



Akfen Holding A.Ş.

17.11.2015

Please kindly find below Akfen Holding's announcement regarding the Board's decision on Capital Reduction:

Our Company's Board decided to change the 6th Article (on "Capital") of our Company's Articles of Association and to initiate the required approval process. The revision in the above mentioned article incorporates the decrease of our Company's paid-in capital from TL 261.9 million to TL 247,080,686 (a reduction of TL 14,819,314) via cancellation of our shares that our Company has bought back.

The related revision in our Articles of Association was submitted to the Capital Markets Board (CMB) today and will also be submitted to the Ministry of Customs and Trade and following their permission the issue will be submitted to the first General Assembly for approval.

The reason for this revision in our Company's Articles of Association and our paid-in capital is;

- the price of our Company's shares have long been trading above the maximum buying limit of TL8 and to have enough demand and supply on the market in order to determine the share price,
- with the capital reduction, value of the shares of the existing shareholders will be raised since investors in our Company will be buying shares from the stock exchange instead of buying the bought back shares,
- so that our investors will benefit more from the potential dividend distribution in the coming years,
- and also the capital reduction is the transaction offering the highest return for the shareholders.

Annex: Amendment to the Articles of Association

We hereby state that the above clarifications are in compliance with the principles set forth in the Decree No 54 Series No VIII of the Capital Market Board, that it fully reflects the information we have received in this respect, that the information is compliant with the books, records and our documents, that we have accomplished our best in order to obtain the accurate and correct information, and that we are responsible for this clarification hereby.

Akfen Holding Investor Relations

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

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<u>OLD TEXT</u>	<u>NEW TEXT</u>
<p>ARTICLE 6 – CAPITAL</p> <p>Holding has accepted the registered capital system in accordance with the abolished Capital Markets Law numbered 2499 and has adopted the registered capital system with the permission of the Capital Markets Board on the 16th of April 2010 with n. 10/327.</p> <p>The upper limit of the Holding’s registered capital is TL1,000,000,000.00 (one billion) and divided into 1,000,000,000 shares, each with a par value of 1 (one) Turkish Lira.</p> <p>The permission given by the Capital Markets Board for the upper limit of the registered capital is valid between the years, 2014-2018 (for five years). Even though the allowed upper limit of the registered capital is not reached at the end of 2018, for the board of directors to take a capital increase decision after 2018; approval must be received from the first general assembly, by means of getting permission from the Capital Markets Board for the previously allowed upper limit or for a new upper limit amount. This approval by the general assembly can be prolonged for periods of 5 years. In case the mentioned approval is not received, the Company cannot increase its paid-in capital through a board decision.</p> <p>The issued capital of the Holding is TL 261,900,000.</p> <p>The previously issued capital of TL 291,000,000 has been reduced by TL 29,100,000 from the wholly paid-in cash capital to TL 261,900,000.</p> <p>This capital was divided into 261,900,000 shares as; 57,458,736 Group A shares and 204,441,264 Group B shares, each with a par value of 1.- Turkish Lira.</p> <p>57,458,736 Group A shares were allocated to Hamdi Akin. Group A shares are registered shares whereas Group B shares are bearer shares.</p> <p>Existing capital was paid in full, as free of collusion. If required, the capital of the Company can be raised or reduced within the scope of the provisions of the</p>	<p>ARTICLE 6 – CAPITAL</p> <p>Holding has accepted the registered capital system in accordance with the abolished Capital Markets Law numbered 2499 and has adopted the registered capital system with the permission of the Capital Markets Board on the 16th of April 2010 with n. 10/327.</p> <p>The upper limit of the Holding’s registered capital is TL1,000,000,000.00 (one billion) and divided into 1,000,000,000 shares, each with a par value of 1 (one) Turkish Lira.</p> <p>The permission given by the Capital Markets Board for the upper limit of the registered capital is valid between the years, 2014-2018 (for five years). Even though the allowed upper limit of the registered capital is not reached at the end of 2018, for the board of directors to take a capital increase decision after 2018; approval must be received from the first general assembly, by means of getting permission from the Capital Markets Board for the previously allowed upper limit or for a new upper limit amount. This approval by the general assembly can be prolonged for periods of 5 years. In case the mentioned approval is not received, the Company cannot increase its paid-in capital through a board decision.</p> <p>The issued capital of the Holding is TL 247,080,686.</p> <p>The previously issued capital of TL 261,900,000 has been reduced by TL 14,819,314 from the wholly paid-in cash capital to TL 247,080,686.</p> <p>This capital was divided into 247,080,686 shares as; 57,458,736 Group A shares and 189,621,950 Group B shares, each with a par value of 1.- Turkish Lira.</p> <p>57,458,736 Group A shares were allocated to Hamdi Akin. Group A shares are registered shares whereas Group B shares are bearer shares.</p> <p>Existing capital was paid in full, as free of collusion. If required, the capital of the Company can be raised or reduced within the scope of the provisions of the</p>

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Turkish Commercial Code and the Capital Legislation.

In any case, during capital increase, the Board of Directors will issue new Group A and Group B shares based on the proportion of the shares that are in the Group A and Group B shareholders' possession in the Company. The shareholders participate in the capital increases by getting the shares – together with the privileges granted to the mentioned Group – that will be issued in the same Group with the shares in their possession.

In case of a capital increase through issuing shares with premiums, the shareholders who will subscribe for the shares that will be issued with premiums due to capital increases, will separately pay the Company the share premiums that will be determined in addition to the par value of the share certificate, on the issuance date of the premium shares, in accordance with the relevant article of the Turkish Commercial Code.

In case deemed necessary, the Board of Directors is entitled to raise the issued capital until reaching the aforementioned upper limit of the registered capital by issuing new shares between the years 2014 and 2018 in compliance with the provisions of the Capital Markets Law and notwithstanding the provisions of the Turkish Commercial Code regarding equity capital increase.

The shares representing the capital are dematerialized shares within the framework of the principles of dematerialization.

In case deemed necessary, in compliance with the provisions of the Capital Markets Law, the Board of Directors has the power to take decisions on the issues of; raising the issued capital until reaching the upper limit of the registered capital by issuing new shares, issuing shares above the par value (share premiums) or below the par value, restricting partially or fully the rights of the shareholders to purchase new shares. The authorization for restricting the rights of the shareholders to purchase new shares cannot be used in a manner that creates inequality between the shareholders.

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