



OPERATIONAL PERFORMANCE REPORT

JANUARY 2012

Issue date: 24.02.2012

AKFEN HOLDING - RECENT DEVELOPMENTS & DATA

As of 31 January 2012, the price of Akfen Holding's bond with the *ISIN code TRSAKFH31213* was **TL100** (dirty price). Total trading volume in January amounted to **TL2,707,554**. The yield as of 31 January 2012 corresponded to **%10.02 + 148bps** spread.

Meanwhile, the price of Akfen Holding's bond with the *ISIN code TRSAKFHA1313* realized at **TL101.9** (dirty price) as of 31 January 2012. Total trading volume in January was **TL5,047,487** and the yield as of 31 January 2012 corresponded to **%9.44 + 269 bps** spread.

On February 10th, 2012 Akfen Holding announced the Board decision regarding the **issuance of corporate bonds** through public offering. The nominal value of the offering will be **TL100 million with a maturity of 2 years**. In case of strong investor demand, the Company will exercise the over-allotment option of TL100 million, so the aggregate principal amount may increase to TL200 million. The interest rate of the bond will be floating with a spread over the benchmark Turkish Government bond yield and be payable semi-annually. The bond will be listed on Istanbul Stock Exchange. The Company intends to use the proceeds from the offering for repayment of financial debt and for general corporate purposes. The bond will be offered by Garanti Securities, who will also be underwriting the initial offering amount of TL100 million.

BUSINESS LINES - OPERATIONAL PERFORMANCE & DEVELOPMENTS

1) Airports/Terminals: TAV Airports

Passenger Figures* (as of 31 January 2012)

	2012 LTM	2011	YTD Chg.	YoY Chg.	LTM Chg.
Ataturk Airport	38,055,354	37,452,187	26%	26%	18%
International	24,256,940	23,847,835	28%	28%	19%
Domestic	13,798,414	13,604,352	22%	22%	17%
Esenboga Airport	8,602,069	8,520,649	13%	13%	9%
International	1,395,629	1,387,503	10%	10%	4%
Domestic	7,206,440	7,133,146	13%	13%	10%
Izmir Airport	8,611,923	2,464,334	13%	13%	14%
International	2,465,165	2,464,334	1%	1%	15%
Domestic**	6,146,758	n.a.	15%	15%	14%
TAV Turkey Total	55,269,346	48,437,170	22%	40%	17%
International	34,264,492	27,699,672	26%	26%	18%
Domestic	21,530,194	20,737,498	18%	54%	15%
Monastir+Enfidha Airports	2,285,253	2,289,131	-5%	-5%	-42%
Tbilisi + Batumi Airports	1,206,556	1,190,922	23%	23%	30%
Macedonia (Skopje&Ohrid)	850,648	838,164	24%	24%	16%
TAV TOTAL***	53,990,385	52,755,387	38%	38%	13%
International	32,460,191	32,017,889	24%	24%	10%
Domestic	21,530,194	20,737,498	54%	54%	18%

* Both departing and arriving passengers, including transfer pax.

** TAV started to serve domestic passengers at Izmir Airport on January 2012

*** 2011 totals do not include Izmir domestic traffic data

Abbreviations:

LTM: Last twelve months

YTD: Year-to-date (Jan 2012/Jan 2011)

YoY: Year-over-Year (Jan 2012/Jan 2011)

Air Traffic Movements* (as of 31 January 2012)

	2012 LTM	2011	YTD Chg.	YoY Chg.	LTM Chg.
Ataturk Airport	308,882	305,808	14%	14%	12%
International	202,018	199,906	14%	14%	12%
Domestic	106,864	105,902	13%	13%	13%
Esenboga Airport	72,757	72,244	9%	9%	13%
International	11,858	11,850	1%	1%	1%
Domestic	60,899	60,394	11%	11%	16%
Izmir Airport	63,239	17,304	4%	4%	9%
International	17,237	17,304	-10%	-10%	7%
Domestic**	46,002	n.a.	6%	6%	10%
TAV Turkey Total	444,878	395,356	12%	12%	12%
International	277,115	229,060	13%	13%	11%
Domestic	171,541	166,296	12%	12%	14%
Monastir+Enfidha Airports	20,750	20,805	-6%	-6%	-35%
Tbilisi + Batumi Airports	23,080	23,114	-2%	-2%	20%
Macedonia (Skopje&Ohrid)	12,013	11,878	17%	17%	1%
TAV TOTAL***	458,497	451,153	23%	23%	10%
International	286,956	284,857	11%	11%	6%
Domestic	171,541	166,296	43%	43%	16%

* Commercial flights only

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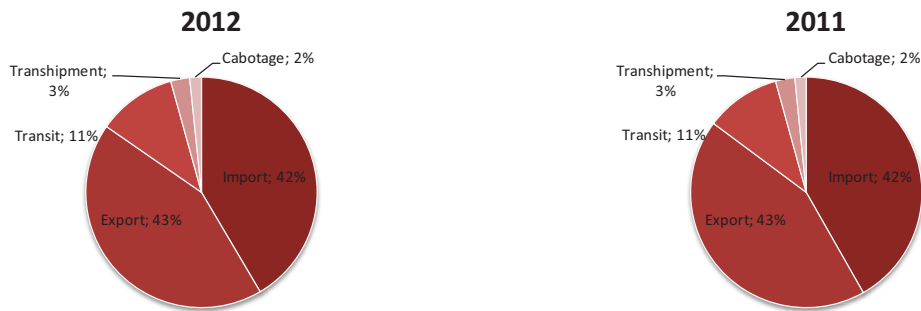
2) Airport Construction: TAV Construction
Ongoing Projects (as of 31 December 2011)

Project	Employer	TAV Construction's Share	Contract Value (US\$m)	Physical Completion as of 31.12.2011	Physical Completion as of 30.11.2011	Change
Dubai-Marina 101	M/S SHEFFIELD HOLDINGS LIMITED	100%	198	45%	45%	-
2011 Investments	TAV ISTANBUL TERMINAL ISLETMECİLİĞİ A.Ş.	100%	18	33%	38%	5%
Libya-Tripoli	THE LIBYAN CIVIL AVIATION AUTHORITY	25%	2,103	37%	37%	-
Libya-Sebha	THE LIBYAN CIVIL AVIATION AUTHORITY	50%	229	7%	7%	-
Doha	GOVERNMENT OF THE STATE OF QATAR	35%	3,901	93%	95%	2%
Oman MC1	SULTANATE OF OMAN MINISTRY OF TRANSPORT AND COMM.	50%	1,178	46%	48%	2%
Abu Dabi-Pilecaps	SUPERVISION COMMITTEE FOR THE EXPANSION OF ABU DHABI INTERNATIONAL AIRPORT (SCADIA)	50%	57	95%	99%	3%
TOTAL			7,684			

3) Port Operations: Mersin International Port (MIP)
Container & Conventional Cargo Statistics (as of 31 January 2012)

	2012 LTM	2011	YTD Chg.	YoY Chg.	LTM Chg.
Container Volumes (TEU)	1,158,869	1,140,927	20%	20%	11%
Conventional Throughput (Ton)*	6,343,920	6,416,377	-10%	-10%	-8%

* General Cargo – Dry Bulk – Liquid Bulk

Container Regime Breakdown

4) Real Estate: Akfen REIT
Occupancy Rate (as of 31 January 2012)

Hotels	Room Number*	2012 YTD	2012 LTM	2011
Zeytinburnu Ibis	228	63%	85%	86%
Zeytinburnu Novotel	208	65%	82%	83%
Eskisehir Ibis	108	69%	76%	76%
Trabzon Novotel	200	46%	71%	72%
Gaziantep Ibis	177	43%	45%	44%
Gaziantep Novotel	92	51%	51%	50%
Kayseri Ibis	160	46%	47%	45%
Kayseri Novotel	96	46%	49%	48%
Bursa Ibis	200	58%	55%	52%
Yaroslavl Ibis	177	47%	-	-

Rev Par (EUR)**

Hotels	Room Number*	2012 YTD	2012 LTM	2011
Zeytinburnu Ibis	228	45	61	61
Zeytinburnu Novotel	208	47	70	70
Eskisehir Ibis	108	31	34	34
Trabzon Novotel	200	24	41	41
Gaziantep Ibis	177	15	15	14
Gaziantep Novotel	92	23	22	22
Kayseri Ibis	160	16	16	15
Kayseri Novotel	96	24	23	23
Bursa Ibis	200	25	22	21
Yaroslavl Ibis	177	22	-	-

Total Rev Par (EUR)***

Hotels	Room Number*	2012 YTD	2012 LTM	2011
Zeytinburnu Ibis	228	51	71	71
Zeytinburnu Novotel	208	64	93	93
Eskisehir Ibis	108	38	39	39
Trabzon Novotel	200	38	64	65
Gaziantep Ibis	177	17	18	18
Gaziantep Novotel	92	34	37	37
Kayseri Ibis	160	19	20	19
Kayseri Novotel	96	36	36	35
Bursa Ibis	200	30	27	25
Yaroslavl Ibis	177	32	-	-

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

** 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 31 January 2012)
Russia Projects

City	Type	Status	Completion (%)
Samara	Ibis Hotel	Completed	100%
Samara	Office	Completed	100%
Kaliningrad	Ibis Hotel	Under construction	n.a.
Moscow	Ibis Hotel	Project development stage	n.a.

Turkey Projects

City	Type	Status	Completion (%)
Adana	Ibis Hotel	Under construction	90%
Istanbul	Esenyurt Ibis Hotel	Under construction	57%
Izmir	Ibis Hotel	Under construction	18%
Istanbul	Novotel Karakoy	Project development stage	n.a.
Ankara	Ankara Airport Hotel	Project development stage	n.a.

In the first month of 2012, occupancy rate of Ibis and Novotel located in Turkey reached 55%, indicating an increase of 6% compared to the same period of previous year. During the same period, Rev-Par and T-RevPar increased 8% and 6%, respectively.

5) Water & Waste Water Utilities: Akfen Su
Invoiced Water & Treated Waste Water Volumes (m3)

Akfen Su Gulluk (as of 31 December 2011)	2011 LTM	2010	YTD Chg.	YoY Chg.	LTM Chg.
Invoiced Water Volume	548,041	467,251	17%	21%	17%

Akfen Su Dilovasi* (as of 31 January 2012)	2012 LTM	2011	YTD Chg.	YoY Chg.	LTM Chg.
Treated Waste Water Volume	2,308,922	2,333,934	-	-11%	-

* Akfen Su Dilovasi is operational since July 2010

As of end-December, Akfen Su Gullük served 5,256 subscribers.

As of end-January, the number of operating factories in Dilovası Organised Industrial Zone was 211.

6) Energy

6.1) Akfen HEPP

(as of January 2012)

Company	HEPP	Installed Capacity (MW)	Generation Capacity (GWh/yr)	Operational (Y/N)	Civil Work Progress (%)
Beyobasi	Otluca	44.7	207.6	Y	100%
	Sirma	5.9	26.7	Y	100%
	Sekiyaka	3.5	16.8	N	14%
Ideal	Karasu-1	3.7	23.1	Y	100%
	Karasu-2	3.1	19.6	Y	100%
	Karasu-4.2	9.9	56.4	Y	100%
	Karasu-4.3	3.7	16.9	Y	100%
	Karasu-5	4.0	23.2	Y	100%
Camlica	Camlica III	25.8	94.5	Y	100%
	Saracbendi	24.0	86.1	Y	100%
HEPP 1		128.4	570.9		
Elen	Dogancay	30.6	171.6	N	41%
Pak	Kavakcali	10.9	48.2	N	31%
	Demirciler	9.4	32.3	N	90%
	Gelinkaya	7.1	30.9	N	72%
BT Bordo	Yagmur	8.5	36.2	N	77%
Yenidoruk	Doruk ¹	28.8	82.1	N	37%
Zeki	Catak ²	10.0	42.9	N	-
HEPP 2		105.2	444.2		
Laleli	Laleli	104.8	256.7	N	-
Degirmenyani	Adadagi ³	4.7	18.2	N	-
HEPP 3		109.5	274.9		
TOTAL		343.1	1,290.0		

(1) The law suit for the cancellation of the EIA Decision was refused by the Ordu Administrative Court with major number 2011/1423 and decision number 2012/194.

(2) 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.

(3) Licence process is ongoing.

As of the reporting period, Akfen Holding continued to generate electricity through its nine operating hydroelectric power plants, having a total installed capacity of 124.96 MW and a projected annual electricity generation capacity of 554.06 GWh, whereas the construction in 7 plants having a total installed capacity of 99 MW and a projected annual electricity generation capacity of 418 GWh was ongoing.

All the HEPPs, excluding Karasu 4.2 HEPP and Sirma HEPP, have started to sell at US\$7.3 cent/kwh purchase guarantee of State within the scope of Renewal Energy Law as of January 2012.

6.2) Akfen Energy

Akfen Energy Wholesale Company, which is a wholly-owned subsidiary of Akfen Enerji Yatırımları Holding A.S., 69.75% owned by Akfen Holding A.S., established for providing electricity to eligible consumers, has started its operations through a pilot study in July 2011. The portfolio of the company has reached c.a. 29.6 million kWh of total annual consumption, which was composed of 60 gauges as of the publishing date of this report.

On February 22, 2012, Akfen Holding made an announcement regarding the License Eligibility Decision of Energy Market Regulatory Authority ("EMRA") for Mersin Natural Gas Power Plant ("NGPP"). As previously announced on October 5th, 2011, Akfen Holding's subsidiary Akfen Energy Generation and Trade Company ("Akfen Energy") had acquired a 58,000 sqm land located in Mersin from the Privatization Agency, submitting the highest bid of TL40.6 million. Following Privatization High Commission's approval on November 1st, 2011, the Asset Sale Agreement was signed on January 10th, 2012.

Akfen Energy submitted its license application for a NGPP with an installed capacity of 450 MW on April 11th, 2008. According to the board resolution of the Energy Market Regulatory Authority, License Eligibility Decision

was obtained on February 9th, 2012. There is already a positive opinion on Environmental Impact Assessment for the NGGP Project.

7) Construction: Akfen Construction

As of 31 January 2011, the total contract value of Akfen Construction assignments in ongoing HEPP projects was **EUR73 million** and the total amount of cumulated progress payments of ongoing HEPP projects reached **EUR29.4 million**. This amount corresponds to **40%** of the total contract value.

As of 31 January 2011, with Adana Ibis, Izmir Ibis and Esenyurt Ibis construction contracts, Akfen Construction's total contract value in hotel projects reached **EUR17.7 million** (including Akfen Construction's mark up).

As of 31 January 2011, Akfen Construction's current backlog (HEPP and REIT projects) was **EUR53.3 million**.

8) Istanbul Fast Ferries - IDO ("TASS")

Number of Passengers and Vehicles Transported

	1M2011	1M2012***	Change (%)
Number of Passengers	3,674,143	2,841,943	-23%
Fast Ferry	399,305	388,027	-3%
Sea Bus	419,084	361,912	-14%
Conventional Ferry	2,855,754	2,092,004	-27%
Number of Vehicles	507,256	492,189	-3%
Fast Ferry*	73,847	70,469	-5%
Conventional Ferry**	433,409	421,720	-3%

* 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	Disabeld Car	Minivan	Mini bus (12 pass.)	Jeep	Mini bus (19 pass.)	Midi 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

** Number of passengers travelling with vehicles using Eskihisar-Topçular 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	Midi bus (21+)	Truck / 2 Axles Bus	3 Axles Bus, Tractor and Trailer	Over 4 axles vehicles	Motorcycles
In Vehicle Passenger Coefficient	3	2	6	6	18	18	2	1

As of 1 November 2011, passengers per vehicle coefficient of the Sirkeci-Harem conventional ferry line is amended as 1.67

*** The decrease in the number of passengers and vehicles carried in January 2012, when compared to the same period of the previous year, can be explained by the cancelled trips due to extremely bad weather conditions: In January 2012, 315 trips were cancelled in the sea bus and fast ferry lines, and the conventional ferry lines were not operational for 4 days. Meanwhile, in January 2011 only 47 trips were cancelled in the sea bus and fast ferry lines, while the conventional ferry lines continued their services without any interruption.

In 2011 Project Finance Awards, organized by Euromoney, the privatization transaction of IDO was awarded with the "European Transport Privatisation Deal of the Year". The award, chosen among the transportation project finance deals within the scope of "Europe & Africa Deals", was received by the management of IDO and the advisors of the transaction, on February 9, 2012 with the ceremony that took place in London.

Akfen Holding Investor Relations

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