



OPERATIONAL PERFORMANCE REPORT

August 2014

Issue date: 22.09.2014

AKFEN HOLDING - RECENT DEVELOPMENTS & DATA

As of August 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 TL100.22 (dirty price). Total trading volume in August was TL2,137,443 and the yield as of 31 August 2014 corresponded to 8.93% +267bps 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.

BUSINESS LINES - OPERATIONAL PERFORMANCE & DEVELOPMENTS

1) Airports/Terminals: TAV Airports

Passenger Figures* (as of 31 August 2014)

	2014 LTM	2013	YTD Chg.	YoY Chg.	LTM Chg.
Ataturk Airport	54,827,508	51,320,875	10%	11%	10%
International	36,659,189	34,096,770	11%	14%	11%
Domestic	18,168,319	17,224,105	8%	5%	8%
Esenboga Airport	11,110,526	10,928,403	3%	-3%	8%
International	1,468,284	1,573,943	-10%	-3%	-9%
Domestic	9,642,242	9,354,460	5%	-3%	11%
Izmir Airport	10,642,946	10,208,627	6%	9%	7%
International	2,566,949	2,467,436	6%	7%	6%
Domestic	8,075,997	7,741,191	6%	10%	8%
Gazipaşa Airport	629,521	363,024	112%	135%	138%
International	373,714	242,949	78%	86%	95%
Domestic	255,807	120,075	195%	312%	250%
Milas-Bodrum Domestic Terminal***	1,944,146	1,737,776	17%	14%	16%
TAV Turkey Total	77,600,137	72,820,929	10%	15%	10%
International	41,068,136	38,381,098	11%	14%	10%
Domestic	36,532,001	34,439,831	9%	17%	11%
Medinah	5,461,708	4,669,181	26%	26%	20%
Monastir & Enfidha Airports	3,470,307	3,437,849	1%	0%	4%
Tbilisi & Batumi Airports	1,760,629	1,642,597	11%	15%	13%
Macedonia (Skopje & Ohrid)	1,198,352	1,067,467	18%	21%	18%
Zagreb Airport	2,359,014	2,300,231	4%	10%	1%
TAV TOTAL**	91,105,116	83,638,023	13%	18%	13%
International	52,233,988	47,429,862	15%	17%	14%
Domestic	38,871,128	36,208,161	11%	19%	12%

* Both departing and arriving passengers, including transfer pax.

**2013 TAV totals do not include Milas-Bodrum and Zagreb Airport.

***TAV commenced its operation at Milas-Bodrum domestic terminal on July 15 2014. International terminal of Milas-Bodrum will be taken over by October 22, 2015.

Air Traffic Movements* (as of 31 August 2014)

	2014 LTM	2013	YTD Chg.	YoY Chg.	LTM Chg.
Ataturk Airport	412,549	387,965	10%	6%	10%
International	279,962	260,686	11%	8%	12%
Domestic	132,587	127,279	6%	0%	7%
Esenboga Airport	84,798	85,241	-1%	-7%	5%
International	12,150	13,133	-11%	-8%	-10%
Domestic	72,648	72,108	1%	-6%	7%
Izmir Airport	73,055	70,057	6%	5%	7%
International	18,071	17,215	7%	6%	10%
Domestic	54,984	52,842	6%	4%	6%
Gazipaşa Airport	4,466	2,577	109%	119%	130%
International	2,599	1,805	63%	65%	83%
Domestic	1,867	772	226%	340%	259%
Milas-Bodrum Domestic Terminal***	14,487	12,495	23%	20%	6%
TAV Turkey Total	577,657	545,840	9%	10%	10%
International	312,782	292,839	10%	8%	11%
Domestic	264,875	253,001	7%	12%	9%
Medinah	46,702	40,000	27%	13%	21%
Monastir+Enfidha Airports	28,104	30,077	-10%	-9%	-3%
Tbilisi + Batumi Airports	24,092	23,512	4%	4%	3%
Macedonia (Skopje&Ohrid)	13,200	12,380	10%	11%	10%
Zagreb Airports	37,836	38,894	-4%	-5%	-3%
TAV TOTAL**	715,121	651,809	15%	14%	14%
International	420,236	376,719	18%	14%	16%
Domestic	294,885	275,090	11%	15%	11%

* Commercial flights only

** 2013 TAV totals do not include Milas-Bodrum and Zagreb Airport.

***TAV commenced its operation at Milas-Bodrum domestic terminal on July 15 2014. International terminal of Milas-Bodrum will be taken over by October 22, 2015

Abbreviations:

LTM: Last twelve months

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

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

n.m. Not Meaningful

According to its announcement on 15.09.2014, TAV Airports Holding has communicated its interest in the project regarding the sale by Limak Yatirim Enerji Uretim Isletme Hizmetleri Insaat A.S. and Limak Insaat San. ve Tic A.S. (the "Sellers") of their 40% of shares of Istanbul Sabiha Gokcen Uluslararası Havalimanı Yatirim, Yapim ve Isletme A.S. ("ISG"), 40% of shares of LGM Havalimanı Isletmeleri Ticaret ve Turizm A.S. ("LGM") and 19.6% of shares of Istanbul Sabiha Gokcen Uluslararası Havalimanı Yer Hizmetleri A.S. ("ISG Ground Handling"). Pursuant to the existing obligations of the Sellers, the abovementioned ISG, LGM and ISG Ground Handling shares are subject to various share transfer restrictions, including a right of first refusal of other shareholders of the companies. Therefore, as per the resolution dated July 12, 2014 and numbered 2014/31, the Board of Directors of TAV Airports Holding has unanimously decided to delay the disclosure of internal information within the context of Article 6 of the Material Events Communiqué (II-15.1) issued by the Capital Markets Board of Turkey, in order to prevent the proceedings from being negatively affected, to protect the legal rights and interests of TAV Airports Holding, and to prevent the risk of investors being misled before the project can be finalized, as well as to ensure that the confidentiality obligations we assumed within the framework of the proceedings were not breached. TAV Airports Holding and the Sellers have signed a share purchase agreement (SPA) regarding the sale of 40% of the shares of ISG and 40% of the shares of LGM, and have undertaken to sign a separate share purchase agreement regarding the sale of 19.6% of the shares of ISG Ground Handling in the event that other shareholders do not exercise their below mentioned rights of first refusal, for the total transaction amount of maximum EUR285 million. The parties are expecting the decisions of Malaysia Airports MSC Sdn Bhd, one of the existing shareholders of ISG and LGM, and Malaysia Airports Holdings Berhad, one of the existing shareholders of ISG, LGM and ISG Ground Handling regarding whether they shall exercise their rights of first refusal with respect the transaction. The transaction is subject to certain regulatory approvals and third party consents.

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

Project Name	Employer	TAV Construction's Share	Contract Value (US\$m)	Physical Completion as of 30.06.2014	Physical Completion as of 31.07.2014	Change (%)
Dubai-Marina 101	M/S SHEFFIELD HOLDINGS LIMITED	100%	207	70.1%	71.0%	0.9%
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%	25	0.0%	0.0%	-
Oman MC1	SULTANATE OF OMAN MINISTRY OF TRANSPORT AND COMM.	50%	1,169	89.0%	89.2%	0.2%
Izmir International Airport	TAV EGE TERMINAL YATIRIM VE İŞLETME A.Ş.	82%*	366	100.0%	100.0%	-
Madinah International Airport	TİBAH JV	50%	959	86.7%	88.9%	2.2%
King Abdul Aziz International Airport	SAUDIA AEROSPACE ENGINEERING INDUSTRIES	40%	765	11.0%	11.8%	0.8%
Abu Dhabi Int. Airport Midfield Terminal Building Construction Works	ADAC	33%	2,945	21.8%	23.3%	1.5%
Riyad KKIA Terminal 5 Airport	General Authority Of Civil Aviation (Gaca)	50%	336	38.0%	42.5%	4.5%
Damac Towers	Damac Development	100%	289	9.5%	10.4%	0.9%
Emaar Square N1&N2 Structural Works	EMAAR	60%	61	26.0%	30.8%	4.8%
TOTAL			13,494			

*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.

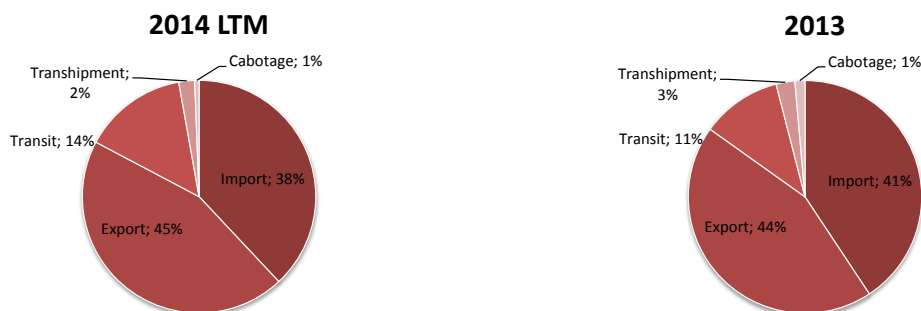
** This Project is not in the scope of the core business of Doha International Airport. It is added as Variation Order.

In 2013, TAV Construction was ranked 83rd on ENR's list of top global construction firms.

3) Port Operations: Mersin International Port (MIP)
Container & Conventional Cargo Statistics (as of 31 August 2014)

	2014 LTM	2013	YTD Chg.	YoY Chg.	LTM Chg.
Container Volumes (TEU)	1,494,654	1,378,800	13%	-1%	14%
Conventional Throughput (Ton)*	8,262,624	7,561,602	15%	55%	15%

* General Cargo – Dry Bulk – Liquid Bulk

Container Regime Breakdown


As of August 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 USD106.578. The yield as of 31 August 2014 corresponded to 2.042% + 275 bps spread. (Source: Bloomberg)

4) Real Estate: Akfen REIT

(as of 31 August 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	76%	74%	78%	50	51	60	58	59	70
Zeytinburnu Novotel	208	75%	75%	80%	56	58	68	76	79	92
Eskisehir Ibis	108	77%	77%	79%	30	31	34	35	35	40
Trabzon Novotel	200	76%	74%	73%	60	55	50	84	79	77
Gaziantep Ibis	177	74%	75%	72%	24	25	26	30	31	32
Gaziantep Novotel	92	70%	72%	77%	38	39	43	61	62	68
Kayseri Ibis	160	58%	60%	56%	18	18	18	22	23	24
Kayseri Novotel	96	54%	55%	61%	23	24	29	36	37	44
Bursa Ibis	200	57%	57%	58%	21	22	25	25	26	30
Yaroslavl Ibis	177	57%	61%	69%	28	31	37	37	41	48
Samara Ibis	204	56%	59%	57%	28	30	31	41	44	44
Adana Ibis	165	58%	57%	51%	17	18	18	23	23	23
Esenyurt Ibis	156	54%	53%	52%	23	24	27	28	29	32
İzmir Ibis	140	73%	72%	62%	29	29	26	34	34	30
Kaliningrad Ibis	167	45%	39%	26%	20	18	13	27	23	16
Turkey Total	1,930	67%	67%	67%	34	34	38	44	45	49
Russia Total	548	53%	60%	58%	26	27	31	35	37	42
Grand Total	2,478	64%	64%	65%	32	33	36	42	43	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 August 2014)

Russia Projects

City	Room Number	Type	Status	Completion (%)
Moskova	317	Ibis Hotel Moskova	Under construction	78%

Turkey Projects

City	Room Number	Type	Status	Completion (%)
Istanbul	200	Novotel Karakoy	Under construction	49%
Ankara	147	Ibis Hotel Esenboğa Ankara	Completed	100%
Istanbul	200	Ibis Otel Tuzla	Under Planning	-

In the period January - August 2014; average occupancy rate of Ibis & Novotel located in Turkey & Russia was 64%, down by 2% compared to the same period of the previous year. During the same period, Rev-Par and T-RevPar decreased 15% YoY.

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 July 2014)					
Invoiced Water Volume	498,071	539,789	-13%	-6%	-4%
Akfen Su Dilovasi (as of 31 August 2014)					
Treated Waste Water Volume	2,518,002	2,615,571	-5%	33%	-7%

As of end of July, Akfen Su Gulluk served 6,404 subscribers.

As of end of August, the number of operating factories in Dilovasi Organised Industrial Zone was 208.

6) Energy
6.1) Akfen HEPP
Operational HEPPs (as of 31 August 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	81.20
	Sirma	6.0	23.2	June 2009	20.83	11.05
	Sekiyaka II HES 1	2.3	12.3	January 2014	0.00	7.29
Çamlıca	Camlica III	27.6	104.5	April 2011	61.54	16.81
	Saracbendi	25.5	100.5	May 2011	75.55	19.02
Pak	Demirciler	8.4	34.5	August 2012	34.40	14.63
	Kavakcalı	11.1	44.3	March 2013	21.43	25.58
	Gelinkaya	6.9	25.8	June 2013	2.23	4.37
BT Bordo	Yagmur	9.0	31.5	November 2012	20.20	12.16
Total		144.5	600.6		396.26	192.11

HEPPs Under Construction

Company	HEPP	Installed Capacity (MW)	Generation Capacity (GWh/yr)	Civil Work Progress Ratio (%)
Elen	Dogancay	30.2	171.7	97.9%
Yenidoruk	Doruk	28.3	75.5	100.0%
H.H.K. Enerji*	Çalıkobası	17.0	46.4	8.2%
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 mobilization works have continued at Çalıkobası HEPP and preliminary construction works have continued at Çiçekli 1-II HEPP.

As of the publishing date of this report, Elen Enerji Üretimi San. Ve Tic. A.Ş., which is a subsidiary of Akfen Holding Yatırımları ve Enerji Üretim A.Ş., a subsidiary of Akfen Holding A.Ş., obtained provisional acceptance from the Ministry of Energy for one unit with 5.04 MW of Dogançay HEPP 2 Project as well as Doğançay HEPP 1 Project with 15.12 MW (please recall that on 29 August 2014 2 units of Doğançay HEPP 2 project, with 10.8 MW installed capacity, had become operational). These power plants, located in Sakarya, having a total annual generation capacity of 171.68 GWh, started generating electricity as of 12 September 2014 at midnight. Following the commissioning of these projects, as of 12.09.2014, our total installed capacity amounted to 175 MW and our projected electricity generation capacity was 772 GWh through a total of 10 operating hydroelectric power plants.

As of the publishing date of this report, also Yeni Doruk Enerji Elektrik Üretim A.Ş., which is a subsidiary of Akfenhes Yatırımları ve Enerji Üretim A.Ş., a subsidiary of Akfen Holding A.Ş., obtained provisional acceptance for the 28.28 MW (with an annual generation capacity of 75.50 GWh) Doruk HEPP Project from the Ministry of Energy. The power plant, located in Giresun, started generating electricity as of 19 September 2014 at midnight.

Following the commissioning of these projects our total installed capacity amounts to 203 MW and our projected electricity generation capacity is 848 GWh through a total of 11 operating hydroelectric power plants.

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 August 2014)

Project Name	Akfen Construction's Share	Contract Value (Euro)	Physical Completion as of 31.08.2014	Backlog (Euro)
Doruk HEPP (Engineering Works)	100%	11,745,014	100.0%	516,173
Dogancay HEPP (Engineering Works)	100%	28,958,083	97.9%	790,578
zCalikobasi HEPP (Engineering Works)	100%	12,144,855	8.2%	11,173,985
Cicekli HEPP (Construction of Access Road)	100%	787,497	81.6%	Unit Price Contract*
AKFEN HEPP		53,635,449		12,480,736
Novotel Karaköy	100%	22,232,000	49.0%	14,321,406
Incek Loft	100%	136,310,327	13.2%	121,124,979
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		432,246,148		367,995,494

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

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	47,816,840	50,527,752	-8%	1%	-7%
Fast Ferry	6,851,038	6,337,335	12%	11%	11%
Sea Bus	6,597,945	7,520,151	-18%	-13%	-14%
Conventional Ferry*	34,367,857	36,670,266	-9%	3%	-8%
Number of Vehicles	8,060,830	7,852,086	4%	5%	4%
Fast Ferry**	1,306,782	1,269,961	4%	1%	8%
Conventional Ferry	6,754,048	6,582,125	4%	6%	3%

* Number of passengers travelling with vehicles using Eskişehir-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	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

IDO announced that it will collaborate with the local bus carrier Metro Tourism on the Istanbul-Izmir route. The collaboration is expected to reduce the travel time to c.6.5 hours from c.9 hours of drive currently. Accordingly, a passenger will ride the IDO ferry from Istanbul's Yenikapi to Balıkesir's Bandırma and then take the Metro Tourism bus to reach Izmir with a single ticket, which can be bought from either Metro or IDO.

Akfen Holding Investor Relations

For further information please e-mail to investorrelations@akfen.com.tr

AKFEN HOLDING A.Ş.

Levent Loft – Buyukdere Cad. No:201 K.11 34394 Levent, Istanbul - TURKEY

Tel :+90.212.319.8700 Fax: +90.212.319.8710

www.akfen.com.tr
