



OPERATIONAL PERFORMANCE REPORT

September 2014

Issue date: 24.10.2014

AKFEN HOLDING - RECENT DEVELOPMENTS & DATA

As of September 30, 2014; the price of Akfen Holding's corporate bond with the ISIN code *TRSAKFH11710* (maturity date January 9th, 2017 and issue amount TL140mn) was TL100.650 (dirty price). Total trading volume in September was TL1,704,805 and the yield as of 30 September 2014 corresponded to 9.58% +179bps spread. While the third coupon payment of the bond amounting to TL3,933,999.36 was made on October 13, 2014, the interest rate effective for the fourth coupon payment, which will be made on January 12, 2015, was announced as 3.14%.

As of September 16, 2014; the price of Akfen Holding's corporate bond with the ISIN code *TRSAKFH31718* (maturity date March 23th, 2017 and issue amount TL200mn) was TL100.200 (dirty price). Total trading volume in September was TL214,203 and the yield as of 16 September 2014 corresponded to 9.05% + 589bps spread. While the first coupon payment of the bond amounting to TL14,521,399.71 was made on September 25, 2014, the interest rate effective for the second coupon payment, which will be made on March 26, 2015, was announced as 6.2418%.

Our Company's Board decided to revise the change in the 6th Article (on "Capital") of our Company's Articles of Association, which was announced on 13.08.2014. The new revision in the above mentioned article incorporates the decrease of our Company's paid-in capital from TL 291 million to TL 261.9 million (a reduction of TL 29.1 million) via cancellation of our shares that our Company has acquired through a share buyback programme. The related revision in our Articles of Association will be submitted to the Capital Markets Board (CMB) and the Ministry of Customs and Trade and following their permission the issue will be submitted to the first General Assembly for approval.

The Central Registry Agency announced on 21.10.2014 the registration of 15,029,179 TAV Havalimanları Holding A.Ş. shares by our Company. This procedure was carried out in order to constitute financial collateral in favor of Akfen Holding. We do not have any intention to sell these shares.

BUSINESS LINES - OPERATIONAL PERFORMANCE & DEVELOPMENTS
1) Airports/Terminals: TAV Airports
Passenger Figures* (as of 30 September 2014)

	2014 LTM	2013	YTD Chg.	YoY Chg.	LTM Chg.
Ataturk Airport	55,342,909	51,320,875	10%	11%	10%
International	37,072,517	34,096,770	12%	13%	12%
Domestic	18,270,392	17,224,105	8%	6%	8%
Esenboga Airport	11,051,741	10,928,403	2%	-6%	6%
International	1,463,332	1,573,943	-9%	-3%	-9%
Domestic	9,588,409	9,354,460	3%	-6%	8%
Izmir Airport	10,684,570	10,208,627	6%	4%	7%
International	2,576,118	2,467,436	5%	3%	6%
Domestic	8,108,452	7,741,191	6%	5%	7%
Gazipaşa Airport	686,985	363,024	116%	137%	134%
International	401,203	242,949	80%	93%	93%
Domestic	285,782	120,075	202%	245%	235%
Milas-Bodrum Domestic Terminal***	1,973,022	1,738,937	17%	14%	16%
TAV Turkey Total	78,417,892	72,820,929	10%	12%	11%
International	41,513,170	38,381,098	11%	12%	11%
Domestic	36,904,722	34,439,831	9%	12%	11%
Medinah	5,610,441	4,669,181	26%	27%	17%
Monastir & Enfidha Airports	3,399,433	3,437,849	-1%	-13%	1%
Tbilisi & Batumi Airports	1,759,408	1,642,597	9%	-1%	10%
Macedonia (Skopje & Ohrid)	1,217,297	1,067,467	18%	18%	17%
Zagreb Airport	2,375,407	2,300,231	4%	7%	2%
TAV TOTAL**	92,269,734	83,638,023	14%	14%	13%
International	52,952,198	47,429,862	15%	15%	14%
Domestic	39,317,536	36,208,161	11%	14%	12%

* Both departing and arriving passengers, including transfer pax.

**2013 TAV totals do not include Milas-Bodrum and Zagreb Airport.

***TAV commenced its operation at Milas-Bodrum domestic terminal on July 15 2014. International terminal of Milas-Bodrum will be taken over by October 22, 2015.

Air Traffic Movements* (as of 30 September 2014)

	2014 LTM	2013	YTD Chg.	YoY Chg.	LTM Chg.
Ataturk Airport	415,294	387,965	9%	8%	10%
International	281,911	260,686	11%	9%	12%
Domestic	133,383	127,279	6%	7%	7%
Esenboga Airport	84,129	85,241	-2%	-9%	2%
International	12,064	13,133	-11%	-7%	-10%
Domestic	72,065	72,108	0%	-9%	5%
Izmir Airport	73,448	70,057	6%	6%	7%
International	18,231	17,215	7%	7%	11%
Domestic	55,217	52,842	6%	5%	6%
Gazipaşa Airport	4,891	2,577	113%	141%	127%
International	2,769	1,805	66%	79%	79%
Domestic	2,122	772	236%	293%	252%
Milas-Bodrum Domestic Terminal***	14,950	12,602	23%	20%	6%
TAV Turkey Total	582,716	545,840	9%	10%	10%
International	314,975	292,839	10%	8%	11%
Domestic	267,741	253,001	8%	13%	9%
Medinah	47,864	40,000	27%	26%	19%
Monastir+Enfidha Airports	27,250	30,077	-12%	-21%	-7%
Tbilisi + Batumi Airports	23,982	23,512	3%	-5%	3%
Macedonia (Skopje&Ohrid)	13,364	12,380	10%	14%	9%
Zagreb Airports	37,904	38,894	-3%	2%	-3%
TAV TOTAL**	724,174	651,809	15%	15%	14%
International	425,485	376,719	17%	15%	16%
Domestic	298,689	275,090	11%	16%	12%

* Commercial flights only

**2013 TAV totals do not include Milas-Bodrum and Zagreb Airport.

***TAV commenced its operation at Milas-Bodrum domestic terminal on July 15 2014. International terminal of Milas-Bodrum will be taken over by October 22, 2015

Abbreviations:

LTM: Last twelve months

YTD: Year-to-date (January – September 2014/January – September 2013)

YoY: Year-over-Year (September 2014/September 2013)

n.m. Not Meaningful

TAV Airports Holding's joint venture, ATU Duty Free, has been awarded the tender to operate the duty free shops at five Tunisian international airports comprising the capital city of Tunis-Carthage, Djerba-Zarzis, Sfax-Thyna, Tozeur-Nefta and Tabarka-Ain Draham. The operating period is 8 years and 2 months, starting from November 2014. The project covers the operation right of 5,406 square meters of duty free area in these airports, which in total, served 8 million passengers in 2013.

In our material event disclosure dated 15.09.2014, it was disclosed that TAV Airports Holding and Limak Yatırım Enerji Üretim İşletme Hizmetleri İnşaat A.Ş. and Limak İnşaat San ve Tic A.Ş. (the Sellers) had signed a share purchase agreement (SPA) regarding the sale of 40% of the shares of İstanbul Sabiha Gökçen Uluslararası Havalimanı Yatırım Yapım ve İşletme A.Ş. (ISG) and 40% of the shares of LGM Havalimanı İşletmeleri Ticaret ve Turizm A.Ş. (LGM), and had undertaken to sign a separate share purchase agreement regarding the sale of 19,6% of the shares of İstanbul Sabiha Gökçen Uluslararası Havalimanı Yer Hizmetleri A.Ş. (ISG Ground Handling) in the event that other shareholders did not exercise their below mentioned rights of first refusal, for the total transaction amount of maximum EUR 285 million. In this context, it was reported that the parties were expecting the decisions of Malaysia Airports MSC Sdn Bhd (MAMSC), one of the existing shareholders of ISG and LGM, and Malaysia Airports Holdings Berhad (MAHB), one of the existing shareholders of ISG, LGM, and ISG Ground Handling, regarding whether they shall exercise their rights of first refusal with respect to the transaction. However, in a material event disclosure dated October 23, 2014 to the relevant stock exchange, MAHB has declared its decision to exercise its right of first refusal. In the event that it is determined that the right of first refusal notice by MAHB has been duly served to the Sellers and that the relevant right of first refusal has been validly exercised, TAV Airports Holding shall not be a party to the transaction.

2) Airport Construction: TAV Construction

Ongoing Projects (as of 31 August 2014)

Project Name	Employer	TAV Construction's Share	Contract Value (US\$m)	Physical Completion as of 31.07.2014	Physical Completion as of 31.08.2014	Change (%)
Dubai-Marina 101	M/S SHEFFIELD HOLDINGS LIMITED	100%	207	71.0%	72.6%	1.6%
Libya-Tripoli	THE LIBYAN CIVIL AVIATION AUTHORITY	25%	2,103	36.9%	36.9%	-
Libya-Sebha	THE LIBYAN CIVIL AVIATION AUTHORITY	50%	229	7.0%	7.0%	-
Doha	GOVERNMENT OF THE STATE OF QATAR	35%	4,040	100.0%	100.0%	-
Doha International Airport Facility Management Works*	Government Of The State Of Qatar	70%	25	100.0%	100.0%	-
Oman MC1	SULTANATE OF OMAN MINISTRY OF TRANSPORT AND COMM.	50%	1,169	89.2%	89.4%	0.2%
Madinah International Airport	TIBAH JV	50%	959	88.9%	91.7%	2.8%
King Abdul Aziz International Airport	SAUDIA AEROSPACE ENGINEERING INDUSTRIES	40%	765	11.8%	12.5%	0.7%
Abu Dhabi Int. Airport Midfield Terminal Building Construction Works	ADAC	33%	2,952	23.3%	24.9%	1.6%
Riyad KKIA Terminal 5 Airport	General Authority Of Civil Aviation (Gaca)	50%	336	42.5%	47.7%	5.2%
Damac Towers	Damac Development	100%	289	10.4%	12.2%	1.8%
Emaar Square N1&N2 Structural Works	EMAAR	60%	61	30.8%	35.0%	4.2%
TOTAL			13,135			

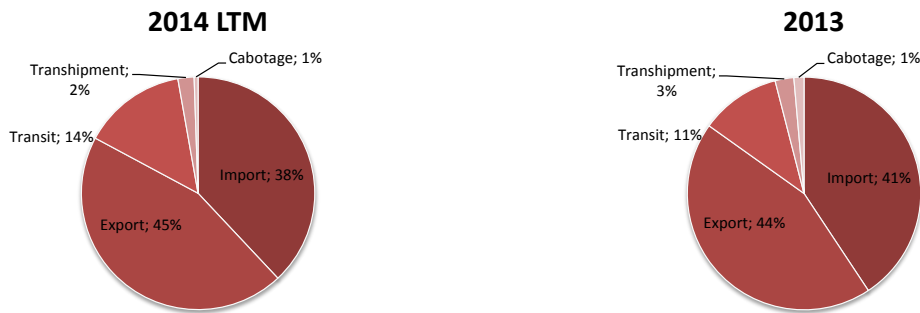
*This Project is not in the scope of the core business of Doha International Airport. It is added as Variation Order.

3) Port Operations: Mersin International Port (MIP)

Container & Conventional Cargo Statistics (as of 30 September 2014)

	2014 LTM	2013	YTD Chg.	YoY Chg.	LTM Chg.
Container Volumes (TEU)	1,488,696	1,378,800	11%	-5%	12%
Conventional Throughput (Ton)*	8,366,490	7,561,602	15%	15%	16%

* General Cargo – Dry Bulk – Liquid Bulk

Container Regime Breakdown


As of September 30, 2014; the price of MIP's corporate bond with the ISIN code XS0957598070 (Bloomberg Code: EJ778815) (maturity date August 12th, 2020 and issue amount USD450 mn) was USD105.291. The yield as of 30 September 2014 corresponded to 2.204% + 289 bps spread. (Source: Bloomberg)

4) Real Estate: Akfen REIT

(as of 30 September 2014)

Hotels	Room Number*	Occupancy Rate			Rev Par (EUR)**			Total Rev Par (EUR)***		
		2014 YTD	2014 LTM	2013	2014 YTD	2014 LTM	2013	2014 YTD	2014 LTM	2013
Zeytinburnu Ibis	228	79%	75%	78%	51	51	60	60	59	70
Zeytinburnu Novotel	208	77%	76%	80%	58	58	68	79	79	92
Eskisehir Ibis	108	77%	77%	79%	30	30	34	35	35	40
Trabzon Novotel	200	78%	74%	73%	63	56	50	88	81	77
Gaziantep Ibis	177	75%	75%	72%	25	25	26	30	31	32
Gaziantep Novotel	92	71%	71%	77%	38	39	43	61	61	68
Kayseri Ibis	160	58%	59%	56%	18	18	18	23	23	24
Kayseri Novotel	96	55%	55%	61%	24	24	29	36	36	44
Bursa Ibis	200	58%	58%	58%	22	22	25	25	26	30
Yaroslavl Ibis	177	56%	59%	69%	28	30	37	37	39	48
Samara Ibis	204	56%	58%	57%	29	30	31	41	43	44
Adana Ibis	165	59%	58%	51%	18	18	18	23	23	23
Esenyurt Ibis	156	57%	55%	52%	25	25	27	30	30	32
İzmir Ibis	140	74%	72%	62%	30	29	26	35	34	30
Kaliningrad Ibis	167	47%	43%	26%	21	19	13	28	25	16
Turkey Total	1,930	69%	68%	67%	35	35	38	46	45	49
Russia Total	548	53%	59%	58%	26	27	31	35	36	42
Grand Total	2,478	65%	65%	65%	33	33	36	43	43	48

* Mercure Hotel in Northern Cyprus with 299 rooms is not included

** Rev Par = Average Room Rate x Occupancy Rate

*** Total Rev Par = Rev Par + Other Revenues (food&beverage, seminar-congress, banquet revenues, etc.)

Russia & Turkey Projects' Physical Completion Status (as of 30 September 2014)
Russia Projects

City	Room Number	Type	Status	Completion (%)
Moskova	317	Ibis Hotel Moskova	Under construction	82%

Turkey Projects

City	Room Number	Type	Status	Completion (%)
Istanbul	200	Novotel Karakoy	Under construction	51%
Ankara	147	Ibis Hotel Esenboğa Ankara	Completed	100%
Istanbul	200	Ibis Otel Tuzla	Under Planning	-

In the period January–September 2014; average occupancy rate of Ibis & Novotel located in Turkey & Russia was 65%, down by 1% compared to the same period of the previous year. During the same period, Rev-Par and T-RevPar decreased 13% YoY.

Ibis Hotel Esenboğa, Ankara in portfolio of Akfen REIT, having 147 rooms, started its operations on 30 September 2014.

5) Water & Waste Water Utilities: Akfen Water

Invoiced Water & Treated Waste Water Volumes (m³)

	2014 LTM	2013	YTD Chg.	YoY Chg.	LTM Chg.
Akfen Su Gulluk (as of 31 August 2014)					
Invoiced Water Volume	515,961	539,789	-6%	23%	0.2%
Akfen Su Dilovasi (as of 30 September 2014)					
Treated Waste Water Volume	2,524,043	2,615,571	-5%	3%	-7%

As of end of August, Akfen Su Gulluk served 6,485 subscribers.

As of end of September, the number of operating factories in Dilovasi Organised Industrial Zone was 208.

6) Energy

6.1) Akfen HEPP

Operational HEPPs (as of 30 September 2014)

Company	HEPP	Installed Capacity (MW)	Generation Capacity (GWh/yr)	Commercial Operation Date (COD)	Realized Generation Output (GWh/yr) 2013	Realized Generation Output (GWh/yr) YTD
Beyobası	Otluca	47.7	224.0	April 2011	160.07	83.24
	Sirma	6.0	23.2	June 2009	20.83	12.31
	Sekiyaka II HES 1	2.3	12.3	January 2014	0.00	8.17
Çamlıca	Camlica III	27.6	104.5	April 2011	61.54	17.56
	Saracbendi	25.5	100.5	May 2011	75.55	19.02
Pak	Demirciler	8.4	34.5	August 2012	34.40	15.05
	Kavakcali	11.1	44.3	March 2013	21.43	26.26
	Gelinkaya	6.9	25.8	June 2013	2.23	5.30
BT Bordo	Yagmur	9.0	31.5	November 2012	20.20	13.96
Elen	Doğancay	30.2	171.7	August-September 2014	-	5.12
Yenidoruk	Doruk	28.3	75.5	September 2014	-	1.35
Total		203.0	847.8		396.26	207.35

HEPPs Under Construction

Company	HEPP	Installed Capacity (MW)	Generation Capacity (GWh/yr)	Civil Work Progress Ratio (%)
H.H.K. Enerji*	Çalıkobası	17.0	46.4	8.4%
Kurtal*	Çiçekli 1-II	6.7	21.9	-
Total		23.7	68.3	

* Preliminary works with regards to the construction is ongoing at Çiçekli 1-II HEPP. Construction of the access roads to the headpond at Çiçekli 1-II HEPP is currently continuing.

HEPPs at Planning Stage

Company	HEPP	Installed Capacity (MW)	Generation Capacity (GWh/yr)
Zeki	Catak ¹	10.0	42.5
Laleli	Laleli	101.6	256.7
Beyobası	Sekiyaka II HES 2	1.1	4.8
Total		112.7	304.0

(1) Following the decision that declares the land including the plant area as "protected area", a law suit demanding the cancellation of this decision was filed, which was settled with the decision of Rize Administrative Court (2010/487 Es, 2011/661 Kr) declaring that, the land within the zone of Catak HEPP project is not protected area. The decision was declared to us and the case is in the supreme court stage and Stay of Execution is currently in force. The administrative process regarding the report, which was prepared within the frame of protected area regulation to cancel the decision and to remove the mentioned area from the protected area, is still ongoing.

Annual generation capacities of the power plants have been revised in line with the amendments on the licenses due to the modifications in the projects necessitated from time to time and are shown in the tables above.

Elen Enerji Üretimi San. Ve Tic. A.Ş., which is a subsidiary of Akfenhes Yatırımları ve Enerji Üretim A.Ş., a subsidiary of Akfen Holding A.Ş., obtained provisional acceptance from the Ministry of Energy for one unit with 5.04 MW of DOĞANCAY HEPP 2 Project as well as DOĞANCAY HEPP 1 Project with 15.12 MW (on 29 August 2014 2 units of Doğançay HEPP 2 project, with 10.8 MW installed capacity, had become operational). These power plants, located in Sakarya, having a total annual generation capacity of 171.68 GWh, started generating electricity as of 12 September 2014 at midnight.

Yeni Doruk Enerji Elektrik Üretim A.Ş., which is a subsidiary of Akfenhes Yatırımları ve Enerji Üretim A.Ş., a subsidiary of Akfen Holding A.Ş., obtained provisional acceptance for the 28.28 MW (with an annual generation capacity of 75.50 GWh) DORUK HEPP Project from the Ministry of Energy. The power plant, located in Giresun, started generating electricity as of 19 September 2014 at midnight.

As of the reporting period, Akfen Holding continued to generate electricity through its 11 operating hydroelectric power plants, having a total installed capacity of 203.0 MW and a projected annual electricity generation capacity of 847.8 GWh, whereas the construction in 2 plants having a total installed capacity of 23.7 MW and a projected annual electricity generation capacity of 68.3 GWh is ongoing. Out of these 2 plants; whereas mobilization works have continued at Çalıkobası HEPP and preliminary construction works have continued at Çiçekli 1-II HEPP.

6.2) Akfen Energy

Application was made to Energy Market Regulatory Authority ("EMRA") for the increase of the current installed capacity of 570 MW on the license to 1,148.4 MW on 18 December 2012, eligibility of EMRA has been obtained. Environmental Impact Assessment ("EIA") Report prepared in regard to the capacity increase was reviewed, evaluated and accepted as final by the Ministry of Environment and Urbanization within the scope of EIA Regulation Article 12. After the completion of the EIA report process as of 13 January 2014 EMRA approved the increase of the installed capacity on the license.

The construction of transformer station was completed and provisional acceptance was fulfilled. The disassembly works on the site were completed. EPC contract process is currently ongoing. Upon selection of EPC Supplier and the completion of the EPC contract, limited notice to proceed will be issued to start preliminary construction works.

Application made to the Ministry of Environment and Urbanization for the EIA of the Project's 380 kV Mersin CCGT-Konya Eregli Transformation Station Energy Transmission Line was approved and the EIA process has been completed.

7) Construction: Akfen Construction

Ongoing Projects (as of 30 September 2014)

Project Name	Akfen Construction's Share	Contract Value (Euro)	Physical Completion as of 30.09.2014	Backlog (Euro)
Doruk HEPP (Engineering Works)	100%	11,745,014	100.0%	516,173
Dogancay HEPP (Engineering Works)	100%	28,958,083	100.0%	212,520
Calikobasi HEPP (Engineering Works)	100%	12,144,855	8.42%	11,122,167
Cicekli HEPP (Construction of Access Road)	100%	787,497	93.3%	Unit Price Contract*
AKFEN HEPP		53,635,449		11,850,860
Novotel Karaköy	100%	22,232,000	51.0%	14,170,743
Incek Loft	100%	136,310,327	15.7%	116,528,268
Isparta City Hospital	100%	162,365,903	0.00%	162,365,903
Hacettepe Student Dorm	64%	55,523,293	6.8%	51,622,568
TOTAL		430,066,972		356,538,342

* Contract values are revised on a monthly basis according to work completed.

Contract value of the projects can be revised in line with the occasional modifications in the projects, and these revisions are shown in the tables above.

8) Sea Transportation: IDO

Number of Passengers and Vehicles Transported

	2014 LTM	2013	YTD Chg.	YoY Chg.	LTM Chg.
Number of Passengers	47,559,667	50,527,752	-8%	-5%	-7%
Fast Ferry	6,897,745	6,337,335	11%	8%	11%
Sea Bus	6,382,240	7,520,151	-19%	-29%	-16%
Conventional Ferry*	34,279,682	36,670,266	-8%	-3%	-8%
Number of Vehicles	8,083,955	7,852,086	4%	3%	4%
Fast Ferry**	1,309,884	1,269,961	4%	3%	6%
Conventional Ferry	6,774,071	6,582,125	4%	3%	3%

* Number of passengers travelling with vehicles using Ekihisar-Topcular conventional ferry line are calculated through applying coefficients for each type of mode of transport as laid out in the following table :

Mode of Transport	Automobile	Minivan	Jeep/Pickup Truck /Minibus	Mid bus (21+)	Truck / 2 Axles Bus	3 Axles Bus, Tractor and Trailer	Over 4 axles vehicles	Motorcycles
In Vehicle Passenger Coefficient	3	3	6	9	26	26	2	1

** Vehicle transport numbers by Fast Ferry are measured in Car Equivalent Units ("CEU"). CEU is calculated through applying coefficients for each type of transport compared to a single car.

Mode of Transport	Motorcycles	Automobile	Disabekd Car	Minivan	Mini bus (12 pass.)	Jeep	Mini bus (19 pass.)	Mid bus	Pickup Truck 0-2000 kg	Pickup Truck 2001-2500 kg	Truck 2501-3500 kg	Bus	Towed Vehicles
Coefficient	0,25	1	1	1	1,25	1,25	1,5	2	1,5	2	2	5	1,5

Akfen Holding Investor Relations

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