Tepe Akfen TAV Airports

TAV Airports Holding

Management Presentation

February 2015

Art of TAV

Inspired by Mina's work

Investment Highlights

Tepe Akfen TAV Airports

Attractive market with strong growth prospects

- **Turkey is the fastest growing aviation market in Europe**
  - Passenger growth of 14% p.a. during 2002-2014
  - Projected passenger growth of 11% p.a. during 2009-2023[1]
  - Aggressive capacity expansion plans of major airlines in Turkey. [2] (fleet to double in 10 years)
- **Access to fast growing MENA region**
- Istanbul is the most efficient hub for Europe, MENA Region[3]

Leading airport operator with diversified portfolio & integrated structure

- **Diversified, balanced portfolio with leading market positions**
  - #1 airport terminal operator in Turkey
  - 14 airports operating in Turkey, Georgia, Tunisia, Macedonia, Saudi Arabia, Croatia and Latvia (large catchment areas)
  - Strong vertically integrated value chain

Strong financial performance and cash flow generation

- **Strong momentum with EBITDA posting 45% CAGR between 2006 and 2013**
- 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
- Hard currency based cash flow & visible earnings

"Platform play"

- Well-positioned to benefit from further organic and inorganic growth
- Istanbul Ataturk Airport expansion project
- La Guardia Airport

(1) Source: Turkey's Ministry of Transport
(2) THY and Pegasus web site
(3) Determining Hub Efficiency in Europe, MIiddle East and North Afirca a comparative study, E. Nur Gunay, sukru Nenem

TAV Corporate and Shareholder Structure

TAV Airports Holding Co.

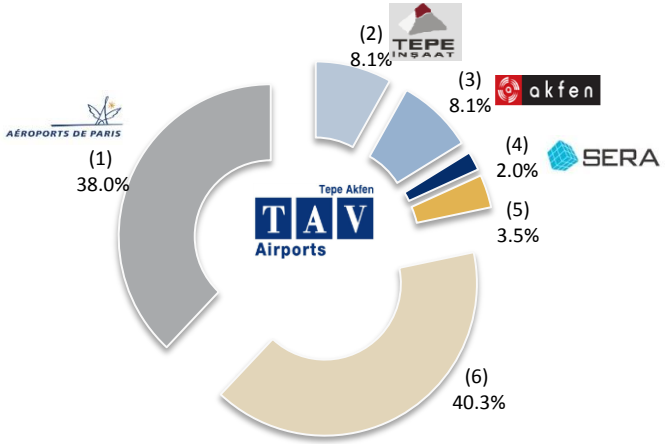
Airport Companies

- Ataturk (100%)
- Esenboga (100%)
- Adnan Menderes (100%)
- Gazipasa Alanya (100%)
- Milas Bodrum (100%)
- Medinah (33%)
- Tbilisi (80%) & 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

TAV Airports Business Areas

Tepe Akfen TAV Airports

Airports

Turkey
- Istanbul Ataturk Airport (100%)
- Ankara Esenboga Airport (100%)
- Izmir Adnan Menderes Airport (100%)
- Gazipasa Alanya Airport (100%)
- Milas Bodrum Airport (100%)

Georgia
- Tbilisi (80%) and Batumi Airports (76%)

Tunisia
- Monastir and Enfidha Airports (67%)

Macedonia
- Skopje and Ohrid Airports (100%)

Saudi-Arabia
- Medinah (33%)

Croatia
- Zagreb Airport (15%)

Duty free

ATU (50%)
- Largest duty free operator in Turkey
- Partner with Unifree–owned by Heinemann, leading German travel retailer (Travel Value)
- Operating in Turkey, Georgia, Tunisia, Macedonia and Latvia

atu DUTY FREE

Food and beverage

BTA (67%)
- Operating in Turkey, Georgia, Macedonia , Tunisia and Medinah
- Operates Istanbul Airport Hotel (131 rooms)
- Total seating capacity of 19,041 at 237 points including BTA IDO and UNIQ
- Baker and pastry factory serving in Turkey
- BTA Denizyollari (50%) is the F&B operator of Istanbul Deniz Otobusleri (IDO)
- Uniq shopping mall food-court

BTA

Ground handling

HAVAS (100%)
- Major ground handler in Turkey with a c.65% share
- Operates in 25 airports in Turkey including Istanbul, Ankara, Izmir and Antalya
- TGS (50%) operates in Istanbul (AHL&SGA), Ankara, Izmir, Antalya, Adana, Bodrum and Dalaman
- 67% partner of Havas Europe, operating in Riga and 6 airports in Germany

Havaş

Others

TAV & O&M (100%)
- Commercial area allocations and lounges, travel agency services

TAV IT (100%)
- Airport IT services

TAV Security (100%)
- Security service provider in Istanbul, Ankara, Izmir and Gazipasa

TAV Latvia (100%)
- Commercial area management in Riga Airport

TAV Academy (100%)

Concession Overview

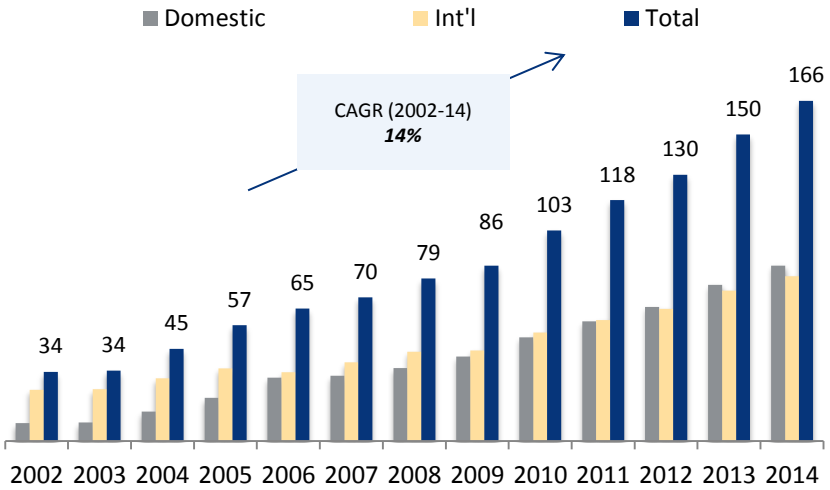
Tepe Akfen TAV Airports

Airport	Type/Expire	TAV Stake	Scope	2014 Pax(mppa)	fee/pax Int'l	fee/pax Dom.	Volume Guarantee	Yearly Lease/ Concession Fee Paid	Net Debt [1]
Istanbul Ataturk	Lease (Jan. 2021)	100%	Terminal	57,0	US$15 €2.5 (Transfer)	€3	No	$140m + VAT	€(71)m
Ankara Esenboga	BOT (May 2023)	100%	Terminal	11,0	€15	€3	0.6m Dom. , 0.75m Int'l for 2007+%5 p.a	-	€79m
Izmir A.Menderes	Lease (Dec. 2032)	100%	Terminal	10,9	€15	€3	No	€29m+VAT [2]	€206m
Gazipasa Alanya	Lease (May 2034)	100%	Airport	0,7	€8[3]	TL6[3]	No	$50,000+VAT[4]	€33m
Milas Bodrum	Lease (Dec 2035)	100%	Terminal	3,9	€15	€3	No	€143.4m upfront+ €28.7m+VAT [5]	€(0)m
Tbilisi	BOT (Feb. 2027)	80%	Airport	1,6	US$22	US$6	No	-	€(1)m
Batumi	BOT (Aug. 2027)	76%	Airport	0,2	US$12	US$7	No	-	€(1)m
Monastir&Enfidha	BOT+Concession (May 2047)	67%	Airport	3,3	€9	€1	No	11-26% of revenues from 2010 to 2047	€338m
Skopje & Ohrid	BOT+Concession (March 2030)	100%	Airport	1,3	€17.5 in Skopje, €16.2 in Ohrid	-	No	4% of the gross annual turnover [6]	€52m
Medinah	BTO+Concession (2037)	33%	Airport	5,7	SAR 80 [7]	-	No	54.5% [8]	-
Zagreb	BOT+Concession (April 2042)	15%	Airport	2,4	€15 €4 (Transfer)	€7	No	€2.0 - €11.5m fixed 0.5% (2016) - 61% (2042) variable	-

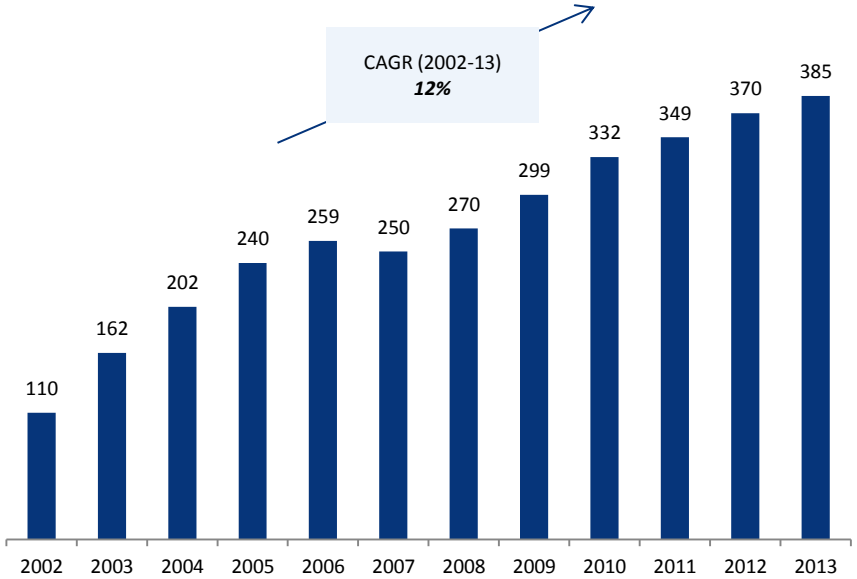
1) As of 31 December 2014
2) Accrual basis: Depreciation expense of €13.5m in 2015 to €32.4m in 2032 plus finance expense of €17.8m in 2015 to €0m in 2032
3) Gazipasa tariff increased on January 1, 2015
4) TAV Gazipasa will make a yearly rent payment of US$ 50,000 + VAT plus 65% of net profit to DHMI.
5) Yearly payments start October 2015. Accrual basis: Depreciation expense of €11.1m in 2016 to €38.0m in 2032 plus finance expense of €18.8m in 2016 to €0m in 2032
6) The percentage will be tapered towards 2% as passenger numbers increase.
7) SAR 80 from both departing and arriving international pax. Pax charge will be increase as per cumulative CPI in Saudi Arabia every three years
8) The concession charge will be reduced to 27.3 % for the first two years that follow the completion of the construction.

Growth of the Turkish Aviation Market and TAV Airports

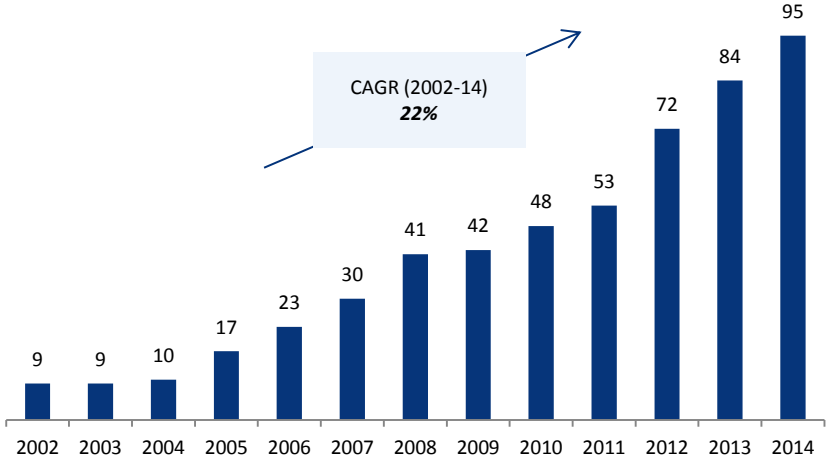
Turkish Aviation Market (mPax)



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 [(1)]
- In 2013, foreign visitors reached 35m [(2)]
- Limited alternative transport infrastructure
- Aircraft number in Turkey expected to reach 750 in 2023 [(3)]

Source: DHMI, (1)Turkstat, (2) Ministry Culture and Tourism, (3) Ministry of Transport

Traffic Outlook

Tepe Akfen TAV Airports

1.

World Air Traffic will double in the next 15 years

- **Boeing** projects 4.2% CAGR for world air traffic (2013-2033)
- **Airbus** projects 5.2% CAGR for 2013-2023 and 4.2% CAGR for 2023-2033.

Source: Airbus Global Market Forecast 2014, Boeing Current Market Outlook 2014

2.

Turkish air traffic will double in the next 10 years

- Pax to double in 10 years.
- **Eurocontrol**, projects 7% CAGR for Turkey until 2020 while **DHMI** expects 9% CAGR in Turkey until 2023.

Source: Eurocontrol, DHMI

3.

Aggressive fleet expansion plans of major airlines in Turkey

- **THY** to double fleet to 424 by 2020.
- **Pegasus** to increase fleet to 107 by 2020.

Source: THY Presentation (December 2014) Pegasus Presentation (1Q2014)

4.

9% seat capacity growth in 2015

- 9% seat capacity increase expected at Ataturk Airport int'l scheduled traffic in 2015 following 13% increase in 2014.

Source: ADI

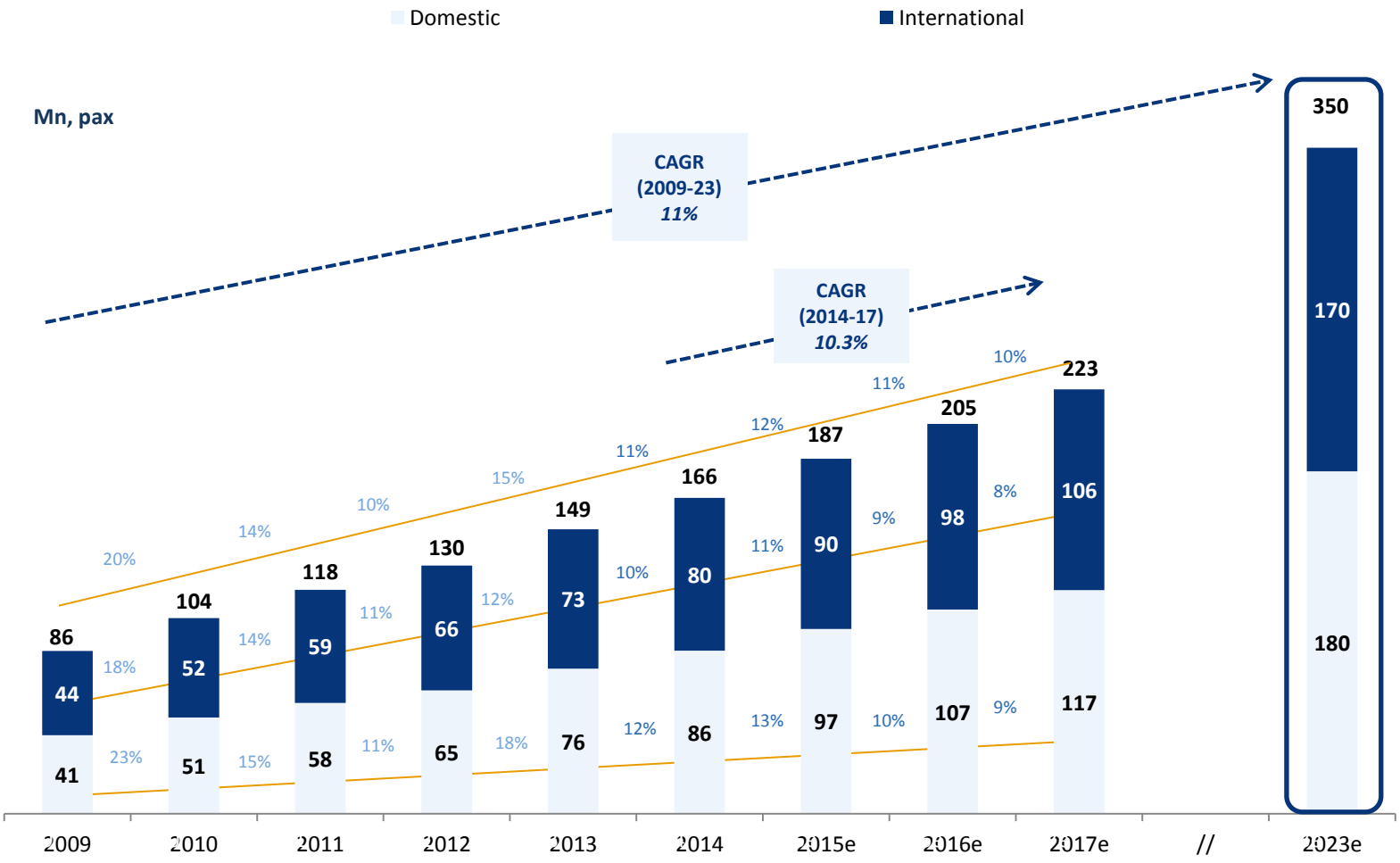
5.

Extension plans at Ataturk Airport

- Terminal capacity will increase by extension of International Terminal.
- Number of aircraft parking positions to increase from 102 to 145 (funded by DHMI).

Source: DHMI, Ministry of Transport

State Airports Authority Turkish Aviation Market Forecast



Source: State Airports Authority

Traffic Performance

	January			FY		
Passengers [1]	2014	2015	Chg %	2013	2014	Chg %
Ataturk Airport	**4,101,729**	**4,455,364**	**9%**	**51,297,790**	**56,954,790**	**11%**
International	2,714,898	2,986,441	10%	34,079,118	38,200,788	12%
Domestic	1,386,831	1,468,923	6%	17,218,672	18,754,002	9%
Esenboga Airport	**903,274**	**934,896**	**4%**	**10,942,060**	**11,012,119**	**1%**
International	110,679	107,076	-3%	1,572,228	1,445,044	-8%
Domestic	792,595	827,820	4%	9,369,832	9,567,075	2%
Izmir Airport	**753,228**	**844,752**	**12%**	**10,233,140**	**10,936,772**	**7%**
International	93,433	89,664	-4%	2,479,157	2,577,908	4%
Domestic	659,795	755,088	14%	7,753,983	8,358,864	8%
Gazipasa Airport	**15,820**	**21,350**	**35%**	**338,522**	**726,252**	**115%**
International	3,739	3,687	-1%	227,932	409,253	80%
Domestic	12,081	17,663	46%	110,590	316,999	187%
Milas-Bodrum Domestic	**68,832**	**73,582**	**7%**	**1,738,027**	**2,017,703**	**16%**
Medinah	**552,398**	**581,582**	**5%**	**4,669,181**	**5,703,349**	**22%**
Tunisia (Monastir&Enfidha)	**71,398**	**70,158**	**-2%**	**3,437,849**	**3,332,391**	**-3%**
Georgia (Tbilisi&Batumi)	**104,725**	**112,993**	**8%**	**1,642,597**	**1,788,571**	**9%**
Macedonia (Skopje&Ohrid)	**64,279**	**90,583**	**41%**	**1,067,467**	**1,278,343**	**20%**
Zagreb Airport	**135,758**	**150,767**	**11%**	**2,300,231**	**2,430,971**	**6%**
TAV TOTAL [3]	**6,702,609**	**7,336,027**	**9%**	**83,628,606**	**95,127,477**	**14%**
International	3,640,815	3,983,598	9%	47,407,199	54,615,845	15%
Domestic	3,061,794	3,352,429	9%	36,221,407	40,511,632	12%

	January			FY		
Passengers [1]	2014	2015	Chg %	2013	2014	Chg %
Ataturk Airport	**32,342**	**34,543**	**7%**	**385,998**	**422,174**	**9%**
International	22,391	24,347	9%	259,432	287,519	11%
Domestic	9,951	10,196	2%	126,566	134,655	6%
Esenboga Airport	**6,919**	**6,610**	**-4%**	**85,077**	**82,239**	**-3%**
International	907	870	-4%	13,051	11,697	-10%
Domestic	6,012	5,740	-5%	72,026	70,542	-2%
Izmir Airport	**5,133**	**5,608**	**9%**	**69,216**	**74,048**	**7%**
International	664	671	1%	16,617	17,770	7%
Domestic	4,469	4,937	10%	52,599	56,278	7%
Gazipasa Airport	**127**	**177**	**39%**	**2,469**	**5,349**	**117%**
International	36	32	-11%	1,698	2,822	66%
Domestic	91	145	59%	771	2,527	228%
Milas-Bodrum Domestic	**506**	**537**	**6%**	**12,718**	**15,642**	**23%**
Medinah	**4,327**	**4,421**	**2%**	**40,000**	**48,549**	**21%**
Tunisia (Monastir&Enfidha)	**668**	**601**	**-10%**	**30,077**	**26,763**	**-11%**
Georgia (Tbilisi&Batumi)	**1,688**	**1,632**	**-3%**	**23,512**	**23,804**	**1%**
Macedonia (Skopje&Ohrid)	**834**	**1,006**	**21%**	**12,380**	**13,969**	**13%**
Zagreb Airport	**2,684**	**2,936**	**9%**	**38,894**	**38,348**	**-1%**
TAV TOTAL [3]	**54,722**	**58,071**	**6%**	**648,729**	**742,892**	**15%**
International	31,515	33,818	7%	374,678	438,379	17%
Domestic	23,207	24,253	5%	274,051	304,513	11%

Review of Full Year 2014:

✈ The number of passengers using airports operated by TAV increased 14% (like-for-like growth of 10%) to 95 million in full year 2014, on the back of organic and inorganic growth.

✈ The number of international passengers served at Istanbul Ataturk continued to grow in double digits, increasing by 12%.

✈ Istanbul growth at double-digit spearheaded by THY's aggressive fleet expansion plan.

✈ Ankara's growth in domestic driven by Sun Express.

✈ Strong domestic growth in Izmir driven by Sun Express and Pegasus while Pegasus is driving international growth.

✈ SAS, Sun Express and Pegasus increased regular flights to Gazipasa dramatically.

✈ Milas-Bodrum is being driven mainly by THY and PGS.

✈ Medinah passengers increased dramatically due to easing of visa restrictions.

✈ Tunisian passengers remained relatively flat due to persistent impact of Arab spring.

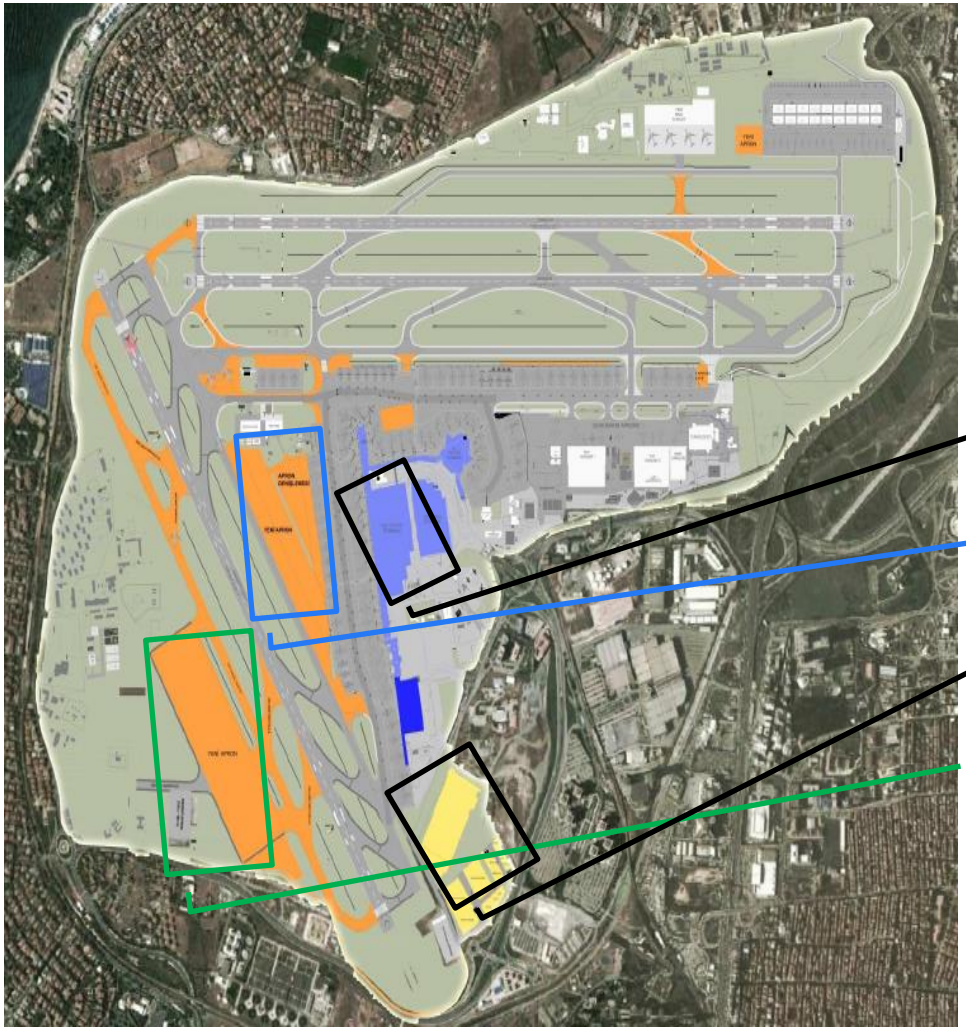
✈ Georgian airports are hosting Turkish tourists and transit travelers to Istanbul.

✈ Macedonia is being driven mainy by WizzAir.

✈ Zagreb is being driven mainly by Croatia Airlines.

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 Zagreb Airport. 2014 totals do not include Milas-Bodrum until August.

Ataturk Airport Capacity Expansion – First Phase Complete



- 32 additional **check-in islands** – in addition to the existing 224
- **Baggage handling system** capacity increase
- Mezzanine floor on the land side will be moved to the air side **increasing the passenger area and commercial spaces** in the air side.
- Existing cargo terminal will be demolished and replaced with a 27.000 m² passenger terminal - the total number of **bridges** at the International Terminal will go up from 26 to 34.
- 17.000 m² of additional **open car park** space will be built.

- International Terminal

- Additional 17 new parking positions at the opposite of international terminal

- THY's Cargo Terminal

- Additional 26 new parking positions and taxiway in former military area

Complete

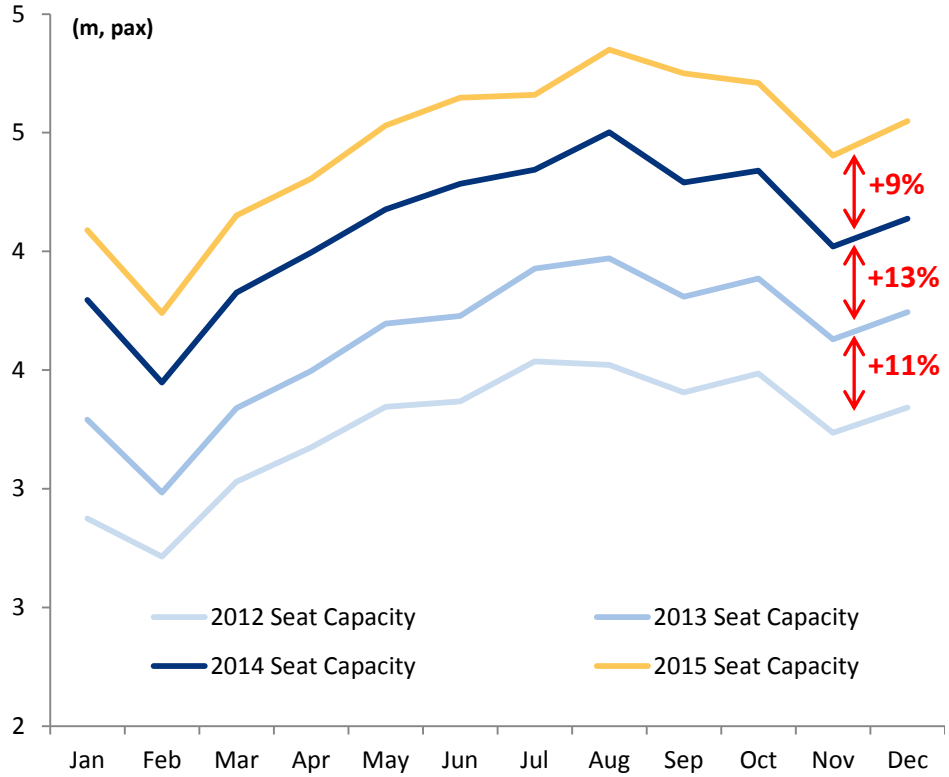
- 102 existing parking positions
- Parking capacity to increase from 102 to 145 (+42%)
- ***Parking positions have been increased to 128 in November 2014. The rest is to be finished by mid 2015.***
- Construction is ongoing and **funded by DHMI**.

Source: Ministry of Transport

International Scheduled Traffic Developments & Outlook

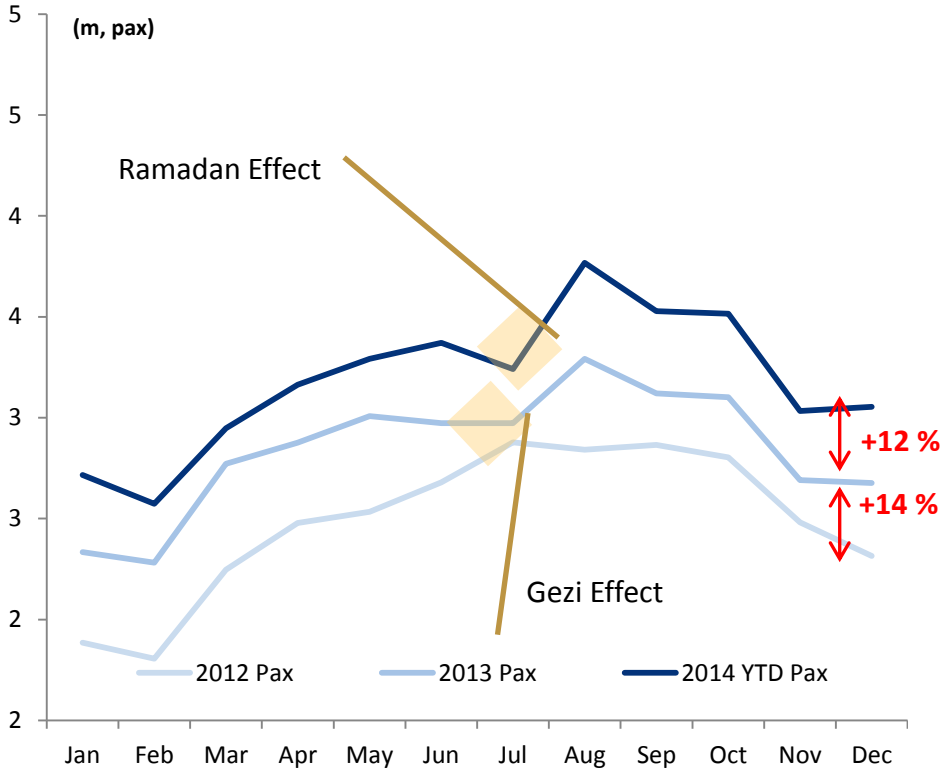
Tepe Akfen TAV Airports

Istanbul International Seat Capacity



- ✈ 13% Seat Capacity Increase in 2014 vs 2013
- ✈ 9% Seat Capacity Increase in 2015 vs 2014

Istanbul International Pax



Istanbul Transfer Pax / International Pax	
2011	30%
2012	33%
2013	38%
2014	37%

Source: Airport Data Intelligence (ADI)

Istanbul Runway Capacity Variables

Tepe Akfen TAV Airports

1328 ATMs handled on June 27 2014!

ATM/hr[1]:	**58 ATM/hr**	✗	↑ **upside to 70s**
Active Usage Hours:	20 hrs	=	limited upside*
Daily ATM:	**1160**	✗	↑ **upside to 1400s**
Passenger per Aircraft:	**135**[2]	=	↑ **upside with more wide bodies**
Daily Passenger:	156,600	✗	↑ upside on many variables
Days / year:	365	=	
Yearly Passenger:	**57 million**		↑ **upside on many variables**

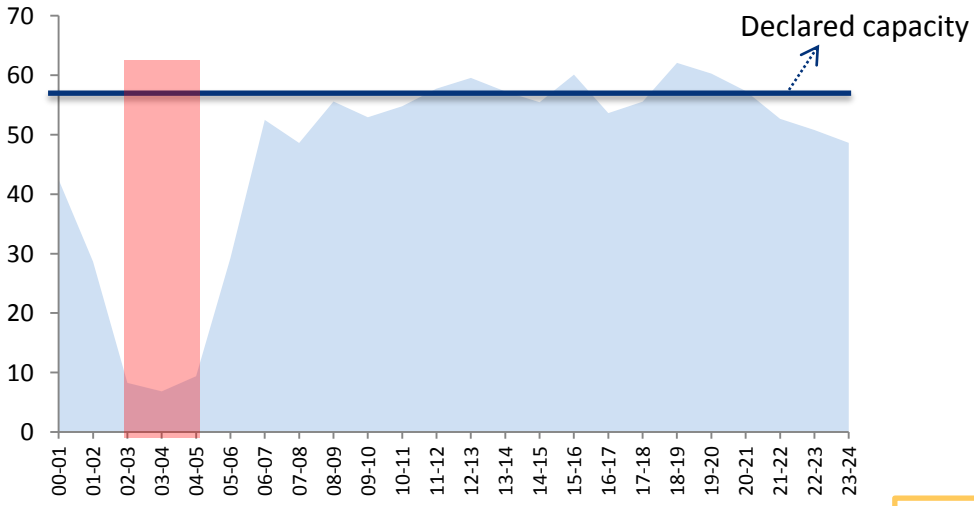
(1) Source: DHMI (2) Source: DHMI, 2014 average pax per ATM

*: Airport is open 24 hrs while 98% of traffic is handled in 20 hrs.

Pax per ATM

Source: DHMI

Runway Usage (ATM/hr, 2014)



Source: TAV Istanbul

Istanbul ATM Capacity vs Peers with Similar Runway Structure

Tepe Akfen TAV Airports

Istanbul Ataturk Airport

Declared ATM Capacities*

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

Zurich Airport

Vienna Airport

*State Airports Authority (DHMI), Zurich Airport, Vienna Airport
**Please note that runways, aprons and taxiways of Istanbul Ataturk Airport are operated by State Airports Authority (DHMI)
*** ATM: Air Traffic Movement

Major Airports in Turkey

Tepe Akfen TAV Airports

Istanbul / AtaturkAirport
-Tender Date: 2005 -Type: Lease
-Expire: 2021

57,0 m
Intl:38,2 m
Dom:18,8 m

İstanbul / Sabiha Gokcen Airport
-Tender Date: 2007 -Type: BOT
- Expire :2030

23,5 m
Intl:8,5 m
Dom:15,0 m

Samsun Airport

1,5 m
Intl:0,1 m
Dom:1,4 m

Ankara / Esenboga Airport
-Tender Date: 2006 -Type: BOT
-Expire:2023

11,0 m
Intl:1,4 m
Dom:9,6 m

Trabzon Airport

2,8 m
Intl:0,1 m
Dom:2,7 m

Nevsehir Airport

0,3 m
Intl:0 m
Dom:0,3 m

Milas-Bodrum Airport
-Tender Date: 2014*-Type: Lease
-Expire:October 22, 2035

3,9 m
Intl:2,0 m
Dom:1,8 m

Gazipasa Airport
-Tender Date: 2007 -Type: Lease
-Expire:2034

0,7 m
Intl:0,4 m
Dom:0,3 m

Adana Airport

4,7 m
Intl:0,6 m
Dom:4,1 m

İzmir / A. Menderes Airport
-Tender Date: 2011 -Type: BOT+Lease
- Expire :2032

10,9 m
Intl:2,6 m
Dom:8,4 m

Mugla / Dalaman Airport
-Tender Date: 2014 -Type: BOT+Lease
-Expire:2039

4,3 m
Intl:3,3 m
Dom:1,0 m

Antalya Airport
-Tender Date: 2007 -Type: Lease
-Expire:2024

28,3 m
Intl:22,1 m
Dom:6,2 m

Gaziantep Airport

2,2 m
Intl:0,2 m
Dom:2,0 m

Operated by TAV Airports
Not privatized
Operated by others

* International terminal to be taken over October 2015
** Pax numbers are for 2014.

La Guardia Airport

✈ **LaGuardia Airport PQ**

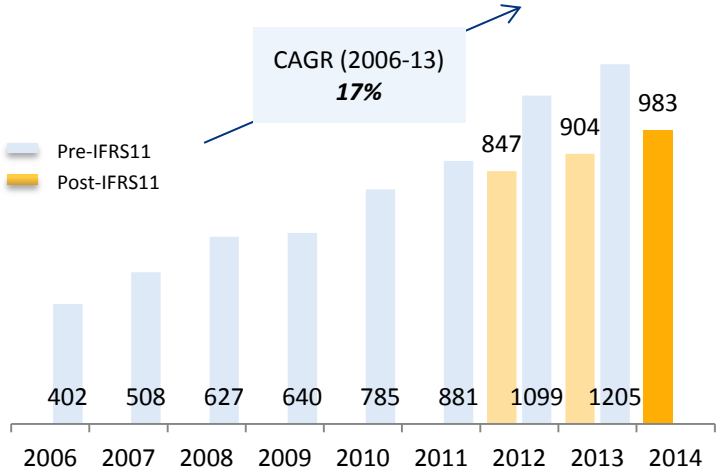
The LGA Central Terminal Consortium, composed of Our Company, Aeroports de Paris (ADP) Management, Goldman Sachs (GS Global Infrastructure Partners II, L.P. and GS International Infrastructure Partners II, L.P.), Tutor Perini Corporation, Ove Arup & Partners PC, Kohn Pederson Fox Associates PC, Suffolk 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 27 million passengers in 2013.

* Central Building Terminal served a total of 13 million passengers in 2013.

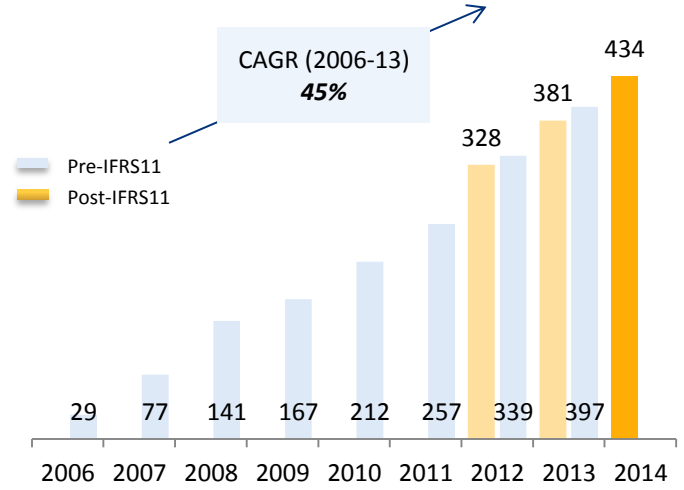
LaGuardia Airport

Exceptional Growth Sustained

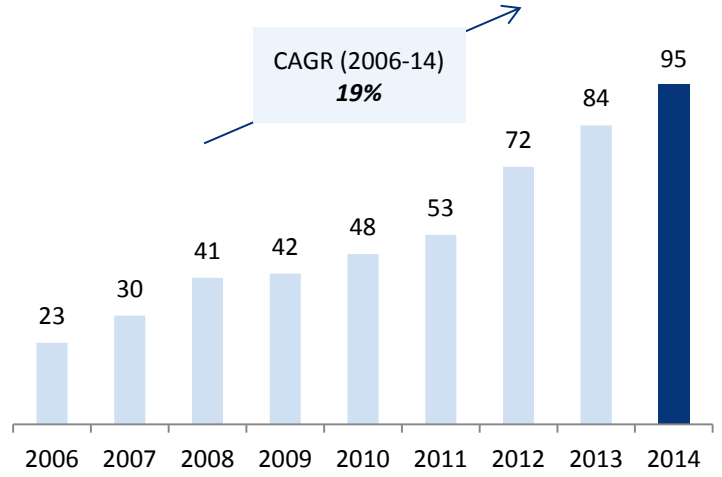
Revenue (€m)



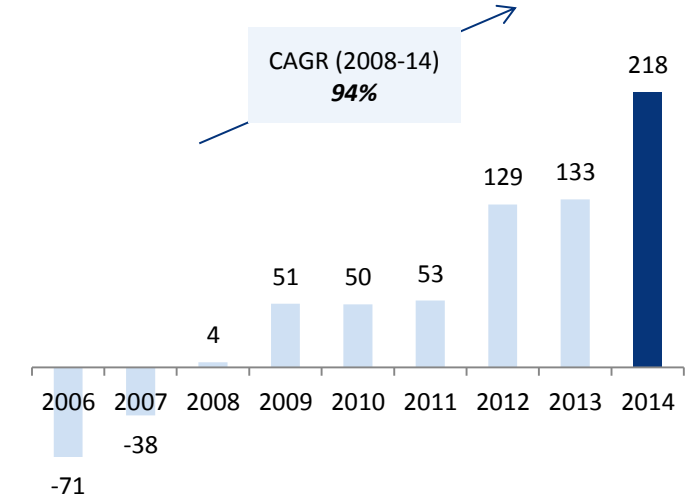
EBITDA (€m)



Passenger (m)



Net Profit (€m)



64% Net Profit Growth YoY

(in m€, unless stated otherwise)	IFRIC 12 Adjusted Financials FY13	FY14	Chg %
Revenue	904	983	9%
EBITDA	381	434	14%
EBITDA margin (%)	42.1%	44.1%	2.0 ppt
EBITDAR	524	570	9%
EBITDAR margin (%)	58.0%	58.0%	0.0 ppt
FX Gain (Loss)	(32)	16	n.m.
Deferred Tax Income (Expense)	(16)	9	n.m.
Net Profit[1]	133	218	64%
Capex[2]	(234)	(96)	-59%
Shareholders' Equity	594	729	23%
Net Debt	874	933	7%
Average number of employees	13,598	14,478	6%
Number of passengers ('000)	83.6	95.1	14%
- International	47.4	54.6	15%
- Domestic	36.2	40.5	12%
Duty free spend per pax (€) [3]	14.8	13.3	-10%

(1) Attributable to equity holders of the company
(2) Adjusted to exclude effects of IFRIC 12 accounting change (see pg. 14, 15)
(3) Transfer numbers are tentative and subject to change

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 domestic terminal

✈ Ataturk Int +12% (Istanbul transfer share 37% from 38%)

✈Revenue +9% slightly lower than like-for-like pax growth, due to weak duty free performance caused by FX fluctuations, partially offset by one-off income from projects followed of €15m

✈48% aero, 52% non-aero

✈EBITDA +14% margin expansion, due to strong operating leverage, Havas turnaround, favorable FX

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

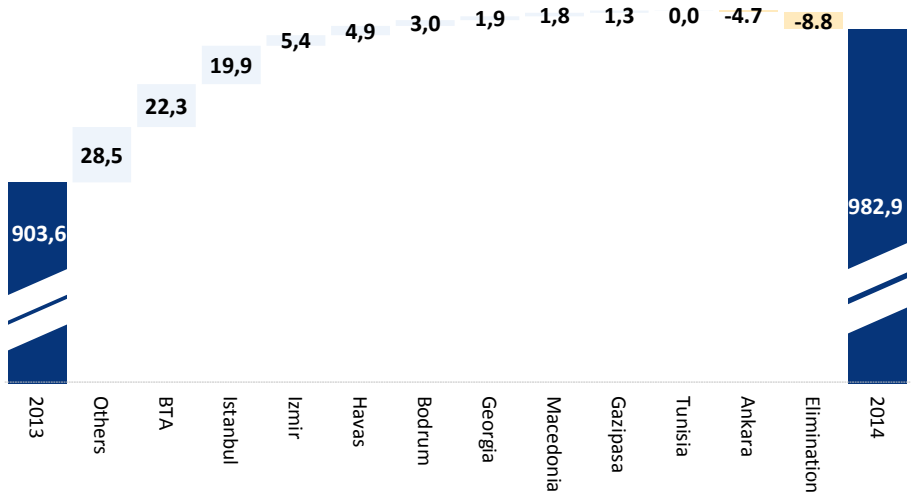
✈Net Profit +64% also affected by FX gain, deferred tax turning positive, one-off gain of €15m from projects followed

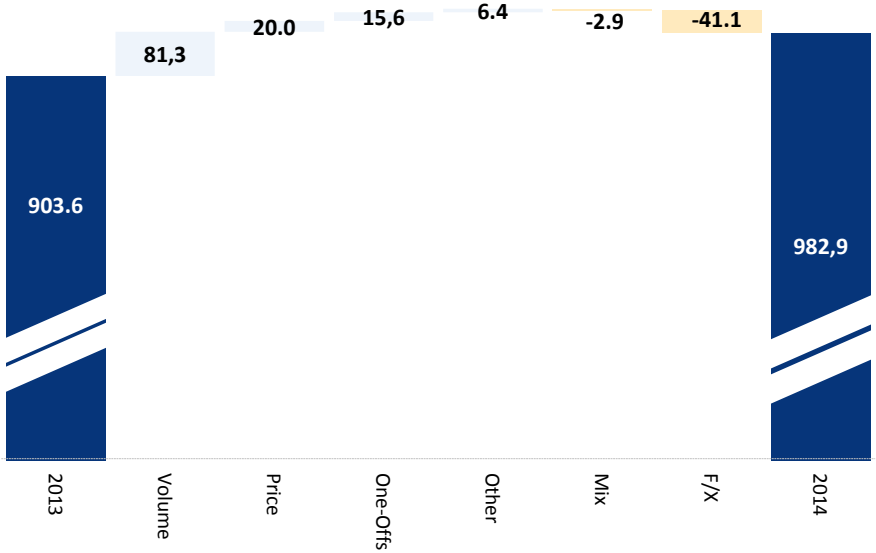
✈Net Debt +7%: Mainly due to Milas Bodrum rent pre-payment (€143m) in August and Izmir domestic terminal construction

✈Spend per Pax €14.8 to €13.3: Departure shop renovations, weak arrival sales and impact of FX (TRY, RUB) volatility

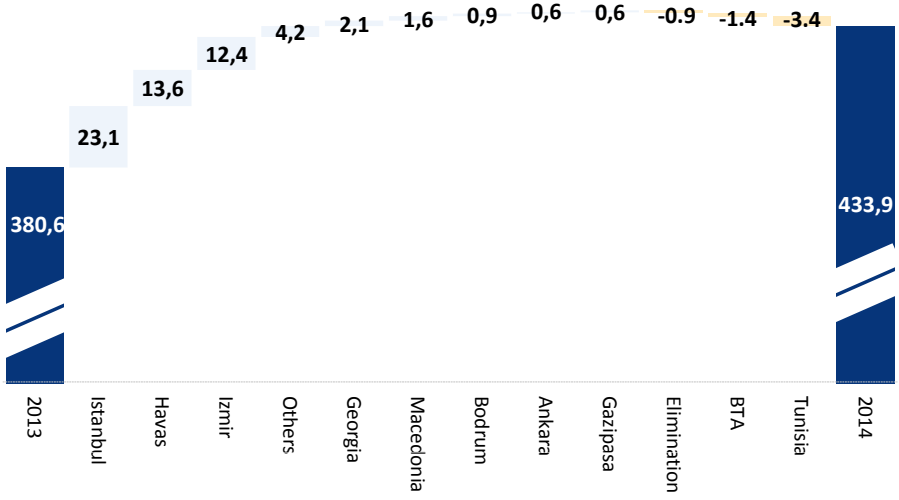
FY14 Revenue and EBITDA Bridges

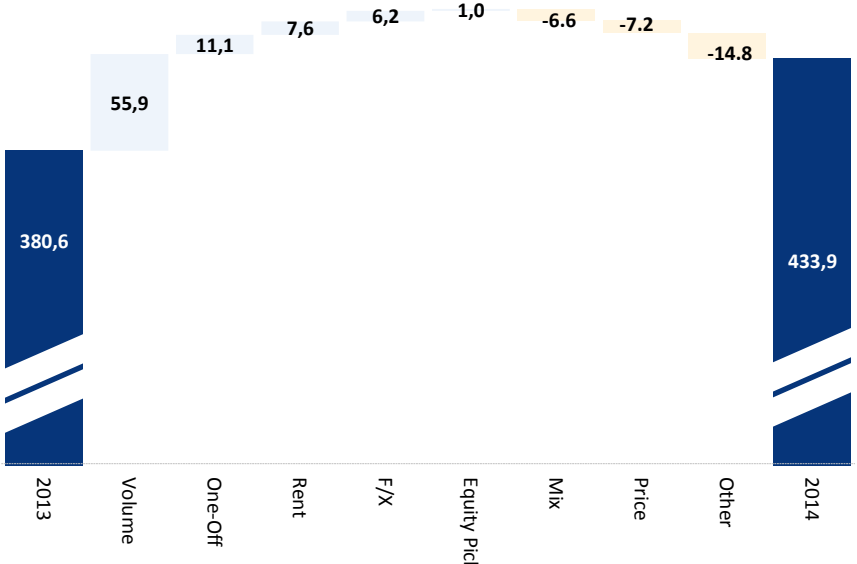
Revenue [1] Bridges (€m)





EBITDA [1] Bridges (€m)



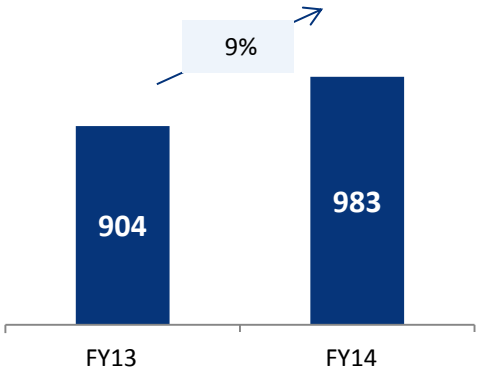


* IFRIC 12 adjusted

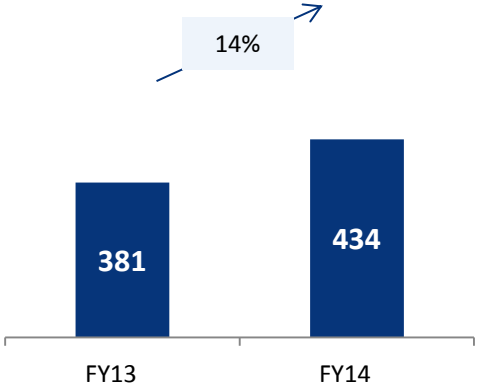
Strong Bottom-Line Growth [1]

Tepe Akfen TAV Airports

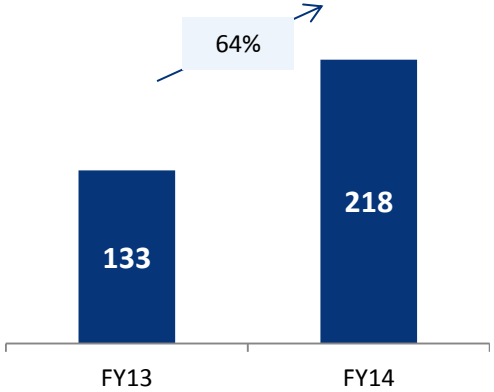
Consolidated Revenue (€m)



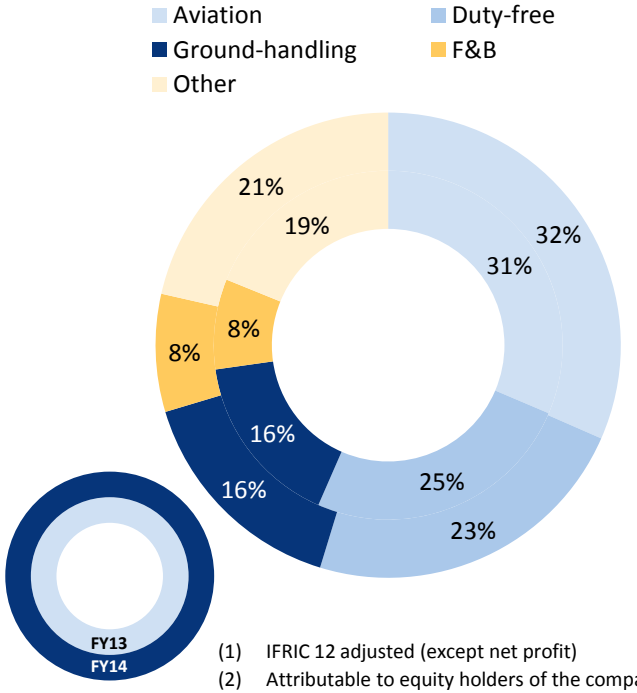
EBITDA (€m)



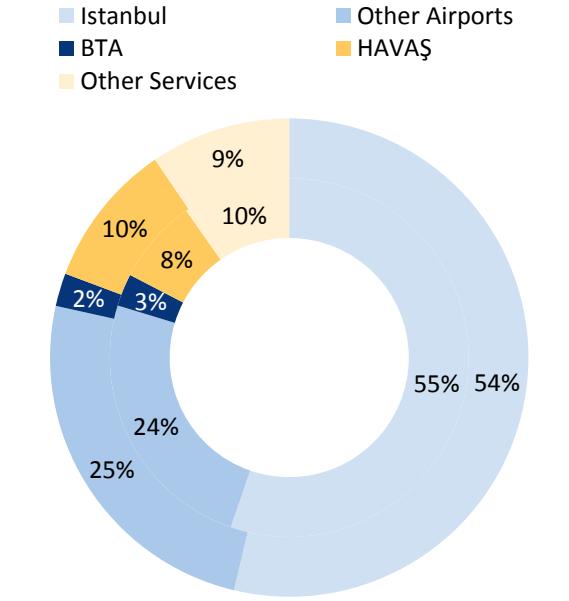
Net Profit [2] (€m)



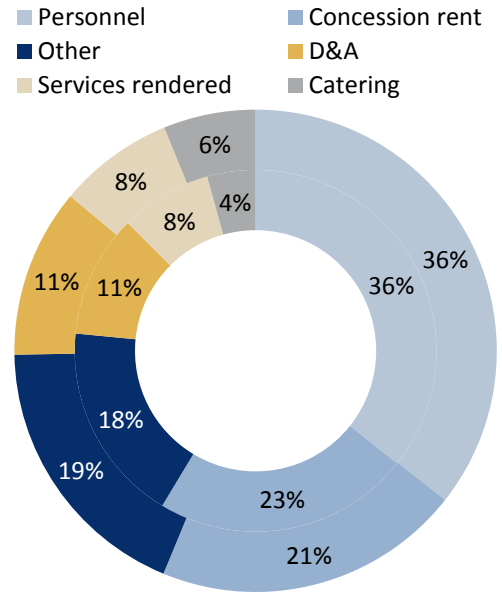
Consolidated Revenue (%)



EBITDA (%)



Opex (%)



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

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

Tepe Akfen TAV Airports

(FY14, €m)	Revenue	EBITDA	EBITDA Margin (%)	Net Debt
Airports	**690.5**	**341.4**	**49%**	**635**
Istanbul	462.0	233.7	51%	-71
Ankara	47.2	22.0	47%	79
Izmir (including TAV Ege)	65.4	39.7	61%	206
Gazipasa	3.1	0.5	16%	33
Tunisia	51.9	13.6	26%	338
Georgia	37.2	23.7	64%	-2
Macedonia	20.7	7.3	35%	52
Bodrum	3.0	0.9		-0.4
Services	**400.5**	**93.7**	**23%**	**298**
Havas	145.4	42.7	29%	44
BTA	138.3	9.7	7%	3
Others*	116.9	41.3	35%	252
Total	1,091.0	435.1	40%	933
Elimination	-108.1	-1.1		
Consolidated	**982.9**	**433.9**	**44%**	**933**

Revenue (€m)	FY13	FY14	Chg.(%)
Airports	**658.0**	**690.5**	**5%**
Istanbul	442.1	462.0	5%
Ankara	48.1	47.2	-2%
Izmir (including TAV Ege)	60.0	65.4	9%
Gazipasa	1.8	3.1	69%
Tunisia	51.9	51.9	0%
Georgia	35.3	37.2	6%
Macedonia	18.8	20.7	10%
Bodrum	0.0	3.0	
Services	**344.9**	**400.5**	**16%**
Havas	140.5	145.4	3%
BTA	116.0	138.3	19%
Others	88.3	116.9	32%
Total	1,002.9	1,091.0	9%
Elimination	-99.3	-108.1	
Consolidated	**903.6**	**982.9**	**9%**
ATU**	277.1	283.7	2%
TGS**	98.4	109.6	11%
TIBAH**	28.4	34.3	21%

Number of Employees (eop)	FY13	FY14
Istanbul	2,724	2,811
Ankara	921	936
Izmir+Ege	686	911
Tunisia	775	780
Gazipasa	29	46
Georgia	806	769
Macedonia	626	638
Havas	3,648	3,842
BTA	2,255	2,587
Holding	99	105
O&M	307	302
IT	210	234
Security	270	463
Latvia	3	4
Bodrum	-	118
Academy	11	10
TOTAL	**13,370**	**14,556**

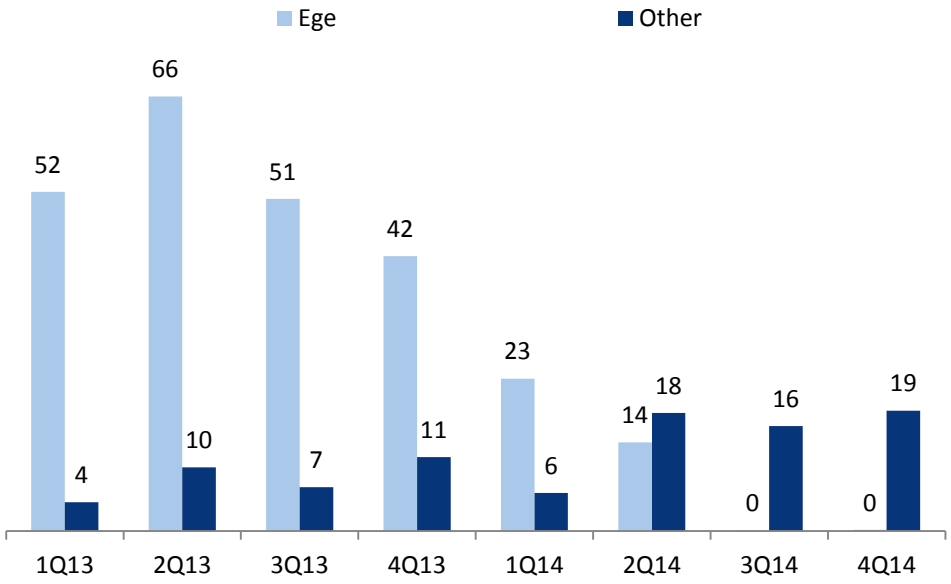
EBITDA (€m)	FY13	FY14	Chg.(%)
Airports	**303.5**	**341.4**	**12%**
Istanbul	210.6	233.7	11%
Ankara	21.4	22.0	3%
Izmir (including TAV Ege)	27.3	39.7	45%
Gazipasa	-0.1	0.5	nm
Tunisia	17.0	13.6	-20%
Georgia	21.6	23.7	9%
Macedonia	5.7	7.3	29%
Bodrum	0.0	0.9	
Services	**77.4**	**93.7**	**21%**
Havas	29.1	42.7	47%
BTA	11.2	9.7	-13%
Others*	37.1	41.3	11%
Total	380.8	435.1	14%
Elimination	-0.2	-1.1	
Consolidated	**380.6**	**433.9**	**14%**
ATU**	32.9	29.5	-12%
TGS**	11.9	15.4	30%
TIBAH**	4.4	7.0	60%

*Others EBITDA includes share of profit of equity accounted investees (equity-pick up). Please see pg. 12 for the breakdown.
**Equty accounted investee

CAPEX Development & Outlook

Tepe Akfen TAV Airports

Quarterly Capex (€m)[(i)]



(i) Adjusted to exclude effects of IFRIC 12 accounting change (see pg. 14, 15)

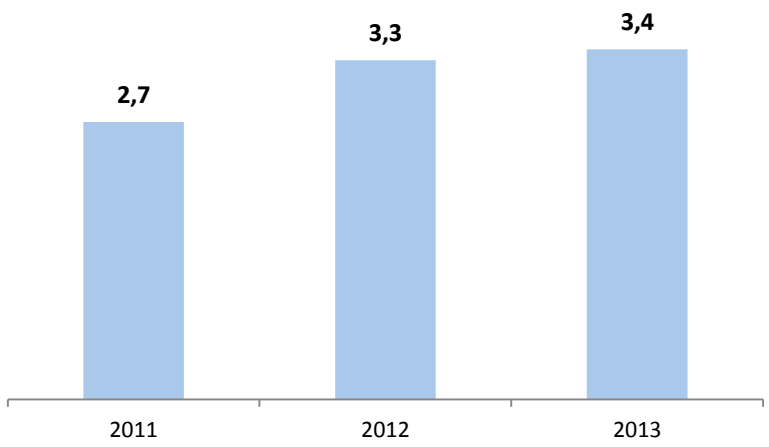
✈ FY14 Capex mainly due to Izmir Adnan Menderes Domestic Terminal Construction and Havas

Airport	Scope	Total EPC* (€m)	EPC Cumulative (€m)	Cumulative ([1]+[2]+[3]) (€m)	2012[1] (€m)	2013[2] (€m)	2014[3] (€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**	245	305	52	101	152	99%

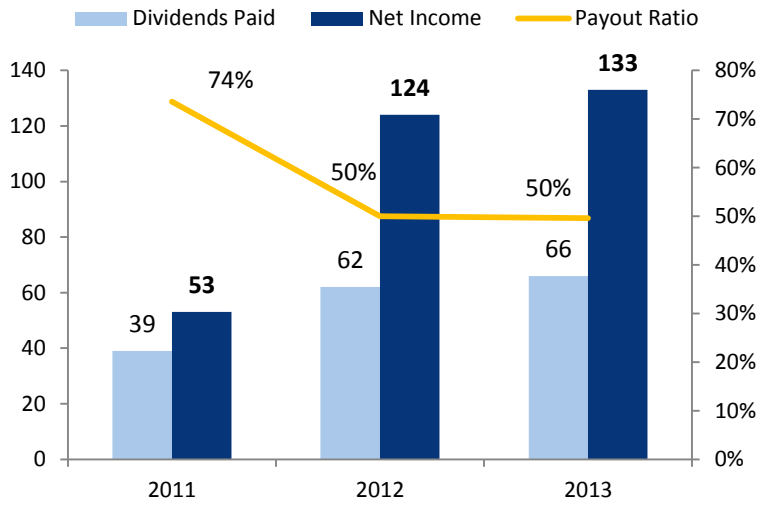
*While EPC capex does not include capitalized interest costs and other charges, IFRS capex does. Medinah EPC calculated at 1.3 EUR/USD

Dividends

Dividend Yield (%)



Dividend History (€m)



* TRL Payout ratios are 79%, 52% and 61%, respectively.

- The TAV Airports' dividend policy of 50% of the consolidated IFRS net profit has been approved by the General Assembly in 2014.
- Accordingly TRY 0.84 gross cash dividend (50% payout ratio) per share having nominal value of TRY 1 will be submitted to the approval of the General Assembly out of 2014 net profit. Total proposed dividend is TRY 306m.

Decentralized Debt Structure - Prudently Levered

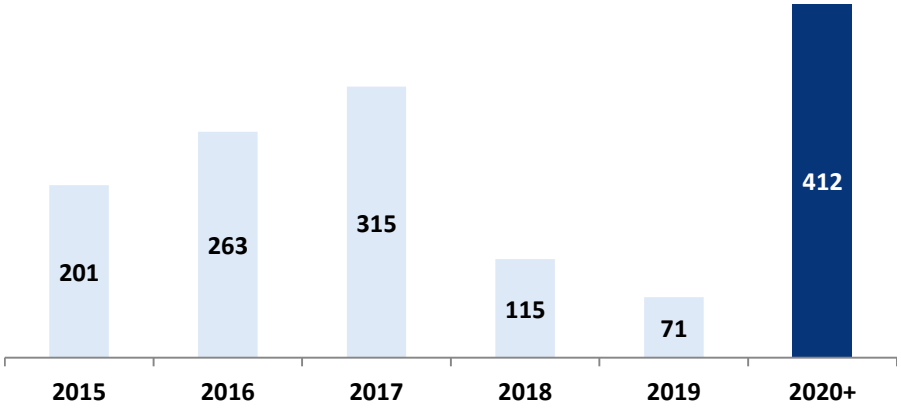
Net Debt (eop, €m)	FY13	9M14	FY14
Airports	**652**	**693**	**635**
Istanbul	(1)	10	(71)
Ankara	84	76	79
Izmir (including Ege)	155	202	206
Gazipasa	16	23	33
Tunisia	344	336	338
Georgia	(2)	(5)	(2)
Macedonia	55	52	52
Bodrum	-	(1)	(0)
Services	**222**	**321**	**298**
HAVAS	58	48	44
BTA	2	3	3
Others	162	270	252
Total	**874**	**1,014**	**933**

- Door to Door Maturity **8.5 Years**
- Average Maturity **5.7 Years**
- Average € Cost of Debt (Hedged*) **5.4%**
- Net Debt / EBITDA **2.2x**

*92% of all (91% of EUR) loans have fixed rates.

-as of December 31, 2014

Gross Debt Maturity Profile (€m)



2015 Guidance

Tepe Akfen TAV Airports

Under current FX conditions and based on our passenger assumptions, our Company's targets for 2015 are as follows:

Istanbul Ataturk Airport International Passengers	8 to 10 percent
Total TAV Airports Passengers	6 to 8 percent
Revenue	10 to 12 percent
EBITDA	12 to 14 percent
Net Profit	5 to 10 percent
CAPEX	€100m to €110m

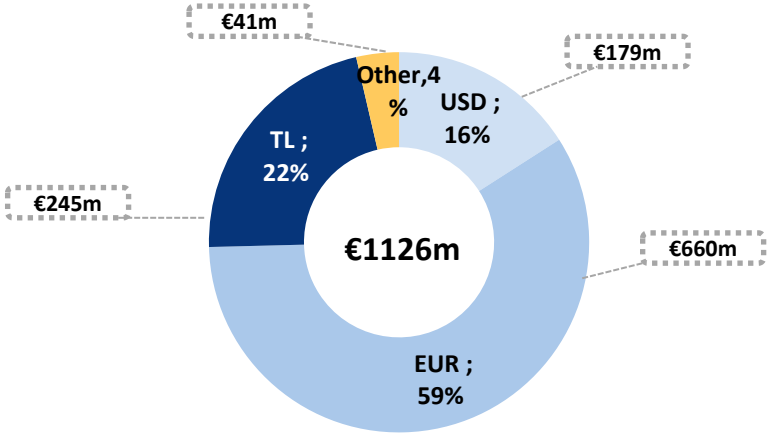
Notes:

- Guidance is set on February 19, 2015
- All financial targets have been adjusted to reverse the efects of IFRIC 12 and are complaint with IFRS 11.

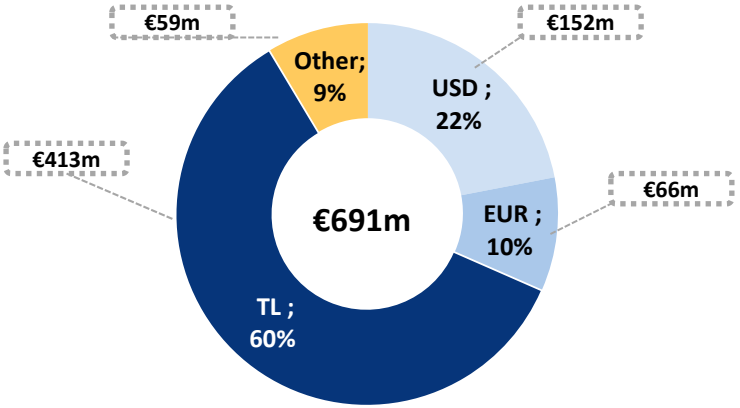
FX Exposure of Operations (FY 2014)

Tepe Akfen TAV Airports

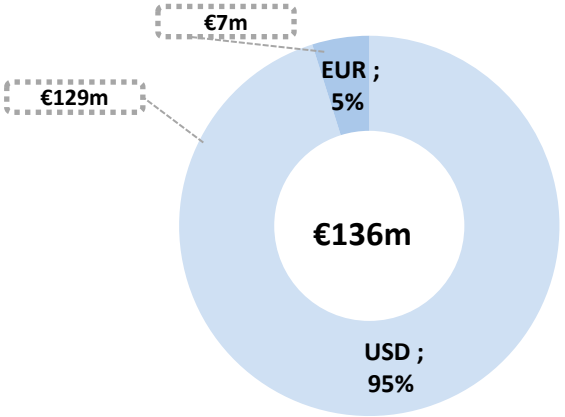
Revenue [1]



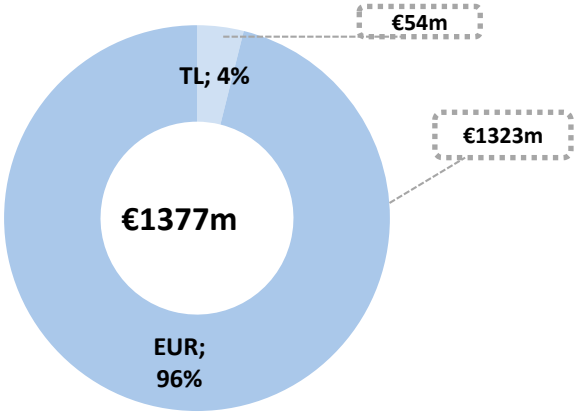
Opex [1][2]



Concession Rent Expense



Gross Debt



(1) Combined figures, pre-eliminations IFRIC 12 adjusted. Includes equity pick-up (€35m)
(2) Includes concession rent expenses (€136m) does not include depreciation (€75m)

FX Exposure

Tepe Akfen TAV Airports

FX Rates

	Average		31 Dec	31 Dec
	FY13	FY14	2013	2014
EUR/TRY	2.53	2.90	2.94	2.82
USD/TRY	1.90	2.19	2.13	2.32
EUR/USD	1.33	1.33	1.38	1.22
EUR/GEL	2.21	2.35	2.39	2.27
EUR/MKD	61.73	61.73	61.51	61.48
EUR/TND	2.16	2.25	2.27	2.26
EUR/SEK	8.65	9.10	8.94	9.43
EUR/SAR	4.99	4.99	5.16	4.56

	Equity		Profit or loss	
(€'000)	Strengthening of EUR	Weakening of EUR	Strengthening of EUR	Weakening of EUR
31 December 2014				
USD	(13,556)	16,547	(18,306)	18,306
TRY	-	-	3,402	(3,402)
Other	-	-	(1,538)	1,538
Total	**(13,556)**	**16,547**	**(16,442)**	**16,442**
31 December 2013				
USD	(16,039)	15,607	(14,012)	14,012
TRY	-	-	(10,027)	10,027
Other	-	-	(939)	939
Total	**(16,039)**	**15,607**	**(24,978)**	**24,978**

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 instalments and interest rate risk to manage exposure to the floating interest rates relating to loans used.
- Interest payments of 100%, 100%, 50%, 80%, 83% and 99% of floating bank loans for TAV İstanbul, TAV Esenboga, HAVAS, TAV Macedonia, TAV Tunisia and TAV Ege respectively are fixed with interest rate swaps as explained in Note 34.
- Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized directly in equity to the extent that the hedge is highly effective. To the extent that the hedge is ineffective, changes in fair value of the ineffective are recognized in profit or loss.

Sensitivity Analysis

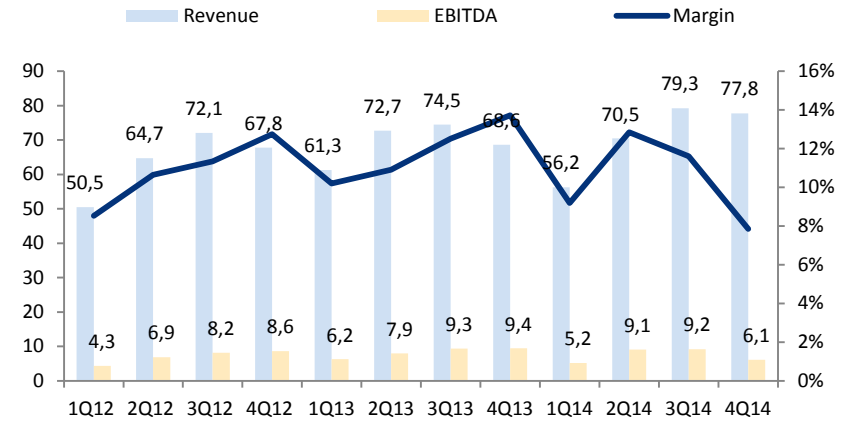
The Group's principal currency rate risk relates to changes in the value of the Euro relative to TRL and the USD. The Group manages its exposure to foreign currency risk by entering into derivative contracts and, where possible, seeks to incur expenses with respect to each contract in the currency in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

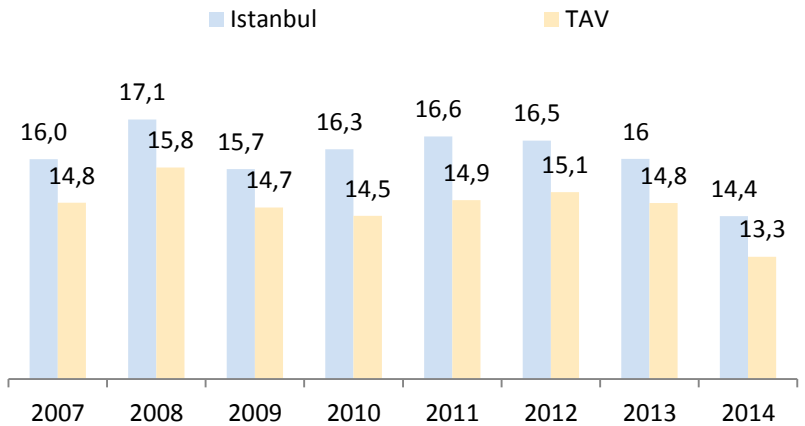
A 10 percent strengthening / (weakening) of EUR against the following currencies at 31 December 2014 and 31 December 2013 would have increased / (decreased) equity and profit or loss by the amounts shown above. This analysis assumes that all other variables, in particular interest rates, remain constant.

ATU (50%)

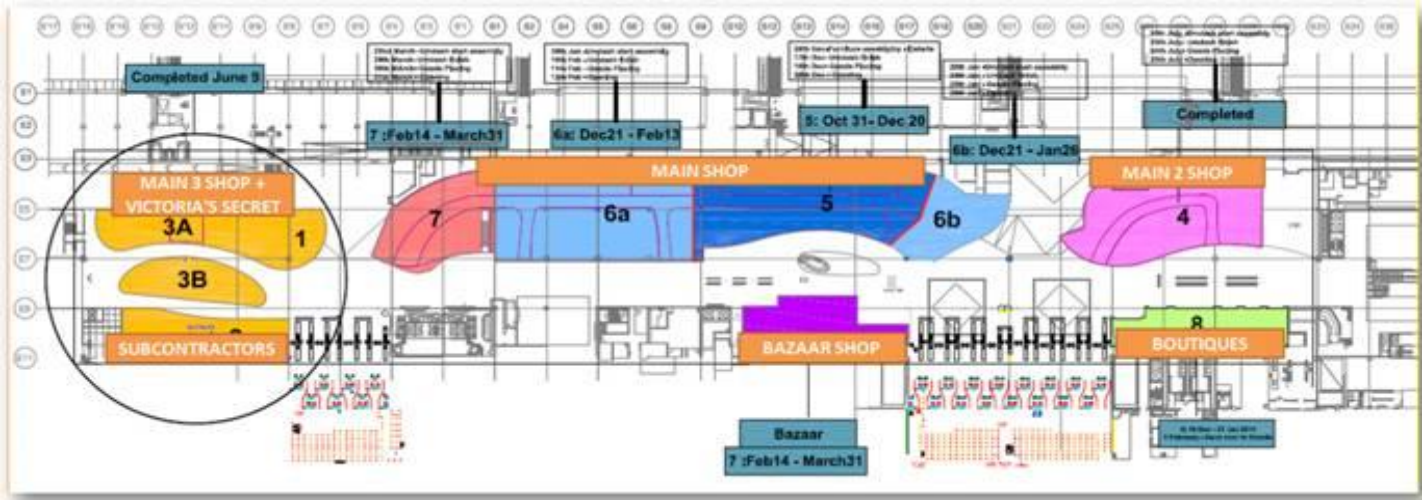
ATU Financials (€m)



Duty Free Spend per Pax (€)



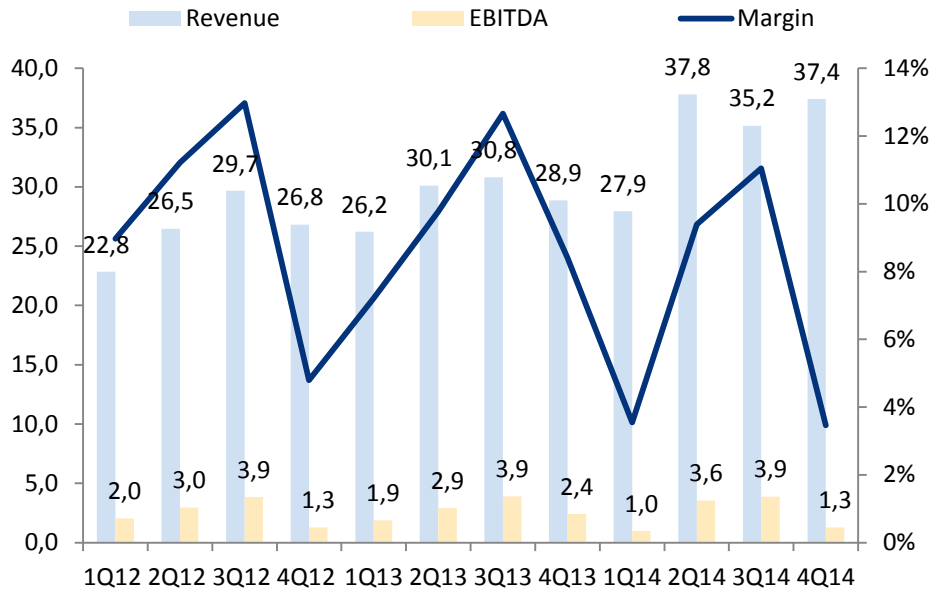
- Main Shop renovations started in October 2013, completed April 2014 with the stores opening gradually afterwards.
- SPP affected by shop renovations, FX fluctuations (TRY, Rouble).
- Operations started in 5 Tunisian airports in Q4 2014, putting pressure on margins.



BTA

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

BTA* Financials (€m)

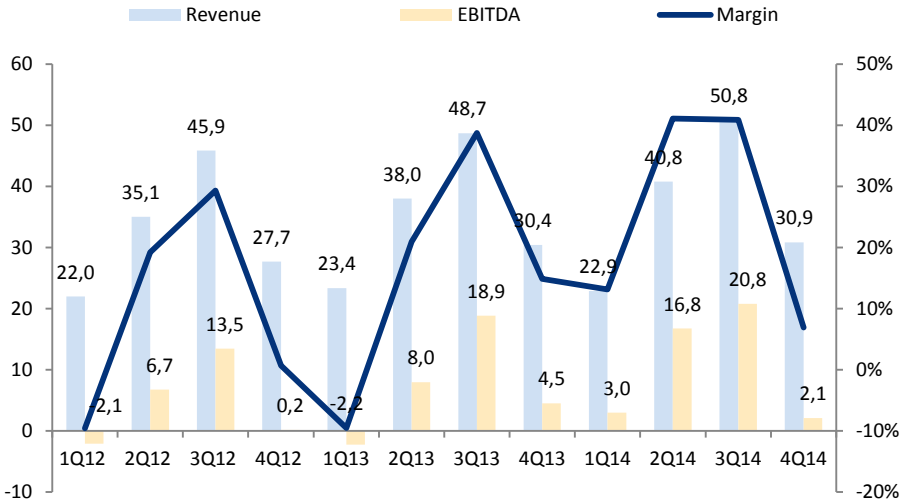


TAV F&B Spend per Pax (€)

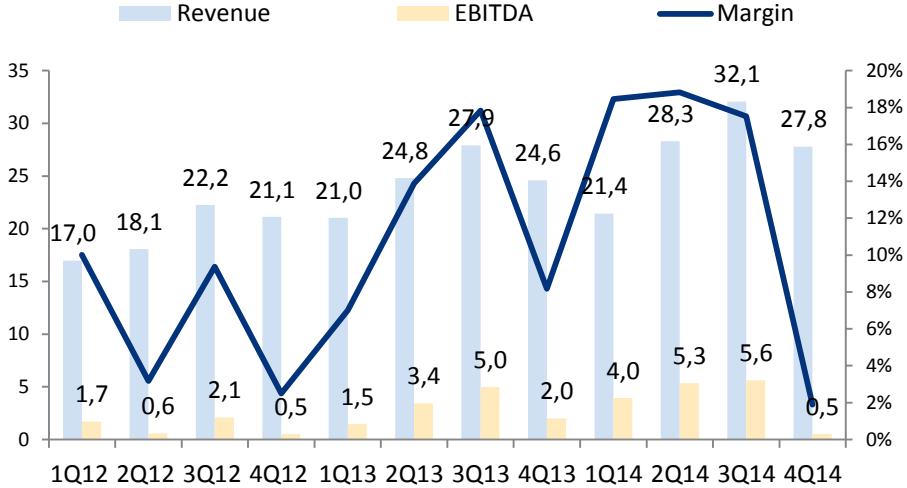
*IFRS 11

HAVAS

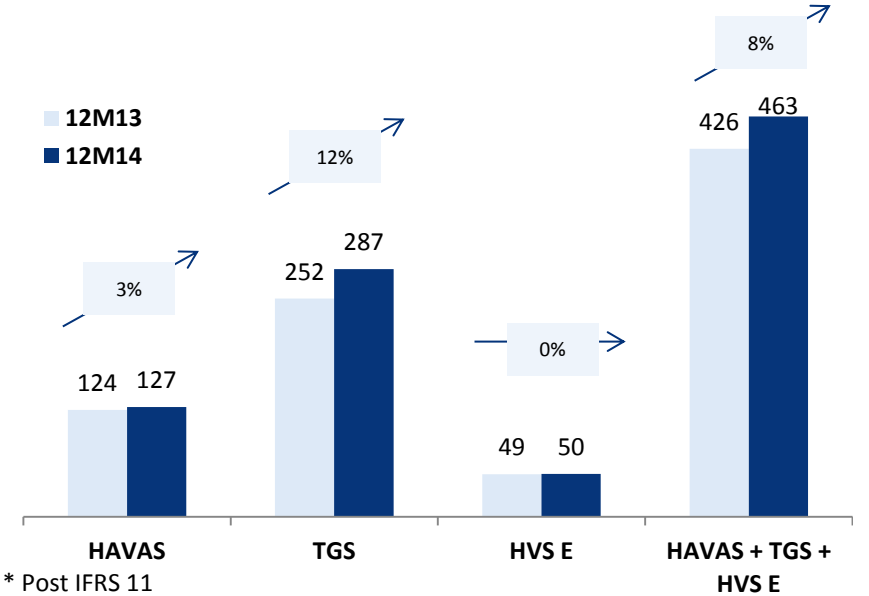
Havas * Financials (€m)



TGS Financials (50%) (€m)



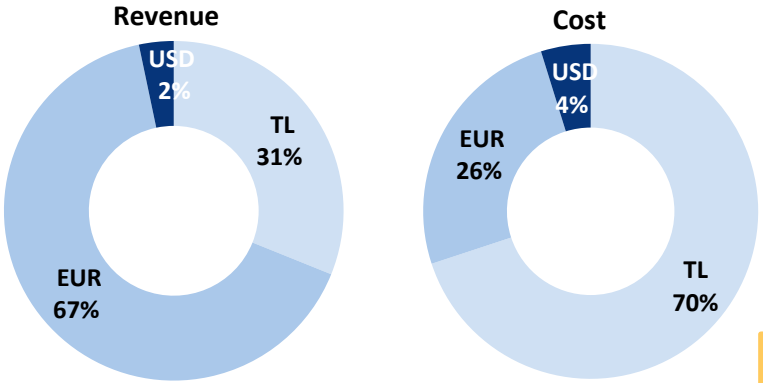
of Flights Served ('000)



* Post IFRS 11

✈ Havas solo revenues grew despite low de-icing and weak TRL in FY14, EBITDA strong due to weak TRL and restucturing that started at the end of 2013.

Havas Solo FX Exposure FY 2014



Equity Accounted Investees – IFRS 11

HAVAS*	pre IFRS 11	post IFRS 11
Revenue	Havas Solo + TGS (50%)	Havas Solo
EBITDA	Havas EBITDA + TGS (50%) EBITDA	Havas EBITDA + TGS (50%) Net 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	4Q14
ATU (50%)	**Revenue**	255.1	277.1	61.3	72.7	74.5	68.6	56.2	70.5	79.3	77.8
	EBITDA	28.0	32.9	6.2	7.9	9.3	9.4	5.2	9.1	9.2	6.1
	Net Profit	20.8	22.2	4.5	5.6	5.6	6.6	3.8	7.0	5.4	4.0
	Net Debt	3.0	5.1	8.5	6.5	4.1	5.1	6.5	6.0	0.4	-1.7
		2012	**2013**	**1Q13**	**2Q13**	**3Q13**	**4Q13**	**1Q14**	**2Q14**	**3Q14**	**4Q14**
TGS (50%)	**Revenue**	78.4	98.4	21.0	24.8	27.9	24.6	21.4	28.3	32.1	27.8
	EBITDA	4.9	11.9	1.5	3.4	5.0	2.0	4.0	5.3	5.6	0.5
	Net Profit	1.9	7.3	0.5	1.9	3.5	1.5	1.7	3.5	3.5	-0.2
	Net Debt	-6.1	-2.0	-2.7	1.2	0.6	-2.0	-2.8	2.6	1.6	2.0
		2012	**2013**	**1Q13**	**2Q13**	**3Q13**	**4Q13**	**1Q14**	**2Q14**	**3Q14**	**4Q14**
TIBAH (33%)	**Revenue**	16.5	28.4	7.2	7.5	7.7	5.9	9.7	8.1	8.9	7.6
	EBITDA	3.1	4.4	1.4	1.2	1.7	0.0	2.5	1.7	2.1	0.7
	Net Profit	2.7	3.6	1.2	1.0	1.5	-0.1	2.1	1.4	1.8	0.6
	Net Debt	70.3	145.7	97.5	103.2	116.2	145.7	170.4	212.5	255.4	281.2
		2012	2013	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	**3Q14**	**4Q14**
BTA IDO (50%)	**Revenue**	11.6	11.7	2.5	3.2	3.7	2.3	2.2	3.0	4.0	2.7
	EBITDA	1.3	1.2	0.1	0.3	0.6	0.1	0.2	0.5	0.7	-0.1
	Net Profit	0.8	0.5	-0.0	0.2	0.4	-0.0	0.1	0.3	0.5	-0.3
	Net Debt	-0.3	-0.2	-0.4	-1.0	-0.9	-0.2	-0.8	-0.7	-1.1	-0.3

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

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

IFRIC 12 & Our Adjusted Financials Policy

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
	Guaranteed Pax Income (€m)	11.8	12.4	13.0	13.7	14.4	15.1	15.8	16.6	17.5	18.3	19.2	20.2	21.2	22.3	23.4	9.6
	Domestic Departing Pax (m)	0.6	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.9	1.0	1.0	1.1	1.1	1.2	1.2	0.5
	Guaranteed Pax Income (€m)	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.7	2.8	2.9	3.1	3.2	3.4	3.6	3.7	1.5
	Total Guaranteed Pax Income (€m)	13.7	14.4	15.1	15.9	16.7	17.5	18.4	19.3	20.2	21.3	22.3	23.4	24.6	25.8	27.1	11.1
İzmir	International Departing Pax (m)	1.1	1.1	1.1	1.2	1.2	1.2	1.3									
	Guaranteed Pax Income (€m)	15.9	16.4	16.9	17.4	17.9	18.4	19.0									
Total	Guaranteed Pax Income (€m)	29.6	30.8	32.0	33.3	34.6	35.9	37.4	19.3	20.2	21.3	22.3	23.4	24.6	25.8	27.1	11.1

Income Statement

(€m)	FY13		FY14
Construction revenue	**210.4**		**39.6**
Total operating income	**867.7**		**944.3**
Aviation income	247.6		271.7
Ground handling income	146.5		153.7
Commission from sales of duty free goods	227.5		227.7
Catering services income	75.5		80.4
Other operating income	170.5		210.8
Construction expenditure	**(210.4)**		**(39.6)**
Operating expenses	**(625.3)**		**(658.1)**
Cost of catering inventory sold	(27.0)		(40.7)
Cost of services rendered	(51.1)		(51.0)
Personnel expenses	(223.2)		(234.3)
Concession rent expenses	(143.4)		(135.8)
Depreciation and amortization expense	(68.7)		(74.1)
Other operating expenses	(111.9)		(122.2)
Equity pick-up	33.6		34.6
Operating profit	**276.0**		**320.8**
Finance income	32.2		27.6
Finance expenses	(120.2)		(82.2)
Profit before tax	188.0		**266.2**
Income tax expense	(55.3)		(52.4)
Profit for the period			
Attributable to:			
Owners of the Company	**132.9**		**218.4**
Non-controlling interest	(0.2)		(4.7)
Profit for the period	**132.7**		**213.7**

Balance Sheet

€m	FY13	FY14
ASSETS		
Property and equipment	157	180
Intangible assets	20	18
Airport operation right	972	1,092
Equity-accounted investees	92	104
Other investments	0	0
Goodwill	136	136
Prepaid concession and rent expenses	22	15
Derivative financial instruments	0	9
Trade receivables	113	107
Non-current due from related parties	0	3
Other non-current assets	2	1
Deferred tax assets	72	73
Total non-current assets	**1,586**	**1,738**
Inventories	8	10
Prepaid concession and rent expenses	129	110
Derivative financial instruments	1	6
Trade receivables	82	110
Due from related parties	15	26
Other receivables and current assets	66	198
Cash and cash equivalents	98	58
Restricted bank balances	382	392
Total current assets	**780**	**908**
TOTAL ASSETS	**2,366**	**2,647**

€m	FY13	FY14
EQUITY		
Share capital	162	162
Share premium	220	220
Legal reserves	78	86
Other reserves	-18	-18
Revaluation surplus	1	1
Purchase of shares of entities under common control	40	40
Cash flow hedge reserve	-69	-92
Translation reserves	-16	-9
Retained earnings	194	338
Total equity attributable to equity holders of the Company	**594**	**729**
Non-controlling interests	32	17
Total Equity	**626**	**746**
LIABILITIES		
Loans and borrowings	1,068	1,178
Reserve for employee severance indemnity	12	13
Due to related parties	10	8
Derivative financial instruments	122	146
Deferred income	24	29
Other payables	107	180
Deferred tax liabilities	4	3
Total non-current liabilities	**1,347**	**1,558**
Bank overdraft	2	2
Loans and borrowings	283	202
Trade payables	41	44
Due to related parties	9	6
Derivative financial instruments	1	0
Current tax liabilities	10	16
Other payables	29	52
Provisions	6	7
Deferred income	11	12
Total current liabilities	**393**	**343**
TOTAL LIABILITIES	**1,740**	**1,901**
TOTAL EQUITY AND LIABILITIES	**2,366**	**2,647**

Cash Flow Statement

Tepe Akfen TAV Airports

	2013	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	**132.7**	**213.7**
Adjustments for:		
Amortisation of airport operation right	40.0	43.6
Depreciation of property and equipment	24.4	26.2
Amortisation of intangible assets	4.3	4.3
Concession and rent expenses	143.4	135.8
Provision for employee severance indemnity	5.2	4.0
Provision for doubtful receivables	0.9	1.0
Discount on receivables and payables, net	0.0	0.0
Gain on sale of property and equipment	-0.8	-1.8
Impairment of goodwill	0.0	0.3
Provision set for unused vacation	0.4	1.0
Interest income	-14.6	-10.5
Interest expense on financial liabilities	81.2	89.9
Tax expense	55.3	52.4
Unwinding of discount on concession receivable and payable	-17.5	-17.0
Share of profit of equity-accounted investees, net of tax	-33.6	-34.6
Unrealised foreign exchange differences on statement of financial position items	-7.0	-1.8
Cash flows from operating activities	**414.4**	**506.4**
Change in current trade receivables	8.5	-30.1
Change in non-current trade receivables	34.9	30.9
Change in inventories	-0.6	-2.5
Change in due from related parties	37.5	-10.9
Change in restricted bank balances	286.9	313.6
Change in other receivables and current assets	11.4	-121.3
Change in trade payables	4.0	3.1
Change in due to related parties	-6.1	-8.2
Change in other payables and provisions	-18.7	87.7
Change in other long term assets	-1.2	0.4
Additions to prepaid concession and rent expenses	-136.4	-102.8
Cash provided from operations	**634.7**	**666.2**
Income taxes paid	-37.2	-55.2
Interest paid	-84.8	-101.6
Retirement benefits paid	-5.0	-4.1
Dividends from equity-accounted investees	16.8	20.8
Net cash provided from operating activities	**524.5**	**526.2**

	2013	2014
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	11.2	9.1
Proceeds from sale of property, equipment and intangible assets	2.3	7.8
Acquisition of property and equipment	-30.9	-54.8
Additions to airport operation right	-201.5	-157.1
Acquisition of intangible assets	-1.2	-2.1
Net cash used in investing activities	**-220.2**	**-197.1**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	296.0	257.4
Repayment of borrowings	-187.2	-224.4
Change in restricted bank balances	-295.3	-332.7
Dividends paid	-60.5	-69.3
Change in finance lease liabilities	0.7	-1.1
Net cash used in financing activities	**-246.2**	**-370.0**
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	**58.1**	**-41.0**
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**38.1**	**96.2**
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	**96.2**	**55.3**

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

Q3

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

Q4

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

Tax Regimes

Tepe Akfen TAV Airports

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 25% ✈ 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%
Saudi Arabia	✈ Corporate income tax rate of 20% for non-residents
Croatia	✈ Corporate income tax rate of 20%

Corporate Governance Rating & Inclusion in the BIST Sustainability Index

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 revised as 91.76 (9.17 over 10) on 3rd March 2014 has been revised as 94.15 (9.41 over 10).

Sub-categories	Weight	Grade
Shareholders	25%	93.05
Public Disclosure and Transparency	25%	96.83
Stakeholders	15%	91.72
Board of Directors	35%	94.08
Total	**100%**	**94.15**

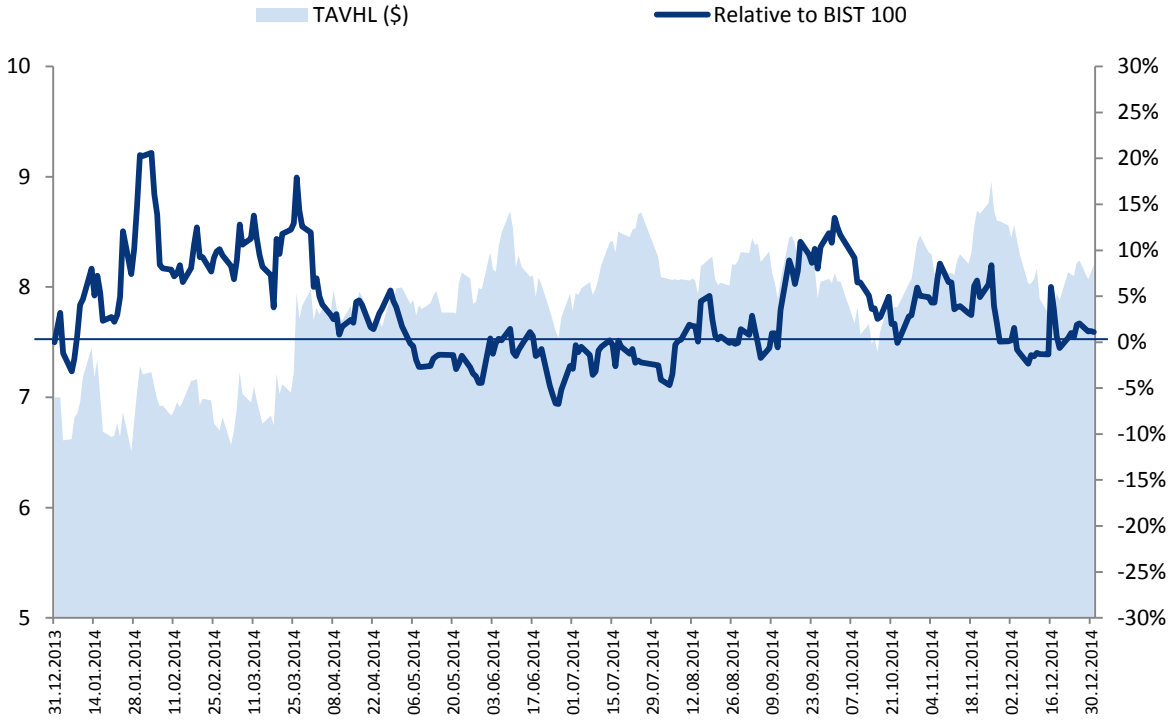
Third highest corporate governance rating in 2014 !!

Inclusion in the BIST Sustainability Index

TAV Airports was included in the BIST Sustainability Index on November 4, 2014.

Only 15 Turkish companies were included in the index.

Share Performance (December 31, 2014)



Share Price Performance

	1M	3M	2014
TL	1%	4%	28%
USD	-4%	2%	17%
Relative to ISE -100	0%	-9%	1%

Closing Price (TRL)	Market Cap	Avg. Daily Volume**	Free Float*	Effective Free Float*
19,10	USD 3,0b	USD 10m	44%	41%

*Source: Central Registry Agency (MKK)
** 2014 yearly average

ADP – TAV Airports: A Global Footprint

Tepe Akfen TAV Airports

13 Regional airports
Mexico North Central (25.5%)[1]
- 14.7mn pax
- Operator & Strategic partner

France
- Paris-CDG: 63.8mn pax
- Paris-Orly: 28.9mn pax
- Owner and operator

Schiphol Group (8%)
- 55.0mn pax
- Industrial cooperation

Liège (25.6%)
- 0.6mn tons of freight
- Strategic partner

Croatia (TAV 15% ADPM 21%)
- Zagreb Airport:2.4 mn pax
- Concession operator

Georgia
- Tbilisi & Batumi: 1.8 mn pax
- Concession operator

Macedonia (100%)
- Skopje & Ohrid: 1.3 mn pax
- Concession operator

Turkey
- Istanbul Ataturk: 57.0mn pax
- Ankara: 11.0mn pax
- Izmir: 11.0mn pax
- Mlas-Bodrum: 3.9mn pax
- Gazipasa: 0.7mn
- Concession operator

Amman – Jordan (9.5%)
- 7.1mn pax
- Management contract
- Strategic partner

Cambodian Airports
- Phnom Penh & Siam Reap: 5.7mn pax
- Assistance in management

Conakry Airport (29%)
- 0.3mn pax
- Operator

Tunisia (67%)
- Enfidha & Monastir 3.3mn pax
- Concession operator

Jeddah (Hajj Terminal) – Saudi Arabia
- 7.2mn pax
- Management contract

Mauritius (10%)
- 2.9mn pax
- Operator
- Strategic partner

Medinah (Saudi Arabia) (33%)
5.7mn pax
- Concession operator

TAV Airports

ADP

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 2014

Macro Outlook

Country	Subject Descriptor	Units	Scale	2012	2013	2014	2015	2016	2017	2018	2019
Croatia	Gross domestic product, current prices	U.S. dollars	Billions	56	57	58	60	62	66	70	74
Croatia	Gross domestic product per capita, current prices	U.S. dollars	Units	13.077	13.401	13.624	13.995	14.503	15.314	16.315	17.346
Croatia	Inflation, average consumer prices	Percent change		3,4	2,2	-0,3	0,2	1	1,5	2,5	2,5
Croatia	Population	Persons	Millions	4,3	4,3	4,3	4,3	4,3	4,3	4,3	4,3
Georgia	Gross domestic product, current prices	U.S. dollars	Billions	16	16	16	17	19	20	22	24
Georgia	Gross domestic product per capita, current prices	U.S. dollars	Units	3.523	3.597	3.607	3.918	4.250	4.607	4.995	5.437
Georgia	Inflation, average consumer prices	Percent change		-0,9	-0,5	4,6	4,9	5	5	5	5
Georgia	Population	Persons	Millions	4.498	4.484	4.470	4.456	4.443	4.429	4.415	4.384
Latvia	Gross domestic product, current prices	U.S. dollars	Billions	28	31	33	34	36	39	41	44
Latvia	Gross domestic product per capita, current prices	U.S. dollars	Units	13.886	15.187	16.145	16.836	17.887	19.214	20.596	22.086
Latvia	Inflation, average consumer prices	Percent change		2,3	0	0,7	1,6	1,9	2	2,1	2,2
Latvia	Population	Persons	Millions	2.045	2.039	2.033	2.026	2.020	2.014	2.008	2.002
FYR Macedonia	Gross domestic product, current prices	U.S. dollars	Billions	10	10	11	12	13	14	15	16
FYR Macedonia	Gross domestic product per capita, current prices	U.S. dollars	Units	4.638	4.931	5.262	5.688	6.134	6.608	7.087	7.625
FYR Macedonia	Inflation, average consumer prices	Percent change		3,3	2,8	1,0	1,5	2,3	2,3	2,3	2,3
FYR Macedonia	Population	Persons	Millions	2.066	2.071	2.076	2.080	2.085	2.090	2.094	2.099
Saudi Arabia	Gross domestic product, current prices	U.S. dollars	Billions	734	748	778	805	840	877	918	962
Saudi Arabia	Gross domestic product per capita, current prices	U.S. dollars	Units	25.139	24.953	25.401	25.778	26.357	26.975	27.692	28.459
Saudi Arabia	Inflation, average consumer prices	Percent change		2,9	3,5	2,9	3,2	3,4	3,6	3,4	3,3
Saudi Arabia	Population	Persons	Millions	29.196	29.994	30.624	31.237	31.861	32.499	33.149	33.812
Tunisia	Gross domestic product, current prices	U.S. dollars	Billions	45	47	49	50	51	53	55	57
Tunisia	Gross domestic product per capita, current prices	U.S. dollars	Units	4.198	4.317	4.467	4.503	4.586	4.704	4.821	4.953
Tunisia	Inflation, average consumer prices	Percent change		5,6	6,1	5,7	5,0	4,2	4,0	4,0	4,0
Tunisia	Population	Persons	Millions	10.776	10.887	10.998	11.110	11.224	11.338	11.454	11.571
Turkey	Gross domestic product, current prices	U.S. dollars	Billions	789	820	813	861	911	965	1.022	1.082
Turkey	Gross domestic product per capita, current prices	U.S. dollars	Units	10.531	10.721	10.518	11.018	11.536	12.104	12.688	13.302
Turkey	Inflation, average consumer prices	Percent change		8,9	7,5	9,0	7,0	6,5	6,2	6,2	6,2
Turkey	Population	Persons	Millions	74.885	76.484	77.324	78.152	78.967	79.766	80.550	81.321

IMF, World Economic Outlook Database, October, 2014

Contact IR

IR Team

Nursel İLGEN, CFA
Director, Head of Investor Relations
nursel.ilgen@tav.aero
Tel :+90 212 463 3000 / 2122
Fax : +90 212 465 3100

Ali Ozgu CANERI
Investor Relations Manager
ali.caneri@tav.aero
Tel :+90 212 463 3000 / 2124
Fax : +90 212 465 3100

Besim MERİC
Investor Relations Manager
besim.meric@tav.aero
Tel :+90 212 463 3000 / 2123
Fax : +90 212 465 3100

IR Website	http://ir.tav.aero
e-mail	ir@tav.aero
Phone	+90-212-463 3000 (x2122 – 2123 – 2124 - 2125)
Twitter	twitter.com/irTAV
Facebook	facebook.com/irTAV

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- **Georgia**
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- **Tunisia**
  - Monastir and Enfidha
- **Macedonia**
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- **Saudi Arabia**
  - Medinah
- **Latvia**
  - Riga (only commercial areas)
- **Croatia**
  - Zagreb

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Address TAV Airports Holding Co.
Istanbul Ataturk Airport International Terminal
(Besides Gate A and VIP)
34149 Yesilkoy, Istanbul

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