

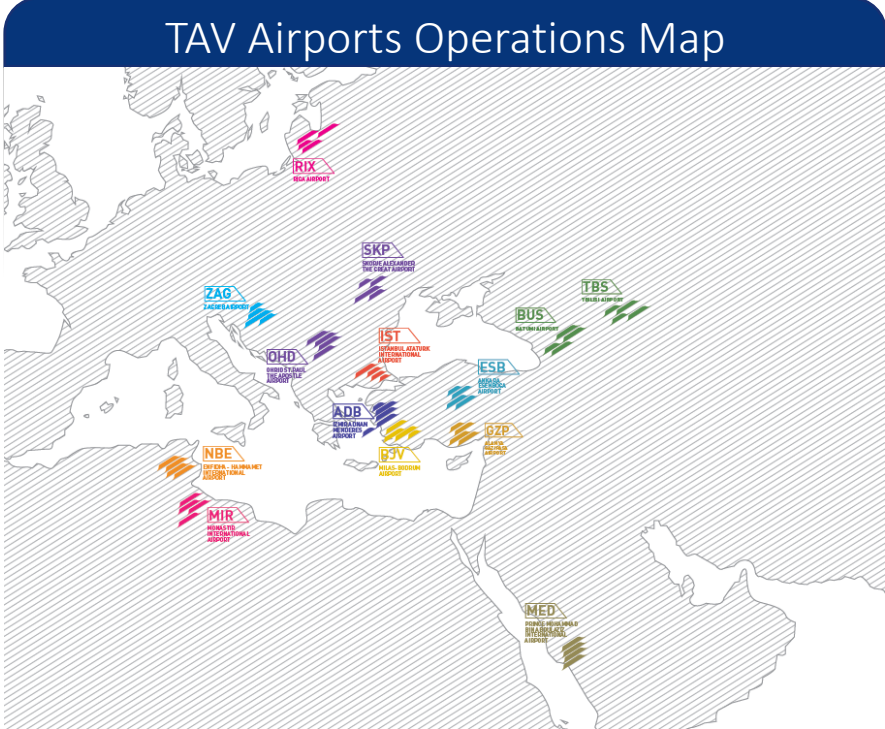


# Financial and Operational Results 9M 2016

November 4, 2016



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In 2016, the aviation industry is affected by security concerns both on a global scale in our region. Despite these, TAV Airports Holding attained 2% growth in passenger numbers y-o-y.

In the first nine months of 2016, TAV Airports realized almost stable revenue, with 7% and 35% drop in EBITDAR and net profit, respectively, compared to the same period of 2015. We had informed our investors that there had been major one-offs in the first half and there would be a significant decrease in finance expense in the second half, due to refinancings we had undertaken. This is exactly what happened, with almost stable net profit figure in the third quarter (July-September) of 2016. Other than that, we are on track with the revised guidance we disclosed in late July.

As we mourn our tragic losses both for our country and in our airport, we know that we have to continue to stay strong, upright and trust in the future of our company. This is the best answer we can give to these attacks. From our previous experience in crises, we know that aviation rebounds are fast. We are continuing to look for new investment opportunities both in and outside of our country.

**Dr. M. Sani Sener**  
**CEO & Executive Board Member**

**Consolidated Revenue\* of €814m**  
(-1% vs 9M15)

- Revenue almost flat due to weakness in ground handling, duty free commissions and change in passenger mix

**Consolidated EBITDAR\* of €461m**  
(-7% vs 9M15)

- EBITDAR decreased, due to high volume of low margin businesses and projects

**Consolidated EBITDA\* of €349m**  
(-12% vs 9M15)

- EBITDA decreased more due to higher Istanbul rent \*\*

**Net Profit of €110m**  
(-35% vs 9M15)

- Impacted by higher D&A, higher rent, lower equity pick-up, higher finance expenses and also impacted by one offs:
  - Tunisia deferred tax asset reversal of €-14m in Q2
  - Istanbul refinancing effect of €-11m in Q2 and €+6.9m in Q3, neutral effect expected for the full year
  - Macedonia refinancing of €-7m in Q1

**Net Debt of €866m**  
(-3% vs 9M15)

- Net debt decreased slightly with cash generation

**80m Passengers Served**  
(+2% vs 9M15)

- +2% international and +2% domestic passenger growth with +5% ATM growth (lower load factor)

\* IFRIC 12 adjusted

\*\* Istanbul's Rent in 2016 is mainly determined by 2015 EUR/USD FX rate, due to amortization schedule of rent payments (*while there is no change in cash payment amount*)

# 9M16 Summary Financials

IFRIC 12 Adjusted Financials			
(in m€, unless stated otherwise)	9M15	9M16	Chg %
Revenue	821.9	813.7	-1%
EBITDA	394.7	349.2	-12%
EBITDA margin (%)	48.0%	42.9%	-5.1 ppt
EBITDAR	492.7	460.6	-7%
EBITDAR margin (%)	59.9%	56.6%	-3.3 ppt
FX Gain (Loss)	(8.3)	1.4	nm
Deferred Tax Income (Expense)	(15.0)	(28.6)	90%
Net Profit <sup>(1)</sup>	168.3	109.8	-35%
Capex <sup>(2)</sup>	58	83	44%
Net Debt	891.1	866.1	-3%
Average number of personnel	14,972	15,327	2%
Number of passengers (m)	78.3	80.1	2%
- International	44.3	45.3	2%
- Domestic	34.1	34.8	2%
Duty free spend per pax (€) <sup>(3)</sup>	14.0	13.9	-1%

<sup>(1)</sup> Attributable to equity holders of the company

<sup>(2)</sup> Adjusted to exclude effects of IFRIC 12 accounting change (see pg. 13, 14)

<sup>(3)</sup> Transfer numbers are tentative and subject to change

**Pax**  
+2%

- Istanbul international pax is down 1% in 9M16 with around 22% growth in transfer pax vs 16% drop in O&D
- Share of transfer is 48% in Istanbul (9M15: 39%)

**Revenue**  
-1%

- Revenue almost flat due to weakness in ground handling, duty free commissions and change in passenger mix
- 46% aero, 54% non-aero

**EBITDAR**  
-7%

- EBITDAR decreased, due to high volume of low margin businesses and projects

**EBITDA**  
-12%

- EBITDA decreased more, due to higher Istanbul rent

**FX Gain**  
nm

- Due to TRY depreciation against EUR and relatively flat EUR/USD parity in 9M16 vs sharp appreciation of USD against EUR in 9M15

**Net Profit**  
-35%

- Impacted by higher D&A & rent, lower equity pick-up, higher finance expenses and also impacted by one offs:
  - Tunisia deferred tax asset reversal of €-14 m in Q2
  - Istanbul refinancing effect of €-11m in Q2 and €+6.9m in Q3, neutral effect expected for the full year
  - Macedonia refinancing of €-7m in Q1

**Net Debt**  
-3%

- Slight decrease, due to cash generation

**Spend per Pax**

- From €14.0 to €13.9, relatively flat

**Istanbul** ➤ O&D down by 16%, due to security concerns, while transfer pax growth intact (+22%)

**Ankara** ➤ Security concerns weighs on international, strong growth in domestic

**İzmir** ➤ Security concerns in international, strong growth in domestic

**Gazipasa** ➤ Security concerns

**Milas-Bodrum** ➤ Security concerns

**Medinah** ➤ Strong growth despite quota for Hajj and Umrah pax

**Tunisia** ➤ Impact of Bardo (March 2015) and Sousse (June 2015) attacks

**Georgia** ➤ Increase in Russia, CIS and Israel traffic

**Macedonia** ➤ Driven by **WizzAir**

**Zagreb** ➤ Driven by **Croatian Airlines**

**Pax** ➤ **+2%** mainly driven by organic growth, 5% ATM growth (lower load factors).

Passengers <sup>(1)</sup>	January-September			FY		
	2015	2016	Chg %	2014	2015	Chg %
<b>Ataturk Airport</b>	46.591.709	45.989.601	-1%	56.695.166	61.322.729	8%
International	31.817.898	31.395.497	-1%	38.152.871	41.947.327	10%
Domestic	14.773.811	14.594.104	-1%	18.542.295	19.375.402	4%
<b>Esenboga Airport</b>	9.150.487	9.667.921	6%	11.035.606	12.326.869	12%
International	1.233.550	1.130.186	-8%	1.444.256	1.559.171	8%
Domestic	7.916.937	8.537.735	8%	9.591.350	10.767.698	12%
<b>İzmir Airport</b>	9.319.419	9.069.845	-3%	10.970.663	12.139.788	11%
International	2.170.920	1.682.381	-23%	2.580.238	2.619.691	2%
Domestic	7.148.499	7.387.464	3%	8.390.425	9.520.097	13%
<b>Milas-Bodrum</b>	3.406.402	2.799.203	-18%	3.846.547	3.877.603	1%
International	1.429.249	830.965	-42%	1.835.103	1.548.708	-16%
Domestic	1.977.153	1.968.238	0%	2.011.444	2.328.895	16%
<b>Gazipasa Airport</b>	757.474	603.031	-20%	724.842	915.046	26%
<b>Medinah</b>	4.473.238	5.111.492	14%	5.703.349	5.831.163	2%
Tunisia (Monastir&Enfidha)	1.266.232	1.369.999	8%	3.332.391	1.407.293	-58%
Georgia (Tbilisi&Batumi)	1.614.343	1.992.331	23%	1.788.571	2.066.268	16%
Macedonia (Skopje&Ohrid)	1.183.730	1.382.714	17%	1.278.343	1.560.381	22%
<b>Zagreb Airport</b>	1.993.994	2.127.658	7%	2.430.971	2.587.798	6%
<b>TAV TOTAL <sup>(3)</sup></b>	78.327.779	80.113.795	2%	94.921.563	102.488.496	8%
International	44.274.050	45.293.450	2%	54.565.481	57.572.163	6%
Domestic	34.053.729	34.820.345	2%	40.356.082	44.916.333	11%

Air Traffic Movements <sup>(2)</sup>	January-September			FY		
	2015	2016	Chg %	2014	2015	Chg %
<b>Ataturk Airport</b>	335.871	344.398	3%	419.897	447.159	6%
International	234.169	244.640	4%	286.932	313.730	9%
Domestic	101.702	99.758	-2%	132.965	133.429	0%
<b>Esenboga Airport</b>	66.109	70.154	6%	82.108	87.948	7%
International	9.460	9.444	0%	11.640	12.031	3%
Domestic	56.649	60.710	7%	70.468	75.917	8%
<b>İzmir Airport</b>	60.657	60.664	0%	72.697	79.880	10%
International	15.566	13.085	-16%	17.372	19.191	10%
Domestic	45.091	47.579	6%	55.325	60.689	10%
<b>Milas-Bodrum</b>	22.828	20.090	-12%	26.308	26.394	0%
International	8.942	5.824	-35%	11.205	9.714	-13%
Domestic	13.886	14.266	3%	15.103	16.680	10%
<b>Gazipasa Airport</b>	5.260	4.591	-13%	5.274	6.510	23%
<b>Medinah</b>	36.925	42.542	15%	48.549	49.031	1%
Tunisia (Monastir&Enfidha)	10.561	10.252	-3%	22.441	12.229	-46%
Georgia (Tbilisi&Batumi)	19.242	21.084	10%	23.804	25.148	6%
Macedonia (Skopje&Ohrid)	11.695	13.009	11%	13.969	15.510	11%
<b>Zagreb Airport</b>	30.662	31.312	2%	38.348	39.854	4%
<b>TAV TOTAL <sup>(3)</sup></b>	590.868	618.096	5%	734.485	779.973	6%
International	347.684	368.829	6%	432.981	459.492	6%
Domestic	243.184	249.267	3%	301.504	320.481	6%

Source: Turkish State Airports Authority (DHMI), Georgian Authority, TAV Tunisie, TAV Macedonia, TIBAH and MZLZ  
Note: DHMI figures for 2016 are tentative.

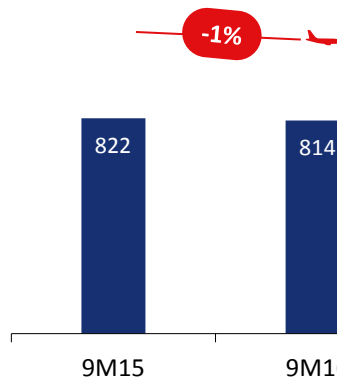
(1) Both departing and arriving passengers, including transfer pax, pax numbers NOT stake adjusted

(2) Commercial flights only

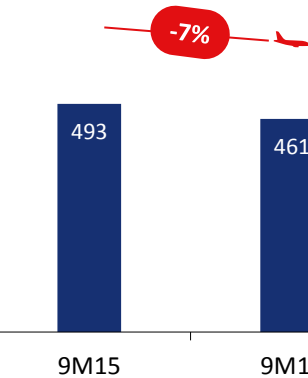
(3) 2014 TAV totals do not include Milas-Bodrum until August.

# YoY Comparison

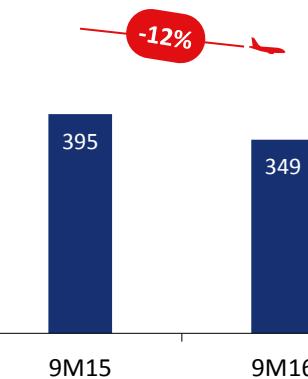
## Consolidated Revenue <sup>(1)</sup> (€m)



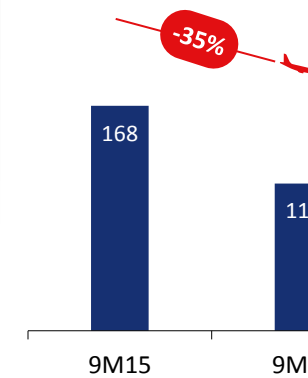
## EBITDAR <sup>(1)</sup> (€m)



## EBITDA <sup>(1)</sup> (€m)

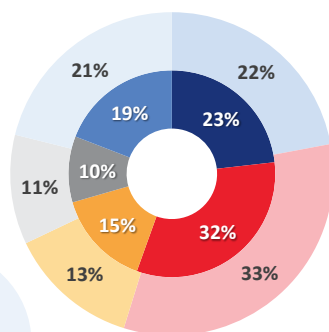


## Net Profit <sup>(2)</sup> (€m)



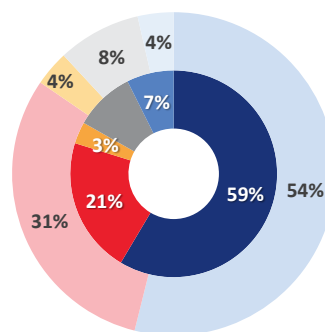
## Consolidated Revenue (%)

■ Duty-free ■ Aviation ■ Ground-handling ■ F&B ■ Other



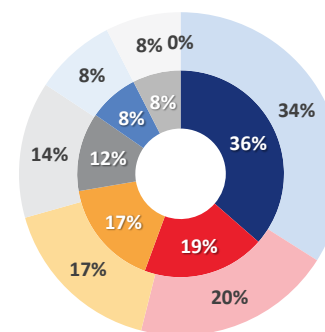
## EBITDA (%)

■ Istanbul ■ Other Airports ■ BTA ■ HAVAS ■ Other Services



## Opex (%)

■ Personnel ■ D&A ■ Concession rent ■ Services rendered ■ Other ■ Catering



(1) IFRIC 12 adjusted  
(2) Attributable to equity holders of the company



(€m) *	9M15	9M16	Chg (%)
Aviation	265.3	266.6	0%
Ground handling	123.6	106.8	-14%
Commission from duty free sales	190.8	179.4	-6%
Catering services and retail	84.9	89.1	5%
Other operating revenue	157.2	171.8	9%
<b>Total Revenue</b>	<b>821.9</b>	<b>813.7</b>	<b>-1%</b>

**Revenue**  
-1%

- Revenue almost flat due to weakness in ground handling, duty free commissions and aviation income (change in passenger mix)
- 46% aero, 54% non-aero

**Ground Handling**  
-14%

- Total flights served -2%, HAVAS only -6% (fully consolidated), TGS -1% (equity pick-up)
- Tunisia GH and Antalya weak (due to Russian charters)

**Aviation**  
0%

- Aviation revenue flat versus total pax increase due to weakness in Istanbul O&D pax somewhat compensated by Bodrum international
- **Guaranteed Pax Revenue:** €10.3m for Ankara (€12.4m in 9M15), €0m for Izmir (€0.2m in 9M15)

**Catering & Retail**  
+5%

- Affected positively by newly established logistics company, despite weak TRY

**Commission from Duty Free**  
-6%

- O&D pax weakness in Istanbul due to security concerns

**Other Operating Revenue**  
+9%

- Strength in IT projects

**Spend per Pax**

- From €14.0 to €13.9 relatively flat despite dilutive impact of transfer pax

\* IFRIC 12 adjusted  
\*\* Transfer numbers are tentative and subject to change



# YoY Opex Comparison

(€m) *	9M15	9M16	Chg (%)
Cost of catering inventory sold	(38)	(42)	10%
Cost of services rendered	(40)	(46)	14%
Personnel expenses	(186)	(190)	2%
Concession & rent expenses	(98.0)	(111.4)	14%
<i>Istanbul</i>	(92.7)	(106.0)	14%
<i>Tunisia</i>	(4.6)	(4.6)	0%
<i>Macedonia</i>	(0.7)	(0.9)	21%
Depreciation and Amortization	(63)	(76)	22%
Other operating expenses	(85)	(93)	10%
<b>Total Operating Expenses</b>	<b>(510)</b>	<b>(559)</b>	<b>10%</b>

## Catering COGS +10%

- › Mostly due to the costs of the new BTA Logistics operation and international ramp-ups in Medinah and Latvia

## Services Rendered +14%

- › Service companies' staff related cost items.

## Personnel +2%

- › In line with average headcount increase, due to FX

## Concession & Rent +14%

- › Istanbul's rent in 2016 is mainly determined by 2015 EUR/USD FX rate, due to amortization schedule of rent payments (while no change in USD denominated rent amount)

## Depreciation & Amortization +22%

- › Mostly due to TAV Milas Bodrum (Bodrum International terminal taken over in October 2015)

## Other Opex +10%

- › Increase in other opex due to high volume of businesses and projects

## Total Opex +10%

- › Mostly due to higher concession& rent and depreciation & amortization expenses

\*Rent payments are made to DHMI for Istanbul Ataturk, Izmir Adnan Menderes and Milas Bodrum.

Concession payments are made to Tunisian Civil Aviation Authority (OACA), Macedonian Ministry of Transportation and Communication and to GACA in Saudi Arabia.

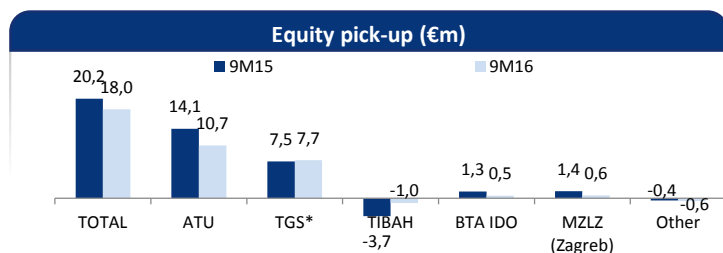
# Net Profit Impacted by higher D&A, rent and Deferred Tax

(€m) *	9M15	9M16	Chg (%)
<b>Equity Pick-up</b>	20.2	18.0	-11%
<b>EBIT</b>	331.8	272.8	-18%
<b>EBITDA</b>	394.7	349.2	-12%
<b>EBITDA margin</b>	48.0%	42.9%	-5.1 ppt
<b>EBITDAR</b>	492.7	460.6	-7%
<b>EBITDAR margin</b>	59.9%	56.6%	-3.3 ppt

(€m) *	9M15	9M16	Chg (%)
Finance income	6.6	7.2	9%
Finance costs	-91.0	-96.2	6%
FX gain	-8.3	1.4	nm
<b>Net finance costs</b>	-84.4	-89.1	5%
Profit before income tax	234.7	173.4	-26%
<b>Tax expense</b>	-71.7	-70.1	-2%
Current period tax expense	-56.7	-41.5	-27%
Deferred tax (expense)/income	-15.0	-28.6	90%
<b>Profit for the period</b>	163.0	103.3	-37%
Attributable to :			
<b>Equity holders of the Company</b>	168.3	109.8	-35%
Non-controlling interest <sup>(2)</sup>	-5.3	-6.5	23%

(1) IFRIC 12 adjusted

(2) Non-controlling interest reflects the allocation of profit / loss held by minority shareholders of subsidiaries (BTA, TAV Tunisia, TAV Georgia, HAVAS Europe)



**Equity Pick-up**  
-11%

➤ Softness in ATU

**EBITDAR**  
-7%

➤ EBITDAR decreased, due to high volume of low margin businesses and projects

**EBITDA**  
-12%

➤ Higher rent expense of TAV Istanbul (*no change in USD payment amount*)

**EBIT**  
-18%

➤ Increase in D&A (Bodrum international terminal), lower contribution from equity pick-up

**Net Finance Costs**  
+5%

➤ Lower FX gains, commencement of operations of Bodrum International terminal in 4Q15 (see pg. 23),  
➤ Istanbul refinancing effect of €-11m in Q2 and €+6.9m in Q3, neutral effect expected for the full year  
➤ Macedonia refinancing of €-7m in Q1

**FX Gain**  
nm

➤ Due to TRY depreciation against EUR and relatively flat EUR/USD parity in 9M16 vs sharp appreciation of USD against EUR in 9M15

**Tax**  
-2%

➤ Current period tax decreased significantly parallel to net profit, making up for Tunisia tax asset write down.

**Current Tax**  
-27%

➤ Due to lower net profit of subsidiaries

**Deferred Tax**  
+90%

➤ €14m one off deferred tax expense in Q2 due to Tunisia deferred tax asset reversal

**Net Profit to Equity Holders**  
-35%

➤ Impacted by higher D&A, lower equity pick-up, higher net finance expenses (lower FX gain, one-off finance costs of Macedonia & Istanbul, higher discount expense, Tunisia deferred tax reversal). Effect of one-offs in 1H tapering in 9M.

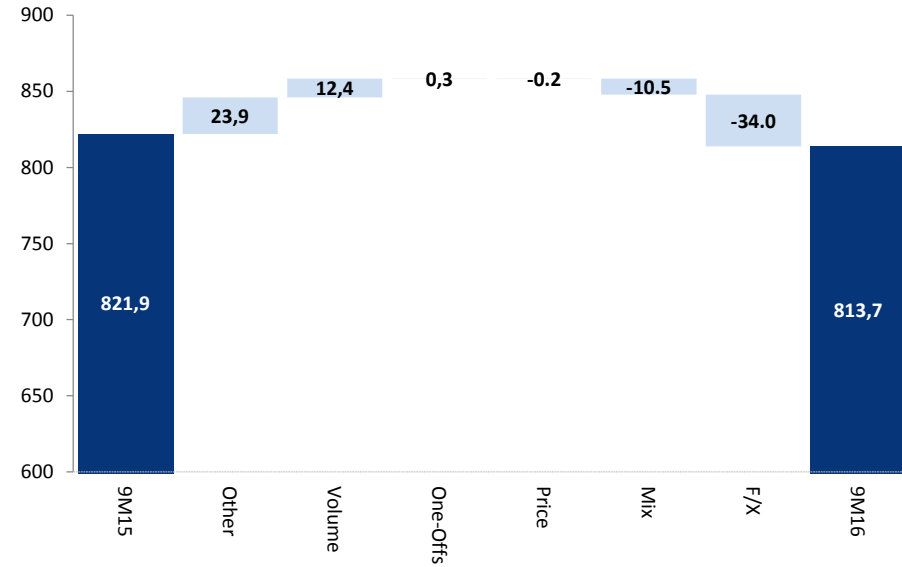
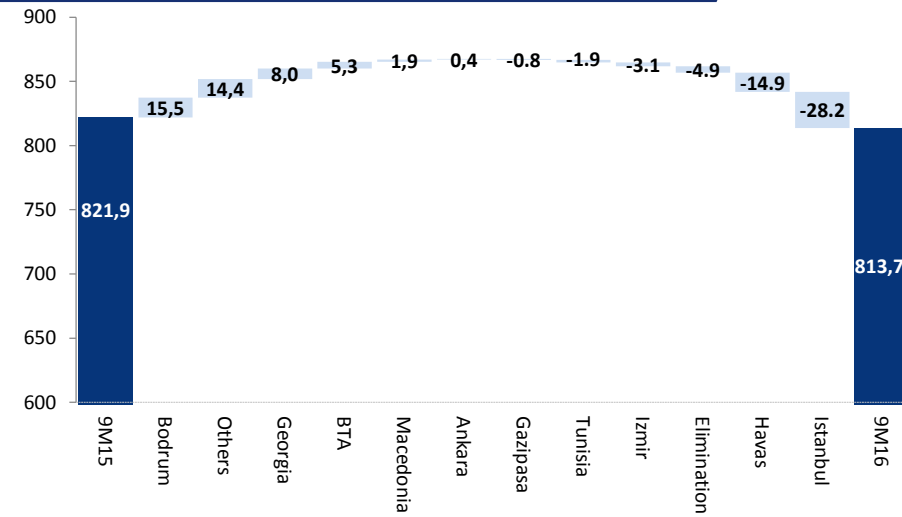
TGS: All companies under Havas consolidation – Havas solo

BTA: BTA IDO+UNLU+LOKUM (incl. in OTHER)

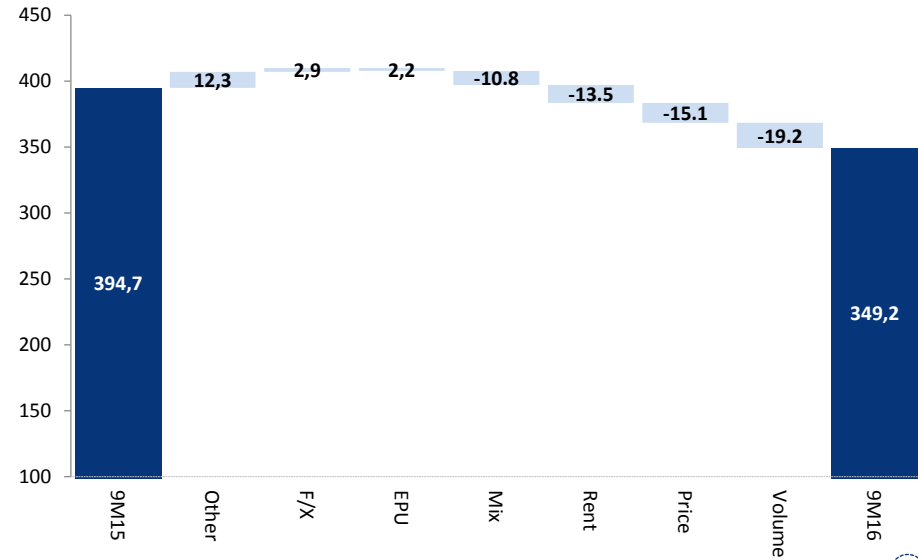
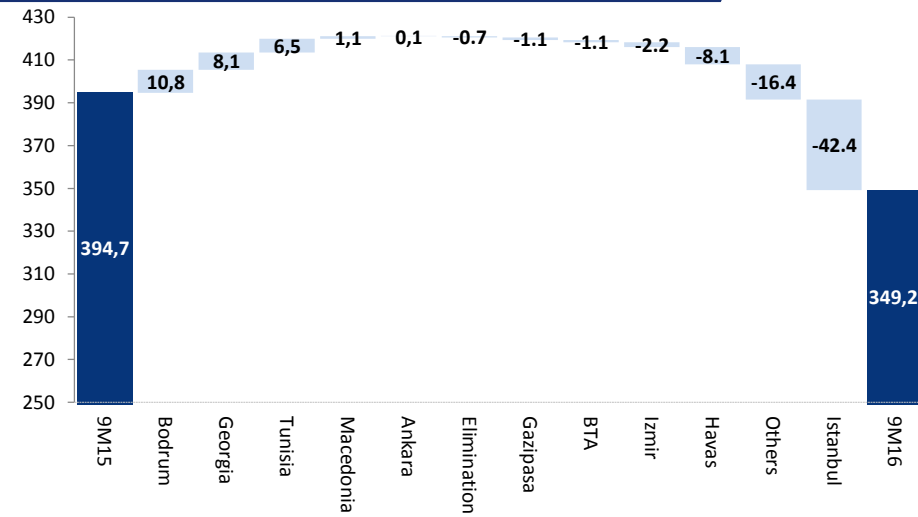
\*ATU = ATU + ATU Magazacılık (Domestic)

# 9M16 Revenue and EBITDA Bridges \*

## Revenue Bridges (€m)



## EBITDA Bridges (€m)



# 2016 Guidance

In our material event disclosure on February 12, 2016 we had disclosed our financial and operational expectations for 2016, under normal conditions.

Because of security related incidents we have experienced both in Turkey and globally since then, passenger numbers and passenger mix is affected and hence guidance was revised on July 27, 2016.

All measures have been taken to limit the decline in operational metrics and strict cost control measures have been implemented in response to the new situation.

**Istanbul  
Ataturk  
Airport Int.  
O&D (\*)  
Pax**



20  
percent

**Revenue**



stable

**EBITDAR**  
(EBITDA before  
concession &  
rent)



8-10  
percent

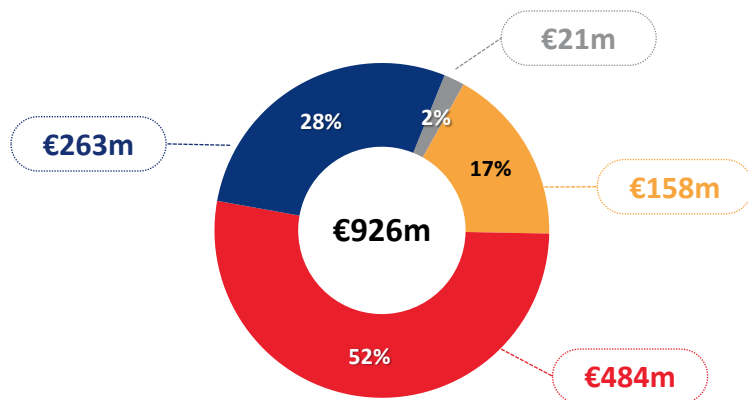
**Net Profit**



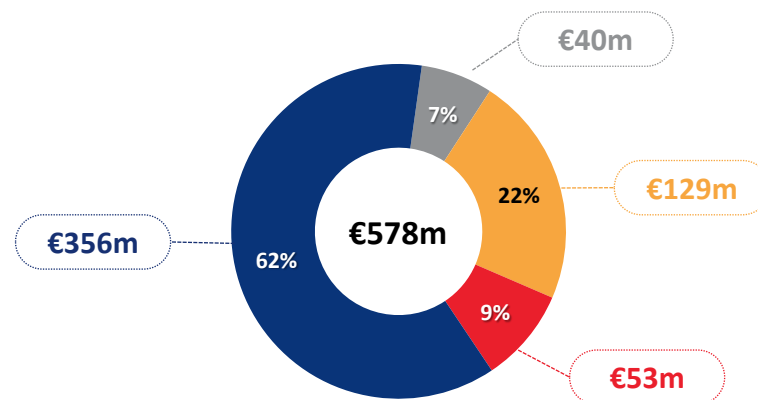
significant  
decline

# FX Exposure of Operations (9M 2016)

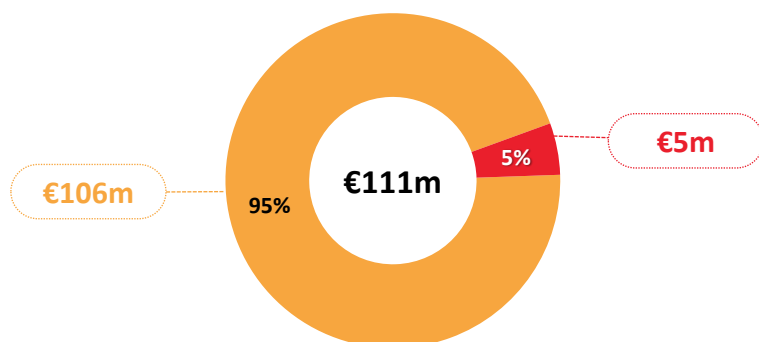
## Revenue <sup>(1)</sup>



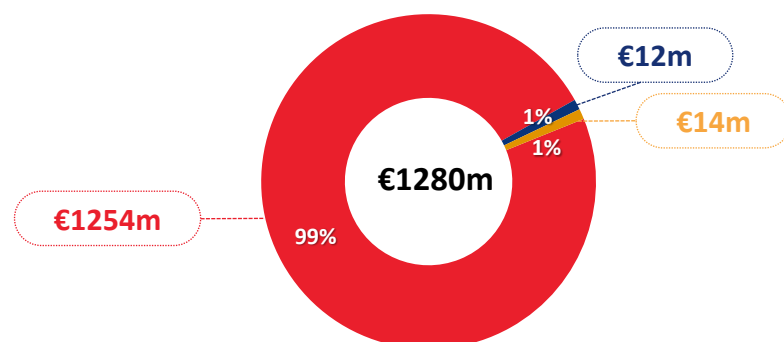
## Opex <sup>(1)(2)</sup>



## Concession Rent Expense



## Gross Debt



■ TRY ■ EUR ■ USD ■ Other

<sup>(1)</sup> Combined figures, pre-elimination IFRIC12 adjusted, includes equity-pick up (€21m)

<sup>(2)</sup> Includes concession rent expenses (€133m), does not include depreciation (€35m)

FX Rates	Average		30 September	30 September
	9M15	9M16	2015	2016
EUR/TRY	2.96	3.27	3.42	3.36
USD/TRY	2.66	2.93	3.04	3.00
EUR/USD	1.12	1.12	1.12	1.12
EUR/GEL	2.48	2.59	2.67	2.61
EUR/MKD	61.7	61.7	61.7	61.3
EUR/TND	2.17	2.35	2.20	2.47
EUR/SEK	9.37	9.36	9.42	9.63
EUR/SAR	4.19	4.19	4.22	4.21

('000)	Equity		Profit or loss	
	Strengthening of EUR	Weakening of EUR	Strengthening of EUR	Weakening of EUR
<b>30 September 2016</b>				
USD			(12,182)	12,182
TRY			(4,483)	4,483
Other			-	-
<b>Total</b>			<b>(16,665)</b>	<b>16,665</b>
<b>31 December 2015</b>				
USD	(9,757)	11,962	(17,724)	17,724
TRY	-	-	1,427	(1,427)
Other	-	-	(784)	784
<b>Total</b>	<b>(9,757)</b>	<b>11,962</b>	<b>(17,081)</b>	<b>17,081</b>

## Hedging

- Subsidiaries, TAV Esenboga, TAV Ege and TAV Milas Bodrum enter into swap transactions in order to diminish exposure to foreign currency mismatch relating to DHMI instalments and interest rate risk to manage exposure to the floating interest rates relating to loans used.
- Interest payments of 100%, 100% and 90% of floating bank loans for TAV Esenboga, TAV Ege and TAV Milas Bodrum, respectively, are fixed with interest rate swaps.
- Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized directly in equity to the extent that the hedge is highly effective. To the extent that the hedge is ineffective, changes in fair value of the ineffective are recognized in profit or loss.

## Sensitivity Analysis

- The Group's principal currency rate risk relates to changes in the value of the Euro relative to TRY and the USD. The Group manages its exposure to foreign currency risk by entering into derivative contracts and, where possible, seeks to incur expenses with respect to each contract in the currency in which the contract is denominated and attempt to maintain its cash and cash equivalents in currencies consistent with its obligations.
- The basis for the sensitivity analysis to measure foreign exchange risk is an aggregate corporate-level currency exposure. The aggregate foreign exchange exposure is composed of all assets and liabilities denominated in foreign currencies, both short-term and long-term purchase contracts. The analysis excludes net foreign currency investments.
- A 10 percent strengthening / (weakening) of EUR against the following currencies at 30 September 2016 and 31 December 2015 would have increased / (decreased) equity and profit or loss by the amounts shown above. This analysis assumes that all other variables, in particular interest rates, remain constant.

# Decentralized Debt Structure - Prudently Levered

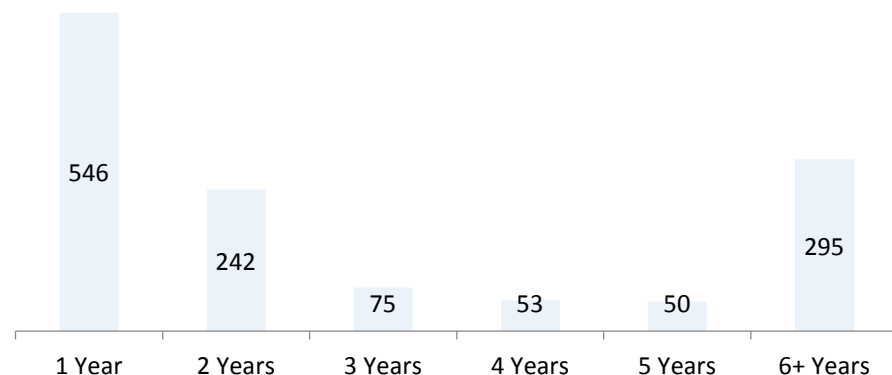
Net Debt (eop, €m)	9M15	FY15	1H16	9M16
<b>Airports</b>	<b>627</b>	<b>678</b>	<b>977</b>	<b>860</b>
İstanbul	(44)	(132)	137	58
Ankara	64	65	52	46
Izmir (including Ege)	217	203	222	212
Gazipasa	46	46	47	46
Tunisia*	335	339	343	338
Georgia	(21)	(25)	(16)	(18)
Macedonia	46	44	49	46
Bodrum	(16)	138	144	131
<b>Services</b>	<b>264</b>	<b>161</b>	<b>5</b>	<b>6</b>
HAVAS	41	45	44	36
BTA	0	3	3	5
Others	223	113	(42)	(35)
<b>Total</b>	<b>891</b>	<b>839</b>	<b>981</b>	<b>866</b>

- ▶ Door to Door Maturity 9.0 Years
- ▶ Average Maturity 5.7 Years
- ▶ Average € Cost of Debt (Hedged\*\*) 4.1%
- ▶ Net Debt / 2015 FY EBITDA 2.0x

\*\* 74% of all loans have fixed rates.

-as of September 30, 2016

## Gross Debt Maturity Profile (€m)



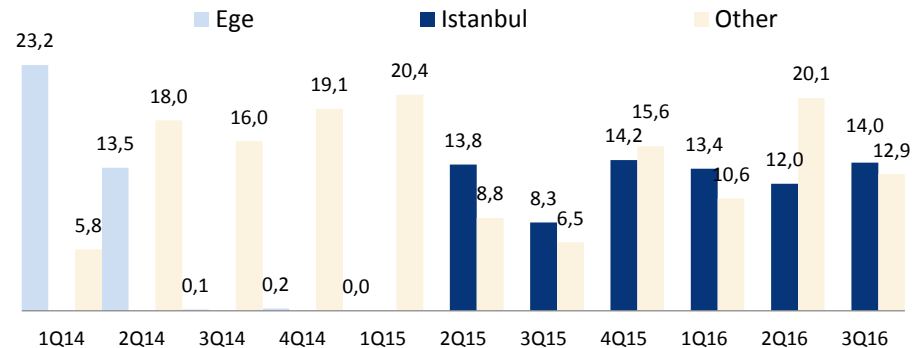
\*\* With the Istanbul refinancing the average cost of debt decreased from 4.4% in 1Q16 to 4.1% in 9M16.

The refinancing transaction will be bottom line neutral in 2016 and save approximately €13m in finance costs in 2017. The positive effect was €+6.9m in Q3.



# CAPEX Development / Dividends

## Quarterly Capex (€m)(i)



(i) Adjusted to exclude effects of IFRIC 12 accounting change

## 2016 Capex

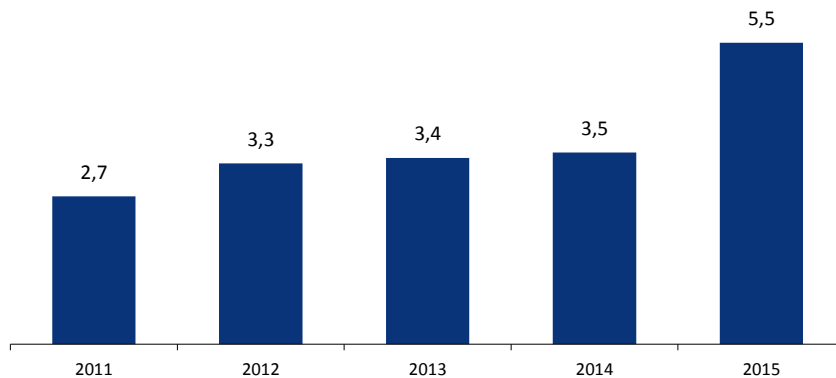
**2016 9M  
CAPEX**

**=**

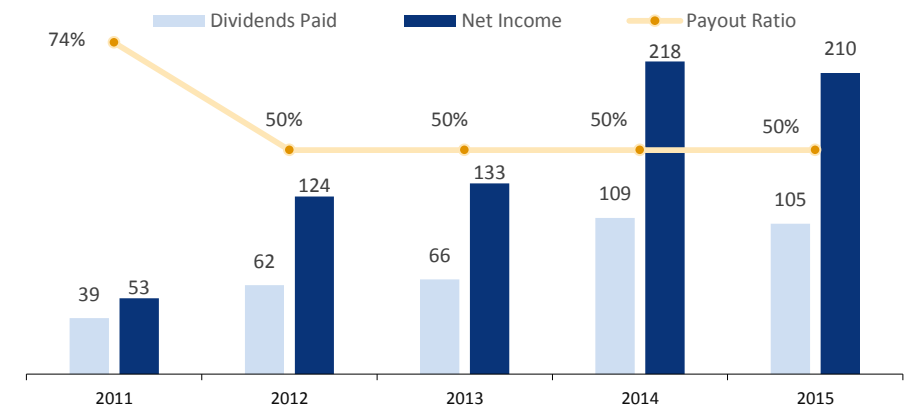
**€83m**

► €15m invested in Tbilisi runway and taxiway rehabilitation in 2016

## Dividend Yield (%)



## Dividend History (€m)



► TAV Airports' dividend policy: **50%** of the consolidated IFRS net profit.

## Basis of Consolidation

- The consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").
- Although the currency of the country in which the Group is domiciled is Turkish Lira (TRL), most of the Group entities' functional currency and **reporting currency is EUR.**
- Each entity is consolidated as follows:

## Summary IFRS Consolidation Table

Name of Subsidiary	Consolidation	2015	Consolidation	2016
		% Stake		% Stake
TAV Istanbul	Full - No Minority	100	Full - No Minority	100
TAV Esenboga	Full - No Minority	100	Full - No Minority	100
TAV Izmir	Full - No Minority	100	-	
TAV Ege	Full - No Minority	100	Full - No Minority	100
TAV Gazipasa	Full - No Minority	100	Full - No Minority	100
TAV Macedonia	Full - No Minority	100	Full - No Minority	100
TAV Latvia	Full - No Minority	100	Full - No Minority	100
TAV Tunisia	Full - With Minority	67	Full - With Minority	67
TAV Urban Georgia (Tbilisi)	Full - With Minority	80	Full - With Minority	80
TAV Batumi	Full - With Minority	76	Full - With Minority	76
TIBAH Development	Equity	33	Equity	33
TIBAH Operation	Equity	51	Equity	51
HAVAS	Full - No Minority	100	Full - No Minority	100
BTA	Full - With Minority	67	Full - With Minority	67
TAV O&M	Full - No Minority	100	Full - No Minority	100
TAV IT	Full - No Minority	100	Full - No Minority	100
TAV Security	Full - No Minority	100	Full - No Minority	100
HAVAS Europe	Full - No Minority	100	Full - No Minority	100
ATU	Equity	50	Equity	50
TGS	Equity	50	Equity	50
BTA Denizyollari (IDO)*	Equity	50	Equity	50
MZLZ	Equity	15	Equity	15
MZLZ Operations	Equity	15	Equity	15
TAV Milas Bodrum	Full - No Minority	100	Full - No Minority	100
TAV Akademi	Full - No Minority	100	Full - No Minority	100
Havas Saudi	Equity	67	Equity	67
Tunisia Duty Free*	Proportionate	30	Proportionate	30

\*Effective ownership to TAV Airports is 33% in BTA IDO

\*\*Tunisia Duty Free is 30% held and proportionately consolidated to ATU because ATU has 65% of the voting rights.

## Introduction to IFRIC 12

- IFRIC 12- is an accounting application treating BOT assets with special provisions for guaranteed income. Ankara Esenboga Airport and Izmir Adnan Menderes Airport International Terminal, with their guaranteed passenger fee structures, fall under the scope.
- The capex we incur on our BOT assets, is routinely booked as “airport operation right” in the balance sheet. However when there are guaranteed passenger fees in question, these fees are discounted to their NPV and subtracted from the “airport operation right” of the BOT in question. The remaining capex amount gets booked as “airport operation right” and the NPV of guaranteed passenger fees gets booked as “trade receivables.”
- When the guaranteed passenger fees become earned during the course of operations, these are credited from the balance sheet and the difference between discounted (NPV of) guaranteed passenger fees and the actual fees as they are earned are booked as finance income.
- Due to the application of IFRIC 12, guaranteed passenger fees stop being P&L items and get treated as Balance Sheet/Cash Flow items, while at the same time, part of these fees gets shown as finance income. This unduely decreases aviation income and increases finance income and distorts our P&L. To adjust for the distortion we add back guaranteed passenger fees while reporting our adjusted revenues.
- On the other hand the capex incurred during the construction phase is immediately transferred to P&L with an offsetting construction income assigned to it. This income may or may not carry a mark-up on it. Since this method of booking also distorts both the P&L and the Balance Sheet we adjust our financials to disregard the effects of both “construction expense” and “construction income.”

## IFRIC 12 booking model

	Debit	Credit
<b>1. During Construction</b>		
BS		Debt
BS		Cash
BS Construction in progress		
PL Construction Expense		Construction Income
<b>2. Completion of Construction</b>		
BS		Construction in progress
(NPV of) Passenger Revenue Receivable		
BS (Trade Receivables)		
BS Airport Operation Right *		
<b>3. Operations During Year</b>		
PL		Aviation Income for the Current Year **
BS Cash **		
<b>4. Year Close</b>		
PL Aviation Income for the Current Year ***		
		Finance Income
		(Difference between discounted receivables and the actual receivables)
PL		
BS		Passenger Revenue Receivable****
PL Amortisation of Airport Operation Right		
BS		Accumulated Amortisation of Airport Operation Right

\* AOR = Construction in progress-(NPV of Passenger Revenue Receivable)

\*\* TR-GAAP

\*\*\* IFRS (IFRIC 12 application)

\*\*\*\* Discounted guaranteed passenger revenues for that period

	Guaranteed Pax Structure	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Ankara	International Departing Pax (m)	0.8	0.8	0.9	0.9	1.0	1.0	1.1	1.1	1.2	1.2	1.3	1.3	1.4	1.5	1.6	0.6
	Guaranteed Pax Income (€m)	11.8	12.4	13.0	13.7	14.4	15.1	15.8	16.6	17.5	18.3	19.2	20.2	21.2	22.3	23.4	9.6
	Domestic Departing Pax (m)	0.6	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.9	1.0	1.0	1.1	1.1	1.2	1.2	0.5
	Guaranteed Pax Income (€m)	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.7	2.8	2.9	3.1	3.2	3.4	3.6	3.7	1.5
	Total Guaranteed Pax Income (€m)	13.7	14.4	15.1	15.9	16.7	17.5	18.4	19.3	20.2	21.3	22.3	23.4	24.6	25.8	27.1	11.1
Izmir	International Departing Pax (m)	1.1	1.1	1.1	1.2	1.2	1.2	1.3									
	Guaranteed Pax Income (€m)	15.9	16.4	16.9	17.4	17.9	18.4	19.0									
Total	Guaranteed Pax Income (€m)	29.6	30.8	32.0	33.3	34.6	35.9	37.4	19.3	20.2	21.3	22.3	23.4	24.6	25.8	27.1	11.1

# Selected Financials by Assets (IFRIC 12 Adjusted) and employee #s (9M16)

(€m)	Revenue	EBITDA	EBITDA Margin (%)	Net Debt
<b>Airports</b>	<b>575.1</b>	<b>294.0</b>	<b>51%</b>	<b>860</b>
Istanbul	376.4	187.4	50%	58
Ankara	36.9	19.4	53%	46
Izmir	51.2	31.0	61%	212
Gazipasa	3.7	1.2	32%	46
Tunisia	20.4	0.1	1%	338
Georgia	46.0	34.2	74%	-18
Macedonia	19.8	8.8	44%	46
Bodrum	20.7	11.9	57%	131
<b>Services</b>	<b>332.7</b>	<b>53.7</b>	<b>16%</b>	<b>6</b>
Havas	100.3	29.0	29%	36
BTA	132.3	12.2	9%	5
Others*	100.0	12.5	12%	-35
<b>Total</b>	<b>907.8</b>	<b>347.7</b>	<b>38%</b>	<b>866</b>
Elimination	-94.1	1.5		0
<b>Consolidated</b>	<b>813.7</b>	<b>349.2</b>	<b>43%</b>	<b>866</b>

\*Others EBITDA includes share of profit of equity accounted investees (equity-pick up).

Number of Employees (eop)	9M15	9M16
Istanbul	2,728	2,839
Ankara	949	948
Izmir+Ege	918	917
Tunisia	760	681
Gazipasa	54	57
Georgia	799	832
Macedonia	645	675
Havas	4,503	4,134
BTA	2,781	2,721
Holding	106	107
O&M	316	324
IT	240	272
Security	311	881
Latvia	5	6
Bodrum	189	94
Academy	11	3
<b>TOTAL</b>	<b>15,315</b>	<b>15,491</b>

Revenue (€m)	9M15	9M16	Chg.(%)
<b>Airports</b>	<b>583.2</b>	<b>575.1</b>	<b>-1%</b>
Istanbul	404.5	376.4	-7%
Ankara	36.5	36.9	1%
Izmir	54.3	51.2	-6%
Gazipasa	4.5	3.7	-17%
Tunisia	22.3	20.4	-8%
Georgia	38.0	46.0	21%
Macedonia	17.9	19.8	11%
Bodrum	5.2	20.7	300%
<b>Services</b>	<b>327.9</b>	<b>332.7</b>	<b>1%</b>
Havas	115.2	100.3	-13%
BTA	127.1	132.3	4%
Others	85.6	100.0	17%
<b>Total</b>	<b>911.1</b>	<b>907.8</b>	<b>0%</b>
Elimination	-89.2	-94.1	5%
<b>Consolidated</b>	<b>821.9</b>	<b>813.7</b>	<b>-1%</b>
ATU**	251.7	249.8	-1%
TGS**	95.3	108.0	13%
TIBAH**	34.3	45.4	32%

EBITDA (€m)	9M15	9M16	Chg.(%)
<b>Airports</b>	<b>313.2</b>	<b>294.0</b>	<b>-6%</b>
Istanbul	229.8	187.4	-18%
Ankara	19.4	19.4	0%
Izmir (including TAV Ege)	33.2	31.0	-7%
Gazipasa	2.3	1.2	-48%
Tunisia	-6.3	0.1	nm
Georgia	26.1	34.2	31%
Macedonia	7.7	8.8	14%
Bodrum	1.1	11.9	963%
<b>Services</b>	<b>79.3</b>	<b>53.7</b>	<b>-32%</b>
Havas	37.0	29.0	-22%
BTA	13.4	12.2	-9%
Others*	28.9	12.5	-57%
<b>Total</b>	<b>392.6</b>	<b>347.7</b>	<b>-11%</b>
Elimination	2.1	1.5	-32%
<b>Consolidated</b>	<b>394.7</b>	<b>349.2</b>	<b>-12%</b>
ATU**	19.0	16.3	-14%
TGS**	14.0	14.0	0%
TIBAH**	9.5	22.0	131%

\*Others EBITDA includes share of profit of equity accounted investees (equity-pick up).

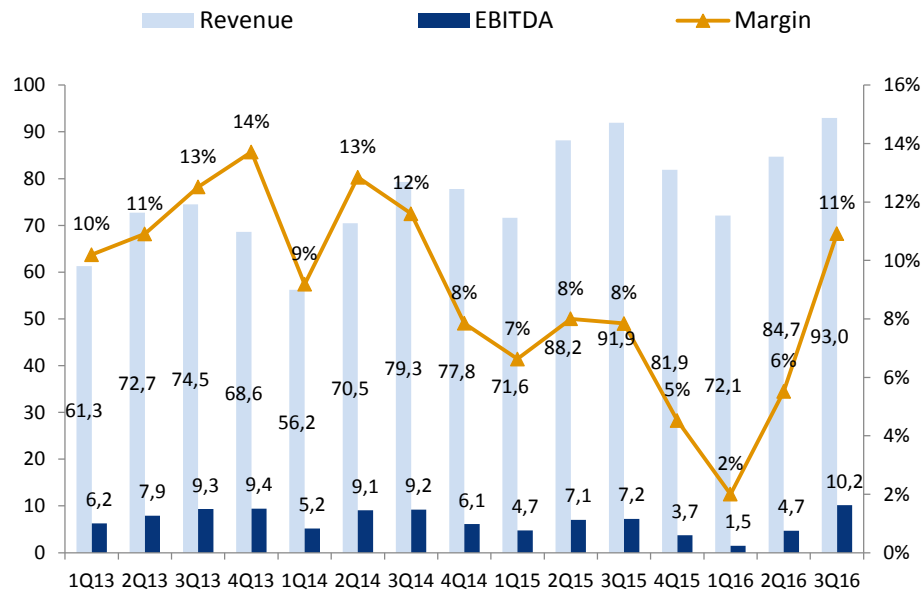
\*\*Equity accounted investee

# ATU (50%)

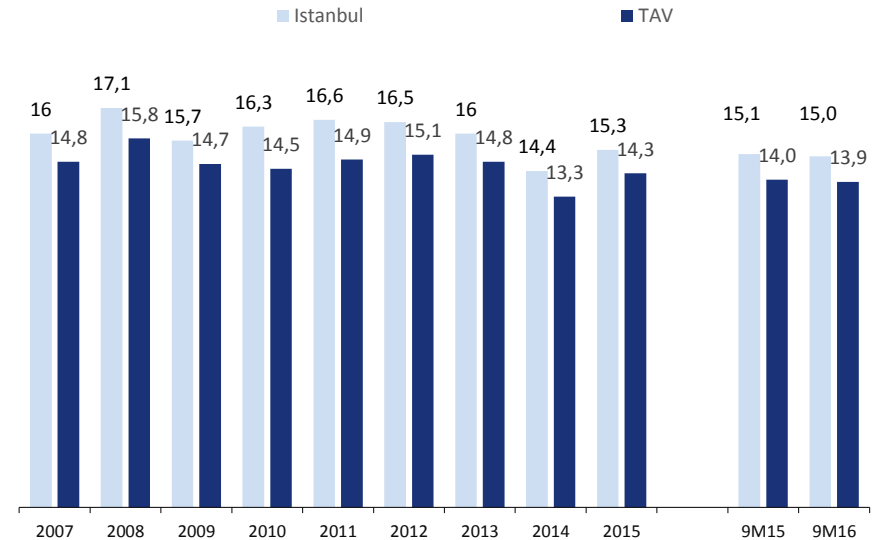


- Operations started in 5 Tunisian airports in Q4 2014, putting pressure on overall margins.
- SPP was relatively flat in İstanbul in the first nine months of 2016, despite dilutive impact of transfer pax

## ATU Financials (€m)



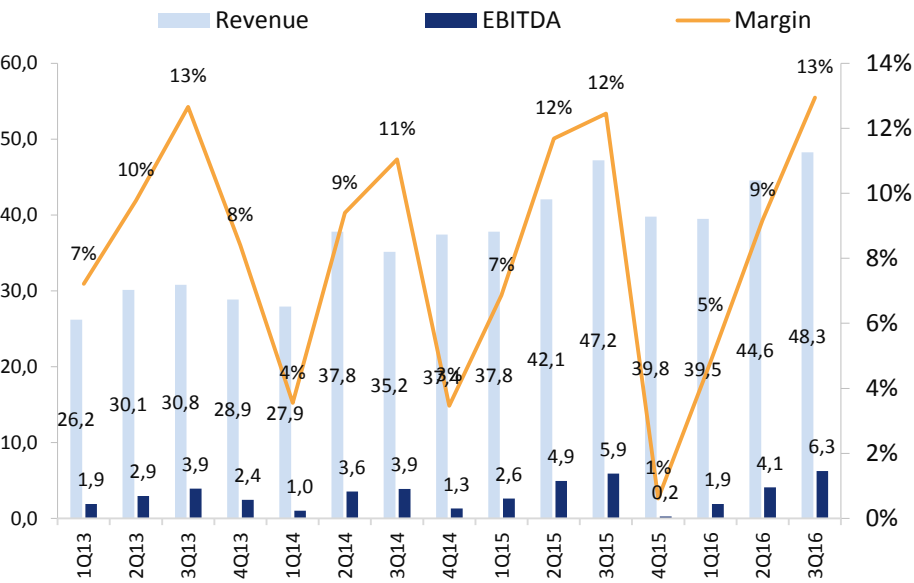
## Duty Free Spend per Pax (€)



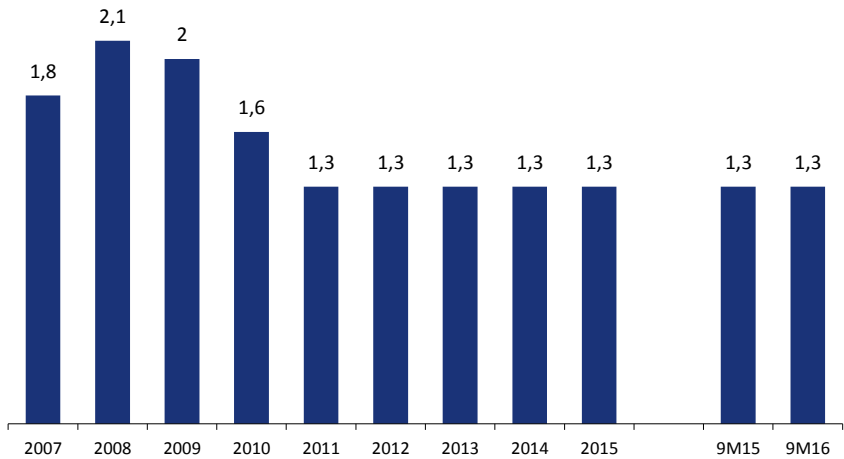


- Strong revenue growth mostly due to newly established logistics company
- Ramp up in Latvia and Medinah in 2016

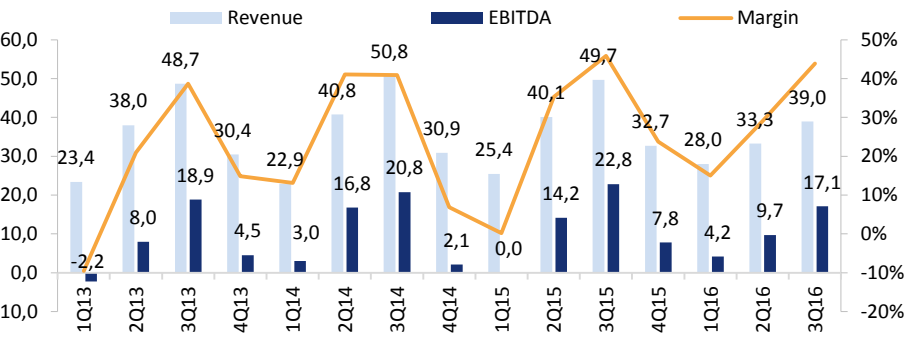
BTA Financials (€m)



TAV F&B Spend per Pax (€)

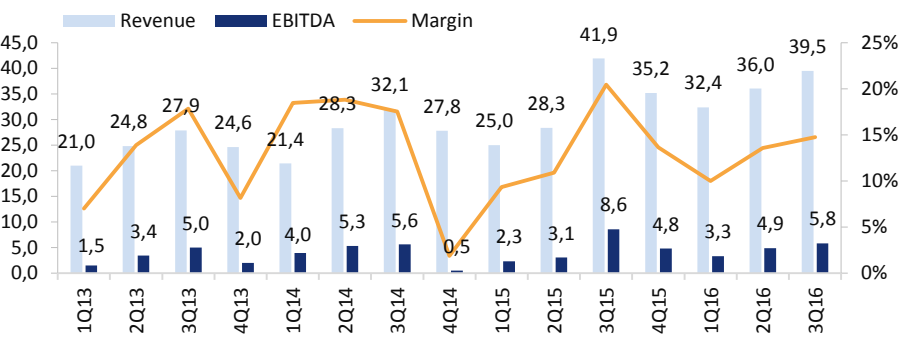


Havas Consolidated \* Financials (€m)

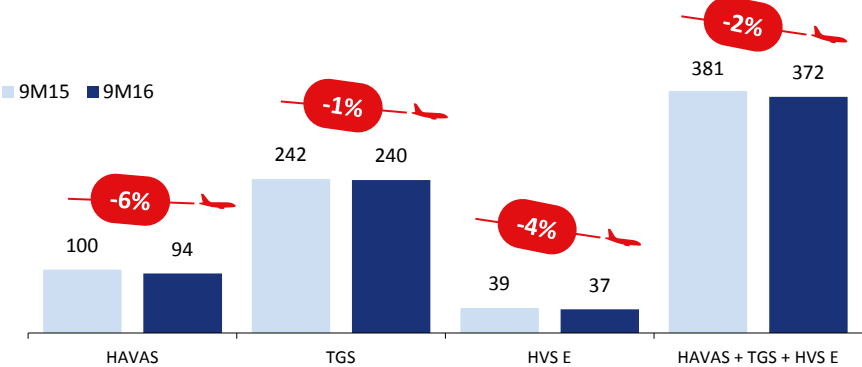


\* Post IFRS 11

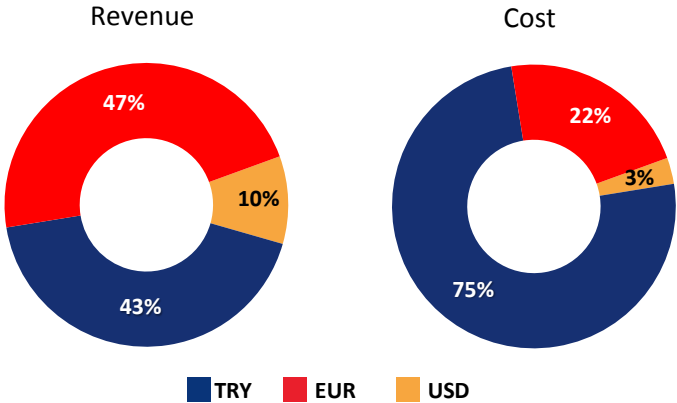
TGS Financials (50%) (€m)



# of Flights Served ('000)



Havas Solo FX Exposure 9M 2016





# Izmir Ege and Milas Bodrum Rent Accounting Change

(€m) Year	Bodrum Cash Payment	Before Concession Rent Expense	After		
			Amortization	Finance Expense	Total
2014	143.4	3.5	1.0	2.2	3.2
2015	28.7	12.8	4.0	7.5	11.5
2016	28.7	35	11.1	18.8	29.9
2017	28.7	35	11.9	18.2	30.1
2018	28.7	35	13.0	17.6	30.6
2019	28.7	35	14.2	16.9	31.1
2020	28.7	35	15.5	16.3	31.8
2021	28.7	35	17.0	15.5	32.5
2022	28.7	35	18.4	14.8	33.2
2023	28.7	35	20.0	14.0	33.9
2024	28.7	35	21.6	13.1	34.8
2025	28.7	35	23.3	12.2	35.5
2026	28.7	35	25.1	11.2	36.3
2027	28.7	35	26.7	10.2	37.0
2028	28.7	35	28.4	9.2	37.6
2029	28.7	35	30.0	8.0	38.1
2030	28.7	35	31.5	6.8	38.4
2031	28.7	35	33.0	5.6	38.5
2032	28.7	35	34.3	4.2	38.5
2033	28.7	35	35.6	2.8	38.4
2034	28.7	35	36.8	1.3	38.1
2035	-	35	37.9	-	37.9
TOTAL	717	717	490.5	226.5	717

(€m) Year	Izmir Cash Payment	Before Concession Rent Expense	After			Izmir Domestic Terminal Depreciation
			Amortization	Finance Expense	Total	
2011	12.2	-	-	-	-	
2012	18.3	8.7	2.7	5.9	8.6	
2013	29	8.7	3.0	5.7	8.7	
2014	29	8.7	3.1	5.5	8.7	6.1
2015	29	32.4	13.6	17.8	31.4	9.5
2016	29	32.4	14.4	17.3	31.6	10.1
2017	29	32.4	15.2	16.5	31.7	10.6
2018	29	32.4	16.0	15.8	31.8	11.2
2019	29	32.4	17.0	15.1	32.0	11.9
2020	29	32.4	18.0	14.3	32.3	12.6
2021	29	32.4	19.0	13.4	32.4	13.3
2022	29	32.4	20.1	12.5	32.6	14.0
2023	29	32.4	21.2	11.5	32.7	14.8
2024	29	32.4	22.3	10.5	32.9	15.6
2025	29	32.4	23.5	9.5	32.9	16.4
2026	29	32.4	24.6	8.3	33.0	17.2
2027	29	32.4	25.9	7.1	33.0	18.1
2028	29	32.4	27.1	5.9	33.0	18.9
2029	29	32.4	28.4	4.5	32.9	19.8
2030	29	32.4	29.7	3.1	32.8	20.7
2031	29	32.4	31.0	1.6	32.6	21.7
2032	29	32.4	32.4	0	32.4	22.6
TOTAL	610	610	408.1	201.9	610	285

# Equity Accounted Investees – IFRS 11

HAVAS*	pre IFRS 11	post IFRS 11
Revenue	Havas Solo + TGS (50%)	Havas Solo
EBITDA	Havas EBITDA + TGS (50%) EBITDA	Havas EBITDA + TGS (50%) Net Profit
Net Profit	Havas Net Profit + TGS (50%) Net Profit	Havas Net Profit + TGS (50%) Net Profit

BTA**	pre IFRS 11	post IFRS 11
Revenue	BTA + BTA IDO (50%)	BTA
EBITDA	BTA EBITDA + BTA IDO (50%) EBITDA	BTA EBITDA + BTA IDO (50%) Net Profit
Net Profit	BTA Net Profit + BTA IDO (50%) Net Profit	BTA Net Profit + BTA IDO (50%) Net Profit

		1Q14	2Q14	3Q14	4Q14	FY14	1Q15	2Q15	3Q15	4Q15	FY15	1Q16	2Q16	3Q16
ATU (50%)	Revenue	56.2	70.5	79.3	77.8	283.7	71.6	88.2	91.9	81.9	333.6	72.1	84.7	93.0
	EBITDA	5.2	9.1	9.2	6.1	29.5	4.7	7.1	7.2	3.7	22.7	1.5	4.7	10.2
	Net Profit	3.8	7.0	5.4	4.0	20.2	3.0	5.2	5.9	3.8	17.9	1.3	3.5	1.8
	Net Debt	6.5	6.0	0.4	-1.7	-1.7	12.5	7.9	6.4	10.7	10.7	13.3	12.2	18.0
		1Q14	2Q14	3Q14	4Q14	FY14	1Q15	2Q15	3Q15	4Q15	FY15	1Q16	2Q16	3Q16
TGS (50%)	Revenue	21.4	28.3	32.1	27.8	109.6	25.0	28.3	41.9	35.2	130.4	32.4	36.0	39.5
	EBITDA	4.0	5.3	5.6	0.5	15.4	2.3	3.1	8.6	4.8	18.8	3.3	4.9	5.9
	Net Profit	1.7	3.5	3.5	-0.2	8.5	1.3	1.8	5.1	2.8	10.6	1.8	3.1	3.7
	Net Debt	-2.8	2.6	1.6	2.0	2.0	-	0.0	0.0	-5.9	-5.9	0	0.0	0.0
		1Q14	2Q14	3Q14	4Q14	FY14	1Q15	2Q15	3Q15	4Q15	FY15	1Q16	2Q16	3Q16
TIBAH (33%)	Revenue	9.7	8.1	8.9	7.6	34.3	11.0	10.1	13.3	11.9	46.3	14.1	14.8	16.5
	EBITDA	2.5	1.7	2.1	0.7	7.0	1.9	2.6	5.0	4.2	13.7	8.8	6.1	7.1
	Net Profit	2.1	1.4	1.8	0.6	5.8	1.7	-3.5	-1.8	-3.9	-7.6	0.8	-1.3	-0.7
	Net Debt	170.4	212.5	255.4	281.2	281.2	315.4	311.0	311.0	328.8	328.8	317.0	322.6	315.6
		1Q14	2Q14	3Q14	4Q14	FY14	1Q15	2Q15	3Q15	4Q15	FY15	1Q16	2Q16	3Q16
BTA IDO (50%)	Revenue	2.2	3.0	4.0	2.7	11.8	2.5	3.2	4.6	2.5	12.8	2.5	2.9	3.7
	EBITDA	0.2	0.5	0.7	-0.1	1.2	0.1	0.4	0.9	0.2	1.6	0.2	0.3	0.4
	Net Profit	0.1	0.3	0.5	-0.3	0.6	-0.1	0.2	0.7	0.1	0.9	0.1	0.2	0.2
	Net Debt	-0.8	-0.7	-1.1	-0.3	-0.3	-0.5	-0.6	-1.2	-0.4	-0.4	0.9	0.3	-0.3

\*Havas Solo defined as all companies under HAVAS consolidation – TGS

\*\*BTA defined as all companies under BTA consolidation – BTA IDO

# Quarterly Revenue & EBITDA by Assets\*

	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16
<b>Airports</b>	<b>140.3</b>	<b>173.2</b>	<b>193.9</b>	<b>150.6</b>	<b>141.3</b>	<b>169.3</b>	<b>203.7</b>	<b>176.2</b>	161.9	<b>201.3</b>	<b>220.0</b>	<b>179.4</b>	<b>166.0</b>	<b>187.0</b>	<b>222.1</b>
Istanbul	102.8	116.1	115.4	107.7	102.4	114.5	124	121.1	117.3	141.6	145.7	124.9	118.1	126.3	132.0
Ankara	11.9	14	14.4	7.8	12.1	9.6	10.6	14.9	13.0	10.3	13.2	14.9	14.1	9.8	13.0
Izmir	10.1	15.6	21.6	12.7	10.5	16.3	23.1	15.5	12.1	17.2	25.0	15.2	12.9	16.1	22.2
Gazipasa	0.1	0.4	1	0.3	0.2	0.7	1.7	0.5	0.3	1.6	2.6	0.9	0.4	1.3	2.1
Tunisia	4.6	13.4	24	9.8	4.9	14	24	9	4.7	11.9	5.7	2.7	3.2	6.6	10.6
Georgia	6.9	8.8	11.5	8.2	7.3	8.8	12	9.1	9.0	11.7	17.3	13.0	10.3	13.9	21.8
Macedonia	3.9	4.9	6	4.1	3.9	5.4	6.5	4.9	4.6	5.6	7.7	5.7	5.3	6.5	8.1
Milas Bodrum							1.8	1.2	0.8	1.4	2.9	2.2	1.8	6.5	12.4
<b>Services</b>	<b>67.8</b>	<b>87.8</b>	<b>100.6</b>	<b>88.6</b>	<b>70.5</b>	<b>100.8</b>	<b>109.3</b>	<b>120</b>	<b>92.1</b>	<b>109.5</b>	<b>126.2</b>	<b>115.6</b>	<b>93.1</b>	<b>116.4</b>	<b>123.2</b>
Havas	23.4	38	48.7	30.4	22.9	40.8	50.8	30.9	25.4	40.1	49.7	32.7	28.0	33.3	39.0
BTA	26.2	30.1	30.8	28.9	27.9	37.8	35.6	37	37.8	42.1	47.2	39.8	39.5	44.6	48.3
Others **	18.2	19.7	21.1	29.3	19.6	22.2	22.9	52.2	28.9	27.3	29.3	43.2	25.6	38.5	35.9
<b>Total</b>	<b>208.1</b>	<b>261.1</b>	<b>294.5</b>	<b>239.2</b>	<b>211.7</b>	<b>270.1</b>	<b>312.9</b>	<b>296.2</b>	<b>254.0</b>	<b>310.9</b>	<b>346.3</b>	<b>295.1</b>	<b>259.1</b>	<b>303.4</b>	<b>345.3</b>
Eliminations	-22.2	-24.4	-24.2	-28.5	-22.2	-24.5	-27.6	-33.8	-26.9	-30.2	-32.1	-37.7	-27.8	-32.1	-34.2
<b>Consolidated Revenue</b>	<b>185.9</b>	<b>236.6</b>	<b>270.3</b>	<b>210.7</b>	<b>189.6</b>	<b>245.6</b>	<b>285.3</b>	<b>262.4</b>	<b>227.1</b>	<b>280.7</b>	<b>314.1</b>	<b>257.3</b>	<b>231.3</b>	<b>271.3</b>	<b>311.1</b>
<b>Airports</b>	<b>50.9</b>	<b>86.4</b>	<b>106</b>	<b>60.1</b>	<b>56.7</b>	<b>84.5</b>	<b>111.8</b>	<b>88.3</b>	<b>65.2</b>	<b>115.8</b>	<b>132.2</b>	<b>81.9</b>	<b>73.5</b>	<b>94.9</b>	<b>125.6</b>
Istanbul	42.1	57.9	59.1	51.4	45.5	59.6	67.2	61.3	53.4	85.7	90.7	63.4	53.8	64.7	68.9
Ankara	5.8	8.2	8.8	-1.3	7	4.3	5.1	5.6	7.3	4.7	7.3	5.4	8.4	3.8	7.2
Izmir	2.2	7.5	13.6	4.1	2.4	7.6	13.8	15.9	5.3	10.5	17.4	7.9	6.5	9.5	15.0
Gazipasa	-0.3	0	0.5	-0.3	-0.4	0.2	0.9	-0.2	-0.4	0.8	1.9	0.0	-0.4	0.4	1.2
Tunisia	-2	5.1	13.1	0.7	-2.2	5	13.6	-2.7	-6.0	3.6	-3.9	-5.3	-2.6	0.1	2.6
Georgia	3.1	5.7	8.2	4.6	3.8	5.7	8.6	5.6	5.0	7.9	13.3	8.4	6.4	10.0	17.8
Macedonia	0	2	2.8	0.9	0.6	2.2	3.2	1.3	1.2	2.4	4.2	2.0	1.7	3.0	4.0
Milas Bodrum							-0.6	1.6	-0.6	0.3	1.4	0.2	-0.3	3.4	8.8
<b>Services</b>	<b>1.7</b>	<b>20.6</b>	<b>35.3</b>	<b>19.6</b>	<b>9.5</b>	<b>30.6</b>	<b>34.4</b>	<b>19.2</b>	<b>12.4</b>	<b>26.5</b>	<b>40.5</b>	<b>15.5</b>	<b>7.6</b>	<b>17.6</b>	<b>28.5</b>
Havas	-2.2	8	18.9	4.5	3	16.8	20.8	2.1	0.0	14.2	22.8	7.8	4.2	9.6	15.1
BTA	1.9	2.9	3.9	2.4	1	3.6	4.8	0.4	2.6	4.9	5.9	0.2	1.9	4.1	6.3
Others**	2.1	9.7	12.6	12.7	5.5	10.2	8.8	16.7	9.8	7.4	11.8	7.5	1.4	3.9	7.2
<b>Total</b>	<b>52.7</b>	<b>107.1</b>	<b>141.4</b>	<b>79.7</b>	<b>66.2</b>	<b>115.1</b>	<b>146.2</b>	<b>107.6</b>	<b>77.6</b>	<b>142.3</b>	<b>172.7</b>	<b>97.4</b>	<b>81.0</b>	<b>112.6</b>	<b>154.1</b>
Eliminations	-0.2	-0.4	-0.4	0.8	0.5	1	-1.8	-0.8	0.9	-0.1	1.3	-3.6	0.6	0.3	0.6
<b>Adjusted EBITDA</b>	<b>52.5</b>	<b>106.6</b>	<b>141</b>	<b>80.5</b>	<b>66.7</b>	<b>116.1</b>	<b>144.4</b>	<b>106.7</b>	<b>78.5</b>	<b>142.2</b>	<b>174.0</b>	<b>93.7</b>	<b>81.6</b>	<b>112.9</b>	<b>154.7</b>
<b>Guaranteed pax revenue</b>	<b>6.8</b>	<b>10.3</b>	<b>14.7</b>	<b>4.2</b>	<b>7.3</b>	<b>8.3</b>	<b>11.9</b>	<b>11.0</b>	<b>5.9</b>	<b>2.3</b>	<b>4.5</b>	<b>6.8</b>	<b>5.7</b>	<b>1.2</b>	<b>3.4</b>
Ankara	4.9	5.5	6.3	0.7	5.1	3.4	3.3	7.6	5.6	2.3	4.5	6.8	5.7	1.2	3.4
Izmir	1.9	4.8	8.3	3.4	2.1	4.9	8.6	3.4	0.2	0.0	0.0	0.0	0	0	0
<b>Total Concession expense</b>	<b>34.9</b>	<b>35.4</b>	<b>37.2</b>	<b>35.9</b>	<b>34.8</b>	<b>36</b>	<b>37.5</b>	<b>27.4</b>	<b>31.5</b>	<b>32.5</b>	<b>34.0</b>	<b>34.7</b>	<b>36.0</b>	<b>36.9</b>	<b>38.5</b>
Istanbul	31.6	32.1	32.6	32.6	31.9	32.2	32.6	32.6	30.7	30.8	31.2	33.2	35.1	35.1	35.8
Ege	2.2	2.2	2.2	2.2	2.2	2.2	2.2	-6.5							
Tunisia	0.6	1.3	2.2	1.1	0.6	1.4	2.5	1.2	0.6	1.4	2.5	1.2	0.6	1.5	2.5
Macedonia	0.6	-0.2	0.2	0.1	0.2	0.2	0.3	0.2	0.2	0.2	0.3	0.3	0.2	0.3	0.3
Milas Bodrum							1.4	-1.4							

\*Adjusted for IFRIC 12

\*\* Others EBITDA includes share of profit of equity accounted investees (equity-pick up). Please see pg. 10 for the breakdown.

# Income Statement / Balance Sheet

INCOME STATEMENT (€m)	9M15	9M16
<b>Construction revenue</b>	<b>0.0</b>	<b>0.1</b>
<b>Total operating income</b>	<b>809.3</b>	<b>803.4</b>
Aviation income	252.7	256.3
Ground handling income	123.6	106.8
Commission from sales of duty free goods	190.8	179.4
Catering services and retail income	84.9	89.1
Other operating income	157.2	171.8
<b>Construction expenditure</b>	<b>0.0</b>	<b>(0.1)</b>
<b>Operating expenses</b>	<b>(510.3)</b>	<b>(558.9)</b>
Cost of catering inventory sold	(38.4)	(42.1)
Cost of services rendered	(40.0)	(45.7)
Personnel expenses	(185.9)	(190.0)
Concession rent expenses	(98.0)	(111.4)
Depreciation and amortization expense	(62.9)	(76.4)
Other operating expenses	(85.2)	(93.3)
Equity pick-up	20.2	18.0
<b>Operating profit</b>	<b>319.1</b>	<b>262.5</b>
<b>Finance income</b>	<b>6.6</b>	<b>7.2</b>
<b>Finance expenses</b>	<b>(91.0)</b>	<b>(96.2)</b>
<b>Profit before tax</b>	<b>234.7</b>	<b>173.4</b>
Income tax expense	(71.7)	(70.1)
<b>Profit for the period attributable to:</b>		
<b>Owners of the Company</b>	<b>168.3</b>	<b>109.8</b>
Non-controlling interest	(5.3)	(6.5)
<b>Profit for the period</b>	<b>163.0</b>	<b>103.3</b>

ASSETS (€m)	End of 9M15	End of 9M16
Property and equipment	200	230
Intangible assets	15	13
Airport operation rights	1,345	1,708
Other investments	0	0
Goodwill	136	136
Prepaid concession expenses	15	10
Trade receivables	102	94
Other non-current assets	6	3
Deferred tax assets	58	42
Equity pick-up assets	93	98
<b>Total non-current assets</b>	<b>1,970</b>	<b>2,334</b>
Inventories	10	10
Prepaid concession expenses	135	131
Trade receivables	118	151
Due from related parties	40	22
Derivative financial instruments	16	0
Other receivables and current assets	146	56
Cash and cash equivalents	114	249
Restricted bank balances	331	165
<b>Total current assets</b>	<b>911</b>	<b>784</b>
<b>TOTAL ASSETS</b>	<b>2,881</b>	<b>3,119</b>

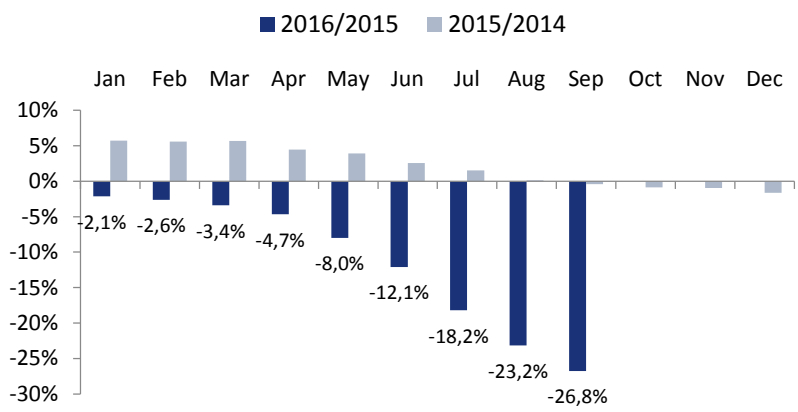
EQUITY AND LIABILITIES (€m)	End of 9M15	End of 9M16
<b>EQUITY</b>		
Share capital	162	162
Share premium	220	220
Legal reserves	113	111
Other reserves	(20)	(67)
Revaluation surplus	0	0
Purchase of shares of entities under common control	40	40
Cash flow hedge reserve	(68)	(70)
Translation reserves	(26)	(26)
Retained earnings / (Accumulated losses)	376	421
<b>Total equity attributable to equity holders of the Company</b>	<b>799</b>	<b>791</b>
Non-controlling interest	(1)	1
<b>Total Equity</b>	<b>798</b>	<b>792</b>
<b>LIABILITIES</b>		
Loans and borrowings	729	728
Reserve for employee severance indemnity	17	20
Due to related parties	0	0
Derivative financial instruments	126	65
Deferred income	38	44
Other payables	383	595
Deferred tax liabilities	8	15
<b>Total non-current liabilities</b>	<b>1,300</b>	<b>1,467</b>
Bank overdraft	3	3
Loans and borrowings	605	549
Trade payables	36	53
Due to related parties	2	1
Current tax liabilities	27	17
Other payables	79	217
Provisions	6	7
Deferred income	25	14
<b>Total current liabilities</b>	<b>783</b>	<b>861</b>
<b>Total Liabilities</b>	<b>2,083</b>	<b>2,328</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,881</b>	<b>3,119</b>

# Cash Flow Statement

CASH FLOWS FROM OPERATING ACTIVITIES	9M15	9M16
<b>Profit for the period</b>	<b>163.0</b>	<b>103.3</b>
Adjustments for:		
Amortisation of airport operation right	37.1	44.6
Depreciation of property and equipment	22.5	28.6
Amortisation of intangible assets	3.4	3.2
Concession and rent expenses	98.0	111.4
Provision for employee severance indemnity	5.9	4.5
Provision for doubtful receivables	1.7	0.7
Discount on receivables and payables, net	0.0	-0.1
Gain on sale of property and equipment	0.7	0.0
Provision set for unused vacation	-0.2	0.4
Interest income	-6.3	-5.9
Interest expense on financial liabilities	68.0	66.6
Tax expense	71.7	70.1
Unwinding of discount on concession receivable	7.2	18.0
Share of profit of equity-accounted investees, net of tax	-20.2	-18.0
Unrealised foreign exchange differences on statement of financial position items	-6.3	5.1
<b>Cash flows from operating activities</b>	<b>446.0</b>	<b>432.6</b>
Change in current trade receivables	-9.6	-52.0
Change in non-current trade receivables	15.2	14.2
Change in inventories	0.0	0.6
Change in due from related parties	-15.5	12.5
Change in restricted bank balances	57.0	247.6
Change in other receivables and assets	56.8	-6.3
Change in trade payables	-7.7	2.6
Change in due to related parties	-11.8	-4.5
Change in other payables and provisions	229.1	-27.4
<b>Cash provided from operations</b>	<b>759.5</b>	<b>620.0</b>
Income taxes paid	-46.2	-39.2
Interest paid	-58.4	-50.6
Retirement benefits paid	-2.6	-3.3
Additions to prepaid concession and rent expenses	-117.4	-130.3
Dividends from equity-accounted investees	27.1	24.2
<b>Net cash provided from operating activities</b>	<b>562.0</b>	<b>420.8</b>

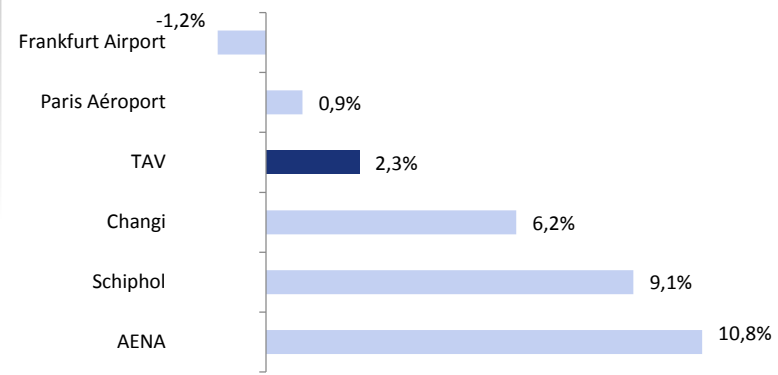
CASH FLOWS FROM INVESTING ACTIVITIES	9M15	9M16
Interest received	4.0	5.3
Proceeds from sale of property, equipment and intangible assets	7.7	6.2
Acquisition of property and equipment	-56.8	-56.4
Acquisition of non-controlling interest	-4.6	-
Additions to airport operation right	-297.7	-25.9
Acquisition of intangible assets	-1.1	-0.8
<b>Net cash used in investing activities</b>	<b>-348.4</b>	<b>-71.5</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	88.7	270.0
Repayment of borrowings	-136.9	-468.5
Non-controlling interest change	-6.2	-
Dividends paid	-102.8	-113.9
Change in finance lease liabilities	-0.3	-2.5
<b>Net cash used in financing activities</b>	<b>-157.6</b>	<b>-314.8</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>56.1</b>	<b>34.4</b>
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<b>55.3</b>	<b>211.7</b>
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>	<b>111.4</b>	<b>246.1</b>

## LTM Change in Number of Tourists Visiting Turkey



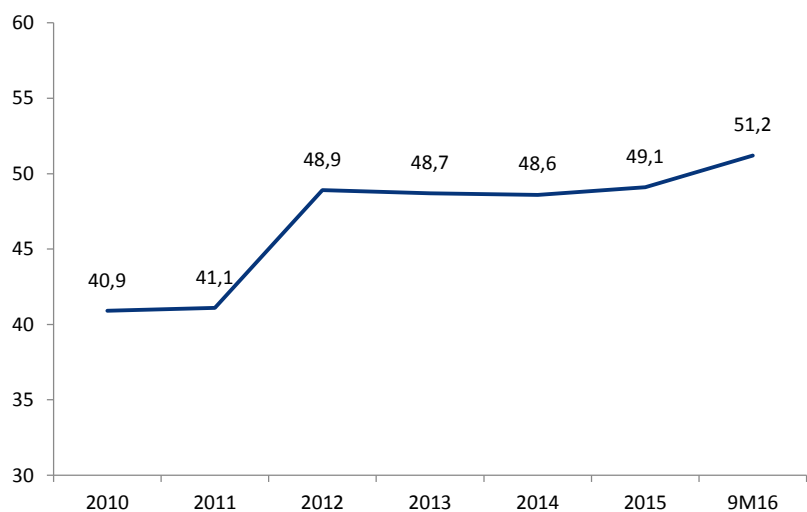
Source: Ministry of Tourism

## Passenger growth in Selected Airports (Jan – Sep 16)



Source: Company Data

## TAV Airports Market Share (%) in Turkey



Source: DHMI

## 2014

### Q1

- › Milas-Bodrum Airport tender was won
- › Dividend policy of 50% payout implemented
- › Cash Dividend of €65m paid
- › Izmir Domestic Terminal opened

### Q2

- › ATU shop renovations completed
- › Competition Board approved Milas-Bodrum tender
- › Ankara AOR reclassified to trade receivables, which had a net effect of increasing net income €4.7m

### Q3

- › Milas Bodrum Airport domestic terminal taken over
- › ATU started operations at Monastir Airport
- › ATU won the duty free concession in Salalah Airport, Oman
- › Havas divested CAS with a write-off of €1.1m

### Q4

- › One-off income of €15m , due to projects followed
- › ATU started operations in 5 Tunisian airports including Carthage
- › Accounting policy change for Izmir Ege and Milas Bodrum rent

## 2015

### Q1

- › 4% of TAV Georgia (Tbilisi) bought for USD 5.2m
- › Ten year duty-free concession at Houston George Bush Airport, USA won
- › Harsh winter conditions led to flight cancellations and unbudgeted de-icing revenue

### Q2

- › The consortium including TAV was not selected as preferred bidder in LaGuardia tender.
- › New terminal building of Medinah Airport opened.
- › ATU operation in Oman Salalah started
- › Dividends paid

### Q3

- › Gazipasa runway extension complete
- › Philippines PQ received
- › Mezzanine floor opens in Ataturk Airport International Terminal
- › ATU started in Houston.

### Q4

- › Milas-Bodrum Airport international terminal taken over
- › Gazipasa runway extension complete
- › Havas became 100% shareholder of Havas Europe

## 2016

### Q1

- › TRY 348 million cash dividends paid
- › Macedonia loan refinanced with one-off cost of ~EUR7m

### Q2

- › Istanbul loan refinanced with one-off cost of ~EUR11m (will be net income neutral by year-end)
- › Tunisia deferred tax asset reversal of ~EUR14m
- › Ataturk extension complete
- › Tbilisi runway and taxiway rehabilitation complete
- › Attack on the airport (June 28), coup attempt (July 15)

### Q3

- › Consortium with TAV invited to exclusive negotiations for Havana Airports, Cuba
- › Started negotiations with Saudi Oger Ltd. to purchase half of its 33.3% shares of Tibah







# Material Events in 2016

## ► 7/27/2016, Appointment of a new Board Member

The Board of Directors has resolved to appoint Mr. Antonin Beurrier as a Board Member and a member of the Nomination and Risk Assessment Committee to replace Mr Patrick Raymond Marie Jeantet who has resigned from his duty with this Board Resolution. Mr. Beurrier will serve until the first General Assembly and his membership will be presented to the General Assembly for approval.

## ► 7/27/2016, 2016 Guidance Revised

In our material event disclosure on February 12, 2016 we had disclosed our financial and operational expectations for 2016, under normal conditions. Because of security related incidents we have experienced both in Turkey and globally since then, passenger numbers and passenger mix is affected and hence guidance is revised. Due to this, while Istanbul international passengers was flat in the first half of 2016, Origin and Destination (O&D) passengers decreased 14%. In 2016, we expect: • 20 percent decrease in Istanbul Ataturk Origin & Destination (O&D) Passengers • Stable revenue • 8-10 percent decrease in EBITDAR • Significant decrease in Net Profit All measures are taken to limit the decline in operational metrics and strict cost control measures are being implemented in response to the new situation.

## ► 8/1/2016, F&B areas and inflight catering services at Zagreb Airport

TAV Airports Holding's subsidiary, BTA Yiyecek İçecek Hizmetleri A.S, will start operating the food and beverages areas and provide inflight catering services at Zagreb International Airport in Croatia as of August 01, 2016. The operating period is 13 years. The project covers the operation right of 16 of service points of food and beverage areas and inflight catering services for around 90 airlines including Croatia Airlines, flag carrier of Croatia. TAV Airports has 15% share in the consortium which has been operating the airport since 2013. Zagreb Airport served around 2,6 million passengers in 2015. Passenger capacity of the airport will reach to 8 million per year by completion of new terminal building in 2017.

## ► 8/5/2016, Cuba Havana Airport

TAV Airports, in partnership with its 38% shareholder Groupe ADP and with Bouygues Bâtiment International, enters into exclusive talks with Cuban authorities, concerning the development of José Martí International Airport, Havana, under a concession contract. The Havana International Airport development project comprises the renovation, extension and operation of the existing international terminals. These developments, when completed in 2020 will provide the airport with a handling capacity of over 10 million passengers. The current traffic is close to 5 million passengers and the possible liberalization of air traffic, especially with the USA, carries rapid growth potential. The project also ultimately includes the development of the San Antonio de los Baños Airport, located to the West of the capital.

## ► 8/19/2016, 2016 Corporate Governance Rating

The periodic revision of the Corporate Governance Rating Report has been completed by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri, a rating organization officially authorized to rate compliance with Corporate Governance Principles as set forth by the Capital Markets Board of Turkey. The Corporate Governance rating of our Company has increased to 95.38 (9.54 out of 10) on 19.08.2016 from a rating of 95.19 (9.52 out of 10) which was announced on 21.08.2015, owing to our strong emphasis on developing good corporate governance practices. The Corporate Governance Committee of TAV Airports has decided the renewal of corporate governance rating contract with SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.S, officially authorized to rate compliance with Corporate Governance Principles as set forth by the Capital Markets Board of Turkey for two years. Sub-categories Weight/Grade/Assigned Shareholders: 0.25 / 94.94 Public Disclosure and Transparency: 0.25 / 97.34 Stakeholders: 0.15 / 98.82 Board of Directors: 0.35 / 92.83 Total : 1.00 / 95.38

## ► 9/6/2016, Medinah Int'l Airport

TAV Airports has started negotiations with Saudi Oger Ltd. to purchase half of its 33.3% shares of Tibah Airports Development Company ("Tibah Development") which is 33.3% held by our Company. With the completion of the share purchase upon necessary approvals, our stake in Tibah Development will increase to 50%. Medinah International Airport which served 5.8 million pax in 2015 has been operated by Tibah Development since 2012 under a 25 year concession ending in 2037.

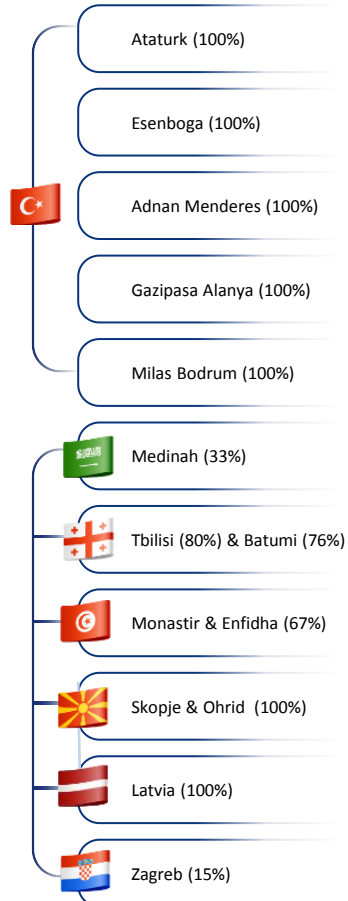
# Concession Overview

Airport	Type/Expire	TAV Stake	Scope	2015 Pax (mppa)	fee/pax Int'l	fee/pax Dom.	Volume Guarantee	Yearly Lease/ Concession Fee Paid	Net Debt <sup>(1)</sup>
Istanbul Ataturk	Lease (January 2021)	100%	Terminal	61.3	US\$15 €2.5 (Transfer)	€3	No	\$140m + VAT	€58m
Ankara Esenboga	BOT (May 2023)	100%	Terminal	12.3	€15 €2.5 (Transfer)	€3	0.6m Dom. , 0.75m Int'l for 2007+5% p.a	-	€46m
Izmir A.Menderes	Concession (December 2032)	100%	Terminal	12.1	€15 €2.5 (Transfer)	€3	No	€29m+VAT <sup>(2)</sup>	€212m
Gazipasa Alanya	Lease (May 2034)	100%	Airport	0.9	€10 <sup>(3)</sup>	TL7.5 <sup>(3)</sup>	No	\$50,000+VAT <sup>(4)</sup>	€46m
Milas Bodrum	Concession (December 2035)	100%	Terminal	3.9	€15	€3	No	€143.4m upfront+ €28.7m+VAT <sup>(5)</sup>	€131m
Tbilisi	BOT (February 2027)	80%	Airport	1.8	US\$22	US\$6	No	-	€-15m
Batumi	BOT (August 2027)	76%	Airport	0.2	US\$12	US\$7	No	-	€-3m
Monastir&Enfidha	BOT+Concession (May 2047)	67%	Airport	1.4	€9	€1	No	11-26% of revenues from 2010 to 2047	€338m
Skopje & Ohrid	BOT+Concession (March 2030)	100%	Airport	1.6	€17.5 in Skopje, €16.2 in Ohrid	-	No	4% of the gross annual turnover <sup>(6)</sup>	€46m
Medinah	BTO+Concession (2037)	33%	Airport	5.8	SAR 87 <sup>(7)</sup>	-	No	54.5% <sup>(8)</sup>	-
Zagreb	BOT+Concession (April 2042)	15%	Airport	2.6	€15 €4 (Transfer)	€7	No	€2.0 - €11.5m fixed 0.5% (2016) - 61% (2042) variable	-

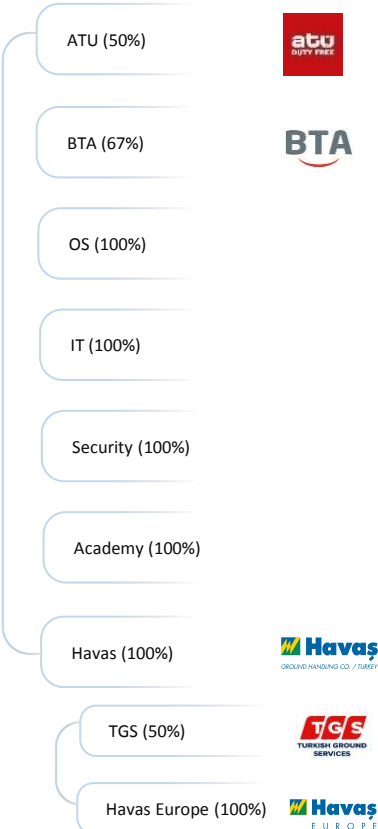
1) As of 30 September 2016  
2) Accrual basis: Depreciation expense of €13.5m in 2015 to €32.4m in 2032 plus finance expense of €17.8m in 2015 to €0m in 2032  
3) Gazipasa tariff increased on January 1, 2015  
4) TAV Gazipasa will make a yearly rent payment of US\$ 50,000 + VAT plus 65% of net profit to DHMI.  
5) Yearly payments start October 2015. Accrual basis: Depreciation expense of €11.1m in 2016 to €38.0m in 2032 plus finance expense of €18.8m in 2016 to €0m in 2032  
6) The percentage will be tapered towards 2% as passenger numbers increase.  
7) SAR 87 from both departing and arriving international pax. Pax charge will be increase as per cumulative CPI in Saudi Arabia every three years  
8) The concession charge will be reduced to 27.3 % for the first two years that follow the completion of the construction.

## TAV Airports Holding Co.

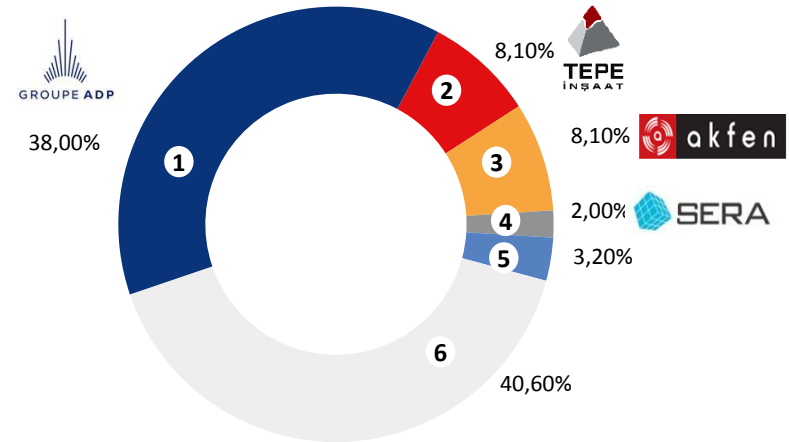
### Airport Companies



### Service Companies



## Shareholder Structure (as of September 2016)



## Shareholders

- Groupe ADP\***  
Internationally acclaimed airport operating company with global operations
- Tepe Insaat Sanayi A.S.**  
Turkish integrated conglomerate focused on infrastructure and construction
- Akfen Holding A.S.**  
Holding company operating in the infrastructure, construction, seaport, REIT and energy sector
- Sera Yapi Endustrisi A.S.**  
Focused on construction in Turkey & MENA region
- Other Non-floating**
- Other Free Float**

\*Through Tank oWA Alpha GMBH

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## IR App



## About TAV Airports



### Turkey

- Istanbul Ataturk
- Ankara Esenboga
- Izmir Adnan Menderes
- Gazipasa Alanya
- Milas Bodrum



### Georgia

- Tbilisi and Batumi



### Tunisia

- Monastir and Enfidha



### Macedonia

- Skopje and Ohrid



### Saudi Arabia

- Medinah



### Latvia

- Riga (only commercial areas)



### Croatia

- Zagreb

TAV Airports through its affiliates and subsidiaries, in auxiliary airport services including duty free, food and beverage, ground handling services, IT, security and operation services. As part of these diversified services TAV Airports also operates the duty-free, food and beverage and other commercial areas at Riga Airport in Latvia. In 2015, the company provided services for 780K flights and more than 102 million passengers. The Company's shares are listed in Borsa Istanbul since February 23, 2007, under the ticker code "TAVHL"



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Information in this presentation was prepared as of November 4, 2016.