GLOBAL
INVESTMENT HOLDINGS

ANNUAL REPORT 2009

INDEX

DISCLAIMER

The projects and activities described in this Annual Report are undertaken through a number of different companies ("Affiliates") affiliated with Global Yatırım Holding A.Ş. (the "Global 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 2009. 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 U.S. 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 U.S. 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 İstanbul, Turkey. The registered headquarters of the Company are Rıhtım Caddesi No:51, Karaköy 34425, İstanbul, Turkey.

Global Investment Holdings is subject to regulation by the Turkish Capital Markets Board ("CMB") and the İstanbul Stock Exchange ("ISE"). Other Group companies are subject to the regulations of the capital markets or other regulatory authorities having jurisdiction over them.

GLOBAL
INVESTMENT HOLDINGS

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 U.S. dollars announced by the Turkish Central Bank, expressed as the number of New Turkish Lira per U.S. 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

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 ("U.S.A.") unit of weight equivalent to 2,000 pounds.

References to a "tonne," or "tonnes," in contrast, would refer to the unit of weight generally used worldwide, except in the U.S.A., and 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

CHAIRMAN'S MESSAGE

In the 2009 operating year, the global fiscal, banking and liquidity crises struck Turkey with the same ferocity with which such crises destroyed value in financial markets and assets worldwide.

As a result, in 2009, Turkey experienced decreases in corporate earnings due to lower commercial trading volumes; diminished corporate lending activity; distressed stock prices; and increased corporate funding costs. We attribute these aspects of the global financial crisis primarily to the implosion of Wall Street following the failures of the United States' sub-prime mortgage and synthetic, mortgage-based financial instruments ("CDOs") markets. The impact of the U.S. financial market failures was amplified by the fact that many western European and other foreign banks had exposure to the financial instruments which had emerged during the U.S. subprime crisis.

Unlike many of its American and western European counterparts, however, Turkey had undertaken, in 2001, an extensive overhaul of its banking system in response to this country's bank crises of that era.

As a result, after three quarters of results in 2009 which were lower than those seen in 2008, Turkey appears to have leveled off and begun to recover.

The same is true of Global Investment Holdings.

Our activities in 2009

We entered the year having recorded our worst-ever annual loss on the back of weakness in the Turkish Lira. Fortunately, this was a paper loss, which gradually reversed over the course of the year. However, in order to improve our balance sheet and show our investors and lenders that–even in the middle of a crisis – our assets were considerably greater than our balance sheet, we disposed of assets then accounting for 14% the total value of our balance sheet for a realized gain of TL110.0mn, 53% of our end-2008 equity. As a result of this restructuring, the Company has significantly strengthened its balance sheet.

The Company has also closed down unviable business divisions and moved ahead with a wide-ranging reorganization which contained costs.

As a result, we sharply reduced our debt.

At the end of 2008, our net debt stood at TL266mn. By the end of 2009, this had been slashed to TL77mn. In 2009, a year when debt markets effectively ceased functioning, the Company realized significant cash inflow through asset sales and improvement of operational efficiencies. The cash generated from assets sales was used mainly to repay short term financial debt and thereby strengthen the short term liquidity position of the Group.

While borrowing conditions are improving, we have decided to use this to reduce our debt service costs rather than increase long term borrowing. Short term borrowing may increase, subject to our ability to lend the money through in our finance division.

Turkey in 2010

It is our belief that Turkey is currently in an accelerated recovery. Industrial production, imports, and tax receipts point to a jump in activity over 2009. We are forecasting growth of above 6% in GDP this year.

However, it is our considered view that world economic activity will not normalize for some years yet. For instance, the debt burden of the developed world has increased dramatically. The apparently permanent AAA rating awarded to major international centers of finance is in question. Recently, we have watched as Greece tottered towards sovereign default, only to be saved a massive bail-out package for the European Union (the "EU") structured by the European Central Bank (the "ECB") and the International Monetary Fund (the "IMF"). The emergency funding facility agreed between the EU and the IMF is estimated to be worth as much as US$930 billion in loan guarantees and credit extended to stabilize the Euro zone.

Turkish sovereign borrowing in Euros is now cheaper than that demanded by the markets for lending to Greece. While this shows the resilience of the Turkish economy and is the natural result of the transformation of the Turkish economy over the past decade, it is not something to be happy about.

If there is a malaise in international financial centers and if the already slow-growth Euro zone will be under pressure for some years to come, Turkey's prospects are likely to be more circumscribed. In the 1980s and 1990s it was said that Turkey had huge potential, if only she reformed. Well, Turkey has now largely reformed, but cannot grow at full potential due to the weakness of her major funding centers, strategic partners, and continued weakness in some worldwide trading sectors. However, we are fortunate in that the Turkish economy, with its young demographic and significant population, can count upon domestic demand as a main driver of our country's growth. The strength of the banking system and the relative health of Government finances should at least allow domestic consumer and investment spending to rise.

Global Investment Holdings in 2010

Global Investment Holdings' mission in 2010 is no different to its mission in previous years: We aim to be profitable, and we aim to continue growing rapidly in our key business segments.

I would like to remind our investors that Global Investment Holdings is a hybrid – a cross between a private equity (or to some, a "merchant banking") firm – and a conglomerate.

We do not necessarily wish to divest ourselves of any of our current holdings, but will certainly do so if we can find a good price. At the same time, we will always be on the lookout for new opportunities, whether in our existing fields of business or others.

A private equity firm does not expect to make money in all of its ventures.

Similarly, while we are careful in where we divert our management and financial resources (even more so after the salutary effects of 2008-2009), we recognize that what may seem to be a good idea today may look rather different in a few years' time. At the same time, very short term returns on some parts of our portfolio have exceeded 100%. Likewise, we do not like to limit our interests to a rigid formula.

Not only are we concerned about turning into an old-fashioned Turkish holding, but we are aware that by doing so, we could cut ourselves off from new opportunities.

In the words of the vastly successful, inspirational sage from Omaha: "You do things when the opportunities come along. I've had periods in my life when I've had a bundle of ideas come along, and I've had long dry spells. If I get an idea next week, I'll do something. If not, I won't do a damn thing."

There is no fault in emulating the best.

Insofar as we can see the future, it appears that our commitment to cruise and commercial ports will continue. While the İzmir Port privatization venture ended due to a combination of administrative legal entanglements; the global credit crisis; the related concerns of our strategic and banking partners; and the fact that the transaction was operationally too complex, and (at US$1.275 billion) economically, too large for us to undertake alone, we intend to expand our Port Infrastructure Division over the foreseeable future. Ports have provided and should continue to contribute a stable, rising EBITDA to our operations. Ege Ports - Kuşadası has shown strong growth in both passenger and ship arrivals since its privatization in 2003. Indeed, we are pleased to have bought out, subject to regulatory approvals, our co-shareholders in the mixed commercial and cruise operations of Port Akdeniz - Antalya.

In energy, we continue to analyze closely the prospects for coal-fired thermal plants supplied in part by our own mines. Our co-operation with China National Machinery & Equipment Import & Export Corporation (the "CMEC") is expected to result in the start of construction of a 270 MW plant in 2010, ready for operations in 2013.

Also in the energy segment, with respect to our gas distribution investee company, Energaz Gaz Elektrik Su Dağıtım A.Ş. ("Energaz"), we have decided, in coordination with our joint venture partner, STFA Holding Co. (a well known Turkish conglomerate operating in sectors including construction and oil and gas) to restructure the shareholding of Engergaz by buying out local minority investors in order to grow the business to its full potential.

In its first five years of operation, Energaz grew to be the largest private sector gas distribution company in Turkey, with 400,000 subscribers and gas sales of close to one billion cubic meters. As new licenses are obtained, Energaz is expanding into the gas import and wholesale of gas businesses, where the margins can be more lucrative than in distribution alone.

Moreover, Turkey's national natural gas tariff, which was fixed for the first eight years of operation for each region, is being reviewed by the Turkish Energy Market Regulatory Authority ("EMRA"), and it is our belief that commencing in 2011, our gas retail margins will be pari passu with our European counterparties, and that Energaz through the combination of both trading and retailing, will be a substantial player in the market.

Next, Turkey's retailing and real estate sectors are expected to recover in the second half of 2010. This recovery will neatly coincide with the final phases of the Denizli mixed-use shopping mall, residential, hotel and hospital project.

Of the remaining companies, the largest continues to be Global Securities, our brokerage subsidiary. Having concluded 2009 with a profit, we are very pleased with its performance. We are also cognizant of the positive externalities that it provides. However, we continue to believe that that company would flourish as part of a larger investment banking group, to its benefit and ours. We feel no pressure to sell; we feel no pressure to keep it indefinitely.

Other ventures will be evaluated as the dynamic and rapidly evolving nation of Turkey continues to offer investment opportunities in all emerging sectors of the economy..

Yours sincerely,

Mehmet Kutman
Chairman and Chief Executive Officer
Global Yatirim Holding A.S.

In Summary

The Global Investment Holdings group (the "Global Holdings Group," the "Group" or the "Company") owns a diversified portfolio of investments in a number of business segments in Turkey, including cruise ship and commercial ports, energy distribution, real estate development, and non-banking financial services.

The Global Holdings Group is listed on the İstanbul Stock Exchange under the ticker symbol "GLYHO.IS."

The Company focuses on enhancing shareholder value and returns by investing in those sectors identified by Company management as having high growth potential, a likelihood for a high rate of return; which are characterized by geographic, technical, "first mover" or other barriers to competition; and those sectors which enhance the Group's diversification to risk.

The diversification within the Company's business portfolio reduces the overall risk exposure of the Group, and decreases the likelihood of over-reliance on particular business segments or on particular sectors of the Turkish and world economies.

Although the Company, in moving toward a diversified holding business model, namely by entering into new business segments assessed as having potential synergies with the Group's existing businesses, Group management also reserves to itself the flexibility in periods of chaotic world markets and regional fiscal tumult, to evaluate opportunities in new businesses with high expected returns, but which may appear to have short term relevance to current Group businesses.

The Group's lean management structure has also permitted it to surface value in businesses which it has both originated and developed by disposing of such businesses, when needed, to serve the Group's ongoing financing requirements.

See "Company Overview – Recent Business Developments" and "Business Divisions – Other Businesses."

At present, the Global Holdings Group comprises four principal business divisions:

• The Port Infrastructure Division, principally cruise ship sea port and commercial sea port operations in the Republic of Turkey ("Turkey");

• The Energy Division, including natural gas distribution concessions and investments, principally in thermal power generation projects (see “Company Overview – Recent Business Developments”);

• The Real Estate Division, including mixed-use commercial, residential and holiday resort development planned and existing developments; and

• The Finance Division, which comprises non-banking financial services, including brokerage, research, and asset management. Parallel with the Company’s aggressive business development and investments, in particular, with respect to the port infrastructure and energy sector divisions of the Group's business, these divisions are evolving into stand-alone operations with local, experienced management teams carrying on day-to-day operations.

From the standpoint of operations and business growth, the Company's Divisions operate, largely, on an independent basis and maintain flexibility to develop their respective areas of operation, subject to the general management, risk control measures, and overarching corporate and financing strategies formulated by senior management at the Global Holdings Group.

During recent years, the Holding has, with greater frequency, identified attractive port infrastructure and energy opportunities as the Turkish economy has undergone a surge of growth, privatization and macro-economic and finance sector structural changes.

The Global Holdings Group has continued to pioneer investments, and to expand its existing portfolio of businesses, with a particular focus on such sectors.

The Company’s existing and potential operations in various sectors are highlighted in this 2009 Annual Report.

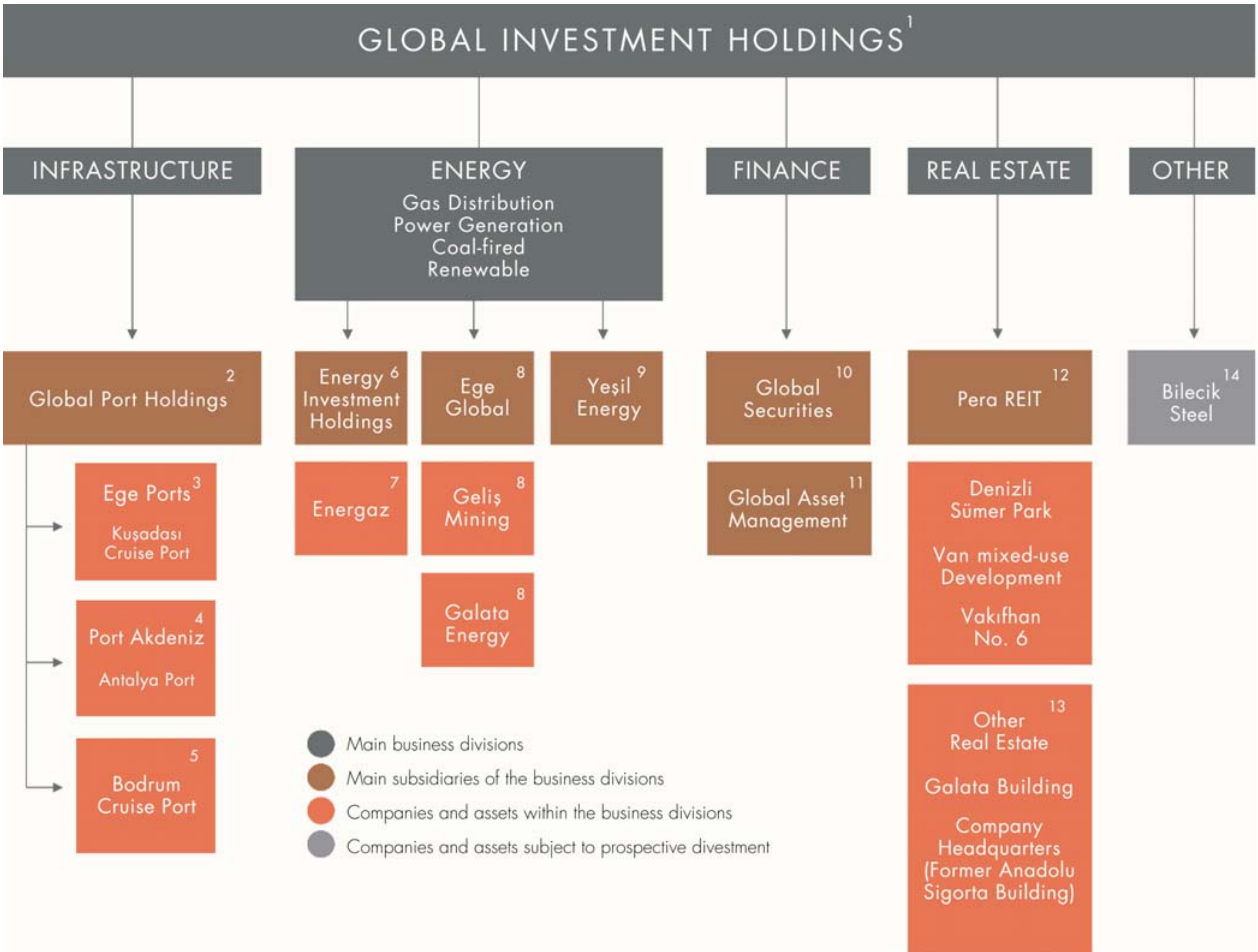
Going forward, the Company intends to increase efficiency in its existing businesses and operations. The Group plans further to pursue investments in cruise and commercial seaports, and to become a major seaport operator in the Mediterranean and Marmara Seas and, possibly, in regional waters.

The Company also continues to evaluate the enlargement of its power generation business and, to this end, is appraising the further development of its high-yield coal-fired power plant located in Şırnak, southeastern Turkey.

As the Global Holdings Group has developed substantial holdings in the Turkish port infrastructure and energy sectors, the Company intends to create further value by re-assessing and, if necessary, rebalancing, its present business portfolio. Accordingly, the Company may, from time to time, evaluate the potential divestiture of, or the formation of strategic partnerships in connection with, certain of its existing business lines with a view to future financing required for the expansion of its ports and coal-fired power generation businesses.
See “Recent Business Developments”

Further to the foregoing discussion, the Global Holdings Group’s evaluation of the current environment of challenging changing credit markets proved to be an important factor in the decision by the Company, in 2009, to enter into an agreement to sell a 95% stake in the Group subsidiary holding its hydroelectric power generation projects. The sale, to a leading European renewable energy operator was successfully completed in June 2009 for consideration of US$137 million, representing an internal rate of return ("IRR") on such investment of 110%.

OVERVIEW OF BUSINESS AND OPERATIONS



The business divisions of the Global Holdings Group, including the principal companies operating in each such division, are set forth in the following diagram. The information presented below is given as at 31 March 2009 except as otherwise noted:

Notes:

1. For a list of consolidated entities as at 31 December 2009, see Note 1 to the Consolidated Financial Statements.
2. Global Liman İşletmeleri A.Ş. ("Global Port Holdings") is currently owned as to 99.9% owned by the Global Holdings Group.
   See "Business Divisions – Port Infrastructure Division – Global Port Holdings".
3. Ege Liman İşletmeleri A.Ş. ("Ege Ports") is owned as to 72.5% by Global Port Holdings.
   See "Business Divisions – Port Infrastructure Division – Global Port Holdings - Ege Ports".
4. Ortadoğu Antalya Liman İşletmeleri A.Ş. ("Port Akdeniz") is owned as to 40.0% by Global Port Holdings.
   See "Business Divisions – Port Infrastructure Division – Global Port Holdings - Port Akdeniz".
5. Bodrum Yolcu Limanı İşletmeleri A.Ş. ("Bodrum Cruise Port") is owned as to 60.0% by Global Port Holdings.
   See "Business Divisions – Port Infrastructure Division – Global Port Holdings – Bodrum Cruise Port".
6. Enerji Yatırım Holding A.Ş. ("Energy Investment Holdings" or "EIH") is owned as to 50.0% by the Global Holdings Group.
   See "Business Divisions – Energy Division – Natural Gas Distribution - Energaz".
7. Energaz Gaz Elektrik Su Dağıtım A.Ş. ("Energaz") is owned as to 53.0% by Energy Investment Holdings.
   See "Business Divisions – Energy Division – Natural Gas Distribution - Energaz".
8. Galata Enerji Üretim San. ve Tic. A.Ş. ("Galata Enerji") and Geliş Madencilik Enerji İnşaat Ticaret A.Ş. ("Geliş Madencilik") are owned as to 60.0% by Ege Global Madencilik San. ve Tic. A.Ş. ("Ege Global"), which in turn, is owned as to 85.0% by the Global Holdings Group.
   See "Business Divisions – Energy Division – Power Generation - Ege Global".
9. Prior to 23 June 2009, Yeşil Enerji Üretim San. ve Tic. A.Ş. ("Yeşil Enerji") was owned as to 99.9% by the Global Holdings Group. An agreement to sell 95.0% of Yeşil Enerji was executed with Statkraft A.S. ("Statkraft") on 18 March 2009, and the conclusion of the purchase and sale by Statkraft of 95% of Yeşil Enerji was realized on 23 June 2009.
   See "Business Divisions-Energy Division-Power Generation -Yeşil Enerji" and "Recent Business Developments."
10. Global Menkul Değerler A.Ş. ("Global Securities") is owned as to 99.9% by the Global Holdings Group.
    See "Business Divisions – Finance Division – Global Securities".
11. Global Portföy Yönetimi A.Ş. ("Global Asset Management") is owned as to 99.9% by the Global Holdings Group.
    See "Business Divisions – Finance Division – Global Asset Management".
12. Pera Gayrimenkul Yatırım Ortaklığı A.Ş. ("Pera REIT") is a publicly quoted real estate investment trust traded on the ISE and as at 31 March 2010, was 26.14% owned by the Global Holdings Group.
    See "Business Divisions – Real Estate Division – Pera REIT and Joint Real Estate Projects".
13. The Galata Building (also known as "Veli Alemdar Han") and the Global Holdings Group's headquarter building (formerly the Anadolu Sigorta headquarters building) are owned as to 100.0% by the Global Holdings Group.
    See "Business Divisions – Real Estate Division – Other Real Estate Projects".
14. Bilecik Demir Celik Sanayi ve Ticaret A.Ş. ("Bilecik Steel") is owned as to 40.0% by the Global Holdings Group.
    See "Business Divisions – Other Group Businesses – Bilecik Steel".

THE GLOBAL HOLDINGS GROUP CONSOLIDATED FINANCIAL HIGHLIGHTS

Financial highlights for the Group's projects and businesses, classified into divisions under the categories Port Infrastructure[1], Energy[2], Holding and Finance[3], and Other[4] for the year ended 31 December 2009, are set forth below in summary consolidated form:

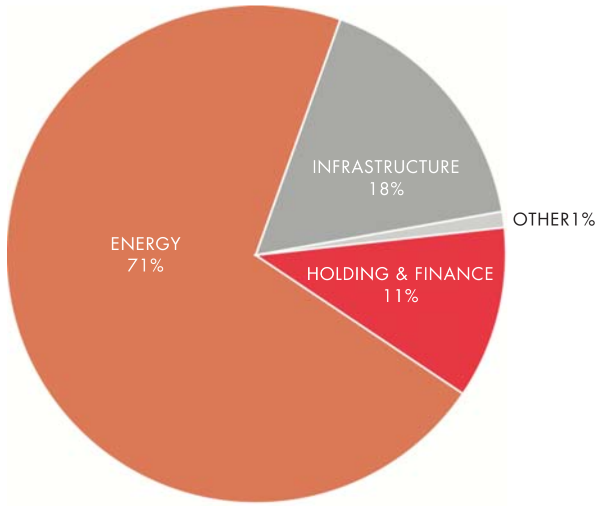
	TL (millions)	US$ (millions)
Turnover		
Port Infrastructure	41.8	27.4
Energy **	139.1	91.2
Holding and Finance	29.3	19.2
Other	26.4	17.3
EBITDA*		
Port Infrastructure	25.6	16.8
Energy **	1.5	1.0
Holding and Finance	112.8	73.9
Other	2.4	1.6
Net Profit		
Port Infrastructure	(1.0)	(0.7)
Energy **	(9.8)	(6.4)
Holding and Finance	91.8	60.2
Other	(1.0)	(0.7)

* Normalized EBITDA, adjusted for non-recurring items

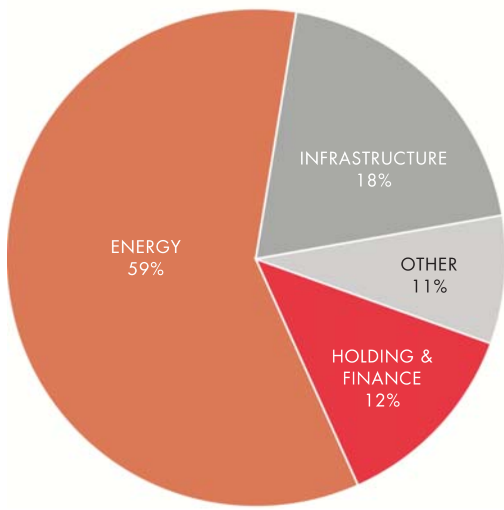
** Figures attributable to gas distribution operations have been presented under "discontinued operations" in the consolidated figures.

The following charts set forth, in graphic format, the breakdown of the gross turnover of the Global Holdings Group for the fiscal years ended 31 December 2008 and 2009, respectively.

GROSS TURNOVER
2008



GROSS TURNOVER
2009



1. Comprises Global Liman İşletmeleri A.Ş., Ege Liman İşletmeleri A.Ş., Ortadoğu Liman İşletmeleri A.Ş., İzmir Liman İşletmeciliği A.Ş. and Global Depoculuk A.Ş.
2. Comprises Enerji Yatırım Holding A.Ş., Energaz A.Ş., Kentgaz Denizli Doğalgaz Dağıtım A.Ş., Netgaz Şehir Doğalgaz Dağıtım A.Ş., Çorum Doğalgaz Dağıtım San ve Tic A.Ş., Gaznet Şehir Doğalgaz Dağıtım A.Ş., Kapadokya Doğalgaz Dağıtım A.Ş., Erzingaz Doğalgaz Dağıtım A.Ş., Olimpos Doğalgaz Dağıtım A.Ş., Karaman Doğalgaz Dağıtım A.Ş., Aksaray Doğalgaz Dağıtım A.Ş., Yeşil Enerji Üretim San. ve Tic. A.Ş., Gümüşsan Ges Enerji A.Ş., Çakıt Enerji A.Ş., Anadolu Elektrik Üretim A.Ş., Akel Galata Enerji Üretim ve Ticaret A.Ş., Sancak Global Enerji Yatırımları A.Ş., Osmanlı A.Ş., Aksu Global Enerji Hizmetleri ve İşletmeciliği A.Ş., Çetin Enerji A.Ş. and Özarsu İnşaat Elektrik Turizm San A.Ş.
3. Comprises Global Yatırım Holding A.Ş., Global Menkul Değerler A.Ş., Global Portföy Yönetimi A.Ş., Hedef Menkul Değerler A.Ş., Global Sigorta Aracılık Hizmetleri A.Ş., Global Financial Products Ltd. and Global Valori Mobiliare S.A.
4. Comprises Nesa Madencilik San. ve Tic. A.Ş., Ege Global Madencilik A.Ş., Güney Maden İşletmeleri A.Ş., Kuzey Maden İşletmeleri A.Ş., Doğu Maden İşletmeleri A.Ş., Pera Gayrimenkul Yatırım Ortaklığı A.Ş., GY Elyaf ve İplik San. Dış Tic. A.Ş., Boğaziçi Holding A.Ş., Kuşadası Turizm Yatırımcılığı A.Ş., Vespa Enterprises (Malta) Ltd., Maya Turizm Ltd., Mavi Bayrak Tehlikeli Atık ve İmha Sistemleri San. Tic. A.Ş., Bilecik Demir Çelik San. Ve Tic. A.Ş., Tora Yayıncılık A.Ş. and Sem Yayıncılık A.Ş.

PORT INFRASTRUCTURE DIVISION

The port infrastructure division (the "Port Infrastructure Division") of the Group comprises the cruise and commercial seaport operations of Global Port Holdings, the Group's wholly-owned subsidiary. Set forth below is a narrative of such operations, as well as planned initiatives for Global Port Holdings; pending transactions; and other material considerations.

See also "Recent Business Developments."

Ege Ports (Kuşadası) (2003) – Ege Liman İşletletmeleri A.Ş. was awarded a thirty-year transfer of operating rights concession for Kuşadası cruise port, in the city of Kuşadası on Turkey's Aegean coast, in July 2003. Since the take-over of Kuşadası Cruise Port in 2003, the Company has enlarged the Port area by constructing a pile platform; replacing the former passenger terminal building with a modern glass and aluminum cruise passenger terminal building; and rehabilitating the town's waterfront through the creation of "Scala Nuova," a highly popular food and beverage and retail shopping center.

Ege Ports – Kuşadası was the first port in Turkey to be qualified compliant with the International Ship and Port Facility Security Code (the "ISPS Code," a global maritime security initiative undertaken by the International Maritime Organization (the "IMO") after the events of 11 September 2001. Since then, Ege Ports has won numerous awards and recognition for being the most secure port in Turkey.

Port Akdeniz (Antalya Port) (2006) A consortium vehicle, comprising Global Port Holding's Akdeniz Liman İşletmeleri A.Ş. (which subsidiary holds Port Akdeniz as to 40%) was awarded the transfer of the twenty-two-year operating rights for a large multi-functional commercial and cruise seaport near the city of Antalya on Turkey's southern Mediterranean coast. Since the acquisition of Port Akdeniz - Antalya, the Group and its partners in Port Akdeniz have improved operational efficiency, in particular through the acquisition and deployment of cranes and winches to assist in commercial cargo and container operations; have made investments to improve both port security and occupational health and safety ("OH&S"); and have undertaken a modest rehabilitation of the existing cruise passenger terminal to bring it into line with modern cruise terminal standards and to allow Port Akdeniz to function as a "turn-around" port, with passengers both disembarking and embarking cruise ships in Antalya. For turn-around operations, inward and onward air travel are effected in by means of Antalya's newly constructed ICF International Airport. .

Bodrum Cruise Port (2007) – Bodrum Yolcu Limanı A.Ş. ("Bodrum Cruise Port") was first awarded a build-operate-transfer ("BOT") agreement by Turkey's Demiryolları, Limanlar ve Hava Meydanları İnşaatı Genel Müdürlüğü (the "DLH") with respect to a Greenfield seaport to be constructed near the center of Bodrum, a touristic and fishing city located on Turkey's southern Aegean coast. The original bidding consortium for Bodrum Cruise Port, which did not include the Group, was awarded a BOT concession granting such consortium the right to operate Bodrum Cruise Port for a period of twelve years commencing December 2007.

In December 2007, Global Ports Holding acquired, from an existing Bodrum Cruise Port shareholder, a 60% majority shareholding in the port consortium vehicle. Following the acquisition by Global Ports Holding of its ownership interest in Bodrum Cruise Port, the Group has undertaken aggressive marketing campaigns directed towards both international cruise ship operators and Greek ferry operators to promote Bodrum as a new cruise destination, with this former fishing village's famed nightlife highlighted as a principal attraction.

See "Business Divisions - Port Infrastructure Division – Global Port Holdings."

ENERGY DIVISION

The energy division (the "Energy Division") of the Group principally comprises, at present, the Şırnak thermal power generation project in southeast of Turkey. On 23 June 2009, the Company disposed of a 95% shareholding interest in Yeşil Enerji for aggregate consideration of US$137 million.

See "Recent Business Developments."

Energaz:

Natural gas distribution concessions (2004) The Group indirectly holds a majority interest in natural gas distribution rights for ten geographic regions of Turkey through its 50% shareholding in Energy Investment Holdings which, in turn, holds a 53% shareholding in Energaz.

See "Business Divisions - Energy Division – Natural Gas Distribution - Energaz".

Yeşil Enerji:

Hydroelectric power generation projects (2008) On 23 June 2009, 95% of Yeşil Enerji, comprising six hydroelectric power plant projects in its portfolio, was sold to Statkraft of Norway for consideration of US$137 million.

See "Business Divisions - Energy Division – Power Generation - Yeşil Enerji".

Ege Global:

Coal-fired power generation project (2008) Ege Global, an 85% owned subsidiary of the Global Holdings Group has, since February 2008, held a 60% stake in Geliş Madencilik A.Ş. ("Geliş Madencilik"). Geliş Madencilik holds exclusive operating rights with respect to a coal mine located in the city of Şırnak, in southeastern Turkey, and will invest in and bring on-line coal-fired power plant projects, also to be located in Şırnak province.

See "Business Divisions - Energy Division – Power Generation – Ege Global"

Hydro-electric power generation project (2007)

As this report goes to print, Global Investment Holdings holds a licence for one hydroelectric power plant project, located in Düzce, under Ege Global.

See "Business Divisions - Energy Division – Power Generation – Ege Global"

REAL ESTATE DIVISION

As first conceived, the portfolio development strategy of the Group's real estate division (the "Real Estate Division") was to focus on investments in high-end residential projects in metropolitan İstanbul. In addition, the Real Estate Division targets the financing and development of new real estate projects from the cash proceeds of advance or other sales of the Real Estate Division's currently held residential projects and properties.

Pera REIT and Joint Real Estate Projects:

Prior to 17 September 2007, the Global Holdings Group's real estate investments and projects were held under two separate entities, namely Global Altyapı Hizmetleri ve İşletmecilik A.Ş. ("Global Altyapı") and Pera Gayrimenkul Yatırım Ortaklığı A.Ş. ("Pera REIT"), a publicly traded real estate investment trust listed on the ISE, and owned as to approximately 26.14% by the Global Holdings Group as at 30 May 2010.

Van mixed-use development project (2008) In February 2008, Pera REIT and the Global Holdings Group won the Van Municipality tender for an approximate 17,000 m^2 parcel of land in the city of Van, southeastern Turkey. Plans for the development of the Van mixed-use development project include the construction of a shopping center and a 150 room international-standard four-star hotel on the site.

Denizli Sümerpark mixed-use development project (2006) The Group's interest in the Denizli Sümerpark mixed-use development represented the first real estate investment project undertaken by Pera REIT. Plans for the site include the construction of commercial mall space; mid-rise block and detached residential units; and a hotel complex and hospital on a site of approximately 98,500 m^2 net in Denizli, southwestern Turkey.

Vakıfhan No. VI (2005) Vakıfhan No. VI is a heritage building, first constructed in 1870, and located in the Karaköy district of İstanbul, close to the headquarters of the Global Holdings Group. In January 2004, Global Altyapı, in conjunction with AOG İnşaat Taahhüt Sanayi ve Ticaret A.S., a small İstanbul-based contractor ("AOG") obtained interests in 75% and 25%, respectively, of the restoration, operation and transfer rights for Vakıfhan No. VI pursuant to a 15 year term restore-operate-transfer ("ROT") agreement made with Turkey's General Directorate of Trusts of the Prime Ministry, Republic of Turkey. The 1,700m^2 ROT re-development was completed in August 2006.

See "Business Divisions - Real Estate Division – Pera REIT and Joint Real Estate Projects".

Other Real Estate Division Projects:

Company Headquarters (2004)

These premises are currently occupied by the Company and several of its subsidiaries. The Global Holdings Group building is located in Karaköy, İstanbul at Rıhtım Caddesi No. 51.

Galata Building (2005)

The Galata Building, formerly known as "Veli Alemdar Han," and directly adjacent to the Company headquarters, comprises 12,000m^2 of gross indoor area. The Galata Building is pending redevelopment as a three-star boutique hotel.

See "Business Divisions - Real Estate Division – Other Real Estate Projects".

FINANCE DIVISION

Global Securities:

Brokerage, research, corporate finance advisory (1990) Global Securities has, since 1990, provided a range of services to retail and institutional portfolio investors, as well as investment banking services to corporate clients.

See "Business Divisions - Finance Division – Global Securities".

Global Asset Management:

Domestic fund and portfolio management (1998) Global Asset Management currently comprises eight open-end Turkish mutual funds, each listed on the Istanbul Stock Exchange, and also provides contractual fund management services to corporate accounts and high net-worth individuals.

See "Business Divisions - Finance Division – Global Asset Management".

Privatization of İskenderun Port

İskenderun Port is situated on the southeast side of İskenderun Bay, which extends northeast from the Mediterranean Sea at the far eastern end of Turkey's Mediterranean coast, near the country's border with Syria.

İskenderun Port serves the south eastern and eastern regions of Turkey, as well as transit traffic to Middle Eastern countries. The Port services various types of commodities and cargo groups, including general cargo, dry and liquid bulk, container handling and roll-on, roll-off ("Ro-Ro") vessels.

İskenderun Port, which has 1,400 meters of breakwater, covers a total area of 1,024,000m^2 and comprises ten cargo berths. In 2009, İskenderun Port handled 2.4 million tons of primarily bulk and general cargo.

Currently operated by the T.C. Devlet Demiryolları (the "TCDD"), İskenderun Port was originally tendered to the private sector in September 2005. However, that tender was cancelled on legal grounds.

On 16 May 2010, the Government of Turkey announced the re-opening of the tender for the transfer of the thirty-six year operating rights in respect of İskenderun Port.

Company management intends to participate in the re-tender of İskenderun Port.

İzmir Port Transaction

In May 2007, the Group, together with its partners Hutchison Port Holdings Limited ("HPH"), Hutchison Ports Turkey B.V. ("HPT"), DB Infrastructure Holding (UK) No. 2 Limited, and Ege İhracatçı Birlikleri Liman Hizmetleri ve Taşımacılık A.Ş. ("EIB-Limaş), bid US$1.275 billion and was awarded the tender for the forty-nine-year operating rights in respect of İzmir Port pursuant to a tender process managed by the Privatization Administration of Turkey ("PA").

Privatization transactions in Turkey, of any sort, are frequently challenged in the courts.

The privatization tender for İzmir Port has encountered similar judicial challenges throughout its tender process. In 2005 and 2006, prior to the tender, and before the Council of State, which is Turkey's highest court for administrative cases, Türkiye Liman ve Kara Tahmil-Tahliye İşçileri Sendikası "(Liman-İş), a union of harbor workers, had filed two lawsuits against the Privatization High Council, with one lawsuit related to the cancellation of the decision to privatize İzmir Port; and the other lawsuit relating to the cancellation of the preliminary transactions in respect of the İzmir Port tender.

In addition, in July 2007, the Foundation for the Development of Public Management of Operations (the "Foundation", a non-governmental organization concentrated on the enhancement of the operations of the State Economic Enterprises) filed two further lawsuits against the PA at the Council of State seeking both to cancel the İzmir Port tender and to obtain a stay of execution of the privatization of İzmir Port.

Neither the Global Holdings Group nor its partners were made parties to the aforementioned court proceedings. However, the litigation resulted in a considerable delay in the finalization of the tender process. The Group, in collaboration with its consortium partners, had secured external bank financing for the bid amount in 2008.

Unfortunately, due to the protracted litigation and the lengthy trial and appeals processes, the İzmir Port privatization transaction was still entangled in legal proceedings when the sub-mortgage loan and CDO crises struck the banking and financial systems of the United States in the second half of 2008.

As a result of the Wall Street crisis, liquidity and credit worldwide rapidly retracted; asset prices decreased substantially across the globe, and the liquidity and financial stability of many financial institutions, in particular banks, were severely damaged by the turmoil in the financial markets and by decreased asset prices.

With the lending capability of banks diminished dramatically, and with no foreseeable conclusion to the Council of State and other litigation relating to the İzmir Port privatization, the previously arranged financing for the Group and its partners was no longer available on feasible terms, if at all.

On 7 January 2010, with the expiration the date for closing the Izmir Port transaction as set forth in the tender specifications, the PA called for the liquidation of the Bid Bond which had been submitted by the Group and its partners during the initial tender process. The Group satisfied its obligations towards the PA and the respective banks by paying the forfeiture fees in respect of the Bid Bond.

In the view of internal and external legal counsel, the Group does not have any further liabilities regarding the İzmir Port Privatization transaction.

Sale of Yeşil Enerji – Hydroelectric Generation

On 23 June 2009, 95% of Yeşil Enerji, comprising 6 hydroelectric power plant projects in its portfolio, was sold to Statkraft of Norway for consideration of US$137 million. The Global Holdings Group is currently working on advancing the status of the remaining two hydroelectric power plant projects in the Company's portfolio which, at a later date, will be included in the transaction with Statkraft once a certain stage of progress is reached with respect to those projects.

Statkraft, a Norwegian company, is the largest renewable energy generator in Europe. Statkraft develops and generates hydropower, wind power, gas power and district heating, and is a major participant on the European power exchanges.

The estimated total investment for the development and construction of the projects under Yeşil Enerji was estimated to be between US$900 million and US$1,100 million. The Company, pursuant to its strategy at the time, decided to monetize its renewable hydroelectric energy projects two years after commencing work on, but without committing a significant amount of financing to, such projects.

According to the share purchase agreement made between Statkraft and the Company in relation to the sale of Yeşil Enerji, the Company shall remain as a minority 5% shareholder, with board representation, and shall benefit through incremental returns should there be an outperformance in operational results.

The Company sees this transaction as a strong signal of ongoing appetite from leading global operators to increase their exposure to the growing Turkish energy market. This agreement is a clear indication of confidence in both the Global Holdings Group and in Turkey.

Başkentgaz Tender

The Başkentgaz privatization tender, organized by the Ankara Metropolitan Municipality (the "Municipality"), related to the proposed sale of 100% of the shares of Başkent Doğalgaz Dağıtım A.Ş. ("Başkentgaz"), a municipality-owned company which holds the gas distribution rights in respect of Ankara for a period of thirty years. The Başkentgaz Tender was held on 14 March 2008.

A consortium (the "Consortium") comprising the Global Holdings Group and Energaz, submitted the highest bid: US$ 1.61 billion. Subsequently, ABN AMRO Infrastructure Capital Management Ltd. and STFA Holding A.Ş. ("STFA") joined the consortium in accordance with the tender specifications. The tender was subject to approvals by Turkey's Competition Board, the Energy Market Regulatory Authority of Turkey ("EMRA"), and the Municipality. The tender was approved by the Competition Board in August 2008 and EMRA started its review process. Subsequent to all of the requisite approvals, a share purchase agreement was to be signed between the Municipality and the Consortium, in which the Company would have a 51.66% equity stake.

Pending approval by EMRA, the Municipality applied to forfeit the bid bond of US$50 °million that had been provided by the Consortium during the bid process.

Consequently, in December 2008, the Beyoğlu 1st Commercial Court of First Instance (the "Court") granted an injunction to protect the bid bond of the Consortium against any attempt by the Municipality of Ankara to liquidate the bid bond. The Court also rejected the appeal by the Municipality against the injunction decision, acknowledging the Consortium's claims in connection with the tender process. Most recently in March 2009, the term of the Consortium's bid bond expired pursuant to its terms.

Sale of Land Located in Balıkesir

In March 2008, Pera REIT won a tender for a 31,937 m^2 area land located on the Bursa highway leading into the city of Balıkesir. Tesco Kipa Kitle Pazarlama Ticaret ve Gıda Sanayi A.Ş. ("Tesco Kipa") expressed its interest for the Balıkesir land and the sale of the land to Tesco Kipa for approximately US$12.5 million was completed in February 2009.

Real Estate Asset Swap

In March 2009, the Company agreed to transfer its 20% shareholding in Boğaziçi Yatırım Holding A.Ş. ("Bosphorus Holding") to the existing majority partner. In return, that partner agreed to transfer its 80% share in the Galata Building to the Company. As disclosed above, the Galata Building property has a 12,000 m^2 gross indoor area and is located directly adjacent to the Company's Headquarters. Both buildings are in close proximity to the Galata Port in the historical district of Karaköy, İstanbul. The Company plans to renovate the property so that it may be operated as a three-star boutique hotel.

Subsidiaries of Global Securities in U.S.A., Kazakhstan and Romania

In early 2009, the Company's finance division subsidiaries in the United States, Kazakhstan and Romania, as well as its Turkish brokerage operation, Hedef Securities, ceased operations and the respective offices were closed. Although certain Global Securities subsidiaries have ceased operating, they still hold valid licenses which may be sold, for money consideration, to other parties.

Turkish and Regional Cruise and Commercial Sea Ports:

Galata Port, İstanbul. It is expected that the tender for the transfer and redevelopment operating rights, by a private operator, of the Salıpazarı-Karaköy cruise port complex on the Bosphorus Strait in İstanbul will be renewed. If so, Global Investments Holding plans to participate in such tender with its strategic and financial partners.

İskenderun Port, Turkey. In May 2010, the Government of Turkey announced the re-tender of the transfer of the thirty-six year operating rights in respect of the commercial port of İskenderun, located on the coast of the eastern Mediterranean.

The Global Holdings Group intends to participate in the İskenderun Port tender.

Liquid Storage Facilities (Tank Farms):

Tank Farm Projects. The Global Holdings Group continues to evaluate the development or acquisition of storage facilities primarily for liquid petroleum, petrochemical and chemical products. Company management have identified a promising market that presents investment opportunities which may be potentially complementary with the Group's Port Infrastructure Division.

See "Business Divisions - Port Infrastructure Division – Target Projects".

ENERGY DIVISION

Natural gas importation and wholesale trade. The Company plans to participate in tenders for the transfer of state-held contractual purchase commitments for natural gas.

See "Business Divisions - Port Infrastructure Division – Target Projects".

Port Infrastructure Division

The Group's Port Infrastructure Division currently comprises a 72.5% holding in Ege Ports - Kuşadası; a 60% holding in Bodrum Cruise Port; and, subject to Competition Board and other regulatory approvals, a 100% holding in Port Akdeniz - Antalya.

These seaport investments are held under Global Port Holdings, a wholly-owned subsidiary of the Global Holdings Group.

Prospective investments for the Port Infrastructure Division include additional Turkish and regional sea ports, as well as liquid storage facilities with access to sea transportation.

The Cruise and Commercial Port Markets in Turkey

Turkey's extensive coastlines along the Black Sea, the Marmara Sea, the Aegean Sea, the Mediterranean Sea and the Bosphorus Strait include a number of major cruise ports; commercial and multi-functional ports; and marinas. Traditionally controlled by the Turkish state, many ports are now being privatized and constitute a major focus area for the Group.

Data published by the Turkish Ministry of Culture and Tourism (the "Ministry") indicates that Turkey is becoming an increasingly popular cruise destination. According to the Ministry, the number of tourists arriving in Turkey by sea was 1.7 million, 2.0 million and 2.0 million for the years 2007, 2008 and 2009, respectively, corresponding to 7.3%, 7.5% and 7.5% of the total number of tourists visiting Turkey during those years.

The cruise sector in Turkey grew, in terms of the number of cruise ships, by 5% in 2008 as compared to 2007. During the same period, due to the cruise sector trend towards increasingly large cruise ships, the number of passengers arriving by cruise vessels grew by 15%. The leading cruise ports in the Turkish cruise market are Ege Ports - Kuşadası, İstanbul Salıpazarı (Galata) Port, the Port of İzmir, and Bodrum Cruise Port, together constituting approximately 90% of the total Turkish cruise market.

Turkey's commercial ports are the main hubs for the majority of the country's international trade. Based on TURKSTAT (Statistical Institute of the Prime Ministry of the Republic of Turkey) data, approximately 85% of Turkey's international trade volume is handled through maritime transportation. According to Türklim (Port Operators Association of Turkey) data, the total container traffic at Turkish ports in 2009 was 4,513,846 TEU (twenty-foot-equivalent-units), representing a contraction of 14.0% over 2008; and the total volume of general and bulk cargo, including liquid bulk cargo, handled in 2009 was 88,977,508 tons, representing a contraction of 21.4% contraction over 2008.

Ege Ports (Kuşadası)

In July 2003, Ege Ports was awarded a transfer of the thirty-year operating rights for the Ege Ports - Kuşadası cruise port, located in the city of Kuşadası on the Turkish Aegean coast. Kuşadası is direct proximity to the world-renowned classical archaeological site of Ephesus, and is also proximate to the religious site of Meryem Ana, which draws thousands of pilgrims each year.

Ege Ports is owned as to 72.5% by the Company and as to 27.5% by Royal Caribbean Cruises, Ltd., a Miami-headquartered cruise operator which held a share of approximately 25% of the world cruise travel market in 2008, according to the Caribbean Cruise Association.

Since taking over operations at Kuşadası, Ege Ports has, through the addition of modern, International Ship and Port Facility Security Code (the "ISPS Code") compliant and world-class facilities, as well as through effective marketing and promotion activities, successfully established Ege Ports - Kuşadası as one of the major destinations in the Mediterranean cruise market.

In April 2005, Ege Ports completed an investment of approximately US$5.9 million in a new passenger terminal and related facilities at Ege Ports - Kuşadası. In conjunction with the 2005 renewal of Ege Ports, a food and beverage and retail shopping complex, named "Scala Nuova," was completed at a cost of approximately US$5.2 million. The Scala Nuova complex features leading national and international retail brands, as well as regional and local stores.

Currently, Ege Ports- Kuşadası is planning to expand the berthing capacity of the Port by constructing the third pier and extending the existing piers for larger vessel sizes.

Ege Ports generates its revenues from three main sources: cruise port and ferry operations, the Scala Nuova complex, and duty-free shopping. Revenues from cruise port and ferry operations consist principally of landing revenue, based on the number of passenger arrivals, and revenues from port services, including pilotage, tugboat, sheltering, security, waste removal, fresh water and parking. Scala Nuova complex revenues comprise the rent revenues from retail tenants.

The United States subprime mortgage and CDO market crises, referenced elsewhere in this Annual Report, also struck the global cruise industry in 2009. International tourism, including the cruise sector, was negatively affected by the global economic crisis as potential cruise passenger tourists were obliged to reconsider discretionary spending.

The cruise industry was also affected adversely at the beginning of 2009 by the wide and rapid spread of H1N1 virus, or swine flu.

Although a challenging year for the worldwide cruise sector, 2009 was nevertheless successful for Ege Ports - Kuşadası was able to maintain the cruise call level and surpass the total passenger level it had achieved in 2008. In addition to Ege Ports' successful marketing campaign to minimize the effects of the crisis, Ege Ports - Kuşadası was able to maintain increases in passenger numbers in 2009 by negotiating with cruise lines on the Port's standard tariff, in turn giving our cruise operator clients the flexibility to their fees in order to maintain adequate cruise passenger occupancy levels for their ships.

Non-cruise visitors to the Port facilities and the Scala Nuova complex numbered approximately eight thousand per day during the summer months.

Primarily as a result of the growth in passenger arrivals during the year together with the positive impact of Scala Nuova-generated business and duty-free revenues, Ege Ports - Kuşadası realized net revenues of US$15.2 million in 2009 and an EBITDA figure of US$11.4 million.

As of the date of this Annual Report, Ege Ports - Kuşadası is the busiest cruise port in Turkey in terms of passenger arrivals and number of calls,

Ege Ports' success has been recognized since its acquisition in 2003 with numerous awards and citations. A list of these awards and citations is available on the Ege Ports website: See "www.egeports.com."

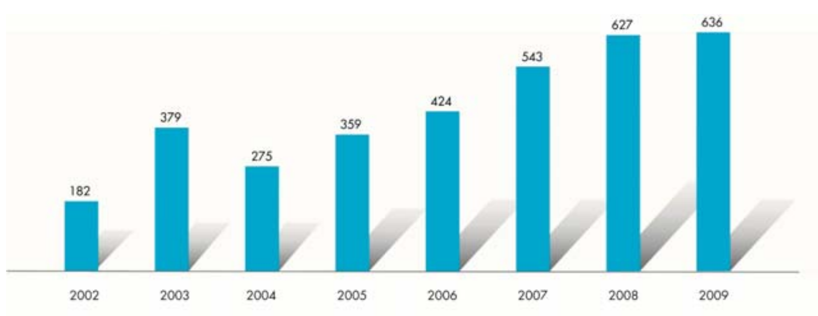
From its first day of operations in July 2003, maritime and civil security have been the main focus and, eventually, a key marketing asset for Ege Ports - Kuşadası.

Ege Ports was the first cruise port in Turkey to be qualified as compliant with the International Ship and Port Facility Security Code (the "ISPS Code") promulgated by the International Maritime Organization shortly following the terrorist attacks on New York City on 11 September 2001.

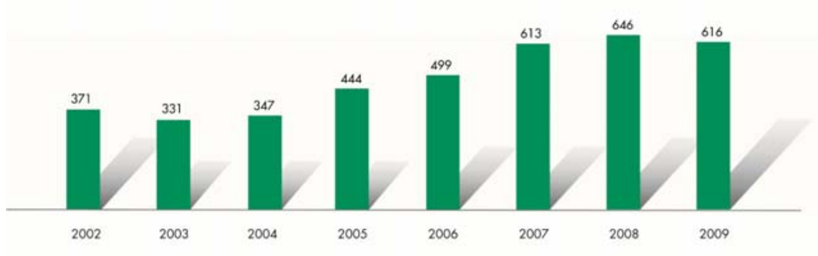
During 2009, Ege Ports also continued to pursue, both independently and in coordination with the Turkish Ministry of Culture and Tourism, a vigorous marketing program on a number of international platforms, including Seatrade Hamburg and Seatrade Med Venice, to attract additional cruise lines and calls - a program that has been extended to encompass Bodrum Cruise Port. The marketing program for 2010 season will be further extended with the participation, in March 2010,by the marketing executives of the cruise ports within the Port Infrastructure Division.

In addition to our participation in leading fairs and expositions for the to the cruise sector, the cruise ports marketing team conducts a annual, thoroughly organized road-shows to visit all the major U.S. based cruise companies.

Last, other key factors in the continuous growth of cruise passenger traffic at Ege Ports - Kuşadası over the past six years include the growing demand for cruise tourism world-wide; increasing popularity of Aegean and Mediterranean cruise destinations; and the deployment by cruise operators of larger cruise vessels with cruise passenger capacities of up to 6,000 persons.



Port of Kuşadası Total Passenger Arrivals (thousands)



Port of Kuşadası Cruise Ship Arrivals

Port Akdeniz -Antalya

In October 2006, a joint venture 40% owned by Global Port Holdings acquired the twenty-two year operating rights for Port Akdeniz -Antalya. The acquisition price was US$61 million. The Group's partners in Port Akdeniz are Çelebi Holding A.Ş. ("Çelebi Holding") (40%), a privately-owned ground handling services operator in Turkey, and Ant Marin Denizcilik Paz. San. Tic. A.Ş. ("Antmarin") (20%), a small-scale port services and chandlery provider.

Situated on Turkey's Mediterranean coast, Antalya is the regional center of tourism, agriculture and trade and, as such, plays a vital function in exports.

Ringed by the snow-capped Taurus Mountains, Antalya's beaches and golf resorts, as well as its proximity to important archaeological sites, including the ancient cities of Perge and Aspendos, make it a major center in the Turkish tourism industry. The city attracted nearly nine million visitors in 2009.

As a trading center, Antalya and its surrounding area encompass seven organized industrial zones, various agricultural entities and the Antalya Free Trade Zone.

While traditionally operated as a commercial port, Port Akdeniz is a multi-functional facility spread over a total marine area of approximately 136,000m^2. The Port has ten berths, which can accommodate bulk, general and container cargo vessels, as well as cruise vessels, and 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 which acts as a concessionaire, paying annual rent to the Port operator at the beginning of each year. The rehabilitation of the existing cruise terminal at Port Akdeniz was swiftly undertaken in 2009, and the terminal has commenced cruise port operations, including turn-around operations, as of the date of this Annual Report.

As a commercial port, Port Akdeniz is widely used by companies in the cement, clinker, coal, aluminum, marble, mining, chemicals and agriculture sectors, and has a dry bulk and general cargo handling capacity of approximately 5.0 million tons and container handling capacity of 350,000 TEU per year. Since the take-over of the Port in October 2006, and following improvements to operations by the new management, the container cargo volume at Port Akdeniz increased by 31%, 73% and 7% in 2006, 2007 and 2008, respectively, and the container handling volume in 2008 reached 67,686 TEU. However, for 2009, due to the global financial crisis, the container handling volume of the Port leveled at 63,366 TEU, representing a 6.4% y-o-y decrease as compared to the container volume handled in 2008.

In contrast to the decrease in the container volume witnessed in 2009, the general and bulk cargo handled during the same period reached 2.8 million tons, an approximate 40% y-o-y increase over 2008.

In 2009, mainly due to the increase in the general and bulk cargo volume, Akdeniz Port realized total revenues of US$26.6 million representing a 3% increase compared to 2008, as a result of improvements and efficient management measures.

Bodrum Cruise Port

Bodrum Cruise Port was privatized in June 2004 under a twelve-year BOT concession agreement, the term of which commenced in December 2007. Pursuant to a share sale and purchase agreement made and entered into in April 2007, the Group 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 by Yüksel Çağlar, a local entrepreneur, with shareholdings of 10% and 30%, respectively.

Located in the popular resort town of Bodrum on the south-west Aegean coast of Turkey, Bodrum Cruise Port is positioned to service both international cruise and motorboat traffic around the Bodrum Peninsula, as well as the Greek ferries which shuttle between Bodrum and the nearby Greek island of Kos.

Bodrum Cruise Port covers a total area of 22,000m^2 and can accommodate two large-sized or four smaller cruise ships at the same time. The Port also includes three motorboat ramps in addition to quays to harbor small boats. The terminal building houses a duty-free shopping area, exchange office, restaurants, travel agency, car rental office, bank and lounge.

Bodrum Cruise Port's first season under the new management commenced in March 2008. Immediately after taking over the management, Bodrum Cruise Port undertook several initiatives to promote the Port as a new destination for the 2008 season, including the participation to major industry fairs, such as Seatrade Miami.

In December 2008, the success of Bodrum Cruise Port was recognized internationally by the famous organization "Seatrade Insider," which chose Bodrum Cruise Port as a finalist for the "Destination of the Year". During 2009, the marketing efforts for promoting the Port have been accelerated. In addition to participating in international cruise organizations, during the summer of 2009, Bodrum Cruise Port hosted a series of concerts and events attracting both local and foreign tourists to its facilities while enhancing social and cultural environment of Bodrum.

In addition, Bodrum Cruise Port has initiated a capital expenditure program which aims to increase the attractiveness of the Port for both local tourists and cruise passengers. Bodrum Cruise Port started the installation of marine structures, including trim anchors for hydrofoils and mega-yachts.

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

During 2009, the Port received 92 cruise ship and 23 motorboat calls with a total number of 37,726 and 4,836 passengers, respectively. Bodrum Cruise Port generated total revenues of US$1.3 million in 2009.

Port Infrastructure Division
TARGET PROJECTS

Turkish and Regional Cruise and Commercial Sea Ports

İskenderun Port, Turkey:

İskenderun Port is situated on the southeast side of İskenderun Bay, which extends northeast from the Mediterranean Sea at the far eastern end of Turkey's Mediterranean coast, near the country's border with Syria.

İskenderun Port serves the south eastern and eastern regions of Turkey, as well as transit traffic to Middle Eastern countries. The Port services various types of commodities and cargo groups, including general cargo, dry and liquid bulk, container handling and roll-on, roll-off ("Ro-Ro") vessels.

İskenderun Port, which has 1,400 meters of breakwater, covers a total area of 1,024,000m^2 and comprises ten cargo berths. In 2009, İskenderun Port handled 2.4 million tons of primarily bulk and general cargo.

Currently operated by the T.C. Devlet Demiryolları (the "TCDD"), İskenderun Port was originally tendered to the private sector in September 2005. However, that tender was cancelled on legal grounds.

On 16 May 2010, the Government of Turkey announced the re-opening of the tender for the transfer of the thirty-six year operating rights in respect of İskenderun Port.

Company management intends to participate in the re-tender of Iskenderun Port

Galata Port, İstanbul:

Galata Port, the second busiest cruise port in Turkey in terms of passenger arrivals, extends 1.2 km along the Bosphorus Strait and comprises a total land area of approximately 100,000m^2. Galata Port is ringed by the historic Eminönü, Galata, Karaköy, Topkapı and Fatih districts of İstanbul.

The Company was a member of a consortium that submitted the highest bid in a build-operate-transfer ("BOT") tender for Galata Port in August 2005. The project envisaged an extensive urban renewal project, 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 inter-modal transportation; combining the highest international standards of modern design, technology and security with the preservation and restoration of existing historical buildings and monuments on the site.

At the beginning of 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 İstanbul Menkul Değerler-Mag Mühendislik-İşmen Hukuk Bürosu was selected as the advisory consortium to organize the Galataport tender process which is expected to be finalized by the end of 2010. The Company intends to participate in the new tender and is currently following up on the developments in the tender process.

Liquid Storage Facilities (Tank Farms)

Tank Farm Projects: Tank farms are liquid storage facilities primarily for liquid petroleum, petrochemical and chemical products. Company management have identified a promising market for "independent" tank farms in Turkey, being tank farms that are operated by companies that do not pursue other lines of businesses such as trading. In turn, of the few tank farms in the Marmara region which might be classified as independent or semi-independent, few are considered to operate in line with international standards.

Due to high growth in the chemical and petrochemical industries in Turkey, averaging 11% per annum over the past decade (TURKSTAT), demand for liquid storage facilities has risen. Therefore, investments in the sector would seek to exploit the gap between the current supply of, and current and anticipated demand for, storage facilities. Moreover, increasing gas and oil trade from the Black Sea to Turkey and European countries may also be expected to compound tank farm storage demand in Turkey.

Tank farms present potentially complementary investment opportunities which could enhance the ports portfolio within Global Port Holdings by extending the Group's port-related businesses into liquid storage.

ENERGY DIVISION

As this Annual Report goes to print, the Energy Division portfolio encompasses the Group's interests in ten natural gas wholesale licenses, one hydroelectric project license and one coal-fired power plant project.

Energaz, Galata Enerji, Geliş Madencilik, and Ege Global are the main subsidiaries of the Company engaging in gas distribution, coal-fired power generation, and hydro-electric power generation, respectively.

NATURAL GAS DISTRIBUTION

Natural gas was introduced to Turkey in 1987. Residential as well as industrial consumption started in 1989. Until 2003, natural gas was primarily available to power generators and to meet the both public and private sector requirements of a few major cities due to the high cost of required infrastructure investment and limited government resources. In 2003, the government initiated privatization for natural gas distribution in urban areas around the country. The private sector involvement was beneficial for end users in regions with non-existent networks; speeding up infrastructure investment. Having been supported by privatizations, natural gas consumption in Turkey has increased at 10.0% per annum over the last ten years and reached a consumption level of 32.1 billion m^3 in 2009.

Despite the extensive infrastructure investments by the private sector, the overall penetration rate for natural gas in Turkey still remains low, and has ample room for growth in line with the developments in urbanization and industrialization throughout the country. Boru Hatları ile Petrol Taşıma A.Ş. ("BOTAŞ"), the Turkish state-owned enterprise which owns and operates petroleum and gas pipeline infrastructure and holds long-term natural gas import contracts, foresees that the demand for natural gas in Turkey will further increase to 56.9 billion m^3 and 66.9 billion m^3 in the years 2015 and 2020, respectively.

Furthermore, in order to move towards cleaner energy, many local communities and municipalities have passed laws providing that households must convert from coal to natural gas where natural gas is available. Company management anticipates that such laws will result in a material increase in penetration rates in related areas.

Energaz

The first energy sector projects realized by the Global Holdings Group started in 2003 with the acquisition, jointly with STFA and local partners, of rights from the state to establish and operate natural gas distribution networks servicing both households and industrial facilities in certain concession regions for a period of thirty years.

The Group's investments in the natural gas sector are held indirectly through Energaz, which is responsible both for running existing operations and expanding the natural gas business. Energaz is majority-owned by Enerji Yatırım Holding A.Ş. ("Energy Investments Holding" or "EIH") a strategic joint venture formed between the Company and STFA to pursue opportunities in the natural gas sector. The Company owns 50.0% of EIH and STFA hold the remaining 50.0%.

STFA was founded in 1938 and is one of the leading contracting and construction groups in Turkey. It also has operations in engineering, catering and facility management, industrial chemicals and heavy equipment both within Turkey and for clients in other countries including Libya, Saudi Arabia, Iran, Tunisia and Pakistan.

The Group's natural gas distribution investments consisted, as at the end of 2009, of thirty-year natural gas distribution rights for ten regions of Turkey. The Group acquired its tenth region in February 2008, through a tender by EMRA for the thirty-year natural gas distribution rights for Aydın region. Based on TURKSTAT's estimated 2008 population figures, with the addition of Aydın region (estimated population of around one million), Energaz is the second largest privately-owned gas distributor in Turkey, covering regions collectively representing over 11% of the country's total population of over seventy million.

In 2009, the Group also initiated investments in the natural gas wholesale sector alongside its strategic perspective to establish a vertically integrated natural gas enterprise. With that respect, Energaz's subsidiary Medgaz A.Ş. ("Medgaz") which holds a natural gas wholesale license issued by EMRA, signed a supply agreement with a private natural gas importer that will be effective starting January 2010. Energaz intends to meet some part of natural gas demand by the distribution regions under its ownership through the supply agreement of Medgaz. Medgaz plans to further diversify its natural gas resources through new supply contracts in the form of pipe-line gas as well as liquefied natural gas with other suppliers with the purpose to realize supply to consumers both serviced by Energaz's distribution companies and other consumers all around Turkey.

The first natural gas distribution companies in which the Group holds stakes became operational in 2004, servicing the Konya and Çorum regions of central Turkey. One further distribution company, servicing the Ereğli region, became operational in 2005. During 2006, natural gas distribution commenced in the Niğde-Nevşehir and Denizli regions, and during 2007, in the regions of Karaman and Erzincan. In addition, Energaz acquired 100% ownership of the operational natural gas distributor for the Aksaray region from the original concessionaire in the third quarter of 2007. In Antalya, distribution activities are expected to be fully operational during 2010. Investments as well as natural gas delivery in Aydın, the last region added to the portfolio, are expected to be initiated within 2010.

The Group's natural gas distribution companies have continued to expand their subscriber bases during 2009. As the end of 2009, the total number of subscribers in the Konya and Çorum regions exceeded 223,500, compared to 199,500 in 2008, while subscribers in the Ereğli and Aksaray regions reached 45,100, compared to 39,800 in 2008, and subscribers in the Niğde-Nevşehir and Denizli regions numbered 91,800, compared to 71,400 in 2008.

The distribution companies in the Karaman and Erzincan regions, which became operational in 2007, added 3,700 subscribers during 2009, reaching 18,400 subscribers. As for the Antalya region, where the initial network investments still continue, the region ended 2009 with total 700 subscribers. The total number of subscribers serviced by the Group's operational natural gas distribution companies as at 31 December 2009 exceeded 379,500, indicating an increase of 16.6% since 2008 year-end.

Despite the increase in the number of subscribers, the overall gas consumption in those eight operational regions has experienced a modest decline in 2009 compared to the previous year, reaching 631.6 million m^3. The primary reason of this decline has been the negative effects of the economic slowdown in 2009, especially on the industrial consumption as well as deferrals by residential consumers of their investments for conversion into natural gas systems. Nevertheless, it is estimated that these deferrals will be compensated with higher levels of new subscriptions during the coming years. Alongside a more positive macroeconomic environment, the industrial consumption levels are also projected to continue recovering, primarily due to the improvement in industrial production.

The table below presents the estimated population, the number of subscribers, natural gas consumption and the network penetration rate for the year 2009 for the ten concession regions in the Energy Division portfolio during that period:

Year ended 31 December 2009

Concession Region	Population (1) ('000)	Total Subscribers ('000)	Total Subscribers (YoY Growth)	Network Penetration Rate (2)	Natural Gas Consumption (million m^3)	Natural Gas Consumption (YoY Growth)
Konya	1,835	154,000	13.4%	66%	235.1	2.4%
Çorum	545	69,500	9.0%	79%	104.0	-7.3%
Ereğli	135	18,400	5.9%	64%	23.0	-18.7%
Niğde-Nevşehir	620	20,300	36.5%	48%	25.5	5.8%
Denizli	917	71,500	26.6%	79%	138.0	-23.4%
Karaman	230	12,000	20.3%	49%	47.3	9.7%
Erzincan	211	6,400	35.9%	53%	6.6	206.3%
Aksaray	371	26,700	19.3%	57%	52.1	5.6%
Antalya	1,860	700	215.0%	1%	n/a	n/a
Aydın	966	n/a	n/a	n/a	n/a	n/a
Total	7,690	379,500	16.6%		631.6	-5.6%

(1) TURKSTAT 2007 address-based census estimated population figures.
(2) Total number of households subscribed divided by total number of households within the existing network coverage.

The consolidated revenues of the distribution companies were realized as TL139.1 million (US$90.0 million) in 2009 representing a decrease of 7% from TL150 million (US$113.6 million) in 2008. The operating results of all natural gas distribution companies are consolidated in the Global Holdings Group's 2009 financial statements.

Power Generation

According to TEİAŞ (Türkiye Elektrik İşletim A.Ş.), the Turkish state-owned electricity grid operator, the demand for electricity in Turkey has increased rapidly over the last decade, with gross electricity demand rising from approximately 85.6 TWh in 1995 to 194,1 TWh in 2009, representing a compounded annual growth rate of 6.0%. Furthermore, a study prepared by TEİAŞ on electricity generation capacity projections for Turkey from 2007 to 2015 concludes that the total capacities and annual projected or reliable outputs of the existing power plants and other licensed plants which are under construction or planning will not be sufficient to meet the country's electricity demand in terms of peak capacity, projected output or reliable output within the next two to eight years. Accordingly, Company management intends to continue to invest in electricity generation projects, particularly using domestic natural resources such as coal.

Yeşil Enerji

The Global Holdings Group was one of the early entrants to the booming renewable energy market in Turkey. Beginning in 2007, a portfolio of 630 MW of generation capacity, consisting of eight hydroelectric power assets, most of which were at the pre-licensing phase, was established.

In 23 June 2009, 95% of Yeşil Enerji, comprising a portfolio of six hydroelectric power plant projects, was sold to Statkraft of Norway for a consideration of US$137 million.

Ege Global

In February 2008, the Company, through its subsidiary Ege Global, signed a share purchase agreement to acquire a 60% stake in Geliş Madencilik, a company which holds exclusive operating rights with respect to a coal mine of 200 million tons of probable coal reserves located in Şırnak, Turkey.

Following the signing of the share purchase agreement, Ege Global, through its 56% held-subsidiary Galata Enerji, commenced developing a 270 MW coal-fired circulating fluidized-bed boiler ("CFBB") type power plant. As of the date of this Annual Report, Galata Enerji has been granted a generation license for forty-nine years by the Ministry of Energy, environmental impact assessment has been conducted and approved by the Ministry of Environment, connection points to national transmission grid has been assigned by TEİAŞ and quantitative reserve assessment as well as the evaluation of the combustion characteristics of the coal have been completed by third party advisors.

The affiliated mining company, Geliş Madencilik, is entitled pursuant to a royalty agreement signed with Special Provincial Administration of the Turkish state as at 29 June 2007, to the operating rights in respect of a 250 km^2 coal mine field in Şırnak, comprising seven known pylons.

As at 11 June 2009, the existing royalty agreement was extended for an additional term of thirty-three years, a period sufficient to both cover the projected three years of construction period and thirty-year economic life of the planned 270 MW power plant at Şırnak. Currently, Geliş Madencilik is extracting approximately 700,000 tons of coal per annum and is selling the extracted coal to the state and to provincial authorities.

The General Directorate of Mineral Research and Exploration (the "General Directorate") had previously performed a limited amount of drilling on each of the seven known pylons of the coal mine. Therefore, in 2008, Geliş Madencilik appointed Golder Associates Ltd. ("Golder"), an international advisor specializing in ground engineering and environmental services, to conduct reserve estimations and modeling studies and to assess the reserves on one of the seven pylons, Avgamasya. The drilling campaign commenced early 2008, and 8,600 meters of drilling have been performed in thirty-five drill holes under the supervision of Golder. The reserve assessment report of Avgamasya suggests that approximately 36 million tons of probable coal reserves, a figure considerably higher than that was formerly stated by the General Directorate. Geliş Madencilik also believes that the remaining six pylons may contain higher reserves than those estimated in the previous studies by the General Directorate, and that the mining field may potentially include further pylons as well, with overall probable coal reserve of the field exceeding 200 million tons.

The results of the combustion tests performed by Geliş Madencilik for the coal reserves in Avgamasya in a circulating fluidized-bed combustor ("CFBC") test plant in Germany (at the facilities of Ruhr-Universität Bochum, Faculty of Mechanical Engineering, and Department of Energy Plant Technology or LEAT) have suggested that coal from such pylon has one of the highest calorific values observed in Turkey, at 4,000-4,500 kcal per kilogram of coal. The combustion reactions of the coal and the additives have also complied with CFBC technology and the relevant environmental regulations.

Galata Enerji plans to source the coal required for the proposed power plant from the mine owned by Geliş Madencilik 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 with other mines in general. As the development of a coal-fired power plant was the primary rationale behind the acquisition of Geliş Madencilik mining company, Ege Global has formed a dedicated team of professionals experienced in mining and coal-fired power generation in order to facilitate plant construction and equipment procurement, as well as to ensure the orderly progression of legal, regulatory and administrative matters.

It is estimated that the 270 MW power plant will consume approximately one million tons of coal and generate 1,600 Giga Watt hours ("GWh") of electricity per year, net of internal consumption in its first year of operations, corresponding to an estimated US$160 million annual turnover, assuming current electricity prices of US$0.10 per KWh.

Fluidized bed combustion technology was chosen for the Şırnak power plant on the basis of environmental considerations as compared with conventional boilers. This technology has come into wide use over the past ten years. Chinese manufacturers, in particular, provide competitive pricing and technical expertise.

Most recently in January 2010, as a result of an extensive evaluation process including a number of leading international contractors, Galata Enerji signed an engineering, procurement, and construction ("EPC") agreement with the China National Machinery & Equipment Import & Export Corporation ("CMEC"). The total value of the contract is US$355 million and encompasses the completion of the construction of Şırnak power plant on a turn-key basis. The EPC contract will be supported with maintenance and operation agreements based on performance guarantees. Domestic staff employed by Galata Enerji is expected to take over the operations gradually after sufficient training has taken place on site.

CMEC is one of the largest Chinese companies engaged in the business of acting as the main contractor of international engineering projects and the exportation of turn-key power plants. CMEC's operations cover five continents worldwide. Other business sectors in which CMEC is active include power transmission and transformation, light industry, textiles, food, building materials, telecommunications, media, ship-building, metallurgy and mining. CMEC also has operations in Turkey and has recently completed the construction of a coal-fired power plant in close proximity to Şırnak, owned and operated by a Turkish energy conglomerate.

The construction of the plant is expected to start in the fourth quarter of 2010 and the estimated construction period is approximately thirty-six months. Galata Enerji plans to commence power generation by the beginning of 2014.

TARGET PROJECTS

Natural Gas Importation and Wholesale Trading

In June 2005, a law was adopted prohibiting BOTAŞ from undertaking any further contractual purchase commitments for natural gas and further requiring BOTAŞ to tender its existing contractual purchase commitments to the private sector until such time as its total annual imports had decreased to below 20% of annual national consumption. To date, BOTAŞ has transferred approximately four billion m^3 of natural gas in sixteen lots of 250 million m^3 of natural gas each. The management of the Company will evaluate the Group's participation in tenders for additional lots, which the Company expects to take place within the next two to three years. Besides, the Company is focusing on diversifying natural gas resources and, its subsidiary with a natural gas wholesale license, through supply agreements for pipe-line gas and LNG.

Furthermore, the Company is currently considering a potential partnership with strategic players in the natural gas market that have access to natural gas supplies, with a view to expanding the Group's natural gas business and achieving vertical integration with its retail gas distribution businesses.

Expansion of Şırnak Coal-fired Power Plant

The Global Holdings Group plans to initiate detailed reserve studies and execute drilling campaigns for the six remaining pylons located in 250 km^2 coal mine field in Şırnak, once certain progress level is achieved in relation to the development of the 270 MW power plant. It is estimated that the total coal reserves in these six pylons are approximately 150-200 million tons. The Company targets to gradually increase the capacity of the power plant up to 1,000-1,500 MW in the future and supply the additional coal required for power generation from these six pylons.

Further Licenses in Renewable Energy

Even though the Global Holdings Group's initial focus was the development of the coal-fired power plant in Şırnak, the Company recognizes the importance of creating a well-balanced and diversified power generation portfolio also consisting of high-growth, renewable energy sources in the Turkish energy sector. Therefore, the Company, in addition to its minority investment in Yeşil Enerji holding a portfolio of generation projects with a capacity of 530 MW and the two remaining generation projects under its ownership with 100 MW capacity, intends to evaluate opportunities in renewable energy including hydro, wind and geothermal generation and grow its asset base by selectively pursuing both Greenfield and brown-field investments as the opportunities arise in privatizations as well as private sector transactions.

REAL ESTATE DIVISION

Due to economic crisis, the real estate investment market has been in recession since 2008. Uncertainty over the economy's future caused decreasing demand in all segments of real estate, and the ones with serious oversupply suffered the most.

Furthermore, with the emergence of financial turmoil in 2008, credit facilities and liquidity for the acquisition or development of real estate in the United States, Western Europe and other developed markets vanished in the wake of the failure of the sub-prime mortgage and collateralized debt obligations ("CDOs") markets in the United States.

Turkish commercial banks have also stopped lending into real estate projects as they experienced continued uncertainty over the refinancing of their own syndication facilities. As a result, the real estate investment market was in a state of deadlock.

With the measures taken by the Turkish government, signs of recovery from Turkish economy are being observed. In addition to these measures, the Central Bank decreased interest rates substantially. In the second half of 2009, mortgage rates of some Turkish banks have been reduced below one percent. Markets, though slowly, have unfastened the belts for liquidity.

The economic recession caused serious slowdown in shopping center development in 2009, with the growth in gross leasable area ("GLA") slowing from 25.6 y-o-y% in 2008 to 17 y-o-y% in 2009. This slowdown, in our view, reflects the lack of additional major real estate projects in Anatolia.

In contrast, the Istanbul retail market has remained comparably strong. Total gross leasable area ("GLA") in Turkey is estimated to be 5.7 million m^2 with a further 2.5 million m^2 under construction.

İstanbul stands out with its strong pipeline development accounting for approximately 60% of the existing supply. However, delays in the development projects remain possible despite the improvement in market conditions. In line with the market slow down, the number of malls commencing operations decreased from 44 in 2008 to 26 in 2009. The number of openings in Istanbul was strong at 9 whereas the rest of Turkey recorded only 13 openings including large schemes in Anatolian cities
(source: Jones Lang LaSalle, 2009 – OnPoint-Turkey Real Estate Overview).

Retail spending has been severely impacted by the deterioration in the economy. In line with the responsive nature of the retail market, with the drop in sales, shopping mall tenants began requesting reductions in their rents which in return caused the rents to drop effectively in almost all operating malls. Rent re-negotiations are widespread (there are reports of drops as high as 30% or even 50% over the last three quarters) while incentives like fixing rents in Turkish Lira and rent -free periods are becoming more prevalent.

Anchor tenants are currently enjoying enhanced turnover deals as owners seek to secure strong brands in their schemes. In addition, heavy marketing and creative promotional activities from mall managers increased with continuous sales from retailers will help the sector rebound in a relatively short period of time.

PERA GAYRİMENKUL YATIRIM ORTAKLIĞI

The city of Istanbul is the primary driver of real estate investment in Turkey. However, there are a number of secondary hubs across the country offering great potential in terms of investment returns. Furthermore, being the first entrant to some regions within the Turkish market will encourage some investors to get out of the secure waters of traditional real estate markets and wander into the new and untouched ones. Anchor retailers such as hypermarkets, do-it-yourself ("DIY") and electronic chains have continued to show strong demand for areas with lower retail density and unique market positioning. Because of aforementioned reasons Pera REIT focused on the mixed-used projects like Sümerpark Project in Denizli and land development project in Van.

Because Turkey has a young and dynamic population with high consumption willingness, the pent-up demand is therefore still strong. The developers of new shopping centers will no longer set their sights primarily on Istanbul as was the case in the past. The demand for shopping center space is strong particularly in other metropolises.

PERA REIT AND JOINT REAL ESTATE PROJECTS

The Group's real estate portfolio development strategy has been three-pronged, focusing on investments in (i) commercial projects in İstanbul, (ii) multi-use commercial development projects, including shopping malls, offices, residential units, hotels and/or hospitals in Turkish cities where Group management have identified untapped demand for such developments, and (iii) high-end summer residence and hotel development projects in resort areas.

Two of the Group's real estate investments are held solely through Pera REIT, an ISE-listed real estate investment trust. Ownership of two other real estate investments is directly held by the Company. An interest in one further project is currently held jointly by the Company and Pera REIT.

The underlying reason for the allocation of several real estate assets of the Group under direct ownership of the Company has been the lack of existence of a REIT within the Group organization at the initial acquisition date of the relevant real estate assets. However, Company management expects to transfer the Group's entire real estate portfolio to Pera REIT in due course.

Pera REIT, like other real estate investment trusts, which benefits from incentives, including exemption from corporate tax, is subject to rigorous corporate governance regulations, and offers the most attractive real estate investment vehicle for institutional and individual investors alike. Fourteen REITs were listed on the İstanbul Stock Exchange, having an aggregate market capitalization of approximately TL 2.7 billion (US$1.8 billion) as at the end of 2009.

As at the 2009 year-end, the net asset value of Pera REIT, which trades on the İstanbul Stock Exchange under the ticker symbol "PEGYO.IS", was over US$67.3 million.

Pera REIT's real estate portfolio currently consists of three investments: Denizli Sümerpark, the REIT's first real estate investment; and the historic Vakıfhan No. VI building, which are held wholly by the REIT. The other project which is held jointly with the Company and Pera REIT is the Van mixed-use development project, of which Pera REIT and the Company owns 25% and 75%, respectively.

Vakıfhan No. VI

The Group, together with a joint venture partner, acquired the unoccupied Vakıfhan No. VI building pursuant to a restore-operate-transfer ("ROT") agreement dated 01 February 2005 with the General Directorate of Foundations of the Prime Ministry of Turkey for a period of fifteen years. Pera REIT acquired the lease rights to Vakıfhan No. VI from the Company's joint venture, and the building was transferred to Pera REIT in October 2007.

Located in the Karaköy district of İstanbul, close to the Galata Building and the Company's headquarters, Vakıfhan No. VI was originally built in 1870.

The six-storey building, which has a total indoor area of 1,700m^2 and a gross lease area of 1,500m^2, was reinforced in accordance with applicable earthquake codes and restored as offices in 2006. The building generates approximately US$200,000 rental income per annum.

Denizli Sümerpark

In February 2006, the Company and a partner acquired a tract of land having a net area of 98,418m^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.

Located in inland south western Turkey, Denizli is a major center for textile production, as well as being in close proximity to a number of tourism sites, including Pamukkale, a thermal center famous for its white travertine terraces and home to the ruins of the ancient city Hierapolis; the thermal center of Karahayıt; and the ruins of the ancient city of Laodicea. Greater Denizli had a population of approximately 917,000 as of 2007.

The Denizli Sümerpark project envisages a mixed-use development, including commercial mall space, mid-rise block and detached residential units, a hotel complex and a hospital. It will be the first mixed-use project in the city.

The shopping mall is the leading part of Denizli Sümerpark Project.

Concept-i Design Inc. designed the shopping mall as to include one large hypermarket, one large DIY, anchor tenants and complementary fashion retailers and food court tenants. The shopping mall, with 33.500 m^2 of gross leasable area ("GLA") is conveniently located along the İzmir - Denizli highway.

As the shopping mall borders the İzmir highway, it has high visibility from the main road. There is easy access to the mall through all forms of public transportation. The shopping mall will also have 2 floors for underground parking with a capacity of 1,650 cars.

Construction of the shopping mall commenced in February 2008, and is expected to be completed in November 2010. Tesco Kipa already signed on as an anchor tenant. Tesco Kipa is the leading supermarket operator in the Aegean Region in terms of volume and brand recognition. As this Annual Report goes to print, negotiations with potential tenants are continuing.

Van Development Land

In February 2008, Pera REIT and the Company won the tender for a 16,611m^2 parcel of land located on a main commercial street in Van, south eastern Turkey.

Van is an important commercial center and a transportation hub for hides, grains, fruits, vegetables and other products, regionally and across borders with neighboring countries, including Iran, Iraq and Armenia, and is an air and ground transportation hub for surrounding cities such as Bitlis, Hakkari, Siirt and Muş.

Van is also in close proximity to a number of scenic sites, including Lake Van, Akdamar Island, and surrounding mountain peaks, as well as archaeological remnants from the Seljuk and Ottoman periods, including Hosap Castle, Sarduri Palace, and the 10th Century Church of the Holy Cross.

According to 2007 census figures, Van Province has a population of over 979,500, with the population of Van's city center numbering over 350,000. The city is also home to Yüzüncü Yıl University, which has an enrolment of over 18,000 students.

The development plan for the Van land envisages a mixed-use project encompassing a shopping center with an investment cost of US$25 million, and having a gross building area of 44,700 m^2 and an approximate gross lease area of 20,140 m^2; an underground parking with a capacity of 360 cars; and a 130-150 room international-standard four-star hotel. Van Province currently lacks a modern shopping center, while existing hotel accommodation in the city is generally outdated and caters to low and medium budget travelers. The Group's development is expected to be a landmark both in concept design and location.

OTHER REAL ESTATE PROJECTS

The Global Holdings Group owns two real estate properties apart from those held jointly with Pera REIT. Based on Company management valuations and third party appraisal reports, the total estimated value of these two properties under Company's direct ownership is approximately US$ 53 million.

The Global Holdings Group Headquarters Building

The Headquarters Building of the Group is located in Karaköy, one of the most historic and commercial districts of İstanbul. Currently, the Company and several affiliates of the Group, such as Global Securities, Global Asset Management and Pera REIT utilize the building as office space.

Galata Building

The Group and its partners acquired the historic Galata Building, situated adjacent to the Company's headquarters in the Karaköy district of İstanbul, bordering the Galata Port. Following the asset swap deal with its former partners and subject to the acquisition of property interests held by a few hold over tenants, the Company will be entitled to 100% ownership of Galata Building.

The project envisages the renovation and redevelopment of the nine-storey, 12,000m^2 property as a three-star boutique hotel.

FINANCE DIVISION

The stable economy of Turkey, together with liberalizing regulatory changes, have led to a significant influx of foreign financial institutions, resulting in increased competition within the Turkish financial services sector. Nevertheless, Company management believe that the Group maintains significant positive brand recognition within the brokerage sector which distinguishes Global Securities from other investment banking firms.

GLOBAL SECURITIES

Global Securities carries on the brokerage, research and corporate finance advisory business first established in 1990 and which brought the Company to prominence within the Turkish financial services sector among domestic retail and foreign institutional investors alike. Global Securities is a member of both the ISE and the Turkish Derivatives Exchange (Vadeli İşlem ve Opsiyon Borsası A.Ş., or "VOB").

In 2009, Global Securities ranked 12th among all brokerage firms in Turkey, with a market share of 2.45% and equity trading volume of TL23.6 billion (US$15.9 billion). Its net brokerage commissions reached a total of TL16.5 million (US$11.1 million) in 2009, compared to TL13.7 million (US$10.5 million) in 2008. Aggregate equity trading volume was TL23.6 billion (US$15.9 billion) in 2009, 36% higher than the comparable figure of TL17.4 billion (US$13.4 billion) in 2008.

Global Securities' gross operating profits increased from TL22.1 million (US$17 million) in 2008 to TL29.8 million (US$20.1 million) in 2009. The Company had an operating profit of TL4.2 million (US$2.8 million) in 2009, while the operational loss in 2008 amounted to TL4.8 million (US$3.7 million).

The Company undertook on structural changes at Global Securities throughout 2009 to reach a much leaner operation. The outcome of such measures has recently started to materialize, and profitability has been increasing significantly.

GLOBAL SECURITIES

GLOBAL PORTFÖY

GLOBAL ASSET MANAGEMENT

Global Asset Management, The Global Holdings Group's dedicated subsidiary for domestic asset management, is one of the few 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 this vertical integration in the sector, 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.

As at year end 2008, Global Asset Management had been the manager of five open-end mutual funds launched by the Company since 1992. Most recently in 2009, Global Asset Management overtook the management of additional three mutual funds which were formerly founded and managed by Global Securities.

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.

Global Asset Management, as at year end 2009, manages eight mutual funds and discretionary accounts: Total assets under management reach approximately TL55 million (US$36 million) with an increase by 53% in 2009 compared with the previous year end.

The asset size as well as the number of investors in each of the eight funds managed by Global Asset Management is listed below:

Fund	Asset Size (TL)*	Asset Size (US$)*	Number of Investors*
Global B-Type Money Market Fund	22,382,161	14,976,354	1921
Global A-Type Aktif Strateji Fund	12,986,952	8,689,831	572
Global B-Type T-Bill Fund	11,940,815	7,989,840	708
Global A-Type Piri Reis Fund	684,135	457,768	203
Global B-Type Variable Fund	571,877	382,654	109
Global A-Type Composite Fund	342,178	228,958	23
Global B-Type Variable Fund	87,172	58,328	79
Global A-Type High Dividend Equity Fund**	510,270	341,432	23

* As of March 2009
** Global A-Type High Dividend Equity Fund is converted from Global A-Type ISE100 Index

Due to continuing decrease in both nominal and real interest rates for Turkish Lira dominated assets and bank deposits, asset management business in Turkey is expected to become more popular especially among domestic individual investors. Global Asset Management is planning and repositioning itself to receive the maximum benefit from the future growth of the sector through its well-known brand name, track record and innovative management.

OTHER GROUP BUSINESSES

Diversification of the Group's investment portfolio reduces the overall business risk of the Group and over-dependence on particular areas of operation.

Although the Group focuses on investment in existing business lines and new businesses having the potential to create synergies across existing business lines and core management expertise and strengths, Company management will also assess opportunities in businesses with high expected returns, but which may have a less proximate nexus or long term relevance to existing Group businesses.

CORPORATE GOVERNANCE

The Global Holdings Group continues to pursue a corporate governance initiative launched in 2006 with a view toward formalizing and institutionalizing the governing principles of the Company and the Global Holdings Group.

Further to that review, action was initially taken to strengthen the independence of the Board by increasing its complement of non-executive members. As a result, in 2009, the Company welcomed to its Board of Directors Messrs. Saygin Narin, Gabriel Salas, and Jèròme Bayle.

While the Company continues to make annual corporate governance compliance reports 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.

CORPORATE CITIZENSHIP

The Group maintains a strong commitment to bettering the numerous communities of which we are a part. Toward that end, from time to time, the Group contributes to, and sponsors, educational, charitable, cultural, social and sporting causes, projects and events.

In the major port city of Kuşadası, our subsidiary, Ege Ports, has undertaken numerous initiatives to benefit the community in and around the Port since commencing operations in 2003.

The Global Holdings Group has taken an active interest in creating employment opportunities and raising standards in the Turkish hospitality industry. The Company continued an educational initiative, in collaboration with the Turkish Ministry of Education, to construct a tourism training college of 14,000m^2 gross indoor area in Kuşadası for approximately US$1.2 million. The tourism college facilities will serve the Kuşadası community and environs, as well as the students of Adnan Menderes University.

Our contributions to the community also include donations of computer and other equipment to local schools; the provision of funding to assist in rehabilitating local beaches; and the provision of technical assistance to Turkish state-run institutions.

In addition to materiel and financial sponsorships, Ege Ports - Kuşadası has organized, and has made its piers and other facilities available for, various public concerts and other social, sporting and cultural events. Among such events in 2009, Ege Ports hosted a number of activities to celebrate the important Ramadan religious holiday and ensuing festival in September, when the Port welcomed over 3,500 visitors through its doors.

Ege Ports also marked Mothers' Day and Fathers' Day with the distribution of gifts at Scala Nuova, the port facility's popular shopping center. Ege Ports capped the year with its third annual fishing derby, a highlight of the winter season, and an event which attracted some 3,000 avid fishermen.

In addition to the construction of the college facilities in Kuşadası, the Company contributes to improvements in educational facilities by building dormitories for students in Refahiye, Erzincan.

Holding 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 economic, social, cultural and economic environment for the benefit of the Republic of Turkey and its citizens.

INTERNAL CONTROLS; RATIONALIZATION

During 2009, the Company continued to follow Group-wide risk management and internal control policies. The previously applied corporate codes of conduct are systematically followed including the internet usage restrictions, proprietary trading limits and guidelines and management reporting systems. An organization-wide company assets security awareness including information and information systems is provided.

Upon the request of the Board, the Internal Audit Team has coordinated and performed different audit assignments in 2009 in order to detect potential risks within the Group companies and Head Office Departments. The Team will be completing a broad section of internal audit assignments in 2010 according to the annual audit plan.

Accordingly, in 2009, to provide and strengthen the centralized oversight of financial reporting within the Group, the Company has launched a new reporting system, Hyperion Financial Management. This web-based reporting system provides 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. The web based reporting will be fully in practice in 2010.

BOARD OF DIRECTORS

Under Turkish law and the Articles of Association of the Global Holdings Group, the Board is responsible for company management and approves all major decisions. The Board meets regularly and is instrumental, with the guidance of the Company's senior management, in planning the medium and long-term strategy of the Group.

The Company has, throughout its history, benefited from the knowledge and experience of its non-executive Board members representing a spectrum of financial, commercial and industrial sectors within Turkey and abroad. An important component of the Company's corporate governance initiative is to further strengthen the independence of the Board and, since December 2007, non-executive members have occupied three of seven seats on the Board. As at 31 May 2010, the Board consists of the following members:

Mehmet Kutman, Executive 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 the Global Holdings Group's operating subsidiaries and affiliates, including Global Port Holdings, Ege Ports, Port Akdeniz, Bodrum Cruise Port, İzmir Port and energy sector companies involved in natural gas distribution and 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 DEİK (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., the holding company of 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, Executive 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 boards of directors of Global Port Holdings, Ege Ports and İzmir Port.

Beyond the Group, Mr. Göker sits on several committees of the İstanbul Stock Exchange and is a member of TÜSİAD.

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.

The other members of the Board are (in alphabetical order)

Ayşegül Bensel, Executive 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.

Gregory M. Kiez, Executive Member.
Mr. Kiez joined the Board in 2005. He has been Chairman of the board of directors of Ege Ports-Kuşadası since 2003, Vice-Chairman of the board of directors of Port Akdeniz since 2006, and Chairman of Bodrum Cruise Port since 2008. He is a director of Global Port Holdings. 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 read 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.

Saygın Narin, Non-Executive Member.
Mr. Saygın Narin currently works as Managing Director for the Turkish Operations of Statkraft, a Norwegian Energy Group. He headed the Energy Division of Global Investment Holdings until October 2009. Prior to joining Global Investment Holdings in 2007, Mr. Narin was employed at RWE/Thames Water based in UK and Turkey from 1999 to 2007, where he held the positions both of Finance Controller and of Director for International Operations, with responsibility for covering Asia Pacific and the Europe and Middle Eastern regions. Mr. Narin started his career at PricewaterhouseCoopers in 1997 after graduating from Istanbul’s Bosporus University with an undergraduate degree in Business Administration.

Gabriel Salas, Non-Executive Member.
Mr. Gabriel Salas represents the investment firm of Ecofin Limited (“Ecofin”), a London based concern which specializes in management of investments in, and the provision of management consultancy services to investors in, global utility and infrastructure sectors. Mr. Salas’ market coverage at Ecofin comprises a portfolio of power and utility undertakings in emerging markets worldwide, as well as power and utility businesses in Japan. Previously, Mr. Salas was an Associate Director at the Emerging Markets' Research Department at Bear Stearns in NYC. Mr. Salas graduated with a BSc in Electrical Engineering at the Pontificia Universidad Catolica de Santiago, where he also did postgraduate studies in theoretical physics. Mr. Salas has been a CFA charter holder since 2007.

Jerome Bayle, Non-Executive Member.
Mr. Bayle, a French National, joined the Board in September 2009. He brings over 30 years management and manufacturing experience in large multinational companies, in particular Tetra Pak of Sweden, with an emphasis on emerging markets. Mr. Bayle has established a management consulting firm, Magnetic North, Ltd. based in Istanbul that provides mentoring and consulting services to large multinational companies. The emphasis is on human resources, organizational processes and development. Mr. Bayle holds a Master’s Degree in Business and Finance from France’s Paris IX Dauphine University. He is married and has lived in Istanbul since 1988.

FINANCIAL OVERVIEW

2009 Financial Summary

The Global Holdings Group's annual net profits in 2009 totaled TL 80 million, compared to a net loss of TL66.8 million in 2008. A strong operational recovery was achieved in all of the business segments in which the Company is operating. Consolidated revenues increased to TL236.6 million from TL212.1 million in 2008, representing a 12% increase. The increase in revenues excluding the results from gas distribution entities reached 57% (gas distribution operations have been presented under discontinued operations in consolidated financial statements). Port segment revenues grew by 12% in 2009, and the finance segment by 25%. The Group successfully finalized the sale of hydro assets during the first half of the year, in line with the restructuring and consolidation efforts.

Group management also successfully managed to improve operational efficiencies and overall cost control. The Group's consolidated operating expenses increased only by 2% in 2009; however, they include certain provisions and donations made, which are non-recurring and amount to TL6.9 million. Excluding such one-off expenses, there was an 8% decline in operating expenses in 2009 compared to the previous year. The Group achieved TL137.8 million revenues from certain asset sales in 2009, in line with its business strategy. However, a total of TL24 million charge was incurred in the last quarter of 2009, of which TL16.2 million was attributable to the İzmir Port tender bid bond, and certain non-cash impairment provisions on assets. The Group has decided to walk away from the tender process due to adverse market conditions, which could have been avoided if the administrative and legal proceedings against the tender had been resolved in a reasonably shorter time frame. All tender related expenditures have been written down.

In 2009, the Finance Division of the Company, together with the Port Infrastructure Division, contributed to the profitability and growth of the Global Holdings Group.

The Holding's Finance Division contributed 12.4% to gross operating revenues of the Group (as compared to 11.0% for the same period in 2008). In a difficult year, brokerage commissions were increased by an impressive 32% when compared to the previous year. In addition, the Finance Division registered treasury revenues of TL5 million, compared to a loss of TL31 million.

Global Ports Holding, which operates Ege Ports -Kuşadası, Bodrum Cruise Port and which has a 40% interest in Port Akdeniz - Antalya (subject to the completion of its acquisition of an additional 60% of Port Akdeniz), contributed 18% to the gross operating revenues of the Global Holdings Group in 2009, the same as for 2008. The Port Infrastructure Division showed a solid operational performance as expected in 2009; however, both EBITDA and net profit figures were considerably lower than the previous year, because of İzmir Port tender-related expense provisions. Furthermore, 2008 figures included negative goodwill from the Bodrum Cruise Port acquisition and non-recurring historical adjustments on duty-free revenues, without which actual consolidated operating profits of the Port Infrastructure Division would have been on a par with the previous year's results. Company management intends to grow in port operations and is considering additional cruise and cargo ports in Turkey as well as abroad. The Group is currently in talks with the remaining shareholders of Port Akdeniz to acquire their respective shareholdings in Port Akdeniz. Once the proposed transaction closes, the Group's holding in Port Akdeniz – Antalya will rise to 100%.

The Group's Energy Division contributed 59% to the gross operating revenues of the Holding, with total sales amounting to TL139.1 million (all profit and loss items in respect of gas distribution operations have been presented under "Discontinued Operations" in the consolidated IFRS financials of the Group. In this section of the Annual Report, hosever, such figures have been grossed up for representation purposes). Turnover was down by 7% when compared to 2008. Natural gas sales were slow in recovery; revenues in the energy segment were down 7% in 2009 over 2008. However, gas distribution operations are a margin business and turnover figures alone are not the sole driver of profitability. Despite the slight drop in turnover, the consolidated EBITDA loss of the gas distribution operations was reduced from TL6.5 million to TL2.7 million. (Energy division losses in 2009 include impairment provision on a hydro asset amounting to TL7 million, whereas 2008 figures included a negative goodwill gain of TL33.7 million). It should also be noted that subscription revenues are released over the life of the relevant concessions as an accounting treatment, and revenues deferred as such in 2009 amount to TL5.2 million. Adjusting for this accounting treatment which has no cash implication, consolidated gas distribution EBITDA would have been a positive TL2.6 million. Parallel with the expected recovery in the overall macroeconomic environment both globally and domestically, company management expects that new household subscriptions and natural gas consumption levels by industrial facilities will further accelerate in 2010.

Having successfully finalized the sale of hydro assets during the course of the year, in line with its restructuring and consolidation efforts, the Group will continue to consider the sale of gas distribution and certain real estate assets. Group management is concentrating on further developing certain investment activities, principally in its thermal power and port infrastructure operations, which will be the core businesses for the Company's future growth.

Financial Risk Management Objectives and Policies

A financial instrument is any contract that gives rise to the right to receive cash or another financial asset from another party (a "financial asset") or the obligation to deliver cash or another financial asset to another party (a "financial liability"). Financial instruments result in certain risks to the Group. The most significant risks facing the Group are discussed below.

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 re-price at different times or in differing amounts. In the case of floating rate assets and liabilities, the Group is also exposed to basis risk, which is the difference in re-pricing characteristics of the various floating rate indices, such as six months LIBOR and different types of interest. Risk management activities are intended to optimize net interest income, given market interest rate levels consistent with the Group's business strategy.

The Group uses interest rate derivatives (swaps) to manage the effects of interest rate movements on its bank loans.

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. This arises principally from the Group's receivables from customers and investment securities. The Group's principal financial assets are cash and cash equivalents, trade and other receivables, and investment in equity and debt securities.

The Company management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

Liquidity risk

Liquidity risk arises in the general funding of the Group's activities and in the management of positions. It includes both the risk of being unable to fund liabilities at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame. The Group has access to funding sources from banks and keeps certain levels of assets as cash and cash equivalents.

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.

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 holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimizing the return.

Market risk for all subsidiaries is monitored and managed by the Company's Treasury Department. The Treasury Department uses forward transactions and option contracts to seek to minimize the possible losses from money market fluctuations. In July 2008, the Company retained an international investment bank to provide consultancy services regarding the management of market, financial and operational risks.

Foreign currency risk

Currency risk is defined as the risk that the value of a financial obligation will fluctuate due to changes in foreign exchange rates. The Group undertakes certain transactions denominated in foreign currencies and uses derivatives to manage foreign currency risk exposure.

Treasury Operations

The Company maintains a centralized Treasury Department, with three employees, which is responsible for cash management, asset and liability management and risk management.

The Treasury Department monitors the daily cash balances of the Company's subsidiaries, as well as the projected cash needs of these entities. It seeks to ensure liquidity within the Group and to manage any idle cash held by Group companies to increase the returns on these funds. To minimize effects on the Group's liquidity which may be caused by variations in demand for funding with respect to new or existing businesses, the Group has entered into ISDA-CSA (International Swap Dealer Association - Credit Support Annex) agreements with international financial institutions, and subsidiaries are encouraged to fund their primary operations through unsecured non-recourse loans, particularly short-term money market funding.

The Treasury Department plays a significant role in meetings of the Group's Asset-Liability Committee at which feasibility studies; targeted costs of funding and management of balance sheet items are debated. Asset management decisions are subject to risk limitations defined by the Company's board of directors and proprietary activities are reported regularly to the upper management of the Company to ensure that such activities are in accordance with applicable guidelines.

The Treasury Department is also responsible for managing the Group's risks. When appropriate, it enters into hedging arrangements in order to reduce the effects of fluctuations in earnings which may result from fluctuations in currency exchange rates, interest rates or other market factors. It does not engage in speculative hedging.

The Treasury Department also engages in proprietary trading activity from time to time to the extent that management identifies an opportunity to increase returns on excess cash. This includes foreign exchange and equity trading, including long and short sales and transactions in derivatives. Trades are analyzed by trader, book and by product levels to facilitate accurate performance monitoring, and the results of this analysis are reported daily to upper management of the Company. It is expected that the Group's limited proprietary trading activities will be of diminishing significance as the Group continues to grow in its core business sectors, and liquidity management will become increasingly significant.

The Global Holdings Group

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2009 AND AUDITOR'S REPORT THEREON