



OPERATIONAL PERFORMANCE REPORT

December 2013

Issue date: 31.01.2014

AKFEN HOLDING - RECENT DEVELOPMENTS & DATA

As of December 24th, 2013; the price of Akfen Holding's corporate bond with the ISIN code TRSAKFHA1313 (maturity date December 24, 2013 and issue amount TL80 mn) was TL100.00 (dirty price). Total trading volume in December was TL 318,758. The bonds with a total nominal amount of TL80mn and a maturity of two years have matured and were redeemed as of 24 December 2013 and the eighth coupon amount totalling to TL 2,393,493.43 were paid.

As of December 31th, 2013; the price of Akfen Holding's corporate bond with the ISIN code TRSAKFH31411 (maturity date March 7th, 2014 and issue amount TL200mn) was TL100.400 (dirty price). Total trading volume in December was TL 4,195,262 and the yield as of 31th December 2013 corresponded to 7.82% +317bps spread.

Within the "Share Buyback Programme"; the total amount of the shares repurchased by Akfen Holding so far has reached 14,966,756 (average price TL4.32), which represents around 5.14% of the Company's paid-in capital. Together with the shares acquired by Akfen Construction during 27.11.2012-11.11.2013 the total stake in Akfen Holding amounts to 7.55%.

Separately, Akfen Holding purchased a total of 129,932 Akfen REIT shares during 30.12.2013-03.01.2014, following these transactions our stake in Akfen REIT rose to 56.88%.

The book building of our corporate bonds issue through a public offering was on 8-9 January 2014. The bonds have a maturity of 3 years and will be payable quarterly. The issue amount of the bond offering was TL140mn and the allocation to domestic individual investors was 15.84% and to domestic institutional investors amounted to 84.16%. Interest rate of the first coupon payment is 3.23%, annual compound interest rate of the first coupon payment amounts to 13.60% (simple interest rate: 12.92%).

BUSINESS LINES - OPERATIONAL PERFORMANCE & DEVELOPMENTS

1) Airports/Terminals: TAV Airports

Passenger Figures* (as of 31 December 2013)

	2013 LTM	2012	YTD Chg.	YoY Chg.	LTM Chg.
Ataturk Airport	51,320,875	45,091,962	14%	13%	14%
International	34,096,770	29,812,307	14%	16%	14%
Domestic	17,224,105	15,279,655	13%	8%	13%
Esenboga Airport	10,928,403	9,273,108	18%	22%	18%
International	1,573,943	1,593,737	-1%	-7%	-1%
Domestic	9,354,460	7,679,371	22%	26%	22%
Izmir Airport	10,208,627	9,355,902	9%	12%	9%
International	2,467,436	2,410,858	2%	15%	2%
Domestic	7,741,191	6,945,044	11%	12%	11%
Gazipasa Airport	363,024	79,740	n.m.	n.m.	n.m.
International	242,949	75,886	n.m.	n.m.	n.m.
Domestic	120,075	3,854	n.m.	n.m.	n.m.
TAV Turkey Total	72,820,929	63,720,972	14%	15%	14%
International	38,381,098	33,816,902	13%	15%	13%
Domestic	34,439,831	29,904,070	15%	14%	15%
Medinah	4,669,181	4,588,158	2%	57%	2%
Monastir+Enfidha Airports	3,437,849	3,321,244	4%	0%	4%
Tbilisi + Batumi Airports	1,642,597	1,387,946	18%	10%	18%
Macedonia (Skopje&Ohrid)	1,067,467	913,567	17%	-4%	17%
TAV TOTAL**	83,638,023	71,654,344	17%	16%	17%
International	47,429,862	40,871,220	16%	17%	16%
Domestic	36,208,161	30,783,124	18%	14%	18%

* Both departing and arriving passengers, including transfer pax.

** 2012 TAV totals do not include Medinah for first half the year and Gazipasa for the full year. 2011 TAV totals do not include Gazipasa, Medinah and Izmir domestic.

Air Traffic Movements* (as of 31 December 2013)

	2013 LTM	2012	YTD Chg.	YoY Chg.	LTM Chg.
Ataturk Airport	387,965	346,060	12%	11%	12%
International	260,686	231,293	13%	13%	13%
Domestic	127,279	114,767	11%	8%	11%
Esenboga Airport	85,241	74,860	14%	11%	14%
International	13,133	13,266	-1%	-14%	-1%
Domestic	72,108	61,594	17%	15%	17%
Izmir Airport	70,057	66,417	5%	10%	5%
International	17,215	17,078	1%	17%	1%
Domestic	52,842	49,339	7%	8%	7%
Gazipaşa Airport	2,577	578	n.m.	n.m.	n.m.
International	1,805	532	n.m.	n.m.	n.m.
Domestic	772	46	n.m.	n.m.	n.m.
TAV Turkey Total	545,840	487,337	12%	11%	12%
International	292,839	261,637	12%	12%	12%
Domestic	253,001	225,700	12%	10%	12%
Medinah	40,000	36,282	10%	44%	10%
Monastir+Enfidha Airports	30,077	27,350	10%	19%	10%
Tbilisi + Batumi Airports	23,512	23,598	0%	4%	0%
Macedonia (Skopje&Ohrid)	12,380	11,285	10%	-5%	10%
TAV TOTAL**	651,809	569,790	14%	12%	14%
International	376,719	330,935	14%	13%	14%
Domestic	275,090	238,855	15%	11%	15%

* Commercial flights only

** 2012 TAV totals do not include Medinah for first half the year and Gazipaşa for the full year. 2011 TAV totals do not include Gazipaşa, Medinah and Izmir domestic.

Abbreviations:

LTM: Last twelve months

YTD: Year-to-date (January-December 2013/January-December 2012)

YoY: Year-over-Year (December 2013/December 2012)

n.m. Not Meaningful

2) Airport Construction: TAV Construction
Ongoing Projects (as of 30 November 2013)

Project Name	Employer	TAV Construction's Share	Contract Value (US\$m)	Physical Completion as of 31.10.2013	Physical Completion as of 30.11.2013	Change
Dubai-Marina 101	M/S SHEFFIELD HOLDINGS LIMITED	100%	197	64.0%	64.8%	0.8%
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%	4,039	99.9%	99.9%	-
Doha International Airport Facility Management Works**	Government Of The State Of Qatar	70%	31	0.0%	0.0%	-
Oman MC1	SULTANATE OF OMAN MINISTRY OF TRANSPORT AND COMM.	50%	1,169	85.7%	85.9%	0.2%
Izmir International Airport	TAV EGE TERMINAL YATIRIM VE İŞLETME A.Ş.	82%*	362	82.7%	92.9%	10.2%
Madinah International Airport	TIBAH JV	50%	959	50.8%	56.0%	5.2%
King Abdul Aziz International Airport	SAUDIA AEROSPACE ENGINEERING INDUSTRIES	40%	765	5.5%	5.6%	0.1%
Abu Dhabi Int. Airport Midfield Terminal Building Construction Works	ADAC	33%	2,942	12.6%	12.7%	0.1%
Riyad KKIA Terminal 5 Havalimanı	General Authority Of Civil Aviation (Gaca)	50%	336	0.0%	6.1%	6.1%
Damac Towers	Damac Development	100%	289	0.0%	0.0%	-
TOTAL			13,420			

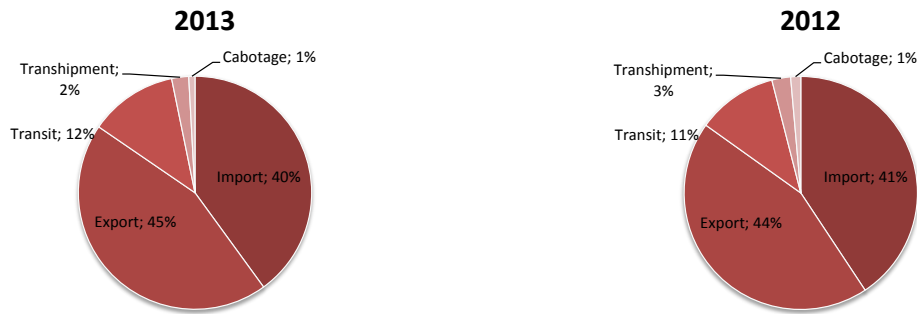
*The contract of Izmir Int. Airport project is carried out 100% by TAV Construction. However, imports within the scope of the contract are conducted through a TAV Airports group company, TAV Ege Terminal Yatırım Yapım ve İşletme A.Ş.. The table therefore depicts TAV Construction's share after the import items are deducted from the total contract value.

**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 31 December 2013)

	2013 LTM	2012	YTD Chg.	YoY Chg.	LTM Chg.
Container Volumes (TEU)	1,378,800	1,263,495	9%	22%	9%
Conventional Throughput (Ton)*	7,561,602	7,062,703	7%	21%	7%

* General Cargo – Dry Bulk – Liquid Bulk

Container Regime Breakdown


As of December 31st, 2013; 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 USD98.845. The yield as of 31 December 2013 corresponded to 2.452% + 364 bps spread (Source: Bloomberg).

4) Real Estate: Akfen REIT

(as of 31 December 2013)

Hotels	Room Number*	Occupancy Rate			Rev Par (EUR)**			Total Rev Par (EUR)***		
		2013 YTD	2013 LTM	2012	2013 YTD	2013 LTM	2012	2013 YTD	2013 LTM	2012
Zeytinburnu Ibis	228	78%	78%	86%	60	60	64	70	70	75
Zeytinburnu Novotel	208	80%	80%	85%	68	68	73	92	92	97
Eskisehir Ibis	108	79%	79%	75%	34	34	35	40	40	41
Trabzon Novotel	200	73%	73%	70%	50	50	47	77	77	71
Gaziantep Ibis	177	72%	72%	57%	26	26	21	32	32	25
Gaziantep Novotel	92	77%	77%	73%	43	43	34	68	68	57
Kayseri Ibis	160	56%	56%	54%	18	18	20	24	24	24
Kayseri Novotel	96	61%	61%	57%	29	29	29	44	44	44
Bursa Ibis	200	58%	58%	57%	25	25	26	30	30	31
Yaroslavl Ibis	177	69%	69%	69%	37	37	34	48	48	45
Samara Ibis	204	57%	57%	48%	31	31	25	44	44	37
Adana Ibis	165	51%	51%	36%	18	18	15	23	23	19
Esenyurt Ibis	156	52%	52%	-	27	27	-	32	32	-
İzmir Ibis	140	62%	-	-	26	-	-	30	-	-
Kaliningrad Ibis	167	26%	-	-	13	-	-	16	-	-
Turkey Total	1,930	67%	67%	68%	38	38	41	49	50	53
Russia Total	548	58%	63%	59%	31	34	30	42	46	41
Grand Total	2,478	65%	66%	66%	36	37	39	48	49	51

* 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.)

2013 LTM data are not meaningful since Izmir Ibis started to operate in June 2013 and Kaliningrad Ibis in August 2013. Therefore, YTD and LTM data for Turkey Total, Russia Total and Grand Total are not equal.

Russia & Turkey Projects' Physical Completion Status (as of 31 December 2013)
Russia Projects

City	Room Number	Type	Status	Completion (%)
Moskova	317	Ibis Hotel Moskova	Under construction	35%

Turkey Projects

City	Room Number	Type	Status	Completion (%)
Istanbul	200	Novotel Karakoy	Under construction	33%
Ankara	147	Ibis Hotel Esenboğa Ankara	Under construction	87%
Istanbul	200	Ibis Otel Tuzla	Under Planning	-

In the period January - December 2013; average occupancy rate of Ibis & Novotel located in Turkey & Russia reached 65%, down by 0.9% compared to the same period of previous year. During the same period, Rev-Par and T-RevPar decreased 6% and 6%, respectively.

5) Water & Waste Water Utilities: Akfen Water

Invoiced Water & Treated Waste Water Volumes (m³)

	2013 LTM	2012	YTD Chg.	YoY Chg.	LTM Chg.
Akfen Su Gulluk (as of 30 November 2013)					
Invoiced Water Volume	539,714	526,318	3%	12%	1%
Akfen Su Dilovasi (as of 31 December 2013)					
Treated Waste Water Volume	2,615,571	2,435,342	7%	-35%	7%

As of end of November, Akfen Su Gullük served 6,056 subscribers.

As of end of December, the number of operating factories in Dilovası Organised Industrial Zone was 210.

6) Energy

6.1) Akfen HEPP

Operational HEPPs (as of December 2013)

Company	HEPP	Installed Capacity (MW)	Generation Capacity (GWh/yr)	Commercial Operation Date (COD)	Realized Generation Output (GWh/yr) 2012	Realized Generation Output (GWh/yr) YTD
Beyobası	Otluca	47.7	224.0	April 2011	178.8	160.1
	Sirma	6.0	23.2	June 2009	23.3	20.8
Çamlıca	Camlica III	27.6	104.5	April 2011	69.9	61.5
	Saracbendi	25.5	100.5	May 2011	56.9	75.5
Pak	Demirciler	8.4	34.5	August 2012	6.6	34.4
	Kavakcali	11.1	44.3	March 2013	-	21.4
	Gelinkaya	6.9	25.8	June 2013	-	2.2
BT Bordo	Yagmur	9.0	31.5	November 2012	1.4	20.2
Total		142.2	588.3		336.8	396.3

HEPPs Under Construction

Company	HEPP	Installed Capacity (MW)	Generation Capacity (GWh/yr)	Civil Work Progress Ratio (%)
Beyobası	Sekiyaka	3.4	17.1	100.0%
Elen	Dogancay	30.2	171.7	79.1%
Yenidoruk	Doruk	28.3	75.5	99.7%
H.H.K. Enerji *	Çalıkobası	17.0	46.4	-
Kurtal*	Çiçekli 1-II	6.7	21.9	-
Total		85.6	332.5	

*Preliminary works with regards to the construction is ongoing at Çalıkobası and Çiçekli 1-II HEPPs. Construction of the access roads to the site at Çalıkobası HEPP and 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
Değirmenyanlı	Adadağı	4.7	18.2
Total		116.3	317.4

(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.

As of the reporting period, Akfen Holding continued to generate electricity through its 8 operating hydroelectric power plants, having a total installed capacity of 142.2 MW and a projected annual electricity generation capacity

of 588.3 GWh, whereas the construction in 5 plants having a total installed capacity of 85.6 MW and a projected annual electricity generation capacity of 332.5 GWh is ongoing. Out of these 5 plants; construction have progressed and have come closer to commissioning in Sekiyaka HEPP, Doruk HEPP ve Doğançay HEPP whereas preliminary works have recently commenced in Çalıkobası HEPP ve Çiçekli 1-II HEPP.

As of January 1st, 2013, electricity generated at all operating plants has started to be sold in the Day Ahead Market (“DAM”) until April 1st, 2013 whereas it has started to be sold to Akfen Elektrik Toptan Satış Co. in addition to DAM since then. In accordance with the decision taken by the management, electricity generated at all operating plants will be sold similarlar to both DAM and Akfen Elektrik Toptan Satış Co. in 2014 as well.

Beyobası Enerji Üretimi 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 2.3 MW (with an annual generation capacity of 12.3 GWh) Sekiyaka II HEPP 1 Project from the Ministry of Energy. The power plant, located in Muğla, started generating electricity as of 17 January 2014 at midnight. Following the commissioning of Sekiyaka II HEPP 1 project and the completion of the sale of Karasular Enerji Üretim ve Ticaret A.Ş. (with a total installed capacity of 26 MW) on 6 June 2013 our total installed capacity amounts to 144.5 MW and our projected electricity generation capacity is 600.6 GWh through a total of 9 operating hydroelectric power plants.

6.2) Akfen Energy

Application was made to 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 Energy Market Regulatory Authority (“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.

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.

7) Construction: Akfen Construction

As of December 31th, 2013; the total contract value of Akfen Construction’s ongoing HEPP projects was EUR45.6 million and the total amount of cumulated progress payments of ongoing HEPP projects reached EUR37.6 million. This amount corresponds to 82% of the total contract value.

As of December 31th, 2013; the total contract value of Akfen Construction assignments in ongoing REIT projects was EUR28.4 million and the total amount of cumulated progress payments of ongoing REIT projects reached EUR10.8 million. This amount corresponds to 38% of the total contract value.

As of December 31th, 2013; the total contract value of Akfen Construction assignments in ongoing Incek Loft project was EUR120.2 million and the total amount of cumulated progress payments of ongoing Incek Loft project reached EUR1.6 million. This amount corresponds to 1.3% of the total contract value.

As of December 31th, 2013; Akfen Construction’s current backlog (Incek Loft, REIT and HEPP projects) was EUR144.2 million.

8) Sea Transportation: IDO
Number of Passengers and Vehicles Transported

	2013 LTM	2012	YTD Chg.	YoY Chg.	LTM Chg.
Number of Passengers	50,527,752	50,909,780	-1%	-8%	-1%
Fast Ferry	6,337,335	5,667,315	12%	8%	12%
Sea Bus	7,520,151	7,767,055	-3%	-6%	-3%
Conventional Ferry*	36,670,266	37,475,410	-2%	-11%	-2%
Number of Vehicles	7,852,086	7,752,419	1%	1%	1%
Fast Ferry**	1,269,961	1,069,635	19%	11%	19%
Conventional Ferry	6,582,125	6,682,784	-2%	-1%	-2%

* Number of passengers travelling with vehicles using Eskişehir-Töpcüler 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

2011 in vehicle passenger figures of Sirkeci-Harem line is calculated with 3 passengers per vehicle coefficient. 2012 figures on the other hand represent actual counts of in vehicle passengers

** 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	Disabled 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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