



AKFEN REAL ESTATE INVESTMENT TRUST

Monthly Investor Report

"SEPTEMBER 2016"

AKFEN REIT

Sep-16

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 2% in Euro terms, increased by 1% in TL terms for the first 9 months of 2016 compared to the same period of 2015.

▶ Total rent revenue including the fixed rental income from Northern Cyprus Merit Park Hotel and Samara Office for the first 9 months of 2016 decreased by 2% in Euro terms, increased by 4% in TL terms compared to the same period of 2015.

Turkey - Ibis Hotels

2016 September / 2015 September Comparison

▶ 9 Operational Ibis Hotels in Turkey reported an overall ARR of €34 for the first 9 months of 2016.

▶ Overall Occupancy ratio for 9 Ibis Hotels in Turkey is 62% for the first 9 months of 2016.

▶ As a result, total rent revenue from these hotels decreased by 21% in Euro terms, decreased by 13% in TL terms.

Turkey - Novotels

2016 September / 2015 September Comparison

▶ 5 Operational Novotels in Turkey reported an overall ARR of €3 for the first 9 months of 2016.

▶ Overall Occupancy ratio for 5 Novotels in Turkey is 58% for the first 9 months of 2016.

▶ As a result, total rent revenue from these hotels decreased by 17% in Euro terms, decreased by 10% in TL terms for the first 9 months of 2016.

Turkey - Overall

2016 September / 2015 September Comparison

▶ Overall ARR of these 14 Hotels in Turkey is €40 for the first 9 months of 2016.

▶ Overall Occupancy ratio for Turkey Hotels is %60 for the first 9 months of 2016.

▶ As a result, total rent revenue from Turkey hotels decreased by 19% in Euro terms, decreased by 12% in TL terms for the first 9 months of 2016.

Russia - IBIS Hotels

2016 September / 2015 September Comparison

▶ 4 Ibis Hotels in Russia reported an overall ARR of €35 for the first 9 months of 2016.

▶ Overall Occupancy ratio for 4 Ibis Hotels in Russia is 59% for the first 9 months of 2016.

▶ As a result, total rent revenue from these hotels increased by 38% in Euro terms, increased by 28% in TL terms.

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OPERATING PERFORMANCE BY HOTEL FOR 2007-2016

		2007-2015 ANNUALLY									2015	2016	Change %
1,481 rooms		2007	2008	2009	2010	2011	2012	2013	2014	2015	Jan - Sep	Jan - Sep	
TOTAL TURKEY - IBIS	% Occ.Rate	68%	83%	73%	52%	61%	64%	64%	65%	66%	66%	62%	-4%
	ARR excl VAT (Euro)	53	63	63	58	50	52	48	42	39	40	34	-15%
	ARR excl VAT (TL)	93	119	134	115	117	121	122	121	118	119	112	-6%
	RevPar (Euro)	36.4	51.9	45.5	30.3	30.7	33.7	30.8	27.1	26.5	21.1	26.5	-20%
	RevPar (TL)	63.6	98.0	97.3	60.3	71.6	77.6	77.7	78.8	77.8	78.1	69.0	-12%
	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	13,041,026	10,432,073	-20%
	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	38,502,057	34,090,700	-11%
	All Inclusive RevPar (Euro)	45	61	52	36	36	40	37	33	31	32	26	-20%
	All Inclusive RevPar (TL)	78	115	112	71	85	92	93	95	95	84	84	-12%
	GOP%					49%	46%	42%	41%	39%	39%	34%	-5%
	Effective % of Rent / Revenue	23%	23%	23%	23%	31%	29%	29%	27%	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	3,434,587	2,698,732	-21%
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	10,162,445	8,819,672	-13%	

		2007-2015 ANNUALLY									2015	2016	Change %
796 rooms		2007	2008	2009	2010	2011	2012	2013	2014	2015	Jan - Sep	Jan - Sep	
TOTAL TURKEY - NOVOTEL	% Occ.Rate	56%	67%	60%	61%	69%	74%	74%	70%	69%	72%	58%	-14%
	ARR excl VAT (Euro)	83	84	69	64	66	70	70	68	64	68	53	-22%
	ARR excl VAT (TL)	147	160	147	126	154	160	177	198	194	202	174	-14%
	RevPar (Euro)	46.7	56.1	41.0	39.2	45.1	51.3	51.9	47.9	44.4	48.8	30.8	-37%
	RevPar (TL)	82.4	106.3	87.6	77.0	105.2	117.9	131.0	138.9	133.8	144.9	100.9	-30%
	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	11,122,460	9,239,432	-17%
	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	33,174,890	30,269,105	-9%
	All Inclusive RevPar (Euro)	70	79	59	59	66	74	75	68	63	68	44	-35%
	All Inclusive RevPar (TL)	123	149	126	116	153	170	190	198	189	203	145	-29%
	GOP%					41%	42%	43%	42%	41%	43%	25%	-17%
	Effective % of Rent / Revenue	22%	22%	27%	24%	25%	24%	26%	26%	25%	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	3,472,105	2,983,753	2,468,840	-17%
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	9,005,163	8,100,621	-10%	

		2007-2015 ANNUALLY									2015	2016	Change %
2,277 rooms		2007	2008	2009	2010	2011	2012	2013	2014	2015	Jan - Sep	Jan - Sep	
TOTAL TURKEY - IBIS&NOVOTEL	% Occ.Rate	63%	64%	66%	52%	64%	68%	67%	67%	67%	67%	60%	-7%
	ARR excl VAT (Euro)	64	67	64	53	57	60	56	50	47	49	40	-17%
	ARR excl VAT (TL)	113	129	137	105	133	137	141	145	141	145	132	-8%
	RevPar (Euro)	40.7	43.1	42.0	27.5	36.6	40.6	37.6	33.4	31.2	32.9	24.4	-26%
	RevPar (TL)	71.6	81.5	89.9	54.2	85.3	93.4	94.8	97.0	93.9	97.6	79.9	-18%
	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	24,163,486	19,671,506	-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	71,676,946	64,359,805	-10%
	All Inclusive RevPar (Euro)	53	55	56	39	48	53	49	43	40	43	32	-25%
	All Inclusive RevPar (TL)	94	104	119	78	113	123	124	126	122	126	105	-17%
	GOP%					45%	44%	43%	41%	40%	41%	30%	-11%
	Effective % of Rent / Revenue	23%	23%	25%	24%	28%	27%	27%	26%	26%	26%	26%	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	6,418,340	5,167,572	-19%
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	19,167,608	16,920,293	-12%	

		2007-2015 ANNUALLY									2015	2016	Change %
865 rooms		2007	2008	2009	2010	2011	2012	2013	2014	2015	Jan - Sep	Jan - Sep	
TOTAL RUSSIA - IBIS	% Occ.Rate					36%	59%	58%	53%	52%	52%	59%	6%
	ARR excl VAT (Euro)					46	51	53	46	36	36	35	-3%
	ARR excl VAT (TL)					110	117	136	135	111	108	115	6%
	RevPar (Euro)					16.7	29.7	30.9	24.5	18.9	18.8	20.5	9%
	RevPar (TL)					39.6	68.3	78.4	71.3	58.0	56.3	67.2	19%
	Total Revenue (Euro)					474,235	5,220,354	6,734,014	6,746,038	6,552,993	4,444,306	6,705,144	51%
	Total Revenue (TL)					1,125,027	11,989,021	17,104,003	19,600,608	20,057,044	13,330,619	21,955,013	65%
	All Inclusive RevPar (Euro)					23	41	42	34	26	26	28	11%
	All Inclusive RevPar (TL)					54	94	107	98	79	77	93	21%
	GOP%					2%	41%	43%	39%	36%	36%	41%	4%
	Effective % of Rent / Revenue					0%	25%	30%	44%	59%	62%	56%	-5%
	Akfen Rent Revenue (Euro)					0	1,299,960	1,996,248	2,993,934	3,878,550	2,741,744	3,770,420	38%
	Akfen Rent Revenue (TL)					0	2,981,781	5,131,169	8,700,836	13,527,608	9,122,937	11,682,382	28%

		2007-2015 ANNUALLY									2015	2016	Change %
3,142 rooms		2007	2008	2009	2010	2011	2012	2013	2014	2015	Jan - Sep	Jan - Sep	
GRAND TOTAL - TURKEY & RUSSIA	% Occ.Rate	63%	64%	66%	52%	63%	66%	65%	64%	63%	64%	60%	-4%
	ARR excl VAT (Euro)	64	67	64	53	57	58	56	49	45	46	39	-16%
	ARR excl VAT (TL)	113	129	137	105	133	134	140	144	135	138	128	-7%
	RevPar (Euro)	40.7	43.1	42.0	27.5	36.6	38.6	36.3	31.5	28.1	29.6	23.3	-21%
	RevPar (TL)	71.6	81.5	89.9	54.2	85.3	88.7	91.6	91.4	84.9	87.9	76.4	-13%
	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	28,607,792	26,376,650	-8%
	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	85,007,565	86,314,818	2%
	All Inclusive RevPar (Euro)	53	55	56	39	47	51	48	41	37	39	31	-20%
	All Inclusive RevPar (TL)	94	104	119	78	113	117	121	120	111	115	101	-12%
	GOP%					44%	43%	43%	41%	39%	40%	33%	-8%
	Effective % of Rent / Revenue	23%	23%	25%	24%	27%	26%	28%	29%	32%	32%	34%	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	11,804,657	9,160,084	8,937,992	-2%
	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	28,290,545	28,602,675	1%

286 rooms		2007	2008	2009	2010	2011	2012	2013	2014	2015	2015	2016	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	4,750,000	3,562,500	3,562,500	
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	14,392,658	10,276,585	11,651,432	13%

Samara Office Rent Rev. (EURO)								378,782	621,792	541,650	416,755	382,700	-8%
Samara Office Rent Rev. (TL)								970,036	1,803,427	1,600,942	1,205,353	1,162,933	-4%

		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	3,228 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	17,096,307	13,139,339	12,883,192	
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	53,501,817	39,772,483	41,417,040	4%

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INVESTMENTS UNDER PROGRESS

As of 30 September 2016

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%	2016

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

** Including advances paid to the contractor.