



AKFEN REAL ESTATE INVESTMENT TRUST

Monthly Investor Report

"AUGUST 2012"

AKFEN REIT

January - August 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 during this period.
- ▶ 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 26% in Euro terms and 28% 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 8 months of 2012 increased by 17% 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 in the beginning of the year.

Turkey - Ibis Hotels

- ▶ 5 Ibis Hotels in Turkey reported an overall ARR of € 53 in the first 8 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 59% to 65%.
- ▶ As a result, total rent revenue from these hotels increased by 11% in Euro terms and 14% in TL terms.

Turkey - Novotels

- ▶ 4 Novotels in Turkey reported an overall ARR of € 70 in the first 8 months of 2012 vs. € 66 and TL 160 vs TL 149 compared to the same period of 2011.
- ▶ Overall Occupancy ratio for 4 Novotels in Turkey increased from 69% to 73%.
- ▶ As a result, total rent revenue from these hotels increased by 8% in Euro terms and 9% in TL terms.

Turkey - Overall

- ▶ Overall ARR of the 9 Hotels in Turkey was € 60 in the first 8 months of 2012 vs. € 57 and TL 138 vs TL 130 compared to the same period of 2011.
- ▶ Overall Occupancy ratio for Turkey Hotels increased from 63% to 68%.
- ▶ As a result, total rent revenue from Turkey hotels increased by 10% in Euro terms and 12% in TL terms.

Russia - IBIS Hotels

- ▶ 2 Ibis Hotels in Russia reported an overall ARR of € 50 in the first 8 months of 2012.
- ▶ Average Occupancy ratio for these 2 Ibis Hotels in Russia was 56%.

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

		2007-2011 ANNUALLY					2011	2012 (I)	Change %
		2007	2008	2009	2010	2011	Jan.-Aug.	Jan.-Aug.	
Zeytinburnu Ibis Hotel	228 rooms								
	% Occ.Rate	72%	88%	76%	84%	86%	87%	84%	-2%
	ARR excl VAT (Euro)	57	68	70	68	71	71	75	6%
	ARR excl VAT (TL)	100	129	150	136	165	160	172	7%
	RevPar (Euro)	40.9	60.0	53.1	57.4	61.3	61.5	63.1	3%
	RevPar (TL)	71.6	113.3	113.5	114.1	142.5	138.6	145.0	5%
	Total Revenue (Euro)	3,303,892	5,872,352	5,060,046	5,619,135	5,934,669	3,961,556	4,126,099	4%
	Total Revenue (TL)	5,792,824	11,087,508	10,821,975	11,178,637	13,804,993	8,933,942	9,479,850	6%
	All Inclusive RevPar (Euro)	49	70	61	68	71	72	74	4%
	All Inclusive RevPar (TL)	86	133	130	134	166	161	170	6%
	GOP%					60%	60%	57%	-3%
Effective % of Rent / Revenue	22%	22%	22%	22%	34%	34%	32%	-2%	
Akfen Rent Revenue (Euro)	726,856	1,291,917	1,113,210	1,236,210	2,015,284	1,343,287	1,314,051	-2%	
Akfen Rent Revenue (TL)	1,274,421	2,439,252	2,380,835	2,459,300	4,685,647	3,025,449	3,022,473	0%	
Eskisehir Ibis Hotel	108 rooms								
	% Occ.Rate	60%	72%	66%	74%	76%	73%	75%	2%
	ARR excl VAT (Euro)	42	48	45	50	45	46	47	3%
	ARR excl VAT (TL)	74	91	96	99	103	103	109	6%
	RevPar (Euro)	25.7	34.8	29.5	36.8	34.2	33.6	35.5	6%
	RevPar (TL)	44.6	65.8	63.2	73.1	79.4	75.4	81.6	8%
	Total Revenue (Euro)	919,825	1,647,216	1,341,975	1,666,188	1,545,725	1,013,212	1,102,365	9%
	Total Revenue (TL)	1,596,932	3,112,946	2,873,319	3,314,533	3,590,684	2,277,147	2,536,653	11%
	All Inclusive RevPar (Euro)	33	42	34	42	39	39	42	8%
	All Inclusive RevPar (TL)	57	79	73	84	91	87	96	11%
	GOP%					46%	47%	41%	-5%
Effective % of Rent / Revenue	26%	27%	27%	26%	30%	30%	30%	0%	
Akfen Rent Revenue (Euro)	240,361	439,388	364,235	438,561	468,198	307,596	335,785	9%	
Akfen Rent Revenue (TL)	427,411	832,991	783,286	872,474	1,086,844	687,666	773,231	12%	
Gaziantep Ibis Hotel	177 rooms								
	% Occ.Rate				19%	44%	43%	53%	10%
	ARR excl VAT (Euro)				37	32	32	36	11%
	ARR excl VAT (TL)				74	75	72	82	13%
	RevPar (Euro)				7.0	14.4	13.8	18.8	36%
	RevPar (TL)				13.9	33.4	31.1	43.2	39%
	Total Revenue (Euro)				554,906	1,138,860	733,336	990,865	35%
	Total Revenue (TL)				1,103,931	2,651,186	1,650,852	2,281,394	38%
	All Inclusive RevPar (Euro)				9	18	17	23	35%
	All Inclusive RevPar (TL)				17	41	38	53	38%
	GOP%					22%	21%	30%	9%
Effective % of Rent / Revenue				25%	25%	25%	25%	0%	
Akfen Rent Revenue (Euro)				138,727	284,715	183,334	247,716	35%	
Akfen Rent Revenue (TL)				275,983	662,797	412,713	570,349	38%	
Kayseri Ibis Hotel	160 rooms								
	% Occ.Rate				31%	45%	41%	51%	10%
	ARR excl VAT (Euro)				37	33	33	37	13%
	ARR excl VAT (TL)				74	77	74	85	16%
	RevPar (Euro)				11.4	15.0	13.4	18.7	39%
	RevPar (TL)				22.7	34.9	30.2	43.0	43%
	Total Revenue (Euro)				716,977	1,119,686	685,649	897,038	31%
	Total Revenue (TL)				1,426,354	2,611,348	1,540,380	2,065,461	34%
	All Inclusive RevPar (Euro)				15	19	18	23	30%
	All Inclusive RevPar (TL)				29	45	40	53	34%
	GOP%					26%	19%	32%	13%
Effective % of Rent / Revenue				25%	25%	25%	25%	0%	
Akfen Rent Revenue (Euro)				179,244	279,922	171,412	224,260	31%	
Akfen Rent Revenue (TL)				356,588	652,837	385,095	516,365	34%	
Bursa Ibis Hotel	200 rooms								
	% Occ.Rate				24%	52%	49%	58%	9%
	ARR excl VAT (Euro)				43	41	40	46	14%
	ARR excl VAT (TL)				86	95	91	105	15%
	RevPar (Euro)				10.6	21.2	19.8	26.7	35%
	RevPar (TL)				21.1	49.6	44.9	61.4	37%
	Total Revenue (Euro)				152,265	1,843,499	1,155,455	1,550,213	34%
	Total Revenue (TL)				302,916	4,315,196	2,618,913	3,562,509	36%
	All Inclusive RevPar (Euro)				12	25	24	32	34%
	All Inclusive RevPar (TL)				25	59	54	73	35%
	GOP%					46%	45%	49%	4%
Effective % of Rent / Revenue				25%	27%	26%	29%	3%	
Akfen Rent Revenue (Euro)				38,066	491,319	296,183	442,778	49%	
Akfen Rent Revenue (TL)				75,729	1,156,414	675,344	1,018,944	51%	
TOTAL TURKEY - IBIS	873 rooms								
	% Occ.Rate	68%	83%	73%	52%	61%	59%	65%	5%
	ARR excl VAT (Euro)	53	63	63	58	50	51	53	4%
	ARR excl VAT (TL)	93	119	134	115	117	114	122	7%
	RevPar (Euro)	36.4	51.9	45.5	30.3	30.7	30.0	34.2	14%
	RevPar (TL)	63.6	98.0	97.3	60.3	71.6	67.7	78.7	16%
	Total Revenue (Euro)	4,223,717	7,519,568	6,402,021	8,709,471	11,582,439	7,549,207	8,666,581	15%
	Total Revenue (TL)	7,389,756	14,200,454	13,695,295	17,326,371	26,973,407	17,021,234	19,925,868	17%
	All Inclusive RevPar (Euro)	45	61	52	36	36	36	41	14%
	All Inclusive RevPar (TL)	78	115	112	71	85	80	94	17%
	GOP%					49%	48%	48%	-1%
Effective % of Rent / Revenue	23%	23%	23%	23%	31%	30%	30%	-1%	
Akfen Rent Revenue (Euro)	967,218	1,731,305	1,477,445	2,030,808	3,539,438	2,301,812	2,564,590	11%	
Akfen Rent Revenue (TL)	1,701,832	3,272,243	3,164,121	4,040,074	8,244,538	5,186,266	5,901,362	14%	

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

		2007-2011 ANNUALLY					2011	2012	Change %
		2007	2008	2009	2010	2011	Jan.-Aug.	Jan.-Aug.	
Zeytinburnu Novotel	208 rooms								
	% Occ.Rate	56%	78%	72%	84%	83%	84%	85%	1%
	ARR excl VAT (Euro)	83	86	78	76	84	83	85	2%
	ARR excl VAT (TL)	147	162	167	151	196	189	196	4%
	RevPar (Euro)	46.7	66.6	56.2	63.9	69.6	70.0	72.8	4%
	RevPar (TL)	82.4	125.7	120.2	127.2	162.0	158.2	167.1	6%
	Total Revenue (Euro)	4,261,771	6,963,005	5,693,428	6,653,854	7,096,895	4,772,122	4,943,574	4%
	Total Revenue (TL)	7,521,380	13,144,736	12,174,092	13,237,072	16,520,458	10,778,282	11,349,300	5%
	All Inclusive RevPar (Euro)	70	91	75	88	93	94	97	3%
	All Inclusive RevPar (TL)	123	173	160	174	218	213	224	5%
	GOP%					51%	51%	50%	-2%
Effective % of Rent / Revenue	22%	22%	22%	22%		28%	27%	-1%	
Akfen Rent Revenue (Euro)	945,590	1,539,861	1,260,554	1,471,848	2,004,889	1,352,547	1,344,372	-1%	
Akfen Rent Revenue (TL)	1,681,448	2,919,269	2,710,822	2,928,094	4,667,174	3,053,412	3,087,990	1%	
Trabzon Novotel	200 rooms								
	% Occ.Rate		18%	47%	61%	72%	73%	70%	-4%
	ARR excl VAT (Euro)		58	53	54	57	57	68	20%
	ARR excl VAT (TL)		115	114	102	129	129	156	21%
	RevPar (Euro)		10.5	25.1	32.9	41.1	41.8	47.7	14%
	RevPar (TL)		20.8	53.6	62.7	96.0	95.0	109.0	15%
	Total Revenue (Euro)		417,432	3,062,604	4,030,095	4,726,075	3,229,872	3,486,473	8%
	Total Revenue (TL)		829,353	6,551,767	7,688,885	11,035,885	7,345,990	7,962,260	8%
	All Inclusive RevPar (Euro)		24	42	55	65	66	71	8%
	All Inclusive RevPar (TL)		48	90	105	151	151	163	8%
	GOP%					38%	42%	39%	-2%
Effective % of Rent / Revenue		22%	36%	27%		22%	22%	0%	
Akfen Rent Revenue (Euro)		91,835	1,100,000	1,100,000	1,039,737	710,572	767,024	8%	
Akfen Rent Revenue (TL)		174,101	2,365,550	2,188,340	2,427,895	1,616,118	1,751,697	8%	
Gaziantep Novotel	92 rooms								
	% Occ.Rate				28%	50%	48%	71%	23%
	ARR excl VAT (Euro)				50	44	45	46	3%
	ARR excl VAT (TL)				99	103	101	106	5%
	RevPar (Euro)				14.1	22.2	21.7	32.8	51%
	RevPar (TL)				28.1	51.5	48.7	75.2	54%
	Total Revenue (Euro)				860,829	1,247,654	814,493	1,259,454	55%
	Total Revenue (TL)				1,712,534	2,900,623	1,832,023	2,886,882	58%
	All Inclusive RevPar (Euro)				26	37	36	56	54%
	All Inclusive RevPar (TL)				52	86	82	129	57%
	GOP%					12%	12%	30%	18%
Effective % of Rent / Revenue				22%	22%	22%	22%	0%	
Akfen Rent Revenue (Euro)				189,382	274,484	179,188	277,080	55%	
Akfen Rent Revenue (TL)				376,757	638,137	403,045	635,114	58%	
Kayseri Novotel	96 rooms								
	% Occ.Rate				36%	48%	46%	55%	10%
	ARR excl VAT (Euro)				49	47	48	51	8%
	ARR excl VAT (TL)				98	109	107	118	11%
	RevPar (Euro)				17.6	22.6	21.7	28.4	31%
	RevPar (TL)				35.1	52.6	49.0	65.4	34%
	Total Revenue (Euro)				845,930	1,232,133	793,978	990,842	25%
	Total Revenue (TL)				1,682,892	2,870,422	1,788,898	2,279,724	27%
	All Inclusive RevPar (Euro)				29	35	34	42	24%
	All Inclusive RevPar (TL)				57	82	77	97	27%
	GOP%					23%	22%	26%	4%
Effective % of Rent / Revenue				22%	22%	22%	22%	0%	
Akfen Rent Revenue (Euro)				186,104	271,069	174,675	217,985	25%	
Akfen Rent Revenue (TL)				370,236	631,493	393,557	501,539	27%	
TOTAL TURKEY - NOVOTEL	596 rooms								
	% Occ.Rate	56%	67%	60%	61%	69%	69%	73%	4%
	ARR excl VAT (Euro)	83	84	69	64	66	66	70	6%
	ARR excl VAT (TL)	147.2	159.8	146.6	126	154	149	160	8%
	RevPar (Euro)	46.7	56.1	41.0	39.2	45.1	45.3	51.1	13%
	RevPar (TL)	82.4	106.3	87.6	77.0	105.2	102.5	117.0	14%
	Total Revenue (Euro)	4,261,771	7,380,437	8,756,032	12,390,708	14,302,758	9,610,465	10,680,343	11%
	Total Revenue (TL)	7,521,380	13,974,089	18,725,858	24,321,384	33,327,388	21,745,192	24,478,166	13%
	All Inclusive RevPar (Euro)	70	79	59	59	66	66	73	11%
	All Inclusive RevPar (TL)	123	149	126	116	153	150	168	12%
	GOP%					41%	42%	42%	-1%
Effective % of Rent / Revenue	22%	22%	27%	24%	25%	25%	24%	-1%	
Akfen Rent Revenue (Euro)	945,590	1,631,696	2,360,554	2,947,335	3,590,179	2,416,983	2,606,461	8%	
Akfen Rent Revenue (TL)	1,681,448	3,093,370	5,076,372	5,863,428	8,364,699	5,466,133	5,976,340	9%	
TOTAL TURKEY - BIS & NOVOTEL	1469 rooms								
	% Occ.Rate	63%	64%	66%	52%	64%	63%	68%	5%
	ARR excl VAT (Euro)	64	67	64	53	57	57	60	5%
	ARR excl VAT (TL)	113	129	137	105	133	130	138	7%
	RevPar (Euro)	40.7	43.1	42.0	27.5	36.6	36.2	41.1	13%
	RevPar (TL)	71.6	81.5	89.9	54.2	85.3	81.8	94.2	15%
	Total Revenue (Euro)	8,485,488	14,900,005	15,158,053	21,100,170	25,885,197	17,159,673	19,346,924	13%
	Total Revenue (TL)	14,911,135	28,174,543	32,421,153	41,647,754	60,300,795	38,766,426	44,404,034	15%
	All Inclusive RevPar (Euro)	53	55	56	39	48	48	54	12%
	All Inclusive RevPar (TL)	94	104	119	78	113	109	124	14%
	GOP%					45%	45%	45%	0%
Effective % of Rent / Revenue	23%	23%	25%	24%	28%	27%	27%	-1%	
Akfen Rent Revenue (Euro)	1,912,807	3,363,001	3,837,999	4,978,143	7,129,617	4,718,795	5,171,052	10%	
Akfen Rent Revenue (TL)	3,383,280	6,365,612	8,240,493	9,903,502	16,609,237	10,652,399	11,877,702	12%	

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

		2007-2011 ANNUALLY					2011	2012	Change %
177 rooms		2007	2008	2009	2010	2011	Jan.-Aug.	Jan.-Aug.	
Yaroslavl Ibis Hotel	% Occ.Rate					36%		66%	
	ARR excl VAT (Euro)					46		48	
	ARR excl VAT (TL)					110		110	
	RevPar (Euro)					16.7		31.9	
	RevPar (TL)					39.6		72.9	
	Total Revenue (Euro)					474,235		1,853,017	
	Total Revenue (TL)					1,125,027		4,243,902	
	All Inclusive RevPar (Euro)					23		43	
	All Inclusive RevPar (TL)					54		98	
	GOP%					2%		45%	
	Effective % of Rent / Revenue					0%		27%	
Akfen Rent Revenue (Euro)					0		509,441		
Akfen Rent Revenue (TL)					0		1,160,924		

		2007-2011 ANNUALLY					2011	2012	Change %
204 rooms		2007	2008	2009	2010	2011	Jan.-Aug.	Jan.-Aug.	
Samara Ibis Hotel	% Occ.Rate							44%	
	ARR excl VAT (Euro)							52	
	ARR excl VAT (TL)							119	
	RevPar (Euro)							22.9	
	RevPar (TL)							52.2	
	Total Revenue (Euro)							1,246,135	
	Total Revenue (TL)							2,835,747	
	All Inclusive RevPar (Euro)							33	
	All Inclusive RevPar (TL)							76	
	GOP%							35%	
	Effective % of Rent / Revenue							21%	
Akfen Rent Revenue (Euro)							256,393		
Akfen Rent Revenue (TL)							585,658		

		2007-2011 ANNUALLY					2011	2012	Change %
381 rooms		2007	2008	2009	2010	2011	Jan.-Aug.	Jan.-Aug.	
TOTAL RUSSIA - IBIIS	% Occ.Rate					36%		56%	
	ARR excl VAT (Euro)					46		50	
	ARR excl VAT (TL)					110		113	
	RevPar (Euro)					16.7		27.7	
	RevPar (TL)					39.6		63.3	
	Total Revenue (Euro)					474,235		3,099,151	
	Total Revenue (TL)					1,125,027		7,079,650	
	All Inclusive RevPar (Euro)					23		38	
	All Inclusive RevPar (TL)					54		88	
	GOP%					2%		41%	
	Effective % of Rent / Revenue					0%		25%	
Akfen Rent Revenue (Euro)					0		765,835		
Akfen Rent Revenue (TL)					0		1,746,581		

		2007-2011 ANNUALLY					2011	2012	Change %
1850 rooms		2007	2008	2009	2010	2011	Jan.-Aug.	Jan.-Aug.	
GRAND TOTAL TURKEY & RUSS	% Occ.Rate	63%	64%	66%	52%	63%	63%	66%	3%
	ARR excl VAT (Euro)	64	67	64	53	57	57	59	2%
	ARR excl VAT (TL)	113	129	137	105	133	130	135	4%
	RevPar (Euro)	40.7	43.1	42.0	27.5	36.6	36.2	38.6	7%
	RevPar (TL)	71.6	81.5	89.9	54.2	85.3	81.8	88.5	8%
	Total Revenue (Euro)	8,485,488	14,900,005	15,158,053	21,100,179	26,359,431	17,159,673	22,446,075	31%
	Total Revenue (TL)	14,911,155	28,174,543	32,421,153	41,647,754	61,425,822	38,766,426	51,483,684	33%
	All Inclusive RevPar (Euro)	53	55	56	39	47	48	51	6%
	All Inclusive RevPar (TL)	94	104	119	78	113	109	117	8%
	GOP%	0%	0%	0%	0%	44%	45%	44%	-1%
	Effective % of Rent / Revenue	23%	23%	25%	24%	28%	27%	26%	-1%
Akfen Rent Revenue (Euro)	1,912,807	3,363,001	3,837,999	4,978,143	7,129,617	4,718,795	5,936,886	26%	
Akfen Rent Revenue (TL)	3,383,280	6,365,612	8,240,493	9,903,502	16,609,237	10,652,399	13,624,284	28%	

299 rooms		2007	2008	2009	2010	2011	2011	2012	Change %
Mercure Hotel / Casino Rent Rev. (EUR)		1,500,000	4,581,244	4,386,159	4,259,840	4,709,840	3,139,429	3,296,514	
Mercure Hotel / Casino Rent Rev. (TL)		2,667,300	8,602,631	9,444,952	8,567,482	11,011,714	7,093,304	7,578,221	7%

	843 rooms	1,043 rooms	1,043 rooms	1,768 rooms	1,945 rooms	1,768 rooms	2,149 rooms	Change %
GRAND TOTAL (EURO)	3,412,807	7,944,245	8,224,158	9,237,983	11,839,457	7,858,224	9,233,400	
GRAND TOTAL (TL)	6,050,380	14,968,243	17,685,445	18,470,985	27,620,951	17,745,703	21,202,505	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 August 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	99%	100%	2012
Ibis Hotel Esenyurt	Esenyurt / İstanbul	156	Under Construction	9,400,000	93%	92%	2013
Ibis Hotel İzmir	İzmir	140	Under Construction	7,700,000	62%	55%	2013
Novotel Karaköy	İstanbul	200	Under Development	34,000,000	19%	-	2015
Ibis Hotel Esenboğa Ankara	Ankara	147	Under Development	9,000,000	23%	-	2014

As of 31 August 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	49%	55%	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.

AKFEN GYO

Key Events

- 1) 165 rooms Adana Ibis Hotel was opened on 3 September 2012.