

Subject: Announcement of results for the first quarter of 2008

TAV Airports Holding Inc. (ISE: TAVHL, "TAV") announced results for the first quarter ended 31 March 2008. The financial results in this announcement are unaudited, prepared in accordance with International Financial Reporting Standards ("IFRS") and expressed in Euro.

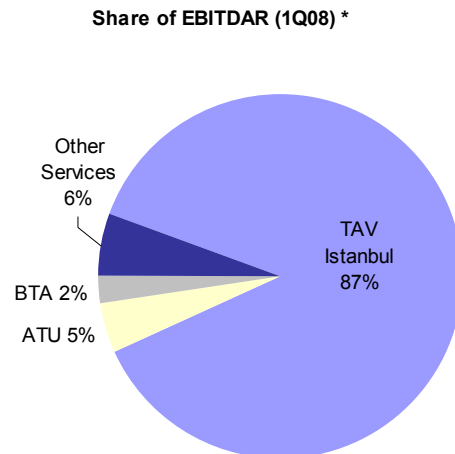
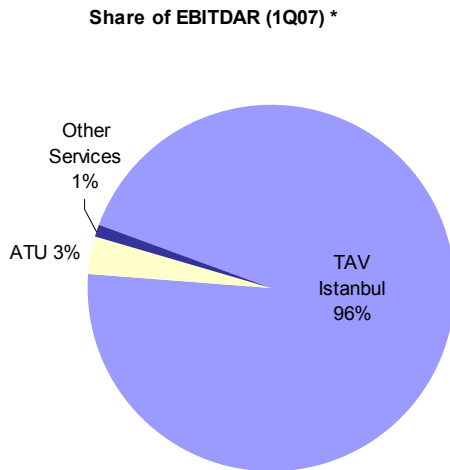
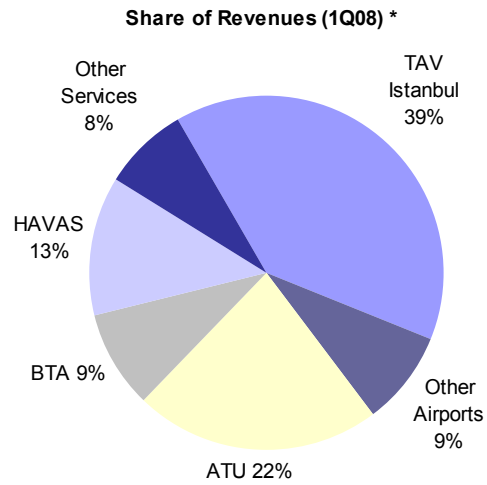
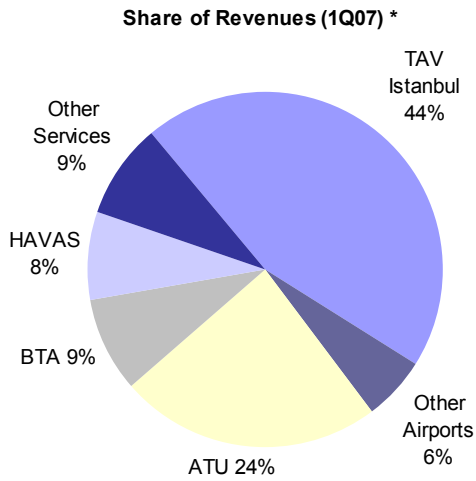
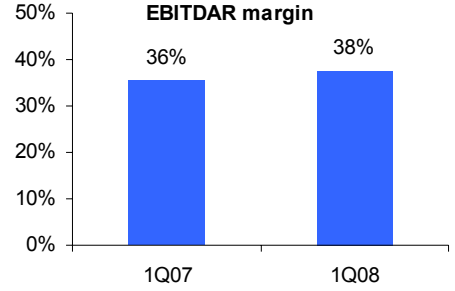
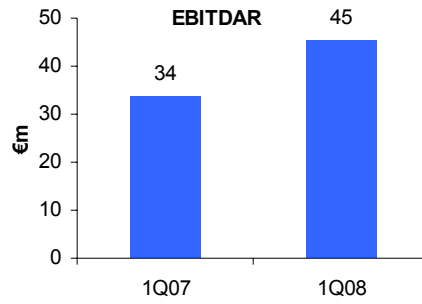
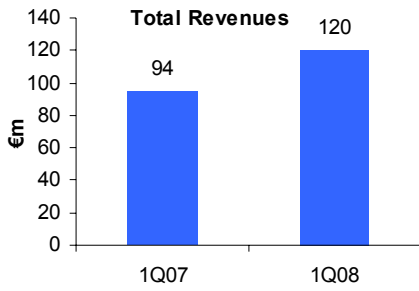
Highlights of the first quarter of 2008

Operational performance

Construction revenue and construction expenditure are excluded while computing the operational performance in the explanations below.

- The number of passengers using airports operated by TAV increased by 5% to 6.5 million in the first quarter of 2008. Similarly, ATM grew by 7% to 72,323 during the same period. TAV Airports is the leading market operator in Turkey with a 57% market share in terms of passenger traffic as of 1Q08.
- Total operating income increased by 28% from €94.5 million in 1Q07 to €120.5 million in 1Q08. This increase primarily reflected increases in duty free revenues, aviation income, ground handling income and catering services income. The growth mainly stemmed from organic growth; i.e. higher passenger numbers at existing airports in Turkey and inorganic growth; i.e. income from Monastir Airport in Tunisia and full consolidation of HAVAS in 1Q08. HAVAS is fully consolidated starting from 4Q07 since the acquisition of remaining 40% of HAVAS shares, whereas it was proportionally consolidated by 60% till 30 September 2007.
- Duty-free services continued to be the main contributor to revenues with 39%, followed by aeronautical revenues (aviation and ground handling income, 33%) and other revenues (27%). In FY07, 38% of total operating income was aviation income. The weight of aviation income in total operating income is declined in this period as a result of the first-time adoption of IFRIC 12. The negative effect of application on aviation income is €4.4 million in 1Q08.
- EBITDA amounted to €9 million in 1Q08, which was €-1.1 million in 1Q07, and implying 7.4% EBITDA margin.
- EBITDAR increased by 35% from €33.6 million in 1Q07 to €45.3 million in 1Q08. EBITDAR margin increased to 37.6% in 1Q08 from 35.6% in 1Q07, mainly because of kick-in operational leverage despite the increase in personnel expenses as the result of commencing of operations in Monastir Airport and the effect of full consolidation of HAVAS.
- Net loss for 1Q08 was €30.4 million compared to €21.5 million in 1Q07. Despite superior operational performance in 1Q08 compared to 1Q07, the net loss figure attributable to the equity holders of TAV Airports was €30.8 million in 1Q08, compared to €20.5 million in 1Q07 as the result of higher finance expenses (realisation of derivatives amounting to €11.8 million), provisions for tax penalties €1.4 million regarding to assessments of VAT applications and tax expense.
- As a result of the tax assessments of TAV Airports Holding, BTA and TAV Istanbul mentioned in Note 34 in the audit report, an additional provision of €1.7 million had been allocated for BTA in 1Q08 consolidated financial statements.
- Net debt increased to €777 million at the end of March 2008 from €682 million as of end of December 2007, mainly stemmed from DHMI payment in January 2008.

TAV Havalimanları Holding A.Ş. / TAV Airports Holding Co.



(*) Share of Revenues and EBITDAR represent the shares before eliminations.

TAV adopted two new accounting policies for the first-time in 1Q08 as explained below;

1) First-time adoption of IFRIC 12:

IFRIC 12 is a new application regarding to interpretation of most of existing standarts in the IFRS for example, IAS 11-Construction Contracts, IAS 16-Property Plant and equipment, IAS 17-Leases, IAS 36-Impairment of Assets and IAS 38-Intangible Assets.

IFRIC 12 Service Concession Arrangements was developed by the International Financial Reporting Interpretations Committee. Effective date of the application is 1 January 2008. TAV Airports adopted IFRIC 12 in the consolidated financial statements for the first time as of 31 March 2008 restrospectively. Please find the scope and related issues regarding to IFRIC 12 application at the end of the report.

We adopted IFRIC 12 in this period for the first time for 1Q08 and restated 1Q07 financials. IFRIC 12 affects P&L in terms of the decrease in aviation income (for the guaranteed passenger fees) and depreciation expenses while the increase in financial income in accordance with such interpretation. BOT assets are classified as "airport operation right" and "trade receivable" in the consolidated financial statements.

2) Adoption of Cash Flow Hedge Accounting:

Subsidiaries, TAV Istanbul, TAV Esenboğa and TAV İzmir 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. Swap transactions, which are considered as cash flow hedge instruments in accordance with International Accounting Standards (IAS) are recognized in the income statements in accordance with hedge accounting. Such subsidiaries valuate their swap transactions based on fair value and net profit or loss is recognized in "cash flow hedge reserve" amounting to loss of **€14.3** million under shareholders' equity since 1 January 2008.

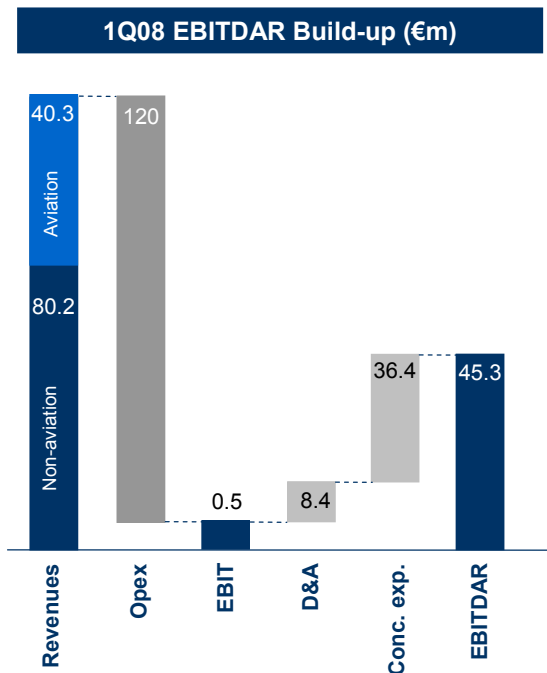
Overview of the period

- **Total operating income** increased by 27.6% from €94.5 million in 1Q07 to €120.5 million in 1Q08. This increase primarily reflected increases in duty free revenues, aviation income, ground handling income and catering services income.

Our income stream is hard currency, based primarily in Euro and U.S. dollars, with aviation operations (which includes ground handling), accounting for 33% of total operating income and non-aviation operations accounting for 67% of total operating income in 1Q08. However, aviation income constituted 38% of total revenues in FY07. The weight of aviation income in total operating income declined in this period as a result of the first-time adoption of IFRIC 12. In this application, total guaranteed passenger fee revenues from Ankara Esenboğa Airport (€2.9 million) and Izmir Adnan Menderes Airport (€1.5 million) at the reporting period are excluded from the P&L.

- **Aviation income (excluding ground handling income)** increased by 19.1% from €20.6 million in 1Q07 to €24.6 million in 1Q08. This increase primarily reflects the inclusion of aviation income related to the Monastir Airport in Tunisia (contributing €2.6 million). If we exclude the contribution of Monastir Airport, the growth in aviation income is in line with passenger and ATM growths in 1Q08.
 - **Sales of duty free goods** increased by 18.8% from €27.8 million in 1Q07 to €33 million in 1Q08. Average per passenger spending increased from €16.3 in 1Q07 to €17.2 in 1Q08. Per passenger spend averaged €13.4 at Izmir Adnan Menderes (1Q07: €12.3) and €13.8 at Ankara Esenboğa Airports (1Q07: €11), while it is increased from €16.9 in 1Q07 to €18.3 in 1Q08 at Istanbul Ataturk Airport (duty free revenues divided by the sum of international and transit passengers), mainly because of new layout of duty free area at Istanbul Ataturk Airport in the last quarter of 2007.
 - **Ground handling income** increased by 106% from €7.7 million in 1Q07 to €15.8 million in 1Q08 as the result of increase in ATMs and the effect of full consolidation of HAVAS starting from the last quarter of 2007 while 60% proportionally consolidated for previous periods.
 - **Commission from sales of duty free goods** increased by 12.4% from €13 million in 1Q07 to €14.6 million in 1Q08. The commission paid by ATU to TAV Istanbul is approximately 43% of the sales of duty free goods in Istanbul Ataturk Airport. The commission paid by ATU to TAV Esenboğa and TAV Izmir is approximately 40% of sales of duty free goods in such airports.
 - **Catering service income** increased by 18.1% from €7.5 million in 1Q07 to €8.8 million in 1Q08. The increase mainly reflects increase in per pax spend and improvement in Cakes&Bakes operations.
 - **Other operating income** increased by 32.3% from €18 million in 1Q07 to €23.8 million in 1Q08. The increase principally reflects an increase in income from car park operations, income from CIP lounge services, rent income from subleases (results of duty free and F&B sales) and income from area allocation. In addition, the bus services income is increased by 69% as a result of full consolidation of HAVAS in 1Q08.
- **Operating expenses** increased by 16.4% from €103.1 million in 1Q07 to €120 million in 1Q08. This was primarily the result of increases in personnel expenses and cost of service rendered as a result of especially full consolidation of HAVAS in 1Q08. Still, excluding the concession rent and depreciation & amortisation expense, the share of other expenses to total operating income declined to 62% in 1Q08 from 64% in 1Q07.

- **Concession rent expenses** increased by 5% to €36.4 million in 1Q08, representing 30% of total operating income, compared to 37% in 1Q07, reflecting operational leverage. Concession rent expenses principally consists of payments to DHMI under the terms of the Istanbul Ataturk Airport lease agreement and renovation of the domestic terminal and payments to Tunisian Airports and Civil Aviation Authority (OACA) based on the percentage of revenues derived from Monastir Airport which is operational since January 1, 2008. The amount of concession payment in Istanbul Ataturk Airport reflects the amortization of the pre-paid concession expense and renovation investment.
 - **Cost of duty free inventory sold** was €11.5 million in 1Q07, representing 41.3% of sales of duty free goods, and increased by 16.1% to €13.3 million in 1Q08 (lower than the increase in duty free sales) representing 40.4% of sales of duty free goods.
 - **Cost of catering inventory sold** was €2.4 million in 1Q07 and increased by 28.5% to €3.1 million in 1Q08.
 - **Personnel expense** increased by 53.7% from €22.7 million in 1Q07 to €34.9 million in 1Q08. This increase is the result of commencing of operations in Monastir Airport, new hires in the other existing companies and effect of full consolidation of HAVAS.
 - **Cost of services rendered** increased from €2.9 million in 1Q07 to €6.2 million in 1Q08, mainly because of full consolidation of HAVAS in 1Q08. Cost of services rendered principally consists of the consolidated portion of ATU, BTA, TAV O&M and HAVAS' operating expenses.
 - **Depreciation and amortisation expense** increased by 12.8% from €7.5 million in 1Q07 to €8.4 million in 1Q08. The main reason of the increase is amortisation of additions to airport rights in Georgia and full consolidation of HAVAS in 1Q08.
 - **Other operating expenses** decreased by 17.8% from €21.5 million in 1Q07 to €17.7 million in 1Q08, thanks to the decrease in consultancy expenses and utility costs despite the provision for tax penalty in 1Q08. The decrease was principally driven by decline in one-off expenses incurred during the period. In 1Q07, the main one-off expense was IPO expenses amounting approximately €3.4 million. However, €1.9 million tax penalties related to the tax assessments was booked in 1Q08.
- **Operating profit** amounted €2.2 million in 1Q08 compared to operating loss of €11.5 million in 1Q07.
 - **EBITDA**, which we define as profit (loss) adjusted for income taxes, finance income and expenses and depreciation & amortisation expense, reached €9 million in 1Q08, which was €-1.1 million in 1Q07.
 - **EBITDAR**, which we define as EBITDA before concession rent payment, increased by 35% from €33.6 million in 1Q07 to €45.3 million in 1Q08. EBITDAR margin increased from 35.6% in 1Q07 to 37.6% in 1Q08, mainly because of kick-in operational leverage despite the increase in personnel expenses. TAV Istanbul contributed to 87% of total EBITDAR and the EBITDAR margin of TAV Istanbul stayed at 69% in 1Q08.



- **Net finance expenses** increased from €15.2 million in 1Q07 to €28.8 million in 1Q08, which was principally driven by increase in interest expense on financial liabilities and break-up cost of derivative financial instruments amounting to €25.7 million as one-off charge. It was realised €5.4 million for cross currency contract break-up and €20.3 million for IRS contract break-up as a result of refinancing of TAV Istanbul loans.
- **Income tax benefit (expense)** consists of deferred tax and corporate taxes. €3.3 million income tax benefit in 1Q07 turned to income tax expense of €3.9 million in 1Q08 because of the adoption of IFRIC 12 (€4.8 million deferred tax recognised in equity).
- **Minority interest** reflects the allocation of profit/losses held by the minority interest. Minority interest mainly consists of 33.33% of BTA and TAV Security and amounted to €0.4 million in 1Q08.
- **Net loss** for 1Q08 was €30.4 million as compared to €21.5 million in 1Q07. The net loss figure attributable to the equity holders of TAV Airports was €30.8 million in 1Q08, compared to €20.5 million in 1Q07.



Airports

TAV AIRPORTS HOLDING – 1Q08 FINANCIAL SUMMARY

(€ million)	Revenues	EBITDA (*)	EBITDA(*) Margin	Net Debt
Airports	72,1	40,3	56%	643
Istanbul	59,3	40,9	69%	355
Ankara	4,5	-0,6	-13%	121
Izmir	2,2	-1,3	-60%	83
Tbilisi (60%)	2,1	0,6	30%	19
Batumi	0,0	0,1	-	0
Tunisia	4,0	0,6	15%	66
Gazipasa	0,0	0,0	-	0
Services	77,7	5,4	7%	134
ATU (50%)	33,7	2,1	6%	15
BTA	13,2	1,1	8%	0
HAVAS	19,3	-0,5	-3%	-2
Others	11,5	2,7	23%	121
Total	149,8	45,7	31%	777
Eliminations	-29,4	-0,4		
Consolidated	120,5	45,3	38%	777

* EBITDAR for TAV Istanbul

TAV Airports Revenues					
(€ million)	2006	2007	1Q07	1Q08	Change
Airports	247	314	60	72	19%
Istanbul	227	244	53	59	11%
Others	19	70	7	13	80%
Services	244	313	58	78	33%
ATU (50%)	109	138	28	34	19%
BTA	35	50	10	13	30%
HAVAS (*)	61	74	10	19	102%
Others	39	50	10	12	14%
Total	490	627	119	150	26%
Eliminations	-89	-119	-24	-29	
Consolidated	402	508	94	120	28%

* Fully consolidated starting from 4Q07, while 60% proportionally consolidated for previous periods

TAV Airports EBITDAR					
(€ million)	2006	2007	1Q07	1Q08	Change
Airports	151	200	33	40	21%
Istanbul	150	180	37	41	10%
Others	1	20	-4	-1	n.m.
Services	19	14	0	5	n.m.
ATU (50%)	4	9	1	2	68%
BTA	3	0	0	1	n.m.
HAVAS (*)	5	12	-1	0	n.m.
Others	7	-7	-1	3	n.m.
Total	170	214	33	46	38%
Eliminations	0	4	0	0	
Consolidated	170	218	34	45	35%

* Fully consolidated starting from 4Q07, while 60% proportionally consolidated for previous periods

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BASIS OF CONSOLIDATION

- The attached consolidated 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 TRY, most of the Group entities' functional currency and reporting currency is EUR.
- Each entity is consolidated based on the following methods:
 - TAV İstanbul, TAV İzmir, TAV Esenboğa, HAVAŞ, TAV Gazipaşa, TAV Batumi and TAV Tunisia are fully consolidated without minority's ownership. After acquisition of the remaining 40% shares of HAVAŞ in November 2007, from independent third party, HAVAŞ has been consolidating fully since 3Q07 whereas it was consolidated proportionally till 3Q07.
 - BTA, TAV İşletme (TAV O&M), TAV Bilişim (TAV IT), Batumi Airport LLC and TAV Güvenlik (TAV Security) are fully consolidated with the minority's ownership reflected as a minority interest. The share capital of Batumi Airport LLC is fully allocated as minority interest due to the transfer of right on shares to JSC at the end of share management agreement period.
 - ATÜ and TAV Tbilisi are proportionally consolidated.
- 1Q2008 results are not directly comparable with the previous year as a result of full consolidation of HAVAŞ in 2008 and commencement of operations in Monastir Airport, Tunisia.

TAV Airports Holding Selected Financials

(Amounts expressed in mn Euro)

	31 March 2008	31 March 2007
Construction revenue	36.2	15.3
Total operating income	120.5	94.5
Sales of duty free goods	33.0	27.8
Aviation income	24.6	20.6
Ground handling income	15.8	7.7
Commission from sales of duty free goods	14.6	13.0
Catering services income	8.8	7.5
Other operating income	23.8	18.0
Construction expenditure	(34.5)	(16.4)
Operating expenses	(120.0)	(103.1)
Cost of catering inventory sold	(3.1)	(2.4)
Cost of duty free inventory sold	(13.3)	(11.5)
Cost of services rendered	(6.2)	(2.9)
Personnel expenses	(34.9)	(22.7)
Concession rent expenses	(36.4)	(34.7)
Depreciation and amortization expense	(8.4)	(7.5)
Other operating expenses	(17.7)	(21.5)
Operating profit	2.2	(9.6)
Finance income	3.4	4.3
Finance expenses	(32.2)	(19.5)
Profit/(loss) before income tax	(26.5)	(24.8)
Income tax benefit /(expense)	(3.9)	3.3
Profit/(loss) for the period from continuing operations	(30.4)	(21.5)
Attributable to:		
Equity holders of the parent	(30.8)	(20.5)
Minority interest	0.4	(1.0)
	(30.4)	(21.5)
Other Financial Data:		
EBITDA	9.0	(1.1)
EBITDAR	45.3	33.6
Summary Cash Flow Data:		
Net cash provided by (used in):		
Operating activities	(38.4)	(98.9)
Investing activities	(37.6)	(17.7)
Financing activities	37.2	113.8
Summary Balance Sheet Data:	31 March 2008	31 December 2007
Cash and cash equivalents	25.4	64.7
Restricted bank balances	112.7	257.5
Total assets	1,352.3	1,482.0
Bank loans	915.5	1,004.5
Total liabilities	1,059.4	1,141.4
Total equity	292.9	340.6
Net debt	777.5	682.4

TAV Havalimanları Holding A.Ş. / TAV Airports Holding Co.

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TRAFFIC FIGURES

Passengers ⁽¹⁾	1st Quarter (Jan-March)					Jan-Dec		
	1Q06	1Q07	Change %	1Q08	Change %	2006	2007	Change %
Ataturk Airport	4.248.200	4.811.350	13%	5.056.146	5%	21.265.974	23.196.229	9%
International	2.401.754	2.739.455	14%	2.957.183	8%	12.174.281	13.600.306	12%
Domestic	1.846.446	2.071.895	12%	2.098.963	1%	9.091.693	9.595.923	6%
Esenboga Airport ⁽²⁾	880.629	1.110.477	26%	1.117.914	1%	4.547.578	4.958.128	9%
International	204.337	248.716	22%	234.810	-6%	1.259.993	1.349.006	7%
Domestic	676.292	861.761	27%	883.104	2%	3.287.585	3.609.122	10%
Izmir Airport ⁽³⁾	155.575	187.533	21%	191.487	2%	1.451.061	1.600.890	10%
TURKEY TOTAL	8.946.314	10.641.514	19%	11.223.181	5%	58.778.131	66.463.286	13%
International	3.845.098	4.329.102	13%	4.699.120	9%	32.133.681	37.152.953	16%
Domestic	5.101.216	6.312.412	24%	6.524.061	3%	26.644.450	29.310.333	10%
Tbilisi Airport ⁽⁴⁾	109.584	106.239	-3%	138.760	31%	567.402	615.872	9%
International	108.789	105.277	-3%	138.004	31%	563.034	610.649	8%
Domestic	795	962	21%	756	-21%	4.368	5.223	20%
Batumi Airport ⁽⁵⁾	-	-	nm	14.987	nm	-	-	nm
International	-	-	nm	14.784	nm	-	-	nm
Domestic	-	-	nm	203	nm	-	-	nm
Hopa Terminal ⁽⁶⁾	-	-	nm	884	nm	-	-	nm
TAV TOTAL	5.393.988	6.215.599	15%	6.520.178	5%	27.832.015	30.410.881	9%
International	2.870.455	3.280.981	14%	3.536.268	8%	15.448.369	17.199.464	11%
Domestic	2.523.533	2.934.618	16%	2.983.910	2%	12.383.646	13.211.417	7%

Air Traffic Movements ⁽⁷⁾	1st Quarter (Jan-March)					Jan-Dec		
	1Q06	1Q07	Change %	1Q08	Change %	2006	2007	Change %
Ataturk Airport	48.197	53.573	11%	57.660	8%	225.549	243.363	8%
International	28.323	31.415	11%	34.773	11%	130.539	142.488	9%
Domestic	19.874	22.158	11%	22.887	3%	95.010	100.875	6%
Esenboga Airport ⁽²⁾	9.622	11.358	18%	11.146	-2%	47.434	50.104	6%
International	2.025	2.717	34%	2.521	-7%	12.502	13.677	9%
Domestic	7.597	8.641	14%	8.625	0%	34.932	36.427	4%
Izmir Airport ⁽³⁾	1.343	1.689	26%	1.785	6%	11.475	13.060	14%
TURKEY TOTAL	90.884	106.457	17%	112.553	6%	522.785	573.835	10%
International	39.544	44.464	12%	48.612	9%	262.228	292.362	11%
Domestic	51.340	61.993	21%	63.941	3%	260.557	281.473	8%
Tbilisi Airport ⁽⁴⁾	1.181	1.165	-1%	1.529	31%	5.417	6.428	19%
International	1.090	1.024	-6%	1.397	36%	4.846	5.679	17%
Domestic	91	141	55%	132	-6%	571	749	31%
Batumi Airport ⁽⁵⁾	-	-	nm	203	nm	-	-	nm
International	-	-	nm	171	nm	-	-	nm
Domestic	-	-	nm	32	nm	-	-	nm
TAV TOTAL	60.343	67.785	12%	72.323	7%	289.875	313.477	8%
International	32.781	36.845	12%	40.647	10%	159.362	175.322	10%
Domestic	27.562	30.940	12%	31.676	2%	130.513	138.155	6%

Source: Turkish State Airports Authority (DHMI) and Georgian Authority for Tbilisi Airport and Batumi Airport
 Note: DHMI figures for March 2008 are tentative.

- (1) Both departing and arriving passengers, excluding transit
 (2) Operation commencement date: October 16, 2006
 (3) International Terminal only and operation commencement date: September 13, 2006
 (4) Operation commencement date for new terminal: February 7, 2007
 (5) Operation commencement date: May 26, 2007 (2007 figures reflect 26th May-Dec periods)
 (6) Operation commencement date: December 18, 2007 (2007 figures reflect the period after 18th Dec)
 (7) Commercial flights only

Scope and issues related to IFRIC 12 application

IFRIC 12 is a new application regarding to interpretation of most of existing standards in the IFRS for example, IAS 11-Construction Contracts, IAS 16-Property Plant and equipment, IAS 17-Leases, IAS 36-Impairment of Assets and IAS 38-Intangible Assets.

IFRIC 12 Service Concession Arrangements was developed by the International Financial Reporting Interpretations Committee and issued by the International Accounting Standards Board in November 2006. An entity shall apply this Interpretation for annual periods beginning on or after 1 January 2008. Earlier application is permitted. If an entity applies this Interpretation for a period beginning before 1 January 2008, it shall disclose that fact.

Scope

- 1) This Interpretation gives guidance on the accounting by operators for public-to-private service concession arrangements.
- 2) This Interpretation applies to public-to-private service concession arrangements if:
 - (a) the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price;
 - and
 - (b) the grantor controls—through ownership, beneficial entitlement or otherwise—any significant residual interest in the infrastructure at the end of the term of the arrangement.
- 3) Infrastructure used in a public-to-private service concession arrangement for its entire useful life (whole of life assets) is within the scope of this Interpretation if the conditions in paragraph 5(a) are met. Paragraphs AG1–AG8 provide guidance on determining whether, and to what extent, public-to-private service concession arrangements are within the scope of this Interpretation.
- 4) This Interpretation applies to both:
 - (a) infrastructure that the operator constructs or acquires from a third party for the purpose of the service arrangement; and
 - (b) existing infrastructure to which the grantor gives the operator access for the purpose of the service arrangement.
- 5) This Interpretation does not specify the accounting for infrastructure that was held and recognised as property, plant and equipment by the operator before entering the service arrangement. The derecognition requirements of IFRSs (set out in IAS 16) apply to such infrastructure.
- 6) This Interpretation does not specify the accounting by grantors.

Issues

This Interpretation sets out general principles on recognising and measuring the obligations and related rights in service concession arrangements. Requirements for disclosing information about service concession arrangements are in SIC-29.

The issues addressed in this Interpretation are:

- (a) treatment of the operator's rights over the infrastructure;
- (b) recognition and measurement of arrangement consideration;
- (c) construction or upgrade services;
- (d) operation services;
- (e) borrowing costs;
- (f) subsequent accounting treatment of a financial asset and an intangible asset; and
- (g) items provided to the operator by the grantor.

B.O.T is the meaning of first **Build**, the **Operate** then **Transfer** of the such infrastructure investment. Infrastructure within the scope of this Interpretation shall not be recognised as property, plant and equipment of the operator because the contractual service arrangement does not convey the right to control the use of the public service infrastructure to the operator. The operator has access to operate the infrastructure to provide the public service on behalf of the grantor in accordance with the terms specified in the contract. The operator shall account for revenue and costs relating to construction or upgrade services in accordance with IAS 11. It means the operator (TAV) should account these investments as cost and book construction revenue (if a mark-up on costs) on its financials instead of investments according to the completion of infrastructure throughout the construction periods. Mark-up rates for TAV İzmir, TAV Esenboğa, TAV Tbilisi and TAV Tunisia, which are in the application of IFRIC 12 are assessed by the management as 0%, 0%, 15% and 5% during the application periods, respectively.

Tepe Akfen



Airports

ABOUT TAV AIRPORTS HOLDING INC.

TAV Airports Holding is the leading airport terminal operator in Turkey, with a 45% market share in 2007 (Source: DHMI). TAV Airports is a holding company for a group of subsidiaries operating in the airport industry that provide aviation and non-aviation services. The airport terminals operated by TAV Airports Holding handled 30.4 million passengers in 2007 (excluding transit passengers). Currently, TAV Airports has the right to operate 8 airports, including Istanbul's Atatürk Airport (one of Europe's busiest airports), Ankara Esenboğa Airport and Izmir Adnan Menderes Airport. TAV Airports also operates Tbilisi and Batumi Airports in Georgia. In 2007, TAV Airports also received the concession for development and operation of Monastir and Enfidha Airports in Tunisia for 40 years. TAV Airports recently obtained the right to operate Antalya Gazipasa Airport in the south coast of Turkey. TAV Airports generates 67% of its consolidated revenues from non-aviation businesses. The most important contributions come from TAV Airports' 50% stake in ATU, which operates duty-free shops. TAV Airports also has subsidiaries in ground handling, catering, security, IT, operation and maintenance services. TAV Airports reported €508 million consolidated revenue for the year ended December 31, 2007 as per IFRS financial statements. TAV Airports Holding has been listed on the Istanbul Stock Exchange since February 2007.

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