# MONTHLY REPORT

## “SEPTEMBER 2011”

Issue date: 28.10.2011

**Abbreviations:**

**LTM:** Last twelve months

**YTD:** Year-to-date

**YoY:** Month-on-month

## AKFEN HOLDING

As of 30 September 2011, the price of Akfen Holding's bond realized at **TRY 100.889** (dirty price). Total trading volume in September was **TRY 1,656,221.** The yield as of 30 September 2011 corresponds to **%8.02 + 220 bps** spread.

## TAV AIRPORTS

As of 30 September 2011

| Passenger Figures* | LTM 2011 | 2010 | ∆ YTD | ∆ YoY | ∆ LTM |
|---|---|---|---|---|---|
| **Atatürk Airport** | **35.857.016** | **32.145.619** | **15,4%** | **31,8%** | **13,4%** |
| International | 22.834.626 | 20.344.620 | 16,4% | 33,2% | 14,7% |
| Domestic | 13.022.390 | 11.800.999 | 13,5% | 29,4% | 11,2% |
| **Esenboğa Airport** | **8.430.003** | **7.759.479** | **11,8%** | **6,9%** | **15,5%** |
| International | 1.392.909 | 1.325.989 | 6,7% | 0,6% | 10,0% |
| Domestic | 7.037.094 | 6.433.490 | 12,8% | 8,4% | 16,7% |
| **İzmir Airport** | **2.432.273** | **2.127.457** | **17,8%** | **16,0%** | **19,3%** |
| **TAV TURKEY TOTAL** | **46.719.292** | **42.032.555** | **14,8%** | **26,2%** | **14,1%** |
| International | 26.659.808 | 23.798.066 | 16,0% | 29,1% | 14,9% |
| Domestic | 20.059.484 | 18.234.489 | 13,3% | 22,1% | 13,0% |
| **Monastir+Enfidha Airports** | **2.534.993** | **3.916.977** | **-42,6%** | **-35,1%** | **-34,1%** |
| **Tbilisi Airport** | **1.006.838** | **821.605** | **30,2%** | **34,6%** | **28,0%** |
| **Batumi Airport** | **124.988** | **88.624** | **51,5%** | **101,3%** | **43,3%** |
| **Macedonia (Skopje & Ohrid)*** | **810.545** | **730.095** | **14,3%** | **25,6%** | **15,1%** |
| **TAV TOTAL** | **51.196.656** | **47.589.856** | **10,0%** | **19,3%** | **10,7%** |
| International | 31.071.394 | 29.307.402 | 7,9% | 17,5% | 9,2% |
| Domestic | 20.125.262 | 18.282.454 | 13,4% | 22,5% | 13,1% |

* Both departing and arriving passengers, excluding transit

| Air Traffic Movements ** | LTM 2011 | 2010 | ∆ YTD | ∆ YoY | ∆ LTM |
|---|---|---|---|---|---|
| **Atatürk Airport** | **295.399** | **273.704** | **10,6%** | **14,2%** | **8,8%** |
| International | 192.742 | 178.817 | 10,5% | 14,4% | 9,1% |
| Domestic | 102.657 | 94.887 | 10,9% | 13,8% | 8,3% |
| **Esenboğa Airport** | **71.350** | **63.385** | **17,4%** | **5,3%** | **19,6%** |
| International | 12.063 | 11.742 | 3,7% | -2,0% | 5,5% |
| Domestic | 59.287 | 51.643 | 20,6% | 7,1% | 23,0% |
| **İzmir Airport** | **17.312** | **16.149** | **9,0%** | **9,4%** | **9,8%** |
| **TAV TURKEY TOTAL** | **384.061** | **353.238** | **11,7%** | **12,3%** | **10,7%** |
| International | 222.117 | 206.708 | 10,0% | 12,8% | 9,0% |
| Domestic | 161.944 | 146.530 | 14,2% | 11,4% | 13,2% |
| **Monastir+Enfidha Airports** | **22.319** | **31.801** | **-36,7%** | **-30,6%** | **-20,0%** |
| **Tbilisi Airport** | **19.224** | **16.470** | **23,2%** | **32,3%** | **23,4%** |
| **Batumi Airport** | **3.198** | **2.276** | **53,6%** | **103,0%** | **53,5%** |
| **Macedonia (Skopje & Ohrid)*** | **12.054** | **11.802** | **2,9%** | **3,8%** | **-** |
| **TAV TOTAL** | **440.856** | **415.587** | **8,1%** | **8,8%** | **9,0%** |
| International | 275.642 | 266.919 | 4,3% | 6,3% | 6,2% |
| Domestic | 165.214 | 148.668 | 15,0% | 13,7% | 14,0% |

** Commercial flights only

*** As the operations started on 1 March 2010, LTM change data cannot be given

Source: State Airports Authority (DHMI), Georgian Authority for Tbilisi and Batumi, TAV Tunisia for Monastir and Enfidha, TAV Macedonia for Skopje and Ohrid Airports

## TAV CONSTRUCTION

As of 31 August 2011

| ONGOING PROJECTS | | | | | | |
|---|---|---|---|---|---|---|
| Project | Employer | TAV Construction's Share | Contract Value (US$ mio) | Physical Completion as of 31 July 2011 | Physical Completion as of 31 August 2011 | Change |
| DUBAI - SULAFA TOWER | MR MOHAMMED ABDULLA MOHAMMED AL SAYYAH | 100% | 104 | 100,00% | 100,00% | - |
| DUBAI - EFT | EMIRATES FINANCIAL TOWERS LLC | 100% | 117 | 99,50% | 99,70% | 0,20% |
| DUBAI - MARINA 101 | M/S SHEFFIELD HOLDINGS LIMITED | 100% | 198 | 45,10% | 45,10% | - |
| MACEDONIA | TAV MACEDONIA DOOEL SKOPJE | 100% | 111 | 92,09% | 99,53% | 7,44% |
| 2010 INVESTMENTS | TAV İSTANBUL TERMİNAL İŞLETMECİLİĞİ A.Ş | 100% | 36 | 100,00% | 100,00% | - |
| 2011 INVESTMENTS | TAV İSTANBUL TERMİNAL İŞLETMECİLİĞİ A.Ş | 100% | 18 | | 18,46% | 5,52% |
| LIBYA - TRIPOLI | THE LIBYAN CIVIL AVIATION AUTHORITY | 25% | 2.103 | 36,90% | 36,90% | - |
| LIBYA - SEBHA | THE LIBYAN CIVIL AVIATION AUTHORITY | 50% | 229 | 6,99% | 6,99% | - |
| DOHA | GOVERNMENT OF THE STATE OF QUATAR | 35% | 3.902 | 81,80% | 84,30% | 2,50% |
| OMAN MC1 | SULTANATE OF OMAN MINISTRY OF TRANSPORT AND COMM. | 50% | 1.178 | 36,60% | 39,10% | 2,50% |
| ABU DABI - PILECAPS | SUPERVISION COMMITTEE FOR THE EXPANSION OF ABU DHABI INTERNATIONAL | 50% | 57 | 46,17% | 53,00% | 6,83% |
| **TOTAL** | | | **8.053** | | | |

## MERSIN INTERNATIONAL PORT (MIP)

**As of 30 September 2011**

| Container & Conventional Cargo Statistics | LTM 2011 | 2010 | ∆ YTD | ∆ MoM | ∆ LTM |
|---|---|---|---|---|---|
| Container Volumes (TEU) | 1.091.240 | 1.030.391 | 7,8% | 0,1% | 8,1% |
| Conventional Throughput (Ton)* | 6.436.556 | 6.652.028 | -4,2% | -13,3% | -5,2% |

** General Cargo - Dry Bulk - Liquid Bulk*

| Container Regime Breakdown | LTM 2011 | 2010 |
|---|---|---|
| Import | 42,2% | 42,9% |
| Export | 43,3% | 43,4% |
| Transit | 10,3% | 10,5% |
| Transhipment | 2,9% | 2,7% |
| Cabotage | 1,3% | 0,5% |

**AKFEN REIT**

As of 30 September 2011

| Occupancy Rate | | | | | |
|---|---|---|---|---|---|
| Hotels | Room Number* | September 2011 | YTD 2011 | LTM 2011 | 2010 |
| Zeytinburnu Ibis | 228 | 99% | 88% | 87% | 84% |
| Zeytinburnu Nov | 208 | 97% | 85% | 85% | 84% |
| Eskişehir Ibis | 108 | 85% | 75% | 74% | 74% |
| Trabzon Novotel | 200 | 85% | 75% | 72% | 61% |
| Gaziantep Ibis | 177 | 53% | 44% | 40% | 19% |
| Gaziantep Novotel | 92 | 57% | 49% | 47% | 29% |
| Kayseri Ibis | 160 | 52% | 42% | 41% | 31% |
| Kayseri Novotel | 96 | 55% | 47% | 45% | 36% |
| Bursa Ibis | 200 | 69% | 51% | - | 24% |

| Rev Par (€)** | | | | | |
|---|---|---|---|---|---|
| Hotels | Room Number* | September 2011 | YTD 2011 | LTM 2011 | 2010 |
| Zeytinburnu Ibis | 228 | 71 | 63 | 61 | 58 |
| Zeytinburnu Nov | 208 | 94 | 73 | 71 | 65 |
| Eskişehir Ibis | 108 | 37 | 34 | 35 | 37 |
| Trabzon Novotel | 200 | 48 | 42 | 40 | 32 |
| Gaziantep Ibis | 177 | 17 | 14 | 13 | 7 |
| Gaziantep Novotel | 92 | 25 | 22 | 22 | 14 |
| Kayseri Ibis | 160 | 17 | 14 | 14 | 12 |
| Kayseri Novotel | 96 | 25 | 22 | 22 | 19 |
| Bursa Ibis | 200 | 28 | 21 | - | 11 |

| Total Rev Par (€)*** | | | | | |
|---|---|---|---|---|---|
| Hotels | Room Number* | September 2011 | YTD 2011 | LTM 2011 | 2010 |
| Zeytinburnu Ibis | 228 | 85 | 72 | 72 | 68 |
| Zeytinburnu Nov | 208 | 122 | 97 | 95 | 89 |
| Eskişehir Ibis | 108 | 42 | 39 | 40 | 43 |
| Trabzon Novotel | 200 | 75 | 67 | 64 | 54 |
| Gaziantep Ibis | 177 | 20 | 17 | 16 | 9 |
| Gaziantep Novotel | 92 | 42 | 37 | 37 | 27 |
| Kayseri Ibis | 160 | 22 | 18 | 18 | 16 |
| Kayseri Novotel | 96 | 37 | 34 | 35 | 31 |
| Bursa Ibis | 200 | 33 | 25 | - | 13 |

** Mercure Hotel in Northern Cyprus with 299 rooms is not included*

*** Rev Par = Average Room Rate x Occupany Rate*

**** Total Rev Par = Rev Par + Other Revenues (food & beverage, seminar-congress, banquet revenues etc.)*

**Russia & Turkey Projects' Physical Completion Status as of 30 September 2011:**

| Russia Projects | | | |
|---|---|---|---|
| City | Type | Status | Completion( %) |
| Samara | Ibis Hotel | Under construction | 99% |
| Yaroslavl | Ibis Hotel | Operational | 100% |
| Kaliningrad | Ibis Hotel | Licence obtained | n.a |
| Moscow | Ibis Hotel | At development stage | n.a |
| Samara | Office | Under construction | 99% |

| Turkey Projects | | | |
|---|---|---|---|
| **City** | **Type** | **Status** | **Completion( %)** |
| Istanbul | Esenyurt Ibis Hotel | Under construction | 32% |
| Adana | Ibis Hotel | Under construction | 55% |
| Izmir | Ibis Hotel | Under construction | 10% |
| İstanbul | Novotel Karaköy | Project development stage | n.a |
| Ankara | Ankara Havalimanı Oteli | Project development stage | n.a |

- In the first 9 months of 2011, occupancy rate of Ibis and Novotel located in Turkey reached to 64% indicating an increase of 8% compared to the same period of previous year. During the same period, Rev-Par, T-RevPar and rent income increased 20%, 11% and 53%, respectively.
- Increase in rent revenue is basicly due to the strong operational performance of hotels and positive effects of the amended lease contracts with Accor (Akfen REIT rental income is maximum of certain percentage of hotel revenue or Adjusted Gross Operational Profit ("AGOP") ratio). Starting from September, demand for seminar and congress significantly increases for all hotels . Hotel room allotment for seminar and congress means higher occupancy rate and the average room rate.
- Occupancy rate of hotels in Turkey reached to 76% in September 2011 indicating an increase of 11% compared to the same month of previous year. Rev-par, T-RevPar, Rent Income increased 19%, 2% and 71%, respectively.
- Yaroslavl Ibis Otel inaugrated by His Excellency President Abdullah Gul on September 8$^{th}$, 2011. The hotel has a room capacity of 177 and is the first IBIS hotel opened in Russia by Akfen REIT.

## AKFEN SU

**Akfen Su Güllük - As of 31 August 2011**

| Volume (m3) | | | | | |
|---|---|---|---|---|---|
| **Akfen Su Güllük** | **2011 LTM** | **2010** | **Δ YTD** | **Δ MoM** | **Δ LTM** |
| Invoiced Water Volume (m3) | 525.973 | 467.246 | 17% | 13% | 15% |

**Akfen Su Dilovası - As of 31 August 2011**

| Akfen Su Dilovası | 2011 LTM | 2010* | Δ YTD | Δ MoM | Δ LTM |
|---|---|---|---|---|---|
| Treated Waste Water Volume(m3) | 2.540.031 | 1.220.723 | - | -19% | - |

**Akfen Su Dilovası is operational since July 2010.*

- As of end of August, Akfen Su Güllük serves 5,222 subscribers.
- As of end of August 2011, the number of operating factories in Dilovası Organised Industrial Zone was 211.

## AKFEN HEPP

As of September 2011

| Company | HEPP | Installed Capacity (MW) | Generation Capacity (GWh/yr) | Operational (Y/N) | Civil Work Progress (%) |
|---|---|---|---|---|---|
| Beyobası | Otluca | 44,7 | 207,6 | Y | 100,0% |
| | Sırma | 5,9 | 26,7 | Y | 100,0% |
| | Sekiyaka | 3,5 | 16,8 | N | 1,1% |
| İdeal | Karasu – 1 | 3,7 | 23,1 | Y | 100,0% |
| | Karasu – 2 | 3,1 | 19,6 | Y | 100,0% |
| | Karasu – 4.2 | 9,9 | 56,4 | N | 100,0% |
| | Karasu – 4.3 | 3,7 | 16,9 | Y | 100,0% |
| | Karasu – 5 | 4,0 | 23,2 | Y | 100,0% |
| Çamlıca | Çamlıca III | 25,8 | 94,5 | Y | 100,0% |
| | Saraçbendi | 24,0 | 86,1 | Y | 100,0% |
| **HEPP 1** | | **128,4** | **570,9** | | |
| Elen | Doğançay | 30,6 | 171,6 | N | 40,6% |
| Pak | Kavakcalı | 10,9 | 48,2 | N | 15,3% |
| | Demirciler | 9,4 | 32,3 | N | 71,4% |
| | Gelinkaya | 7,1 | 30,9 | N | 61,4% |
| BT Bordo | Yağmur | 8,5 | 36,2 | N | 69,9% |
| Yenidoruk | Doruk [1] | 28,8 | 82,1 | N | 36,5% |
| Zeki | Çatak [2] | 10,0 | 42,9 | N | - |
| Rize İpek | Tepe [3] | 13,6 | 32,6 | N | - |
| **HEPP 2** | | **118,8** | **476,8** | | |
| Laleli | Laleli | 99,0 | 240,5 | N | - |
| Değirmenyanı | Adadağı [4] | 4,7 | 18,2 | N | - |
| **HEPP 3** | | **103,7** | **258,7** | | |
| **Total** | | **350,9** | **1.306,4** | | |

(1) There is a pending court case regarding the Environmental Impact Assessment ("EIA") decision. Currently there is no decision which would impact the progress of the project.

(2) Plant area was anounced as the first degree protected area in 2010 and court case is ongoing. Application was made to the Ministry of Environment and Urban Development within the scope of Renewable Energy Law for constructing HEPP in the protected area and the process is ongoing. Legal amendment was made for the assessment of the areas which fall under the scope of protected areas.

(3) Due to court case initiated in local court by third parties to cancel EIA decision and higher than budgeted project cost, application was made to EMRA for the cancellation of the licence.

(4) Licence process is ongoing.

- Beyobası Enerji Üretimi A.Ş. which is a subsidiary of Akfen HES Yatırımları ve Enerji Üretim A.Ş. (HEPP 1), a wholly owned subsidiary of Akfen Holding A.Ş., obtained provisional acceptance for Boğuntu HEPP Project from the Ministry of Energy. The power plant is located in Mersin-Anamur, has an installed capacity of 3.36 MW and an annual generation capacity of 9.25 GWh and is a part of Otluca HEPP Project which consists of three projects namely Otluca 1, Otluca 2 and Boguntu HEPP, having a total installed capacity of 44.72 MW and an annual generation capacity of 207.64 GWh. Boğuntu HEPP started generating electricity as of September 16th 2011 at midnight, as a result of which the entire Otluca HEPP project became operational.
- As of the date of this report, following the commissioning of Boğuntu HEPP project, HEPP 1 reached a total installed capacity of 115.02 MW and a projected electricity generation capacity of 497.71 GWh through its eight operating hydroelectric power plants.
- Beyobası Enerji Üretimi A.Ş. which is a subsidiary of Akfen HES Yatırımları ve Enerji Üretim A.Ş. (HEPP 1), a subsidiary of Akfen Holding A.Ş., started construction in SEKIYAKA HEPP project. The power plant is located in Muğla-Fethiye and has an installed capacity of 3.46 MW and an annual generation capacity of 16.81 GWh.

- Regarding Yuvarlacay HEPP which used to be in our investment portfolio under HEPP 1, considering the ongoing court cases, local reaction and considering the project feasibility, application to Energy Market Regulatory Authority ("EMRA") for the return of letter of guarantee was accepted and the letter of guarantee is returned, hence, the project is taken out from our HEPP portfolio.
- Akfen Electric Energy Wholesale Company, established for providing electricity to eligible consumers, has started its operations through a pliot study since July 2011 has reached a portfolio with a total annual consumption of c. 49 million kWh which composed of 51 gauges (meters) as of the publishing date of this report.

## AKFEN CONSTRUCTION

- As of September 30th 2011, the total contract value of Akfen Construction assignments in ongoing HEPP projects is **€67,4 million** and the total amount of cumulated progress payments of ongoing HEPP projects reached to **€26,6 million**. This amount corresponds the **39,5%** of the total contract value.
- As of September 30th 2011, with Adana Ibis, Izmir Ibis and Esenyurt Ibis construction contracts, Akfen Construction's total contract value in hotel projects reached to **€17.4 million** (including Akfen Construction's mark up).
- As ofSeptember 30th 2011, Akfen Construction's current backlog (HEPP and REIT projects) is **€53,3 million.**

## IDO

| Number of Passengers and Vehicles Transported (000) | 2010 9M | 2011 9M | Change (%) |
|---|---|---|---|
| **Number of Passengers** | **38.241** | **41.235** | **7,80%** |
| Fast Ferry | 5.110 | 5.266 | 3,00% |
| Sea Bus | 5.056 | 5.200 | 2,80% |
| Conventional Ferry | 28.075 | 30.769 | 9,60% |
| **Number of Vehicles** | **5.270** | **5.857** | **11,10%** |
| Fast Ferry* | 948 | 993 | 4,70% |
| Sea Bus** | 4.322 | 4.864 | 12,50% |

* 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 |

** Number of passangers travelling with vehicles using Eskihisar-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 | 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 |

Number of passangers travelling with cars using Sirkeci-Harem conventional ferry line, are calculated applying 3 coefficient of passengers per vehicle.

- Collective agreement was signed by IDO Fas Ferry Company and Seafarer's Union of Turkey, representing 392 employees on 29th September 2011.