



OPERATIONAL PERFORMANCE REPORT

January 2016

Issue date: 29.02.2016

AKFEN HOLDING - RECENT DEVELOPMENTS & DATA

- As of January 25th, 2016; the price of Akfen Holding's corporate bond with the ISIN code TRSAKFH11710 (maturity date January 9th, 2017 and issue amount TL140mn) was TL101.691 (dirty price). Total trading volume in January was TL1,722,437 and the yield as of January 25th, 2016 corresponded to 11.02% + 150bps spread.
- As of January 13th, 2016; the price of Akfen Holding's corporate bond with the ISIN code TRSAKFH31718 (maturity date March 23rd, 2017 and issue amount TL200mn) was TL99.500 (dirty price). Total trading volume in January was TL155,825 and the yield as of January 13th, 2015 corresponded to 11.04% +434bps spread.
- As of January 28th, 2016; the price of Akfen Holding's corporate bond with the ISIN code TRSAKFA1719 (maturity date December 7th, 2017 and issue amount TL60 million) was TL100.000 (dirty price). Total trading volume in January was TL2,394,818 and the yield as of January 28th, 2016 corresponded to 11.11% + 288bps spread.
- With regards to the "Sell-out and Squeeze-out Rights" process Our Company made an announcement on the Public Disclosure Platform on 71.02.2016, summarizing the ongoing process ;
 - Pursuant to the Capital Markets Board's Communiqué on the "Squeeze-Out and Sell-Out Rights", as of 22.12.2015, total stake/voting right of the shareholders acting in concert (Hamdi Akın, Selim Akın, Akınısı Makina Sanayi ve Ticaret A.Ş., Akfen Turizm Yatırımları ve İşletmecilik A.Ş. and Akfen Altyapı Danışmanlık A.Ş.) has reached 97.11% and the right to sellout and squeeze-out as regulated in the Communiqué would be exercised,
 - From the date of 22.12.2015 when the status of the majority shareholder was attained, shareholders other than the majority shareholders have the right to sell-out their Akfen Holding shares to the majority shareholders within a period of 3 months (in the period of 23.12.2015 - 22.03.2016) and
 - Akfen Holding A.Ş.'s sell-out fair price for a TL 1 nominal valued share has been determined as TL 13.0723, being the highest of the prices as described in the Communiqué.

Following the end of the 3 month period on 22.03.2016 17:00, during which the shareholders will have exercised their sell-out rights, the majority shareholders will exercise their right to squeeze-out the shareholders that have not exercised their sell-out rights, at a price of TL 10.9998, which is the weighted average trading price for the last 30 days prior the date of 22.12.2015, when the status of the majority shareholder was attained pursuant to the provisions of the Communiqué.

BUSINESS LINES - OPERATIONAL PERFORMANCE & DEVELOPMENTS
1) Airports/Terminals: TAV Airports
Passenger Figures⁽¹⁾ (as of 31 January 2016)

	2016 LTM	2015	YTD Chg.	YoY Chg.	LTM Chg.
Ataturk Airport	61,441,602	61,322,729	3%	3%	8%
International	42,086,369	41,947,327	5%	5%	9%
Domestic	19,355,233	19,375,402	-1%	-1%	4%
Esenboga Airport	12,371,106	12,326,869	5%	5%	12%
International	1,564,004	1,559,171	4%	4%	9%
Domestic	10,807,102	10,767,698	5%	5%	12%
Izmir Airport	12,194,050	12,139,788	6%	6%	10%
International	2,620,242	2,619,691	1%	1%	2%
Domestic	9,573,808	9,520,097	7%	7%	13%
Gazipaşa Airport	921,045	915,046	28%	28%	26%
International	507,664	508,408	-20%	-20%	25%
Domestic	413,381	406,638	38%	38%	27%
Milas-Bodrum Airport⁽⁴⁾	3,887,142	3,877,603	13%	13%	1%
International	1,548,562	1,548,708	-100%	-100%	-16%
Domestic	2,338,580	2,328,895	13%	13%	16%
TAV Turkey Total	89,268,649	89,035,593	4%	4%	12%
International	46,780,545	46,636,863	4%	4%	9%
Domestic	42,488,104	42,398,730	3%	3%	15%
Medinah	5,796,724	5,831,163	-6%	-6%	1%
Monastir & Enfidha Airports	1,373,075	1,407,293	-49%	-49%	-59%
Tbilisi & Batumi Airports	2,083,428	2,066,268	15%	15%	16%
Macedonia (Skopje & Ohrid)	1,583,684	1,560,381	26%	26%	21%
Zagreb Airport	2,594,078	2,587,798	4%	4%	6%
TAV TOTAL⁽³⁾	102,699,638	102,488,496	3%	3%	7%
International	57,694,876	57,572,163	3%	3%	5%
Domestic	45,004,762	44,916,333	3%	3%	11%

Air Traffic Movements⁽²⁾ (as of 31 January 2016)

	2016 LTM	2015	YTD Chg.	YoY Chg.	LTM Chg.
Ataturk Airport	448,111	447,159	3%	3%	6%
International	315,120	313,730	6%	6%	9%
Domestic	132,991	133,429	-4%	-4%	0%
Esenboga Airport	88,639	87,948	10%	10%	8%
International	12,142	12,031	13%	13%	5%
Domestic	76,497	75,917	10%	10%	9%
Izmir Airport	80,240	79,880	7%	7%	10%
International	19,293	19,191	16%	16%	11%
Domestic	60,947	60,689	5%	5%	9%
Gazipaşa Airport	6,557	6,510	27%	27%	23%
International	3,451	3,458	-22%	-22%	24%
Domestic	3,106	3,052	38%	38%	22%
Milas-Bodrum Airport⁽⁴⁾	26,435	26,394	8%	8%	0%
International	9,713	9,714	-100%	-100%	-13%
Domestic	16,722	16,680	8%	8%	11%
TAV Turkey Total	640,269	638,177	4%	4%	10%
International	350,006	348,410	6%	6%	9%
Domestic	290,263	289,767	2%	2%	11%
Medinah	49,121	49,031	2%	2%	1%
Monastir+Enfidha Airports	12,027	12,229	-30%	-30%	-46%
Tbilisi + Batumi Airports	25,148	25,148	0%	0%	6%
Macedonia (Skopje&Ohrid)	15,643	15,510	13%	13%	11%
Zagreb Airports	39,796	39,854	-2%	-2%	3%
TAV TOTAL⁽³⁾	782,028	779,973	4%	4%	6%
International	461,215	459,492	5%	5%	6%
Domestic	320,813	320,481	1%	1%	6%

* 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. Int'l pax of Milas Bodrum is included starting from November 2015 and hence it is not included in the 2015 LTM data.

Abbreviations:

LTM: Last twelve months

YTD: Year-to-date (January 2016/January 2015)

YoY: Year-over-Year (January 2016/January 2015)

n.m. Not Meaningful

- TAV Airports Holding's subsidiary, BTA Yiyecek İçecek Hizmetleri A.Ş., has been declared as the preferred bidder to operate the food and beverages areas at New Muscat International Airport in Oman. The operating period is 10 years starting from 2017. The project covers the operation right of 3,142 square meters and 20 of service points of food and beverage areas in the airport, which served 9 million passengers in 2015.
- The Ordinary General Shareholders' Meeting of TAV Airports will be held on March 21, 2016, Monday at 14:00 p.m. TAV Airports' Board of Directors has resolved to submit to the approval of the General Assembly the decision to distribute starting from March 23, 2016. The total proposed gross cash dividend to be distributed is TL 347,560,013. As per the proposal of the Audit Committee, it has been unanimously resolved to submit to the approval of the General Assembly the appointment of Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (a partner of Ernst & Young Global Limited) as the independent auditing company and auditor defined by the Turkish Commercial Code, Capital Markets Law and the relevant legislation, to audit TAV Airport's financial statements in 2016 and to perform all other activities required within the scope of the relevant aforementioned regulation and law.
- Under current FX conditions and based on the passenger assumptions below, TAV Airport's targets for 2016 are as follows:
 - Istanbul international passenger growth: 7 to 9 percent,
 - Growth in total number of passengers served by TAV Airports: 7 to 9 percent,
 - Revenue growth: 7 to 9 percent,
 - EBITDAR growth: 7 to 9 percent,
 - Net profit growth: 10 to 12 percent,
 - Total capex: EUR 100 to 110 million.

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

2) Airport Construction: TAV Construction

Ongoing Projects (as of 31 December 2015)

Project Name	Employer	TAV Construction's Share	Contract Value (US\$m)	Physical Completion as of 30.11.2015	Physical Completion as of 31.12.2015	Change (%)
Dubai-Marina 101	M/S Sheffield Holdings Limited	100%	206	91.8%	92.3%	0.5%
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	100.0%	100.0%	-
Oman MC1	Sultanate Of Oman Ministry Of Transport And Comm.	50%	1,216	92.9%	92.9%	-
Saudi Airlines Catering Building - Madinah	TAV-ACC JV	50%	31	99.5%	100.0%	0.5%
Medina Airport Hotel Project - Madinah	TAV-ACC JV	50%	31	83.2%	89.4%	6.2%
King Abdul Aziz International Airport	Saudia Aerospace Engineering Industries	40%	765	33.6%	34.4%	0.8%
Abu Dhabi Int. Airport Midfield Terminal Building Construction Works	ADAC	33%	3,177	64.6%	67.5%	2.9%
Riyad KKIA Terminal 5 Airport	General Authority Of Civil Aviation (Gaca)	50%	431	82.5%	86.2%	3.7%
Damac Towers	Damac Development	100%	333	44.2%	48.0%	3.8%
Emaar Square N1&N2 Structural Works	EMAAR	60%	70	98.3%	98.8%	0.5%
Emaar Phase 3	EMAAR	60%	410	31.4%	37.4%	6.0%
Istanbul Ataturk Airport Extension Project - Phase 3	TAV Istanbul Terminal Operations Co.	100%	43	61.0%	66.5%	5.5%
New ADP Headquarters and Office Buildings	Aeroports De Paris	50%	97	15.0%	18.0%	3.0%
Tiflis International Airport Rehabilitation Project	TAV URBAN GEORGIA LLC	100%	23	2.0%	2.4%	0.4%
TOTAL			13,200			

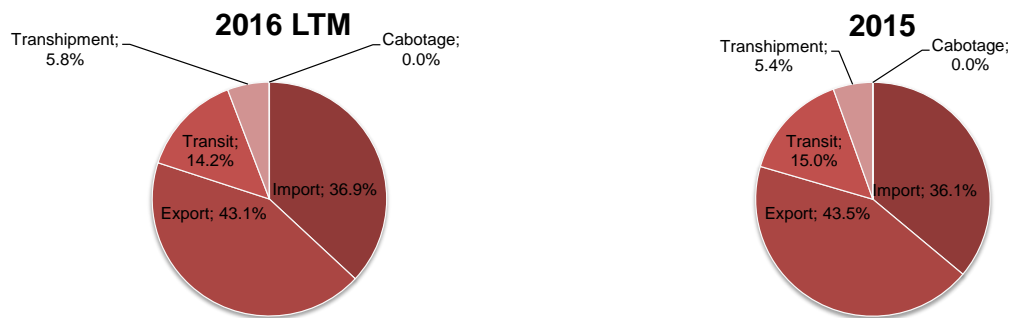
3) Port Operations: Mersin International Port (MIP)

Container & Conventional Cargo Statistics (as of 31 January 2016)

	2016 LTM	2015	YTD Chg.	YoY Chg.	LTM Chg.
Container Volumes (TEU)	1,460,276	1,466,199	-5%	-5%	-2%
Conventional Throughput (Ton)*	7,597,141	7,748,856	-21%	-21%	-15%

* General Cargo – Dry Bulk – Liquid Bulk

Container Regime Breakdown



As of January 29th, 2015; the price of MIP's corporate bond with the ISIN code XS0957598070 (Bloomberg Code: EJ778815) (maturity date August 12th, 2020 and issue amount USD450mn) was USD102.864. The yield as of January 29th, 2015 corresponded to 4.979% + 401bps spread (Source: Bloomberg).

4) Real Estate: Akfen REIT

(as of 31 January 2016)

	Room Number*	Occupancy Rate			Rev Par (EUR)**			Total Rev Par (EUR)***		
		2016 YTD	2016 LTM	2015	2016 YTD	2016 LTM	2015	2016 YTD	2016 LTM	2015
Hotels										
Turkey Total	2,077	62%	67%	67%	23	31	31	31	40	40
Russia Total	865	43%	54%	52%	13	19	19	17	26	26
Grand Total	2,942	56%	64%	63%	20	28	28	26	37	37

* 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 31 January 2016)

City	Room Number	Type	Status	Completion (%)
Istanbul	200	Ibis Otel Tuzla	Under construction	77%

- In January 2016; average occupancy rate of Ibis & Novotel located in Turkey & Russia reached 56%, down by 0.2% compared to the same period of the previous year. During the same period, Rev-Par and T-RevPar decreased 19% and 18%, respectively.
- Novotel İstanbul Bosphorus (Karaköy) having 200 rooms developed by Akfen Karaköy Gayrimenkul Yatırımları ve İnşaat A.Ş., subsidiary of our Company as 5-star hotel in the centre of Karaköy, one of the oldest trade center of İstanbul, has started its operations.

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

Akfen Water Gulluk (as of 31 December 2015)	2015 LTM	2014	YTD Chg.	YoY Chg.	LTM Chg.
Invoiced Water Volume	532,398	506,917	5%	19%	5%

Akfen Water Dilovasi (as of 31 January 2016)	2016 LTM	2015	YTD Chg.	YoY Chg.	LTM Chg.
Treated Waste Water Volume	2,075,466	1,991,083	46%	46%	-17%

As of end of December, Akfen Su Güllük served 6,858 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 2016)

Company	HEPP	Installed Capacity (MW)	Generation Capacity (GWh/yr)	Commercial Operation Date (COD)	Realized Generation Output (GWh/yr) 2015	Realized Generation Output (GWh/yr) YTD
Beyobası	Otluca	47.7	224.0	April 2011	167.01	20.31
	Sirma	6.0	23.2	June 2009	29.64	0.01
	Sekiyaka II HES 1	3.4	17.1	January 2014-August 2015	16.20	1.78
Çamlıca	Camlica III	27.6	104.5	April 2011	78.69	3.91
	Saracbendi	25.5	100.5	May 2011	70.80	3.56
Pak	Demirciler	8.4	34.5	August 2012	37.09	4.53
	Kavakcalı	11.1	44.3	March 2013	45.08	5.08
	Gelinkaya	6.9	25.8	June 2013	11.48	0.16
BT Bordo	Yagmur	9.0	31.5	November 2012	26.14	2.37
Elen	Doğancay	30.2	171.7	August-September 2014	152.38	14.05
Yenidoruk	Doruk	28.3	75.5	September 2014	69.92	0.92
Total		204.1	852.6		704.42	56.69

HEPPs Under Construction

Company	HEPP	Installed Capacity (MW)	Generati on Capacity (GWh/yr)	Civil Work Progress Ratio (%)
H.H.K. Enerji	Çalıkobası (Engineering Works)	17.0	46.4	31.3%
Kurtal	Çiçekli 1-II (Engineering Works)	6.7	21.9	15.9%
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
Laleli	Laleli	101.6	256.7
Total		111.6	299.2

(1) Following the decision that declared 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 a protected area. The decision was declared to us and the case is at the Supreme Court stage and Stay of Execution is currently in force. The file is still waiting for examination at the Supreme Court Department 4 since it was decided to go for an amendment of the stay of execution, . Additionally, the administrative process to remove this site from the status of a protected area is still continuing.

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 power house excavation works have continued at Çalıkobası HEPP, whereas at Çiçekli HEPP tunnel and basin excavation works have continued.

In accordance with the decision taken by the management, in 2015 electricity generated at Otluca HEPP, Saraçbendi HEPP, Doruk HEPP and Yağmur HEPP was sold to the Renewable Energy Resources Support Mechanism while the remaining hydro power plants continued to sell in the Day-Ahead Market (DAM) and to Akfen Elektrik Toptan Satış Co. In 2016, electricity generated at all operating plants is being sold to the Renewable Energy Resources Support Mechanism.

According to our Company's board decision dated 13.07.2015 and numbered 2015/16 it was decided to purchase 100% of Karine Enerji Üretim ve Sanayi A.Ş. ("Karine"), owned by our Company's Board Member Selim Akin at a value of US\$24,000,000 and the related share transfer agreement was signed on 24.07.2015. The conditions of the closing were met and the above mentioned share transfer transaction was completed as of 22 February 2016.

Within the ongoing structuring of the renewable energy portfolio, on 22.02.2016, the boards of our wholly owned subsidiaries Karine SPP and Akfen Renewable Energy, have decided to merge Karine SPP, without liquidation as a whole, with Akfen Renewable Energy, pursuant to the Articles 136 and 138 of the Turkish Commercial Code and Articles 19 and 20 of the Corporate Tax Law and the related transaction has been initiated.

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.

Application made to the Ministry of Environment and Urbanization for the EIA of the Project's 380 kV Mersin CCGT-Konya Ereğli Transformation Station Energy Transmission Line was approved and the EIA process was completed.

7) Sea Transportation: IDO

Number of Passengers and Vehicles Transported (as of 31 January 2016)

	2016 LTM	2015	YTD Chg.	YoY Chg.	LTM Chg.
Number of Passengers	47,490,435	47,377,389	4%	4%	0%
Fast Ferry	7,506,168	7,464,089	10%	10%	7%
Sea Bus	5,841,878	5,835,290	2%	2%	-2%
Conventional Ferry*	34,142,389	34,078,010	3%	3%	0%
Number of Vehicles	8,644,767	8,604,468	7%	7%	6%
Fast Ferry**	1,481,952	1,471,909	12%	12%	12%
Conventional Ferry	7,162,815	7,132,559	6%	6%	4%

* Number of passengers travelling with vehicles using Eskişehir-Topolcar 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/Rickup 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	Mni 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

Akfen Holding Investor Relations

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