

Date: 01.06.2007

Subject: Announcement of results for the first quarter of 2007

TAV Airports Holding Inc. (ISE: TAVHL, "TAV") announced results for the first quarter ended March 31, 2007. The financial results in this announcement are unaudited, prepared in accordance with International Financial Reporting Standards ("IFRS") and expressed in Euro.

Highlights of the first quarter

- The number of passengers using airports operated by TAV increased by 15% to 6.2 million in 1Q07. Similarly, air traffic movements (ATM) grew by 12% to 67,872 during the same period, indicating a higher load factor.
- **1Q07 results are not directly comparable with the previous year.** Our results of operations for 1Q06 consist almost entirely of income and expenses generated from the operation of Istanbul Ataturk Airport, under the Lease Agreement. TAV Izmir began operations on September 13, 2006 and TAV Esenboğa on October 16, 2006. TAV Georgia has started to provide mainly passenger, ramp, check-in counter services and parking-apron-taxi services in New Tbilisi International Airport since 8 February 2007. Furthermore, TAV Security became a separate entity within TAV Airports Holding on March 2006 and started to be included in consolidation from the second quarter of 2006.
- Total operating income increased by 23% from €80.2 million in 1Q06 to €99.1 million in 1Q07. This increase primarily reflected increases in aviation income, catering services income and other operating income. The growth mainly stemmed from organic growth; i.e. higher passenger numbers at Istanbul Ataturk Airport, and inorganic growth; i.e. income from new terminals.
- EBITDAR (EBITDA before concession rent) increased by 40% from €27.1 million in 1Q06 to €37.8 million in 1Q07. EBITDAR margin improved by 4.4 percentage points to 38.2% in 1Q07, mainly because of the removal of one-off consultancy expenses.
- Similarly EBITDA (profit (loss) adjusted for income taxes, investment income, other gains and losses, finance costs, transaction gains and losses and depreciation & amortisation) amounted to €1.9 million in 1Q07, which was negative in 1Q06 (- €7.2 million).
- Net loss for 1Q07 was €22.4 million compared to €24.8 million in 1Q06. The net loss figure attributable to the equity holders of TAV Airports was €21.4 million in 1Q07, compared to €21.6 million in 1Q06; despite higher interest on loans, bank charges and other finance costs; employee benefit expense and depreciation & amortization expense of new airports. With the start of operations at the new airports, the BOT assets are straight line depreciated based on their useful lives during the term of the BOT agreement. However, the costs associated with the construction and financing of these airports were capitalised through their respective phases of construction.
- Net debt increased from €541 million in YE06 to €656 million at the end of March 2007, mainly due to the payment of the annual concession rent expense (US\$165 million), decrease in payables and bank loans, against the IPO proceeds.
- Average duty-free revenue per passenger decreased from €18.6 in 1Q06 to €16.9 in 1Q07, at Istanbul Atatürk Airport (duty free revenues divided by the sum of international and transit passengers), mainly due to the 48% surge in transit passengers. In the first quarter of this year, average duty-free revenue per passenger amounted €11.9 at Izmir Adnan Menderes Airport and €11.1 at Ankara Esenboğa Airport.

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Overview of the Quarter

- **Total operating income** increased by 23% from €80.2 million in 1Q06 to €99.1 million in 1Q07. This increase primarily reflected increases in aviation income, catering services income and other operating income.

Our income stream is hard currency, based primarily in Euro and U.S. dollars, with aviation operations (which includes ground handling), accounting for 33% of total operating income and non-aviation operations accounting for 67% of total operating income in 1Q07.

- **Aviation income** increased by 31% from €19.0 million in 1Q06 to €24.9 million in 1Q07, despite the depreciation of the US\$ against the Euro. This increase primarily reflects the higher passenger number at Istanbul Ataturk Airport, the inclusion of aviation income related to the domestic and international terminals at Esenboğa Airport (contributing €3.4 million) and the international terminal at Izmir Adnan Menderes Airport (contributing €1.6 million) for 1Q07. TAV Georgia contributed €0.9 million to our aviation income.
 - **Sales of duty free goods** increased by 17% to €27.8 million in 1Q07. This increase principally reflected an increase in international and transit passengers at Istanbul Ataturk Airport by 17% during the two periods. Average per passenger spend decreased from €18.6 in 1Q06 to €16.2 in 1Q07, on average, reflecting lower per passenger spend at Izmir Adnan Menderes and Ankara Esenboğa Airports, compared to the Istanbul Ataturk Airport.
 - **Ground handling income** increased by 15% from €7.0 million in 1Q06 to €8.1 million in 1Q07, mainly driven by the 12% growth in the number of air traffic movements at airports operated by TAV, during the same period.
 - **Concession fee-duty free** increased by 17% from €11.1 million in 1Q06 to €13.0 million in 1Q07, in line with the growth in duty free revenues. The concession fee payable by ATU to TAV Istanbul is approximately 43% of total operating income generated by ATU. The concession fee payable by ATU to TAV Esenboğa and TAV Izmir is approximately 40% of total operating income generated by ATU.
 - **Catering service income** increased by 32% from €5.7 million in 1Q06 to €7.5 million in 1Q07. The increase mainly reflects the inclusion of catering service income related to the new airports; i.e. increase in the total area allocated for catering services.
 - **Other operating income** increased by 31% from €13.6 million in 1Q06 to €17.9 million in 1Q07. The steep increase principally reflects an increase in income from car park operations, income from CIP lounge services, hardware and software sales income. Though the bus services income indicates a 24% drop during the two periods, the drop stemmed from the change in the recognition of bus services income. In 2006, TAV İşletme, wholly owned by TAV Airports, recognised bus service income by invoicing to Havaş. Starting from 2007, bus services income is recorded under Havaş, which is proportionally consolidated. If such operations had been recognised like in 2006, bus services income actually should have grown by 27% in 2007.
- **Operating expenses** increased by 22% from €89.3 million in 1Q06 to €108.9 million in 1Q07. This was primarily the result of increases in employee benefit expense and depreciation & amortization expense of new airports, against the removal of one-off consultancy expenses. With the start of operations at the new airports, the BOT assets are straight line depreciated based on their useful lives during the term of the BOT agreement. However, the costs associated with the construction and financing of these airports were capitalised through their respective phases of construction.
 - **Concession rent expenses** increased by 5% from €34.3 million to €35.9 million in 1Q07. Concession rent expenses principally consists of payments to DHMI under the terms of the Istanbul Ataturk Airport lease agreement and renovation of the domestic terminal. The amount reflects the amortization of the pre-paid concession expense and renovation investment.

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- **Cost of duty free inventory sold** was €10.2 million in 1Q06, representing 43% of sales of duty free goods, and increased by 12% to €11.5 million in 1Q07, and representing 41.3% of sales of duty free goods.
- **Cost of catering inventory sold** was €1.7 million in 1Q06 and increased by 43% to €2.4 million in 1Q07. This increase primarily reflects the costs associated with the increase in total area allocated to catering services in new airports.
- **Employee benefit expense** increased by 49% from €15.2 million in 1Q06 to €22.7 million in 1Q07. This increase principally reflected the increased number of employees (47% YoY) associated with new terminals and service companies.
- **Cost of services rendered** increased by 4% from €3.2 million in 1Q06 to €3.3 million in 1Q07. Cost of services rendered principally consists of the consolidated portion of BTA, TAV O&M and Havaş' operating expenses.
- **Depreciation and amortisation expense** increased from €1.8 million in 1Q06 to €11.7 million in 1Q07. Depreciation and amortisation expense in 1Q06 mainly related to Istanbul Ataturk Airport and Havaş. Depreciation and amortization of the Izmir Airport BOT investment began upon the opening of the international terminal on September 13, 2006 and amounted €4.9 million in 1Q07. Similarly, Ankara Esenboğa Airport BOT investment began on October 16, 2006 and the amount of depreciation and amortization expense was €3.8 million.
- **Other operating expenses** decreased by 6% from €22.9 million in 1Q06 to €21.4 million in 1Q07. The decrease was principally driven by the removal of management consultancy expenses relating to old holding company structure (one-off expenses amounted €5.1 million in 1Q06). Furthermore, maintenance expenditures declined in 1Q07, with the finalisation of the refurbishment works at Ataturk Airport's domestic terminal. The 1Q07 operating expenses include IPO expenses amounting approximately €3.3 million, which is one-off.
- **Operating loss** amounted €9.8 million in 1Q07, which was €9 million in 1Q06, mainly for the reasons described above.
- **EBITDA**, which we define as profit (loss) adjusted for income taxes, investment income, other gains and losses, finance costs, transaction gains and losses and depreciation & amortisation, amounted to €1.9 million in 1Q07, which was minus €7.2 million in 1Q06, because of the reasons highlighted above.
- **EBITDAR**, which we define as EBITDA before concession rent, increased by 40% from €27.1 million in 1Q06 to €37.8 million in 1Q07.
- **Finance costs** increased by 60% from €11.3 million in 1Q06 to €18.0 million in 1Q07, which was principally driven by the finance costs coming from Izmir, Esenboğa and Georgia BOT investments, which were been capitalised until the commencement of operations.
- **Transaction gain (loss)** reflects the impact of exchange gains and losses on our US\$ denominated and New Turkish Lira denominated monetary assets and liabilities. The change from a transaction loss of €0.4 million in 1Q06 to €0.9 million in 1Q07, was due to the depreciation of both the US\$ and the New Turkish Lira against the Euro between these periods.
- **Income tax benefit (expense)** consists of deferred tax and corporate taxes. In 1Q06, income tax expense was €8.4 million as compared to €3.6 million income tax benefit in 1Q07. In 2006, we wrote off deferred tax assets related to unutilised investment incentives due to a change in tax regulations, which resulted in our not being able to use such tax incentives. We have deferred tax assets, primarily tax carry-forward losses, which may be used in the future.
- **Minority interest** reflects the allocation of profit / losses held by the minority interest. Minority interest consists of the 25% of TAV Esenboğa and 33.33% of BTA.
- **Net loss** for 1Q07 was €22.4 million as compared to €24.8 million in 1Q06. The net loss figure attributable to the equity holders of TAV Airports was €21.4 million in 1Q07, compared to €21.6 million in 1Q06.

TAV AIRPORTS HOLDING – 1Q07 FINANCIAL SUMMARY

| (€million) | Revenues | EBITDA (*) | EBITDA(*) Margin | Net Debt |
|---------------------|-------------|-------------|---------------------|-------------|
| Airports | 64.8 | 37.7 | 58% | 660 |
| Istanbul | 53.4 | 37.0 | 69% | 439 |
| Ankara | 6.7 | 0.9 | 14% | 106 |
| Izmir | 3.2 | -0.3 | -8% | 89 |
| Georgia (60%) | 1.5 | 0.0 | 1% | 26 |
| Services | 58.7 | -0.2 | 0% | -4 |
| ATU (50%) | 28.4 | 1.3 | 4% | 16 |
| BTA | 10.2 | 0.1 | 1% | 0 |
| Havas (60%) | 10.0 | -0.5 | -5% | 0 |
| Others | 10.1 | -1.0 | -10% | -21 |
| Total | 123.5 | 37.6 | 30% | 656 |
| Eliminations | -24.4 | 0.3 | | |
| Consolidated | 99.1 | 37.8 | 38% | 656 |

* EBITDAR for TAV Istanbul

| (€million) | TAV Airports Revenues | | | | |
|---------------------|-----------------------|------------|-------------|-------------|------------|
| | 2005 | 2006 | 1Q06 | 1Q07 | Change |
| Airports | 202 | 250 | 51.6 | 64.8 | 26% |
| Istanbul | 202 | 230 | 50.4 | 53.4 | 6% |
| Others | - | 20 | 1.3 | 11.4 | 811% |
| Services | 183 | 241 | 46.0 | 58.7 | 28% |
| ATU (50%) | 94 | 109 | 24.3 | 28.4 | 17% |
| BTA | 29 | 35 | 7.4 | 10.2 | 37% |
| Havas (60%) | 48 | 62 | 9.4 | 10.0 | 6% |
| Others | 11 | 35 | 4.9 | 10.1 | 105% |
| Total | 385 | 491 | 97.7 | 123.5 | 26% |
| Eliminations | -80 | -91 | -17.4 | -24.4 | |
| Consolidated | 305 | 400 | 80.2 | 99.1 | 23% |

| (€million) | TAV Airports EBITDAR | | | | |
|---------------------|----------------------|------------|-------------|-------------|------------|
| | 2005 | 2006 | 1Q06 | 1Q07 | Change |
| Airports | 139 | 147 | 26.6 | 37.7 | 42% |
| Istanbul | 139 | 146 | 26.2 | 37.0 | 41% |
| Others | - | 1 | 0.4 | 0.7 | 67% |
| Services | 7 | 21 | 0.3 | -0.2 | n.m. |
| ATU (50%) | 6 | 4 | 0.9 | 1.3 | 43% |
| BTA | -1 | 3 | 0.6 | 0.1 | -91% |
| Havas (60%) | 0 | 5 | -2.6 | -0.5 | n.m. |
| Others | 2 | 9 | 1.4 | -1.0 | n.m. |
| Total | 146 | 168 | 27.0 | 37.6 | 39% |
| Eliminations | 4 | 0 | 0.1 | 0.3 | |
| Consolidated | 149 | 168 | 27.1 | 37.8 | 40% |

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| TAV Airports Holding Selected Financials (Amounts expressed in Euro) | (Unaudited) | (Unaudited) |
|---|------------------------------|------------------------------|
| | 3 months period ended | 3 months period ended |
| | 31 March 2007 | 31 March 2006 |
| Operating income | 99,081,836 | 80,238,662 |
| Sales of duty free goods | 27,774,845 | 23,815,178 |
| Aviation income | 24,924,413 | 19,033,962 |
| Concession fee-duty free | 12,951,197 | 11,064,435 |
| Ground handling income | 8,117,477 | 7,033,099 |
| Catering services income | 7,456,516 | 5,651,932 |
| Other operating income | 17,857,388 | 13,640,056 |
| Operating expenses | -108,863,808 | -89,281,924 |
| Cost of catering inventory sold | -2,383,417 | -1,670,829 |
| Cost of duty free inventory sold | -11,477,366 | -10,240,527 |
| Cost of services rendered | -3,305,106 | -3,167,390 |
| Employee benefit expense | -22,685,602 | -15,183,230 |
| Concession rent expenses | -35,905,897 | -34,297,741 |
| Depreciation and amortization expense | -11,698,867 | -1,833,201 |
| Other operating expenses | -21,407,553 | -22,889,006 |
| Operating profit | -9,781,972 | -9,043,262 |
| Investment income | 2,685,398 | 4,074,616 |
| Other gains and losses | 64,034 | 286,506 |
| Finance costs (net) | -18,016,349 | -11,287,825 |
| Transaction gain/(loss) (net) | -890,355 | -393,567 |
| Profit/(loss) before tax | -25,939,244 | -16,363,532 |
| Income tax benefit /(expense) | 3,557,857 | -8,421,556 |
| Profit/(loss) for the period from continuing operations | -22,381,387 | -24,785,088 |
| Attributable to: | | |
| Equity holders of the parent | -21,421,177 | -21,621,923 |
| Minority interest | -960,210 | -3,163,165 |
| | -22,381,387 | -24,785,088 |
| Other Financial Data: | | |
| EBITDA | 1,916,895 | -7,210,061 |
| EBITDAR | 37,822,792 | 27,087,680 |
| Summary Cash Flow Data: | | |
| Net cash provided by (used in): | | |
| Operating activities | -32,391,651 | 2,633,080 |
| Investing activities | 30,834,706 | -77,868,001 |
| Financing activities | -1,240,092 | 73,618,700 |
| Summary Balance Sheet Data: | 31 March 2007 | 31 December 2006 |
| Cash and cash equivalents | 8,875,197 | 11,672,235 |
| Restricted bank balances | 165,434,911 | 318,106,441 |
| Total assets | 1,304,672,388 | 1,356,212,762 |
| Bank loans | 830,064,780 | 870,427,273 |
| Total liabilities | 949,979,568 | 1,022,572,475 |
| Total equity | 354,692,820 | 333,640,287 |
| Net debt | 655,754,672 | 540,648,597 |

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