



AKFEN REAL ESTATE INVESTMENT TRUST

Monthly Investor Report

"MARCH 2015"

AKFEN REIT

March 2015

Hotel Performance Summary

- ▶ 16 Accor operated hotels, 13 of which are in Turkey and 3 in Russia for which we have variable lease agreements with Accor, rental income from these hotels increased by 5% in Euro terms for the first quarter of 2015 compared to the same period of 2014.
- ▶ Total rent revenue including the fixed rental income from Northern Cyprus Merit Park Hotel and Samara Office for the first quarter of 2015 increased by 4% in Euro terms compared to the same period of 2014.

Turkey - Ibis Hotels 2015 January - March / 2014 January - March Comparison

- ▶ 9 Operational Ibis Hotels in Turkey reported an overall ARR of €42 for the first quarter of 2015.
- ▶ Overall Occupancy ratio for 9 Ibis Hotels in Turkey is 64% for the first quarter of 2015.
- ▶ As a result, total rent revenue from these hotels increased by 4% in Euro terms.

Turkey - Novotels 2015 January - March / 2014 January - March Comparison

- ▶ 4 Operational Novotels in Turkey reported an overall ARR of €58 for the first quarter of 2015.
- ▶ Overall Occupancy ratio for 4 Novotels in Turkey is 65% for the first quarter of 2015.
- ▶ As a result, total rent revenue from these hotels decreased by 6% in Euro terms for the first quarter of 2015.

Turkey - Overall 2015 January - March / 2014 January - March Comparison

- ▶ Overall ARR of these 13 Hotels in Turkey is €47 for the first quarter of 2015.
- ▶ Overall Occupancy ratio for Turkey Hotels is %64 for the first quarter of 2015.
- ▶ As a result, total rent revenue from Turkey hotels actualized in the same level in Euro terms compared to the same period of 2014.

Russia - IBIS Hotels 2015 January - March / 2014 January - March Comparison

- ▶ 3 Ibis Hotels in Russia reported an overall ARR of €32 for the first quarter of 2015.
- ▶ Overall Occupancy ratio for 3 Ibis Hotels in Russia is 48% for the first quarter of 2015.
- ▶ As a result, total rent revenue from these hotels increased by 17% in Euro terms.

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OPERATING PERFORMANCE BY HOTEL FOR 2007-2015

		2007-2014 ANNUALLY								2014	2015	Change %
1481 rooms		2007	2008	2009	2010	2011	2012	2013	2014	Jan - Mar	Jan - Mar	
TOTAL TURKEY - IBIS	% Occ.Rate	68%	83%	73%	52%	61%	64%	64%	65%	64%	64%	-1%
	ARR excl VAT (Euro)	53	63	63	58	50	52	48	42	41	42	3%
	ARR excl VAT (TL)	93	119	134	115	117	121	122	121	124	117	-6%
	RevPar (Euro)	36.4	51.9	45.5	30.3	30.7	33.7	30.8	27.1	26.4	26.9	2%
	RevPar (TL)	63.6	98.0	97.3	60.3	71.6	77.6	77.7	78.8	80.3	74.6	-7%
	Total Revenue (Euro)	4,223,717	7,519,568	6,402,021	8,709,471	11,582,439	13,613,967	16,854,796	16,316,698	3,808,695	4,378,288	15%
	Total Revenue (TL)	7,389,756	14,200,454	13,695,295	17,326,371	26,973,407	31,366,097	42,558,114	47,383,383	11,567,811	12,134,913	5%
	All Inclusive RevPar (Euro)	45	61	52	36	36	40	37	33	32	33	4%
	All Inclusive RevPar (TL)	78	115	112	71	85	92	93	95	96	91	-6%
	GOP%					49%	46%	42%	41%	44%	38%	-6%
	Effective % of Rent / Revenue	23%	23%	23%	23%	31%	29%	29%	27%	28%	25%	-3%
	Akfen Rent Revenue (Euro)	967,218	1,731,305	1,477,445	2,030,808	3,539,438	3,988,328	4,870,524	4,370,565	1,050,789	1,096,070	4%
	Akfen Rent Revenue (TL)	1,701,832	3,272,243	3,164,121	4,040,074	8,244,538	9,193,184	12,285,274	12,705,184	3,192,467	3,039,757	-5%

		2007-2014 ANNUALLY								2014	2015	Change %
596 rooms		2007	2008	2009	2010	2011	2012	2013	2014	Jan - Mar	Jan - Mar	
TOTAL TURKEY - NOVOTEL	% Occ.Rate	56%	67%	60%	61%	69%	74%	74%	70%	62%	65%	3%
	ARR excl VAT (Euro)	83	84	69	64	66	70	70	68	62	58	-6%
	ARR excl VAT (TL)	147	160	147	126	154	160	177	198	187	161	-14%
	RevPar (Euro)	46.7	56.1	41.0	39.2	45.1	51.3	51.9	47.9	38.1	37.5	-1%
	RevPar (TL)	82.4	106.3	87.6	77.0	105.2	117.9	131.0	138.9	115.7	104.0	-10%
	Total Revenue (Euro)	4,261,771	7,380,437	8,756,032	12,390,708	14,302,758	16,094,673	16,383,843	14,834,979	2,964,538	2,942,580	-1%
	Total Revenue (TL)	7,521,380	13,974,089	18,725,858	24,321,384	33,327,388	37,004,335	41,240,011	43,041,563	9,006,368	8,160,279	-9%
	All Inclusive RevPar (Euro)	70	79	59	59	66	74	75	68	55	55	-1%
	All Inclusive RevPar (TL)	123	149	126	116	153	170	190	198	168	152	-9%
	GOP%					41%	42%	43%	42%	37%	29%	-8%
	Effective % of Rent / Revenue	22%	22%	27%	24%	25%	24%	26%	26%	23%	22%	-1%
	Akfen Rent Revenue (Euro)	945,590	1,631,696	2,360,554	2,947,335	3,590,179	3,888,289	4,248,507	3,802,592	689,722	649,858	-6%
	Akfen Rent Revenue (TL)	1,681,448	3,093,370	5,076,372	5,863,428	8,364,699	8,940,786	10,684,138	11,031,727	2,095,871	1,802,160	-14%

		2007-2014 ANNUALLY								2014	2015	Change %
2077 rooms		2007	2008	2009	2010	2011	2012	2013	2014	Jan - Mar	Jan - Mar	
TOTAL TURKEY - IBIS/NOVOTEL	% Occ.Rate	63%	64%	66%	52%	64%	68%	67%	67%	64%	64%	0%
	ARR excl VAT (Euro)	64	67	64	53	57	60	56	50	47	47	-1%
	ARR excl VAT (TL)	113	129	137	105	133	137	141	145	143	130	-10%
	RevPar (Euro)	40.7	43.1	42.0	27.5	36.6	40.6	37.6	33.4	30.0	29.9	0%
	RevPar (TL)	71.6	81.5	89.9	54.2	85.3	93.4	94.8	97.0	91.2	83.0	-9%
	Total Revenue (Euro)	8,485,488	14,900,005	15,158,053	21,100,179	25,885,197	29,708,640	33,238,639	31,151,677	6,773,233	7,320,868	8%
	Total Revenue (TL)	14,911,135	28,174,543	32,421,153	41,647,754	60,300,795	68,370,432	83,798,125	90,424,946	20,574,179	20,295,191	-1%
	All Inclusive RevPar (Euro)	53	55	56	39	48	53	49	43	39	39	0%
	All Inclusive RevPar (TL)	94	104	119	78	113	123	124	126	118	109	-8%
	GOP%					45%	44%	43%	41%	41%	35%	-6%
	Effective % of Rent / Revenue	23%	23%	25%	24%	28%	27%	27%	26%	26%	24%	-2%
	Akfen Rent Revenue (Euro)	1,912,807	3,363,001	3,837,999	4,978,143	7,129,617	7,876,617	9,119,031	8,173,157	1,740,511	1,745,927	0%
	Akfen Rent Revenue (TL)	3,383,280	6,365,612	8,240,493	9,903,502	16,609,237	18,133,969	22,969,412	23,736,911	5,288,338	4,841,917	-8%

		2007-2014 ANNUALLY								2014	2015	Change %
548 rooms		2007	2008	2009	2010	2011	2012	2013	2014	Jan - Mar	Jan - Mar	
TOTAL RUSSIA - IBIS	% Occ.Rate					36%	59%	58%	53%	46%	48%	1%
	ARR excl VAT (Euro)					46	51	53	46	49	32	-36%
	ARR excl VAT (TL)					110	117	136	135	149	88	-41%
	RevPar (Euro)					16.7	29.7	30.9	24.5	22.8	15.0	-34%
	RevPar (TL)					39.6	68.3	78.4	71.3	69.2	41.7	-40%
	Total Revenue (Euro)					474,235	5,220,354	6,734,014	6,746,038	1,544,138	1,041,056	-33%
	Total Revenue (TL)					1,125,027	11,989,021	17,104,003	19,600,608	4,688,565	2,887,353	-38%
	All Inclusive RevPar (Euro)					23	41	42	34	31	21	-33%
	All Inclusive RevPar (TL)					54	94	107	98	95	59	-38%
	GOP%					2%	41%	43%	39%	35%	30%	-4%
	Effective % of Rent / Revenue					0%	25%	30%	44%	48%	83%	35%
	Akfen Rent Revenue (Euro)					0	1,299,960	1,996,248	2,993,934	740,881	866,597	17%
	Akfen Rent Revenue (TL)					0	2,981,781	5,131,169	8,700,836	2,249,656	2,400,198	7%

		2007-2014 ANNUALLY								2014	2015	Change %
2625 rooms		2007	2008	2009	2010	2011	2012	2013	2014	Jan - Mar	Jan - Mar	
GRAND TOTAL - TURKEY & RUSSIA	% Occ.Rate	63%	64%	66%	52%	63%	66%	65%	64%	60%	61%	1%
	ARR excl VAT (Euro)	64	67	64	53	57	58	56	49	47	44	-7%
	ARR excl VAT (TL)	113	129	137	105	133	134	140	144	144	123	-15%
	RevPar (Euro)	40.7	43.1	42.0	27.5	36.6	38.6	36.3	31.5	28.4	26.8	-6%
	RevPar (TL)	71.6	81.5	89.9	54.2	85.3	88.7	91.6	91.4	86.4	74.4	-14%
	Total Revenue (Euro)	8,485,488	14,900,005	15,158,053	21,100,179	26,359,431	34,928,994	39,972,653	37,897,715	8,317,371	8,361,924	1%
	Total Revenue (TL)	14,911,135	28,174,543	32,421,153	41,647,754	61,425,822	80,359,453	100,902,128	110,025,554	25,262,744	23,182,544	-8%
	All Inclusive RevPar (Euro)	53	55	56	39	47	51	48	41	37	35	-5%
	All Inclusive RevPar (TL)	94	104	119	78	113	117	121	120	113	98	-13%
	GOP%					44%	43%	43%	41%	40%	34%	-6%
	Effective % of Rent / Revenue	23%	23%	25%	24%	27%	26%	28%	29%	30%	31%	1%
	Akfen Rent Revenue (Euro)	1,912,807	3,363,001	3,837,999	4,978,143	7,129,617	9,176,577	11,115,279	11,167,091	2,481,392	2,612,524	5%
	Akfen Rent Revenue (TL)	3,383,280	6,365,612	8,240,493	9,903,502	16,609,237	21,115,750	28,100,581	32,437,747	7,537,995	7,242,114	-4%

299 rooms		2007	2008	2009	2010	2011	2012	2013	2014	2014	2015	Change %
Merit Park Hotel/Casino Rent Rev. (EU)		1,500,000	4,581,244	4,386,159	4,259,840	4,709,840	4,475,180	4,750,000	4,750,000	1,187,500	1,187,500	0%
Merit Park Hotel / Casino Rent Rev. (TL)		2,667,300	8,602,631	9,444,952	8,567,482	11,011,714	10,294,900	11,997,391	13,818,700	3,534,831	3,368,344	-5%

Samara Office Rent Rev. (EURO)							378,782	621,792	99,246	131,778	33%
Samara Office Rent Rev. (TL)							970,036	1,803,427	303,421	367,920	21%

	843 rooms	1,043 rooms	1,043 rooms	1,768 rooms	1,945 rooms	2,314 rooms	2,777 rooms	2,924 rooms	2,777 rooms	2,911 rooms	
GRAND TOTAL (EURO)	3,412,807	7,944,245	8,224,158	9,237,983	11,839,457	13,651,757	16,244,061	16,538,883	3,768,138	3,931,802	4%
GRAND TOTAL (TL)	6,050,580	14,968,243	17,685,445	18,470,985	27,620,951	31,410,650	41,068,008	48,059,873	11,376,247	10,978,379	-3%

AKFEN REIT

INVESTMENTS UNDER PROGRESS

As of 31 March 2015

TURKEY

Investment	Location	Number of Rooms	Status	Total Investment Cost (Euro, including VAT)	Investment Completion (%) *	Physical Completion (%)	Expected Hotel Opening Date
Novotel Karaköy	İstanbul	200	Under Construction	34,000,000	75%	72%	2015
Ibis Hotel Tuzla	Tuzla	200	Under Planning	15,000,000	45%	4%	2016

As of 31 March 2015

RUSYA

Investment	Location	Number of Rooms	Status	Total Investment Cost (Euro, including VAT)	Investment Completion (%) *	Physical Completion (%)	Expected Hotel Opening Date
Ibis Hotel Moscow	Moscow	317	Under Construction	33,500,000	97%	99%	2015

* 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

- On February 19, 2015 between our Company and Credit Europe Bank N.V ("Bank"), the loan agreement in amount of Euro 116.000.000 with 10 year maturity having 2 year grace period has been signed for refinancing of our Company's current loans and financing the investments of ongoing projects. The loan was used on March 18,2015 and refinancing has been completed for Akfen REIT.
- 1) Discussions with the bank for providing loans with the same conditions to refinance of our Company's subsidiaries' current loans and finance the investments of ongoing projects are still continuing.
- 2) Construction licence for Ibis Hotel Tuzla project having 200 rooms which is to be constructed on Akfen REIT's land in İstanbul, Tuzla, Aydıntepe disctrict was obtained on 2 March 2015.
- 3) Site delivery protocol between our Company and Akfen İnşaat Turizm ve Ticaret A.Ş. (Akfen İnşaat), subsidiary of Akfen Holding – shareholder of Akfen REIT in percentage of 51,72-,has been signed to start for the construction related to Ibis Otel having 200 rooms located in İstanbul, Tuzla, Aydıntepe district. Related work's commitment value is approximately Euro 7.840.000 + VAT and work period is 14 months.