

# TEKFEN HOLDING A.Ş. AND ITS SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS AS AT 30 SEPTEMBER 2007 AND 31 DECEMBER 2006

(Amounts are expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

	Unaudited	Audited
	30 September	31 December
ASSETS	2007	2006
<b>Current Assets</b>	<b>971.685</b>	<b>2.147.781</b>
Cash and Cash Equivalent	133.039	209.484
Marketable Securities (net)	-	-
Trade Receivables (net)	210.671	273.097
Finance Lease Receivables (net)	561	190
Due From Related Parties (net)	11.826	15.687
Other Receivables (net)	62.719	67.967
Biological Assets (net)	-	-
Inventories (net)	223.096	237.749
Unbilled Contract Revenue	307.626	205.903
Deferred Tax Assets	-	-
Other Current Assets	14.798	10.800
Assets Classified As Held for Sale	7.349	1.126.904
<b>Long Term Assets</b>	<b>1.003.757</b>	<b>904.448</b>
Trade Receivables (net)	36.444	39.079
Finance Lease Receivables (net)	10.772	11.333
Due From Related Parties (net)	-	-
Other Receivables (net)	70.535	61.734
Financial Assets (net)	141.548	60.607
Positive/ Negative Goodwill (net)	-	-
Investment Property (net)	116.887	119.866
Property, Plant and Equipment (net)	581.534	546.742
Intangible Assets (net)	4.451	4.203
Deferred Tax Assets	38.067	58.042
Other Long Term Assets	3.519	2.842
<b>TOTAL ASSETS</b>	<b><u>1.975.442</u></b>	<b><u>3.052.229</u></b>

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	Unaudited	Audited
	30 September	31 December
	2007	2006
<b>LIABILITIES</b>		
<b>Short Term Liabilities</b>	<b>1.002.517</b>	<b>2.220.140</b>
Short Term Borrowings (net)	313.054	462.514
Short Term Portion of Long Term Borrowings (net)	81.932	81.943
Finance Lease Payables (net)	26.364	14.049
Other Financial Liabilities (net)	-	-
Trade Payables (net)	311.700	395.277
Due To Related Parties (net)	3.254	11.645
Advances Received	140.889	112.245
Billings In Excess Of Contract Revenue (net)	46.659	61.955
Provisions	34.801	17.566
Deferred Tax Liabilities	-	-
Other Liabilities	14.981	25.404
Other Payables	28.883	34.212
Liabilities Classified as Held for Sale	-	1.003.330
<b>Long Term Liabilities</b>	<b>167.737</b>	<b>198.571</b>
Long Term Borrowings (net)	18.939	47.278
Finance Lease Payables (net)	66.870	16.814
Other Financial Liabilities (net)	-	-
Trade Payables (net)	3.998	18.788
Due To Related Parties (net)	-	-
Advances Received	-	21.630
Provisions	25.104	24.669
Other Liabilities	-	-
Deferred Tax Liabilities	43.309	46.942
Other Payables	9.517	22.450
<b>MINORITY INTEREST</b>	<b>16.153</b>	<b>19.227</b>
<b>EQUITY</b>	<b>789.035</b>	<b>614.291</b>
<b>Share Capital</b>	<b>230.000</b>	<b>104.000</b>
<b>Adjustment to Share Capital</b>	<b>-</b>	<b>-</b>
<b>Capital Reserves</b>	<b>108.468</b>	<b>136.901</b>
Premium In Excess Of Par	-	-
Gain On Cancellation Of Equity Shares	-	-
Revaluation Fund	883	3.128
Fair Value Reserve of Financial Assets	44.725	39.500
Inflation Adjustment on Equity	62.860	94.273
<b>Profit Reserves</b>	<b>78.979</b>	<b>78.541</b>
Legal Reserves	3.375	10.615
Statutory Reserves	-	-
Extraordinary Reserves	75.604	67.926
Special Reserves	-	-
Investment and Property Sales Income To Be Added to Share Capital	-	-
<b>Currency Translation Reserve</b>	<b>(34.319)</b>	<b>(7.169)</b>
<b>Net Profit For The Period</b>	<b>223.697</b>	<b>80.975</b>
<b>Accumulated Losses</b>	<b>182.210</b>	<b>221.043</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1.975.442</b>	<b>3.052.229</b>

# TEKFEN HOLDING A.Ş. AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF INCOME

FOR THE NINE MONTH INTERIM PERIODS ENDED 30 SEPTEMBER 2007 AND 30 SEPTEMBER 2006

(Amounts are expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

	Unaudited 1 January- 30 September 2007	Unaudited 1 July- 0 September 2007	Unaudited 1 January- 0 September 2006	Unaudited 1 July- 0 September 2006
<b>OPERATING INCOME</b>				
- Sales (net)	1.401.393	421.232	1.154.483	439.084
- Cost of Sales (-)	(1.201.463)	(366.950)	(958.426)	(358.677)
- Service Revenue (net)	-	-	-	-
- Income From Other Operations (net)	9.885	1.775	10.750	1.356
<b>GROSS PROFIT</b>	<b>209.815</b>	<b>56.057</b>	<b>206.807</b>	<b>81.763</b>
- Operating Expenses (-)	(132.701)	(43.132)	(106.586)	(37.187)
<b>OPERATING PROFIT</b>	<b>77.114</b>	<b>12.925</b>	<b>100.221</b>	<b>44.576</b>
- Other Income and Profits	18.842	7.231	16.628	8.308
- Other Expenses and Losses (-)	(9.940)	(931)	(10.120)	(2.386)
- Finance Income and Expense (net) (-)	7.718	13.714	(69.307)	18.027
<b>Profit Before Monetary Gain and Tax</b>	<b>93.734</b>	<b>32.939</b>	<b>37.422</b>	<b>68.525</b>
- Net Monetary Gain / ( Loss)	-	-	-	-
- Minority Interest Gain/Loss (-)	(699)	10	516	(394)
<b>Profit Before Taxation</b>	<b>93.035</b>	<b>32.949</b>	<b>37.938</b>	<b>68.131</b>
- Taxation	(27.649)	(2.713)	(23.801)	(14.948)
<b>NET PROFIT FOR THE PERIOD FROM CONTINUED OPERATIONS</b>	<b>65.386</b>	<b>30.236</b>	<b>14.137</b>	<b>53.183</b>
- Profit/(Loss) For the Period From Discontinued Operations	158.311	(1.084)	9.173	2.487
<b>NET PROFIT FOR THE PERIOD</b>	<b>223.697</b>	<b>29.152</b>	<b>23.310</b>	<b>55.670</b>
<b>FROM CONTINUING AND DISCONTINUED OPERATIONS:</b>				
Earnings per Preferred Share (TRY)	1,541	0,201	0,168	0,401
Earnings per Common Share (TRY)	1,478	0,193	0,171	0,407
<b>FROM CONTINUING OPERATIONS:</b>				
Earnings per Preferred Share (TRY)	0,451	0,209	0,102	0,384
Earnings per Common Share (TRY)	0,432	0,200	0,104	0,388

## TEKFEN HOLDING A.Ş. AND ITS SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE NINE MONTH INTERIM PERIODS ENDED 30 SEPTEMBER 2007 AND 30 SEPTEMBER 2006

(Amounts are expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

	Share Capital	Inflation Adjustment on Equity	Hedging Reserve	Revaluation Fund	Fair Value Reserve of Financial Assets	Currency Translation Reserve	Legal Reserves	Extraordinary Reserves	Net Profit For the Period	Retained Earnings/ (Accumulated Loss)	Total
<b>Balances as of 1 January 2006</b>	40.500	157.773	(812)	-	53.883	(7.832)	10.254	63.227	121.353	104.787	543.133
Foreign currency translation adjustment	-	-	-	-	-	10.159	-	-	-	-	10.159
Transfers to retained earnings	-	-	-	-	-	-	-	-	(121.353)	121.353	-
Hedging reserve	-	-	812	-	-	-	-	-	-	-	812
Capital increase	63.500	(63.500)	-	-	-	-	-	-	-	-	-
Fair value reserve of financial assets	-	-	-	-	(17.116)	-	-	-	-	-	(17.116)
Dividends paid	-	-	-	-	-	-	-	-	-	(162)	(162)
Transfers to reserves	-	-	-	-	-	-	361	4.079	-	(4.440)	-
Profit for the period	-	-	-	-	-	-	-	-	23.310	-	23.310
<b>Balance as of 30 September 2006</b>	<b>104.000</b>	<b>94.273</b>	<b>-</b>	<b>-</b>	<b>36.767</b>	<b>2.327</b>	<b>10.615</b>	<b>67.306</b>	<b>23.310</b>	<b>221.538</b>	<b>560.136</b>
<b>Balances as of 1 January 2007</b>	104.000	94.273	-	3.128	39.500	(7.169)	10.615	67.926	80.975	221.043	614.291
Foreign currency translation adjustment	-	-	-	-	-	(27.150)	-	-	-	-	(27.150)
Transfers to retained earnings	-	-	-	-	-	-	-	-	(80.975)	80.975	-
Capital increase	126.000	(31.413)	-	-	-	-	-	-	-	(94.587)	-
Fair value reserve of financial assets	-	-	-	-	5.405	-	-	-	-	-	5.405
Effect of change in investments accounted by equity pickup method	-	-	-	-	-	-	-	-	-	(270)	(270)
Sale of subsidiary	-	-	-	(2.245)	(180)	-	(7.330)	-	-	7.330	(2.425)
Dividends paid	-	-	-	-	-	-	-	-	-	(24.513)	(24.513)
Transfers to reserves	-	-	-	-	-	-	90	7.678	-	(7.768)	-
Profit for the period	-	-	-	-	-	-	-	-	223.697	-	223.697
<b>Balance as of 30 September 2007</b>	<b>230.000</b>	<b>62.860</b>	<b>-</b>	<b>883</b>	<b>44.725</b>	<b>(34.319)</b>	<b>3.375</b>	<b>75.604</b>	<b>223.697</b>	<b>182.210</b>	<b>789.035</b>

## TEKFEN HOLDING A.Ş. AND ITS SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE NINE MONTH INTERIM PERIODS ENDED 30 SEPTEMBER 2007 AND 30 SEPTEMBER 2006

(Amounts are expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

	<b>1 January- 30 September 2007</b>	<b>1 January- 30 September 2006</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the period	223.697	23.310
Adjustments to reconcile net income to net cash provided by operating activities:		
Share of minority in period profit / (loss)	699	(516)
Gain on sales of subsidiaries	(162.900)	-
Depreciation of tangible assets	46.956	26.174
Amortisation of intangible assets	1.287	1.376
Depreciation of investment property	2.188	4.426
Miscellaneous provisions	1.085	7.199
Reversal of unnecessary provision	(2.655)	(195)
Provisions for litigation	2.445	2.758
Provision for blocked deposits	(6.146)	-
Provision for retirement pay provision	6.084	6.269
Provision for premiums	2.843	1.283
Provision for vacation liability	1.795	2.788
Gain on sale of available for sale financial assets	-	(8.666)
Group's share on net assets of investments in associate accounted by equity method	(5.011)	-
Gain on sale of tangible assets	(2.763)	(532)
Allowances for doubtful receivables	1.551	3.378
Allowances for diminution in value of inventories	448	552
Allowances for diminution in value of available for sale investments	2.779	(387)
Interest income/ expense (net)	21.282	33.483
Tax effect of discontinued operations	-	5.107
Allowance for taxation of discontinued operations	7.491	-
Effect of discontinued operations on minority interest	-	170
Dividend income	(5.790)	(6.901)
Reversal of unnecessary tax provision of branches	-	(556)
Allowance for taxation	27.649	23.801
Cash flow from operating activities	165.014	124.321
Changes in operating assets and liabilities	163.540	(747.060)
Cash provided by/(used in) operating activities	328.554	(622.739)
Interest paid (net)	(37.981)	(29.206)
Tax paid	(6.849)	(7.032)
Penalty of litigation paid	(459)	(241)
Premiums paid	(1.801)	-
Vacation liability paid	(1.028)	(5)
Retirement pay provision paid	(4.014)	(7.985)
Net cash provided by/(used in) operating activities	276.422	(667.208)

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	<b>1 January- 30 September 2007</b>	<b>1 January- 30 September 2006</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of a subsidiary	253.851	-
Changes in available for sale investments	(84.635)	18.209
Changes in marketable securities	79.613	(175.708)
Effect of discontinued operations on tangible and intangible assets	334	3.729
Changes in assets classified as held for sale	614	(7.572)
Purchase of tangible assets	(78.122)	(68.142)
Purchase of intangible assets	(1.864)	(2.306)
Proceeds from sale of tangible assets	8.979	4.941
Changes in investment property	(226)	12.053
Change in required reserve in Turkish Central Bank	(14.822)	(23.380)
Dividend income from subsidiaries	5.790	6.901
Changes in other investing activities	(56.196)	3.756
Net cash provided by/ (used in) investing activities	<u>113.316</u>	<u>(227.519)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Borrowings purchased	436.041	482.750
Borrowings paid	(533.739)	(364.278)
Effect of discontinued operations on borrowings	(2.503)	562.523
Finance lease paid	26.395	(5.052)
Changes in translation gain/(loss)	(76.350)	57.536
Dividends paid	(24.513)	(162)
Dividends paid to minority shares	-	(210)
Net cash (used in) / provided by financing activities	<u>(174.669)</u>	<u>733.107</u>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>215.069</b>	<b>(161.620)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>209.484</b>	<b>351.951</b>
Accrued interest on cash and cash equivalents	9.168	1.609
Cash and cash equivalents of discontinued operations	(300.682)	(32.344)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b><u>133.039</u></b>	<b><u>159.596</u></b>

