

**ÇELEBİ HAVA SERVİSİ A.Ş.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2009**

**(ORIGINALLY ISSUED IN TURKISH)**

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

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**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY-30 SEPTEMBER 2009**

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**CONSOLIDATED BALANCE SHEETS  
AT 30 SEPTEMBER 2009 AND 31 DECEMBER 2008**

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

	Notes	30 September 2009	31 December 2008
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	93.328.931	53.638.275
Trade receivables (net)	8	30.712.087	16.894.322
Due from related parties	25	12.734.517	15.836.490
Other receivables	9	9.900.717	19.804.826
Inventories	10	4.423.584	4.440.852
Deferred tax assets	23	150.307	689.404
Other current assets	16	5.832.284	4.884.497
<b>Total current assets</b>		<b>157.082.427</b>	<b>116.188.666</b>
<b>Non-current assets</b>			
Financial assets	6	14.948.549	805.255
Goodwill	13	18.761.645	18.890.624
Property, plant and equipment (net)	11	99.164.350	93.594.024
Intangible assets (net)	12	19.589.704	38.402.578
Deferred tax assets	23	8.412	17.769
Other non-current assets	16	291.063	205.185
<b>Total non-current assets</b>		<b>152.763.723</b>	<b>151.915.435</b>
<b>TOTAL ASSETS</b>		<b>309.846.150</b>	<b>268.104.101</b>

These consolidated financial statements as at and for the period ended 30 September 2009 have been approved for issue by the Board of Directors (“BOD”) on 10 November 2009 and signed on its behalf of BOD by S. Samim Aydın, General Manager and by H. Tanzer Gücüm, Finance Director.

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

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**CONSOLIDATED BALANCE SHEETS  
AT 30 SEPTEMBER 2009 AND 31 DECEMBER 2008**

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

	Notes	30 September 2009	31 December 2008
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Financial liabilities	7	23.984.680	15.125.593
Trade payables	8	12.688.543	11.140.423
Due to related parties	25	1.029.388	6.466.762
Other Payables	9	4.121.512	-
Provisions	14	11.525.904	16.130.690
Employee benefits	15	-	39.341
Deferred tax liability	23	5.455.187	1.990.357
Other current liabilities	16	11.169.666	10.358.586
<b>Total current liabilities</b>		<b>69.974.880</b>	<b>61.251.752</b>
<b>Non-current liabilities</b>			
Financial liabilities	7	89.037.096	55.093.025
Other liabilities	9	186.590	71.668
Deferred tax liability	23	4.292.598	4.448.235
Employee benefits	15	5.153.477	4.762.519
Other non-current liabilities	16	10.758.950	12.145.522
<b>Total non-current liabilities</b>		<b>109.428.711</b>	<b>76.520.969</b>
<b>Total liabilities</b>		<b>179.403.591</b>	<b>137.772.721</b>
<b>EQUITY</b>			
	17		
<b>Attributable to equity holders of the parent</b>			
Share capital		24.300.000	24.300.000
Restricted reserves		19.322.144	15.358.025
Cumulative translation differences		1.174.474	985.303
Retained earnings		47.471.772	54.526.957
Net income for the period		38.015.497	35.044.734
<b>Minority Interest</b>		<b>158.672</b>	<b>116.361</b>
<b>Equity</b>		<b>130.442.559</b>	<b>130.331.380</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>309.846.150</b>	<b>268.104.101</b>
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**CONSOLIDATED COMPREHENSIVE INCOME STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2009 AND 2008**

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

	Notes	1 January - 30 September 2009	1 July - 30 September 2009	1 January - 30 September 2008	1 July - 30 September 2008
<b>CONTINUING OPERATIONS</b>					
Sales - net	18	247.259.139	104.153.460	238.672.180	97.729.405
Cost of sales	18	(156.154.210)	(59.497.352)	(163.124.364)	(62.263.140)
<b>GROSS PROFIT</b>		<b>91.104.929</b>	<b>44.656.108</b>	<b>75.547.816</b>	<b>35.466.265</b>
Operating expenses (-)	19	(35.117.670)	(11.645.446)	(31.786.852)	(10.825.032)
Other operating income	20	1.527.717	672.086	4.632.129	399.534
Other operating expense (-)	20	(6.557.993)	(1.993.774)	(1.403.900)	(518.481)
<b>OPERATING PROFIT</b>		<b>50.956.983</b>	<b>31.688.974</b>	<b>46.989.193</b>	<b>24.558.256</b>
Financial income	21	36.973.707	8.475.636	22.591.691	5.761.211
Financial expenses (-)	22	(38.863.680)	(7.826.888)	(19.835.685)	(6.191.526)
<b>INCOME BEFORE TAXATION</b>		<b>49.067.010</b>	<b>32.337.722</b>	<b>49.745.199</b>	<b>24.127.941</b>
<b>Income tax expense</b>		<b>(11.026.831)</b>	<b>(6.177.624)</b>	<b>(11.996.720)</b>	<b>(5.700.490)</b>
Taxes on income	23	(10.628.943)	(5.756.776)	(11.858.238)	(5.701.228)
Deferred income tax	23	(397.888)	(420.848)	(138.482)	738
<b>NET INCOME FOR THE PERIOD</b>		<b>38.040.179</b>	<b>26.160.098</b>	<b>37.748.479</b>	<b>18.427.451</b>
<b>Attributable to:</b>					
Minority interest		24.682	1.187.130	(747.477)	(817.454)
Equity holders of the parent		38.015.497	24.972.968	38.495.956	19.244.905
<b>NET INCOME FOR THE PERIOD</b>		<b>38.040.179</b>	<b>26.160.098</b>	<b>37.748.479</b>	<b>18.427.451</b>
Earnings per share (Kır)	24	1,56	1,03	1,58	0,79

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

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**CONSOLIDATED COMPREHENSIVE INCOME STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2009 AND 2008**

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

Notes	1 January - 30 September 2009	1 July - 30 September 2009	1 January - 30 September 2008	1 July - 30 September 2008
<b>Net income for the period</b>	38.040.179	26.160.098	37.748.479	18.427.451
<b>Other comprehensive income:</b>				
Currency translation differences	269.108	927.704	834.752	(1.050.886)
<b>Other comprehensive (loss)/income for the period</b>	<b>269.108</b>	<b>927.704</b>	<b>834.752</b>	<b>(1.050.886)</b>
<b>Total comprehensive income for the period</b>	<b>38.309.287</b>	<b>27.087.802</b>	<b>38.583.231</b>	<b>17.376.565</b>
<b>Total comprehensive income attributable to:</b>				
Minority interest	104.619	1.468.962	(529.999)	(1.132.646)
Equity holders of the parent	38.204.668	25.618.840	39.113.230	18.509.211
	<b>38.309.287</b>	<b>27.087.802</b>	<b>38.583.231</b>	<b>17.376.565</b>

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**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2009 AND 2008**

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

	Notes	Share capital	Restricted reserves	translation differences	Cumulative Retained earnings	Net income for the year	Minority interest	Total equity
<b>Balances at 1 January 2008</b>		<b>24.300.000</b>	<b>11.351.163</b>	<b>355.326</b>	<b>57.782.206</b>	<b>26.141.069</b>	<b>3.163.380</b>	<b>123.093.144</b>
Transfers to retained earnings		-	-	-	26.141.069	(26.141.069)	-	-
Transfers to reserves		-	4.006.862	-	(4.006.862)	-	-	-
Dividends paid		-	-	-	(25.389.456)	-	(18.476)	(25.407.932)
Net income for the period		-	-	617.274	-	38.495.956	(529.999)	38.583.231
<b>Balances at 30 September 2008</b>		<b>24.300.000</b>	<b>15.358.025</b>	<b>972.600</b>	<b>54.526.957</b>	<b>38.495.956</b>	<b>2.614.905</b>	<b>136.268.443</b>
<b>Balances at 1 January 2009</b>	<b>17</b>	<b>24.300.000</b>	<b>15.358.025</b>	<b>985.303</b>	<b>54.526.957</b>	<b>35.044.734</b>	<b>116.361</b>	<b>130.331.380</b>
Transfers to retained earnings	17	-	-	-	35.044.734	(35.044.734)	-	-
Transfers to reserves	17	-	3.964.119	-	(3.964.119)	-	-	-
Dividends paid		-	-	-	(38.135.800)	-	(62.308)	(38.198.108)
Total comprehensive income		-	-	189.171	-	38.015.497	104.619	38.309.287
<b>Balances at 30 September 2009</b>		<b>24.300.000</b>	<b>19.322.144</b>	<b>1.174.474</b>	<b>47.471.772</b>	<b>38.015.497</b>	<b>158.672</b>	<b>130.442.559</b>

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**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2009 AND 2008**

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

	Notes	30 September 2009	30 September 2008
<b>Cash flow provided from operating activities</b>			
Income before taxation		49.067.010	49.745.199
<b>Adjustments to reconcile income before tax to net cash provided by operating activities:</b>			
Depreciation and amortisation	11, 12	30.475.127	29.608.439
Provision for employment termination benefits	15	3.204.295	1.524.200
Interest income	21	(3.435.487)	(2.998.162)
Interest expense	22	4.370.155	4.572.911
Increase in provision for doubtful receivable	8	(4.838)	4.633
Cumulative translation differences		244.426	1.582.231
Minority interest		24.682	(747.477)
<b>Cash flows provided from operating activities before changes in operating assets and liabilities</b>		<b>83.945.370</b>	<b>83.291.974</b>
Trade receivables		(13.812.927)	(15.552.792)
Due from related parties		3.101.973	(2.094.992)
Inventories		17.268	(391.232)
Income taxes paid	23	(5.173.756)	(6.390.135)
Other receivables		9.904.109	(1.489.475)
Other current/non-current assets		(136.324)	(212.166)
Trade payables		1.548.120	(2.314.616)
Due to related parties		(5.437.374)	(654.971)
Other payables		4.236.434	-
Short-term provisions		(4.604.786)	9.727.220
Other short-term liabilities		(6.353.033)	3.295.813
Other long-term liabilities		(1.940.097)	(666.340)
Long-term provisions		-	2.277.132
Employment termination benefits paid	15	(2.852.678)	(1.440.345)
<b>Net cash provided by operating activities</b>		<b>62.442.299</b>	<b>67.385.073</b>
<b>Investing activities:</b>			
Purchase of tangible assets	11	(16.210.595)	(6.601.984)
Purchase of intangible assets	12	(506.491)	(2.476.221)
Interest received		3.410.311	2.797.820
Acquisition of subsidiary		(14.143.294)	-
Proceeds from sale of tangible assets		53.984	222.669
<b>Net cash used in investing activities</b>		<b>(27.396.085)</b>	<b>(6.057.716)</b>
<b>Financing activities:</b>			
Change in borrowings		46.256.121	(6.886.750)
Change in short-term finance lease obligations		4.667	65.589
Change in long-term finance lease obligations		(67.147)	188.505
Dividends paid		(38.198.108)	(25.407.932)
Interest paid		(3.390.483)	(4.661.297)
<b>Net cash used in financing activities</b>		<b>4.605.050</b>	<b>(36.701.885)</b>
Net change in cash and cash equivalents		<b>39.651.264</b>	<b>24.625.474</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>53.638.275</b>	<b>45.968.249</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>93.289.539</b>	<b>70.593.723</b>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2009 AND 2008**

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

**NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS**

Çelebi Hava Servisi A.Ş. (the "Company") established in 1958 was the first private ground handling service company in the Turkish aviation sector. The Company provides ground handling services (representation, traffic, ramp, cargo, flight operations and aircraft maintenance etc) and fuel supplies to domestic and foreign airline and private cargo companies. The Company operates in İstanbul Atatürk, İzmir, Ankara, Adana, Antalya, Dalaman, Bodrum, Çorlu, Bursa Yenişehir, Diyarbakır, Erzurum, Kayseri, Samsun, Trabzon, Tokat, Van, Malatya, Kars, Mardin, Denizli, Hatay, Kahramanmaraş, Isparta, Erzincan airports, are under the control of the State Airports Administration ("DHMI"), and İstanbul Sabiha Gökçen airport that is under the control of Havaalanı İşletme ve Havacılık Endüstrileri 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") with %49,99 of shares using the joint-venture consolidation method as of 30 September 2009. Çelebi IC was established on 23 March 2004 based on the "Antalya Airport 2nd International Terminal (Terminal) construction, management and transfer agreement" between the Company and the DHMI on 24 February 2004. Based on this agreement and an additional contract prepared on 10 November 2004, the construction of the building was finished and operations started as of 4 April 2005. Çelebi IC will run this terminal for 54 months till September 2009 and then transfer it to the DHMI without any charge. The terminal's operation has ended as of 23 September 2009 in accordance with application contract. The other main shareholder of Çelebi IC is İttaş 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 Repülőtér Üzemeltető Zártkörűen Működő Reszvenytársaság ("Ba Zrt") company resident in Budapest, Hungary for the acquisition of the Budapest Airport Handling Kereskedelmi és Szolgáltatás Korlátolt Felelősségű Társaság ("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 Çelebi Tanácsadó Korlátolt Felelősségű Társaság ("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 Kiszolgáltató Korlátolt Felelősségű Társaság ("CGHH"). Celebi Kft has share capital of 2.700.000.000 Hungary Forint ("HUF") in which the Company has a share of HUF 1.890.000.000 (%70). The other shares belong to Çelebi Havacılık 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.

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**NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)**

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 September 2009. Remaining part amounted HUF 300.000.000 (%30) is owned by Çelebi Havacılık Holding A.Ş.

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. The capital has been upgraded to INR400.000.000. INR204.000.000 of capital commitment and advance capital has been paid as of 30 September 2009.

On 6 May 2009, a company, title of Çelebi Delhi Cargo Terminal Management India Private Limited (“Celebi Delhi”), has been established with a capital of 1.000.000 INR in order to improve, modernize finance and operate the existing cargo terminal (“Brownfield”) at New Delhi in India for 25 years. The Company, as co-founder, has a 51% stake in Celebi Delhi. The capital has been upgraded to INR720.000.000. Within the framework of capital increase, INR485.074.000 of capital commitment and advance capital has been paid as of 30 September 2009.

As of 30 September 2009, the consolidated financial statements of the Company include the Company, Çelebi IC, Çelebi Güvenlik, CGHH and Celebi Nas (collectively, referred to as the “Group”).

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS**

**2.1. Basis of the Presentation**

**2.1.1 Financial Reporting Standards**

The Capital Markets Board (“CMB”) regulated the principles and procedures of preparation and presentation of financial statements prepared by the entities with the Communiqué No: XI-29, “Principles of Financial Reporting in Capital Markets” (“the Communiqué”). This Communiqué is effective for the annual periods starting from 1 January 2009 and cancels the Communiqué No: XI-25 “The Financial Reporting Standards in the Capital Markets”. According to the Communiqué, companies shall prepare their financial statements in accordance with International Financial Reporting Standards (“IAS/IFRS”) accepted by the European Union. Until the differences of the IAS/IFRS as acknowledged by the European Union from the IAS/IFRS issued by the International Accounting Standards Board (“IASB”) are announced by Turkish Accounting Standards Board (“TASB”), IAS/IFRS issued by the IASB shall be applied. Accordingly, Turkish Accounting/Financial Reporting Standards (“TAS/TFRS”) issued by the TASB which are in line with the aforementioned standards shall be considered.

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

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

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

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

Consolidated financial statements have been prepared in accordance with CMB Accounting Standards in order to make accurate measurement and presentation adjustments and reclassification. The consolidated financial statements have been prepared in Turkish lira (“TL”) based on the historical cost conversion except for the financial assets and liabilities which are expressed with their fair values.

**2.1.2 Amendments in International Financial Reporting Standards (IFRS)**

*a) The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2009.*

- IAS 1, “Presentation of financial statements” Comprehensive amendments relating to net income statement which is registered directly to equity.
- IAS 23 (Amendment), ‘Borrowing costs’
- IFRS 8, ‘Operating segments’

*b) The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2009, but are not currently relevant for the group.*

- i) Standards are effective in annual reporting period which are valid from 1 January 2009 or started after this date.

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

- IAS 32 , ‘Financial instruments: Presentation’ Amendments about explanation of liabilities which will be arised with the option of repurchase of financial instruments and conversion into cash
  - IAS 39, ‘Financial instruments: Recognition and measurement’” Amendments about items which can be subject for protection from risk
  - IAS 1 (Amendment), ‘Presentation of financial statements’.
  - IFRS 2 (amendment), ‘Share-based payment’
  - IFRIC 15, ‘Agreements for the construction of real estate’
  - IAS 40 (Amendment), ‘Investment property’”
  - IAS 31 (Amendment), ‘Interests in joint ventures’
  - IAS 28 (Amendment), ‘Investments in associates’
- ii) Standards are effective in annual reporting period which are valid from 1 July 2009 or started after this date
- IAS 27 (Revised), ‘Consolidated and separate financial statements’
  - IFRS 3 (Amendment), ‘Business combinations’
  - IFRS 5 (Amendment), ‘Non-current assets held-for-sale and discontinued operations’

Management opinion is in the direction that the application of standards and commends above do not have any significant effects in upcoming periods’ financial statements.

**2.1.3 Translation of Financial Statements of Foreign Subsidiaries**

Financial statements of Subsidiaries operating in foreign countries are prepared according to the legislation of the country in which they operate and adjusted to the CMB Financial Reporting Standards to reflect the proper presentation and content. Foreign Subsidiaries’ assets and liabilities are translated into 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.

**2.1.4 Consolidation Principles**

The consolidated financial statements have been prepared based on explanations mentioned in paragraphs (a) to (e) and the accounts of the Company, Çelebi Hava Servisi A.Ş, the Subsidiaries and Joint-venture (collectively referred as “Group”). The financial statements of the companies included in the scope of consolidation and prepared according to the historical cost method have been prepared as of the date of the consolidated financial statements with adjustments and reclassifications for the purpose of fair presentation in accordance with CMB Financial Reporting Standards and the application of uniform accounting policies and presentation.

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

**2.1.4 Consolidation Principles (Continued)**

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

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

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

The Subsidiaries and their ownership included in the consolidation as of 30 September 2009 and 31 December 2008 are as follows:

	<b>Direct/indirect control of the Company (%) 30 September 2009</b>	<b>Direct/indirect control of the Company (%) 31 December 2008</b>
Çelebi Güvenlik	%94,8	%94,8
CGHH	%70,0	%70,0

Subsidiaries, where Group has the indirect and direct voting right above %50, haven't got any material impact on consolidated financial statements were reflected to consolidated financial statements by cost value or if exists after declining impairment of provision.

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

- b) Joint ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by Celebi 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.

	<b>Direct/indirect control of the Company (%) 30 September 2009</b>	<b>Direct/indirect control of the Company (%) 31 December 2008</b>
Çelebi IC	%49,99	%49,99
Celebi Nas (*)	%51,00	%51,00

- (\*) As of 31 December 2008 the Company has directly and indirectly %51 voting right of Nas. 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 Celebi Nas has been consolidated in consolidated financial statements as of 30 June 2009 and 30 September 2009.

- c) Although the company has directly and indirectly %74 voting rights in Celebi Delhi, that has not been consolidated in consolidated financial statements as of 30 September 2009 by reason of being immaterial for the consolidated financial statements and no operation has started yet.
- 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) 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.
- f) The assets and liabilities of the foreign affiliates have been translated by using the foreign exchange rate at the balance sheet date. Revenues and expenses have been translated into Turkish Lira by using average foreign exchange rates. The foreign exchange differences resulting from the translation of net assets at the beginning period and utilization of average exchange rates have been followed as cumulative translation adjustments under equity.

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

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

The financial reporting standards issued by the CMB as described in Note 2.1.1 to these consolidated financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting for the period between 1 January - 31 December 2005. 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 Accounting Policies**

Material changes in accounting policies or material errors are corrected, retrospectively; by restating the prior period financial statements. There is no change in accounting policies for the interim period ended 30 September 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. There is no change in accounting estimates for the interim period ended 30 September 2009.

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

**2.4. Summary of Significant Accounting Policies**

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

**2.4.1. Cash and Cash Equivalents**

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

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

**2.4.2. Revenue Recognition**

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

**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:

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

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

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



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

**2.4.4. Intangible Assets**

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

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

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

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

Customer relationship was recognized as an intangible asset during the acquisition of 100% of CGHH shares as a result of valuation studies performed by an independent valuation company on 26 October 2006. Amortisation is calculated on a straight-line basis over their estimated useful lives for a period not exceeding seven years from the date of acquisition.

**2.4.5. Inventories**

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

**2.4.6. Impairment of Assets**

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

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

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

**2.4.7. Borrowing Costs**

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

**2.4.8. Financial Assets**

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

a) Borrowings and receivables

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

b) Available-for-sale assets

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

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

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

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

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

**2.4.9. Trade Payables**

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

**2.4.10. Unincurred Financial Income/Expense Due to Credit Sales and Purchases**

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

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

**2.4.12. Foreign Exchange Rate Risk**

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

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

**2.4.13. Earnings Per Share**

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

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

**2.4.14. Subsequent Events**

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

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

**2.4.5 Provisions, Contingent Assets and Liabilities**

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

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

Liabilities or assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of the entity should not be recognised as liabilities or assets, however they should be disclosed as contingent liabilities or assets.

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

**2.4.15. Leases**

*Finance Leases*

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

*Operating Leases*

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

**2.4.16. Related Parties**

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

**2.4.17. Trade Receivables and Provision for Doubtful Receivables**

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

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

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

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

**2.4.18. Segment Reporting**

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

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

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

**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 recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal groups constituting the discontinued operation are disclosed in the notes to the consolidated financial statements. Besides, the net cash flows attributable to the operating, investing and financing activities of discontinued operations are separately disclosed either in the notes or on the face of consolidated financial statements.

**2.4.20. Government Grants and Incentives**

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

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

**2.4.21. Investment Properties**

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

**2.4.22. Taxes on Income**

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

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

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

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.

**2.4.23. Employment Termination Benefits**

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

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

**2.4.24. Reporting of Cash Flows**

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

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

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

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

Cash flows include cash and cash equivalents, cash and banks.

**2.4.25. Share Capital and Dividends**

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

**2.4.26. Accounting of Financial Derivatives and Hedging**

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

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

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



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

**2.4.27. Comparatives and Restatement of Prior Periods’ Financial Statements**

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

In order to allow for the determination of the financial situation and performance trends, the Group’s financial statements have been presented comparatively with the previous period. The balance sheet of the Group at 30 September 2009 includes the comparative financial information of 31 December 2008 and the consolidated statement of income, the consolidated statement of changes in shareholders’ equity and the consolidated statement of cash flows for the period 1 January - 30 September 2009 including the comparative financial information of the period 1 January - 30 September 2008.

**2.4.28. Offsetting**

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

**2.4.29. Share Premiums**

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

**2.4.30. Goodwill**

Any excess of the acquirer’s interest in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities over the business combination cost is accounted for as goodwill in consolidated financial statements.

The carrying value of goodwill is reviewed annually and adjusted for permanent impairment where it is considered necessary. Impairment losses on goodwill are not reversed. Goodwill is tested for impairment annually (at 31 December).

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

**2.4.31. Fair Value of Financial Instruments**

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

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

for which it is practicable to estimate fair value:

*Monetary assets*

The following methods and assumptions were used to estimate the fair value of the financial instruments. The fair values of balances denominated in foreign currencies, which are translated at period-end exchange rates, are considered to approximate carrying value.

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

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

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

*Monetary liabilities*

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

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

Trading liabilities have been estimated at their fair values.

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

**2.4.32. Significant Accounting Estimates, Assumptions**

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

**NOTE 3 - JOINT VENTURES**

**Shares in Joint Ventures**

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

	<b>30 September 2009</b>	<b>31 December 2008</b>		
Current assets	107.762.330	92.113.294		
Non-current assets	19.515.593	31.870.315		
<b>Total assets</b>	<b>127.277.923</b>	<b>123.983.609</b>		
Current liabilities	43.051.960	42.925.551		
Non-current liabilities	282.924	-		
Shareholders' equity	83.943.039	81.058.058		
<b>Total liabilities and shareholders' equity</b>	<b>127.277.923</b>	<b>123.983.609</b>		
	<b>1 January- 30 September 2009</b>	<b>1 July - 30 September 2009</b>	<b>1 January- 30 September 2008</b>	<b>1 July- 30 September 2008</b>
Sales-net	103.251.418	31.556.727	95.088.944	30.898.183
Gross profit	49.757.697	10.267.570	43.072.579	12.462.858
Operating profit	43.234.001	8.915.449	38.433.736	11.096.891
Net income for the period	35.381.930	5.632.823	30.747.199	10.442.133

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**NOTE 4 - SEGMENT REPORTING**

Management determines operating segments based on the reports analyzed by the top management are effective in strategic decision making.

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. The management assesses the performance of the operating segments based on a measure of EBITDA.

The segment information provided to Board of Directors as of 30 September 2009 is as follows:

**1 January - 30 September 2009**

	<b>Reportable Segments</b>			<b>Inter segment Adjustment</b>	<b>Consolidated</b>
	<b>Ground Handling Services</b>	<b>Airport Security Services</b>	<b>Airport Terminal Construction and Management</b>		
Sales income - net	191.173.001	10.366.954	51.001.641	(5.282.457)	247.259.139
Cost of sales	(128.098.110)	(7.761.132)	(25.632.747)	5.337.779	(156.154.210)
Gross profit	<b>63.074.891</b>	<b>2.605.822</b>	<b>25.368.894</b>	<b>55.322</b>	<b>91.104.929</b>
Operating expenses	(37.455.551)	(872.669)	(2.568.602)	5.779.152	(35.117.670)
Addition: Depreciation and amortisation	14.939.996	27.259	15.507.872	-	30.475.127
<b>EBITDA</b>	<b>40.559.336</b>	<b>1.760.412</b>	<b>38.308.164</b>	<b>5.834.474</b>	<b>86.462.386</b>

**1 July - 30 September 2009**

	<b>Reportable Segments</b>			<b>Inter segment Adjustment</b>	<b>Consolidated</b>
	<b>Ground Handling Services</b>	<b>Airport Security Services</b>	<b>Airport Terminal Construction and Management</b>		
Sales income - net	86.617.794	4.505.218	15.158.597	(2.128.149)	104.153.460
Cost of sales	(48.561.940)	(3.551.887)	(9.532.397)	2.148.872	(59.497.352)
Gross profit	<b>38.055.854</b>	<b>953.331</b>	<b>5.626.200</b>	<b>20.723</b>	<b>44.656.108</b>
Operating expenses	(16.529.977)	(240.134)	(592.003)	5.716.668	(11.645.446)
Addition: Depreciation and amortisation	5.254.949	9.199	5.231.523	-	10.495.671
<b>EBITDA</b>	<b>26.780.826</b>	<b>722.396</b>	<b>10.265.720</b>	<b>5.737.391</b>	<b>43.506.333</b>

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**NOTE 4 - SEGMENT REPORTING (Continued)**

**1 January - 30 September 2008**

	<b>Reportable Segments</b>			<b>Inter segment adjustment</b>	<b>Consolidated</b>
	<b>Ground Handling Services</b>	<b>Airport Security Services</b>	<b>Airport Terminal Construction and Management</b>		
Sales income - net	186.881.829	8.015.610	47.538.767	(3.764.026)	238.672.180
Cost of sales	(135.009.930)	(5.959.174)	(26.005.062)	3.849.802	(163.124.364)
Gross profit	51.871.899	2.056.436	21.533.705	85.776	75.547.816
Operating expenses	(28.240.107)	(1.174.991)	(2.370.944)	56.230	(31.729.812)
Addition: Depreciation and amortisation	14.355.012	67.840	15.185.587	-	29.608.439
<b>EBITDA</b>	<b>37.986.804</b>	<b>949.285</b>	<b>34.348.348</b>	<b>142.006</b>	<b>73.426.443</b>

**1 July - 30 September 2008**

	<b>Reportable Segments</b>			<b>Inter segment adjustment</b>	<b>Consolidated</b>
	<b>Ground Handling Services</b>	<b>Airport Security Services</b>	<b>Airport Terminal Construction and Management</b>		
Sales income - net	80.635.939	3.075.532	15.447.238	(1.429.304)	97.729.405
Cost of sales	(52.023.259)	(2.286.241)	(9.216.557)	1.262.917	(62.263.140)
Gross profit	28.612.680	789.291	6.230.681	(166.387)	35.466.265
Operating expenses	(9.683.081)	(396.900)	(734.702)	25.621	(10.789.062)
Addition: Depreciation and amortisation	4.877.447	17.397	5.086.711	-	9.981.555
<b>EBITDA</b>	<b>23.807.046</b>	<b>409.788</b>	<b>10.582.690</b>	<b>-140.766</b>	<b>34.658.758</b>

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**NOTE 4 - SEGMENT REPORTING (Continued)**

A reconciliation of EBITDA to profit before tax is provided as follows:

	<b>1 January- 30 September 2009</b>	<b>1 July- 30 September 2009</b>	<b>1 January- 30 September 2008</b>	<b>1 July- 30 September 2008</b>
EBITDA for reportable segments	86.462.386	43.506.333	73.426.443	34.658.758
Depreciation and amortisation	(30.475.127)	(10.495.671)	(29.608.439)	(9.981.555)
Other operating income	1.527.717	672.086	4.632.129	399.534
Other operating expense (-)	(6.557.993)	(1.993.774)	(1.460.940)	(518.481)
<b>Operating Income</b>	<b>50.956.983</b>	<b>31.688.974</b>	<b>46.989.193</b>	<b>24.558.256</b>
Financial income	36.973.707	8.475.636	22.591.691	5.761.211
Financial expense (-)	(38.863.680)	(7.826.888)	(19.835.685)	(6.191.526)
<b>Income before tax</b>	<b>49.067.010</b>	<b>32.337.722</b>	<b>49.745.199</b>	<b>24.127.941</b>

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

<u>Total assets</u>	<b>30 September 2009</b>	<b>31 December 2008</b>
Turkey	202.486.721	195.701.393
Hungary	69.716.782	77.458.346
India	12.363.016	805.255
<b>Total combined (*)</b>	<b>284.566.519</b>	<b>273.964.994</b>
Unallocated assets	74.171.290	34.114.587
Less: Inter-segment elimination	(48.891.659)	(39.975.480)
<b>Total assets as per consolidated interim financial statements</b>	<b>309.846.150</b>	<b>268.104.101</b>

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

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**NOTE 5 - CASH AND CASH EQUIVALENTS**

	<b>30 September 2009</b>	<b>31 December 2008</b>
Cash	127.176	74.222
Banks		
- time deposits	<b>74.012.571</b>	<b>34.212.669</b>
- US dollar	40.767.928	16.159.165
- Euro	28.568.603	15.007.008
- TL	4.281.307	3.046.496
- Indian Rupee	394.733	-
- demand deposits	<b>19.189.184</b>	<b>19.351.384</b>
- Hungarian Forint ("HUF")	12.271.147	8.658.090
- Euro	2.447.935	9.143.207
- TL	1.889.920	301.514
- Indian Rupee	1.784.982	-
- GBP	435.141	184.876
- US dollar	360.059	1.063.697
	<b>93.328.931</b>	<b>53.638.275</b>

As of 30 September 2009, effective interest rates for TL, Euro and US dollar time deposits are % 7,84, % 1,29 and % 2,30, respectively. (31 December 2008: TL %15,79 Euro %3,86 US dollar %4,76). Maturities of time deposits as of 30 September 2009 are TL 1-35 days, Euro 1-7 days and US dollar 1-42 days (31 December 2008: TL 1-34 days, Euro 1-34 days, US dollar 1-32 days).

As of 30 September 2009 and 2008, details of the cash and cash equivalents values are as follows:

	<b>30 September 2009</b>	<b>30 September 2008</b>
Cash and Banks	93.328.931	70.693.893
Minus: Interest Accrual	(39.392)	(100.170)
	<b>93.289.539</b>	<b>70.593.723</b>

**NOTE 6 - FINANCIAL ASSETS**

*Available-for-sale assets:*

	<u><b>30 September 2009</b></u>		<u><b>31 December 2008</b></u>	
	%	TL	%	TL
Celebi Nas			51.00	805.255
Celebi Delhi	74.00	14.948.549	-	-
	74.00	14.948.549	51.00	805.255

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**NOTE 6 - FINANCIAL ASSETS (Continued)**

As of 31 December 2008, although the Group has direct or indirect voting rights of 51% Celebi Nas has been carried at cost if exists, after any provision for impairment is declined in value since it is not material to consolidated financial statements. Due to completion of the organization and by reason of taking into consideration increasing of total assets for the first time Çelebi Nas has been consolidated in consolidated financial statements since 30 June 2009.

Although Celebi Delhi where Group has direct or indirect voting rights of 74%, the subsidiary has been carried at cost if exists, after any provision for impairment is declined in value since it is not material to consolidated financial statements and has not started its operations as of 30 June 2009. The mentioned amount comprises the capital advance.

**NOTE 7 - FINANCIAL LIABILITIES**

*Short-term financial liabilities:*

	<b>30 September 2009</b>		
	<b>Effective interest rate (%)</b>	<b>Original amount</b>	<b>TL</b>
<u>Short-term bank borrowings</u>			
TL borrowings	-	2.150.945	2.150.945
			<b>2.150.945</b>
<u>Short-term portion of long-term borrowings</u>			
Interest expense accrual - Euro		358.315	774.068
Interest expense accrual- US Dollar		251.296	372.421
US borrowings	8,95%	5.500.000	8.151.000
Euro borrowings	8,03%	5.762.624	12.448.997
			<b>21.746.486</b>
Short-term finance lease obligations - US dollar		<b>58.872</b>	<b>87.249</b>
<b>Short-term financial liabilities</b>			<b>23.984.680</b>
<i>Long-term financial liabilities:</i>			
US dollar borrowings	10,00%	6.000.000	8.892.000
Euro borrowings	6,46%	37.032.913	80.002.203
<b>Long-term bank borrowings</b>			<b>88.894.203</b>
Long-term finance lease obligations - US dollar		<b>96.419</b>	<b>142.893</b>
<b>Long-term financial liabilities</b>			<b>89.037.096</b>
<b>Total financial liabilities</b>			<b>113.021.776</b>



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**NOTE 7 - FINANCIAL LIABILITIES (Continued)**

	<b>30 September 2009</b>		<b>31 December 2008</b>	
	<b>Carrying Value</b>	<b>Fair Value</b>	<b>Carrying Value</b>	<b>Fair Value</b>
Long-term financial liabilities	89.037.096	88.615.400	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.

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

	<b>30 September 2009</b>	<b>31 December 2008</b>
Less than 3 months	2.172.757	5.089.036
Between 3-12 months	21.811.923	10.036.557
Between 1-5 years	89.037.096	55.093.025
	<b>113.021.776</b>	<b>70.218.618</b>

**Short-term financial liabilities:**

	<b>31 December 2008</b>		
	<b>Effective interest rate (%)</b>	<b>Original amount</b>	<b>TL</b>
<u>Short-term bank borrowings</u>			
TL borrowings	-	19.948	19.948
Euro borrowings	%3,84	2.000.000	4.281.600
			<b>4.301.548</b>

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
			<b>10.741.462</b>

Short-term finance lease obligations - US dollar		54.608	82.583
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**Short-term financial liabilities** **15.125.593**

**Long-term financial liabilities:**

Euro borrowings	%7,27	25.636.671	54.882.985
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**Long-term bank borrowings** **54.882.985**

Long-term finance lease obligations - US dollar		138.888	210.040
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**Long-term financial liabilities** **55.093.025**

**Total financial liabilities** **70.218.618**

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**NOTE 7 - FINANCIAL LIABILITIES (Continued)**

The redemption schedule of the long-term bank borrowings as of 30 September 2009 and 31 December 2008 is as follows:

	<b>30 September 2009</b>	<b>31 December 2008</b>
2010	15.829.947	4.701.461
2011	31.622.236	6.334.747
2012	14.730.894	8.209.087
2013 and over	26.711.126	35.637.690
	<b>88.894.203</b>	<b>54.882.985</b>

The redemption schedule of the financial lease obligations as of 30 September 2009 and 31 December 2008 is as follows:

	<b>30 September 2009</b>			<b>31 December 2008</b>		
	<b>Minimum lease payments</b>	<b>Interest</b>	<b>Total obligation</b>	<b>Minimum lease payments</b>	<b>Interest</b>	<b>Total obligation</b>
Less than 1 year	106.135	(18.886)	87.249	108.305	(25.722)	82.583
1 to 2 years	106.135	(9.684)	96.451	108.305	(17.012)	91.293
2 to 3 years	47.534	(1.092)	46.442	108.305	(7.384)	100.921
4 years and over	-	-	-	18.051	(225)	17.826
	<b>259.804</b>	<b>(29.662)</b>	<b>230.142</b>	<b>342.966</b>	<b>(50.343)</b>	<b>292.623</b>

**NOTE 8 - TRADE RECEIVABLES AND PAYABLES**

	<b>30 September 2009</b>	<b>31 December 2008</b>
<b>Short-term trade receivables</b>		
Trade receivables	30.712.087	16.894.322
Notes receivables	-	-
Doubtful receivables	2.797.263	2.873.453
	<b>33.509.350</b>	<b>19.767.775</b>
Less: Provision for doubtful receivables	(2.797.263)	(2.873.453)
	<b>30.712.087</b>	<b>16.894.322</b>

The fair value of current trade receivables as of 30 September 2009 and 31 December 2008 equals their carrying amount as the impact of discounting is not significant.

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**NOTE 8 - TRADE RECEIVABLES AND PAYABLES (Continued)**

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

Movements of the provision for doubtful receivables for the years ended 30 September 2009 and 31 December 2008 are as follows:

	<b>30 September 2009</b>	<b>31 December 2008</b>
Opening balance	2.873.453	2.458.243
Additions	4.838	415.210
Currency translation differences	(938)	-
Collections	(80.090)	-
<b>Ending balance</b>	<b>2.797.263</b>	<b>2.873.453</b>

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**NOTE 8 - TRADE RECEIVABLES AND PAYABLES (Continued)**

Credit risks, exposed by the Group for each financial instrument type as of 30 September 2009 and 31 December 2008, are shown below:

30 September 2009	Trade receivables		Other receivables		Bank deposits
	Related party	Other	Related party	Other	
<b>The maximum of credit risk exposed at the reporting date</b>	5.097.417	30.712.087	7.637.100	9.900.717	93.201.755
<i>- Credit risk covered by guarantees</i>	-	1.537.628	-	-	-
Net carrying value of financial assets either are not due or not impaired	3.814.160	25.700.001	2.344.330	9.900.717	93.201.755
Net carrying value of financial assets which are overdue but not impaired	1.283.257	5.012.086	5.292.770	-	-
<i>- Amount of risk covered by guarantees</i>	-	621.038	-	-	-
Net carrying value of impaired assets	-	2.797.263	-	-	-
<i>- Overdue (gross carrying value)</i>	-	2.797.263	-	-	-
<i>- Impairment amount (-)</i>	-	(2.797.263)	-	-	-
<i>- Amount of risk covered by guarantees</i>	-	-	-	-	-

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**NOTE 8 - TRADE RECEIVABLES AND PAYABLES (Continued)**

31 December 2008	Trade receivables		Other receivables		Bank deposits
	Related party	Other	Related party	Other	
<b>The maximum of credit risk exposed at the reporting date</b>	360.775	16.894.322	15.475.715	19.804.826	53.564.053
<i>- Credit risk covered by guarantees</i>	-	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	-
<i>- Amount of risk covered by guarantees</i>	-	276.523	-	-	-
Net carrying value of impaired assets	-	2.873.453	-	-	-
<i>- Overdue (gross carrying value)</i>	-	2.873.453	-	-	-
<i>- Impairment amount (-)</i>	-	(2.873.453)	-	-	-
<i>- Amount of risk covered by guarantees</i>	-	(113.409)	-	-	-

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**NOTE 8 - TRADE RECEIVABLES AND PAYABLES (Continued)**

Aging of the Group’s overdue receivables that are not impaired including receivables from related parties is as follows;

	<b>30 September 2009</b>	<b>31 December 2008</b>
Up to 1 month	4.637.876	1.837.539
1 to 3 months	1.019.468	1.550.867
3 to 12 months	637.999	640.199
1 to 5 years	-	52.500
	<b>6.295.343</b>	<b>4.081.105</b>

Aging of the Group’s overdue receivables that are not impaired is as follows;

<b>30 September 2009</b>	<b>Trade receivables</b>	
	<b>Related party</b>	<b>Other</b>
Overdue 1-30 days	479.081	4.158.795
Overdue 1-3 months	211.029	808.439
Overdue 3-12 months	593.147	44.852
Overdue 1-5 years	-	-
Amount of risk covered by guarantees	-	-

<b>31 December 2008</b>	<b>Trade receivables</b>	
	<b>Related party</b>	<b>Other</b>
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	-	<b>276.523</b>

**Short-term trade payables**

	<b>30 September 2009</b>	<b>31 December 2008</b>
Trade payables	12.688.543	11.140.423
	<b>12.688.543</b>	<b>11.140.423</b>

The fair value of short-term trade payables as of 30 September 2009 and 31 December 2008 equals their carrying amount as the impact of discounting is not significant.

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**NOTE 9 - OTHER RECEIVABLES AND PAYABLES**

	<b>30 September 2009</b>	<b>31 December 2008</b>
<b>Other short-term receivables</b>		
Receivables from Tax Office	425.266	329.550
Deposits and guarantees given	415.705	121.657
Other miscellaneous receivables	70.119	54.262
Other short-term receivables (*)	8.989.627	19.299.357
	<b>9.900.717</b>	<b>19.804.826</b>

(\*) TL5.089.621 of related amount consists 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 30 September 2009.(31 December 2008: TL15.475.715)  
TL3.765.550 of related amount consists of payments amounting to total INR121.655.600 comprised of cash guarantee payment (INR102.000.000) and other various payments (INR19.655.600) made to Mumbai International Airport Limited (MIAL) on November 2008 within the framework of the tender related to provide ground handling services in the Mumbai International Airport. (31 December 2008: TL3.823.642)

	<b>30 September 2009</b>	<b>31 December 2008</b>
<b>Other short-term payables</b>		
Capital advance received (*)	655.285	-
Other (**)	3.466.227	-
	<b>4.121.512</b>	<b>-</b>

(\*) Related amount consists of capital advances received by Company’s joint venture Celebi Nas From its other shareholders Sovika Aviation Pvt. Ltd. (“Soviaka”) and Nas Aviation Services India (“Nas Aviation”) during 2009.

(\*\*) The mentioned amount is in kind of borrowing from Celebi Nas’s shareholders Sovika and Nas Aviation as of 30 September 2009.

	<b>30 September 2009</b>	<b>31 December 2008</b>
<b>Other long-term payables</b>		
Deposits and guarantees received	186.590	71.668

**NOTE 10 - INVENTORIES**

	<b>30 September 2009</b>	<b>31 December 2008</b>
Trade goods	300.224	357.123
Other inventories	4.123.360	4.083.729
	<b>4.423.584</b>	<b>4.440.852</b>

Other inventories include fuel oil, baggage sticker, boarding passes, miscellaneous stationary goods, uniforms and spare parts. The cost of inventories recognized as expense and included in “cost of sales” is amounted to TL 181.994 TL(2008: TL 285.275).

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**NOTE 11 - PROPERTY, PLANT AND EQUIPMENT**

Movements in property, plant and equipment for the period ended 30 September 2009 are as follows:

	Opening 1 January 2009	Additions	Disposals	Transfers	Cumulative translation adjustments	Closing 30 September 2009
Cost						
Machinery and equipment	124.111.791	11.105.183	(81.671)	(1.876.547)	(326.551)	132.932.205
Vehicles	20.773.498	598.632	(229.894)	-	(138.685)	21.003.551
Furniture and fixtures	13.178.621	336.813	(1.521)	(108.958)	(8.921)	13.396.034
Leasehold improvements (*)	66.333.945	4.050.700	(166.609)	3.483.022	-	73.701.058
Fixed assets under construction	-	119.267	-	-	(4.049)	115.218
Advances given (**)	15.423	1.757.209	(156.313)	(1.574.225)	-	42.094
	<b>224.413.278</b>	<b>17.967.804</b>	<b>(636.008)</b>	<b>(76.708)</b>	<b>(478.206)</b>	<b>241.190.160</b>
Accumulated depreciation						
Machinery and equipment	(85.479.461)	(5.296.769)	67.337	1.953.127	(558)	(88.756.324)
Vehicles	(8.481.838)	(2.029.177)	227.730	-	(76.349)	(10.359.634)
Furniture and fixtures	(10.884.815)	(663.545)	1.135	107.924	(6.362)	(11.445.663)
Leasehold improvements (*)	(25.973.140)	(3.442.724)	12.726	(2.061.051)	-	(31.464.189)
	<b>(130.819.254)</b>	<b>(11.432.215)</b>	<b>308.928</b>	<b>-</b>	<b>(83.269)</b>	<b>(142.025.810)</b>
<b>Net book value</b>	<b>93.594.024</b>					<b>99.164.350</b>

(\*) The land plots where the stations were constructed by Çelebi Hava Servisi A.Ş in the airports within which it operates were rented from the DHMI. The station buildings on this land were constructed by the Group and recorded under the tangible assets of the Group as leasehold improvements. As of 30 September 2009 the net book value of these stations was TL39.038.027. 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 30 September 2009, TL 2.706.848 of depreciation expense is included in operating expenses, TL8.725.367 of the depreciation is included in cost of sales. Plant, Machinery and Equipment includes financial leasing assets which have TL660.097 net book value as of 30 September 2009 (31 December 2008: TL659.795).



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**NOTE 11 - PROPERTY, PLANT AND EQUIPMENT (Continued)**

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

	<b>Opening 1 January 2008</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers (**)</b>	<b>translation adjustments</b>	<b>Closing 30 September 2008</b>
<b>Cost</b>						
Machinery and equipment	121.948.890	1.379.684	(676.610)	290.226	287.540	123.229.730
Vehicles	18.385.783	201.311	(29.904)	-	1.143.156	19.700.346
Furniture and fixtures	11.799.713	1.328.925	(29.818)	2.399	50.099	13.151.318
Leasehold improvements (*)	63.394.155	1.696.735	(2.361)	-	-	65.088.529
Advances given	87.649	689.705	-	(297.322)	-	480.032
	<b>215.616.190</b>	<b>5.296.360</b>	<b>(738.693)</b>	<b>(4.697)</b>	<b>1.480.795</b>	<b>221.649.955</b>
<b>Accumulated depreciation</b>						
Machinery and equipment	(79.281.217)	(5.142.555)	542.812	-	(28.349)	(83.909.309)
Vehicles	(5.685.326)	(1.982.401)	29.904	-	(204.472)	(7.842.295)
Furniture and fixtures	(10.099.557)	(588.714)	26.689	-	(21.086)	(10.682.668)
Leasehold improvements (*)	(21.680.544)	(3.199.262)	52	-	-	(24.879.754)
	<b>(116.746.644)</b>	<b>(10.912.932)</b>	<b>599.457</b>	<b>-</b>	<b>(253.907)</b>	<b>(127.314.026)</b>
<b>Net book value</b>	<b>98.869.546</b>					<b>94.335.929</b>

(\*) The land plots where the stations were constructed by Çelebi Hava Servisi A.Ş in the airports within which it operates were rented from the DHMI. The station buildings on this land were constructed by the Group and recorded under the tangible assets of the Group as leasehold improvements. As of 30 September 2008 the net book value of these stations was TL36.735.383. The lease contract signed by the Group and the DHMI is valid for one year and the agreement is renewed every year. The agreement is renewed automatically. The Group amortizes these station buildings over 15 years which correspond to their economic lives. If the DHMI does not renew the lease contract within this period, the Group may have to amortize the relevant leasehold improvements over a shorter period.

(\*\*) Comprised of transfers to intangible assets.

For the period ended as at 30 September 2008 TL2.865.785 of depreciation expense is included in operating expenses, TL8.047.147 of the depreciation is included in cost of sales. Plant, Machinery and Equipment includes financial leasing assets which has TL765.219 net book value as of 30 September 2008.

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**NOTE 12 - INTANGIBLE ASSETS**

Movements in intangible assets for the period ended 30 September 2009 are as follows:

	Opening 1 January 2009	Additions	Disposals	Transfers	Cumulative translation adjustments	Closing 30 September 2009
<b>Cost</b>						
Rights	555.958	2.647	-	-	-	558.605
Customer relations	32.240.377	-	-	-	(220.126)	32.020.251
Software	3.376.610	313.228	-	-	(1.188)	3.688.650
Build-operate-transfer investments (*)	87.856.923	190.616	-	76.708	-	88.124.247
	<b>124.029.868</b>	<b>506.491</b>	<b>-</b>	<b>76.708</b>	<b>(221.314)</b>	<b>124.391.753</b>
<b>Accumulated amortisation</b>						
Rights	(531.230)	(3.739)	-	-	-	(534.969)
Customer relations	(10.060.713)	(3.234.047)	-	-	(127.998)	(13.422.758)
Software	(2.379.656)	(336.571)	-	-	(3.849)	(2.720.076)
Build-operate-transfer investments (*)	(72.655.691)	(15.468.555)	-	-	-	(88.124.246)
	<b>(85.627.290)</b>	<b>(19.042.912)</b>	<b>-</b>	<b>-</b>	<b>(131.847)</b>	<b>(104.802.049)</b>
<b>Net book value</b>	<b>38.402.578</b>					<b>19.589.704</b>

(\*) The build-operate-transfer investment the net book value which is zero, comprises of the advances and progress payments given to contracting firms which were capitalized as of 30 September 2009 related to the construction of Antalya Airport 2. International Terminal with respect to the terminal building operation and transfer processes between Çelebi IC and the DHMI. The Group has fully depreciated the leasehold improvements related to the terminal building as of 23 September 2009

Amortisation expense for the period ended 30 September 2009 in the amount of TL2.012.175 and TL17.030.737 are included in operating expenses and cost of sales.

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**NOTE 12 - INTANGIBLE ASSETS (Continued)**

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

	Opening 1 January 2008	Additions	Disposals	Transfers	Cumulative translation adjustments	Closing 30 September 2008
<b>Cost</b>						
Rights	545.219	11.197	-	-	-	556.416
Customer Relations	27.017.944	-	-	-	2.462.487	29.480.431
Software	3.160.706	156.884	(27.924)	-	31.623	3.321.289
Build-operate-transfer investments (*)	87.533.504	259.947	-	4.697	-	87.798.148
	<b>118.257.373</b>	<b>428.028</b>	<b>(27.924)</b>	<b>4.697</b>	<b>2.494.110</b>	<b>121.156.284</b>
<b>Accumulated depreciation</b>						
Rights	(499.553)	(39.124)	-	-	-	(538.677)
Customer Relations	(4.946.485)	(3.191.286)	-	-	(418.299)	(8.556.070)
Software	(2.013.063)	(287.512)	931	-	(5.322)	(2.304.966)
Build-operate-transfer investments (*)	(52.370.651)	(15.177.585)	-	-	-	(67.548.236)
	<b>(59.829.752)</b>	<b>(18.695.507)</b>	<b>931</b>	<b>-</b>	<b>(423.621)</b>	<b>(78.947.949)</b>
<b>Net book value</b>	<b>58.427.621</b>					<b>42.208.335</b>

(\*) The build-operate-transfer investment the net book value of which is TL20.249.912 comprises of the advances and progress payments given to contracting firms which were capitalized as of 30 September 2008 related to the construction of Antalya Airport 2. International Terminal with respect to the terminal building operation and transfer processes between Çelebi IC and the DHMI. The Group will depreciate the leasehold improvements related to the terminal building within the operating period of 54 months.

Depreciation charges for the period ended 30 September 2008 amounting to TL2.001.413 and TL16.694.094 are included in operating expenses and cost of sales.

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**NOTE 13 - GOODWILL**

Positive goodwill at 30 September 2009 and 31 December 2008 is as follows:

	<b>30 September 2009</b>	<b>31 December 2008</b>
Goodwill due to acquisition of CGHH	18.761.645	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 Szolgáltato 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.

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 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 30 September 2009, 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. As of 31 December 2008 an impairment test was performed by comparison of the book value of the goodwill with its recoverable value. The recoverable value was determined based on the value-in-use calculations. These calculations use pre-tax cash flow projections based on budgets approved by the management covering a ten-year period. Estimated net cash flows were discounted using the pre-tax rate of %11,8. Goodwill details relating to the acquisition of the Subsidiary (CGHH) are below:

Acquisition amount	49.448.419
Less: Fair values of assets, liabilities and contingent liabilities	(31.287.893)
Final purchase price adjustment	(827.657)
Currency translation adjustment	1.428.776
<b>Goodwill</b>	<b>18.761.645</b>

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**NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

	<b>30 September 2009</b>	<b>31 December 2008</b>
<b>Short-term provisions</b>		
DHMI expense accruals	8.018.038	20.621
Provision for unused vacation rights	1.643.300	1.688.350
Accrued sales commissions	899.394	1.300.386
Provision for legal claims	544.249	432.447
Other provisions	420.923	457.584
DHMI agreement depreciation provision (*) (Note 16).	-	12.231.302
	<b>11.525.904</b>	<b>16.130.690</b>

(\*) 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 international terminal operated by Çelebi IC in the context of the build-operate-transfer investment when the terminal is transferred 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 US dollar 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 US dollar, foreign exchange gains or losses that have arisen from the valuation of the guarantee letter are also included in the provision.

**Contingent assets and liabilities**

	<b>30 September 2009</b>	<b>31 December 2008</b>
<b>Guarantees received:</b>		
Guarantee letters	10.228.969	6.451.385
Guarantee cheque	1.090.316	1.456.024
Guarantee notes	1.303.465	1.056.195
	<b>12.622.750</b>	<b>8.963.604</b>
<b>Guarantees given:</b>		
Guarantee letters given	34.175.780	34.106.203

The Group has contingent assets amounting to TL1.923.889 due to the legal cases in favour of the Group and contingent liabilities amounting to TL62.286.501 due to the legal cases and enforcement proceedings against the Group as of 30 September 2009. TL61.356.536 portion of contingent liabilities are comprised of legal cases and enforcement proceedings related with the fire in warehouse in which Company is a sole defendant and co-defendant with the DHMI, other warehouse management companies and insurance companies (Note 28).

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

**Gain/ (Losses) from derivative instruments**

	<b>30 September 2009</b>		<b>31 December 2008</b>	
	<b>Gain</b>	<b>Loss</b>	<b>Gain</b>	<b>Loss</b>
Interest rate SWAP	-	(1.680.407)	-	(2.390.999)
Currency forward contracts	2.692.664	-	-	(3.621.962)
	<b>2.692.664</b>	<b>(1.680.407)</b>	<b>-</b>	<b>(6.012.961)</b>

Movement of derivative financial instruments as of 30 September 2009 is as following (Note 16):

	<b>1 January 2009</b>	<b>Profit (*)</b>	<b>Loss (*)</b>	<b>Foreign currency differences</b>	<b>30 September 2009</b>
Interest rate SWAP	(3.016.619)	-	(1.680.407)	(81.605)	(4.778.631)
Currency forward contracts	(6.285.884)	2.692.664	-	206.682	(3.386.538)
	<b>(9.302.503)</b>	<b>2.692.664</b>	<b>(1.680.407)</b>	<b>125.077</b>	<b>(8.165.169)</b>

(\*) Financial income related to aforementioned agreements amount to TL1.012.257 (31 December 2008: TL6.012.961, loss) (Note 22).

*a) Interest rate SWAP*

Within the framework of the project finance agreement entered into with the related bank, CGHH has entered into a knock in radial swap transaction corresponding to the amount used for the project amounting to EUR28.600.000 in order to hedge interest rate risk. The mentioned amount will decrease parallel to the redemption schedule of the project borrowing. As of 30 September 2009 the amount of EUR2.804.462 credit has been paid and EUR25.795.538 remaining credit amount as of 30 September 2009. Details of the terms and conditions of the interest rate swap are as follows:

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

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

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

*b) Currency forward contracts*

Within the framework of the project finance agreement entered into with the related bank, CGHH has entered into a risk reversal option transaction corresponding to the amount used for the project amounting to EUR28.600.000 in order to hedge foreign exchange risk. Taking into consideration the cash flow projection, the Company has made a commitment to sell Euros and to buy Hungarian Forint monthly periods until 31 December 2011. As of 30 September 2009 the amount of EUR2.804.462 credit has been paid and EUR25.795.538 remaining credit amount as of 30 September 2009. Details of the terms and conditions of related contract are as follows for the years 2009, 2010 and 2011:

<b>Year</b>	<b>Put strike (HUF/Euro)</b>	<b>Call strike (HUF/ Euro)</b>	<b>Amount Euro</b>
2009	244	281	3.403.000
2010	240	281	14.928.000
2011	236	281	16.101.000
			<b>34.432.000</b>

As a consequence of project finance loan agreement amounting to EUR28.600.000 used by the subsidiary CGHH, the Company pledged %70 of its share of CGHH to related bank in accordance with this agreement.

**NOTE 15 - EMPLOYEE BENEFITS**

	<b>30 September 2009</b>	<b>31 December 2008</b>
<b>Short term employee benefits:</b>		
Provision for employment termination benefits (*)	-	39.341
	-	<b>39.341</b>

(\*) 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.

	<b>30 September 2009</b>	<b>31 December 2008</b>
<b>Long term employee benefits:</b>		
Provision for employment termination benefits	5.153.477	4.762.519
<b>Total Provisions</b>	<b>5.153.477</b>	<b>4.801.860</b>

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**NOTE 15 - EMPLOYEE BENEFITS( Continued)**

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

Under the Turkish Labour Law, the Group is required to pay termination benefits to each employee who has completed one year of service, who achieves the retirement age (58 for women and 60 for men), who has charged 25 years of services (20 years for women) and whose employment is terminated without due cause, is called up for military service or who dies. Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement. The amount payable at 30 September 2009 consists of one month's salary limited to a maximum of TL2.365,16 (31 December 2008: TL2.173,18) for each year of service.

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

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

	<b>30 September 2009</b>	<b>31 December 2008</b>
Discount rate (%)	6,26	6,26
Turnover rate to estimate the probability of retirement (%)	94,03	93,57

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Since the Group calculates the reserve for employment termination benefits every six months the maximum amount of TL2.365,16 which is effective from 1 July 2009 (1 January 2009: TL2.260, 04) has been taken into consideration in the calculations.

	<b>2009</b>	<b>2008</b>
<b>1 January</b>	<b>4.801.860</b>	<b>3.543.901</b>
Paid during the year	(2.852.678)	(1.440.345)
Increase during the year	3.204.295	1.524.200
<b>30 September</b>	<b>5.153.477</b>	<b>3.627.756</b>



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**NOTE 16 - OTHER ASSETS AND LIABILITIES**

	<b>30 September 2009</b>	<b>31 December 2008</b>
<b>Other current assets</b>		
Prepaid expenses	4.041.493	2.444.194
Value-added tax (“VAT”) to be refunded	1.144.674	1.481.972
Advances given to personnel	117.413	347.114
Income accruals	12.901	444.478
Prepaid taxes and funds	17.777	30.614
Other	498.026	136.125
	<b>5.832.284</b>	<b>4.884.497</b>
<b>Other non-current assets</b>		
Prepaid expenses	38.835	202.798
Deposits and guarantees given	252.228	2.387
	<b>291.063</b>	<b>205.185</b>
<b>Other current liabilities</b>		
DHMI agreement depreciation accruals (*)	950.809	-
Wages and salaries payable	6.027.725	4.135.402
Social security payables	2.294.250	2.159.826
Deferred income	281.182	861.100
Accrued bonus payable	314.125	649.498
Taxes and funds payable	378.409	1.718.268
Value added taxes payable	48.896	-
Other miscellaneous liabilities	874.270	834.492
	<b>11.169.666</b>	<b>10.358.586</b>

(\*) The DHMI agreement depreciation provision is the amount that will be paid to the DHMI for the depreciation of fixed assets at the Antalya second international terminal, operated by Çelebi IC in the context of the build-operate-transfer investment, when the terminal is delivered to the DHMI in 2009. Letters of guarantee, which have been calculated within the terms of the concession agreement signed with DHMI as a provision for depreciation of the fixed assets used and to be paid, have been given to DHMI and remained amount to TL 950.809 as of 30 September 2009. Within the terms of the concession agreement signed with DHMI, the Group has classified this into other short-term liabilities from other short-term provisions for liabilities as of 30 September 2009.

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**NOTE 16 - OTHER ASSETS AND LIABILITIES (Continued)**

	<b>30 September 2009</b>	<b>31 December 2008</b>
<b>Other non-current liabilities</b>		
SWAP agreements (Note 14)	8.165.169	9.302.503
Deferred insurance claim recovery (*)	2.223.000	2.268.450
Deferred other revenues	370.781	574.569
	<b>10.758.950</b>	<b>12.145.522</b>

(\*) The deferred insurance claim recovery amount is comprised of the insurance policy related to the goods of third parties amounting to USD1.500.000 which has been fully collected as of 30 September 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 28).

**NOTE 17 - EQUITY**

**Share Capital**

As of 30 September 2009, the authorized share capital of the Group is TL 24.300.000 comprising of registered shares with a face value each of 1 Kr (31 December 2008: 2.430.000.000 shares).

At 30 September 2009 and 31 December 2008, the shareholding structure is stated below:

<b>Shareholders</b>	<b>30 September 2009</b>		<b>31 December 2008</b>	
	<b>TL</b>	<b>Share %</b>	<b>TL</b>	<b>Share %</b>
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
	<b>24.300.000</b>	<b>100,00</b>	<b>24.300.000</b>	<b>100,00</b>

**Restricted Reserves**

The Turkish Commercial code (“TCC”) stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group’s paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital. In addition, according to Exemption for sale of Participation shares and property, a 75% portion of corporations’ profits arising from such sales are not withdrawn within 5 years and are followed in special reserves.

As of 30 September 2009 and 31 December 2008, restricted reserves consist of legal reserves.

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**NOTE 17 - EQUITY (Continued)**

**Retained earnings**

In accordance with the CMB regulations effective until 1 January 2008, the inflation adjustment differences arising at the initial application of inflation accounting which are recorded under "accumulated losses" could be netted off from the profit to be distributed based on CMB profit distribution regulations. In addition, the aforementioned amount recorded under "accumulated losses" could be netted off with net income for the period, if any, undistributed prior period profits, and inflation adjustment differences of extraordinary reserves, legal reserves and capital, respectively.

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

In accordance with the Communiqué No:XI-29 and related announcements of CMB, effective from 1 January 2008, "Share capital", "Restricted Reserves" and "Share Premiums" shall be carried at their statutory amounts. The valuation differences (such as inflation adjustment differences) shall be disclosed as follows:

- if the difference is arising due to the inflation adjustment 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 due to the inflation adjustment of "Restricted Reserves" and "Share Premium" and the amount has not been utilised in dividend distribution or capital increase yet, 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 distribution**

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

In accordance with the Capital Markets Board Decision dated 9 January 2009, concerning allocation basis of profit from operations of 2008, minimum profit distribution shall be applied as 20% (31 December 2008: 20%). According to the Board's decision and Communiqué No: IV-27 issued by CMB regarding allocation basis of profit of publicly owned companies, the distribution of the relevant amount may be realized as cash or as bonus shares or partly as cash and bonus shares; and in the event that the first dividend amount to be specified is less than 5% of the paid-up capital, the relevant amount can be retained within the Company. However, companies that made capital increases before distributing dividends related to the prior period and whose shares are therefore classified as "old" and "new" and that will distribute dividends from the profit made from 2008 operations are required to distribute the first dividend in cash.

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**NOTE 17 - EQUITY (Continued)**

In addition, according to the aforementioned Board decision, the restrictions on the distributions of the profit derived from the subsidiaries, joint ventures and associates of entities who are required to prepare consolidated financial statements where no profit distribution decision is taken in the general assemblies of such subsidiaries joint ventures and associates is abolished. It is decided that as long as the entities can provide the necessary amount from their statutory reserves, the distributable profit can be calculated based on the net income declared at the publicly announced consolidated financial statements in the accordance with Communiqué XI No:29.

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 addition, it was resolved with the same Board Decision that the total amount of the period profit remaining after deduction of previous years losses and Type 1 legal reserves and other resources that can be subject to profit distribution would be included in the financial statement footnotes to be prepared and announced to public in accordance with the Communiqué Serial:XI, No:29.

**NOTE 18 - SALES AND COST OF SALES**

	<b>1 January - 30 September 2009</b>	<b>1 July - 30 September 2009</b>	<b>1 January - 30 September 2008</b>	<b>1 July - 30 September 2008</b>
Ground handling services	183.415.208	83.388.135	177.021.776	77.361.479
Passenger service income (*)	22.984.472	5.544.892	22.268.418	6.452.791
Rent income not related to aviation (**)	21.321.969	6.972.031	18.670.720	6.272.519
Warehouse services income	11.163.882	4.433.548	12.207.200	4.025.871
Contribution income to general expenses (***)	4.125.821	1.317.518	3.752.743	1.254.926
Airport security services	5.086.899	2.379.471	4.284.524	1.646.228
Rent income related to aviation (****)	2.573.729	1.324.627	2.849.120	1.467.376
Aviation fuel sold and commission income	130.378	35.362	194.663	76.790
Less: Returns and discounts	(3.543.219)	(1.242.124)	(2.576.984)	(828.575)
<b>Sales - net</b>	<b>247.259.139</b>	<b>104.153.460</b>	<b>238.672.180</b>	<b>97.729.405</b>
Cost of service given	(156.049.682)	(59.477.435)	(162.976.790)	(62.200.150)
Cost of aviation fuel sold	(104.528)	(19.917)	(147.574)	(62.990)
<b>Cost of sales</b>	<b>(156.154.210)</b>	<b>(59.497.352)</b>	<b>(163.124.364)</b>	<b>(62.263.140)</b>
<b>Gross profit</b>	<b>91.104.929</b>	<b>44.656.108</b>	<b>75.547.816</b>	<b>35.466.265</b>

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**NOTE 18 - SALES AND COST OF SALES (Continued)**

- (\*) In accordance with the “Antalya Airport 2nd International Terminal Building Construction, Management and Transfer Agreement” signed between Çelebi IC and DHMI and also with the conditions of the contract, the DHMI committed to foreign lines service revenue from 1.987.734 (2008: 2.416.171) passengers and agreed USD15 per person as the foreign line passenger service price until 23 September 2009, the termination of the agreement. After reaching the guaranteed passenger number in one operating year, the entire passenger fare will be transferred to the DHMI.
- (\*\*) The rent income, which does not relate to aviation, consists of the rent of certain commercial places and offices.
- (\*\*\*) 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.
- (\*\*\*\*) Rent income related to aviation comprises income from services such as bridges, desks, water, PCA and 400Hz that Çelebi IC obtained in the Second International Terminal Building.

**NOTE 19 - OPERATING EXPENSES**

	<b>1 January - 30 September 2009</b>	<b>1 July - 30 September 2009</b>	<b>1 January - 30 September 2008</b>	<b>1 July - 30 September 2008</b>
Payroll expenses	12.110.539	4.088.686	10.776.063	3.563.613
Consultancy expenses	10.794.449	4.021.421	9.260.356	3.236.404
Depreciation and amortization expenses	4.719.023	1.531.349	4.867.198	1.498.996
Repair, maintenance and security expenses	1.752.019	386.976	1.394.563	538.178
Travel and transportation expenses	1.195.198	362.324	1.087.709	172.997
Rent expenses	1.111.074	348.669	833.231	260.603
Insurance premiums	518.604	134.129	517.768	149.566
Other	2.916.764	771.892	2.992.924	1.368.705
	<b>35.117.670</b>	<b>11.645.446</b>	<b>31.729.812</b>	<b>10.789.062</b>

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**NOTE 20 - OTHER OPERATING INCOME/EXPENSES**

	1 January - 30 September 2009	1 July - 30 September 2009	1 January - 30 September 2008	1 July - 30 September 2008
<b>Other operating income:</b>				
Rent income	414.177	130.498	311.403	105.346
Income from insurance claims	212.220	91.859	922.705	57.719
Fixed asset sales income	36.834	7.400	222.669	12.588
Scrap sales income	10.222	1.114	10.771	534
Return income from contribution to holding expenses (*)	-	-	2.616.255	-
Other	854.264	441.215	548.326	223.347
	<b>1.527.717</b>	<b>672.086</b>	<b>4.632.129</b>	<b>399.534</b>

(\*) Çelebi Havacılık Holding A.Ş. ("Holding") has reflected the salaries and similar payments made to the 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. The Holding has decided to return amounts received from Çelebi Hava Servisi ("Company") with accrued interest by considering the payments made by Çelebi Hava Servisi to the Chairman of the Board of Directors and the Deputy Chairman of the Board for their administrative function in the Company. The amount calculated in this context has been collected from the Holding and accrued as income.

	1 January- 30 September 2009	1 July- 30 September 2009	1 January- 30 September 2008	1 July - 30 September 2008
<b>Other operating expenses:</b>				
Donations and welfare expenses (*)	(5.680.158)	(1.635.973)	(57.040)	(35.970)
Loss on disposal of fixed asset	(172.074)	(112.042)	-	-
Provision expenses	(178.712)	(147.702)	(143.269)	(80.676)
Insurance expenses	(64.580)	(41.009)	(163.843)	(100.507)
Provision for Doubtful Receivables	(4.838)	(4.838)	-	-
Other expenses	(457.631)	(52.210)	(1.096.788)	(301.328)
	<b>(6.557.993)</b>	<b>(1.993.774)</b>	<b>(1.460.940)</b>	<b>(518.481)</b>

(\*) Between 1 January 2009 and 30 September 2009, the total amount of the donations and welfare expenses inherited by other individuals, organisations and foundations with various aims amounts to TL 5.680.158 TL. 5.614.440 TL of mentioned amount relates to the construction of a civil aviation school at Erzincan University ("University") made by the Company.

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**NOTE 21 - FINANCIAL INCOME**

	<b>1 January- 30 September 2009</b>	<b>1 July - 30 September 2009</b>	<b>1 January- 30 September 2008</b>	<b>1 July - 30 September 2008</b>
Foreign exchange gains	17.932.711	4.369.706	14.583.490	3.574.141
SWAP contracts valuation income	13.858.707	2.692.666	3.641.618	226.098
Interest income	3.435.487	1.050.337	2.998.162	1.369.446
Unearned financial income	1.744.633	362.927	1.368.421	591.526
Other financial income	2.169	-	-	-
	<b>36.973.707</b>	<b>8.475.636</b>	<b>22.591.691</b>	<b>5.761.211</b>

**NOTE 22 - FINANCIAL EXPENSES**

	<b>1 January- 30 September 2009</b>	<b>1 July - 30 September 2009</b>	<b>1 January- 30 September 2008</b>	<b>1 July - 30 September 2008</b>
Foreign exchange losses	(18.910.852)	(4.482.361)	(12.324.838)	(4.559.608)
SWAP contracts valuation losses	(12.846.450)	(56.977)	(2.662.565)	-
Interest expenses	(4.370.155)	(2.096.476)	(4.572.911)	(1.506.734)
Unincurred financial expenses	(570.278)	(226.371)	(133.259)	(67.515)
Other financial expenses	(2.165.945)	(964.703)	(142.112)	(57.669)
	<b>(38.863.680)</b>	<b>(7.826.888)</b>	<b>(19.835.685)</b>	<b>(6.191.526)</b>

**NOTE 23 - TAX ASSETS AND LIABILITIES**

	<b>30 September 2009</b>	<b>31 December 2008</b>
Corporate tax	10.628.943	14.231.605
Less: Prepaid taxes	(5.173.756)	(12.241.248)
<b>Taxes liability/ (receivable) - net</b>	<b>5.455.187</b>	<b>1.990.357</b>
	<b>30 September 2009</b>	<b>31 December 2008</b>
Deferred tax assets	158.719	707.173
Deferred tax liabilities	(4.292.598)	(4.448.235)
<b>Deferred tax liability - net</b>	<b>(4.133.879)</b>	<b>(3.741.062)</b>

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

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**NOTE 23 - TAX ASSETS AND LIABILITIES (Continued)**

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 10th and paid by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. Despite the credit from annual corporation tax liability, if the company still has excess advance corporate tax, it can receive this balance in cash from the Government or as a credit for another financial debt to the Government.

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

*Domestic participation exemption*

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

*Preferential right certificate sales and issued premiums exemption*

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

*Foreign company participation exemption*

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



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**NOTE 23 - TAX ASSETS AND LIABILITIES (Continued)**

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

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

*Investment allowance exemption*

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

- a) in the scope of the investment incentive certificates prepared related to the applications before 24 April 2003, investments to be made after 1 January 2006 in the scope of the certificate for the investments started in accordance with the regulatory provisions; the ratio of investment tax credit is %19,8.
- b) in the scope of the abolished 19th article of Income Tax Law, the investment allowance amounts to be calculated in accordance with the legislation in force at 31 December 2005 for investments which were started before 1 January 2006 and which display an economic and technical integrity. The ratio of investment tax credit for this is %40.

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

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

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

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**NOTE 23 - TAX ASSETS AND LIABILITIES (Continued)**

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

- a) 25% or more of the gross revenue of the foreign subsidiary must be composed of passive income like interest, dividend, rent, license fee, or marketable securities sales income;
- b) Controlled Foreign Corporations “CFC” must be subject to an effective income tax rate lower than 10% for its commercial profit in its home country; and,
- c) Gross revenue of the CFC must exceed the equivalent of TL100 in a foreign currency in the related period.

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

Hungary

In Hungary, the corporate tax rate is changed from 16% to 20% at the 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 the year 2009. Corporate tax rate is applied the tax base which will be calculated from total income of the associations after the adding of disallowed expenditure by law and after deducting of exceptions (affiliate earnings exemption, investment discount exceptions)

The taxes on income for the periods ended 30 September 2009 and 2008 are summarized as follows:

	<b>1 January- 30 September 2009</b>	<b>1 July - 30 September 2009</b>	<b>1 January- 30 September 2008</b>	<b>1 July - 30 September 2008</b>
- Current period corporate tax expense	(10.628.943)	(5.756.776)	(11.858.238)	(5.701.228)
- Deferred tax income/(expense)	(397.888)	(420.848)	(138.482)	738
	<b>(11.026.831)</b>	<b>(6.177.624)</b>	<b>(11.996.720)</b>	<b>(5.700.490)</b>

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**NOTE 23 - TAX ASSETS AND LIABILITIES (Continued)**

**Deferred tax**

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

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between their financial statements as reported for CMB Communiqué purposes and its statutory tax financial statements. Temporary differences generally arise due to the recording of incomes and expenses in different reporting periods according to Tax Laws and CMB Accounting Standards. Deferred income taxes will be calculated on temporary differences that are expected to be realized or settled based on the taxable income in the coming years under the liability method using a principal tax rate of %20(31 December 2008: %20). The related ratio for Hungary is 20%.

The breakdown of cumulative temporary differences and the resulting deferred tax assets/ (liabilities) provided at 30 September 2009 and 31 December 2008 using the enacted future tax rates is as follows:

	<b>Cumulative Taxable Temporary Differences</b>		<b>Deferred Tax Assets/Liabilities</b>	
	<b>30 September 2009</b>	<b>31 December 2008</b>	<b>30 September 2009</b>	<b>31 December 2008</b>
Net difference between the tax base and carrying amount of property plant and equipment and intangible assets	(716.196)	(3.361.351)	143.239	672.270
Provision for unused vacation rights	(73.865)	(149.017)	14.773	29.803
Provision for employment termination benefits	(3.534)	(25.499)	707	5.100
Personnel bonus accrual	-	-	-	-
<b>Net deferred tax asset</b>			<b>158.719</b>	<b>707.173</b>
Net difference between the tax base and carrying amount of property plant and equipment and intangible assets	31.901.261	32.984.715	(6.439.642)	(6.596.943)
Provision for employment termination benefits	(5.149.943)	(4.776.361)	1.029.989	955.272
Deferred insurance claim recovery	(2.223.000)	(2.268.450)	444.600	453.690
Provision for unused vacation rights	(1.569.435)	(1.539.333)	313.887	307.867
Accrued sales commissions	(899.394)	(1.300.386)	179.879	260.077
Provision for legal claims	(544.249)	(432.447)	108.850	86.489
Personnel bonus accrual	(299.417)	(376.789)	59.883	75.357
Provision for doubtful receivables	(49.781)	(49.781)	9.956	9.956
<b>Net deferred tax liability</b>			<b>(4.292.598)</b>	<b>(4.448.235)</b>

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**NOTE 23 - TAX ASSETS AND LIABILITIES (Continued)**

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 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 to TL3.318.389 as of 31 December 2008 and 30 September 2009.

Deferred tax movement table is indicated below:

	<b>2009</b>	<b>2008</b>
<b>1 January</b>	<b>(3.741.062)</b>	<b>(2.137.941)</b>
Cumulative currency translation difference	5.071	253.961
Current period deferred tax (expense)/income	(397.888)	(138.482)
<b>30 September</b>	<b>(4.133.879)</b>	<b>(2.022.462)</b>

**NOTE 24 - EARNINGS PER SHARE**

Earnings per share is determined by dividing net profit amounting to TL38.495.956 to that class of shares by the weighted average number of such shares outstanding during the year concerned (30 September 2008: 24.300.000). The calculation is as follows:

	<b>1 January- 30 September 2009</b>	<b>1 July - 30 September 2009</b>	<b>1 January- 30 September 2008</b>	<b>1 July- 30 September 2008</b>
<b>Net loss attributable to the equity holders of the Company</b>	38.015.497	24.972.968	38.495.956	19.244.905
<b>Weighted average number of share</b>				
Weighted average number of shares				
With Kr 1 face value each	24.300.000	24.300.000	24.300.000	24.300.000
<b>Earnings per share</b>	<b>1,56</b>	<b>1,03</b>	<b>1,58</b>	<b>0,79</b>

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**NOTE 25 - 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**

	<b>30 September 2009</b>	<b>31 December 2008</b>
<b>Due from related parties</b>		
Ortadoğu Antalya Liman İşletmeleri A.Ş.	47.163	53.869
Çelebi Hizmet Gıda A.Ş.	41.125	-
Çelebi Marina ve Yat İşletmeciliği	19.287	20.870
Çelebi Havacılık Holding A.Ş.	9.196	20.930
Çelebi Hizmet Restorant İşletmeleri ve Gıda Turizm	5.724	-
	<b>122.495</b>	<b>95.669</b>

**Due from Joint-ventures**

	<b>30 September 2009</b>	<b>31 December 2008</b>
Celebi Nas (*)	4.974.922	-
Çelebi IC	-	265.106
	<b>4.974.922</b>	<b>265.106</b>

**Due from related parties** **5.097.417** **360.775**

**Other receivable from related parties**

	<b>30 September 2009</b>	<b>31 December 2008</b>
Çelebi Havacılık Holding A.Ş. (***)	5.292.770	15.475.715

**Other receivable from joint ventures**

Celebi Nas(**)	2.344.330	-
	<b>7.637.100</b>	<b>15.475.715</b>

**Due from related parties- (net)** **12.734.517** **15.836.490**

(\*) The mentioned amount is due to machinery, equipment and spare part purchases in February 2009 and June 2009 on behalf of joint venture company Çelebi Nas, which was established on 12 December 2008 in Maharashtra, Mumbai India.

(\*\*) The mentioned amount comprises capital advances.

(\*\*\*) The mentioned amount comprises advances given by Çelebi IC Antalya Havalimanı Terminal Yatırım ve İşletme A.Ş. to Çelebi Holding A.Ş. and accrued interest relating to these advances at the end of the period. (Note 8)

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**NOTE 25 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)**

**Due to related parties**

	<b>30 September 2009</b>	<b>31 December 2008</b>
Çe-Tur Çelebi Turizm Ticaret A.Ş.	617.894	547.938
Çelebi IC Hava Terminali İşletme ve Ticaret A.Ş.	386.764	5.618.041
Çelebi Denizcilik	8.614	7.965
Çelebi Havacılık Holding A.Ş.	-	290.710
Çelebi Hizmet Gıda İşletmeleri A.Ş.	-	1.008
Payables to shareholders (dividends payable)	-	1.100
	<b>1.013.272</b>	<b>6.466.762</b>

**Due to Joint Ventures**

Çelebi IC	16.116	-
	<b>1.029.388</b>	<b>6.466.762</b>

**ii) Transactions with related parties:**

	<b>1 January- 30 September 2009</b>	<b>1 July - 30 September 2009</b>	<b>1 January- 30 September 2008</b>	<b>1 July- 30 September 2008</b>
<b>Sales to related parties</b>				
Ortadoğu Antalya Liman İşletmeleri A.Ş.	406.658	136.549	365.319	121.177
Çelebi Havacılık Holding A.Ş.	394.340	53.822	282.251	69.157
Çelebi IC Hava Terminali İşletme ve Ticaret A.Ş.	336.661	132.575	417.473	175.047
Çelebi Marina ve Yat İşletmeciliği A.Ş.	182.979	59.107	201.280	58.035
Çe-Tur Çelebi Turizm Ticaret A.Ş.	141.230	52.248	195.723	44.313
Çelebi Hizmet Gıda İşletmeleri Turizm Sanayi ve Ticaret A.Ş.	58.729	16.675	-	-
Çelebi Hizmet Restorant İşletmeleri ve Gıda Turizm İnşaat Sanayi ve Tic. A.Ş.	10.228	-	-	-
	<b>1.530.825</b>	<b>450.976</b>	<b>1.462.046</b>	<b>467.729</b>

	<b>1 January- 30 September 2009</b>	<b>1 July - 30 September 2009</b>	<b>1 January- 30 September 2008</b>	<b>1 July- 30 September 2008</b>
<b>Sales to joint-ventures</b>				
Çelebi IC	3.308.667	1.576.553	2.468.293	961.852
Çelebi Nas	78.755	-	-	-
	<b>3.387.422</b>	<b>1.576.553</b>	<b>2.468.293</b>	<b>961.852</b>

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**NOTE 25 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)**

	1 January- 30 September 2009	1 July - 30 September 2009	1 January- 30 September 2008	1 July- 30 September 2008
<b>Rent income from related parties</b>				
Çelebi IC Hava Terminali İşletme ve Ticaret A.Ş.	18.673.779	5.797.124	16.689.097	5.376.655
<b>Employee and transportation expenses payable to related parties</b>				
Çe-Tur Çelebi Turizm Ticaret A.Ş.	3.751.735	1.412.900	3.740.069	1.463.683
Çelebi IC Hava Terminali İşletme ve Ticaret A.Ş.	3.098.504	1.144.437	2.268.955	843.268
	<b>6.850.239</b>	<b>2.557.337</b>	<b>6.009.024</b>	<b>2.306.951</b>
<b>Contribution to holding expenses (***)</b>				
Çelebi Havacılık Holding A.Ş.	6.523.504	1.993.974	7.476.248	3.001.513
<b>Contribution income from related companies (****)</b>				
Çelebi IC Hava Terminali İşletme ve Ticaret A.Ş.	3.734.756	1.159.425	3.337.819	1.075.331
<b>Interest income from related parties</b>				
Çelebi Havacılık Holding A.Ş.	665.602	112.724	-	-
<b>Return income from contribution to Holding expenses</b>				
Çelebi Havacılık Holding A.Ş. (Note 20)	-	-	2.616.255	-
<b>Other purchases from related parties (*****)</b>				
Çelebi Havacılık Holding A.Ş.	1.017.284	456.765	1.286.026	279.191
Çe-Tur Çelebi Turizm Ticaret. A.Ş.	2.052.097	663.426	1.596.738	616.124
Diğer	55.028	30.284	17.345	162
	<b>3.124.409</b>	<b>1.150.475</b>	<b>2.900.109</b>	<b>895.477</b>

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**NOTE 25 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)**

**Other purchases from joint-ventures**

	<b>1 January- 30 September 2009</b>	<b>1 July - 30 September 2009</b>	<b>1 January- 30 September 2008</b>	<b>1 July- 30 September 2008</b>
Çelebi IC	200.588	112.789	156.546	91.607

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

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

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

Guarantees given to related parties as of 30 September 2009 and 31 December 2008 are detailed below:

	<b>30 September 2009</b>		<b>31 December 2008</b>	
	<b>US dollar</b>	<b>TL</b>	<b>US dollar</b>	<b>TL</b>
Çelebi Havacılık Holding A.Ş.	-	25.750.000	-	20.000.000
Çelebi IC (*)	45.154.000	-	45.154.000	-

(\*) Çelebi IC 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 30 September 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 and liabilities due to guarantee given to Bank within this credit agreement.

**Remuneration paid to top management:**

The Group classifies the general manager, assistant general managers and the members of board of directors as executive management.

	<b>1 January- 30 September 2009</b>	<b>1 July- 30 September 2009</b>	<b>1 January- 30 September 2008</b>	<b>1 July- 30 September 2008</b>
Salaries and other benefits	5.880.542	4.180.738	4.631.688	1.481.578
Benefits After Severance	128.487	128.487	-	-
	<b>6.009.029</b>	<b>4.309.225</b>	<b>4.631.688</b>	<b>1.481.578</b>



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**NOTE 26 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT**

**Financial risk management**

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

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

Interest rate risk

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

The Group's interest rate sensitive financial instruments are as follows:

	<b>30 September 2009</b>	<b>31 December 2008</b>
<b>Fixed interest rate financial instruments</b>		
Financial Assets		
- <i>designated as fair value through profit or loss</i>	74.012.571	34.212.669
Financial Liabilities	44.631.405	7.807.214
<b>Floating interest rate financial instruments</b>		
Financial Liabilities	68.160.229	62.118.780

If other variables are constant, interest income generated from time deposits would have been either TL 27.317 higher or lower if the interest rates were 2% more or less at 30 September 2009 (30 September 2008: 34.749 TL).

Credit risk

Credit risk consists of cash and cash equivalents, bank deposits and receivables from customers exposed to credit risk (Note 8).

Liquidity and funding risk

Cash flow generated through amount and term of borrowing back payments is managed by considering the amount of unreserved cash flow from its operations. Hence, on one hand it is possible to pay debts with the cash generated from operating activities when necessary, and on the other hand sufficient and reliable sources of high quality loans are accessible. The Group has long-term financial liabilities amounted TL89.037.096 as of 30 September 2009 (31 December 2008: TL 55.093.025) (Note 7).

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**NOTE 26 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)**

The table below demonstrates the Group’s liquidity risk arising from financial liabilities as of 30 September 2009 and 31 December 2008:

<b>30 September 2009</b>	<b>Carrying value</b>	<b>Total contractual cash outflow</b>	<b>Less than 3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>
<b>Non derivative financial liabilities</b>						
Financial liabilities	<b>113.021.776</b>	<b>138.016.009</b>	<b>5.971.790</b>	<b>17.583.258</b>	<b>85.753.628</b>	<b>28.707.333</b>
Trade payables						
- <i>Related Party</i>	1.029.388	1.029.388	1.029.388	-	-	-
- <i>Other</i>	12.688.543	12.688.543	12.688.543	-	-	-
Other liabilities						
- <i>Related Party</i>	-	-	-	-	-	-
- <i>Other</i>	4.308.102	4.308.102	655.285	3.466.227	186.590	-
<b>31 December 2008</b>	<b>Carrying value</b>	<b>Total contractual cash outflow</b>	<b>Less than 3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>
<b>Non derivative financial liabilities</b>						
Financial liabilities	70.218.618	91.606.947	5.827.178	13.581.449	56.998.120	15.200.200
Trade payables						
- <i>Related Party</i>	6.466.762	6.466.762	6.466.762	-	-	-
- <i>Other</i>	11.140.423	11.140.423	11.140.423	-	-	-
Other liabilities						
- <i>Related Party</i>	-	-	-	-	-	-
- <i>Other</i>	71.668	71.668	-	-	71.668	-

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**NOTE 26 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT  
(Continued)**

*Currency risk*

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

For this reason, the proportion of the positions of these currencies among each other or against Turkish Lira to shareholders’ equity is aimed to be controlled under certain limits.

Derivative financial instruments are also used, when necessary. In this context, the Group’s primary method is utilizing forward foreign currency transactions.

The Group is exposed to foreign exchange rate risk mainly for Euro, US Dollar and HUF.

As of 30 September 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 TL1.929.080 (30 September 2008: TL2.268.948).

As of 30 September 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 TL 3.830.090 (30 September 2008: TL2.134.868).

Foreign currency denominated assets and liabilities of the Group as of 30 September 2009 and 2008 are as follows:

	<b>30 September 2009</b>	<b>31 December 2008</b>
Assets denominated in foreign currency	123.544.950	57.158.437
Liabilities denominated in foreign currency (-)	(132.413.605)	(82.450.765)
<b>Net balance sheet position</b>	<b>(8.868.655)</b>	<b>(25.292.328)</b>
<b>Net foreign currency position of- derivative financial instruments (*)</b>	-	-
<b>Net foreign currency position</b>	<b>(8.868.655)</b>	<b>(25.292.328)</b>

(\*) Currency forward contract described in Note 14 has been made to deal with risks related to changes in market value of future forecasted cash flows of CGHH in accordance with IAS 39.

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**NOTE 26 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT  
(Continued)**

The table below summarizes TL equivalent of the Group's foreign currency denominated assets and liabilities as of 30 September 2009.

<b>30 September 2009</b>	<b>US dollar</b>	<b>Euro</b>	<b>Other currencies</b>	<b>Total TL</b>
<b>Assets:</b>				
Cash and cash equivalents	41.127.987	31.016.538	14.491.270	86.635.795
Trade receivables	2.360.924	22.487.111	561.185	25.409.220
Due from related parties	1.345.957	3.549.995	-	4.895.952
Other	1.155.406	220.294	5.228.283	6.603.983
	<b>45.990.274</b>	<b>57.273.938</b>	<b>20.280.738</b>	<b>123.544.950</b>
<b>Liabilities:</b>				
Short term financial liabilities	(8.610.670)	(13.223.065)	-	(21.833.735)
Long-term financial liabilities	(9.034.893)	(80.002.203)	-	(89.037.096)
Trade payables	(1.298.648)	(885.019)	(3.938.140)	(6.121.807)
Short-term provisions	(6.363.982)	(1.152.373)	-	(7.516.355)
Other	(1.391.278)	(312.176)	(6.201.158)	(7.904.612)
	<b>(26.699.471)</b>	<b>(95.574.836)</b>	<b>(10.139.298)</b>	<b>(132.413.605)</b>
<b>Net balance sheet position</b>	<b>19.290.803</b>	<b>(38.300.898)</b>	<b>10.141.440</b>	<b>(8.868.655)</b>

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**NOTE 26 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT  
(Continued)**

<b>31 December 2008</b>	<b>US dollar</b>	<b>Euro</b>	<b>Other currencies</b>	<b>Total TL</b>
<b>Assets:</b>				
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
	<b>19.564.412</b>	<b>33.578.502</b>	<b>4.015.523</b>	<b>57.158.437</b>
<b>Liabilities:</b>				
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)
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)
Long-term provisions	-	-	-	-
Other	(266.888)	(495.700)	-	(762.588)
	<b>(13.318.067)</b>	<b>(68.814.874)</b>	<b>(317.824)</b>	<b>(82.450.765)</b>
<b>Net balance sheet position</b>	<b>6.246.345</b>	<b>(35.236.372)</b>	<b>3.697.699</b>	<b>(25.292.328)</b>

The table below summarizes TL equivalent of export and import amounts for the years ended 30 September 2009 and 2008:

	<b>1 January - 30 September 2009</b>	<b>1 July- 30 September 2009</b>	<b>1 January- 30 September 2008</b>	<b>1 July- 30 September 2008</b>
Total export amount	2.301.893	-	189.395	17.495
Total import amount	877.283	198.937	665.696	385.141

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**NOTE 26 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT  
(Continued)**

**Capital risk management**

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

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

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

Net debt / (Equity + net debt) ratio as of 30 September 2009 and 31 December 2008 is as follows:

	<b>30 September 2009</b>	<b>31 December 2008</b>
Total financial liabilities	113.021.776	70.218.618
Cash and cash equivalents	(93.328.931)	(53.638.275)
Deferred tax liability	(4.292.598)	(4.448.235)
Net debt	15.400.247	12.132.108
Equity	130.442.559	130.331.380
Equity + net debt	145.842.806	142.463.488
Net debt/ (Equity + net debt) ratio	11%	9%

**NOTE 27 - SUBSEQUENT EVENTS**

- i) The company's major shareholder 'Celebi Holding A.Ş.'s tradename has been changed to Çelebi Havacilik Holding A.S according to the annual general assembly meeting.
- ii) The company has started ground handling operations services in Sabiha Gokcen International Airport as of 1 November 2009 based on the working authorization and licence received from related government agencies.
- iii) The company decided to participate a tender, called by the operator of Chhatrapati Shivaji International Airport Mumbai called International Airport Private Ltd (MIAL), to operate the cargo terminal in Mumbai in India.

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

The cargo building of the Company located at Atatürk Airport (“AHL”) Terminal C in which the Company carries out cargo - warehouse operations 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 explained in Note 11). As of 30 September 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 30 September 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 TL9.235.172. In addition, there are legal cases and enforcement proceedings under way amounting to TL61.356.536 (Note 14): this comprises legal cases and enforcement proceedings amounting to TL54.309.509 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 TL7.047.027 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 30 September 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.

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

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 companies 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 companies.

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 30 September 2009 and 31 December 2008 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.

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