



AKFEN REAL ESTATE INVESTMENT TRUST

Monthly Investor Report

"JANUARY 2017"

AKFEN REIT

Jan-17

Hotel Performance Summary

- ▶ 18 Accor operated hotels, 14 of which are in Turkey and 4 in Russia for which we have variable lease agreements with Accor, rental income from these hotels decreased by 29% in Euro terms and decreased 14% in TL terms for the first month of 2017 compared to the same period of 2016.
- ▶ Total rent revenue including the fixed rental income from Northern Cyprus Merit Park Hotel and Samara Office for the first month of 2017 decreased by 18% in Euro terms and 3% in TL terms compared to the same period of 2016.

Turkey - Ibis Hotels

January 2017 / January 2016 Comparison

- ▶ 9 Operational Ibis Hotels in Turkey reported an overall ARR of €29 for the first month of 2017.
- ▶ Overall Occupancy ratio for 9 Ibis Hotels in Turkey is 56% for the first month of 2017.
- ▶ As a result, total rent revenue from these hotels decreased by 25% in Euro terms and 9% in TL terms for the first month of 2017.

Turkey - Novotels

January 2017 / January 2016 Comparison

- ▶ 5 Operational Novotels in Turkey reported an overall ARR of €36 for the first month of 2017.
- ▶ Overall Occupancy ratio for 5 Novotels in Turkey is 45% for the first month of 2017.
- ▶ As a result, total rent revenue from these hotels decreased by 4% in Euro terms and increased 18% in TL terms for the first month of 2017.

Turkey - Overall

January 2017 / January 2016 Comparison

- ▶ Overall ARR of these 14 Hotels in Turkey is €31 for the first month of 2017.
- ▶ Overall Occupancy ratio for Turkey Hotels is %52 for the first month of 2017.
- ▶ As a result, total rent revenue from Turkey hotels decreased by 18% in Euro terms and stayed at the same level in TL terms for the first month of 2017.

Russia - IBIS Hotels

January 2017 / January 2016 Comparison

- ▶ 4 Ibis Hotels in Russia reported an overall ARR of €14 for the first month of 2017.
- ▶ Overall Occupancy ratio for 4 Ibis Hotels in Russia is 45% for the first month of 2017.
- ▶ As a result, total rent revenue from these hotels decreased by 44% in Euro terms and 32% in TL terms for the first month of 2017.

AKFEN REIT - OPERATING PERFORMANCE BY HOTEL FOR 2007-2017

		2007-2016 ANNUALLY										2016	2017	Change %		
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	January	January			
TOTAL TURKEY - IBIS	1,481 rooms															
	% Occ.Rate	68%	83%	73%	52%	61%	64%	64%	65%	66%	61%	63%	56%	-7%		
	ARR excl VAT (Euro)	53	63	63	58	50	52	48	42	39	34	34	29	-17%		
	ARR excl VAT (TL)	93	119	134	115	117	121	122	121	118	112	112	114	1%		
	RevPar (Euro)	36.4	51.9	45.5	30.3	30.7	33.7	30.8	27.1	25.9	20.6	21.8	16.1	-26%		
	RevPar (TL)	63.6	98.0	97.3	60.3	71.6	77.6	77.7	78.8	77.8	68.7	71.0	63.9	-10%		
	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	17,023,423	13,605,472	1,237,189	923,546	-25%		
	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	51,201,078	45,293,862	4,030,391	3,667,680	-9%		
	All Inclusive RevPar (Euro)	45	61	52	36	36	40	37	33	31	25	27	20	-25%		
	All Inclusive RevPar (TL)	78	115	112	71	85	92	93	95	95	84	88	80	-9%		
	GOP%					49%	46%	42%	41%	39%	34%	36%	34%	-1%		
	Effective % of Rent / Revenue	23%	23%	23%	23%	31%	29%	29%	27%	26%	26%	26%	26%	0%		
	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	4,454,002	3,496,814	327,179	244,585	-25%		
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	13,414,729	11,635,771	1,065,851	971,320	-9%			

		2007-2016 ANNUALLY										2016	2017	Change %		
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	January	January			
TOTAL TURKEY - NOVOTEL	796 rooms															
	% Occ.Rate	56%	67%	60%	61%	69%	74%	74%	70%	69%	56%	60%	45%	-15%		
	ARR excl VAT (Euro)	83	84	69	64	66	70	70	68	64	51	43	36	-15%		
	ARR excl VAT (TL)	147	160	147	126	154	160	177	198	194	169	140	145	3%		
	RevPar (Euro)	46.7	56.1	41.0	39.2	45.1	51.3	51.9	47.9	44.4	28.2	25.6	16.4	-36%		
	RevPar (TL)	82.4	106.3	87.6	77.0	105.2	117.9	131.0	138.9	133.8	93.8	83.4	65.3	-22%		
	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	13,650,830	11,617,288	700,807	644,823	-8%		
	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	41,234,631	38,644,938	2,283,017	2,560,786	12%		
	All Inclusive RevPar (Euro)	70	79	59	59	66	74	75	68	63	41	38	26	-31%		
	All Inclusive RevPar (TL)	123	149	126	116	153	170	190	198	189	137	124	104	-16%		
	GOP%					41%	42%	43%	42%	41%	24%	16%	15%	-2%		
	Effective % of Rent / Revenue	22%	22%	27%	24%	25%	24%	26%	26%	25%	24%	22%	23%	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	3,472,105	2,969,600	155,061	149,585	-4%		
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	10,565,880	9,858,422	505,141	594,048	18%			

		2007-2016 ANNUALLY										2016	2017	Change %		
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	January	January			
TOTAL TURKEY - IBIS&NOVOTEL	2,277 rooms															
	% Occ.Rate	63%	64%	66%	52%	64%	68%	67%	67%	67%	59%	62%	52%	-10%		
	ARR excl VAT (Euro)	64	67	64	53	57	60	56	50	47	39	37	31	-16%		
	ARR excl VAT (TL)	113	129	137	105	133	137	141	145	141	130	120	123	3%		
	RevPar (Euro)	40.7	43.1	42.0	27.5	36.6	40.6	37.6	33.4	31.2	23.2	22.9	16.2	-29%		
	RevPar (TL)	71.6	81.5	89.9	54.2	85.3	93.4	94.8	97.0	93.9	77.3	74.6	64.4	-14%		
	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	30,674,253	25,222,760	1,937,996	1,568,369	-19%		
	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	92,435,710	83,938,801	6,313,408	6,228,466	-1%		
	All Inclusive RevPar (Euro)	53	55	56	39	48	53	49	43	40	31	30	22	-26%		
	All Inclusive RevPar (TL)	94	104	119	78	113	123	124	126	122	102	98	88	-10%		
	GOP%					45%	44%	43%	41%	40%	29%	29%	26%	-2%		
	Effective % of Rent / Revenue	23%	23%	25%	24%	28%	27%	27%	26%	26%	26%	25%	25%	0%		
	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	7,926,107	6,466,415	482,240	394,170	-18%		
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	23,980,609	21,494,193	1,570,992	1,565,369	0%			

		2007-2016 ANNUALLY										2016	2017	Change %
865 rooms		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	January	January	
TOTAL RUSSIA - IBIS	% Occ.Rate					36%	59%	58%	53%	52%	58%	43%	45%	2%
	ARR excl VAT (Euro)					46	51	53	46	36	37	30	44	46%
	ARR excl VAT (TL)					110	117	136	135	111	123	98	173	78%
	RevPar (Euro)					16.7	29.7	30.9	24.5	18.9	21.4	12.8	19.5	52%
	RevPar (TL)					39.6	68.3	78.4	71.3	58.0	71.8	41.7	77.3	85%
	Total Revenue (Euro)					474,235	5,220,354	6,734,014	6,746,038	6,552,993	9,396,668	461,272	714,055	55%
	Total Revenue (TL)					1,125,027	11,989,021	17,104,003	19,600,608	20,057,044	31,442,477	1,502,685	2,835,727	89%
	All Inclusive RevPar (Euro)					23	41	42	34	26	30	17	27	55%
	All Inclusive RevPar (TL)					54	94	107	98	79	99	56	106	89%
	GOP%					2%	41%	43%	39%	36%	40%	20%	27%	7%
	Effective % of Rent / Revenue					0%	25%	30%	44%	59%	54%	78%	28%	-50%
	Akfen Rent Revenue (Euro)					0	1,299,960	1,996,248	2,993,934	3,878,550	5,085,362	359,825	199,898	-44%
Akfen Rent Revenue (TL)					0	2,981,781	5,131,169	8,700,836	13,527,608	16,200,326	1,171,838	794,786	-32%	

		2007-2016 ANNUALLY										2016	2017	Change %
3,142 rooms		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	January	January	
GRAND TOTAL - TURKEY & RUSSIA	% Occ.Rate	63%	64%	66%	52%	63%	66%	65%	64%	63%	59%	56%	50%	-6%
	ARR excl VAT (Euro)	64	67	64	53	57	58	56	49	45	38	35	34	-3%
	ARR excl VAT (TL)	113	129	137	105	133	134	140	144	135	128	115	135	18%
	RevPar (Euro)	40.7	43.1	42.0	27.5	36.6	38.6	36.3	31.5	28.1	22.7	19.9	17.1	-14%
	RevPar (TL)	71.6	81.5	89.9	54.2	85.3	88.7	91.6	91.4	84.9	75.8	64.9	67.9	5%
	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	37,227,246	34,619,428	2,399,267	2,282,425	-5%
	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	112,492,754	115,381,278	7,816,093	9,064,193	16%
	All Inclusive RevPar (Euro)	53	55	56	39	47	51	48	41	37	30	26	23	-11%
	All Inclusive RevPar (TL)	94	104	119	78	117	117	120	111	101	86	86	93	9%
	GOP%					44%	43%	43%	41%	39%	32%	27%	26%	0%
	Effective % of Rent / Revenue	23%	23%	25%	24%	27%	26%	28%	29%	32%	33%	35%	26%	-9%
	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	11,804,657	11,551,777	842,064	594,068	-29%
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	37,508,217	37,694,519	2,742,830	2,360,155	-14%	

286 rooms		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2016	2017	Change %
Merit Park Hotel/Casino Rent Rev. (EURO)		1,500,000	4,581,244	4,386,159	4,259,840	4,709,840	4,475,180	4,750,000	4,750,000	4,750,000	4,750,000	395,833	395,833	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	13,818,700	15,655,563	1,318,402	1,475,588	12%

Samara Office Rent Rev. (EURO)								378,782	621,792	621,792	527,667	38,327	50,268	31%
Samara Office Rent Rev. (TL)								970,036	1,803,427	1,803,427	1,682,642	121,812	207,944	71%

	843 rooms	1,043 rooms	1,043 rooms	1,768 rooms	1,945 rooms	2,314 rooms	2,777 rooms	2,911 rooms	3,228 rooms	3,428 rooms	3,428 rooms	3,428 rooms	3,428 rooms	Change %
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	16,538,883	16,829,445	1,276,224	1,040,169	-18%	
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	48,059,873	55,032,724	4,183,044	4,043,686	-3%	

AKFEN REIT
INVESTMENTS UNDER PROGRESS

As of 31 January 2017

TURKEY

Investment	Location	Number of Rooms	Status	Total Investment Cost (Euro, including VAT)	Investment Completion (%) *	Physical Completion (%)	Expected Hotel Opening Date
Ibis Hotel Tuzla	Tuzla	200	Completed	17,300,000	100%	100%	2017

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

** Including advances paid to the contractor.