



OPERATIONAL PERFORMANCE REPORT

February 2016

Issue date: 22.03.2016

AKFEN HOLDING - RECENT DEVELOPMENTS & DATA

- As of February 26th, 2016; the price of Akfen Holding’s corporate bond with the ISIN code TRSAKFH11710 (maturity date January 9th, 2017 and issue amount TL140mn) was TL99.400 (dirty price). Total trading volume in February was TL3,224,658 and the yield as of February 26th, 2016 corresponded to 10.98% + 445bps spread.
- As of February 11th, 2016; the price of Akfen Holding’s corporate bond with the ISIN code *TRSAKFH31718* (maturity date March 23rd, 2017 and issue amount TL200mn) was TL100.200 (dirty price). Total trading volume in February was TL10.573 and the yield as of February 11th, 2016 corresponded to 11.12% +354bps spread.
- As of February 2nd, 2016; 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 February was TL224,347 and the yield as of February 2nd, 2016 corresponded to 11.12% + 287bps spread. While the fifth coupon payment of the bond amounting to TL1,997,998.65 was made on March 10th, 2016, the interest rate effective for the sixth coupon payment, which will be made on July 9th, 2016, was announced as 3.29%.
- Pursuant to the Capital Markets Board’s Communiqué on the “Squeeze-Out and Sell-Out Rights”, as of 22.12.2015, total voting rights of the shareholders acting in concert; Hamdi Akın, Selim Akın, Akınısı Makina Sanayi ve Ticaret A.Ş., Akfen Turizm Yatırımları ve İşletmecilik A.Ş. and Akfen Altyapı Danışmanlık A.Ş.; has surpassed 97% and the right to sell-out and squeeze-out as regulated in the Communiqué was exercised and within a period of 3 months following this announcement minority shareholders have submitted their demands to exercise their sell-out rights to our Company. The sell-out rights period ended on 22.03.2016, 3 months after the date of 23.12.2015 when according to the Communiqué Article 5.1 the sell-out rights started to be exercised. Following the end of the 3 month period (23.12.2015-22.03.2016), during which the shareholders have exercised their sell-out rights, the majority shareholders will exercise their right to squeeze-out the shareholders that have not exercised their sell-out rights, at a price of TL 10.9998, which is the weighted average trading price for the last 30 days prior the date of 22.12.2015, when the status of the majority shareholder was attained pursuant to the provisions of the Communiqué. We would like to remind all our shareholders of the above described subjects within the Sell-out and Squeeze-out Rights process.

BUSINESS LINES - OPERATIONAL PERFORMANCE & DEVELOPMENTS
1) Airports/Terminals: TAV Airports
Passenger Figures⁽¹⁾ (as of 29 February 2016)

	2016 LTM	2015	YTD Chg.	YoY Chg.	LTM Chg.
Ataturk Airport	61,854,887	61,322,729	6%	10%	8%
International	42,381,738	41,947,327	8%	11%	10%
Domestic	19,473,149	19,375,402	4%	9%	5%
Esenboga Airport	12,468,299	12,326,869	8%	11%	13%
International	1,568,379	1,559,171	4%	4%	9%
Domestic	10,899,920	10,767,698	8%	12%	13%
Izmir Airport	12,277,747	12,139,788	8%	11%	11%
International	2,617,801	2,619,691	-1%	-3%	2%
Domestic	9,659,946	9,520,097	10%	12%	13%
Gazipaşa Airport	923,588	915,046	20%	11%	25%
International	505,517	508,408	-37%	-52%	24%
Domestic	418,071	406,638	32%	26%	27%
Milas-Bodrum Airport⁽⁴⁾	3,901,850	3,877,603	17%	22%	1%
International	1,548,562	1,548,708	-100%	-	-16%
Domestic	2,353,288	2,328,895	17%	22%	17%
TAV Turkey Total	89,880,075	89,035,593	7%	11%	12%
International	47,075,701	46,636,863	7%	10%	10%
Domestic	42,804,374	42,398,730	7%	11%	15%
Medinah	5,793,206	5,831,163	-4%	-1%	2%
Monastir & Enfidha Airports	1,340,386	1,407,293	-46%	-43%	-60%
Tbilisi & Batumi Airports	2,103,682	2,066,268	18%	21%	17%
Macedonia (Skopje & Ohrid)	1,608,279	1,560,381	28%	30%	22%
Zagreb Airport	2,605,322	2,587,798	6%	8%	6%
TAV TOTAL⁽³⁾	103,330,950	102,488,496	6%	10%	8%
International	58,011,330	57,572,163	6%	9%	6%
Domestic	45,319,620	44,916,333	6%	10%	11%

Air Traffic Movements⁽²⁾ (as of 29 February 2016)

	2016 LTM	2015	YTD Chg.	YoY Chg.	LTM Chg.
Ataturk Airport	452,411	447,159	8%	14%	7%
International	318,836	313,730	11%	18%	10%
Domestic	133,575	133,429	1%	7%	1%
Esenboga Airport	89,702	87,948	14%	17%	10%
International	12,228	12,031	12%	10%	6%
Domestic	77,474	75,917	14%	18%	11%
Izmir Airport	80,787	79,880	9%	11%	10%
International	19,346	19,191	12%	9%	12%
Domestic	61,441	60,689	8%	11%	10%
Gazipaşa Airport	6,581	6,510	20%	14%	23%
International	3,438	3,458	-30%	-38%	23%
Domestic	3,143	3,052	32%	26%	22%
Milas-Bodrum Airport⁽⁴⁾	26,475	26,394	8%	8%	0%
International	9,713	9,714	-100%	-	-13%
Domestic	16,762	16,680	8%	8%	10%
TAV Turkey Total	646,243	638,177	9%	14%	11%
International	353,848	348,410	11%	17%	10%
Domestic	292,395	289,767	6%	11%	12%
Medinah	49,400	49,031	4%	7%	2%
Monastir+Enfidha Airports	11,876	12,229	-26%	-22%	-46%
Tbilisi + Batumi Airports	25,204	25,148	2%	4%	6%
Macedonia (Skopje&Ohrid)	15,806	15,510	15%	18%	11%
Zagreb Airports	39,934	39,854	1%	5%	3%
TAV TOTAL⁽³⁾	788,487	779,973	8%	13%	7%
International	465,573	459,492	10%	15%	7%
Domestic	322,914	320,481	5%	10%	7%

* DHM figures for 2016 are tentative.

(1) Both departing and arriving passengers, including transfer pax.

(2) Commercial flights only.

(3) 2015 TAV totals do not include Milas-Bodrum international until November 2015.

(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.

Abbreviations:

LTM: Last twelve months

YTD: Year-to-date (January-February 2016/January-February 2015)

YoY: Year-over-Year (February 2016/ February 2015)

n.m. Not Meaningful

At TAV Airports' 2015 Ordinary General Assembly Meeting on March 21, 2016, the distribution of TL 0,9567243 (95.67243%) gross cash dividend per share totaling TL 347,560,013 was approved to commence on March 23, 2016 and also the Share Buy-Back Program was approved.

2) Airport Construction: TAV Construction

Ongoing Projects (as of 31 January 2016)

Project Name	Employer	TAV Construction's Share	Contract Value (US\$m)	Physical Completion as of 31.12.2015	Physical Completion as of 31.01.2016	Change (%)
Dubai-Marina 101	M/S Sheffield Holdings Limited	100%	206	92.3%	92.5%	0.2%
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	92.9%	93.0%	0.1%
Saudi Airlines Catering Building - Madinah	TAV-ACC JV	50%	31	100.0%	100.0%	-
Medina Airport Hotel Project - Madinah	TAV-ACC JV	50%	31	89.4%	93.6%	4.2%
King Abdul Aziz International Airport	Saudia Aerospace Engineering Industries	40%	765	34.4%	36.1%	1.7%
Abu Dhabi Int. Airport Midfield Terminal Building Construction Works	ADAC	33%	3,177	67.5%	70.4%	2.9%
Riyad KKIA Terminal 5 Airport	General Authority Of Civil Aviation (Gaca)	50%	431	86.2%	89.3%	3.1%
Damac Towers	Damac Development	100%	333	48.0%	52.5%	4.5%
Emaar Square N1&N2 Structural Works	EMAAR	60%	70	98.8%	99.1%	0.2%
Emaar Phase 3	EMAAR	60%	410	37.4%	42.8%	5.4%
Istanbul Ataturk Airport Extension Project - Phase 3	TAV Istanbul Terminal Operations Co.	100%	43	66.5%	74.8%	8.3%
New ADP Headquarters and Office Buildings	Aeroports De Paris	50%	97	18.0%	22.0%	4.0%
Tiflis International Airport Rehabilitation Project	TAV URBAN GEORGIA LLC	100%	23	2.4%	5.6%	3.2%
TOTAL			13,200			

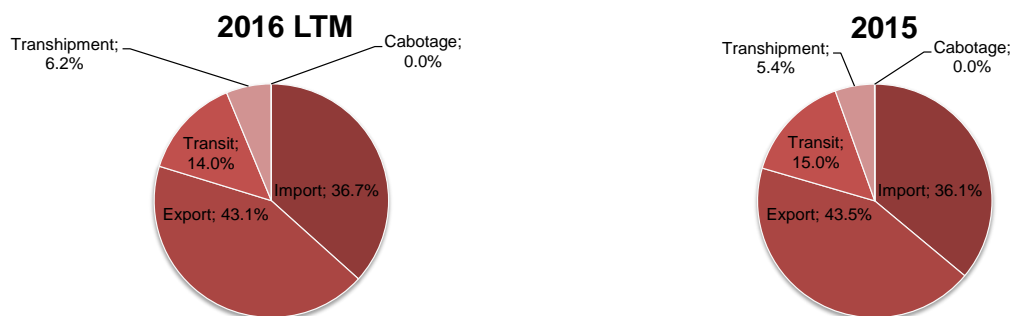
3) Port Operations: Mersin International Port (MIP)

Container & Conventional Cargo Statistics (as of 29 February 2016)

	2016 LTM	2015	YTD Chg.	YoY Chg.	LTM Chg.
Container Volumes (TEU)	1,476,857	1,466,199	5%	16%	1%
Conventional Throughput (Ton)*	7,590,501	7,748,856	-12%	-1%	-15%

* General Cargo – Dry Bulk – Liquid Bulk

Container Regime Breakdown



As of February 29th, 2016; 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 USD102.794. The yield as of February 29th, 2015 corresponded to 4.981% + 409bps spread (Source: Bloomberg).

4) Real Estate: Akfen REIT

(as of 29 February 2016)

Hotels	Room Number*	Occupancy Rate			Rev Par (EUR)**			Total Rev Par (EUR)***		
		2016 YTD	2016 LTM	2015	2016 YTD	2016 LTM	2015	2016 YTD	2016 LTM	2015
Turkey Total	2,277	65%	67%	67%	23	30	31	31	39	40
Russia Total	865	45%	54%	52%	14	19	19	19	26	26
Grand Total	3,142	59%	64%	63%	21	28	28	27	37	37

* 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.)

Turkey Projects' Physical Completion Status (as of 29 February 2016)

City	Room Number	Type	Status	Completion (%)
Istanbul	200	Ibis Otel Tuzla	Under construction	79%

During January-February 2016; average occupancy rate of Ibis & Novotel located in Turkey & Russia reached 59%, down by 0.2% compared to the same period of the previous year. During the same period, Rev-Par and T-RevPar decreased 19%.

5) Water & Waste Water Utilities: Akfen Water

Invoiced Water & Treated Waste Water Volumes (m³)

	2016 LTM	2015	YTD Chg.	YoY Chg.	LTM Chg.
Akfen Su Gulluk (as of 31 January 2016)					
Invoiced Water Volume	534,225	532,398	8%	8%	5%
Akfen Su Dilovasi (as of 29 February 2016)					
Treated Waste Water Volume	2,080,587	1,991,083	21%	2%	-19%

As of end of January, Akfen Su Gullük served 6,862 subscribers.

As of end of February, the number of operating factories in Dilovası Organised Industrial Zone was 209.

6) Energy

6.1) Akfen HEPP

Operational HEPPs (as of 29 February 2016)

Company	HEPP	Installed Capacity (MW)	Generation Capacity (GWh/yr)	Commercial Operation Date (COD)	Realized Generation Output (GWh/yr) 2015	Realized Generation Output (GWh/yr) YTD
Beyobası	Otluca	47.7	224.0	April 2011	167.01	41.60
	Sirma	6.0	23.2	June 2009	29.64	1.19
	Sekiyaka II HES 1	3.4	17.1	January 2014-August 2015	16.20	3.43
Çamlıca	Camlica III	27.6	104.5	April 2011	78.69	10.29
	Saracbendi	25.5	100.5	May 2011	70.80	10.31
Pak	Demirciler	8.4	34.5	August 2012	37.09	7.67
	Kavakcali	11.1	44.3	March 2013	45.08	9.46
	Gelinkaya	6.9	25.8	June 2013	11.48	0.34
BT Bordo	Yagmur	9.0	31.5	November 2012	26.14	5.41
Elen	Doğancay	30.2	171.7	August-September 2014	152.38	29.65
Yenidoruk	Doruk	28.3	75.5	September 2014	69.92	4.18
Total		204.1	852.6		704.42	123.53

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	31.9%
Kurtal	Çiçekli 1-II (Engineering Works)	6.7	21.9	16.4%
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 2016, electricity generated at all operating plants is being sold to the Renewable Energy Resources Support Mechanism.
- On 22.02.2016 we announced on the Public Disclosure Platform that the share transfer transaction with regards to our Board Member Selim Akin's 100% stake in Karine Enerji (Karine SPP) to our Company was completed as of 22 February 2016. Also, on 22.02.2016, the boards of our wholly owned subsidiaries Karine SPP and Akfen Yenilenebilir Enerji (Akfen Renewable Energy), have decided to merge Karine SPP, without liquidation as a whole, with Akfen Renewable Energy, pursuant to the Articles 136 and 138 of the Turkish Commercial Code and Articles 19 and 20 of the Corporate Tax Law and the related transaction has been initiated. The above mentioned merger has been completed and registered on 09.03.2016.

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.

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) Sea Transportation: IDO
Number of Passengers and Vehicles Transported (as of 29 February 2016)

	2016 LTM	2015	YTD Chg.	YoY Chg.	LTM Chg.
Number of Passengers	48,283,389	47,377,389	16%	29%	3%
Fast Ferry	7,617,027	7,464,089	19%	28%	9%
Sea Bus	5,932,890	5,835,290	17%	32%	2%
Conventional Ferry*	34,733,472	34,078,010	15%	29%	2%
Number of Vehicles	8,813,315	8,604,468	20%	34%	8%
Fast Ferry**	1,508,616	1,471,909	24%	36%	14%
Conventional Ferry	7,304,699	7,132,559	19%	33%	7%

* 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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