ANNUAL REPORT 2009

10 years

We have the excitement of the first day in our hearts!

Tepe Akfen TAV Airports

CONTENTS

SNAPSHOTS OF OUR FUTURE

As TAV Airports Holding celebrates its 10th anniversary this year, we are as excited and enthusiastic just like we were on the first day of business. Our enthusiasm, of course, is for our business and our passengers... Our excitement is in providing our passengers, whom we consider to be our guests, with the services they require in an error-free manner as quickly and in the best fashion possible. We wanted to share this child-like excitement we have for our business with you and, in celebration of our 10th anniversary, to reflect on the airports we operate from the viewpoint of our children, who shape our future. That is how the "Snapshots of our Future" project came about.

An independent jury consisting of Mimar Sinan University's faculty members chose 10 children from among those who participated in the elimination rounds in the "Snapshots of our Future" project, based partly on their artistic abilities. These children, between the ages of 7 and 12, took photographs at the Istanbul Atatürk, Ankara Esenboğa, Izmir Adnan Menderes, Antalya Gazipaşa, Enfidha, Monastir, Skopje and Ohrid Airports, where their parents work. We wanted to share these photographs with you in order to convey the feeling of our airports from the perspective of our children.

We also had a valuable partner in this project: Mimar Sinan University's Department of Photography. Ten seniors in the Department served as instructors, as well as older brothers/sisters to the children. Prior to the photo shoot, the students gave a short tutorial about photography, concentrating on lighting and framing. The student instructors then accompanied the children all day at the airports, offering them suggestions and guidance as the children composed their photographs.

A total of 3,428 photographs were taken as part of the 16-day project that spanned 10 airports. The 49 photographs that are featured in this report represent valuable documentary work done by the children. An exhibition made up of photos from this project is planned for the near future in the airports we operate, in an effort to preserve the creative works of our children for future generations.

Our children are our future...

These photographs are "Snapshots of our Future"...

TAV IN BRIEF

THE JOURNEY FROM ISTANBUL TO THREE CONTINENTS IN 10 YEARS

TAV Airports Holding was founded in 1997 in Istanbul as a joint venture of the Tepe and Akfen Groups. After being awarded the tender for the Istanbul Atatürk Airport International Terminal the following year, the Company completed the construction work in two years and began its 10-year story in 2000 when the terminal commenced service.

It has been 10 years since the initiation of this project, which was one of the first examples of the "Build-Operate-Transfer" model in airport operations in the world and which revealed the modern face of Turkey to the world. Since that first project, TAV Airports Holding has evolved into an unprecedented success story through its know-how, experience and creativity. Thanks to its highly qualified human resources and advanced technology, TAV is now a global brand both in airport construction and airport operations projects.

In an attempt to represent Turkey in the best manner possible, add to its long list of accomplishments and further its strategic goals, the Holding underwent restructuring in 2006, organizing its activities as "operations" and "construction" under TAV Airports Holding (TAV Airports) and TAV İnşaat (TAV Construction), respectively. TAV Airports Holding went public on February 23, 2007 and its shares are being traded on the Istanbul Stock Exchange under the "TAVHL" ticker.

TAV Airports Holding and its subsidiaries handle approximately 375 thousand flights and 42 million passengers from 300 airline companies annually. The Company is further strengthening its market position in Turkey, Eastern Europe, the Caucasus and North Africa each passing day with decisive steps and successful projects. Catering to millions of passengers in Istanbul, Ankara, Izmir and Antalya in Turkey, TAV Airports also has overseas operations in Georgia, Tunisia and Macedonia.

TAV Airports Holding successfully operates the Istanbul Atatürk and Ankara Esenboğa Domestic and International Terminals, Izmir Adnan Menderes Airport International Terminal and Antalya Gazipaşa Airport in Turkey. As for overseas operations, TAV Airports operates Georgia's Tbilisi and Batumi, Tunisia's Monastir Habib Bourguiba and Enfidha Zine El Abidine Ben Ali, and Macedonia's Skopje Alexander the Great and Ohrid St. Paul the Apostle International Airports.

TAV Airports Holding is Turkey's leading airport operator with a commanding 48% market share according to 2009 passenger traffic statistics from the Turkish State Airports Authority (DHMİ). The company continues to undertake projects for and about people in line with its uncompromising goals and principles with more than 12 thousand employees on three continents.

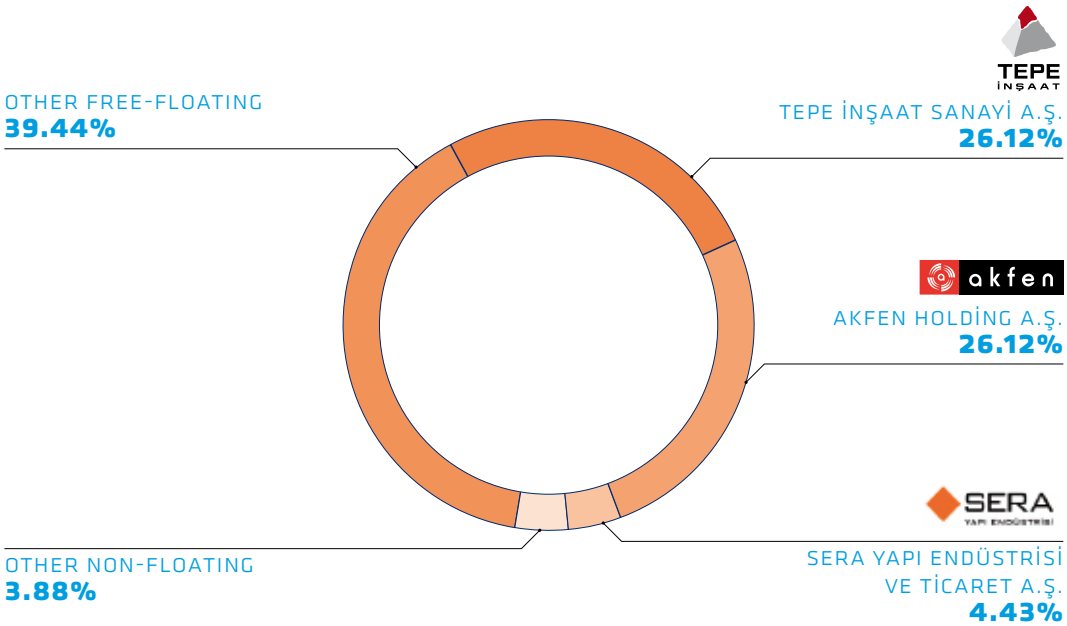
Earning 57% of its consolidated income from non-aviation activities, TAV Airports Holding provides an unparalleled flight experience to its customers with subsidiary operating companies which strive to meet every need that can be expected from an airport; from ground handling services and duty free shops to personal services, security and information technology. There is no room for error, confusion or indecision in airport operations, where the pace is frantic 24 hours a day. Armed with this awareness, TAV Airports Holding serves its customers with experienced and cheerful staff at every point; from the parking lot to security control, from check-in to cafes, from its duty-free shops to the boarding gates.

Striving to provide exceptional service within an integrated structure at airports visited by thousands of people every day -while becoming a global company which grows from local to global- TAV Airports' target is to cater to an average of 100 million passengers annually within the next 10 years.

SHAREHOLDER STRUCTURE

Shareholder	Number of Shares[1]	Share (%)
Tepe İnşaat Sanayi A.Ş.	94,890,027	26.12
Akfen Holding A.Ş.	94,886,071	26.12
Sera Yapı Endüstrisi ve Ticaret A.Ş.	16,101,375	4.43
Other non-floating	14,113,087	3.88
Other free-floating	143,290,691	39.44
Total	**363,281,250**	**100.00**

(1) As of December 31, 2009.



TAV AIRPORTS HOLDING OPERATIONS MAP

TUNISIA*

CAPITAL: TUNIS **OFFICIAL LANGUAGE:** ARABIC
AREA: 163,610 KM² **POPULATION:** 10,486,339 (JULY 2009)
GDP (PPP): US$ 83.21 BILLION
GDP PER CAPITA: US$ 8,000
TAV'S PASSENGER TRAFFIC: 3,781,256
TAV'S COMMERCIAL FLIGHT TRAFFIC: 30,393

* CIA WORLD FACTBOOK

MACEDONIA*

CAPITAL: SKOPJE **OFFICIAL LANGUAGE:** MACEDONIAN
AREA: 25,173 KM² **POPULATION:** 2,066,718 (JULY 2009)
GDP (PPP): US$ 8.3 BILLION
GDP PER CAPITA: US$ 9,000
TAV'S PASSENGER TRAFFIC: -
TAV'S COMMERCIAL FLIGHT TRAFFIC: -

* CIA WORLD FACTBOOK

** The data on Ohrid and Skopje are from 2009, whereas TAV Airports Holding assumed the operation of Ohrid St. Paul the Apostle and Skopje Alexander the Great airports as of March 1, 2010.
*** Since the construction of the Enfidha Airport was completed at the end of 2009, there are no passenger and commercial flight traffic data available for this year.

IZMIR (INTERNATIONAL TERMINAL)
PASSENGER TRAFFIC: 1,667,353
COMMERCIAL FLIGHT TRAFFIC: 13,137

ISTANBUL
PASSENGER TRAFFIC: 29,757,384
COMMERCIAL FLIGHT TRAFFIC: 264,481

ANTALYA (GAZIPAŞA)
PASSENGER TRAFFIC: -
COMMERCIAL FLIGHT TRAFFIC: -

ANKARA
PASSENGER TRAFFIC: 6,085,126
COMMERCIAL FLIGHT TRAFFIC: 51,293

BATUMI
PASSENGER TRAFFIC: 69,936
COMMERCIAL FLIGHT TRAFFIC: 1,806

TBILISI
PASSENGER TRAFFIC: 702,714
COMMERCIAL FLIGHT TRAFFIC: 13,842

TURKEY*
CAPITAL: ANKARA **OFFICIAL LANGUAGE:** TURKISH
AREA: 783,562 KM^2 **POPULATION:** 76,805,524 (JULY 2009)
GDP (PPP): US$ 863.3 BILLION
GDP PER CAPITA: US$ 11,200
TAV'S PASSENGER TRAFFIC: 37,509,863
TAV'S COMMERCIAL FLIGHT TRAFFIC: 328,911

* CIA WORLD FACTBOOK

GEORGIA*
CAPITAL: TBILISI **OFFICIAL LANGUAGE:** GEORGIAN
AREA: 69,700 KM^2 **POPULATION:** 4,615,807
GDP (PPP): US$ 20.29 BILLION
GDP PER CAPITA: US$ 4,400
TAV'S PASSENGER TRAFFIC: 772,765
TAV'S COMMERCIAL FLIGHT TRAFFIC: 15,642

* CIA WORLD FACTBOOK

MILESTONES

SERVING 42 MILLION PASSENGERS AT HIGH STANDARDS

TAV Airports Holding continually strives to provide exceptional service within an integrated structure at airports visited by thousands of people every day while becoming a global company.

1997
- TAV was founded and it was awarded the tender for the Istanbul Atatürk Airport.

1999
- ATU, which was established in 1987 as a TAV Airports venture to provide duty free shopping services, was incorporated into the TAV corporate structure; BTA, which provides catering services, was established.

2000
- TAV began operating the Istanbul Atatürk Airport International Terminal.

2001
- "primeclass" CIP service was launched.

2004
- BTA began operating the Istanbul International Airport Hotel.
- TAV assumed construction and operation of the Esenboğa Airport Domestic and International Terminals.
- TAV İşletme Hizmetleri A.Ş. (TAV O&M) was founded.

2005

- TAV Airports was awarded the tender to operate the Atatürk Airport International and Domestic Terminal Buildings, Parking Garage and General Aviation Terminal for 15 and a half years.
- 60% of Havas shares were acquired.
- Construction and operation of the Izmir Adnan Menderes International Terminal was assumed by TAV. TAV Bilişim Hizmetleri A.Ş. (TAV IT) was founded and the information technology services developed during the course of construction and operation of airport terminals were consolidated under this company.
- TAV was awarded the tender for the Tbilisi International Airport in Georgia.

2006

- Operation and construction services were restructured under "TAV Havalimanları Holding A.Ş." (TAV Airports Holding Co.) and "TAV İnşaat" (TAV Construction) as two separate holding companies.
- Izmir Adnan Menderes Airport International Terminal commenced service.
- Esenboğa Airport Domestic and International Terminal commenced operation.
- TAV Özel Güvenlik Hizmetleri A.Ş. (TAV Security) was founded and the private security services developed during the course of construction and operation of the airport terminals were consolidated under this company.

2007

- TAV Airports Holding shares were offered to the public.
- Tbilisi International Airport's new passenger terminal commenced service.
- Batumi International Airport commenced operation.
- TAV Airports was awarded the tender for the Monastir Habib Bourguiba and Enfidha Zine El Abidine Ben Ali International Airports in Tunisia.
- 40% minority shares of Havas were acquired. Havas became a wholly-owned subsidiary of TAV Airports Holding.
- TAV Airports Holding became 100% owner of TAV Izmir and TAV Esenboğa.
- TAV Airports Holding was awarded the tender for the operation of the Antalya Gazipaşa Airport.
- The Hopa Terminal operated by Havas commenced service.

2008

- TAV Airports assumed operation of Tunisia's Monastir Habib Bourguiba International Airport.
- TAV Gazipaşa Yatırım-Yapım ve İşletme A.Ş. (TAV Gazipaşa) was founded to operate the Antalya Gazipaşa Airport.
- TAV Airports was awarded the tender for the operation of the Alexander the Great International Airport in Macedonia's capital Skopje and St. Paul the Apostle International Airport in Ohrid, as well as the construction of the Shtip Cargo Airport, of which TAV Airports Holding also retains optional rights to operate. The related concession contracts were signed.
- Havas was awarded the tender for a 50%-shareholding partnership in TGS (Turkish Ground Services Co.), a subsidiary of Turkish Airlines.

2009

- TAV Airports increased its issued capital by TL 121 million.
- TAV Gazipaşa commenced operation at the Antalya Gazipaşa Airport.
- The Enfidha Zine El Abidine Ben Ali Airport investment was completed.
- TAV Airports Holding signed a joint venture agreement with the Al Rajhi Holdings Group.
- Agreement was reached for the sale of Havas shares.
- Havas acquired a 50% equity stake in TGS.
- IFC (International Finance Corporation), a World Bank establishment, acquired a 15% equity stake in TAV Tunisie.

2009 AT A GLANCE

SOLID FINANCIAL AND OPERATIONAL RESULTS DESPITE THE CRISIS

Number of passengers served by TAV Airports increased significantly despite the crisis.
Number of passengers traveling through the airports operated by TAV Airports Holding registered a 3% growth despite the crisis. This growth rate attained by TAV, while passenger traffic declined 6% at European airports and 3% worldwide in 2009, is a major sector-wide accomplishment. In line with the increase in passenger traffic, TAV Airports Holding's consolidated revenue also grew by 2% on a euro basis.

Agreement reached for the sale of Havas shares.
A partnership agreement was signed on October 16, 2009 for the sale of shares in Havaalanları Yer Hizmetleri A.Ş. (Havas), a wholly-owned subsidiary of TAV Airports Holding. Complete agreement was reached among all parties involved for the sale of Havas to a company to be established jointly by TAV Airports Holding, TAV İşletme Hizmetleri A.Ş. (TAV O&M), TAV Bilişim Hizmetleri A.Ş. (TAV IT), HSBC Investment Bank Holdings PLC and İş Girişim Sermayesi Yatırım Ortaklığı (İş Venture Capital Investment Trust) for € 180 million. Pursuant to this agreement, TAV Airports will have a 65% stake in the new company, whereas İş Venture Capital and HSBC Principal Investments will own 6.7% and 28.3%, respectively, of the new company.

A 15% equity stake in TAV Tunisie SA was sold to IFC, a World Bank establishment.
TAV Airports Holding, Turkey's leading airport operator, sold a 15% equity stake in TAV Tunisie to IFC, a World Bank establishment. In addition, an agreement was reached for the sale of 18% of TAV Tunisie shares to the Pan African Infrastructure Development Fund (PAIDF) for € 39,690,000.

Enfidha Airport investment was completed and the airport began commercial operations.
Commencing service with the synergy created by TAV Airports, the Enfidha Zine El Abidine Ben Ali International Airport celebrated its first landing on December 7, 2009. With a 40 year contract extending from its construction through its operation period, the Tunisian project represents the experience and maturity level TAV Airports has reached. A € 500 million investment was made in the Enfidha Zine El Abidine Ben Ali International Airport, construction of which began on July 24, 2007.

Havas, a TAV Airports subsidiary, established a ground handling company in partnership with Turkish Airlines.
Pursuant to the tender held by Turkish Airlines, Havas was selected as a 50% partner in TGS Yer Hizmetleri A.Ş. (TGS Ground Handling). TGS commenced operation in Istanbul, Ankara, Izmir, Antalya and Adana as of January 1, 2010.

Joint venture agreement signed with Al Rajhi.
In an effort to expand its experience and success in airport operations in Saudi Arabia as well, TAV Airports Holding signed a joint venture agreement with the Al Rajhi Holdings Group of Saudi Arabia. As part of the agreement, the parties resolved to act jointly in airport operations, maintenance and management service tenders in this country.

KEY FINANCIAL INDICATORS*

Summary Income Statement (euro)	2009	2008
Construction Revenue	284,491,359	202,339,925
Operating Revenue	608,927,597	597,732,739
Construction Expenditure	271,354,562	192,852,533
Operating Expenses	509,485,854	521,402,217
Net Operating Profit	112,578,540	85,817,914
Net Financial Expenses	59,467,933	84,585,017
Profit (Loss) Before Taxes	53,110,607	1,232,897
Income Tax Benefit/(Expense)	(1,645,831)	3,434,844
Net Profit/(Loss)	51,464,776	4,667,741
Profit/(Loss) Attributable to Minority Interest	941,643	608,919
EBITDA**	136,666,335	111,217,120
EBITDAR***	280,287,974	267,167,931
Summary Cash Flow Statement (euro)		
Net Cash Generated from Operating Activities	209,677,505	213,715,835
Net Cash Used in Investment Activities	284,941,050	200,630,120
Net Cash Generated from/ (Used in) Financing Activities	86,166,944	(55,039,860)
Summary Balance Sheet (euro)		
Cash, Cash Equivalents and Securities	34,010,922	22,572,015
Restricted Bank Balances	313,849,601	291,098,061
Total Assets	1,923,116,435	1,630,889,452
Financial Liabilities	1,288,663,264	1,098,635,518
Total Liabilities	1,510,117,420	1,321,850,152
Total Equity	412,999,015	309,039,300
Net Debt	940,802,741	784,965,442

* Consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS).
** Earnings before interest, taxes, depreciation and amortization (excluding construction income and construction costs).
*** EBITDA before concession rent payments.

EBITDA

2009
136,666,335

2008
111,217,120

Net Profit

2009
51,464,776

2008
4,667,741

Total Assets

2009
1,923,116,435

2008
1,630,889,452

KEY OPERATIONAL INDICATORS

Passenger Traffic [1]

January 1 - December 31	2009*	2008	Change (%)
Atatürk Airport	29,757,384	28,553,132	4
International	18,363,739	17,069,069	8
Domestic	11,393,645	11,484,063	(1)
Esenboğa Airport [2]	6,085,126	5,692,133	7
International	1,097,143	1,247,822	(12)
Domestic	4,987,983	4,444,311	12
Izmir Airport [3]	1,667,353	1,697,407	(2)
Turkey Total	78,651,367	74,968,329	5
International	42,212,974	42,078,736	0
Domestic	36,438,393	32,889,593	11
Monastir Airport [4]	3,781,256	4,210,271	(10)
Tbilisi Airport [5]	702,714	714,976	(2)
International	699,551	710,166	(1)
Domestic	3,278	4,810	(32)
Batumi Airport [6]	69,936	81,068	(14)
International	46,044	64,656	(29)
Domestic	23,892	16,412	46
TAV TOTAL	42,063,769	40,948,987	3
International	25,655,086	24,999,391	3
Domestic	16,408,798	15,949,596	3

Source: Turkish State Airports Authority (DHMİ), Civil Aviation Administration of Georgia, and TAV Tunisie.
* January-December 2009 DHMİ data are provisional. Transfer passengers are included in DHMİ figures.
(1) Arriving and departing passenger totals, excluding transit passengers.
(2) Operation commenced on October 16, 2006 under the TAV Airports corporate structure.
(3) International Terminal only; operation commenced on September 13, 2006 under the TAV Airports corporate structure.
(4) Operation commenced on January 1, 2008 under the TAV Airports corporate structure.
(5) The new terminal commenced operation on February 7, 2007.
(6) Commencement date of operation: May 26, 2007 (Includes Hopa Terminal).
(7) Commencement date of operation: December 18, 2007.

2008

40,948,987

2009

42,063,769

KEY OPERATIONAL INDICATORS

Commercial Flight Traffic [8]

January 1 - December 31	2009*	2008	Change (%)
Atatürk Airport	264,481	254,531	4
International	169,086	155,390	9
Domestic	95,395	99,141	(4)
Esenboğa Airport [2]	51,293	51,078	0
International	10,146	12,198	(17)
Domestic	41,147	38,880	6
Izmir Airport [3]	13,137	13,192	0
TURKEY TOTAL	628,990	606,603	4
International	329,130	318,406	3
Domestic	299,860	288,197	4
Monastir Airport [4]	30,393	33,579	(9)
Tbilisi Airport [5]	13,842	14,494	(4)
International	12,810	13,444	(5)
Domestic	1,026	1,050	(2)
Batumi Airport [6]	1,806	1,936	(7)
International	1,006	1,358	(26)
Domestic	800	578	38
TAV TOTAL	374,952	368,810	2
International	236,578	229,161	3
Domestic	138,368	139,649	(1)

Source: Turkish State Airports Authority (DHMİ), Civil Aviation Administration of Georgia, and TAV Tunisie.
* January-December 2009 DHMİ data are provisional. Transfer passengers are included in DHMİ figures.
(2) Operation commenced on October 16, 2006 under the TAV Airports corporate structure.
(3) International Terminal only; operation commenced on September 13, 2006 under the TAV Airports corporate structure.
(4) Operation commenced on January 1, 2008 under the TAV Airports corporate structure.
(5) The new terminal commenced operation on February 7, 2007.
(6) Commencement date of operation: May 26, 2007 (Includes Hopa Terminal).
(7) Commencement date of operation: December 18, 2007.
(8) Commercial flights only.

2008

368,810

2009

374,952

VISION, MISSION AND CORPORATE VALUES

A GLOBAL COMPANY WITH WORLD CLASS KNOWLEDGE CAPITAL AND SERVICE QUALITY

Our Vision

To be the pioneering and leading airport operating company in our target regions: Europe, Russia and the Commonwealth of Independent States, the Middle East, Africa and India.

Our Mission

To create the highest value for all stakeholders in airport operations through our customer-oriented management approach.

Our Corporate Values

Professionalism: We perform our duties with the utmost diligence and at the highest standards, closely following global developments related to our sector. We consider job-related priorities in all of our professional relationships.

Respect: We act in line with ethical standards as a fundamental rule, prioritizing respect for people, the environment, laws and regulations. We act in an honest, transparent, fair and responsible manner in all our endeavors.

Dynamism: Having adopted the principle of a dynamic and flexible work approach, we act in an efficient, result-oriented manner, regardless of the circumstances. Always remaining aware of the environment and prevailing conditions, we respond and adapt to change promptly.

Innovation: We continually create opportunities for improvement and innovation in all processes, with an emphasis on customer satisfaction. Being aware that our difference stems from innovative practices, we put forth our best efforts to ensure that our services are contemporary and creative.

Teamwork: Being aware that cooperation, mutual commitment, expertise and knowledge sharing are the building blocks of success, we consider teamwork the guarantee of personal success and we support teamwork in all endeavors.

ELEMENTS OF TAV'S SUCCESS

INNOVATIVE AND DECISIVE STEPS IN PURSUIT OF EXCELLENCE

Entrepreneurial spirit with an innovative approach

Our decisive growth strategy is an indication of our entrepreneurial and innovative spirit. We are successfully implementing this strategy every day, keeping ourselves one step ahead, thanks to the synergy created among our subsidiary companies which operate in the passenger traffic and non-aviation services sectors.

Excellence in operations

We maintain our leadership in the Turkish airport operation industry by institutionalizing our knowledge, experience and know-how, ingraining it at every level of the Holding. In order to sustain the excellence we have achieved in our operations, we continually review our corporate values and strategies, revising them in accordance with rapidly evolving conditions.

Right person for the right job

With the awareness that human resources need to be managed correctly, we exert our best efforts to work with expert and specialist individuals and entities in every area in which we operate. While investing in applications that will allow us to pass on our experience in the sector to our employees, we also perform at the highest level by working with companies and entities that can adapt to our strategic priorities.

10 years of experience

Armed with the 10 years of experience we have accumulated since 2000, when our operations commenced, we successfully manage airport passenger traffic in order to ensure customer satisfaction and establish a solid financial structure. Throughout our 10-year history, we have enhanced the Company's reputation with the investments we have undertaken in order to accomplish our corporate mission. While maintaining our market position as the innovative power of the sector, we are continuing to create value for Turkey.

BOARD OF DIRECTORS' MESSAGE

WE ANALYZED THE NEEDS OF THE INDUSTRY AND DEMONSTRATED OUR KNOW-HOW AND CAPACITY FOR INNOVATION.

Esteemed Shareholders,

On the 10th anniversary of a story which began with the Istanbul Atatürk Airport project -one of the first examples of the "Build-Operate-Transfer" model in airport operations- we are proud to be a respected company that represents Turkey domestically as well as overseas.

We did not deviate from our growth strategy over the last two years despite the turmoil in the world economy. We analyzed the needs of the industry and demonstrated our know-how and capacity for innovation. We positioned TAV Airports Holding as one of the global leaders, serving 42 million passengers annually on three continents with more than 12 thousand employees as of year-end 2009.

We adopted both organic and inorganic growth models in our growth strategy and established fundamentally-solid targets. One of the most important indicators of our operational and financial success is the growth rate that we were able to sustain in 2009 as well. The projects that we initiated over the past years, combined with the new investments we assumed during 2009, offer a glimpse of TAV's future position.

In 2008, we initiated efforts to commence service at the Gazipaşa Airport located in Antalya, the tourism hotspot of Turkey. Armed with the know-how and experience of TAV Airports, we worked diligently all year to raise the quality of the Gazipaşa Airport up to international standards and put this airport into service for commercial flights in the second half of the year.

Construction of the Enfidha Zine El Abidine Ben Ali International Airport in Tunisia continued in 2009 and was completed in December. With an initial capacity of 7 million passengers upon the commencement of operations, the airport proved that it will be another of TAV Airports' successful projects. After undertaking successful projects in the Caucasus and North Africa, we were awarded the tender for the operation of Skopje and Ohrid Airports in Macedonia in 2008. This venture represents our ambition to expand our successful operations into the Balkans as well. We assumed the operation of these airports as of March 1, 2010. Due to our diligent work throughout 2009, we commenced service at both of these airports in the first quarter of 2010. Operating airports in Macedonia, which is expected to join the European Union in the near future and occupies a strategic position politically and economically, is akin to opening another gateway to Europe, -after Istanbul- for TAV Airports.

The previous year was full of accomplishments in the international finance arena as well. The loans secured by TAV for its ongoing projects demonstrate the confidence of international investors, who have recently been very selective due to the global economic crisis.

In 2009, TAV Airports Holding initiated efforts to sell 35% of Havas shares in order to reduce its debt burden and create additional liquidity. An agreement was signed on October 16, 2009 for the sale of Havas to a company established jointly by TAV Airports Holding, TAV İşletme Hizmetleri A.Ş. (TAV O&M), TAV Bilişim Hizmetleri A.Ş. (TAV IT),

HSBC Investment Bank Holdings PLC and İş Girişim Sermayesi Yatırım Ortaklığı (İş Venture Capital Investment Trust) for € 180 million.

In 2009, in the midst of the crisis, TAV Airports Holding reaped the benefits of the investments it made in 2008. Our accomplishments provided added value to Turkey, as well as to our employees. Istanbul Atatürk Airport was named the Center of Attraction for Transit Flights on the 2009/2010 Travel Top 50 list of Monocle, the world's most prestigious business and lifestyle magazine, while Ankara Esenboğa Airport was named the Best Airport in Europe in its size category by the European Region of Airports Council International (ACI Europe).

As TAV Airports, in addition to our successful ventures in airport operations, we also see it as a duty to invest in our future. With this in mind, we also undertake initiatives that we believe will solidify our leadership in corporate social responsibility and will set an example in Turkey and in the world. In addition to and beyond being a commercial concern, TAV Airports is a group that cares about the environment, values and contributes to the arts, culture and education, as well as respecting human rights.

As TAV Airports Holding, which now ranks among global companies in airport operations with its knowledge capital and service quality, we will continue to manage the Company successfully and undertake ventures that will create value for our partners in 2010 as well. We will continue to take the most concrete strides towards our objectives in 2010 through the efforts of our employees and their team spirit.

Ali Haydar Kurtdarcan
Vice Chairman of the Board of Directors

Dr. M. Sani Şener
Member of the Board of Directors, President & CEO

Hamdi Akın
Chairman of the Board of Directors

BOARD OF DIRECTORS

Hamdi Akın, Chairman, TAV Airports Holding, 56
Hamdi Akın assumed his current duties as the Chairman of TAV Airports Holding in 2005. Being one of the founders and shareholders of TAV Airports Holding, Akın is also the founder and the Chairman of Akfen Holding. Graduated from the Department of Mechanical Engineering, Gazi University, Akın founded Akfen Holding in 1975, a company that operates in construction, tourism, commerce and service sectors. Undertaking infrastructure, energy and investment projects within the scope of privatization efforts, in addition to private entrepreneurial activities, Akın has been undertaking responsibilities as a founder and director in many associations, foundations and NGOs. Akın served as the Vice President of Fenerbahçe Sports Club from 2000 to 2002, the President of Ankara Region Representative Council of the Turkish Metal Industrialists' Union (MESS) from 1992 to 2004, the President of Turkish Young Businessmen's Association (TÜGİAD) from 1998 to 2000, a Board Member of Turkish Confederation of Employer Associations (TİSK) from 1995 to 2001, a Board Member of Turkish Industrialists' and Businessmen's Association (TÜSİAD) and the President of Information Society and New Technologies Committee from 2008 to 2009. He is one of the founders of the Chair in Contemporary Turkish Studies at the London School of Economics; and the Founding Member and the Honorary Chairman of the Human Resources Foundation of Turkey (TİKAV), which he co-founded in 1999 in order to provide well-educated human resources for Turkey.

Ali Haydar Kurtdarcan, Vice Chairman, TAV Airports Holding, 59
Ali Haydar Kurtdarcan assumed his current duties as the Vice Chairman of TAV Airports Holding in 2000 and is also the Chairman of the Audit Committee. Graduated from the Department of Civil Engineering, Middle East Technical University in 1973, Kurtdarcan is the Chairman of Tepe Construction, a shareholder of TAV Airports Holding. He has filled various managerial positions, including general manager and assistant general manager, at Tepe Construction for the last 22 years.

Mustafa Sani Şener, Board Member and President & CEO, TAV Airports Holding, 55
Mustafa Sani Şener was appointed the Member of the Board of Directors, President and CEO of TAV Airports Holding in 1997. Graduated from the Department of Mechanical Engineering, Black Sea Technical University (BTU) in 1977, Şener earned his Masters degree in fluid mechanics in 1979 from the Department of Applied Sciences, University of Sussex, the UK. He has been awarded an Honorary Doctorate from BTU for his invaluable contributions to the development of Turkish engineering at the international level. Prior to his career at TAV Airports, he filled project manager and general manager positions in national and international projects. He serves as a Member of the Board of Directors of the Airports Council International (ACI) Europe since 2009.

İbrahim Süha Güçsav, Board Member, TAV Airports Holding, 42
İbrahim Süha Güçsav was appointed the Member of the Board of Directors of TAV Airports Holding in 2000 and as the CEO of Akfen Holding in March 2010. Güçsav was graduated from the Department of Economics, Istanbul University in 1992, and earned his Masters degree from the Department of Business Administration, the Institute of Social Sciences, Gazi University. Beginning his career at Alexander & Alexander Insurance Brokerage Co. in 1992, Güçsav joined Akfen Group in 1994. Serving at Akfen Holding as Financing Group President and then as President of the Executive Board, Güçsav acted as Deputy Chairman of Akfen Holding between 2003 and March 2010. He also serves as a Member of the Board of Directors at

various affiliates including TAV Airports Holding, Executive Board Director at Akfen GYO (Real Estate Investment Partnership) and the CEO at IBS Insurance Brokerage Services.

Abdullah Atalar, Board Member, TAV Airports Holding, 56

Abdullah Atalar was appointed a Member of the Board of Directors of TAV Airports Holding in 2009. Graduated from the Department of Electrical Engineering, Middle East Technical University in 1974, Atalar recieved his Masters and PhD degrees from the Department of Electrical Engineering, Stanford University in the USA, respectively in 1976 and 1978. Beginning his career at Hewlett Packard Research Labs in 1979, Atalar returned to Turkey as an Assistant Professor at Middle East Technical University in 1980. In 1982 he led the project to develop the first commercial acoustic microscope at Ernst Leitz Wetzlar, Germany. In 1986 he served as the Chair of the Department of Electrical and Electronics Engineering and as Associate Professor at the newly established Bilkent University and he was promoted to Professorship in 1990. He worked as Visiting Professor at Stanford University in 1996. Atalar received the Scientific Encouragement and Science Awards of TÜBİTAK in both 1982 and 1994. He was also elected as a full-member of Turkish Academy of Sciences in 1997 and has been awarded a Fellow Degree by IEEE in 2007. He led research projects for companies such as ASELSAN, Teletaş and Hitachi. He has 17 international patents, 74 scientific papers and 103 conference proceedings and there are more than 1,500 citations referring to his papers. He is currently the President of Bilkent University, Member of the Science Board of TÜBİTAK and Vice Chairman and CEO of Bilkent Holding.

Hüseyin Kadri Samsunlu, Board Member, TAV Airports Holding, 41

Appointed as a Board Member of TAV Airports Holding in 2009, Kadri Samsunlu is also serving as Akfen Holding's Chief Development Officer (CDO) and as Board Member for some subsidiaries of Akfen Holding. Following his undergraduate degree in Economics from Boğaziçi University in 1991, Samsunlu has completed his MBA degree in Missouri University in 1993 and same year became a Certified Public Accountant registered to the Missouri state. Started his career as a financial analyst in Industrial Development Bank of Turkey (TSKB), Samsunlu has served in senior-level managerial positions including General Manager and Board Member at Global Investment Holding and its subsidiaries between the years 1995 and 2006. Prior to joining Akfen Holding by early 2009, he advised and developed various projects in Romania and Turkey for three years.

Ersagun Yücel, Board Member and General Secretary, TAV Airports Holding, 38

Ersagun Yücel was appointed the General Secretary of TAV Airports Holding in 2002 and as the Member of the Board of Directors in 2009. Graduated from the Department of Business Administration, California Newport University in 1999, Yücel is currently pursuing his MBA degree at the same university. He also graduated from the Department of Serigraphy, Yıldız Technical University in 1994, and attended the New York University Advertising and Marketing Program in 1997. Beginning his career as a graphic artist in MR Com Graphics in 1993, Ersagun Yücel worked as manager in Rifle Jeans and Calvin Klein Jeans between 1995 and 1998. He joined TAV Airports Holding in 1999 as the Assistant to the President & CEO. In addition to his responsibilities as General Secretary of TAV Airports Holding, Yücel also oversees the activities of the departments of Corporate Communication, External Relations and Executive Board Administrative Affairs.

BOARD OF DIRECTORS

Mehmet Cem Kozlu, Board Member, TAV Airports Holding, 64

Mehmet Cem Kozlu was appointed as an Independent Member of the Board of Directors of TAV Airports Holding in 2006 and is also the Chairman of the Corporate Governance Committee. He received his BA from Denison University, Department of Economics in 1969, MBA from Stanford University and PhD from Boğaziçi University in administrative sciences. He has been awarded an Honorary Doctorate Degree by Denison University. Dr. Kozlu held various positions in National Cash Register Co. in Ohio, Procter&Gamble in Switzerland and Komili, and served as a Member of the Parliament between 1991 and 1995. He served as the President and CEO of Turkish Airlines, and President of Central Europe, Eurasia and Middle East Group in The Coca-Cola Company. He currently serves as Consultant to Coca-Cola Eurasia and Africa Group and he is currently a Board Member of The Coca-Cola Bottling Company of Saudi Arabia and Trader Media East Limited, Amsterdam. He is the President of International Airlines Training Fund (IATF), Geneva and the Chairman of the Turkish-Russian Business Council of Foreign Economic Relations Board in which he also serves as a Board Member. He also serves on the boards of the following organizations: Hürriyet Newspaper and Printing Co., Coca-Cola İçecek (Bottling) Co., Evyap Soap, Oil and Glycerine Industry and Trading Co., Godiva, Anadolu Industry Holding, Efes Brewery and Malt Industry, Kamil Yazıcı Management and Consulting Co. He is also a trustee of the following institutions: Anadolu-Johns Hopkins Health Center and Istanbul Modern Arts Foundation.

Mehmet Erdoğan, Board Member, TAV Airports Holding, 50

Mehmet Erdoğan was appointed the Member of the Board of Directors of TAV Airports Holding in 2006. Graduated from the Department of Business Administration, Anadolu University in 1982, Erdoğan received insurance education from the Insurance Institute of Turkey for two years. Currently serving as the External Relations Coordinator of TAV Airports Holding, he worked for various companies before joining TAV Airports.

Murat Uluğ, Board Member and CFO, TAV Airports Holding, 40

Murat Uluğ was appointed the CFO of TAV Airports Holding in 2006 and as the Member of the Board of Directors of TAV Airports Holding in 2010. He is also a Member of the Corporate Governance Committee, and has also been a Member of the Board of Directors of Havas Ground Handling since 2007. Graduated from the Department of Electronic and Communication Engineering at the Faculty of Electrical and Electronic Engineering, Istanbul Technical University in 1992, Uluğ received his Executive MBA degree from the joint program of Istanbul Bilgi University and Manchester Business School in 2003. After 11 years of banking experience in ABN AMRO, HSBC and Garanti Bank, Uluğ served as the Finance Coordinator at Akfen Holding before joining TAV Airports.

Önder Sezgi, Member of the Board of Directors, TAV Airports Holding, 42

Önder Sezgi was appointed the Member of the Board of Directors of TAV Airports Holding in 2009. Graduated from the Department of Public Administration at the Faculty of Political Sciences, Ankara University in 1988, Sezgi served as a Tax Inspector at the Ministry of Finance until 1998. He joined Tepe Group same year and is currently serving as the Financial Affairs Coordinator (CFO) at Bilkent Holding. Having more than 35 articles about economics, tax, law and finance published in

various newspapers and journals, Sezgi participated as a speaker in more than 20 conferences and panels regarding these topics. Being certified as a Sworn in Certified Public Accountant, he served in various positions and operations in Tax Council, Turkish Industrialists' and Businessmen's Association, International Investors Association, Foundation of Tax Inspectors and TÜRMOB.

Pierre de Champfleury, Board Member, TAV Airports Holding, 64
Pierre de Champfleury was appointed the Independent Member of the Board of Directors of TAV Airports Holding in 2007 and is also a Member of the Audit Committee. Graduated from Paris Ecole des Hautes Etudes Commerciales in Paris in 1967, Champfleury earned his MBA degree from Stanford University in 1971. Beginning his 30-year career in luxury goods at Eli Lilly, he served as the CEO of various companies such as Yves Saint Laurent Parfums, Austin Nichols and Co., and Manuel Canovas.

Serkan Kaptan, Board Member and Business Development Director, TAV Airports Holding, 39
Serkan Kaptan was appointed the Business Development Director of TAV Airports Holding in 2003, the Member of the Board of Directors of Havas Ground Handling in 2007, and the Member of the Board of Directors of TAV Airports Holding in 2010. Kaptan is also the Chairman of Havas' subsidiary, North Hub Services, based in Riga, Latvia, Vice Chairman of Cyprus Airport Services in Nicosia-Cyprus, Board Member of Turkish Ground Services, Steering Committee Member for TAV Georgia and TAV Macedonia. Graduated from the Department of Business Administration, Istanbul University in 1995, Kaptan received his MBA degree from Marmara University in 2002. He joined TAV Airports Holding as a consultant for the Build-Operate-Transfer project of Istanbul Atatürk Airport in 1998. He served as an Airport Consultant at Airport Consulting Vienna, subsidiary of VIE from 1998 to 2001. Before joining TAV Airports, he worked in various capacities at Birgenair Charter Group including operations supervisor and dispatcher. Experienced in airport and airline operations and privatization and public-private partnerships, acquisitions, new businesses for 17 years, Kaptan acted as the Country Director for Iran and Georgia for several years and established country operations from scratch.

Süleyman Son, Board Member, TAV Airports Holding, 62
Süleyman Son was appointed the Member of the Board of Directors of TAV Airports Holding in 2006. Graduated from the Department of Mechanical Engineering, Middle East Technical University, Son currently serves as the General Manager of Tepe Construction. Previously, he worked as the Assistant General Manager of Business Development at the same company. Beginning his career as a Chief Engineer at Turkish Electricity Administration in 1971, Son served at various companies and project teams.

Şeref Eren, Board Member and Consultant to the TAV Academy, TAV Airports Holding, 59
Şeref Eren was appointed the Member of the Board of Directors of TAV Airports Holding in 2006. Graduated from the Department of Economics - Business Administration at the Faculty of Economics, Istanbul University in 1974, Eren completed his Business Administration specialization education at the Institute of Management Economics, Istanbul University, in 1975. Beginning his career as an assistant in the Faculty of Business Administration at Istanbul University, he served in senior management positions at various private sector companies. Eren joined TAV Airports Holding in 1998 and served as Financial and Administrative Affairs Manager and Vice Chairman. After serving as the Consultant to the CEO between 2007 and 2009, he was appointed the Consultant to the TAV Academy in 2009.

CEO'S MESSAGE

THE HOLDING'S EBITDA INCREASED 39% OVER THE PREVIOUS YEAR ON A TL BASIS TO REACH TL 294 MILLION.

Dear Shareholders,

2009 was one of the most difficult years in the history of the airport industry. After devastating the entire world, the global financial crisis turned into a major worldwide recession in 2009. We believe there is going to be a recovery in the global economy and in the aviation industry in 2010 and beyond.

Thanks to the comprehensive measures taken by governments to counter the repercussions of the crisis which broke out in 2008, and the large-scale rescue packages that they unveiled to boost liquidity, the crisis was stopped in its tracks before worsening even further. The emerging markets are expected to gain prominence in the gradual, but long-lasting period of growth that is forecast to take hold after the global recession ends. Accordingly, the global economy is expected to grow 3% in 2010 after contracting 1% in 2009.

Registering rapid growth rates in foreign trade volume, Turkey currently has the 17th largest economy in the world. Contracting approximately 5% as of year-end 2009 due to the global economic turmoil, the Turkish economy nevertheless manifested better-than-expected crisis management performance and was one of the most noteworthy countries in this respect.

The airport industry was one of the sectors that escaped relatively unscathed from the crisis in 2009. Airline companies had a difficult year due to a rapid rise in fuel costs, as well as the major slump in demand as passenger traffic decreased 3% globally and 6% in Europe. Turkey, on the other hand, had a slightly different experience.

I am proud to share with our esteemed shareholders the fact that TAV Airports Holding's passenger traffic grew 3% and our total number of passengers for the year exceeded 42 million despite these negative data and global outlook. Passenger traffic at the International Terminal of Istanbul Atatürk Airport, the flagship operation of the Holding, increased 8%. This increase was due in large part to the young population and growing aviation industry in Turkey, as well as Istanbul Atatürk Airport becoming a major transit hub thanks to Turkish Airlines, our national flagship carrier, joining the Star Alliance network.

As in previous years, the accomplishments of the airports operated by the Holding were crowned with international awards. Istanbul Atatürk Airport was named the Center of Attraction for Transit Flights on the 2009/2010 Travel Top 50 list of Monocle, the world's most prestigious business and lifestyle magazine. Ankara Esenboğa Airport was named the Best Airport in Europe in its size category by the European region of Airports Council International (ACI Europe).

The Holding's operating profit (EBITDA) increased 39% over the previous year on a TL basis, reaching TL 294 million, and net profit surged 10-fold in 2009 to TL 111 million (EUR 51.5 million). The Holding's revenue rose 16% over the previous year, reaching TL 1.3 billion. The loyalty and dedication of TAV employees is the impetus behind this achievement. Despite the global contraction in employment, the Holding's average number of employees rose from approximately 11.3 thousand in 2008 to approximately 12.2 thousand in 2009.

The greatest accomplishment of TAV Airports Holding in 2009 was its utilization of all vehicles a company has at its disposal to boost its liquidity.

These methods included generating more cash from operational cash flow, as well as raising capital from existing shareholders and asset sales.

In this respect, we generated EUR 210 million of cash from our operations in 2009. We reached an agreement to sell 35% of Havas, Turkey's first and largest ground handling company, which operates in 19 airports, to İş Girişim (İş Private Equity) and HSBC Principal Investments, two powerful partners. In addition, we sold 15% of TAV Tunisie's outstanding shares to IFC, a member of the World Bank Group, increasing our capital by TL 121 million amid the crisis. Our purpose in all of these transactions was to reduce TAV Airports Holding's debt position and create additional resources.

Antalya Gazipaşa Airport and the Enfidha Airport in Tunisia were completed in 2009 and they commenced operations during the same year, while the Skopje and Ohrid airports in Macedonia will commence service in the first quarter of 2010. We expect a high level of performance from these projects, proving that we will realize a worthy return for our investments in these airports.

In addition to our financial performance, we believe that environmental awareness and social responsibility are also important to ensure a sustainable world. In this respect, we continued to undertake efforts in 2009 to equip all of the Holding's operating companies with environmental-friendly technologies. In addition, in line with our belief that Turkey's future will be shaped by education, culture and the arts, we organized numerous activities and events during the year and assumed the sponsorship of many projects.

The Holding gained the trust of investors and all its stakeholders in Turkey, as well as internationally, as a company focusing on passenger satisfaction and keeping its promises while maintaining strict discipline in cost control. We will continue to work with the same determination and commitment to maintain this trust.

All the numbers stated in our Annual Report reflect the operational success of the Holding in Turkey as well as in the region. For all of our accomplishments during the year, I first of all would like to thank TAV employees, each of whom is a valued member of the TAV family. As I conclude my remarks, I also would like to express my deepest gratitude to our shareholders, customers and all of our social and economic stakeholders who help move TAV forward into the future.

Dr. M. Sani Şener
Member of the Board of Directors,
President&CEO

SENIOR MANAGEMENT

Mustafa Sani Şener, Board Member and President & CEO, TAV Airports Holding, 55

Mustafa Sani Şener was appointed the Member of the Board of Directors, President and CEO of TAV Airports Holding in 1997. Graduated from the Department of Mechanical Engineering, Black Sea Technical University (BTU) in 1977, Şener earned his Masters degree in fluid mechanics in 1979 from the Department of Applied Sciences, University of Sussex, the UK. He has been awarded an Honorary Doctorate from BTU for his invaluable contributions to the development of Turkish engineering at the international level. Prior to his career at TAV Airports, he filled project manager and general manager positions in national and international projects. He serves as a Member of the Board of Directors of the Airports Council International (ACI) Europe since 2009.

Murat Uluğ, Board Member and CFO, TAV Airports Holding, 40

Murat Uluğ was appointed the CFO of TAV Airports Holding in 2006 and as the Member of the Board of Directors of TAV Airports Holding in 2010. He is also a Member of the Corporate Governance Committee, and has also been a Member of the Board of Directors of Havas Ground Handling since 2007. Graduated from the Department of Electronic and Communication Engineering at the Faculty of Electrical and Electronic Engineering, Istanbul Technical University in 1992, Uluğ received his Executive MBA degree from the joint program of Istanbul Bilgi University and Manchester Business School in 2003. After 11 years of banking experience in ABN AMRO, HSBC and Garanti Bank, Uluğ served as the Finance Coordinator at Akfen Holding before joining TAV Airports.

Murat Örnekol, Operations Director, TAV Airports Holding, 51

Murat Örnekol was appointed the Operations Director of TAV Airports Holding in 2008. Graduated from the Department of Industrial Engineering, Middle East Technical University in 1980, Örnekol served as the General Manager of TAV Esenboğa between 2006 and 2008. Before joining TAV Airports, Örnekol worked for Beretta Holding as the General Manager between 2000 and 2006, and from 1991 to 2000 served as Deputy CEO of Bayındır Holding Co., President of Health Care Division, Director of Telecom Project, Logistics and Business Development Coordinator at Bayındır Group. In his early career, Örnekol worked as General Manager at Bordata, an IT company and as Planning Engineer, IT Manager and Trade Manager at Kutlutaş Holding.

Serkan Kaptan, Board Member and Business Development Director, TAV Airports Holding, 39

Serkan Kaptan was appointed the Business Development Director of TAV Airports Holding in 2003, the Member of the Board of Directors of Havas Ground Handling in 2007, and the Member of the Board of Directors of TAV Airports Holding in 2010. Kaptan is also the Chairman of Havas' subsidiary, North Hub Services, based in Riga, Latvia, Vice Chairman of Cyprus Airport Services in Nicosia-Cyprus, Board Member of Turkish Ground Services, Steering Committee Member for TAV Georgia and TAV Macedonia. Graduated from the Department of Business Administration, Istanbul University in 1995, Kaptan received his MBA degree from Marmara University in 2002. He joined TAV Airports Holding as a consultant for the Build-Operate-Transfer project of Istanbul Atatürk Airport in 1998. He served as an Airport Consultant at Airport Consulting Vienna, subsidiary of VIE from 1998 to 2001. Before joining TAV Airports, he worked in various capacities at Birgenair Charter Group including operations supervisor and dispatcher. Experienced in airport and airline operations and privatization and public-private partnerships, acquisitions, new businesses for 17 years, Kaptan acted as the Country Director for Iran and Georgia for several years and established country operations from scratch.

Özlem Tekay, Human Resources Director, TAV Airports Holding, 38

Özlem Tekay was appointed the Human Resources Director of TAV Airports Holding in 2006 and is also a Member of the Corporate Governance Committee. Graduated from the Harvard Business School, Boston, MA, USA in 2008, Tekay earned her Bachelor's and Master's degrees in 1994 and 1996, respectively, from the Department of Political Science and Public Administration, Middle East Technical University. She also attended the Strategic Human Capital Management Program at the Harvard Business School, Boston, MA, in 2007. Before joining TAV Airports, Tekay assumed various positions at Eczacıbaşı Holding, Bayındır Holding and the Umut Foundation in the areas of corporate strategy, human capital management, executive assessment and development, talent management, internal communications and corporate communications. An active participant in the activities of non-governmental organizations, she is a Member of the Corporate Governance Association of Turkey, the Board of Directors of the Business Council for Sustainable Development of Turkey and the Society for Human Resources. Tekay also conducts courses and seminars on general management at various universities as a part-time faculty member and a speaker and facilitates Airports Council International (ACI)'s Human Resources Management Program designed for airport executives worldwide.

Waleed Ahmed Youssef, Strategy Director, TAV Airports Holding, 44

Waleed Youssef was appointed the Strategy Director of TAV Airports Holding in 2008. A graduate of the University of California at Berkeley's Department of Civil Engineering, he subsequently earned his Masters degree in transportation economics and Ph.D. degree in air transport finance from Berkeley. Prior to joining TAV Airports, Dr. Youssef served as Strategy and Development Director at Abu Dhabi Airports Company, and as Aviation Specialist at the International Finance Corporation (IFC), the private sector arm of the World Bank Group.
Dr. Youssef has vast experience in airport privatization, including successful transactions in JFK Terminal 4 (the US), Brisbane International Airport (Australia), and Bangalore International Airport (India). During his tenure at the IFC, Youssef served as privatization advisor to the governments of Jordan (Amman), Saudi Arabia (Hajj Terminal), Madagascar (Antananarivo), Nigeria (Abuja) and Panama (Howard). In Abu Dhabi, he led the corporatization and certification of two airports (Abu Dhabi and Al Ain). Dr. Youssef is the Chairman of the World Economics Standing Committee at Airports Council International (ACI) and a Member of the Committee on Airfield and Airspace Capacity and Delay at the US National Academy of Sciences' Transportation Research Board.

SENIOR MANAGEMENT

Haluk Bilgi, TAV Tunisie Country Director and Business Development Director (Subsidiaries), TAV Airports Holding, 41

Haluk Bilgi was appointed the Business Development Director (Subsidiaries) of TAV Airports Holding in 2008 and also serves as TAV Tunisie Country Director. Graduated from Department of Economics at the Faculty of Economics, Istanbul University in 1992, Bilgi received his MBA degree from the Middle East Technical University in 1999, and attended the Structuring Effective Private Equity Partnership Program of Harvard Business School the same year. Beginning his career as a Foreign Relations Specialist at BBBAG Co. in 1991, Bilgi assumed his first position abroad in 1993 with Sibkon Co. in Novokuznetks, Siberia. He joined Tepe Group in 1995, and served as a Senior Executive in the Russian Federation, the UK, the US and Iraq, respectively, at Tepe Group and its international subsidiaries for the next ten years. Before joining TAV Airports as Business Development Group Manager in 2005, Bilgi served as the Business Development Coordinator at Tepe Construction and has served as a Member of the American Management Association, Foreign Economic Relations Board Turkish American Business Council International Contracting Committee, Central Anatolia Exporters Union Board of Directors, and Global Ethics since 2001.

Ersagun Yücel, Board Member and General Secretary, TAV Airports Holding, 38

Ersagun Yücel was appointed the General Secretary of TAV Airports Holding in 2002 and as the Member of the Board of Directors in 2009. Graduated from the Department of Business Administration, California Newport University in 1999, Yücel is currently pursuing his MBA degree at the same university. He also graduated from the Department of Serigraphy, Yıldız Technical University in 1994, and attended the New York University Advertising and Marketing Program in 1997. Beginning his career as a graphic artist in MR Com Graphics in 1993, Ersagun Yücel worked as manager in Rifle Jeans and Calvin Klein Jeans between 1995 and 1998. He joined TAV Airports Holding in 1999 as the Assistant to the President & CEO. In addition to his responsibilities as General Secretary of TAV Airports Holding, Yücel also oversees the activities of the departments of Corporate Communication, External Relations and Executive Board Administrative Affairs.

Altuğ Koraltan, Internal Audit Director, TAV Airports Holding, 47

Altuğ Koraltan was appointed the Internal Audit Director of TAV Airports Holding in 2007. Graduated from the Department of Business Administration, Istanbul University in 1986, Koraltan began his career as an External Auditor at Peat Marwick& Mitchell between 1986 and 1988. He served as a sales representative at the Baghdad office of ENKA Marketing. Working at Effemex-Mars as a Finance Manager in 1990, Koraltan served as Internal Auditor, Securities Department Assistant Manager and Dealer at the foreign exchange desk of the Treasury Department at Ottoman Bank during the following five years. Serving as the Chairman of the Audit Board of OYAK Bank for a one-year term in 1997, Koraltan was the head of Internal Audit in charge of Turkey and Greece at ABN AMRO Bank for ten years, from 1997 to 2007, before joining TAV Airports.

Banu Pektaş, General Counsel, TAV Airports Holding, 68

Banu Pektaş was appointed the General Counsel of TAV Airports Holding in 2007. Graduated from the Faculty of Law, Istanbul University in 1964, Pektaş worked as a lawyer at a law firm between 1965 and 1987. During the same period, she also served as a lecturer at the School of Foreign Languages at Istanbul University. Between 1987 and 2006, she was the Legal Counsel of Coca-Cola Turkey and served as the Region/Division/Group counsel over these years with responsibilities increasing to cover 36 countries in the Eurasia and the Middle East Group of the company.

Kemal Ünlü, General Manager, TAV Istanbul, 51

Kemal Ünlü was appointed the General Manager of TAV Istanbul in 2005. Graduated from the Department of Electrical Engineering, Gazi University in 1983, Ünlü joined TAV Airports in 2004 after leaving his post as the Principal in Charge of Atatürk Airport at the Turkish State Airports Authority. He held various positions at the Turkish State Airports Authority (DHMİ) Esenboğa, Antalya and Atatürk Airports between 1978 and 2004.

Nuray Demirer, General Manager, TAV Esenboğa, 44

Nuray Demirer was appointed the General Manager of TAV Esenboğa in 2008. Graduated from the Department of Architecture, Istanbul Technical University in 1988, Demirer joined TAV Airports for the construction of the Atatürk Airport International Terminal in 1999. Demirer was the Project Manager of TAV Esenboğa Domestic and International Terminals. She served as the Assistant General Manager of TAV Esenboğa between 2006 and 2008. Beginning her career at Atölye T Architecture in 1988, Demirer served in both the construction and the operation of Eczacıbaşı Pharmaceuticals Factory, as well as Site Manager, Construction Manager and Project Manager at Tepe Construction.

SENIOR MANAGEMENT

Fırat Erkan Balcı, General Manager, TAV Izmir, 37

Fırat Erkan Balcı was appointed the General Manager of TAV Izmir in 2009. Balcı was appointed as the Assistant General Manager of TAV Izmir in 2006 and served as the Acting General Manager from March 2008 to January 2009. Graduated from the Department of Civil Engineering, Middle East Technical University in 1996, he served as the Assistant General Manager of TAV Izmir between 2006 and 2008. Before joining TAV Airports, Balcı worked as the Operations Manager at the Antalya Airport International Terminal I, IT Project Manager at Fraport, and IT Chief at Bayındır Antalya Airport.

Ersel Göral, General Manager, TAV Tunisie, 38

Ersel Göral was appointed the General Manager of TAV Tunisie in 2007. Graduated from the Department of Business Administration, Istanbul University in 1998, he served at Tbilisi and Batumi International Airports as the General Manager of TAV Georgia between 2005 and 2007. Göral joined TAV Istanbul in 1999, worked as Terminal Operations Manager and Assistant General Manager. Beginning his career as an Operations Chief at Çelebi Ground Handling in 1993, he later served as Assistant Station Manager at Gözen Air.

K. Mete Erkal, Assistant General Manager (Deputy General Manager), TAV Georgia, 45

K. Mete Erkal was appointed the Assistant General Manager and has been serving as the Deputy General Manager of TAV Georgia since September 2009. Graduated from the Department of Finance, the Southern Illinois University in 1993, Erkal served as the Operations Coordination Manager of TAV Airports Holding between 2008 and 2009. He was a Management Trainee at the Blinder&Robinson Co., in St. Louis, the US and served as the New York and Paris Lines Manager at Turkish Airlines before 1995. He served as the Assistant General Manager, responsible from Sales and Services in the privatization of Havas and in the partnership with Swissport between 1995-1999, and from 1999 to 2002 he served as the Commerce Director at Çelebi Air Services. Erkal, who served as the Marketing Director at ATA Holding for three years before joining TAV Airports, is also a Member of the American Marketing Association.

Eda Bildiricioğlu, General Manager, TAV O&M, 41
Eda Bildiricioğlu was appointed the General Manager of TAV Operations anal Maintenance Services in 2006. Graduated from the Department of Business Administration and Economics, Eastern Mediterranean University in 1991, Bildiricioğlu served as marketing manager at various companies before joining TAV Airports in 1997 as the Commercial Affairs Manager.

Binnur Güleryüz Onaran, System Support and Application Assistant General Manager (Deputy General Manager), TAV IT, 41
Binnur Onaran was appointed the Assistant General Manager of TAV Information Technologies Co. in 2006 and has been acting as the Deputy General Manager since October 2009. Having attended the Computer Programmer/Analyst Program at Conestoga College between 1990-1993, Onaran served as training manager at Vancouver, CDI College between 1993 and 1995 and presented trainings on computer programming and network administration. She worked in various managerial positions in the Information Technology and Organization Department of Mercedes Benz Turkey between 1995 and 2002. After completing the executive training program at Daimler Chrysler, she was appointed as Senior Manager, Organization & IT (CIO) of Mercedes Benz Turkey in 2002. Having worked as IT Director of TÜVTURK before joining TAV Airports, Onaran carried out various network, telecommunication, software development, ERP and infrastructure projects, and served in organizational structuring, process optimization and system development projects, as well.

Levent Güler, Deputy General Manager, TAV Security, 42
Levent Güler was appointed the Deputy General Manager of TAV Security in 2010. Graduated from the Department of Civil Engineering, Middle East Technical University in 1989, Güler earned his Masters degree on ground mechanics at the same department in 1992. Beginning his career at Tepe Construction in 1989, he served in different positions at various construction sites between 1989 and 1998. Güler served as the Bilkent Holding representative at the construction of Istanbul Atatürk Airport and as the consultant to the Board of Directors at TAV Airports Holding between 2000 and 2003. He has been serving as the Executive Director and the General Manager at various establishments of TAV Airports Holding and Bilkent Holding, such as TAV Security, TEPE Defense and Security Systems, and TEPE Service and Management.

SENIOR MANAGEMENT

Müjdat Yücel, General Manager, Havas, 59
Müjdat Yücel was appointed the General Manager of Havas in 2005, as he was serving as Assistant General Manager at Havas since 2004. He worked for Turkish Airlines from 1972 to 2003. During his tenure at Turkish Airlines, Yücel served in Singapore, Iran, the US, and the UK internationally, as well as serving as the Head of Ground Operations for two years and as the Assistant General Manager of Ground Operations for four years in Turkey, respectively.

Ersan Arcan, General Manager, ATU, 43
Ersan Arcan was appointed the General Manager of ATU in October 2007. Graduated from the Department of Business Administration, Schiller University (Heidelberg) in 1994, Arcan served as Operations Manager between 1999 and 2006, and as Assistant General Manager between 2006 and 2007 at ATU. Before joining TAV Airports, Arcan worked as Sales Representative at A.T.A s.a.r.l in Switzerland and as Sales Manager at A.R.E.X Ltd. in Luxembourg.

Sadettin Cesur, General Manager, BTA, 37
Sadettin Cesur was appointed the General Manager of BTA in 2000. Graduated from the Istanbul Tourism and Hotel Management School, he attended Managing Successfully program in the US. Before joining TAV Airports, Cesur also worked for five-star hotels including Çınar Hotel, Parksa Hilton, Conrad Istanbul and the Four Seasons Hotel.

COMMITTEES

Audit Committee

Chairman of the Audit Committee

Ali Haydar Kurtdarcan
Vice Chairman of the Board of Directors
TAV Airports Holding Co.

Members of the Audit Committee

Önder Sezgi
Member of the Board of Directors
TAV Airports Holding Co.

Hüseyin Kadri Samsunlu
Member of the Board of Directors
TAV Airports Holding Co.

Pierre de Champfleury
Member of the Board of Directors
TAV Airports Holding Co.

Corporate Governance Committee

Chairman of the Corporate Governance Committee

Mehmet Cem Kozlu
Member of the Board of Directors
TAV Airports Holding Co.

Members of the Corporate Governance Committee

Özlem Tekay
Human Resources Director
TAV Airports Holding Co.

Murat Uluğ
Finance Director
TAV Airports Holding Co.

PERFORMANCE OF TAV IN 2009

TAV HOLDING'S NET PROFIT JUMPED FROM €4.7 MILLION IN 2008 TO €51.5 MILLION IN 2009.

Operational Performance

TAV Airports Holding had a net profit* of € 51.5 million in the fiscal year ended on December 31, 2009.

While analyzing the Company's operational performance below, construction income and expenses were excluded while guaranteed passenger income from airports operated in Ankara and Izmir were included.

• Passenger traffic at the airports operated by TAV Airports Holding increased by 3%, to approximately 42 million, in 2009 over the previous year. During the same period, commercial flight traffic was up 2%, to 375 thousand, compared to the previous year. According to Turkish State Airports Authority (DHMİ) statistics, which are inclusive of transit passengers, passenger traffic through the Istanbul Atatürk Airport International Terminal grew 8% in 2009 to 18.4 million. (Q1: -1%, Q2: 7%, Q3: 10%, Q4: 13%).

• The Company's adjusted revenues, calculated by including guaranteed passenger income from airports operated in Ankara and Izmir, increased by 2% in 2009 to € 639.7 million (€ 608.9 million according to financial statements prepared in accordance with the IFRS), up from € 627.3 million (€ 597.7 million according to financial statements prepared in accordance with the IFRS) in 2008. Excluding the approximately € 9 million profit from the sale of a 15% equity stake in TAV Tunisie to the IFC, adjusted income was € 630.7 million.

• The share of aviation income (including ground handling income and guaranteed passenger income from the Ankara and Izmir airports) rose to 43% during this period. In 2008, aviation income constituted 42% of total income. Duty free services were the second largest item in the Company's total revenues with a 33% share, whereas other income made up the remaining 24%.

• Adjusted EBITDA rose 19% in 2009 to € 167.4 million (EBITDA margin: 26.2%), up from € 140.8 million in 2008. EBITDA margin stood at 22.4% in 2008. Excluding profit from the sale of TAV Tunisie shares, adjusted EBITDA and EBITDA margins were € 158.5 million and 25.1%, respectively.

• Adjusted EBITDAR increased 5% in 2009 to € 311.2 million, but it underperformed the growth in EBITDA. The primary reason for this was the decline in rent payments as a result of the appreciation of the euro. Excluding profit from the sale of TAV Tunisie shares, adjusted EBITDAR and EBITDAR margins were € 302.1 million and 47.9%, respectively.

• Net profit jumped from € 4.7 million in 2008 to € 51.5 million in 2009. As a result, net profit attributable to TAV Airports Holding shareholders also surged to € 50.5 million in 2009, from € 4.1 million the previous year.

• The Company's net debt reached € 941 million as of year-end December 2009. The primary reason for the increase in net debt was the increase in the amount borrowed for the Tunisia Enfidha Airport investment.

* Financial results presented in this report are based on figures that have been independently audited, prepared in accordance with the IFRS and calculated in euros.

2009 Financial Results

The Company's adjusted revenues increased by 2% in 2009 to € 639.7 million (€ 608.9 million according to financial statements prepared in accordance with the IFRS), up from € 627.3 million (€ 597.7 million according to financial statements prepared in accordance with the IFRS). The adjusted income includes the approximately € 9 million profit from the sale of a 15% equity stake in TAV Tunisie; excluding this one-time profit, adjusted income was € 630.7 million.

Most of the Company's revenue was denominated in foreign currency (euros and US dollars). In 2009, the Company's aviation income (including ground handling) constituted 43% of its total operating income, whereas non-aviation income made up the remaining 57%. In 2008, aviation income was 42% of the total income.

- Adjusted aviation revenues (excluding ground handling) increased from € 158.7 million (€ 129.1 million according to financial statements prepared in accordance with the IFRS) in 2008 to € 162.2 million (€ 131.4 million according to financial statements prepared in accordance with the IFRS) in 2009. Pursuant to the IFRIC (International Financial Reporting Interpretations Committee) 12 Practice, guaranteed passenger income of € 14.4 million from the Ankara Esenboğa Airport and € 16.4 million from the Izmir Adnan Menderes Airport were not included in aviation income during this period in the income statement prepared in accordance with the IFRS. The adjusted aviation income figures presented in this report are inclusive of these guaranteed passenger revenues.
- Sales of duty free goods declined by 5% in 2009 to € 142 million, down from € 148.7 million in 2008. Average duty free spending per passenger also declined, from € 15.8 in 2008 to € 14.7 in 2009. In 2009, average duty free spending per passenger was € 10.7 at Izmir Adnan Menderes Airport (2008: € 11.5), and € 13.7 at Ankara Esenboğa Airport (2008: € 13.4). As a result of the downward pressure exerted on duty free expenditure per passenger by the 33% increase in transit passenger traffic, duty free sales revenue per passenger at Istanbul Atatürk Airport declined from € 17.1 in 2008 to € 15.7 in 2009. Duty free sales were also negatively impacted by the global crisis and the decline in the value of the Turkish lira against other major currencies. In addition, limitations that went into effect as of October 2009 had a negative effect on duty free income.
- Ground handling income rose 6% in 2009 to € 113.2 million, with an increase from € 106.4 million in 2008. During the same period, the number of aircraft served by Havas increased by 15% to 182.7.
- Concession fees from duty free sales declined by 6% in 2009 to € 68.2 million, from € 72.7 million in 2008.
- Income from catering services, which is predominantly denominated in Turkish lira, was up from € 36.4 million in 2008 to € 38.1 million in 2009.
- Other income increased 11% in 2009 to € 116.1 million, up from € 104.4 million in 2008. The primary driver of this increase was the € 9 million income from the sale of a 15% equity stake in TAV Tunisie.

PERFORMANCE OF TAV IN 2009

Operating expenses declined by 2% in 2009 to € 509.5 million, down from € 521.4 million in 2008. This was primarily the result of decreases in concession rent payments, cost of duty free goods sold and outsourced services.

- Concession rent expenses declined by 8% in 2009 to € 144 million as a result of the drop in rent payments for Atatürk Airport denominated in euros. In addition, the ratio of concession rent expenses to total income dropped from 24% in 2008 to 21% in 2009. Concession rent expenses consist of rent payments made to the Turkish State Airports Authority (DHMİ) pursuant to Atatürk Airport's lease agreement (€ 128.7 million), and rent payments made to the Tunisian Civil Aviation and Airports Authority (OACA) (€ 14.9 million) for the Monastir Airport, which the Company began operating on January 1, 2008 and for the Enfidha Airport, which commenced service on December 7, 2009.
- The cost of duty free inventory sold declined by 6% from € 58.8 million (40% of revenue) in 2008 to € 55.3 million (39% of revenue).
- The cost of catering inventory sold, which was € 13.2 million in 2008, rose 5% to € 13.9 million in 2009.
- Employee benefit expenses were up from € 145.9 million in 2008 to € 152.8 million in 2009, with a 5% increase. The average number of employees was higher by 8% over the same period. The increase in the number of employees in 2009 was predominantly the result of Havas's addition of new stations to its service portfolio. In addition, 1,814 employees transferred from Havas to TGS in the last quarter of 2009, while Havas paid approximately € 3 million to terminated employees in severance benefits.
- The cost of services outsourced declined by 7% to € 34.3 million in 2009, from € 36.9 million in 2008. This outsourced services expense item is comprised of the consolidated operating expenses of ATU, BTA, TAV O&M and Havas.
- Amortization and depreciation expenses grew to € 37.2 million in 2009, up 7% from € 34.9 million in 2008.
- Other operating expenses dropped 5% to € 72.3 million in 2009 from € 75.8 million in 2008.

Adjusted operating profit (excluding construction income and expenses, including guaranteed passenger income) increased from € 105.9 million in 2008 to € 130.2 million in 2009. (This includes the profit from the sale of a 15% minority share of TAV Tunisie.)

Adjusted EBITDA reached € 167.4 million in 2009, up from € 140.8 million in 2008. Excluding profit from the sale of TAV Tunisie's minority shares, adjusted EBITDA and EBITDA margins were € 158.5 million and 25.1%, respectively.

Adjusted EBITDAR (adjusted EBITDA before concession rent payments) rose 5% in 2009 to € 311.1 million, from € 296.8 million in 2008. The EBITDAR margin increased to 48.6% in 2009 from 47.3% in 2008. 62% of the Company's total EBITDAR was derived from TAV Istanbul, whereas the EBITDAR margin of TAV Istanbul was 74.5% in 2009.

Net finance costs shrank from € 84.6 million in 2008 to € 59.5 million in 2009. On the other hand, due especially to the decline in foreign exchange losses, total financial expenses were down from € 103.0 million in 2008 to € 84.6 million in 2009.

Income tax benefits (expense) consists of deferred taxes and corporate taxes. The Company had an income tax expense of € 10.1 million in 2009, whereas it had an income tax expense of € 8.4 million in 2008.

Net profit surged from € 4.7 million in 2008 to € 51.5 million in 2009. As a result, net profit attributable to TAV Airports Holding shareholders also surged to € 50.5 million in 2009, from € 4.1 million in 2008.

Consolidated Cash Flow Summary

Net cash generated from operating activities

TAV Airports generated € 209.7 million cash from its operating activities in 2009, whereas it generated € 213.7 million in 2008. Cash generated from operating activities before the change in working capital rose from € 272.6 million in 2008 to € 316.8 million in 2009.

Net cash used in investment activities

In 2009, TAV Airports used € 285 million cash for investment activities, € 250.3 million of which was for the Tunisia Enfidha Airport investment. The corresponding figure for 2008 was € 200.6 million, € 177.9 million of which was for the Enfidha Airport investment.

Net cash generated from financing activities

Cash flows resulting from financing activities, for the most part, are related to borrowings from banks, project finance loans and repayments of these. During the first three months of 2008, TAV Istanbul entered into a € 440 million loan agreement and refinanced its existing debt. In 2009, there was a cash inflow of € 86.2 million due to financing activities; the portion of the project finance loan secured for the Tunisia Enfidha Airport investment that was drawn down, as well as the cash inflow from the paid-in capital increase were included in this figure.

Free Cash Flow

Free cash flow (net cash generated from operations - cash used in investments) in 2009 was minus € 102 million, while it was minus € 1 million in 2008. This was caused to a large extent by the Tunisia investment. Total investment expenditures in 2009 consist of the € 250.3 million Tunisia investment, the € 9.9 million Gazipaşa investment and the € 36.5 million capex for Atatürk Airport Expansion Project.

PERFORMANCE OF TAV IN 2009

(€ million)	2009	2008
Net cash generated from operating activities	209.7	213.7
- Tangible asset purchases	(52.5)	(27.7)
- Airport operation concession inflows	(259.0)	(181.0)
- Intangible asset purchases	(0.6)	(5.8)
Free Cash Flow (FCF)	(102.4)	(0.9)

TAV Airports Holding and Subsidiaries - 2009 Financial Summary

Note: The calculations and figures presented in the table below are inclusive of guaranteed passenger income from airports operated in Ankara and Izmir.

(€ million)	Revenues	EBITDA(*)	EBITDA(*) Margin (%)	Net Debt
Airports	376.8	248.6	66	778.3
Istanbul	259.8	193.5	74	240.9
Ankara	33.0	13.1	40	118.5
Izmir	28.7	16.5	58	45.5
Tbilisi	16.0	4.4	27	29.9
Batumi	1.1	(0.2)	n.m.(**)	(0.1)
Tunisia	38.2	22.1	58	334.9
Gazipaşa	-	(0.0)	-	8.7
Macedonia	-	(0.6)	-	(0.0)
Service Companies	396.2	64.1	16	162.5
ATU (50%)	145.1	13.8	10	17.4
BTA	59.1	6.5	11	2.2
Havas	125.9	24.2	19	(8.9)
Other	66.1	19.6	30	(151.8)
Total	772.9	312.7	40	940.8
Eliminations	(133.2)	(1.7)	1	(0.0)
Consolidated	639.7	311.1	49	940.8

* The EBITDAR figure is used for TAV Istanbul and TAV Tunisie.

** Not meaningful

YİĞİT ÇUBUKÇU,
8 YEARS OLD

STRATEGY

THE PRIMARY REASON FOR THE SUCCESS OF TAV AIRPORTS IS THE CENTRALIZED PROVISION OF ALL SERVICES IN ALL AREAS FROM A SINGLE SOURCE, ALSO KNOWN AS "ONE-STOP SHOPPING" SERVICE.

Becoming one of the major airport construction and operation companies in the world in less than 10 years, TAV currently operates 10 international airports and terminals in four countries and caters to 375 thousand flights and more than 42 million passengers annually. Rapidly expanding its overseas operations in recent years, TAV ventured into new markets with the airport operations it has assumed in Europe, the Caucasus and North Africa, in addition to Turkey.

TAV's growth strategy consists of increasing traffic at the airports it already operates while taking advantage of opportunities for the construction and operation of new airports in Turkey and abroad. Thanks to the advantage of having an extensive network of airports and comprehensive airport operations and services, the Company will continue to benefit from both economies of scale and of scope. In addition, in order to further reinforce its growth strategy, TAV Airports will continue to pursue long-term strategic partnerships at both the local and regional levels.

TAV conducts its activities with an unprecedented business model. As part of this model, the Company's subsidiaries provide a diverse portfolio of services that complement airport operations; including ground handling, duty free retailing, catering, and security services. TAV stepped up its efforts to further enhance the value it creates by strengthening the integration between business lines and redefining and redesigning the relationships among its subsidiary companies. In order to take full advantage of this integrated model, the Company will continue to reinforce the coherence among these business lines and increase the synergy among them. With the goal of increasing overall efficiency and productivity, TAV will also continue to undertake initiatives to improve its business and operational processes and to increase the number of passengers it caters to, as well as its commercial productivity.

Thanks to its services and solutions spanning all areas of airport operation, as well as its unprecedented business model, TAV has attained a leading market position in the sector as a result of its operations over the past ten years. The primary reason for the Company's remarkable success is the "one-stop shopping" solutions approach that allows the centralized provision of all services from a single source; including design, financing, construction, project management, operation of airports, terminals, customs and pre-customs facilities, catering and advertising. As an expert and specialized service provider in all areas of airport operations, TAV has acquired enormous skills, experience and expertise in a very short amount of time. The number of international awards won by TAV Airports is a clear demonstration of the level of expertise and specialization reached by this relatively young company.

Taking into consideration the global economic recession, TAV adopted the strategy of employing a diversified set of business models. The Company implements the policy of acquiring minority shares, devising management contracts and improving the process awareness and harmony of its subsidiary companies - within and between themselves - as part of this strategy. In order to safeguard its management contracts, TAV intensified its efforts to establish strategic partnerships with financial institutions, funds and investors, as well as with airline companies, governments and other

airport operators. At the same time, the Company strengthened its financial position while remaining on its growth path through various measures including reducing its debt burden, renegotiating its existing commitments, delaying some of its projects and refinancing its existing loans.

As a result of this approach, the Company achieved very impressive results amid the global economic conditions of the recent years. TAV registered a remarkable growth performance while the global aviation industry experienced a major slump. TAV's growth strategy evolves based on developments in the aviation industry, a sector which is constantly changing. Taking economic conditions into consideration, TAV is focused on increasing the integration of corporate activities and implementing stricter cost control strategies. While monitoring costs more closely, the Company continues to manage its expenditures without deviating from its commitment to growth, service diversity and quality.

Until recently, TAV acted solely on its own in all of its investments. Meanwhile, TAV's competitors in the sector were employing a wide range of business models in order to diversify their risk and enhance profitability; they did not limit themselves to merely one or two business models. In an attempt to achieve maximum utilization and optimal allocation of its resources, the Company switched to less capital-intensive acquisition strategies in its joint ventures. While diversifying its growth strategy, TAV focuses on ventures that require relatively fewer human resources, lower levels of borrowing and less reliance on internal resources. As a result, the Company aims to boost its profit margins through a more diligent synchronization of its business units and to raise the financial participation level of the markets where it operates.

TAV continues to search for markets that it can contribute to with its expertise and specialization. The Company has taken great strides by building and operating new airports, establishing partnerships and making investments in Europe, the Caucasus, Africa and the Middle East; markets where TAV has a strong presence. The Company believes there are still some opportunities in the Turkish market as well, and it will maintain its determination to take advantage of these opportunities. On the other hand, its undisputed dominance in the Turkish market proved TAV's readiness to achieve a much stronger presence in the overseas markets where it has been operating for a long time, as well as its capability to accomplish this target. As part of its vision for the future, TAV is planning to expand its presence in Europe, the CIS and Russia, the Middle East, Africa and India. Pursuant to this plan, the Company is focusing on acquiring management contracts and/or operations in the Middle East and strengthening its presence in Europe.

As an airport operator, conducting business in different markets and regulatory regimes outside Turkey allows TAV to develop and improve its skills and expertise. TAV has also begun to seek niche markets where it can continue to grow overseas and increase its market penetration via alternative business models. At the same time, in order to reinforce its competitive advantage in airport operations, the company is also focusing on some special areas; including concession contracts, airport cities, Low Cost Carrier (LCC) terminals and cargo.

STRATEGY

TAV Airports is evaluating potential investment opportunities with a diligent assessment process based on its investment and growth strategies. The criteria taken into consideration during this process consist of capital investment, partnership, location, economic outlook for the market, scope and type of the project, resource utilization and the value that the investment will add to TAV. What makes TAV so attractive for its potential partners is its cost advantage and experience in this competitive industry. Identification of airports that have potential for growth is critically important for TAV. The Company prefers construction projects within various Public Private Partnership (PPP) structures; from Build-Operate-Transfer, Build-Transfer-Operate, leasing and concession agreements to commercial sales. In addition, as part of its strategy to grow continuously and expand its operations, the Company aims to expand its subsidiary companies, including Havas, ATU, BTA and TAV IT, so that they can offer their services at airports not operated by TAV.

In the period ahead, TAV will continue to establish new companies while developing effective strategies to modernize its existing subsidiary companies in order to increase their productivity and profitability. The Company's main objective is to attain a stronger and more successful market position and to become the largest and best airport operator in the region by strengthening its existing airport operations, intensifying its cost containment efforts and achieving synergies between divisions and business units. TAV registered a significant growth performance in a global economic environment where many players in the aviation sector incurred heavy losses. This performance is an excellent indicator of the effectiveness of the Company's strategies and proves that TAV is on the right path.

BERKE TAN TABAK,
8 YEARS OLD

AVIATION SECTOR

AIRPORT OPERATORS IMPLEMENTED EVERY INITIATIVE IN 2009 TO BRING FLIGHT CAPACITY AND DEMAND UP TO NORMAL LEVELS.

AIRPORT OPERATIONS IN THE WORLD

2009
PASSENGER TRAFFIC*
4,378,620,114

* Source: Airports Council International (ACI).

The priorities of the world airport operations industry include ensuring maximum security in passenger and flight traffic, supporting local economies while rejuvenating the global economy even under crisis conditions, raising environmental awareness and achieving excellence in customer services. Looking at the overall sector in 2009, it appears that operators tried to sustain their high levels of performance even in the face of the difficult conditions of the global economic crisis and focused on their long-term goals. Profitability took a major hit as oil prices rose beyond all expectations in 2008 and the global economy slipped into a recession in 2009. Despite these developments, airport operators implemented every initiative in 2009 to bring flight capacity and demand in line with normal levels.

Year-end 2009 data suggest that, based on signals of a global economic recovery, benefits of these efforts may be reaped in 2010. The International Civil Aviation Organization (ICAO) is forecasting a 3.3% increase in passenger and flight traffic in 2010. The industry is expected to return to the pre-crisis growth rate of 5.5% in 2011. The International Air Transport Association (IATA) is forecasting passenger traffic to increase by 5.6% in 2010, after declining 2.9% in 2009, which raises the hopes that a clear blue sky may be directly ahead of us.

Demand by Region (2009-2028)*

Region	Number of New Aircrafts
Asia Pacific	8,960
North America	7,690
Europe	7,330
Middle East	1,710
Latin America	1,640
Russia and Central Asia	1,050
Africa	620
Total	**29,000**

* Source: Boeing.

2009 COMMERCIAL FLIGHT TRAFFIC*

63,947,603

* Source: Airports Council International (ACI).

Growth Rates of Global Airport Operations Sector (2008-2028) (%)*	
Global Economy (Gross Domestic Product)	3.1
Aircraft Fleet	3.2
Passenger Traffic	4.1

Annual Growth Rates of Passenger Traffic (2008-2028) (%)*	
Asia Pacific (including China)	6.9
Asia Pacific (excluding China)	6.1
North America	2.5
Europe	3.4
China	8.6
North Atlantic	4.6
Europe to Asia Pacific	5.5
Transpacific	4.9
North America to Latin America	4.7
Latin America	6.4
Europe to Latin America	4.3
Russia and Central Asia	5.3
Africa to Europe	5.4
Middle East to Asia Pacific	6.3

* Source: Boeing.

AVIATION SECTOR IN TURKEY

2009
PASSENGER TRAFFIC*
78,742,075

* Source: Turkish State Airports Authority (DHMİ).

Launched in the 1930's with Atatürk's famous quote "The future is in the skies," emphasizing the importance of the aviation industry, Turkish aviation has grown by leaps and bounds since then. After the lifting of domestic restrictions unleashed its growth potential, the sector reached 78 million passengers and 630 thousand commercial flights annually as of 2009, up from 30 million passengers and 300 thousand commercial flights in the late 1990's. Despite the global crisis, domestic passenger traffic grew by 11% in 2009 over the previous year. The third largest country in Europe, with a population of 72.5 million, Turkey was visited by 27 million tourists in 2009. Moving forward constantly and increasing its experience pertaining to the sector in order to take this impressive performance one step further, the Turkish aviation industry is expected to rise to even greater heights in the future with new breakthroughs.

The airport operations industry in Turkey shares the priorities of the sector globally. There are 12 international airports and 30 domestic airports in Turkey registered with the General Directorate of Turkish State Airports Authority (DHMİ). Performing at a much higher level than the overall sector in terms of growth rate and traffic data, the Turkish airport operations industry sustained its successful performance in 2009 as well, despite the contraction in demand on a global scale. In 2009, Turkish airports registered 3.9% growth in flight traffic and 5% growth in passenger traffic. The main reason for the success of the sector in Turkey is continuation of the liberalization process in Turkey. Additionally, while most other economies in the world resorted to protectionist policies in response to the crisis, visionary policies of airline companies in lowering ticket prices and the change in public perception that no longer considers air travel to be a luxury helped sustain this growth. Given this growth trend, passenger traffic in Turkey is forecast to reach 350 million in 2023.

2009 COMMERCIAL FLIGHT TRAFFIC*

629,992

* Source: Turkish State Airports Authority (DHMİ).

Passenger Traffic in Turkish Aviation Industry by Year (2002-2009)*

2002
33,755,452

2003
34,424,340
(2002-2003: +2%)

2004
45,034,589
(2003-2004: +31%)

2005
55,545,473
(2004-2005: +23%)

2006
61,684,203
(2005-2006: +11%)

2007
70,352,867
(2006-2007: +14%)

2008
74,968,329
(2007-2008: +7%)

2009
78,742,075
(2008-2009: +5%)

* Source: Turkish Statistical Institute (TÜİK), Turkish State Airports Authority (DHMİ).

TAV IN THE WORLD AND IN TURKEY

2009
PASSENGER TRAFFIC*
42,063,769

TAV, which is the driving force of growth in the Turkish airport operations industry, maintains its sector leadership in the domestic market with four airports and a 48% market share. With a total of six airports abroad in Georgia, Tunisia and Macedonia, the Company is rapidly becoming a global brand.

Setting out with the goal of "10 airports in 10 years" in 2000, TAV is proud to represent Turkey successfully on the international stage while accomplishing this goal. Total passenger traffic at the airports operated by TAV Airports topped 42 million in 2009, up from 19 million in 2002. Commercial flight traffic at TAV Airports reached nearly 375 thousand. TAV Airports Holding aims to further improve this successful performance and cater to a total of 100 million passengers in Turkey and abroad by 2020 with the same quality and service approach.

Sharing the world aviation industry's goal of excellence in customer services with its non-aviation service companies as well, TAV Airports Holding's accomplishments were validated once again in 2009. M. Sani Şener, CEO of TAV Airports Holding, was elected to the Board of Directors of Airports Council International (ACI) Europe at the annual meeting held in Manchester, the UK. In addition, TAV Airports Holding Strategy Director Waleed Youssef was elected Chairman of the ACI World Economics Standing Committee.

Total Passenger Traffic of TAV Airports Holding by Year (millions)*

2002	2003	2004	2005	2006	2007	2008	2009
9	9	10	19	32	35	41	42

* Total Passenger Traffic of TAV Airports Holding registered an average annual growth rate of 26% between 2002 and 2009. (Source: TAV)

2009 COMMERCIAL FLIGHT TRAFFIC*

374,952

Passenger Traffic Statistics of Major Airports in Europe (millions)*

	2005	2006	2007	2008	2009	Average Growth (%)
London (LHR)	68	76	68	67	66	(1)
Frankfurt/Main (FRA)	52	53	54	53	51	(1)
Paris (CDG)	54	57	60	61	58	2
Amsterdam (AMS)	44	46	48	47	44	0
Madrid (MAD)	42	46	52	51	48	4
Istanbul (AHL)	19	21	23	29	30	11

* Source: ACI.

Growth Rates of Passenger Traffic in Selected Airports in 2009

TAV AIRPORTS
+3%

WORLD TOTAL
-3%

FRAPORT
-3%

BAA
-5%

AEROPORTS DE PARIS
-5%

EUROPE
-6%

AENA
-8%

AMSTERDAM AIRPORTS SCHIPHOL
-8%

AIRPORT OPERATIONS

İREM DİNÇKOL,
11 YEARS OLD

ISTANBUL ATATÜRK AIRPORT

WHERE THE CITY OF CITIES, ISTANBUL, MEETS THE WORLD

INTERNATIONAL TERMINAL

DURATION/EXPIRATION OF OPERATION
15 YEARS 6 MONTHS/ JANUARY 2021

2009 PASSENGER TRAFFIC
18,363,739

2009 COMMERCIAL FLIGHT TRAFFIC
169,086

INTERNATIONAL TERMINAL PASSENGER TRAFFIC (MILLIONS)

2007	2008	2009
13.60	**17.07**	**18.36**

DOMESTIC TERMINAL

DURATION/EXPIRATION OF OPERATION
15 YEARS 6 MONTHS/ JANUARY 2021

2009 PASSENGER TRAFFIC
11,393,645

2009 COMMERCIAL FLIGHT TRAFFIC
95,395

DOMESTIC TERMINAL PASSENGER TRAFFIC (MILLIONS)

2007	2008	2009
9.60	**11.48**	**11.40**

Source: Turkish State Airports Authority (DHMİ).
Note: DHMİ began to report passenger traffic figures inclusive of transit passengers as of 2008. Therefore, 2009 and 2008 figures are not comparable to 2007 figures.

ON AVERAGE, 82 THOUSAND PASSENGERS USE THE ISTANBUL ATATÜRK AIRPORT EACH DAY AND APPROXIMATELY 700-730 PLANES LAND AND TAKE OFF DAILY. EQUIPPED WITH ALL FACILITIES THAT CAN POSSIBLY BE EXPECTED FROM AN AIRPORT, ATATÜRK AIRPORT CATERS TO NEARLY 300 AIRLINE COMPANIES FROM AROUND THE WORLD.

Istanbul is one of the largest metropolises in the world, as well as Turkey's window to the world. Selected European Capital of Culture in 2010 by the European Union, Istanbul attracts millions of people from Turkey and abroad thanks to its unequalled cultural heritage and more than 12 million residents. In a city where airport operations play a vital role, Istanbul Atatürk Airport, which is also the first airport of TAV Airports Holding, represents modernity and excellent service with its Domestic and International Terminals.

The International Terminal was the first difficult test of the Company. Completing the construction of the terminal, realized under the Build-Operate-Transfer model, in less than two years, TAV Airports experienced explosive growth during its first years in the industry. After commencing service in 2000, the terminal was expanded with the construction of an additional facility in 2004. As of today, the Airport's International Terminal sits on an area of 268 thousand square meters.

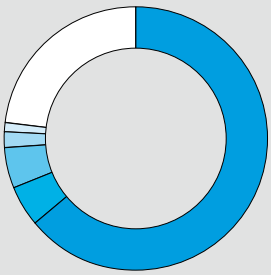
İREM DİNÇKOL,
11 YEARS OLD

ISTANBUL ATATÜRK AIRPORT

İREM DİNÇKOL,
11 YEARS OLD

ISTANBUL ATATÜRK AIRPORT

INTERNATIONAL PASSENGER TRAFFIC BY COUNTRY (%)



- TURKEY **64%**
- GERMANY **5%**
- RUSSIA **5%**
- NETHERLANDS **2%**
- FRANCE **1%**
- OTHER **23%**

TAV Airports Holding assumed operation of the Istanbul Atatürk Airport Domestic Terminal in July 2005. With a major modernization investment that was completed in a year, the 25 year-old Domestic Terminal was transformed into a facility that represents Istanbul and TAV in the best way with its appearance, as well as its advanced technological systems.

In addition to being Turkey's largest airport, Istanbul Atatürk Airport also ranks among Europe's most commended major airports. Atatürk Airport's car park also has the distinction of being the largest parking lot in Europe under a single roof. Istanbul Atatürk Airport ranked second as the only Turkish brand on the 2009/2010 Travel Top 50 list of Monocle, the world's most prestigious business and lifestyle magazine, and was deemed a center of attraction for transit flights.

On average, 82 thousand passengers use the Istanbul Atatürk Airport each day and approximately 700-730 planes land and take off daily. Equipped with all facilities that can possibly be expected from an airport, Atatürk Airport caters to nearly 300 airline companies from around the world. Transit flight and passenger traffic increased at the airport after Turkish Airlines joined the Star Alliance network.

The automation system CUTE, which connects the world's airlines to one another through common software, saves passengers from checking in baggage at each transfer while the baggage handling system sorts the baggage. With the Explosive Detection System (EDS) put into service at Atatürk Airport in January 2007, every piece of baggage loaded onto planes goes through a 100% baggage control scan.

After acquiring a Self-Producer License from the Energy Market Regulatory Authority (EPDK) in February 2008, the Company installed and placed in service a Trigeneration System in February 2009 in order to produce Atatürk Airport's energy. While generating electricity with this project, the heat captured with an exhaust steam recapture boiler will be used for terminal air-conditioning. The Company is aiming to reduce its internal energy consumption by 25% with these measures.

In 2009, TAV Airports carried on with the expansion work of the Domestic and International Terminals of Atatürk Airport, as well as the construction of an additional outdoor parking lot that began in 2008 pursuant to the supplemental agreement signed with the Turkish State Airports Authority (DHMİ). As a result of these efforts, conducted as part of the Istanbul Atatürk Airport Expansion Project, an outdoor parking lot with a capacity of 1,250 vehicles and three passenger bridges at the Domestic Terminal will commence service in 2010. In addition, three new passenger bridges and four bus gates will be put in operation at the International Terminal. Furthermore, as part of the Expansion Project, the Company is planning to commence service at the 18,770 square meters supplemental terminal area that will host catering and duty free facilities, as well as offices, and to increase the capacity of the Airport Hotel from 85 rooms to 130 rooms. The VIP Lounge, which currently sits on an area of 2,500 square meters, will be expanded by an additional 1,280 square meters. The VIP Lounge which will be located in the new additional terminal building will feature two lounges that will have their own separate entrances and will be used only by the President and the Prime Minister. In addition to these, passenger gate number 226 will be built with two tunnels to expedite the boarding and departure time of passengers of Boeing 777 aircraft.

International Awards of Istanbul Atatürk Airport

- "Center of Attraction for Transit Flights" 2009-2010: Travel Top 50 Awards, Monocle Magazine
- "Second Best Airport in South Europe" 2009: Skytrax World Airport Awards
- "Highly Commended Award" 2007: 13th World Route Development Forum, Routes
- "Second Best Airport" 2003: www.travelquality.com
- "Europe's Most Comfortable International Terminal" 2002: Deutsche Aeroconsult
- Engineering Academy Award 2002: ACEC-American Council of Engineering Companies (TAV was the first Turkish company to receive this award.)
- "Safest Airport in the Middle East and Balkans" 2001: USA Federal Aviation Administration (FAA)

ANKARA ESENBOĞA AIRPORT

MODERN REFLECTION OF TAV AT THE HEART OF TURKEY

INTERNATIONAL TERMINAL

DURATION/EXPIRATION OF OPERATION

16 YEARS 7 MONTHS/ MAY 2023

2009 PASSENGER TRAFFIC

1,097,143

2009 COMMERCIAL FLIGHT TRAFFIC

10,146

INTERNATIONAL TERMINAL PASSENGER TRAFFIC (MILLIONS)

2007	2008	2009
1.10	**1.25**	**1.10**

DOMESTIC TERMINAL

DURATION/EXPIRATION OF OPERATION

16 YEARS 7 MONTHS/ MAY 2023

2009 PASSENGER TRAFFIC

4,987,983

2009 COMMERCIAL FLIGHT TRAFFIC

41,147

DOMESTIC TERMINAL PASSENGER TRAFFIC (MILLIONS)

2007	2008	2009
3.61	**4.44**	**4.99**

Source: Turkish State Airports Authority (DHMİ).

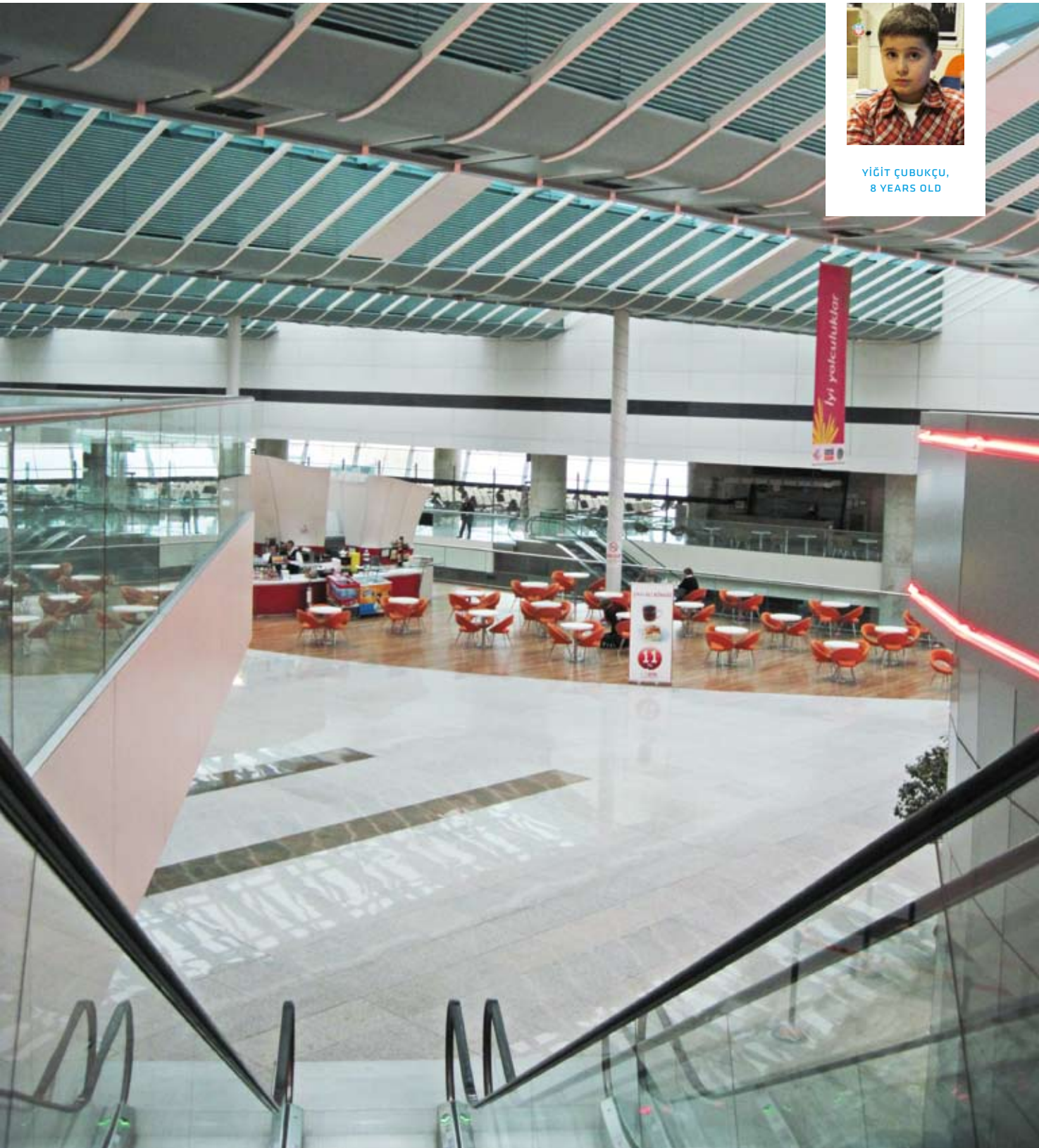
THE EXPERIENCED AND CHEERFUL STAFF OF TAV AIRPORTS PROVIDES UNINTERRUPTED SERVICES TO PASSENGERS AT ESENBOĞA AIRPORT -WHOSE SUCCESS WAS CERTIFIED BY THE "BEST AIRPORT" AWARD FROM ACI EUROPE IN 2009- AT EVERY STAGE, FROM THE TIME THEY ENTER THE PARKING LOT UNTIL THEY BOARD THE PLANE.

After fashioning Atatürk Airport into the sector's success story and passing this difficult test with flying colors, TAV Airports Holding turned its vast experience in airport operations to the Ankara Esenboğa Airport in 2006. Representing Ankara's new and modern face through its unique architectural design and the open air structure of the terminal that allows passengers easy passage to their destinations, Esenboğa Airport has brought a breath of fresh air to the Turkish capital's transportation. Esenboğa Airport, which is the newest and the most contemporary airport not only in Turkey, but also in Europe, represents this new and modern face of Ankara while boasting a strategically significant position as the protocol and diplomacy gate of Turkey.

TAV Airports laid the foundations for the Esenboğa Airport on October 24, 2004 and completed the construction one year ahead of schedule. Constructed under the Build-Operate-Transfer model in the same manner as the Atatürk Airport project, Esenboğa Airport commenced service on October 16, 2006. The airport also has the distinction of being the only airport in Turkey to combine domestic and international terminals under a single roof. The experienced, cheerful staff of TAV Airports provides uninterrupted service to passengers at Esenboğa Airport, whose success was certified by the "Best Airport" award from ACI Europe in 2009, at every stage, from the time they enter the parking lot until they board the plane.

Ankara Esenboğa Airport has a total terminal area of 182 thousand square meters and is equipped with the latest technological security systems. Every piece of baggage that is loaded onto a plane is scanned with the Explosive Detection System (EDS) and undergoes a thorough security check. Full passenger and baggage security is ensured via these measures.

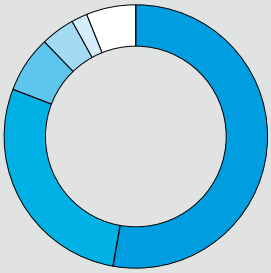
At the Esenboğa Airport Domestic and International Terminal, electricity is generated from natural gas using a cogeneration plant, while heat captured by an exhaust steam recapture boiler is used for terminal air conditioning. These measures provide a 25% savings in energy costs.



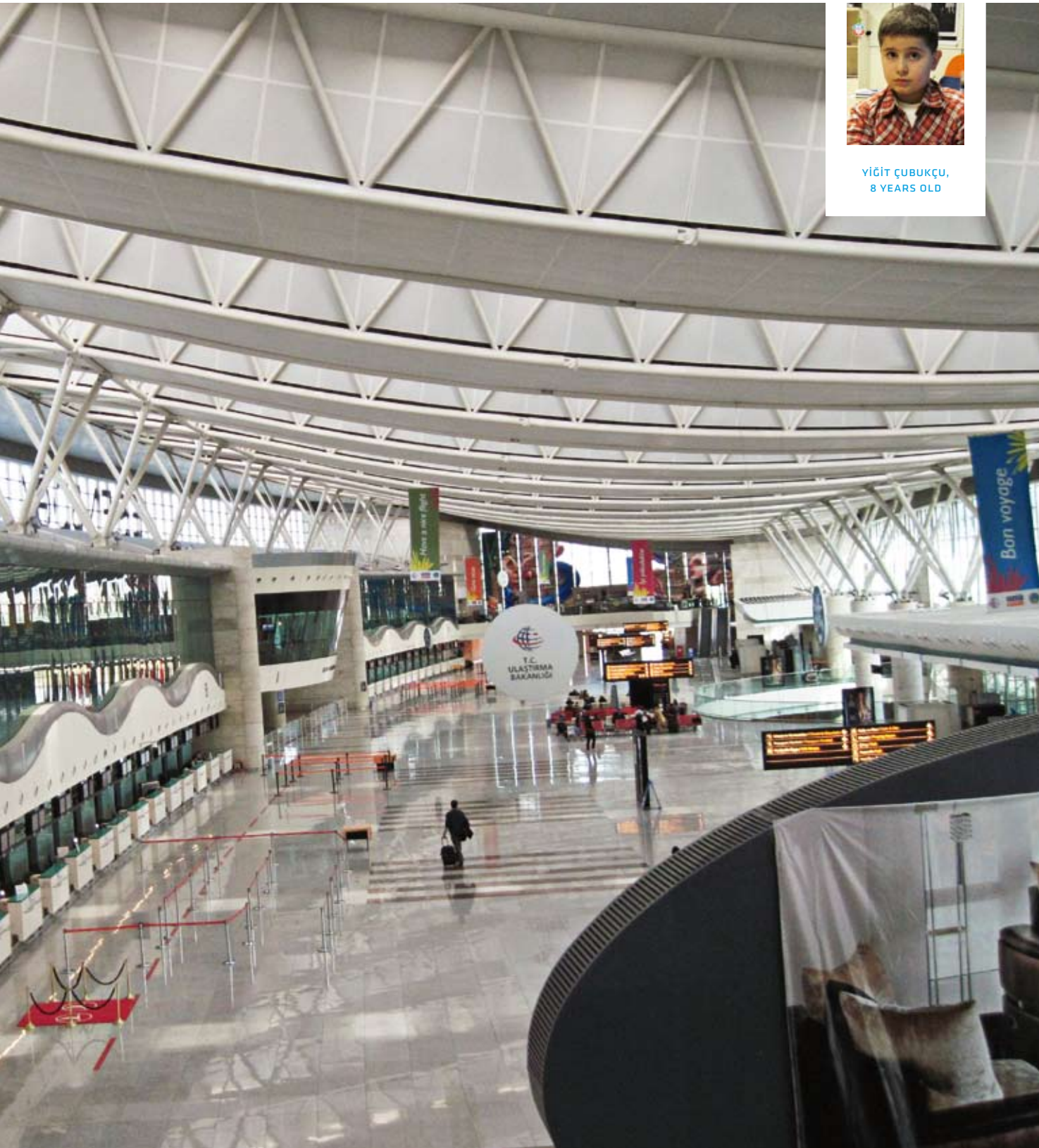
YİĞİT ÇUBUKÇU,
8 YEARS OLD

ANKARA ESENBOĞA AIRPORT

INTERNATIONAL PASSENGER TRAFFIC BY COUNTRY (%)



- TURKEY **53%**
- GERMANY **28%**
- SAUDI ARABIA **7%**
- AUSTRIA **4%**
- UNITED KINGDOM **2%**
- OTHER **6%**



YİĞİT ÇUBUKÇU,
8 YEARS OLD

IZMIR ADNAN MENDERES AIRPORT

A WINDOW TO THE WORLD IN IZMIR, THE PEARL OF THE AEGEAN

INTERNATIONAL TERMINAL

DURATION/EXPIRATION OF OPERATION
8 YEARS 4 MONTHS/ JANUARY 2015

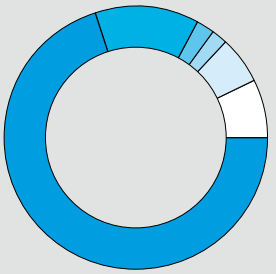
2009 PASSENGER TRAFFIC
1,667,353

2009 COMMERCIAL FLIGHT TRAFFIC
13,137

INTERNATIONAL TERMINAL PASSENGER TRAFFIC (MILLIONS)

2007	2008	2009
1.60	**1.70**	**1.67**

INTERNATIONAL PASSENGER TRAFFIC BY COUNTRY (%)



- TURKEY **70%**
- GERMANY **13%**
- BELARUS **2%**
- SAUDI ARABIA **2%**
- UNITED KINGDOM **7%**
- OTHER **6%**

Source: Turkish State Airports Authority (DHMİ).

ARMED WITH THE AWARENESS THAT CREATING A SUSTAINABLE ENVIRONMENT IS ONE OF THE MOST IMPORTANT DIMENSIONS OF SOCIAL RESPONSIBILITY, TAV AIRPORTS HOLDING TAKES PRIDE IN THE IZMIR ADNAN MENDERES AIRPORT INTERNATIONAL TERMINAL'S ADMISSION INTO THE "AIRPORT CARBON ACCREDITATION" PROGRAM LAUNCHED BY THE EUROPEAN REGION OF AIRPORTS COUNCIL INTERNATIONAL (ACI EUROPE) AS AN ENVIRONMENTAL AWARENESS INITIATIVE.

Featuring very important historical and tourism sites, Izmir is Turkey's third largest city with great natural beauty and a modern urban structure. Hosting a population of 3.9 million people as of 2009, Izmir is also the commercial and arts center of the Aegean Region.

Constructed under the Build-Operate-Transfer model and completed by TAV Airports eight months ahead of schedule, the Adnan Menderes Airport International Terminal commenced service on September 13, 2006. TAV Airports Holding, which also built the terminal, retains the right to operate the new International Terminal, situated on 118 thousand square meters, until January 2015.

Armed with the awareness that creating a sustainable environment is one of the most important dimensions of social responsibility, TAV Airports Holding takes pride in the Izmir Adnan Menderes Airport International Terminal's admission into the "Airport Carbon Accreditation" program launched by the European Region of

BERKE TAN TABAK,
8 YEARS OLD

IZMIR ADNAN MENDERES AIRPORT

Airports Council International (ACI Europe) as an environmental awareness initiative. As part of this program, all projects carried out by TAV Airports to raise environmental awareness are documented and registered. With the environmental project initiated at the Adnan Menderes Airport, the Company aims to offset its carbon emissions and contribute to the minimization of the amount of carbon dioxide in the atmosphere globally.

International Awards of Izmir Adnan Menderes Airport

• General Directorate of the Turkish State Airports Authority organized a contest for the design of the Adnan Menderes Airport International Terminal and Car Park in 1998. The winning project was implemented and placed in service by TAV Airports in 2006.

• The Adnan Menderes Airport International Terminal and Car Park project won first place among implemented structures in a contest organized by the Turkish Construction and Steelwork Association (TUCSA).

• Adnan Menderes Airport International Terminal and Car Park was deemed the winning project at the European Steel Design Awards (ECCS) ceremony held in Luxembourg in 2007.

• Izmir Adnan Menderes Airport International Terminal won the "Special Environmental Award" in 2008 given by the Aegean Region Chamber of Industry (EBSO).

BERKE TAN TABAK,
8 YEARS OLD

ANTALYA GAZIPAŞA AIRPORT

A PASSAGE TO THE TOURISM CAPITAL OF TURKEY

DURATION/EXPIRATION OF OPERATION

25 YEARS /JULY 2034

DISTANCE BETWEEN GAZIPAŞA AIRPORT AND SOME MAJOR TOURISTIC DESTINATIONS (KM)

ALANYA	40
ANAMUR	80
MANAVGAT	95
SİDE	105
BELDİBİ	135
SİLİFKE	140
SERİK/BELEK	143
KUNDU	170
KEMER	219
KUMLUCA	269

Source: Devlet Hava Meydanları İşletmesi (DHMİ).

WITH 2, 144 SQUARE METERS OF TERMINAL AREA, THE ANTALYA GAZIPAŞA AIRPORT BECAME THE NEW TRANSPORTATION HUB OF THE EASTERN MEDITERRANEAN, WITH AN ANNUAL CAPACITY OF 500,000 PASSENGERS THANKS TO ITS EXISTING INFRASTRUCTURE.

TAV Airports was awarded the tender for operation of the Antalya Gazipaşa Airport, located in the Gazipaşa municipality of Antalya, considered to be the tourism capital of Turkey, in August 2007. TAV Airports Holding retains the right to operate this facility for 25 years pursuant to the contract signed on January 4, 2008. The Airport aims to serve the area's great tourism potential, especially from Eastern Europe and the Commonwealth of Independent States. The Alanya district is located in the zone where many foreigners buy real estate and is preferred by German tourists, in particular.

The airport is an important air transport hub for the tourism region that covers districts on the eastern side of Antalya, including Alanya.

Antalya Gazipaşa Airport, a significant step in the Company's objective of continuous growth and development, is the first domestic airport that TAV Airports Holding will be operating in its entirety, except for air traffic control services. With 2,144 square meters of terminal area, the airport became the new transportation hub of the Eastern Mediterranean, with an annual capacity of 500,000 passengers thanks to its existing infrastructure.

TAV Airports Holding is employing its experience and expertise in airport operations gained from the Antalya Gazipaşa Airport toward building and improving boutique airports in Turkey and the surrounding region and to create new international flight destinations. By expanding the existing runway, the Company is aiming to transform the Gazipaşa Airport, where commercial flights began in July 2009, into an international hub serving Alanya and the surrounding region.

MERVE AŞIKLI,
12 YEARS OLD

GEORGIA, TBILISI INTERNATIONAL AIRPORT

CONTEMPORARY AND FUNCTIONAL DESIGN EQUIPPED WITH ADVANCED TECHNOLOGY

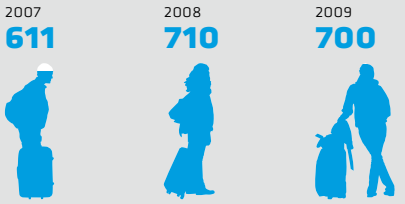
DURATION/EXPIRATION OF OPERATION
20 YEARS/FEBRUARY 2027

INTERNATIONAL TERMINAL

2009 PASSENGER TRAFFIC
699,551

2009 COMMERCIAL FLIGHT TRAFFIC
12,810

INTERNATIONAL TERMINAL PASSENGER TRAFFIC (THOUSANDS)



DOMESTIC TERMINAL

2009 PASSENGER TRAFFIC
3,278

2009 COMMERCIAL FLIGHT TRAFFIC
1,026

DOMESTIC TERMINAL PASSENGER TRAFFIC (THOUSANDS)

Source: Georgia Civil Aviation Authority.

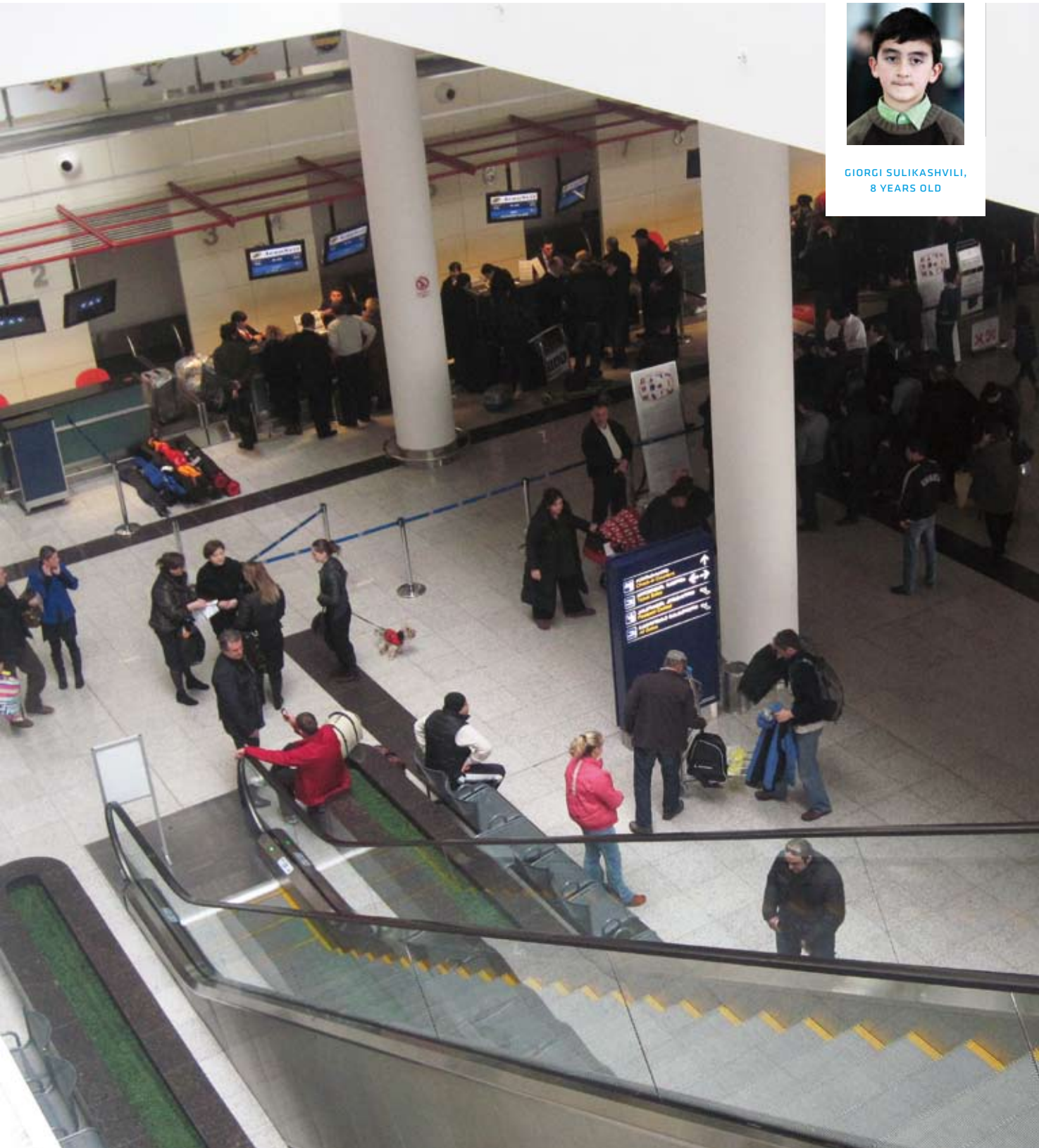
OPERATED BY TAV URBAN GEORGIA LLC. (TAV GEORGIA) SINCE OCTOBER 31, 2005, AFTER THE CONSTRUCTION OF THE NEW PASSENGER TERMINAL WHICH COMMENCED OPERATION ON FEBRUARY 7, 2007, TBILISI INTERNATIONAL AIRPORT WAS IMPROVED TO A LEVEL THAT REPRESENTS THE STRATEGIC SIGNIFICANCE OF GEORGIA. THE TBILISI INTERNATIONAL AIRPORT IS NOT ONLY THE MAIN ENTRY AND EXIT POINT OF THE CAPITAL, A CITY OF 1.5 MILLION PEOPLE, BUT OF THE COUNTRY AS A WHOLE.

Operated by TAV Urban Georgia LLC. (TAV Georgia) since October 31, 2005, after the construction of the new passenger terminal which commenced operation on February 7, 2007, Tbilisi International Airport was improved to a level that represents the strategic significance of Georgia. The Tbilisi International Airport is not only the main entry and exit point of the capital, a city of 1.5 million people, but of the country as a whole.

Tbilisi is a major commercial and strategic hub for the Caucasus Region. Located in this city of 1.5 million people, the Tbilisi International Airport is also the Company's first project abroad. The Tbilisi International Airport brings the people of the two neighboring nations even closer, while connecting Georgia to the rest of the world.

The Tbilisi International Airport Terminal is a product of contemporary and functional design, equipped with advanced technology. The terminal was designed to provide the best route for passengers and their baggage from the parking lot to the departure gates. In addition, its flexible architectural structure allows for expansion in the future without interrupting the existing operations. With its functional, contemporary spaces, the terminal building is equipped with the most advanced systems, with a special focus on passenger comfort and efficiency of terminal operations. The Tbilisi International Airport provides safe landing, takeoff and maneuvering space for aircraft with an expanded runway and recently built apron areas and taxi routes.

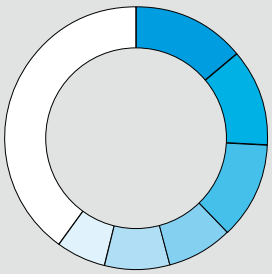
At the Tbilisi International Airport, TAV Airports Holding employed its experience in the aviation sector to accelerate the development of Georgia's civil aviation sector and contribute to the Georgian economy. All operations inside and outside the terminal, ground handling services, operations and maintenance services, duty free as well as regular retail shops and catering services, are administered by TAV Airports with a comprehensive and integrated approach.



GIORGI SULIKASHVILI,
8 YEARS OLD

GEORGIA, TBILISI INTERNATIONAL AIRPORT

INTERNATIONAL PASSENGER TRAFFIC BY COUNTRY (%)



- UKRAINE **14%**
- TURKEY **12%**
- ARMENIA **12%**
- AZERBAIJAN **8%**
- GERMANY **8%**
- BELARUS **6%**
- OTHER **40%**

GIORGI SULIKASHVILI,
8 YEARS OLD

GEORGIA, BATUMI INTERNATIONAL AIRPORT

THE TOURISM AND COMMERCE CENTER OF GEORGIA, THANKS TO ITS LOCATION ON THE BLACK SEA COAST

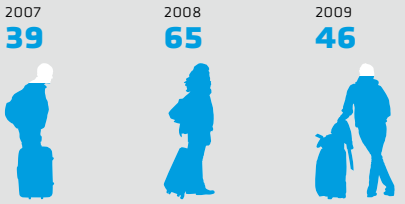
DURATION/EXPIRATION OF OPERATION
20 YEARS/AUGUST 2027

INTERNATIONAL TERMINAL

2009 PASSENGER TRAFFIC
46,044

2009 COMMERCIAL FLIGHT TRAFFIC
1,006

INTERNATIONAL TERMINAL PASSENGER TRAFFIC (THOUSANDS)

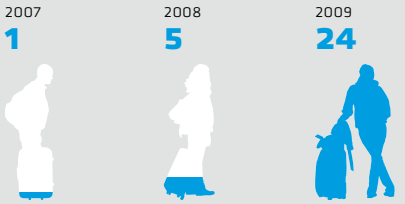


DOMESTIC TERMINAL

2009 PASSENGER TRAFFIC*
23,892

2009 COMMERCIAL FLIGHT TRAFFIC*
800

DOMESTIC TERMINAL PASSENGER TRAFFIC (THOUSANDS)



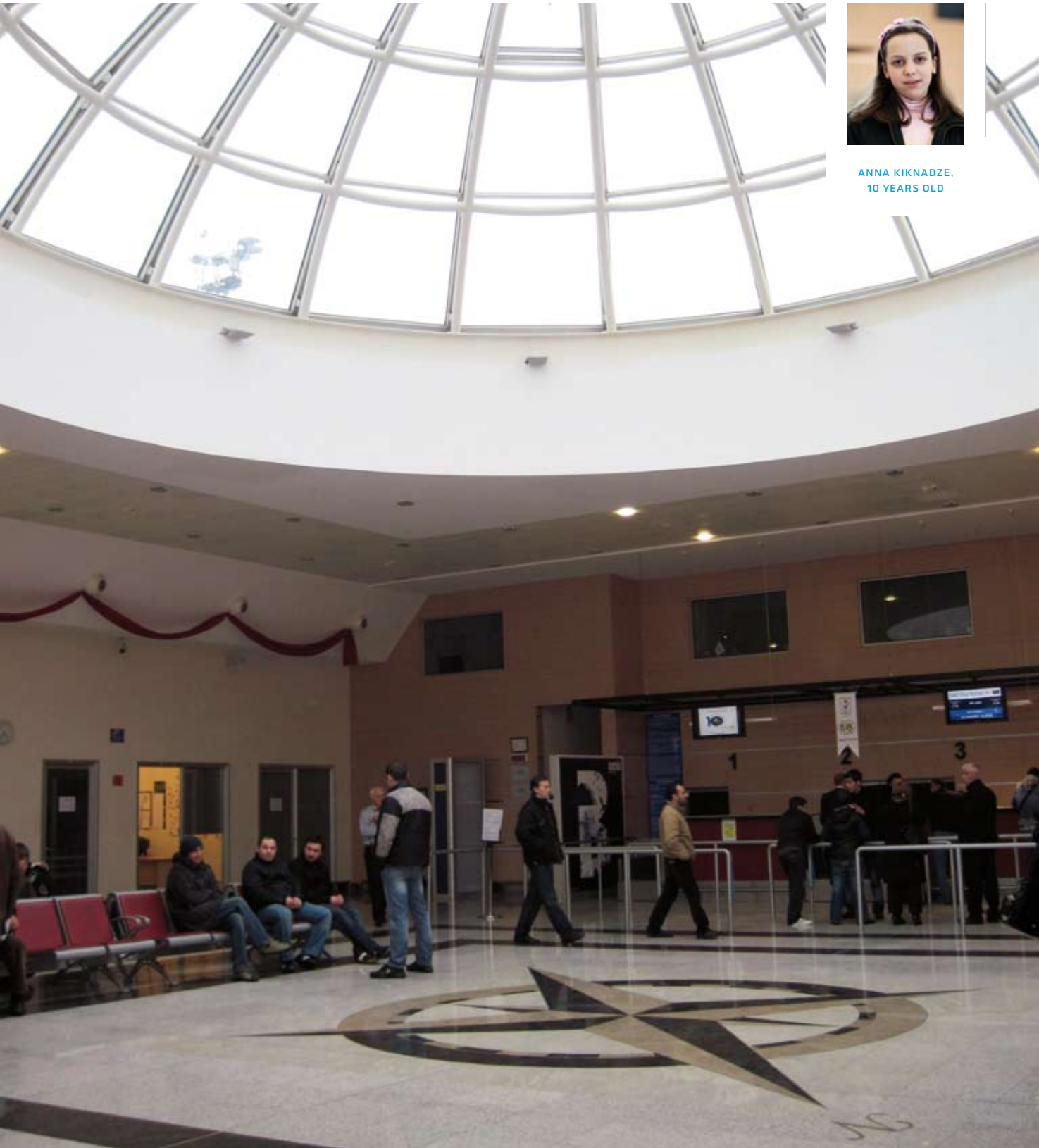
* 2009 data are inclusive of the Hopa Terminal.
Source: Georgia Civil Aviation Authority.

ACCOMPLISHING A FIRST IN THE REGION, THE BATUMI INTERNATIONAL AIRPORT IS AN AIRPORT USED JOINTLY BY TURKEY AND GEORGIA. THIS COOPERATION PLAYS A SIGNIFICANT ROLE IN THE DEVELOPMENT OF THE REGION, AS WELL AS REINFORCING STRONG TIES BETWEEN THE TWO COUNTRIES.

Located in Batumi, the major tourism hotspot of Georgia thanks to its stunning beauty and five-star hotels, the Batumi International Airport has been operated by TAV Airports Holding since 2007.

Accomplishing a first in the region, the Batumi International Airport is an airport used jointly by Turkey and Georgia. This cooperation plays a significant role in the development of the region, as well as reinforcing strong ties between the two countries.

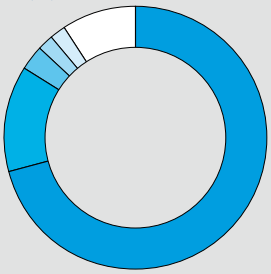
Operated by TAV Batumi Operations, LLC, with its new runway, taxi route, apron and terminal building, the Batumi International Airport caters to passengers' needs with advanced technology and functional design. The airport's flexibility allows for the future expansion to accommodate anticipated growth in passenger traffic.



ANNA KIKNADZE,
10 YEARS OLD

GEORGIA, BATUMI INTERNATIONAL AIRPORT

INTERNATIONAL PASSENGER TRAFFIC BY COUNTRY (%)



- TURKEY **71%**
- RUSSIAN FEDERATION **13%**
- BELARUS **3%**
- GERMANY **2%**
- ISRAEL **2%**
- OTHER **9%**

ANNA KIKNADZE,
10 YEARS OLD

TUNISIA, MONASTIR HABIB BOURGUIBA INTERNATIONAL AIRPORT

TWO HOURS AWAY FROM EUROPEAN CAPITALS

DURATION/EXPIRATION OF OPERATION
40 YEARS/MAY 2047

2009 PASSENGER TRAFFIC
3,781,256

2009 COMMERCIAL FLIGHT TRAFFIC
30,393

PASSENGER TRAFFIC (MILLIONS)

2007	2008	2009
4.24	4.21	3.78

DISTANCE BETWEEN MONASTIR AIRPORT AND SOME MAJOR TOURISTIC DESTINATIONS (KM)

MONASTIR (CITY CENTER)	8
SOUSSE	30
MAHDIA	42
KAIROUAN	92
HAMMAMET	103
NABEUL	110
GROMBALIA	125
TUNIS	154

Source: Tunisian Civil Aviation and Airports Authority (OACA)

FEATURING A TERMINAL USAGE AREA OF 28,000 SQUARE METERS AND A SEATING AREA OF 18,000 SQUARE METERS, MONASTIR HABIB BOURGUIBA INTERNATIONAL AIRPORT CATERED TO 3.8 MILLION INTERNATIONAL PASSENGERS IN 2009 DESPITE ITS PASSENGER CAPACITY OF 3.5 MILLION.

Standing out as a country that is attracting more interest throughout the world recently, Tunisia is the shining star of North Africa and has further solidified its position in the tourism market.

Except for air traffic control, all operations at the Monastir Habib Bourguiba International Airport, which is located merely hours away from many capitals in Europe, are being administered by TAV Tunisie SA (TAV Tunisie), a wholly-owned subsidiary of TAV Airports Holding.

Featuring a terminal usage area of 28,000 square meters and a seating area of 18,000 square meters, Monastir Habib Bourguiba International Airport catered to 3.8 million international passengers in 2009, despite its passenger capacity of 3.5 million. In 2009, 30,000 flights landed and took off from the Monastir Habib Bourguiba Airport, whose cargo capacity reached 900 tons.

AZIZ HIZEM,
7 YEARS OLD

TUNISIA, ENFIDHA ZINE EL ABIDINE BEN ALI INTERNATIONAL AIRPORT

ONE OF THE MAJOR AIR TRAVEL HUBS IN AFRICA

DURATION/EXPIRATION OF OPERATION

40 YEARS/MAY 2047

DISTANCE BETWEEN ENFIDHA AIRPORT AND SOME MAJOR TOURISTIC DESTINATIONS (KM)

SOUSSE	33
HAMMAMET	48
NABEUL	55
MONASTIR (CITY CENTER)	60
KAIROUAN	61
GROMBALIA	70
TUNIS	99
MAHDIA	102

Source: Tunisian Civil Aviation and Airports Authority (OACA

TAV AIRPORTS HOLDING IS PLANNING TO INCREASE THE ENFIDHA ZINE EL ABIDINE BEN ALI INTERNATIONAL AIRPORT'S ANNUAL PASSENGER CAPACITY, WHICH CURRENTLY STANDS AT 7 MILLION AT THIS INITIAL STAGE, TO 22 MILLION AFTER FOUR STAGES OF WORK ARE COMPLETED THROUGHOUT THE DURATION OF OPERATIONS.

Located 65 kilometers from the Monastir Habib Bourguiba International Airport, the Enfidha Zine El Abidine Ben Ali International Airport has the potential to become one of the major air travel hubs in Africa and is a critical facility for Tunisia's tourism industry due to its proximity to major tourist destinations. Commencing service at this modern and contemporary airport in December 2009, TAV Tunisie SA retains the right to operate the Enfidha Zine El Abidine Ben Ali International Airport until May 2047.

TAV Airports Holding is planning to increase the Enfidha Zine El Abidine Ben Ali International Airport's annual passenger capacity, which currently stands at 7 million at this initial stage, to 22 million after four stages of work are completed throughout the duration of operations.

The airport is built on a total area covering 4,300 hectares, including the terminal building, with an outdoor parking area, a runway, apron and taxi routes, as well as service buildings. The terminal building sits on an area of 90,000 square meters. TAV Airports Holding group companies (e.g. ATU, BTA, Havas, TAV O&M) also operate at the Enfidha Zine El Abidine Ben Ali International Airport.

Boasting the tallest tower in Europe and Africa, a photograph of the Zine El Abidine Ben Ali International Airport was featured on the new 50 Tunisian dinar banknote in 2009 upon the request of Tunisian President Zine El Abidine Ben Ali. These banknotes are already in circulation.

International Awards of TAV Tunisie SA

• With the Enfidha Zine El Abidine Ben Ali International Airport in the process of construction, TAV Tunisie was granted the "Developer of the Year" award at the "Infrastructure Awards 2008" ceremony by Africa Investor, a company that provides primary data sources to governments and the private sector on investments undertaken in Africa. In the same competition, TAV Tunisie and TAV Airports Holding were finalists in the categories of "Public-Private Champion of the Year" and "Sponsor of the Year", respectively.

• As a result of its financing model, TAV Tunisie won the "Deal of the Year 2008 - Project Finance of the Year" award from Euromoney Project Finance magazine.

NAZ GÖRAL,
7 YEARS OLD

MACEDONIA, SKOPJE ALEXANDER THE GREAT INTERNATIONAL AIRPORT

TAV'S GATE TO THE EUROPEAN UNION

DURATION/EXPIATION OF OPERATION
20 YEARS/MARCH 2030

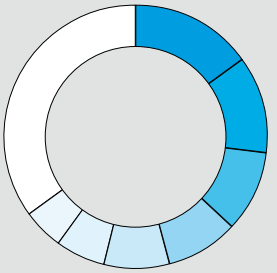
2009 PASSENGER TRAFFIC
599,519

2009 COMMERCIAL FLIGHT TRAFFIC
12,117

PASSENGER TRAFFIC (THOUSANDS)

2007	2008	2009
627	**652**	**599**

INTERNATIONAL PASSENGER TRAFFIC BY COUNTRY (%)



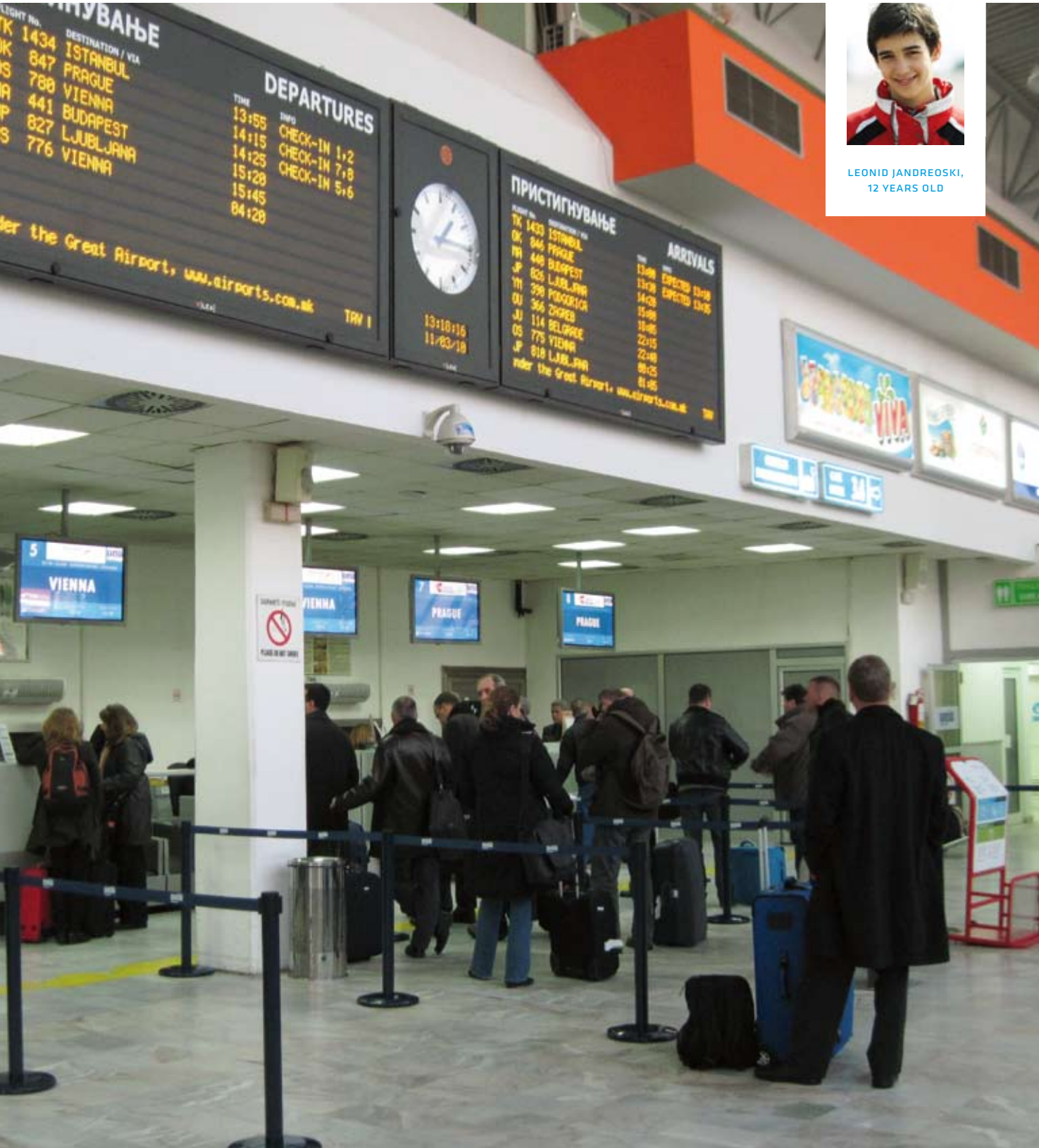
- SWITZERLAND **15%**
- TURKEY **12%**
- GERMANY **10%**
- SLOVENIA **9%**
- CROATIA **8%**
- AUSTRIA **6%**
- ITALY **5%**
- OTHER **35%**

Source: JSC Airports of Macedonia.

TAKING AN IMPORTANT STEP IN ITS TARGET REGION OF EUROPE, TAV AIRPORTS HOLDING ASSUMED THE OPERATION OF THE SKOPJE ALEXANDER THE GREAT INTERNATIONAL AIRPORT, LOCATED IN THE CAPITAL OF MACEDONIA, WHICH IS EXPECTED TO JOIN THE EUROPEAN UNION IN THE NEAR FUTURE.

With a resolution passed on December 19, 2009, the EU Parliament lifted the visa requirements for Macedonia. Thanks to this resolution, the doors of Macedonia are now wide open to 25 countries and 500 million people. Located in Skopje, which has strong historical ties with Turkey, and which still hosts large contingents of Turkish and Albanian people, the Skopje Alexander the Great International Airport catered to nearly 600 thousand passengers in 2009.

TAV Airports Holding assumed the operation of the Skopje Airport, along with Ohrid St. Paul the Apostle International Airport, on March 1, 2010. The Company is planning to increase passenger traffic and service quality at the Skopje Airport as a result of new investments and technical infrastructure work to be undertaken.



LEONID JANDREOSKI, 12 YEARS OLD

MACEDONIA, OHRID ST. PAUL THE APOSTLE INTERNATIONAL AIRPORT

PARADISE IN MACEDONIA

DURATION/EXPIATION OF OPERATION
20 YEARS/MARCH 2030

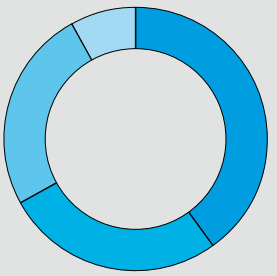
2009 PASSENGER TRAFFIC
36,652

2009 COMMERCIAL FLIGHT TRAFFIC
676

PASSENGER TRAFFIC (THOUSANDS)

2007	2008	2009
46	46	36

INTERNATIONAL PASSENGER TRAFFIC BY COUNTRY (%)



SWITZERLAND **40%**
SLOVENIA **25%**
AUSTRIA **27%**
OTHER **8%**

Source: JSC Airports of Macedonia.

TAV AIRPORTS HOLDING ASSUMED THE OPERATION OF THE ST. PAUL THE APOSTLE INTERNATIONAL AIRPORT, ALONG WITH THE SKOPJE AIRPORT, FOR A PERIOD OF 20 YEARS ON MARCH 1, 2010 AND 36 THOUSAND PASSENGERS USED THE AIRPORT IN 2009. TAV AIRPORTS IS TARGETING GROWTH IN PASSENGER TRAFFIC AND THE NUMBER OF AIRLINES IN A SERIES OF MODERNIZATION INITIATIVES AT THIS AIRPORT, INCLUDING THE AIRPORT'S TECHNICAL INFRASTRUCTURE.

Ohrid, one of Macedonia's tourist destinations, is a classic Mediterranean city. Famous for its historic and natural sights, as well as the lake it is named after, this small city was added to UNESCO's List of World Heritage Sites. A popular tourist destination, especially in the spring and summer months, Ohrid welcomes more than 250 thousand tourists a year. This figure is expected to increase further in the coming years with the positive impact of the EU accession process.

TAV Airports Holding assumed the operation of the St. Paul the Apostle International Airport, along with the Skopje Airport, for a period of 20 years on March 1, 2010 and 36 thousand passengers used the airport in 2009.

TEODOR TUNTEV,
7 YEARS OLD

SERVICE COMPANIES

YİĞİT ÇUBUKÇU,
8 YEARS OLD

GROUND HANDLING: HAVAS AND TGS

REVENUE

125.9

€ MILLION

EBITDA

24.2

€ MILLION

NUMBER OF FLIGHTS SERVED

182,785

TAV'S OWNERSHIP SHARE

100%

Note: As of March 18, 2010, Havalimanları Yer Hizmetleri shares were divested to the newly-established Havaş Havalimanları Yer Hizmetleri Yatırım Holding A.Ş. TAV Airports Holding holds a 65% ownership interest in this new company.

TURKEY'S OLDEST GROUND HANDLING COMPANY

AN AGREEMENT WAS SIGNED ON OCTOBER 16, 2009 FOR THE SALE OF HAVAS TO A COMPANY TO BE ESTABLISHED JOINTLY BY TAV AIRPORTS HOLDING, TAV İŞLETME HİZMETLERİ A.Ş. (TAV O&M), TAV BİLİŞİM HİZMETLERİ A.Ş. (TAV IT), HSBC INVESTMENT BANK HOLDINGS PLC AND İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI (İŞ VENTURE CAPITAL INVESTMENT TRUST) FOR € 180 MILLION.

TAV Airports Holding's market leadership in airport operations is also supported by non-aviation services with the aim of achieving 100% customer satisfaction. Havalimanları Yer Hizmetleri A.Ş. (Havas), which represents the TAV brand in the ground handling industry with great success and aspirations, is the most important part of this strategy.

Havas, which has received many awards from the world's leading airline companies, provides world-class quality service with its equipment, parking and technological infrastructure. Havas, Turkey's oldest ground handling company, provides passenger and baggage transactions, ramp, aircraft cleaning, load control and communications, cargo, flight operation, transportation, representation and monitoring services. In order to deliver better, higher quality and faster service to its customers, Havas also provides import warehousing services. Its warehouse capacity is approximately 700 tons.

Havas has an extensive portfolio of over 200 airlines, serving scheduled, as well as chartered flights in 19 airports. The Company provides passenger transportation services between the airport and the city center at the Istanbul Atatürk, Sabiha Gökçen, Ankara Esenboğa, Izmir Adnan Menderes, Adana, Antalya, Bodrum, Dalaman, Malatya, Samsun, Hatay, Gaziantep, Konya, Hopa, Şanlıurfa and Trabzon airports, as well as parking services at the Bodrum Airport. Havas has also operated the Hopa Passenger Terminal since December 2007. The Hopa Terminal is connected to the Batumi International Airport, operated by TAV Airports Holding, and provides an easy travel option to the Eastern Black Sea region due to its proximity to the area.

Havas was founded as a state enterprise in 1933 to provide ground handling and catering services to airlines. The Company's catering services division was spun off as a separate company in 1987, whereas the ground handling services division continued its

İREM DİNÇKOL,
11 YEARS OLD

GROUND HANDLING: HAVAS AND TGS

operations under the Havas name as the most experienced ground handling services company in Turkey. Havas was privatized in 1995; the first, and most successful, privatization in Turkey. In 2005, 60% of Havas was acquired by TAV Airports and the remaining shares of Havas were acquired in 2007. As a result, Havas became a wholly-owned subsidiary of TAV Airports Holding.

TAV Airports Holding put a 35% equity stake in Havas up for sale in 2009 in order to reduce its debt burden and create additional liquidity. An agreement was signed on October 16, 2009 for the sale of Havas to a company to be established jointly by TAV Airports Holding, TAV İşletme Hizmetleri A.Ş. (TAV O&M), TAV Bilişim Hizmetleri A.Ş. (TAV IT), HSBC Investment Bank Holdings PLC and İş Girişim Sermayesi Yatırım Ortaklığı (İş Venture Capital Investment Trust) for € 180 million. TAV Airports will have a 65% stake in the new company, whereas İş Venture Capital and HSBC Principal Investments will own 6.7% and 28.3%, respectively. This transaction, completed despite the crisis environment that prevailed all year, is an indication of the trust widely put in TAV Airports Holding.

International Awards of Havas

• The Istanbul Station received the "Safety and On Time Award in the Atlantic Region-the 'Grand Slam' award-from Delta Airlines in the second and third quarters of 2009.
• The Istanbul Station received the "STAR of the Month" award from the Swiss International Airlines in April and June of 2009.
• The Izmir Station was given the "Most Improved Station Summer 2008 Bronze Award" by British Airways.
• The Istanbul Station was deemed the "Best Station of Austrian Airlines Short & Middle Range Flights" in 2008.
• The Izmir Station was deemed the best of the summer season in 2007 and 2008 from among the countries served by British Airways.
• SAS Norge Airlines 2007: "Excellence Award"
• TÜV 2004: "World's Best Quality Management Award"
• KLM Royal Dutch Airlines 2004: "5 Crown Award"
• British Airways 2004: "One of the three best ground handling services received by British Airlines"
• First Choice Airlines 2004: "World's Best Ground Handling Company" (Havas ranked first for its services in Dalaman and second for its services in Bodrum.)
• First Choice Airlines 2003: "World's Best Ground Handling Company"
• KLM Royal Dutch Airlines 2002: KLM Royal Dutch Airlines' second largest award "4 Crown"
• Privatization Administration 2000: "Best Privatization Certificate"

Certifications

ISO 9001: 2008 Quality Management System
OHSAS 18001: 2007 Occupational Health and Safety Management System
ISO 14001: 2004 Environmental Management System

Subsidiaries

Cyprus Airport Services (CAS) Ltd.

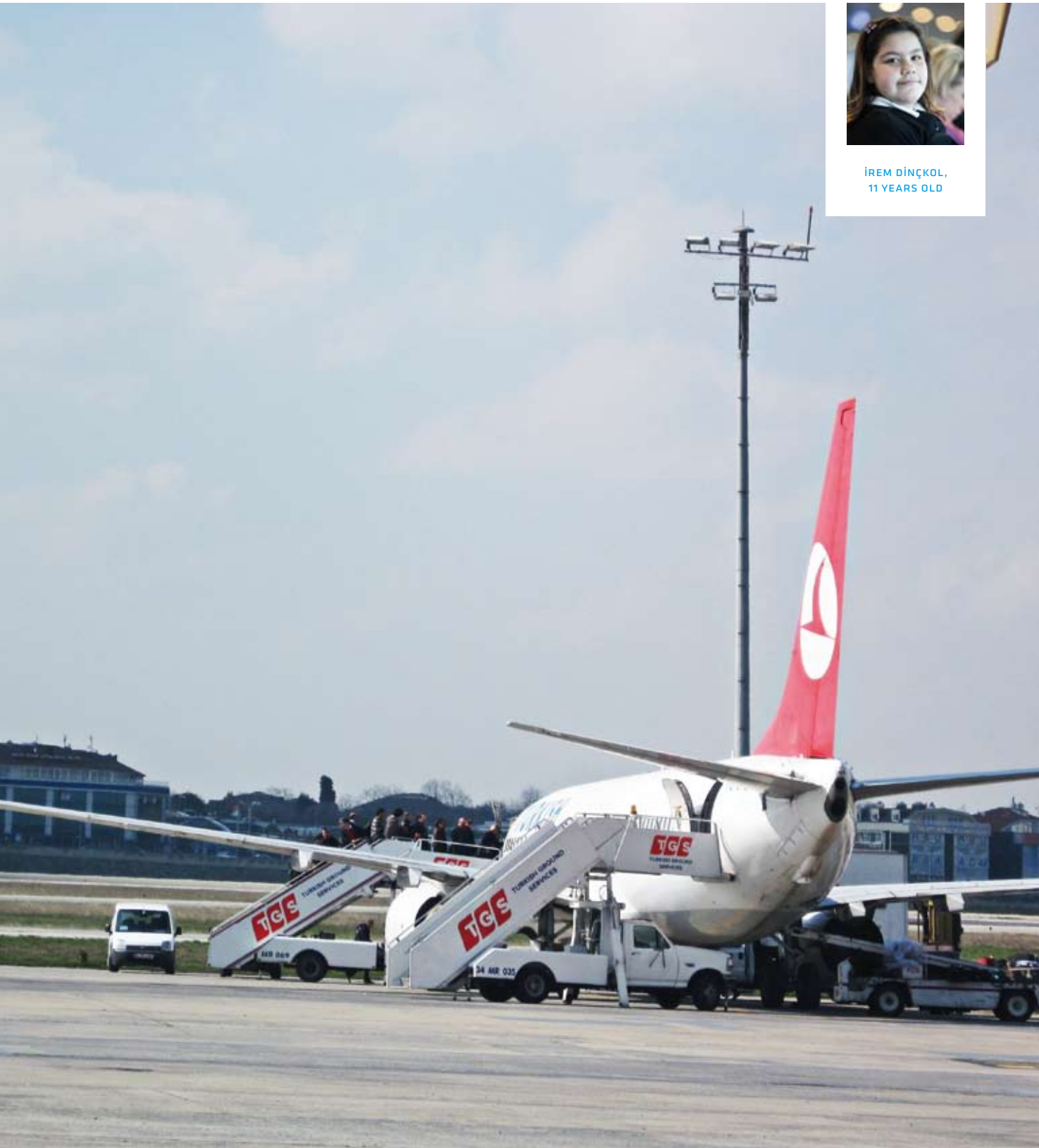
A 50%-50% partnership of Cyprus Turkish Airlines and Havas, CAS has been providing ground handling services at the Ercan Airport since December 2008.

TAV Gözen

TAV Gözen was founded by Havas, Gözen Aviation and Türkmen Aviation in June 2008 to provide hangar, technical support, staff recreation, and aircraft cleaning services to private jets in two hangars, hangars number 2 and 14, at apron A14 of the Istanbul Atatürk Airport. The Company, which is a 32.4%-owned subsidiary of Havas, commenced operation in March 2009.

Turkish Ground Services

Turkish Ground Services (TGS) was established by Turkish Airlines in order to organize and provide its ground handling services as a separate company. Havas was awarded the tender, held on November 28, 2008, to select the ground handling services company to participate in this company and became a 50% shareholder. TGS commenced operation at Istanbul, Ankara, Izmir, Antalya and Adana airports in January 2010.



İREM DİNÇKOL,
11 YEARS OLD

DUTY FREE: ATU

WORLD-CLASS SERVICE

REVENUE

290.3

€ MILLION

EBITDA

27.7

€ MILLION

NUMBER OF EMPLOYEES

1,103

TAV'S OWNERSHIP SHARE

50%

ATU, TURKEY'S LARGEST OPERATOR OF DUTY FREE SHOPS, OFFERS PASSENGERS THE OPPORTUNITY TO SHOP FOR OVER 40,000 PRODUCTS IN 48 OUTLETS FROM AMONG THE WORLD'S MOST FAMOUS BRANDS AT ATTRACTIVE PRICES, IN A TOTAL AREA OF 12,570 SQUARE METERS.

Established as a joint venture of TAV Airports Holding and Unifree, ATU began operating the duty free shops following the commencement of operations at Istanbul Atatürk Airport International Terminal.

In 2006, when TAV Airports began operating the new international terminals of the Izmir Adnan Menderes and Ankara Esenboğa Airports under the Build-Operate-Transfer model, ATU added these two airports to its operations. At the beginning of 2007, Tbilisi International Airport, the first overseas project of TAV Airports, and Batumi International Airport joined the operations area of ATU. ATU also began offering its services at the Enfidha Zine El Abidine Ben Ali International Airport in Tunisia, which commenced operation in 2009, as well as at the Skopje Alexander the Great and Ohrid St. Paul the Apostle International Airports in Macedonia in March 2010.

Airport	Duty Free Area Served by ATU (m^2)
Istanbul Atatürk Airport	5,991
Ankara Esenboğa Airport	2,262
Izmir Adnan Menderes Airport	2,353
Tbilisi International Airport	294
Batumi International Airport	68
Enfidha Zine El Abidine Ben Ali International Airport	1,470
Alexander the Great International Airport	88
Ohrid St. Paul The Apostle International Airport	44

BERKE TAN TABAK,
8 YEARS OLD

DUTY FREE: ATU

ATU, Turkey's largest operator of duty free shops, offers passengers the opportunity to shop for over 40,000 products in 48 outlets from among the world's most famous brands at attractive prices, in a total area of 12,570 square meters. In an effort to expand the reach of duty free service and provide ease of shopping for passengers, ATU offers a pre-ordering service on its website.

Reinventing itself with each passing day and constantly increasing its product diversity in order to provide world-class service, ATU's success is certified by international awards. ATU was deemed the second best Duty Free operator in the world in 2000 by Frontier Magazine. The company renovated all shops on the departures level at Atatürk Airport in 2007. Making their debut in December 2007, ATU's new shops were granted the "Best New Shop Opening" award at the Global Awards organization of Duty Free News International (DFNI).

At the "Dream Store" The ACI Airport Business & Trinity Forum organized in April 2008, ATU won First Place as "Best Implementation" for its shop implementations at the Istanbul Atatürk Airport in the tobacco category. In October 2008, ATU received yet another award at the Frontier Awards night, considered the Oscars of the Duty Free industry, as the "Most Successful Special Retail Concept of the Year" for the Old Bazaar Shop designed with the "Grand Bazaar" theme at the Istanbul Atatürk Airport.

Providing an enjoyable and satisfactory duty free experience to its customers with the renovation of the arrivals level shops in 2009, ATU was highly acclaimed by the world press due to its innovative and modern style.

YİĞİT ÇUBUKÇU,
8 YEARS OLD

CATERING SERVICES: BTA

QUALITY AND HEALTHY FOODS AT INTERNATIONAL STANDARDS

REVENUE

59.1

€ MILLION

EBITDA

6.5

€ MILLION

NUMBER OF EMPLOYEES

1,382

TAV'S OWNERSHIP SHARE

67%

BTA LAUNCHED THE GREENPORT IN 2009 AT THE ANKARA ESENBOĞA AIRPORT DOMESTIC TERMINAL. OPENED IN ORDER TO MEET THE DEMANDS OF THE TERMINAL'S INCREASING PASSENGER TRAFFIC, THE GREENPORT ADOPTS BTA'S CUSTOMER SATISFACTION-ORIENTED APPROACH AND SERVES THE DEMAND FROM THE DOMESTIC TERMINAL'S GROWING NUMBER OF PASSENGERS WITH A GREATER VARIETY OF FOODS AND A UNIQUE CONCEPT.

At the airports operated by TAV Airports Holding, BTA offers passengers high-quality and healthy foods at international standards with the comfort and safety-oriented contemporary service approach of TAV Airports. A 66.66%-owned subsidiary of TAV Airports Holding, BTA offers catering services in cafes, bars, restaurants, passenger lounges and kiosks 24 hours a day for passengers from many different countries and cultures.

BTA combines a rich menu selected from the cuisines of the world with traditional Turkish hospitality within a total area of 22,500 square meters at the Istanbul Atatürk, Izmir Adnan Menderes, Ankara Esenboğa, Tbilisi and Batumi international airports, as well as at the Tunisia Monastir Habib Bourgiba International Airport.

The Company delivers speedy, meticulous and high quality services to an average of 25 thousand people daily with a seating capacity for 10,450 people at 109 service points through BTA Catering. An average of 590,000 meals, 997,000 bakery products, 42 tons of meat products and 89 tons of fruits and vegetables are consumed monthly at the airports served by BTA.

BTA launched The Greenport in 2009 at the Ankara Esenboğa Airport Domestic Terminal. Opened in order to meet the demands of the terminal's increasing passenger traffic, The Greenport adopts BTA's customer satisfaction-oriented approach and serves the demand from the domestic terminal's growing number of passengers with a greater variety of foods and a unique concept. Featuring a seating capacity for 100 people and a self-service restaurant concept, The Greenport was designed specifically for the comfort and needs of passengers.

İREM DİNÇKOL,
11 YEARS OLD

CATERING SERVICES: BTA

Sharing the extensive vision of TAV Airports, BTA expanded beyond the boundaries of the airports where it operates in and is on its way to becoming an international brand in the catering sector. The most important steps in this direction are the ISO 9001:2000 Quality Management System certificate, as well as the ISO 22000: Food Safety Management System certificate, an indicator of 100% food safety and flawless food production in the food production sector; both of which BTA has obtained.

In 2007, BTA registered a major accomplishment by winning the International Tourist, Hotel and Food Industry Award, which had 40 candidate country participants and is organized each year by the Trade Leaders' Club, whose members include world tourism sector leaders.

BTA assumed the catering services of and determined the dinner for, the Gala Night of the Cannes Film Festival, which was organized for the 62nd time in 2009 and featured Turkey as its guest of honor.

Cakes&Bakes

In recent years, Turkish consumers have been dining out more often, which has led world catering professionals to increase their presence in Turkey. Founded in 2006 by BTA to meet the need for companies to produce food at high standards, and arising as a direct consequence of recent developments, Cakes&Bakes is now a supplier to world-renowned fast food and coffee house chains.

Producing bread, cakes, pastry products, sandwiches and salads at its five-story, 3,000 square meter building in İkitelli, Cakes&Bakes supplies 200 stores of internationally known food and beverage chains throughout Turkey, as well as the catering units at the airports where BTA operates. With a production capacity of 1 million units per month, Cakes&Bakes is serving food enthusiasts with a wide array of delicious selections at the Cakes&Bakes cafes it launched at the airports where BTA provides catering services.

The chefs of BTA Catering and Cakes&Bakes, who are in charge of TAV Airports Holding's catering operations, were found worthy of two gold and four silver awards, as well as two merit awards at the 7th International Istanbul Gastronomy Festival held March 1 - 24, 2009.

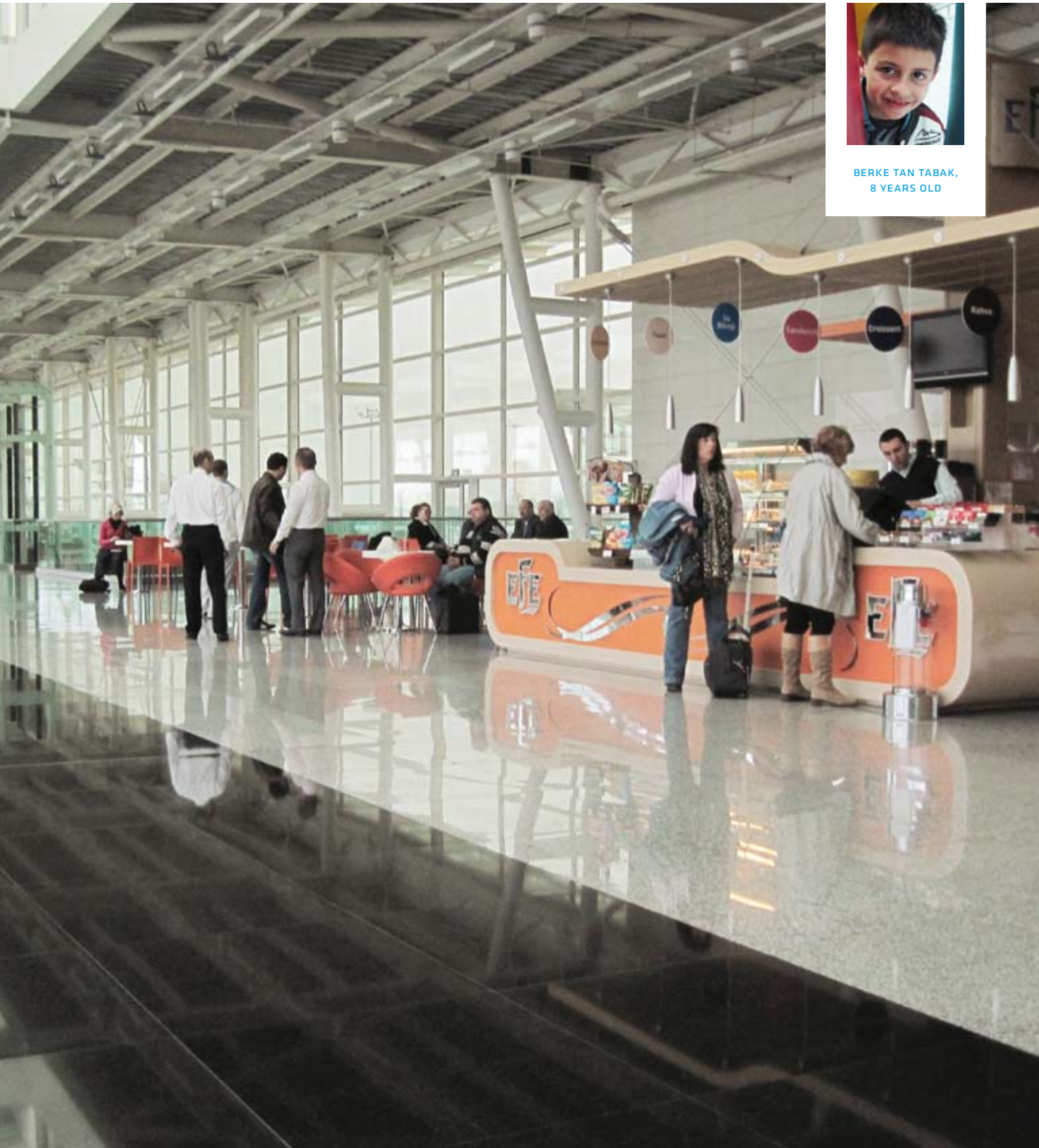
Istanbul International Airport Hotel

Airport hotels are designed to provide the fastest and most comfortable service to passengers. Like most of the leading airports in the world, Istanbul Atatürk Airport has an elegant hotel designed for the comfort and convenience of passengers. The Istanbul International Airport Hotel provides its customers with all the comforts of a home away from home.

Operated by BTA, a TAV Airports service company, the Hotel consists of an air side and a land side. With the expansion performed in 2009, the Hotel now features a total of 133 rooms. Designed with the convenience and comfort of passengers in mind, all rooms are equipped with a screen showing flight details, a music system, Internet access and a mini bar.

As part of the unlimited service approach of TAV Airports, hourly accommodations, in addition to daily accommodations, are offered in the air side rooms. Located under the same roof as the airport, the Hotel offers practical and comfortable services for passengers on their own terms.

The Istanbul International Airport Hotel meets all the needs of businesspeople and companies including dinner and meeting organizations, thanks to its expansive meeting area. The Airport Hotel meeting rooms serve guests with Turkish hospitality, healthy products, high-quality service and a selection of delicious menus.



BERKE TAN TABAK,
8 YEARS OLD

OPERATIONS AND MAINTENANCE SERVICES: TAV O&M

INTEGRATED SERVICE APPROACH FORTIFIED BY UNLIMITED TECHNOLOGICAL INNOVATION

REVENUE

25.8

€ MILLION

EBITDA

4.6

€ MILLION

NUMBER OF EMPLOYEES

223

TAV'S OWNERSHIP SHARE

99.9%

TURNING MORE THAN A DECADE OF DYNAMIC KNOW-HOW INTO UNPRECEDENTED EXPERTISE, TAV O&M LEVERAGES TECHNOLOGY AND ITS INFRASTRUCTURE TO DEVELOP PROJECTS FOR IMPLEMENTING MANY CONVENIENT SERVICES WITH AN INNOVATIVE APPROACH.

TAV İşletme Hizmetleri A.Ş. (TAV O&M), which is a product of TAV Airports Holding's professional, dynamic and innovative policies, has been supplying services at the airports with a customer-oriented approach since its inception in 2004. TAV O&M's strength comes from its specialized staff, as well as the synergy created by TAV Airports Holding.

TAV O&M is in charge of non-aviation sources of income of all terminals operated by TAV Airports Holding. As part of this responsibility, TAV O&M provides services such as commercial area allocation, leasing of advertisement and promotion areas, "prime class" CIP services, CIP Lounge operation, Havas Tourism & Travel Agency and the management of The Gate magazine. While all services rendered by the Company are geared towards the passengers who use the terminals, some of the services, depending on the preference of the passenger, begin outside the terminal, or they begin at the terminal but end at a passenger's point of choice.

These unprecedented services, used every year by millions of people visiting the airport, are a product of the Company's customer-oriented management approach, which is also the basis for TAV O&M's customer policy, as well as the team spirit of the Company's young staff of highly qualified professionals. The key element of all implemented projects is the data obtained through experience and expertise. Each new airport added to TAV Airports Holding's operation portfolio brings along innovative new approaches in terms of new customer profile analyses, propensities, needs and thus, non-aviation income. TAV O&M staff continues to be successful only to the extent that they assess the data correctly and offer the right services in the right areas.

İREM DİNÇKOL,
11 YEARS OLD

OPERATIONS AND MAINTENANCE SERVICES: TAV O&M

The Company's professional staff operates on a 24/7 basis at the Istanbul Atatürk Airport International and Domestic Terminals, Ankara Esenboğa Airport Domestic Terminal and Izmir Adnan Menderes Airport International Terminal, as well as at the Tbilisi, Batumi and Tunisia Enfidha International Airports. The Company's plans for the near future include expanding its superior quality services into Macedonia's Skopje and Ohrid airports.

TAV O&M also enters into partnerships with many airports and provides its services at these airports. The airports that the Company cooperated with during the 2009-2010 period include the Vienna, Paris, Prague, Amsterdam, Frankfurt, Munich, Malta, Honk Kong, Singapore, Bangkok, Riga, Dubai and Bahrain airports.

Renting out Offices and Retail Shops

TAV O&M allocates offices and retail shops to distinguished companies from Turkey, as well as around the world, to cater to their needs at the airports. In the process, TAV O&M also allows passengers easy access to select retail outlets in many areas.

Marketing Advertisement Areas Geared towards Target Audiences

Visited by tens of thousands of people daily, airports are a major channel for advertisement campaigns geared towards enhancing brand prestige. TAV O&M is in charge of marketing advertisement and promotion areas. Taking into account the circulation areas of passengers and visitors in the positioning of advertisement channels, TAV O&M chooses the best locations for effectively reaching target audiences. As a result of this detailed positioning process, companies

İREM DİNÇKOL,
11 YEARS OLD

OPERATIONS AND MAINTENANCE SERVICES: TAV O&M

choose many different areas at the airports TAV O&M operates in, in order to increase their brand recognition or inform passengers of new campaigns. The widely preferred areas for placing advertisements are check-in areas, catering areas, aircraft bridge zones, duty free areas, passport-baggage claim areas, meeting areas and parking lots.

Personalized Services with "primeclass" CIP Service

The "primeclass" CIP Service was designed by TAV O&M to deliver unlimited, high-quality service to passengers and provide them with the utmost level of comfort and luxury. The "primeclass" CIP Service was launched to cater to the niche service demands of passengers after the Istanbul Atatürk Airport International Terminal commenced service as part of the TAV Airports family in 2000. Commencing operation towards the end of 2001, "primeclass" CIP Service has been offering a world of privileged services to special clients of TAV Airports since then.

Designed for busy, time-strapped passengers who seek comfort and stress-free travel, "primeclass" CIP Service saves time, simplifies all flight transactions, eliminates pre- and post-flight stress and provides luxury with services that make a difference. The "primeclass" CIP Service simplifies the lives of passengers, regardless of which airline they are flying with, before and after the flight, at every step of their way.

Passengers who prefer the privileged world of "primeclass" CIP Service can relax away from the crowds in the "primeclass" CIP lounges specially designed for comfort and quality at domestic and international terminals. Accompanied by a professional assistant at many points, "primeclass" CIP Service guests enjoy the privilege of being "primeclass" at every step of the way.

Offered in two categories as Prime Pack and Prime Select, "primeclass" CIP Service currently caters to passengers at the Istanbul Atatürk and Ankara Esenboğa Airports in Turkey, and Tbilisi and Batumi International Airports in Georgia; it is also planning to commence service at the Tunisia Enfidha and Macedonia Skopje airports in the very near future.

CIP Lounge Service

"primeclass" CIP Lounge Service (CIP Lounge) opens and operates exclusive passenger lounges at the airports for airlines, banks and other companies that choose to provide their clients with special facilities at the airports.

As part of "primeclass" services, "primeclass" guests are provided with all sorts of luxury services including Internet access, television, daily newspapers, children's play rooms, diligently prepared buffet food service and showers. As of 2009, CIP Lounge serves clients at the Turkish Airlines domestic and international, Akbank Wings

domestic and international, Garanti Zone domestic and international, Yapı Kredi World international, and "primeclass" international lounges at the Istanbul Atatürk Airport; Akbank Wings domestic lounge at the Ankara Esenboğa Airport; and "primeclass" international lounge at the Tbilisi and Batumi airports. Soon, CIP Lounge will be serving the comfort and luxury needs of guests at the Tunisia Enfidha and Macedonia Skopje airports.

Havas Tourism & Travel Agency

Founded with the assurance of TAV O&M under Havas, the ground handling company with deep roots in Turkey, Havas Tourism & Travel Agency provides services as a Class A travel agency. Combining the strength of its parent company, TAV Airports, with its own energy, Havas Tourism & Travel Agency has become one of the best known brands in the tourism sector in short order. Thanks to this market position, the Company was admitted as a member of many domestic and international associations, including IATA, TURSAB, ASTA, MPI, UFTAA and SITE.

Aiming primarily to provide special services to its clients and make them feel privileged, Havas Tourism & Travel Agency accommodates all of its guests with excellent service in the trips that it plans. Havas Tourism & Travel Agency's greatest goal is to provide its clients with the value they deserve and become their first preference.

Havas Tourism & Travel Agency generates innovative, creative and out-of-the-ordinary services for its retail and corporate clients through seamless collaboration with many international tourism and travel companies. The Company meets every one of its clients' needs with an extensive range of diverse and professional services including plane ticket and hotel reservations, private jet and helicopter rentals, airport transfers and car rentals, cruises, blue cruises, gold tourism, spa and wellness, honeymoon packages, gourmet tours, M.I.C.E. tourism, meetings, incentive, congress tourism and events.

The Gate Airport Magazine

Reaching almost everyone visiting TAV airports, The Gate is among Turkey's highest circulation magazines. A magazine that is making a difference with its distinguished readership, The Gate is also available to its readers on the Internet.

INFORMATION TECHNOLOGY SERVICES: TAV IT

TAV
TEPE AKFEN INFORMATION TECHNOLOGIES

SPECIALIST STAFF IN THE AVIATION INDUSTRY AND TECHNOLOGICAL SOLUTIONS

REVENUE
7.6
€ MILLION

EBITDA
1.2
€ MILLION

NUMBER OF EMPLOYEES
115

TAV'S OWNERSHIP SHARE
97%

WITH ITS SPECIALIST STAFF, TAV IT STRIVES TO PROVIDE VALUABLE SERVICES IN AIRPORT MANAGEMENT - HIGHLY SOPHISTICATED SECTOR THAT REQUIRES EXPERIENCE IN OPERATIONS- WHILE REDUCING COSTS AND ENHANCING SERVICE QUALITY.

Software Services

With its specialist staff, TAV IT strives to provide valuable services in airport management -a highly sophisticated sector that requires experience in operations- while reducing costs and enhancing service quality. Operational management is simplified by minimizing personnel involvement in the transactions.

Within this framework, TAV IT launched two important scale-based solutions on operational magnitudes of airports: the Airport Business Suite (ABS) and Flight Information Display System (FIDS).

ABS allows information flowing from the systems installed at the airport to be organized according to flights and to be centrally managed through real time data transfer to related points. As a result, all operational and financial transactions are structured around proven business processes, while being interpreted and managed in the best possible way. In addition, ABS allows for a complete recording of all services provided throughout the airport and reimbursement for these services with short billing cycles. This system was successfully installed at the Izmir Adnan Menderes Airports and Ankara Esenboğa Airport in 2006, at the Tbilisi Airport in 2007, at the Istanbul Sabiha Gökçen

BERKE TAN TABAK,
8 YEARS OLD

INFORMATION TECHNOLOGY SERVICES: TAV IT

Airport and Istanbul Atatürk Airport in 2007, at the Monastir Habib Bourguiba Airport in 2008 and at the Enfidha Zine El Abidine Ben Ali Airport in 2009. TAV IT continues to provide support at these airports with the new versions of the ABS application that can be adjusted in response to evolving needs.

With the Resource Management System (RMS), which is currently under development, TAV IT is aiming to facilitate the most effective management of fixed and mobile resources, as well as human resources, at the airports. The need to manage resources in real time, as well as to provide concrete value-added services to operational costs, brought to light the requirement for this product to be developed as a decision support tool. Designed to work in a compatible and integrated manner with the ABS and FIDS products, which have also been developed by TAV IT, RMS is being equipped with complex modelling and optimization capabilities in order to meet these criteria. The Company has therefore established long-term collaborations within academic circles.

Financial Systems

Oracle e-Business applications (ERP), which TAV IT is responsible for developing and supporting, are used by TAV's four domestic airports, TAV O&M, TAV Gözen, TAV Gazipaşa, TAV İnşaat (TAV Construction), TAV Özel Havacılık (TAV Private Aviation), TAV Yatırım Holding (TAV Investment Holding), TAV Airports Holding internally in Turkey, as well as by TAV Cairo and TAV Tunisie airports abroad in Turkish, English and French. In 2009, the system was installed and implemented successfully at the Enfidha Airport in Tunisia with all of its financial and logistic modules.

A process initiative was undertaken in 2009 in order to achieve standardization, application compatibility and ease of control of financial affairs processes administered via Oracle at TAV Airports Holding and its subsidiary companies. Opportunities for improvement identified at the process and system level were planned and implemented; they were communicated to the entirety of TAV via workshops and documentations. As part of this initiative, systematic role and responsibility efforts in financial affairs applications were also made compatible with the system, in line with the separation of functions principle adopted Holding-wide. The Company is planning to conduct these process initiatives, which have been observed to be very useful in practice, for logistics and human resources processes, as well in 2010.

Efforts to make human resources applications available for the entirety of TAV through Oracle self-serve were accelerated in 2009. After orientation, training and temporary assignment process, forms were migrated to the system and restructuring work regarding the existing time-off process began. The benefits, hiring and function salary change processes developed as part of this project are also targeted for addition to the scope of the Oracle applications in 2010.

As of year-end 2009, the fixed assets of seven TAV Airports Holding subsidiary companies were entered into the system and reporting and operations were converted into system-based functions. Once module installations of TAV Istanbul and TAV Ankara are completed in 2010, TAV companies will accomplish the targeted standard matrix structure in Oracle applications. These applications will greatly enhance operational efficiency while simplifying data control and reporting processes.

Another initiative that was finalized in 2010 is the daily account statement integration project with 10 banks in Turkey as part of the cash management applications. Thanks to this integration, transfer and reconciliation of the data were ensured while achieving savings in workforce in all business units as a result of the automatic creation of hundreds of collection records in the system. As part of the Tunisia Treasury Installation project that began in 2009 -expected to be completed in March 2010- the Company is planning to perform its first overseas bank integration with UIB while achieving the communication of payments via daily e-mails to the bank and the automation of cash management transactions. Similar automatic cash management transactions in Turkey are performed with Garanti Bank.

24/7 Service Approach

Supporting system operations with a 24/7 call center, TAV IT provides automatic monitoring of reporting and performance indicators needed by administration units. Users can reach TAV IT any time in Turkey, Georgia, Egypt, Qatar, Tunisia and Libya via telephone, e-mail, or the Internet.

Seamless Support from the Parking Lot to the Plane

Having successfully integrated many systems, TAV IT enables automatic invoicing of tariff services and simplifies the management and monitoring of different systems thanks to solutions that simplify the complicated processes needed by passengers, baggage, aircraft and all stakeholders terminal-wide. With the ERP integration projects that were implemented in 2009, the creation of daily bill and payment records for parking lot and ticket systems were automated.

TAV IT operates on a 24/7 basis with an “excellent service and satisfied customer” approach in operating the systems (CUTE, BRS) that administer check-in, baggage and boarding procedures; flawlessly operating the flight information systems (FIDS) needed by passengers and those who accompany them, as well as all official and private bodies at the terminal; and administering the payment, license plate recognition, control and security systems that facilitate operations at the parking lot and in valet services.

INFORMATION TECHNOLOGY SERVICES: TAV IT

TAV IT operates the docking systems (GOS-DGS) needed by passengers, as well as airplanes and airline companies that use the terminal with the same diligence and careful attention to detail. Monitoring and control of information regarding services received by parked aircrafts, such as energy (400 Hz - EMS), bridge (BMS) and pre-conditioned air (PCA), are enabled by integration solutions designed by TAV IT.

Highest Level of Automation

TAV IT provides the design, planning, installation and operation of services and applications needed by any contemporary company, including office automation, electronic office applications, document and archive management, lost & found, warehouse stocking and purchasing processes, Internet and domain services, as well as the security systems related to such applications. These are achieved at the highest level required by quality and sector standards.

Another one of TAV IT's success stories is the Online Primeclass system, which migrated all processes of "primeclass" to the online environment. "primeclass" operates under the corporate umbrella of TAV O&M and provides greeting, seeing off, transfer and lounge services at the airports TAV O&M operates in. As part of the Online Primeclass system, all of the Company's reservation, operation, lounge, reporting and accounting processes can be performed online, via the intranet or the Internet platform, according to the pre-determined flow rules and authorizations. Thanks to the system, processes are systematized and optimized while targeting minimization of process problems.

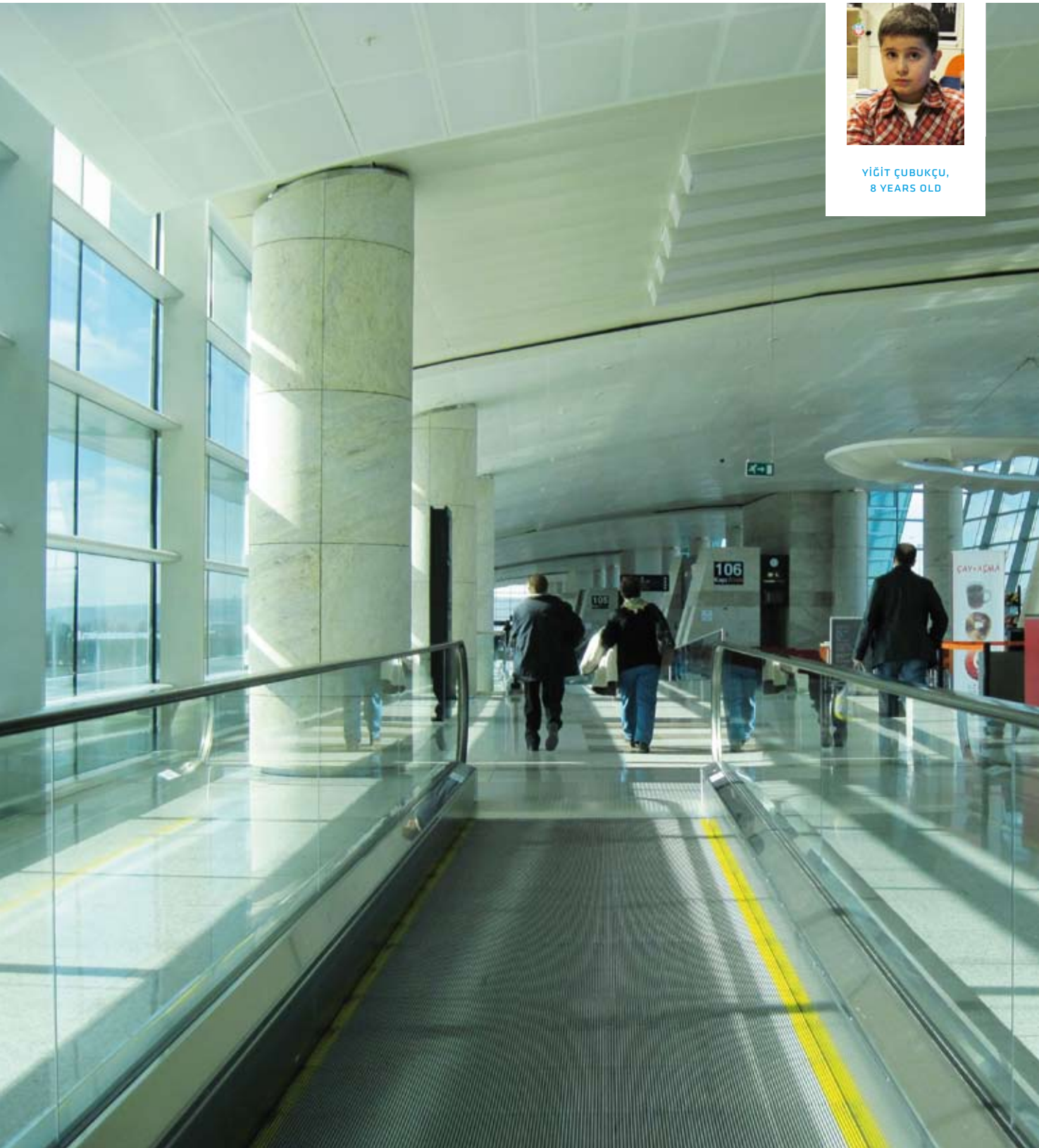
In addition to the solutions it provides in the aviation industry, TAV IT also conducts efforts to manage its own internal processes. Accordingly, TAV IT obtained the ISO 9001:2008 Quality Certificate from the International German Quality Certification Company (TÜV) in February 2007.

In addition to the solutions it provides to the airports operated by TAV Airports Holding with its solution-oriented approach, TAV IT aims to expand outside of the TAV Airports structure and market its cost-effective and advanced technology solutions throughout the entire sector.

Parking Lot and Valet Parking

Parking lot and Valet Parking management are a major part of airport operations. In this respect, aspiring to deliver integrated high-tech solutions covering every aspect of airport operations, in order to provide a centralized administration structure for multiple locations with minimum resources, TAV IT offers state-of-the-art technology parking lot management system solutions including TCP/IP-based communication, web-based reporting, integrated license plate recognition system and integrated VOIP-based intercom system. This TAV IT service has been initially deployed at the Tunisia, Enfidha Zine El Abidine Ben Ali International Airport and TAV-G Emniyetevler parking lots.

In addition to these parking lot management system solutions, TAV IT also offers Valet Parking Management System solutions that provide many features including support for multiple airports, companies and languages; centralized reporting and integration; offline operation; POS integration and high level of security. The system is planned for deployment at the Istanbul Atatürk Airport and Ankara Esenboğa Airport in the near future.



YİĞİT ÇUBUKÇU,
8 YEARS OLD

PRIVATE SECURITY SERVICES: TAV SECURITY

Tepe Akfen TAV Security

EXPERT MANAGEMENT STAFF AND PERSONNEL WITH INTERNATIONAL EXPERIENCE

REVENUE

7.1

€ MILLION

EBITDA

1.4

€ MILLION

NUMBER OF EMPLOYEES

263

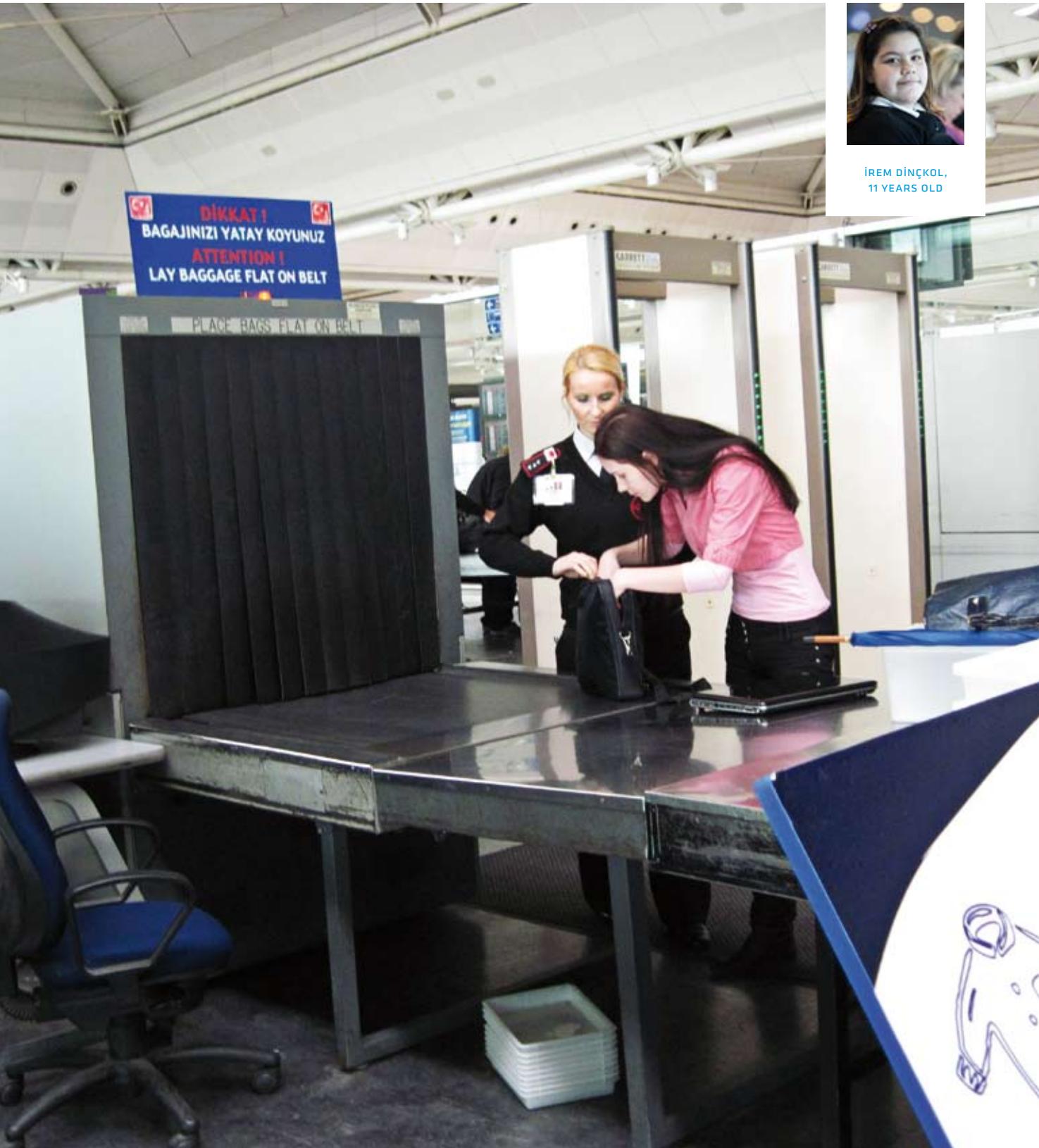
TAV'S OWNERSHIP SHARE

67%

IN ADDITION TO ITS PRIMARY OPERATION AREA OF CIVIL AVIATION SECURITY, TAV SECURITY OPERATES WITH MORE THAN 2,000 EMPLOYEES IN A TOTAL OF NINE PROJECTS INCLUDING CARGO SECURITY, PHYSICAL SECURITY (SHOP, FACILITY, COMPANY) AND AUTHORIZED ARMS TRANSPORTATION SERVICE THAT IT PROVIDES TO COMPANIES OUTSIDE OF TAV AIRPORTS HOLDING.

Security tops the list of vital priorities for airports that are visited by tens of thousands of passengers every day. Formed by combining the experience and know-how of the public sector with the advantages of the private sector, TAV Security serves alongside police at all control points, as well as in the parking lot areas at all terminals operated by TAV Airports in Turkey.

In addition to its primary operation area of civil aviation security, TAV Security operates with more than 2,000 employees in a total of nine projects including cargo security, physical security (shop, facility, company) and authorized arms transportation service that it provides to companies outside of TAV Airports Holding. Setting high standards, TAV Security operates in the civil aviation security business line in compliance with the principles stipulated by the National Civil Aviation Security Program, international standards/directives and Law No. 5188 Regarding Private Security Services and Related Directive.



İREM DİNÇKOL,
11 YEARS OLD

PRIVATE SECURITY SERVICES: TAV SECURITY

TAV Security staff consists of expert employees who are police and military retirees, as well as highly qualified civilians with international professional experience, trained in domestic and international programs in the civil aviation security area. TAV Security has combined the experience and know-how of the public sector with the advantages of the private sector while forming its expert management staff.

Pursuant to Law No. 5188 and related Directive, TAV Security provides Private Security Training Services via the Training Institutions it has established at:

- Istanbul Atatürk Airport pursuant to Turkish Ministry of Interior's "Private Security Training Institution Operation License" No. 497 dated September 13, 2007;
- Izmir Adnan Menderes Airport pursuant to Turkish Ministry of Interior's "Private Security Training Institution Operation License" No. 505 dated December 25, 2007;
- Ankara Esenboğa Airport pursuant to Turkish Ministry of Interior's "Private Security Training Institution Operation License" No. 525 dated December 31, 2007.

YİĞİT ÇUBUKÇU,
8 YEARS OLD

MARKETING ACTIVITIES

DOMESTIC AND OVERSEAS MARKETING ACTIVITIES OF TAV AIRPORTS AND ITS SUBSIDIARIES CONTINUED AT FULL SPEED IN 2009, AS WELL.

"primeclass" and Havas Tourism took part in EMITT 2009, the East Mediterranean International Travel & Tourism Exhibition.

"primeclass", a personalized CIP service of TAV O&M, and Havas Tourism, a travel agency distinguished by its unique service approach, took part in EMITT 2009, the East Mediterranean International Travel & Tourism Exhibition held in Istanbul. The fair provided exposure to leading figures in the sector. In addition, "primeclass" CIP Service and the Havas Tourism and Travel Agency won the "Best Stand Design" award at the Best of EMITT 2009 competition held as part of the fair.

TAV IT at Passenger Terminal EXPO 2009

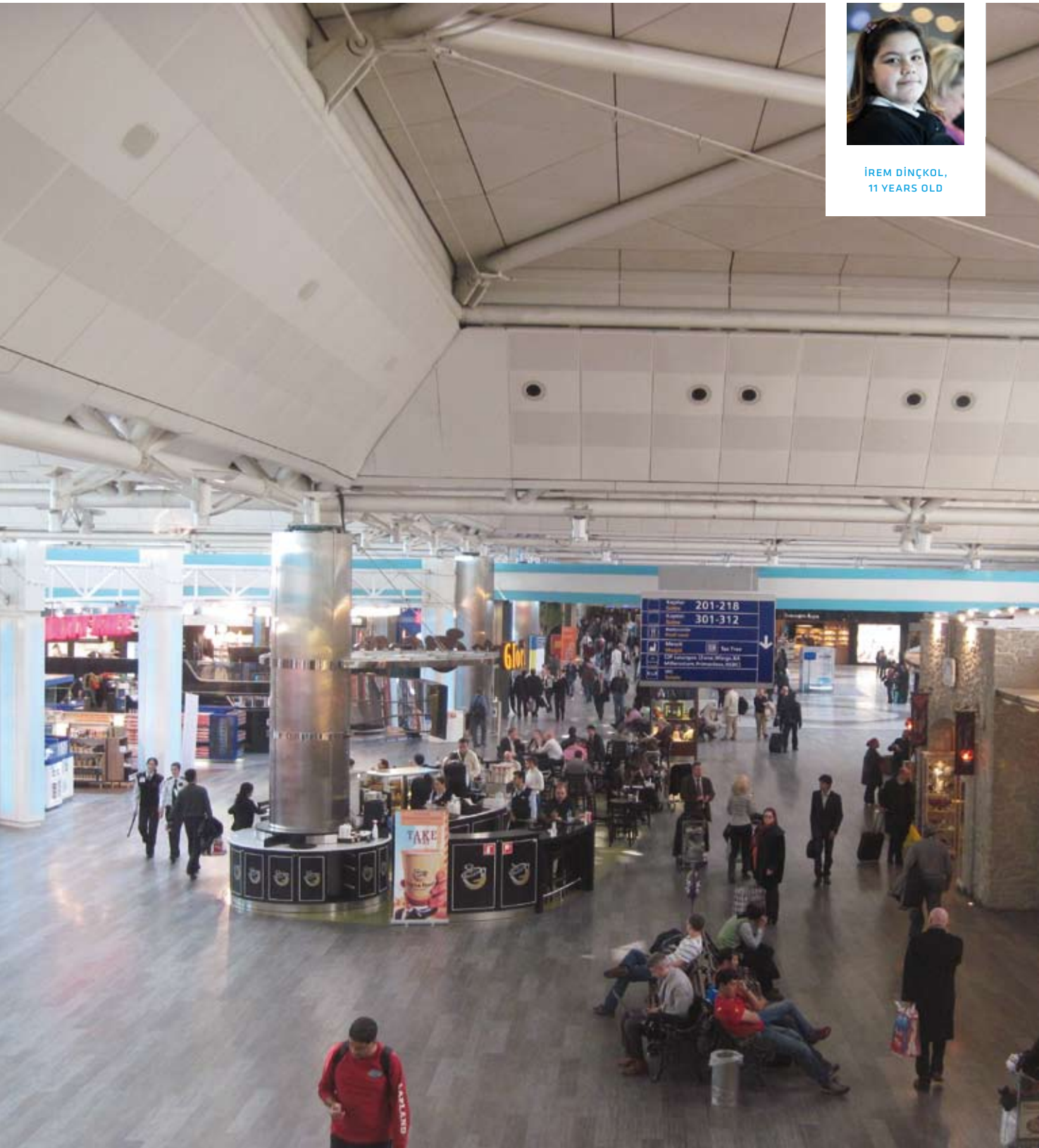
TAV IT, a TAV Airports Holding subsidiary generating aviation solutions with its know-how in airport information systems, is rapidly growing to become the systems integrator of the sector. In an effort to increase its name recognition, TAV IT participates in the world's leading information technology conferences with the sponsorship of companies for whom it serves as a solution partner. The Company participated in the Passenger Terminal EXPO 2009, promoting its extensive portfolio of products and solutions for three days to industry professionals from around the world.

TAV Airports Holding at IATA Slot Conferences

TAV Airports Holding participated in the semi-annual IATA Slot Conferences, a forum for the allocation of slots at airports. TAV Airports representatives made presentations at the conference about the Enfidha, Alanya and Macedonia airports, which were recently put into service. Held in Montreal in June 2009 and in Vancouver in November 2009, these conferences are among IATA's most important events.

TAV Airports Holding at Routes Africa

TAV Airports Holding participated in Routes Africa, the annual aviation services development forum held in Africa. Organized in Marrakesh in May 2009, this event was attended by many airline companies and airport operators, as well as tourism authorities based in or associated with Africa. TAV Airports conducted meetings with target airlines regarding service development at the Tunisia Enfidha Zine El Abidine Ben Ali International Airport during the course of the forum. Participants had the opportunity to visit with each airline attending the event and hold face to face meetings.



İREM DİNÇKOL,
11 YEARS OLD

RISK MANAGEMENT

WITH THE ASSISTANCE OF AN INDEPENDENT AUDIT COMPANY, TAV AIRPORTS HOLDING INITIATED A PROJECT IN DECEMBER 2009 TO ESTABLISH AN INTERNAL ENTERPRISE RISK MANAGEMENT (ERM) SYSTEM.

ENTERPRISE RISK MANAGEMENT

With the assistance of an independent audit company, TAV Airports Holding initiated a project in December 2009 to establish an internal Enterprise Risk Management (ERM) system and, subsequently, will implement this system in all TAV Airports subsidiary companies. The first phase of the project is the establishment of ERM within the Company, whereas the last phase consists of the implementation of Corporate Self-Audit Function (CSA), also internally, within TAV Airports Holding. The CRM implementation process is being conducted under the responsibility and oversight of the TAV Executive Board and is expected to be completed in 2010.

The Risk Management and Research Coordination Department, which reports directly to the Finance Director within TAV's organizational structure, also plays a major role in this process. The Department is responsible for identifying the risk factors that may impact TAV's accomplishment of its corporate goals, determining the risk-taking appetite that is compatible with this objective and assessing these risks. Formulating controls and action plans against risks that might cause uncertainties and threats, identifying opportunities, as well as generating the reports that will facilitate the effective functioning of decision-making mechanisms are among the responsibilities and functions of the Department.

Another mission of the Risk Management and Research Coordination Department is to create a common risk perception within TAV. The objective of this process, defined as Corporate Self-Audit, is to create a disciplined and constructive self-audit environment in which all employees understand, rate and assess their own risks at the business unit level.

The TAV Internal Audit Directorate conducts periodic audits to monitor compliance with the Group Risk Policy at TAV Airports Holding and its subsidiaries. After discussing the findings of these periodic audits with the managers of the business units that are subject to these inspections, the Directorate reports a summary of the audit results to the Audit Committee and Senior Management. Once the ERM and CSA projects are completed and implemented, self-audit reports of the business units will also be submitted to the Audit Committee by the Risk Management and Research Coordination Department via the Internal Audit Directorate.

Enterprise Risk Management consists of the management of the following risk areas:

- Financial
- Operational
- Strategic
- Legal and Compliance

FINANCIAL RISK MANAGEMENT

TAV has determined that its risk exposure lies within the following areas:

- Credit risk
- Liquidity risk
- Market risk

Credit Risk

Credit risk arises when the counterparty to a financial transaction fails to fulfill its obligations; in practice, it manifests itself as difficulties in collecting receivables.

TAV's financial assets predominantly consist of commercial receivables in the form of cash and cash equivalents, as well as liquid funds. Since the Company works with banks and financial institutions that have high credit ratings, credit risk with respect to liquid funds is limited.

Total value subject to credit risk consists of the net receivables portfolio after provisions and total cash and cash equivalents. The collection process of receivables is dependent on economic conditions. However, TAV Airports Holding does not expect any material losses beyond the current level of provisions set aside for this purpose. The reason for this is the existence of procedures for evaluating the creditworthiness of clients and maintaining collateral compatible with operating conditions, as well as the fact that the Company's client portfolio, for the most part, consists of highly-creditworthy airline companies. Sales in non-aviation operations are made in exchange for cash and/or credit card payments. The Company demands a bank letter of credit or security bond from customers with relatively low credit ratings.

Liquidity Risk

Liquidity risk consists of uncertainties that may arise when meeting the financial obligations for a cash payment and/or a similar financial asset. TAV has adopted the principle of maintaining sufficient liquidity to meet all such obligations under normal, as well as distressed market conditions, avoiding large losses and thus, protecting the Company's reputation.

TAV prices the products and services it offers based on the operation, which guarantees effective management of cash flow and maximum returns on the investments made with funds held.
The Company's main principle is to maintain sufficient cash and cash equivalents to meet expected operational and financial expenses. Only the outcomes and effects of extraordinary and unpredictable circumstances-such as natural disasters-fall outside of this scope.

Market Risk

Market risk consists of all changes in exchange rates, interest rates and equity prices under free market conditions that can directly impact the Company's revenues and the market value of the financial instruments in its portfolio. TAV's market risk management aims to keep its risk exposure within acceptable parameters while optimizing potential returns.

TAV manages its market risks by trading derivatives and assuming financial obligations. All such transactions are made in accordance with the policies and principles formulated by the Company's senior management and creditors.

Exchange Rate Risk

Exchange rate risk arises from the potential fluctuations in the value of financial instruments stemming from changes in exchange rates. TAV may be exposed to these fluctuations based on its financial position and cash flows, and the Company manages this risk using the existing financial instruments in the market.

Interest Rate Risk

TAV has adopted the principle of making 75%-100% of its borrowings with fixed interest rates in order to keep its interest rate risk under control. Interest rate swap transactions are utilized for this purpose.

OPERATIONAL RISK MANAGEMENT

Operational risks consist of risks that may arise from the companies' processes, human resources, technology and infrastructure, as well as peripheral external factors. TAV's operational risk management aims to avoid the imposition of restrictions and additional regulations by authorized bodies and institutions, sustain its excellent reputation, avoid financial losses and conduct the Company's business and operations with optimal levels of profitability in the sectors in which it operates.

The senior management of the related business units are responsible for identifying risks as part of operational risk management efforts, developing the measures to be taken and controls to be applied and implementing them. The Risk Management and Research Coordination Department is in charge of monitoring operational risks within TAV Holding, coordinating approved action plans and applications and submitting the reports to related authorities.

STRATEGIC RISK MANAGEMENT

Strategic risk management is defined as assessing the opportunities, uncertainties and/or situations that might create risk arising as a result of developments in the sector; preventing damaging developments that might stem from erroneous business decisions and cause losses in the Company's revenues or shareholders' equity; timely identification of opportunities and taking advantage of them in the interest of accomplishing strategic goals.

One of the fundamental functions of strategic risk management is to ensure compliance with strategic goals while overseeing the methods adopted to accomplish these goals. This includes monitoring the allocation of resources and the quality of conduct. In this respect, factors such as the effectiveness of the Company's internal channels of communication, the functioning of its operational systems, the capabilities and skills of its existing management and the adequacy of all of these resources in the face of external economic, technological and other circumstantial factors play a major role.

Oversight and management of strategic risks is the responsibility of the Company's Senior Management. The Risk Management and Research Coordination Department works in cooperation with the Strategy and Business Development Directorates and is also responsible for the coordination and reporting activities in this area within the Company.

LEGAL RISK AND COMPLIANCE RISK MANAGEMENT

Legal risk consists of the potential impacts of the changes in the laws and regulations in the countries where the Company operates on operational costs, attractiveness of investments and competitive power.

Compliance risk represents the losses the Company may be exposed to as a result of a breach of laws and regulations in effect, rules and accepted standards in operations and practices. Violating principles of compliance may lead to financial losses, missed business opportunities and even the loss of TAV Airports Holding's reputation as a result of lawsuits.

The oversight and management of legal risk and compliance risk is the responsibility of the Company's Senior Management. The Risk Management and Research Coordination Department works in cooperation with TAV Airports Holding's General Counsel, as well as the legal departments of its subsidiary companies. It is also responsible for the coordination and reporting activities in this area within the Company.

INVESTOR RELATIONS AND STOCK PERFORMANCE

TAV RECEIVED A CORPORATE GOVERNANCE RATING OF 83.3 (8.5) IN 2009.

The Investor Relations Department of TAV Airports Holding was established in September 2006, prior to the Company's initial public offering. The Department has been operating with an expanded role since the public offering in February 2007. Acting as a transparent, two-way bridge between investors and the Company, TAV Investor Relations aspires to disclose all information about TAV Airports Holding to the public in the most accurate, timely and complete manner.

Armed with the awareness of its responsibility to serve as a window of TAV Airports Holding for investors and all other stakeholders, the Investor Relations Department shares the most accurate information and data about the Company in the most transparent and prompt manner on the Public Disclosure Platform (PDP). The Department posts these announcements on its website at http://ir.tav.aero and updates the information as changes occur on the PDP, as well as on its website.

The website, which allows immediate access to information for all users about TAV Airports Holding, won first place in the Investor Relations Website category at the Investor Relations Awards organized jointly by Thomson Reuters and Acclaro for the first time in Turkey. TAV's CEO, Sani Şener, was the recipient of the Best Investor Relations CEO Award while TAV Investor Relations Coordinator, Nursel İlgen, also won an award in the Best Investor Relations Officer category.

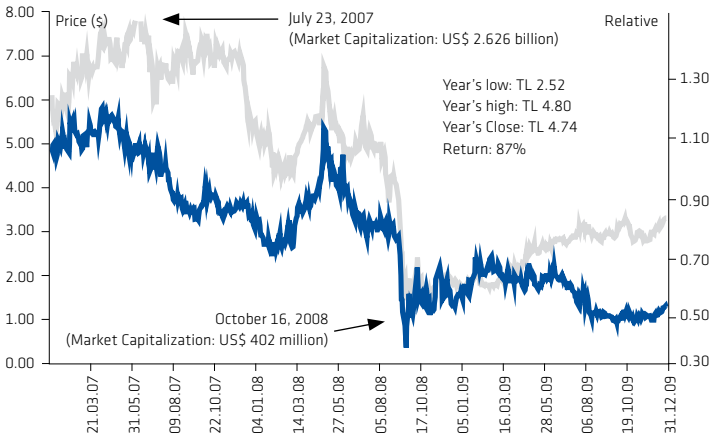
The Department is carrying on with its efforts to sustain this level of accomplishment and trust.

In 2009, TAV Airports Holding continued to expand great effort to provide information to shareholders and investors after the public offering. The Department attended six investor conferences, five of which were abroad. 94 face-to-face meetings concerning the Company's operating results, performance and other developments were held with investors, shareholders and analysts. In addition, pursuant to the Capital Markets Law, 49 material disclosures were issued in 2009. These disclosures were also posted on the Company's website. The Department responded to inquiries from many investors and analysts via telephone and e-mail during 2009, while detailed presentations were prepared regarding the Company's financial results during financial reporting periods.

The international corporate governance rating agency RiskMetrics Group (ISS), which is authorized by the Capital Markets Board (CMB) to conduct corporate governing rating activities in Turkey in accordance with the CMB's Corporate Governance Principles, issued a Corporate Governance Rating Report for TAV Airports Holding in 2009. This report gave the Company an overall average score of 83.3 (8.5). The Company's corporate governance ratings by subcategory are as follows:

Subcategories	Weight	Score	Rating
Shareholders	0.25	8.11	8
Public Disclosure and Transparency	0.35	8.69	8.5
Stakeholders	0.15	8.88	9
Board of Directors	0.25	7.78	8
Total	1	8.33	8.5

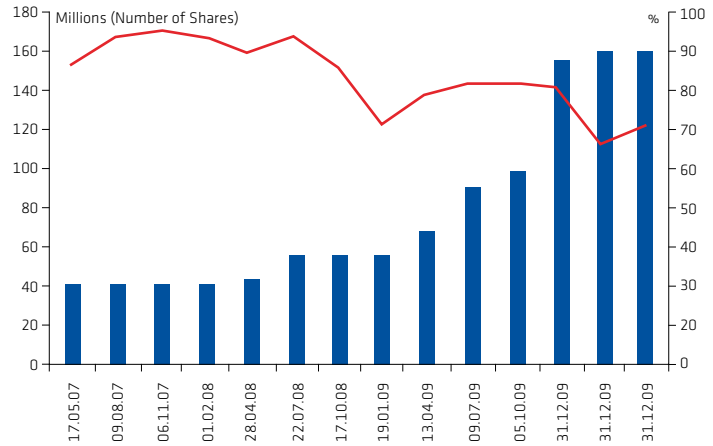
Performance of TAVHL Shares*



* Source: ISE.

TAVHL ($)
Relative to ISE

TAVHL Float and Percentage Held by Foreign Investors*



* Source: Central Registry Agency (CRA).

% Held by Foreign Investors
Total Float

The losses suffered by all stock markets around the world as a result of the global financial crisis affected TAV Airports Holding stock (TAVHL), as well. The Company's market capitalization sank as low as US$ 402 million on October 16, 2008. As of the ISE closing price on December 31, 2009, the market capitalization of TAVHL rebounded to US$ 1,151 billion. The highest market cap reached by the Company's stock between its initial public offering and year-end 2009 was US$ 2,626 billion on July 23, 2007.

The number of publicly-traded shares of TAV Airports Holding stood on average at 44 million (18% of shares outstanding) when the Company went public. The float of the Company's stock increased nearly four-fold to 160 million (44% of shares outstanding) in the ensuing years. Over the same time period, the share of the float held by foreign investors dropped from 90% to 70% as the ownership base of the shares broadened.

All information and data about TAV Airports Holding can be found on the website under the Investor Relations Department section. In addition, information regarding shares, financial reports, the General Assembly and other related matters can be obtained from the Department through the contact information provided below.

Phone: +90 212 465 5555 / 2122
Fax: +90 212 465 3100
Website: http://ir.tav.aero

CORPORATE SOCIAL RESPONSIBILITY

CONSCIOUS OF THE IMPACT OF CULTURE AND THE ARTS ON SOCIAL DEVELOPMENT, TAV AIRPORTS INVESTS IN ALL BRANCHES OF THE ARTS IN TURKEY; FROM LITERATURE AND MUSIC TO THEATRE, PHOTOGRAPHY AND SCULPTURE.

TAV targets sustainable development

TAV Airports Holding defines social responsibility as the voluntary contribution by companies to create a better society and future. In this respect, the Company acts with a sense of corporate social responsibility in such areas as the environment, culture, the arts and education. Conscious of the impact of culture and the arts on social development, TAV Airports invests in all branches of the arts in Turkey; from literature and music to theatre, photography and sculpture, supporting many arts organizations.

TAV Airports considers one of its fundamental objectives that of meeting its responsibilities regarding sustainable development in full. In 2009, the Company continued to mobilize TAV Gallery's resources to present traditional Turkish art to the world and provide support for education while undertaking new projects to put smiles on children's faces.

TAV Airports Holding supporting garajistanbul's alternative approach to art

In 2009, TAV Airports Holding began to sponsor garajistanbul, a group formed by Övül and Mustafa Avkıran which strives for a distinct approach to the arts. The Avkıran brothers are also the founders of 5. Sokak Tiyatrosu (5th Street Theatre), which is one of the first examples of modern performing arts in Turkey. As its first production, with the support of TAV Airports, garajistanbul staged the play "A Trial in Istanbul", which is an adaptation of Kafka's famous novel "The Trial". Continuing to showcase its distinct perspective to theatre enthusiasts in Istanbul, garajistanbul's subsequent plays, "Ashura", "Histanbul" and "And God Said" were also met with great interest. In return for its sponsorship, TAV Airports employees received discounted prices for performances staged at garajistanbul, which has begun to make its voice heard abroad, as well.

Colorful moments in sports meet at TAV Gallery

"The Photographs that Mark Time: Sports 2008" exhibition, which featured the memorable sporting events in Turkey in 2008, was presented to sports and arts enthusiasts at the Istanbul Atatürk, Ankara Esenboğa and Izmir Adnan Menderes Airports as an event organized by the TAV Gallery, located at the Istanbul Atatürk Airport. Prepared with the support from TAV Istanbul, a TAV Airports airport subsidiary, and the Photography Desk of the daily newspaper Zaman, the exhibition consisted of photographs that illustrate how 2008 was the most colorful year for Turkey in recent years, one which left its mark on world sports with two giant sports events organized during the year - the Olympic Games and the Euro 2008 soccer competition.

"Yüzüm Umuttur" ("Hope is my Face") and "Ebristan" at the TAV Gallery

TAV Istanbul, the airport operating subsidiary company of TAV Airports Holding, hosted the "Yüzüm Umuttur" ("Hope is my Face") exhibition at TAV Gallery, featuring photographs by six leading Turkish photographers conveying the dreams of children at village schools. The exhibit was organized as part of the Yaşasın Okulumuz ("Hooray for Our School") campaign launched in 2005 to provide support for the rehabilitation of

schools in small villages throughout Turkey that lack adequate facilities and equipment. Books, postcards and posters from the "Yüzüm Umuttur" campaign were offered for sale at the Old Bazaar shop located in the ATU Duty Free zone for those who wished to contribute to the campaign.

TAV Airports support for Galatasaray Sports Club Association's "ESİRGEME"den project

TAV Airports provided support to the "ESİRGEME"den project launched by the Galatasaray Sports Club Association to create funding to improve the living standards of children with disabilities at Social Services Child Protection Agency (SHÇEK) facilities throughout Turkey. Celebrities got together for this project and produced an album entitled "ESİRGEME"den.

TAV Airports also lent support to the Galatasaray Sports Club Association's "Steps to Success" and "Where Words End" projects.

Art of "Ebru" at the Terminal

The Ebristan Exhibition, consisting of 70 works by Hikmet Barutçugil -one of the leading figures in the art of ebru- and his students at the Istanbul Ebru House was presented for the enjoyment of art lovers at the TAV Gallery. Organized by TAV Istanbul, the exhibition featured works created using innovative techniques that combined ebru with the arts of miniature, engraving and painting. During the opening ceremony of the exhibition, Barutçugil and his students demonstrated the production of the art of ebru and its techniques for visitors at the airport.

Izmir in Photographs Exhibition

The Izmir Adnan Menderes Airport International Terminal, operated by TAV Izmir, a TAV Airports Holding subsidiary, held the opening ceremony of the Izmir in Photographs Exhibition on September 9, 2009, the day the Terminal was celebrating the third anniversary of its opening. Featuring TAV Izmir employees' own perspectives on the city where they reside in and the area they work, the exhibit consisted of various shots of Izmir, as well as day and night photographs of the Izmir Adnan Menderes Airport taken from various angles.

BTA Catering support for education: "Got an extra pencil?"

BTA Catering, a subsidiary service company of TAV Airports, launched a social responsibility campaign for students at the Haluk Gökalp Kılınç Elementary and Middle School located in the Village of Kalealtı in Elbistan. With the "Got an extra pencil?" project launched in September 2009, BTA Catering set out to provide students with school supplies such as stationary, books, notebooks, toys and clothing. The project will continue for a full year with the support of BTA Catering employees and their families, as well as the employees and suppliers of the airports.

TAV Airports Holding and LÖSEV families hand in hand

Promotion and fundraising efforts are being conducted at the terminals operated by TAV Airports as part of this collaboration, one of TAV Airports Holding's social responsibility projects that aims to serve as a support bridge for LÖSEV (Foundation for Children with Leukemia). Paying

for the entire cost of treatment while also trying to meet the needs of the families of the patients, LÖSEV's funding comes from donations. In an effort to support the foundation, LÖSEV donation boxes have been placed at the Ankara Esenboğa Domestic and International Terminal, operated by TAV Esenboğa, a TAV Airports subsidiary. With its social responsibility projects, TAV Airports provides a great amount of support to LÖSEV for continuity of the treatments, as well as to raise the level of information and awareness about leukemia for society at large.

TAV Airports Holding support for World Water Forum

TAV Airports provided sponsorship support for the 5th World Water Forum, held at the Sütlüce Congress and Cultural Center March between 16 and March 22, which hosted participants including heads of state and international non-governmental organizations. In addition to sponsoring three different seminars held on March 17, 2009, TAV Airports Holding plays a pioneering role with its conservation projects geared at the efficient utilization of water resources at the airports it operates.

"Republic Exhibit" on the 85th anniversary of the establishment of the Republic of Turkey

TAV Istanbul celebrated the 85th anniversary of the Republic of Turkey with the Republic Exhibit. Put together from the archives of the daily newspaper Cumhuriyet, the Republic Exhibit featured the proud accomplishments and deeply-rooted reform movements that were reflected in every segment of society; including the Erzurum and Sivas Congresses, the gathering of the Great National Assembly of Turkey, the launch of the Independence War, and the declaration of the Republic on October 29, 1923. The Turkish State's steps towards modernity, including the abolition of the office of the Caliphate, legal reforms, as well as attire and alphabet reforms, were conveyed through photographs of Mustafa Kemal Atatürk, the founding father of the Republic. The Republic Exhibit, which consisted of 68 photographs of Atatürk, was attended by passengers and their companions at the Istanbul Atatürk and Izmir Adnan Menderes airports; while the Genius Savior Exhibit, which was also comprised of Atatürk photographs, was displayed for the viewing pleasure of passengers at the Ankara Esenboğa Airport. In addition, an Atatürk Photograph Exhibition was launched at the Ankara Esenboğa Airport Domestic Terminal on November 10th, in memory of the 70th anniversary of the death of the Great Leader Atatürk, the founder of independent and secular Turkey.

Hopes for the Future Exhibit at Tbilisi International Airport

The Tbilisi International Airport, operated by TAV Airports Holding's subsidiary company TAV Georgia, lent a helping hand to children at the "Momavlis Sakhli" (Hopes for the Future) Orphanage.
In cooperation with the management of the orphanage, a stand to exhibit the handicrafts of the children, as well as a donation box, was on display at the Tbilisi International Airport. The pieces that the children produced during their art classes, where they receive dance, painting, weaving, knitting and sculpture instruction, were exhibited on the stand at the Tbilisi International Airport. The goal of this donation campaign was to showcase the talents of the children at the orphanage to society, to offer the decorative merchandise they produced to passengers and create additional income with the proceeds from the sales.

Showcase of Turkish Commercial Aviation History

TAV Gallery, located at the Atatürk Airport International Terminal, hosted a photograph exhibition consisting of documents of historical interest, which also coincided with the airport's own history. The Commercial Aviation History in Turkey Photography Exhibition, offered for the viewing pleasure of art enthusiasts at the Istanbul Atatürk Airport operated by TAV Istanbul, was also met with great interest by art-loving passengers at the Ankara Esenboğa and Izmir Adnan Menderes Airports. Displayed at TAV Gallery, the exhibition was prepared based on the book of the same title by Fly Service CEO Gökhan Sarıgöl and was produced by Mr. Sarıgöl himself, who is an aviation enthusiast and collector. After deciding to author a book on the history of Turkish aviation four years ago, Mr. Sarıgöl came to the conclusion that such a vast body of information cannot be fit into a single book and he decided to publish this project in three volumes. The first volume consists of the period from 1909 to 1967, spanning the propeller airplane era. This 400-page book also features photographs that were never previously published. He benefited from a comprehensive list of sources while preparing the book, including former airport employees, the Turkish State Airports Authority (DHMİ) archives, private archives and overseas archives. Mr. Sarıgöl chose 70 photographs for the exhibit, out of the nearly 250 photographs in the book.

"An Istanbul Greeting" from TAV Gallery

Hosting culture and arts events at the Istanbul Atatürk Airport, operated by TAV Istanbul, TAV Gallery also held an oil painting exhibition in 2009. 36 paintings consisting of still life, portrait and landscape oil paintings by painter Oya Kılıçoğlu were displayed for the enjoyment of Istanbul's art enthusiasts at TAV Gallery.

Cross-border reputation of TAV Gallery

TAV Gallery, established by TAV Istanbul at the Istanbul Atatürk Airport to support culture and arts events, played host to Turkey's neighbor Georgia. The exhibition was produced with contributions from the Tourism Department of Georgia and the Tourism Department of the Adjara Region of Georgia. The opening ceremony was attended by Georgia's Economic Development Minister, Lasha Zchvania. Consisting of 70 works reflecting Georgia's natural and cultural assets, the "Georgia" exhibition was viewed with great interest by Turkish and foreign guests at the International Terminal. After Istanbul, the exhibit was also displayed for art lovers at the Izmir Adnan Menderes and Ankara Esenboğa Airports.

TAV Airports Holding's contribution to the Earthquake Awareness Days project

TAV Airports Holding provides support for the Earthquake Awareness Days project, initiated in 2007 by Boğaziçi University Kandilli Observatory and the Earthquake Research Institute. The project's goal is to raise awareness about preparedness for earthquakes and to help develop a sustainable infrastructure. As part of this project, the Institute organized a Painting Competition Award and Appreciation Plaque Ceremony for Elementary and Middle Schools. During this ceremony, the Institute gave an appreciation plaque to TAV Airports for its contributions.

SUSTAINABILITY AND THE ENVIRONMENT

TAV AIRPORTS HOLDING FORMULATES SUSTAINABLE DEVELOPMENT POLICIES IN ALL CITIES AND REGIONS WHERE IT OPERATES IN AND FOLLOWS ENVIRONMENTAL PRACTICES.

ENVIRONMENTAL MANAGEMENT POLICIES AT TAV ISTANBUL

Joining the "Green Airport" project in 2009, TAV Istanbul terminal operations management added another dimension to its environmental protection efforts at the Istanbul Atatürk Airport. Taking part in the project, administered by the General Directorate of Civil Aviation (SHGM), TAV Istanbul met the conditions of the project through practices it implemented and initiatives it carried out to systematically reduce and eliminate the environmental harm its operations may cause. With the Solid Waste Management Plan implemented as part of the project, packaging waste materials such as glass, plastic and paper, as well as residential organic waste materials, were recycled. As a result of these efforts, TAV Istanbul became the first airport operator in Turkey to be designated a "Green Company" by the SHGM.

Combining innovation with an environmentally-friendly management approach to pursue its sustainable development goals, TAV Istanbul put into operation the Trigeneration Facility Project. As a direct consequence of this project, in addition to the 53,780,000 kWh of electricity it has generated, the Company has also produced heat energy equivalent to 850,000 cubic meters of natural gas thanks to recaptured waste heat, as well as cooling energy equivalent to 3,660,000 kWh of electricity. Furthermore, TAV Istanbul achieved a 40% savings in electricity and natural gas expenditures while reducing its carbon emissions.

TAV Istanbul also initiated internal efforts to obtain a Level 1 Carbon Accreditation Certification from ACI, which is among the most prestigious institutions in the world aviation sector. All tasks within the scope of the Carbon Accreditation Project, which was launched to acquire the certification granted by ACI to companies that meet all of its conditions, were completed and the Company reached the application stage. When the Project is complete, Istanbul Atatürk Airport will be the proud bearer of a Level 1 Carbon Accreditation Certification. In addition, TAV Istanbul is also a participant in the Carbon Disclosure Project, which TAV Airports Holding implements at all of its airports.

GROUNDBREAKING ENVIRONMENTAL INITIATIVES OF TAV IZMIR

In an attempt to prevent environmental pollution and leave behind a healthy environment for future generations, TAV Izmir created an Environmental Management System at the Izmir Adnan Menderes Airport International Terminal. The Company also broke new ground in Turkey with its Waste Management System, which is not among mandated procedures in Turkey, but which complies with international aviation standards. As part of the Environmental Management System, TAV Izmir collects recyclable waste such as residential waste, metals, cables, fluorescent light bulbs, paper and cardboard separately from medical wastes and recycles them as applicable.

TAV Izmir continued efforts in 2009 to expand the use of battery boxes that were placed at the International Terminal in 2008 to all public entities and companies within the boundaries of the airport. As a result, recyclable batteries are used to the benefit of the Turkish economy. In addition, the Company largely uses refillable printer cartridges. Non-refillable cartridges are disposed of in accordance with the relevant regulation and, in cooperation with the Izmir Metropolitan Municipality, are picked up from the Airport by dedicated medical and special waste transportation vehicles and diposed of in an environmentally-friendly way. In addition, TAV Izmir strives to ensure that all materials and chemicals used at the International Terminal are environmentally-friendly.

Furthermore, various informational meetings were held for the Company and airport employees. As part of these efforts, the Company conducted training sessions to reduce plastic bag use. In addition, TAV Izmir encourages employees to conserve energy in their homes as well by providing technical assistance.

As part of its efforts with the Destination Izmir Promotion and Business Development Group, in 2009 TAV Izmir conducted training sessions for the region's hotels on environmental and energy matters.

Along with the other airports of TAV Airports Holding, TAV Izmir is conducting ongoing efforts to provide data for the worldwide database being developed as part of the CDP (Carbon Disclosure Project) initiative. In addition, the Company applied to participate in the Green Airport project of the SHGM.

As part of the Energy Efficiency Project launched to preserve natural resources, TAV Izmir has implemented many projects for more efficient use and conservation of electricity and natural gas. As part of the Energy Efficiency Project, TAV Izmir:

- in cooperation with the Izmir Institute of Technology (İYTE) on energy efficiency and environmental matters, identified heat leakages at the terminal by using a thermal camera and insulated all leakages,
- installed vents on the vaulted-roof fire dampers,
- installed new automation software between the cooling tower and the chiller,
- switched to a free-cooling system in UPS rooms,
- set internal temperatures to a better energy saving level,
- installed real-time controls for the set temperature of the chilled water based on external temperature, increasing the efficiency of cooling groups,
- in order to preserve its water resources, installed special apparatuses on all water batteries at the terminal that regulate water pressure and reduce the flow rate without impacting comfort standards,

Thanks to these implementations, which increased efficiency in short order, the following accomplishments were recorded:

- During 2008-2009 TAV Izmir reduced its CO_2 emissions by 3.1 tons (which is equivalent to the CO_2 absorption of 9,368 trees).
- In 2009, the Company reduced its electricity and natural gas consumption by 8.7% and 26.2%, respectively, over the previous year.

• On a per passenger basis, TAV Izmir scaled back its electricity and natural gas consumption by 5.9% and 23.9%, respectively, over the previous year.
• The Company reduced its water consumption per passenger by 11.5% and total water consumption by 14.2%.
• In 2009, TAV Izmir collected 5,800 batteries (58 kg) in the battery boxes placed in the International Terminal.
• On average, TAV Izmir collected 39 tons of recyclable waste such as glass, metal, paper, cardboard and plastic per month, separately from other waste, throughout the airport and turned them into an economic asset.
• On average, the Company collected 200 tons of residential waste per month, separately from other waste, throughout the airport and disposed of it in coordination with the Gaziemir Municipality.

Awards Given to TAV Izmir for its Environmentally Friendly Practices

• TAV Izmir won the EBSO Environment Committee Special Award at the 2008 Environment Award Competition organized by the Aegean Region Chamber of Industry (EBSO). The Company was deemed worthy of this award from among many active industrial facilities in the Aegean Region, despite the fact that it is not an industrial facility.
• The Company became the first airport in Turkey and the second airport in Europe to be awarded a carbon accreditation by the ACI.
• TAV Izmir won the "Green Initiative of the Year by an Airport" award at DOHA (Doha Aviation Summit).

EFFECTIVE ENERGY MANAGEMENT AT TAV ESENBOGA

TAV Esenboğa broke new ground at the Ankara Esenboğa Airport with the Cogeneration Project which allows the facility to generate its own electricity. For the first time in Turkey, an airport began generating its own electricity and reduced its energy consumption by 25%.

At Esenboğa Airport, where the Company launched a combined heat and power plant as part of its Cogeneration Project, the Company generates electricity from natural gas, reducing its energy costs by 25% by using the recaptured heat in terminal air-conditioning. Offering the advantage of cheaper and more reliable electricity, the Cogeneration Project is being cited by the Turkish State Airports Authority (DHMİ) as a model to be adopted in other airports.

Implemented as a trailblazing development at the Esenboğa Airport, the Cogeneration Project prevents the 8% energy loss typically incurred in transmission and distribution systems while minimizing adverse environmental impacts. 28,000,000 kWh of electricity is generated annually at the terminal. A comparison of electricity supplied by cogeneration with electricity generated from coal or fuel oil yields the following results:
• CO_2 emissions as a result of electricity generated with cogeneration: 11,200,000 kg/year
• CO emissions as a result of electricity generated with cogeneration: None
• CO_2 emissions as a result of electricity generated from coal: 25,200,000 kg/year
• CO emissions as a result of electricity generated from coal: 1,120,000 kg/year
• Prevented CO_2 emissions as a result of the cogeneration facility: 14,000,000 kg/year
• Prevented CO emissions as a result of the cogeneration facility: 1,120,000 kg/year

Striving to prevent global warming and protect air quality, TAV Esenboğa considers the minimization of emissions of carbon dioxide (CO_2), a greenhouse gas, and carbon monoxide (CO), a poisonous gas that causes air pollution, as one of its core principles. In this respect, the Company recently implemented the Domestic and International Terminal Building and its Supplementary Facilities

Project, in addition to the Cogeneration Project. The Project stands out with environmentally-friendly features including natural resource consumption and recycling management, an energy management system and extensive green area planning.

• Prevented CO_2 emissions as a result of energy conservation: 5,135,779 kg/year
• Prevented CO emissions as a result of energy conservation: 233,445 kg/year

Using mechanical and electrical automation systems, terminal building lighting and inside temperatures are adjusted automatically based on need at the Ankara Esenboğa Airport. Escalators operate only when being used. As a result, energy waste is prevented and, compared to a building that is not equipped with this system, energy conservation of up to 20% is achieved. The 20% energy conservation at the facility corresponds to 5,706,421 KWh/year. In addition, thanks to the high-efficiency light bulbs used in terminal lighting, 1,750,000 KWh of electricity conservation is being achieved annually.

• Prevented CO_2 emissions as a result of energy conservation: 1,576,000 kg/year
• Prevented CO emissions as a result of energy conservation: 71,640 kg/year

Thanks to the 400 Hz system installed in the terminal building, parked aircrafts can be supplied with the energy needed for operation of their electrical and electronic systems, which in turn allows the fuel-powered generators of the aircrafts to shut down and emissions of harmful CO and CO_2 gases to be prevented.

• Prevented fuel use with this system: 1,481,830 kg/year
• Prevented CO_2 emissions with this system: 93,126,000 kg/year
• Prevented CO emissions with this system: 4,233,000 kg/year

Total environmental impacts of CO_2 and CO gases, which cause global warming and increase air pollution as a result of the energy management at the terminal are as follows:

• Total prevented CO_2 emissions: 113,837,779 kg/year
• Total prevented CO emissions: 5,658,085 kg/year
• Total prevented fuel use by aircraft: 1,481,830 kg/year
• Number of trees needed to clean up the avoided CO_2 emissions in a year: 135,600
• Number of times an airplane can fly from Istanbul to Ankara with the fuel conserved: 740

With the water treated at TAV Esenboğa's wastewater treatment facility, at a capacity of 3,800 m3/day, 150 thousand square meters of green area are irrigated, and 70 thousand tons of water conservation is achieved per year. Thanks to flow rate-controlled photocell batteries used at the sinks located in the terminal, 5,100 tons of water are conserved annually. Total water conservation of 75,100 tons/year corresponds to the annual water consumption of 515 4-person families.

Ankara Esenboğa Airport emits 11,200,000 kg/year and 6,000,000 kg/year of CO_2 from electricity generation and heating, respectively, to supply the energy needs of the terminal. Thus, the terminal's total CO_2 emissions amount to 17,200,000 kg/year. Since each tree cleans up 2.3 kg of CO_2 per day, 20,488 trees are needed to offset this amount of CO_2 emission. The terminal's 150,000 square meter landscaping area has a total of 1,300 trees. In an effort to reach the required number of trees, TAV Esenboğa created a forest, initially consisting of 2 thousand trees, in the town of Çubuk. The Company's goal is to plant 20,488 trees to fully offset its CO_2 emissions.

CERTIFIED ENVIRONMENTAL APPROACH OF TAV GEORGIA

TAV Georgia, operator of the Tbilisi and Batumi International Airports, successfully completed the audits conducted by URS in July 2009 and maintained its ISO 14001:2004 certificate. TAV Georgia has set up the ISO 14001 Environmental Management System in order to identify the environmental impact of its airport services and other operations and to mitigate environmentally harmful outcomes. TAV Georgia is the first company to acquire this certificate among the airport, terminal and ground handling operations companies in the Caucasus Region.

SUSTAINABLE DEVELOPMENT PRACTICES AT TAV TUNISIE SA

TAV Tunisie SA has adopted the principle of supporting sustainable development in all of its projects, from the construction of the Enfidha Airport to the operations of the Monastir and Enfidha Airports.

Sustainable development initiatives at the Enfidha Airport focus on water conservation, utilizing renewable energy sources and, in general, increasing energy efficiency. The Airport's environmental protection activities are as follows:

- **Construction methods and renewable energy sources**
  - Heat transfer is reduced on the roof and fronts by using materials with a low heat transfer coefficient (0.35).
  - Solar-powered lighting is used along the entire southern fence (200 masts).
  - Solar energy is used for heating water in all annex buildings (112 m2).
  - A 6.6 kilometer-long pipe system was installed to use treated water in irrigation.
  - A 50 kilometer-long drip irrigation system was installed.
  - A 7 hectare sprinkler irrigation system was installed.

- **Energy Management**
  - Lighting and HVAC are controlled by the building management system.
  - Medium voltage is managed via the SCADA system.
  - A motion detector was installed for outdoor lighting.
  - Frequency controllers were installed.
  - All escalators and elevators shut down when not in use.
  - Lighting and HVAC use were limited to occupied areas.
  - All irrigation is done via a fully automated irrigation system.

- **High-cost, long-term activities**
  - TAV Tunisie is planning to install a 4 MW, natural gas-fired trigeneration facility. Recapturing waste heat via trigeneration improves energy efficiency by 70% compared to the average of 35% traditional electricity supply purchased from the grid. Consequently, 7,030 tons of carbon dioxide emissions and the use of an equivalent of 2,500 tons of petroleum will be avoided at the Enfidha Airport.
  - A hose-based petroleum distribution system will be used in refueling aircraft, which will minimize distributor traffic while reducing gas consumption and air pollution.

Enfidha Airport's Environmental Management Plan has been placed under a comprehensive monitoring and evaluation process. Environmental Management Plans for the Enfidha and Monastir Airports, as well as any progress and related developments, will constitute the basis for TAV Tunisie's Environmental Management System which is scheduled for launch in August 2010.

BERKE TAN TABAK,
8 YEARS OLD

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

1. Statement of Compliance with Corporate Governance Principles

TAV Airports Holding ("the Company") makes every effort to comply with the Capital Markets Board (CBM) Corporate Governance Principles ("Corporate Governance Principles"), originally published in July 2003 and later revised in February 2005. To this end, the Company continually strives to achieve the highest corporate governance standards and is working diligently towards implementing some of the stipulations specified as recommendations in the Corporate Governance Principles. TAV Airports Holding considers ethics rules, as well as principles of transparency, equality, responsibility and accountability to be part of the Company's culture.

The Company's efforts with respect to the Corporate Governance Principles are presented in the "Corporate Governance Rating Report," prepared in 2009 by RiskMetrics Group (ISS), an international corporate governance rating agency that is also licensed to conduct corporate governing rating activities in Turkey in accordance with the Capital Markets Board Corporate Governance Principles. Based on this Corporate Governance Rating Report ("the Report"), the Company was issued an overall average score of 83.3 (8.5).

As part of its Corporate Governance Rating process, ISS performed evaluations at the Company and conducted many interviews. The final rating score is calculated based on the respective weight coefficients of the four subcategories stipulated in the CMB's related principle resolution. Within this scope, the Company's Corporate Governance Ratings by subcategory are presented below.

Subcategories	Weight	Score	Rating
Shareholders	0.25	8.11	8
Public Disclosure and Transparency	0.35	8.69	8.5
Stakeholders	0.15	8.88	9
Board of Directors	0.25	7.78	8
Total	1	8.33	8.5

Pursuant to the importance the Company attaches to compliance with the Capital Markets Board Corporate Governance Principles, the Company's Articles of Association were amended to comply with the Principles. Amendment to some articles in and the addition of some articles to the Articles of Association regarding the Company's adoption of a registered capital system were discussed and resolved at the Extraordinary General Assembly Meeting held on December 5, 2008. The amendment to the Articles of Association was published in the Turkish Trade Registry Gazette issue no. 7208, dated December 17, 2008.

In summary, the amendments to the Articles of Association stipulated:

• That an individual who serves on the Board of Directors for a total of seven years cannot be appointed an independent member and the qualifications members the Board of Directors shall possess;
• That the relevant authorities shall be notified of General Assembly meetings 15 days prior to the meeting date and the requirement that a Ministry of Industry and Commerce Officer attend the meetings;
• That the announcements the Company makes in accordance with the legislation shall also be posted on the Company's website;
• The formation, determination of duties and responsibilities, election of members, and operating principles of the Board of Directors committees;
• The principles regarding the Audit Committee;
• The principles regarding the Corporate Governance Committee;
• That the Corporate Governance Principles shall be complied with and that information on this matter shall be presented in the annual report.

The Information Disclosure Policy of the Company, prepared pursuant to the Capital Markets Board Corporate Governance Principles, was discussed and approved at the Board of Directors meeting dated December 19, 2008. The Information Disclosure Policy was also produced as a written declaration and posted on the http://ir.tav.aero website.

Pursuant to the resolution of the Board of Directors dated January 27, 2009, the membership of the Audit Committee was reconstituted to comply with the Corporate Governance Principles and independent member of the Board of Directors, Pierre de Champfleury, was elected as an Audit Committee member. The Investor Relations Department, which used to report to the Finance Director as a Corporate Governance Committee Member, now reports directly to the CEO, who is the highest executive manager in the Company.

As of the reporting period ending December 31, 2009, the Company complies with and implements the Corporate Governance Principles, with the exception of matters stipulated in sections 18.3.4 ("Using a cumulative voting system in the election of members of the Board of Directors") and 26.5.2 ("The number, structure and independence of the Board committees" - "committee chairmen are elected from among independent members of the board of directors") of the Report. These aforementioned issues are not believed to cause any significant conflict of interest as of the present time. While the exercise of minority rights were made possible via the two independent members on the Company's Board of Directors, the Company will assess the advantages and disadvantages of using the cumulative voting system in the election of the members of the Board of Directors. The two

independent members of the Board of Directors of the Company, Mehmet Cem Kozlu and Pierre de Champfleury, also serve as Corporate Governance Committee Chairman and Audit Committee member, respectively.

The Board of Directors, senior management and all employees of TAV Airports Holding have always supported the adoption of the Corporate Governance Principles within the Company at every stage of the process. Following the adoption of the Corporate Governance Principles, Corporate Governance Principles Compliance Report was announced to the public, in which the Company declares that all activities shall be undertaken in line with the principles of equality, transparency, accountability and responsibility.

SECTION I - SHAREHOLDERS

2. Shareholder Relations Unit

The Company complies with the legislation, Articles of Association and other Company regulations on the matter of exercise of shareholder rights and takes necessary measures to facilitate the exercise of these rights. In order to oversee all relations with shareholders and establish channels of communication between the Company and its shareholders, the Investor Relations Department was established within the Company in September 2006, before the initial public offering in February 2007. The Investors Relations Department operates for the purpose of presenting accurate, timely and consistent information to existing and potential investors about TAV Airports Holding, increasing the recognition and credibility of the Company, positioning the Company among the publicly-traded airport operation companies in the world, lowering the Company's cost of capital by implementing the Corporate Governance Principles and establishing communications between the Board of Directors and capital markets participants. In line with this objective, the Company strives to maintain close communication with its shareholders and investors and conducts an active investor relations program.

The TAV Airports Holding Investor Relations Department won the first place in the "Best Website" category at the Investor Relations Awards organized jointly by Thomson Reuters and Acclaro for the first time in 2009. In the same competition, TAV Investor Relations Coordinator, Nursel İlgen, took second place in the "Best Investor Relations Executive" category. The Department carries on striving to ensure the level of quality necessary to receive awards such as these.

Per the organization of the Company, the Investor Relations Department reports directly to the Chief Executive Officer (CEO), who is also an Executive Member of the Board of Directors. The Head of Investor Relations attends Board of Directors meetings in order to establish communication between the Board of Directors and shareholders.

Primary responsibilities of the Investor Relations Department, which serves as the communication bridge between the Board of Directors and the financial world, consist of:

- Ensuring that shareholder records are kept accurately, reliably and up-to-date;
- Responding to written or verbal information requests from shareholders, potential investors, stock analysts, legal bodies (Capital Markets Board, Istanbul Stock Exchange, Central Registry Agency, etc.) and financial publication houses about the Company, unless the requested information is publicly unavailable, confidential or a trade secret; ensuring that information is simultaneously made available to everyone in a consistent manner and updating existing information;
- Preparing and sending out material disclosures to the Istanbul Stock Exchange in both Turkish and English simultaneously;

• Reviewing all Company announcements and preparing the announcements about financial results in both Turkish and English simultaneously;
• Updating the Investor Relations Section on the Company website, which was created in order to provide information to shareholders and potential investors; and using electronic communication resources;
• Creating a database of domestic and foreign institutional investors and equity and industry analysts;
• Representing the Company in investor relations meetings with existing and potential investors and analysts in Turkey and abroad;
• Examining and monitoring analyst reports;
• Monitoring significant developments and statistics about the sector;
• Taking necessary measures to ensure that the General Assembly meetings are held in compliance with legislation in force, the Company's Articles of Association and other Company regulations;
• Preparing the documents that will be beneficial to shareholders for General Assembly meetings;
• Ensuring that meeting minutes are sent to shareholders;
• Monitoring and overseeing every aspect of the public disclosure process for compliance with legislation.

The Investor Relations Department makes every effort to use electronic communication tools and the Company website in all its endeavors. Contact information for the Investor Relations Department is posted on the website, http://ir.tav.aero and published in the annual reports. The Investor Relations Department can be reached at investorrelations@tav.aero for all requests and questions.

The transactions of the Investors Relations Department are conducted by Nursel İlgen and Besim Meriç, who hold a CMB Advanced Level and the Corporate Governance Rating License, as well as Burcu Günhar, who has passed the Corporate Governance Rating Exam.

Persons in charge of relations with shareholders are listed below:

Nursel İlgen, CFA - Head of Investor Relations
Phone: +90 (212) 465 5555 / 2122
e-mail: nursel.ilgen@tav.aero

Burcu Günhar, Investor Relations Specialist
Phone: +90 (212) 465 5555 / 2124
e-mail: burcu.gunhar@tav.aero

Besim Meriç, Investor Relations Specialist
Phone: +90 (212) 465 5555 / 2123
e-mail: besim.meric@tav.aero

As of April 2010, 44% of the Company's outstanding shares are publicly held, approximately 74% of which reside in the portfolios of foreign investors. In 2009, the Investor Relations Department attended six investment conferences, five of which were abroad, that were organized to provide information to shareholders and investors. 94 face-to-face meetings were held with investors, shareholders and analysts about the Company's operating results, performance and other developments. In addition, pursuant to Capital Markets Law, 49 material disclosures were made in 2009 and these material disclosures were also posted on the Company website. The Department responded to inquiries from many investors and analysts via telephone and e-mail during 2009, while detailed presentations were prepared about the Company's financial results during financial reporting periods.

3. Exercise of Shareholders' Right to Obtain Information

Pursuant to its Information Disclosure Policy, it is the Company's principle to treat all shareholders, potential investors and analysts equally with respect to exercise of the right to obtain and analyze information, as well as to make all information disclosures to everyone simultaneously and with identical content. All information sharing is performed within the scope of the content previously disclosed to the public. As part of the information sharing effort, all information of interest to shareholders and market participants is announced via material disclosures; the English translations of these disclosures are transmitted electronically to all people and entities who give their e-mail addresses to the Company and past material disclosures are posted on the Company's website in both Turkish and English.

Many written and verbal information requests from shareholders were responded to on an expedited basis under the supervision of the Investor Relations Department and in compliance with the Capital Markets Law. In an effort to enhance shareholders' rights to obtain information, all necessary information that is stipulated in Section II, Article 1.11.5 of the Corporate Governance Principles and that can impact the exercise of shareholder rights is presented to shareholders in an up-to-date manner on the Company website. All information on the Company website is presented in Turkish, as well as in English, in order to treat all shareholders, domestic and foreign, equally.

The Articles of Association currently do not recognize requests for assignment of a special auditor as an individual right. The Company did not receive any requests for the appointment of special auditors. However, Article 20.1 of the Company's Articles of Association authorizes shareholders to direct the attention of auditors to doubtful matters and request necessary explanations.

4. Information on the General Assembly

The Ordinary General Assembly meeting of shareholders regarding the Company's 2008 activities was held on Monday May 25, 2009, at 10 a.m. at the Akfen Meeting Hall, located in the Company's Headquarters at the Atatürk Airport International Terminal, Yeşilköy-Istanbul. The announcement for the Ordinary General Assembly, including the necessary information about the meeting date, time and location, agenda items, procedures for the attendance of shareholders at the meeting, proxy forms and arrangement procedures was published on page 486 of the Turkish Trade Registry Gazette, issue no. 7309, dated May 12, 2009. The announcement was also published in the daily Radikal and Dünya Newspapers, dated May 9, 2009. Of the 363,281,250 shares representing the Company's share capital as of the date of the meeting, 198,059,216 shares (54.51%) were represented at the Ordinary General Assembly meeting. In addition to procedures stipulated by legislation, the General Assembly meeting announcement was also made available at the Company Headquarters and on the Company website (http://ir.tav.aero) 21 days prior to the meeting in an attempt to reach the maximum number of shareholders possible.

The General Assembly meeting announcement posted on the Company website included the meeting date and time, meeting location, agenda, the fact that the invitation was being extended by the Board of Directors and the procedures for the attendance of shareholders. Since the Company does not have any registered shares, no accommodations were made to facilitate the participation of this class of shareholders in the General Assembly meetings. As of the date of the announcement inviting shareholders to the General Assembly meeting, financial statements and reports and the General Assembly agenda items were made available for examination at locations easily accessible by shareholders.

There have been no major changes in the management or operational organization of the Company during the previous reporting period, nor are any such changes planned for subsequent periods. The Company did not receive any requests from shareholders for adding items to the agenda of the General Assembly meetings held during the year. The meeting procedure of the General Assembly facilitates maximum participation by shareholders. General Assembly meetings are carried out with the simplest possible procedures, at the lowest possible cost for the shareholders and in a manner that does not create any inequality among them. The Akfen Meeting Hall, where the General Assembly meetings take place, is located at the Company Headquarters and it can accommodate all shareholders. The Company's General Assembly meetings are open to the public and are held under the supervision of a Ministry of Industry and Commerce Government Official. During the General Assembly meeting, agenda items were presented in an objective, detailed, clear and comprehensible manner and the language and expressions used did not allow for misinterpretations. Shareholders were given equal opportunity to voice their opinions and ask questions, thus creating a healthy environment for discussion; however, shareholders did not exercise this right during the General Assembly meeting regarding 2008 activities, or during the Extraordinary General Assembly meeting. Minutes of the General Assembly meeting are available on the Company website (http://ir.tav.aero).

Pursuant to a provision in the Company's Articles of Association, the Board of Directors, without prejudice to the resolutions of the General Assembly, is authorized to take and give motions of waiver at the land registries on behalf of the Company regarding the purchase and sale of immovable property and assets, qualified as immovable pursuant to the Turkish Civil Code and associated rights. Furthermore, the Board may establish mortgages in favor of third parties on such immovable property and real assets -and associated rights for short, medium and long-term borrowings- by presenting them as collateral and accept all mortgages granted by third parties in favor of the Company at any level and grade at the land registry office. It may also sign documents associated with such transactions and terminate such mortgages as necessary. Conversely, without prejudice to the provisions of the Turkish Commercial Code with respect to the non-transferrable powers of the General Assembly, there are no provisions in the Company's Articles of Association requiring a General Assembly resolution for important decisions such as the purchase, sale or leasing of significant amounts of property. In fact, the Company is of the opinion that if General Assembly resolutions were required for the abovementioned or other similarly significant decisions, the Company's activities would be significantly impeded and management's ability to react to dynamic and fluid business opportunities would be reduced, thus harming the partners of the Company.

5. Voting Rights and Minority Rights

Voting Rights

The Company avoids practices that make it difficult to exercise voting rights. All shareholders are given the opportunity to exercise their voting rights in the easiest and most convenient manner possible. Each share is entitled to one vote in the Company. According to the Company's Articles of Association, there are no privileges associated with voting rights. Therefore, there are no preferred stocks or different classes of shares in the Company. There is no Company regulation that restricts the exercise of shareholders' voting rights for a certain time period following the acquisition date of the shares. The Company's Articles of Association do not contain any provision that prevents non-shareholders from voting in proxy as a representative of a shareholder. The share capital of the Company does not involve any cross-shareholdings.

Minority Rights

The Company's Articles of Association contain a provision which stipulates that minority rights shall be exercised by shareholders collectively holding at least 5% of the share capital. Exercise of minority rights in the Company is subject to the Turkish Commercial Code, the Capital Markets Law and related legislation, communiqués and resolutions of the Capital Markets Board. The Company's Articles of Association do not contain any provisions in addition to the provisions mentioned above. The Company facilitates the exercise of minority rights in accordance with the relevant legislation and, if necessary, by the Independent Board Members. As the cumulative voting right is left to the discretion of Publicly Listed Joint Stock Companies pursuant to Communiqué Series: IV, No. 29 of the CMB; the Company's Articles of Association do not (yet) provide for cumulative voting. However, within the scope of legislative developments, the Company will assess the advantages and disadvantages of this method.

Principle of Equal Treatment of Shareholders

All shareholders, including minority and foreign shareholders, are treated equally.

6. Dividend Policy and Timing of Distribution

There are no privileges with respect to participation in the Company's profit. The Company makes its dividend distribution decisions taking into account the Turkish Commercial Code, Capital Markets Law, Capital Markets Board communiqués and resolutions, the Tax Laws and the provisions of other relevant legislation, as well as the Company's Articles of Association. Accordingly, pursuant to CMB's resolution no. 02/51 dated January 27, 2010; publicly-listed joint stock companies are not obligated to pay any dividends from the profits they made from their activities in 2009 (there was a 20% minimum threshold for 2008). The corporations that resolve to distribute profits may make dividend payments based on the resolution of their general assemblies; either in cash or as gratis shares issued by adding that amount to the Company's paid-in capital, or a combination of the two.

This dividend policy that was adopted by the Company's Board of Directors can also be found in the annual report and on the Investor Relations website. It is among the Company's primary goals to adhere to this dividend policy, except for special circumstances when investments and other funds are required for the long-term growth prospects of the Company or its subsidiaries and affiliates, as well as for extraordinarily unfavorable developments in the economy. Pursuant to the fifth item on the Agenda of the Company's Ordinary General Assembly meeting that was held on May 25, 2009, as a result of the Company showing a net period loss as of the end of the 2008 fiscal year, it was presented for the General Assembly's information and approval that the Company make no dividend payment for the 2008 fiscal year. As a result of the vote taken at the meeting, the General Assembly resolved unanimously not to make a dividend payment to shareholders for the 2008 fiscal year.

7. Transfer of Shares

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

SECTION II - PUBLIC DISCLOSURE AND TRANSPARENCY

8. Information Disclosure Policy of the Company

The Information Disclosure Policy of the Company, prepared pursuant to the Capital Markets Board Corporate Governance Principles, was discussed and approved at the Board of Directors meeting dated December 19, 2008. The Information Disclosure Policy was also produced as a written declaration and posted on the http://ir.tav.aero website.

The Board of Directors is responsible for overseeing, reviewing and improving the Information Disclosure Policy. The Corporate Governance Committee provides information and recommendations to the Board of Directors, the Audit Committee and the Investor Relations Department on matters regarding the Information Disclosure Policy. The Investor Relations Department is charged with overseeing and monitoring all matters regarding public disclosures. The Information Disclosure Policy aims to establish active and transparent communication by sharing the past performance and future outlook of the Company with shareholders, investors and capital markets experts (capital markets participants) equally within the framework of generally-accepted accounting principles and Capital Markets Law provisions, in a complete, fair, accurate, timely and comprehensible manner.

Public Disclosure Principles and Tools

The information to be disclosed to the public is disseminated in a prompt, accurate, complete, comprehensible and easy to interpret manner. Attention is also focused on easy and equal access to information, with little cost, that will assist persons and companies who will benefit from the disclosure in their decision making. TAV Airports Holding complies with the Capital Markets legislation and Istanbul Stock Exchange regulations in all of its public disclosure practices. Information about the public disclosure principles and tools adopted by the Company are presented below:

• The Investor Relations Department is responsible for overseeing and monitoring all issues related to public disclosures. Questions received from outside the Company are responded to in the shortest amount of time possible by the CEO, the Finance Director (CFO), or within the knowledge of and authorization limits set by the CEO and the CFO, by the Investor Relations Department. The Company keeps a record of all questions received in writing and the responses provided by the Company. All correspondence and meetings with capital markets participants are carried out by the Investor Relations Department.

• In addition to the channels stipulated by legislation, other public disclosure tools and methods such as press bulletins, electronic data distribution channels, e-mail messages, meetings with shareholders and potential investors, as well as announcements posted on the Company website, are effectively utilized in the Company's public disclosures.

• The Code of Ethics stipulated within TAV Airports Holding spells out the principles and rules that all managers and employees are obligated to comply with. These rules of conduct are posted on the Company website for public information.

• Without prejudice to any of the provisions in the relevant regulations, the Company informs the public when a material change occurs, or is expected to occur in the near future, in the financial position and/or activities of the Company.

• The Company continually updates and publicly announces any changes or developments that arise regarding public announcements made by the Company.

• The Investor Relations Department evaluates all news, bulletins and discourse about the Company reported by the national or international media outlets; including television, print media, the Internet and radio, and are followed by companies that may be retained for monitoring the media. If non-factual news is identified, the Investor Relations Department assesses the situation and makes the necessary announcements in accordance with the TAV Airports Information Disclosure Policy in response to an announcement request from the Istanbul Stock Exchange or the CMB, or in some cases, without waiting for a request for information.

Periodic Financial Statements and Reports and Independent Audit in Public Disclosures

The Company's financial statements and accompanying notes are prepared on a consolidated basis in accordance with CMB Communiqué Series: XI, No. 25, as well as the International Financial Reporting Standards (IFRS), independently audited in accordance with the International Audit Standards (IAS); and are announced to the public.

9. Material Disclosures

Developments that have the potential to impact the value of the Company's capital markets instruments are announced to the public in an expedited basis within the timeframe stipulated by legislation. The Company made 49 material disclosures during 2009, none of which were additional disclosures requested by the CMB or the Istanbul Stock Exchange. The Company has no additional disclosure obligations since the Company does not have any capital markets instruments listed on foreign exchanges.

10. The Company Website and its Contents

As stipulated by CMB Corporate Governance Principles, the Company website is actively used in public disclosures. All matters related to the Investors Relations Department are posted on the http://ir.tav.aero website. In addition to Turkish, all information on the Company website is also presented in English for the benefit of foreign investors. The website won the first place in the "Best Website" category at the Investor Relations Awards organized jointly by Thomson Reuters and Acclaro for the first time in 2009.

All publicly disclosed information by the Company is also available on the Company website. The Company letterhead clearly indicates the address of its website. The following information is posted on the http://ir.tav.aero website:

- Company history
- Current management and shareholding structure
- Summary balance sheet, income statement and cash flow statement
- Summary operational data
- Company's Corporate Governance Guidelines
- Company's Code of Ethics
- Board of Directors and Board Committees
- Most recent version of the Articles of Association and the dates and issue numbers of the Trade Registry Gazette in which the amendments were published
- Prospectuses and public offering circulars
- Trade registry information
- General Assembly meeting agenda, proxy voting form, meeting minutes
- Corporate Governance Principles Compliance Report
- List of people with insider information
- Information disclosure policy
- Annual reports
- Periodic financial statements and reports
- Financial calendar
- Material disclosures
- Presentations
- Stock price and performance information and charts
- News updated by the data provider company
- Frequently asked questions
- Analyst contact information
- Company contact information

As can be seen, of the types of information listed in Article 1.11.5 of Section II of the Capital Markets Board Corporate Governance Principles, all of the ones applicable to the Company are posted and updated on the Company website.

11. Disclosure of Ultimate Controlling Shareholder(s)

There is no individual in the Company with ultimate controlling shares.

12. Public Disclosure of Insiders

Pursuant to the relevant legislation, as well as the employment contracts entered into with Company employees, persons who hold key positions and fall within this category are listed below:

Abdullah Atalar Member of the Board of Directors
Ahmet Ersagun Yücel Member of the Board of Directors, General Secretary
Ali Haydar Kurtdarcan Vice Chairman of the Board of Directors, Chairman of the Audit Committee
Ali Said Yavuz Internal Audit Manager
Alper Topçu Corporate Communications Senior Specialist
Altuğ Koraltan Internal Audit Director
Asaf Kirazoğlu Budget and Planning Specialist
Aslıhan Çörtük Marketing Coordinator
Aslıhan Manaş Executive Assistant of the Board of Directors
Aytekin Bektaş Accounting Manager, TAV Istanbul
Aziz Murat Uluğ Finance Director, Member of the Board of Directors
Banu Pektaş General Counsel
Bengi Vargül Corporate Communications Coordinator
Berk Kayserli Corporate Communications Assistant Specialist
Besim Meriç Investor Relations Specialist
Bilde Bilen Legal Counsel
Binnur Onaran Deputy General Manager, TAV IT
Burak Birhekimoğlu Operations Planning Coordinator
Burcu Geriş Project and Structured Finance Coordinator
Burcu Günhar Investor Relations Specialist
Burcu Sarıoğlu Corporate Communications Senior Specialist
Burcu Yar Gürhan Internal Audit Manager
Bülent Özütürk Assistant General Manager, Havas
Cenk Laçin Accounting Assistant Manager, TAV Airports Holding
Ceyda Akbal Legal Counsel
Defne Sertel Translator
Demet Sözmen Tax Manager
Deniz Aydın Financial Affairs Coordinator
Didem Direl Project and Structured Finance Specialist
Eda Bildiricioğlu General Manager, TAV O&M
Ersan Arcan General Manager, ATU
Ersel Göral General Manager, TAV Tunisie
Esin Rodoplu Risk Management and Research Senior Specialist
Fatih Ömür Business Development Specialist
Fırat Erkan Balcı General Manager, TAV Izmir
Gamze Şen Financial Reporting Specialist
Giray Çolpan Business Development Specialist
Göker Köse Project and Structured Finance Assistant Manager
Gökhan Aygör Budget and Planning Manager
Gökhan Doğan Strategic Analysis and Reporting Manager
Güçlü Batkın Business Development Coordinator
Gülçin Bulan Tax Specialist
Haluk Bilgi Tunisia Country Director, Business Development Director in charge of Subsidiaries
Hamdi Akın Chairman of the Board of Directors
Hasan Yeşilyurt Corporate Communications Specialist
Hilal Doğru Administrative Bureau Staff
Hüseyin Kadri Samsunlu Member of the Board of Directors, Member of the Audit Committee
Hüseyin Ulukanlı Consultant to the CEO
İbrahim Süha Güçsav Member of the Board of Directors
İpek Baylam Corporate Communications Specialist
İsmail Varlı Financial Reporting Specialist
Kaan Sertcan Budget and Planning Manager
Kadri Mete Erkal Deputy General Manager, TAV Georgia
Kemal Ünlü General Manager, TAV Istanbul
Kerem Aran Budget and Planning Specialist
Levent Güler Deputy General Manager, TAV Security
Mahmut Miraç Pekmezci Financial Reporting Assistant Manager
Mehmet Cem Kozlu Member of the Board of Directors, Chairman of the Corporate Governance Committee

Mehmet Erdoğan External Relations Coordinator
Mehmet Sina Avşar Process Development and Reporting Coordinator
Melek Tan Executive Board Office Manager
Melis Erkun Legal Counsel
Metin Kibar Financial Affairs and Finance Manager, TAV Esenboğa
Müjdat Yücel General Manager, Havas
Murat Altıkardeşler Budget and Planning Coordinator
Murat Cevher Tax Assistant Manager
Murat Örnekol Operations Director
Mustafa Ayvaz Accounting Chief, TAV Izmir
Mustafa Sani Şener Member of the Board of Directors and President & CEO
Nazım Yaprak Finance Manager
Nazmi Hugül Systems Analysis Coordinator
Neşe Kerimoğlu Risk Management and Research Coordinator
Nihat Akkaya Administrative Bureau Chief
Nuray Demirer General Manager, TAV Esenboğa
Nursel İlgen Investor Relations Coordinator
Onur Aygüneş Business Development Assistant Specialist
Önder Sezgi Member of the Board of Directors, Member of the Audit Committee
Özlem Tekay Human Resources Director, Member of the Corporate Governance Committee
Pierre de Champfleury Member of the Board of Directors, Member of the Audit Committee
Pınar Tanılkan Legal Counsel
Sadettin Cesur General Manager, BTA
Sertay Sargın Budget and Planning Specialist
Sıla Usta Corporate Communications Senior Specialist
Sibel Arı Financial Reporting Specialist
Süleyman Son Member of the Board of Directors
Şafak Özbay Financial Reporting Specialist
Şaziye Çevik Administrative Bureau Manager
Şeref Eren Member of the Board of Directors, TAV Academy Advisor
Umut Ercevahir Financial Reporting Manager
Vahap Kaygusuz Accounting Manager, TAV IT
Vehbi Serkan Kaptan Business Development Director, Member of the Board of Directors
Waleed Ahmed Youssef Strategy Director
Yaşar Kerem Gökyer Tax Senior Specialist

All employment contracts contain the following clause:
"The employee understands that 'insider trading' transactions are prohibited ("Insider trading" means stock trading in violation of competition and honesty, using information on the financial position of a publicly traded company or any other information that can affect the share price of the company before other investors can learn of it). Therefore, the employee accepts and commits to not using any information or documents on the Company's financial position, or any other information that can affect the value of the Company's publicly traded shares, acquired as a result of managerial position, or any other position in the Company, or through other means in or outside of stock market trading for the purpose of making a profit on his/her own behalf or on behalf of another person."

Pursuant to the Corporate Governance Principles, whenever the list of insiders is reconstituted, the latest version of the list is announced on the Company website.

SECTION III - STAKEHOLDERS

13. Informing Stakeholders

The Company's corporate governance practices and code of ethics ensure the protection of the rights of stakeholders as stipulated in legislation or mutual agreements. Stakeholders are continually kept informed within the framework of the Company's Information Disclosure Policy, established with respect to governing legislation and the Company's code of ethics. In addition, the Company aims to provide information to all stakeholders via

press bulletins, annual reports, Company website and other practices within the framework of the Company's transparency-oriented Information Disclosure Policy. For the Company's employees, the Intranet, which is the intra-Company information sharing platform, is used actively and the "NewsPORT" magazine is published quarterly. The Company's employees are expected to fulfill their responsibilities and hold the Company's interests above their own interests and the interests of their families or acquaintances while performing their jobs. The employees shall avoid any conduct that may be construed as pursuing their own or acquaintances' interests. Foreseeable conflict of interest situations as well as situations, defined by the Company management in such manner are shared with the employees and Company management takes necessary measures when required.

14. Participation of Stakeholders in Management

The Company does not have a formal model or mechanism for the participation of stakeholders in management. However, Independent Board Members allow the representation of all stakeholders, as well as the Company and the shareholders, in management.

15. Human Resources Policy

• TAV Airports Holding human resources practices are determined by the "Human Resources Policy and Core Principles".
• The Company has adopted the principle of offering equal opportunities to equally positioned people in recruitment, training and development, remuneration and career planning.
• Recruitment criteria are documented in writing and are followed in practice.
• The Company treats its employees equally in development and promotion opportunities and devises development policies and plans for the employees to enhance their skills and experience.
• Decisions and developments concerning the employees are communicated via the Corporate Intranet and the Company's corporate magazine, "NewsPORT", which were established to enhance and accelerate communication among employees.
• Job descriptions, performance evaluation and reward criteria of employees are determined by management and shared with the employees.
• Relations with employees are conducted by the Human Resources Directorate. The Company does not discriminate between its employees.
As of December 31, 2009, TAV Airports Holding, including all of its subsidiaries, has a total of 10,719 employees. No complaints related to discrimination were received from employees.

16. Information about Relations with Customers and Suppliers

Since the Company is a holding company, it is not directly involved in any operation. Therefore, it does not have any direct relationships with customers or suppliers. As a holding company, TAV Airports Holding determines the general policies for regulations and practices geared towards achieving the satisfaction of customers of its subsidiaries. It provides maximum support to its subsidiaries and, in some circumstances, enters into contracts with third parties on these matters, continually striving to enhance customer satisfaction. In this respect, surveys are conducted for quality control, as well as enhanced customer satisfaction. Customers are provided with opportunities to easily communicate their needs and complaints are responded to and resolved as quickly as possible.

17. Social Responsibility

The Company expends maximum effort to be sensitive to its social responsibilities in its operations. It complies with all regulations regarding the environment, consumer and public health, as well as ethics rules, and directs and supports its subsidiaries to behave in the same manner. The Company's terminal operating subsidiaries conduct their operations in compliance with environmental

legislation, directives and guidelines of international aviation organizations such as the ICAO, ECAC, EUROCONTROL and IATA, as well as the Equator Principles of the World Bank.

Due to the nature of their operations, the Company and its subsidiaries are not legally obligated, within the scope of Environment Law and its related legislation, to produce environmental impact assessment reports. Nevertheless, the Company's relevant subsidiaries prepare environmental reports and environmental management plans during both the construction and operation phases of terminals and comply with updated environmental management plans.

Furthermore, the Company's subsidiaries have international quality control plans for their operation areas and quality control audits are conducted in compliance with international standards.

There is currently no investigation, lawsuit, other legal controversy or sanction against the Company or its subsidiaries related to the matters mentioned above.

SECTION IV-BOARD OF DIRECTORS

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

The formation and election of the Board of Directors conforms to the Corporate Governance Principles and the procedures regarding this issue are set forth in the Company's Articles of Association. Accordingly;

The Company is managed by a Board of Directors comprised of at least 15 members elected by the General Assembly from among shareholders. As stipulated in the Company's Articles of Association, two Board Members are required to be independent members as defined by the Capital Markets Board's Corporate Governance Principles.

The names of the Board Members appointed in accordance with the Company's Articles of Association are presented below:

Hamdi Akın Chairman of the Board of Directors
Ali Haydar Kurtdarcan Vice Chairman of the Board of Directors
Mustafa Sani Şener Member of the Board of Directors, President & CEO
Mehmet Cem Kozlu Member of the Board of Directors
Pierre de Champfleury Member of the Board of Directors
Ahmet Ersagun Yücel Member of the Board of Directors, General Secretary
Vehbi Serkan Kaptan Member of the Board of Directors
Aziz Murat Uluğ Member of the Board of Directors
Abdullah Atalar Member of the Board of Directors
İbrahim Süha Güçsav Member of the Board of Directors
Önder Sezgi Member of the Board of Directors
Hüseyin Kadri Samsunlu Member of the Board of Directors
Şeref Eren Member of the Board of Directors
Mehmet Erdoğan Member of the Board of Directors
Süleyman Son Member of the Board of Directors

Non-executive members comprise 13 of the 15 Board Members (more than half of the Board of Directors), the remaining two being executive members. The Chairman is not the same person as the President and CEO. Six Board Members are empowered to represent and bind the Company.

Of the Board Members, Mr. Mehmet Cem Kozlu and Mr. Pierre de Champfleury qualify as independent members according to the independence criteria stipulated in the CMB Corporate Governance Principles. No situation arose in the reporting period that would cease the independent status of the Company's Independent Board Members.

Independent Board Members are obligated to submit a written statement of independence to the Board of Directors and immediately inform the Board of Directors when their independent status ceases. An individual who serves a total of seven years on the Company's Board of Directors cannot be appointed Independent Board Member.

The Company does not impose any rules or restrictions on its Board Members for assuming additional duties outside of the Company.

19. Qualifications of Board Members

All of the nominated and appointed members of the Company's Board of Directors possess the qualifications stipulated in Articles 3.1.1, 3.1.2 and 3.1.5 of Section IV of the CMB's Corporate Governance Principles.

The Board of Directors is structured to ensure maximum influence and effectiveness. Article 13 of the Company's Articles of Association stipulates the principles regarding this matter. It is the Company's principal aim to appoint Board Members who possess the fundamental knowledge regarding the legal principles governing the Company's transactions and business, are qualified and experienced in corporate management, possess the capability of examining financial statements and reports, and preferably have graduate degrees.

20. Mission, Vision and Strategic Goals of the Company

Our Mission

To create the highest value for all stakeholders in airport operations with a customer-oriented management approach.

Our Vision

To become the leader and the pioneer airport operating company in our target regions (Europe, Russia and the Commonwealth of Independent States, Baltic States and Georgia, the Middle East, Africa and India).

Our Strategic Goals

The Company's general strategic goals are specified below:

- To achieve long-term, sustainable and profitable growth,
- To maintain and solidify our leadership in the domestic market and to become the leader, or one of the leaders, at the international level in the near future.

The Board of Directors sets strategic goals for relevant periods through discussions with the Executive Member (CEO) and the Group Directors.

21. Risk Management and Internal Control Mechanism

The Internal Audit Directorate provides assistance to the Audit Committee in the Committee's supervision role. The mission of the Internal Audit Directorate is to assist the Board of Directors and Senior Management in their management and operational responsibilities by identifying and reporting deficiencies in internal audit, risk management and governance processes, as well as practices that are causing inefficiencies and waste of resources.

The Internal Audit Director reports to the CEO hierarchically. Internal audit plans are formulated by taking into account risk analyses, as well as matters highlighted by the Audit Committee and management. Risk analyses are conducted regularly to identify both existing and newly emerging risks. Officially, risk analyses are performed annually; however, they may be performed more frequently if deemed necessary.

22. Authorities and Responsibilities of the Board Members and Executives

The authorities and responsibilities of the Board of Directors are defined in the Company's Articles

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

All partners are obligated to keep confidential the Company secrets forever, regardless of how they learned those secrets, even after losing their shareholding rights. Partners who fail to meet this obligation are liable to the Company for the damages this may cause. However, the provisions of this article are not applicable for information that needs to be disclosed pursuant to the Capital Markets Law.

23. Operating Principles of the Board of Directors

Board Members are provided with timely access to any information they need to fully execute their duties. The Board of Directors issues a separate resolution for the approval of financial statements and accompanying notes, the independent audit report, the "Corporate Governance Principles Compliance Report" and the annual report. According to the Company's Articles of Association, a quorum for the meetings is the majority (half the number of directors plus one) of the Board of Directors. A Board of Directors Secretariat, which serves all Board Members and reports to the Chairman, has been formed to properly maintain documents related to Board meetings.

Board of Directors meetings are planned and held in an effective and efficient manner. As stipulated in the Company's Articles of Association;

• The Board of Directors shall meet as the business and transactions of the Company require. However, the Board of Directors attempts to meet at least once every three months. Four Board of Directors meetings were held during 2009.

• The Chairman, Vice Chairman or any Member of the Board of Directors has the right to call the Board of Directors for a meeting and/or include any subject in the agenda that he/she wants discussed by inviting all Board Members at least seven days in advance.

• Such meeting invitations shall be made via facsimile. However, Board Members may waive these meeting formalities in writing.

• All meetings of the Board of Directors in 2009 were held at the Company Headquarters, as it was not decided otherwise by the Board of Directors.

• Alternative opinions expressed, opposing votes cast (with their reasons) and deliberate questions posed by Members of the Board of Directors at the Board meetings are also recorded in the resolution book. However, such opposition or alternative opinion has not been expressed in Board meetings; therefore, no announcement to this effect has been made to the public.

• Every Board Member is entitled to one vote. Board Members do not have weighted voting rights or affirmative/negative veto rights.

The Board of Directors executes the duties stipulated in the Articles of Association and the relevant legislation.

24. Prohibited Dealings and Competition with the Company

At the General Assembly meeting that took place on May 25, 2009, the proposal that was presented for shareholder approval to authorize the Chairman and the Board Members to perform the transactions stipulated in articles 334 and 335 of the Turkish Commercial Code regarding the ban on doing business and competing with the Company was approved by the General Assembly.

25. Code of Ethics

TAV Airports Holding's Code of Ethics sets out the rules and principles that all executives and employees are obligated to comply with in order to add financial value to its shareholders and to enhance its corporate value. The Company has publicly announced the Code of Ethics on the

Company website within the framework of its disclosure policy, published it on the Company's Intranet and shared it with its employees through workplace programs. The Code of Ethics is designed to ensure that the conduct of TAV executives and employees is of the highest standard and that they are aware of the impact of their conduct and attitudes on the Company. Furthermore, the Code ensures that ethics of the highest standards are upheld and the best actions are employed regarding Company activities and shareholders.

26. The Number, Structure and Independence of Board Committees

In line with the Capital Markets Board Corporate Governance Principles, a Corporate Governance Committee and an Audit Committee, which report to the Board of Directors, were formed within the Company. General principles regarding the Corporate Governance Committee and the Audit Committee were stipulated in Article 34.A of the Company's Articles of Association that was published in the Turkish Trade Registry Gazette, dated December 17, 2008.

Corporate Governance Committee

Directly reporting to the Board of Directors, the Corporate Governance Committee's function is to assist the Board of Directors in creating and improving the structure and practices necessary for the governance of the Company in accordance with the internationally accepted Corporate Governance Principles, as well as remuneration, professional development and career planning of the senior executives. The duties and responsibilities of the Corporate Governance Committee are stipulated in the Company's Articles of Association.

The Corporate Governance Committee is responsible of overseeing the Company's compliance with corporate governance principles, and its primary duties include:

- Overseeing the implementation of corporate governance principles by the Company, identifying the reasons if they are not being fully implemented and the consequences of inadequate implementation, and recommending measures for improvement;
- Determining methods that ensure transparency in the process of identifying candidates for the Board of Directors membership;
- Conducting studies on the number of Board members and executives and making recommendations;
- Developing and overseeing the principles and practices regarding performance evaluation and remuneration of Board members and executives.

Mehmet Cem Kozlu is the Chairman of the Corporate Governance Committee and was elected from among the Independent Board members.

Members of the Corporate Governance Committee are listed below:

Chairman of the Corporate Governance Committee
Mehmet Cem Kozlu Member of the Board of Directors, TAV Airports Holding Co.

Members of the Corporate Governance Committee
Özlem Tekay Human Resources Director, TAV Airports Holding Co.
Murat Uluğ Finance Director (CFO), Member of the Board of Directors, TAV Airports Holding Co.

Audit Committee

Reporting directly to the Board of Directors, the Audit Committee assists the Board of Directors in ensuring that Company practices are in compliance with domestic and international laws and regulations, contributing to the improvement of business processes through their audits and coordinating activities to be undertaken for ensuring information transparency.

The Audit Committee is responsible for taking all measures to ensure the adequacy and transparency of all internal and independent external audit activities and executing the duties stipulated in the Capital Markets Law. Its primary duties and responsibilities include:

• Auditing and approving the compliance of financial statements and accompanying notes to be publicly reported in accordance with current legislation and international accounting standards;
• Overseeing the operation and effectiveness of the Company's accounting system, public disclosure of financial information, independent audit and internal control and risk management systems;
• Examining and resolving complaints about the Company's accounting, internal control system and independent audit;
• Preventing conflicts of interest that may arise among Board members, executives and other employees and identifying regulations that may prevent the abuse of the Company's commercial secrets.

The Company's Articles of Association stipulate that the Audit Committee shall meet at least once every three months upon the invitation of the Committee Chairman. Senior executives responsible for financial affairs are not allowed to be Audit Committee members. Pierre de Champfleury, one of the members of the Audit Committee, is also an Independent Board Member.

Members of the Audit Committee are listed below:

Chairman of the Audit Committee
Ali Haydar Kurtdarcan Vice Chairman of the Board of Directors, TAV Airports Holding Co.

Members of the Audit Committee
Önder Sezgi Financial Affairs and Audit Director, Bilkent Holding Co.
Hüseyin Kadri Samsunlu Member of the Board of Directors, TAV Airports Holding Co.
Pierre de Champfleury Member of the Board of Directors, TAV Airports Holding Co.

27. Remuneration of the Board of Directors

Within the framework of the Capital Markets Board's Corporate Governance Principles, the Company pays a salary to each Independent Board Member commensurate with the time investment and efforts necessary for Board membership. However, it was resolved by the General Assembly that the Company shall not pay any salary or attendance fee to the other Board Members or the statutory auditors.

AGENDA FOR THE ORDINARY GENERAL ASSEMBLY MEETING

Agenda for the Ordinary General Assembly Meeting of TAV HAVALİMANLARI HOLDİNG ANONİM ŞİRKETİ for the year 2009, to be held on Monday, May 24, 2010:

1. Opening and establishment of the Presidential Council,
2. Granting the Presidential Council the authority to sign the Minutes of the General Assembly Meeting,
3. Reading, negotiation and approval of the Annual Activity Report of the Board of Directors and the Audit Report of the Company for the year 2009,
4. Reading, negotiation and approval of the Balance Sheet and the Profit and Loss Statements of the Company for the year 2009,
5. Submission for the information and approval of the General Assembly of the fact that the Company has no distributable profit from its activities in 2009 when the net profit for the period (TL 41,082,219) and losses from previous years (TL 141,232,832) included in the Company's legal accounts are calculated; therefore no dividend should be distributed to the shareholders but the consolidated net profit should be set aside as an extraordinary reserve,
6. Amendment of Article 13.1 of the Company's Articles of Association,
7. Releasing members of the Board of Directors and the Auditors from their duties of 2009,
8. Approval of the appointments made to the vacant positions on the Board of Directors within the course of the year,
9. Election of new members to the Board of Directors in place of the members whose terms of office have expired and determination of the terms of office and remuneration of the newly-elected members,
10. The independent audit company's submission for the approval of the General Assembly,
11. Submission of the Company's Disclosure Policy document, prepared in accordance with the Corporate Governance Principles regulated by the Capital Market Board, for the information of the General Assembly,
12. Submission of the operations carried out with regard to the "Related Parties" within the scope of Article 5 of the Communiqué of Capital Market Board Series IV No. 41 for the information of the General Assembly,
13. Informing the shareholders of the donations made by the Company within the year 2009,
14. Granting the Chairman and Members of the Board of Directors the authority to perform the transactions stipulated in Articles 334 and 335 of the Turkish Commercial Code,
15. Informing the shareholders of the pledges, collaterals and mortgages granted, in accordance with Decision No. 28/780 of the Capital Market Board dated September 9, 2009,
16. Providing the shareholders with information in regard to the administrative monetary fine, publicly announced in the Weekly Bulletin dated July 24, 2009,
17. Expression of best wishes,
18. Closure.

STATUTORY AUDITORS' REPORT

To the Ordinary General Assembly of TAV Airports Holding Co.

Title	:	TAV Airports Holding Co.
Headquarters	:	Istanbul
Capital	:	TL 363,281,250 (as of December 21, 2009)
Area of Operation	:	Airports, Investment and Operation Activities regarding Airport Terminal Construction and Operation, participation in companies engaged in such activities and provision of management and financing services.
Name and Duration of Duty of the Auditors, Partnership or Duties in the Company	:	Murat AŞKAR, Meral ALTINOK, Belgin BERKER Our duration of duty is two years. We are not partners of the Company. We have no duties in the Company.
Number of Board of Directors Meetings Attended and Audit Board Meetings Held	:	The auditors held six Audit Board Meetings.
The Scope of the Examination Performed on the Company Accounts, Books and Documents, Dates of such Examinations, and Conclusion Reached	:	We performed examinations and audits during the first weeks of the 3rd, 6th, 9th and 12th months, in accordance with the Tax Laws and the Turkish Commercial Code; we have not encountered any issue to critique.
Number and Conclusions of the Counts Performed in the Company's Treasury Pursuant to Article 353, Section 1.3 of the Turkish Commercial Code	:	Inventory counts were performed and count reports were created during the audit; as a result of the counts, we determined that actual inventories agree with the records.
Number and Dates of the Audits Pursuant to Article 353, Section 1.4 of the Turkish Commercial Code	:	As a result of the examinations we performed on the first day of each month, we determined that securities present agree with the records.
Complaints and Frauds Submitted and Transactions Performed in Response	:	No complaint was submitted to the auditors.

We have audited the transactions and accounts of TAV Airports Holding Co. for the fiscal year from January 1, 2009, to December 31, 2009, in accordance with the Turkish Commercial Code, the Company's Articles of Association, other laws and applicable legislation and generally accepted Accounting Principles and Standards.

In our opinion, the balance sheet prepared as of December 31, 2009 factually and accurately reflects the Company's true financial position as of this date; and the income statement prepared for the period from January 1, 2009, to December 31, 2009 factually and accurately reflects the Company's operations results for this period; the profit allocation proposal is in accord with the laws and the Company's Articles of Association.

We recommend the approval of the balance sheet and the income statement and discharge of the Board of Directors.

AUDIT COMMITTEE

Murat AŞKAR | Meral ALTINOK | Belgin BERKER

TAV HAVALİMANLARI HOLDİNG A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED
31 DECEMBER 2009

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
Yapı Kredi Plaza C Blok Kat 17
Büyükdere Caddesi
Levent 34330 İstanbul

Telephone +90 (212) 317 74 00
Fax +90 (212) 317 73 00
Internet www.kpmg.com.tr

Independent Auditors' Report

To the Board of Directors of
TAV Havalimanları Holding Anonim Şirketi

We have audited the accompanying consolidated financial statements of TAV Havalimanları Holding Anonim Şirketi and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2009, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. We did not audit the financial statements of certain consolidated companies as at and for the year ended 31 December 2009 which statements reflect total assets constituting 34%, and total revenues constituting 38% of the related consolidated totals. Those statements were audited by other auditors whose reports have been furnished to us, and our report, insofar as it relates to the amounts included for these companies, is based solely on the report of the other auditors.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2009, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

İstanbul, Turkey
11 March 2010

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

TAV HAVALİMANLARI HOLDİNG A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009
(Amounts expressed in Euro unless otherwise stated)

	Notes	31 December 2009	31 December 2008
ASSETS			
Property and equipment	17	117,527,566	78,111,498
Intangible assets	18	41,320,152	32,679,835
Airport operation rights	19	723,041,011	457,410,838
Other investments	20	24,238	24,238
Goodwill	7	151,402,835	131,564,539
Prepaid concession expenses	21	107,413,971	120,285,515
Trade receivables	25	134,457,502	156,306,856
Due from related parties	40	-	8,140,329
Other non-current assets	24	8,930,598	14,891,066
Deferred tax assets	22	54,254,039	37,366,642
Total non-current assets		**1,338,371,912**	**1,036,781,356**
Inventories	23	11,403,317	9,770,719
Prepaid concession expenses	21	117,275,560	128,688,749
Trade receivables	25	62,044,641	55,968,143
Due from related parties	40	10,482,379	7,019,918
Derivative financial instruments	36	6,390,781	32,257,634
Other receivables and current assets	24	29,287,322	46,732,857
Cash and cash equivalents	26	34,010,922	22,572,015
Restricted bank balances	27	313,849,601	291,098,061
Total current assets		**584,744,523**	**594,108,096**
TOTAL ASSETS		**1,923,116,435**	**1,630,889,452**

The accompanying notes form an integral part of these consolidated financial statements.

TAV HAVALİMANLARI HOLDİNG A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009

(Amounts expressed in Euro unless otherwise stated)

	Notes	31 December 2009	31 December 2008
EQUITY			
Share capital	28	162,383,978	104,910,267
Share premium		220,286,470	220,182,481
Legal reserves		18,385,795	15,062,069
Revaluation surplus		2,324,325	2,665,932
Purchase of shares of entities under common control		40,063,860	40,063,860
Cash flow hedge reserve		(59,776,657)	(31,301,803)
Translation reserves		(2,056,517)	(872,551)
Accumulated losses		(9,168,016)	(56,688,149)
Total equity attributable to equity holders of the Company		**372,443,238**	**294,022,106**
Non-controlling interest		**40,555,777**	**15,017,194**
Total Equity		**412,999,015**	**309,039,300**
LIABILITIES			
Loans and borrowings	30	1,089,524,346	876,556,773
Reserve for employee severence indemnity	31	4,645,483	3,247,519
Due to related parties	40	19,082,385	9,591,944
Deferred income	33	14,339,463	16,659,877
Trade payables		-	75,022
Deferred tax liabilities	22	7,335,962	5,752,448
Total non-current liabilities		**1,134,927,639**	**911,883,583**
Bank overdraft	26	2,379,933	1,844,425
Loans and borrowings	30	196,758,985	220,234,320
Trade payables	35	29,306,087	27,543,307
Due to related parties	40	12,285,718	52,428,667
Derivative financial instruments	36	85,400,809	69,699,812
Current tax liabilities	16	1,391,675	2,488,341
Other payables	32	39,264,452	25,299,953
Provisions	34	2,695,918	3,762,121
Deferred income	33	5,706,204	6,665,623
Total current liabilities		**375,189,781**	**409,966,569**
Total Liabilities		**1,510,117,420**	**1,321,850,152**
TOTAL EQUITY AND LIABILITIES		**1,923,116,435**	**1,630,889,452**

The accompanying notes form an integral part of these consolidated financial statements.

TAV HAVALİMANLARI HOLDİNG A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009
(Amounts expressed in Euro unless otherwise stated)

	Notes	2009	2008
Construction revenue	8	284,491,359	202,339,925
Operating revenue	9	572,957,180	573,779,658
Other operating income	10	35,970,417	23,953,081
Construction expenditure	8	(271,354,562)	(192,852,533)
Cost of catering inventory sold		(13,865,759)	(13,220,873)
Cost of duty free inventory sold		(55,306,456)	(58,811,314)
Cost of services rendered		(34,309,570)	(36,874,795)
Personnel expenses	11	(152,826,421)	(145,902,809)
Concession rent expenses	12	(143,621,639)	(155,950,811)
Depreciation and amortisation expenses	14	(37,224,592)	(34,886,598)
Other operating expenses	13	(72,331,417)	(75,755,017)
Operating profit		**112,578,540**	**85,817,914**
Finance income		25,120,947	18,429,841
Finance costs		(84,588,880)	(103,014,858)
Net finance costs	**15**	**(59,467,933)**	**(84,585,017)**
Profit before income tax		**53,110,607**	**1,232,897**
Income tax (expense) / benefit	16	(1,645,831)	3,434,844
Profit for the period		**51,464,776**	**4,667,741**
Other comprehensive income / (loss)			
Revaluation of property and equipment		68,320	68,320
Effective portion of changes in fair value of cash flow hedges		(36,225,843)	(35,399,472)
Foreign currency translation differences			
for foreign operations		(1,365,484)	(1,143,453)
Income tax on cash flow hedge reserves		7,299,593	4,097,669
Other comprehensive income / (loss) for the period, net of tax		**(30,223,414)**	**(32,376,936)**
Total comprehensive income / (loss) for the period		**21,241,362**	**(27,709,195)**

The accompanying notes form an integral part of these consolidated financial statements.

TAV HAVALİMANLARI HOLDİNG A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009

(Amounts expressed in Euro unless otherwise stated)

	Notes	2009	2008
Profit attributable to:			
Owners of the Company		50,523,133	4,058,822
Non-controlling interest		941,643	608,919
Profit for the period		**51,464,776**	**4,667,741**
Total comprehensive income / (loss) attributable to:			
Owners of the Company		20,932,633	(28,390,251)
Non-controlling interest		308,729	681,056
Total comprehensive income / (loss) for the period		**21,241,362**	**(27,709,195)**
Weighted average number of shares outstanding		**346,693,065**	**242,187,500**
Earning per share – basic	**29**	**0.15**	**0.02**

The accompanying notes form an integral part of these consolidated financial statements.

TAV HAVALİMANLARI HOLDİNG A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2009
(Amounts expressed in Euro unless otherwise stated)

	Attributable to equity holders of the Company										
	Share Capital	Share Premium	Legal Reserves	Revaluation Surplus	Purchase of Shares of Entities Under Common Control	Cash Flow Hedge Reserve	Translation Reserves	Accumulated Losses	Total	Non-Controlling Interest	Total Equity
Balance at 31 December 2007 as previously reported	**104,910,267**	**220,182,481**	**10,559,039**	**3,007,539**	**40,063,860**	**-**	**343,039**	**(53,499,998)**	**325,566,227**	**14,986,680**	**340,552,907**
Effect of adoption of IFRIC 12 (Note 43)	-	-	-	-	-	-	-	(3,084,599)	(3,084,599)	-	(3,084,599)
Balance at 31 December 2007 as restated	**104,910,267**	**220,182,481**	**10,559,039**	**3,007,539**	**40,063,860**	**-**	**343,039**	**(56,584,597)**	**322,481,628**	**14,986,680**	**337,468,308**
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	4,058,822	4,058,822	608,919	4,667,741
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Revaluation of property and equipment	-	-	-	(341,607)	-	-	-	409,927	68,320	-	68,320
Effective portion of changes in fair value of cash hedges, net of tax	-	-	-	-	-	(31,301,803)	-	-	(31,301,803)	-	(31,301,803)
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	(1,215,590)	-	(1,215,590)	72,137	(1,143,453)
Total other comprehensive income	-	-	-	(341,607)	-	(31,301,803)	(1,215,590)	409,927	(32,449,073)	72,137	(32,376,936)
Total comprehensive income for the period	**-**	**-**	**-**	**(341,607)**	**-**	**(31,301,803)**	**(1,215,590)**	**4,468,749**	**(28,390,251)**	**681,056**	**(27,709,195)**
Dividend distributions	-	-	-	-	-	-	-	-	-	(778,433)	(778,433)
Transfers	-	-	4,503,030	-	-	-	-	(4,572,301)	(69,271)	69,271	-
Released from minority	-	-	-	-	-	-	-	-	-	58,620	58,620
Balance at 31 December 2008	**104,910,267**	**220,182,481**	**15,062,069**	**2,665,932**	**40,063,860**	**(31,301,803)**	**(872,551)**	**(56,688,149)**	**294,022,106**	**15,017,194**	**309,039,300**
Balance at 1 January 2009	**104,910,267**	**220,182,481**	**15,062,069**	**2,665,932**	**40,063,860**	**(31,301,803)**	**(872,551)**	**(56,688,149)**	**294,022,106**	**15,017,194**	**309,039,300**
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	50,523,133	50,523,133	941,643	51,464,776
Other comprehensive income											
Revaluation of property and equipment	-	-	-	(341,607)	-	-	-	409,927	68,320	-	68,320
Effective portion of changes in fair value of cash hedges, net of tax	-	-	-	-	-	(28,474,854)	-	-	(28,474,854)	(451,396)	(28,926,250)
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	(1,183,966)	-	(1,183,966)	(181,518)	(1,365,484)
Total other comprehensive income	-	-	-	(341,607)		(28,474,854)	(1,183,966)	409,927	(29,590,500)	(632,914)	(30,223,414)
Total comprehensive income for the period	**-**	**-**	**-**	**(341,607)**		**(28,474,854)**	**(1,183,966)**	**50,933,060**	**20,932,633**	**308,729**	**21,241,362**
Issue of share capital	57,473,711	103,989	-	-	-	-	-	-	57,577,700	19,975	57,597,675
Dividend distributions	-	-	-	-	-	-	-	-	-	(404,720)	(404,720)
Change in group structure										9,878,983	9,878,983
Sale of non-controlling interest, net	-	-	-	-	-	-	-	-	-	15,646,415	15,646,415
Total transactions with owners	**57,473,711**	**103,989**	**-**	**-**	**-**	**-**	**-**	**-**	**57,577,700**	**25,140,653**	**82,718,353**
Transfers	-	-	3,323,726	-	-	-	-	(3,412,927)	(89,201)	89,201	-
Balance at 31 December 2009	**162,383,978**	**220,286,470**	**18,385,795**	**2,324,325**	**40,063,860**	**(59,776,657)**	**(2,056,517)**	**(9,168,016)**	**372,443,238**	**40,555,777**	**412,999,015**

The accompanying notes form an integral part of these consolidated financial statements.

TAV HAVALİMANLARI HOLDİNG A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2009

(Amounts expressed in Euro unless otherwise stated)

	Notes	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		51,464,776	4,667,741
Adjustments for:			
Amortisation of airport operation right	14-19	19,266,667	19,093,719
Depreciation of property and equipment	14-17	13,464,997	11,673,655
Amortisation of intangible assets	14-18	4,492,928	4,119,224
Amortisation of prepaid concession rent	12	143,621,639	155,950,811
Provision for employment termination benefits		5,640,693	532,968
Provision set for doubtful receivables	38	306,451	736,615
Provision set / (reversal) for tax penalties	34	444,174	(2,900,918)
Other provisions set		172,277	55,195
Gain on sale of non-controlling interest in a subsidiary	10	(8,993,461)	-
Discount on receivables and payables, net		9,937	41,733
Impairment losses on property and equipment		-	318,277
Gain on sale of property and equipment		(67,121)	(448,847)
(Reversal) / provision set for unused vacation	34	(47,067)	713,239
Provision for slow moving inventory		31,887	135,864
Accrued interest income		(918,872)	(289,393)
Interest expense on financial liabilities	15	68,068,857	69,068,363
Income tax expense / (benefit)	16	1,645,831	(3,434,844)
Unrealised foreign exchange differences on statement of financial position items		18,182,260	12,605,323
Cash flows from operating activities		**316,786,853**	**272,638,725**
Change in derivative instruments		-	(14,250,258)
Change in trade receivables		15,533,780	16,368,185
Change in inventories		(1,664,482)	(597,107)
Change in due from related parties		4,677,867	(10,457,349)
Change in restricted bank balances		84,032,565	92,424,105
Change in other receivables and current assets		24,324,873	46,849,913
Change in trade payables		(13,193,070)	(5,153,312)
Change in due to related parties		(30,652,508)	32,721,912
Change in other payables and provisions		9,000,296	(2,631,291)
Additions to prepaid concession expenses	21	(104,458,368)	(95,196,117)
Change in VAT portion of prepaid rent		-	(38,605,549)
Cash generated from operations		**304,387,806**	**294,111,857**
Income taxes paid	16	(11,158,291)	(7,605,088)
Interest paid		(79,336,425)	(71,603,765)
Retirement benefits paid	31	(4,215,585)	(1,187,169)
Net cash from operating activities		**209,677,505**	**213,715,835**

The accompanying notes form an integral part of these consolidated financial statements.

TAV HAVALİMANLARI HOLDİNG A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2009
(Amounts expressed in Euro unless otherwise stated)

	Notes	2009	2008
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		16,952,284	12,570,170
Net change in investments held for trading		-	248,683
Proceeds from sale of property and equipment and intangible assets		350,517	1,130,525
Acquisition of subsidiary net of cash acquired		(18,164,878)	-
Acquisition of property and equipment	17	(52,459,245)	(27,727,888)
Proceeds from sale of non-controlling interest in a subsidiary		27,999,826	-
Additions to airport operation right	19	(259,025,519)	(181,029,986)
Acquisition of intangible assets	18	(594,035)	(5,821,624)
Net cash used in investing activities		**(284,941,050)**	**(200,630,120)**
CASH FLOWS FROM FINANCING ACTIVITIES			
New borrowings raised		378,969,675	766,724,816
Repayment of borrowings		(198,880,814)	(674,482,682)
Change in restricted bank balances		(136,500,200)	(147,099,191)
Effect of group structure change		(14,023,853)	-
Non-controlling interest change		(928,458)	30,515
Repayment of finance lease liabilities		(47,106)	(213,318)
Increase in share premium		103,989	-
Increase in share capital	28	57,473,711	-
Net cash provided from / (used in) financing activities		**86,166,944**	**(55,039,860)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**10,903,399**	**(41,954,145)**
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**26**	**20,727,590**	**62,681,735**
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	**26**	**31,630,989**	**20,727,590**

The accompanying notes form an integral part of these consolidated financial statements.

TAV HAVALİMANLARI HOLDİNG A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2009
(Amounts expressed in Euro unless otherwise stated)

1. REPORTING ENTITY

TAV Havalimanları Holding A.Ş. ("TAV", "TAV Holding" or "the Company") was established in 1997 under the name of Tepe Akfen Vie Yatırım Yapım ve İşletme A.Ş. in Turkey for the purpose of reconstructing the İstanbul Atatürk Airport (International Lines Building) and operating it for a limited period of 66 months. On 7 August 2006, the Company's name has been changed to TAV Havalimanları Holding A.Ş.. The address of the Company's registered office is İstanbul Atatürk Havalimanı Dış Hatlar Terminali 34149 Yeşilköy, İstanbul, Turkey.

The Company is listed in İstanbul Stock Exchange since 23 February 2007 and the Company's shares are traded as "TAVHL".

The immediate parents and ultimate controlling parties of TAV and its subsidiaries are Tepe Group and Akfen Group. As explained in Note 3, Significant accounting policies, in years 2005, 2006 and 2007, the ultimate shareholders of the Company transferred their shares in certain companies and joint ventures to the Company. As a result of these share transfers, the Company became the parent company of these subsidiaries.

TAV, its subsidiaries and its joint ventures are collectively referred to as "the Group" in this report. The Company's subsidiaries as at 31 December 2009 and 31 December 2008 are as follows:

			31 December 2009		31 December 2008	
Name of Subsidiary	Principal Activity	Place of operation	Ownership interest %	Voting power held %	Ownership interest %	Voting power held %
TAV İstanbul Terminal İşletmeciliği A.Ş. ("TAV İstanbul")	İstanbul Airport Terminal Services	Turkey	100.00	100.00	100.00	100.00
TAV Esenboğa Yatırım Yapım ve İşletme A.Ş. ("TAV Esenboğa")	Ankara Airport Terminal Services	Turkey	100.00	100.00	100.00	100.00
TAV İzmir Terminal İşletmeciliği A.Ş. ("TAV İzmir")	İzmir Airport Terminal Services	Turkey	100.00	100.00	100.00	100.00
TAV Tunisie S.A. (" TAV Tunisia")	Airport Operator	Tunisia	85.00	85.00	100.00	100.00
TAV Batumi Operations LLC ("TAV Batumi")	Airport Management Service Provider	Georgia	60.00	100.00	60.00	100.00
TAV Urban Georgia LLC ("TAV Tbilisi") (*)	Airport Operator	Georgia	66.00	66.00	60.00	50.00
Batumi Airport LLC	Airport Operator	Georgia	-	100.00	-	100.00
TAV Macedonia Dooel Petrovec ("TAV Macedonia")	Airport Operator	Macedonia	100.00	100.00	100.00	100.00
TAV Gazipaşa Yapım, Yatırım ve İşletme A.Ş. ("TAV Gazipaşa")	Airport Operator	Turkey	100.00	100.00	100.00	100.00
HAVAŞ Havaalanları Yer Hizmetleri A.Ş. ("HAVAŞ")	Ground Handling Services	Turkey	100.00	100.00	100.00	100.00
BTA Havalimanları Yiyecek ve İçecek Hizmetleri A.Ş. ("BTA")	Food and Beverage Services	Turkey	66.66	66.66	66.66	66.66
BTA Georgia LLC ("BTA Georgia")	Food and Beverage Services	Georgia	66.66	66.66	66.66	66.66
BTA Tunisie SARL ("BTA Tunisia")	Food and Beverage Services	Tunisia	66.66	66.66	66.66	66.66
BTA Unlu Mamülleri Pasta Üretim Turizm Gıda Yiyecek İçecek Hizmetleri San. ve Tic. A.Ş. ("Cakes & Bakes")	Food and Beverage Services	Turkey	66.66	66.66	66.66	66.66
TAV İşletme Hizmetleri A.Ş. ("TAV İşletme")	Operations &Maintenance ("O&M"), Lounge Services	Turkey	100.00	100.00	100.00	100.00
TAV Georgia Operation Services LLC ("TAV İşletme Georgia")	Lounge Services	Georgia	99.99	99.99	99.99	99.99
TAV Tunisie Operation Services SARL ("TAV İşletme Tunisia")	Lounge Services	Tunisia	99.99	99.99	99.99	99.99
TAV Bilişim Hizmetleri A.Ş. ("TAV Bilişim")	Software and System Services	Turkey	97.00	97.00	97.00	97.00
TAV Özel Güvenlik Hizmetleri A.Ş. ("TAV Güvenlik")	Security Services	Turkey	66.67	66.67	66.67	66.67

(*) Proportionally consolidated as joint venture as at 31 December 2008. See note 3(a).

The entities that are jointly controlled by the Company as at 31 December 2009 and 31 December 2008 are as follows:

			31 December 2009		31 December 2008	
Name of joint venture	Principal activity	Place of operation	Ownership interest %	Voting power held %	Ownership interest %	Voting power held %
ATÜ	Duty free Services	Turkey	49.98	50.00	49.98	50.00
ATÜ Georgia Operation Services LLC ("ATÜ Georgia")	Duty free Services	Georgia	49.98	50.00	49.98	50.00
ATÜ Tunisie SARL ("ATÜ Tunisia")	Duty freeServices	Tunisia	49.98	50.00	49.98	50.00
TAV Gözen Havacılık İşletme ve Ticaret A.Ş. ("TAV Gözen")	Operating Special Hangar	Turkey	32.40	32.40	32.40	32.40
Cyprus Airport Services Ltd. ("CAS")	Management and Ground Handling	KKTC	50.00	50.00	50.00	50.00
TGS Yer Hizmetleri A.Ş. ("TGS")	Ground Handling	Turkey	50.00	50.00	-	-

HAVAŞ, Gözen Havacılık ve Ticaret A.Ş. and Türkmen Havacılık Taşımacılık ve Ticaret A.Ş. formed a joint venture under the name of TAV Gözen on 10 September 2008. HAVAŞ has 32.4% ownership in TAV Gözen as at 31 December 2009. TAV Gözen is engaged in management of all operational inventory, machinery and system in the special hangar of İstanbul Atatürk Airport, and any construction and investment related to its subject.

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HAVAŞ and Kıbrıs Türk Havayolları Limited Şirketi ("KTHY") formed a joint venture as 50% + 1 of participation for KTHY under the name of CAS according to the protocol signed on 1 September 2006 to construct an airport terminal and to undertake its management for ground handling operations in the Turkish Republic of Northern Cyprus ("KKTC"). CAS started its operations on 1 August 2008.

On 28 November 2008, HAVAŞ has become preferred bidder for the tender held by Türk Hava Yolları A.Ş. ("THY") to participate in the 50% share in TGS. For the acquisition of TGS see note 7. TGS started its operations in five airport on 1 January 2010.

Description of Operations

The Group's core businesses are related to the construction of terminal buildings, management and operation of terminals or airports. TAV Esenboğa, TAV İzmir and TAV Gazipaşa enter into Build – Operate – Transfer ("BOT") Agreements with Devlet Hava Meydanları İşletmesi Genel Müdürlüğü (General Directorate of State Airports Authority) ("DHMİ"), TAV Tbilisi with JSC Tbilisi International Airport ("JSC"), TAV Batumi with Georgian Ministry of Economic Development ("GMED"), TAV Tunisia with Tunisian Airport Authority (Office De L'Aviation Civil Et Des Aeroports) ("OACA") and TAV Macedonia with Macedonian Ministry of Transportation and Communication ("MOTC"). Under these agreements, the Group agrees to build or renovate or manage an airport or terminal within a specified period of time and in exchange receives the right to operate the airport and terminal for a preestablished period of time. At the end of the contracts, the Group will transfer the ownership of the terminal buildings or airports back to the related public authority, DHMİ, JSC, GMED, OACA or MOTC accordingly. In addition, the Group enters into subsequent stand alone contracts for the operation of airports and terminals.

BOT Agreements

The airport terminals operated by the Group are as follows:

İstanbul Atatürk International Airport

A BOT agreement was executed between TAV and DHMİ regulating the reconstruction, investment and operations of Atatürk International Airport International Lines Building (referred to as "Atatürk International Airport Terminal" or "AIAT") in year 1998. TAV was required to complete the construction by August 2000 and then had the right to operate the facilities of the International Lines Building for 3 years, 8 months and 20 days. TAV completed the reconstruction of the International Lines Building in January 2000 and started the operation seven months early, after completion of a significant portion of the construction. Construction of the remaining parts of the project was finalised in August 2000. DHMİ and the Undersecretariat of Treasury gave their acceptance of the project in August 2000 when the investment period was formally completed.

An addendum to the agreement was made in September 2000. Under the terms of the addendum, TAV committed to enlarge the International Lines Building by 30% by year 2004. In return for extending the International Lines Building, the operation period of TAV was extended by 13 months 12 days (approximately 66 months in total) through September 2005. The contract expired in September 2005 and TAV transferred AIAT to DHMİ. On 3 September 2005, TAV İstanbul signed a concession agreement to operate AIAT and Atatürk Domestic Airport Terminal (referred to as "ADAT") for 15.5 years until year 2021. The concession agreement requires TAV İstanbul to make annual rent payments totaling US Dollar ("USD") 2,543,000,000 plus VAT (18%) over the life of the concession agreement, of which USD 584,890,000 plus VAT has been prepaid at the beginning of the concession period under the terms of the concession agreement. In addition, TAV İstanbul is required to make certain enhancements and improvements to the domestic terminal within the first year of the concession period and to maintain the facilities throughout the concession period.

An addendum has been signed on 4 November 2008, namely Atatürk Airport Development Project, covering installment of new passenger boarding bridges and constructing various number of commercial developments which led TAV to undertake approximately EUR 36 million of investment in exchange of the concession of newly created commercial areas.

Ankara Esenboğa International Airport

A BOT agreement was executed between TAV Esenboğa and DHMİ on 18 August 2004 regulating the reconstruction, investment and operations of the Ankara Esenboğa International Airport (international and domestic terminals). According to the Agreement, TAV Esenboğa was required to complete the construction within 36 months after the agreement date and would then have the right to operate the facilities of the Ankara Esenboğa International Airport Terminal for a period of 15 years and 8 months. In the operations phase, TAV Esenboğa has been providing mainly passenger, ramp and check-in counter services since 16 October 2006.

İzmir Adnan Menderes International Airport

A BOT agreement was executed between TAV İzmir and DHMİ on 20 May 2005 regulating the reconstruction, investment and operations of İzmir Adnan Menderes Airport International Terminal. According to the Agreement, TAV İzmir was required to complete the construction within 24 months after the agreement date and would then have the right to operate the facilities of İzmir Adnan Menderes Airport International Terminal for a period of 6 years, 7 months and 29 days. An addendum to the Agreement was signed on 21 August 2006. Under the terms of the addendum, in return for additional works, the operation period of TAV İzmir was extended by 11 months 17 days through January 2015. TAV İzmir has started to provide mainly passenger, ramp and check-in counter services on 13 September 2006.

Tbilisi International Airport

A BOT agreement was executed between TAV Tbilisi and JSC on 6 September 2005 for the operations of Tblisi International Airport (both international, domestic terminals and parking-apron-taxi ways). The BOT agreement undertakes the design, engineering, financing, construction, testing, commissioning and maintenance of the new terminal for Tbilisi International Airport, for an initially agreed term of 10 years and 6 months from the commencement date of the new terminal operations. Subsequently, this period was extended by another 9.5 years in exchange for an obligation by TAV Tbilisi to invest an additional amount for the construction of the terminal (including construction of additional runways, extension of apron etc.) for Batumi airport. TAV Tbilisi has started to provide all airport activities such as passenger, ramp, check-in counter services and parking-apron-taxi services excluding air traffic services in New Tbilisi International Airport on 8 February 2007.

Batumi International Airport

On 9 August 2007, TAV Batumi Operations signed an agreement with the Georgian Ministry of Economic Development to transfer the management rights of all shares of the Batumi Airport LLC to TAV Batumi for 20 years. According to such share management agreement, all airport operations (excluding only the air traffic control and aviation security services) of the Batumi International Airport will be carried out by TAV Batumi until August 2027. The air traffic control and aviation security services will strictly be under Georgian Government's responsibility.

Tunisia Monastir and Enfidha International Airports

A BOT agreement was executed between TAV Tunisia and OACA on 18 May 2007, for the operation of existing Monastir Habib Bourguiba Airport and new Enfidha Airport (International, domestic terminals and parking-apron-taxi-ways).

Through the BOT agreement TAV Tunisia undertakes the operation of the existing Monastir Habib Bourguiba Airport and design, engineering, financing, construction, testing, commissioning and maintenance of the new terminal of Enfidha Airport. The operations of Monastir Habib Bourguiba Airport and Enfidha Airport were undertaken on January 2008 and December 2009, respectively. The concession periods of both airports will end in May 2047. The operation of the Monastir and Enfidha Airports cover all airport activities such as passenger handling, ramp, check-in counter services, ground handling, cargo and parking apron taxi services excluding air traffic control services.

Gazipaşa Airport

Relating to the transfer of the operational rights of Antalya-Gazipaşa Airport via a lease, the concession agreement between TAV Gazipaşa and DHMİ was signed on 4 January 2008. The operation period of Antalya-Gazipaşa Airport, which currently has 500,000 annual passenger capacity, is 25 years, and the operation of the airport will cover activities within airside and landside facilities and area of runway, apron and taxiway. TAV Gazipaşa shall make an annual rent payment of USD 50,000 plus VAT as a fixed amount, until the end of the operation period; as well as a share of 65% of the net profit to DHMİ.

Macedonia Skopje, Ohrid and Shtip Airports

On 24 September 2008, the 20-year Concession Agreement for the construction and operation of Alexander the Great Airport in Skopje, renovation and operation of the St. Paul the Apostle Airport in Ohrid, and the construction and optional operation of the New Cargo Airport in Shtip airports was signed between TAV Macedonia and the Ministry of Transport and Communication of Macedonia. The operation of the two airports shall cover all airport activities with the exception of air traffic control, and modernisation activities are contemplated to include the technical infrastructure. The effective date of the concession contract for Alexander the Great Airport and St. Paul the Apostle Airport is notified by the Ministry of Transport and Communication of Macedonia as 1 March 2010. The effective date of the concession contract for New Cargo Airport in Shtip will be decided after meteorological and technical measurements which will last for at least 10 years.

Operations Contracts

BOT operations and management contracts include the following:

Terminal and airport services – The Group has the right to operate the terminals and airports as mentioned in the preceeding paragraphs. This includes passenger, ramp and check-in counter services and services for parking-apron-taxi ways (for airport operations). A fee is charged to each airline based on the number of passengers that utilize the airport, based on the number of aircrafts that utilize ramps and runways and based on the number of check-in counters utilised by the airlines.

Duty free goods – The Group has the right to manage duty free operations within the terminals which the Group operates. Duty free shopping is available to both arriving and departing passengers. The duty free shops are either operated by the Group or, in certain circumstances, subcontracted to other companies in exchange for a commission based on sales.

Catering and airport hotel services – The Group has the right to manage all food and beverage operations within the terminals both for the passengers and the terminal personnel. The Group subcontracts certain food and beverage operations in exchange for a commission based on sales.

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Area allocation services – As a lessor, the Group leases office space in the airport terminal including the offices leased to the airlines for ticket office and banks.

Ground handling – The Group has the right to provide all ground handling operations. Ground handling involves providing traffic, ramp, flight operation, cargo and all other ground handling services for domestic and international flights under the Civil Aviation Legislation License ("SHY 22"). Additional activities include shuttle bus and car parking.

Lounge services – The Group has the right to operate or rent the lounges to provide CIP services to the passengers who have the membership.

Bus and car parking services – The Group has the right to operate the car park and render valet parking services. Revenues from bus operations include shuttle services running from airports to city centers.

Software and system services – The Group develops software and systems on operational and financial optimisation in aviation, particularly terminal, flight management system and software programs and to meet the information systems requirements of group companies and certain third parties.

Security services – The Group operates the security services within the domestic terminals.

The Group employs approximately 10,719 (average: 12,194) people as at 31 December 2009 (31 December 2008: 11,235 (average: 11,289) people).

2. BASIS OF PREPARATION

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

The Group's consolidated financial statements were approved by the Board of Directors on 11 March 2010.

b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments which are measured at fair value.

The methods used to measure fair values are discussed further in note 4.

c) Functional and presentation currency

TAV Holding and its subsidiaries operating in Turkey maintain their books of account and prepare their statutory financial statements in Turkish Lira ("TRL") in accordance with the accounting principles as promulgated by the Capital Markets Board of Turkey, the Turkish Commercial Code and tax legislation. The foreign subsidiaries and jointly controlled entities maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. The accompanying consolidated financial statements expressed in EUR, the functional currency of TAV Holding, are based on the statutory records, with adjustments and reclassifications, including re-measurement from TRL to EUR for the purpose of fair presentation in accordance with IFRSs.

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Although the currency of the country in which the majority of the Group entities are domiciled is TRL, most of the Group entities' functional currency and reporting currency is EUR. The table below summarizes the functional currencies of the Group entities:

Company	Functional Currency
TAV Holding	EUR
TAV İstanbul	EUR
TAV Esenboğa	EUR
TAV İzmir	EUR
TAV Tunisia	EUR
TAV Batumi	GEL
TAV Tbilisi	Georgian Lari ("GEL")
Batumi Airport LLC	GEL
TAV Macedonia	EUR
TAV Gazipaşa	EUR
HAVAŞ	EUR
BTA	TRL
BTA Georgia	GEL
BTA Tunisia	TND
Cakes & Bakes	TRL
TAV İşletme	TRL
TAV İşletme Georgia	GEL
TAV İşletme Tunisia	TND
TAV Bilişim	EUR
TAV Güvenlik	TRL
ATÜ	EUR
ATÜ Georgia	GEL
ATÜ Tunisia	EUR
TAV Gözen	USD
CAS	USD
TGS	TRL

d) Use of estimates and judgements

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

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

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

Note 3(f) – mark-up applied to construction cost incurred under IFRIC 12.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 22 – utilisation of tax losses
Note 31 – measurement of reserve for employee severance indemnity
Notes 34 and 39 – provisions and contingencies
Note 18 – valuation of intangible assets
Note 38 – valuation of financial instruments

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e) Changes in accounting policies

Starting as of 1 January 2009, the Group has changed its accounting policies in the following areas:

- Determination and presentation of operating segments
- Presentation of financial statements
- Accounting for borrowing costs

i) Determination and presentation of operating segments

As of 1 January 2009 the Group determines and presents operating segments based on the information that internally is provided to the top management, who are the Group's chief operating decision makers. This change in accounting policy is due to the adoption of IFRS 8 *"Operating Segments"*. Previously operating segments were determined and presented in accordance with IAS 14 *"Segment Reporting"*. The new accounting policy in respect of segment operating disclosures is presented as follows.

Comparative segment information has been re-presented in conformity with the transitional requirements of such standard. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

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

Segment results that are reported to the management include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property and equipment, and intangible assets other than goodwill.

ii) Presentation of financial statements

The Group applies revised IAS 1 Presentation of Financial Statements (2007), which became effective as of 1 January 2009. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

iii) Accounting for borrowing costs

In respect of borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009, the Group capitalises borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Previously the Group immediately recognised all borrowing costs as an expense. This change in accounting policy was due to the adoption of IAS 23 Borrowing Costs (2007) in accordance with the transitional provisions of such standard; comparative figures have not been restated. The change in accounting policy had no material impact on earnings per share.

The Group has capitalised borrowing costs with respect to property, plant and equipment under construction (see note 3(d)(i)), development costs (see note 3(d)(ii)) and the intangible asset arising from a service concession arrangement (see note 3(f)(i)).

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities, except as explained in note 2(e), which addresses changes in accounting policies.

Certain comparative amounts have been reclassified to conform with the current year's presentation (See note 43).

a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and entities controlled or jointly controlled by the Company (its subsidiaries and jointly controlled entities). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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Each entity is consolidated based on the following methods:

- TAV İstanbul, TAV İzmir, TAV Esenboğa, HAVAŞ, TAV İşletme, TAV Gazipaşa, TAV Batumi and TAV Macedonia are fully consolidated without non-controlling interest's ownership. On 30 June 2009, an agreement regarding the sale of 15% of shares of TAV Tunisia to International Finance Corporation ("IFC"), a World Bank entity, was signed by the parties. Fore-mentioned shares have been transfered to IFC in August 2009 and IFC has the control of these shares afterwards. As a result, TAV Holding's stake in TAV Tunisia decreased to 85% and TAV Tunisia is fully consolidated with the non-controlling interest's ownership reflected as a minority interest as of 31 December 2009.

- TAV Tunisia, BTA, BTA Georgia, BTA Tunisia, Cakes & Bakes, TAV İşletme Georgia, TAV İşletme Tunisia, TAV Bilişim, TAV Tbilisi, Batumi Airport LLC and TAV Güvenlik are fully consolidated with the non-controlling interest's ownership reflected as a minority interest. The share capital of Batumi Airport LLC is fully allocated as non-controlling interest due to the transfer of right on shares to JSC at the end of share management agreement period. After the acquisition of 6% shares of TAV Tbilisi in 2009, TAV Holding obtained control of TAV Tbilisi and accordingly TAV Tbilisi is fully consolidated from the effective date of share transfer.

- ATÜ, ATÜ Georgia, ATÜ Tunisia, TAV Gözen, CAS and TGS are proportionately consolidated.

Effect of group structure change:
After the acquisition of 6% shares of TAV Tbilisi in 2009, TAV Holding obtained control of TAV Tbilisi and accordingly TAV Tbilisi is fully consolidated from the effective date of share transfer. (Note 7)

As stated in the joint venture agreement which was approved by the Competition Board on 27 August 2009, 50% of TGS was acquired by HAVAŞ. TGS is jointly controlled by HAVAŞ and THY and is proportionately consolidated as of 31 December 2009. (Note 7) The effects of such change are presented as "effect of group structure change" in the notes to the consolidated financial statements.

i) Subsidiaries:

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

ii) Acquisitions from entities under common control:

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group's controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity except that any share capital of the acquired entities is recognised as part of share premium. Any cash paid for the acquisition is recognised directly in equity.

iii) Jointly controlled entities:

Joint ventures are those entities over whose activities the Group has joint control established by contractual agreement and requiring unanimous concent for strategic financial and operating decisions. The Group reports its interests in jointly controlled entities using proportionate consolidation. The Group's share of the assets, liabilities, income and expenses of jointly controlled entities are combined with the equivalent items in the consolidated financial statements on a line-by-line basis.

iv) Transactions eliminated on consolidation:

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with jointly controlled entities are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

v) Business combinations for independent third party purchases:

Acquisitions from third parties are accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair values at the acquisition date.

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b) Foreign currency

i) Foreign currency transactions:

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on qualifying cash flow hedges, which are recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

ii) Foreign operations:

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

The Group entities use either EUR, TRL, USD, TND or GEL as functional currencies since these currencies are used to a significant extent in, or have a significant impact on, the operations of the related Group entities and reflect the economic substance of the underlying events and circumstances relevant to these entities. All currencies other than the currency selected for measuring items in the financial statements are treated as foreign currencies. Accordingly, transactions and balances not already measured in the functional currency have been re-measured to the related functional currencies in accordance with the relevant provisions of IAS 21 ("The Effects of Changes in Foreign Exchange Rates"). The Group uses EUR as the reporting currency.

The financial statements of subsidiaries that report in the currency of a hyperinflationary economy (Turkey) are restated in terms of the measuring unit current at the reporting dates until 31 December 2005 before they are translated into EUR. Turkey came off highly inflationary status for the period beginning after 15 December 2005, therefore restatement for IAS 29 has not been applied since 1 January 2006.

The financial statements of subsidiaries, namely BTA, TAV İşletme and TAV Güvenlik, which have the TRL as their functional currency, were restated to compensate for the effect of changes in the general purchasing power of the TRL until 31 December 2005, in accordance with IAS 29 as TRL was the currency of a hyperinflationary economy. Financial statements of such subsidiaries are then translated into Euro, the main reporting currency of the Group, by the exchange rate ruling at reporting date.

The EUR / TRL, EUR / GEL, EUR / TND, EUR / USD and exchange rates as of the related periods are as follows:

	31 December 2009	31 December 2008	31 December 2007
EUR / TRL	2.1603	2.1408	1.7102
EUR / GEL	2.4195	2.3648	2.3315
EUR / TND	1.8985	1.8409	1.7971
EUR / USD	1.4347	1.4155	1.4684

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

c) Financial instruments

i) Non-derivative financial assets:

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

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

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

Non-derivative financial assets of the Group comprise loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables, due from related parties, guaranteed passenger fee receivable from DHMİ (Concession receivables) (see note 25).

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

The Group's use of Project Accounts or Reserve Accounts or Funding Accounts is dependent upon the lenders' consent according to financial agreements. Therefore, bank balances included in these accounts are presented as restricted bank balances in the statement of financial position.

The Group recognises a financial asset arising from a service concession arrangement when it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction or upgrade services provided. Such financial assets are measured at fair value upon initial recognition. Subsequent to initial recognition the financial assets are measured at amortised cost.

If the Group is paid for the construction services partly by a financial asset and partly by an intangible asset, then each component of the consideration received or receivable is accounted for separately and is recognised initially at the fair value of the consideration received or receivable (see also note 3(f)).

ii) Non-derivative financial liabilities

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

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

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

The Group has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts, trade and other payables and due to related parties.

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

iii) Share capital:

Ordinary shares are classified as equity.

iv) Derivative financial instruments, including hedge accounting:

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80-125 percent. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported net income.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. The amount recognised in other comprehensive income is removed and included in profit or loss in the same period as the hedged cash flows affect profit or loss under the same line item in the statement of comprehensive income as the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in other comprehensive income and presented in the hedging reserve in equity remains there until the forecast transaction affects profit or loss. When the hedged item is a non-financial asset, the amount recognised in other comprehensive income is transferred to the carrying amount of the asset when the asset is recognised. If the forecast transaction is no longer expected to occur, then the balance in other comprehensive income is recognised immediately in profit or loss. In other cases the amount recognised in other comprehensive income is transferred to profit or loss in the same period that the hedged item affects profit or loss.

d) Property and equipment

i) Recognition and measurement:

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognised net within "other operating income" in profit or loss.

ii) Subsequent costs:

The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

iii) Depreciation:

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	50 years
Machinery and equipment	4-15 years
Vehicles	5 years
Furniture and fixtures	2-15 years
Leasehold improvements	1-15 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

e) Intangible assets

i) Goodwill:

Goodwill that arises upon the acquisition of subsidiaries and joint ventures is included in intangible assets.

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (negative goodwill), it is recognised immediately in profit or loss.

Acquisitions of non-controlling interests

Goodwill arising on the acquisition of a non-controlling interest in a subsidiary represents the excess of the cost of the additional investment over the fair value of the net assets acquired at the date of exchange.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

ii) Intangible assets recognised in a business combination:

Customer relationships and DHMİ license are the intangible assets recognised during the purchase of HAVAŞ shares in years 2006 and 2007 and purchase of TGS shares in 2009. In a business combination or acquisition, the acquirer recognises separately an intangible asset of the acquiree at the acquisition date only if it meets the definition of an intangible asset in IAS 38 Intangible Assets and its fair value can be measured reliably.

The fair values of DHMİ licence and customer relationship are determined by an independent external third party expert.

The Group applied proportionate consolidation method to account for its 60% ownership interest in HAVAŞ until 30 September 2007. Therefore, intangible assets arising from the initial acquisition of HAVAŞ were reflected by 60%, being the shareholding of the Group, in the consolidated financial statements. In accordance with IFRS 3, the Group applied step acquisition during the purchase of the remaining 40% shareholding in HAVAŞ. Customer relationship and DHMİ licence were remeasured to their fair values. The fair value change attributable to 60% portion is recorded to the revaluation reserve under equity. This figure reflected the change in fair value of intangibles assets those were already carried in the consolidated financial statements prior to the acquisition of the additional 40% shareholding.

50% share purchase of TGS is accounted by adopting IFRS 3 in 2009. DHMİ license and customer relations arising from the share purchase are revalued with their fair values which are determined by the independent valuation experts.

iii) Other intangible assets:

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

iv) Subsequent expenditure:

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

v) Amortisation:

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the asset.

Purchased software is amortised over estimated useful lives, which is between 3-5 years. Intangible assets related to HAVAŞ and TGS acquisition are customer relationships and DHMİ licence. Customer relationships have 10 years useful life and DHMİ licence has indefinite useful life. DHMİ licence is tested for impairment annually.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

f) Service concession arrangements

TAV Esenboğa and TAV İzmir are bound by the terms of the BOT Agreements made with DHMİ. According to the BOT agreements, TAV Esenboğa and TAV İzmir have guaranteed passenger fee to be received from DHMİ. The agreements cover a period up to January 2015 for TAV İzmir and May 2023 for TAV Esenboğa.

A BOT agreement was executed between TAV Tbilisi and JSC on 6 September 2005 for the operations of airport (both international, domestic terminals and parking-apron-taxi ways). The agreement covers a period up to August 2027.

A BOT agreement was executed between TAV Tunisia and OACA on 18 May 2007, for the operation of existing Monastir Habib Bourguiba Airport and new Enfidha Airport (International, domestic terminals and parking-apron-taxi-ways). The concession periods of both airports will end in May 2047.

i) Intangible assets

The Group recognizes an intangible asset arising from a service concession agreement when it has a right to charge for usage of concession infrastructure. Intangible assets received as consideration for providing construction or upgrade services in a service concession agreement are measured at fair value upon initial recognition. Subsequent to initial recognition the intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses.

The airport operation right as an intangible asset is initially recognised at cost, being the fair value of consideration transferred to acquire the asset, which is the fair value of the consideration received or receivable for the construction services delivered. The fair value of the consideration received or receivable for the construction services delivered includes a mark-up on the actual costs incurred to reflect a margin consistent with other similar construction work. Mark-up rates for TAV İzmir, TAV Esenboğa, TAV Tbilisi, TAV Tunisia and TAV Gazipaşa are 0%, 0%, 15%, 5% and 0%, respectively. As of 31 December 2009, total cost of airport operation right is EUR 791,849,185 (EUR 111,500,212 for TAV Esenboğa, EUR 80,469,270 for TAV İzmir, EUR 81,361,094 for TAV Tbilisi, EUR 506,688,471 for TAV Tunisia and EUR 11,830,138 for TAV Gazipaşa) (31 December 2008: total cost of airport operation right is EUR 501,411,040 (EUR 111,500,212 for TAV Esenboğa, EUR 80,469,270 for TAV İzmir, EUR 49,948,468 for TAV Tbilisi, EUR 256,388,415 for TAV Tunisia and EUR 3,104,675 for TAV Gazipaşa).

The consideration receivable for the construction services delivered includes direct costs of construction and borrowing and other similar costs that are directly related to the construction of the airport and related infrastructure.

Amortisation of the airport operation right is calculated on a straight line basis. The calculated amortisation for the year ended 31 December 2009 amounts to EUR 6,715,383 for TAV Esenboğa, EUR 9,759,313 for TAV İzmir and EUR 2,791,971 for TAV Tbilisi (31 December 2008: EUR 6,773,771 for TAV Esenboğa, EUR 9,786,765 for TAV İzmir and EUR 2,573,183 for TAV Tbilisi). For TAV Tunisia and TAV Gazipaşa, no amortisation has been calculated as the construction of the airport is still in progress. The estimated useful life of an intangible asset in a service concession arrangement is the period from when it is available for use to the end of the concession period.

ii) Financial assets

The Group recognizes the guaranteed passenger fee amount due from DHMİ as financial asset which is determined by the agreements with TAV Esenboğa and TAV İzmir. Financial assets are initially recognised at fair value. Fair value of financial assets are estimated as the present value of all future cash receipts discounted using the prevailing market rate of instrument.

As at 31 December 2009, the short and long term guaranteed passenger fee receivable from DHMİ equals to EUR 156,306,856 (31 December 2008: EUR 179,431,222).

iii) Accounting for operations contract (TAV İstanbul)

The costs associated with the operations contract primarily include rental payments and payments made to enhance and improve ADAT. TAV İstanbul prepaid certain rental amounts and the prepayment is deferred as prepaid rent and is recognised over the life of the prepayment period. The expenditures TAV İstanbul incurs to enhance and improve the domestic terminal are recorded as prepaid development expenditures and are being amortised over the life of the associated contract. Any other costs associated with regular maintenance are expensed in the period in which they are incurred.

Under IFRIC 12 "*Service Concession Arrangements*" an operator recognises an intangible asset or financial asset received as consideration for providing construction or upgrade services or other items. In TAV İstanbul there is neither construction nor significant upgrade service provided and the contract is in operating phase. Therefore, no intangible asset or financial asset is recognised in TAV İstanbul's financial statements and the revenue and costs relating to the operation services are recognised in accordance with IAS 18 as required by IFRIC 12.

Amortisation of the airport operation right is calculated on a straight line basis over the BOT periods of each project from the date of commencement of physical construction of the terminal.

g) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised on the Group's statement of financial position.

h) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

i) Impairment

i) Financial assets (including receivable)

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

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

The Group considers evidence of impairment for receivables and held-to-maturity investment securities at both a specific asset and collective level. All individually significant receivables and held-to-maturity investment securities are assessed for specific impairment. All individually significant receivables and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together receivables and held-to-maturity investment securities with similar risk characteristics.

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

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

ii) Non-financial assets

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

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

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

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

j) Reserve for employee severance indemnity

In accordance with the existing labour law in Turkey, the Group entities operating in Turkey are required to make lump-sum payments to employees who have completed one year of service and whose employment is terminated without cause or who retire, are called up for military service or die. Such payments are calculated on the basis of 30 days' pay maximum TRY 2,365 as at 31 December 2009 (equivalent to EUR 1,095 as at 31 December 2009) (31 December 2008: TRY 2,173 (equivalent to EUR 1,015 as at 31 December 2008)) per year of employment at the rate of pay applicable at the date of retirement or termination. Reserve for retirement pay is computed and reflected in the accompanying consolidated financial statements on a current basis. The management of the Company used some assumptions (detailed in Note 31) in the calculation of the retirement pay provision. The calculation was based upon the retirement pay ceiling announced by the Government.

k) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money where appropriate and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

l) Revenue

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

Construction revenue and costs: Construction revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Service concession agreements: Revenue relating to construction services under a service concession arrangement is recognised based on the stage of completion of the work performed, consistent with the Group's accounting policy on recognising revenue on construction contracts. Operation or service revenue is recognised in the period in which the services are provided by the Group. When the Group provides more than one service in a service concession arrangement the consideration received is allocated by reference to the relative fair values of the services delivered.

Aviation income: Aviation income is recognised based on the daily reports obtained from related airline companies for terminal service income charged to passengers, as well as for ramps utilised by aircraft and check-in counters utilised by the airlines.

Area allocation income: Area allocation income is recognised by the issuance of monthly invoices based on the contracts made for allocated areas in the terminal.

Sales of duty free goods: Sales of goods are recognised when goods are delivered and title passes.

Catering services income: Catering services income is recognised when services are provided. The Group defers revenue for collections from long-term contracts until the services are provided. There are no deferred costs related to these revenues since these are related with the selling rights given to food and beverage companies to sell their products at domestic and international lines terminals as well as third parties out of the terminals where the subsidiaries operate.

Ground handling income: Ground handling income is recognised when the services are provided.

Commission: The Group subcontracts the right to operate certain duty free operations and the catering services to third parties. The third parties pay the Group a specified percentage of their sales for the right to operate these concessions. The commission revenue is recognised based on the sales reports provided from the subcontractor entities in every 2 to 3 days.

Software and system sales: Software and system sales are recognised when goods are delivered and title has passed or when services are provided.

Lounge services: Lounge service income is recognised when services are provided.

Bus and car parking operations: Income from bus and car parking operations is recognised when services are provided.

m) Lease payments

Payments made under operating leases are recognised in profit and loss on a straight-line basis over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

n) Finance income and finance costs

Finance income comprises interest income on funds invested, unwinding of discount on guaranteed pasanger fee receivable from DHMİ, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

Finance costs comprise interest expense on borrowings, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets, and losses on hedging instruments that are recognised in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

o) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

p) Earnings per share

The Group presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. There are no potentially dilutive shares.

q) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group Management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available (see note 2e)).

r) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2009, and have not been applied in preparing these consolidated financial statements. None of these will have an effect on the consolidated financial statements of the Group except for the following:

- *Revised IFRS 3 "Business Combinations"* (2008) incorporates the following changes that are likely to be relevant to the Group's operations:

  - The definition of a business has been broadened, which may result in more acquisitions being treated as business combinations.
  - Contingent consideration will be measured at fair value, with subsequent changes in fair value recognised in profit or loss.
  - Transaction costs, other than share and debt issue costs, will be expensed as incurred.
  - Any pre-existing interest in an acquiree will be measured at fair value, with the related gain or loss recognised in profit or loss.
  - Any non-controlling (minority) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of an acquiree, on a transaction-by-transaction basis.

- *Amended IAS 27 "Consolidated and Separate Financial Statements"* (2008) requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The amendments to IAS 27, which become mandatory for the Group's 2010 consolidated financial statements, are not expected to have a significant impact on the consolidated financial statements.

4. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

i) Property and equipment

The fair value of property and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly. The fair value of items of equipment, fixtures and fittings is based on the market approach and cost approaches using quoted market prices for similar items when available and replacement cost when appropriate.

ii) Intangible assets

The fair value of intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets. The fair values of customer relationship and DHMİ licence acquired in a business combination were computed according to the excess earnings method and replacement cost approach, respectively.

The airport operation right as an intangible asset is initially recognised at cost, being the fair value of consideration transferred to acquire the asset, which is the fair value of the consideration received or receivable for the construction services delivered. The fair value of the consideration received or receivable for the construction services delivered includes a mark-up on the actual costs incurred to reflect a margin consistent with other similar construction work. Mark-up rates for TAV İzmir, TAV Esenboğa, TAV Tbilisi, TAV Tunisia and TAV Gazipaşa are 0%, 0%, 15%, 5% and 0%, respectively.

iii) Trade and other receivables

The fair value of trade and other receivables, is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

iv) Derivatives

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds) or option pricing models.

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

v) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

5. FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group has established a Risk Management Department and the Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

All directors act to ensure an effective internal control, providing assurance in relation to control, governance and the risk management process.

The Group Audit Committee is assisted in its oversight role by Internal Audit. The mission of the Internal Audit Directorate of the Group is to assist TAV Holding Board of Directors and Management (including subsidiaries) in their oversight, management and operating responsibilities by identifying; ineffectivenesses of internal control, risk management and governance processes inefficiencies that cause waste of its resources and making professional recommendations through independent audits (reports) and / or advisory services.

Internal audit plans are based on risk assessments as well as the issues highlighted by the Audit Committee and the management. Risk assessment is conducted on a continuous basis so as to identify not only existing risks but also emerging risks. Formally, risk assessment is made annually but more often if required.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and bank balances.

The Group's principal financial assets are cash and cash equivalents and trade and other receivables.

Credit risk on liquid funds is limited because the counterparties are banks with high credit ratings.

The Group has procedures in place to ensure that services are provided to customers with an appropriate credit history. The carrying amount of trade and other receivables, net of provision for impairment of receivables, and the total of cash and cash equivalents, represents the maximum amount exposed to credit risk. The main customer is Turkish Airlines ("THY"). Based on past history with this customer, the Group management believes there is no significant credit risk for this customer. Although collection of receivables could be influenced by economic factors, management believes that there is no significant risk of loss to the Group beyond the provisions already recorded due to reputation and type of customers for the airlines (well-known reputable, international and flag carrier companies), method of sales which is cash or credit card basis for duty free sales.

In addition, the Group receives letters of guarantee, and notes from some customers whose credibilities are low.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments. Typically the Group ensures that it has sufficient cash on demand to meet expected operational and financial expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

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, while optimising the return.

The Group buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by lenders and executives of the Group as mentioned in Note 36.

The Group seeks to apply hedge accounting in order to manage volatility in profit or loss.

i) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group has exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. As at 31 December 2009, the Group had balances that are denominated in a currency other than the respective functional currencies of Group entities, primarily the Euro, but also USD, GEL, TND and TRL which are disclosed within the relevant notes to these consolidated financial statements. The Group manages this currency risk by maintaining foreign currency cash balances and using some financial intruments as mentioned in Note 38.

ii) Interest rate risk

The Group adopts a policy of ensuring that between 75 and 100 percent of its exposure to changes in interest rates on borrowings is on a fixed rate basis. This is achieved by entering into interest rate swaps as mentioned in Note 38.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

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The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.

Compliance with Group standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and senior management of the Group.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence; to sustain future development of the business and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

6. SEGMENT REPORTING

Operating Segments:

For management purposes, the Group is currently organised into five divisions; Terminal Operations, Catering Operations, Duty Free Operations, Ground Handling and Bus Operations and Other Operations. These divisions are the basis on which the Group reports its primary segment information, the principal activities of each are as follows:

- Terminal operations: Operating terminal buildings, the car park and the general aviation terminal, the Group companies included in this segment are TAV İstanbul, TAV Esenboğa, TAV İzmir, TAV Gazipaşa, TAV Tunisia, TAV Tbilisi, TAV Batumi, Batumi Airport LLC and TAV Macedonia. TAV Tbilisi and TAV Batumi also include the ground handling operations, and parking-apron-taxi ways as they are not outsourced and are run by the airport.

- Catering operations: Managing all food and beverage operations of the terminal, both for the passengers and the terminal personnel, which is run by BTA, BTA Georgia, BTA Tunisia and Cakes & Bakes.

- Duty free operations: Sales of duty free goods for the international arriving and departing passengers. The Group operates its duty free services through ATÜ, ATÜ Georgia and ATÜ Tunisia.

- Ground handling and bus operations: Providing traffic, ramp, flight operation, cargo and all other ground handling services for domestic and international flights under the Civil Aviation Legislation License. The Group operates the ground handling services through HAVAŞ, CAS, TAV Gözen and TGS which also provide bus operations.

- Other: Providing lounge services, IT and Security services, the Group companies included in this segment are TAV Holding, TAV İşletme, TAV İşletme Georgia, TAV İşletme Tunisia, TAV Bilişim and TAV Güvenlik.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating profit, as included in the internal management reports that are reviewed by the Group's Management. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on arm's length basis.

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Operating Segments

	Year ended 31 December											
	Terminal Operations		Catering Operations		Duty Free Operations		Ground Handling and Bus Operations		Other Operations		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Total external revenues	238,537,119	242,399,187	42,214,883	40,307,163	141,975,330	148,685,741	125,070,365	119,306,587	25,159,483	23,080,980	572,957,180	573,779,658
Inter-segment revenue	85,547,980	87,511,998	10,259,973	9,913,730	-	-	51,333	58,746	13,828,726	13,751,485	109,688,012	111,235,959
Construction revenue	284,491,359	202,339,925	-	-	-	-	-	-	-	-	284,491,359	202,339,925
Interest income	16,713,083	11,962,101	48,863	58,496	834,705	514,553	1,030,011	892,363	3,217,367	2,444,248	21,844,029	15,871,761
Interest expense	(55,136,665)	(52,165,751)	(214,649)	(11,778)	(1,491,663)	(1,447,943)	(581,596)	(45,782)	(14,976,173)	(17,975,468)	(72,400,746)	(71,646,722)
Depreciation and amortisation	(23,663,645)	(22,415,226)	(2,028,175)	(2,059,192)	(682,355)	(582,009)	(9,260,084)	(7,904,686)	(1,590,333)	(1,925,485)	(37,224,592)	(34,886,598)
Operating profit / (loss)	**62,101,860**	**53,150,059**	**4,452,689**	**1,439,997**	**13,157,841**	**13,234,182**	**14,366,397**	**22,176,671**	**18,762,461**	**(3,878,746)**	**112,841,248**	**86,122,163**
	As at 31 December 2009 and 31 December 2008											
Reportable segment assets	1,587,946,633	1,343,826,641	13,284,018	12,144,439	21,970,303	16,847,084	120,978,799	67,224,111	178,936,682	190,847,177	1,923,116,435	1,630,889,452
Other investments	-	-	-	-	-	-	-	-	24,238	24,238	24,238	24,238
Capital expenditure	299,898,526	197,331,855	2,957,487	2,555,146	3,313,287	804,843	4,642,469	12,172,307	1,267,030	1,715,347	312,078,799	214,579,498
Reportable segment liabilities	1,216,366,204	979,659,610	8,053,339	9,568,725	33,217,536	32,676,045	56,582,199	14,737,148	195,898,142	285,208,624	1,510,117,420	1,321,850,152

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Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

Revenues	2009	2008
Total revenue for reportable segments	928,148,342	850,523,077
Other revenue	38,988,209	36,832,465
Elimination of inter-segment revenue	(109,688,012)	(111,235,959)
Consolidated revenue	**857,448,539**	**776,119,583**

Operating profit	2009	2008
Segment operating profit	94,078,787	90,000,909
Other operating profit/(loss)	18,762,461	(3,878,746)
Elimination of inter-segment operating profit	(262,708)	(304,249)
Consolidated operating profit	112,578,540	85,817,914
Finance income	25,120,947	18,429,841
Finance expense	(84,588,880)	(103,014,858)
Consolidated profit before tax	**53,110,607**	**1,232,897**

Assets	31 December 2009	31 December 2008
Total assets for reportable segments	1,744,179,753	1,440,042,275
Other assets	178,936,682	190,847,177
Consolidated total assets	**1,923,116,435**	**1,630,889,452**

Liabilities	31 December 2009	31 December 2008
Total liabilities for reportable segments	1,314,219,278	1,036,641,528
Other liabilities	195,898,142	285,208,624
Consolidated total liabilities	**1,510,117,420**	**1,321,850,152**

Interest income	2009	2008
Total interest income for reportable segments	18,626,662	13,427,513
Other interest income	3,217,367	2,444,248
Elimination of inter-segment interest income	(4,329,567)	(2,604,790)
Consolidated interest income	**17,514,462**	**13,266,971**

Interest expense	2009	2008
Total interest expense for reportable segments	(57,424,573)	(53,671,254)
Other interest expense	(14,976,173)	(17,975,468)
Elimination of inter-segment interest expense	4,331,889	2,578,359
Consolidated interest expense	**(68,068,857)**	**(69,068,363)**

Geographical segments

The main geographical segments of the Group are comprised of Turkey, Tunisia and Georgia.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	2009	2008
Turkey	531,315,126	528,265,223
Georgia	11,079,776	9,133,467
Tunisia	312,952,745	238,720,893
Other	2,100,892	-
Consolidated revenue	**857,448,539**	**776,119,583**

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	31 December 2009	31 December 2008
Turkey	735,374,262	689,181,198
Georgia	92,462,026	77,012,450
Tunisia	510,195,397	270,188,534
Other	340,227	399,174
Consolidated non-current assets	**1,338,371,912**	**1,036,781,356**

7. ACQUISITION OF SUBSIDIARY AND NON-CONTROLLING AND ADDITIONAL INTERESTS

An analysis of goodwill as at 31 December 2009 and 2008 is as follows:

	2009	2008
Balance at 1 January	131,564,539	131,564,539
Addition during the year	19,838,296	-
Balance at 31 December	**151,402,835**	**131,564,539**

Goodwill amount as at 31 December 2008 is related with the purchase of 40% of shares of HAVAŞ by TAV Holding on 9 November 2007 and increase its stake from 60% to 100%.

Acquisition of additional interest

In 2009, TAV Holding acquired 6% shareholding of TAV Tbilisi, increasing its total share from 60% to 66% and its voting power from 50% to 66%. The sales price of the relevant shares has been calculated through the investment amount. After the transfer of 6% shares, TAV Tbilisi is fully consolidated with the non-controlling interest's ownership reflected as a minority interest.

Identifiable assets acquired and liabilities assumed	Recognized values on acquisition
Property and equipment	
278,671	
Intangible assets	1,398
Airport operation right	3,980,592
Other non-current assets	493,813
Deferred tax asset	73,838
Inventories	27,181
Trade receivables	173,189
Due from related parties	12,776
Cash and cash equivalents	2,313
Restricted bank balances	224,887
Other assets	28,999
Loans and borrowings	(2,002,568)
Trade payables	(31,017)
Due to related parties	(1,320,092)
Other liabilities and tax payables	(415,821)
Provisions	(12,391)
Total net identifiable assets	**1,515,768**
Goodwill	3,858,324
Total consideration, satisfied by cash	**5,374,092**
Cash consideration paid	5,374,092
Cash and cash equivalents acquired	(2,313)
Net cash outflow arising on acquisition	**5,371,779**

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Acquisition of jointly controlled entity

In 2009, THY and HAVAŞ signed a joint venture agreement which sets the terms and the conditions for the sale of 50% share capital of TGS to HAVAŞ as well as the basic principles of the engagement between THY and TGS. The joint venture was approved by the Competition Board on 27 August 2009. As stated in the joint venture agreement, 50% of TGS' capital which has a nominal value of TL 6,000,000 was acquired by HAVAŞ for TL 119,000,000 (equivalent of EUR 54,737,810) including a share premium of TL 113,000,000. As of the reporting date, TL 58,000,000 (equivalent to EUR 26,678,933) of the total consideration is paid and the remaining payments amounting to TL 61,000,000 (equivalent to EUR 28,058,878) will be made in three installments on 31 October 2010, 31 October 2011 and 31 October 2012, respectively.

TGS had no operation before the acquisition date.

Pre-acquisition carrying amounts were determined based on the applicable IFRSs immediately before the acquisition. The values of assets, liabilities and contingent liabilities recognised on acquisition are their estimated fair values.

The fair value of the customer relationship acquired is based on the excess earnings method whereas the fair value of licenses is based on the replacement cost approach.

TGS signed a Service Agreement with THY to provide ground handling services to THY in five main airports of Turkey, i.e. Istanbul Ataturk, Ankara, İzmir, Antalya and Adana Airports.

Identifiable assets acquired and liabilities assumed	Recognized values on acquisition
Intangible assets	11,900,000
Due from related parties	14,868,005
Cash and cash equivalents	13,885,834
Deferred tax liability	(1,896,000)
	38,757,839
Goodwill	15,979,972
Total consideration	**54,737,811**
Total consideration	54,737,811
Unpaid portion	(28,058,878)
Cash consideration paid	26,678,933
Cash and cash equivalents acquired	(13,885,834)
Net cash outflow arising on acquisition	**12,793,099**

8. CONSTRUCTION REVENUE AND EXPENDITURE

An analysis of the Group's construction revenue and expenditure for the years ended 31 December is as follows:

	2009	2008
Construction expenditure	271,354,562	192,852,533
Mark up on construction expenditure	13,136,797	9,487,392
Construction revenue	**284,491,359**	**202,339,925**

Construction revenue and expenditure for the year ended 31 December 2009 relate to the construction of Enfidha International Airport and Antalya Gazipaşa Airport in year 2009 (Construction revenue and expenditure for the year ended 31 December 2008 relate to the construction of Enfidha International Airport and Antalya Gazipaşa Airport).

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9. OPERATING REVENUE

An analysis of the Group's operating revenue for the years ended 31 December is as follows:

	2009	2008
Sales of duty free goods	141,975,330	148,685,741
Aviation income	131,376,756	129,108,428
Ground handling income	113,198,961	106,398,709
Commission from sales of duty free goods	68,216,782	72,679,835
Catering services income	38,057,891	36,422,687
Income from car parking operations and valet service income	20,067,876	21,493,597
Area allocation income	17,724,204	16,908,681
Income from lounge services	17,111,654	16,458,181
Bus services income	14,075,264	14,853,465
Other operating revenue	11,152,462	10,770,334
Total operating revenue	**572,957,180**	**573,779,658**

10. OTHER OPERATING INCOME

An analysis of the Group's other operating income for the years ended 31 December is as follows:

	2009	2008
Advertising income	10,710,258	8,884,410
Net gain on sale of non-controlling interest in a subsidiary (*)	8,993,461	-
Utility and general participation income and other income (**)	8,721,296	6,853,015
Rent income from sublease	7,545,402	8,215,656
Total other operating income	**35,970,417**	**23,953,081**

(*) On 30 June 2009, an agreement regarding the sale of 15% of shares of TAV Tunisia at a sales price of EUR 27,999,825 to International Finance Corporation ("IFC"), a World Bank entity, was signed by the parties. Fore-mentioned shares have been transfered to IFC in August 2009 and IFC has the control of these shares afterwards. As a result, TAV Holding's stake in TAV Tunisia decreased to 85% as of 31 December 2009.

(**) Utility and general participation income consists of electricity, water supplies, heat, natural gas expenses which are initially paid by the Group and charged to the tenants of the terminal according to the m2 of the areas rented.

11. PERSONNEL EXPENSES

An analysis of the Group's personnel expenses for the years ended 31 December is as follows:

	2009	2008
Wages and salaries	112,951,633	109,694,103
Compulsory social security contributions	17,061,205	18,961,992
Employment termination benefit expenses	5,640,693	532,968
Other personnel expenses	17,172,890	16,713,746
Total personnel expenses	**152,826,421**	**145,902,809**

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12. CONCESSION RENT EXPENSES

An analysis of the Group's concession rent expenses for the years ended 31 December is as follows:

	2009	2008
TAV İstanbul	128,743,101	141,174,729
TAV Tunisia (*)	14,878,538	14,776,082
Total concession rent expenses	**143,621,639**	**155,950,811**

(*) TAV Tunisia has concession period of 40 years with a concession rent fee that will increase in a linear rate between 11% and 26% of the annual revenues of the Monastir and Enfidha Airports to be paid. According to the concession agreement, for the Monastir Airport, TAV Tunisia is obliged to pay 33.7% and 11.7% of the total revenues for 2008 and 2009 respectively, or minimum EUR 14.8 million per year will be paid to Tunisian government, as the concession rent expense.

13. OTHER OPERATING EXPENSES

An analysis of the Group's other operating expenses for the years ended 31 December is as follows:

	2009	2008
VAT non-recoverable	11,615,371	11,911,437
Utility cost	11,802,439	11,892,709
Maintenance expenditures	7,954,739	8,718,015
Insurance expense	7,715,387	6,990,086
Taxes (*)	7,359,822	5,265,432
Cleaning expense	6,406,389	6,799,425
Consultancy expense	3,705,736	7,217,462
Communication and stationary expenses	2,506,001	2,528,837
Traveling and transportation expenses	2,447,717	2,986,628
Rent expense	1,983,277	1,860,986
Advertisement and marketing expenses	1,813,854	1,802,411
Representation expenses	1,220,663	1,353,114
Security cost	561,833	481,216
Other operating expenses	5,238,189	5,947,259
Total other operating expenses	**72,331,417**	**75,755,017**

(*) Taxes include tax penalty and other tax expenses.

14. DEPRECIATION AND AMORTISATION

An analysis of the Group's accumulated depreciation and amortisation for the years ended 31 December is as follows:

	Airport operation right	Property and equipment	Other intangible assets	Total
Balance at 1 January 2008	**25,258,857**	**56,695,410**	**6,087,281**	**88,041,548**
Impairment loss	-	318,277	-	318,277
Effect of movements in exchange rates	(352,374)	(2,971,617)	(120,378)	(3,444,369)
Charge for the year	19,093,719	11,673,655	4,119,224	34,886,598
Disposals	-	(1,635,762)	(5,001)	(1,640,763)
Balance at 31 December 2008	**44,000,202**	**64,079,963**	**10,081,126**	**118,161,291**
Balance at 1 January 2009	**44,000,202**	**64,079,963**	**10,081,126**	**118,161,291**
Effect of movements in exchange rates	(187,522)	(128,512)	(112,198)	(428,232)
Charge for the year	19,266,667	13,464,997	4,492,928	37,224,592
Disposals	-	(737,430)	(25)	(737,455)
Effect of group structure change (note 3 (a))	5,728,827	1,477,321	60,451	7,266,599
Balance at 31 December 2009	**68,808,174**	**78,156,329**	**14,522,282**	**161,486,785**

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15. FINANCE INCOME AND FINANCE COSTS

Recognised in profit or loss

An analysis of the Group's finance income and finance costs for the years ended 31 December are as follows:

	2009	2008
Interest income on bank deposits and intercompany loans	17,514,462	13,266,971
Discount income (*)	7,532,429	5,035,615
Other finance income	74,056	127,255
Finance income	**25,120,947**	**18,429,841**
Interest expense on financial liabilities and intercompany loans	(68,068,857)	(69,068,363)
Fair value of derivatives	-	(1,759,201)
Foreign exchange loss, net	(7,062,018)	(23,815,468)
Commission expense	(1,408,191)	(1,442,746)
Other finance costs (**)	(8,049,804)	(6,929,080)
Finance costs	**(84,588,880)**	**(103,014,858)**
Net finance costs	**(59,467,933)**	**(84,585,017)**

(*) Discount income includes unwinding of discount on guaranteed passenger fee receivables from DHMİ (concession receivables).
(**) Other finance costs include bank charges and consultancy expenses charged in accordance with the requirements of project financing facilities.

Recognised in other comprehensive income

	2009	2008
Effective portion of changes in fair value of cash flow hedges	(36,225,843)	(35,399,472)
Foreign currency translation differences for foreign operations	(1,365,484)	(1,143,453)
Income tax on cash flow hedge reserves	7,299,593	4,097,669
Finance costs recognised in other comprehensive income, net of tax	**(30,291,734)**	**(32,445,256)**

Attributable to	**2009**	**2008**
Equity holders of the Company	(29,658,820)	(32,517,393)
Non-controlling interest	(632,914)	72,137
Finance costs recognised in other comprehensive income, net of tax	**(30,291,734)**	**(32,445,256)**

16. INCOME TAX EXPENSE

An analysis of the Group's income tax expense for the years ended 31 December is as follows:

	2009	2008
Current tax expense		
Current year tax expense	10,061,625	8,356,892
Deferred tax expense		
Origination and reversal of temporary differences	19,320,019	11,591,596
Change in unrecognised deductible temporary differences	(424,605)	-
Recognition of previously unrecognised investment incentives	(22,828,079)	-
Change in previously unrecognised tax losses	(4,483,129)	(23,383,332)
	(8,415,794)	**(11,791,736)**
Total income tax expense / (benefit)	**1,645,831**	**(3,434,844)**

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Income tax recognised in other comprehensive income

	2009			2008		
	Before tax	Tax benefit	Net of tax	Before tax	Tax expense	Net of tax
Revaluation of property and equipment	68,320	-	68,320	68,320	-	68,320
Effective portion of changes in fair value of cash flow hedges	(36,225,843)	7,299,593	(28,926,250)	(35,399,472)	4,097,669	(31,301,803)
Foreign currency translation differences for foreign operations	(1,365,484)	-	(1,365,484)	(1,143,453)	-	(1,143,453)
	(37,523,007)	**7,299,593**	**(30,223,414)**	**(36,474,605)**	**4,097,669**	**(32,376,936)**

	31 December 2009	31 December 2008
Corporate tax provision	10,061,625	8,356,892
Add / (less): taxes payable from previous year	2,488,341	1,736,537
Less: corporation taxes paid during the year	(11,158,291)	(7,605,088)
Current tax liabilities	**1,391,675**	**2,488,341**

Reconciliation of effective tax rate

The reported income tax expenses for the years ended 31 December 2009 and 2008 are different than the amounts computed by applying the statutory tax rate to profit before income tax of the Group, as shown in the following reconciliation:

	%	2009	%	2008
Profit for the period		51,464,776		4,667,741
Total income tax expense / (benefit)		1,645,831		(3,434,844)
Profit before income tax		**53,110,607**		**1,232,897**
Income tax using the Company's domestic tax rate	20	10,622,121	20	246,579
Tax effects of:				
-not deductible expenses	5	2,491,458	192	2,372,905
-translation of non monetary items according to IAS 21	-	(113,651)	(392)	(4,838,522)
-investment incentives	(43)	(22,828,079)	-	-
-tax exempt income	(1)	(716,099)	-	(6,629,916)
-translation effect on tax losses	-	(129,483)	318	3,924,632
-recognisiton of previously unrecognised temporary differences	5	2,591,348	-	-
-change in previously recognized tax losses	4	2,139,946	36	442,659
-current year losses which no deferred tax asset was recognized	5	2,798,396	409	5,042,452
-derecognition of previously recognised tax losses	16	8,345,193	-	-
-recognition of previously unrecognized tax losses	(12)	(6,304,082)	(621)	(7,655,056)
-effect of different tax rates for foreign juristictions	4	2,227,320	195	2,404,499
-adjustment for previous periods	(1)	(466,759)	-	-
-other consolidation adjustments	2	988,202	102	1,254,924
Income tax expense / (benefit)	**3**	**1,645,831**	**(279)**	**(3,434,844)**

Corporate tax:

The Turkish entities within the Group are subject to Turkish corporate taxes. Provision is made in the accompanying consolidated financial statements for the estimated charge based on the each of the Group entities' results for the year.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilised.

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate at 31 December 2009 is 20% (31 December 2008: 20%).

Losses can be carried forward for offsetting against future taxable income for up to 5 years. Losses cannot be carried back.

Georgian corporate income tax is levied at a rate of 15% on income less deductible expenses.

Tunisian corporate income tax is levied at a rate of 30% on income less deductible expenses. According to concession agreement, TAV Tunisia is exempt from corporate tax for a period of 5 years starting from the concession agreement date.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

Investment allowance:

The Temporary Article 69 added to the Income Tax Law no.193 with the Law no.5479, which became effective starting from 1 January 2006, upon being promulgated in the Official Gazette no.26133 dated 8 April 2006, stating that taxpayers can deduct the amount of the investment allowance exemption which they are entitled to according to legislative provisions effective at 31 December 2005 (including rulings on the tax rate) only from the taxable income of 2006, 2007 and 2008. Accordingly, the investment incentive allowance practice was ended as of 1 January 2006. At this perspective, an investment allowance which cannot be deducted partially or fully in three years time was not allowed to be carried forward to the following years and became unavailable as of 31 December 2008. On the other side, the Article 19 of the Income Tax Law was annulled and the investment allowance practice was ended as of 1 January 2006 with effectiveness of the Article 2 and the Article 15 of the Law no.5479 and the investment allowance rights on the investment expenditures incurred during the period of 1 January 2006 and 8 April 2006 became unavailable.

However, at 15 October 2009, the Turkish Constitutional Court decided to cancel the clause no.2 of the Article 15 of the Law no.5479 and the expressions of "2006, 2007, 2008" in the Temporary Article 69 related to investment allowance mentioned above that enables effectiveness of the Law as of 1 January 2006 rather than 8 April 2006, since it is against the Constitution. Accordingly, the time limitations for the carried forward investment allowances that were entitled to in the previous period of mentioned date and the limitations related with the investments expenditures incurred between the issuance date of the Law promulgated and 1 January 2006 were eliminated. According to the decision of Turkish Constitutional Court, cancellation related with the investment allowance became effective with promulgation of the decision on the Official Gazette and the decision of the Turkish Constitutional Court was promulgated in the Official Gazette no.27456 dated 8 January 2010.

According to the decision mentioned above, the investment allowances carried forward to the year 2006 due to the lack of taxable income and the investment allowances earned through the investments started before 1 January 2006 and continued after that date constituting economic and technical integrity will be used not only in 2006, 2007 and 2008, but also in the following years. In addition, 40% of investment expenditures that are realized between 1 January 2006 and 8 April 2006, within the context of the Article 19 of the Income Tax Law will have the right for investment allowance exemption.

Income withholding tax:

In addition to corporate taxes, companies should also calculate income withholding taxes on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 10% starting from 24 April 2003. This rate was changed to 15% with the code numbered 5520 article 15 commencing from 21 September 2006. After the resolution, declared in Official Gazette on 23 July 2006, this rate was changed to 15% thereafter. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

Transfer pricing regulations:

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

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17. PROPERTY AND EQUIPMENT

	Land	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Leaseholds improvements	Construction in progress	Total
Cost								
Balance at 1 January 2008	**14,533,311**	**252,595**	**50,581,208**	**14,618,526**	**15,638,912**	**26,005,111**	**1,211,341**	**122,841,004**
Effect of movements in exchange rates	(196,403)	4,304	(235,179)	(97,369)	(1,459,834)	(3,437,000)	(27,004)	(5,448,485)
Additions	-	24,327	1,571,112	2,748,942	2,388,829	3,200,193	17,794,485	27,727,888
Disposals	-	(186,525)	(666,575)	(666,336)	(443,433)	(280,594)	(28,780)	(2,272,243)
Transfers (*)	-	-	-	-	-	2,656,254	(3,312,957)	(656,703)
Balance at 31 December 2008	**14,336,908**	**94,701**	**51,250,566**	**16,603,763**	**16,124,474**	**28,143,964**	**15,637,085**	**142,191,461**
Balance at 1 January 2009	**14,336,908**	**94,701**	**51,250,566**	**16,603,763**	**16,124,474**	**28,143,964**	**15,637,085**	**142,191,461**
Effect of movements in exchange rates	(310,886)	(1,500)	(45,947)	(50,771)	(80,978)	(68,592)	(192,824)	(751,498)
Additions	-	230,449	4,414,876	1,164,657	2,257,049	3,155,024	41,237,190	52,459,245
Disposals	-	-	(60,608)	(137,134)	(201,490)	(616,226)	(850)	(1,016,308)
Transfers (*)	-	-	(69,166)	-	93,888	4,731,530	(5,290,382)	(534,130)
Effect of group structure change (**)	-	56,977	824,657	1,793,156	660,335	-	-	3,335,125
Balance at 31 December 2009	**14,026,022**	**380,627**	**56,314,378**	**19,373,671**	**18,853,278**	**35,345,700**	**51,390,219**	**195,683,895**

(*) The remaining portion of transfer amounting to EUR 534,130 (2008: EUR 656,703) comprises intangible assets.
(**) Effect of acquisition of 6% of TAV Tbilisi shares in 2009. See note 3(a).

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Accumulated depreciation	Land	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Leaseholds improvements	Construction in progress	Total
Balance at 1 January 2008	**-**	**61,760**	**36,858,002**	**4,695,449**	**7,793,590**	**7,286,609**	**-**	**56,695,410**
Effect of movements in exchange rates	-	554	(91,472)	(31,665)	(770,060)	(2,078,974)	-	(2,971,617)
Impairment loss	-	-	308,092	10,185	-	-	-	318,277
Depreciation for the year	-	16,056	2,868,698	2,560,188	2,573,906	3,654,807	-	11,673,655
Disposals	-	(53,682)	(561,563)	(579,216)	(378,395)	(62,906)	-	(1,635,762)
Balance at 31 December 2008	**-**	**24,688**	**39,381,757**	**6,654,941**	**9,219,041**	**8,799,536**	**-**	**64,079,963**
Balance at 1 January 2009	**-**	**24,688**	**39,381,757**	**6,654,941**	**9,219,041**	**8,799,536**	**-**	**64,079,963**
Effect of movements in exchange rates	-	(766)	(24,412)	(25,325)	(53,444)	(24,575)	-	(128,522)
Depreciation for the year	-	35,902	2,940,324	3,031,059	2,718,662	4,739,050	-	13,464,997
Effect of group structure change (**)	-	21,757	431,694	690,947	332,923	-	-	1,477,321
Disposals	-	-	(54,910)	(58,563)	(85,121)	(538,836)	-	(737,430)
Transfers	-	-	(48,466)	-	48,466	-	-	-
Balance at 31 December 2009	**-**	**81,581**	**42,625,987**	**10,293,059**	**12,180,527**	**12,975,175**	**-**	**78,156,329**
Carrying amounts								
At 31 December 2008	**14,336,908**	**70,013**	**11,868,809**	**9,948,822**	**6,905,433**	**19,344,428**	**15,637,085**	**78,111,498**
At 31 December 2009	**14,026,022**	**299,046**	**13,688,391**	**9,080,612**	**6,672,751**	**22,370,525**	**51,390,219**	**117,527,566**

(**) Effect of acquisition of 6% of TAV Tbilisi shares in 2009. See note 3(a).

There is a pledge on vehicles of HAVAŞ amounting to EUR 1,869,948 for the outstanding notes payable amounting to EUR 82,084 (31 December 2008: EUR 1,869,948).

There is a pledge on property and equipment of TAV Tunisia amounting to EUR 3,075,511 with respect to the borrowings from financial institutions (31 December 2008: EUR 2,953,306).

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18. INTANGIBLE ASSETS

	Purchased software and brandmarks	Customer relationships	DHMİ license	Total
Cost				
Balance at 1 January 2008	**7,930,596**	**23,228,550**	**5,323,771**	**36,482,917**
Effect of movements in exchange rates	(179,012)	-	-	(179,012)
Additions	5,821,624	-	-	5,821,624
Disposals	(21,271)	-	-	(21,271)
Transfers from construction in progress	656,703	-	-	656,703
Balance at 31 December 2008	**14,208,640**	**23,228,550**	**5,323,771**	**42,760,961**
Balance at 1 January 2009	**14,208,640**	**23,228,550**	**5,323,771**	**42,760,961**
Effect of movements in exchange rates	(11,919)	-	-	(11,919)
Additions	594,035	-	-	594,035
Acquisitions through business combinations	-	9,480,000	2,420,000	11,900,000
Effect of group structure change (*)	69,770	-	-	69,770
Disposals	(4,543)	-	-	(4,543)
Transfers from construction in progress	534,130	-	-	534,130
Balance at 31 December 2009	**15,390,113**	**32,708,550**	**7,743,771**	**55,842,434**
Amortisation				
Balance at 1 January 2008	**2,536,257**	**3,551,024**	**-**	**6,087,281**
Effect of movements in exchange rates	(120,378)	-	-	(120,378)
Amortisation for the year	2,101,042	2,018,182	-	4,119,224
Disposals	(5,001)	-	-	(5,001)
Balance at 31 December 2008	**4,511,920**	**5,569,206**	**-**	**10,081,126**
Balance at 1 January 2009	**4,511,920**	**5,569,206**	**-**	**10,081,126**
Effect of movements in exchange rates	(112,198)	-	-	(112,198)
Amortisation for the year	2,474,746	2,018,182	-	4,492,928
Effect of group structure change (*)	60,451	-	-	60,451
Disposals	(25)	-	-	(25)
Balance at 31 December 2009	**6,934,894**	**7,587,388**	**-**	**14,522,282**
Carrying amounts				
At 31 December 2008	**9,696,720**	**17,659,344**	**5,323,771**	**32,679,835**
At 31 December 2009	**8,455,219**	**25,121,162**	**7,743,771**	**41,320,152**

(*) Effect of acquisition of 6% of TAV Tbilisi shares in 2009. See note 3(a).

There is a pledge on intangible assets of TAV Tunisia amounting to EUR 106,408 with respect to the borrowings from financial institutions (31 December 2008: EUR 192,538).

19. AIRPORT OPERATION RIGHT

	Ankara Esenboğa International Airport	İzmir Adnan Menderes International Airport	Tbilisi International Airport	Enfidha International Airport	Antalya Gazipaşa Airport	Total
Cost						
Balance at 1 January 2008	**111,500,212**	**80,422,360**	**50,661,866**	**78,510,014**	**-**	**321,094,452**
Effect of movements in exchange rates	-	-	(713,398)	-	-	(713,398)
Additions	-	46,910	-	177,878,401	3,104,675	181,029,986
Balance at 31 December 2008	**111,500,212**	**80,469,270**	**49,948,468**	**256,388,415**	**3,104,675**	**501,411,040**
Balance at 1 January 2009	**111,500,212**	**80,469,270**	**49,948,468**	**256,388,415**	**3,104,675**	**501,411,040**
Effect of movements in exchange rates	-	-	(853,477)	-	-	(853,477)
Effect of group structure change (*)	-	-	32,266,103	-	-	32,266,103
Additions	-	-	-	250,300,056	8,725,463	259,025,519
Balance at 31 December 2009	**111,500,212**	**80,469,270**	**81,361,094**	**506,688,471**	**11,830,138**	**791,849,185**

	Ankara Esenboğa International Airport	İzmir Adnan Menderes International Airport	Tbilisi International Airport	Enfidha International Airport	Antalya Gazipaşa Airport	Total
Accumulated amortization						
Balance at 1 January 2008	**8,083,319**	**12,314,121**	**4,861,417**	**-**	**-**	**25,258,857**
Effect of movements in exchange rates	-	-	(352,374)	-	-	(352,374)
Amortisation for the year	6,733,771	9,786,765	2,573,183	-	-	19,093,719
Balance at 31 December 2008	**14,817,090**	**22,100,886**	**7,082,226**	**-**	**-**	**44,000,202**
Balance at 1 January 2009	**14,817,090**	**22,100,886**	**7,082,226**	**-**	**-**	**44,000,202**
Effect of movements in exchange rates	-	-	(187,522)	-	-	(187,522)
Effect of group structure change (*)	-	-	5,728,827	-	-	5,728,827
Amortisation for the year	6,715,383	9,759,313	2,791,971	-	-	19,266,667
Balance at 31 December 2009	**21,532,473**	**31,860,199**	**15,415,502**	**-**	**-**	**68,808,174**
Carrying amounts						
At 31 December 2008	96,683,122	58,368,384	42,866,242	256,388,415	3,104,675	457,410,838
At 31 December 2009	89,967,739	48,609,071	65,945,592	506,688,471	11,830,138	723,041,011

(*) Effect of acquisition of 6% of TAV Tbilisi shares in 2009. See note 3(a).

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20. OTHER INVESTMENTS

Non-current investments

At 31 December, non-current investments comprised the following:

	Ownership %	31 December 2009	31 December 2008
Unlisted entities			
TAV Havacılık A.Ş. ("TAV Havacılık")	1.00	24,238	24,238
		24,238	**24,238**

21. PREPAID CONCESSION EXPENSES

An analysis of the Group's prepaid concession expenses as at 31 December 2009 and 31 December 2008 is as follows:

31 December 2009	Rent	Prepaid development expenditures	Total
Balance at 31 December 2008	**211,984,112**	**36,990,152**	**248,974,264**
Rent payments	104,458,368	-	104,458,368
Current year concession expense	(125,664,806)	(3,078,295)	(128,743,101)
Balance at 31 December 2009	**190,777,674**	**33,911,857**	**224,689,531**
Represented as current prepaid concession expense	**114,197,264**	**3,078,296**	**117,275,560**
Represented as non-current prepaid concession expense	**76,580,410**	**30,833,561**	**107,413,971**

31 December 2008	Rent	Prepaid development expenditures	Total
Balance at 31 December 2007	**254,875,995**	**40,076,882**	**294,952,877**
Rent payments	95,196,117	-	95,196,117
Current year concession expense	(138,088,000)	(3,086,730)	(141,174,730)
Balance at 31 December 2008	**211,984,112**	**36,990,152**	**248,974,264**
Represented as current prepaid concession expense	**125,610,454**	**3,078,295**	**128,688,749**
Represented as non-current prepaid concession expense	**86,373,658**	**33,911,857**	**120,285,515**

Rent:

The total rent associated with the concession agreement is USD 2,543,000,000 plus VAT (equivalent to EUR 1,772,436,745 as at 31 December 2009). TAV İstanbul paid 23% of the total amount plus VAT as required by the Concession Agreement. A payment representing 5.5% of the total rent amount will be made within the first five workdays of each rental year following the first rental year. Below is the payment schedule per the Concession Agreement, excluding VAT, as at 31 December 2009:

Year	Amount (US Dollar)	Amount (Euro)
2010	139,865,000	97,484,021
2011	139,865,000	97,484,021
2012	139,865,000	97,484,021
2013	139,865,000	97,484,021
2014	139,865,000	97,484,021
After 2015 to 2020	839,190,000	584,904,126
	1,538,515,000	**1,072,324,231**

Prepaid development expenditures:

Prepaid development expenditures represent costs incurred by TAV İstanbul related to the installation of EDS Security Systems ("EDS") for the International and Domestic Lines Terminals, and various re-design at the exterior of the Domestic Lines Terminal as required by the Concession Agreement.

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22. DEFERRED TAX ASSETS AND LIABILITIES

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for IFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for IFRS and tax purposes and they are given below.

For calculation of deferred tax asset and liabilities, the rate of 20% for subsidiaries and joint ventures in Turkey (31 December 2008: 20%), the rate of 15% for subsidiaries and joint ventures in Georgia (31 December 2008: 15%) and the rate of 30% for subsidiaries in Tunisia (31 December 2008: 30%) are used.

In Turkey, companies cannot declare a consolidated tax return, therefore subsidiaries that have deferred tax assets position were not netted off against subsidiaries that have deferred tax liabilities position and disclosed separately.

Recognised deferred tax assets and liabilities

As at 31 December 2009 and 2008, deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Property and equipment, airport operation right, and other intangible assets	9,413,198	7,684,088	(18,435,510)	(11,360,710)	(9,022,312)	(3,676,622)
Prepaid concession expenses	-	-	(7,769,016)	(8,711,900)	(7,769,016)	(8,711,900)
Other investments	-	-	(3,061,313)	(3,396,840)	(3,061,313)	(3,396,840)
Derivatives	12,407,950	5,744,933	-	(1,647,264)	12,407,950	4,097,669
Loans and borrowings	2,629,130	826,003	(652,064)	(704,793)	1,977,066	121,210
Reserve for employee severance indemnity	893,095	397,080	-	-	893,095	397,080
Provisions	484,426	447,062	(120)	-	484,306	447,062
Trade and other receivables and payables	103,422	25,260	(85,477)	(30,086)	17,945	(4,826)
Other items	985,547	695,491	(101,732)	(81,708)	883,815	613,783
Investment incentives	22,828,079	-	-	-	22,828,079	-
Tax loss carry-forwards	27,278,462	41,727,578	-	-	27,278,462	41,727,578
Deferred tax assets / (liabilities)	**77,023,309**	**57,547,495**	**(30,105,232)**	**(25,933,301)**	**46,918,077**	**31,614,194**
Set off of tax	(22,769,270)	(20,180,853)	22,769,270	20,180,853	-	-
Net deferred tax assets / (liabilities)	**54,254,039**	**37,366,642**	**(7,335,962)**	**(5,752,448)**	**46,918,077**	**31,614,194**

Movements in temporary differences during the year

	Balance at 1 January 2008	Recognised in profit or loss	Recognised in other comprehensive income	Effect of changes in foreign exchange rate	Balance at 31 December 2008	Recognised in profit or loss	Effect of change in group structure	Recognised in other comprehensive income	Effect of changes in foreign exchange rate	Acquired in business combinations	Balance at 31 December 2009
Property and equipment, airport operation right and other intangible assets	9,204,795	(12,738,351)	(143,066)	-	(3,676,622)	(3,723,626)	273,936	-		(1,896,000)	(9,022,312)
Prepaid concession expenses	(16,095,521)	7,383,621	-	-	(8,711,900)	942,884	-	-		-	(7,769,016)
Other investments	-	(3,396,840)	-	-	(3,396,840)	335,527	-	-		-	(3,061,313)
Inventories	36,955	(36,955)	-	-	-	-	-	-		-	-
Trade and other receivables and payables	99,123	(103,949)	-	-	(4,826)	59,070	(36,299)	-		-	
17,945											
Derivatives	3,331,946	(2,623,196)	4,240,735	(851,816)	4,097,669	-		7,299,593	1,010,688	-	12,407,950
Loans and borrowings	(420,053)	541,263	-	-	121,210	1,854,259	1,597	-		-	1,977,066
Reserve for employee severance indemnity	965,098	(568,018)	-	-	397,080	496,015	-	-		-	
893,095											
Provisions	582,488	(135,426)	-	-	447,062	22,863	14,381	-		-	484,306
Tax loss carry-forwards	18,344,246	23,383,332	-	-	41,727,578	(14,456,889)	7,773	-		-	27,278,462
Investment incentives	-	-	-	-	-	22,828,079	-	-		-	22,828,079
Other items	527,528	86,255	-	-	613,783	57,612	212,420	-		-	883,815
Tax assets / (liabilities)	**16,576,605**	**11,791,736**	**4,097,669**	**(851,816)**	**31,614,194**	**8,415,794**	**473,808**	**7,299,593**	**1,010,688**	**(1,896,000)**	**46,918,077**

Unrecognised deferred tax assets and liabilities

Deferred tax assets have not been recognised in respect of a portion of tax loss carry forwards and investment incentives because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

Movements in unrecognised temporary differences during the year

	Balance at 1 January 2008	Additions	Change	Recognised	Balance at 31 December 2008	Additions	Recognised	Balance at 31 December 2009
Tax loss carry forwards	9,499,594	5,042,452	-	(7,655,056)	6,886,990	11,143,589	(6,304,082)	11,726,497
Investment incentives	-	-	-	-	-	34,218,815	(22,828,079)	11,390,736
Deductible temporary differences	2,804,672	-	(213,324)	-	2,591,348	-	(2,591,348)	-
Unrecognised deferred tax liabilities / (assets)	**12,304,266**	**5,042,452**	**(213,324)**	**(7,655,056)**	**9,478,338**	**45,362,404**	**(31,723,509)**	**23,117,233**

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At the reporting date, the Group has unused tax losses of EUR 195,485,819 (31 December 2008: EUR 243,381,299) available for offset against future profits. Tax losses can be carried forward for five years under the current tax legislation. The Group management assessed that EUR 58,915,967 (31 December 2008: EUR 34,434,949) of tax losses will not be utilised because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom. Deferred tax asset amounting to EUR 27,278,462 (31 December 2008: EUR 41,727,578) which the Group can utilize for offsetting the against tax losses in the following years, is accounted as at 31 December 2009. Unutilised tax losses will expire as follows:

	31 December 2009	31 December 2008
Expire in year 2009	-	10,327,833
Expire in year 2010	20,619,294	20,807,110
Expire in year 2011	23,920,603	56,575,367
Expire in year 2012	11,889,039	20,993,327
Expire in year 2013	112,136,247	134,677,662
Expire in year 2014	26,920,636	-
Total	**195,485,819**	**243,381,299**

In accordance with IAS 12 *"Income Taxes"*, at 31 December 2009, a deferred tax liability of EUR 31,061,488 (31 December 2008: EUR 20,308,700) related to investments in subsidiaries and joint ventures was not recognized since it is assessed as probable that the temporary difference will not reverse in the foreseeable future.

As per the annulment decision of the Turkish Constitutional Court (see Note 16), TAV Esenboğa and TAV İzmir, consolidated subsidiaries of the Company, are subject to investment allowance ruling and can use their available allowances to reduce their taxable corporate income without any time limitations. Accordingly, deferred tax asset amounting EUR 22,828,079 is recorded in the accompanying consolidated financial statements as of 31 December 2009 considering the fact that TAV Esenboğa and TAV İzmir may use their right of deducting investment allowances from their corporate income in the future.

Movements of deferred tax assets are as follows:

	2009	2008
Balance at 31 December	**31,614,194**	**16,561,378**
Effect of adoption of IFRIC 12 (Note 43)	-	15,227
Restated balance at 1 January	**31,614,194**	**16,576,605**
Effect of group structure change	473,808	-
Acquired in business combinations	(1,896,000)	-
Recognised in other comprehensive income	7,299,593	4,097,669
Effect of movements in exchange rates	1,010,688	(851,816)
Charged to profit or loss for the period	8,415,794	11,791,736
Balance at 31 December	**46,918,077**	**31,614,194**

23. INVENTORIES

At 31 December 2009 and 2008, inventories comprised the following:

	31 December 2009	31 December 2008
Duty free inventories	6,580,720	5,928,455
Spare parts and other inventories	3,754,240	2,716,234
Catering inventories	1,068,357	1,126,030
	11,403,317	**9,770,719**

At 31 December 2009, the write-down of inventories to net realizable value amounted to EUR 167,753 (31 December 2008: EUR 135,864).

24. OTHER RECEIVABLES, CURRENT AND NON-CURRENT ASSETS

At 31 December 2009 and 2008, other receivables and current assets comprised the following:

Other receivables and current assets	31 December 2009	31 December 2008
VAT deductible and carried forward (*)	13,750,599	29,549,216
Prepaid insurance	6,856,484	4,764,376
Other prepaid expense	2,977,911	666,967
Prepaid taxes and funds	1,318,494	970,664
Advances to suppliers	551,219	7,102,759
Other receivables	3,832,615	3,678,875
	29,287,322	**46,732,857**

At 31 December 2009 and 2008, non-current assets comprised the following:

Other non-current assets:	31 December 2009	31 December 2008
VAT deductible and carried forward (*)	7,036,169	5,088,941
Deferred commission cost (**)	-	6,204,102
Other non-current receivables (***)	1,894,429	3,598,023
	8,930,598	**14,891,066**

(*) VAT deductible is mainly attributable to the VAT of TAV Tbilisi and TAV Tunisia according to local legislations.

(**) Deferred commission cost represents the transaction costs and commitment fees paid for the portion of TAV Tunisia's borrowings which are not utilised yet as at 31 December 2008.

(***) Other non-current receivables includes the advance amounting to EUR 2,950,037 which is given to Aeroser International Holding Ltd. for 6% share purchase of TAV Tblisi as at 31 December 2008.

25. TRADE RECEIVABLES

At 31 December 2009 and 2008, trade receivables comprised the following:

Trade receivables:	31 December 2009	31 December 2008
Trade receivables (*)	39,840,694	32,194,853
Guaranteed passenger fee receivable from DHMİ (**)	21,849,354	23,124,366
Doubtful receivables	2,046,447	1,846,399
Allowance for doubtful receivables (-)	(2,046,447)	(1,846,399)
Notes receivable	324,224	630,223
Other	30,369	18,701
	62,044,641	**55,968,143**

Non-current trade receivables:		
Guaranteed passenger fee receivable from DHMİ (**)	134,457,502	156,306,856
	134,457,502	**156,306,856**

Allowance for doubtful receivables has been determined by reference to past default experience.

The Group's exposure to credit and currency risks and impairment losses related to trade receivables are disclosed in Note 38.

(*) Pledges on trade receivables are disclosed in Note 39

(**) Guaranteed passenger fee receivable represents the remaining discounted guaranteed passenger fee to be received from DHMİ according to the agreements made for the operations of Ankara Esenboğa Airport and İzmir Adnan Menderes Airport as a result of IFRIC 12 application.

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26. CASH AND CASH EQUIVALENTS

At 31 December 2009 and 2008, cash and cash equivalents comprised the following:

	31 December 2009	31 December 2008
Cash on hand	556,765	539,136
Cash at banks		
-Demand deposit	3,732,314	5,732,228
-Time deposits	27,624,667	15,909,904
-Reverse repurchase agreements	-	168,609
Other liquid assets	2,097,176	222,138
Cash and cash equivalents	**34,010,922**	**22,572,015**
Bank overdrafts used for cash management purposes	(2,379,933)	(1,844,425)
Cash and cash equivalents in the statement of cash flows	**31,630,989**	**20,727,590**

The details of the Group's time deposits, maturities and interest rates as at 31 December 2009 and 2008 are as follows:

31 December 2009

Original Currency	Maturity	Interest rate %	Balance
EUR	January 2010	0.25-2.85	10,888,643
TRY	January 2010	6.25-8.93	16,018,058
USD	January 2010	0.20-0.50	717,966
			27,624,667

31 December 2008

Original Currency	Maturity	Interest rate %	Balance
EUR	January 2009	3.00-6.75	8,460,299
TRY	January 2009	9.00-15.00	1,268,770
USD	January 2009	2.00-5.00	6,180,835
			15,909,904

The Group's exposure interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 38.

There is no blockage or restriction on the use of cash and cash equivalents as at 31 December 2009 and 2008.

27. RESTRICTED BANK BALANCES

At 31 December 2009 and 2008, restricted bank balances comprised the following:

	31 December 2009	31 December 2008
Project reserve and funding accounts (*)	303,178,589	291,098,061
Cash collaterals (**)	10,671,012	-
	313,849,601	**291,098,061**

(*) Some of the subsidiaries, namely TAV İstanbul, TAV Esenboğa, TAV İzmir, TAV Tunisia, TAV Tbilisi and ATÜ ("the Borrowers") opened Project Accounts designated mainly in order to reserve required amount of debt services, lease payment to DHMİ based on agreements with their lenders. As a result of pledges regarding the project bank loans as explained in Note 30, all cash except for cash on hand are classified in these accounts. Based on these agreements, the Group can access and use such restricted cash but all withdrawals from the project accounts are upon the lenders' consent.

(**) Cash collaterals include the time deposit provided by HAVAŞ as guarantee for bank loan.

Interest rates are in the range of 0.10%-3.70% (31 December 2008: 1.50%-7.49%) for EUR reserves, in the range of 0.17%-1.50% (31 December 2008: 0.11%-1.77%) for USD reserves, and in the range of 4.25%-10.50% (31 December 2008: 13.75%-20.50%) for TRY reserves.

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28. CAPITAL AND RESERVES

At 31 December 2009 and 2008, the shareholding structure of the Company was as follows:

Shareholders	(%)	31 December 2009
Tepe İnşaat Sanayi A.Ş. ("Tepe İnşaat")	26.12	94,890,026
Akfen Holding A.Ş. ("Akfen Holding")	26.12	94,886,071
Sera Yapı Endüstrisi ve Tic. Ltd. Şti. ("Sera Yapı")	4.43	16,101,375
Other Non – Floated	3.88	14,113,087
Free Float	39.44	143,290,691
Paid in capital in TRY (nominal)	**100.00**	**363,281,250**
Paid in capital in EUR (nominal) as at 31 December 2009		168,162,407
Effect of non-cash increases and exchange rates		(5,778,429)
Paid in capital EUR		**162,383,978**

Shareholders	(%)	31 December 2008
Tepe İnşaat	18.86	45,672,151
Akfen Holding	16.02	38,791,328
Goldman Sachs International ("GS") (*)	14.40	34,875,000
Airports International	8.85	21,443,250
IDB Infrastructure Fund L.P.	4.92	11,924,792
Babcock Brown Turkish Airports LLC	3.46	8,372,535
Sera Yapı	2.83	6,853,294
Akfen İnşaat	0.01	27,529
Other Non – Floated	6.41	15,514,505
Free Float	24.24	58,713,116
Paid in capital in TRY (nominal)	**100.00**	**242,187,500**
Paid in capital in EUR (nominal) as at 31 December 2008		113,129,438
Effect of non-cash increases and exchange rates		(8,219,171)
Paid in capital EUR		**104,910,267**

(*) 34,875,000 of the shares owned by GS that correspond to 14.4% of the Company's issued and outstanding share capital have been provided by Tepe İnşaat, Akfen Holding and Sera Yapı to GS as collateral and the title of those shares had been transferred to GS for this purpose as at 31 December 2008. A pledge granted by GS in favour of Tepe İnşaat, Akfen Holding and Sera Yapı existed on those shares. As a result, the voting rights, right of receiving dividends, pre-emption rights for participating in cash share capital increase in connection with those (except for acquiring gratis shares under any share capital increase) belonged to Tepe İnşaat, Akfen Holding and Sera Yapı as if such shares had not been owned by GS. As of the date of the issuance of this report, GS does not have any collateral shares in TAV Holding.

The Company's share capital consists of 363,281,250 shares amounting to TRY 363,281,250 as at 31 December 2009 (31 December 2008: 242,187,500 shares amounting to TRY 242,187,500).

On 20 February 2009, TAV Holding has increased its capital to TRY 363,281,250 from TRY 242,187,500 within the Company's TRY 1.5 billion maximum registered capital limit and the amount is fully paid in February 2009.

Legal Reserves

According to the Turkish Commercial Code ("TCC"), legal reserves are comprised of first and legal reserves. The first legal reserves are generated by annual appropriations amounting to 5 percent of income disclosed in the Company's statutory accounts until it reaches 20 percent of paid-in share capital. If the dividend distribution is made in accordance with Communiqué XI-29, a further 1/10 of dividend distributions, in excess of 5 percent of paid-in capital is to be appropriated to increase second legal reserves. If the dividend distribution is made in accordance with statutory records, a further 1/11 of dividend distributions, in excess of 5 percent of paid-in capitals are to be appropriated to increase second legal reserves. Under the TCC, the legal reserves can be used only to offset losses and are not available for any other usage unless they exceed 50 percent of paid-in capital. At 31 December 2009, legal reserves of the Company amount to Euro 18,385,795 (31 December 2008: Euro 15,062,069).

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Dividend distribution

Publicly held companies distribute dividends based on the Capital Market Board ("CMB") regulations explained below:

According to CMB's decision on 27 January 2010 numbered 02/51 corporations traded on the stock exchange market are not obliged to distribute a specified amount of dividends (2008: 20 percent). For corporations that will distribute dividends, in relation to the resolutions in their general meeting the dividends may be in cash, may be free by adding the profit into equity, or may be partially from both, it is also permitted not to distribute determined first party dividends falling below 5 percent of the paid-in capital of the company but, corporations that increased capital before distributing the previous year's dividends and as a result their shares are separated as "old" and "new" are obliged to distribute 1st party dividends in cash.

There is no requirement for profit distribution in year 2009 since in the financial statements there is no distributable profit in the statutory accounts after netting off with the accumulated losses for the year 2009.

Collateral Shares

Tepe İnşaat, Akfen Holding and Sera Yapı have lent and transferred the title of some share capital of TAV Holding ("Collateral Shares") under an agreement named Collaterised Stock Borrowing Agreement.

GS created a pledge in favor of Tepe İnşaat, Akfen Holding and Sera Yapı on the Collateral Shares. All voting rights, dividends, rights for participating in share capital increase in connection with the Collateral Shares belonged to Tepe İnşaat, Akfen Holding and Sera Yapı, provided that gratis (bonus) shares issued as the result of such share capital increase made by way of adding the reserves to equity belonged to GS in connection with the Collateral Shares.

As of 31 December 2008, GS had 34,875,000 collateral shares that correspond to 14.4% of the Company's issued and outstanding share capital. With the increase in TAV Holding's capital on 20 February 2009, GS had 52,312,505 collateral shares that again correspond to 14.4% of TAV Holding's share capital.

On 18 May 2009, GS announced that they transferred 17,437,499 TAV Holding shares, which was received with TAV Holding's capital increase to Tepe İnşaat, Akfen Holding and Sera Yapı. This transaction reduced the amount of collateral shares back to 34,875,000, that correspond to 9.6% of TAV Holding's share capital.

Following the exercise of the put option of TAV Holding shares by cash settlement by GS, on 17 August 2009, GS reimbursed 20,053,125 TAV Holding shares, which are held as collateral to Tepe İnşaat and Sera Yapı. On 3 November 2009, Akfen Holding announced that they received 14,821,875 TAV Holding shares (corresponding to 4.08% of TAV Holding capital) from GS.

As of the date of the issuance of this report, GS does not have any collateral shares in TAV Holding.

Share premium

Excess amount of selling price and nominal value for each share was recorded as share premium in equity.

Revaluation surplus

The revaluation surplus comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

Purchase of shares of entities under common control

The purchase of the shares of entities that are under common control are accounted for at book values. The net amount of consideration paid over the book value of the net assets acquired is recognized directly in equity.

Cash flow hedge reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

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29. EARNINGS PER SHARE

The calculation of basic income per share at 31 December 2009 was based on the profit attributable to ordinary shareholders of EUR 49,865,293 (31 December 2008: EUR 4,058,822) and a weighted average number of ordinary shares outstanding of 346,693,065 (31 December 2008: 242,187,500), calculated as follows:

	2009	2008
Numerator:		
Profit for the period	50,523,133	4,058,822
Denominator:		
Weighted average number of shares	346,693,065	242,187,500
Basic profit per share	**0.15**	**0.02**

	2009	2008
Issued ordinary shares at 1 January	242,187,500	242,187,500
Effect of shares issued during the period	104,505,565	-
Weighted average number of ordinary shares	**346,693,065**	**242,187,500**

30. LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see Note 38.

	31 December 2009	31 December 2008
Non-current liabilities		
Secured bank loans (*)	1,071,051,709	870,190,669
Unsecured bank loans	18,244,670	6,028,750
Finance lease liabilities	227,967	337,354
	1,089,524,346	**876,556,773**
Current liabilities		
Current portion of long term secured bank loans (*)	113,113,533	115,393,290
Short term unsecured bank loans	62,449,923	95,137,724
Short term secured bank loans (*)	19,429,978	3,034,282
Current portion of long term unsecured bank loans	1,519,223	6,484,977
Current portion of finance lease liabilities	246,328	184,047
	196,758,985	**220,234,320**

(*) Secured bank loans mainly consist of project finance loans that have been secured by pledges.

The Group's total bank loans and finance lease liabilities as at 31 December 2009 and 2008 are as follows:

	31 December 2009	31 December 2008
Bank loans	1,285,809,036	1,096,269,692
Finance lease liabilities	474,295	521,401
Total	**1,286,283,331**	**1,096,791,093**

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The Group's bank loans as at 31 December 2009 are as follows:

	Presented as		
	Current liabilities	Non-current liabilities	Total
TAV İstanbul	31,841,606	414,020,732	445,862,338
TAV Tunisia	15,235,735	358,451,695	373,687,430
TAV Holding	103,182,666	56,823,518	160,006,184
TAV Esenboğa	8,366,571	135,681,647	144,048,218
TAV İzmir	18,558,267	57,323,568	75,881,835
TAV Tbilisi	5,409,562	26,108,300	31,517,862
ATÜ	3,615,263	20,457,758	24,073,021
HAVAŞ	1,330,555	18,442,788	19,773,343
Others	8,972,432	1,986,373	10,958,805
	196,512,657	**1,089,296,379**	**1,285,809,036**

The Group's bank loans as at 31 December 2008 are as follows:

	Presented as		
	Current Liabilities	Non-current liabilities	Total
TAV İstanbul	30,137,220	399,061,134	429,198,354
TAV Tunisia	8,273,103	161,985,258	170,258,361
TAV Holding	142,402,369	67,707,090	210,109,459
TAV Esenboğa	9,342,966	136,604,226	145,947,192
TAV İzmir	19,194,739	71,244,697	90,439,436
TAV Tbilisi	3,508,323	17,820,686	21,329,009
ATÜ	3,474,037	21,480,932	24,954,969
HAVAŞ	295,901	-	295,901
Others	3,421,615	315,396	3,737,011
	220,050,273	**876,219,419**	**1,096,269,692**

Redemption schedules of the Group's bank loans according to original maturities as at 31 December 2009 and 2008 are as follows:

	31 December 2009	31 December 2008
On demand or within one year	196,512,657	220,050,273
In the second year	146,765,061	117,407,773
In the third year	133,208,198	104,649,809
In the fourth year	119,315,744	108,136,742
In the fifth year	105,976,491	92,630,677
After five years	584,030,885	453,394,418
	1,285,809,036	**1,096,269,692**

The majority of the borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk. Spread for EUR and USD denominated loans as at 31 December 2009 is between 1.54% – 5.75% and 1.20% – 4.50%, respectively (31 December 2008: 1.10% – 4.75% and 1.20% – 9.00%, respectively).

100%, 74% and 100% of floating bank loans for TAV İstanbul, TAV İzmir and TAV Esenboğa, respectively are fixed with financial derivatives, 100% of floating senior bank loans for TAV Tunisia is fixed with financial derivative until 31 October 2009 and 85% of floating bank loans for TAV Tunisia is fixed with financial derivative starting from 1 November 2009, as explained in Note 36.

The Group has obtained project loans to finance construction of its BOT concession projects, namely TAV Esenboğa, TAV İzmir, TAV Tbilisi and TAV Tunisia; and to be able to finance advance payments to DHMİ related to concession leasing project, TAV İstanbul. Details of the loans are summarised for each project below:

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TAV İstanbul

The breakdown of bank loans as at 31 December 2009 is as follows:

	Original Currency	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount
Secured bank loans (*)	EUR	2018	Euribor + 2.50%	415,800,000	406,756,931
Secured bank loans (**)	EUR	2019	Euribor + 2.50%	40,000,000	39,105,407
				455,800,000	**445,862,338**

TAV İstanbul has bank loan in the amount of EUR 445,862,338 under the facility agreement. The terms of the loan require monthly principal and interest payments for the first year and semi-annual principal and interest payments on 4 July and 4 January of each year according to the loan agreements.

(*) Interest rate is Euribor+2.50% until 4 January 2013, Euribor+2.65% between the period of 4 January 2013 and 4 January 2016 and Euribor+2.75% between the period of 4 January 2016 and 4 July 2018.

(**) Interest rate is Euribor+2.50% until 4 January 2013, Euribor+2.65% between the period of 4 January 2013 and 4 January 2016 and Euribor+2.75% between the period of 4 January 2016 and 4 January 2019.

The breakdown of bank loans as at 31 December 2008 is as follows:

	Original Currency	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount
Secured bank loans (*)	EUR	2018	Euribor + 2.50%	433,840,000	422,936,015
Secured bank loans (**)	EUR	2019	Euribor + 2.50%	6,421,798	6,262,339
				440,261,798	**429,198,354**

(*) Interest rate is Euribor+2.50% until 4 January 2013, Euribor+2.65% between the period of 4 January 2013 and 4 January 2016 and Euribor+2.75% between the period of 4 January 2016 and 4 July 2018.

(**) Interest rate is Euribor+2.50% until 4 January 2013, Euribor+2.65% between the period of 4 January 2013 and 4 January 2016 and Euribor+2.75% between the period of 4 January 2016 and 4 January 2019.

Redemption schedules of TAV İstanbul bank loans according to the original maturities as at 31 December 2009 and 2008 are as follows:

	31 December 2009	31 December 2008
On demand or within one year	31,841,606	30,137,220
In the second year	42,588,595	39,768,340
In the third year	46,641,170	40,599,391
In the fourth year	51,374,707	42,763,429
In the fifth year	55,398,538	45,536,116
After five years	218,017,722	230,393,858
	445,862,338	**429,198,354**

TAV Tunisia

The breakdown of bank loans as at 31 December 2009 is as follows:

	Original Currency	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount
Secured bank loan	EUR	2028	Euribor+2.28%	168,329,132	165,951,425
Secured bank loan	EUR	2022	Euribor+2.00%	110,235,201	108,330,795
Secured bank loan	EUR	2028	Euribor+1.54%	70,000,000	69,910,379
Secured bank loan	EUR	2028	Euribor+4.75%	29,950,427	29,494,831
				378,514,760	**373,687,430**

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The breakdown of bank loans as at 31 December 2008 is as follows:

	Original Currency	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount
Secured bank loan	EUR	2022	Euribor+2.00%	113,843,360	110,446,126
Secured bank loan	EUR	2028	Euribor+2.28%	47,310,342	46,282,604
Secured bank loan	EUR	2028	Euribor+4.75%	13,846,298	13,529,631
				175,000,000	**170,258,361**

Redemption schedules of TAV Tunisia bank loans as at 31 December 2009 and 2008 are as follows:

	31 December 2009	31 December 2008
On demand or within one year	15,235,735	8,273,103
In the second year	20,735,684	8,543,071
In the third year	25,054,753	10,713,388
In the fourth year	23,455,665	12,761,229
In the fifth year	25,375,000	10,662,760
After five years	263,830,593	119,304,810
	373,687,430	**170,258,361**

TAV Holding

The breakdown of bank loans as at 31 December 2009 is as follows:

	Original Currency	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount
Secured bank loan	USD	2012	Libor + 1.85%	62,341,573	62,615,071
Unsecured bank loan	EUR	2010	Euribor + %4.00-Euribor + %5.00	32,500,000	32,610,000
Unsecured bank loan	EUR	2010-2011	4.10%-%8.00	20,500,000	20,634,037
Unsecured bank loan	TRL	2010	8.75% + 16.50%	12,336,250	13,255,196
Secured bank loan	EUR	2010	Euribor + 4.00%	10,000,000	10,041,179
Secured bank loan	EUR	2011	8.00%	8,000,000	8,036,679
Unsecured bank loan	USD	2010	4.50%	6,969,865	6,975,037
Unsecured bank loan	USD	2010	Libor + 1.20%	5,808,221	5,838,985
				158,455,909	**160,006,184**

The breakdown of bank loans as at 31 December 2008 is as follows:

	Original Currency	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount
Secured bank loan	USD	2012	Libor + 1.85%	72,211,634	72,590,029
Unsecured bank loan	EUR	2009	Euribor + 1.10%-Euribor 3.00%	57,000,000	58,736,950
Unsecured bank loan	USD	2009-2010	Libor + 1.20%-Libor + 9.00%	46,670,694	47,915,870
Secured bank loan	EUR	2010	Euribor + 4.00%	30,000,000	30,866,610
				205,882,328	**210,109,459**

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Redemption schedules of TAV Holding bank loans as at 31 December 2009 and 2008 are as follows:

	31 December 2009	31 December 2008
On demand or within one year	103,182,666	142,402,369
In the second year	39,859,003	34,045,658
In the third year	16,964,515	17,426,517
In the fourth year	-	16,234,915
	160,006,184	**210,109,459**

Pledges regarding the bank loans of TAV Holding:

TAV Holding utilised a bank loan amounting to USD 115,000,000 (equivalent to EUR 81,238,089 at 31 December 2008) with an interest rate of Libor+1.85% and maturity of November 2012 from Türkiye İş Bankası A.Ş. in order to fund this payment. In relation to such loan, HAVAŞ shares with a nominal amount of TRY 44,994,667 corresponding to 99.988% of the capital have been pledged in favour of Türkiye İş Bankası A.Ş. However, the voting right for these shares remains at TAV Holding.

TAV Esenboğa

The breakdown of bank loans as at 31 December 2009 is as follows:

	Original Currency	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount
Secured bank loans	EUR	2021	Euribor + 2.35%	147,000,000	144,048,218
				147,000,000	**144,048,218**

TAV Esenboğa has a bank loan in the amount of EUR 144,048,218 under loan agreement. The terms of the loan require semi-annual principal and interest payments at each 30 June and 31 December according to the loan agreements starting from 31 December 2007 for interest and 30 June 2008 for principal.

The breakdown of bank loans as at 31 December 2008 is as follows:

	Original Currency	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount
Secured bank loans	EUR	2021	Euribor + 2.35%	149,175,000	145,947,192
				149,175,000	**145,947,192**

Redemption schedules of TAV Esenboğa borrowings according to original maturities as at 31 December 2009 and 2008 are as follows:

	31 December 2009	31 December 2008
On demand or within one year	8,366,571	9,342,966
In the second year	10,481,986	9,916,117
In the third year	11,857,442	11,219,471
In the fourth year	12,866,252	11,987,061
In the fifth year	13,893,880	12,518,658
After five years	86,582,087	90,962,919
	144,048,218	**145,947,192**

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TAV İzmir

The breakdown of bank loans as at 31 December 2009 is as follows:

	Original Currency	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount
Secured bank loan	EUR	2013	Euribor + 3.00%	74,312,653	75,881,835
				74,312,653	**75,881,835**

TAV İzmir has bank loans in the amount of EUR 75,881,835 under loan agreements. The terms of the loan require semi-annual principal and interest payments at each 23 January and 23 July according to the loan agreements.

The breakdown of bank loans as at 31 December 2008 is as follows:

	Original Currency	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount
Secured bank loan	EUR	2013	Euribor + 3.00%	87,981,049	90,439,436
				87,981,049	**90,439,436**

Redemption schedules of TAV İzmir bank loans according to original maturities as at 31 December 2009 and 2008 are as follows:

	31 December 2009	31 December 2008
On demand or within one year	18,558,267	19,194,739
In the second year	18,652,964	18,301,326
In the third year	19,074,871	17,742,754
In the fourth year	19,595,733	17,586,602
In the fifth year	-	17,614,015
	75,881,835	**90,439,436**

Pledges regarding the project bank loans of TAV İstanbul, TAV İzmir and TAV Esenboğa:

a) Share pledge: In case of an event of default, the banks have the right to take control of the shares. Upon the occurrence of any event of default, the banks can demand the sale of shares by way of public auction in accordance with the applicable provisions of the Bankruptcy and Execution Law of the Republic of Turkey or by way of private auction among the nominees.

b) Receivable pledge: In case of an event of default, the banks have the right to take control of the receivables of project companies (disclosed as the Borrowers in Note 27) in order to perform its obligations under the loan documents. Immediately upon the occurrence of default, and all payments relating to assigned receivables shall be made to the banks which shall be entitled to collect the assigned receivables and exercise all rights with respect to assigned receivables.

c) Pledge over bank accounts: In case of an event of default, the banks have the right to control the bank accounts of project companies in order to perform its obligations under the loan documents. Upon the occurrence of event of default project companies shall be entitled to set-off and apply the whole or any part of the cash standing to the credit of the accounts and any interests, proceeds and other income that may accrue or arise from the accounts.

With the consent of the facility agent, TAV İstanbul, TAV İzmir and TAV Esenboğa have a right to have an additional;

- subordinated debt approved in advance by the Facility Agent,
- indebtedness up to USD 0.5 million for the acquisition cost of any assets or leases of assets,
- indebtedness up to USD 3 million for the payment of tax and social security liabilities,

Pledges regarding the project bank loan of TAV Tunisia:

Similar to above, TAV Tunisia has granted share pledge, account pledge and pledge of rights from the Concession Agreement to the lenders. TAV Tunisia has a right to have additional indebtedness;

- with a maturity of less than one year for an aggregate amount not exceeding EUR 3,000,000 (up to 1 January 2020) and not exceeding EUR 5,000,000 (thereafter),
- under finance or capital leases of equipment if the aggregate capital value of the equipment leased does not exceed EUR 5,000,000,
- incurred by, or committed in favour of, TAV Tunisia under an Equity Subordinated Loan Agreement,
- disclosed in writing by TAV Tunisia to the Intercreditor Agent and in respect of which it has given its prior written consent.

TAV Tbilisi

The breakdown of bank loan as at 31 December 2009 is as follows:

	Original Currency	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount
Secured bank loan	USD	2015	Libor+4.50%	31,456,290	31,517,862
				31,456,290	**31,517,862**

The breakdown of bank loan as at 31 December 2008 is as follows:

	Original Currency	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount
Secured bank loan	USD	2015	Libor+4.50%	21,025,582	21,329,009
				21,025,582	**21,329,009**

Redemption schedules of the TAV Tbilisi bank loans as at 31 December 2009 and 2008 are as follows:

	31 December 2009	31 December 2008
On demand or within one year	5,409,562	3,508,323
In the second year	5,642,313	3,216,312
In the third year	5,685,279	3,346,312
In the fourth year	5,690,724	3,226,225
In the fifth year	5,645,067	3,134,458
After five years	3,444,917	4,897,379
	31,517,862	**21,329,009**

Pledges regarding the bank loans

a) Share pledge-to take control of 75 percent plus one share of the charter capital of TAV Tbilisi;

b) Revenue pledge-to take control of the revenues derived from Tbilisi International Airport operations as stipulated in the BOT Agreement;

c) Pledge over bank accounts – to take control of TAV Tbilisi's bank accounts in JSC Bank of Georgia, JSC Bank Republic and JSC TBC Bank and be entitled to set-off and apply the whole or any part of the cash standing to the credit of the accounts and any interests, proceeds and other income that may accrue or arise from the accounts;

d) Pledge over insurance proceeds – to receive all insurance compensation and any other amounts payable under the insurance policies of TAV Tbilisi;

e) Pledge over BOT rights – to control all interests and benefits of TAV Tbilisi pursuant to the BOT Agreement;

f) Pledge over rights under the construction guarantees – to control all right, title and interest under each construction guarantee;

g) Pledge over project reserve account – to control the project reserve account.

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The shareholders of TAV Tbilisi, TAV Holding, Akfen İnşaat, Urban İnşaat Sanayi ve Ticaret A.Ş., Sera Yapı Endüstrisi ve Ticaret A.Ş., and Aeroser International Holding (U.K) Limited concluded Guarantee, Share Retention, Support and Subordination Deed with EBRD and IFC in respect with the loans extended to TAV Tbilisi. Accordingly, all shareholders irrevocably and unconditionally guarantee, on joint and several basis:

- to pay to EBRD and IFC on demand, and in the currency in which the same falls due for payment by TAV Tbilisi, all monies and liabilities which shall have been advanced to, become due, owing or incurred by TAV Tbilisi to or in favour of EBRD and IFC;
- to indemnify EBRD and IFC in full on demand against all losses, costs and expenses suffered or incurred by EBRD and IFC arising from or in connection with any one or more of the purported liabilities or obligations of TAV Tbilisi to EBRD and IFC under the loan and related agreements.

ATÜ

The breakdown of bank loans as at 31 December 2009 is as follows:

	Original Currency	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount
Secured bank loan	EUR	2015	Euribor + 2.70%	12,639,810	12,575,704
Secured bank loan	EUR	2018	7.00%	9,996,250	10,277,022
Secured bank loan	EUR	2012	5.00%	1,220,204	1,220,295
				23,856,264	**24,073,021**

The breakdown of bank loans as at 31 December 2008 is as follows:

	Original Currency	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount
Secured bank loan	EUR	2015	Euribor + 2.70%	15,170,868	14,677,898
Secured bank loan	EUR	2018	7.00%	9,996,250	10,277,071
				25,167,118	**24,954,969**

Redemption schedules of the ATÜ bank loans as at 31 December 2009 and 2008 are as follows:

	31 December 2009	31 December 2008
On demand or within one year	3,615,263	3,474,037
In the second year	3,997,476	3,301,553
In the third year	4,227,506	3,601,976
In the fourth year	3,509,338	3,577,281
In the fifth year	3,169,492	3,164,670
After five years	5,553,946	7,835,452
	24,073,021	**24,954,969**

HAVAŞ

The breakdown of bank loan as at 31 December 2009 is as follows:

	Original Currency	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount
Secured bank loan	EUR	2017	Euribor+5.75%	20,000,000	19,773,343
				20,000,000	**19,773,343**

The breakdown of bank loan as at 31 December 2008 is as follows:

	Original Currency	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount
Unsecured bank loan	EUR	2009	5.75%	298,146	295,901
				298,146	**295,901**

Redemption schedules of the HAVAŞ bank loans as at 31 December 2009 and 2008 are as follows:

	31 December 2009	31 December 2008
On demand or within one year	1,330,555	295,901
In the second year	3,333,626	-
In the third year	3,189,703	-
In the fourth year	2,823,325	-
In the fifth year	2,494,514	-
After five years	6,601,620	-
	19,773,343	**295,901**

On 9 December 2009, HAVAŞ has entered into a Loan Agreement with an amount of EUR 20,000,000 to finance acquisition of TGS. Following securities are provided in favor of the lender:

- First ranking pledge was established on 50% of the shares in TGS.
- Time deposit amounting to EUR 10,671,012 is provided as guarantee.
- TAV Holding is provided surety for the total outstanding loan amount.
- Dividend receivables arising from joint ventures are assigned to repayment of the outstanding loan.
- Pledge has been registered with first priority against trade register and all assets of HAVAŞ.
- A mortgage has been registered with first priority against land in Fatih / Istanbul.

The Loan Agreement includes covenants, including restrictions on the ability of HAVAŞ to incur additional indebtedness; to make certain other restricted payments, loans; to create liens; to give guarantees; to dispose of assets, and to acquire a business or an undertaking.

Finance lease liabilities

Minimum lease payments

	31 December 2009	31 December 2008
Amounts payable under finance leases		
Less than one year	246,328	184,047
Between one and five years	227,967	337,354
Present value of lease obligations	**474,295**	**521,401**

It is the Group's policy to lease certain of its fixtures and equipment under finance leases. The average remaining lease term is three years as at 31 December 2009. For the year ended 31 December 2009, the average effective borrowing rate was 6.09% (31 December 2008: 6.09%). Interest rates are fixed at the contract date, and thus expose the Group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

31. RESERVE FOR EMPLOYEE SEVERANCE INDEMNITY

Under the Turkish Labour Law, the Company and its Turkish subsidiaries and joint ventures are required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men). Since the legislation was changed on 8 September 1999, there are certain transitional provisions relating to length of service prior to retirement.

Such payments are calculated on the basis of 30 days' pay maximum full TRY 2,365 as at 31 December 2009 (equivalent to EUR 1,095 as at 31 December 2009) (31 December 2008: TRY 2,173 (equivalent to EUR 1,015 as at 31 December 2008)) per year of employment at the rate of pay applicable at the date of retirement or termination. Reserve for retirement pay is computed and reflected in the financial statements on a current basis. The reserve has been calculated by estimating the present value of future probable obligation of the Company and its Turkish subsidiaries and joint ventures arising from the retirement of the employees. The calculation was based upon the retirement pay ceiling announced by the government.

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The provision has been calculated by estimating the present value of the future probable obligation of the Company and its subsidiaries and joint venture registered in Turkey arising from the retirement of employees. IFRSs require actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying consolidated financial statements as at 31 December 2009, the provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provision at 31 December 2009 has been calculated assuming an annual inflation rate of 4.80% and a discount rate of 11.00% resulting in a real discount rate of approximately 5.92% (31 December 2008: annual inflation rate of 5.40% and a discount rate of 12.00% resulting in a real discount rate of approximately 6.26%). It is planned that retirement rights will be paid to employees at the end of concession periods. Accordingly, present value of the future probable obligation has been calculated based on the concession periods.

	2009	2008
Balance at 1 January	**3,247,519**	**4,884,107**
Interest cost	2,123,752	1,265,059
Service cost	2,330,760	389,044
Payment made during the period (*)	(4,215,585)	(1,187,169)
Effects of change in foreign exchange rate	(27,144)	(982,387)
Actuarial difference	1,186,181	(1,121,135)
Balance at 31 December	**4,645,483**	**3,247,519**

(*) 1,161 of total personnel transferred from TGS to HAVAŞ has obtained termination benefits amounting to EUR 3 million.

32. OTHER PAYABLES

At 31 December 2009 and 2008, other payables comprised the following:

	31 December 2009	31 December 2008
TAV Tunisia concession payable (*)	11,450,078	4,194,176
Taxes and duties payable	11,067,818	5,814,954
Due to personnel	7,664,301	4,813,399
Social security premiums payable	3,198,013	3,576,364
VAT penalty	-	4,885,194
Other accruals and liabilities	5,884,242	2,015,866
	39,264,452	**25,299,953**

(*) According to the concession agreement, for the Monastir Airport, TAV Tunisia is obliged to pay 33.7% and 11.7% of the total revenues for 2008 and 2009 respectively, or minimum EUR 14.8 million per year will be paid to Tunisian government, as the concession rent expense (31 December 2008: 33.7%).

The Group's exposure to currency and liquidity risk is related to other payables is disclosed in Note 38.

33. DEFERRED INCOME

The breakdown of deferred income as at 31 December 2009 and 2008 is as follows:

	31 December 2009	31 December 2008
Deferred income		
Short-term deferred income	5,706,204	6,665,623
Long-term deferred income	14,339,463	16,659,877
	20,045,667	**23,325,500**

EUR 15,784,295 (31 December 2008: EUR 17,271,354) of deferred income is related with the unearned concession rent income from ATÜ.

34. PROVISIONS

At 31 December 2009 and 2008, provisions comprised the following:

	31 December 2009	31 December 2008
Unused vacation provision	2,468,446	2,538,425
Tax penalty (*)	-	1,168,501
Other provisions	227,472	55,195
	2,695,918	**3,762,121**

(*) TAV İstanbul did not calculate value added taxes for the sales pursuant to the tax-free sales of stores, and the lease of independent units such as depots and warehouses for these stores, between July 2005 and December 2007. As at 31 December 2008, taking into consideration the similar outcomes of possible examinations in the relevant sector carried by tax authorities, as well as the general assessments carried out by TAV İstanbul management, a provision of TL 2,501,524 (equivalent of EUR 1,168,501 at 31 December 2008) has been made by TAV İstanbul in the financial statements as at 31 December 2008. The tax penalty amount has been paid in 2009.

	2009	2008
Balance at 1 January	2,538,425	2,284,737
Provision (released) / set during the year, net	(47,067)	713,239
Effects of change in foreign exchange rate	(22,912)	(459,551)
Balance at 31 December	**2,468,446**	**2,538,425**

Tax penalty	**2009**	**2008**
Balance at 1 January	**1,168,501**	**9,248,823**
Provision set / (released) during the year, net	444,174	(2,900,918)
Reclassification of tax penalty to other payables	-	(4,885,194)
Payments during the year	(1,609,354)	-
Effects of change in foreign exchange rate	(3,321)	(294,210)
Balance at 31 December	**-**	**1,168,501**

When the results of the similar investigations related with TAV İstanbul in other sectors and the evaluations made by the management of TAV İstanbul are taken into account, a provision of EUR 1,168,501 is booked as at 31 December 2008. This amount is paid in 2009.

35. TRADE PAYABLES

At 31 December 2009 and 2008, trade payables comprised the following:

	31 December 2009	31 December 2008
Trade payables	28,613,929	27,103,474
Deposits and guarantees received	631,027	439,195
Other	61,131	638
	29,306,087	**27,543,307**

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The Group's exposure to currency and liquidity risk related to trade payables is disclosed in Note 38.

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36. DERIVATIVE FINANCIAL INSTRUMENTS

At 31 December 2009 and 2008, derivative financial instruments comprised the following:

	31 December 2009		
	Assets	**Liabilities**	**Net Amount**
Interest rate swap	-	(85,400,809)	(85,400,809)
Cross currency swap	6,390,781	-	6,390,781
	6,390,781	**(85,400,809)**	**(79,010,028)**

	31 December 2008		
	Assets	**Liabilities**	**Net Amount**
Interest rate swap	-	(69,699,812)	(69,699,812)
Cross currency swap	32,257,634	-	32,257,634
	32,257,634	**(69,699,812)**	**(37,442,178)**

Interest rate swap

TAV Esenboğa uses interest rate derivatives to manage its exposure to interest rate fluctuations on its bank borrowings. 100% of project finance loan is hedged through Interest Rate Swap ("IRS") contract during the life of the loan with an amortising schedule depending on repayment of the loan.

TAV Tunisia uses interest rate derivatives to manage its exposure to interest rate fluctuations on its bank borrowings. 85% of project finance loan is hedged through IRS instrument contract during the life of the hedging contract loan with an amortising schedule depending on repayment of the loan.

TAV İstanbul uses interest rate derivatives to manage its exposure to interest rate fluctuations on its bank borrowings. Approximately 100% of project finance loan is hedged through IRS contract during the life of the loan with an amortising schedule depending on repayment of the loan.

TAV İzmir uses interest rate derivative to manage its exposure to interest rate fluctuations on its bank borrowings. 74% of total project finance loan is hedged through IRS contract.

Cross currency swap

TAV İstanbul uses cross currency derivatives to manage its exposure to foreign currency exchange rates on its concession installments that will be paid to DHMİ.

TAV İstanbul has signed a derivative contract to manage and fix its exposure to foreign currency exchange rates between USD and EUR on the concession installments that will be paid to DHMİ. The contract term matches with the terms of the rent payments made to DHMİ which is the end of each December until year 2018. The total notional amount of the contract is EUR 317,474,667 (equivalent of USD 470,814,932) as at 31 December 2009 (31 December 2008: EUR 349,947,316 (equivalent of USD 518,971,869)).

The fair value of derivatives at 31 December 2009 is estimated at EUR 79,010,028 (31 December 2008: EUR 37,442,178). This amount is based on market values of equivalent instruments at the reporting date since the Company applied hedge accounting as at 31 December 2009 changes in the fair value of these interest rate derivatives and cross currency swaps were reflected to other comprehensive income amounting to a loss of EUR 28,926,250 (31 December 2008: a loss of EUR 31,301,803) net of tax.

Fair value hierarcy:

The table below anayses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

• Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
• Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
• Level 3: input for the asset or liability that are not based on observable market data (unobservable inputs).

31 December 2009	Level 1	Level 2	Level 3
Derivative financial liabilities	-	(79,010,028)	-
	-	**(79,010,028)**	**-**

31 December 2008	Level 1	Level 2	Level 3
Derivative financial liabilities	-	(37,442,178)	-
	-	**(37,442,178)**	**-**

Fair value disclosures:

The company has determined the estimated fair values of the financial instruments by using current market information and appropriate valuation methods.

Since the book values of the foreign exchange denominated monetary items are approximate to their fair values, these monetary items are translated to EUR by using the foreign exchange rates as at year end. Since the financial assets and liabilities are short term in nature, it is accepted that their fair values approximate to their carrying amounts.

37. OPERATING LEASES

The Group entered into various operating lease agreements (excluding concession agreement for TAV İstanbul and TAV Tunisia). For the year ended 31 December 2009, total rent expenses for operating leases amounted to EUR 1,987,190 (31 December 2008: EUR 1,860,968).

38. FINANCIAL INSTRUMENTS

Exposure to credit, interest rate and currency risks arises in the normal course of the Group's business. However, most of the Groups revenues are denominated in hard currency. The gap between hard currency assets and liabilities are hedged by derivative financial instruments such as cross currency swaps. In addition to hedging of the currency risk, TAV İstanbul, TAV İzmir, TAV Esenboğa and TAV Tunisia use interest rate swaps as to hedge the fluctuations in Euribor and Libor rates (i.e.100%, 74%, 100% and 85% of floating loans of TAV İstanbul, TAV İzmir, TAV Esenboğa and TAV Tunisia, respectively are fixed).

Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

	Note	31 December 2009	31 December 2008
Non-current trade receivables	25	134,457,502	156,306,856
Trade receivables	25	62,044,641	55,968,143
Due from related parties	40	10,482,379	15,160,247
Other receivables and current assets (*)	24	1,535,893	1,363,095
Restricted bank balances	27	313,849,601	291,098,061
Cash and cash equivalents (**)	26	33,454,157	22,032,879
Interest rate and cross currency swaps used for hedging	36	6,390,781	32,257,634
		562,214,954	**574,186,915**

(*) Non-financial instruments such as VAT deductible and carried forward, prepaid expenses and advances given are excluded from other current assets and other non-current assets.
(**) Cash on hand is excluded from cash and cash equivalents.

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Impairment losses

The movements in the allowance for impairment in respect of trade receivables during the years ended 31 December were as follows:

	2009	2008
Balance at 1 January	**(1,846,399)**	**(1,389,209)**
Collections during the year	89,736	-
Provision for the year	(306,451)	(736,615)
Effect of changes in foreign exchange rates	16,667	279,425
Balance at 31 December	**(2,046,447)**	**(1,846,399)**

Allowance for doubtful receivables is determined by reference to past default experience. The allowance accounts in respect of trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amount considered irrecoverable is written off against the trade receivable directly.

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

31 December 2009	Carrying Amount	Contractual cash flows	3 months or less	3-12 months	1-5 years	More than five years
Non-derivative financial liabilities						
Secured bank loans	1,203,595,220	(1,695,934,414)	(34,032,256)	(103,320,641)	(573,585,146)	(984,996,371)
Unsecured bank loans	82,213,816	(85,543,037)	(13,089,720)	(52,507,767)	(19,945,550)	-
Financial lease liabilities	474,295	(494,862)	(66,438)	(196,563)	(231,861)	-
Bank overdraft	2,379,933	(2,379,933)	(2,379,933)	-	-	-
Trade payables (*)	28,675,060	(28,748,874)	(28,748,874)	-	-	-
Due to related parties	31,368,103	(32,865,946)	(6,650,611)	(7,132,950)	(19,082,385)	-
Other payables (*)	38,800,097	(38,800,097)	(38,358,333)	(441,764)	-	-
Derivative financial liabilities						
Interest rate swaps used for hedging	85,400,809	(114,995,377)	(2,365,800)	(23,339,016)	(66,743,806)	(22,546,755)
Currency swaps						
Outflow	-	(317,474,668)	(20,244,609)	(16,384,804)	(144,084,516)	(136,760,739)
Inflow	(6,390,781)	325,206,006	20,423,643	16,992,073	148,875,101	138,915,189
	1,466,516,552	**(1,992,031,202)**	**(125,512,931)**	**(186,331,432)**	**(674,798,163)**	**(1,005,388,676)**

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31 December 2008	Carrying Amount	Contractual cash flows	3 months or less	3-12 months	1-5 years	More than five years
Non-derivative financial liabilities						
Secured bank loans	988,618,241	(1,366,335,772)	(71,281,517)	(50,278,228)	(122,502,035)	(1,122,273,992)
Unsecured bank loans	107,651,451	(110,400,109)	(86,704,467)	(17,244,879)	(6,450,763)	-
Financial lease liabilities	521,401	(571,373)	(213,453)	(213,453)	(144,467)	-
Bank overdraft	1,844,425	(1,844,425)	(1,844,425)	-	-	-
Trade payables (*)	27,179,134	(27,414,028)	(27,331,577)	-	(82,451)	-
Due to related parties	62,020,611	(62,020,611)	(51,458,569)	(970,097)	(1,291,847)	(8,300,098)
Other payables (*)	24,452,701	(24,452,701)	(24,452,701)	-	-	-
Derivative financial liabilities						
Interest rate swaps used for hedging	69,699,812	(86,995,370)	(7,253,113)	(5,811,152)	(16,250,430)	(57,680,675)
Cross currency swaps						
Outflow	-	(349,947,316)	(15,092,999)	(17,379,649)	(36,629,413)	(280,845,255)
Inflow	(32,257,634)	407,412,180	17,351,099	19,674,824	42,438,609	327,947,648
	1,249,730,142	**(1,622,569,525)**	**(268,281,722)**	**(72,222,634)**	**(140,912,797)**	**(1,141,152,372)**

(*) Non-financial instruments such as deposits on guarantees and advances received are excluded from trade payables and other payables.
The following table indicates the periods in which the cash flows associated with the derivatives those are cash flow hedges expected to occur.

31 December 2009	Carrying Amount	Contractual cash flows	3 months or less	3-12 months	1-5 years	More than five years
Interest rate swaps						
Assets	-	-	-	-	-	-
Liabilities	(85,400,809)	(114,995,377)	(2,365,800)	(23,339,016)	(66,743,806)	(22,546,755)
Cross currency swaps						
Assets	6,390,781	7,731,339	179,034	607,269	4,790,585	2,154,450
Liabilities	-	-	-	-	-	-

31 December 2008	Carrying Amount	Contractual cash flows	3 months or less	3-12 months	1-5 years	More than five years
Interest rate swaps						
Assets	-	-	-	-	-	-
Liabilities	(69,699,812)	(86,995,370)	(7,253,113)	(5,811,152)	(16,250,430)	(57,680,675)
Cross currency swaps						
Assets	32,257,634	57,464,864	2,258,100	2,295,175	5,809,196	47,102,393
Liabilities	-	-	-	-	-	-

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Currency risk

Exposure to currency risk

The Group's exposure to foreign currency risk was as follows in Euro equivalent of their original currencies:

31 December 2009

Foreign currency denominated monetary assets	USD	EUR (*)	TRY	Other	Total
Other non-current assets	19,376	-	102,819	2,827	125,022
Trade receivables	9,451,883	711,409	6,829,672	2,449,024	19,441,988
Due from related parties	1,906,589	663	2,252,010	535,632	4,694,894
Derivative financial instruments	6,390,781	-	-	-	6,390,781
Other receivables and current assets	56,982	415,285	3,274,415	12,912,103	16,658,785
Restricted bank balances	105,508,839	1,127	74,029,307	4,013,945	183,553,218
Cash and cash equivalents	1,103,130	1,098,235	2,152,926	1,203,127	5,557,418
	124,437,580	**2,226,719**	**88,641,149**	**21,116,658**	**236,422,106**
Foreign currency denominated monetary liabilities					
Loans and borrowings	(108,532,085)	-	(19,152,528)	-	(127,684,613)
Bank overdraft	-	-	(1,627,468)	-	(1,627,468)
Trade payables	(3,073,367)	(47,926)	(6,455,251)	(3,807,971)	(13,384,515)
Due to related parties	(3,794,634)	(1,237)	(416,931)	-	(4,212,802)
Other payables	(394,974)	(6,822)	(13,600,390)	(1,879,075)	(15,881,261)
	(115,795,060)	(55,985)	(41,252,568)	(5,687,046)	(162,790,659)
Net exposure	**8,642,520**	**2,170,734**	**47,388,581**	**15,429,612**	**73,631,447**

(*) The figures in this column reflect the Euro position of subsidiaries that have functional currencies other than Euro.

31 December 2008

Foreign currency denominated monetary assets	USD	EUR (*)	TRY	Other	Total
Other non-current assets	2,969,675	-	162,264	383	3,132,322
Trade receivables	6,900,910	978,606	3,544,097	3,996,713	15,420,326
Due from related parties	9,508,701	7,214	1,378,354	272,299	11,166,568
Derivative financial instruments	32,257,634	-	-	-	32,257,634
Other receivables and current assets	81,579	1,687	2,725,659	28,139,356	30,948,281
Restricted bank balances	102,494,804	-	52,991,337	514,745	156,000,886
Cash and cash equivalents	10,155,923	1,197,666	1,822,354	1,024,364	14,200,307
	164,369,226	**2,185,173**	**62,624,065**	**33,947,860**	**263,126,324**
Foreign currency denominated monetary liabilities					
Loans and borrowings	(141,834,909)	-	-	-	(141,834,909)
Bank overdraft	-	-	(1,504,978)	-	(1,504,978)
Trade payables	(4,270,514)	(127,354)	(7,361,363)	(3,817,822)	(15,577,053)
Due to related parties	(37,000,386)	-	(43,689)	-	(37,044,075)
Other payables	(534,425)	(22,290)	(11,587,679)	(4,812,174)	(16,956,568)
	(183,640,234)	**(149,644)**	**(20,497,709)**	**(8,629,996)**	**(212,917,583)**
Net exposure	**(19,271,008)**	**2,035,529**	**42,126,356**	**25,317,864**	**50,208,741**

(*) The figures in this column reflect the Euro position of subsidiaries that have functional currencies other than Euro.

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The following significant exchange rates applied during the year:

	Average Rate		Reporting Date Closing Rate	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
USD	0.7187	0.6841	0.6970	0.7064
TRY	0.4649	0.5272	0.4629	0.4671
GEL	0.4291	0.4569	0.4133	0.4229

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, seek 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 31 December would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2008.

	Equity	Profit or loss	Strengthening of EUR	Weakening of EUR
31 December 2009				
USD	(26,023,783)	31,784,618	(225,174)	225,174
TRY	-	-	(4,738,858)	4,738,858
Other	-	-	(1,542,961)	1,542,961
Total	**(26,023,783)**	**31,784,618**	**(6,506,993)**	**6,506,993**
31 December 2008				
USD	(33,310,535)	33,310,535	5,152,864	(5,152,864)
TRY	-	-	(4,212,636)	4,212,636
Other	-	-	(2,531,786)	2,531,786
Total	**(33,310,535)**	**33,310,535**	**(1,591,558)**	**1,591,558**

Interest rate risk

The Group has used material amounts of bank borrowings from foreign sources and banks. Although most of these loans used have floating interest rates, the Group management and banks fixed interest rates by using derivative financial instruments. TAV İstanbul, TAV İzmir, TAV Esenboğa and TAV Tunisia use interest rate swap to hedge of fluctuations in Euribor and Libor rates (i.e. 100%, 74%, 100% and 85% of floating loans of TAV İstanbul, TAV İzmir, TAV Esenboğa and TAV Tunisia, respectively are fixed).

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Profile

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying amount	
	31 December 2009	**31 December 2008**
Fixed rate instruments		
Financial assets	279,062,772	268,297,889
Financial liabilities	(172,684,670)	(132,324,186)
	106,378,102	**135,973,703**

	Carrying amount	
	31 December 2009	**31 December 2008**
Variable rate instruments		
Financial assets	13,305,923	11,937,503
Financial liabilities	(1,224,728,989)	(1,081,959,709)
	(1,211,423,066)	**(1,070,022,206)**

Fair value sensitivity analysis for fixed rate instruments:

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments:

Based on the Group's current borrowing profile, a 50 basis points increase in Euribor or Libor would have resulted in additional annual interest expense of approximately EUR 1.9 million on the Group's variable rate debt when ignoring effect of derivative financial instruments. EUR 1.6 million of the exposure is hedged through IRS contracts. Therefore, the net exposure on income statement would be EUR 0.3 million. A 50 basis points increase in Euribor or Libor would have resulted an increase in hedging reserve in equity approximately by EUR 21.5 million and a 50 basis points decrease in Euribor or Libor would have resulted an decrease in hedging reserve in equity approximately by EUR 18.9 million.

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Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

		31 December 2009		31 December 2008	
	Note	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets					
Non-current trade receivables	25	134,457,502	194,810,901	156,306,856	189,437,952
Trade receivables	25	62,044,641	64,266,282	55,968,143	57,068,828
Due from related parties	40	10,482,379	10,482,379	15,160,247	15,160,247
Other receivables and current assets (*)	24	1,535,893	1,535,893	1,363,095	1,363,095
Restricted bank balances	27	313,849,601	313,849,601	291,098,061	291,098,061
Cash and cash equivalents	26	34,010,922	34,010,922	22,572,015	22,572,015
Derivative financial instruments	36	6,390,781	6,390,781	32,257,634	32,257,634
Financial liabilities					
Bank overdraft	26	(2,379,933)	(2,379,933)	(1,844,425)	(1,844,425)
Loans and borrowings	30	(1,286,283,331)	(1,286,283,331)	(1,096,791,093)	(1,096,791,093)
Trade payables (**)	35	(28,675,060)	(28,675,060)	(27,179,134)	(27,179,134)
Due to related parties	40	(31,368,103)	(31,368,103)	(62,020,611)	(62,020,611)
Derivative financial instruments	36	(85,400,809)	(85,400,809)	(69,699,812)	(69,699,812)
Other payables (**)	32	(38,800,097)	(38,800,097)	(24,452,701)	(24,452,701)
		(910,135,614)	**(847,560,574)**	**(707,261,725)**	**(673,029,944)**

(*) Non-financial instruments such as prepaid expenses, prepaid taxes and dues and advances given are excluded from other non-current assets and other receivables and current assets.
(**) Non-financial instruments such as advances received are excluded from trade payables and other payables.

The methods used in determining the fair values of financial instruments are discussed in Note 4.

39. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

Commitments and contingencies

	31 December 2009	31 December 2008
Letters of guarantee given to DHMİ	112,246,397	113,807,149
Letters of guarantee given to Tunisian Government	57,921,230	68,881,100
Letters of guarantee given to third parties	46,321,988	69,186,805
Letters of guarantee given to Macedonian Government	6,000,000	6,000,000
	222,489,615	**257,875,054**

The Group is obliged to give 6% of the total rent amount of USD 152,580,000 of TAV İstanbul as a letter of guarantee according to the rent agreement made with DHMİ. The total obligation has been provided by TAV İstanbul.

The Group is obliged to give a letter of guarantee at an amount equivalent of EUR 41,421,230 to the Ministry of Transport and EUR 16,500,000 to OACA according to the BOT agreement signed with OACA in Tunisia. The total obligation has been provided by the Group.

Majority of letters of guarantee given to third parties includes the guarantees given to customs and some customers.

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Contractual obligations

TAV İstanbul

TAV İstanbul is bound by the terms of the Concession Agreement made with DHMİ. If TAV İstanbul does not follow the rules and regulations set forth in the Concession Agreement, this might lead to the forced cessation of TAV İstanbul's operation.

DHMİ may terminate the Concession Agreement if the ownership of interest of TAV and founding partner in TAV İstanbul falls below 49% during the first three years of the concession period.

At the end of the contract period, TAV İstanbul will be responsible for one year for the maintenance and repair of the devices, system and equipment supplied for the contractual facilities. In case the necessary maintenance and repairs are not made, DHMİ will have this maintenance and repair made, and the cost will be charged to TAV İstanbul.

Pursuant to the provisions of this agreement, the contractual obligations of TAV İstanbul include the rental of the above mentioned facilities for a period of fifteen and a half years beginning on 3 July 2005; the operation of the facilities in compliance with international norms and standards within the rental (operation) period; the performance of periodic repair and maintenance activities on the facilities and the transfer of the facilities in question including the supporting systems, equipment, furniture and fixtures in a proper and usable condition to DHMİ upon the expiry of the rental period.

In the case where TAV İstanbul as the lessee performs a delayed and/or incomplete rent payment to DHMİ, TAV İstanbul is charged a penalty of 10% of the rent amount to be paid. TAV İstanbul is then obliged to perform the payment latest within five days. Otherwise, DHMİ shall be entitled to terminate the rent agreement. TAV İstanbul is not entitled to claim the rent payments performed to DHMİ prior to the termination of the contract.

TAV Esenboğa and TAV İzmir

TAV Esenboğa and TAV İzmir are bound by the terms of the BOT Agreements made with DHMİ. If these companies do not follow the rules and regulations set forth in the concession agreement, this might lead to the forced cessation of these companies' operations according to the BOT Agreements. According to the BOT agreement:

- The share capital of the companies can not be less than 20% of fixed investment amount.
- The companies have a commitment to make additional investment up to 20% of the initial BOT investment upon request of DHMİ. DHMİ has requested an extension of EUR 13,900,000 (13% of the initial investment) from TAV İzmir on 21 August 2006 which extended the construction period by 2 months and 20 days, and operation period by 8 months and 27 days. TAV İzmir completed the construction for such extension on 10 May 2007. After granting of temporary acceptance by DHMİ in year 2007, final acceptance was granted by DHMİ at 21 March 2008.

Final acceptance for BOT investments of TAV Esenboğa was granted by DHMİ on 5 June 2008.

At the end of the contract period, the companies will be responsible for one year for the maintenance and repair of the devices, system and equipment supplied for the contractual facilities. In case the necessary maintenance and repairs are not made, DHMİ will have this maintenance and repair made and the cost will be charged to TAV İzmir and TAV Esenboğa.

All equipment used by TAV Esenboğa and TAV İzmir must be brand new and under warranty and need to meet the international standards and Turkish Standards as well.

If the need shall arise to replace fixed assets subject to depreciation, which become unusable within the rent period and the depreciation rates of which are not delineated in the Tax Application Law, the operator is obliged to perform the replacement.

All fixed assets covered by the implementation contract will be transferred to DHMİ free of charge. Transferred items must be in working conditions and should not be damaged. TAV Esenboğa and TAV İzmir have the responsibility of repair and maintenance of all fixed assets under the investment period.

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HAVAŞ

In accordance with the general ground handling agreement (an integral part of the ground handling operation A Group license) signed with DHMİ, HAVAŞ undertakes the liability of all losses incurred by its personnel to DHMİ or to third parties. It also takes the responsibility of the training facilities given to the personnel and the quality of the service provided by its personnel together with the repair and maintenance of the ground handling vehicles and equipment. HAVAŞ is required to provide DHMİ with a letter of guarantee amounting to USD 1,000,000. Fines received from losses incurred by the ground handling personnel or fines arising from the violation of the related agreement will be charged to HAVAŞ. Fines which are overdue in accordance with the appointed agreement / period declared by DHMİ will be settled by the liquidation of the letter of guarantee. If DHMİ liquidates the collateral, HAVAŞ is obliged to complete the collateral at its original amount which is USD 1,000,000 within 15 days.

In accordance with the rental agreements signed with DHMİ regarding several parking areas, land, buildings, offices at the Atatürk, Esenboğa, Adnan Menderes, Dalaman, Adana, Trabzon, Milas, Nevşehir, Antalya, Gaziantep, Kayseri, Urfa, Batman, Adıyaman, Elazığ, Muş, Sivas and Konya airports; when the rent period ends, DHMİ will have the right to retain the immovables in the area free of charge.

TAV Tbilisi

TAV Tbilisi is bound by the terms of the BOT Agreement. In case TAV Tbilisi fails to comply with the rules and regulations set forth in the agreement, it may be forced to cease its operations.

With regards to the BOT Agreement, TAV Tbilisi is required to;

- comply with all applicable safety standards and ensure that the airport and all other ancillary equipment are operated in a manner safe to passengers, workers and general public, as well as to comply with the technical and operational requirements of Tbilisi International Airport and environmental standards of Georgia;
- maintain and operate the new terminal and infrastructure at Tbilisi International Airport in accordance with the applicable requirements of the BOT Agreement and IATA, ICAO or ECAC;
- ensure that its subcontractors and TAV Tbilisi itself obtain and maintain relevant insurance policies from financially strong and internationally reputable insurance companies;
- remedy accidents that might occur upon mechanical damage inflicted by TAV Tbilisi to existing communication networks or inappropriate use or operation thereof.

The commercial operation of the New Terminal is carried out based on the Provisional Acceptance Protocol concluded according to the BOT Agreement for Tbilisi International Airport terminal building and related infrastructure. The Final Acceptance Protocol was not concluded as of the date of approval for issue of these consolidated financial statements, as the legal form of transfer of the New Terminal was still under discussion among the parties to the BOT Agreement in order to be in compliance with the Georgian legislation. The legal form of the final acceptance of the New Terminal may have various effects on the TAV Tbilisi's financial and/or tax positions.

Tax legislation and contingencies

Georgian commercial legislation and tax legislation in particular may give rise to varying interpretations and amendments. In addition, as management's interpretation of tax legislation may differ from that of the tax authorities, transactions may be challenged by the tax authorities, and as a result TAV Tbilisi may be assessed additional taxes, penalties and interest. Tax periods remain open to review by the tax authorities for three years. Management believe that their interpretation of the relevant legislation is appropriate and TAV Tbilisi's profit, currency and customs positions will be sustained.

On 4 June 2009, TAV Tbilisi received a Tax Request from Large Taxpayers Inspection of the Ministry of Finance of Georgia notifying accrual of tax charges of GEL 5,479,370 (EUR 2,352,368) consisting of cancellation of recoverable VAT of GEL 5,091,451 (EUR 2,185,829) and related fines of GEL 387,919 (EUR 166,539) reported in the interim report prepared by the Auditing Department of Ministry of Finance of Georgia based on the tax audit of TAV Tbilisi. Management submitted legal objection to contest the tax charges accrued as at 30 June 2009. For subsequent events refer to note 42.

TAV Batumi

TAV Batumi is obliged to perform the terms agreed under the Agreement for Management of 100 percent of Shares in "Batumi Airport Ltd" (the "Agreement") together with its Schedules annexed to the Agreement. In the event that TAV Batumi fails to fulfill its material obligations under the Agreement and its Schedules, it may be forced to cease the management of the Batumi International Airport and all operation rights generated at the Airport.

With regards to the Agreement, TAV Batumi is required to;

- comply with all requirements of the relevant statutes and the Applicable Laws of Georgia;
- prevent repatriation and transfer of the dividends distributable by Batumi Airport Ltd from Georgia;
- comply with the terms of Permits that materially adversely affect the performance of TAV Batumi's obligations under the Agreement or achievement of the Revenues by Batumi Airport Ltd and/or achievement of dividends by the TAV Batumi from Batumi Airport Ltd;
- protect, promote, develop and extend the business interests and reputation of Batumi Airport in connection with the Services (reasonable effort basis);
- maintain and operate Batumi Airport in accordance with the international standards applicable to similar international airports, and any other local standards that will be applicable to the operations of an international airport;
- recruit and train sufficient number of staff for the operation of Batumi Airport in accordance with standard, accepted operational standards;
- perform regular, periodic and emergency maintenance and repair works of all the fixed assets, as well as the annexations and accessories related thereto located on the territory of Batumi Airport; and
- procure and maintain insurance policies listed under the Agreement during the term of the operation.

TAV Tunisia

TAV Tunisia is bound by the terms of the Concession Agreements related to the building and operation of Enfidha Airport and to the operation of Monastir Airport. In case TAV Tunisia fails to comply with the provisions of these Concession Agreements as well as the Terms and Specifications annexed thereto, it may be forced to cease the operation of the said airports.

According to Enfidha Concession Agreement, TAV Tunisia is required to:

- design, construct, maintain, repair, renew, operate and improve at its own costs and risks and under its liabilities, the land made available to it, infrastructures, buildings, facilities, equipments, networks and services necessary for the operation of Enfidha Airport;
- complete the construction of the Airport and start operating it at the latest on 1 October 2009 which is then extended to 1 December 2009 through a notice from the Authority, unless the requirements by the Terms and Specifications of the Agreement fails;
- finance up to 30% of the Project by Equity.

According to Monastir Concession Agreement, TAV Tunisia is required to maintain, repair, renew, operate and improve at its own costs and risks and under its liabilities, the land made available to it, infrastructures, buildings, facilities, equipments, networks and services necessary for the operation of Monastir Airport.

Pursuant to both Concession Agreements, TAV Tunisia is required to:

- market and promote the activities operated in the Airports and perform the public service related with these activities
- provide with and maintain the bank guarantees in accordance with the Agreements;
- pay the Domainial and Operational Royalties to the Conceding Authorities (Tunisian State and OACA);
- comply particularly with provisions of Appendix 2 to the Terms and Specifications annexed to the Agreements related to the ownership of the shares by TAV Tunisia's shareholders;
- require the approval of the Conceding Authority prior to the transfer of its rights under the Concession Agreements to any third party or to the conclusion of any sub-contract during the operation phase of the Airports;
- comply with its obligations under the Agreements and with all applicable Tunisian Laws and International rules related particularly but not limited to safety, security, technical, operational and environmental requirements;
- to comply with its obligations related to insurance as provided for by the Agreements.

TAV Tunisia may also be obliged to cease the operation of the said airports if (i) it is declared insolvent or is subject to judicial liquidation proceedings or (ii) it is forced to cease the operation of one of the Airports.

TAV Gazipaşa

TAV Gazipaşa is bound by the terms of the Concession Agreement made with DHMİ for Antalya Gazipaşa Airport.

If TAV Gazipaşa violates the agreement and does not remedy the violation within the period granted by DHMİ, DHMİ may terminate the Agreement.

The share transfers of the shareholders of TAV Gazipaşa are subject to the approval of DHMİ.

The Agreement is made for a period of twenty-five years effective from the date TAV Gazipaşa obtains the operation authorisation from the Ministry of Transportation. The contractual obligations of TAV Gazipaşa include the operation of the facilities in compliance with the international norms and standards subject to the supervison of the Ministry of Transportation Civil Aviation General Directorate and DHMİ; obtaining maintenance and periodic maintenance and repairs of all systems and equipment requisite for the operation and the transfer of the facilities together with the systems, equipment, furniture and fixtures in a proper and usable condition to DHMİ, without any debt or liabilities, upon the expiry of the Agreement (if the economic lives of the systems, equipment, furniture and fixtures have come to an end, they should be renewed before the transfer to DHMİ). Upon the expiry of the Agreement, TAV Gazipaşa will be responsible for one year for the maintenance and repair of the systems and equipment in the facilities. In case the necessary maintenance and repairs are not made, DHMİ will have this maintenance and repairs made and the cost will be charged to TAV Gazipaşa.

If expropriation of land is required for construction of additional facilities or systems during the term of the Agreement, TAV Gazipaşa will be responsible for the compensation for expropriation and will not demand any compensation and/or additional rent period from DHMİ and the owner of the subject land will be DHMİ.

Management believes that as at 31 December 2009, the Group has complied with the terms of the contingencies mentioned above.

Contingent asset

TAV İstanbul is able to expense VAT on concession rent payments upon the issuance of the related invoice and DHMİ issues the invoice monthly. Cumulative VAT expense related with DHMİ invoices as at 31 December 2009 is EUR 54,779,378 (31 December 2008: EUR 33,532,119).

TAV İstanbul has opened a tax court case in February 2006 against the Ministry of Finance for the concession rent, which has been paid partially and the remaining will be paid to DHMİ, for not being subject to VAT. According to temporary VAT code number 12, TAV İstanbul stated that airport privatisations are exempt from VAT. The resolution of the İstanbul First Tax Court has been declared to TAV İstanbul on 9 April 2007. The resolution sets forth that the administrative transaction is not a tax error in the manner prescribed in the Tax Procedures Law, and that no legal inappropriateness had been observed in the transaction that had been formed via the rejection of the application made upon complaint. The decision does not assess whether there is an exemption from the VAT or not; and it is judged that the application does involve a legal shortcoming; TAV İstanbul had submitted the case to the Court of Appeals. With regard to the mentioned case, the Company had submitted a letter to the 4th Department of the Court of Appeals on 28 May 2007 and required a motion for stay. TAV İstanbul has brought a tax case against Ministry of Finance and Maltepe Tax Administration, with the claim that the rent amounts paid to the State Airports Authority General Directorate are exempt from value added tax; and the Tax Court dismissed the case on the grounds of incompetence. TAV İstanbul had applied against the dismissal decision of the Tax Court. The award of the 4th Chamber of the Council of State ("Danistay") had been declared to TAV İstanbul on 25 July 2007. Accordingly, the Council of State approved the application of TAV İstanbul and decided to reverse the judgement of the Tax Court. The case reverted to the Tax Court according to the Code of Administrative Procedures and the Tax Court rejected the case with the decision notified to TAV İstanbul on 29 November 2007. An application for appeal has been made, and the process is continuing as of the date of this report. Group management believes that this court will be finalised in Group's favour, paid VAT will be reimbursed to the Group, and the Group will not pay VAT on concession rent anymore.

Contingent liability

BTA and the Ministry of Finance were not able to reach an agreement upon a reconciliation requested for the corporate and value added tax notified in the penalty report regarding the accounts of October 2007-December 2007. Ministry of Finance had determined a value added tax of TL 1,483,014, a corporate tax of TL 222,523 and a tax loss penalty of 1.5 folds of the total tax amount in the penalty report. The report stated that the food and beverage sales of BTA carried out at the customs zones of the airports (also known as "airside") must not be exempt from value added tax. On 26 January 2010, BTA has decided to file a lawsuit disputing the abovementioned tax and penalty. The management, lawyers and tax auditors of BTA are in the opinion that the lawsuit will result in BTA's favor, so no provision is provided in the accompanying consolidated financial statements.

40. RELATED PARTIES

The major immediate parents and ultimate controlling parties of the Group are Tepe and Akfen Groups.

All other transactions not described in this footnote between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. Details of balances between the Group and other related parties are disclosed below.

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Key management personnel compensation:

The remuneration of directors and other members of key management during the year comprised the following:

	2009	2008
Short-term benefits (salaries, bonuses etc.)	6,040,670	6,387,130
	6,040,670	**6,387,130**

As at 31 December 2009 and 2008, none of the Group's directors and executive officers has outstanding personnel loans from the Group.

The details of the transactions between the Group and any other related parties are disclosed below:

Other related party transactions:

	31 December 2009	31 December 2008
Due from related parties	8,733,358	4,068,907
Current loan to related parties	1,749,021	2,951,011
	10,482,379	**7,019,918**
Non-current loan to related parties	-	8,140,329
	-	**8,140,329**

Due from related parties	**31 December 2009**	**31 December 2008**
TAV Tepe Akfen Yat.İnş ve İşl.A.Ş. ("TAV İnşaat")	6,581,484	-
ATÜ	1,631,069	2,815,542
Other related parties	520,805	1,253,365
	8,733,358	**4,068,907**

Loan to related parties	**31 December 2009**	**31 December 2008**
TAV Gözen	433,105	416,277
CAS	425,195	403,807
TAV Havacılık	-	897,041
Other related parties	890,721	1,233,886
	1,749,021	**2,951,011**

Non-current loan to related parties	**31 December 2009**	**31 December 2008**
TAV Tbilisi	-	8,140,329
	-	**8,140,329**

	31 December 2009	31 December 2008
Due to related parties	5,638,584	14,227,623
Current loan from related parties	6,647,134	38,201,044
	12,285,718	**52,428,667**
Non-current loan from related parties	19,082,385	9,591,944
	19,082,385	**9,591,944**

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Due to related parties	31 December 2009	31 December 2008
IBS Brokerlik ve Sigorta Hizmetleri A.Ş. (IBS Sigorta) (*)	4,448,649	4,119,366
TAV İnşaat (**)	1,134,906	9,793,089
Other related parties	55,029	315,168
	5,638,584	**14,227,623**

(*) IBS Sigorta provides insurance intermediatory services to the Group.
(**) Payable to TAV İnşaat represents the trade payables related with the construction and renovation of Enfidha, Monastir and Gazipaşa Airports.

Current loan from related parties	31 December 2009	31 December 2008
TGS	5,120,205	-
ATÜ	692,838	3,318,119
TAV İnşaat	421,218	2,976,453
Tepe İnşaat	412,873	31,906,472
	6,647,134	**38,201,044**

Non-current loan from related parties	31 December 2009	31 December 2008
ATÜ	9,592,962	9,591,944
TGS	9,489,423	-
	19,082,385	**9,591,944**

Services rendered to related parties	2009	2008
ATÜ (*)	64,738,336	66,963,440
TAV İnşaat (**)	3,759,656	573,993
Artı Döviz Tic. A.Ş. (Artı Döviz) (***)	1,418,071	992,698
Other related parties	578,717	1,173,500
	70,494,780	**69,703,631**

(*) Services rendered to ATÜ comprise non-eliminated portion of concession fee duty-free per proportionate consolidation.
(**) Services rendered to Tav İnşaat comprise food and beverage, security and area allocation services.
(***) Services rendered to Artı Döviz comprise area allocation services.

Services rendered by related parties	2009	2008
IBS Sigorta (*)	6,643,264	6,405,305
TAV Havacılık (**)	165,351	448,920
Tepe İnşaat	43,152	1,615,416
Tepe Prefabrik İnş. San. Tic. A.Ş.	-	342,913
TAV İnşaat	15,250	502,478
Other related parties	646,728	503,086
	7,513,745	**9,818,118**

(*) IBS Sigorta provides insurance intermediatory services to the Group.
(**) TAV Havacılık provides VIP air taxi services to the Group.

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Interest (expense) / income from related parties (net)	2009	2008
TAV İnşaat	(1,199,831)	(2,084,257)
TGS	(967,652)	-
ATÜ	(692,800)	-
Tepe İnşaat	(236,562)	(140,952)
TAV Havacılık	40,239	106,139
Other related parties	354,591	186,549
	(2,702,015)	**(1,932,521)**

The average interest rate used within the Group is 3.82% per annum (31 December 2008: 6.96%). The Group converts related party TRY loan receivable and payable balances to USD at month end using the Central Bank's announced exchange rates and then charges interest on the USD balances.

Construction work rendered by related parties	2009	2008
TAV İnşaat	224,497,490	173,503,307
	224,497,490	**173,503,307**

As at 31 December 2009 and 2008, TAV İnşaat provided services to renovation of Monastir and Gazipaşa Airports and construction of Enfidha Airport.

41. JOINT VENTURES

The Group has the following significant interests in joint ventures:

- 49.98% equity shareholding with 50% voting power in ATÜ, a jointly controlled entity established in Turkey and its subsidiary ATÜ Georgia. Summary of financial information of ATÜ and ATÜ Georgia,, not adjusted for the percentage ownership held by the Group is as follows:

Statement of Financial Position	31 December 2009	31 December 2008
Current assets	34,465,038	36,100,704
Non-current assets	61,609,187	57,942,847
Current liabilities	(27,879,283)	(26,725,396)
Non-current liabilities	(41,841,781)	(44,250,402)

Statement of Comprehensive Income	2009	2008
Total revenues	292,185,590	303,825,727
Total expenses	(274,308,725)	(287,825,601)
Profit for the period	17,876,865	16,000,126

- 60% equity shareholding with 50% voting power, in TAV Tbilisi, a joint venture established in Georgia. In 2009, the Group obtained 6% of TAV Tbilisi's shares and consequently acquired 66% equity shareholding with 66% voting power. TAV Tbilisi was fully consolidated with the minority's ownership reflected as a minority interest (See note 3). Summary of financial information of TAV Tbilisi, not adjusted for the percentage ownership held by the Group is as follows:

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Statement of Financial Position	31 December 2009	31 December 2008
Current assets	-	4,307,985
Non-current assets	-	86,467,903
Current liabilities	-	(13,111,527)
Non-current liabilities	-	(50,007,903)

Statement of Comprehensive Income	2009	2008
Total revenues	-	17,345,233
Total expenses	-	(23,152,692)
Loss for the period	-	(5,807,459)

- 50.00% equity shareholding with 50% voting power, in CAS, a joint venture established in KKTC. Summary of financial information of CAS, not adjusted for the percentage ownership held by the Group is as follows:

Statement of Financial Position	31 December 2009	31 December 2008
Current assets	690,833	1,252,664
Non-current assets	678,530	728,736
Current liabilities	(2,281,034)	(1,334,388)

Statement of Comprehensive Income	2009	2008
Total revenues	4,224,901	1,599,965
Total expenses	(5,823,216)	(2,913,807)
Loss for the period	(1,598,315)	(1,313,842)

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- 32.40% equity shareholding with 32.40% voting power, in TAV Gözen, a joint venture established in Turkey. Summary of financial information of TAV Gözen, not adjusted for the percentage ownership held by the Group is as follows:

Statement of Financial Position	31 December 2009	31 December 2008
Current assets	251,348	180,914
Non-current assets	2,479,082	2,896,750
Current liabilities	(2,020,030)	(2,402,855)
Non-current liabilities	-	(15,485)

Statement of Comprehensive Income	2009	2008
Total revenues	602,831	28,980
Total expenses	(1,268,287)	(214,446)
Loss for the period	(665,456)	(185,466)

- 50.00% equity shareholding with 50.00% voting power, in TGS, a joint venture established in 2009 in Turkey. Summary of financial information of TGS, not adjusted for the percentage ownership held by the Group is as follows:

Statement of Financial Position	31 December 2009	31 December 2008
Current assets	35,423,947	-
Non-current assets	2,417,653	-
Current liabilities	(7,352,202)	-

Statement of Comprehensive Income	2009	2008
Total revenues	1,689,098	-
Total expenses	(785,769)	-
Profit for the period	903,329	-

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42. SUBSEQUENT EVENTS

- The Concession Agreement signed between TAV Macedonia and the Macedonian Ministry of Transportation on 24 September 2008 for the Alexander the Great Airport in Skopje and the St. Apostle Paul Airport in Ohrid, as well as the construction of the new cargo airport in Shtip, and the operation thereof for 20 years will be effective on 1 March 2010.
- On 25 January 2010, the Company has received preliminary qualification to place a bid for the Male Airport tender in the capital town of Male by the Maldives Republican Government.
- Per the agreement signed on 16 October 2009, TAV Holding received the approval of the Directorate General of Civil Aviation on 25 January 2010 regarding the establishment of a new company, which will take over the whole shares of Havaş by paying EUR 180 million per the laws of the Republic of Turkey. Within the framework of the ultimate partnership structure, TAV, İş Private Equity and HSBC Principal Investments will hold stakes of 65%, 6.7% and 28.3%, respectively. TAV Group will participate to the New Company by transferring equity of EUR 78,000,000.
- On 26 January 2010 BTA and the Ministry of Finance were not able to reach an agreement upon a reconciliation requested for the corporate and value added tax notified in the penalty report regarding the accounts of October 2007-December 2007. BTA has decided to file a lawsuit disputing the abovementioned tax and penalty.
- On 4 March 2010 an agreement concerning the sale of 18% shares of TAV Tunisia, 85% stake of which is owned by TAV Holding, for a consideration of EUR 39,690,000 to the Pan African Infrastructure Development Fund has been signed.

43. RESTATEMENT OF PRIOR PERIODS' FINANCIAL STATEMENTS

The consolidated financial statements as at 31 December 2007 have been restated for the following:

	Accumulated losses
Balance at 31 December 2007, as previously reported	(53,499,998)
Effect of adoption for IFRIC 12 as at 31 December 2006	3,115,646
Effect of adoption for IFRIC 12	(6,215,472)
Deferred tax effect of adoption for IFRIC 12 as at 31 December 2006	(802,157)
Deferred tax effect of adoption for IFRIC 12	817,384
Balance at 31 December 2007, as restated	**(56,584,597)**

Change in classification of certain financial statement items:

The Group has changed the classification of certain financial statement items in order to achieve a more appropriate presentation in the current period. The comparatives are restated unless impracticable as presented below:

	Restated at 31 December 2008	Previously Reported at 31 December 2008
Cash and cash equivalents	22,572,015	59,572,792
Restricted bank balances	291,098,061	254,097,284
Property and equipment	78,111,498	81,216,173
Airport operation right	457,410,838	454,306,163
Construction revenue	202,339,925	199,235,250
Construction expenditure	(192,852,533)	(189,747,858)

GLOSSARY

APRON
Apron is a designated area in an airport where aircraft are parked, refueled, loaded, unloaded, boarded and maintenance is performed.

CHECK-IN
Check-in is the process where ticket and baggage transactions and passenger control are conducted at airport terminals by airline or ground handling company representatives.

DUTY FREE
Duty free is the area usually found at ports and airports where international passengers can purchase merchandise from retail outlets without the burden of taxes, duties or other restrictions levied by the country.

EARNINGS PER SHARE (EPS)
An indicator calculated by dividing a company's net (after-tax) profit by its number of outstanding shares.

EBITDA
Acronym for "Earnings before Interest, Taxes, Depreciation and Amortization".

EBITDAR
Acronym for "Earnings before Interest, Taxes, Depreciation, Amortization and Rent".

GUARANTEED PASSENGER INCOME
Guaranteed passenger income is the passenger revenue guaranteed by the related entity, based on the expected number of passengers per year, pursuant to the concession contract signed with the authorized entity. It can vary based on the contract as well as the period covered by the contract.

AVIATION INCOME
Income earned from services rendered to passengers and aircraft at the airports.

NON-AVIATION INCOME
Income derived from activities other than services rendered to passengers and aircraft at the airports, such as duty free.

INORGANIC GROWTH
Inorganic growth is revenue growth achieved by a company by acquiring another firm and consolidating the production and revenue of the acquired firm.

SUBSIDIARY
A direct or indirect capital and management relationship that creates a permanent tie between a partnership and a company in terms of participation in the management of the partnership and the formulation of the partnership's policies.

LIQUIDITY
Liquidity is the degree of speed and ease to which an asset can be exchanged for cash.

ORGANIC GROWTH
Organic growth is the growth achieved via a company's own activities. It expresses production increase, as well as the increase in revenue attained by selling this output.

PROJECT FINANCE

Project finance is a method of securing the financing needed for long-term infrastructure and industrial investments at the maximum possible level and with the minimum possible impact on the company's balance sheets. Posting the project's income stream or the asset itself as collateral may be needed as a condition of financing.

RAMP

Ramp is the area at the airports where aircraft are parked and attended to.

RECESSION

Recession is traditionally defined as two or more consecutive quarters of negative real gross domestic product (GDP) growth in an economy. It is also referred to as economic slowdown or economic slump.

SCHEDULED FLIGHT

Scheduled flight is the flight service with a pre-determined departure-arrival time and route.

CHARTER FLIGHT

Charter flight is a non-scheduled flight service offered in certain periods, mostly in summer months, where departure time is determined based on airport traffic and passenger demand.

TRANSIT PASSENGER

Transit passengers are those who continue their travel in the same aircraft or with the same flight number shortly after arriving at an airport on an airplane. These passengers are not allowed to take advantage of duty free, catering and accommodation services at the airport.

TRANSFER PASSENGER

Transfer passengers are those who continue their travel with a different aircraft or in the same aircraft but with a different flight number shortly after arriving at an airport on an airplane. These passengers are allowed to take advantage of duty free, catering and accommodation services at the airport.

BUILD-OPERATE-TRANSFER

This is the process where a private company provides the financing for a public infrastructure investment or service, undertakes the project, operates it for a period determined by the public authorities and transfers the facility at the end of the designated period to the related public authority in an intact, operating and well-maintained condition.

PASSENGER

All individuals traveling on the aircraft that are not part of the flight personnel or cabin crew are referred to as passengers.

PASSENGER SERVICE INCOME

The fee collected only from departing passengers.

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WWW.FINARKURUMSAL.COM • TEL +90 212 259 32 59

TAV AIRPORTS HOLDING
İstanbul Atatürk Airport
International Terminal (Gate A – Next to VIP)
34149 Yeşilköy, İstanbul, Turkey
Tel: +90 212 465 55 55 Faks: +90 212 465 50 50
www.tavairports.com
http://ir.tav.aero