



OPERATIONAL PERFORMANCE REPORT

April 2014

Issue date: 26.05.2014

AKFEN HOLDING - RECENT DEVELOPMENTS & DATA

As of April 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 TL100.00 (dirty price). Total trading volume in April was TL4,492,243 and the yield as of 30 April 2014 corresponded to 9.47% + 387bps spread.

As of May 6, 2014; the price of Akfen Holding's corporate bond with the ISIN code TRSAKFH31718 (maturity date March 23th, 2017 and issue amount TL200mn) was TL101.00 (dirty price). Total trading volume in May was TL102,596 and the yield as of 6 May 2014 corresponded to 9.24% + 534bps spread.

With the board decision dated 23.05.2014 and numbered 2014/15 Mr. Hamdi Akın was reappointed as the Chairman of the Board, Mr. Selim Akın as the Vice Chairman of the Board, Mr. İrfan Erciyas as the Executive Member of the Board and Mr. İbrahim Süha Güçsav as the General Manager, Ms. Sıla Cılız İnanç as the Assistant General Manager (Legal Affairs) and Mr. Hüseyin Kadri Samsunlu as the Assistant General Manager (Financial Affairs) of our Company irrespective of their prior duty periods for a period of one year.

Also, with the board decision dated 23.05.2014 and numbered 2014/16; in accordance with the CMB Communique numbered II-17.1 on Corporate Governance it was decided that;

- Board Member Ms. Pelin Akın, Assistant General Manager Ms. Sıla Cılız İnanç, Independent Board Member Mr. Saban Erdikler, Independent Board Member Mr. Nusret Cömert and Investor Relations Manager Ms. Aylin Corman would be appointed as members of the *Corporate Governance Committee* for a period of 1 year and Mr. Nusret Cömert would be the Chairman of this committee
- Corporate Governance Committee would also carry out the duties of the Nomination Committee and the Remuneration Committee
- Independent Board Member Mr. Saban Erdikler and Independent Board Member Mr. Nusret Cömert would be appointed as members of the *Audit Committee* for a period of 1 year and Mr. Saban Erdikler would be the Chairman of this committee
- Independent Board Member Mr. Nusret Cömert, Vice Chairman of the Board Mr. Selim Akın and Board Member Ms. Pelin Akın would be appointed as members of the *Early Determination of Risk Committee* for a period of 1 year and Mr. Nusret Cömert would be the Chairman of this committee.

Additionally, in accordance with the clause 11 of the Communique, it was decided that an Investor Relations Department would be set up to facilitate the communication between our Company and the investors, Ms. Aylin Corman, who is already performing this duty and has the required qualifications as per the Communique would be appointed as the manager of this department. The Investor Relations Manager will directly be reporting to our Company's CEO Mr. Süha Güçsav, and will also be appointed as a member of the Corporate Governance Committee.

BUSINESS LINES - OPERATIONAL PERFORMANCE & DEVELOPMENTS
1) Airports/Terminals: TAV Airports

Passenger Figures* (as of 30 April 2014)

	2014 LTM	2013	YTD Chg.	YoY Chg.	LTM Chg.
Ataturk Airport	53,077,230	51,320,875	11%	12%	11%
International	35,234,410	34,096,770	11%	10%	11%
Domestic	17,842,820	17,224,105	12%	16%	11%
Esenboga Airport	11,283,062	10,928,403	11%	5%	16%
International	1,536,715	1,573,943	-8%	-18%	-6%
Domestic	9,746,347	9,354,460	14%	9%	21%
Izmir Airport	10,467,299	10,208,627	9%	6%	9%
International	2,519,347	2,467,436	12%	7%	6%
Domestic	7,947,952	7,741,191	9%	6%	9%
Gazipaşa Airport	421,924	363,024	179%	154%	278%
International	262,980	242,949	230%	125%	214%
Domestic	158,944	120,075	161%	182%	473%
TAV Turkey Total	75,249,515	72,820,929	11%	11%	12%
International	39,553,452	38,381,098	11%	9%	11%
Domestic	35,696,063	34,439,831	12%	12%	14%
Medinah	5,242,948	4,669,181	36%	25%	10%
Monastir+Enfidha Airports	3,451,187	3,437,849	3%	3%	5%
Tbilisi + Batumi Airports	1,674,385	1,642,597	8%	4%	17%
Macedonia (Skopje&Ohrid)	1,113,438	1,067,467	17%	40%	18%
Zagreb Airport	2,294,005	2,300,231	-1%	3%	-3%
TAV TOTAL**	87,353,420	83,638,023	15%	14%	14%
International	49,638,832	47,429,862	17%	15%	13%
Domestic	37,714,588	36,208,161	14%	14%	15%

* Both departing and arriving passengers, including transfer pax.

** 2013 TAV Totals do not include Zagreb Airport.

Air Traffic Movements* (as of 30 April 2014)

	2014 LTM	2013	YTD Chg.	YoY Chg.	LTM Chg.
Ataturk Airport	401,535	387,965	12%	12%	11%
International	270,894	260,686	13%	12%	12%
Domestic	130,641	127,279	9%	10%	9%
Esenboga Airport	86,645	85,241	5%	1%	12%
International	12,665	13,133	-12%	-18%	-8%
Domestic	73,980	72,108	8%	5%	16%
Izmir Airport	71,621	70,057	8%	7%	6%
International	17,585	17,215	13%	1%	5%
Domestic	54,036	52,842	7%	9%	6%
Gazipaşa Airport	3,057	2,577	197%	136%	276%
International	1,951	1,805	195%	100%	225%
Domestic	1,106	772	198%	174%	422%
TAV Turkey Total	562,858	545,840	10%	10%	11%
International	303,095	292,839	12%	11%	11%
Domestic	259,763	253,001	9%	9%	11%
Medinah	44,306	40,000	34%	28%	14%
Monastir+Enfidha Airports	29,699	30,077	-8%	-7%	8%
Tbilisi + Batumi Airports	23,726	23,512	3%	-2%	1%
Macedonia (Skopje&Ohrid)	12,643	12,380	8%	25%	11%
Zagreb Airports	38,098	38,894	-7%	-12%	-4%
TAV TOTAL**	684,554	651,809	17%	16%	14%
International	398,808	376,719	21%	19%	15%
Domestic	285,746	275,090	13%	13%	13%

* Commercial Flights Only

** 2013 TAV Totals do not include Zagreb Airport.

Abbreviations:

LTM: Last twelve months

YTD: Year-to-date (January – April 2014/January- April 2013)

YoY: Year-over-Year (April 2014/ April 2013)

n.m. Not Meaningful

2) Airport Construction: TAV Construction
Ongoing Projects (as of 31 March 2014)

Project Name	Employer	TAV Construction's Share	Contract Value (US\$mn)	Physical Completion as of 28.02.2014	Physical Completion as of 31.03.2014	Change
Dubai-Marina 101	M/S SHEFFIELD HOLDINGS LIMITED	100%	207	66.5%	67.1%	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 QATAR	35%	4,040	100.0%	100.0%	-
Doha International Airport Facility Management Works**	Government Of The State Of Qatar	70%	31	0.0%	0.0%	-
Oman MC1	SULTANATE OF OMAN MINISTRY OF TRANSPORT AND COMM.	50%	1,169	87.7%	88.0%	0.3%
Izmir International Airport	TAV EGE TERMINAL YATIRIM VE İŞLETME A.Ş.	82%*	362	95.8%	100.0%	4.2%
Madinah International Airport	TIBAH JV	50%	959	70.3%	74.6%	4.3%
King Abdul Aziz International Airport	SAUDIA AEROSPACE ENGINEERING INDUSTRIES	40%	765	7.3%	7.7%	0.4%
Abu Dhabi Int. Airport Midfield Terminal Building Construction Works	ADAC	33%	2,942	15.2%	16.7%	1.5%
Riyad KKIA Terminal 5 Havalimanı	General Authority Of Civil Aviation (Gaca)	50%	336	8.8%	12.1%	3.4%
Damac Towers	Damac Development	100%	289	5.2%	6.1%	0.9%
Emaar Square N1&N2 Structural Works	EMAAR	60%	61	8.7%	12.5%	3.8%
TOTAL			13,492			

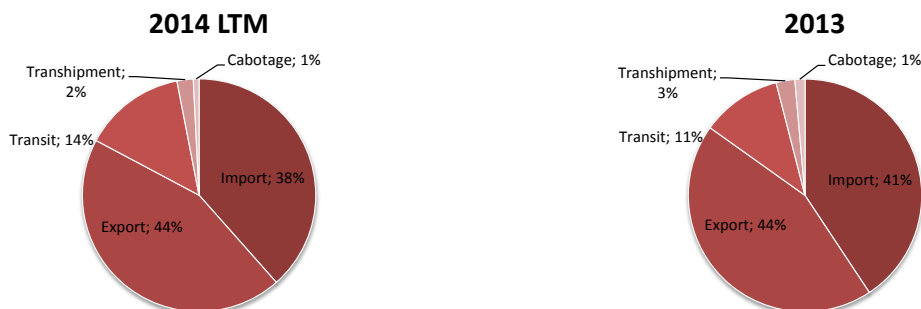
*The contract of Izmir Int. Airport project is carried out 100% by TAV Construction. However, imports within the scope of the contract are conducted through a TAV Airports group company, TAV Ege Terminal Yatırım Yapım ve İşletme A.Ş.. The table therefore depicts TAV Construction's share after the import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

** This Project is not in the scope of the core business of Doha International Airport. It is added as Variation Order.

3) Port Operations: Mersin International Port (MIP)
Container & Conventional Cargo Statistics (as of 30 April 2014)

	2014 LTM	2013	YTD Chg.	YoY Chg.	LTM Chg.
Container Volumes (TEU)	1,461,526	1,378,800	19%	15%	15%
Conventional Throughput (Ton)*	7,682,709	7,561,602	5%	5%	5%

* General Cargo – Dry Bulk – Liquid Bulk

Container Regime Breakdown


As of April 30, 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 USD103.928. The yield as of 30 April 2014 corresponded to 2.232% + 334 bps spread. (Source: Bloomberg)

4) Real Estate: Akfen REIT

(as of 30 April 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	73%	76%	78%	48	55	60	56	64	70
Zeytinburnu Novotel	208	70%	77%	80%	53	64	68	71	85	92
Eskisehir Ibis	108	74%	77%	79%	28	31	34	33	36	40
Trabzon Novotel	200	62%	73%	73%	37	50	50	57	77	77
Gaziantep Ibis	177	79%	76%	72%	26	26	26	32	32	32
Gaziantep Novotel	92	71%	75%	77%	40	42	43	61	67	68
Kayseri Ibis	160	57%	59%	56%	17	18	18	22	24	24
Kayseri Novotel	96	56%	57%	61%	24	26	29	36	39	44
Bursa Ibis	200	53%	56%	58%	20	23	25	23	27	30
Yaroslavl Ibis	177	54%	67%	69%	27	35	37	35	45	48
Samara Ibis	204	59%	61%	57%	29	31	31	43	45	44
Adana Ibis	165	63%	55%	51%	19	18	18	25	23	23
Esenyurt Ibis	156	55%	53%	52%	25	26	27	30	31	32
İzmir Ibis	140	75%	a.d.	62%	29	a.d.	26	34	a.d.	30
Kaliningrad Ibis	167	29%	a.d.	26%	13	a.d.	13	17	a.d.	16
Turkey Total	1,930	66%	67%	67%	32	36	38	41	47	49
Russia Total	548	48%	64%	58%	23	33	31	33	45	42
Grand Total	2,478	62%	66%	65%	30	36	36	39	47	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 April 2014)

Russia Projects

City	Room Number	Type	Status	Completion (%)
Moskova	317	Ibis Hotel Moskova	Under construction	63%

Turkey Projects

City	Room Number	Type	Status	Completion (%)
Istanbul	200	Novotel Karakoy	Under construction	40%*
Ankara	147	Ibis Hotel Esenboğa Ankara	Under construction	100%
Istanbul	200	Ibis Otel Tuzla	Under Planning	-

* Novotel Karakoy Project's physical completion as of 31 March, 2014 of 48% published in the "Operational Performance Report March 2014" has been revised as above.

In the period January- April 2014; average occupancy rate of Ibis & Novotel located in Turkey & Russia reached 62%, down by 2% compared to the same period of the previous year. During the same period, Rev-Par and T-RevPar decreased 18% and 19%, respectively.

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 March 2014)					
Invoiced Water Volume	539,803	539,789	0.02%	-8.36%	3.60%
Akfen Su Dilovasi (as of 30 April 2014)					
Treated Waste Water Volume	2,355,681	2,615,571	-25%	-13%	-9%

As of end of March, Akfen Su Gullük served 6,122 subscribers.

As of end of April, the number of operating factories in Dilovası Organised Industrial Zone was 208.

6) Energy

6.1) Akfen HEPP

Operational HEPPs (as of April 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	53.39
	Sirma	6.0	23.2	June 2009	20.83	1.19
	Sekiyaka II HES 1	2.3	12.3	January 2014	0.00	3.38
Çamlıca	Camlica III	27.6	104.5	April 2011	61.54	14.59
	Saracbendi	25.5	100.5	May 2011	75.55	13.50
Pak	Demirciler	8.4	34.5	August 2012	34.40	10.62
	Kavakcalı	11.1	44.3	March 2013	21.43	15.88
	Gelinkaya	6.9	25.8	June 2013	2.23	1.61
BT Bordo	Yagmur	9.0	31.5	November 2012	20.20	7.17
Total		144.5	600.6		396.26	121.32

HEPPs Under Construction

Company	HEPP	Installed Capacity (MW)	Generation Capacity (GWh/yr)	Civil Work Progress Ratio (%)
Elen	Dogançay	30.2	171.7	91.2%
Yenidoruk	Doruk	28.3	75.5	99.7%
H.H.K. Enerji *	Çalıkobası	17.0	46.4	-
Kurtal*	Çiçekli 1-II	6.7	21.9	-
Total		82.2	315.5	

*Preliminary works with regards to the construction is ongoing at Çalıkobası and Çiçekli 1-II HEPPs. Construction of the access roads to the site at Çalıkobası HEPP and to the headpond at Çiçekli 1-II HEPP is currently continuing.

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
Değirmenyanı	Adadağı	4.7	18.2
Beyobası	Sekiyaka II HES 2	1.1	4.8
Total		117.4	322.2

(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 9 operating hydroelectric power plants, having a total installed capacity of 144.5 MW and a projected annual electricity generation capacity of 600.6 GWh, whereas the construction in 4 plants having a total installed capacity of 82.2 MW and a projected annual electricity generation capacity of 315.5 GWh is ongoing. Out of these 4 plants; construction have progressed and have come closer to commissioning at Doruk HEPP ve Doğançay HEPP, whereas preliminary works have recently commenced at Çalıkobası HEPP ve Çiçekli 1-II HEPP.

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 Energy Market Regulatory Authority ("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 Ereğli Transformation Station Energy Transmission Line was approved and the EIA process is currently ongoing.

7) Construction: Akfen Construction

As of April 30, 2014; the total contract value of Akfen Construction's ongoing HEPP projects was EUR41.4 million and the total amount of cumulated progress payments of ongoing HEPP projects reached EUR33.4 million. This amount corresponds to 81% of the total contract value.

As of April 30, 2014; the total contract value of Akfen Construction assignments in ongoing REIT projects was EUR22.2 million and the total amount of cumulated progress payments of ongoing REIT projects reached EUR6.5 million. This amount corresponds to 29% of the total contract value.

As of April 30, 2014; the total contract value of Akfen Construction assignments in ongoing Incek Loft project was EUR120.2 million and the total amount of cumulated progress payments of ongoing Incek Loft project reached EUR5.1 million. This amount corresponds to 4.3% of the total contract value.

As of April 30, 2014; Akfen Construction's current backlog (Incek Loft, REIT and HEPP projects) was EUR138.8 million.

Akfen Construction has signed a share purchase agreement for Renkyol Müteahhitlik San. Ve Ticaret A.Ş.'s ("Renkyol") 45% stake in Hacettepe Teknokent Eğitim ve Klinik Araştırma Merkezi Sağlık Ar-Ge Danışmanlık Proje Sanayi ve Ticaret A.Ş. (Company) for a consideration of TL29mn. On 15 May 2014, the share transfer was completed. Following the share transfer; the shareholding structure of the Company is as follows: 30% Hacettepe Üniversitesi Teknoloji Geliştirme Bölgesi Yönetici A.Ş., 45% Akfen Construction, 25% Renkyol. The Company will be investing in a project ("Project") within the T.C. Hacettepe Üniversitesi ("University") for a student housing with a capacity of 5,000 people (which can go up to 15,000), commercial areas and social facilities, will have its operating rights and for this purpose the University has extended the Company the usufruct rights. At the first phase, Akfen Construction will carry out the contractor's work of 64.29% of the total investment with a cost of TL1,300/m².

8) Sea Transportation: IDO

Number of Passengers and Vehicles Transported

	2014 LTM	2013	YTD Chg.	YoY Chg.	LTM Chg.
Number of Passengers	48,967,830	50,527,752	-11%	-11%	-5%
Fast Ferry	6,517,443	6,337,335	11%	11%	-19%
Sea Bus	7,146,554	7,520,151	-18%	-23%	-81%
Conventional Ferry*	35,303,833	36,670,266	-12%	-12%	-7%
Number of Vehicles	7,916,106	7,852,086	3%	3%	1%
Fast Ferry**	1,283,783	1,269,961	4%	4%	14%
Conventional Ferry	6,632,323	6,582,125	3%	3%	-1%

* Number of passengers travelling with vehicles using Eskişehir-Topkapı 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	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	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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