Tepe Akfen TAV Airports

Financial and Operational Results
Nine Months 2014

November 7, 2014

Art of TAV

Inspired by Miro's work

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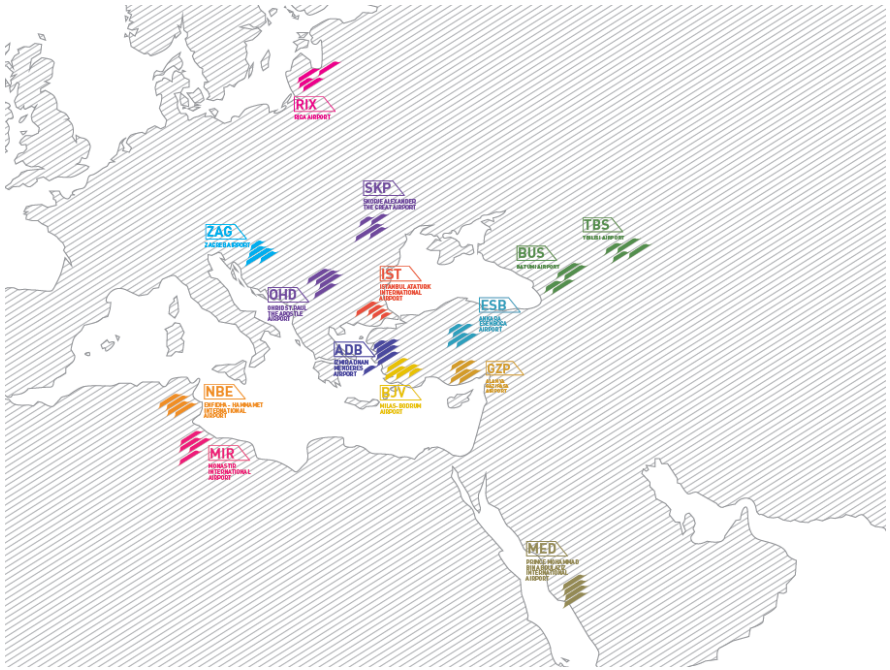
TAV Airports Operations Map



CEO's Message

It has been 14 years since we started operations at Istanbul Ataturk Airport and during this time we have added 13 more airports to our portfolio which goes to show the dynamism of TAV Airports. The tradition of expanding our portfolio through the addition of new and profitable airport operations continues with Milas Bodrum Airport. In July 2014, we took over the operations of the domestic terminal in Milas Bodrum Airport. In October 2015, we are going to take over the international terminal, as well. We are going to serve our country and our shareholders by developing Milas Bodrum Airport to its maximum potential in the years to come.

Together with Aéroports de Paris we have formed the largest airport platform in the world. This platform provides a global network of know-how and business acumen which we will exploit to its fullest by finding and acting on the best airport development opportunities around the world. TAV takes a great pride in its ability to perform at maximum capacity in very diverse cultures and now we have taken this ability to a global level.

In December 2013 we had also added a minority stake in Zagreb Airport to our portfolio. Zagreb and Milas Bodrum together have contributed 4% to our passenger growth in the first nine months of 2014. The 14% passenger growth we have recorded would instead be 10% without inorganic growth.

Third quarter of 2014 was a great period for inorganic growth in our service companies as well. Offering our passengers more than 52 000 products with the 'travel value' concept, ATU duty free started operating in Monastir Airport and won tenders to operate duty free shops at five other airports in Tunisia (including capital city of Carthage) and in Salalah Airport in Oman. As a result, ATU will provide services at a total of 19 airports across seven countries. TAV Operation Services started to provide lounge services for Air France-KLM's passengers at three airports in Germany. Now, passengers at Frankfurt, Munich and Stuttgart airports will have the chance to experience the exclusive services we provide under our brand 'primeclass'. BTA began operating the food court area of a large shopping mall in Istanbul called 'Uniq Istanbul'. Portfolio expansion through our service companies is going to be crucial in the years to come.

In first nine months of 2014, our revenues increased by 4% reaching EUR 720 million, while EBITDA came in at EUR 327 million with 9% growth. With strict cost discipline and strong operating leverage we managed to increase our EBITDA margin to 45.4%, the highest 9-month cumulative EBITDA margin we have had in our history. Net profit reached EUR 174 million and already surpassed last year's full year net profit figure. Duty free completely recovered inthird quarter, Havas's profitability recovery continued as a result of the turnaround initiative. BTA grew significantly through Cakes & Bakes and the new logistics company. Izmir was soft due to new opex from the new domestic terminal, and Ankara's revenues fell due to accounting changes.

We strongly believe in good corporate citizenship and channel our business activities with a strong awareness of our contribution to society and effect on the environment. While we consistently take our place among the top few Turkish companies in corporate governance we now also have the honor of being included in the BIST Sustainability Index as one the 15 companies that have met the required ESG criteria. We believe that the index will serve to encourage and foster the responsible investment culture. Additionally, TAV has been placed among the 10 companies with the highest performance in CDP Turkey's Climate Change Report. I would like to express my deepest gratitude to all TAV employees, our business partners, our clients, and to all of our social and economic stakeholders for their efforts and trust which has turned a Turkish company to a global player in only 14 years

Dr. M. Sani Sener
Member of Board of Directors
President & CEO

Highlights of 2014 Nine Months Results

Tepe Akfen TAV Airports

✈ **Consolidated revenue* of €720m**	**(+4% vs 9M13)**	✈ Lagged pax growth, due to weak TRL and RUB, weak duty free performance in the first five months, high transfer pax growth
✈ **Consolidated EBITDA* of €327m**	**(+9% vs 9M13)**	✈ Strong EBITDA growth due to operating leverage, Havas turnaround, favorable FX movements
✈ **Net profit of €174m**	**(+52% vs 9M13)**	✈ Strong net profit growth helped by FX gain and deferred tax income
✈ **Net Debt of €1,014m**	**(+16% vs 9M13)**	✈ Net debt increased mainly due to Milas Bodrum rent pre-payment (€143m) in August and Izmir domestic terminal construction
✈ **72m passengers served**	**(+14% vs 9M13)**	✈ Like-for-like growth of 10%, boosted by addition of Zagreb and Milas Bodrum

* IFRIC 12 adjusted

52% Net Profit Growth YoY

(in m€, unless stated otherwise)	IFRIC 12 Adjusted Financials 9M13	9M14	Chg %
Revenue	693	720	4%
EBITDA	300	327	9%
EBITDA margin (%)	43.3%	45.4%	2.1 ppt
EBITDAR	408	437	7%
EBITDAR margin (%)	58.8%	60.6%	1.8 ppt
FX Gain (Loss)	(20)	10	nm
Deferred Tax Income (Expense)	(8)	9	nm
Net Profit	114	174	52%
Net Cash Provided from Operating Activities[2]	409	237	-42%
Capex[2]	(184)	(72)	-61%
Free Cash Flow[2]	225	164	-27%
Shareholders' Equity	577	684	19%
Net Debt	874	1,014	16%
Average number of employees	14,295	13,657	5%
Number of passengers ('000)	63,631	72,263	14%
- International	36,352	41,875	15%
- Domestic	27,279	30,388	11%
Duty free spend per pax (€) [1]	14.5	12.9	-11%

([1]) Transfer numbers are tentative and subject to change
([2]) IFRS
Source: TAV Airports Holding, DHMI, TAV Tunisia, TAV Macedonia, Georgian Aviation Authority, TIBAH , MZLZ

✈PAX +14%: 10% like for like growth, +4% from Zagreb and Milas Bodrum

✈ Ataturk Int +12% (Istanbul transfer share 39% from 35%)

✈Revenue +4% lagged pax growth, due to weak TRL and RUB, weak duty free performance in the first five months, high transfer pax growth

✈49% aero, 51% non-aero

✈EBITDA +9% 210 bps margin expansion, due to strong operating leverage, Havas turnaround, favorable FX

✈Net Profit +52% partially affected by FX gain and deferred tax turning positive

✈FX Gain: Caused by monetary revaluation, due to weak EUR and active FX management policy

✈Net Debt +16%: Mainly due to Milas Bodrum rent pre-payment (€143m) in August and Izmir domestic terminal construction

✈Spend per Pax -11% to €12.9: Departure shop renovations, TRL and RUB depreciation, transfer pax dilution

Double-Digit Passenger Growth Continued

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- Istanbul: Double digit growth continues at 10%, with 16% growth in int-to-int transfer.
- Spearheaded by THY's fleet expansion
- Ankara: Domestic driven by SunExpress
- Izmir: Domestic driven by SunExpress & Pegasus
  International driven by Pegasus
- Gazipasa: SAS, Sunexpress and Pegasus increased flights. THY introduced flights for the first time.
- Medinah: Visa restrictions eased
- Tunisia: Flat, due to political noise
- Georgia: Hosting Turkish tourists and transit travelers to Istanbul
- Macedonia: Driven by WizzAir
- Zagreb: Driven by Croatian Airlines
- PAX +14%: 10% like for like growth, +4% from Zagreb and Milas Bodrum

Passengers ('000) [1]	January-September 2013	2014	Chg %
Ataturk Airport	**38,723**	**42,745**	**10%**
International	25,623	28,599	12%
Domestic	13,100	14,146	8%
Esenboga Airport	**8,193**	**8,316**	**2%**
International	1,239	1,128	-9%
Domestic	6,955	7,189	3%
Izmir Airport	**7,868**	**8,344**	**6%**
International	2,031	2,139	5%
Domestic	5,837	6,205	6%
Alanya Gazipasa Airport	**279**	**603**	**116%**
International	197	356	80%
Domestic	82	248	202%
Milas-Bodrum Domestic Terminal [4]	**1,471**	**1,705**	**16%**
Medinah	**3,578**	**4,519**	**26%**
Tunisia (Monastir&Enfidha)	**2,874**	**2,836**	**-1%**
Georgia (Tbilisi&Batumi)	**1,276**	**1,393**	**9%**
Macedonia (Skopje&Ohrid)	**839**	**989**	**18%**
Zagreb Airport	**1,790**	**1,865**	**4%**
TAV TOTAL [3]	**63,631**	**72,263**	**14%**
International	36,352	41,875	15%
Domestic	27,279	30,388	11%

Air Traffic Movements ('000) [2]	January-September 2013	2014	Chg %
Ataturk Airport	**288.2**	**315.5**	**9%**
International	192.3	213.5	11%
Domestic	95.9	102.0	6%
Esenboga Airport	**63.6**	**62.5**	**-2%**
International	10.2	9.1	-11%
Domestic	53.4	53.4	0%
Izmir Airport	**52.8**	**56.2**	**6%**
International	13.6	14.6	7%
Domestic	39.2	41.6	6%
Alanya Gazipasa Airport	**2.0**	**4.4**	**113%**
International	1.5	2.4	66%
Domestic	0.6	1.9	236%
Milas-Bodrum Domestic Terminal [4]	**10.6**	**12.9**	**22%**
Medinah	**29.5**	**37.4**	**27%**
Tunisia (Monastir&Enfidha)	**24.5**	**21.7**	**-12%**
Georgia (Tbilisi&Batumi)	**17.9**	**18.4**	**3%**
Macedonia (Skopje&Ohrid)	**9.7**	**10.7**	**10%**
Zagreb Airport	**30.0**	**29.0**	**-3%**
TAV TOTAL [3]	**488.3**	**560.6**	**15%**
International	282.8	331.5	17%
Domestic	205.5	229.1	11%

Source: Turkish State Airports Authority (DHMI), Georgian Authority, TAV Tunisie, TAV Macedonia, TIBAH and MZLZ

Note: DHMI figures for 2014 are tentative.

(1) Both departing and arriving passengers, including transfer pax

(2) Commercial flights only

(3) 2013 TAV totals do not include Milas-Bodrum and Zagreb Airport.

(4) TAV commenced its operation at Milas-Bodrum domestic terminal on July 15 2014. International terminal of Milas-Bodrum wias taken over by October 22, 2015

Strong Bottom-Line Growth

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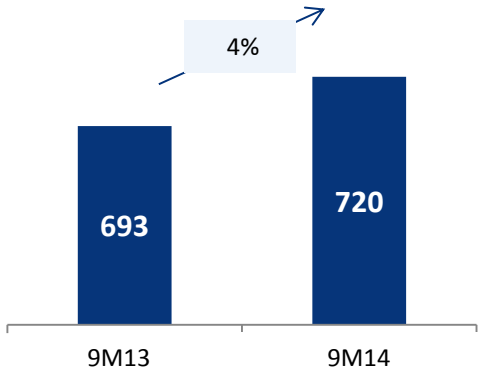
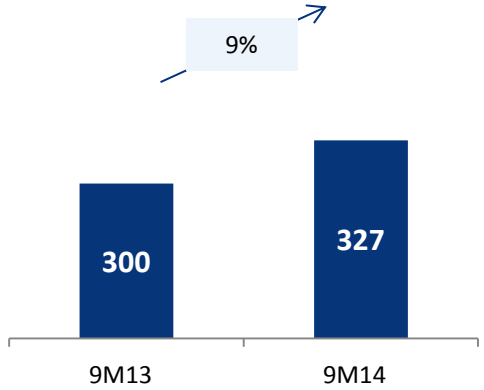
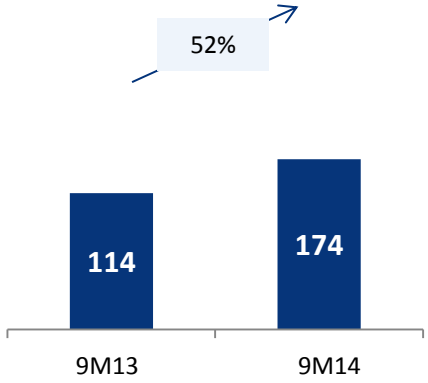
Consolidated Revenue* (€m)



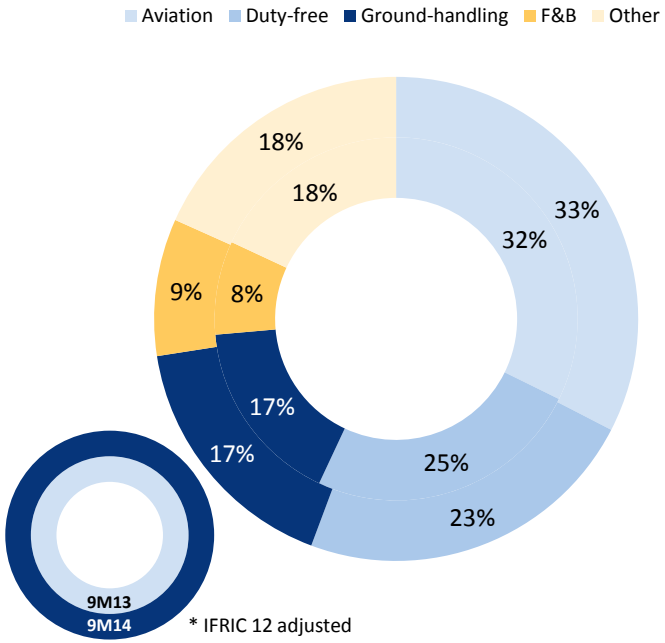
EBITDA* (€m)



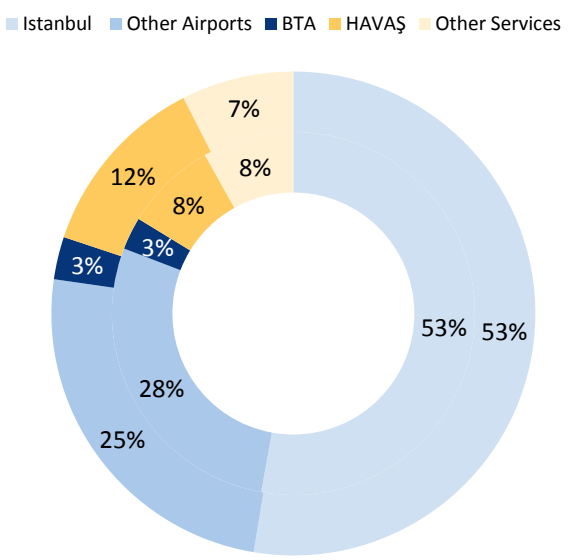
Net Profit (€m)



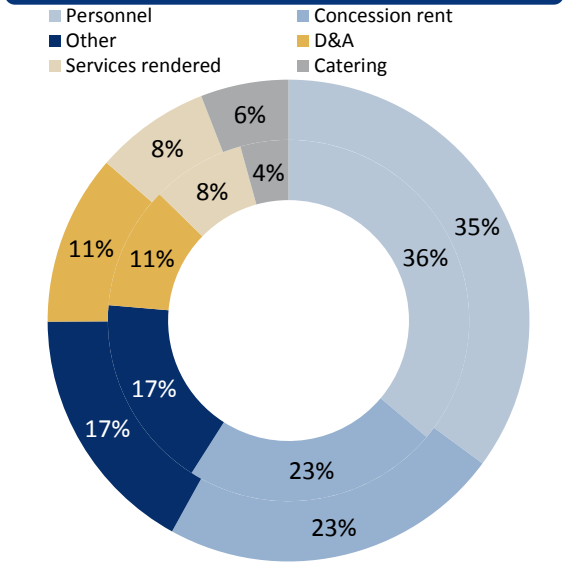
Consolidated Revenue* (%)



EBITDA* (%)



Opex (%)



* IFRIC 12 adjusted

Revenue Growth Pressured by Weak TRL

(€m) *	9M13	9M14	Chg (%)
Aviation	224	235	5%
Ground handling	115	121	5%
Commission from duty free sales	171	167	-3%
Catering services	58	66	14%
Other operating revenue	125	132	5%
Total operating revenue	**693**	**720**	**4%**

✈Revenue +4% lagged pax growth, due to weak TRL, weak duty free performance in the first five months of 2014, high transfer pax growth

✈49% aero, 51% non-aero

✈Aviation +5%: lagged pax growth, mainly due to transfer pax dilution and lower guaranteed pax revenue.

✈**Guaranteed Pax Revenue:** €11.9m for Ankara (€16.8 m in 9M13), €15.6m for Izmir (€15.0m in 9M13). Guaranteed pax revenue lower for Ankara YoY, due to first time initiation of intra-year settlement with DHMI of domestic pax revenue vs year-end settlement in 2013.

✈Duty Free Commissions -3%: Departure shop renovations, TRL and RUB depreciation. Shop renovations completed in April 2014, revenue growth returned in third quarter

✈Spend per Pax -11% to €12.9: Departure shop renovations, TRL and RUB depreciation, transfer pax dilution

✈Istanbul transfer share 39%, from 35%**

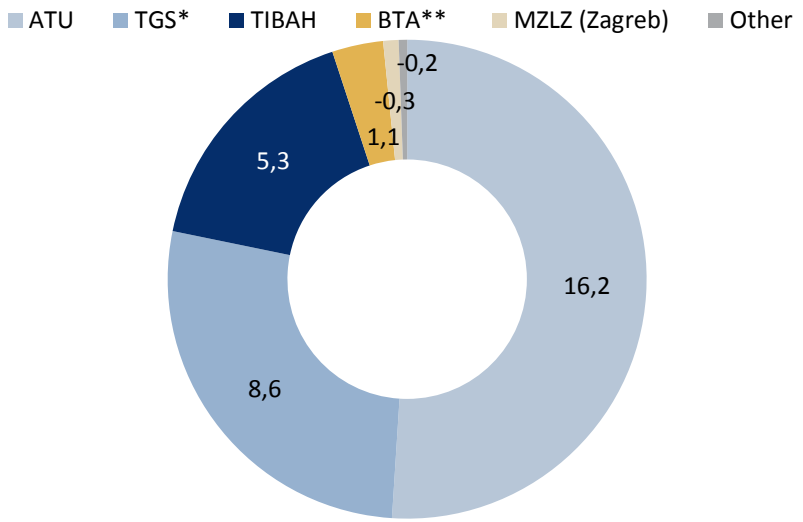
✈Ground Handling +5%: despite depreciation of TRL and benign winter lowering de-icing revenues

✈Total flights served +9% to 355K, TGS flights served +13%
✈THY served by TGS in Bodrum and Dalaman since 2Q13

✈Catering +14%: Superb growth in Cakes&Bakes and newly established logistics company (BTA Logistics)

✈Other Operating Revenue +5%: Significant increase in prime class income against pressured carpark and bus services revenues due to weak TRL

Equity pick-up (€m)



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

*All companies under Havas consolidation – Havas solo ** BTA IDO+UNLU+LOKUM

Flat Opex Thanks to Favorable FX

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(€m)	9M13	9M14	Chg.(%)
Cost of catering inventory sold	(20)	(28)	40%
Cost of services rendered	(39)	(37)	-6%
Personnel expenses	(170)	(168)	-1%
Concession & rent expenses	(107.5)	(109.8)	2%
Istanbul	(96.3)	(96.6)	0%
Ege	(6.5)	(6.5)	0%
Tunisia	(4.0)	(4.6)	13%
Macedonia	(0.6)	(0.6)	7%
Bodrum		(1.4)	nm
Depreciation and Amortization	(52)	(55)	6%
Other operating expenses	(82)	(81)	-1%
Total Operating Expenses	**(470)**	**(479)**	**2%**

✈Opex +2%: Helped by weak TRL and cost discipline

✈Catering CoGS +40%: Due to high input costs and increased capacity of Cakes&Bakes

✈Services Rendered -6%: Mainly Havas operating expenses, Latvia's concession payment and some minor BTA and O&M costs

✈Personnel -1%: Weak TRL helped, despite 5% increase in average headcount

✈Concession and Rent* +2%

✈Istanbul rent in 2014 is mainly determined by 2012 and 2013 EUR/USD FX rates, due to amortization schedule of rent payments

✈Macedonia concession dropped from 15% to 4% with the passing of the 1m pax threshold. The percentage decrease took place in 2Q13 retrospectively for YTD 2013

✈D&A +6%: despite Izmir domestic terminal being commissioned in 2014, due to reclassification of Ankara AOR to trade receivables (guaranteed pax fee receivable from DHMI), there was a €5m decrease in Ankara's YTD amortization expense YoY

✈Other Opex -1%: Mainly due to weak TRL

*Rent expenses are made to DHMI for Istanbul Ataturk and Izmir Adnan Menderes.
Concession expenses are made to Tunisian Civil Aviation Authority (OACA), Macedonian Ministry of Transportation and Communication and to GACA in Saudi Arabia.

Net Profit Impacted by Non-cash Items and Deferred Tax

(€m)	9M13[1]	9M14[1]	Chg.(%)
EBIT	249	272	10%
EBITDA	300	327	9%
EBITDA margin	43.3%	45.4%	2.1 ppt
EBITDAR	408	437	7%
EBITDAR margin	58.8%	60.6%	1.8 ppt

✈EBIT +10%: strong operational performance, weak TRL, amortization decrease in Ankara

✈EBITDA +9%: strong operational performance, weak TRL

✈EBITDAR +7%: strong operational performance, weak TRL

(€m)	9M13	9M14	Chg.(%)
Finance income	25	36	41%
Finance costs	(85)	(70)	-18%
FX gain/(loss)	(20)	10	nm
Net finance costs	(60)	(34)	-43%
Profit before income tax	157	211	34%
Tax expense	(40)	(35)	-10%
Current period tax expense	(31)	(45)	43%
Deferred tax (expense)/income	(8)	9	nm
Profit for the period	118	175	49%
Attributable to			
Equity holders of the Company	114	174	52%
Non-controlling interest	4	2	-58%

✈Finance Costs -18%: TAV Ege finance expenses which were capitalised during the investment period started being expensed in 2Q14. On the other hand, due to Ankara's reclassification of AOR to trade receivables, there was an increase in finance income (the difference between discounted and actual receivables stemming from the application of IFRIC12) of €3.1m.
✈FX gains thanks to weak EUR and active FX management policy aiming at reducing the volatility of profit to FX fluctuations

✈ Tax -10%: due to deferred tax turning positive

✈Current Tax +43%

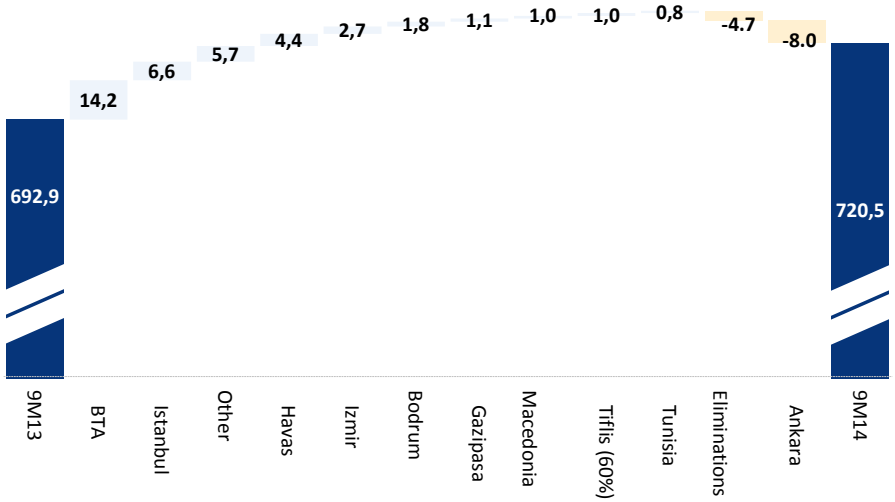
✈Deferrred Tax: turned positive, due to FX effect in AOR and borrowings

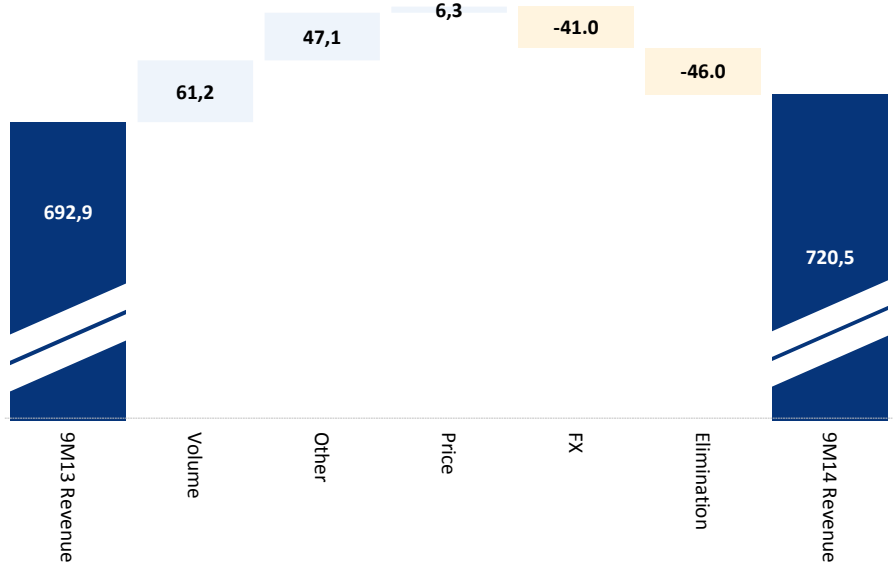
✈ Net Profit to equity-holders [2] +52% @ €174m

(1) IFRIC 12 adjusted
(2) Non-controlling interest reflects the allocation of profit / loss held by minority shareholders of subsidiaries (BTA, TAV Tunisia, TAV Georgia, HAVAS Europe) and amounted €2 million in 9M14.

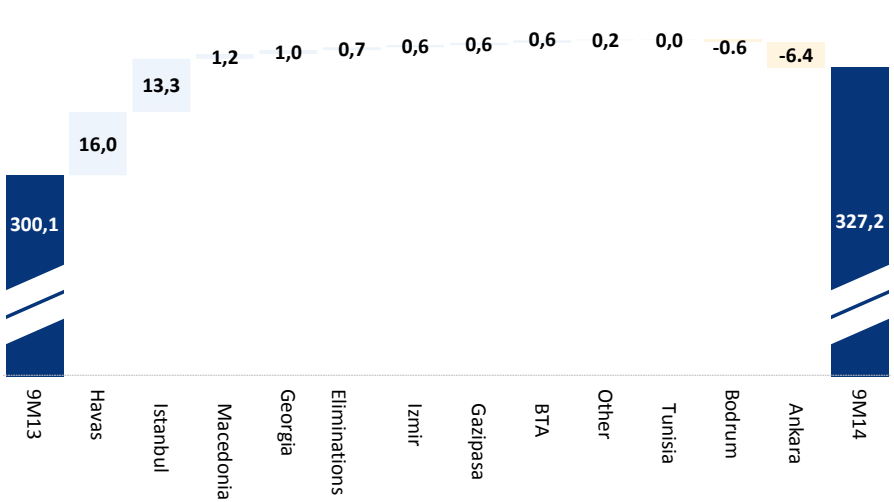
9M14 Revenue and EBITDA Bridges

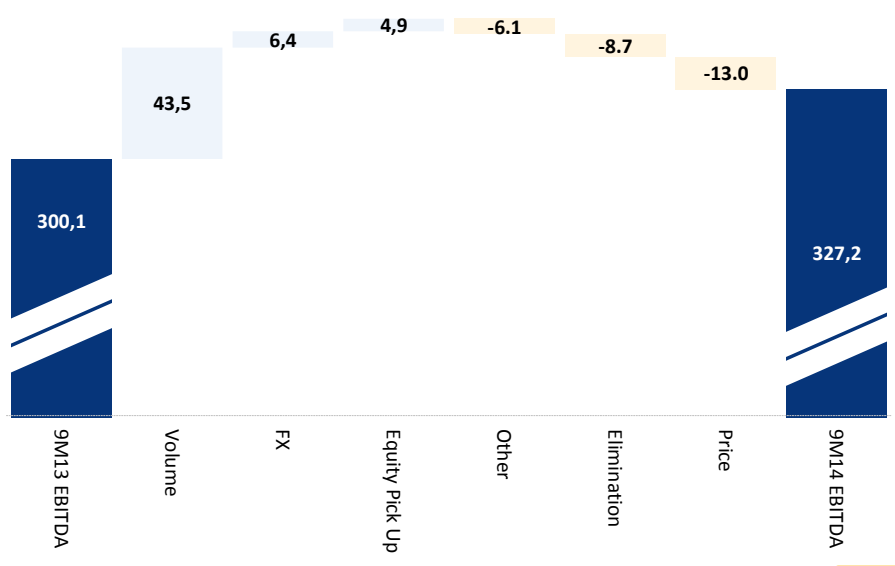
Revenue Bridges (€m)





EBITDA Bridges (€m)





FX Exposure of Operations (FY 2013)

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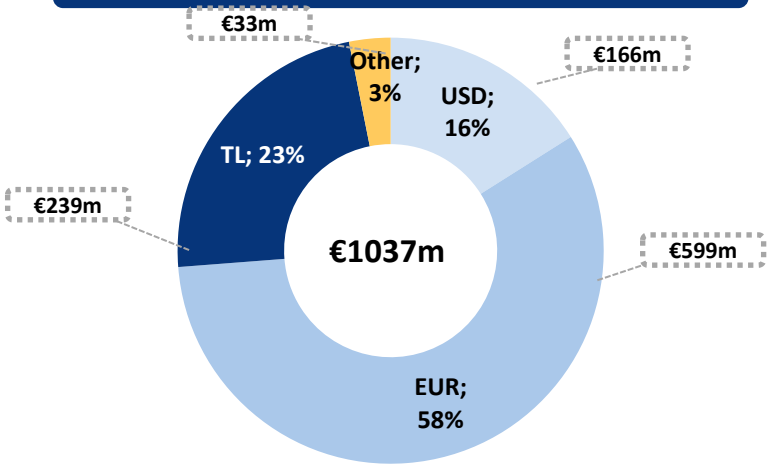
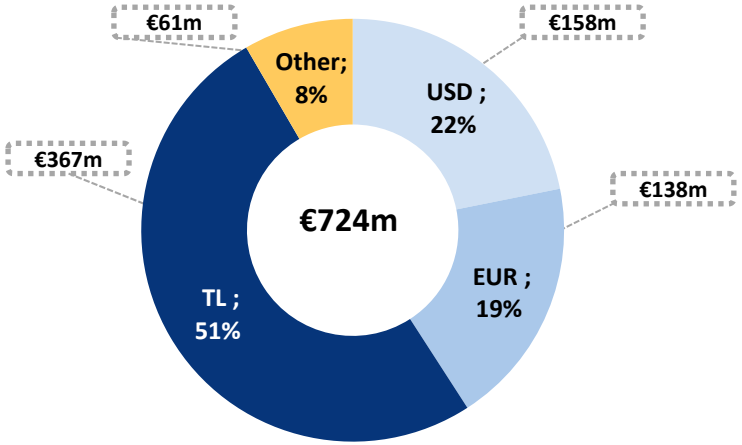
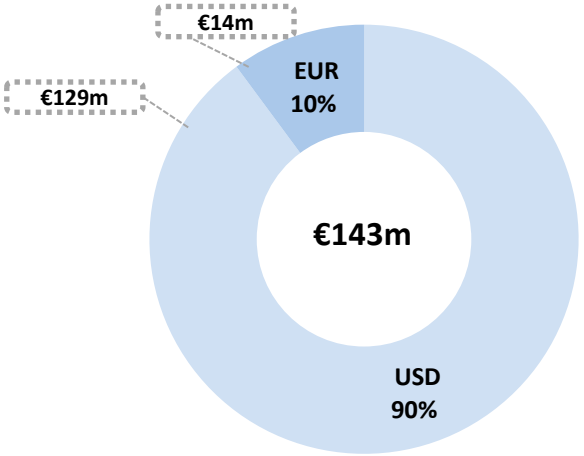
Revenue [1]



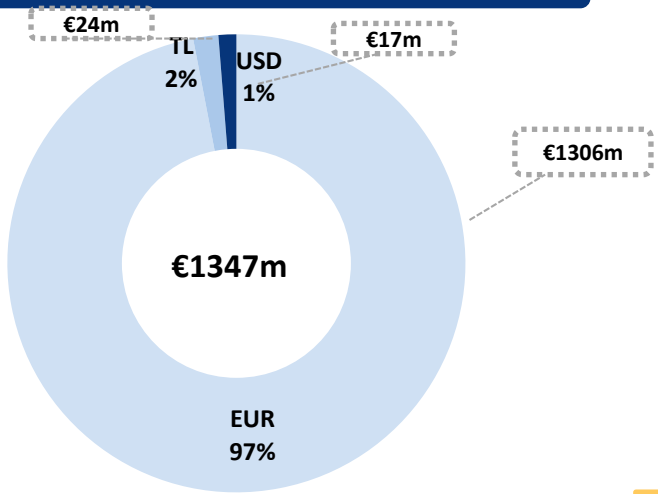
Opex [1][2]



Concession Rent Expense



Gross Debt



(1) Combined figures, pre-eliminations IFRIC 12 adjusted. Includes equity pick-up (€34m)
(2) Includes concession rent expenses (€143m) and depreciation (€69m).

FX Exposure

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FX Rates

	Average		30 Sep	31 Dec	30 Sep
	9M14	9M13	2014	2013	2013
EUR/TRL	2.93	2.45	2.89	2.94	2.75
USD/TRL	2.16	1.86	2.28	2.13	2.03
EUR/USD	1.36	1.32	1.27	1.38	1.35
EUR/GEL	2.38	2.18	2.22	2.39	2.25
EUR/MKD	61.73	61.60	61.73	61.51	61.50
EUR/TND	2.24	2.13	2.28	2.27	2.23
EUR/SEK	9.04	8.58	9.18	8.94	8.68
EUR/SAR	5.09	4.94	4.76	5.16	5.07

Hedging

- Subsidiaries, TAV Istanbul, TAV Esenboga, HAVAS, TAV Macedonia, TAV Tunisia and TAV Ege enter into swap transactions in order to diminish exposure to foreign currency mismatch relating to DHMI installments and interest rate risk to manage exposure to the floating interest rates relating to loans used.
- 100%, 100%, 43%, 80%, 85% and 99% of floating bank loans for TAV Istanbul, TAV Esenboga, HAVAS, TAV Macedonia, TAV Tunisia and TAV Ege respectively are fixed with interest rate swaps as explained in Note 12.
- Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized directly in equity to the extent that the hedge is highly effective. To the extent that the hedge is ineffective, changes in fair value of the ineffective are recognized in profit or loss.

	Equity		Profit or loss	
(€'000)	Strengthening of EUR	Weakening of EUR	Strengthening of EUR	Weakening of EUR
30 September 2014				
USD	(16,043)	15,701	(13,133)	13,133
TRL	-	-	2,529	(2,529)
Other	-	-	(1,563)	1,563
Total	**(16,043)**	**15,701**	**(12,167)**	**12,167**
31 December 2013				
USD	(16,039)	15,607	(14,012)	14,012
TRL	-	-	(10,027)	10,027
Other	-	-	(939)	939
Total	**(16,039)**	**15,607**	**(24,978)**	**24,978**

Sensitivity Analysis

The Group's principal currency rate risk relates to changes in the value of the Euro relative to TRL and the USD. The Group manages its exposure to foreign currency risk by entering into derivative contracts and, where possible, seeks to incur expenses with respect to each contract in the currency in which the contract is denominated and attempt to maintain its cash and cash equivalents in currencies consistent with its obligations.

The basis for the sensitivity analysis to measure foreign exchange risk is an aggregate corporate-level currency exposure. The aggregate foreign exchange exposure is composed of all assets and liabilities denominated in foreign currencies, both short-term and long-term purchase contracts. The analysis excludes net foreign currency investments.

A 10 percent strengthening / (weakening) of EUR against the following currencies at 30 September 2014 and 31 December 2013 would have increased / (decreased) equity and profit or loss by the amounts shown above. This analysis assumes that all other variables, in particular interest rates, remain constant.

Decentralized Debt Structure - Prudently Levered

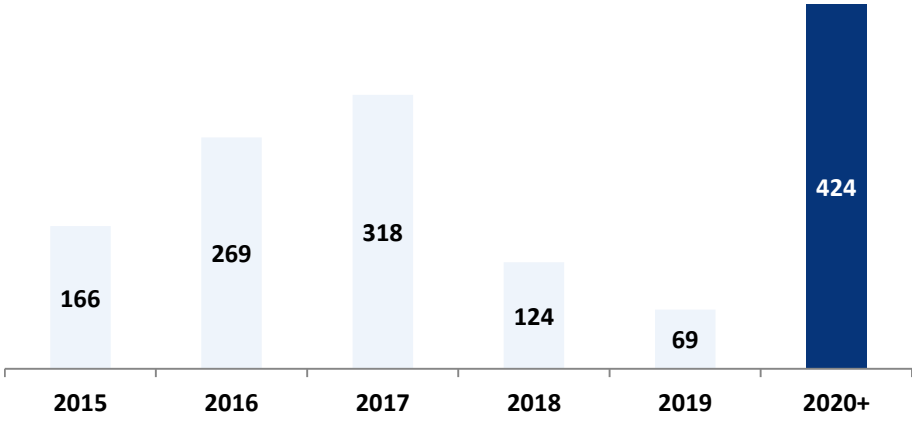
Net Debt (eop, €m)	9M13	2013	9M14
Airports	**624**	**652**	**693**
Istanbul	68	(1)	10
Ankara	83	84	76
Izmir (including Ege)	58	155	202
Gazipasa	16	16	23
Tunisia	345	344	336
Georgia	(4)	(2)	(5)
Macedonia	57	55	52
Bodrum	-	-	(1)
Services	**251**	**222**	**321**
HAVAS	64	58	48
BTA	-	2	3
Others	187	162	270
Total	**874**	**874**	**1,014**

- Door to Door Maturity **8.0 Years**
- Average Maturity **5.3 Years**
- Average € Cost of Debt (Hedged*) **5.5 %**
- Net Debt / LTM EBITDA (€408m) **2.5x**

*91 % of all loans have fixed rates.

-as of September 30, 2014

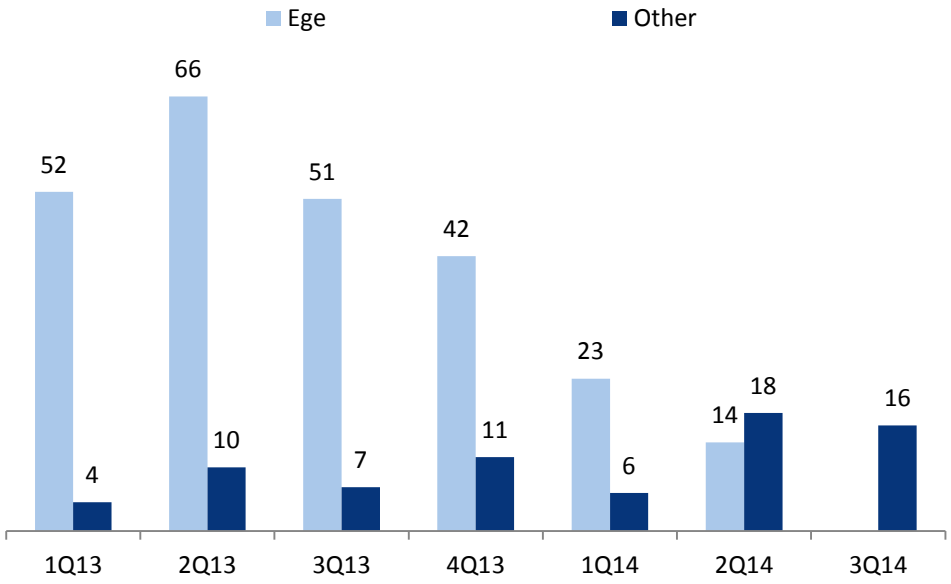
Gross Debt Maturity Profile (€m)



CAPEX Development & Outlook

Tepe Akfen TAV Airports

Quarterly Capex (€m)



✈ 9M14 Capex mainly due to Izmir Adnan Menderes Domestic Terminal Construction and Havas

Airport	Scope	Total EPC* (€m)	EPC Cumulative (€m)	Cumulative (¹+²+³) (€m)	2012¹ (€m)	2013² (€m)	2014³ (€m)	% Completed
Izmir	Re-construction of the domestic terminal	**266**	266	286	39	210	37	100%
Medinah (33%)	Re-construction of the terminals and extension of the runway	**248**	233	254	52	101	100	94 %

*While EPC capex does not include capitalized interest costs and other charges, IFRS capex does. Medinah EPC calculated at 1.3 EUR/USD

Notes on Financials

Tepe Akfen TAV Airports

Basis of Consolidation

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

Summary IFRS Consolidation Table

	9M 2014		9M 2013	
Name of Subsidiary	**Consolidation**	**% Stake**	**Consolidation**	**% Stake**
TAV Istanbul	Full - No Minority	100	Full - No Minority	100
TAV Esenboga	Full - No Minority	100	Full - No Minority	100
TAV Izmir	Full - No Minority	100	Full - No Minority	100
TAV Ege	Full - No Minority	100	Full - No Minority	100
TAV Gazipasa	Full - No Minority	100	Full - No Minority	100
TAV Macedonia	Full - No Minority	100	Full - No Minority	100
TAV Latvia	Full - No Minority	100	Full - No Minority	100
TAV Tunisia	Full - With Minority	67	Full - With Minority	67
TAV Urban Georgia (Tbilisi)	Full - With Minority	76	Full - With Minority	76
TAV Batumi	Full - With Minority	76	Full - With Minority	76
TIBAH Development	Equity	33	Equity	33
TIBAH Operation	Equity	51	Equity	51
HAVAS	Full - No Minority	100	Full – No Minority	100
BTA	Full - With Minority	67	Full - With Minority	67
TAV O&M	Full - No Minority	100	Full - No Minority	100
TAV IT	Full - No Minority	100	Full - With Minority	99
TAV Security	Full - No Minority	100	Full - No Minority	100
HAVAS Europe	Full - With Minority	67	Full - With Minority	67
ATU	Equity	50	Equity	50
TGS	Equity	50	Equity	50
BTA Denizyollari (IDO)	Equity	50	Equity	50
MZLZ	Equity	15	-	-
MZLZ Operations	Equity	15	-	-
TAV Milas Bodrum	Full - No Minority	100	-	-

Adjusted Financials-IFRIC 12

Tepe Akfen TAV Airports

Introduction to IFRIC 12

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

IFRIC 12 booking model

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

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

** TR-GAAP

***IFRS (IFRIC 12 application)

****Discounted guaranteed passenger revenues for that period

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

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

Tepe Akfen TAV Airports

(9M14, €m)	Revenue	EBITDA	EBITDA Margin (%)	Net Debt
Airports	**514.3**	**253.1**	**49%**	**693**
Istanbul	340.9	172.4	51%	10
Ankara	32.3	16.4	51%	76
Izmir (including TAV Ege)	49.9	23.8	48%	202
Gazipasa	2.6	0.7	28%	23
Tunisia	42.9	16.3	38%	336
Georgia	28.1	18.1	64%	-5
Macedonia	15.8	6.0	38%	52
Bodrum	1.8	-0.6	nm	-0.7
Services	280.5	74.5	27%	321
Havas	114.5	40.6	35%	48
BTA	101.3	9.3	9%	3
Others*	64.7	24.6	38%	270
Total	794.8	327.5	41%	1,014
Elimination	-74.3	-0.3		
Consolidated	**720.5**	**327.2**	**45%**	**1,014**

Number of Employees (eop)	9M13	9M14
Istanbul	2,727	2,779
Ankara	934	937
Izmir+Ege	698	883
Tunisia	764	781
Gazipasa	29	46
Georgia	819	801
Macedonia	646	644
HAVAS	4,218	4,412
BTA	2,204	2,502
Holding	98	103
O&M	308	307
IT	182	191
Security	266	409
Latvia	3	4
Milas Bodrum	-	36
Academy	8	11
TOTAL	**13,904**	**14,846**

Revenue (€m)	9M13	9M14	Chg.(%)
Airports	**507.4**	**514.3**	**1%**
Istanbul	334.3	340.9	2%
Ankara	40.3	32.3	-20%
Izmir (including TAV Ege)	47.3	49.9	6%
Gazipasa	1.5	2.6	69%
Tunisia	42.1	42.9	2%
Georgia	27.1	28.1	4%
Macedonia	14.8	15.8	7%
Bodrum	-	1.8	nm
Services	**256.2**	**280.5**	**9%**
Havas	110.1	114.5	4%
BTA	87.1	101.3	16%
Others	59.0	64.7	10%
Total	763.7	794.8	4%
Elimination	-70.8	-74.3	5%
Consolidated	**692.9**	**720.5**	**4%**
ATU**	208.5	206.0	-1%
TGS**	73.8	81.8	11%
TIBAH**	22.4	26.7	19%

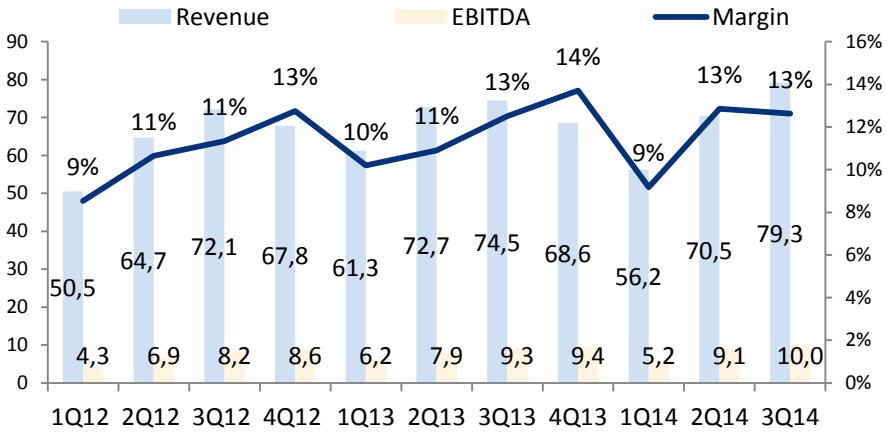
EBITDA (€m)	9M13	9M14	Chg.(%)
Airports	243.4	253.1	4%
Istanbul	159.1	172.4	8%
Ankara	22.8	16.4	-28%
Izmir (including TAV Ege)	23.2	23.8	2%
Gazipasa	0.2	0.7	375%
Tunisia	16.3	16.3	0%
Georgia	17.1	18.1	6%
Macedonia	4.8	6.0	26%
Bodrum	0.0	-0.6	
Services	57.7	74.5	29%
Havas	24.6	40.6	65%
BTA	8.7	9.3	7%
Others*	24.4	24.6	1%
Total	**301.1**	**327.5**	**10%**
Elimination	-1.0	-0.3	-68%
Consolidated	**300.1**	**327.2**	**9%**
ATU**	23.5	23.4	0%
TGS**	9.9	14.9	51%
TIBAH**	4.3	6.3	45%

*Others EBITDA includes share of profit of equity accounted investees (equity-pick up). Please see pg. 8 for the breakdown.
**Equty accounted investee

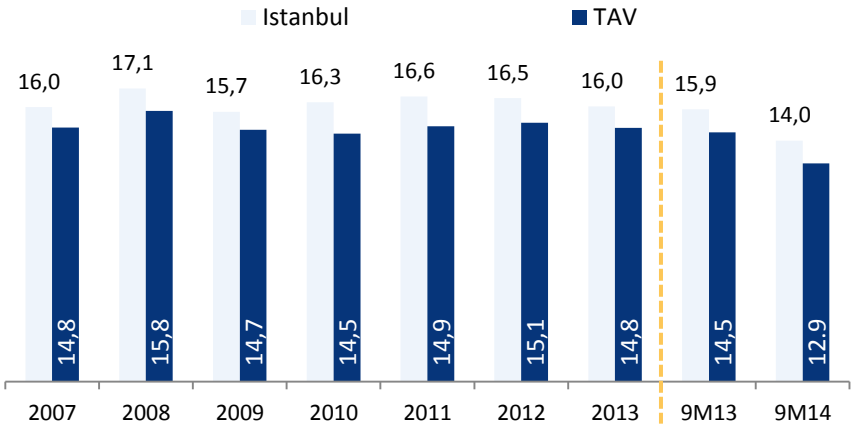
ATU (50%)

Tepe Akfen TAV Airports

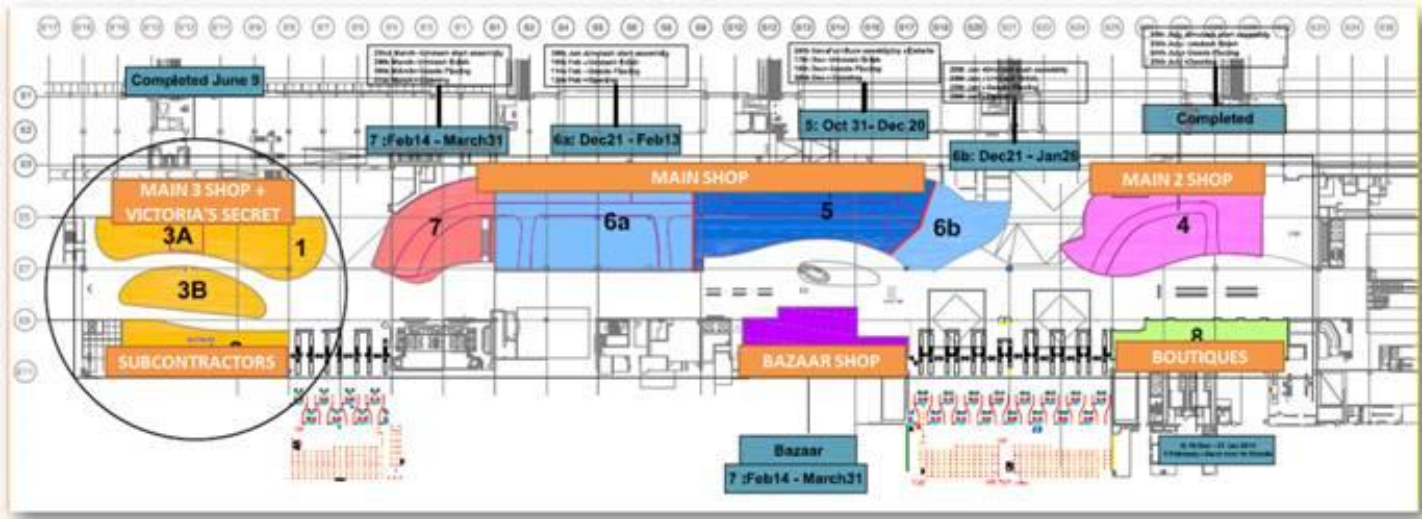
ATU Financials (€m)



Duty Free Spend per Pax (€)



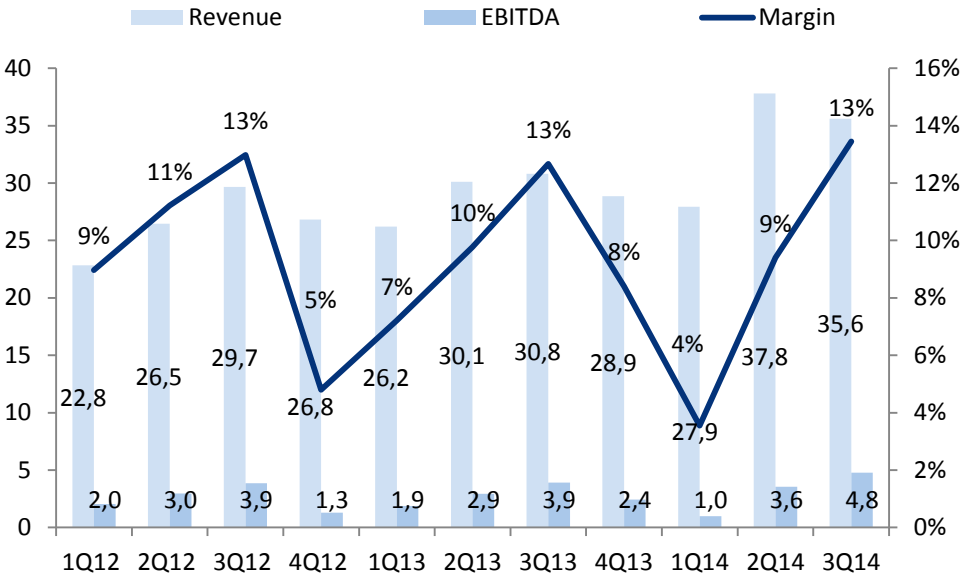
- Main Shop renovations started in October 2013, completed April 2014 with the stores opening gradually afterwards.
- SPP affected by shop renovations, weak TRL and Rouble.



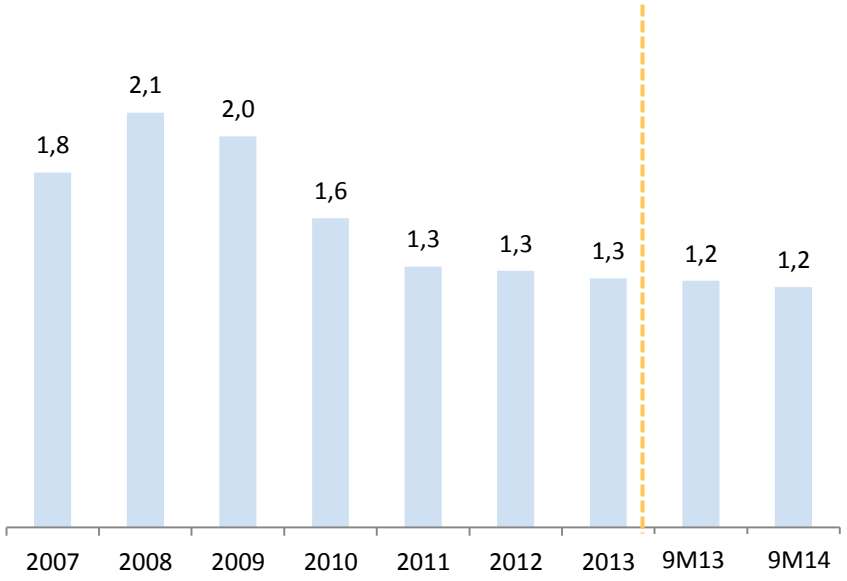
BTA

✈ Strong revenue growth helped by increased business volume of Cakes&Bakes

BTA* Financials (€m)



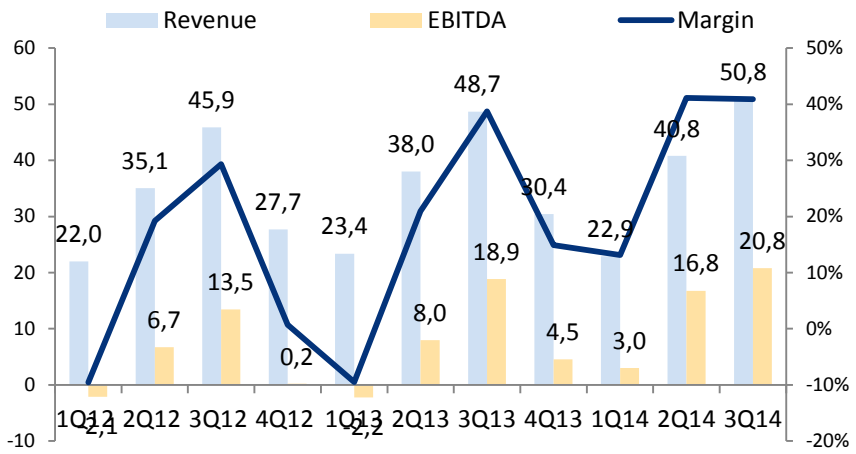
TAV F&B Spend per Pax (€)



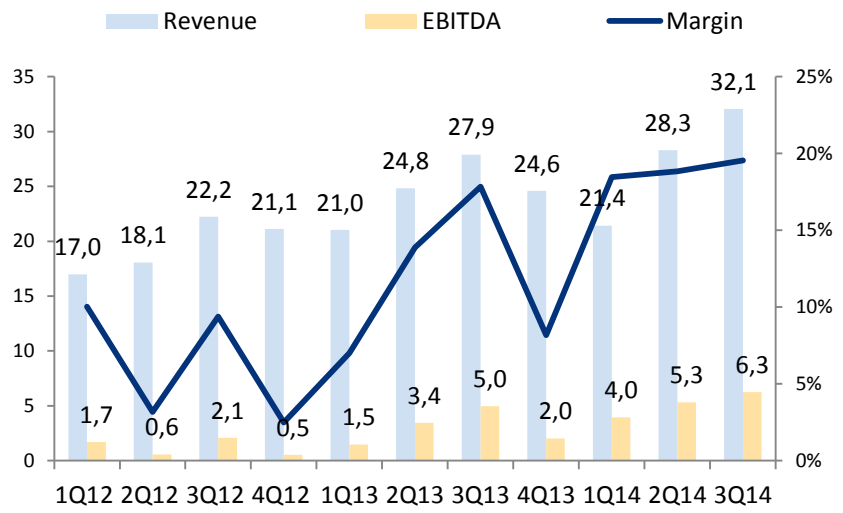
*IFRS 11

HAVAS

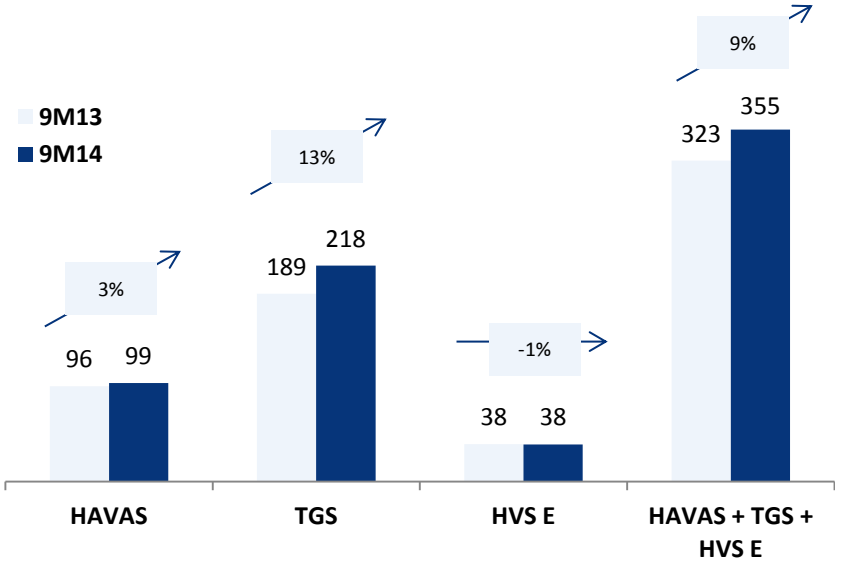
Havas * Financials (€m)



TGS Financials (50%) (€m)

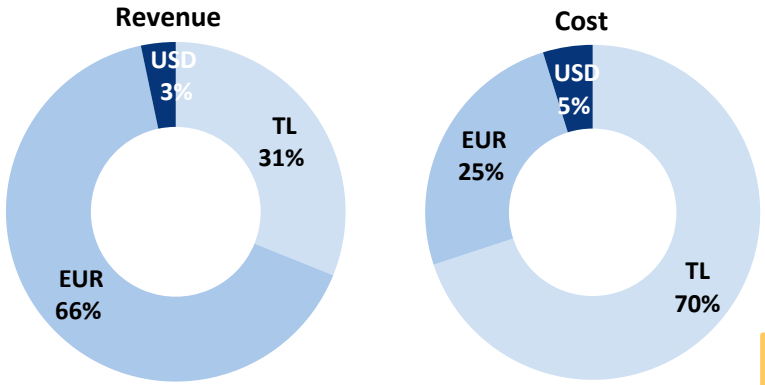


of Flights Served ('000)



✈ Havas solo revenues grew despite low de-icing and weak TRL in 9M14, EBITDA strong due to weak TRL and restucturing that started at the end of 2013.

Havas Solo FX Exposure FY 2013



* Post IFRS 11

Equity Accounted Investees – IFRS 11

Tepe Akfen TAV Airports

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

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

		2012	2013	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14
ATU (50%)	**Revenue**	255.1	277.1	61.3	72.7	74.5	68.6	56.2	70.5	79.3
	EBITDA	28.0	32.9	6.2	7.9	9.3	9.4	5.2	9.1	9.2
	Net Profit	20.8	22.2	4.5	5.6	5.6	6.6	3.8	7.0	5.4
	Net Debt	3.0	5.1	8.5	6.5	4.1	5.1	6.5	6.0	0.4
		2012	**2013**	**1Q13**	**2Q13**	**3Q13**	**4Q13**	**1Q14**	**2Q14**	**3Q14**
TGS (50%)	**Revenue**	78.4	98.4	21.0	24.8	27.9	24.6	21.4	28.3	32.1
	EBITDA	4.9	11.9	1.5	3.4	5.0	2.0	4.0	5.3	5.6
	Net Profit	1.9	7.3	0.5	1.9	3.5	1.5	1.7	3.5	3.5
	Net Debt	-6.1	-2.0	-2.7	1.2	0.6	-2.0	-2.8	2.6	1.6
		2012	**2013**	**1Q13**	**2Q13**	**3Q13**	**4Q13**	**1Q14**	**2Q14**	**3Q14**
TIBAH (33%)	**Revenue**	16.5	28.4	7.2	7.5	7.7	5.9	9.7	8.1	8.9
	EBITDA	3.1	4.4	1.4	1.2	1.7	0.0	2.5	1.7	2.1
	Net Profit	2.7	3.6	1.2	1.0	1.5	-0.1	2.1	1.4	1.8
	Net Debt	70.3	145.7	97.5	103.2	116.2	145.7	170.4	212.5	255.4
		2012	2013	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	**3Q14**
BTA IDO (50%)	**Revenue**	11.6	11.7	2.5	3.2	3.7	2.3	2.2	3.0	4.0
	EBITDA	1.3	1.2	0.1	0.3	0.6	0.1	0.2	0.5	0.7
	Net Profit	0.8	0.5	-0.0	0.2	0.4	-0.0	0.1	0.3	0.5
	Net Debt	-0.3	-0.2	-0.4	-1.0	-0.9	-0.2	-0.8	-0.7	-1.1

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

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

Quarterly Revenue & EBITDA by Assets*

€m	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14
Airports	122,7	155,8	189,0	147,4	140,3	173,2	193,9	150,6	141,3	169,3	203,7
Istanbul	87,8	106,0	114,0	106,0	102,8	116,1	115,4	107,7	102,4	114,5	124,0
Ankara	10,2	11,3	14,6	8,6	11,9	14,0	14,4	7,8	12,1	9,6	10,6
Izmir (including TAV Ege)	9,3	14,1	21,3	11,8	10,1	15,6	21,6	12,7	10,5	16,3	23,1
Gazipasa	0,0	0,1	0,3	0,1	0,1	0,4	1,0	0,3	0,2	0,7	1,7
Tunisia	5,2	12,7	23,6	9,1	4,6	13,4	24,0	9,8	4,9	14,0	24,0
Georgia	6,3	7,2	9,8	7,6	6,9	8,8	11,5	8,2	7,3	8,8	12,0
Macedonia	3,9	4,3	5,5	4,0	3,9	4,9	6,0	4,1	3,9	5,4	6,5
Bodrum											1,8
Services	60,2	80,1	94,6	93,7	67,8	87,8	100,6	88,6	70,5	100,8	109,3
BTA	22,8	26,5	29,7	26,8	26,2	30,1	30,8	28,9	27,9	37,8	35,6
Havas	22,0	35,1	45,9	27,7	23,4	38,0	48,7	30,4	22,9	40,8	50,8
Other	15,4	18,6	19,1	39,1	18,2	19,7	21,1	29,3	19,6	22,2	22,9
Total	182,9	235,9	283,6	241,0	208,1	261,1	294,5	239,2	211,7	270,1	312,9
Eliminations	-18,5	-22,0	-23,8	-32,4	-22,2	-24,4	-24,2	-28,5	-22,2	-24,5	-27,6
Consolidated Revenue	164,4	213,8	259,8	208,6	185,9	236,6	270,3	210,7	189,6	245,6	285,3
Airports	43,6	64,8	98,0	61,1	50,9	86,4	106,0	60,1	56,7	84,5	111,8
Istanbul	34,6	42,6	55,2	48,6	42,1	57,9	59,1	51,4	45,5	59,6	67,2
Ankara	4,9	6,0	8,3	0,0	5,8	8,2	8,8	-1,3	7,0	4,3	5,1
Izmir	2,4	7,2	11,8	5,4	2,2	7,5	13,6	4,1	2,4	7,6	13,8
Gazipasa	-0,2	-0,2	-0,1	-0,4	-0,3	0,0	0,5	-0,3	-0,4	0,2	0,9
Tunisia	-0,9	4,3	14,6	3,6	-2,0	5,1	13,1	0,7	-2,2	5,0	13,6
Georgia	2,9	4,1	6,7	3,8	3,1	5,7	8,2	4,6	3,8	5,7	8,6
Macedonia	-0,1	0,8	1,5	0,1	0,0	2,0	2,8	0,9	0,6	2,2	3,2
Bodrum											-0,6
Services	2,2	16,1	24,0	23,2	1,7	20,6	35,3	19,6	9,5	30,6	34,4
BTA	2,0	3,0	3,9	1,3	1,9	2,9	3,9	2,4	1,0	3,6	4,8
Havas	-2,1	6,7	13,5	0,2	-2,2	8,0	18,9	4,5	3,0	16,8	20,8
Other	2,3	6,4	6,7	21,7	2,1	9,7	12,6	12,7	5,5	10,2	8,8
Total	45,8	80,9	122,0	84,3	52,7	107,1	141,4	79,7	66,2	115,1	146,2
Eliminations	0,0	-0,4	0,0	-4,8	-0,2	-0,4	-0,4	0,8	0,5	1,0	-1,8
Adjusted EBITDA	45,8	80,5	122,0	79,5	52,5	106,6	141,0	80,5	66,7	116,1	144,4
Total Guaranteed passenger fee revenue	6,6	9,2	14,5	4,4	6,8	10,3	14,7	4,2	7,3	8,3	11,9
from Ankara	4,4	4,8	6,3	1,3	4,9	5,5	6,3	0,7	5,1	3,4	3,3
from Izmir	2,2	4,5	8,2	3,1	1,9	4,8	8,3	3,4	2,1	4,9	8,6
Total Concession expense	32,6	33,6	37,4	32,1	34,9	35,4	37,2	35,9	34,8	36,0	37,5
Istanbul	29,3	29,5	32,3	32,3	31,6	32,1	32,6	32,6	31,9	32,2	32,6
Ege	2,2	2,2	2,2	2,2	2,2	2,2	2,2	2,2	2,2	2,2	2,2
Tunisia	0,5	1,3	0,3	-1,3	0,6	1,3	2,2	1,1	0,6	1,4	2,5
Macedonia	0,6	0,7	2,6	-1,2	0,6	-0,2	0,2	0,1	0,2	0,2	0,3
Bodrum											1,4

*Adjusted for IFRIC 12
**Restated restrospectively due to IAS 19

*** Others EBITDA includes share of profit of equity accounted investees (equity-pick up). Please see pg. 8 for the breakdown.

Income Statement

(€m)	9M13		9M14
Construction revenue	**168.5**		**39.6**
Total operating income	**661.1**		**693.0**
Aviation income	191.9		207.2
Ground handling income	115.3		121.3
Commission from sales of duty free goods	171.1		166.6
Catering services income	57.8		66.0
Other operating income	125.1		131.8
Construction expenditure	**(168.5)**		**(39.6)**
Operating expenses	**(470.1)**		**(478.8)**
Cost of catering inventory sold	(20.2)		(28.3)
Cost of services rendered	(39.4)		(37.0)
Personnel expenses	(169.9)		(168.1)
Concession rent expenses	(107.5)		(109.8)
Depreciation and amortization expense	(51.6)		(54.8)
Other operating expenses	(81.5)		(80.9)
Equity pick-up	25.8		30.7
Operating profit	**216.8**		**244.9**
Finance income	25.3		35.8
Finance expenses	(85.0)		(70.1)
Profit before tax	**157.1**		**210.6**
Income tax expense	(39.5)		(35.4)
Profit for the period			
Attributable to:			
Owners of the Company	**113.9**		**173.7**
Non-controlling interest	3.6		1.5
Profit for the period	**117.5**		**175.3**

Balance Sheet

€m	9M13	9M14
ASSETS		
Property and equipment	157	172
Intangible assets	20	18
Airport operation rights	901	877
Other investments	0	0
Goodwill	136	136
Prepaid concession expenses	90	222
Trade receivables	63	109
Other non-current assets	1	5
Deferred tax assets	85	87
Equity Accounted Investees	84	100
Total non-current assets	**1,537**	**1,727**
Inventories	7	9
Prepaid concession expenses	138	142
Trade receivables	94	111
Due from related parties	43	24
Derivative financial instruments	0	7
Other receivables and current assets	28	30
Cash and cash equivalents	65	68
Restricted bank balances	394	296
Total current assets	**767**	**687**
TOTAL ASSETS	**2,304**	**2,414**

€m	9M13	9M14
EQUITY		
Share capital	162	162
Share premium	220	220
Legal reserves	78	87
Other reserves	(18)	(18)
Revaluation surplus	1	1
Purchase of shares of entities under common control	40	40
Cash flow hedge reserve	(71)	(87)
Translation reserves	(11)	(11)
Retained earnings	175	290
Total equity attributable to equity holders of the Company	**577**	**684**
Non-controlling interest	37	31
Total Equity	**614**	**715**
LIABILITIES		
Loans and borrowings	1,009	1,207
Reserve for employee severance indemnity	13	17
Due to related parties	10	8
Derivative financial instruments	128	147
Deferred income	26	24
Other payables	10	8
Deferred tax liabilities	5	4
Total non-current liabilities	**1,201**	**1,415**
Bank overdraft	4	3
Loans and borrowings	320	168
Trade payables	37	36
Due to related parties	66	5
Current tax liabilities	13	20
Other payables	28	35
Provisions	6	7
Deferred income	14	11
Total current liabilities	**489**	**285**
TOTAL LIABILITIES	**1,690**	**1,700**
TOTAL EQUITY AND LIABILITIES	**2,304**	**2,414**

Cash Flow Statement

€m	9M13	9M14
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	**117.5**	**175.3**
Adjustments for:		
Amortisation of airport operation right	30.1	32.9
Depreciation of property and equipment	18.3	18.7
Amortisation of intangible assets	3.2	3.2
Concession and rent expenses	107.5	109.8
Provision for employee severance indemnity	3.6	4.3
Provision for doubtful receivables	0.6	0.1
Discount on receivables and payables, net	0.0	0.0
Gain on sale of property and equipment	-0.7	-0.8
Provision set/(released) for unused vacation	0.3	0.6
Interest income	-9.8	-8.4
Interest expense on financial liabilities	60.5	64.1
Tax expense	39.5	35.4
Unwinding of discount on concession receivable	-15.5	-17.7
Share of profit of equity-accounted investees, net of tax	-25.8	-30.7
Unrealised foreign exchange differences on statement of financial position items	-7.0	-1.4
Cash flows from operating activities	**322.3**	**385.2**
Change in current trade receivables	-12.8	-30.3
Change in non-current trade receivables	28.5	22.1
Change in inventories	0.2	-1.5
Change in due from related parties	9.7	-8.8
Change in restricted bank balances	219.4	232.8
Change in other receivables and current assets	3.2	2.6
Change in trade payables	0.1	-5.1
Change in due to related parties	50.8	-9.4
Change in other payables and provisions	-5.6	6.9
Change in other long term assets	-0.5	-0.4
Additions to prepaid concession and rent expenses	-136.4	-275.2
Cash provided from operations	**478.9**	**319.0**
Income taxes paid	-26.3	-35.3
Interest paid	-57.2	-64.8
Retirement benefits paid	-3.3	-3.1
Dividends from equity-accounted investees	16.8	20.8
Net cash provided from operating activities	**408.9**	**236.6**

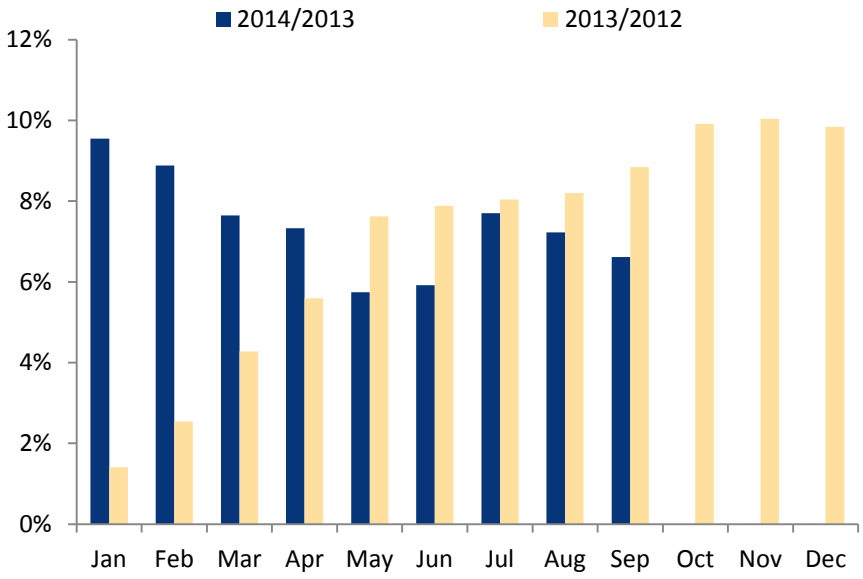
€m	9M13	9M14
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	7.6	7.7
Proceeds from sale of property, equipment and intangible assets	2.2	3.3
Acquisition of property and equipment	-20.1	-35.7
Additions to airport operation right	-163.3	-35.4
Acquisition of intangible assets	-0.7	-1.4
Net cash used in investing activities	**-174.4**	**-61.4**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	197.2	228.1
Repayment of borrowings	-112.4	-211.3
Change in restricted bank balances	-236.0	-154.6
Dividends paid	-60.5	-67.6
Change in finance lease liabilities	0.2	-1.1
Net cash provided from financing activities	**-211.6**	**-206.5**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**23.0**	**-31.3**
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**38.1**	**96.2**
CASH AND CASH EQUIVALENTS AT 30 JUNE	**61.0**	**64.9**

✈ Net cash provided from operating activities decreased YoY mainly due to pre-payment of 20% of Bodrum rent and working capital items.

✈Major capex cycle for consolidated entities has completed with the end of the construction in Izmir.

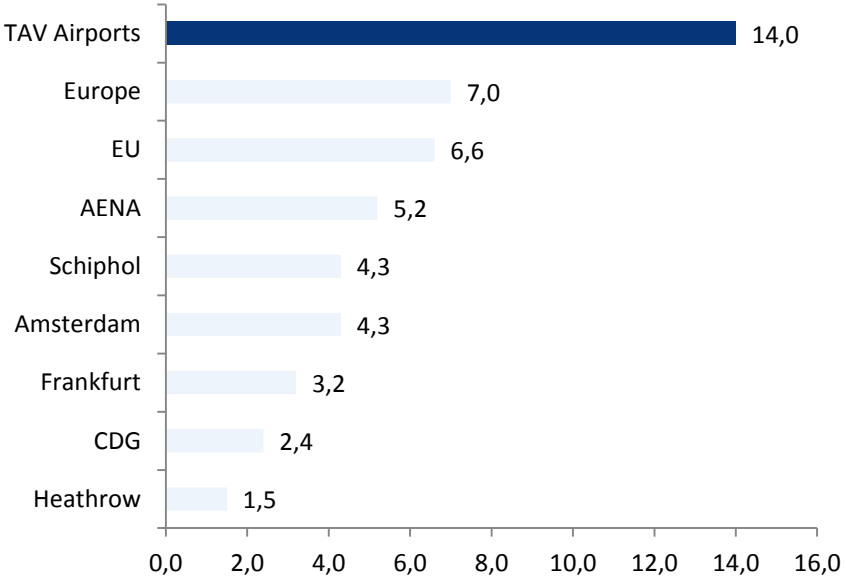
Operating Environment

LTM Change in Number of Tourists Visiting Turkey



Source: Ministry of Tourism

Passenger growth in Selected European Airports



Source: ACI, Company Data

Timeline

Tepe Akfen TAV Airports

2012

Q1

- Izmir domestic operations were taken over by TAV Ege on January 2012.
- HAVAS had to suspend bus services in Istanbul temporarily as of 14.01.2012 due to the decision of Istanbul Metropolitan Municipality.

Q2

- Transfer of 38% of TAV Airports shares to ADP has taken place in May 2012
- First time cash dividend of €39m
- Operations of Medinah Airport were taken over in June 2012
- The insurance claim on the trigen facility has finalized and resulted in lower than inially expected, hence insurance income accrual amounting €2.7m was reversed.
- TGS added SunExpress to clients served

Q3

- An MoU is signed to extend the Tbilisi concession for 10 years 9 months in exchange for new runway to cost $65m (MoU cancelled in Q1 2013. No Capex)
- TAV Airports agreed to acquire the remaining 35% of Havas shares for €80m
- Holding made one off Medinah acquisition expenses (€0.2m in Q1, €0.5m in Q2, €2.0m in Q3)

Q4

- Transfer of acquired Havas shares took place on October 3, 2012.
- TAV Airports signed a LOI for 15% participation in the Zagreb Airport consortium composed of ADPM and BBI.
- Holding made one off Medinah acquisition expenses (€0.9m in Q4, €3.7m for FY)
- The Tunisian concession payable due from 2010 was decreased €3.9 million
- TIBAHD paid €12.6m to TAV Airports Holding (€8.4m after eliminations) as success fee

2013

Q1

- Compensation letter received from DHMI regarding our Company's concession rights in Istanbul Ataturk Airport
- Tbilisi extension project cancelled

Q2

- The New Istanbul Airport tender was held. TAV Airports did not win the tender
- Cash dividend of €59m paid
- Havas Europe Helsinki & Stockholm stations closed
- THY aircrafts are served by TGS now instead of Havas at Bodrum and Dalaman. Havas personnel were transferred to TGS.
- Gezi events took place.
- Macedonia concession rent dropped to 4% from 15% retrospectively

Q3

- TAV Airports' consortium prequalified for LaGuardia Airport tender
- Havas turnaround project launched

Q4

- Zagreb airport taken over in December 2013 by consortium.
- At the end of 2013, corporate taxes in Tunisia have been decreased from 30% to 25%.

2014

Q1

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

Q2

- ATU shop renovations completed
- Competition Board approved Milas-Bodrum tender
- Ankara AOR reclassified to trade receivables, which had a net effect of increasing net income €4.7m
- Ege booked three months of depreciation of €4.2m

Q3

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

Material Events in 2014

Tepe Akfen TAV Airports

- **04.02.2014, Executive Liability Insurance**

In accordance with article 4.2.8 of Corporate Governance Principles published by the Capital Markets Board of Turkey on January 3, 2014, the total amount of executive liability insurance for the members of the Board of Directors and Senior Management of TAV Airports Holding has been increased to 45mn USD, an amount which corresponds to more than 25% of paid-in-capital of our company.

- **18.02.2014, Dividend Distribution for 2013**

It is unanimously resolved that this resolution to be submitted to the approval of our shareholders in the Ordinary General Assembly Meeting of our Company for the year 2013;

1. Our Company's net profit of the fiscal year 2013 according to the independently audited consolidated financial tables prepared in accordance with "Capital Market Board Communiqué About Financial Reporting in Capital Markets Serial: II No: 14.1" is TRL 336,088,000 and according to the clauses of the Turkish Commercial Code and Tax Procedure Law is TRL 239,800,280,

2. Profit of TRL 336,088,000 of the profit after tax set forth in the consolidated financial statements will be the base for distribution of profit pursuant to the Capital Market Board Dividend Communiqué (II-19.1),

3. As it is obligatory to set aside first legal reserves until the reserve amount reaches 20% of the paid in capital in accordance with Article 519 of Turkish Commercial Code, it is decided to reserve TRL 11,990,014 first legal reserves for 2013,

4. It is determined that TRL 324,393,283, which is reached by adding the donations in the amount of TRL 295,297 made during the year to the distributable profit of TRL 324,097,986 for the year 2013 according to the consolidated financial statements, shall be the base for first dividend.

5. It is decided to distribute TRL 64,878,657, which corresponds to 20% of TRL 324,393,283, which is considered as the base of the first dividend in accordance with "Capital Market Board Dividend Communiqué (II-19.1)" as cash first dividend and to distribute TRL 134,130,108 as cash second dividend.
a. TRL 199,008,765, which is the total cash dividend amount to be distributed, shall be covered by current period net profit.
b. Accordingly TRL 0.5478 (54.78%) gross cash dividend per share having nominal value of TRL 1 shall be distributed to our shareholders and total gross cash dividend distribution amount shall be TRL 199,008,765.
6. It is decided to reserve the remaining amount after deducting the dividend to be distributed in accordance with the Capital Markets Law and Turkish Commercial Law as extraordinary reserve.

- **18.02.2014, Guidance for 2014**

Under normal circumstances our company's targets for 2014 are as follows:

- Growth in total number of passengers served by TAV Airports of 10 to 12 percent,
- Passenger growth in Istanbul Ataturk Airport of 8 to 10 percent,
- Revenue growth of 9 to 11 percent,
- EBITDA growth of 12 to 14 percent,
- Capex of €100 to 120 million,
- Significant improvement expected in the growth of net profit.

Note: All financial targets have been adjusted to reverse the effects of IFRIC 12. Financial targets are based on the assumption that passenger targets are attained.

Material Events in 2014

Tepe Akfen TAV Airports

✈ **18.02.2014, Dividend Policy**

In accordance with the Communique numbered II-19.1 of the Capital Markets Board, our Company's "Dividend Policy" to be determined as follows;

Our Company determines the resolutions for distribution of profit by considering the Turkish Commercial Code, Capital Market Legislation, Capital Markets Board Regulations and Decisions, Tax Laws, the provisions of the other relevant legislations and articles of incorporation of our Company.

Accordingly, 50% of the "consolidated net profit for the relevant period" calculated by considering the period financial statements that have been prepared under the Capital Market legislation and in conformity with the International Financial Reporting Standards (IFRS), will be distributed in cash or as gratis shares which will be issued by means of adding such amount to the share capital subject to the resolution to be rendered by the general assembly of shareholders of our company.

Sustainability of this dividend policy is one of the basic purposes of our Company, except for such special cases necessitated by investments and any other fund requirements that may be required for the long term development of the Company, its subsidiaries and affiliates and any extraordinary developments in economic conditions.

✈ **03.03.2014, Corporate Governance Rating**

The Capital Markets Board's (CMB) 01.02.2013 dated and 4/105 numbered meeting has agreed to the following, amongst other matters:

• The weightings for each category under the Corporate Governance Ratings have been decided to be as 25% for "Shareholders", 25% for "Public Disclosure and Transparency", 15% for "Stakeholders" and 35% for "Board of Directors".
• In situations where companies are just meeting the articles stipulated under the Corporate Governance Principles, companies are scored a maximum of 85% for such article/question. If a company exceeds what is stipulated in the articles, then a company can increase to a full score in accordance with the feature of the related best corporate governance practice.

On the other hand, the New Corporate Governance Communiqué (II-17.1) came into effect on January 3rd, 2014 after being launched by the Capital Markets Board of Turkey (CMB). The Corporate Governance Principles are updated with this new Communiqué as a part of an ongoing process by the introduction of the CMB Law no.6362.

Within the scope of the developments stated above, the weighting of main topics of Corporate Governance Principles compliance methodology has been updated to capture the rating of minimum requirements and represent the amendments in corporate governance principles.

In this context, our Corporate Governance rating grade which was announced as 93.97 (9.39 over 10) on 23rd August 2013 has been revised as 91.76 (9.17 over 10).

The distribution of the weight assessment applied to the four subcategories are as follows:

Weight/Grade Assigned
Shareholders: 0.25 / 91.36
Public Disclosure and Transparency: 0.25 / 96.51
Stakeholders: 0.15 / 90.07
Board of Directors: 0.35 / 89.38
Total: 1.00 / 91.76

✈ **07.03.2014, Dalaman Int'l Airport Tender Result**

It has been announced that the winning bid for the tender made on March 7, 2014 as per the tender specifications of Dalaman Airport's Existing International Terminal, Domestic Terminal and its auxiliaries within the framework of the procedures and principles defined by the General Directorate of State Airports Authority (DHMI), was offered by another company.

Material Events in 2014

Tepe Akfen TAV Airports

- **21.03.2014, Milas-Bodrum International Airport Tender Result**

TAV Airports has won the tender held by the General Directorate of State Airports Authority (DHMI) for the leasing of the operating rights of the Milas-Bodrum Airport's Existing International Terminal, CIP/General Aviation Terminal, Domestic Terminal and its auxiliaries, as the highest bidder. As per the tender specifications, our Company, has the operation right of the international terminal starting from October 22, 2015 to December 31, 2035 (approximately 20 years and 2 months) and operation right of the domestic terminal starting from delivery date by DHMI to December 31, 2035.

The service charges per passenger have been determined as 15 Euros for outgoing international passengers and 3 Euros for outgoing domestic passengers throughout the operation period. 717 million Euros (VAT excluded) shall be paid as the total concession lease amount to DHMI for the entirety of the operating period until the end of 2035.

- **10.04.2014, Milas-Bodrum Airport Tender**

We had announced in our clarification of March 21, 2014, that our company has been awarded the tender, held by the State Airports Authority (DHMI) for the operation rights of the Milas-Bodrum Airport by leasing, for 20 years. Regarding the tender, Competition Board has announced its approval dated April 9, 2014 through their web site. The public shall be notified at all relevant stages.

- **11.7.2014, Establishment of TAV Milas Bodrum and signing of the concession aggreement**

We had announced on March 21, 2014 that the tender held by the General Directorate of State Airports Authority (DHMI) for transfer of the operating rights of Milas Bodrum Airport current International Terminal, CIP, Domestic Terminal and auxiliary structures had been awarded to TAV Airports Holding Inc. and approval of the Competition Authority had been received on April 10, 2014. A new company has been established and registered under the name of "TAV Milas Bodrum Terminal İşletmeciliği A.Ş" in order to conduct the operations of Milas Bodrum Airport Milas Bodrum Airport current International Terminal, CIP, Domestic Terminal and auxiliary structures. TAV Airports Holding Inc. holds 100% shares of the company which has a capital of 96.500.000TL. The concession aggrement for granting the transfer of the operating rights has been signed between the recently established TAV Milas Bodrum Terminal İşletmeciliği A.Ş. and DHMI on July 11, 2014. According to the tender specifications, Milas Bodrum Airport's Domestic Terminal and auxiliary structures' operations will be taken over following the signing of the concession aggreement. A concession fee of 717 million Euros shall be paid to DHMI excluding VAT for the airport operating rights until the end of 2035.

- **4.8.2014, Duty free areas in Salalah International Airport in Oman**

TAV Airports Holding's 50% subsidiary, ATU Turizm İşletmeciliği A.Ş. (ATU), has been announced as the winning bidder for the leasing of the operating rights of duty free areas in Salalah International Airport in Oman. ATU will take over the the duty free operations in January 2015 and operate the premises until December 2025 with the option to extend for two years (10+2 years). ATU will have the operation rights of 700sqm of duty free area in Salalah Airport which served 746,994 passengers in year 2013. Besides ATU, our subsidiaries BTA and TAV O&M will provide food and beverage and other commercial services at Salalah International Airport.

Material Events in 2014

Tepe Akfen TAV Airports

- **15. 9. 2014, Signing of the share purchase agreement with Limak Group for the acquisition of ISG shares**

Our Company has communicated its interest in the project regarding the sale by Limak Yatirim Enerji Uretim Isletme Hizmetleri Insaat A.S. and Limak Insaat San. ve Tic A.S. (the "Sellers") of their 40% of shares of Istanbul Sabiha Gokcen Uluslararası Havalimanı Yatirim, Yapim ve Isletme A.S. ("ISG"), 40% of shares of LGM Havalimanı Isletmeleri Ticaret ve Turizm A.S. ("LGM") and 19,6% of shares of Istanbul Sabiha Gokcen Uluslararasi Havalimani Yer Hizmetleri A.S. ("ISG Ground Handling"). Pursuant to the existing obligations of the Sellers, the abovementioned ISG, LGM and ISG Ground Handling shares are subject to various share transfer restrictions, including a right of first refusal of other shareholders of the companies. Therefore, as per the resolution dated July 12, 2014 and numbered 2014/31, the Board of Directors of our Company has unanimously decided to delay the disclosure of internal information within the context of Article 6 of the Material Events Communiqué (II-15.1) issued by the Capital Markets Board of Turkey, in order to prevent the proceedings from being negatively affected, to protect the legal rights and interests of our Company, and to prevent the risk of investors being misled before the project can be finalized, as well as to ensure that the confidentiality obligations we assumed within the framework of the proceedings were not breached. Our company and the Sellers have signed a share purchase agreement (SPA) regarding the sale of 40% of the shares of ISG and 40% of the shares of LGM, and have undertaken to sign a separate share purchase agreement regarding the sale of 19,6% of the shares of ISG Ground Handling in the event that other shareholders do not exercise their below mentioned rights of first refusal, for the total transaction amount of maximum EUR 285 million. The parties are expecting the decisions of Malaysia Airports MSC Sdn Bhd, one of the existing shareholders of ISG and LGM, and Malaysia Airports Holdings Berhad, one of the existing shareholders of ISG, LGM and ISG Ground Handling regarding whether they shall exercise their rights of first refusal with respect the transaction. The transaction is subject to certain regulatory approvals and third party consents. We kindly present to the attention of our investors this timely disclosure upon the removal of the reasons for previously delaying our material event disclosure regarding this transaction

- **8. 10. 2014, The duty free shops at five Tunisian international airports**

TAV Airports Holding's joint venture, ATU Duty Free, has been awarded the tender to operate the duty free shops at five Tunisian international airports comprising the capital city of Tunis-Carthage, Djerba-Zarzis, Sfax-Thyna, Tozeur-Nefta and Tabarka-Ain Draham. The operating period is 8 years and 2 months, starting from November 2014. The project covers the operation right of 5,406 square meters of duty free area in these airports which in total, served 8 million passengers in 2013

- **23.10. 2014, Istanbul Sabiha Gokcen**

In our material event disclosure dated 15.09.2014, it was disclosed that our Company and Limak Yatırım Enerji Üretim İşletme Hizmetleri İnşaat A.Ş. and Limak İnşaat San ve Tic A.Ş. (the Sellers) had signed a share purchase agreement (SPA) regarding the sale of 40% of the shares of İstanbul Sabiha Gökçen Uluslararası Havalimanı Yatırım Yapım ve İşletme A.Ş. (ISG) and 40% of the shares of LGM Havalimanı İşletmeleri Ticaret ve Turizm A.Ş. (LGM), and had undertaken to sign a separate share purchase agreement regarding the sale of 19,6% of the shares of İstanbul Sabiha Gökçen Uluslararası Havalimanı Yer Hizmetleri A.Ş. (ISG Ground Handling) in the event that other shareholders did not exercise their below mentioned rights of first refusal, for the total transaction amount of maximum EUR 285 million. In this context, it was reported that the parties were expecting the decisions of Malaysia Airports MSC Sdn Bhd (MAMSC), one of the existing shareholders of ISG and LGM, and Malaysia Airports Holdings Berhad (MAHB), one of the existing shareholders of ISG, LGM, and ISG Ground Handling, regarding whether they shall exercise their rights of first refusal with respect to the transaction. However, in a material event disclosure dated October 23, 2014 to the relevant stock exchange, MAHB has declared its decision to exercise its right of first refusal. In the event that it is determined that the right of first refusal notice by MAHB has been duly served to the Sellers and that the relevant right of first refusal has been validly exercised, our Company shall not be a party to the transaction.

Concession Overview

Tepe Akfen TAV Airports

Airport	Type/Expire	TAV Stake	Scope	2013 Pax(mppa)	fee/pax Int'l	fee/pax Dom.	Volume Guarantee	Lease/ Concession Fee	Net Debt (1)
Istanbul Ataturk	Lease (Jan. 2021)	100%	Terminal	51,3	US$15 €2.5 (Transfer)	€3	No	$140m/yr + VAT	€10m
Ankara Esenboga	BOT (May 2023)	100%	Terminal	10,9	€15	€3	0.6m Dom. , 0.75m Int'l for 2007+%5 p.a	-	€76m
Izmir A.Menderes	BOT+Lease (Dec. 2032)	100%	Terminal	10,2	€15	€3	1.0m Int'l for 2006 + %3 p.a.	€29m starting from 2013 (6)	€202m
Alanya Gazipasa	Lease (May 2034)	100%	Airport	0,4	€5	TL2	No	$50,000+VAT(5)	€23m
Milas Bodrum	Lease (Dec 2035)	100%	Terminal	3,6	€15	€3	No	€717m+VAT	€(1)m
Tbilisi	BOT (Feb. 2027)	76%	Airport	1.4	US$22	US$6	No	-	€(4)m
Batumi	BOT (Aug. 2027)	76%	Airport	0.2	US$12	US$7	No	-	€(1)m
Monastir&Enfidha	BOT+Concession (May 2047)	67%	Airport	3.4	€9	€1	No	11-26% of revenues from 2010 to 2047	€336m
Skopje & Ohrid	BOT+Concession (March 2030)	100%	Airport	1,1	€17.5 in Skopje, €16.2 in Ohrid	-	No	15% of the gross annual turnover (2)	€52m
Medinah	BTO+Concession (2037)	33%	Airport	4.7	SAR 80 (3)	-	No	54.5%(4)	-
Zagreb	BOT+Concession (April 2042)	15%	Airport	2.3	€15 (7) €4 (Transfer) (7)	€7(7)	No	€2.0 - €11.5m fixed 0.5% (2016) - 61% (2042) variable	-

1) As of 30 September 2014
2) The concession fee is going to be 15% of the gross annual turnover until the number of passengers using the two airports reaches 1 million, and when the number of passengers exceeds 1 million, this percentage shall change between 4% and 2% depending on the number of passengers
3) SAR 80 from both departing and arriving international pax. Pax charge will be increase as per cumulative CPI in Saudi Arabia every three years
4) The concession charge will be reduced to 27.3 % for the first two years that follow the completion of the construction.
5) TAV Gazipasa shall make a yearly rent payent of US$ 50,000 + VAT as a fixed amount, until the end of the operation period; as well as a share of 65% of the net profit to the DHMI.
6) Cash Basis
7)€10, €4, €4 before April 2014 respectively for international, domestic and transfer pax
8) As per the tender specifications, our Company has the operation right of the international terminal starting from October 22, 2015. 20% down payment of €143m was made on August 2014.

TAV Corporate and Shareholder Structure

TAV Airports Holding Co.

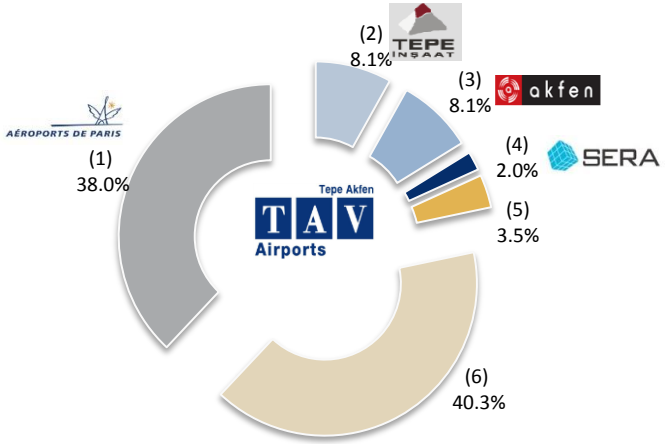
Airport Companies

- Ataturk (100%)
- Esenboga (100%)
- Adnan Menderes (100%)
- Alanya Gazipasa (100%)
- Milas Bodrum (100%)
- Medinah (33%)
- Tbilisi & Batumi (76%)
- Monastir & Enfidha (67%)
- Skopje & Ohrid (100%)
- Latvia (100%)
- Zagreb (15%)

Service Companies

- ATU (50%)
- BTA (67%)
- Havas (100%)
  - TGS (50%)
  - Havas Europe (67%)
- O&M (100%)
- IT (100%)
- Security (100%)
- Academy (100%)

Shareholder Structure



Shareholders

1. **Aéroports De Paris***
   Internationally acclaimed airport operating company with global operations
2. **Tepe Insaat Sanayi A.S.**
   Turkish integrated conglomerate focused on infrastructure and construction
3. **Akfen Holding A.S.**
   Holding company operating in the infrastructure, construction, seaport, REIT and energy sector
4. **Sera Yapi Endustrisi A.S.**
   Focused on construction in Turkey & MENA region
5. **Other Non-floating**
6. **Other Free Float**

*Through Tank oWA Alpha GMBH

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About TAV Airports

- TAV Airports, the leading airport operator in Turkey, operates 14 airports:
- **Turkey**
  - Istanbul Ataturk,
  - Ankara Esenboga,
  - Izmir Adnan Menderes,
  - Alanya Gazipasa,
  - Milas Bodrum,
- **Georgia**
  - Tbilisi and Batumi
- **Tunisia**
  - Monastir and Enfidha
- **Macedonia**
  - Skopje and Ohrid
- **Saudi Arabia**
  - Medinah
- **Latvia**
  - Riga (only commercial areas)
- **Croatia**
  - Zagreb

- TAV Airports provides service in all areas of airport operations such as duty free, food and beverage, ground handling, IT, security and operations services. The Company and its subsidiaries, provided service to approximately 652 thousand flights and 84 million passengers in 2013. The Company's shares are listed in the Borsa Istanbul since February 23, 2007, under the ticker code "TAVHL"

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