'09

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Çelebi Ground Handling Inc.
Annual Report

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Message from the Board of Directors

Distinguished customers, shareholders and employees,

Having proudly left behind its 51st year in operation, Çelebi Ground Handling maintained stable performance on the back of successfully implemented strategies, and achieved highly satisfactory figures in turnover and profit as a result of its effective management, marketing and sales activities in 2009.

Standing for strong corporate experience, know-how and discipline, our Company once again became the industry's leader owing to the importance it attaches to investing in new technology and people, combined with its flexibility and agility.

The experience and the ability to create a dynamic corporate culture in the face of evolving market conditions underlie the industrial leadership held by Çelebi Ground Handling for over half a century. The most important constituents of Çelebi Ground Handling's innovative style are the deep insight it enjoys into its customers and the market, close monitoring of the same, proactivity, and capability to lead change.

All measurable results of Çelebi Ground Handling clearly prove how astute the strategy we have been implementing is in the present time when productivity, scale and more than most of all, high-quality service are critical.

Before addressing the Company's performance and results in 2009, we would like to briefly share our opinions about the economic environment that dominated the year.

The effect of the global economic crisis started wearing off.

As a natural outcome of globalization, the economic crisis that jolted the world over the past two years systematically took countries, and in turn businesses, into its grip, and sustained its impact on the economies of all major developed and emerging countries throughout 2009.

With the contribution of the monetary and fiscal measures introduced as well, the effect of the crisis started wearing off from the third quarter of 2009, and the financial markets entered a recovery process that is faster than anticipated. In this vein, the IMF revised its projections on the world economy upward to 0.8% contraction and 3.9% growth in 2009 and 2010, respectively, in its "World Economic Outlook 2010" report.

Concrete data and developments towards the end of 2009, in particular, endorse the opinions that the global fight put up against the crisis might lead the post-crisis stagnation wave to last shorter than projected.

Yet, the worrisome level of public debt in developed countries, partial continuance of the problems in the credit markets and the continued high rates of unemployment indicate that it will take a long while to permanently eliminate the issues facing global economy.

We are exhibiting an effective process management.

Owing to its strong prediction ability coupled with its accurate strategies, Çelebi Ground Handling was able to minimize the industrial impact of the crisis. Possessing the culture of working, competing and establishing strategic alliances in the global arena, our Company exhibited an effective process management that covered international operations.

In this period when winning new customers has become more difficult, the Company's strategy and practices focused on enhancing customer satisfaction, further upgrading the quality of our services in terms of continuity and productivity, and working more efficiently in every aspect.

We are turning opportunities into performance.

We are confident that our Company has the capability to proficiently capitalize on the valuable experiences gained in the past to convert the adverse economic conditions into advantage, and to sure-footedly progress in its journey to the future.

Targeting growth and profitability since the first day it started activities, Çelebi Ground Handling achieved bright financial and operational results also in 2009. We have further solidified our leadership in ground handling with 161,114 aircraft that has been served during 2009.

We are edging towards becoming a global company.

Upon reaching the optimum size in Turkey, we have given momentum to activities geared towards being a "Global Player" from the start of the 2000s. The first concrete step in this direction was the inception of ground handling services provision at Ferihegy International Airport in Budapest, the capital of Hungary, as of November 2006.

Message from the Board of Directors

Our company in that country, Çelebi Ground Handling Hungary, was able to preserve its market share to a significant extent in 2009 despite the stagnation in the aviation industry. Our primary target is to achieve expanded customer portfolio and sustained successful performance by Çelebi Ground Handling Hungary in the coming period.

We have been working intensely to take part in the Indian market that we have been closely monitoring since 2005. The first outcome of these efforts was the license tender earned for ground handling services for a period of ten years at Mumbai Chhatrapati Shivaji International Airport in India on 13 November 2008. Set up within the frame of the tender specifications, our investment Celebi Nas Airport Services India Private Limited started providing service to British Airways on 01 July 2009 and currently services approximately 100 aircraft per week.

Our second initiative in India was winning the contract for the development, modernization, and financing of the brownfield cargo terminal and operating it for 25 years, which was put out to tender by Delhi Airport Private Ltd. (DIAL), the operator of Delhi Indira Gandhi International Airport in New Delhi. Upon finalization of the tender proceedings in favor of our Company on 20 August 2009, services were started to be offered by Celebi Delhi International Airport Cargo Terminal Management India Pvt. Ltd. from 25 November 2009, which is a subsidiary of our Company established under the tender specifications.

Another important development on the part of our Company in New Delhi was the license tender for offering ground handling services for a period of ten years at the New Delhi International Airport, which we have won in November 2009. We are intending to start providing services in May 2010 via the company set up within this frame under the name Celebi Ground Handling Delhi Private Limited, in which we hold 74% stake. Upon commencement of operations in Delhi after Mumbai, we will be providing ground handling service to 50% of the international air traffic in India.

On another hand, we have decided, on 20 November 2009, to take part in the tender for the operation of the existing cargo structure in Mumbai Chhatrapati Shivaji International Airport in India. With this contract, which we hope will be awarded to our Company, we will have the opportunity to exhibit the integrated service capability of Çelebi in two major cities of India.

We are taking new steps in Europe.

Besides Hungary, Belgium represents another location we target to offer service in Europe. A license application was filed for undertaking ground handling activities at Brussels South Charleroi International Airport by Çelebi Ground Handling Hungary, in which Çelebi Ground Handling controls 70% equity stake. Our application was approved by the Belgium Ministry of Transport and our Company has been awarded with the license for providing ground handling services for a period of ten years on 01 July 2009.

We have lived the joy of undersigning yet another major and important success in the last months of 2009. Having decided to open a branch at Sabiha Gökçen, the second international airport of İstanbul, our Company completed organizational steps within as quickly as 45 days and commenced services at Sabiha Gökçen Airport (SAW) on 01 November 2009.

Outlook

Recognizing that the industry in which it operates moves forward every day, our Company holds a vision that targets rendering change continuous and managing change. We regard it as our top priority to export our expertise to the international arena, and to expand our international presence by cooperating in world-class projects particularly with our foreign partners, in addition to developing new areas of activity.

Our primary targets include being a strategy-focused organization, creating a business excellence model based on total quality management concept, and ensuring that this model is customer-driven.

We extend our gratitude to our shareholders, customers and business partners for their unrelenting support and assistance in our effort to achieve our targets, and to all Çelebi employees for their committed hard work and contributions.

ÇELEBI GROUND HANDLING INC.

Canan Çelebioğlu Tokgöz Vice Chairperson	Can Çelebioğlu Chairman

1. ACTIVITY STATEMENT

Çelebi Hava Servisi A.Ş. (Çelebi Ground Handling Inc, "the Company") was the first privately-owned ground handling services company in the Turkish aviation industry and has been in business since 1958. The Company's shares began trading in the Istanbul Stock Exchange (ISE) in 1996. The Company's principal business activity consists of providing domestic and foreign airlines and air cargo companies with ground handling services (representation, traffic, ramp, cargo, flight operations, and similar services) and refueling services. The Company's operations take place in Turkey at total 25 stations located in Adana, Ankara, Antalya, Bodrum, Bursa Yenişehir, Çorlu, Dalaman, Diyarbakır, Erzurum, Istanbul, Izmir, Isparta, Kars, Kayseri, Malatya, Mardin, Samsun, Tokat, Trabzon, Van, Denizli, Hatay, Kahramanmaraş, and Erzincan airports which are under the control of State Airports Authority ("DHMI") and in Istanbul Sabiha Gökçen Airport which is under the control of Airport Administration and Aviation Industries ("HEAŞ").

The Company is registered with the Istanbul Trade Registry (192002-139527). Its address of record is:

Çelebi Hava Servisi A.Ş.
Atatürk Havalimanı, Yeşilköy, Bakırköy 34149
Istanbul, Turkey

Consolidated in the Company's accounts as of 31 December 2009 on the basis of 49.99% participation ratio in accordance with the joint venture consolidation method, Çelebi IC Antalya Havalimanı Terminal Yatırım İşletme A.Ş. ("Çelebi IC") has been incorporated on 23 March 2004 pursuant to the "Implementing Agreement for the Building, Operating and Transfer of Antalya Airport 2nd International Terminal Building ("Terminal")" of 24 February 2004 concluded by and between the Company and the General Directorate of State Airports Authority (DHMİ). According to the said agreement and the supplemental agreement thereto dated 10 November 2004, the construction of the Terminal has been completed and operations started on 04 April 2005. The operating period of the Terminal expired on 23 September 2009, as per the Implementing Agreement. The other major shareholder in Çelebi IC is İçtaş İnşaat Sanayi ve Ticaret A.Ş. with a stake of 49.99%.

The Company also owns 94.8% (2008: 94.8%) of Çelebi Security and Surveillance Consultancy Inc. ("Çelebi Security"), a joint stock company active in airport terminal security and providing security services to airline companies.

The Company also controls 70% stake (HUF 700,000,000) in the capital of Celebi Ground Handling Hungary Földi Kiszolgáló Korlátolt Felelösségü Társaság ("CGHH") offering ground handling service at Budapest Airport. The shares representing the remaining 30% (HUF 300,000,000) of the capital is held by Çelebi Aviation Holding.

Within the frame of the procedures concerning the tender put out for the performance of ground handling services for a period of 10 years at the Mumbai Chhatrapati Shivaji International Airport in India, which has been contracted out to the consortium that also included the Company, a company by the name "Celebi Nas Airport Services India Private Limited ("Celebi Nas") has been incorporated on 12 December 2008 to provide ground handling services at the said airport. Celebi Nas started the operations as of 01 July 2009. Based in the Maharashtra state in Mumbai, India, Celebi Nas has a capital of INR 100,000,000, in which the Company controls 51% stake as a founding partner. Subsequently, it has been resolved to increase the capital of Celebi Nas to INR 400,000,000. In this frame, capital and capital advance payment of INR 204,000,000 has been made in total to Celebi Nas as of 31 December 2009.

The Company established Celebi Delhi Cargo Terminal Management India Private Limited ("Celebi Delhi Cargo") with an initial capital of INR 100,000, in which it controls a 74% share as a founding partner and which will be engaged in the brownfield development, modernization and financing of the existing cargo terminal in the airport in New Delhi, India, and in its operation for a period of 25 years. Subsequently, it has been resolved to increase the capital of Celebi Delhi Cargo to INR 720,000,000. In this frame, capital and capital advance payment of INR 532,800,000 has been made in total to Celebi Delhi Cargo as of 31 December 2009. The company started activities on 25 November 2009.

2. BOARD OF DIRECTORS AND STATUTORY AUDITORS

The Company's Board of Directors consists of the following members:

Can Çelebioğlu	Chairman
Canan Çelebioğlu Tokgöz	Vice Chairperson
Engin Çelebioğlu	Board Member
Mehmet Kaya	Board Member
Necmi Yergök	Board Member
Aydın Günter	Board Member

Term of office for the members of the Board of Directors is one year, and the existing members have been re-elected for another year at the General Meeting convened on 18 March 2009. At the Meeting, it has also been decided unanimously by the participants to appoint Board members Mr. Can Çelebioğlu and Mrs. Canan Çelebioğlu Tokgöz as managing directors (executive members).

The Company's Board of Directors consists of people chosen from among designated candidates who satisfy the levels of knowledge and skills stipulated in the CMB's Corporate Governance Principles and who possess specific experience and backgrounds. In addition, all Board members are in possession of the essential knowledge needed to read and analyze financial statements and reports, are familiar with the legal framework governing the Company's day-to-day and long-term dealings and transactions, and are capable of and committed to taking part in all of the year's regularly scheduled board meetings.

According to article 8 ("Representing and Binding the Company") of our articles of incorporation, the Board of Directors is responsible for the administration of the Company and for representing it before outside parties. The Board of Directors may delegate some or all of its powers to represent and administer the Company to executive directors and/or to managers who are not members of the Board. The individuals with the power to represent and bind the Company and the ways they may do so are determined by the Board and duly registered and announced. In order for any documents issued by the Company or for any contracts that are entered into to be valid, they must be signed, below the Company's legal name, by an individual or by individuals authorized to do so by the Board of Directors.

The authorities and responsibilities of our Company's Board members and managers are stated in signature circular VI setting down the powers to represent and bind the Company that was registered by the İstanbul Trade Registry on 06 September 2006 and announced as having been registered in issue 6639 of the Turkish Trade Registry Gazette dated 11 September 2006.

As per the assignment of duties among the Board members elected at the Ordinary General Meeting of 18 March 2009, it has been decided by the unanimous votes of the participants to re-elect Mr. Can Çelebioğlu and Mrs. Canan Çelebioğlu Tokgöz as the Chairman and Vice Chairperson of the Board respectively.

Board of Auditors
At the General Meeting of 18 March 2009, Ramazan Özel, Uğur Doğan and Ümit Bozer have been re-elected as statutory auditors within the scope of the Turkish Commercial Code (TCC) and the Company's articles of association.

Statutory auditors serve one-year terms and hold office until the next annual general meeting.

Audit Committee
On 09 April 2009, the Board of Directors decided to re-elect Engin Çelebioğlu and Mehmet Kaya as members of the audit committee from amongst the Board members elected at the 2008 Ordinary General Meeting of Shareholders convened on 18 March 2009, in line with the provisions of the relevant article of the CMB Communiqué X: 22 concerning Independent Audit Standards in the Capital Markets.

Senior Management

The names of the executives who served at the Company in the year ending on 31 December 2009 are presented below. During the reporting period, Mehmet Tunç Müstecaplıoğlu appointed as Sales and Marketing Director as of 01 October 2009 to replace Mehmet Sanlı Şekercioğlu who is appointed as Cargo Sales and Marketing Director as of the same date.

The executives who served at the Company in 2009 are as follows:

Name	Title	Effective from
Salih Samim Aydın	Chief Executive Officer	2006
Talha Göksel	Assistant General Manager - Operations	2003
Hüsnü Tanzer Gücümen	Assistant General Manager - Financial Affairs	2004
Osman Yılmaz	Operations Director	2008
Yavuz Samur	Corporate Relations Director	1988
Mehmet Tunç Müstecaplıoğlu	Sales and Marketing Director	2009
Serhat Ziya Erten	Human Resources Director	2005
Ahmet Hamdi Arıkan	Technical and Logistics Director	2007
Murat Baş	Cargo and Warehouse Director	2008
Mehmet Sanlı Şekercioğlu	Cargo Sales and Marketing Director	2006

Investor Relations Unit and Coordination of Corporate Governance Practices

Pursuant to the provisions of Articles 7 and 8 of the CMB Communiqué Serial: IV, No: 41 on the Principles to be Complied with by Joint Stock Companies Subject to the Capital Market Law, and within the frame of efforts carried out to achieve full compliance with the Corporate Governance Principles published by the CMB, and to fully implement the same, the Company's Board of Directors resolved on 19 March 2009 to;

- set up an Investor Relations Unit, which will handle exercising of shareholding rights at our Company that is listed on the ISE, will report to the Board of Directors and will maintain communication between the Board of Directors and shareholders. In this context, Abdullah Kırımlı, who serves as the Business Development Coordinator at Çelebi Havacılık Holding A.Ş., the majority shareholder in our Company, and who holds a "Capital Market Activities Advanced Level License" was appointed as the head of the Investor Relations Unit that will report to the Company's Board of Directors (Tel: +90-212-339 4039, e-mail: abdullah.kirimli@celebi.com.tr);
- appoint a full-time manager responsible for the fulfillment of the Company's obligations arising from the capital market legislation, and coordination of corporate governance practices, who will report to the Board of Directors; thus, Özgür Eren, who currently works for our Company and holds a "Capital Market Activities Advanced Level License" and a "Corporate Governance Rating Expertise License", was assigned as executive personnel. (Tel: +90-212-465 2700, e-mail: ozgur.eren@celebi.com.tr)

3. MISSION, VISION AND STRATEGIC OBJECTIVES

Mission

Çelebi Ground Handling exists in order to make its expanding line of products and services available to larger groups while always remaining faithful to the Çelebi principles of quality, reliability, and business ethics.

Vision

With a team fully identified with the collective "Çelebi spirit", being an internationally leading and trustworthy company that creates changes in its sector and produces value for all stakeholders.

Strategic Objectives

The strategic objectives of Çelebi Ground Handling are to maintain its position as leader of the ground handling services sector in Turkey, to take part in ventures in ground handling services and terminal management and operations inside/outside Turkey.

Our Values

- **Respect for the individual:** We believe in the worth of each and every person and strive to make people feel that they are worthwhile. We accept individual differences and listen to and respect individual ideas. We give people opportunities to see the added value that they create and we support their efforts to develop themselves professionally.

- **Commitment to the rules of ethics:** Each one of us is a trustworthy, reputable, and self-respecting individual. For this reason, individually and as a company we are bound by ethical values in business and social life and we believe in the merits of fulfilling our promises in a timely manner, of producing high-quality results that are correct and reliable, and of acting in accordance with established beliefs, rules, and ways of thinking.

- **Development:** The development of our company lies in the development of the individuals who make it up. For this reason, we believe first of all that we need to identify our own limitations and then acknowledge our responsibility for developing ourselves individually in order to overcome those limitations. "Development" is not understood exclusively in the professional dimension: we believe in the necessity of developing ourselves so as to improve our social skills as well. Telling others what we know and have seen and sharing what we have with others makes us richer as well. We assume the duty of each other's development and guarantee our individual development through the people that we train to take our own places. Our commitment to development encourages us to constantly review how we do our work and perform our services and to strive to come up with methods that are more effective, productive, and straightforward.

- **Teamwork:** We believe in the need to complement each other in our efforts to maximize our individual successes and contributions. We strive in mutual assistance and solidarity with our shared goals, responsibilities, and sensitivities and with our rational and respectful professionalism. We are aware that the successes we achieve are the products of a team effort and with our collective "Çelebi spirit"; each of us feels the same sense of responsibility as individuals for the ensuing results.

- **Success and result focus:** As a team we strive to achieve our objectives without losing focus; make every necessary effort at every point to achieve results; maintain our discipline and determination to work until those results have been achieved. We take pleasure in work and in creating value. Each and every result and success we achieve is exciting for us.

Our Responsibilities

- **To our team:** Each of us is responsible for building a company that every member of our team can take pride in working for, for achieving a degree of cooperation that extends over many years, for creating a pleasant and calm work environment as one big family.

- **To our investors:** We fulfill our responsibilities towards our investors by creating a company which possesses the financial strength to guarantee its continued existence and which successful domestic and foreign firms will undertake joint projects with and whose shares are sought after by the public.

- **To our sector:** We see ourselves as having a responsibility to take our sector forwards and contribute proactively towards raising the standards of its services.

- **To society:** We believe we have a responsibility to improve the levels of health and education and also to inculcate a sense of environmental awareness in the society in which we live and we engage in an effort to make a difference, starting with ourselves.

INFORMATION ABOUT THE SECTOR IN WHICH THE COMPANY OPERATES AND ITS ACTIVITIES AND PERFORMANCE IN 2009

Turkish and Global Economies in 2009

In the world...

Oil prices

While oil prices averaged USD 100 a barrel in the January-December 2008 period, the same stood at USD 62 in average in the same period of 2009. The effects of the global financial crisis that broke out in the last quarter of 2008 diminished from the first quarter of 2009, bringing along increased commodity prices, while oil prices climbed up to USD 80. Having started in the financial markets and gone on to inflict real economies, the crisis's effects upon the world economy lingered on in 2009 although at decreasing levels. The oil prices are projected to be in the order of USD 70-80 in 2010.

Inflation and growth

The US-originated financial crisis that started in the last quarter of 2008 continued to manifest its impacts upon the whole world through 2009, although at a reduced extent. 3.3% in 2008, the Euro-zone inflation dropped to 0.3% with the downward pressure of the demand and cost conditions. For the same reason, the rate of inflation in the US decreased to -0.4% in 2009 from 3.8% in 2008. On the growth side, the growth rate of domestic product in the European zone was -4.1% in 2009, while it was 0.6% in 2008. The corresponding figures for the USA were -2.4% in 2009 and 0.4% in 2008. The growth rates are expected to move to the positive side in 2010 with the diminishing of the effects of the financial crisis.

In Turkey...

Exchange rates

Having stood at 1.30 in the twelve months to end-2008, the USD exchange rate rose to 1.67 in the first quarter of 2009 with the impact of the global financial crisis that had a significant impact also on Turkey in the last quarter of 2008, and then went down to 1.49 as the effects of the crisis wore off, resulting in an average of 1.55 for the January-December period. Similarly, after floating at 1.91 in average in the same period of last year, the Euro rate went up to 2.23 in the first quarter of 2009, and then down to 2.10, averaging 2.16 for the full year. Average USD/Euro parity, on the other hand, dropped to 1.40 in 2009 from 1.48 in 2008. According to results of the CBRT CPI-based real exchange rate on banknotes which measures the value of the Turkish lira against other currencies, the index value, which had gone up to 192 prior to the financial crisis in the last quarter of 2008 and slumped to 169 as of end-December after the crisis, stood at 170 as at end-December 2009.

Inflation

9.13% in the 12-month period of 2008, inflation declined to 6.24% year-on in 2009. The downturn in inflation was driven by the slackened pressure on the demand side with the contracted economic activities as a result of the global financial and economic crisis, which in turn led to significant decreases in commodity prices. Following suit of the first three quarters of 2009, the fourth quarter saw continued effect of decelerated economic activity upon inflation, pushing the inflation basic trend to the lowest levels of the recent history. The inflation is anticipated to adopt an upward trend in 2010 with the highly reduced effects of the crisis and increased economic activity.

The Civil Aviation Industry

International...

2009 went down in the history as the year of highest reduction in demand in the aviation industry due to the economic crisis that dominated the world.

Across the world, the number of passengers and the passenger capacity suffered year-on decreases of 3.5% and 3% respectively, in 2009. The seating capacity utilization rate was 75.6% in the same period, which was 75.9% in 2008.

Cargo traffic showed a substantial 10.1% decline in the same period.

On the other hand, the indications for recovery in the last quarter of the year harbinger that the crisis is ending. Passenger traffic increased 4.5% year-on in December 2009, while cargo traffic boomed by 24.4%.

The Middle East region remained unaffected by the contraction experienced in the aviation industry in 2008, and showed continued expansion, which is noted as a pleasing development for Turkey. In the other parts of the world, however, almost 5% shrinkage was observed primarily in Europe, North America and Asia/Pacific regions.

The number of passengers to be reached in 2010 is expected to match the level of 2007 only. Oil prices are projected to maintain their start-of-the-year level of USD 70-80. Despite the improvement, USD 5.6 billion loss is projected on a global scale for the airlines in 2010.

In Turkey...

In 2009, the Turkish air transport achieved growth despite the crisis. The international passenger traffic increased 1.4% while domestic passenger traffic expanded by 14%. In this frame, 44 million international and 41 million domestic passengers were transported during 2009.

In the reporting period, the cargo traffic matched the passenger traffic in the rate of increase.

It is believed that the increase in domestic traffic is driven by the domestic passenger transport, which went liberal several years earlier and which still has room to grow until reaching the magnitude to respond to the demand. The increased promotion of the expanding domestic air transport industry before the public is also a contributor to the increased demand.

International passenger traffic was able to increase on the back of Turkey's enhanced competitive power in view of the destinations that became overpriced during the crisis such as Spain and Greece. The economic crisis manifested its effect on the Turkish tourism industry with reduced revenues despite the increased number of tourists.

In 2009, Atatürk Airport remained the biggest airport with the number of passengers in excess of 29 million, followed by Antalya Airport that handled 18 million passengers.

While the contraction in the worldwide aviation industry reflected on ground handling, the sector continued to grow in Turkey also in 2009.

Owing to the idle airports opened for service, combined with the developments in civil aviation, ground handling sector continued to rise in 2009 and the number of airports provided with ground handling services reached 40.

2009 Activities and Performance

A strategy-focused organizational structure, an approach to service quality that is supported by sophisticated management systems, and a talent for adapting nimbly to change provided the energy and momentum for a very intensive year of activities.

An investment of Çelebi Ground Handling, Celebi Nas commenced ground handling activities at the Mumbai (Bombay) Chhatrapati Shivaji International Airport in 2009. Having quickly started to offer ground handling services to some of the world's select airlines in Mumbai, as well, Celebi Nas continues to broaden its customer portfolio.

Poised to become a global actor in its industry, Çelebi earned the right to provide ground handling services at Delhi Indira Gandhi Airport during 2009. Ground handling activities in Delhi are slated for commencement in May 2010 via Celebi Ground Handling Delhi Private Limited, the subsidiary whose incorporation has been completed.

In addition, Çelebi was awarded the contract for operating the only cargo bonded warehouse situated again in the Delhi Airport in 2009, and took over the management of the same. Having handled 430,000 tons of cargo during 2008, the Delhi Airport's cargo handling volume is expected to arrive at one million tons within ten years.

International initiatives of Çelebi Ground Handling in 2009 went beyond the above and a work permit was obtained during the reporting period for operating at the Charleroi Airport in Brussels via the subsidiary Celebi Ground Handling Hungary; feasibility study is underway for starting services.

In Turkey, Çelebi Ground Handling started operations as of November 2009 at Sabiha Gökçen Airport that has become the third biggest airport in our country. Turkey's fastest growing airport, Sabiha Gökçen operations are expected to fortify Çelebi Ground Handling's strong position in the market.

In 2009, Çelebi Ground Handling serviced more than 160,000 aircraft and over 40 million passengers in total in Turkey, India and Hungary. Total amount of cargo handled exceeded 120,000 tons.

As of end-2009 our Company had a consolidated net turnover of TL 311,090,568 (2008: TL 301,974,245) for the year and total consolidated net profit which was TL 35,044,734 last year has been realized as TL 27,782,633 in 2009.

Regarding company loyalty as one of the most important factors contributing to survival and success in the business world, Çelebi adheres to human resources policies and practices that have created a team of people whose levels of knowledge and skills are high, who can think creatively, have a strong sense of responsibility, and are self-confident.

Our company's vision seeks to make change permanent while also successfully managing it. Being a strategy-focused organization, developing a model of business perfectionism that is based on a total quality management approach and ensuring that this model is part of a proactive structure whose actions are inspired by customers expectations, increasing employee job satisfaction and productivity, creating resources of greater revenue, and developing a benchmarking/measurement culture and taking continuous advantage of it all number among our fundamental objectives.

The National Quality Movement and the "European Excellence Journey" Program

Our company is a member of the "National Quality Movement" that was launched in 2005 by KalDer (Turkish Quality Association) under the slogan "Quality in every aspect of life". Like the many other companies and organizations that have joined this movement to raise the quality of national life, ÇGH signed KalDer's "Pact". The areas in which the company is strong and those needing improvement using the self-evaluation methods based on the "EFQM Excellence Model" developed by the European Foundation for Quality Management were identified and improvements were made in line with the findings of these self-assessments.

As a result of these efforts, our Company received the EFQM Competency in Excellence 4 * award in November 2008. We strongly believe that ÇGH will be successful in its path to receiving the National Quality Award and the European Quality Award.

Our Company has a quality management system whose processes are fully defined, quantified, and monitored and which seeks to achieve continuous improvement. Our company's quality management system is based on precisely defining all service and management processes and on ensuring that the results of those processes can be quantified, monitored, and analyzed so that they may be further developed. Çelebi Ground Handling's quality management system has been accredited by Bureau Veritas with ISO 9001 2000 certification which covers the headquarters and 23 of our stations.

The environmental Management System has been awarded with ISO 14001:2004 certificate at İzmir (ADB) station and the headquarters by Bureau Veritas.

Our Company has a management system which provides employees with a safe and healthy working environment, which carries out risk assessments that identify the threats and risks to which employees may be exposed and engaged in activities to reduce risk/threat levels through measures that are to be taken, which complies with the requirements of applicable laws and regulations, which develops and implements programs to achieve occupational health and safety objectives, and continuously monitors occupational health and safety performance.

For the purposes of increasing service quality, gaining access to important information about the sector, and keeping track of market and technological developments, our company takes part in international seminars, meetings, and conferences held all over the world. In 2009 Çelebi Ground Handling attended seminars and other events organized by IATA International Ground Handling Council, IAHA, Ground Handling International, ACI, TIACA, Aviance, and others.

Operational Productivity

The advanced resource planning and real-time control system (Inform-GroundStar) that was designed to achieve operational productivity in company operations has been successfully implemented and used in İstanbul, İzmir, Ankara, Bodrum and Dalaman stations during 2009. Furthermore, Plan Control and Roaster modules were installed and put into active use in Adana, Trabzon, Diyarbakır and Samsun for the purpose of planning and work schedule preparation at our stations.

Its installation completed during 2009, the E-SCF (Electronic Service Charge Form) project is started to be run on the test system, and is planned to be rolled out at our İstanbul, Antalya, İzmir and Sabiha Gökçen stations during 2010. After the project goes live, the workload of our operations department personnel will be alleviated, possible mistakes will be minimized, and time spent by staff for document preparation and forwarding will be reduced.

Relevant work started in 2009, vehicle tracking system project is slated for introduction during 2010. The real-time vehicle tracking system aims to maximize the productivity of equipment, bring about saving in oil and maintenance costs, and ensure a more environmentally-sensitive operation through reduced release of exhaust gases. The system will also allow for easier control of distribution of equipment used in service production in the field through intensive operation periods.

5. CHANGES TO THE ARTICLES OF ASSOCIATION

Changes to the Articles of Association

"Article 6 – Capital and the Type of Share Certificates" of the Company's articles of association has been amended after receiving permission from the Capital Markets Board of Turkey by its letter dated 11 November 2008, number 1780, and the Turkish Ministry of Industry and Trade, Directorate General for Domestic Trade by its letter dated 14 November 2008 and number 5521, and by the unanimous approval of the motion to increase the Company's registered capital to TL 100,000,000 at the General Meeting convened on 18 March 2009. The said amendment has been registered on 10 April 2009 and promulgated in the Turkish Trade Registry Gazette issue 7292 dated 15 April 2009.

Company Policies

Pursuant to the provision of Article 23 of the CMB Communiqué Serial: VIII, No: 54 on the Principles of Public Disclosure of Material Events and within the frame of efforts carried out to achieve full compliance with the Corporate Governance Principles published by the CMB, and to fully implement the same, the Company's Board of Directors resolved on 30 April 2009 to approve the Information Policy drawn up by the Company's General Management for the purpose of public disclosure within the frame of the Capital Market legislation, ISE regulations, the Company's articles of association and the CMB's Corporate Governance Principles, to post it on the corporate website and present it for the information of shareholders at the immediately following general meeting, which policy aims at:

- communicating the Company's past performance and future expectations within the frame of generally accepted accounting principles and CMB provisions, on the principles of completeness, fairness, accuracy, timeliness and intelligibility, making them equally available to all "stakeholders" such as national/foreign shareholders, stakeholders, investors and capital market institutions, and maintaining an active and transparent communication at all times; and
- ensuring that necessary information and disclosures other than trade secrets are made available to all stakeholders including shareholders, investors, employees and customers in a timely, accurate, complete, and intelligible manner, easily accessible at low cost.

6. INFORMATION ABOUT FINANCIAL STATEMENTS AND REPORTS

Consolidated financial statements of Çelebi Ground Handling are compliant with the Capital Markets Board of Turkey (CBRT) Communiqué Serial: XI, No: 29 on Financial Reporting Principles in the Capital Markets, which sets out the principles and procedures regarding financial reports to be drawn up by entities, their preparation and submission to related authorities. The said communiqué is effective for the financial statements pertaining to the first fiscal period starting from 01 January 2009 and the CMB Communiqué Serial: XI No: 25 on Accounting Standards in the Capital Markets has been revoked. Based on the communiqué, companies are required to draw up their financial statements in accordance with the International Financial Reporting Standards (IAS/IFRS) as accepted by the European Union. However, IAS/IFRS will be applied until the differences between the IAS/IFRS accepted by the European Union from those issued by the International Accounting Standards Board (IASB) are announced by the Turkish Accounting Standards Board (TASB). In the process, Turkish Accounting/Financial Reporting Standards (TAS/TFRS) issued by the TASB will be taken as the basis, which are in line with the aforementioned standards.

Based on a decision passed on 17 March 2005, the CMB has announced that, effective 01 January 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with the accounting and reporting principles acknowledged by the CMB (the CMB Financial Reporting Standards). Accordingly, the Company did not apply IAS 29 "Financial Reporting in Hyperinflationary Economies" issued by the IASB in its financial statements for the accounting periods starting 01 January 2005.

As the differences of the IAS/IFRS endorsed by the European Union from the ones issued by the IASB have not been announced by TASB as of the date of preparation of the consolidated financial statements, the consolidated financial statements have been prepared within the framework of the CMB Communiqué Serial: XI, No: 29 and related promulgations clarifying this Communiqué as issued by the CMB in accordance with the CMB Financial Reporting Standards which are based on IAS/IFRS. The consolidated financial statements and the related notes to them are presented in the formats recommended to be adhered to by the CMB in its weekly bulletins numbered 2008/16, 2008/18, 2009/2, 2009/4 and 2009/40, and incorporate the compulsory information. Pursuant to the CMB Communiqué Serial: XI, No: 29 and its promulgations clarifying the same, companies are obliged to present the hedging ratio of their total FX liabilities and the amounts of total exports and total imports in the notes to their financial statements.

When keeping its accounting records, the Company conforms to the Turkish Commercial Code (TCC), tax legislation, and the requirements of the Uniform Chart of Accounts issued by the Republic of Turkey Ministry of Finance (Ministry of Finance). Subsidiaries operating in foreign countries have their statutory financial statements drawn up in accordance with the laws and regulations applicable in the relevant countries. Consolidated financial statements are prepared according to legal records that are based on the historical cost principle, which reflect the necessary corrections and classifications for the purposes of correct representation as per the CMB Financial Reporting Standards.

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

Impact of Warehouse Fire on the Consolidated Financial Statements

Even it is a weak possibility, our Company had an assessment made of the total damages that could be expected in light of existing petitions and suits made within the framework of the rules of air cargo transport and applicable laws and regulations and arrived at a figure of TL 12,665,368 as of 31 December 2009. The Company itself has initiated suits and claims for legal action against other parties (DHMİ, other warehouse operators, insurers) on account of the fire amounting to TL 62,181,179 of which TL 55,493,561 represents actions in which it is a joint plaintiff and TL 6,687,618 represents actions in which it is the sole plaintiff). As of 31 December 2009 the Company held a fully-paid insurance policy in the amount of USD 1,500,000 to cover the value of goods against the possibility that it might be held legally responsible for their damage by fire.

For covering the legal claims arising out of the cargo warehouse fire that broke out on 24 May 2006, the Company management decided to utilize its insurance policy with a cover of USD 10,000,000 under the funds set up with the State Airports Authority (in Turkish: DHMİ) and the other warehouse operator within the frame of the terms set out in the "Sharing Agreement" executed by and between the said parties. The said agreement has been set up to cover the joint claims in relation to losses arising as a result of the fire that occurred at the warehouse.

The parties to the agreement, i.e. the Company, DHMİ and the other warehouse operator maintain their belief that they cannot be held liable in any way in relation to the fire and its consequences, and decided that the fund in question should be set up by the parties' reinsurers in order to amicably settle the present and potential future lawsuits that they will be a party to.

In this frame, the Company management regards any liability as a remote possibility since it has not caused the breakout of the fire and no reasons were established requiring the Company to be held responsible on occasion of the fire. No determinations can be made as to the claims for losses which cannot be settled amicably, enforcement proceedings and the final judgment on lawsuits, and hence no provisions were set aside in the consolidated financial statements for the period ending 31 December 2009.

The Companies Incorporated into Consolidation in 2009

The Company's consolidated financial statements for the period ending 31 December 2009 include the results of Çelebi IC Antalya Havalimanı Terminal Yatırım İşletme A.Ş. ("Çelebi IC") and Celebi Nas, two joint ventures which are consolidated on the basis of proportionate consolidation at its 49.99% and 51% stake respectively in those companies, as well as CGHH, Çelebi Security and Celebi Delhi Cargo, which are consolidated on a line-by-line basis. These companies are jointly referred to as the "Group".

Celebi Nas Airport Services India Private Limited

As of 31 December 2008, the Company controls, directly or indirectly, a total of 51% of the voting rights in Celebi Nas, the Company's associate residing in Mumbai, India. However, since this is insignificant with respect to consolidated financial statements, it has not been consolidated into consolidated financial statements until 30 June 2009, but was accounted for as available-for-sale financial assets. However, upon completion of Celebi Nas's organization and in consideration of the increase in its total assets, the results of this company was subjected to consolidation in the consolidated financial statements dated 30 June, 30 September and 31 December 2009.

Celebi Delhi Cargo Terminal Management India Private Limited

While direct and indirect voting rights of Celebi Delhi Cargo was 74% until 31 December, this company was accounted for as available-for-sale financial assets in the 2009 interim financial statements since it was insignificant with respect to consolidated financial statements. However, upon completion of Celebi Delhi Cargo's organization and in consideration of the increase in its total assets, the results of this company was subjected to consolidation for the first time in the consolidated financial statements dated 31 December 2009.

Comparative data and revision of financial statements from the prior period

In order to achieve alignment with the presentation of consolidated financial statements for the current period, comparative data have been reclassified when deemed necessary.

The Group's consolidated financial statements incorporate data for the prior period for comparison purposes so as to establish the financial standing and performance trends. The Group has drawn up its consolidated balance sheet as at 31 December 2009 in comparison with that as at 31 December 2008; its consolidated income statement for the period ending 31 December 2009 with that for the period ending 31 December 2008; its cash statement and statement of changes in equity for the period 01 January – 31 December 2009 with the relevant consolidated financial statements for the period 01 January – 31 December 2008.

7. ISSUES THAT HAVE ARISEN SINCE THE BALANCE-SHEET DATE

As a result of the tender won for the execution of the airport ground handling services for a period of 10 years at the Delhi International Airport, Celebi Ground Handling Delhi Private Limited' ("Celebi GH Delhi") was incorporated on 16 November 2009 with a paid-in capital of INR 100,000, in which the Company participated by 74%. A decision was passed on 09 February 2010 to cover the shareholders' equity in the amount of INR 603,406,000 needed to fulfill the obligations arising from the Concession Agreement executed with the Public Procurement Authority and to ensure realization of the planned investments through undertaking premium capital increase subject to the legislation governing the said company in India, and to maintain the Company's 74% shareholding by paying INR 600,732,000 in total (ca. USD 12.8 million).

On 15 March 2010, the Company resolved to participate in the company that will be established in Madrid, Spain, with the name "Celebi Ground Handling Europe", as a founding partner with 100% stake in capital. The company will have a capital of EUR 10,000 and take on activities abroad and particularly in the EU countries.

In relation to the financial obligations arising from agreements made for the long-term project finance executed between Celebi Nas, the Company's joint venture, and a bank residing in India for a cash loan of INR 640,000,000 (ca. USD 13.9 million) and a non-cash loan worth INR 130,000,000 (ca. USD 2.8 million), and for the cash working capital loan in the amount of INR 100,000,000 (ca. USD 2.2 million), the portion corresponding to 15.3% of the Company's 51% stakeholding in Celebi Nas has been pledged in favor of the related banks on 23 March 2010.

Since the bridge loan facility in the amount of INR 1,250,000,000 (ca. USD 27.2 million) executed between Celebi Delhi Cargo, the Company's subsidiary, with a bank residing in India was converted into a long-term cash project loan in the amount of INR 1,850,000,000 (ca. USD 40.2 million), a guarantee matching the amount of the loan has been furnished to the related banks for the financial obligations arising from the agreements made with these banks, and all of the shares the Company holds in Celebi Delhi Cargo representing 74% stakeholding have been pledged in favor of these banks on 26 March 2010.

In relation to the financial obligations arising from the agreements made by and between Celebi Delhi GH and certain banks residing in India for a long-term project finance package consisting of a cash loan in the amount of INR 750,000,000 (ca. USD 16.3 million) and a non-cash loan of INR 500,000,000 (ca. USD 10.9 million), the related banks have been furnished with guarantee matching the amounts of cash and non-cash loans on 26 March 2010, and the Company's shares corresponding to 23.9% of its 74% stakeholding in Celebi Delhi GH will be pledged in favor of the relevant banks.

8. BASIC FINANCIAL RATIOS

The basic ratios showing our Company's financial structure, profitability, and debt-servicing were calculated on the basis of above mentioned consolidated financial statements dated 31 December 2009 and 31 December 2008.

	2009	2008
Current Ratio (Current Assets/Current Liabilities)	1.71	1.89
Cash Ratio (Cash Assets/Current Liabilities)	1.11	0.88
Average Collection Time	22.63	20.91
Current Liabilities/Total Liabilities	41.07%	44.43%
External Resources/Shareholder's Equity	172.76%	105.71%
Gross Profit Margin	34.98%	28.75%
Operating Profit (Loss)/Net Sales Proceeds	13.01%	15.42%
Operating Profit (Loss)/Total Assets	12.36%	17.37%

Current Ratio: Current ratio declined from 1.89 to 1.71, stemming from the 39.10% rise in current liabilities despite the 25.07% increase in current assets.

Cash Ration: Cash ratio rose from 0.88 to 1.11 due to the significant rise by 76.37% in cash assets despite the 39.10% rise in current liabilities.

Gross Profit Margin: Gross profit margin went up from 28.75% to 34.98% due to the 5.98% decline in cost of sales despite the 3.02% increase in net sales revenues.

Operating Profit/Net Sales Proceeds: Although consolidated net sales revenues rose from TL 301.97 million to TL 311.09 million, operating profit declined from TL 46.57 million to TL 40.49 million with the effect of the rise in other operating costs, which was primarily contributed by the donations and grants in relation to the construction works of the Erzincan School of Civil Aviation and by consultancy costs incurred in 2009 in relation to international investments.

9. NATURE AND VALUE OF ISSUED CAPITAL MARKET INSTRUMENTS

As of 31 December 2009 our Company's issued capital amounted to TL 24,300,000. Our Company's capital structure on the dates of 31 December 2009 and 31 December 2008 was as follows:

	31 December 2009		31 December 2008	
Shareholders	(%)	TL	(%)	TL
Çelebi Holding A.Ş.	53.03	12,885,383	54.47	13,235,383
Engin Çelebioğlu	10.01	2,432,430	10.01	2,432,430
Can Çelebioğlu	7.50	1,822,770	7.50	1,822,770
Canan Çelebioğlu Tokgöz	7.49	1,820,970	7.49	1,820,970
Others	21.97	5,338,447	20.53	4,988,447
Total	**100.00**	**24,300,000**	**100,00**	**24.300,000**

Identities of ultimate non-corporate controlling shareholders

The identities of our Company's ultimate non-corporate controlling shareholders purged of all cross-shareholding interests are as follows:

Shareholders	31 December 20099 (%)	31 December 2008 (%)
Engin Çelebioğlu	27.68	28.16
Can Çelebioğlu	25.17	25.65
Canan Çelebioğlu Tokgöz	25.17	25.65
Others	21.97	20.54
Total	**100.00**	**100.00**

10. DEVELOPMENTS IN INVESTMENTS; INVESTMENT INCENTIVES USED

The amount of the intangible asset investments the Company has realized in 2009 has been TL 12,194,972 TL (2008: TL 6,468,361). 30% of the investments have been in machinery, equipment and appliances, and 38% in special costs. No investment incentives are available related to the investments realized by the Company in 2009.

Total consolidated investment of the Group in tangible and intangible assets in 2009 amounted to TL 62,931,008 (2008: TL 7,541,063).

11. INFORMATION ABOUT PRODUCTION AND SALES OF GOODS AND SERVICES

The number of aircraft that our Company provided services in a period of 12 months ending 31 December 2009 is stated below:

Number of aircraft served	2009	2008	2007	2009-2008 %	2008-2007 %
Turkey					
International flights	57,040	63,932	61,025	(10.78)	4.76
Domestic flights	83,406	81,675	83,029	2.12	(1.63)
Turkey total	**140,446**	**145,606**	**144,054**	**(3.54)**	**1.08**
Hungary	**18,767**	**22,063**	**22,293**	**(14.94)**	**(1.03)**
India	**1,901**	**0**	**0**	**-**	**-**
Total	**161,114**	**167,669**	**166,347**	**(3.91)**	**0.80**

12. BASIC RISK MANAGEMENT POLICIES

Due to the nature of its activities, the Group is focused on managing various financial risks including the effect of changes in exchange and interest rates. By its risk management program, the Group aims to minimize the potential negative effect to be caused by the volatilities in the markets.

Risk management is carried out within the frame of policies approved by the Board of Directors.

The tasks of planning risk management, overseeing its operations and effectiveness, and ensuring that the internal audit team carries out its activities within the framework of the risk management plan are the duty of the Audit Committee, which has been set up by a Board of Directors resolution pursuant to CMB regulations. The Audit Committee formulates a risk management and internal audit system capable of minimizing the risks that the Company could be confronted by and takes such measures as are needed to ensure that the system functions reliably.

Interest rate risk

Within the frame of its principle to manage risk with natural actions consisting of balancing the maturities of assets and liabilities sensitive to interest rates, the Company management utilizes its interest-bearing assets in short-term investments. In addition, the Company protects itself from the interest risk arising from floating-rate bank loans through limited use of interest rate swap agreements that take place among derivative instruments as and when deemed necessary.

Liquidity and funding risk

The cash flow, made up of repayment times and amounts of loans, is managed in view of the amount of free cash flow to be generated by the Group on its activities. Therefore, while the option of debt repayment with the cash generated on activities when necessary is kept available on one hand, sufficient number of reliable and high-quality lending resources are kept accessible on the other.

Credit risk

Credit risk consists of cash and cash equivalents, deposits held with banks, and customers exposed to credit risk that cover uncollected receivables.

With respect to the management of the credit risk concerning its receivables from customers, the Company identifies a risk limit individually for each customer (excluding related parties) using bank and other guarantees, and the customer carries out its business transactions so as not to exceed this risk limit. In the absence of these guarantees or in cases where they are required to be exceeded, transactions are carried out within internal limits set by procedures.

Exchange rate risk

Taking into consideration the significantly volatile course adopted in the past by the Turkish Lira against major foreign currencies and its over-valuation, the Group espoused a conservative monetary position and financial risk management policy. The Group is exposed to exchange rate risk due to its operations conducted in numerous currency units. Efforts are spent to keep the ratio of the amount of positions of these currencies among themselves or against Turkish Lira to total shareholders' equity within certain limits. To this end, foreign currency position is continually analyzed, and the exchange rate risk is managed using balance sheet transactions, or when necessary, off-balance sheet derivative instruments.

13. INFORMATION ABOUT PERSONNEL AND HUMAN RESOURCES POLICY

As of 31 December 2009, our Company had a total of 3,511 employees on its payroll. (3,248 on 31 December 2008.) The average numbers of employees working for the Company in 2009 and 2008 were 3,416 and 3,475, respectively.

Group (Consolidated)	31 December 2009 Number of Employees	31 December 2008 Number of Employees
Çelebi Ground Handling Inc. ("Company")	3,511	3,248
Çelebi IC Antalya Airport Terminal Investment and Management Inc.	0	46
Çelebi Security and Surveillance Consultancy Inc.	201	465
Celebi Ground Handling Hungary (Indirect Subsidiary) (Hungary)	607	624
Celebi Nas (India)	809	0
Celebi Delhi Cargo (India) (including sub-contracted personnel)	2.155	0
Total	**7,283**	**4,383**

The numbers of employees of the Group in 2009 and 2008 were 7,283 and 4,383, respectively.
Our Company has entered into no collective bargaining agreements. The Company provides employees' salary, overtime, meal, health insurance, and service award benefits as well as all legal rights and entitlements due to them under the Labor Law and associated applicable.

Human Resources Policy

With a view to rendering the Company's image before the society and its employees continuous, as well as its success, the Company's HR Committee oversees and develops all human resources practices that are supported by documentation and systems, and the resulting HR culture.

Our station managers are responsible for ensuring that Company-established HR policies are adhered to in all areas of their individual accountability without regard for language, race, religion, creed, or sex. Station managers also act as employee representatives and among their basic responsibilities are keeping employees informed about Company decisions and developments that may affect them.

There has never been a single instance of a complaint from anyone about discrimination among employees at our Company, which takes all due care to ensure that its personnel are not subjected to any kind of physical, mental, or emotional abuse whatsoever.

Making our Company a preferred employer in Turkey and ensuring that it remains one big family of happy and loyal employees by supporting involvement, teamwork, enterprise, creativity, and productivity are the foundations on which Çelebi Ground Handling's human resources policy is erected.

The elements that underlie human resources policies

Supporting participation, teamwork, enterprise, creativity, and productivity, making our Company an employer which people prefer to work for and which treats its personnel like one big happy family and strives to keep it that way are the foundation stones of the Çelebi HR policy.

Human Resources Systems

Recruitment and Placement
- Recruitment Process
- Orientation

Performance Management
- Objectives and Competency Management
- Compensation

Career Management

Training
- Coaching
- Career Planning
- Personal Development Training

Compensation Management

Corporate Development Activities
- Corporate Culture, Vision, Mission
- Employee Satisfaction Applications
- Regulation Studies
- Organization & Operations Studies
- Data-processing Infrastructure

Recruitment and Placement

Recruitment and Placement/Creation of a Group-wide Pool of Candidates

The main principle in recruitment and placement is obtaining the human resource needs in a most efficient and most rapid way with the principle of "the right person for the right job". In this context the personnel needs are determined in accordance with the Company's goals and strategies in the frame of human resources planning, and the profile that the position needs is stated on the ground of the job definition and competencies. Human Resources personnel control whether the vacancy is placed in the budget when the request for a new employee comes. The position planning has to be conducted carefully, with special attention to efficiency. The Human Resources Department and Division Managers should share the responsibility of recruiting personnel who are suitable for company mission and vision, who can perform the responsibilities of the job, who can adapt to the work conditions, who have the required competencies, and who at the least have the qualifications the job necessitates. Giving the opportunities primarily to all Çelebi employees for the jobs at the Company and Group companies suitable for their career development and potential is our recruiting policy. In the frame of this policy, a candidate information bank has been constituted in our Group companies and each day this bank becomes a databank all our Group companies can use. The program used in this purpose in the Holding structure is planned to turn into an integrated program connected to the other human resources processes.

Candidate Databank

The candidate databank includes the applications of the potential candidates that Çelebi employees suggest, candidates directly applying by sending CVs or filling the application form, people responding to an advertisement or announcement, applications collected during career days at various universities, applications from private training courses and education establishments with whom we plan to develop cooperation, and digital applications via electronic environment. The priority sequence to be followed in recruitment and selecting employees should be:

- The employees apply to internal announcement,
- Potential employees suggested by Çelebi personnel,
- Candidates who has applied directly or to an advertisement before,
- Candidates called by advertisement,
- Candidates directed to the Group by outsourcing consultancy firms.

All recruitment processes are performed in accordance of the recruitment and placement regulations by the human resources departments of the connected companies. Also foreign languages, general skills tests and personality profiles prepared by the professional organizations for candidate selection are used. Reference control is conducted for the candidates who are found suitable for the job and who have former experience.

Orientation

Newly-hired employees are put through an orientation program in which they are informed about the Company's mission, vision, principles, and policies as well as about Çelebi Group companies, their areas of activity, and their working conditions.

Performance Management

Performance Evaluation

Once a year all our employees are given a performance evaluation by our Performance Evaluation System that has been designed to ensure that evaluations are made according to objective criteria defined according to required competencies. These evaluations are carried out in order to ensure the existence of an environment suitable for the attainment of Company goals; identify and improve competency levels and priorities; support promotion, rotation, and career planning functions; strengthen relationships between subordinate and superior; develop management competencies in managers; and speed up the flow of information at all levels provide through feedback. Objective-based evaluation criteria have been included in the performance evaluation system in addition to the performance-based evaluations to which is middle and senior managers are subject.

The 360-degree performance management system of which first performance evaluation was applied as a pilot study in 2006 was continued to be applied in 2008/2009 and the work on turning into a more objective system by not only the subordinates evaluating the employees but also different channels evaluating each other was carried on.

During 2009, competencies used in the Human Resources processes have been reviewed and revised. Aiming to more clearly define the competencies expected of positions in a simpler and easier-to-understand manner, the project identified individual competencies for each position across Çelebi and established their weights.

"SAP Performance Appraisal System", which enables online handling of the Performance Appraisal application, represents another project that was conducted and brought to finalization during 2009. Theoretical and practical training sessions on the system and the Performance Management System were given to all managers subject to objective-based evaluation. The system is slated for introduction at the time of objective setting during the course of 2010.

Rewarding Performance

Based on the results of the annual performance appraisal, employees with outstanding performances were rewarded also in 2009 with bonuses corresponding to a certain ratio of their annual salaries.

Career Management

The objective of career planning has been to create a candidate pool from internal sources and enable placement of candidates from that pool to vacant positions at Çelebi Ground Handling as well as synchronizing the employees' and the Company's expectations. A total of six senior executives were trained and geared up within the frame of our ground handling operations in Mumbai and Delhi in India, and our cargo operation in Delhi in 2009. These executives have been assigned to critical roles.

In this context in all our companies:

- Career maps are designed in accordance with the competency and qualification scales drawn formerly and trainings and rotations at each career step are continuously followed.
- For critical positions a back-up strategy is being developed.

With a view to giving a more systematic structure to the career management function, "Improvement Committees" were set up at the Headquarters and our stations in 2009. These committees hold annual meetings to:

- ensure a realistic succession plan,
- identify eligible employees for critical roles,
- determine, develop and follow-up employees with a high-potential,
- review and control employee profile.

Parallel to the criteria for internal appointments, promotion/rotation opportunities are offered to the employees. The position needs are primarily announced to Çelebi employees and the priority is given to our personnel. The internal managers' promotion rate whish was 75% in 2008 has been increased to 83.7% in 2009.

Training

Çelebi sets different levels of studies related to training and development programs. These parameters are intended to help determine and improve the areas to be developed, especially related to knowledge, skills and behavioral characteristics which all Çelebi jobs necessitate, and in order to prepare the employees for future responsibilities. Along with the application of a performance evaluation system, stations' and departments' training needs are determined on the basis of the results each year. The comments of CRM (Customer Relations Management) are taken into consideration in training planning. Training has been realized as 6.42 day/employee in 2008 and 8.83 day/employee in 2009.

All training reports are accessible via the SAP system. Training budget planning and reporting are performed periodically by the HR on the basis of these records.

Çelebi uses Lotus Notes as its communication tool. Stations are provided with access to all training documents, technical training modules, exams, company guidelines/procedures and regulations via Lotus Notes.

All technical training programs are given by internal trainers. Çelebi also makes agreements with external training companies for specific training programs (Presentation Techniques, Teamwork, Improving Management Skills, etc.). Technical training modules are prepared in cooperation with the HR and trainers, and revised annually. In 2008, the training module addressing the Ramp Department more heavily populated by blue-collar employees has been revised with a different perspective. The module has been simplified into a language that is easier to be understood by blue-collar workers, while visuality has been taken to the forefront with the films produced and animations designed, thereby creating an unmatched training module.

With the e-learning application, it is targeted to increase the ratio of personal development trainings in particular, and to enhance employee satisfaction in this respect. Necessary preliminary work was started in 2009 and the application is planned to be launched during 2010.

Corporate Development Activities

Employee Satisfaction Applications

In 2007, consultancy service has been obtained from Synovate to establish employee satisfaction level. In this frame, an employee satisfaction survey was administered covering all employees on permanent staff with the Company, which was concluded with a participation ratio of 81%. To allow for the analysis of survey results, the outcomes were shared with all stations, inputs were consolidated, and an action plan was developed. With a view to encouraging efforts for improving the results revealed by the survey, targets in relation to the next year's survey were incorporated in the 2008 station manager PD system.

In the repeat of the employee satisfaction survey in 2008, the participation ratio was raised from 81% in 2007 to 92%. The ESS score improved by 50% in 2008 as compared with the previous year. In 2009, a consultancy firm was not engaged for the employee satisfaction measurements. Instead, these data were compiled in meetings and visits paid by the Human Resources Department to branches and units. Via the meetings held bi-annually, action plans were formulated to enhance employee satisfaction, under which necessary steps were taken.

Company Regulations

Existing HR and training regulations that are currently in use are regularly reviewed and revised to ensure that they satisfy needs. In addition, joint projects are also carried out to develop new regulations for operational or other issues as circumstances dictate.

Organization

Organizational structures are reviewed, revised, and standardized to maximize their effectiveness and ability to satisfy needs. Particular attention is given to ensuring that any organizational changes are tracked and made known throughout the Company. Determining hierarchical levels and revising roles in light of existing conditions is a prime consideration in all HR policies.

Communication

For the purposes of fostering a participatory style of management and providing all employees secure and safe working conditions, personnel are kept informed about issues concerning the Company's financial standing, compensation, career development, training, health, and similar at meetings on every occasion where it is possible to convey such messages. Feedback from personnel in the form of attitudes, opinions, suggestions, and complaints are used as input in subsequent activities.

Furthermore, a suggestion development system was established in 2008 which targets participation of all employees so as to make more effective use of employees' opinions.

Employee Safety

Our Company has a management system which provides employees with a safe and healthy working environment, which carries out risk assessments that identify the threats and risks to which employees may be exposed and engaged in activities to reduce risk/threat levels through measures that are to be taken, which complies with the requirements of applicable laws and regulations, which develops and implements programs to achieve occupational health and safety objectives, and continuously monitors occupational health and safety performance.

Our Company's occupational health and safety management system was awarded OHSAS 18001 Occupational Health & Safety Assessment Series certification at its headquarters and 23 stations.

Social Activities

Made up of a large number of employees from Çelebi Holding and its associates, Çelebi Film Team took part in the forth edition of the Corporate Film Fest, organized by Patika Productions in 2009. Çelebi Film Team competed in categories of fiction and advertising.

The Team was awarded with the "Best Actress" and "Best Actor" awards in the fiction film category; and with "Best Advertising", "Best Director" and "Best Creative Idea" awards in advertising category.

14. DONATIONS

In the year ending 31 December 2009, the Company's grants and donations totaled TL 10,216,842. Of this amount, TL 9,698,892 consists of expenses in the nature of donations incurred in relation to the construction works of the school of civil aviation to be established under Erzincan University.

As a significant part of the social responsibility projects carried out by our Company and within the frame of the protocol made with the Erzincan University Rectorship, expenses in the nature of donations incurred in relation to the construction works of the School of Civil Aviation to be established under the Erzincan University organization totaled TL 10,459,992; of this amount, TL 761,100 was donated in 2008 and TL 9,698,892 in 2009. In addition, the Company incurred expenses in the nature of donations worth TL 472,000 in total for ten village elementary schools that were repaired and furnished during 2009 within the frame of the "Support to Corporate Education Project Protocol" our Company executed with the Ministry of Education Directorate of Investments and Enterprises and TOÇEV (Tüvana Educational Support Foundation) under another important social responsibility project.

The Company's donations and grants to various foundations, associations, chambers, public institutions and organizations amounted to TL 45,950 in 2009.

15. PROFIT DISTRIBUTION PROPOSAL OF THE COMPANY BOARD OF DIRECTORS

1. Our financial statements prepared on the basis of our legal books of account dated 31 December 2009 show a net current profit in the amount of TL 42,104,036.23 remaining after the deduction of all taxes and other legal obligations.

   After the deduction from net current profit of a first legal reserve in the amount of TL 272,039.25 to be set aside as per the requirements of the Turkish Commercial Code, the net distributable profit that can be paid out as a dividend on the basis of our books of account is TL 41,278,777.80.

   Since there is no Prior Year Loss that needs to be deducted from the Net Profit for the Period and no first legal reserves that needs to be set aside pursuant to the Turkish Commercial Code (TCC), the net distributable profit that can be paid out as a dividend on the basis of our legal books of account is TL 42,104,036.23.

2. Net profit of the period after Tax and Legal Liabilities are deducted, in our consolidated financial statements as of 31 December 2008 that have been prepared in the accordance with CMB communiqué XI, No: 29 concerning accounting standards in capital markets (IFRS), and which have been audited by independent organizations, has amounted to TL 27,782,633.00.

   Within the frame of CMB legislation, net distributable profit for the period computed is TL 27,782,633.00, since there is no Prior Year Loss that needs to be deducted from the Net Profit for the Period in our consolidated financial statements and no first legal reserves to be set aside pursuant to the TCC.

3. According to CMB regulations, the sum of Net Distributable Profit for the Period and Extraordinary Reserves is TL 34,288,716.05, which is net distributable profit for the period in the amount of TL 27,782,633.00 plus Extraordinary Reserves in the amount of TL 6,506,083.05 as reported in our legal books and consolidated financial statements as of 31 December 2009 and which may be subject to distribution to our shareholders.

   Accordingly; we hereby submit for the approval of the Ordinary General Meeting of Shareholders our proposal to distribute the Net Distributable Profit for the Period in the amount of TL 27,782,633.00 reported in the Company's Consolidated Financial Statements dated 31 December 2008 and Extraordinary Reserves in the amount of TL 6,506,083.05 reported in our legal records and consolidated financial statements as dividends that are to be paid out as shown below:

ÇELEBİ HAVA SERVİSİ A.Ş. PROFIT DISTRIBUTION TABLE FOR 2009 (TL)	As required by CMB laws and regulation	As shown in the legal books of account
Net current profit	27,782,633.00	42,104,036.23
Extraordinary reserves	6,506,083.05	6,506,083.05
Total	34,288,716.05	48,610,119.28
1st legal reserve (-)	-	-
1st dividend (-)	(25,367,393.64)	(25,367,393.64)
From ordinary reserves (-)	(5,914,620.95)	(5,914,620.95)
2nd legal reserve (-)	(3,006,701.46)	(3,006,701.46)
Transferred to extraordinary reserves	0.00	14,321,403,23

And therefore;

- To pay to resident corporate entities and to non-resident corporate entities that earn dividends through an office or permanent representative in Turkey a gross/net cash dividend in the amount of TL 1.2873 for each share with a nominal value of TL 1.00, which corresponds to a dividend rate of 128.73%;

- To pay to other shareholders a gross cash dividend in the amount of TL 1.2873 for each share with a nominal value of TL 1.00 and corresponding to a dividend rate of 128.73% or a net cash dividend in the amount of TL 1.0942 for each share with a nominal value of TL 1.00 and corresponding to a dividend rate of 109.42%; and

- To set the date of dividend payout as 28 April 2010.

ÇELEBİ GROUND HANDLING INC.
BOARD OF DIRECTORS

Corporate Governance Principles Compliance Report
31 DECEMBER 2009

Table of Contents

1. STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

While full compliance and complete implementation of the corporate governance principles published by CMB could not be achieved by our Company in the fiscal year ending 31 December 2009, work required understanding these principles and achieving their compliance and implementation has begun and is in progress.

The issues on which compliance was not achieved and the reasons for this are explained in the appropriate sections of this report.

Activities will be continued to be carried out to bring about structural changes and adopt principles in 2010 such as amending the Company's articles of incorporation, setting up the Committees specified in the principles, restructuring Company organs as stipulated, developing the infrastructure needed so that announcements can be under conditions complying with the principles. We hereby declare that we will strive to bring ourselves into substantial compliance with these principles and implement them.

PART I: SHAREHOLDERS

2. SHAREHOLDER RELATIONS UNIT

The name and contact information of the Coordinator of the Çelebi Holding Business Development Department that has been managing relations with shareholders is presented below.

		Contact information	
Name	Position	Telephone	E-mail address
Abdullah Kırımlı	Business Development Coordinator	(+90 212) 339 40 39 - 1902	abdullah.kirimli@celebi.com.tr

Following the establishment of the department at the Company, relations with shareholders have been carried out by Holding's Business Development Department and the Company's Financial Affairs Department. Possessing CMB Advanced Level Licenses, the unit's managers/specialists' contact details are provided hereinbelow.

		Contact information	
Name	Position	Telephone	E-mail address
Abdullah Kırımlı	Business Development Coordinator	(212) 3394039 - 1902	abdullah.kirimli@celebi.com.tr
Özgür Eren	Specialist	(212) 4652710 - 1523	ozgur.eren@celebi.com.tr

The activities of holding ordinary general meeting in accordance with the requirements of law and of our articles of incorporation and of preparing documents for the use of shareholders at the meeting were carried out in coordination with Çelebi Holding's legal affairs chief coordinator and the Company's assistant general management in charge of financial affairs.

3. SHAREHOLDERS' EXERCISE OF THEIR RIGHT TO OBTAIN INFORMATION

During the reporting period there were a limited number of verbal requests made by our Company's shareholders and investors for information about the performance of our Company's shares on the ISE, about the amounts and timings of dividend payments and share capital increases, about investments in progress, and about publicly disclosed financial statements and their footnotes. These requests were responded to in light of any information that had previously been publicly disclosed by means of special circumstance announcements within the framework of CMB regulations and on the basis of information provided in the "Questions and Answers" section of the Company's corporate website.

Shareholders' electronic access to information concerning the exercise of their rights through the Company's corporate website at www.celebihandling.com was at the level stipulated in the corporate governance principles announced by the Capital Markets

Board. At the same time, developments related to shareholders' exercise of their rights were also publicly disclosed by means of special circumstance announcements as required by CMB regulations and through newspaper announcements as required by law.

Moreover, in 2009 four informational meetings were held so as to keep brokers and analysts well informed on the Company's activities and financial performance.
A request to have a special auditor appointed is not an individual right provided for under our Company's articles of incorporation. There were no requests for the appointment of a special auditor in 2009.

4. INFORMATION ABOUT GENERAL MEETINGS

General meetings held during the reporting period	Date	% of shares attendance	Meeting announcements and invitations
Ordinary general meeting	18/03/2009	77,41%	Date, place, time and agenda were announced via: • Special circumstance announcement made to ISE on 25/02/2009 • Announcements published in the 26/02/2009 issues of Turkish Commercial Gazette no: 7258 and Milliyet newspaper • Announcement in the Company's internet site • Letters sent to registered shareholders

Participation in general meetings
The Company's ordinary general meeting held on 18 March 2009 was attended by shareholders responding either in person or in proxy to invitations sent out as well as by three members of the Company's Board of Directors, all management-level personnel, personnel of the Çelebi Holding Business Development Department responsible for managing shareholder relations, and representatives of a number of media organizations.

Entries in the shareholders' register
There is no period of time stipulated in the Company's articles of incorporation in which the holders of registered shares must have entries made in the shareholders' register in order to take part in general meetings. The provisions of the Turkish Commercial Law (TTK) governing such matters are complied with by the Company. Shares corresponding to more than 99% of our Company's capital have been duly registered as required by Capital Markets Board regulations. Shares belonging to our shareholders are retained in custody in the investor subaccounts of our Company as issuer and/or of brokerage concerns held by the Central Registry Agency.

Information announced to shareholders
Before the Company's ordinary general meeting held on 18 March 2009, the financial statements for the fiscal year ending 31 December 2008 and independent auditor's report prepared by the statutory auditors elected by the general assembly of shareholders in accordance with the provisions of TTK and the Company's articles of incorporation, the Board of Directors' profit distribution proposal, and Board of Directors annual report prepared within the framework of CMB regulations and containing the statements of Company managers responsible for annual financial statements and reports as well as information about Company activities in 2009 and the board's explanations about them were all made available for the examination of Company shareholders and other stakeholders at the Company's headquarters as of the date on which the general meeting was announced. The reports and other documents were also sent to media organizations and brokerages in order to better disseminate the information contained in them with the public and existing and potential investors.

Shareholders' exercise of their right to ask questions at general meetings
The shareholders exercised their right to ask questions at ordinary general meeting held on 18 March 2009 and these questions were answered by the Company board members and executives that attended the meeting.

Motions made by shareholders at general meetings

At the ordinary general meeting held on 18 March 2009, the following five motions were made by shareholders on the subjects indicated below and each motion was passed by a majority vote:

- The meeting's presiding committee is formed and authorized to sign the meeting minutes and documents on behalf of the general assembly of shareholders.
- Whereas the balance sheet and income statement included in the annual report were made available for shareholders to examine before the general meeting and both were handed out to those present at the meeting, the general meeting agrees that it suffices to read the Statutory Auditors' Report and Opinion of the Independent Auditors' Report for the discussion of item 3 on the agenda.
- Whereas the balance sheet and income statement included in the annual report were made available for shareholders to examine before the general meeting and both were handed out to those present at the meeting, the general meeting agrees that a reading of the main headings of both balance sheet and income statement suffices for the discussion of item 3 on the agenda.
- The candidates designated within the framework of the provisions of our Company's articles of incorporation to replace members of the Board of Directors whose terms of office have expired are hereby elected; Mr. Can Çelebioğlu and Mrs. Canan Çelebioğlu Tokgöz from amongst Board members are to be appointed as managing directors, and managing directors are to be paid remuneration.
- The candidates designated within the framework of the provisions of our Company's articles of incorporation to replace statutory auditors whose terms of office have expired are hereby elected.

Inclusion of a provision in the articles of incorporation requiring decisions of a highly important nature to be taken at a general meeting

The Company's articles of incorporation contain no provisions requiring decisions of a highly important nature such as demergers or buying, selling, or leasing substantial amounts of assets and property to be taken at a general meeting. This failure to comply with the corporate governance principles published by CMB stems from the fact that the Company's Board of Directors has not completed its own assessment of developments and practices concerning this issue.

Action taken to facilitation participation in general meetings

To facilitate participation in general meetings, a special circumstance announcement concerning them is made as required by CMB regulations while invitations announcing the meetings are published within the framework of the provisions of TCC and the articles of incorporation at least fifteen days before the meeting date in Türkiye Ticaret Sicili Gazetesi and one newspaper published in the place where our headquarters are located and announced in our Company's internet site. Media organizations are also contacted to have the meeting announced in the press and electronic media.

Availability of general meeting minutes for inspection by shareholders

After they have been registered in accordance with associated applicable laws, regulations, and administrative provisions, general meeting minutes are published in Türkiye Ticaret Sicili Gazetesi and are always available for the inspection of stakeholders at our Company's headquarters and on its corporate website.

5. VOTING RIGHTS AND MINORITY RIGHTS

According to our Company's articles of incorporation, none of our Company's shares incorporate special voting rights. Three categories ("A", "B", and "C") of shares have been issued representing the Company's capital. Of these, only the owners of "A" and "B" shares have the right to designate candidates to be elected as Company directors and statutory auditors

There are no reciprocal shareholding interests between our Company and our corporate entity shareholders.

Minority shareholdings interests are not represented in the Company's administration because there is are no minority shareholders who have been designated as candidates in elections for Company directors or statutory auditors and elected to such positions.

The Company's articles of incorporation contain no provisions concerning the representation of minority shareholding interests on the Board of Directors or governing the accumulated voting method.

6. DIVIDEND PAYMENT POLICY AND TIMING

Special rights concerning participation in the Company's profits
There are no special rights concerning anyone's participation in the Company's profits.

Dividend payment policy
With the decision of the Board of Directors on 4 April 2006 our Company defined a written Profit Distribution Policy constituting a groundwork for preparation of profit distribution for presentation to the General Council in the frame of the compliance studies with Corporate Governance Principles published by Capital Markets Board "CMB" and of the CMB decision number 4/67 and dated 27 January 2006. The decision was announced to the public through the material disclosure sent to ISE on 4 April 2006 and informed to the shareholders during the Ordinary General Meeting held on 28 April 2006.

According to the statement it was decided;

- To formulate a written dividend payment policy on the basis of which the dividend recommendations concerning the distribution of the Company's profits that are to be submitted to general meetings are to be prepared; according to which policy, it is an accepted principle that at least 50% of the distributable profit available in 2006 and the years that follow will be paid out as a dividend each year insofar as this does not conflict with the rules and regulations of the Capital Markets Board;

- Depending on the Company's needs for investment and financing to support its long-term growth, to make such distributions as cash payments or in the form of free shares of stock distributed to shareholders representing profits that have been capitalized, or partially in cash and partially as shares;

- To abide by the above-stated dividend payment policy unless the Company's investment and/or financial circumstances or extraordinary developments in economic conditions make it necessary to do otherwise.

Dividend payment timing
Within the framework of the decision taken at the Ordinary General Meeting on 18 March 2009, for each TL 1 nominal value share, 156.94% gross TL 1.5694, 133.40% net TL 1.3340 from the profit in 2008 and from extraordinary reserves a total gross TL 38,135,800.50 cash dividends distribution would be made on 23 March 2009, it was decided by unanimous vote, and the dividend payment has been realized to the shareholders on this date.

7. TRANSFERRING SHARES

The Company's articles of incorporation contain no provisions restricting the transfer of shareholding interests.

PART II: PUBLIC DISCLOSURE AND TRANSPARENCY

8. COMPANY DISCLOSURE POLICY

Pursuant to the provision of Article 23 of the CMB Communiqué Serial: VIII, No: 54 on the Principles of Public Disclosure of Material Events and within the frame of efforts carried out to achieve full compliance with the Corporate Governance Principles published by the CMB, and to fully implement the same, the Company's Board of Directors resolved on 30 April 2009 to approve the Information Policy developed by the Company's General Management, to post it on the corporate website and present it for the information of shareholders at the immediately following general meeting. Enforced as of the same date, the Company Information Policy aims at communicating the Company's past performance and future expectations within the frame of generally accepted accounting principles and CMB provisions, on the principles of completeness, fairness, accuracy, timeliness and intelligibility, making them equally available to all "stakeholders" such as national/foreign shareholders, stakeholders, investors and capital market institutions, and targets to maintain an active and transparent communication and to ensure that necessary information and disclosures other than trade secrets are made available to all stakeholders including shareholders, investors, employees and customers in a timely, accurate, complete, and intelligible manner, easily accessible at low cost.

The Company "Information Policy" can be accessed at the corporate website at www.celebihandling.com under the main heading "Information".

9. SPECIAL CIRCUMSTANCE ANNOUNCEMENTS

Our Company made 37 special circumstance announcements in 2009 pursuant to CMB regulations. There was 1 additional information required by CMB and/or ISE.

All special circumstance announcements were made in due time.

10. THE INTERNET SITE AND ITS CONTENT

The address of our corporate website is www.celebihandling.com.

Presence on the corporate website of information stipulated in the corporate governance principles published by CMB

Information	Availability
Commercial registry information	Yes
Current partnership and management structure	Yes
Detailed information about preferential share rights	Yes
Current form of the Company's articles of incorporation together with dates and numbers of trade registry gazettes in which amendments were published	Yes
Special circumstance announcements	Yes
Annual reports	Yes
Periodic financial statements and reports	Yes
Prospectuses and public offering circulars	n/a
General meeting agendas	Yes
General meeting attendance rosters and minutes	Yes
Proxy form	Yes
Mandatory information forms prepared for proxy solicitation or tender offers	n/a
Minutes of Board of Directors meetings whose decisions might have a material impact on the capital market instruments issued by the Company	Yes
Frequently-asked questions / Requests for information, questions, and warnings made to the Company / The Company's responses to them	Yes

Stakeholders are presently able to access some information in electronic format on our Company's corporate website at www.celebihandling.com.

11. DISCLOSURE OF ULTIMATE NON-CORPORATE SHAREHOLDERS WHO HAVE A CONTROLLING INTEREST

The identities of our Company's ultimate non-corporate controlling shareholders purged of all cross-shareholding interests are presented in section 9 ("9. Nature and Value of Issued Capital Market Instruments") of our Company's 2009 annual report.

12. PUBLIC DISCLOSURE OF THOSE WHO MAY HAVE ACCESS TO INSIDER INFORMATION

Pursuant to the provision of Article 16 of the CMB Communiqué Serial: VIII, No: 54 on the Principles of Public Disclosure of Material Events and within the frame of efforts carried out to ensure achievement of full compliance by the Company with the Corporate Governance Principles published by the CMB, and to fully implement the same, the Company's Board of Directors resolved that a list of individuals having regular access to Company insider information be prepared and kept up-to-date by the Company Investor Relations Unit, and that the list be posted on the corporate website on 30 April 2009; in this frame, the list was made available on the Company internet site as of the said date.

PART III: STAKEHOLDERS

13. KEEPING STAKEHOLDERS INFORMED

Based on the Company 's Board of Directors decision passed on 19 March 2009, pursuant to the provision of Article 7 of the CMB Communiqué Serial: IV No: 41 on the Principles to be Complied with by Joint Stock Companies Subject to the Capital Market Law, and within the frame of efforts carried out to ensure achievement of full compliance by the Company with the Corporate Governance Principles published by the CMB and to fully implement the same, the Company set up an Investor Relations Unit, which will handle exercising of shareholding rights at our Company that is listed on the ISE, which reports to the Board of Directors, and which will maintain communication between the Board of Directors and shareholders. In this context, Abdullah Kırımlı, who serves as the Business Development Coordinator at Çelebi Havacılık Holding A.Ş., the majority shareholder in our Company, and who holds a "Capital Market Activities Advanced Level License" was appointed as the head of the Investor Relations Unit as a full-time manager responsible for the fulfillment of the Company's obligations arising from the capital market legislation, coordination of corporate governance practices and reporting thereon to the Board of Directors, and Özgür Eren, who works for our Company and holds a "Capital Market Activities Advanced Level License" and a "Corporate Governance Rating Expertise License", was assigned as executive personnel.

In 2009, for the purpose of informing stakeholders, our Company's executive director and other members of management gave interviews that appeared in the press and electronic media, took part in TV programs and discussions, and made press statements. Detailed information about the Company and its investments was provided in the course of such appearances and announcements.

14. STAKEHOLDER PARTICIPATION IN MANAGEMENT

Airport ground handling services are a part of the civil aviation industry and as such they are a business that imposes stringent demands on specialization and expertise whose rules are specifically spelled out by international aviation agencies and organizations. Partaking in the management of a company engaged in this sector requires expertise in a variety of different areas and for that reason, no significant steps have been taken in the direction of involving the Company's employees, the majority of which are blue-collar workers, in the Company's management.

In matters involving non-technical issues such as employee rights and human resources policies on the other hand, individual workplace meetings are held regularly and at least once a year during which employees' views on the conduct of work and Company practices are solicited. Changes are made where necessary in light of such views and feedback is provided.

15. HUMAN RESOURCES POLICY

Our Company HR policy is presented in section 13 ("13. Information about Personnel; Human Resources Policy") of our Company's annual report for 2009.

16. RELATIONS WITH CUSTOMERS AND SUPPLIERS

Customer satisfaction

Because it is our Company's principle to provide service wherever our customers may be, and with the domestic civil aviation market being deregulated and opened to privately-owned carriers our services continued in a total of 25 stations in 2009.

In order to provide better service to airlines in the growing ground handling services market, our Company became the first ground handling services company in Turkey using GroundStar Inform software system prepared by German technology firm Inform to support the control of ground handling services resources and processes on automation. The system is consisting of three modules. Real-Time Control module is used successfully in Istanbul, Antalya and İzmir. Planning Control and Roaster modules are used in Ankara, Adana, Trabzon, Dalaman, Bodrum, Diyarbakır and Samsun Stations.

GroundStar Inform's Planning Control, Real-Time Task Management, and Real-Time Control modules make it possible to plan and allocate resources efficiently and productively. GroundStar is currently being used in more than 90 airports around the world by airlines (including British Airways, Lufthansa, and ServisAir) as well as by catering and ground handling services companies.

The CELEBRIS projects initiated in 2005 with the purpose of increasing the business perfection and hence customer satisfaction, collects Flight Information System, Agreements Follow-up and Pricing, Customer Invoicing and Quality Management under one system. In 2009, the CELEBRIS project has been modernized and renamed as IKARUS within the framework of process improvement studies.

The other project, "CRM" is an effective Customer Relations Management model and application infrastructure and is successfully being used in our headquarters and stations.

The quality management systems that our Company employs are the ones most preferred in the world of civil aviation: AHS 1000 and IATA AHM 804 These systems make it possible to identify and report measurable quality criteria and contribute significantly to airline and ground handling services companies' ability to function more productively and improve their operational performance. By means of these systems, it is possible to observe at what step of the service process problems are being experienced and to take corrective action accordingly. Any customer dissatisfaction arising in the conduct of service can be monitored at all stations. Complaints received from customers can be dealt with quickly by taking measures needed to make improvements. For the purpose of preventing any possible customer dissatisfaction in advance, all our stations are audited regularly twice a year by the Quality Department and stations take immediate corrective action to eliminate any divergences that are identified as a result of these audits.

The "Çelebi School Report Card" program that our Company launched in 2005 within the framework of its project to continuously increase customer satisfaction was further developed and continued in 2009. "Çelebi School Report Cards" are a method of polling customer satisfaction. In 2009, the project was run in cooperation with an internationally recognized research company and the cards were sent out to our customers online over the internet. The second phase of "Çelebi School Report Cards" planned as two separate researches will be initiated at the end of 2010 summer season.

The "Smiling Service Project" that was identified as being concerned with the quality service that our Company seeks to deliver to customers and erected on "Seven Basic Principles", continued during 2009.

The primary goal of this project is to provide the personnel of Passenger Services Department with encouragement and support to deliver high-quality personalized service by making it possible for them to adopt participatory and positive attitudes in their personal and working lives. On the basis of monthly and annual evaluations, successful personnel are rewarded in a variety of ways.

Another service that our Company provides to enhance customer satisfaction consists of specialized training for personnel in assisting physically handicapped passengers. This training program, which was prepared jointly with the Darüşşafaka Foundation, continued all year long in 2009. Station personnel who deal directly with disabled and physically handicapped passengers at airports before and after flights and who provide such passengers with transfer services received certificates showing their successful completion of the course.

Trade secrets

Under the heading of trade secrets, our Company gives the utmost attention to protecting the confidentiality of any information in comes into possession of about its customers and suppliers. The non-disclosure of customer-related information without the customer's knowledge is guaranteed as a separate clause in contractual agreements with customers.

Compliance with the sector's international rules

Our Company takes all necessary measures to ensure that it establishes good relations with customers in which neither party has an unjustified advantage over the other and to comply strictly with the terms of its agreements with them. For this purpose, our Company uses the "Standard Ground Handling Services Contract" prepared and recommended by IATA as its reference.

17. SOCIAL RESPONSIBILITY

Compliance with European Union Environmental Norms

When procuring new equipment, our Company only purchases items that comply with EU environmental norms. Our Company fully complies with all EU standards governing the prevention of noise and pollution.

Sectoral responsibility projects

There is not as yet a particularly great public awareness of the civil aviation industry in our country and for this reason, our Company gives special importance to supporting its sector so that it becomes better known and appreciated and is thus able to attract high-quality human resources.

To this end, the Company directly supports and sponsors:

- TV programs about civil aviation
- The "Career Days" event held each year at the Eskişehir College of Civil Aviation
- The congresses, seminars, and training projects of aviation industry professional organizations.

On another front, within the frame of the cooperation with Erzincan University and under the auspices of the Ministry of Transport, the Company carries out a project in relation to having built and donating a "School of Civil Aviation" to be established under Erzincan University organization. The project entails construction of a school building with a floor area of 4,000 square meters and a covered area of 16,000 square meters, and equipping thereof with necessary tools and equipment for commencement of education and training by 2010.

In addition, within the scope of the cooperation with the Ministry of National Education Directorate of Investments and Enterprises and TOÇEV (Tüvana Educational Support Foundation), the Company initiated work to build, repair and equip the annexes and additional facilities needed by a total of 50 primary schools in villages. Aiming to improve the infrastructures of primary schools located in villages, 5 schools each with a need for annexes and additional facilities will be identified in 10 cities. Within the scope of the project, Çelebi initiated work in 2008 and the total number of homes finalized in 2009 reached ten. The project is intended to be brought to completion by year-end 2013.

The environment and nature

Our Company has an environment management system (EMS) which has been developed in order to systematically reduce or eliminate the harm that is or may be caused to the environment. Our Company's EMS aims at identifying environmental factors and at controlling such factors in order to minimize their environmental impact and to improve environmental performance during all the stages from the design of services to their presentation to the customers.

The environment management system has been awarded ISO 14001:2004 certification at headquarters offices and at the İzmir station by the firm of Bureau Veritas. With this certification, we declare that we shall:

- Carry out programs to minimize our waste and achieve compliance with laws and regulations.
- Carry out programs to minimize resource use.
- Coordinate efforts aimed at more environment-friendly production.

Aware of the need and responsibility on the part of people to use the natural resources they require to maintain a good way of life in a renewable way, which is to say mindfully of future generations as well, our Company engages in the following activities to achieve optimum use of natural resources and to minimize pollution.

- Every year it has its exhaust gas emissions regularly analyzed by an accredited organization.
- It has drinking water treated and has periodic analyses performed on water samples.
- In order to achieve more effective use of natural resources, waste at our Company is sorted and the recyclable elements (paper, plastic, etc) are regularly collected. Photocell systems have been installed at some stations to reduce water and electricity consumption.
- Waste oil (hydraulic oil etc) from technical workshops is eliminated by sending it to facilities where it is specially burned.
- Hazardous wastes produced as a result of our activities are shipped to establishments licensed by the Ministry of Environment and Forestry for disposal.
- Specialized equipment (battery-powered forklifts etc) that does not cause emissions is used.

Our Company's goal is to be an organization whose practices make it the most environmentally sensitive company in the aviation industry through an approach that safeguards and enhances the quality of life of its employees and customers.

Waste created at our Company's business units is surrendered to organizations licensed by the Ministry of Environment and Forestry for elimination/recycling. A waste inventory is conducted in order to determine the Company's environmental performance every year and the Company sends its "Environmental Performance Reports" to concerned agencies and organizations. During 2009, 13,765 liters of waste oil, 7,514 kilograms waste batteries, 453 kilograms waste filters were eliminated by surrendering to licensed organizations.

Our Company is not a defendant in any suit brought against it on account of harm caused to the environment.

General social responsibility projects
Health services: Our Company has been supporting the Lokman Hekim Health Foundation since 1986. Based in Gebze-Beylikbağı outside İstanbul, this foundation serves low-income people who are in need of health services without any concern for material gain.

PART IV: THE BOARD OF DIRECTORS

18. STRUCTURE AND FORMATION OF THE BOARD OF DIRECTORS; NON-EXECUTIVE DIRECTORS

According to article 7 ("Board of Directors") of our Company's articles of incorporation, the Company's affairs and administration are the responsibility of a six-member board of directors elected by the general assembly of shareholders from among candidates, at least four of which are put up by a majority of Class A shareholders and at least two of which are put up by a majority of Class B shareholders. Company directors are elected to maximum terms of three years. A director whose term of office expires may be reelected.

A director who represents a corporate-entity shareholder must notify the Company if his relationship with that entity terminates, whereupon his seat on the board is vacated.

If a vacancy occurs in the board's membership before a term of office expires, the remaining directors will chose a new member from among candidates designated by a majority of shareholders of the same class as put the departing member up as a candidate. This newly-elected director will be subject to the approval of the very next general assembly of shareholders that is held. A member elected to the board in this way will fill out the remaining term of the departing director.

According to article 8 ("Representing and binding the company") of our articles of incorporation, the Board of Directors is responsible for the administration of the Company and for representing it before outside parties. The Board of Directors may delegate some or all of its powers to represent and administer the Company to executive directors and/or to managers who are not members of the board. The individuals with the power to represent and bind the Company and the ways they may do so are determined by the board and duly registered and announced. In order for any documents issued by the Company or for any contracts that are entered into to be valid, they must be signed, below the Company's legal name, by an individual or by individuals authorized to do so by the Board of Directors.

Within the framework of statements concerning this matter made in the corporate governance principles published by CMB, the members of our Company's Board of Directors have been divided into the categories of executive/non-executive directors in light of the duties they undertake in the conduct of the Company's affairs together with the Company general manager, and within the responsibilities defined in the Company's list of authorized signatures that is currently in circulation:

Name	Position	Status
Can Çelebioğlu	Chairman	Executive/Managing Director
Canan Çelebioğlu Tokgöz	Vice Chairperson	Executive/Managing Director
Engin Çelebioğlu	Board Member	Non-executive
Mehmet Kaya	Board Member	Non-executive
Necmi Yergök	Board Member	Non-executive
Aydın Günter	Board Member	Non-executive

There are no independent members on our Company's Board of Directors. Company directors are not subject to any specific rules and/or limitations concerning their undertaking another duty or other duties outside the Company. This failure to comply with the corporate governance principles published by CMB stems from the fact that the Company's Board of Directors has not completed its own assessment of developments and practices concerning this issue.

19. QUALIFICATIONS OF COMPANY DIRECTORS

The Company's board of directors consists of people chosen from among designated candidates who satisfy the levels of knowledge and skills stipulated in the CMB's corporate governance principles and who possess specific experience and backgrounds.

None of the members of our Company's Board of Directors have ever been sentenced to penal servitude or imprisonment of more than five years (excluding negligible offenses, whether or not they were pardoned) for convictions on account of violations of laws and regulations governing capital markets, insurance, banking, money-laundering, lending money; have ever been convicted of infamous offenses such as embezzlement, aggravated embezzlement, extortion, bribery, theft, fraud, forgery, abuse of trust, or fraudulent bankruptcy; or of crimes of evasion, save for evasion of use or evasion of consumption; or of duplicity in government tenders or procurements; or of betraying state secrets; or of tax evasion or attempted tax evasion or involvement in tax evasion.

In addition, all Company directors are in possession of the essential knowledge needed to read and analyze financial statements and reports, are familiar with the legal framework governing the Company's day-to-day and long-term dealings and transactions, and are capable of and committed to taking part in all of the year's regularly scheduled board meetings.

Principles concerning these qualifications are not specifically embodied in the Company's articles of incorporation. This failure to comply with the corporate governance principles published by CMB stems from the fact that the Company's Board of Directors has not completed its own assessment of developments and practices concerning this issue.

20. MISSION, VISION, AND STRATEGIC GOALS OF THE COMPANY

Our Company's mission, vision, and strategic goals are presented in section 3 ("3. Company mission, vision, and strategic goals") of 2009 annual report.

21. RISK MANAGEMENT AND INTERNAL CONTROL MECHANISMS

The planning, conduct, functioning, and oversight of the effectiveness of risk management and internal control and the conduct of the internal control team's activities within the framework of the plan are the responsibility of the Audit Committee that has been set up by a Board of Directors resolution and as per article 28/A added to CMB communiqué X: 16. The creates a risk management and internal audit system capable of minimizing the impact of the risks that the Company may be confronted by and takes such measures as needed to ensure that this system functions reliably.

While there is no separate unity responsible for risk management and control in the Company's organization, these functions are carried out by the Holding Company's Internal Control Unity under the guidance of the Audit Committee.

Information about basic risks management policies are presented in section 12 ("12. Basic Risks Management Policies" of our Company's annual report for 2009.

22. AUTHORITIES AND RESPONSIBILITIES OF COMPANY DIRECTORS AND EXECUTIVES

According to article 8 ("Representing and binding the company") of our articles of incorporation, the Board of Directors is responsible for the administration of the Company and for representing it before outside parties. The Board of Directors may delegate some or all of its powers to represent and administer the Company to executive directors and/or to managers who are not members of the board. The individuals with the power to represent and bind the Company and the ways they may do so are determined by the board and duly registered and announced. In order for any documents issued by the Company or for any contracts that are entered into to be valid, they must be signed, below the Company's legal name, by an individual or by individuals authorized to do so by the Board of Directors.

The authorities and responsibilities of our Company's directors and managers are spelled out in signature circular VI setting down the powers to represent and bind the Company that was registered by the İstanbul Commercial Registrar on 06 September 2006 and announced as having been registered in issue 6639 of Türkiye Ticaret Sicili Gazetesi dated 11 September 2006.

Statements concerning the authorities and responsibilities of the Company's directors and managers are not specifically embodied in the Company's articles of incorporation. This failure to comply with the corporate governance principles published by CMB stems from the fact that the Company's Board of Directors has not completed its own assessment of developments and practices concerning this issue.

23. OPERATING PRINCIPLES OF THE BOARD OF DIRECTORS

Determining the agenda for board meetings
Agendas for Board of Directors meetings may be determined in three different ways. The chairman may determine the agenda on the basis of suggestions received from board members; the Company's general manager may determine the agenda himself; the agenda for the next board meeting may be determined during a board meeting that is in progress.

Number of board meetings during the reporting period
The Company's Board of Directors convened 57 times during 2009.

Separate secretariat responsible for keeping Company directors informed and maintaining communication with and among them
The secretariat of the chairman of the Board of Directors carries out the duty of keeping members of the board informed and maintaining communication with and among them.

Meeting attendance and invitation methods and processes

The secretariat of the chairman of the Board of Directors keeps Company directors informed about meeting times and agendas by means of reports sent out regularly prior to the meeting. In 2009, 4 board members have attended in 49 board meetings, 5 members in 7 board meetings and 6 members (full number) in 1 board meetings.

The right of dissenting members to have their reasonable and detailed objects entered into the record and to convey them in writing to the Company's statutory auditors

All decisions taken at all Company board meetings held during 2009 were passed by unanimous vote of the attendants.

Public disclosure of the independent directors' reasons for their dissenting votes on issues they disagree with

There are no independent directors on the Company's Board of Directors

Compliance with the requirement of physical presence at board meetings at which issues enumerated in article 2.17.4 of section IV of CMB's corporate governance principles

At the board meetings of our Company on CMB Corporate Governance Principles 4th Part Article number 2.17.4, the full Board participated except 3 meetings which a single member did not attend and 17 meetings which two members did not attend in 2008.

Inclusion of questions raised by board members during Board of Directors meetings in resolution memoranda

No questions raised by members of the Company's Board of Directors during meetings were entered into resolution memoranda.

The ability of Company directors to exercise special voting rights or veto board decisions

Our Company's articles of incorporation do not invest any Company director with special voting rights or the ability to veto board decisions.

The failure of our Company to comply with some corporate governance principles published by CMB concerning the operating principles of the Board of Directors

Stems from the fact that the Company's Board of Directors has not completed its own assessment of developments and practices concerning this issue.

24. PROHIBITION ON DOING BUSINESS OR COMPETING WITH THE COMPANY

At the ordinary general meeting held on 18 March 2009 to discuss the Company's results in 2007, shareholders voted to authorize Company directors to personally engage in the businesses falling within the Company's object and scope, to perform them on behalf of others, and to become partners in and enter into other transactions with companies engaged in such businesses as per articles 334 and 335 of the Turkish Commercial Law. However no Company director engaged in any transaction or competed with the Company in 2009.

The failure to comply with the corporate governance principles published by CMB prohibitions on doing business or competing with the Company stems from the fact that the Company's Board of Directors has not completed its own assessment of developments and practices concerning this issue.

25. RULES OF ETHICS

Two publications (Corporate Culture and Our Policies) have been put out by the Company. These publications contain not only the vision and mission statements that have been adopted by the Company and are included in its every publication, on its corporate website, and on the Company intranet, but also the principles that must apply and to which every employee must adhere in all dealings with Company personnel and outside parties. Copies of these publications are given to every newly hired employee during his orientation.

Every year Company meetings are held in which Company directors and the general manager take part for the purposes of informing senior, middle, and lower management about the Company's ethical values, and short, medium, and long-term strategy within the framework of the mission and vision statements and ensuring that such matters are conveyed through them to all lower-echelon employees.

26. NUMBERS, STRUCTURES, AND INDEPENDENCE OF COMMITTEES WITHIN THE BOARD OF DIRECTORS

An Audit Committee has been set up by a Board of Directors pursuant to article 28/A added to CMB communiqué X: 16 by communiqué X: 19. There are no other committees set up within the board other than this Audit Committee.

The Audit Committee consists of Engin Çelebioğlu and Mehmet Kaya, both of whom were chosen from the board's non-executive directors.

The Company's Audit Committee convened five times during 2009 at which times they queried Company managers and looked into whether or not our publicly disclosed financial statements accurately reflected the true standing of our operational results and whether or not the accounting principles adhered to by the Company were in compliance with CMB laws and regulations. They reached the conclusion that financial statements were correct and had been prepared in accordance with such requirements.

Moreover, they presented their thoughts and opinions to the Company Board of Directors, on the explanations made at the declaration and notification of the annual and interim financial statements within the context of 28/B decisions of communiqué on "Capital Markets Independent Audit" Serial: X No.16 of Capital Markets Board and on information transmission and coordination to ISE, relations with the partners, and CMB Serial: VIII No.54, on material disclosures covered by communiqué on Principles on material disclosure to public within the context of the principles in ISE quotation regulations article 18/A as well as on defining by which executives of the Company these disclosures are to be conducted.

The failure to comply with the corporate governance principles published by CMB concerning numbers, structures, and independence of committees within the Board of Directors stems from the fact that the Company's Board of Directors has not completed its own assessment of developments and practices concerning these issues.

27. FINANCIAL BENEFITS PROVIDED TO THE BOARD OF DIRECTORS

In the context of the decision taken at the Shareholders Ordinary General Meeting held on 18 March 2009, no session fee is paid to the board members. On the other hand, fees were paid on a monthly basis to those according to their knowledge, experience and specialization, to Vice Chairperson, Canan Çelebioğlu Tokgöz (executive board member/managing director), together with our General Manager; Chairman Can Çelebioğlu (executive board member/managing director); Board Member Mehmet Kaya, not an executive position however for the legal services on Tax Code and Fiscal Legislation; and to Board Member Necmi Yergök, again a non-executive position but for the responsibilities he undertook on technical and equipment maintenance in 2009.

At the 2008 Ordinary General Meeting convened on 18 March 2009, it has been resolved to appoint Can Çelebioğlu and Canan Çelebioğlu Tokgöz from amongst Board members as managing directors (executive members) and to pay a net monthly remuneration of EUR 30,000 to each managing director.

The Company's board members have TL 120,000 debts carried forward from 2008. Loans (advances on salaries) granted during 2009 totaled TL 64,284 and a total of TL 141,428 was collected on account of such advances during the reporting period. The board members owed the Company a total of TL 42,856 as a result of advances on salary paid to them as of 31 December 2009. During 2009, a total of TL 208,565 was extended to Company managers as advances on salary and the total of such advances (including TL 18,500 that had been carried forward from the 31 December 2008 balance sheet) was collected on account during 2009. As of 31 December 2009, there is no debt of Company managers owed to the Company. The terms of these loans made to board members and managers were not prolonged nor were their conditions improved; no credit was extended to them under the rubric of personal loan nor were they provided with any guarantees such as surety through any third party.

STATUTORY AUDITORS' REPORT

Shareholders General Assembly,

A-Company Title	Çelebi Hava Servisi Anonim Şirketi
B-Head Office	Atatürk Havalimanı 34149-Yeşilköy/İstanbul
C-Capital	Registered Capital: TL 100,000,000 Issued Capital: TL 24,300,000
D-Field of Activity	Airport Ground Handling Services
Auditor's/Auditor's Name/Names and duration of appointment, their relation to the company (employed/partners or not)	- Uğur DOĞAN (appointed for "1 year, for the period between two ordinary meetings of General Assembly" - not employee nor partner) - Ümit BOZER (appointed for "1 year, for the period between two ordinary meetings of General Assembly" - not employee nor partner) - Ramazan ÖZEL (appointed for "1 year, for the period between two ordinary meetings of General Assembly" - not employee nor partner)
Numbers or Board of Directors meetings and the Board of Auditors meetings participated	Participation took place in all Board of Directors meetings held during the year. Our auditing team held four meetings.
Extent of inspection made on the Company's accounts, books and documents, inspection dates and conclusions reached	During inspections made several times on various dates within the period, books and registers have been controlled as to whether they had been completed in due time, correctly and in accordance with the law. It was observed that the decisions pertinent to the Company management had been transcribed to the exercise book, which was kept in accordance with the accepted practice.
Number or counts made at the Company treasury according to Clause No.3, Paragraph No. 1, Article No. 353 of the Turkish Commercial Law and their results	Counts were made in every two months at the Company's treasury, totaling six during the period. It was observed that the cash balance was in accordance with the actual records.
Dates and results or inspections made according to Clause No. 4, Paragraph No. 1, Article No. 353 of the Turkish Commercial Law and their results	Inspections made every month showed that entries correspond to actual materials and documents
Denunciations or irregularities reported to the Board of Auditors and measures taken	No complaints or denunciations of any kind have been made to the Board of Auditors

We have audited the accounts and the operations of Çelebi Hava Servisi A.Ş. for the period ending 31.12.2009 in accordance with the Turkish Law of Commerce, the Company's Articles or Association and other legislation, as well as according to the generally accepted accounting principles and standards.

In our opinion, the appended Balance Sheet, established on 31.12.2009, the contents of which we have approved, reflects the Company's real financial situation during the considered period. The Profit/Loss Statement for the period 01.01.2009-31.12.2009 reflects the real results of the activities for the considered period, and the proposals made by the Board of Directors concerning profit distribution is in accordance with the Law and with the Articles of Association of the Company.

We submit to your approval the Balance Sheet and the Profit/Loss Statement as well as the ratification of the Board of Directors.

30 March 2010

BOARD OF AUDITORS

Ramazan ÖZEL   Ümit BOZER   Uğur DOĞAN

Çelebi Ground Handling Inc. APP. III

STATEMENT CONCERNING THE CONSOLIDATED FINANCIAL STATEMENTS AND REPORTS FOR THE PERIOD 1 JANUARY 2009 TO 31 DECEMBER 2009 (30 March 2010)

Subject: The presentations of the consolidated financial statements and reports of Celebi Ground Handling Inc. for the twelve-month period ending 31 December 2009, which have been prepared in accordance with Capital Markets Board (CMB) communique XI, No: 29 concerning accounting standards in capital markets and International Financial Reporting Standards (IFRS).

We hereby represent that;
a- we have examined the attached independently audited consolidated financial statements for the year ending 31 December 2009, which have been approved by our company's Board of Directors decision no. 07 dated 24 February 2009 and by the Audit Committee decision no. 01 dated 24 February 2009, which have been prepared in accordance with the Capital Markets Board of Turkey (CMB) Communique XI:29 on Principles of Financial Reporting in Capital Markets, which have not been adjusted for inflation as per CMB resolutions 11/367 dated 17 March 2005 and 11/467 dated 17 April 2008 and which have been prepared in accordance with the formats required by laws and regulations and with IFRS, and the Board of Directors' Annual Report for the year ending 31 December 2009 to be presented to the Ordinary General Meeting, with respect to their representation of a true and fair view of the Company's financial standing and operating results;

b- to the best of our knowledge we have with respect to our positions and responsibilities in the Company, these financial statements and annual report contain no misrepresentations on material matters and no omissions whose absence could be misleading as of the date on which the statement was made; and

c- to the best of our knowledge we have with respect to our positions and responsibilities in the Company, the financial statements drawn up in accordance with the financial reporting standards in force –inclusive of those subject to consolidation- represent a true and fair view of the Company's assets, liabilities, financial status and profit/loss, and that the annual report represents a fair view of the development and performance of the business –inclusive of those subject to consolidation-, the Company's financial standing, and the key risks and uncertainties it is exposed to.

CELEBİ GROUND HANDLING INC.

H. Tanzer GÜCÜMEN
Financial Affairs Director

S. Samim AYDIN
Chief Executive Officer

Çelebi Hava Servisi A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2009 TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

PRICEWATERHOUSECOOPERS

To the Board of Directors of Çelebi Hava Servisi A.Ş.

Introduction

1. We have audited the accompanying consolidated financial statements of Çelebi Hava Servisi A.Ş., its Subsidiaries and Joint Ventures (collectively referred to as the "Group") which comprise the consolidated balance sheet as of 31 December 2009 and the consolidated income statement, the consolidated statement of comprehensive income, consolidated statements of changes in equity and the consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

2. The Group management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the financial reporting standards accepted by the Capital Markets Board ("CMB"). This responsibility includes: designing, implementing and maintaining internal control relevant to the proper preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards issued by the CMB. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's proper preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

4. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Çelebi Hava Servisi A.Ş. as of 31 December 2009, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the financial reporting standards accepted by the CMB (Note 2).

PRICEWATERHOUSECOOPERS

Emphasis of matter

Without qualifying our opinion we draw your attention to the following matter:

5. As explained in Note 30 to the consolidated financial statements, the Cargo building of Çelebi Hava Servisi A.Ş. (the "Company") located in Atatürk Airport Terminal C in which the Company carries out its cargo-warehouse operations was damaged due to a fire broke out on 24 May 2006. As a result of the fire, goods belonging to third parties located in the cargo building during the fire were damaged. Some of the owners of the goods, insurance companies and airline transportation companies have applied to the Company and its insurance company for the compensation of their losses by filing lawsuit against the Company and through enforcement proceedings. The Company granted its approval for the utilization of its insurance policy amounting to 10.000.000 US Dollar in the fund established by the Company, Devlet Hava Meydanları İşletmeleri ("DHMİ") and the other warehouse management company to settle the claims within the terms defined in the "Sharing Agreement" which is signed between the same parties. In this context, the management of the Company foresees that the probability of being liable for the losses is remote because it was not found to be responsible for the fire and was therefore not considered legally responsible for the losses of the third parties. The ultimate result of the compensation claims which could not be settled amicably, enforcement proceedings and law suits against the Company could not be determined and no provision has been accounted for in the accompanying consolidated financial statements as of 31 December 2009.

Additional paragraph for convenience translation into English

6. The accounting principles described in Note 2 to the consolidated financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting for the period 1 January - 31 December 2005. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations of the Group in accordance with IFRS.

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

Originally issued and signed in Turkish

Baki Erdal, SMMM
Partner

Istanbul, 30 March 2010

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CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2009 AND 2008

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

	Notes	2009	2008
ASSETS			
Current assets			
Cash and cash equivalents	5	94.601.180	53.638.275
Trade receivables	8	22.222.384	16.894.322
Due from related parties	26	10.522.877	15.836.490
Other receivables	9	7.752.164	19.804.826
Inventories	10	3.758.396	4.440.852
Deferred income tax assets	24	-	689.404
Other current assets	16	6.454.477	4.884.497
Total current assets		145.311.478	116.188.666
Non-current assets			
Financial investments	6	-	805.255
Property, plant and equipment	11	102.331.411	93.594.024
Intangible assets	12	56.542.155	38.402.578
Goodwill	13	18.528.001	18.890.624
Deferred income tax assets	24	180.951	17.769
Other non-current assets	16	4.675.521	205.185
Total non-current assets		182.258.039	151.915.435
Total assets		327.569.517	268.104.101

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

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2009 AND 2008

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	Notes	2009	2008
LIABILITIES			
Current liabilities			
Financial liabilities	7	35.855.662	15.125.593
Trade payables	8	14.421.523	11.140.423
Due to related parties	26	664.070	6.466.762
Other payables	9	13.919.294	-
Provisions	14	8.056.554	16.130.690
Provision for employee benefits	15	-	39.341
Taxes on income	24	155.439	1.990.357
Other current liabilities	16	12.126.321	10.358.586
Total current liabilities		85.198.863	61.251.752
Non-current liabilities			
Financial liabilities	7	102.446.246	55.093.025
Derivative financial instruments	27	7.080.848	9.302.503
Other non-current payables	9	332.319	71.668
Deferred income tax liabilities	24	3.798.263	4.448.235
Provision for employee benefits	15	6.080.473	4.762.519
Other non-current liabilities	16	2.535.966	2.843.019
Total non-current liabilities		122.274.115	76.520.969
Total liabilities		207.472.978	137.772.721
EQUITY			
Equity attributable to equity holders of the parent			
Capital	17	24.300.000	24.300.000
Restricted reserves	17	19.322.144	15.358.025
Currency translation differences	2.1	915.353	985.303
Retained earnings	17	47.471.772	54.526.957
Net income for the period	17	27.782.633	35.044.734
Minority interest		304.637	116.361
Total equity		120.096.539	130.331.380
Total liabilities and equity		327.569.517	268.104.101
Contingent assets and liabilities	14		

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

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009 AND 2008

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	Notes	2009	2008
CONTINUING OPERATIONS			
Revenue - net	18	311.090.568	301.974.245
Cost of sales (-)	18	(202.284.165)	(215.159.850)
GROSS PROFIT	18	108.806.403	86.814.395
General administrative expenses (-)	20	(46.761.419)	(42.173.194)
Other operating income	21	3.044.146	4.825.339
Other operating expense (-)	21	(24.603.601)	(2.900.982)
OPERATING PROFIT		40.485.529	46.565.558
Financial income	22	29.030.073	40.244.876
Financial expense (-)	23	(30.502.280)	(40.924.858)
INCOME BEFORE TAX		39.013.322	45.885.576
Income tax expense		(10.888.511)	(16.124.008)
Taxes on income for the period	24	(11.007.573)	(14.231.605)
Deferred income tax income/(expense)	24	119.062	(1.892.403)
NET INCOME		28.124.811	29.761.568
Net income attributable to			
Minority interest		342.178	(5.283.166)
Equity holders of the parent		27.782.633	35.044.734
		28.124.811	29.761.568
Earnings per share (Kr)	25	0,01	0,01

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

Çelebi Hava Servisi A.Ş.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2009 AND 2008
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	2009	2008
Net income for the period	28.124.811	29.761.568
Other comprehensive income:		
Currency translation differences	(162.356)	852.900
Other comprehensive (loss)/income	(162.356)	852.900
Total comprehensive income	27.962.455	30.614.468
Total comprehensive income attributable to:		
Minority interest	249.772	(5.060.243)
Equity holders of the parent	27.712.683	35.674.711
	27.962.455	30.614.468

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

Çelebi Hava Servisi A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2009 AND 2008

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	Capital	Restricted reserves	Cumulative translation differences	Retained earnings	Net income for the period	Minority interest	Total equity
Balances at 1 January 2008	24.300.000	11.351.163	355.326	57.782.206	26.141.069	3.163.380	123.093.144
Capital increase	-	-	-	-	-	205.453	205.453
Transfers to retained earnings	-	-	-	26.141.069	(26.141.069)	-	-
Transfers to reserves	-	4.006.862	-	(4.006.862)	-	1.826.247	1.826.247
Dividends paid	-	-	-	(25.389.456)	-	(18.476)	(25.407.932)
Total comprehensive income	-	-	629.977	-	35.044.734	(5.060.243)	30.614.468
Balances at 31 December 2008	24.300.000	15.358.025	985.303	54.526.957	35.044.734	116.361	130.331.380
Balances at 1 January 2009	24.300.000	15.358.025	985.303	54.526.957	35.044.734	116.361	130.331.380
Transfers to retained earnings	-	-	-	35.044.734	(35.044.734)	-	-
Increase in minority interests due to consolidation of subsidiary	-	-	-	-	-	812	812
Transfers to reserves	-	3.964.119	-	(3.964.119)	-	-	-
Dividends paid	-	-	-	(38.135.800)	-	(62.308)	(38.198.108)
Total comprehensive income	-	-	(69.950)	-	27.782.633	249.772	27.962.455
Balances at 31 December 2009	24.300.000	19.322.144	915.353	47.471.772	27.782.633	304.637	120.096.539

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2009 AND 2008

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	Notes	2009	2008
Cash flow provided from operating activities			
Income before tax		39.013.322	45.885.576
Adjustments to reconcile income before tax to net cash provided by operating activities			
Depreciation and amortisation	11, 12	36.216.997	39.161.376
Provision for employment termination benefits	15	6.060.051	3.004.017
Provision for investment consultancy	14	3.440.525	-
Provision for unused vacation	14	(109.246)	214.632
Provision for sales commissions	14	(9.407)	288.899
Provision for borrowing commission expense	14	596.732	-
Provision for DHMI agreement share	14	(553.933)	4.672.208
Provision for litigation	14	64.977	172.844
Other provisions	14	1.017.028	547.545
Provision for doubtful receivable	8	(94.363)	415.210
Change in derivative financial instruments	27	(2.221.655)	6.933.345
Interest income	22	(5.518.861)	(4.474.024)
Interest expense	23	7.035.839	5.914.777
Losses/(Gains) from sales of property, plant and equipment		181.741	336.692
Unrecognised foreign exchange differences (income)/expense		(504.534)	2.884.591
Minority interest		342.178	(5.283.166)
Increase in minority interest due to consolidation of subsidiary		812	-
Cash flow provided before changes in assets and liabilities		**84.958.203**	**100.674.522**
Trade receivables		(5.233.699)	856.757
Due from related parties		5.313.613	(15.551.881)
Inventories		682.456	(81.478)
Income taxes paid	24	(12.842.491)	(12.241.248)
Other receivables		12.052.662	(22.553.267)
Other current assets		(1.569.980)	2.100.665
Other non-current assets		(3.581.491)	293.404
Trade payables		3.281.100	260.415
Due to related parties		(5.802.692)	4.725.835
Other payables		14.179.945	-
Other current liabilities		1.767.735	(1.180.930)
Other non-current liabilities		(837.963)	5.630.189
Doubtful receivable collection	8	588.007	-
Employment termination benefits paid	15	(4.781.726)	(1.746.058)
Vacation benefits paid	14	(312.289)	(133.852)
DHMI agreement share paid	14	(11.677.369)	-
Litigation provisions paid	14	(52.949)	(53.132)
Other compensations paid	14	(478.205)	(259.999)
Net cash generated from operating activities		**75.652.867**	**60.739.942**
Investing activities			
Purchases of property, plant and equipment	11	(24.472.643)	(9.430.305)
Purchase of intangible assets	12	(38.458.365)	(4.554.854)
Interest received		5.510.888	4.451.780
Establishment of subsidiary	6	-	(805.255)
Increase due to the addition of subsidiary in the consolidation	6	805.255	-
Proceeds from sale of property, plant and equipment		205.842	(212.344)
Net cash used in investing activities		**(56.409.023)**	**(10.550.978)**
Cash flow provided from financing activities			
Change in borrowings		68.151.937	(12.091.017)
Change in short-term finance lease obligations		11.893	82.583
Change in long-term finance lease obligations		(80.540)	210.040
Dividends paid	17	(38.198.108)	(25.407.932)
Interest paid		(6.725.689)	(6.059.069)
Net cash (used in)/generated from financing activities		**23.159.493**	**(43.265.395)**
Increase in restricted cash and cash equivalents	5	(7.486.030)	-
Cumulative translation adjustment		(1.451.495)	735.331
Net increase in cash and cash equivalents		**33.465.812**	**7.658.900**
Cash and cash equivalents at the beginning of the period	5	**53.627.149**	**45.968.249**
Cash and cash equivalents at the end of the period	5	**87.092.961**	**53.627.149**

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS OF THE GROUP

Çelebi Hava Servisi A.Ş (collectively referred to as the "Company" or "Çelebi 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 İstanbul Atatürk, İzmir, Ankara, Adana, Antalya, Dalaman, Bodrum, Çorlu, Bursa Yenişehir, Diyarbakır, Erzurum, Kayseri, Samsun, Trabzon, Tokat, Van, Malatya, Kars, Mardin, Denizli, Hatay, Kahramanmaraş, Isparta and Erzincan airports, which are under the control of the State Airports Administration ("DHMI") and İstanbul Sabiha Gökçen airport which is under the control of the Airport Administration and Aviation Industries A.Ş. ("HEAŞ").

The address of the Company is as follows:

Atatürk Havalimanı, Yeşilköy
34149 Yeşilköy, İstanbul

The Company has consolidated Çelebi IC Antalya Havalimanı Terminal Yatırım ve İşletme A.Ş. ("Çelebi IC Yatırım") with 49,99% of shares using the joint-venture consolidation method as of 31 December 2009. Çelebi IC Yatırım was established on 23 March 2004 based on the "Antalya Airport 2nd International Terminal ("Terminal") built, operate and transfer agreement" between the Company and the DHMI on 24 February 2004. Based on this agreement and an additional contract prepared on 10 November 2004, the construction of the building was finished and operations started as of 4 April 2005. Operating of Terminal has ended according to application agreement mentioned above as of 23 September 2009 (Note 12). The other main shareholder of Çelebi IC Yatırım is İçtaş İnşaat Sanayi ve Ticaret A.Ş. with 49,99% of shares.

The Company has also consolidated Çelebi Güvenlik Sistemleri ve Danışmanlık A.Ş. ("Çelebi Güvenlik") in which it holds 94,8% (2008: 94,8%) of shares. Çelebi Güvenlik maintains security at the Terminal and provides security services to the airline companies.

The Company has also participated in a tender offer as of 7 August 2006 called by the Budapest Airport Budapest Ferihegy Nemzetközi Repülöter Üzemeltetö Zartkörüen Müködö Reszvenytarsasag ("Ba Zrt") company resident in Budapest, Hungary for the acquisition of the Budapest Airport Handling Kereskedelmi es Szolgaltato Korlatolt Feleössegü Tarsasag ("BAGH") company that provides ground handling services at Budapest Airport and in which ("Ba Zrt") has a 100% share. The Company was informed of winning the tender offer on 14 August 2006 and participates in the Celebi Tanacsado Korlatolt Felelossegu Tarsasag" ("Celebi Kft.") company that was founded on 22 September 2006 as founding shareholder for the realisation of the abovementioned share transfer. Celebi Kft acquired all the shares of BAGH on 26 October 2006 and the trade name of BAGH has been changed to Celebi Ground Handling Hungary Földi Kiszolgáló Korlátolt Felelösségü Társaság ("CGHH"). Celebi Kft has share capital of 2.700.000.000 Hungary Forint ("HUF") in which the Company has a share of HUF 1.890.000.000 (70%). The other shares belong to Çelebi Holding A.Ş which is also the shareholder of the Company. Celebi Kft has been taken over by CGHH with all assets and liabilities and merger transactions have been completed at 31 October 2007 after the completion of the registration, related changes in Articles of Association and General Assembly decisions carried out within the legal framework effective in Hungary Since Celebi Kft owned 100% of CGHH shares before the merger, the Company's share has remained 70% in CGHH share capital which is determined as HUF 900.000.000. The capital of CGHH has been increased to HUF 910.000.000 after the merger. The Capital of CGHH has been increased to HUF 1.000.000.000 from HUF 910.000.000 in 2008 and the Company has share capital of HUF 700.000.000 (70%) as of 30 June 2009. Remaining part amounted HUF 300.000.000 (30%) is owned by Çelebi Holding A.Ş.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

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 51% stake in Celebi Nas and the capital of the company has been increased to INR400.000.000.

The Company participated as a co-founders in the company with capital of INR100,000 under the title Celebi Delhi Cargo Terminal Management India Private Limited ("Celebi Delhi Cargo") to carry out activities relating to the development, modernisation, financing and 25-year operation of the existing cargo terminal in the airport ("Brownfield") in New Delhi in India on 06 May 2009, and its capital share in Celebi Delhi Cargo is 74%.

As of 31 December 2009, the consolidated financial statements of the Company include the Company, Çelebi IC Yatırım, CGHH, Çelebi Güvenlik, Celebi Nas and Celebi Delhi Cargo (collectively, referred to as the "Group").

These consolidated financial statements for the period 1 January - 31 December 2009 have been approved for issue by the Board of Directors on 30 March 2010 and signed by S. Samim Aydın (General Manager) and H. Tanzer Gücümen (CFO) 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

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
Celebi Nas	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 2009 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.

With the decision taken on 17 March 2005, the CMB announced that, effective from 1 January 2005, for companies operating in Turkey and preparing their financial statements in accordance with CMB Financial Reporting Standards, the application of inflation accounting is no longer required Accordingly, IAS 29, "Financial Reporting in Hyperinflationary Economies", issued by the IASB, has not been applied in the financial statements for the accounting periods starting 1 January 2005.

As the differences of the IAS/IFRS endorsed by the European Union from the ones issued by the IASB have not been announced by TASB as of the date of preparation of these consolidated 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 numbered 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 (Note 28).

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.

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. 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 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 in International Financial Reporting Standards ("IFRS")

a)Standards, amendments and interpretations applied by the Group:

The Group has applied the amendments, interpretations and new standards as of 1 January 2009.

-IFRS 7 'Financial instruments - Disclosures' (amendment) - (effective 1 January 2009) The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on earnings per share.

-IAS 1 (revised). "Presentation of financial statements", (effective from 1 January 2009). Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group has chosen to present two statements.

-IAS 23 (Amendment), "Borrowing costs" (effective for the qualifying assets which capitalisation of the assets starting on or after 1 January 2009). The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. This amendment has been prepared in accordance with the transition provisions in the scope of harmonisation with IAS 23 "Borrowing Costs" (2007), the comparable financial statements of the previous period will not be re-arranged. Due there is no qualifying asset of the Group, it is not expected to have a material impact on the Group's financial statements.

-IAS 16 (Amendment), "Property, plant and equipment" - (effective for the reporting periods beginning on or after 1 January 2009).

-IAS 36 (Amendment), "Impairment of assets" - (effective for the reporting periods beginning on or after 1 January 2009). Amendment is oriented to disclosing of management's estimations used at calculation of fair value of assets.

-IFRS 8 (Revised), "Operating Segments" - (effective for the reporting periods beginning on or after 1 January 2009). The explanations related with IFRS 8, "Operating Segments" are stated at Note-4, Segment Reporting.

The standards, amendments and interpretations to existing standards those are effective as of 1 January 2009 excluding mentioned above are not listed since those are not related with the Group's activities.

b) Standards, amendments and interpretations to existing standards that are not yet effective in 2009 and have not been early adopted by the group:

The standards, amendments and interpretations mentioned below are not effective for the accounting periods beginning on or after 1 January 2010 and have not been applied by the Group.

-IFRS 3 (Revised), "Business combinations", (effective for the reporting periods beginning on or after 1 July 2009). The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquire at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The group will apply IFRS 3 (revised) prospectively to all business combinations from 1 January 2010.

-IAS 38 (Amendment), "Intangible Assets". The amendment is part of the IASB's annual improvements project published in April 2009. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives. The amendment will not result in a material impact on the group or company's financial statements. The Group will apply IAS 38 (amendment) from the date IFRS 3 (revised) is adopted.

-IAS 38 (Amendment) "Intangible Assets", (effective for the reporting periods beginning on or after 1 January 2010). Amendments have been made to paragraphs 40 and 41 of IAS 38 to clarify the description of valuation techniques commonly used by entities when measuring the fair value of intangible assets acquired in a business combination that are not traded in active markets. It is not expected to have a material impact on the Group's financial statements.

-IAS 36 (Revised), "Impairment of Assets", Amendment clarifies that the largest cash generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment.

-IAS 7 (Revised), "Statements of cash flows", (effective for the reporting periods beginning on or after 1 January 2010). Amendment requires that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities. It is not expected to have a material impact on the Group's statements of cash flows.

-IAS 39 (Amendment), Financial instruments: "Recognition and measurement" - Hedging activities, (effective for the reporting periods beginning on or after 1 July 2009 and is applied retrospectively). Due there is no hedging activities of the Group, it is not expected to have a material impact on the Group's financial statements.

-IAS 32 (Amendment), "Financial Instruments: Presentation", (effective for the reporting periods beginning on or after 1 February 2010). It is not expected to have a material impact on the Group's financial statements.

-IAS 24, (Amendment), "Related party disclosures", (effective for the reporting periods beginning on or after 1 January 2011). As the change in accounting policy only results in additional disclosures, there is no impact on earnings per share.

-IFRS 9, "Financial Instruments", (issued at November 2009 and effective for the reporting periods beginning on or after 1 January 2013).

-Improvements of International Financial Reporting Standards (issued at April 2009 and effective for the reporting periods beginning on or after 1 July 2009; amendments to IFRS 2, IAS 38, IFRIC 9 and IFRIC 16; effective for the reporting periods beginning on or after 1 January 2010; amendments to IFRS 5, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 36 and IAS 39). The impacts of the amendments mentioned above are evaluated and it is not expected to result in a material impact on the Group's financial statements.

c) New Standards, amendments and interpretations to existing standards are not yet effective in 2009 and not related with the Group's activities:

-IFRS 5 (revised), 'Measurement of non-current assets (or discontinued operations) classified as held-for-sale'. The amendment is part of the IASB's annual improvements project published in April 2009. The amendment provides clarification that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply, particularly paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1. The group and company will apply IFRS 5 (revised) from 1 January 2010. It is not expected to have a material impact on the Group's financial statements.

-IFRS 5 (amendment), 'Measurement of non-current assets (or disposal groups) classified as held-for-sale'. The amendment is part of the IASB's annual improvements project published in April 2009. The amendment provides clarification that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply, particularly paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1. The group and company will apply IFRS 5 (amendment) from 1 January 2010. It is not expected to have a material impact on the Group's financial statements.

-IFRS 2 (amendment), "Group cash-settled and share-based payment transactions". In addition to incorporating IFRIC 8, 'Scope of IFRS 2', and IFRIC 11, 'IFRS 2 – Group and treasury share transactions', the amendments expand on the guidance in IFRIC 11 to address the classification of group arrangements that were not covered by that interpretation. The new guidance is not expected to have a material impact on the Group's financial statements.

-IFRS 2 (Revised), "share-based payment transactions" (effective for the reporting periods beginning on or after 1 July 2009). Amendment confirms that, in addition to business combinations as defined by IFRS 3(revised), 'Business combinations', contributions of a business on formation of a joint venture and common control transactions are excluded from the scope of IFRS 2, 'Share-based payment'. It is not expected to have a material impact on the Group's financial statements.

-IFRIC 17, 'Distribution of non-cash assets to owners' (effective on or after 1 July 2009). The interpretation is part of the IASB's annual improvements project published in April 2009. This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. IFRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable. The group and company will apply IFRIC 17 from 1 January 2010. It is not expected to have a material impact on the Group's financial statements.

-IFRIC 9 (Revised), "Reassessment of embedded derivatives" (Effective for periods ending on or after 30 June 2009). Due there is no embedded derivatives of the Group, it is not expected to have an impact on the Group's financial statements.

-IFRIC 9 and IFRS 3 (Revised) (Effective for periods beginning on or after 1 July 2009).The IASB amended the scope paragraph of IFRIC 9 to clarify that it does not apply to possible reassessment, at the date of acquisition, to embedded derivatives in contracts acquired in a combination between entities or businesses under common control or the formation of a joint venture.

-IFRIC 18, "Transfers of assets from customers" (effective for annual periods beginning on or after 1 July 2009) It is expected that the application of the standards and the interpretations above will not have an effect on the consolidated financial statements of the Group.

-IAS 17 (Revised) "Leases" (Annual periods beginning on or after 1 January 2010. Earlier adoption is permitted.) Since there is no significant leased asset of the Group, it is expected that the application of the standards and the interpretations above will not have an effect on the consolidated financial statements.

-IAS 39 (Revised), "Financial instruments: Recognition and measurement" (Annual periods beginning on or after 1 January 2010.) There are amendments related for excluding business combination contracts and cash flow hedge accounting. It is expected that the application of the standards and the interpretations above will not have an effect on the consolidated financial statements of the Group.

-IFRIC 16, "Hedges of net investment in a foreign operation", (Annual periods beginning on or after 1 July 2009) It is expected that the application of the standards and the interpretations above will not have an effect on the consolidated financial statements of the Group.

2.1.3 Basis of Consolidation

a) The consolidated financial statements include the accounts of the parent company, Çelebi Hava, its Subsidiaries and its Joint ventures (collectively referred to as the "Group") on the basis set out in sections (b), to (f) 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 are companies over which the Company has capability to control the financial and operating policies for the benefit of the Company, through the power to exercise more than 50% of the voting rights relating to shares in the companies owned directly and indirectly by itself having the power to exercise control over the financial and operating policies.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

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

	Direct and indirect shareholding by Çelebi Hava and its Subsidiaries (%)	
Subsidiary	2009	2008
Çelebi Güvenlik	94,8	94,8
CGHH	70,0	70,0
Celebi Delhi Cargo (*)	74,0	-

(*)As of 31.12.2009 Celebi Delhi Cargo has directly and indirectly 74% voting right. However until 31 December 2009 Celebi Delhi Cargo has not been consolidated in consolidated financial statements by reason of being immaterial for the consolidated financial statements. Thus Celebi Delhi Cargo has been accounted in marketable securities. Due to completion of the organization and by reason of taking into consideration increasing of total assets for the first time Celebi Delhi Cargo has been consolidated in consolidated financial statements as of 31 December 2009 (Note 6).

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 Company and its Subsidiaries is eliminated against the related equity. Intercompany transactions and balances between the Company and its Subsidiaries are eliminated on consolidation. The cost of, and the dividends arising from, shares held by the Company and its Subsidiaries in the Subsidiaries are eliminated from equity and income for the period, respectively.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. Where necessary, accounting policies of Subsidiaries have been changed to ensure the consistency with the policies adopted by the Group.

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

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.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	Direct and indirect shareholding by Çelebi Hava (%)	
Joint Ventures	2009	2008
Çelebi IC Yatırım	49,99%	49,99%
Celebi Nas (*)	51,00%	51,00%

(*) As of 31 December 2008 Celebi Nas has directly and indirectly 51% voting right. However until 30 June 2009 Celebi Nas has not been consolidated in consolidated financial statements by reason of being immaterial for the consolidated financial statements. Thus Celebi Nas has been accounted in marketable securities. Due to completion of the organization and by reason of taking into consideration increasing of total assets for the first time Celebi Nas has been consolidated in consolidated financial statements as of 30 June 2009.

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

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

The financial reporting standards issued by the CMB as described in Note 2.1.1 to these consolidated financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting for the period between 1 January - 31 December 2005. Accordingly, these consolidated financial statements are not intended to present the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with IFRS.

2.2. Changes in the Accounting Policies

Significant changes in accounting policies or significant errors are corrected, retrospectively; by restating the prior period consolidated financial statements. There are no important changes in the accounting policies for the period of 1 January - 31 December 2009.

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.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

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.

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 from the terminal. In accordance with the "Antalya Airport 2nd International Terminal construction, management and transfer agreement" signed between Çelebi IC Yatırım and DHMI and also with the conditions of the contract, the DHMI committed to the foreign lines service revenue from 1.987.734 (2008: 2.416.171) passengers and agreed USD15 per person as the foreign line passenger service price. After reaching the guaranteed passenger number in one operating year, the remainder of the passenger income will be transferred to the DHMI.

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 10 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).

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.

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	over period of lease (*)

(*)Leasehold improvements include the expenses made for the leased properties and are depreciated over the shorter of the lease term and their useful lives.

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 related 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 licences, 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.

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 and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer relationship.

c) Computer software (Rights)

Rights arising on computer software are recognized at its acquisition cost. Computer software is amortised 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 programmes 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) Build-Operate-Transfer Investments

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.

Çelebi IC Yatırım	54 months
Celebi Delhi Cargo	25 years

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.

2.4.5 Inventories

Inventories are valued at the lower of cost or net realisable 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 realisable 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).

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 amortisation 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 amortised 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, yet voluntary early transition to the application right is reserved. 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 capitalised as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale. All other borrowing costs are charged to the income statement when they are incurred.

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 amortised cost (Note 8).

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 unrealised 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 derecognised.

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.

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 amortised 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 recognising 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 recognises 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 amortised 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, statements of income are consolidated from the beginning of the financial year in which the business combination takes place. 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 merger".

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 recognise 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 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 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 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 related parties in accordance with the aim of these consolidated financial statements (Note 26).

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 authorised to make decisions regarding the activities of the Group. The organs and persons authorised 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 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. Investment properties are depreciated with the straight-line depreciation method over their useful lives that until 50 years.
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).

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 utilised.

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 Labour 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.

2.4.27 Derivative financial instruments and hedging activities

Derivative financial instruments are subsequently measured at their fair values. The derivative instruments of the Group mainly consist of interest rate exchange and foreign exchange forward contracts.

These derivative financial instruments, even though providing effective economic hedges under the Group risk management position, do not qualify for hedge accounting under the requirements of IAS 39, "Financial Instruments: Recognition and Measurement", and therefore are accounted for as derivatives held-for-trading in the consolidated financial statement.

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

Derivative financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative in consolidated balance sheets

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 27).

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 balance sheet of the Group at 31 December 2009 has been provided with the comparative financial information of 31 December 2008 and the statement of income, the statement of changes in equity and the statement of cash flows for the year ended 31 December 2009 have been provided with the comparative financial information, for the year ended 31 December 2008.

-Donation and aid expenses: The "Donation and aid expenses" amounting to TL826,360 indicated in "Other expenses" under "General Administration Expenses" in the income statement, dated 31 December 2008, is shown under "Other operating expenses" in the financial information presented in comparison with the balance sheet, dated 31 December 2009 (Note 21).

-Investment consultancy expenses: The "investment consultancy expenses" amounting to TL417,775 indicated in "Consultancy expenses" under "General Administration Expenses" in the income statement, dated 31 December 2008, is shown under "Other operating expenses" in the financial information presented in comparison with the balance sheet, dated 31 December 2009 (Note 21).

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 2009 (Note 13).

The fact that the discount rate before tax used in the calculation of discounted estimated cash flows is higher than 1% (such as 12,8% instead of 11,8%) no impairment was detected in the goodwill amount as of 31 December 2009.

(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 amortisation 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 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 December 2009 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 30).

(d) Taxes on income

As explained in Note 2.4.23, 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 December 2009, 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.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

(f) Unused carry-forward tax losses

Deferred tax asset is booked where there is a probability that a tax advantage can be gained in future periods. Despite of currency forward contract which has been made to deal with risks related to changes in market value of future forecasted cash flows of CGHH , foreign exchange losses caused by decrease in the value of Hungarian Forint against Euro due to ongoing financial crisis in Hungary and international markets has lead to the probability of inability to utilize carry-forward tax losses of CGHH amounted as of 31 December 2009 TL18.891.835 (2008: TL16.591.944) partly or completely in an identifiable period of time. Although there has been no expiry date for the utilization of carry-forward tax losses in the Hungarian Tax System, the Company has not accounted for deferred tax asset amounted as of 31 December 2009 to TL3.778.369 (2008: TL3.318.189).

NOTE 3 - JOINT VENTURES

Shares in Joint Ventures

Çelebi IC Antalya Havalimanı Terminal Yatırım ve İşletme A.Ş. 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:

	2009	2008
Current assets	91.009.633	92.113.294
Non-current assets	29.310.641	31.870.315
Total assets	**120.320.274**	**123.983.609**
Current liabilities	23.350.333	42.925.551
Non-current liabilities	21.792	-
Shareholders' equity	96.948.149	81.058.058
Total liabilities and shareholders' equity	**120.320.274**	**123.983.609**

	2009	2008
Revenue - net	106.703.303	113.124.142
Gross profit	49.467.921	43.332.244
Operating profit	43.326.975	36.649.699
Net profit for the period	38.761.856	37.240.048

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

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.

Management is assessing the Group's performance on an operating segment basis; Ground Handling Services, Security 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.

The segment information provided to the board of directors as of 31 December 2009 is as follows:

1 January - 31 December 2009

	Reportable Segments					
	Ground Handling Services	Airport Security Services	Airport Terminal Construction and Management	Cargo and Warehouse Services	Consolidation Adjustments	Consolidated
Revenue - net	228.077.179	11.604.431	51.688.143	25.298.383	(5.577.568)	311.090.568
Cost of sales	(159.349.747)	(8.782.474)	(26.402.922)	(13.410.846)	5.661.824	(202.284.165)
Gross profit	**68.727.432**	**2.821.957**	**25.285.221**	**11.887.537**	**84.256**	**108.806.403**
General administrative expenses	(40.976.213)	(1.051.138)	(2.608.060)	(2.255.138)	129.130	(46.761.419)
Addition: Depreciation and amortization	20.134.207	36.520	15.495.744	550.526	-	36.216.997
EBITDA	**47.885.426**	**1.807.339**	**38.172.905**	**10.182.925**	**213.386**	**98.261.981**

Sales between segments are carried out at arm's length. The revenues from external parties are accounted consistently with reports, presented to the Board of Directors, in the consolidated income statement.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

1 January - 31 December 2008

	Reportable Segments					
	Ground Handling Services	Airport Security Services	Airport Terminal Construction and Management	Cargo and Warehouse Services	Consolidation Adjustments	Consolidated
Revenue - net - net	217.213.825	10.905.352	56.555.284	22.327.312	(5.027.528)	301.974.245
Cost of sales	(164.141.525)	(8.015.547)	(34.891.761)	(13.205.851)	5.094.834	(215.159.850)
Gross profit	**53.072.300**	**2.889.805**	**21.663.523**	**9.121.461**	**67.306**	**86.814.395**
General administrative expenses	(37.739.109)	(1.293.374)	(3.222.144)	-	81.433	(42.173.194)
Addition: Depreciation and amortization	18.408.760	70.576	20.295.713	386.327	-	39.161.376
EBITDA	**33.741.951**	**1.667.007**	**38.737.092**	**9.507.788**	**148.739**	**83.802.577**

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

	2009	2008
EBITDA for reported segments	98.261.981	83.802.577
Depreciation and amortisation	(36.216.997)	(39.161.376)
Other operating income	3.044.146	4.825.339
Other operating expenses (-)	(24.603.601)	(2.900.982)
Operating profit	**40.485.529**	**46.565.558**
Financial income	29.030.073	40.244.876
Financial expense (-)	(30.502.280)	(40.924.858)
Income before tax	**39.013.322**	**45.885.576**

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.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

Total Assets	2009	2008
Turkey	197.899.612	195.701.393
Hungary	70.364.119	77.458.346
India	73.291.722	805.255
Segment Assets (*)	341.555.453	273.964.994
Unallocated assets	60.060.282	34.114.587
Less: Inter-segment elimination	(74.046.218)	(39.975.480)
Total assets as per consolidated financial statements	327.569.517	268.104.101

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

Total Liabilities	2009	2008
Turkey	34.405.986	47.922.810
Hungary	12.143.844	15.758.998
India	42.741.567	-
Segment liabilities (*)	89.291.397	63.681.808
Unallocated liabilities	142.100.171	74.666.854
Less: Inter-segment elimination	(23.918.590)	(575.941)
Total liabilities as per consolidated financial statements	207.472.978	137.772.721

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

Geographical Segments

Geographical Analysis for the period 1 January - 31 December 2009

	Turkey	Hungary	India	Total Combined	Intersegment Adjustment	Total
Revenue	255.920.894	49.311.797	5.860.581	311.093.272	(2.704)	311.090.568
Cost of sales	(164.163.317)	(35.255.317)	(2.868.035)	(202.286.669)	2.504	(202.284.165)
Gross profit	91.757.577	14.056.480	2.992.546	108.806.603	(200)	108.806.403
General administrative expenses	(33.675.690)	(9.596.151)	(3.493.847)	(46.765.688)	4.269	(46.761.419)
Other operating income/ expense - net	(21.357.222)	(225.499)	27.335	(21.555.386)	(4.069)	(21.559.455)
Operating profit	36.724.665	4.234.830	(473.966)	40.485.529	-	40.485.529

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

Geographical Analysis for the period 1 January - 31 December 2008

	Turkey	Hungary	India	Total Combined	Intersegment Adjustment	Total
Revenue	254.384.034	47.590.211	-	301.974.245	-	301.974.245
Cost of sales	(173.189.249)	(41.970.601)	-	(215.159.850)	-	(215.159.850)
Gross profit	81.194.785	5.619.610	-	86.814.395	-	86.814.395
General administrative expenses	(33.779.858)	(8.393.336)	-	(42.173.194)	-	(42.173.194)
Other operating income/ expense - net	2.017.230	(92.873)	-	1.924.357	-	1.924.357
Operating profit	49.432.157	(2.866.599)		46.565.558	-	46.565.558

NOTE 5 - CASH AND CASH EQUIVALENTS

	2009	2008
Cash	74.217	74.222
Banks		
- time deposit	59.879.331	34.212.669
- demand deposit	34.647.632	19.351.384
	94.601.180	53.638.275

Effective interest rates on TL, Euro, USD and INR denominated time deposits at 31 December 2009 are 7,84%, 1,46%, 1,54% ve 1,5% (2008: TL 15,79%, Euro 3,86%, USD 4,76%) respectively. The maturity days on TL, Euro and USD denominated time deposits as of 31 December 2009 1-23 days and 1-7 days for INR (31 December 2008: TL 1-34 days, Euro 1-34 days, USD 1-32 days).

The analysis of cash and cash equivalents in terms of consolidated statements of cash flows at 31 December 2009 and 2008 is as follows:

	2009	2008
Cash and banks	94.601.180	53.638.275
Less: Interest Accruals	(22.189)	(11.126)
Less: Restricted cash (*)	(7.486.030)	-
	87.092.961	53.627.149

(*)TL4,241,636 of the mentioned amount represents the collections from the clients kept in mandatory restricted accounts according to the concession agreements signed for the operation of the Cargo terminal in New Delhi Airport in India. (31 December 2008: None) The remaining restricted cash of TL3,244,394 is kept in the bank as the provision against the bank guarantee given by Çelebi IC Yatırım to DHMI.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 6 - FINANCIAL INVESTMENTS

Available-for-sale assets:

	31 December 2009		31 December 2008	
	%	TL	%	TL
Celebi Nas	-	-	51.00	805.255

As of 31.12.2008 Celebi Nas has directly and indirectly 51% voting right. However Celebi Nas has not been consolidated in consolidated financial statements by reason of being immaterial for the consolidated financial statements. Thus Celebi Nas has been accounted in marketable securities. Due to completion of the organization and by reason of taking into consideration increasing of total assets for the first time Celebi Nas has been consolidated in consolidated financial statements as of 30 June 2009.

NOTE 7 - FINANCIAL LIABILITIES

Short-term financial liabilities:

	31 December 2009		
	Effective interest rate (%)	Original amount	TL
Short-term bank borrowings:			
Euro borrowings	1,58%	2.000.000	4.320.600
			4.320.600
Short-term portion of long-term borrowings:			
Interest expense accrual - Euro		102.407	221.229
Interest expense accrual – US Dollar		68.258	102.776
Interest expense accrual - INR		8.600.590	277.419
US Dollar borrowings	8,56%	5.500.000	8.281.350
Euro borrowings	7,56%	10.441.982	22.557.813
			31.440.587
Short-term finance lease obligations - US Dollar		62.745	94.475
Short-term financial liabilities			35.855.662
Long-term financial liabilities:			
US Dollar borrowings	5,27%	6.000.000	9.034.200
INR borrowings	11,5%	771.500.000	24.885.337
Euro borrowings	6,46%	31.660.977	68.397.209
			102.316.746
Long-term finance lease obligations - US dollar		86.007	129.500
Long-term financial liabilities			102.446.246
Total financial liabilities			138.301.908

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	31 December 2009		31 December 2008	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term financial liabilities	102.446.246	102.080.636	55.093.025	55.096.450

The fair value of current borrowings equals their carrying amount as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on the borrowing rate of 10,00% (31 December 2008: 3,69%). The fair values of short-term bank borrowings are considered to approximate their carrying values

Short-term financial liabilities:

	31 December 2008		
	Effective interest rate (%)	Original amount	TL
Short-term bank borrowings			
TL borrowings	0,00%	19.948	19.948
Euro borrowings	3,84%	2.000.000	4.281.600
			4.301.548
Short-term portion of long-term borrowings			
Interest expense accrual - Euro		61.842	132.391
Interest expense accrual - US dollar		22.764	34.426
US dollar borrowings	5,50%	1.500.000	2.268.450
Euro borrowings	6,54%	3.879.950	8.306.195
			10.741.462
Short-term finance lease obligations - US Dollar		54.608	82.583
Short-term financial liabilities			15.125.593
Long-term financial liabilities:			
Euro borrowings	7,27%	25.636.671	54.882.985
Long-term bank borrowings			54.882.985
Long-term finance lease obligations - US dollar		138.888	210.040
Long-term financial liabilities			55.093.025
Total financial liabilities			70.218.618

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

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

	2009	2008
Less than 3 months	4.344.219	5.089.036
Between 3-12 months	31.511.443	10.036.557
Between 1-5 years	102.446.246	55.093.025
	138.301.908	70.218.618

The redemption schedule of the long-term bank borrowings as of 31 December 2009 and 2008 is as follows

	2009	2008
2010	-	4.701.461
2011	30.250.893	6.334.747
2012	16.480.646	8.209.087
2013	17.429.357	10.192.057
2014 and over	38.155.850	25.655.673
	102.316.746	55.093.025

The redemption schedule of the financial lease obligations as of 31 December 2009 and 2008 is as follows:

	31 December 2009			31 December 2008		
	Minimum lease payments	Interest	Total obligation	Minimum lease payments	Interest	Total obligation
Less than 1 year	113.485	(19.010)	94.475	108.305	(25.722)	82.583
1 to 2 years	112.747	(8.307)	104.440	108.305	(17.012)	91.293
2 to 3 years	22.887	(762)	22.125	108.305	(7.384)	100.921
4 years and over	3.073	(138)	2.935	18.051	(225)	17.826
	252.192	(28.217)	223.975	342.966	(50.343)	292.623

NOTE 8 - TRADE RECEIVABLES AND PAYABLES

	2009	2008
Short-term trade receivables		
Trade receivables	24.599.556	19.767.775
Less: Provision for doubtful receivables	(2.377.172)	(2.873.453)
	22.222.384	16.894.322

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

The maturities of trade receivables are generally less than one month at 31 December 2009 (2008: less than one month). The fair value of current trade receivables as of 31 December 2009 and 2008 equals their carrying amount as the impact of discounting is not significant.

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

Movement of provision for doubtful receivables is as follows:

	2009	2008
Opening balance	2.873.453	2.458.243
Current year charge	94.363	415.210
Cumulative translation differences	(2.637)	-
Collections and reversal of provisions	(262.894)	-
Write-off of uncollectible trade receivables	(325.113)	-
Closing balance	2.377.172	2.873.453

Credit risks exposed by the Group for each financial instrument type as of 31 December 2009 and 2008 are shown below:

	Trade receivables		Other receivables		
31 December 2009	Related party	Other	Related party	Other	Bank deposits
The maximum of credit risk exposed at the reporting date	177.637	22.222.384	10.345.240	7.752.164	94.526.963
- Credit risk covered by guarantees	-	635.772	-	-	-
Net carrying value of financial assets either are not due or not impaired	23.208	17.796.224	10.345.240	7.752.164	94.526.963
Net carrying value of financial assets which are overdue but not impaired	154.429	4.426.160	-	-	-
- Amount of risk covered by guarantees	-	596.357	-	-	-
Net carrying value of impaired assets	-	-	-	-	-
- Overdue (gross carrying value)	-	2.377.172	-	-	-
- Impairment amount (-)	-	(2.377.172)	-	-	-
- Amount of risk covered by guarantees	-	-	-	-	-

	Trade receivables		Other receivables		
31 December 2008	Related party	Other	Related party	Other	Bank deposits
The maximum of credit risk exposed at the reporting date	360.775	16.894.322	15.475.715	19.804.826	53.564.053
- Credit risk covered by guarantees	-	2.958.417	-	-	-
Net carrying value of financial assets either are not due or not impaired	14.378	13.159.614	15.475.715	19.458.429	53.564.053
Net carrying value of financial assets which are overdue but not impaired	346.397	3.734.708	-	346.397	-
- Amount of risk covered by guarantees	-	276.523	-	-	-
Net carrying value of impaired assets	-	-	-	-	-
- Overdue (gross carrying value)	-	2.873.453	-	-	-
- Impairment amount (-)	-	(2.873.453)	-	-	-
- Amount of risk covered by guarantees	-	(113.409)	-	-	-

Aging which is prepared considering the overdue days of overdue receivables that are not impaired including receivables from related parties is as follows:

	2009	2008
Up to 1 month	3.077.774	1.837.539
1 to 3 months	556.408	1.550.867
3 to 12 months	864.984	640.199
1 to 5 years	81.423	52.500
	4.580.589	4.081.105

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

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

	Trade receivables	
31 December 2009	Related party	Other
Overdue 1-30 days	-	3.077.774
Overdue 1-3 months	-	556.408
Overdue 3-12 months	152.030	712.954
Overdue 1-5 years	2.399	79.024
Amount of risk covered by guarantees	-	596.357

	Trade receivables	
31 December 2008	Related party	Other
Overdue 1-30 days	146.787	1.690.752
Overdue 1-3 months	6.745	1.544.122
Overdue 3-12 months	192.865	447.334
Overdue 1-5 years	-	52.500
Amount of risk covered by guarantees	-	276.523

Short-term trade payables

	2009	2008
Trade Payables	14.421.523	11.140.423

The fair value of short-term trade payables as of 31 December 2009 and 2008 equals their carrying amount as the impact of discounting is not significant.

NOTE 9 - OTHER RECEIVABLES AND PAYABLES

	2009	2008
Other short-term receivables		
Advances given (*)	6.790.516	19.299.357
Deposits and guarantees given	566.271	121.657
Receivables from Tax Office	306.071	329.550
Other short-term receivables	89.306	54.262
	7.752.164	19.804.826

(*) TL5.323.537 of related amount consist of advances paid by Celebi IC Antalya Havalimanı Terminal Yatırım ve İşletme A.Ş. to its shareholder IC İçtaş İnşaat San. Ve Tic. A.Ş. with a 49,99% stake, and accrued interest relating to these advances as of 31 December 2009.(31 December 2008: TL15.475.715) TL1.466.979 of related amount consists of payments amounting to total INR45.165.600 comprised of cash guarantee payment (INR25.500.000) and other various payments (INR19.655.600) made to Mumbai International Airport Limited (MIAL) on behalf and account of Celebi Nas on November 2008 in accordance with tender specifications and concession agreement (31 December 2008: TL3.823.642).

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	2009	2008
Other short-term payables		
Capital advances received (*)	5.781.749	-
Other (**)	8.137.545	-
	13.919.294	-

(*) Related amount consists of capital advances received from Delhi International Airport Pvt. Ltd. which is the other partner of Celebi Delhi Cargo, the subsidiary of The Company in 2009.

(**) TL4,372,692 of the mentioned amount consists of the borrowings received by Celebi NAS, Company's joint venture, from its other shareholders Sovika and Nas Aviation. TL3,764,853 consists of the payables to DIAL, which is the other partner of Celebi Delhi Cargo, the subsidiary of the Company in India.

	2009	2008
Other long-term payables		
Deposits and guarantees received	332.319	71.668

NOTE 10 - INVENTORIES

	2009	2008
Trade goods	384.317	357.123
Other inventories	3.374.079	4.083.729
	3.758.396	4.440.852

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 224.845 at 31 December 2009 (31 December 2008: TL285.275.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment for the period ended 31 December 2009 are as follows:

	Opening 1 January 2009	Additions	Disposals	Transfers	Cumulative translation adjustments	Closing 31 December 2009
Cost						
Plant, machinery and equipment	124.111.791	14.303.053	(82.574)	(1.876.547)	233.431	136.689.154
Motor vehicles	20.773.498	1.143.667	(350.941)	-	(312.537)	21.253.687
Furniture and fixtures	13.178.621	626.408	(30.973)	(108.958)	(12.760)	13.652.338
Leasehold improvements (*)	66.333.945	4.788.278	(166.609)	3.483.022	3.003	74.441.639
Construction in Progress	-	124.632	-	-	3.315	127.947
Advances given (**)	15.423	3.486.605	-	(1.574.225)	-	1.927.803
	224.413.278	24.472.643	(631.097)	(76.708)	(85.548)	248.092.568
Accumulated depreciation						
Plant, machinery and equipment	(85.479.461)	(7.119.734)	67.359	1.953.127	(10.141)	(90.588.850)
Motor vehicles	(8.481.838)	(2.741.936)	314.591	-	32.155	(10.877.028)
Furniture and fixtures	(10.884.815)	(888.222)	30.580	107.924	3.101	(11.631.432)
Leasehold improvements (*)	(25.973.140)	(4.642.372)	12.725	(2.061.051)	(9)	(32.663.847)
	(130.819.254)	(15.392.264)	425.255	-	25.106	(145.761.157)
Net book value	93.594.024					102.331.411

(*) The land plots where the stations were constructed by Çelebi Hava Servisi A.Ş in the airports within which it operates were rented from the DHMI. The station buildings on this land were constructed by the Group and recorded under the tangible assets of the Group as leasehold improvements. As of 31 December 2009 the net book value of these stations was TL38.511.896. The lease contract signed by the Group and the DHMI is valid for one year and the agreement is renewed every year. The agreement is renewed automatically. The Group amortizes these station buildings over 15 years which correspond to their economic lives. If the DHMI does not renew the lease contract within this period, the Group may have to amortize the relevant leasehold improvements over a shorter period

(**) Comprised of transfers to intangible assets.

For the period ended as at 31 December 2009, TL2.797.360 of depreciation expense is included in operating expenses TL12.594.904 of the depreciation is included in cost of sales. Plant, Machinery and Equipment includes financial leasing assets which have TL640.220 net book value as of 31 December 2009.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

Movements in property, plant and equipment for the period ended 31 December 2008 are as follows:

	Opening 1 January 2008	Additions	Disposals	Transfers (**)	Cumulative translation adjustments	Closing 31 December 2008
Cost						
Plant, machinery and equipment	121.948.890	1.668.874	(794.901)	760.924	528.004	124.111.791
Motor vehicles	18.385.783	327.243	(605.089)	-	2.665.561	20.773.498
Furniture and fixtures	11.799.713	1.352.691	(104.525)	-	130.742	13.178.621
Leasehold improvements (*)	63.394.155	2.942.151	(2.361)	-	-	66.333.945
Advances given	87.649	713.030	(10.431)	(774.825)	-	15.423
	215.616.190	7.003.989	(1.517.307)	(13.901)	3.324.307	224.413.278
Accumulated depreciation						
Plant, machinery and equipment	(79.281.217)	(6.774.174)	667.075	-	(91.145)	(85.479.461)
Motor vehicles	(5.685.326)	(2.695.699)	565.460	-	(666.273)	(8.481.838)
Furniture and fixtures	(10.099.557)	(818.958)	99.928	-	(66.228)	(10.884.815)
Leasehold improvements (*)	(21.680.544)	(4.292.648)	52	-	-	(25.973.140)
	(116.746.644)	(14.581.479)	1.332.515	-	(823.646)	(130.819.254)
Net book value	98.869.546					93.594.024

(*) The land plots where the stations were constructed by Çelebi Hava Servisi A.Ş in the airports within which it operates were rented from the DHMI. The station buildings on this land were constructed by the Group and recorded under the tangible assets of the Group as leasehold improvements. As of 31 December 2008 the net book value of these stations was TL37.432.818. The lease contract signed by the Group and the DHMI is valid for one year and the agreement is renewed every year. The agreement is renewed automatically. The Group amortizes these station buildings over 15 years which correspond to their economic lives. If the DHMI does not renew the lease contract within this period, the Group may have to amortize the relevant leasehold improvements over a shorter period.

(**) Comprised of transfers to intangible assets.

For the period ended as at 31 December 2008, TL3.800.707 of depreciation expense is included in operating expenses TL10.780.772 of the depreciation is included in cost of sales. Plant, Machinery and Equipment includes financial leasing assets which have TL659.795 net book value as of 31 December 2009.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 12 - INTANGIBLE ASSETS

Movements in intangible assets for the period ended 31 December 2009 are as follows:

	Opening 1 January 2009	Additions	Disposals	Transfers	Cumulative translation adjustments	Closing 31 December 2009
Cost						
Rights	555.958	2.647	-	-	-	558.605
Customer relations	32.240.377	-	-	-	(618.883)	31.621.494
Software	3.376.610	575.225	-	-	(5.304)	3.946.531
Build-operate-transfer investments	87.856.923	37.880.493	(88.318.762) (*)	76.708	997.273	38.492.635
	124.029.868	38.458.365	(88.318.762)	76.708	373.086	74.619.265
Accumulated depreciation						
Rights	(531.230)	(4.850)	-	-	-	(536.080)
Customer relations	(10.060.713)	(4.388.974)	-	-	64.749	(14.384.938)
Software	(2.379.656)	(447.783)	-	-	(85)	(2.827.524)
Build-operate-transfer investments	(72.655.691)	(15.983.126)	88.318.762	-	(8.513)	(328.568)
	(85.627.290)	(20.824.733)	88.318.762	-	56.151	(18.077.110)
Net book value	38.402.578					56.542.155

(*) The items in the nature of special costs relating to the construction of Terminal, which have been capitalised based on the implementation agreement for the terminal construction, operation and transfer, signed by and between CHMİ and Çelebi IC Yatırım whose net book value was zero as of 30 September 2009, have been transferred to DHMI since the operation of the Terminal ended as of 23 September 2009.

(**) TL35,546,813 which is difference between discounted present value of deposits 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 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.

Amortisation expense for the period ended 31 December 2009 in the amount of TL3.784.646 and TL17.040.087 are included in operating expenses and cost of sales.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

Movements in intangible assets for the period ended 31 December 2008 are as follows:

	Opening 1 January 2008	Additions	Disposal	Transfers	Cumulative translation adjustments	Closing 31 December 2008
Cost						
Rights	545.219	10.739	-	-	-	555.958
Customer relations	27.017.944	-	-	-	5.222.433	32.240.377
Software	3.160.706	227.248	(82.274)	-	70.930	3.376.610
Build-operate-transfer investments (*)	87.533.504	309.518	-	13.901	-	87.856.923
	118.257.373	547.505	(82.274)	13.901	5.293.363	124.029.868
Accumulated depreciation						
Rights	(499.553)	(31.677)	-	-	-	(531.230)
Customer relations	(4.946.485)	(3.861.143)	-	-	(1.253.085)	(10.060.713)
Software	(2.013.063)	(402.037)	54.722	-	(19.278)	(2.379.656)
Build-operate-transfer investments	(52.370.651)	(20.285.040)	-	-	-	(72.655.691)
	(59.829.752)	(24.579.897)	54.722	-	(1.272.363)	(85.627.290)
Net book value	58.427.621					38.402.578

(*) The build-operate-transfer investment the net book value of which is TL15.201.232 comprises of the advances and progress payments given to contracting firms which were capitalized as of 31 December 2008 related to the construction of Antalya Airport 2. International Terminal with respect to the terminal building operation and transfer processes between Çelebi IC Yatırım and the DHMI. The Group will depreciate the leasehold improvements related to the terminal building within the operating period of 54 months.

Amortisation expense for the period ended 31 December 2009 in the amount of TL2.327.342 and TL22.252.555 are included in operating expenses and cost of sales.

NOTE 13 - GOODWILL

Positive goodwill at 31 December 2009 and 2008 is as follows:

	2009	2008
Goodwill due to acquisition of CGHH	18.528.001	18.890.624

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

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

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 TL31.287.893 as of 26 October 2006 and acquired by Celebi Kft at a price of TL49.448.419 which is the TL equivalent of 6.691.261 thousand Hungarian Forint (EUR25.593.870). The acquisition has been accounted for according to the clauses of IFRS 3 "Business Combinations" and the goodwill amounting to TL18.160.526 projected after the acquisition has been reflected in the financial statements at 31 December 2006. At 31 December 2008, after finalizing the completion statements the final purchase price of the Company has been determined to be less than the amount paid by TL827.657.

The goodwill resulting from the acquisition of CGHH arises from the difference between the fair values and purchasing values at the purchase date of the identifiable assets, liabilities and contingent liabilities belonging to CGHH. It is assumed that there is no impairment as of 31 December 2007 related to the goodwill amount arising from this purchase since the transaction was realised at a time close to the balance sheet date, and the purchase price was determined through a sealed tender. Goodwill details relating to the acquisition of CGHH are below:

Acquisition amount	49.448.419
Less: Fair values of assets, liabilities and contingent liabilities	(31.287.893)
Final purchase price adjustment	(827.657)
Currency translation adjustment	1.195.132
Goodwill	**18.528.001**

Impairment tests for goodwill

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 recoverable amount of the cash generating unit has been determined based on the fair value less costs to sell calculations. Those calculations are based on discounted net cash flow after tax projections which are based on the Group's ten-year business plans. Those projections are calculated the growth rate expected to be realized after ten years is assumed to be 2%. The fair value of Euro amount is calculated in terms of Hungarian Forint which valuated with the exchange rates at the balance sheet date. Thus, the fair value model is affected from the fluctuations at currency markets.

If all other variables had remained constant as of 31 December 2009, the change of Euro against Hungarian Fronti 10% causes a change of TL4.399 thousand in the said fair value calculations.

Other assumptions used in fair value calculation model are as follows:

Gross profit margin	28%
Discount rate	11,8%

The group management determined the budgeted gross profit margin by taking into consideration the previous performance of the company and the market growth expectations. The weighted average growth rates used are in line with the estimations stated at industry reports. The discount rate used is the before-tax discount rate and includes the company-specific risks.

As a result of the impairment tests performed under above assumptions, no impairment was detected in the goodwill amount as of 31 December 2009.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 14 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

	2009	2008
Short-term provisions		
Provision for investment consultancy (*)	3.440.525	-
Provision for unused vacation	1.266.815	1.688.350
Accrued sales commissions	1.290.979	1.300.386
Provision for borrowing commission expense	596.732	-
Provision for litigation	444.475	432.447
DHMI agreement depreciation provision (**)	-	12.231.302
Other (***)	1.017.028	478.205
	8.056.554	16.130.690

(*) The aforementioned provisions arise from the fees for the services received in the scope of the investments made via tenders participated in abroad by Celebi Hava in 2008 and 2009.

(**) The DHMI agreement depreciation provision is the amount that will be paid to the DHMI for the depreciation of the fixed assets in the Antalya second terminal operated by Çelebi IC Yatırım in the context of the build-operate-transfer investment when the terminal is transfered to the DHMI in 2009. Also according to the related agreement, a guarantee letter is to be given for the depreciation accrued from the ask rate of the USD declared by the Central Bank of Turkish Republic ("CBTR") no later than four months following the year-end. Since the Company's liabilities at period end are in terms of USD, foreign exchange gains or losses that have arisen from the valuation of the guarantee letter under consideration are included in the provision. As explained Note 12, DHMI agreement depreciation provision has been paid during the transfer of Antalya Terminal to DHMI as of 31 December 2009.

(***) Other provisions are comprised of electricity, security and cargo services rendered by the Group.

Movements of short term provisions as of 31 December 2009 are as follows:

	Provision for investment consultancy	Provision for unused vacation	Accrued sales commissions	Provision for borrowing commission expense	Provision for litigation	DHMI agreement depreciation provision	Other Provisions	Total
1 January 2009	-	1.688.350	1.300.386	-	432.447	12.231.302	478.205	16.130.690
Increase during the period	3.440.525	1.811.279	2.554.660	596.732	64.977	-	1.017.028	9.485.201
Payments during the period	-	(312.289)	-	-	(52.949)	(11.677.369)	(478.205)	(12.520.812)
Usage during the period	-	(1.920.525)	(2.564.067)	-	-	-	-	(4.484.592)
Exchange difference	-	-	-	-	-	(553.933)	-	(553.933)
31 December 2009	3.440.525	1.266.815	1.290.979	596.732	444.475	-	1.017.028	8.056.554

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

Contingent assets and liabilities of the Group

	2009	2008
Guarantees received:		
Guarantee letters	2.246.206	4.437.272
Guarantee notes	1.737.198	1.456.024
Guarantee cheque	1.271.469	1.056.195
	5.254.873	6.949.491
Guarantees given:		
Guarantee letters	26.547.234	29.825.331
Collateral	99.923.175	128.764.824
Share pledge	5.551.000	5.659.642
Mortgage	-	-
	132.021.409	164.249.797

The Company has contingent assets amounting to TL1.943.922 due to the legal cases in favour of the Company and contingent liabilities amounting to TL62.664.904 due to the legal cases and enforcement proceedings against the Company as of 31 December 2009. TL62.181.179 portion of contingent liabilities are comprised of legal cases and enforcement proceedings related with the fire in warehouse (Note 30) in which Company is a sole defendant and co-defendant with the DHMI, other warehouse management companies and insurance companies.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

The details of collaterals, pledges and mortgages ("CPM") of the Company at 31 December 2009 and 2008 are as follows:

Collaterals, pledges and mortgages given by the Company	2009	2008
A. CPM given on behalf of the Company's legal personality	8.631.750	10.080.021
B. CPM given on behalf of fully consolidated subsidiaries	99.989.750	123.471.858
C. CPM given for continuation of its economic activities on behalf of third parties	-	-
D. Total amount of other CPM	21.642.500	20.000.000
i.Total amount of CPM given on behalf of the majority shareholder	21.142.500	20.000.000
ii.Total amount of CPM given to on behalf of other group companies which are not in scope of B and C	500.000	-
iii.Total amount of CPM given on behalf of third parties which are not in scope of C	-	-
	130.264.000	153.551.879

The ratio of other collaterals, pledges and mortgages given by the Company to equity of the Company is 536% as of 31 December 2009 (2008: 631%).

NOTE 15 - EMPLOYEE BENEFITS

	2009	2008
Short term provisions		
Provision for employee termination benefits (*)	-	39.341

(*)Upon the expiry of Çelebi IC at 30 September 2009 due to transfer to DHMI, employment termination benefits to be paid are classified in the short term..

Long term provisions		
Provision for employee termination benefits	6.080.473	4.762.519

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.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

Under the Turkish Labour Law, the Group is required to pay termination benefits to each employee who has completed one year of service, who achieves the retirement age (58 for women and 60 for men), who has charged 25 years of services (20 years for women) and whose employment is terminated without due cause, is called up for military service or who dies.

Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement. The amount payable at 31 December 2009 consists of one month's salary limited to a maximum of TL 2.365,16 (31 December 2008: TL 2.173,18) for each year of service.

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

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:

	2009	2008
Discount rate (%)	5,92	6,26
Turnover rate to estimate the probability of retirement (%)	94,03	93,57

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 2.427,04 which is effective from 1 January 2010 (1 January 2009: TL 2.260,05) has been taken into consideration in the calculations

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

	2009	2008
1 January	4.801.860	3.543.901
Paid during the year	(4.781.726)	(1.746.058)
Increase during the year	6.060.051	3.004.017
Cumulative translated in differences	288	-
31 December	6.080.473	4.801.860

NOTE 16 - OTHER ASSETS AND LIABILITIES

	2009	2008
Other current assets		
Prepaid expenses	3.945.133	2.444.194
Value-added tax ("VAT") to be refunded	1.728.927	1.481.972
Prepaid taxes and funds	316.981	30.614
Advances given to personnel	206.850	347.114
Income accruals	98.069	444.478
Other	158.517	136.125
	6.454.477	4.884.497

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	2009	2008
Other non-current assets		
Deposits and guarantees given (*)	3.920.651	2.387
Prepaid expenses	754.870	202.798
	4.675.521	205.185

(*) TL3,918,266 of the amount consists of the guarantees and deposits given by the Group to the local authorities, companies and banks, amounting to TL2,287,537 TL and TL1,630,729 for Celebi Delhi Cargo and Celebi Nas respectively, which are the Subsidiaries and Joint-Venture of the Group in India.

	2009	2008
Other current liabilities		
Wages and salaries payable	5.542.254	4.135.402
Social security payables	1.850.967	2.159.826
Taxes and funds payable	1.364.104	1.718.268
Accrued bonus payable	852.323	649.498
Short term deferred revenues	307.054	861.100
Value added tax payable	207.175	-
Other miscellaneous payables and liabilities	2.002.444	834.492
	12.126.321	10.358.586

	2009	2008
Other non-current liabilities		
Deferred insurance claim recovery (*)	2.258.550	2.268.450
Deferred other revenues	277.416	574.569
	2.535.966	2.843.019

(*)The deferred insurance claim recovery amount is comprised of the insurance policy related to the goods of third parties amounting to USD1.500.000 which has been fully collected as of 31 December 2009 and is planned to be utilized by the Company under the circumstances that the Company is found to be liable for the losses incurred during the fire that broke out in Atatürk Airport ("AHL") Terminal C (Note 30).

NOTE 17 - EQUITY

Share Capital

As of 31 December 2009, the authorized share capital of the Group is TL 24.300.000 comprising of 2.430.000.000 registered shares with a face value each of 1 Kr (31 December 2008: 2.430.000.000 shares).

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

At 31 December 2009 and 31 December 2008, the shareholding structure of the Group is stated below:

	31 December 2009		31 December 2008	
Shareholders	Amount	Share %	Amount	Share %
Çelebi Havacılık Holding A.Ş.	12.885.383	53,03	13.235.383	54,47
Engin Çelebioğlu	2.432.430	10,01	2.432.430	10,01
Can Çelebioğlu	1.822.770	7,50	1.822.770	7,50
Canan Çelebioğlu Tokgöz	1.820.970	7,49	1.820.970	7,49
Other	5.338.447	21,97	4.988.447	20,53
	24.300.000	100,00	24.300.000	100,00

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 (2008: 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 realised 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.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

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.

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 TL19.322.144 as of 31 December 2009 (2008: TL15.358.025).

The equity schedules of the Group at 31 December 2009 and 2008 are as follows:

	2009	2008
Capital	24.300.000	24.300.000
Restricted Reserves		
- Legal reserves	19.322.144	15.358.025
Retained earnings	47.471.772	54.526.957
Cumulative translation differences	915.353	985.303
Net income for the period	27.782.633	35.044.734
Attributable to the equity holders	119.791.902	130.215.019

The distributable profits for the period, prepared according to the CMB and Legal Records (Tax Procedural Law), which can be subjected to profit distribution in 2009, are as follows:

	According to CMB	Legal records
Net income for the period	27.782.633	42.104.037
Donations made during the year	10.216.842	-
Net distributable profit for the period, including donations and over which the first dividend is to be calculated	37.999.475	42.104.037

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 18 - REVENUE AND COST OF SALES

	2009	2008
Ground handling services	233.699.766	223.432.338
Cargo and warehouse service income	25.298.383	22.327.312
Passenger service income (*)	22.926.822	22.269.945
Rent income not related to aviation (**)	21.268.490	25.773.033
Airport security services	6.031.049	5.910.764
Contribution income to general expenses (****)	4.115.472	5.109.558
Rent income related to aviation (***)	2.567.274	3.409.315
Aviation fuel sold and commission income	1.005.374	244.218
Less: Returns and discounts	(5.822.062)	(6.502.238)
Sales revenue - net	311.090.568	301.974.245
Cost of sales	(202.284.165)	(215.159.850)
Gross profit	108.806.403	86.814.395

(*) In accordance with the "Antalya Airport 2nd International Terminal construction, management and transfer agreement" signed between Çelebi IC Yatırım and DHMI and also with the conditions of the contract, the DHMI committed to the foreign lines service revenue from 1.987.734 (2008: 2.416.171) passengers and agreed USD15 per person as the foreign line passenger service price until the termination date of agreement, September,23 2009. After reaching the guaranteed passenger number in one operating year, the remainder of the passenger income will be transferred to the DHMI
(**) The rent income, which does not relate to aviation, consists of the rent of certain commercial places and offices.
(***) Rent income related to aviation comprises income from services such as bridges, desks, water, PCA and 400Hz that Çelebi IC Yatırım obtained in the Second International Terminal Building.
(****) Contribution income comprises rent income from offices and locations leased to Çelebi IC Hava Terminali İşletme ve Ticaret A.Ş. in accordance with the agreement and management plans and contributions to commonly used electricity, heating and other expenses incurred within the context of build-operate-transfer in the 2nd International Terminal.

NOTE 19 - EXPENSES BY NATURE

	2009	2008
Payroll expenses	(111.421.317)	(110.054.089)
Payments to authorities and terminal managements	(36.189.007)	(39.726.598)
Depreciation and amortization expenses	(36.216.997)	(39.161.376)
Consultancy expenses	(13.933.448)	(12.310.833)
Equipment repair, maintenance, fuel and security expenses	(12.796.513)	(14.879.303)
Travel and transportation expenses	(8.566.709)	(9.628.394)
Insurance premiums	(2.434.073)	(1.944.108)
Taxes and other fees	(1.558.053)	(1.028.763)
Cost of goods sold	(942.503)	(321.100)
Fuel expenses	(114.446)	(206.395)
Other expenses	(24.872.518)	(28.072.085)
	(249.045.584)	(257.333.044)

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 20 - GENERAL ADMINISTRATIVE EXPENSES

	2009	2008
Payroll expenses	(16.572.671)	(14.825.833)
Consultancy expenses	(13.110.527)	(11.765.723)
Depreciation and amortization	(6.582.006)	(6.128.049)
Travel and transportation expenses	(1.631.313)	(1.690.244)
Equipment repair, maintenance, fuel and security expenses	(1.243.514)	(2.190.933)
Payments to authorities and terminal managements	(1.103.255)	(1.188.683)
Taxes and other fees	(968.467)	(395.945)
Insurance premiums	(652.034)	(692.272)
Other expenses	(4.897.632)	(3.295.512)
	(46.761.419)	**(42.173.194)**

NOTE 21 - OTHER OPERATING INCOME/EXPENSES

	2009	2008
Other operating income:		
Rent income	814.463	445.482
Gain on sale of plant, property and equipment	388.000	234.514
Income from provision reversal	262.894	-
Income from insurance claims	261.352	963.772
Return income from contribution to holding expenses (*)	-	2.616.255
Other expenses	1.317.437	565.316
	3.044.146	**4.825.339**

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

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

Other operating expenses:

	2009	2008
Investment consultancy expenses	(13.055.761)	(417.775)
Donation and aid expenses (*)	(10.270.960)	(826.360)
Loss on sale of plant property and equipment	(206.259)	-
Provision for doubtful receivables	(94.363)	(415.210)
Insurance expenses	(72.816)	(259.085)
Other expenses	(903.442)	(982.552)
	(24.603.601)	(2.900.982)

(*) TL10,270,960, the amount of donations and aid provided to the foundations established for various purposes, and other persons and institutions were recorded as expenses in the period of 01 January 2009 - 31 December 2009 by the Group. TL9,698,892 of the mentioned amount consist of the expenditures made by the Company for the construction of the civil aviation school at Erzincan University.

NOTE 22 - FINANCIAL INCOME

	2009	2008
Foreign exchange gains	19.706.703	34.418.315
Interest income	5.518.861	4.474.024
SWAP contracts valuation income (Note 27)	2.799.243	-
Unincurred financial income	1.003.099	1.352.537
Other financial income	2.167	-
	29.030.073	40.244.876

NOTE 23 - FINANCIAL EXPENSE

	2009	2008
Foreign exchange losses	(19.870.424)	(28.534.892)
Interest expenses	(7.035.839)	(5.914.777)
SWAP contracts valuation losses (Note 27)	(814.215)	(6.012.961)
Unincurred financial expenses	(427.344)	(223.555)
Other financial expenses	(2.354.458)	(238.673)
	(30.502.280)	(40.924.858)

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 24 - TAX ASSETS AND LIABILITIES

	2009	2008
Corporate and income taxes payable	11.007.573	14.231.605
Less: Prepaid current corporate taxes	(10.852.134)	(12.241.248)
Tax provision, net	**155.439**	**1.990.357**

	2009	2008
Deferred tax assets	180.951	707.173
Deferred tax liabilities	(3.798.263)	(4.448.235)
Deferred tax liability - net	**(3.617.312)**	**(3.741.062)**

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.

Turkey

The corporation tax rate for the fiscal year 2009 is 20% (2008: 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 (2008: 20%). Advance tax is declared by the 14th and paid by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. Despite the credit from annual corporation tax liability, if the company still has excess advance corporate tax, it can receive this balance in cash from the Government or as a credit for another financial debt to the Government.

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:

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

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).

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

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

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

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

India
In India, the corporate tax rate is 33,39% for fiscal year 2009. 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).

The taxes on income for the periods ended 31 December 2009 and 2008 are summarized as follows:

	2009	2008
- Current period corporate tax	(11.007.573)	(14.231.605)
- Deferred tax income/(expense)	119.062	(1.892.403)
	(10.888.511)	(16.124.008)

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

The reconciliation of tax expenses stated in consolidated income statements for the periods ended at 31 December 2009 and 2008 is as follows:

	2009	2008
Profit before tax stated financial statements	39.013.322	45.885.576
Expected tax expense according to parent company (20%)	(7.802.664)	(9.177.113)
Differences in tax rates of subsidiaries	337.825	-
Expected tax expense of the Group	(7.464.839)	(9.177.113)
Reversal of the unrealisable deferred tax receivables (*)	-	(5.159.738)
Tax effect of non deductible expenses	(2.309.142)	(873.641)
Discount stems from donations and aids	2.043.518	186.428
Tax effect of exemptions (**)	(2.361.408)	-
Other (***)	(796.640)	(1.099.944)
Current period tax expense of the Group	(10.888.511)	(16.124.008)

(*) The relevant amount consists of the tax receivables accrued by CGHH in previous years due to the possibility that CGHH cannot benefit within an estimated period and which were not reflected to the records in 2008
(**) The difference between the expensed amount according to IFRS financial statements and expenses that will not be realised on statutory financial statements.
(***) According to Hungary's tax system the amount comprises of tax amount and is paid even if the companies declared loss before tax on statutory financial statements. The amount for CGHH is TL763.401 as of 31 December 2009 (2008: TL1.125.477).

Deferred tax

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

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between their financial statements as reported for CMB Communiqué purposes and its statutory tax financial statements. Temporary differences generally arise due to the recording of incomes and expenses in different reporting periods according to Tax Laws and CMB Accounting Standards. Deferred income taxes will be calculated on temporary differences that are expected to be realized or settled based on the taxable income in the coming years under the liability method using a principal tax rate of 20%, 20%, 33,99% for Turkey, Hungary and India, respectively.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

The breakdown of cumulative temporary differences and the resulting deferred tax assets/(liabilities) provided at 31 December 2009 and 007 using the actual tax rates is as follows:

	Cumulative temporary differences		Deferred income tax assets/(liabilities)	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Non-deductible financial losses (*)	(1.347.066)	-	457.868	-
Net difference between the tax base and carrying amount of property plant and equipment and intangible assets	814.701	(3.361.351)	(276.917)	672.270
Provision for unused vacation	-	(149.017)	-	29.803
Provision for employment termination benefits	-	(25.499)	-	5.100
Net deferred tax asset			180.951	707.173
Net difference between the tax base and carrying amount of property plant and equipment and intangible assets	31.601.057	32.984.715	(6.320.213)	(6.596.943)
Provision for employment termination benefits	(6.069.359)	(4.776.361)	1.213.872	955.272
Deferred insurance claim recovery	(2.258.550)	(2.268.450)	451.710	453.690
Provision for unused vacation	(1.266.815)	(1.539.333)	253.363	307.867
Accrued sales commissions	(1.118.815)	(1.300.386)	223.763	260.077
Provision for legal claims	(444.475)	(432.447)	88.895	86.489
Personnel bonus accrual	(606.665)	(376.789)	121.333	75.357
Provision for doubtful receivables	(49.781)	(49.781)	9.956	9.956
Other	(795.288)	-	159.058	-
Net deferred tax liability			(3.798.263)	(4.448.235)

(*) All amount of non-deductible financial losses mentioned above is comprised of financial losses of Celebi Nas.

A deferred tax asset is recognized only to the extent that it is probable that a tax benefit will be realized in the future. Despite of currency forward contract which has been made to deal with risks related to changes in market value of future forecasted cash flows of CGHH (Note 14), foreign exchange losses caused by decrease in the value of Hungarian Forint against Euro due to ongoing financial crisis in Hungary and international markets has lead to the probability of inability to utilize carry-forward tax losses of CGHH amounted TL18.891.845 partly or completely in an identifiable period of time. Although there has been no expiry date for the utilization of carry-forward tax losses in the Hungarian Tax System, the Company has not accounted for deferred tax asset amounted to TL3.778.369 as of 31 December 2009.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

Deferred tax movement table is indicated below:

	2009	2008
1 January	(3.741.062)	(2.137.941)
Cumulative translation difference	4.688	289.282
Current period deferred tax income/(expense)	119.062	(1.892.403)
31 December	(3.617.312)	(3.741.062)

Deferred tax assets and liabilities are as follows:

	2009	2008
Deferred income tax assets:		
Deferred income tax asset to be recovered after more than 12 months	180.951	17.769
Deferred income tax asset to be recovered within 12 months	-	689.404
Deferred tax assets, net	180.951	707.173
Deferred income tax liabilities:		
Deferred income tax liability to be settled after more than 12 months:	(3.798.263)	(4.448.235)
Deferred tax liabilities, net	(3.617.312)	(3.741.062)

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

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 period.

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:

	2009	2008
Net income attributable to the equity holders of the parent	27.782.633	35.044.734
Weighted average number of shares with Kr1 face value each	2.430.000.000	2.430.000.000
Earnings per share (Kr)	0,01	0,01

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:

i) Balances with related parties

	2009	2008
Due from related parties		
Çelebi Havacılık Holding A.Ş. (**)	4.793.255	15.496.645
Ortadoğu Antalya Liman İşletmeleri A.Ş. "Ortadoğu Antalya"	47.151	53.869
Other	34.891	20.870
	4.875.297	15.571.384

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

Due from Joint-ventures

	2009	2008
Celebi Nas (*)	5.647.580	-
Çelebi IC Yatırım	-	265.106
	5.647.580	265.106
Due from related parties	10.522.877	15.836.490

(*) The relevant amount consists of consultancy services provided and the machinery, equipment and spare part purchased in February 2009 and June 2009 on behalf of Çelebi Nas, the Joint-Venture of the Company, established in Maharashtra, Mumbai, India on 12 December 2008.

(**) TL4.766.250 of related amount consists of advances by joint venture Celebi IC Yatırım to Çelebi Havacılık Holding A.Ş. and accrued interest relating to these advances as of end of the period (Note 8).

Due to related parties

	2009	2008
Çe-Tur Çelebi Turizm Ticaret A.Ş. "Çe-Tur"	597.135	547.938
Çelebi IC Hava Terminali İşletme ve Ticaret A.Ş. "Çelebi IC İşletme"	51.947	5.618.041
Çelebi Havacılık Holding A.Ş.	-	290.710
Other	14.988	10.073
	664.070	6.466.762

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

ii) Transactions with related parties

	2009	2008
Miscellaneous sales to related parties		
Ortadoğu Antalya	550.777	485.255
Çelebi Havacılık Holding A.Ş.	416.159	377.099
Çelebi IC İşletme	336.661	542.923
Çelebi Marina ve Yat İşletmeciliği A.Ş.	240.112	265.493
Other	230.234	226.680
	1.773.943	1.897.450
Miscellaneous sales to Joint-ventures		
Çelebi IC Yatırım	3.295.993	3.316.552
Çelebi Nas	48.417	-
	3.344.410	3.316.552
Rent income from related parties		
Çelebi IC İşletme	18.673.779	22.791.865
Employee and transportation expenses payable to related parties		
Çe-Tur	4.976.867	5.014.728
Çelebi IC İşletme	3.098.504	3.017.299
	8.075.371	8.032.027
Contribution to holding expenses (***)		
Çelebi Havacılık Holding A.Ş.	8.680.595	9.227.872
General expenses contribution income from related companies (****)		
Çelebi IC İşletme	3.734.756	4.558.373

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	2009	2008
Interest received from related parties		
Çelebi Havacılık Holding A.Ş.	927.535	39.722
Çelebi Nas	122.760	-
	1.050.295	39.722
Return income from contribution to Holding expenses		
Çelebi Havacılık Holding A.Ş. (Note 21)	-	2.616.255
Other purchases from related parties (*****)		
Çe-Tur	2.757.118	2.260.964
Çelebi Havacılık Holding A.Ş.	1.273.242	1.947.560
Other	67.967	22.348
	4.098.327	4.230.872
Other purchases from Joint-ventures		
Çelebi IC Yatırım	401.128	186.830

(***) Contribution paid to Çelebi Havacılık Holding A.S 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 21).
(****) Contribution income comprises of rental income from offices and locations leased to Çelebi IC İşletme in accordance with the agreement and management plans and contributions of the terminal constructed by Çelebi IC Yatırım under the scope of Build-Operate-Transfer of the terminal.
(*****) Other purchases include vehicle rent, organizational cost and other expenses. Purchases from Çelebi Havacılık Holding A.Ş. that are classified under other purchases from related parties are comprised of expenses directly related to the Company that are business development projects and tenders executed and followed up Çelebi Havacılık Holding A.Ş

Gross dividend paid	2009	2008
Çelebi Havacılık Holding A.Ş.	19.964.092	13.291.379
Engin Çelebioğlu	3.817.394	2.541.484
Can Çelebioğlu	2.860.609	1.904.491
Canan Çelebioğlu Tokgöz	2.857.784	1.902.610
Other	8.635.921	5.749.492
	38.135.800	25.389.456

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

Collaterals given in favor of related parties for borrowings as of 31 December 2009 and 2008 are detailed below:

31 December 2009	Euro	US Dollars	Indian Rupee	HUF	TL
Çelebi Havacılık Holding A.Ş.		-			21.142.500
Çelebi Denizcilik A.Ş.		-			500.000
CCGH (**)	17.572.071	-		700.000.000	
Celebi Delhi Cargo (***)			1.250.000.000		

31 December 2008	Euro	US Dollars	Indian Rupee	HUF	TL
Çelebi Havacılık Holding A.Ş.		-			20.000.000
Çelebi IC Yatırım (*)		45.154.000			-
CCGH (**)	18.911.631	-		700.000.000	

(*) Çelebi IC Yatırım signed an agreement for the borrowings amounting to USD90.308.800 (2008: USD90.308.800) and the Group gave a guarantee for 50% of these borrowings. Aforementioned borrowing has been totally paid as of 31 December 2009. Related bank has decided on discharging the Group from the credit agreement amounting to USD90.308.800 made on 30 April 2004 with Çelebi IC Yatırım and liabilities due to guarantee given to Bank within this credit agreement.
(**) CCGH signed an agreement for a project financing borrowing amounting to EUR28.600.000 and the Group gave a guarantee for 70% of these borrowings and 70% of shares of the Company has putted in pledge in favor of related banks. The unpaid amount of aforementioned borrowing as of 31 December 2009 is EUR25.102.959. (31 December 2008: EUR27.016.615)
(***) 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.

Key management compensation:

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

	2009	2008
Short-term benefits	6.632.439	6.109.673
Post-employment benefits	128.487	168.432
Benefits due to outplacement	-	-
Share-based payment	-	-
Other long-term benefits	-	-
	6.760.926	6.278.105

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 27 - DERIVATIVE FINANCIAL INSTRUMENTS

Long-term derivative financial instruments

	2009	2008
Interest rate swap	3.796.744	3.016.619
Forward currency exchange contracts	3.284.104	6.285.884
	7.080.848	9.302.503

The movement of derivative financial instruments as of 31 December 2009 is as follows:

	1 January 2009	Gain (*)	Loss (*)	Cumulative translation difference	31 December 2009
Interest rate swap	(3.016.619)	-	(814.215)	34.090	(3.796.744)
Forward currency exchange contracts	(6.285.884)	2.799.243	-	202.537	(3.284.104)
	(9.302.503)	2.799.243	(814.215)	236.627	(7.080.848)

(*) Net financial income recorded in the period according to these agreements is amounting to TL1.985.028. (31 December 2008: TL6.012.961 TL loss) (Note 22-23).

a) Interest rate swap

Within the framework of the project finance agreement entered into with the banks, CGHH has entered into a interest rate swap (Knock In Radial Swap) corresponding to the amount used for the project amounting to EUR28.600.000 in order to hedge interest rate risk. Interest rate swap has been made under the conditions mentioned below and the related amount will decrease in line with the payments of project borrowing. The paid and unpaid amount of aforementioned borrowing as of 31 December 2009 is EUR3.497.041 and EUR25.102.959, respectively.

The actual interest rate for CGHH is 4% as long as Euribor per six months realized below 5,40%. In situations where Euribor realized equals to or greater than 5,40%, a formula will be effective for each remaining maturity dates and a distinct ratio will be calculated for each remaining period.

b) Forward currency exchange contracts

Within the framework of the project finance agreement entered into with the related bank, CGHH has entered into a risk reversal option transaction corresponding to the amount used for the project amounting to EUR28.600.000 in order to hedge foreign exchange risk. Taking into consideration the cash flow projection presented to the Bank, the Company has made a commitment to sell Euros and to buy Hungarian Forint each month until 31 December 2011. The paid and unpaid amount of aforementioned borrowing as of 31 December 2009 is EUR3.497.041 and EUR25.102.959, respectively.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

Details of the terms and conditions of related contract are as follows for the years 2010 and 2011:

Year	Sales price (HUF/Euro)	Purchase price (HUF/Euro)	Amount Euro
2010	240	281	14.928.000
2011	236	281	16.101.000
			31.029.000

According to agreement signed by the subsidiary of the Company, CCGH, for the project financing borrowing amounting to EUR28.600.000 and 70% of shares of the Company has putted in pledge in favor of related banks.

NOTE 28 - 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 December 2009 and 2008 are as follows:

	2009	2008
Fixed interest rate financial instruments		
Financial Assets		
- Cash and cash equivalents	59.879.331	34.212.669
Financial Liabilities	41.658.331	7.807.214
Floating interest rate financial instruments		
Financial liabilities	96.419.602	62.118.781
Derivative financial instruments	7.080.848	9.302.503

If other variables are kept constant, interest income generated from time deposits would have been either TL18.852 higher or lower if the interest rates were 2% more or less at 31 December 2009
(31 December 2008: TL34.749).

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 December 2009 and 2008 are presented at Note 7.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

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).

There is no overdue or impaired amount in Group's trade receivables, due from related parties and other receivables as of 31 December 2009 (2008: None).

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 TL102.446.246 as of 31 December 2009 (31 December 2008: TL55.093.025) (Note 7).

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

31 December 2009	Carrying value	Total contractual cash outflow	Less than 3 months	3-12 months	1-5 years	Over 5 years
Non derivative financial liabilities						
Financial liabilities	138.301.908	152.394.542	4.798.465	36.029.837	85.335.751	26.230.489
Trade payables						
- Related party	664.070	664.070	664.070	-	-	-
- Other	14.421.523	14.421.523	14.421.523	-	-	-
Other liabilities						
- Related party	-	-	-	-	-	-
- Other	14.251.613	14.251.613	5.781.749	8.137.545	332.319	-

31 December 2008	Total contractual Carrying value	Less than cash outflow	3 months	3-12 months	1-5 years	Over 5 years
Non derivative financial liabilities						
Financial liabilities	70.218.618	91.606.947	5.827.178	13.581.449	56.998.120	15.200.200
Trade payables						
- Related party	6.466.762	6.466.762	6.466.762	-	-	-
- Other	11.140.423	11.140.423	11.140.423	-	-	-
Other liabilities						
- Related party	-	-	-	-	-	-
- Other	71.668	71.668	-	-	71.668	-

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

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 December 2009, 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 TL810.796 (31 December 2008: TL624.635).

As of 31 December 2009, 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 TL1.306.437 (31 December 2008: TL3.523.637).

As of 31 December 2009, 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 TL1.327.366 (31 December 2008: none).

Foreign currency denominated assets and liabilities of the Group as of 31 December 2009 and 2008 are as follows:

	2009	2008
Assets denominated in foreign currency	124.826.049	57.158.437
Liabilities denominated in foreign currency (-)	(161.656.053)	(91.753.268)
Net balance sheet position	(36.830.004)	(34.594.831)
Net foreign currency position of-derivative financial instruments (*)	-	-
Net foreign currency position	(36.830.004)	(34.594.831)

(*) Currency forward contract described in Note 27 has been made to deal with risks related to changes in market value of future forecasted cash flows of the Group in accordance with IAS 39.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

The table below summarizes TL equivalent of the Group's foreign currency denominated assets and liabilities as of 31 December 2009 and 2008:

31 December 2009	US dollar	Euro	Indian Rupee	Other currencies	Total TL
Assets:					
Cash and cash equivalents	37.664.148	25.902.774	16.453.654	10.622.110	90.642.686
Trade receivables	1.824.130	9.929.977	2.943.051	5.464.246	20.161.404
Due from related parties	1.393.496	4.254.593	-	-	5.648.089
Other	1.434.507	373	4.754.886	2.184.104	8.373.870
	42.316.281	40.087.717	24.151.591	18.270.460	124.826.049
Liabilities:					
Short term financial liabilities	(8.478.601)	(27.099.642)	(277.419)	-	(35.855.662)
Long-term financial liabilities	(9.163.700)	(68.397.209)	(24.885.337)	-	(102.446.246)
Derivative financial instruments	-	(7.080.848)	-	-	(7.080.848)
Trade payables	(858.097)	(1.386.452)	(1.673.315)	(2.894.171)	(6.812.035)
Due to related parties	(16.367)	(19.177)	-	-	(35.544)
Short-term provisions	-	-	(1.415.348)	-	(1.415.348)
Other	(84.066)	(929.351)	(4.868.738)	(2.128.215)	(8.010.370)
	(18.600.831)	(104.912.679)	(33.120.157)	(5.022.386)	(161.656.053)
Net balance sheet position	23.715.450	(64.824.962)	(8.968.566)	13.248.074	(36.830.004)

31 December 2008	US dollar	Euro	Indian Rupee	Other currencies	Total TL
Assets:					
Cash and cash equivalents	17.229.796	24.181.746	-	190.189	41.601.731
Trade receivables	2.321.241	9.210.803	-	-	11.532.044
Due from related parties	3.763	21.177	-	-	24.940
Other	9.612	164.776	-	3.825.334	3.999.722
	19.564.412	33.578.502	-	4.015.523	57.158.437
Liabilities:					
Short term financial liabilities	(2.385.459)	(12.720.186)	-	-	(15.105.645)
Long-term financial liabilities	(210.040)	(54.882.985)	-	-	(55.093.025)
Derivative financial instruments	-	(9.302.503)	-	-	(9.302.503)
Trade payables	(1.029.913)	(715.656)	-	(317.824)	(2.063.393)
Due to related parties	(24.200)	(347)	-	-	(24.547)
Short-term provisions	(9.401.567)	-	-	-	(9.401.567)
Other	(266.888)	(495.700)	-	-	(762.588)
	(13.318.067)	(78.117.377)	-	(317.824)	(91.753.268)
Net balance sheet position	6.246.345	(44.538.875)	-	3.697.699	(34.594.831)

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

The table below summarizes TL equivalent of export and import amounts for the years ended 31 December 2009 and 2008:

	2009	2008
Total export amount	2.301.893	192.031
Total import amount	2.395.485	1.300.073

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 December 2009 and 2008 is as follows:

	2009	2008
Total financial liabilities	138.301.908	70.218.618
Cash and cash equivalents	(94.601.180)	(53.638.275)
Deferred tax liabilities	(3.798.263)	(4.448.235)
Net debt	39.902.465	12.132.108
Equity	120.096.539	130.331.380
Equity +net debt	159.999.004	142.463.488
Net debt/(Equity +net debt) ratio	25%	9%

NOTE 29 - 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).

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.

NOTE 30 - DISCLOSURE OF OTHER MATTERS REQUIRED FOR THE PURPOSE OF UNDERSTANDING AND INTERPRETING THE CONSOLIDATED FINANCIAL STATEMENTS

The cargo building of the Company located at Atatürk 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 2009 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 Bakırköy Office of the Directorate of Public Prosecutions, and in accordance with the results of the judicial inquiry criminal prosecution proceedings - inquiry number 2006/817 E. at Third Bakırköy Magistrate Criminal Court - have been initiated against four DHMI security guards and an Atatürk Airport security guard for responsibility concerning the fire. The Company has been described as the aggrieved party in the indictment prepared by the Bakırköy 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 penalising of the perpetrators, since it has been described as aggrieved party.

As a result of the inquiries, the management, the legal advisor and the lawyers of the Company believe the Company will not be found responsible for the fire and is therefore not considered to be legally responsible for the losses of the third parties. Consequently, since the Company has not caused the fire by its own acts (or by the acts of the individuals for which it is responsible) and no legal negligence on its part has to date been identified in relation to the prevention of the losses resulting from the fire, the probability of its being liable for the losses of the fire is remote.

As of 31 December 2009, although the Company believes that the probability of being liable for the losses is remote, the indemnities related to the damaged goods of the third parties is estimated by the Company management as TL12.665.368. In addition, there are legal cases and enforcement proceedings under way amounting to TL62.181.179: this comprises legal cases and enforcement proceedings amounting to TL55.493.561 (Note 14) 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 TL6.687.618 in which the Company is the sole defendant.

The Company has an insurance policy related to the goods of third parties amounting to USD1.500.000 which has been fully collected as of 31 December 2009 and is planned to be utilised by the Company under the circumstances that the Company is held legally liable for the losses incurred during the fire.

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 USD10.000.000 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.

The parties to the agreement believe that they will not be found responsible for the fire and therefore are not considered legally responsible for the losses. In order to settle the possible legal cases and enforcement proceedings amicably in the future, the mentioned fund was established by the party reinsurers.

The Company has not accounted for any provision in the consolidated financial statements at 31 December 2009 because damage related to the goods belonging to third parties in the warehouse during the fire could not be determined precisely and because of the remote probability of its being found liable for the losses.

NOTE 31 - SUBSEQUENT EVENTS

a) On 9 February 2010 it was decided that the equity in the amount of INR603,406,000 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 ("Çelebi GH Delhi"), established in 16 November 2009, with a paid-in capital amounting to INR100,000 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, will be met through a premium capital increase according to the legal legislation in India, and accordingly, the 74% partnership share is preserved by paying INR600,732,000 (approximately USD12.8 million).

b) The Company decided on 15 March 2010 to participate 100% in the company to be established in Madrid, Spain under the title "Celebi Ground Handling Europe" with the capital of EUR10,000, as a founding partner for the purpose of investing business in foreign countries, especially those in the European Union.

c) On 23 March 2010, 15.3% of the 51% 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 (approximately USD13.9 million) as cash credit and INR130,000,000 (approximately USD2.8 million) as non-cash credit for the long-term project finance and INR100,000,000 (approximately USD2.2 million) as cash working capital credit.

d) On 26 March 2010, since the bridge loan which signed between Celebi Delhi Cargo, a subsidiary of the Company and a bank resident in India, amounting to INR1,250,000,000 (approximately USD27.2 million), was transformed into a long-term cash project loan amounting to INR1,850,000,000 (approximately USD40.2 million), 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 in Celebi Delhi Cargo have been pledged in favor of these banks.

e) On 26 March 2010, 23,9% of the 74% shares of the Company in Celebi Delhi GH, a subsidiary of the Company, will be pledged and the Company gave corporate guarantee for full amount of the loan in favor of the relevant banks to fulfill the financial obligations situpulated in the agreements, signed by the Celebi Delhi GH and the banks, resident in India, comprise INR750,000,000 (approximately USD16,3 million) as cash credit and INR500,000,000 (approximately USD10,9 million) as non-cash credit for the long-term project finance.

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