



OPERATIONAL PERFORMANCE REPORT

July 2014

Issue date: 22.08.2014

AKFEN HOLDING - RECENT DEVELOPMENTS & DATA

As of July 31, 2014; the price of Akfen Holding's corporate bond with the ISIN code *TRSAKFH11710* (maturity date January 9th, 2017 and issue amount TL140mn) was TL100.60 (dirty price). Total trading volume in July was TL1,942,729 and the yield as of 31 July 2014 corresponded to 11.42% +330bps spread.

As of July 7, 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 July was TL7,147,417 and the yield as of 7 July 2014 corresponded to 8.37% + 619bps spread.

Our Company's wholly owned subsidiary Akfen Construction has transferred a total of 14,981,905 Akfen Holding shares (5.148% of the Company paid-in capital) off-exchange to our Company Akfen Holding A.S. using the 11.08.2014 closing price of TL4.85. Following this transaction our Company's Akfen Holding stake has risen to 12.746% (37,089,806 shares).

Our Company's Board decided to change the 6th Article (on "Capital") of our Company's Articles of Association and to initiate the required approval process. The revision in the above mentioned article incorporates the decrease of our Company's paid-in capital from TL291 million to TL253,910,194 (a reduction of TL37,089,806) via cancellation of our shares that our Company is holding. The related application to the Capital Markets Board (CMB) was submitted on 13.08.2014 and the legal procedure will be completed depending on the outcome of the decision of the CMB.

Also, our Company's Board decided to revise the validity period of the existing registered capital ceiling as 31.12.2019 and the related CMB application was submitted on 13.08.2014.

BUSINESS LINES - OPERATIONAL PERFORMANCE & DEVELOPMENTS

1) Airports/Terminals: TAV Airports

Passenger Figures* (as of 31 July 2014)

	2014 LTM	2013	YTD Chg.	YoY Chg.	LTM Chg.
Ataturk Airport	54,263,284	51,320,875	10%	7%	10%
International	36,184,407	34,096,770	11%	9%	11%
Domestic	18,078,877	17,224,105	9%	3%	9%
Esenboga Airport	11,137,646	10,928,403	3%	-9%	10%
International	1,473,067	1,573,943	-11%	-17%	-10%
Domestic	9,664,579	9,354,460	6%	-7%	14%
Izmir Airport	10,546,116	10,208,627	6%	2%	7%
International	2,538,546	2,467,436	5%	2%	6%
Domestic	8,007,570	7,741,191	6%	2%	8%
Gazipaşa Airport	552,437	363,024	105%	77%	145%
International	335,221	242,949	75%	54%	103%
Domestic	217,216	120,075	170%	196%	257%
TAV Turkey Total	76,499,483	72,820,929	9%	5%	11%
International	40,531,241	38,381,098	10%	8%	11%
Domestic	35,968,242	34,439,831	8%	1%	10%
Medinah	5,384,768	4,669,181	26%	7%	16%
Monastir & Enfidha Airports	3,469,630	3,437,849	2%	4%	3%
Tbilisi & Batumi Airports	1,727,876	1,642,597	10%	15%	14%
Macedonia (Skopje & Ohrid)	1,170,685	1,067,467	17%	12%	17%
Zagreb Airport	2,333,474	2,300,231	3%	5%	0%
TAV TOTAL**	89,596,931	83,638,023	13%	8%	12%
International	51,386,047	47,429,862	15%	12%	13%
Domestic	38,210,884	36,208,161	10%	3%	11%

* Both departing and arriving passengers, including transfer pax.

** 2013 TAV Total do not include Zagreb Airport.

Air Traffic Movements* (as of 31 July 2014)

	2014 LTM	2013	YTD Chg.	YoY Chg.	LTM Chg.
Ataturk Airport	410,587	387,965	10%	7%	11%
International	277,989	260,686	12%	9%	12%
Domestic	132,598	127,279	7%	2%	8%
Esenboga Airport	85,317	85,241	0%	-9%	7%
International	12,257	13,133	-11%	-9%	-10%
Domestic	73,060	72,108	2%	-8%	10%
Izmir Airport	72,704	70,057	7%	5%	7%
International	17,913	17,215	8%	9%	9%
Domestic	54,791	52,842	6%	3%	6%
Gazipaşa Airport	3,965	2,577	105%	74%	141%
International	2,380	1,805	63%	44%	98%
Domestic	1,585	772	203%	239%	260%
TAV Turkey Total	572,573	545,840	9%	5%	10%
International	310,539	292,839	11%	9%	11%
Domestic	262,034	253,001	6%	0%	9%
Medinah	46,341	40,000	28%	20%	19%
Monastir+Enfidha Airports	28,519	30,077	-10%	-12%	0%
Tbilisi + Batumi Airports	23,984	23,512	4%	6%	2%
Macedonia (Skopje&Ohrid)	13,047	12,380	9%	5%	10%
Zagreb Airports	38,014	38,894	-4%	-1%	-3%
TAV TOTAL**	706,288	651,809	15%	11%	13%
International	415,117	376,719	18%	14%	15%
Domestic	291,171	275,090	10%	5%	11%

* Commercial flights only

** 2013 TAV Total do not include Zagreb Airport.

Abbreviations:

LTM: Last twelve months

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

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

n.m. Not Meaningful

TAV Airports Holding's 50% subsidiary, ATU Turizm İşletmeciliği A.Ş. (ATU), has been announced as the winning bidder for the leasing of the operating rights of duty free areas in Salalah International Airport in Oman. ATU will take over the the duty free operations in January 2015 and operate the premises until December 2025 with the option to extend for two years (10+2 years). ATU will have the operation rights of 700sqm of duty free area in Salalah Airport, which served 746,994 passengers in 2013. Besides ATU, TAV Airports' subsidiaries BTA and TAV O&M will provide food and beverage and other commercial services at Salalah International Airport.

2) Airport Construction: TAV Construction
Ongoing Projects (as of 30 June 2014)

Project Name	Employer	TAV Construction's Share	Contract Value (US\$m)	Physical Completion as of 31.05.2014	Physical Completion as of 30.06.2014	Change (%)
Dubai-Marina 101	M/S SHEFFIELD HOLDINGS LIMITED	100%	207	68.9%	70.1%	1.2%
Libya-Tripoli	THE LIBYAN CIVIL AVIATION AUTHORITY	25%	2,103	36.9%	36.9%	0.0%
Libya-Sebha	THE LIBYAN CIVIL AVIATION AUTHORITY	50%	229	7.0%	7.0%	0.0%
Doha	GOVERNMENT OF THE STATE OF QATAR	35%	4,040	100.0%	100.0%	0.0%
Doha International Airport Facility Management Works**	Government Of The State Of Qatar	70%	25	0.0%	0.0%	0.0%
Oman MC1	SULTANATE OF OMAN MINISTRY OF TRANSPORT AND COMM.	50%	1,169	88.6%	89.0%	0.4%
Izmir International Airport	TAV EGE TERMINAL YATIRIM VE İŞLETME A.Ş.	82%*	364	100.0%	100.0%	0.0%
Madinah International Airport	TIBAH JV	50%	959	83.4%	86.7%	3.3%
King Abdul Aziz International Airport	SAUDIA AEROSPACE ENGINEERING INDUSTRIES	40%	765	10.3%	11.0%	0.7%
Abu Dhabi Int. Airport Midfield Terminal Building Construction Works	ADAC	33%	2,945	20.1%	21.8%	1.7%
Riyad KKIA Terminal 5 Airport	General Authority Of Civil Aviation (Gaca)	50%	336	33.1%	38.0%	4.9%
Damac Towers	Damac Development	100%	289	8.8%	9.5%	0.7%
Emaar Square N1&N2 Structural Works	EMAAR	60%	61	21.6%	26.0%	4.4%
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.

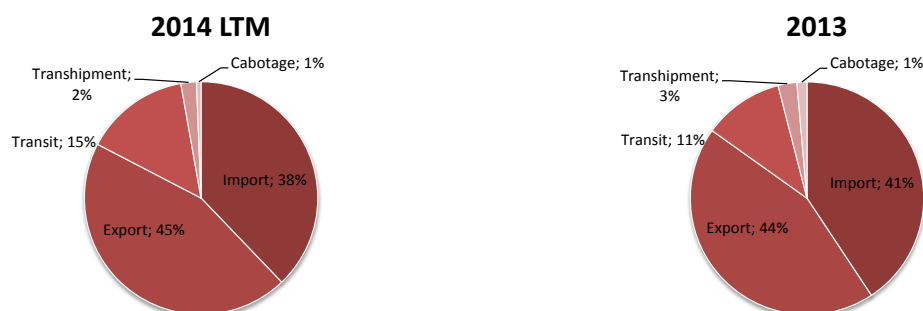
3) Port Operations: Mersin International Port (MIP)

Container & Conventional Cargo Statistics (as of 31 July 2014)

	2014 LTM	2013	YTD Chg.	YoY Chg.	LTM Chg.
Container Volumes (TEU)	1,495,383	1,378,800	15%	8%	15%
Conventional Throughput (Ton)*	7,996,527	7,561,602	10%	45%	9%

* General Cargo – Dry Bulk – Liquid Bulk

Container Regime Breakdown



As of July 31, 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 USD106.339. The yield as of 31 July 2014 corresponded to 2.234% + 270 bps spread. (Source: Bloomberg)

4) Real Estate: Akfen REIT

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

City	Room Number	Type	Status	Completion (%)
Moskova	317	Ibis Hotel Moskova	Under construction	75%

Turkey Projects

City	Room Number	Type	Status	Completion (%)
Istanbul	200	Novotel Karakoy	Under construction	46%
Ankara	147	Ibis Hotel Esenboğa Ankara	Completed	100%
Istanbul	200	Ibis Otel Tuzla	Under Planning	-

In the period January - July 2014; average occupancy rate of Ibis & Novotel located in Turkey & Russia was 63%, down by 3% compared to the same period of the previous year. During the same period, Rev-Par and T-RevPar decreased 18%.

For the case processed by Hotel Development Investment BV (HDI), a 100% subsidiary of Akfen REIT, in 2012 related to the lease agreement for the usage right of the land belonging to Dinamo-Petrovskiy Park XXI Vek-MS Limited company - under the subsidiary of Akfen REIT, it has been decided Ruble 199.775.062,2 (Euro 4.560.000) was to be paid in favor of the above mentioned company and related compensation has been received on 3 July 2014.

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 30 June 2014)					
Invoiced Water Volume	502,841	539,789	-16%	-30%	-6%
Akfen Su Dilovasi (as of 31 July 2014)					
Treated Waste Water Volume	2,453,387	2,615,571	-10%	11%	-8%

As of end of June, Akfen Su Gullük served 6,306 subscribers.

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

6) Energy
6.1) Akfen HEPP
Operational HEPPs (as of 31 July 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	78.37
	Sirma	6.0	23.2	June 2009	20.83	7.71
	Sekiyaka II HES 1	2.3	12.3	January 2014	0.00	6.35
Çamlıca	Camlica III	27.6	104.5	April 2011	61.54	16.81
	Saracbendi	25.5	100.5	May 2011	75.55	18.68
Pak	Demirciler	8.4	34.5	August 2012	34.40	14.40
	Kavakcali	11.1	44.3	March 2013	21.43	24.78
	Gelinkaya	6.9	25.8	June 2013	2.23	3.98
BT Bordo	Yagmur	9.0	31.5	November 2012	20.20	10.97
Total		144.5	600.6		396.26	182.06

HEPPs Under Construction

Company	HEPP	Installed Capacity (MW)	Generation Capacity (GWh/yr)	Civil Work Progress Ratio (%)
Elen	Dogancay	30.2	171.7	96.4%
Yenidoruk	Doruk	28.3	75.5	99.8%
H.H.K. Enerji*	Çalikobası	17.0	46.4	4.1%
Kurtal*	Çiçekli 1-II	6.7	21.9	-
Total		82.2	315.5	

* Preliminary works with regards to the construction is ongoing at Çiçekli 1-II HEPP. Construction of the access roads 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
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 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 has progressed and has come closer to commissioning at Doruk HEPP and Doğançay HEPP, whereas preliminary works have continued at Çiçekli 1-II HEPP.

6.2) Akfen 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 has been completed.

7) Construction: Akfen Construction
Ongoing Projects (as of 31 July 2014)

Project Name	Akfen Construction's Share	Contract Value (Euro)	Physical Completion as of 31.07.2014	Backlog (Euro)
Doruk HEPP (Engineering Works)	100%	11,745,014	99.8%	516,173
Dogancay HEPP (Engineering Works)	100%	28,958,083	96.4%	790,578
Calikobasi HEPP (Engineering Works)	100%	12,144,855	4.1%	11,641,916
Cicekli HEPP (Construction of Access Road)	100%	745,110	65.0%**	Unit Price Contract*
AKFEN HEPP		53,593,062		12,948,667
Novotel Karaköy	100%	22,232,000	46.0%	14,599,052
Incek Loft	100%	136,310,327	10.7%	123,722,650
Isparta City Hospital	100%	162,365,903	0.0%	162,365,903
Hacettepe Student Dorm	64%	57,702,469	0.0%	57,702,469
TOTAL		432,203,761		371,338,742

* Contract values are revised on a monthly basis according to work completed.

** Completion percentage has decreased due to the route changes and addition of the drilling roads.

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	47,745,024	50,527,752	-10%	-9%	-6%
Fast Ferry	6,755,174	6,337,335	12%	18%	13%
Sea Bus	6,717,710	7,520,151	-19%	-18%	-12%
Conventional Ferry*	34,272,140	36,670,266	-11%	-12%	-8%
Number of Vehicles	8,021,709	7,852,086	4%	5%	4%
Fast Ferry**	1,305,727	1,269,961	5%	9%	12%
Conventional Ferry	6,715,982	6,582,125	4%	5%	3%

* Number of passengers travelling with vehicles using Eskişehir-Toppular 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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