



OPERATIONAL PERFORMANCE REPORT

December 2015

Issue date: 25.01.2016

AKFEN HOLDING - RECENT DEVELOPMENTS & DATA

- As of December 31st, 2015; the price of Akfen Holding's corporate bond with the ISIN code TRSAKFH11710 (maturity date January 9th, 2017 and issue amount TL140mn) was TL101.000 (dirty price). Total trading volume in December was TL2,489,367 and the yield as of December 31st, 2015 corresponded to 10.86% + 232bps spread. While the eighth coupon payment of the bond amounting to TL4,773,998.85 was made on January 11th, 2016, the interest rate effective for the ninth coupon payment, which will be made on April 11th, 2016, was announced as 3.47%.
- As of October 1st, 2015; the price of Akfen Holding's corporate bond with the ISIN code TRSAKFH31718 (maturity date March 23rd, 2017 and issue amount TL200mn) was TL100.600 (dirty price). Total trading volume in October was TL20,175 and the yield as of October 1st, 2015 corresponded to 11.44% + 18bps spread.
- As of December 31st, 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 TL100.000 (dirty price). Total trading volume in December was TL8,435,134 and the yield as of December 31st, 2015 corresponded to 10.86% + 313bps spread.
- Pursuant to the Capital Markets Board's Communiqué on the "Squeeze-Out and Sell-Out Rights", on 28.12.2015, 1 shareholder submitted the request to exercise the sell-out rights for a total of TL8 nominal valued Akfen Holding A.Ş. shares (0.0000% of the paid-in capital)* to our Company.
** The sell-out price of our Company's shares, as announced on 23.12.2015, will be determined as the highest of the price to be determined in the valuation report prepared within one month following the receipt of the first shareholder's request to exercise the sell-out right dated 28.12.2015 and TL10.9998, which is the weighted average trading price for the last 30 days prior to the date of 22.12.2015 when the share acquisition by Hamdi Akın was carried out; TL8.7517, the weighted average trading price for the last 6 months; TL7.3360, the weighted average trading price for the last year and TL5.3013, the weighted average trading price for the last 5 years prior to 22.12.2015.*
- Extraordinary General Shareholders' Meeting of our Company was held on January 20th, 2016 Wednesday at the Headquarters of the Company in Ankara. During the General Meeting; revision in the Article 6 of the Company's Articles of Association, (so that our paid-in capital, which amounts to TL261,900,000, will be reduced by TL14,819,314 to TL247,080,686) and the Board Report on Capital Reduction was approved. Our Company's Extraordinary General Shareholders Meeting was registered at the Ankara Trade Registry on January 20th, 2016.

BUSINESS LINES - OPERATIONAL PERFORMANCE & DEVELOPMENTS
1) Airports/Terminals: TAV Airports
Passenger Figures⁽¹⁾ (as of 31 December 2015)

	2015 LTM	2014	YTD Chg.	YoY Chg.	LTM Chg.
Ataturk Airport	61,322,729	56,695,166	8%	3%	8%
International	41,947,327	38,152,871	10%	4%	10%
Domestic	19,375,402	18,542,295	4%	1%	4%
Esenboga Airport	12,326,869	11,035,606	12%	34%	12%
International	1,559,171	1,444,256	8%	20%	8%
Domestic	10,767,698	9,591,350	12%	35%	12%
Izmir Airport	12,139,788	10,970,663	11%	7%	11%
International	2,619,691	2,580,238	2%	6%	2%
Domestic	9,520,097	8,390,425	13%	8%	13%
Gazipaşa Airport	915,046	724,842	26%	23%	26%
International	508,408	405,264	25%	-47%	25%
Domestic	406,638	319,578	27%	52%	27%
Milas-Bodrum Airport⁽⁴⁾	3,877,603	3,846,547	1%	14%	1%
International	1,548,708	1,835,103	-16%	-100%	-16%
Domestic	2,328,895	2,011,444	16%	14%	16%
TAV Turkey Total	89,035,593	79,433,307	12%	8%	12%
International	46,636,863	42,582,629	10%	4%	10%
Domestic	42,398,730	36,850,678	15%	12%	15%
Medinah	5,831,163	5,703,349	2%	22%	2%
Monastir & Enfidha Airports	1,407,293	3,332,391	-58%	-49%	-58%
Tbilisi & Batumi Airports	2,066,268	1,788,571	16%	13%	16%
Macedonia (Skopje & Ohrid)	1,560,381	1,278,343	22%	37%	22%
Zagreb Airport	2,587,798	2,430,971	6%	4%	6%
TAV TOTAL⁽³⁾	102,488,496	94,921,563	8%	9%	8%
International	57,572,163	54,565,481	6%	7%	6%
Domestic	44,916,333	40,356,082	11%	12%	11%

Air Traffic Movements⁽²⁾ (as of 31 December 2015)

	2015 LTM	2014	YTD Chg.	YoY Chg.	LTM Chg.
Ataturk Airport	447,159	419,897	6%	4%	6%
International	313,730	286,932	9%	7%	9%
Domestic	133,429	132,965	0%	-3%	0%
Esenboga Airport	87,948	82,108	7%	11%	7%
International	12,031	11,640	3%	12%	3%
Domestic	75,917	70,468	8%	10%	8%
Izmir Airport	79,880	72,697	10%	6%	10%
International	19,191	17,372	10%	25%	10%
Domestic	60,689	55,325	10%	4%	10%
Gazipaşa Airport	6,510	5,274	23%	6%	23%
International	3,458	2,788	24%	-57%	24%
Domestic	3,052	2,486	23%	29%	23%
Milas-Bodrum Airport⁽⁴⁾	26,394	26,308	0%	-6%	0%
International	9,714	11,205	-13%	-100%	-13%
Domestic	16,680	15,103	10%	-5%	10%
TAV Turkey Total	638,177	587,006	9%	5%	10%
International	348,410	318,732	9%	8%	9%
Domestic	289,767	268,274	8%	2%	11%
Medinah	49,031	48,549	1%	13%	1%
Monastir+Enfidha Airports	12,229	22,441	-46%	-29%	-46%
Tbilisi + Batumi Airports	25,148	23,804	6%	5%	6%
Macedonia (Skopje&Ohrid)	15,510	13,969	11%	24%	11%
Zagreb Airports	39,854	38,348	4%	-3%	4%
TAV TOTAL⁽³⁾	779,973	734,485	6%	5%	6%
International	459,492	432,981	6%	8%	6%
Domestic	320,481	301,504	6%	1%	6%

* DHM 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-December 2015/January-December 2014)

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

n.m. Not Meaningful

2) Airport Construction: TAV Construction

Ongoing Projects (as of 30 November 2015)

Project Name	Employer	TAV Construction's Share	Contract Value (US\$mn)	Physical Completion as of 31.10.2015	Physical Completion as of 30.11.2015	Change (%)
Dubai-Marina 101	M/S Sheffield Holdings Limited	100%	203	91.3%	91.8%	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	92.6%	92.9%	0.2%
Saudi Airlines Catering Building - Madinah	TAV-ACC JV	50%	32	99.0%	99.5%	0.5%
Medina Airport Hotel Project - Madinah	TAV-ACC JV	50%	31	79.1%	83.2%	4.1%
King Abdul Aziz International Airport	Saudia Aerospace Engineering Industries	40%	765	30.9%	33.6%	2.7%
Abu Dhabi Int. Airport Midfield Terminal Building Construction Works	ADAC	33%	3,182	62.3%	64.6%	2.3%
Riyad Kkia Terminal 5 Airport	General Authority Of Civil Aviation (Gaca)	50%	431	78.3%	82.5%	4.2%
Damac Towers	Damac Development	100%	333	41.8%	44.2%	2.4%
Emaar Square N1&N2 Structural Works	EMAAR	60%	70	97.8%	98.3%	0.5%
Emaar Phase 3	EMAAR	60%	410	27.3%	31.4%	4.1%
Istanbul Ataturk Airport Extension Project - Phase 3	TAV Istanbul Terminal Operations Co.	100%	43	50.7%	61.0%	10.3%
New ADP Headquarters and Office Buildings	Aeroports De Paris	50%	97	13.0%	15.0%	2.0%
Tiflis International Airport Rehabilitation Project	TAV URBAN GEORGIA LLC	100%	23	-	2.0%	2.0%
TOTAL			13,204			

According to the Engineering News Record (ENR), TAV Construction ranked first in the list of global airport construction firms in 2014.

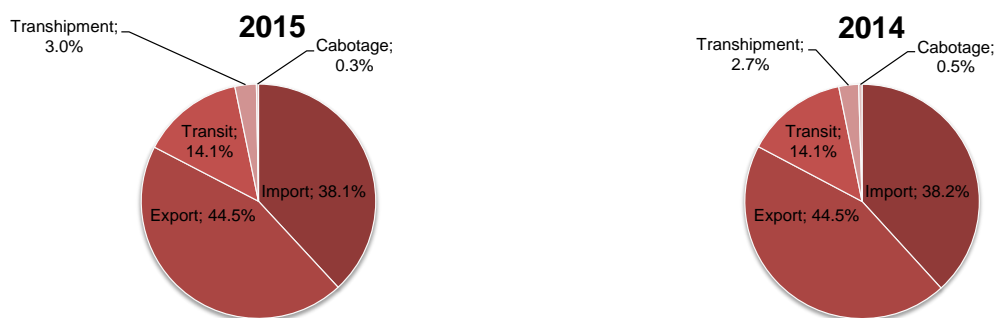
TAV Construction won the tender for the Construction of Bahrain International Airport new terminal building and affiliated works. On 25.01.2016, it was announced that TAV-Arabtec JV won the US\$1.1 billion worth tender. The contract covers construction of terminal building having a capacity of 14 million passengers as well as construction of main service building, air and land side infrastructure works and multi-storey car park. TAV Construction will start construction works in March together with its partner Arabtec.

3) Port Operations: Mersin International Port (MIP)

Container & Conventional Cargo Statistics (as of 31 December 2015)

	2015 LTM	2014	YTD Chg.	YoY Chg.	LTM Chg.
Container Volumes (TEU)	1,466,199	1,498,850	-2%	1%	-2%
Conventional Throughput (Ton)*	7,748,856	8,835,718	-12%	1%	-12%

* General Cargo – Dry Bulk – Liquid Bulk

Container Regime Breakdown


As of December 31st, 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 USD102.982. The yield as of December 31st, 2015 corresponded to 4.959% + 322bps spread (Source: Bloomberg).

4) Real Estate: Akfen REIT

(as of 31 December 2015)

	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
Hotels										
Turkey Total	2,077	67%	67%	67%	31	31	33	40	40	43
Russia Total	865	52%	54%	53%	19	19	25	26	26	34
Grand Total	2,942	63%	64%	64%	28	29	31	37	37	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.)

Since Moskova Ibis started to operate in July 2015, it is not included in the 2015 LTM data. Therefore YTD and LTM data for Russia Total and Grand Total are not equal.

Turkey Projects' Physical Completion Status (as of 31 December 2015)

City	Room Number	Type	Status	Completion (%)
Istanbul	200	Novotel Karakoy	Under construction	100%
Istanbul	200	Ibis Otel Tuzla	Under construction	65%

During 2015; average occupancy rate of Ibis & Novotel located in Turkey & Russia reached 63%, down by 0.6% compared to the previous year. During the same period, Rev-Par and T-RevPar decreased 11%.

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 30 November 2015)					
Invoiced Water Volume	528,103	506,917	4%	17%	5%
Akfen Su Dilovasi (as of 31 December 2015)					
Treated Waste Water Volume	1,991,083	2,523,485	-21%	-41%	-21%

As of end of November, Akfen Su Gulluk served 6,838 subscribers.

As of end of December, the number of operating factories in Dilovasi Organised Industrial Zone was 206.

6) Energy
6.1) Akfen HEPP
Operational HEPPs (as of 31 December 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	167.01
	Sirma	6.0	23.2	June 2009	12.49	29.64
	Sekiyaka II HES 1	3.4	17.1	January 2014-August 2015	10.91	16.20
Çamlıca	Camlica III	27.6	104.5	April 2011	25.96	78.69
	Saracbendi	25.5	100.5	May 2011	29.48	70.80
Pak	Demirciler	8.4	34.5	August 2012	22.09	37.09
	Kavakcalı	11.1	44.3	March 2013	34.46	45.08
	Gelinkaya	6.9	25.8	June 2013	6.13	11.48
BT Bordo	Yağmur	9.0	31.5	November 2012	19.35	26.14
Elen	Doğancay	30.2	171.7	August-September 2014	26.36	152.38
Yenidoruk	Doruk	28.3	75.5	September 2014	17.28	69.92
Total		204.1	852.6		322.79	704.42

HEPPs Under Construction

Company	HEPP	Installed Capacity (MW)	Generation Capacity (GWh/yr)	Civil Work Progress Ratio (%)
H.H.K. Enerji	Çalıkobası (Engineering Works)	17.0	46.4	31.0%
Kurtal	Çiçekli 1-II (Engineering Works)	6.7	21.9	15.8%
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 is sold to the Renewable Energy Resources Support Mechanism while the remaining hydro power plants continue to sell in the Day-Ahead Market (DAM) and to Akfen Elektrik Toptan Satış Co. In 2016, electricity generated at all operating plants will be sold to the Renewable Energy Resources Support Mechanism.

On 15.12.2015 we announced on the Public Disclosure Platform that the negotiations with the European Bank for Reconstruction and Development (EBRD) with regards to its equity investment in our Company Akfen Holding A.Ş.'s subsidiaries Akfenhes Yatırımları ve Enerji Üretim A.Ş. (Akfen HEPP) that owns special purpose companies investing in hydro power plants, Akfenres Rüzgar Enerjisi Yatırımları A.Ş. (Akfen WPP) that owns

special purpose companies investing in wind power plants and Karine Enerji Üretim Sanayi ve Ticaret A.Ş. (Karine SPP) that owns special purpose companies investing in solar power plants, have been finalized. In this context on 14.12.2015 a Subscription Agreement was signed between EBRD and our Company, our subsidiaries Akfen HEPP, Akfen WPP, Akfen Elektrik Enerjisi Toptan Satış A.Ş. (Akfen Wholesale) and Karine SPP, and a Shareholders Agreement was signed between EBRD and our Company. Accordingly, Akfen WPP, Akfen Wholesale and following its transfer to our Company Karine SPP and Akfen HEPP would be consolidated under one roof, a renewable energy company would be structured and EBRD would participate in this company with a 20% stake. Within this context on 14.01.2016, the boards of our wholly owned subsidiaries Akfen HEPP and Akfen WPP, that have the same shareholding structure, have decided to merge Akfen WPP, without liquidation as a whole, with Akfen HEPP, pursuant to the Articles 136 and 138 of the Turkish Commercial Code and Articles 19 and 20 of the Corporate Tax Law and to change the corporate name of Akfen HEPP into Akfen Yenilenebilir Enerji A.Ş. (“Akfen Renewable Energy”) and the related transactions have been initiated.

The above mentioned merger and the change of Akfen HEPP’s corporate name into “Akfen Yenilenebilir Enerji A.Ş.” has been realised and registered on 19.01.2016.

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 and the cleaning on the site were completed and the related written document has been obtained from the Ministry of Environment and Urbanization.

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

According to our Company’s board decision dated 13.07.2015 and numbered 2015/16 it was decided that our 99.85% stake in Akfen Construction would be transferred to our related party Akfen Altyapi Danismanlik A.Ş. at a value of US\$58,911,500 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 30 October 2015.

8) Sea Transportation: IDO
Number of Passengers and Vehicles Transported (as of 31 December 2015)

	2015 LTM	2014	YTD Chg.	YoY Chg.	LTM Chg.
Number of Passengers	47,377,389	47,501,612	0%	5%	0%
Fast Ferry	7,464,089	7,046,365	6%	11%	6%
Sea Bus	5,835,290	6,049,210	-4%	11%	-4%
Conventional Ferry*	34,078,010	34,406,037	-1%	3%	-1%
Number of Vehicles	8,604,468	8,216,450	5%	8%	5%
Fast Ferry**	1,471,909	1,328,725	11%	20%	11%
Conventional Ferry	7,132,559	6,887,725	4%	6%	4%

* 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

Akfen Holding Investor Relations

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