



OPERATIONAL PERFORMANCE REPORT

June 2012

Issue date: 27.07.2012

AKFEN HOLDING - RECENT DEVELOPMENTS & DATA

As of 29 June 2012, the price of Akfen Holding's corporate bond with the ISIN code TRSAKFHA1313 (maturity date 24.12.2013 and issue amount TL80mn) was TL102.41 (dirty price). Total trading volume in June was TL13,505,540 and the yield as of 29 June 2012 corresponded to 8.83% + 297bps spread.

As of 29 June 2012, the price of Akfen Holding's corporate bond with the ISIN code TRSAKFHA31411 (maturity date 07.03.2014 and issue amount TL200mn) was TL101.5 (dirty price). Total trading volume in June was TL21,853,539 and the yield as of 29 June 2012 corresponded to 9.14% + 326bps spread.

BUSINESS LINES - OPERATIONAL PERFORMANCE & DEVELOPMENTS

1) Airports/Terminals: TAV Airports

Passenger Figures* (as of 30 June 2012)

	2012 LTM	2011	YTD Chg.	YoY Chg.	LTM Chg.
Ataturk Airport	41,173,263	37,452,187	22%	25%	21%
International	26,679,206	23,847,835	26%	31%	23%
Domestic	14,494,057	13,604,352	14%	14%	18%
Esenboga Airport	8,916,163	8,520,649	10%	11%	7%
International	1,435,930	1,387,503	8%	23%	1%
Domestic	7,480,233	7,133,146	10%	8%	8%
Izmir Airport	8,880,149	8,542,811	9%	10%	10%
International	2,449,686	2,464,334	-2%	4%	6%
Domestic**	6,430,463	6,078,477	12%	14%	12%
TAV Turkey Total	55,858,185	48,437,170	34%	36%	25%
International	30,564,822	27,699,672	23%	27%	20%
Domestic	25,293,363	20,737,498	47%	47%	32%
Monastir+Enfidha Airports	2,695,834	2,289,131	56%	65%	-18%
Tbilisi + Batumi Airports	1,304,117	1,190,922	24%	20%	27%
Macedonia (Skopje&Ohrid)	901,402	838,164	19%	14%	18%
TAV TOTAL***	60,759,538	52,755,387	34%	37%	22%
International	35,466,175	32,017,889	25%	30%	16%
Domestic	25,293,363	20,737,498	47%	47%	32%

* Both departing and arriving passengers, including transfer pax.

** TAV started to serve domestic passengers at Izmir Airport on January 2012

*** 2011 totals do not include Izmir domestic traffic data

Abbreviations:

LTM: Last twelve months

YTD: Year-to-date (Jan-June 2012/Jan-June 2011)

YoY: Year-over-Year (June 2012/June 2011)

Air Traffic Movements* (as of 30 June 2012)

	2012 LTM	2011	YTD Chg.	YoY Chg.	LTM Chg.
Ataturk Airport	328,484	305,808	16%	17%	16%
International	216,455	199,906	18%	20%	16%
Domestic	112,029	105,902	13%	12%	14%
Esenboga Airport	74,193	72,244	6%	0%	7%
International	12,144	11,850	5%	11%	0%
Domestic	62,049	60,394	6%	-2%	8%
Izmir Airport	64,731	63,079	6%	8%	7%
International	16,979	17,304	-4%	4%	0%
Domestic**	47,752	45,775	9%	10%	9%
TAV Turkey Total	443,546	395,356	26%	26%	20%
International	245,578	229,060	16%	18%	14%
Domestic	197,968	166,296	41%	37%	27%
Monastir+Enfidha Airports	23,714	20,805	38%	46%	-13%
Tbilisi + Batumi Airports	23,918	23,114	8%	7%	15%
Macedonia (Skopje&Ohrid)	11,915	11,878	1%	-6%	-1%
TAV TOTAL***	503,093	451,153	25%	25%	17%
International	305,125	284,857	16%	18%	11%
Domestic	197,968	166,296	41%	37%	27%

* Commercial flights only

** TAV started to serve domestic passengers at Izmir Airport on January 2012

***2011 totals do not include Izmir domestic traffic data

2) Airport Construction: TAV Construction
Ongoing Projects (as of 31 May 2012)

Project	Employer	TAV Construction's Share	Contract Value (US\$mn)	Physical Completion as of 30.04.2012	Physical Completion as of 31.05.2012	Change
Dubai-Marina 101	M/S SHEFFIELD HOLDINGS LIMITED	100%	198	45%	47%	2%
2011 Investments	TAV ISTANBUL TERMINAL İŞLETMECİLİĞİ A.Ş.	100%	18	83%	96%	13%
Libya-Tripoli	THE LIBYAN CIVIL AVIATION AUTHORITY	25%	2,103	37%	37%	-
Libya-Sebha	THE LIBYAN CIVIL AVIATION AUTHORITY	50%	229	7%	7%	-
Doha	GOVERNMENT OF THE STATE OF QATAR	35%	3,889	99%	99%	0.2%
Oman MC1	SULTANATE OF OMAN MINISTRY OF TRANSPORT AND COMM.	50%	1,178	56%	58%	2%
Izmir International Airport*	TAV EGE TERMINAL YATIRIM VE İŞLETME A.Ş.	100%	362	0.6%	1%	0.3%
King Abdul Aziz International Airport	SAUDIA AEROSPACE ENGINEERING INDUSTRIES	40%	765	0%	0%	-
Medina International Airport	TIBAH JV	50%	954	0%	4%	4%
Abu Dhabi Int. Airport Midfield Terminal Building Construction Works	ADAC	33%	2,944	0%	0%	-
TOTAL			12,639			

* As of the publishing date of this report, the signing of this project has not been completed yet. Head of term was signed.

Akfen Holding's jointly managed indirect participation TAV Tepe-Akfen Yatirim Insaat ve Isletme A.S. ("TAV Construction") has won the tender for the construction of the new terminal building in Abu Dhabi airport, United Arab Emirates (27.06.2012). The contract value of the tender won by the (equal partnership) Joint Venture consisting of TAV Construction, CCC and ARABTEC is US\$3bn. It is planned to be finalised within 49 months. The new terminal building will have a total area of 702,000 sqm, 106 passenger boarding bridges, a baggage belt longer than 22 km, a baggage capacity of 19,000 per hour and will be able to serve 27 million passengers yearly.

3) Port Operations: Mersin International Port (MIP)
Container & Conventional Cargo Statistics (as of 30 June 2012)

	2012 LTM	2011	YTD Chg.	YoY Chg.	LTM Chg.
Container Volumes (TEU)	1,217,527	1,140,927	14%	18%	13%
Conventional Throughput (Ton)*	6,432,583	6,416,377	0.5%	61%	-2%

* General Cargo – Dry Bulk – Liquid Bulk

Container Regime Breakdown


4) Real Estate: Akfen REIT
Occupancy Rate (as of 30 June 2012)

Hotels	Room Number*	2012 YTD	2012 LTM	2011
Zeytinburnu Ibis	228	84%	84%	86%
Zeytinburnu Novotel	208	84%	83%	83%
Eskisehir Ibis	108	78%	77%	76%
Trabzon Novotel	200	66%	69%	72%
Gaziantep Ibis	177	56%	50%	44%
Gaziantep Novotel	92	70%	59%	50%
Kayseri Ibis	160	54%	51%	45%
Kayseri Novotel	96	58%	54%	48%
Bursa Ibis	200	60%	59%	52%
Yaroslavl Ibis	177	61%	-	36%
Samara Ibis	204	39%	-	-

Rev Par (EUR)**

Hotels	Room Number*	2012 YTD	2012 LTM	2011
Zeytinburnu Ibis	228	65	62	61
Zeytinburnu Novotel	208	73	71	70
Eskisehir Ibis	108	37	35	34
Trabzon Novotel	200	42	43	41
Gaziantep Ibis	177	20	17	14
Gaziantep Novotel	92	32	26	22
Kayseri Ibis	160	20	18	15
Kayseri Novotel	96	29	26	23
Bursa Ibis	200	27	25	21
Yaroslavl Ibis	177	29	-	17
Samara Ibis	204	21	-	-

Total Rev Par (EUR)***

Hotels	Room Number*	2012 YTD	2012 LTM	2011
Zeytinburnu Ibis	228	75	72	71
Zeytinburnu Novotel	208	98	94	93
Eskisehir Ibis	108	44	41	39
Trabzon Novotel	200	64	66	65
Gaziantep Ibis	177	24	21	18
Gaziantep Novotel	92	54	45	37
Kayseri Ibis	160	24	22	19
Kayseri Novotel	96	44	39	35
Bursa Ibis	200	32	30	25
Yaroslavl Ibis	177	39	-	23
Samara Ibis	204	31	-	-

* 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 June 2012)
Russia Projects

City	Type	Status	Completion (%)
Kaliningrad	Ibis Hotel	Under construction	30%
Moscow	Ibis Hotel	Project development stage	n.a

Turkey Projects

City	Type	Status	Completion (%)
Adana	Ibis Hotel	Completed	100%
Istanbul	Esenyurt Ibis Hotel	Under construction	78%
Izmir	Ibis Hotel	Under construction	46%
Istanbul	Novotel Karakoy	Project development stage	n.a.
Ankara	Ankara Airport Hotel	Project development stage	n.a.

In the first 6 months of 2012, occupancy rate of Ibis, Novotel located in Turkey, Yaroslavl and Samara Ibis located in Russia reached 66%, indicating an increase of 2% compared to the same period of previous year. During the same period, Rev-Par and T-RevPar increased 5% and 4%, respectively.

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

	2012 LTM	2011	YTD Chg.	YoY Chg.	LTM Chg.
Akfen Su Gulluk (as of 31 May 2012)					
Invoiced Water Volume	534,353	548,041	-9%	-14%	8%
Akfen Su Dilovasi* (as of 30 June 2012)					
Treated Waste Water Volume	2,293,938	2,333,934	-3%	-14%	-9%

* Akfen Su Dilovasi is operational since July 2010

As of end-May, Akfen Su Gullük served 5,341 subscribers.

As of end-June, the number of operating factories in Dilovası Organised Industrial Zone was 211.

6) Energy
6.1) Akfen HEPP

(as of June 2012)

Operational HEPPs

Company	HEPP	Installed Capacity (MW)	Generation Capacity (GWh/yr)	Commercial Operation Date (COD)	Realized Generation Output (GWh/yr) 2011	Realized Generation Output (GWh/yr) YTD
Beyobası	Otluca	44.7	207.6	April 2011	109.6	109.0
	Sirma	5.9	26.7	June 2009	8.3	14.9
Ideal	Karasu-1	3.7	23.1	Mayıs 2011	3.9	4.5
	Karasu-2	3.1	19.6	June 2011	5.3	7.5
	Karasu-4.2	9.9	56.4	November 2011	2.0	14.3
	Karasu-4.3	3.7	16.9	August 2011	3.3	6.1
	Karasu-5	4.0	23.2	August 2011	9.5	10.5
Çamlıca	Camlica III	25.8	94.5	April 2011	56.9	49.9
	Saracbendi	24.0	86.1	May 2011	26.9	42.3
Total		125.0	554.1		225.8	259.1

HEPPs Under Construction

Company	HEPP	Installed Capacity (MW)	Generation Capacity (GWh/yr)	Civil Work Progress Ratio (%)
Beyobası	Sekiyaka	3.5	16.8	35%
Elen	Dogancay	30.6	171.6	41%
Pak	Kavakcalı	10.9	48.2	66%
	Demirciler	9.4	32.3	98%
	Gelinkaya	7.1	30.9	91%
BT Bordo	Yagmur	8.5	36.2	100%
Yenidoruk	Doruk	28.8	82.1	48%
Total		98.7	418.1	

HEPPs at Planning Stage

Company	HEPP	Installed Capacity (MW)	Generation Capacity (GWh/yr)
Zeki	Catak ¹	10.0	42.9
Laleli	Laleli	104.8	256.7
Değirmenyanlı	Adadagi ²	4.7	18.2
H.H.K. Enerji	Çalıkobası	17.0	46.4
Kurtal	Çiçekli	7.0	21.9
Total		143.4	386.1

(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.

(2) Licence process is ongoing.

As of the reporting period, Akfen Holding continued to generate electricity through its nine operating hydroelectric power plants, having a total installed capacity of 124.96 MW and a projected annual electricity generation capacity of 554.06 GWh, whereas the construction in 7 plants having a total installed capacity of 99 MW and a projected annual electricity generation capacity of 418 GWh is ongoing.

All the HEPPs, excluding Karasu 4.2 HEPP and Sirma HEPP, have started to sell at US\$7.3 cent/kwh purchase guarantee of State within the scope of Renewal Energy Law as of January 2012.

According to the MoU signed on 13 April 2012 with Aquila HydropowerINVEST Investitions GmbH & Co. KG, the first transaction, the share transfer of Ideal Enerji Üretim Sanayi ve Ticaret A.S. (“Ideal”) was to be executed by 29 June 2012 to the latest or the signing would be postponed to 31 August 2012 provided that 70% of the purchase price (equity value), which is derived from the Enterprise Value of EUR86,242,000 has been deposited to the escrow account by 29 June 2012. As of 28 June 2012, 70% of Ideal’s purchase price amounting to EUR39,440,208 was transferred to the escrow account. The share purchase agreement will be signed with the payment of the remaining amount on 31 August 2012 and the share transfer will be completed following the necessary approvals.

Akfen Holding subsidiary Akfen Enerji Kaynakları Üretim ve Ticaret A.Ş. signed the share purchase agreement (“SPA”) for the share transfer of H.H.K. Enerji Elektrik Üretim A.Ş. and Kurtal Elektrik Üretim A.Ş. on 27.06.2012. According to the SPA;

- (i) H.H.K. Enerji Elektrik Üretim A.Ş., which owns the generation license of Calikobasi HEPP project with 16.98 MW installed capacity, was acquired for a cash consideration of US\$1,414,012 and the payment of the company’s outstanding receivables from the sellers amounting to TL1,505,845.84 (in total US\$2.24mn),
- (ii) Kurtal Elektrik Üretim A.S., which owns the generation license of Cicekli 1-II Regulator and HEPP project with 6.993 MW installed capacity, was acquired for a cash consideration of US\$944,055 and the payment of the company’s outstanding receivables from the sellers amounting to TL288,274.78 (in total US\$1.1mn),

and the share transfers have been completed. The required regulatory approvals for these share transfers have also been obtained from the Energy Market Regulatory.

6.2) Akfen Energy

The portfolio Akfen Energy Wholesale Company has reached c.a. 28.6 million kWh of total annual consumption, which was composed of 56 gauges as of the publishing date of this report.

Akfen Energy and Trade Inc. obtained the licence with 450 MW installed capacity on 08.03.2012 for its Combined Cycle Power Plant project in Mersin. Application has been made for the amendment on licence to increase the capacity to 570 MW on 23.03.2012. Preliminary works with respect to the investment are ongoing.

7) Construction: Akfen Construction

As of 30 June 2012, the total contract value of Akfen Construction assignments in ongoing HEPP projects was EUR72.8 million and the total amount of cumulated progress payments of ongoing HEPP projects reached EUR36 million. This amount corresponds to 49% of the total contract value.

As of 30 June 2012, the total contract value of Akfen Construction assignments in ongoing REIT projects was EUR11 million and the total amount of cumulated progress payments of ongoing REIT projects reached EUR5.7 million. This amount corresponds to 52% of the total contract value. The above referred total contract value of

REIT projects excludes Adana Ibis Hotel project since the construction phase and progress payments have been completed in April 2012.

As of 30 June 2012, Akfen Construction's current backlog (HEPP and REIT projects) was EUR42.1 million.

8) Istanbul Fast Ferries - IDO

Number of Passengers and Vehicles Transported

	6M2011	6M2012	Change (%)
Number of Passengers	25,231,772	23,411,667	-7%
Fast Ferry	2,852,276	2,574,523	-10%
Sea Bus	2,899,377	3,156,142	9%
Conventional Ferry	19,480,119	17,681,002	-9%
Number of Vehicles	3,579,979	3,606,143	1%
Fast Ferry*	538,826	460,996	-14%
Conventional Ferry**	3,041,153	3,145,147	3%

* 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	Tow ed Vehicles
Coefficient	0.25	1	1	1	1.25	1.25	1.5	2	1.5	2	2	5	1.5

** Number of passangers travelling w th vehicles using Eskhisar-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

2011 in vehicle passeger 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

Akfen Holding Investor Relations

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