

**Enka İnşaat ve Sanayi Anonim  
Şirketi and Its Subsidiaries**

**Condensed Interim Financial  
Information  
September 30, 2009**

## **Enka İnşaat ve Sanayi Anonim Şirketi and its Subsidiaries**

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## Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries

### Consolidated balance sheet As at September 30, 2009 (Currency – Thousands of U.S. Dollars)

#### Assets

	Notes	September 30, 2009	December 31, 2008
<b>Current assets</b>			
Cash and cash equivalents	6	699,790	575,413
Investments available-for-sale	7	646,953	561,884
Trade and other receivables	9	1,083,537	1,316,262
Inventories		280,120	351,827
Other current assets	13	134,169	193,263
Company's share in current assets of joint ventures		303,610	260,290
Costs and estimated earnings in excess of billings on uncompleted contracts	11	-	95,911
<b>Total current assets</b>		<b>3,148,179</b>	<b>3,354,850</b>
<b>Non-current assets</b>			
Trade and other receivables	9	36,230	33,682
Investments in associates		-	39
Financial assets	7	274,507	169,343
Property, plant and equipment Company			
<i>Buildings and barracks</i>		279,131	282,733
<i>Other property, plant and equipment</i>		1,693,347	1,716,360
Company's share in joint ventures		83,420	97,132
Intangible assets		2,905	2,693
Goodwill		107,312	108,541
Investment properties		1,850,983	1,882,856
Other non-current assets	13	41,721	46,312
Company's share in non-current assets of joint ventures		9,988	3,267
Deferred tax asset	15	32,875	69,743
<b>Total non-current assets</b>		<b>4,412,419</b>	<b>4,412,701</b>
<b>Total assets</b>		<b>7,560,598</b>	<b>7,767,551</b>

The accompanying policies and explanatory notes on pages 8 through 34 form an integral part of the consolidated financial statements.

## Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries

### Consolidated balance sheet As at September 30, 2009 (Currency – Thousands of U.S. Dollars)

#### Liabilities and equity

	Notes	September 30, 2009	December 31, 2008
<b>Current liabilities</b>			
Short-term borrowings	8	20,856	44,947
Current portion of long-term borrowings	8	390,916	352,701
Trade and other payables	10	964,133	1,267,777
Other current liabilities and accrued expenses	12	172,112	194,189
Taxation on income	15	25,099	23,847
Company's share in current liabilities of joint ventures		279,740	190,224
Billings in excess of costs and estimated earnings on uncompleted contracts	11	119,267	128,136
<b>Total current liabilities</b>		<b>1,972,123</b>	<b>2,201,821</b>
<b>Non-current liabilities</b>			
Long-term borrowings	8	583,318	795,257
Trade and other payables	10	3,353	126,672
Employee termination benefit		12,866	11,000
Deferred tax liability	15	271,957	271,216
Other non-current liabilities	12	851,414	788,185
Company's share in non-current liabilities of joint ventures		13,872	49,806
<b>Total non-current liabilities</b>		<b>1,736,780</b>	<b>2,042,136</b>
<b>Total liabilities</b>		<b>3,708,903</b>	<b>4,243,957</b>
<b>Equity</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital	14	1,214,907	828,831
Revaluation surplus		127,156	129,480
Currency translation difference		(67,998)	(63,150)
Other reserves		24,566	(5,999)
Legal reserves and accumulated profit		2,299,639	2,391,327
<b>Minority interest</b>		<b>253,425</b>	<b>243,105</b>
<b>Total equity</b>		<b>3,851,695</b>	<b>3,523,594</b>
<b>Total equity and liabilities</b>		<b>7,560,598</b>	<b>7,767,551</b>

The accompanying policies and explanatory notes on pages 8 through 34 form an integral part of the consolidated financial statements.

## Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries

### Consolidated income statement For the period ended September 30, 2009 (Currency -- Thousands of U.S. Dollars)

	Notes	September 30, 2009	September 30, 2008
Revenues	5	<b>3,895,439</b>	5,301,012
Cost of revenues	5	<b>(3,198,383)</b>	(4,457,879)
<b>Gross profit</b>		<b>697,056</b>	843,133
Selling and administrative expenses	5	<b>(173,474)</b>	(289,406)
Other operating income	5	<b>32,009</b>	239,318
Other operating expense	5	<b>(15,098)</b>	(24,776)
<b>Profit from operations</b>		<b>540,493</b>	768,269
Financial income	5	<b>74,277</b>	82,395
Financial expenses	5	<b>(90,571)</b>	(121,899)
Income/(loss) from associates	5	<b>(1,534)</b>	2,327
<b>Profit from operations before taxes</b>		<b>522,665</b>	731,092
Taxation charge			
Current	5	<b>(86,453)</b>	(100,983)
Deferred	5	<b>(36,179)</b>	(45,216)
<b>Net profit for the year</b>		<b>400,033</b>	584,893
<b>Attributable to :</b>			
Equity holders of the parent		<b>367,322</b>	557,361
Minority interest		<b>32,711</b>	27,532
<b>Net profit</b>		<b>400,033</b>	584,893
Weighted average number of shares		<b>180,000,000,000</b>	180,000,000,000
Basic earnings per share attributable to equity holders of the parent - U.S. Dollar			
- ordinary share certificate (full cent)	4	<b>0.204</b>	<b>0.310</b>
- founder share	4		

The accompanying policies and explanatory notes on pages 8 through 34 form an integral part of the consolidated financial statements.

## Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries

### Consolidated statement of comprehensive income For the period ended September 30, 2009 (Currency -- Thousands of U.S. Dollars)

	Notes	September 30, 2009	September 30, 2008
<b>Net profit for the period</b>		<b>400,033</b>	<b>584,893</b>
<b>Other comprehensive income</b>			
Change in unrealized gain / (loss) on available-for-sale investments		36,455	(18,908)
Change in fair value adjustment on derivative assets		1,751	1,936
Change in currency translation difference		(11,327)	(74,428)
<b>Other comprehensive income before tax</b>		<b>26,879</b>	<b>(91,400)</b>
Net deferred income tax relating to components of other comprehensive income	17	(7,641)	3,394
<b>Other comprehensive income, net of tax</b>		<b>19,238</b>	<b>(88,006)</b>
<b>Total comprehensive income for the period, net of tax</b>		<b>419,271</b>	<b>496,887</b>
<b>Attributable to :</b>			
Minority interest		26,419	21,425
Equity holders of the parent		392,852	475,462
		<b>419,271</b>	<b>496,887</b>

The accompanying policies and explanatory notes on pages 8 through 34 form an integral part of the consolidated financial statements.

## Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries

### Consolidated statement of changes in equity For the period ended September 30, 2009 (Currency – Thousands of U.S. Dollars)

	Attributable to equity holders of the parent					Total	Minority Interest	Total Equity
	Share Capital	Revaluation Surplus	Currency Translation Difference	Other Reserves	Legal Reserves and Accumulated Profit			
Balances, January 1, 2008	587,828	271,341	149,604	2,558	1,956,817	2,968,148	250,245	3,218,393
Currency translation difference	-	(4,127)	(64,195)	-	-	(68,322)	(6,107)	(74,429)
Transfer of depreciation difference (net of deferred tax) of revaluation effect	-	(4,397)	-	-	4,397	-	-	-
Transfer from building into investment property	-	(33,051)	-	-	33,051	-	-	-
Fair value adjustment on derivative assets	-	-	-	1,549	-	1,549	-	1,549
Net change in unrealized gain / (loss) on available-for-sale investments	-	-	-	(15,126)	-	(15,126)	-	(15,126)
Total income and expense for the year recognized directly in equity	-	(41,575)	(64,195)	(13,577)	37,448	(81,899)	(6,107)	(88,006)
Profit for the year	-	-	-	-	557,361	557,361	27,532	584,893
Total income and expense for the year	-	(41,575)	(64,195)	(13,577)	594,809	475,462	21,425	496,887
Share capital increase from general reserve	241,003	-	-	-	(241,003)	-	-	-
Dividends paid	-	-	-	-	(49,758)	(49,758)	(5,068)	(54,826)
Scope change	-	-	-	-	-	-	(3,117)	(3,117)
Balances, September 30, 2008	828,831	229,766	85,409	(11,019)	2,260,865	3,393,852	263,485	3,657,337
<b>Balances, January 1, 2009</b>	<b>828,831</b>	<b>129,480</b>	<b>(63,150)</b>	<b>(5,999)</b>	<b>2,391,327</b>	<b>3,280,489</b>	<b>243,105</b>	<b>3,523,594</b>
Currency translation difference	-	(187)	(4,848)	-	-	(5,035)	(6,292)	(11,327)
Transfer of depreciation difference (net of deferred tax) of revaluation effect	-	(2,137)	-	-	2,137	-	-	-
Fair value adjustment on derivative assets	-	-	-	1,401	-	1,401	-	1,401
Net change in unrealized gain / (loss) on available-for-sale investments	-	-	-	29,164	-	29,164	-	29,164
<b>Total income and expense for the year recognized directly in equity</b>	<b>-</b>	<b>(2,324)</b>	<b>(4,848)</b>	<b>30,565</b>	<b>2,137</b>	<b>25,530</b>	<b>(6,292)</b>	<b>19,238</b>
Profit for the year	-	-	-	-	367,322	367,322	32,711	400,033
<b>Total income and expense for the year</b>	<b>-</b>	<b>(2,324)</b>	<b>(4,848)</b>	<b>30,565</b>	<b>369,459</b>	<b>392,852</b>	<b>26,419</b>	<b>419,271</b>
Dividends paid	-	-	-	-	(75,071)	(75,071)	(16,099)	(91,170)
Share capital increase from general reserve	386,076	-	-	-	(386,076)	-	-	-
<b>Balances, September 30, 2009</b>	<b>1,214,907</b>	<b>127,156</b>	<b>(67,998)</b>	<b>24,566</b>	<b>2,299,639</b>	<b>3,598,270</b>	<b>253,425</b>	<b>3,851,695</b>

The accompanying policies and explanatory notes on pages 8 through 34 form an integral part of the consolidated financial statements.

## Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries

### Consolidated statement of cash flows For the period ended September 30, 2009 (Currency – Thousands of U.S. Dollars)

	September 30, 2009	September 30, 2008
<b>Cash flows from operating activities</b>		
Profit before taxes	522,665	731,092
Adjustments to reconcile net profit before tax to net cash provided by operating activities :		
Depreciation and amortization	111,946	125,374
Employee termination benefit charge	4,243	2,068
Provision for doubtful receivables	2,694	319
Revenue levelization adjustment	64,510	57,959
Loss/(income) from associates	1,534	(2,327)
Dividend income	(1,624)	(1,671)
Interest expense	41,379	71,176
Interest income	(19,328)	(39,611)
Provision for inventory obsolescence	(279)	(1,632)
Forward expense/ income, net	1,023	-
Gain from sales of property, plant and equipment, net	(3,194)	(20,627)
Goodwill disposed off to the consolidated income statement	-	110,996
<b>Changes in operating assets and liabilities</b>	<b>725,569</b>	<b>1,033,116</b>
Trade and other receivables	(123,066)	(642,486)
Receivables from related parties	10,601	4,935
Costs and estimated earnings in excess of billings on uncompleted contracts	95,911	123,595
Company's share in assets of joint ventures	(50,041)	1,549
Inventories	71,986	(97,870)
Other assets	63,683	2,706
Trade and other payables	(88,122)	251,747
Billings in excess of costs and estimated earnings on uncompleted contracts	(8,869)	(24,148)
Company's share in liabilities of joint ventures	53,582	(62,510)
Payables to related parties	90	106
Other liabilities and accrued expenses	(24,381)	64,392
Taxes paid	(85,201)	(96,497)
Employee termination benefit paid	(1,450)	(985)
<b>Net cash provided by operating activities</b>	<b>(85,277)</b>	<b>(475,466)</b>
<b>Cash flows from investing activities</b>		
Time deposits with maturities more than 3 months	45,153	42,513
Investments available for sale	(220,892)	(391,795)
Investments in associates	-	8,958
Proceeds from sale of property, plant and equipment, intangible assets and investment properties	29,374	80,995
Purchases of property, plant and equipment and intangible assets	(103,394)	(171,373)
Interest received	19,198	38,610
Dividends received	1,624	1,671
Scope Change	-	(3,116)
<b>Net cash used in investing activities</b>	<b>(228,937)</b>	<b>(393,537)</b>
<b>Cash flows from financing activities</b>		
Borrowings from finance lease (net)	(352)	(2,832)
Addition to long-term borrowings and current portion of long-term borrowings	282,366	295,515
Payments of long-term borrowings and current portion of long-term borrowings	(505,942)	(496,909)
Interest paid	(36,309)	(58,652)
Dividends paid to equity holders of the parent	(75,071)	(49,757)
Dividends paid to minority interests	(16,099)	(5,068)
<b>Net cash used in financing activities</b>	<b>(351,407)</b>	<b>(317,703)</b>
Net foreign exchange difference on cash and cash equivalents	45,520	(26,450)
Net increase in cash and cash equivalents	105,468	(180,040)
Cash and cash equivalents at beginning of year	548,775	792,766
<b>Cash and cash equivalents at end of period</b>	<b>654,243</b>	<b>612,726</b>

The accompanying policies and explanatory notes on pages 8 through 34 form an integral part of the consolidated financial statements.

# Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries

## Notes to the condensed interim financial information September 30, 2009

(Amounts expressed in thousands of U.S. Dollars unless otherwise indicated. All other currencies are also expressed in thousands.)

### 1. Organization and nature of activities

#### General

Enka İnşaat ve Sanayi Anonim Şirketi (the 'Company – Enka İnşaat') was established on December 4, 1967 and registered in İstanbul, Turkey, under the Turkish Commercial Code. The address of the headquarters and registered office of Enka İnşaat is Balmumcu, Bestekar Şevki Bey Sokak, 34349 Enka Binası Beşiktaş, İstanbul, Turkey.

As of June 28, 2002, Enka İnşaat merged legally with its publicly traded shareholder company, Enka Holding Yatırım Anonim Şirketi (Enka Holding), which were under the common control of Tara Holding Anonim Şirketi and Tara and Gülçelik families. As of September 30, 2009, 12.44% of the shares of Enka İnşaat are traded publicly in İstanbul Stock Exchange (ISE).

As of September 30, 2009, the average numbers of white and blue-collar personnel are respectively 5,146 and 23,416 (December 31, 2008 – 6,172 and 34,714).

#### Nature of the activities

Enka İnşaat operates in five major geographical areas, which are as follows:

*Turkey:* engaged in diverse types of construction activities including construction of industrial and social buildings, motorways and construction and operation of natural gas fired electrical energy generation facilities.

*Russian Federation, Kazakhstan, Ukraine and Tajikistan:* engaged in construction activities in Russia, Kazakhstan, Ukraine and Tajikistan, and also engaged in the investment and management of real estate properties, which are leased to tenants in Moscow, Russia, as well as run a network of hyperstores and shopping malls in Moscow.

*Africa* : engaged in construction activities in different countries, especially in Algeria, Libya and Djibouti.

*Asia* : engaged in construction activities in Arabia and Oman.

*Europe* : engaged in construction and trading activities in Romania, Germany, Albania, Netherlands, Switzerland and Bosnia and Herzegovina.

For the purpose of the consolidated financial statements, Enka İnşaat, its consolidated subsidiaries and its joint ventures are hereinafter referred to as "the Group".

## **Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries**

### **Notes to the condensed interim financial information (continued) September 30, 2009**

(Amounts expressed in thousands of U.S. Dollars unless otherwise indicated. All other currencies are also expressed in thousands.)

#### **2.1 Basis of preparation**

The consolidated financial statements of the Group have been prepared in accordance with International Accounting Standard No:34, Interim financial reporting (IAS 34). This condensed interim financial information does not contain all the information required for the preparation of the annual financial statements, and should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2008 prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements have been prepared on the historical cost convention, except for investment properties, buildings, available-for-sale (AFS) financial assets and derivative financial instruments which are measured at fair values. The consolidated financial statements are presented in U.S. Dollars (USD) and all values are rounded to the nearest thousand ('000) except when otherwise indicated.

The Group adopted all standards, which were mandatory as of September 30, 2009. The consolidated financial statements of Enka İnşaat were authorized for issue by the management on November 10, 2009.

Enka İnşaat and its subsidiaries which are incorporated in Turkey, maintain their books of accounts and prepare their statutory financial statements in Turkish Lira (TL) in accordance with the regulations on accounting and reporting framework and accounting standards promulgated by the Turkish Capital Market Board (CMB), (for publicly traded companies) and Turkish Commercial Code and Tax Legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The foreign subsidiaries maintain their books of accounts in accordance with the laws and regulations in force in the countries where they are registered. The consolidated financial statements are based on the statutory records with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRS.

The Group also reported separately for the consolidated financial statements for the same period prepared in accordance with accounting principles promulgated by CMB.

There are no differences between the consolidated financial statements prepared in accordance with the accounting policies promulgated by CMB and consolidated IFRS financial statements except for the use of TL and USD as the presentation currency, respectively.

#### **Functional and presentation currency**

As significant amount of construction, energy and real estate operations of Enka İnşaat and its consolidated subsidiaries and its joint ventures which form main part of the operations of the Group are carried out in U.S. Dollar or indexed to U.S. Dollar, this currency has been determined as the functional and the presentation currency of the Group in line with IAS 21 - The Effects of Changes in Foreign Exchange Rates. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies (i.e. any currency other than the functional currency) are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

## Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries

### Notes to the condensed interim financial information (continued)

September 30, 2009

(Amounts expressed in thousands of U.S. Dollars unless otherwise indicated. All other currencies are also expressed in thousands.)

#### 2.1 Basis of preparation (Continued)

The rates used as of September 30, 2009, and December 31, 2008 and the rate as of the preparation date of the consolidated financial statements for one U.S. Dollar can be summarized as below:

	Preparation date (November 10, 2009)		September 30, 2009		December 31, 2008	
U.S. Dollar	TL	1.4680	TL	1.4820	TL	1.5123
	Euro	0.67	Euro	0.69	Euro	0.71
	Russian Ruble (RR)	28.85	RR	30.09	RR	29.38

#### Reclassifications made to the previously issued consolidated financial statements

As of September 30, 2009, the Group has changed the classification of some accounts and therefore reclassified the related accounts reported in its previously issued consolidated financial statements to present them in conformity with the current year presentation, as follows:

- Time deposits, amounting to U.S. Dollars 14,550, with maturity over three months and less than one year presented under the caption of cash and cash equivalents in the financial statements as of December 31, 2008 is reclassified as current investments available for sale.
- Deferred income, amounting U.S. Dollar 18,548, presented under "Other Current Liabilities and Accrued Expenses" in the financial statements as of December 31, 2008 is reclassified as "Other Non Current Liabilities".
- In the income statement for the period ended September 30, 2008, foreign exchange gains and loss, amounting to U.S. Dollar 11,479, presented as netted of in the "financial expense" is reclassified as foreign exchange gain amounting to U.S. Dollars 30,081 in "financial income" and foreign exchange losses amounting to U.S. Dollars 41,560 in "financial expenses"
- In the income statement for the period ended September 30, 2008, forward income net, amounting to U.S. Dollar 4,456, presented as netted of in the "financial income" is reclassified as forward income amounting to U.S. Dollars 9,153 in "financial income" and forward loss amounting to U.S. Dollars 4,697 in "financial expenses".

#### 2.2 Changes in accounting policy and disclosures

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year, except for the adoption of new standards and interpretations noted below. Adoption of these standards and Interpretations did not have any effect on the financial position or performance of the Group.

- IFRS 2, "Amendment to IFRS 2 Share-based Payment: Vesting Conditions and Cancellations"
- IAS 23, "Amendments to IAS 23 Borrowing Costs"
- IAS 32, "Amendments to Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements: Puttable Financial Instruments and Obligations Arising on Liquidation"
- IFRIC 13, "Amendments to IAS 23 Borrowing Costs"
- IFRIC 15, Agreements for the Construction of Real Estate
- IFRIC 16, "Hedges of a Net Investment in a Foreign Operation"
- Improvements to IFRSs – May 2008

## **Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries**

### **Notes to the condensed interim financial information (continued)**

**September 30, 2009**

(Amounts expressed in thousands of U.S. Dollars unless otherwise indicated. All other currencies are also expressed in thousands.)

#### **2.2 Changes in accounting policy and disclosures (Continued)**

*Standards and Interpretations have effect on the financial position or performance of the Group.*

IFRS 7, "Amendment to Disclosures about Financial Instruments": Considering that the disclosures required by IFRS 7 amendments are not material to the understanding of the financial statements, the Group decided to provide amended disclosures at year-end financial statements as permitted by the IFRS.

IFRS 8, "Operating Segments": An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity) whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available according to IFRS 8.

Amendments to IAS 1 Presentation of Financial Statements: The Group has disclosed the revised IAS 1 in accordance with the requirement of this standart.

IAS 34 "Interim Financial Reporting": The Group has disclosed the earnings per share note in notes to the consolidated financial statements.

*Standards that are published as of the approval date of the financial statements and effective for annual periods beginning on or after July 1, 2009 and interpretations and amendments to published standards are as following:*

Revisions to IFRS 3 "Business Combinations" and IAS 27 "Consolidated and Separate Financial Statements": This interpretation has no effect on the Company's consolidated financial statements.

IFRIC 18: "Transfer of Assets from Customers": This interpretation is not expected to have an effect on the Company's consolidated financial statements.

*Standards that are published as of the approval date of the financial statements and effective for fiscal periods beginning on or after January 1, 2010 and not early adopted by the Group and interpretations and amendments to published standards are as following:*

Changes in IAS 39: published in July 2008. Contain the changes in IAS 39 emerged by the changes in IAS 32, IAS1, IFRS 3 according to the amendments to IFRS in May 2008. This interpretation is to be applied prospectively.

Amendments to IFRS 1 Presentation of Financial Statements: Contain the amendments that emerged by the changes to IAS and IFRS made until 3 September 2008. This interpretation is not expected to have an effect on the Company's consolidated financial statements.

IFRIC 17 "Distributions of Non-cash assets to Owners": This interpretation is not expected to have an effect on the Company's consolidated financial statements.

## **Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries**

### **Notes to the condensed interim financial information (continued)**

**September 30, 2009**

(Amounts expressed in thousands of U.S. Dollars unless otherwise indicated. All other currencies are also expressed in thousands.)

#### **2.3 Significant accounting judgments, estimates and assumptions**

The preparation of the consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that are reflected in the measurement of income and expense in the consolidated profit and loss statement and in the carrying value of assets and liabilities in the consolidated balance sheet, and in the disclosure of information in the notes to the consolidated financial statements. Managements do exercise judgment and make use of information available at the date of the preparation of the consolidated financial statements in making these estimates. The actual future results from operations in respect of the areas where these judgments and estimates have been made may in reality be different than those estimates. This may have a material effect on the consolidated financial statements.

The key assumptions concerning the future and other key resources of estimation at the consolidated balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and the significant judgments (apart from those involving estimations) with the most significant effect on amounts recognized in the consolidated financial statements are as follows:

- a) Determination of total estimated project costs, profitability and calculation of loss accruals under the scope of IAS 11 "Construction Contracts".
- b) Market valuations of investment properties, land and buildings under the scope of IAS 40 "Investment Property".
- c) Estimation of impairment losses on financial assets.
- d) Deferred tax assets are recognized over temporary differences and accumulated losses when there is evidence that there is substantial future realizability in statutory tax accounts. In order to recognize the deferred tax assets in the consolidated financial statements, significant estimations and assumptions for statutory tax projections should be performed .
- e) The Group management has made significant assumptions for determining the economic lives of tangible and intangible assets with the guidance of experienced technical staff.

The significant judgments, apart from estimates, with most significant effect on amounts recognized in the consolidated financial statements are as follows:

- a) The determination of impairment in financial assets available for sale.
- b) The determination of goodwill associated with the disposal of the assets.

#### **3. Effects of seasonality to operations**

Due to weather conditions, the volume of the operations of the Company in contracting segment is lower than the other seasons. There are no seasonality in other segments.

#### **4. Earnings per share**

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("Bonus Shares") to existing shareholders without consideration for amounts resolved to be transferred to share capital from retained earnings and revaluation surplus. For the purpose of the

## Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries

### Notes to the condensed interim financial information (continued)

September 30, 2009

(Amounts expressed in thousands of U.S. Dollars unless otherwise indicated. All other currencies are also expressed in thousands.)

#### 4. Earnings per share (Continued)

EPS calculation such bonus share issues are regarded as stock dividends. Dividend payments, which are immediately reinvested in the shares of the Company, are regarded similarly. Accordingly the weighted average number of shares used in EPS calculation is derived by giving retroactive effect to the issue of such shares without consideration through September 30, 2009 and September 30, 2008.

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

The calculation of basic earnings per share presented are as follows:

	September 30, 2009	September 30, 2008
Earning per share		
- ordinary share certificate (full cent)	0.204	0.310
- founder shares(*)		
Weighted average number of share certificates (nominal value of 1 YKr each)		
- ordinary share certificate	180,000,000,000	180,000,000,000
- founder shares	2,000	2,000

(\*) Since profit distribution was not determined at the end of each interim period, total of the earning per share is reflected on ordinary share certificates.

#### 5. Segment information

The Group's operating businesses are organized and managed separately according to the nature of services and products provided.

The segmental information of the Group is based on two formats. The first format represents information regarding business segments: construction, rental, retail, energy and trading and manufacturing. The second format represents information regarding four geographical segments for the periods ended September 30, 2009 and September 30, 2008.

Transfer prices between business segments are set out on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment result include transfers between business segments. Those transfers are eliminated in consolidation.

## Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries

### Notes to the condensed interim financial information (continued)

September 30, 2009

(Amounts expressed in thousands of U.S. Dollars unless otherwise indicated. All other currencies are also expressed in thousands.)

#### 5. Segment information (Continued)

(a) Business segments :

September 30, 2009							
	Construction contracts	Rental	Retail	Trade manufacturing and others	Energy	Eliminations	Consolidated
Revenues earned	1,451,515	212,729	192,060	209,987	1,829,148	-	3,895,439
Inter-segment revenues earned	67,188	-	3,166	16,191	-	(86,545)	-
Cost of revenues	(1,261,262)	(29,484)	(64,145)	(177,229)	(1,666,263)	-	(3,198,383)
Inter-segment cost of revenues	(68,379)	-	-	(3,649)	(102)	72,130	-
<b>Gross profit</b>	<b>189,062</b>	<b>183,245</b>	<b>131,081</b>	<b>45,300</b>	<b>162,783</b>	<b>(14,415)</b>	<b>697,056</b>
Selling and administrative expense	(47,811)	(23,817)	(73,589)	(23,835)	(7,588)	3,166	(173,474)
Other operating income	18,347	935	544	2,787	10,126	(730)	32,009
Other operating expense	(8,694)	(815)	(6,077)	(1,778)	8	2,258	(15,098)
<b>Profit from operations</b>	<b>150,904</b>	<b>159,548</b>	<b>51,959</b>	<b>22,474</b>	<b>165,329</b>	<b>(9,721)</b>	<b>540,493</b>
Financial income	61,868	3,166	249	4,284	12,834	(8,124)	74,277
Financial expense	(43,485)	(494)	(9,197)	(14,012)	(29,249)	5,866	(90,571)
Income from associates	-	-	-	(1,534)	-	-	(1,534)
<b>Profit from operations before taxes</b>	<b>169,287</b>	<b>162,220</b>	<b>43,011</b>	<b>11,212</b>	<b>148,914</b>	<b>(11,979)</b>	<b>522,665</b>
Taxation charge							
Current	(50,740)	(25,669)	(6,215)	(3,829)	-	-	(86,453)
Deferred	3,899	(1,966)	(957)	(637)	(36,518)	-	(36,179)
<b>Net profit for the year</b>	<b>122,446</b>	<b>134,585</b>	<b>35,839</b>	<b>6,746</b>	<b>112,396</b>	<b>(11,979)</b>	<b>400,033</b>

September 30, 2009							
	Construction contracts	Rental	Retail	Trade, manufacturing and others	Energy	Consolidated	
<b>Assets and liabilities (*)</b>							
Segment assets	2,556,256	1,237,584	999,758	504,912	2,261,404	7,559,914	
Unallocated assets	-	-	-	-	-	684	
<b>Total assets</b>	<b>2,556,256</b>	<b>1,237,584</b>	<b>999,758</b>	<b>504,912</b>	<b>2,261,404</b>	<b>7,560,598</b>	
Segment liabilities	1,041,995	198,258	244,221	365,600	1,857,904	3,707,978	
Unallocated liabilities	-	-	-	-	-	925	
<b>Total liabilities</b>	<b>1,041,995</b>	<b>198,258</b>	<b>244,221</b>	<b>365,600</b>	<b>1,857,904</b>	<b>3,708,903</b>	
<b>Other segment information</b>							
Capital expenditures							
Property, plant and equipment (**)	40,370	31,494	3,281	15,896	11,470	102,511	
Intangible assets	131	264	6	74	408	883	
Investment properties	-	-	-	-	-	-	
<b>Total capital expenditures</b>	<b>40,501</b>	<b>31,758</b>	<b>3,287</b>	<b>15,970</b>	<b>11,878</b>	<b>103,394</b>	
Depreciation expense (**)	57,527	2,706	6,257	4,719	40,000	111,209	
Amortisation	135	106	219	160	117	737	

(\*) Includes balances after elimination.

(\*\*) Include capital expenditures and depreciation of joint ventures.

# Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries

## Notes to the condensed interim financial information (continued) September 30, 2009

(Amounts expressed in thousands of U.S. Dollars unless otherwise indicated. All other currencies are also expressed in thousands.)

### 5. Segment information (continued)

September 30, 2008							
	Construction contracts	Rental	Retail	Trade, manufacturing and others	Energy	Eliminations	Consolidated
Revenues earned	2,251,293	201,082	422,711	388,673	2,037,253	-	5,301,012
Inter-segment revenues earned	101,795	-	-	8,653	-	(110,448)	-
Cost of revenues	(1,949,317)	(41,063)	(244,742)	(324,092)	(1,898,665)	-	(4,457,879)
Inter-segment cost of revenues	(108,770)	-	-	(563)	(163)	109,496	-
<b>Gross profit</b>	<b>295,001</b>	<b>160,019</b>	<b>177,969</b>	<b>72,671</b>	<b>138,425</b>	<b>(952)</b>	<b>843,133</b>
Selling and administrative expense	(60,260)	(28,156)	(150,245)	(41,443)	(9,302)	-	(289,406)
Other operating income	212,123	836	17,378	5,730	5,369	(2,118)	239,318
Other operating expense	(18,409)	(4,968)	(5,491)	(291)	(33)	4,416	(24,776)
<b>Profit from operations</b>	<b>428,455</b>	<b>127,731</b>	<b>39,611</b>	<b>36,667</b>	<b>134,459</b>	<b>1,346</b>	<b>768,269</b>
Financial income	71,246	4,377	580	1,796	22,851	(18,455)	82,395
Financial expense	(52,417)	(1,708)	(13,776)	(21,385)	(48,770)	16,157	(121,899)
Income from associates	0	0	0	196	2,131	0	2,327
<b>Profit from operations before taxes</b>	<b>447,284</b>	<b>130,400</b>	<b>26,415</b>	<b>17,274</b>	<b>110,671</b>	<b>(952)</b>	<b>731,092</b>
Taxation charge							
Current	(67,043)	(17,556)	(11,608)	(4,776)	-	-	(100,983)
Deferred	(8,227)	(20,690)	3,305	189	(19,793)	-	(45,216)
<b>Net profit for the year</b>	<b>372,014</b>	<b>92,154</b>	<b>18,112</b>	<b>12,687</b>	<b>90,878</b>	<b>(952)</b>	<b>584,893</b>

December 31, 2008							
	Construction contracts	Rental	Retail	Trade, manufacturing and others	Energy		Consolidated
<b>Assets and liabilities (*)</b>							
Segment assets	2,638,546	1,210,210	1,049,928	537,346	2,320,196		7,756,226
Investment in associates	-	-	-	39	-		39
Unallocated assets							11,286
<b>Total assets</b>	<b>2,638,546</b>	<b>1,210,210</b>	<b>1,049,928</b>	<b>537,385</b>	<b>2,320,196</b>		<b>7,767,551</b>
Segment liabilities	1,410,204	208,774	310,477	409,732	1,903,935		4,243,122
Unallocated liabilities							835
<b>Total liabilities</b>	<b>1,410,204</b>	<b>208,774</b>	<b>310,477</b>	<b>409,732</b>	<b>1,903,935</b>		<b>4,243,957</b>

September 30, 2008							
<b>Other segment information</b>							
Capital expenditures							
Property, plant and equipment(**)	87,146	10,663	46,156	4,457	22,378		170,800
Intangible assets	25	49	295	112	93		574
Investment properties	-	-	-	-	-		-
<b>Total capital expenditures</b>	<b>87,171</b>	<b>10,712</b>	<b>46,451</b>	<b>4,569</b>	<b>22,471</b>		<b>171,374</b>
Depreciation expense (**)	52,199	3,250	24,502	4,571	40,089		124,611
Amortisation	83	126	247	198	110		764

(\*) Includes balances after elimination.

(\*\*) Include capital expenditures and depreciation of joint ventures.

## Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries

### Notes to the condensed interim financial information (continued) September 30, 2009

(Amounts expressed in thousands of U.S. Dollars unless otherwise indicated. All other currencies are also expressed in thousands.)

#### 5. Segment information (continued)

(b) Geographical segments:

	Turkey	Russian Federation Kazakhstan, Tajikistan and Ukraine	Europe	North Africa and other (*)	Eliminations	Consolidated
<b>September 30, 2009</b>						
Net sales	2,407,604	1,112,503	309,616	65,716	-	3,895,439
Inter-segment sales	49,767	36,778	-	-	(86,545)	-
Segment assets	4,227,772	2,858,855	414,175	59,112	-	7,559,914
Capital expenditures	40,247	66,032	6,220	2,528	-	115,027

	Turkey	Russian Federation Kazakhstan, Tajikistan and Ukraine	Europe	North Africa and other (*)	Eliminations	Consolidated
September 30, 2008						
Net sales	2,661,914	2,261,248	337,603	40,247	-	5,301,012
Inter-segment sales	104,107	952	5,389	-	(110,448)	-
Capital expenditures	54,641	91,182	15,703	9,848	-	171,374
December 31, 2008						
Segment assets	4,221,397	3,235,324	196,967	102,538	-	7,756,226

(\*) The Group presented this segment for information purposes although the segment revenue, and asset is below 10% of total.

#### 6. Cash and cash equivalents

	September 30, 2009	December 31, 2008
Cash on hand	2,526	2,689
Cash in bank-Demand deposits	291,864	246,612
Cash in bank-Time deposits	403,140	388,067
Other	2,732	2,578
<b>Total</b>	<b>700,262</b>	<b>639,946</b>
Less: time deposits with maturity over one year classified as non current financial assets (Note 7)	-	(49,983)
Less : time deposits with maturity over three months and less than one year classified as current financial assets (Note 7)	(472)	(14,550)
<b>Cash and cash equivalents on balance sheet</b>	<b>699,790</b>	<b>575,413</b>
Less: time deposits with maturity over three months less than one year which are blocked in bank accounts as collateral	(28,547)	(23,783)
Less: time deposits with maturity less than three months which are blocked in bank accounts as collateral	(17,000)	(2,857)
<b>Cash and cash equivalents at consolidated cash flow statement</b>	<b>654,243</b>	<b>548,773</b>

## Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries

### Notes to the condensed interim financial information (continued)

September 30, 2009

(Amounts expressed in thousands of U.S. Dollars unless otherwise indicated. All other currencies are also expressed in thousands.)

#### 7. Investments available for sale and financial assets

The breakdown of current investments available for sale is as follows:

	September 30, 2009		December 31, 2008	
	Effective interest rate	Amount	Effective interest rate	Amount
Private sector bonds (international markets)	0.3%-11.95%	173,072	0.73% - 4.10%	32,893
Foreign Government bonds (international markets)	0.14%-0.79%	361,367	0.37%-7.83%	420,148
Turkish Government bonds (domestic market)		-	16.69% - 23.84%	21,551
Equity securities (international markets)		3,939	-	37,553
(domestic market)	7.57%-12.16%	16,722	-	1,970
Mutual funds (international markets)		-	-	31,263
(domestic market)		28,513	-	1,956
Time deposits with maturities more than 3 months less than one year	%2.35 - %3.00	472	0.5% - 19.75%	14,550
		<b>646,953</b>		<b>561,884</b>

#### Non-current financial assets:

	September 30, 2009		December 31, 2008	
	Effective interest rate	Amount	Effective interest rate	Amount
<b>Investments available for sale</b>				
Private sector bonds (international markets)	0.8%-14.78%	139,131	0.21% - 7.10%	50,537
Foreign Government bonds (international markets)	0.6%-6.11%	96,107	2.46% - 4.47%	27,779
Turkish Government bonds (domestic market)	8.26%-13.28%	21,314	16.99% - 22.99%	34,587
(international markets)	5.05%-10.10%	16,643	10.10% - 20.13%	5,505
Equity securities		1,312		952
		<b>274,507</b>		<b>119,360</b>
<b>Loan and receivables</b>				
Time deposits (Note 6)				
U.S. Dollars – Variable interest rate		-	Libor + (%2.55% -3.55%)	49,983
		<b>274,507</b>		<b>169,343</b>

Maximum maturities of the investments available for sale are as follows:

	September 30, 2009	December 31, 2008
Private Sector Bonds (international markets)	December 15, 2038	May 18, 2015
Foreign Government Bonds (international markets)	January 15, 2029	April 25, 2019
Turkish Government Bonds (domestic market)	February 2, 2011	January 19, 2011
Turkish Government Bonds (international markets)	February 14, 2034	March 15, 2015

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### Notes to the condensed interim financial information (continued)

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#### 7. Investments available for sale and financial assets (continued)

The details of non-current equity securities available for sale are as follows:

	September 30, 2009		December 31, 2008	
	Percentage of ownership	Amount	Percentage of ownership	Amount
Yapı ve Kredi Bankası A.Ş. (YKB) - listed	less than 1	800	less than 1	508
Bursa Serbest Bölge Kurucu ve İşleticisi A.Ş. - unlisted	1.00	150	1.00	150
Türk Sınai Kalkınma Bankası (TSKB) – listed	less than 1	151	less than 1	103
Sınai Mali Yatırım Holding – unlisted	less than 1	81	less than 1	81
Others – unlisted	-	130		110
		<b>1,312</b>		<b>952</b>

#### 8. Borrowings

	Interest rate	Original currency	September 30, 2009	
			U.S. Dollar equivalent	
<b>Short-term</b>				
Short-term bank borrowings	Euribor + 0.75% - 4.75%	EUR	6,196	9,032
	Libor + 0.75%	USD	964	964
	8.30% - 19.00%	TL	12,574	8,484
	-	JPY	212,278	2,376
Total short-term borrowings				<b>20,856</b>
<b>Long-term</b>				
Eximbank loans	Libor + 0.1% - 4.26%	USD	295,069	295,069
OPIC loan	7.54% - 7.90%	USD	133,531	133,531
OND loan	Libor + 0.625%	USD	36,629	36,629
Hermes loan	Libor + 0.70%	USD	31,358	31,358
ABN Amro loan	Libor + 1.35%	USD	42,004	42,004
Hermes loan	Euribor + (2.25% - 5%)	EUR	64,883	94,580
Other long-term bank borrowings	Libor + 1% - 7.50%	USD	51,381	51,381
	Euribor + 0.75% - 5.80%	EUR	54,075	78,824
	2.61% - 3.41%	JPY	8,875,316	99,294
Iraq related Eximbank loans		USD	80,699	80,699
		EUR	2,241	3,266
Obligations under finance leases	Libor + 1.90%	USD	1,685	1,685
	3.00%	RR	1,738,674	57,777
				<b>1,006,097</b>
Less: Current portion of long-term bank borrowings and financial lease obligations				<b>(390,916)</b>
Less: Money received from UNCC by Eximbank		USD	(31,863)	<b>(31,863)</b>
Total long-term borrowings				<b>583,318</b>

## Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries

### Notes to the condensed interim financial information (continued)

September 30, 2009

(Amounts expressed in thousands of U.S. Dollars unless otherwise indicated. All other currencies are also expressed in thousands.)

#### 8. Borrowings (continued)

			December 31, 2008	
	Interest rate	Original currency		U.S. Dollar equivalent
<b>Short-term</b>				
Short-term bank borrowings	5.90%-11.00%	EUR	10,875	15,394
	Libor +1%-9.00%	USD	6,524	6,524
	15.00%-24.00%	TL	25,431	16,816
	1.84%-1.86%	JPY	553,069	6,213
<b>Total short-term borrowings</b>				<b>44,947</b>
<b>Long-term</b>				
<b>Eximbank loans</b>				
OPIC loan	Libor + 0.10%-4.26%	USD	339,136	339,136
OND loan	7.54%-7.90%	USD	144,372	144,372
Hermes loan	Libor + 0.70%	USD	36,259	36,259
IFC Loan	Libor + 0.625%	USD	43,612	43,612
ABN Amro loan	Libor + 2.00%	USD	79,047	79,047
Hermes loan	Euribor+ (3.32%-6.19%)	EUR	68,375	96,791
<b>Other long-term bank borrowings</b>				
	Libor + 1.15%-9.00%	USD	85,373	85,374
	Euribor + 1.20%-6.19%	EUR	59,966	84,887
	1.91%-4.35%	JPY	11,174,882	125,529
<b>Iraq related Eximbank loans</b>				
		USD	80,699	80,699
		EUR	2,241	3,172
<b>Obligations under finance leases</b>				
	Libor + 1.90%	USD	1,994	1,994
	3.00%	RR	1,728,606	58,836
	4.00%-4.50%	EUR	79	113
				<b>1,179,821</b>
Less: Current portion of long-term bank borrowings and financial lease obligations				(352,701)
Less: Money received from UNCC by Eximbank				(31,863)
<b>Total long-term borrowings</b>				<b>795,257</b>

## Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries

### Notes to the condensed interim financial information (continued)

September 30, 2009

(Amounts expressed in thousands of U.S. Dollars unless otherwise indicated. All other currencies are also expressed in thousands.)

#### 8. Borrowings (continued)

Repayment schedule of long-term bank borrowings and finance lease obligations excluding Iraq related Eximbank loans are as follows:

	September 30, 2009	December 31, 2008
Less than 1 year	390,916	352,701
1-5 years	461,037	650,941
More than 5 years	70,179	92,308
Less : Current portion of long term borrowings	(390,916)	(352,701)
<b>Total long term borrowings</b>	<b>531,216</b>	<b>743,249</b>

#### 9. Trade and other accounts receivables

The breakdown of short-term trade and other receivables is as follows:

	September 30, 2009	December 31, 2008
Trade receivables, net	752,841	784,772
Notes and cheques receivables	107,938	105,447
Contract receivables	190,380	402,849
Retention receivables	56,242	34,291
Other receivables	1,820	11,286
	<b>1,109,221</b>	<b>1,338,645</b>
Less : Allowance for doubtful receivables	(25,684)	(22,383)
	<b>1,083,537</b>	<b>1,316,262</b>

Trade receivables which are withheld by the customers until the contracts are completed or, in certain instances for even longer periods, are classified as retention receivables.

## Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries

### Notes to the condensed interim financial information (continued)

September 30, 2009

(Amounts expressed in thousands of U.S. Dollars unless otherwise indicated. All other currencies are also expressed in thousands.)

#### 9. Trade and other receivables (continued)

The breakdown of long-term trade and other receivables is as follows:

	September 30, 2009	December 31, 2008
Accrued receivables from Iraq	115,116	115,116
Notes and cheques receivables	32,789	31,340
Trade receivables	3,441	2,342
Allowance for accrued receivables for Iraq losses	(53,093)	(53,093)
Money received from UNCC for the repayment of bank borrowings	(30,160)	(30,160)
Money received from UNCC by Eximbank	(31,863)	(31,863)
	<b>36,230</b>	<b>33,682</b>

#### 10. Trade and other payables

The breakdown of current trade and other payables is as follows:

	September 30, 2009	December 31, 2008
Trade payables	669,900	759,537
Advances received	284,902	500,636
Notes payable	5,447	3,144
Other payables	3,884	4,460
	<b>964,133</b>	<b>1,267,777</b>

The breakdown of non-current trade and other payables is as follows:

	September 30, 2009	December 31, 2008
Trade payables	3,353	3,474
Advances received	-	123,198
	<b>3,353</b>	<b>126,672</b>

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### Notes to the condensed interim financial information (continued)

September 30, 2009

(Amounts expressed in thousands of U.S. Dollars unless otherwise indicated. All other currencies are also expressed in thousands.)

#### 11. Costs and billings on uncompleted contracts

	September 30, 2009	December 31, 2008
Costs incurred on uncompleted contracts	2,433,028	2,717,264
Estimated earnings	130,427	222,036
	<b>2,563,455</b>	2,939,300
Less: Billings to date	<b>(2,682,722)</b>	(2,971,525)
	<b>(119,267)</b>	(32,225)

The net balance is included in the consolidated balance sheets under the following captions:

	September 30, 2009	December 31, 2008
Costs and estimated earnings in excess of billings on uncompleted contracts	-	95,911
Billings in excess of costs and estimated earnings on uncompleted contracts	<b>(119,267)</b>	(128,136)
	<b>(119,267)</b>	(32,225)

As of September 30, 2009, the amount of advances received of subsidiaries and companies shares in joint ventures is U.S. Dollars 274,638 (December 31, 2008 – U.S. Dollars 660,843).

#### 12. Other current liabilities and accrued expenses and other non-current liabilities

The breakdown of other current liabilities and accrued expenses is as follows:

	September 30, 2009	December 31, 2008
Deferred rent revenue	46,277	53,095
Payroll payable	27,469	35,116
Accrual for construction costs	30,558	28,830
Deposit taken	14,059	12,731
Taxes and funds payable	10,759	10,634
VAT payable	27,972	26,503
Accrued expenses	3,806	2,776
Vacation pay liability	4,923	5,405
Bonus accrual	2,043	12,182
Other liabilities	4,246	6,917
	<b>172,112</b>	194,189

## Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries

### Notes to the condensed interim financial information (continued)

September 30, 2009

(Amounts expressed in thousands of U.S. Dollars unless otherwise indicated. All other currencies are also expressed in thousands.)

#### 12. Other current liabilities and accrued expenses and non-current liabilities (continued)

The non current part is as follows :

	September 30, 2009	December 31, 2008
Deferred revenue (*)	830,587	766,074
Deposits taken	15,720	16,067
Deferred rent revenue	5,107	6,044
	<b>851,414</b>	<b>788,185</b>

(\*) Represents the Power Companies' deferred revenues, which is the difference between the average price recognized over the life of the project and actual charges.

#### 13. Other current and non-current assets

The breakdown of other current assets is as follows:

	September 30, 2009	December 31, 2008
Advances given	70,854	131,749
Deferred V.A.T.	20,058	15,231
V.A.T. receivable	21,925	12,790
Prepaid expenses	11,221	11,833
Prepaid taxes and funds	5,008	12,071
Other	5,103	9,589
	<b>134,169</b>	<b>193,263</b>

## Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries

### Notes to the condensed interim financial information (continued)

September 30, 2009

(Amounts expressed in thousands of U.S. Dollars unless otherwise indicated. All other currencies are also expressed in thousands.)

#### 13. Other current and non-current assets (continued)

The breakdown of other non-current assets is as follows:

	September 30, 2009	December 31, 2008
Prepayment for land leases	30,911	31,315
Prepaid expense	3,378	5,012
Restricted cash (*)	1,728	4,616
Advances given	296	1,539
Miscellaneous	5,408	3,830
	<b>41,721</b>	<b>46,312</b>

(\*) The balance is related with cash held by the Group as blocked deposit in banks for maintenance purposes for the Steam turbines of the Power Companies.

#### 14. Share capital

Based on the resolution taken at the Company's Ordinary General Assembly Meeting for year 2008 held on April 20, 2009, regarding the distribution of the year 2008 profit, the Company distributed to its shareholders for each TL 1 (one) nominal valued share TL 0.090 gross / TL 0.0765 net (as being 9% gross, 7.65% net from issued share capital) in total TL 108,000 cash as dividend, and TL 500,000 from 1st dividend and TL 100,000 from 2nd dividend, in total TL 600,000 bonus share increase (at a rate 50.00%). According to this, the company increased its share capital from TL 1,200,000 to TL 1,800,000.

As of September 30, 2009, the Company's historical issued share capital in the statutory books, is TL 1,800,000 (December 31, 2008 - TL 1,200,000), which consisted of 180,000,000,000 (December 31, 2008 - 120,000,000,000) authorized and fully paid shares each having 0.01 TL nominal value.

Within the above mentioned shares, founders of Enka İnşaat and former Enka Holding have one thousand founders share each. The founder shares of Enka İnşaat and the founder shares of former Enka Holding are entitled to receive, 5% and 2.5%, respectively, of the net income after the deduction of legal reserve and the first dividends.

The movement of the share capital (in numbers and in historical TL) of the Company during 2009 and 2008 is as follows:

	September 30, 2009		December 31, 2008	
	Number	TL	Number	TL
At January 1,	120,000,000,000	1,200,000	90,000,000,000	900,000
Shares issued in				
- transfer from extraordinary reserve	-	-	-	-
- bonus shares issued out of general reserve	60,000,000,000	600,000	30,000,000,000	300,000
At September 30/December 31,	<b>180,000,000,000</b>	<b>1,800,000</b>	<b>120,000,000,000</b>	<b>1,200,000</b>

## **Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries**

### **Notes to the condensed interim financial information (continued)**

**September 30, 2009**

(Amounts expressed in thousands of U.S. Dollars unless otherwise indicated. All other currencies are also expressed in thousands.)

#### **15. Taxation on income**

Enka İnşaat and its consolidated subsidiaries are subject to taxation in accordance with the tax procedures and the legislation effective in the countries in which they operate.

##### ***Tax legislation in Turkey***

In Turkey, the corporation tax rate effective from January 1, 2007 is reduced to 20%. Corporate tax returns are required to be filed by the twenty-fifth day of the fourth month following the balance sheet date and taxes must be paid in one installment by the end of the fourth month. The tax legislation provides for a temporary tax of 20% (December 31, 2008 - 20%) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the year.

In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes, as reflected in the consolidated financial statements, has been calculated on a separate entity basis.

Effective from January 1, 2007 capital gains derived from cash sales of participation shares that have been held for at least two years are subject to effective corporation tax rate of 5% if the gains are added to share capital. Furthermore, in the event the profit arising from the dividend receipt is not distributed or included in capital, no withholding tax shall be applicable. As a result, the Group did not recognize a deferred tax liability on the undistributed profits of subsidiaries and associates and other temporary differences pertaining to other investments in shares issued by Turkish companies, if the Company does not have the intention to sell these shares in the future.

15% (December 31, 2008 – 15%) withholding applies to dividends distributed by resident corporations to resident real persons, those who are not liable to income and corporation tax, non-resident real persons, non-resident corporations (excluding those that acquire dividend through a permanent establishment or permanent representative in Turkey) and non-resident corporations exempted from income and corporation tax. Dividend distributions by resident corporations to resident corporations are not subject to a withholding tax. Furthermore, in the event the profit is not distributed or included in capital, no withholding tax shall be applicable.

Corporate tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

The “General Communiqué” on disguised profit distribution through transfer pricing was published on the Official Gazette on November 18, 2007 by the Ministry of Finance of Turkey, to clarify the procedures and applications of the new corporate tax law. According to the General Communiqué, tax-payers should submit the form “Transfer Pricing, Controlled Foreign Corporation and Thin Capitalization” as an attachment of annual corporate tax return, the deadline of which is April 25, 2008 and they have to provide the bases and related documentation to the tax inspectors, in case of a tax inspection.

## Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries

### Notes to the condensed interim financial information (continued)

September 30, 2009

(Amounts expressed in thousands of U.S. Dollars unless otherwise indicated. All other currencies are also expressed in thousands.)

#### 15. Taxation on income (continued)

##### *Tax legislations in other countries*

As of September 30, 2009 and December 31, 2008 effective corporation tax rate in other countries are as follows:

	September 30, 2009	December 31, 2008
Russia	%20	%24
Netherlands	%25,5	%25,5
Kazakhstan	%20 - %30	%30 - %37
Nepal	%25	%25
Algeria	%25	%25
Germany	%25	%25
Ukraine	%25	%25
Tajikistan	%25	%25
Romania	%16	%16
Albania	%10	%10
Oman	%12	%12
Libya	%15 - %40	%15 - %40

The movement of the current income tax liability is given as follows:

	September 30, 2009	September 30, 2008
January 1	23,847	27,592
Current year tax expense	86,453	100,983
Taxes paid	(85,201)	(96,497)
September 30	<b>25,099</b>	<b>32,078</b>

A reconciliation of the nominal (on the basis of the income tax rate of the Company and the Turkish subsidiaries) to the effective tax rate for the years ended September 30, 2009 and 2008 is provided below:

	September 30, 2009		September 30, 2008	
	Amount		Amount	
Profit from operations before taxes	522,665		731,092	
Tax per statutory tax rate 20% (2008 - 20%)	104,533	20%	146,218	20%
Effect of unrealized financial expense	-	0%	(20,608)	(3%)
Effect of equity pick up revenue	-	0%	(465)	(0%)
Jobsites exempt from income tax	1,110	0%	(11,670)	(2%)
Effect of tax rate change and others	16,989	3%	32,724	4%
Taxation charge	<b>122,632</b>	<b>23%</b>	<b>146,199</b>	<b>20%</b>

## Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries

### Notes to the condensed interim financial information (continued)

September 30, 2009

(Amounts expressed in thousands of U.S. Dollars unless otherwise indicated. All other currencies are also expressed in thousands.)

#### 15. Taxation on income (continued)

As of September 30, 2009 and December 31, 2008, the breakdown of temporary differences which give rise to deferred taxes is as follows:

	September 30, 2009	Consolidated balance sheet December 31, 2008	Consolidated income statement, revaluation surplus and currency translation difference and change in scope of consolidation September 30, 2009	September 30, 2008
<b>Deferred income tax liabilities</b>				
Remeasurement and revaluation of property, plant and equipment, intangible assets and investment property	(425,725)	(418,584)	(7,141)	(35,568)
Adjustment for percentage of completion method on construction projects	(18)	-	(18)	503
Adjustment of revenue levelization	-	-	-	-
Deferred financial expenses	-	-	-	-
Remeasurement of inventories	(19,609)	(17,347)	(2,262)	(15,876)
Others	-	-	-	(667)
<b>Gross deferred income tax liabilities</b>	<b>(445,352)</b>	<b>(435,931)</b>	<b>(9,421)</b>	<b>(51,608)</b>
Adjustment of revenue levelization	166,117	153,215	12,902	8,364
Adjustment for percentage of completion method on construction projects	-	-	-	-
Tax loss carry-forward	32,717	65,884	(33,167)	3,190
Reserve for employee termination benefit	1,966	2,072	(106)	(355)
Allowance for doubtful receivables	781	362	419	(464)
Fair value adjustments on AFS portfolio	1,147	4,233	(3,086)	-
Deferred financial expenses	499	841	(342)	837
Others	3,043	7,851	(4,808)	5,085
<b>Gross deferred income tax assets</b>	<b>206,270</b>	<b>234,458</b>	<b>(28,188)</b>	<b>16,657</b>
<b>Net deferred tax liability</b>	<b>(239,082)</b>	<b>(201,473)</b>	<b>(37,609)</b>	<b>(34,951)</b>

Reflected as:

	September 30, 2009	December 31, 2008
Deferred tax assets	32,875	69,743
Deferred tax liabilities	(271,957)	(271,216)
<b>Net deferred liabilities</b>	<b>(239,082)</b>	<b>(201,473)</b>

## Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries

### Notes to the condensed interim financial information (continued)

September 30, 2009

(Amounts expressed in thousands of U.S. Dollars unless otherwise indicated. All other currencies are also expressed in thousands.)

#### 15. Taxation on income (continued)

Movement of net deferred tax asset (liability) can be presented as follows:

	September 30, 2009	September 30, 2008
Balance at January 1, of Enka İnşaat and its subsidiaries	201,473	185,307
Balance at January 1, of the joint ventures	1,276	(2,414)
Balance at January 1	202,749	182,893
Deferred income tax benefit / (expense) recognized in income statement	36,179	45,216
Deferred income tax expense / (benefit) recognized in equity	3,165	3,595
Translation loss	(3,587)	(9,600)
	<b>238,506</b>	<b>222,104</b>
Of which:		
Balance at September 30, of Enka İnşaat and its subsidiaries	239,082	220,258
Balance at September 30, of the joint ventures	(576)	1,846

#### 16. Commitments and contingencies

##### Operating lease commitments – Group as lessee

Future minimum lease payments under non-cancellable operating leases of the Group due to its operations in Russia as of September 30, 2009 and December 31, 2008 are as follows:

	September 30, 2009	December 31, 2008
Within one year	16,718	14,130
After one year but not more than five years	52,180	45,955
More than five years	67,861	60,327
	<b>136,759</b>	<b>120,412</b>

##### Operating lease commitments – Group as lessor

The minimum future rental income of the Group under non-cancelable operating leases at September 30, 2009 and December 31, 2008 is as follows:

	September 30, 2009	December 31, 2008
Within one year	272,690	288,506
After one year but not more than five years	612,545	688,095
More than five years	376,339	155,108
	<b>1,261,574</b>	<b>1,131,709</b>

## **Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries**

### **Notes to the condensed interim financial information (continued) September 30, 2009**

(Amounts expressed in thousands of U.S. Dollars unless otherwise indicated. All other currencies are also expressed in thousands.)

#### **16. Commitments and contingencies (Continued)**

##### **Litigations**

- In the year 2004, a case is opened against Enka Pazarlama, one of the consolidated subsidiaries, regarding the non-compliance with respect to the payment of the period commissions of the guarantee given by a local bank in favor of Iran GTC Company. The Group management believes that the case will result in favor of the Group.

##### **Others**

- The operations and financial positions of the companies operating in Russia may be impacted by the political, monetary and fiscal practices that may be applied in the Russian Federations. As of September 30, 2009 and December 31, 2008, the Group does not believe that any material matters exist relating to fiscal and regulatory environment in Russia, including current pending or future governmental claims and demands, which would require adjustment to the consolidated financial statements in order for those statements not to be misleading.

- The Group has signed a pledge and assignment agreement dated as of October 27, 2000, with Westdeutsche Landesbank Girozentrale Istanbul Branch (Onshore Collateral Agent) in return of the loans obtained by the Power Companies. The Group has pledged and assigned all of its shares in these companies to the Onshore Collateral Agent for the benefit of the financial institutions.

- As of September 30, 2009, the Group has outstanding letters of guarantee and collaterals amounting to U.S. Dollars 755,490 (December 31, 2008 – U.S. Dollars 1,476,037) obtained from various banks and given to local and foreign banks, custom authorities, local and foreign government institutions and contract parties for contract advances, project transactions and bank borrowings obtained, of which U.S. Dollars 213,630 (December 31, 2008 - U.S. Dollars 302,861) are related to joint ventures.

- There are some existing and probable lawsuits against Enka TC by tax authorities with mainly respect to VAT and corporate tax calculations. The Group has reflected provision, amounting U.S. Dollars 6,421 (December 31, 2008 - U.S. Dollars 7,188), related to those filings in its consolidated financial statements.

- As of September 30, 2009, Pimaş has export commitments at the amount of TL 9,750 (December 31, 2008 – TL 14,125 & U.S. Dollars 2,000) and Euro 1,000 (December 31, 2008 – Euro 1,000) with respect to the foreign currency loans with export commitments.

- Due to global financial crisis and the ensuing difficulty of some investors in accessing to credit lines, termination agreements have been signed with job owners to stop the construction activities of some projects in Russia – Tverskaya Zastava underground mall, Paveletskaya Sqaure underground shopping center, Donstroy II office and shopping center. Completed all with positive net margin, turnover portions of these three terminated projects in the contracting segment are 3% and 5% in consolidated financial statements as of September 30, 2009 and December 31, 2008, respectively. Furthermore, construction of the office and hotel building project on Plot 4 in Moscow City, which had been ceased during the first six months of 2009, has been restarted at the end of the third quarter. As of September 30, 2009, the Group has unbilled progress claims from its foreign worksite job owner amounting to U.S. Dollars 71,827 which are currently in the legal process regarding the termination of OASIS office complex project. The job owner has counter claims amounting to U.S. Dollars 69,400.

## Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries

### Notes to the condensed interim financial information (continued)

September 30, 2009

(Amounts expressed in thousands of U.S. Dollars unless otherwise indicated. All other currencies are also expressed in thousands.)

#### 17. Deferred Tax on Comprehensive Income

	September 30, 2009			September 30, 2008		
	Other comprehensive income before tax	Net deferred income tax	Other comprehensive income, net of tax	Other comprehensive income before tax	Net deferred income tax	Other comprehensive income, net of tax
<b>Deferred income tax relating to other comprehensive income</b>						
Change in unrealized gain / (loss) on available-for-sale investments	36,455	(7,291)	29,164	(18,908)	3,781	(15,127)
Change in revaluation of fixed assets	-	-	-	-	-	-
Change in fair value adjustment on derivative assets	1,751	(350)	1,401	1,936	(387)	1,549
Change in currency translation difference	(11,327)	-	(11,327)	(74,428)	-	(74,428)
Loss / income from retirement liability provision	-	-	-	-	-	-
Loss / income from associates	-	-	-	-	-	-
<b>Total</b>	<b>26,879</b>	<b>(7,641)</b>	<b>19,238</b>	<b>(91,400)</b>	<b>3,394</b>	<b>(88,006)</b>

## Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries

### Notes to the condensed interim financial information (continued)

September 30, 2009

(Amounts expressed in thousands of U.S. Dollars unless otherwise indicated. All other currencies are also expressed in thousands.)

#### 18. Related party balances and transactions

##### Related parties

Parties are considered related to the Group if;

- (a) directly, or indirectly through one or more intermediaries, the party:
- (i) controls, is controlled by, or is under common control with, the Group (this includes parents, subsidiaries and fellow subsidiaries);
  - (ii) has an interest in the Group that gives it significant influence over the Group; 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 Group is a venturer;
- (d) the party is member of the key management personnel of the Company or 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, jointly 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 Group, or of any entity that is a related party of the Group.

The Group is controlled by Tara Holding (48.63%) and Tara and Gülçelik families (28.64%). For the purposes of the consolidated financial statements, balances with the shareholder companies, individual shareholders, unconsolidated subsidiaries, associated companies, equity participations and their affiliates are referred to as "related parties". Related parties also include management and members of the Group's Board of Directors.

In the course of conducting business, the Group conducted various business transactions with related parties on commercial terms. The breakdown of balances with related parties and details of significant related party transactions are as follows:

(a) Trade receivables/payables

	September 30, 2009		December 31, 2008	
	Receivables	Payables	Receivables	Payables
Associates				
Gretch Unitas	-	-	-	126
Other				
Derince Uluslararası Konteyner Terminal İşletmeciliği A.Ş. (Derince)	397(*)	-	865(*)	-
	<b>397</b>	<b>-</b>	<b>865</b>	<b>126</b>

(\*) Funds provided by the Group (in U.S. Dollars) with interest rates Libor + 0.5%.

## Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries

### Notes to the condensed interim financial information (continued)

September 30, 2009

(Amounts expressed in thousands of U.S. Dollars unless otherwise indicated. All other currencies are also expressed in thousands.)

#### 18. Related party balances and transactions (continued)

(b) Other receivables/payables

	September 30, 2009		December 31, 2008	
	Receivables	Payables	Receivables	Payables
Shareholders	288	926	10,420 (*)	710
	288	926	10,420	710

(\*) Funds provided by the Group (in U.S. Dollars) to shareholders with interest rates Libor + 2%.

#### Directors' remuneration

The executive management of the Group received remuneration totaling U.S. Dollars 14,347 (September 30, 2008 – U.S. Dollars 17,531). As of September 30, 2009, the social security payment and accrued full retirement pay liability is U.S. Dollars 1,080 (September 30, 2008 – U.S. Dollar 1,088) and U.S. Dollar 1,672 (December 31, 2008 – U.S. Dollar 1,686) respectively.

#### 19. Financial risk management objectives and policies

The Group's principal financial instruments comprise bank loans, investment securities, finance leases, cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The board / management reviews and agrees policies for managing each of these risks. The Group monitors the market price risk arising from all financial instruments periodically.

#### Foreign currency risk

The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to Euro, Russian Ruble and also U.S. Dollar which arises from the liabilities belonging to the companies in the consolidation scope, whose the functional currency is not U.S. Dollar.

The Group is engaged in construction, trading, energy and real estate operations business in several countries and, as a result, is exposed to movements in foreign currency exchange rates. In addition to transactional exposures, the Group is also exposed to foreign exchange movements on its net investments in foreign subsidiaries. The Group manages foreign currency risk by using natural hedges that arise from offsetting foreign currency denominated assets and liabilities.

The foreign currency risk of the Group arises from the credits used in U.S. Dollars and Euro. In order to mitigate the risk, the Group continuously monitors its cash inflows/outflows and also uses financial instruments to hedge the risk when it is necessary.

## Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries

### Notes to the condensed interim financial information (continued)

September 30, 2009

(Amounts expressed in thousands of U.S. Dollars unless otherwise indicated. All other currencies are also expressed in thousands.)

#### 19. Financial risk management objectives and policies (continued)

	September 30, 2009						
	TL	USD equivalent	Euro	USD equivalent	Other USD (*)	USD (**)	Total USD equivalent
Cash and cash equivalents	63,206	42,649	117,380	171,104	67,291	107,112	388,156
Investments available-for-sale	41,051	27,700	270,968	394,988	19,691	64,974	507,353
Trade and other receivables	302,951	204,420	102,144	148,894	68,935	15,065	437,314
Other current assets	34,820	23,495	3,302	4,814	21,626	676	50,611
Company's share in current assets of joint ventures	-	-	206	300	30,226	80	30,606
<b>Current assets</b>	<b>442,028</b>	<b>298,264</b>	<b>494,000</b>	<b>720,100</b>	<b>207,769</b>	<b>187,907</b>	<b>1,414,040</b>
Investments available-for-sale(Long-term)	24,970	16,849	60,792	88,617	-	-	105,466
Trade and other receivables	-	-	19,727	28,756	4,397	83	33,236
Other non-current assets	1,825	1,231	2,570	3,747	1,593	5,484	12,055
Company's share in non-current assets of joint ventures	-	-	-	-	4,464	-	4,464
<b>Non-current assets</b>	<b>26,795</b>	<b>18,080</b>	<b>83,089</b>	<b>121,120</b>	<b>10,454</b>	<b>5,567</b>	<b>155,221</b>
<b>Total assets</b>	<b>468,823</b>	<b>316,344</b>	<b>577,089</b>	<b>841,220</b>	<b>218,223</b>	<b>193,474</b>	<b>1,569,261</b>
Short-term borrowings	501	337	74,128	108,056	44,917	93,426	246,736
Trade payables	334,027	225,389	6,103	8,896	12,018	7,325	253,628
Other payables (short-term)	531	358	48,674	70,952	7,775	2,604	81,689
Other current liabilities and accrued expenses	40,572	27,376	12,784	18,635	38,972	13,242	98,225
Company's share in current liabilities of joint ventures	-	-	227	330	51,079	16,706	68,115
<b>Current liabilities</b>	<b>375,631</b>	<b>253,460</b>	<b>141,916</b>	<b>206,869</b>	<b>154,761</b>	<b>133,303</b>	<b>748,393</b>
Trade payables	-	-	2,300	3,353	-	-	3,353
Long term borrowings	-	-	54,018	78,741	68,118	837	147,696
Other payables (long-term)	-	-	-	-	1,850	-	1,850
Other non-current liabilities and accrued expenses	9	6	111	162	-	320	488
Company's share in non-current liabilities of joint ventures	-	-	-	-	-	-	-
<b>Non-current liabilities</b>	<b>9</b>	<b>6</b>	<b>56,429</b>	<b>82,256</b>	<b>69,968</b>	<b>1,157</b>	<b>153,387</b>
<b>Total liabilities</b>	<b>375,640</b>	<b>253,466</b>	<b>198,345</b>	<b>289,125</b>	<b>224,729</b>	<b>134,460</b>	<b>901,780</b>
<b>Net foreign currency position</b>	<b>93,183</b>	<b>62,878</b>	<b>378,744</b>	<b>552,095</b>	<b>(6,506)</b>	<b>59,014</b>	<b>667,481</b>
<b>Net notional amount of derivatives</b>							
<b>Hedging ratio of foreign exchange liabilities</b>							
<b>Export</b>	<b>2,575</b>	<b>1,643</b>	<b>154,523</b>	<b>210,724</b>	<b>794</b>	<b>2,406</b>	<b>215,567</b>
<b>Import</b>	<b>-</b>	<b>-</b>	<b>84,680</b>	<b>115,479</b>	<b>42,255</b>	<b>19,713</b>	<b>177,447</b>

(\*) U.S. Dollar equivalents of the foreign currency balances other than TL and Euro.

(\*\*) U.S. Dollar balances of consolidated subsidiaries and joint ventures whose functional currency is other than U.S. Dollar.

## Enka İnşaat ve Sanayi Anonim Şirketi and Its Subsidiaries

### Notes to the condensed interim financial information (continued)

September 30, 2009

(Amounts expressed in thousands of U.S. Dollars unless otherwise indicated. All other currencies are also expressed in thousands.)

#### 19. Financial risk management objectives and policies (continued)

	December 31, 2008						
	TL	USD equivalent	Euro	USD equivalent	Other USD (*)	USD (**)	Total USD equivalent
Cash and cash equivalents	18,045	9,132	119,394	167,613	48,825	86,835	312,405
Investments available-for-sale	14,965	12,694	247,571	351,861	18,767	4,090	387,412
Trade and other receivables	137,659	91,026	75,460	106,821	57,001	5,020	259,868
Other current assets	32,938	21,781	19,004	26,902	4,540	9,588	62,811
Company's share in current assets of joint ventures	-	-	355	503	3,623	188	4,314
<b>Current assets</b>	<b>203,607</b>	<b>134,633</b>	<b>461,784</b>	<b>653,700</b>	<b>132,756</b>	<b>105,721</b>	<b>1,026,810</b>
Investments available-for-sale(long-term)	53,593	35,439	54,361	76,955	1,360	49,983	163,737
Trade and other receivables	-	-	20,147	28,520	4,031	71	32,622
Other non-current assets	2,605	1,723	3,225	4,565	3,244	5,326	14,858
Company's share in non-current assets of joint ventures	-	-	-	-	-	-	-
<b>Non-current assets</b>	<b>56,198</b>	<b>37,162</b>	<b>77,733</b>	<b>110,040</b>	<b>8,635</b>	<b>55,380</b>	<b>211,217</b>
<b>Total assets</b>	<b>259,805</b>	<b>171,795</b>	<b>539,517</b>	<b>763,740</b>	<b>141,391</b>	<b>161,101</b>	<b>1,238,027</b>
Short-term borrowings	260	172	73,173	103,584	45,305	67,276	216,337
Trade payables	138,910	91,853	18,483	26,165	41,610	5,061	164,689
Other payables (short-term)	61	40	64,871	91,831	19,566	17,528	128,965
Other current liabilities and accrued expenses	45,715	30,229	15,702	22,227	25,501	10,478	88,435
Company's share in current liabilities of joint ventures	1	1	242	343	16,693	6,750	23,787
<b>Current liabilities</b>	<b>184,947</b>	<b>122,295</b>	<b>172,471</b>	<b>244,150</b>	<b>148,675</b>	<b>107,093</b>	<b>622,213</b>
Trade payables	-	-	2,352	3,329	-	-	3,329
Long-term borrowings	-	-	68,400	96,827	72,038	103,668	272,533
Other payables (long-term)	-	-	464	657	-	-	657
<b>Non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>71,216</b>	<b>100,813</b>	<b>72,038</b>	<b>103,668</b>	<b>276,519</b>
<b>Total liabilities</b>	<b>184,947</b>	<b>122,295</b>	<b>243,687</b>	<b>344,963</b>	<b>220,713</b>	<b>210,761</b>	<b>898,732</b>
<b>Net foreign currency position</b>	<b>74,858</b>	<b>49,500</b>	<b>295,830</b>	<b>418,777</b>	<b>(79,322)</b>	<b>(49,660)</b>	<b>339,295</b>
<b>Net notional amount of derivatives</b>	<b>16,607</b>	<b>10,981</b>	<b>(6,000)</b>	<b>(8,494)</b>	<b>14,971</b>	<b>18,700</b>	<b>36,158</b>
<b>Hedging ratio of foreign exchange liabilities</b>	<b>22%</b>		<b>(2%)</b>		<b>(19%)</b>	<b>(38%)</b>	
<b>Export</b>	<b>-</b>	<b>-</b>	<b>68,491</b>	<b>96,956</b>	<b>623</b>	<b>3,996</b>	<b>101,575</b>
<b>Import</b>	<b>5,103</b>	<b>3,374</b>	<b>175,297</b>	<b>248,150</b>	<b>161,470</b>	<b>67,368</b>	<b>480,362</b>

(\*) U.S. Dollar equivalents of the foreign currency balances other than TL and Euro.

(\*\*) U.S. Dollar balances of consolidated subsidiaries and joint ventures whose functional currency is other than U.S. Dollar.

#### 20. Subsequent Events

None.