



*AKFEN REAL ESTATE INVESTMENT TRUST*

*Monthly Investor Report*

*"SEPTEMBER 2015"*

# **AKFEN REIT**

*September 2015*

## **Hotel Performance Summary**

- ▶ 17 Accor operated hotels, 13 of which are in Turkey and 4 in Russia for which we have variable lease agreements with Accor, rental income from these hotels increased by 4% in Euro terms for the first 9 months 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 9 months of 2015 increased by 2% in Euro terms compared to the same period of 2014.

### **Turkey - Ibis Hotels**      2015 January - September / 2014 January - September Comparison

- ▶ 9 Operational Ibis Hotels in Turkey reported an overall ARR of €40 for the first 9 months of 2015.
- ▶ Overall Occupancy ratio for 9 Ibis Hotels in Turkey is 66% for the first 9 months of 2015.
- ▶ As a result, total rent revenue from these hotels increased by 2% in Euro terms.

### **Turkey - Novotels**      2015 January - September / 2014 January - September Comparison

- ▶ 4 Operational Novotels in Turkey reported an overall ARR of €68 for the first 9 months of 2015.
- ▶ Overall Occupancy ratio for 4 Novotels in Turkey is 72% for the first 9 months of 2015.
- ▶ As a result, total rent revenue from these hotels decreased by 7% in Euro terms for the first 9 months of 2015.

### **Turkey - Overall**      2015 January - September / 2014 January - September Comparison

- ▶ Overall ARR of these 13 Hotels in Turkey is €49 for the first 9 months of 2015.
- ▶ Overall Occupancy ratio for Turkey Hotels is %67 for the first 9 months of 2015.
- ▶ As a result, total rent revenue from Turkey hotels decreased by 2% in Euro terms for the first 9 months of 2015.

### **Russia - IBIS Hotels**      2015 January - September / 2014 January - September Comparison

- ▶ 4 Ibis Hotels in Russia reported an overall ARR of €36 for the first 9 months of 2015.
- ▶ Overall Occupancy ratio for 4 Ibis Hotels in Russia is 52% for the first 9 months of 2015.
- ▶ As a result, total rent revenue from these hotels increased by 22% in Euro terms.

AKFEN REIT

OPERATING PERFORMANCE BY HOTEL FOR 2007-2015

		2007-2014 ANNUALLY								2014	2015	Change %
1481 rooms		2007	2008	2009	2010	2011	2012	2013	2014	Jan - Sep	Jan - Sep	
<b>TOTAL TURKEY - IBIS</b>	% Occ.Rate	68%	83%	73%	52%	61%	64%	64%	65%	67%	66%	-1%
	ARR excl VAT (Euro)	53	63	63	58	50	52	48	42	42	40	-4%
	ARR excl VAT (TL)	93	119	134	115	117	121	122	121	123	119	-3%
	RevPar (Euro)	36.4	51.9	45.5	30.3	30.7	33.7	30.8	27.1	28.1	26.5	-6%
	RevPar (TL)	63.6	98.0	97.3	60.3	71.6	77.6	77.7	78.8	82.4	78.1	-5%
	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	12,268,190	13,041,026	6%
	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	35,943,290	38,502,057	7%
	All Inclusive RevPar (Euro)	45	61	52	36	36	40	37	33	34	32	-4%
	All Inclusive RevPar (TL)	78	115	112	71	85	92	93	95	99	95	-4%
	GOP%					49%	46%	42%	41%	43%	39%	-4%
	Effective % of Rent / Revenue	23%	23%	23%	23%	31%	29%	29%	27%	28%	26%	-1%
	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	3,380,494	3,434,587	2%
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	9,905,889	10,162,445	3%	

		2007-2014 ANNUALLY								2014	2015	Change %
596 rooms		2007	2008	2009	2010	2011	2012	2013	2014	Jan - Sep	Jan - Sep	
<b>TOTAL TURKEY - NOVOTEL</b>	% Occ.Rate	56%	67%	60%	61%	69%	74%	74%	70%	73%	72%	-1%
	ARR excl VAT (Euro)	83	84	69	64	66	70	70	68	70	68	-3%
	ARR excl VAT (TL)	147	160	147	126	154	160	177	198	205	202	-2%
	RevPar (Euro)	46.7	56.1	41.0	39.2	45.1	51.3	51.9	47.9	51.1	48.8	-4%
	RevPar (TL)	82.4	106.3	87.6	77.0	105.2	117.9	131.0	138.9	149.6	144.9	-3%
	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	11,780,518	11,122,460	-6%
	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	34,397,160	33,174,890	-4%
	All Inclusive RevPar (Euro)	70	79	59	59	66	74	75	68	72	68	-6%
	All Inclusive RevPar (TL)	123	149	126	116	153	170	190	198	212	203	-4%
	GOP%					41%	42%	43%	42%	45%	43%	-2%
	Effective % of Rent / Revenue	22%	22%	27%	24%	25%	24%	26%	26%	27%	27%	0%
	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	3,199,372	2,983,753	-7%
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	9,319,984	9,005,163	-3%	

		2007-2014 ANNUALLY								2014	2015	Change %
2077 rooms		2007	2008	2009	2010	2011	2012	2013	2014	Jan - Sep	Jan - Sep	
<b>TOTAL TURKEY - IBIS&amp;NOVOTEL</b>	% Occ.Rate	63%	64%	66%	52%	64%	68%	67%	67%	69%	67%	-1%
	ARR excl VAT (Euro)	64	67	64	53	57	60	56	50	51	49	-5%
	ARR excl VAT (TL)	113	129	137	105	133	137	141	145	150	145	-3%
	RevPar (Euro)	40.7	43.1	42.0	27.5	36.6	40.6	37.6	33.4	35.2	32.9	-7%
	RevPar (TL)	71.6	81.5	89.9	54.2	85.3	93.4	94.8	97.0	103.0	97.6	-5%
	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	24,048,708	24,163,486	0%
	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	70,340,450	71,676,946	2%
	All Inclusive RevPar (Euro)	53	55	56	39	48	53	49	43	46	43	-7%
	All Inclusive RevPar (TL)	94	104	119	78	113	123	124	126	134	126	-5%
	GOP%					45%	44%	43%	41%	44%	41%	-3%
	Effective % of Rent / Revenue	23%	23%	25%	24%	28%	27%	27%	26%	27%	27%	-1%
	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	6,579,865	6,418,340	-2%
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	19,225,873	19,167,608	0%	

		2007-2014 ANNUALLY								2014	2015	Change %
865 rooms		2007	2008	2009	2010	2011	2012	2013	2014	Jan - Sep	Jan - Sep	
TOTAL RUSSIA - IBIS	% Occ.Rate					36%	59%	58%	53%	53%	52%	-1%
	ARR excl VAT (Euro)					46	51	53	46	49	36	-26%
	ARR excl VAT (TL)					110	117	136	135	142	108	-24%
	RevPar (Euro)					16.7	29.7	30.9	24.5	26.0	18.8	-28%
	RevPar (TL)					39.6	68.3	78.4	71.3	76.1	56.3	-26%
	Total Revenue (Euro)					474,235	5,220,354	6,734,014	6,746,038	5,302,934	4,444,306	-16%
	Total Revenue (TL)					1,125,027	11,989,021	17,104,003	19,600,608	15,520,129	13,330,619	-14%
	All Inclusive RevPar (Euro)					23	41	42	34	35	26	-28%
	All Inclusive RevPar (TL)					54	94	107	98	104	77	-26%
	GOP%					2%	41%	43%	39%	40%	36%	-3%
	Effective % of Rent / Revenue					0%	25%	30%	44%	42%	62%	19%
	Akfen Rent Revenue (Euro)					0	1,299,960	1,996,248	2,993,934	2,245,611	2,741,744	22%
	Akfen Rent Revenue (TL)					0	2,981,781	5,131,169	8,700,836	6,585,865	9,122,937	39%

		2007-2014 ANNUALLY								2014	2015	Change %
2942 rooms		2007	2008	2009	2010	2011	2012	2013	2014	Jan - Sep	Jan - Sep	
GRAND TOTAL - TURKEY & RUSSIA	% Occ.Rate	63%	64%	66%	52%	63%	66%	65%	64%	65%	64%	-2%
	ARR excl VAT (Euro)	64	67	64	53	57	58	56	49	51	46	-9%
	ARR excl VAT (TL)	113	129	137	105	133	134	140	144	148	138	-7%
	RevPar (Euro)	40.7	43.1	42.0	27.5	36.6	38.6	36.3	31.5	33.2	29.6	-11%
	RevPar (TL)	71.6	81.5	89.9	54.2	85.3	88.7	91.6	91.4	97.1	87.9	-9%
	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	29,351,641	28,607,792	-3%
	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	85,860,579	85,007,565	-1%
	All Inclusive RevPar (Euro)	53	55	56	39	47	51	48	41	43	39	-11%
	All Inclusive RevPar (TL)	94	104	119	78	113	117	121	120	127	115	-10%
	GOP%					44%	43%	43%	41%	43%	40%	-3%
	Effective % of Rent / Revenue	23%	23%	25%	24%	27%	26%	28%	29%	30%	32%	2%
	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	8,825,853	9,160,084	4%
	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	25,811,737	28,290,545	10%

286 rooms		2007	2008	2009	2010	2011	2012	2013	2014	2014	2015	Change %
Merit Park Hotel/Casino Rent Rev. (E)		1,500,000	4,581,244	4,386,159	4,259,840	4,709,840	4,475,180	4,750,000	4,750,000	3,562,500	3,562,500	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	10,428,981	10,276,585	-1%

Samara Office Rent Rev. (EURO)							378,782	621,792	471,453	416,755	-12%
Samara Office Rent Rev. (TL)							970,036	1,803,427	1,372,767	1,205,353	-12%

	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	3,228 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	12,859,807	13,139,339	2%
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	37,613,486	39,772,483	6%

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## INVESTMENTS UNDER PROGRESS

As of 30 September 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	35,350,000	94%	91%	2015
Ibis Hotel Tuzla	Tuzla	200	Under Construction	17,200,000	65%	49%	2016

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

\*\* Including advances paid to the contractor.