



OPERATIONAL PERFORMANCE REPORT

November 2014

Issue date: 23.12.2014

AKFEN HOLDING - RECENT DEVELOPMENTS & DATA

As of November 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 TL101.044 (dirty price). Total trading volume in November was TL2,985,237 and the yield as of 30 November 2014 corresponded to 7.56% +498bps spread.

As of October 21, 2014; the price of Akfen Holding's corporate bond with the ISIN code *TRSAKFH31718* (maturity date March 23th, 2017 and issue amount TL200mn) was TL100.500 (dirty price). Total trading volume in October was TL10,139 and the yield as of 21 October 2014 corresponded to 8.62% + 399bps spread.

On 03.12.2014, the Capital Market's Board (CMB) has approved the change in the 6th Article (on "Capital") of our Company's Articles of Association, which was announced on 13.08.2014. The revision in the above mentioned article incorporates the decrease of our Company's paid-in capital from TL291 million to TL261.9 million (a reduction of TL29.1 million) via cancellation of our shares that our Company has acquired through a share buyback programme and also a revision in the validity period of the Registered Capital Ceiling from 31.12.2014 for a period of five years. In this context, extraordinary general assembly of our Company shall be held on January 15th, 2015 Thursday, at 16:00 at the Meeting Hall, on the 3rd floor of the Headquarters of the Company, located at Koza Sokak, No: 22, GOP 06700 ANKARA, Turkey.

Our application to the Capital Markets Board to issue corporate bonds with a nominal value of TL200 million through a public offering was approved on 31 December 2013. On 03 January 2014 the bond issue was announced on the Public Disclosure Platform and the issue of the first series of the bonds with a nominal value of TL140 million was completed and announced on 10 January 2014. CMB has approved the issue of the second series of bonds on 28 November 2014 and the book building of the offering (with fixed price) was on 8-9 December 2014. The bonds have a maturity of 3 years and will be payable quarterly. The interest rate of the bond will be floating with a spread of 3.00% over the benchmark Turkish Government bond yield.

The benchmark Turkish Government bond yield to determine the first coupon interest rate was settled as 7.84%. According to this interest rate the first coupon interest rate was calculated as 2.64%, while the compounded annual interest rate is 11.02%.

According to the results, announced on 10 December 2014, the issue amount of our bond public offering was TL60mn, maturity of 1,092 days, and the allocation to domestic individual investors was 23.37% and to domestic institutional investors amounted to 76.63%.

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

	2014 LTM	2013	YTD Chg.	YoY Chg.	LTM Chg.
Ataturk Airport	56,446,923	51,320,875	11%	13%	11%
International	37,839,421	34,096,770	12%	13%	12%
Domestic	18,607,502	17,224,105	9%	12%	9%
Esenboga Airport	10,970,943	10,928,403	0%	-3%	2%
International	1,440,257	1,573,943	-9%	-9%	-9%
Domestic	9,530,686	9,354,460	2%	-3%	3%
Izmir Airport	10,820,567	10,208,627	6%	14%	7%
International	2,571,820	2,467,436	4%	-2%	4%
Domestic	8,248,747	7,741,191	7%	16%	7%
Gazipaşa Airport	741,529	363,024	116%	60%	126%
International	423,417	242,949	81%	8%	90%
Domestic	318,112	120,075	193%	103%	199%
Milas-Bodrum Domestic Terminal***	2,006,895	1,738,151	16%	20%	16%
TAV Turkey Total	79,871,016	72,820,929	10%	12%	11%
International	42,274,915	38,381,098	11%	12%	11%
Domestic	37,596,101	34,439,831	10%	12%	10%
Medinah	5,594,126	4,669,181	21%	-23%	23%
Monastir & Enfidha Airports	3,337,414	3,437,849	-3%	-4%	-3%
Tbilisi & Batumi Airports	1,781,636	1,642,597	9%	11%	9%
Macedonia (Skopje & Ohrid)	1,250,830	1,067,467	18%	21%	17%
Zagreb Airport	2,416,895	2,300,231	5%	16%	5%
TAV TOTAL**	94,102,165	83,638,023	13%	12%	14%
International	53,981,010	47,429,862	15%	12%	15%
Domestic	40,121,155	36,208,161	12%	13%	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 November 2014)

	2014 LTM	2013	YTD Chg.	YoY Chg.	LTM Chg.
Ataturk Airport	420,975	387,965	9%	9%	10%
International	286,349	260,686	11%	10%	11%
Domestic	134,626	127,279	6%	6%	7%
Esenboga Airport	82,678	85,241	-3%	-10%	-2%
International	11,822	13,133	-11%	-11%	-10%
Domestic	70,856	72,108	-2%	-9%	-1%
Izmir Airport	74,361	70,057	7%	9%	8%
International	18,399	17,215	7%	4%	11%
Domestic	55,962	52,842	6%	9%	7%
Gazipaşa Airport	5,345	2,577	117%	90%	124%
International	2,919	1,805	68%	16%	77%
Domestic	2,426	772	232%	160%	228%
Milas-Bodrum Domestic Terminal***	15,522	12,721	23%	29%	21%
TAV Turkey Total	590,389	545,840	9%	8%	10%
International	319,489	292,839	10%	9%	11%
Domestic	270,900	253,001	8%	5%	8%
Medinah	47,868	40,000	21%	-11%	22%
Monastir+Enfidha Airports	26,710	30,077	-12%	1%	-11%
Tbilisi + Batumi Airports	23,840	23,512	2%	-5%	2%
Macedonia (Skopje&Ohrid)	13,759	12,380	12%	21%	11%
Zagreb Airports	38,172	38,894	-2%	14%	-2%
TAV TOTAL**	738,044	651,809	14%	12%	15%
International	434,836	376,719	17%	15%	17%
Domestic	303,208	275,090	11%	8%	11%

* 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 – November 2014/January – November 2013)

YoY: Year-over-year (November 2014/November 2013)

n.m. Not Meaningful

According to the announcement dated 8 December 2014, Havaalanları Yer Hizmetleri A.Ş. (HAVAŞ), fully owned by TAV Airport Holding and TGS Yer Hizmetleri A.Ş., 50% of shares owned by HAVAŞ, have submitted their bids for the tender held by Turkish Airlines for the ground handling services of Istanbul Atatürk (IST), Ankara Esenboğa (ESB), Istanbul Sabiha Gökçen (SAW), Izmir Adnan Menderes (ADB), Antalya (AYT), Adana Şakir Paşa (ADA), Bodrum (BJV) and Dalaman (DLM) Airports.

Upon the recommendation of TAV Airport's Nomination Committee; the Board of Directors has resolved to seek affirmative opinion of the Capital Markets Board on the reelection of independent Board Members Mrs. Didar Sevdil Yıldırım, Mr. Jérôme Paul Jacques Marie Calvet, Mr. Tayfun Bayazıt and Mr. Necmi Rıza Bozantı to be consequently presented to the approval of the next General Assembly as per the Corporate Governance Communiqué II-17.1 of the Capital Markets Board.

2) Airport Construction: TAV Construction

Ongoing Projects (as of 31 October 2014)

Project Name	Employer	TAV Construction's Share	Contract Value (US\$m)	Physical Completion as of 30.09.2014	Physical Completion as of 31.10.2014	Change (%)
Dubai-Marina 101	M/S SHEFFIELD HOLDINGS LIMITED	100%	208	73.5%	76.6%	3.1%
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%	-
Oman MC1	SULTANATE OF OMAN MINISTRY OF TRANSPORT AND COMM.	50%	1,169	89.8%	90.2%	0.4%
Madinah International Airport	TIBAH JV	50%	963	94.5%	96.5%	2.0%
Saudi Airlines Catering Building - Madinah	TAV-ACC JV	50%	26	3.6%	5.7%	2.1%
King Abdul Aziz International Airport	SAUDIA AEROSPACE ENGINEERING INDUSTRIES	40%	765	13.1%	13.6%	0.5%
Abu Dhabi Int. Airport Midfield Terminal Building Construction Works	ADAC	33%	2,952	26.6%	27.8%	1.2%
Riyad KKIA Terminal 5 Airport	General Authority Of Civil Aviation (Gaca)	50%	336	49.6%	50.8%	1.2%
Damac Towers	Damac Development	100%	310	13.4%	15.1%	1.7%
Emaar Square N1&N2 Structural Works	EMAAR	60%	61	40.8%	46.2%	5.5%
Emaar Phase 3	EMAAR		410	0.0%	6.3%	6.3%
TOTAL			13,571			

According to the Engineering News Record (ENR), TAV Construction ranked first in the list of global airport construction firms in 2013.

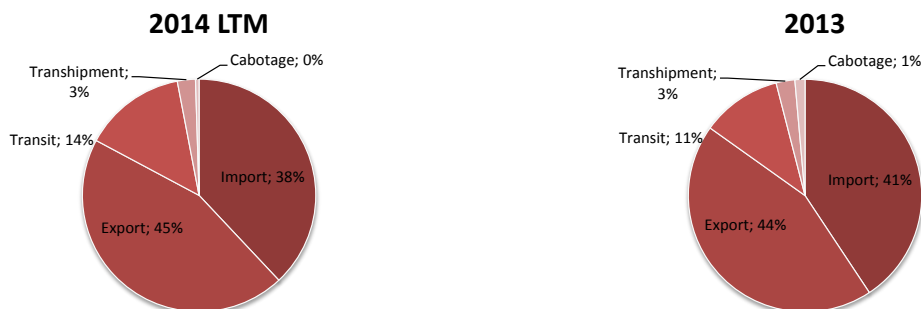
3) Port Operations: Mersin International Port (MIP)

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

	2014 LTM	2013	YTD Chg.	YoY Chg.	LTM Chg.
Container Volumes (TEU)	1,493,684	1,378,800	9%	3%	10%
Conventional Throughput (Ton)*	8,684,352	7,561,602	16%	12%	17%

* General Cargo – Dry Bulk – Liquid Bulk

Container Regime Breakdown



As of November 28, 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 USD108.008. The yield as of 28 November 2014 corresponded to 1.881% + 242 bps spread. (Source: Bloomberg)

4) Real Estate: Akfen REIT

(as of 30 November 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	76%	74%	78%	49	48	60	58	57	70
Zeytinburnu Novotel	208	75%	73%	80%	57	55	68	77	75	92
Eskisehir Ibis	108	75%	75%	79%	30	30	34	35	35	40
Trabzon Novotel	200	78%	75%	73%	61	58	50	87	83	77
Gaziantep Ibis	177	75%	74%	72%	25	25	26	30	30	32
Gaziantep Novotel	92	73%	72%	77%	39	38	43	60	60	68
Kayseri Ibis	160	58%	58%	56%	18	18	18	23	22	24
Kayseri Novotel	96	55%	54%	61%	23	23	29	36	36	44
Bursa Ibis	200	59%	59%	58%	22	22	25	26	26	30
Yaroslavl Ibis	177	56%	55%	69%	27	27	37	36	36	48
Samara Ibis	204	57%	57%	57%	28	28	31	40	40	44
Adana Ibis	165	60%	59%	51%	18	18	18	24	23	23
Esenyurt Ibis	156	58%	58%	52%	25	25	27	30	30	32
İzmir Ibis	140	74%	73%	62%	30	29	26	35	34	30
Kaliningrad Ibis	167	49%	47%	26%	21	20	13	28	27	16
Esenboğa Ibis	147	29%	-	-	10	-	-	14	-	-
Turkey Total	2,077	68%	67%	67%	34	34	38	45	44	49
Russia Total	548	54%	56%	58%	26	25	31	35	35	42
Grand Total	2,625	65%	64%	65%	32	32	36	43	42	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 November 2014)

Russia Projects

City	Room Number	Type	Status	Completion (%)
Moskova	317	Ibis Hotel Moskova	Under construction	86%

Turkey Projects

City	Room Number	Type	Status	Completion (%)
Istanbul	200	Novotel Karakoy	Under construction	60%
Istanbul	200	Ibis Otel Tuzla	Under Planning	-

In the period January- November 2014; average occupancy rate of Ibis & Novotel located in Turkey & Russia reached 65%, down by 2% compared to the same period of the previous year. During the same period, Rev-Par and T-RevPar decreased 13% and 14%, respectively.

On 10.12.2014, capital of Akfen REIT's subsidiary -Akfen Gayrimenkul Ticareti ve İnşaat A.Ş.-(Akfen GT) not belonging to Akfen REIT in portion of 0.00014% has been purchased by Akfen REIT in exchange for TL175, which is equal to the nominal value of aforesaid shares. As a result, Akfen REIT's share amount in Akfen GT reached 100%.

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 October 2014)					
Invoiced Water Volume	502,808	539,789	-7%	-21%	-6%
Akfen Su Dilovasi (as of 30 November 2014)					
Treated Waste Water Volume	2,486,195	2,615,571	-5%	8%	-8%

As of end of October, Akfen Su Gullük served 6,540 subscribers.

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

6) Energy
6.1) Akfen HEPP
Operational HEPPs (as of 30 November 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	98.24
	Sirma	6.0	23.2	June 2009	20.83	12.49
	Sekiyaka II HES 1	2.3	12.3	January 2014	0.00	9.97
Çamlıca	Camlica III	27.6	104.5	April 2011	61.54	21.44
	Saracbendi	25.5	100.5	May 2011	75.55	23.17
Pak	Demirciler	8.4	34.5	August 2012	34.40	18.06
	Kavakcalı	11.1	44.3	March 2013	21.43	29.52
	Gelinkaya	6.9	25.8	June 2013	2.23	5.86
BT Bordo	Yagmur	9.0	31.5	November 2012	20.20	17.28
Elen	Doğancay	30.2	171.7	August-September 2014	-	19.08
Yenidoruk	Doruk	28.3	75.5	September 2014	-	12.88
Total		203.0	847.8		396.26	267.98

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	8.7%
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.

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.

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. At these 2 plants; preliminary construction works such as mobilization and excavation works have continued at Çalıkobası HEPP and Çiçekli 1-II HEPP.

In 2014, electricity generated at all operating plants has been 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.

The commercial title of Akfen Enerji Termik Santral Yatırımları ve Ticaret A.Ş., 99% owned by our subsidiary Akfen Enerji Yatırımları Holding A.Ş., was changed into Akfenges Enerji Yatırımları A.Ş. at the Extraordinary General Meeting on 5 December 2014. This title was revised again, as Akfen Güneş Enerjisi Yatırım ve İşletme A.Ş. at the Extraordinary General Meeting on 9 December 2014.

Also, the commercial title of Akfen Enerji Yatırımları Holding A.Ş. was changed into Akfen Termik Enerji Yatırımları A.Ş. at the Extraordinary General Meeting on 19 December 2014.

7) Construction: Akfen Construction

Ongoing Projects (as of 30 November 2014)

Project Name	Akfen Construction’s Share	Contract Value (Euro)	Physical Completion as of 30.11.2014	Backlog (Euro)
Calıkobasi HEPP (Engineering Works)	100%	12,144,855	8.7%	11,122,167
Cicekli HEPP (Construction of Access Road)	100%	1,109,396	95.0%	Unit Price Contract*
AKFEN HEPP		13,254,251		11,122,167
Novotel Karaköy	100%	22,232,000	60.0%	12,157,765
Incek Loft	100%	136,310,327	20.9%	110,870,292
Isparta City Hospital	100%	162,365,903	0.0%	162,365,903
Hacettepe Student Dorm	64%	55,523,293	9.4%	50,301,916
TOTAL		389,685,773		346,818,043

* 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	47,343,105	50,527,752	-7%	-2%	-7%
Fast Ferry	6,982,231	6,337,335	11%	10%	11%
Sea Bus	6,130,338	7,520,151	-20%	-25%	-19%
Conventional Ferry*	34,230,536	36,670,266	-7%	0%	-7%
Number of Vehicles	8,143,808	7,852,086	4%	6%	4%
Fast Ferry**	1,314,102	1,269,961	4%	6%	4%
Conventional Ferry	6,829,706	6,582,125	4%	6%	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	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	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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