



# TAV Airports Holding

## Management Presentation

## August 2013



# Traffic Performance

Passengers <sup>(1)</sup>	July			January-July		
	2012	2013	Chg %	2012	2013	Chg %
<b>Ataturk Airport</b>	<b>4,361,468</b>	<b>4,539,346</b>	<b>4%</b>	<b>25,035,324</b>	<b>28,934,579</b>	<b>16%</b>
International	2,877,968	2,968,042	3%	16,506,475	19,104,053	16%
Domestic	1,483,500	1,571,304	6%	8,528,849	9,830,526	15%
<b>Esenboga Airport <sup>(2)</sup></b>	<b>855,435</b>	<b>964,537</b>	<b>13%</b>	<b>5,343,900</b>	<b>6,170,261</b>	<b>15%</b>
International	186,716	165,028	-12%	878,280	910,838	4%
Domestic	668,719	799,509	20%	4,465,620	5,259,423	18%
<b>Izmir Airport <sup>(3)</sup></b>	<b>1,014,707</b>	<b>1,026,608</b>	<b>1%</b>	<b>5,278,619</b>	<b>5,733,343</b>	<b>9%</b>
International	363,737	355,856	-2%	1,309,426	1,294,936	-1%
Domestic	650,970	670,752	3%	3,969,193	4,438,407	12%
<b>Gazipaşa Airport</b>	<b>18,024</b>	<b>74,356</b>	<b>n.m.</b>	<b>34,304</b>	<b>189,164</b>	<b>n.m.</b>
International	18,018	61,790	n.m.	33,976	129,751	n.m.
Domestic	6	12,566	n.m.	328	59,413	n.m.
<b>Medinah <sup>(5)</sup></b>	<b>420,915</b>	<b>352,736</b>	<b>-16%</b>	<b>2,698,458</b>	<b>2,758,837</b>	<b>2%</b>
Tunisia	576,037	555,820	-4%	1,704,823	1,737,978	2%
Georgia	153,658	182,450	19%	737,151	868,575	18%
Macedonia	114,621	128,809	12%	517,567	601,345	16%
<b>TAV TOTAL <sup>(4)</sup></b>	<b>7,496,841</b>	<b>7,824,662</b>	<b>4%</b>	<b>39,038,299</b>	<b>46,994,082</b>	<b>20%</b>
International	4,543,504	4,626,175	2%	21,898,068	26,392,166	21%
Domestic	2,953,337	3,198,487	8%	17,140,231	20,601,916	20%

ATM <sup>(2)</sup>	July			January-July		
	2012	2013	Chg %	2012	2013	Chg %
<b>Ataturk Airport</b>	<b>31,970</b>	<b>34,864</b>	<b>9%</b>	<b>193,847</b>	<b>219,829</b>	<b>13%</b>
International	21,001	22,898	9%	129,519	146,732	13%
Domestic	10,969	11,966	9%	64,328	73,097	14%
<b>Esenboga Airport <sup>(2)</sup></b>	<b>6,843</b>	<b>7,443</b>	<b>9%</b>	<b>43,240</b>	<b>48,338</b>	<b>12%</b>
International	1,461	1,290	-12%	7,333	7,550	3%
Domestic	5,382	6,153	14%	35,907	40,788	14%
<b>Izmir Airport <sup>(3)</sup></b>	<b>6,945</b>	<b>6,981</b>	<b>1%</b>	<b>37,493</b>	<b>39,701</b>	<b>6%</b>
International	2,496	2,439	-2%	9,508	9,121	-4%
Domestic	4,449	4,542	2%	27,985	30,580	9%
<b>Gazipaşa Airport</b>	<b>127</b>	<b>532</b>	<b>n.m.</b>	<b>254</b>	<b>1,386</b>	<b>n.m.</b>
International	123	447	n.m.	247	989	n.m.
Domestic	4	85	n.m.	7	397	n.m.
<b>Medinah <sup>(5)</sup></b>	<b>3,454</b>	<b>3,163</b>	<b>-8%</b>	<b>19,516</b>	<b>22,282</b>	<b>14%</b>
Tunisia	4,159	4,388	6%	14,647	15,907	9%
Georgia	2,412	2,320	-4%	13,186	13,038	-1%
Macedonia	1,271	1,388	9%	6,550	7,128	9%
<b>TAV TOTAL <sup>(4)</sup></b>	<b>57,054</b>	<b>61,079</b>	<b>7%</b>	<b>312,417</b>	<b>367,609</b>	<b>18%</b>
International	34,212	36,472	7%	180,491	210,068	16%
Domestic	22,842	24,607	8%	131,926	157,541	19%

Source: Turkish State Airports Authority (DHMI), Georgian Authority, TAV Tunisie, TAV Macedonia, TIBA

Notes: DHMI figures for 2012 and 2013 are tentative.

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

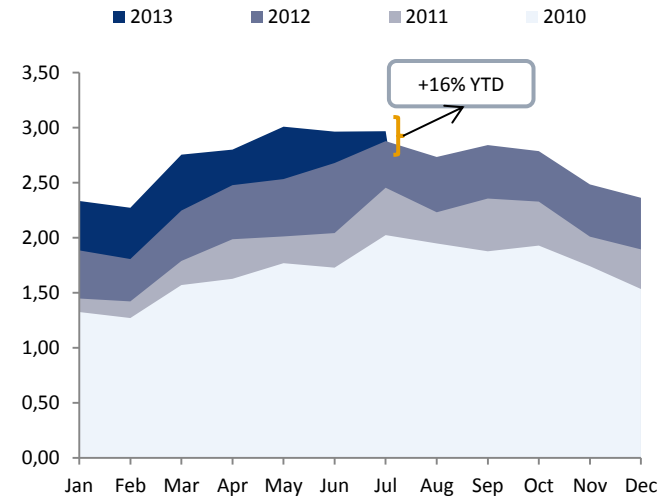
(2) Commercial flights only

(3) TAV started to serve domestic passengers at Izmir Airport in January 2012

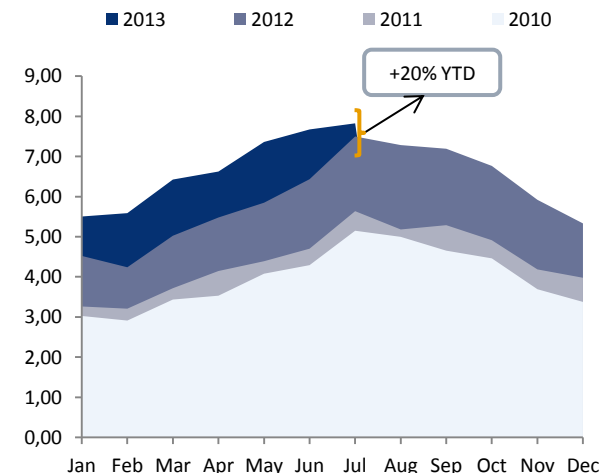
(4) 2011 totals do not include Medinah, Gazipaşa and Izmir domestic traffic data while 2012 totals do not include Medinah data for the first half of the year and Gazipaşa for the whole year

(5) TAV started to serve Medinah passengers on July 1, 2012

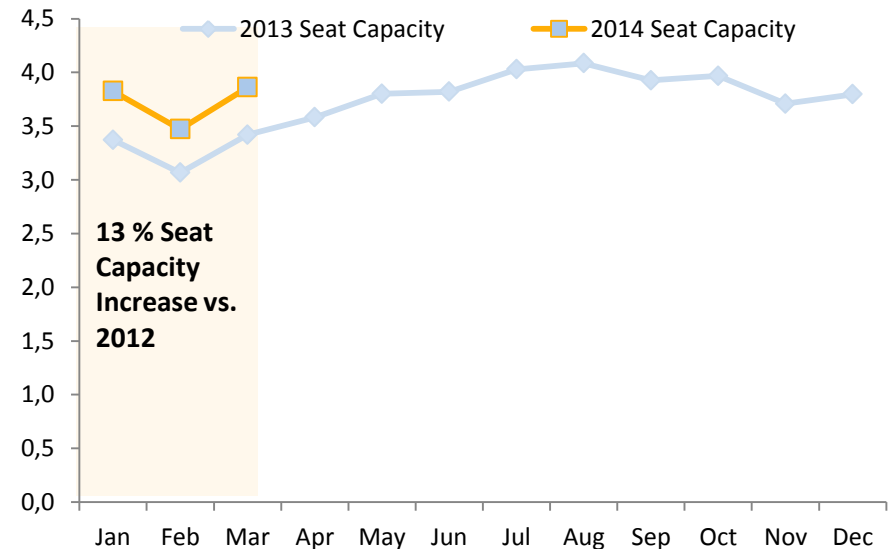
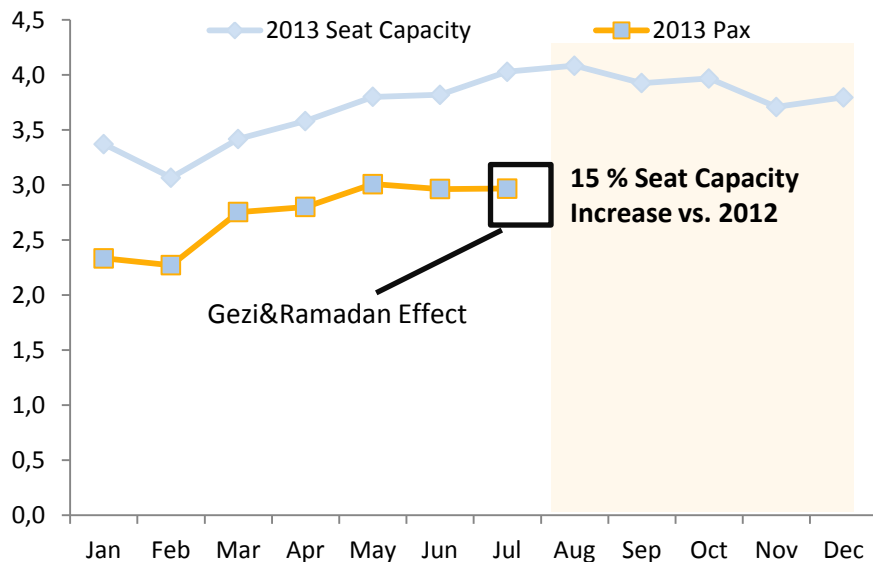
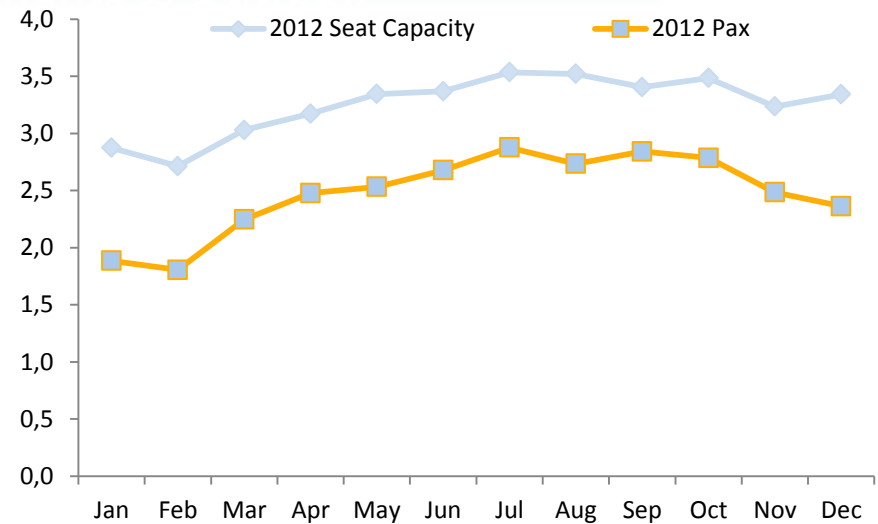
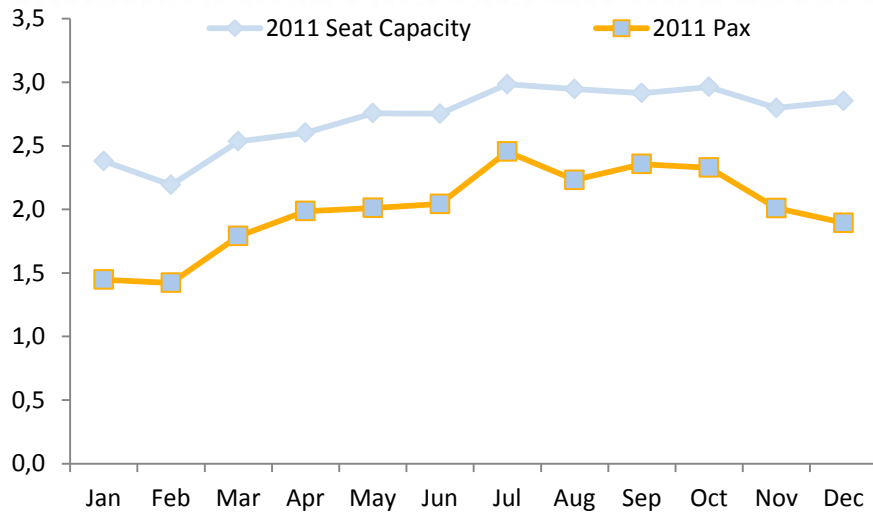
## Istanbul International Pax (m)



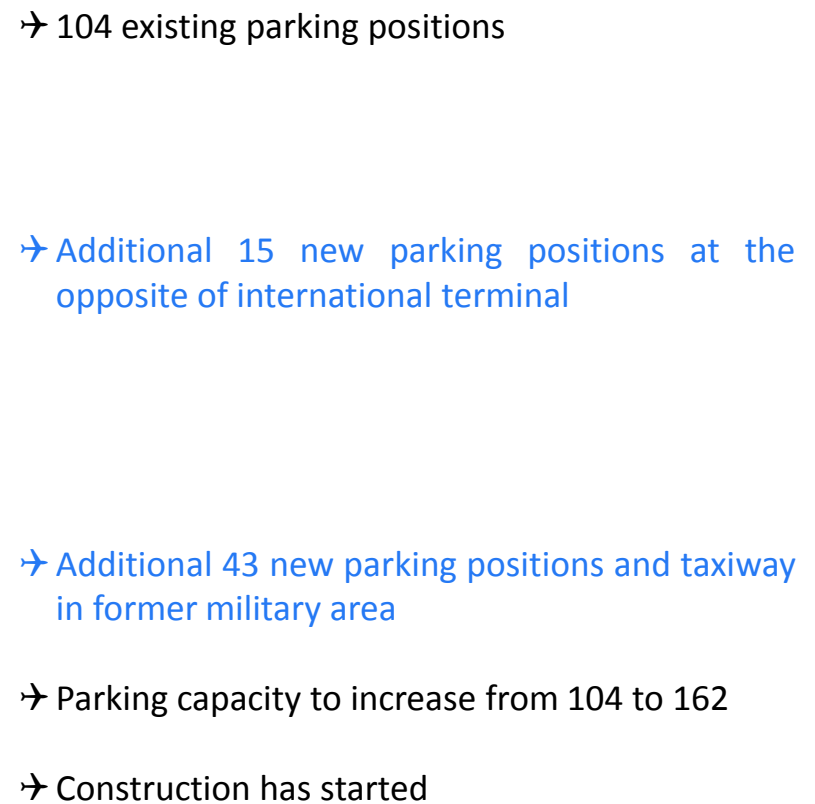
## TAV Total Pax (m)



# International Scheduled Traffic Developments & Outlook



Source: Airport Data Intelligence (ADI)





# Istanbul ATM Capacity vs Peers with Similar Runway Structure

**Istanbul Atatürk Airport**



**Zurich Airport**



**Declared Capacities\***

- **Istanbul Atatürk\*\*:** 58 ATM/hr
- **Zurich Airport:** 68 ATM/hr
- **Vienna Airport :** 72 ATM/hr

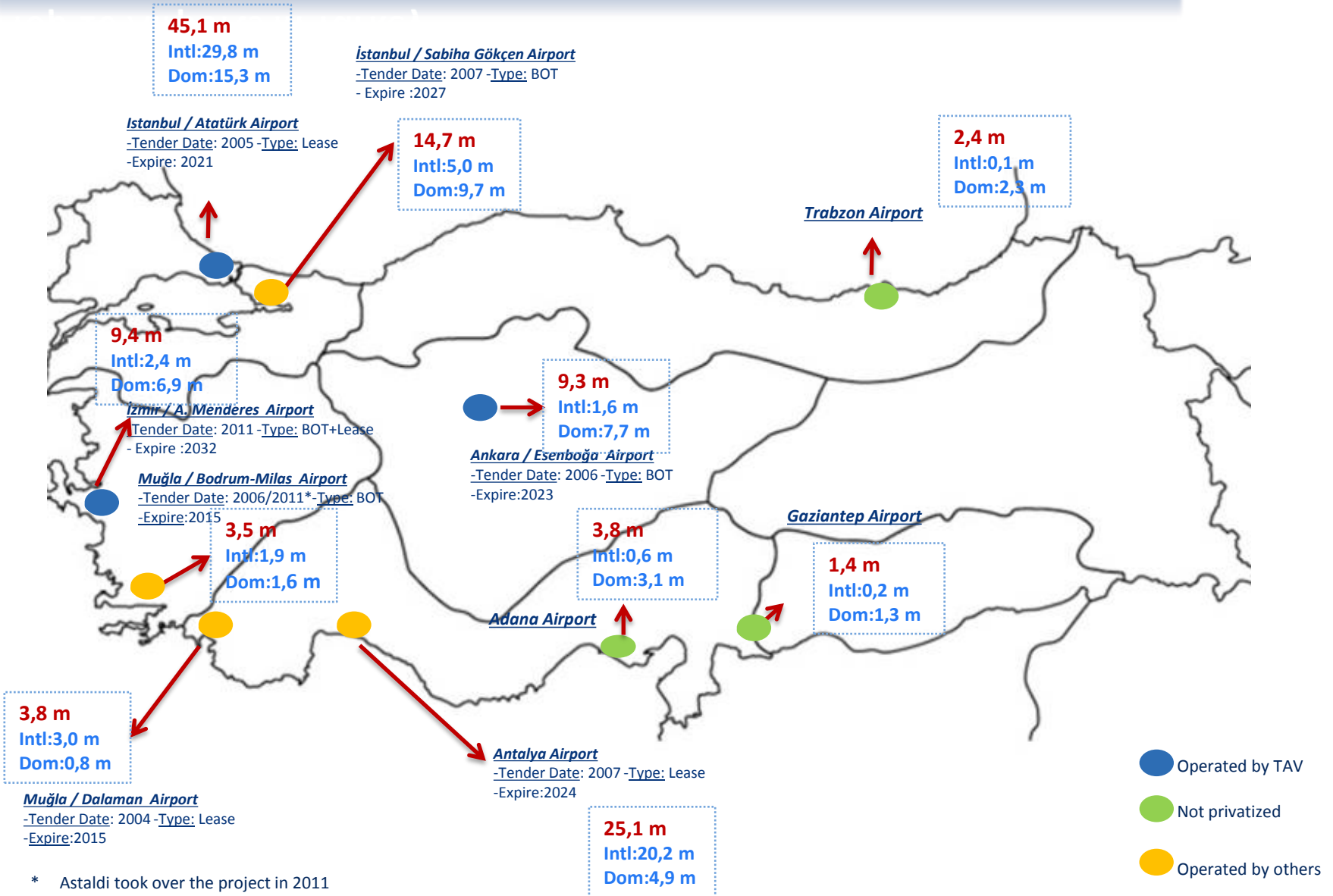
**Vienna Airport**



\*State Airports Authority (DHMI), Zurich Airport, Vienna Airport

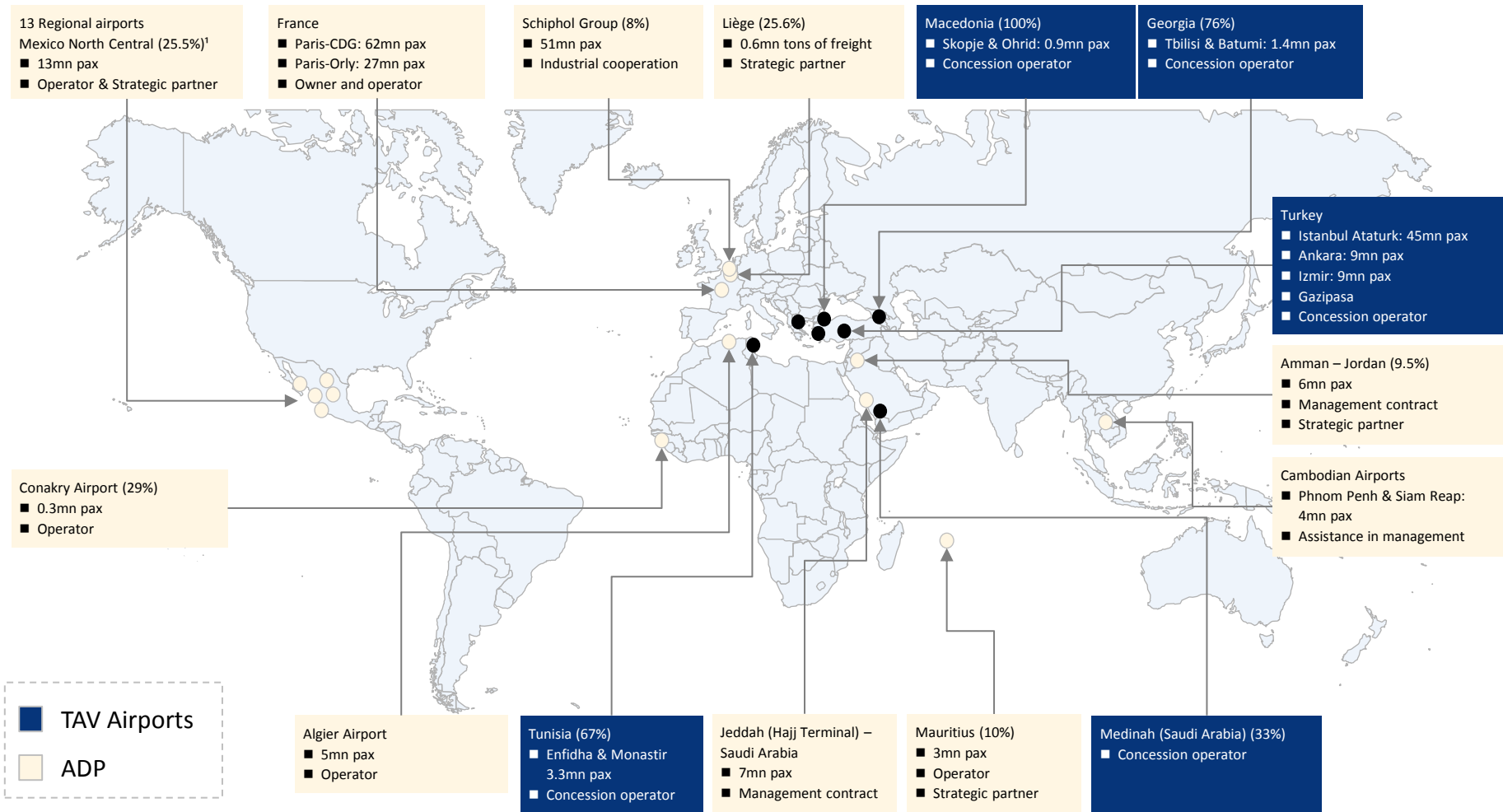
\*\*Please note that runways, aprons and taxiways of Istanbul Atatürk Airport are operated by State Airports Authority (DHMI)

# Top 10 Airports in Turkey



# ADP – TAV Airports: A Global Footprint

A platform of **37 airports** under management representing **200m Pax**



Source: ADP, TAV Airports

Notes: Mexico: ADP holds a 25.5% stake in the Mexican company Servicios de Tecnología Aeroportuaria (SETA), which itself has a 16.7% stake in holding company Grupo Aeroportuario del Centro Norte (GACN), which controls 13 airports in the north and centre of Mexico, including Monterrey International Airport

Passenger numbers are for FY 2012.



# La Guardia and Zagreb Airports

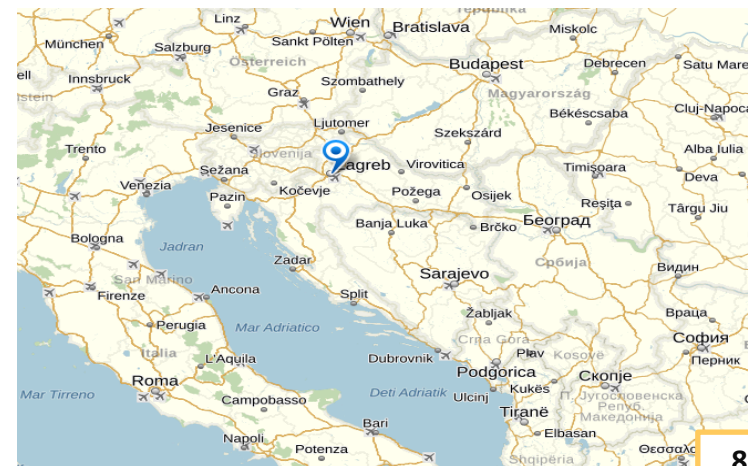
- ➔ **LaGuardia Airport PQ**
- ➔ The LGA Central Terminal Consortium, composed of Our Company, Aeroports de Paris (ADP) Management, Goldman Sachs (GS Global Infrastructure Partners II, L.P. and GS International Infrastructure Partners II, L.P.), Tutor Perini Corporation, Ove Arup & Partners PC, Kohn Pederson Fox Associates PC, Suffolk Construction Company, STV Incorporated and ADP Ingenierie, received preliminary qualification ("PQ") to place a bid in the tender for the " Design / Build / Finance / Operate & Maintain LaGuardia Airport Central Terminal Building Replacement Project " in NYC, USA held by the Port Authority of New York and New Jersey (PANYNJ). LaGuardia International Airport served a total of 26 million passengers in 2012.

## LaGuardia Airport



- ➔ **Zagreb Int'l Airport**
- ➔ TAV Airports has signed a letter of interest for taking a participation limited to 15% in the consortium comprising Aéroports de Paris Management ( a subsidiary of Aéroports de Paris) and Bouygues Batiment International ("Consortium") which had won the Croatia Zagreb International Airport tender in April 2012. TAV Airports has confirmed its interest to provide a maximum equity contribution of €15 million to the Consortium subject to the conditions stated in the letter of interest. The concession agreement stipulates that the operation period of Zagreb International Airport by the Consortium will end in April 2042.

## Zagreb Airport





# Istanbul vs. Other Hubs

World Rank #	PAX (m, 2012)	ATM ('000, 2012)	10 year pax CAGR	Transfer Share (Int.)	City Population (m)
1	Atlanta (ATL) 95,5	932	2%	60%	0.4
3	London (LHR) 70,0	471	1%	37%	8.1
7	Charles De Gaulle (CDG) 61,6	491	2%	24%	13.0
9	Jakarta (CGK) 57,7	346	15%	-	10.2
10	Dubai (DXB) 57,7	347	14%	34%	2.1
11	Frankfurt (FRA) 57,5	482	2%	54%	0.7
14	Bangkok (BKK) 53,0	327	5%	9%	15.0
15	Singapore (SIN) 51,2	320	6%	25%	5.3
20	Istanbul (IST) 45,0	349	12%	36%	13.5
50+	Zurich (ZRH) 24,8	270	2%	34%	1.0
50+	Doha (DOH) 21,3	156	25%	70%	1.4

# Highlights of 2013 First Half Results

→ **Consolidated revenue\*\* of €567 m (+17% vs 1H12)**

→ Revenue growth in line with like-for-like passenger growth

→ **Consolidated EBITDA\*\* of €166 m (+28% vs 1H12)**

→ Strong operating leverage

→ **Net profit\* of €53 m (+7% vs 1H12)**

→ Bottom line pressured by FX in 1H13; i.e. FX losses & deferred tax expenses in 1H13 vs. FX gains & deferred tax gain in 1H12.

→ **Net Debt\*\* of €1,051 m (+1% vs 1Q13 )**

→ Net debt increased mainly due to ongoing investments and dividend payment.

→ **39 m passengers served (+24% vs 1H12)**

→ Like-for-like growth of 17%, 2.4m pax (7% growth) stemming from Medinah

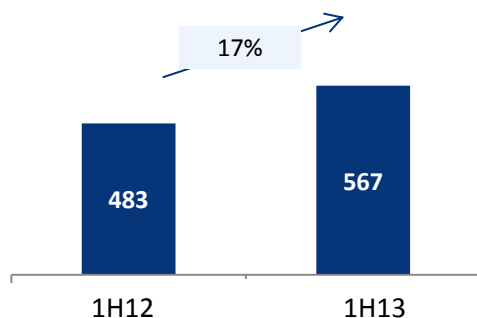
\*IFRS

\*\* IFRS 11 and IFRIC 12 adjusted

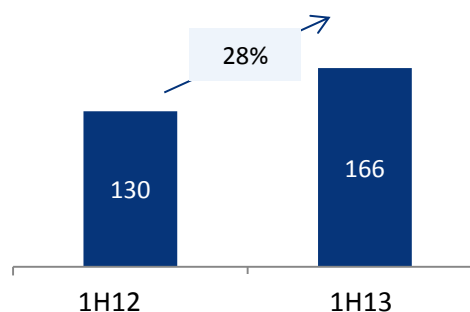
# Financial Overview

(in m€, unless stated otherwise)	1H12	1H13	Chg %	2011	2012	Chg %
<b>Revenues*</b>	483	567	17%	881	1,099	25%
<b>EBITDA*</b>	130	166	28%	257	332	29%
<b>EBITDA* margin (%)</b>	27.0%	29.3%	2.4 ppt	29.2%	30.2%	1.1 ppt
<b>FX Gain (Loss)*</b>	11	(5)	n.m.	(5)	2	n.m.
<b>Deferred Tax Gain (Loss)*</b>	10	(1)	n.m.	(4)	6	n.m.
<b>Net Income</b>	50	53	7%	53	124	135%
<b>Net Cash Provided from Operating Activities</b>	74	234	216%	355	414	16%
<b>Capex</b>	(9)	(129)	nm	(106)	(131)	24%
<b>Free Cash Flow</b>	65	105	61%	250	283	13%
<b>Net Debt*</b>	896	1,051	17%	792	882	11%
<b>Average number of employees*</b>	20,975	23,443	12%	19,838	22,227	12%
<b>Number of passengers (m)</b>	32	39	24%	52.8	71.5	36%
- International	17	22	25%	31.9	40.8	28%
- Domestic	14	17	23%	20.8	30.8	48%

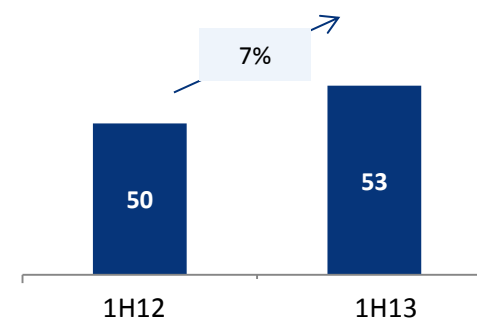
Consolidated Revenue (€m)



EBITDA (€m)

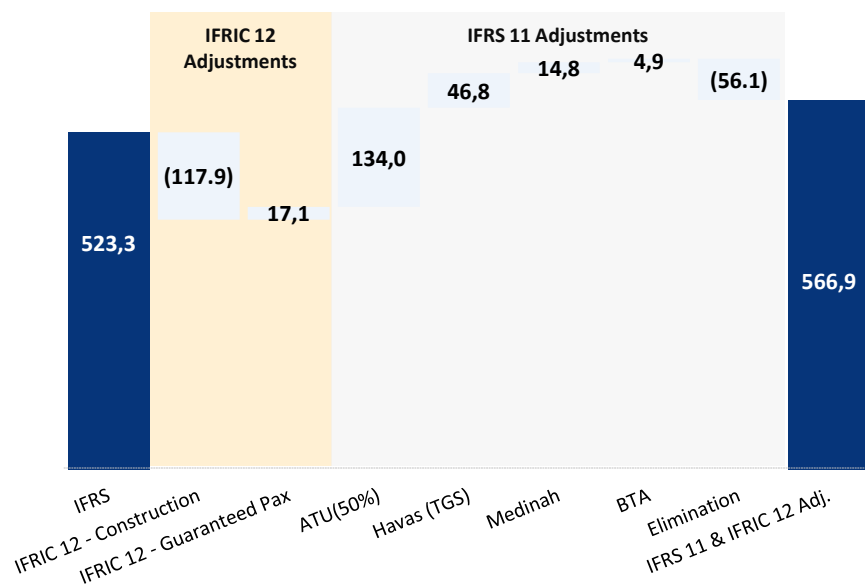


Net Profit (€m)

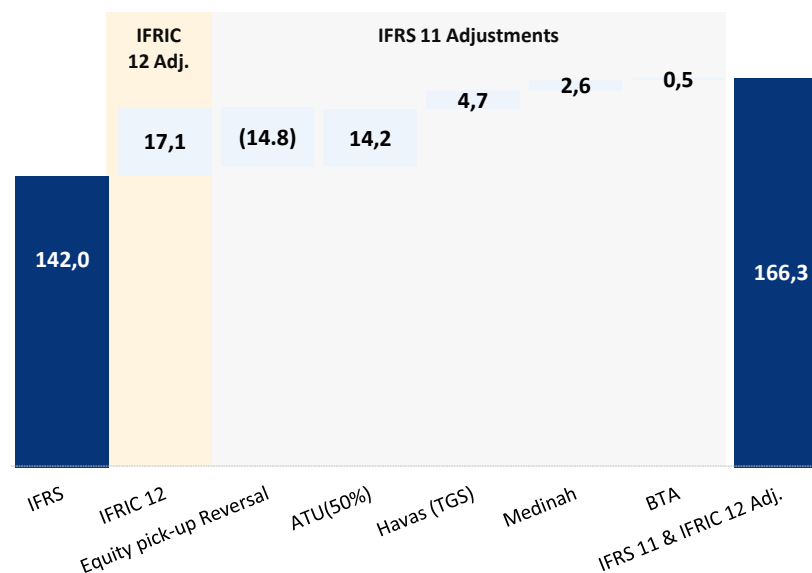


# Reconciliation of 1H13 Adjusted Financials\* to IFRS

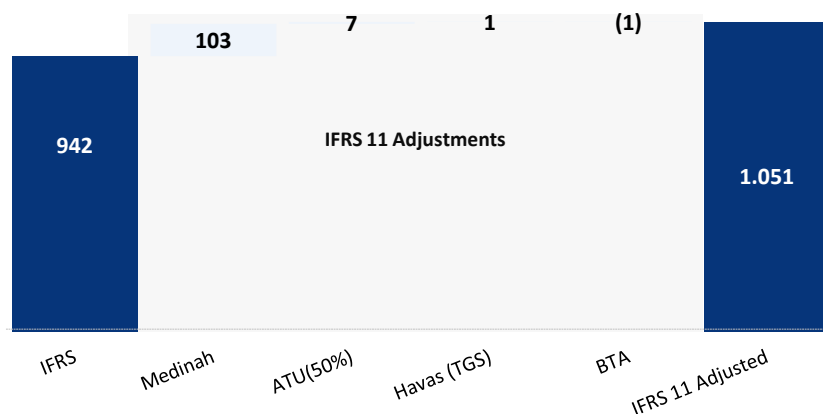
## Revenue (€m)



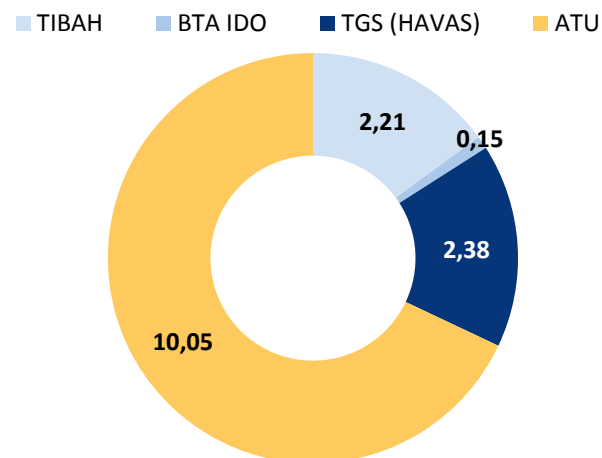
## EBITDA (€m)



## Net Debt (€m)



## 1H13 Equity pick-up (€m)



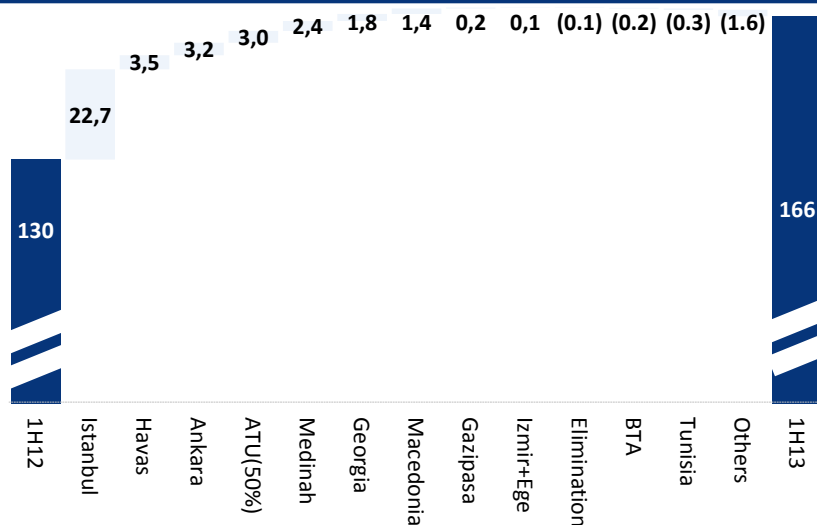
\*IFRS 11 and IFRIC 12 adjusted



# Selected Financials by Assets (IFRS 11 and IFRIC 12 Adjusted)

(1H 2013, €m)	Revenues	EBITDA	EBITDA Margin (%)	Net Debt
<b>Airports</b>	<b>328.3</b>	<b>140.0</b>	<b>43%</b>	<b>816</b>
Istanbul	218.9	100.0	46%	137
Ankara	25.9	14.0	54%	89
Izmir (including TAV Ege)	25.7	9.7	38%	59
Gazipasa	0.5	(0.3)	nm	17
Tunisia	18.1	3.1	17%	351
Georgia	15.6	8.8	57%	2
Macedonia	8.8	2.0	23%	58
Medinah (33%)	14.8	2.6	18%	103
<b>Services</b>	<b>341.3</b>	<b>27.0</b>	<b>8%</b>	<b>235</b>
ATU (50%)	134.0	14.2	11%	7
Havas (incl. TGS)	108.2	10.5	10%	77
BTA (incl. IDO)	61.3	5.3	9%	(3)
Others	37.9	(3.0)	-8%	155
<b>Total</b>	<b>669.6</b>	<b>167.0</b>	<b>25%</b>	<b>1,051</b>
Elimination	(102.7)	(0.6)		
<b>Consolidated</b>	<b>566.9</b>	<b>166.3</b>	<b>29%</b>	<b>1,051</b>

## 1H12 – 1H13 EBITDA Bridge (€m)



Revenue (€m)	1H12	1H13	Chg.(%)
<b>Airports</b>	<b>279.4</b>	<b>328.3</b>	<b>17%</b>
Istanbul	193.8	218.9	13%
Ankara	21.5	25.9	21%
Izmir (including TAV Ege)	23.4	25.7	10%
Gazipasa	0.1	0.5	296%
Tunisia	17.9	18.1	1%
Georgia	13.4	15.6	16%
Macedonia	8.3	8.8	6%
Medinah	1.0	14.8	1453%
<b>Services</b>	<b>295.4</b>	<b>341.3</b>	<b>16%</b>
ATU (50%)	115.2	134.0	16%
Havas (incl. TGS)	92.9	108.2	16%
BTA (incl. IDO)	53.3	61.3	15%
Others	34.0	37.9	12%
<b>Total</b>	<b>574.8</b>	<b>669.6</b>	<b>16%</b>
Elimination	(91.3)	(102.7)	12%
<b>Consolidated</b>	<b>483.4</b>	<b>566.9</b>	<b>17%</b>

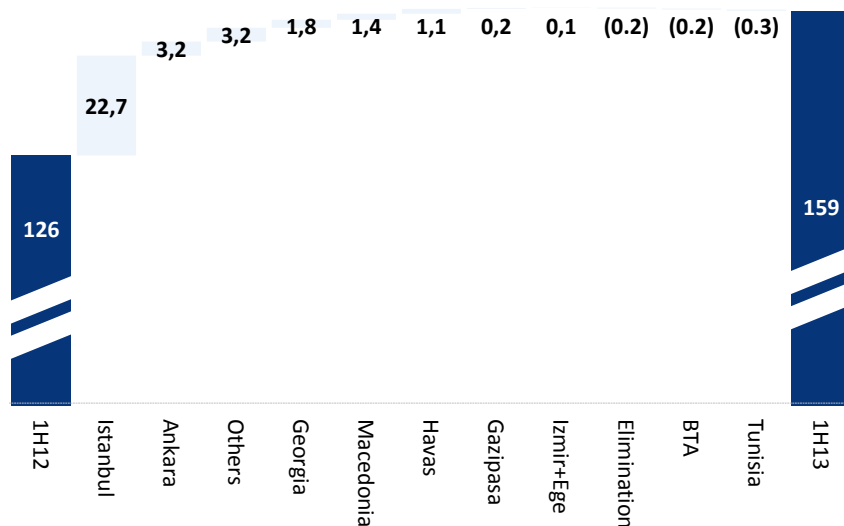
EBITDA (€m)	1H12	1H13	Chg.(%)
<b>Airports</b>	<b>108.5</b>	<b>140.0</b>	<b>29%</b>
Istanbul	77.3	100.0	29%
Ankara	10.8	14.0	29%
Izmir (including TAV Ege)	9.6	9.7	1%
Gazipasa	(0.5)	(0.3)	-36%
Tunisia	3.4	3.1	-9%
Georgia	7.1	8.8	25%
Macedonia	0.6	2.0	234%
Medinah	0.2	2.6	
<b>Services</b>	<b>22.3</b>	<b>27.0</b>	<b>21%</b>
ATU (50%)	11.2	14.2	27%
Havas (incl. TGS)	7.0	10.5	50%
BTA (incl. IDO)	5.5	5.3	-3%
Others	(1.4)	(3.0)	114%
<b>Total</b>	<b>130.8</b>	<b>167.0</b>	<b>28%</b>
Elimination	(0.5)	(0.6)	32%
<b>Consolidated</b>	<b>130.3</b>	<b>166.3</b>	<b>28%</b>

# Selected Financials by Assets (IFRIC 12 Adjusted)

(1H 2013, €m)	Revenues	EBITDA	EBITDA Margin (%)	Net Debt
<b>Airports</b>	<b>313.5</b>	<b>137.4</b>	<b>44%</b>	<b>713</b>
Istanbul	218.9	100.0	46%	137
Ankara	25.9	14.0	54%	89
Izmir (including TAV Ege)	25.7	9.7	38%	59
Gazipasa	0.5	(0.3)	nm	17
Tunisia	18.1	3.1	17%	351
Georgia	15.6	8.8	57%	2
Macedonia	8.8	2.0	23%	58
<b>Services</b>	<b>155.6</b>	<b>22.4</b>	<b>14%</b>	<b>229</b>
Havas	61.4	5.7	9%	76
BTA	56.3	4.8	9%	-2
Others*	37.9	11.8	31%	155
<b>Total</b>	<b>469.1</b>	<b>159.7</b>	<b>34%</b>	<b>942</b>
Elimination	(46.6)	(0.6)		0
<b>Consolidated</b>	<b>422.6</b>	<b>159.2</b>	<b>38%</b>	<b>942</b>

Revenue (€m)	1H12	1H13	Chg.(%)
<b>Airports</b>	<b>278.5</b>	<b>313.5</b>	<b>13%</b>
Istanbul	193.8	218.9	13%
Ankara	21.5	25.9	21%
Izmir (including TAV Ege)	23.4	25.7	10%
Gazipasa	0.1	0.5	296%
Tunisia	17.9	18.1	1%
Georgia	13.4	15.6	16%
Macedonia	8.3	8.8	6%
<b>Services</b>	<b>140.3</b>	<b>155.6</b>	<b>11%</b>
Havas	57.0	61.4	8%
BTA	49.3	56.3	14%
Others	34.0	37.9	12%
<b>Total</b>	<b>418.7</b>	<b>469.1</b>	<b>12%</b>
Elimination	(40.6)	(46.6)	15%
<b>Consolidated</b>	<b>378.2</b>	<b>422.6</b>	<b>12%</b>

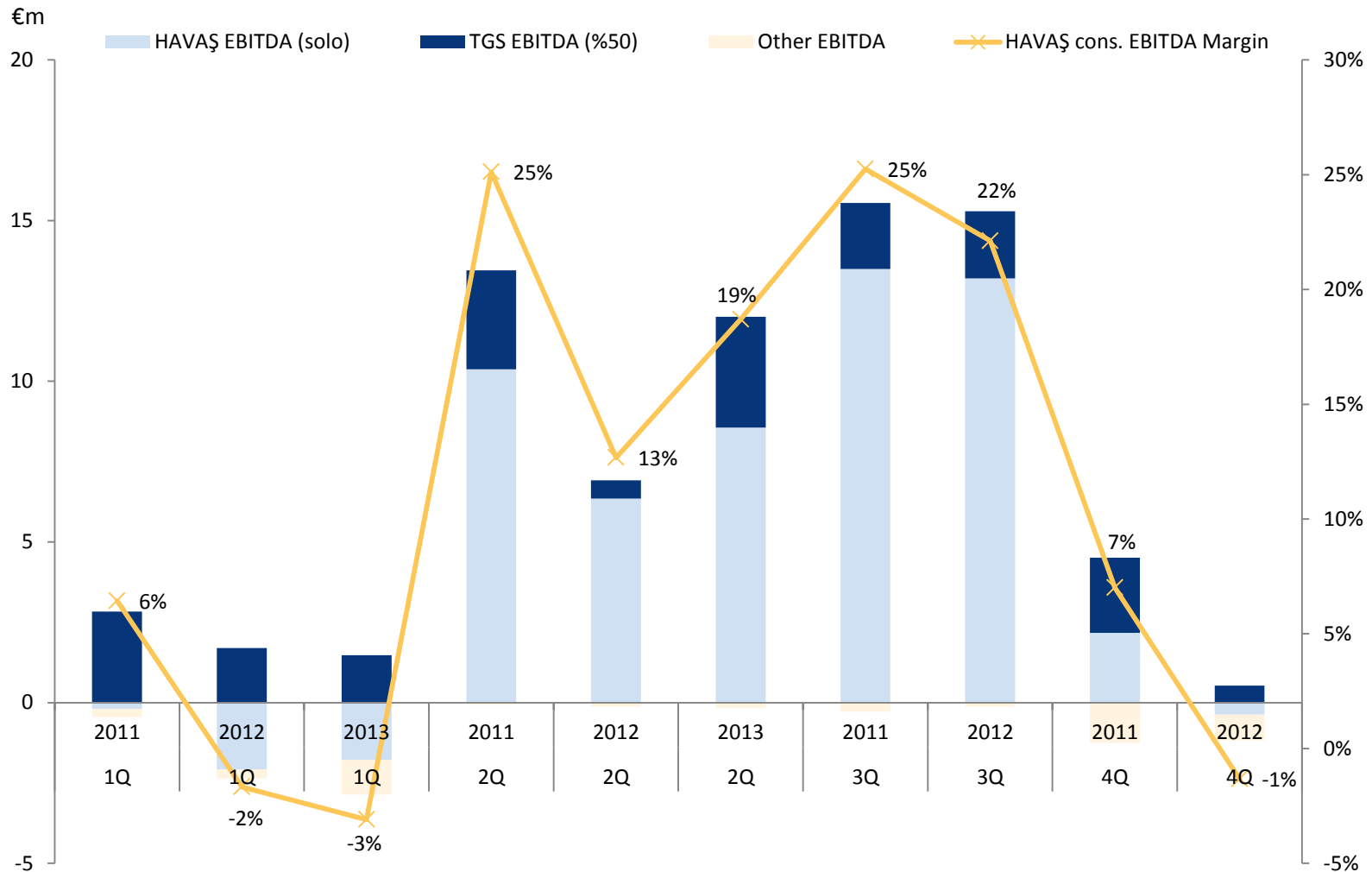
## 1H12 – 1H13 EBITDA Bridge (€m)



EBITDA (€m)	1H12	1H13	Chg.(%)
<b>Airports</b>	<b>108.3</b>	<b>137.4</b>	<b>27%</b>
Istanbul	77.3	100.0	29%
Ankara	10.8	14.0	29%
Izmir (including TAV Ege)	9.6	9.7	1%
Gazipasa	(0.5)	(0.3)	nm
Tunisia	3.4	3.1	-9%
Georgia	7.1	8.8	25%
Macedonia	0.6	2.0	234%
<b>Services</b>	<b>18.3</b>	<b>22.4</b>	<b>22%</b>
Havas	4.6	5.7	24%
BTA	5.0	4.8	-4%
Others	8.7	11.8	37%
<b>Total</b>	<b>126.7</b>	<b>159.7</b>	<b>26%</b>
Elimination	(0.4)	(0.6)	49%
<b>Consolidated</b>	<b>126.3</b>	<b>159.2</b>	<b>26%</b>

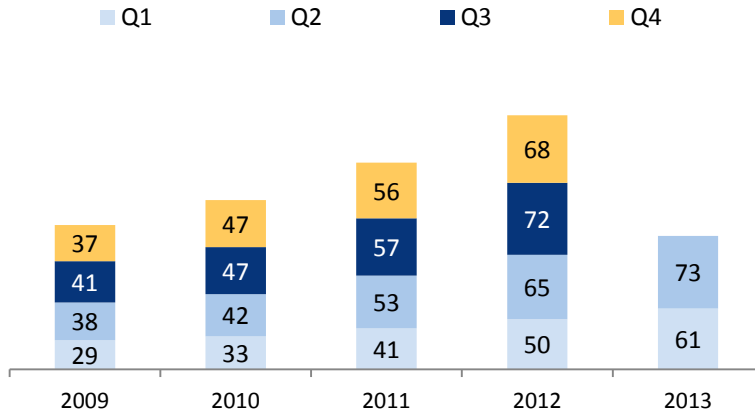
\*\*Share of profit of equity accounted investees is included in EBITDA of "Others".

# Havas & TGS EBITDA Development

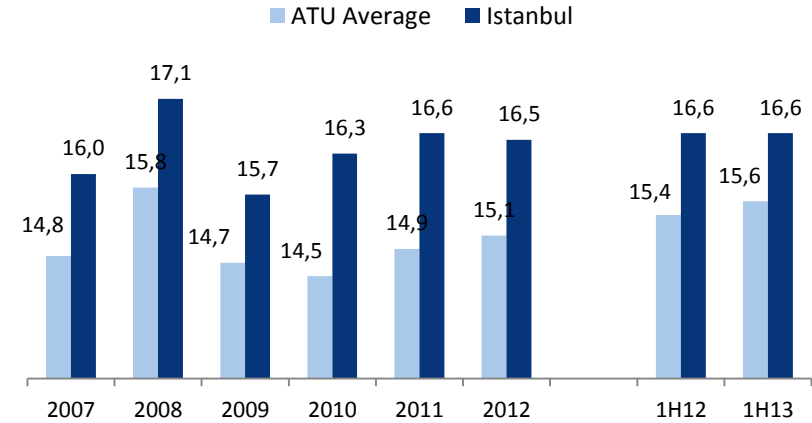


# Service Companies KPIs

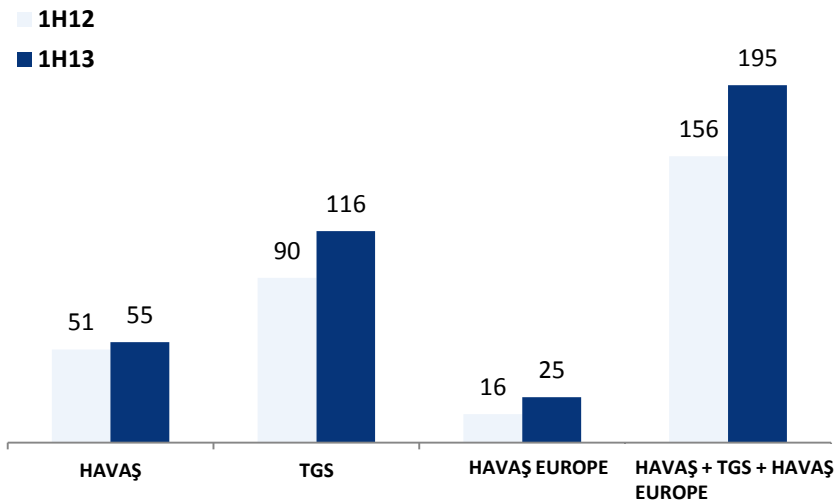
## ATÜ Revenues (m€)



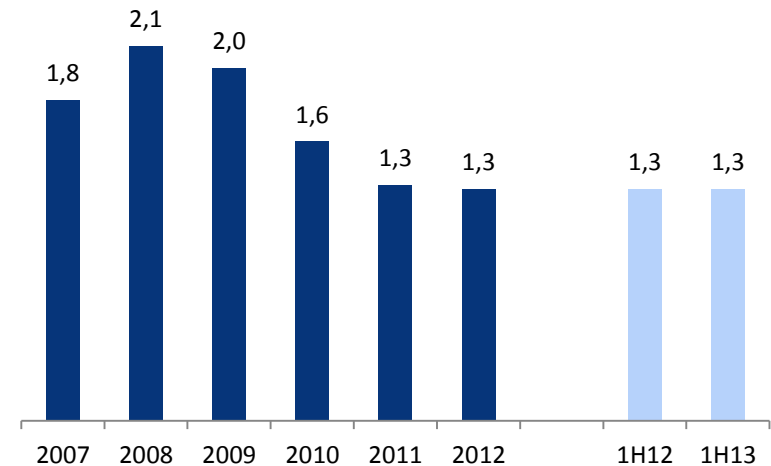
## Duty Free Spend per Pax (€)



## # of Flights Served ('000)



## F&B Spend per Pax (€)



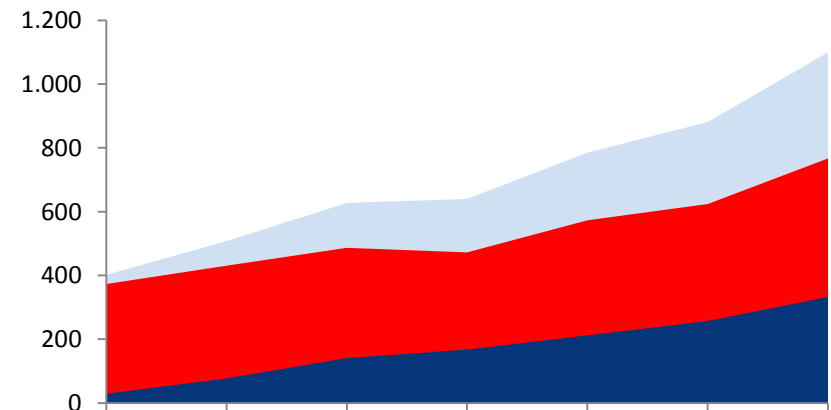
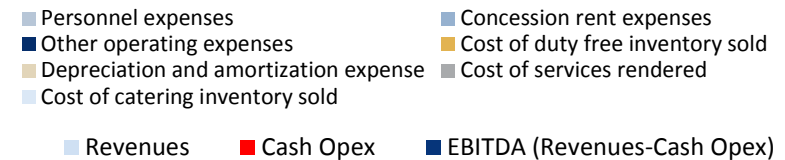
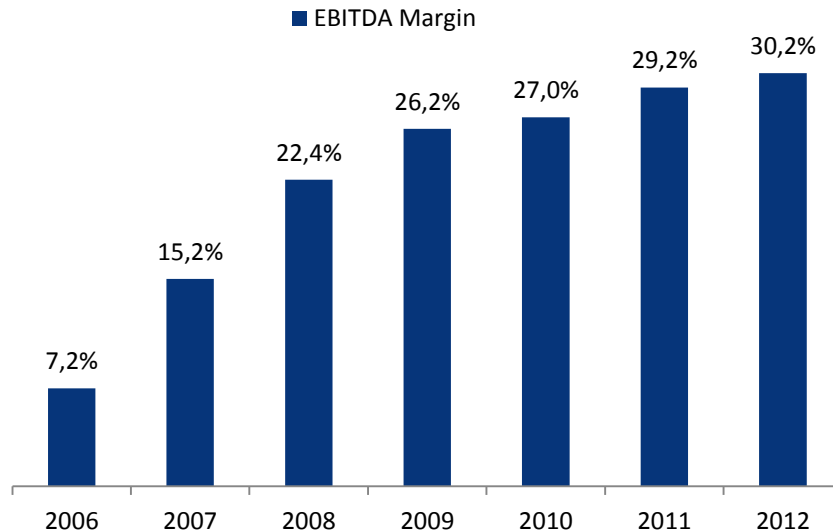
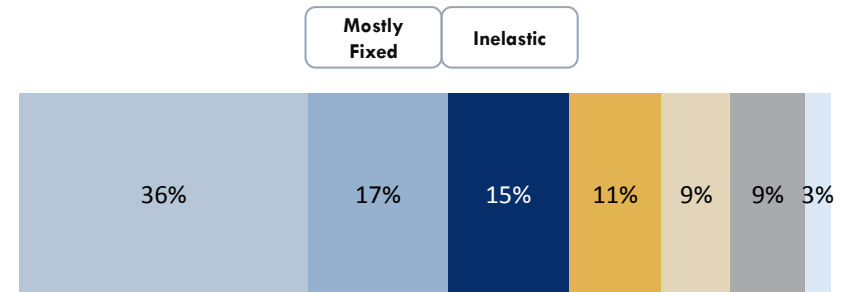


# Operating Leverage

## Highlights

- Partially fixed or inelastic cost base
- Revenue growth has consistently surpassed the growth in costs
- Uninterrupted EBITDA margin expansion

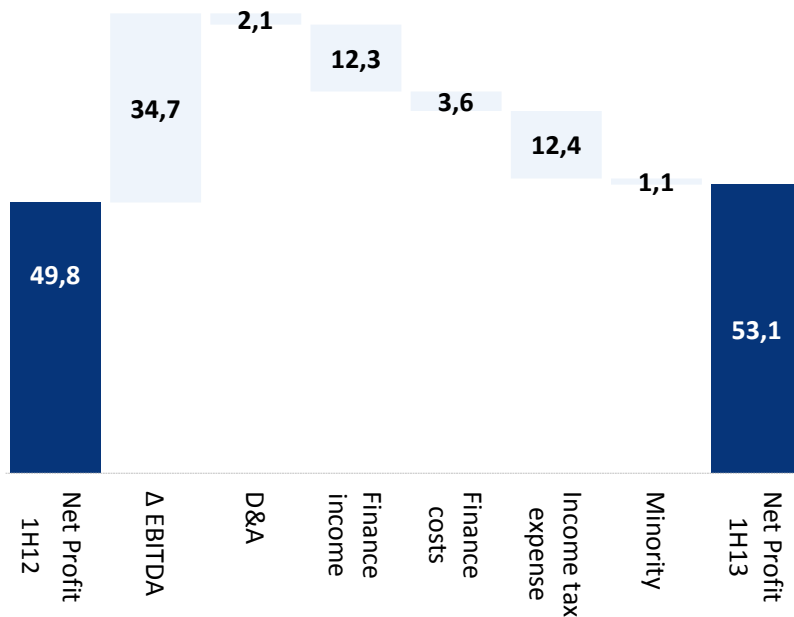
## Cost Base (FY 2012)



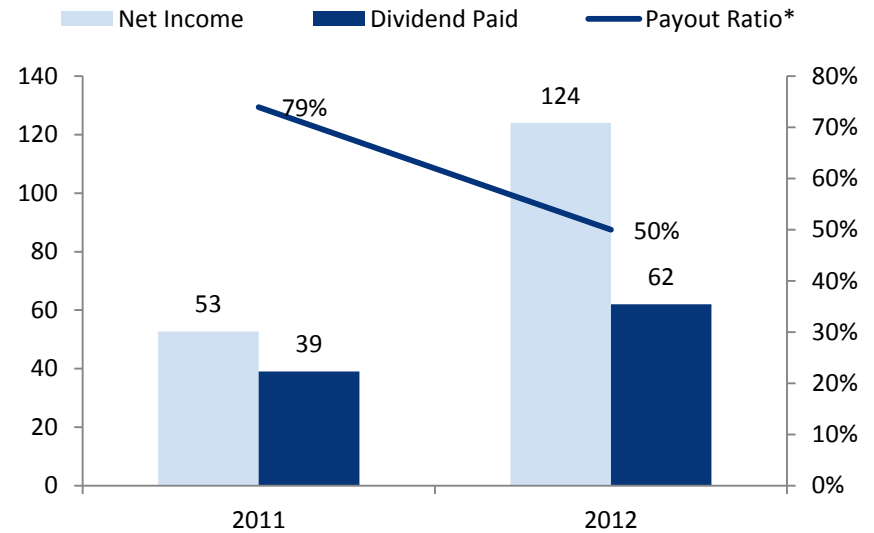
\*Opex-Depreciation, adjusted for IFRS 11 and IFRIC 12

# Net Income and Dividends

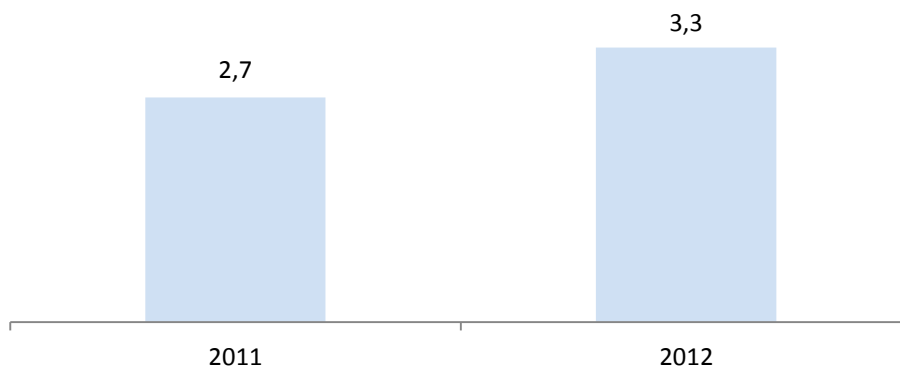
## Net Income from 1H12 to 1H13



## Dividend History



## Dividend Yield (%)



➔ Dividends Paid increased 59% in € terms from 2011 to 2012.

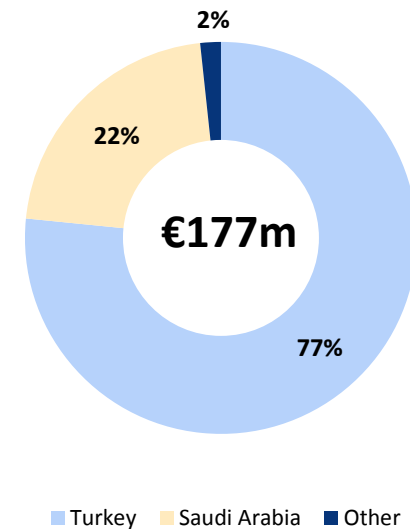
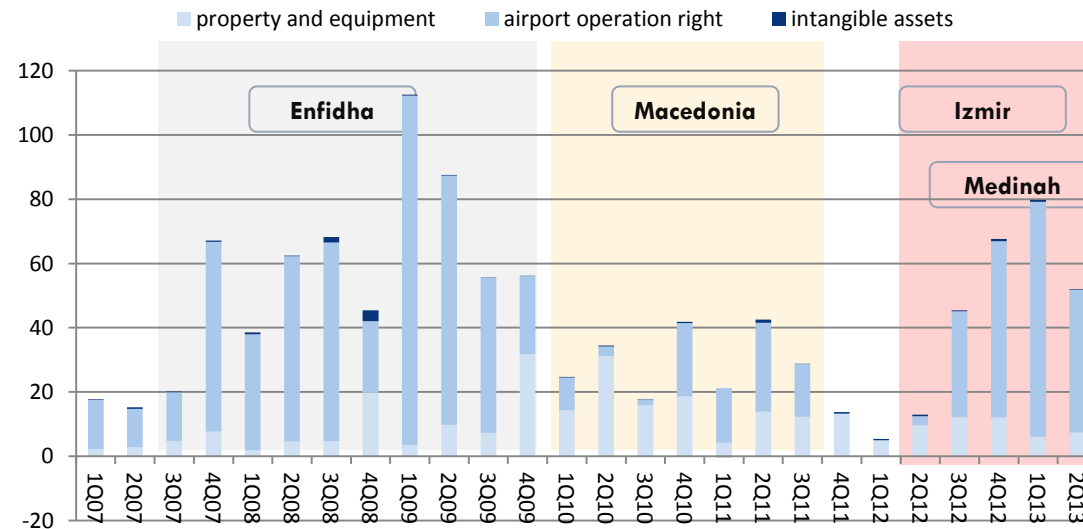
\*TRL Payout Ratio, EUR ratio on distribution date may differ

# CAPEX Development & Outlook

Airport	Scope	Total (€m)	Cumulative (1+2) (€m)	2012 <sup>1</sup> (€m)	1H13 <sup>2</sup> (€m)
Izmir	Re-construction of the domestic terminal	266	156	39	118
Medinah (33%)**	Re-construction of the terminals and extension of the runway	248	91	52	38

Quarterly Capex\* (€m)

Capex \*Composition (1H13)



\*IFRS 11 adjusted, IFRS capex is €129m

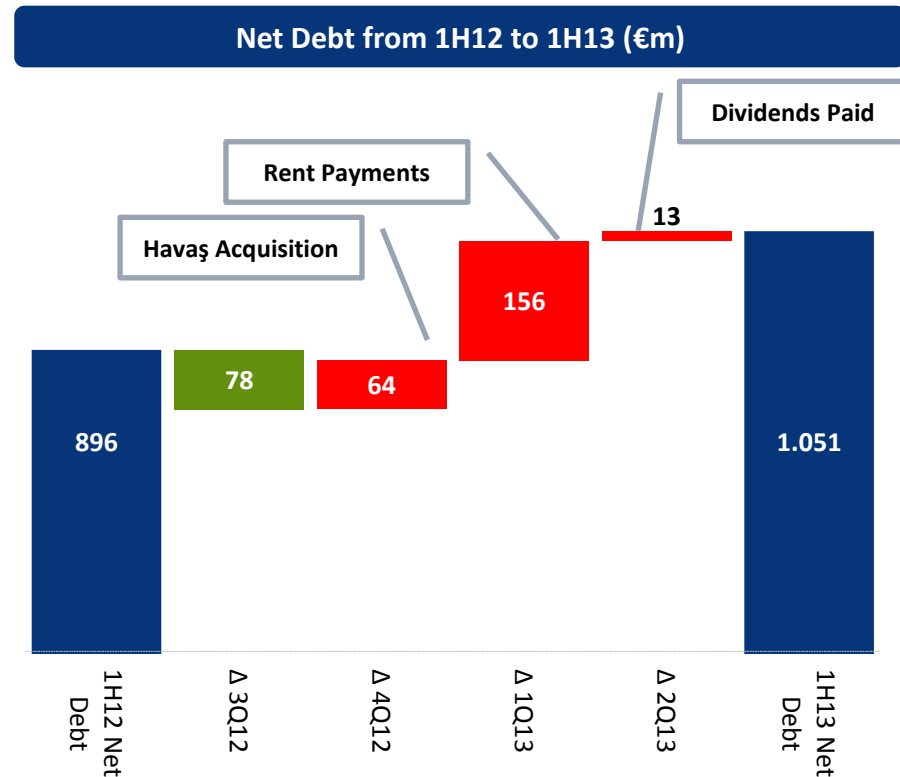
\*\*Estimated at EURUSD of 1.3

Net Debt*(eop, €m)	FY12	1Q13	1H13
<b>Airports</b>	<b>640</b>	<b>891</b>	<b>816</b>
Istanbul	45	209	137
Ankara	92	91	89
Izmir (including Ege)	(1)	57	59
Gazipasa	17	17	17
Tunisia	351	355	351
Georgia	8	5	2
Macedonia	58	60	58
Medinah(33%)	70	97	103
<b>Services</b>	<b>243</b>	<b>147</b>	<b>235</b>
ATU (50%)	3	9	7
HAVAS	62	73	77
BTA	(2)	(5)	(3)
Others	179	70	155
<b>Total</b>	<b>882</b>	<b>1,038</b>	<b>1,051</b>

Gross Debt ** (€m)	FY12	1H13
On demand or within one year	212	242
In the second year	244	208
In the third year	126	146
In the fourth year	127	164
In the fifth year	125	132
After five years	400	361
<b>Total</b>	<b>1,234</b>	<b>1,253</b>

## Net Debt

Adjusted consolidated net debt came in at €1,051 million at 1H13 versus €882 million at end of 2012, mainly due to rent payment of Istanbul, ongoing investments and dividend payment .



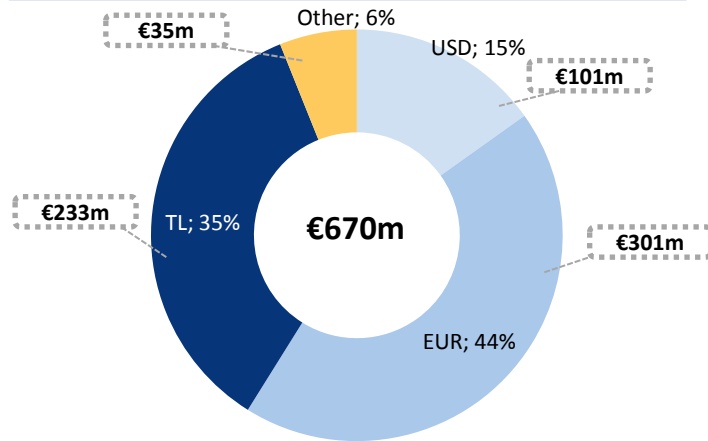
\* IFRS 11 adjusted

\*\*IFRS

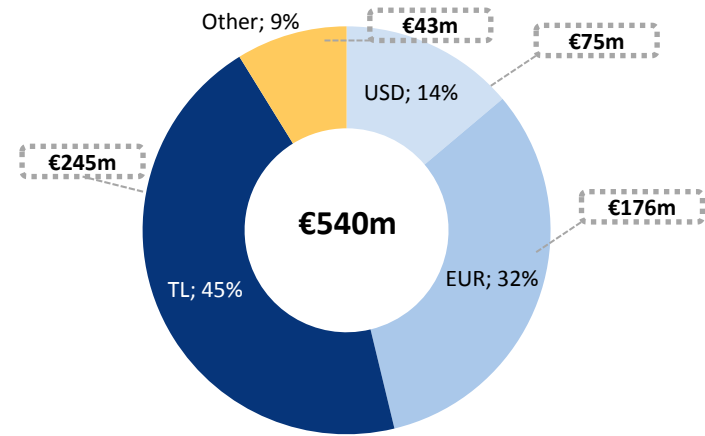


# FX Exposure of Operations (1H13)

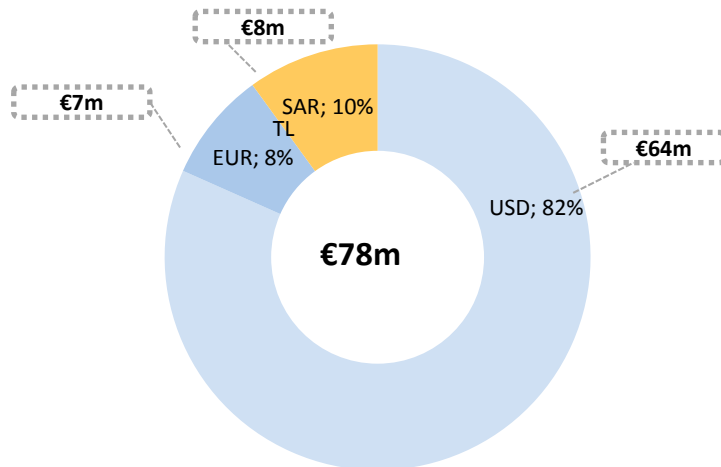
**Revenues <sup>(1)</sup>**



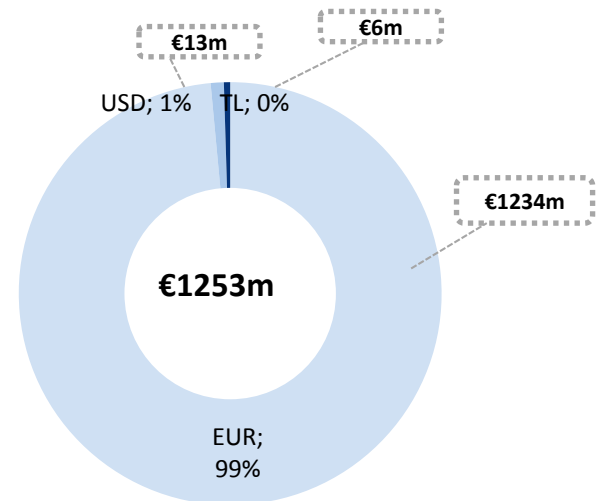
**Opex <sup>(1)(2)</sup>**



**Concession Rent Expense**



**Gross Debt <sup>(3)</sup>**

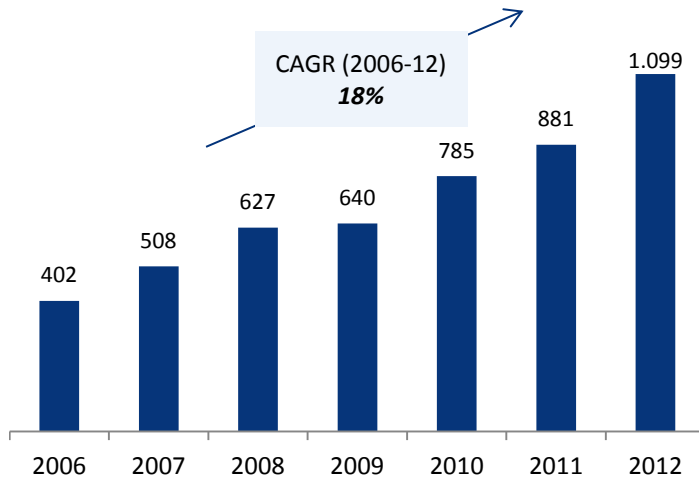


(1) Combined figures, pre-eliminations, IFRS 11 and IFRIC 12 adjusted  
(2) Includes concession rent expenses (€78m) and depreciation (€37m)

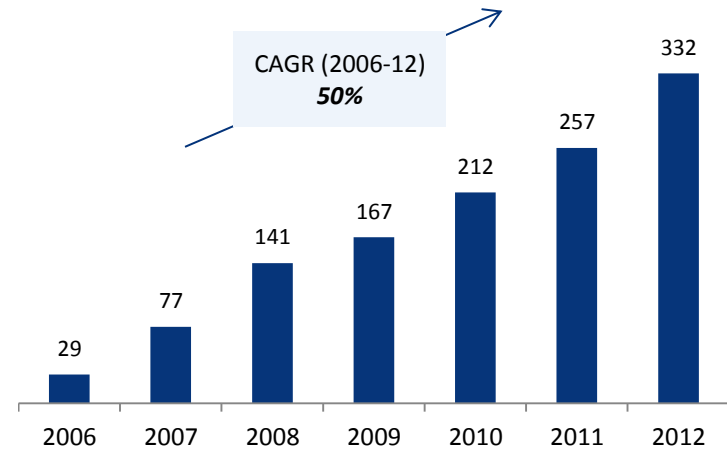
(3) IFRS

# Exceptional Growth Sustained

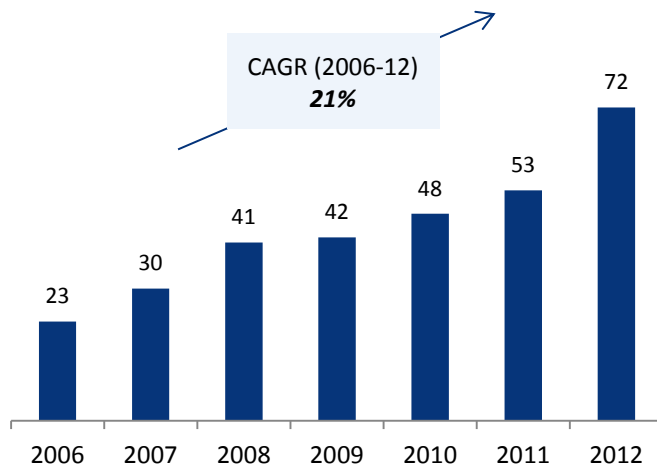
## Revenues (€m)



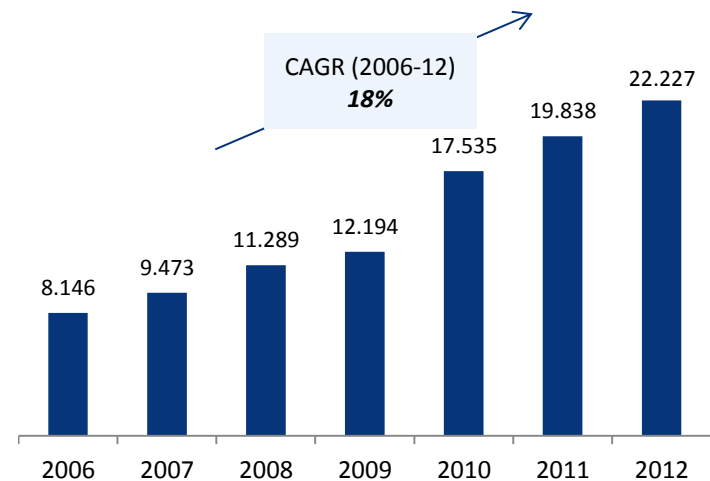
## EBITDA (€m)



## Passenger (m)



## Average Number of Employees



# Concession Overview

Airport	Type/Expire	TAV Stake	Scope	2012 Pax(mppa)	fee/pax Int'l	fee/pax Dom.	Volume Guarantee	Lease/Concession Fee	Net Debt <sup>(1)</sup>
Istanbul Ataturk	Lease (Jan. 2021)	100%	Terminal	45.0	US\$15 € 2.5 (Transfer)	€3	No	\$140m/yr + VAT	€137m
Ankara Esenboga	BOT (May 2023)	100%	Terminal	9.2	€15	€3	0.6m Dom. , 0.75m Int'l for 2007+%5 p.a	-	€89m
Izmir A.Menderes	BOT+Lease (Dec. 2032)	100%	Terminal	9.4	€15	€3	1.0m Int'l for 2006 + %3 p.a.	€29m starting from 2013 <sup>(6)</sup>	€59m
Gazipasa	Lease (May 2034)	100%	Airport	-	€5	TL4	No	\$50,000+VAT <sup>(5)</sup>	€17m
Tbilisi	BOT (Feb. 2027)	76%	Airport	1.2	US\$22	US\$6	No	-	€3m
Batumi	BOT (Aug. 2027)	76%	Airport	0.17	US\$12	US\$7	No	-	€(1)m
Monastir&Enfidha	BOT+Concession (May 2047)	67%	Airport	3.3	€9	€1	No	11-26% of revenues from 2010 to 2047	€351m
Skopje & Ohrid	BOT+Concession (March 2030)	100%	Airport	0.9	€17.5 in Skopje, €16.2 in Ohrid	-	No	15% of the gross annual turnover <sup>(2)</sup>	€58m
Medinah	BTO+Concession (2037)	33%	Airport	4.6	SAR 80 <sup>(3)</sup>	-	No	54.5%(4)	€103m

1) As of 30 June 2013

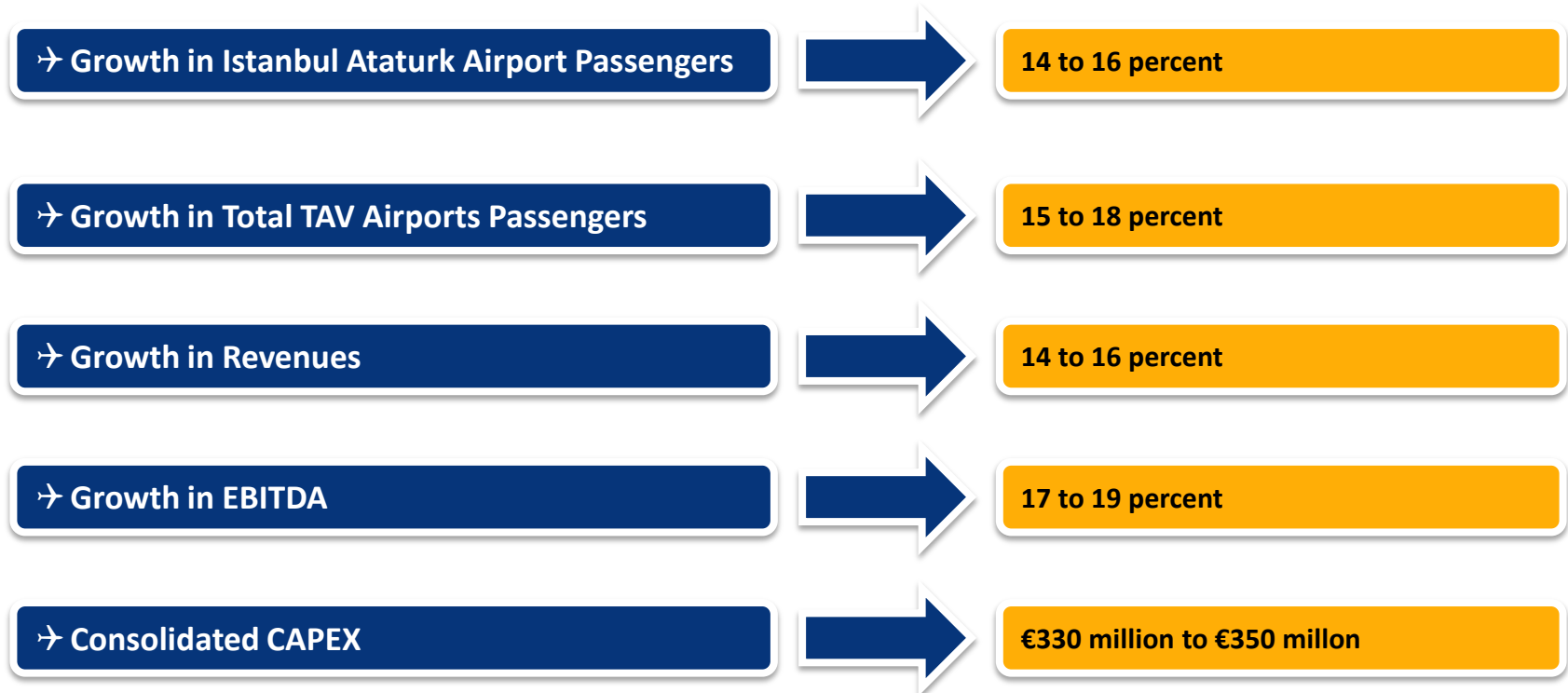
2) The concession fee is going to be 15% of the gross annual turnover until the number of passengers using the two airports reaches 1 million, and when the number of passengers exceeds 1 million, this percentage shall change between 4% and 2% depending on the number of passengers

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 payment 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



**Notes:**

- All financial targets have been adjusted to reverse the effects of IFRIC 12 and IFRS 11 in 2013 financials.
- IFRS 11 is applied for the first time to 1Q2013 financials and retrospectively to FY2012 financials.
- All financial targets are subject to the passenger targets being met.



## Attractive market with strong growth prospects

- **Turkey is the fastest growing aviation market in Europe**
  - Passenger growth of 14% p.a. during 2002-2012
  - Projected passenger growth of 11% p.a. during 2009-2023<sup>(1)</sup>
- **Access to fast growing MENA region**
  - Istanbul is the most efficient hub for Europe, MENA Region<sup>(2)</sup>

## Leading airport operator with diversified portfolio

- **Diversified, balanced portfolio with leading market positions**
  - #1 airport terminal operator in Turkey
  - 12 airports operating in Turkey, Georgia, Tunisia, Macedonia, Saudi Arabia and Latvia (large catchment areas)

## Strong financial performance and cash flow generation

- **Strong momentum with EBITDA posting 50% CAGR between 2006 and 2012**
- High earnings visibility given clear / agreed regulatory framework
- Proven track record of growth and profitability with attractive organic growth prospects
- High financial returns and cash flow generation given fixed cost base (operational leverage) and minimal ongoing capex
- TAV will receive compensation for all loss of profit in case of new Istanbul airport opening before 2021

## “Platform play”

- Well-positioned to benefit from further organic and inorganic growth

(1) Source: Turkey's Ministry of Transport

(2) Determining Hub Efficiency in Europe, Middle East and North Africa a comparative study, E. Nur Günay, Şükrü Nenem

## Effects of IFRS 11

- ➔ According to the IFRS 11 standard, joint ventures cannot be consolidated “proportionately” starting with 2013 first set of financials. These types of entities have to be consolidated using the “equity-pick-up” method.
- ➔ In the case of TAV Airports, this standard implies that previously “proportionately” consolidated entities such as ATÜ, TGS, TIBAH Development (Medinah) and BTA Marine (IDO) have to be consolidated using the “equity-pick-up” method.
- ➔ In the IFRS report, these entities have been consolidated in accordance with the IFRS 11 standard, recording the “net income/(loss)” contributions of these entities as a source of operating revenue.

## Financials Adjusted for IFRS 11

- ➔ However, to enable the capital markets participants a smooth transition process into the new standard, TAV Airports will provide a summary of consolidated P&L items adjusted to reverse the effects of IFRS 11 for 2013.
- ➔ Shares of profit of equity accounted investees are classified in the consolidated operating profit of the Holding company, but these sums are not included in the consolidated revenues.

# IFRIC 12 & Our Adjusted Financials Policy

## Introduction to IFRIC 12

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

## IFRIC 12 booking model

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

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

\*\* TR-GAAP

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

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

	Guaranteed Pax Structure	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Ankara	International Departing Pax (m)	0.16	0.75	0.79	0.83	0.87	0.91	0.96	1.01	1.06	1.11	1.16	1.22	1.28	1.35	1.41	1.49	1.56	0.64
	Guaranteed Pax Income (€m)	2.3	11.3	11.8	12.4	13.0	13.7	14.4	15.1	15.8	16.6	17.5	18.3	19.2	20.2	21.2	22.3	23.4	9.6
	Domestic Departing Pax (m)	0.13	0.60	0.63	0.66	0.70	0.73	0.77	0.80	0.84	0.89	0.93	0.98	1.03	1.08	1.13	1.19	1.25	0.51
	Guaranteed Pax Income (€m)	0.4	1.8	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
Izmir	International Departing Pax (m)	0.25	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	0.03								
	Guaranteed Pax Income (€m)	3.7	15.5	15.9	16.4	16.9	17.4	17.9	18.4	19.0	0.5								

## Turkey

- Corporate income tax rate of 20%
- Advance tax returns are filed on a quarterly basis.
- Losses can be carried forward for offsetting against future taxable income for up to 5 years
- Losses cannot be carried back

## Georgia

- Corporate income tax rate of 15%

## Tunisia

- Corporate income tax rate of 30%
- TAV Tunisia is exempt from corporate tax for a period of 5 years starting from the concession agreement date

## Macedonia

- Corporate income tax of 10%

## Latvia

- Corporate income tax rate of 15%

# Employee Numbers & FX Sensitivity Analysis

Number of Employees (eop)	*1H12	**1H12	*1Q13	*1H13	**1H13
Istanbul	2,572	2,572	2,681	2,747	2747
Ankara	868	868	885	929	929
Izmir+Ege	623	623	681	699	699
Tunisia	701	701	748	751	751
Gazipaşa	19	19	23	23	23
Georgia	770	770	770	821	821
Macedonia	653	653	649	649	649
HAVAŞ	11,604	4,621	11,004	12,593	4447
ATU	1,540	0	1,551	1,721	0
BTA	2,610	1,988	2,625	2,820	2174
Holding	112	112	108	106	106
O&M	279	279	296	307	307
IT	167	167	175	206	206
Security	74	74	220	253	253
Latvia	3	3	3	3	3
Medinah(100%)	200	0	270	294	0
Akademi	0	0	5	8	8
<b>TOTAL</b>	<b>22,795</b>	<b>13,450</b>	<b>22,694</b>	<b>24,930</b>	<b>14,123</b>

## Major movements in Employee Numbers (yoy):

- Havaş: Personnel numbers in TGS have increased commensurate with the increase in traffic. TGS started operations in Bodrum and Dalaman.
- Medinah: Takeover of operations in June 2012.
- Istanbul: Traffic increase necessitated a larger headcount.

## Sensitivity Analysis

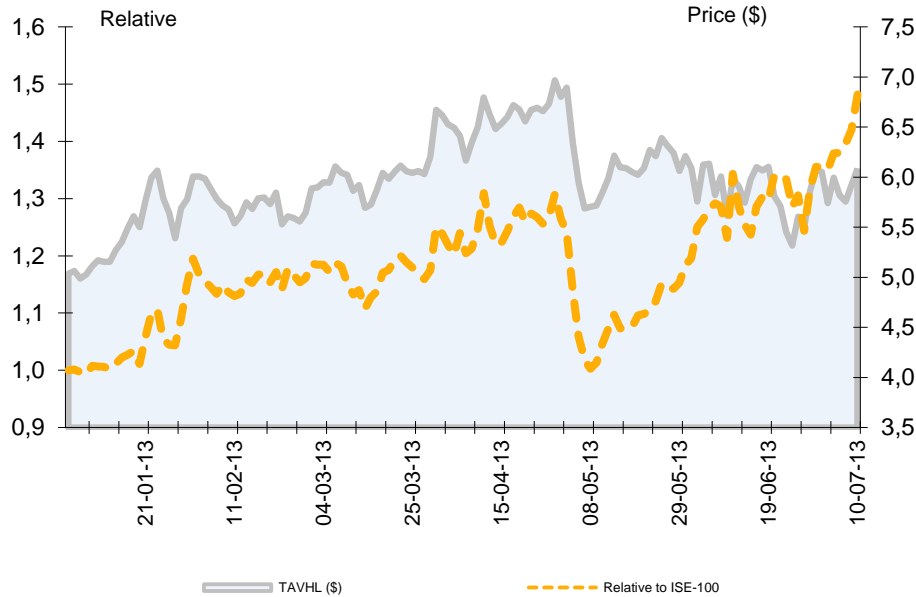
(€'000)	Equity		Profit or loss	
	Strengthening of EUR	Weakening of EUR	Strengthening of EUR	Weakening of EUR
30 June 2013				
USD	(20,891)	20,891	(5,982)	5,982
TRL	-	-	(9,297)	9,297
Other	-	-	(849)	849
<b>Total</b>	<b>(20,891)</b>	<b>20,891</b>	<b>(16,128)</b>	<b>16,128</b>
31 December 2012				
USD	(28,469)	18,012	(12,534)	12,534
TRL	-	-	(8,956)	8,956
Other	-	-	(1,181)	1,181
<b>Total</b>	<b>(28,469)</b>	<b>18,012</b>	<b>(22,671)</b>	<b>22,671</b>

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 June 2013 and 31 December 2012 would have increased / (decreased) equity and profit or loss by the amounts shown to the left. This analysis assumes that all other variables, in particular interest rates, remain constant.

# Share Performance (June 28, 2013)



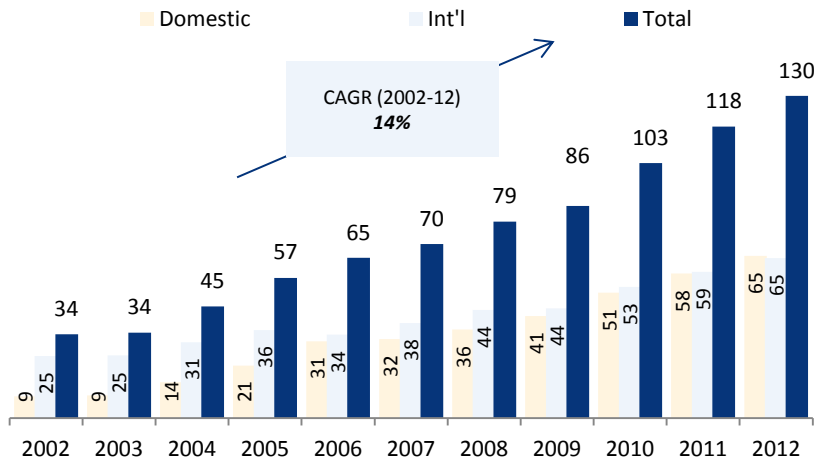
## Share Price Performance

	1M	3M	YTD
TL	-4%	-2%	0%
USD	-8%	-6%	-6%
Relative to ISE -100	14%	15%	12%

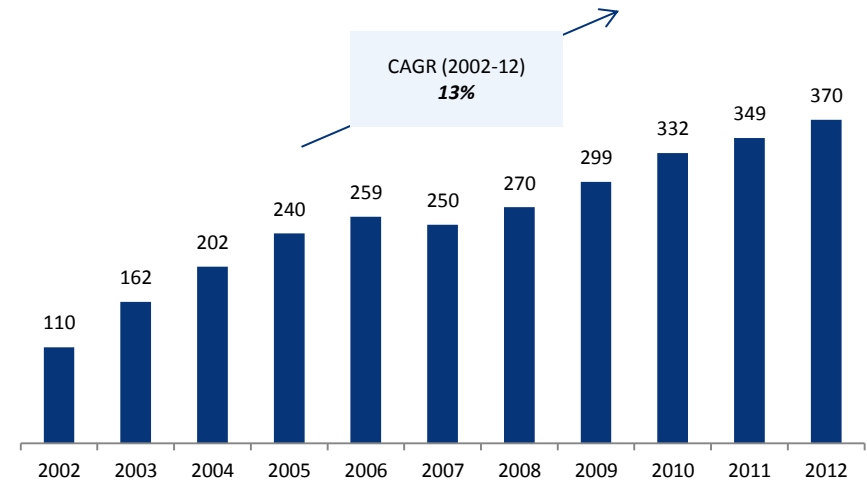
Closing Price	Market Cap	Av. Daily Volume	Foreign Ownership	Free Float	Effective Free Float
11,30	USD 2,1b	USD 7m	84%	44%	40%

# Growth of the Turkish Aviation Market and TAV Airports

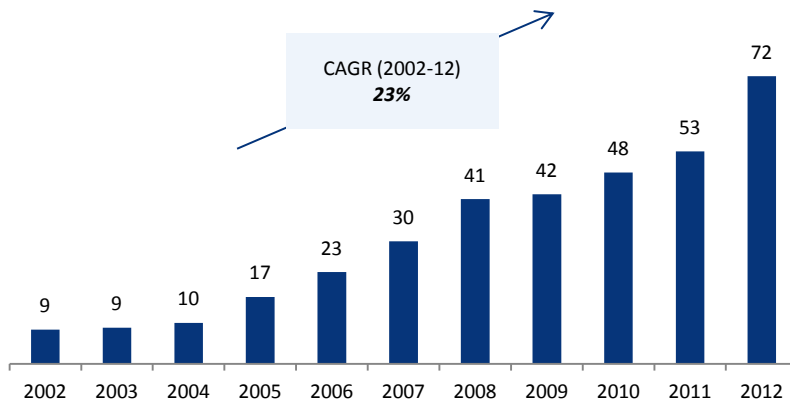
## Turkish Aviation Market (mPax)



## Number of Aircraft in Turkey



## TAV Airports Passenger Traffic (mPax)



- ➔ Deregulation of the domestic market in 2003
- ➔ 2nd largest country in Europe in terms of population: 75m <sup>(1)</sup>
- ➔ In 2012, foreign visitors reached 32m <sup>(2)</sup>
- ➔ Limited alternative transport infrastructure
- ➔ Aircraft number in Turkey expected to reach 750 in 2023 <sup>(3)</sup>

	2010	2011	2012	2013	2014	2015	2016	2017	Estimates Start After	CAGR 2012-2017
<b>Georgia</b>										
Real GDP Growth (%)	6,3	7,0	6,5	5,5	5,5	5,5	5,5	5,5	2010	nm
GDP, current prices (US \$, billion)	11,6	14,3	15,8	17,3	18,3	19,8	21,9	24,3	2010	7,4%
GDP per capita, current prices (US \$)	2.623	3.210	3.514	3.824	4.042	4.370	4.853	5.404	2009	7,4%
GDP based on PPP per capita (US \$)	5.064	5.491	5.908	6.283	6.707	7.192	7.748	8.388	2009	6,0%
Inflation, average consumer prices	7,1	8,5	0,2	5,5	6,0	6,0	6,0	6,0	2010	nm
Population (million)	4,4	4,5	4,5	4,5	4,5	4,5	4,5	4,5	2009	0,0%
<b>Latvia</b>										
Real GDP Growth (%)	-0,3	5,5	4,5	3,5	4,2	4,2	4,0	4,0	2011	nm
GDP, current prices (US \$, billion)	24,0	28,3	27,2	28,1	29,8	31,6	33,4	35,4	2011	4,5%
GDP per capita, current prices (US \$)	10.681	13.618	13.316	13.808	14.695	15.611	16.578	17.615	2010	4,8%
GDP based on PPP per capita (US \$)	14.407	16.818	18.140	19.075	20.213	21.466	22.812	24.305	2010	5,0%
Inflation, average consumer prices	-1,2	4,2	2,4	2,2	2,2	2,2	2,2	2,2	2011	nm
Population (million)	2,2	2,1	2,0	2,0	2,0	2,0	2,0	2,0	2010	-0,3%
<b>Macedonia</b>										
Real GDP Growth (%)	2,9	3,1	1,0	2,0	3,5	4,2	4,0	4,0	2011	nm
GDP, current prices (US \$, billion)	9,4	10,6	10,2	10,7	11,3	12,1	12,9	13,6	2011	5,0%
GDP per capita, current prices (US \$)	4.552	5.162	4.935	5.147	5.439	5.815	6.168	6.530	2010	4,8%
GDP based on PPP per capita (US \$)	9.964	10.469	10.718	11.048	11.577	12.238	12.940	13.715	2010	4,2%
Inflation, average consumer prices	1,5	3,9	2,0	2,0	2,0	2,0	2,0	2,0	2011	nm
Population (million)	2,1	2,1	2,1	2,1	2,1	2,1	2,1	2,1	2010	0,2%
<b>Saudi Arabia</b>										
Real GDP Growth (%)	5,1	7,1	6,0	4,2	3,8	4,3	4,3	4,2	2011	nm
GDP, current prices (US \$, billion)	455,9	597,1	657,0	682,6	697,5	722,2	750,0	778,8	2011	2,9%
GDP per capita, current prices (US \$)	16.541	21.196	22.823	23.199	23.218	23.569	23.997	24.428	2010	1,1%
GDP based on PPP per capita (US \$)	22.818	24.411	25.722	26.564	27.399	28.478	29.654	30.923	2010	3,1%
Inflation, average consumer prices	5,4	5,0	4,9	4,6	4,0	4,0	4,0	4,0	2011	nm
Population (million)	27,6	28,2	28,8	29,4	30,0	30,6	31,3	31,9	2010	1,7%
<b>Tunisia</b>										
Real GDP Growth (%)	3,1	-1,8	2,7	3,3	4,1	5,3	5,5	6,0	2010	nm
GDP, current prices (US \$, billion)	44,3	46,0	44,7	45,6	47,0	49,2	51,7	54,8	2010	3,5%
GDP per capita, current prices (US \$)	4.199	4.317	4.152	4.187	4.279	4.429	4.602	4.835	2010	2,6%
GDP based on PPP per capita (US \$)	9.460	9.389	9.698	10.048	10.496	11.118	11.825	12.665	2010	4,5%
Inflation, average consumer prices	4,4	3,5	5,0	4,0	3,5	3,5	3,5	3,5	2011	nm
Population (million)	10,5	10,7	10,8	10,9	11,0	11,1	11,2	11,3	2010	0,9%
<b>Turkey</b>										
Real GDP Growth (%)	9,2	8,5	3,0	3,5	4,0	4,3	4,4	4,4	2010	nm
GDP, current prices (US \$, billion)	731,3	774,3	783,1	839,0	900,4	980,6	1.072,2	1.170,1	2010	6,9%
GDP per capita, current prices (US \$)	10.017	10.363	10.457	11.067	11.738	12.636	13.662	14.748	2010	5,9%
GDP based on PPP per capita (US \$)	13.294	14.393	15.029	15.574	16.237	17.010	17.890	18.870	2010	3,9%
Inflation, average consumer prices	8,6	6,5	8,7	6,5	5,3	5,0	5,0	5,0	2011	nm
Population (million)	73,0	74,7	74,9	75,8	76,7	77,6	78,5	79,3	2011	1,0%



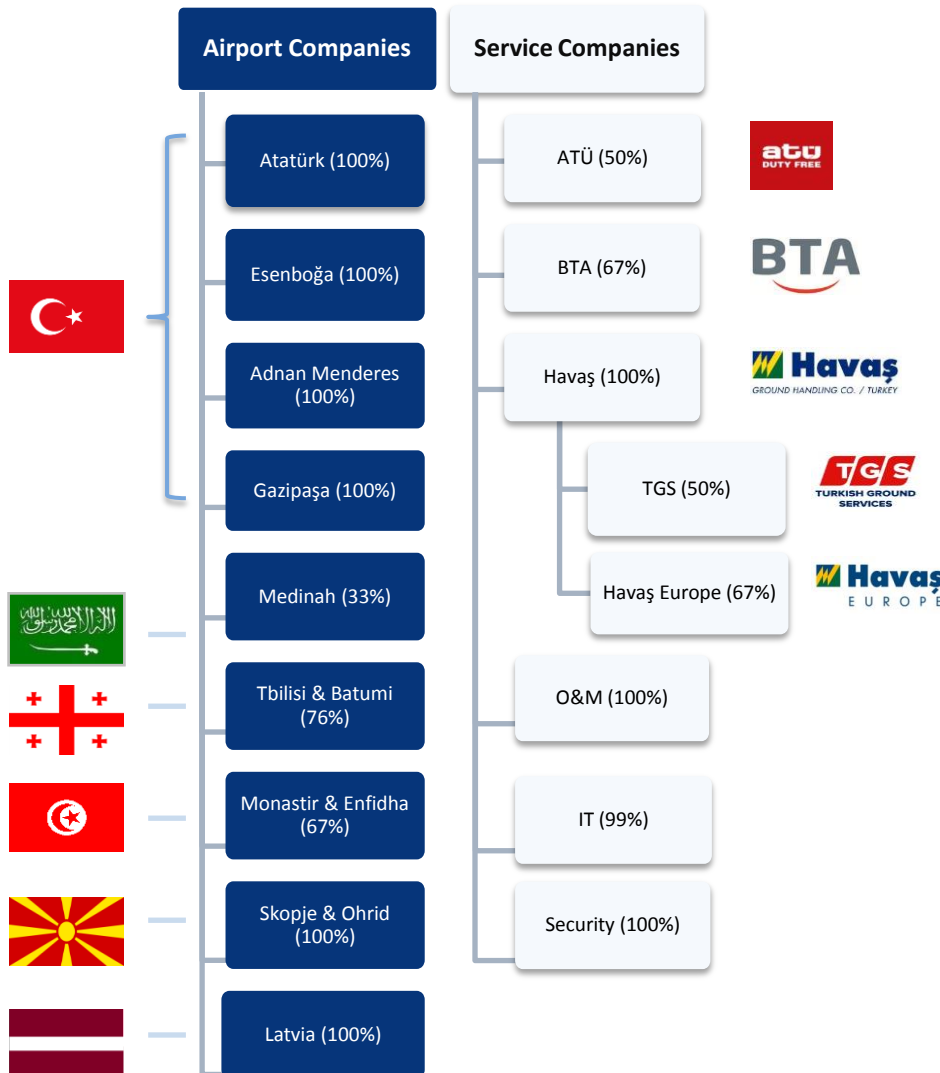
- The “Corporate Governance Rating Report” for TAV Airports was prepared by RiskMetrics Group - Institutional Shareholder Services (ISS), a global corporate governance rating company with official authorization to assign corporate governance ratings in accordance with the Capital Markets Board (CMB) Corporate Governance Principles in Turkey.
- TAV Airports is rated at **93.97 (9.39)** in total average in its Corporate Governance Rating Report.
- Final rating grades are determined by the separate weighting of four sub-categories within the framework of the related resolution of CMB.
- The breakdown of corporate governance rating grades is stated below.

Sub-categories	Weight	Grade
Shareholders	0,25	92,62
Public Disclosure and Transparency	0,35	96,59
Stakeholders	0,15	94,53
Board of Directors	0,25	91,31
<b>Total</b>	<b>1.00</b>	<b>93.97</b>

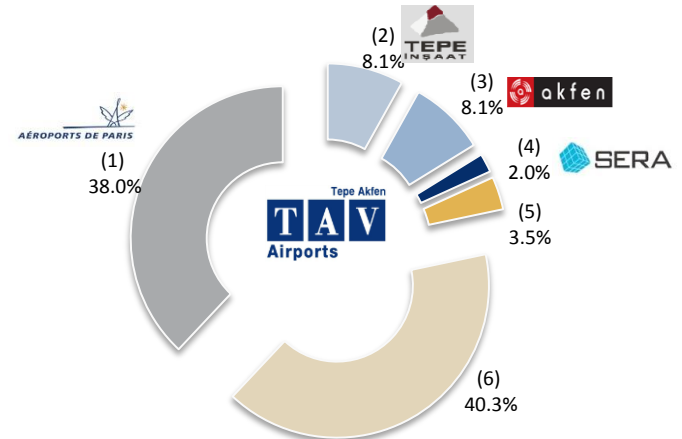
**Highest corporate governance rating in 2013 !!**

# TAV Corporate and Shareholder Structure

## TAV Airports Holding Co.



## Shareholder Structure



## Shareholders

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

\*Through Tank ÖWA Alpha GMBH

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## About TAV Airports

- TAV Airports, the leading airport operator in Turkey, operates 12 airports:
- **Turkey**
  - Istanbul Atatürk,
  - Ankara Esenboga,
  - Izmir Adnan Menderes
  - Antalya Gazipasa
- **Georgia**
  - Tbilisi and Batumi
- **Tunisia**
  - Monastir and Enfidha
- **Macedonia**
  - Skopje and Ohrid
- **Saudi Arabia**
  - Medinah
- **Latvia**
  - Riga (only commercial areas)
- 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 575 thousand flights and 72 million passengers in 2012. The Company's shares are listed in Borsa Istanbul since February 23, 2007, under the ticker code "TAVHL"

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