

TEKFEN HOLDİNG A.Ş.

Material Event Disclosure (General)

Summary

The judicial processes concerning Tekfen Construction's Libya Project

Material Event Disclosure General

Related Companies []

Related Funds []

Material Event Disclosure General	
Update Notification Flag	Evet (Yes)
Correction Notification Flag	Hayır (No)
Date Of The Previous Notification About The Same Subject	30.01.2015, 18.06.2015, 12.10.2015, 04.12.2017, 05.11.2018
Postponed Notification Flag	Hayır (No)
Announcement Content	
Explanations	

It was stated in our announcements referenced above that, as a result of the commercial arbitration initiated before the International Court of Arbitration of the International Chamber of Commerce (ICC) against the Project's employer authority Libyan Man-Made River Authority (MMRA) and the State of Libya in accordance with the decision dated 30/01/2015 to apply to International Arbitration in order to be compensated for all our rights, receivables and assets associated with the Great River Project that was undertaken in Libya by TekfenTML Joint Venture (TTJV) in which our subsidiary Tekfen İnşaat ve Tesisat A.Ş (Tekfen Construction) has a 67% stake and that had been halted for an indefinite period of time owing to events arising on 21 February 2011 in the country, the arbitral tribunal ordered MMRA to pay USD 45,498,649 and that TTJV would commence the enforcement process for the said sum.

It was also announced that a second arbitration had also been initiated under the Agreement on the Reciprocal Promotion and Protection of Investments (RPPI) between Turkey-Libya and that the hearings for that ongoing arbitration would take place in 2019.

The decision of the arbitral tribunal composed under the RPPI has been notified to Tekfen Construction. The arbitral tribunal decided that it had jurisdiction to entertain the claims, but that, contrary to TTJV's claim, Libya did not breach its obligation with respect to protection and to equal treatment under the RPPI and customary international law. As part of this decision, the arbitral tribunal held TTJV liable in the amount of GBP 2.7 million for Libya's litigation costs. TTJV has commenced initiatives to have this amount be deducted from the damages awarded in favor of TTJV that was explained in the Material Event Disclosure dated 5 November 2018. The talks with the relevant Libyan administration Man-Made River Authority (MMRA) for the collection of the contractbased arbitral award explained in detail in the announcement dated 5 November 2018 are still ongoing. As these talks are ongoing, no enforcement process has been initiated for the time being. In addition to these judicial processes, TTJV is actively participating in the interstate process between the Republic of Turkey and the State of Libya concerning the collection of the Turkish contractors' receivables.

This statement has been translated into English for informational purposes. In case of a discrepancy between the Turkish and the English versions of this disclosure statement, the Turkish version shall prevail.

We proclaim that our above disclosure is in conformity with the principles set down in “Material Events Communiqué” of Capital Markets Board, and it fully reflects all information coming to our knowledge on the subject matter thereof, and it is in conformity with our books, records and documents, and all reasonable efforts have been shown by our Company in order to obtain all information fully and accurately about the subject matter thereof, and we’re personally liable for the disclosures.