ÇELEBİ HAVA SERVİSİ A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2005 TOGETHER WITH AUDITOR'S REVIEW REPORT (ORGINALLY ISSUED IN TURKISH)

PRICEWATERHOUSECOOPERS

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

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

ÇELEBİ HAVA SERVİSİ A.Ş.

AUDITOR'S REVIEW REPORT

1. We have reviewed the accompanying interim consolidated balance sheet of Çelebi Hava Servisi A.Ş. (the "Company") at 30 June 2005 and the related consolidated statement of income for the period then ended in accordance with generally accepted auditing standards applicable to review engagements issued by the Turkish Capital Market Board ("CMB"). Our work on the interim balance sheet and the statement of income is limited compared to an examination of the annual financial statements made in accordance with generally accepted auditing standards. Our review was intended to understand the methods used in the preparation of the interim balance sheet and statement of income and accordingly included analytical review, data gathering and other review procedures required by the standards applicable to review engagements. Therefore, our report should not be evaluated on the same basis as annual independent auditor's report.

2. The consolidated financial statements of the Company as of 31 December 2004 were audited by other auditors whose report, dated 18 March 2005, expressed an unqualified opinion on those statements.

3. Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements are not presented fairly, in all material respects, in accordance with accounting and reporting principles issued by the CMB.

4. Additional paragraph for convenience translation into English:

As of 30 June 2005, the accounting principles described in Notes 2 (defined as CMB Accounting Standards) to the accompanying interim consolidated financial statements differ from International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board with respect to the application of inflation accounting, presentation of the basic financial statements and the notes to them. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with IFRS (Note 44).

Başaran Nas Serbest Muhasebeci
Mali Müşavirlik Anonim Şirketi
a member of
PricewaterhouseCoopers

Murat Sancar, SMMM
Partner

Istanbul, 9 September 2005

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 44

ÇELEBİ HAVA SERVİSİ A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2005

CONTENTS

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 44

ÇELEBİ HAVA SERVİSİ A.Ş.

CONSOLIDATED BALANCE SHEETS AT 30 JUNE 2005 AND 31 DECEMBER 2004

(Amounts expressed in New Turkish Lira (YTL) unless otherwise expressed)

	Notes	30 June 2005	31 December 2004
ASSETS			
Current Assets		**41.537.063**	**25.504.049**
Cash and cash equivalents	4	13.342.931	13.338.556
Marketable Securities (net)	5	-	-
Trade Receivables (net)	7	20.908.326	7.604.998
Finance Lease Receivables (net)	8	-	-
Due From Related Parties (net)	9	1.708.518	76.235
Other Receivables (net)	10	1.256.729	1.067.876
Biological Assets (net)	11	-	-
Inventories (net)	12	1.349.314	1.288.069
Receivables on Construction Contracts (net)	13	-	-
Deferred Tax Assets	14	-	-
Other Current Assets	15	2.971.245	2.128.315
Non-current Assets		**166.476.931**	**125.998.508**
Trade Receivables (net)	7	-	-
Finance Lease Receivables (net)	8	-	-
Due From Related Parties (net)	9	-	-
Other Receivables (net)	10	-	-
Financial Assets (net)	16	513.367	240.648
Positive/Negative Goodwill (net)	17	-	-
Investment Property (net)	18	-	-
Property, plant and equipment (net)	19	165.267.030	125.071.868
Intangible Assets (net)	20	566.111	627.855
Deferred Tax Assets	14	-	-
Other Non-current Assets	15	130.423	58.137
Total Assets		**208.013.994**	**151.502.557**

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

ÇELEBİ HAVA SERVİSİ A.Ş.

CONSOLIDATED BALANCE SHEETS AT 30 JUNE 2005 AND 31 DECEMBER 2004

(Amounts expressed in New Turkish Lira (YTL) unless otherwise expressed)

	Notes	30 June 2005	31 December 2004
LIABILITIES		**126.075.968**	**81.730.791**
Current liabilities		**44.203.236**	**13.826.197**
Financial Liabilities (net)	6	8.416.543	1.414
Short-Term Portion of Long-Term Financial Liabilities (net)	6	15.038.252	238.377
Finance Lease Liabilities (net)	8	643.807	1.491.776
Other Financial Liabilities (net)	10	-	-
Trade Payables (net)	7	9.345.961	7.615.894
Due to Related Parties (net)	9	1.475.899	587.044
Advances Received	21	54.145	-
Construction Contracts Progress Payments (net)	13	-	-
Provisions	23	4.352.729	694.559
Deferred Tax Liability	14	-	-
Other Liabilities (net)	15	4.875.900	3.197.133
Non-current liabilities		**81.872.732**	**67.904.594**
Financial Liabilities (net)	6	74.520.611	54.017.147
Finance Lease Liabilities (net)	8	210.095	64.457
Other Financial Liabilities (net)	10	-	-
Trade Payables (net)	7	2.685	2.685
Due to Related Parties (net)	9	-	-
Advances Received	21	-	-
Provisions	23	6.600.230	6.187.624
Deferred Tax Liability	14	539.111	7.632.681
Other Liabilities (net)	15	-	-
MINORITY INTEREST	24	-	-
SHAREHOLDERS' EQUITY		**81.938.026**	**69.771.766**
Share Capital	25	**13.500.000**	**13.500.000**
Investment Capital Net Off	25	-	-
Capital Reserves	26	**11.785.483**	**11.785.483**
Share Premiums		-	-
Share Cancellation Profit		-	-
Revaluation Fund		-	-
Financial Assets Revaluation Fund		-	-
Equity Inflation Adjustment Differences	26	11.785.483	11.785.483
Profit Reserves	27	**16.729.600**	**15.094.873**
Legal Reserves		6.899.658	6.899.658
Statutory Reserves		-	-
Extraordinary Reserves		9.829.942	8.195.215
Special Reserves		-	-
Investment and Property Sales Gains to be transferred to the share capital		-	-
Translation Reserves		-	-
Net Income for the Period		**12.166.260**	**1.634.727**
Retained Earnings	28	**27.756.683**	**27.756.683**
Total Shareholders' Equity and Liabilities		**208.013.994**	**151.502.557**
Commitments and Contingent Liabilities	31		

The consolidated financial statements were approved for issue by the Board of Directors on 9 September 2005 and signed on its behalf by General Manager A. Cemil Erman and Finance Director H. Tanzer Gücümen.

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

ÇELEBİ HAVA SERVİSİ A.Ş.

CONSOLIDATED STATEMENTS OF INCOME FOR THE SIX MONTH PERIODS ENDED 30 JUNE

(Amounts expressed in New Turkish Lira (YTL) unless otherwise expressed)

		2005		2004	
	Notes	**1 January-30 June 2005**	**1 April 2005-30 June 2005**	**1 January-30 June 2005**	**1 April 2005-30 June 2005**
Operating revenue					
Sales (net)	36	75..314.660	56.103.302	48.460.125	31.134.800
Cost of sales (-)	36	(56.179.683)	(35.736.236)	(41.146.889)	(23.399.684)
Service income (net)	36	-	-	-	-
Other operating income	36	-	-	-	-
Gross operating profit		**19.134.977**	**20.367.066**	**7.313.236**	**7.735.116**
Operating expenses (-)		(11.403.258)	(5.970.061)	(11.493.097)	(6.669.539)
Net operating profit/loss (-)		**7.731.719**	**14.397.005**	**(4.179.861)**	**1.065.577**
Other income and profits	38	2.782.895	2.035.462	2.529.888	1.690.657
Other expenses and losses (-)	38	(3.643.709)	(795.317)	(4.123.053)	(3.640.537)
Financial expenses	39	(1.798.215)	(1.350.438)	(494.632)	(369.617)
Income / loss before monetary loss, taxes and minority interests		**5.072.690**	**14.286.712**	**(6.267.658)**	**(1.253.920)**
Net monetary gain/loss	40	-	-	174.126	952.957
Minority interests	24	-	-	-	-
Income / loss before taxes		**5.072.690**	**14.286.712**	**(6.093.532)**	**(300.963)**
Taxes on income	41	7.093.570	1.169.061	1.655.983	1.160.764
Net income/loss for the period		**12.166.260**	**15.455.773**	**(4.437.549)**	**859.801**
Earnings per share	42	**0,0090**	**0,0114**	**(0,0033)**	**0,0006**

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

ÇELEBİ HAVA SERVİSİ A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX MONTH PERIODS ENDED 30 JUNE

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

	Share capital	Inflation adjustments to shareholders' equity	Legal reserves	Extraordinary reserves	Retained earnings	Net income/(loss) for the period	Total Shareholders' equity
1 January 2004	**9.000.000**	**13.082.040**	**6.327.363**	**21.603**	**26.675.986**	**13.030.047**	**68.137.039**
Transfers to retained earnings	-	-	-	-	13.030.047	(13.030.047)	-
Transfers from reserves	4.500.000	(1.663.797)	6.226	-	(2.842.429)	-	-
Transfers to reserves	-	367.240	566.069	8.173.612	(9.106.921)	-	-
Net loss for the period	-	-	-	-	-	(4.437.549)	(4.437.549)
30 June 2004	**13.500.000**	**11.785.483**	**6.899.658**	**8.195.215**	**27.756.683**	**(4.437.549)**	**63.699.490**
1 January 2005	**13.500.000**	**11.785.483**	**6.899.658**	**8.195.215**	**27.756.683**	**1.634.727**	**69.771.766**
Transfers to retained earnings	-	-	-	-	1.634.727	(1.634.727)	-
Transfers to reserves	-	-	-	1.634.727	(1.634.727)	-	-
Net income for the period	-	-	-	-	-	12.166.260	12.166.260
30 June 2005	**13.500.000**	**11.785.483**	**6.899.658**	**9.829.942**	**27.756.683**	**12.166.260**	**81.938.026**

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

NOTE 1 - ORGANIZATION AND PRIMARY OPERATIONS OF THE COMPANY

Çelebi Hava Servisi A.Ş (the "Company") was the first private handling service company for the Turkish airline transportation sector. The Company serves to domestic and foreign airlines, handling services to cargo companies (traffic, cargo, flying operations, flights maintenance, etc.) and fuel supply. The Company operates in İstanbul, İzmir, Ankara, Adana , Antalya, Dalaman, Bodrum, Çorlu, Bursa Yenişehir, Gaziantep, Diyarbakır, Erzurum, Kayseri, Samsun, Trabzon, Van, Malatya, Kars and Sivas airports, which are under the control of the State Airports Administration (DHMI).

The address of the Company is as follows:

Atatürk Havalimanı, Yeşilköy
34149 Bakırköy, İstanbul

The Company was consolidated with Çelebi IC Antalya Havalimanı Terminal Yatırım İşletme A.Ş. ("Çelebi IC") with 49.99% shares using the joint venture consolidation method as of 30 June 2005. Çelebi IC was established in 23 March 2004 based on the "Antalya Airport 2. Foreign Airlines Terminal Building (Terminal) construction, management and transfer agreement" between the Company and DHMI. Based on this agreement and an additional contract prepared on 4 April 2004, construction of the building was finished and operations started as of 4 April 2005. Çelebi IC will run this terminal for 54 months and then transfer to DHMI without any charge. The other main shareholder of Çelebi IC is İçtaş İnşaat Sanayi ve Ticaret A.Ş. with 49.99% shares.

As of 30 June 2005 the consolidated financial statements of the Company will include the Company and Çelebi IC (collectively, the "Group").

As of 30 June 2005 and 31 December 2004, the average number of employees of the Group are 5.779 and 2.267.

The Company is also the owner of 94,8% (2004: 94,8%) shares of Çelebi Güvenlik Sistemleri ve Danışmanlık A.Ş.. Çelebi Güvenlik Sistemleri ve Danışmanlık A.Ş is not consolidated on the grounds of immateriality of assets, revenue and operational volume on the consolidated accounts, therefore, it has been classified as available for sale investment at 30 June 2005.

NOTE 2 – BASIS OF PRESENTATION

2.1 Accounting policies

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

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

NOTE 2 – BASIS OF PRESENTATION (Continued)

With the decision taken on 17 March 2005, the CMB has announced that, effective from 1 January 2005, for companies operating in Turkey and preparing their financial statements in accordance with CMB Accounting Standards the application of inflation accounting is no longer required. Accordingly, the Holding did not apply IAS 29 "Financial Reporting in Hyperinflationary Economies" issued by IASB in its financial statements for the accounting periods starting 1 January 2005. The financial statements for comparison purposes are expressed in the purchasing power of YTL at 31 December 2004. These financial statements and the related notes have been presented in accordance with the formats required by the CMB with the announcement dated 20 December 2004.

The Group maintains their books of account and prepare their statutory financial statements in New Turkish lira ("YTL") based on Turkish Commercial Code and Tax Procedure Law. The consolidated financial statements, which are in accordance with CMB Accounting Standards, are prepared in New Turkish lira ("YTL") based on the historical cost conversion except for the financial assets and liabilities which are expressed with their fair values.

2.2 Financial reporting in hyperinflationary periods

At 31 December 2004, the consolidated financial statements are expressed in terms of the purchasing power of YTL at 31 December 2004. As disclosed in "accounting policies" note, the CMB has announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for the companies operating in Turkey and preparing their financial statements in accordance with CMB Accounting Standards. Therefore, the Company has not applied inflation accounting since 1 January 2005.

International Accounting Standard 29 ("IAS 29"), requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date, and that corresponding figures for previous periods be restated in the same terms. The restatement of the comparative amounts was calculated by means of conversion factors derived from the Turkish nationwide wholesale price index ("WPI") published by the State Institute of Statistics ("SIS"). Indices and conversion factors used to restate the comparative amounts in consolidated financial statements until 31 December 2004 are given below:

Dates	Index	Conversion factors	Cumulative three-year inflation rate (%)
31 December 2004	8.403,8	1.000	69,7
30 June 2004	7.982,7	1.053	110,3
31 December 2003	7.382,1	1.138	181,1

NOTE 2 – BASIS OF PRESENTATION (Continued)

2.3. New Turkish lira

Through the enactment of the Law numbered 5083 concerning the "Currency of the Republic of Turkey" in the Official Gazette dated 30 January 2004, New Turkish lira ("YTL") and the New Kuruş ("YKr") have been introduced as the new currency of the Republic of Turkey, effective from 1 January 2005. The hundredth part of the YTL is the YKr (1 YTL=100YKr). When the prior currency, Turkish lira ("TL"), values are converted into the YTL, one million TL is equivalent to one YTL (1 YTL). Accordingly, the currency of the Republic of Turkey is simplified by removing 6 zeroes from the TL.

All references made to Turkish lira or lira in laws, other legislation, administrative transactions, court decisions, legal transactions, negotiable instruments and other documents that produce legal effects as well as payment and exchange instruments shall be considered to have been made to YTL at the conversion rate indicated as above. Consequently, effective from 1 January 2005, the YTL replaces the TL as a unit of account in keeping and presenting of the books, accounts and financial statements.

As stated in the announcement of CMB dated 30 November 2004, financial statements for the period ended 30 June 2005, including the prior period financial data which will be used for comparison purposes, are presented in YTL, and prior period financial statements are to be presented in YTL only for comparative purposes.

2.4 Group Accounting

Çelebi IC is a 49,99% participation of the Company jointly managed by the other shareholders of Çelebi IC. Joint ventures are included in the scope of consolidation using the proportional consolidation method. By 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.

2.5 Comparatives

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

2.6 Offsetting

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

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Revenue recognition

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

Passenger service income is recognized on an accrual basis, invoiced over amounts determined per traveler with reference to the service contracts to the airport firms or their representatives for the services rendered to the passengers going abroad at the terminal.

3.2 Inventories

Inventories are valued at the lower of cost, or net realisable value. Stocks are valued with weighted average cost method.

3.3 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation. 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. The depreciation periods for property and equipment, which approximate the economic useful lives of assets concerned, are as follows:

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

Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amounts and are included in operating profit.

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 amortization of the leasehold improvements related with the construction of the terminal has been amortized using the straight-line method based on the operation of terminal for 54 months.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3.4 Intangible assets

Intangible assets comprise computer programmes and rights.

Intangible assets are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over a period not exceeding five years. Where an indication of impairment exists, the carrying amount of any intangible assets is assessed and written down immediately to its recoverable amount.

3.5 Impairment of assets

Property, plant and equipment and other non-current assets including intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's net selling price and value in use.

3.6 Borrowing costs

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

3.7 Trade Receivables

Trade receivables that are created by the Company by way of providing goods or services directly to a debtor are carried at amortised cost. Short duration receivables with no stated interest rate there on are measured at the original invoice amount unless the effect of imputed interest is significant.

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

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

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.8 Financial instruments and risk management

Collection risk

The collection risk of the Group results mainly from trade receivables. Trade receivables are evaluated in view of past experiences and the current economic situation by the group management, and following the provision of the appropriate level of doubtful receivables, they are stated with their net values in the balance sheet. Risk related to liquid funds is limited due to the fact that relevant funds are deposited to bank deposits.

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 by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities.

Foreign exchange rate risk

The Group is exposed to foreign exchange rate risk through the impact of rate changes in the translation of New Turkish lira pertaining to foreign currency denominated assets and liabilities. These risks are monitored and limited by the analysis of the foreign currency position.

Liquidity risk

The ability to fund the existing and prospective debt requirements is managed by maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines.

Fair value of financial instruments

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

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

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

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Monetary assets

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

The fair values of certain financial assets carried at cost, including cash and cash equivalents and held to maturity investments plus the respective accrued interest are considered to approximate their respective carrying values due to their short-term nature and negligible credit losses.

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

The fair values of investment securities, which have been determined by reference to market values, approximate carrying values.

Monetary liabilities

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

Trading liabilities, derivatives and foreign exchange instruments have been estimated at their fair values.

Borrowings that are denominated in foreign currencies are translated at period-end exchange rates and accordingly their fair values approximate their carrying values. The carrying values of borrowings along with the related accrued interest are estimated to be their fair values.

3.9 Business Combinations

None.

3.10 Foreign currency transactions

Transactions in foreign currencies have been translated into New Turkish lira at the foreign exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies, which are stated at historical costs are translated into New Turkish lira at the foreign exchange rates prevailing at the balance sheet date. Foreign exchange differences arising on translation are recognized in the statements of income.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 Earnings per share

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

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 share issuances are regarded as issued shares. Accordingly the weighted average number of shares used in earnings per share computations is derived by giving retroactive effect to the issuances of the shares without consideration.

Earnings per share are determined by dividing net profit of shareholders to the weighted number of issued ordinary shares.

3.12 Subsequent events

Even events after balance sheet date occur, following an announcement regarding the decision or disclosure of selected financial information, these financial statements cover all the events between the balance sheet date and authorization date of the publication of the balance sheet.

In cases where events requiring adjustment after the balance sheet date occur, the amounts included in the consolidated financial statements are adjusted in accordance with this new situation.

3.13 Provisions, contingent assets and liabilities

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

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

3.14 Change in the accounting policies

None.

3.15 Leases

Finance leases

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

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating leases

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

3.16 Related parties

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

3.17 Segment reporting

Group operates in handling and airport terminal management. All the facilities of the Company are located in Turkey.

3.18 Construction type contracts

None.

3.19 Discontinued operations

None.

3.20 Government grants and incentives

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

3.21 Investment properties

None.

3.22 Taxes on income

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

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

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

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.23 Employment termination benefits

Provision for employment termination benefit represents the present value of the estimated total reserve of the future probable obligation of the Company arising from the retirement of the employees calculated in accordance with the Turkish Labour Law.

3.24 Retirement plans

None.

3.25 Agricultural operations

None.

3.26 Reporting of cash flows

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

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

Investment activities related cash flows indicate cash flows acquired and used in the Group's investment activities (fixed investment and financial investment).

Cash flows related to financial activities, indicate sources used in financial activities of the Group and repayments thereof.

Cash and cash equivalents include cash and amounts due from banks

3.27 Financial Assets

Investment securities 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. These are included in non-current assets unless management has the intention of holding the investment securities for less than 12 months from the balance sheet date, or unless they will need to be sold to raise working capital, in which case they are included in current assets. Management determines the appropriate classification of its investment securities at the time of the purchase and re-evaluates such designation on a regular basis.

Available-for-sale investments, which are either immaterial or where a significant influence is not exercised by the Group are carried at cost less any provision for impairment.

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

NOTE 4 - CASH AND CASH EQUIVALENTS

	30 June 2005	31 December 2004
Cash	94.109	17.192
Bank	13.248.822	13.321.364
-Demand deposit	11.317.056	5.019.840
-Time deposit	1.931.766	8.301.524
	13.342.931	**13.338.556**

Average interest rates for YTL, EURO and USD demand deposits are 12,92-14,56%, 1,14-1,98% and 0,95-2,89%, respectively.(31 December 2004: YTL: 18,25%, USD: 1,25-2,60% and EURO: 2,60%).

NOTE 5 – MARKETABLE SECURITIES

None (2004: None).

NOTE 6 – FINANCIAL LIABILITIES

	30 June 2005		
	Interest Rate (%)	**Original Amount**	**YTL**
Short-term borrowings			
Short-term borrowings			
YTL borrowings	-	1.213.837	1.213.837
EURO borrowings	3,20	1.999.779	3.233.043
USD borrowings	5,5	1.000.000	1.341.300
Borrowing interest accruals	-	-	2.628.363
			8.416.543
Short-term portion of long-term borrowings			
USD Borrowings	5,5-Libor+2,9	12.211.699	15.038.252
			23.454.795
Long-term borrowings			
USD borrowings	5,5-Libor+2,9	55.558.496	74.520.611
			74.520.611

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

NOTE 6 – FINANCIAL LIABILITIES (Continued)

	31 December 2004		
	Interest Rate (%)	Original amount	YTL
Short-term borrowings			
Short-term borrowings			
YTL borrowings	-	1.414	1.414
Short-term portion of long-term borrowings			
USD borrowings	5,5	177.615	238.377
			239.791
Long-term borrowings			
USD borrowings	5,5-Libor+2,9	40.248.226	54.017.147
			54.017.147

The redemption schedule of the long-term bank borrowings is as follows:

	30 June 2005	31 December 2004
2006	19.688.092	17.334.666
2007	28.735.204	17.334.666
2008 and over	26.097.315	19.347.815
	74.520.611	**54.017.147**

The borrowings amounting to USD43.466.305 comprises of the loans used by the joint venture of the company Çelebi IC in the terminal construction as of 30 June 2005. The maturities of the loans which do not have to be repaid in the first two years ranges from 3,5-4, repayment will begin in April 2006 and will be realized through six monthly equal installments.

NOTE 7 – TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables	30 June 2005	31 December 2004
Trade receivables	20.888.862	7.578.991
Notes receivable	-	1.342
Deposits and guarantees given	19.464	24.665
Doubtful receivables	2.368.430	2.387.471
Less: Provision for doubtful receivables	(2.368.430)	(2.387.471)
	20.908.326	**7.604.998**

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

NOTE 7 – TRADE RECEIVABLES AND PAYABLES (Continued)

Movements of the provision for doubtful receivables for the periods ended 30 June 2005 and 31 December 2004 are as follows:

	30 June 2005	31 December 2004
Openning balance	2.387.471	2.193.003
Additions/(disposals)	(19.041)	461.084
Monetary gain	-	(266.616)
Ending balance	**2.368.430**	**2.387.471**

Short-term trade payables	30 June 2005	31 December 2004
Trade payables	8.914.083	7.615.894
Notes payable	431.878	-
	9.345.961	**7.615.894**

Long-term trade payables	30 June 2005	31 December 2004
Deposits and guarantees received	2.685	2.685
	2.685	**2.685**

NOTE 8 - FINANCIAL LEASING RECEIVABLES AND PAYABLES

	30 June 2005			31 December 2004		
	Minimum lease payments	Interest	Total obligation	Minimum lease payments	Interest	Total obligation
Less than 1 year	687.634	(43.827)	643.807	1.536.272	(44.496)	1.491.776
1 to 2 years	216.118	(6.023)	210.095	66.304	(1.847)	64.457
2 to 3 years	25.568	(25.568)	-	-	-	-
4 years and more	709	(709)	-	-	-	-
	930.029	(76.127)	853.902	1.602.576	(46.343)	1.556.233

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

NOTE 9 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Due from related parties	30 June 2005	31 December 2004
Çelebi-IC Hava Terminali İşletme ve Ticaret A.Ş.	1.707.974	-
İçtaş İnşaat Sanayi ve Ticaret A.Ş.	544	-
Çelebi Güvenlik Sistemleri ve Danışmanlık A.Ş.	-	75.679
Çelebi Hizmet Restorant İşletmeleri ve Gıda Turizm İnşaat Sanayi ve Ticaret A.Ş.	-	556
	1.708.518	**76.235**

Due to related parties	30 June 2005	31 December 2004
Çelebi Güvenlik Sistemleri ve Danışmanlık A.Ş.	521.620	151.984
Çe-Tur Çelebi Turizm Ticaret A.Ş.	403.871	213.759
İçtaş İnşaat Sanayi Ve Ticaret A.Ş.	295.859	219.437
Çelebi Holding A.Ş.	202.596	-
Çelebi Hizmet Restorant İşletmeleri ve Gıda Turizm İnşaat Sanayi ve Ticaret A.Ş.	20.927	-
Çelebi Hizmet Gıda İşletmeleri Turizm Sanayi ve Ticaret A.Ş.	599	-
Ortaklara borçlar	558	1.864
	1.446.030	**587.044**
Due to joint ventures		
Çelebi IC Antalya Havalimanı Terminal Yatırım ve İşletme A.Ş.	29.869	-
	29.869	**-**
	1.475.899	**587.044**

Fixed assets advances given to related parties	30 June 2005	31 December 2004
İçtaş İnşaat Sanayi ve Ticaret A.Ş. (Build-operate-transfer)	-	17.841.413
	-	**17.841.413**

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

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

	2005		2004	
	1 January-30 June	**1 April-30 June**	**1 January-30 June**	**1 April-30 June**
Miscellaneous sales to related parties				
Çelebi Güvenlik Sistemleri ve Danışmanlık A.Ş.	23.267	11.914	24.106	11.966
Çe-Tur Çelebi Turizm Ticaret A.Ş.	25.152	16.494	23.781	13.946
Çelebi Holding A.Ş.	35.294	32.601	2.730	803
Çelebi Hizmet Restorant İşletmeleri ve Gıda Turizm İnşaat Sanayi ve Ticaret A.Ş.	-	-	4.849	-
Çelebi Hizmet Gıda İşletmeleri Turizm Sanayi ve Ticaret A.Ş.	-	-	176	176
	83.713	**61.009**	**55.642**	**26.894**

	2005		2004	
	1 January-30 June	**1 April-30 June**	**1 January-30 June**	**1 April-30 June**
Rent income from related parties				
Çelebi IC Hava Terminali İşletme ve Ticaret A.Ş.	3.062.741	3.062.741	-	-
	3.062.741	**3.062.741**	-	-

	2005		2004	
	1 January-30 June	**1 April-30 June**	**1 January-30 June**	**1 April-30 June**
Transportation expenses payable to related parties				
Çe-Tur Çelebi Turizm Ticaret A.Ş.	1.934.661	1.174.642	1.416.741	823.252
	1.934.661	**1.174.642**	**1.416.741**	**823.252**

	2005		2004	
	1 January-30 June	**1 April-30 June**	**1 January-30 June**	**1 April-30 June**
Holding expenses contribution rate (*)				
Çelebi Holding A.Ş.	2.344.825	1.290.025	1.490.528	907.653
	2.344.825	**1.290.025**	**1.490.528**	**907.653**

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

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

	2005		2004	
	1 January-30 June	**1 April-30 June**	**1 January-30 June**	**1 April-30 June**
Other purchases from related parties (**)				
Çelebi Güvenlik Sistemleri ve Danışmanlık A.Ş.	1.333.876	1.165.041	288.400	154.419
Çe-Tur Çelebi Turizm Ticaret.A.Ş.	569.877	234.408	494.791	230.785
Çelebi Holding A.Ş.	62.660	-	59.374	15.028
Çelebi Hizmet Restorant İşletmeleri ve Gıda Turizm İnşaat Sanayi ve Ticaret A.Ş.	7.537	5.303	507	507
Çelebi Hizmet Gıda İşletmeleri Turizm Sanayi ve Ticaret A.Ş.	1.898	-	9.679	624
	1.975.848	**1.404.752**	**852.751**	**401.363**

	2005		2004	
	1 January-30 June	**1 April-30 June**	**1 January-30 June**	**1 April-30 June**
Non current assets bought from related parties				
Çelebi Hizmet Restorant İşletmeleri ve Gıda Turizm İnşaat Sanayi ve Ticaret A.Ş.	16.422	12.432	652.235	541.932
	16.422	**12.432**	**652.235**	**541.932**

(*) Contribution rates paid to Çelebi Holding A.S are for services (legal counseling, financial consultancy and human resource consultancy) provided to the Company by Çelebi Holding A.S. These expenses have been consistently incurred between periods and participations in Çelebi Holding A.Ş, in the consideration of the criteria such as staff numbers, company turnovers and asset sizes.

(**) Other purchases include vehicle rent, security, organizational and other expenses.

Guarantees given to related parties as of 30 June 2005 and 31 December 2004 is mentioned below:

	30 June 2005		31 December 2004	
	USD	YTL	USD	YTL
Çelebi Holding A.Ş.	-	7.589.000	-	6.730.000
Çelebi IC (*)	45.154.400	-	28.462.000	-

(*) Çelebi IC signed an agreement for the borrowings amounting to USD90.308.800 (2004:USD56.924.000). The Company gave a guarantee for 50% of these borrowings.

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

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

Remuneration paid to top management:

	2005		2004	
	1 January-30 June	**1 April-30 June**	**1 January-30 June**	**1 April-30 June**
Remuneration paid to top management	1.159.879	679.237	1.026.904	631.932
	1.159.879	**679.237**	**1.026.904**	**631.932**

NOTE 10 - OTHER RECEIVABLES AND LIABILITIES

Other short-term receivables	**30 June 2005**	**31 December 2005**
Value added tax (VAT) to be refunded	600.475	691.127
Advances given to suppliers	540.347	234.532
Advances given to personnel	64.141	117.475
Other miscellaneous receivables	34.080	19.212
Income accruals	17.686	5.530
	1.256.729	**1.067.876**

NOTE 11 - BIOLOGICAL ASSETS

None (31 December 2004: None).

NOTE 12 - INVENTORIES

	30 June 2005	**31 December 2004**
Trade goods	340.395	414.021
Other inventories	1.002.716	862.016
Order advances given	6.203	12.032
	1.349.314	**1.288.069**

Other inventories include fuel oil, baggage materials and clothes.

NOTE 13 - BALANCES RELATED TO CONSTRUCTION CONTRACTS

None (31 December 2004: None).

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

NOTE 14 - DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax

The Group recognises deferred tax assets and liabilities based upon temporary differences arising between their financial statements as reported for the Communique purposes and their statutory tax financial statements.

Deferred income taxes will be calculated on temporary differences that are expected to be realised or settled based on the taxable income in coming years under the liability method using a principal tax rate of 30%.

The breakdown of cumulative temporary differences and the resulting deferred tax assets/(liabilities) provided at 30 June 2005 and 31 December 2004 using the enacted future tax rates are as follows:

	Cumulative Temporary Differences		Deferred Tax Assets/(Liabilities)	
	30 June 2005	31 December 2004	30 June 2005	31 December 2004
Deferred tax assets				
Unutilised investment incentive allowances	25.052.216	6.276.226	7.515.665	1.882.868
Provision for employment termination benefits	6.600.230	6.187.624	1.980.069	1.856.287
Provision for vacation pay	938.019	-	281.406	-
Accrued sales commissions	682.820	694.559	204.846	208.368
Accrued premium expenses	293.558	462.122	88.067	138.637
Tax losses carried forward	-	1.834.476	-	550.343
Provision for doubtful receivables	-	344.734	-	103.420
Other	42.703	-	12.811	-
			10.082.864	4.739.923
Deferred tax liabilities				
Net difference between the tax base and carrying amount of property plant and equipment and intangible assets	35.253.238	41.241.615	(10.575.971)	(12.372.484)
Interest expense accruals	152.948	-	(45.884)	-
Other	400	400	(120)	(120)
			(10.621.975)	(12.372.604)
Net deferred tax liability			**(539.111)**	**(7.632.681)**

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

NOTE 14 - DEFERRED TAX ASSETS AND LIABILITIES (Continued)

	1 January 2005	Charged/(credited) to profit and loss	30 June 2005
Deferred tax assets			
Provision for doubtful receivables	103,420	(103,420)	-
Accrued personnel premium expenses	138,637	(50,570)	88,067
Accrued sales commissions	208,368	(3,522)	204,846
Tax losses carried forward	550,343	(550,343)	-
Provision for employment termination benefits	1,856,287	123,782	1,980,069
Unutilized investment incentive allowances	1,882,868	5,632,797	7,515,665
Provision for vacation pay	-	281,406	281,406
Other	-	12,811	12,811
Deferred tax liabilities			
Net difference between the tax base and carrying amount of property plant and equipment and intangible assets	(12,372,484)	1,796,513	(10,575,971)
Interest expense accruals	-	(45,884)	(45,884)
Other	(120)	-	(120)
Net deferred tax liabilities	**(7,632,681)**	**7,093,570**	**(539,111)**

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

Other current assets	**30 June 2005**	**31 December 2004**
Prepaid expenses	2.466.924	1.543.120
Value Added Taxes ("VAT") receivable	444.163	547.330
Prepaid taxes	60.158	37.865
	2.971.245	**2.128.315**

Other non-current assets	**30 June 2005**	**31 December 2004**
Prepaid expenses	130.021	57.198
Deposits and guarantees given	402	939
	130.423	**58.137**

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

NOTE 15 - OTHER CURRENT - NON CURRENT ASSETS AND OTHER CURRENT - NON CURRENT LIABILITIES (Continued)

Other short-term liabilities	30 June 2005	31 December 2004
Wages payable	2.443.961	1.331.284
Social security payables	1.006.855	620.159
Taxes and duties payable	661.251	697.926
Accrued of premium payable	293.558	462.122
Deferred income	347.007	-
Other	123.268	85.642
	4.875.900	**3.197.133**

NOTE 16 – FINANCIAL ASSETS

The breakdown of available-for-sale equity securities at 30 June 2005 and 31 December 2004 are as follows:

30 June 2005	Share%	Cost YTL	Provison for impairment YTL	Net Book Value YTL
Çelebi Güvenlik Sistemleri ve Danışmanlık A.Ş (*)	94,80	1.246.297	(732.930)	513.367
31 December 2004				
Çelebi Güvenlik Sistemleri ve Danışmanlık A.Ş (*)	94,80	1.140.368	(899.720)	240.648

(*) Çelebi Güvenlik Sistemleri ve Danışmanlık A.Ş. ("Çelebi Güvenlik") serves security services to airline companies in Turkish airports. Çelebi Güvenlik is not consolidated on the grounds of immateriality of assets, revenue and operational volume on the consolidated accounts, and it has been classified as available for sale investment at 30 June 2005.

NOTE 17 – POSITIVE/NEGATIVE GOODWILL

None (2004: None).

NOTE 18 – INVESTMENT PROPERTY

None (2004: None).

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

NOTE 19 – PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment movement for the period ended 30 June 2005 are as follows:

	1 January 2005	Additions	Disposals	Transfers	Impairment	30 June 2005
Costs						
Machinery and equipment	109.917.033	2.636.427	(894)	21.344	-	112.573.910
Vehicles	4.581.039	61.400	-	-	-	4.642.439
Furniture and fixtures	9.595.976	546.603	(8.168)	10.574	-	10.144.985
Leasehold improvements (*)	44.845.597	254.761	-	86.718.890	-	131.819.248
Construction in progress	3.341.331	1.213.624	-	(4.554.955)	-	-
Advances given	353.535	793.272	-	(657.251)	-	489.556
Build-operate-transfer investment	37.071.623	44.466.979	-	(81.538.602)	-	-
	209.706.134	**49.973.066**	**(9.062)**	**-**	**-**	**259.670.138**
Accumulated depreciation						
Machinery and equipment	61.009.092	3.257.827	(8)	-	-	64.266.911
Vehicles	3.196.490	218.591	-	-	-	3.415.081
Furniture and fixtures	8.194.398	290.783	(4.577)	-	-	8.480.604
Leasehold improvements (*)	12.234.286	5.816.661	-	-	189.565	18.240.512
	84.634.266	**9.583.862**	**(4.585)**	**-**	**189.565**	**94.403.108**
Net book value	**125.071.868**					**165.267.030**

(*) Leasehold improvements of which the net book value amounts to YTL77.741.051, comprise advances and progress payments given to contracting firms related to the construction of Antalya Airport 2. Foreign Airlines Terminal with reference to terminal building construction, management and transfer agreement between Çelebi IC and DHMI. The Group will amortize the special costs regarding the terminal construction over an operating period of 54 months.

The land plots where the stations constructed by Çelebi Hava Servisi A.Ş in the airports within which it operates were rented from DHMI. The station buildings on these land were constructed using the Group initiative and recorded in the tangible assets of the Group as leasehold improvements. As of 30 June 2005 the net book value of these stations was YTL35.837.685. The lease contract signed by the Group and DHMI is valid for one year. If no objection arises from any of the parties, the agreement is renewed automatically. The Group amortizes these station buildings over 15 years which corresponds to their economic life. If DHMI does not renew the lease contract within this period, the Group may have to amortize the relevant leasehold improvements over a shorter period.

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

NOTE 19 – PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in property, plant and equipment movement for the period ended 30 June 2004 are as follows:

	1 January 2004	Additions	Disposals	30 June 2004
Costs				
Machinery and equipment	88.016.527	19.719.760	(394.200)	107.342.087
Vehicles	3.849.005	781.248	(21.505)	4.608.748
Furniture and fixtures	9.047.121	205.456	(4.634)	9.247.943
Leasehold improvements (*)	42.617.231	585.767	-	43.202.998
Advances given	106.579	2.175.433	-	2.282.012
	143.636.463	**23.467.664**	**(420.339)**	**166.683.788**
Accumulated depreciation				
Machinery and equipment	55.339.337	2.823.631	(394.200)	57.768.768
Vehicles	2.838.733	177.456	(21.505)	2.994.684
Furniture and fixtures	7.713.719	243.384	(4.634)	7.952.469
Leasehold improvements	9.143.373	1.430.310	-	10.573.683
	75.035.162	**4.674.781**	**(420.339)**	**79.289.604**
Net book value	**68.601.301**			**87.394.184**
Build-operate-transfer investment (**)	-	6.412.968	-	6.412.968
Total tangible assets	**68.601.301**			**93.807.152**

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

(**) Build-operate-transfer investment consists of advance payments and progress payments of Antalya Airport 2. Foreign Airlines Terminal with reference to the terminal building construction, management and transfer agreement, signed on 24 February 2004, between Çelebi IC, in which the Company has a shareholding of 49.99% and DHMI.

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

NOTE 20 – INTANGIBLE ASSETS

Movements in intangible assets for the period ended 30 June 2005 are as follows:

	1 January 2005	Additions	30 June 2005
Costs			
Rights	1.786	1.035	2.821
Software	1.763.829	62.191	1.826.020
	1.765.615	**63.226**	**1.828.841**
Accumulated depreciation			
Rigths	200	258	458
Software	1.137.560	124.712	1.262.272
	1.137.760	**124.970**	**1.262.730**
Net book value	**627.855**		**566.111**

Movements in intangible assets for the period ended 30 June 2004 are as follows:

	1 January 2004	Addition	31 June 2004
Costs			
Rights	-	1.405	1.405
Software	1.335.035	104.962	1.439.997
	1.335.035	**106.367**	**1.441.402**
Accumulated depreciation			
Rights	-	50	50
Software	952.643	88.256	1.040.899
	952.643	**88.306**	**1.040.949**
Net book value	**382.392**		**400.453**

NOTE 21 - ADVANCES RECEIVED

	30 June 2005	31 December 2004
Advances received	54.145	-
	54.145	**-**

NOTE 22 - RETIREMENT PLANS

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

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

NOTE 23 - PROVISIONS

	30 June 2005	31 December 2004
Short-term provisions		
DHMI royalty provisions	1.814.670	-
Provision for vacation pay	938.019	-
Accrued sales commissions	682.820	694.559
Accrued handling commissions	877.777	-
Other	39.443	-
	4.352.729	**694.559**
Long-term provisions		
Provision for employment termination benefits	6.600.230	6.187.624
	6.600.230	**6.187.624**

There are no agreements for pension commitments other than the legal requirement as explained below.

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

The amount payable consists of one month's salary limited to a maximum of YTL1.648,90 (31 December 2004: YTL1.574,74) for each period of service at 30 June 2005.

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

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

IFRS requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly the following actuarial assumptions were used in the calculation of the total liability:

	30 June 2005	31 December 2004
Discount Rate (%)	5,45	5,45
Turnover rate to estimate the probability of retirement (%)	99,6	99,5

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Since the Group calculates reserve for employment termination benefits in every six months the maximum amount of YTL1.727,15 which is effective from 1 July 2005 (1 January 2005: YTL1.648,90) has been taken into consideration in calculations.

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

NOTE 23 - PROVISIONS (Continued)

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

	30 June 2005	31 December 2004
Balance at the beginning of the period	6.187.624	4.440.988
Paid during the period	(190.091)	(550.441)
Increase during the period	602.697	2.836.994
Monetary gain	-	(539.917)
Balance at the end of the period	**6.600.230**	**6.187.624**

NOTE 24 - MINORITY INTEREST

None (2004: None).

NOTE 25 - SHARE CAPITAL/ INVESTMENT CAPITAL NET OFF

At 30 June 2005, the authorised and paid-in share capital of the Company is YTL13.500.000 comprising 1.350.000.000 registered shares with a TL 10.000 face value each (31 December 2004: TL10.000 each).

At 30 June 2005 and 31 December 2004, the shareholding structure can be summarised are as follows:

	Shares (%)	30 June 2005	Shares (%)	31 December 2004
Çelebi Holding A.Ş.	52,35	7.067.250	52,35	7.067.250
Engin Çelebioğlu	10,01	1.351.350	10,01	1.351.350
Can Çelebioğlu	10,45	1.411.200	10,45	1.411.200
Canan Çelebioğlu Tokgöz	10,45	1.411.200	10,45	1.411.200
Other	16,74	2.259.000	16,74	2.259.000
	100,00	**13.500.000**	**100,00**	**13.500.000**

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

NOTE 26 - CAPITAL RESERVES

The restated amounts and the shareholders' equity restatement differences as of 30 June 2005 and 31 December 2004 are as follows:

30 June 2005

	Historical Amounts	Restated Amounts	Restatement Difference
Capital	13.500.000	14.992.722	1.492.722
Legal Reserves	6.899.658	16.840.098	9.940.440
Extraordinary Reserves	9.829.942	10.182.263	352.321
	30.229.600	**42.015.083**	**11.785.483**

31 December 2004

	Historical Amounts	Restated Amounts	Restatement Difference
Capital	13.500.000	14.992.722	1.492.722
Legal Reserves	6.899.658	16.840.098	9.940.440
Extraordinary Reserves	8.195.215	8.547.536	352.321
	28.594.873	**40.380.356**	**11.785.483**

NOT 27 - PROFIT RESERVES

The statutory amounts of profit reserves as of 30 June 2005 and 31 December 2004 are as follows:

	30 June 2005	31 December 2004
Legal Reserves	6.899.658	6.899.658
Extraordinary Reserves	9.829.942	8.195.215
	16.729.600	**15.094.873**

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

NOTE 28- RETAINED EARNING

Retained earnings as per the statutory financial statements, other than legal reserve requirements, are available for distribution subject to the legal reserve requirement referred to below.

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

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

Effective from 1 January 2004, the IFRS net income computed in accordance with Communiqué No: XI-25 must be distributed in the ratio of a minimum of 30% of total distributable profit. This distribution may be made either as cash, as pro-rata shares or as a combination of both.

For the purposes of profit distribution in accordance with related CMB regulations, items of statutory shareholders' equity such as share capital, share premium, legal reserves, other reserves, special reserves and extraordinary reserves, are presented at their historical amounts. The difference between the inflated and historical amounts of these items is presented in shareholders' equity as shareholders' equity restatement differences.

Shareholders' equity restatement differences can only be netted-off against prior years' losses and used as an internal source in capital increase where extraordinary reserves can be netted-off against prior years' losses, used in distribution of bonus shares and distributions of dividends to shareholders.

The details of retained earnings as of 30 June 2005 and 31 December 2004 are as follows:

	Retained Earnings
31 December 2003 balance	26.675.989
Transfer to reserves	(11.949.353)
Transfer from net profit for the year 2003	13.030.047
31 December 2004 balance	**27.756.683**
Transfer to reserves	(1.634.727)
Transfer from net profit for the year 2004	1.634.727
30 June 2005 balance	**27.756.683**

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

NOTE 29 – FOREIGN CURRENCY POSITION

30 June 2005

	USD		EURO		Other	
	Original Amount	YTL	Original Amount	YTL	YTL	Total
Assets:						
Cash and cash equivalents	6.218.524	8.340.906	2.064.885	3.338.299	9.146	11.688.351
Trade receivables	5.035.850	6.754.586	8.363.376	13.521.070	-	20.275.656
Due from related parties	1.273.372	1.707.974	-	-	-	1.707.974
	12.527.746	**16.803.466**	**10.428.261**	**16.859.369**	**9.146**	**33.671.981**
Liabilities						
Short term financial liabilities	(2.950.110)	(3.956.982)	(2.007.623)	(3.245.724)	-	(7.202.706)
Short portion of long term liabilities	(12.211.699)	(15.038.252)	-	-	-	(15.038.252)
Long term financial liabilities	(55.558.496)	(74.520.611)	-	-	-	(74.520.611)
Trade payables	(1.580.883)	(2.120.438)	(567.368)	(917.263)	-	(3.037.701)
Short term financial leasing liabilities	(479.987)	(643.807)	-	-	-	(643.807)
Long term financial leasing liabilities	(156.635)	(210.095)	-	-	-	(210.095)
	(71.937.810)	**(96.490.185)**	**(2.574.991)**	**(4.162.987)**	**-**	**(100.653.172)**
Net foreign currency position:	**(59.410.064)**	**(79.686.719)**	**7.853.270**	**12.696.382**	**9.146**	**(66.981.191)**

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

NOT 29 - FOREIGN CURRENCY POSITION (Continued)

31 December 2004

	USD Original Amount	YTL	EURO Original Amount	YTL	Other YTL	Total
Assets:						
Cash and cash equivalents	5.860.211	7.864.989	2.532.516	4.626.400	4.468	12.495.857
Trade receivables	4.159.233	5.582.107	1.050.986	1.919.941	-	7.502.048
Due from related parties	165	221	-	-	-	221
	10.019.609	**13.447.317**	**3.583.502**	**6.546.341**	**4.468**	**19.998.126**
Liabilities:						
Short portion of long term financial liabilities	(177.615)	(238.377)	-	-	-	(238.377)
Short term financial leasing liabilities	(1.111.524)	(1.491.776)	-	-	-	(1.491.776)
Trade payables	(559.303)	(750.641)	(1.965.775)	(3.591.078)	-	(4.341.719)
Due to related parties	(3.067)	(4.116)	-	-	-	(4.116)
Long term financial liabilities	(40.248.226)	(54.017.147)	-	-	-	(54.017.147)
Ling term financial leasing liabilities	(48.027)	(64.457)	-	-	-	(64.457)
	(42.147.762)	**(56.566.514)**	**(1.965.775)**	**(3.591.078)**	**-**	**(60.157.592)**
Net foreign currency position	**(32.128.153)**	**(43.119.197)**	**1.617.727**	**2.955.263**	**4.468**	**(40.159.466)**

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

NOTE 30 – GOVERNMENT GRANTS

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

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

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

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

The amount of actual investment incentive allowance to be utilised by the Group is YTL25.052.216 (31 December 2004: YTL6.276.226).

NOTE 31 – PROVISIONS, COMMITMENTS AND CONTINGENT LIABILITIES

Provisions

Provisions in consolidated financials are explained in Note 23.

Commitments and Contingent liabilities

	30 June 2005	31 December 2004
Guarantees received:		
Guarantee letters received	10.923.726	2.673.061
Guarantee bonds received	865.172	474.712
Guarantee cheques received	1.528.532	1.538.050
	13.317.430	**4.685.823**
Guarantees given:		
Guarantee letters given	7.238.501	7.151.600
Guarantee bonds given	223.355	1.406.387
	7.461.856	**8.557.987**

Guarantees given to related parties as of 30 June 2005 and 31 December 2004 are stated below:

	30 June 2005		31 December 2004	
	USD	YTL	USD	YTL
Çelebi Holding A.Ş.	-	7.589.000	-	6.730.000
Çelebi IC (*)	45.154.400	-	28.462.000	-

(*) Çelebi IC signed an agreement for the borrowings amounting to USD90.308.800 (2004:USD56.924.000). The Company gave a guarantee for 50% of these borrowings.

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

NOTE 32 - BUSINESS COMBINATIONS

None (2004: None).

NOTE 33 – SEGMENT REPORTING

1 January -30 June 2005

	Reportable segments			
	Airport Handling Services	Airport Terminal Construction and Management	Consolidation Eliminations	After Consolidation
Net sales	57.803.144	17.697.496	(185.980)	75.314.660
Cost of sales	(49.830.247)	(6.535.416)	(185.980)	(56.179.683)
Gross operating profit	7.972.897	11.162.080	-	19.134.977
Operating expenses	(9.696.879)	(1.706.379)	-	(11.403.258)
Operating profit/(loss)	(3.189.333)	8.262.023	-	5.072.690
Net income/(loss)	(2.467.635)	14.633.895	-	12.166.260

1 April -30 June 2005

	Reportable segments			
	Airport Handling Services	Airport Terminal Construction and Management	Consolidation Eliminations	After Consolidation
Net sales	38.591.786	17.697.496	(185.848)	56.103.302
Cost of sales	(29.386.800)	(6.535.416)	185.848	(35.736.236)
Gross operating profit	9.204.986	11.162.080	-	20.367.066
Operating expenses	(5.213.116)	(756.945)	-	(5.970.061)
Operating profit/(loss)	3.819.390	10.467.322	-	14.286.712
Net income/(loss)	2.313.466	13.142.307	-	15.455.773

30 June 2005

Balance Sheet				
Total assets	131.410.525	99.745.434	(23.241.965)	208.048.436
Total Equity	67.466.548	31.161.425	(16.689.947)	81.938.026

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

NOTE 33 - SEGMENT REPORTING (Continued)

1 January - 30 June 2004

	Reportable segments			
	Airport Handling Services	Airport Terminal Construction and Management	Consolidation Eliminations	After Consolidation
Net sales	48.460.125	-	-	48.460.125
Cost of sales	(41.146.889)	-	-	(41.146.889)
Gross operating profit	7.313.236	-	-	7.313.236
Operating expenses	(10.611.696)	(881.401)	-	(11.493.097)
Operating profit/(loss)	(5.386.257)	(881.401)	-	(6.267.658)
Net income/(loss)	(3.801.169)	(636.380)	-	(4.437.549)

1 April - 30 June 2004

	Reportable segments			
	Airport Handling Services	Airport Terminal Construction and Management	Consolidation Eliminations	After Consolidation
Net sales	31.134.800	-	-	31.134.800
Cost of sales	(23.399.684)	-	-	(23.399.684)
Gross operating profit	7.735.116	-	-	7.735.116
Operating expenses	(5.788.138)	(881.401)	-	(6.669.539)
Operating profit/(loss)	(372.519)	(881.401)	-	(1.253.920)
Net income/(loss)	1.496.181	(636.380)	-	859.801

31 December 2004

Balance sheet				
Total assets	151.502.557	-	-	151.502.557
Total equity	69.771.766	-	-	69.771.766

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

NOTE 34 – SUBSEQUENT EVENTS

None. (2004: Loan agreement between T. Garanti Bankası A.Ş. Luxemburg and Çelebi IC in the amount of USD56.924.000 was adjusted to increase the loan amount to USD68.308.800, accordingly Company guaranteed maximum 50% percent of the relevant loan amount).

NOTE 35 – DISCONTINUED OPERATIONS

None (2004: None).

NOTE 36 - OPERATING INCOME

	2005		2004	
	1 January-30 June	**1 April-30 June**	**1 January-30 June**	**1 April-30 June**
Handling services	54.502.563	36.147.838	47.044.488	30.317.090
Passenger service income (*)	14.565.789	14.565.789	-	-
Aviation fuel	3.943.596	2.900.377	2.274.106	1.581.170
Rent income	3.062.741	3.062.741	-	-
Other	162.117	162.117	-	-
Less: Returns and discounts	(922.146)	(735.560)	(858.469)	(763.460)
Net sales income	**75.314.660**	**56.103.302**	**48.460.125**	**31.134.800**
Cost of service given	(52.432.254)	(32.968.062)	(38.972.005)	(21.887.475)
Cost of aviation fuel sold	(3.747.429)	(2.768.174)	(2.174.884)	(1.512.209)
Cost of sales (-)	**(56.179.683)**	**(35.736.236)**	**(41.146.889)**	**(23.399.684)**
Gross operating profit	**19.134.977**	**20.367.066**	**7.313.236**	**7.735.116**

(*) In accordance with "Antalya Airport 2. Foreign Airlines Terminal Building construction, management and transfer agreement" signed between Çelebi IC and DHMI and the conditions of the contract, DHMI committed to foreign lines service revenue of 2.211.138 passengers and agreed USD15 per person as the foreign line passenger service price; in subsequent years this figure will be increased by a 3% over the previous year. After reaching the guaranteed passenger number in one operating year, the entire passenger fare will be transferred DHMI.

(**) Rent income is derived from the lease of certain commercial places in the Terminal to Çelebi IC Hava Terminali İşletme ve Ticaret A.Ş. by Çelebi IC.

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

NOTE 37 - OPERATING EXPENSES

	2005		2004	
	1 January- 30 June 2005	1 April- 30 June 2005	1 January- 30 June 2004	1 April- 30 June2004
General administrative expenses	(11.403.258)	(5.970.061)	(11.493.097)	(6.669.539)
	(11.403.258)	**(5.970.061)**	**(11.493.097)**	**(6.669.539)**

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

	2005		2004	
	1 January- 30 June 2005	1 April- 30 June 2005	1 January- 30 June 2004	1 April- 30 June2004
Other income:				
Foreign exchange gains	2.100.267	1.670.492	1.969.943	1.498.363
Rent income	214.781	108.446	238.323	122.956
Reversal of impairment for financial assets	166.790	166.790	-	-
Interest income	143.289	55.032	65.160.	34.282
Scrap sales income	42.276	19.957	161	22
Insurance compensation income	26.998	3.438	55.361	7.567
Sponsorship income	24.245	-	-	-
Provisions released	-	-	74.730	10.215
Other	64.249	11.307	126.210	17.252
	2.782.985	**2.035.462**	**2.529.888**	**1.690.657**
Other expenses:				
Foreign exchange losses	(3.429.172)	(922.913)	(3.909.239)	(3.533.250)
Impairment for property, plant and equipment	(189.565)	(10.254)	-	-
Impairment for financial assets	-	171.032	(85.975)	(25.224)
Other	(24.972)	(33.172)	(127.839)	(82.063)
	(3.643.709)	**(795.317)**	**(4.123.053)**	**(3.640.537)**

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

NOTE 39 - FINANCIAL EXPENSES

	2005		2004	
	1 January-30 June 2005	**1 April-30 June 2005**	**1 January-30 June 2004**	**1 April-30 June 2004**
Interest expense	(1.753.530)	(1.307.259)	(494.632)	(369.617)
Other financial expenses	(44.685)	(43.179)	-	-
	(1.798.215)	**(1.350.438)**	**(494.632)**	**(369.617)**

NOTE 40 - GAIN/(LOSSES) ON NET MONETARY POSITION

With the decision taken on 17 March 2005, the CMB has announced that the application of inflation accounting is no longer required for the companies operating in Turkey (Note 2).

Consequently, since inflation adjustment is not made for the period beginning on or after 1 January 2005, there is no monetary gain / loss for the six months period of 2005.

	2005		2004	
	1 January-30 June 2005	**1 April-30 June 2005**	**1 January-30 June 2004**	**1 April-30 June 2004**
Net monetary gain/loss	-	-	174.126	952.957
	-	**-**	**174.126**	**952.957**

NOTE 41 - TAXES ON INCOME

Corporation tax rate of the fiscal year 2005 is 30%. Corporation tax is payable at a rate of 30% on the total income of the Company after adjusting for certain disallowable expenses, exempt income and investment and other allowances. No further tax is payable unless the profit is distributed.

In accordance with Tax Law No.5024 "Law Related to Changes in Tax Procedure Law, Income Tax Law and Corporate Tax Law" that was published in the Official Gazette on 30 December 2003 to amend the tax base for non-monetary assets and liabilities, effective from 1 January 2004, income and corporate taxpayers will prepare the statutory financial statements by adjusting the non-monetary assets and liabilities for the changes in the general purchasing power of the Turkish lira. Corporate taxpayers are obliged to prepare the opening balance sheets restated for inflation at 31 December 2003. In the Tax Procedure Law circulars No: 18 and 19 dated 19 April 2005 and 5 July 2005, it was announced that no inflation accounting application is required for advance corporation tax.

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 10%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

NOTE 41 - TAXES ON INCOME (Continued)

Corporations are required to pay advance corporation tax quarterly at the rate of 30% on their corporate income. Advance tax is payable by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or offset against other liabilities to the government.

The exception for participation share and property sales profit which existed in Corporation Tax Law temporary Articles 28 and 29 has ended. However, this arrangement has been added to Corporation Tax Law article 8 as permanent exception with 5281 numbered law dating from 1 January 2005.

According to this, profit of corporations' participation share and property sales which has taken part in assets at least for two years –dependent on corporation capital addition commitment in definite conditions- will be exempted from Corporation Tax. The two year commitment will not be required when debtors of the banks and their guarantors transfer their property and participation shares as a compensation for the debt.

On the other hand, in parallel with the change in Corporation Tax Law, Value Added Tax exception previously regulated in Value Added Tax Law temporary Article 10 and applied in parallel with exemption in Corporation Tax has been amended and the property sales and Value Added Tax exemption application have become permanent.

At the same time, the title deed and cadastral fees exception that was applied in transactions subject to the property sales profit exception in Corporation Tax Article 8, this ended in 31 December 2004. However since there is no regulation in this subject, property sale will be subject to title deed fee in general.

Capital expenditures, with some exceptions, over YTL10 thousand are eligible for investment incentive allowance of 40%, which is deductible from taxable income prior to calculation of the corporate income tax, without the requirement of an investment incentive certificate, and the amount of allowance is not subject to withholding tax. Investment allowances utilised within the scope of investment incentive certificates granted prior to 24 April 2003 are subject to withholding tax at the rate of 19,8%, irrespective of profit distribution.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to 5 years. Tax losses cannot be carried back to offset profits from previous periods.

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

NOTE 41 - TAXES ON INCOME (Continued)

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 15th of the fourth month following the close of the financial year to which they relate. Tax returns are open for 5 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.

Tax income in the consolidated statement of income for the six month interim period ended 30 June 2005 is summarised below:

	2005		2004	
	1 January-30 June 2005	**1 April-30 June 2005**	**1 January-30 June 2004**	**1 April-30 June 2004**
- Current year corporate tax	-	-	-	-
-Deferred tax income	7.093.570	1.169.061	1.655.983	1.160.764
	7.093.570	**1.169.061**	**1.655.983**	**1.160.764**

NOTE 42 - EARNINGS PER SHARE

Earning per share is determined by dividing net income amounting to YTL12.166.260 attributable to that class of shares by weighted average number of such shares outstanding during the year concerned (1.350.000.000 shares, 2004: 1.350.0000 shares).

	2005		2004	
	1 January-30 June	**1 April-30 June**	**1 January-30 June**	**1 April-30 June**
Net profit for the period	12.166.260	15.455.773	(4.437.549)	859.801
Weighted average Number of shares (Unit-thousand)	1.350.000.000	1.350.000.000	1.350.000.000	1.350.000.000
Earnings per share with face value of YTL1.000 each	0,0090	0,0114	(0,0033)	0,0006

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

NOTE 43 – STATEMENT OF CASH FLOWS

		1 January-30 June 2005	1 January-30 June 2004
Cash flow from operating activities			
Profit before tax		5.072.690	(6.093.532)
Adjustments to reconcile gain before tax to net cash inflows from operating activities			
Depreciation	19-20	9.708.832	4.763.087
Provision for employment termination benefits	23	602.697	291.252
Impairment for property, plant and equipment	38	189.565	-
Reversal of impairment for financial assets		(166.790)	85.975
Interest income	38	(143.289)	(65.160)
Interest expenses	39	1.753.530	494.632
Change in provision for doubtful receivable	7	(19.041)	(156.246)
Net cash before changes in assets and liabilities		**16.998.194**	**(679.992)**
Changes in assets and liabilities			
Change in trade receivables		(13.284.287)	(6.920.743)
Change in due from related parties		(1.632.283)	41.820
Change in inventories		(61.245)	(342.780)
Change in other current assets		(188.853)	-
Change in other current/non-current assets		(915.216)	(133.670)
Change in other non-current receivables		1.730.067	259.080
Change in trade payables		888.855	207.204
Change in due to related parties		3.658.170	2.228.299
Change in short-term liability provisions		1.678.769	-
Paid employee termination benefit		(190.091)	-
Change in advances received		54.145	-
Change in paid corporate tax		-	(271.554)
Cash flow from operating activities		**8.736.225**	**(5.612.336)**
Investment operations			
Purchase of tangible assets		(48.759.442)	(28.125.537)
Purchase of intangible assets		(63.226)	(106.368)
Change in investments		(1.213.624)	(2.175.436)
Change in financial assets		(105.929)	-
Income from sale of tangible assets		4.475	420.339
Cash flow from investment operations		**(50.137.746)**	**(29.987.002)**
Financial operations			
Change in borrowings		42.291.164	35.242.868
Change in short-term leasing liabilities		(847.969)	-
Change in long term leasing liabilities		145.638	-
Interest received		143.118	65.160
Interest paid		(326.055)	(69.838)
Cash flow from financial operations		**41.405.896**	**35.238.190**
Net change in cash and cash equivalents		4.375	(361.148)
Beginning balance of cash and cash equivalents		**13.338.556**	**9.953.065**
Ending balance of cash and cash equivalents		**13.342.931**	**9.591.917**

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

Explanation added for convenience translation into English:

As of 30 June 2005, the accounting principles described in Notes 2 (defined as CMB Accounting Standards) to the accompanying interim consolidated financial statements differ from International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board with respect to the application of inflation accounting, presentation of the basic financial statements and the notes to them. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

....