



OPERATIONAL PERFORMANCE REPORT

June 2014

Issue date: 23.07.2014

AKFEN HOLDING - RECENT DEVELOPMENTS & DATA

As of June 30, 2014; the price of Akfen Holding's corporate bond with the ISIN code *TRSAKFH11710* (maturity date January 9th, 2017 and issue amount TL140mn) was TL100.70 (dirty price). Total trading volume in June was TL2,655,064 and the yield as of 30 June 2014 corresponded to 8.33% + 465bps spread. While the second coupon payment of the bond amounting to TL4,451,999.53 was made on July 14, 2014, the interest rate effective for the third coupon payment, which will be made on October 13, 2014, was announced as 2.81%.

As of May 6, 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 May was TL102,596 and the yield as of 6 May 2014 corresponded to 9.24% + 534bps spread.

BUSINESS LINES - OPERATIONAL PERFORMANCE & DEVELOPMENTS
1) Airports/Terminals: TAV Airports

Passenger Figures* (as of 30 June 2014)

	2014 LTM	2013	YTD Chg.	YoY Chg.	LTM Chg.
Ataturk Airport	53,946,570	51,320,875	11%	11%	10%
International	35,916,766	34,096,770	11%	13%	11%
Domestic	18,029,804	17,224,105	10%	7%	9%
Esenboga Airport	11,221,576	10,928,403	6%	-2%	12%
International	1,499,615	1,573,943	-10%	-10%	-9%
Domestic	9,721,961	9,354,460	8%	-1%	16%
Izmir Airport	10,521,157	10,208,627	7%	3%	7%
International	2,530,046	2,467,436	7%	1%	5%
Domestic	7,991,111	7,741,191	7%	4%	8%
Gazipaşa Airport	498,243	363,024	123%	93%	188%
International	302,843	242,949	94%	71%	146%
Domestic	195,400	120,075	163%	150%	293%
TAV Turkey Total	76,187,546	72,820,929	10%	9%	11%
International	40,249,270	38,381,098	10%	12%	10%
Domestic	35,938,276	34,439,831	9%	5%	11%
Medinah	5,361,530	4,669,181	29%	14%	14%
Monastir & Enfidha Airports	3,450,083	3,437,849	1%	1%	2%
Tbilisi & Batumi Airports	1,699,911	1,642,597	8%	11%	14%
Macedonia (Skopje & Ohrid)	1,154,710	1,067,467	18%	18%	17%
Zagreb Airport	2,321,757	2,300,231	2%	7%	-1%
TAV TOTAL**	88,937,486	83,638,023	13%	12%	12%
International	50,831,310	47,429,862	16%	15%	12%
Domestic	38,106,176	36,208,161	11%	7%	12%

* Both departing and arriving passengers, including transfer pax.

** 2013 TAV Total do not include Zagreb Airport.

Air Traffic Movements* (as of 30 June 2014)

	2014 LTM	2013	YTD Chg.	YoY Chg.	LTM Chg.
Ataturk Airport	408,228	387,965	11%	10%	11%
International	275,918	260,686	12%	11%	12%
Domestic	132,310	127,279	8%	7%	9%
Esenboga Airport	85,954	85,241	2%	-4%	8%
International	12,375	13,133	-12%	-5%	-10%
Domestic	73,579	72,108	4%	-4%	12%
Izmir Airport	72,335	70,057	7%	4%	6%
International	17,698	17,215	7%	4%	7%
Domestic	54,637	52,842	7%	5%	6%
Gazipaşa Airport	3,584	2,577	125%	80%	185%
International	2,188	1,805	79%	49%	146%
Domestic	1,396	772	194%	170%	282%
TAV Turkey Total	570,101	545,840	9%	8%	10%
International	308,179	292,839	11%	10%	11%
Domestic	261,922	253,001	7%	4%	10%
Medinah	45,717	40,000	30%	20%	16%
Monastir+Enfidha Airports	29,031	30,077	-9%	-9%	2%
Tbilisi + Batumi Airports	23,838	23,512	3%	6%	1%
Macedonia (Skopje&Ohrid)	12,972	12,380	10%	14%	10%
Zagreb Airports	38,050	38,894	-4%	-4%	-3%
TAV TOTAL**	699,923	651,809	16%	13%	13%
International	409,873	376,719	19%	17%	15%
Domestic	290,050	275,090	11%	8%	11%

* Commercial flights only
 ** 2013 TAV Total do not include Zagreb Airport.

Abbreviations:

LTM: Last twelve months
 YTD: Year-to-date (January – June 2014/January - June 2013)
 YoY: Year-over-Year (June 2014/June 2013)
 n.m. Not Meaningful

TAV Airports Holding had announced on March 21, 2014 that the tender held by the General Directorate of State Airports Authority (DHMI) for transfer of the operating rights of Milas Bodrum Airport current International Terminal, CIP, Domestic Terminal and auxiliary structures had been awarded to TAV Airports Holding Inc. and approval of the Competition Authority had been received on April 10, 2014. A new company has been established and registered under the name of “TAV Milas Bodrum Terminal İşletmeciliği A.Ş” in order to conduct the operations of Milas Bodrum Airport Milas Bodrum Airport current International Terminal, CIP, Domestic Terminal and auxiliary structures. TAV Airports Holding Inc. holds 100% shares of the company which has a capital of 96.500.000TL. The concession agreement for granting the transfer of the operating rights has been signed between the recently established TAV Milas Bodrum Terminal İşletmeciliği A.Ş. and DHMI on July 11, 2014. According to the tender specifications, Milas Bodrum Airport’s Domestic Terminal and auxiliary structures’ operations will be taken over following the signing of the concession agreement. A concession fee of 717 million Euros shall be paid to DHMI excluding VAT for the airport operating rights until the end of 2035.

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

Project Name	Employer	TAV Construction's Share	Contract Value (US\$m)	Physical Completion as of 30.04.2014	Physical Completion as of 31.05.2014	Change (%)
Dubai-Marina 101	M/S SHEFFIELD HOLDINGS LIMITED	100%	207	67.8%	68.9%	1.1%
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 QUATAR	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	88.4%	88.6%	0.2%
Izmir International Airport	TAV EGE TERMINAL YATIRIM VE İŞLETME A.Ş.	82%*	362	100.0%	100.0%	0.0%
Madinah International Airport	TIBAH JV	50%	959	78.1%	83.4%	5.3%
King Abdul Aziz International Airport	SAUDIA AEROSPACE ENGINEERING INDUSTRIES	40%	765	9.5%	10.3%	0.8%
Abu Dhabi Int. Airport Midfield Terminal Building Construction Works	ADAC	33%	2,945	18.2%	20.1%	1.9%
Riyad KKIA Terminal 5 Airport	General Authority Of Civil Aviation (Gaca)	50%	336	27.6%	33.1%	5.5%
Damac Towers	Damac Development	100%	289	7.1%	8.8%	1.7%
Emaar Square N1&N2 Structural Works	EMAAR	60%	61	17.6%	21.6%	4.0%
TOTAL			13,489			

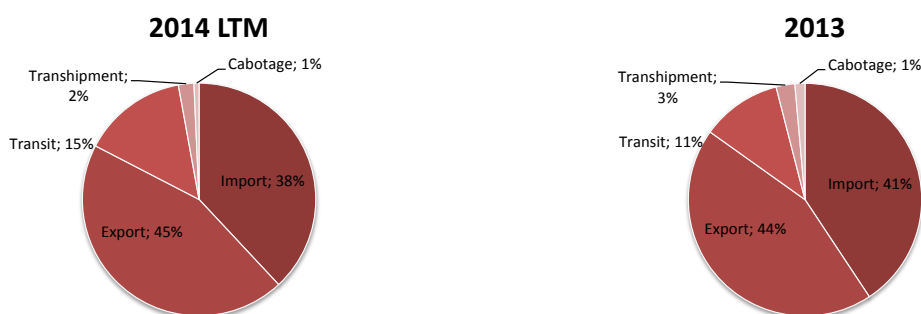
*The contract of Izmir Int. Airport project is carried out 100% by TAV Construction. However, imports within the scope of the contract are conducted through a TAV Airports group company, TAV Ege Terminal Yatırım Yapım ve İşletme A.Ş.. The table therefore depicts TAV Construction's share after the import 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 30 June 2014)

	2014 LTM	2013	YTD Chg.	YoY Chg.	LTM Chg.
Container Volumes (TEU)	1,486,678	1,378,800	16%	8%	15%
Conventional Throughput (Ton)*	7,742,544	7,561,602	5%	6%	5%

* General Cargo – Dry Bulk – Liquid Bulk

Container Regime Breakdown


As of June 30, 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 USD105.732. The yield as of 30 June 2014 corresponded to 2.136% + 297 bps spread. (Source: Bloomberg)

4) Real Estate: Akfen REIT

(as of 30 June 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%	51	52	60	59	60	70
Zeytinburnu Novotel	208	74%	75%	80%	57	60	68	77	80	92
Eskisehir Ibis	108	78%	77%	79%	31	31	34	36	36	40
Trabzon Novotel	200	72%	73%	73%	52	52	50	76	77	77
Gaziantep Ibis	177	80%	76%	72%	27	25	26	32	31	32
Gaziantep Novotel	92	73%	73%	77%	40	40	43	64	64	68
Kayseri Ibis	160	60%	59%	56%	18	18	18	23	23	24
Kayseri Novotel	96	58%	56%	61%	25	25	29	38	38	44
Bursa Ibis	200	54%	55%	58%	20	22	25	24	26	30
Yaroslavl Ibis	177	55%	63%	69%	28	33	37	37	43	48
Samara Ibis	204	56%	60%	57%	29	31	31	41	44	44
Adana Ibis	165	60%	55%	51%	18	17	18	24	22	23
Esenyurt Ibis	156	57%	52%	52%	25	24	27	30	29	32
İzmir Ibis	140	75%	69%	62%	30	28	26	35	33	30
Kaliningrad Ibis	167	40%	a.d.	26%	18	a.d.	13	23	a.d.	16
Turkey Total	1,930	68%	67%	67%	34	34	38	44	45	49
Russia Total	548	51%	61%	58%	25	32	31	34	43	42
Grand Total	2,478	64%	66%	65%	32	34	36	42	45	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 30 June 2014)
Russia Projects

City	Room Number	Type	Status	Completion (%)
Moskova	317	Ibis Hotel Moskova	Under construction	70%

Turkey Projects

City	Room Number	Type	Status	Completion (%)
Istanbul	200	Novotel Karakoy	Under construction	44%
Ankara	147	Ibis Hotel Esenboğa Ankara	Completed	100%
Istanbul	200	Ibis Otel Tuzla	Under Planning	-

In the period January - June 2014; average occupancy rate of Ibis & Novotel located in Turkey & Russia was 64%, down by 3% 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)

	2014 LTM	2013	YTD Chg.	YoY Chg.	LTM Chg.
Akfen Su Gulluk (as of 31 May 2014)					
Invoiced Water Volume	527,877	539,789	-8%	-22%	-0.2%
Akfen Su Dilovasi (as of 30 June 2014)					
Treated Waste Water Volume	2,429,956	2,615,571	-13%	29%	-7%

As of end of May, Akfen Su Gulluk served 6,234 subscribers.

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

6) Energy

6.1) Akfen HEPP

Operational HEPPs (as of 30 June 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	74.68
	Sirma	6.0	23.2	June 2009	20.83	4.14
	Sekiyaka II HES 1	2.3	12.3	January 2014	0.00	5.36
Çamlıca	Camlica III	27.6	104.5	April 2011	61.54	16.75
	Saracbendi	25.5	100.5	May 2011	75.55	18.16
Pak	Demirciler	8.4	34.5	August 2012	34.40	13.90
	Kavakcali	11.1	44.3	March 2013	21.43	23.41
	Gelinkaya	6.9	25.8	June 2013	2.23	3.65
BT Bordo	Yagmur	9.0	31.5	November 2012	20.20	9.79
Total		144.5	600.6		396.26	169.83

HEPPs Under Construction

Company	HEPP	Installed Capacity (MW)	Generation Capacity (GWh/yr)	Civil Work Progress Ratio (%)
Elen	Dogancay	30.2	171.7	95.1%
Yenidoruk	Doruk	28.3	75.5	99.8%
H.H.K. Enerji*	Çalıkobası	17.0	46.4	-
Kurtal*	Çiçekli 1-II	6.7	21.9	-
Total		82.2	315.5	

* Preliminary works with regards to the construction is ongoing at Çalıkobası and Çiçekli 1-II HEPPs. Construction of the access roads to the site at Çalıkobası HEPP and 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 recently commenced at Çalılıkobası HEPP and 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 30 June 2014)

Project Name	Akfen Construction's Share	Contract Value (Euro)	Physical Completion as of 30.06.2014	Backlog (Euro)
Doruk HEPP (Engineering Works)	100%	11,745,014	99.8%	516,173
Dogancay HEPP (Engineering Works)	100%	28,958,083	95.1%	1,290,289
Çalılıkobası HEPP (Construction of Access Road)	100%	355,157	92.0%	Unit Price Contract*
Calikobası HEPP (Engineering Works)	100%	12,144,855	0.0%	12,144,855
Cicekli HEPP (Construction of Access Road)	100%	652,196	90.0%	Unit Price Contract*
AKFEN HEPP		53,855,305		13,951,317
Novotel Karaköy	100%	22,232,000	44.0%	15,038,018
Incek Loft	100%	136,324,862	9.3%	126,329,640
Isparta City Hospital	100%	162,365,903	0.0%	162,365,903
Hacettepe Student Dorm	64%	45,278,166	0.0%	45,278,166
TOTAL		420,056,236		362,963,044

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

8) Sea Transportation: IDO

Number of Passengers and Vehicles Transported

	2014 LTM	2013	YTD Chg.	YoY Chg.	LTM Chg.
Number of Passengers	48,217,124	50,527,752	-10%	-10%	-7%
Fast Ferry	6,641,593	6,337,335	11%	6%	10%
Sea Bus	6,869,881	7,520,151	-19%	-21%	-13%
Conventional Ferry*	34,705,650	36,670,266	-11%	-11%	-8%
Number of Vehicles	7,982,838	7,852,086	4%	1%	2%
Fast Ferry**	1,293,353	1,269,961	4%	0%	10%
Conventional Ferry	6,689,485	6,582,125	3%	2%	0%

* 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

Akfen Holding Investor Relations

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