

AKFEN REAL ESTATE INVESTMENT TRUST CO. INC.

1 January - 31 March 2013

ACTIVITY REPORT



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General Information About Akfen REIT



Akfen Real Estate Investment Trust Co. Inc. (Akfen REIT), was established following changing of trade title of Aksel Tourism Investments and Operating Co. Inc. (Aksel), whereby it was converted to a real estate investment trust and restructured. Aksel was first established on June 25, 1997 by Hamdi Akın and Yüksel Construction Co. Inc., for the purpose of investing in domestic tourism sector; subsequently, shares of Yüksel Construction Co. Inc. were purchased by Akfen Holding in 2006, and the company became a subsidiary of Akfen Holding. Upon acceptance of the application made to the CMB within the same year, the Company changed its title and field of activity, and became Akfen Real Estate Investment Trust Co. Inc. Akfen REIT is under the registered capital system. Its capital of TL138,000,000 was increased to TL184,000,000 and shares with a nominal value of TL54,117,500 (TL46,000,000 plus TL8,117,500 owned by the existing shareholders) were offered to public and registered as per Article 4 of the Capital Markets Law, and CMB's approval Ref. No:REIT.80/430 of April 28, 2011. 29.41% of Company shares were offered to public and were started to be traded at Borsa Istanbul (formerly known as Istanbul Stock Exchange) on May 11, 2011. Akfen REIT's trade registry number is 372279, and its principal place of business is located at the address: Levent Loft Büyükdere Cad.No:201 C Blok Kat:8 D:150 34394 Levent / İstanbul.

Akfen REIT's basic business model is to develop and construct three and four star hotels which reflect the highest standards of city hotel management concept, to lease these hotels to Accor S.A. under long term leasing contracts, and to obtain regular and foreseeable rental income. Akfen REIT has expertise in development and construction of mid-range hotels; and realizes its domestic investments with the aim to get the optimal share from the increasing middle-class tourism demand in Turkey, and the increasing mobility of Turkey's business world.

Within this context, the Company signed a framework agreement in 2005 with Accor, one of the leading hotel management companies in the world, for hotel development. In line with this agreement, Akfen REIT reached a portfolio of 18 hotels which it developed and invested in; including the 3-star Ibis Hotels and the 4-star Novotel Hotels, which are the most successful brands of Accor Group throughout the world, and the currently ongoing investments in Turkey and Russia.

In terms of the net value of its assets, Akfen REIT is one of the major real estate investment trusts in Turkey. Aiming to strengthen its position even further, the Company plans to become one of the leading hotel investors in the region through its hotel investments which are planned to be continued in the near future, in terms of both the number of hotels and total number of rooms; with hotels which are built and managed up to international standards.

General Information About Akfen REIT



SHAREHOLDER STRUCTURE, MARCH 31, 2013

Shareholder	Class	Share Value (TL)	Number of shares
Akfen Holding A.Ş.*	B	95.154.384	95.154.384
Akfen Holding A.Ş.	A	1.000	1.000
Akfen Holding A.Ş.	D	1.000	1.000
Hamdi Akın	B	30.195.839	30.195.839
Hamdi Akın	C	999	999
İbrahim Süha Güçsav	B	4.140.380	4.140.380
Akınısı Makine Sanayi ve Ticaret A.Ş.	B	43.512	43.512
Akınısı Makine Sanayi ve Ticaret A.Ş.	C	1	1
Akfen İnşaat Turizm ve Ticaret A.Ş.	B	2	2
Mehmet Semih Çiçek	B	1	1
Mustafa Dursun Akın	B	1	1
Ahmet Seyfi Usluoğlu	B	1	1
Halka Açık Kısım	B	54.462.880	54.462.880
TOTAL		184.000.000	184.000.000

* There are 8.651.728 unit shares belonging to Akfen Holding in Free Float.

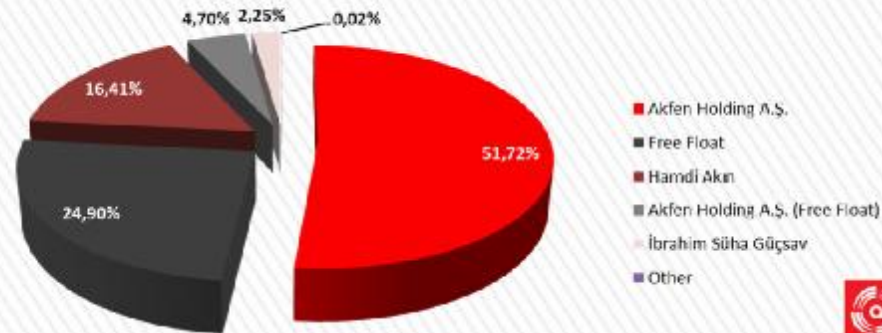
SHAREHOLDER STRUCTURE, DECEMBER 31, 2012

Shareholder	Class	Share Value (TL)	Number of shares
Akfen Holding A.Ş.*	B	95.154.384	95.154.384
Akfen Holding A.Ş.	A	1.000	1.000
Akfen Holding A.Ş.	D	1.000	1.000
Hamdi Akın	B	30.195.839	30.195.839
Hamdi Akın	C	999	999
İbrahim Süha Güçsav	B	4.140.380	4.140.380
Akınısı Makine Sanayi ve Ticaret A.Ş.	B	43.512	43.512
Akınısı Makine Sanayi ve Ticaret A.Ş.	C	1	1
Akfen İnşaat Turizm ve Ticaret A.Ş.	B	2	2
Mehmet Semih Çiçek	B	1	1
Mustafa Dursun Akın	B	1	1
Ahmet Seyfi Usluoğlu	B	1	1
Halka Açık Kısım	B	54.462.880	54.462.880
TOTAL		184.000.000	184.000.000

* There are 8.040.787 unit shares belonging to Akfen Holding in Free Float.

A, C and D-group shares have privilege for nominating persons for election to the Board of Directors. Members of the Board of Directors are elected by the general assembly, whereby, 2 of them are elected among the candidates nominated by A-Group shareholders, 2 of them are elected among the candidates nominated by C-Group shareholders, and 2 of them are elected among the candidates nominated by D-Group shareholders.

The Company has no shares which it had acquired of its own shares



General Information About Akfen REIT



Shares Representing the Capital

Group	Registered/ Bearer	Nominal Value per Share (TL)	Total Nominal Value (TL)	Share in Capital (%)	Type of Privilege	Traded at the exchange or not
A	Registered	1	1.000,00	0	Has the privilege of selecting two board members in General Meetings.	Not traded at the exchange
B	Bearer	1	183.997.000,00	99,99	Has no privilege.	54.117.500 units are traded in the ISE's Corporate Merchandise Market.
C	Registered	1	1.000,00	0	Has the privilege of selecting two board members in General Meetings.	Not traded at the exchange
D	Registered	1	1.000,00	0	Has the privilege of selecting two board members in General Meetings.	Not traded at the exchange
TOTAL			184.000.000,00	100		

General Information About Akfen REIT



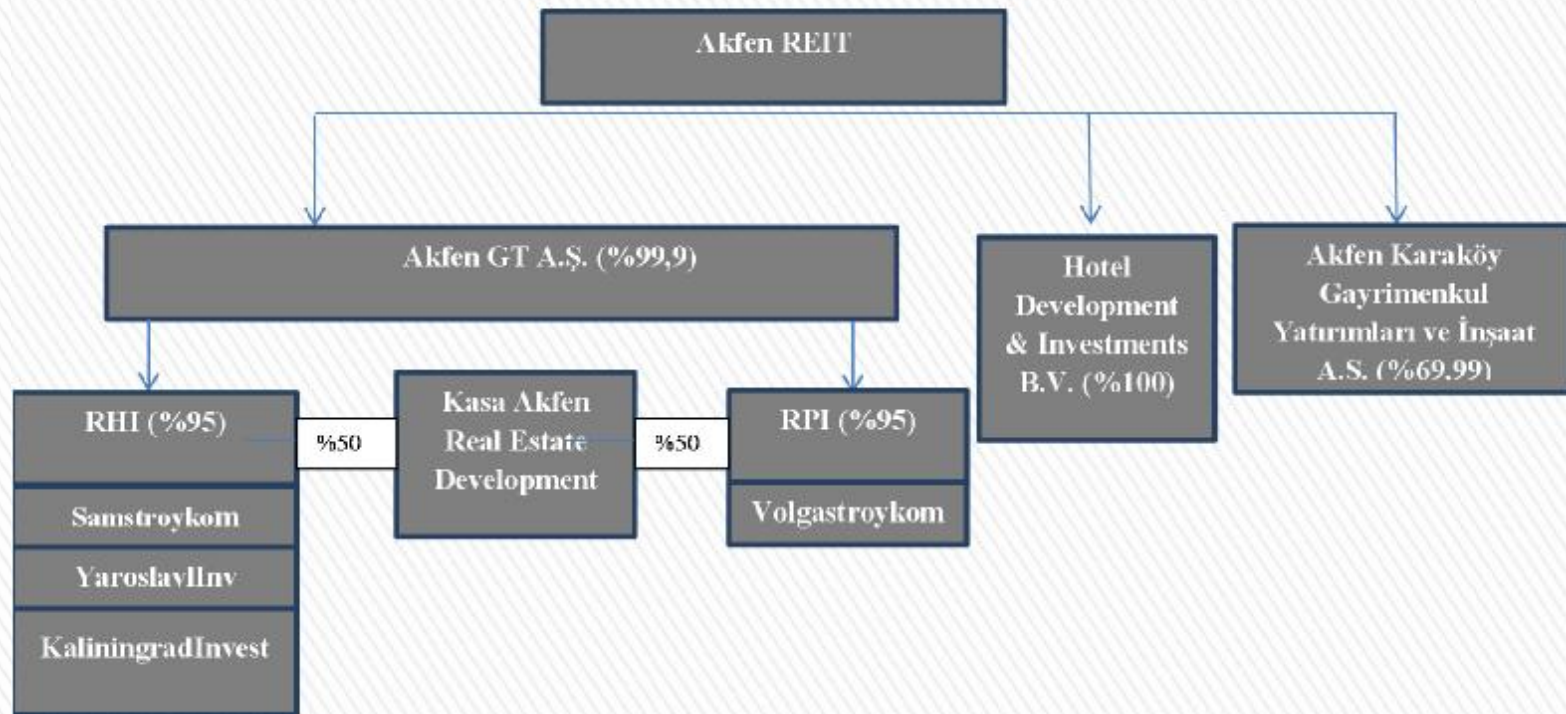
Board of Directors	Title	Senior Level Executives	Title
İbrahim Süha Güçsav	Chairman	Vedat Tural	General Manager
Mustafa Keten	Vice Chairman		Vice General Manager - Corporate Relations,
Pelin Akın	Board Member	Hülya Deniz Bilecik	Human Resources and Administrative Affairs
Sıla Cıllı İnanc	Board Member	Memduh Okyay Turan	Vice General Manager - Operations
Selim Akın	Board Member		
Hüseyin Kadri Samsunlu	Board Member		
Mehmet Semih Çiçek	Board Member and Member Board of Auditors		
Mustafa Dursun Akın	Board Member and Chairman of Board of Auditors		
Ahmet Seyfi Usluoğlu	Board Member and Member Board of Auditors		

The amount of financial benefits provided for the Company's executives, such as honorariums, remunerations, premiums, bonuses, dividends are given below. No other financial rights, allowances, representation expenses, any real rights or rights in cash, insurance or similar guarantees were provided or paid.

Remuneration of Top Management (thous and TL)	31-Mar-13	31-Mar-12
Short term benefits	514	274

No other financial rights, allowances, representation expenses, any real rights or rights in cash, insurance or similar guarantees were provided or paid.

Organizational Structure



General Information About Akfen REIT



Group Companies

Commercial Title	Field of Activity	Paid-in/Issued Capital	Share of Company in Capital	Currency	Share of Company in Capital	Nature of Relationship with the
Akfen Gayrimenkul Ticareti ve İnşaat A.Ş.	To create real estate portfolio	121.000.000,00	120.999.825,00	TL	99,99	Subsidiary
Russian Hotel Investment BV	To develop hotel projects in Russia	18.000,00	17.101,00	Euro	95	Subsidiary
Russian Property Investment BV	To develop hotel projects in Russia	18.000,00	17.101,00	Euro	95	Subsidiary
Hotel Development Investment BV	To develop hotel projects in Russia	18.000,00	18.000,00	Euro	100	Subsidiary
Akfen Karaköy Gayrimenkul Yatırımları ve İnşaat A.Ş.	To invest in real estate	17.200.000,00	12.039.656,00	TL	69,99	Subsidiary

General Information About Akfen REIT



Risk Management

With consulting support from DRT Independent Audit and Public Accountancy Co. Inc. (Deloitte), works concerning Early Detection of Risk were finalized in 2012 and the Risk Management Handbook was presented to the Company's Board of Directors. It was resolved to have the principles contained in the Risk Management Handbook to be taken as basis for future internal audits of the Auditing Committee.

With the Board of Directors' decision No:2013/9 of March 19, 2013; it was unanimously decided by all attendees of the meeting that duties of the Early Detection of Risk Committee, which were executed by the Corporate Governance Committee be executed by establishing an individual committee as per Communiqué Serial:IV No:63, amending the Communiqué Serial:IV, No:56 of the Capital Markets Board; and that Mr M. Dursun Akın be appointed as the chairman of the Early Detection of Risk Committee to be established, whereby Ms Pelin Akın and Mr Selim Akın be appointed as members of the aforementioned committee.

Important developments for the first quarter of 2013



March 28, 2013; Signing of the leasing agreement with Accor S.A., for Ibis Hotel Ankara Esenboğa.

On March 28, 2013; the Company signed a leasing agreement with ACCOR S.A., for a hotel which is planned to be completed and put into service in Ankara-Esenboğa in 2014.

March 19, 2013; Elections of the Early Detection of Risk Committee

With the Board of Directors' decision No:2013/9 of March 19, 2013; it was unanimously decided by all attendees of the meeting that duties of the Early Detection of Risk Committee, which were executed by the Corporate Governance Committee be executed by establishing an individual committee as per Communiqué Serial:IV No:63, amending the Communiqué Serial:IV, No:56 of the Capital Markets Board; and that Mr M. Dursun Akın be appointed as the chairman of the Early Detection of Risk Committee to be established, whereby Ms Pelin Akın and Mr Selim Akın be appointed as members of the aforementioned committee.

March 1, 2013; Signing of leasing agreement with OAO VTB for the Samara Office Project.

As per the agreement signed on March 1, 2013; the Company leased 1562square meters of the total 4637 square meters of leasable area which belongs to Samara Office under the portfolio of its subsidiary, Russian Property Investment; to OAO Bank VTB. The term of the agreement is 6 years, and the offices leased were delivered on March 15, 2013.

January 25, 2013; Ibis Hotel Esenyurt goes into operation.

With its 156 rooms and 312 beds, Ibis Hotel Esenyurt, which is included in the Company's portfolio, went into operation on January 25, 2013.

January 17, 2013; Signing of the loan agreement for Novotel Karaköy project.

As of January 17, 2011; the Company signed a loan assignment agreement amounting 25.5million Euros with Türkiye İş Bankası, to be used for financing of Novotel Karaköy project, which is included in the portfolio of the Company's subsidiary, Akfen Karaköy Real Estate Investments and Construction Co. Inc.

January 16, 2013; Election of the portfolio management company and the independent auditing company.

In the Company's Board of Directors' meeting of January 9, 2013;

-Pursuant to Article 39 of the Capital Markets Board's Communiqué Serial:VI No:11 on Real Estate Investment Companies, it was decided to elect TSKB Real Estate Appraisal Co. Inc. as the appraisal company to provide appraisal services for the assets included in our portfolio; and moreover, to elect TSKB Real Estate Appraisal Co. Inc. and ELİT Real Estate Appraisal Co. Inc.. as appraisal companies to provide appraisal services for assets which may be acquired to be included in our portfolio during 2013, and which may require appraisal,

-Pursuant to relevant provisions of the Capital Markets Board's "Communiqué on Independent Auditing Standards in Capital Markets", it was decided to elect KPMG-Akis Independent Audit and Public Accountancy Co. Inc. as the company to provide services as an independent auditing company; to be submitted for the approval of the next general assembly.

Developments after March 31, 2013



April 4, 2013; Transfer of mortgage for TRNC Merit Park Hotel.

42 million Euros of mortgage provided in favor of ING Bank in relation to the 21 million Euros of loan used through the aforementioned bank for the purpose of financing construction of TRNC Merit Park Hotel which is included in the portfolio of the Company's subsidiary, Akfen Real Estate Trading and Construction Co. Inc. (Akfen Trading), was transferred to Ziraat Bank on April 4, 2013; as a result of Akfen Trading's loan usage of 15 million Euros from Ziraat Bank, and paying off its existing loan balance with ING Bank.

April 9, 2013; Application regarding amendment of the Articles of Association as per TCC and CMB legislation.

For the purpose of ensuring compliance with the applicable the Turkish Commercial Code and the Capital Markets Law; an application was filed to amend Articles 3.,7.,8.,9.,14.,15.,16.,18.,19.,21., 22.,23.,24.,26.,27.,28.,31.,33.,35.,36. and 37 of the Articles of Association of our Company as specified in the annex herein, whereby an application has been filed with the Capital Markets Board for the approval of the amended text in question. The amended text of the Articles of Association is provided as annexed to this report.

April 25, 2013; Board of Directors' decision to hold the Ordinary General Assembly Meeting for the year 2012.

With the Board of Directors' decision No:8 of April 19, 2013, it was decided ;

To convene the Company's Ordinary General Assembly Meeting to review operations of activity year 2012 and to discuss and resolve the below specified items on the meeting agenda; at the Company's principal office address: Büyükdere Cad. Levent Loft Binası, No:201 C Blok Kat:8 Levent, Şişli - İstanbul Turkey,

To make Reports of the Board of Directors and the Board of Auditors, Financial Statements and Independent Auditing Report for the activity year of 2012, the Amendments to the Articles of Association, the Internal Directive on the Working Principles and Procedures of the General Assembly, the Proposal for Dividend Distribution, the Activity Report, the Corporate Governance Compliance Report and the annexed detailed information note which contains the agenda items available for our shareholders to review three weeks prior to the meeting, for the prescribed term, at the Company's principal office, the Company's web site www.akfenREIT.com.tr , and the Electronic General Assembly system of the Central Registry Agency,

To announce the situation to shareholders in accordance with legal requirements, and to apply to the Ministry of Customs and Trade, and İstanbul Provincial Directorate for Trade, to request assignment of a Ministry Representative to the meeting.

Pursuant to Corporate Governance Principles and Communiqués of the Capital Markets Board, in the event of any changes to the information, documents and reports which are required to be disclosed regarding the items to be discussed during the Ordinary General Assembly Meeting of 2012 to be held on May 23, 2013, or the annexed "General Assembly Information Document"; the information documents will be updated accordingly.

Developments after March 31, 2013



Meeting Agenda for the 2012 General Assembly

1. Opening and election of the Presiding Committee of the Meeting; determination of the method of voting.
2. Authorizing the Presiding Committee to sign the Minutes of the General Assembly Meeting.
3. Discussion and approval of the Board of Directors' "Internal Directive on the Working Principles and Procedures of the General Assembly", which includes the rules regarding the working principles and procedures of the General Assembly.
4. Reading, discussion and approval of the Activity Report of the Board of Directors, Board of Auditors' Report, and the Independent Auditor's Report for the year 2012.
5. Reading, discussion and approval of the Balance Sheet, Income Statement and Profit and Loss accounts, Financial Statements pertaining to the year 2012.
6. Approval, approval after modification or refusal of the Board Directors' proposal on distribution of profit pertaining to the year 2012 and the date for distribution of the profit.
7. Approval of the changes which had been made within the year to the Board of Directors in accordance with Turkish Commercial Code.
8. Release of members of the Board of Directors and members of the Board of Auditors on account of the Company's activities for the year 2012.
9. Informing of shareholders about duties within and outside of the group, of candidates for membership to the Board of Directors, including independent members.
10. Election of new members of the Board of Directors.
11. Discussion and resolution of payment of honorarium to the members of the Board of Directors.
12. Submitting to the approval of the General Assembly, the election of the Independent Auditing Company and the Portfolio Management Company elected for the year 2013, and of remuneration thereof.
13. Discussion and resolution of amendment of Articles 3,7,8,9,14,15,16,18,19,21,22,23,24,26,27,28,31,33,35,36 and 37 of the Company's Articles of Association as approved by the Capital Markets Board and relevant Ministry.
14. Pursuant to Article 379 of TCC, discussions on the Company's acquisition of its own shares, authorizing the Board of Directors in this regard, the period of validity for such authorization to be granted, total nominal value of the shares to be acquired, and determination of minimum and maximum limits for the amount to be paid for shares of such nominal value.
15. Informing shareholders about the pledges, guarantees and mortgages granted, as per the Capital Markets Board Legislation.
16. Within the scope of Article 5 of Communiqué Serial:IV No:41 of the Capital Markets Board, informing the General Assembly about transactions with "Related Parties".
17. Pursuant to regulations of the Capital Markets Board, informing shareholders about the "Remuneration Policy" determined for members of the Board of Directors and senior level executives; and the payments made within the scope of the aforementioned policy.
18. Pursuant to regulations of the Capital Markets Board and Articles 395 and 396 of Turkish Commercial Code; submission to the approval of the General Assembly, of ability of shareholders with a controlling interest, or members of the Board of Directors, or senior level executives and their spouses and relatives by consanguinity (relationship by blood) or affinity (relationship by marriage) up to second degree, to carry out transactions of significant nature, or to engage in competitive activities which may conflict with the interests of the Company or its affiliated subsidiaries; and informing the General Assembly about such activities, (if any during the previous activity period).
19. Determination of the limit for donations to be made within the year, and informing the shareholders about the donations and aids granted.
20. Wishes and expectations.
21. Closing

Developments after March 31, 2013



Board of Directors' decision of April 25, 2013; regarding distribution of profit for the year 2012.

According to the consolidated financial statements for the accounting period of 01.01.2012-31.12.2012 which had been prepared pursuant to the Board of Directors' decision No:9 of April 25, 2013 in accordance with International Accounting Standards and International Financial Reporting Standards, the principles for presentation of which were determined as per the Capital Markets Board's relevant decisions, and which had been subject to independent auditing; after deduction of "tax expenses" from the profit for the period, a "Net Profit for the Period" of TL24,201,835.- has been achieved. However, in the non-consolidated financial statements which are prepared according to provisions of Tax Procedural Law and Turkish Commercial Code, the "Net Profit for the Period" is TL4,128,172.11; and when the amount of TL64,995,023.29 indicated in the non-consolidated balance sheet as "Losses for Previous Year" is deducted, no "Distributable Net Profit for the Period" is generated. It was decided to propose to the General Assembly, not to distribute any profit.

April 25, 2013; Election of Independent Members of the Board of Directors, for the General Assembly Meeting of 2012.

With the Board of Directors' decision No:10 of April 25, 2013;

As per the regulation "Within the framework of principles pertaining to independence of members of the board of directors as specified in Corporate Governance Principles of the Capital Markets Board, sufficient quantity of independent board members, being no less than 2 (two), shall be elected to the Board of Directors, by the general assembly." as included in our Company's articles of association; and the report submitted by the Corporate Governance Committee, it was decided to determine the below specified persons as "Candidates for Independent Members of the Board of Directors", to be submitted for the approval of the shareholders at the General Assembly Meeting.

1. Mehmet Semih Çiçek
2. Mustafa Dursun Akın
3. Ahmet Seyfi Usluoğlu

April 25, 2013; Creation of mortgage for Ibis Hotel Ankara Esenboğa project.

As per the loan agreement signed with Turkey İş Bank and TSKB on November 2, 2012 for financing of Ibis Hotel Ankara Esenboğa project; the land pertaining to the project in question, and the building and annexes thereof to be constructed on the land were put in pledge in favor of the creditors, on April 25, 2013.

** The General Assembly Information Document, the Amended Text of the Articles of Association, and Profit Distribution Table are provided annexed to the Activity Report.*

Portfolio Information



TURKEY	Operational Hotels		Number of Rooms	Ownership	Date of Starting of Construction	Date of Hotel Opening
	1	Zeytinburnu IBIS	228	49 years	2005	March 2007
	2	Zeytinburnu NOVOTEL	208	49 years	2005	March 2007
	3	Eskişehir IBIS	108	22 years	2005	April 2007
	4	Trabzon NOVOTEL	200	49 years	2006	October 2008
	5	Gaziantep IBIS	177	30 years	2008	January 2010
	6	Gaziantep NOVOTEL	92	30 years	2008	January 2010
	7	Kayseri IBIS	160	49 years	2008	March 2010
	8	Kayseri NOVOTEL	96	49 years	2008	March 2010
	9	Bursa IBIS	200	32 years	2009	November 2010
	10	Adana IBIS	165	Owned	January 2011	September 2012
	11	Esenyurt IBIS	156	Owned	March 2011	January 2013
	12	TRNC Hotel	299	49 years		April 2007
	Sub Total		2.089			
	Projects under Construction					
1	İzmir IBIS	140	49 years	June 2011	June 2013	
2	Ankara IBIS	147	Owned	January 2013	July 2014	
3	Karaköy NOVOTEL	200	49 years	July 2012	December 2014	
Sub Total		487				
15	TOTAL	2.576				
RUSSIA	Operational Hotels		Number of Rooms	Ownership	Date of Starting of Construction	Date of Hotel Opening
	1	Yaroslavl IBIS	177	Owned	April 2010	September 2011
	2	Samara IBIS	204	Owned	July 2009	March 2012
	Sub Total		381			
	Projects under Construction					
	1	Kaliningrad IBIS	167	Owned	August 2011	Ağustos 2013
	Sub Total		167			
	3	TOTAL	548			
18	GRAND TOTAL	3.124				



Highlights of the First Quarter of 2013



- **Net profit has been realized as TL4.4million.**
- **Consolidated turnover reached TL8.7million, increasing 24% compared to the same period of the previous year.**
- **Consolidated EBITDA reached TL5.3million, increasing 27% compared to the same period of the previous year.**
- **Consolidated net payables dropped down to TL278.6million, decreasing 4% compared to year-end of the previous year.**
- **Net Assets reached TL978million, increasing TL3million.**

Financial Outcomes



BALANCE SHEET (million TL)			INCOME STATEMENT (million TL)		
	03/31/2013	12/31/2012		03/31/2013	03/31/2012
CURRENT ASSETS	60,9	43,2			
Cash and cash equivalents	46,7	28,0	Income from Sales	8,7	7,0
Trade receivables	6,6	6,3	Sales Expenses	- 1,3	- 1,1
Other receivables	0,0	0,0	GROSS PROFIT	7,4	5,9
Other current assets	7,6	8,8	General administrative expenses	- 2,1	- 1,8
NON-CURRENT ASSETS	1.153,2	1.135,9	EBITDA	5,3	4,2
Other receivables	7,5	7,4	Income from other activities, net	1,1	0,8
Investment properties	1.105,1	1.090,3	OPERATING PROFIT	6,4	4,9
Tangible assets	0,1	0,1	Financial expenses, net	- 1,6	6,9
Intangible assets	0,0	0,0	PROFIT BEFORE TAX	4,8	11,8
Other non-current assets	40,4	38,0	Current tax income/(expense)	- 0,8	- 3,5
TOTAL ASSETS	1.214,2	1.179,0	NET PROFIT FOR THE PERIOD	4,0	8,3
SHORT TERM LIABILITIES	100,1	80,7	Non-controlling interest	- 0,4	- 0,1
Short term financial liabilities	90,5	74,1	NET PROFIT FOR THE PERIOD	4,4	8,4
Trade payables	4,6	3,3	Change in currency translation differences	- 1,4	2,5
Other debsts	0,3	0,1	Total comprehensive income	3,1	10,8
Other short term liabilities	4,7	3,3	Gross profit margin	85%	85%
LONG TERM LIABILITIES	302,2	289,1	EBITDA margin	61%	59%
Long term financial liabilities	256,5	243,9	Net profit margin	46%	118%
Other long term liabilities	45,7	45,2			
SHAREHOLDERS' EQUITY	811,9	809,3			
TOTAL LIABILITIES	1.214,2	1.179,0			
Total Liabilities / Total Assets	33%	31%			

Financial Outcomes



Operational Performance

- For the period ending on March 31, 2013, a net profit of TL4.4million was disclosed.
- Hotel leasing income reached TL8.7million, increasing 24% compared to the same period of the previous year.
- Ibis Hotel Esenyurt (İstanbul) started its operations on January 25, 2013, increasing the number of hotels in operation under the Company's portfolio from 13 to 14; and the number of leasable rooms from 2314 to 2470.
- Average occupancy rate for hotels operating throughout Turkey as of March 31, 2013 was 64% compared to 61% for the same period in 2012; average occupancy rate for hotels operating in Russia as of March 31, 2013 was 52% compared to 43% for the same period in 2012; and average occupancy rate for all hotels as of March 31, 2013 was 62% compared to 59% for the same period in 2012.
- Average room price for hotels operating throughout Turkey as of March 31, 2013 and 2012 was Euro56; average room price for hotels operating in Russia as of March 31, 2013 was Euro57, compared to Euro50 for the same period in 2012; and average room price for all hotels as of March 31, 2013 and 2012 was Euro56.
- Consolidated EBITDA reached TL5.3million as of the end of the first quarter of 2013; increasing 27% from its level of TL4.2million as of the end of the first quarter of 2012.
- Consolidated hotel expenses reached TL1.3million as of the end of the first quarter of 2013; increasing 18% from its level of TL1.1million as of the end of the first quarter of 2012. The main reason behind this increase was the property tax expenses incurred due to the termination of property tax exemption for certain projects in Turkey in 2013, and insurance expenses for hotel projects in Russia, which were not present during the first quarter of 2012.

Financial Outcomes

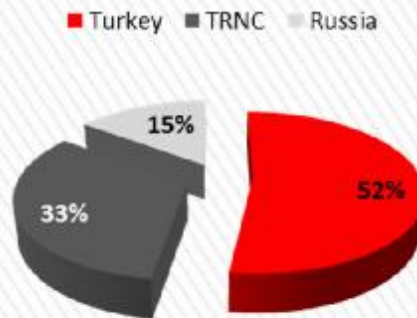


- Operating profit reached TL6.4million as of March 31, 2013; increasing 30% compared to the same period of the previous year.
- Interest expenses, on the other hand, decreased to a TL4million level, 9% down from its level during the first quarter of 2012. The main reason behind this decrease was reduced interest expenses through using low interest refinancing for the loans which were used for financing the projects in Russia.
- While net profit for the main partners was TL8.4million as of March 31, 2012; a net profit of TL4.4million was generated for the same period of this year. The main reason behind this decrease was the decrease in income from exchange rate differences in 2013, compared to 2012.
- The Company's net asset value reached TL978million; increasing TL3million compared to 2012 year-end.

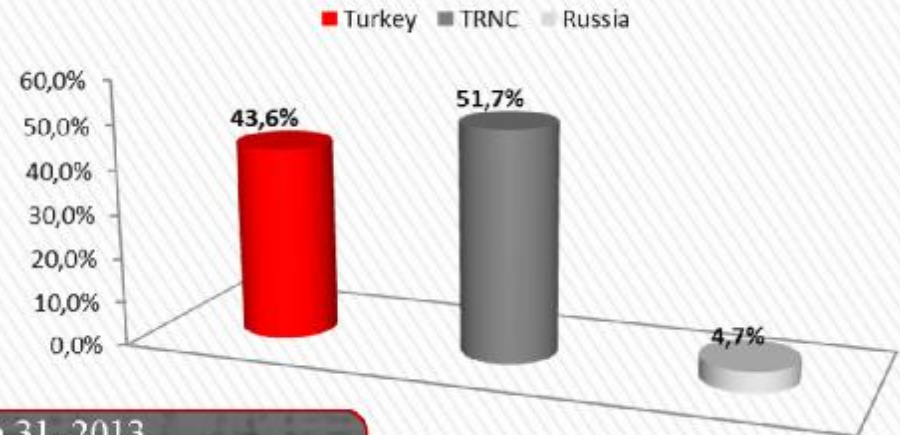
Financial Outcomes



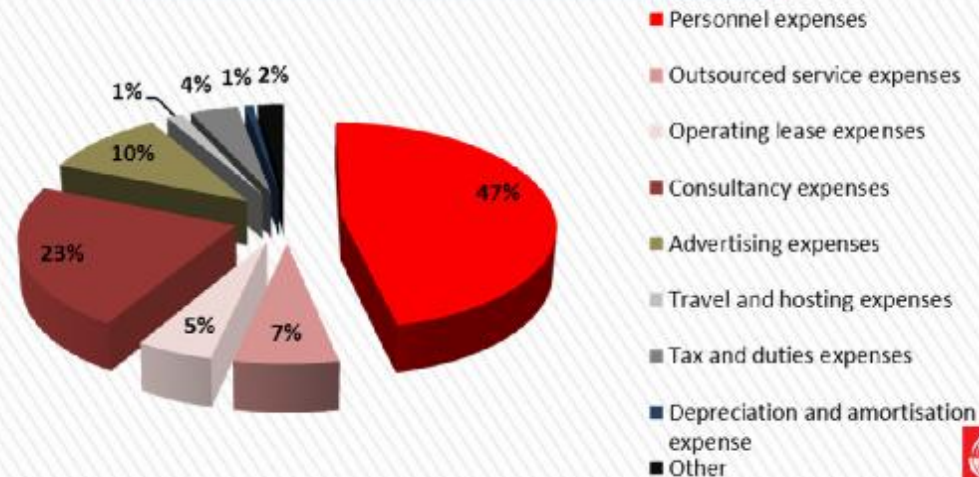
March 31, 2013
Distribution of Rental Income by
Regions (%)



March 31, 2013
Distribution of EBITDA by Regions
(%)



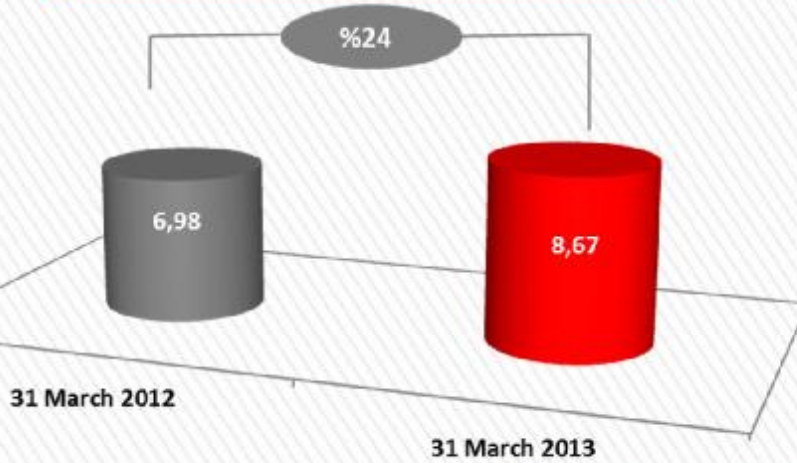
March 31, 2013
Distribution of General Administration
Expenses (%)



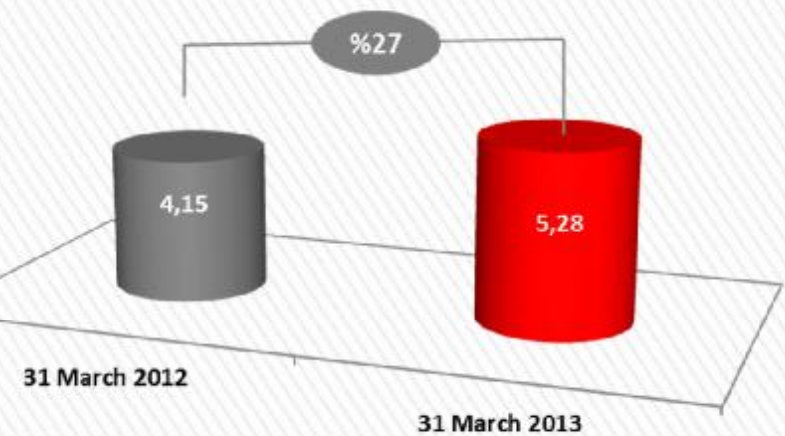
Financial Outcomes



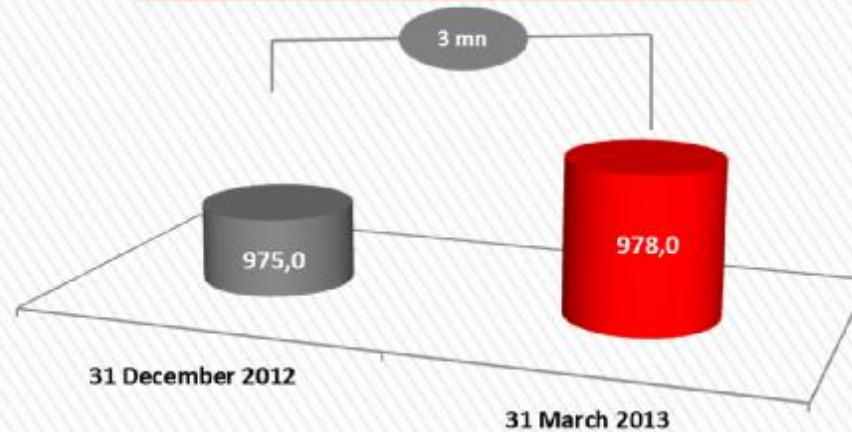
Consolidated Turnover (million TL)



EBITDA (million TL)



Net Asset Value (million TL)



Financial Outcomes



31-Mar-13	Rental Income	EBITDA	EBITDA Margin	Net Debt
Turkey	4,5	2,3	51%	165,5
TRNC	2,8	2,7	96%	42,4
Russia	1,3	0,3	19%	70,7
CONSOLIDATED	8,7	5,3	61%	278,6

Number of employees	31-Mar-13	31-Dec-12	Change (%)
Turkey	12	12	0%
TRNC	2	2	0%
Russia	15	16	-6%
TOTAL	29	30	-3%

Rental Income	31-Mar-13	31-Mar-12	Change (%)
Turkey	4,5	3,8	21%
TRNC	2,8	2,9	-1%
Russia	1,3	0,4	258%
CONSOLIDATED	8,7	7,0	24%

EBITDA	31-Mar-13	31-Mar-12	Change (%)
Turkey	2,3	2,0	13%
TRNC	2,7	2,8	-1%
Russia	0,3	- 0,7	138%
CONSOLIDATED	5,3	4,2	27%

Financial Outcomes



OCCUPANCY RATES % ##### 31-Mar-12 Change (%)

Zeytinburnu Ibis Hotel	78%	75%	3%
Zeytinburnu Novotel	78%	76%	2%
Eskişehir Ibis Hotel	80%	71%	9%
Trabzon Novotel	55%	51%	4%
Gaziantep Ibis Hotel	66%	50%	16%
Gaziantep Novotel	75%	60%	15%
Kayseri Ibis Hotel	52%	51%	1%
Kayseri Novotel	67%	51%	16%
Bursa Ibis Hotel	60%	60%	0%
Adana Ibis Hotel	49%	0%	--
Esenyurt Ibis Hotel	44%	0%	--
Yaroslavl Ibis Hotel	61%	51%	9%
Samara Ibis Hotel	45%	20%	24%
TOTAL	61,9%	58,7%	3%

AVERAGE ROOM PRICES (VAT EXC.) - TL 31-Mar-13 31-Mar-12 Change (%)

Zeytinburnu Ibis Hotel	184,8	177,4	4%
Zeytinburnu Novotel	187,2	185,6	1%
Eskişehir Ibis Hotel	108,4	108,4	0%
Trabzon Novotel	135,8	123,5	10%
Gaziantep Ibis Hotel	86,4	83,6	3%
Gaziantep Novotel	123,2	104,8	18%
Kayseri Ibis Hotel	82,8	85,5	-3%
Kayseri Novotel	116,0	118,2	-2%
Bursa Ibis Hotel	105,3	103,2	2%
Adana Ibis Hotel	86,4	0,0	--
Esenyurt Ibis Hotel	56,6	0,0	--
Yaroslavl Ibis Hotel	132,0	115,7	14%
Samara Ibis Hotel	137,9	129,9	6%
TOTAL	131,3	130,3	1%

RENTAL INCOME (Thousand TL) 31-Mar-13 31-Mar-12 Change (%)

Zeytinburnu Ibis Hotel	1.129,5	1.006,7	12%
Zeytinburnu Novotel	954,7	912,2	5%
Eskişehir Ibis Hotel	307,2	279,6	10%
Trabzon Novotel	452,5	412,5	10%
Gaziantep Ibis Hotel	277,7	199,0	40%
Gaziantep Novotel	264,3	182,6	45%
Kayseri Ibis Hotel	191,5	193,3	-1%
Kayseri Novotel	220,9	178,6	24%
Bursa Ibis Hotel	376,7	399,8	-6%
Adana Ibis Hotel	195,0	0,0	--
Esenyurt Ibis Hotel	172,5	0,0	--
Yaroslavl Ibis Hotel	530,8	259,4	105%
Samara Ibis Hotel	703,3	99,9	604%
Samara Office	52,0	0,0	--
TRNC Merit Park Hotel	2.844,8	2.860,9	-1%
TOTAL	8.673,4	6.984,4	24%

Financial Outcomes



- Net Debt**

The net amount of debt decreased 4% from its level of TL289.9million in 2012, down to TL278.6million.

Total amount of debt reached TL347million in 2013; increasing 9% from its level of TL317.9million in 2012.

Net Debt (Million TL)	31-Mar-13	31-Dec-12	Change (%)
Turkey	165,5	191,5	-14%
TRNC	42,4	30,1	41%
Russia	70,7	68,4	3%
CONSOLIDATED	278,6	289,9	-4%

Net Debt (Thousand TL)	31-Mar-13	31-Dec-12	Change (%)
Less than 1 year	90,5	74,1	22%
1 – 2 years	43,0	53,4	-19%
2 – 3 years	37,3	37,1	1%
3 – 4 years	39,6	31,2	27%
4 – 5 years	41,6	33,3	25%
5 years and more	95,0	88,9	7%
TOTAL	347,0	317,9	9%
ANNUAL INTEREST RATE WEIGHTED AVERAG	5,68%	5,56%	0,12%

Financial Outcomes



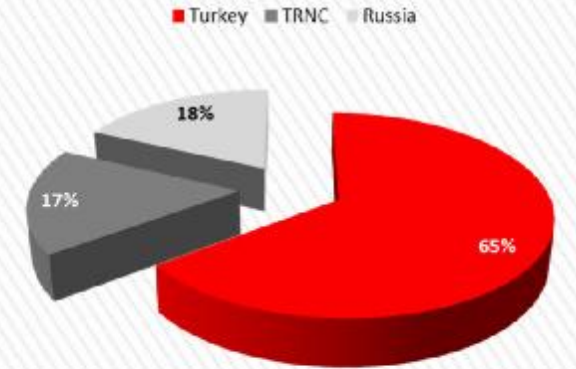
- Investment Properties**

Total amount of investment properties within the Company's portfolio reached TL1105.1 as of the end of the first quarter of 2013; increasing 1.4% from its level of TL1090.3million as of 2012 year-end.

Yatırım amaçlı Gayrimenkuller (milyon TL)	31.Mar.13	31.Ara.12	Değişim (%)
Faal olan yatırım amaçlı gayrimenkuller	874,2	872,9	0%
Yapılmakta olan yatırım amaçlı gayrimenkuller	231,0	217,5	6%
TOPLAM	1.105,1	1.090,3	1%

Investment Properties (Million TL)	31-Mar-13	31-Dec-12	Change (%)
Turkey	716,7	707,8	1%
TRNC	189,8	186,9	2%
Russia	198,7	195,6	2%
TOTAL	1.105,1	1.090,3	1%

March 31, 2013
Distribution of Properties by
Regions (%)



Financial Outcomes



Fair value of investment properties owned by the Company in Turkey and TRNC comprises the appraisement values as calculated on December 31, 2012 by TSKB Real Estate Appraisal Co. Inc., a real estate appraisal company registered with the CMB and listed among the CMB approved "Real Estate Appraisal Companies", and the expenses incurred as of this date until March 31, 2013, in connection with the existing real estates.

31 March 2013	
Name of Real Estate	Fair Value (Million TL)
Zeytinburnu Novotel ve Ibis Hotel	211,3
Merit Park Hotel	183,0
Karaköy Novotel Project	97,3
Trabzon Novotel	78,5
Kayseri Novotel ve Ibis Hotel	56,3
Gaziantep Novotel ve Ibis Hotel	52,1
Bursa Ibis Hotel	48,2
İzmir Ibis Hotel Project	49,2
Esenyurt Ibis Hotel	46,2
Adana Ibis Hotel	37,0
Ankara Esenboğa Ibis Hotel Project	24,4
Eskişehir Ibis Hotel and Fitness Center	16,2
Bafra Hotel Project	6,8

Fair value of investment properties owned by the Company in Russia comprises the values as calculated jointly by the Company Management and TSKB Real Estate Appraisal Co. Inc., a real estate appraisal company registered with the CMB and listed among the CMB approved "Real Estate Appraisal Companies", and the expenses incurred as of this date until March 31, 2013, in connection with the existing real estates.

31 March 2013	
Name of Real Estate	Fair Value (Million TL)
Yaroslavl Ibis Hotel	57,1
Samara Ibis Hotel	66,0
Samara Office	22,3
Kaliningrad Ibis Hotel Project	49,8
Moscow Hotel Project	3,4

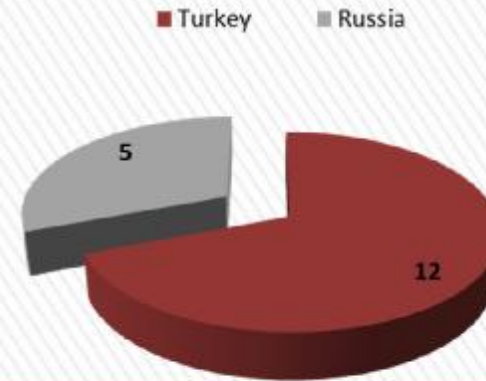
Financial Outcomes



- **Investments in Property**

As of March 31, 2013; a total investment expense of TL17million was made for properties included in the Company's portfolio.

March 31, 2013
Distribution of Investment in Property
by Regions (million TL)



As of March 31, 2013

TURKEY

Investment	Location	Number of Rooms	Status	Total investment Cost (Euro, VAT Included) *	Investment Completion (%) **	Physical Completion (%)	Estimated Date for Opening
Ibis Hotel İzmir	İzmir	140	Completed	7.700.000	100%	100%	2013
Novotel Karaköy	İstanbul	200	Under Construction	34.000.000	29%	7%	2014
Ibis Hotel Esenboğa Ankara	Ankara	147	Under Construction	10.000.000	29%	8%	2014

As of March 31, 2013

RUSSIA

Investment	Location	Number of Rooms	Status	Total investment Cost (Euro, VAT Included) *	Investment Completion (%) **	Physical Completion (%)	Estimated Date for Opening
Ibis Hotel Kaliningrad	Kaliningrad	167	Under Construction	15.000.000	95%	98%	2013

* Does not include financing cost for the construction period and general administration expenses attributable to the projects.

** Included advance payments made to the Contractors..

Financial Outcomes



- Net Asset Value**

The Company's net asset value reached a level of TL978million; increasing TL 3 million compared to 2012.

PORTFOLIO STATEMENT (mn TL)	31-Mar-13	31-Dec-12
Operational Hotels		
Zeytinburnu Novotel and Ibis Hotel	211,3	211,3
Eskişehir Ibis Hotel and Fitness Center	16,2	16,2
Trabzon Novotel	78,5	78,5
Kayseri Novotel and Ibis Hotel	56,3	56,2
Gaziantep Novotel and Ibis Hotel	52,1	52,1
Bursa Ibis Hotel	48,2	48,2
Esenyurt Ibis Hotel	46,2	46,1
Adana Ibis Hotel	37,0	37,0
Projects Under Construction		
İzmir Ibis Hotel Project	49,2	46,7
Ankara Esenboğa Ibis Hotel Project	24,4	23,3
Affiliates	528,0	527,1
Money and Capital Market Instruments	0,3	0,8
TOTAL PORTFOLIO VALUE	1.147,6	1.143,6
Other Assets and Receivables	33,6	31,7
Debts	203,2	200,3
NET ASSET VALUE	978,0	975,0



Information in the statement are non-consolidated, and therefore may not match information in consolidated statements.

Financial Outcomes



Dividend Distribution Policy

The Company makes its resolutions on dividend distribution by taking into account provisions of Turkish Commercial Code, Capital Markets Legislation, Regulations and Decisions of the Capital Markets Board, Tax Laws, other relevant legislations and the Company's Articles of Association.

Pursuant to the Board of Directors' decision of February 25, 2011, Akfen Real Estate Investment Trust Co. Inc. has adopted a dividend distribution policy based on the principle of "proposing to the General Assembly, distribution of minimum 30% of the distributable profit as of the accounting period of 2012, of by taking into account the Company's general profitability".

Dividend Distribution Policy is submitted to the information of shareholders, during the General Assembly meeting.

According to the consolidated financial statements for the accounting period of 01.01.2012-31.12.2012 which had been prepared pursuant to the Board of Directors' decision No:9 of April 25, 2013 in accordance with International Accounting Standards and International Financial Reporting Standards, the principles for presentation of which were determined as per the Capital Markets Board's relevant decisions, and which had been subject to independent auditing; after deduction of "tax expenses" from the profit for the period, a "Net Profit for the Period" of TL24,201,835.- has been achieved. However, in the non-consolidated financial statements which are prepared according to provisions of Tax Procedural Law and Turkish Commercial Code, the "Net Profit for the Period" is TL4,128,172.11; and when the amount of TL64,995,023.29 indicated in the non-consolidated balance sheet as "Losses for Previous Year" is deducted, no "Distributable Net Profit for the Period" is generated. It was decided to propose to the General Assembly, not to distribute any profit.

The Company's Dividend Distribution Policy is publicly disclosed on the Company's web site.



Social Responsibility Projects



- ❖ **As of March 31, 2013; total expenses incurred in connection with Social Responsibility Projects which the Company participated in, is TL19.118.**

ArkiPARC 2013

Our Company participated as the golden sponsor, in the 4th ArkiPARC 2013 event organized by Arkitera Architecture Center on April 10-11, 2013 at İstanbul Haliç Congress Center, with the main theme of "Real Estate on the 90th Anniversary of the Republic".

ArkiPARC is Turkey's first trade fair which draws attention to the issue of sustainability and elimination of greenhouse gases.

ArkiPARC is a series of meetings which aims to bring together the real estate sector under one roof. Within the scope of the event, organized under the main theme of "Real Estate on the 90th Anniversary of the Republic", national and international seminars and panel discussions are held, and persons and organizations who contribute to improvement of our physical environment are honored with the ArkiPARC Real Estate Award.

Annexes



- Amended Text of Articles of Association
- General Assembly Information Document
- Profit Distribution Statement

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