Tbulletin 34

TEKFEN GROUP NEWSLETTER, April-June 2016



SOCAR Tower

"Best International Office Project"

Built in Baku, Azerbaijan by Tekfen Construction and officially inaugurated by Ilham Aliyev, President of Azerbaijan, on May 30, SOCAR Tower was selected by ENR (Engineering News-Record) as the "Best International Office Building Project."

Projects from 15 countries on 5 continents participated in the awards in 18 different categories at the $4^{\rm th}$ ENR Global Best Projects Awards, which will be presented at a ceremony in New York on October 11. We once more congratulate the project team for making all of us proud, and wish them success in the future.

Tekfen wins fast train tender

Tekfen Construction - Doğuş Construction Equal-Share Joint Venture won the tender for the construction of the Afyonkarahisar-Uşak Section and the Afyonkarahisar Direct



Pass Infrastructure Construction work of the Ankara-İzmir Fast Train Project with a total tender price of TL 879 million (app. USD 293 million). The railroad will be 73.7 km long and will include 9 tunnels, 32 underpasses, 19 overpasses, 11 viaducts, and 7 bridges.

The targeted completion period of the project is 36 months. This is Tekfen Construction's third railway project following the İstanbul Levent Metro Line (2000) and the Bursaray Light Rail System (2008) projects. We will continue reporting on this important new project, which will make a significant contribution to Turkey's transportation infrastructure, in our future issues.

The attempted coup that took place in Turkey on the night of July 15, Friday, targeted our democracy and constitutional order as well as our unity. This heinous act failed thanks to the efforts, sensibility, and will of our people along with security forces and members of the media, who saved our country from a great catastrophe.

As the Tekfen family, we forcefully condemn this abhorrent attack on our fundamental values and the supremacy of the rule of law; our prayers are with those who have lost their lives during this attack, which aimed to unleash darkness upon our country; we wish their families endurance and extend them our condolences; and for those who were injured, we wish speedy recovery.

In these days when our need for unity and reason is greater than ever, our duty is to calmly continue doing what we do best and to protect our democracy and values with everything we have.





Happy ending in the Sadara project

Tekfen Construction has completed the mechanical work for the Sadara Propylene Oxide Process Unit in Jubail, Saudi Arabia, and has handed it over to the Sadara Operation Group. A delivery ceremony was held at the plant with the participation of our client, the project team and the senior management of Tekfen Construction.

The Propylene Oxide Process Unit, which Tekfen Construction undertook as a turn-key project in Saudi Arabia in 2012, is part of the Sadara Petrochemical Complex built in the eastern region of Jubail. A joint investment by ARAMCO and Dow Chemical Company, the complex is Saudi Arabia's largest petrochemical project. The plant is scheduled to be completed in 2016, and will be a major addition to the total capacity of the petrochemical industry in Saudi Arabia.

Tekfen Construction has continued its work for the last three years at the Propylene Oxide Process Unit, which constitutes a key part of this huge project, and has obtained the full satisfaction of the client as well as having exceptional success in accident-free work. Tekfen Construction was responsible for all the reinforced concrete construction, structural steelwork, installation of process equipment supplied by the employer, electrical and instrumentation work, and the construction of the main control center.

The certificate for the mechanical completion of the plant was presented by our client during the ceremony held at the plant and attended by Tekfen's senior management. Tekfen Construction thus handed over the successfully completed project to Sadara Operation Group. We would like to thank everyone involved in this difficult and prestigious project, and wish them success in projects to come.

Field Days 2016

Toros Tarım, the admiralship of Tekfen Agri-Industry Group and sector leader in the manufacture of fertilizers, saplings, and seeds, has once again participated in the annual Field Days fair. Organized jointly by the German Agricultural Society and the Önder Çiftçi (Pioneering Farmers) Project, the Field Days 2016 was held at Aksu, Antalya, between May 10 and 14. The fair spread on an area of 386,000 square meters, where companies exhibited their products and demonstrated their services.

The Toros Tarım stand and demonstration area were very popular among producers, dealers, agricultural engineers and other representatives of the industry. On its parcels designated to showcase the various methods of fertilizer usage, Toros Tarım clearly demonstrated to visitors the significant difference in productivity and quality resulting from the correct and balanced use of fertilizers.







Tekfen Construction named "Stadium Contractor of the Year"

The Baku Olympic Stadium cannot get enough accolades. Tekfen Construction, the contractor of the project, has so far received awards by ENR and the American Council of Engineering Companies; in 2016, the company received "The Stadium Contractor of the Year" award in the World Stadium Congress held in Doha, Qatar.

The World Stadium Congress discusses the latest advances in stadium planning, design, construction, as well as business opportunities and upcoming tenders. The Congress also has an award program. The jury evaluates and awards projects in the categories of "Stadium Design of the Year", "Architect of the Year", "Rookie of the Year", "Innovative Solution of the Year", "Stadium Contractor of the Year", "Project Manager of the Year" and "Environment-Friendly Stadium of the Year."

At the conference held in Doha between May 16 and 19, Tekfen Construction received the "Stadium Contractor of the Year" award for its exceptional performance with the Baku Olympic Stadium. Levent Kafkaslı, General Manager of Tekfen Construction, and Cem İlgün, Project Manager of the Baku Olympic Stadium, attended the ceremony to receive the award. We once again congratulate the project team, who have made us proud not only with the awards they have received but also by completing the project in a record-breaking period of 24 months and, more importantly, with accident-free 21 million man-hours.

New headquarter for Azerbaijan's Ministry of Taxes to be built by Tekfen

Tekfen Construction has completed numerous projects in Azerbaijan since 1996, and has recently added yet another important landmark to its portfolio. Tekfen Construction will undertake the building of the new headquarters of the Azerbaijan Ministry of Taxes with a project price of USD 94 million.

With 33 floors and a height of 169 meters, the building will be one of the leading symbols of Baku. Its indoor area will be 44,200 m², and total amount of siding will be 30,000 m²; the building will offer offices, conference halls, underground parking space, indoor gardens, an auditorium and recreational areas.







Tekfen back on the pitch

The second Tekfen Astropitch Soccer Tournament, one of the rising stars among Tekfen's social events since its first year, was held in İstanbul between May 2 and 17. Tekfen personnel from İstanbul and environs participated in the tournament where

the excitement of the competition among 8 teams continued for two weeks. Team "Metal Terzileri" (*Metal Tailors*) from Tekfen Manufacturing Derince Plant became the champion, repeating its success of the previous year.



THE RESULTS OF THE COMPETITION

- 1. Metal Terzileri (Metal Tailors)
 Tekfen Manufacturing Derince
 Plant
- Kulegücü (Tower Power)
 Tekfen Manufacturing Tekfen
 Construction ISS
- **3. Balta Vigo (***Axe Vigo***)** Tekfen Engineering
- **4. Parsel 38 (***Parcel 38***)** Tekfen Engineering
- 5. Hodri Meydan (Show What You Got) Tekfen Manufacturing Derince Plant
- **6. HEP İstanbul**Tekfen Real Estate Development Tekfen Holding Tekfen Tourism
- **7. United Services**Tekfen Tourism ISS
- 8. Eight Be Ya (You Bet it's Eight)
 Tekfen Engineering Toros
 Tarım



EXPERIENCE + YOUTHFUL ENTHUSIASM + IDEALISM =

TEKFENENGINEERING

SINCE THE DAY IT WAS FOUNDED IN 1984, TEKFEN ENGINEERING HAS PLAYED AN IMPORTANT ROLE IN THE CONTRACT PROJECTS OF THE GROUP WHILE ALSO INDEPENDENTLY MEETING THE ENGINEERING NEEDS OF VARIOUS INDUSTRIAL AND INFRASTRUCTURAL PROJECTS. TEKFEN ENGINEERING HAS GROWN STRONGER WITH ITS PROGRESSIVE MEASURES IN RECENT YEARS, UNDERTAKING SIGNIFICANT INNOVATIONS THAT WILL CONTRIBUTE TO THE DEVELOPMENT OF THE SECTOR

WHY IS ENGINEERING IMPORTANT?

Engineering is closely linked to a country's economy and development. It is not a service that functions merely within its own limits. When you design something, you define all its components and steps from its material to the way it will be manufactured. In a sense, you open up new business opportunities to the industry on a sectoral scale. Let's say you are building a refinery. If you are designing and procuring the equipment of a refinery, your first choice is to look at the local manufacturers. That of course seriously motivates the manufacturing sector. In a chain reaction, this leads to more permanent investments that create jobs in the other sectors as well.



HOW CAN THE ENGINEERING INFRASTRUCTURE OF A COUNTRY DEVELOP?

Design engineering depends on knowledge and experience. The more work you do, the more experience you gain. That is why each and every investment in engineering in a country is important for the local engineering design firms to gain experience. State incentive and protective policies are essential for Turkish design engineers to be able to partake in the investments in Turkey. It is not enough to just say, "Let's establish engineering firms and keep them alive." It is also necessary to regularly provide them new business; and new business means protective state policies.

WHAT EXACTLY IS DESIGN ENGINEERING?

At a construction site mechanics, electricians, civil engineers, and architects work together, and at the center of that work is the architect. They are the conductors of the orchestra. When technological projects are concerned, the process engineer plays the role of the architect. Structures like refineries and petrochemical plants require complete design engineering. This also includes procurement, control, and automation. This type of engineering has extremely high added value, because it involves a much higher level of work based on expertise. In such projects, process engineers play a vital role.

HOW DOES ONE BECOME A PROCESS ENGINEER?

Actually, universities don't have process engineering departments. Most process engineers graduate from university as chemical engineers. They become process engineers

through the types of jobs they choose in their careers and the special graduate programmes they attend. We generally prefer hiring newly graduates and training them as process engineers. The number of experienced personnel in this field is extremely limited. There are about 16-17 process engineers at Tekfen Engineering, and most of them are very young.

WHAT MAKES TEKFEN ENGINEERING DIFFERENT?

Today, if you want to be competitive on a global scale, you have to incorporate different types of engineering, and be able to offer engineering services that involve a higher level of added value. There are many layers and different disciplines in engineering. Tekfen Engineering brings many different disciplines together in any given project. Projects with high added value, which involve advanced technology and know-how, require such an approach. Engineering can never be done on its own. In each plant, process, instrumentation, piping, construction, infrastructure, and architecture all work together. And they need to work together concurrently and in coordination for the project to be completed on time. This is a process that needs to be well-coordinated and carried out very carefully. Knowledge plays a big role in this, as does experience.

HOW COMPETITIVE IS TEKFEN ENGINEERING? IF SOMEONE SAID, "WE NEED A RESEARCH LAB ON MARS," WOULD YOU BE UP TO IT?

I don't know if we would be up to it, but we would definitely do our best to do it. That's actually how we got involved in process projects in the first place. We are quite courageous in these matters, but not blindly so. There were no other candidates from Turkey besides us for the recently commissioned FCC (Fluid Catalytic Cracking) project at Tüpraş. It's a tough project. Can we do it? I'm confident we can. Before Sinan the Architect built the famous Selimiye Mosque, his masterpiece, he built smaller mosques. Engineering is very similar to that. With each new project, you realize your mistakes and shortcomings, and make progress by correcting those. So even though we may encounter difficulties while building the FCC, the next one will be better, and the third even better

HOW IS TEKFEN ENGINEERING PLACED IN THE SECTOR?

The perception of Tekfen Engineering has undergone a radical change in the last years. Companies we have never worked with before request our consultancy. One important advantage we have is that there aren't many firms in Turkey doing what we do. There are none with the same scale. Even in Eastern Europe, there are very few firms of the same size. Tekfen has been present as a contractor in Azerbaijan since the early 1990s. But in the last three or four years, Tekfen is being noted in Azerbaijan for its engineering services as well. That shows we are on the right track. All we need is patience and determination. We need to do as many projects as possible. And we need to increase our staff, which is currently around 200.

WHERE DO YOUNG ENGINEERS STAND IN THE COMPANY'S FUTURE **PLANS?**

We have some valuable colleagues in our team who go to teach and give seminars at universities. Playing in the upper league in engineering depends not only on the firm but also on the engineers themselves. Engineering schools all over the world offer more or less the same education. You have to put your personal capabilities and talents on top of that. Of course, the environment in which the engineer works is also important. What satisfies an engineer the most is the variety of the projects they work on, the challenge they face, and the degree to which these projects bring out the engineer's creativity. Tekfen Engineering offers many such opportunities. Our corporate culture has luckily been shaped by people with a broad engineering vision. We love our job, we have ambitions, and we always strive to be creative and make a difference. All three founding partners of Tekfen -Feyyaz Berker, Nihat Gökyiğit, and the late Necati Akçağlılarare engineers. Tekfen is a company that knows how important and valuable engineering is. This is the place for individuals who are after perfection. Nothing short of that would do.



A graduate from ITU and Politecnico di Milano, Özge Yılmaz has been working as chemical engineer in the process department since 2012.

ÖZGE YILMAZ

"We approach everything we do with the aim of learning something new on the way. We are enthusiastic people, and we run towards our goals. If one department runs faster, the others try to catch up. We are ever trying to improve ourselves. The management gives a lot of support to young engineers and newcomers like us."



Equipment Engineer at the Mechanics Department.

ORCUN ÖZELKÖK

"There is real team work at Tekfen Engineering. Different disciplines are intertwined and work together. The data produced by one department determines the input of 4-5 others. When one department makes a change, all are affected. Tekfen Engineering is a company where different engineering disciplines come and work together in synchronicity."



Meriç Alkar has joined Tekfen Engineering in 2014, working as Instrumentation and Control Systems Engineer at the Instruments Department.

MERIÇ ALKAR

"The sine qua non of an engineer is first of all honesty, a capacity to define and analyze things, to collect meaningful data, focus on results and make use of them, thus as a result, exercise informational literacy. In addition, a successful engineer is expected to formulate hypotheses in light of various opinions and make the right decisions."



Can Aktürk joined Tekfen in 2013 with an MBA from Great Britain. He works as an Electrical Engineer.

CAN AKTURK

"The sector is undergoing rapid technological progress especially in energy efficiency. As the Department of Electricity we closely follow these developments. For example, LED technology is becoming more and more prevalent in lighting systems. We also need to closely follow such innovations and apply them to our projects. That means we have to keep researching and learning new things. Learning is a never-ending process."



experience of 14 years. He joined Tekfen Engineering in 2008, working at the Construction Department.

Orkun Görgülü has an academic

ORKUN GÖRGÜLÜ

"Austrians have a word for people who know nothing apart from their area of expertise: "fachidiot." These are fellows with MA, PhD, and worked all their life doing the one thing they know. That's not good at all. We need to teach our colleagues, the new and young engineers different points of view. Today, a medical doctor learns robotic surgery; musicians learn to play the 10-string guitar and try out different methods. That's what we engineers also need to do. We have to stop being "fachidiots." Otherwise, engineers will always be seen as calculators, and will never be able to tear down taboos.



We are merely "guests" here

As a pipeline the company has undertaken to built in Turkey after a long hiatus, the Trans Anatolian Pipeline (TANAP) is a special project for Tekfen Construction. Another factor that makes TANAP so special is that ecological and social balances are to be fully protected during the construction of the pipeline. Once the pipeline is completed, Tekfen Construction aims to restore site conditions prior to the project in terms of nature and the people of the area.

Crossing the whole length of Turkey on an East-West axis starting from Georgia, TANAP extends for 1.850 kilometers. The pipeline will pass through 20 provinces before reaching Greece, and is built in 4 sections. Tekfen Construction is responsible for building Lot 3, which is 513 km long. The 56" pipeline passes through 6 provinces, 21 towns, and 146 villages. The project includes 814 road passes, 548 river passes, and 2 horizontal-drilling river passes; 6.6 million cubic meters of soil will be excavated. Work along the route of the pipeline will be conducted within a corridor 36 m wide.

TANAP is a giant project in every sense of the word, and when one considers the length of the route and the extent of the work, it is obvious that it has the potential to disrupt the social and ecological balance of the areas it passes through. It is for this reason that environmental dimensions and impacts regarding the project work have been evaluated extensively at the planning stage and a highly

detailed Environmental Impact Assessment (EIA) report has been prepared. Global best practices in pipeline construction were taken as the basis for this work and sensitive environmental criteria were determined through painstaking and extensive work along the route regarding ecology, archaeology, soil, and water sources. During this work, 9 new insect species, 1 plant species, and 106 archaeological sites were discovered.

Special measures were taken while the route was determined so that vulnerable areas and natural resources would not be adversely affected, as a result of which environmental impact was either forestalled or appropriately reduced. Effective environmental and social management plans and procedures were created to minimize the negative impact of the project during construction and operation.

In addition, an effective and sustainable public relations management program was drafted to avoid possible adverse effects the project might directly

or indirectly have on local people and to create new jobs in the areas the pipeline passes through. The basis of TANAP's social policy is "making the necessary effort to form an open dialogue and good relations with the people."

TEKFEN CONSTRUCTION AND THE ENVIRONMENT

Along the basic principles cited above, Tekfen Construction is making a serious effort to minimize the negative environmental impact of the pipeline project it has contracted. The company takes special measures to offer the highest level of protection to the fertile layer of soil, the endemic species, wildlife, and water sources in the areas the pipeline passes through, engaging in close collaboration with local authorities and NGOs. Tekfen Construction aims to leave these construction sites, where it regards itself as a temporary guest, and return home leaving no negative traces, only good impressions.









Tekfen Philharmonic gave a concert at UNIQ Istanbul Open Air Stage on June 19, as part of the 44th İstanbul Music Festival. Entitled "Songs to the Full Moon," the concert was conducted by the young Uzbek maestro Aziz Shokhakimov, a rising star of classical music.

The event marked the first time Tekfen Philharmonic gave an open-air concert as part of the İstanbul Music Festival, as it accompanied Teona Dvali, the Georgian soprano with a naïve and impressive voice, Andrej Dunaev, the Russian tenor who earned his kudos with his soulful and masterly in-

terpretations, and Murat Karahan, the up and rising Turkish tenor and last-minute addendum to the program. Under the magical atmosphere of the full moon, the concert began with popular arias and ended with Bizet's Carmen Suites, receiving a lengthy standing ovation from the audience.



HANDMADE HOMEGROWN MICROCREDIT FESTIVAL

Tekfen Foundation financed the establishment of the Soma Microcredit Branch in 2014 as part of the Turkey Grameen Microfinance Program. In spring 2016, the Foundation organized a microcredit festival where women could showcase their products and acquire new skills.

Following the mining disaster in Soma, in the Aegean province of Manisa in May 2013, Tekfen Foundation established a microcredit line to help the creation of alternative means of subsistence in the region. The extend of this support has grown steadily, with 379 women in Soma having applied for credit to the Tekfen Foundation Soma Microcredit Branch since 2014. In order to further increase the number of women making use of the means made available by the branch, to expand the entrepreneurial potential of the region, and develop new business opportunities, the Microcredit Branch organized a two-day festival in Soma on April 29 and 30.

During the festival, women of Soma sold their handmade products at the marketplace set up in the town center. Women interested in microcredit were able to get information at the microcredit tent set up in the market, and had the opportunity to listen to the experiences of women of the Aegean Region who have been successful thanks to microcredit. In addition, workshops and courses held at the municipality building for two days offered inspiration to women planning to use microcredit. Since balancing one's budget is just as important as production, a seminar entitled "The Budget-Savvy Woman" was also held with subjects like smart use of money, money management, savings, and smart investment.







A seminar for teachers on Autism Day

On World Autism Awareness Day, Professor Binyamin Birkan, the Educational Director of Turkey's Tohum (Seed) Autism Foundation, gave a seminar to the teachers of the School for Autistic Children founded by Tekfen Foundation in Ceyhan, Adana.

On April 28, Professor Binyamin Birkan, Director of Education Programs of Turkey's Tohum Autism Foundation, visited the School for Autistic Children founded by Tekfen Foundation in Ceyhan, Adana in 2014, and held a day-long seminar for the

teachers of the school. Sponsored by Tekfen Holding, the seminar involved early detection of children with "Autism Spectrum Disorder" and leading the process of socializing autistic children through special education.



Şarman passes the torch to Arun

Having worked at Tekfen for over 40 years, Tunç Şarman left his post as General Manager of TİMAŞ on July 1, 2016, replaced by Malik Arun, deputy general manager and Şarman's close colleague for many years. Tunç Şarman will continue to share his valuable experience in the capacity of board member at Tekfen Engineering and chief advisor to the board of directors at TİMAŞ.

Tekfen's traditional seniority awards presented

Tekfen Group Companies annually award their personnel who have worked for 10, 20, 30, and 40 years. The longevity of the awards and the number of recipients make Tekfen Seniority Awards a singular corporate tradition in Turkey. A total of 3.141 personnel have received this award since 2004. In other words, one in five people has been working at Tekfen for at least 10 years.

203 people received seniority awards this year at Tekfen, whose strong corporate culture creates a solid sense of belonging in the personnel. Ceremonies were held at plants and work sites abroad, and colleagues and families of recipients as well as Murat Gigin, Chairman of the Board, Osman Birgili, President of Group Companies and senior management were present at the Istanbul ceremony held at Tekfen Tower on Monday, May 30. At Adana, true to our tradition, the ceremony was held at the Social Facilities of Toros Tarım in Ceyhan on Friday, June 3.



