



OPERATIONAL PERFORMANCE REPORT

September 2015

Issue date: 23.10.2015

AKFEN HOLDING - RECENT DEVELOPMENTS & DATA

- As of September 30th, 2015; the price of Akfen Holding's corporate bond with the ISIN code TRSAKFH11710 (maturity date January 9th, 2017 and issue amount TL140mn) was TL99.995 (dirty price). Total trading volume in September was TL2,034,692 and the yield as of September 30th, 2015 corresponded to 11.53% + 155bps spread. While the seventh coupon payment of the bond amounting to TL4,367,999.12 was made on October 12th, 2015, the interest rate effective for the eighth coupon payment, which will be made on January 11th, 2016, was announced as 3.41%.
- As of July 10th, 2015; the price of Akfen Holding's corporate bond with the ISIN code TRSAKFH31718 (maturity date March 23rd, 2017 and issue amount TL200mn) was TL100.400 (dirty price). Total trading volume in July was TL8,844,556 and the yield as of July 10th, 2015 corresponded to 9.58% + 223bps spread.
- As of September 30th, 2015; the price of Akfen Holding's corporate bond with the ISIN code TRSAKFHA1719 (maturity date December 7th, 2017 and issue amount TL60 million) was TL99.250 (dirty price). Total trading volume in September was TL1,243,141 and the yield as of September 30th, 2015 corresponded to 11.53% + 242bps spread.

BUSINESS LINES - OPERATIONAL PERFORMANCE & DEVELOPMENTS
1) Airports/Terminals: TAV Airports
Passenger Figures⁽¹⁾ (as of 30 September 2015)

| | 2015 LTM | 2014 | YTD Chg. | YoY Chg. | LTM Chg. |
|---|--------------------|-------------------|-------------|-------------|-------------|
| Ataturk Airport | 60,973,981 | 56,954,790 | 9% | 9% | 10% |
| International | 41,415,079 | 38,200,788 | 11% | 11% | 12% |
| Domestic | 19,558,902 | 18,754,002 | 6% | 4% | 8% |
| Esenboga Airport | 11,868,527 | 11,012,119 | 10% | 17% | 7% |
| International | 1,555,147 | 1,445,044 | 10% | 11% | 6% |
| Domestic | 10,313,380 | 9,567,075 | 10% | 18% | 7% |
| Izmir Airport | 11,747,859 | 10,936,772 | 10% | 8% | 9% |
| International | 2,574,519 | 2,577,908 | 0% | -2% | -1% |
| Domestic | 9,173,340 | 8,358,864 | 13% | 12% | 12% |
| Gazipaşa Airport | 882,103 | 726,252 | 26% | 12% | 33% |
| International | 502,148 | 409,253 | 26% | 17% | 31% |
| Domestic | 379,955 | 316,999 | 25% | 6% | 37% |
| Milas-Bodrum Domestic Terminal⁽⁴⁾ | 2,292,848 | 2,017,703 | 16% | 25% | 17% |
| TAV Turkey Total | 87,765,318 | 80,209,200 | 13% | 14% | 13% |
| International | 46,046,893 | 42,632,993 | 11% | 10% | 11% |
| Domestic | 41,718,425 | 37,576,207 | 15% | 19% | 15% |
| Medinah | 5,657,322 | 5,703,349 | -1% | -19% | 1% |
| Monastir & Enfidha Airports | 1,763,122 | 3,332,391 | -55% | -82% | -48% |
| Tbilisi & Batumi Airports | 2,003,434 | 1,788,571 | 15% | 26% | 13% |
| Macedonia (Skopje & Ohrid) | 1,473,246 | 1,278,343 | 20% | 30% | 21% |
| Zagreb Airport | 2,559,798 | 2,430,971 | 7% | 8% | 8% |
| TAV TOTAL⁽³⁾ | 101,222,240 | 95,131,478 | 8% | 4% | 10% |
| International | 56,976,207 | 54,615,845 | 6% | 0% | 7% |
| Domestic | 44,246,033 | 40,515,633 | 12% | 10% | 13% |

As of 22 October 2015 TAV Airports has undertaken the operation of International Terminal of Milas-Bodrum Airport, in addition to its Domestic Terminal, whose operation was taken over in July 2014. Recall that TAV Airports submitted the winner bid (€717 million + VAT) in the tender, which was held in March 2014 for the operating rights of Milas-Bodrum Airport until the end of 2035.

Air Traffic Movements⁽²⁾ (as of 30 September 2015)

| | 2015 LTM | 2014 | YTD Chg. | YoY Chg. | LTM Chg. |
|---|----------------|----------------|-------------|-------------|-------------|
| Ataturk Airport | 443,890 | 422,174 | 7% | 9% | 8% |
| International | 307,802 | 287,519 | 10% | 14% | 10% |
| Domestic | 136,088 | 134,655 | 1% | -1% | 3% |
| Esenboga Airport | 86,246 | 82,239 | 6% | 12% | 3% |
| International | 12,124 | 11,697 | 5% | 8% | 1% |
| Domestic | 74,122 | 70,542 | 7% | 13% | 3% |
| Izmir Airport | 80,332 | 74,048 | 11% | 13% | 12% |
| International | 19,436 | 17,770 | 12% | 18% | 12% |
| Domestic | 60,896 | 56,278 | 11% | 11% | 12% |
| Gazipaşa Airport | 6,494 | 5,349 | 27% | 5% | 37% |
| International | 3,523 | 2,822 | 29% | 18% | 33% |
| Domestic | 2,971 | 2,527 | 24% | -9% | 43% |
| Milas-Bodrum Domestic Terminal⁽⁴⁾ | 17,391 | 15,642 | 14% | 22% | 19% |
| TAV Turkey Total | 634,353 | 589,044 | 10% | 15% | 11% |
| International | 342,885 | 319,808 | 10% | 14% | 10% |
| Domestic | 291,468 | 269,236 | 11% | 16% | 12% |
| Medinah | 48,062 | 48,549 | -1% | -12% | 0% |
| Monastir+Enfidha Airports | 14,362 | 22,441 | -43% | -72% | -37% |
| Tbilisi + Batumi Airports | 24,598 | 23,804 | 4% | 13% | 2% |
| Macedonia (Skopje&Ohrid) | 15,005 | 13,969 | 10% | 12% | 12% |
| Zagreb Airports | 40,014 | 38,348 | 6% | -2% | 6% |
| TAV TOTAL⁽³⁾ | 776,394 | 738,858 | 7% | 5% | 9% |
| International | 453,762 | 434,057 | 6% | 5% | 8% |
| Domestic | 322,632 | 304,801 | 8% | 5% | 9% |

* DHMI figures for 2015 are tentative.

(1) Both departing and arriving passengers, including transfer pax.

(2) Commercial flights only.

(3) 2014 TAV totals do not include Milas-Bodrum until August 2014.

(4) TAV commenced its operation at Milas-Bodrum domestic terminal on July 15, 2014. International terminal of Milas-Bodrum was taken over on October 22, 2015.

Abbreviations:

LTM: Last twelve months

YTD: Year-to-date (January-September 2015/January-September 2014)

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

n.m. Not Meaningful

2) Airport Construction: TAV Construction
Ongoing Projects (as of 31 August 2015)

| Project Name | Employer | TAV Construction's Share | Contract Value (US\$m) | Physical Completion as of 31.07.2015 | Physical Completion as of 31.08.2015 | Change (%) |
|--|---|--------------------------|------------------------|--------------------------------------|--------------------------------------|------------|
| Dubai-Marina 101 | M/S Sheffield Holdings Limited | 100% | 202 | 89.6% | 89.9% | 0.3% |
| 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% | 3,945 | 100.0% | 100.0% | - |
| Oman MC1 | Sultanate Of Oman Ministry Of Transport And Comm. | 50% | 1,169 | 92.4% | 92.5% | 0.1% |
| Saudi Airlines Catering Building - Madinah | TAV-ACC JV | 50% | 32 | 88.1% | 94.6% | 6.5% |
| Medina Airport Hotel Project - Madinah | TAV-ACC JV | 50% | 31 | 56.9% | 63.7% | 6.8% |
| King Abdul Aziz International Airport | Saudia Aerospace Engineering Industries | 40% | 765 | 26.1% | 27.1% | 1.0% |
| Abu Dhabi Int. Airport Midfield Terminal Building Construction Works | ADAC | 33% | 3,180 | 54.5% | 56.9% | 2.3% |
| Riyad KKIA Terminal 5 Airport | General Authority Of Civil Aviation (Gaca) | 50% | 431 | 55.0% | 63.7% | 8.7% |
| Damac Towers | Damac Development | 100% | 312 | 32.3% | 35.3% | 3.0% |
| Emaar Square N1&N2 Structural Works | EMAAR | 60% | 67 | 93.0% | 94.7% | 1.7% |
| Emaar Phase 3 | EMAAR | 60% | 410 | 16.8% | 21.0% | 4.2% |
| Istanbul Ataturk Airport Extension Project - Phase 3 | TAV Istanbul Terminal Operations Co. | 100% | 43 | 36.5% | 43.4% | 6.9% |
| New ADP Headquarters and Office Buildings | Aeroports De Paris | 50% | 97 | 3.0% | 5.0% | 2.0% |
| TOTAL | | | 13,014 | | | |

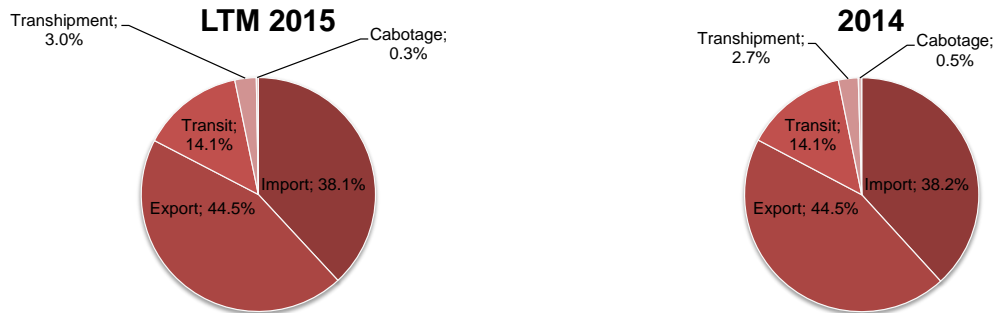
3) Port Operations: Mersin International Port (MIP)

Container & Conventional Cargo Statistics (as of 30 September 2015)

| | 2015 LTM | 2014 | YTD Chg. | YoY Chg. | LTM Chg. |
|--------------------------------|-----------|-----------|----------|----------|----------|
| Container Volumes (TEU) | 1,429,191 | 1,498,850 | -6% | 2% | -4% |
| Conventional Throughput (Ton)* | 8,162,005 | 8,835,718 | -11% | -31% | -2% |

* General Cargo – Dry Bulk – Liquid Bulk

Container Regime Breakdown



As of September 30th, 2015; 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 USD102.274. The yield as of September 30th, 2015 corresponded to 1.409% + 380bps spread (*Source: Bloomberg*).

4) Real Estate: Akfen REIT

(as of 30 September 2015)

| Hotels | 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 |
| Turkey Total | 2,077 | 67% | 66% | 67% | 33 | 32 | 33 | 43 | 41 | 43 |
| Russia Total | 865 | 52% | 55% | 53% | 19 | 20 | 25 | 26 | 27 | 34 |
| Grand Total | 2,942 | 64% | 63% | 64% | 30 | 29 | 31 | 39 | 38 | 41 |

* Merit Park 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.)

Turkey Projects' Physical Completion Status (as of 30 September 2015)

| City | Room Number | Type | Status | Completion (%) |
|----------|-------------|-----------------|--------------------|----------------|
| Istanbul | 200 | Novotel Karakoy | Under construction | 91% |
| Istanbul | 200 | Ibis Otel Tuzla | Under construction | 49% |

During January-September 2015; average occupancy rate of Ibis & Novotel located in Turkey & Russia reached 64%, down by 2% compared to the same period of the previous year. During the same period, both Rev-Par and T-RevPar decreased 11%, respectively.

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

| | 2015 LTM | 2014 | YTD Chg. | YoY Chg. | LTM Chg. |
|--|-----------|-----------|----------|----------|----------|
| Akfen Su Gulluk (as of 31 August 2015) | | | | | |
| Invoiced Water Volume | 510,369 | 506,917 | 1% | -5% | -1% |
| Akfen Su Dilovasi (as of 30 September 2015) | | | | | |
| Treated Waste Water Volume | 2,150,174 | 2,523,485 | -19% | -22% | -15% |

As of end of August, Akfen Su Güllük served 6,835 subscribers.

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

6) Energy
6.1) Akfen HEPP
Operational HEPPs (as of 30 September 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 | 152.88 |
| | Sirma | 6.0 | 23.2 | June 2009 | 12.49 | 28.26 |
| | Sekiyaka II HES 1 | 3.4 | 17.1 | January 2014-August 2015 | 10.91 | 11.42 |
| Çamlıca | Camlica III | 27.6 | 104.5 | April 2011 | 25.96 | 72.10 |
| | Saracbendi | 25.5 | 100.5 | May 2011 | 29.48 | 64.68 |
| Pak | Demirciler | 8.4 | 34.5 | August 2012 | 22.09 | 30.99 |
| | Kavakcali | 11.1 | 44.3 | March 2013 | 34.46 | 40.57 |
| | Gelinkaya | 6.9 | 25.8 | June 2013 | 6.13 | 8.84 |
| BT Bordo | Yagmur | 9.0 | 31.5 | November 2012 | 19.35 | 21.29 |
| Elen | Doğancay | 30.2 | 171.7 | August-September 2014 | 26.36 | 124.66 |
| Yenidoruk | Doruk | 28.3 | 75.5 | September 2014 | 17.28 | 65.55 |
| Total | | 204.1 | 852.6 | | 322.79 | 621.23 |

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 | 23.9% |
| Kurtal | Çiçekli 1-II | 6.7 | 21.9 | - |
| Total | | 23.7 | 68.3 | |

HEPPs at Planning Stage

| Company | HEPP | Installed Capacity (MW) | Generation Capacity (GWh/yr) |
|--------------|--------------------|-------------------------|------------------------------|
| Zeki | Catak ¹ | 10.0 | 42.5 |
| Total | | 10.0 | 42.5 |

(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 204.1 MW and a projected annual electricity generation capacity of 852.6 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. Penstock, tunnel and basin concrete construction and power house excavation works have continued at Çalıkobası HEPP, whereas at Çiçekli HEPP tunnel and basin excavation works have continued.

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 is sold to the Renewable Energy Resources Support Mechanism while the remaining hydro power plants 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, while cleaning and finishing work is still continuing. 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 30 September 2015)

| Project Name | Akfen Construction's Share | Contract Value (US\$) | Physical Completion as of 30.09.2015 | Backlog (US\$) |
|--|----------------------------|-----------------------|--------------------------------------|----------------------|
| Calikobasi HEPP (Engineering Works) | 100% | 18,150,000 | 23.9% | 13,523,408 |
| Cicekli HEPP (Construction of Access Road) | 100% | 2,617,664 | 95.7% | Unit Price Contract* |
| AKFEN HEPP | | 20,767,664 | | 13,523,408 |
| Novotel Karaköy | 100% | 28,994,974 | 91.0% | 1,943,678 |
| Ibis Tuzla | 100% | 8,760,430 | 49.0% | 6,029,708 |
| Incek Loft | 100% | 198,596,926 | 60.3% | 130,039,011 |
| Isparta City Hospital | 100% | 224,000,000 | 14.4% | 177,203,857 |
| Hacettepe Guest house | 64% | 118,464,075 | 21.4% | 94,505,629 |
| Ataşehir Office Project | 100% | 17,202,640 | 0.0% | 17,202,640 |
| TOTAL | | 616,786,710 | | 440,447,930 |

* 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 (as of 30 September 2015)

| | 2015 LTM | 2014 | YTD Chg. | YoY Chg. | LTM Chg. |
|-----------------------------|-------------------|-------------------|-----------|------------|-----------|
| Number of Passengers | 47,381,853 | 47,501,612 | 0% | 5% | 0% |
| Fast Ferry | 7,454,918 | 7,046,365 | 7% | 28% | 8% |
| Sea Bus | 5,792,384 | 6,049,210 | -5% | 16% | -9% |
| Conventional Ferry* | 34,134,551 | 34,406,037 | -1% | -2% | 0% |
| Number of Vehicles | 8,526,587 | 8,216,450 | 5% | 11% | 5% |
| Fast Ferry** | 1,442,142 | 1,328,725 | 11% | 35% | 10% |
| Conventional Ferry | 7,084,445 | 6,887,725 | 4% | 7% | 5% |

* Number of passengers travelling with vehicles using Eshikisar-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 | 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 | 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 |

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