

TAV Airports Holding Management Presentation

12 November 2008



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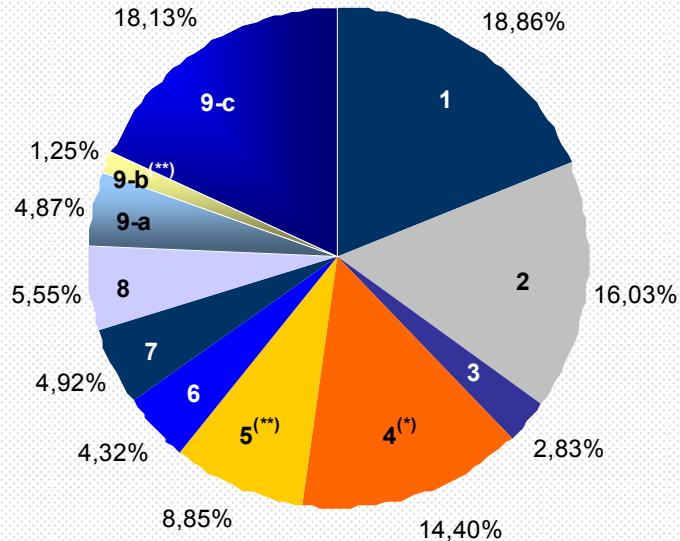
Airports	Duty Free	Food and Beverage	Ground Handling	Other
<p>Turkey</p> <ul style="list-style-type: none"> Istanbul Ataturk Airport (100%), Ankara Esenboğa Airport (100%), Izmir Adnan Menderes Airport (Intl. Terminal) (100%), Gazipasa Airport ⁽¹⁾ (100%) <p>Georgia</p> <ul style="list-style-type: none"> Tbilisi International Airport (66%) and Batumi Airport <p>Tunisia</p> <ul style="list-style-type: none"> Monastir and Enfidha Airports ⁽²⁾ (100%) <p>Macedonia</p> <ul style="list-style-type: none"> Skopje, Ohrid and Shtip Airports ⁽³⁾ (100%) 	<p>ATÜ (50%)</p> <ul style="list-style-type: none"> Largest duty free operator in Turkey Partner with Unifree – leading German travel retailer (Travel Value) 	<p>BTA (67%)</p> <ul style="list-style-type: none"> 106 outlets with a total seating capacity of 10,400 in Turkey and Georgia Operates Istanbul Airport Hotel (85 rooms) Bakery & pastry factory serving in Turkey 	<p>Havaş (100%)</p> <ul style="list-style-type: none"> Traffic, ramp and cargo handling Major groundhandler in Turkey with a c.52%⁽⁴⁾ share Operates in 18 airports in Turkey including Istanbul, Ankara, Izmir and Antalya 	<p>O&M, IT and Security</p> <ul style="list-style-type: none"> TAV O&M (100%): <ul style="list-style-type: none"> Commercial area allocations CIP / VIP TAV IT (97%): <ul style="list-style-type: none"> Airport IT services TAV Security (67%): <ul style="list-style-type: none"> Security service provider in Istanbul, Ankara and Izmir
€264m	€114m	€43m	€97m	€36m

Revenues 9M08 ⁽⁵⁾

Notes: (1) We had signed Gazipasa Airport concession agreement on January 7, 2008 and we have not started operations yet.
(2) We started operations in Monastir Airport on January 1, 2008. Enfidha Airport is under construction (greenfield investment)
(3) We are awarded the tender on September 2, 2008 and we have not started operations yet.
(4) Based on number of flights for 9M08
(5) Revenues represent the proportional interest of these companies in TAV Airports (e.g. 50% of ATÜ revenues, 60% of TAV Georgia for whole period) (before eliminations)

Ownership Structure

Current Shareholder Structure



* 34,875,000 of the shares owned by Goldman Sachs that correspond to 14.4% of our issued and outstanding share capital have been provided by Tepe, Akfen Holding and Sera to Goldman Sachs as collateral and the title of those shares have been transferred to Goldman Sachs for this purpose. A pledge granted by Goldman Sachs in favour of Tepe, Akfen Holding and Sera exists on those shares. As a result, the voting rights, right of receiving dividends, pre-emption rights for participating in cash share capital increase in connection with those (except for acquiring gratis shares under any share capital increase) belong to Tepe, Akfen Holding and Sera.

** 3,017,688 shares (1.25% stake) held by Meinel Airports International ("MAI") is shown among floating shares, hence MAI owns 10.1% of our share capital

Founding shareholders

1. Tepe – Turkish integrated conglomerate focused on infrastructure and construction
2. Akfen – holding company operating in the construction, tourism, foreign trade, insurance and natural gas sector
3. Sera Yapi Endustrisi – family of Dr. Sani Sener, CEO of TAV Airports

Other shareholders

4. Goldman Sachs International *
5. Meinel Airports International **
6. Babcock & Brown – infrastructure fund
7. IDB Infrastructure fund – Bahrain based private investment vehicle affiliated with the Islamic Development Bank
8. Other Non-floated
9. Free Float (24.24%)
 - a) Global Investment House – a Kuwait based fund (4.87%)
 - b) Meinel Airports International ** (1.25%)
 - c) Other Free Float (18.13%)

Developments after the IPO

- **May 18, 2007** - A concession agreement for Tunisia Enfidha and Monastir airports is signed.
- **May 26, 2007** - TAV is granted the operation of the Batumi Int. Airport for 20 yrs. and the airport started operations
- **July 6, 2007** - The capital increase in TAV Esenboga and acquisition of the remaining 25% share of TAV Esenboga
- **July 30, 2007** – Acquisition of the remaining 5% share of TAV Izmir from Havas
- **August 31, 2007** - TAV is awarded the tender of Antalya-Gazipasa Airport, lease period of 25 yrs
- **November 19, 2007** – TAV increased its stake in Havas to 100% from 60%
- **January 1, 2008** – TAV started operating Monastir Airport
- **January 7, 2008** – Antalya-Gazipasa Airport concession agreement is signed.
- **March 10, 2008** – TAV Istanbul refinancing
- **April 25, 2008** – The project financing agreement is signed between TAV Tunisie and lenders
- **May 02, 2008** – TAV awarded for the second stage of Abu Dhabi Airport project tender
- **May 30, 2008** – TAV is awarded the prequalification for the tender in Macedonia
- **July 30, 2008** – TAV submitted a pq application for the tender of SJSC Riga International Airport
- **August 13, 2008** – TAV has been prequalified to bid for the tender of Pulkovo Airport
- **September 02, 2008** – TAV is awarded the tender for development of Macedonian airport infrastructure, covering reconstruction, renewal and operation of Skopje and Ohrid Airports and construction of a new cargo airport in Shtip
- **September 15, 2008** – TAV has submitted a non-binding preliminary offer for the tender held regarding the acquisition of the JSC Almaty International Airport, as a 50% partner, together with Goldman Sachs International.
- **September 24, 2008** – A concession agreement for Macedonia airports is signed.
- **October 31, 2008** – TAV increased its stake in TAV Georgia to 66% from 60%
- **November 04, 2008** – Ataturk Airport expansion project is signed between TAV Istanbul and DHMI

Traffic Performance

In the first nine months (January-September period)

Passenger:

- 27.6 million total passenger, 3% growth
**(10.9 million int'l passenger in
Istanbul Ataturk Airport, 6% growth)**
- Total int'l passenger traffic grew 5%
- 1% growth in domestic passenger traffic

Air Traffic Movement:

- 275 thousand ATM, 4% growth
- Int'l ATM grew 6%

TAV Passenger Figures (million pax)

Airports	2004	2005	2006	2007	Δ	9M07	9M08	Δ
Istanbul Ataturk	15.6	19.3	21.3	23.2	9%	17.6	18.0	2%
<i>Int'l</i>	10.2	11.8	12.2	13.6	12%	10.2	10.9	6%
<i>Dom.</i>	5.4	7.5	9.1	9.6	6%	7.4	7.1	-3%
Ankara Esenboga	3.3	3.8	4.5	4.9	9%	3.8	4.1	7%
<i>Int'l</i>	1.1	1.2	1.2	1.3	7%	1.1	1.0	-9%
<i>Dom.</i>	2.2	2.6	3.3	3.6	10%	2.7	3.1	13%
Izmir A.Mend. (int'l)	1.5	1.7	1.5	1.6	10%	1.3	1.4	6%
Monastir Airport	3.7	4.1	4.2	4.2	1%	3.5	3.5	1%
Georgia (inc. Batumi)	0.4	0.5	0.6	0.7	16%	0.5	0.6	29%
TAV Total	24.5	29.4	32.0	34.6	8%	26.7	27.6	3%
<i>Int'l</i>	16.9	19.3	19.6	21.4	9%	16.6	17.4	5%
<i>Dom.</i>	7.6	10.1	12.4	13.2	7%	10.1	10.2	1%

TAV Air Traffic Movements ('000)

Airports	2004	2005	2006	2007	Δ	9M07	9M08	Δ
Istanbul Ataturk	171.5	204.2	225.5	243.4	8%	182.8	191.5	5%
<i>Int'l</i>	112.3	123.4	130.5	142.5	9%	105.8	115.4	9%
<i>Dom.</i>	59.2	80.8	95.0	100.9	6%	77.0	76.1	-1%
Ankara Esenboga	33.9	39.8	47.4	50.1	6%	38.3	38.3	0%
<i>Int'l</i>	10.6	10.7	12.5	13.7	9%	10.6	9.5	-10%
<i>Dom.</i>	23.3	29.1	34.9	36.4	4%	27.7	28.8	4%
Izmir A.Mend. (int'l)	11.1	12.4	11.5	13.1	14%	10.5	10.7	2%
Monastir Airport	27.9	31.1	35.2	34.6	-2%	28.4	27.8	-2%
Georgia (inc. Batumi)	5.0	5.6	5.4	6.9	28%	5.0	6.4	29%
TAV Total	249.4	293.1	325.0	348.1	7%	265.0	274.7	4%
<i>Int'l</i>	166.9	183.2	194.5	209.9	8%	159.6	169.2	6%
<i>Dom.</i>	82.5	109.9	130.5	138.2	6%	105.3	105.5	0%

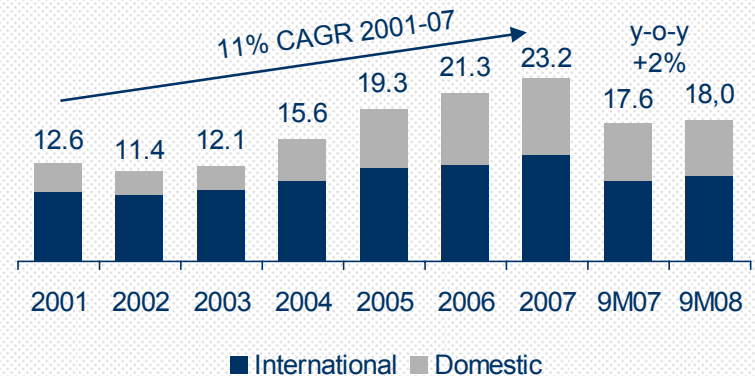
Source: Turkish State Airports Authority (DHMI), Georgian Civil Aviation Authority, TAV Tunisie

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Istanbul Atatürk Airport (100% owned)

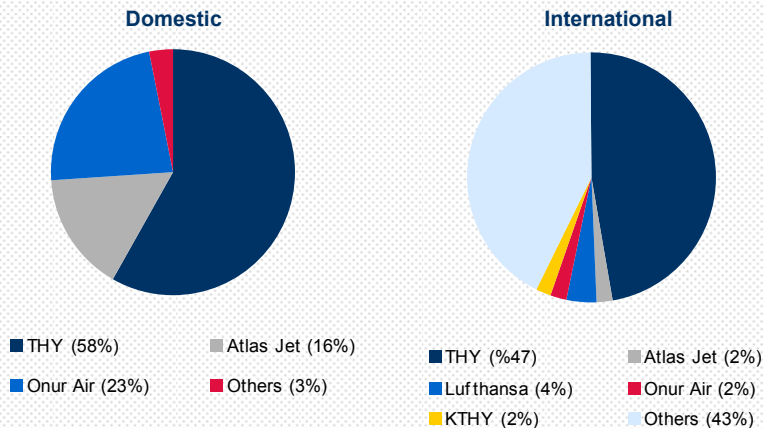
- Largest in the region
- Main hub and home base for Turkish Airlines
- Fastest growing airport in Europe
- 6% YoY int'l passenger volume growth in 9M08
- Revenue of €197 million in 9M08, up 9%
- €145 million EBITDAR in 9M08, implies 7% growth and 74% margin

Passenger traffic 2001-2008 (m)



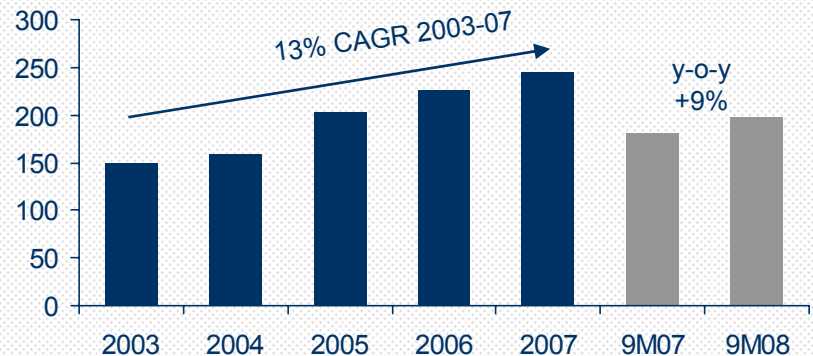
Source: DHMI, Terminal passenger figures exclude transit passengers

Passengers per airline (2007)



Source: DHMI

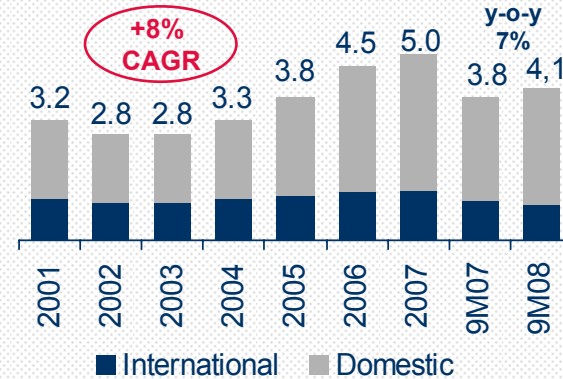
Revenue (€m)



Ankara Esenboga Airport (100% owned)

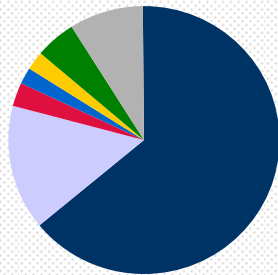
- Newest in the region
- Secondary hub of Turkish Airlines
- Operations commenced in October 16, 2006.
- With the new terminal and relieved capacity constraints, Ankara is expected to grow in the coming years

Passenger traffic 2001-2008 (m)



Source: DHMI

Passengers per airline (2007)



- THY (64%)
- Pegasus (15%)
- Lufthansa (3%)
- Onur Air (2%)
- KTHY (2%)
- Atlas Jet (5%)
- Others (9%)

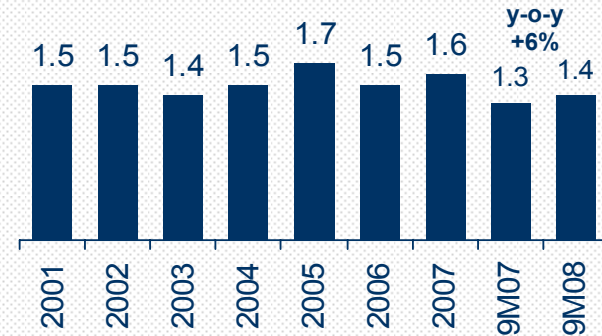
Source: DHMI



Izmir Adnan Menderes Airport (100% owned)

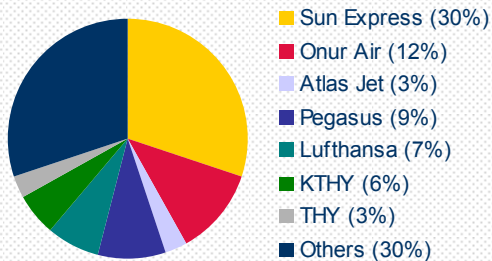
- Third largest city with the second biggest port in Turkey
- Major tourist destination
- Operations commenced in September 13, 2006.
- Diversified customer base
- Talks with Euro flag carriers to fly direct

Passenger traffic 2001-2008 (m) (*)



Source: DHMI
(*) International passengers only

Passengers per airline (2007)



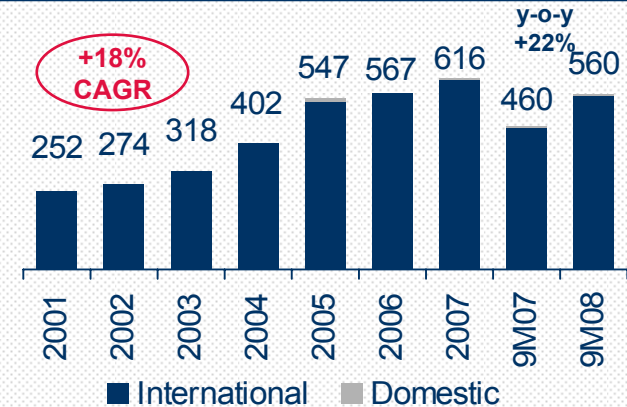
Source: DHMI



Tbilisi International Airport (66% owned)

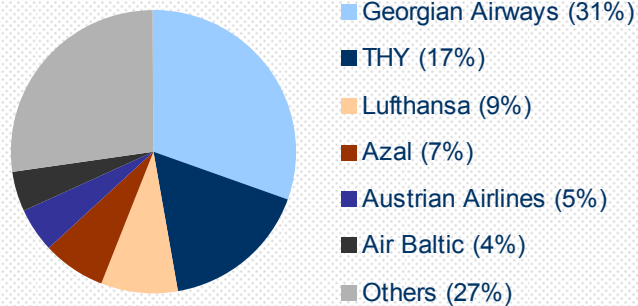
- Operations in new terminal commenced in February 7, 2007.
- Capturing 98% of all air traffic in Georgia
- Capital city of Georgia with promising business opportunities
- Capacity: 2.8 million passengers per year
- ATÜ and BTA started to operate in the new terminal

Passenger traffic 2001-2008 ('000)



Source: Georgian Civil Aviation Authority

Passengers per airline (1H08)



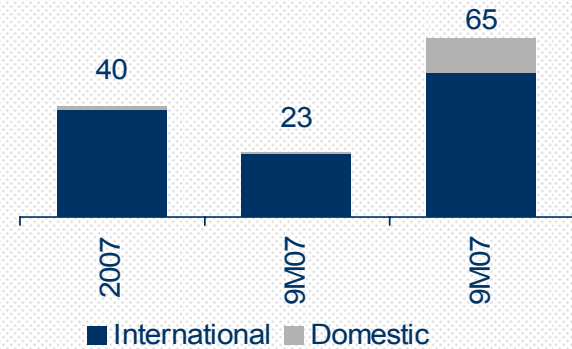
Source: Georgian Civil Aviation Authority



Batumi International Airport (60% owned)

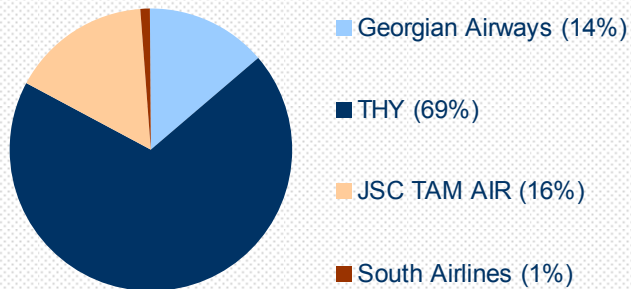
- Operations in the terminal commenced in May 26, 2007.
- Second biggest city of Georgia with strategic importance
- ATÜ and BTA started to operate in the terminal

Passenger traffic 2007-2008 ('000)



Source: Georgian Civil Aviation Authority

Passengers per airline (1Q08)



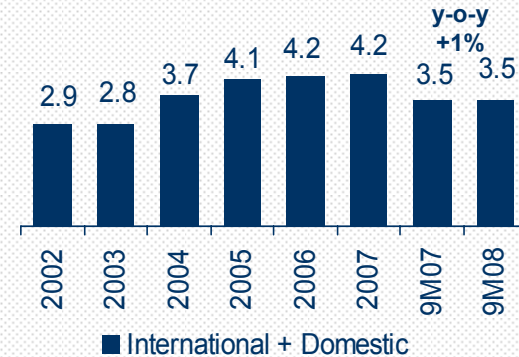
Source: Georgian Civil Aviation Authority



Monastir International Airport (100% owned)

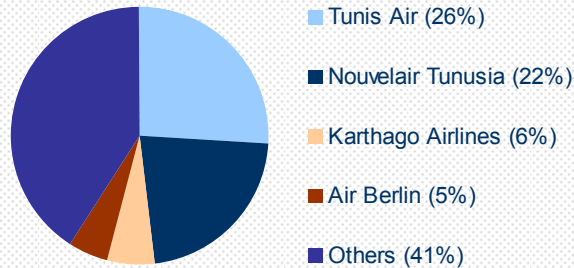
- TAV started to operate in January 1, 2008
- Tunisia have potential to be the hub of Africa in near future
- Capturing 39% of all air traffic in Tunisia, mainly tourists using charters
- 90% of travelers (6 million in 2007) visiting Tunisia preferred air transportation
- New terminal building construction in Enfidha will be completed by October 2009

Passenger traffic 2001-2008 (m)



Source: TAV Tunisie

Passengers per airline (1H08)



Source: TAV Tunisie



ATU Duty Free (50% owned)

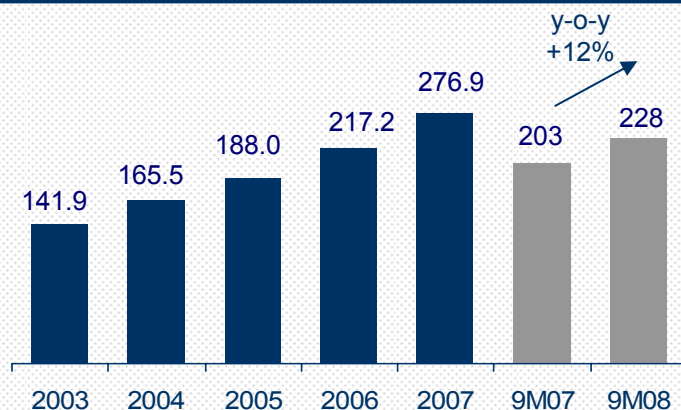
- ATU is the sole duty free operator at Istanbul Ataturk, Ankara, Izmir, Tbilisi and Batumi
- Competitive concession fee (~43%) paid to TAV for ATÜ-operated shops in Ataturk Airport
- Spending per pax increased from €14.4 in 9M07 to €15.0 in 9M08, mainly because of new layout of duty free area at Istanbul Ataturk Airport.
- Spending per pax increased to €13.2 (9M07: €11.1) in Ankara Esenboga
- ATÜ also pursues tenders outside TAV operations

Financial Data

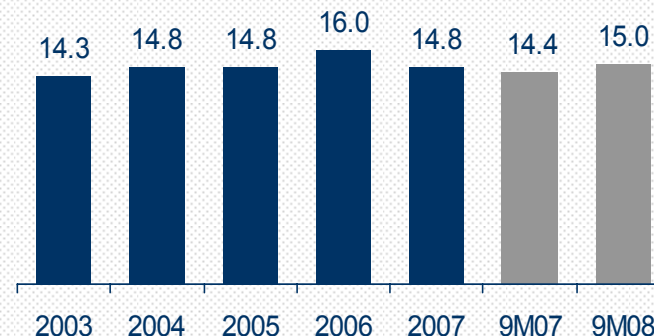
(€ m)	2006	2007	Δ	9M07	9M08	Δ
Total Revenues	217.2	276.9	27%	203.1	228.4	12%
EBITDA	7.6	17.6	132%	12.2	18.0	48%
EBITDA Margin	3.5%	6.4%	-	6.0%	7.9%	-
Spend per pax (€)	16.0	14.8	-7%	14.4	15.0	4%

Note: Figures imply 100% of ATU

Revenue (€m)



Spend per pax (€)*



* 2007 and 2008 duty-free spend per pax includes Istanbul, Ankara & Izmir; while previous periods indicate Istanbul only

BTA Catering Services (67% owned)

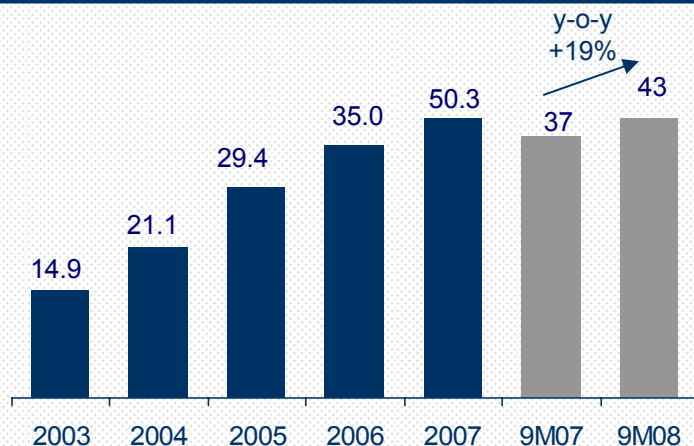
- BTA is the food and beverage operator at Istanbul Ataturk (Int'l), Ankara, Izmir, Tbilisi and Batumi
- Total revenue increased by 19% in 9M08, reflecting the increase in per pax spend and improvement of Cakes&Bakes operations.
- Concession fees: BTA pays c40% of its revenues to TAV
- Spend per pax increased from €1.7 in 9M07 to €1.9 in 9M08.
- BTA is in negotiations to provide in-flight catering operations within the local market

Financial Data

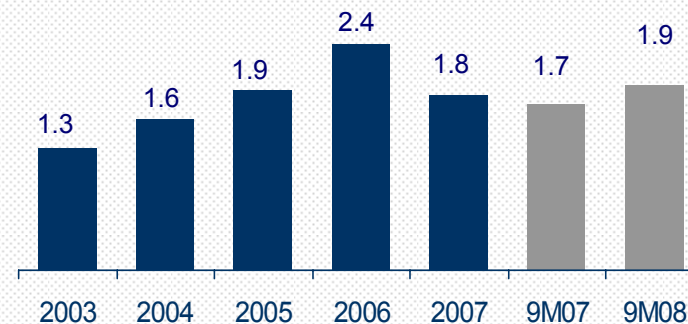
(€ m)	2006	2007	Δ	9M07	9M08	Δ
Total Revenues	35.0	50.3	44%	36.6	43.4	19%
EBITDA	3.0	-0.2	n.m.	2.8	2.4	-14%
EBITDA Margin	8.6%	n.m.	-	7.6%	5.5%	-
Spend per pax (€)	2.4	1.8	-25%	1.7	1.9	11%

Note: Figures imply 100% of BTA

Revenue (€m)



Spend per pax (€)*



* 2007 and 2008 food & beverage spend per pax includes Istanbul, Ankara & Izmir; while previous periods indicate Istanbul only

Havaş Ground Handling (100% owned)(*)

- Total revenue of Havaş increased by 13% in 9M08, with 16% YoY growth in ground handling revenues.
- Currently operating at 18 airports in Turkey
- Formed strategic partnership with Cyprus Turkish Airlines (KTHY) to undertake ground handling operations in Northern Cyprus (Ercan Airport)

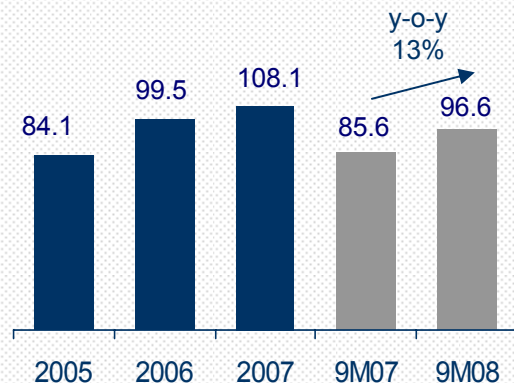
Financial Data

(€ m)	2006	2007	Δ	9M07	9M08	Δ
Total Revenues	99.5	108.1	9%	85.6	96.6	13%
EBITDA	11.1	20.3	83%	22.1	23.7	7%
EBITDA Margin	11.2%	18.7%	-	25.8%	24.5%	-
# Aircrafts handled ('000)	122.7	139.3	14%	108.3	121.8	13%

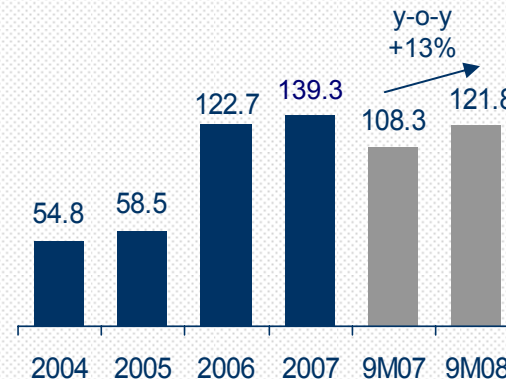
Note: Figures imply 100% of HAVAS

* TAV increased its stake in Havaş to 100% in Nov 2007.

Revenue (€m)



Aircrafts handled ('000)



- Other services income mainly contains incomes from maintenance, CIP lounge services, security services and software sales.

TAV O&M (100%), incorporated in 2004

- Commercial area allocations and maintenance
- CIP / VIP

TAV IT (97%), become a separate entity in 2005

- Airport IT services, software and hardware sales

TAV Security (67%), became a separate entity in 2006

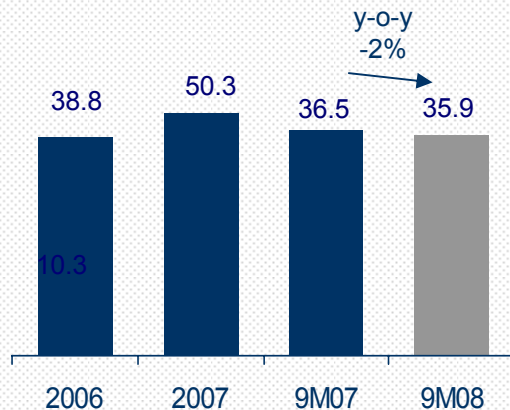
- Security service provider in Istanbul, Ankara and Izmir

Financial Data

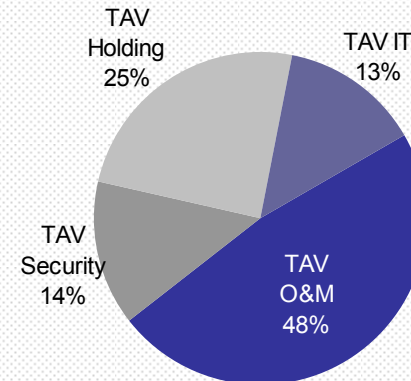
(€ m)	2006	2007	Δ	9M07	9M08	Δ
Total Revenues	38.8	50.3	30%	36.5	35.9	-2%
EBITDA	6.7	-6.6	n.m.	-0.9	-4.7	n.m.
EBITDA Margin	17.3%	n.m.	-	n.m.	n.m.	-

Note: All periods include TAV Holding, TAV O&M, TAV IT and TAV Security

Revenue (€m)



Revenue Breakdown (9M08)



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Operational Performance

(in million €)*	9M2007	9M2008	Δ y-o-y
Revenues	357.9	457.1	28%
EBITDA	51.1	91.0	78%
EBITDA margin	14.3%	19.9%	-
EBITDAR	156.4	207.6	33%
EBITDAR margin	43.7%	45.4%	-
Net Income (Loss)	(19.1)	10.3	n.m.
Cash flow from operations	(19.5)	135.1	n.m.
Capex	42.4	155.7	267%
Free Cash Flow	(72.7)	(34.1)	n.m.
Shareholders' Equity	339.8	350.3	3%
Net Debt	620.8	758.2	22%
Average number of employees	9,473	11,224	18%

* Construction revenue and construction expenditure are excluded while computing the operational performance in the table.

- ▶ €10.3 million net profit for the first nine months period ended September 30, 2008.
- ▶ Cash flow from operating activities reached €135 million during the period, the highest level since 2006.

Continuing revenue growth:

- Consolidated revenue increased by 28% to €457 million in 9M08

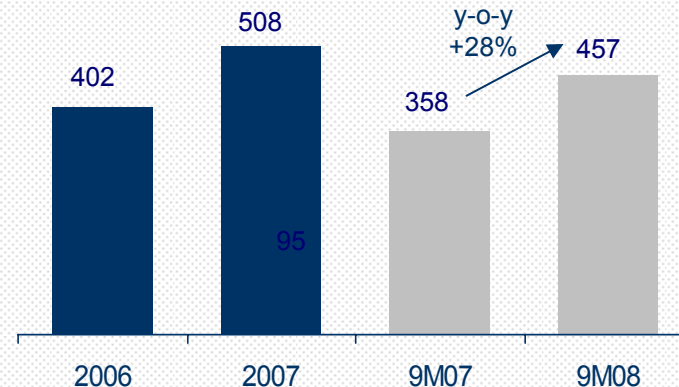
Improving operational performance:

- EBITDAR increased by 33% to €208 million, implying 45% margin

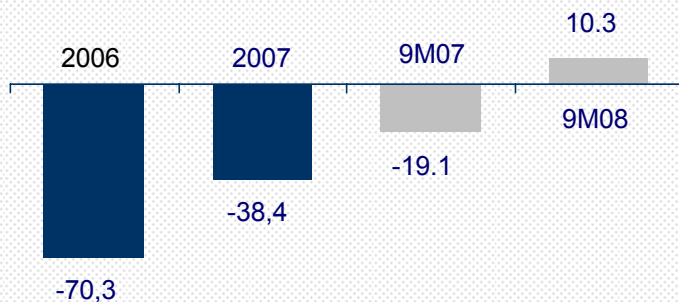
Swinging to a net profit:

- €10.3 million net profit in 9M08, compared to €19.1 million net loss in 9M07

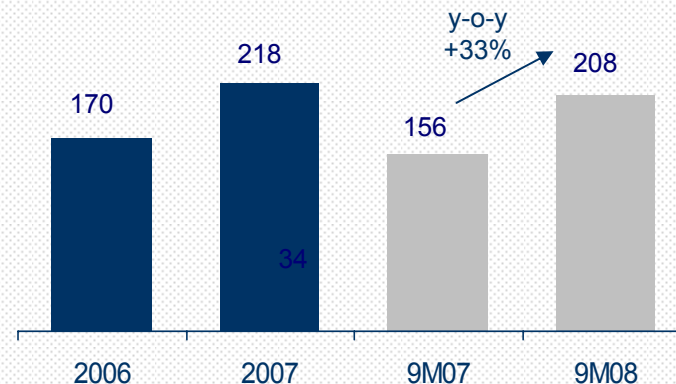
Consolidated Revenue (€m)



Net Income (Loss) (€m)



EBITDAR (€m)



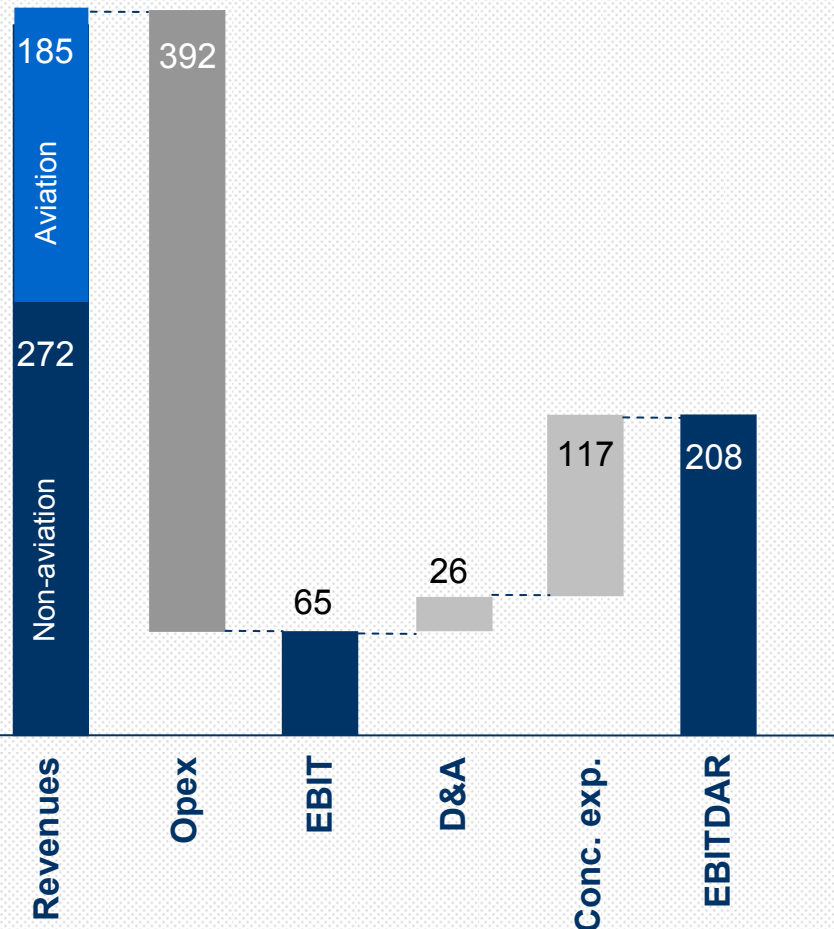
TAV Airports Revenues

(€ million)	2006	2007	9M07	9M08	Change
Airports	247	314	211	264	25%
Istanbul	227	244	181	197	9%
Others	19	70	30	67	125%
Services	244	313	226	290	28%
ATU (50%)	109	138	102	114	12%
BTA	35	50	37	43	19%
Havas (60%)(*)	61	74	51	97	88%
Others	39	50	37	36	-2%
Total	490	627	437	554	27%
Eliminations	-89	-119	-79	-97	
Consolidated	402	508	358	457	28%

- ▶ Total revenues increased by 28% to €457 million in 9M08.
- ▶ There is no historical financial information for Ankara, Izmir and Tbilisi (only passenger data) for 2006– in 2007 the volumes at these airports were approximately 31% of Istanbul's volumes
- ▶ Services commenced operations at the new airports in the last months of 2006 → **2007 was the first full year of operations at Ankara, Izmir and new terminal of Tbilisi.**

(*) Fully consolidated for 4Q07 and 9M08 while 60% proportionally consolidated before

9M08 EBITDAR Build-up (€m)



- ▶ Total revenues increased by 28% to €457 million in 9M08
- ▶ Aviation operations (including ground handling), account for 40% of total operating income and non-aviation operations account for 60% of total operating income in 9M08.
- ▶ Operating expenses increased by 19% to €392 million in 9M08
- ▶ EBITDA: reached €91 million in 9M08, which was €51 million in 9M07.
- ▶ Concession rent expenses increased by 11% to €117 million in 9M08, due to the concession payment for Monastir Airport
- ▶ EBITDAR rose by 33% to €208 million in 9M08, implying 45% margin.

EBITDAR Profile

TAV Airports EBITDAR (*)

(€ million)	2006	2007	9M07	9M08	Change
Airports	151	200	136	175	29%
Istanbul	150	180	135	145	7%
Others	1	20	1	30	<i>n.m.</i>
Services	19	14	21	30	43%
ATU (50%)	4	9	6	9	48%
BTA	3	0	3	2	-14%
Havas (60%)(**)	5	12	13	24	78%
Others	7	-7	-1	-5	<i>n.m.</i>
Total	170	214	157	205	31%
Eliminations	0	4	-1	2	
Consolidated	170	218	156	208	33%

► EBITDAR rose by 33% to €208 million in 9M08, implying 45% margin.

► Istanbul has a good like-for-like EBITDAR track record

(*) EBITDAR figure for Istanbul includes concession rent expense

(**) Fully consolidated for 4Q07 and 9M08 while 60% proportionally consolidated before

9M08 Financial Summary

TAV Airports Consolidated– 9M08

(€ million)	Revenues	EBITDAR(*)	EBITDAR(*) Margin	Net Debt
Airports	264	175	66%	559
Istanbul	197	145	74%	263
Ankara	15	1	6%	116
Izmir	11	1	5%	68
Tbilisi (60%)	7	3	44%	20
Batumi	0	0	0%	0
Tunisie	33	25	77%	90
Gazipasa	0	0	-	2
Services	290	30	10%	199
ATU (50%)	114	9	8%	17
BTA	43	2	5%	-1
Havas (**)	97	24	24%	-12
Others	36	-5	-13%	194
Total	554	205	37%	758
Eliminations	-97	2		
Consolidated	457	208	45%	758

(*) EBITDAR figure is used for Istanbul

(**) Fully consolidated for 4Q07 and 9M08 while 60% proportionally consolidated before

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Traffic & passenger growth

- ▶ THY joined Star Alliance in April 2008 → expected to boost pax by 2 million

Commercial revenues

- ▶ ATÜ and BTA expected to increase revenues at new airports
- ▶ All international passengers eligible for duty free (departing and arriving)
- ▶ BTA – potential from in-flight catering operations within local market (2009)

New concessions

- ▶ 2007 was the first full year of operations at Ankara, Izmir and Tbilisi
- ▶ Recently won two concessions in Tunisia and one in Turkey (Gazipasa) and three airports in Macedonia
- ▶ Started operations in Batumi Airport in 2007 and Monastir Airport in Tunisia in 2008

Capex

- ▶ Minimal maintenance capex on existing concessions as all terminals are brand new

Appendix

Share Performance

Concession Overview

Historic Overview

IFRIC 12

Cash Flow Hedge Accounting

Consolidated Income Statement

Consolidated Balance Sheet

Consolidated Cash Flow Statement

Share Performance (as of November 12, 2008)

Closing Price

TRY 3.16 (US\$ 1.94) per share

Market Cap

US\$ 469 mn

Avg. Daily Volume

US\$ 3.3 mn (last 3 months)

Free Float

24.24%

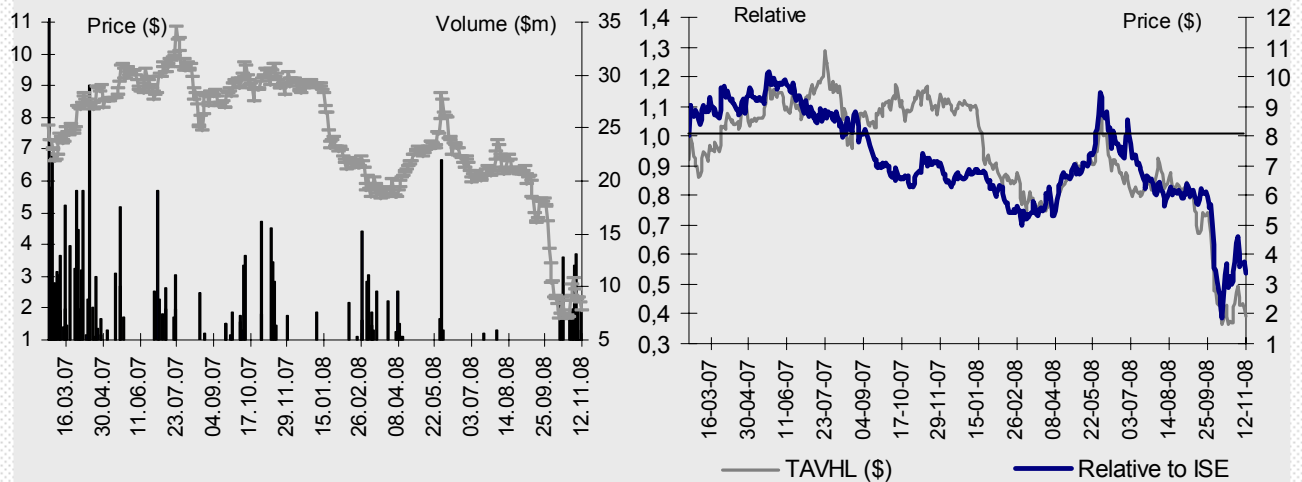
Foreign ownership

87.9% of free float

Share Price Performance

	YTL	USD	Relative to ISE-100
Weekly	-19%	-25%	-11%
1M	-5%	-17%	5%
3M	-58%	-69%	-32%
YTD	-70%	-79%	-37%
Since IPO	-68%	-73%	-46%

Market Performance



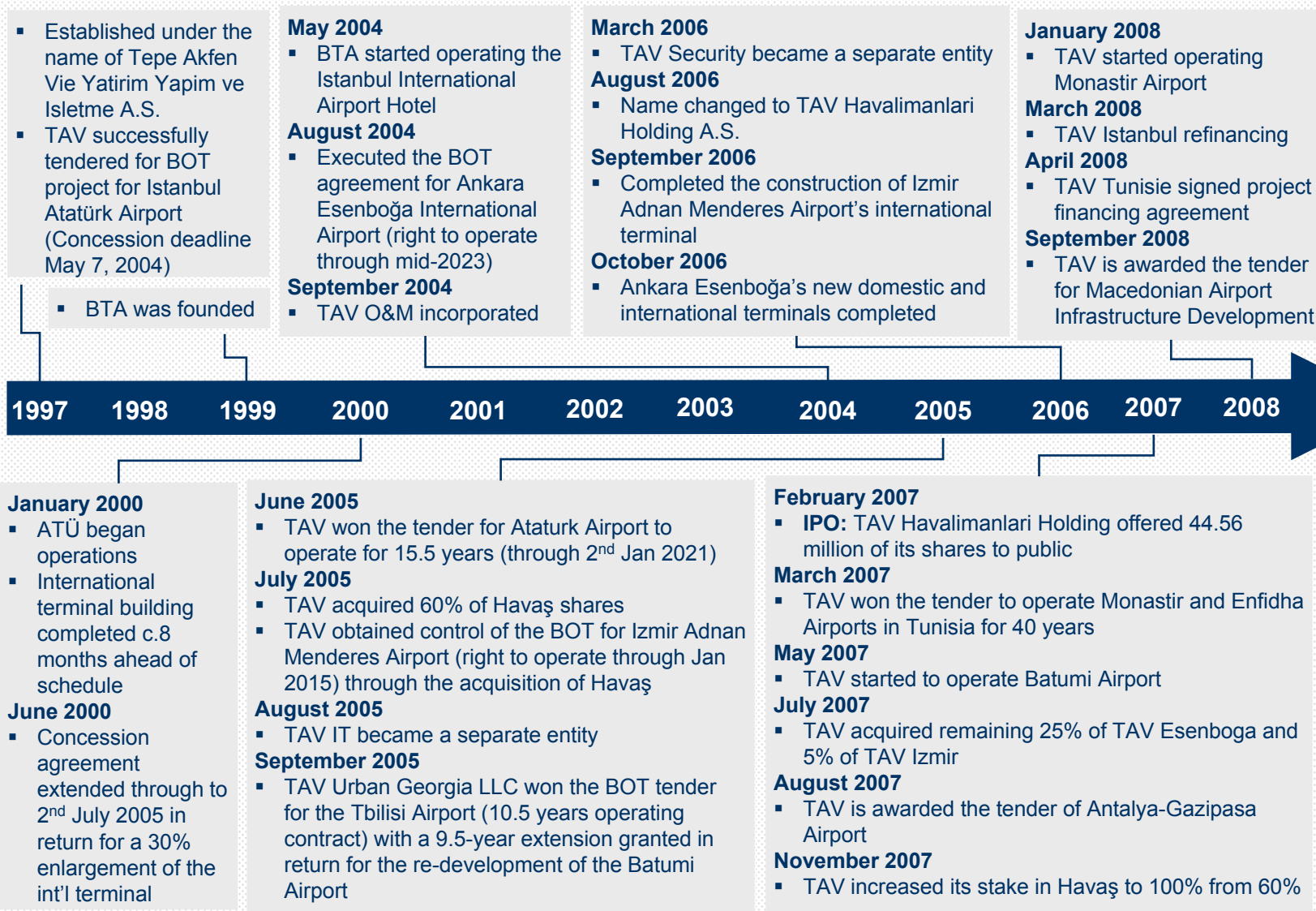
Notes: Share figures in this page was prepared as of 12 November 2008.

Concession Overview

Airport	Type / expire	TAV stake	Scope	2007 Pax (mppa)	Fee/pax Intern'l	Fee/pax domestic	Volume guarantee	Concession fee	Net Debt (*)
Istanbul Ataturk	Concession (2021)	100%	Intl + dom	23.2	US\$15	€3	No	\$165m/yr	€313m
Ankara Esenboga	BOT (2023)	100%	Intl + dom	4.96	€15	€3	0.6m Dom. 0.75 Int'l for 2007 + 5% p.a.	-	€120m
Izmir A Menderes	BOT (2015)	100%	Intl	1.60	€15	-	1.0m Int'l for 2006 + 3% p.a.	-	€75m
Tbilisi	BOT (2027)	60%	Intl + dom	0.62	US\$22 (+ 2% p.a.)	US\$6	No	-	€19m
Batumi	BOT (2027)	60%	Intl + dom	-	US\$12	US\$7	No	-	-
Monastir & Enfidha	BOT + concession (2047)	100%	Intl + dom	4.3	€8.25 in 2008 €9 in 2009	€8.25 in 2008 €9 in 2009	No	11-26% of revenues from 2010 to 2047	€14m

(*) As of 30 June 2008

Historic Overview



- IFRIC 12 is a new application regarding to interpretation of most of existing standards in the IFRS for example, IAS 11-Construction Contracts, IAS 16-Property Plant and equipment, IAS 17-Leases, IAS 36-Impairment of Assets and IAS 38-Intangible Assets.
- IFRIC 12 Service Concession Arrangements was developed by the International Financial Reporting Interpretations Committee. Effective date of the application is 1 January 2008.
- TAV Airports adopted IFRIC 12 in the consolidated financial statements for the first time as of 31 March 2008 retrospectively.
- IFRIC 12 affects P&L in terms of the decrease in aviation income (for the guaranteed passenger fees) and depreciation expenses while the increase in financial income in accordance with such interpretation. “BOT assets” are classified as “airport operation right” and “trade receivable” in the consolidated financial statements.
- It means the operator (TAV Airports) should account these investments as cost and book construction revenue (if a mark-up on costs) on its financials instead of investments according to the completion of infrastructure throughout the construction periods. Mark-up rates for TAV İzmir, TAV Esenboğa, TAV Tbilisi and TAV Tunisia, which are in the application of IFRIC 12 are assessed by the management as 0%, 0%, 15% and 5% during the application periods, respectively.
- The remaining discounted guaranteed passenger fee to be received from DHMİ according to the agreements made for the operations of Ankara Esenboğa Airport and İzmir Adnan Menderes Airport is represented as guaranteed passenger fee receivable in the balance sheet as a result of IFRIC 12 application.

The effect of adoption of IFRIC 12

Balance Sheet (Assets)

Airport operation right	→	Added
Trade receivables	→	Increase
Build-operate-transfer ("BOT") Investment	→	Removed



Income Statement

Construction revenue	→	Added
Construction expenditure (-)	→	Added
Aviation income	→	Decrease (guaranteed pax fees)
Discount interest income	→	Added
Depreciation and amortisation expense (-)	→	Decrease

- Subsidiaries, TAV İstanbul, TAV Esenboğa and TAV İzmir 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.
- 100%, 100%, 80% and 100% of floating bank loans for TAV İstanbul, TAV Tunisia, TAV İzmir and TAV Esenboğa, respectively are fixed with financial derivatives.
- 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 effective. To the extent that the hedge is ineffective, changes in fair value are recognized in profit or loss.

Sensitivity Analysis

- A 10% strengthening of the Euro against other currencies (assuming that other currencies are constant) at 30 September 2008 would have positive effect amounting to approximately €3.2 million on profit or loss statement when ignoring the effect of derivative financial instruments.
- Based on the Group's current borrowing profile, a 50 basis points increase in Euribor or Libor would have resulted in additional annual interest expense of approximately €4.3 million on the Group's variable rate debt when ignoring effect of derivative financial instruments. €2.5 million of the exposure is hedged through IRS contracts. Therefore, the net exposure on income statement would be €1.8 million.

Consolidated Income Statement

(€ million)	9M08	3Q08	9M07	3Q07
Construction revenue	170,561,286	61,775,170	21,214,800	5,112,122
Operating revenue	437,117,816	175,260,318	342,098,592	130,202,569
Other operating income	19,936,183	7,261,962	15,849,318	7,177,673
Construction expenditure	(162,439,320)	(58,833,495)	(21,820,001)	(5,331,512)
Cost of catering inventory sold	(9,717,329)	(3,691,923)	(7,774,327)	(2,898,691)
Cost of duty free inventory sold	(45,708,068)	(16,803,611)	(41,759,427)	(15,234,607)
Cost of services rendered	(27,902,282)	(12,258,986)	(14,396,631)	(7,222,438)
Personnel expenses	(110,783,078)	(39,173,986)	(75,995,546)	(27,319,121)
Concession rent expenses	(116,600,677)	(41,236,512)	(105,302,461)	(35,486,543)
Depreciation and amortisation expense	(25,743,229)	(8,844,318)	(22,761,613)	(7,701,577)
Other operating expenses	(55,336,091)	(21,313,186)	(61,613,967)	(18,853,119)
Operating profit	73,385,211	42,141,433	27,738,737	22,444,756
Finance income	11,726,153	4,118,891	12,565,400	4,373,208
Finance expenses	(68,225,828)	(17,970,247)	(64,377,041)	(35,675,197)
Net finance expense	(56,499,675)	(13,851,356)	(51,811,641)	(31,301,989)
Profit / (loss) before income tax	16,885,536	28,350,077	(24,072,904)	(8,857,233)
Income tax (expense) / benefit	(6,552,447)	(1,103,495)	4,958,063	2,340,221
Profit / (loss) for the period	10,333,089	27,246,582	(19,114,841)	(6,517,012)
Attributable to:				
Equity holders of the Group	9,855,259	27,030,262	(20,008,836)	(7,616,254)
Minority interest	477,830	216,320	893,995	1,099,242
Profit / (loss) for the period	10,333,089	27,246,582	(19,114,841)	(6,517,012)
Weighted average number of shares outstanding	240,717,076	240,717,076	238,958,333	238,958,333
Income / (loss) per share – basic	0.04	0.11	(0.08)	(0.03)

Consolidated Balance Sheet

(€ million)	30 September 2008	31 December 2007
ASSETS		
Property and equipment	68,422,701	66,145,596
Intangible assets	30,684,773	30,395,636
Airport operation right	444,513,602	295,835,595
Other investments	24,238	1,235,348
Goodwill	131,564,539	131,564,539
Prepaid concession expenses, non-current portion	151,239,126	154,155,439
Non-current trade receivables	162,087,945	179,431,221
Other non-current assets	5,827,998	24,788,452
Deferred tax assets	20,201,132	21,157,808
Total non-current assets	1,014,566,054	904,709,634
Inventories	12,224,925	9,309,476
Prepaid concession expenses, current portion	133,215,353	140,797,438
Trade receivables	76,162,609	49,883,346
Due from related parties	20,058,578	4,194,406
Derivative financial instruments	14,115,612	-
Other receivables and current assets	43,287,581	43,579,331
Cash and cash equivalents	36,150,212	64,652,433
Restricted bank balances	248,746,207	257,520,816
Investments held for trading	-	248,683
Total current assets	583,961,077	570,185,929
TOTAL ASSETS	1,598,527,131	1,474,895,563

Consolidated Balance Sheet

(€ million)

EQUITY

	30 September 2008	31 December 2007
Share capital	104,910,267	104,910,267
Share premium	220,182,481	220,182,481
Legal reserves	15,062,069	10,559,039
Revaluation surplus	2,751,334	3,007,539
Purchase of shares of entities under common control	40,063,860	40,063,860
Cash flow hedge reserve	14,498,343	-
Translation reserves	3,795,414	343,039
Accumulated losses	(50,994,192)	(56,584,597)
Total equity attributable to equity holders of the Company	350,269,576	322,481,628
Minority interest	14,924,637	14,986,680
Total Equity	365,194,213	337,468,308

Consolidated Balance Sheet

(€ million)	30 September 2008	31 December 2007
LIABILITIES		
Loans and borrowings	822,332,311	763,812,573
Reserve for employee severance indemnity	6,344,653	4,884,107
Deferred income	18,544,318	19,068,150
Other long term liabilities	763,611	-
Deferred tax liabilities	4,696,010	4,581,203
Total non-current liabilities	852,680,903	792,346,033
Bank overdraft	1,317,694	1,970,698
Loans and borrowings	219,429,286	234,768,093
Trade payables	27,302,346	22,007,749
Due to related parties	81,403,681	28,790,208
Derivative financial instruments	-	17,144,780
Current tax liabilities	5,116,055	1,487,698
Other payables	34,698,705	18,014,081
Provisions	4,193,433	11,533,560
Deferred income	7,190,815	9,364,355
Total current liabilities	380,652,015	345,081,222
Total Liabilities	1,233,332,918	1,137,427,255
TOTAL EQUITY AND LIABILITIES	1,598,527,131	1,474,895,563

Consolidated Cash Flow Statement

(€ million)	9M08	9M07
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) for the period	10,333,089	(19,114,841)
Adjustments to reconcile net profit / (loss) to net cash provided by operating activities:		
Amortisation of airport operation right	14,202,350	14,098,946
Depreciation of property and equipment	8,776,160	6,775,910
Amortisation of intangible assets	2,764,719	1,886,757
Amortisation of concession asset	116,600,677	105,302,461
Non-recoverable VAT related to concession payments	-	7,927,980
Provision / (reversal of provision) for employment termination benefits	2,467,123	(815,634)
Provision / (reversal of provision) for doubtful receivables	229,794	(205,101)
Provisions set	608,688	-
Discount on receivables and payables	136,401	400,096
Gain on sale of property and equipment	(384,924)	(273,063)
Unused vacation accrual	412,238	437,431
Reversal of provision for slow moving inventory	-	(202,654)
Unrealized foreign exchange differences on balance sheet items	(56,843,896)	(15,015,510)
Accrued interest income / (expense)	(624,051)	(1,333,050)
Interest expense on financial liabilities	49,691,352	45,079,206
Income tax expense / (benefit)	6,552,447	(4,958,063)
Marked to market valuation of derivative instruments	(16,117,150)	8,267,299
Cash flows from operating activities	138,805,017	148,258,170

Consolidated Cash Flow Statement

(€ million)	9M08	9M07
Change in trade receivables	(26,571,768)	(9,608,288)
Change in non-current trade receivables	17,343,274	12,907,301
Change in inventories	(2,915,449)	1,827,788
Change in due from related parties	(15,864,173)	1,890,594
Change in restricted bank balances	68,890,325	38,283,018
Change in other receivables and current assets	22,233,539	(3,117,604)
Change in trade payables	(5,685,254)	(30,237,031)
Change in due to related parties	52,613,473	(36,317,033)
Change in other payables and provisions	6,951,801	4,514,972
Change in other long term assets	37,459,376	-
Additions to prepaid concession expenses	(95,196,116)	(107,355,756)
Change in VAT portion of prepaid rent	(38,605,549)	(7,801,633)
Cash generated from operations	159,458,496	13,244,498
Income taxes paid	(2,497,506)	(2,719,181)
Interest paid	(21,061,502)	(29,545,712)
Retirement benefits paid	(798,336)	(495,419)
Net cash provided from / (used in) operating activities	135,101,152	(19,515,814)

Consolidated Cash Flow Statement

(€ million)	9M08	9M07
CASH FLOWS FROM INVESTING ACTIVITIES		
Net change in investments held for trading	248,683	(643,152)
Proceeds from sale of property and equipment	3,320,161	1,097,354
Acquisition of property and equipment	(11,007,190)	(9,801,077)
Additions to airport operation right	(155,745,118)	(42,410,701)
Acquisition of intangible assets	(2,430,588)	(923,211)
Net cash used in investing activities	(165,614,052)	(52,680,787)
CASH FLOWS FROM FINANCING ACTIVITIES		
New borrowings raised	758,553,258	253,672,836
Repayment of borrowings	(698,907,986)	(251,409,280)
Change in restricted bank balances	(60,115,716)	81,700,050
Change in revaluation surplus and translation reserves	3,196,170	-
Minority change	(62,043)	(369,959)
Purchase of shares under common control	-	(19,202,214)
Addition in finance lease liabilities	-	635,493
Increase in share premium	-	48,300,648
Increase of share capital	-	5,366,739
Net cash provided from financing activities	2,663,683	118,694,313
NET (DECREASE) / INCREASE FROM CASH AND CASH EQUIVALENTS	(27,849,217)	46,497,712
CASH AND CASH EQUIVALENTS AT 1 JANUARY	62,681,735	6,254,146
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	34,832,518	52,751,858

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Information in this presentation was prepared as of 12 November, 2008.