valor) difference. The deposit amount, with regard to loan balance, has been classfied in cash and cash equivalents and other current assets respectively amounted TL 20,009,849 and TL 23,544,151 (Note 16).

Short-term portion of long-term borrowings:			
Interest expense accrual - US Dollar	-	23,185	43,795
Interest expense accrual - Euro	-	821,186	2,006,815
Interest expense accrual - INR	-	4,529,552	161,705
US Dollar borrowings	Libor+ 3.40%	2,000,000	3,777,800
Euro borrowings	4.50%-7.50%	13,532,620	33,071,016
INR borrowings	10.45%-15.90%	283,150,000	10,108,455
			49,169,586
Short-term finance lease obligations:			
Short-term finance lease obligations - Euro		523,950	1,280,429
Short-term financial liabilities			**105,191,130**

NOTE 7 - FINANCIAL LIABILITIES (Continued)

	31 December 2011		
	Effective interest rate (%)	**Original amount**	**TL**
Long-term financial liabilities:			
US Dollar borrowings	Libor+ 3.40%	2,000,000	3,777,800
INR borrowings	10.45%-15.90%	1,845,572,577	65,886,941
Euro borrowings	Euro Libor+ 6.50%	62,951,518	153,840,920
			223,505,661
Long-term finance lease obligations:			
Long-term finance lease obligations - Euro		3,075,871	7,516,813
Long-term financial liabilities			**231,022,474**
Total financial liabilities			**336,213,604**

The redemption schedule of borrowings according to their contractual repricing dates is as follows:

	31 March 2012	**31 December 2011**
Less than 3 months	14,448,264	47,072,900
Between 3-12 months	43,017,512	58,118,230
Between 1-5 years	226,620,269	213,431,947
More than 5 years	25,295,788	17,590,527
	309,381,833	**336,213,604**

The redemption schedules of long-term bank borrowings as of 31 March 2012 and 31 December 2011 are as follows:

	31 March 2012	**31 December 2011**
Between 1-2 years	86,999,720	71,601,673
Between 2-3 years	56,415,510	50,684,417
Between 3-4 years	37,368,050	37,351,160
5 years and over	63,915,137	63,868,411
	244,698,417	**223,505,661**

NOTE 7 - FINANCIAL LIABILITIES (Continued)

The redemption schedules of financial lease obligations as of 31 March 2012 and 31 December 2011 are as follows:

	31 March 2012			31 December 2011		
	Minimum lease payments	Interest	Total obligation	Minimum lease payments	Interest	Total obligation
1 yıla kadar	1,880,368	(514,847)	1,365,521	1,807,500	(527,071)	1,280,429
1 ile 2 yıl arası	1,885,962	(421,666)	1,464,296	1,775,184	(436,532)	1,338,652
2 ile 3 yıl arası	1,849,286	(309,857)	1,539,429	1,775,184	(371,491)	1,403,693
4 yıl ve sonrası	4,588,937	(375,024)	4,213,915	5,221,852	(447,384)	4,774,468
	10,204,553	**(1,621,394)**	**8,583,161**	**10,579,720**	**(1,782,478)**	**8,797,242**

NOTE 8 - TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables	**31 March 2012**	**31 December 2011**
Trade receivables	44,676,263	37,825,586
Less: Provision for doubtful receivables	(3,040,859)	(2,941,074)
	41,635,404	**34,884,512**

The maturities of trade receivables are generally less than one month at 31 March 2012 (31 December 2011: less than one month). The fair value of current trade receivables as of 31 March 2012 and 31 December 2011 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.

Movement of provision for doubtful receivables is as follows:

	31 March 2012	**31 December 2011**
Opening balance	2,941,074	3,207,136
Current year charge	143,335	386,687
Cumulative translation differences	(9,619)	152,656
Changes in share of joint venture	433	-
Collections and reversal of provisions	(34,364)	(633,869)
Write-off of uncollectible trade receivables	-	(171,536)
Closing balance	**3,040,859**	**2,941,074**

NOTE 8 - TRADE RECEIVABLES AND PAYABLES (Continued)

Credit risks exposed by the Group for each financial instrument type as of 31 March 2012 and 31 December 2011 are shown below:

	Trade receivables		**Other receivables**		
31 March 2012	**Related party**	**Other**	**Related party**	**Other**	**Bank deposits (*)**
The maximum of credit risk exposed at the reporting date	348,111	41,635,404	-	13,488,967	57,726,788
- Credit risk covered by guarantees		*153,574*	-	-	-
Net carrying value of financial assets either are not due or not impaired	335,521	36,881,455	-	13,488,967	57,726,788
Net carrying value of financial assets which are overdue but not impaired	12,590	4,766,539	-	-	-
- Amount of risk covered by guarantees	-	*153,574*	-	-	-
Net carrying value of impaired assets					
- Overdue (gross carrying value)		*3,040,859*	-	-	-
- Impairment amount (-)		*(3,040,859)*	-	-	-
- Amount of risk covered by guarantees					

(*) Included restricted cash.

NOTE 8 - TRADE RECEIVABLES AND PAYABLES (Continued)

	Trade receivables		Other receivables		
31 December 2011	**Related party**	**Other**	**Related party**	**Other**	**Bank deposits (*)**
The maximum of credit risk exposed at the reporting date	782,878	34,884,512	36,019	5,348,745	99,275,813
- Credit risk covered by guarantees	-	*1,292,289*	-	-	-
Net carrying value of financial assets either are not due or not impaired	197,800	24,918,165	36,019	5,348,745	99,275,813
Net carrying value of financial assets which are overdue but not impaired	585,078	9,966,347	-	-	-
- *Amount of risk covered by guarantees*	-	1,292,289	-	-	-
Net carrying value of impaired assets	-	-	-	-	-
- Overdue (gross carrying value)	-	2,941,074	-	-	-
- Impairment amount (-)	-	(2,941,074)	-	-	-
- Amount of risk covered by guarantees	-	-	-	-	-

(*) Included restricted cash.

NOTE 8 - TRADE RECEIVABLES AND PAYABLES (Continued)

The ageing analysis of receivables including related parties, that were past due but not impaired is as follows;

	31 March 2012	**31 December 2011**
Up to 1 month	2,372,614	6,648,037
1 to 3 months	1,536,606	2,831,508
3 to 12 months	833,081	1,071,880
1 to 5 years	24,238	-
	4,766,539	**10,551,425**

Aging of overdue receivables that are not impaired including receivables from related parties is as follows:

	Trade receivables	
31 March 2012	**Related party**	**Other**
Overdue 1-30 days	2,546	2,370,068
Overdue 1-3 months	2,015	1,534,591
Overdue 3-12 months	8,029	825,052
Overdue 1-5 years	-	24,237
Amount of risk covered by guarantees	**-**	**153,574**

	Trade receivables	
31 December 2011	**Related party**	**Other**
Overdue 1-30 days	101,901	6,546,136
Overdue 1-3 months	105,329	2,726,178
Overdue 3-12 months	377,848	694,033
Amount of risk covered by guarantees	**-**	**1,292,289**

Short-term trade payables

	31 March 2012	**31 December 2011**
Trade payables	16,327,008	17,963,107
Notes payable	1,570,722	-
	17,897,730	**17,963,107**

The fair value of short-term trade payables as of 31 March 2012 and 31 December 2011 equals their carrying amount as the impact of discounting is not significant.

NOTE 9 - OTHER RECEIVABLES AND PAYABLES

	31 March 2012	31 December 2011
Other short-term receivables		
Receivables from Tax Office	12,566,588	4,697,247
Deposits and guarantees given (*)	890,963	635,508
Other short-term receivables	31,416	15,990
	13,488,967	**5,348,745**

(*) As of 31 March 2012, TL 890,963 of deposits and guarantees given is comprised of guarantees given by Celebi Nas to leasing companies for equipment hires (31 December 2011: TL 353,274).

	31 March 2012	31 December 2011
Other long-term receivables		
Deposits and guarantees given (*)	15,054,203	14,615,540
	15,054,203	**14,615,540**

(*) As of 31 March 2012, TL 8.534.039 (31 December 2011: TL 8,179,530), TL 3.372.143 (31 December 2011: TL 3,354,840) and TL 3.148.021 (31 December 2011: TL 3,081,170) are paid respectively for Celebi GH Delhi, Celebi Delhi Cargo and Celebi Nas to local authorities, local firms and banks in terms of deposits and guarentees (blocked).The related blockage amount is TL 3,797,404 as of 31 March 2012 (31 December 2011: TL 3,797,404)

	31 March 2012	31 December 2011
Other short-term payables		
Other short-term payables (*)	2,942,942	2,029,129
Advances received	362,438	298,337
	3,305,380	**2,327,466**

(*) As of 31 March 2012, TL 2,715,010 of the related amount is resulted form payables from Celebi Delhi Cargo to DIAL in accordance with the concession agreement between firms (31 December 2011: TL 1,994,320).

	31 March 2012	31 December 2011
Other long-term payables		
Deposits and guarantees received (*)	953,955	1,055,879

(*) TL 823,727 of the deposits and guarantees received consists of the Company's subsidiary Celebi Delhi Cargo's tenants and its deposits received from customers in India (31 December 2011: TL 856,597).

NOTE 10 - INVENTORIES

	31 March 2012	**31 December 2011**
Trade goods	1,199,330	939,916
Other inventories	6,402,823	5,449,429
	7,602,153	**6,389,345**

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

The cost of inventories recognized as expense and included in "cost of sales" is amounted to TL 3,244,006 at 31 March 2012 (31 December 2011: TL 1,292,214).

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment for the period ended 31 March 2012 are as follows:

	Opening 1 January 2012	Additions due to merger of subsidiary (**)	Additions	Disposals	Transfers	Cumulative translation adjustments	Closing 31 March 2012
Cost							
Plant, machinery and equipment	186,563,588	1,228,575	4,278,053	(723,149)	203,129	(960,458)	190,589,738
Motor vehicles	30,313,731	103,143	1,642,100	-	-	173,038	32,232,012
Furniture and fixtures	17,430,075	17,048	481,816	(10)	-	10,916	17,939,845
Leasehold improvements (*)	90,171,598	-	176,042		-	(24,007)	90,323,633
Construction in Progress	1,889,968	361	15,251	-	(203,129)	(52,980)	1,649,471
Advances given	788,110	-	144,068	-	-	(19,255)	912,923
	327,157,070	**1,349,127**	**6,737,330**	**(723,159)**	**-**	**(872,746)**	**333,647,622**
Accumulated depreciation							
Plant, machinery and equipment	(109,230,888)	(289,725)	(3,049,903)	118,598	-	19,923	(112,431,995)
Motor vehicles	(17,586,744)	(32,074)	(701,527)	-	-	(626,696)	(18,947,041)
Furniture and fixtures	(13,562,184)	(8,420)	(371,846)	8	-	591,835	(13,350,607)
Leasehold improvements (*)	(42,516,126)	-	(1,385,416)		-	1,266	(43,900,276)
	(182,895,942)	**(330,219)**	**(5,508,692)**	**118,606**	**-**	**(13,672)**	**(188,629,919)**
Net book value	**144,261,128**						**145,017,703**

(*) The land plots where the stations were constructed by the Group 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 31 March 2012 the net book value of these stations was TL 45,532,772. The lease contract signed by the Group and the DHMI is valid for one year and the agreement is renewed at the beginning of every year. The Group amortizes these station buildings within 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.

(**) Not 2e.

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT(Continued)

Depreciation expense for the period ended 31 March 2012 in the amount of TL 4,798,193 and TL 710,499 are included in operating expenses and cost of sales. There are net book value TL 8,267,238 worth of financial leasing assets in plant, machinery and equipment as of 31 March 2012.

Movements in property, plant and equipment for the period ended 31 March 2011 are as follows:

	Opening 1 January 2011	Additions	Disposals	Transfers(**)	Cumulative translation adjustments	Closing 31 March 2011
Cost						
Plant, machinery and equipment	162,520,089	2,991,667	(960,209)	7,958,835	783,364	173,293,441
Motor vehicles	25,387,793	618,430	(103,463)	340,599	1,898,579	28,141,938
Furniture and fixtures	15,175,014	682,390	(89,079)	439,438	130,958	16,338,565
Leasehold improvements (*)	82,694,876	-	(3,905)	3,522,084	-	86,213,055
Construction in Progress	12,188,524	2,400,959	-	(12,260,956)	375,441	2,703,968
Advances given	55,181	26,228	-	-	2,290	83,699
	298,021,477	**6,719,674**	**(1,156,656)**	**-**	**3,190,476**	**306,774,666**
Accumulated depreciation						
Plant, machinery and equipment	(98,535,302)	(2,490,132)	407,047	-	(182,190)	(100,800,577)
Motor vehicles	(13,151,563)	(982,336)	86,403	-	(1,135,318)	(15,182,814)
Furniture and fixtures	(12,466,605)	(285,865)	80,169	-	(95,872)	(12,768,173)
Leasehold improvements (*)	(37,859,724)	(1,389,745)	1,345	-	-	(39,248,124)
	(162,013,194)	**(5,148,078)**	**574,964**	**-**	**(1,413,380)**	**(167,999,688)**
Net book value	**136,008,283**					**138,774,978**

(*) The land plots where the stations were constructed by the Group 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 31 March 2011 the net book value of these stations was TL 46,827,454. The lease contract signed by the Group and the DHMI is valid for one year and the agreement is renewed at the beginning of every year. The Group amortizes these station buildings within 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.

NOTE 12 - INTANGIBLE ASSETS

(**) Refers to investment amount of Celebi Delhi Cargo within the frame of renewal of the concession agreement.

Amortization expense for the period ended 31 March 2011 in the amount of TL 3.669.806 and TL 1.478.272 are included in operating expenses and cost of sales respectively.

As of March 31, 2011 the Company has financial lease assets amounted to TL 8.145.270 that is classified under property, plant, equipment.

Movements in intangible assets for the period ended 31 March 2012 are as follows:

	Opening 1 January 2012	Changes in Consolidation rates	Additions	Cumulative translation adjustments	Closing 31 March 2012
Cost					
Rights	9,594,834	-	3,137,405	(23,555)	12,708,684
Customer relations	31,661,370	-	-	518,386	32,179,756
Software	6,612,314	6,259	14,839	25,170	6,658,582
Concession rights (**)	63,235,826	-	-	(1,293,058)	61,942,768
Build-operate-transfer investments (*)	52,021,479	173,645	-	(1,067,294)	51,127,830
	163,125,823	**179,904**	**3,152,244**	**(1,840,351)**	**164,617,620**
Accumulated depreciation					
Rights	(820,949)	-	(221,756)	4,086	(1,038,619)
Concession rights (**)	(5,534,069)	-	(660,417)	127,553	(6,066,933)
Customer relations	(23,449,180)	-	(1,130,763)	(402,442)	(24,982,385)
Customer relations	(4,090,729)	(2,696)	(199,821)	(7,397)	(4,300,643)
Build-operate-transfer investments (*)	(5,801,733)	(47,359)	(695,011)	134,749	(6,409,354)
	(39,696,660)	**(50,055)**	**(2,907,768)**	**(143,451)**	**(42,797,934)**
Net book value	**123,429,163**				**121,819,686**

(*) TL 35,844,043 which is difference between discounted present value of deposit paid with interest rate, 11.46% , and the deposit amounting to INR1,200,000,000 paid in accordance with the concession agreement on the development, modernisation, finance and 25-year of operation of the cargo terminal in the airport in New Delhi, India, has been capitalised as a Build-Operate-Transfer investment and it will be amortised in 25 years until operations end in Delhi International Airport. The deposit amounted to INR 200.000.000 has paid within the framework of concession agreement signed for handling services at airport in Mumbai for 11 years, and the difference between discounted present value of deposit paid with interest rate 13.41% which is amounted to TL 1,647,340 has been capitalized as Build-Operate-Transfer investment and it will be amortised in 10 year until operations end in mentioned airport. In addition, TL 7,227,091 which is difference between discounted present value of deposit paid with interest rate,10.82%, and the deposit amounting to INR 400,000,000 paid in accordance with the concession agreement on the development, modernisation, finance and 10-year operation of the cargo terminal in the airport in New Delhi, India, has been capitalised as a Build-Operate-Transfer investment and it will be amortised in 10 years until operations end in Delhi International Airport.

(**) Refers to fixed assets expenditures accounted for in accordance with IFRIC 12 within the frame of the concession agreement, which Celebi Delhi Cargo has signed with DIAL. (Note 2,5.g)

NOTE 12 - INTANGIBLE ASSETS (Continued)

Amortization expense for the period ended 31 March 2012 in the amount of TL 1.574.829 and TL 1.332.939 are included in operating expenses and cost of sales.

Movements in intangible assets for the period ended 31 March 2011 are as follows:

	Opening 1 January 2011	Additions	Disposals	Transfers(**)	Cumulative translation adjustments	Closing 31 March 2011
Cost						
Rights	804,497	175,711	-	-	18,856	999,064
Customer relations	29,428,326	-	-	-	3,309,689	32,738,015
Software	5,881,974	84,579	-	-	109,708	6,076,261
Concession rights (**)	61,234,243	-	-	-	354,263	61,588,506
Build-operate-transfer (*)	50,374,861	-	-	-	291,437	50,666,298
	147,723,901	**260,290**	**-**	**-**	**4,083,953**	**152,068,144**
Accumulated amortization						
Rights	(547,792)	(17,217)	-	-	(803)	(565,812)
Customer relations	(17,591,289)	(1,126,900)	-	-	(2,020,736)	(20,738,925)
Software	(3,314,082)	(178,139)	-	-	(41,846)	(3,534,067)
Concession rights	(2,804,356)	(640,772)	-	-	(17,783)	(3,462,911)
Build-operate-transfer	(2,946,714)	(669,411)	-	-	(18,675)	(3,634,800)
	(27,204,233)	**(2,632,439)**	**-**	**-**	**(2,099,843)**	**(31,936,515)**
Net book value	**120,519,668**					**120,131,629**

(*) TL 41,447,635 which is difference between discounted present value of deposits paid with interest rate,11.46%, and the deposit amounting to INR 1,200,000,000, paid in accordance with the concession agreement on the development, modernisation, finance and 25-year operation of the cargo terminal in the airport in New Delhi, India, has been capitalized as a Build-Operate-Transfer investment and it will be amortized in 25 years until operations end in Delhi International Airport. The deposit amounted to INR 200,000,000 which has paid within the framework of concession agreement signed for handling services at airport in Mumbai for 11 years, and the difference between discounted present value of deposit paid with interest rate 13.41% which is amounted to TL 1,715,895 has been capitalized as Build-Operate-Transfer investment and it will be amortized in 10 year until operations end in mentioned airport. In addition, TL 8,103,090 which is difference between discounted present value of deposits paid with interest rate,10.82%, and the deposit amounting to INR400,000,000 paid in accordance with the concession agreement on the development modernisation, finance and 10-year operation of the cargo terminal in the airport in New Delhi, India, has been capitalized as a Build-Operate-Transfer investment and it will be amortized in 10 years until operations end in Delhi International Airport.

(**) Refers to investment amount of Celebi Delhi Cargo within the frame of renewal of the concession agreement.

Amortization expense for the year ended 31 March 2011 in the amount of TL 546,374 and TL 2,086,065 are included in operating expenses and cost of sales.

NOTE 13 - GOODWILL

Positive goodwill at 31 March 2012 ve 31 December 2011 is as follows:

	31 March 2012	31 December 2011
Goodwill due to acquisition of CGHH	18,855,103	18,551,365
Goodwill due to Celebi Nas additional share purchase	1,095,804	-
	19,950,907	**18,551,365**

Goodwill from CGHH purchase

The Company participated in the tender offer on 7 August 2006 opened by the Budapest Airport Budapest Ferihegy Nemzetkozi Repuloter Uzemelteto Zartkoruen Mukodo Reszvenytarsasag ("Ba Zrt") company resident in Budapest, Hungary for the acquisition of the Budapest Airport Handling Kereskedelmi es Szolgaltato Korlatolt Feleossegu 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 Foldi Kiszolgalo Korlatolt Felelossegu Tarsasag ("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 TL 31,287,893 as of 26 October 2006 and acquired by Celebi Kft at a price of TL 49,448,419 which is the TL equivalent of 6,691,261 thousand Hungarian Forint (EUR 25,593,870). The acquisition has been accounted for according to the clauses of IFRS 3 "Business Combinations" and the goodwill amounting to TL 18,160,526 projected after the acquisition has been reflected in the financial statements at 31 December 2006.

The whole amount of goodwill is related to the acquisition of BAGH company by Celebi Kft at 26 October 2006. Due to this acquisition, all assets and liabilities of Celebi Kft have been taken over by CGHH. The Group management considers the synergy to be created by the important market position of CGHH at Hungary with Çelebi Hava as the main reason for the goodwill. Accordingly, the Group management allocated the said goodwill amount to CGHH, which is the only one cash generating unit. The movement of goodwill relating to the acquisition of CGHH is below as of 31 March 2012:

	2012
1 January	18,551,365
Currency translation adjustment	303,738
Goodwill	**18,855,103**

NOTE 13 – GOODWILL (Continued)

In the impairment test, the company compares the actual EBITDA and the projected EBITDA as of 31 March 2012. The summarized table for goodwill of operation groups and geographic operating segments is as follows:

	31 March 2012
Ground handling services - Hungary	18,855,103

The recoverable value of the aforementioned cash generating unit, has been determined by taking the usage calculations as a basis.For the purposes of carrying out impairment tests, detailed forecasts for the next 7 years have been used which are based on approved annual budgets and strategic projections of the management representing the best estimate of future performance. Growth rate used in the projections to be realized after 7 years ensured to be 1%. The fair value of Euro amount is calculated in terms of Hungarian Forint which converted with the exchange rates at the balance sheet date. Therefore, the said fair value model is affected by the fluctuations in the foreign exchange market.

Other important assumptions in the fair value calculation model are as follows;

Discount rate	**%12.2**

The Group management determined the budgeted gross profit margin by taking into consideration for the previous performance of the Company and the market growth expectations. The weighted average growth rates used are in line with the estimation stated in industry reports. The discount rate used is the before tax discount rate and includes the Company specific risk factors.

As a result of impairment tests performed under above assumptions, no impairment was detected in the goodwill amount as of 31 March 2012.

Goodwill from purchasing 4% shares of Celebi Nas

The Company has purchased %4 shares of Çelebi Nas on January 26, 2012 by paying US 1.000.000 (TL 1.820.300) from Sovika Aviation Private Limited which has already owned %8 shares of Celebi Nas before. The purchase was recognised in accordance with IFRS 3 "Business Combinations" terms. The goodwill which has been calculated after the merchandising has also reflected in cosolidated financial statements as of March 31, 2012.

The details for goodwill from the purchase of 4% shares of Celebi Nas are as follows:

Purchasing amount	1,820,300
Less: Identifiable asset, liabilities and fair values of contingent liabilities	(701,621)
Foreign currency translation differences	(22,875)
Şerefiye	**1,095,804**

By the management, the goodwill amount was allocated on Celebi Nas by considering that Celebi Nas is single cash generating unit.

NOTE 13 – GOODWILL (Continued)

Impairment tests for goodwill

A valuation firm has made valuation for the Company in January 2012. In this impairment test, the company's value by determined with the discounted cash flow method (non-borrowing) is compared with the equity. The summary table, that shows the allocation of the goodwill according to business segment and geographical segments, is stated below:

2012

Ground handling services – India	**1,095,804**

The recoverable value of the aforementioned cash generating unit, has been determined by taking the usage calculations as a basis.For the purposes of carrying out impairment tests, detailed forecasts for the next 5 years have been used which are based on approved annual budgets and strategic projections of the management representing the best estimate of future performance.

Other important assumptions in the fair value calculation model are as follows;

Discount rate	**%15.4**

The Group management determined the budgeted gross profit margin by taking into consideration for the previous performance of the Company and the market growth expectations. The discount rate used is the before tax discount rate and includes the Company specific risk factors.

As a result of impairment tests performed under above assumptions, no impairment was detected in the goodwill amount as of 31 March 2012.

NOTE 14 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

Short-term provisions	**31 March 2012**	**31 December 2011**
Provision for investment consultancy (*)	2,304,770	2,455,570
Accrued sales commissions (**)	2,736,993	1,830,775
Provision for unused vacation	1,656,632	1,669,724
Provision for electricity	1,102,685	1,272,693
Provision for litigation	877,797	906,470
Cargo subcontractor commission provisions	828,591	813,162
Accrued expenses to authorities of airport (***)	1,043,284	410,322
Provision for consultancy	-	105,942
Other (****)	3,148,247	4,946,243
	13,698,999	**14,410,901**

(*) Provision for investment consultancy arise from the ffes for the services received in the scope of the investment made via tenders participated in abroad by Çelebi Hava in 2009 and 2010.

(**) The provisions consists of the accruals related to the price discounts which are calculated based on the flight numbers and the excess on the tonnages according to the agreements made with the airlines companies.

(***) The provisions consist of services paid to State Airport Administration (DHMI) such as royalty, heating and ventilation.

(****) Other debt provisions contain the Group's received services such as custom, security and maintenance and repair.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

CELEBİ HAVA SERVİSİ A.S.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY – 31 MARCH 2012
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 14 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Movements of short term provisions as of 31 March 2012 are as follows:

	Provision for investment consultancy	Provision for unused vacation	Accrued sales commissions	Provision for borrowing commission expense	Provision for electricity	Provision for litigation	Accrued expenses to autorities of airport	Provision for consultancy	Other provisions	Total
1 January 2012	**2,455,570**	**1,669,724**	**1,830,775**	**813,162**	**1,272,693**	**906,47**	**410,322**	**105,942**	**4,946,243**	**14,410,901**
Increase during the year	-	652,593	2,736,993	828,591	1,097,851	-	1,899,237	1,224,004	3,145,690	11,584,959
Payments during the year	-	(50,036)	(1,830,775)	(796,534)	(1,241,835)	(34,255)	(1,259,474)	(1,302,751)	(4,906,566)	(11,422,226)
Usage during the year	-	(611,435)	-	-	-	-	-	-	-	(611,435)
Exchange difference	(150,800)	(4,214)	-	(16,628)	(26,024)	5,582	(6,801)	(27,195)	(37,120)	(263,200)
31 March 2012	**2,304,770**	**1,656,632**	**2,736,993**	**828,591**	**1,102,685**	**877,797**	**1,043,284**	**-**	**3,148,247**	**13,698,999**

NOTE 14 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Contingent assets and liabilities of the Group

	31 March 2012	**31 December 2011**
Guarantees received:		
Guarantee letters	7,272,549	7,869,438
Guarantee notes	670,658	695,369
Guarantee check	1,279,705	1,287,125
	9,222,912	**9,851,932**
Guarantees given:		
Collateral	199,254,430	203,762,160
Guarantee letters	35,668,525	37,303,419
Share pledge	26,500,964	26,845,249
	261,423,919	**267,910,828**

The Company has contingent assets amounting to TL 1,566,691(31 December 2011: TL 1,621,387), due to the legal cases in favor of the Company and contingent liabilities amounting to TL 25,553,616 due to the legal cases and enforcement proceedings against the Company as of 31 March 2012(2011: TL 28,127,834). TL 22,983,225 portion of contingent liabilities are comprised of legal cases and enforcement proceedings related with the fire in warehouse (Note 31) in which Company is a sole defendant and co-defendant with the DHMI, other warehouse management companies and insurance companies(2011: TL 25,396,272).

NOTE 14 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

The details of collaterals, pledges and mortgages ("CPM") of the Company at 31 March 2012 ve 31 December 2011 are as follows:

		31 March 2012		31 December 2011	
Collaterals, pledges and mortgages given by the Company	**Currency**	**Amount**	**TL equivalent**	**Amount**	**TL equivalent**
A. CPM given on behalf of the Company's legal personality			**23.706.421**		**24.558.640**
	TL	5,080,062	5,080,062	5,480,800	5,480,800
	Euro	1,718,793	4,067,353	1,769,100	4,323,328
	US Dollar	1,910,500	3,387,125	1,910,501	3,608,745
	INR	208,118,957	7,277,920	208,118,957	7,429,847
	Forint	482,523,000	3,893,961	468,000,000	3,715,920
B, CPM given on behalf of fully consolidated subsidiaries			**216,574,998**		**222,209,688**
	Euro	28,200,000	66,732,480	28,200,000	68,915,160
	US Dollar	6,747,196	11,962,104	6,747,196	12,744,779
	INR	3,781,281,494	132,231,414	3,781,281,494	134,991,749
	Forint	700,000,000	5,649,000	700,000,000	5,558,000
C, CPM given for continuation of its economic activities on behalf of third parties					**-**
D, Total amount of other CPM			**21,142,500**		**21,142,500**
i. Total amount of CPM given on behalf of the majority shareholderTL	TL	21,142,500	21,142,500	21,142,500	21,142,500
ii. Total amount of CPM given to on behalf of other group companies which are not in scope of B and C			-	-	-
iii. Total amount of CPM given on behalf of third parties which are not in scope of C			-	-	-
			261,423,919		**267,910,828**

The ratio of other collaterals, pledges and mortgages given by the Company to equity of the Company is 45,3% as of 31 March 2012 (31 December 2011: 41,9%) The Company has no benefit from CPM given to third parties.

NOTE 15 - EMPLOYEE BENEFITS

	31 March 2012	31 December 2011
Short term provisions:		
Provision for employee termination benefits	1,035,373	358,261
Long term provisions:		
Provision for employee termination benefits	7,800,998	7,517,332

Provision for employment termination benefits is booked according to the explanations below. There are no agreements for pension commitments other than the legal requirement as explained below.

Under the Turkish Labor 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 31 March 2012 consists of one month's salary limited to a maximum of TL 2,805.04 (31 December 2011: TL 2,731.85) for each year of service.

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

According to regulations in India, the Company is required to pay termination benefits to each employee in its subsidiaries and joint ventures who has completed five year of service, who is called up for military service, who achieves the retirement age, who early retires, or who dies. Total employee termination benefit liability is calculated by 15 days per year of service for the current period ended at 31 March 2012 and the liability is limited to INR 350,000 per employee. 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. IFRS requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly the following actuarial assumptions were used in the calculation of the total liability.

	31 March 2012	31 December 2011
Discount rate (%)	4.66	4.66
Turnover rate to estimate the probability of retirement (%)	93.23	93.72

The principal assumption is that the liability ceiling 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 TL 2,805.14 which is effective from 1 January 2012 (1 January 2011: TL 2,623.23) has been taken into consideration in the calculations. Movements in the provision for employment termination benefits are as follows:

	31 March 2012	31 December 2011
1 January	**7,875,593**	**7,505,176**
Paid during the year	(1,258,490)	(3,398,921)
Increase during the year	2,226,148	3,790,522
Cumulative translated in differences	(6,880)	(21,184)
31 December	**8,836,371**	**7,875,593**

NOTE 16 - OTHER ASSETS AND LIABILITIES

Other current assets	**31 March 2012**	**31 December 2011**
Fixed asset advances given (*)	17,846,997	16,106,341
Prepaid expenses	6,012,731	6,507,409
Deferred VAT	2,187,099	5,328,039
Prepaid taxes and funds	3,464,277	2,611,382
Value-added tax ("VAT") receivables	1,128,984	1,029,625
Advances given to personnel	194,051	214,154
Other (**)	1,521,975	26,438,757
	32,356,114	**58,235,707**

(*) Fixed asset advances given are comprised of advances regarding modernization and development of current cargo terminal in New Delhi Airport, India, under scope of concession agreement of Çelebi Delhi Cargo, Group's subsidiary, located in India.

(**) As of 31 December 2011, TL 23,544,151 of the current assets includes blocked deposit related to Çelebi Delhi Cargo, Group's subsidiary located in India regarding it's loan payment. (Note 7)

Other non-current assets	**31 March 2012**	**31 December 2011**
Prepaid expenses (*)	21,202,714	15,103,839
Other	1,449,001	1,264,845
	22,651,715	**16,368,684**

(*) TL 20,791,310 (31 December 2011- TL 14,683,995) of total prepaid expenses is consist of payments made in advance in regards to long-term field allocated in an airport in which Çelebi Hava operates.

Other current liabilities	**31 March 2012**	**31 December 2011**
Wages and salaries payable	7,717,944	6,361,284
Social security payables	5,720,861	2,432,140
Order advances received	2,076,438	2,203,699
Accrued bonus payable	1,028,479	1,371,126
Taxes and funds payable	1,014,067	1,030,626
Provision for operational leasing equalization	657,520	668,468
Short term deferred revenues	350,842	465,544
VAT payable	(16,693)	128,370
Other miscellaneous payables and liabilities	1,469,342	971,016
	20,018,800	**15,632,273**

NOTE 16 - OTHER ASSETS AND LIABILITIES (Continued)

Other non-current liabilities	31 March 2012	31 December 2011
Deferred revenues (**)	36,571,752	43,888,799
Provision for operating leasing equalization (***)	21,221,705	19,568,334
Deferred insurance claim recovery (*)	2,659,350	2,833,350
Other	3,555,169	2,778,949
	64,007,976	**69,069,432**

(*) The deferred insurance claim recovery amount is comprised of the insurance policy related to the goods of third parties amounting to USD 1,500,000 which has been fully collected as of 31 March 2012 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 Ataturk Airport (“AHL”) Terminal C (Note 29).

(**) The balance is comprised of deferred revenue stems from intangible assets that are calculated in accordance with IFRIC 12 within the framework of service concession agreement, which Celebi Delhi Cargo has signed with DIAL.

(***) Operating leasing cost equalization, in accordance with of IAS 17 “Leases”, consists the difference between lease amounts defined on service concession agreement and the amount calculated taking into consideration the future constant lease increases and reflected on straight line basis to the financial statments.

NOTE 17 - EQUITY

Share Capital

As of 31 March 2012 , the authorized share capital of the Group is TL 24,300,000 comprising of TL 2,430,000,000 registered shares with a face value each of 1 Kr (31 December 2011: 2,430,000,000).

At 31 March 2012 ve 31 December 2011, the shareholding structure of the Group is stated below:

	31 March 2012		31 December 2011	
Shareholders	**Amount**	**Share%**	**Amount**	**Share%**
Çelebi Havacılık Holding A.Ş.	13,299,633	54.73	13,299,633	54.73
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	1,242,720	5.11	1,242,720	5.11
Diğer	5,502,447	22.65	5,502,447	22.65
	24,300,000	**100.00**	**24,300,000**	**100.00**

NOTE 17 - EQUITY (Continued)

Restricted Reserves

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

In accordance with the Communiqué Serial: XI, No: 29 according to the CMB's announcements clarifying the said Communiqué, "Share Capital", "Restricted Reserves Allocated from Profit" and "Share Premiums" need to be recognized over the amounts contained in the legal records. The valuation differences (such as inflation adjustment differences) shall be disclosed as follows:

- If the difference is arising from the valuation of "Paid-in Capital" and not yet been transferred to capital should be classified under the "Inflation Adjustment to Share Capital";

- if the difference is arising from valuation of "Restricted Reserves" and "Share Premium" and the amount has not been subject to dividend distribution or capital increase, it shall be classified under "Retained Earnings". Other equity items shall be carried at the amounts calculated based on CMB Financial Reporting Standards.

Capital adjustment differences have no other use other than being transferred to share capital.

Dividend requirements regulated by CMB applicable to listed companies are as follows:

In accordance with the CMB Decision No. 02/51 and dated 27 January 2010, concerning allocation basis of profit from operations of 2009, minimum profit distribution will not be applied for the year 2009 (31 December 2010: 20%).

According to the Board's decision and Communiqué No. IV-27 issued by the CMB regarding the allocation basis of profit of publicly owned companies, the distribution of the relevant amount may be realized as cash or as bonus shares or partly as cash and bonus shares; and in the event that the first dividend amount to be specified is less than 5% of the paid-up capital, the relevant amount can be retained within the Company. However, companies that made capital increases before distributing dividends related to the prior period and whose shares are therefore classified as "old" and "new" and that will distribute dividends from the profit made from operations are required to distribute the initial amount in cash. Accordingly, if the amount of dividend distributions calculated in accordance with the net distributable profit requirements of the CMB does not exceed the statutory net distributable profit, the total amount of distributable profit shall be distributed. If it exceeds the statutory net distributable profit, the total amount of the statutory net distributable profit shall be distributed. It is stated that dividend distributions should not be made if there is a loss in either the consolidated financial statements prepared in accordance with CMB regulations or in the statutory financial statements.

NOTE 17 - EQUITY (Continued)

In accordance with the Board Decision dated 9 January 2009, the total amount of net income after the deduction of accumulated losses at statutory records and reserves that can be subject to dividend distribution shall be disclosed in the notes to the financial statements which will be prepared and publicly announced in accordance with Communiqué XI No: 29. In accordance with CMB Financial Reporting Standards, the Company classified the above mentioned amounts under "Restricted reserves", the amount of restricted reserves is TL 26,573,456 as of 31 March 2012 (31 December 2011: TL 26,573,456).

"Equity Effect due to Acquisition" minus item under the equity amounted to TL 34,297,074;

-Shares with historical value of 144.000 TL of Çelebi Kargo Depolama ve Dağıtım Hizmetleri A.Ş. with a capital of 150.000 TL is purchased for 146.880 TL in 20/08/2010 resulting in minus 545,407 TL from Çelebi Holding A.S which is the group company of Celebi and

-Hungary based Celebi Ground Handling Hungary Földi Kiszolgáló Korlátolt Felelõsségû Társaság ("CGHH") of which 70 % is currently held by Çelebi, remaining 30 % share is valuated by a firm with Capital Markets Board license with a value of 33.712.020 TL is purchased on 08.12.2011 therefore increasing the Group's share in CGHH to 100%.Hungary based Celebi Ground Handling Hungary Földi Kiszolgáló Korlátolt Felelõsségû Társaság ("CGHH") of which 70 % is currently held by Çelebi, remaining 30 % share is valuated by a firm with Capital Markets Board license with a value of 33.712.020 TL is purchased on 08.12.2011 therefore increasing the Group's share in CGHH to 100%.

It is consisted of the difference between acquisition value and net asset value for the acquired part amounting to TL minus 33,751,667. The amount has been considered as an item of retained earnings during the determination of net distributable income for the period.

The Company's net distributable income per statutory financial statements is TL 28,476,915.56 as of December 31, 2011.Net profit for the period, within the scope of CMB, is TL 7,623,634.00 as of December 31, 2011. After the deduction of "Equity Effect due to Acquisition", there is no net distributable income for the period.

The equity schedules of the Group at 31 March 2012 and 31 December 2011 are as follows:

Capital	24,300,000	24,300,000
Restricted Reserves		
- Legal reserves	26,573,456	26,573,456
Cumulative translation differences	4,706,895	4,380,047
Additional contribution to shareholders' equity related to share purchase	(34,297,074)	(34,297,074)
Retained earnings	16,774,114	10,824,798
Net income for the period	(2,158,619)	7,623,634
Attributable to the equity holders	**35,898,772**	**39,404,861**

NOTE 18 - REVENUE AND COST OF SALES

	31 March 2012	31 March 2011
Ground handling services	77,004,929	52,837,820
Cargo and warehouse service income	27,203,580	24,681,204
Airport security services	286,432	848,692
Revenue in the context of IFRIC 12	7,359,286	7,707,275
Less: Returns and discounts	(2,004,436)	(726,689)
Sales revenue - net	**109,849,791**	**85,348,302**
Cost of sales	**(93,068,766)**	**(71,115,531)**
Gross profit	**16,781,025**	**14,232,771**

(*) Mentioned income consist of income resulting from the recognition of intangible assets accounted for in accordance with IFRIC 12.

NOTE 19 - EXPENSES BY NATURE

	31 March 2012	31 March 2011
Personnel expenses	(39,937,293)	(31,567,627)
Payments to authorities and terminal managements(*)	(16,279,985)	(9,470,527)
Equipment repair, maintenance, fuel and security expenses	(10,654,115)	(10,571,797)
Depreciation and amortization expenses	(8,416,460)	(7,780,517)
Consultancy expenses	(8,246,503)	(6,463,565)
Expense in accordance with IFRIC (***)	(7,057,847)	(8,144,997)
Travel and transportation expenses	(3,489,119)	(1,905,162)
Cost of goods sold (de-icing, spare parts, etc,) (**)	(3,244,006)	(646,718)
Insurance premiums	(711,575)	(867,738)
Taxes and other fees	(293,565)	(839,557)
Other expenses	(15,244,984)	(10,961,657)
	(113,575,452)	**(89,219,862)**

(*) Various expenses paid to authorities are comprised of royalty, rental facilities and check-in desks within the airport area, work licenses, and similar expenses.

(**) Those expenses are comprised of spare parts and de-icing purchases of Çelebi Hava and Cargo GmbH, subsidiary of the Group within the period.

(***) Those mentioned expenses are comprised of construction costs calculated under scope of IFRIC 12 and provisions for other liabilities within the frame of concession agreement.

DİPNOT 20 – GENERAL ADMINISTRATIVE EXPENSES

	31 March 2012	31 March 2011
Consultancy expenses	(8,074,997)	(6,326,909)
Personnel expenses	(6,751,982)	(5,404,549)
Depreciation and amortization	(2,043,438)	(2,024,646)
Travel and transportation expenses	(634,628)	(620,591)
Payments to authorities and terminal managements	(512,315)	(309,766)
Taxes and other fees	(185,847)	(55,221)
Equipment repair, maintenance, fuel and security expenses	(172,432)	(193,510)
Insurance premiums	(144,903)	(189,895)
Other expenses	(1,986,144)	(2,979,244)
	(20,506,686)	**(18,104,331)**

NOTE 21 - OTHER OPERATING INCOME/EXPENSES

	31 March 2012	31 March 2011
Other operating income:		
Gain of foreign currency translation	843,500	830,763
Gain on sale of plant, property and equipment	135,939	205,190
Income from provision withdrawals	28,027	39,558
Other income	355,104	241,664
	1,362,570	**1,317,175**

	31 March 2012	31 March 2011
Other operating expenses:		
Donation and aid expenses	(200,845)	(248,668)
Loss on foreign currency translation	(78,643)	(171,201)
Insurance damage	(21,795)	(14,006)
Other expenses	(430,140)	(143,891)
	(731,423)	**(577,856)**

NOTE 22 - FINANCIAL INCOME

	31 March 2012	31 March 2011
Foreign exchange gains	7,975,873	3,128,193
SWAP contracts valuation income	-	2,415,173
Interest income	792,418	648,584
Unaccrued financial income	193,541	118,825
Other financial income	119	-
	8,961,951	**6,310,775**

NOTE 23 - FINANCIAL EXPENSES

	31 March 2012	31 March 2011
Foreign exchange losses	(2,007,694)	(3,268,921)
Interest expenses	(6,105,553)	(2,760,483)
Financial expenses incurred under scope of IFRIC 12	(836,801)	(1,144,371)
SWAP contracts valuation losses	-	(348,765)
Unaccrued financial expenses	(123,583)	(140,050)
Other financial expenses	(85,968)	(199,176)
	(9,159,599)	**(7,861,766)**

NOTE 24 - TAX ASSETS AND LIABILITIES

	31 March 2012	31 December 2011
Corporate and income taxes payable	692,167	12,785,111
Less: Prepaid current year corporate tax	(692,167)	(12,785,111)
Tax provision, net	**-**	**-**

	31 March 2012	31 December 2011
Deferred tax assets	13,782,718	13,311,495
Deferred tax liabilities	(4,157,680)	(4,341,550)
Deferred tax liability - net	**9,625,038**	**8,969,945**

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, tax liabilities, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

NOTE 24 - TAX ASSETS AND LIABILITIES (Continued)

In Turkey, the corporation tax rate for the fiscal year 2012 is 20% (2011: 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 (2011: 20%). Advance tax is declared by the 14th and paid by the 17th day 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.

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.

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 excluded in the calculation of the corporate tax (dividend income gained related to the participation in investment funds and investment trust shares is excluded).

Share 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.

NOTE 24 - TAX ASSETS AND LIABILITIES (Continued)

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 estate, investment equity, preferential rights, usufruct shares, founding shares, sales exemption

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.

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 was applicable after 2007. The corporate tax rate is changed to 19% since 1 January 2010. The corporation tax rate has been changed as 19% up to fiscal profit HUF 500,000,000 and 10% for fiscal profit over HUF 500,000,000 with the regulation in Hungary in the fiscal year 2011.

In India, the corporate tax rate is 32.45% for fiscal year 2011 (2011: 32.45%). 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).

Tax expense for the periods end 31 March 2012 and 2011 is presented below:

	31 March 2012	**31 March 2011**
- Current year corporate tax	(692,167)	(2,469,450)
- Deferred tax income	897,919	1,271,725
	205,752	**(1,197,725)**

NOTE 24 - TAX ASSETS AND LIABILITIES (Continued)

Reconciliation of tax expenses stated in consolidated statements of income of the periods ended at 31 March 2012 and 2011 is as follows:

	31 March 2012	31 March 2011
Profit before tax	**(3,292,162)**	**(4,683,232)**
Expected tax expense according to parent company (20%)	658,432	936,646
Differences in tax rates of subsidiaries	(327,103)	(271,405)
Expected tax expense of the Group	**331,329**	**665,241**
Utilization of previous years losses	267,955	-
Tax effect of non deductible expenses	(70,439)	(51,589)
Discount stems from donations and aids	40,169	43,734
Tax payables even if loss declared on statutory records (*)	(311,874)	(497,772)
Other	(51,388)	(1,357,339)
Current period tax expense of the Group	**205,752**	**1,197,725**

(*) According to Hungary's tax system the amount comprises of tax amount and is paid even if the companies declared loss

Deferred Taxes

The Turkish tax regulation does not allow companies to declare tax declarations if the company consolidates its subsidiaries. For this reason, tax provisions presented in these financial statements are calculated separately for subsidiaries which are fully consolidate.

The Group considers the differences arising from different valuation of the financial statements prepared in accordance with CMB regulations in the calculation of deferred tax assets and liabilities. The differences mainly arise due to the different accounting of income and expenses in line with Tax Laws and CMB Accounting Standards in different periods. In accordance with the method of liabilities based on subsequent differences, the rates for Deferred revenue asset and liabilities are 20%, 19% or 10%, 32.45% for Turkey, Hungary, India New Delhi and Mumbai respectively.

NOTE 24 - TAX ASSETS AND LIABILITIES (Continued)

The taxes on income for the years ended 31 March 2012 and 31 December 2011 are summarized as follows:

	Cumulative temporary differences		**Deferred tax assets / (liabilities)**	
	31 March 2012	**31 December 2011**	**31 March 2012**	**31 December 2011**
Deferred tax assets				
Non-deductible financial losses (*)	(26,902,351)	(28,387,968)	873,039	1,427,268
Personnel bonus accrual	(401,731)	(812,364)	80,346	162,473
Unaccrued financial income	(2,956,905)	(2,705,516)	959,368	877,805
Accrued sales commissions	(2,736,993)	(2,838,160)	547,399	567,632
Provision for employment termination benefits	(8,036,487)	(7,243,571)	1,607,297	1,448,714
Provision for operational leasing equilization	(20,073,720)	(18,382,800)	6,512,919	5,964,300
Provision for unused vacation	(1,487,591)	(1,496,469)	297,518	299,294
Provision for legal claims	(531,271)	(531,271)	106,254	106,254
Provision for investment consultancy expenses	(2,304,770)	(2,455,570)	460,954	491,114
Maddi ve maddi olmayan duran varlıkların kayıtlı değerleri ile vergi matrahı arasındaki fark	(19,501,451)	(17,995,217)	5,429,421	5,165,981
Ertelenen sigorta tazminat geliri	(2,659,350)	(2,833,350)	531,870	566,670
Diğer	(346,526)	(340,944)	34,654	34,094
			17,441,039	**17,111,599**
Netleştirme			3,658,321	3,800,104
Deferred tax assets			**13,782,718**	**13,311,495**

NOTE 24 - TAX ASSETS AND LIABILITIES (Continued)

	Toplam geçici farklar		Ertelenen vergi varlıkları/ (yükümlülükleri)	
	31 Mart 2012	31 Aralık 2011	31 Mart 2012	31 Aralık 2011
Deferred tax liabilities				
Net difference between the tax base and carrying amount of property plant and equipment and intangible assets	38,295,327	39,643,338	(7,544,142)	(7,589,440)
Unaccrued financial expenses	-	1,393,367	-	(139,337)
Other	1,308,136	2,307,020	(271,859)	(412,877)
			(7,816,001)	**(8,141,654)**
Net off			3,658,321	3,800,104
Deferred tax liabilities			**(4,157,680)**	**(4,341,550)**
Deferred tax liability, net			**9,625,038**	**8,969,945**

(*) A deferred tax asset is recognized only to the extent that it is probable that a tax benefit will be realized in the future. Celebi Nas has not booked deferred tax amounted to TL 1,309,946 to its financial statements as of 31 March 2012 which is arisen from the carry forward losses amounted to TL 4,037,436 (31 December 2011: 3,471,189) due to the probability of inability to utilize carry-forward tax losses. Celebi GH Delhi has not booked deferred tax amounted to TL 4,585,946 to its financial statements as of 31 March 2012 which is arisen from the carry forward losses amounted to TL 14,134,524 (31 December 2011: 10,644,099) due to the probability of inability to utilize carry-forward tax losses.

Deferred tax movement table is as below:

	2012	2011
1 January	**8,969,945**	**1,923,505**
Foreign currency translation difference	(242,826)	34,720
Current period deferred tax (expense) / income	897,919	1,271,725
31 March	**9,625,038**	**3,229,950**

NOTE 25 - EARNINGS PER SHARE

Earnings per share disclosed in the consolidated statements of income are determined by dividing the net income by the weighted average number of shares that have been outstanding during the year.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, such bonus shares are regarded as issued shares. Accordingly, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and for each earlier year.

Basic earnings per share are determined by dividing net income attributable to shareholders by the weighted average number of issued ordinary shares as below:

	31 March 2012	31 March 2011
Net loss attributable to the equity holders of the parent	**(2,158,619)**	**(6,826,781)**
Weighted average number of shares with 1 Kr face value each	2,430,000,000	2,430,000,000
Earning per share (Kr)	**(0.001)**	**(0.003)**

NOTE 26 - 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:

a) Balances with related parties

Due from related parties	31 March 2012	31 December 2011
Çelebi Havacılık Holding A.Ş. ("ÇHH")	198,895	4,327
Other	149,216	156,906
	348,111	**161,233**

Due from Joint-ventures	31 March 2012	31 December 2011
Celebi Nas (*)	-	621,645
Çelebi IC Yatırım	-	36,019
	-	**657,664**
Due from related parties	**348,111**	**818,897**

(*) As of 31 December 2011, related amount consists of expense reimbursements and fixed asset sales to Celebi Nas, the Joint-Venture of the Company.

The maturities of due from related parties are generally shorter than a month (31 December 2011: shorter than a month). As of 31 March 2012 and 31 December 2011, the net book value and the fair value of short term due from related parties are taken equal, since the discounting transaction does not have a material effect.

Due to related parties	31 March 2012	31 December 2011
ÇHH (*)	4,032,873	17,605,040
Çe-Tur Çelebi Turizm Ticaret A,Ş, ("Çe-Tur")	261,926	181,973
Other	1,171	4,404
	4,295,970	**17,791,417**

(*) As of 31 December 2011, TL 14,171,071 of the relevant amount stems from share transfer of CGHH, and the remaining amount is comprised of expense reimbursements of ÇHH regarding legal, financial, human resources, puchases, information technology, etc.

NOTE 26 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

ii) Transactions with related parties

	31 March 2012	31 March 2011
Miscellaneous sales to related parties		
ÇHH	86,808	118,814
Çelebi Turizm Ticaret A,Ş,	56,406	22,244
Çelebi Ground Services Austria GMBH	47,718	-
Çelebi Bandırma	4,902	266,500
Çelebi Hizmet Gıda İşletmeleri	1,060	-
Çelebi Marina ve Yat İşletmeciliği A,Ş,	105	68,656
Çelebi Hizmet Restoran İşletmeleri	-	2,803
Çelebi IC Hava Terminali İşletme	-	358
	196,999	**479,375**
Miscellaneous sales to Joint-ventures		
Çelebi Nas	-	599,533
	-	**599,533**
Employee and transportation expenses payable to related parties		
Çe-Tur	621,025	568,792
	621,025	**568,792**
Contribution to holding expenses (*)		
ÇHH	6,625,095	5,405,758
	6,625,095	**5,405,758**

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

NOTE 26 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Interest received from related parties	**31 March 2012**	**31 March 2011**
ÇHH	-	119
	-	**119**

Other purchases from related parties (*)

ÇHH	1,207,657	847,278
Çelebi Hizmet Gıda İşletmeleri	4,984	6,352
Çe-Tur	241,539	322,903
Diğer	25,323	23,867
	1,479,503	**1,200,400**

(*) Other purchases include vehicle rent, organizational cost and other expenses. Purchases ÇHH 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 ÇHH.

NOTE 26 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Collaterals given in favor of related parties for borrowings as of 31 March 2012 and 31 December 2011 are as below:

31 March 2012	Euro	US Dollar	INR	Forint	TL	Total TL
ÇHH	-	-	-	-	21,142,500	21,142,500
CGHH (2)	24,200,000	-	-	700,000,000	-	62,915,880
Celebi Nas (1)	-	-	61,200,000	-	-	2,140,164
Celebi Delhi Cargo (3)	-	-	2,467,800,000	-	-	86,298,966
Celebi Delhi GH (4)	-	-	1,252,281,494	-	-	43,792,284
Celebi Cargo GmbH (5)	4,000,000	-	-	-	-	9,465,600

31 December 2011	Euro	US Dollar	INR	Forint	TL	Total TL
ÇHH	-	-	-	-	21,142,500	21,142,500
CGHH (2)	24,200,000	-	-	700,000,000	-	64,697,960
Celebi Nas (1)	-	-	61,200,000	-	-	2,184,840
Celebi Delhi Cargo (3)	-	-	2,467,800,000	-	-	88,100,460
Celebi Delhi GH (4)	-	-	1,252,281,494	-	-	44,706,449
Celebi Cargo GmbH (5)	4,000,000	-	-	-	-	9,775,200

(1) 15.3% shares of the Company in Celebi Nas, Joint-Venture of the Company, have been pledged in favor of the relevant bank for the financial obligations stipulated by the agreements, signed by the Celebi Nas and a bank, resident in India, comprise INR640,000,000 as cash credit and INR 130,000,000 as non-cash credit for the long-term project finance and INR100,000,000 as cash working capital credit.

(2) CCGH signed an agreement for project re-financing of it's outstanding borrowings amounting to EUR 20,000,000 in cash and EUR 2,000,000 non cash. Fort he mentioned loan, the Group gave a guarantee amounting to EUR 24,200,000. Since the cancellation pledge of 70% of shares of the Company before the refinancing transaction credit has not been completed as of 31 March 2012 about, the pladge continuous on shares.

(3) Celebi Delhi Cargo signed an agreement for bridge loan amounting to INR1,250,000,000 and the Company gave a guarantee for full amount of borrowings to related banks. Also since the bridge loan which signed between Celebi Delhi Cargo, a subsidiary of the Company and a bank resident in India, amounting to INR 1,250,000,000 , was transformed into a long-term cash project loan amounting to INR1,850,000,000 has not been used yet, The Company gave corporate guarantee for full amount of the loan to fulfill the financial obligations stipulated in the agreements with relevant banks and all of the 74% shares of the Company (INR 532,800) in Celebi Delhi Cargo have been pledged in favor of these banks.

(4) The company has given guarantees for liabilities arised from the borrowing agreement signed for financing of long term projects with resident banks in India, which is amounted to INR750,000,000 as cash, and amounted to INR 500,000,000 as non-cash, the company will pledge the shares which is corresponding to 23.9% of the total shares of company in Celebi GH Delhi with 74% in favor of related banks.

(5) For borrowing agreements which are EUR 4,000,000 amounted, between Celebi Cargo GmbH and some banks in Germany, Celebi Cargo GmbH has given guarantees and deposits as same amount as the borrowing amount.

Key management compensation:

The Group has determined key management personnel as members of board of directors, general manager and vice general managers. Compensation amounts have been classified as below:

	31 March 2012	31 March 2011
Short-term employee benefits	3,203,080	2,470,141
Post-employment benefits	65,352	228,067

	3,268,432	**2,698,208**

NOTE 27 - FINANCIAL RISK MANAGEMENT

Financial risk management

The Group focused to manage miscellaneous financial risks including foreign currency exchange rates and interest rates because of activities of the Group. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects.

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.

Interest rate positions of the Group at 31 March 2012 and 31 December 2011 are as follows:

	31 March 2012	**31 December 2011**
Fixed interest rate financial instruments		
Financial Assets		
- *Cash and cash equivalents*	29,824,698	87,773,080
Financial Liabilities	187,322,735	80,020,326
Değişken faizli finansal araçlar		
Financial liabilities	122,059,098	256,193,278
Derivative financial instruments	-	-

If other variables are kept constant, interest income generated from time deposits would have been either TL 15,848 higher or lower if the interest rates were 2% more or less at 31 March 2012 (31 December 2011: TL 65,118).

Expected repricing and maturity dates have not been presented with an additional statement due to agreement maturity dates of financial assets and liabilities excluding borrowings received are in line with the expected repricing and maturity dates. Maturity analysis of the bank borrowing based on repricing dates as of 31 March 2012 and 31 December 2011 are presented at Note 7.

Credit risk

Credit risk consists of cash and cash equivalents, bank deposits and receivables from customers exposed to credit risk. Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. These risks are monitored by credit ratings and by limiting the aggregate risk from any individual counterparty (except related parties).

Liquidity 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 TL 251,916,057 as of 31 March 2012 (31 December 2011: TL 231,022,474) (Note 7).

NOTE 27 - FINANCIAL RISK MANAGEMENT (Continued)

The table below demonstrates the Group's liquidity risk arising from financial liabilities:

		Total contractual	**Less than**			
31 March 2012	**Carrying value**	**cash outflow**	**3 months**	**3-12 months**	**1-5 years**	**Over 5 years**
Non derivative financial liabilities						
Financial liabilities	**309,381,833**	**346,366,909**	**11,859,534**	**55,360,645**	**214,879,525**	**64,267,205**
Trade payables						
- Related party	4,295,970	4,295,970	4,295,970	-	-	-
- Other	17,897,730	17,897,730	17,897,730	-	-	-
Other liabilities	4,259,335	4,259,335	327,188	2,978,292	953,955	-

Total contractual	**Less than**					
31 December 2011	**Carrying value**	**cash outflow**	**3 months**	**3-12 months**	**1-5 years**	**Over 5 years**
Non derivative financial liabilities						
Financial liabilities	**336,213,604**	**365,711,259**	**47,052,522**	**62,645,175**	**222,665,329**	**33,348,233**
Trade payables						
- Related party	17,791,417	17,791,417	17,791,417	-	-	-
- Other	17,963,107	17,963,107	17,963,107	-	-	-
Other liabilities	3,383,345	3,383,345	264,136	2,063,330	1,055,879	-

NOTE 27 - FINANCIAL RISK MANAGEMENT (Continued)

Currency risk

The Group is exposed to foreign exchange rate risk through operations done using multiple currencies. The main principle in the management of this foreign currency risk is maintaining foreign exchange position in a way to be affected least by the fluctuations in foreign exchange rates, in other words, maintaining foreign exchange position close to zero.

For this reason, the proportion of the positions of these currencies among each other or against Turkish Lira to shareholders' equity is aimed to be controlled under certain limits. Derivative financial instruments are also used, when necessary. In this context, the Group's primary method is utilizing forward foreign currency transactions. The Group is exposed to foreign exchange rate risk mainly for Euro, US Dollar and INR.

As of 31 March 2012, other things being constant, if the TL 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 TL 494,354 (31 December 2011: TL 268,909).

As of 31 March 2012, other things being constant, if the TL 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 TL 17,640,941 (31 December 2011: TL 14,633,866).

As of 31 March 2012, other things being constant, if the TL was to appreciate/depreciate by 10% against the INR, 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 TL 4,482,773 (31 Dectember 2011: TL 4,606,534).

Foreign currency denominated assets and liabilities of the Group as of 31 March 2012 and 31 December 2011 are as follows:

	31 March 2012	**31 December 2011**
Assets denominated in foreign currency	102,169,247	173,404,519
Liabilities denominated in foreign currency (-)	(321,108,679)	(368,170,931)
Net balance sheet position	**(218,939,432)**	**(194,766,412)**

NOTE 27 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

The table below summarizes TL equivalent of the Group's foreign currency denominated assets and liabilities as of 31 March 2012 and 31 December 2011:

31 March 2012	US Dollar	Euro	Indian Rupee	Other currencies	Total TL
Assets:					
Cash and cash equivalents	2,414,340	27,045,309	17,147,698	7,831,575	54,438,922
Trade receivables	1,584,774	23,572,305	1,571,997	-	26,729,076
Due from related parties	-	-	13,445	5,204	18,649
Other	275,133	14,579	20,692,593	295	20,982,600
	4,274,247	**50,632,193**	**39,425,733**	**7,837,074**	**102,169,247**
Liabilities:					
Short term financial liabilities	(3,723,799)	(40,097,935)	(13,593,274)	-	(57,415,008)
Short term financial liabilities	(3,574,445)	(179,235,332)	(69,106,280)	-	(251,916,057)
Trade payables	(1,915,999)	(4,832,724)	(448,495)	(595,823)	(7,793,041)
Due to related parties	-	-9,047	-	-	(9,047)
Short-term provisions	-	(2,739,881)	(79,323)	-	(2,819,204)
Other	(3,546)	(126,683)	(1,026,093)	-	(1,156,322)
	(9,217,789)	**(227,041,602)**	**(84,253,465)**	**(595,823)**	**(321,108,679)**
Net balance sheet position	**(4,943,542)**	**(176,409,409)**	**(44,827,732)**	**7,241,251**	**(218,939,432)**

31 December 2011	US Dollar	Euro	Indian Rupee	Other currencies	Total TL
Assets:					
Cash and cash equivalents	6,706,296	46,694,591	35,102,043	8,587,606	97,090,536
Trade receivables	951,314	20,309,457	7,837,427	1,343,772	30,441,970
Due from related parties	-	621,645	87,172	-	708,817
Other	52,149	697,81	42,159,453	2,253,784	45,163,196
	7,709,759	**68,323,503**	**85,186,095**	**12,185,162**	**173,404,519**
Liabilities:					
Short term financial liabilities	(3,821,595)	(45,672,384)	(55,697,152)	-	(105,191,131)
Long term financial liabilities	(3,777,800)	(161,357,733)	(65,886,941)	-	(231,022,474)
Trade payables	(2,378,656)	(4,921,284)	(2,515,881)	(1,804,289)	(11,620,110)
Due to related parties	(337,548)	(833,667)	(2,847,485)	-	(4,018,700)
Short-term provisions	(83,245)	(1,877,092)	(6,176,970)	-	(8,137,307)
Other	-	(400,692)	(4,857,780)	(2,922,737)	(8,181,209)
	(10,398,844)	**(215,062,852)**	**(137,982,209)**	**(4,727,026)**	**(368,170,931)**
Net balance sheet position	**(2,689,085)**	**(146,739,349)**	**(52,796,114)**	**7,458,136**	**(194,766,412)**

NOTE 27 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

The table below summarizes TL equivalent of export and import amounts for the years ended 31 March 2012 and 31 December 2011:

	31 March 2012	31 March 2011
Total export amount	286,118	393,271
Total import amount	5,915,495	4,212,972

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 debt / equity ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities 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.

The ratio of net debt/ (equity +net debt) at 31 March 2012 and 31 December 2011 is as follows:

	31 March 2012	31 December 2011
Total financial liabilities	309,381,833	336,213,604
Less: Cash and cash equivalents	(57,974,304)	(99,412,758)
Less: Current assets (*)	-	(23,544,151)
Less: Long term receivables (**)	(4,219,074)	(3,797,404)
Net debt	247,188,455	209,459,291
Equity	46,663,396	50,482,222
Equity + net debt	293,851,851	259,941,513
Net debt / (Equity + net debt) ratio	%84	%81

(*) Note 16
(**) Comprised of long-term blocked amount in banks regarding to Celebi GH Delhi and Celebi Nas.

NOTE 28 - FINANCIAL INSTRUMENTS

Fair value estimation

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.

Effective 1 January 2009, the group adopted the amendment to IFRS 7 for financial instruments that are measured in the balance sheet at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Financial assets including cash and cash equivalents have been carried at cost and the Group foresees the historical cost of short term financial assets equal to its fair value. The carrying value of trade receivables less provision for doubtful receivables is equal to fair value of trade receivables. The Group foresees the historical cost of short term trade payables and other payables is equal to their fair value.

In the balance sheet, derivative financial instrument is the only item that is recognized at fair value. The fair value of derivative financial instrument is determined by using valuation technique, which can be regarded as Level 2. Apart from that, for disclosure purposes, the borrowings carried at the amortized cost at the balance sheet are presented with their values in Note 7. The fair value of borrowings for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate (Libor) that is available to the Group for similar financial instruments that can be classified as level 2. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to the short-term nature of trade receivables and payables.

The Group's assets and liabilities quantified as fair values at 31 March 2012 and 2011 are as below:

31 March 2012	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Available for sale financial assets	-	-	1,536,105	1,536,105
Total assets	**-**	**-**	**1,536,105**	**1,536,105**

31 December 2011	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Available for sale financial assets	-	-	1,536,105	1,536,105
Total assets	**-**	**-**	**1,536,105**	**1,536,105**

NOTE 29 - DISCLOSURE OF OTHER MATTERS REQUIRED FOR THE PURPOSE OF UNDERSTANDING AND INTERPRETING THE CONSOLIDATED FINANCIAL STATEMENTS

The cargo building of the Company located at Ataturk Airport ("AHL") Terminal C in which the Company carries out cargo - warehouse operations was damaged by a 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 to property, plant and equipment and leasehold improvements of the Company. As of 31 December 2011 some of the owners of the goods have applied to the Company and its insurance company for compensation of their losses by filing lawsuits against the Company and via enforcement proceedings.

Because of the aforementioned fire, a judicial inquiry has been held with the inquiry file 2006/37927 E. at the Bakirkoy Office of the Directorate of Public Prosecutions, and in accordance with the results of the judicial inquiry criminal prosecution proceedings - Criminal suit number 2006/817 E. at Third Bakirkoy Third Magistrate Criminal Court - have been initiated against four DHMI security guards and an Ataturk Airport security guard for responsibility concerning the fire. The Company has been described as the aggrieved party in the indictment prepared by the Bakirkoy Office of the Public Prosecutor. The Company, with all rights related to private law reserved, has submitted a petition to be a participant in the court proceedings for the penalizing of the perpetrators, since it has been described as aggrieved party. Since the reasons and responsible of fire could not identified, the court has decided to acquittal of the DHMI personnel.

There are legal cases and enforcement proceedings under way: this comprises legal cases and enforcement proceedings amounting to TL 22,983,225 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 TL 5,985,746 in which the Company is the sole defendant. Total legal cases and enforcement proceedings is TL 16,997,478 (Note 14) as of 31 March 2012.

In this context, the company management deems it likely that all the exposed legal claims of the Fund Companies can be eliminated through settlement in the context of the fund as a result of the ongoing negotiations. On the other hand and leaving aside the ongoing negotiations for settlement, the maximum limit which the Company may be held liable under the existing lawsuits and actions taken is approximately TL 9,076,097 despite being a remote probability bearing in mind the internationally established legal rules regarding the air transportation and so on since the same has a limited liability against the cargo owners based on the limitation of the liability regulated under the international conventions given the legal nature of the contractual liability that may be assumed due to the agreement executed with the carriers.

The Company has an insurance policy related to the goods of third parties amounting to USD 1,500,000 which has been fully collected as of 31 March 2011 and is planned to be utilized by the Company under the circumstances that the Company is held legally liable for the losses incurred during the fire.

NOTE 29 - DISCLOSURE OF OTHER MATTERS REQUIRED FOR THE PURPOSE OF UNDERSTANDING AND INTERPRETING THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the purpose of compensating legal claims related to the fire that broke out on 24 May 2006, the company management has decided to use another insurance policy amounting to USD 10,000,000 in a special fund created in conjunction with the DHMI and other warehouse management company in accordance with the Sharing Agreement signed with same parties. The Sharing Agreement mentioned was established in order to deal with the consequences of legal cases and enforcement proceedings in which the Company is a co-defendant along with the DHMI and other warehouse management company.

Even though the contracting Company, DHMİ, and other warehouse operator ("Fund Companies") maintain their claim that they can in no way be held responsible for the fire and its consequences, they have decided that the fund in question be established by the reinsurers of the Fund Companies in order to resolve the cases in which they are and are likely to be a party. As of the announcement date of the report, 192 cases with a total value of TL 70,157,855 (USD 39,572,370) and to which the Fund Companies are a party, have been solved with conciliation; for TL 43,317,409 (USD 24,433,080) negotiations between the claimants and the fund are ongoing no conciliation has been achieved within the scope of the fund. It is foreseen that the balance amounts remaining in the fund as a result of liquidation will be sufficient for the liquidation of all claims made with all fund parties but for which reconciliation meetings have not been finalised.

In view of the foregoing, the Company believes that all legal claims faced may be settled as part of the insurance policy collected and the fund formed. Since there are no further development which adversely affects the matters disclosed in past, the Company has not booked any provision in consolidated financial statements as of 31 March 2012.

NOTE 30 - SUBSEQUENT EVENTS

a- The agreement of airport ground handling services on Sun Express airports for İstanbul Atatürk, İzmir, Ankara, Adana, Antalya and İstanbul Sabiha Gökçen to the client of Çelebi Hava "Güneş Ekspress Havacılık A.Ş" has been ended or will be ended fractionally in the periods of April-May 2012. It is reached an agreement with Sun Express for 5 years (4+1) that the rest of the companies instead of the airport ground services agreement, will be provided services by the company on all airports. The ratio of the ground handling services sales income from the Sun Express on all stations which were ended services on 2011 to endorsement on consolidated financial statements related to the period January 01- December 31, 2011 is 7 % approximately.

b- The Company participated in subsidiary of "Celebi Nas Airport Services India Private Limited ("Celebi Nas ") which is also the partner of NAS Aviation Services India Private Limited as an aggreegate corporation and presented the contract to the contracting authority by the operator of the international airport of the International Airport Private Limited ("MIAL") Company about the bidding of the construction improvement of the domestic line cargo terminal and operation and management about 12 years until March 31, 2024

The yearly tonage of CSIA airport domestic lines which is at Mumbai city of India is approximetely 270,000 tone and is at first rank in India from the point of domestic line cargo tonage. The gravity of the new cargo terminal which will be build on CSIA and will be approxiemetely 10,000 m2 with the capacity of 300,000 tone within the contract.