

28.3.2017

Material Disclosure

In the Material Disclosure of our Company dated 21st of March 2017, the followings have been declared; it has been unanimously decided to transfer all shares of Hotel Development and Investment (HDI) B.V. that our Company owns 100% of the shares to one of our subsidiaries, Akfen Gayrimenkul Ticareti ve İnşaat A.Ş., in order to simplify the organization and management structure of our company and of our subsidiaries, besides decreasing the related costs, and with this transaction, our Company's all Russia operations will be under the roof of the same company.

The said transfer transaction was completed on 27th of March 2017, and realized in-group between the two subsidiaries that whole shares of each belong to the Company. Our company (indirectly through Akfen Gayrimenkul Ticareti ve İnşaat A.Ş.) will continue to own HDI's full capital. Except for consultancy and valuation costs, notary, registry and similar usual expenses related to this transaction, there was no outflow of assets out of the group and no change in the Company's consolidated assets has occurred.

The transfer transaction has been realized from the amount equals to 16,036,630 Euros, which is the value given in the valuation report of Türkiye Sınai ve Kalkınma Bankası (TKSB; Turkish Industrial and Development Bank) which was attached to our abovementioned disclosure, and in accordance with Article 9 of the Capital Markets Board's Communiqué on Corporate Governance No. II-17.1 entitled "Transactions to be fulfilled with related parties". The transfer amount will be paid in 10 years and an arm's length interest rate will be applied to the remaining balance.