



# **OPERATIONAL PERFORMANCE REPORT**

**January 2015**

**Issue date: 26.02.2015**

**AKFEN HOLDING - RECENT DEVELOPMENTS & DATA**

- As of January 31<sup>st</sup>, 2015; the price of Akfen Holding's corporate bond with the ISIN code *TRSAKFH11710* (maturity date January 9<sup>th</sup>, 2017 and issue amount TL140mn) was TL100.150 (dirty price). Total trading volume in January was TL2,190,688 and the yield as of 31 January 2015 corresponded to 6.83% + 623bps spread.
- As of October 21<sup>st</sup>, 2014; the price of Akfen Holding's corporate bond with the ISIN code *TRSAKFH31718* (maturity date March 23<sup>th</sup>, 2017 and issue amount TL200mn) was TL100.500 (dirty price). Total trading volume in October was TL10,139 and the yield as of 21 October 2014 corresponded to 8.62% + 399bps spread.
- As of January 31<sup>st</sup>, 2015; the price of Akfen Holding's corporate bond with the ISIN code *TRSAKFA1719* (maturity date December 7<sup>th</sup>, 2017 and issue amount TL60 million) was TL99.999 (dirty price). Total trading volume in January was TL709,429 and the yield as of 31 January 2015 corresponded to 6.70% + 428bps spread.
- The Share Buyback Program in order to buy back our Company's shares was approved at the Extraordinary General Shareholders' Meeting of our Company, held on January 15th, 2015. Accordingly;
  - The Period of the Share Buyback Program:* The Company's Board of Directors has been authorized for a period of 36 months. Board of Directors is authorized for the transactions, in accordance with the legislation, of share buyback and disposal of the purchased shares for 36 months following the authorization by the Extraordinary General Shareholder's Meeting. Hence, the start date of the program is 15.01.2015 and the end date is 15.01.2018.
  - The Maximum Number of Shares that can be bought back:* The law allows to buy back up to 10% of the Company's paid-in capital. Our Company's current paid-in capital amounts to TL261,900,000, hence including previous purchases, share purchases up to the nominal amount of TL26,190,000 can be made. Meanwhile, Our Company holds 7,989,806 Akfen Holding A.Ş. shares, which were acquired during the previous share buyback program.
- Within the "Share Buyback Program", our Company repurchased a total of 96,459 Akfen Holding shares lastly, on 23 February 2015. Following this transaction the total of share purchases within the frame of the 'Share Buyback Program' so far have reached 1,304,372 shares. Our Company holds 7,989,806 Akfen Holding shares, acquired within the previous share buyback program. Thus, in total share purchases have reached 9,294,178 shares, making up 3.55% of the Company's paid-in capital.

**BUSINESS LINES - OPERATIONAL PERFORMANCE & DEVELOPMENTS**
**1) Airports/Terminals: TAV Airports**
**Passenger Figures<sup>(1)</sup> (as of 31 January 2015)**

	2015 LTM	2014	YTD Chg.	YoY Chg.	LTM Chg.
<b>Ataturk Airport</b>	<b>57,308,425</b>	<b>56,954,790</b>	<b>9%</b>	<b>9%</b>	<b>11%</b>
International	38,472,331	38,200,788	10%	10%	12%
Domestic	18,836,094	18,754,002	6%	6%	8%
<b>Esenboga Airport</b>	<b>11,043,741</b>	<b>11,012,119</b>	<b>4%</b>	<b>4%</b>	<b>0%</b>
International	1,441,441	1,445,044	-3%	-3%	-9%
Domestic	9,602,300	9,567,075	4%	4%	1%
<b>Izmir Airport</b>	<b>11,028,296</b>	<b>10,936,772</b>	<b>12%</b>	<b>12%</b>	<b>7%</b>
International	2,574,139	2,577,908	-4%	-4%	3%
Domestic	8,454,157	8,358,864	14%	14%	8%
<b>Gazipaşa Airport</b>	<b>731,782</b>	<b>726,252</b>	<b>35%</b>	<b>35%</b>	<b>110%</b>
International	409,201	409,253	-1%	-1%	77%
Domestic	322,581	316,999	46%	46%	175%
<b>Milas-Bodrum Domestic Terminal<sup>(4)</sup></b>	<b>2,022,453</b>	<b>2,017,703</b>	<b>7%</b>	<b>7%</b>	<b>15%</b>
<b>TAV Turkey Total</b>	<b>81,149,745</b>	<b>80,593,852</b>	<b>10%</b>	<b>10%</b>	<b>11%</b>
International	42,897,112	42,632,993	9%	9%	11%
Domestic	38,252,633	37,960,859	10%	10%	10%
<b>Medinah</b>	<b>5,732,533</b>	<b>5,703,349</b>	<b>5%</b>	<b>5%</b>	<b>17%</b>
<b>Monastir &amp; Enfidha Airports</b>	<b>3,331,151</b>	<b>3,332,391</b>	<b>-2%</b>	<b>-2%</b>	<b>-3%</b>
<b>Tbilisi &amp; Batumi Airports</b>	<b>1,796,839</b>	<b>1,788,571</b>	<b>8%</b>	<b>8%</b>	<b>9%</b>
<b>Macedonia (Skopje &amp; Ohrid)</b>	<b>1,304,647</b>	<b>1,278,343</b>	<b>41%</b>	<b>41%</b>	<b>22%</b>
<b>Zagreb Airport</b>	<b>2,445,980</b>	<b>2,430,971</b>	<b>11%</b>	<b>11%</b>	<b>7%</b>
<b>TAV TOTAL<sup>(3)</sup></b>	<b>95,760,895</b>	<b>95,127,477</b>	<b>9%</b>	<b>9%</b>	<b>13%</b>
International	54,958,628	54,615,845	9%	9%	14%
Domestic	40,802,267	40,511,632	9%	9%	11%

**Air Traffic Movements<sup>(2)</sup> (as of 31 January 2015)**

	2015 LTM	2014	YTD Chg.	YoY Chg.	LTM Chg.
<b>Ataturk Airport</b>	<b>424,375</b>	<b>422,174</b>	<b>7%</b>	<b>7%</b>	<b>9%</b>
International	289,475	287,519	9%	9%	10%
Domestic	134,900	134,655	2%	2%	6%
<b>Esenboga Airport</b>	<b>81,930</b>	<b>82,239</b>	<b>-4%</b>	<b>-4%</b>	<b>-4%</b>
International	11,660	11,697	-4%	-4%	-10%
Domestic	70,270	70,542	-5%	-5%	-3%
<b>Izmir Airport</b>	<b>74,523</b>	<b>74,048</b>	<b>9%</b>	<b>9%</b>	<b>7%</b>
International	17,777	17,770	1%	1%	6%
Domestic	56,746	56,278	10%	10%	7%
<b>Gazipaşa Airport</b>	<b>5,399</b>	<b>5,349</b>	<b>39%</b>	<b>39%</b>	<b>111%</b>
International	2,818	2,822	-11%	-11%	63%
Domestic	2,581	2,527	59%	59%	213%
<b>Milas-Bodrum Domestic Terminal<sup>(4)</sup></b>	<b>15,673</b>	<b>15,642</b>	<b>6%</b>	<b>6%</b>	<b>22%</b>
<b>TAV Turkey Total</b>	<b>594,413</b>	<b>591,459</b>	<b>7%</b>	<b>7%</b>	<b>9%</b>
International	321,730	319,808	8%	8%	10%
Domestic	272,683	271,651	5%	5%	8%
<b>Medinah</b>	<b>48,643</b>	<b>48,549</b>	<b>2%</b>	<b>2%</b>	<b>17%</b>
<b>Monastir+Enfidha Airports</b>	<b>22,374</b>	<b>22,441</b>	<b>-10%</b>	<b>-10%</b>	<b>-5%</b>
<b>Tbilisi + Batumi Airports</b>	<b>23,748</b>	<b>23,804</b>	<b>-3%</b>	<b>-3%</b>	<b>1%</b>
<b>Macedonia (Skopje&amp;Ohrid)</b>	<b>14,141</b>	<b>13,969</b>	<b>21%</b>	<b>21%</b>	<b>15%</b>
<b>Zagreb Airports</b>	<b>38,600</b>	<b>38,348</b>	<b>9%</b>	<b>9%</b>	<b>0%</b>
<b>TAV TOTAL<sup>(3)</sup></b>	<b>741,919</b>	<b>738,570</b>	<b>6%</b>	<b>6%</b>	<b>14%</b>
International	436,360	434,057	7%	7%	17%
Domestic	305,559	304,513	5%	5%	10%

<sup>(1)</sup> DHMI figures for 2015 are tentative.

<sup>(2)</sup> Both departing and arriving passengers, including transfer pax .

<sup>(3)</sup> Commercial flights only.

<sup>(4)</sup> 2014 TAV totals do not include Milas-Bodrum until August 2014.

<sup>(5)</sup> 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 2015/January 2014)

YoY: Year-over-Year (January 2015/January 2014)

n.m. Not Meaningful

- TAV Airports Holding acquired 4% of shares of TAV Urban Georgia LLC held by Aeroser International Holding in return for US\$5.2 million. The purchase value of these shares was determined by negotiations. After the share transfer, the share of TAV Airports Holding in TAV Urban Georgia increased from 76% to 80% and the share of Aeroser International Holding decreased to 20% from 24%.
- Under current FX conditions and based on the passenger assumptions below, TAV Airport's targets for 2015 are as follows:
  - Istanbul international passenger growth: 8 to 10 percent,
  - Growth in total number of passengers served by TAV Airports: 6 to 8 percent,
  - Revenue growth: 10 to 12 percent,
  - EBITDA growth: 12 to 14 percent,
  - Net profit growth: 5 to 10 percent,
  - Total capex: EUR100 to 110 million.

*Note: All financial targets are in EUR terms and have been adjusted to reverse the effects of IFRIC 12.*

- TAV Airports Holding Board of Directors has resolved to submit to the approval of the General Assembly the decision to distribute TL 0.8425 (84.25%) gross cash dividend per each share with a nominal value of TL 1 starting from May 5, 2015. The total proposed gross cash dividend to be distributed is TL 306,052,855.

## 2) Airport Construction: TAV Construction

### Ongoing Projects (as of 31 December 2014)

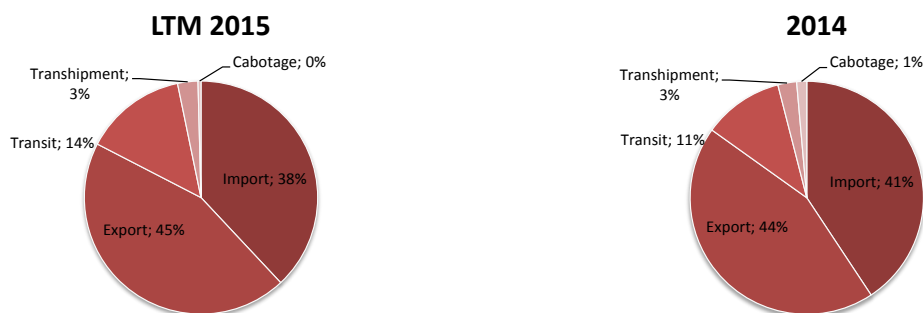
Project Name	Employer	TAV Construction's Share	Contract Value (US\$m)	Physical Completion as of 30.11.2014	Physical Completion as of 31.12.2014	Change (%)
Dubai-Marina 101	M/S SHEFFIELD HOLDINGS LIMITED	100%	202	80.3%	82.9%	2.6%
Libya-Tripoli	THE LIBYAN CIVIL AVIATION AUTHORITY	25%	2,103	36.9%	36.9%	-
Libya-Sebha	THE LIBYAN CIVIL AVIATION AUTHORITY	50%	229	7.0%	7.0%	-
Doha	GOVERNMENT OF THE STATE OF QUATAR	35%	3,945	100.0%	100.0%	-
Oman MC1	SULTANATE OF OMAN MINISTRY OF TRANSPORT AND COMM.	50%	1,169	90.4%	90.6%	0.2%
Madinah International Airport	TIBAH JV	50%	963	98.4%	99.8%	1.4%
Saudi Airlines Catering Building - Madinah	TAV-ACC JV	50%	25	9.0%	16.4%	7.4%
Medina Airport Hotel Project - Madinah	TAV-ACC JV	50%	31	0.0%	1.2%	1.2%
King Abdul Aziz International Airport	SAUDIA AEROSPACE ENGINEERING INDUSTRIES	40%	765	14.4%	15.3%	0.9%
Abu Dhabi Int. Airport Midfield Terminal Building Construction Works	ADAC	33%	2,959	29.4%	31.2%	1.8%
Riyad KKIA Terminal 5 Airport	General Authority Of Civil Aviation (Gaca)	50%	336	55.1%	57.6%	2.6%
Damac Towers	Damac Development	100%	312	16.0%	17.0%	1.0%
Emaar Square N1&N2 Structural Works	EMAAR	60%	58	51.6%	60.1%	8.5%
Emaar Phase 3	EMAAR	60%	410	9.3%	12.0%	2.7%
<b>TOTAL</b>			<b>13,505</b>			

## 3) Port Operations: Mersin International Port (MIP)

### Container & Conventional Cargo Statistics (as of 31 January 2015)

	2015 LTM	2014	YTD Chg.	YoY Chg.	LTM Chg.
Container Volumes (TEU)	1,482,994	1,498,850	-12%	-12%	5%
Conventional Throughput (Ton)*	8,926,087	8,835,718	14%	14%	18%

\* General Cargo – Dry Bulk – Liquid Bulk

**Container Regime Breakdown**


As of January 30, 2015; the price of MIP's corporate bond with the ISIN code *XS0957598070* (Bloomberg Code: *EJ778815*) (maturity date August 12<sup>th</sup>, 2020 and issue amount USD450 mn) was USD107.113. The yield as of 30 January 2015 corresponded to 1.461% + 335bps spread (*Source: Bloomberg*).

**4) Real Estate: Akfen REIT**

(as of 31 January 2015)

	Room Number*	Occupancy Rate			Rev Par (EUR)**			Total Rev Par (EUR)***		
		2015 YTD	2015 LTM	2014	2015 YTD	2015 LTM	2014	2015 YTD	2015 LTM	2014
<b>Hotels</b>										
Turkey Total	2,077	59%	68%	67%	27	34	33	36	44	43
Russia Total	548	46%	53%	53%	13	24	25	18	33	34
<b>Grand Total</b>	<b>2,625</b>	<b>57%</b>	<b>64%</b>	<b>64%</b>	<b>25</b>	<b>32</b>	<b>31</b>	<b>32</b>	<b>42</b>	<b>41</b>

\* *Mercure Hotel in Northern Cyprus with 286 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 31 January 2015)**
**Russia Projects**

City	Room Number	Type	Status	Completion (%)
Moskova	317	Ibis Hotel Moskova	Under construction	95%

**Turkey Projects**

City	Room Number	Type	Status	Completion (%)
Istanbul	200	Novotel Karakoy	Under construction	65%
Istanbul	200	Ibis Otel Tuzla	Under Planning	-

- In January 2015; average occupancy rate of Ibis & Novotel located in Turkey & Russia reached 57%, up by 2% compared to the same period of the previous year. During the same period, Rev-Par and T-RevPar decreased 4% and 4%, respectively.
- On February 19, 2015 between Akfen REIT and Credit Europe Bank N.V ,the loan agreement in amount of Euro 116.000.000 with 10 year maturity, having 2 year grace period, has been signed for refinancing of Akfen REIT's current loans and financing of the investments of ongoing projects. The loan will be used as the loan usage conditions are performed. Discussions with the above mentioned bank for providing loans with the same conditions to refinance Akfen REIT's subsidiaries current loans and finance of the investments of ongoing projects are still continuing.

**5) Water & Waste Water Utilities: Akfen Water**
**Invoiced Water & Treated Waste Water Volumes (m<sup>3</sup>)**

Akfen Water Gulluk (as of 31 December 2014)	2014 LTM	2013	YTD Chg.	YoY Chg.	LTM Chg.
Invoiced Water Volume	506,917	539,789	-6%	20%	-6%

Akfen Water Dilovasi (as of 31 January 2015)	2015 LTM	2014	YTD Chg.	YoY Chg.	LTM Chg.
Treated Waste Water Volume	2,512,266	2,523,485	-6%	-6%	0%

As of end of December, Akfen Su Güllük served 6,561 subscribers.

As of end of January, the number of operating factories in Dilovası Organised Industrial Zone was 206.

**6) Energy**
**6.1) Akfen HEPP**
**Operational HEPPs (as of 31 January 2015)**

Company	HEPP	Installed Capacity (MW)	Generation Capacity (GWh/yr)	Commercial Operation Date (COD)	Realized Generation Output (GWh/yr) 2014	Realized Generation Output (GWh/yr) YTD
Beyobası	Otluca	47.7	224.0	April 2011	118.29	19.76
	Sirma	6.0	23.2	June 2009	12.49	2.99
	Sekiyaka II HES 1	2.3	12.3	January 2014	10.91	1.17
Çamlıca	Camlica III	27.6	104.5	April 2011	25.96	4.91
	Saracbendi	25.5	100.5	May 2011	29.48	6.27
Pak	Demirciler	8.4	34.5	August 2012	22.09	4.59
	Kavakcali	11.1	44.3	March 2013	34.46	7.47
	Gelinkaya	6.9	25.8	June 2013	6.13	0.14
BT Bordo	Yagmur	9.0	31.5	November 2012	19.35	1.86
Elen	Doğancay	30.2	171.7	August-September 2014	26.36	14.81
Yenidoruk	Doruk	28.3	75.5	September 2014	17.28	1.08
<b>Total</b>		<b>203.0</b>	<b>847.8</b>		<b>322.79</b>	<b>65.05</b>

**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	9.9%
Kurtal	Çiçekli 1-II	6.7	21.9	-
Beyobası	Sekiyaka II HES 2	1.1	4.8	21.3%
<b>Total</b>		<b>24.8</b>	<b>73.1</b>	

**HEPPs at Planning Stage**

Company	HEPP	Installed Capacity (MW)	Generation Capacity (GWh/yr)
Zeki	Catak <sup>1</sup>	10.0	42.5
<b>Total</b>		<b>10.0</b>	<b>42.5</b>

(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 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 24.8 MW and a projected annual electricity generation capacity of 73.1 GWh is ongoing. Excavation works have continued at Çiçekli 1-II HEPP and Çalıkobası HEPP. On the other hand excavation works have also continued and equipment

installations have started at Sekiyaka II HEPP 2 project which is an extension of Sekiyaka II HEPP 1 project, operational since January 2014.

In 2014, electricity generated at all operating plants was sold in the Day Ahead Market (“DAM”) and to Akfen Elektrik Toptan Satış Co.. In accordance with the decision taken by the management, in 2015 electricity generated at Otluca HEPP, Saraçbendi HEPP, Doruk HEPP and Yağmur HEPP will be sold to the Renewable Energy Resources Support Mechanism while the remaining hydro power plants will continue to sell in the DAM and to Akfen Elektrik Toptan Satış Co.

## 6.2) Akfen Thermal 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 was completed.

## 7) Construction: Akfen Construction

### Ongoing Projects (as of 31 January 2015)

Project Name	Akfen Construction’s Share	Contract Value (Euro)	Physical Completion as of 31.01.2015	Backlog (Euro)
Calikobasi HEPP (Engineering Works)	100%	12,144,855	9.9%	10,875,080
Cicekli HEPP (Construction of Access Road)	100%	1,303,912	95.7%	Unit Price Contract*
Sekiyaka II HEPP 2	100%	1,500,000	21.3%	1,500,000
<b>AKFEN HEPP</b>		<b>14,948,767</b>		<b>12,375,080</b>
Novotel Karaköy	100%	22,232,000	65.0%	10,248,238
Incek Loft	100%	136,310,327	25.7%	107,865,886
Isparta City Hospital	100%	162,365,903	4.4%	162,365,903
Hacettepe Student Dorm	64%	55,523,293	12.8%	48,394,447
<b>TOTAL</b>		<b>391,380,290</b>		<b>341,249,554</b>

\* 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**

	2015 LTM	2014	YTD Chg.	YoY Chg.	LTM Chg.
<b>Number of Passengers</b>	<b>47,269,021</b>	<b>47,501,612</b>	<b>-7%</b>	<b>-7%</b>	<b>-6%</b>
Fast Ferry	7,037,795	7,046,365	-2%	-2%	10%
Sea Bus	5,933,090	6,049,210	-29%	-29%	-21%
Conventional Ferry*	34,298,136	34,406,037	-4%	-4%	-6%
<b>Number of Vehicles</b>	<b>8,192,035</b>	<b>8,216,450</b>	<b>-4%</b>	<b>-4%</b>	<b>4%</b>
Fast Ferry**	1,326,939	1,328,725	-2%	-2%	4%
Conventional Ferry	6,865,096	6,887,725	-5%	-5%	4%

\* Number of passengers travelling with vehicles using Eskişehir-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	Mnivan	Jeep/Pickup Truck /Mnibus	Midi 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	Disabeld Car	Mnivan	Mini bus (12 pass.)	Jeep	Mni 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



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Akfen Holding Investor Relations

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