Global Investment Holdings
The Book of Values

GLOBAL
INVESTMENT HOLDINGS

CONTENTS

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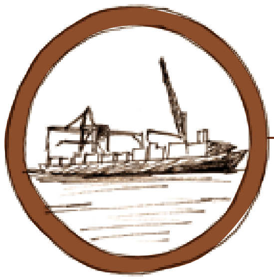
GLOBAL INVESTMENT HOLDINGS GROUP

OVERVIEW OF BUSINESS AND OPERATIONS

The business divisions of the Global Investment Holdings Group, including the principal companies operating in each division, are set forth in the below diagram. The information presented below is given as at 31 December 2011 except as otherwise noted:

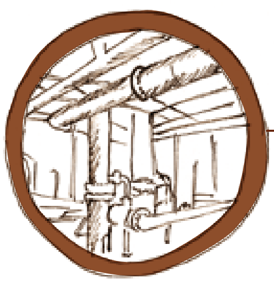
PORT INFRASTRUCTURE



Global Ports Holding

Ege Ports (Kuşadası) | Port Akdeniz (Antalya) | Bodrum Cruise Port

ENERGY



Global Energy

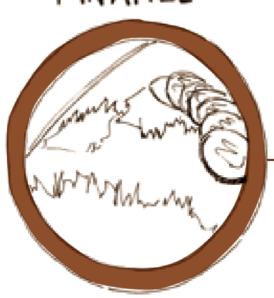
Energaz | Naturelgaz | Şırnak Thermal Power Plant

REAL ESTATE

Pera REIT

Vakıfbank No. VI | Denizli Sümerpark | Van Development Land

FINANCE



Global Securities | **Global Asset Management**

CONSOLIDATED FINANCIAL HIGHLIGHTS

TURNOVER

(TL millions)

2010	2011
231.1	364.2

EBITDA

(TL millions)

2010	2011
280.7	85.7

NET PROFIT

(TL millions)

2010	2011
209.5	-82.0

EQUITY

(TL millions)

2010	2011
631.2	674.9

TOTAL ASSETS

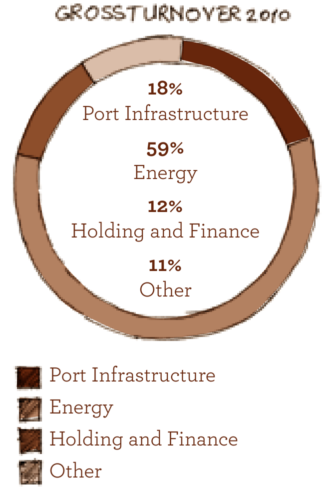
(TL millions)

2010	2011
1,314.4	1,529.2

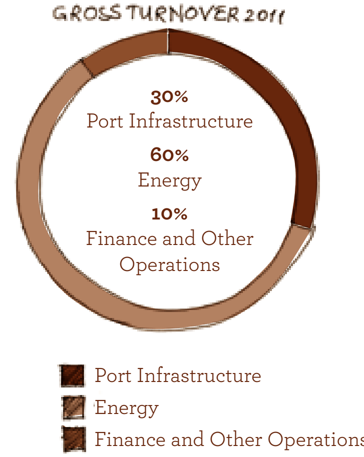
GROSS TURNOVER

The following charts set forth, in graphic format, the breakdown of the gross turnover of the Global Investment Holdings Group for the fiscal years ended 31 December 2010 and 2011, respectively.

GROSS TURNOVER 2010



GROSS TURNOVER 2011



Creating value for the future with a vision going beyond the present age

Global Investment Holdings aims for leadership in all the sectors it steps in, and consistently enhances the value it creates for the national economy and its shareholders.

Forging ahead with its motto of creating permanent values for the future, the Holding gets one step ahead with its competitive perspective and creative business strategies in all the sectors it operates.

CHAIRMAN'S MESSAGE

In 2011, Global Investment Holdings continued its unflagging support of the Turkish economy.

Esteemed Shareholders and Colleagues,

2011 went down in the history books as a remarkable year, full of lessons about why we should not have three hours lunch breaks, global economy and the corporate business environment. One of the most critical of those lessons is the ongoing need of companies to articulate a clear vision and pursue a dynamic growth strategy; In fact, this is the key to achieving sustainable success at the individual, corporate and national levels.

One factor which probably culminated all what's happening now is the end of the "colonization" era which lasted centuries. One by one countries are emerging to the world arena "safekeeping" their own interest to the maximum like it should have been for centuries. Trade between those emerging countries call it BRIC, BRICT, BRICTS, etc is growing rapidly by passing the developed world, thanks to technological improvement which is leading to a more sanguine development of democracy and human rights. The "spring" factor seen in certain Muslim countries, no doubt, will "flash forward" itself to other nations where the wealth is unevenly distributed, but more important, people cannot express themselves freely. Such structural changes will transform and replicate itself in the corporate world as well whether in US or Turkey or any other nation.

As individuals or companies, we often try, consciously or subconsciously, to live inside a virtual circle that we have circumscribed around ourselves. We work, often futilely, to maintain a simple, peaceful yet prosperous existence immune to the unfavorable developments on the outside.

Nevertheless, it is difficult to imagine that we would even attempt such a thing in the complex, unpredictable world of today. To this end, the 2008 crisis vividly demonstrated how turmoil in one financial market can cause a knockdown, domino-type effect on the increasingly interconnected national economies around the world.

Some several years hence, the global financial crisis continued to cast a long shadow on the last 12 months. Uncertainties of all types in the world, including the deterioration of global economic growth and employment indicators, again laid bare the massive size and scale of this lingering shadow. Events that followed shook the foundations of long held conventional wisdom. One of the best examples of this is the spread of the seemingly irresolvable global financial crisis from one nation to the next like a veritable pandemic and the subsequent downgrades of credit ratings of developed countries one after another. All clear indicators of the disastrous outcomes that a lack of economic cooperation and common discourse can lead to even in an otherwise politically cohesive structure such as the European Union.

We have a Turkish proverb centuries old "Try not to extend your feet beyond the length of your duvet, otherwise they will freeze." I guess this single proverb defines the last decade of our world.

Turkey has managed to grow much faster-than-expected

So, those who take well-thought, deliberate and forward looking steps have the best chance of surviving, and even thriving, in the current uncertainty-filled world. Thanks to the determined implementation of sound economic and monetary policies, Turkey has managed to grow much faster-than-expected, even as developed economies plunged headlong into recession. The Turkish economy is even forecast to maintain its growth trend in the coming period, albeit at a slower rate, in a year for which no analyst has painted a rosy picture.

We have adopted new and flexible strategies that set us apart from other similar holdings

In the corporate business environment, we see that while many companies have emerged from nearly four years of economic crisis unscathed or even strengthened, others have taken a heavy hit. We at Global Investment Holding quickly and effectively learned all the lessons that we needed to in this challenging period. Further, we have adopted new and flexible strategies that set us apart from other similar holdings. The strong performance that Global Investment Holdings displayed in 2011 fully validated our prior decisions to withdraw from certain business lines, in whole or in part, and served as confirmation we are indeed on the right track.

We reaped the rewards of our pursuit of sustainable growth

In 2011, Global Investment Holdings continued its unflagging support of the Turkish economy: Our investments positively contributed to the country's balance of foreign trade and worked to offset the current account deficit. As I had similarly announced at the beginning of the previous year, the Holding did not spend the year 2011 at full throttle, speeding recklessly toward overly ambitious growth targets. Instead, we reaped the rewards of our pursuit of sustainable growth thanks to our prudent corporate and investment strategies up to that point. In 2011,

we increased net revenues a robust 58% over the prior year to TL 364.2 million, out of which Energy Division generated 59.62%, while Port operations contributed 29.68% and other partnerships accounted for 10.69%.

Immense potential for future sustainable growth
In retrospect, I can also say that the Holding has entered into a strategic partnership with immense potential for future sustainable growth in Naturelgaz.

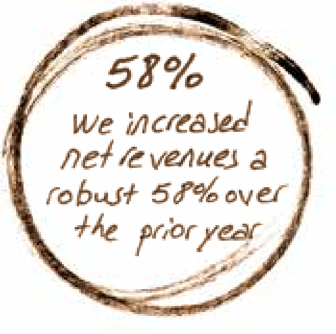
In the financial services sector, the two clear signs of our highly productive year were the joint venture between Global Asset Management and the leading Italian independent portfolio management group Azimut SpA, and a partnership initiative between Global Securities and the German investment bank IEG, which is poised to serve as a model for the whole sector.

As for the energy sector, the Holding not only ramped up investments in its existing businesses but also entered into new areas of operation. We acquired a 50% stake in Naturelgaz and, as a result, came to occupy a leading position in the compressed natural gas market. We also made significant progress in financing our flagship Şırnak Power Plant project; in addition, we signed an important partnership agreement with the leading Chinese company CNEEC for the construction of the power plant.

The Holding's objective for the next five years is to expand the current energy investment portfolio, that includes, distribution of compressed natural gas and operation of coal-fired thermal power plants, with renewable energy projects in solar energy and geothermal power, in which Turkey boasts a vast potential.

In our Ports Division, we have made another successful partnership with VEI Capital SPA, an investment company of the Italian Group Palladio Finanziaria, Generali Insurance Group and major Italian Banks, including Intesa Sanpaolo, Veneto Banca and Banca Popolare di Vicenza. This partnership was a major step for Global Ports to successfully execute the Company's expansion plan in the ports sector.

Economic powerhouse that adds value to all the sectors it operates in
Global Investment Holdings is an economic powerhouse that adds value to all the sectors it operates in; similarly, the Group's port operations are positioned to capitalize on dynamic market developments in the near future. The long-awaited Galata Port investment is scheduled to finally commence; additionally, we plan to continue adding new domestic and overseas port investments to our portfolio. All of which means that an intensely exciting and challenging year lies ahead for us.



Unshakable performance of Global Investment Holdings
The factors behind the unshakable performance of Global Investment Holdings in turbulent economic times include the dedicated efforts of its highly skilled global and expert management team, coupled with the unwavering support of our shareholders. And with your continued support, we will further expand our current investments and enter into new business lines that have a high growth potential.

In 2012, Global Investment Holdings will remain the stellar example in its sectors, with its flexible and dynamic structure, ready to quickly grasp any lessons that await in the unpredictable world of today, as we continue our pursuit of sustainable growth.

Respectfully yours,

Mehmet Kutman
Chairman

THE GLOBAL INVESTMENT HOLDINGS GROUP IN SUMMARY

The Group targets both the potential for synergy and an attractive rate of return.

The Global Investment Holdings' lean management approach enables the Group to implement best corporate practices by facilitating decision making at all levels.

Global Investment Holdings Group (the "Global Investment Holdings Group," the "Group" or the "Company") was transformed in October 2004 through the reorganization of the former Global Securities (Global Menkul Değerler A.Ş.), Turkey's largest independent brokerage and investment banking firm, to hold a diversified portfolio of investments in a number of new business segments. As a result, cruise ship and commercial ports, energy distribution and generation, and real estate development were added to the Group's traditional portfolio of non-bank financial service providers.

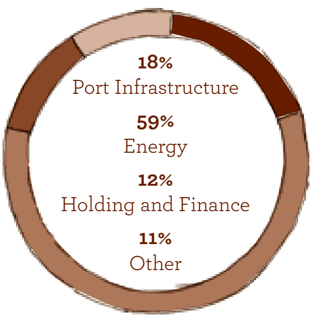
Since January 2005, Global Investment Holdings has traded on the Istanbul Stock Exchange under the ticker symbol GLYHO.IS.

The Group seeks to maximize shareholder value and returns by establishing a diversified portfolio of investments in sectors with high

GROSS TURNOVER

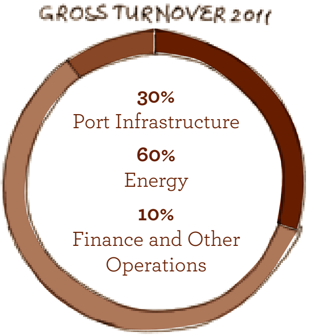
The following charts set forth, in graphic format, the breakdown of the gross turnover of the Global Investment Holdings Group for the fiscal years ended 31 December 2010 and 2011, respectively.

GROSS TURNOVER 2010



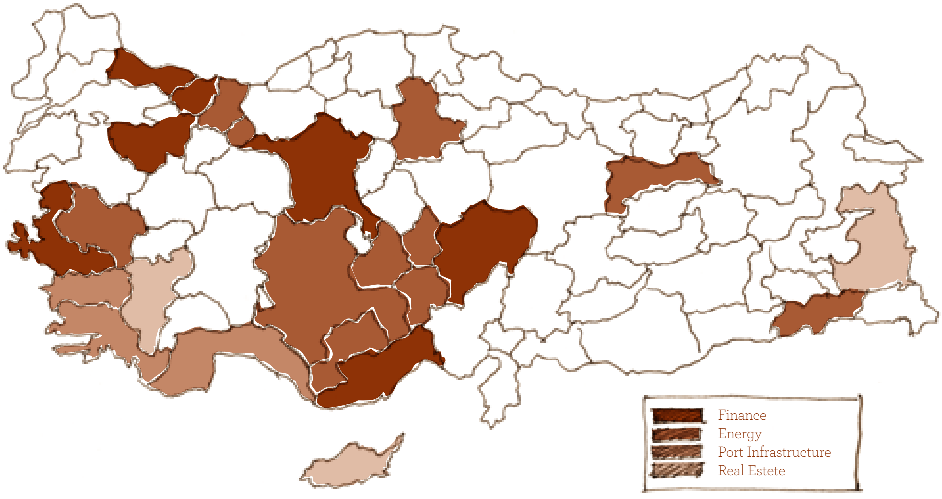
- Port Infrastructure
- Energy
- Holding and Finance
- Other

GROSS TURNOVER 2011



- Port Infrastructure
- Energy
- Finance and Other Operations

Where We Operate In Turkey



growth and return potential and which have geographic, technical, "first mover" or similar barriers to competition. To this end, the Group has scaled up its assets significantly in the previous five years shifting from investment banking & brokerage to the real sector economy by its effective managerial structure.

Global Investment Holdings business investment strategy functions similarly to a private equity firm, with the primary driver of growth potential in the acquisition of medium and long-term concession rights in strategic areas.

In evaluating prospective business opportunities, the Group targets both the potential for synergy and an attractive rate of return. This strategy helps the Group maximize profitability in some investments that have only short-term relevance to the current investment portfolio.

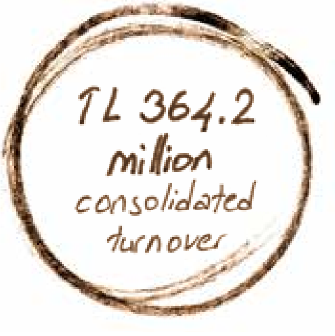
The Global Investment Holdings' lean management approach enables the Group to implement best corporate practices by facilitating decision making at all levels. This efficient management structure makes the entire workflow within all segments of the Group capable of quickly responding to any and all changes in the business environment.

Global Investment Holdings is able to extract the maximum value for its shareholders not only by making a successful investment but also by exiting that investment when prudent. The Group's long-term experience in managing investments facilitates assessing the conditions that call for timely exits. Unlike most other holding companies, the Group has successfully exited from many former investments.

The Global Investment Holdings Group currently has operations in four primary businesses:

- Port Infrastructure mainly consists of cruise ship and commercial seaport operations in the Republic of Turkey;
- Energy includes, natural gas distribution, wholesale trading, compressed natural gas (CNG) distribution, integrated coal-fired thermal power plant and renewable power generation projects using domestic resources;
- Real Estate includes planned and completed commercial mix-use developments; and
- Finance consists of non-banking financial services, including brokerage, research, and asset management.

All operations within the Group's business divisions are conducted by professional management teams of qualified and experienced executives who can assess the specific conditions and challenges in their sectors.



THE GLOBAL INVESTMENT HOLDINGS GROUP IN SUMMARY

The Company will focus on increasing operational efficiency in its existing portfolio.

Global Investment Holdings will pursue growth opportunities by establishing new strategic partnerships across all business lines.

The Company's divisions operate largely on an independent basis and maintain flexibility to develop their respective areas of operations, under the general strategic and risk management guidance, as well as the overall corporate and financial strategies, of the Global Investment Holdings Group.

The fast growing Turkish economy, fundamental structural changes in the financial sector and massive privatization efforts have provided Global Investment Holdings Group opportunities to be a pioneer in investments and expand its existing portfolio in new sectors such as port infrastructure and energy.

In the coming period, the Company plans to further increase profitability and expand the asset base of the Group. To this end, the Company will focus on increasing operational efficiency in its existing portfolio and pursue growth opportunities by establishing new strategic partnerships across all business lines.

In Port Infrastructure, the Group targets cruise port investments with the strategic objective of becoming an international port operator, expanding its holdings with new ports in the Mediterranean and other regions.

In Energy, while focusing mainly on the development of its high yield coal-fired power plant project in Şırnak, southeastern Turkey, the Company also plans to closely monitor opportunities to leverage its existing natural gas retail operations into higher return wholesale and upstream gas operations.

In Real Estate, the Group aims to develop new projects to expand its commercial real estate portfolio.

In Finance, the Group will focus on maximizing the benefit from newly established strategic partnerships to broaden its financial services offering, leveraging the expertise and product and/or customer portfolio of the partners.


GLOBAL

THE GLOBAL INVESTMENT HOLDINGS GROUP'S STRATEGY

Global Investment Holdings continued to invest in existing and new lines of business.

Global Investment Holdings operates in the sectors of port operations, energy, real estate and financial services.

TOTAL ASSETS

Global Investment Holdings is structured differently from traditional holding companies listed on the Istanbul Stock Exchange. The structural difference allows the Group more flexibility to enter, and exit, sectors as opportunities arise or as market conditions change and to function much like a private equity firm.

Global Investment Holdings operates in the sectors of port operations, energy, real estate and financial services. Since 2004, these sectors are weighted in depending on the prevailing market conditions and the prospects for the Group within each sector. In 2011, the Group derived 59.63% of its net revenues from energy, 29.68% from port operations and 10.69% from other partnerships.

In 2011, Global Investment Holdings took important steps to restructure its portfolio and establish strategic partnerships in order to ensure sustainable growth in the coming years.

To this end, the Group collected its energy portfolio investments and subsidiaries under a single entity, Global Energy, while establishing a stronger identity in the sector. Global Investment Holdings also continued to invest in existing and new lines of business. The Group increased its share in Energaz, a subsidiary that operates in natural gas distribution and wholesale in 11 cities, to 50%. Additionally, the Group entered a new business line by forming a 50% partnership in Naturelgaz, which operates in the compressed natural gas sector.

Global Investment Holdings also recorded significant developments in its Şırnak Power Plant project, which is an important component of its energy portfolio. The Group increased its stake in the project to 80% and also reached a preliminary agreement with Turkish banks to finance this project; the Group plans to finalize the loan agreements in the second quarter of 2012.

In addition, the Group signed an engineering, procurement and construction (EPC) contract with CNEEC, China's leading plant technology company, for the Şırnak Power Plant. Under the agreement, CNEEC will hold a 10% share in the project.

CONSOLIDATED FINANCIAL HIGHLIGHTS

TURNOVER

(TL millions)

EBITDA

(TL millions)

NET PROFIT

(TL millions)

EQUITY

(TL millions)

In July 2011, the Group transferred 22.1% of its shares in Global Ports Holding subsidiary to VEI Capital, an investment fund formed by the Palladio Finanziaria Group of Italy.

In the Group's financial services business, a 60% stake of subsidiary Global Asset Management was acquired by Azimut Holding, Italy's leading independent asset management group, in March 2011.

Global Securities, another financial subsidiary of the Group, launched a joint venture with the German firm IEG in corporate finance.

Denizli Sümerpark Shopping Mall, one of the major projects of PERA Real Estate Investment Trust, the Group's real estate subsidiary, opened in March 2011. The construction of housing units within the mixed-use project is also underway.

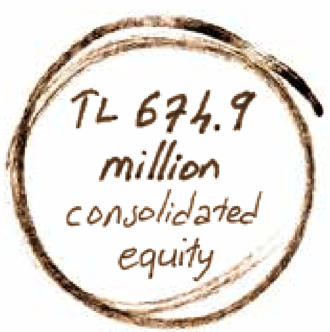
The Group created employment and generated added value through the strategic agreements and projects it executed, while continuing to implement its social responsibility initiatives.

The Group's strategy in the coming years is based on the pursuit of sustainable, healthy growth. While Global Investment Holdings continues to execute its existing portfolio of investments, the Group carefully monitors new fields of business in parallel with global economic developments. Meanwhile, the Group also strives to improve its organizational performance and raise productivity, in all its businesses.

Global Investment Holdings plans to establish new partnerships in its energy portfolio and will commence construction of the Şırnak Power Plant with a capacity of 270 MW in the second half of 2012. The Group also has coal mining operations that allow for growth well beyond the initial planned capacity at the Şırnak facility.

In the coming period, Global Investment Holdings will work to rapidly enlarge the distribution network of Naturelgaz in Turkey, continue the investments of Energaz with 582,000 subscribers in 11 cities.

In the next five years, the Group plans to expand the energy portfolio through natural gas wholesale, compressed natural gas distribution, coal-based integrated thermal plant and renewable energy projects.



THE GLOBAL INVESTMENT HOLDINGS GROUP'S STRATEGY

The Group plans to enter in other lines of business which have growth potential.

One of the Group's most important strategic objectives is to support Turkey's economy especially through mining initiatives for exportation or to reduce imports.

TL 85.7 million consolidated EBITDA

Global Investment Holdings also targets adding new ports in Turkey and abroad to its port operations portfolio.

Additionally, the Group will begin construction of the second phase of the Denizli Sümerpark housing project; start of the hospital construction is also scheduled. The Group plans to undertake new real estate development projects in Anatolia.

Global Investment Holdings supports raising productivity in Turkey and improving the country's foreign trade balance with its investments. At Port Akdeniz (Antalya), which is primarily used for exports, the Group's equipment investments result in faster and more productive export operations. Additionally, about 1 million tourists entered Turkey via the Group's passenger ports in 2011; in the coming year, Global Investment Holdings aims to increase those figures through effective marketing campaigns.

Energaz supports more efficient residential and industrial energy consumption by expanding its subscriber network while Naturelgaz's CNG activities provide for more efficient energy consumption in transportation and industry. The Group's Şırnak Power Plant is one of the country's model projects in terms of efficient power generation using domestic resources. The asphaltite from the coal mines in the region is a domestic resource of power generation with its high calorific value of 4,200 kcal.

The Group also aims to invest in new lines of business and develop them in 2012. One of the Group's most important strategic objectives is to support Turkey's economy especially through mining initiatives for exportation or to reduce imports. In the coming years, the Group also plans to enter in other lines of business which generate cash and have growth potential.

KEY FINANCIAL INDICATORS

Consolidated Balance Sheet (TL million)		
	2011	**2010**
Current Assets	295.0	214.2
Non-current Assets	1,234.2	1,100.1
Total Assets	**1,529.2**	**1,314.4**
Short-Term Liabilities	417.3	198.0
Long-Term Liabilities	426.9	485.0
Total Shareholders' Equity	675	631.3
Total Liabilities and Shareholders' Equity	**1,529.2**	**1,314.4**

Consolidated Income Statement (TL million)		
	2011	**2010**
Turnover	364.2	231.1
Gross Profit	73.93	52.2
Gross Operating Profit	-9.98	255.8
Profit/(Loss) Before Tax	-93.1	228.1
Net Profit/(Loss) For The Period	-81.95	209.5

BOARD OF DIRECTORS

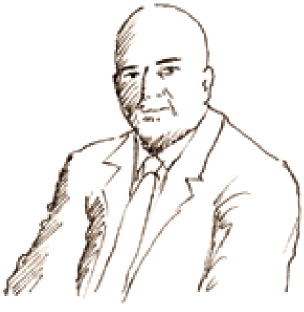
Mehmet Kutman/Chairman
Mr. Kutman is a founding shareholder, the Chairman and the Chief Executive Officer of the Company. As well as being actively involved in business development at the Company level, Mr. Kutman serves on the Boards of Directors of several of Global Investment Holdings' operating subsidiaries and affiliates, including Global Port Holdings, Ege Ports, Port Akdeniz, Bodrum Cruise Port, Izmir Port and energy sector companies involved in natural gas distribution and hydroelectric power generation.

Mr. Kutman also serves on the Board of Directors of Alarko REIT (Alarko Gayrimenkul Yatırım Ortaklığı A.Ş.), an ISE-listed real estate investment trust. He is a member of TÜSİAD (the Turkish Industrialists' and Businessmen's Association) and DEIK (the Foreign Economic Relations Board).

Prior to founding the antecessor to the Company in 1990, Mr. Kutman was Project Manager at Net Holding A.Ş., a Turkish corporate group involved in the tourism and related sectors, from 1989 to 1990. Between 1984 and 1989, he resided in the United States, where he served as Vice President at North Carolina National Bank, Sexton Roses Inc. and Philip Bush & Associates. Mr. Kutman holds a BA (Hons.) from Boğaziçi University and an MBA from the University of Texas.

Erol Göker/Vice Chairman
Mr. Göker is a founding shareholder of the Company, and has served as Chairman of the Board of Directors of the finance division of the Company since its formation. He is also a member of the Board of Directors of Global Port Holdings, Ege Ports and Izmir Port. Beyond the Group, Mr. Göker sits on several committees of the Istanbul Stock Exchange and is a member of TUSIAD.

Prior to the establishment of the Company in 1990, Mr. Göker was Head of the Capital Markets Department at Net Holding A.Ş. Previously, he spent four years at the Capital Markets Board and four years at the Ministry of Finance in the Tax Auditing Department. Mr. Göker holds a BA in Political Science and an MA in Economics both from Ankara University.



Gregory M. Kiez/Board Member
Mr. Kiez joined the Board in 2005. He has been Chairman of the Board of Directors of Ege Ports-Kuşadası since 2003, Chairman of Bodrum Cruise Port since 2008, and Vice-Chairman of the Board of Directors of Port Akdeniz since 2006. He is the Chairman of Global Port Holdings, and Izmir Port. Mr. Kiez previously held the senior executive positions of Director of International Business Development for the Company from 1997 to 1999, and Director of its Corporate Finance Department, which he founded in June 1993. Prior to that time, Mr. Kiez was a corporate and securities law attorney at Torys LLP from 1989 to 1992. Mr. Kiez studied political science, Latin and English literature at Queen's University and McGill University, and holds a JD from the University of Toronto, Faculty of Law. He is a member of the Law Society of Upper Canada. Mr. Kiez is also a director at the Institute of Nautical Archaeology ("INA") and a director of the Turkish Institute of Nautical Archaeology ("TINA").

Ayşegül Bensel/Board Member

Mrs. Bensel originally joined the Board in 1999. Until the sale of Global Life Insurance in March 2007, Mrs. Bensel was Chairman of the Board of Directors of that entity and had served as its CEO since 2005. Mrs. Bensel has been a member of the board of directors of the finance division of the Company since its formation and is also a member of the Board of Directors of Global Port Holdings. Previously, Mrs. Bensel was Co-Director of Research at the brokerage business from 1998 to 1999 and Assistant Director of Research from 1993 to 1998. Prior to joining the Group as an equity research analyst in 1991, Mrs. Bensel was a manager in foreign exchange dealing in the Turkish banking sector. Mrs. Bensel holds a BA in Business Administration and Finance from Hacettepe University, Ankara.

Serdar Kırmaz/Board Member

Serdar Kırmaz graduated from Middle East Technical University in 1987 with a degree in Business Administration. Following a brief employment with OYAK Group in Ankara he joined Pricewaterhouse Coopers ("PWC") Turkey in early 1988 where he became a Partner in 1996. He worked at PWC until 1997, including a short term at PWC Hungary. Serdar Kırmaz worked as a freelance consultant advising various Turkish companies between 1997 to 1999. He continued his career as a CFO, at STFA Group between 1999 to 2005, followed by Global Investment Holdings between 2005 to 2007 and then at Doğan Group between 2007 to 2010. Serdar Kırmaz has built considerable experience in mergers&acquisitions and company restructurings as well as corporate governance. Mr. Kırmaz rejoined Global Investment Holdings in June 2010 and is a Board member at the Holding company and its various subsidiaries.

Adnan Nas/Independent Board Member

Adnan Nas started his career in Ministry of Finance where he served as Chief Inspector of Finance and as the Deputy President of the Board of Inspection at the Ministry of Finance and Customs following his graduation from Ankara University Political Sciences and Istanbul University Law Faculty. After leaving Ministry of Finance, Nas held senior executive and board member positions in the private sector prior to joining PricewaterhouseCoopers as a partner to lead the tax practice. Adnan Nas is the Chairman of PricewaterhouseCoopers tax practice for many years. Nas, is the Deputy Chairman of Foreign Investors Association (YASED), a member of TUSIAD International Executive Board (Turkish Industrialists' and Businessmen's Association) and, the former Chairman at the Am-Cham Turkey, an executive member of the Tax Council at the Ministry of Finance, Vice-President at the Association of Financial Executives (Finance Club), member of the Turkish-American Business Council at DEIK (Foreign Economic Cooperation Council). He is also a board member of Galatasaray Sports Club. Adnan Nas also has many published studies and academic articles.

Jerome Bayle/Independent Board Member

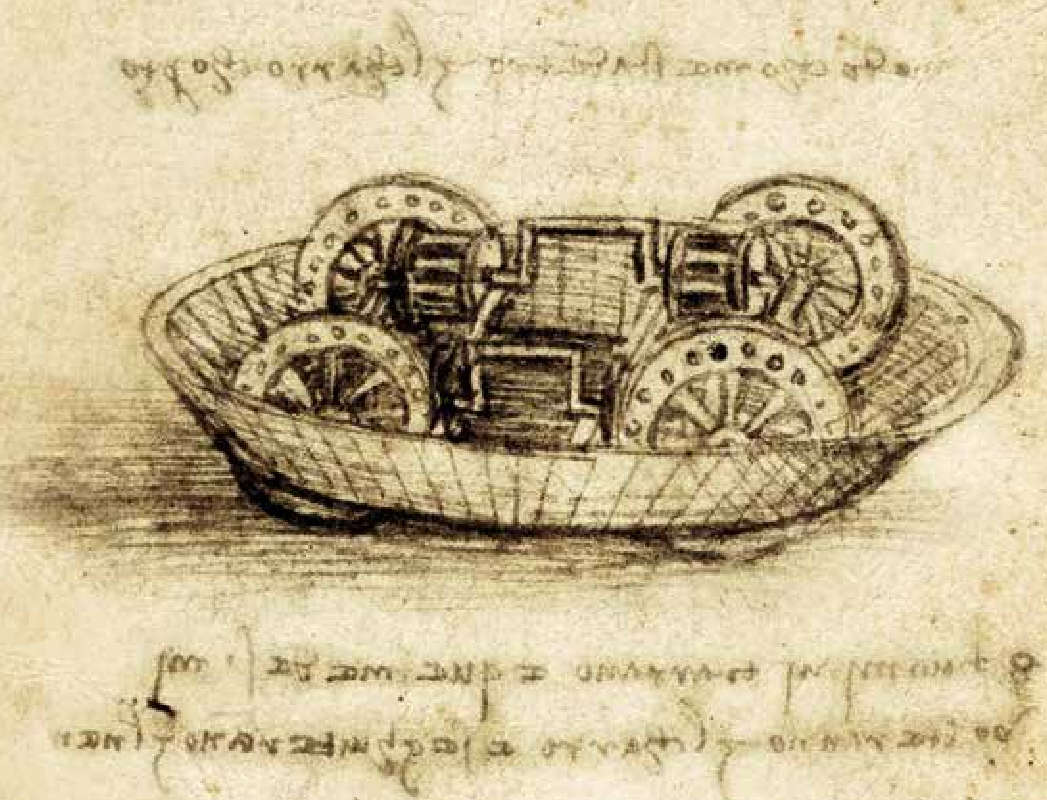
Mr. Jérôme Bayle is the former Managing Director of Tetra Pak Makina Ticaret ve Servis A.Ş. (Turkey) and held various positions at Tetra Pak from 1974-2005. Since his retirement from Tetra Pak, Mr. Bayle has established Magnetic North Danışmanlık A.Ş. a management consulting firm which provides mentoring and consulting services to large multinational companies in the greater Middle East region, with a particular emphasis on human resources and organizational processes and development. Mr. Bayle, who holds a Master's Degree in Business and Finance from France's Dauphine Université (known as Paris IX Université), has been awarded numerous awards during his professional career, and has been recognized for his contribution to business and social organizations during such time.

Creating value for the future **by becoming a source of inspiration**

In the year 2011, consolidated turnover increased by 77% to reach TL 108.1 million.

EBITDA stood at TL 64.8 million.

The number of total passengers served approached 1 million.



Leonardo Da Vinci was not only the inventor of the paddle boat, but he had also designed shoes to walk on water. He was in constant pursuit of resources to make his projects come true, and produced more than 200 inventions throughout his life.

GLOBAL PORTS HOLDING

GLOBAL PORTS HOLDING

Global Investment Holdings ports infrastructure business includes operations of cruise and commercial port facilities through its subsidiary Global Ports Holding, which was founded in 2004. The Group's port investments include a 72.5% share in Ege Ports – The Port of Kuşadası, a 60% share in Bodrum Cruise Port and a 99.8% share in Port Akdeniz – The Port of Antalya.

The business comprises commercial port operations, specializing in container, bulk and general cargo handling; and cruise operations, serving cruise liners, ferries, yachts and mega-yachts.

Global Ports Holding expands its operations and increases profitability by:

- Leveraging rapid export and tourism growth in Turkey by investing in state of the art facilities and implementing efficient management systems,
- Focusing on higher margin cargo and ancillary port activities,
- Optimizing cash generation at existing facilities,
- Targeting commercial and cruise port privatizations and acquisitions in Turkey and the wider region.

Until July 2011, Global Ports Holding was a wholly owned subsidiary of Global Investment Holdings. On July 26, 2011, VEI Capital SpA, an investment company of the Italian Group Palladio Finanziaria, acquired 22.1% of Global Ports Holding, valuing the Company at US$ 415 million. In addition, VEI shall increase its shareholding to 25% after three years. This partnership is a major step for Global Ports Holding toward executing the Company's expansion plan in the ports sector and achieving its strategy of effectively managing local and international commercial and cruise ports. Today, Global Investment Holdings owns 77.9% of Global Ports Holding, one of the leading port operators in Turkey and the Mediterranean region with a 57% market share.

Global Ports Holding operates one mixed-use commercial and cruise port on Turkey's Mediterranean coast (Port Akdeniz – The Port of Antalya) and two cruise ports on the country's Aegean coast (Ege Ports – The Port of Kuşadası and Bodrum Cruise Port). The Group's commercial port operations have a gross capacity of approximately 500,000 TEU and a 5 million ton capacity of general and bulk cargo as of year-end 2011. The Group generated gross throughput of 169,424 TEU, 2.36 million tons of general and bulk cargo in commercial operations and 31,354,417 gross register tonnage (GRT) related to cruise operations in 2011.

Global Ports Group's cruise port operations have a total annual ship capacity of 5,700 as of end-2011. The Group hosted 740 cruise calls, 1,248 ferry calls, 848,501 cruise passengers and 135,177 ferry passengers during the year.

In 2011, Global Ports Holding again participated in the major international event of the cruise sector, the Seatrade Cruise Shipping Convention in Miami, Florida, USA. There, Port Akdeniz – Antalya received "The Most Improved Terminal Facilities" award. Global Ports Group's objective is to excel in its provision of services and earn many more awards.

Global Ports Holding is member of leading associations such as, CLIA (Cruise Lines International Association); ECC (European Cruise Council) and Medcruise Mediterranean Cruise Ports. At Medcruise level, Global Ports Holding also acts as an executive board member and represents 70 members and 100 ports in Mediterranean.

GLOBAL PORTS HOLDING

According to Turkstat, some 90% of Turkey's foreign trade volume is conducted via sea transport.

Despite setbacks over the years and still far from reaching Turkey's full maritime potential, the Turkish port industry has grown rapidly in recent years due to of privatizations.

THE COMMERCIAL AND CRUISE PORT MARKETS IN TURKEY

Commercial Port Market in Turkey

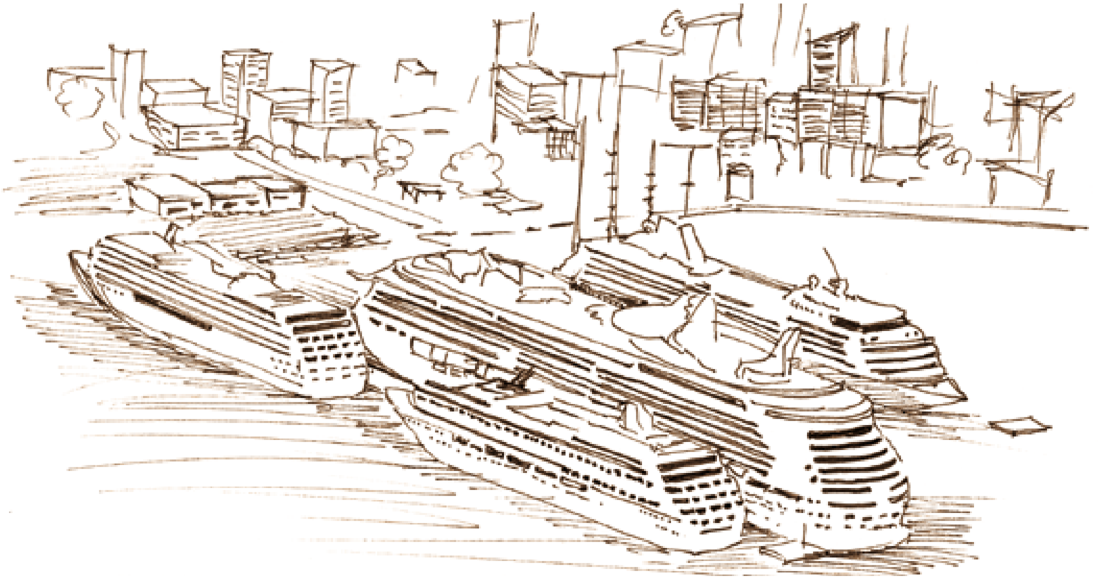
With a coast line stretching for 8,435 km, Turkey is surrounded by sea on three sides: the Black Sea to the north, the Mediterranean to the south and the Aegean Sea to the west. The country has a unique geographic location as a maritime gateway to European, Middle East, North African and Central Asian markets. Turkey has 160 ports and piers, with three operated by the Turkish Maritime Administration (TDI) and two by the Turkish State Railways (TCDD). Despite setbacks over the years and still far from reaching Turkey's full maritime potential, the Turkish port industry has grown rapidly in recent years due to of privatizations.

According to Turkstat, some 90% of Turkey's foreign trade volume is conducted via sea transport. As a result, the country's maritime sector is an important component of the national economy; it has also directly benefitted from Turkey's fast rising exports and imports in recent years.

Turkey is a major exporter of cement and building materials. According to the Turkish Cement Manufacturers Association, the country's cement industry ranked first in Europe and fourth in the world in terms of production. Additionally, Turkey ranked first in Europe and third in the world in cement exports in 2011; during the year, despite the civil conflicts that arose in the key cement export market of the Africa region, Turkish cement exports totaled over 14 million tons, with a value of more than US$ 0.9 billion.

Cruise Port Market in Turkey

Spanning two continents and home to a fascinating array of civilizations in its 10,000 year history, Turkey is a paradise for lovers of art, history, archaeology and nature. The country has also become a popular destination for spa and health care tourism. Among Turkey's additional appeals are its "exoticism" and its gateway position to other Mediterranean destinations. According to Ministry of Culture and Tourism data, Turkey received more than 31.5 million foreign tourists in 2011.



While the country's popularity as a tourist destination rises, Turkey hosts more and more cruise ships. The number of tourists arriving in the country by cruise ship exceeded 1.75 million in 2011, about 6% of the total number of foreign tourist arrivals in Turkey, according to the Undersecretariat of Maritime Affairs.

The leading cruise ports in the Turkish market are Ege Ports – Kuşadası (Global Ports Group's first cruise port investment), Istanbul Salıpazarı Port and the Port of Izmir. These ports handled 77% of total calls and 71% of total passengers in Turkey in 2011, according to Undersecretariat of Maritime Affairs data.

EGE PORTS (THE PORT OF KUŞADASI)

Ege Ports – The Port of Kuşadası is located in the town of Kuşadası on Turkey's Aegean Sea coast. The Port is near Ephesus, the widely renowned ancient Greco-Roman city and Turkey's third most visited historic site. The House of the Virgin Mary, a popular pilgrimage site located on Mt. Koressos, is also in the vicinity of Ephesus. These and other nearby attractions help make Ege Ports – The Port of Kuşadası the busiest cruise port in Turkey in terms of vessels received and passenger arrivals. According to G.P. Wild International, Ege Ports was the 16th most visited port of call in the Mediterranean, receiving 662,792 cruise passengers and 62,041 ferry passengers in 2011.

Ege Ports, operated by Ege Liman İşletmeleri A.Ş., was Global Ports Group's first acquisition. In 2003, 30-year operating rights for Ege Ports was acquired by a consortium that includes Global Ports Holding with a 72.5% share and Miami-headquartered Royal Caribbean Cruise Lines Ltd., the world's second largest cruise operator, with a 27.5% share.

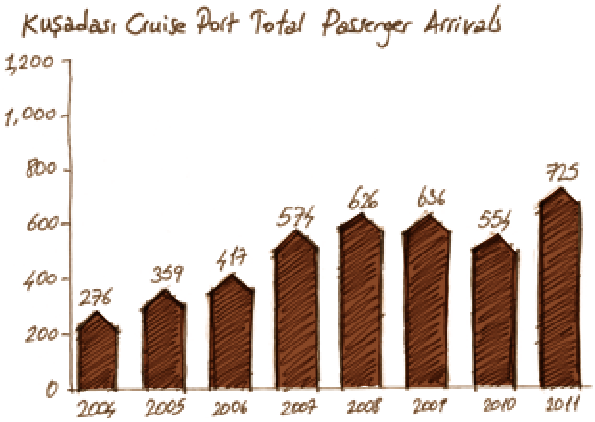
In 2005, Ege Ports completed construction of a new US$ 5.9 million passenger terminal, housing duty-free and office facilities. Additionally, Scala Nuova, an upscale shopping complex that features well-known national and international retail brands as well as local and regional stores, opened that year at a cost of US$ 5.2 million.

Ege Ports can berth up to four large vessels or up to four small vessels and two large vessels. There are also two roll-on/roll-off ramps and a quay to service ferry traffic. The terminal building houses the Scala Nuova retail complex, a duty-free shopping area, first-aid care facilities, and a passenger and crew centre equipped with Internet and international call access. Offices for ship and cruise operators and tour agencies are also located within the terminal facility.

GLOBAL PORTS HOLDING

Global Ports Holding has always placed great importance on maritime and civil security at Ege Ports.

Continuous Investment Enabling Sustainable Growth



Kuşadası Port Cruise Ship Calls

	2007	2008	2009	2010	2011
Cruise Calls	613	646	616	536	578

In addition to participating in leading cruise sector fairs and expositions, the Ege Ports marketing team also conducts highly professional road shows annually to visit all the major US based cruise companies.

US$18.6 million Ege Ports net revenue

Since its acquisition in 2003, the Group has made investments of US$ 25.3 million in Ege Ports while passenger arrivals have increased 377% during that period. After the challenging year experienced by the worldwide cruise sector in 2010 due to the global economic crisis, passenger arrivals at Ege Ports rose 31% in 2011. Other key factors in the continuous growth of cruise passenger traffic at Ege Ports include the growing demand for cruise tourism world-wide; the increasing popularity of Aegean and Mediterranean cruise destinations; and the deployment of larger cruise vessels, with larger passenger capacities.

Ege Ports generates revenues from cruise port and ferry operations, duty free shopping and rental income from retail tenants in the Scala Nuova complex.

Thanks to the rise in passenger arrivals combined with strong performance of its retail business, Ege Ports had net revenues of US$ 18.6 million in 2011, with EBITDA of US$ 14.4 million. Ege Ports' five year revenue-sharing agreement for the operation of duty free shops with Setur, Turkey's largest duty free operator, yielded positive results for the year: revenues generated from duty free shopping at the Port rose more than fivefold in 2011.

Global Ports Holding has always placed great importance on maritime and civil security at Ege Ports – The Port of Kuşadası since assuming control of the facility's operations in July 2003. Ege Ports was the first cruise port in Turkey to qualify as compliant with the International Ship and Port Facility Security Code (ISPS Code).

Ege Ports is currently the first Turkish port operator to be appointed an Executive Member of the Cruise Lines International Association (CLIA) and ECC (European Cruise Council). Since 2007, Ege Ports – The Port of Kuşadası has been recognized with numerous awards and distinctions, including:

- Best Cruise Port in Turkey by the World Newspaper (Dünya Gazetesi Perşembe Rotası) and the Marine News Agency (Deniz Haber Ajansı) (where it competed against 499 other nominees across nine categories) in 2007;
- Best Turkish Port of the Year by Skal, the international association of travel and tourism professionals in 2007;
- First Port in Turkey to be fully compliant with the standards of the International Ship and Port Security, and one of the Best Ports in the World in Security and Safety Services by CLIA in 2007;
- One of the fastest-growing ports by Lloyd's Cruise International Magazine in 2007;
- Cruise Terminal of the Year by Lloyd's 2008 Turkish Shipping Awards;
- Ranked 15^{th} among the leading 30 European cruise ports by G.P. Wild International Ltd. in 2010;
- Nominated Best Cruise Port by the World Travel Group's 2010 World Travel Awards.

During 2011, Ege Ports executed aggressive marketing campaigns, both independently and in coordination with the Turkish Ministry of Culture and Tourism, via a number of international platforms, including Seatrade Hamburg and Seatrade Cruise Shipping Miami. Marketing campaigns, targeting additional cruise lines and calls, have recently been extended to include Bodrum Cruise Port and Port Akdeniz – The Port of Antalya.

Kuşadası Port – Passenger, GRT and Traffic Data (1998–2011)

	2007	2008	2009	2010	2011
Cruise Passengers	466,639	557,515	568,179	491,176	662,792
Ferry Passengers	76,190	68,921	67, 39	62,881	62,041
Total Passengers	**542,829**	**626,436**	**636,018**	**554,607**	**724,833**
Cruise Calls	613	646	616	536	578
Ferry Calls	782	685	714	680	607
Total Calls	**1,395**	**1,331**	**1,330**	**1,216**	**1,185**

GLOBAL PORTS HOLDING

Port Akdeniz is a multi-functional facility spread over a total marine area of approximately 136,000m².

PORT AKDENIZ (THE PORT OF ANTALYA

Port Akdeniz (The Port of Antalya) is located in Antalya on the Mediterranean coast, and is one of the major hubs of the Turkish Riviera. Antalya's location in a mineral rich region makes local production of marble, chromium, cement, clinker and other commodities widespread. The city is also one of Turkey's most popular holiday destinations due to the archaeological and natural riches of the area. The 630 km shoreline of the province is dotted with ancient cities, including Perge and Aspendos, some of the cleanest beaches in the Mediterranean and secluded coves and lush forests. Over 11 million tourists visited Antalya in 2011.

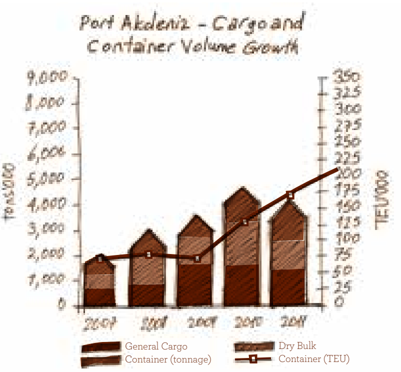
In 2006, a joint venture 40% owned by Global Ports Holding paid US$ 61 million for the 22-year operating rights of Port Akdeniz. As of July 2010, the Group holds 100% of the issued and outstanding shares of Ortadoğu Antalya Liman İşletmeleri A.Ş. (Port Akdeniz - The Port of Antalya) and solely manages Port Akdeniz.

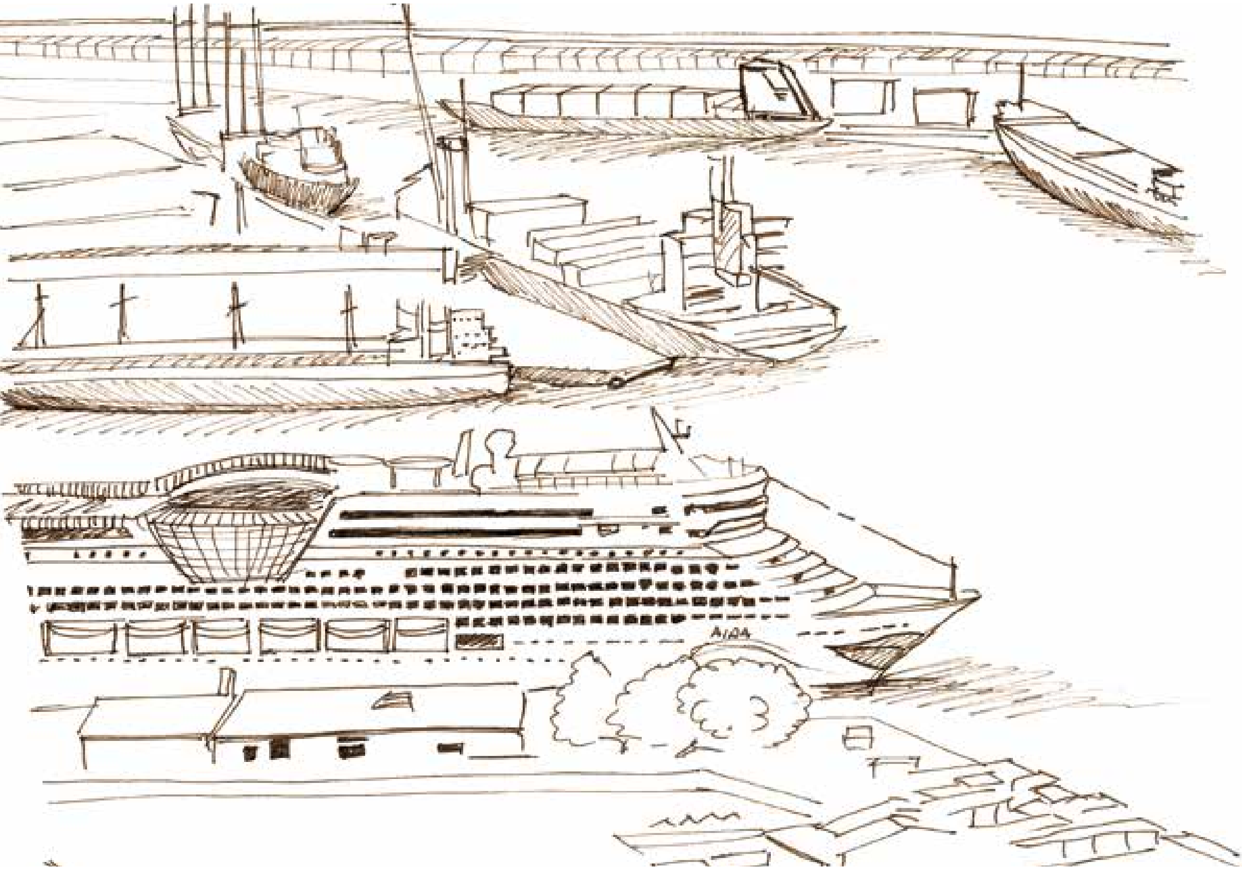
Recognizing the competitive advantages of the geographic location of Port Akdeniz, including its proximity to Antalya International Airport and numerous tourist and historic sites, Global Ports Holding has made significant investments to increase the Port's capacity. Since Global Ports Holding acquired the facility, Port Akdeniz has begun to host larger cruise ships and the number of cruise passengers it serves has steadily increased.

Traditionally operated as a commercial port, Port Akdeniz is a multi-functional facility spread over a total marine area of approximately 136,000 m². The Port has 10 berths, which can accommodate bulk, general and container cargo vessels, and cruise vessels; the Port also includes a marina with a 250 berth and 150 yacht dry-dock capacity. The marina is operated by a new entrant to the marine operations business; this entity acts as a concessionaire, and pays annual rent to the Port operator at the beginning of each year. Rehabilitation of the existing cruise terminal at Port Akdeniz was quickly undertaken in 2009, and the facility was enlarged in 2011. The improvements and expansion were completed to meet the growing operational needs demanded by the rising number of cruise lines which included the Port in their itinerary. The terminal is for the sole use of cruise port operations, including turn-around operations. In July 2011, an agreement with Setur provided for the establishment and operation of a 350 m² duty free shop inside the terminal building.

As a commercial port serving companies in the cement, clinker, coal, aluminium, marble, mining, chemicals and agricultural sectors, Port Akdeniz works to increase its existing dry bulk-general cargo handling and container handling capacities, which are currently about 5 million tons and 500,000 TEU per year, respectively. Since Global Ports Holding assumed operations in 2006, Port Akdeniz's container cargo volume increased by

PORT AKDENIZ
ANTALYA





31%, 73% and 7% in 2006, 2007 and 2008, respectively; additionally, the container handling volume in 2008 reached 67,095 TEU. However, in 2009, due to the global economic crisis, the Port's container handling volume dipped to 63,366 TEU, a 5.5% decrease from the prior year. By 2010, Port Akdeniz doubled its container handling volume to 125,670 TEU. In 2011, container handling volume increased 35% and reached 169,424 TEU Port Akdeniz generated 2.5 million tons of general and bulk cargo in 2011.

In 2011, Port Akdeniz posted total revenues of US$ 43.4 million, a robust 17% rise over the prior year, as a result of capital improvements and increased operational efficiency.

In March 2011, Port Akdeniz received the prestigious "Most Improved Terminal Facilities" award, thanks to the improvements effected in port operations and management within a short period of time. The award was presented by "Dream World Cruise Destinations Magazine" which surveyed top executives in the cruise sector to determine the winner among hundreds of ports and destinations in 15 separate categories for the year 2010.

Port Akdeniz 2007– 2011 Cruise Ship Traffic

Total Volumes	**2007**	**2008**	**2009**	**2010**	**2011**
General Cargo (tons)	589,233	1,002,201	1,603,966	1,544,979	1,243,973
Dry Bulk (tons)	571,808	1,164,711	1,237,763	1,574,993	1,116,952
Container (TEU)	62,980	67,686	63,366	125,670	169,424
Cruise Calls	37	43	25	61	77
Cduise Passengers	15,488	25,017	13,842	138,827	139,795

GLOBAL PORTS HOLDING

Bodrum Cruise Port has the capacity to berth two large-sized or four smaller cruise ships at the same time.

BODRUM CRUISE PORT

Bodrum, located on a peninsula flanked by eastern and western harbours, is one of the most popular holiday resorts in Turkey for both domestic and international visitors. Originally an ancient Carian fishing village, Bodrum is home to one of the world's best-preserved medieval Crusader castles and the oldest theatre in Anatolia; the town also holds the ruins of one of the Seven Wonders of the Ancient World, the Mausoleum of Halicarnassus.

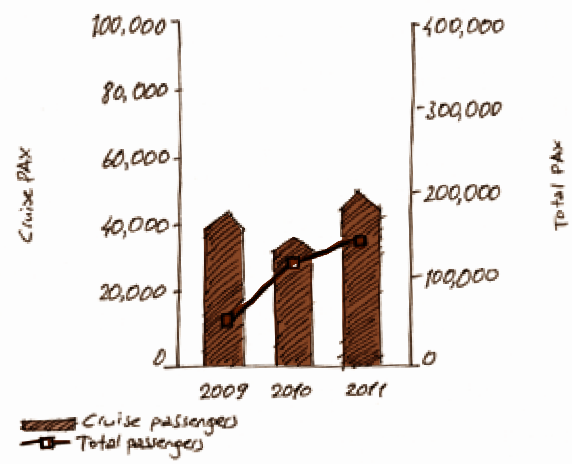
Bodrum Cruise Port has serviced cruise, ferry and mega-yacht traffic around the Bodrum Peninsula, and between Turkey and the Greek island of Kos since it began operating as a privatized port in 2008. The range of amenities and attractions on offer in Bodrum and the surrounding area, renowned for its night-life, beaches, natural beauty and rich history, makes it an attractive new destination for cruise liners.

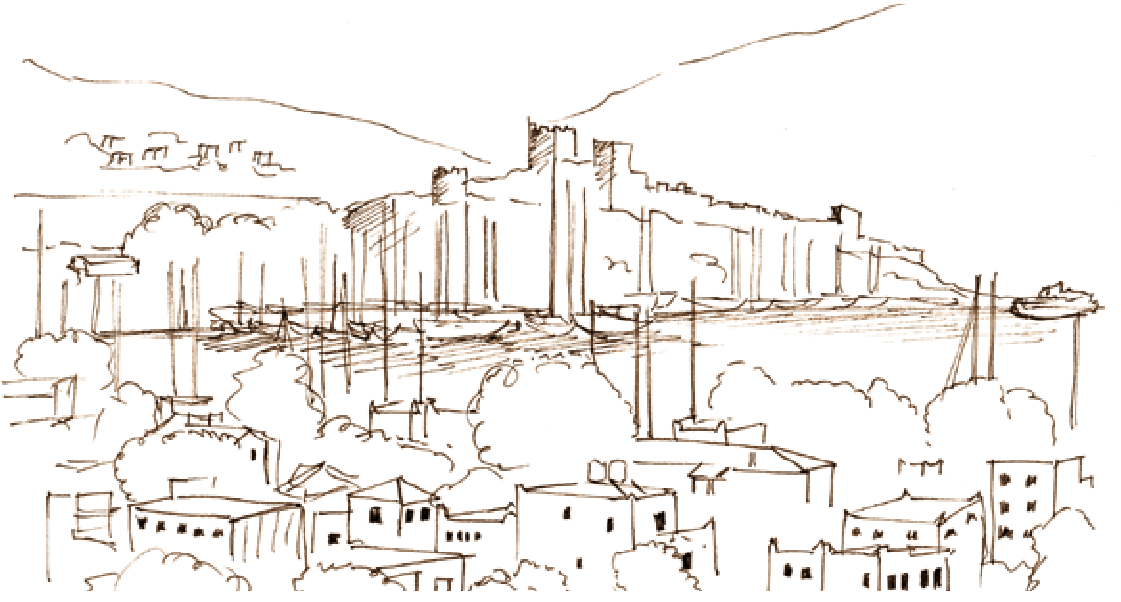
Bodrum Cruise Port was originally tendered by the State Railways, Ports and Airports Construction Administration in September 2003 through a 13 year build-operate-transfer (BOT) agreement. The winning bidder of the original BOT concession was a consortium comprised of ERS İnşaat Sanayi ve Ticaret A.Ş. (ERS), Setur and a local partner. Pursuant to a share sale and purchase agreement in April 2007, Global Investment Holdings acquired 60% of the shares of the Port's operator. The other shareholders of Bodrum Cruise Port are Setur Turistik Servis A.Ş., a duty-free operator beneficially owned by the Koç Group of Turkey, and Yüksel Çağlar, a local entrepreneur, with shareholdings of 10% and 30%, respectively.

Bodrum Cruise Port has a total area of 22,000 m² and the capacity to berth two large-sized or four smaller cruise ships at the same time. The Port also houses three roll-on/roll-off ramps for motorboats in addition to quays to harbor small boats. The terminal building includes a duty-free shopping area, bank, foreign exchange office, travel agency, car rental office, restaurants and lounge. In May 2011, the Port completed its pier extension project which increased the length of the finger pier from 240m to 350m.

Since commencing operations in 2008, Bodrum Cruise Port has quickly become a popular stopover for super and mega-yachts, providing fresh water, power, duty-free fuel and provisions

Bodrum Cruise Port – Total Passenger and Cruise Passenger Figures





to yachting patrons. Global Ports Holding has participated in international promotional platforms, including Seatrade Miami, to raise the Port's profile worldwide.

Since 2009, marketing efforts to promote the Port have accelerated. The World Travel Awards 2011 recognized Bodrum Cruise Port's excellence in the cruise tourism sector with a nomination in the Europe's Leading Cruise Destination category. In addition to participating in international cruise events and major tourism fairs, Bodrum Cruise Port hosted a series of concerts and other events to attract both local and foreign tourists to its facilities while enhancing the social and cultural environment of Bodrum.

Bodrum Cruise Port has initiated a capital expenditure program to increase the Port's appeal to both local tourists and cruise passengers. Bodrum Cruise Port began the installation of marine structures, including trim anchors for hydrofoils and mega-yachts.

Bodrum Cruise Port has also commenced the implementation plans for two mooring dolphins that will enable larger cruise vessels to call at the Port. Additionally, to enhance the accessibility of the Port, water taxi services carry visitors to and from nearby locations.

During 2011, the Port received 85 cruise ship and 641 motorboat calls with 45,914 and 73,136 passengers, respectively. Bodrum Cruise Port generated total revenues of US$ 2.2 million in 2011.

Bodrum Cruise Port 2007– 2011 Cruise Ship Traffic

	2008	2009	2010	2011
Cruise Passengers	2,854	4,836	67,954	73,136
Ferry Passengers	65,501	37,726	31,648	45,914
Total Passengers	**68,355**	**42,562**	**99,602**	**119,050**
Cruise Calls	169	92	101	85
Ferry Calls	12	26	363	641
Total Calls	**181**	**115**	**464**	**726**

GLOBAL PORTS HOLDING

In March 2011, Port Akdeniz-Antalya received the prestigious "Most Improved Terminal Facilities" award.

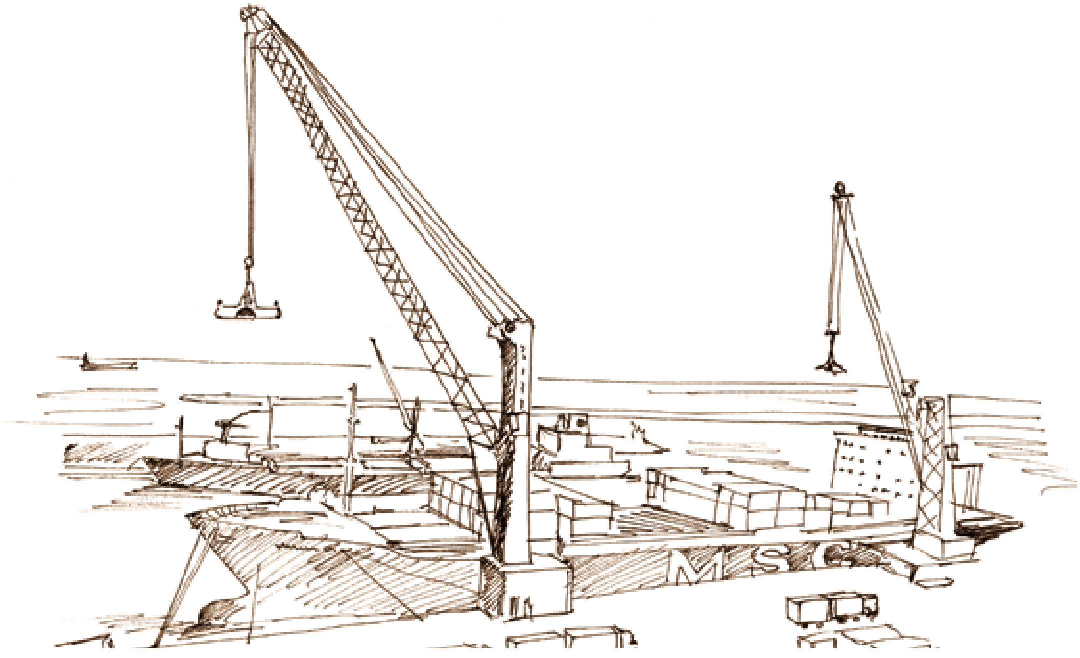
PORT INFRASTRUCTURE DIVISION RECENT DEVELOPMENTS

Awards & Citations

- In July 2007, Ege Ports – Kuşadası Cruise Port was named the Best Cruise Port in Turkey by the World Newspaper (Dünya Gazetesi Perşembe Rotası) and the Marine News Agency (Deniz Haber Ajansı) (where it competed against 499 other nominees across nine categories) in 2007.
- In July 2007, Ege Ports became the only Turkish port operator to become an Executive Member of the Cruise Lines International Association (CLIA), the world's largest cruise association. At its 2007 Leadership Forum in Miami, CLIA also recognized Kuşadası Cruise Port, which was the first port in Turkey to be fully International Ship and Port Security (ISPS) compliant, as one of the best ports in the sector in Security and Safety Services.

122% increase in container volume

- In October 2007, Ege Ports – Kuşadası Cruise Port was named Best Turkish Port of the Year by Skal, the international association of travel and tourism professionals, and received a coveted Skalite Award.
- During 2007, Ege Ports – Kuşadası Cruise Port was also featured in Lloyd's Cruise International Magazine (August/September issue), where it was cited as one of the fastest-growing ports in the industry.
- In January 2008, at the invitation of the Port Authority of Monaco and the Monaco Cruise Services Association (Association Monégasque des Services a la Croisière), Ege Ports' marketing manager spoke about its business model at that Association's Quarterly Cruise Conference. The Association had cited Kuşadası Cruise Port as an example of a well-managed operation.
- In May 2008, Ege Ports was awarded Cruise Terminal of the Year by Lloyd's List in its 2008 Turkish Shipping Awards.
- In December 2008, Bodrum Cruise Port was nominated as the Destination of the Year by Seatrade Insider Cruise Award.
- In August 2009, the Republic of Indonesia's Minister of Culture and Tourism invited Ege Ports – Kuşadası's management to speak about the Port's business model at a workshop regarding the development of cruise destinations in the Asia-Pacific region.
- In 2010, among the 30 leading cruise ports of the Mediterranean region, Kuşadası Cruise Port was ranked 15^{th} by G.P. Wild International Ltd.
- In October 2010, Ege Ports was nominated as Europe's Leading Cruise Port by the World Travel Awards.
- In November 2010, Port Akdeniz – Antalya received the "Logitrans 2010 Logistics Award" at the 4^{th} Logitrans Transport Logistics Exhibition due to the 122% increase in the Port's container volume over the previous years; the Port placed 240^{th} in the global rankings.
- In March 2011, Port Akdeniz – Antalya received the prestigious "Most Improved Terminal Facilities" award, due to its significant progress in port operations and management within a short period of time. The award was presented by "Dream World Cruise Destinations Magazine" which surveyed top executives in the cruise sector to determine the winner among hundreds of ports and destinations in 15 separate categories for 2010.



PORT INFRASTRUCTURE DIVISION TARGET PROJECTS

Turkish and Regional Cruise and Commercial Sea Ports Galata Port (Istanbul): Galata Port, the second busiest cruise port in Turkey in passenger arrivals, extends 1.2 km along the Bosporus Strait and comprises a total land area of approximately 100,000 m^2. Galata Port is ringed by the historic Eminönü, Galata, Karaköy, Topkapı and Fatih districts of Istanbul.

The Company was a member of a consortium that submitted the highest bid in a build-operate-transfer tender for Galata Port in August 2005. The project was envisioned as an extensive urban renewal initiative, which in addition to redeveloping Galata Port into a modern cruise port, was to include tourism facilities, a hotel and shopping complex and other pedestrian and tourist friendly features. The entire Galata Port project was to have been integrated with intermodal transportation, combining the highest international standards of modern design, technology and security with the preservation and restoration of existing historic buildings and monuments on the site.

In early 2006, the Turkish Authorities announced that the tender was cancelled on technical and legal grounds. In February 2010, as the outcome of a tender organized by the Privatization Administration, EFG Istanbul Menkul Değerler-Mag Mühendislik-İşmen Hukuk Bürosu was selected as the advisory consortium to organize the Galata Port tender process which was expected to be finalized by the end of 2010, however the tender has not been announced yet The Company plans to participate in the new tender and is currently monitoring developments in the tender process.

Another target project of the Global Ports Holding is the Privatization Tender for Izmir Cruise Port. Privatization of Izmir Cruise Port on a 46 year concession basis includes upgrading of the currently operational Cruise Port and erection of ad-joint retail, commercial and residential facilities. The Port was previously tendered in May 2007 as part of greater tender, comprising the container, general & bulk cargo and cruise terminals, where Global Ports Holding together with its parent company Global Investment Holdings was part of the winning consortium, comprising Hutchison Whampoa Ltd., Deutsche Bank and Aegean Exporters Association. The tender was later cancelled due to the prolonged judicial process coupled with global economical crisis in 2009. The Commercial Port of Izmir will be expected to re-tender for a contract in September 2012.

Creating value for the future **by remaining strong**

Global Energy holds the Group's interests in natural gas distribution and wholesale trading, compressed natural gas distribution, integrated coal-fired thermal power plant and renewable power generation projects.

With an acute interest in water and its forces, Leonardo Da Vinci calculated the power generated by water flow in rivers, thus laying out the functioning principles of today's hydroelectric power plants. As a scientist keen on transforming all of his theoretical efforts into inventions, Da Vinci developed the first hydraulic crane as a result of experiments involving water.

GLOBAL ENERGY

Global Energy contributed 72.05% of the gross operating revenues of Global Investment Holdings.

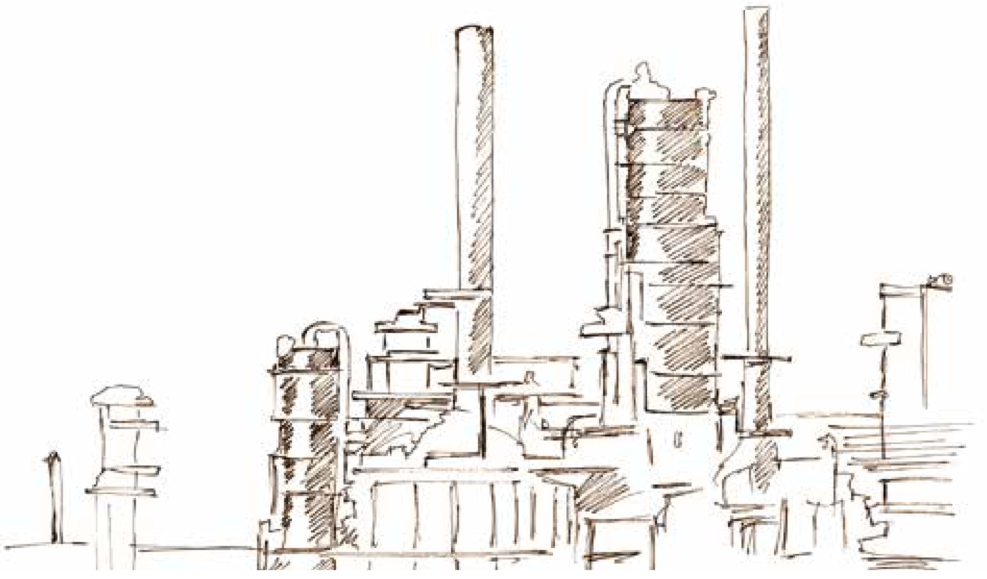
30-Year license for CNG distribution

Global Energy is the main subsidiary of Global Investment Holdings in the energy sector. The Company maintains investments in natural gas distribution and wholesale trading, compressed natural gas (CNG) distribution, integrated coal-fired thermal power generation and renewable power generation. Global Energy currently has 30-year natural gas distribution concessions and licenses in 10 regions in Turkey; 30-year licenses in natural gas wholesale trading; and a newly acquired 30-year license for CNG distribution. The Company is also developing a thermal power generation plant, and is expanding the scope of its energy operations with solar and other renewable energy projects, each in various stages of development.

At present, Global Energy generates revenues solely from its natural gas distribution and wholesale trading and CNG distribution businesses. In 2011, Global Energy contributed 72.05% of the gross operating revenues of Global Investment Holdings.

NATURAL GAS DISTRIBUTION

The history of natural gas in Turkey started in the 1970s with the use of domestic gas in cement manufacturing plants. Natural gas began to penetrate the country's energy market in the late 1980s with its use in residential and



industrial settings in major Turkish provinces. A new era began in 2001 with the enactment of the Natural Gas Market Law; since 2009, the Energy Market Regulatory Authority (EMRA) has completed 53 distribution tenders.

After the creation of an effective legal and regulatory framework for natural gas distribution, private sector investments in the field have followed. Several natural gas distribution tenders were finalized in a short period of time; as they spanned across several geographic areas with very low distribution charges, no issues arose to impede subsequent investments. With this ongoing development, the number of natural gas users continues to rise along with the market penetration rate. However, issues persist in the wholesale market with regard to the implementation of reforms and the creation of a competitive market environment. The Natural Gas Market Law aims to generate real competition in the sector.

The regulatory framework is also important to natural gas distribution and wholesale trading in that the Energy Market Regulatory Authority will set new tariffs after the first eight years of operation. Future liberalization of market activities, other than distribution, may increase competition and present new opportunities, such as increased vertical integration.

EMRA regulates prices in the natural gas market. Consequently, the performance of the Group's natural gas distribution and wholesale trading operations depend heavily on gas consumption and subscriber levels; these factors in turn are affected by economic growth, industrialization and population growth, as well as natural gas prices, alternative energy sources, weather conditions and the seasonality of the business.

The Group's natural gas operations are carried out through Enerji Yatırım Holding A.Ş. (Energy Investment Holding or EIH), which was established in 2004 as a strategic partnership between the Group and STFA Yatırım Holding A.Ş. Global Energy and STFA Yatırım Holding each hold a 50% stake in the Company. STFA Yatırım Holding was founded in 1938, and has developed into one of the leading contracting and construction groups in Turkey.

In connection with the restructuring of the energy operations of Global Investment Holdings under Global Energy, the Group has applied to EMRA for approval to transfer its 50% stake in Energy Investment Holding to Global Energy. On completion of the transfer, Energy Investment Holding will become a direct subsidiary of Global Energy. Currently, Energy Investment Holding's natural gas distribution operations consist of interests held through Energaz in 10 companies holding distribution licenses. Energaz holds majority ownership in the 10 companies and has partnered with various regional municipalities and local businesses, as well as one licensed natural gas wholesale company.

Group management seeks to obtain efficiency gains, including through coordination of its various regions. The Group continues to evaluate and monitor opportunities to expand its regional presence, as well as its wholesale trading, import and transportation operations and compressed natural gas distribution operations.

GLOBAL ENERGY

Energy Investment Holding owns a majority stake in Energaz, a strategic joint venture between Global Investment Holdings and STFA.

Energaz

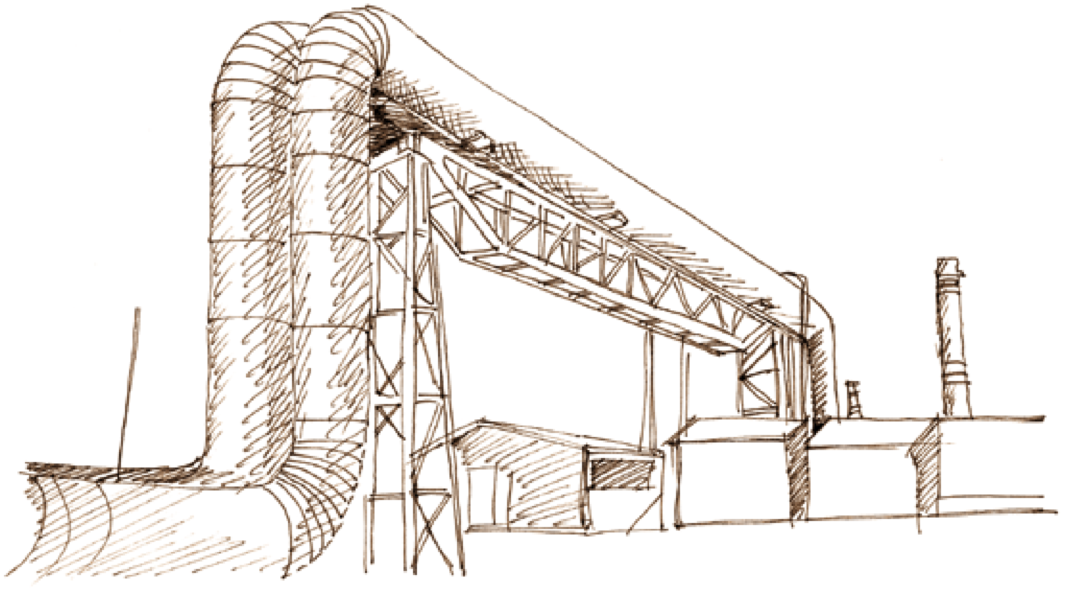
The first energy sector project of Global Investment Holdings Group, Energaz was established in 2006 when the Group, STFA and its local partners acquired from Turkey 30-year natural gas distribution rights to households and industrial facilities in specified concession regions.

The Group operates in the natural gas sector indirectly through Energaz. Energy Investment Holding owns a majority stake in Energaz, a strategic joint venture between Global Investment Holdings and STFA. The Company aims to meet the growing energy needs of the country with a supply of 3 billion m^3/year of natural gas in 10 years.

Energy Investment Holding increased its stake in Energaz from 52.47% to 99% as of August 11, 2011 with the approval of EMRA. The Global Investment Holdings Group now holds a 49.5% share of Energaz after the transfer took place.

Energaz is one of the largest private gas distribution companies in Turkey in terms of number of regions served, with 478,466 and 582,000 subscribers, respectively, in the year ended December 31, 2010 and in the year ended December 31, 2011. It distributed 692 million m^3 and 933 million m^3 of natural gas in the years ended December 31, 2010 and December 31, 2011, respectively.

Energaz is currently the primary shareholder in 10 companies that distribute natural gas to 10 regions in Turkey.



In addition to natural gas distribution, the Group also entered the natural gas wholesale trading business in 2009 to take advantage of the liberalization of the market to vertically integrate its natural gas operations. Medgaz, a subsidiary of Energaz engaged in natural gas wholesale and supply operations, also plans to further increase the Company's wholesale volume in the future and potentially enter into direct import agreements with international suppliers. The objective is to achieve long-term natural gas supply security, and provide feasible gas service to its client base and benefit from additional margins in the mid-stream.

The Group's natural gas distributors have continued to expand their subscriber bases during the reporting year. As of end-2011, subscribers in the Konya and Çorum regions totaled 308,800, up from 261,200 a year earlier. Additionally, subscribers in the Ereğli and Aksaray regions exceeded 65,300 in 2011, compared to 53,700 in the prior year, while subscribers in the Niğde-Nevşehir and Denizli regions rose to 164,900, up from 133,300 in 2011.

The Group's natural gas distributors have continued to expand their subscriber bases during the reporting year.

GLOBAL ENERGY

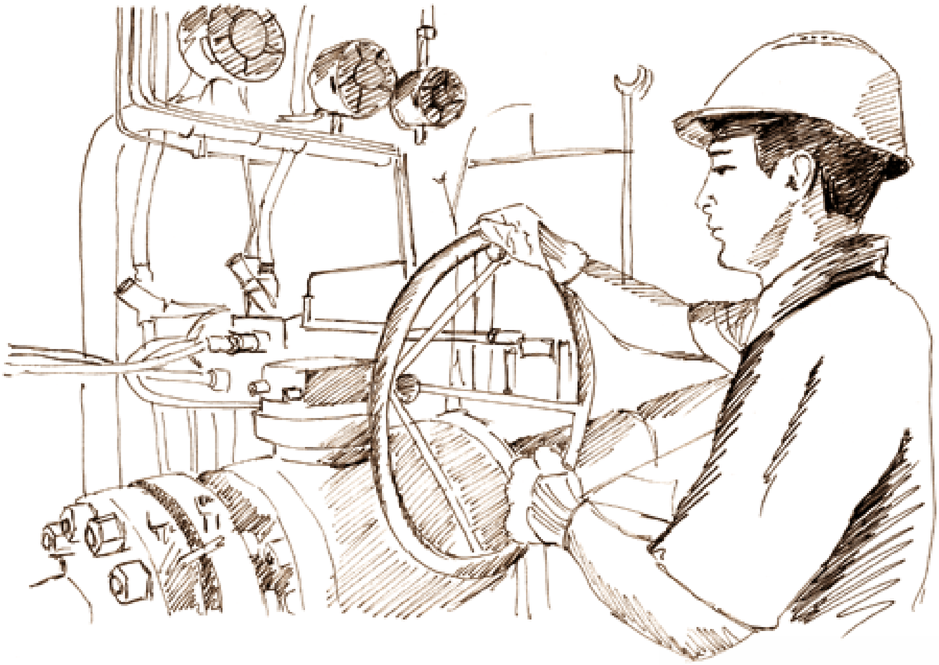
Energaz is one of the largest private gas distribution companies in Turkey in terms of number of regions served.

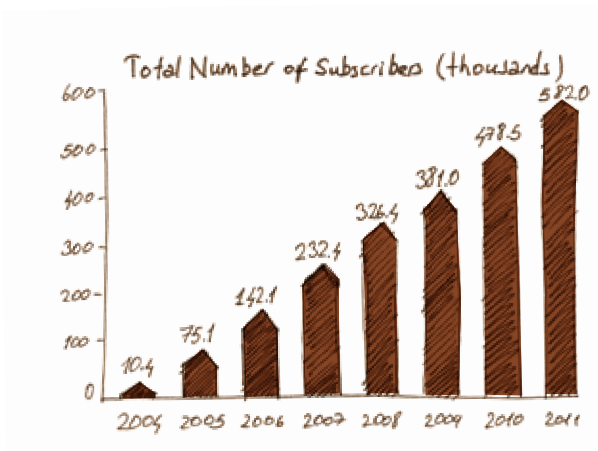
The table below presents estimated population, number of subscribers, natural gas consumption for 2011 for the 10 concession regions in the Energy Division portfolio:

	License date	Initial Mark-up (USD / m³)	Unit Subscription Fee 2012	Security Deposits 2012	Population	Subscribers (k NIU)	Consumption (mn m³)	Steel Network (km)	PE Network (km)	Nr. Of RMS A-B-C Stations
Konya (75%)	2003	0.0068	TL 315	TL 287	1.970,00	223.5	344.0	153	1,316	130
Denizli (90%)	2006	0	TL 315	TL 287	920,000	115.3	190.6	106	753	95
Karaman (90%)	2006	0.0153	TL 315	TL 287	230,000	24.4	66.5	51	228	18
Aksaray (90%)	2004	0.0251	TL 315	TL 287	370,000	41.9	76.7	53	360	27
Nigde - Nevşehir (63%)	2005	0.0104	TL 315	TL 287	620,000	49.3	54.5	50	438	31
Antalya (90%)	2006	0	TL 315	TL 287	1.275,00	2.7	0.1	55	77	7
Ereğli (90%)	2004	0.0183	TL 315	TL 287	175,000	23.1	56.4	28	171	25
Erzincan (90%)	2006	0.0095	TL 315	TL 287	210,000	17.4	18.0	22	181	7
Aydin (90%)	2008	0	US$ 165	TL 287	965,000	0.3	n.a	13	23	5
Çorum (30%)	2004	0.0084	TL 315	TL 287	545,000	83.8	126.6	56	550	35
Medgaz (100%)	2009	Natural gas wholesale license								

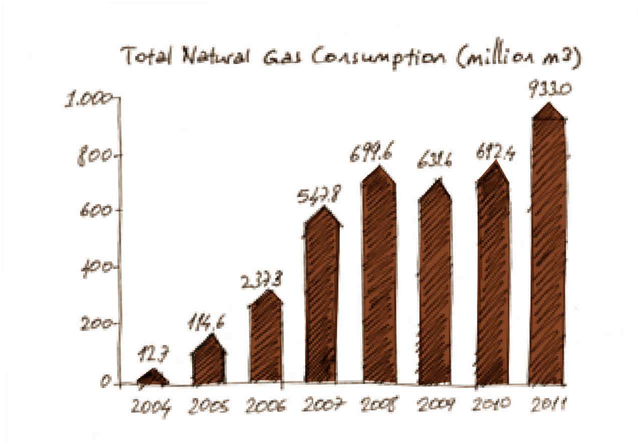
All projects of Energaz were started as greenfield investments

energaz




Total Number of Subscribers (thousands)
600
500
400
300
200
100
0
10.4
75.1
142.1
232.4
326.4
381.0
478.5
582.0
2004
2005
2006
2007
2008
2009
2010
2011


582
thousand
subscribers in
2011


Total Natural Gas Consumption (million m3)
1.000
800
600
400
200
0
12.7
114.6
237.3
547.8
699.6
631.6
692.4
933.0
2004
2005
2006
2007
2008
2009
2010
2011

GLOBAL ENERGY

Naturelgaz is currently one of the largest companies in its sector with a 40% market share.

Energy Investment Holding acquired a 50% stake in Naturelgaz.

Naturelgaz

Naturelgaz

Consolidated revenues of the Group's natural gas distribution companies totaled TL 242 million (US$ 160.3 million) in 2011 compared to TL 261.6 million (US$ 168.8 million) in the prior year. The operating results of all natural gas distribution companies are consolidated in Global Investment Holdings Group's 2011 financial statements.

Naturelgaz Sanayi ve Ticaret A.Ş. is a licensed company operating since 2004. In May 2011, Energy Investment Holding acquired a 50% stake in Naturelgaz.

Naturelgaz is the first company in Turkey to distribute CNG through its mother stations and contracted RMS-As with its investments on both infrastructure and widespread facilities located on high pressure natural gas pipelines. Naturelgaz has the largest CNG Distribution and CNG Stocking infrastructure in Turkey and continues its investments in infrastructure to rapidly make its CNG installations more widespread throughout Turkey. Naturelgaz is both the creator and leader of the Turkish CNG distribution market. Moreover, it is the first and only fuel company to have an R&D department dedicated to diesel and gasoline vehicle conversions and is the first and only company authorized to register CNG to vehicle licenses.

Naturelgaz's core business is the sale and distribution of bulk compressed natural gas (CNG) and the provision of required equipment and installation services for the customer's facilities. Besides pursuing growth in the bulk market, the Company plans to further expand its existing CNG sales business into the transport area by:

- Supplying the technology to convert heavy and mid-sized commercial vehicles including trucks, lorries, buses and minibuses equipped with diesel engines to CNG;
- Completing these transactions through a dealership network; and
- Establishing the re-fueling station network that will cover central and western Turkey and supplying CNG to vehicles.

Bulk CNG distribution service offered by Naturelgaz can also be described as natural gas delivered to the consumers without using pipelines. This service is rendered to all customers located at distances up to 250 km away from mother stations and contracted RMS-As. Naturelgaz deploys bulk CNG distribution system that complies with European standards. This affordable, safe and environment-friendly fuel, is compressed and filled into EU Certified special stocking units that are also in conformity with TSE and European norms. Similar to CNG transport method implemented in European and modern countries, Naturelgaz uses "Euro Swap" system, which is a transport principle unique to CNG carrying and CNG is transported by land to regions where Natural Gas pipelines have not reached.

GLOBAL ENERGY

Naturelgaz started to attract the interest of many municipalities after winning the Bolu municipality tender.

23 trucks & 25,000 tanks for CNG delivery

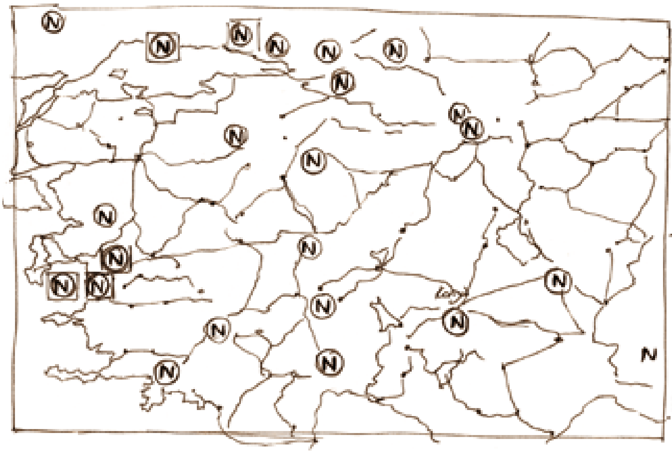
Deployed with ease in all areas of energy use, Naturelgaz's CNG system meets natural gas needs in a wide array like large-scale industrial enterprises, small-scale companies, auto-gas, housing estates, villas, hotels, recreational facilities, generators, forklifts, etc.

Naturelgaz mainly supplies directly from BOTAŞ and through gas purchases from regional distribution companies. Parallel with the liberalization of the natural gas wholesale market, the Company started to enter into direct supply agreements with private natural gas importers to supply natural gas and benefit from higher margins.

The Company's CNG business operates under licenses issued by EMRA, including six CNG sales licenses. The licenses are for six existing mother station locations in Bursa, Sakarya, Izmir, Aydın, Bolu and Antalya. One CNG transmission and distribution license grants the Company the right to distribute CNG within Turkey without any regional restrictions. Naturelgaz also owns 23 trucks and about 25,000 tanks for delivery of CNG to its customers from the mother stations.

Naturelgaz started to attract the interest of many municipalities after winning the Bolu municipality tender. The Bolu tender was for the use of CNG as fuel for in-city transportation and garbage trucks. Until the end of 2012, Naturelgaz aims to participate in five additional municipality CNG station tenders once the processes are initiated. Naturelgaz's facilities conform to EU standards and are equipped with ISO 9001 compliant systems and hardware.

The Company's CNG business operates under licenses issued by EMRA, including six CNG sales licenses.



Stations & Expected Start of Operations	
2012	2013
Adana	Afyon
Antalya	Ankara
Antalya Airport	Antep
Aydin-Soke	Balıkesir
Bolu	Istanbul-Asian Side
Bursa	Istanbul-European Side
Eskişehir	Izmit
Manisa	Konya
Nevşehir	Kütahya

Naturelgaz plans to expand its existing bulk CNG sales business into the road transportation sector by launching the conversion of diesel engines to CNG engines. CNG consumption by heavy duty vehicles and buses is a relatively new concept for the Turkish transportation industry and Naturelgaz aims to gain a first-mover advantage in this nascent, high growth potential market.

Diesel-CNG conversion software and applications have been completed for many engine models of brands such as Mercedes, BMC, Ford, Isuzu, Iveco, etc. which are commonly used in the Turkish market. New engine models which are requested to be converted as per customer demand, shall be made available as a result of 3-month software and testing to be conducted in cooperation with the Italian NGV Motori company. The CNG distribution fleet of Naturelgaz comprises of trucks and towing vehicles that have been converted to work with CNG and have been working with system for more than 4 years.

Naturelgaz is the sole authorized company for the CNG conversion of diesel motor vehicles. In order to register CNG conversion to the license of the vehicle, Naturelgaz opened courses and offered training for creating a network of dealers in 7 regions of Turkey as a result of 5-year R&D and 2-year infrastructure studies. As a result of such efforts, Naturelgaz has become the first company to acquire the authorization from the ministry to register CNG to vehicles licenses. Thanks to the conversion systems that it has been developing, NGV Motori enables diesel engine-powered vehicles working at sites like shipping, excavation, intercity transportation, inner-city transportation, to run on natural gas. All the equipment provided by NGV Motori for use in Diesel-CNG conversion are produced in Italy and are in full conformity with ISO 9001 and ECR-R 110 standards. Naturelgaz offers training and conversion equipment to its chosen CNG conversion stations.

In 2011, Naturelgaz posted total revenues of US$ 10 million with EBITDA of US$ 2.1 million.

For 2012, Naturelgaz is expected to generate US$ 23 million in revenues with EBITDA of US$ 4.7 million.

GLOBAL ENERGY

Turkey's installed electricity generation capacity reached 53,211.1 MW at year-end 2011.

In December 2011, Global Energy signed an engineering, procurement and construction (EPC) contract for the construction of the power plant, and an Operations and Maintenance (O&M) contract, with a Chinese company.

POWER GENERATION

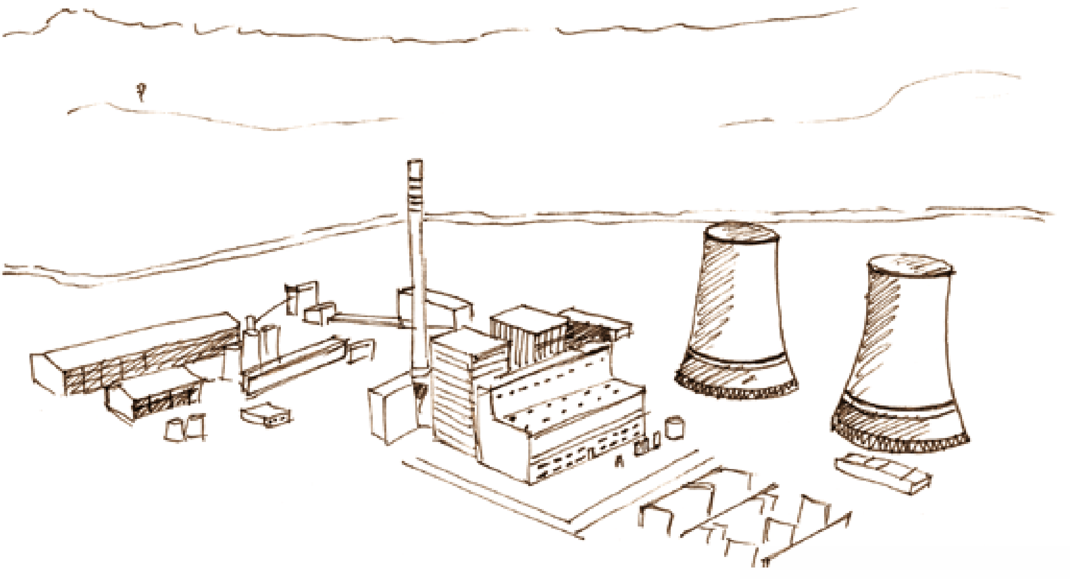
The Turkish electricity market is undergoing an extremely dynamic process that includes the urgent need for investment to meet fast rising demand fueled by rapid economic growth and increasing wealth. Turkey's energy demand has increased the most rapidly among OECD countries over the last decade. According to Ministry of Energy and Natural Resources projections, the country's demand will continue to rise in the medium term at an average rate of 7.5% per year.

Turkey's installed electricity generation capacity reached 53,211.1 MW at year-end 2011. To meet the projected level of demand, the country should double its existing electricity supply in the next 10 years. Therefore, the formation of competitive energy markets and more involvement of private companies in increasing electric generation capacity are two of the most critical issues Turkey's energy sector must address.

Relatively new topics of concern such as energy efficiency and carbon policies have started to impact the sector during this reporting period. Developing and evolving conditions in the sector bring forward new types of businesses and prompt investors to adopt new approaches and restructure their human resources. As a result, Global Investment Holdings Group plans to continue investing in electricity generation projects while mainly focusing on renewable and domestic energy.

Galata Energy (Şırnak Thermal Power Plant Project)

Galata Energy is developing a 2 x 135 (270) MW circulating fluidized bed boiler thermal power plant in southeast Turkey, Şırnak, where the Company holds a 49-year power generation license issued by the Energy Market Regulatory Authority. Galata Energy plans to source the coal required for the proposed power plant from the asphaltite mine owned by Geliş Madencilik, 80% shares of which is held by Global Energy, under a long-term supply agreement. Currently, excavation in the field is carried out through open pit mining which results in a relatively lower unit cost per ton of coal excavated compared to other mines in general.



Geliş Madencilik currently holds a 30-year concession to operate eight known phylons in the region. The Company is now extracting coal from one of these phylons, Avgamasya. According to the analysis made in the phylon, there is an asphaltite reserve of 40 million tons, enough to supply the required asphaltite for the power plant for 30 years. The results also indicated that the coal from the phylon has one of the highest calorific values observed in Turkey, at 4,000-4,500 kcal per kilogram of coal.

In December 2011, Global Energy signed an engineering, procurement and construction (EPC) contract for the construction of the power plant, and an Operations and Maintenance (O&M) contract, with a Chinese company, CNEEC (China National Electricity and Engineering Company). CNEEC will also take over a 10% stake in the power plant and will be responsible for the operation and maintenance of the power plant for the first four years. The agreement calls for the construction of a coal-based thermal power plant in Şırnak using circulating fluidized bed boiler (CFBB) technology.

Construction of the initial 270 MW thermal power plant capacity, the first phase of a long-term investment process, will commence in second half of 2012; this phase is scheduled for completion in 30 months. Once operational, the power plant will generate 2.0 billion kWh of electricity per year. The first phase of the project requires total investment of US$ 350 million and is expected to provide employment for 2,500 people.

Global Energy plans to conduct further reserve assessment studies for the remaining seven phylons in the license area. Given the potential of the remaining seven phylons, the reserves in the mining field are thought to be sufficient to supply up to 2,000 MW of the installed thermal power generation capacity. Global Energy will continue with the phases of the project to utilize the full capacity and complete about US$ 2.0 billion in investment in the region in the coming years.

2.0 billion kWh planned electricity generation

Generation

- Annual gross generation: 2,000 GWh
- Annual net generation: 1,750 GWh

GLOBAL ENERGY

Global Energy plans to evaluate opportunities in renewable energy, including hydro, wind, geothermal and solar generation.

ENERGY DIVISION RECENT DEVELOPMENTS

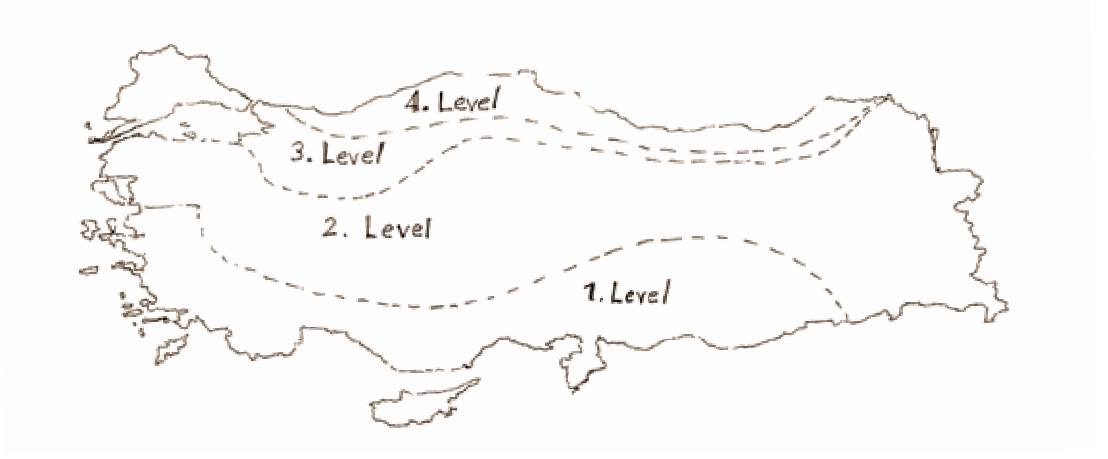
- In December 2011, Galata Energy and China National Electric Engineering Co., Ltd. (CNEEC) signed an engineering, procurement and construction contract and an operation and maintenance agreement through which CNEEC undertakes the construction, operation and maintenance of the Şırnak Power Plant.
- In August 2011, Energy Investment Holding increased its stake in Energaz, the primary entity holding the Group's interests in natural gas operations, from 52.47% to 99%.
- In May 2011, Energy Investment Holding acquired a 50% stake in Naturelgaz, a licensed CNG company, from Ahmet Çalık and Çalık Enerji Sanayi ve Ticaret A.Ş. for TL 16 million and US$ 565,000, respectively.
- In 2010, the Group signed a memorandum of understanding with a leading European entity, to evaluate solar power investments in Turkey.

99%
the Group's interests in natural gas operations

ENERGY DIVISION TARGET PROJECTS

Renewable Energy Projects
Although Global Energy's primary strategic focus is the development of the Şırnak coal-fired power plant, the Company recognizes the importance of a well-balanced and diversified power generation portfolio that also includes high-growth, renewable energy sources in Turkey.

To this end, the Company plans to evaluate opportunities in renewable energy, including hydro, wind, geothermal and solar generation. The Company will grow its asset base by selectively pursuing both green-field and brown-field investment opportunities as they arise in privatizations and in private sector transactions.



Solar Energy Projects
With excellent geographic conditions for generating wind, solar and geothermal power, Turkey has started a major renewable energy and energy efficiency program that targets increasing its clean energy share to 30% of its power supply by 2023 - the 100th anniversary of the Turkish Republic.

Solar energy potential evaluations made by EIE, based on the data collected by the State Meteorological Services from 1966 to 1982, indicated that Turkey has great potential with:

- Average annual insolation duration of 2,640 hours (7.2 hours/day),
- Average annual solar radiation of 1,311 kWh/m^2-year (3.6 kWh/m^2-day).

The revised renewable energy law, governing the generation of energy from renewable resources, passed the Turkish Grand National Assembly on January 3, 2011. According to the law, renewable energy plants will be subject to guaranteed electricity sales prices of between US$ 7.3 and US$ 13.3 per kWh. Companies that use solar power will receive the most support with a guaranteed tariff rate of US$ 13.3 per kW/h. The law also provides additional support for companies with generation facilities that use equipment and components manufactured in the domestic market. These incentives for using local equipment may add US$ 0.4 to US$ 2.4 per kW/h to the tariff rate for a period of 10 years.

Global Energy's objective is to become a market pioneer in solar power project development in Turkey. To achieve this goal, the Company, together with a leading Europe-based investor and system integrator, began to identify suitable project locations for solar power generation in Turkey and to conduct the studies required to obtain a generation license.

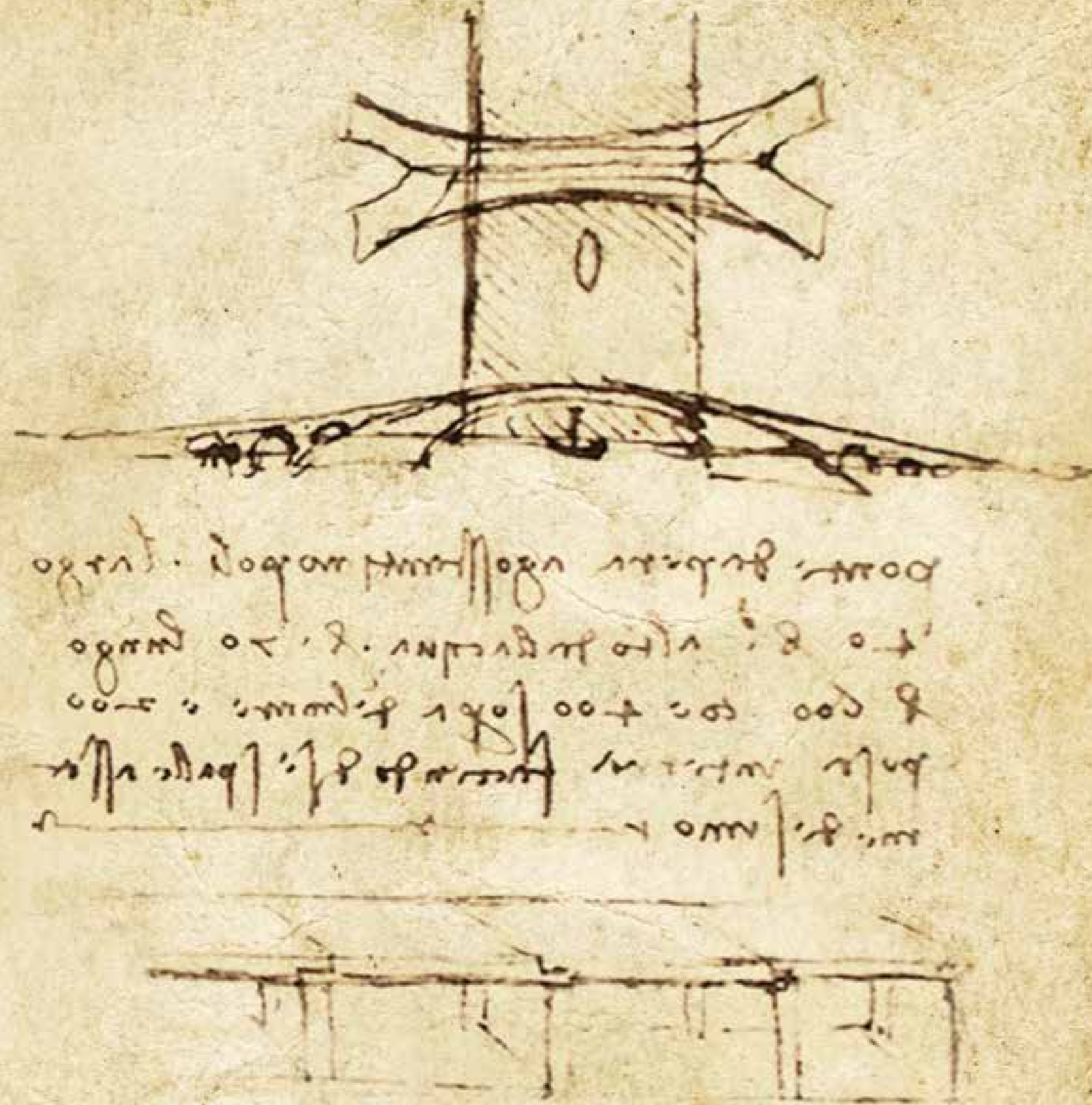
In conjunction with its partner, Global Energy has developed a portfolio of 25 solar power plant projects located mainly in eastern and southeastern Turkey - within the 1st and 2nd level regions in terms of solar radiation as shown on the map above; combined, the projects have a total generation capacity of 450 MW. Preliminary designs, yield calculations and initial lease agreements for the land parcels have mostly been completed; license applications for some of the projects are expected to be completed by the first quarter of 2013 in parallel with the tender processes.

Global Energy has developed a portfolio of 20 solar power plant pojects.

Creating value for the future **with courage**

In 2011, Denizli Sümerpark AVM opened its doors.

Construction started in the first phase of the new project including 608 unit.



In 1502, Leonardo Da Vinci designed a bridge across the Golden Horn, and later presented his design to Sultan Beyazıt II in a letter. Although the project did not materialize back then, this bridge with modern and lean lines can finally be constructed today. Da Vinci had also designed an excavator and channel digging machinery, thus considerably accelerating the construction business of the time.

GLOBAL REAL ESTATE

The real estate market in Turkey performed well in 2011.

PERA
GAYRİMENKUL YATIRIM ORTAKLIĞI

Turkey's real estate market is currently in a highly enviable position. The sector's fundamentals are sound thanks to a high-performing economy, the strength of the banking system, relatively high employment, increased industrialization, rapid population growth, rising urbanization, buoyant foreign direct investment and social housing investment by the government's Housing Development Administration.

The real estate market in Turkey performed well in 2011. Despite the sluggishness in the global economy and rising oil prices, the Turkish economy entered 2012 with strong growth momentum.

The country's GDP rose 8.5% in 2011, the second highest economic growth rate in the world after China, in a year when many economies recorded slow growth or recession. Throughout the year, investors in the Turkish market stepped up their activities due to these positive economic developments and increased their presence in the real estate and construction sectors. However, there is a risk of a new global economic downturn, which would lead to a slowdown in business activity and loss of consumer confidence, both of which could threaten real estate market fundamentals.

In the shadow of the global crisis, Turkey's construction and real

estate sectors achieved sustainable growth in 2011; during the year, the construction sector grew 10%. However, domestic demand for housing slowed over the course of the year mainly due to increased borrowing costs. A significant rise in foreign investment after the adoption of a legal framework providing for foreign ownership of Turkish real estate, which reached US$ 2 billion as of end-2011, contributed to the sector's positive performance during the year.

The housing sector expanded in 2011 thanks to new project start-ups, a rising number of permits issued and increased demand for housing loans. Housing prices and home rentals continue to show limited increases during the year though the pace of growth in housing loans decreased as the year progressed. Still, the annual growth rate in housing loans was 32% by the end of the third quarter of 2011.

However, the number of new housing loans dropped sharply in the third quarter of 2011 to 75,053, the lowest level in the last eight quarters. The total value of housing loans extended was TL 5.33 billion, again the lowest in eight quarters.

The shopping center concept, although well established in major cities such as Istanbul, Ankara and Izmir, is still relatively new for the rest of the country. However, rising demand for modern shopping centers in smaller cities has led to a rapid increase in the number of new malls across Turkey.

Economic and population growth in Turkey's smaller cities, the widespread availability of undeveloped land and the lack of supply in quality, organized retail space have led to investment in these locations. Further development of the retail sector in Turkey's smaller cities is expected to continue in the coming years.

Additionally, new and sophisticated shopping areas, as opposed to the existing retail stock in many of these cities, draw higher rents and attract new retailers. As a result, these factors make the smaller cities of Anatolia very attractive for local and foreign investors who have already participated in shopping center projects elsewhere in the country and want to expand their presence in Turkey's retail environment. For these reasons, Global Investment Holdings places great importance on the mixed-used Sümerpark Project in Denizli.

In 2011, Turkey saw the launch of 32 new shopping malls; in the coming year, an additional 45 are expected to open. Gross leasable area (GLA) totaled 7.5 million m^2 with addition of 1.1 million m^2 in 2011. Revenue generated from shopping malls totaled TL 39.2 billion in 2011, up 14% over the prior year. For 2012, shopping mall revenue is expected to climb to TL 48.5 billion. By the end of the coming year, Turkey is forecast to have 340 shopping malls with a total GLA of 9 million m^2, up 1.5 million m^2 from 2011.

The housing sector expanded in 2011.

GLOBAL REAL ESTATE

Pera REIT's portfolio consists of investments with a special emphasis on urban renewal projects and renovation of historic buildings.

Pera REIT is primarily engaged in investment in real estate projects, real estate based rights and capital market instruments.

608 residental Suites units

PERA REIT AND JOINT REAL ESTATE PROJECTS

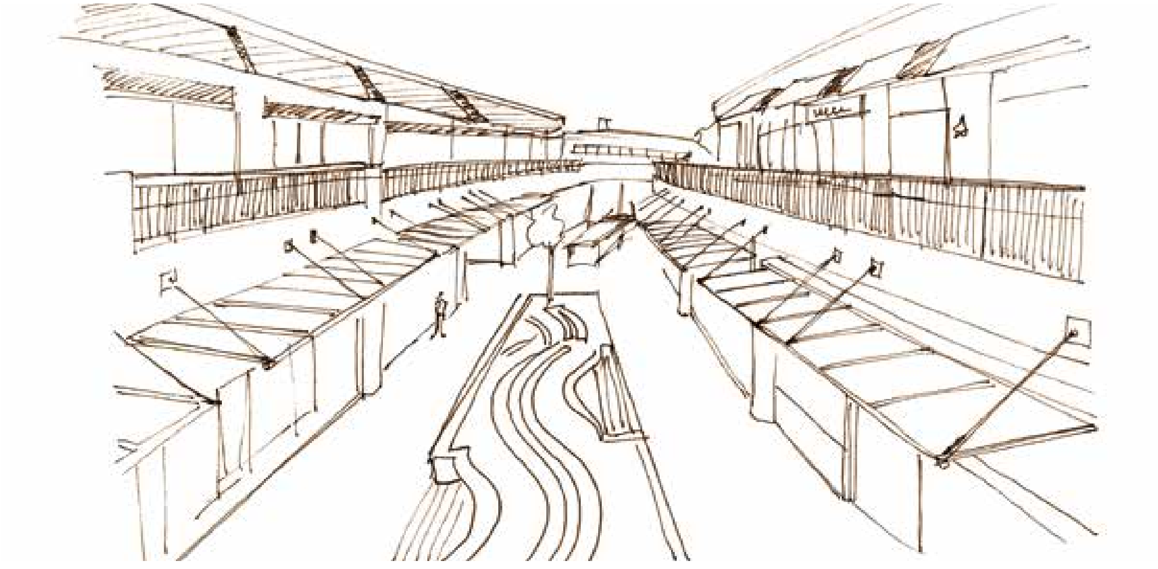
Pera REIT, one of 23 real estate investment trusts traded on the Istanbul Stock Exchange, was established by Global Investment Holdings to conduct the Group's real estate sector investments. These investments include: i) commercial projects in Istanbul; (ii) multi-use commercial development projects, including shopping malls, office complexes, residential units, hotels and/or hospitals in Turkish cities where Group management has identified untapped demand for such developments; and (iii) high-end summer residence and hotel development projects in resort areas. Until Pera REIT was converted into a real estate investment trust by Global Investment Holdings in September 2006, it had been managed as a closed-end fund.

Pera REIT is primarily engaged in investment in real estate projects, real estate based rights and capital market instruments. A dedicated team of professionals, who are experienced in tourism and real estate investments, was assembled to manage the Company's investment portfolio.

Pera REIT is based in Istanbul and the Company's portfolio consists of investments with a special emphasis on urban renewal projects and renovation of historic buildings. The Company actively pursues real estate tenders from the Ministry of Tourism, the Metropolitan Municipality, and the Privatization Administration. Pera REIT places competitive bids with its local or international strategic partners through flexible partnership models.

The Company develops its real estate portfolio and makes investments in real estate backed capital market instruments in compliance with the objectives and scopes defined in the Capital Markets Board's regulations governing real estate investment trusts. Pera REIT's portfolio investment policies and management restrictions fully comply with Capital Markets Board regulations and other relevant legislation.

Two of the Group's real estate investments, the historic Vakıfhan No. 6 building, and Denizli Sümerpark, the REIT's first real estate investment, are held solely through Pera REIT, an ISE-listed real estate investment trust.



Pera REIT, like other real estate investment trusts which benefit from incentives, including exemption from corporate tax, is subject to rigorous corporate governance regulations. In addition, Pera REIT offers the most attractive real estate investment vehicle for institutional and individual investors alike. Twenty-three REITs were listed on the Istanbul Stock Exchange, with an aggregate market capitalization of approximately TL 12.7 billion (US$ 10.7 billion) as of end-2011.

Since 1992, 100% of the Company's shares have traded on the Istanbul Stock Exchange under the ticker symbol PEGYO.IS. As of year-end 2011, the net asset value of Pera REIT was over US$ 120 million.

Vakıfhan No. 6

Vakıfhan No. 6 is located in Karaköy, north of the Golden Horn on the European side of the Bosporus; the area is one of the oldest and most historic districts of Istanbul.

The Group, with a joint venture partner, assumed possession of the building through a restore-operate-transfer (ROT) agreement signed with the General Directorate of Foundations in February 2005 for a period of 15 years. Subsequently, Pera REIT acquired the lease rights to Vakıfhan No. 6 from the Company's joint venture partner; the building was transferred to Pera REIT in October 2007.

The rehabilitation and restoration of Vakifhan No. 6 as offices was completed in August 2006. As of year-end 2011, the six-story building, with a total indoor area of 1,700 m^2 and gross leasable area of 1,500 m^2, was fully occupied. The building, which is used as office space and also houses a restaurant, generates US$ 300,000 in rental income per year for the Group.

Denizli Sümerpark

Located in inland southwest Turkey, Denizli is not only a major center for textile production in the country but also a tourism center. It is near the ruins of several ancient cities, including Hierapolis, Tripolis and Laodicea; additionally, nearby Pamukkale, which is unique in the world with its travertine rock formations and thermal springs, attracts many domestic and international tourists. Denizli is also one of the most important cities of the Aegean region with its growing population, which totaled 942,278 as of 2011.

In February 2006, the Company and a partner acquired a tract of land with a net area of 98,418 m^2 in the city of Denizli. Pera REIT purchased the Company's 50% interest in the project in October 2006, and subsequently acquired full ownership in the fourth quarter of 2007.

The Denizli Sümerpark project, undertaken by Pera REIT, is a mixed-use development that includes a shopping mall, 608 residential units, a hotel complex and a hospital.

Sümerpark Shopping Mall is the flagship of the development, which is conveniently located along the Izmir – Denizli highway.

GLOBAL REAL ESTATE

Global Investments Holding has been contributing to efforts of restoration and reparation in Van since the first day of the catastrophe.

The Sümerpark Mall, which has 34,500 m^2 of gross leasable area, opened to the public in March 2011. The Mall currently has well-known anchor tenants that include Tesco Kipa, Electroworld and Tekzen under long-term leases of up to 25 years. The Mall also includes complementary fashion retailers and food court tenants; the retail center currently has a 91% occupancy rate. In 2011, the Mall received 4.5 million visitors.

Sümerpark Evleri housing project is scheduled for completion in three phases. The first phase, the two apartment blocks under construction, will be delivered to owners in June 2012. Pera REIT plans to complete all phases of the project, composed of 608 housing units in total, within three years. Rough construction of two blocks of the first phase which consists of 154 units is nearly complete and the sales process started in September 2011.

Negotiations continue for the hotel and hospital investments with leading operator companies in their respective sectors.

Van Land Development

Van is an important commercial center and a transportation hub for animal hides, grains, fruits, vegetables and other products, regionally and with neighboring countries, including Iran, Iraq and Armenia. The city is an air and ground transportation hub for the country's southeastern area cities such as Bitlis, Hakkari, Siirt and Muş.

Located on the eastern shore of Lake Van, the city of Van has numerous significant points of interest including Lake Van, Akdamar Island, Hoşap Castle, Sarduri Palace and the Church of the Holy Cross. These sites offer visitors the opportunity to see unique remains of the historic Urartu, Armenian, Seljuk and Ottoman civilizations.

Van Province has a population estimated at more than 1 million, with the city center home to over 400,000 residents. Yüzüncü Yıl University, which enrolls more than 18,000 students, is located in the city.

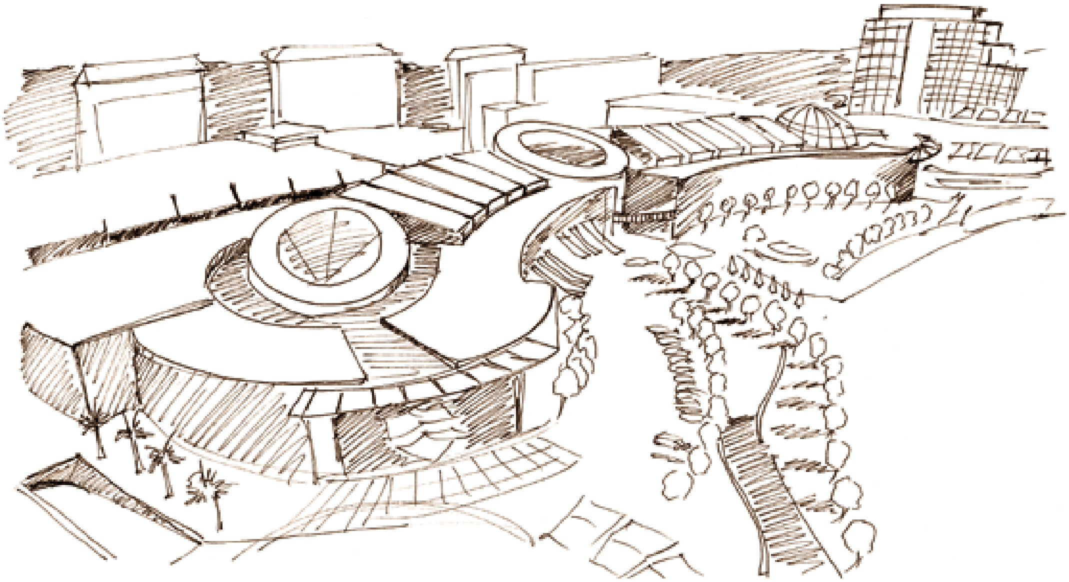
In February 2008, Pera REIT and the Company won the tender for a 16,611 m^2 land parcel located on a main commercial street in Van. In December 2010, Pera REIT sold its stake to Global Investment Holdings for TL 4,570,000.

The development plan for the Van land parcel envisages a mixed-use project that includes a shopping center with a gross building area of 44,700 m^2 and an approximate gross leasable area of 20,140 m^2; an underground parking garage with a 360-car capacity; and a 130-150 room international-standard four-star hotel. Van Province currently lacks a modern shopping center; additionally, existing hotel accommodation in the city is generally outdated and caters to low and medium budget travelers. The Group's development project is expected to be a landmark both in concept design and location.

The planned shopping center is a supermarket-anchored mall, reflecting the local economic dynamics of potential retail tenants and customers. The mall will also include shops, a family entertainment center, a cinema complex and food court units.

In 2009, the development project's plans, and applications for construction permits were submitted to the chambers of architects, civil engineering and mechanical engineers for approval; in addition, the construction permit for the shopping mall was obtained.

However, the earthquake which hit Van and caused mourning across Turkey in 2011 inevitably had a negative impact on Global



Investment Holdings' Van Project. The Group plans to resume its efforts to bring the project to completion as soon as the traces of the earthquake on the city and locals are erased. Global Investment Holding has been contributing to efforts of restoration and reparation in Van since the first day of the catastrophe.

Aqua Dolce Resort

Situated at the crossroads of three continents in the Mediterranean, the island of Cyprus has a rich history and a perfect climate for vacationers. The Turkish Republic of Northern Cyprus (TRNC) offers visitors ideal opportunities for relaxation, water sports and exciting exploration along its beautiful coastline. The country also has numerous ancient archeological sites as well as medieval era castles.

Maya Tourism LTD, in which Pera REIT holds a 50% stake, initiated the Aqua Dolce Resort project in 2007. Aqua Dolce Tourism & Recreation World was named after the natural springs around the project site.

The project entails the development of a tract of land of approximately 260,000 m², on the coast at Tatlısu, Kyrenia in the Turkish Republic of Northern Cyprus. With less developed and lower-priced tourism and real estate markets than the southern part of the island, Global Investment Holdings management believes that TRNC offers highly attractive investment opportunities, particularly as efforts to resolve political issues relating to Cyprus are in progress.

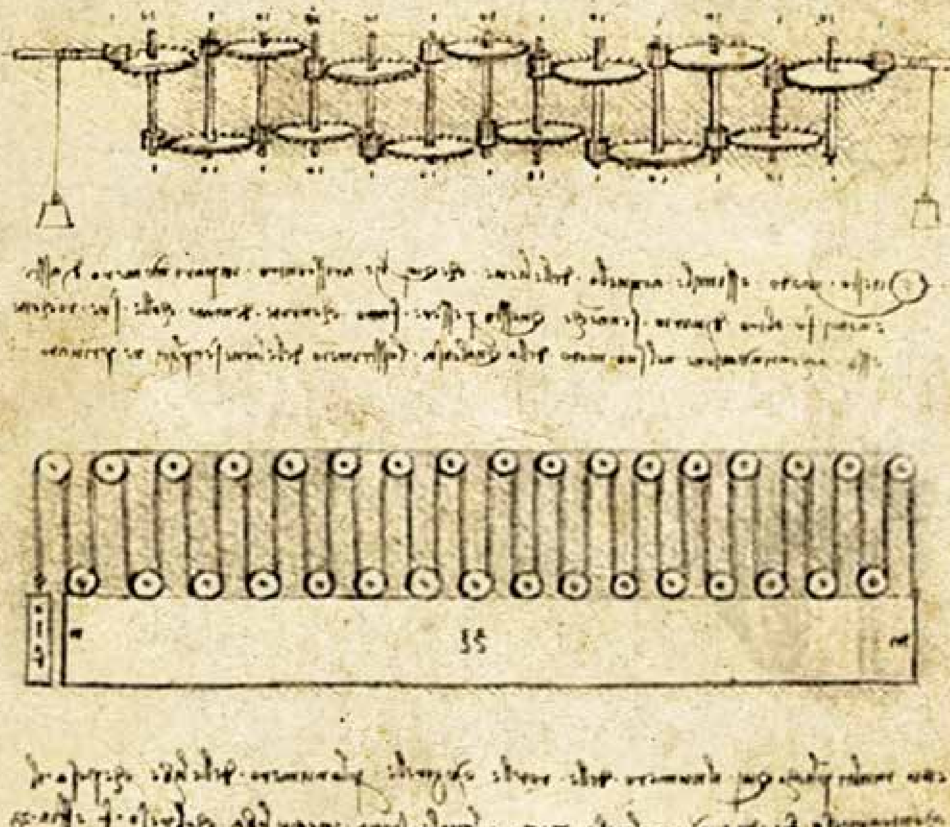
Aqua Dolce Tourism & Recreation World, aiming to attract vacationers seeking a unique Mediterranean experience, will bring a new dimension to the luxury holiday concept. An area of approximately 60,000 m² is to include a 5-star hotel with 300 rooms; in addition, the hotel will have extensive facilities offering varied and high-quality options that meeting all the requirements of holiday, business and entertainment travelers. At the heart of the resort is the Casino, which will offer a wide-range of gaming opportunities. Aqua Dolce Tourism & Recreation World will also include conference facilities with varying capacities designed to serve seminars, company meetings and occupational meetings; a spa center, a sports center, and swimming pools; cafes, restaurants, bars; and outdoor sports facilities.

REAL ESTATE DIVISION RECENT DEVELOPMENTS

- Pera REIT, completed Sümerpark Shopping Mall, the first phase of the Sümerpark Project, one of the largest urban renewal initiatives in the Aegean region. Having opened in March 2011, the Mall was designed by Concept-I Design Inc. and has 34,500 m² of gross leasable area. The Mall's anchor tenants include Tesco Kipa, Electroworld and, Tekzen.
- In September 2011, at the completion of the rough construction of the first phase of 154 housing units, the sales process started. Completion of the first phase is scheduled for June 2012.

Creating value for the future **with innovations**

Global Securities ranks 13th among all brokerage houses and non banking houses 6th in Turkey with a market share of 2.30%



Leonardo Da Vinci is considered as the first person to conceptualize a mechanical calculator. Illustrations discovered in 1962 in a library in Madrid revealed the designs of an elaborate calculator based on Leonardo Da Vinci's decimal system. Although it is unknown whether this design ever became reality back then, recently a prototype of the machine has been constructed based on these illustrations and the calculator was seen to function properly.

GLOBAL FINANCE

Global Securities facilitates transactions on the NYSE and NASDAQ for the local investor.

GLOBAL SECURITIES

GLOBALPORTFÖY

Due to the reforms instituted in Turkey's economy after previous crises, in particular a restructuring of the management and auditing system, the Turkish financial sector has outperformed those of both developed and developing countries in recent years. Despite the adverse effects of the continued decline in profit margins and the rise in non-interest expenses in the second half of 2011, the Turkish financial sector's capital adequacy ratio is still well above legal requirements and targets and, as a result, the sector has maintained its strong capital structure.

Although Turkey's financial services sector has become highly competitive, the Group differentiates the well-established brand name of Global Securities and its reputation for quality in the market by emphasizing its top caliber research and exemplary client service.

GLOBAL SECURITIES

Founded in 1990, Global Securities quickly established itself as a leader in Turkey's capital markets and became the first stock brokerage to be listed on the Istanbul Stock Exchange (ISE). In 2004, when Global Investment Holdings became an investment holding company, it spun off its brokerage and related businesses to a new, wholly-owned subsidiary: Global Securities. Global Securities provides securities, corporate finance, portfolio management services and derivative trading services to international and domestic clients.

In addition to its local portfolio management subsidiary, Global Securities has subsidiaries in the US and Kazakhstan. As the first Turkish NASD and SEC licensed brokerage house, Global Securities facilitates transactions on the NYSE and NASDAQ for the local investor.

An initial public offering of Global Securities shares was held on the primary market of the ISE via book building and sale with variable price method in July 2011. At the end of the sales process, the Company's shares equivalent to TL 10 million of its nominal value were sold with a unit stock price of TL 1.65.

In 2011, Global Securities ranked 13th among all brokerage firms, with a market share of 2.33% and equity trading volume of TL 32,403 billion.

While net brokerage commissions of Global Securities reached TL 16.8 million, its aggregate equity trade volume was TL 32,403 billion in 2011.For 2011, Global Securities posted total gross revenues of TL 27.9 million, operation profit of TL 2.9 million and net profit of TL 2.4 million.

Global Securities aims to maintain its market leadership position, and to improve upon it going forward, by meeting the financial return and service quality expectations of its clients and by remaining a highly reputable and trustworthy institution in Turkish capital markets. To this end, Global Securities established in May 2011 IEG Global Kurumsal Finansman Danışmanlık A.Ş., a joint venture with IEG (Deutschland) GmbH, one of Europe's leading independent and investment banking houses. The objective of this JV is to become a leading corporate financial consultancy company in Turkey.

In 2011, Global Securities ranked 13th among all brokerage firms, with a market share of 2.30% and equity trading volume of TL 32,403 billion.

Global Securities aims to maintain its market leadership position.

GLOBAL FINANCE

Global Asset Management is the manager of nine open-end mutual funds launched by the Global Securities since 1992.

GLOBAL ASSET MANAGEMENT

Global Asset Management, Global Investment Holdings' dedicated subsidiary for domestic asset management, is one of the independent, non-banking affiliate asset management companies in Turkey.

Turkish asset management companies are generally affiliated with banks or bank-owned brokerage firms. Due to the vertical integration in the sector mostly created by commercial banks, penetration to pension funds, corporate clients and high-net-worth individuals are dominated by bank-owned asset management companies. Global Asset Management, in this highly competitive environment, stands as one of the largest independent asset management companies considering its asset size and client base.

Global Asset Management is the manager of nine open-end mutual funds launched by the Global Securities since 1992. In addition to the existing funds, Global Asset Management also manages discretionary funds on a contractual basis for corporate accounts and high-net-worth individuals.

As of January 1st 2011, Capital Markets Board of Turkey has limited annual management fees of funds with a maximum of 3,65% and this effects 6 funds managed by Global Asset Management. These 6 funds were charged annual management fees with a rate of 5,475% annually.

Global Investment Holdings and Azimut Group, one of the Europe's leading independent asset manager, had decided to join forces for an aggressive growth on Turkish Market. Established in 1986 in Italy, Azimut is one of European leading independent asset managers with a global reach. Azimut has an excess of 150,000 clients who - with the support of 1,400+ financial advisors - have invested more than USD20bn in more than 60 investment products across multiple strategies and asset classes managed by several Teams in Italy, Luxembourg, Ireland, Switzerland, Monaco, Turkey and China.

This partnership will breathe new life into Turkish capital markets introducing a new class of investment products in Turkey with the unparalleled advantages of investing in multiple asset classes with daily liquidity, periodic coupon payments, multiple unit classes, exposure to international markets and active risk management.

Moreover based on Azimut Group expertise around the world, Global Securities will provide the highest international standards for financial advisory and accompany clients along their investment decisions in an exclusive relationship.

GLOBAL FINANCE

Global Securities signed an agreement with IEG (Deutschland) GmbH, one of Europe's leading independent investment banking houses, to establish a new corporate financial consultancy company as equal partners.

FINANCE DIVISION RECENT DEVELOPMENTS

• Initial Public Offering of Global Securities

Global Securities launched an initial public offering on the ISE in June 2011, raising TL 16.5 million. Global Investment Holdings sold by way of a rights issue of a 60% majority stake in Global Asset Management to Azimut Holding in August 2011, for a total consideration of TL 3.8 million

• Joint Partnership with IEG

Global Securities, a wholly owned subsidiary of Global Investment Holdings, signed an agreement with IEG (Deutschland) GmbH, one of Europe's leading independent investment banking houses, to establish a new corporate financial consultancy company as equal partners.

The joint partnership incorporated under the name IEG-Global Corporate Financial Consultancy Company. The Company will provide financial advisory services to a range of corporate customers, including small and medium enterprises, on mergers and acquisitions, equity and debt financing and privatization transactions.

The capital structure of IEG-Global is 50-50% joint ownership. The market leading position and expertise of Global Securities in Turkish capital markets combined with the international presence of IEG - Investment Banking Group will create a powerful force to capitalize on the huge growth potential of the Turkish corporate finance market.

The Joint partnership incorporated under the name IEG-Global Corporate Financial Consultancy Company.

The joint venture also targets other markets with high growth potential: branches are planned for Asia, the Gulf region, South America and the west coast of the US. IEG-Global aims to become the leading corporate finance house in Turkey.

• Global Asset Management Joins Forces with Azimut Holding
Global Investment Holdings and Azimut Group, one of the Europe's leading independent asset manager, had decided to join forces for an aggressive growth on Turkish Market. Established in 1986 in Italy, Azimut is one of European leading independent asset managers with a global reach. Azimut has an excess of 150,000 clients who - with the support of 1,400+ financial advisors - have invested more than USD 20 billion in more than 60 investment products across multiple strategies and asset classes managed by several Teams in Italy, Luxembourg, Ireland, Switzerland, Monaco, Turkey and China.

With the transaction concluded in February 2012, AZ International Holdings SPA acquired 60 percent share of Global Asset Management with a capital increase. AZ International Holdings SPA also acquired a 5 percent share of Global Securities, and it's being planned to carry out the distribution and marketing activities for the portfolio management products.

Global Investment Holdings and Azimut Group, one of the Europe's leading independent asset manager, had decided to join forces for an aggressive growth on Turkish Market.

SUBSEQUENT EVENTS

Exchange and Issuance of New Notes

In December 2011, under an asset & liability exercise, Global Investment Holdings executed an exchange program of the current Loan Participation Notes, which was initially issued by Deutsche Bank Luxembourg S.A. in 2007 with a nominal value of US$ 100 million maturing on July 2012. Of the US$ 100 million, US$ 39.3 million of the notes were exchanged with new notes maturing in June 30, 2017. The new notes offer a coupon rate of 11%.

Global Asset Management's Partnership with Azimut Holding SpA

Global Asset Management, an affiliate of Global Investment Holdings, and Luxembourg-headquartered AZ International Holdings SA, a subsidiary of Azimut Holding, which is the largest independent Italian asset management company with a portfolio € 16 billion, have established a partnership for asset management and product marketing. The partnership creates one of the largest independent

BOND TABLE

	New Notes	Old Notes
Issuer	Global Investment Holding Anonim Şirketi	Deutsche Bank
Expected Issue ratings	B- (stable outlook) by Fitch Ratings Ltd.	B- (stable outlook) by Fitch Ratings Ltd.
Status	Direct issue; unsubordinated, unsecured	LPN (Loan Participation Note)
Principal amount:	TBD	US$ 100,000,000
Coupon	11.0 p.a., fixed rate	9.25%
Maturity	30 June 2017	31 July 2012
Repayment	Bullet	Bullet
Listing	London Stock Exchange	Luxembourg
Law	English	English
Jonint Lead Managers	Mitsubishi UFJ Securities International, UBS Investment Bank	N.A.

Turkish asset management and distribution networks. The necessary authorization from the Capital Markets Board and the Competition Authority as well as the approval of the Company's General Assembly have been received. As of March 15, 2012, AZ International Holdings SA holds 60% of Global Asset Management, which was previously 100% owned by Global Investment Holdings, through a capital increase.

Within the scope of the agreement, AZ International Holdings SA, which holds a 5% stake in Global Securities from the IPO, also has a call option for three years to acquire 5% of the shares of Global Securities annually, up to a maximum of 20%.

Share Repurchase Program

On April 2, 2012, the Group's Board of Directors resolved to implement a share repurchase program. The reasons for the share buyback program include: the Company's shares on the ISE trading at a steep discount to their net asset value as a result of the impact of the economic crisis which especially affected Europe; the listing price not accurately reflecting the actual performance of the Company's operations; and an inability to meet the profit distribution expectations of our shareholders because of legislative restrictions. As a result, the Board of Directors of the Group resolved as follows, in accordance with the resolution of the Capital Markets Board dated August 10, 2011 No. 26/767:

- The repurchase of 22,500,368 shares with a nominal value of TL 22,500,368 - 10% of our paid-in capital of TL 225,003,687,45 - to a maximum amount of TL 30,000,000. The buyback period will be 18 months starting as of date of this resolution.
- The Company will fund the repurchase program from its own Company's resources and from revenue generated from its operations.
- The share repurchase is to be executed within the nominal vales of TL 0 and TL 2.
- There will be no resale of the repurchased shares; they will be held for a maximum of three years, and at the end of this period, the shares will be cancelled through a capital decrease.
- The Company will seek the approval of the General Assembly for the share repurchase program.

General Assembly

In the General Assembly which was held in May, the Articles of Association was amended according to the new Corporate Governance Communiqué by Capital Markets Board of Turkey (CMB). In addition to Amendments to the Articles of Association, we welcome our new Board Member Oğuz Satıcı (Independent Board Member).

On April 2, 2012, the Group's Board of Directors resolved to implement a share repurchase program.

INVESTOR RELATIONS

The Global Investment Holdings Group has a transparent relationship with its investors.

The Group is committed to increasing both shareholder and customer satisfaction by adopting and adhering to world class corporate governance and investor relations guidelines.

Investor relations micro website is established.

The Global Investment Holdings Group has a transparent relationship with its investors and provides timely communications to them. In order to comply with the Capital Markets Board provisions, the Group is committed to increasing both shareholder and customer satisfaction by adopting and adhering to world class corporate governance and investor relations guidelines.

In line with the Group's commitment to timely public disclosure and transparency, investor relations are managed by a dedicated Investor Relations Department, which handles the daily information flow to the investment community.

In 2011, the Group's Investor Relations Department responded to numerous investor requests via phone, email, social media and postal services; additionally, the IR Department proactively contacted relevant financial institutions with relevant and important news updates. The Department also established an investor relations micro website, to expedite handling of investor queries to the Group.

All current and potential investors are encouraged to contact the Group at investor@global.com.tr. And visit the new IR website at ir.globalyatirim.com.tr

Investment Message

Global Investment Holdings is positioned not as a traditional holding company but rather as a listed private equity firm that invests in promising sectors where competition is not yet intense. The Group develops and manages a portfolio with forward-looking investments in unsaturated industries that create high added value and generate high returns.

The factors that differentiate Global Investment Holdings and make the Group appealing to potential investors include:

- Global Investment Holdings serves as a pioneer in newly established sectors. Shareholders are able to indirectly invest in the country's growth sectors that have little or no competition, so other investment intermediaries are limited.
- The Group achieves its objectives through forward-looking, strategic investments. The Group strives to, "Initiate a business at the right time and exit at the right price."
- As a result of its forward-looking approach to investment, the Group's portfolio generates high equity internal rate of return (IRR).
- Global Investment Holdings is transparent and provides timely and thorough communications to its investors. The Group also complies with the Capital Markets Board Corporate Governance Principles; in addition, the Group is listed on the Corporate Governance Index with a significantly high rating.

Global Investment Holdings serves as a pioneer in newly established sectors.

THE GLOBAL INVESTMENT HOLDINGS GROUP CORPORATE CITIZENSHIP

Global Investment Holdings targets to widen its support to education throughout Turkey.

The Global Investment Holdings, continuously contributes to and sponsors educational, charitable, cultural, social and sporting causes, projects and events.

Global Investment Holdings and its subsidiaries are committed to improving the numerous communities of which they are a part. To that end, the Group continuously contributes to and sponsors educational, charitable, cultural, social and sporting causes, projects and events. Prioritizing contributions to education among its social responsibilities, Global Investment Holdings in 2007 sponsored a nationwide Elementary Schools Study Books Support Campaign organized by a national newspaper. The Group also contributed to a project run jointly by UNICEF and the Ministry of Education to construct two classrooms in Şanlıurfa-Harran.

Targeting to widen its support to education throughout Turkey, the Group, through subsidiary Global Ports Holding, completed in 2009 the construction of Erzincan University Refahiye Occupational High School İzzet Y. Akçal Refahiye Student Dormitories comprised of 40 separate units in three blocks. In addition to donating clothing, text books and supplies to the elementary school of Muş Beşçetak village, the Group has also donated computers to numerous schools. Group subsidiary Ege Ports, in collaboration with the Ministry of Education, completed the construction of Adnan Menderes University Tourism and Hotel Management College. The College, since opening its doors in 2009, prepares qualified human resources for the Turkish hospitality industry, while contributing to the cultural richness of Kuşadası and its environs. Another subsidiary of Global Investment Holdings, Pera REIT completed construction of a 32 classroom elementary school in the town of Denizli in December 2010.

Ege Ports has undertaken numerous initiatives to benefit its home city Kuşadası.

In 2012, with the aim of contributing children's personal and educational development, Global Investment Holdings established the library of Şırnak Ipekyolu Primary School. Furthermore, the Group donated computers to Istanbul Dumlupınar Primary School for students, in parallel to its corporate citizenship approach.

Ege Ports has undertaken numerous initiatives to benefit its home city Kuşadası and the area around the Port since commencing operations in 2003. Its contributions to the community, in addition to the Adnan Menderes University Tourism and Hotel Management College, have included the donation of computer and other equipment to local schools, funding to rehabilitate local beaches, and technical assistance to Turkish state-run institutions. Further to donations to various charities and regular support to those in need, Ege Ports also sponsored local motor sports clubs and provided financial support for the replantation of forest land damaged by fire.

Ege Ports has also organized, and has made its piers and other facilities available for, various public concerts and other social, sporting and cultural events. These include celebrations during the holy month of Ramadan, Mothers' and Fathers' Day, as well as traditional events such as camel rides and an annual fishing derby.

After Van earthquake in October 2011, Global Investment Holdings undertook to organize 4,000 school kits consisting of school supplies to students, especially in highly damaged areas of the city.

Global Investment Holdings management believes that by engaging in philanthropic undertakings, the Group can make a valuable contribution toward promoting Turkey and improving, and fostering the growth of, the local and national social, cultural and economic environment for the benefit of the country and its citizens.

CORPORATE GOVERNANCE

The Global Investment Holdings Group Corporate Governance

The Global Investment Holdings Group continues to pursue its corporate governance initiative implemented in 2006 to further formalize and institutionalize the governing principles of the Company and the Global Investment Holdings Group.

Further to that review, action was initially taken to strengthen the independence of the Board of Directors by increasing its complement of non-executive members.

While the Company continues to make annual reports on corporate governance compliance to its General Assembly and to the CMB, the Corporate Governance Committee, assisted by legal counsel, has been given the mandate to prepare a comprehensive corporate governance policy which will be formally adopted by the Board in due course. The members of the Corporate Governance Committee are Jerome Bayle (Chairman of the Committee) and Ayşegül Bensel (Member of the Committee).

Aside from the Corporate Governance Committee, the Audit Committe, too, functions in an efficient manner. The members of the Audit Committee are Adnan Nas (Chairman) and Serdar Kırmaz.

The Company made significant headway with regards to public disclosure in the year 2011; public disclosure policies were updated and some were reformulated.

The corporate website was redesigned to allow shareholders rapid access to the data they need and thus became much more comprehensive.

The corporate website was redesigned to allow shareholders rapid access to the data they need

GLOBAL INVESTMENT HOLDINGS CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

1. Statement of Compliance with Corporate Governance Principles

Global Investment Holdings ("GIH") accommodates and pays utmost attention for executing the Corporate Governance Principles published by the Capital Markets Board of Turkey ("CMB"). With the aim of adopting this approach, the Company handles studies at the Board of Directors level.

In line with this, a Committee, including three Board of Directors, was established to carry out the necessary restructuring studies in the organizational structure and the Articles of Association of the Company. The requirement of incorporating at least two Independent Members in the Board of Directors, which is stipulated by the Company's Corporate Governance Principles, has been fulfilled.

Shareholders can find the comprehensive and updated information on GIH's website, also they can ask their questions to the Investor Relations Department by phone, e-mail and through social media.

GIH continue to necessary revisions by examining the website and the annual report in more detail in terms of Corporate Governance Principals. The Board of Directors, senior management and all employees of GIH have always supported the adoption of the Corporate Governance Principles within the Company at every stage of the process.

Reasons for non-complied Corporate Governance Principles

The Company's Articles of Association contain no provisions stipulating that material decisions such as "demergers and share exchanges, buying, selling, or leasing substantial amounts of tangible/intangible assets, or donation and grants, or giving guarantees such as surety ship, mortgage in favor of third parties" are required to be taken at a General Meeting. The underlying reason is that the nature of the business in which the Company is involved requires it to buy, sell, and lease quite frequently. Having to hold a General Meeting every time such a transaction takes place is considered to be impossible and so no such article has been included in the articles of association. This practice is refrained from in order to ensure that deals are made quickly and to prevent opportunities from being missed.

The preferred stock groups in our Company's Articles of Association were created before its IPO and our Company is not authorized to amend these privileges. Within this scope, our privileged shareholders made an application to CMB in July 2010 in order to abrogate this privileges but CMB took a decision to reject this application in November 2010.

That the Articles of Association entitle shareholders to appoint a special auditor, and that there is no additional provision on minority rights: Regarding this matter, our company is of the conviction that the framework provided for by the Turkish Commercial Code and the CMB regulations is ample.

Cumulative voting: The Company does not make use of the cumulative voting method. However, the representation to be provided by cumulative voting on the Board of Directors is achieved by the presence of independent members on the Board.

MEHMET KUTMAN
Chairman

SERDAR KIRMAZ
Executive Board Member

GLOBAL INVESTMENT HOLDINGS CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

GLOBAL INVESTMENT HOLDINGS

I. SHAREHOLDERS

2. Investor Relations Unit

2.1 Structured as a holding on 01.10.2004, our Company complies with the legislation, Articles of Association and other Company regulations on the matter of exercise of shareholder rights and takes necessary measures to facilitate the exercise of these rights.

2.2 During the process of our Company's becoming a holding company in October 2004, "Investor Relations" subject had a priority; for this reason Investor Relations Unit was established in the Organization Scheme.

Information on the department that handles GIH's relations with shareholders is presented below:

Department Director: Selran Baydar
Address: Rıhtım Cad. No: 51 Karaköy 34425 Istanbul
Phone: +90 212 244 60 00
Fax: +90 212 244 61 61
E-mail: investor@global.com.tr

Main activities carried out by the Investor Relations Directorate are summarized below:

- Ensuring that shareholder records are kept accurately, reliably and up-to-date;
- Responding to written information requests from shareholders, unless the requested information is publicly unavailable, confidential or a trade secret;
- Taking necessary measures to ensure that the General Assembly meetings are held in compliance with legislation in force, the Company's Articles of Association and other Company regulations;
- Preparing the documents that will be beneficial to shareholders for General Assembly meetings;
- Ensuring that meeting minutes are sent to shareholders;
- Monitoring and overseeing every aspect of the public disclosure process for compliance with legislation.

2.3 In addition to the foregoing, the tasks below, performed within the structure established in 2005, will be carried on by the Investor Relations Unit in tandem with the Financial Affairs and Finance and the Law Unit.

- Responding to written or verbal information requests from shareholders,
- Preparing the Company's investor presentation and updating regularly,
- Updating the Investor Relations part in the Holding's website,
- Arranging investor information meetings abroad,
- Managing investor visits in six months periods,
- Announcing quarter financial reports to the investors via teleconference or e-mailing,
- Organizing analyst meetings in parallel with the Private Public Disclosures made to ISE.

2.4 Since August 2005, consequent to the roadshows realized with different brokerage houses, meetings are organized with investors, either by visiting or hosting at the headquarter of the Company.

3. Exercise of Shareholders' Right to Obtain Information

3.1 Queries, other than those relating to trade secrets and undisclosed information, received from shareholders and analysts by the Capital Markets and Investor Relations Department by letter, phone, email and other means are answered in the fastest and most effective way possible upon contacting the relevant person with the highest authority on the related matter. Furthermore, current and retrospective information and developments relating to GIH that are of interest to shareholders are regularly communicated to the concerned parties by the corporate website both in Turkish and English languages. They are also regularly communicated to those registered to our database via emails.

3.1 A large number of information requests received by GIH in the relevant period were answered.

3.2 The related Board Member works in coordination with the responsible units regularly to inform the shareholders.

3.3 Concerning the use of the rights of shareholders in 2010, any complaint was conveyed to our Company or there wasn't any examination/investigation about our Company including the request for the appointment of a special auditor.

4. Information on General Assembly

4.1 The Ordinary General Assembly meeting of shareholders regarding the Company's 2010 activities was held on May 27, 2011. The Company's share capital as of the date of the meeting, 32.16% was represented at the Ordinary General Assembly meeting.

4.2 The invitation for the meeting including the meeting date and agenda has been made within due time as set out in the law and the Company's Articles of Association by being published in the Turkish Trade Registry Gazette, two national newspapers and ISE daily bulletin. There is no timeframe specified for the holders of registered shares, entered in the stock ledger, as regards to the participation in General Assembly meetings. Holders of shares traded on the ISE communicate their attendance to the General Assembly no later than one week prior the date of meeting, pursuant to Article 360 of the Turkish Commercial Code, and get the pass for the meeting.

4.3 Before the General Meeting, the annual report and financial statements and reports, independent audit reports, profit distribution proposal, information document about General Assembly agenda articles and other documents, final version of Articles of Association, Amendments to the Articles of Association -if there will be a change in the Articles of Association- were made available for the inspection of shareholders at the Company's headquarters. Agenda and Amendments to the Articles of Association are announced by the method mentioned in 4.2.

4.4 In the General Assembly meeting, shareholders used their rights to ask questions and all questions were answered by Board of Directors. Besides no offer was made to add an article to the agenda.

4.5 Forms of proxy statements are announced using the announcement methods mentioned under 4.2 for those who intend to be represented at the general assembly meeting by proxy.

5. Voting Rights and Minority Rights

5.1 There are four different types of shareholders in our Company's capital, (A), (D), (E) and (C). Shares in Groups (A), (D) and (E) have privileges, and shares in Group C have no privilege. It has been stipulated that the Company's Board of Directors consists of seven members. All shareholders are entitled to nominate candidates for three Board Members. It is stipulated that only one of these three candidates shall be approved by the shareholders of Group (A) shares.

For adoption of a range of Board resolutions specified in the Articles of Association, the shareholders of Group (D) and Group (E) shares are required to participate in the Board meeting and it is required that the resolution be approved by the Board members nominated by the shareholders of Group (A) shares.

5.2 The share capital of the Company does not involve any cross-shareholdings.

5.3 The Company's Articles of Association contain no provisions governing the cumulative voting method.

GLOBAL INVESTMENT HOLDINGS CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

6. Dividend Policy and Timing of Distribution

6.1 Profit Distribution Policy will be determined by the General Assembly of Shareholders upon proposals of the Board of Directors in accordance with the provisions of the Capital Markets Law and communiqués of the Capital Markets Board. For dividend distribution, the policy adopted by the Company is designed to be a consistent policy balancing the shareholders' and the Company's benefits, in accordance with the Corporate Governance Principles.

6.2 The Company makes dividend distribution in accordance with the Turkish Commercial Code and the CMB and within statutory periods. Under the Articles of Association, no privileges are granted on the Company's profit sharing. Dividend distribution is made within the statutory periods, as stipulated in the legislation, within the shortest time following the General Assembly meeting.

7. Transfer of Shares

The Company's Articles of Association do not contain any provisions that make it difficult for the shareholders to freely transfer their shares.

II. PUBLIC DISCLOSURE AND TRANSPARENCY

8. Information Disclosure Policy of the Company

8.1 Together with Investor Relations Unit, The Corporate Communications Department is responsible for overseeing and monitoring all issues related to public disclosures. Questions received from outside the Company are responded in the shortest amount of time possible by the CEO, CFO, and Legal Advisor or within the knowledge of and authorization limits set by the CEO, the CFO and Legal Advisor, by the Investor Relations Department. Equality for social stakeholders in obtaining information is strictly observed when responding the inquiries.

8.2 In quarterly periods, following public disclosure of financial statements of the relevant period, a press statement summarizing the financial situation of the GIH will be issued and published. The Company's annual report is regularly prepared every year and delivered to the investors as well as relevant institutions and establishments by the Investor Relations Unit.

8.3 Public disclosures are delivered by either the Chairman (Mehmet Kutman), individual Board Members, Financial Affairs and Finance Group Head (Kerem Eser) or Chief Legal Advisor (Uğur Aydın) depending on the content of the disclosure, or by the Investor Relations Unit according to the authority to which the disclosure will be made.

9. Material Disclosures

9.1 For public disclosures, the Company acts in compliance with the Capital Market Law, Capital Market Board and Stock Exchange regulations and the CMB Principles. Public disclosures are announced on the Company's corporate website both in Turkish and English languages.

10. The Company Website and its Contents

10.1 As stipulated by CMB Corporate Governance Principles, the Company website is actively used in public disclosures.

10.2 All matters related to the Investors Relations Department are posted on the www.globalyatirim.com.tr website.

10.3 Our Company's website is clearly indicated on all corporate identity documents and promotional materials. Company's website meets international standards in terms of informational content and layout. It is administered by the Investor Relations Department. Main headings offered on the website are listed below:

- Detailed information on corporate identity,
- Vision and mission,
- Information on the members of the Board of Directors and Company's senior management,
- Company ownership structure,
- The Company's Articles of Association,
- Trade registration data,

- Financial data, annual and interim activity reports,
- Press releases,
- Regulatory disclosure of material events,
- Share performance and calculator,
- Investor presentations,
- Date and agenda for the General Assembly meeting and General Assembly information document,
- Minutes and attendance sheet of the General Assembly meeting,
- Proxy sample,
- Governance Principles, Compliance Report,
- Dividend policy,
- Disclosure policy,
- Frequently asked questions,
- Corporate Social Responsibility.

11. Disclosure of the Company's ultimate controlling shareholders

Changes in capital structure and capital structure of the Company, are publicly disclosed in accordance with relevant legislation. Our Company's shareholder structure can be reviewed on our website.

12. Public Disclosure of Insiders

GIH is in complete compliance with rules governing insider trading as per capital market and related laws, regulations, and administrative provisions and takes all necessary measures to fulfill its responsibilities thereunder. For this purpose GIH formulated an "Insider Trading Policy". The list of insiders has also been publicly disclosed on the corporate website.

III. STAKEHOLDERS

As being a holding company, our shareholders and strategic business partners are our primary stakeholders. The information flow of all subsidiaries and the holding company is realized at a central location in order to maintain coordinated relations with stakeholders.

Besides, the personal experience and educational level of our employees directly affect the services offered by our Company and its subsidiaries being involved in the service industry, accordingly the Company's human resources policy plays a vital role in this respect. The Company's human resources policy is specified with the "Personnel Regulations" and the recruitments are announced on the Company's website. The feedback system based on the employees' performance system has been initiated at our subsidiaries, and it is aimed to apply the system across the Company.

13. Informing Stakeholders

When the stakeholders are classified together with the investors, business partners and employees, the disclosures to inform investors are explained in detail under heading "Informing Shareholders". Besides, the intranet system, established to provide detailed information to the Company employees, is utilized to carry on in-company operational activities as well as to keep the Company employees informed about public disclosures and managerial issues that would affect the Company's business.

14. Participation of Stakeholders in Management

The Executive Committee, consisting of unit heads, convenes regularly every week and communicates the opinions of the subsidiaries and units they represent to the management.

15. Human Resources Policy

Global Investment Holding A.Ş. maintains a forward-looking strategy in parallel with the fundamental changes in the national economic and political arena.

Backed by its expanding organization and professional teams, our Company offers opportunities for prospect managers regarding personal talent and career development.

At recruitment stage, the Company offers equal conditions and job opportunities to candidates who hold documented university degrees and have recognized academic background, are fluent in English as well as speak other foreign languages and are successful individual in their respective fields.

15.1 The Company's human resources policy has been defined in writing and announced on intranet under heading "Personnel Regulation" both in Turkish and English languages. According to this regulation, the Company recruits individuals with superior knowledge and skills, easily adaptable to the corporate culture and open-minded for changes and development.

GLOBAL INVESTMENT HOLDINGS CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

15.2 According to the human resources policy, the Company has adopted the principle of providing equal opportunities to employees of equal conditions with regard to recruitment and career planning. Thus, the positions are announced on easily accessible website and job applications are received via e-mail.

15.3 Opportunities offered to employees and developments within the Company that may affect employees are shared by top management via e-mail as well as through the intranet.

16. Information about Relations with Customers and Suppliers

Our Company is a holding company that has not a direct relationship with customers and suppliers.

17. Social Responsibility

Global Investment Holding A.Ş. and its subsidiaries consider their customers, shareholders, employees and the community in general as their basic social stakeholders they work for. At Global Investment Holdings level as well as through its subsidiaries, the Group is deeply committed to its aim to ensure a better life for various communities we are a part of and work for. In line with its aim, Global Investment Holdings Group makes contribution to and sponsors various educational, charity, social and sports activities and projects.

The subsidiary of Global Investment Holdings, Pera Gayrimenkul Yatırım Ortaklığı A.Ş. ("Pera REIT") completed the construction of a 32 class elementary school in the town of Denizli in February 2011.

Furthermore, the construction of Refahiye İzzet Y. Akçal Student Hostel, contracted by our subsidiary Global Liman İşletmeleri A.Ş., pursuant to the protocol signed by and between the Presidency of Erzincan University and Provincial Special Administration of Erzincan on December 15, 2008, has been completed and delivered to the University and the Administration in October 2009. Some additional works were completed during 2010.

IV. BOARD OF DIRECTORS

18. The Structure and Formation of the Board of Directors and Independent Members

18.1 The Company is managed by seven members elected by the General Assembly. The names of the members of the Board of Directors who were appointed in accordance with the Company's Articles of Association are presented below:

Mehmet Kutman - Chairman - Executive Member
Erol Göker – Vice Chairman - Executive Member
Ayşegül Bensel – Member - Executive Member
Gregory Michael Kiez – Member - Executive Member
Serdar Kırmaz – Member - Executive Member
Adnan Nas – Independent Board Member
Jerome Bernard Jean Auguste Bayle - Independent Board Member

18.2 Two independent members satisfy CMB corporate governance principles pertaining to independence criteria.

18.3 There are no rules and/or limitations imposed upon the members of the Board of Directors with regards to their employment outside the Company. It is always taken into account that this is a Holding Company and being represented in the management of the associated companies is for our Company's benefit.

19. Qualifications of Board Members

19.1 The resumes of the members of the Board of Directors are available at our website at www.globalyatirim.com.tr.

19.2 Board members are elected from among individuals who have basic knowledge of the Company's line of business and high level managerial skills.

20. Mission, Vision, and Strategic Goals of the Company

GIH's mission, vision, objectives, and values are publicly disclosed on the corporate website.

Vision: Global Investment Holdings aims to become a leader in its operations, to initiate new and innovative projects with growth potential and to become a pioneer in developing and evolving business environment in Turkey.

Mission: The Holding is committed to develop portfolio of competitive companies, within the sectors in which it operates, with strong and healthy growth prospects in conformity with international standards. The Holding is also responsible from updating strategies for its subsidiaries, along the lines of changing local and global environment, as to ensure their quick adaptations to changing business conditions and help their continuous growth.

21. Risk Management and Internal Audit Mechanism

The Company has established risk management and internal control unit, under chair of Hakan Murat Akın. Studies in this regard are carried on under coordination of the Board members Serdar Kırmaz and Adnan Nas. The Internal Control Department reports directly to the Audit Committee of the Board of Directors.

22. Authorities and Responsibilities of Board Members and Executives

The authorities and responsibilities of the Board of Directors are defined in the Company's Articles of Association in a manner that is consistent with the Board's functions, that does not leave room for any doubt and that is clearly distinguishable and identifiable from the authorities and responsibilities of the General Assembly.

Besides the functions set forth in the articles of association, the Board of Directors also fulfills the following functions listed among the functions of the Board of Directors in the Corporate Governance Principles of the Capital Market Board:

- The Board of Directors continuously and efficiently revises the degree of achievement of the objectives by the Company, activities and past performance of the Company. While revising the same, the Company tries to comply with the international standards on any matter. If required, the Board of Directors takes measures without any delay and problem. Effective revision refers to detection of compliance with the applicable laws and regulations and international accounting standards in reflection of the Company's activities, degree of achievement of the objectives by the Company; financial status and activity results in the accounting records and the degree of accuracy of the financial information regarding the Company.
- The Board of Directors establishes a risk management and internal control mechanism, minimizing the risks which may adversely affect the interest holders of the Company particularly the shareholders and the Company may encounter; and takes necessary measures for effective operation of such a system.
- The Board of Directors forms committees in order to fulfill its functions and responsibilities in a sound manner.
- The Board of Directors takes measures and applies incentives to ensure that the qualified personnel would serve the Company for a long term. If required, the Board of Directors removes the managers from office without any delay and appoints appropriate and qualified managers in lieu of the removed ones.
- The Board of Directors acts as a leader in elimination and settlement of the disputes which may arise between the Company and the shareholders.
- The Board of Directors shall ensure full compliance with the laws, regulations, and provisions of Articles of Association, intra-company arrangements and the policies established in exercising the shareholders' rights; and for this purpose, the Board of Directors shall act in close cooperation with the Corporate Governance Committee and Investor Relations Department established in the body of this committee.

GLOBAL INVESTMENT HOLDINGS CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

23. Operating Principles of the Board of Directors

Members of the Board of Directors are promptly provided all information they may need to adequately perform their duties. The agendas for the meetings and related documents are delivered by the Board of Director's Secretarial Office no later than three (3) days prior the Board meeting. The Board of Directors meets when it is deemed necessary, and at least once a month. In 2011, the Board of Directors adopted 33 written resolutions. All resolutions have been unanimously adopted. The agenda of the Board meeting is prepared by the Board member in accordance with business and operations of the Company. The members of the Board of Directors are not entitled for weight votes, all members and the chairperson are entitled for equal votes.

24. Prohibition on Doing Business or Competing with the Company

As required by corporate governance principles, in the event of any violation of the prohibition on board members' doing business or competing with the Company, the potential conflicts of interest will be publicly disclosed.

25. Code of Ethics

GIH's code of ethics has been written up and published on the corporate website within the framework of its public disclosure policy. The utmost care is given to ensure that the code of ethics formulated for the Company, its Board members, and its employees is complied with.

26. Number, Structure, and Independency of Committees Established by the Board of Directors

The Board of Directors of GIH has set up a Corporate Governance Committee and an Audit Committee in line with Capital Markets Board corporate governance principles. The Board members are kept informed regularly on the studies of the said Committee. Based on the resolution adopted by the Board of Directors on July 15, 2011, Gregory Michael Kiez, Board member, and Jerome Bernard Jean Auguste Bayle, Independent member, and based on the Board resolution dated March 15, 2011 Ayşegül Nensel have been elected as members of the Corporate Governance Committee. Based on Board resolution dated March 15, 2011, Serdar Kırmaz and based on the Board resolution dated July 15, 2011 Adnan Nas, Independent member, have been elected as members of the Audit Committee. Both committees are serving as consultants to the Board and make recommendations. Both committees carry out their operations in line with their charters. The Chairpersons of the committees are non-executive independent Board members.

Corporate Governance Committee:

- The Committee is responsible for monitoring the Company's compliance with corporate governance principles and for making proposals to the Board of Directors in relation to appointments to be made at the Company.
- Jerome Bayle serves as the head of the Corporate Governance Committee, and he has been elected from among independent members
- The Corporate Governance Committee is required to meet at least four times a year.
- Attention is paid to ensure that the qualifications of the Committee members comply with those required of the Board members as set forth in the Corporate Governance Principles.

- The Committee carries out its activities in line with the operating principles put into writing in detail. The activities carried out by the Corporate Governance Committee are presented below:

- Establishing corporate governance principles across the Company,
- Offering recommendations pertaining to the structure and effectiveness of the Board of Directors,
- Evaluation of the structures and operation of the Committees and making recommendations about the same,
- Reviewing the activities of the Investors Relations Unit and presenting recommendations in this context.

The Audit Committee:

- The Committee performs duties with the aim to observe the financial and operational activities of the Company.
- The Audit Committee is structured in accordance with the Corporate Governance Principles. The Committee consists of at least two members. In order to ensure the independency of the Committee, it has been resolved to elect the chairperson of the Committee from among the independent members.
- Emphasis was given on independency as well as required qualifications of the chairperson. Strict attention is paid to appoint a chairperson with experience gained at a similar position, well-educated to analyze financial statements, competent on accounting standards.
- The Audit Committee meets at least four times a year, one every quarter.
- The Board's Secretarial Office is responsible for recording the Audit Committee's resolutions and minutes of meetings.
- The Chairperson of the Audit Committee is Adnan Nas, elected from among the independent members of the Board of Directors.
- The activities of the Committee in line with detailed and written working principles are the following:

- Auditing and approval of the compliance of the Company's financial statements and their notes with the applicable legislation and international accounting standards, prior to their public disclosure,
- Observing the performance and efficiency of the Company's accounting system, public disclosure of its financial data, independent auditing, the Company's internal control and risk management system,
- Reviewing and conclusion of complaints on the Company's accounting, internal control system and independent auditing,
- Preventing the conflict of interest to arise between the members of the Board of Directors, managers and other employees and defining the regulations to prevent any misuse of the Company's trade secrets.

27. Remuneration of the Board of Director

At the General Assembly Meeting held on May 27, 2011, it was resolved that the Members of the Board of Directors be paid a monthly net fee of TL 6,000 and the Auditor be paid monthly net salary of TL 3,000.

RATINGS

Global Investment Holdings received an 8.81 rating in the Public Disclosure and Transparency category.

CORPORATE GOVERNANCE RATINGS

Global Investment Holdings successfully received high ratings on Corporate Governance from an independent rating agency (SAHA) and qualified to join ISE Corporate Governance Index.

SAHA Corporate Governance and Credit Rating Services Inc., an authorized rating agency operating under the license of the Capital Markets Board of Turkey, has confirmed the Corporate Governance Compliance Rating for Global Investment Holdings of 8,36. This grade affirms that Global Investment Holdings has complied with CMB's Corporate Governance Principles and deserves to be included in the Good Corporate Governance index of ISE.

In the Shareholders category of the evaluation, Global Investment Holdings scored 8.23. The Group received positive marks in this area for: establishment of a shareholder relations department; not having limitations for shareholder voting rights; conduct of general shareholders' meetings in compliance with legislation and internal rules and regulations; presence of a consistent dividend distribution policy; and avoidance of any restrictions on transfer of shares. Areas cited for improvement included lack of provisions in the Articles of Association that provide the right to request appointment of a Special Auditor from the General Shareholders' Meeting; that certain decisions can only be taken in the General Shareholders' Meeting; lack of additional provisions on the rights of minority shareholders; lack of cumulative voting procedures; presence of voting privileges on nominating Board members; and the absence of a General Shareholders' Meeting agenda.

Global Investments Holding received an 8.81 rating in the Public Disclosure and Transparency category. Significant events and developments are disclosed to the public by using all telecommunications means and in compliance with the Capital Market Law and Istanbul Stock Exchange regulations. The Group's information disclosure policy, corporate governance compliance report, dividend policy, the insider list, and the ethical rules of conduct are disclosed to public. The corporate website has been renewed to be more comprehensive in scope. The evaluation found the Group's annual report to be comprehensive, but recommended that the Turkish version should include the same statement of responsibility and declaration of the Board of Directors on whether the internal control system is working effectively or not. The concept of and what constitutes a trade secret are clearly defined. The Group's independent audit process complies with legal requirements, but the Audit Committee was cited as not having been instrumental in the appointment of Independent Auditors.

In the category of Stakeholders, the Group was found to broadly comply with CMB Principles in holding policy and procedures pertaining to the protection of stakeholders' rights; protection of holding assets; and relations with customers and suppliers. As a result of its high compliance, the Group scored 9.16. Areas for improvement included the Articles of Association which do not have any provisions that encourage participation of stakeholders in the management of the holding. The Group's ethical rules of conduct are prepared comprehensively and disclosed to public on the corporate website.

With regard to the principles governing the Board of Directors, the Group received a rating of 7.39. The Group's positive attributes in this category included its well communicated holding mission and vision statement; that the Board of Directors consists of broadly experienced, competent, and suitably educated individuals; that the Group's ethical rules of conduct is binding for members of the Board; and that there are two independent Board members. Areas cited for further improvement were that the majority of the Board members hold executive responsibilities; Board members do not have joint liability statements; they have the privilege of nominations of the candidates; the Chairman of the Board of Directors and the Chief Executive Officer is the same person; there are no cumulative voting rights; and there is no incentive remuneration policy linked to the performance of the holding for board members. The Group has established Audit and Corporate Governance committees and their level of activity will be monitored.

Corporate Governance Rating Table

Main Topics	**Confirmed Grade**
Shareholders (25%)	82.33
Public Disclosure and Transparency (35%)	88.08
Stakeholders (15%)	91.63
Board of Directors (25%)	73.94
Overall	83.64
Confirmed Company Rating:	**8.36**

RATINGS

In June 2011, international credit rating institution Fitch Ratings, which first rated Global Investment Holdings in 2009, has upgraded the Company's credit ratings.

In June 2011, international credit rating institution Fitch Ratings, which first rated Global Investment Holdings in 2009, has upgraded the Company's credit ratings.

CREDIT RATING

JCR Rating*
JCR Eurasia Rating affirmed the Global Investment Holdings investment credit rating of 'BBB- (Trk)' on the Long-Term National Scale with a 'Positive' outlook.

JCR Eurasia Rating also assigned an investment grade credit rating of 'BBB- (Trk)' on the Long-Term National Scale with a 'Positive' outlook to the Company. The ratings firm assessed the Long-Term International Foreign Currency and Local Currency ratings as 'BB.' Other notes and details of the ratings include:

Long-Term International Foreign Currency: BB / (Stable Outlook)

Long-Term International Local Currency: BB / (Stable Outlook)

Long-Term National Local Rating: BBB- (Trk) / (Positive Outlook)

Short Term International Foreign Currency: B / (Stable Outlook)

Short Term International Local Currency: B / (Stable Outlook)

Short Term National Local Rating: A-3+ (Trk) / (Stable Outlook)

Sponsor Support: 3

Stand Alone: BC

* This rating was obtained in 2012.

Fitch Ratings
In June 2011, international credit rating institution Fitch Ratings, which first rated Global Investment Holdings in 2009, has upgraded the Company's credit ratings. Fitch assigned Global Investment Holdings' New Notes a rating of 'B-(EXP)' and a Recovery Rating of 'RR4.' The Group's Long-term Foreign and Local Currency Issuer Default Ratings (IDR) were rated 'B-.'

Fitch updated its recovery analysis for Global Investment Holdings, related to net additional new funds of up to US$ 50 million that may be raised through the note transaction. The 'RR4' rating on the unsecured notes reflected good recovery on the senior unsecured debt, given default.

Fitch noted that the reported cash balance at the Group level and that future dividends from the ports, real estate and securities businesses should be more than adequate to cover the outstanding Eurobond of approximately US$ 73 million should no bondholder consent to exchange. (The Group and its subsidiaries hold a nominal amount of US$ 26.9 million.)

THE GLOBAL INVESTMENT HOLDINGS GROUP INTERNAL CONTROLS: RATIONALIZATION

During 2011, the Group continued to follow Group-wide risk management and internal control policies.

In 2009, to provide and strengthen centralized oversight of financial reporting within the Group, Global Investment Holdings launched a new reporting system, Hyperion Financial Management.

During 2011, the Global Investment Holdings continued to follow Group-wide risk management and internal control policies. The previously applied corporate codes of conduct were systematically followed, including the internet usage restrictions, proprietary trading limits and guidelines and management reporting systems. An organization - wide company assets security awareness initiative, that included information and information systems, was provided.

At the request of the Board, the Internal Audit Team has coordinated and performed different audit assignments in 2011 in order to detect potential risks within the Group companies and Head Office Departments. The Team will be completing a broad range of internal audit assignments in 2012 according to the annual audit plan.

In 2009, to provide and strengthen centralized oversight of financial reporting within the Group, Global Investment Holdings launched a new reporting system, Hyperion Financial Management. This web-based reporting system enables the Company to accelerate reporting cycles and improve transparency and compliance while delivering global finance consolidation, reporting and analysis in a single, highly scalable software solution. Web based reporting was fully implemented in 2010.

FINANCIAL OVERVIEW

Global Investment Holdings recorded net consolidated revenues of TL 364.2 million in 2011, compared to TL 231.1 million a year prior, representing an increase of 58%. The Port Infrastructure and Energy Divisions were the main contributors to the Group's consolidated revenues. Consolidated port revenues reached TL 108.1 million, representing 77% increase over last year. A significant portion of this increase was attributable to Antalya Port, both due to the acquisition of an increased stake in the port as well as a 31% increase in operational performance triggered by container handling. Cruise revenues also increased by 45% in 2011. Energy Division reported revenues of TL 217.2 million, compared to TL 136.0 million in 2010, representing 60% increase. This increase was mainly due to 58% increase in gas sales, 11% increase in gas carriage, as well as 105,500 new subscribers acquired during the year. Pera REIT, pursuing Group's real estate investments, also reported net revenues of TL 4.4 million, due to the opening of the new Sümerpark Shopping Mall in Denizli.

In 2011, Global Investment Holdings reported a consolidated EBITDA of TL 85.7 million, compared to TL 283.2 million last year. 2011 EBITDA includes gain from sale of 22.1% shares in Global Port Holdings to VEI Capital amounting to TL 44.5 million, whereas 2010 EBITDA included negative goodwill gain amounting to TL 254.9 million incurred from the acquisition of 60% shares of Antalya Port. Port Division generated an EBITDA of TL 64.8 million in 2011, compared to TL 289.2 million in the previous year. Excluding the negative goodwill incurred from asset acquisitions, comparable operating EBITDA of the Ports Division has increased from TL 34.3 million in 2010 to TL 62.6 million in 2011, representing 83% increase, mainly as a result of increased shareholding in Antalya Port and improved operational performance of the overall port operations. Total containers handled in Antalya Port increased by 35% in 2011 reaching 169.424 thousand TEU, compared to the previous period. The increase was triggered by the addition of two new container cranes as well as the increase in marble exports to China. On the general cargo & bulk side, there was a slight decrease compared to last year, as a result of the negative trade effects due to the political upheal in Northern Africa and the Middle East. On the cruise side, The Port of Kuşadası's revenues increased by 48% in 2011 compared to the previous year. The growth in global cruise industry, the increasing popularity of the eastern Mediterranean as a destination and the trend toward larger vessels constituted a significant part of the increase. Total cruise ship arrivals in Kuşadası have increased by 8% reaching 578 ships in 2011 compared to 536 in 2010. However, this translated into an increase in total cruise passenger arrivals by 35% and cruise ship tonnage served by 44%, underlining the trend toward bigger ship sizes.

FINANCIAL OVERVIEW

GIH's Energy Division reported an EBITDA of TL 1.0 million, compared to a negative TL -6.2 million in 2010. Adjusting for the effects of subscription revenue deferrals as per IFRIC12 and goodwill gain from the acquisition of 50% stake in Naturelgaz (CNG sales), operating EBITDA in 2011 were TL 8.9 million versus TL 4.4 million last year, mainly as a result of increased gas sales and increased number of new subscribers. In 2011, the total gas consumption reached 948 million m^3, compared to 692 million m^3 in 2010. The total gas consumption excluding gas carriage increased to 607 million m^3, compared to 385 million m^3 in 2010.

Energaz has acquired 105,434 new subscribers in 2011, compared to 97,507 in 2010. Total number of subscribers reached 583,900 as of 31 December 2011.

The Finance Division, including the Holding company as cost center, reported an EBITDA of TL 16.0 million in 2011, compared to a negative EBITDA of TL -17.0 million last year. 2011 EBITDA includes TL 44.5 million gain from sale of 22.1% shares of GPH to VEI. 2011 figures in particular include additional consultancy and business development expenses incurred as a result of acquisitions, participations in tenders, and divestitures managed by and reported under the Holding company. Such expenses were one-off in nature and non-recurring.

PERA REIT, reporting its first revenues this year, registered an EBITDA of TL 0.6 million in 2011, compared to a negative EBITDA of TL-2.3 million last year, excluding valuation gains and losses.

The shopping mall has started operations in the second quarter of the year, generating a positive EBITDA. Higher EBITDA margins were reduced by increased marketing expenses for the initial opening year of the mall.

In 2011, Global Investment Holdings reported a consolidated net loss of TL 82.0 million compared to a net profit of TL 209.5 million during last year. The main reasons for the loss in 2011 are non-cash amortization charges and foreign exchange losses, as well as the accounting treatment of certain asset sales and acquisitions. The Group's consolidated depreciation and amortization charges were TL 47.2 million in 2011, up from TL 24.8 million in the previous year. The sharp increase in 2011 is almost solely due to the acquisition of remaining Antalya Port shares. The acquisition of 60% shares of Antalya Port in 2010 resulted in significant revenues in the form of negative goodwill, where the revalued port operating rights creating such income, is amortized over the remaining life of the concession, generating additional amortization expenses. The Group remained to have a short foreign currency position as of the end of 2011 comprising mainly the long term eurobond related loan at the Holding level. The depreciation in the value of TL against USD resulted in net consolidated foreign exchange losses amounting to TL 42.7 million in 2011, compared to TL 6.2 million gain last year. Such foreign exchange losses are mostly unrealized non-cash accounting losses. In 2011, as discussed earlier in the paragraphs above, the Group has recorded a gain from the sale of 22.1% shares in GPH to VEI Capital amounting to TL 44.5 million, which was accounted for under the equity – and not in profit and loss statements – as per the relevant articles of IFRS. Management believes such gains should be included and reported under consolidated EBITDA to more accurately reflect the Group's business and strategy.

DISCLAIMER

The projects and activities described in this Annual Report are undertaken through a number of different companies ("Affiliates") affiliated with Global Investment Holding A.Ş. (the "Global Investment Holdings Group" or the "Company"), also referred to herein, together with such Affiliates, as the "Group."

Unless otherwise specified, the information in this Annual Report is given as at 31 December 2011. The terms "current" and "currently," respectively, denote the status of the related information as at the time this Annual Report goes to print.

The currency of the Republic of Turkey ("Turkey") is Turkish Lira ("TL"), which was introduced as at 1 January 2009 upon the conversion of the New Turkish Lira ("YTL") on a one-to-one basis. Solely for convenience, certain Turkish Lira amounts herein have been converted into US Dollars ("US$") based on the official US$/TL exchange rate announced by the Central Bank of Turkey as at such relevant date or the average official US$/TL exchange rate for the respective period, except where otherwise specified. No representation is being made that any such TL amount was, or could have been, converted into US Dollars at such rate or otherwise.

This Annual Report contains certain forward-looking statements, which typically include words such as "intend," "expect," "anticipate," "plan," "project," "target," and "scheduled." Such statements are based on the expectations of Company management as this Annual Report goes to print, and such statements are inherently subject to operating risks, including factors beyond our control, such as general economic and political conditions; the volatility of market prices, rates and indices; legislative and regulatory developments; and to our own ability to attract and retain skilled personnel; to source, structure and procure financing for projects; to implement optimal technology and information systems; and otherwise to operate successfully in a competitive marketplace. Consequently, our results may vary significantly from time to time and we may not be able to achieve our strategic objectives.

Global Investment Holdings is incorporated in Istanbul, Turkey. The registered headquarters of the Company are Rıhtım Caddesi No: 51, Karaköy 34425, Istanbul, Turkey. Global Investment Holdings is subject to regulation by the Turkish Capital Markets Board ("CMB") and the Istanbul Stock Exchange ("ISE"). Other Group companies are subject to the regulations of the capital markets or other regulatory authorities having jurisdiction over them.

EXCHANGE RATES

Exchange rates for the Turkish Lira have historically been and continue to be highly volatile. Although until February 2001 it was a stated policy of the Turkish Central Bank to devalue the Turkish Lira in line with the domestic inflation rate, the Turkish Central Bank nevertheless adopted a floating exchange rate policy which resulted at times in some increased volatility in the value of the Turkish Lira.

The following table sets forth the high, low, period average and period end exchange rates for the U.S. Dollar announced by the Turkish Central Bank, expressed as the number of New Turkish Lira per US Dollar, for the periods indicated:

Period End	High	Low	Average (1)	Period End (2)
31 December 2001	1.64	0.66	1.23	1.44
31 December 2002	1.67	1.29	1.51	1.63
31 December 2003	1.75	1.35	1.49	1.40
31 December 2004	1.55	1.30	1.42	1.34
31 December 2005	1.40	1.25	1.34	1.34
31 December 2006	1.69	1.30	1.43	1.41
30 June 2007	1.38	1.30	1.33	1.30
31 December 2007	1.45	1.16	1.30	1.17
30 June 2008	1.32	1.14	1.23	1.22
31 December 2008	1.70	1.15	1.36	1.51
30 June 2009	1.80	1.51	1.61	1.53
31 December 2009	1.55	1.44	1.49	1.51
31 December 2010	1.60	1.39	1.50	1.55
31 December 2011	1.91	1.50	1.60	1.67

Source: Turkish Central Bank

Notes:

(1) Represents the average of the daily Turkish Central Bank exchange rates for the relevant period. Averages were computed by using the Turkish Central Bank's U.S. Dollar bid rates on each business day during the relevant period.

(2) Represents the Turkish Central Bank's U.S. Dollar bid rate on the last business day for the relevant period.

Pursuant to the Law on the Currency Unit of the Republic of Turkey (No. 5083), with effect from 1 January 2005, the currency of Turkey was redenominated, with one million Turkish Lira being converted into a new unit of currency known as the "New Turkish Lira" or "YTL". The smallest unit of currency is the "New Kuruş," which represents one-hundredth of a New Turkish Lira.

The Turkish Lira ceased to be a unit of currency as of 1 January 2005, and ceased to be in circulation as of 1 January 2006.

Weights and Measures

References herein to a "ton" or "tons" refer to the United States of America ("USA") unit of weight equivalent to 2,000 pounds. References to a "tonne," or "tonnes," in contrast, refer to the unit of weight generally used worldwide, except in the USA, equivalent to 1,000 kilograms.

Other conversion factors for the important measures employed in this report are as follows:

1 square mile	2.6 square kilometers
1 square foot	0.09 square meters
1 acre	0.4 hectares
1 mile	1.6 kilometers
1 foot	0.3 meters

Exchange rates for the Turkish Lira have historically been and continue to be highly volatile.

STATEMENT OF RESPONSIBILITY

Financial Tables Approved By The Board Of Directors
Resolution Dated: 21/03/2012
Resolution No: 788

Annual Report Approved By The Board Of Directors
Resolution Dated: 02/04/2012
Resolution No: 793

STATEMENT OF RESPONSIBILITY PURSUANT TO ARTICLE 9 OF SECTION THREE OF THE COMMUNIQUÉ SERIAL: XI NO: 29 OF THE CAPITAL MARKETS BOARD

We hereby declare that;

a) We have reviewed the consolidated financial statements dated December 31, 2011,

b) According to information to which we have access as a part of our duties and responsibilities, the consolidated financial statements do not contain any untrue statement or any omission of material facts that may result in misleading conclusion as of the date of issuance,

c) According to information to which we have access as a part of our duties and responsibilities, the consolidated financial tables, which have been prepared in accordance with applicable financial reporting standards, faithfully reflect the assets, liabilities, financial standing and profits and losses of the Company, and that the Annual Report faithfully reflects the development and performance of the business and the consolidated financial situation of the Company along with the risks and uncertainties that the Company is facing.

Kind Regards,

GLOBAL YATIRIM HOLDING A.Ş.

Kerem ESER
CFO

Serdar KIRMAZ
Managing Director

Global Yatırım Holding Anonim Şirketi and its Subsidiaries

Convenience Translation into English of
Consolidated Financial Statements
As At and For The Year
Ended 31 December 2011 With
Independent Auditors' Report Thereon

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi 21 March 2012 this report includes 2 pages of independent auditors' report and 120 pages of consolidated financial statements together with their explanatory notes.

Convenience Translation of the Independent Auditors' Report as at 31 December 2011
Originally prepared and issued in Turkish (Note 2.1)

To the Board of Directors of
Global Yatırım Holding Anonim Şirketi

We have audited the accompanying consolidated balance sheet of Global Yatırım Holding Anonim Şirketi ("the Company"), its subsidiaries and joint ventures (together will be refered to as "the Group") as at 31 December 2011 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with financial reporting standards issued by the Capital Markets Board. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards promulgated by the Capital Markets Board. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Group's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Global Yatırım Holding A.Ş., its subsidiaries and joint ventures as at 31 December 2011, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with financial reporting standards issued by the Capital Markets Board (Note 2).

Emphasis of Matter

Without qualifying our opinion, we draw your attention to Note 20.2 to the consolidated financial information about the following litigation matters:

As explained in detail in Note 20.2, the application of the Ankara Metropolitan Municipality ("the Municipality") to liquidate the letter of guarantee amounting to USD 50.000.000 given by the Group in accordance with the specifications of privatization tender of Başkent Doğalgaz Dağıtım A.Ş. ("Başkentgaz") by the method of block sale, was prevented according to the preliminary injunction granted by the 1st Beyoğlu Commercial Court. The Municipality raised an objection against the preliminary injunction, which was further rejected by the 1st Beyoğlu Commercial Court. As a continuation of the precautionary measure, the Group has filed a lawsuit against the Municipality and Boru Hatları ile Petrol Taşıma A.Ş. ("BOTAŞ") before the 4th Chamber of the Ankara Commercial Court claiming to dissolve the discrepancy for the payment of the Letter of Guarantee to determine indebtedness and the restitution of the Letter of Guarantee. In addition, the privatization right of the shares of Başkentgaz is transferred to the Republic of Turkey, Prime Ministry, Privatization Administration with the Privatization High Council's decision numbered 2009/43 and dated 2 July 2009 due to the fact that the privatization of Başkentgaz had not been completed in two years according to clauses of the Law numbered 4046. The Group has filed a separate lawsuit to the Privatization Administration for the same reasons and the Court decided to combine the lawsuits.

Additionally, the Group's lawyers filed a lawsuit on 15 January 2010 before the Ankara Administrative Court against the Municipality, requesting an injunction and the cancellation of the Municipality Council's resolution regarding the forfeiture of the letter of guarantee given by the Group. The request for injunction is rejected by the 13th Chamber of Council of State and approved by the Administrative Division of the High Council of the State. The case is pending before the 13th Chamber of Council of State.

As explained in detail in Note 20.2, the Water Utilization Rights Agreement which should had been signed between a subsidiary of the Group engaged in hydroelectric power plant investments and the General Directorate of State Water Works ("DSİ") has not been put in signature due to the cancellation of the project by DSİ. The Group lawyers have filed a lawsuit at the 16th Administrative Court of Ankara to cancel the decision given by DSİ which was further rejected by the Court. The Group lawyers appealed the verdict of the decision at the Council of State and requested an injunction. The lawsuit is pending before the 13th Chamber of Council of State.

The litigations mentioned above are being held at different stages of the judicial proceedings. The ultimate outcome of these matters cannot presently be determined and, accordingly, no provision for any effects on the Group that may result has been made in the consolidated financial information.

Additional Paragraph for Convenience Translation to English

As explained in Note 2.1(a), the accompanying consolidated financial statements are not intended to present the consolidated financial position and the consolidated results of operations of the Group in accordance with the accounting principles and practices generally accepted in countries and jurisdictions other than Turkey and International Financial Reporting Standards.

Akis Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Ruşen Fikret Selamet
Partner

Istanbul, 21 March 2012

Global Yatırım Holding Anonim Şirketi and its Subsidiaries

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GLOBAL YATIRIM HOLDING A.Ş. AND ITS SUBSIDIARIES

Consolidated Financial Statements for the Year Ended 31 December 2011

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Global Yatırım Holding A.Ş. and its Subsidiaries
Consolidated Balance Sheet as at 31 December 2011
Currency: Turkish Lira ("TL") unless otherwise stated.

		Audited	Audited
	Notes	31 December 2011	31 December 2010
ASSETS			
Current assets		295.045.062	214.214.692
Cash and cash equivalents	6	63.279.456	56.887.495
Investments	7	13.450.794	17.745.431
Trade receivables		17.131.339	20.817.847
- Other trade receivables	*10*	*17.131.339*	*20.817.847*
Other receivables		72.687.539	32.241.157
- Due from related parties	*33*	*65.863.642*	*28.717.046*
- Other receivables	*11*	*6.823.897*	*3.524.111*
Receivables from operations in finance sector		42.699.179	47.478.037
- Due from related parties	33	9.950.898	11.631.411
- Other receivables	12	32.748.281	35.846.626
Inventories	13	29.947.204	1.326.605
Other current assets	23	54.337.684	34.042.559
(Subtotal)		293.533.195	210.539.131
Assets classified as held for sale	36	1.511.867	3.675.561
Non-current assets		1.234.165.998	1.100.147.351
Other receivables		13.753.322	8.930.786
- Due from related parties	*33*	*5.029.659*	*5.233.210*
- Other receivables	*11*	*8.723.663*	*3.697.576*
Receivables from operations in finance sector	12	1.888.900	3.277.520
Investments	7	6.961.233	6.939.001
Investment property	15	195.879.480	207.680.332
Property, plant and equipment, net	16	132.861.779	105.890.921
Concession intangible assets, net	17	156.187.038	133.125.801
Intangible assets, net	18	625.683.367	543.500.838
Goodwill	19	42.610.644	35.550.270
Deferred tax assets	31	25.727.030	28.767.669
Other non-current assets	23	32.613.205	26.484.213
TOTAL ASSETS		1.529.211.060	1.314.362.043

Accompanying notes are an integral part of these consolidated financial statements.

Global Yatırım Holding A.Ş. and its Subsidiaries
Consolidated Balance Sheet as at 31 December **2011**
Currency: Turkish Lira ("TL") unless otherwise stated.

		Audited	Audited
LIABILITIES	Notes	31 December 2011	31 December 2010
Current liabilities		417.335.724	198.041.939
Financial liabilities	8	243.225.250	79.877.767
Trade payables		60.891.701	50.087.828
- Other trade payables	*10*	*60.891.701*	*50.087.828*
Other payables		62.151.426	21.151.973
- Due to related parties	*33*	*804.497*	*699.136*
- Other payables	*11*	*61.346.929*	*20.452.837*
Liabilities due to operations in finance sector		24.257.054	27.138.648
- Due to related parties	*33*	*96.120*	*-*
- Other payables	*12*	*24.160.934*	*27.138.648*
Other financial liabilities	9	2.062.711	662.711
Income tax payable	31	2.571.160	2.097.912
Provisions	20	5.164.239	4.612.046
Other current liabilities	23	16.811.515	12.413.054
(Subtotal)		417.135.056	198.041.939
Liabilities directly associated with assets held for sale	36	200.668	-
Non-current liabilities		436.888.809	485.043.106
Financial liabilities	8	202.356.523	299.500.020
Other payables		52.362.552	33.446.981
- Due to related parties	*33*	*636.177*	*651.980*
- Other payables	*11*	*51.726.375*	*32.795.001*
Provision for employee termination indemnity	22	2.455.339	1.857.843
Provisions	20	-	5.726.937
Deferred tax liabilities	31	127.287.607	102.634.364
Other non-current liabilities	23	52.426.788	41.876.961
EQUITY		674.986.527	631.276.998
Total equity attributable to equity holders of the company		435.291.408	512.195.822
Paid-in capital	24	225.003.687	225.003.687
Inflation adjustment on capital	24	34.659.630	34.659.630
Treasury shares	24	(72.751.722)	(1.820.000)
Share premium	24	4.966.894	174.513
Revaluation reserve	24	407.034	813.086
Currency translation differences	24	68.992.970	7.953.450
Restricted reserves	24	77.568.827	75.764.360
Special fund	24	14.357.900	-
Retained earnings	24	164.040.947	(39.812.647)
Net profit/(loss) for the period		(81.954.759)	209.459.743
Non-controlling interests	24	239.695.119	119.081.176
TOTAL EQUITY AND LIABILITIES		1.529.211.060	1.314.362.043

Accompanying notes are an integral part of these consolidated financial statements.

Global Yatırım Holding A.Ş. and its Subsidiaries
Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2011
Currency: Turkish Lira ("TL") unless otherwise stated.

	Notes	Audited 1 January- 31 December 2011	Audited 1 January- 31 December 2010
Sales	25	334.525.630	201.567.756
Cost of sales (-)	25	(285.809.445)	(175.842.489)
Gross profit from trade operations		48.716.185	25.725.267
Interest, fee, premium, commission and other income	25	29.708.323	29.563.594
Interest, fee, premium, commission and other expense (-)	25	(4.492.869)	(3.063.976)
Gross profit from operations in finance sector		25.215.454	26.499.618
GROSS PROFIT		73.931.639	52.224.885
Selling, marketing and distribution expenses (-)	26	(6.209.373)	(3.766.226)
General administrative expenses (-)	26	(88.591.413)	(71.757.012)
Other operating income	28	18.776.466	318.976.945
Other operating expenses (-)	28	(7.888.612)	(39.830.962)
OPERATING PROFIT/(LOSS)		(9.981.293)	255.847.630
Share of profit/(loss) of associates	14	-	-
Finance income	29	56.906.476	55.572.238
Finance expenses (-)	30	(140.029.188)	(83.272.081)
PROFIT/(LOSS) BEFORE TAX		(93.104.005)	228.147.787
Income tax credit /(expense)		7.998.777	4.508.771
- Current tax benefit/(expense)	31	(11.059.398)	(5.934.018)
- Deferred tax benefit /(expense)	31	19.058.175	10.442.789
NET OPERATING PROFIT/(LOSS) FOR THE PERIOD		(85.105.228)	232.656.558
Net profit/(loss) from discontinued operations	36	-	-
NET PROFIT/(LOSS) FOR THE PERIOD		(85.105.228)	232.656.558
Other comprehensive income			
Change in revaluation reserve of financial assets		(355.709)	467.496
Change in currency translation differences		88.044.810	4.059.178
Income tax relating to revaluation reserve of financial assets		71.142	(93.499)
OTHER COMPREHENSIVE INCOME (AFTER TAX)		87.760.243	4.433.175
TOTAL COMPREHENSIVE INCOME/(LOSS)		2.655.015	237.089.733
Profit/(Loss) attributable to		(85.105.228)	232.656.558
Non-controlling interests		(3.150.469)	23.196.815
Owners of the Company	32	(81.954.759)	209.459.743
Total comprehensive income attributable to		2.655.015	237.089.733
Non-controlling interests		16.152.189	23.034.981
Owners of the company		(13.497.174)	214.054.752
Basic and diluted earnings per share	32	(0,5067)	0,9393
Basic and diluted earnings per share from continuing operations	32	(0,5067)	0,9393

Accompanying notes are an integral part of these consolidated financial statements.

Global Yatırım Holding A.Ş. and its Subsidiaries

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2011

Currency: Turkish Lira ("TL") unless otherwise stated.

	Paid in Capital	Inflation Adjustment on Capital	Treasury Shares	Share Premium	Revaluation Reserve	Currency Translation Differences	Restricted Reserves	Special Fund	Net Profit / (Loss) For the Period	Retained Earnings / Accumulated Losses	Equity Attributable to the Owners of the Company	Non-Controlling Interest	Total
Balance at 1 January 2010	225.003.687	34.659.630	(11.565.130)	174.513	439.089	3.732.438	1.284.711	-	79.125.939	(48.863.751)	283.991.126	100.576.090	384.567.216
Total comprehensive income													
Change in revaluation reserve, net of deferred tax	-	-	-	-	377.886	-	-	-	-	-	377.886	-	377.886
Transfer from revaluation reserve to profit/loss, net of deferred tax	-	-	-	-	(3.889)	-	-	-	-	-	(3.889)	-	(3.889)
Foreign currency translation differences	-	-	-	-	-	4.221.012	-	-	-	-	4.221.012	(161.834)	4.059.178
Net profit/loss for the period	-	-	-	-	-	-	-	-	209.459.743	-	209.459.743	23.196.815	232.656.558
Total comprehensive income for the period	-	-	-	-	373.997	4.221.012	-	-	209.459.743	-	214.054.752	23.034.981	237.089.733
Transactions with owners of the Company, recognized directly in equity													
Own shares acquired and sold	-	-	9.745.130	-	-	-	-	-	-	1.636.343	11.381.473	210.012	11.591.485
Transfer	-	-	-	-	-	-	72.928.695	-	(79.125.939)	6.197.244	-	-	-
Increase in capital	-	-	-	-	-	-	-	-	-	-	-	2.180.028	2.180.028
Changes in ownership interest and capital increases of subsidiaries that do not result in a loss of control	-	-	-	-	-	-	-	-	-	2.304.049	2.304.049	(5.589.401)	(3.285.352)
Including to scope of consolidation	-	-	-	-	-	-	1.515.630	-	-	(1.515.630)	-	646.712	646.712
Sale of a subsidiary without loss of control	-	-	-	-	-	-	(32.075)	-	-	32.075	-	(870)	(870)
Cancellation of subsidiary capital advance	-	-	-	-	-	-	-	-	-	-	-	(1.487.429)	(1.487.429)
Dividend distribution of subsidiary	-	-	-	-	-	-	-	-	-	-	-	(24.525)	(24.525)
Changes in ownership interest in subsidiaries that do not result in a loss of control	-	-	-	-	-	-	67.399	-	-	397.023	464.422	(464.422)	-
Balance at (31 December 2010)	225.003.687	34.659.630	(1.820.000)	174.513	813.086	7.953.450	75.764.360	-	209.459.743	(39.812.647)	512.195.822	119.081.176	631.276.998
Balance at 1 January 2011	225.003.687	34.659.630	(1.820.000)	174.513	813.086	7.953.450	75.764.360	-	209.459.743	(39.812.647)	512.195.822	119.081.176	631.276.998
Total comprehensive income													
Change in revaluation reserve, net of deferred tax	-	-	-	-	(284.567)	-	-	-	-	-	(284.567)	-	(284.567)
Foreign currency translation differences	-	-	-	-	-	68.742.152	-	-	-	-	68.742.152	19.302.658	88.044.810
Net profit/loss for the period	-	-	-	-	-	-	-	-	(81.954.759)	-	(81.954.759)	(3.150.469)	(85.105.228)
Total comprehensive income for the period	-	-	-	-	(284.567)	68.742.152	-	-	(81.954.759)	-	(13.497.174)	16.152.189	2.655.015
Transactions with owners of the Company, recognized directly in equity													
Own shares acquired and sold	-	-	(70.931.722)	-	-	-	-	-	-	2.999.249	(67.932.473)	188.419	(67.744.054)
Transfer	-	-	-	-	-	-	3.123.796	-	(209.459.743)	206.335.947	-	-	-
Sale of shares of a subsidiary in the infrastructure segment without loss of control	-	-	-	-	-	(7.736.908)	(1.526.231)	-	-	31.000.080	21.736.941	87.966.888	109.703.829
Purchase by a joint venture in the energy segment of the shares in a subsidiary without change in control	-	-	-	-	-	-	156.193	-	-	(33.966.014)	(33.809.821)	11.538.159	(22.271.662)
Initial public offer and sale of shares in a subsidiary in the finance segment without loss of control	-	-	-	4.790.196	(121.485)	34.276	(137.669)	-	-	(1.158.750)	3.406.568	11.804.616	15.211.184
Sale and purchase of shares and capital decrease and increase of a subsidiary in the real estate segment without loss of control	-	-	-	2.185	-	-	186.292	14.357.900	-	(1.074.424)	13.471.953	(6.494.422)	6.977.531
Dividend distribution of subsidiary	-	-	-	-	-	-	-	-	-	-	-	(1.594.839)	(1.594.839)
Changes in ownership interest and capital increases of other subsidiaries that do not result in a loss of control	-	-	-	-	-	-	2.086	-	-	(282.494)	(280.408)	1.052.933	772.525
Balance at (31 December 2011)	225.003.687	34.659.630	(72.751.722)	4.966.894	407.034	68.992.970	77.568.827	14.357.900	(81.954.759)	164.040.947	435.291.408	239.695.119	674.986.527

The detailed explanations related to the equity items and movements are presented in Note 24.

Accompanying notes are an integral part of these consolidated financial statements.

Global Yatırım Holding A.Ş. and its Subsidiaries
Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2011
Currency: Turkish Lira ("TL") unless otherwise stated.

	Notes	Audited 1 January- 31 December 2011	Audited 1 January- 31 December 2010 Restated (*)
Cash flows from operating activities			
Net profit/(loss)		(85.105.228)	232.656.558
Adjustment to reconcile net profit/ (loss) before tax and net cash provided by operating activities			
Depreciation and amortization expense	27	47.168.277	24.836.378
Tax (income)/expense	31	(7.998.777)	(4.508.771)
Bargain purchase gain and gain on previously held in asset	28	(5.446.718)	(254.856.109)
Tax amnesty expenses	28, 30	-	7.363.205
Change in provision for employee termination indemnities	22	1.018.658	472.778
Gain/loss on valuation of investment property	28	(4.009.234)	(49.401.226)
Real estate sales (gain)/loss	28	(68.547)	25.175.009
Net gain from sale of tangible assets	28	(23.045)	(112.162)
Impairment losses	28	-	-
Change in fair value of derivatives	29, 30	1.400.002	(2.351.143)
Interest income from operations in finance sector	25	(7.839.279)	(6.974.493)
Foreign exchange (gain)/loss on bank borrowings		41.577.149	6.199.825
Debt provisions		1.340.586	(31.341)
Interest income from non-financial activities	29	(7.577.417)	(4.079.088)
Interest charges from loans extended to customers	25	1.628.295	1.883.618
Letter of guarantee commissions and other financial expenses	30	11.771.621	8.584.120
Receivable due date differences	30	2.351.223	-
Dividend income	28	(709.156)	(226.260)
Interest expense from non-financial activities	30	29.686.188	16.027.728
Overdue interest expenses to suppliers	30	2.582.821	3.250.557
Gain on sale of available for sale financial asset	28	-	(7.196.254)
Gain on sale of subsidiary	28	-	(1.798.815)
(Gain)/Loss on sale of joint venture	28	(6.814.015)	466.000
Change in allowance of doubtful receivables	26	2.247.027	907.144
Operating cash flow before changes in operating assets and liabilities		17.180.431	(3.712.742)
Taxes paid	31	(10.718.442)	(5.300.053)
Interest received from financial sector activities		7.839.279	6.974.493
Interest paid related to loans extended to customers		(1.628.295)	(1.883.618)
Dividend received		709.156	226.260
Employee termination indemnity paid	22	(478.329)	(269.292)
Change in trade receivables from operations in finance and non-finance sectors		4.674.363	(14.389.564)
Change in due from and due to related parties (trade and finance sector operations)		1.571.159	(4.592.777)
Change in other receivables		(1.690.287)	2.676.952
Change in other current assets		(20.845.048)	(6.069.556)
Change in other non current assets		(4.552.878)	(1.458.663)
Change in inventories		(9.262.470)	854.270
Change in trade payables due to operations in finance and non-finance sectors		9.906.547	7.793.556
Change in other payables		24.565.741	7.947.752
Change in other current liabilities		3.860.746	5.250.572
Change in other non-current liabilities		10.549.827	10.147.823
Net cash from operating activities		31.681.500	4.195.413
Investing activities			
Addition to investment property	15	(2.928.964)	(32.124.675)
Proceeds from sale of real estates, net	36	3.400.000	31.589.991
Change in restricted bank balances	6	956.991	(2.898.116)
Acquisition of property, plant and equipment	16	(29.670.881)	(15.875.308)
Acquisition of concession intangible assets	17	(26.399.108)	(20.826.244)
Acquisition of intangible assets	18	(554.905)	(973.031)
Sale of shares of a subsidiary in the infrastructure segment without loss of control	24	132.429.689	-
Purchase by a joint venture in the energy segment of the shares in a subsidiary without change in control	24	(22.271.662)	-
Initial public offer and purchase and sale of shares in a subsidiary in the finance segment without loss of control	24	15.428.818	-
Sale and purchase of shares and capital decrease and increase of a subsidiary in the real estate segment	24	6.929.237	-
Changes in ownership interest and capital increases of other subsidiaries and joint ventures		772.523	(1.600.986)
Cash paid for the purchase of subsidiary	3	(349.515)	(63.374.236)
Change in financial investments		3.615.471	21.953.471
Interest received from non-financial activities		7.593.048	3.089.048
Proceeds from sale of subsidiary, net	36	-	1.845.406
Proceeds from sale of joint venture, net	36	-	3.854.600
Cash paid for purchase of joint venture, net	3	(8.435.733)	-
Proceeds from sale of financial asset	36	-	10.571.253
Proceeds from sale of property, plant and equipment and intangible assets		384.738	268.771
Net cash from / (used in) investing activities		80.899.747	(64.500.056)
Financing activities			
Cash paid for letter of guarantee		-	(10.141.620)
Dividend distribution of subsidiary		(1.594.839)	-
Interest paid for financing		(29.812.436)	(17.611.694)
Overdue interest paid to suppliers		(2.582.821)	(3.250.557)
Change in acquisition of treasury shares		(67.572.764)	12.053.072
Cash paid for letter of guarantee commisions and other financing		(5.074.602)	(7.991.850)
Change in other receivables and payables from and to related parties and other shareholders		(14.077.372)	377.137
Proceeds from borrowings		73.674.178	179.745.314
Repayments of borrowings		(63.104.044)	(84.767.084)
Net cash used in financing activities		(110.144.700)	68.412.718
Effect of foreign exchange rate fluctuation on cash and cash equivalents		5.191.936	(2.910.803)
Net increase/(decrease) in cash and cash equivalents		7.628.483	5.197.272
Transfer to assets held for sale		(279.531)	-
Cash and cash equivalents at 1 January	6	51.836.927	46.639.655
Cash and cash equivalents at 31 December	6	59.185.879	51.836.927

(*) Note. 2.1c

Accompanying notes are an integral part of these consolidated financial statements.

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1 ORGANIZATION AND NATURE OF BUSINESS

Global Yatırım Holding A.Ş. ("Global Yatırım Holding", "Global Holding", "GYH" or "the Company") was established in 1990 with the trade name Global Menkul Değerler A.Ş. as a brokerage company in İstanbul, Turkey. On 6 October 2004, the Company changed its trade name to Global Yatırım Holding A.Ş and its field of activity to restructured itself as a holding company. As part of its restructuring, on 2 October 2004, a new company, named Global Menkul Değerler A.Ş. was established by through a partial de-merger in accordance withunder Turkish legislation law and 99,99% of its shares were owned by the Company. All of the Company's brokerage activities were transferred to this new company. The main operation of the Company's primary purpose is to participate invest in the capital and participate in the management of companies that operate or will operate in the fields of financial services, energy, infrastructure and real estate development sectors, and to minimize the volatility of its investments against economic fluctuations by handling managing the capital expenditure, financing, organization and administration of those its investment companies within portfolio, while contributing to such companies the achievingement of sustainable growth and ensuring the going concern of those such companies to the benefit of the national economy, and to engage in commercial, industrial and financial activities in line with these goals.

Global Yatırım Holding, its subsidiaries, its joint ventures and its associates are together referred to as "the Group". As at 31 December 2011, the number of employees of the Group is 1.002 (31 December 2010: 779).

The Group is registered with the Capital Market Board ("CMB") and its shares have been traded on the İstanbul Stock Exchange ("ISE") since May 1995 (from May 1995 to 1 October 2004, the company traded as "Global Menkul Değerler A.Ş.").

The registered office of the Company is "Rıhtım Caddesi No: 51 Karaköy / Istanbul".

99,99% of the shares of the Company are listed on the ISE.

The Company's shareholding structure is presented in Note 24.

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The nature of the operations and the locations of the “Subsidiaries” of the Group are listed below:

Subsidiaries	Location	Operations
Global Menkul Değerler A.Ş. (Global Menkul) (1)	Turkey	Brokerage
Global Portföy Yönetimi A.Ş. (Global Portföy) (18)	Turkey	Portfolio Management
Global Valori Mobiliare SA. (Valori) (2)	Romania	Brokerage
Global Financial Products Ltd. (GFP)	Cayman Islands	Financial Investments
Global Sigorta Aracılık Hizmetleri A.Ş. (Global Sigorta)	Turkey	Insurance Agency
Hedef Menkul Değerler A.Ş. (Hedef) (2)	Turkey	Brokerage
Global Liman İşletmeleri A.Ş. (Global Liman) (3)	Turkey	Infrastructure
Ege Global Madencilik San. ve Tic. A.Ş. (Ege Global)	Turkey	Mining Investments
Mavi Bayrak Tehlikeli Atık İmha Sistemleri San. ve Tic. A.Ş. (Mavi Bayrak)	Turkey	Waste Disposal Systems
Salıpazarı İnşaat Sanayi ve Ticaret A.Ş. (Salıpazarı)	Turkey	Construction Investments
Güney Madencilik İşletmeleri A.Ş. (Güney)	Turkey	Mining
Doğu Madencilik İşletmeleri A.Ş. (Doğu)	Turkey	Mining
Nesa Madencilik San. ve Tic. A.Ş. (Nesa)	Turkey	Mining
Vespa Enterprises (Malta) Ltd. (Vespa)	Malta	Tourism Investments
Pera Gayrimenkul Yatırım Ortaklığı A.Ş. (Pera)	Turkey	Real Estate Investments
Tora Yayıncılık A.Ş. (Tora)	Turkey	Publishing
Global Enerji Hizmetleri ve İşletmeciliği A.Ş. (Global Enerji)	Turkey	Electricity Generation
Osmanlı Enerji A.Ş. (Osmanlı) (16)	Turkey	Electricity Generation
Dağören Enerji A.Ş. (Dağören) (4)	Turkey	Electricity Generation
Global Securities (USA) Inc. (5) (11)	USA	Brokerage
CJSC Global Securities Kazakhstan (5) (11)	Kazakhstan	Brokerage
Ege Liman İşletmeleri A.Ş. (Ege Liman) (6)	Turkey	Port Operation
Bodrum Yolcu Limanı İşletmeleri A.Ş. (Bodrum Liman) (6)	Turkey	Port Operation
Ortadoğu Antalya Liman İşletmeleri A.Ş. (Ortadoğu Liman) (6) (12)	Turkey	Port Operation
İzmir Port Operation A.Ş (İzmir Liman) (14)	Turkey	Port Operation
Sem Yayıncılık A.Ş. (Sem) (7)	Turkey	Publishing
Maya Turizm Ltd. (Maya Turizm) (8)	Cyprus	Tourism Investments
Galata Enerji Üretim San. ve Tic. A.Ş. (Galata Enerji) (9)	Turkey	Electricity Generation
Doğal Enerji Hizmetleri ve İşletmeciliği A.Ş. (Doğal Enerji) (17)	Turkey	Electricity Generation
Global Depolama A.Ş. (6)	Turkey	Storage
Torba İnşaat ve Turistik A.Ş. (Torba) (10)	Turkey	Real Estate Investments
GES Enerji A.Ş.	Turkey	Electricity Generation
Sümerpark Gıda İşletmeciliği A.Ş. (15)	Turkey	Food Management
Randa Denizcilik San. ve Tic. Ltd. Şti. (Randa) (13)	Turkey	Marine Vehicle Trade

(1) In 2010 as a result of the sale of its shares through an initial public offering and direct sale and subsequent purchase of some of its publicly traded shares the Group’s effective ownership rate in this company decreased to 76,85% as at 31 December 2011.
(2) Valori was liquidated in 2010. Hedef was sold on 17 December 2010.
(3) As explained in detail in Note 24, the Group sold 22,114% of the shares in this company on 26 July 2011
(4) This company is consolidated by Global Enerji.
(5) These companies are consolidated by Global Menkul.
(6) These companies are consolidated by Global Liman.
(7) This company is consolidated by Tora.
(8) This company is owned by Pera and Vespa and is proportionately consolidated.
(9) This company was consolidated to Ege Global, after the transfer of shares of the company from Ege Global to Global Enerji, the company has started to be consolidated to Global Enerji from the date on 1 November 2011.

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(10) This company has not been consolidated as of 4 January 2008 due to assignment of the Group's shares in the company to a trustee and the resulting loss of control.
(11) The Group has resolved to liquidate these companies.
(12) Until 29 July 2010, Global Liman owned 39,80% of the shares of Ortadoğu Liman. On 29 July 2010, Global Liman acquired an additional 60% of the shares of Ortadoğu Liman from other shareholders and obtained control by increasing its ownership interest to 99,80%. Ortadoğu Liman was consolidated to the Group as a joint venture using a proportionate consolidation method until 29 July 2010. Starting from that date, Ortadoğu Liman has been consolidated to the Group as a subsidiary using a full consolidation method.
(13) This company is inactive, so as at 31 December 2011 it is excluded from the scope of consolidation (Note 2.1.d.iii).
(14) This company is consolidated to Global Yatırım Holding. and Global Liman. As explained in detail in Note 3, the acquisition of the shares of this company from the other shareholders was completed on 29 June 2011.
(15) This company's corporate name was changed firstly to "Sağlam Enerji Yatırımları A.Ş." in April 2011 and then to "Sümerpark Gıda İşletmeciliği A.Ş." in May 2011. The company's core business was changed from energy investments to food management.
(16) This company was sold on 23 June 2009 in accordance with the share transfer agreement regarding the sale of 95% shares of Yeşil Enerji to Statkraft AS and it has been repurchased from Yeşil Enerji on 2 June 2010. This company merged with Ges Enerji A.Ş. through acquisition method as at 28 December 2011.
(17) This company was consolidated to Global Enerji, after the transfer of the shares of the company from Global Enerji to Holding on 26 December 2011, the company has started to be consolidated to Holding from that date.
(18) This company's assets and liabilities were classified as held for sale as at 31 December 2011 (Note 36).

The nature of the operations and the locations of the "Joint Ventures" of the Group are listed below:

Joint Ventures	Location	Operations
Enerji Yatırım Holding A.Ş. (Enerji Yatırım Holding or EYH) (1)	Turkey	Energy Investments
Energaz Gaz Elektrik Su Dağıtım A.Ş. (Energaz) (2) (10)	Turkey	Gas, Water, Elec. Investments
Gaznet Şehir Doğalgaz Dağıtım A.Ş. (Gaznet) (3)	Turkey	Natural Gas Distribution
Çorum Doğalgaz Dağıtım ve Sanayi Ticaret A.Ş. (11)	Turkey	Natural Gas Distribution
Netgaz Şehir Doğalgaz Dağıtım A.Ş. (3)	Turkey	Natural Gas Distribution
Kapadokya Doğalgaz Dağıtım A.Ş. (3)	Turkey	Natural Gas Distribution
Erzingaz Doğalgaz Dağıtım A.Ş. (3)	Turkey	Natural Gas Distribution
Olimpos Doğalgaz Dağıtım A.Ş. (3)	Turkey	Natural Gas Distribution
Karaman Doğalgaz Dağıtım Ltd. Şti. (3)	Turkey	Natural Gas Distribution
Kentgaz Denizli Şehir Doğalgaz Dağıtım A.Ş. (3)	Turkey	Natural Gas Distribution
Aksaray Doğalgaz Dağıtım A.Ş. (3)	Turkey	Natural Gas Distribution
Aydın Doğalgaz Dağıtımı A.Ş (3)	Turkey	Natural Gas Distribution
Medgaz A.Ş. (Medgaz) (3) (6)	Turkey	Natural Gas Wholesale
Kentgaz A.Ş. (Kentgaz) (7)	Turkey	Natural Gas Distribution
Naturelgaz Sanayi ve Tic. A.Ş. (Naturel Gaz) (5)	Turkey	Natural Gas Trans. and Dist.
Düzce-Aksu Hid. El. En. El. Ürt. Sant. Ltd. Şti.(Düzce Aksu) (4)	Turkey	Electricity Generation
Bilecik Demir Çelik San. ve Tic. A.Ş. (Bilecik Demir Çelik or Bilecik) (9)	Turkey	Steel, Iron Manufacture
IEG Kurumsal Finansman Danışmanlık AŞ. (IEG Kurumsal) (8)	Turkey	Corporate Fin. Consulting

(1) This company is jointly controlled by the Company and its other shareholder STFA Yatırım Holding A.Ş. ("STFA").
(2) This company is consolidated by Enerji Yatırım Holding A.Ş.
(3) These companies are consolidated by Energaz.
(4) This company was sold and excluded from the scope of consolidation as of 2 June 2010.
(5) As explained in detail in Note 3, this company is included in the scope of consolidation because EYH purchased 50% of the shares of this company on 23 May 2011. This company is proportionately consolidated by EYH.
(6) In 2010, as its operations started to become significant, this company has been included in the scope of consolidation.
(7) This company is not included of the scope of consolidation as at 31 December 2011 and 31 December 2010 (Note 2.1.d.iii).
(8) This company was established on 17 May 2011 with a 50%- 50% shareholdering structure by Global Menkul, a subsidiary of the Group, and IEG (Deutschland) GmbH, a prominent company in corporate finance sector in Europe. As this company is immaterial and not fully operational as at the balance sheet date, it has been excluded from the scope of consolidation (Note 2.1.d.iii).

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(9) As at 15 September 2011, all shares in this company held by the Group (39,99%) have been sold to Ada Metal Demir Çelik Geri Dönüşüm San. ve Tic. A.Ş. ("Ada Metal"), the other shareholder of Bilecik Demir Çelik (Note 36).
(10) As explained in detail in Note 24, EYH, a joint venture of the Group, increased its effective ownership interest in Energaz from 52,47% to 99%. Thus, the effective ownership interest of the Group in Energaz increased from 26,23% to 49,49%.
(11) This company is proportionately consolidated by Energaz.

As at 31 December 2011 and 2010, the Group does not have an associate.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Preparation

(a) Statement of Compliance

The Company maintains its books of accounts and prepares its statutory financial statements in Turkish Lira (TL) in accordance with the regulations on accounting and reporting framework and accounting standards promulgated by the Turkish Commercial Code, Tax Legislation and the Uniform Chart of Accounts issued by the Ministry of Finance.

The accompanying consolidated financial statements of the Group are prepared in accordance with the Capital Markets Board ("CMB") communiqué "Communiqué on Financial Reporting Standards in Capital Market" (Communiqué), published in the official Gazette dated 9 April 2008 and numbered 26842. In accordance with the fifth clause of the Communiqué, the companies apply International Accounting/Financial Reporting Standards ("IAS/IFRS") accepted by the European Union. In accordance with the Communiqué's Temporary Clause 2, it has been stated that IAS/IFRS prescribed by the International Accounting Standards Board (IASB) are applied until the differences between the IAS/IFRS accepted by European Union and IAS/IFRS prescribed by IASB are declared by the Turkish Accounting Standards Board ("TASB"). The Company prepared its consolidated financial statements for the year ended 31 December 2011, in accordance with IAS/IFRS prescribed by IASB.

With the governing decree law numbered 660 published in official gazette on 2 November 2011, the establishment article of TASB stated in the 2499 numbered law with an additional article number one has been superseded and the Council of Ministers decided to establish Public Oversight Accounting and Auditing Standards Agency ("Oversight Agency"). In accordance with the transitional article number one of the governing decree law, until the date of the issuing of standards and regulations by Oversight Agency, the existing regulations will be applied. Accordingly, as of reporting date, the Basis of Presentation has not been changed.

With the resolution taken on 17 March 2005, the CMB has announced that, effective from 1 January 2005, the application of IAS 29 "Financial Reporting in Hyperinflationary Economies" issued by IASB is no longer required for companies operating in Turkey and accordingly effective from 1 January 2005, IAS 29 has not been applied in preparing the Group's consolidated financial statements in accordance with CMB Financial Reporting Standards.

The consolidated financial statements of the Company as at and for the year ended 31 December 2011 have been approved for issue by the Board of Directors on 21 March 2012. The General Assembly of the Company have the right to modify the issued financial statements.

Consolidated financial statements are prepared based on historical cost except for the net assets acquired through business combinations, financial assets and liabilities measured at fair value and investment property measured at fair value. Methods that are used for measurement of fair value are explained in Note 35.

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Additional paragraph for convenience translation into English:The differences between the accounting principles promulgated by CMB, accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and IFRS have influence on the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the consolidated financial position and consolidated results of operations in accordance with the accounting principles generally accepted in such countries and IFRS.

(b)Functional and Presentation Currency

The presentation and functional currency of the Group is Turkish Lira (TL).

US Dollar is significantly used in the operations of the subsidiaries, Ege Liman, GFP, Vespa, Bodrum Liman and Ortadoğu Liman, and has a significant effect on the operations. Therefore, US Dollar has been determined as the functional currency of these Companies in line with IAS 21 - The Effects of Changes in Foreign Exchange Rates.

(c) Adjustments and reclassifications in the consolidated financial statements for the year ended 31 December 2010

For consistency with the current period, the Group restated its consolidated statement of cash flows for the year ended 31 December 2010. Accordingly, the net cash outflows amounting to TL 7.991.851 have been classified from the net cash from operating activities to the cash from/used in financing activities.

(d) Basis of consolidation

As at 31 December 2011 and 2010, the consolidated financial statements include the financial statements of the subsidiaries, joint ventures and associates of Global Yatırım Holding A.Ş.

(i) Subsidiaries

Subsidiaries of which the Group has the power to govern the financial and operating policies are consolidated in the accompanying consolidated financial statements if;

(a) the Group has the power over 50% of the voting rights acquired through shareholding interest hold either directly or indirectly.

(b) the Group has the power and authority to govern the financial and operating policies of the Group, so as to obtain benefits from its activities, although the Group does not own 50% of the voting right.

This power to control is evidenced when the Group is able to govern the financial and operating policies of an enterprise so as to benefit from its activities. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

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The table below demonstrates the rates of the effective ownership and the voting power held in terms of percentages as of 31 December 2011 and 2010 for all the subsidiaries directly or indirectly controlled by the Group and included in the scope of consolidation:

	Effective ownership rates		Voting power held	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
Global Menkul Değerler A.Ş. (Note 24)	76,85	99,99	76,85	100,00
Global Portföy Yönetimi A.Ş.	99,92	99,92	100,00	100,00
Global Financial Products Ltd.	100,00	100,00	100,00	100,00
Global Sigorta Aracılık Hizmetleri A.Ş.	99,99	99,99	100,00	100,00
Global Liman İşletmeleri A.Ş. (Note 24)	77,89	99,99	77,89	100,00
Global Securities (USA) Inc.	76,85	99,99	76,85	100,00
CJSC Global Securities Kazakhstan	76,85	99,99	76,85	100,00
Ege Liman İşletmeleri A.Ş.	56,47	72,50	72,50	72,50
Bodrum Liman İşletmeleri A.Ş	46,73	60,00	60,00	60,00
Ortadoğu Antalya Liman İşletmeleri A.Ş.	77,73	99,80	100,00	100,00
Ege Global Madencilik San.ve Tic. A.Ş.	84,99	84,99	85,00	85,00
Mavi Bayrak Tehlikeli Atık İmha Sistemleri San.ve Tic.A.Ş.	100,00	94,40	100,00	100,00
Salıpazarı İnşaat Sanayi ve Ticaret A.Ş.	99,99	99,99	100,00	100,00
Güney Maden İşletmeciliği A.Ş.	99,99	99,99	100,00	100,00
Doğu Maden İşletmeciliği A.Ş.	99,99	99,99	100,00	100,00
Nesa Madencilik San.ve Tic.A.Ş.	99,99	99,99	100,00	100,00
Vespa Enterprises (Malta) Ltd.	99,93	99,93	100,00	100,00
Maya Turizm Ltd.	74,72	66,82	80,00	80,00
Galata Enerji Üretim ve Ticaret A.Ş. (*)	59,99	50,99	60,00	51,00
Global Enerji Hizmetleri ve İşletmeciliği A.Ş.	100,00	99,99	100,00	100,00
Osmanlı Enerji A.Ş. (**)	-	99,96	-	100,00
Tora Yayıncılık A.Ş.	96,00	96,00	100,00	100,00
Sem Yayıncılık A.Ş.	62,40	62,40	65,00	65,00
Pera Gayrimenkul Yatırım Ortaklığı A.Ş. (Note 24)	49,51	33,82	60,00	60,00
Doğal Enerji Hizmetleri ve İşletmeciliği A.Ş.	99,99	99,99	100,00	100,00
Dağören Enerji A.Ş.	70,00	70,00	70,00	70,00
Global Depolama A.Ş.	77,88	99,99	100,00	100,00
GES Enerji A.Ş.	99,99	99,99		100,00
Sümerpark Gıda İşletmeciliği A.Ş.	99,99	99,99	100,00	100,00
İzmir Liman İşletmeciliği A.Ş. (Note 3)	82,53	46,00	100,00	46,00

(*) As a result of the transfer of Galata Enerji shares from Ege Global, a subsidiary of the Group, to Global Enerji on 1 November 2011, the effective ownership rate of the Group in Galata Enerji increased to 59,99% as at 31 December 2011. As the transaction is a transaction under the common control of the Group, it has been accounted for as a transaction with owners of the Company, recognized directly in equity.
(**) Osmanlı, a subsidiary of the Group, has been excluded from the scope of consolidation as a result of the legal merger under Ges Enerji on 28 December 2011. As the legal merger is a merger of companies controlled by the Group, the transaction has been accounted for as a transaction with owners of the Company, recognized directly in equity.

(ii) Joint ventures and associates

Associates are those entities, in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are those entities over whose activities the Group has joint control and significant influence over the financial and operating policies. Joint ventures are accounted for using the proportionate consolidation method. The consolidated financial statements include the Group's proportionate share of the enterprises' assets, liabilities, revenues and expenses with items of a similar nature. The Group's associates are accounted under equity method in the accompanying consolidated financial statements. Under the equity method, the investment in an associate is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of net assets in the associate.

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When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. If the associate subsequently reports profits, the share of the profits, only after its share of losses not recognized, is recognized in the financial statements.

The table below demonstrates the rates of the effective ownership and the voting power held in terms of percentages (%) as of 31 December 2011 and 2010 for all the joint ventures which are under the direct or indirect joint control of the Group and included in the scope of consolidation:

	Effective ownership		Voting power held	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
Enerji Yatırım Holding A.Ş.	49,99	49,99	49,99	49,99
Energaz Gaz Elektrik, Su Dağıtım A.Ş. (Note 24)	49,49	26,23	49,49	26,23
Aksaray Doğalgaz Dağıtım A.Ş.	44,53	26,22	44,53	26,22
Aydın Doğalgaz Dağıtımı A.Ş	49,47	26,23	49,47	26,23
Kentgaz Denizli Şehir Doğalgaz Dağıtım A.Ş.	44,54	23,61	44,54	23,61
Gaznet Şehir Doğalgaz Dağıtım A.Ş.	37,43	19,66	37,43	19,66
Netgaz Şehir Doğalgaz Dağıtım A.Ş.	44,51	23,59	44,51	23,59
Erzingaz Doğalgaz Dağıtım A.Ş.	44,54	23,61	44,54	23,61
Olimpos Doğalgaz Dağıtım A.Ş.	44,54	23,61	44,54	23,61
Karaman Doğalgaz Dağıtım Ltd. Şti.	44,54	23,61	44,54	23,61
Çorum Doğalgaz Dağıtım ve Sanayi ve Ticaret A.Ş.	14,85	7,87	14,85	7,87
Kapadokya Doğalgaz Dağıtım A.Ş.	31,18	16,52	31,18	16,52
Medgaz A.Ş.	49,49	26,23	49,49	26,23
Bilecik Demir Çelik San.ve Tic.A.Ş. (Note 36)	-	39,99	-	39,99
Naturelgaz Sanayi ve Tic. A.Ş. (Note 3)	25,00	-	25,00	-

As at 31 December 2011 and 2010, the Group does not have an associate.

(iii) Available for sale financial assets

Equity securities in which the Group owns either directly or indirectly less than 20% of the shares, that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are carried at cost, less permanent impairment losses disclosed as available for sale financial assets at consolidated financial statements.

As at 31 December 2011 Kentgaz, IEG Kurumsal and Randa in which the Group has effective ownership interests of 49,99%, 38,43% and 99,9% respectively and which are immaterial to the consolidated financial statements and Torba İnşaat ve Turistik A.Ş. in which the Group has an ownership interest of 80% but has no control are not consolidated and are disclosed as available for sale financial assets carried at cost less any impairment losses. For the same reasons, as at 31 December 2010, Kentgaz and Torba are disclosed as available for sale financial assets, carried at cost less any impairment losses.

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As at 31 December 2011, Kentgaz, IEG Kurumsal and Randa are considered as immaterial to the consolidated financial statements since the portion of their assets is 0,004% of the total consolidated assets of the Group and they do not generate any revenues.

As at 31 December 2010, Kentgaz is considered as immaterial to the consolidated financial statements since the portion of its assets is 0,001% of the total consolidated assets of the Group and it does not generate any revenues.

(iv) Special purpose entities

The Group has established in 2007 a special purpose entity ("SPE") namely, Apogee Investments Ltd. located in Cayman Islands to invest in the notes issued by Deutsche Bank AG Luxembourg SA in the scope of the loan participation notes borrowed from Deutsche Bank AG Luxembourg branch. This entity was consolidated as at 31 December 2008 since the main purpose of the entity was to invest in these notes in the market with the directions of the Company. All the notes have been purchased by the Group from the entity in 2008 and the SPE has been excluded from the scope of consolidation afterwards.

(v) Consolidation adjustments

Subsidiaries are consolidated by using the full consolidation method. Therefore, the carrying value of subsidiaries is eliminated against the related equity. The equity and net income attributable to non-controlling interests are shown separately in the consolidated balance sheet and statement of comprehensive income. Intra-group balances and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(vi) Transactions with non-controlling interest

The Group applies a policy of treating transactions with minority interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is deducted from equity. Gains or losses on disposals to non-controlling interests are also recorded in equity. For disposals to non-controlling interests, differences between any proceeds received and the relevant share of non-controlling interests are also recorded in equity.

(e) Changes in Accounting Policies and Estimates / Errors

The changes in accounting policies resulting from the initial application of a new IAS/IFRS are applied in accordance with the transition clauses of the related IAS/IFRS, if any, retrospectively or prospectively. The changes for which no transition clauses exist, the significant optional changes in accounting policies or the identified accounting errors are applied retrospectively and the financial statements for the prior periods are restated. Changes in accounting estimates are applied in the current period if the change is related with only one period. They are applied in the current period and prospectively if they are related to the future periods. The Group has no significant change in its accounting policies and estimates.

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(f) Netting/offsetting

The Group's financial assets and liabilities are offset and the net amount is presented in the consolidated balance sheet if and only if there is a legally enforceable right to set off the amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

(g) Changes in the International Financial Reporting Standards

The Group applied in the consolidated financial statements all the standards issued by the IASB and the interpretations of the Internation Financial International Financial Reporting Interpretations Committee ("IFRIC") which were effective and required as at 31 December 2011.

The standards and interpretations effective for the periods starting on 1 January 2011 or thereafter are presented below:

(a) The standards, amendments and interpretations effective in 2011:

• IFRS 1 (Amendments), "The amendment related to the costs of investment in relation to the first-time adoption of IFRS
• IFRS 2 "Share-Based Payment" (Vesting Conditions and Cancellations)
• IAS 24 (2009) (Revised) "Related Party Disclosures"
• IAS 32 (Amendment) "Classification of Equity Instruments"
• IFRS 1 "Limited Exemption to the Comparative Notes to IFRS 7"
• IFRIC 14 (Amendments), "Pre-payment of a Minimum Funding Requirement"
• IFRIC 19, "Extinguishing Financial Liabilities with Equity Instruments"
• The Annual Improvements on IFRS published in May 2010: IFRS 1, "Adoption of International Financial Reporting Standards"; IFRS 3, "Business Combinations"; IFRS 7, "Financial Instruments: Financial Instruments: Disclosures"; IAS 27, "Consolidated and Separate Financial Statements"; IAS 34, "Interim Financial Reporting" and IFRIC 13, " Customer Loyalty Programs"
• IFRS 1 (Amendments), "Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters"
• IFRS 7 (Amendments), "Disclosures – Transfers of Financial Assets"

The standards, amendments and interpretations above did not have a significant effect on the Group's financial statements.

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(b) Standards, amendments and interpretations to existing standards that are not yet effective in 2011 and have not been early adopted by the Group

• IFRS 9 Financial Instruments – Part 1 Financial Assets and Liabilities, Classification and Disclosures
• IAS 12 (Amendment), "Income Taxes"- Deferred taxes: Recovery of Underlying Assets
• IAS 1 (Amendment), "Presentation of Items of Other Comprehensive Income"
• IFRS 10 "Consolidated Financial Statements" supersedes IAS 27, "Consolidated and Separate Financial Statements" and SIC 12, "Consolidation - Special Purpose Entities"
• IFRS 11 "Joint Arrangements" supersedes IAS 31 "Interests in Joint Ventures" and SIC-13 Jointly Controlled Entities Non-Monetary Contributions by Ventures
• IFRS 12 "Disclosure of Interest in Other Entities"
• IFRS 13 Fair Value Measurement
• IAS 27 Separate Financial Statements (2011) replaces IAS 27 (2008)
• IAS 28 Investments in Associates and Joint Ventures (2011) replaces IAS 28 (2008)
• IAS 19 "Employee Benefits (Amended 2011)"

The Group does not plan to adopt these standards before their effective date and the extent of their impact has not been determined yet.

2.2 Summary of Significant Accounting Policies

(a) Revenues

(i) Service and commission revenue

The Group receives commissions for providing services with brokerage services and asset management services, and recognizes such commissions as income as the services are rendered. Other service and commission revenues comprised of interest received from customers, portfolio management commissions and other commissions and consultancy services.

(ii) Portfolio management fees

Fees charged for management of customer portfolios at capital markets are recognized as income at the end of each month.

(iii) Gain on trading of securities

Gains / losses on trading of securities are recognized in profit or loss at the date of the related purchase/sale order.

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(iv) Natural gas sales

Revenues from the sales of natural gas comprise the revenues from the sales to individual and corporate subscribers. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the subscribers and natural gas has been consumed by the related subscriber. In addition, natural gas distributed but not billed is accrued at each reporting period. The Group accounts prepaid sales which part is not used by the subscribers as deferred natural gas revenue in other current liabilities. Deferred prepaid sales are recognized as revenue as natural gas is consumed by the subscriber. Transfer of risk and rewards changes as to the periods of the consumption of natural gas by subscribers. Net sales revenue is disclosed less sales returns.

(v) Connection service fees

Subscriber connection fee represents the project labor, material, control and approval expenditures per subscriber needed to connect the distribution network including the gas meters to the internal facilities of the subscriber. In accordance with the legislation, the previously collected connection service fees are not returned in case the natural gas subscribers unsubscribe. In addition, the service connection fee can be charged to one address only once. The Group accounts for the connection fees when the service is provided and recognizes the income in profit or loss throughout the license period. Connection fee revenues change as to the periods when the connection service is provided to the subscribers.

(vi) Construction contracts

The Group accounts for revenues and costs from construction services related with the construction and renewal of the infrastructure network in accordance with IAS 11 "Construction Contracts within the context of IFRIC 12 –Service Concession Arrangements". In practice, the Group is unable to separate the margin attributable to the construction phase of its concession agreements from the margin attributable to the operation phase since there are no publicly available market data regarding the fair value of such margin. Consequently, revenue recognized during the construction phase is limited to an amount equal to the costs incurred.

(vii) Port administration revenues and port rent income

Port administration revenues comprise revenues from services provided to ships and motorboats (pilotage, tugboat rents, passenger landing fee, etc.), and cargo handling fees (general cargo, bulk cargo, container) recognized on accrual basis.

Rent income comprises rental income from marina, shopping centers and duty-free stores. Rent income is recognized in profit or loss on a straight line basis over the term of the lease.

(viii) Goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

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(ix) Other service revenues and other sales

Rent income is accounted for on accrual basis, interest income is accounted for using effective interest method and dividend income is recognized on the date the Group's right to receive the payment is established.

Other service revenues and other sales are presented in profit or loss on accrual basis.

(b) Expenses

Expenses are accounted for on accrual basis. Cost of sales and operating expenses are accounted for in the period when incurred. Operational lease expenses are recognized in profit or loss on a straight line basis over the lease term.

Interest expenses

Interest expenses are accrued by using the effective interest method or applicable variable interest rate. Interest expenses arise from the difference between the initial cost of an interest bearing financial instrument and the value of the instrument discounted to its present value at the date of the maturity or the premium or discount, discounted to present value. The financial costs that are directly attributable to the acquisition, construction or production of a qualified asset are capitalized.

(c) Inventories

(i) Inventories

Inventories are valued by using the weighted average method. Inventories are stated at the lower of cost and net realizable value. Cost incurred in bringing each product to its present location and conditions are included in the cost of inventory. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Trading property

Trading properties held by subsidiaries that operate in real estate sector are classified as inventories. Trading property is stated at the lower of cost at balance sheet date and net realizable value. Net realizable value represents the fair value less costs to sell. Borrowing costs directly attributable to the trading properties in progress are included in the cost of the trading property. Expenses are capitalized from the date they have been incurred to the date the asset is available for use. The duration of the completion of these trading properties is over one year and it varies from project to project.

(d) Investment Property

Investment property is a land, building or part of a building or both held (by the owner or by the lessee under a finance lease) to earn rentals of 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.

Investment properties are measured initially at cost. Transaction costs are included in the initial measurement.

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The fair value of investment property is the price at which the property could be exchanged or liability is paid between knowledgeable, willing parties in an arm's length transaction. Subsequent to initial recognition, investment properties are measured in accordance with fair value model or cost model and applied to all investment properties. The Group measures its investment properties by using the fair value model.

The investment property under construction is the investment property which is being constructed for earning rentals or for capital appreciation, or both. This property is classified as construction in progress under the investment property.

If the Group determines that the fair value of an investment property under construction is not realiably determinable but expects that the fair value of the property to be reliably determinable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). Costs incurred during the acquisition and construction of these assets and subsequent expenditures are capitalized if it is probable that they will increase the future economic benefits obtained from that asset.

Borrowing costs directly attributable to the investment properties in progress are included in the cost of the investment property. Expenses are capitalized from the date they have been incurred to the date the asset is available for use. If the cost of the investment property in progress is lower than its recoverable value, an impairment loss is provided. Capitalization rate is the average of the current interest rates of the financial liabilities attributable to the investment properties in progress and the general funding made for these assets.

Once the Group becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, that property is measured at fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably.

An investment property under construction is measured at the fair value to be determined once its construction is complete less the construction and borrowing costs estimated to be realized until the construction is complete.

(e) Property, Plant and Equipment

Property, plant and equipment of the subsidiaries and joint ventures that operate in Turkey and acquired before 1 January 2005 are stated at restated cost until 31 December 2004 less accumulated depreciation and permanent impairment losses. Property, plant and equipment of such entities acquired after 1 January 2005 are stated at cost, less accumulated depreciation and permanent impairment losses. The cost of an item or property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating and the interest expense incurred during the investment period, related with the funds borrowed at the acquisition of the property, plant and equipment. Property, plant and equipment of companies, whose functional currencies are not TL, are denominated in the original currencies, stated at cost, less accumulated depreciation and accumulated impairment losses and are translated to TL by using the exchange rate ruling at the reporting date. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment acquired in a business combination are initially measured at fair value.

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(i) Subsequent costs

The costs of replacing part of an item of property, plant and equipment are recognized in the carrying amount of the item if it is probable that they will increase the future economic benefits obtained from that asset. All other costs are recognized in profit or loss as incurred.

(ii) Depreciation

Depreciation is recognized in the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment based on the date of acquisition or the assembly dates. Leasehold improvements are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated since the useful lives are considered to be infinite. The depreciation rates used by the Group are as follows:

Buildings	2-25%
Land improvements	3,38-4,49%
Machinery and equipment	5-25%
Motor vehicles	6-25%
Furniture and fixtures	2-33,33%
Leasehold improvements	3,33-33,33%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iii) Derecognition

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other operating income or expenses in the statement of comprehensive income.

(f) Intangible Assets

Intangible assets comprise port operation rights, licenses, contract-based customer relationships, development costs, computer software, and the hydroelectric power plant ("HEPP") license, Vakıf Han building usage rights, other rights and other intangible assets.

Intangible assets related to operations whose functional currency is TL and which were acquired before 1 January 2005 are restated for the effects of inflation in TL units current at 31 December 2004, less accumulated amortization and accumulated impairment losses. Intangible assets acquired after 1 January 2006 are stated at cost less accumulated amortization and permanent impairment losses.

Intangible assets related to operations whose functional currencies are not TL, are denominated in the original currencies, stated at cost, less accumulated amortization and accumulated impairment losses and are translated to TL by using the exchange rate ruling at the reporting date.

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In a business combination or acquisition, the acquirer recognizes separately an intangible asset of the acquiree at the acquisition date only if it meets the definition of an intangible asset in IAS 38 Intangible Assets and its fair value can be measured reliably.

Development activities involve a plan or design for the production of new or substantively improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset.

(i) Amortization

Amortization is recognized in profit or loss on a straight line basis over the estimated useful lives of intangible assets.

The amortization rates applied by the Group are as follows:

Port operation rights (*)	3,33-8,33%
Costumer Relationship	8,33%
Rights	2,22-33,33%
Software	10-33,33%
HEPP license	2,01%
Natural gas sales and transmission license (**)	3,33%

(*) Port operation rights will expire by 2028 for Ortadoğu Liman, by 2033 for Ege Liman and by 2019 for Bodrum Liman.
(**) The licenses of Natural Gaz include the compressed natural gas (CNG) sales licences in İzmir, Bursa, Antalya and Adapazarı regions as well as the CNG transmission license. The CNG transmission license and the CNG sales licenses in Bursa, Antalya and Adapazarı have been obtained by Naturel Gaz in 2005 whereas the CNG sales license in İzmir has been obtained in 2006. The licenses are valid for 30 years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(g) Goodwill

According to IFRS 3, the excess of cost of the total consideration over the fair value of the identifiable assets, liabilities and contingent liabilities acquired in a business combination is recognized as goodwill. Goodwill is not amortized and is tested for impairment annually or more often when the circumstances indicate that the goodwill is impaired.

When the cost of the acquisition is lower than the fair value of the identifiable assets, liabilities and contingent liabilities acquired in a business combination, the difference is recognized as income (gain on a bargain purchase (negative goodwill)).

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The initial recognition of the business combination is accounted for provisionally if the fair values of the identifiable assets, liabilities and contingent liabilities acquired in a business combination can only be recognized, or the cost of a business combination is measured, only using provisional amounts. The provisional business combination accounting shall be completed in the 12 months following the date of acquisition and the adjustments shall be recognized retrospectively.

(h) Concession Intangible Assets

International Financial Reporting Interpretation Committee ("IFRIC") interpretation number 12 "Service Concession Agreements" ("IFRIC 12") was published on 30 November 2006 to be adopted for the periods starting from 1 January 2008. The Group applied IFRIC 12 starting from 1 January 2008 in the consolidated financial statements due to the following reasons:

(i) The subsidiaries of Energaz (except for Medgaz) have the rights and obligations to distribute natural gas in their operation districts in accordance with the distribution licenses accredited by the Energy Market Regulatory Authority ("EMRA"). These natural gas distribution companies' license information is presented below:

Company	License Date	License Expiry Date
Kentgaz Denizli Şehir Doğalgaz Dağıtım A.Ş.	6 February 2006	16 February 2036
Gaznet Şehir Doğalgaz Dağıtım A.Ş.	5 December 2003	5 December 2033
Netgaz Şehir Doğalgaz Dağıtım A.Ş.	22 June 2004	22 June 2034
Olimpos Doğalgaz Dağıtım A.Ş.	12 October 2006	12 October 2036
Kapadokya Doğalgaz Dağıtım A.Ş.	29 September 2005	29 September 2035
Aksaray Doğalgaz Dağıtım A.Ş.	25 May 2004	25 May 2034
Karaman Doğalgaz Dağıtım Ltd. Şti.	14 July 2006	14 July 2036
Erzingaz Doğalgaz Dağıtım A.Ş.	4 August 2006	4 August 2036
Çorum Doğalgaz Dağıtım ve Sanayi ve Ticaret A.Ş.	16 March 2004	16 March 2034
Aydıngaz Doğalgaz Dağıtım A.Ş	21 August 2008	21 August 2038

Moreover, Medgaz, a subsidiary of Energaz, has been established to engage in natural gas wholesale sales operations and obtained its license from the EMRA on 7 October 2009. The license will expire by 7 October 2039.

(ii) EMRA regulates and controls the operations of the Group entities, the infrastructure, beneficiaries of the services provided and the initial price of the services provided. In accordance with the license agreements, the entities have to provide not only natural gas distribution service to every customer applying to connect to natural gas network, but also building, managing, maintaining and expanding the infrastructure. In addition, license agreements set the initial unit service and amortization fee to be levied by the entities as maximum fees that are to be applied in the following eight years effective from the initiation of the license agreements and regulates fee revisions over the period of license agreements.

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(iii) In accordance with "Natural Gas Market Law" dated 25 May 2007 and numbered 4646, companies having the gas distribution license, are subject to articles either written in this legislation or declared by EMRA. According to this law, if the license is not renewed at the end of license period, EMRA has the right to open bids to deliver distribution license together with the right to use the existing infrastructure to a new company. In this case, the infrastructure will be sold and sale amount will collected by EMRA which will pay such amount to the previous holder of the distribution license. Moreover, companies has the right to sell distribution network to another legal entity before the end of the service concession agreement, nevertheless such sale is subject to EMRA approval and is nullified without the approval of EMRA. These conditions indicate that EMRA controls significant residual interest in the infrastructure both within the concession period and at the end of the concession period.

Infrastructure within the scope of IFRIC 12 is not recognised as property, plant and equipment of the operator because the contractual service arrangement does not convey the right to control the use of the public service infrastructure to the operator. The operator has access to operate the infrastructure to provide the public service on behalf of the grantor in accordance with the terms specified in the contract.

Under the terms of license agreement within the scope of IFRIC 12, the Group acts as a service provider. The operator constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time.

The Group recognises and measures revenue in accordance with IAS 11 "Construction Contracts" and IAS 18 "Revenue" for the services it performs. If the operator performs more than one service (i.e. construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable shall be allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable. The Group applies IAS 11 for the revenue and costs relating to construction or upgrade services and IAS 18 for the revenue and costs relating to operation services.

The Group recognizes an intangible asset arising from a service concession arrangement when it has a right to charge for usage of the concession infrastructure. The right to collect fee from the public service users is unconditional to collect cash as it is dependent of the condition that the public uses the service.

Amortization is recognized in profit or loss as depreciation and amortization expenses under cost of sales, by using straight-line method over the license period. The amortization rates used by the Group vary between 3,38% and 4,49%.

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(i) Financial Instruments

(i) Classification

The financial assets of the Group comprise cash and cash equivalents, financial investments, trade receivables, receivables from operations in finance sector, due from related parties and other receivables. Financial liabilities are classified as loans and borrowings, finance lease obligations, trade payables, due to related parties, liabilities due to operations in finance sector, other financial liabilities and other liabilities.

"Financial assets at fair value through profit or loss"; A financial asset is classified at fair value through profit or loss if it is designated as such upon initial recognition or is classified as held for trading. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

"Available for-sale financial assets", are composed of financial assets other than loans and borrowings lent by the Group, receivables and financial assets held for trading. These assets are presented in non-current assets in accordance with the intention of the Group management to hold these assets more than twelve months or if there will not be a necessity of capital increase through a sale of these assets; otherwise they are presented in current assets.

"Loans and receivables" are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are presented in current assets if their maturities are less than 12 months. Otherwise they are presented in non-current assets. The loans and receivables comprise cash and cash equivalents excluding cash on hand, trade receivables, receivables from operations in finance sector and other receivables. The classification of the financial assets is performed when acquired and reviewed periodically by the Group.

"Ordinary shares" are classified as paid-in capital. The additional costs directly related with the issuance of the ordinary shares and share options are recognized after-tax as a decrease in the equity.

(ii) Recognition

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position if and only if, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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(iii) Measurement

Non-derivative financial instruments;

Non-derivative financial assets comprise trade and other receivables, cash and cash equivalents, investments, loans and borrowings, trade and other payables, due to / due from related parties and non-current liabilities.

Cash and cash equivalents comprise cash, deposits with maturity periods of less than three-months and highly liquid investments with original maturity periods of less than three-months and having no impairment risk exposure.

Trade and other receivables and payables are initially recognized at fair value plus transaction costs that are directly attributable to the acquisition. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate of any amount difference between the initial amount recognized and the maturity.

Financial assets held for trading are recognized in the consolidated balance sheet at fair value and subsequently measured at fair value. Gains and losses arising from the measurement are recognized at profit or loss.

Available for sale financial assets are measured at fair value subsequent to recognition. Available for sale financial assets that have a quoted market price are measured at fair value. Changes in fair value of the available for sale financial statements are accounted in the statement of comprehensive income and "revaluation reserve" under equity, net of deferred tax. Changes in the fair value of the available for sale financial assets, which are debt instruments, are calculated as the difference between the fair value at the balance sheet date and discounted values. Interests calculated by using the effective interest rate are recognized in profit or loss during the period the financial asset is recognized in the consolidated balance sheet. Interest income and expenses are accounted for as explained in Note 2.2.a and Note 2.2.b.

Revaluation reserves accounted for under equity are recycled to the profit or loss when available for sale financial assets are derecognized.

Equity securities classified as available for sale financial assets and whose fair value cannot be reliably measured, due to lack of active and observable market, are carried at cost, which has been restated by considering the inflation effect until 31 December 2004 less impairment losses if any, since they are acquired before 1 January 2005.

Financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Derivative financial instruments;

Derivative financial instruments are recognized at cost and subsequently measured at fair value. The Group's derivative financial instruments mainly comprise of foreign currency options and interest rate swaps. Although such instruments provide hedging for the Group's risk, since the conditions for the hedge accounting in accordance with IAS 39 are not met, they are accounted as derivative financial instruments held for trading or other financial liabilities.

The fair value of the financial instruments that are quoted in an active market is the quoted market price or the bid price offered without any deduction for transaction costs that may incur on sale or other disposal.

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(iv) Fair value measurement principles

The fair value of the financial instruments is determined by using the quoted prices in an active market at the balance sheet date without any deduction of transaction costs. If the market for a financial instrument is not active at the balance sheet date, the fair value is estimated by using the market inputs and the appropriate valuation techniques. However, judgment is needed to interpret the available market information. Therefore, the estimates may not reflect the value that would have been realized in a current market transaction.

For all the other financial instruments that are not quoted in an active market, fair value is determined by using a valuation technique. Valuation techniques include net present value technique, benchmarking and other valuation techniques.

(v) Derecognition

The Group derecognises a financial asset, when the contractual rights to the cash flows from the asset expired or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

The Group derecognizes financial and contractual liabilities when the obligation is expired or cancelled.

(j) Impairment of Assets

(i) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss has occurred after the initial recognition of the asset and the loss had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency of a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy and the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables not to be impaired are then collectively reassessed for any impairment that has been incurred, but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and accounted as doubtful receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

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Impairment losses on available-for-sale financial assets are recognised by transferring the cumulative loss that has been recognised in other comprehensive income, and presented in the fair value reserve in equity, to profit or loss. The cumulative loss that is removed from other comprehensive income and recognised in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation and the current fair value, less any impairment loss previously recognised in profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that one not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(k) Business Combinations

Acquisitions from third parties are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus (up to 31 December 2009) any costs directly attributable to the business combination. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 *Business Combinations* are recognized at their fair values at the acquisition date.

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The excess of the consideration transferred over the fair value of the identifiable assets, liabilities and contingent liabilities acquired by the acquirers is accounted for as goodwill. Goodwill arising from business combinations is not amortized, but tested for impairment annually or more frequently if there is any evidence that the goodwill may be impaired. If the fair value of the identifiable assets, liabilities and contingent liabilities or the cost of the combination is temporarily determined, initial recognition of the business combination is performed based on the transitional amounts. After the initial recognition, which is allowed to be performed during 12 months after the acquisition, corrections in relation to the initial recognition are accounted for in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* for the purpose of correction of error. If the share of the fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree exceed the cost of a business combination, the difference is recognized as income (gain on a bargain purchase).

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses ultimately are controlled by the same party or parties both before and after the combination. The acquisition of an entity under common control is accounted for using book values, and in its consolidated financial statements the acquirer is permitted, but not required, to restate its comparatives as if the combination had been in existence throughout the reporting periods presented. The Group has, however, elected to account for the acquisition of an entity under common control from the acquisition date.

(l) Foreign Currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities by using exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences arising on retranslation are recognized in profit or loss.

Companies, whose functional currencies are not TL, prepare their financial statements according to their functional currency and these financial statements are translated to TL for consolidation purpose in accordance with IAS 21.

Foreign currency differences arising on operations with foreign currency are recognised in profit or loss as foreign currency exchange gains and losses.

According to IAS 21, balance sheet items presented in the financial statements of domestic and foreign subsidiaries and joint ventures whose functional currency is different from TL, are translated into TL at the balance sheet (USD/TL and EUR/TL) exchange rates whereas income, expenses and cash flows are translated at the average exchange rate or ruling rate of the transaction date. Profit or loss from translation difference of these operations is recognised as "Currency Translation Differences" under the equity.

As at 31 December 2011 and 2010, foreign currency buying exchange rates of the Central Bank of Republic of Turkey ("CBRT") comprised the following:

	31 December 2011	31 December 2010
US Dollar / TL	1,8889	1,5460
Euro / TL	2,4438	2,0491

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The average foreign currency buying exchange rates of the CBRT in 2011 and 2010 comprised the following:

	2011	2010
US Dollar / TL	1,6700	1,5004
Euro / TL	2,3224	1,9894

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to TL at exchange rates at the reporting date. The income and expenses of foreign operations are translated to TL at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, under the currency translation differences ("CTD"). When a foreign operation is disposed of, in part or in full, the relevant amount in the CTD is transferred to profit or loss as part of the profit or loss on disposal.

(m) Discontinued Operations, Assets Held For Sale and Liabilities Directly Associated with Assets Held For Sale

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

When an operation is classified as a discontinued operation, the net assets of the discontinued operations are measured at fair value less cost of sale of the operation. The profit/(loss) before tax and the profit/(loss) after the tax of the discontinued operation are presented in the notes of the consolidated financial statements and a profit/(loss) analysis including the income and expenses is performed. Besides, the net cash flows related to operational, investing and financing activities of the discontinued operations are presented in the related note.

In compliance with IAS 31 "Shares in Joint Ventures" and IFRS 5 "Assets Classified as Held For Sale and Discontinuing Operations", the interests in jointly controlled entities are accounted for in accordance with IFRS 5. When an interest in a jointly controlled entity previously classified as held for sale no longer meets the criteria to be classified, it is accounted for using proportionate consolidation or the equity method as from the date of its classification as held for sale. Financial statements for the periods since classification as held for sale are amended accordingly. The operations of the joint venture whose operations have been previously classified as discontinued are classified as continued.

A group of assets is classified as asset held for sale if their carrying amount is planned to be recovered principally through a sale transaction rather than through continuing use. The liabilities directly associated with these assets are classified similarly. Such group of assets is accounted for at the lower of its carrying amount (being the net amount of the assets and liabilities directly associated with them) and fair value less costs to sell.

If the Group has classified an asset (or disposal group) as held for sale, but the criteria of such classification are no longer met, the Group ceases to classify the asset (or disposal group) as held for sale. The Group measures a non-current asset that ceases to be classified as held for sale (or ceases to be included in a disposal group classified as held for sale) at the lower of:

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(a) its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortization or revaluations that would have been recognized had the asset (or disposal group) not been classified as held for sale.

(b) its recoverable amount at the date of the subsequent decision not to sell.

The Group does not reclassify or re-present amounts presented for non-current assets or for the assets and liabilities of disposal groups classified as held for sale in the balance sheet for prior periods to reflect the classification in the balance sheet for the latest period presented.

(n) Earnings/(Loss) Per Share

The Group presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, less own shared acquired.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings and inflation adjustments on equity items. Such kind of bonus shares are taken into consideration in the computation of earnings per share as issued share certificates. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the period has been adjusted in respect of bonus shares issues without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and each earlier period.

(o) Events After the Reporting Period

Events after the reporting period include all events up to the date when the financial statements are authorized for issue, even if those events occur after the public announcement of profit or of other selected information.

The Group adjusts the amounts recognized in its consolidated financial statements to reflect adjusting events after the reporting period. Non adjusting events are disclosed in the notes to the consolidated financial statements, if material.

(p) Provisions, Contingent Assets and Liabilities

A provision is recognized in the accompanying consolidated financial statements if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. Unless the possibility of any outflow in settlement is remote, contingent liabilities are disclosed in the notes to the financial statements. Where an economic inflow of economic benefits is probable, contingent assets are disclosed in the notes to the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

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(r) Leases

(i) Financial lease:

All leases which transfer to the Group all the risks and rewards incidental to the ownership of an asset are classified as financial leases. Financial leases are capitalized at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments and is reflected as a liability by the same amount in the consolidated financial statements of the Group. The finance lease obligations are reduced through principle payments and the finance charge portion is allocated to consolidated statement of comprehensive income of each period during the lease term. Capitalized leased assets are depreciated over the estimated useful life of the related asset.

If there is not reasonable certainty that the ownership will be obtained by the end of the lease term, and the lease term is shorter than the estimated useful life of the leased asset, the asset is depreciated over the lease term, otherwise the asset is depreciated over its estimated useful life.

(ii) Operating lease:

Operating leases are the leases that the risks and rewards incidental to the ownership of the asset belongs to the lesser. Lease payments under an operating lease are recognized as an expense in profit or loss on a straight-line basis over the lease term.

(s) Related Parties

Parties are considered related to the Company if:

(a) directly, or indirectly through one or more intermediaries, the party:
(i) controls, is controlled by, or is under common control with the Company (this includes Parent, subsidiaries and fellow subsidiaries);
(ii) has an interest in the Company that gives it significant influence over the Company; or
(iii) has joint control over the Company;
(b) the party is an associate of the Company;
(c) the party is a joint venture in which the Company is a venturer;
(d) the party is member of the key management personnel of the Company as its parent;
(e) the party is a close member of the family of any individual referred to in (a) or (d);
(f) the party is an entity that is controlled or significantly influenced by, or for which significant voting power in such entity resides with. directly or indirectly, any individual referred to in (d) or (e)
(g) the party is a post-employment benefit plan for the benefit of employees of the Company, or ofany entity that is a related party of the Company.

A related party transaction is a transfer of resources, services or obligation between related parties, regardless of whether a price is charged.

A number of transactions are entered into with related parties in the normal course of business.

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(t) Segment Reporting

An operating segment is a component of the Group that engages in business activities through which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The operating segments of the Group are finance, energy, infrastructure, real estate and other segments, and they are disclosed in Note 5.

(u) Government Subsidies and Incentives

All subsidies and incentives, including non-monetary incentives stated at fair market values, are included in the consolidated financial statements when there is reasonable certainty that the Group will qualify for and receive such subsidies and incentives. Government subsidies and incentives utilized by the Group are presented in Note 37.

(v) Taxes

Income tax expense comprises current and deferred tax. Current tax charge is recognized in profit or loss except for the effects of the items reflected under equity.

Current tax liability is calculated on taxable profit for the current year based on tax laws and tax rates that have been effective for the reporting date including adjustment related to previous years' tax liabilities.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the differences arising from the initial recognition of goodwill, differences of an asset or liability in a transaction that is not a business combination, at the time of the transaction, which affects neither the accounting profit nor taxable profit and for differences associated with the investments in subsidiaries, associates and interest in joint ventures, to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable, entity or on different tax entities but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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(y) Employee Benefits

In accordance with the existing labor law in Turkey, the entities operating in Turkey are required to make lump-sum payments to employees who have completed one year of service and whose employment is terminated without cause, or due to retirement, military service or death. Retirement pay liability is calculated by using lower of employee's monthly salary and retirement pay ceiling. It is detailed in Note 22 as at 31 December 2011 and 2010. The Group recognizes retirement pay liability as the present value of the estimated total reserve of the future probable obligation of the Group. The key actuarial assumptions used in the calculation of the retirement pay liability are detailed in Note 22.

(z) Statement of Cash Flows

Cash flows for the period are classified as cash flows from operations, investing activities and financing activities. Cash flows from operations are the cash flows generated from the principal activities of the Group. The Group presents the cash flows from operating activities by using the indirect method such as adjusting the accruals for cash inflows and outflows from gross profit/loss, other non-cash transactions, prior and future transactions or deferrals.

Cash flows from investing activities represent the cash flows used in/provided from investing activities (purchase of tangible and intangible assets and investments).

Cash flows from financing activities represent the funds used in and repayment of the funds during the period. For purposes of preparation of the statements of cash flows, cash and cash equivalents include cash on hand, bank deposits and highly liquid investments with original maturity of less than three months having no impairment risk exposure.

(aa) Treasury Shares

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to / from retained earnings.

(ab) Dividend

Dividend receivables from the companies excluding the subsidiaries, associates and joint ventures are accounted for as income in the period they are declared. Dividend payables are recognized in the consolidated financial statements in the period when the General Assembly decides on dividend distribution.

(ac) Receivables From Reverse Repurchase Agreements

The funds given in return for the financial assets subject to reverse repurchase are accounted for as receivables from reverse repurchase agreements under the cash and cash equivalents. For the difference between the purchase and re-sale prices determined in accordance with the related reverse repurchase agreements, which is attributable to the period, an income rediscount is calculated with the internal rate of return method and is accounted for by adding to the cost of the receivables from reverse repurchase agreements.

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2.3 Summary of Significant Accounting Judgements, Estimates and Assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2010.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

Note 2.2 (e)	-Accounting and measurement of concession intangible assets witih in the context of IFRIC 12
Note 3	-Business combinations
Note 15	-Fair value of invesment properties
Note 36	-Assets held for sale

In preparation of the consolidated financial statements, the significant estimates and judgments used by the Group are included in the following notes:

Not 2.2 (e,f,h)	- Useful lives of tangible and intangible assets and concession intangible assets
Note 10	- Impairment losses on accounts receivable
Note 12	- Impairment losses on receivables from finance sector operations
Note 19	- Impairment test on goodwill
Note 20	- Provisions, contingent assets and liabilities
Note 22	- Assumptions on employee termination benefits.
Note 28	- Impairment on asset groups
Note 31	- Tax assets and liabilities
Note 35	- Determination of fair value
Note 36	- Assets held for sale and discontinued operations

3 Business combinations

2011:

a) Naturel Gaz:

On 23 May 2011, Enerji Yatırım Holding. a joint venture of the Group, acquired 50% of the shares and voting rights of Naturelgaz Sanayi ve Ticaret A.Ş. a company operating in the natural gas transmission and distribution sector, from Çalık Enerji Sanayi ve Ticaret A.Ş. and Ahmet Çalık at a price of TL 16.000.000 and USD 565.000 (equivalent to TL 16.889.084 in total). Thus, the effective shareholding interest of the Group in Naturel Gaz became 25%.

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Naturel Gaz was established in order to operate in the CNG (compressed natural gas) sector. This company meets the natural gas needs of many diversified users such as the large industrial companies, small enterprises, mass housing projects, villas, hotels, recreational facilities, forklifts and generators in the areas where natural gas can not be distributed via pipelines. Moreover, it provides fuel for buses, minibuses and heavy vehicles. With the purchase of shares in Naturel Gaz, the Group continued to expand its investment in the energy sector.

During the period from 23 May 2011 to 31 December 2011, the acquisition of Naturel Gaz's shares contributed revenues of TL 3.178.925b and net profits of TL 2.957.458 (including a bargain purchase gain). If the acquisition had occurred on 1 January 2011, management estimates that the consolidated revenues would have been TL 365.743.213 and the consolidated net loss attributable to the owners of the Company would have been TL 82.383.031. In determining these amounts, management assumed that the fair values determined on the acquisition date would have been the same if the acquisition had occurred on 1 January 2011.

The following table summarizes the details related to the accounting of the acquisition in accordance with the acquisition method:

	EYH's share	Group's share (*)
Acquisition cost	16.889.084	8.442.853
Fair value of total net identifiable assets (50%)	(23.476.109)	(11.735.707)
Bargain purchase gain (negative goodwill) (**)	6.587.025	3.292.854

(*) When calculating the Group's share, the effective shareholding rate of EYH (49,99%) has been taken into consideration.
(**) Bargain purchase gain is recognized in other operating income in the consolidated statement of comprehensive income (Note 28).)

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Identifiable assets acquired and liabilities assumed	100% (*)	EYH's share (**)	Group's share (***)
Cash and cash equivalents	28.485	14.243	7.120
Trade and other receivables	2.484.995	1.242.498	621.125
Inventories	474.197	237.099	118.526
Other current assets	362.491	181.246	90.605
Property, plant and equipment	31.884.802	15.942.401	7.969.606
Intangible assets	29.586.137	14.793.069	7.395.055
Financial liabilities	(1.666.977)	(833.489)	(416.661)
Trade and other payables	(5.640.152)	(2.820.076)	(1.409.756)
Provision for employee termination indemnity	(228.714)	(114.357)	(57.167)
Deferred tax liability	(9.423.194)	(4.711.597)	(2.355.327)
Other liabilities	(909.855)	(454.928)	(227.419)
Net identifiable assets and liabilities	46.952.215	23.476.109	11.735.707

(*) Represents 100% of the net identifiable assets of Naturel Gaz.
(**) Represents the share in the net identifiable assets of Naturel Gaz purchased by EYH (50%).
(***) Represents the Group's share (25%) in the net identifiable assets of Naturel Gaz.

This acquisition is accounted for by applying the acquisition method, which requires the measurement of the identifiable assets, liabilities and contingent liabilities at their fair values as of the date of acquisition in accordance with IFRS 3 "Business Combinations". As at acquisition date, gross contractual cash flows of trade and other receivables reflect their fair values.

Net cash outflow due to the acquisition is as follows:

Consideration paid	8.442.853
Cash associated with purchased assets	(7.120)
Net cash outflow	8.435.733

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b) İzmir Liman:

Global Liman, the Group's subsidiary, completed the purchase of 54% of the shares and voting rights of İzmir Liman, the Group's joint venture, from the other shareholders for TL 1.133.838 and USD 300.002 on 29 June 2011 (total: TL 1.620.828). As such, the Group's effective ownership interest in İzmir Liman became 100% on 29 June 2011. TL 1.133.838 of the total consideration was deducted from the receivables of Global Liman from the other shareholders. USD 200.000 (equivalent to TL 356.610) was paid in cash and the remaining amount is paid in February 2012.

The following table summarizes the details related to the accounting of the acquisition in accordance with the acquisition method:

Acquisition cost	1.620.828
Fair value of net identifiable assets and liabilities (100%)	(6.990.170)
Fair value of net identifiable assets before acquisition (46%)	3.215.478
Bargain purchase gain (Negative goodwill) (*)	2.153.864

(*) Bargain purchase gain is recognized in other operating income in the consolidated statement of comprehensive income (Note 28).

Identifiable assets acquired and liabilities assumed	100% (*)	The share of the Group (**)
Cash and cash equivalents	13.138	7.095
Prepaid taxes	120.052	64.828
Property, plant and equipment	13.959	7.538
Deferred tax asset	3.412.492	1.842.746
VAT receivables	3.993.997	2.156.758
Trade and other payables	(563.469)	(304.273)
Net identifiable assets and liabilities	6.990.169	3.774.692

(*) Represents 100% of the net identifiable assets of İzmir Liman.
(**) Represents the share in the net identifiable assets of İzmir Liman purchased by the Group (54%).

Net cash outflow due to acquisition is as follows:

Consideration paid	356.610
Cash associated with purchased assets	(7.095)
Net cash outflow	349.515

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2010:

On 29 July 2010, Global Liman acquired 60% of the shares of its joint venture Ortadoğu Liman from the other shareholders and obtained control of Ortadoğu Liman increasing its equity interest from 39,8% to 99,8%. Global Liman and other shareholders of Ortadoğu Liman agreed on the purchase price of USD 49.308.521 (equivalent to TL 74.115.638), including the receivables of other shareholders of Ortadoğu Liman amounting to TL 14.897.065, which are transferred to Global Liman. Therefore, the acquisition cost of 60% shares of Ortadoğu Liman amounts to TL 59.218.573.

During the period from 29 July 2010 to 31 December 2010, the acquisition contributed revenues of TL 14.759.592 and profits of TL 253.057.952 (including bargain purchase gain and gain on previously-held interest, presented below in detail). If the acquisition had occurred on 1 January 2010, management estimates that the consolidated revenues in 2010 would have been TL 250.220.004 and the consolidated net profit for the period would have been TL 230.591.394. In determining these amounts, management assumed that the fair value adjustments that arose on the acquisition date as well as the carrying values and the acquisition conditions would have been the same if the acquisition had occurred on 1 January 2010.

The following table summarizes the details related to the accounting of the acquisition in accordance with the acquisition method:

Goodwill	
Purchase price	74.115.638
Less: Receivables transferred	(14.897.065)
Acquisition / cost	59.218.573
Fair value of net identifiable assets and liabilities (100%)	(323.356.166)
Fair value of non-controlling interests (0,2%)	646.712
Fair value of previously-held interest (39,8%)	128.695.754
Bargain purchase gain (Negative goodwill) (*)	134.795.127

(*) Bargain purchase gain is recognized in other operating income in the consolidated statement of comprehensive income (Note 28). The Group management reassessed the identifiable assets, liabilities and contingent liabilities before the recognition of the bargain purchase gain.

The acquisition of the Ortadoğu Liman shares resulted in a bargain purchase gain because negotiations and agreement on the acquisition and the actual purchase price were made during the financial crisis and at the acquisition date, which was subsequent to the crisis, the actual and expected growth of the operations of Ortadoğu Liman, with an increase in capacity, and a higher utilization ratio of that capacity reflecting the rise in both Gross Domestic Product and the foreign trade volume of Turkey after the crisis, contributed positively to the fair value of Ortadoğu Liman.

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Identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	17.842.860
Trade and other receivables	1.430.914
Other current assets	885.643
Property, plant and equipment	28.015.874
Intangible assets	452.706.246
Financial liabilities	(59.307.862)
Trade payables	(1.016.676)
Other payables	(27.681.018)
Deferred tax liability	(85.187.539)
Provision for employee termination indemnity	(688.704)
Other liabilities	(3.643.572)
Net identifiable assets and liabilities	323.356.166
Shares acquired	60,00%
Net identifiable assets and liabilities of shares acquired	194.013.700

This acquisition transaction is accounted for by applying the acquisition method which requires the measurement of the identifiable assets, liabilities and contingent liabilities at their fair values at the date of acquisition in accordance with IFRS 3 Business Combinations.

As a result of the acquisition, non-controlling interests of the Group, which represent 0,2% of the shares of Ortadoğu Liman, increased by TL 646.712. As a result of the acquisition of the 60% shares of Ortadoğu Liman, together with the non-controlling interests, net assets of the Group increased by TL 194.660.412, property, plant and equipment by TL 16.865.555 (Note 16), intangible assets by TL 272.529.160 (Note 18) and deferred tax liabilities by 51.282.898 (Note 31), and all other net assets decreased by TL 43.451.405 in the consolidated financial statements.

Net cash outflow due to acquisition is as follows:

Consideration paid	74.115.638
Less: Cash associated with purchased assets	(10.741.402)
Net cash outflow	63.374.236

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As a result of the acquisition, the Group recognized net identifiable assets, liabilities and contingent liabilities corresponding to the previously held 39,8% equity interest at their fair values at the acquisition date in its consolidated financial statements. As a result of this recognition, the difference between the fair value and the carrying amount of the net identifiable assets at the acquisition date corresponding to equity interest held immediately prior to acquisition is recognized as gain on previously-held interest in other operating income in the consolidated statement of comprehensive income. The following summarizes the gain on previously-held interest recognized:

Fair value of the net identifiable assets corresponding to equity interest held immediately prior to acquisition (39,8%)	128.695.754
Less: Carrying amount of the net identifiable assets corresponding to equity interest held immediately prior to acquisition (39,8%)	(8.634.772)
Gain on previously-held interest (**)	120.060.982

(**) Gain on previously-held interest is recognized in other operating income in the consolidated statement of comprehensive income (Note 28).

As a result of the acquisition, which requires the recognition of the fair value of the net identifiable assets, liabilities and contingent liabilities corresponding to the previously held 39,8% equity interest, property, plant and equipment of the Group increased by TL 3.412.506 (Note 16), intangible assets by TL 151.452.361 (Note 18) and deferred tax liabilities by 30.015.246 (Note 31) in the consolidated financial statements. Moreover, since the acquisition accounting resulted in a bargain purchase gain, the previously recognized goodwill amounting to TL 4.788.639 (Note 19) is derecognized at the acquisition date.

Transactions with owners of the Company, recognized dirrectly in equity:

The transactions with owners of the Company are not under the scope of IFRS 3 "Business Combinations". These transactions are explained in Note 24.

4 JOINT VENTURES

Shares in Joint Ventures

Financial statement information of joint ventures as at 31 December 2011 not adjusted for the percentage ownership held by the Group is as follows:

Joint Ventures	Participation rates	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Income	Expenses
Enerji Yatırım Holding A.Ş. and its subsidiaries	49,99%	100.250.263	375.362.551	347.387.757	258.415.597	461.164.165	(516.385.946)

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Financial statement information of joint ventures as at 31 December 2010 not adjusted for the percentage ownership held by the Group is as follows:

Joint Ventures	Participation rates	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Income	Expenses
Enerji Yatırım Holding A.Ş. and its subsidiaries	49,99%	68.352.899	290.158.158	184.038.326	206.434.598	287.854.162	(317.612.860)
Bilecik Demir Çelik San. ve Tic.A.Ş.(*)	39,99%	4.995.663	41.707.824	22.071.819	22.970.886	7.890.820	(15.251.232)
İzmir Liman İşletmeciliği A.Ş. (**)	46,00%	237.117	7.560.416	607.787	-	12.428	(583.210)

(*) Bilecik Demir Çelik's income and expenses not adjusted for the percentage ownership held by the Group between 1 January and 15 September 2011 were TL 1.078.418 and TL 8.355.679, respectively.
(**) İzmir Liman's income and expenses not adjusted for the percentage ownership held by the Group between 1 January and 29 June 2011 were TL 1.152 and TL 200.727, respectively.

Moreover, as explained in Note 1, between 1 January and 29 July 2010, Ortadoğu Liman, was proportionately consolidated to the Group as a joint venture by 39,80%, and its income and expenses not adjusted for the percentage ownership held by the Group were TL 32.712.694 and TL 20.396.174, respectively.

5 SEGMENT REPORTING

The operating segments considered in the performance evaluations of the Group's management are based on the Group's risks and resources, as well as its internal reporting structure. The Group's operating segments are finance, energy, infrastructure, real estate and other. The finance segment includes the Group's finance operations (including Global Yatırım Holding); the energy segment includes the Group's natural gas distribution and electricity generation facilities; the infrastructure segment includes the Group's port operations; the Group's real estate segment includes investment property and trading property operations; and the other segment includes the Group's media, steel-iron production and other operations.

Earnings before interest, tax, depreciation and amortization ("EBITDA") are reviewed in assessing the financial performance of the operating segments. The Company's management considers EBITDA as the most appropriate measure to review segmental operations based on the comparability with other companies in the same industry. As the transactions noted below became significant to the Group's operations in 2011, the Group management began to include the following items in EBITDA: the profit/loss before tax earned by Group companies from the sale of Company shares and the profit/loss before tax earned by the Group from the sale of its subsidiaries' shares that are not quoted on an active market. These items are accounted for in the Statement of Changes in Equity in the consolidated financial statements. The segment reporting of EBITDA has been restated accordingly for the year ended 2010. The information regarding the Group's segments are disclosed on the following pages. This calculation of EBITDA may differ from calculations used by other companies, due to the way in which management assesses the results of operations.

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	Energy (**)		Finance		Infrastructure (*)		Real Estate		Other		Total	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010
Segment assets	297.524.760	236.597.290	210.412.707	203.379.846	756.279.798	610.244.620	260.958.147	242.342.875	4.035.648	21.797.412	1.529.211.060	1.314.362.043
Segment liabilities	286.568.131	207.463.974	220.369.834	180.296.781	287.511.961	233.147.707	56.896.891	42.382.093	2.877.716	19.794.490	854.224.533	683.085.045

	Energy (**)		Finance		Infrastructure (*)		Real Estate		Other		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
External revenues	217.194.022	136.042.401	29.708.323	29.563.594	108.133.744	60.963.939	4.427.532	-	4.770.332	4.561.416	364.233.953	231.131.350
EBITDA	999.434	(6.208.604)	16.032.791	(16.932.579)	64.781.955	289.208.059	4.623.075	18.742.047	(692.988)	(1.591.914)	85.744.267	283.217.009
Depreciation and amortisation expense (-)	(6.853.506)	(4.900.165)	(1.079.913)	(1.120.714)	(38.391.362)	(17.750.855)	(265.951)	(256.370)	(577.545)	(808.274)	(47.168.277)	(24.836.378)
Finance income	5.145.899	7.953.248	55.590.122	59.461.888	5.958.619	7.827.810	579.624	142.983	80.520	1.802.969	67.354.784	77.188.898
Finance expenses	(34.383.571)	(18.503.643)	(90.282.902)	(61.501.760)	(16.612.938)	(15.642.590)	(5.134.568)	(307.962)	(3.080.958)	(4.574.287)	(149.494.937)	(100.530.242)
Significant non-cash income/ expense	2.937.199	(1.420.411)	(2.649.188)	(503.148)	2.240.018	250.758.725	2.353.596	23.092.146	-	(154.917)	4.881.625	271.772.395

(*) Ortadoğu Liman, a company in the infrastructure segment, was consolidated to the Group as a joint venture with proportionate consolidation method until 29 July 2010. Starting from that date, full consolidation method is applied as a subsidiary. Ortadoğu Liman's revenue and expenses have been consolidated by 39,80% for the period of 1 January- 29 July 2010, and 100% for the period of 29 July-31 December 2010. If the acquisition of Ortadoğu Liman had occurred on 1 January 2010, management estimates that, for the year ended 31 December 2010, the external revenues and the EBITDA of the infrastructure segment would have been TL 80.052.593 and TL 301.663.785, respectively, and the consolidated external revenues and the consolidated EBITDA of the Group would have been TL 250.794.169 and TL 293.139.734, respectively.

(**) If the acquisition of Naturel Gaz had occurred on 1 January 2011, management estimates that for the year ended 31 December 2011, the external revenues and EBITDA of the energy segment would have been TL 218.703.282 and TL 1.321.158, respectively and the consolidated external revenues and consolidated EBITDA of the Group would have been TL 365.743.213 and TL 86.065.991, respectively.

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	1 January-31 December 2011	1 January-31 December 2010
Revenues		
Segment revenues	364.341.166	231.352.587
Elimination of inter-segment revenues (*)	(107.213)	(221.237)
Consolidated revenues	364.233.953	231.131.350

	1 January-31 December 2011	1 January-31 December 2010
Total segment EBITDA	85.744.267	283.217.009
Finance income (Note 29)	56.906.476	55.572.238
Finance expenses (Note 30)	(140.029.188)	(83.272.081)
(Gain)/Loss on sale of shares recognized in equity (Note 24.6.vi)	(48.557.283)	(2.533.001)
Depreciation and amortisation expenses (Note 27)	(47.168.277)	(24.836.378)
Consolidated profit/(loss) before income tax	(93.104.005)	228.147.787

	1 January-31 December 2011	1 January-31 December 2010
Segment finance income	67.354.784	77.188.898
Elimination of inter-segment finance income	(10.448.308)	(21.616.660)
Total finance income (Note 29)	56.906.476	55.572.238

	1 January-31 December 2011	1 January-31 December 2010
Segment finance expenses	(149.494.937)	(100.530.242)
Elimination of inter-segment finance expenses	9.465.749	17.258.161
Total finance expenses (Note 30)	(140.029.188)	(83.272.081)

Significant non-cash income/expense (**)	1 January-31 December 2011	1 January-31 December 2010
Bargain purchase gain (Note 28)	5.446.718	134.795.127
Gain on previously held interest (Note 28)	-	120.060.982
Gain/loss on valuation of real estate, net (Note 28)	4.009.234	49.401.226
Gain/loss on sale of real estate (Note 28)	68.547	(25.175.009)
Provision for tax amnesty (Note 28)	-	(6.402.787)
Provision for consultancy expenses (Note 20)	(2.395.847)	-
Allowance for doubtful receivables (Note 26)	(2.247.027)	(907.144)
Total	4.881.625	271.772.395

Fixed asset purchases (***)

	1 January-31 December 2011	1 January-31 December 2010
Energy	31.085.133	26.671.023
Finance	2.113.272	1.321.720
Infrastructure	24.781.762	11.649.483
Real Estate	3.639.433	34.483.968
Other	550.655	899.571
Total	62.170.255	75.025.765

(*) The total amount of elimination of inter-segment revenues is related to the finance segment.
(**) Includes the significant non-cash income and expenses included in the EBITDA.
(***) Fixed asset purchases include additions to property, plant and equipment, intangible assets, concession intangible assets and investment property.

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6 CASH AND CASH EQUIVALENTS

As at 31 December 2011 and 31 December 2010, cash and cash equivalents comprised the following:

	31 December 2011	31 December 2010
Cash on hand	256.269	287.783
Cash at banks	56.766.860	53.204.595
-Demand deposits	*9.023.071*	*10.512.044*
-Time deposits	*47.743.789*	*42.692.551*
Receivables from reverse repurchase agreements	1.983.345	-
Credit card receivables	1.178.923	2.163.088
Receivables from Takasbank	2.798.550	1.087.130
Other	295.509	144.899
Cash and cash equivalents	63.279.456	56.887.495
Blocked deposits	(4.093.577)	(5.050.568)
Cash and cash equivalents for cash flow purposes	59.185.879	51.836.927

As at 31 December 2011 and 31 December 2010, maturities of time deposits comprised the following:

	31 December 2011	31 December 2010
Up to 1 month	36.824.384	40.981.394
1-3 months	10.919.405	1.510.177
3-6 months	-	200.980
	47.743.789	42.692.551

As at 31 December 2011 and 31 December 2010, the range of time deposit interest rates included in cash and cash equivalents is as follows:

	31 December 2011	31 December 2010
TL time deposit interest rate (highest)	11,75%	8,75%
TL time deposit interest rate (lowest)	6,00%	3,25%
USD denominated time deposit interest rate (highest)	5,00%	1,55%
USD denominated time deposit interest rate (lowest)	1,55%	0,50%

As at 31 December 2011, cash at banks amounting to TL 2.248.849 (31 December 2010: TL 2.266.809) is blocked due to bank borrowings and letters of guarantee by the banks. Cash at banks amounting to TL 1.178.923 TL (31 December 2010: TL 2.163.088 comprises credit card receivables which are blocked at banks until their maturities. As at 31 December 2011, TL 665.805 deposited at the ISE Settlement and Custody Bank ("Takasbank") is blocked by the CMB (31 December 2010: TL 620.671).

Financial risk with respect to cash and cash equivalents are detailed in Note 34.

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7 FINANCIAL INVESTMENTS

As at 31 December 2011 and 31 December 2010, the details of financial investments comprised the following:

Current assets	31 December 2011	31 December 2010
Financial assets held for trading	13.450.794	15.763.829
Financial assets available for sale	-	1.981.602
Total	13.450.794	17.745.431

Non current assets		
Financial assets available for sale	6.961.233	6.939.001
Total	6.961.233	6.939.001

a) Financial assets held for trading

	31 December 2011	31 December 2010
Debt securities	8.156.349	7.404.808
Equity securities	5.224.940	8.000.521
Investment funds participations	69.505	358.500
Total	13.450.794	15.763.829

All financial assets held for trading are financial assets at fair value through profit or loss. The changes in fair value of these assets are accounted for under the valuation differences of marketable securities, net in financial expenses in the consolidated statement of comprehensive income (Note 30). All the equity securities included in the financial assets held for trading are traded in active markets.

As at 31 December 2011, debt securities amounting to TL 6.567.139 (31 December 2010: TL 6.757.680) are subject to repurchase agreements.

As at 31 December 2011, government bonds amounting to TL 448.062 are pledged to the banks with respect to the letter of guarantees given to ISE (31 December 2010: TL 514.338).

As at 31 December 2011, government bonds amounting to TL 12.784 are given to Turkish Derivative Exchange ("VOB") for transaction guarantee (31 December 2010: TL 15.627).

As at 31 December 2011, the Group has lent 1.252.083 (31 December 2010: 2.000.000) shares of a subsidiary. Moreover, as at 31 December 2010, the Group has lent 750.000 shares (TL 5.850.000) of equity securities. These equity securities were sold as at 31 December 2011.

As at 31 December 2011 and 31 December 2010, the letters of guarantee given to the ISE, the ISE Settlement and Custody Bank, the Turkish Derivative Exchange and the Capital Market Board are explained in Note 21.

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b) Financial assets available for sale

	31 December 2011	31 December 2010
Debt securities	-	51.602
Equity securities		
- Quoted to an active market	-	1.930.000
- Unquoted to an active market	6.961.233	6.939.001
Total	6.961.233	8.920.603

As at 31 December 2011, government bonds amounting to TL 56.641 (31 December 2010: TL 51.602) are given to ISE Settlement and Custody Bank as a guarantee. These government bonds of Global Portföy are classified as assets held for sale as at 31 December 2011 (Note 36).

As at 31 December 2010, all the equity securities quoted in an active market consisted of 50.000 shares of Türkiye Petrol Rafinerileri A.Ş. which had been lent. These shares were sold in the year ended 31 December 2011. The difference from the change in fair value was accounted for in the revaluation reserve under the equity up to 30 May 2011 (the sales date). On the sales date, this difference, which amounted to TL 380.076 net of deferred tax, was transferred to profit and loss.

Details of shares which are not quoted in an active market comprised the following:

	31 December 2011		31 December 2010	
	Share ratio (%)	Book value	Share ratio (%)	Book value
Takas ve Saklama Bankası A.Ş.	2,35	6.163.548	2,35	6.163.548
Kentgaz (Note 2.1.d.iii)	49,99	507.456	49,99	507.456
Baku Stock Exchange	5,50	137.523	5,50	137.523
Torba (Note 2.1.d.iii)	80,00	80.000	80,00	80.000
Other	72.706	50.474		
Total		6.961.233		6.939.001

The Group recognized and measured the investments which are not quoted in active markets at cost. Financial risks with respect to financial investments are presented in Note 34.

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8 FINANCIAL LIABILITIES

As at 31 December 2011 and 31 December 2010, financial liabilities comprised the following:

Short term financial liabilities	31 December 2011	31 December 2010
Short term bank loans	11.287.921	6.711.164
-TL Loans	*11.004.643*	*2.051.525*
-Foreign currency loans	*283.278*	*4.659.639*
Short term portion of long term bank loans	227.616.132	69.108.636
-TL Loans	*27.187.627*	*6.156.521*
-Foreign currency loans	*200.428.505*	*62.952.115*
Debt securities issued	2.440.825	-
Finance lease obligations	1.880.372	4.057.967
Total	243.225.250	79.877.767

Long term financial liabilities	31 December 2011	31 December 201
Long term bank loans	178.040.037	287.184.973
-TL Loans	*22.148.031*	*33.959.247*
-Foreign currency loans	*155.892.006*	*253.225.726*
Debt securities issued	21.610.771	-
Finance lease obligations	2.705.715	12.315.047
Total	202.356.523	299.500.020

Maturity profile of long term bank loans and debt securities issued comprised the following:

Year	31 December 2011	31 December 2010
2012	-	182.582.946
2013	72.453.393	43.939.008
2014	44.494.597	20.775.818
2015 and after	82.702.818	39.887.201
Total	199.650.808	287.184.973

Maturity profile of finance lease obligations comprised the following:

	31 December 2011			31 December 2010		
	Future minimum lease payments	Present value of Interest	Future minimum minimum lease payments	Present value of lease payments	Interest	Present value of minimum lease payments
Less than one year	2.079.079	198.707	1.880.372	6.258.598	2.200.631	4.057.967
Between one and five years	2.884.593	178.878	2.705.715	13.696.118	1.381.071	12.315.047
Total	4.963.672	377.585	4.586.087	19.954.716	3.581.702	16.373.014

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					31 December 2011		
Loan Type	Company Name	Currency	Maturity	Interest Type	Nominal Interest Rate %	Principal (TL)	Carrying Value (TL)
Loans and issued debt securities used to financeinvestments and projects							
Loan participation notes (i)	Holding	USD	2012	Fixed	9,25%	114.593.896	118.743.348
Debt securities issued (i)	Holding	USD	2017	Fixed	11%	24.030.481	24.051.596
Unsecured Loan (ii)	Holding	USD	2013	Floating	Libor +6,75 %	21.546.345	21.614.687
Unsecured Loan (ii)	Holding	USD	2014	Floating	Libor + 7 %	9.255.610	9.470.461
Secured loan (iii)	Ortadoğu Liman	USD	2016	Floating	Libor+ 4,95 %	74.233.770	74.927.783
Secured loan (iv)	Ortadoğu Liman	USD	2013	Fixed	7,25%	3.069.463	3.092.129
Secured loan (v)	Ortadoğu Liman	USD	2016	Fixed	5,15%	7.083.375	7.166.783
Secured loan (v)	Ortadoğu Liman	USD	2017	Floating	Libor+ 5,05%	12.986.188	13.021.459
Secured loan	Ortadoğu Liman	TL	2013	Fixed	9,48 %-10,68%	183.921	184.549
Secured loan (vi)	Global Liman	USD	2017	Floating	Libor+ 4,95%	31.450.185	32.443.851
Secured loan (vii)	Ege Liman	USD	2013	Floating	Libor+ 2,5%	10.523.872	10.550.770
Secured loan	Ege Liman	USD	2018	Floating	Libor+ 5,05%	3.400.020	3.415.681
Secured loan	Bodrum Liman	USD	2014	Fixed	7,95%	2.081.119	2.525.232
Secured loan	Bodrum Liman	USD	2016	Fixed	7,75%	1.796.208	2.263.434
Secured loan (viii)	Pera	TL	2013-2014	Fixed	12,48% - 18,51%	46.063.978	49.104.940
Secured loan (ix)	EYH's subsidiaries and joint ventures	USD	2012-2016	Fixed	7,30% - 8,5%	49.694.199	51.175.200
Unsecured Loan	EYH's subsidiaries and joint ventures	EURO	2012	Floating	Euribor+ 2%	222.120	226.604
Unsecured Loan	EYH's subsidiaries and joint ventures	EURO	2012	Fixed	3,87%	542.960	547.619
Unsecured Loan	EYH's subsidiaries and joint ventures	USD	2016	Fixed	8,73%	5.353.204	5.418.748
Loans used to finance working capital							
Unsecured Loan	Holding	TL	2012	Fixed	14,90%	10.609.213	10.609.213
Unsecured Loan	Bodrum Liman	TL	Rotative	Fixed	16%	100.000	100.000
Unsecured Loan	Sem	TL	2013	Fixed	13%	13.657	13.657
Unsecured Loan	EYH's subsidiaries and joint ventures	TL	Rotative	Fixed	14,16%-18,38%	318.320	327.942
						11.041.190	11.050.812
Finance Lease Obligations							
Leasing (x)	Ortadoğu Liman	USD	2015	Fixed	5,90%	2.865.806	2.865.806
Leasing	Ege Liman	USD	2012	Fixed	8,30%	1.671.347	1.671.347
Leasing	EYH's subsidiaries and joint ventures	EURO	2012	Fixed	8,59%	48.934	48.934
						4.586.087	4.586.087
						433.738.191	445.581.773

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					31 December 2010		
Loan Type	Company Name	Currency	Maturity	Interest Type	Nominal Interest Rate %	Principal (TL)	Carrying Value (TL)
Loans used to finance investments and projects							
Loan participation notes (i)	Holding	USD	2012	Fixed	9,25%	113.073.976	116.719.061
Unsecured Loan (ii)	Holding	USD	2013	Floating	Libor + 6,75%	21.644.000	21.712.221
Secured loan (iii)	Ortadoğu Liman	USD	2016	Floating	Libor+ 4,95%	68.333.200	68.971.229
Secured loan (iv)	Ortadoğu Liman	USD	2013	Fixed	7,25%	4.187.083	4.218.024
Secured loan (v)	Ortadoğu Liman	USD	2016	Fixed	5,15%	6.957.000	7.038.921
Secured loan (vi)	Global Liman	USD	2017	Floating	Libor+ 4,95%	27.828.000	28.454.864
Secured loan (vii)	Ege Liman	USD	2013	Floating	Libor+ 2,5%	13.637.929	13.669.806
Secured loan	Bodrum Liman	USD	2014	Fixed	7,95%	2.571.200	2.651.113
Secured loan	Bilecik Demir Çelik	USD	2013	Floating	Libor +7%	937.672	1.032.352
Secured loan	Bilecik Demir Çelik	USD	2011	Fixed	8,50%	1.483.789	1.491.082
Secured loan (viii)	Pera	TL	2013	Fixed	12,46% -13,34%	37.790.966	39.974.671
Secured loan (ix)	EYH's subsidiaries and joint ventures	USD	2011-2015	Fixed	7,30% - 8,5%	48.615.903	49.667.611
Unsecured Loan	EYH's subsidiaries and joint ventures	EURO	2012	Floating	Euribor+ 2%	372.490	378.171
Unsecured Loan	EYH's subsidiaries and joint ventures	EURO	2012	Fixed	3,87%	910.530	918.406
Unsecured Loan	EYH's subsidiaries and joint ventures	TL	2011-2012	Fixed	20%	40.021	41.633
Unsecured Loan	EYH's subsidiaries and joint ventures	USD	2011-2014	Fixed	2%- 5%	955.173	986.547
						349.338.932	357.925.712
Loans used to finance working capital							
Secured Loan	Holding	USD	2011	Fixed	4,30%	2.473.600	2.523.761
Unsecured Loan	Holding	TL	Rotative	Fixed	12%	599	599
Unsecured Loan	Bodrum Liman	USD	Rotative	Fixed	6,00%	289.874	289.874
Secured Loan	Ortadoğu Liman	TL	2011	Fixed	9,48%	99.900	99.927
Unsecured Loan	Bilecik Demir Çelik	USD	2011	Fixed	4,75%	114.437	114.437
Unsecured Loan	Bilecik Demir Çelik	TL	2011	Fixed	4,75%	2.030.454	2.030.454
Unsecured Loan	Sem	TL	2011	Fixed	13,00%	20.009	20.009
						5.028.873	5.079.061
Finance Lease Obligations							
Leasing (x)	Ortadoğu Liman	USD	2015	Fixed	5,90%	2.916.467	2.916.467
Leasing	Ege Liman	USD	2012	Fixed	8,30%	2.195.212	2.195.212
Leasing	Bilecik Demir Çelik	USD	2013	Fixed	11,13%	11.072.097	11.072.097
Leasing	Bilecik Demir Çelik	EURO	2014	Fixed	12,25%	189.238	189.238
						16.373.014	16.373.014
						370.740.819	379.377.787

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Detailed information related to the significant loans borrowed by the Group is as follows:

(i) As at 31 December 2010, USD 100.000.000 of long term loans represent the 5 year maturity with interest rate 9,25% "loan participation notes" issued on 1 August 2007. The principal amount will be paid on maturity and interest is paid in January and July each year. On the day the loan was issued, a special purpose entity of the Group invested USD 25.000.000 in the notes, which were issued by Deutsche Bank Luxembourg SA. With subsequent repurchases on various dates, the amount of notes owned by the Group reached a nominal value of USD 26.860.300 as at 31 December 2010. The Group presented these notes acquired as a result of these transactions by netting off its investments in the notes and Group's loan participation notes in accordance with IAS 32.

As at 28 December 2011, the Group exchanged the portion of the aforementioned notes amounting to USD 39.333.000 with the new notes issued by the Company having a nominal amount of USD 40.119.000, a maturity date of 30 July 2017 and an interest rate of 11% p.a. Interest will be paid in January and July each year. Thus, as at 31 December 2011, the nominal value of the aforementioned loan participation notes is USD 60.667.000.

As at 31 December 2011, the portion of the new notes issued by the Company (with a total amount of USD 40.119.000) amounting to USD 27.397.055 are the notes held by the Company and a subsidiary of the Group. The Group presented these notes acquired as a result of these transactions by netting off its investments in the notes and Group's notes issued in accordance with IAS 32. As at 31 December 2011, the net nominal value (principal amount) of the issued new notes (presented as debt securities issued) is USD 12.721.945.

The loan and debt security agreements include financial covenants, terms restricting indebtedness, sales of material assets, transactions with subsidiaries and mergers and acquisitions of Group companies.

(ii) The Company has borrowed a total of USD 18.900.000 in two tranches. The first tranche of USD 14.000.000 borrowed on 15 December 2010 has a term of three years, with an interest rate of Libor+6,75%. Interest and principal are paid every six months (in June and December), following a grace period of 1 year for the principal. The second tranche of USD 4.900.000 was borrowed on 9 March 2011 and, except for an interest rate of Libor+7%, all of the terms and conditions are same as the first tranche.

A principal portion of USD 2.593.179 has been paid in 2011.

(iii) In 2006, Ortadoğu Liman entered into a loan agreement amounting to USD 40.000.000 in total with a 10-year maturity. The interest rate was Libor+2,90%. Starting from 29 July 2010, the interest rate was amended to Libor+4,95%. The remaining principal amount of the loan as at 31 December 2011 was USD 30.000.000 (31 December 2010: USD 34.400.000). Principal and interest are paid at the end of April and October of each year. Security for the loan includes all of the borrower's rights under the Antalya Port TOORA, the proceeds under business interruption insurance relating to the port, a pledge of the borrower's collections and other accounts, a pledge over the shares of the borrower and an assignment of receivables under the port's rent agreements. The loan agreement imposes financial covenants on Ortadoğu Liman, and includes terms restricting financing activities, investments, dividend payments, sales of assets, and mergers and acquisitions.

On 12 August 2010, under the amended loan agreement, Ortadoğu Liman raised an additional loan amounting to USD 10 million with the same conditions as the previous loan agreement. The remaining principal amount of the loan as at 31 December 2011 was USD 9.300.000 (31 December: USD 9.800.000).

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(iv) Ortadoğu Liman entered into a loan agreement on 24 May 2007, amounting to USD 6.500.000 in total with a 6-year maturity. The interest rate is 7,25%. The remaining principal amount of the loan as at 31 December 2011 was TL 3.069.463 (31 December 2010: TL 4.187.083). There is a pledge over the property, plant and equipment of Ortadoğu Liman given to the lender as collateral for the loan.

(v) Ortadoğu Liman entered into a loan agreement on 13 October 2010, amounting to USD 4.500.000 in total with a 6-year maturity for the purpose of financing the purchase of a mobile harbour crane. The interest rate is 5,15%. A total principal amount of USD 750.000 has been paid in 2011. Under the loan agreement, in the event of default, the harbour crane and other machinery purchased with the loan has been pledged to the lender. Moreover, Ortadoğu Liman entered into a loan agreement on 14 June 2011, amounting to USD 7.500.000 in total with a 6 year maturity. Principal and interest are paid every 6 months. The interest rate is Libor+5,05%. A total principal amount of USD 625.000 has been paid in 2011. There is a pledge over the property, plant and equipment in relation to the loan.

(vi) Global Liman entered into a loan agreement amounting to USD 35.000.000 in total on 20 July 2010 with a 7-year maturity and an interest rate of Libor+4,95%. Principal and interest are paid at the end of June of each year. USD 17.000.000 and USD 1.350.000 have been repaid on 12 August 2010 and 15 June 2011, respectively. Under this loan agreement, in the event of default, the shares of Ege Liman and Ortadoğu Liman have been pledged in accordance with a share pledge agreement.

(vii) As at 31 December 2011, the foreign currency loan amounting to USD 5.571.429 (31 December 2010: USD 8.821.429) represents the bank loan granted to Ege Liman on 15 June 2006, with a 7-year maturity. Principal and interest are paid in November and May each year. 100% of Ege Liman's shares, which are owned by Global Liman and RCCL, have been pledged to the lender as collateral for the loans pursuant to an agreement dated 25 May 2006. Under the loan agreement, in the event of default, the cash generated from the company's rent income must be pledged to the lender and bank accounts will be blocked. The loan agreement imposes various financial covenants on Ege Liman.

(viii) As at 31 December 2011, the TL loans amounting to TL 49.104.940 (31 December 2010: TL 39.974.671) represent the three-year maturity loans borrowed by Pera. The payment schedules generally include no principal and interest payment in the first year. The monthly interest payments will start after the first year and monthly principal payments after the eighteenth month. As a guarantee for this loan, the land in Denizli Sümer Mahallesi and shopping mall project in Denizli were given as a mortgage in favour of the lender.

(ix) The foreign currency loans amounting to TL 51.175.200 (31 December 2010: TL 49.667.611) represent the 5-year maturity loans granted to EYH's subsidiaries in accordance with an agreement with a bank on 23 April 2007. An amendment protocol to the existing agreement was entered into on 30 August 2010. The loans do not include any repayment in the first year. Principal and interest are paid semi-annually in the subsequent four years. The shares of some of the subsidiaries of Energaz are pledged against the loans. Security under the loan includes a pledge of the guarantor's shares in each borrower and the pledge of revenues of some of the subsidiaries of Energaz (e.g., subscription fees, gas sales margins and any other receivables in the event of the sale of the distribution grid by EMRA). In addition, the loan agreement includes restrictions on financing activities, dividend payments, sales of assets and mergers with other companies.

(x) On 27 August 2010, Ortadoğu Liman has signed a finance lease agreement with the expiry date of 4 September 2015 and interest rate of 5,9% for the purchase of a port tugboat.A summary of other guarantees with respect to the loans are presented in Note 21.The details of the financial risks with respect to financial liabilities are presented in Note 34.

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9 OTHER FINANCIAL LIABILITIES

As at 31 December 2011 and 31 December 2010, the details of the Group's interest swap agreements comprised the following:

Interest swaps:

	31 December 2011		31 December 2010	
	Nominal Amount	Maturity	Nominal Amount	Maturity
USD	25.000.000	31 July 2012	25.000.000	31 July 2012
USD	3.000.000	25 May 2013	5.500.000	25 May 2013
USD	3.000.000	25 May 2013	5.500.000	25 May 2013

	31 December 2011	31 December 2010
Fair value of interest swaps	2.062.711	662.711
	2.062.711	662.711

10 TRADE RECEIVABLES AND PAYABLES

Trade receivables - current

As at 31 December 2011 and 31 December 2010, trade receivables-current other than from related parties comprised the following:

	31 December 2011	31 December 2010
Receivables from customers	16.428.859	13.239.871
Doubtful receivables	7.521.735	5.059.781
Allowance for doubtful receivables	(7.481.428)	(4.950.031)
Other (*)	662.173	7.468.226
Total	17.131.339	20.817.847

(*) As at 31 December 2010, other trade receivables include the cheque amounting to TL 6.184.000 received in relation to the sale of Veli Alemdar Han which is explained in Note 36. The cheque was collected in January 2011.

The movement of the allowance for doubtful trade receivables during the years ended 31 December 2011 and 31 December 2010 comprised the following:

	2011	2010
Balance at the beginning of the period (1 January)	(4.950.031)	(3.896.275)
Allowance for the period	(2.726.883)	(1.178.118)
Written-off during the period	38.728	60.289
Cancellation of allowances and collections	478.169	268.428
Acquisition through business combination	(321.946)	(204.355)
Currency translation differences	535	-
Balance at the end of the period (31 December)	(7.481.428)	(4.950.031)

The expenses related to the allowance for doubtful receivables are presented in net under general administrative expenses.

As at 31 December 2011 and 2010, the Group does not have any non-current trade receivable.

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Trade payables - current

As at 31 December 2011 and 31 December 2010, trade payables-current other than due to related parties comprised the following:

	31 December 2011	31 December 2010
Payables to suppliers (*)	60.644.633	50.055.467
Other	247.068	32.361
Total	60.891.701	50.087.828

(*) A significant portion of the payables to suppliers consists of the payables to natural gas suppliers of the joint ventures of the Group which operate in natural gas distribution sector.

The financial risks related to trade receivables and payables are presented in Note 34.

11 OTHER RECEIVABLES AND PAYABLES

Other receivables- current

As at 31 December 2011 and 31 December 2010, other current receivables other than due from related parties comprised the following:

	31 December 2011	31 December 2010
Receivables from Ada Metal (Note 36)	3.964.678	-
Recievables from subsidiaries' and joint ventures' other shareholders	1.502.831	1.395.951
Value added tax receivable	406.179	550.842
Deposits and advances given	223.558	1.268.458
Other	726.651	308.860
Total	6.823.897	3.524.111

Other receivables-non-current

As at 31 December 2011 and 31 December 2010, other non-current receivables other than due from related parties comprised the following:

	31 December 2011	31 December 2010
Receivables from Bilecik Demir Çelik (Note 36)	3.140.463	-
Deposits and advances given (*)	3.026.461	2.161.539
Receivables from Udaş Uşak Doğalgaz Dağıtım A.Ş.	1.023.148	1.023.148
Receivables from Ada Metal (Note 36)	1.020.702	-
Other	512.889	512.889
Total	8.723.663	3.697.576

(*) Non-current deposits and advances given amounting to TL 2.400.525 consist of deposits given to the bank for derivative transactions (31 December 2010: TL 1.747.079).

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Other payables - current

At 31 December 2011 and 31 December 2010, other current payables other than due to related parties comprised the following:

	31 December 2011	31 December 2010
Due to subsidiaries' and joint ventures' other shareholders (*)	47.049.757	16.275.839
Taxes payable and social security contributions	3.988.778	2.668.970
Payables related to security purchases	3.681.897	-
Tax amnesty obligations (**)	2.613.585	-
Payables to personnel	1.159.004	226.015
Deposits and advances received	469.388	358.104
Other	2.384.520	923.909
Total	61.346.929	20.452.837

Other payables - non-current

At 31 December 2011 and 31 December 2010, other non-current payables other than due to related parties comprised the following:

	31 December 2011	31 December 2010
Deposits and advances received (***)	47.774.219	32.795.001
Tax amnesty obligations (**)	3.952.156	-
Total	51.726.375	32.795.001

(*) A significant portion of the balance is composed of the funds given by the other shareholders to provide the equity contribution of the investments of the companies operating in the natural gas distribution sector.
(**) As at 31 December 2010, the Group classified the tax amnesty amounts in the short-term and long-term provisions under the other current and non-current liabilities. As these payables became final with the tax declaration approved by tax authorities, the Group classified them to the other current and non-current payables as tax amnesty obligations as at 31 December 2011.
(***) As at 31 December 2011 and 31 December 2010, the deposits and advances received consist of the security deposits received by the joint ventures of the Group operating in the natural gas distribution sector from their subscribers to guarantee the future receivables.

The details of the financial risks related to the other receivables and payables are presented in Note 34.

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12 RECEIVABLES FROM AND LIABILITIES DUE TO OPERATIONS IN FINANCE SECTOR

As at 31 December 2011 and 31 December 2010, current receivables from operations in finance sector other than due from related parties comprised the following:

Current trade receivables from finance sector	31 December 2011	31 December 2010
Receivables from customers	29.795.397	35.824.580
Receivables from money market	2.850.000	-
Doubtful receivables	1.261.852	1.283.303
Allowance for doubtful receivables	(1.261.852)	(1.283.303)
Other trade receivables	102.884	22.046
Total	32.748.281	35.846.626

The movement of the allowance for doubtful receivables from operations in finance sector (other than due from related parties) during the years ended 31 December 2011 and 31 December 2010 comprised the following:

	2011	2010
Balance at the beginning of the period (1 January)	(1.283.303)	(1.285.849)
Cancellation of allowances and collections	1.687	2.546
Transfer to assets classified as held for sale	19.764	-
Balance at the end of the period (31 December)	(1.261.852)	(1.283.303)

As at 31 December 2011 and 31 December 2010, non-current receivables from operations in finance sector other than due from related parties comprised the following:

Non-current trade receivables from finance sector	31 December 2011	31 December 2010
Receivables from customers	1.888.900	3.277.520
Total	1.888.900	3.277.520

As at 31 December 2011 and 31 December 2010, current liabilities due to operations in finance sector comprised the following:

	31 December 2011	31 December 2010
Payables to money market	12.850.000	11.540.000
Funds provided from repo transactions	6.567.139	6.757.680
Payables to customers	4.718.802	3.758.947
Payables to suppliers	24.304	718.756
Funds provided from bank loans (*)	-	4.303.902
Other	689	59.363
Total	24.160.934	27.138.648

(*) As at 31 December 2010, the maturity term of funds provided from bank loans is January 2011 and their interest rate is 8,7%.

The details of the financial risks related to receivables from and liabilities due to operations in finance sector are presented in Note 34.

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13 INVENTORY

As at 31 December 2011 and 31 December 2010, inventories comprised the following:

	31 December 2011	31 December 2010
Trading properties (*)	29.603.354	-
Raw materials	106.410	833.211
Commercial goods	237.440	171.125
Finished goods	-	321.170
Other	-	1.099
Total	29.947.204	1.326.605

(*) The details of trading properties are as follows:

	31 December 2011	31 December 2010
Land	19.105.000	-
Construction projects under development and in progress	10.498.354	-
	29.603.354	-

As at 31 December 2011, the Group's land classified as inventory composed of the land plots on which residential flats started to be built in 2011 in the scope of the residential project in Denizli. They were transferred from invesment property to inventories in 2011. The land is located in Denizli, Plot 6224, Parcel numbered 1.

As at 31 December 2011, the Group's construction projects under development and in progress contain the capitalized costs of the residential units started to be constructed in 2011 in Denizli.

As at 31 December 2011 borrowing costs amounting to TL 1.125.008 have been capitalised in the cost of the Group's inventory (31 December 2010: None). For the year ended 31 December 2011, capitalisation rate used to determine the appropriate borrowing cost for capitalisation is 15% (31 December 2010: 0%).

As at 31 December 2011, the mortgage or pledge on the inventory of the Group is explained in Note 21. As at 31 December 2010 there was no mortgage or pledge on the inventory of the Group.

As at 31 December 2011 the Group accounted for inventory allowance amounting to TL 31.253 (31 December 2010: None).

14 INVESTMENTS IN ASSOCIATES

As at 31 December 2011 and 31 December 2010, the Group does not have any investments in associates.

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15 INVESTMENT PROPERTY

Movements of investment property during the years ended 31 December 2011 and 31 December 2010 are as follows:

	1 January 2011	Additions	Valuation difference	Transfer	31 December 2011
Land	45.825.246	-	1.546.000	(19.105.000)	28.266.246
Operating investment property	-	-	2.463.234	165.150.000	167.613.234
Construction in progress (*)	161.855.086	3.294.914	-	(165.150.000)	-
Total	207.680.332	3.294.914	4.009.234	(19.105.000)	195.879.480

	1 January 2010	Additions	Valuation gain	Valuation loss	Transfer	31 December 2010
Land	74.866.251	-	2.285.000	(2.226.005)	(29.100.000)	45.825.246
Construction in progress (*)	48.928.887	34.483.968	49.667.055	(324.824)	29.100.000	161.855.086
Total	123.795.138	34.483.968	51.952.055	(2.550.829)	-	207.680.332

(*) As at 31 December 2011, capitalized finance costs in additions amount to TL 365.950 (31 December 2010: TL 2.359.293) with the capitalization rate of 1% (31 December 2010: 10%).

The project which is to be realized upon the land of the Group located in Denizli/Turkey includes a shopping mall, residential flats, a hotel and a hospital.

Operating investment property/Construction in progress – Sümerpark Shopping Mall ("Sümerpark AVM")

As at 31 December 2010, the Sümerpark AVM project of the Group has been accounted for at its fair value less the value of the construction and finance costs expected to be incurred until the completion of the construction.

As at 31 December 2010, Sümerpark AVM project has been measured at TL 161.855.086 in the financial statements, which is the value of the difference between the fair value amounting to TL 165.150.000 (which has been determined according to the revaluation report dated 20 December 2010 and prepared by an independent real estate appraisal company, having the authorization license of CMB and represents the fair value of the project when complete, where 95% of the project had been completed at that time) and the construction and borrowing costs expected to be incurred until the completion of the construction amounting to TL 3.294.914. The fair value of Sümerpark AVM has been determined as the total of the present values of the future free cash flows to be generated by the shopping mall. The fair value of this investment property has been calculated by including the land plot (in Denizli, Plot # 6225, Parcel # 1) on which the shopping mall is located. This land plot has been classified from the land to the construction in progress in 2010.

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Sümerpark AVM, has been officially opened on 12 March 2011 after the construction is finished and has been transferred from the construction in progress to the operating investment property of this date.

As at 31 December 2011, Sümerpark AVM project has been measured at TL 167.613.234 in the financial statements, which has been determined according to the revaluation report dated 30 December 2011 and prepared by an independent real estate appraisal company, having the authorization license of CMB and represents the fair value of the project.

As of 31 December 2011 and 2010, the supermarket within the shopping center is registered as the lessee in the land registry records for 20 years.

Rent revenues from the investment property and direct operating costs are disclosed as real estate rent revenues and costs of real estate rent revenues in Note 25.

Land

As at 31 December 2011 and 31 December 2010, the fair values of the land plots of the Group are presented below:

	31 December 2011	31 December 2010
Denizli land (Residential units) (*)	-	19.105.000
Denizli land (Hotel and hospital) (*)	12.216.000	10.670.000
Van land (**)	16.050.246	16.050.246
	28.266.246	45.825.246

(*) These land plots of the Group in Denizli include the plots on which the Group plans to build residential flats, a hospital and a hotel and is located in Denizli Sümer Mahallesi. The land plot, located in Denizli, Plot # 6224 Parcel # 1 is allocated to a residential flat project.This plot has been transferred to inventory in 2011 as the construction of the residential units project started in 2011. The land plots, located in Denizli, Plot #6227 Parcel 1 and Plot #6225 Parcel 1 will include the hospital and hotel projects. As at 31 December 2011, the construction of the projects has not commenced yet. The fair values of these land plots have been determined according to the revaluation reports dated 30 December 2011 (using the market approach method) prepared by an independent real estate apprasial company, which has the authorization licence of CMB.

As at 31 December 2010, the fair values of the aforementioned land plots have been determined according to the revaluation report prepared by an independent real estate appraisal company, which has the authorization license of CMB based on the report dated 13 December 2010 (using the market approach method).

As of 31 December 2010 the land, registered in Denizli Land Registry, Plot # 6227 Parcel # 1 and owned by the Group is restricted in order not to enable the sale of it in case of lack of the required permission of the Ministry of Education. This restriction has been abolished in 2011.

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(**) The details related to Van Land are presented below:

The Group has 16.611 m^2 area of land in Van province of Turkey acquired for the purpose of capital appreciation. The fair value of the land as at 31 December 2010 has been determined according to the revaluation report prepared by an independent real estate appraisal company, which has the authorization license of CMB. In accordance with the expertise report dated 26 November 2010, the market value of the land has been determined as TL 16.050.246 by using the value based on the cost approach as explained in detail below.

As explained in Note 20.2.ix, the uncertainty of the legal process related to the tender of Van land and the zoning plan is continuing. However, in accordance with the content of the sale agreement signed with the Municipality of Van and anticipation of the Group's lawyers with respect to this uncertainty all the costs incurred by the Group in relation to the land are secured. Even though it is clear in the agreement that all such costs are secured, the appraisal company chose to be on the safe side and determined the value of the property as the acquisition (tender) value only. The Group had acquired the land from the Municipality of Van for a price of TL 16.050.246. The market value of the land has been determined as TL 16.050.246 by using the cost approach based on the minimum cost which is the acquisition price.

Depending on the legal process as explained in Note 20.2.ix, the Group management and lawyers believe that the Group may recourse not only the tender price, but also the interest and the adequate payment in return for the unlawful use of the property by the Municipality since 2008 and the compensation for the damages by filing an unjust enrichment case. However, as at 31 December 2010, in conformity with prudence principle the fair value of Van land has been accounted for as TL 16.050.246 including the tender price only as determined by the valuation company in the consolidated financial statements. A valuation loss amounting to TL 2.226.005 has been recognized in the consolidated statement of comprehensive income.

The fair value of the land as at 31 December 2011 has been determined according to the revaluation report prepared by an independent real estate apprasial company, which has the authorization licence of CMB. In accordance with the revaluation report dated 30 December 2011, the market value of the land has been determined as TL 16.050.246 as explained in detail below.

The appraisal company stated in its report that it is appropriate to determine the value of the land as TL 16.056.246 TL considering that the market prices of the similar properties around the same location are not accessible because of the recent severe earthquake in the town, that the market value of the land cannot be foreseen reliably because of the expected new construction conditions, that determining the market value of the land by using general accepted revaluation methods may result in incorrect values -taking the purpose of the valuation into consideration- because of the extraordinary conditions in Van and that the acquisition value and all additional costs of the land are guaranteed under the articles of the sale agreement signed with Municipality of Van, the previous owner of the land.

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16 PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment for the year ended 31 December 2011 is as follows:

	Land	Land improvements	Buildings	Machinery and equipment	Motor Vehicles	Furniture and fixtures	Leasehold improvements	Other fixed assets	Construction in progress	Total
1 January 2011										
Cost	320.725	192.593	16.378.176	67.560.748	13.482.921	10.970.395	47.445.497	4.864	4.489.371	160.845.290
Accumulated depreciation	-	(5.620)	(1.730.525)	(30.005.172)	(2.938.608)	(7.761.601)	(12.511.729)	(1.114)	-	(54.954.369)
Net book value	320.725	186.973	14.647.651	37.555.576	10.544.313	3.208.794	34.933.768	3.750	4.489.371	105.890.921
Additions (i)	-	-	190.050	13.163.409	657.254	2.228.657	3.264.004	-	10.167.507	29.670.881
Current period depreciation	-	(10.924)	(314.748)	(4.606.162)	(1.241.592)	(1.101.587)	(3.408.890)	(639)	-	(10.684.542)
Disposals	(36.578)	(33.689)	(24.608)	(921)	(50.342)	(91.877)	-	-	(71)	(238.086)
Transfer (v)	-	-	-	40.664	-	-	457.365	-	(408.036)	89.993
Currency translation differences	-	-	-	5.136.477	2.117.067	166.080	8.071.219	-	250.159	15.741.002
Effect of acquisition (ii)	881.074	581.121	225.207	1.940.341	524.966	3.744.574	-	-	79.861	7.977.144
Exclusion from scope of consolidation (iii)	(303.229)	(184.373)	(3.200.482)	(11.216.635)	(11.332)	(35.181)	(602.966)	(3.111)	(21.921)	(15.579.230)
Transfer from assets held for sale (iv)	-	-	-	-	-	(6.304)	-	-	-	(6.304)
Net book value at the end of the period	861.992	539.108	11.523.070	42.012.749	12.540.334	8.113.156	42.714.500	-	14.556.870	132.861.779
31 December 2011										
Cost	861.992	542.313	13.421.623	77.479.376	17.133.992	16.844.232	60.573.752	-	14.556.870	201.414.150
Accumulated depreciation	-	(3.205)	(1.898.553)	(35.466.627)	(4.593.658)	(8.731.076)	(17.859.252)	-	-	(68.552.371)
Net book value	861.992	539.108	11.523.070	42.012.749	12.540.334	8.113.156	42.714.500	-	14.556.870	132.861.779

(i) A significant portion of the additions is composed of the capital expenditures incurred by subsidiaries of the Group in the infrastructure segment.
(ii) Effect of acquisition includes the tangible assets added by acquisition of Naturel Gaz and İzmir Liman in 2011 (Note 3)
(iii) Includes the tangible assets which are excluded from the scope of consolidation as Bilecik Demir Çelik was sold in 2011 (Note 36).
(iv) Includes the tangible assets of Global Portföy which is held for sale (Note 36).
(v) The amount of TL 89.993 is transferred from the concession intangible assets to the leasehold improvements under the property, plant and equipment .

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Movements of property, plant and equipment for the year ended 31 December 2010 is as follows:

	Land	Land improvements	Buildings	Machinery and equipment	Motor Vehicles	Furniture and fixtures	Leasehold improvements	Other fixed assets	Construction in progress	Total
1 January 2010										
Cost	321.204	192.593	3.344.652	42.268.784	10.197.219	9.298.192	39.055.126	4.864	2.933.648	107.616.282
Accumulated depreciation	-	(1.715)	(31.194)	(24.088.406)	(2.219.962)	(7.066.022)	(9.936.648)	(265)	-	(43.344.212)
Net book value	321.204	190.878	3.313.458	18.180.378	7.977.257	2.232.170	29.118.478	4.599	2.933.648	64.272.070
Additions (i)	-	-	211.129	6.576.989	3.504.064	1.478.173	174.752	-	3.930.201	15.875.308
Current period depreciation	-	(3.905)	(393.597)	(2.528.065)	(864.572)	(679.676)	(2.148.167)	(849)	-	(6.618.831)
Disposals	(479)	-	-	(3.933)	(21.702)	(3.330)	(79.156)	-	-	(108.600)
Transfer	-	-	-	404.749	-	(26.718)	3.212.037	-	(3.590.068)	-
Effect of valuation of previously held interest (ii)	-	-	-	2.986.769	-	(33.555)	459.292	-	-	3.412.506
Currency translation differences	-	-	-	482.918	(51.526)	(14.244)	(33.394)	-	14.005	397.759
Effect of acquisition (ii)	-	-	-	11.469.929	792	258.659	4.229.926	-	906.249	16.865.555
Exclusion from scope of consolidation (iii)	-	-	-	(14.158)	-	(2.685)	-	-	-	(16.843)
Transfer from assets held for sale (iv)	-	-	11.516.661	-	-	-	-	-	295.336	11.811.997
Net book value at the end of the period	320.725	186.973	14.647.651	37.555.576	10.544.313	3.208.794	34.933.768	3.750	4.489.371	105.890.921
31 December 2010										
Cost	320.725	192.593	16.378.176	67.560.748	13.482.921	10.970.395	47.445.497	4.864	4.489.371	160.845.290
Accumulated depreciation	-	(5.620)	(1.730.525)	(30.005.172)	(2.938.608)	(7.761.601)	(12.511.729)	(1.114)	-	(54.954.369)
Net book value	320.725	186.973	14.647.651	37.555.576	10.544.313	3.208.794	34.933.768	3.750	4.489.371	105.890.921

(i) A significant portion of the additions to the machinery and equipment and vehicles is composed of the tugboat and construction equipment purchased by Ortadoğu Liman.
(ii) Ortadoğu Liman (Note 3)
(iii) Hedef has been sold as at 17 December 2010 and excluded from the scope of consolidation (Note 36).
(iv) The Holding building of the Group in Karaköy and the construction in progress of Dağören have been transferred from the assets held for sale (Note 36).

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As at 31 December 2011 and 2010, no finance costs have been capitalized under property, plant and equipment.
According to the transfer of operational rights agreements ("TOORA") of Ege Liman and Ortadoğu Liman, subsidiaries of the Group and the Build-Operate-Transfer ("BOT") tender agreement of Bodrum Liman, at the end of the agreement periods, fixed assets with their capital improvements will be returned as running, clean, free of any liability and free of charge.

Pledges on the property, plant and equipment related to loans are presented in Note 8.

Other mortgage and pledges related to property plant and equipment are presented in Note 21.

As at 31 December 2011 and 31 December 2010, the net book values of the leased assets in property, plant and equipment are as follows:

	31 December 2011	31 December 2010
Motor vehicles	6.237.940	6.257.018
Manchinery and equipment	5.047.849	17.001.326.
Furniture and fixtures	782.254	-
Buildings	1.856	-
	12.069.899	23.258.344

The depreciation expenses related to the Group's property and equipment are accounted for under the cost of sales, selling, marketing and distribution expenses and general administrative expenses in the consolidated statement of comprehensive income (Note 27).

17 CONCESSION INTANGIBLE ASSETS

Movements of concession intangible assets for the years ended 31 December 2011 and 31 December 2010 are as follows:

	2011	2010
Balance at the beginning of the period (1 January)		
Cost	146.930.054	123.284.605
Accumulated amortisation	(13.804.253)	(9.636.448)
Net book value	133.125.801	113.648.157
Additions	28.649.555	23.693.458
Current year amortisation	(5.374.801)	(4.167.805)
Disposals	(123.524)	(48.009)
Transfers (*)	(89.993)	-
Net book value at the end of period	156.187.038	133.125.801
Balance at the end of the period (31 December)		
Cost	175.360.720	146.930.054
Accumulated amortisation	(19.173.682)	(13.804.253)
Net book value	156.187.038	133.125.801

(*) The amount of TL 89.993 is transferred from the concession intangible assets to the leasehold improvements under the property, plant and equipment

Concession intangible assets of the Group consist of concession intangible assets of Energaz and its subsidiaries.
As at 31 December 2011 and 31 December 2010, total capitalized finance expenses in additions are amounting to TL 2.250.447 and TL 2.867.214, respectively. The capitalization rate for the period ending 31 December 2011 is between 0,26% and 8,79% (31 December 2010: 1,82% and 9,10%).

The amortization expenses related to the Group's concession intangible assets are accounted for under the cost of sales in the consolidated statement of comprehensive income.

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18 INTANGIBLE ASSETS

Movements of intangible assets for the years ended 31 December 2011 and 31 December 2010 are as follows

	Rights	Software	Port operation rights	Customer relationships	HEPP License	Naturel gas licenses (i)	Total
1 January 2011							
Cost	7.483.968	2.140.858	506.729.082	5.804.595	50.672.736	-	572.831.239
Accumulated amortisation	(5.833.939)	(1.036.207)	(21.250.965)	(1.209.290)	-	-	(29.330.401)
Net book value	1.650.029	1.104.651	485.478.117	4.595.305	50.672.736		543.500.838
Additions	298.695	256.210	-	-	-	-	554.905
Current period amortisation	(462.289)	(408.274)	(29.537.115)	(522.783)	-	(178.473)	(31.108.934)
Disposals	5.971	(6.054)	-	-	-	-	(83)
Effect of acquisition (ii)	-	9.951	-	-	-	7.385.104	7.395.055
Exclusion from scope of consolidation (iii)	(5.119)	-	-	-	-	-	(5.119)
Currency translation differences	468.908	6.173	103.920.614	951.010	-	-	105.346.705
Net book value at the end of period	1.956.195	962.657	559.861.616	5.023.532	50.672.736	7.206.631	625.683.367
31 December 2011							
Cost	8.009.348	2.414.235	619.120.675	7.092.044	50.672.736	7.385.104	694.694.142
Accumulated amortisation	(6.053.153)	(1.451.578)	(59.259.059)	(2.068.512)	-	(178.473)	(69.010.775)
Net book value	1.956.195	962.657	559.861.616	5.023.532	50.672.736	7.206.631	625.683.367

(i) The natural gas licences include the CNG transmission and sales licenses of Naturel Gaz in İzmir, Bursa and Adapazarı regions.
(ii) Includes the intangible assets resulted from the acquisition of Naturel Gaz and İzmir Liman in 2011 (Note 3)
(iii) Includes the intangible assets which are excluded from the scope of consolidation since Bilecik Demir Çelik was sold in 2011 (Note 36).

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	Rights	Software	Port operation rights	Customer relationships	HEPP License	Total
1 January 2010						
Cost	7.388.190	1.351.892	75.081.942	6.025.137	-	89.847.161
Accumulated amortisation	(5.381.829)	(840.576)	(13.390.196)	(753.142)	-	(20.365.743)
Net book value	2.006.361	511.316	61.691.746	5.271.995	-	69.481.418
Additions	82.759	890.272	-	-	-	973.031
Current period amortisation	(398.040)	(321.882)	(12.860.382)	(469.438)	-	(14.049.742)
Effect of valuation of previously held interest (*)	-	-	151.452.361	-	-	151.452.361
Effect of acquisition (*)	-	23.385	272.505.775	-	-	272.529.160
Transfer from assets held for sale (**)	-	-	-	-	50.672.736	50.672.736
Currency translation differences	(41.051)	1.560	12.688.617	(207.252)	-	12.441.874
Net book value at the end of period	1.650.029	1.104.651	485.478.117	4.595.305	50.672.736	543.500.838
31 December 2010						
Cost	7.483.968	2.140.858	506.729.082	5.804.595	50.672.736	572.831.239
Accumulated amortisation	(5.833.939)	(1.036.207)	(21.250.965)	(1.209.290)	-	(29.330.401)
Net book value	1.650.029	1.104.651	485.478.117	4.595.305	50.672.736	543.500.838

(*) Ortadoğu Liman (Note 3)
(**) The amount related to Dağören has been classified from the assets held for sale (Note 36).
The amortization expenses related to the Group's intangible assets are accounted for under the cost of sales, selling, marketing and distribution expenses and general administrative expenses in the consolidated statement of comprehensive income.

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19 GOODWILL

During the years ended 31 December 2011 and 31 December 2010, movement of goodwill is as follows:

	31 December 2011	31 December 2010
1 January	35.550.270	40.342.730
Currency translation differences	7.060.374	(3.821)
Business combination effect (Note 3)	-	(4.788.639)
31 December 2011	42.610.644	35.550.270

The distribution of the goodwill according to the segments as at 31 December 2011 and 31 December 2010 is as follows:

Distribution by segments	31 December 2011	31 December 2010
Infrastructure	24.292.057	17.231.683
Finance	10.018.691	10.018.691
Real Estate	6.712.296	6.712.296
Other	1.587.600	1.587.600
Total	42.610.644	35.550.270

Basic assumptions used in each segment for the purpose of impairment testing are as following:

Infrastructure operations:

As at 31 December 2011, the Group recognised TL 24.292.057 goodwill related to the acquisition of Ege Liman in its consolidated financial statements (31 December 2010: TL 17.231.683).

The goodwill from the merger of Ortadoğu Liman and Akdeniz Liman amounting to TL 4.792.459 as at 31 December 2009 (TL 4.788.639 on 29 July 2010, at the date of the acquisition of the remaining 60% shares of Ortadoğu Liman from other shareholders) was reversed as at 31 December 2010 as explained in Note 3.

As at 31 December 2011 and 2010, the Group tested impairment by comparing the goodwill from the acquisition of Ege Liman with the values in use of the cash generating units and concluded that no impairment exists. Cash flow forecasts are prepared up to the end of the port usage rights, which is 2033. The basic assumption is that the expected increase in the intensity of the port activity will increase operational profit. Cash flows used to calculate value in use are prepared in USD. An interest rate of 12,4% is used for discounting future cash flows to the reporting date.

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Finance operations:

The Group tested impairment of assets of Global Menkul in order to test the goodwill amounting to TL 10.018.691 as at 31 December 2011 and 2010 recognized in the consolidated financial statements. The Group compared the amount of goodwill with the value in use of cash generating unit and has concluded that there is no impairment. These calculations are based on the cash flows derived from the financial budget for five years approved by the management. In order to estimate infinite cash flows after five years of projection, the Group has used 2% growth rate which does not exceed expected economic growth rate of the country. Cash flows used to calculate the value in use are prepared in USD.

Real estate operations:

The Group tested the impairment of the goodwill related to the acquisition of Maya amounting to TL 6.712.296 as at 31 December 2011 and 2010. In such work, the Group compared the amount of goodwill carried in the consolidated financial statements, with Maya's fair value and has concluded that there is no impairment. Maya leased land in Tatlısu Magosa for 49 years from the Government of Cyprus in order to build hotels, villas and apartments for the Holiday Village project on leased land. As at reporting date, the construction has not been started on leased land, because the expropriation studies have not been completed. As at 31 December 2011 and 2010, the fair value of this leased land is obtained from the appraisal reports prepared by an independent real estate appraisal company. The real estate appraisal company, which is authorized by CMB, uses market approach by reference to market prices of similar properties in the market to determine the fair value and concluded that the fair value of the property is TL 9.750.000 (31 December 2010: TL 8.610.000) which is above the total investment of the Group in Maya recognized in the consolidated financial statements.

Other operations:

The Group tested impairment on assets of Sem Yayıncılık in order to test the goodwill amounting to TL 1.587.600 recognized in the consolidated financial statements as at 31 December 2011 and 2010. The Group compared the amount of goodwill with the value in use of cash generating unit and has concluded that there is no impairment. These calculations are based on the cash flows derived from the financial budget for five years approved by the management. Cash flows used to calculate value in use are prepared in TL.

Market interest rates are used for discounting future cash flows to balance sheet date.

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20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

20.1 Provisions

As at 31 December 2011 and 31 December 2010, provisions comprised the following:

	31 December 2011	31 December 2010
Provision for consultancy expenses	2.395.847	-
Provision for lawsuits	1.361.582	1.449.010
Provision for notice pay and vacations	1.135.292	943.326
Provision for penalty	215.693	470.025
Provision for personnel premium	55.825	113.417
Provision for tax amnesty (*)	-	1.636.268
Total short-term provisions	5.164.239	4.612.046
Provision for tax amnesty (*)	-	5.726.937
Total long-term provisions	-	5.726.937
Total provisions	5.164.239	10.338.983

(*) As at 31 December 2010, the Group classified the tax amnesty amounts in the short-term and long-term provisions under other liabilities. As these payables became final, the Group classified them to the other current and non-current payables as tax amnesty obligations as at 31 December 2011.

The tax amnesty provisions are explained in detail in Note 31.

As at 31 December 2010, the expenses related to the total tax amnesty provision are accounted for under other operating expenses as TL 6.402.787 (Note 28) and finance expenses as TL 960.418.

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Movements of provisions during the years ended 31 December 2011 and 31 December 2010 are as follows:

	Provision for lawsuits, penalty and tax amnesty	Provision for notice pay and vacations	Provision for personnel premium	Provision for consultancy expenses	Total
Balance at 1 January 2011	9.282.240	943.326	113.417	-	10.338.983
Provision made during the period	340.941	262.401	1.039.641	2.395.847	4.038.830
Currency translation differences	-	11.099	-	-	11.099
Paid	(554.881)	(81.534)	(1.097.233)	-	(1.733.648)
Provision reversed during the period	(30.394)	-	-	-	(30.394)
Transfer to other payables	(7.363.205)	-	-	-	(7.363.205)
Transfer to liabilities directly associated with assets held for sale	(99.314)	-	-	-	(99.314)
Business combination effect	1.888	-	-	-	1.888
Balance at 31 December 2011	1.577.275	1.135.292	55.825	2.395.847	5.164.239

	Provision for lawsuits, penalty and tax amnesty	Provision for notice pay and vacations	Provision for personnel premium	Letter of guarantee provision for Izmir Port	Other	Total
Balance at 1 January 2010	1.618.098	630.785	137.739	10.389.330	59.516	12.835.468
Provision made during the period	7.822.755	333.016	-	-	-	8.155.771
Paid	-	(94.419)	(22.691)	(10.389.330)	(54.174)	(10.560.614)
Provision reversed during the period	(392.685)	-	-	-	-	(392.685)
Currency translation differences	(3.837)	(1.417)	(1.631)	-	(5.342)	(12.227)
Business combination effect	237.909	75.361	-	-	-	313.270
Balance at 31 December 2010	9.282.240	943.326	113.417	-	-	10.338.983

For the year ended 31 December 2011, expenses related to the provision for lawsuits, penalty and tax amnesty are presented in other operating expenses, finance expenses and general administrative expenses. The expenses related to the provision for notice pay and vacations are presented in the general administrative expenses, expenses related to provision for personnel premium are presented in general administrative expenses and cost of sales. The expenses related to the provision for consultancy expenses are presented in general administrative expenses. The income related to the reversal of lawsuit provisions is presented in other operating income.

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For the year ended 31 December 2010, expenses related to the provision for lawsuits, penalty and tax amnesty are presented in other operating expenses, finance expenses and general administrative expenses. The expenses related to the provision for termination indemnities and vacations are presented in the general administrative expenses. The income related to the reversal of lawsuit provisions is presented in other operating income.

20.2 Legal Issues

There are lawsuits pending that have been filed against or by the Group. These lawsuits primarily include the labour and debt cases. The management of the Group assesses the possible results and financial effects of these lawsuits at the end of each period and as a result of these assessments, the required provisions are recognized for those possible earnings and liabilities. The amount of provision that has been accounted for is stated in Note 20.1. The information related with the significant lawsuits that the Group is directly or indirectly a party is as follows:

(i) Ege Liman was granted the operation right of Kuşadası Port for a term of 30 years as of July 2003 by the Privatization Authority ("PA"). In October 2006, two former members of the Kuşadası Municipal Council filed a lawsuit with the requesting the cancellation of those 'zoning plan and planning notes' of the Region of Kuşadası, which enables the construction of the new Cruise Port Upper Structure Facilities.. The relevant Chamber of the Council of State ordered the cancellation of the zoning plan and planning notes in November 2009. That decision was appealed by the lawyers of the Ministry of Public Works as well as the lawyers for the Group. The file is under examination of the Council of State.

While that appeal was pending, the Group lawyers filed a lawsuit against the termination of the occupancy and construction permit notification of the Municipality with the request of stay of execution. The Aydın Administrative Court issued a stay of execution for the cancellation. Due to the Municipality's objection to that decision, the stay of execution has been cancelled. Aydın Administrative Court rejected the case. This decision has been appealed. The appeal is currently pending.

Kuşadası Municipality consequently issued a cease and desist order on 18 June 2010 to Ege Liman which governs the modification of the building in accordance with the previous zoning plans. The Group lawyers filed a lawsuit in order to cancel the order as well as issue a stay of execution. Aydın Administrative Court issued a stay of execution on 22 June 2010. However, the stay of execution was cancelled on 19 August 2010. Ege Liman applied to the District Administrative Court but on 4 October 2010, the court denied Ege Liman's objection and dismissed the case. Türkiye Denizcilik İşletmeleri A.Ş. ("TDI")'s request to intervene the lawsuit has been accepted. Aydın Administrative Court rejected the case. Ege Liman and TDI appealed the court's decision. The appeal is currently pending.

In October 2010, Ege Liman filed a lawsuit in the Aydın Administrative Court to annul the decision by the Kuşadası Municipal Council to demolish Kuşadası Port and to request a stay of execution. The court ordered a stay of execution on 21 October 2010. TDI successfully intervened in the lawsuit on 22 December 2010. The court renewed the stay of execution after the first reply of the Municipality, but then overruled the stay of execution. The Group and TDI immediately appealed the decision to the Administrative District Court, but the court also rejected the objection. The lawsuit is pending before the court.

Upon the court's decision, Kuşadası Municipality sent a notification with regard to evacuation of the Kuşadası Port. Ege Liman filed a lawsuit opposing the notification on 20 July 2011. TDI also intervened in the lawsuit on 6 September 2011.

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On 28 October 2010, the Ministry of Public Works approved the new zoning plans for Kuşadası Port; however several objections were raised by a number of local institutions. The Ministry of Public Works took some of the objections into account but rejected others and approved the new amended zoning plan on 31 January 2011 on the grounds that

(i) The "Master Plan" with 1/5.000 and "Implementation Plan" with 1/1.000 of Kuşadası Port, that have been approved on 28 October 2010 are in line with the 1/100.000 "Environment Plan" of Aydın-Muğla-Denizli, and

(ii) Kuşadası is an important cruise port that would become idle if the zoning plans are cancelled which could, in turn, have a negative effect on the Turkish economy. Moreover, Kuşadası Port complies with "Coastal Law" and "Regulations regarding the Implementation of Coastal Law". However the Municipality filed a lawsuit requesting cancellation of the new zoning plan and a stay of execution. The court ruled for a stay of execution regarding the new zoning plan until an interim judgment is reached.

Ege Liman applied to Kuşadası Municipality for building permit on 15 March 2011 but the Municipality rejected such application. The Group therefore filed a lawsuit against such action of the Municipality.

The Group lawyers believe that the new zoning plan will cause the aforementioned lawsuits to be viewed as groundless.

A former member of the Kuşadası Municipal Council filed a lawsuit with the Aydın Administrative Court against the PA and the Group seeking to cancel the PA's approval of the Kuşadası Port tender granted to Ege Liman. The court ordered the cancellation of the tender on 2 June 2010. The Group and the PA appealed the decision. The Council of the State approved the decision of the court of first instance and the Group and the PA lawyers requested the revision of the decision. The lawsuit is currently before the Council of State. The management and lawyers of the Group believe that the decision to cancel the privatization cannot be enforced against the Group due to practical and legal impossibility and on the grounds that the PA has never enforced such cancellation decisions. Therefore, the Group anticipates that the Appeal Court will reverse the decision and that, in case of a possible cancellation decision, such decision cannot be enforced against the Group.

The PA filed a lawsuit against Ege Liman basing its claims on the annulment decision of Aydın First Administrative Court dated 2 June 2010 and numbered 2010/434 E., 2010/936 K. reclaiming Kuşadası Port to TDI. The Court denied the PA's preliminary injunction request. It was therefore, decided to wait for the result of the case related to the cancellation of the tender. This lawsuit has been filed in order to act in compliance with the aforementioned decision of Aydın First Administrative Court and it is believed that there will be no negative result of this case considering that there has been no established practice as to the return of the privatized assets.

For the reasons explained above, the Group management and lawyers do not anticipate a negative result from the legal process.

(ii) The former owner of the shares of a subsidiary of the Group filed a lawsuit against the Group for the restitution of the shares. On 2 March 2010, the court decided on restitution of shares to the former owners and that the trustee, previously appointed by the Court, shall remain in charge until the final decision. The Group lawyers appealed the decision on 28 April 2010 upon the notification of the justified decision. The lawsuit is before the Supreme Court of Appeals. As a trustee was appointed to the aforementioned subsidiary by the Court on 4 January 2008, this subsidiary is excluded from the scope of consolidation.

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(iii) In the lawsuit filed with Adana Court of First Instance, plaintiffs stated that in the period the Company operated as a brokerage house (2003) their money and stocks were transferred to other accounts by the ex-worker of Global Menkul and claimed a compensation regarding money stocks and interest from Global Menkul (recently Global Yatırım Holding as the title changed). The Group has performed a risk assessment regarding the cases and allocated a provision amounting to TL 500.000 for the cases.

(iv) A lawsuit amounting to TL 542.595 has been filed against the Group for the receivables of TWP Eurosia Mühendislik Madencilik ve Danışmanlık Ticaret A.Ş ("TWP"). The Group disputed against this case as it had not received the service. TWP declares that the service related with such receivables was provided to Global Yatırım Holding A.Ş and requested the payment of such amount. The Group management and attorneys have evaluated the situation and did not consider it necessary for any provision to be provided. As the confirmation of this evaluation, it was determined within the expert report that the assignment of receivables from TWP South Africa to TWP Turkey is void and thus the plaintiff is lack of standing.

(v) The issues regarding the lawsuit filed against the Group before the Denizli Administrative Court related with the cancellation of change in zoning plan that also effects the land owned by a subsidiary of the Group are as follows:

Kentsel Gayrimenkul, which merged into Pera in June 2008, applied to Denizli Municipality to amend the Denizli Sümerpark Project zoning plan to permit the construction of houses, shopping centers, hotels and hospitals. The Commission of the Public Works of the Municipality of Denizli's report regarding the acceptance of the rejection of the objections raised against the decision of the Municipality Assembly's dated 11 October 2006 and numbered # 640 within the objection period was accepted by Denizli Municipality assembly dated 9 January 2007 and numbered 54.

On 29 June 2007, the Denizli Branch of the Chamber of Architects of Turkey filed a lawsuit with the Denizli Administrative Court against the municipality requesting cancellation of the amendments approval to the zoning plan, as well as an injunction to prevent construction. The court rejected the stay of execution on 11 September 2007. Pera filed a request to intervene in the lawsuit on 24 July 2008, which was approved on 17 September 2008.

On 1 April 2009, the court dismissed the case in favor of the Group. The Denizli Branch of the Chamber of Architects of Turkey appealed and the Sixth Chamber of the Council of State upheld the dismissal. The Denizli Branch of the Chamber of Architects of Turkey filed for a reversal of the appellate decision. The lawsuit is currently before the appeal court.

The court decided to appoint an expert council in another lawsuit filed by a person requesting the cancellation of the resolutions approved by the Denizli Municipality Assembly. Pera sought to intervene in the lawsuit as a party along with the Denizli Municipality, which then was approved by the Court. The lawsuit is currently before the Denizli Administrative Court. Since the expert report written by the Expert Council appointed by the Court was in favor of Pera, the court dismissed the lawsuit. The plaintiff appealed the decision. The Group management and lawyers do not anticipate a negative effect from the lawsuit.

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(vi) GYH and Global Liman were part of a consortium which participated in the tender process relating to the privatisation of İzmir Port. The joint venture in which the Group also attended placed as the highest bid for the tender regarding the privatization of the operating rights of TCDD İzmir Ports via transferring method conducted by the Privatization Administration on 3 July 2007. The High Council of Privatization Administration approved the tender. Liman-İş and Kamu İşletmeciliğini Geliştirme Merkezi Vakfı separately filed lawsuits for the cancellation of the tender. These lawsuits were rejected by the Council of State. Plaintiffs appealed the verdicts. 1st Department of Council of State has approved the Privatization of Operating Rights without waiting for the approval of the 13th Department of Council of State. High Council of Privatization has invited the Joint Venture to sign the Agreement with a declaration dated 23 September 2009.

The Group, on behalf of the joint venture partnership participating in the tender, requested an extension from the PA to complete the privatization by 15 April 2010. The PA granted a 45-day extension on 10 November 2009, permitting the joint venture to complete the privatization by 24 December 2009. Pursuant to the terms of the tender, on 7 January 2010 the PA cancelled the tender and called the USD 15 million bid bond provided by GYH and its joint venture partners during the bid process. On 8 January 2010, the Group deposited USD 6,9 million in escrow, its portion of the bid bond, and on 12 January 2010 the PA received the bid bond in full from all joint venture partners. Following forfeiture of the bid bond, the Group and its joint venture partners fulfilled all of their obligations to the PA in connection with the tender.

On 29 April 2010, the Group initiated a pilot debt recovery procedure of USD 10.000 with the Ankara Enforcement Authority against the PA that would lead to claiming of the repayment of 12.75 million which the Group believes was erroneously collected by the PA. The proceeding was suspended following an objection filed by the PA, on 4 November 2010 and the claim was dismissed because the authority believed the claim should be filed with the Administrative Court. The Group filed an appeal with the Supreme Court but the Supreme Court rejected the appeal and the decision became final on 24 March 2011. The case will be heard before the Court of Jurisdictional Disputes since the Administrative Court rejected to hear the case on the grounds that the subject of the case does not fall under its jurisdiction.

(vii) On 14 March 2008 the joint venture ("JV") consisting of Energaz and GYH placed the highest bid (USD 1.61 billion) for the tender relating to the privatization of the shares of Başkent Doğalgaz Dağıtım A.Ş. ("Başkentgaz") owned by the Municipality of Ankara via the block sale method. As the tender specifications Art. 14 required the JV to be granted the permissions of the Authorities before the final approval of the tender, the shares of Başkent Doğalgaz Dağıtım A.Ş. were not transferred to the JV. As the procedure was continuing, the Municipality applied to the guarantor bank to enable the liquidation of the US$ 50 million Letter of Guarantee, submitted to the Municipality as a requirement under specifications by GYH, the 51,66% participant of the JV.

As the Group planned to file a lawsuit regarding the payment of the Letter of Guarantee, Boru Hatları ile Petrol Taşıma A.Ş. ("BOTAŞ") initiated an execution process in accordance with the Article 79 of the Collection of the Public Receivables Act No. 6183 against the Municipality. As a precautionary measure, the Group applied to Beyoğlu Commercial Court to prevent the liquidation of the Letter of Guarantee. The court issued a precautionary measure for 15% of the collateral of the Letter of Guarantee which prevented the liquidation. The Municipality raised an objection against the measure, which was rejected by the Court.

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Continuing with their precautionary measure, a lawsuit was filed by the Group against the Ankara Metropolitan Municipality and BOTAŞ before the First Chamber of the Beyoğlu Commercial Court claiming to dissolve the discrepancy for the payment of the Letter of Guarantee and the restitution of the Letter of Guarantee. The court decided that it is not a competent court to conduct the case and that Ankara courts were the most appropriate forum for the litigation. Since then, the lawsuit has been conducted before Fourth Ankara Commercial Court. The guarantor bank requested an intervention in the lawsuit, which was then approved by the Court. The court additionally allowed the plaintiff to file a separate lawsuit against the PA and enabled this separate lawsuit to be combined with the pending lawsuit. Upon this order, the Consortium filed another lawsuit against the PA, as it became the competent authority to conduct the privatization process. The court decided to combine this lawsuit with the pending one. The injunction to prevent the liquidation of the letter of guarantee is still in effect as of the reporting date.

The Group filed a lawsuit before the Ankara Administrative Court against the Municipality, requesting cancellation of the Municipality Council's resolution dated 22 January 2009, numbered 86/325 regarding the forfeiture of the letter of guarantee given by JV according to Article 10/c of the tender specification. The Group also requested an injunction on 15 January 2010. Ankara Administrative Court decided incompetence and the case has been taken over by the Thirteenth Chamber of Council of State. The Thirteenth Chamber of Council of State rejected the request for a stay for execution. The Group appealed and the Administrative Division of the High Council of the State overturned the rejection on 8 July 2010. At this point, 13th Chamber of Council of State completed the parts which were missed before, and again gave its rejection. Further to the rejection given by 13th Chamber of Council of State, Group's lawyers made an objection to the Administrative Division of the High Council of the State regarding the decision given by 13th Chamber of Council of State. Since the objection to the rejection of the request for a stay for execution rejected by the Administrative Division of the High Council of the State, the lawsuit is pending before the 13th Chamber of Council of State in order to decide on the merits of the lawsuit.

On 2 July 2009, a decision of the Turkish High Council of Privatization Administration was published in the official Gazette. Accordingly, the Privatization Administration shall be in charge in order to conduct and finalize the privatization process of the Başkentgaz shares as at the date of the decision. The management and the legal counsel of the Group anticipate that the case shall be decided highly probably in favor of the Group.

(viii) The Company filed a lawsuit of USD 15.000 against ABN Amro Infrastructure Capital Management Ltd. before Beyoğlu Commercial Court claiming that the defendant, with regards to the related articles of the JV Agreement signed between the Parties after the Tender of the Privatization of Başkent Doğalgaz Dağıtım A.Ş. arranging to share jointly all the financial, accounting, legal, tax, commercial and insurance expenses, has not paid its share of USD 236,918, reserving the right to claim the whole amount. The lawsuit is currently at the submission of the petitions phase.

(ix) The members of the Municipality Assembly of Van filed a lawsuit claiming the cancellation of the Assembly's decision dated 9 January 2008 numbered 13 regarding the amendment to the zoning plan of the property then owned by the Municipality as well as the imposing of an injunction. The request for the injunction was rejected by the Court on 29 May 2008. The Group and its subsidiary requested to intervene in the lawsuit as the decision of the Court would affect them directly as the owners of the property. The court decided to cancel the zoning plan. As the Group and its subsidiary appealed the lawsuit, the Council of State rejected the appeal. The Group lawyers requested the revision of the decision. The lawsuit is currently before the Council of State.

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Cancellation of the tender: The members of the Municipality Assembly of Van filed a lawsuit claiming the cancellation of the tender regarding the sale of the property then owned by the Municipality. It was heard unofficially that the lawsuit regarding to cancellation of tender was accepted as the zoning plan was cancelled.

The Group and its subsidiary requested the intervention in the lawsuit. The court has not informed about its decision on this request as well as the appeal request yet. Notwithstanding this, the whole tender bid was paid to the Municipality and the title was transferred to the Group.

According to the cancellation decision of the court, a lawsuit is filed by the Municipality against the Group relating to cancellation of the deed. The Group lawyers objected that the Municipality must deposit the tender price to the Court in order to remove the restriction placed on filing the lawsuit. This would oblige the court to dismiss the case should the Municipality fail to deposit of the tender price to the Court within the time limits. The Group may recourse the tender price along with the interest and the adequate payment in return for the unlawful use of the property by the Municipality since 2008 and the compensation for the damages by filing an unjust enrichment case.

Nevertheless, the negotiations are currently continuing between the Group and the Municipality for waiving the lawsuit and execution of the projects.

(x) Dağören, one of GYH's subsidiaries made an application to the General Directorate of State Hydraulic Works (the "Administration") to obtain a generation licence for the Dağören Hydroelectric Power Plant ("HEPP").

According to correspondence sent by the Administration dated 18 July 2008, the Administration accepted the application with one condition-the generation licence had to be granted by the Energy Market Regulatory Authority ("EMRA"). Subsequently, Dağören completed its licences application to EMRA and EMRA approved the application for a 46 year generation licence on 27 November 2008. Consequently, the Right of Water Usage Agreement was signed and sent to Dağören by the Administration.

Dağören responded stating that the draft agreement was acceptable and the final Right of Water Usage Agreement could be signed. On the grounds that the Bilateral Cooperation Agreement ("Agreement") between Turkey and USA is abrogated, which includes the development of Hakkari Dam and Hydroelectric Power Plant ("HEPP") Project located on the upper level of Dağören Regulator and HEPP Project, the Administration refrained from signing the water utilization rights agreement and subsequently notified Dağören, that Dağören Regulator and HEPP Project is also cancelled.

Dağören lawyers filed a lawsuit in the Sixteenth Administrative Court of Ankara to cancel the administrative decision given by the Administration on grounds that EMRA is the only body entitled to give or cancel any production licence; that the Administration has no authorization to cancel a project which is already approved by EMRA; that the Administration has no right to refrain from signing the water utilization rights agreement of any project that is approved by EMRA and the cancellation of Hakkari Dam and HEPP Project is not automatically a reason for the cancellation of the Dağören Regulator and HEPP Project.

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The Sixteenth Administrative Court of Ankara decided against Dağören as a matter of public interest and not considering any contradiction against the law. Dağören appealed the verdict to the Council of State and requested an injunction declaring that the process conducted by the Administration cannot be lawful as a matter of public interest where it contradicts the express provisions of the law. The lawyers also requested that the appeal process shall be carried on through court hearings. Since the Thirteenth Chamber of the Council of State which will carry on the appeal process is the specialized court in such processes, the Group lawyers believe that the decision by the Sixteenth Administrative Court of Ankara will be reversed and a judgement made in favour of the Group.

On the other hand, a lawsuit has been filed at Ankara Intellectual and Industrial Property Rights Court No. 3 by the Group on the grounds that Dağören Regulator and HEPP Project is a product and is a property of Dağören and that the rights of the owner of the product cannot be interfered and the possession of the product cannot be taken by solely changing the name of the Project. The first expert decided against Dağören by majority of votes in their report although the technical expert represented their report in favor of Dağören. At this statement, Dağören made an objection to the court regarding the report. Within the second expert report prepared upon objections, it was stated that the transfer of the intellectual property rights regarding the Dağören Project from the Dağören to the General Directorate of State Hydraulic Works under the related regulations is an issue open to criticism, and these rights are actually owned by the Dağören, and the use of the projects which were prepared by the Dağören by the Administration is a matter considered to be professionally unethical, and the decision related to the product needs to be decided under the court's discretion. The Group lawyers believe that the second expert report is highly in favor of the Dağören compared to the first report.

Finally, the Group filed a lawsuit at Second Administrative Court of Ankara, claiming that the administrative order regarding the application announcement by the Administration related to the Hakkari Hydro Electric Project which is a combination of Dağören Regulator and HEPP with the Hakkari Dam Construction Project and HEPP under this name must be cancelled. The lawsuit is currently pending before the Administrative Court.

(xi) Mott MacDonald Ltd., a UK company, filed a lawsuit against the Company amounting to TL 300.256. The Group lawyers claimed that the service was not provided to the Company, thus the Company is lack of standing as the defendant and the lawsuit has to be dismissed. Mott MacDonald Ltd lawyers insist that the service, subject to the claims, actually was provided to the Company, thus the Company needs to compensate the claim. The first hearing has yet to be conducted.

20.3 Contingent liabilities

The details related to the Group's guarantees, pledges and mortgages given are presented in Note 21. Moreover, the Group has the following contingent liabilities:

Ege Liman

The details of the Transfer of Operational Rights Agreement dated 2 July 2003, executed by and between Ege Liman and Privatization Authority ("PA") together with Turkish Maritime Organization ("TDI") are stated below:

Ege Liman will be performing services such as sheltering, installing, charging, discharging, shifting, terminal services, pilotage, towing, moorings, water quenching, waste reception, operating, maintaining and repairing of cruise terminals, in Kuşadası Cruise Port for an operational period of 30 years. Ege Liman is liable for the maintenance of Kuşadası Cruise Port together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the TDI, while the movable properties stay with Ege Liman.

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Ortadoğu Liman

The details of the Transfer of Operational Rights Agreement dated 31 August 1998, executed by and between Ortadoğu Liman and PA together with TDI are stated below:

Ortadoğu Liman will be performing services such as sheltering, installing, charging, discharging, shifting, terminal services, pilotage, towing, moorings, water quenching, waste reception, operating, maintaining and repairing of cruise terminals, in Antalya Port for an operational period of 30 years. Ortadoğu Liman is liable for the maintenance of Antalya Port together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the TDI, while the movable properties stay with Ortadoğu Liman.

Bodrum Liman

The details of the BOT Contract dated 23 June 2004, executed by and between Bodrum Liman and the State Railways, Ports and Airports Construction Company ("DLH") are stated below:

Bodrum Liman had to construct the Bodrum Cruise Port in a period of 1 year and 4 months following the delivery of the land and thereafter, will operate the Bodrum Cruise Port for 12 years. The final acceptance of the construction was performed on 4 December 2007, and thus the operation period has commenced. Bodrum Liman is liable for the maintenance of the port together with the port equipment in good repair and in operating condition throughout its operating right period. The facilities, equipment, installations and the systems together with the tools and other equipment belonging thereto shall be surrendered to the DLH after the expiry of the contractual period.

Energaz and its subsidiaries

In accordance with the distribution license agreements, subsidiaries engaged in natural gas distribution operations are obliged to start the investment in 6 months, to start gas distribution in 18 months, to connect every customer willing to use natural gas in the zoned areas to its distribution network in 5 years after the license date and to develop, manage, enhance and expand its network in case of expansion of the zoned areas.

20.4 Contingent assets

The details of contingent assets of the Group related to the net electricity revenue to be earned as a result of the sale of Yeşil Enerji and its subsidiaries are presented in Note 36.

The Company, having 49,20% shares of GY Elyaf ve İplik Sanayi ve Dış Ticaret A.Ş. ("GY Elyaf") has purchased additional 50,80% shares from prior shareholders on 7 November 2008 and transferred 100% shares to Koninklijke Vopak NV ("Vopak") at the same date, at the nominal value of TL 50.000. According to the Article 9 of the share transfer agreement, following the realization of the pre-conditions by the Company and Vopak, Vopak shall pay USD 9.750.000 (50% of the amount will be paid to the previous shareholders of GY Elyaf) as goodwill in 24 months after the signing date of the agreement. The Group management and legal counsel believe that the Group has fulfilled its obligations in the agreement and that Vopak has not fulfilled its obligations yet. Therefore, the Group management and legal counsel believe that the demand related to the goodwill amount will be accepted if it is claimed with a lawsuit and that the Group will qualify for a goodwill receivable. However, in order to solve the dispute without lawsuit, the Group continues the well-intentioned and constructive negotiations with respect to the fulfillment of the obligations by Vopak and any possible contribution to this fulfillment.

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20.5 Operating leases

Group as lessee

The Group entered into various operating lease agreements. As at 31 December 2011 and 2010, operating lease rentals are payable as follows:

	2011	2010
Less than 1 year	1.134.750	586.157
Over 1 year no more than 5 years	3.400.398	2.127.487
More than five years	579.868	1.318.136
	5.115.016	4.031.780

The Company's main operating lease agreements as lessee are the port rent agreement of Bodrum Liman until 2019 and the rent agreement signed by Pera with the General Directorate of Foundations with respect to the rental of 6.Vakıf Han for 15 years.

For the year ended 31 December 2011, payments recognized as rent expense are TL 2.213.418 (2010: TL 1.973.490).

Group as lessor

As at 31 December 2011 and 2010, the future lease receivables under operating leases are as follows:

	2011	2010
Less than 1 year	13.052.194	11.410.488
Over 1 year no more than 5 years	43.669.142	42.754.967
More than five years	45.852.869	37.459.316
	102.574.205	91.624.771

The Group's main operating lease agreements as lessor are the rent agreements of Pera with the lessees of Sümerpark AVM and 6. Vakıf Han, the marina lease agreement of Ortadoğu Liman until 2028 and various shopping center rent agreements of Ege Liman and Bodrum Liman up to 5 years.

During the year ended 31 December 2011, TL 13.312.957 TL (2010: TL 6.072.943) have been recognized as rent income in the consolidated financial statements.

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21 COMMITMENTS

As at 31 December 2011 and 2010 guarantees, pledges and mortgages (GPMs) given by the Group are presented below:

31 December 2011				
		Original amount		
	TL Equivalent	TL	USD	EURO
A Total amount of GPMs given in the name of its own legal personality	135.121.625	21.787.625	60.000.000	-
B Total amount of GPMs given in the name of the consolidated subsidiaries and joint ventures	604.193.558	413.875.246	96.424.973	3.347.729
- Total amount GPMs given in the name of the consolidated subsidiaries	*387.866.504*	*367.947.767*	*10.545.152*	-
- Total amount of GPMs given in the name of the consolidated joint ventures	*216.327.054*	*45.927.479*	*85.879.821*	*3.347.729*
C Total amount of GPMs given to be able to conduct ordinary business transactions				
to secure payables of third parties	14.752.800	90.000	-	6.000.000
D Other GPMs given	-	-	-	-
- Total amount of GPMs given in the name of the main shareholder	-	-	-	-
- Total amount of GPMs given in the name of other group companies except for B and C	-	-	-	-
- Total amount of GPMs given in the name of third parties except for C	-	-	-	-
Total	754.067.983	435.752.871	156.424.973	9.347.729

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31 December 2010				
		Original amount		
	TL Equivalent	TL	USD	EURO
A Total amount of GPMs given in the name of its own legal personality	115.578.135	22.810.405	60.005.000	-
B Total amount of GPMs given in the name of the consolidated subsidiaries and joint ventures	442.017.151	364.934.495	47.499.054	1.780.839
- Total amount GPMs given in the name of the consolidated subsidiaries	*337.205.707*	*320.511.371*	*10.785.152*	*10.000*
- Total amount of GPMs given in the name of the consolidated joint ventures	*104.811.444*	*44.423.124*	*36.713.902*	*1.770.839*
C Total amount of GPMs given to be able to conduct ordinary business transactions				
to secure payables of third parties	12.384.600	90.000	-	6.000.000
D Other GPMs given	-	-	-	-
- Total amount of GPMs given in the name of the main shareholder	-	-	-	-
- Total amount of GPMs given in the name of other group companies except for B and C	-	-	-	-
- Total amount of GPMs given in the name of third parties except for C	-	-	-	-
Total	569.979.886	387.834.900	107.504.054	7.780.839

As at 31 December 2011 the ratio of other GPMs given to the Group's equity is 0% (31 December 2010: 0%).

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Letters of guarantees given

As at 31 December 2011 and 2010 guarantees, the details of the GPMs given by the Group are presented below:

	31 December 2011	31 December 2010
Given for tenders (1)	94.503.705	77.300.000
Given to Takasbank	35.925.000	14.425.000
Given to Energy Market Regulatory Authority (2)	28.806.501	23.880.299
Given to Privatization Administration (3)	19.961.938	16.346.005
Given as a guarantee for commercial contracts	14.662.800	12.294.600
Given to supply for natural gas	9.088.182	8.163.637
Given to İstanbul Stock Exchange	8.688.000	8.698.491
Given to banks	4.121.464	3.470.339
Given to Capital Markets Board	1.127.776	1.126.776
Given to courts, ministries, Tax Administration	444.486	1.340.759
Given to derivative exchange market	240.000	244.200
Other	3.296.877	2.641.944
Total letters of guarantee	220.866.729	169.932.050
Mortgages and pledges on inventory, property plant and equipment and investment property (4)	255.246.700	262.739.556
Pledges on equity securities (5)	82.522.551	76.851.814
Securities given (6)	195.432.003	60.456.466
Total contingent liabilities	754.067.983	569.979.886

(1) The amount includes the letter of guarantee amounting to USD 50.000.000 given for the tender of Başkentgaz as at 31 December 2011 and 2010.
(2) The amounts include the letters of guarantee given by Group companies operating in energy sector to EMRA.
(3) As at 31 December 2011, the amount includes the letter of guarantee amounting to TL 18.889.000 given for privatization of İskenderun Port to Privatization Administration (31 December 2010: TL 15.460.000).
(4) Mortgages and pledges on inventory, property, plant and equipment and investment property:

As at 31 December 2011 and 31 December 2010, there is a mortgage amounting to TL 20.000.000 over one of the buildings of Global Yatırım Holding (which is classified as property, plant and equipment) with respect to the loans obtained.

As at 31 December 2011, there is mortgage on the land of the Group located in Denizli Plot # 6224 and Parcel # 1 (which is classified as inventory) as collateral of the Group's bank loans amounting to TL 26.800.000 and on the other lands of the Group located in Denizli and Van (classified as investment property) amounting to TL 175.200.000. As at 31 December 2010, there is a total mortgage amounting to TL 202.000.000 on the land plots classified as investment property.

As at 31 December 2011, there is a pledge over the property, plant and equipment of Ortadoğu Liman amounting to TL 31.747.000 (31 December 2010: TL 17.303.000) with respect to the loans obtained by Ortadoğu Liman.

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As at 31 December 2011, as collateral for Naturel Gaz's bank loans, there is a mortgage on its land plots classified as property, plant and equipment amounting to TL 1.499.700.

As at 31 December 2010, there is a mortgage on land of Bilecik Demir Çelik (which was classified as property, plant and equipment) amounting to USD 5.198.700 (equivalent to TL 8.037.190) and TL 4.078.980 with respect to the loans obtained. As a result of the sale of the Group's shares in Bilecik Demir Çelik, the Group does not have any mortgage related to Bilecik Demir Çelik as at 31 December 2011.

As at 31 December 2010, there was a pledge on the machinery and equipment (classified under property, plant and equipment) of Bilecik Demir Çelik amounting to USD 7.161.770 (equivalent to TL 11.072.096) and Euro 121.170 (equivalent to TL 248.290) with respect to the leasing agreements. As a result of the sale of the Group's shares in Bilecik Demir Çelik, the Group does not have such pledge as at 31 December 2011.

(5) Pledges on equity securities:

The registered shares of Energaz in its subsidiaries are pledged in favour of the lender against the loans used by Energaz (which is a subsidiary of EYH) and its subsidiaries as explained in Note 8. The Group's ownership in these shares is TL 34.361.617 (31 December 2010: TL 27.433.730).

As at 31 December 2011, there is a pledge on the Global Liman's shares in Ege Liman and Ortadoğu Liman with a total nominal value of TL 27.262.145 (31 December 2010: TL 27.262.145) with respect to loans used by Global Liman, Ege Liman and Ortadoğu Liman. The details are presented in Note 8.

As at 31 December 2011, the Group gave marketable securities with a nominal value of USD 10.000.000 (equivalent to TL 18.889.000) (31 December 2010: TL 15.460.000) and shares amounting to TL 16.773 as collateral with respect to ongoing legal proceedings.

As mentioned in Note 7, as at 31 December 2011, government bonds with carrying value of TL 448.062 (31 December 2010: TL 514.338) were given as a pledge to related lenders. Letters of guarantee obtained from banks, related to the pledge mentioned above, were given to the ISE as a pledge. Besides as at 31 December 2011 government bonds with a carrying value of TL 56.641 (31 December 2010: TL 51.602) of Global Portföy were given as a pledge to Takasbank and these government bonds are classified as assets held for sale as at 31 December 2011 (Note 36).

As at 31 December 2011, the Group pledged 1.878.125 shares of one of its subsidiaries amounting to TL 1.089.313 with respect to a guarantee for a loan (31 December 2010: 3.000.000 shares amounting to TL 2.130.000).

As at 31 December 2010, there was a pledge in favour of the financial leasing company over 3.999.999 shares of Bilecik Demir Çelik, which were owned by the Group, shares with a par value of TL 1 amounting to TL 3.999.999. As at 31 December 2011, as a result of the sale of the Group's shares in Bilecik Demir Çelik, the Group does not have such pledge.

(6) Securities given

As at 31 December 2011, the Group has provided guarantees amounting to USD 75.279.941 and Euro 1.690.312 for the loans of Energaz (with its subsidiaries) and Naturel Gaz, respectively. As at 31 December 2010, the Group provided guarantee amounting to USD 8.748.250 for the loans of Energaz and its subsidiaries.

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As at 31 December 2010, the shareholders of Bilecik Demir Çelik including Global Holding provided joint guarantee with respect to the loans used by Bilecik Demir Çelik amounting to USD 4.500.000. As at 31 December 2011, as a result of the sale of the Group's shares in Bilecik Demir Çelik, the Group does not have such guarantee.

As at 31 December 2011, the Group provided guarantee amounting to TL 49.104.940 for the loans of Pera, a subsidiary of the Group (31 December 2010: TL 39.974.671).

22 EMPLOYEE BENEFITS

The Group's accounting policies require the use of actuarial assumptions to estimate the provision for employee termination indemnities. The reserve for employee termination indemnity has been calculated by estimating the present value of future probable obligation of the Group arising from the retirement of the employees and is included in the consolidated financial statements. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	31 December 2011	31 December 2010
Discount rate	4,14%	4,66%
Turnover rate for the expectation of retirement probability	96%	96%

The major assumption is that the retirement pay liability determined for one service year is going to increase in line with the inflation. As at 31 December 2011, the provision for employee termination indemnities is calculated over the ceiling of TL 2.732 (31 December 2010: TL 2.517).

For the years ended 31 December 2011 and 2010, the movement of the provision for employee termination indemnity as follows:

	2011	2010
Balance at 1 January	1.857.843	1.239.757
Interest for the period	244.497	76.053
Current service costs and actuarial gains / (losses)	886.391	378.980
Currency translation differences	(112.230)	17.745
Acquisition through business combination (Note 3)	57.167	414.600
Paid during the period (-)	(478.329)	(269.292)
Balance at 31 December	2.455.339	1.857.843

For the years ended 31 December 2011 and 31 December 2010, the expenses related to the employee termination indemnity are presented in the personnel expenses under general administrative expenses and in the finance expenses.

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23 OTHER ASSETS AND LIABILITIES

As at 31 December 2011 and 31 December 2010, other current assets comprised the following:

	31 December 2011	31 December 2010
Value added tax receivable	23.987.438	18.671.291
Income accruals (*)	19.920.490	10.048.006
Advances given	4.649.339	1.814.044
Prepaid expenses	3.798.085	2.036.211
Job and salary advances given to personnel	1.276.503	712.219
Prepaid taxes	348.420	216.128
Other	357.409	544.660
Total	54.337.684	34.042.559

(*) As at 31 December 2011 and 2010, a significant portion of income accruals consists of income accruals related to natural gas sales.

As at 31 December 2011 and 31 December 2010, other non-current assets comprised the following:

	31 December 2011	31 December 2010
Advances given (*)	27.314.042	23.830.784
Value added tax receivable	4.055.937	2.001.048
Prepaid expenses	1.243.226	643.626
Other	-	8.755
Total	32.613.205	26.484.213

(*) As at 31 December 2011 and 2010, a significant portion of advances given consists of advances given for projects developed by the Group.

As at 31 December 2011 and 31 December 2010, other current liabilities comprised the following:

	31 December 2011	31 December 2010
Deferred income (*)	10.272.795	11.140.738
Advances received (**)	5.216.032	257.881
Expense accruals	1.276.531	972.842
Other	46.157	41.593
Total	16.811.515	12.413.054

(*) As at 31 December 2011 deferred income includes prepaid natural gas sale income amounting to TL 6.590.837 (2010: TL 9.307.689) and deferred naturel gas connection fee revenue related to future months amounting to TL 2.396.300 (2010: TL 1.833.049).
(**) A significant portion of the advances received are composed of the sales advances related with the Group's residential project in Denizli.

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As at 31 December 2011 and 31 December 2010, other non-current liabilities comprised the following:

	31 December 2011	31 December 2010
Deferred naturel gas connection fee revenue	52.426.788	41.876.961
Total	52.426.788	41.876.961

24 EQUITY

24.1 Share capital / treasury shares

As at 31 December 2011 and 31 December 2010, the Company's statutory nominal value of paid-in share capital consisted of 22.500.368,745 registered shares with a par value of Kuruş 1 (TL 1= Kuruş 100) each. The number of shares is presented in lots in the consolidated financial statements and the accompanying notes (1 lot= 100 shares).

The issued capital of the Company is TL 225.003.687,45 and the authorized capital ceiling is TL 650.000.000. The shareholder structure of the Company is as follows:

	31 December 2011		31 December 2010	
	Proportion of share %	Value of share	Proportion of share %	Value of share
Mehmet Kutman (*)	25,27 %	56.868.710	21,43 %	48.213.096
Erol Göker	0,22 %	488.707	0,22 %	488.707
Publicly traded other shares	74,51 %	167.646.270	78,35 %	176.301.884
Total	100 %	225.003.687	100 %	225.003.687
Inflation accounting adjustment	34.659.630	34.659.630		
Inflation adjusted capital	259.663.317			259.663.317

(*) Disclosed together with the shares of Turkcom Turizm Enerji İnşaat Gıda Yatırımlar A.Ş which is owned by Mehmet Kutman.

The shares of the Company include privileged shares. The privileges of the (A), (D) and (E) group shares are explained below:

Two of the members of the Board of Directors are chosen among the candidates nominated by the owners of the group (A) shares. One of the members of the Board of Directors is chosen among the candidates nominated by the owners of the group (D) shares and one of them is chosen among the candidates nominated by the owners of the group (E) shares. Each member of the board is chosen by the decision of the majority of the shareholders of the privileged share group that nominated the candidate. All the shareholders have the right to nominate any candidate but, in order to select such candidates for the General Assembly; the nominations should be approved by the group (A) shares before the selection. All the shareholders have the right to nominate for two candidates for the Board. In case that group (D) and group (E) shares cannot nominate any candidate, any shareholder can nominate a candidate.

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Some of the subsidiaries of the Company repurchase shares of the Company from the capital markets. The repurchased shares are called as treasury shares. The shares can be sold back to the market. Profit or loss that arises as the result of the sale of the shares is as accounted for under retained earnings in the consolidated financial statements. The shares are accounted for at cost under treasury shares. Amounts related to these transactions are presented under "Own shares acquired and sold" in the consolidated statement of changes in equity. As at 31 December 2011, the Group's subsidiaries held 63.276.300 shares of Global Yatırım Holding A.Ş. (31 December 2010: 2.000.000), with the cost of TL 72.751.722 TL (31 December 2010: TL 1.820.000). For the period ended 31 December 2011, the profit before tax of Group companies from the sale of the shares of the Company amounted to TL 3.497.562 (31 December 2010: TL 2.533.001) and has been recognized in equity in the consolidated financial statements.

24.2 Share premium

Share premium represents the inflow of cash arising from the sales of shares at market value. The premium amount is included in equity and cannot be distributed. It can only be used for the future capital increases.

24.3 Revaluation reserve and currency translation differences

As at 31 December 2011 and 2010, the revaluation reserve comprises the cumulative net change in the fair value of available-for-sale financial assets.

As at 31 December 2011 and 2010, currency translation differences comprise the foreign exchange differences arising from the translation of the financial statements of subsidiaries and joint ventures from their functional currencies to the presentation currency (TL) recognized in the equity.

24.4 Restricted reserves

Under Turkish Commercial Code, Turkish companies are required to set aside first and second level restricted reserves out of their profits. The first legal reserve is appropriated out of the statutory profits at the rate of 5%, until the total reserve reaches a maximum of 20% of the Company's restated share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's restated share capital. However, Holding companies are not subject to this regulation. Legal reserves are only available for netting off losses unless they exceed 50% of the historical paid-in share capital otherwise they are not allowed to be used for other purposes. As at 31 December 2011 the legal reserves of the Group are TL 77.568.827 (31 December 2010: 75.764.360 TL).

The companies which are quoted to ISE are subject to the following dividend conditions as per required by CMB:

According to the decision of CMB on 25 February 2009 numbered 7/242, the net amount of distributable profit that is calculated per CMB's minimum profit distribution requirements will be wholly distributed if met by the net distributable profit of statutory records. If the amount per CMB is not met by statutory records, the amount to be distributed will be limited to the amount at the statutory records. If losses are incurred in either of CMB or statutory financial statements, no profit will be distributed.

In chapter 1 of 2010/4 weekly bulletin of CMB, to determine the principles of dividend obtained from 2009 operations of corporations coated to stock exchange market, it is stated that;

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* For corporations traded at stock exchange market, there is not a determined minimum portion of distribution; in this aspect the profit to be distributed will be determined in line with the announcements of CMB Serial IV, Number 27, and the articles of the incorporation and will be in accordance with the declarations made to public.

* For corporations that are obliged to issue consolidated financial statements, as long as met from the statutory profit; it is permitted to calculate the net distributable profit in line with the CMB's Serial XI, Number 29 "Bases for Financial Reporting in the Capital Markets" announcement which is also the profit declared at the consolidated financial statements.

* The Corporations shall disclose disclosures that statutory current year profit after previous year losses deducted and total amount of other resources made object of dividend in financial statements prepared in accordance with CMB Communiqué Serial: XI, Number 29.

* For corporations traded at stock exchange market, when it is decided to distribute profits at the board of directors meeting and will be proposed to the general assembly of the company, or when profit distribution is decided at the general assembly of the direct partnerships; correspondent to that decision in accordance with the announcement of CMB's Serial VIII, Number 54 "Bases for the Declaration of Special Situations", in the appendix of special situation announcement, the profit distribution tables of the Profit Distribution Preparation Guideline will also be declared.

According to CMB's decision on 27 January 2010 numbered 02/51, corporations traded on the stock exchange market are not obligated to distribute a specified amount of dividends from 2009 operational results. For corporations that will distribute dividends, in relation to the resolutions in their general assembly the dividends may be in cash, may be free by adding the profit into equity, or may be partially from both; it is also permitted not to distribute determined first party dividends falling below 5% of the paid-in capital of the company but, corporations that increase capital before distributing the previous year's dividends and as a result their shares are separated as "old" and "new" are obligated to distribute first party dividends in cash.

The Company's net profit for the year ended 31 December 2011 in the statutory books is TL 56.984.106 (2010: TL 43.334.096 net loss), and accumulated losses (net) of the Company are TL 95.559.827 (2010: TL 52.225.731).

The Group sold 95% of the shares in Yeşil Enerji, a subsidiary of the Group, to Statkraft AS and the profit in statutory books is exempted from tax, based on Corporate Tax Law Number 5520 5/e. In order to benefit from the tax exemption, TL 70.078.679 has been accounted for in a special fund under the equity of the statutory books. As at 31 December 2010, the amount has been transferred to the restricted reserves in the consolidated financial statements along with the reserves of the Group's subsidiaries and joint ventures.

At the General Assembly Meeting of the company on 27 May 2011, the shareholders were informed that no dividend will be distributed on the grounds that in 2010 the Company had a net loss in its statutory financial statements even though it had a net profit in its consolidated financial statements prepared in accordance with the CMB Financial Reporting.

24.5 Retained earnings / accumulated losses, special fund and non-controlling interests

i) Retained earnings / accumulated losses

The retained earnings/accumulated losses excluding the net income/loss for the period, and the general reserves which have retained earnings/accumulated losses nature are included in retained earnings/accumulated loss account.

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ii) Special Fund

The details of the special fund are presented in Note 24.6.iv.

iii) Non-controlling interests

The net assets of the subsidiaries attributable to the shares not controlled directly or indirectly by the parent company are presented as "Non-controlling interests" in the consolidated balance sheet. The net profits and losses of the subsidiaries attributable to the shares not controlled directly or indirectly by the parent company are presented as "Non-controlling interests" in the consolidated statement of comprehensive income.

24.6 Transactions with owners of the Company, recognized directly in equity

i) Treasury shares acquired and sold

The detailed explanation is presented in Note 24.1.

ii) Sale of shares of a subsidiary in the infrastructure segment without loss of control

The share transfer transactions enabling Venice European Investment Capital S.p.A. ("VEI"), a private equity fund, and Savina Holding GmbH, a special purpose entity of Venice Shipping and Logistic S.p.A (a strategic partner), to acquire a minority stake in Global Liman, a subsidiary of the Group, was finalized on 26 July 2011. Pursuant to this transfer, the Company's shares corresponding to 22,114% of the share capital of Global Liman were sold for a total price of USD 77.399.000 to Savina Holding GmbH and the consideration was paid in cash. After the share transfer, the effective shareholding interest of the Group in Global Liman became 77,886%.

As the Group did not lose its control in Global Liman as a result of this sale, the transaction is a transaction with owners of the Company recognized directly in equity, not in the profit or loss. The transaction has been accounted for in accordance with the paragraphs 30 and 31 of IAS 27 "Consolidated and Separate Financial Statements", which require the changes in a parent's ownership interest in a subsidiary that do not result in a loss of control to be accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). In such circumstances the carrying amounts of the controlling and non-controlling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received shall be recognised directly in equity and attributed to the owners of the parent.

The profit before tax from the sale amounting to TL 44.462.801, which is the difference between the sales price amounting to TL 132.429.689 and the sold net assets amounting to TL 87.966.888 has been accounted for under equity. With the addition of the deferred tax expense effect amounting to TL 22.725.860 also recognized in equity, the total positive effect on the equity attributable to equity holders of the Company amounted to TL 21.736.941. The non-controlling interest increased by TL 87.966.888. As a result of this transaction, the Group generated TL 132.429.689 as net cash inflows.

In accordance with the agreement, the shareholding interest of VEI will increase to 25% after 3 years. Moreover, with the same conditions, Generali Assicurazioni, Unicredit and Venice Shipping and Logistics S.p.A groups or other investor groups to be approved by the Company have the option to purchase additional shares in Global Liman corresponding to the 10% of its share capital exercisable up to 31 December 2011. As at 31 December 2011, these groups have not used this option.

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iii) Purchase by a joint venture in the energy segment of the shares in a subsidiary without change in control

As at 11 August 2011, after obtaining regulatory approval, EYH, a joint venture of the Group, acquired the remaining shares in Energaz, its subsidiary, from the other shareholders for a total consideration of USD 25.591.496 (equivalent to TL 44.552.235), in which the Group's share amounts to USD 12.793.189 (equivalent to TL 22.271.662) and increased its shareholding interest in Energaz from 52,47% to 99%. Thus, the Group's effective shareholding interest in Energaz increased from 26,23% to 49,49%.

As this purchase did not cause any change in control, the transaction is a transaction with owners of the Company recognized directly in equity. The difference between the Group's share in the acquisition cost (TL 22.271.662) and the net assets acquired by the Group (negative (-) TL 11.538.159) amounted to TL 33.809.821 and has been recognized under equity. The negative effect on the equity attributable to equity holders of the Company amounted to TL 33.809.821. The non-controlling interest increased by TL 11.538.159. The transaction had a negative effect amounting to TL 22.271.662 on the Group's cash flows.

iv) Sale and purchase of shares and capital decrease and increase of a subsidiary in the real estate segment without loss of control

The application filed by Pera, a subsidiary of the Group operating in the real estate segment, to the CMB in relation to permission for a share capital decrease by TL 35.900.000 and simultaneous share capital increase (in cash) by TL 29.000.000, was approved by the CMB on 24 January 2011 in the decision numbered 86-928. The amendment to Article 8 of the Association of Pera was approved by the Extraordinary General Assembly Meeting on 15 February 2011, and the share capital of Pera was decreased to TL 60.100.000. The pre-emption rights of the existing shareholders were used between 1 March and 15 March 2011 and after that the remaining shares were offered to investors between 1 April and 15 April 2011. Finally, the portion of the new shares, for which the pre-emptive rights were not used, has been purchased by Global Yatırım Holding A.Ş. and the capital increase to TL 89.100.000 was completed. The process was approved by the CMB on 3 May 2011. As a result of the capital increase, a total of TL 29.000.000 has been accounted for as "Special Reserve" by Pera, of which TL 14.357.900 has been reflected in the consolidated financial statements of the Group as of 31 December 2011.

Furthermore, in the year ended 31 December 2011, the Group entered into sale and purchase transactions of shares in Pera, whose shares are publicly traded on the ISE. As a result of the aforementioned capital decrease and increase of Pera as well as the sale and purchase of Pera shares by the Group, the effective shareholding interest of the Group in Pera increased to 49,51% as at 31 December 2011 (31 December 2010: 33,82%). As at 31 December 2011, these transactions resulted in an increase in the equity attributable to equity holders of the Company by TL 13.471.953 and a decline in the non-controlling interest by TL 6.494.422. These transactions had a positive effect amounting to TL 6.929.237 on the cash flows of the Group.

v) Initial public offering ("IPO") and sale and purchase of shares in a subsidiary in the finance segment without loss of control

Global Menkul, a subsidiary of the Group in the finance segment, carried out an initial public offering of its shares amounting to TL 10.000.000 by increasing its share capital from TL 30.000.000 to TL 40.000.000 and limiting the pre-emptive rights of all existing shareholders. The sale of the shares for the total nominal value of TL 10.000.000 was completed with a sale price of TL 1,65 per share (per lot of shares) on the ISE Primary Markets (İMKB Birincil Piyasa) on 22-23 June 2011 with variable price book building and sale method. On 29 June 2011, the shares offered to the public (with a total nominal value of TL 10.000.000) started to be traded in the Second National Market with the trading symbol "GLBMD.Y" at a base price of TL 1,65 per share (per lot of shares).

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Furthermore, in accordance with the Framework Agreement signed with Azimut Holding S.p.A. ("Azimut") as a secondary action, Azimut agreed to purchase 5% of the shares of Global Menkul (either through an IPO or direct sale). Accordingly, Azimut purchased 8.721 lots of Global Menkul shares in the IPO and on 29 June 2011 the Company transferred to Azimut the remaining shares (1.991.279 lots), which were required so that Azimut's ownership interest in Global Menkul would reach 5%, at a price of TL 1,65 per share (lot of shares) amounting to a total sale price of TL 3.285.610,35. After this share transfer, the shareholding percentage of Azimut in Global Menkul reached 5%. The 1.991.279 lots of shares purchased by Azimut are not publicly traded on the ISE and the sale did not increase the number of shares publicly traded on the ISE. The profit before tax amounting to TL 596.920 earned from this additional share sale to Azimut has been accounted for under equity as this sale is a transaction with owners of the company recognized directly in equity. Moreover, the Group purchased some of the publicly traded shares of Global Menkul afterwards.

As a result of the IPO, the sale of additional shares to Azimut and the purchase of some of the publicly traded shares, the effective shareholding rate of the Group in Global Menkul became 76,85% as at 31 December 2011. These transactions resulted in an increase in the equity attributable to equity holders of the Company by TL 3.406.568 and an increase in the non-controlling interest by TL 11.804.616. The Group generated a net cash inflow amounting to TL 15.428.818 as a result of these transactions.

vi) Profit or loss on sale of shares recognized in equity

For the year ended 31 December 2011, the total amount of profit before tax of the Group earned from the sale of the Company shares by Group companies and from the sale of the shares in the Group's subsidiaries (which are not publicly traded) without loss of control amounted to TL 48.557.283 (2010: TL 2.533.001). For the year ended 31 December 2011, TL 3.497.562 (2010: TL 2.533.001) of this total value is the profit before tax earned by Group companies from the sale of the Company shares as explained in detail in Note 24.1; TL 44.462.801 of the total value is the profit before tax earned from the sale of Global Liman shares explained in detail in Note 24.6.ii; TL 596.920 of the total value is the profit before tax earned by the Group from the additional direct sale of the shares in Global Menkul to Azimut as explained in detail in Note 24.6.v.

vii) Changes in ownership interest and capital increases of other subsidiaries

This line includes the other transactions with shareholders of the Group, recognized in equity, which are intra Group transactions in nature not mentioned in the first four items of Note 24.6. The major transactions are; the transfer of 59,99% of Galata Enerji shares by Ege Global to Global Enerji on 1 November 2011, the legal merger of Osmanlı Enerji and Ges Enerji A.Ş. under Ges Enerji A.Ş. on 28 December 2011, the transfer of the 100% of Doğal Enerji shares by Global Enerji to Holding on 26 December 2011, the capital increases of subsidiaries and other transactions.

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25 SALES AND COST OF SALES

For the years ended 31 December 2011 and 31 December 2010, the Group's gross profit on the basis of operations comprised the following:

Sales revenues	1 January- 31 December 2011	1 January- 31 December 2010
Natural gas distribution revenues	190.498.861	115.352.284
Port operating revenues	108.133.744	60.963.939
Construction revenues	26.695.161	20.690.117
Real estate revenues	4.427.532	-
Other	4.770.332	4.561.416
Total	334.525.630	201.567.756
Cost of sales		
Cost of natural gas sales and services	(187.383.890)	(116.744.406)
Cost of operating ports	(65.791.486)	(32.440.882)
Cost of construction	(26.695.161)	(20.690.117)
Cost of real estate revenues	(1.057.714)	
Other	(4.881.194)	(5.967.084)
Total	(285.809.445)	(175.842.489)
Gross profit from non-finance operations	48.716.185	25.725.267

Interest, fee, premium, commission, other revenues	1 January- 31 December 2011	1 January- 31 December 2010and
Agency commissions	18.579.273	18.118.617
Interest received from customers	7.839.279	6.974.493
Portfolio management fees	1.040.601	1.610.522
Gain on sale of marketable securities, net	-	2.074.886
Other revenue	2.249.170	785.076
Total	29.708.323	29.563.594
Interest, fee, premium, commission, and other expenses		
Commission charges	(1.993.411)	(1.180.358)
Interest charges from loans delivered to customers	(1.628.295)	(1.883.618)
Loss on sale of marketable securities, net	(871.163)	-
Total	(4.492.869)	(3.063.976)
Gross profit from finance operations	25.215.454	26.499.618
Gross profit	73.931.639	52.224.885

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26 OPERATING EXPENSES

26.1 Selling, marketing and distribution expenses

For the years ended 31 December 2011 and 2010, selling, marketing and distribution expenses comprised the following:

	1 January-31 December 2011	1 January-31 December 2010
Advertising and promotion expenses	1.729.845	1.041.424
Personnel expenses	962.023	658.786
Stock market participation share	727.102	344.977
Commission expenses of derivative exchange market	537.537	649.971
Consultancy expenses	503.583	412.122
Depreciation and amortization expenses	452.465	-
Representation and traveling expenses	392.490	236.378
Vehicle expenses	229.690	18.781
Other	674.638	403.787
	6.209.373	3.766.226

26.2 General and administrative expenses

For the years ended 31 December 2011 and 2010, general and administrative expenses comprised the following:

	1 January- 31 December 2011	1 January- 31 December 2010
Personnel expenses	46.218.395	32.063.234
Consultancy expenses	12.441.018	16.094.380
Traveling expenses	6.654.652	2.925.124
Depreciation and amortization expenses	2.969.766	2.536.391
Allowance for doubtful receivables	2.247.027	907.144
Taxes and duties	2.167.155	2.697.115
IT expenses	1.940.719	1.702.536
Rent expenses	1.619.704	1.439.921
Communication expenses	1.604.196	1.383.258
Building management expenses	1.517.894	1.325.529
Vehicle expenses	1.254.937	1.101.774
Representation expenses	671.884	419.982
Stationary expenses	372.562	277.662
Repair and maintenance expenses	362.920	323.455
Insurance expenses	239.873	159.135
Other expenses	6.308.711	6.400.372
	88.591.413	71.757.012

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27 EXPENSES BY NATURE

For the years ended 31 December 2011 and 2010, the breakdown of personnel, depreciation and amortization expenses comprised the following:

Personnel expenses	1 January- 31 December 2011	1 January- 31 December 2010
Cost of sales	9.918.895	7.536.847
Selling, marketing and distribution expenses	962.023	658.786
General administrative expenses	46.218.395	32.063.234
	57.099.313	40.258.867

Depreciation and amortization expenses	1 January- 31 December 2011	1 January- 31 December 2010
Cost of sales	43.746.046	22.299.987
Selling, marketing and distribution expenses	452.465	-
General administrative expenses	2.969.766	2.536.391
	47.168.277	24.836.378

28 OTHER OPERATING INCOME/EXPENSES

For the years ended 31 December 2011 and 2010, other operating income and expenses comprised the following:

28.1 Other operating income

	1 January- 31 December 2011	1 January- 31 December 2010
Gain on sale of joint venture (Note 36)	6.814.015	-
Bargain purchase gain (Note 3)	5.446.718	134.795.127
Investment property valuation gain (Note 15)	4.009.234	51.952.055
Dividend income	709.156	226.260
Rental income	500.144	389.704
Gain on sale of tangible assets	87.605	118.149
Gain on sale of real estate (Note 36)	68.547	-
Gain on previously held interest (Note 3)	-	120.060.982
Gain on sale of financial asset available for sale (*)	-	7.196.254
Gain on sale of subsidiaries (**)	-	1.798.815
Other expenses	1.141.047	2.439.599
Total	18.776.466	318.976.945

(*) The gain on sale of financial asset available for sale consists of the gain from the sale of the 5% of the shares in Yeşil Enerji A.Ş. as at 25 June 2010 (Note 36).
(**) The gain on sale of subsidiary in 2010 consists of the gain on the sale of the shares in Hedef as at 17 December 2010 (Note 36).

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28.2 Other operating expenses

	1 January- 31 December 2011	1 January- 31 December 2010
Donations	5.129.564	2.454.944
Partial exception expenses	892.007	290.886
Transfer of bonus shares to non-controlling interests	769.846	979.762
Loss on sale of tangible assets	64.560	5.987
Loss on sale of real estate (Note 36)	-25.175.009	
Tax amnesty expenses	-	6.402.787
Real estate valuation loss (Note 15)	-	2.550.829
Loss on sale of joint venture (*)	-	466.000
Other expenses	1.032.635	1.504.758
Total	7.888.612	39.830.962

(*) The loss on sale of joint venture is due to the sale of the 39,8% shares in Düzce Aksu (Note 36).

29 FINANCE INCOME

For the years ended 31 December 2011 and 2010, finance income of the Group comprised the following.

	1 January- 31 December 2011	1 January- 31 December 2010
Foreign currency exchange gain	49.120.522	48.149.929
Interest income	7.577.417	4.079.088
Change in fair value of derivatives, net	-	2.351.143
Other finance income	208.537	992.078
Total	56.906.476	55.572.238

30 FINANCE EXPENSES

For the years ended 31 December 2011 and 2010, finance expenses of the Group comprised the following:

	1 January- 31 December 2011	1 January- 31 December 2010
Foreign currency exchange loss	91.795.929	54.331.456
Interest expenses on borrowings	29.686.188	16.027.728
Letter of guarantee commissions	3.266.981	2.554.974
Default interest expenses paid to suppliers	2.582.821	3.250.557
Interest charge on receivables	2.351.223	-
Change in fair value of derivatives, net	1.400.002	-
Commission expenses on borrowings	441.404	1.078.219
Other	8.504.640	6.029.146
Total	140.029.188	83.272.081

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31 TAX ASSETS AND LIABILITIES

Corporate tax:

Provision is made in the accompanying consolidated financial statements for the estimated charge based on the each of the Group entities' results for the year.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilised.

In Turkey, advance tax returns are measured and accrued on a quarterly basis. The advance corporate income tax rate for each quarter and as at 31 December 2011 is 20% (31 December 2010: 20%).

Losses can be carried forward for offsetting against future taxable income for up to 5 years. Losses cannot be carried back.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

The Law numbered 6111 "Concerning the Restructuring of Certain Receivables, Social Security and the Amendment of the General Health Law and Certain Other Laws and Decrees with the Force of Law" has been put into effect following its promulgation in the official Gazette on 25 February 2011. The Group management intends to utilize the possibilities stated in the scope of the law within the application period for some of its subsidiaries with respect to the base increase of corporate tax and VAT tax as well as the contentious issues. According to the law, no assessment will be made related to the taxes and periods for which the tax bases will be increased, between the years of 2006 and 2009. The deadline for the application to take advantage of the law is 2 May 2011 and the calculations for determining the final amounts have not been finished yet. However, within the scope of the possibilities provided by the law, the additinal tax amount scheduled to be paid within the 36-month term has been calculated approximately as TL 7.363.205 (including interest costs due to due date difference calculated in accordance with the law). A tax amnesty provision has been accounted for at this amount in the financial statements as at 31 December 2010 (Note 20). In accordance with the relevant law, for the companies that benefit from the corporate tax base increase, 50% of the unused statutory tax losses can not be deducted from the profits in 2010 and subsequent years. The Group management has calculated the total amount of such losses as TL 28.055.376 and took into consideration the necessary adjustments related to the deferred tax calculation in the financial statements as at 31 December 2010. The Group has made application under this law in 2011 and the tax amnesty obligations have become definite. Thus, the Group classified the amounts which were recorded as tax amnesty provisions under the current and non-current debt provisions as at 31 December 2010 to the tax amnesty obligations under the other current and non-current payables as at 31 December 2011. As at 31 December 2011, the short term tax amnesty obligations amounted to TL 2.613.585 and the long term tax amnesty obligations amounted to TL 3.952.156.

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Transfer pricing

The transfer pricing provisions are set out under the Article 13 of the Corporate Tax Law under the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via transfer pricing dated 18 November 2007 sets out details about the implementation of these provisions. If a tax payer enters into transactions regarding the sale or purchase of goods and services with related parties, where the prices are not set in accordance with an arm's-length basis, the related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as a tax deductible for corporate income tax purposes.

Investment allowance:

The Temporary Article 69 added to the Income Tax Law no.193 with the Law no.5479, which became effective starting from 1 January 2006. upon being promulgated in the official Gazette No:26133, dated 8 April 2006, stating that taxpayers can deduct the amount of the investment allowance exemption which they are entitled to according to legislative provisions effective at 31 December 2005 (including rulings on the tax rate) only from the taxable income of 2006, 2007 and 2008. Accordingly, the investment incentive allowance practice was ended as of 1 January 2006. At this perspective, an investment allowance which cannot be deducted partially or fully in three years' time was not allowed to be carried forward to the following years and became unavailable as of 31 December 2009. On the other side, the Article 19 of the Income Tax Law was annulled and the investment allowance practice was ended as of 1 January 2006 with effectiveness of the Article 2 and the Article 15 of the Law no.5479 and the investment allowance rights on the investment expenditures incurred during the period of 1 January 2006 and 8 April 2006 became unavailable.

However, at 15 October 2009, the Turkish Constitutional Court decided to cancel the clause no.2 of the Article 15 of the Law no.5479 and the expressions of "2006, 2007, 2008" in the Temporary Article 69 related to investment allowance mentioned above that enables effectiveness of the Law as of 1 January 2006 rather than 8 April 2006, since it is against the Constitution. Accordingly, the time limitations for the carried forward investment allowances that were entitled to in the previous period of mentioned date and the limitations related with the investments expenditures incurred between the issuance date of the Law promulgated and 1 January 2006 were eliminated. According to the decision of Turkish Constitutional Court, cancellation related with the investment allowance became effective with promulgation of the decision on the official Gazette and the decision of the Turkish Constitutional Court was promulgated in the official Gazette no.27456 dated 8 January 2010.

According to the decision mentioned above, the investment allowances carried forward to the year 2006 due to the lack of taxable income and the investment allowances earned through the investments started before 1 January 2006 and continued after that date constituting economic and technical integrity will be used not only in 2006, 2007 and 2008, but also in the following years. In addition, 40% of investment expenditures that are realized between 1 January 2006 and 8 April 2006, within the context of the Article 19 of the Income Tax Law will have the right for investment allowance exemption.

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The Article 5 of the Law no. 6009 "Law on the Amendment of the Income Tax Law and Certain Laws and Decree Laws" which was promulgated in the official Gazette on 1 August 2010 regulated the amount of investment incentive to be benefited in computing the corporate tax base after the cancellation of the Article no.2 of the Law no. 5479. According to the Law no. 6009, the taxpayers were allowed to benefit from the investment incentive stemming from the periods before the promulgation of the Law no. 5479, up to 25% of the taxable income of the respective tax period. Such change is effective including the fiscal year ending on 31 December 2011.

However, on 17 February 2012, the Turkish Constitutional Court decided to cancel the Article 5 of the Law no. 6009 and the cancelation of the article was promulgated in the official Gazette no. 28208 dated 18 February 2012. Accordingly, taxpayers are allowed to benefit from the investment incentive without any limitation. This change includes the fiscal year ended 31 December 2011.

Explanations regarding deferred tax

Due to the above-mentioned cancellation decision of the Constitutional Court, the Group's joint ventures and subsidiaries' unused investment incentives could be used as a tax exemption without time limit. As at 31 December 2011, since these companies with unused investment incentives can benefit from the exemption in the future, a total deferred tax asset amounting to TL 1.475.905 (2010: TL 2.108.498) has been recognized in the consolidated financial statements.

Tax exemption of real estate investment trusts

The real estate investment trusts are exempt from corporate tax in accordance with the Corporate Tax Law numbered 5520, 5th Article and the subparagraph (1) d. According to the 15th Article of this law, even when the earnings of the real estate investment trusts are not distributed, they are subject to the withholding tax of 15 %. However, in the scope of the authorization provided by the law to the Council of Ministers, the withholding tax rate to be applied was determined to be zero with the decision of the Council of Ministers numbered 2003/6577.

Tax exemption on maritime operations

The Turkish International Ship Registry Law, authorized on 16 December 1999, is designed to accelerate the development of the Turkish maritime sector and increase its contribution to the Turkish economy. The law supports the procurement and operation of ships registered on the Turkish International Ship Registry, and yachts registered to the inventory of tourism companies. Income generated through the vessels covered by the law is not subject to income tax and expenses related to these operations are considered as disallowable expenses.

Income withholding tax:

The usage of investment incentives was redesigned with the amendments to the related tax law published in the official Gazette dated 1 August 2010. Accordingly, to be applied onto the 2010 calendar year income, investment incentives that will be subject to the deducted amount shall not exceed 25% of income for the year of interest, while determining the tax base.

In addition to corporate taxes, companies should also calculate income withholding taxes on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 10% starting from 24 April 2003. This rate was changed to 15% with the code numbered 5520 article 15 commencing from 21 September 2006. After the resolution, declared in official Gazette on 23 July 2006, this rate was changed to 15% thereafter. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

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According to the Corporate Tax Law, 75% of the capital gains arising from the sale of tangible assets and investments in equity shares owned for at least two years are exempted from corporate tax on the condition that such gains are reflected in the equity with the intention to be utilised in a share capital increase within five years from the date of the sale and the sale amount is collected within two years following the year in which the sale is realized.

Tax expenses:

For the years ended 31 December 2011 and 2010, tax income/(expense) comprised the following:

	2011	2010
Current tax charge	(11.059.398)	(5.934.018)
Deferred tax benefit	19.058.175	10.442.789
Total	7.998.777	4.508.771

As at 31 December 2011 and 2010, current tax liability for the period comprised the following:

	2011	2010
Current tax charge	11.059.398	5.934.018
Taxes paid during period	(10.718.442)	(5.300.053)
Total	340.956	633.965
Payment of previous year tax liability	2.097.912	322.861
Change in prepaid taxes	132.292	15.461
Liability incurred through business combination	-	1.125.625
Income tax payable	2.571.160	2.097.912

The tax reconciliation for the years ended 31 December 2011 and 2010 is as follows:

	%	2011	%	2010
Profit/(loss) before income tax		(93.104.005)		228.147.787
Corporate tax using domestic rate	20,00	18.620.801	20,00	(45.629.557)
Disallowable expenses	(9,51)	(8.850.089)	1,29	(2.947.000)
Effect of unrecognized losses	(5,13)	(4.775.427)	3,29	(7.511.191)
Effect of tax exemption on maritime operations	2,91	2.706.702	(0,59)	1.351.928
Effect of non-taxable income	1,09	1.013.215	(4,42)	10.078.920
Investment allowance	(0,33)	(302.653)	(0,13)	287.616
Business combination effect	-	-	(22,34)	50.971.221
Other	(0,44)	(413.772)	0,92	(2.093.166)
	8,59	7.998.777	(1,98)	4.508.771

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Deferred Tax:

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

In Turkey the tax legislation does not permit a parent company, its subsidiaries and associates to file a consolidated tax return. Therefore, deferred tax positions of companies with deferred tax assets and companies with deferred tax liabilities are not netted and are disclosed separately.

As at 31 December 2011 and 31 December 2010, the deferred tax assets and liabilities reflected to the consolidated financial statements are as follows:

	2011	2010
Deferred tax assets	25.727.030	28.767.669
Deferred tax liabilities	(127.287.607)	(102.634.364)
Total	(101.560.577)	(73.866.695)

For the years ending 31 December 2011 and 31 December 2010, the movement of deferred tax assets and liabilities is as follows:

	2011	2010
Balance at the beginning of the year	(73.866.695)	9.508.128
Deferred tax income	19.058.175	10.442.789
Currency translation differences	(23.245.005)	(2.334.765)
Recognized in equity	(22.994.471)	(59.427)
Exclusion from scope of consolidation	-	1.020
Business combination effect (Note 3)	(512.581)	(81.298.144)
Transferred from liabilities classified as held for sale (*)	-	(10.126.296)
	(101.560.577)	(73.866.695)

(*) Deferred tax liabilities related to Dağören are transferred from liabilities directly associated with assets held for sale (Note 36)

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Deferred tax assets and deferred tax liabilities as at 31 December 2011 and 31 December 2010 are attributable to the items presented in the table below:

	2011		2010	
	Temporary differences	Deferred tax assets / liabilities	Temporary differences	Deferred tax assets / liabilities
Accumulated tax losses	48.434.080	9.686.816	92.387.273	18.477.455
Deferred connection fee revenue	54.806.283	10.961.257	43.710.010	8.742.002
Receivables	22.607.970	4.521.594	12.092.146	2.418.429
Investment allowance	7.379.523	1.475.905	10.542.492	2.108.498
Valuation differences of marketable securities	(354.138)	(70.828)	2.721.166	544.233
Lawsuit provisions	995.134	199.027	1.053.119	210.624
Provision for employee termination indemnity	2.264.068	452.814	1.627.745	325.549
Change in value of derivative instruments	2.062.711	412.542	662.711	132.542
Property, plant and equipment, intangible assets and concession intangible assets	(639.528.781)	(127.905.756)	(531.723.027)	(106.344.605)
Loans and prepaid commissions of the loans	(12.457.784)	(2.491.557)	(7.233.227)	(1.446.645)
Valuation of investment property	811.958	162.392	2.212.585	442.517
Other	5.176.071	1.035.217	2.613.530	522.706
		(101.560.577)		(73.866.695)

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As at 31 December 2011 and 31 December 2010, the breakdown of the accumulated tax losses carried forward in terms of their final years of utilization is as follows:

	31 December 2011		31 December 2010	
Expiry years of the tax losses carried forward	Recognized	Unrecognized	Recognized	Unrecognized
2011	-	-	264.760	554.827
2012	-	1.038.220	709.707	5.103.255
2013	1.180.318	4.307.194	29.998.312	37.178.947
2014	2.829.238	3.437.365	3.117.577	10.321.869
2015	21.773.647	1.024.917	58.296.917	8.783.815
2016	22.650.877	2.799.848		-
	48.434.080	12.607.544	92.387.273	61.942.713

Unrecognized deferred tax assets and liabilities

At the reporting date, the Group has statutory tax losses available for offsetting against future profits which are shown above. Such losses carried forward expire until 2016. Deferred tax assets have not been recognized in respect of some portion of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits there from. As at 31 December 2010, deferred tax asset has not been recognized with respect to the TL 28.055.376 due to the increase in the tax base within the scope of the Law numbered 6111 "Concerning the Restructuring of Certain Receivables, Social Security and the Amendment of the General Health Law and Certain Other Laws and Decrees with the Force of Law" as explained in Note 31 under the title "Corporate Tax".

32 EARNINGS PER SHARE

For the years ended 31 December 2011 and 2010, earnings per share are calculated by dividing the net profit attributable to owners of the Company by the weighted average number of shares outstanding.

	1 January-31 December 2011	1 January-31 December 2010
Net profit / (loss) for the year	(81.954.759)	209.459.743
Net profit from continuing operations for the year	(81.954.759)	209.459.743
Weighted average number of shares	225.003.687	225.003.687
Weighted average number of ordinary shares	225.003.687	225.003.687
Number of shares held by the Group	(63.276.300)	(2.000.000)
Weighted average number of shares	161.727.387	223.003.687
Earnings per share with par value of TL 1 (TL full)	(0,5067)	0,9393
Earnings per share of continuing operations with par value of TL 1 (TL full)	(0,5067)	0,9393

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33 RELATED PARTY DISCLOSURES

The related parties shown in the related party disclosures and the nature of the relation of the Group with these parties are as follows:

Related party	Nature of relations
Mehmet Kutman	Shareholder and key management personnel
Erol Göker	Shareholder and key management personnel
Tahsin Bensel	Key management personnel
Bilecik Demir Çelik (*)	Joint venture
Enerji Yatırım Holding (EYH)	Joint venture
Naturel Gaz	Joint venture
İzmir Liman (**)	Joint venture
Ortadoğu Liman (***)	Joint venture
Energaz	Joint venture
Global A Type and B Type Funds	Funds of a subsidiary
Torba	Unconsolidated subsidiary (Note 2.1.d.iii)
Kentgaz	Unconsolidated subsidiary (Note 2.1.d.iii)
Metangaz	Company over which shareholder has significant influence
Çorumgaz	Joint venture
Turkcom Turizm Enerji İnşaat Gıda Yatırımlar A.Ş. (Turkcom)	Company owned by shareholder

(*) It was consolidated to the Group as a joint venture with proportionate consolidation method until 15 September 2011. Starting from that date, it was excluded from the scope of consolidation

(**) It was consolidated to the Group as a joint venture with proportionate consolidation method until 29 June 2011. Starting from that date, full consolidation method is applied as a subsidiary.

(***) It was consolidated to the Group as a joint venture with proportionate consolidation method until 29 July 2010. Starting from that date, full consolidation method is applied as a subsidiary.

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Due from related parties

As at 31 December 2011 and 2010, current receivables from operations in finance sector-due from related parties comprised the following:

Current receivables from operations in finance sector due from related parties	31 December 2011	31 December 2010
Turkcom (*)	9.661.232	-
Global A Type and B Type Funds	265.276	391.139
Mehmet Kutman (*)	-	10.899.549
Other	24.390	340.723
Total	9.950.898	11.631.411

(*) Balances consist of loans extended for regular margin lending activities. The receivables are secured with equity securities. Interest is charged on the receivables based on market interest rates.

As at 31 December 2011 and 2010, other current receivables from related parties comprised the following:

Other current receivables from related parties	31 December 2011	31 December 2010
Enerji Yatırım Holding (1)	36.137.399	4.749.569
Naturel Gaz (1)	2.148.075	-
Mehmet Kutman (2)	1.614.627	2.848.513
Turkcom	1.262.220	-
Metangaz	673.445	424.194
Çorumgaz	346.272	311.567
Kentgaz	286.806	161.466
Erol Göker (2)	26.968	1.593.212
Tahsin Bensel	218	244.861
İzmir Liman	-	311.373
Bilecik Demir Çelik	-	432.841
Other	3.249.900	1.159.320
Total (3)	45.745.930	12.236.916

(1) These balances consist of advances provided by shareholders to finance working capital needs of the projects which are not covered by long term project finance loans. No guarantee is obtained in relation to these receivables. Interest is charged on the receivables except those given as capital advance (TL interest rate: 31 December 2011: 15%, 31 December 2010: 16%) (USD interest rate 8,93%).
(2) These amounts are related with the personnel and work advances and they are not secured. Interest is charged on personnel advances (Interest rate: 31 December 2011: 15%, 31 December 2010: 16%).
(3) The amount excludes the loans provided to key management explained below.

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A subsidiary of the Group has provided secured loans to key management with a limit of USD 10.000.000 and an interest rate of Libor +3,5%, having annual coupon payments and a principal payment at the end of period, which mature on 30 December 2011. As at 15 November 2011, the maturity of this loan is extended to the date of 30 December 2012. As at 31 December 2011 and 31 December 2010, this receivable has been classified in other current receivables from related parties in the balance sheet. As at 31 December 2011, the principal of this loan amounted to USD 10.000.000 and the accrued interest amounted to USD 650.491. The total loan amounted to USD 10.650.491 (equivalent to TL 20.117.712 TL). As at 31 December 2010, the principal of this loan amounted to USD 10.000.000 and the accrued interest amounted to USD 659.851. The total loan amounted to USD 10.659.851 (equivalent to TL 16.480.130).

As at 31 December 2011, current receivables due from related parties (including the loan provided to key management by the Group) amount to TL 65.863.642 in the consolidated financial statements (2010: TL 28.717.046).

As at 31 December 2011 and 31 December 2010, other non-current receivables from related parties comprised the following:

Other non-current receivables from related parties	31 December 2011	31 December 2010
Torba (*)	5.029.659	5.029.659
Other	-	203.551
Total	5.029.659	5.233.210

(*) The balance consists of an advance given for a real estate development project. The receivable balance has no guarantee. Interest was charged over this receivable until the date of loss of the control of Torba.

Due to related parties

As at 31 December 2011 and 2010, current payables from operations in finance sector-due to related parties comprised the following:

Current payables from operations in finance sector due to related parties	31 December 2011	31 December 2010
Global A Type and B Type Funds	95.312	-
Other	808	-
Total	96.120	-

As at 31 December 2011 and 2010, other current payables due to related parties comprised the following:

Other current payables to related parties	31 December 2011	31 December 2010
Kentgaz	741.414	671.884
Other	63.083	27.252
Total	804.497	699.136

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As at 31 December 2011 and 2010, other non-current payables due to related parties comprised the following:

Other non-current payables to related parties	31 December 2011	31 December 2010
Energaz	619.957	635.760
Other	16.220	16.220
Total	636.177	651.980

Transactions with related parties:

Transactions with key management personnel

For the years ended 31 December 2011 and 2010, the details of benefits to key management personnel comprised the following:

	1 January- 31 December 2011	1 January- 31 December 2010
Salaries	8.233.953	7.278.246
Bonuses	8.194.112	651.521
Attendance fees for Board of Directors	1.611.652	1.611.103
Other	120.624	985.108
Total	18.160.341	10.525.978

The Group's interest income earned from the loan provided to key management in 2011 amounts to TL 613.338 (2010: TL 990.040).

Transactions with other related parties

For the years ended 31 December 2011 and 2010, significant transactions with related parties comprised the followings:

	1 January- 31 December 2011			1 January- 31 December 2010	
	Interest Received	Commission Received	Other income	Interest Received	Commission Received
EYH (*)	1.794.322	-	293.578	229.326	-
Mehmet Kutman (**)	1.009.616	776	-	1.742.680	7.649
Turkcom (**)	322.311	-	-	-	-
Bilecik Demir Çelik	153.980	-	- 49.716	-	
Erol Göker	68.451	546	2.400	275.711	426
Ortadoğu Liman	-	-	-	152.849	-
Global A Type and B Type Funds	-	307.232	-	-	371.741
Other	203.836	-	45.724	72.471	1.260
Total	3.552.516	308.554	341.702	2.522.753	381.076

(*) Includes interest on advances and other income.
(**) Includes margin lending and advance interest.

In addition, for the years ended 31 December 2011 and 2010, the portfolio management commission income earned from Global funds by the Group is TL 861.733 and TL 1.495.383, respectively.

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34 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS

Financial risk management

The Group has exposure to the various risks from its use of financial instruments. These are credit risk, liquidity risk and market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.
The responsibility of setting up and following up of risk management processes belongs to management of the Group.

The risk management policies of the Group were set up according to ascertaining and measuring the risk faced, determining adequate risk limits and monitoring the fluctuations. Risk management policies and systems are reviewed to cover the operations of the Group and changes in market conditions.

34.1 Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and financial investments.

Management has a credit risk policy in place to monitor the exposure to credit risk on an ongoing basis. The Group has the ability to receive collaterals for its financial assets. Furthermore, the Group obtains letters of guarantee or similar collaterals from third parties for specific agreements and projects, if necessary.

Regarding the credibility of the counterparty, letters of guarantee or advance payments are received as collaterals of trade receivables from port operations. According to the related law and regulations, natural gas distribution companies collect security deposits from their customers, to guarantee the two months' consumption per customer on average. Credit risk resulting from brokerage activities of the Group are managed by the related companies' risk committees through the regulations on credit sales of securities promulgated by the CMB. Within the context of credit risk policies described in this paragraph, the Group does not have significant credit risk from port operations, natural gas distribution and financial operations which constitute major part of the Group's operations.

The Group enters into transactions with accredited parties or the parties that an agreement is signed in financial markets. The transactions in the treasury operations are performed by conditional exchanges through custody cash accounts.

As at 31 December 2011 and 2010, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivatives, in the consolidated balance sheet.

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Carrying amounts of financial assets present maximum exposure to credit risk. As at 31 December 2011 and 2010 maximum credit risk exposure is as follows:

31 December 2011	Trade receivables(*)	Receivables from related parties	from finance sector operations (*)	Other receivables (*)	Cash at banks	Short-term financial investments	Advances given	Total
Maximum credit risk exposure at the date of reporting	17.131.339	80.844.199	34.637.181	15.547.560	56.766.860	8.225.854	33.239.884	246.392.877
Portion of maximum risk covered by guarantee	8.406.774	30.067.908	31.200.690	8.125.843	-	-	15.035.644	92.836.859
A. Net book value of financial assets neither past due nor impaired	14.040.526	80.844.199	34.637.181	15.547.560	56.766.860	8.225.854	33.239.884	243.302.064
B. Financial assets that would otherwise be past due or impaired whose terms have been renegotiated	-	-	-	-	-	-	-	-
C. Net book value of assets past due but not impaired	3.050.506	-	-	-	-	-	-	3.050.506
Portion of risk covered by guarantee	2.528.115	-	-	-	-	-	-	2.528.115
D. Net book value of impaired assets	40.307	-	-	-	-	-	-	40.307
-Past due (gross book value)	7.521.735	-	1.261.852	-	-	-	-	8.783.587
-Impairment (-)	(7.481.428)	-	(1.261.852)	-	-	-	-	(8.743.280)
-Portion of the net book value covered by guarantee	40.306	-	-	-	-	-	-	40.306
-Not past due (gross book value)	-	-	-	-	-	-	-	-
-Impairment (-)	-	-	-	-	-	-	-	-
-Portion of the net book value covered by guarantee	-	-	-	-	-	-	-	-
E. off-balance sheet items exposed to credit risk	-	-	-	-	-	-	-	

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(*) The amounts from related parties are excluded. The receivables from related parties in the table are collectively presented under the title of "Receivables from related parties".

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31 December 2010	Trade receivables (*)	Receivables from related parties	Receivables from finance sector operations (*)	Other receivables (*)	Cash at banks	Short-term financial investments	Advances given	Total
Maximum credit risk exposure at the date of reporting	20.817.847	45.581.667	39.124.146	7.221.687	53.204.595	7.814.910	26.357.047	200.121.899
Portion of maximum risk covered by guarantee	6.766.457	27.995.678	33.993.209	6.395	-	-	13.818.322	82.580.061
A. Net book value of financial assets neither past due norimpaired	19.466.523	45.581.667	39.124.146	7.221.687	53.204.595	7.814.910	26.357.047	198.770.575
B. Financial assets that would otherwise be past due or impaired								
whose terms have been renegotiated	-	-	-	-	-	-	-	-
C. Net book value of assets past due but not impaired	1.241.574	-	-	-	-	-	-	1.241.574
Portion of risk covered by guarantee	1.040.920	-	-	-	-	-	-	1.040.920
D. Net book value of impaired assets	109.750	-	-	-	-	-	-	109.750
-Past due (gross book value)	5.059.781	-	1.283.303	-	-	-	-	6.343.084
-Impairment (-)	(4.950.031)	-	(1.283.303)	-	-	-	-	(6.233.334)
-Portion of the net book value covered by guarantee	109.750	-	-	-	-	-	-	109.750
-Not past due (gross book value)	-	-	-	-	-	-	-	-
-Impairment (-)	-	-	-	-	-	-	-	-
-Portion of the net book value covered by guarantee	-	-	-	-	-	-	-	-
E. off-balance sheet items exposed to credit risk	-	-	-	-	-	-	-	

(*) The amounts from related parties are excluded. The receivables from related parties in the table are collectively presented under the title of "Receivables from related parties".

During the impairment tests of the financial assets, the Group considered the factors which show that the amounts to be collected are not collectible.

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The maturity analysis of the assets overdue but not impaired is as follows:

	Trade Receivables	Trade Receivables
1 to 30 days overdue	2.755.043	1.091.268
1 to 3 months overdue	273.478	150.306
3 to 12 months overdue	21.985	-
Total	3.050.506	1.241.574
Portion of assets secured by guarantee etc.	2.528.115	1.040.920

34.2 Liquidity risk

Liquidity risk arises in the general funding of the Group's activities and in the management of positions. It includes both risk of being unable to fund assets at appropriate maturities and rates and risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame.

The Group continuously assesses liquidity risk by identifying and monitoring changes in funding required in meeting business goals and targets set in terms of the overall Group strategy.

Current and future loan needs of the Group are supplied by continuous accessibility of sufficient number of high quality creditors for each segment of the Group.

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Contractual Maturities	Carrying Value	Total cash outflows due to contracts	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years
Derivative or Non-Derivative Financial Liabilities						
Bank loans	416.944.090	453.915.417	24.568.133	218.144.569	209.987.366	1.215.349
Debt securities issued	24.051.596	38.568.923	-	2.643.353	10.573.412	25.352.158
Derivative financial liabilities	2.062.711	2.062.711	-	2.062.711	-	-
Liabilities due to operations in finance sector	19.417.139	19.417.139	19.417.139	-	-	-
Finance lease obligations	4.586.087	4.963.672	545.922	1.533.157	2.884.593	-

Expected Maturities	Carrying Value	Total expected cash outflows	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years
Non-derivative Financial Liabilities						
Trade payables	60.891.701	60.891.701	56.139.280	4.752.421	-	-
Other payables	114.513.978	114.513.978	12.983.642	49.167.784	4.588.333	47.774.219
Liabilities due to operations in finance sector	4.839.915	4.839.915	4.437.744	402.171	-	-

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Contractual Maturities	Carrying Value	Total cash outflows due to contracts	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years
Derivative or Non-Derivative Financial Liabilities						
Bank loans	363.004.773	406.484.923	12.331.759	69.111.377	307.881.204	17.160.583
Derivative financial liabilities	662.711	662.711	-	662.711	-	-
Liabilities due to operations in finance sector	22.601.582	22.601.582	22.601.582	-	-	-
Finance lease obligations	16.373.014	19.954.716	2.744.735	3.513.863	13.696.118	-
Expected Maturities	Carrying Value	Total expected cash outflows	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years
Non-derivative Financial Liabilities						
Trade payables	50.087.828	50.087.828	44.061.035	6.026.793	-	-
Other payables	54.598.954	54.598.954	16.082.761	5.069.212	651.980	32.795.001
Liabilities due to operations in finance sector	4.537.066	4.537.066	4.537.066	-	-	-

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34.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Market risk for all subsidiaries is monitored and managed by the Company's centralized Treasury and Fund Management Department. Treasury and Fund Management Department uses forward transactions and option contracts to minimize possible losses from money market fluctuations.

i) Foreign currency risk

The Group is exposed to currency risk through transactions (such as borrowings) in foreign currencies, especially in USD and Euro. As the currency in which the Group presents its consolidated financial statements is TL, the consolidated financial statements are affected by movements in the exchange rates against TL. For the subsidiaries, whose functional currency is USD, main foreign currency is TL.

Regarding the port operations, the Group has limited exposure to currency risk since port tariff currency, which is the base of functional currency, and material transactions such as revenues and loans are denominated by the same currency.

The Group's natural gas distribution entities have also limited exposure to currency risk arising from outstanding financial liabilities since the natural gas tariffs are based on foreign currencies as stated by the related laws and regulations.

The Group uses interest swaps and options in order to limit exposure to currency risk mainly arising from financial liabilities.

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As at 31 December 2011 and 31 December 2010, foreign currency risk exposures of the Group comprised the following:

	31 December 2011				
	TL Equivalent	USD	EURO	GBP	TL
1.Trade receivables	660.660	109.547	161.042	6.409	41.488
2.a Monetary financial assets	28.459.024	11.069.704	360.978	3	6.667.296
2.b Non-monetary financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Current assets	29.119.684	11.179.251	522.020	6.412	6.708.784
5.Trade receivables	-	-	-	-	-
6.a. Monetary financial assets	29.562.190	15.128.570	290.651	-	275.542
6.b. Non-monetary financial assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Non-current assets	29.562.190	15.128.570	290.651	-	275.542
Total Assets	58.681.874	26.307.821	812.671	6.412	6.984.326
10. Trade payables	5.303.467	385.683	591.156	70.263	2.925.327
11. Financial liabilities	172.936.407	90.978.349	336.835	-	264.246
12.a. Monetary financial liabilities	32.802.790	12.480.077	163.074	-	8.830.650
12.b. Non-monetary financial liabilities	-	-	-	-	-
13. Current liabilities	211.042.664	103.844.109	1.091.065	70.263	12.020.223
14. Trade payables	-	-	-	-	-
15. Financial liabilities	91.089.191	48.212.657	-	-	20.304
16.a. Other monetary liabilities	3.911.175	1.122	-	-	3.909.055
16.b. Other non-monetary liabilities	-	-	-	-	-
17. Non-current liabilities	95.000.366	48.213.779	-	-	3.929.359
18. Total liabilities	306.043.030	152.057.888	1.091.065	70.263	15.949.582
Net foreign currency asset/ liability position	(247.361.156)	(125.750.067)	(278.394)	(63.851)	(8.965.256)
Net foreign currency asset/ liability position of off balance sheet derivative financial instruments	-	-	-	-	-
Net foreign currency asset/ liability position	(247.361.156)	(125.750.067)	(278.394)	(63.851)	(8.965.256)
Net monetary accounts foreign currency asset/liability position	(247.361.156)	(125.750.067)	(278.394)	(63.851)	(8.965.256)
Export	-	-	-	-	-
Import	740.600	-	303.053	-	-

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	31 December 2010				
	TL Equivalent	USD	EURO	GBP	TL
1.Trade receivables	119.952	-	45.290	-	27.148
2.a Monetary financial assets	19.885.132	8.826.527	78.841	-	6.077.767
2.b Non-monetary financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Current assets	20.005.084	8.826.527	124.131	-	6.104.915
5.Trade receivables	-	-	-	-	-
6.a. Monetary financial assets	24.993.453	15.407.762	-	-	1.173.053
6.b. Non-monetary financial assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Non-current assets	24.993.453	15.407.762	-	-	1.173.053
Total Assets	44.998.537	24.234.289	124.131	-	7.277.968
10. Trade payables	2.115.258	244.935	229.627	9.476	1.243.425
11. Financial liabilities	49.773.543	31.696.339	350.671	-	52.443
12.a. Monetary financial liabilities	2.953.624	429.891	25.543	-	2.236.672
12.b. Non-monetary financial liabilities	-	-	-	-	-
13. Current liabilities	54.842.425	32.371.165	605.841	9.476	3.532.540
14. Trade payables	-	-	-	-	-
15. Financial liabilities	185.586.233	119.515.843	374.436	-	47.484
16.a. Other monetary liabilities	937.230	-	56.289	-	821.889
16.b. Other non-monetary liabilities	-	-	-	-	-
17. Non-current liabilities	186.523.463	119.515.843	430.725	-	869.373
18. Total liabilities	241.365.888	151.887.008	1.036.566	9.476	4.401.913
Net foreign currency asset/ liability position	(196.367.351)	(127.652.719)	(912.435)	(9.476)	2.876.055
Net monetary accounts foreign currency asset/ liability position	(196.367.351)	(127.652.719)	(912.435)	(9.476)	2.876.055

Export	None
Import	None

TL foreign currency risk of subsidiaries and joint ventures whose functional currency is other than TL, is shown in TL line in the foreign currency risk table.

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Sensitivity Analysis – Foreign currency risk

A 10 percent strengthening or depreciation of the Turkish Lira against the following currencies as at 31 December 2011 and 31 December 2010 would have changed equity or profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

31 December 2011	PROFIT/LOSS		EQUITY (*)	
	Increase	Decrease	Increase	Decrease
	A 10 percent change in USD against Turkish Lira:			
1-Net USD asset/liability	(22.856.405)	22.856.405	-	-
2- Hedged portion against USD risk (-)	-	-	-	-
3- Net effect of USD (1+2)	(22.856.405)	22.856.405	-	-
	A 10 percent change in Euro against Turkish Lira:			
4- Net Euro asset/liability	(68.034)	68.034	-	-
5- Hedged portion against Euro risk (-)	-	-	-	-
6- Net effect of Euro (4+5)	(68.034)	68.034	-	-
	A 10 percent change in other currencies against Turkish Lira:			
7- Net other currencies asset/liability	(18.625)	18.625	-	-
8- Hedged portion against other currencies risk (-)	-	-	-	-
9- Net effect of other currencies (7+8)	(18.625)	18.625	-	-
TOTAL (3+6+9)	(22.943.064)	22.943.064	-	-

(*) Profit and loss excluded.

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31 December 2010	PROFIT/LOSS		EQUITY (*)	
	Increase	Decrease	Increase	Decrease
	A 10 percent change in USD against Turkish Lira:			
1-Net USD asset/liability	(20.022.716)	20.022.716	-	-
2- Hedged portion against USD risk (-)	-	-	-	-
3- Net effect of USD (1+2)	(20.022.716)	20.022.716	-	-
	A 10 percent change in Euro against Turkish Lira:			
4- Net Euro asset/liability	(186.967)	186.967	-	-
5- Hedged portion against Euro risk (-)	-	-	-	-
6- Net effect of Euro (4+5)	(186.967)	186.967	-	-
	A 10 percent change in other currencies against Turkish Lir			
7- Net other currencies asset/liability	(2.264)	2.264	-	-
8- Hedged portion against other currencies risk (-)	-	-	-	-
9- Net effect of other currencies (7+8)	(2.264)	2.264	-	-
TOTAL (3+6+9)	(20.211.947)	20.211.947	-	-

(*) Profit and loss excluded.

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ii) Interest rate risk
The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or reprice at different times or in different amounts. This risk is managed through balancing the assets and liabilities exposed to interest rate risk and restricted use of derivative instruments.

Interest Position Table			
		31 December 2011	31 December 2010
Financial Instruments with fixed Interest		(205.516.308)	(175.132.137)
Financial	Financial assets held for trading	8.156.349	7.404.808
Assets	Due from related parties	47.377.485	19.428.197
	Financial assets available for sale	56.641	51.602
	Receivables from money markets	27.471.798	33.427.947
	Bank deposits	47.743.789	42.692.551
Financial	Loans and borrowings	(279.910.477)	(245.159.144)
Liabilities	Other liabilities	(39.844.754)	(10.376.516)
	Liabilities due to operations in finance sector	(16.567.139)	(22.601.582)
Financial Instruments with variable interest		(145.553.584)	(117.738.513)
Financial Assets	Loans granted to the key management	20.117.712	16.480.130
Financial Liabilities	Loans and borrowings	(165.671.296)	(134.218.643)

As at 31 December 2011 and 31 December 2010, the Group used interest rate derivatives (swap) to hedge interest rate risk (Note 9).

Sensitivity analysis – interest rate risk

As at 31 December 2011, had the interest rates been higher by 100 base points and all other variables remain constant, loss before tax would have been higher by TL 1.455.536 (31 December 2010: profit before tax lower by TL 1.177.385), the net loss attributable to the owners of the Company would have been higher by TL 1.015.862 (31 December 2010: TL: 876.332) and total equity attributable to equity holders of the Company would have been lower by TL 1.015.862 (31 December 2010: TL 876.332). Had the interest rates been lower by 100 base points, the effect would be the same but in reverse position.

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Capital risk management

The Group's objectives when managing capital are to provide the sustainability of the Group's operations in order to bring returns and benefits to the shareholders and to reduce the cost of the capital for maintaining an optimal capital structure.

The Group monitors the capital management by using debt / capital ratio. This ratio is calculated by dividing the net debt to total capital. Net debt is calculated by deducting cash and cash equivalents from total liabilities (the sum of financial liabilities). Total capital is the sum of net debt and equity. The Group's net debt ratio calculated with this method is 36% as of 31 December 2011 (2010: 34%).

35 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.

The estimated fair values of financial instruments have been determined using available market information by the Group, and where it exists, using appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to determine the estimated fair value. While the management of the Group has used available market information in estimating the fair values, the market information may not be fully reflective of the value that could be realized in the current circumstances.

Fair values of cash and cash equivalents and other monetary assets are assumed to approximate their carrying amounts. The carrying amounts of trade and other receivables less the related provisions for impairment are assumed to approximate their fair values. Carrying amounts of floating rate foreign currency liabilities, which are translated to Turkish Lira using the period-end rates, are assumed to reflect their fair values.

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Carrying amounts and fair values of assets and liabilities are listed below:

		31 December 2011		31 December 2010	
Financial Assets	Note	Book Value	Fair value	Book Value	Fair value
Cash and Cash Equivalents	6	63.279.456	63.279.456	56.887.495	56.887.495
Financial Investments	7	20.412.027	20.412.027	24.684.432	24.684.432
Trade Receivables	10	17.131.339	17.131.339	20.817.847	20.817.847
Receivables from Operations in Finance Sector	12, 33	44.588.079	44.588.079	50.755.557	50.755.557
Other Receivables	11, 33	86.440.861	86.440.861	41.171.943	41.171.943
Other Current and Non-current assets	23	81.561.158	81.561.158	57.630.807	57.630.807
Total		313.412.920	313.412.920	251.948.081	251.948.081

Financial Liabilities					
Financial Liabilities	8	445.581.773	443.685.929	379.377.787	378.076.522
Other Financial Liabilities	9	2.062.711	2.062.711	662.711	662.711
Trade Payables	10	60.891.701	60.891.701	50.087.828	50.087.828
Liabilities due to Operations in Finance Sector	12	24.257.054	24.257.054	27.138.648	27.138.648
Other Payables	11, 33	114.513.978	114.513.978	54.598.954	54.598.954
Other Liabilities	23	6.538.720	6.538.720	1.272.316	1.272.316
Total		653.845.937	651.950.093	513.138.244	511.836.979

The table below analyses the valuation method of the financial instruments carried at fair value. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Input other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices);

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 December 2011	Level 1	Level 2	Level 3	Total
Financial assets held for trading	13.450.794	-	-	13.450.794
Financial assets available for sale	-	-	6.961.233	6.961.233
Derivative financial liabilities	-	(2.062.711)	-	(2.062.711)
	13.450.794	(2.062.711)	6.961.233	18.349.316

31 December 2010	Level 1	Level 2	Level 3	Total
Financial assets held for trading	15.763.829	-	-	15.763.829
Financial assets available for sale	1.981.602	-	6.939.001	8.920.603
Derivative financial liabilities	-	(662.711)	-	(662.711)
	17.745.431	(662.711)	6.939.001	24.021.721

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36 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

As at 31 December 2011 and 31 December 2010, summary of assets held for sale and liabilities directly associated with these assets are as follows:

	31 December 2011		31 December 2010	
	Assets	Liabilities	Assets	Liabilities
Real Estates	862.751	-	3.675.561	-
Global Portföy	649.116	200.668	-	-
	1.511.867	200.668	3.675.561	-

Real estates

As at 31 December 2010, the Group's real estates held for sale include land in the Bozüyük district of the Bilecik province, with a total area of 29.500 m2; various lands in the Kemalpaşa district of the İzmir province, with a total area of 84.763 m2; and land in the Bodrum district of the Muğla province, with a total area of 3.000 m2. The Group sold various lands located in the Kemalpaşa district of the İzmir province on 17 June 2011 to Abalıoğlu Yem-Soya ve Tekstil Sanayi A.Ş. for a sales price of TL 3.400.000 (including VAT) and recognized a real estate sales gain of TL 68.547 in the consolidated statement of comprehensive income (Note 28). The Group continues to classify the other plots of land as assets held for sale as at 31 December 2011.

Veli Alemdar Han, one of the Group's real estate held for sale as at 31 December 2009, has been sold to Seba Alkoclar Gayrimenkul Yatırım ve Turizm A.Ş. at a price of USD 25.000.000 (including VAT) on 21 December 2010. USD 21.000.000 has been collected in cash and the remaining amount of USD 4.000.000 has been collected in January 2011. The Group recorded a loss on sale of real estate amounting to TL 25.175.009 in the consolidated financial statements (Note 28). The Group provided a net cash inflow amounting to TL 31.589.991 from this transaction.

Yeşil Enerji and its Subsidiaries

After completing the sale of 95% of the shares of Yeşil Enerji A.Ş. on 23 June 2009, the Group sold the remaining 5% of shares on 25 June 2010 to Statkraft A.S. at a sale price of Euro 5.475.193 (equivalent to TL 10.571.253) and recognized a gain on sale of TL 7.196.254 (Note 28). Furthermore, Düzce Aksu, which was one of the companies excluded from the aforementioned sale of Yeşil Enerji, was sold for Euro 2.000.000 (equivalent to TL 3.854.600) and was excluded from the scope of consolidation as at 2 June 2010. The assets and liabilities of Dağören, which was also excluded from the sale of Yeşil Enerji, have been reclassified to the related balance sheet items as at 31 December 2010 due to the legal issue summarized in Note 20. The same classification has been applied as at 31 December 2011 as well.

An agreement has been signed in 2009 between the Group and Statkraft AS. In accordance with this agreement, in addition to the sales amount, depending on the realization, Statkraft AS will be entitled to receive a portion of any carbon and electricity income to be received by the companies with respect to the facilities to be put in service based on below conditions. Statkraft AS will compensate 50% of the difference (difference between the base price assumption of Statkraft AS and realized price) in net electricity sales revenue (gross electricity revenue less water usage fee and taxes) generated following the first three operational years of the projects. The Group will receive 50% of carbon emission income planned to be generated in the first three operational years following the facilities to be put in service.

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Hedef Menkul Değerler A.Ş.

As at 17 December 2010, all the shares of the Group in Hedef Menkul Değerler A.Ş, a subsidiary of the Group, have been sold to Jakup Zablocki and Jakup Maly, who are the majority shareholders of X-Trade Brokers Dom Maklerski SA located in Poland, Mikolaj Walentynowicz, Hubert Walentynowicz and X-Broker Sp. Z.oo at a price of USD 1.221.000 paid in cash. The details of the gain on the sale of subsidiary, net cash inflow from the sale of subsidiary and the net assets sold are presented below:

Sales price	1.850.670
Group's share in the net assets of Hedef at the date of the sale	(51.855)
Gain on sale of subsidiary	1.798.815

Sales price	1.850.670
Cash and cash equivalents at the date of Hedef's sale	(5.264)
Net cash inflow from subsidiary sale	1.845.406

Cash and cash equivalents	5.264
Financial investments	26.306
Other current assets	8.178
Property, plant and equipment	16.843
Other payables	(188)
Liabilities due to operations in finance sector	(2.658)
Deferred tax liability	(1.020)
Net Assets	52.725
Effective ownership rate of the Group	98,35%
Group's share in the net assets of Hedef at the date of the sale	51.855

Global Portföy

On 14 March 2011, a Framework Agreement was signed by and between the Company, Global Portföy and Azimut Holding S.p.A ("Azimut") related to the cooperation among the parties in asset management and marketing activities. According to the Framework Agreement, Azimut agreed to become a 60% shareholder of Global Portföy as well as a 5% shareholder of Global Menkul, either during the IPO of Global Menkul through the transfer of shares issued in the public offering or through a direct sale. Regarding the 5% shareholding in Global Menkul, Azimut purchased some of these shares through the IPO and the remaining portion of the shares through a transfer from Global Yatırım Holding on 22 June 2011 and 28 June 2011, respectively. In relation to the 60% shareholding in Global Portföy, the parties signed a Shareholders Agreement and a Contribution to Capital Increase and Investment Agreement on 8 August 2011 for the sale of Global Portföy. In accordance with these agreements, the necessary application was made to the CMB and Competition Authority. After obtaining regulatory approval, according to the General Assembly Meeting of Global Portföy, dated 24 February 2012 and registered 28 February 2012, the transfer was completed by increasing the share capital of Global Portföy from TL 2.534.000 to TL 6.335.000 and allocating the increased capital amounting to TL 3.801.000 to AZ International Holdings SA, a subsidiary of Azimut Holding S.p.A, established in Luxembourg. At the end of the fourth year following the completion of the sale, depending on various conditions mentioned in the agreement, Azimut has rights to sell its shares in Global Portföy to the Group. As at 31 December 2011, the assets and liabilities of Global Portföy classified as held for sale due to reasons mentioned above are as follows:

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Assets	
	31 December 2011
Cash and cash equivalents	279.531
Other receivables	5.907
Investments	133.294
Due from related parties	205.474
Other current assets	18.606
Property, plant and equipment	6.304
	649.116
Liabilities	
Trade payables	9.648
Other payables	33.085
Other current liabilities	157.935
	200.668

Bilecik Demir Çelik

In line with the Group's investment targets and strategies and in order to concentrate on investments in port operations, energy, financial services and real estate development, the Group decided to exit from its steel-iron investments as it is outside the Group's core business sectors. Accordingly, on 15 September 2011, all the shares (39,99%) held by the Group in Bilecik Demir Çelik, a joint venture of the Group, were sold to Ada Metal, the other shareholder of the joint venture. The sale price had a nominal value of TL 5.999.999 and a carrying value of TL 4.985.380. The main portion of the sale price will be collected in 2012 and the remaining portion will be collected in 2018. In accordance with the concurrent protocol to the share transfer agreement signed on 7 September 2011 with Ada Metal in relation to this transaction, the Group's receivables from Bilecik Demir Çelik (Note 11) will be collected in 2018 in instalments.

The details of the gain on the sale of the joint venture and the net assets sold are presented below:

Sales pirice	4.985.380
Groups share in the net assets sold	(1.828.635)
Gain on sale of joint venture (Note 24)	6.814.015

The Group's share in the net assets sold (39,99%):	
Cash and cash equivalents	24.739
Other receivables	460.199
Inventories	890.405
Other assets	1.374.947
Property, plant and equipment	15.579.230
Intangible assets	5.119
Loans and borrowings	(11.923.266)
Trade payables	(3.557.621)
Other payables	(4.682.387)
Total	(1.828.635)

Global Yatırım Holding A.Ş. and its Subsidiaries
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Currency: Turkish Lira ("TL") unless otherwise stated.

37 GOVERNMENT GRANTS

As explained in detail in Note 31, the Group benefits from investment allowance and miscellaneous tax exemptions.

38 EVENTS AFTER THE REPORTING PERIOD

(i) After taking necessary permissions from Capital Market Board and the Competition Authority, in accordance with the General Assembly Meeting of Global Portföy, a subsidiary of the Group, held on 24 February 2012 and registered on 28 February 2012, Global Portföy decided to increase its share capital from TL 2.534.000 to TL 6.335.000. The shareholding process of Azimut has been completed by allocating the increased capital amounting to TL 3.801.000 to AZ International Holdings SA, a subsidiary of Azimut Holding S.p.A, established in Luxembourg. Thus, the Group's effective shareholding rate in Global Portföy became 39,97 %. Furthermore, the Group gave an option (call option) to AZ International Holdings SA, 5 % shareholder in Global Menkul, to purchase 5% shares each year over the next three years ultimately to reach a total shareholding of 20%.

(ii) At the General Assembly meeting of EYH, a joint venture of the Group, dated 23 February 2012, it was decided to increase its share capital by TL 70.000.000 from TL 15.000.000 to TL 85.000.000.

(iii) At the General Assembly meeting of Energaz, a subsidiary of EYH, dated 29 February 2012, it was decided to increase its share capital by TL 35.000.000 from TL 65.000.000 to TL 100.000.000.

39 OTHER MATTERS THAT SIGNIFICANTLY AFFECT THE CONSOLIDATED FINANCIAL STATEMENTS OR MAKE THE CONSOLIDATED FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE

On 28 December 2011, Galata Enerji, a company controlled by Global Enerji, a subsidiary of the Group signed an EPC (Engineering, Procurement and Construction) Contract with China National Electric Engineering CO., Ltd. (CNEEC), one of the market leaders in coal-based thermal power plant construction, to build 2x135 (270) MW power plant using Circulating Fluidized Bed Boiler (CFBB) technology on an asphaltite mine field located in South East Turkey-Şırnak.

The agreements signed also include a 4 year O&M (Operation & Maintenance) Agreement under which CNEEC undertakes operation and maintenance of the Power Plant once it is operational and further partnership agreement whereby CNEEC shall become 10% shareholder of Galata Enerji.

The construction of the initial 2x135 MW thermal power plant capacity, as the first phase of a long-term investment process, will commence in 2012 and is planned to be completed in 30 months. Once operational, the Power Plant is planned generate 2.0 billion kWh of electricity per annum.

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