

Partnership Times

Austria
Germany
Hungary
Turkey

OCTOBER 2012

Dear Customers and Friends,

Celebi Ground Handling and Cargo is proud to be with you today on two continents, in five countries and at numerous airports worldwide.

We were able to achieve this great success due to your loyalty and partnership, and for this we would like to express our sincere gratitude and appreciation.

In this first issue of "Partnership Times Europe" our primary goal is to share with you our news and developments and to highlight our ongoing projects with the aim to enhance our communication throughout the global network.

Celebi Holding's Senior Management and CEOs of Turkey, Budapest, Frankfurt, Vienna, Delhi and Mumbai joined numerous prominent Ground Handling and Cargo Conferences such as IATA IGHC, GH International in Bangkok, Air Cargo Mumbai Fare, and Air Cargo Handling Conference in Paris and in Atlanta. The active participation

in these industry notable events allowed us to be in close contact with our customers and to engage in lively discussions about future potential, business growth and service excellence.

Our motto to go forward is to focus on new value added services, new customers, and continuous growth in a partnership oriented mode of communication. Celebi Hungary, in addition to providing full handling services, has expanded its range of services to provide ticketing, lounge and Platinum Services.

In Turkey, United Airlines commenced operations to Ataturk Airport in July with Celebi in both GH and Cargo, while several other new customers entrusted their services and/or extended their agreements with us.

In Budapest, long-term agreements were signed with both Ryanair and Air France/KLM cargo.

Celebi Ground Services Austria extended its ramp handling agreement with Tunis Air. In addition, it successfully started provision of ticketing services to AF/KLM and Alitalia, full handling to Air Arabia and OLT freighter, and also signed long-term agreements with Turkish Airlines, British Airways and Iberia.

In Mumbai, new customers proudly include Air China, Royal Jordanian, Iraqi Airways, Air France and Martinair freighter, while all current customers extended their agreements for the next 3 years.

In Delhi GH, new customers entered in our partnership, Iraqi Airways, Kenya Airways, Air France and KLM.

Celebi Delhi Cargo expanded its services with Domestic Cargo Handling in a dedicated to this purpose facility.

Major customers groups signed long term agreements with us for cargo in Delhi such as AF/KLM/Martinair group, Lufthansa and others.

In Frankfurt, our brand new state of the art cargo facility, the flexibility and customized services approach, results

to increase our portfolio, including today esteemed airline customers, such as FedEx Express, United Airlines, Turkish Airlines, Ethiopian Airlines, LAN/TAM and Bulgaria.

We are delighted to share some of these accomplishments with you and we hope this publication adds value to your business.

With my best personal regards,

Athina Kapeni

Global Sales & Marketing Director



Conferences and Recognitions

Celebi signs Red Carpet Protocol with Kuoni Travel India



Celebi was the proud sponsor of CAPA Conference in Istanbul in April; this industry exclusive event was a dialogue amongst airline CEOs, specifically addressing the challenges of bridging the gaps between low cost, full service, and hybrid airlines. Celebi's approach and effective interaction towards this trend, for the subject was duly presented.

Also aiming to further enhance collaboration between Turkey and India, Celebi hosted the TAAI Diamond Jubilee Congress, which welcomed over 600 Indian travel agents in Turkey.



In recent months, Celebi companies over the global network were honored with several awards for their efficiency and specialization. In India, Celebi Delhi Cargo was awarded as "The Best Cargo in India." Additionally, Celebi GH Delhi and Mumbai were licensed with the new ISO Certificates 18001:2007 and 14001:2004. Thereby, Celebi became the only Ground Handler in India to attain the globally recognized ISO Certification on Quality, Environmental, Occupational Health and Safety. Celebi GH Hungary was ISAGO certified and has achieved a market leadership position in both ground handling and cargo services.

Global Operations

Celebi Platinum Service in Vienna

Air France started a new flight from Vienna to Strasbourg via Air France Regional, a subsidiary of AF. On its first flight Celebi Austria proudly provided its Platinum Service to the VIP delegation, including Mr. Jean-Yves Grosse, regional Air France President & CEO.



Turkish Airlines Cargo in Vienna commenced operations with us on May 28th, 2012.



Kenya Airways and Iraqi Airways with our team in Delhi GH.



Air China and Royal Jordanian team photos in Mumbai.



TAM LAN's first flight with us in Frankfurt as of June 2012.



United Airlines' first flight to Turkey as of July 1st, 2012.





Air One, a subsidiary of Alitalia, started operations to Sabiha Gokcen, Istanbul's secondary airport on June 15th, 2012.



Ethiopian in Mumbai: Africa's first Dreamliner B 787 was successfully handled by CelebiNAS on August 25th, 2012.



Start up of domestic **Indigo** cargo operations in Delhi on September 19th, 2012.



AF KLM cargo in Budapest



Ethiopian Airlines – a new customer for Celebi Cargo GmbH in Frankfurt.



We are ready to celebrate our 55th Anniversary...

with our more than 13,000 experienced and well trained employees, and high quality services in:
warehousing, cargo handling, ramp handling, passenger services...



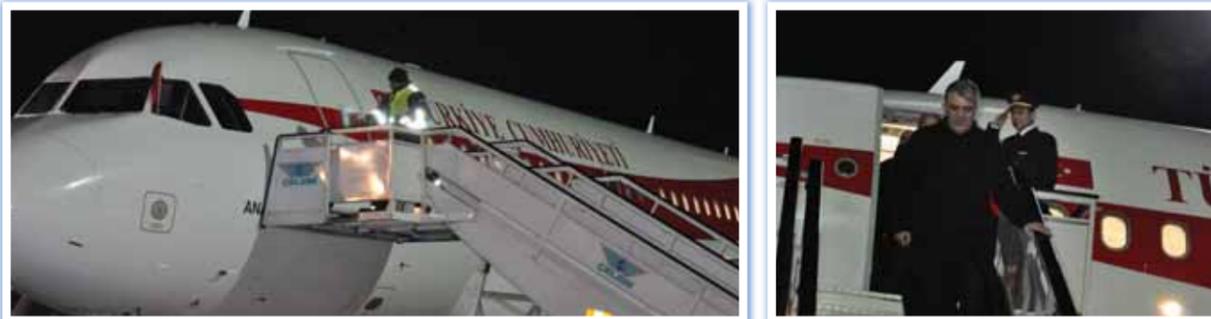
www.celebi.com

Football teams in Vienna

Fenerbahce Istanbul arrived to Austria for a training-camp. AS Roma was invited for a friendship match. The Turkish National Football team was welcomed for the last test-play against Austrian National Football team.



President Mr. Abdullah Gul in Vienna



Celebi Ground Services Austria was honored to welcome President Abdullah Gul for the second time. President Gul arrived to Vienna to participate in the "World Policy Conference" and Celebi provided full handling in the General Aviation Center.

Austrian Chancellor in Vienna



On the 26th of July, Celebi proudly provided VIP service to Austrian Federal Chancellor, Werner Faymann and his delegation on their way to the Olympic Games.

Hillary Clinton in Turkey

United States Secretary of State, Hillary Clinton arrived to Istanbul Ataturk Airport and was welcomed by Celebi on arrival.



Celebi proudly provided ground handling services to Emirates Airbus 380 during this year's AIREX show in Istanbul.



New Executive Facilities for General Aviation Services



Celebi Ground Handling Austria is proud to introduce its brand new VIP and crew lounge in General Aviation Center of Vienna Airport as of September 2012.

Celebi is now able to provide full scale General Aviation services including ramp and passenger handling. The services include the complete range of aircraft handling, passenger escort and transportation with our special VIP bus, crew assistance regarding all matters like customs and immigration, MET/Notams, and slot coordination. We are also able to provide coordination of all required additional services such as hotel reservations, catering orders, limousine/taxi reservations and everything else that passengers or crew might require.

Both aircraft crew and passengers can relax in the completely new, air conditioned lounge with TV and internet access, while enjoying complementary hot and cold beverages.



Our Customers' voice



"Your team is professional, friendly and service-minded. We see that Celebi is a high quality company which focuses on the needs of the customers and also wants to go that step further to enhance the highest quality levels."

Hakan Sener
Station Manager Frankfurt
Acciona Airport Services

South African Airways expresses its acknowledgement to CelebiNAS for its commitment, quality level of service, consistency in business approach and productive relationship with SAA in Mumbai.



Sunil Athilat
Station Manager
South African Airways (Mumbai)

Celebi Ground Handling Hungary provides full scope of Ground Handling and Cargo Services to Cargolux Airlines in Budapest Ferihegy Airport since April 2007 within the context of our requirements for quality, safety and security. We support the company's future expansion plans in the Ground Handling and Cargo Era at other airports, so as to enhance competition for the benefit of the airport users.

Anthony McNichol
Country Manager Hungary
Regional Manager CEE
Cargolux Airlines International S. A.



"Our partners are very happy with the cooperation and we look forward to expanding our products with you soon. Your focus on our company and also on the people involved has been excellent."



Georgi Iordanov
Manager Germany
Bulgaria Air



Partnership Times

Austria
Germany
Hungary
Turkey



"We have long and strong business relationship with Celebi going back to 1986 for PAX and 1991 for cargo at several stations in Turkey, Hungary (Budapest), and India (Mumbai and Delhi). We are happy with your high level service performance, innovative and customer happiness oriented approach with high quality notion."

Baris Erdem
Senior Procurement Manager
Lufthansa Cargo AG



"We would like to underline the professional approach of Celebi and the high quality technological product offering, which is important for us as a whole. Celebi is an extremely important player in the market and we most interested in seeing their continued further approach. They show flexibility and a real desire to go ahead of the market in a progressive way, which we find very healthy."

Willem van Roozendaal
Procurement Manager Europe
Air France/KLM



Your quality is one of the highest in our network. Our product is very demanding and we feel that Celebi is contributing very much to helping us reach all of our goals as United Airlines."



Joseph Sajonz
Manager Cargo
Operation FRAFF
United Airlines



Austrian Airlines would like to acknowledge Celebi Ground Handling Delhi for its flexible and customer oriented approach efficient management style, high quality of services and consistent efforts to improve the productive relationship with Austrian Airlines in Delhi.

Homi Debara
Area Station Manager
Austrian Airlines (Delhi GH)

Celebi has been providing us with cargo handling and full ground handling services at several stations in Turkey, India (Mumbai and Delhi), Hungary and Vienna. Their professionalism, talented and well educated staff and customer satisfaction approach, high tech investments along with high quality services are the main driving factors for our long standing strategic partnership."

Serdar Demir
Vice President Cargo
Turkish Airlines



Qatar Airways take this opportunity to thank all the staff of CelebiNAS for their professionalism, management for their support and all operations staff for their dedication.

Kaushik Deb
Airport Services Manager
Qatar Airways (Mumbai)



The Embassy of the State of Qatar, New Delhi, appreciates the services (Ground Handling the Private Amiri Flights) provided by your Company during the State visit of His Highness The Emir and accompanied delegation of the State of Qatar, from April 7th-10th, 2012.

Embassy of the State of Qatar
New Delhi
Delhi GH



Grand services...

...on ground services.



Celebi Ground Handling, with a half century of experience, gives exclusive service to more than 250 international airlines together with over 13500 employees. Celebi Ground Handling creates a difference in the sector with its service quality in the most important international airports in Turkey, Hungary (Budapest), India (Delhi-Mumbai) and Austria (Vienna). As a member of IATA, ABA, ACI and TIACA, and a founding member of AVIANCE, Celebi Ground Handling is committed to providing exceptional ground handling services.



Celebi is one of the leading companies in ground handling services in Turkey, Europe and Asia.

www.celebihandling.com



Megan Ramsay from “Cargo Airports & Services” talks with Çelebi’s president of cargo, Cemil Erman, about expansion, emerging markets, e-freight and economic recovery.

Strategically placed

Founded way back in 1958, Çelebi’s activities in the ground handling sector are long established, but since opening its first cargo warehouse at Istanbul’s Atatürk airport in 2003, the company has been striving to become similarly well known and respected in the cargo handling arena.

However, its president of cargo, Cemil Erman, says the company’s approach is to focus on “strategic locations” rather than expansion for expansion’s sake. “We don’t want to be everywhere because we believe that expertise is more important than just coverage,” he says. “We want to pick and choose strategic locations where there is at least the potential for good volumes.”

The first step in the expansion of Çelebi Cargo and Warehouse outside of its home market Turkey was the start of operations in Budapest in 2007; having rapidly grown its market share there, the company now handles about 92% of the gateway’s throughput, more or less controlling the whole Hungarian market.

“Next, we won a cargo concession tender in Delhi,” Erman continues.

“There were two tenders open but we chose to go for the brownfield one because it gave us immediate access to customers. Delhi sees about 650,000 tonnes of cargo and we handle about 500,000 tonnes. The greenfield complex has just been finished and started up recently.” Part of the project there involved modernising the facility, which was struggling with “huge” cargo volumes. Erman notes that India’s imports and exports are growing again after experiencing a small hiccup in the past few months and he says Çelebi is ready to take on higher volumes in the future. Back in Europe, the handler signed an agreement in early 2011 to take one of the last remaining cargo spaces within Frankfurt CargoCity Süd. The 20,000 sq metre facility is one of the largest warehouses in CargoCity Süd, with a capacity of around 220,000 tonnes. “We’re currently at around 60% capacity and we’re already the number three cargo handler in the third-party market in Frankfurt, after just a year and a half,” notes Erman proudly. The next stop is Vienna Airport, a key base for eastern European traffic.

“We recently bought Fraport’s ground handling operations in Vienna



“WE’RE CURRENTLY AT AROUND 60% CAPACITY AND WE’RE ALREADY THE NUMBER THREE CARGO HANDLER IN THE THIRD-PARTY MARKET IN FRANKFURT, AFTER JUST A YEAR AND A HALF.”

and we are in discussions with Vienna airport over a warehouse facility to begin with. This, together with Budapest, will be quite strategic as far as trucking and offline handling is concerned.”

Erman says Çelebi is also looking to expand its cargo handling activities into other major European hubs like Amsterdam, Brussels, London or Milan – and he believes there are possibilities for strategic partnerships with existing handlers. Beyond Europe, the company also has additional expansion plans, although these are under wraps for the moment. Back in Turkey, he says capacity at Istanbul Atatürk airport is limited for cargo handlers, and while there is a need for development, there is simply not the space, with much riding on the construction of the city’s third airport, which will be put out to tender in September. Airports that cater well to the needs of cargo handlers naturally tend to have high volumes, while other airports are often criticised for failing to provide for the needs of cargo, although Erman feels it is often unfair to compare airports directly in this simplistic way. “Sometimes there is the will but it is not possible to do what needs to be done due to space constraints and other factors,” he observes. Similar factors also contribute to the variation in terms of the drive for e-freight, he believes. While it is relatively easy to introduce paperless processes at a gateway like Frankfurt, Turkey presents a very different scenario, with relatively strict Customs regulations firmly entrenched.

He adds, wryly: “There must be a lot of challenges because everyone has been talking about these topics for the last 10 years and nothing much solid is in place yet. But we have to adapt because air freight has to be fast, efficient and speedy.” Meanwhile, there are broader problems to contend with. “Fuel prices are the biggest issue,” he says. “Air freight offers an advantage in terms of speed, but most cargo can be carried by cheaper alternatives. When prices go up, or in any crisis situation anywhere in the world, air cargo is affected more rapidly and recovers more slowly than passenger traffic. But then, in the last 10 years, cargo has grown at a higher rate than passenger traffic, so there is potential, depending on the fuel prices,” Erman considers.

The other major influence is, of course, the global economic climate. While recovery from the last crisis is taking a long time, Erman believes the future should be brighter than the last two or three years have been. He observes that individual markets perform differently under the

pressures of a financial crisis, with some achieving growth while others lose traffic. Nevertheless, he notes that in today’s business environment, markets are very much interconnected, so that if, for example, there is a slowdown in the Far East, then there will be consequences in Frankfurt.

In addition, emerging markets have their own particular challenges, the first being a lack of adequate infrastructure. Customs formalities can often pose problems too, while a third issue is that emerging markets are often affected faster and to a greater extent by economic crises. But in spite of these challenges, there are opportunities in these markets for bold companies. “You have to be a strategist and take risks where you see potential,” he says. “For example there are not many people setting up in India, but in the long run I think it will be an interesting market.” He says that while financial power is valuable for handlers to succeed, it is more important to have a viable project. “If your project is sound and you have a strong financial background, then it is not difficult to get the financial backing to expand into these markets. It’s not just about the money though: spreading yourself too thinly is dangerous.”

Ultimately, it comes back to the issue of quality.

“You have to be in control because cargo handling is a service industry, and you have to offer your customers high quality of service,” he insists. “It’s important to have consistent standards, no matter where you are operating. We want to grow, but in a sustainable way, maintaining the quality associated with our prestigious brand.”



Organizational Announcements

Mr. Koray Ozbay is assigned as a new **General Manager** in Celebi Ground Handling, as of October 9th, 2012.

Mr. Ozbay has vast commercial experience and expertise, having managerial roles in numerous multinational companies, such as Unilever Turkey and DHL Turkey.

His last appointment was Chief Operating Officer at Accor Group, responsible for the Pacific Region.



Mr. Talha Goksel is appointed as **Celebi Aviation Holding Board Member**.

He previously held the position of General Manager in Celebi Ground Handling since July 1st, 2010. In this new role, Mr. Goksel will be responsible for overseeing the Operational and Technical functions throughout Celebi's global network.



Mr. Eric Willems has been recently appointed as a **Commercial Director** in Celebi Ground Handling.

He is responsible for commercial activities in Turkey, for customers that are being served at 29 airports in Turkey.

He has over 13 years of aviation experience, covering both passenger and cargo sales & operations, having worked with renowned companies, such as Gulf Air, Qatar Airways as well as Delta Airlines.



The Celebi Commercial Team in communication with each and everyone of you, around the world:

HQ: Athina, Eric, Sanli, Bekir, Cenk, Eleonora, Sabina, Yasar, Meryem, Tugba, Senem, Gozdem, Zeynep, and Nazan.

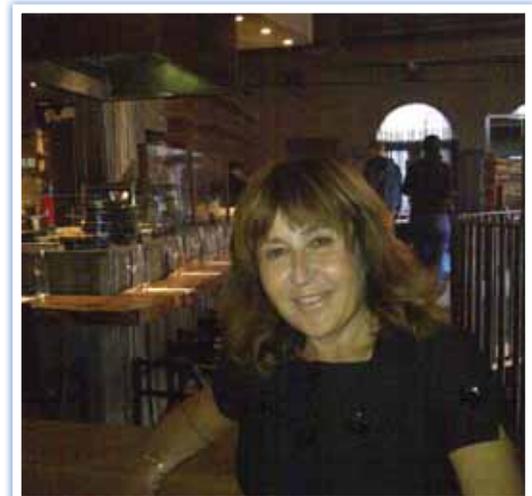
VIE & BUD: Balint, Angela, Kristian

FRA: Heath, Ishan

INDIA: Gizem, Manoj, Raja, Ankita, Selpa

We are always at your availability and open to receive your comments, ideas and feedback.

Expressing my gratitude and hoping for an everlasting healthy association with each one of you, I wish good luck and success to everyone.



Athina Kapeni
Global Sales & Marketing Director