



# **OPERATIONAL PERFORMANCE REPORT**

**August 2013**

**Issue date: 26.09.2013**

## AKFEN HOLDING - RECENT DEVELOPMENTS & DATA

As of August 29, 2013; the price of Akfen Holding's corporate bond with the ISIN code TRSAKFHA1313 (maturity date December 24, 2013 and issue amount TL80mn) was TL100.60 (dirty price). Total trading volume in August was TL6,816,867 and the yield as of August 29, 2013 corresponded to 8.06% + 144bps spread. While the seventh coupon payment of the bond amounting to TL 2,229,439.47 was made on September 24, 2013, the interest rate effective for the eighth coupon payment, which will be made on December 24, 2013, was announced as 2.9918%.

As of August 29, 2013; the price of Akfen Holding's corporate bond with the ISIN code TRSAKFH31411 (maturity date March 07, 2014 and issue amount TL200mn) was TL101.01 (dirty price). Total trading volume in August was TL1,476,178 and the yield as of 29 August 2013 corresponded to 8.77% - 112bps spread. While the third coupon payment of the bond amounting to TL 9,497,399.27 was made on September 06, 2013, the interest rate effective for the fourth coupon payment, which will be made on March 07, 2014, was announced as 6.5516%.

Within the "Share Buyback Programme"; Akfen Holding has repurchased 2,165,382 Akfen Holding shares at an average price of TL3.96 between 27 August- 24 September 2013. Consequently, the total amount of the shares repurchased by Akfen Holding so far has reached 7,079,513, which represents around 2.43% of the Company's paid-in capital.

Between 24-25 September 2013; our wholly owned subsidiary Akfen Construction purchased a total of 178,000 Akfen Holding shares, at an average price of TL4.23. Following these transactions Akfen Construction's stake in Akfen Holding rose to 4.41%.

Together with the shares held by Akfen Construction, the total shareholding of Akfen Holding and its subsidiary companies has reached 6.84%.

## BUSINESS LINES - OPERATIONAL PERFORMANCE & DEVELOPMENTS

### 1) Airports/Terminals: TAV Airports

Passenger Figures\* (as of 31 August 2013)

	2013 LTM	2012	YTD Chg.	YoY Chg.	LTM Chg.
<b>Ataturk Airport</b>	<b>49,538,719</b>	<b>44,998,508</b>	<b>15%</b>	<b>15%</b>	<b>16%</b>
International	32,768,339	29,717,196	16%	16%	17%
Domestic	16,770,380	15,281,312	15%	13%	14%
<b>Esenboga Airport</b>	<b>10,279,397</b>	<b>9,237,886</b>	<b>17%</b>	<b>27%</b>	<b>14%</b>
International	1,597,298	1,574,039	2%	-5%	5%
Domestic	8,682,099	7,663,847	20%	36%	15%
<b>Izmir Airport</b>	<b>9,904,251</b>	<b>9,356,284</b>	<b>9%</b>	<b>9%</b>	<b>9%</b>
International	2,414,882	2,411,257	0%	5%	-1%
Domestic	7,489,369	6,945,027	12%	12%	13%
<b>Gazipaşa Airport</b>	<b>279,003</b>	<b>79,740</b>	<b>-</b>	<b>-</b>	<b>383%</b>
International	203,883	75,886	-	-	259%
Domestic	75,120	3,854	-	-	7236%
<b>TAV Turkey Total</b>	<b>69,973,934</b>	<b>63,592,678</b>	<b>15%</b>	<b>16%</b>	<b>19%</b>
International	36,960,486	33,702,492	15%	15%	16%
Domestic	33,013,448	29,890,186	16%	18%	23%
<b>Medinah</b>	<b>4,564,704</b>	<b>4,588,158</b>	<b>-1%</b>	<b>-23%</b>	<b>3%</b>
<b>Monastir+Enfidha Airports</b>	<b>3,350,300</b>	<b>3,321,244</b>	<b>1%</b>	<b>-1%</b>	<b>8%</b>
<b>Tbilisi + Batumi Airports</b>	<b>1,562,350</b>	<b>1,387,824</b>	<b>19%</b>	<b>25%</b>	<b>17%</b>
<b>Macedonia (Skopje&amp;Ohrid)</b>	<b>1,019,242</b>	<b>913,567</b>	<b>17%</b>	<b>20%</b>	<b>12%</b>
<b>TAV TOTAL**</b>	<b>80,470,530</b>	<b>71,525,928</b>	<b>19%</b>	<b>13%</b>	<b>24%</b>
International	45,745,339	40,756,688	19%	11%	21%
Domestic	34,725,191	30,769,240	20%	17%	28%

\* Both departing and arriving passengers, including transfer pax.

\*\* 2012 TAV totals do not include Medinah for first half the year and Gazipaşa for the full year. 2011 TAV totals do not include Gazipaşa, Medinah and Izmir domestic.

**Air Traffic Movements\* (as of 31 August 2013)**

	2013 LTM	2012	YTD Chg.	YoY Chg.	LTM Chg.
<b>Ataturk Airport</b>	<b>378,555</b>	<b>348,698</b>	<b>13%</b>	<b>12%</b>	<b>14%</b>
International	251,279	231,596	13%	12%	14%
Domestic	127,276	117,102	14%	13%	15%
<b>Esenboga Airport</b>	<b>81,215</b>	<b>74,847</b>	<b>13%</b>	<b>19%</b>	<b>10%</b>
International	13,083	12,946	2%	-6%	4%
Domestic	68,132	61,901	15%	26%	11%
<b>Izmir Airport</b>	<b>69,822</b>	<b>67,222</b>	<b>6%</b>	<b>6%</b>	<b>8%</b>
International	16,821	17,124	-3%	3%	-4%
Domestic	53,001	50,098	9%	7%	12%
<b>Gazipaşa Airport</b>	<b>2,029</b>	<b>578</b>	<b>-</b>	<b>-</b>	<b>369%</b>
International	1,518	532	-	-	273%
Domestic	511	46	-	-	1865%
<b>TAV Turkey Total</b>	<b>531,420</b>	<b>490,767</b>	<b>13%</b>	<b>13%</b>	<b>17%</b>
International	282,536	261,666	12%	11%	13%
Domestic	248,884	229,101	13%	15%	22%
<b>Medinah</b>	<b>38,737</b>	<b>36,282</b>	<b>11%</b>	<b>-10%</b>	<b>10%</b>
<b>Monastir+Enfidha Airports</b>	<b>28,850</b>	<b>27,350</b>	<b>8%</b>	<b>6%</b>	<b>10%</b>
<b>Tbilisi + Batumi Airports</b>	<b>23,374</b>	<b>23,598</b>	<b>-1%</b>	<b>-3%</b>	<b>-3%</b>
<b>Macedonia (Skopje&amp;Ohrid)</b>	<b>12,053</b>	<b>11,285</b>	<b>10%</b>	<b>16%</b>	<b>3%</b>
<b>TAV TOTAL**</b>	<b>634,434</b>	<b>573,220</b>	<b>17%</b>	<b>11%</b>	<b>21%</b>
International	363,781	330,964	15%	10%	17%
Domestic	270,653	242,256	18%	12%	28%

\* Commercial flights only

\*\* 2012 TAV totals do not include Medinah for first half the year and Gazipaşa for the full year. 2011 TAV totals do not include Gazipaşa, Medinah and Izmir domestic.

**Abbreviations:**

LTM: Last twelve months

YTD: Year-to-date (January-August 2013/January-August 2012)

YoY: Year-over-Year (August 2013/August 2012)

**2) Airport Construction: TAV Construction**
**Ongoing Projects (as of 31 July 2013)**

Project Name	Employer	TAV Construction's Share	Contract Value (US\$m)	Physical Completion as of 30.06.2013	Physical Completion as of 31.07.2013	Change
Dubai-Marina 101	M/S SHEFFIELD HOLDINGS LIMITED	100%	207	61.3%	61.9%	0.6%
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%	4,028	99.9%	99.9%	-
Oman MC1	SULTANATE OF OMAN MINISTRY OF TRANSPORT AND COMM.	50%	1,170	84.6%	83.8%**	-0.8%
Izmir International Airport	TAV EGE TERMINAL YATIRIM VE İŞLETME A.Ş.	82%*	362	54.7%	62.0%	7.3%
Medinah	TIBAH JV	50%	954	32.9%	36.1%	3.2%
King Abdul Aziz International Airport	SAUDIA AEROSPACE ENGINEERING INDUSTRIES	40%	765	3.4%	4.2%	0.8%
Abu Dhabi Int. Airport Midfield Terminal Building Construction Works	ADAC	33%	2,942	5.2%	6.1%	0.9%
<b>TOTAL</b>			<b>12,760</b>			

\*The contract of Izmir Int. Airport project is carried out 100% by TAV Construction. However, imports within the scope of the contract are conducted through a TAV Airports group company, TAV Ege Terminal Yatırım ve İşletme A.Ş.. The table therefore depicts TAV Construction's share after the import items are deducted from the total contract value.

\*\*Physical Completion has been revised as 83.8% due to the revision of the contract's scope

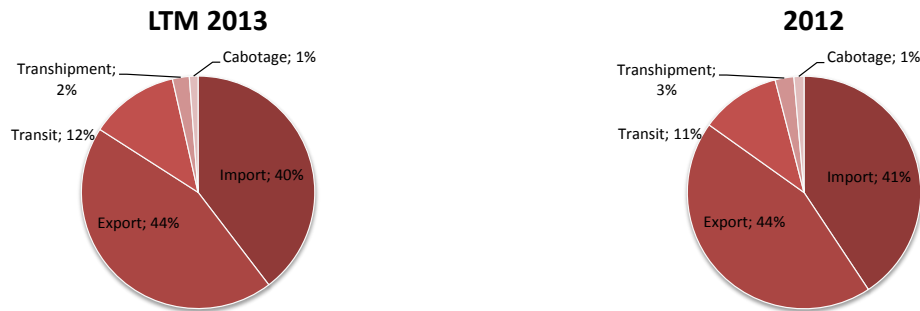
**3) Port Operations: Mersin International Port (MIP)**

As of August 30, 2013; the price of MIP's corporate bond with the ISIN code EJ778815 (maturity date August 12 2020 and issue amount USD450mn) was USD95.804 (dirty price). The yield as of 30 August 2013 corresponded to 2.252% + 441bps spread (Source: Bloomberg).

**Container & Conventional Cargo Statistics (as of 31 August 2013)**

	2013 LTM	2012	YTD Chg.	YoY Chg.	LTM Chg.
Container Volumes (TEU)	1,316,690	1,263,495	6%	11%	7%
Conventional Throughput (Ton)*	7,172,483	7,062,703	2%	-25%	9%

\* General Cargo – Dry Bulk – Liquid Bulk

**Container Regime Breakdown**

**4) Real Estate: Akfen REIT**
**Occupancy Rate (as of 31 August 2013)**

Hotels	Room Number*	2013 YTD	2013 LTM	2012
Zeytinburnu Ibis	228	82%	84%	86%
Zeytinburnu Novotel	208	82%	83%	85%
Eskisehir Ibis	108	79%	77%	75%
Trabzon Novotel	200	75%	74%	70%
Gaziantep Ibis	177	69%	68%	57%
Gaziantep Novotel	92	78%	78%	73%
Kayseri Ibis	160	53%	55%	54%
Kayseri Novotel	96	63%	63%	57%
Bursa Ibis	200	59%	57%	57%
Yaroslavl Ibis	177	69%	70%	69%
Samara Ibis	204	53%	53%	48%
Adana Ibis	165	48%	44%	36%
Esenyurt Ibis	156	52%	-	-
Izmir Ibis	140	47%	-	-
Kaliningrad Ibis	167	2%	-	-

**Rev Par (EUR)\*\***

Hotels	Room Number*	2013 YTD	2013 LTM	2012
Zeytinburnu Ibis	228	63	64	64
Zeytinburnu Novotel	208	71	72	73
Eskisehir Ibis	108	36	36	35
Trabzon Novotel	200	53	51	47
Gaziantep Ibis	177	25	25	21
Gaziantep Novotel	92	43	41	34
Kayseri Ibis	160	18	19	20
Kayseri Novotel	96	31	31	29
Bursa Ibis	200	26	25	26
Yaroslavl Ibis	177	37	38	34
Samara Ibis	204	29	29	25
Adana Ibis	165	18	17	15
Esenyurt Ibis	156	28	-	-
Izmir Ibis	140	20	-	-
Kaliningrad Ibis	167	1	-	-

**Total Rev Par (EUR)\*\*\***

Hotels	Room Number*	2013 YTD	2013 LTM	2012
Zeytinburnu Ibis	228	74	75	75
Zeytinburnu Novotel	208	96	96	97
Eskisehir Ibis	108	42	42	41
Trabzon Novotel	200	80	77	71
Gaziantep Ibis	177	31	31	25
Gaziantep Novotel	92	70	66	57
Kayseri Ibis	160	23	24	24
Kayseri Novotel	96	46	46	44
Bursa Ibis	200	31	30	31
Yaroslavl Ibis	177	48	49	45
Samara Ibis	204	41	42	37
Adana Ibis	165	22	21	19
Esenyurt Ibis	156	33	-	-
Izmir Ibis	140	24	-	-
Kaliningrad Ibis	167	1	-	-

\* 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.)

**Turkey Projects' Physical Completion Status (as of 31 August 2013)**
**Turkey Projects**

City	Room Number	Type	Status	Completion (%)
Istanbul	200	Novotel Karakoy	Under construction	17%
Ankara	147	Ibis Hotel Esenboğa Ankara	Under construction	45%
Istanbul	200	Ibis Otel Tuzla	Under Planning	-

In the period of January - August 2013; average occupancy rate of Ibis & Novotel located in Turkey & Russia reached 66%, up by 0.2% YoY. During the same period, both Rev-Par and T-RevPar decreased 2%.

Ibis Hotel Kaliningrad - in portfolio of Akfen Gayrimenkul Ticareti ve İnşaat A.Ş which is subsidiary of Akfen REIT – having 167 rooms started its operations in 27 August 2013.

Based on the share sale agreement signed on 4 September 2013 between Hotel Development Investment BV (HDI) - %100 subsidiary of Akfen REIT and Beneta Limited, the shares of Severnyi Avtovokzal Limited company, of which central office is located in Russia, has been takeover by HDI B.V. on 4 September 2013 with the amount of USD12.975.000. Severnyi Avtovokzal Limited company owns 2.010 m<sup>2</sup> land located in the center of Moscow and the hotel project ("Moscow Hotel Project") designed with 317 room on the land, of which building licence has been acquired. The investment of Moscow Hotel Project will start in 2013 and it is planned to sign the turn-key contractorship agreement related to the investment on 6 September 2013. Moscow Hotel Project will be operated by Accor with IBIS trademark after completion of the investment. With Moscow Hotel Project, number of the hotels under construction of Akfen REIT and its subsidiaries are four. After the completion of aforesaid investments, total 20 hotels, of which 4 hotels are in Russia, will became operational.

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

	2013 LTM	2012	YTD Chg.	YoY Chg.	LTM Chg.
<b>Akfen Su Güllük (as of 31 July 2013)</b>					
Invoiced Water Volume	520,781	526,318	-2%	-14%	-3%
<b>Akfen Su Dilovası (as of 31 August 2013)</b>					
Treated Waste Water Volume	2,704,019	2,435,342	17%	18%	17%

As of end of July, Akfen Su Güllük served 5,873 subscribers.

As of end of August, the number of operating factories in Dilovası Organised Industrial Zone was 210.

**6) Energy**
**6.1) Akfen HEPP**
**Operational HEPPs (as of August 2013)**

Company	HEPP	Installed Capacity (MW)	Generation Capacity (GWh/yr)	Commercial Operation Date (COD)	Realized Generation Output (GWh/yr) 2012	Realized Generation Output (GWh/yr) YTD
<b>Beyobası</b>	Otluca	47.7	207.6	April 2011	178.8	146.2
	Sirma	6.0	26.7	June 2009	23.3	18.9
<b>Çamlıca</b>	Çamlıca III	27.6	94.5	April 2011	69.9	53.0
	Saracbendi	25.5	86.1	May 2011	56.9	69.3
<b>Pak</b>	Demirciler	8.4	30.5	August 2012	6.6	26.8
	Kavakcalı	11.1	48.2	March 2013	-	15.7
	Gelinkaya	6.9	25.8	June 2013	-	0.9
<b>BT Bordo</b>	Yagmur	9.0	31.5	November 2012	1.4	13.8
<b>Total</b>		<b>142.2</b>	<b>551.0</b>		<b>336.8</b>	<b>344.6</b>

**HEPPs Under Construction**

Company	HEPP	Installed Capacity (MW)	Generation Capacity (GWh/yr)	Civil Work Progress Ratio (%)
Beyobası	Sekiyaka	3.4	16.8	93%
Elen	Dogancay	30.2	171.6	64%
Yenidoruk	Doruk	28.3	82.1	95%
H.H.K. Enerji	Çalılıkobası	17.0	46.4	-
Kurtal	Çiçekli 1-II	6.7	21.9	-
<b>Total</b>		<b>85.6</b>	<b>338.8</b>	

**HEPPs at Planning Stage**

Company	HEPP	Installed Capacity (MW)	Generation Capacity (GWh/yr)
Zeki	Catak <sup>1</sup>	10.0	42.5
Laleli	Laleli	101.6	256.7
Değirmenyanı	Adadağı	4.7	18.2
<b>Total</b>		<b>116.3</b>	<b>317.4</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.*

As of the reporting period, Akfen Holding continued to generate electricity through its 8 operating hydroelectric power plants, having a total installed capacity of 142.2 MW and a projected annual electricity generation capacity of 551.0 GWh, whereas the construction in 5 plants having a total installed capacity of 85.6 MW and a projected annual electricity generation capacity of 338.8 GWh is ongoing.

As of 01 January 2013, electricity generated in all operating plants has been started to be sold in the Day Ahead Market.

**6.2) Akfen Energy**

Application was made to 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.

The construction of transformer station was completed and provisional acceptance was fulfilled. The disassembly works of the existing fuel oil plant has been completed. Upon the outcome of the measurements which will be carried out at the site, concrete elimination and contaminated waste removal will be started.

**7) Construction: Akfen Construction**

As of August 31, 2013; the total contract value of Akfen Construction's ongoing HEPP projects was EUR56.6 million and the total amount of cumulated progress payments of ongoing HEPP projects reached EUR47.7 million. This amount corresponds to 84% of the total contract value.

As of 31 August, 2013; the total contract value of Akfen Construction assignments in ongoing REIT projects was EUR6.1 million and the total amount of cumulated progress payments of ongoing REIT projects reached EUR2 million. This amount corresponds to 32% of the total contract value. The above referred total contract value of REIT projects exclude Karaköy Ibis project since the progress payments have been completed in August 2013.

As of 31 August 2013, Akfen Construction's current backlog (HEPP and REIT projects) was EUR13.0 million.

**8) Sea Transportation: IDO**
**Number of Passengers and Vehicles Transported**

	January - August 2012	January - August 2013	Change (%)
<b>Number of Passengers</b>	<b>34,399,392</b>	<b>34,688,838</b>	<b>1%</b>
Fast Ferry	3,822,405	4,311,333	13%
Sea Bus	5,387,593	5,252,482	-3%
Conventional Ferry*	25,189,394	25,125,023	0%
<b>Number of Vehicles</b>	<b>5,252,258</b>	<b>5,267,171</b>	<b>0%</b>
Fast Ferry**	734,205	874,608	19%
Conventional Ferry	4,518,053	4,392,563	-3%

\* 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

2011 in vehicle passenger figures of Sirkeci-Harem line is calculated with 3 passengers per vehicle coefficient. 2012 figures on the other hand represent actual counts of in vehicle passengers

\*\* 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.)	Mid bus	Pickup Truck 0-2000 kg	Pickup Truck 2001-2500 kg	Truck 2501-3500 kg	Bus	Tow.ed 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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