

“ISTANBUL STRAIT ROAD CROSSING” PROJECT’S INITIATION OF WORK CEREMONY PRESS RELEASE

Travel time between Europe (Kazlıcesme) and Asia (Göztepe) to decrease to 15 minutes

- **Work at Istanbul Strait Crossing Project to be constructed between Cankurtaran coast (European side) and Haydarpaşa (Asian side) was initiated at a ceremony with participation of Prime Minister Recep Tayyip Erdoğan**
- **ATAS (Avrasya Tüneli İnşaat İşletme ve Yatırım A.Ş. – Eurasian Tunnel Construction Operation and Investment Inc.) established jointly by Yapi Merkezi as project leader from Turkey and SK E&C, Kukdong, Samwhan Corp. and Hanshin from Korea will undertake the construction of the Eurasian Tunnel.**
- **The company will be responsible for the tunnel’s operation and maintenance for 25 years, 11 months and 9 days and will transfer the premises to the public authority at the end of this period.**

Released on 26 February 2011, Istanbul. **Initiation of Work Ceremony of the Europe – Asia Link**, which will reduce the travel time between Kazlıcesme on the European side of Istanbul ile Göztepe on the city’s Asian side currently taking up to 100 minutes to around 15 minutes, was held at the Haydarpaşa Port with the participation of **Prime Minister Recep Tayyip Erdoğan** and **Minister of Transportation Binali Yıldırım**. At the ceremony, following the keynote speech by Prime Minister Recep Tayyip Erdoğan, the first cement on the construction site was poured on a fixed reference point, on which a commemorative plaque has been placed.

Located at about 1,8 kilometers south of the presently-constructed Marmaray’s Strait crossing, the project, which aims to offer an alternative and a fast road link across the Istanbul Strait, will support a more balanced and efficient inner-city traffic for Istanbul by sharing the traffic loads of the city’s two transcontinental bridges.

Build Operate and Transfer model: competitive international tender process

The Project will be completed in 55 months with an investment of approximately 1.1 billion USD. The Turkish-Korean Joint Venture has won the international **Build Operate Transfer** competitive tender by the Republic of Turkey Ministry of Transport General Directorate of Railways Harbors and Airports Construction (DLH) on 30 June 2011 and began its operations after officially registering the company name as Avrasya Tüneli İşletme İnşaat ve Yatırım A.Ş.

Istanbul will gain a safe, fast and environmentally friendly transportation infrastructure

The Project will create a direct link and a fast passage route between Asia and Europe. Economic and physical benefits such as reduced travel time and increased safety that the project offers will be complemented with reductions in fuel consumption, emissions of greenhouse and other gasses as well as noise pollution. Istanbul will have an environmentally

friendly transportation infrastructure that will not affect its natural beauty and silhouette, respectful of ecological balance and not harmful aquatic life.

The Project will be the most practical route between Ataturk Airport on the European side and Sabiha Gokcen Airport on the Asian side. The integration of the city's two airports brought about by the Project is expected to contribute significantly to Istanbul's position in international air transport.

The section under the seabed is 3.4 kilometers long

The Project comprises of the construction of a double-deck, 5.4-km long tunnel beneath the seabed of Istanbul Strait as well as widening of Kennedy Street on the European side and D100 Istanbul-Ankara State Road on the Asian side and improvement of connecting roads.

The Project route's total length is 14.6 kilometers, where the tunnel passes at minus 61 meters at the deepest point of the seabed and under 25 meters of overburden. The section beneath the seabed will be 3.3 kilometers long. In the Strait crossing section of the tunnel, TBM

Technical Data of the Project

- **Project's total length: 14.6 km**
 - **European side approach road: 5.4 km**
 - **Istanbul Strait crossing section: 5.4 km**
 - **Asian side approach road: 3.8 km**
- **TBM section's length: 3.4 km**
- **TBM excavation diameter: 13.7 metre**
- **Deepest seabed level: - 61metre**
- **Overburden at its lowest: 25 meters beneath seabed**
Lowest tunnel level: - 106,4 meters
- **Distance to Marmaray: 1.8 km to the south**
- **Project investment: apprx. USD 1.1 billion**
- **Construction period: 55 months**
- **Daily capacity: 120,000 vehicles in both directions**

(Tunnel Boring Machine) technology will be employed to bore through the rock strata beneath the seabed. The Project ranks 6th in the world with a TBM excavation diameter of 13.7 meters. The environmental and social impact of the Project is being assessed for the past two years with comprehensive studies. The design priority has been safety with a special emphasis on earthquake safety. The tunnel, designed to withstand tremors up to 7.5 degrees on Richter scale, will not be affected by tsunami waves, either.

Approach roads will be transferred to Istanbul Metropolitan Municipality when completed

As soon as the widening and improvement works of approach roads on both Asia and Europe, they will be handed over to the Istanbul Metropolitan Municipality, along with the connecting roads. Widening and improvement works will commence at Kazlicesme on the Florya-Sirkeci coastal road and Kennedy Street's current 6 lanes will be widened to 8 lanes. On the Asian side, the D100 State Road up to the Goztepe Junction will be widened to 8 lanes. In addition, the present junctions and crossings will be replaced by underpasses and new overpasses will be constructed for pedestrians.

“The project that embraces the continents, will carry today's best solution to the civilization of the future thanks to its long service life, superior qualities and respect for the heritage of the past.”

About the Partners of ATAS

The **Build Transfer Operate** model adopted at the Project has brought together the investment dynamism and project experience of the private sector, the support of international finance institutions and the guarantee of the public sector. As the company assigned to the Project, ATAS has been founded as a partnership of Turkish and foreign companies, each of whom is renowned for its expertise in large scale infrastructure and transportation projects. The partnership of companies with worldwide reputation includes Yapi Merkezi A.S. as the leader and SK-E&C, Kukdong, Samwhan Corp. and Hanshin.

Yapi Merkezi - www.ym.com.tr

Established in 1965, Yapi Merkezi Construction and Industry Inc. is a leading contractor in Turkey focusing on large scale general contracting works and especially the design and construction of mass transportation systems like the intra-city as well as inner city high speed rail projects. Yapi Merkezi Holding's portfolio is composed of construction (mass transit by road or rail systems, heavy construction, mass housing with prefabrication and post production GRP pipes up to 4-meter circumference) and services (schools, education).

Yapi Merkezi boasts significant experience in tunnels, bridges and railway construction having completed 1400 km of railways in 33 systems that currently provide safe transport for 1 million passengers daily. This figure will reach 3 million in 2012. Relevant projects include: Dubai Metro, Izmir Metro, Antalya and Istanbul Tramways, Istanbul LRTS, Eskisehir LRTS, Kayseri LRTS and Taksim-Kabatas Funicular Systems. The Engineering News Record, in its annual listing of the world's largest contracting companies has ranked Yapi Merkezi 135th in 2005, 124th in 2007, 127th in 2009 and 155th in 2010.

Among buildings with a total area of 39 million square meters engineered by Yapi Merkezi, Bosphorus Four Seasons Hotel, the restoration of Galata Tower, and the construction of Sisli Plaze high rise office-residential complex in Istanbul stand out. The Group's approximate revenue for 2008 was USD 600 million with exports' share of USD 540 million. With its headquarters in Istanbul, Yapi Merkezi currently employs around 5,000 persons. The company undertakes design and construction works abroad since 1980, especially in Algiers, Dubai, Morocco, Kuwait, Russia, Saudi Arabia and Sudan.

SK-E&C - www.skec.com

SK E&C is the construction and engineering arm of the SK Group, the 3rd largest business group in Korea and ranked 72nd in Fortune's Global 500 List of the world's largest corporations. SK Group has 77 member companies, 90 branch offices worldwide and employs 24000 persons. In 2008, SK Group posted USD 87 billion in assets and generated a sales volume of USD 83 billion. SK E&C carries out an extremely broad range activities including civil engineering projects (tunnels, railways and high speed railroads, motorways), architectural and building works (residential, office, recreational, shopping centers, airport terminals) and plant projects (refineries, oil and gas, power, petrochemical).

SK E&C has greatly contributed to the national development of Korea in the 20th century by building key railroad networks that include several kilometers of tunneling works. SK E&C has been active in construction and energy concession projects globally, i.e. Brasil, China, Ghana, Kuwait, Romania, Thailand, UAE and USA. The company is currently involved in three other concession projects abroad: a hydroelectric power plant in Laos, an LNG storage and thermal power plant as well as a hydroelectric power plant in the Phillipines.

Domestically, SK E&C is participating / has participated in the following PPP project: USD 1.5 bn Busan-Geoje Roadway including an immersed tunnel section, USD 110 m Yogma Tunnel, USD 1.9 bn Daegu-Busan Highway, USD 810 m Yongjin-Seoul Highway, and the USD 68 m Kimhae Water and

Sewage Facility. Development of and investment in PPP projects is a main strategic priority for SK E&C which can leverage on its substantial expertise in construction.

Kukdong - www.kukdong.co.kr

Kukdong Engineering & Construction Co. Ltd. is a Korean construction company operating in the fields of civic works (infrastructure, tunnels, subways, ports and dams) and building works (high-rise buildings, shopping malls, office and residential). The company's main shareholder is Woongling Holdings (63.51%). Relevant projects completed by Kukdong are: construction of road pavement from Yosu to Suncheon, construction of air conditioning for subway line / Seoul Metro, Daegu Subway Train Line No.2 and several bridge rehabilitation and building construction works in Los Angeles. Kukdong employs 497 persons. In 2008, Kukdong posted USD 456 million in revenues with profits before taxes of USD 42 million. Kukdong is part of the construction joint venture because of their advanced experience and know-how including state-of-the-art technology for the tunnel and road works.

Samwhan Corp. - www.samwhan.co.kr

Samwhan Corporation is a Korean construction company active in civil works (tunnels, subways and underground works, railways, roads, and bridges, ports and dredging), architectural works (office, residential and recreational) and plant works (power, sewage water treatment, oil and chemical). Relevant projects completed by Samwhan are: Seoul Metropolitan Subway Lot 7-23, Gwangang Grand Bridge, Seoul Beltway Construction Project Lot 6, National Highway Expansion and Pavement Project between Haksan and Youngdong and several other motorway and railway projects. In 2008, Samwhan posted USD 635 million in revenues and USD 8.3 million in net profit. Samwhan employs 1635 persons and is listed in the Korea Stock Exchange.

Hanshin - www.hanshin.co.kr

Hanshin Engineering & Construction Co. Ltd. is a Korean construction company that operates in civil engineering, M&E works and construction management services. The company's main shareholders are Koam C&C Development and approximately 40% is free float. Relevant projects completed by Hanshin are: Dangjin-Seocheon Sector construction on West Coast Expressway, construction of Jungkok Tunnel, construction of tunnel on Sannam-Seonghwa Sector. In 2008, the company posted USD 660 million in revenues and USD 14.5 million in net profits. As of today, Hanshing has a backlog order of USD 3.5 billion. Hanshin has 900 employees. Hanshin is listed in the Korea Stock Exchange and is part of the Korea Composite Price Index.

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