TEKFEN HOLDİNG ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE NINE MONTH
INTERIM PERIOD
ENDED 30 SEPTEMBER 2011

(Translated into English from the report
originally issued in Turkish)

CONTENT		PAGE

TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2011

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

ASSETS	**Notes**	**Unaudited 30 September 2011**	**Audited 31 December 2010**
Current Assets		**2.286.418**	**1.956.546**
Cash and cash equivalents		700.508	758.554
Trade receivables		555.166	379.062
Other receivables		9.710	8.317
Inventories	7	460.863	303.281
Receivables from ongoing construction contracts	8	440.608	440.280
Other current assets		99.455	50.334
		2.266.310	1.939.828
Assets classified as held for sale		20.108	16.718
Non Current Assets		**1.378.742**	**1.109.335**
Trade receivables		91.684	52.478
Other receivables		143.473	8.622
Financial investments		90.744	127.900
Investments valued by equity method	4	203.863	160.325
Invesment property	9	95.795	94.375
Property, plant and equipment	9	658.733	602.059
Intangible assets	9	3.031	2.735
Deferred tax assets		21.179	19.689
Other non current assets		70.240	41.152
TOTAL ASSETS		**3.665.160**	**3.065.881**

TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2011

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

LIABILITIES	**Notes**	**Unaudited 30 September 2011**	**Audited 31 December 2010**
Current Liabilities		**1.671.296**	**1.286.804**
Financial debts	10	494.754	447.584
Trade payables		675.660	512.151
Other payables		79.986	31.325
Current tax liability		9.788	17.693
Ongoing construction progress payments	8	86.085	37.267
Provisions	11	9.428	19.048
Employee benefits	13	38.498	35.475
Other short term liabilities	14	277.097	186.261
Non Current Liabilities		**148.812**	**96.398**
Financial debts	10	15.486	27.700
Trade payables		13.329	1.287
Other payables		38.959	1.617
Employee benefits	13	42.404	34.344
Deferred tax liabilities		38.634	31.450
EQUITY	5	**1.845.052**	**1.682.679**
Equity Attributable To Owners Of The Parents		**1.823.447**	**1.663.725**
Paid in capital		370.000	370.000
Capital structure adjustments		3.475	3.475
Premiums in capital stock		300.984	300.984
Revaluation growth funds		69.894	108.002
Currency translation reserve		112.510	55.279
Restricted profit reserves		72.222	53.390
Retained earnings		697.155	594.015
Net profit for the period		197.207	178.580
Non-controlling Interests		**21.605**	**18.954**
TOTAL EQUITY AND LIABILITIES		**3.665.160**	**3.065.881**

The accompanying notes form an integral part of these condensed consolidated financial statements.
Translated into English from the report originally issued in Turkish.

TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF INCOME FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2011

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

	Notes	Unaudited 1 January- 30 September 2011	Unaudited 1 July- 30 September 2011	Unaudited 1 January- 30 September 2010	Unaudited 1 July- 30 September 2010
- Revenue		2.188.276	795.029	1.638.585	535.241
- Cost of revenue (-)		(1.814.768)	(679.444)	(1.339.669)	(462.881)
GROSS PROFIT		**373.508**	**115.585**	**298.916**	**72.360**
- Marketing, selling and distribution expenses (-)		(76.674)	(22.813)	(68.281)	(21.799)
- General administrative expenses (-)		(68.279)	(20.368)	(63.689)	(21.291)
- Research and development expenses (-)		(198)	(96)	(111)	(51)
- Other operating income		13.697	4.285	13.898	4.236
- Other operating expenses		(7.580)	(818)	(13.813)	(2.637)
OPERATING PROFIT		**234.474**	**75.775**	**166.920**	**30.818**
- Share on profit / loss of investments valued using equity method		2.394	758	6.489	988
- Financial income	17	160.787	60.178	144.445	54.499
- Financial expense (-)	17	(154.463)	(77.047)	(129.946)	(36.229)
PROFIT BEFORE TAXATION		**243.192**	**59.664**	**187.908**	**50.076**
Tax expense		**(46.209)**	**(5.869)**	**(40.767)**	**(9.411)**
- Tax expense for the period		(41.956)	(4.810)	(22.642)	(10.702)
- Deferred tax expense		(3.454)	(331)	(18.166)	929
- Currency translation reserve		(799)	(728)	41	362
NET PROFIT FOR THE PERIOD		**196.983**	**53.795**	**147.141**	**40.665**
Distribution of Profit For The Period					
Non-controlling interests		(224)	(72)	(95)	17
Owners of the parent		197.207	53.867	147.236	40.648
Earnings Per Share	16	0,533	0,146	0,398	0,110

The accompanying notes form an integral part of these condensed consolidated financial statements.
Translated into English from the report originally issued in Turkish.

TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2011

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

	Unaudited 1 January- 30 September 2011	**Unaudited 1 July- 30 September 2011**	**Unaudited 1 January- 30 September 2010**	**Unaudited 1 July- 30 September 2010**
NET PROFIT FOR THE PERIOD	**196.983**	**53.795**	**147.141**	**40.665**
Other comprehensive (expense) / income:				
Change in fair value reserve of financial assets	(37.148)	(25.379)	24.755	(1.478)
Change in currency translation reserve	60.106	51.258	(10.955)	(35.144)
Share on other comprehensive income of investments valued using equity method	(2.817)	(337)	(2.867)	685
Tax income / (expense) based on other comprehensive income	1.857	1.269	(1.238)	74
OTHER COMPREHENSIVE (LOSS) / INCOME AFTER TAX	**21.998**	**26.811**	**9.695**	**(35.863)**
TOTAL COMPREHENSIVE INCOME	**218.981**	**80.606**	**156.836**	**4.802**
Distribution of Total Comprehensive Income For The Period				
Non-controlling interests	2.651	2.016	(660)	(1.198)
Owners of the parent	216.330	78.590	157.496	6.000

TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2011

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

				Other comprehensive income							
				Revaluation growth funds							
	Paid in capital	Capital structure adjustments	Premiums in capital stock	Property, plant and equipment revaluation fund	Fair value reserve of financial investments	Currency translation reserve	Restricted profit reserves	Retained earnings	Net profit for the period	Non controlling interests	Total
Opening balances as of 1 January 2010	370.000	3.475	300.984	2.277	35.782	45.765	40.834	556.537	69.344	18.910	1.443.908
Other comprehensive income	-	-	-	*(1.158)*	*21.808*	*(10.390)*	-	-	-	*(565)*	*9.695*
Net profit for the period	-	-	-	-	-	-	-	-	*147.236*	*(95)*	*147.141*
Total comprehensive income	-	-	-	(1.158)	21.808	(10.390)	-	-	147.236	(660)	156.836
Transfers to retained earnings	-	-	-	-	-	-	-	69.344	(69.344)	-	-
Transfers to reserves from retained earnings	-	-	-	-	-	-	12.768	(12.768)	-	-	-
Payment of dividends	-	-	-	-	-	-	-	(19.310)	-	-	(19.310)
Balance as of 30 September 2010	370.000	3.475	300.984	1.119	57.590	35.375	53.602	593.803	147.236	18.250	1.581.434
Opening balances as of 1 January 2011	370.000	3.475	300.984	975	107.027	55.279	53.390	594.015	178.580	18.954	1.682.679
Other comprehensive income	-	-	-	-	*(38.108)*	*57.231*	-	-	-	*2.875*	*21.998*
Net profit for the period	-	-	-	-	-	-	-	-	*197.207*	*(224)*	*196.983*
Total comprehensive income	-	-	-	-	(38.108)	57.231	-	-	197.207	2.651	218.981
Transfers to retained earnings	-	-	-	-	-	-	-	178.580	(178.580)	-	-
Transfers to reserves from retained earnings	-	-	-	-	-	-	18.832	(18.832)	-	-	-
Payment of dividends	-	-	-	-	-	-	-	(56.608)	-	-	(56.608)
Balance as of 30 September 2011	370.000	3.475	300.984	975	68.919	112.510	72.222	697.155	197.207	21.605	1.845.052

The accompanying notes form an integral part of these condensed consolidated financial statements.
Translated into English from the report originally issued in Turkish.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2011

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

	Notes	Unaudited 1 January - 30 September 2011	Unaudited 1 January - 30 September 2010
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period		196.983	147.141
Adjustments to reconcile net profit for the period to cash provided by operating activities:			
Depreciation and amortization	9	53.508	55.790
Loss / (gain) on sale of tangible asset (net)		995	(3.764)
Provison for retirement pay provision and premiums	13	17.076	12.894
Provision for litigation	11	342	514
Impairment provision for inventory	7	47	3
Other employee benefits	13	7.766	1.872
Reversal of unnecessary provisions	11	(953)	(333)
Income accruals		110	(4.657)
Expense accruals		45.699	(9.120)
Group's share on net assets of investments in associates accounted by equity method		(2.394)	(7.637)
Changes in available for sale investments		8	(446)
Changes in assets classified as held for sale		-	(1.549)
Interest income	17	(46.176)	(38.140)
Interest expense	17	24.717	26.311
Dividend income		(967)	(4.089)
Allowance for taxation		46.209	40.766
Translation reserve (net)		86.099	(13.704)
Cash generated by operating activities before movements in working capital		429.069	201.852
Movements in working capital			
Changes in trade and other receivables		(347.880)	(94.462)
Changes in due from related parties		(3.784)	(11.631)
Changes in inventories	7	(156.659)	(675)
Changes in receivables from ongoing construction contracts	8	(328)	17.068
Changes in other current / non-current assets		(78.209)	3.719
Changes in trade and other payables		214.936	(33.863)
Changes in due to related parties		919	(4.124)
Changes in ongoing construction progress payments	8	48.818	(164)
Changes in provisions and other short term liabilities		88.970	16.881
		(233.217)	(107.251)
Interest received		45.220	36.274
Interest paid		(22.128)	(20.162)
Tax paid		(49.861)	(16.578)
Penalty of litigation paid	11	(7.147)	(115)
Retirement pay provision and premiums paid	13	(17.902)	(13.696)
Cash generated by operating activities		**144.034**	**80.324**

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

	Notes	Unaudited 1 January - 30 September 2011	Unaudited 1 January - 30 September 2010
CASH FLOWS FROM INVESTING ACTIVITIES			
Effect of investments in associates valued by equity method		(43.946)	(1.472)
Acquisition of tangible and intangible assets and investmet property	9	(48.765)	(40.406)
Proceeds from sale of tangible and intangible assets	9	932	10.995
Dividend income		967	4.089
Cash used in investing activities		**(90.812)**	**(26.794)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		291.598	422.076
Repayments of borrowings		(341.900)	(429.293)
Finance lease paid		(5.314)	(24.323)
Dividend paid		(56.608)	(19.310)
Cash used in financing activities		**(112.224)**	**(50.850)**
CHANGE IN CASH AND CASH EQUIVALENTS		**(59.002)**	**2.680**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**758.554**	**561.360**
Interest accrual on cash and cash equivalents		956	1.867
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**700.508**	**565.907**

1. ORGANIZATION AND OPERATIONS OF THE GROUP

Majority shares of Tekfen Holding A.Ş. ("the Company") are controlled by Akçağlılar, Berker and Gökyiğit families. The Company and its subsidiaries are referred as "the Group" in the accompanying condensed consolidated financial statements.

As of 30 September 2011, the Group has 15.132 employees (31 December 2010: 13.079) including the personnel of subcontractors. Registered address of the Company is Kültür Mahallesi, Aydınlık Sokak, Tekfen Sitesi A Blok, No: 7, Beşiktaş, İstanbul, Türkiye.

The Company shares are being publicly traded in Istanbul Stock Exchange Market since 23 November 2007.

<u>Changes in the subsidiaries of the Company as of 30 September 2011:</u>

Due to liquidation of Kablotek Kablo Şebekeleri Tesis İşletme Müh. İnş. Tic. ve San. A.Ş. and due to the completion of operations of Kuwait and Georgia branches, which were consolidated in the consolidated financial statements as of 31 December 2010, are not included in consolidation process as of 30 September 2011.

Tekfen Participations S.A., whose capital is indirectly participated by 100% by the Company, was merged with Tekfen International Finance and Investment S.A., whose capital is also indirectly participated by 100% by the Company, as of 27 April 2011.

Turkmenistan branch established its operations for the development of southern Yoloten gas field in the nine month interim period.

<u>Approval of condensed consolidated financial statements:</u>

The condensed consolidated financial statements are approved and published by the Board of Directors as of 10 November 2011.

2. BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Company and its subsidiaries registered in Turkey maintain their books of account and prepare their statutory financial statements in accordance with the accounting principles in line with the Turkish Commercial Code ("TCC") and Tax Legislation. Subsidiaries those are registered in foreign countries maintain their books of account and prepare their statutory financial statements in accordance with the prevailing accounting principles in their registered countries.

The Capital Markets Board ("CMB") has established principles, procedures and basis on the preparation of financial reports by enterprises and the representation of the reports with Communiqué Series XI, No: 29 "Communiqué on Capital Market Financial Reporting Standards". This Communiqué is applicable for the first interim financial statements to be prepared after 1 January 2008 and with this Communiqué, the Communiqué Series XI, No:25 "Communiqué on Capital Market Accounting Standards" has been repealed. In accordance with this Communiqué, the companies are supposed to prepare their financial statements in accordance with the International Financial Reporting Standards ("IAS/IFRS") accepted by the European Union. Nevertheless, until the discrepancies between the IAS/IFRS accepted by the European Union, and the IAS/IFRS declared by IASB are announced by the Turkish Accounting Standards Board ("TASB"), IAS/IFRS will be in use. Under such circumstances Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS), which are the standards published by TASB, not contradicting with IAS/IFRS, will be predicated on.

As the differences between the International Financial Reporting Standards ("IAS/IFRS") as endorsed by the European Union and the Turkish Accounting/Financial Reporting Standards ("TAS/TFRS") have not been declared as of the date of this report, the accompanying condensed consolidated financial statements and condensed notes are prepared in accordance with IAS/IFRS as declared in the Communiqué Serial: XI, No: 29 with the required formats announced by the CMB on 17 April 2008 and 9 January 2009.

CMB allows the publicly-traded companies to present the financial statements in full set or condensed presentation in accordance with IAS 34 " Interim Financial Reporting" standard. The Group has preferred to disclose its interim consolidated financial statements as of 30 September 2011 in condensed format.

2. BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

Based on the notification, the descriptions and disclosures which are needed in the financial statements annually are summarized appropriately in accordance with IAS 34 or not mentioned. The accompanying condensed consolidated financial statements have to be considered with the consolidated financial statements which are independently audited as of 31 December 2010 and the related disclosures. Interim periods' financial statements cannot be the sole indicator of the year-end results by themselves.

The Group continues to apply the same accounting policies and accounting estimates which are mentioned in the consolidated financial statements as of 31 December 2010.

The exchange rate announced by the Central Bank of the Republic of Turkey as of 30 September 2011 is; 1 USD= 1,8453 TL, 1 EUR= 2,5157 TL, 1 MAD= 0,225076 TL, 1 SAR= 0,4935 TL, 1 QAR= 0,50556 TL (The exchange rate announced by the Central Bank of the Republic of Turkey as of 31 December 2010 is; 1 USD= 1,5460 TL, 1 EUR= 2,0491 TL, 1 MAD= 0,18464 TL, 1 SAR= 0,41349 TL, 1 QAR= 0,42356 TL).

3. ADOPTION OF NEW AND REVISED STANDARDS

(a) New and revised standards affecting the Group's presentation and disclosure

None noted.

(b) New and revised standards affecting the financial performance and / or financial position of the Group

None noted.

(c) Standards that are effective in 2011 with no impact on the Group's consolidated financial statements, revisions and interpretations to existing standards

IAS 24 (2009) *'Related Party Disclosures'*: In November 2009, IAS 24 Related Party Disclosures was revised. The revision to the standard provides government-related entities with a partial exemption from the disclosure requirements of IAS 24. The revised standard is mandatory for annual periods beginning on or after 1 January 2011.

IAS 32 (Amendments) *'Financial Instruments'*: Presentation and IAS 1 Presentation of Financial Statements; The amendments to IAS 32 and IAS 1 are effective for annual periods beginning on or after 1 February 2010. The amendments address the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. Previously, such rights issues were accounted for as derivative liabilities. However, the amendment requires that, provided certain conditions are met, such rights issues are classified as equity regardless of the currency in which the exercise price is denominated.

IFRS 1 (Amendments) *'First-time Adoption of IFRS – Additional Exemptions'*: Amendments to IFRS 1 which are effective for annual periods on or after 1 July 2010 provide limited exemption for first time adopters to present comparative IFRS 7 fair value disclosures.

IFRIC 14 (Amendments) *'Pre-payment of a Minimum Funding Requirement'*: Amendments to IFRIC 14 are effective for annual periods beginning on or after 1 January 2011. The amendments affect entities that are required to make minimum funding contributions to a defined benefit pension plan and choose to pre-pay those contributions. The amendment requires an asset to be recognized for any surplus arising from voluntary pre-payments made.

IFRIC 19 *'Extinguishing Financial Liabilities with Equity Instruments'*: IFRIC 19 is effective for annual periods beginning on or after 1 July 2010. IFRIC 19 addresses only the accounting by the entity that issues equity instruments in order to settle, in full or part, a financial liability.

3. ADOPTION OF NEW AND REVISED STANDARDS (cont'd)

(c) Standards that are effective in 2011 with no impact on the Group's consolidated financial statements, revisions and interpretations to existing standards (cont'd)

Annual Improvements, May 2010

Further to the above amendments and revised standards, the IASB has issued Annual Improvements to IFRSs in May 2010 that cover seven main standards/intepretations as follow: IAS 1 Presentation of Financial Statements, IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 3 Business Combinations, IFRS 7 Financial Instruments: Disclosures, IAS 27 Consolidated and Separate Financial Statements, IAS 34 Interim Financial Reporting and IFRIC 13 Customer Loyalty Programmes. With the exception of amendments to IFRS 3 and IAS 27 which are effective on or after 1 July 2010, all other amendments are effective on or after 1 January 2011.

The standards, interpretations and amendments disclosed here, have no material effect on financial performance and financial position of the Group.

(d) New standards, new interpretations and amendments to standards that have been issued but are not effective and have not been early adopted by the Group

IFRS 1 (Amendments) *'First-time Adoption of IFRS – Additional Exemptions'*; On 20 December 2010, IFRS 1 is amended to provide relief for first-time adopters of IFRSs from having to reconstruct transactions that occurred before their date of transition to IFRSs; provide guidance for entities emerging from severe hyperinflation either to resume presenting IFRS financial statements or to present IFRS financial statements for the first time. The amendment above will be effective for annual periods beginning on or after 1 July 2011. These amendments are not relevant to the Group, as it is an existing IFRS preparer.

IFRS 7 *'Financial Instruments'*: Disclosures; In October 2010, disclosures is amended by IASB as part of its comprehensive review of off balance sheet activities. The amendments will allow users of financial statements to improve their understanding of transfer transactions of financial assets including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The amendments will be effective for annual periods beginning on or after 1 July 2011. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IFRS 9 *'Financial Instruments*: *Classification and Measurement'*; In November 2009, the first part of IFRS 9 relating to the classification and measurement of financial assets was issued. IFRS 9 will ultimately replace IAS 39 Financial Instruments: Recognition and Measurement. The standard requires an entity to classify its financial assets on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, and subsequently measure the financial assets as either at amortized cost or at fair value. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not had an opportunity to consider the potential impact of the adoption of this standard.

IAS 12 *'Income Taxes'*; In December 2010, IAS 12 is amended. IAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 Investment Property. The amendment provides a practical solution to the problem by introducing a presumption that recovery of the carrying amount will, normally be, be through sale. The amendment will be effective for annual periods beginning on or after 1 January 2012. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

3. ADOPTION OF NEW AND REVISED STANDARDS (cont'd)

(d) New standards, new interpretations and amendments to standards that have been issued but are not effective and have not been early adopted by the Group (cont'd)

IFRS 10 *'Consolidated Financial Statements'*; IFRS 10 replaces the consolidation guidance in IAS 27 Consolidated and Separate Financial Statements and SIC-12 'Consolidation – Special Purpose Entities' by introducing a single consolidation model for all entities based on control, irrespective of the nature of the investee (i.e., whether an entity is controlled through voting rights of investors or through other contractual arrangements as is common in special purpose entities).

IFRS 10, control is based on whether an investor has 1) power over the investee; 2) exposure, or rights, to variable returns from its involvement with the investee; and 3) the ability to use its power over the investee to affect the amount of the returns. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IFRS 11 *'Joint Arrangements'*; IFRS 11 introduces new accounting requirements for joint arrangements, replacing IAS 31 Interests in Joint Ventures. The option to apply the proportional consolidation method when accounting for jointly controlled entities is removed. Additionally, IFRS 11 eliminates jointly controlled assets to now only differentiate between joint operations and joint ventures. A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities. A joint venture is a joint arrangement whereby the parties that have joint control have rights to the net assets. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IFRS 12 *'Disclosure of Interest In Other Entities'*; IFRS 12 requires extensive disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. An entity is required to disclose information that helps users of its financial statements evaluate the nature of and risks associated with its interests in other entities and the effects of those interests on its financial statements. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IAS 27 *'Separate Financial Statements (2011)'*; The requirements relating to separate financial statements are unchanged and are included in the amended IAS 27. The other portions of IAS 27 are replaced by IFRS 10.

IAS 28 '*Investments in Associates and Joint Ventures (2011)'*; IAS 28 is amended for conforming changes based on the issuance of IFRS 10, IFRS 11 and IFRS 12.

IFRS 13 '*Fair Value Measurements'*; On 12 May 2011, IASB issued IFRS 13 Fair Value Measurement, which establishes a single source of guidance for fair value measurement under IFRSs. IFRS 13 defines fair value, provides guidance on its determination and introduces consistent requirements for discloures on fair value measurements. The Standard does not include requirements on when fair value measurements is required; it prescribes how fair value is to be measured if another Standard requires it. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IAS 1 *'Presentation of Financial Statements (2011) – Presentation of Items of Other Comprehensive Income'*; The amendments to IAS 1 provides guidance on the presentation of items contained in other comprehensive income (OCI) and their classification within OCI. The new standard is mandatory for annual periods beginning on or after 1 July 2012. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

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

3. ADOPTION OF NEW AND REVISED STANDARDS (cont'd)

(d) New standards, new interpretations and amendments to standards that have been issued but are not effective and have not been early adopted by the Group (cont'd)

IAS 19 *'Employee Benefits (2011) (the "amendments")'*; The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IFRIC 20 *'Stripping Costs in the Production Phase of a Surface Mine'* ;On 19 October 2011 the IASB issued an Interpretation, IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine, clarifying the requirements for accounting for stripping costs in the production phase of a surface mine. The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. The Interpretation is effective for annual periods beginning on or after 1 January 2013 with earlier application permitted.

4. EVENTS AND TRANSACTIONS AFFECTING CONDENSED CONSOLIDATED FINANCIAL STATEMENTS BY LEVEL OF SIGNIFICANCE

(a) Developments in Libya

Tekfen-TML Partnership, a joint venture of which 67% is owned by the Group, had to suspend its operations and evacuate its sites in Libya for an uncertain period of time due to the civil unrest in the country during the period. As of 30 September 2011, the accompanying condensed consolidated financial statements include total assets of 227.956 (USD 123.533 thousand), total debt of 53.387 (USD 28.931 thousand), resulting a net asset of 174.569 (USD 94.602 thousand). As at balance sheet date, the Group can't predict the occurence date of current assets and liabilities of operations in Libya due to ongoing uncertainity, which have been begun to follow under non-current assets and liabilities. The net assets are as follow:

ASSETS	**30 September 2011**
Current Assets	**1.609**
Cash and cash equivalents	28
Trade receivables	1.581
Non Current Assets	**226.347**
Trade receivables	15.772
Other receivables	139.339
- Receivables from ongoing construction contracts	*136.815*
- Other	*2.524*
Property, plant and equipment	46.657
Other non current assets	24.579
- Inventories at construction site	*22.867*
- Other	*1.712*
TOTAL ASSETS	**227.956**

LIABILITIES	**30 September 2011**
Non Current Liabilities	**53.387**
Trade payables	10.002
Employee benefits	5.466
Other payables	37.919
- Advances received for construction projects	*36.335*
- Taxes and funds payable	*1.584*
TOTAL LIABILITIES	**53.387**
NET ASSETS	**174.569**

4. EVENTS AND TRANSACTIONS AFFECTING CONDENSED CONSOLIDATED FINANCIAL STATEMENTS BY LEVEL OF SIGNIFICANCE (cont'd)

(a) Developments in Libya (cont'd)

Additionally, letters of guarantees given related to such projects to various institutions amount to 32.546 (USD 17.637 thousand). In accordance with the Council of Ministers' decree no: 2011/2001 issued on 21 June 2011 and until a new resolution replaces resolutions no: 1970 and 1973 of the United Nations Security Council and their requirements, resolution no:1973 requires disregarding compensation claims of guarantees given to the contractor, hence the expired letter of guarantees do not bear any risk exposure for the Group.

(b) New construction projects

Tekfen İnşaat ve Tesisat A.Ş. signed two contracts worth a total of 1.162.539 (USD 630 million) in Morocco. The statement details that Tekfen İnşaat will establish a pipe line for the state-owned company Office Cherifien des Phosphates in a 848.838 (USD 460 million) deal. Tekfen İnşaat also signed a 313.701 (USD 170 million) contract to construct two DAP facilities projects for Maroc Phosphore S.A. which is another company of Office Cherifien des Phosphates. Construction of DAP facility projects are planning to be completed in 2012.

Tekfen İnşaat ve Tesisat A.Ş. agrees with Qatar authorities to construct a 9 km long highway called "Ceremonial National Day Road". The deal is 275.070 (USD 149.065 thousand).

Tekfen İnşaat ve Tesisat A.Ş. signed a contract with Turkmenistan authorities regarding the development of southern Yoloten gas field in this country as a subcontractor. The size of the entire project is 482.361 (USD 261,4 million).

At the Ordinary General Assembly of Toros Tarım Sanayi ve Ticaret A.Ş., whose capital is directly participated by 99,98% by the Company, held on 31 March 2011, it is decided that cash dividend amounting to135.000 is distributed to shareholders. The Company's share in cash dividend is 134.972 and it is eliminated within the condensed consolidated financial statements.

(c) Other

Due to the Board of Directors resolution dated 7 April 2011, the Company decided to make cash payment of 43.866 for capital increase of Eurobank Tekfen A.Ş., which is the Company's investment consolidated by equity method. In addition, during the capital increase process, the Company made payments of 80 for pre-emptive rights, those were not used by small shareholders; as a result of that, the capital ratio is increased to 29,2583% (31 December 2010: 29,2437%).

In accordance with notes to consolidated financial statements for the year ended 31 December 2010, without prejudice to rights arising from the Share Purchase-Sale Agreement that was signed between Eurobank EFG Holding (Luxembourg) SA and the Company on 16 March 2007, Eurobank EFG Holding (Luxembourg) SA, which is main shareholder of Eurobank Tekfen A.Ş. that is consolidated by equity method, has announced that it is reviewing strategic options for %70 of dominant shares in Eurobank Tekfen A.Ş. on 14 July 2011.

5. SIGNIFICANT CHANGES IN SHAREHOLDERS' EQUITY

Fair Value Reserve of Financial Investments:

The negative change of 38.108 in the fair values of the financial investments which have been traded in the stock exchange market has been directly recognized in equity (30 September 2010: positive change of 23.517 and negative change of 1.709).

Restricted Profit Reserves:

In accordance with the resolutions taken during the General Meetings of Group companies as of 30 September 2011, 18.832 of restricted reserves were transferred from retained earnings in the condensed consolidated financial statements (30 September 2010: 12.768).

Dividends Paid:

Upon the decision taken in the Ordinary General Assembly held on 6 May 2011, earning per share of 0,14 TL has been decided to distribute to shareholders. Total profit shares of 52.914 and 3.694 were distributed to owners of the parent and Tekfen Eğitim Sağlık Kültür Sanat ve Doğal Varlıkları Koruma Vakfı which holds redeemed share, respectively on 27 May 2011.

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

6. SEGMENTAL REPORTING

a) Segmental results

	1 January-30 September 2011					
	Contracting	Agriculture	Real Estate	Other	Eliminations	Total
Revenue	1.158.322	923.277	44.746	61.931	-	2.188.276
Intra-segment sales	105.259	11.931	5	113	(117.308)	-
Inter-segment sales	17	683	199	4.199	(5.098)	-
TOTAL REVENUE	1.263.598	935.891	44.950	66.243	(122.406)	2.188.276
Cost of revenue	(1.057.418)	(671.408)	(41.048)	(44.894)	-	(1.814.768)
GROSS PROFIT	**100.904**	**251.869**	**3.698**	**17.037**	**-**	**373.508**
Marketing, selling and distribution expenses (-)	(370)	(69.431)	(297)	(6.576)	-	(76.674)
General administrative expenses (-)	(36.599)	(12.704)	(2.230)	(16.746)	-	(68.279)
Research and development expenses (-)	-	(198)	-	-	-	(198)
Other operating income	2.099	7.138	3.204	1.256	-	13.697
Other operating expenses (-)	(2.318)	(3.326)	(681)	(1.255)	-	(7.580)
OPERATING PROFIT / (LOSS)	**63.716**	**173.348**	**3.694**	**(6.284)**	**-**	**234.474**
Share on profit / (loss) of investments valued using equity method	-	-	-	2.394	-	2.394
Financial income	56.617	57.594	3.245	43.331	-	160.787
Financial expenses (-)	(70.229)	(71.429)	(507)	(12.298)	-	(154.463)
PROFIT BEFORE TAXATION	**50.104**	**159.513**	**6.432**	**27.143**	**-**	**243.192**
Tax expense	(4.335)	(30.841)	(1.227)	(9.806)	-	(46.209)
NET PROFIT FOR THE PERIOD	**45.769**	**128.672**	**5.205**	**17.337**	**-**	**196.983**

The Group has 42.622 of revenue and 16.867 of operating income from terminal operations classified under agricultural operations for the period of 1 January - 30 September 2011.

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

6. SEGMENTAL REPORTING (cont'd)

a) Segmental results (cont'd)

	1 July -30 September 2011					
	Contracting	Agriculture	Real Estate	Other	Eliminations	Total
Revenue	456.469	295.278	20.658	22.624	-	795.029
Intra-segment sales	37.263	4.071	3	37	(41.374)	-
Inter-segment sales	1	267	60	1.579	(1.907)	-
TOTAL REVENUE	493.733	299.616	20.721	24.240	(43.281)	795.029
Cost of revenue	(415.791)	(228.180)	(18.987)	(16.486)	-	(679.444)
GROSS PROFIT	**40.678**	**67.098**	**1.671**	**6.138**	**-**	**115.585**
Marketing, selling and distribution expenses (-)	(92)	(20.397)	(14)	(2.310)	-	(22.813)
General administrative expenses (-)	(11.358)	(3.325)	(605)	(5.080)	-	(20.368)
Research and development expenses (-)	-	(96)	-	-	-	(96)
Other operating income	602	1.807	1.077	799	-	4.285
Other operating expenses (-)	(232)	(574)	-	(12)	-	(818)
OPERATING PROFIT / (LOSS)	**29.598**	**44.513**	**2.129**	**(465)**	**-**	**75.775**
Share on profit / (loss) of investments valued using equity method	-	-	-	758	-	758
Financial income	21.229	20.009	1.416	17.524	-	60.178
Financial expenses (-)	(32.107)	(40.600)	(1)	(4.339)	-	(77.047)
PROFIT BEFORE TAXATION	**18.720**	**23.922**	**3.544**	**13.478**	**-**	**59.664**
Tax income / (expense)	3.272	(3.829)	(659)	(4.653)	-	(5.869)
NET PROFIT FOR THE PERIOD	**21.992**	**20.093**	**2.885**	**8.825**	**-**	**53.795**

The Group has 14.564 of revenue and 5.381 of operating income from terminal operations classified under agricultural operations for the period of 1 July - 30 September 2011.

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

6. SEGMENTAL REPORTING (cont'd)

a) Segmental results (cont'd)

	1 January-30 September 2010					
	Contracting	Agriculture	Real Estate	Other	Eliminations	Total
Revenue	778.081	766.877	40.836	52.791	-	1.638.585
Intra-segment sales	170.461	12.364	30	100	(182.955)	-
Inter-segment sales	7	390	191	1.870	(2.458)	-
TOTAL REVENUE	948.549	779.631	41.057	54.761	(185.413)	1.638.585
Cost of revenue	(682.420)	(586.844)	(38.428)	(31.977)	-	(1.339.669)
GROSS PROFIT	**95.661**	**180.033**	**2.408**	**20.814**	**-**	**298.916**
Marketing, selling and distribution expenses (-)	(288)	(62.045)	-	(5.948)	-	(68.281)
General administrative expenses (-)	(36.314)	(11.596)	(610)	(15.169)	-	(63.689)
Research and development expenses (-)	-	(111)	-	-	-	(111)
Other operating income	6.501	4.345	807	2.245	-	13.898
Other operating expenses (-)	(1.853)	(3.630)	(936)	(7.394)	-	(13.813)
OPERATING PROFIT / (LOSS)	**63.707**	**106.996**	**1.669**	**(5.452)**	**-**	**166.920**
Share on profit / (loss) of investments valued using equity method	-	-	-	6.489	-	6.489
Financial income	43.751	61.028	3.571	36.095	-	144.445
Financial expenses (-)	(65.337)	(51.314)	(2.910)	(10.385)	-	(129.946)
PROFIT BEFORE TAXATION	**42.121**	**116.710**	**2.330**	**26.747**	**-**	**187.908**
Tax expense	(9.647)	(23.720)	(560)	(6.840)	-	(40.767)
NET PROFIT FOR THE PERIOD	**32.474**	**92.990**	**1.770**	**19.907**	**-**	**147.141**

The Group has 44.089 of revenue and 21.570 of operating income from terminal operations classified under agricultural operations for the period of 1 January - 30 September 2010.

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

6. SEGMENTAL REPORTING (cont'd)

a) Segmental results (cont'd)

	1 July -30 September 2010					
	Contracting	Agriculture	Real Estate	Other	Eliminations	Total
Revenue	262.913	240.377	15.081	16.870	-	535.241
Intra-segment sales	61.323	4.413	10	(783)	(64.963)	-
Inter-segment sales	7	146	70	1.424	(1.647)	-
TOTAL REVENUE	324.243	244.936	15.161	17.511	(66.610)	535.241
Cost of revenue	(239.174)	(198.796)	(14.495)	(10.416)	-	(462.881)
GROSS PROFIT	**23.739**	**41.581**	**586**	**6.454**	**-**	**72.360**
Marketing, selling and distribution expenses (-)	(142)	(19.771)	-	(1.886)	-	(21.799)
General administrative expenses (-)	(12.698)	(3.320)	(191)	(5.082)	-	(21.291)
Research and development expenses (-)	-	(51)	-	-	-	(51)
Other operating income	2.354	645	524	713	-	4.236
Other operating expenses (-)	(374)	(265)	(160)	(1.838)	-	(2.637)
OPERATING PROFIT / (LOSS)	**12.879**	**18.819**	**759**	**(1.639)**	**-**	**30.818**
Share on profit / (loss) of investments valued using equity method	-	-	-	988	-	988
Financial income	19.909	20.771	707	13.112	-	54.499
Financial expenses (-)	(12.937)	(17.575)	(890)	(4.827)	-	(36.229)
PROFIT BEFORE TAXATION	**19.851**	**22.015**	**576**	**7.634**	**-**	**50.076**
Tax expense	(3.161)	(4.185)	(120)	(1.945)	-	(9.411)
NET PROFIT FOR THE PERIOD	**16.690**	**17.830**	**456**	**5.689**	**-**	**40.665**

The Group has 15.537 of revenue and 7.556 of operating income from terminal operations classified under agricultural operations for the period of 1 July - 30 September 2010.

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

6. SEGMENTAL REPORTING (cont'd)

b) As of 30 September 2011 and 31 December 2010 segmental assets and liabilities are as follow:

	30 September 2011				
Balance sheet	Contracting	Agriculture	Real Estate	Other	Total
Total assets	1.779.529	966.253	51.205	868.173	3.665.160
Current and non-current liabilities	1.323.516	371.062	30.669	94.861	1.820.108
Equity attributable to owners of the parent	343.791	276.366	6.740	1.196.550	1.823.447
Non-controlling interests	17.897	3.624	130	(46)	21.605

	31 December 2010				
Balance sheet	Contracting	Agriculture	Real Estate	Other	Total
Total assets	1.307.118	939.089	34.769	784.905	3.065.881
Current and non-current liabilities	950.569	330.960	19.267	82.406	1.383.202
Equity attributable to owners of the parent	269.853	150.731	1.551	1.241.590	1.663.725
Non-controlling interests	15.293	3.609	134	(82)	18.954

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

6. SEGMENTAL REPORTING (cont'd)

c) Segmental information related to property, plant and equipment, intangible assets and investment property for the nine month interim periods ended 30 September 2011 and 2010 are as follows:

	1 January-30 September 2011				
	Contracting	Agriculture	Real Estate	Other	Total
Capital expenditures (*)	45.961	5.620	198	4.379	56.158
Depreciation and amortization expense for the period (**)	39.164	10.414	349	3.581	53.508

	1 July - 30 September 2011				
	Contracting	Agriculture	Real Estate	Other	Total
Capital expenditures (*)	25.430	2.637	140	3.353	31.560
Depreciation and amortization expense for the period	15.373	3.658	123	1.258	20.412

	1 January-30 September 2010				
	Contracting	Agriculture	Real Estate	Other	Total
Capital expenditures (*)	19.801	7.179	184	13.242	40.406
Depreciation and amortization expense for the period (**)	40.883	11.003	320	3.584	55.790

	1 July - 30 September 2010				
	Contracting	Agriculture	Real Estate	Other	Total
Capital expenditures (*)	2.230	1.937	18	131	4.316
Depreciation and amortization expense for the period	12.957	3.619	104	1.144	17.824

(*) Fixed assets purchases through financial lease are also included.
(**) Depreciation expense of 1.138 is capitalized within the cost of inventory (30 September 2010: 73).

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

6. SEGMENTAL REPORTING (cont’d)

d) Geographical segmental information is as follows:

	Turkey	CIS	Northern Africa	Middle Eastern Countries	Other	Eliminations	Total
Revenue (1 January-30 September 2011)	1.224.263	324.213	105.563	626.230	30.413	(122.406)	2.188.276
Total assets (30 September 2011)	3.944.687	1.010.051	359.039	777.871	145.061	(2.571.549)	3.665.160
Capital expenditures (1 January - 30 September 2011)(*)	35.999	7.641	3.564	8.954	-	-	56.158

	Turkey	CIS	Northern Africa	Middle Eastern Countries	Other	Eliminations	Total
Revenue (1 July-30 September 2011)	426.334	143.264	40.410	221.285	7.017	(43.281)	795.029
Capital expenditures (1 July - 30 September 2011)(*)	21.571	4.902	2.793	2.294	-	-	31.560

	Turkey	CIS	Northern Africa	Middle Eastern Countries	Other	Eliminations	Total
Revenue (1 January-30 September 2010)	990.467	221.889	81.656	458.071	71.915	(185.413)	1.638.585
Total assets (31 December 2010)	3.583.874	626.455	216.646	601.675	156.764	(2.119.533)	3.065.881
Capital expenditures (1 January - 30 September 2010)(*)	30.796	1.037	150	8.288	135	-	40.406

	Turkey	CIS	Northern Africa	Middle Eastern Countries	Other	Eliminations	Total
Revenue (1 July-30 September 2010)	321.555	85.522	27.211	138.764	28.799	(66.610)	535.241
Capital expenditures (1 July - 30 September 2010)(*)	2.365	752	70	1.123	6	-	4.316

(*) Fixed assets purchases through financial lease are also included.

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

7. INVENTORIES

	30 September 2011	31 December 2010
Raw materials	47.433	32.737
Work in progress	95.004	39.092
Finished goods	71.585	31.216
Trading goods	27.207	37.599
Goods in transit	52.535	45.822
Inventory at construction sites	140.790	92.581
Other inventories	27.369	25.079
Allowance for impairment on inventory (-)	(1.060)	(845)
	460.863	303.281

Movement of allowance for impairment on inventory	2011	2010
Provision as of 1 January	(845)	(862)
Charge for the period	(47)	(3)
Currency translation effect	(168)	30
Provision as of 30 September	(1.060)	(835)

Impairment on inventory is accounted in the cost of revenue.

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

8. CONSTRUCTION CONTRACTS

	30 September 2011	31 December 2010
Cost incurred on uncompleted contracts	4.257.890	3.783.441
Recognised gain less losses (net)	535.117	453.895
	4.793.007	4.237.336
Less: Billings to date (-)	(4.438.484)	(3.834.323)
	354.523	403.013

Costs and billings incurred on uncompleted contracts in condensed consolidated financial statements are as follow:

	30 September 2011	31 December 2010
From customers under construction contracts	440.608	440.280
To customers under construction contracts	(86.085)	(37.267)
	354.523	403.013

As of 30 September 2011, total retention receivables amount to 102.395 (31 December 2010: 52.009).

	30 September 2011	31 December 2010
Receivables from uncompleted contracts		
Contracts undersigned abroad	433.102	434.212
Contracts undersigned in Turkey	7.506	6.068
	440.608	440.280
Payables to uncompleted contracts		
Contracts undersigned abroad	(85.048)	(30.117)
Contracts undersigned in Turkey	(1.037)	(7.150)
	(86.085)	(37.267)
	354.523	403.013

The Group has 254.506 of advances received for contracting projects (31 December 2010: 121.853).

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

9. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND INVESTMENT PROPERTY

	Property, plant and equipment	Intangible assets	Investment property
Cost Value			
Opening balance as of 1 January 2011	1.731.013	13.104	114.939
Currency translation effect	149.179	1.587	536
Additions	55.375	701	82
Disposals	(23.873)	(42)	-
Transfers	(3.040)	-	3.040
Closing balance as of 30 September 2011	1.908.654	15.350	118.597
Accumulated Depreciation and Amortization			
Opening balance as of 1 January 2011	(1.128.954)	(10.369)	(20.564)
Currency translation effect	(91.171)	(1.326)	-
Charge for the period	(51.742)	(666)	(2.238)
Disposals	21.946	42	-
Closing balance as of 30 September 2011	(1.249.921)	(12.319)	(22.802)
Carrying value as of 30 September 2011	658.733	3.031	95.795

	Property, plant and equipment	Intangible assets	Investment property
Cost Value			
Opening balance as of 1 January 2010	1.696.418	11.716	114.843
Currency translation effect	(29.423)	(365)	(401)
Additions	26.688	819	12.899
Disposals	(17.555)	(331)	-
Transfers	(6.070)	543	-
Closing balance as of 30 September 2010	1.670.058	12.382	127.341
Accumulated Depreciation and Amortization			
Opening balance as of 1 January 2010	(1.060.068)	(8.938)	(19.715)
Currency translation effect	22.213	237	-
Charge for the period	(52.227)	(1.208)	(2.428)
Disposals	10.378	277	-
Transfers	419	-	-
Closing balance as of 30 September 2010	(1.079.285)	(9.632)	(22.143)
Carrying value as of 30 September 2010	590.773	2.750	105.198

Property, plant and equipment includes fixed assets with carrying value of 77.156 purchased through financial lease (30 September 2010: 90.670).

The amount of mortgage on tangible assets is 750 (30 September 2010: 750).

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

10. FINANCIAL DEBTS

The Company's short term financial debts, utilized to finance its working capital flow are reclassed as long term whose maturities passed 30 September 2012 according to their opening dates. Annual weighted average interest rate of the existing short term loans in term of US Dollars is 3,00% (31 December 2010: 2,90%).

11. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provisions	30 September 2011	31 December 2010
Provision for litigation	8.121	15.875
Other provisions	1.307	3.173
	9.428	19.048

Movement of provision for litigation is as follows:

	2011	2010
Provision as of 1 January	15.875	15.260
Provision paid (-)	(7.147)	(115)
Charge for the period	342	514
Provision released	(953)	(333)
Currency translation effect	4	(8)
Provision as of 30 September	8.121	15.318

Litigations:

Upon the consultation of legal advisors, as of 30 September 2011, lawsuit filed against the Group is totally 44.844 (31 December 2010: 41.024) and the management has decided to accrue 8.121 (31 December 2010: 15.875) of provision for lawsuits that might have high probability of potential outflow from the Group. Based on the legal advice of lawyers, the Group foresees no significant risks regarding of lawsuit filed against the Group.

As explained in detail in the notes of the audited consolidated financial statements as of 31 December 2010, the uncertainty about the outcome of the legal process of the closure of Samsun Gübre facility with the written petition dated 6 November 2007 of Samsun Municipality is still ongoing.

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

12. COMMITMENTS AND OBLIGATIONS

The guarantee, pledge and mortgage ("GPM") position tables of the Group as of 30 September 2011 and 31 December 2010 are as follow:

30 September 2011	Equivalent of Thousands TL	*Thousands of US Dollars*	*Thousands of EUR*	*Other (Equivalent of Thousands TL)*
A. GPM given on behalf of its own legal entity	193.118	-	-	193.118
-Guarantee	-	-	-	-
-Pledge	*193.118*	-	-	*193.118*
-Mortgage	-	-	-	-
B. GPM given on behalf of subsidiaries that are included in full consolidation	1.439.381	570.428	39.865	286.479
-Guarantee	*1.438.631*	*570.428*	*39.865*	*285.729*
-Pledge	-	-	-	-
-Mortgage	*750*	-	-	*750*
C. GPM given in order to guarantee third parties' debts for the routine trade operations	3.897	-	-	3.897
-Guarantee	*3.897*	-	-	*3.897*
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
D. Total amounts of other GPM given				
i. Total amount of GPM given on behalf of parent company	-	-	-	-
ii. Total amount of GPM given on behalf of other group companies that are not included group B and C	-	-	-	-
iii. Total amount of GPM given on behalf of third parties that are not included group C	-	-	-	-
Total as of 30 September 2011	1.636.396	570.428	39.865	483.494

31 December 2010	Equivalent of Thousands TL	*Thousands of US Dollars*	*Thousands of EUR*	*Other (Equivalent of Thousands TL)*
A. GPM given on behalf of its own legal entity	149.348	-	-	149.348
-Guarantee	-	-	-	-
-Pledge	*149.348*	-	-	*149.348*
-Mortgage	-	-	-	-
B. GPM given on behalf of subsidiaries that are included in full consolidation	1.185.610	604.597	38.927	171.138
-Guarantee	*1.184.860*	*604.597*	*38.927*	*170.388*
-Pledge	-	-	-	-
-Mortgage	*750*	-	-	*750*
C. GPM given in order to guarantee third parties' debts for the routine trade operations	*1.731*	-	-	*1.731*
-Guarantee	*1.731*	-	-	*1.731*
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
D. Total amounts of other GPM given				
i. Total amount of GPM given on behalf of parent company	-	-	-	-
ii. Total amount of GPM given on behalf of other group companies that are not included group B and C	-	-	-	-
iii. Total amount of GPM given on behalf of third parties that are not included group C	-	-	-	-
Total as of 31 December 2010	1.336.689	604.597	38.927	322.217

Since there are not any GPMs mentioned in D item, the ratio to the total equity is not presented.

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

13. EMPLOYEE BENEFITS

Short term employee benefits:	30 September 2011	31 December 2010
Retirement pay provision	359	1.667
Unused vacation pay liability provision	8.519	9.018
Premium provision	6.472	9.294
Wages and other employee benefits	23.148	15.496
	38.498	35.475

Long term employee benefits:

	30 September 2011	31 December 2010
Retirement pay provision	41.791	34.344
Unused vacation pay liability provision	499	-
Wages and other employee benefits	114	-
	42.404	34.344

	Retirement Pay Provision	Premium Provision
Opening balance as of 1 January 2011	36.011	9.294
Currency translation effect	3.742	401
Service expense	10.126	6.109
Interest expense	841	-
Provision paid (-)	(8.570)	(9.332)
Closing balance as of 30 September 2011	42.150	6.472
Opening balance as of 1 January 2010	32.000	7.468
Currency translation effect	(729)	(130)
Service expense	5.708	6.185
Interest expense	1.001	-
Provision paid (-)	(6.186)	(7.510)
Closing balance as of 30 September 2010	31.794	6.013

The amount payable to employee calculated by one month salary is limited to a maximum TL 2.732 (31 December 2010: TL 2.623) as of 30 September 2011.

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

14. OTHER SHORT TERM LIABILITIES

Other Short Term Liabilities	30 September 2011	31 December 2010
Advances received for construction projects	218.171	121.853
Order advances received	48.887	55.652
Income relating to future months	6.192	5.358
VAT calculated	3.655	3.170
Other	192	228
	277.097	186.261

15. SIGNIFICANT RELATED PARTY TRANSACTIONS

According to IAS 24, the shareholders, Group companies and their subsidiaries, management and other related parties are classified as related parties.

Group has a total deposit of 308.143 in Eurobank Tekfen A.Ş. as of 30 September 2011 (31 December 2010: 354.780) classified in cash and cash equivalents. Average interest rate of bank deposits in term of TL is 9,50% and in terms of US Dollars is 4,00%, and 16.303 of interest income is earned within the nine month interim period ended 30 September 2011 (30 September 2010: interest rates: 9,60% for TL, 3,60% for US Dollar, and interest income: 24.978).

For the interim period, there isn't any extraordinary transaction occurred besides the transactions with related parties and trade relations. Transactions with related parties are distinct and measurable.

16. EARNINGS PER SHARE

	1 January-30 September 2011	1 July-30 September 2011	1 January-30 September 2010	1 July-30 September 2010
Average number of ordinary shares outstanding during the period (in full)	370.000.000	370.000.000	370.000.000	370.000.000
Net profit for the period attributable to owners of the parent (thousands TL)	197.207	53.867	147.236	40.648
Earnings per share from operations (TL)	0,533	0,146	0,398	0,110

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

17. FINANCIAL INCOME AND FINANCIAL EXPENSES

Financial Income:

	1 January-30 September 2011	1 July-30 September 2011	1 January-30 September 2010	1 July-30 September 2010
Interest income	46.176	16.182	38.140	13.238
Foreign exchange gains	106.085	42.643	100.586	41.075
Other	8.526	1.353	5.719	186
	160.787	60.178	144.445	54.499

Financial Expenses:

	1 January-30 September 2011	1 July-30 September 2011	1 January-30 September 2010	1 July-30 September 2010
Finance expenses	(24.717)	(8.199)	(26.311)	(10.099)
Foreign exchange losses	(129.746)	(68.848)	(103.635)	(26.130)
	(154.463)	(77.047)	(129.946)	(36.229)

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

18. FOREIGN CURRENCY POSITION

30 September 2011	Equivalent of Thousands of TL	Thousands of US Dollars	Thousands of EUR	Thousands of GBP	Other (Equivalent of Thousands of TL)
1. Trade Receivables	132.722	34.347	10.134	10	43.821
2. Monetary Financial Assets	100.591	31.967	1.011	26	38.991
3. Other	79.330	28.156	2.020	88	22.062
4. CURRENT ASSETS	312.643	94.470	13.165	124	104.874
5. Trade Receivables	8.711	-	869	-	6.525
6. Monetary Financial Assets	8.340	-	-	-	8.340
7. Other	911	120	173	10	228
8. NON CURRENT ASSETS	17.962	120	1.042	10	15.093
9. TOTAL ASSETS	330.605	94.590	14.207	134	119.967
10. Trade Payables	435.771	163.358	17.604	516	88.692
11. Financial Liabilities	85.745	37.317	6.121	-	1.485
12. Monetary Other Liabilities	144.007	11.633	24.923	-	59.841
12b. Non Monetary Other Liabilities	455	218	21	-	-
13. CURRENT LIABILITIES	665.978	212.526	48.669	516	150.018
14. Trade Payables	4.429	47	541	-	2.981
15. Financial Liabilities	2.847	58	1.089	-	-
16. Monetary Other Liabilities	44.365	494	2.149	-	38.047
17. NON CURRENT LIABILITIES	51.641	599	3.779	-	41.028
18. TOTAL LIABILITIES	717.619	213.125	52.448	516	191.046
19. Net foreign currency assets/(liabilities) position	(387.014)	(118.535)	(38.241)	(382)	(71.079)
20. Monetary items net foreign currency assets/(liabilities) position (1+2+5+6-10-11-12-14-15-16)	(466.800)	(146.593)	(40.413)	(480)	(93.369)
21. Export	49.423	29.624	-	-	-
22. Import	736.698	413.007	15.304	1.337	27.557

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

18. FOREIGN CURRENCY POSITION (cont'd)

31 December 2010	Equivalent of Thousands of TL	Thousands of US Dollars	Thousands of EUR	Thousands of GBP	Other (Equivalent of Thousands of TL)
1. Trade Receivables	134.701	25.215	20.197	-	54.334
2. Monetary Financial Assets	212.036	101.692	5.473	143	43.264
3. Other	54.236	29.679	1.821	27	4.556
4. CURRENT ASSETS	400.973	156.586	27.491	170	102.154
5. Trade Receivables	1.537	-	459	-	596
6. Monetary Financial Assets	4.888	-	17	-	4.853
7. Other	94	61	-	-	-
8. NON CURRENT ASSETS	6.519	61	476	-	5.449
9. TOTAL ASSETS	407.492	156.647	27.967	170	107.603
10. Trade Payables	352.894	151.879	18.684	1.252	76.814
11. Financial Liabilities	69.547	37.174	5.581	-	640
12. Monetary Other Liabilities	73.271	2.480	3.658	-	61.941
12b. Non Monetary Other Liabilities	4.384	2.783	40	-	-
13. CURRENT LIABILITIES	500.096	194.316	27.963	1.252	139.395
14. Trade Payables	405	47	-	-	332
15. Financial Liabilities	1.383	787	81	-	-
16. Monetary Other Liabilities	8.312	247	-	-	7.930
17. NON CURRENT LIABILITIES	10.100	1.081	81	-	8.262
18. TOTAL LIABILITIES	510.196	195.397	28.044	1.252	147.657
19. Net foreign currency assets/(liabilities) position	(102.704)	(38.750)	(77)	(1.082)	(40.054)
20. Monetary items net foreign currency assets/(liabilities) position (1+2+5+6-10-11-12-14-15-16)	(152.650)	(65.707)	(1.858)	(1.109)	(44.610)
21. Export	93.577	61.513	273	-	-
22. Import	779.961	404.254	27.719	2.538	112.320

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

18. FOREIGN CURRENCY POSITION (cont'd)

Foreign currency sensivity

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollars and Euro.

The following table details the Group's sensitivity to a 15% increase and decrease in the US Dollars and Euro. 15% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated items and adjusts their translation at the nine month interim period end for a 15% change in foreign currency rates. This sensitivity analysis excludes the foreign currency denominated items presented on the balance sheet of the Group companies whose functional currency is other than TL. A positive number indicates an increase in profit or loss.

	30 September 2011	
	Profit / Loss	
	Appreciation of foreign currencies	Depreciation of foreign currencies
	If US Dollars 15% appreciated vs TL	
US Dollars net assets / liabilities	(32.810)	32.810
	If Euro 15% appreciated vs TL	
Euro net assets / liabilities	(14.431)	14.431
	If Other foreign currencies 15% appreciated vs TL	
Other foreign currency net assets / liabilities	(10.811)	10.811
TOTAL	(58.052)	58.052

	31 December 2010	
	Profit / Loss	
	Appreciation of foreign currencies	Depreciation of foreign currencies
	If US Dollars 15% appreciated vs TL	
US Dollars net assets / liabilities	(8.986)	8.986
	If Euro 15% appreciated vs TL	
Euro net assets / liabilities	(24)	24
	If Other foreign currencies 15% appreciated vs TL	
Other foreign currency net assets / liabilities	(6.396)	6.396
TOTAL	(15.406)	15.406

19. EVENTS AFTER BALANCE SHEET DATE

Tekfen İnşaat ve Tesisat A.Ş. signed a contract worth of 924.495 (USD 501 million) with Tüpraş-Türkiye Petrol Rafinerileri A.Ş.' main contractor Spanish Tecnicas Reunidas for P1 and P2 packages of Tüpraş' Residue Upgrading Project (RUP). The project will start immediately and is scheduled for completion within thirty three months.

Tümteks Tekstil Sanayi ve Ticaret A.Ş., which is publicly traded financial investment completely booked for allowance for impairment in the accompanying condensed consolidated financial statements and directly participated by 7,45% by the Company, is decreed in bankruptcy with the decision numbered 2010/267 and dated 5 October 2011 of Denizli Commercial Court of First Instance.