



AKFEN REAL ESTATE INVESTMENT TRUST

Monthly Investor Report

"JULY 2012"

AKFEN REIT

January - July 2012

Hotel Performance Summary

- ▶ Zeytinburnu İstanbul Ibis Hotel and Novotel, which opened 5 years ago, went through a moderate renovation between 15 November 2011 and 29 February 2012. Renovation works and resulting partial closure of floors caused significant decreases in occupancy ratios of these hotels.
- ▶ 11 operating hotels, 9 of which are in Turkey and 2 in Russia reported increases both in occupancy ratios and average room rates as the newly opened hotels continued making progresses towards stabilisation.
- ▶ As a result of improved performances of 11 Novotels and Ibis Hotels in Turkey and Russia for which we have variable lease agreements with Accor, rental income from these hotels increased by 21% in Euro terms and 25% in TL terms.
- ▶ We also reported increased rent revenue from Northern Cyprus Mercure Hotel that has a fixed lease agreement.
- ▶ Total rent revenue including the fixed rental income from Northern Cyprus Mercure Hotel for the first 7 months of 2012 increased by 15% in Euro terms and 19% in Turkish Lira terms compared to the same period of 2011 in spite of the renovation works at two major hotels.

Turkey - Ibis Hotels

- ▶ 5 Ibis Hotels in Turkey reported an overall ARR of € 53 in the first 7 months of 2012 vs. € 51 and TL 122 vs TL 114 compared to the same period of 2011.
- ▶ Overall Occupancy ratio for 5 Ibis Hotels in Turkey increased from 62% to 66%.
- ▶ As a result, total rent revenue from these hotels increased by 10% in Euro terms and 13% in TL terms.

Turkey - Novotels

- ▶ 4 Novotels in Turkey reported an overall ARR of € 70 in the first 7 months of 2012 vs. € 67 and TL 161 vs TL 150 compared to the same period of 2011.
- ▶ Overall Occupancy ratio for 4 Novotels in Turkey increased from 70% to 72%.
- ▶ As a result, total rent revenue from these hotels increased by 4% in Euro terms and 7% in TL terms.

Turkey - Overall

- ▶ Overall ARR of the 9 Hotels in Turkey was € 60 in the first 7 months of 2012 vs. € 58 and TL 139 vs TL 129 compared to the same period of 2011.
- ▶ Overall Occupancy ratio for Turkey Hotels increased from 65% to 69%.
- ▶ As a result, total rent revenue from Turkey hotels increased by 7% in Euro terms and 10% in TL terms.

Russia - IBIS Hotels

- ▶ 2 Ibis Hotels in Russia reported an overall ARR of € 50 in the first 7 months of 2012.
- ▶ Average Occupancy ratio for these 2 Ibis Hotels in Russia was 53%.

AKFEN REIT

OPERATING PERFORMANCE BY HOTEL FOR 2007-2011 ANNUALLY AND 2011-2012 JAN-JULY COMPARISON

		2007-2011 ANNUALLY					2011	2012 (I)	Change %
		2007	2008	2009	2010	2011	Jan.-July	Jan.-July	
Zeytinburnu Ibis Hotel	228 rooms								
	% Occ.Rate	72%	88%	76%	84%	86%	90%	85%	-5%
	ARR excl VAT (Euro)	57	68	70	68	71	71	76	6%
	ARR excl VAT (TL)	100	129	150	136	165	159	175	10%
	RevPar (Euro)	40.9	60.0	53.1	57.4	61.3	64.0	64.3	0%
	RevPar (TL)	71.6	113.3	113.5	114.1	142.5	142.8	148.4	4%
	Total Revenue (Euro)	3,303,892	5,872,352	5,060,046	5,619,135	5,934,669	3,585,288	3,645,552	2%
	Total Revenue (TL)	5,792,824	11,087,508	10,821,975	11,178,637	13,804,993	7,993,686	8,417,217	5%
	All Inclusive RevPar (Euro)	49	70	61	68	71	74	75	1%
	All Inclusive RevPar (TL)	86	133	130	134	166	165	173	5%
	GOP%					60%	61%	58%	-3%
Effective % of Rent / Revenue	22%	22%	22%	22%	34%	34%	33%	-2%	
Akfen Rent Revenue (Euro)	726,856	1,291,917	1,113,210	1,236,210	2,015,284	1,236,829	1,195,094	-3%	
Akfen Rent Revenue (TL)	1,274,421	2,439,252	2,380,835	2,459,300	4,685,647	2,759,420	2,759,423	0%	
Eskisehir Ibis Hotel	108 rooms								
	% Occ.Rate	60%	72%	66%	74%	76%	76%	78%	2%
	ARR excl VAT (Euro)	42	48	45	50	45	46	47	2%
	ARR excl VAT (TL)	74	91	96	99	105	103	109	6%
	RevPar (Euro)	25.7	34.8	29.5	36.8	34.2	34.9	36.8	5%
	RevPar (TL)	44.6	65.8	63.2	73.1	79.4	77.6	85.1	10%
	Total Revenue (Euro)	919,825	1,647,216	1,341,975	1,666,188	1,545,725	921,422	1,002,436	9%
	Total Revenue (TL)	1,596,932	3,112,946	2,873,319	3,314,533	3,590,684	2,047,774	2,315,681	13%
	All Inclusive RevPar (Euro)	33	42	34	42	39	40	44	8%
	All Inclusive RevPar (TL)	57	79	73	84	89	89	101	13%
	GOP%					46%	48%	44%	-4%
Effective % of Rent / Revenue	26%	27%	27%	26%	30%	31%	30%	-1%	
Akfen Rent Revenue (Euro)	240,361	439,388	364,235	438,561	468,198	289,109	303,830	5%	
Akfen Rent Revenue (TL)	427,411	832,991	783,286	872,474	1,086,844	641,913	702,568	9%	
Gaziantep Ibis Hotel	177 rooms								
	% Occ.Rate				19%	44%	45%	55%	10%
	ARR excl VAT (Euro)				37	32	32	36	10%
	ARR excl VAT (TL)				74	75	72	82	14%
	RevPar (Euro)				7.0	14.4	14.7	19.7	35%
	RevPar (TL)				13.9	33.4	32.7	45.6	39%
	Total Revenue (Euro)				554,906	1,138,860	679,647	905,893	33%
	Total Revenue (TL)				1,103,931	2,651,186	1,516,689	2,093,495	38%
	All Inclusive RevPar (Euro)				9	18	18	24	33%
	All Inclusive RevPar (TL)				17	41	40	56	37%
	GOP%					22%	24%	34%	10%
Effective % of Rent / Revenue				25%	25%	25%	25%	0%	
Akfen Rent Revenue (Euro)				138,727	284,715	169,912	226,473	33%	
Akfen Rent Revenue (TL)				275,983	662,797	379,172	523,374	38%	
Kayseri Ibis Hotel	160 rooms								
	% Occ.Rate				31%	45%	43%	53%	10%
	ARR excl VAT (Euro)				37	33	33	37	11%
	ARR excl VAT (TL)				74	77	73	85	16%
	RevPar (Euro)				11.4	15.0	14.1	19.2	36%
	RevPar (TL)				22.7	34.9	31.5	44.5	41%
	Total Revenue (Euro)				716,977	1,119,686	633,854	808,352	28%
	Total Revenue (TL)				1,426,354	2,611,348	1,410,949	1,869,349	32%
	All Inclusive RevPar (Euro)				15	19	19	24	27%
	All Inclusive RevPar (TL)				29	45	42	55	32%
	GOP%					26%	21%	35%	14%
Effective % of Rent / Revenue				25%	25%	25%	25%	0%	
Akfen Rent Revenue (Euro)				179,244	279,922	158,464	202,088	28%	
Akfen Rent Revenue (TL)				356,588	652,837	352,737	467,337	32%	
Bursa Ibis Hotel	200 rooms								
	% Occ.Rate				24%	52%	51%	60%	9%
	ARR excl VAT (Euro)				43	41	40	46	13%
	ARR excl VAT (TL)				86	95	91	105	16%
	RevPar (Euro)				10.6	21.2	20.6	27.4	33%
	RevPar (TL)				21.1	49.6	46.1	63.2	37%
	Total Revenue (Euro)				152,265	1,843,499	1,045,942	1,385,793	32%
	Total Revenue (TL)				302,916	4,315,196	2,345,253	3,198,926	36%
	All Inclusive RevPar (Euro)				12	25	25	33	32%
	All Inclusive RevPar (TL)				25	59	55	75	36%
	GOP%					46%	46%	51%	5%
Effective % of Rent / Revenue				25%	27%	27%	30%	3%	
Akfen Rent Revenue (Euro)				38,066	491,319	279,296	414,525	48%	
Akfen Rent Revenue (TL)				75,729	1,156,414	633,145	956,467	51%	
TOTAL TURKEY - IBIS	873 rooms								
	% Occ.Rate	68%	83%	73%	52%	61%	62%	66%	5%
	ARR excl VAT (Euro)	53	63	63	58	50	51	53	4%
	ARR excl VAT (TL)	93	119	134	115	117	114	122	8%
	RevPar (Euro)	36.4	51.9	45.5	30.3	30.7	31.3	35.1	12%
	RevPar (TL)	63.6	98.0	97.3	60.3	71.6	69.9	81.1	16%
	Total Revenue (Euro)	4,223,717	7,519,568	6,402,021	8,709,471	11,582,439	6,866,153	7,748,026	13%
	Total Revenue (TL)	7,389,756	14,200,454	13,695,295	17,326,371	26,973,407	15,314,350	17,894,668	17%
	All Inclusive RevPar (Euro)	45	61	52	36	36	37	42	12%
	All Inclusive RevPar (TL)	78	115	112	71	85	83	96	16%
	GOP%					49%	50%	50%	0%
Effective % of Rent / Revenue	23%	23%	23%	23%	31%	31%	30%	-1%	
Akfen Rent Revenue (Euro)	967,218	1,731,305	1,477,445	2,030,808	3,539,438	2,133,609	2,342,010	10%	
Akfen Rent Revenue (TL)	1,701,832	3,272,243	3,164,121	4,040,074	8,244,538	4,766,388	5,409,169	13%	

(1) Zeytinburnu Ibis Hotel went through a renovation between 15 November 2011 and 29 February 2012 which resulted in lower occupancy ratios.

		2007-2011 ANNUALLY					2011	2012 (2)	Change %
208 rooms		2007	2008	2009	2010	2011	Jan.-July	Jan.-July	
Zeytinburnu Novotel	% Occ.Rate	56%	78%	72%	84%	83%	85%	85%	0%
	ARR excl VAT (Euro)	83	86	78	76	84	85	87	1%
	ARR excl VAT (TL)	147	162	167	151	196	191	200	5%
	RevPar (Euro)	46.7	66.6	56.2	63.9	69.6	73.0	73.7	1%
	RevPar (TL)	82.4	125.7	120.2	127.2	162.0	163.0	169.9	4%
	Total Revenue (Euro)	4,261,771	6,963,005	5,693,428	6,653,854	7,096,895	4,334,175	4,362,281	1%
	Total Revenue (TL)	7,521,380	13,144,736	12,174,092	13,237,072	16,520,458	9,683,895	10,063,886	4%
	All Inclusive RevPar (Euro)	70	91	75	88	93	98	98	0%
	All Inclusive RevPar (TL)	123	173	160	174	218	220	227	3%
	GOP%					51%	53%	51%	-2%
	Effective % of Rent / Revenue	22%	22%	22%	22%		29%	28%	-1%
	Akfen Rent Revenue (Euro)	945,590	1,539,861	1,260,554	1,471,848	2,004,889	1,265,943	1,215,193	-4%
	Akfen Rent Revenue (TL)	1,681,448	2,919,269	2,710,822	2,928,094	4,667,174	2,836,996	2,802,336	-1%
200 rooms		2007-2011 ANNUALLY					2011	2012	Change %
		2007	2008	2009	2010	2011	Jan.-July	Jan.-July	
Trabzon Novotel	% Occ.Rate		18%	47%	61%	72%	74%	68%	-6%
	ARR excl VAT (Euro)		58	53	54	57	57	67	18%
	ARR excl VAT (TL)		115	114	102	134	128	155	21%
	RevPar (Euro)		10.5	25.1	32.9	41.1	42.0	45.8	9%
	RevPar (TL)		20.8	53.6	62.7	96.0	94.4	105.1	11%
	Total Revenue (Euro)		417,432	3,062,604	4,030,095	4,726,075	2,856,883	2,942,930	3%
	Total Revenue (TL)		829,353	6,551,767	7,688,885	11,035,885	6,413,927	6,760,325	5%
	All Inclusive RevPar (Euro)		24	42	55	65	67	69	3%
	All Inclusive RevPar (TL)		48	90	105	151	151	159	5%
	GOP%					38%	41%	39%	-2%
	Effective % of Rent / Revenue		22%	36%	27%	22%	22%	22%	0%
	Akfen Rent Revenue (Euro)		91,835	1,100,000	1,100,000	1,039,737	628,514	647,445	3%
	Akfen Rent Revenue (TL)		174,101	2,365,550	2,188,340	2,427,895	1,411,064	1,487,272	5%
92 rooms		2007-2011 ANNUALLY					2011	2012	Change %
		2007	2008	2009	2010	2011	Jan.-July	Jan.-July	
Gaziantep Novotel	% Occ.Rate				28%	50%	50%	70%	20%
	ARR excl VAT (Euro)				50	44	45	46	2%
	ARR excl VAT (TL)				99	103	101	106	5%
	RevPar (Euro)				14.1	22.2	22.7	32.2	42%
	RevPar (TL)				28.1	51.5	50.5	74.2	47%
	Total Revenue (Euro)				860,829	1,247,654	747,395	1,084,119	45%
	Total Revenue (TL)				1,712,534	2,900,623	1,664,351	2,499,164	50%
	All Inclusive RevPar (Euro)				26	37	38	55	44%
	All Inclusive RevPar (TL)				52	86	85	128	49%
	GOP%					12%	15%	31%	15%
	Effective % of Rent / Revenue				22%	22%	22%	22%	0%
	Akfen Rent Revenue (Euro)				189,382	274,484	164,427	238,506	45%
	Akfen Rent Revenue (TL)				376,757	638,137	366,157	549,816	50%
96 rooms		2007-2011 ANNUALLY					2011	2012	Change %
		2007	2008	2009	2010	2011	Jan.-July	Jan.-July	
Kayseri Novotel	% Occ.Rate				36%	48%	46%	57%	11%
	ARR excl VAT (Euro)				49	47	48	51	7%
	ARR excl VAT (TL)				98	109	107	119	11%
	RevPar (Euro)				17.6	22.6	22.2	29.2	31%
	RevPar (TL)				35.1	52.6	49.4	67.4	36%
	Total Revenue (Euro)				845,930	1,232,133	708,382	886,342	25%
	Total Revenue (TL)				1,682,892	2,870,422	1,575,002	2,048,643	30%
	All Inclusive RevPar (Euro)				29	35	35	43	25%
	All Inclusive RevPar (TL)				57	82	77	100	29%
	GOP%					23%	23%	28%	6%
	Effective % of Rent / Revenue				22%	22%	22%	22%	0%
	Akfen Rent Revenue (Euro)				186,104	271,069	155,844	194,995	25%
	Akfen Rent Revenue (TL)				370,236	631,493	346,500	450,701	30%
596 rooms		2007-2011 ANNUALLY					2011	2012	Change %
		2007	2008	2009	2010	2011	Jan.-July	Jan.-July	
TOTAL TURKEY - NOVOTEL	% Occ.Rate	56%	67%	60%	61%	69%	70%	72%	3%
	ARR excl VAT (Euro)	83	84	69	64	66	67	70	5%
	ARR excl VAT (TL)	147.2	159.8	146.6	126	154	150	161	8%
	RevPar (Euro)	46.7	56.1	41.0	39.2	45.1	46.7	50.7	9%
	RevPar (TL)	82.4	106.3	87.6	77.0	105.2	104.3	116.9	12%
	Total Revenue (Euro)	4,261,771	7,380,437	8,756,032	12,390,708	14,302,758	8,646,834	9,275,672	7%
	Total Revenue (TL)	7,521,380	13,974,089	18,725,858	24,321,384	33,327,388	19,337,174	21,372,018	11%
	All Inclusive RevPar (Euro)	70	79	59	59	66	68	73	7%
	All Inclusive RevPar (TL)	123	149	126	116	153	153	168	10%
	GOP%					41%	43%	42%	-1%
	Effective % of Rent / Revenue	22%	22%	27%	24%	25%	26%	25%	-1%
	Akfen Rent Revenue (Euro)	945,590	1,631,696	2,360,554	2,947,335	3,590,179	2,214,728	2,296,140	4%
	Akfen Rent Revenue (TL)	1,681,448	3,093,370	5,076,372	5,863,428	8,364,699	4,960,718	5,290,125	7%
1469 rooms		2007-2011 ANNUALLY					2011	2012	Change %
		2007	2008	2009	2010	2011	Jan.-July	Jan.-July	
TOTAL TURKEY - BIS&NOVOTEL	% Occ.Rate	63%	64%	66%	52%	64%	65%	69%	4%
	ARR excl VAT (Euro)	64	67	64	53	57	58	60	4%
	ARR excl VAT (TL)	113	129	137	105	133	129	139	7%
	RevPar (Euro)	40.7	43.1	42.0	27.5	36.6	37.5	41.5	10%
	RevPar (TL)	71.6	81.5	89.9	54.2	85.3	83.9	95.6	14%
	Total Revenue (Euro)	8,485,488	14,900,005	15,158,053	21,100,170	25,885,197	15,512,988	17,023,698	10%
	Total Revenue (TL)	14,911,135	28,174,543	32,421,153	41,647,754	60,300,795	34,651,525	39,266,686	13%
	All Inclusive RevPar (Euro)	53	55	56	39	48	50	54	9%
	All Inclusive RevPar (TL)	94	104	119	78	113	111	125	13%
	GOP%					45%	46%	46%	0%
	Effective % of Rent / Revenue	23%	23%	25%	24%	28%	28%	27%	-1%
	Akfen Rent Revenue (Euro)	1,912,807	3,363,001	3,837,999	4,978,143	7,129,617	4,348,338	4,638,149	7%
	Akfen Rent Revenue (TL)	3,383,280	6,365,612	8,240,493	9,903,502	16,609,237	9,727,106	10,699,294	10%

(2) Zeytinburnu Novotel went through a renovation between 15 November 2011 and 29 February 2012 which resulted in lower occupancy ratios.

		2007-2011 ANNUALLY					2011	2012	Change %
		2007	2008	2009	2010	2011	Jan.-July	Jan.-July	
177 rooms									
Yaroslavl Ibis Hotel	% Occ.Rate					36%		63%	
	ARR excl VAT (Euro)					46		48	
	ARR excl VAT (TL)					110		111	
	RevPar (Euro)					16.7		30.4	
	RevPar (TL)					39.6		70.0	
	Total Revenue (Euro)					474,235		1,556,003	
	Total Revenue (TL)					1,125,027		3,587,116	
	All Inclusive RevPar (Euro)					23		41	
	All Inclusive RevPar (TL)					54		95	
	GOP%					2%		43%	
	Effective % of Rent / Revenue					0%		26%	
Akfen Rent Revenue (Euro)					0		404,572		
Akfen Rent Revenue (TL)					0		929,026		

		2007-2011 ANNUALLY					2011	2012	Change %
		2007	2008	2009	2010	2011	Jan.-July	Jan.-July	
204 rooms									
Samara Ibis Hotel	% Occ.Rate							41%	
	ARR excl VAT (Euro)							52	
	ARR excl VAT (TL)							120	
	RevPar (Euro)							21.7	
	RevPar (TL)							49.8	
	Total Revenue (Euro)							994,697	
	Total Revenue (TL)							2,279,743	
	All Inclusive RevPar (Euro)							32	
	All Inclusive RevPar (TL)							73	
	GOP%							31%	
	Effective % of Rent / Revenue							21%	
Akfen Rent Revenue (Euro)							213,197		
Akfen Rent Revenue (TL)							490,137		

		2007-2011 ANNUALLY					2011	2012	Change %
		2007	2008	2009	2010	2011	Jan.-July	Jan.-July	
381 rooms									
TOTAL RUSSIA - IBIIS	% Occ.Rate					36%		53%	
	ARR excl VAT (Euro)					46		50	
	ARR excl VAT (TL)					110		114	
	RevPar (Euro)					16.7		26.5	
	RevPar (TL)					39.6		60.9	
	Total Revenue (Euro)					474,235		2,550,700	
	Total Revenue (TL)					1,125,027		3,866,859	
	All Inclusive RevPar (Euro)					23		37	
	All Inclusive RevPar (TL)					54		85	
	GOP%					2%		38%	
	Effective % of Rent / Revenue					0%		24%	
Akfen Rent Revenue (Euro)					0		617,768		
Akfen Rent Revenue (TL)					0		1,419,163		

		2007-2011 ANNUALLY					2011	2012	Change %
		2007	2008	2009	2010	2011	Jan.-July	Jan.-July	
1850 rooms									
GRAND TOTAL TURKEY & RUSS	% Occ.Rate	63%	64%	66%	52%	63%	65%	66%	1%
	ARR excl VAT (Euro)	64	67	64	53	57	58	59	1%
	ARR excl VAT (TL)	113	129	137	105	133	129	135	5%
	RevPar (Euro)	40.7	43.1	42.0	27.5	36.6	37.5	38.8	3%
	RevPar (TL)	71.6	81.5	89.9	54.2	85.3	83.9	89.4	7%
	Total Revenue (Euro)	8,485,488	14,900,005	15,158,053	21,100,179	26,359,431	15,512,988	19,574,398	26%
	Total Revenue (TL)	14,911,155	28,174,543	32,421,153	41,647,754	61,425,822	34,651,323	45,133,545	30%
	All Inclusive RevPar (Euro)	53	55	56	39	47	50	51	3%
	All Inclusive RevPar (TL)	94	104	119	78	113	111	118	6%
	GOP%	0%	0%	0%	0%	44%	46%	45%	-1%
	Effective % of Rent / Revenue	23%	23%	25%	24%	28%	28%	27%	-1%
Akfen Rent Revenue (Euro)	1,912,807	3,363,001	3,837,999	4,978,143	7,129,617	4,348,338	5,255,918	21%	
Akfen Rent Revenue (TL)	3,383,280	6,365,612	8,240,493	9,903,502	16,609,237	9,727,106	12,118,457	25%	

299 rooms									
Mercury Hotel / Casino Rent Rev. (EUR)	1,500,000	4,581,244	4,386,159	4,259,840	4,709,840	2,747,407	2,890,432	5%	
Mercury Hotel / Casino Rent Rev. (TL)	2,667,300	8,602,631	9,444,952	8,567,482	11,011,714	6,112,165	6,694,302	10%	

	843 rooms	1,043 rooms	1,043 rooms	1,768 rooms	1,945 rooms	1,768 rooms	2,149 rooms	
GRAND TOTAL (EURO)	3,412,807	7,944,245	8,224,158	9,237,983	11,839,457	7,095,745	8,146,350	15%
GRAND TOTAL (TL)	6,050,380	14,968,243	17,685,445	18,470,985	27,620,951	15,839,271	18,812,759	19%

DEFINITIONS:

ARR:	Average Room Rate
Revpar:	Daily Room Revenue per Available Room (ARR*Occ Ratio)
All Inclusive Revpar:	Daily Total Hotel Revenue per Available Room
Hotel GOP%:	Hotel Gross Operating Profit Margin

AKFEN REIT

INVESTMENTS UNDER PROGRESS

As of 31 July 2012

TURKEY

Investment	Location	Number of Rooms	Status	Total Investment Cost (Euro, including VAT) *	Investment Completion (%) *	Physical Completion (%)	Expected Hotel Opening Date
Ibis Hotel Adana	Adana	165	Completed	11,000,000	98%	100%	2012
Ibis Hotel Esenyurt	Esenyurt / İstanbul	156	Under Construction	9,400,000	88%	83%	2013
Ibis Hotel İzmir	İzmir	140	Under Construction	7,700,000	58%	48%	2013
Novotel Karaköy	İstanbul	200	Under Development	34,000,000	18%	-	2015
Ibis Hotel Esenboğa Ankara	Ankara	147	Under Development	9,000,000	22%	-	2014

As of 31 July 2012

RUSSIA

Investment	Location	Number of Rooms	Status	Total Investment Cost (Euro, including VAT) *	Investment Completion (%) **	Physical Completion (%)	Expected Hotel Opening Date
Ibis Hotel Kaliningrad	Kaliningrad	167	Under Construction	15,000,000	46%	35%	2013
Ibis Hotel Moscow	Moscow	480	Under Development	46,794,000	3%	-	2016

* Not including financing cost incurred during the construction stage and general&administrative expenses attributable to the projects.

** Including advances paid to the contractor.