



AKFEN REAL ESTATE INVESTMENT TRUST CO. INC.

1 January – 30 June 2016

ACTIVITY REPORT

PREPARED BASED ON CAPITAL MARKET BOARD 'S COMMUNIQUE WITH II, 14.1 NO.





- **General Information About Akfen REIT**
- **Highlights of 2016**
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Akfen REIT was established in 2006 through a change in trade registry name and a restructuring of Aksel Tourism Investments and Operations (Aksel), which was founded on June 25, 1997, into a real estate investment trust. Akfen REIT's core business is to invest in real estate-based capital markets instruments and to create and develop a real estate portfolio. Specialized in the development and construction of middle market hotel projects, Akfen REIT develops city hotel projects under Ibis Hotel and Novotel brands through a strategic cooperation with Accor, Europe's largest international hotel operator chain.

Akfen REIT's hotels currently in operation include Ibis and Novotel in İstanbul; Ibis in Esenyurt; Ibis in Ankara; Ibis in Eskişehir; Novotel in Trabzon; Ibis and Novotel in Kayseri; Ibis and Novotel in Gaziantep; Ibis in Bursa; Ibis in Adana; Ibis in İzmir; Ibis in Yaroslavl, Russia; Ibis in Samara, Russia; Ibis in Kaliningrad, Russia; Ibis in Moscow and the five-star Merit Park Hotel in TRNC. The Company's hotel properties under construction include Ibis in Tuzla and Novotel in Karaköy. The Company has a portfolio of 20 hotels in total.

Aiming to set an example by building three and four star hotels that embody the modern city hotel concept, the Company's business model is based on leasing these properties to the strategic partner, Accor, through longterm contracts to obtain steady and predictable rental income.

Vision and Mission

Mission

To become leader hotel investor developping hotel projects located in Turkey and neighbourhood geography that are managed by international hotel operators in highest standards.

Vision

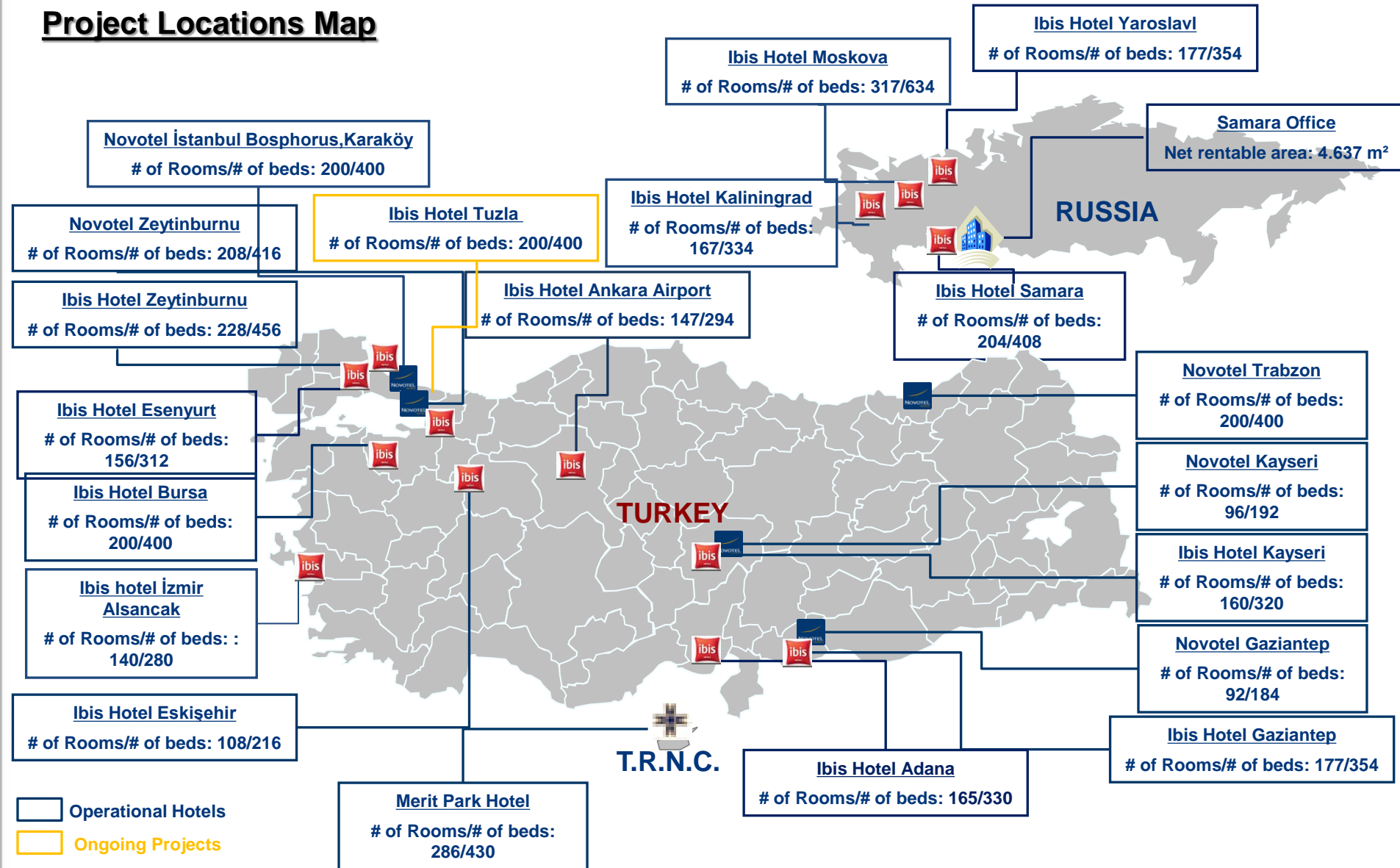
To provide high capital and dividend yield to shareholders by steady balance sheet growth and developping high profit projects in real estate sector at the same time.

Strategic Perspective

Akfen GYO has the best position for steady growth in city hotel business and specialized in the area of hotel investment with international standards.

- Strategic partnership with Accor – one of the biggest operator of hotel chains in Europe,
- Investing economic city hotel business,
- Sustainable and predictable cash flow with long term lease agreements,
- Increasing hotel revenues with hotel performances,
- Know-how obtained by specialization,
- Capability of working with personnels in minimum number since hotel personnels' being in Accor's staff.

Project Locations Map



19 OPERATIONAL HOTEL *14 in Turkey *4 in Russia *1 in T.R.N.C.

1 ONGOING PROJECT *1 in Turkey

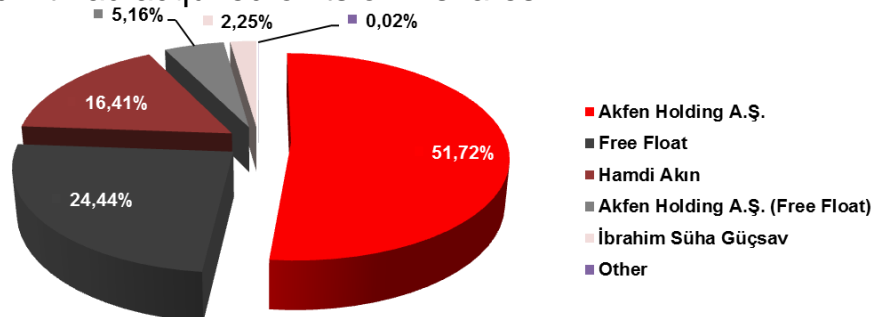
SHAREHOLDER STRUCTURE, JUNE 30, 2016

Shareholder	Class	Share Value (TL)	Number of shares
Akfen Holding A.Ş.*	B	95.154.384	95.154.384
Akfen Holding A.Ş.	A	1.000	1.000
Akfen Holding A.Ş.	D	1.000	1.000
Hamdi Akın	B	30.195.839	30.195.839
Hamdi Akın	C	999	999
İbrahim Süha Güçsav	B	4.140.380	4.140.380
Akınısı Makine Sanayi ve Ticaret A.	B	43.512	43.512
Akınısı Makine Sanayi ve Ticaret A.	C	1	1
Akfen İnşaat Turizm ve Ticaret A.Ş	B	2	2
Mehmet Semih Çiçek	B	1	1
Mustafa Dursun Akın	B	1	1
Ahmet Seyfi Usluoğlu	B	1	1
Free Float	B	54.462.880	54.462.880
TOTAL		184.000.000	184.000.000

* There are 9.500.447 unit shares belonging to Akfen Holding in Free Float.

AA, C and D-group shares have privilege for nominating persons for election to the Board of Directors. Members of the Board of Directors are elected by the general assembly, whereby, 2 of them are elected among the candidates nominated by A-Group shareholders, 2 of them are elected among the candidates nominated by C-Group shareholders, and 2 of them are elected among the candidates nominated by D-Group shareholders.

The Company has no shares which it had acquired of its own shares.



Shares Representing the Capital

Group	Registered/ Bearer	Nominal Value per Share (TL)	Total Nominal Value (TL)	Share in Capital (%)	Type of Privilege	Traded at the exchange or not
A	Registered	1	1.000,00	<0,001	Has the privilege of selecting two board members in General Meetings.	Not traded at the exchange
B	Bearer	1	183.997.000,00	99,99	Has no privilege.	54.117.500 units are traded in the ISE's Corporate Merchandise Market.
C	Registered	1	1.000,00	<0,001	Has the privilege of selecting two board members in General Meetings.	Not traded at the exchange
D	Registered	1	1.000,00	<0,001	Has the privilege of selecting two board members in General Meetings.	Not traded at the exchange
TOTAL			184.000.000,00	100		

Organizational Scheme

Board of Directors

Chairman
İbrahim Süha Güçsav

General Manager
Vedat Tural

İbrahim Süha Güçsav

Yönetim Kurulu Başkanı

Mustafa Keten

Vice Chairman.

Pelin Akın

Board Member

Selim Akın

Board Member

Sıla Cılız İnanc

Board Member

İrfan Erciyas

Board Member

Adnan Aydoğan*

Board Member

Halil Eroğlu*

Board Member

Ahmet Ertürk*

Board Member

** Independent Board Members*

Vice Gen. Man. - Corporate Relations, HR and Administrative Affairs
H. Deniz Bilecik

Vice Gen. Man. – Operations
M. Okyay Turan

Accounting Manager
Yusuf Anıl

Investor Relations and Finance Manager
Didem Çolakoğlu

Administrative Affairs
Fatih Akar
Oğuzhan Turan
Hülya Keser

Accounting Assistant Manager
Aslı Canan Öcal

Senior Financial Controller
Hüseyin Yılmaz

Technical Manager
Dilek Nebioğlu

Project Manager
Gökhan Akkoyunlu

Russia:
Cuneyt Baltaoğlu – Russia Projects Coordinator
11 Personnel

Board of Directors	Title
İbrahim Süha Güçsav	Chairman
Mustafa Keten	Vice Chairman
Pelin Akın	Board Member
Sıla Ciliz İnanc	Board Member
Selim Akın	Board Member
İrfan Erciyas	Board Member
Adnan Aydoğan	Board Member and Member Board of Auditors
Halil Eroğlu	Board Member and Chairman of Board of Auditors
Ahmet Ertürk	Board Member and Member Board of Auditors

Senior Level Executives	Title
Vedat Tural	General Manager
	Vice General Manager - Corporate Relations, Human Resources and Administrative Affairs
Hülya Deniz Bilecik	
Memduh Okyay Turan	Vice General Manager - Operations

Audit Committee	Title
Ahmet Ertürk	Committee Chairman / Independent Member
Adnan Aydoğan	Member / Independent Member
Halil Eroğlu	Member / Independent Member

Corporate Governance Committee	Title
Halil Eroğlu	Committee Chairman / Independent Member
Ahmet Ertürk	Member / Independent Member
Adnan Aydoğan	Member / Independent Member
Didem Çolakoğlu	Member

Early Dedection of Risk Committee	Title
Halil Eroğlu	Committee Chairman / Independent Member
Pelin Akın	Member
Selim Akın	Member

Board of Directors' assembled 11 times as of the third quarter of 2015, all Board of Directors' Members have participated in most of the meetings and all decisions have been taken unanimously.

The amount of financial benefits provided for the Company's executives, such as honorariums, remunerations, premiums, bonuses, dividends are given below. No other financial rights, allowances, representation expenses, any real rights or rights in cash, insurance or similar guarantees were provided or paid. Total short term benefits for top management of Akfen GYO and its subsidiaries as of 30 June 2016 is TL 1,090,013 (30 June 2015: TL 937,064), the Company confirms the statement according legal regulations and behaves according to wage policy of the Company.

Remuneration of Top Management (thousand TL)	30-Jun-16	30-Jun-15
Short term benefits	1.090	937

İBRAHİM SÜHA GÜÇSAV Chairman of the Board of Directors

Ibrahim Süha Güçsav graduated from İstanbul University, Faculty of Economics in 1992 and later received his MBA from Gazi University, Institute of Social Sciences. He began his professional career at Alexander & Alexander Insurance Brokerage in 1992 and joined the Akfen family in 1994. Mr. Güçsav served as the Head of the Financing Department at Akfen Holding and then as Chief Executive Officer. During his tenure, he assumed important roles in the privatizations of Vehicle Inspection Stations, Mersin International Port and İDO; the founding and investment stages of Akfen REIT; initial public offerings of Akfen Holding and Akfen REIT; share sales of subsidiaries and long-term project financing. Mr. Güçsav also held the position of Vice Chairman of the Board of Directors of Akfen Holding from 2003 to 2010. He was a member of the Board of Directors at Akfen Holding from March 2010 until May 2012. Having served as CEO of Akfen Holding since March 2010, Mr. Güçsav has also been Chairman of the Board of Directors at Akfen REIT and Akfen Water and is a member of the Board at Mersin International Port, AkfenHEPP Investments and Energy Production A.Ş. Mr. Güçsav is the Chairman of Turkey-Singapore Business Council, and in October 2014 he became Turkey Honorary Business Representative at the International Commerce and Investment Agency under the umbrella of the Ministry of Singapore and Commerce.

MUSTAFA KETEN Vice Chairman of the Board of Directors

Mustafa Keten graduated from the İstanbul Academy of Economics and Commercial Sciences, Department of Economic Administration in 1968. He began his professional career in 1970 as an Assistant Specialist in the State Planning Organization. In 1978, he earned an MA in Development Administration from the Institute of Social Studies in the Netherlands. From 1979 to 1983, Mr. Keten worked in the State Planning Organization as President of Priority Development Regions, the years between 1984-1999 as Undersecretary of Agriculture, Forestry and Village Affairs, Advisor to the Prime Minister, President of the Special Environmental Protection Board, President of Prime Ministerial Foundations and President of the Foundation's Board. During his time in the public sector, Mr. Keten also served on the Board of Directors at Petkim (petrochemicals) and Tamek Gıda (foods) and as the Chairman of the Board of Directors at Güneş Sigorta (insurance) and at Vakıfbank. Mr. Keten joined Akfen Holding in 1999 as Vice Chairman of the Board of Directors. Currently, he also serves as a faculty member at a number of educational institutions. In addition, he has sat on the boards of the Eurasian Business Council, Turkish-Russian Business Council and Turkish-Georgian Business Council; he also served as the President of the Turkish-Moldovan Business Council. He is currently the Vice Chairman of the Turkish Tourism Investors Association (TYD) and President of the Tourism Assembly at TOBB and Board member of TMOK.

PELİN AKIN Board Member

Pelin Akin graduated from Surrey University (UK), Department of Business Administration in Spanish in 2010. She started her professional career in the Strategy Division of the Finance Department at Deutsche Bank Madrid. After returning to Turkey, she worked at TAV Airports and joined the Management Trainee (MT) program there. Ms. Akin currently serves as a member of the Corporate Governance Committee at TAV Airports Holding, a member of the Board of Directors and Corporate Governance Committee at Akfen Holding, board member of IBS Insurance and Reinsurance Brokerage and a member of the Board of Directors at Akfen REIT. Ms. Akin has various responsibilities in different working groups within DEİK's Spanish Business Council and British Business Council. She is an active member of the Board of Trustees and a member of the Board of Directors at the Human Resource Education and Health Foundation of Turkey (TİKAV). In addition, Ms. Akin is the Vice President of the Duke of Edinburgh International Awards – Turkey Program. Since 2010, she has served as the President of the Advisory Committee for the Chair for Research in Turkish Studies at the London School of Economics. Ms. Akin is also responsible for organizing the Tatlı Dil Forum which was established in 2011 to improve Turkish-British relations in the fields of politics, economics and culture. She is a member of TÜSİAD, TİKAD, TÜRKONFED, Young Presidents Organization (YPO), B-20 Executive Board's Infrastructure and Investments Committee, TOBB Young Entrepreneurs Advisory Board and World Economic Forum Global Shapers. Ms. Akin was elected as a Substitute Member of TÜSİAD's Board of Directors, and board member at TÜRKONFED, PODEM and TAİDER at in January 2015.

SELİM AKIN Board Member

Selim Akin graduated from Surrey University, Department of Business Administration in the United Kingdom in 2006. He was the president of the Surrey University Turkish Association during his years at the university. After his return to Turkey, he became a member of the Young Businessmen Association of Turkey (TUGİAD), where he currently serves as the Chairman of the Trade Committee. He is also a member of TÜSİAD and the Early Risk Detection Committee at TAV Airports. Mr. Akin began his professional career in the Accounting Department at Akfen Holding and also held positions in the Project Development and Finance Departments. Some of the projects in which he participated include the privatization and financing of Vehicle Inspection Stations, privatization and financing of Mersin Port and Akfen Holding's IPO and corporate bond issues. Mr. Akin is currently the Chairman of Akfen İnşaat ve Turizm A.Ş., Vice Chairman of Akfen Holding, and Board Member at various Akfen Holding subsidiaries.

İRFAN ERCİYAS Board Member

İrfan Erciyas graduated from Gazi University, Department of Economics and Finance in 1977 and commenced his professional career at Türkiye Vakıflar Bankası. After working as Inspector and Branch Manager at Türkiye Vakıflar Bankası, he served as Executive Vice President from 1996 to 2002 and as CEO between 2002 and 2003. In 2003, he joined Akfen Holding as Vice Chairman. Since that time, he has played a key role in Vehicle Inspection Stations; privatization of Mersin International Port and İDO; the founding and investment processes of Akfen REIT and Akfen Energy; the IPO of Akfen Holding and Akfen REIT; sales of subsidiaries' shares and long-term financing. Since March 2010, İrfan Erciyas has served as Executive Director at Akfen Holding. In addition, he is the Chairman, Vice Chairman and Board Member at a number of Akfen Holding affiliates and subsidiaries.

SILA CILIZ İNANÇ Board Member

Sıla Ciliz İnanç graduated from Marmara University, Faculty of Law in 1995. After completing her internship, she joined Akfen Holding in 1997. She has worked in the areas of public-private partnerships, mergers and acquisitions, construction, energy and competition law, company and holding formations in Turkey. Ms. İnanç has actively participated in every aspect of build-operate-transfer, transfer of rights/privileges and privatization projects, from tender offer to transfer; she also was active in the establishment of the project financing structure and loan agreements and IPO processes of Akfen Holding A.Ş. and Akfen REIT. Ms. İnanç currently serves as the Vice President of Akfen Holding A.Ş. and as a member of the Board of Directors at various Akfen Holding subsidiaries.

HALİL EROĞLU Board Member

Halil Eroğlu was born in 1952 in Karşıyaka and studied at seven different primary schools because his father was a public officer. He was a boarding student for seven years at İzmir Maarif High School (Bornova Anatolian High School – BAL). Mr. Eroğlu graduated from Ankara University, Faculty of Political Sciences in 1974. He started his professional career in banking at İşbank as an Auditor for 10 years; subsequently, he assumed various duties at the General Directorate and the branches. He served as General Manager at Dışbank for three years and was later General Manager at İş Leasing for three years. He became the General Manager at Industry Investment Bank in 2001. After the bank's merger with the Industrial Development Bank of Turkey (TSKB) in 2002, he served as General Manager for 10 years and retired in 2011. During his professional career and after his retirement, he has assumed duties as the Chairman and Member of the Board of Directors at various corporations. He currently serves as Independent Board Member at Akfen REIT.

ADNAN AYDOĞAN Board Member

Adnan Aydoğan graduated from Diyarbakır Maarif High School in 1980, Elazığ High School in 1983, Gazi University, Faculty of Public Administration Department of Economics and Administrative Sciences in 1987. He assumed duties as Social Facilities Manager at Iron and Steel Establishments of Turkey; Research Assistant at Sakarya University; first Specialist (Project Coordinator) and then Project Monitoring and Financing Division Director and Head of Fund Management at the Undersecretariat for Defense Industries. Most recently, he worked as Head of Financial Affairs and Subsidiaries within TAİ before leaving in 2013. He currently serves as Independent Board Member at Akfen REIT.

AHMET ERTÜRK Board Member

Ahmet Ertürk was born in 1953 in Malatya and graduated from Ankara University, Faculty of Political Science in 1975. After working as Finance Auditor from 1976 until 1985, Mr. Ertürk conducted a study in London from 1984 until 1985 on the "British Privatization Experience" on behalf of the Ministry of Finance. Between 1986 and 1988, he was TÜSİAD's Deputy Secretary General. He took office as Assistant General Manager and Advisor to the General Manager at Turkish Maritime Lines from 1989 to 1991. From 1992 until 2002, he worked in the finance sector, joining Albaraka Türk as Assistant General Manager, before transitioning to the Capital Markets Board as Board Member in 2003. He was Chairman of the Savings Deposit Insurance Fund (TMSF) from 2004 until 2009, and Chief Advisor to the President of State from 2010 to 2014. Mr. Ertürk is married, has two children and is fluent in English. He currently serves as Independent Board Member at Akfen REIT.

VEDAT TURAL **General Manager**

Vedat Tural graduated from Firat University, Department of Civil Engineering in 1982. During his military service, Mr. Tural worked as Construction Supervisor for one year on behalf of the Air Force Technical School Command of a 736-unit housing project built by Ekcinciler Construction and Ceylan Construction. He started his professional career at the Altinkaya Dam Project undertaken through the joint venture of Yüksel Construction & Güriş A.Ş., where he worked as Field Engineer and Performance Engineer from 1984 to 1989. Mr. Tural then served as a Project Manager between 1989 and 2005 on several construction projects of Yüksel Construction, including the Swiss Hotel (as Field Supervisor), Zincirlikuyu Tat Towers, Şişli Tat Towers, MetroCity, Etiler Tat 2000 and Kadıköy Moda Tram. He joined Akfen Group in 2005 to work on the Novotel and Ibis Hotel Zeytinburnu project. On May 1, 2007, he was appointed Assistant General Manager Responsible for Technical Affairs at Akfen REIT. Mr. Tural became the General Manager of Akfen REIT on November 1, 2012. To date, he has taken part in the construction of 20 domestic and overseas hotel projects developed by Akfen REIT.

H. DENİZ BİLECİK **Deputy General Manager – Corporate Communications, Human Resources and Administrative Affairs.**

Hülya Deniz Bilecik graduated from İstanbul University, Department of Business Administration in 1990 and also attended the Human Resources Certificate Program at Boğaziçi University in 2009. She began her professional career as an investment specialist at Deha Menkul Değerler A.Ş. in 1990. After working at Nurol Menkul Değerler A.Ş. between 1992 and 1993, at Karon Menkul Değerler A.Ş. from 1994 to 1995, and as chief broker at Tür Menkul Değerler A.Ş. in 1995, Ms. Bilecik held the position of Manager in the Department of Domestic Markets at Alternatif Menkul Değerler A.Ş. from 1996 until 2006. She joined Akfen REIT in 2006 and has been actively involved in the establishment and the public offering of the company. Ms. Bilecik is currently serving as Deputy General Manager of Corporate Communications, Human Resources and Administrative Affairs. She is also a member of GYODER and TÜYİD, Associate Member of Board of Directors of KİD and a member of the PERYÖN advisory board; in addition, she holds the CMB Advanced Level License.

MEMDUH OKYAY TURAN **Deputy General Manager – Operations**

Memduh Okyay Turan graduated from Bilkent University, Department of Tourism and Hotel Management in 1993. He began his professional career at Antalya Club Hotel Sera City & Resort and also at Antalya Dedeman Convention Center. He holds a Tourism Agencies Information Certificate granted by the Ministry of Tourism. Mr. Turan held managerial positions in the Front Office and Sales & Marketing Departments at Mega Residence Hotel and has served as the General Manager at St. Paul Tourism & Travel Agency and at the Mersin Hotel Chain Group. In addition, Mr. Turan served as General Coordinator at City Residence and at Kuşadası Mersin Beach Resort, both of which belong to the same group. Mr. Turan joined Akfen Group in June 2005 and has served as Deputy General Manager of Operations at Akfen REIT since 2008.

CÜNEYT BALTAOĞLU **COORDINATOR OF AKFEN REIT RUSSIA INVESTMENT PROJECTS**

Cüneyt Baltaoğlu attended İstanbul Deutsche Schule and went on to graduate from İstanbul Technical University, Faculty of Architecture. He started his professional career in 1994 at Gama Construction's Russia-Tyumen Hotel project. Between 1995 and 1998, he worked at real estate development/investment projects by Moscow and Koray Construction İstanbul, a Koray-Enka joint venture. Subsequently, he received his MBA from Netherlands Erasmus University – Rotterdam School of Management, where he studied between 1999 and 2001. He then served as Lycos-Europe Founding General Manager at Bertelsmann AG in Moscow. In 2007, he joined Akfen REIT and is currently the Russian Investment Projects Coordinator.

Human Resources Policies

Akfen REIT extends the dynamism in its management approach to human resources practices by formulating and executing strategies in line with the Company's corporate structure and targets. Each employee is offered a position that best suits their qualifications, in a work environment where staff members can enhance their personal and professional skills, according to the priorities of Akfen REIT's human resources policy.

Akfen REIT's human resources policy is based on the following principles:

- The principle of providing equal opportunities to employees with equal qualifications is adopted in recruitment, training and development, compensation and career planning.
- The recruitment criteria are outlined in written form and are followed in practice.
- Employees are treated equally in terms of development and promotion; development policies and plans are prepared to help employees to improve their knowledge, skills and experience.
- The job definitions, performance evaluations and remuneration criteria of employees are determined by managers and shared with employees.
- Relations with employees are maintained by the Corporate Communications, Human Resources and Administrative Affairs Department and without discrimination among employees. The Company has not received any complaints of discrimination from employees.

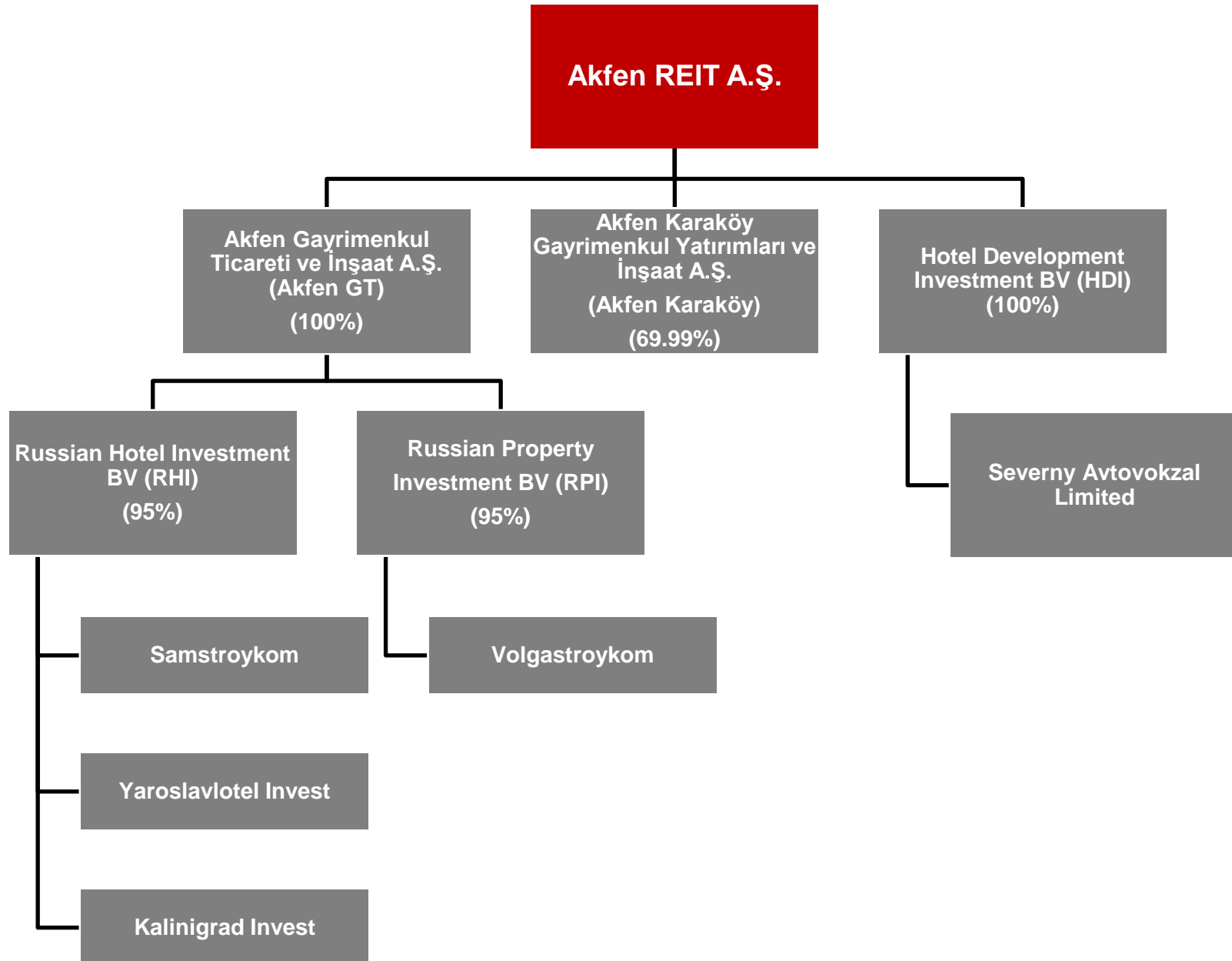
Within the framework of this understanding, Akfen REIT builds an employee profile that adopts the Company's vision and mission, believes in teamwork and team spirit, embraces ethical values, social responsibility and who are customer-oriented. As of 30 June 2016, Akfen REIT had 12 employees (31 December 2015:13) ; its subsidiaries had 12 employees (31 December 2015: 12). The average age of employees is 40 and women account for 30% of the total workforce.

The Company will continue to work along with its human resources approach in the coming period with the aim of moving these values to higher levels.

Employee benefits (TL)

	30 June 2016	31 December 2015
Provision for vacation pay liability-short term	466.975	450.977
Provision for employee termination benefits-long term	100.704	80.773
	567.679	531.750

Organizational Structure



Group Companies

Commercial Title	Field of Activity	Paid-in/Issued Capital	Share of Company in Capital	Currency	Share of Company in Capital	Nature of Relationship with
Akfen Gayrimenkul Ticareti ve İnşaat A.Ş.	To create real estate portfolio	121.000.000,00	121.000.000,00	TL	100	Subsidiary
Russian Hotel Investment BV	To develop hotel projects in Russia	18.000,00	17.101,00	Euro	95,01	Subsidiary
Russian Property Investment BV	To develop hotel projects in Russia	7.258.867,00	6.906.859,00	Euro	95,15	Subsidiary
Hotel Development Investment BV	To develop hotel projects in Russia	8.510.640,00	8.510.640,00	Euro	100	Subsidiary
Akfen Karaköy Gayrimenkul Yatırımları ve İnşaat A.Ş.	To invest in real estate	34.400.000,00	24.079.312,00	TL	69,99	Subsidiary

Risk Management

With consulting support from DRT Independent Audit and Public Accountancy Co. Inc. (Deloitte), works concerning Early Detection of Risk were finalized in 2012 and the Risk Management Handbook was presented to the Company's Board of Directors. It was resolved to have the principles contained in the Risk Management Handbook to be taken as basis for future internal audits of the Auditing Committee.

With the Board of Directors' decision No:2013/9 of March 19, 2013; it was unanimously decided by all attendees of the meeting that duties of the Early Detection of Risk Committee, which were executed by the Corporate Governance Committee be executed by establishing an individual committee as per Communiqué Serial:IV No:63, amending the Communiqué Serial:IV, No:56 of the Capital Markets Board; and that Adnan Aydoğan be appointed as the chairman of the Early Detection of Risk Committee to be established, whereby Ms Pelin Akin and Mr Selim Akin be appointed as members of the aforementioned committee. Committee assembled once since its establishment to report date for detection of reasons for jeopardizing the Group's presence, development, the precautions and implementations for this and management of the risk and the committee presented the report to the board of directors.

As of 30 June 2016, the financial structure, financial position and performance of the Company has been evaluated, loss of capital and no situation related the Company's being heavily in debt has not been detected.

Audited Committee

Company;

- 01.01.2016 - 31.03.2016 period not reviewed by independent audit company; by Audited Committee and Board of Directors on 04.05.2016,
- 01.01.2016 - 30.06.2016 period reviewed by independent audit company; by Audited Committee and Board of Directors on 03.08.2016,

Consolidated and individual financial statements, comprehensive Income Statement and cash flows with their footnotes prepared in accordance with Capital Market Board Communiqué and activity report has been approved.

13 June 2016, Selection of the Committee Members in accordance with the Corporate Governance Communiqué of the Capital Market Board

As a consequence of the presentation by the Company's Board of Directors , to all the members of the Board of Directors , of the dispositions which took place on the Resolution of the Board of Directors as per the dispositions of the article 390 (4) of the Turkish Trade Code; the following resolutions have been resolved unanimously during the Meeting of the Board of Directors which took place on the date of 13/06/2016, under the number 2016/11:

As per the Corporate Governance Notification ("Notification") with number II-17.1 of the Capital Market Committee;

It is resolved unanimously by the meeting participants;

1. To assign for a period of 1(one) year to the Corporate Governance Committee, Independent Member of the Board of Directors, Mr. Halil Eroğlu, Independent Member of the Board of Directors Adnan Aydoğan, Independent member of the Board of Directors Ahmet Ertürk and (Financing and) Director of Investors' Relations Servet Didem Koç; to assign Mr. Halil Eroğlu as the Director of the Corporate Governance Committee,
2. That Corporate Governance Committee acts as Nomination Committee and Compensation Committee,
3. To assign for a period of 1(one) year to the Committee in Charge of Audit, Independent Member of the Board of Directors Mr. Halil Eroğlu, Independent Member of the Board of Directors Mr. Adnan Aydoğan and Independent member of the Board of Directors Mr. Ahmet Ertürk and to assign Mr. Ahmet Ertürk as the director of the Committee in Charge of Audit,
4. To assign for a period of 1(one) year to the Committee of Early Detection of Risk, Independent Member of the Board of Directors Mr. Halil Eroğlu, member of the Board of Directors Mr. Selim Akın and member of the Board of Directors Miss Pelin Akın, to assign Mr. Halil Eroğlu as the Director of the Committee of Early Detection of Risk.

13 June 2016, Akfen GYO Represent and Bind

As a consequence of the presentation by the Company's Board of Administrators, to all the members of the Board of Directors , of the dispositions which took place on the Resolution of the Board of Directors as per the dispositions of the article 390 (4) of the Turkish Trade Code; the following resolutions have been resolved unanimously during the Meeting of the Board of Directors which took place on the date of 13/06/2016, under the number 2016/10:

1. To assign for a period of 1(one) year starting from this date, without any consideration on their previous assignment periods, Mr. İbrahim Süha GÜÇSAV as the Chairman of our Company's Board of Directors and as Executive Director , and Mustafa KETEN as the Vice Chairman of the Board of Administrators,
2. To be assigned for a period of 1(one) year under the scope of our Company's Management Internal Directive, issued under the frame of the articles 367 and 371 of Turkish Trade Code with number 6102, dated 13/01/2011 and which is approved during the Board of Directors Meeting on the date of 30.04.2015;

It is resolved unanimously by the meeting participants;

To assign as authorized with signature under Group A of our Company, Mr. İbrahim Süha Güçsav, Chairman of the Board of Directors / Executive Director, Miss Pelin Akın and Mr. Selim Akın, members of the Board of Directors, and

To represent and to bind our Company for any matter and without any limits, by any two of them jointly and in conformity with the Management Internal Directive,

24 May 2016, Results of Ordinary General Meeting for year 2015

The Ordinary General Assembly Meeting of the Company was held on 24.05.2016 at 01:30PM at our Company's principal office located at the address: Levent Loft Binası, Büyükdere Caddesi, No:201 C Blok Kat:8 Levent, Istanbul, under supervision of Mr. Devrim Demircan, the Representative of the Ministry appointed by the letter- dated 23.05.2016 and numbered 16197782- of the Provincial Directorate of Commerce, Istanbul Governor's Office, the Republic of Turkey.

It is seen that the invitation for the meeting to be convened pursuant to article 414 of the Turkish Commercial Code was made according to the Turkish Commercial Code and the Company's Articles of Association, also by including the meeting agenda, within the legal period by announcing in the issue of the Turkish Trade Registry Gazette dated April 28, 2016 and numbered 9064, on the Company's web site and the Electronic General Assembly system of the Central Registry Agency. By reviewing the Attendees List, it is understood that total capital of the Company in an amount of TL 184,000,000.- was represented in the meeting with the following distribution; 1000 pieces of A Group shares corresponding to TL 1,000.-, and 1000 pieces of C Group shares corresponding to TL 1,000.-, and 1000 pieces of D Group shares corresponding to TL 1,000.-, and 144,886,612 pieces of B Group shares corresponding to TL 144,886,612.-, of which 4,926,536 shares were represented through electronic means and 139,957,076 shares were represented by physical presence; and thus, the minimum quorum stipulated by the legislation and the Articles of Association was met. It is observed that Ibrahim Süha Güçsav- the Member of the Company's Board of Directors and the Executive Director, Sila Cılız Inanç- the Member of the Company's Board of Directors and Hülya Gülbahçe on behalf of Pwc – Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Pwc) were present in the meeting. The Ordinary General Assembly Meeting was simultaneously opened both physically and electronically by Ibrahim Süha Güçsav, the Company's Executive Director, and the agenda items were started to discuss. The decisions in the General Assembly have been accepted unanimously and by a large majority. Minutes of Ordinary General Assembly Meeting and List of Attendants may be found on the web site of the Company.

25 April 2016, Board Decision related to Ordinary General Meeting for year 2015

As a result of submitting to all members of the Board of Directors the issues specified in this Board Decision for approval by the Board of Directors of our Company pursuant to provisions of article 390 (4) of the Turkish Commercial Code, the decisions given below have been unanimously decided by members of the Board of Directors:

1. According to the decision of our Company dated 13.04.2016 and numbered 2016/6, it was decided to hold 2015 General Assembly of Shareholders on May 17, 2016. However, in line with the Decision of Capital Markets Board dated May 14, 2015 and numbered 12/556 which was notified by the letter of the same dated May 21, 2015 and numbered 12233903-325.99-466, as it is required to add an agenda item for the issue "if to recourse to members of the Board of Directors who have responsibility in the acts requiring impose of an administrative fine in an amount of 44,814.00 in total against our Company for payment of the same or not," to convene our Company's 2015 General Assembly of Shareholders at Levent Loft Binası, Büyükdere Caddesi, No:201 C Blok Kat:8 Levent Istanbul which is the address of its headquarters on May 24, 2016 at 01:30 p.m. for review of operations in 2015 activity year and to discuss and make decision on the agenda written below,
 2. To make available the Activity Report of the Board of Directors and the Corporate Governance Compliance Report, together with relating reports, Financial Statements, Independent Auditing Report, example for power of attorney, Information Documents on the agenda and detailed explanations on the articles of the agenda for the activity year of 2015, for our shareholders to review within 3 (three) weeks of legal period prior to the meeting, for the prescribed term at the Company's principal office, the Company's web site www.akfengyo.com.tr , and the Electronic General Assembly system of the Central Registry Agency,
 3. To announce the situation to our Shareholders in compliance with both the legislation and arrangements set forth in the Articles of Association of the Company,
 4. To apply to the Ministry of Customs and Trade, Istanbul Provincial Directorate of Trade for appointment of a Ministry Representative for the meeting,
- Have been decided unanimously by the attendees.

Agenda of General Meeting for year 2015

1. To organize the Opening and Meeting Chairmanship;
2. To discuss on authorizing the Meeting Presidency to sign the meeting minutes;
3. To read, negotiate and vote for 2015 Annual Activity Report prepared by the Board of Directors;
4. To Read the Summary Statement of the Independent Audit for 2015 fiscal period;
5. To read, negotiate and approve the Financial Statements for 2015 fiscal period;
6. To release the members of the Board individually due to activities of the company in year 2015;
7. In line with the decision of the Board of Directors dated 13.04.2016 and numbered 2016/8, as no distributable profit is earned in year 2015, to present the Statement of the Profit Appropriation given in Annex-1 to the information of the General Assembly and to submit the proposal for not distributing the profit to the approval of the General Assembly;
8. Regarding candidates of the Board Members including the independent members, to present information to the shareholders in the general assembly about their duties within and out of the group;
9. Election of the Board Members;
10. To determine monthly wages of the Board Members;
11. Submitting the issue on determination of Appraisal Company as Epos Gayrimenkul Danışmanlık ve Değerleme A.Ş. from which appraisal service shall be provided for the assets in The Company's Portfolio, and also determination of Appraisal Companies as Epos Gayrimenkul Danışmanlık ve Değerleme A.Ş. ve Eva Gayrimenkul Değerleme Danışmanlık A.Ş. from which appraisal service shall be provided for the assets to be received to the Company's Portfolio in 2016 and to be required for appraisal, with respect to the regulations of the Turkish Commercial Code and Capital Markets Board, in accordance with the Decision of the Board of Directors dated 29.01.2016 and numbered 2016/1, to the approval of our General Assembly;
12. Submitting the issue on determination of the independent audit institution as Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Ernst and Young) which shall serve for the year of 2016 with respect to the regulations of the Turkish Commercial Code and Capital Markets Board, in accordance with the Decision of Management Board dated 08.04.2016 and numbered 2016/5, to the approval of our General Assembly;
13. If deemed necessary, to discuss the Buyback Program given in the Annex-4 for repurchase of Company's shares;
14. Giving information to shareholders on donations made by the Company in 2015 and determining the upper limit for donations to be made in 2016;
15. Giving information to shareholders on guarantees, pledges, mortgages and the income or benefits obtained by bill of guarantees in favor of third parties in 2015 in accordance with regulations of the Capital Markets Board;
16. Giving information to shareholders on processes performed with related parties in 2015 within the framework of Corporate Management Communique in accordance with regulations of the Capital Markets Board;
17. Authorizing shareholders who control management, Board members, senior executives and their spouses and their relatives up to second degree blood or affinity; within the framework of Article 395 and 396 of Turkish Commercial Code and giving information to shareholders about transactions carried out within this framework in 2015 in accordance with Corporate Management Communique of the Capital Markets Board;

Agenda of General Meeting for year 2015 (continued)

18. In line with the Decision of Capital Markets Board dated May 14, 2015 and numbered 12/556 which was notified by the letter of the same dated May 21, 2015 and numbered 12233903-325.99-466,, to submit for discussion and approval of the issue "if to recourse to members of the Board of Directors who have responsibility in the acts requiring impose of an administrative fine in an amount of 44,814.00 in total against our Company for payment of the same or not"

19. Wishes and Comments, Closing

COMPANY'S SHARES BUYBACK PROGRAM

Purpose of Buyback

As the share price of our Company's shares started to trade on Borsa Istanbul A.Ş. ("BİAŞ") as of May 11, 2011 has declined significantly below its initial public offering price due to instabilities arisen in the geographical region where Turkey is located and also due to the fact that prices on Borsa Istanbul A.Ş. do not reflect the real performance of our Company's activities and to reduce the price fluctuations it is aimed to allow repurchase of our shares traded on Borsa Istanbul A.Ş. if deemed necessary by taking into consideration existing market conditions, and within this scope, by virtue of the authorization given by the General Assembly for share buyback, to follow the price movements to be arisen on the exchange in the next period and to repurchase the shares of our Company if deemed necessary.

The Period of the Share Buyback Program

Thirty six (36) months

Minimum Number of Shares which can be Repurchased

It is foreseen to buy back shares at the maximum amount that the legislation allows. Provisions of the relevant legislation allow to buy back 10% of the Company's capital. If there will a change in the legislation or increase in the capital, the operation is carried out in compliance with the increased capital or the amended legislation.

The program will be completed once the maximum amount of shares subject to buyback have been purchased.

Total Amount and Source of the Funds Allocated for Share Buyback

A fund in an amount of TL 41,950,000.00 has been allocated for share buyback coming from the company's resources and income from its activities.

Nominal value of repurchased shares is not allowed to exceed 10% of the issued capital including previous buybacks. Repurchased shares sold during the program are not included in the calculation of this ratio as a reduction item.

Total amount of repurchased shares cannot exceed total amount of funds which can be used for dividend distribution.

Lower and Upper Price Limits for the Share Buyback

In repurchasing of shares, the lower price limit is TL 0 (zero), while the upper price limit is TL 2.28 (Two Turkish Liras Twenty Eight Kuruş).

COMPANY'S SHARES BUYBACK PROGRAM (continued)

Authority Duration and Transaction Procedure Requested from the General Assembly

The Company's Board of Directors has been authorized for a period of 3 (three) years.

The Board of Directors is authorized for the transactions, in accordance with the legislation, of share buyback and disposal of the purchased shares for 3 (three) years following the authorization. Provided to be within the authorization time, the Board of Directors can carry out one or more buyback programs which have shorter periods.

The Board of Directors can decide to start a new buyback program after the completion of a buyback program within the 3 (three) years authorization time. In this case, the procedure mentioned above is applied.

The Board of Directors is authorized to finalize the sales without selling all purchased shares and to start a new buyback program.

Authorization for Purchases

The Company employee, Mrs. Hülya Deniz Bilecik is authorized for purchases.

The Number of Shares Repurchased and not Sold Yet, Their Share in The Capital and The Results of The Previous Program

The Number of Shares Repurchased and not Sold Yet: 0

Their Share in The Capital: 0

No buyback was performed by our Company previously within the relevant legislation.

Minimum, Maximum and Weighted Average Share Price Information in the last year

As of 13.04.2016, in the last year;

Minimum share price: TL 1.23

Maximum share price: TL 1.70

Weighted average share price: TL 1.48

Minimum, Maximum and Weighted Average Share Price Information in the last 3 months

As of 13.04.2016, in the last three months;

Minimum share price: TL 1.23

Maximum share price: TL 1.68

Weighted average share price: TL 1.46

Benefits that Related Parties will get from the Buyback Transaction

None

COMPANY'S SHARES BUYBACK PROGRAM (continued)

Information About Subsidiaries Which Can Buy Back Within The Program, If Any

Akfen Gayrimenkul Ticareti ve İnşaat A.Ş.

Date of General Assembly Meeting where the Share Buyback Program will be Submitted for Approval

The Share Buyback Program will be submitted to the approval of 2015 Ordinary General Assembly to be convened on May 24, 2016, Tuesday at 01:30 PM.

Public Disclosures

The buyback program prepared by the Board, excluding the announcement and meeting date, will be made public by the Company via a special case declaration at least three weeks prior to the date of the general assembly and simultaneously posted on the company web site www.akfengyo.com.tr

If there is a revision made by the general assembly to the buyback program submitted to the approval of the general assembly, the revised program, will be made public by the partnership via a special case declaration on the first working day after the general assembly and simultaneously posted on the company web site.

According to the program two working days before the share buyback transactions start, the Company makes a special case declaration with regard to the start and finish date of the period during which the buybacks are scheduled, nominal value of the shares subject to buyback and their share in the capital.

The company makes a special case declaration for every transaction carried out within the buyback program, on the working day following the transaction date prior to the session, stating the nominal value of the shares subject to the transaction, transaction price, their share in the capital, nominal value of the shares that were repurchased previously within the program, and privileges related to these shares, if any and the date of the transaction.

In case shares repurchased are sold, including previous purchases, the Company makes a special case declaration on the working day following the transaction date prior to the session, stating the nominal value of the shares subject to the transaction, transaction price, their share in the capital, share of the remaining shares in the capital, the realized profit/loss amount, and privileges related to these shares, if any and the date of the transaction.

The company makes a public announcement, within a period of three working days following the ending of the period foreseen for the buyback, finishing of the program and completion of the buybacks within the program, stating the maximum and average price paid for the repurchased shares, the funds used for the buybacks, the total amount of the shares repurchased and their share in the capital. In the case that the shares repurchased by the Company are sold during the program, additionally, in a similar way the total nominal amount of the sold shares, total profit/loss amount and average sales price, and privileges related to the shares subject to trading, if any and the transaction date. These information, that summarizes the transactions within the buyback program, are submitted to the information of the shareholders at the first general assembly.

COMPANY'S SHARES BUYBACK PROGRAM (continued)

Other Information related to the Buyback Program

Legal reserves in the amount of the value of the repurchased shares will be classified under Shareholders's Equity as restricted reserve. These reserves are released once the repurchased shares are sold or redeemed in the amount of their buyback values.

Purchased shares are not taken into consideration at the calculation of the quorum of the general assembly meeting.

16 February 2016, Opening of Novotel İstanbul Bosphorus , Karaköy

Novotel İstanbul Bosphorus (Karaköy) having 200 rooms developed by Akfen Karaköy Gayrimenkul Yatırımları ve İnşaat A.Ş., subsidiary of our Company as 5-star hotel in the centre of Karaköy, one of the oldest trade center of İstanbul has started its operations. As a result, the Company's number of domestic and foregin hotels rose to 19.

29 January 2016, Selection of Valuation Company

In Board of Director's meeting held on 29/01/2016;

- In pursuance of Capital Market Board's Principals for Real Estate Investments comminute with Series III, No:48.1 article 35, EPOS Gayrimenkul Danışmanlık ve Değerleme A.Ş. A.Ş. has been decided as valuation company for the assets in our portfolio and EPOS Gayrimenkul Danışmanlık ve Değerleme A.Ş. and EVA Gayrimenkul Değerleme A.Ş. have been decided as valuation companies for assets that may be added to our portfolio and will need valuation in year 2016.

TURKEY

<u>Operational Hotels</u>	Number of Rooms	Ending Date of Land Lease	Date of Starting of Construction	Date of Hotel Opening
1 Ibis Hotel Zeytinburnu	228	49 years	2005	March 2007
2 Novotel Zeytinburnu	208	49 years	2005	March 2007
3 Ibis Hotel Eskişehir	108	22 years	2005	April 2007
4 Novotel Trabzon	200	49 years	2006	October 2008
5 Ibis Hotel Gaziantep	177	30 years	2008	January 2010
6 Novotel Gaziantep	92	30 years	2008	January 2010
7 Ibis Hotel Kayseri	160	49 years	2008	March 2010
8 Novotel Kayseri	96	49 years	2008	March 2010
9 Ibis Hotel Bursa	200	32 years	2009	November 2010
10 Ibis Hotel Adana	165	Owned	January 2011	September 2012
11 Ibis Hotel Esenyurt	156	Owned	March 2011	January 2013
12 Ibis Hotel İzmir Alsancak	140	49 years	June 2011	June 2013
13 Ibis Hotel Ankara Airport	147	Owned	January 2013	September 2014
14 Novotel İstanbul Bosphorus	200	49 years	July 2012	2015
15 Merit Park Otel	286	49 years		April 2007
Sub Total	2.563			
Projects under Construction				
2 Ibis Hotel Tuzla	200	Owned	August 2013	2016
Sub Total	200			

17 **TOTAL** 2.763

RUSSIA

<u>Operational Hotels</u>	Number of Rooms	Ending Date of Land Lease	Date of Starting of Construction	Date of Hotel Opening
1 Ibis Hotel Yaroslavl	177	Owned	April 2010	September 2011
2 Ibis Hotel Samara	204	Owned	July 2009	March 2012
3 Ibis Hotel Kaliningrad	167	Owned	August 2011	August 2013
4 Ibis Hotel Moscow	317	49 years	September 2013	July 2015
Sub Total	865			

4 **TOTAL** 865

21 **GRAND TOTAL** 3.628



- **As of 30 June 2016, TL 6,1 million net profit was disclosed.**
- **Consolidated rent turnover reached TL26,1 million, increasing 9% compared to the same period of previous year.**
- **Consolidated EBITDA reached TL 17,7 million, increasing 2% compared to the same period of previous year.**
- **EBIDTA margin is 68%.**
- **Net Assets became TL 829 million as of 30 June 2016.**

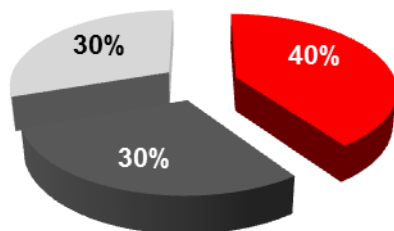
BALANCE SHEET (Million TL)			INCOME STATEMENT (Million TL)		
	30-Jun-16	31-Dec-15		30-Jun-16	30-Jun-15
CURRENT ASSETS	24,5	36,5			
Cash and cash equivalents	12,4	16,2	Revenue	26,1	24,0
Trade receivables	8,8	17,2	Cost of sales	- 4,2	- 3,2
Other receivables	0,0	0,1	GROSS PROFIT	21,9	20,8
Prepaid expenses	2,1	1,4	General administrative expenses	- 4,3	- 3,6
Other current assets	1,2	1,6	EBITDA	17,7	17,3
NON-CURRENT ASSETS	1.596,0	1.549,3	Other Operating (Loss)/Income, net	- 1,0	- 0,2
Other receivables	17,8	17,1	OPERATING PROFIT	16,6	17,0
Investment properties	1.477,6	1.428,4	Financial expenses, net	- 4,8	- 20,7
Tangible and intangible assets	0,2	0,2	PROFIT BEFORE TAX	11,8	- 3,7
Prepaid expenses	11,6	13,0	Current tax expense	- 5,6	- 5,0
Other non-current assets	37,7	37,3	PROFIT/(LOSS) FOR THE PERIOD	6,1	- 8,7
Deferred tax assets	3,1	5,7	Non-controlling interest	0,0	- 0,8
TOTAL ASSETS	1.620,6	1.585,9	PROFIT/(LOSS) FOR THE PERIOD	6,1	- 7,9
SHORT TERM LIABILITIES	59,6	54,9	Change in currency translation differences	13,6	23,6
Short term financial liabilities	5,0	-	Total comprehensive income	19,7	15,6
Short term portions of long term financial liabilities	43,6	44,7	Gross profit margin	84%	87%
Trade payables	5,3	5,9	EBITDA margin	68%	72%
Other payables	1,3	2,5			
Deferred income	2,5	-			
Short term provisions	0,5	0,5			
Other short term liabilities	1,3	1,3			
LONG TERM LIABILITIES	737,2	726,9			
Long term financial liabilities	665,3	659,3			
Non-current provisions	0,1	0,1			
Other long term liabilities	3,5	3,6			
Deferred Tax Liability	68,3	63,9			
SHAREHOLDERS' EQUITY	823,8	804,1			
TOTAL LIABILITIES	1.620,6	1.585,9			
Total liabilities / Total assets	49%	49%			

Operational Performance

- As of 30 June 2016, TL 6,1 million net profit was disclosed.
- Consolidated rent turnover reached TL26,1 million, increasing 9% compared to the same period of previous year
- As of 30 June 2016 average occupancy rate for hotels operating throughout Turkey is 63%; for hotels operating in Russia is 56%; and for all hotels is 61%.
- As of 30 June 2016 average room price for hotels operating throughout Turkey is Euro 48; for hotels operating in Russia is Euro 46 and for all hotels is Euro 36.
- Consolidated hotel expenses reached to TL 4,2 million as of 30 June 2016; increasing 30% comparing to the same period of 2015.
- Consolidated general administrative expenses actualized as TL 4,3 million as of 30 June 2016; increasing 19% comparing to the same period of 2015.
- Consolidated EBITDA reached TL 17,7 million, increasing 2% compared to the same period of previous year.
- EBIDTA margin is 68%.
- Net Assets became TL 829 million as of 30 June 2016.

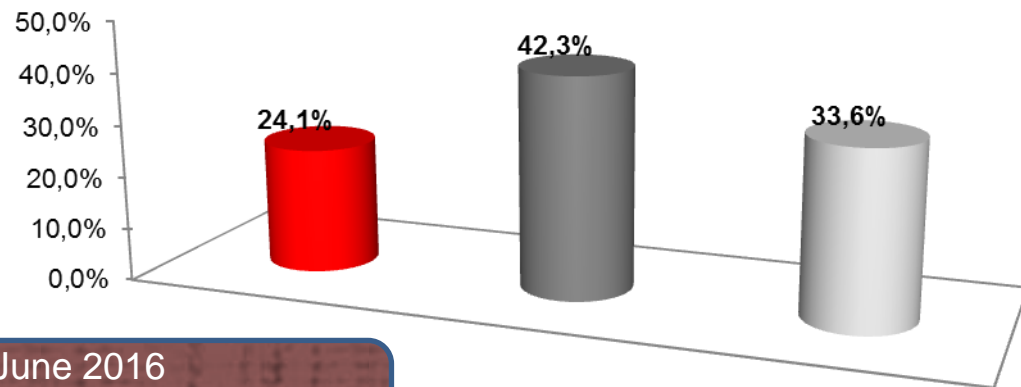
30 June 2016
Distribution of Rental Income by
Regions (%)

■ Turkey ■ TRNC ■ Russia

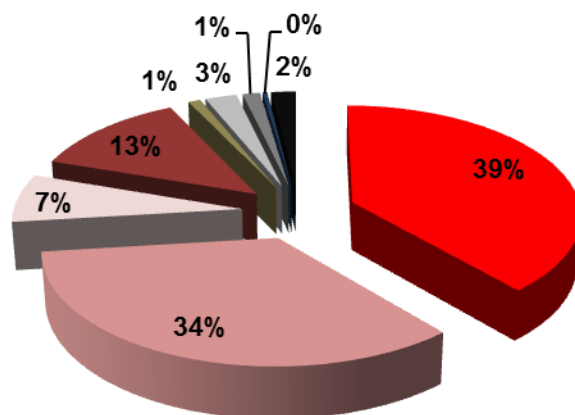


30 June 2016
Distribution of EBITDA by Regions
(%)

■ Turkey ■ TRNC ■ Russia

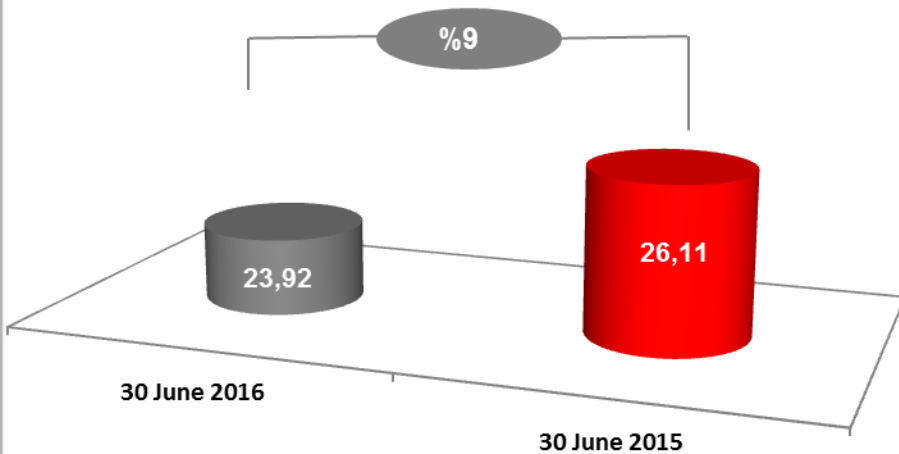


30 June 2016
Distribution of General Administration
Expenses (%)

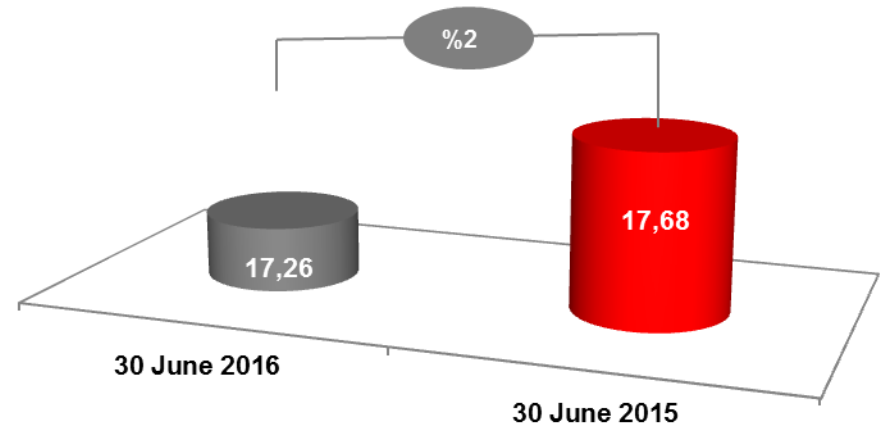


- Personnel expenses
- Outsourced service expenses
- Operating lease expenses
- Consultancy expenses
- Advertising expenses
- Travel and hosting expenses
- Tax and duties expenses
- Depreciation and amortisation expense
- Other

Consolidated Rental Income (million TL)



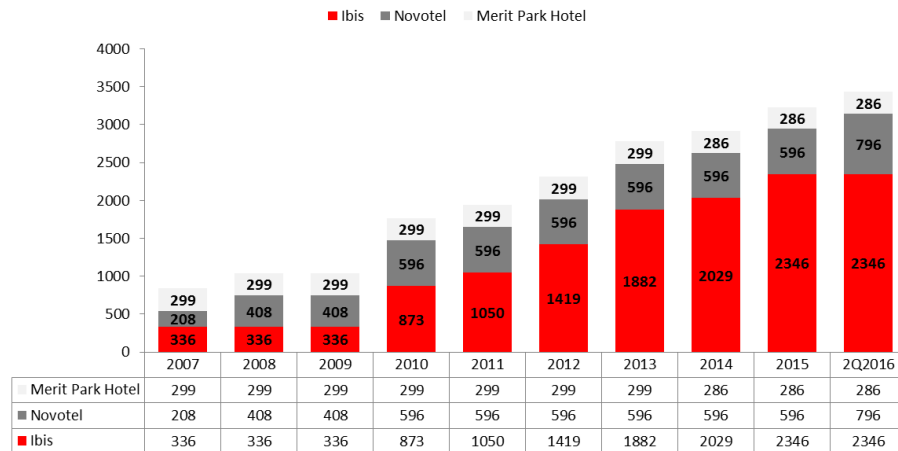
EBITDA (million TL)



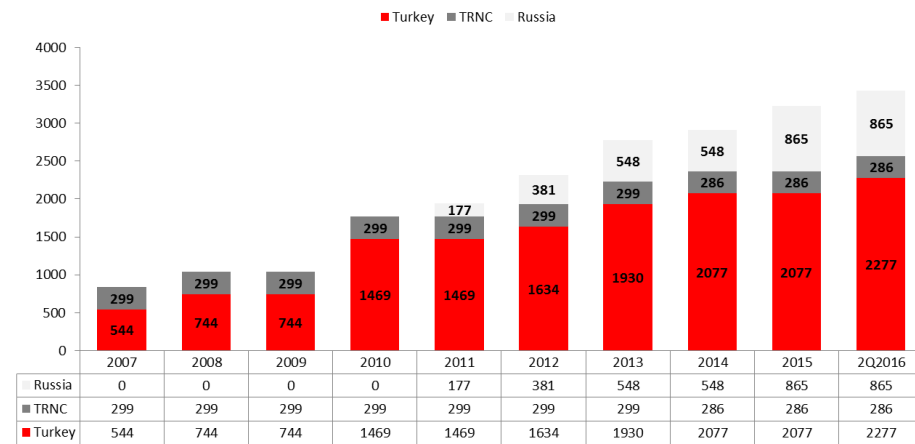
• Yearly Room Capacity Development

As of 30 June 2016, room numbers of the Company's 19 operational hotels is 3.428.

Room number based on hotel types



Room number based on countries



Amounts shown as «TL Million».

30-Jun-16	Rental Income	EBITDA	EBITDA Margin	Net Debt
Turkey	10,5	4,3	40%	417,9
TRNC	7,7	7,5	97%	96,9
Russia	7,9	5,9	75%	186,6
CONSOLIDATED	26,1	17,7	68%	701,5

Rental Income	30-Jun-16	30-Jun-15	Change (%)
Turkey	10,5	11,6	-9%
TRNC	7,7	6,8	13%
Russia	7,9	5,5	43%
CONSOLIDATED	26,1	23,9	9%

Personnel numbers	30-Jun-16	31-Dec-15	Change (%)
Turkey	12	13	-8%
TRNC	-	-	0%
Russia	12	12	0%
TOTAL	24	25	-4%

EBITDA	30-Jun-16	30-Jun-15	Change (%)
Turkey	4,3	6,4	-33%
TRNC	7,5	6,7	12%
Russia	5,9	4,2	41%
CONSOLIDATED	17,7	17,2	3%

Occupancy Rates %	30-Jun-16	30-Jun-15	Change (%)
Turkey Total - İbis	66%	67%	0%
Turkey Total - Novotel	57%	71%	-14%
Turkey Total - İbis&Novotel	63%	68%	-5%
Russia Total - İbis	56%	54%	2%
Turkey & Russia Total	61%	65%	-4%

Average Room Prices (VAT Exc.) - TL

	30-Jun-16	30-Jun-15	Change (%)
Turkey Total - İbis	112	118	-5%
Turkey Total - Novotel	155	182	-15%
Turkey Total - İbis&Novotel	125	137	-9%
Russia Total - İbis	111	104	6%
Turkey & Russia Total	122	132	-8%

All inclusive Revpar (VAT Exc.) - TL	30-Jun-16	30-Jun-15	Change (%)
Turkey Total - İbis	91	96	-5%
Turkey Total - Novotel	131	185	-29%
Turkey Total - İbis&Novotel	104	122	-14%
Russia Total - İbis	84	77	9%
Turkey & Russia Total	99	112	-12%

Rental Income (Thousand TL)	30-Jun-16	30-Jun-15	Change (%)
Turkey Total - İbis	6.359	6.726	-5%
Turkey Total - Novotel	4.168	4.848	-14%
Turkey Total - İbis&Novotel	10.527	11.574	-9%
Russia Total - İbis	7.184	4.759	51%
Turkey & Russia Total	17.712	16.334	8%
Total (TL) *	26.112	23.917	9%

* Including Rental Income of Merit Park Hotel ve Samara Office

- Net Debt**

Total amount of debt reached to TL 714 million in 1st half of 2016; increasing 1% from its level of TL 704 million in 2015.

Total amount of net financial debt reached to TL 653 increasing 2% comparing to year end 2015.

Total Debt (million TL)	30-Jun-16	31-Dec-15	Change (%)
Less than 1 year	49	45	9%
1 – 2 years	55	47	17%
2 – 3 years	62	59	4%
3 – 4 years	60	59	3%
4 – 5 years	56	56	1%
5 years and more	432	438	-2%
TOTAL	714	704	1%

Annual Weighted Average Interest Rate for Euro Loans	7,20%	7,20%	0,00%
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Annual Weighted Average Interest Rate for TL Loans	14,45%
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Gross Debt (million TL)	30-Jun-16	31-Dec-15	Change (%)
Turkey	427	420	2%
TRNC	97	96	1%
Russia	190	188	1%
CONSOLIDATED	714	704	1%

Loan allocation based on currency	30-Jun-16
EUR	99%
TL	1%

• Investment Properties

Total amount of investment properties within the Company's portfolio reached TL 1.477,6 million as of 30 June 2016.

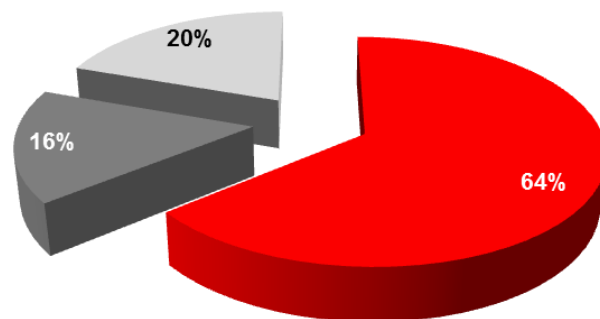
As of 30 June 2016, Novotel İstanbul Bosphorus, Karaköy, was transferred to operational investment properties from investment properties under construction since the hotel has become operational.

Investment Properties (Million TL)	30-Jun-16	31-Dec-15	Change (%)
Operational investment properties	1.413,0	1.195,4	18%
Investment properties under construction	64,6	233,0	-72%
TOTAL	1.477,6	1.428,4	3%

30 June 2016
Distribution of Properties by
Regions (%)

■ Turkey ■ TRNC ■ Russia

Investment Properties (Million TL)	30-Jun-16	31-Dec-15	Change (%)
Turkey	947,9	932,0	2%
TRNC	240,3	240,3	0%
Russia	289,4	256,0	13%
TOTAL	1.477,6	1.428,4	3%



Fair value of investment properties owned by the Company in Turkey and TRNC comprises the appraisement values as calculated on December 31, 2015 by EPOS Real Estate Appraisal Co. Inc., a real estate appraisal company registered with the CMB and listed among the CMB approved "Real Estate Appraisal Companies and the expenditures made for the properties from appraisal date to 30 June 2016.

30 June 2016	
Name of Real Estate	Fair Value (Million TL)
Merit Park Otel - KKTC Girne	230,3
Ibis Otel ve Novotel Zeytinburnu	226,8
Novotel İstanbul Bosphorus, Karaköy	184,1
Novotel Trabzon	123,6
Ibis Otel Esenyurt	60,3
Ibis Otel ve Novotel Gaziantep	58,1
Ibis Otel Tuzla	54,5
Ibis Otel ve Novotel Kayseri	51,8
Ibis Otel İzmir Alsancak	46,9
Ibis Otel Bursa	45,6
Ibis Otel Adana	44,8
Ibis Otel Ankara Airport	37,9
Ibis Otel Eskişehir	13,6
KKTC Bafra Otel Projesi	10,0
TOPLAM	1.188,2

Fair value of investment properties owned by the Company in Russia comprises the values on December 31, 2015 as calculated jointly by the Company Management and EPOS Real Estate Appraisal Co. Inc. , a real estate appraisal company registered with the CMB and listed among the CMB approved "Real Estate Appraisal Companies and the expenditures made for the properties from appraisal date to 30 June 2016.

30 June 2016	
Name of Real Estate	Fair Value (Million TL)
Ibis Otel Moskova	160,1
Ibis Otel Samara	41,0
Ibis Otel Yaroslavl	35,1
Ibis Otel Kaliningrad	36,4
Samara Ofis	16,9
TOPLAM	289,4

- **Investments in Property**

As of 30 June 2016; a total investment expense of TL 15,8 million was made for properties included in the Company's portfolio.

As of June 30, 2016

TURKEY

Investment	Location	umber of Room	Status	Total investment Cost (Euro, VAT Included) *	Investment Completion (%) **	Physical Completion (%)	Estimated Date for Opening
Ibis Hotel Tuzla	İstanbul	200	Under Construction	17.200.000	99%	100%	2016

* Does not include financing cost for the construction period and general administration expenses attributable to the projects.

** Included advance payments made to the Contractors..

- Net Asset Value**

Net Assets became TL 828,9 million as of 30 June 2016.

PORTFOLIO STATEMENT (mn TL) 30-Jun-16

Operational Hotels

Ibis Hotel and Novotel Zeytinburnu	226,8
Ibis Hotel Eskişehir	13,6
Novotel Trabzon	123,6
Ibis Hotel and Novotel Kayseri	51,8
Ibis Hotel and Novotel Gaziantep	58,1
Ibis Hotel Bursa	45,6
Ibis Hotel Esenyurt	60,3
Ibis Hotel Adana	44,8
Ibis Hotel İzmir Alsancak	46,9
Ibis Hotel Ankara Airport	37,9

Projects Under Construction

Ibis Hotel Tuzla	54,5
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Affiliates	424,4
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Money and Capital Market Instruments	1,6
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TOTAL PORTFOLIO VALUE	1.189,8
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Other Assets and Receivables	26,0
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Debts	386,8
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NET ASSET VALUE	828,9
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Information in the statement are non-consolidated, and therefore may not match information in consolidated statements.



Government grants and incentives

According to the Investment Incentive Law numbered 47/2000, the Group has a 100% of investment allowance on capital expenditures made until 31 December 2008 in TRNC.

Dividend Distribution Policy

The Company makes its resolutions on dividend distribution by taking into account provisions of Turkish Commercial Code, Capital Markets Legislation, Regulations and Decisions of the Capital Markets Board, Tax Laws, other relevant legislations and the Company's Articles of Association.

Pursuant to the Board of Directors' decision of February 25, 2011, Akfen Real Estate Investment Trust Co. Inc. has adopted a dividend distribution policy based on the principle of "proposing to the General Assembly, distribution of minimum 30% of the distributable profit as of the accounting period of 2012, of by taking into account the Company's general profitability".

Dividend Distribution Policy is submitted to the information of shareholders, during the General Assembly meeting.

The Company's Dividend Distribution Policy is publicly disclosed on the Company's web site.

Portfolio Limitations

Unconsolidated (separate) financial statement				
main				
account items	Related Regulation	30 June 2016	31 December 2015	
A Cash and capital market instruments	III-48.1. S/N 24 / (b)	1,555,778	10,149,201	
B Investment properties, investment property-based projects, investment property-based rights	III-48.1. S/N 24 / (a)	763,821,134	751,851,000	
C Participations	III-48.1. S/N 24 / (b)	424,403,825	424,403,825	
Due from related parties (non-trade)	III-48.1. S/N 23 / (f)	-	-	
Other assets		25,961,327	31,805,107	
D Total assets	III-48.1. S/N 3 / (p)	1,215,742,064	1,218,209,133	
E Financial liabilities	III-48.1. S/N 31	378,856,011	371,970,288	
F Other financial liabilities	III-48.1. S/N 31	7,950,541	9,442,359	
G Finance lease liabilities	III-48.1. S/N 31	-	-	
H Due to related parties (non-trade)	III-48.1. S/N 23 / (f)	-	-	
I Shareholders' equity (net asset value)	III-48.1. S/N 31	828,935,512	836,796,486	
Other liabilities		-	-	
D Total liabilities and equity	III-48.1. S/N 3 / (p)	1,215,742,064	1,218,209,133	
Unconsolidated (separate) other financial information				
	Related Regulation	30 June 2016	31 December 2015	
A1 Cash and capital market instruments held for payments of investment properties for 3 years	III-48.1. S/N 24 / (b)	-	-	
A2 Time / demand TRY / foreign currency	III-48.1. S/N 24 / (b)	1,548,238	10,133,075	
A3 Foreign capital market instruments	III-48.1. S/N 24 / (d)	-	-	
B1 Foreign investment property, investment property-based projects, investment property-based rights	III-48.1. S/N 24 / (d)	-	-	
B2 Idle lands	III-48.1. S/N 24 / (c)	-	-	
C1 Foreign subsidiaries	III-48.1. S/N 24 / (d)	67,074,294	67,074,294	
C2 Participation to the operator company	III-48.1. S/N 28/1(a)	-	-	
J Non-cash loans	III-48.1. S/N 31	856,315,231	850,407,592	
K Pledges on land not owned by the Investment Trust which will be used for project developments	III-48.1. S/N 22 / (e)	-	-	
L Cash and capital market instrument Investments held on One Unique Company	III-48.1. S/N 22 / (I)	-	-	

Portfolio Constraints	Portfolio Constraints Related Regulation	Current Period	Previous Year	Minimum/Maximum Ratio
1 Pledges on Land not Owned by the Investment Trust which will be Used for Project Developments	III-48.1. S/N 22 / (e)	0.00%	0.00%	<10%
2 Investment Property, Investment Property Based Projects, Investment Property Based Rights	III-48.1. S/N 24 / (a). (b)	62.83%	61.72%	>51%
3 Cash and Capital Market Instruments and Participations	III-48.1. S/N 24 / (b)	35.04%	35.67%	<50%
4 Foreign Investment Property, Investment Property based Projects, Investment Property Based Rights, Participations, Capital Market Instruments	III-48.1. S/N 24 / (d)	34.91%	34.84%	<50%
5 Idle Lands	III-48.1. S/N 24 / (c)	0.00%	0.00%	<20%
6 Participation to the Operator Company	III-48.1. S/N 28	0.00%	0.00%	<10%
7 Borrowing Limit	III-48.1. S/N 31	149.97%	147.21%	<500%
8 Time / Demand TRY / Foreign Currency	III-48.1. S/N 22 / (e)	0.13%	0.83%	<10%
9 Cash and capital market instrument Investments held on One Unique Company	III-48.1. S/N 22 / (I)	0.00%	0.00%	<10%

The figures shown in the table are summarized and prepared in accordance with the 16. Article of the communique with II-14.1 no related to “Financial Reporting Principals in Capital Markets” and portfolio limitation regulations of the communique with III-48.1 no related to “Principals of Real Estate Investments”. Additionally, since the information in the table is unconsolidated, they may differ from the consolidated information in the financial statements.

Due to related parties (trade) :

As at 30 June 2016 and 31 December 2015, all amount of due to related parties is comprised from the trade payables to Akfen İnşaat related to progress payments of Tuzla, Esenyurt, İzmir ve Adana projects of the Company.

Due to related parties (trade) (TL)	30-Jun-16	31-Dec-15
Akfen Insaat Turizm ve Ticaret A.Ş.	3.012.718	3.742.189

Related party transactions

	1 January- 30 June 2016	1 January- 30 June 2015
Investment properties under development (TL)		
Akfen Insaat Turizm ve Ticaret A.Ş.	9.998.601	27.422.628

	1 January- 30 June 2016	1 January- 30 June 2015
Rent expenses (TL)		
Hamdi Akin	212.024	199.016

- **Statement of Responsibility**
- **Minutes of General Meeting for Year 2015**
- **List of Attendants of General Meeting for Year 2015**

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