

# ***AKFEN HOLDING***

## **9M12 Results**

16 November 2012



**akfen**

# Contents

<b>Financial Review</b>	<b>Page</b>
<i>Summary Financial Results</i>	3
<i>Revenue</i>	4
<i>EBITDA</i>	5
<i>Net Profit</i>	6
<i>Balance Sheet</i>	7
<i>Debt Structure</i>	8
<i>Cash Flow</i>	11
<i>Sensitivity Analysis</i>	12
<b>Business Segments</b>	
<i>MIP</i>	14
<i>TAV Airports</i>	15
<i>TAV Construction</i>	16
<i>HEPP Group</i>	17
<i>IDO</i>	18
<i>Akfen REIT</i>	19
<i>Akfen Water</i>	20
<b>Appendix</b>	
<i>Business Lines' 9M12 Performance</i>	22
<i>Corporate Data</i>	23
<i>Material Events in 2012</i>	24
<i>Notes on Financials (Consolidation, Hedging, FX-rates)</i>	26
<b>Consolidated Financial Statements</b>	
<i>Balance Sheet</i>	28
<i>Income Statement</i>	29

# 9M12 Highlights: Stronger Balance Sheet...

TL 000	9M12 (Actual)	9M11 (Actual)	Δ %	9M12 (LfL*)	9M11 (LfL**)	Δ %
Revenues	862,699	982,024	-12%	1,087,219	1,032,897	5%
Adj. EBITDA	248,716	239,401	4%	318,745	253,209	26%
EBITDA Margin (%)	28.3%	24.5%	3.8 p.p.	28.79%	24.63%	4.2 p.p.
Net Profit	656,367	6,295	104x	687,916	2,578	267x
Non-Controlling Interest	6,485	93,306	-93%	-	-	
Owners of the Company	649,882	-87,011	n.m.	-	-	

TL 000	9M12 (Actual)	FY11 (Actual)	Δ %
Sh. Equity	1,680,094	1,151,881	46%
Non-Controlling Interest	361,644	392,965	-8%
Owners of the Company	1,318,450	758,916	74%
Cons. Net Debt***	1,781,036	2,804,848	-37%
Total Assets	4,805,132	5,438,969	-12%

\* LfL 9M12 refers to TAV Airports and Const. being consolidated with our stakes prior to the sale. Net profit excluding the gain for the sales of TAV Airports and TAV Const.

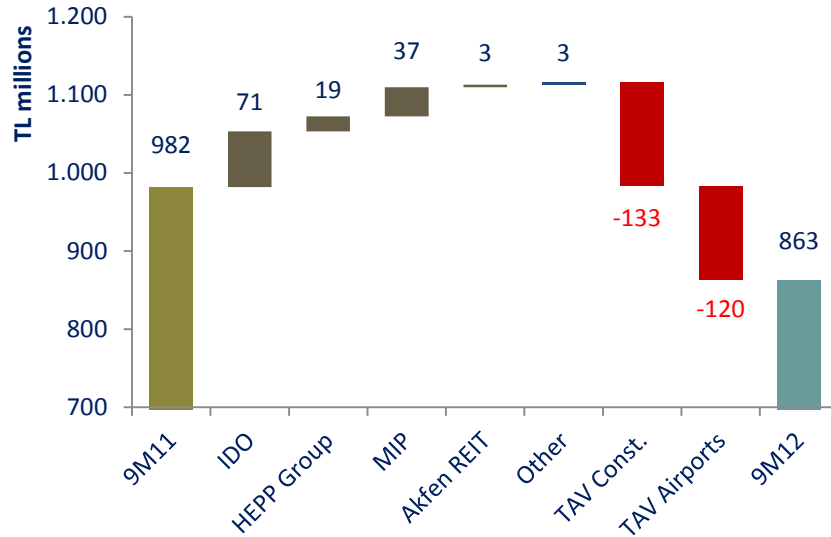
\*\* LfL 9M11 refers to IDO, which was acquired in June 2011, being included in 9M11 financials with our stake in order to make a YoY comparison meaningful

\*\*\* Cons. net debt includes deposits over 3 mths recorded under 'financial investments' due to CMB regulations

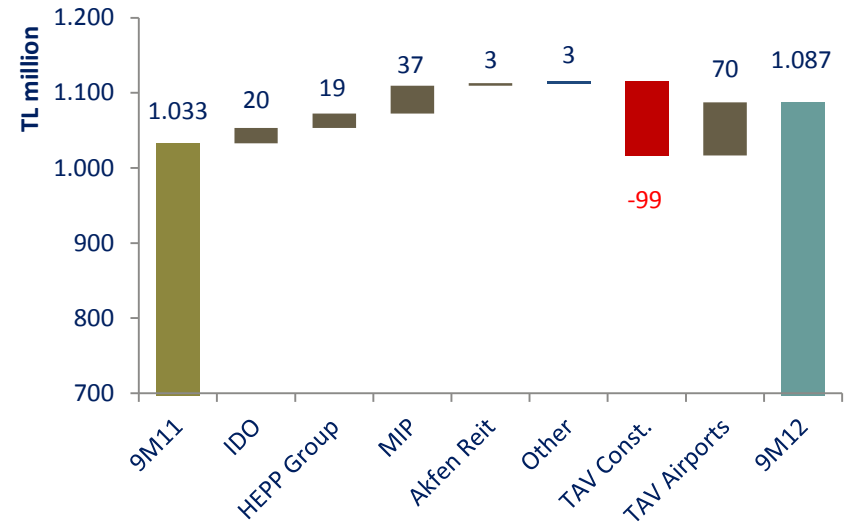
- ✓ All-time high profit due to the gain from TAV and TAVC stake sale, as well as
  - a solid equity base
  - yet also notable contraction in revenues and total assets
- ✓ Improvement in EBITDA margin sustained thanks to MIP's increased portion in total EBITDA and its higher margin

# Revenue

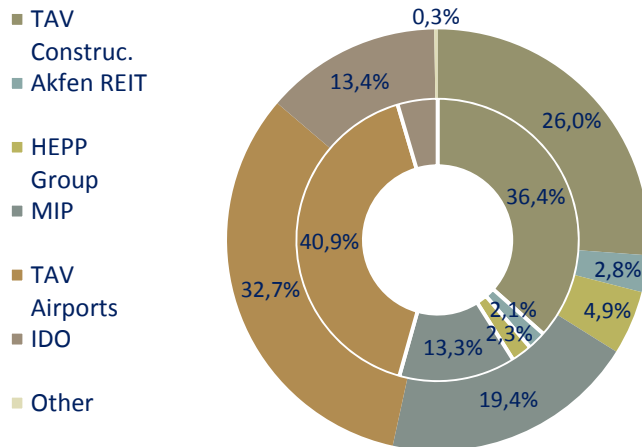
## Revenue Bridge (Actual)



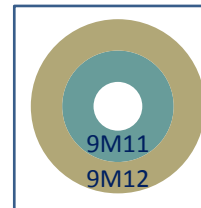
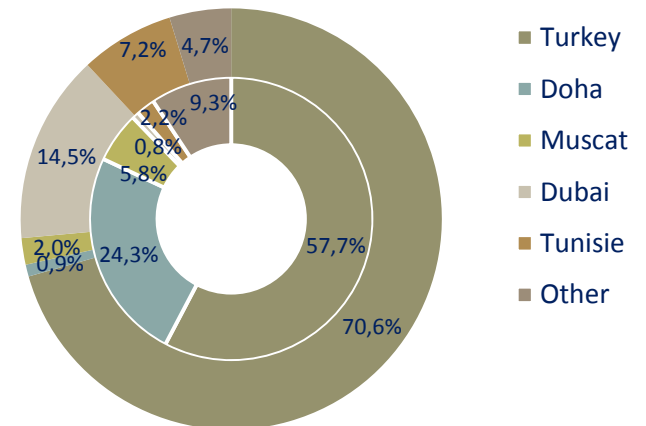
## Revenue Bridge (Like for Like)



## Revenue Breakdown by Business Segment

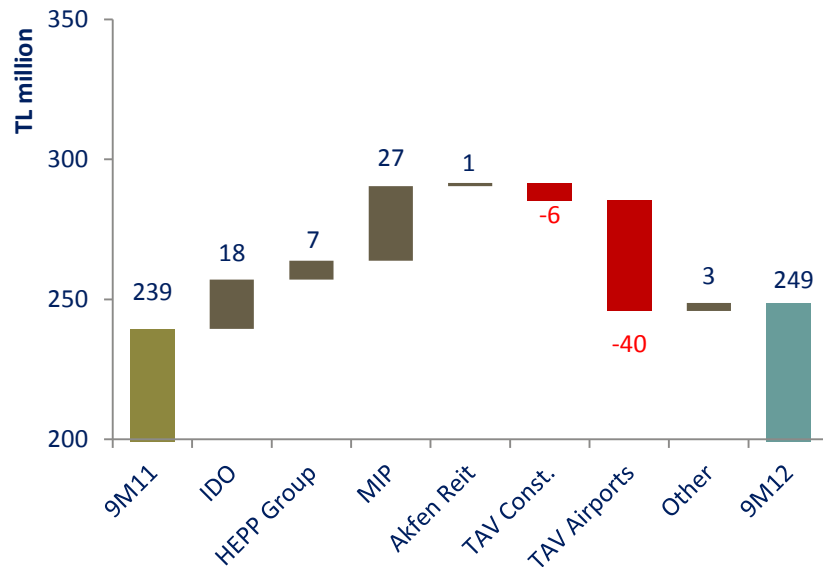


## Revenue Breakdown by Geo. Segment

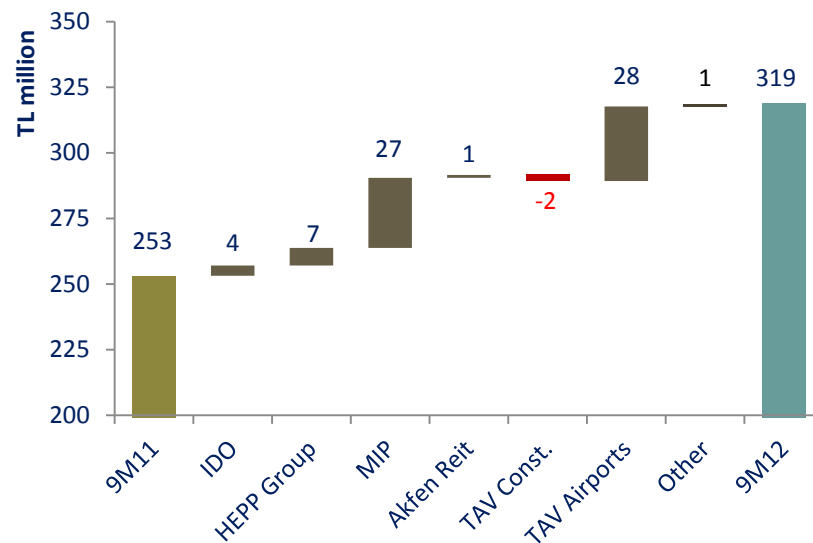


# EBITDA

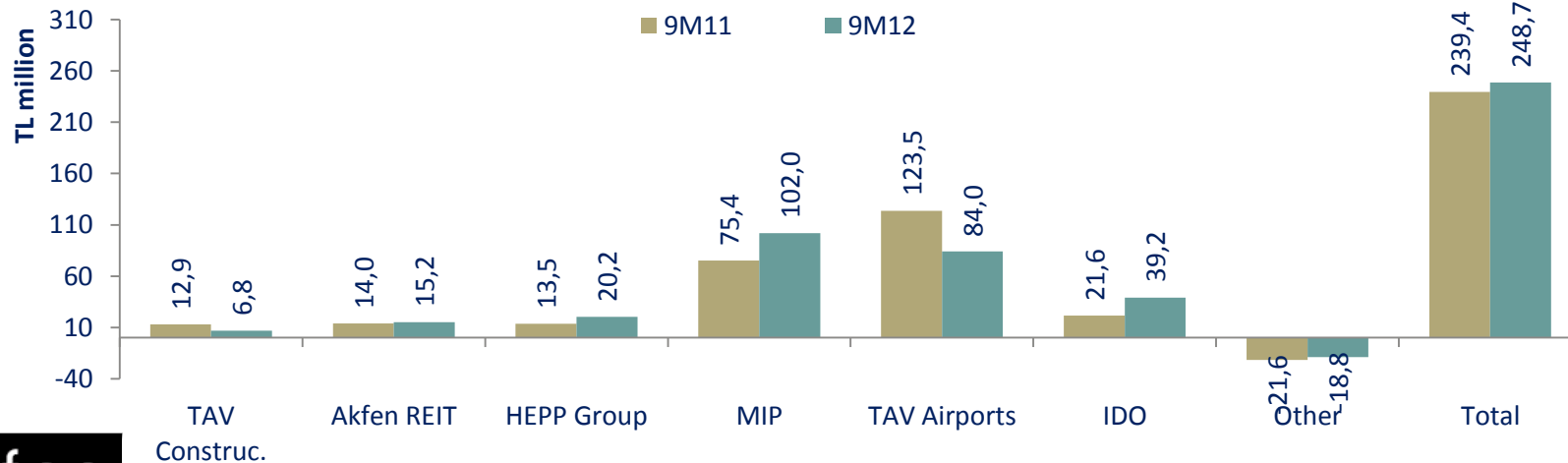
## EBITDA Bridge (Actual)



## EBITDA Bridge (Like for Like)

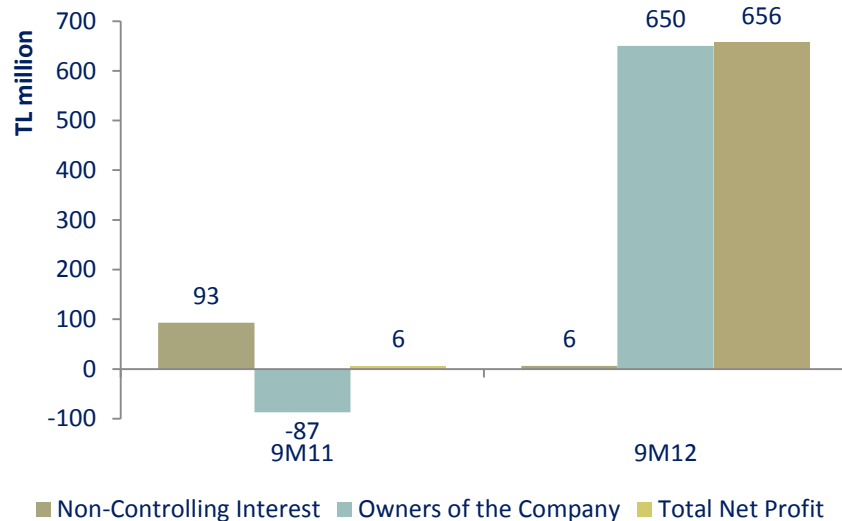


## EBITDA Breakdown by Business Segment



# Net Profit

## Net Profit



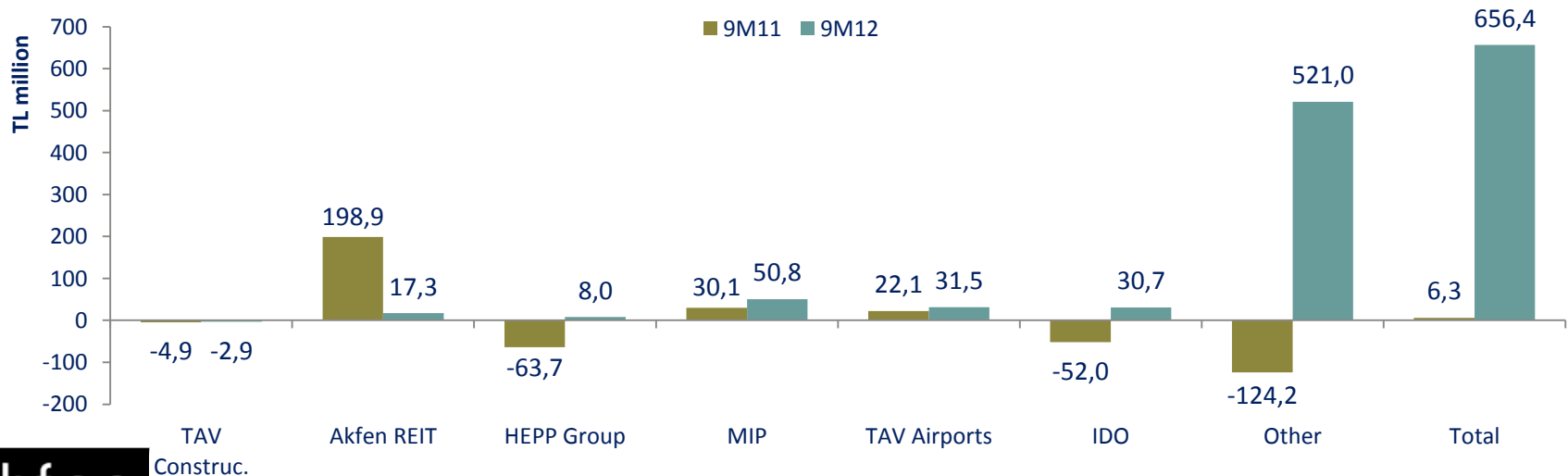
All time high 9M12 net profit of TL656mn;

✓ Mainly thanks to the TL563mn gain from the sale of TAV Airports and TAV Construction stakes recorded on May 16 2012

Yet, also...

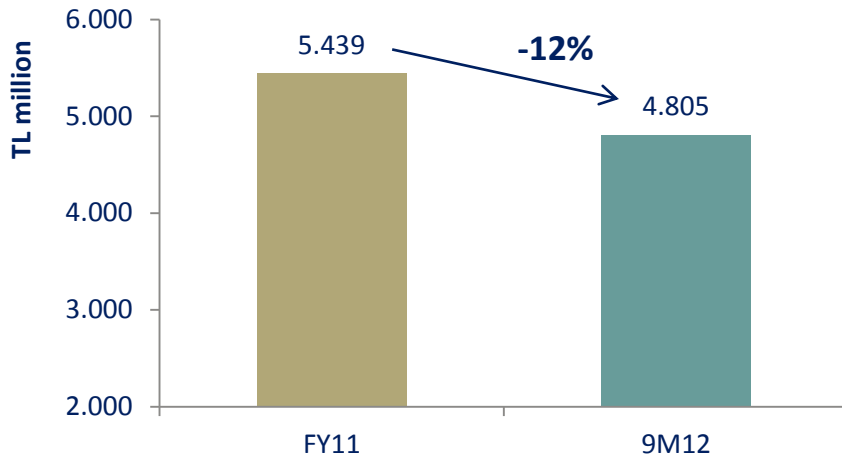
- ✓ 9M12 EBITDA surged on a YoY basis
- ✓ 9M11 fx-loss of TL185mn turned into fx-gains of TL128mn on the back of relatively strong TL in 9M12
- ✓ Reduced debt resulted into declining net financial expenses in 9M12

## Net Profit Breakdown by Business Segment

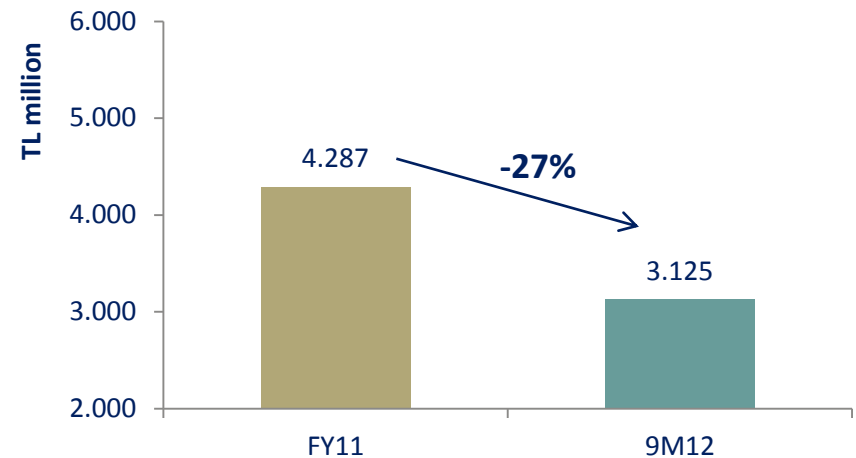


# Balance Sheet: 9M12 vs. FY11

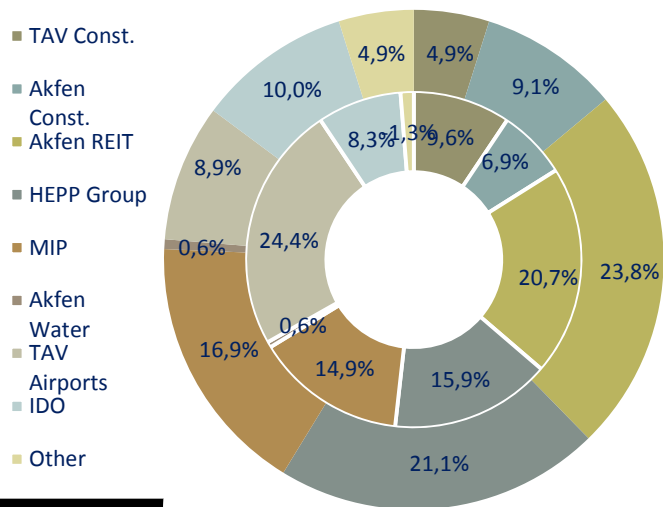
## Total Assets



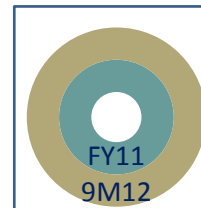
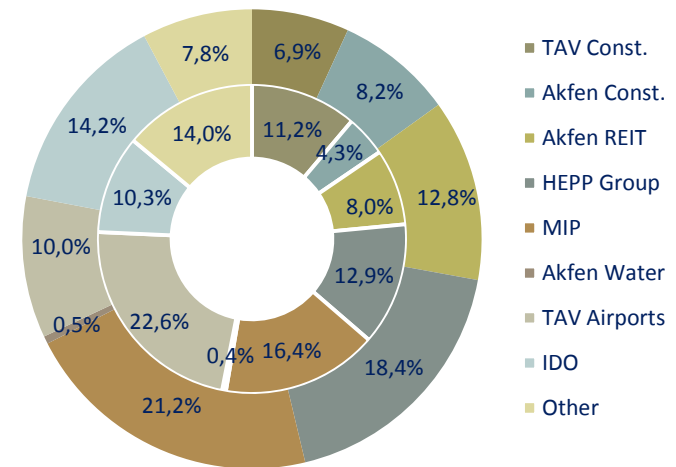
## Total Liabilities



## Assets Breakdown by Business Segment

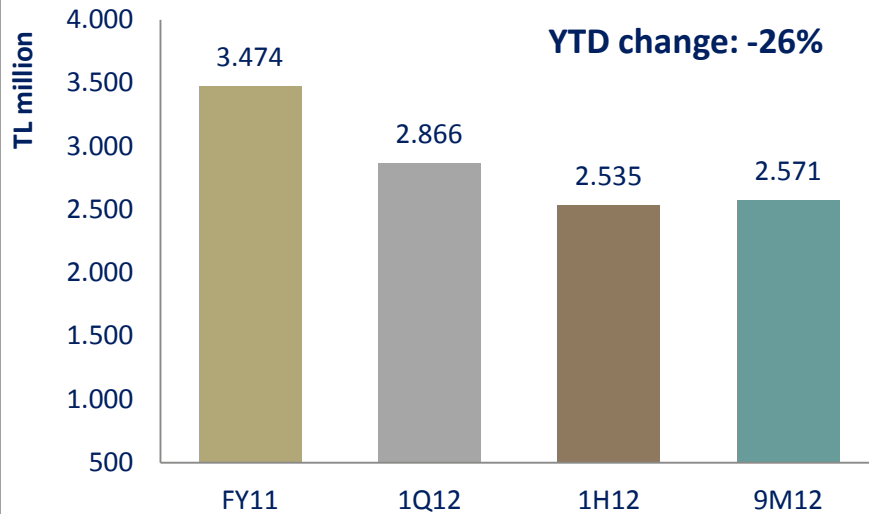


## Liabilities Breakdown by Business Segment

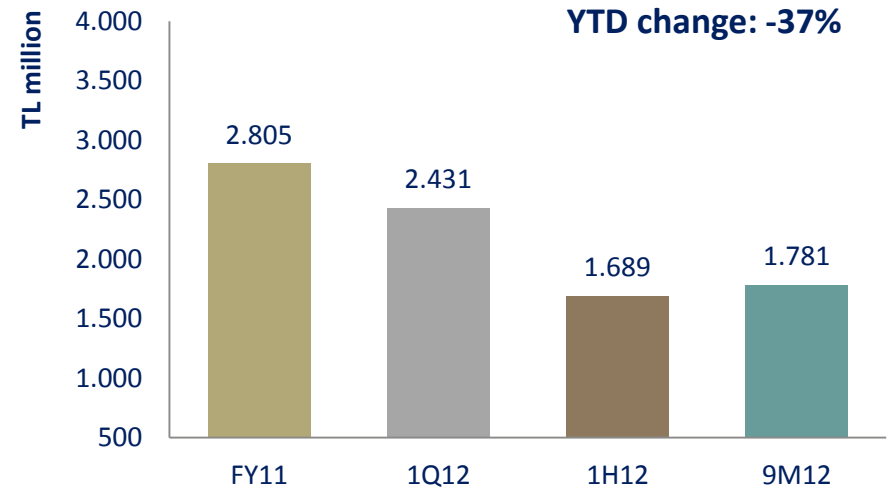


# Financial Debt

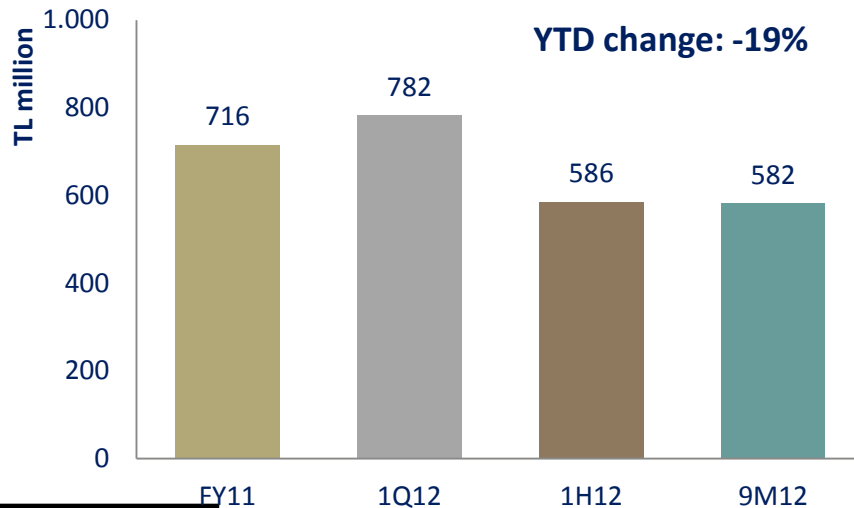
## Consolidated Gross Debt



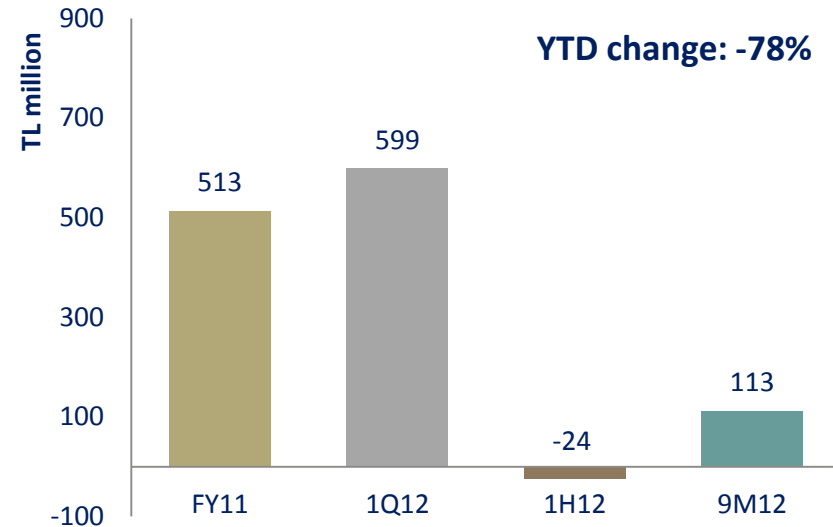
## Consolidated Net Debt



## Holding-only Gross Debt



## Holding-only Net Debt





# Debt: Details I

## Gross Debt Breakdown

TL 000	9M12	FY11	Ytd Chg.
<b>Akfen Holding</b>	<b>582,027</b>	<b>716,243</b>	<b>-19%</b>
Akfen Construction	349	71,586	-100%
Akfen REIT	282,699	285,739	-1%
HEPP Group	435,077	456,763	-5%
Akfen Water	15,245	15,771	-3%
MIP	554,657	592,589	-6%
TAV Construction	64,588	127,750	-49%
TAV Airports	243,474	781,468	-69%
IDO	393,383	426,238	-8%
Other	0	0	-
<b>Total</b>	<b>2,571,499</b>	<b>3,474,146</b>	<b>-26%</b>

## Net Debt Breakdown

TL 000	9M12	FY11	Ytd Chg.
<b>Akfen Holding</b>	<b>112,527</b>	<b>512,711</b>	<b>-78%</b>
Akfen Construction	-302	68,842	-100%
Akfen REIT	279,925	277,948	1%
HEPP Group	392,554	442,272	-11%
Akfen Water	9,583	12,287	-22%
MIP	430,961	491,346	-12%
TAV Construction	43,753	70,864	-38%
TAV Airports	153,292	505,663	-70%
IDO	360,193	423,517	-15%
Other	-1,449	-601	141%
<b>Total</b>	<b>1,781,037</b>	<b>2,804,848</b>	<b>-37%</b>

## Gross Debt Breakdown by Business Segment

TL 000	Akfen Holding	Akfen Constr.	Akfen REIT	HEPP Groups	Akfen Water	MIP	TAV Const.	TAV Airports	IDO	Other	Elimin.	Total
Short Term Debt	117,422	249	65,648	84,232	2,282	134,530	52,283	35,050	39,712	0	0	531,408
Medium Term Debt	464,605	100	106,726	151,124	6,124	125,582	10,894	110,800	124,315	0	0	1,100,270
Long Term Debt	0	0	110,325	199,721	6,839	294,544	1,411	97,624	229,356	0	0	939,821
<b>Total Gross Debt</b>	<b>582,027</b>	<b>349</b>	<b>282,699</b>	<b>435,077</b>	<b>15,245</b>	<b>554,657</b>	<b>64,588</b>	<b>243,474</b>	<b>393,383</b>	<b>0</b>	<b>0</b>	<b>2,571,499</b>
Cash and Cash Equivalents	194,527	651	2,774	42,523	5,662	123,696	20,835	89,690	33,190	1,449	0	514,997
Short Term-Financial Inv.	103,090	0	0	0	0	0	0	0	0	0	0	103,090
Long Term-Financial Inv.	38,031	0	0	0	0	0	0	0	0	0	0	38,031
Reserve Accounts	133,853	0	0	0	0	0	0	492	0	0	0	134,345
<b>Net Debt*</b>	<b>112,527</b>	<b>-302</b>	<b>279,925</b>	<b>392,554</b>	<b>9,583</b>	<b>430,961</b>	<b>43,753</b>	<b>153,292</b>	<b>360,193</b>	<b>-1,449</b>	<b>0</b>	<b>1,781,037</b>
Adj. EBITDA	0	391	15,192	20,233	2,138	102,045	6,821	83,994	39,203	-10,946	-10,354	248,716
Net Debt/ Adj. EBITDA*	n.a	0.08	15.46	15.85	3.78	3.22	2.64	1.30	8.25	0.11	n.a	5.49
Adj. EBITDA/Int. Expense*	n.a	n.a	0.54	0.67	2.59	3.69	4.60	3.04	1.34	n.a	n.a	1.27

\* Adjusted EBITDA and interest expenses are LTM amounts. Also net debt includes Debt amounting to approx. US\$110mn allocated at projects under development not generating EBITDA

# Debt: Details II

## Consolidated Debt Maturity Breakdown

(TL 000)*	30.09.2012	Share	31.12.2011	Share
Within one year	529,617	21%	739,022	21%
In the 2nd year	549,724	21%	726,265	21%
In the 3rd year	356,974	14%	358,878	10%
In the 4th year	189,939	7%	364,007	11%
After 5 years	938,409	37%	1,269,977	37%
<b>TOTAL</b>	<b>2,564,663</b>	<b>100%</b>	<b>3,458,149</b>	<b>100%</b>

\* Leasing loans of TL6,835 in 9M12 and TL15,997 in 2011 are not included.

## Holding-only Debt Maturity Breakdown

(TL 000)	30.09.2012	Share	31.12.2011	Share
Within one year	117,422	20%	261,878	37%
In the 2nd year	314,150	54%	247,154	35%
In the 3rd year	150,455	26%	100,551	14%
In the 4th year	-	-	106,659	15%
After 5 years	-	-	-	-
<b>TOTAL</b>	<b>582,027</b>	<b>100%</b>	<b>716,242</b>	<b>100%</b>

## Consolidated Debt Currency Breakdown

('000)	US\$	€	TL	Other in TL
Short Term	146,977	107,806	7,253	12,976
Mid Term	230,938	193,933	230,372	10,048
Long Term	294,342	179,452	0	244
<b>Total</b>	<b>672,257</b>	<b>481,191</b>	<b>237,624</b>	<b>23,268</b>

## Holding-only Debt Currency Breakdown

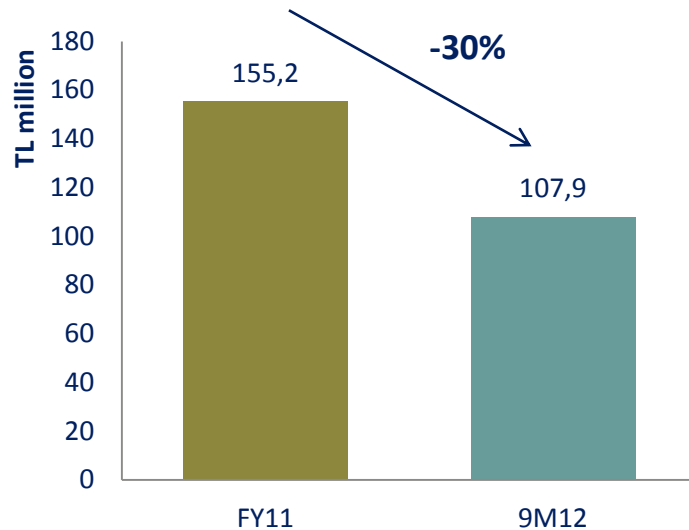
('000)	US\$	€	TL	Other in TL
Short Term	29,638	27,402	1,271	0
Mid Term	83,333	39,355	225,030	0
Long Term	0	0	0	0
<b>Total</b>	<b>112,971</b>	<b>66,757</b>	<b>226,301</b>	<b>0</b>

# Cash Flow

<b>Cash Flow (TL 000)</b>	<b>9M12</b>	<b>9M11</b>
<b>Profit for the period</b>	<b>656,367</b>	<b>6,295</b>
<b>Adjustments for the profit</b>	<b>(374,285)</b>	<b>340,240</b>
Change in working capital and cash usages	(378,409)	(424,189)
<b>Net Cash provided from /(used in) operating activities</b>	<b>(96,327)</b>	<b>(77,654)</b>
<i>Capex activities</i>	(269,759)	(271,157)
<i>Net Cash from financial assets</i>	(141,170)	7,991
<i>Proceeds from sale of subsidiary and jointly controlled entity</i>	713,419	18,508
<i>Other</i>	23,513	(404,843)
<b>Net Cash provided from /(used in) investing activities</b>	<b>326,003</b>	<b>(649,501)</b>
<i>Proceeds from borrowings</i>	553,842	777,548
<i>Repayment of borrowings</i>	(697,883)	(197,911)
<i>Change in project, reserves and fund accounts</i>	56,648	(13,472)
Change in non controlling interest	1,890	175,375
<i>Other</i>	(2,177)	-
<b>Net Cash provided from financing activities</b>	<b>(87,680)</b>	<b>741,540</b>
<b>Net (Decrease)/ Increase in Cash and Cash Equivalents</b>	<b>141,996</b>	<b>14,385</b>
<b>Cash and Cash Equivalents at 1 January</b>	<b>218,425</b>	<b>166,349</b>
<b>Cash and Cash Equivalents at 30 September</b>	<b>360,421</b>	<b>180,734</b>

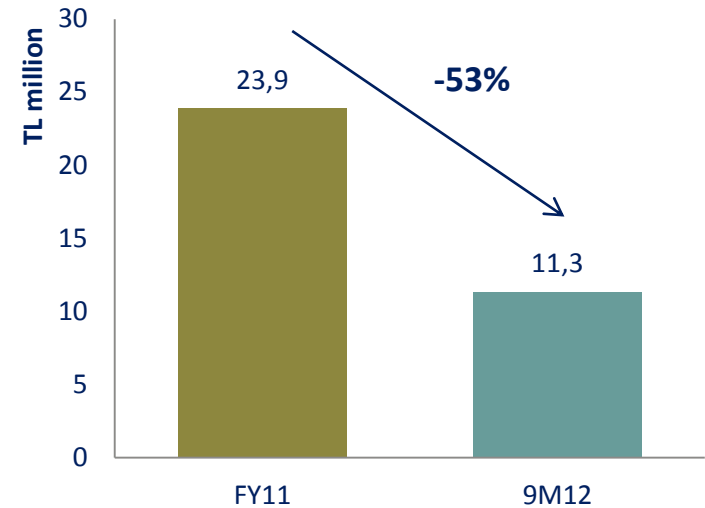
# Sensitivity Analysis

## Currency Risk



A **ten percent depreciation** of TL against other currencies as of 31.12.2011 and 30.09.2012 would have led to a decline of profits by amounts shown above due to the decline in the consolidated short position.

## Interest Risk



Based on our improved borrowing profile, a **hundred basis point increase** in interest rates would have increased borrowing costs in FY11 and 9M12 by the amounts shown above.

# Business Segments

# MIP: Double-digit volume growth continues...

## Summary Financials

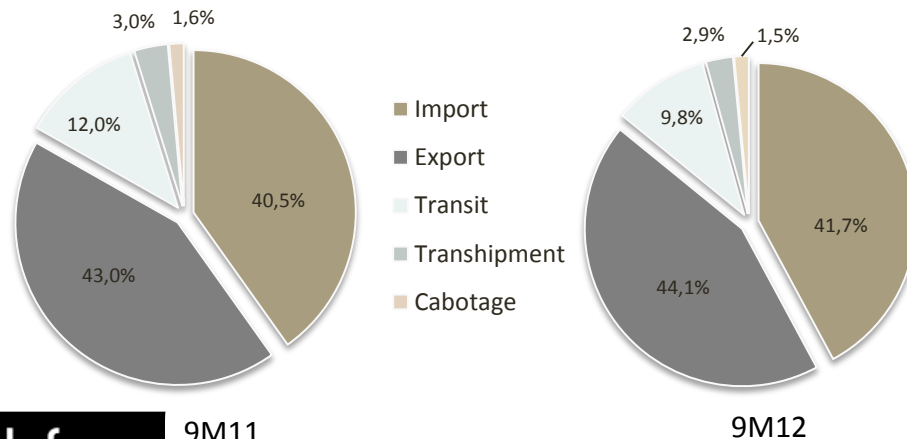
TL 000	9M12	YoY %
Revenues	167,660	29%
EBITDA	102,045	35%
EBITDA Margin (%)	61%	3 p.p.
Net Debt	430,961	-12%
Ownership Percentage	50%	-

## KPI

### Throughput:

	9M12	YoY %
Container Volume (TEU)	942,735	12%
Conventional Volume (Ton)	5,303,152	8%
Ro-Ro (vehicle unit)	80,345	59%

## Breakdown of Container Regime



## Highlights from 9M12:

- ✓ Impressive volume growth continued in 9M12 (in this period estimated GDP growth is merely 2-2.5%)
- ✓ Per TEU income of US\$150, per ton US\$4.2
- ✓ Capacity raised to 1.8mn TEU and 8.4mn ton
- ✓ Continuous improvement in leverage levels
- ✓ EBITDA surge thanks to operational leverage and cost optimization
- ✓ Whilst ro-ro operations were positively affected, transit's share in container regime dropped because of the civil war in Syria

# TAV Airports: Exceptional Performance...

## Summary Financials

TL 000	9M12	YoY* %
Revenues	281,806	n.m.
Adj. EBITDA	83,995	n.m.
EBITDA Margin (%)	28%	n.m.
Net Debt	153,292	n.m.
Ownership Percentage	8.12%	-18 p.p.

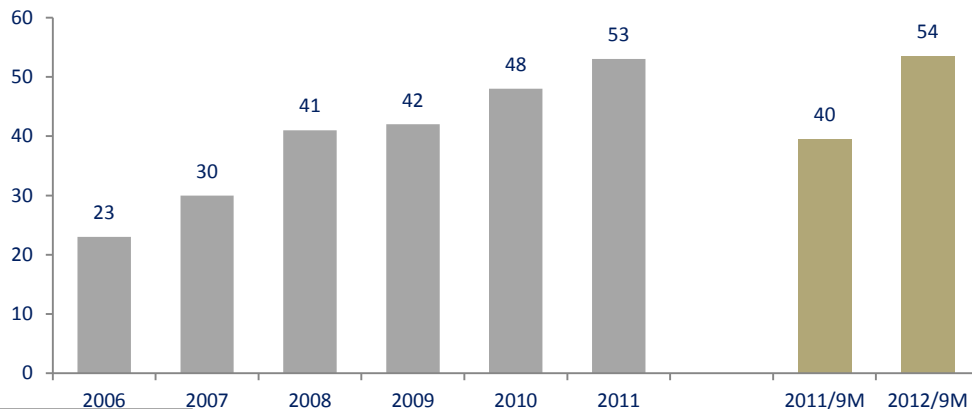
\*n.m.: not meaningful due to different shareholding position between 9M12/9M11

## KPI

### Passenger Figures:

	9M12	YoY %
TAV Turkey Total	47,790,502	32%
TAV International	5,721,466	68%
TAV Total	53,511,968	35%

## Passenger Volume (mn)



## Highlights from 9M12:

- ✓ Organic and inorganic growth - leading to strong revenue growth (23% growth in € terms)
- ✓ Eye-catching passenger number growth - 54mn served
- ✓ TAV Airports' share in the domestic market rose by 7 p.p. to 47%
- ✓ 23% EBITDA growth (in € terms) thanks to operating leverage
- ✓ First time dividend payment in 2012
- ✓ Operations of Izmir Adnan Menderes Domestic Airport taken over in January and
- ✓ Medinah Int'l Airport taken over in July (by TAV Airports, Al Rajhi and Saudi Oger, all 33%)

# TAV Construction: Booming backlog...

## Summary Financials

TL 000	9M12 (Actual)	LfL YoY* %
Revenues	231,972	-29%
EBITDA	6,821	-17%
EBITDA Margin (%)	2.9%	0.5 p.p.
Net Debt	43,753	-26%
Ownership Percentage	21.7%	-20.8 p.p.

\* LfL YoY change was calculated with our stake in TAVC prior to the sale for 9M12

Project	TAV Construction's Share	Contract Value (US\$m)	Physical Completion	Backlog (US\$m)
DUBAI - MARINA 101	100%	198	53.6%	79.2
LIBYA - TRIPOLI	25%	2,103	36.9%	331.0
LIBYA - SEBHA	50%	229	7.0%	114.5
DOHA	35%	3,917	99.5%	7.1
OMAN MC1	50%	1,178	66.5%	172.6
İZMİR AIRPORT INT'L TERMINAL*	100%	362	9.8%	341.8
MADINAH AIRPORT	50%	954	10.1%	476.9
KING ABDUL AZIZ AIRPORT (HANGAR PROJECTS)	40%	765	0.0%	305.8
ABU DHABI - MIDFIELD TERMINAL	33%	2,944	0.0%	986.8
TBLISI RUNWAY RENOVATION	100%	64	0.0%	-
<b>Total</b>		<b>12,713</b>		<b>2,815.8</b>

## Highlights from 9M12:

- ✓ Impressive growth in backlog thanks to new awarded projects; i.e. Izmir Int'l terminal, Madinah Int'l airport, King Abdul Aziz hangar project and Abu Dhabi Midfield terminal
- ✓ Pipeline projects:
  - Abu Dhabi Int'l Airport airside works
  - Macedonia, new motorway construction
  - Qatar, Pearl Tower (AQ-01&02)
  - Dubai, Crystal Tower
- ✓ Following the elections in Libya in July, the action plan of the new government with regards to the construction projects is still pending
- ✓ On cost side, surge in personnel and project development expenses



# HEPP Group & Akfen Energy: In progress...

## Summary Financials

TL 000	9M12	YoY %
Revenues	43,656	89% ✓
EBITDA	20,233	49%
EBITDA Margin (%)	46%	-12 p.p. ✓
Net Debt	392,554	-11%
Ownership Percentage	100%	- ✓

KPI	COD*	9M11	9M12	YoY%
<b>Realized Gen. Output (GWh):</b>				
Beyobasi	Jan 2011	89	159	79%
Ideal	May 2011	13	60	384%
Camlica	Apr. 2011	71	104	47%
Pak		-	1.4	n.a.
<b>Total</b>		<b>173</b>	<b>324</b>	<b>88%</b>

\*COD: Commercial Operation Date

	Number of plants			TOTAL	Installed Capacity (MW)			TOTAL
	OP	UC	UD		OP	UC	UD	
HEPP I	2	1	0	3	50.7	3.5	0.0	54.1
HEPP II	1	5	1	7	8.4	85.8	10.0	104.2
HEPP III	0	0	4	4	0.0	0.0	133.4	133.4
HEPP IV	5	0	0	5	24.5	0.0	0.0	24.5
HEPP V	2	0	0	2	49.8	0.0	0.0	49.8
<b>Total</b>	<b>10</b>	<b>6</b>	<b>5</b>	<b>21</b>	<b>133.4</b>	<b>89.3</b>	<b>143.4</b>	<b>366.1</b>

OP: Operational, UC: Under Construction, UD: Under Development

HEPP I: Beyobasi; HEPP II: Elen, Pak, BT Bordo, Yenidoruk, Zeki; HEPP III: Laleli, Değirmenyanı, H.H.K Enerji, Kurtal; HEPP IV: Ideal; HEPP V: Camlica

## Highlights from 9M12:

HEPP Group:

- ✓ 10 HEPPs fully operational in 9M12 - visible increase in electricity generation
- ✓ 7 HEPPs sold electricity at state guarantee of US\$cent7.3, rest sold to the grid
- ✓ 2 HEPP projects with 24 MW installed capacity added to HEPP III portfolio; license for Adadagi obtained
- ✓ In September sales agreement for 40% of HEPP IV to Aquila signed, closing expected by Nov 16
- ✓ Cost overrun requires capital injection

Akfen Energy - Mersin NGPP:

- ✓ Capacity expansion to 570 MW approved
- ✓ Tractabel as technical advisor and Odin as financial advisor mandated; process with EPC suppliers continues;
- ✓ Transformer station construction started, (by Alstom), connection agreement process ongoing

# IDO: Restructuring continues...

## Summary Financials

TL 000	9M12	YoY* %
Revenues	115,930	n.m.
EBITDA	39,203	n.m.
EBITDA Margin (%)	34%	n.m.
Net Debt	360,193	n.m.
Ownership Percentage	30%	-

\*Not meaningful as IDO was acquired end of June 2011

## KPI

### Passenger Figures:

	9M12	YoY %
Fast Ferry	4,586,280	-13%
Sea Bus	5,777,190	11%
Conventional Ferry	28,653,518	-8%
TOTAL	39,016,988	-6%

### Vehicle Figures:

	9M12	YoY %
Fast Ferry	836,212	-16%
Conventional Ferry	5,116,488	5%
TOTAL	5,952,700	2%

## Highlights from 9M12:

- ✓ Passenger numbers still down YoY;
  - caused by adverse weather conditions and
  - negative effects of dynamic pricing system: pricing system simplified in July due to customers' discontent
- ✓ 9M12 EBITDA margin up by 7 p.p. from 27% in 1H12

## New Revenue Streams:

- ✓ Idobus (integration of sea and land transportation) launched in March 2012
- ✓ BTA served 7.8mn passengers at 65 selling points as of end-9M12
- ✓ 'Sea&drive', car rental service launched in October in cooperation with Avis and Budget

# Akfen REIT: Getting closer to end of ramp-up period...

## Summary Financials

TL 000	9M12	YoY %
Revenues	24,257	17%
EBITDA	15,192	8%
EBITDA Margin (%)	63%	-5 p.p.
Net Debt	279,925	3 p.p.
Ownership Percentage	56.09%	-

KPI	9M12	9M11	YoY %
Average Occupancy Rate (%)	67%	64%	3 p.p.
RevPar (EUR)	39	37	7%
T-RevPar (EUR)	52	49	7%

## Highlights from 9M12:

- ✓ In 9M12, with a total of 13 hotels, room capacity reached 2,314
- ✓ Average occupancy rate as well as T-RevPar continued to improve on a YoY basis
- ✓ In May, 20- year rental agreement for the Mercure Hotel in Northern Cyprus signed
- ✓ Construction permit for the 200 room hotel project in Karakoy-Istanbul obtained in August 2012
- ✓ Adana Ibis hotel, with 165 room capacity, opened in September
- ✓ Pipeline as of 9M12: 2 hotel projects in Turkey, 1 in Russia under construction, another 3 under planning stage.

# Akfen Water: Still at incubation stage...

## Summary Financials

TL 000	9M12	YoY %
Revenues	3,490	3%
Adj. EBITDA	2,138	-2%
EBITDA Margin (%)	49%	-1 p.p.
Net Debt	9,583	-27%
Ownership Percentage	49.98%	-

## KPI

### Akfen Su Gulluk:

Invoiced Water Volume (m <sup>3</sup> )	450,893	-3%
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### Akfen Su Dilovasi:

Treated Waste Water Volume (m <sup>3</sup> )	1,749,136	-2%
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## Highlights from 9M12:

- ✓ In Gulluk, invoiced water volume down YoY due to prolonged rain season
- ✓ The number of subscribers in Gulluk is up by 4% at 5,451 YoY
- ✓ Minor contraction in YoY treated waste water at Dilovasi plant.
- ✓ The number of facilities in Dilovasi Organized Industrial Zone remained flat at 209
- ✓ Potential wastewater treatment BOT projects: Ergene OIZ (90k m<sup>3</sup>/day), Usak OIZ (25k m<sup>3</sup>/day)
- ✓ Started to provide waste management services to IDO

# Appendix

# Business Lines' 9M12 Performance

9M12 (TL 000)	TAV Construc.	Akfen Construc.	Akfen REIT	HEPP Group	MIP	Akfen Water	TAV Airports	IDO	Other	Elimin.	Total
Ownership Percentage	21.68%	99.85%	56.09%	100%	50%	49.98%	8.12%	30%	-	-	-
Revenue	231,972	111,623	24,257	43,656	167,660	3,490	281,806	115,930	14,398	-132,093	862,699
EBITDA	6,821	391	15,192	20,233	102,045	2,138	83,994	39,203	-10,946	-10,354	248,716
EBITDA Margin	2.9%	0.4%	62.6%	46.3%	60.9%	48.8%	28.1%	33.8%	-	-	28.3%
Net Profit	-2,924	-5,918	17,315	8,005	50,803	890	31,464	30,697	536,389	-10,354	656,366
Capex	763	2,686	27,285	142,821	37,337	309	14,333	5,416	41,754	0	272,705
Total Assets	234,246	434,982	1,141,329	1,012,140	813,552	30,239	426,351	479,191	1,887,661	-1,654,559	4,805,132

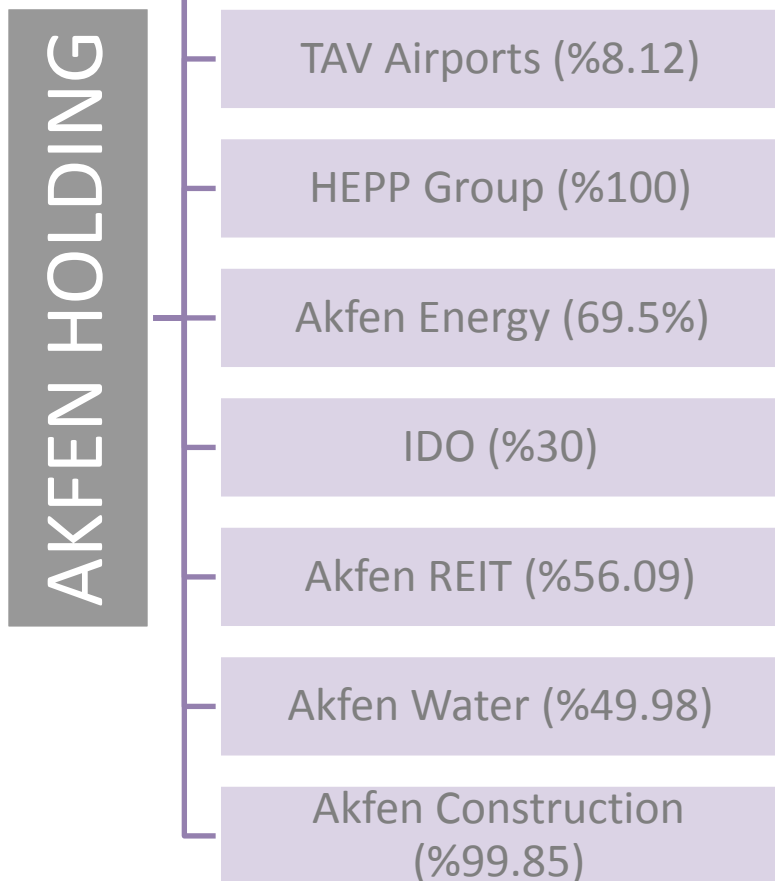
9M11 (TL 000)	TAV Construc.	Akfen Construc.	Akfen REIT	HEPP Group	MIP	Akfen Water	TAV Airports	IDO	Other	Elimin.	Total
Ownership Percentage	42.50%	99.85%	56.09%	100%	50%	49.98%	26.12%	30%	-	-	-
Revenue	401,437	114,059	20,828	23,060	130,340	3,391	401,878	44,705	11,655	-169,329	982,024
EBITDA	12,964	-9,915	14,031	13,541	75,371	2,171	123,542	21,557	-1,881	-11,984	239,401
EBITDA Margin	3.2%	0.0%	67.4%	58.7%	57.8%	49.7%	31.2%	48.2%	0.0%	0.0%	24.5%
Net Profit	-4,919	-27,229	198,900	-63,662	30,087	-1,523	22,111	-51,955	-80,443	-15,073	6,295
Capex	14,912	262	47,349	148,179	8,962	134	60,877	462	542	0	281,679
Total Assets	523,789	372,855	1,128,520	864,506	809,138	30,033	1,328,461	452,477	1,408,948	-1,479,758	5,438,969

\*Other refers to subsidiaries and JVs namely Akfen Holding , Akfen Enerji and others.

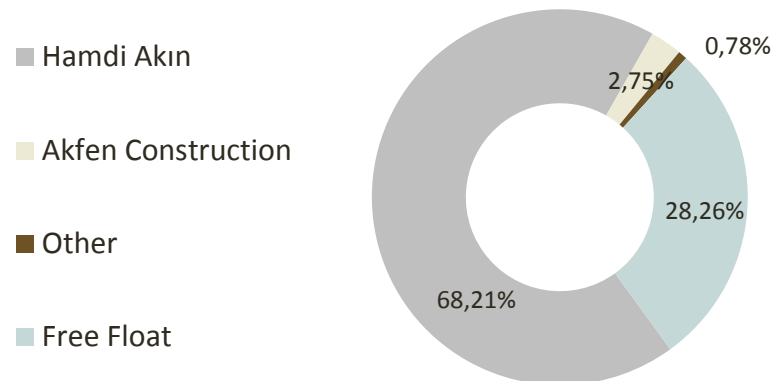
\*\* Eliminations refer to the deduction of inter-group transactions during consolidation of the the balance sheet and the income statement.

# Corporate Data

## Corporate Structure & Stakes



## Ownership Structure



## Number Of Employees

Holding ve Subsidiaries	9M12	FY11
Holding	53	45
REIT	31	13
Construction	74	78
Energy	166	156
<b>Total</b>	<b>324</b>	<b>292</b>

Participations	9M12	FY11
Tav Airports	23,182	20,269
Tav Construction	2,483	2,749
MIP	1,427	1,089
IDO	1,626	1,135
Akfen Water	37	41
Other	-	23
<b>Total</b>	<b>28,755</b>	<b>25,306</b>
<b>Grand Total</b>	<b>29,079</b>	<b>25,598</b>

# Material Events in 2012

**28.12.2011 -13.01.2012 “Share Buy Back Programme”**: Since the beginning of the Share Buy Back Programme, from 28th December 2011 up to and including 13th January 2012, the Company has repurchased a total of 357,150 Akfen Holding shares, which represents around 0.25 % of the Company's paid-in-capital.

**09.03.2012 “Corporate bond issue through public offering”**: Akfen Holding issued TL200,000,000 two-year corporate bond (ISIN code TRSAKFH31411) that yield 400 basis points more than the benchmark Turkish Treasury bond.

**26.03.2012 “Mersin Natural Gas Power Plant”**: Our subsidiary Akfen Energy Generation and Trade Company obtained the license for a NGPP in Mersin with an installed capacity of 450 MW for a period of 49 years on 08.03.2012 from the Energy Market Regulatory Authority.

**13.04.2012 “The signing of the Memorandum of Understanding with respect to the share disposal of indirectly-owned subsidiary”**: MoU was signed with Aquila HydropowerINVEST Investitions GmbH & Co. KG based in Hamburg, Germany with respect to the 100% share disposal of; Ideal, Camlica and Beyobasi.

**19.04.2012 “Tender of the Saudi Aerospace Engineering Industries Company”**: TAV Construction won the tender for the construction of the new airplane maintenance, repair and operation facility within the King Abdul Aziz International Airport in Jeddah. The contract value of the tender won by the Joint Venture consisting of Tav Investment, Al Rajhi Holding and Al Habtoor Leighton is approximately US\$800mn.

**16.05.2012 “Stake sale in TAV Airports and TAV Construction”**: Following the signing of shares purchase agreement in March 2012, share transfer of 18% stake in TAV Airports for US\$405mn (and TL16mn dividends paid prior to the sale) and 20.825% stake (together with Akfen Construction) in TAV Construction for US\$20.8mn to Aéroports de Paris Group was completed.

**31.05.2012 “Ordinary General Shareholders’ Meeting for the year 2011”**: Ordinary General Shareholders’ Meeting of our Company for the year 2011 was held on May 31st, 2012 Thursday at the Headquarters of the Company. During the Ordinary General Meeting, the whole agenda has been approved.

**27.06.2012 “Tender of the new terminal building in Abu Dhabi airport”**: Our company’s jointly managed indirect participation TAV Tepe-Akfen Yatirim Insaat ve Isletme A.S. has won the tender for the construction of the new terminal building in Abu Dhabi airport, United Arab Emirates. The contract value of the tender won by the (equal partnership) Joint Venture consisting of TAV Construction, CCC and ARABTEC is around US\$3bn.



# Material Events in 2012 Cont'd

**26.07.2012 “Corporate Bond Buyback”:** Our bond buyback so far has reached; from the corporate bond with the ISIN code TRSAKFHA1313 a nominal total of TL9,060,000 (11.33% of the total), from the corporate bond with the ISIN code TRSAKFH31411 a nominal total of TL45,910,000 (22.96% of the total).

**28.08.2012 “Increase of the installed renewable energy capacity to 133.4 MW”:** Following the commissioning of Demirciler HEPP project, the first power plant to be operational under HEPP II, our total installed capacity has reached 133.4 MW and our projected electricity generation capacity 584.6 GWh through a total of 10 operating hydroelectric power plants.

**04.09.2012 “Mersin Natural Gas Power Plant”:** Akfen Energy’s application for the generation capacity increase to 570 MW at Mersin Natural Gas Power Plant was accepted by EMRA with its decision dated 09.08.2012.

**10.09.2012 “ Share Disposal of wholly owned subsidiary”:** Share purchase agreement was signed with Aquila for 40% of Karasular Enerji Uretimi ve Ticaret A.Ş. (HEPP IV) for a consideration of EUR22.58mn. Aquila has a call option for the remaining 60% until November 16th, the closing date of the transaction.

*Please visit our web site for important developments in 9M12:  
<http://www.akfen.com.tr/660.aspx>*

# Notes on Financials

## Consolidation

The interim financial statements in this report have been prepared in accordance with International Financial Reporting Standards (IFRS).

Akfen Holding and its affiliates are consolidated as follows:

Subsidiary	Stake	Functional Currency	Consolidation
Akfen Constr.	99.85%	TL	Full Cons. with Minority
Akfen REIT	56.09%	TL	Full Cons. with Minority
Akfen Energy	69.75%	TL	Full Cons. with Minority
HEPP I	100%	TL	Full Consolidation
HEPP II	100%	TL	Full Consolidation
HEPP III	100%	TL	Full Consolidation
HEPP IV	100%	TL	Full Consolidation
HEPP V	100%	TL	Full Consolidation
TAV Airports*	8.12%	EUR	Proportionate
TAV Constr.**	21.68%	USD	Proportionate
MIP	50%	USD	Proportionate
Akfen Water	49.98%	TL	Proportionate
IDO	30%	TL	Proportionate
Other	-	Various	Various

\*Tav Airports was consolidated using 26.12% until May 16 (finalization of the sale) and using %8.12 after that date.

\*\* TAV Construction was consolidated using 42.5% until May 16 (finalization of the sale) and using %21.675 after that date.

## Hedging

As of 30 September 2012 Akfen Holding's affiliates use below listed derivative financial instruments.

Subsidiary	Interest Rate Hedging	Currency Hedging
IDO	x	x
Havas	x	
HEPP Group	x	
MIP	x	
TAV Esenboga	x	
TAV Tunisia	x	
TAV Istanbul	x	x
TAV Izmir	x	
TAV Macedonia	x	

## FX Rates

Term-end	30 Sept 2012	31 Dec 2011
EUR/TL	2.3085	2.4438
USD/TL	1.7847	1.8889

Average	9M2012	9M2011
EUR/TL	2.2996	2.2773
USD/TL	1.7942	1.6181

# Consolidated Financial Statements

# Balance Sheet

Consolidated Balance Sheet		TL 000
ASSETS	30 September 2012	31 Dec 2011
<b>Current Assets</b>	<b>1,082,646</b>	<b>1,286,026</b>
Cash and Cash Equivalents	514,997	518,590
Trade Receivables		
- Due from related parties	1,888	6,000
- Other Trade Receivables	149,601	300,603
Other receivables		
- Due from related parties	9,941	5,068
- Other Receivables	14,162	11,460
Financial investments	103,090	0
Derivative Instruments	757	2,685
Restricted bank balances	134,345	150,708
Inventories	17,059	26,165
Other Current Assets	136,806	264,747
<b>Non-Current Assets</b>	<b>3,722,486</b>	<b>4,152,943</b>
Trade Receivables		
- Due from related parties	2,629	5,510
- Other related receivables	68,937	159,598
Other Trade Receivables		
- Due from related parties	39,160	39,225
- Other receivables	1,175	1,556
Financial Investments	38,221	151
Property Investments	1,082,503	1,080,092
Tangible Assets	1,038,616	938,031
Intangible Assets	1,200,876	1,503,865
Goodwill	40,539	128,452
Deferred tax assets	36,835	109,683
Other non-current assets	171,406	185,344
Investment valued by equity method	1,589	1,436
<b>TOTAL ASSETS</b>	<b>4,805,132</b>	<b>5,438,969</b>

Consolidated Balance Sheet		TL 000
LIABILITIES	30 September 2012	31 Dec 2011
<b>CURRENT LIABILITIES</b>	<b>820,374</b>	<b>1,287,177</b>
Loans and Borrowings	531,407	743,422
Derivative Instruments	36,958	80,896
Trade Payables		
- Due to related parties	18,493	25,125
- Other Trade Payables	75,809	184,822
Other Payables		
- Due to related parties non trade	16,197	15,564
- Other non trade payables	85,065	150,466
Provisions	8,555	12,671
Other Current Liabilities	47,890	74,211
<b>NON-CURRENT LIABILITIES</b>	<b>2,304,664</b>	<b>2,999,911</b>
Loans and Borrowings	2,040,091	2,730,724
Derivative Instruments	90,925	86,649
Trade Payables		
- Due to related parties	647	1,083
- Other Trade Payables	17,656	36,780
Other Payables		
- Due to related parties	12,088	9,002
- Other non-trade payables	53,984	43,832
Employee Benefits	13,374	17,873
Deferred tax liabilities	69,532	58,816
Other non-current liabilities	5,690	14,471
Provisions	677	681
<b>SHAREHOLDERS' EQUITY</b>	<b>1,680,094</b>	<b>1,151,881</b>
<b>Total equity attributable to equity holders of the Company</b>	<b>1,318,450</b>	<b>758,916</b>
Paid-in Capital	145,500	145,500
Adjustments to share capital	-7,257	-7,257
Capital adjustments due to cross ownership	-6,187	-4,010
Business combination of entities under common control	6,236	20,062
Revaluation Reserve	126	-2,294
Risk preventing reserve	-91,454	-104,992
Foreign Currency Conversion Adjustments	34,824	101,443
Limited reserves redeemed from the profit	9,915	19,699
Other reserves	-114,716	-112,112
Share Premiums	454,782	454,782
Accumulated Profit	236,799	312,819
Net Profit for the period	649,882	-64,724
<b>Non-Controlling Interest</b>	<b>361,644</b>	<b>392,965</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>4,805,132</b>	<b>5,438,969</b>

# Income Statement

<b>Consolidated Income Statement</b>	<b>TL 000</b>	
	<b>30 September 2012</b>	<b>30 September 2011</b>
<b>CONTINUING OPERATIONS</b>		
Revenues	862,699	982,024
Cost of Sales (-)	-592,644	-716,440
<b>GROSS PROFIT</b>	<b>270,055</b>	<b>265,584</b>
General Administration Expenses (-)	-118,246	-119,566
Other Operational Income	594,244	271,201
Other Operating Expenses (-)	-11,370	-20,132
<b>OPERATING PROFIT</b>	<b>734,683</b>	<b>397,087</b>
Financial Income	215,785	102,475
Financial Expenses (-)	-244,756	-468,471
<b>PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>705,712</b>	<b>31,091</b>
<b>Tax Income (Expense) of Continuing Operations</b>	<b>-49,345</b>	<b>-24,796</b>
Tax Expense for the Period	-27,522	-23,676
Deferred Tax Income	-21,823	-1,120
<b>PROFIT / (LOSS) FROM THE CONTINUING OPERATIONS</b>	<b>656,367</b>	<b>6,295</b>
<b>DISCONTINUED OPERATIONS</b>		
Profit/Loss from the discontinued operations	0	0
<b>PROFIT / LOSS FOR THE PERIOD</b>	<b>656,367</b>	<b>6,295</b>
<b>Other Comprehensive Income / Expense</b>		
Revaluation surplus change in non current assets	20	34
Hedging Reserves	-16,189	-40,477
Foreign Currency Conversion Adjustments	-31,246	99,782
Tax income/expense of Other Comprehensive Income	3,253	3,265
<b>OTHER COMPREHENSIVE INCOME / EXPENSE AFTER TAX</b>	<b>-44,162</b>	<b>62,604</b>
<b>TOTAL COMPREHENSIVE INCOME / EXPENSE</b>	<b>612,205</b>	<b>68,899</b>
<b>Distribution of the Profit / Loss</b>		
Non-Controlling Interest	6,485	93,306
Owners of the Company	649,882	-87,011
<b>Net Profit / Loss of the Period</b>	<b>656,367</b>	<b>6,295</b>
<b>Distribution of Total Comprehensive Income / Expense</b>		
Minority Interests	2,987	102,685
Subsidiaries	609,218	-33,786
<b>Total Comprehensive Income</b>	<b>612,205</b>	<b>68,899</b>

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