Airport Public Private Partnerships

Case Study - TAV Airports Holding

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Public Private Partnerships
Public Private Partnerships

- Collaboration between the public and private sectors to deliver infrastructure and/or services
- Careful allocation of responsibilities and risks according to capacity and expertise of each party
- Allows governments to leverage their resources and to refocus efforts and investments on traditional public and social sectors - and to enhance regulatory oversight.
## Typical PPP Structures

<table>
<thead>
<tr>
<th>PPP Type</th>
<th>Key Objectives</th>
<th>Characteristics</th>
<th>Examples</th>
</tr>
</thead>
</table>
| Management Contracts | - Government owns asset  
                     - Know-how transfer  
                     - Performance-based fee | - Short term  
                     - No investment | - Supply or service contract  
                     - Maintenance contract  
                     - Operational management |
| Concessions       | - Existing asset  
                     - Shared commercial risk | - Limited investment  
                     - Short/medium term | - Lease or Aftermage |
| Turnkey           | - Commercial risk | - Major capital investment  
                     - Medium/long term | - BOT and variations |
| Divestiture       | - Sale of asset  
                     - Commercial risk | - Major capital investment  
                     - Long term  
                     - May include off-take | - Trade Sale  
                     - Private Finance Initiative  
                     - License sale |
Determinants of a Successful PPP

- Regulatory framework
- Transparency and quality of bid process
- Private sector scope and expertise
- Financial returns and bankability
- Partnership and sustainability
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TAV Airports Holding

- Established in 1999 - Istanbul international terminal BQG

- Ten years later, TAV is the largest airport developer and operator in the MENA, Caucus and former CIS regions

- By the end of this year, TAV will operate 11 airports in five countries - including first EU airport

- IPO in 2006 valued TAV at more than USD 2 billion
Founders

- Akfen Holdings: 16%
- Sera Yapı: 3%
- Goldman Sachs (Pre-IPO): 14%
- Babcock & Brown: 2%
- Other Non-Float: 8%
- Other Free Float: 19%
- Tepe İnşaat: 19%

Free Float

Global Investment Bank: 8%
International Finance Corporation (IFC)
European Bank for Reconstruction and Development (EBRD)
European Investment Bank (EIB)
African Development Bank (AfDB)
PROPARCO (France)
Goldman Sachs
Bayerische Hypo- und Vereinsbank (HVB)
Garanti Bank
Dexia
Deutsche Bank
WestLB
Vakıfbank
KfW
ABN AMRO Bank
Société Generale
TAV's Results

Million Passengers

<table>
<thead>
<tr>
<th>Year</th>
<th>Passengers</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>34.6</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>35.9</td>
<td>+4%</td>
</tr>
</tbody>
</table>

Million Euros

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues</th>
<th>EBITDAR</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>479</td>
<td>189</td>
<td>49</td>
</tr>
<tr>
<td>2008</td>
<td>598</td>
<td>267</td>
<td></td>
</tr>
</tbody>
</table>
Fully Integrated Business Model

Design and Construction
Construction (sister company)

Commercial Activities
ATU (Duty Free)
BTA (F&B)
Airport Hotel
Airline Lounges
City Bus Service
Advertisement
Travel Agency
Airport Parking

Operational Efficiency
Customer Focus
Commercial Focus
Quick Execution

Aviation Security

Airport IT Systems

Management & Operations
Airports
Havas (ground handling)
City Terminal
Facilities Management
Examples of TAV Airports
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