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Under no circumstances shall this Prospectus constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities being offered, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Manager or any affiliate of the Manager is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the manager or such affiliate on behalf of the Company in such jurisdiction.

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From Akfen Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

This is the prospectus regarding the public offering of the shares of our corporation with a total nominal value of TL 54,117,500, consisting of the shares corresponding to TL 46,000,000 to be issued due to the capital increase from TL 138,000,000 to TL 184,000,000, and the shares corresponding to TL 8,117,500 held by the existing shareholders, and in case of use of over-allotment option, the shares corresponding to TL 8,117,625 held by the existing shareholders.

The said shares have been registered by the Capital Markets Board (the Board) pursuant to article 4 of the Capital Markets Law (the CML) on …/…/…/ under number …… However, registration cannot be interpreted as a guarantee for our corporation or its shares by the Board or the public.

As per the CML, institutions, titles of which are mentioned below and persons entitled to represent such institutions are responsible for ensuring that the information contained in the prospectus and its exhibits fairly reflects the truth. However, it is possible to resort to the intermediary institutions, which fail to show the level of care expected therefrom, for the portion of the loss, compensation of which cannot be made by the issuers. Independent auditing firms are legally responsible for damages that may arise due to incorrect and misleading information and opinions in the reports they prepare in relation to the financial statements and reports that they have audited.

Institutions, titles of which are mentioned below and persons entitled to represent such institutions are responsible for ensuring that the information contained in the prospectus and its exhibits fairly reflects the truth:

Warning to the Investors:

This prospectus includes prospective expressions such as “it is considered that”, “it is planned that”, “it is aimed that”, “it is anticipated that”, “it is expected that”. Such expressions include ambiguity and risk, and only reflect the anticipation and expectations as of the publishing date of the Prospectus. Many factors may cause the prospective explanations of our corporation to result much differently than anticipated.

I. OPINION OF THE STOCK EXCHANGE:

To be further provided during the public offering process.

II. OPINIONS AND APPROVALS OBTAINED FROM OTHER INSTITUTIONS:

To be further provided during the public offering process.

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ABBREVIATIONS AND DEFINITIONS

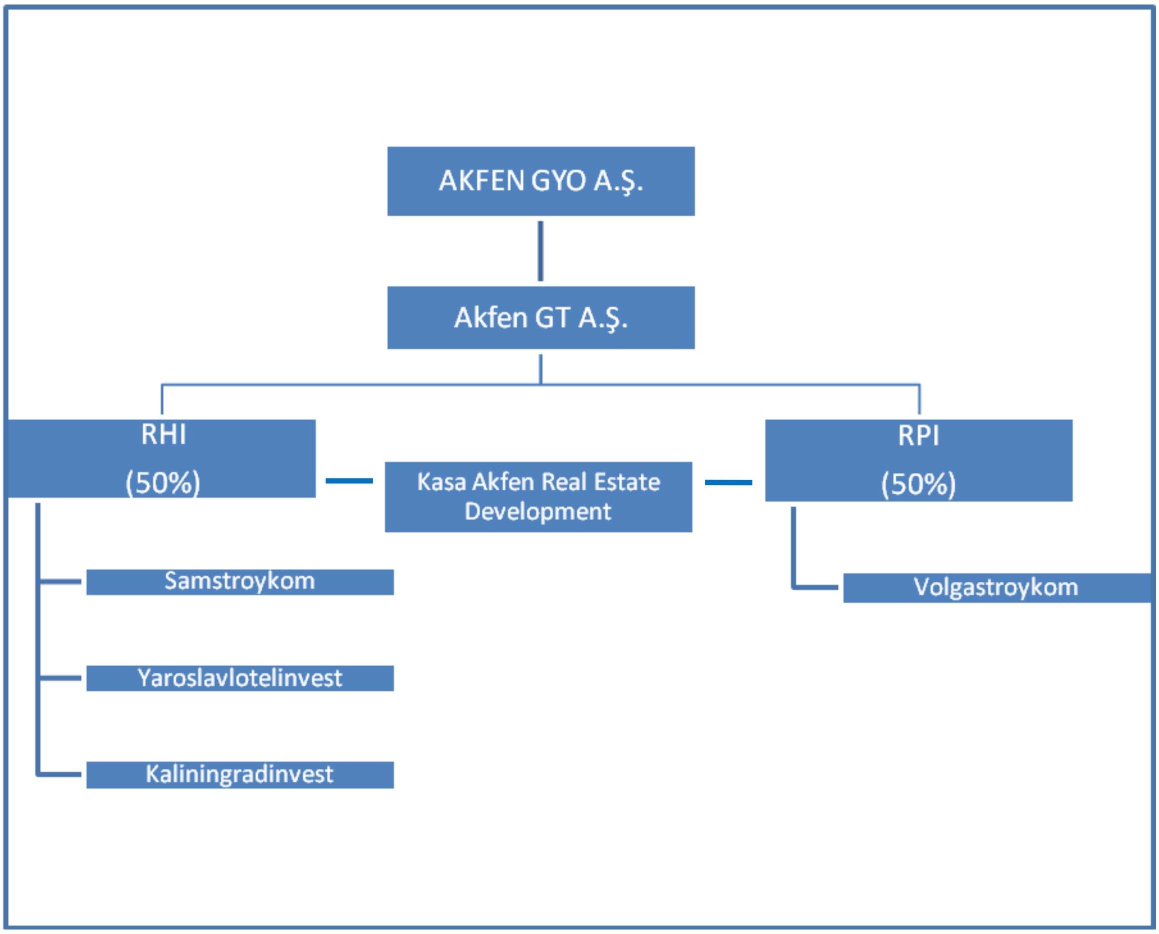
U.S Dollar:	American Dollar
Accor Group or Accor:	Accor S.A.
Akfen GT:	Akfen Gayrimenkul Ticareti ve İnşaat A.Ş.
Akfen GYO, Company or Corporation:	Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.
Akfen Construction:	Akfen İnşaat Turizm ve Ticaret A.Ş.
Aksel:	Aksel Turizm Yatırımları ve İşletmecilik A.Ş.
Stock Exchange or ISE:	Istanbul Stock Exchange
CIS:	Commonwealth of Independent States
CMD:	Council of Ministers' Decree
BUTTİM:	Bursa International Textile and Commerce Center
EIA:	Environmental Impact Assessment
EBRD:	European Bank for Reconstruction and Development
EEPI Ltd.:	Eastern European Property Investment Ltd.
Euribor:	Spot interest rate used in the Euro zone
Goldman Sachs ('GS'):	Goldman Sachs & Co
Group:	Akfen Holding, Affiliates and Subsidiaries as well as companies under common control with Akfen GYO A.Ş.
ITL:	Income Tax Law
REIT Communiqué:	Communiqué Serial: VI No: 11 on "Principles regarding Real Estate Investment Trusts" of the Capital Markets Board
REIT:	Real Estate Investment Trust
Undersecretariat of Treasury:	Undersecretariat of Treasury of the Republic of Turkey
Holding or Akfen Holding:	Akfen Holding A.Ş.
IFC:	International Finance Corporation
PDP:	Public Disclosure Platform
KAYSO:	Kayseri Chamber of Commerce

VAT:	Value Added Tax
TRNC:	Turkish Republic of Northern Cyprus
Board or CMB:	Capital Markets Board of the Prime Ministry of the Republic of Turkey
CTL:	Corporate Tax Law
Libor:	London Interbank Offered Rate
CRA:	Merkezi Kayıt Kuruluşu A.Ş. *(Central Registry Agency)*
Oyak Yatırım:	Oyak Yatırım Menkul Değerler A.Ş.
Russian Hotel or **RHI:**	Russian Hotel Investment BV
Russian Property or **RPI:**	Russian Property Investment BV
CML:	Capital Markets Law
Tamaris Turizm A.Ş:	100% owned subsidiary of France-based Accor S.A. in Turkey
RoT:	Republic of Turkey
TL:	Turkish Lira
TMO:	Soil Products Office (*Toprak Mahsulleri Ofisi*)
Trabzon WTC:	Trabzon World Trade Center
TSKB:	Türkiye Sınai Kalkınma Bankası A.O.
TCC:	Turkish Commercial Code
TTRG:	Turkish Trade Registry Gazette
IFRS:	International Financial Reporting Standards
IASB:	International Accounting Standards Board
IAS:	International Accounting Standards
BOT:	Build-Operate-Transfer
BoD:	Board of Directors

1. SUMMARY

This section is the summary of the prospectus and investment decisions regarding the capital market instruments shall be given as a result of evaluating the prospectus as a whole.

a. Information regarding the Company (history, development and operations of the Company, etc.)



Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. (Akfen GYO) was established as a result of change of title and restructuring of Aksel Turizm Yatırımları ve İşletmecilik A.Ş. ("Aksel") through being converted into a real estate investment trust. Aksel was initially incorporated on June 25, 1997 under the partnership of Hamdi Akın and Yüksel İnşaat A.Ş., for the purpose of investing in domestic tourism sector; and thereafter, in 2006, the shares of Yüksel İnşaat A.Ş. were purchased by Akfen Holding and the Company became an affiliated company of Akfen Holding. Restructuring of Aksel was concluded on July 14, 2006, by the approval of the CMB of the filing made upon the decision dated April 25, 2006 of the Board of Directors, and changes made to the title and the articles of association within such scope were published in Turkish Trade Registry Gazette dated August 31, 2006. The existing paid up capital of TL 138,000,000 of Akfen GYO, which operates within the registered capital system, was published in Turkish Trade Registry Gazette dated October 6, 2010 and numbered 7663, was registered with the CMB by the Board Decision dated September 23, 2010 and numbered 28/840.

Akfen GYO's main field of activity is to invest in real estate-backed capital market instruments, to create and develop real estate portfolios, and to engage in purposes and subjects set forth in articles 23 and 25 of the Communiqué on Principles regarding Real Estate Investment Trusts (Serial VI, No: 11) of the CMB.

On April 18, 2005, Akfen Holding, the major shareholder of Akfen GYO has signed a memorandum of understanding with Accor S.A., one of the international chain hotel operators. Under this Memorandum of Understanding, Akfen Holding and Accor S.A., have united their powers by forming a partnership to develop hotel projects, primarily under Ibis and Novotel brands in Turkey. With the subsequent amendments made thereto, Akfen GYO and Tamaris Turizm A.Ş., a subsidiary of Accor S.A established in Turkey, have also become parties to the said Memorandum of Understanding.

Akfen GYO has strategically positioned itself to turn the fact that there are no standardized accommodation facilities in Turkey, Russia and other CIS countries, into an advantage, and targets the city hotels market, which increasingly grows in these countries.

b. Risk Factors

b.1. Risks regarding the Company and the sector in which it operates:

Although Akfen GYO has created binding undertakings by making long term lease agreements for the incomes that will be generated from the real estate investments, probable economic crisis and fluctuations may cause the decreasing of the rents to be collected out of the turnover and hotel profits and/or postponement and cancellation of the investments planned for the future. Besides, the intense interest of the foreign hotel chains in the hotel markets in Turkey and Russia, which are among the countries that the Company displays activity at the moment, as well as the realization of the investment plans announced by such groups one after another, may create pressure on the profitability in the sector. Again, Akfen GYO, which continues its operations under the agreements concluded with the Accor Group, may be influenced by any negativity that may occur in relation to Accor Group.

As the lands, on which the hotels are built, are generally leased from public and quasi-public institutions, by way of setting up a right of construction, prospective problems with the administrations due to termination grounds contained in the contracts or the law may adversely affect the operations of the company. Likewise; legal regulations and acts regarding the construction and/or the scope of the construction to be carried out on the lands, upon which Akfen GYO has a usage right, such as, in particular, the amendment of the zoning plan under the zoning regulations, may be made a cause of action by third parties, and accordingly, the construction permits granted for the relevant constructions may be cancelled. This kind of events may have a negative impact on the construction process and the related financing opportunities (particularly, drawdown of the loans under the signed loan agreements).

Certain competitors of the Company may have better technical and marketing resources than the Company, or project designs that may be more appealing to the targeted clientele. Intense competition in the tourism and hotel sector may cause an excessive supply of hotels, as a result of high number of real estate development projects and accordingly, lead to a decrease in the Company's revenues.

Operations of the Company contain important risks concerning the real estate markets in Turkey and Russia.

Real estate markets in Turkey and Russia undergo seasonal rise and falls due to their sensitivity to the economic conjuncture. Therefore, in case of a possible economic crisis, operations, financial situation and assets of the Company may be adversely affected.

In the event that the Company fails to comply with the CMB legislations applicable to REITs, it may loose its REIT status and relevant tax exemptions or certain changes in laws and tax exemptions or practices may be effected both in Turkey and other countries in which Akfen GYO has direct or indirect subsidiaries.

The Company widely relies on its contractors with respect to the completion of the projects. Delays in completion of the construction of the projects may adversely affect the operations of the Company.

Failure to prepare the necessary zoning plan and failure to obtain construction and environmental permits may adversely affect the development or completion of certain projects of the Company, which currently exist or in the process of development.

There may be increases or budget overruns in the expenses of the Company related to investment costs as well as other costs related to projects.

Even if real estate appraisals are made by companies subject to the CMB legislations, such appraisals rely on certain estimations and assumptions. Therefore, there are certain risks arising from the assumptions derived from the very nature of real estate appraisal process.

Failure to find suitable lands for project development may adversely affect the operations and financial results of the Company.

Physical damages on one or more of the properties contained in Akfen GYO’s portfolio may cause losses exceeding the coverage amount of the relevant insurances.

Any probable earthquakes that may happen in the future may cause harm to the real estates in Akfen GYO’s portfolio, as well as the Turkish economy in general.

b.2. Financial Risks:

b.2.1. Credit Risk:

Credit risk is the customer’s or the counter party’s risk of failing to fulfill its obligations contained in a financial instrument agreement and such risk derives from the customers, its receivables and investment securities.

Credit risk of the Company is influenced by the individual characteristics of each and every customer. Demographic structure of the Company’s customer base has a certain impact on the credit risk, which also includes the default risk created by the industry and the country, in which the customer is active. The Company operates in the real estate field and geographic credit risk of the Company is mainly concentrated in Turkey, TRNC and Russia.

In order to demonstrate the estimate losses occurred in the receivables portfolio, the Company has set aside provisions for depreciation. The Company sets aside provisions for receivables, which are declared insolvent by the Court.

b.2.2. Market Risk:

Market risk means the changes in the market prices such as interest rates, currency exchange rates and stock prices. As the changes in the market prices affect the Company’s income, the Company is exposed to market risk. The aim of market risk management is to optimize the returns of risks, while keeping the risk factors under control within acceptable parameters.

Exchange rate risk

The Company is exposed to exchange rate risk, primarily due to various income and expense items denominated in foreign currencies, as well as foreign currency debts, receivables and financial obligations arising therefrom.

Interest rate risk

Operations of the Company are exposed to the risk of fluctuation of the interest rates, due to the fact that, as of December 31, 2010, 93% of the borrowings from banks are composed of variable rate loans.

b.2.3. Liquidity Risk:

Liquidity risk is the Company’s risk of failing to fulfill its obligations at their respective maturities. The Company’s liquidity management’s approach is to maintain, to the extent possible, a sufficient amount of liquidity in order to be able to pay its obligations when due during normal and distressing conditions, without suffering unacceptable losses or harming the Company’s reputation.

b.2.4. Operational Risk

Operational risk is the risk of direct and indirect loss arising from a wide-range of reasons relating to the Company’s processes, employees, technologies and infrastructures used as well external factors such as legal and regulatory requirements other than credit risk, market risk and liquidity risk and generally accepted standards regarding the legal entity. Operational risk arises from all of the Company's operations.

b.3. Risks related to Issued Shares:

As the shares of the Company will be initially offered to public, there is the risk of being exposed to the price fluctuations at the Stock Exchange. The price forming at the ISE subsequent to the public offering of the shares may differ from the final public offering price. Moreover, upon the issuance of the shares, the price of the shares will be determined on the market in line with the developments in the economy and/or financial structure of the Company.

If the financial performance of the Company is realized below the prospected levels or if the capital markets conditions deteriorate, prices of the shares of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. may decrease. Investors should be aware of the market risk while making their investment decisions.

In its principle decision dated January 27, 2010, CMB has decided to not to impose any obligations for publically held joint stock corporations whose shares are traded at the Stock Exchange, in relation to the minimum profit distribution to be made out of the profit of 2009. This decision may be repeated in the coming years. Investors should be aware of the dividend distribution risk while making their investment decisions.

In addition to the foregoing, holders of shares participate in the company's profit and loss. In the event that there is an outstanding amount as a result of liquidation of the company, the shareholders participate in such outstanding amount pro rata to their shares. In the event of liquidation of the corporation, shareholders shall only receive payment after necessary payments are made to all other creditors.

c. Basic Information regarding the members of the board of directors and the board of auditors, senior-level executives and the independent audit firm of the Company:

MEMBERS OF THE BOARD OF DIRECTORS

Name – Last Name	Position/ Title	Term of Office	Represented Legal Entity /Whether or Not Independent	Profession
İbrahim Süha Güçsav	Chairman of the Board	Elected for a period of 1 year as of June 28, 2010, Elected for a period of 1 year as of March 28, 2011	Does not represent any legal entity, not independent, share ratio: 0,25%	Istanbul Uni., Department of Economics, Gazi Uni, MBA Executive
İrfan Erciyas	Vice Chairman of the Board	Elected on February 10, 2006 until the following General Assembly, On June 20, 2007, for a period of 1 year; On June 8, 2008, for a period of 1 year; On May 22, 2009, for a period of 3 years; On June 28, 2010, for a period of 1 year On March 28, 2011, for a period of 1 year	Represented Legal Entity is Akfen Holding A.Ş, not independent,	Gazi Uni., Department of Economics and Finance, Executive
Mustafa Keten	Board Member	Elected on May 22, 2009 for a period of 3 years, on June 28, 2010 for a period of 1 year On March 28, 2011, for a period of 1 year	Represented Legal Entity is Akfen Holding A.Ş., not independent,	Istanbul Academy of Economic and Administrative Sciences, Department of "Economic Business Administration", Executive

Sıla Cılız İnanç	Board Member	Elected for a period of 1 year as of June 28, 2010, On March 28, 2011, for a period of 1 year	Represented Legal Entity is Akınısı Makine San ve Tic A.Ş., not independent,	Marmara University, Faculty of Law, Lawyer
Selim Akın	Board Member	Elected on September 01, 2010, On March 28, 2011, for a period of 1 year	Represented Legal Entity is Akfen Holding A.Ş., not independent,	University of Surrey Business Management – UK, Executive
Hüseyin Kadri Samsunlu	Board Member	Elected on September 01, 2010, On March 28, 2011, for a period of 1 year	Represented Legal Entity is Akfen Holding A.Ş., not independent,	Boğaziçi Uni., Department of Economics, Missouri Uni., MBA, Executive
Mehmet Semih Çiçek	Board Member	Elected on September 29, 2008 until the next General Assembly, On May 22, 2009, for a period of 3 years; On June 28, 2010, for a period of 1 year, On March 28, 2011, for a period of 1 year	Does not represent any legal entity, independent, share ratio: 0,000000725%	Ankara Academy of Economic and Administrative Sciences, Marmara Uni., Masters Degree, Banker
Mustafa Dursun Akın	Board Member	Elected on May 22, 2009, for a period of 3 years; On June 28, 2010, for a period of 1 year, On March 28, 2011, for a period of 1 year	Does not represent any legal entity, independent, share ratio: 0,000000725%	Ankara Uni., Department of Economics-Finance, Banker
Ahmet Seyfi Usluoğlu	Board Member	Elected on May 22, 2009, for a period of 3 years; On June 28, 2010, for a period of 1 year, On March 28, 2011, for a period of 1 year	Does not represent any legal entity, independent, share ratio: 0,000000725%	METU, Business Administration, Banker

SENIOR LEVEL EXECUTIVES AND OTHER MANAGERS WITH A VOICE IN THE MANAGEMENT

Name – Last Name	Position/ Title	Term of Office	Represented Legal Entity /Whether or Not Independent	Profession
Orhan Gündüz	General Manager	Appointed on July 15, 2009 for a period of 1 year, on September 15, 2010 for a period of 1 year,	Does not represent any legal entity, not independent	Bilkent Uni., Departments of International Relations and Business Administration, Nortwestern Uni., Master of Business Administration MBA, General Manager
Vedat Tural	Assistant General Manager	Appointed on May 02, 2007 for an indefinite term,	Does not represent any legal entity, not independent	Fırat Uni., Civil Engineering Department, Civil Engineer

Memduh Okyay Turan	Assistant General Manager	Appointed on August 03, 2007 for an indefinite term,	Does not represent any legal entity, not independent	Bilkent Uni., Vocational School of Tourism and Hotel Management, Tourism expert
Hülya Deniz Bilecik	Assistant General Manager	Appointed on August14, 2009 for an indefinite term,	Does not represent any legal entity, not independent	İstanbul Uni., Faculty of Business, Manager

MEMBERS OF THE BOARD OF AUDITORS

Name – Last Name	Position/ Title	Term of Office	Represented Legal Entity /Whether or Not Independent	Profession
Meral Necmiye Altınok	Member of the Board of Auditors	Elected on May 22, 2009 for a period of 3 years, On June 28, 2010 for a period of 1 year, On March 28, 2011, for a period of 1 year	Does not represent any legal entity, not independent	Istanbul Uni., Department of Business and Finance, Financier
Rafet Yüksel	Member of the Board of Auditors	Elected on June 18, 2008 for a periof of 1 year, On May 22, 2009 for a period of 3 years, On June 28, 2010 for a period of 1 year, On March 28, 2011, for a period of 1 year	Does not represent any legal entity, not independent	Anadolu Uni., Economics, Independent Accountant and Financial Advisor

Akfen GYO's financial statements pertaining to the accounting periods of 2008, 2009 and 2010, as prepared in accordance with the provisions of IAS/IFRS, adopted by the IASB, in line with the Communiqué Serial:XI No:20, have been audited by Akis Bağımsız Denetim ve SMMM A.Ş. (KPMG).

d. Summarized data regarding the issuance and the estimated public offering schedule:

Nominal value of the public offering in total is; TL 54,117,500; the portion with a nominal value of TL 8,117,500 of which is through sales by the shareholder, and the portion with a nominal value of TL 46,000,000 of which is through capital increase by way of limitation of the preemptive rights of the existing shareholders. In case of receiving a sufficient amount of excessive demand for the offering, an over-allotment option of TL 8,117,625, held by Akfen Holding may be exercised. In such case, the nominal value of the public offering will reach TL 62,235,125. After the offering, the free-float rate will be 29.41% (in case exercise of the over-allotment option, the ratio will be 33.82%).

There will be 2 days of book building for the publically offered shares.

e. Selected financial information, summarized data pertaining to the financial statements and significant changes thereon, and the capital structure and indebtedness status:

SUMMARIZED BALANCE SHEET AND FINANCIAL ANALYSIS

(-TL) **ASSETS**	**December 31, 2010**	**December 31, 2009**	**December 31, 2008**
Current Assets	8,365,971	5,146,431	12,412,726
Fixed Assets	678,636,026	502,950,957	439,864,117
TOTAL ASSETS	**687,001,997**	**508,097,388**	**452,276,843**
LIABILITIES	**236,253,593**	**223,666,490**	**185,823,187**
Short Term Liabilities	**63,017,344**	**61,027,157**	**70,897,849**
Financial Debts	47,628,674	34,139,632	61,417,644
Other Short Term Liabilities	15,388,670	26,887,525	9,480,205
Long Term Liabilities	**173,236,249**	**162,639,333**	**114,925,338**
Financial Debts	164,563,313	161,137,078	109,733,867
Other Long Term Liabilities	8,672,936	1,502,255	5,191,471
SHAREHOLDER'S EQUITY	**450,748,404**	**284,430,898**	**266,453,656**
Shareholder's Equity Attributable to the Parent Company	450,777,318	284,430,898	266,453,656
Minority Shares	-28,914	--	--
TOTAL LIABILITIES	**687,001,997**	**508,097,388**	**452,276,843**

SUMMARIZED INCOME STATEMENT AND FINANCIAL ANALYSIS

(-TL)	**December 31, 2010**	**December 31, 2009**	**December 31, 2008**
Lease Income	18,471,000	17,699,045	14,987,535
GROSS PROFIT	**16,380,948**	**16,012,094**	**11,551,074**
OPERATING PROFIT	**135,755,870**	**31,751,359**	**111,088,946**
PROFIT BEFORE TAX	**128,348,977**	**13,874,492**	**67,838,235**
NET INCOME	**120,334,075**	**18,206,539**	**58,925,569**

Details of financial debts as of December 31, 2010, December 31, 2009 and December 31, 2008 are provided below:

(-TL)	**December 31, 2010**	**December 31, 2009**	**December 31, 2008**
Short term financial debt:			
Short term bank loans	--	7,578,434	44,912,885
Short term portions of long term loans	47,628,674	26,561,198	16,504,759
Total	**47,628,674**	**34,139,632**	**61,417,644**
Long term financial debt:			
Long term bank loans	164,563,313	161,137,078	109,733,867
Total financial debt	**212,191,987**	**195,276,710**	**171,151,511**

f. Reason of the issue and the place of use of the net cash in-flow to be generated from the public offering:

The Company is fulfilling the obligation to offer its shares to public within the stipulated period of time, in accordance with the REIT Communiqué and the public offering of the shares will be carried out by way of capital increase and sales by the shareholder.

The Company is planning to use a substantial portion of the funds to be generated from the public offering in strengthening its capital, funding of the projects contemplated by the Company as well as its ordinary activities.

In general, Akfen GYO's expectations regarding the public offering may be summarized as follows:

- Capital
- Enhancing corporate governance
- Increasing competitiveness
- Healthy growth
- Reinforcing market recognition and reputation
- Increasing credibility
- Exercising the transparency and accountability principles in a more forceful way
- Maintaining the REIT status by fulfilling the legal requirements

As the income to be generated from sales by the shareholders will be transferred to the shareholders, such amounts will not be used by the Company within the aforementioned scope.

Appraisal Value according to Appraisal Reports

Name of the Facility	Report Date	Issuer of the Report	Appraisal Value (000' TL – excluding VAT)
Akfen Gayrimenkul Ticareti ve İnşaat A.Ş.	February 28, 2011	TSKB Corporate Finance Department	297.936
Zeytinburnu Novotel and Ibis Hotel	February 28, 2011	TSKB Gayrimenkul Değerleme A.Ş.	167.000
Eskişehir Ibis Hotel	February 28, 2011	TSKB Gayrimenkul Değerleme A.Ş.	18.856
Trabzon Novotel	February 28, 2011	TSKB Gayrimenkul Değerleme A.Ş.	57.790
Kayseri Novotel and Ibis Hotel	February 28, 2011	TSKB Gayrimenkul Değerleme A.Ş.	59.205
Gaziantep Novotel and Ibis Hotel	February 28, 2011	TSKB Gayrimenkul Değerleme A.Ş.	57.835
Bursa Ibis Hotel	February 28, 2011	TSKB Gayrimenkul Değerleme A.Ş.	47.900
Esenyurt Ibis Hotel	February 28, 2011	TSKB Gayrimenkul Değerleme A.Ş.	21.583
Adana Ibis Hotel	February 28, 2011	TSKB Gayrimenkul Değerleme A.Ş.	15.190
İzmir Ibis Hotel	February 28, 2011	TSKB Gayrimenkul Değerleme A.Ş.	4.630
Total Value			**747.925**

Information regarding the Financial Situation and results of operations:

Summarized Balance Sheet Financial Analysis Ratios

	December 31, 2010	December 31, 2009	December 31, 2008
Asset Growth Rate	35%	12%	-
Consolidated Financial Debt and Liability Growth Rate	5%	25%	-
Consolidated Financial Debt and Liability Growth Rate	52%	79%	70%
Short Term Financial Debt and Liability / Total Financial Debt and Liability	27%	27%	38%
Total Consolidated Financial Debt and Liability / Total Assets	34%	44%	41%

By constantly developing and completing new hotel projects, Akfen GYO has grown its total assets by 12% in 2009 and by 35% in 2010, and reached an asset size of TL 687 million as of December 31, 2010.

Despite the 35% increase in the asset size in 2010, consolidated financial debts and liabilities have only increased by 5%.

Furthermore, the ratio of short-term financial debts and liabilities to total financial debts and liabilities, which was 38% in 2008, has decreased to 27% in 2010.

Summarized Income Statement Financial Analysis Rates

	December 31, 2010	December 31, 2009	December 31, 2008
Income Growth %	4%	18%	
Gross Profit Margin	89%	90%	77%

g. Information regarding the Personnel:

Operations	December 31, 2010	December 31, 2009	December 31, 2008
Akfen GYO	14	14	16
Akfen GT	0	2	2
Total	**14**	**16**	**18**

Companies under common control	December 31, 2010	December 31, 2009	December 31, 2008
RHI – RPI	16	16	14

h. Information regarding the shareholding structure and related party transactions:

There are no shareholders that hold 5% or more shares except for Akfen Holding and Hamdi Akın.

Current Shareholding Structure of Akfen GYO

Shareholder	Amount of Shares (TL)	Ratio of Shares
AKFEN HOLDİNG A.Ş.	103,273,884	74.84%
HAMDİ AKIN	33,991,838	24.63%
İBRAHİM SÜHA GÜÇSAV	345,380	0.25%
MUSTAFA CEYHAN	345,380	0.25%
AKINISI MAKİNA SANAYİ VE TİCARET A.Ş.	43,513	0.03%
AKFEN İNŞAAT TURİZM VE TİCARET A.Ş.	2	0.00%
MEHMET SEMİH ÇİÇEK	1	0.00%
MUSTAFA DURSUN AKIN	1	0.00%
AHMET SEYFİ USLUOĞLU	1	0.00%
TOTAL	**138,000,000**	**100.00%**

Post-IPO Shareholding Structure of Akfen GYO (without over allotment option):

Shareholder	Amount of Shares (TL)	Ratio of Shares
AKFEN HOLDİNG A.Ş.	95,156,384	51.72%
HAMDİ AKIN	33,991,838	18.47%
İBRAHİM SÜHA GÜÇSAV	345,380	0,19%
MUSTAFA CEYHAN	345,380	0,19%
AKINISI MAKİNA SANAYİ VE TİCARET A.Ş.	43,513	0,02%
AKFEN İNŞAAT TURİZM VE TİCARET A.Ş.	2	0,00%
MEHMET SEMİH ÇİÇEK	1	0,00%
MUSTAFA DURSUN AKIN	1	0,00%
AHMET SEYFİ USLUOĞLU	1	0,00%
FREE FLOAT	54,117,500	29.41%
TOTAL	**184,000,000**	**100.00%**

Post-IPO Shareholding Structure of Akfen GYO (over allotment option exercised):

Shareholder	Amount of Shares (TL)	Ratio of Shares
AKFEN HOLDİNG A.Ş.	87,038,759	47.31%
HAMDİ AKIN	33,991,838	18.47%
İBRAHİM SÜHA GÜÇSAV	345,380	0,19%
MUSTAFA CEYHAN	345,380	0,19%
AKINISI MAKİNA SANAYİ VE TİCARET A.Ş.	43,513	0,02%
AKFEN İNŞAAT TURİZM VE TİCARET A.Ş.	2	0,00%
MEHMET SEMİH ÇİÇEK	1	0,00%
MUSTAFA DURSUN AKIN	1	0,00%
AHMET SEYFİ USLUOĞLU	1	0,00%
FREE FLOAT	62,235,125	33.82%
TOTAL	**184,000,000**	**100.00%**

Pursuant to the Share Pledge Agreement executed on August 31, 2010 and amended on August 31, 2010 and December 28, 2010, that is in effect between Akfen GYO, Akfen Holding A.Ş. and Türkiye Garanti Bankası A.Ş. Luxembourg Branch, there is a first degree pledge in favor of Türkiye Garanti Bankası A.Ş. Luxembourg Branch over the non-publically held shares of Akfen Holding A.Ş. in Akfen GYO. In accordance with the terms of the loan agreement, the company has applied to Türkiye Garanti Bankası A.Ş. for the purpose of removal of the pledge over a total of 16,235,125 of the shares to be used in sales by shareholder and the over-allotment option, and such application has been received positively. Letter dated 25.03.2011 has been granted from Garanti Bankası A.Ş. indicating that the pledges have been removed and removal of the pledges have been registered to the stock register on 25.03.2011.

Related party transactions

Receivables from related parties as of December 31, 2010, December 31, 2009 and December 31, 2008 are as shown below:

Receivables from related parties			
(-TL)	**December 31, 2010**	**December 31, 2009**	**December 31, 2008**
Trade receivables			
Akfen Gayrimenkul Yatırımları ve Ticaret AŞ[1]	1,291,871	--	--
Task Su Kanalizasyon Yatırım ve Yapım ve İşletme AŞ	--	436	--
Akfen Turizm Yatırımları ve İşletmeleri AŞ	--	--	526,040
	1,291,871	**436**	**526,040**
Other Receivables			
Kasa BV	--	--	805,206
Other	--	56,614	128,389
	--	**56,614**	**933,595**
Total	**1,291,871**	**57,050**	**1,459,635**

[1] Receivables from Akfen Gayrimenkul Yatırımları ve Ticaret A.Ş as of December 31, 2010 are derived from inventory sales.

Debts owed to related parties as of December 31, 2010, December 31, 2009 and December 31, 2008 is as shown below:

Debts to related parties			
(-TL)	**December 31, 2010**	**December 31, 2009**	**December 31, 20**
Trade Debts			
Akfen Turizm Yatırımları ve İşletmeleri AŞ	57,453	18,410	--
Other	980	22,804	--
Razveev[1]	--	1,744,452	--
	58,433	**1,785,666**	**--**
Other Debts			
Akfen Holding[1]	11,608,602	17,843,750	198,266
Razveev[3]	617,180	--	--
Akfen Gayrimenkul Geliştirme[2]	--	2,399,531	--
Other	21,655	1,662,280	383,998
	12,247,437	**21,905,561**	**582,264**
Total	**12,305,870**	**23,691,227**	**582,264**

[1] As of December 31, 2010, TL 6,644,934 portion of the debt owed to Akfen Holding has resulted from the acquisition of the Company's debt to Akfen Construction by Akfen Holding during the current period, and financing of the Company's operations by Akfen Holding; and TL 4,272,269 portion has resulted from the fact that the capital payment to Russian Hotel was made on behalf of the Company by Akfen Holding. TL 74,424 and TL 616,975 of the remaining debt have arisen from the financing and rental expense invoices issued by Akfen Holding to the Company during the current period, respectively. As of December 31, 2009, TL 5,557,886 portion of the debt owed to Akfen Holding has resulted from the acquisition of the

Company's debt to Akfen Construction by Akfen Holding during the current period, TL 2,022,532 portion has resulted from the financing of the Company's operations by Akfen Holding, TL 5,730,245 and TL 3,132,435 have resulted from the fact that the capital payments to Russian Hotel and Russian Property, respectively, were made on behalf of the Company by Akfen Holding. TL 760,287 TL and TL 640,365 TL of the remaining debt have arisen from the financing and rental expense invoices issued by Akfen Holding to the Company during the current period, respectively.

(2) As of December 31, 2009, debt owed to Akfen Gayrimenkul Geliştirme has resulted from the acquisition of 50% of the shares of Russian Property by the Company.

(3) Debt owed to Razveev is the debt owed to the owner of the land in the Samara Project in Russia, as of December 31, 2010.

i. Information regarding the issuance and trading on the stock exchange (principles of sales and distribution, shareholders selling their existing shares, issuance costs, etc.):

With the Board of Directors resolution dated January 24, 2011 and numbered 2011/13, Akfen GYO has decided that:

- 8,117,500 shares with a nominal value of TL 8,177,500 out of the shares, each with a nominal value of TL 1, in the portfolio of Akfen Holding A.Ş., one of its shareholders, shall be offered to public fully with premium, in accordance with the relevant communiqué of the CMB and its provisions;
- In case there is a sufficient amount of excessive demand after the public offering, 8,117,625 shares with a nominal value of TL 8,177,625 out of the shares, each with a nominal value of TL 1, in the portfolio of Akfen Holding A.Ş., one of its shareholders, shall be offered to public fully with premium, within the scope of over-allotment, in accordance with the relevant communiqué of the CMB and its provisions;
- Paid-in capital of the Company shall be increased from TL 138,000,000 to TL 184,000,000 within the registered capital ceiling;
- 46,000,000 shares corresponding to TL 46,000,000, which have been increased in cash shall be offered to public, fully with premium, in accordance with the relevant communiqué of the CMB and its provisions.

With the Board of Directors resolution dated January 24, 2011 and numbered 2011/2, Akfen Holding has decided that:

- 8,117,500 shares with a nominal value of TL 8,177,500 out of the shares, each with a nominal value of TL 1, being owned in Akfen GYO A.Ş., shall be offered to public fully with premium, in accordance with the relevant communiqué of the CMB and its provisions;
- In case there is a sufficient amount of excessive demand after the public offering, 8,117,625 shares with a nominal value of TL 8,177,625 out of the shares, each with a nominal value of TL 1, being owned in Akfen GYO A.Ş., shall be offered to public fully with premium, within the scope of over-allotment, in accordance with the relevant communiqué of the CMB and its provisions.

Summary Information regarding the Public Offering

Consortium Leader:	Oyak Yatırım Menkul Değerler A.Ş.
Paid-in Capital Before Public Offering:	TL 138,000,000
Size of the Offering (Number of Shares):	TL 54,117,500
Capital Increase:	TL 46,000,000
Shareholder Sale: (Akfen Holding)	TL 8,117,500
Free Float Rate:	29.41% (25% Capital Increase + 4.41% Shareholder Sale)
Paid-in Capital After Public Offering:	TL 184,000,000
Amount of Over-Allotment:	TL 8,117,625
Ratio of Over-Allotment to Total Public Offering:	15.00%

Free Float Rate After Over-Allotment:	33.82%
Lock-up Period:	Akfen Holding and Hamdi Akın, among the shareholders of Akfen GYO have undertaken to not to sell additional shares for 180 days and the Board of Directors of Akfen GYO A.Ş. has undertaken to not to increase the capital for 180 days.
Price Stability:	Under planning
Duration of Price Stability:	30 days
Resource to be Used for Price Stability:	The fund which will come from the shareholder sale of 8,117,500 shares of Akfen Holding will be used as the resource of price stability.

Shares will be sold by way of "Book Building" method. Offers will be collected for the shares for a period of 2 business days.

Group employees will receive a 5% discount up to 1% of the total public offering, to be met by the shareholder's sale.

Demands from Domestic Individual Investors and Group employees will be collected out of a cap for the demand price range. Domestic Institutional Investors will be able to submit only one demand for stocks at a price that they see fit which is within the price range. International Institutional Investors will be able to submit more than one demand for stocks at a price that they see fit which is within the price range

Out of the shares to be offered to public, following percentages have been allocated for being sold to following investors.

(39%) representing TL 21,105,825 - nominal value to the Domestic Individual Investors,
(1%) representing TL 541,175 - nominal value to the employees of the Group,
(10%) representing TL 5,411,750 - nominal value to the Domestic Institutional Investors and
(50%) representing TL 27,058,750 - nominal value to the International Institutional Investors

In case of exercise of the over-allotment option, shares subjected to such option will also be allocated as described above.

At the end of the bookbuilding period; if the necessary bids to cover a certain investor group allocation fail to be collected, the underallocated portion of that investor group can be shifted to the other investor groups.

Distributions within each allocation group shall be made separately within itself, as described below.

- Distribution to the Domestic Individual Investors shall be made by way of Pro rata Distribution method.
- Distribution to the employees of the Group shall be performed by way of Pro rata Distribution method.
- Distribution methods to be applied for Domestic and International Institutional Investors shall be decided by Oyak Yatırım, Akfen GYO and Akfen Holding jointly.

In case of exercise of the over-allotment option, such shares shall be put up for sale during the period of the public offering. In case of exercise of the over-allotment option, shares subjected to the over-allotment option shall also be included into the distribution, together with the shares offered to public.

Trading of the shares offered to public at the Stock Exchange is subject to an affirmative decision given by the Stock Exchange in accordance with the pertinent provisions of the Stock Exchange legislations.

Price stability transaction is contemplated to be performed for a period of 30 days as of the beginning of the trading of the shares at ISE.

It is estimated that the total public offering cost in part of the shareholders offering to public and the company will be within the range of 3.25%-4.01% of the proceeds to be generated from the public offering.

Selling Shareholder	Address	Shares in the Existing Capital (nominal)	Shares in the Existing Capital (%)
Akfen Holding	Koza sok. No:22 Gaziosmanpaşa / ANKARA	103,273,884	74.84

Additional information (amount of share capital, material provisions of the articles of association, documents available for examination):

At the Extraordinary General Assembly meeting of 2011 of the Company, held on February 11, 2011, the articles of association has been amended in accordance with the approval dated February 7, 2011 and numbered B.02.1.SPK.0.15-325.06-141/1457 of the CMB, and such amendment to the articles of association has entered into effect upon being registered with Istanbul Trade Registry on February 16, 2011 and announced in the TTRG dated February 22, 2011 and numbered 7757.

Company's registered capital ceiling is TL 1,000,000,000 and paid-in capital is TL 138,000,000. Paid-in capital of Akfen GYO amounting to TL 138,000,000 is divided into 138,000,000 shares; consisting of 1,000 A Group, 1,000 C Group, 1,000 D Group registered shares and 137,997,000 B Group bearer shares, each with a nominal value of TL 1.

With the Board of Directors resolution dated January 24, 2011 and numbered 2011/3, the Company has decided to increase its share capital from TL 138,000,000 to TL 184,000,000 within the registered capital ceiling and such Board of Directors resolution will be registered with Istanbul Trade Registry and announced in the TTRG upon the completion of the public offering sales following the CMB and ISE approvals.

Between 2011-2015, the Board of Directors is entitled to increase the paid-in capital up to the aforementioned registered capital ceiling, by way of issuing new shares when it deems necessary, in accordance with the provisions of the Capital Markets Law, without adhering to the provisions of the Turkish Commercial Code pertaining to the increasing of the principle capital.

In capital increases, A group shares shall be issued in consideration of A Group shares, B group shares shall be issued in consideration of B Group shares, C group shares shall be issued in consideration of C Group shares and D group shares shall be issued in consideration of D Group shares.

As per the Articles of Association's;

- As per article 8 entitled "Share Capital and Share Certificates"; among the share groups representing the issued share capital, A, C and D Group shares are registered shares and B Group shares are bearer shares. Transfer of the bearer shares cannot be restricted. Transfer of the Company's shares prior to the public offering is subject to the permission of the Board. In share transfers made under this article, new shareholders who will acquire shares in the Company shall bear the qualifications required for the founders. In capital increases, shares remaining after the exercise of the preemptive rights as well as all newly issued shares, in case of restricting preemptive rights, shall be offered to public out of their market prices, to the extent they are not below the nominal values. Amount of the paid-in capital must be indicated in documents in which the title of the company is used.

- As per article 9 entitled "Preferred Securities"; no preferred securities can be issued other than shares that grant a privilege right in the nomination for the election of the members of the Board of Directors. Upon the public offering, no privilege can be created by any means whatsoever, including those concerning nomination for the board of directors.

- As per article 14 entitled "Board of Directors and its Term of Office"; A, C and D Group shares have a privilege in nomination for the election of the members of the board of directors. 2 of the members of the Board of Directors shall be elected by the general assembly from amongst those nominated by A Group, 2 by C Group and 2 by D Group shareholders.

- As per article 36 entitled “Decisions Requiring a Higher Quorum and Amendments”; at the General Assemblies to be held for amendments to and cancellation of the privileges granted to share groups in relation to the nomination for the Board of Directors, affirmative votes of 4/5 of those who attend the meeting is required. Unless the resolutions passed at the general assembly are approved by unanimous votes at the general assembly of the holders of the preferred shares, to be held subsequent to the general assembly in accordance with the provisions of article 389 of the TCC, such resolutions cannot be executed.

- As per article 8 entitled “Capital and Share Certificates”; Company’s registered capital ceiling is TL 1,000,000,000 (one billion Turkish Lira) and is divided into 1,000,000,000 (onebillion) shares, each with a nominal value of TL 1 (one). Between 2011-2015, the Board of Directors is entitled to increase the paid-in capital up to the aforementioned registered capital ceiling, by way of issuing new shares when it deems necessary, in accordance with the provisions of the Capital Markets Law, without adhering to the provisions of the Turkish Commercial Code pertaining to the increasing of the principle capital. Board of Directors is also entitled to issue shares and shares/stocks above the nominal value, restricting the rights of shareholders to purchase new shares. In capital increases, A group shares shall be issued in consideration of A Group shares, B group shares shall be issued in consideration of B Group shares, C group shares shall be issued in consideration of C Group shares and D group shares shall be issued in consideration of D Group shares. However, if the Board of Directors restricts the right of the shareholders to purchase new shares, all of the newly issued shares shall be issued as B Group and bearer shares. Shares representing the capital are followed up in a registered manner, in accordance with the registration principles.

- As per article 7 entitled “Borrowing Limits and Securities Issues”; in order to meet its short term funding needs or the costs related to its portfolio, the Company may use loans, issue notes, commercial papers, asset-backed securities and other debt instruments in line with the restrictions of the capital markets legislations. Provisions of the Capital Markets Law and other pertinent legislations shall apply in relation to limits applicable to the debt instruments to be issued. Under article 13 of the Capital Markets Law, Board of Directors of the Company is entitled to issued notes, commercial papers and other debt instruments. In such case, article 423 of the Turkish Commercial Code shall not apply.

- As per article 22 entitled “Auditors and their Term of Office”; 2 auditors are elected by the General Assembly to serve for a period of 3 years from amongst the shareholders of from outside.

- As per article 26 entitled “General Assembly”; at the Ordinary and Extraordinary General Assembly meetings, all shares have 1 voting right per share.

Information Available for Examination:

Following information shall be kept available for examination at the Company’s head quarters at the address of Levent Loft, Büyükdere Cad, No:201 C Blok Kat:8 Daire:151 34394 Levent-ISTANBUL as well as locations mentioned in section 9.

- Prospectus
- Articles of Association of the Company
- Legal Report
- Financial reports dated December 31, 2010

j. Other Matters

Our Company has used the pro rata consolidation method as of September 30, 2010 rather than the equity method that was previously used, with respect to the consolidation of the subsidiaries subject to common management into the financial statements. The said accounting policy change aims at providing a more detailed, appropriate and reliable information in the financial statements with respect to the affiliates subject to consolidation and subsidiaries subject to common management, within the company’s body.

2. RISK FACTORS

2.1. Risks regarding the Company and the sector in which it operates:

2.1.1. Risks regarding the Sector and Operations

2.1.1.1. Risks regarding the Real Estate Market affecting the Company's Operations

Company's operations generally consist of the acquisition of a land in Turkey or abroad, development of a real estate project thereon and structuring of the same as a hotel or complexes that also contain a hotel or leasing of the same for operation purposes. The Company is responsible for the entire process and investment expenses, starting from the construction of all of the projects developed within the scope of a project, until the delivery of the same to be operated as a hotel. Therefore, any change in its field of operation may have a negative impact on operational costs as well as the income generated from the operation as a hotel and the profit margin (the amount that constitutes the basis of the Company's lease income).

However, income to be generated by the Company depends on the ability to find lands suitable for projects, the revenues generated from the operation of hotels, the costs incurred during the development of projects and changes in the market values of the real estates.

Furthermore, in the event that the market values of these lands, the projects developed thereon and the completed real estates are lower than their book values, as per the appraisal reports prepared in accordance with the CMB rules, the Company sets aside a provision for depreciation, at least once a year and such expense is demonstrated under other operational expenses in the loss account statements.

Intense interest of the foreign hotel chains in the hotel market in Turkey and Russia as well as the realization of the investment plans announced by such groups one after another may create pressure on the profitability in the sector.

Lease income, expenses and market values of the properties of the Company may be adversely affected by numerous factors, including those mentioned below:

- Failure to continue acquiring the lands under commercially favorable conditions;
- General economic conditions and general sector trends;
- Project development costs being higher than estimated, and occurrence of other expenses:
- Changes in Environmental Law and regulations and zoning regulations;
- Changes in the tourism policies of the Government;
- Changes in interest rates;
- Bankruptcy or insolvency of other contractors or third parties, with which certain businesses are conducted;
- Decreasing of the spendable income and purchasing power of the hotel customers;
- Changes in the preferences of hotel customers;
- Similarities between the qualities of the real estates offered by other companies operating in the same sector, with those of the Company.

Adverse situations that may occur in any of these factors may cause costs to turn up higher than anticipated, a loss of income deriving from the decrease in the profitability of hotel operations, or failure to generate income in the expected levels.

Consequently, Company's operations and financial situation may be adversely affected. As real estate projects are completed within a long period of time, during such period, the Company is highly sensitive to the aforementioned factors in particular.

2.1.1.2. Sensitivity of Turkish and Russian Real Estate Markets to the Economic Conjuncture

The financial crises and global economic recession experienced in the recent years have caused economic ambiguity, ambiguity in consumption and investment plans, in such a way to affect many economic activities, including the real estate sector in Turkey and Russia. Low income levels arising from the increase in the unemployment rates have caused a decrease in the purchasing power of the consumers and have lead them to postpone their hotel accommodation needs; accordingly, such ambiguity has decreased the income of hotel operators.

Although Akfen GYO has already created binding undertakings by making long term lease agreements for each investment made, probable economic crisis and fluctuations may lead to postponement and cancellation of the investments planned for the future.

In case of discontinuation of the economic improvement in Turkey or deterioration of the economic situation, Company's operations, business and financial situation may be adversely affected.

2.1.1.3. Changes in Tax and Legal Legislations

Operations of the Company are subject to various legal regulations including the tax consequences of investments to be made by the Company, regulations under the CMB and the Capital Markets Law. The Company has obtained the status of REIT in 2006. In order to maintain its REIT status, in addition to the limitations regarding non-real estate investments, financial obligations and corporate governance principles, the Company must comply with certain regulations required by the CMB, including but not limited to obligations regarding periodic reporting to be submitted to the CMB.

In the event that Akfen GYO fails to display operation in compliance with the CMB regulations, it will not be able to maintain its REIT status and therefore will not be able to benefit from the tax exemptions applicable to REITs. In case the Company is not subject to tax regulations within the scope of the provisions applicable to REITs, it will be subjected to corporate tax (as of the date hereof; %20) out of its taxable income and withholding tax (as of the date hereof; %15) out of its distributable profit. Any change in the company's REIT status or the pertinent legislations, including the taxation rates may also affect the financial situation and operational results of the Company as well as its amount of distributable profit.

Cancellation of the double taxation treaty between Russia and Holland, Holland and Turkey, or increase in the withholding rates applicable to such profit transfers may materially adversely affect the Company's financial situation.

2.1.1.4. Delays in Completion of the Constructions

The Company enters into agreements with the contractors regarding the project development works. The obligation to carry out the construction of the projects is imposed on the main contractors, under the construction agreements signed on a turnkey basis. The Company closely supervises the works of its contractors and all plans and materials are approved in advance by Accor Group, which will operate the hotels.

The process between the commencement and completion of the construction is under the main contactor's responsibility and ability of the subcontractors to fulfill their obligations depends on many factors outside the control of the Company, such as the ability to procure sufficient work force and ability to manage their own activities.

Delivery of the completed projects to Accor Group may delay due to the negativities pertaining to a project and probable delays; accordingly launching of a hotel and beginning to generate income may be delayed.

2.1.1.5. Legal Permits required to be obtained during the Project Development Process

Although the zoning plans, construction and environmental permits of all of the properties contained in the Company's real estate portfolio are made and completed, these may be affected by probable changes that may be made in the zoning plans. Moreover, obtainment of construction permits and occupancy permits is subject to the approval of the relevant municipality and administrations, and these may affect the commencement or continuation of the construction of the company's projects as well as their putting into operation.

The Company cannot guarantee that the zoning plans or all of the permits relating to the newly developed projects will the issued or granted within the estimated time, or at all. In addition, periods provided for responding to the applications made for such permits or approvals by different authorities, including the relevant municipalities, may vary. Any delay or negligence in obtaining the zoning plans, the said permits or approvals will prevent the project to be completed within the anticipated period of time or in any event may affect the realization or completion of the newly developed projects of the Company. Such situation may materially adversely affect the Company's operations, results of operations and financial situation.

2.1.1.6. Investment Costs and Other Expenses

Investment costs of the Company mainly consist of the price of the land, turnkey construction cost and other project expenses. Other project expenses include, design, implementation projects, construction audit, technical consultancy, license and other permit charges and service costs related to the projects.

Factors that may cause an increase in the Investment Costs and Other Project Expenses include the following:

- Increase in the applied taxes and other legal charges;
- Increase in the prices of the lands;
- Changes in existing laws and administrative regulations regarding zoning, permits, taxes and administrative charges and increase in the costs of compliance with the changes in the existing laws, administrative regulations, regulations or general principles regarding health, safety and environmental compliance matters;
- Increase in the prices of construction, services and materials;
- Increase in insurance premiums;
- Defects of findings on the ground of a real estate, such as ground upheaval or archeological remains, which may lead to expenses being made for remedy, prior to the development of a project;
- Inability to cover the losses that may arise due to the construction methods or materials used in the projects, by the third party liability insurance of the Company or its contractors or subcontractors;
- Additional costs that the Company may need to incur in order to complete a project, due to failure of the contractors to duly fulfill their obligations or increase in operating costs;
- Increase in construction costs due to lack of appropriately qualified and experienced construction contractors and sub-contractors in the domestic market;
- Increase in inflation rates and exchange rate fluctuations.

Occurrence of any one of the aforementioned factors may adversely affect the operations and financial situation of the Company.

2.1.1.7. Obligations jointly and severally assumed together with the Main Contractor

Pursuant to Labor Law numbered 4857, the Company is jointly and severally liable together with the contractors for breaches by the contractors of their obligations against their employees arising from applicable health and safety legislations or failure to pay the wages or social security premiums of their employees. The Company may not possess the information necessary to measure such contractors' compliance with the said laws and regulations at all times. The Company has been subject to lawsuits concerning occupational accidents in the past.

Akfen GYO provides insurance coverage for the losses of the constructions and the workers to be employed in the constructions, under all-risk insurances. However, these insurances may not be able to cover the entire claim or cover only a part of such claim.

The Company is jointly and severally liable for the defects in the construction, design and materials used in the construction by the contractors. Consumer Law embodies the obligation to provide maintenance after delivery for hidden defects, for a period of five years following the delivery of the hotel building by the Company. Besides, pursuant to article 4 of the said law, the main contractor is liable for claims related to losses arising from this type of defects for a period of three years as of the date of their reveal. In the agreements made with the main contractors, the Company embodies provisions requiring the remedy of the defects attributable to the main contractors by the same. However, there is no guarantee that the Company will be successful in claiming such sums from the contractors.

2.1.1.8. Failure to Find Lands Suitable for Project Development

Akfen GYO, which continues its operations under the contracts concluded with Accor Group, may be influenced by any negativity that may occur with respect to Accor Group. As the areas, on which the hotels are built are generally leased from public and quasi-public institutions for a long period, by way of setting up a right of construction, prospective problems with the administrations due to termination grounds contained in the contracts or the law may adversely affect the operations of the company. Likewise, legal regulations and acts regarding the construction and/or the scope of the construction to be made on the lands, on which Akfen GYO has a usage right, such as, in particular, the amendment of the zoning plans under the zoning regulations, may be made a subject of action by third parties; and accordingly, the construction permits granted for the relevant constructions may be cancelled. This kind of events may have a negative impact on the construction process and the related financing opportunities (particularly, drawdown of loans under the signed loan agreements).

The Company needs to find lands that are suitable for project development and have them approved by Accor Group, which will become the lessee of the hotel projects to be developed. Selection of places that are suitable for the construction of real estate projects that will be operated as hotels plays an important role in the success and profitability throughout the operation process of the projects.

The Company may not have the opportunity at all to find places that meet the strategic standards as well as other criteria such as legal status, title or conformity with the zoning plan and that is important for the successful development of the project in the future, or lands found as such, may not have acceptable prices. Failure by the Company to find lands suitable for project development may adversely affect the Company's operational results and financial situation.

2.1.1.9. Competition in the Real Estate Sector

Competition in Turkish real estate sector is quite effective. Although the Company has an exclusivity agreement relating to the leasing of the hotel projects with Accor Group, it faces competition from various domestic, national and international real estate development firms, project management companies and individual investors and vendors.

Besides, the intense interest of the foreign hotel chains in the hotel market in Turkey as well as the investment plans announced by such groups one after another, may create pressure on the profitability in the sector.

Certain competitors of the Company may have better technical and marketing resources than the Company, or project designs that may be more appealing to the targeted clientele. Intense competition in the Tourism and Hotel Sector may cause an excessive supply of hotels, as a result of a high number of real estate development projects and accordingly, lead to a decrease in the Company's revenues. Realization of any one of these probabilities may adversely affect the operational results and financial situation of the Company by causing the Company to generate less income than anticipated.

2.1.1.10. Environmental Impact Assessment

According to the existing environmental laws and regulations, regulatory authorities may suspend or terminate operations that constitute a violation of the regulations imposed by the legislations, impose monetary fines and request the companies, which engage in activities in breach of the legislations, to bear the costs of the works carried out for the purpose of remedying the results of such breaches.

Pursuant to the applicable environmental laws and regulations, the owner of a property may be held responsible for the costs pertaining to the removal and disposal of the hazardous or poisonous wastes inside or under the said property as well as those pertaining to the necessary improvement works. It is possible for such costs to reach significant sums. The said laws generally impose a responsibility on the existing owner of the relevant property, regardless of whether the owner of the property is aware of the presence of such hazardous or poisonous substances in the property or not or whether the owner of the property is responsible for the presence of such hazardous or poisonous substances in the property or not.

Environmental legislations, which may undergo changes in the course of time, may impose limitations on the methods of use of the property and it may be possible that a significant amount of expenses become required to be made in order to act in compliance with this kind of limitations. Various sanctions applicable in case of violation of environmental laws and regulations are provided, and these sanctions may be imposed by governmental authorities. Third parties may also claim damages from the Company for the injuries they may suffer or material losses they may incur, due to the release of hazardous substances. Expenses required to be made in order to defend the company against such claims for damages arising from liability and to comply with the legal obligations relating to environmental laws and improvement costs required for properties subject to contamination or indemnities required to be paid due to personal injuries may have material adverse affects on the Company's operations or financial situation. Besides, existence of such sort of substances or failure to remedy the damages caused such sort of substances may have negative impacts on the sales of condominium units.

No incompliance with environmental legislations or cases of liability based on environmental law matters have arisen in relation to the operations or properties of the Company in the past, nor any claim arising from environmental law has been raised against it. To the best of Company's knowledge, at the moment, there is no such incompliance, liability or claim of this sort concerning the operations or properties of the Company.

However, in case certain findings evidencing that the company has acted contrary to the environmental legislations arise or changes are made to environmental laws, which impose stricter obligations related to the Company's operations, although the company will show utmost care to comply with the changing conditions, these situations may give rise to addition costs and such additional costs may have material adverse affects on the business, financial situation and operations of the Company.

2.1.1.11. Material Losses Exceeding the Insurance Coverage Amount

CMB legislations impose an obligation to insure all of the properties in the Company's portfolio, except for lands, rights based on real estate, projects whose construction has not started and money and capital market instruments, against all risks. The Company is responsible for insuring the constructions of the projects it has developed with all-risks insurance coverage and the insurance amount shall be determined according to the turnkey construction costs set out in the construction agreements. Akfen GYO is indicated as the beneficiary in the said policies.

Upon the completion of the projects and obtainment of their occupancy permits and after the classification of the same, as a building at the relevant land register, Akfen GYO makes the Workplace, Fire, Financial Liability, Electronic Equipment and Machinery Breakdown insurances, out of their Construction Cost value.

There is a risk for the properties owned by the Company to suffer physical damages due to fire, earthquake or other reasons due to insurance values being different than the current values and such damages not being entirely covered by the insurance.

2.1.1.12. Probable Earthquakes and their Impact on the Real Estates in the Portfolio

63% of the assets in our portfolio are in Turkey. Almost all of Turkey is classified as a high-risk earthquake zone. Istanbul is located in a first-degree earthquake zone (zone with the highest risk of damage by earthquakes). A massive earthquake that may happen at the cities in which the Company's properties or projects in Turkey are located, or their surroundings, may adversely affect the properties, projects or in general the real estate expenses and thereby, the financial situation and operations of Akfen GYO.

2.1.2. Risks regarding Turkey

Turkey's relationship with the EU extends to a long period of time. In 1963, a cooperation agreement was signed with the European Economic Community (EEC), the predecessor of the EU, and in 1970 a supplementary agreement, which constitutes the second stage of Turkey's membership to the EU was signed. On December 17, 2004, the EU has decided to start negotiations with Turkey and announced that Turkey's candidacy will be evaluated within the scope of 28 criteria applied to other candidates. These criteria contain a wide range of topics, including political, statutory and economic reforms. Negotiations regarding the acceptance of Turkey's EU membership have commenced on October 4, 2005. Towards the end of 2005, negotiations have commenced under the heading of "Science and Research" and subsequently continued under the headings of "Education and Culture", "Public Production", "Competition", "Free

Circulation of Business and Services", "Free Circulation of Capital", "Development of Agriculture and Rural Affairs".

By a resolution passed by the EU Parliament in December 2006, it has been decided that negotiations regarding these 8 headings shall be suspended, until it is established by the EU Commission that Turkey has fulfilled its obligations under the additional protocol and that Turkey shall be closely followed up for a period of 3 years. Although there is no approval by the EU Commission that the obligations have been entirely fulfilled, negotiations have commenced in 2009 under two headings, namely, tax and environment. There is no certainty that Turkey will become a member of the EU after complying with the criteria, nor is there any guarantee that the negotiations will achieve positive results or that EU will maintain its current perspective as to Turkey's membership.

If uncertainties concerning Turkey's membership to the EU adversely affect Turkish economy, the adverse affect in the overall Turkish economy may also affect the operations, financial situation and operational results of the Company.

According to Consumer Price Index (CPI) prepared on the basis of the real effective exchange rate index of the Central Bank, Turkish Lira has appreciated by 32% as of the end of 2001 until the end of 2009. The current account deficit of USD 15.6 billion in 2004 (4% of the GDP) was USD 22.6 billion in 2005 (4% of the GDP), and it has risen up to USD 31.8 billion in 2006 (6.1% of the GDP). In 2007, the current account deficit was USD 38.2 billion (5.9% of the GDP), in 2008 it was USD 41.5 billion (5.7% of the GDP). In 2009, the current account deficit was USD 13.9 billion (2% of the GDP)*. Continuation of the growth of the budget deficit may lead to adjustments being made in Turkish Lira and the reflection of such adjustments to inflation may cause adverse affects on the financial situation and operations of the Company. Until today, current account deficit has been financed by short-term foreign loan capital. In the event of continuation of the difficulties in the financial markets, Turkish economy may have problems in paying its debts and as a result, fluctuations in the Turkish economy may increasingly continue.
*Source: www.tcmb.gov.tr

2.1.3 Risks regarding Russia

Emerging markets like Russia are generally under a greater risk compared to developed markets. The physical infrastructure is in a bad condition, in a way that may cause a disturbance in the effective financial and economic activities. Weaknesses of the Russian banking sector may cause a decline or an economic slowdown in the market.

In order for a right of construction to be set on a land leased in Russia, the construction must be completed in 3 years. Risk of not completing or delaying the completion of the construction constitutes an obstacle for the creation of the right of construction.

Public information and research in the real estate market in Russia are generally less credible and comprehensible than similar data of the real estate markets in the developed countries. Such lack of information makes the determination of the value of the real estate market in Russia difficult.

2.1.4. Risks regarding Turkish Republic of Northern Cyprus

In the TRNC, there is the risk of natural disasters, probable terrorist attacks targeting tourism, changes in the restrictions currently imposed on TRNC, and political risks that may occur at a regional or national level, as well as the occurrence of acts that may constrain the financial system at the global level in general.

2.2. Financial Risks

The Company may be exposed to the following risks due to using financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

Risk management vision of the Company is defined as identification the variables and uncertainties that will affect the purposes of the Company, adoption of a preventive approach and taking of the most appropriate measures and supervision of the implementation of such measures in line with the risk selection of the investors.

Corporate risk management activities are carried out collectively within the group with respect to the following areas:

- Determination of the Corporate Risk Management policies and standards,
- Improvement of risk management culture and abilities, turning them into a common notion,
- Conducting the risk analysis of both the business and the new investments,
- Establishing a senior level management tool by reporting the risks on the basis of new investments, company, sector and group,
- Determination of risk limits and activity plans,
- Supporting the implementation of the activities,
- Supporting the strategic processes in terms of risk management.

Risk management studies of the Company are carried out under the supervision of the Board of Directors of Akfen GYO.

The Board of Directors identifies the risk preferences of the investors and ensures that the risk management practices are fulfilled. Final responsibility concerning corporate risk management is borne by the Board of Directors of Akfen GYO.

2.2.1. Credit Risk

Credit risk is the customer's or the counter party's risk of failing to fulfill the obligations contained in a financial instrument contract by and derives from the customers, their receivables and investment securities.

Credit risk of the Company is influenced by the individual characteristics of each and every customer. Demographic structure of the Company's customer base has a certain impact on the credit risk, which also includes the default risk created by the industry and country, in which the customer is active. The Company operates in the real estate field and geographic credit risk of the Group companies is mainly concentrated in Turkey.

Within the scope of the credit policies determined by companies active in these fields, credibility of each new customer is individually analyzed before submitting a proposal regarding the standard payments, delivery periods and conditions of each company.

In the monitoring of the customer credit risk, the customers are categorized according to their geographical location, industry structure, payment profile, maturity and previous financial difficulties.

In order to demonstrate the estimate losses occurred in the receivables portfolio, the Company has set aside provisions for depreciation. The Company sets aside provisions for receivables, which are declared insolvent by the Court.

Ownership of financial assets carries the risk of the counter party's failure to fulfill the terms of the contracts.

As of December 31, 2010, assets of the Company bearing the nature of a credit that are exposed to credit risk are as shown in the table below:

		Receivables					
		Trade receivables		Other receivables			
	December 31, 2010	**Related Party**	**Other Party**	**Related Party**	**Other Party**	**Deposit in Banks**	**Other**
	Maximum credit risk exposure as of the Reporting date (A+B+C+D+E)	**1,291,871**	**4,863,887**	**--**	**87,396**	**1,302,795**	**--**
	- Portion of the maximum risk secured by a collateral, etc.	--	--	--	--	--	--
A.	Net value of unmatured or non-depreciated financial assets	1,291,871	4,863,887	--	87,396	1,302,795	--
B.	Book value of the financial assets whose terms have been renegotiated and which will otherwise be deemed as matured or depreciated	--	--	--	--	--	--
C.	Net book value of matured but non-depreciated assets	--	--	--	--	--	--
	- Portion secured by a collateral	--	--	--	--	--	--
D.	Net book value of the depreciated assets	--	--	--	--	--	--
	- Matured (Gross book value)	--	48,054	--	--	--	--
	- Depreciation (-)	--	-48,054	--	--	--	--
	- Portion of the net value secured by a collateral	--	--	--	--	--	--
	- Unmatured (Gross book value)	--	--	--	--	--	--
	- Depreciation (-)	--	--	--	--	--	--
	- Portion of the net value secured by a collateral	--	--	--	--	--	--
E.	Off-Balance sheet items exposed to credit risk	--	--	--	--	--	--

As of December 31, 2010, 2009 and 2008, the Company has no assets that have matured but not been depreciated.

2.2.2. Market Risk

Market risk means the changes in the market prices such as interest rates, currency exchange rates and stock prices. As the changes in the market prices affect the Company's income, the Company is exposed to market risk. The aim of market risk management is to optimize the returns of the risks taken, while keeping the risk factors under control within acceptable parameters.

2.2.2.1 Exchange rate risk

The Company is exposed to exchange rate risk, primarily due to various income and expense items denominated in foreign currencies, as well as foreign currency debts, receivables and financial obligations arising therefrom.

When deemed necessary with respect to monetary assets and liabilities denominated in a foreign currency, the Company maintains exposure to exchange rate risk of short-term instabilities at acceptable levels by buying and selling foreign exchange at spot rates.

In order to minimize the exchange rate risk occurred in the balance sheet denominated in foreign currency, the Company sometimes keeps the idle cash in foreign currency.

As of December 31, 2010, as mentioned in the explanatory notes to these consolidated financial statements, other than functional currencies, the Company’s institutions have balances in other currencies such as Euro.

The Company tries to manage its foreign exchange risk by maintaining cash in US dollars, Euro, GBP and TL.

The Company satisfies its mid/long term loans out of the currencies of the project incomes it generates. For short-term loans, borrowings are made out of TL, Euro and US dollars out of a balanced pool/portfolio model.

Exchange Rate Risk Exposure

	December 31, 2010	TL equivalent	US Dollars	Euro	GBP	Other
	FX Position Chart	**(Functional Currency)**				
1	Trade receivables	4,826,356	--	2,355,354	--	--
2a	Monetary financial assets (including cashier, bank accounts)	62,174	155	30,224	--	--
2b	Non-monetary financial assets	--	--	--	--	--
3	Other	1,158	215	401	--	--
4	**Current Assets (1+2+3)**	**4,889,688**	**370**	**2,385,979**	--	--
5	Trade receivables	--	--	--	--	--
6a	Monetary financial assets	5,771	--	--	2,416	--
6b	Non-monetary financial assets	--	--	--	--	--
7	Other	--	--	--	--	--
8	**Fixed assets (5+6+7)**	**5,771**	--	--	2,416	--
9	**Total assets (4+8)**	**4,895,459**	**370**	**2,385,979**	**2,416**	--
10	Trade debts	102,455	--	50	--	--
11	Financial liabilities	43,446,915	--	21,202,925	--	--
12a	Other monetary liabilities	3,176,994	--	1,550,434	--	--
12b	Other non-monetary liabilities	--	--	--	--	--
13	**Short term liabilities (10+11+12)**	**46,726,364**	--	**22,803,359**	--	--
14	Trade debts	--	--	--	--	--
15	Financial liabilities	153,182,525	--	74,756,003	--	--
16a	Other monetary liabilities	1,345,637	724,959	103,363	--	--
16b	Other non-monetary liabilities	--	--	--	--	--
17	**Long term liabilities (14+15+16)**	**154,528,162**	**724,959**	**74,859,366**	--	--
18	**Total liabilities (13+17)**	**201,254,526**	**724,959**	**97,662,725**	--	--
19	**Net asset /(liability) position of off-balance sheet derivative instruments (19a-19b)**	--	--	--	--	--
19a	**Amount of active off-balance sheet FX derivative products**	--	--	--	--	--
19b	**Amount of passive off-balance sheet FX derivative products**	--	--	--	--	--
20	**Asset / (liability) position of net foreign currency (9-18+19)**	**-196,359,067**	--	**-95,276,746**	**2,416**	--
21	**Monetary items net foreign currency asset / (liability) position (1+2a+5+6a-10-11-12a-14-15-16a)**	**-196,360,225**	**-724,804**	**-95,277,147**	**2,416**	--
22	**Total fair value of financial tools used for foreign exchange hedging**	--	--	--	--	--
23	**Amount of hedged portion of FX assets**	--	--	--	--	--
24	**Amount of hedged portion of FX liabilities**	--	--	--	--	--

Exchange Rate Sensitivity Analysis Chart

December 31, 2010				
	Profit / (Loss)		Equities (*)	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency	Appreciation of Foreign Currency	Depreciation of Foreign Currency
In case of a 10% change in the US Dollar exchange rate				
1-net asset/liability of US dollar	-113,326	113,326	-113,326	113,326
2-portion protected against US dollar risk (-)	--	--	--	--
3-Net impact of US Dollar (1+2)	**-113,326**	**113,326**	**-113,326**	**113,326**
In case of a 10% change in Euro exchange rate				
4- net asset/liability of Euro	-19,473,603	28,576,273	-19,473,603	28,576,273
5- portion protected against Euro risk (-)	--	--	--	--
6-Net impact of Euro (4+5)	**-19,473,603**	**19,473,603**	**-19,473,603**	**19,473,603**
In case of a 10% change in other FX exchange rates				
7- net asset/liability of other FX	-577	577	-577	577
8- portion protected against other FX risk (-)	--	--	--	--
9-Other net impact (7+8)	**-577**	**577**	**-577**	**577**
TOTAL (3+6+9)	**-19,587,506**	**19,587,506**	**-19,587,506**	**19,587,506**

2.2.2.2 Interest rate risk

Operations of the Company are exposed to the risk of fluctuation of the interest rates, due to the fact that, as of December 31, 2010, 93% of the borrowings from banks are composed of variable rate loans.

The Company is also exposed to risks arising from the differences occurring due to the re-pricing of various variable rate indicators with respect to its variable rate loans. The aim of risk management is to optimize net interest income by maintaining the market interest rates in harmony with the Company's operation policies.

Interest Position Chart and Relevant Sensitivity Analysis

	December 31, 2010	December 31, 2009	December 31, 2008
Fixed interest rate financial instruments			
Financial assets	--	--	--
Financial liabilities	15,562,548	16,247,843	17,652,427
Variable interest rate financial instruments			
Financial assets	--	--	--
Financial liabilities	196,629,439	179,028,867	153,499,084

Fair value risk of fixed interest rate financial instruments

The Company has no financial assets or liabilities, the fair values of which are reflected on the profit/loss and no derivative financial instruments (interest rate swap transactions) to protect it from fair value risk. Therefore, changes in interest rates do not have an impact on profit/loss as of the date of the report.

Furthermore, the Company has no fixed interest rate financial assets or liabilities available for sale.Therefore, changes in interest rates do not have a direct impact on equity items as of the date of the report.

Cash flow risk of variable interest rate items

As of December 31, 2010, the impact of changes in interest rates by 100 basis points, under the assumption that all other variables, in particular exchange rates, remain stable, on the equities resulting from variable interest rate items and profit before tax for the period are demonstrated in the table below.

	Profit or (loss)		Equity(*)	
	100 basis points increase	**100 basis points decrease**	**100 basis points increase**	**100 basis points decrease**
December 31, 2010				
Variable interest rate items	-551,644	551,644	-551,644	-551,644
December 31, 2009				
Variable interest rate items	-633,222	581,639	-633,222	-633,222
December 31, 2008				
Variable interest rate items	-260,620	259,135	-260,620	259,135

2.2.3. Liquidity Risk

Liquidity risk is the risk of the Company to fail in fulfilling its obligations at their respective maturities. The Company's liquidity management's approach is to maintain, to the extent possible, a sufficient amount of liquidity in order to be able to pay its obligations when due during normal and distressing conditions, without suffering unacceptable losses or harming the Company's reputation.

In general, probable activity expenses of the subsidiaries of the Company under other corporate divisions are established upon maintaining the sufficient amount of cash determined in accordance with the demand rate and by taking the characteristics of the activity into consideration, so as to cover the financial liabilities, on an exceptional basis, the probable impacts of unforeseeable extraordinary events such as natural disasters.

The Company mitigates the risk of funding its current and possible needs with the existence of a sufficient number of institutions to obtain loans from. In order to minimize its liquidity risk, the Company maintains a sufficient amount of cash and an appropriate credit limit.

The following table provides an analysis of the financial liabilities of the Company, grouped into appropriate maturities, as of the date of the balance sheet on the basis of the remaining period until the maturity of the contracts. Amounts provided in the table are cash flows that are not discounted on a contractual basis:

December 31, 2010:						
Contractual maturities	**Book value**	**Aggregate cash out-flow as per the contract**	**Less than 3 months**	**3 to12 months**	**1 to 5 years**	**More than 5 years**
		(I)+(II)+(III)+(IV)	**(I)**	**(II)**	**(III)**	**(IV)**
Non-derivative financial obligations						
Financial debts	212,191,987	262,099,260	9,675,551	44,380,179	144,493,973	63,549,557
Trade debts	854,847	854,847	854,847	--	--	--
Other debts (including other obligations)	15,368,158	15,368,158	14,022,893	--	1,345,265	--

As of December 31, 2010, 2009 and 2008 the Company has no derivative financial obligations.

2.2.4. Operational Risk

Operational risk is the risk of direct and indirect loss arising from a wide-range of reasons relating to the Company’s processes, employees, technologies and infrastructures used as well as external factors such as legal and regulatory requirements other than credit risk, market risk and liquidity risk and generally accepted standards regarding the legal entity. Operational risk arises from all operations of the Company.

The Company’s aim is, on one hand, to avoid financial losses and harms to the Company’s reputation and on the other hand, to manage operational risk by refraining from controls that might restrict entrepreneurship and creativity.

Improvement and implementation of the controls in avoiding operational risk is primarily under the responsibility of the senior level executives. This responsibility is supported by the improvement of the Company’s general standards pertaining to management of operational risks in the following fields:

- Requirements related to appropriate delegation of duties and responsibilities, including independent authorization for transactions,
- Requirements related to reconciliation and supervision of transactions,
- Compliance with regulatory and other legal requirements,
- Documentation of controls and procedures,
- Periodic evaluation of the operational risks faced, and sufficiency of controls and procedures aiming at avoiding the identified risks,
- Requirements related to reporting of operational losses and submission of improvement activities related to the same and setting up of emergency plans,
- Training and professional development of employees, ethic and business life standards,
- Risk mitigation solutions, including insurance, when effective.

Capital management

Board of Directors' policy is to provide a strong capital structure for the investors, lenders and market confidence and to provide the most suitable capital structure for supporting the future development of the Company and reducing the capital costs.

In order to provide and regulate the capital structure, the Company's management may change the amount of dividends payable to the shareholders, return the shares to the shareholders, issue new shares or sell assets for the purpose of reducing debts.

2.3 Risks related to Issued Shares:

Basically shareholders generate two types of income:

1. Share of profit (Dividend): Income generated from the distribution of profit by companies at the year-ends. Listed companies may distribute their profit either in cash or through issue of shares by way of addition of the dividend on the capital.
2. Capital gain: Income generated from the increase in the value of the shares in time.

2.3.1 Risks Related to Dividend Income of the Issued Shares:

Pursuant to article 5 of the Communiqué Serial: IV No:27 regarding the "Principles to be Followed by the Publically Held Joint Stock Corporations subject to Capital Markets Law in Distribution of Dividends and Dividend Advances" of the Capital Markets Board, investment trusts shall calculate the amount of their distributable profit on a net basis, by also taking the unrealized capital gains and depreciation of securities and real estates in their portfolios into account.

Within this scope, according to the Communiqué regarding the "Principles to be Followed by the Publically Held Joint Stock Corporations subject to Capital Markets Law in Distribution of Dividends and Dividend Advances", the first dividend amount of the publically held investment trusts, cannot be less than a percentage of the remaining distributable profit, as determined by the CMB, after the deduction of the reserve funds, which shall be set aside in accordance with the laws and tax, fund, financial payments and the previous year's losses, after deducting the unrealized capital gains from the profit for the accounting period and adding the depreciation of the real estates in their portfolios.

In its principle decision dated January 27, 2010, CMB has decided to not to impose any obligations for publically held joint stock corporations, in relation to the minimum profit distribution to be made out of the profit of 2009. Investors must be aware of dividend distribution risk while taking investment decisions.

2.3.2 Risks regarding the Capital Gains of the Issued Shares:

The price formed at the ISE subsequent to the public offering of the shares may differ from the final public offering price. Moreover, upon the issuance of the shares, the price of the shares will be determined on the market in line with the developments in the economy and/or financial structure of the Company.

If the financial performance of the Company is realized below the prospected levels or if the capital markets conditions deteriorate, prices of the shares of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. may decrease. Investors should be aware of the market risk while making their investment decisions.

In addition to the foregoing, holders of shares participate in the company's profit and loss. In the event that there is an outstanding amount as a result of liquidation of the company, shareholders participate in such outstanding amount pro rata to their shares. In the event of liquidation of the Company, shareholders may only receive payment after necessary payments are made to all other creditors.

3. INFORMATION REGARDING THE COMPANY

3.1. Introductory Information

Trade Name	:	Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.
Registered Office	:	Levent Loft, Büyükdere Cad,No:201 C Blok Kat:8 Daire:151 34394 Levent-ISTANBUL
Address of the Actual Place of Management	:	Levent Loft, Büyükdere Cad,No:201 C Blok Kat:8 Daire:151 34394 Levent-ISTANBUL
Registered Trade Registry Office	:	Istanbul
Trade Registry No.	:	372279
Date of Registration with the Trade Registry	:	June 25, 1997
Duration, if established temporarily	:	Indefinite
Governing Legal Legislation	:	Legal legislations in force in Turkey
Purpose and Scope of Operations according to Articles of Association	:	The main scope of operations of Akfen GYO is to engage in subjects and purposes described in articles 23 and 25 of the Communiqué on Principles regarding Real Estate Investment Trusts (Serial VI, No: 11) of the CMB, such as investing in real estate backed capital market instruments, creating and developing real estate portfolios.
Telephone and Facsimile Numbers	:	Telephone: 0212 371 87 00 Facsimile: 0212 279 62 62
Internet Address	:	www.akfengyo.com.tr
Known Number of Shareholders	:	3 legal and 6 real persons, 9 shareholders in total.
Leader Shareholder	:	Akfen Holding A.Ş.

3.2. History and Development of the Company

Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. (Akfen GYO) was established as a result of the change of the title and restructuring of Aksel Turizm Yatırımları ve İşletmecilik A.Ş. ("Aksel") through being converted into a real estate investment trust. Aksel was initially incorporated on June 25, 1997 under the partnership of Hamdi Akın and Yüksel İnşaat A.Ş., for the purpose of investing in domestic tourism sector; and thereafter, in 2006, shares of Yüksel İnşaat A.Ş. were purchased by Akfen Holding and the Company became an affiliated company of Akfen Holding. Restructuring of Aksel was concluded on July 14, 2006 by the approval of the CMB of the filing made upon the decision dated April 25, 2006 of the Board of Directors and changes made to the title and the articles of association within such scope were published in Turkish Trade Registry Gazette on August 31, 2006. The existing paid up capital of TL 138,000,000 of Akfen GYO, which is within the registered capital system, was registered with the CMB in accordance with the Board Decision dated September 23, 2010 and numbered 28/840.

Board of Directors resolution dated January 24, 2011 and numbered 2011/3 was passed in relation to the increase of the share capital of Akfen GYO, which is within the registered capital ceiling system, from TL 138,000,000 to TL 184,000,000 and application to the CMB was made for the registration of the increased capital.

Milestones:

2005 …………………………	-	A memorandum of understanding is signed between Akfen Holding and Accor S.A. Under the subsequent amendments, Akfen GYO and Tamaris Turizm A.Ş. became parties to this memorandum of understanding.
2006 …………………………	-	Aksel Turizm Yatırımları A.Ş. was converted into Akfen GYO A.Ş., upon the CMB's approval.
2007 …………………………	-	Novotel Istanbul with 208 rooms and Ibis Hotel Istanbul with 228 rooms came into operation in Zeytinburnu.
	-	Ibis Hotel with 108 rooms came into operation in Eskişehir.
	-	Construction of Levent Loft is completed.

- Kyrenia Mercure Hotel with 299 rooms came into operation in TRNC.

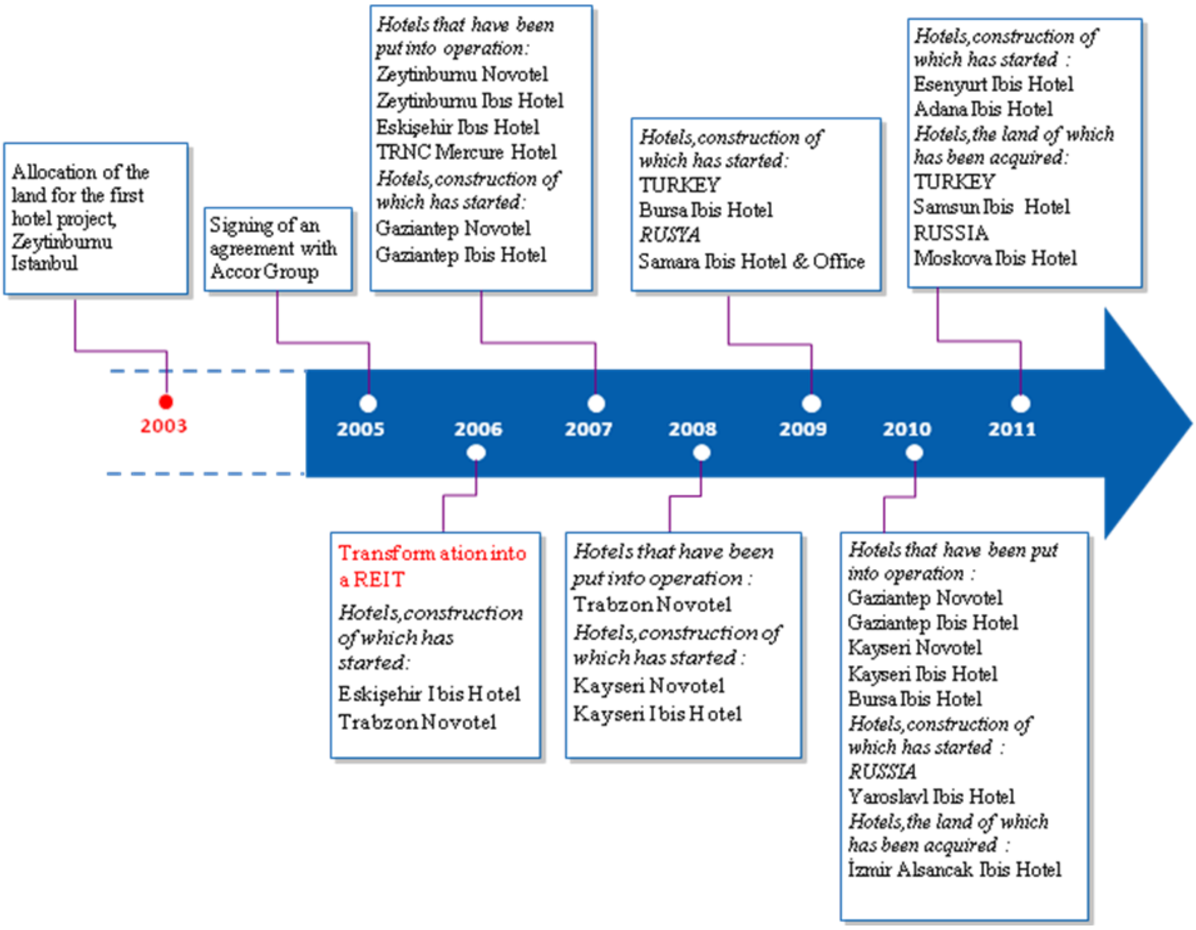
2008 …………………………
- Novotel Trabzon with 200 rooms came into operation.
- Novotel and Ibis Hotel constructions started in Gaziantep and Kayseri.

2009 …………………………
- Ibis Hotel construction started in Bursa.
- Samara Ibis Hotel and Office building constructions started in Russia.

2010 …………………………
- Novotel Gaziantep with 92 rooms and Ibis Hotel Gaziantep with 177 came into operation.
- Novotel Kayseri with 96 rooms and Ibis Hotel Kayseri with 160 rooms came into operation.
- Yaroslavl Ibis Hotel's construction started in Russia.
- Bursa Ibis Hotel with 200 rooms came into operation.
- The tender for the leasing of the land of İzmir Alsancak Ibis Hotel with 140 rooms and 280 beds capacity for a period of 49 years is won and projects are completed.
- Land of Adana Ibis Hotel is purchased.
- Remaining 50% of the land of Esenyurt Ibis Hotel, 50% of which was owned, is purchased.
- Company's capital is increased from TL 72,147,000 to TL 100,000,000 TL and then to TL 138,000,000.
- On August 25, 2010, public offering application was made to the CMB.

2011 …………………………
- Constructions of Adana Ibis Hotel with 165 rooms and Esenyurt Ibis Hotel with 156 rooms started.

- Share purchase agreement regarding the acquisition of the title of the land of Moscow Ibis Hotel with 475 rooms is signed.



3.3. Information regarding the Articles of Association

Summary information regarding the articles of association, the full text of which is submitted in Exhibit 1, is provided hereinbelow.

3.3.1. Purpose, Field of Activity, Scope, Prohibitions and Investment Restrictions of the Company

Articles 5 and 6 of the Company's Articles of Association contains the following provisions regarding the Purpose, Field of Activity, Scope, Prohibitions and Investment Restrictions of the Company:

The Company is a publically held joint stock company, engaged in the purposes and subjects mentioned in the regulations of the Capital Market Board pertaining to REITs and primarily in investing in real estates, real estate-backed capital market instruments, real estate projects and rights based on real estates and operating with a registered capital.

With respect to the principles of activity, scope, prohibitions, portfolio investment principles, diversification and management restrictions related to the Company, regulations of the CMB and pertinent legislations shall apply.

Within this scope, the Company carries out its operations as provided in article 6 of the Articles of Association attached hereto.

3.3.2. Information on the concessions, contexts and restrictions of each share group:

Article 8 of the Company's Articles of Association contains the following provisions in relation to Capital and Share Certificates:

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. (Pre IPO)

	A	B	C	D	Total	%
AKFEN HOLDİNG A.Ş.	1.000	103.271.884		1.000	103.273.884	74,84%
HAMDİ AKIN		33.990.839	999		33.991.838	24,63%
İBRAHİM SÜHA GÜÇSAV		345.380			345.380	0,25%
MUSTAFA CEYHAN		345.380			345.380	0,25%
AKINISI MAKİNA SANAYİ VE TİCARET A.Ş.		43.512	1		43.513	0,03%
AKFEN İNŞAAT TURİZM VE TİCARET A.Ş.		2			2	0,00%
MEHMET SEMİH ÇİÇEK		1			1	0,00%
MUSTAFA DURSUN AKIN		1			1	0,00%
AHMET SEYFİ USLUOĞLU		1			1	0,00%
	1.000	**137.997.000**	**1.000**	**1.000**	**138.000.000**	**100,00%**

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. (Post IPO without over allotment)

	A	B	C	D	Total	%
AKFEN HOLDİNG A.Ş.	1.000	95.154.384		1.000	95.156.384	51,72%
HAMDİ AKIN		33.990.839	999		33.991.838	18,47%
İBRAHİM SÜHA GÜÇSAV		345.380			345.380	0,19%
MUSTAFA CEYHAN		345.380			345.380	0,19%
AKINISI MAKİNA SANAYİ VE TİCARET A.Ş.		43.512	1		43.513	0,02%
AKFEN İNŞAAT TURİZM VE TİCARET A.Ş.		2			2	0,00%
MEHMET SEMİH ÇİÇEK		1			1	0,00%
MUSTAFA DURSUN AKIN		1			1	0,00%
AHMET SEYFİ USLUOĞLU		1			1	0,00%
HALKA ARZ EDİLECEK KISIM (Holding)		8.117.500			8.117.500	4,41%
HALKA ARZ EDİLECEK KISIM		46.000.000			46.000.000	25,00%
	1.000	**183.997.000**	**1.000**	**1.000**	**184.000.000**	**100,00%**

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. (Post IPO with over allotment)

	A	B	C	D	Total	%
AKFEN HOLDİNG A.Ş.	1.000	87.036.759		1.000	87.038.759	47,30%
HAMDİ AKIN		33.990.839	999		33.991.838	18,47%
İBRAHİM SÜHA GÜÇSAV		345.380			345.380	0,19%
MUSTAFA CEYHAN		345.380			345.380	0,19%
AKINISI MAKİNA SANAYİ VE TİCARET A.Ş.		43.512	1		43.513	0,02%
AKFEN İNŞAAT TURİZM VE TİCARET A.Ş.		2			2	0,00%
MEHMET SEMİH ÇİÇEK		1			1	0,00%
MUSTAFA DURSUN AKIN		1			1	0,00%
AHMET SEYFİ USLUOĞLU		1			1	0,00%
HALKA ARZ EDİLECEK KISIM (Holding)		8.117.625			8.117.625	4,41%
HALKA ARZ EDİLECEK KISIM (Holding)		8.117.500			8.117.500	4,41%
HALKA ARZ EDİLECEK KISIM		46.000.000			46.000.000	25,00%
	1.000	**183.997.000**	**1.000**	**1.000**	**184.000.000**	**100,00%**

Article 14 of the Company's Articles of Association contains the following provisions regarding the Board of Directors and its Term of Office:

At least 1/3 of the members to be appointed to the Board of Directors must have no direct or indirect employment, capital or commercial relationship with;

- Other shareholders having 10% or more shares or voting rights in the corporation,
- The shareholders entitled to nomination privilege for the board of directors,
- The companies providing consultancy services,
- The operating companies,
- The companies, in which the shareholders having 10% or more shares or voting rights in the corporation, and shareholders entitled to nomination preference for the board of directors, have 10% or more shares or voting right,
- The subsidiaries of the corporation

within the last two years, nor have any blood affinity or affinity by way of marriage, up to third degree, including spouses. In calculation of the 1/3, in case the outcome is a decimal number, the nearest integer shall be taken into account.

A, C and D Group shares have a privilege in nomination for the election of the members of the board of directors. 2 of the members of the Board of Directors shall be elected by the general assembly from amongst those nominated by A Group, 2 by C Group and 2 by D Group shareholders.

Article 9 of the Company's Articles of Association contains the following provisions regarding the Preferred Securities:

No preferred securities can be issued other than shares that grant a privilege right in the nomination for the election of the members of the Board of Directors. Upon the public offering, no privilege can be created by any means whatsoever, including those related to nomination for the board of directors.

3.3.3. Principles regarding the Transfer of Shares:

Article 8 of the Company's Articles of Association contains the following provisions regarding the Capital and Share Certificates:

Share groups representing the paid-in capital consists of; 1,000 A group registered shares corresponding to TL 1,000; 137,997,000 B group bearer shares corresponding to TL 137,997,000; 1,000 C group registered shares corresponding to TL 1,000 and 1,000 D group registered shares corresponding to TL 1,000, each with a nominal value of [TL 1]. Transfer of the bearer shares cannot be restricted.

Share transfers prior to the public offering are subject to the permission of the Board, regardless of any ratio. In share transfers under this article, new shareholders who will acquire shares in the company shall bear the qualifications required for the founders.

3.3.4. Principles regarding the changes to the rights and privileges of the shareholders:

Article 8 of the Company's Articles of Association contains the following provisions regarding the Capital and Share Certificates:

Share transfers prior to the public offering are subject to the permission of the Board, regardless of any ratio. In share transfers under this article, new shareholders who will acquire shares in the company shall bear the qualifications required for the founders.

In capital increases, A group shares shall be issued in consideration of A Group shares, B group shares shall be issued in consideration of B Group shares, C group shares shall be issued in consideration of C Group shares and D group shares shall be issued in consideration of D Group shares. However, if the Board of Directors restricts the rights of the shareholders to purchase new shares, all of the newly issued shares shall be issued as B Group and bearer shares.

Board of Directors is also entitled to pass decisions concerning the issuance of shares and shares/stocks above the nominal value, restriction of the rights of the shareholders to purchase new shares.

3.3.5. Information regarding the invitation of the ordinary and extraordinary general assemblies to convene a meeting and conditions of attendance to the meetings:

Article 26 of the Company's Articles of Association contains the following provisions regarding the General Assembly Meetings:

Following principles shall apply to the General Assembly meetings.

General Assemblies convene ordinarily and extraordinarily. In invitations to these meetings, provisions of articles 355, 365, 366 and 368 of the Turkish Commercial Code and the relevant provisions of the Capital Markets legislations shall apply. Ordinary and Extraordinary General Assembly meetings are notified to the Republic of Turkey, Ministry of Industry and Commerce, Presidency of Istanbul Stock Exchange and the Capital Markets Board at least two weeks prior to the date of the meeting. Agenda and other documents related to the meeting are also enclosed to such notifications. It is mandatory to respect the regulations of the Capital Markets Board, in the notifications to be made. Ordinary General Assembly convenes within three months following the end of the Company's accounting period and at least once a year and discusses and resolves the items of the agenda, prepared by the Board of Directors, in furtherance of Article 369 of the Turkish Commercial Code. Whereas, Extraordinary General Assembly convenes in cases and at times, as necessitated by the business of the Company. At the Ordinary and Extraordinary General Assembly meetings, all shares have 1 vote per share. General Assembly meetings and the decision quorums in such meetings are subject to the provisions of the Turkish Commercial Code. However, as per paragraph 7 of article 11 of the Capital Markets Law, in the General Assembly meetings held in relation to the matters mentioned in paragraphs 2 and 3 of article 388 of the Turkish Commercial Code, meeting quorums set forth article 372 of the Turkish Commercial Code shall apply.

3.3.6. Information regarding the provisions that may cause a delay, deferral or restriction in the change of control of the management of the Company:

As per Article 15 of the REIT Communiqué Serial: VI, No:11, as amended by the Serial: VI, No:21, Company's shares can be issued in registered or bearer form. However, the shares representing the capital in kind should be in registered form. Shares representing the minimum capital ratio of the major shareholder cannot be transferred to another person for a period of two years following the completion of the sales period of the shares representing the minimum free float rate that is required to be reached as per the first paragraph of article 10, by way of public offering. In transfer of shares issued for capital in kind, provisions of Article 404 entitled "Transfer Prohibition" of TCC shall not apply.

Article 404 of the TCC – Transfer of shares issued for capital in kind to third parties prior to the completion of 2 years after the registration of the company shall be null and void. (Additional paragraph: 16/06/2009-5904 S.K./art.30) This provision shall not apply to demergers under article 19 of the Corporate Tax Law dated June 13, 2006 and numbered 5520.

3.3.7. Information on the conditions regarding the increase and decrease of share capital, provided in the articles of association, in case such conditions are heavier than those imposed by the law:

Article 8 of the Company's Articles of Association contains the following provisions regarding the Capital and Share Certificates:

Between 2011-2015, the Board of Directors is entitled to increase the paid-in capital up to the registered capital ceiling, by way of issuing new shares when it deems necessary, in accordance with the provisions of the Capital Markets Law, without adhering to the provisions of the Turkish Commercial Code pertaining to the increasing of the principle capital.

In capital increases, A group shares shall be issued in consideration of A Group shares, B group shares shall be issued in consideration of B Group shares, C group shares shall be issued in consideration of C Group shares and D group shares shall be issued in consideration of D Group shares. However, if the Board of Directors restricts the rights of the shareholders to purchase new shares, all of the newly issued shares shall be issued as B Group shares and bearer shares.

In capital increases, shares remaining after the exercise of the preemptive rights as well as all newly issued shares in case of restricting preemptive rights shall be offered to public out of their market prices, to the extent they are not below the nominal values.

Amount of the paid-in capital must be indicated in documents, in which the title of the company is used.

Shares representing the capital are followed up in a dematerialized manner, in accordance with the dematerialization principles.

3.3.8. Summary of the provisions pertaining to the board of directors and the board of auditors:

Article 14 of the Company's Articles of Association contains the following provisions regarding the Board of Directors and its Term of Office:

The authority to represent and bind the Company before third parties is exercised by a board of directors consisting of 9 members having the qualifications set out in the Capital Markets Legislations and to be elected by the general assembly in accordance with the provisions of the Turkish Commercial Code for a maximum period of three years.

A, C and D Group shares have a privilege in nomination for the election of the members of the board of directors. 2 of the members of the Board of Directors shall be elected by the general assembly from amongst those nominated by A Group, 2 by C Group and 2 by D Group shareholders.

Members whose term of office expires may be re-elected. In the event of occurrence of a vacancy in a membership, the Board of Directors shall temporarily elect a person bearing the qualifications set out in the Turkish Commercial Code and the Capital Markets Law as a member for such position and shall submit the same to the approval of the subsequent general assembly. Members elected as such, shall complete the terms of office of the former members.

Members of the Board of Directors may be discharged from their duties at any time by the general assembly.

Article 15 of the Company's Articles of Association contains the following provisions regarding the criteria for being elected to the Board of Directors:

Members of the Board of Directors must bear the qualifications set forth in the Turkish Commercial Code, the Capital Markets Legislations as well as other pertinent legislations.

Article 22 of the Company's Articles of Association contains the following provisions regarding the Auditors and their Term of Office:

Auditors to be assigned for the Company must bear the qualifications set forth in the Turkish Commercial Code and the Capital Markets Legislations.

General Assembly elects two auditors either from amongst the shareholders or from outside, to serve for a maximum term of office of three years.

Auditors must be citizens of the Republic of Turkey. Auditors, whose term of office expires, may be re-elected. Auditors cannot be elected as members of the Board of Directors, nor can they be Company's officers.

Auditors are responsible for performing the duties listed in articles 353-357 of the Turkish Commercial Code.

3.4. Information regarding the Operations

3.4.1. Information on the operations of the Company, including the main product/service categories for the last three years and the relevant interim period:

Akfen GYO's main field of activity is:

To engage in subjects and purposes set out in the regulations pertaining to REITs of the Capital Markets Board and to invest, primarily in real estates, real estate-backed capital market instruments, real estate projects and rights based on real estates, to create and develop real estate portfolios and to engage in subjects and purposes described in articles 23 and 25 of the Communiqué on the Principles regarding Real Estate Investment Trusts (Serial VI, No:11) of the CMB.

On April 18, 2005, Akfen Holding, the major shareholder of Akfen GYO has signed a memorandum of understanding with Accor S.A., one of the international chain hotel operators. With this Memorandum of Understanding, Akfen Holding and Accor S.A. have united their powers by forming a partnership to develop hotel projects, primarily under Ibis and Novotel brands in Turkey. Under the subsequent amendments made, Akfen GYO and Tamaris Turizm A.Ş., a subsidiary of Accor S.A established in Turkey, have also become parties to the said Memorandum of Understanding. According to the investment plan contained in the said Memorandum of Understanding, starting from January 1, 2005 during the course of the term of the memorandum of understanding, agreed number of hotels shall be developed and leased by Akfen GYO to Accor S.A. in accordance with each five year hotel development programs.

According to the Investment Plan contained in the amendment to the Memorandum of Understanding signed on April 12, 2010, from January 2011 to December 31, 2015, at least 8 hotels, with an occupancy permit and Operation License will be leased to Accor S.A. by the Company. If mutually agreed by the parties, the minimum number of hotels may be decreased to 6, provided that these are implemented within the first year of the five year Investment Plan. The parties are planning to put the next Investment Plan into effect by June 30, 2015. In addition, according to the said Memorandum of Understanding and the framework agreement, Accor, shall primarily submit an offer to Akfen GYO for hotel projects in Turkey under Sofitel, Novotel, Mercure, Ibis, Coralia, Etap Hotel, Suitehotel, Formule-1 and Thalassa brands and any brands that may substitute the same, or those that are operated thereunder; and unless such offer is rejected within 2 months, it shall not realize such projects with an investor other than Akfen GYO. Likewise, Akfen shall primarily offer the hotel projects that it will realize in Turkey to Accor. Pursuant to the provisions of the said amendment to the memorandum of understanding, if, until December 31, 2015, the number of hotels to be determined by mutual agreement by Accor and Akfen GYO in writing, to be operated under Accor brands are not put into operation, the said memorandum of understanding or the provisions relating to exclusivity set out thereunder or under the framework agreement may be terminated.

ACCOR Group is the world's third largest chain hotel operators, which is active in 90 countries in the world under SOFITEL, NOVOTEL, MERCURE, IBIS, CORALIA, ETAP HOTAL, SUITEHOTEL, FORMULE1, CORALIA and THALASSA brands, and which supports them with supplementary services such as travel agencies, etc. (Resource, press release dated January 06, 2010 by Accor).

Pursuant to the amendment made by Akfen GYO and ACCOR S.A. on April 12, 2010 to the framework agreement regarding the development program and certain other matters concerning the hotels to be managed by Tamaris Turizm A.Ş., subsidiary of Accor S.A. under Ibis Hotel and Novotel brands:

1. At least 8 hotels shall be completed until the end of 2015, four of which to be completed until the end of 2013 and shall be delivered to Accor together with the occupancy permits and operation licenses. 3 of them shall be in Istanbul (one in Esenyurt), 1 in Izmir, 1 in Ankara, 1 in Adana and the remaining 2 shall be at locations that shall be agreed upon by Accor SA later on.

   Out of these locations, acquisition of lands in Istanbul Esenyurt, Adana and İzmir has been realized and lease agreements have been signed with Accor. Constructions in Esenyurt and Adana have started upon the obtainment of construction permits and studies regarding the obtainment of construction license for İzmir Ibis Hotel are still in progress.

2. Effective as of January 01, 2010;

   - In Kayseri Ibis, Gaziantep Ibis, Bursa Ibis Hotels and Ibis Hotels to be opened after January 1, 2010, the higher of 25% of the turnover or 70% of AGOP (Adjusted Gross Operating Profit) shall be paid by Tamaris Turizm A.Ş. to Akfen GYO as lease income.

   - In Kayseri Novotel, Gaziantep Novotel and all Novotels to be opened after January 1, 2010, the higher of 22% of the turnover or 70% of AGOP shall be paid by Tamaris Turizm A.Ş. to Akfen GYO as lease income.

Effective as of January 01, 2011;

- In Zeytinburnu Ibis and Eskişehir Ibis Hotels, the higher of 25% of the turnover or 65% of AGOP (Adjusted Gross Operating Profit) shall be paid by Tamaris Turizm A.Ş. to Akfen GYO as lease income.

- In Zeytinburnu Novotel and Trabzon Novotel, the higher of 22% of the turnover or 65% of AGOP (Adjusted Gross Operating Profit) shall be paid by Tamaris Turizm A.Ş. to Akfen GYO as lease income.

In light of our foregoing explanations, AGOP shall be calculated on the basis of the following formula: AGOP = GOP (Gross Operating Profit) - %4 of the Turnover as Accor Fee - %4 of the Turnover as FF&E (Furniture and fixtures) Reserve.

3. In the event that Akfen GYO fails to complete 4 hotels, one of which is in Istanbul, by December 31, 2013 at the latest; as of January 1, 2014, the annual lease income shall be set as 65% of AGOP for Gaziantep Ibis and Novotel, Kayseri Ibis and Novotel and Bursa Ibis hotels,

4. Pursuant to the agreement dated April 12, 2010 signed by Accor S.A., in the event that Akfen GYO fails to start the construction of a Ibis project in Moscow and sign a hotel rental contract with Accor by December 31, 2011, as of January 1, 2012, lease income of Zeytinburnu, Eskişehir and Trabzon hotels shall be applied as 60% of AGOP,

   A share purchase agreement with a company, which owns a land located in Moscow city center, has been signed on February 4, 2011 in order to implement the Ibis hotel project with 475 rooms.

5. Terms of lease under all hotel lease agreements shall be 25+10 years; however, provided that it serves a notice until the end of the 13th year of the lease term, Tamaris Turizm A.Ş. has the right to terminate the agreement prior to its expiry at the 15th year of the lease term. If Tamaris Turizm A.Ş. does not exercise such right, the lease term shall expiry in the 25th year. Furthermore, Tamaris Turizm A.Ş. has the option to extend the lease term for another 10 years, at the end of the 25th year.

6. Such lease terms shall commence as of January 1, 2011 for Zeytinburnu, Eskişehir and Trabzon hotels and as of January 1, 2010 for all other hotels. For Esenyurt, Adana and İzmir hotels, such term shall commence on January 1st of the year following the opening dates of the hotels.

7. If the parties cannot reach an agreement regarding the investment plan of the subsequent 5 years, by the date of June 30, 2015, both parties shall be entitled to terminate the agreement or only the exclusivity provisions contained in the framework agreement. However, hotel lease agreements signed until such date shall remain valid.

Akfen GYO has strategically positioned itself to turn the fact that there are no standardized accommodation facilities in Turkey, Russia and other CIS countries, into an advantage and targets the market of business travellers, which increasingly grows in this region.

Separate lease agreements have been signed with Accor S.A and Tamaris Turizm A.Ş., its representative in Turkey, for all of the operational hotels listed in the table below and these agreements are in force. Save for Kyrenia Mercury Hotel in TRNC, Akfen GYO and its subsidiaries do not lease any of its operational and ongoing projects to any hotel companies other than Accor and its subsidiaries.

Completed and Planned Project Portfolio of Akfen GYO in the Republic of Turkey and TRNC

No	City	Hotel Type	Status	Investment Completion (%) as of March 31, 2011	Operation Date
1	Istanbul Zeytinburnu	Novotel	Put into operation by Accor in accordance with the lease agreement	100	March 2007
2	Istanbul Zeytinburnu	Ibis Hotel	Put into operation by Accor in accordance with the lease agreement	100	March 2007
3	TRNC (Kyrenia)	Mercure Hotel	Put into operation by third parties in accordance with the lease agreement with the royalty granted by Accor	100	April 2007
4	Eskişehir	Ibis Hotel	Put into operation by Accor in accordance with the lease agreement	100	April 2007
5	Trabzon	Novotel	Put into operation by Accor in accordance with the lease agreement	100	October 2008
6	Gaziantep	Ibis Hotel	Put into operation by Accor in accordance with the lease agreement	100	January 2010
7	Gaziantep	Novotel	Put into operation by Accor in accordance with the lease agreement	100	January 2010
8	Kayseri	Novotel	Put into operation by Accor in accordance with the lease agreement	100	March 2010
9	Kayseri	Ibis Hotel	Put into operation by Accor in accordance with the lease agreement	100	March 2010
10	Bursa	Ibis Hotel	Put into operation by Accor in accordance with the lease agreement	100	November 2010
11	Istanbul Esenyurt	Ibis Hotel	Land has been purchased and construction has started	36	2012
12	Adana	Ibis Hotel	Land has been purchased and construction has started	37	2012
13	Izmir	Ibis Hotel	Appropriation of land is done, license procedures are in progress	19	2012
14	Ankara	Novotel	Appropriation of land is done, license procedures are about to begin	0	2014
15	Istanbul Kartal	Ibis Hotel	Land acquisition works are in progress	0	2013
16	Ankara	Ibis Hotel	Land acquisition works are in progress	0	2014
17	Istanbul – Europe Center	Novotel	Land acquisition works are in progress	0	2014
18	Istanbul – Europe Center	Ibis Hotel	Land acquisition works are in progress	0	2015

Russia and CIS counties are also a part of the strategic partnership.

Akfen GYO’s Portfolio in Russia

No	City	Project Type	Status	Investment Completion as o February 28, 2011 (%)	Operation D
1	Samara *	Ibis Hotel	Under construction	97	2011
2	Samara *	Office	Under construction	92	2011
3	Yaroslavl *	Ibis Hotel	Under construction	90	2011
4	Kaliningrad *	Ibis Hotel	Project and construc permit works are in progre	16	2012
5	Moscow	Ibis Hotel	Transfer process of company that owns the l is in progress	0	2014

**Akfen GYO is a 50% partner in these projects.*

Akfen Gayrimenkul Ticareti ve İnşaat A.Ş.

Incorporation and Current Status

Main scope of operations of Akfen Gayrimenkul Ticaret ve İnşaat A.Ş. is to invest in, develop, operate and procure the operation of real estates. The company was established on August 20, 1999, with the title of T-T Turizm İnşaat Sanayi ve Ticaret Limited Şirketi and, undergoing a change of company type, it was converted into a joint stock company from a limited liability company and the relevant amendments to its articles of association were published on pages 225 and 226 of Turkish Trade Registry Gazette dated July 31, 2002 and numbered 5603. As a result of these amendments, its title was changed to T-T Turizm İnşaat Tarım Besicilik Sanayi ve Ticaret A.Ş. Pursuant to Section 113, Article 346 of the Limited Liability Companies Act, on September 2, 2002, Akfen GT was registered and approved by the Companies Registrar of TRNC under registration number YŞ00148, as a foreign company. As of September 22, 2006, the company’s title was changed to Akfen Gayrimenkul Ticareti ve İnşaat A.Ş.

On February 21, 2007, 99.9% of the shares of Akfen GT, held by Akfen Holding A.Ş. and Akfen İnşaat Turizm ve Tic. A.Ş. were transferred to Akfen GYO. Akfen GT, 99.9% of which is held by Akfen GYO, is currently generating income from its 5 star hotel in Turkish Republic of Northern Cyprus and is developing hotel and office projects in Russia.

The 5 star Kyrenia Mercure Hotel located in Turkish Republic of Northern Cyprus has been operating since 2007.

On July 30, 2009, Akfen GT and Georgia-Autonomous Republic of Ajaria, Municipality of Batumi have signed a land lease agreement for purpose of generating lease income for 49 years through constructing a hotel. The annual lease amount is 15,000 Georgian Lari. The annual lease amount is paid in two installments in the months of June and December.

According to the contract signed between Akfen Construction and TRNC Ministry of Agriculture and Natural Resources on December 30, 2010; the land with a touristic occupancy permit, having an area of 167,830 m^2, located at the city of Bafra, P/H XVI 1, under parcel no. 23/2/1/1 + 23/4, has been allocated to the usage of Akfen Construction, for a period of 49 years. With the Board of Directors resolution dated February 10, 2011 and 2011/03, Akfen Construction has decided to transfer the aforementioned contract to Akfen GT and the Council of Ministers of TRNC has approved such transfer by its decree dated February 23, 2011.

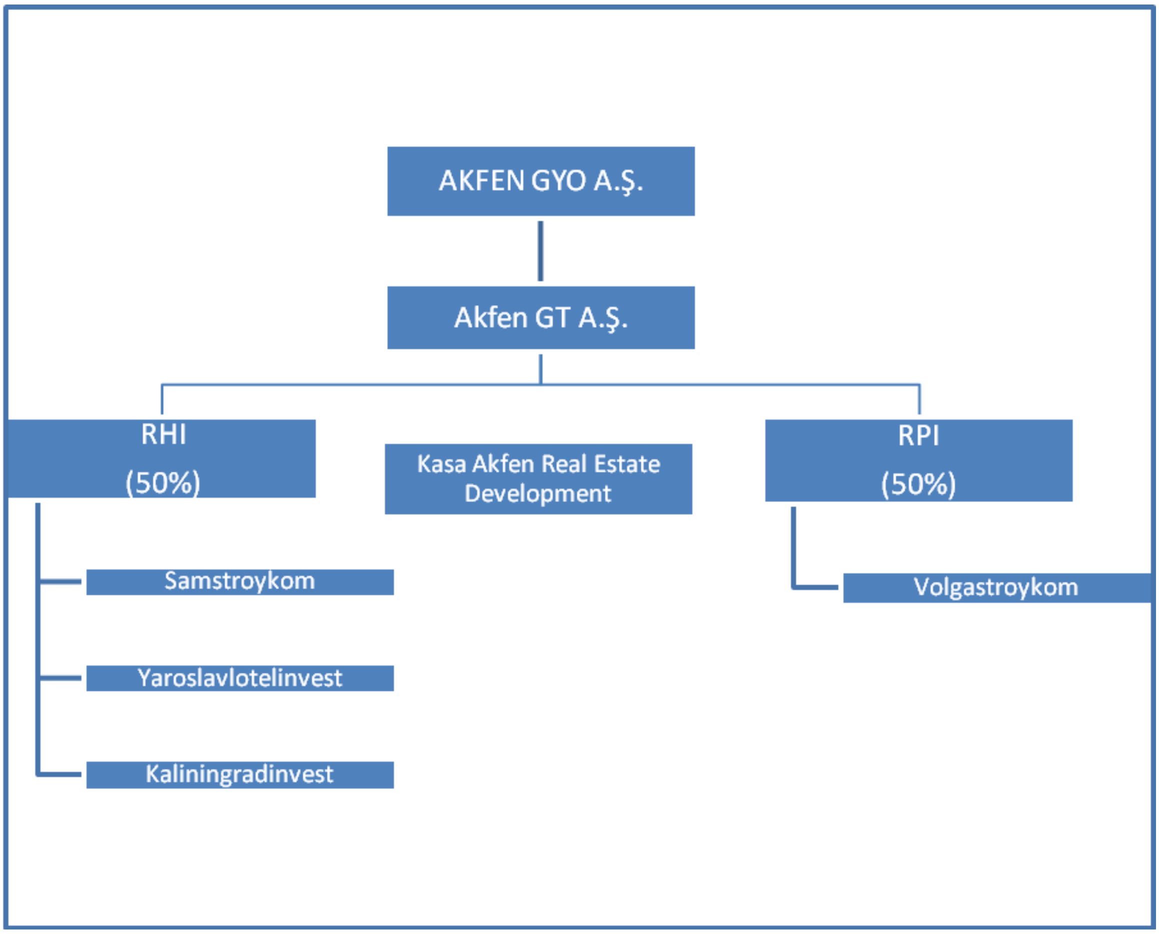
Akfen GT, holds 50% of the shares of Russian Hotel Investments BV (“RHI”) and Russian Property Investment BV (“RPI”) companies, established in the Netherlands. As per Russian legislations, shareholders of the Russian Project companies, which are established as SPVs on a project basis, are RHI and RPI, incorporated in the Netherlands.

Among these subsidiaries, RHI was incorporated on September 21, 2007, under the partnership of Akfen GT and Eastern European Property Investment Ltd (“EEPI”) for the purpose of implementing hotel projects in Russia.

Whereas, RPI was established on January 3, 2008 as a joint venture of Akfen Gayrimenkul Geliştirme ve Tic. A.Ş. and Eastern European Property Investment Ltd (EEPI) for the purpose of implementing office projects in Russia. Akfen Gayrimenkul Geliştirme ve Tic. A.Ş.’s shares were acquired by Akfen GT on June 5, 2009.

Akfen GYO’s direct and indirect affiliates and subsidiaries are provided in the table below:

Shareholding relationship:



Capital Structure

As of December 31, 2010, the company has a paid-in capital of TL 50 Million (on November 2, 2010, it was increased from TL 35,000,000 to TL 50,000,000; and all of the increased portion of TL 15,000,000 was paid in cash). Distribution of the paid-in capital among the shareholders is as follows:

Distribution of the Company's Shares

Shareholders	Amount of Shares (TL)	Number of Shares	Shareholding Ratio (%)
Akfen GYO A.Ş.	49,999,900	1,999,996	100.00%
Şafak Akın	25	1	0.00%
Hamdi Akın	25	1	0.00%
Akınısı Makina San. Ve Tic. A.Ş.	25	1	0.00%
Akfen Turizm Yat. Ve İşl. A.Ş.	25	1	0.00%
Total	**50,000,000**	**2,000,000**	**100%**

280,000 shares held by Akfen GYO have been pledged in favor of T. Vakıflar Bankası T.A.O pursuant to the share pledge agreement dated June 30, 2004 executed between T. Vakıflar Bankası T.A.O, Kavaklıdere Branch and Akfen Construction, which was the owner of the shares at the signing date of the agreement.

According to the share pledge agreement dated September 8, 2008 signed between the shareholders of Akfen GT and ING Bank A.Ş. Kızılay Branch, 280,000 of the shares held by the shareholders in Akfen GT have been pledged in favor of ING Bank A.Ş, Kızılay Branch.

Subsidiaries

Akfen GT has two subsidiaries based in the Netherlands that are under common control. These are Russian Hotel Investment B.V. ("RHI") and Russian Property Investment B.V. ("RPI").

RHI was established on September 21, 2007 with the partnership of Akfen GT and Eastern European Property Investment Ltd ("EEPI") for the purpose of implementing hotel projects in Russia. The company is subject to common control. Firms established for hotel projects are merged under the RHI's body and operating firms under the RHI's body, which have been established for the hotel projects, are provided in the table below.

On the other hand, RPI was established on January 3, 2008 as a joint venture of Akfen Gayrimenkul Geliştirme ve Tic. A.Ş. and Eastern European Property Investment Ltd (EEPI) for the purpose of implementing office projects in Russia and merges the firms that are established for such purpose on a project basis under a unique body. The shares of Akfen Gayrimenkul Geliştirme ve Tic. A.Ş. was taken over by Akfen GT on June 5, 2009.

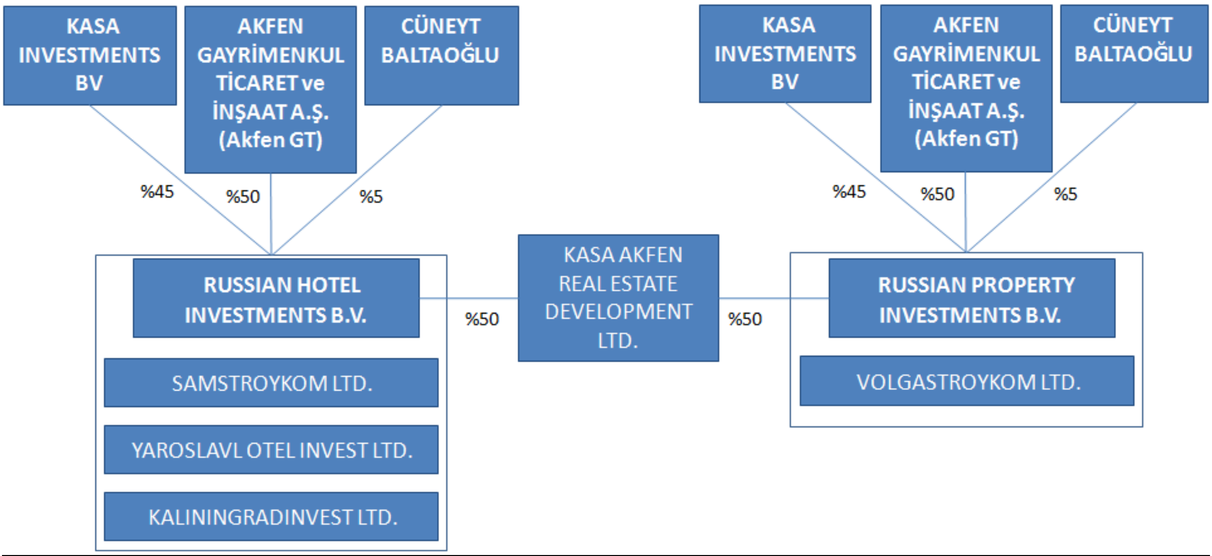
RHI and RPI have also established a company with the title of Kasa-Akfen Real Estate Development LLC, in Russia as a joint venture. The main scope of operations of the company based in Moscow is to serve as the central office for the management of the investment projects in Russia.

As of December 2010, Eastern European Property Investment Ltd. (EEPI) has transferred 45% of its shares in RHI and RPI to Kasa Investments B.V. and 5% to Cüneyt Baltaoğlu.

Except for the projects under RHI and RPI in Russia, the construction of which have already started; within the scope of the Moscow project, the construction of which has not started yet, Dynamo-Petrovsky Park XXI Century-MSH, a Russian limited liability company that is the holder of the project rights and Keramit Financial Company B.V.I, which owns 100% of the shares of this company, will be acquired.

The Share Purchase Agreement ("SPA") has been signed on February 4, 2011. Upon the completion of the conditions precedent set out in this share purchase agreement by the group, which includes the company that holds the rights on the land, in the coming months, the right holder company's transfer to the Company will be realized.

Structure of the Companies under Common Control



Operations

On February 22, 2007, shares of Akfen Gayrimenkul Ticareti ve İnşaat A.Ş. ("Akfen GT"), a subsidiary of Akfen Holding, were transferred to Akfen GYO by Akfen Holding A.Ş. and Akfen Turizm Yatırımları ve İşletmecilik A.Ş. out of their nominal values. Pursuant to its articles of association, the main scope of activity of the company is as follows:

To provide services in the fields of developing the domestic and foreign tourism potential of Turkey and operation of the existing resources more efficiently and satisfaction of the accommodation, entertainment and such other needs of the tourists; to buy, lease, rent grounds and lands located at touristic places and areas suitable for tourism from real and legal persons or governments; to establish, construct, operate, procure the operation of, lease facilities such as holiday resorts, hotels, motels, camping sites, beaches, thermal and sportive facilities, guest houses, entertainment facilities, diners, bars, restaurants, patisseries; to buy, sell, import and export any and all goods and materials necessary for construction, decoration and operation thereof; to engage in any and all domestic and foreign trade related to its subject matter. The company may carry out marketing activities related to its subject matter, may participate or become shareholders in in all kinds of commercial and industrial enterprises that are already established or to be established in the future, in relation to its subject matter and may make investments related to its subject matter.

It may participate in tenders and assume undertakings, may enter into contracts with real and legal persons in order to realize its undertakings or subcontract its undertakings to third parties. Akfen Gayrimenkul Ticareti ve İnşaat A.Ş., which is a wholly owned subsidiary of Akfen GYO, is the right holder in Kyrenia Mercure Hotel in Turkish Republic of Northern Cyprus. Akfen Gayrimenkul Ticareti ve İnşaat A.Ş. is also a 50% shareholder in RHI and RPI companies, based in the Netherlands.

Portfolio of Akfen GYO as of February 28,2011

akfen GYO	AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.	PORTFOLIO TABLE	Table Date:	28.02.2011	(Thousand TL)

REAL ESTATES, REAL ESTATE PROJECTS, RIGHTS	Location and Characteristics		Area	Date of Acquisition	Acquisition Cost	Date of Acquisition Appraisal	Acquisition Appraisal Value	Appraisal Date	Appraisal Value	Portfolio Value	Its Rate to the Total Portfolio Value	Insured Value (Footnote:4)	Lease Appraisal Date	Lease Appraisement Value	Lease Amount	Leaseholder	Lease Commencement Period	Lease Term (Footnote :3)
Lands and Building Plots										**0**	**0%**							
Buildings										**389.730**	**54%**							
Novotel and Ibis Hotel (Footnote 1)	Novotel - 4 star - 208 Rooms - Ibis Hotel - 3 star - 228 Rooms -	Zeytinburnu, Istanbul.	26.372 m²	23.02.2007	48.958	13.10.2006	79.970	28.02.2011	167.000	167.000	23%	71.742	28.02.2011	9.390	Footnote:2	Tamaris Turizm A.Ş	01.01.2011	25+10 years optional
Novotel (Footnote 1)	Novotel - 4 star - 200 Rooms -	Yomra, Trabzon.	15.232 m²	27.08.2008	24.435	15.07.2008	65.090	28.02.2011	57.790	57.790	8%	52.112	28.02.2011	2.394	Footnote:2	Tamaris Turizm A.Ş	01.01.2011	25+10 years optional
Novotel and Ibis Hotel (Footnote 1)	Novotel - 4 star - 96 Rooms -Ibis Otel - 3 star - 160 Rooms -	Kocasinan, Kayseri.	11.064 m²	27.03.2009	24.093	13.02.2009	32.290	28.02.2011	59.205	59.205	8%	43.053	28.02.2011	1.940	Footnote:2	Tamaris Turizm A.Ş	01.01.2011	25+10 years optional
Novotel and Ibis Hotel (Footnote 1)	Novotel - 4 star - 92 Rooms -Ibis Otel - 3 star - 177 Rooms -	Şehitkamil, Gaziantep.	18.825 m²	06.11.2009	33.424	13.02.2009	43.241	28.02.2011	57.835	57.835	8%	52.618	28.02.2011	2.038	Footnote:2	Tamaris Turizm A.Ş	01.01.2011	25+10 years optional
Ibis Hotel (Footnote 1)	Ibis Hotel - 3 star - 200 Rooms -	Osmangazi, Bursa.	7.523 m²	30.06.2010	17.053	30.06.2010	27.839	28.02.2011	47.900	47.900	7%	29.553	28.02.2011	1.780	Footnote:2	Tamaris Turizm A.Ş	01.01.2011	25+10 years optional
Other Real Estates										**0**	**0%**							
Real Estate Projects										**16.016**	**2%**							
Ibis Hotel (Footnote :1)	Ibis Hotel - 3 star - 165 Rooms -	Seyhan, Adana.	2.213 m²	01.12.2010	3.842	30.06.2010	4.426	28.02.2011	15.190	5.807	1%	16.231			Footnote:2	Tamaris Turizm A.Ş	07.09.2010	25+10 years optional
Ibis Hotel (Footnote :1)	Ibis Hotel - 3 star - 156 Rooms -	Esenyurt, Istanbul.	1.755 m²	30.12.2010	3.366	14.09.2006 30.06.2010	1.053 1.873	28.02.2011	21.583	5.579	1%	16.531			Footnote:2	Tamaris Turizm A.Ş	16.08.2010	25+10 years optional
Ibis Hotel (Footnote :1)	Ibis Hotel - 3 star - 140 Rooms -	Alsancak, Izmir.	629 m²		659	30.09.2010	3.520	28.02.2011	4.630	4.630	1%				Footnote:2	Tamaris Turizm A.Ş	02.01.2011	25+10 years optional
Rights										**18.856**	**3%**							
Ibis Hotel, Fitness and Restaurant Building (Footnote 1)	Ibis Hotel - 3 star - 108 Rooms -	Merkez, Eskişehir.	5.868 m²	15.03.2007	11.202	13.10.2006	11.030	28.02.2011	18.856	18.856	3%	22.479	28.02.2011	1.412	Footnote:2	Tamaris Turizm A.Ş	01.01.2011	25+10 years optional
REAL ESTATES TOTAL										**424.602**	**59%**							

AFFILIATES	Field of Activity	Date of Acquisition	Acquisition Cost	Appraisal Date	Appraisal Value	Portfolio Value	Its Rate to the Total Portfolio Value
AKFEN GAYRİMENKUL TİCARETİ VE İNŞAAT A.Ş (Footnote: 5)	Real Estate Investments	22.02.2007	50.000	28.02.2011	297.936	297.936	
AFFILIATES TOTAL						**297.936**	**41%**

MONETARY AND CAPITAL MARKETS INSTRUMENTS	Base Currency	Date of Acquisition	Acquisition Cost	Quantity	Compound Interest Rate	Maturity	Unit Value (TL)	Portfolio Value (TL)	Its Rate to the Total Portfolio Value
Stock Certificates								**0**	
Bonds and Bills								**0**	
Investment Funds								**0**	
TL and Foreign Exchange Deposit/Checking Accounts (Footnote :6)								**9**	
Checking Account									
GARANTI BANK, BAŞKENT KURUMSAL BRANCH	TL		9	-	-	-	-	9	
Money Market Transactions								**0**	
Other Monetary and Capital Markets Instruments								**0**	
MONETARY AND CAPITAL MARKETS								**9**	**0%**

TOTAL PORTFOLIO VALUE	**722.547**
LIQUID ASSETS	2
RECEIVABLES	1.383
OTHER ASSETS	32.853
DEBTS	164.290
NET ASSET VALUE	**592.495**
NUMBER OF SHARES	138.000
NAV PER SHARE (TL)	**4,29**
ISE SECOND SESSION'S WEIGHTED AVERAGE PRICE FOR THE PARTNER'S SHARE	--

Planned annual Payment Amounts for the Projects Included in the Portfolio : (Footnote: 7)	**2011**	**2012**	**2013**
Esenyurt Ibis Hotel	14.123	0	0
Adana Ibis Hotel	17.455	0	0
Izmir Ibis Hotel	13.725	0	0
Total	**45.302**	**0**	**0**

Remarks on the Loans Received : (Footnote : 8)

Institution that the Loan Received	Base Currency	Loan Amount (complete amount in the base currency)	Loan Amount (TL)	Due Date	Interest Rate		Remarks
CASH			**150.884**				
TSKB-Iş Bankası	Euro	65.538	143.842	2018 -2020	Euribor+3,75%		
IŞBANKASI BAŞKENT KURUMSAL BRANCH	TL	41	41	--	Monthly 3,95%		
IŞBANKASI BAŞKENT KURUMSAL BRANCH	TL	1.000	1.000	--	10,00%		
GARANTi B. BAŞKENT KURUMSAL BRANCH	TL	500	500	29.04.11	10,15%		
ALTERNATiFBANK ANKARA BRANCH	TL	5.500	5.500	02.05.11	9,75%		
NON-CASH			**2.141**				
Iş Bankası Başkent Kurumsal	TL	200	200	23.06.2011		L/G	Gaziantep Metropolitan Municipality
Iş Bankası Başkent Kurumsal	USD	300	477	23.06.2011		L/G	Trabzon World Trade Center
Iş Bankası Başkent Kurumsal	USD	300	477	23.06.2011		L/G	Kayseri Chamber of Commerce
Iş Bankası Başkent Kurumsal	USD	200	318	23.06.2011		L/G	Buttim (Bursa International Textiles And Trade Center)
Iş Bankası Başkent Kurumsal	TL	509	509	14.09.2011		L/G	General Directorate of Foundations- Izmir Office
Iş Bankası Başkent Kurumsal	TL	160	160	Indefinite		L/G	Istanbul 8th Bailiff's Office

Remarks on Pledge, Mortgage and Guarantees:

Within the framework of the project loan in an amount of 100.000.000 Euros allocated by TSKB-Iş Bankası, for the project financing of Zeytinburnu Novotel - Ibis Hotel, Trabzon Novotel, Gaziantep Novotel - Ibis Hotel, and Kayseri Novotel - Ibis Hotel, the amount of the lien-pro rata basis established on these real properties in favor of the banks is totally 150.000.000 Euros.

Within the framework of the project loan in an amount of 100.000.000 Euros allocated by TSKB-Iş Bankası, for the project financing of Esenyurt Ibis Hotel, the lien amount established on this real property in favor of the banks is totally 7.000.000 Euros.

Within the framework of the project loan in an amount of 100.000.000 Euros allocated by TSKB-Iş Bankası, for the project financing of Bursa Ibis Hotel, the lien amount established on this real property in favor of the banks is totally 11.500.000 Euros.

Within the framework of the project loan in an amount of 100.000.000 Euros allocated by TSKB-Iş Bankası, for the project financing of Adana Ibis Hotel, the lien amount established on this real property in favor of the banks is totally 11.250.000 Euros.

Additionally, for securing the loan in an amount of 100.000.000 Euros allocated by TSKB-Iş Bankası, rental income of each hotel has been alienated to the creditors.

Amendments Compared to the Previous Table :

Akfen Gayrimenkul Ticareti ve İnşaat A.Ş. under the Affiliates has been shown according to the Appraisal value dated 28.02.201.

The planned payment amounts for Esenyurt Ibis Hotel, Adana Ibis Hotel and Izmir Ibis Hotel have been revised and calculated in Turkish Liras from Buying Exchange Rate of 2,1948 announced by the Central Bank of the Republic of Turkey on 28.02.2011.

The interest rate for the Euro loan allocated by TSKB-Işbankası reduced from Euribor+4,75% to Euribor+3,75% being valid as of 01.01.201Euribor+4,75%.

Principal repayment has been made for the Euro loan allocated by TSKB-Işbankası, and it was calculated in Turkish Liras from Buying Exchange Rate of 2,1948 announced by the Central Bank of the Republic of Turkey on 28.02.2011.

The loans allocated by Iş Bankası Başkent Kurumsal Branch, Garanti Bankası Başkent Kurumsal Branch and Alternatifbank Ankara Branch have been included into the table.

The insurance coverage stated in our portfolio table dated 31.12.2010 was changed due to Euro exchange difference on 28.02.2011. Construction all risks insurance and emloyer's liability isurance coverages for Esenyurt Ibis Hotel and Adana Ibis Htel have been included into the Real Estate Projects section.

Information Related to Time Extentions and Other Statutory Obliagtions of the Partnership: N/A

PORTFOLIO LIMITATION CONTROLS

1. 50 %Control		
A) REAL ESTATES, REAL ESTATE PROJECTS AND RIGHTS	424.602	
B) THE PART OF THE MONETARY AND CAPITAL MARKETS INSTRUMENTS RESERVED FOR REAL ESTATE PAYMENTS FOR THREE YEARS	0	
C) THE PART OF THE REAL ESTATES AND MONETARY AND CAPITAL MARKETS INSTRUMENTS RESERVED FOR REAL ESTATE PAYMENTS FOR THREE YEARS (A+B)	424.602	59%
D) AFFILIATES	297.936	
E) MONETARY AND CAPITAL MARKETS INSTRUMENTS RESERVED FOR INVESTMENT	9	
F) AFFILIATES AND MONETARY AND CAPITAL MARKETS INSTRUMENTS RESERVED FOR INVESTMENT (D+E)	297.945	41%
TOTAL PORTFOLIO VALUE	722.547	
2. Bank Accounts Control		
A) Deposit /Checking Accounts on Foreign Currency Basis	9	
B) TL Deposit Account	0	
C) Total Investment Account	9	0%
TOTAL PORTFOLIO VALUE	722.547	
3. Affiliate Limitations Control		
AKFEN GAYRIMENKUL TICARETI VE INŞAAT A.Ş	297.936	
C) Affiliates Total	297.936	41%
TOTAL PORTFOLIO VALUE	722.547	
4. Building Plot not in Use/ Land Limitations Control		
5. Loan Limitations Control		
Cash Loans Total	150.884	25%
NET ASSET VALUE	**592.495**	

FOOTNOTES

* The relevant portfolio table has been prepared in accordance with the rules of IFRS (International Financial Reporting Standards).

** Values in **square meters** in section Buildings mean the useful area of separate parts, and in the section Projects show the area of the landlot related to the project.

*** **Dates of Purchase** in section Buildings and Rights mean the date of permit for use of the real estate and in section Projects – the date of construction permit.

**** The total costs on the basis of IFRS incurred until the date on which the permission of use of the Buildings and Pertaining Rights were obtained have been shown under the section **Purchasing Costs** . In the section, Projects, the cost on the purchasing date of the land in Adana region which was August 3, 2010 and the total costs on the purchasing date of the lands (which were September 18, 2006 and 30, September 2010) in Esenyurt project and

***** In terms of Portfolio Value, the appraisal values in the Buildings and Rights section were shown. The portfolio values of Esenyurt and Adana projects placed under the section with the "Heading Projects" consists of the land value of the lands pertaining to the projects in question determined based on the appraisal report dated February 28, 2011 as well as the total expenditures incurred until February 28, 2011 based on the financial reports compiled

As the portfolio value of Izmir project under Projects section, the approximate value of right of use of the land for a term of 49 years based on the project prepared according to the appraisal report dates February 28, 2011 and the total amount of expenses occurred based on the fiscal tables compiled within the frame of IFRS were shown.

****** **The Appraised Lease Values** were shown excluding VAT.

1- The appraised values of the buildings, realty projects and rights exclude VAT and VAT included values are as follows. The date of obtaining the Building Licenses and the Dates of obtaining the Building Use permit which present the date of commencement of construction relating to the Buildings, Rights and Projects were listed as follows.

BUILDINGS, RIGHTS AND REAL ESTATE PROJECTS	DATE OF OBTAINING THE BUILDING LICENSE	DATE OF OBTAINING THE PERMISSION OF USE OF THE BUILDING	APPRAISED VALUES (VAT INCLUDED)
İbis Otel - İzmir			5.463 TL
İbis Otel - Adana	01.12.2010	-	17.924 TL
İbis Otel - Esenyurt	30.12.2010	-	25.468 TL
Novotel ve İbis Otel - Zeytinburnu	06.01.2005	23.02.2007	197.060 TL
İbis Otel - Eskişehir	15.12.2005	15.03.2007	22.250 TL
Novotel - Trabzon	17.11.2006	27.08.2008	68.192 TL
Novotel ve İbis Otel - Kayseri	06.03.2008	27.03.2009	69.862 TL
Novotel ve İbis Otel - Gaziantep	21.10.2008	06.11.2009	68.245 TL
İbis Otel - Bursa	17.06.2009	30.06.2010	56.522 TL

The appraised values of Ibis Otel İzmir, Ibis Otel Adana and Ibis Otel Esenyurt projects were estimated by TSKB Realty Appraisal Company by deducting the investments expenditures to arise from now on from the values of the completed projects. The portfolio values of the projects were found by adding the appraised values of the lands in Adana and Esenyurt projects to the investment expenditures spent up to now and in İzmir project, the same was found by adding the investment expenditures spent up to now to the approximate value of the rights of use of the land for the term of 49 years.

Eskishehir Ibis Hotel and Fitness Center Building were leased from Eskishehir Metropolitan Municipality which is the owner of these properties for a term of 22 years on May 16, 2006 (date of start of the lease contract : 08.02.2007, date of expiry of the lease contract: 08.02.2029) and the building was converted into a hotel. The long term lease agreement in question was registered at the title deeds office under registry no. 2954 as of March 17, 2009 .

50% of the land pertaining to Esenyurt Ibis Otel realty project was bought on 18.09.2006 and the remaining 50% was acquired on 30.09.2010.

The type classification activities for converting the classification of Zeytinburnu Ibis Hotel and Novotel registered at title deeds office continue. The relevant permissions were obtained from the chambers and the license application was made before the municipality, also the last stage has been reached for obtaining the building permission .

2- Tamaris Turizm A.Ş. is 100% shareholding of Accor S.A. In Turkey, a corporation seated in France.

Regarding Kayseri Ibis, Gaziantep Ibis, Bursa Ibis and all other Ibis Hotels to be opened after January 1, 2010, 25% of the turnover or 70% of AGOP (Adjusted Gross Operating Profit) (whichever is greater) shall be payable by Tamaris Turizm A.Ş. to Akfen GYO as lease value.

Kayseri Novotel, Gaziantep Novotel and at all hotels to be opened after January 1, 2010, 22% of the turnover or 70% of AGOP (whichever is greater) shall be payable by Tamaris Turizm A.Ş. to Akfen GYO as lease rent.

Relating to the hotels which were opened before January 01, 2010 (Zeytinburnu, Eskisehir ve Trabzon), 65% of AGOP shall be applicable in both trademarks. The turnover percentages shall be (as in all other hotels) 25% for Ibis Hotels, 22% for Novotel Hotels. The new formula shall be applicable for those 4 hotels starting from January 1, 2011.

AGOP shall be calculated based on this formula relating to the aforementioned: AGOP= GOP (Gross Operating Profit) -4% of the turnover Accor fee, 4% of turnover FF&E (Furniture and fixtures) reserves.

Based on the contract signed with Accor S.A. dated 12.04.2010, the construction of an Ibis Project shall commence until December 31, 2011 by Akfen GYO in Moscow and if no hotel lease contracts were signed with Accor, 60% of AGOP principle shall be used as of January 1, 2012 for the lease values of Zeytinburnu, Eskişehir and Trabzon hotels.

In addition to the frame agreement concluded between Tamaris Turizm A.Ş. and Akfen GYO A.Ş. , based on the amended agreement no. 4 dated April 12, 2010, Akfen GYO is obliged to complete 8 hotel projects at least from January 1, 2011 to December 31, 2015.

Furthermore, based on the same amended contract concluded with Tamaris Turizm A.Ş. , the total number of 4 hotels in Turkey one of which shall be Istanbul shall be completed and in failure of this until December 31, 2013, the annual lease values for Gaziantep Ibis and Novotel, Kayseri Ibis and Novotel and Bursa Ibis Hotels shall be determined as 65% of AGOP to take effect from January 1, 2014. Based on this contract, the completion of the hotel project

shall mean obtaining the workplace opening and business licences also. Relating to the investment schedule of the following 5 years, if the parties fail to reach an agreement until June 30, 2015, both parties shall have the right to terminate contract or the provisions in the contract relating to exclusivity. However the hotel lease contracts having been signed until then shall continue their effect and validity.

The rents from the hotels are collected on quarterly periods. The Fitness building was leased at 5.125 € per month and the restaurant building was leased at 3.898 TL (VAT excluded). Accordingly;

The rental income between January 01, 2011 and February 28, 2011 (VAT excluded)

Zeytinburnu Novotel :	457 TL
Zeytinburnu Ibis Hotel :	579 TL
Eskishehir Ibis Hotel :	143 TL
Eskishehir Fitness Center and Restaurant	30 TL
Trabzon Novotel :	255 TL
Gaziantep Novotel :	85 TL
Gaziantep Ibisotel :	84 TL
Kayseri Novotel :	83 TL
Kayseri Ibis hotel :	65 TL
Bursa Ibis hotel :	112 TL
TOTAL AMOUNT	**1.893 TL**

3- Pursuant to the lease agreement executed with Tamaris Turizm A.Ş., Tamaris Turizm A.Ş.reserves the right for early termination of the agreement in the 15th year of the lease term provided that to serve a notice until end of the 13th year of the lease term.

In case Tamaris Turizm A.Ş. will not exercise this right in the 15th year of the lease term, the lease term will be ended in the 25th year. Furthermore, at the end of 25th year, Tamaris Turizm A.Ş. has the option to extend the lease term 10 years more.

4- The value of the insurance policies have been given in TL in the above table. The insurance types and coverages for the immovable properties have been given in the original currency.

	Zeytinburnu	Eskişehir	Trabzon	Kayseri	Gaziantep	Bursa	Adana	Esenyurt
Workplace Insurance Policy	26.041.827 €	7.236.275 €	17.383.600 €	14.371.500 €	18.482.850 €	8.800.000 €		
Fire Liability Insurance Policy	2.080.000 €	2.080.000 €	2.080.000 €	2.080.000 €	2.080.000 €	2.080.000 €		
Electronic Devices Insurance Policy	664.353 €	281.768 €	755.500 €	535.096 €	543.136 €	585.000 €		
Amchinery Breakdown Insurance Policy	3.901.050 €	643.725 €	3.524.100 €	2.629.500 €	2.867.850 €	2.000.000 €		
Construction Insurance Policy							6.200.000 €	6.300.000 €
Employer's Responsibility Insurance Policy							1.649.339 $	1.700.000 $

5- Akfen Gayrimenkul Ticareti ve İnşaat A.Ş. has the ownership of 5 star and 299 rooms hotel named Mercure Hotel in Turkish Republic of Northern Cyprus operated by hotel operating companies and obtaining rental income from this hotel.

In addition, it is one of the partners having 50% stake in a project consisted of 3 hotels and 1 office still under development in 3 different cities of Russia and acquires 100% ownership in Ibis Hotel project under development in Moscow.

İştirak Alış Maliyeti iştirake ait güncel sermaye payımızı göstermektedir. İştirak değerleme çalışması, Türkiye Sınayi Kalkınma Bankası A.Ş. Kurumsal Finansman Departmanı tarafından indirgenmiş nakit akımları yöntemine göre hesaplanmıştır.

6- In conversion of amount of foreign exchange deposit and checking accounts into TL currency, the Central Bank of the Republic of Turkey's Buying Exchange Rate for Euro which was 2,1948 and for USD which was 1,5905 on 28.02.2011 were used.

7- Planned payment amounts are the estimated cost of investment. These figures include VAT.

8- In conversion of amount of Euro and USD loans into TL currency, the Central Bank of the Republic of Turkey's Buying Exchange Rate for Euro which was 2,1948 and for USD which was 1,5905 on 28.02.2011 were used. A project loan in an amount of 100.000.000 euros has been allocated by TSKB-Iş Bankası,

and this loan is used in accordance with the progress of the projects.

3.4.2. Information on the sectors/markets, in which the Company operates and the position of the Company in such sectors/markets, and its advantages and disadvantages:

3.4.2.1 Tourism and Hotel Sector

3.4.2.1.1 General Overview of the Tourism Sector

Global Sector

Tourism sector, which provides employment for more than 210 million people throughout the world (7.6% of the global employment), is one of the largest sectors in the world and provides a strong acceleration for the global economic growth. In 2009, the sector has reached a volume of USD 5.474 billion. This figure corresponds to 9.4% of the world's GDP in 2009 (9.6% in 2008).
The sector has faced a number of difficulties in the past two years, such as, in particular terror, epidemics, natural disasters, high oil prices and fluctuations in the foreign exchange rates. After a four-year period, in which a healthy growth by an annual average of 3.6% was observed, in 2008 the growth rate has decreased to 1% and in 2009, as a result of contraction by 3.5%, the direct GDP of the world tourism sector was realized around USD 1.870 billion. In the middle and long term, the sector is expected to grow by 4% annually in average and to create 6 to 8 million new employment each year. Main factors of this anticipated improvement in the sector can be expressed as, monetary and tax incentives, financial stimulus policies, recovery in the asset prices and strengthening loan markets.

Global tourism demand has grown by a compound annual growth rate of 9.8% between 2004 and 2008. In 2009, a decrease by 6.4% was observed and the total demand was realized around USD 7.340 million. The USA holds the largest share in the global demand by 22%. Visitor export and other export items ("other" mainly means the commodities) are also dominated by the USA. Spain and France follows the USA.
(*Source: Prime Ministry Investment Support and Promotion Agency, Deloitte, Turkish Tourism Sector Report, January 2009)*

Turkish Tourism Sector

Tourism sector has been one of the main factors behind the economic progress observed in Turkey within the recent years, by creating new employment opportunities and providing a positive support to the GDP and balance of payments. Tourism sector, which provides employment for around 1.7 billion people together with the travel sector (corresponds to approximately 7.2% of the total employment in the country), has accounted for TL 95.3 billion worth economic activity in 2009. This figure corresponds to approximately 10.2% of the total GDP of Turkey.

Number of foreign visitors and tourism revenues has rapidly grown in the recent periods. The growth rate of tourism sector in Turkey is above the global growth rate of the sector. Share of the foreign visitors coming to Turkey in the global total, which was 1.1% in 1990, has reached 2.7% in 2008. Similarly, the share of tourism revenues in the global tourism GDP, which was 1.2% in 1990, has risen up to 2.3% in 2008.

Tourism Promotion Law No.2634, which entered into force in 1982, has provided a strong acceleration to the sector's growth and made Turkey a popular destination, especially for the Western European tourists. Other than 2006, in which all travel trends throughout the world have been affected by the World Cup in Germany, an increase trend has continued since 2000 until today. Despite the deteriorating conditions in the world, in 2008, Turkey has experienced its best year in the history by welcoming a total of 30 million visitors, 26 million of which were foreign and 4 million of which were local. Number of visitors and tourism revenues has increased by 13.6% and 18.5%, respectively and as a result, average revenue of USD 708 has been generated per visitor. During the first three quarters of 2009, the number of visitors has increased by 1.5%; however, the revenues have decreased by 7%. As a consequence, the average revenue generated per visitor has been reduced to USD 647.

Istanbul, Ankara and Izmir, the 3 major cities of Turkey and Antalya, Muğla and Aydın, the popular holiday sites are the areas, in which hotels are concentrated. Today, in addition to the total bed capacity of 567,470 of the operating hotels in Turkey, many hotels are being built with a total bed capacity of 258,287. The annual compound growth rate of bed capacity between 1998 and 2008 has reached 6.1%.

Many hotels and touristic facilities in Turkey are located on lands owned by the Treasury. These lands are leased for periods of 49 years and usually, the contracts are renewed at the end of these periods.

Since 1970s, many international hotel chains have entered the Turkish market. 9 out of 10 largest hotel chains in the world are operating in Turkey. In terms of number of hotels, the Best Western International chain is the leader with 15 hotels, and it is followed by IHG Group with 8 hotels.
(*Source: Prime Ministry Investment Support and Promotion Agency, Deloitte, Turkish Tourism Sector Report, January 2009)*

3.4.2.1.2 General Overview of the Hotel Markets

While many sectors, including, in particular, the real estate sector, were suffering from the economic crisis, which had impacts on the whole world in mid-2008, Turkey has achieved a great success by ***closing 2009 by an increase in the number of tourists compared to 2008 in the Tourism Sector*** and by recording a very small loss in tourism revenues, compared to the rest of the world. Since the beginning of 2010, just like in other markets, market conditions in the hotel sector have made a progress. In particular, commercial performances of the hotels in Istanbul demonstrated positive impacts.

Turkey, which is among the 10 most visited countries and countries that generate the highest amount of tourism income, has become a country in which both demands and investments for hotels constantly increased.

In total number of visitors, Turkey has been ranked as the 7th, after Italy and UK, with 25.5 million people out of a total of 880 million tourists and with a share of 2.9%. ***In 2009, Turkey has increased its number of visitors by 2% when the number of visitors in the world has decreased by 4%***, and demonstrated the strength of its market. In terms of tourism revenues, Turkey, which had a share of 2.36% with USD 21.3 million out of the total market value of USD 900 million, has got the 9th largest market share after Australia.
(*Source: World Tourism Organization)*

10 Most Visited Countries in 2009					
Country / Continent		**2009**	**2008**	**2007**	**2006**
France	Europe	74.2 million	79.2 million	80.9 million	77.9 million
USA	North America	54.9 million	57.9 million	56 million	51 million
Spain	Europe	52.2 million	57.2 million	58.7 million	58 million
China	Asia	50.9 million	53 million	54.7 million	49.9 million
Italy	Europe	43.2 million	42.7 million	43.7 million	41.1 million
UK	Europe	28 million	30.1 million	30.9 million	30.7 million
Turkey	Europe	25.5 million	25 million	22.2 million	18.9 million
Germany	Europe	24.2 million	24.9 million	24.4 million	23.6 million
Malaysia	Asia	23.6 million	22.1 million	21 million	17.5 million
Mexico	North America	21.5 million	22.6 million	21.4 million	21.4 million

(*Source: World Tourism Organization)*

10 Countries that Generated the Highest Tourism Income in 2009				
Country	**2009**	**2008**	**2007**	**2006**
USA	$ 94.2 billion	$ 110.1 billion	$ 97.1 billion	$ 85.8 billion
Spain	$ 53.2 billion	$ 61.6 billion	$ 57.6 billion	$ 51.1 billion
France	$ 48.7 billion	$ 55.6 billion	$ 54.3 billion	$ 46.3 billion
Italy	$ 40.2 billion	$ 45.7 billion	$ 42.7 billion	$ 38.1 billion
China	$ 39.7 billion	$ 40.8 billion	$ 37.2 billion	$ 33.9 billion
Germany	$ 34.7 billion	$ 40 billion	$ 36 billion	$ 32.8 billion
UK	$ 30.1 billion	$ 36 billion	$ 38.6 billion	$ 34.6 billion
Australia	$ 25.6 billion	$ 24.8 billion	$ 22.3 billion	$ 17.8 billion
Turkey	$ 21.3 billion	$ 22 billion	$ 18.5 billion	$ 16.9 billion
Austria	N/A	$ 21.8 billion	$ 18.9 billion	$ 16.6 billion

(*Source: World Tourism Organization)*

Turkey, which has not experienced a major decrease in number of visitors in 2009 compared to 2008 despite the crisis, was visited by 8,070,558 people in the 5 five month period of 2010, with a 10.14% increase compared to the same period of 2009. ***The fact that such increase has occurred outside the summer season indicates that Turkey successfully carries out its strategy of positioning itself, and primarily Istanbul, as an important finance and culture center in the world.***

When the countries of the visitors that come to Turkey in the first 5 months is reviewed, we see a big increase in the number of visitors from Iran and Syria, with which visa requirements have been mutually revoked a short while ago. An increase in the number of Russian tourists is anticipated upon the entry into effect of the contract providing for the revocation of mutual visa requirements with Russia, which is one of the countries that sent the highest number of visitors to Turkey in 2009, similar to the previous years.

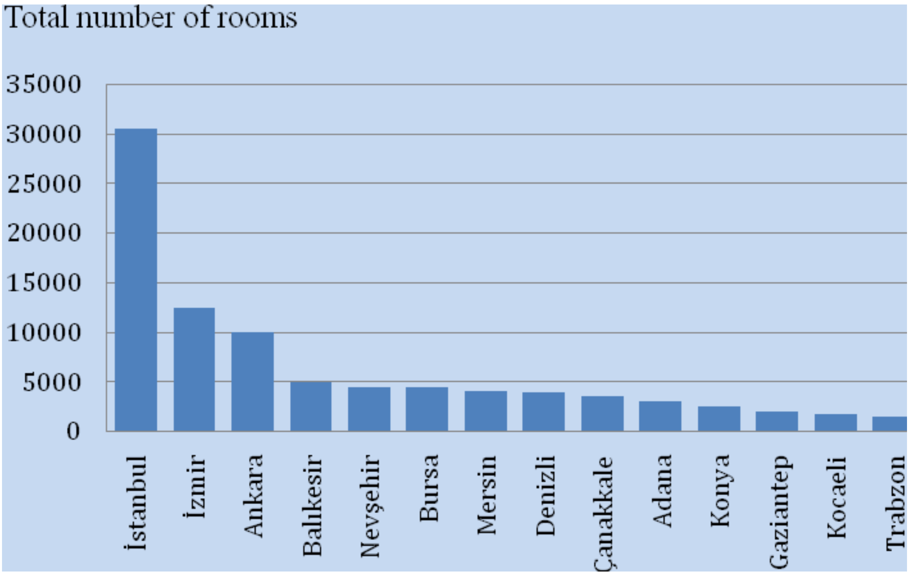
Breakdown of Foreign Visitors Coming to Turkey by Months and Years			
Months	**Years**		**Change Ratio 2010/2009**
	2009	**2010**	
January	751 817	809 974	7.74
February	898 927	953 848	6.11
March	1 207 729	1 414 616	17.13
April	1 750 281	1 744 628	-0.32
May	2 718 788	3 147 492	15.77
5 Month Total	**7 327 542**	**8 070 558**	**10.14**

Source: Ministry of Tourism and Culture

Hotel market in Turkey may be divided into 2 categories, namely; ***resort hotels and city hotels.*** In the resort hotels category, cities of Antalya, Muğla and Aydın have the largest stock; whereas, in city hotels category, Istanbul, Ankara and Izmir are the cities with the largest hotel stock.

Only Antalya, Muğla and Aydın constitute approximately 65% of the hotel supply in Turkey. Istanbul, which is the biggest city in Turkey and which is among the leading metropolises of the world, contains

10.7% of the total room stock and Izmir, another important harbor city, contains 4.6% of the room stock. The total of the stocks of other cities account for less than 20% of the room stock of Turkey.



Source: Ministry of Tourism and Culture, May 2010

When the total hotel stock in Turkey is analyzed, it is noted that a sufficient amount of hotel stock is available in Turkey; however, unfortunately a major portion of this stock is composed of old and generic hotels with low service quality, which are unable to satisfy the demand. Today, with the improvement and professionalization of the tourism sector throughout the world, as well as the changes in the expectations of customers from the hotel sector to a high quality service rather than merely a room to sleep, ***the demand has shifted to hotels constructed with international standards and operated by professional operating companies and international brands.*** When hotel brands operating in Turkey and hotel stocks operated by these brands are reviewed, it is noted that there is a great shortage outside of Istanbul, Izmir and Ankara.

3.4.2.1.3 International Hotel Companies

Introduction of international hotel chains to Turkey began with the opening of Harbiye Hilton Hotel in 1955. Upon certain domestic investments and entry of a couple of international hotel companies into the market between 1955-1985, with the incentives and land allocations made for tourism investments in 1985, both hotel investments and entry of the international brands into the Turkish market have picked up a pace. Today, as shown below, while the largest hotel chains of the world are present and competing with each other in the Turkish market, many international boutique hotel operators are also considering Turkey as a suitable market for expansion.

International Hotel Companies and Brands in Turkey						
Hotel/ Company	Brands				Available	Under Construction
	Luxury	Upper Range	Mid-Range	Economic		
IHG	Intercontinental	Crown Plaza	Holiday Inn	Holiday Inn Express	10	1
Wyndham Worldwide	-	-	Ramada	-	7	0
Hilton Hotels	Waldorf Astoria Conrad	Hilton	Double Tree Hilton Garden Inn	Hampton by Hilton	9	4
Marriott International	Ritz Carlton	Marriott Renaissance	Courtyard	-	6	3
Accor	-	-	Novotel	Ibis	9	2
Best Western	-	-	Best Western	-	15	0
Starwood	W Hotels	Sheraton	-	-	6	1
Carlson	-	Radisson	-	-	3	0
Hyatt Hotels Group	Park Hyatt	Hyatt Regency Grand Hyatt	-	-	2	0
Mövenpick	-	Mövenpick	-	-	2	1
Four Seasons	Four Seasons	-	-	-	2	0
Barcelo Hotels	-	-	Barcelo	-	4	0
Fairmont Hotels	Swissotel	-	-	-	4	1

Source: Colliers International Turkey, July 2010

3.4.2.1.4 Professional Local Hotel Companies

In addition to the international hotel companies and local individual hotel investors operating in Turkey, there are certain professional local hotel companies that provide services in a quality that is able to compete with international brands by virtue of their long-lasting operating experience as well as hotel portfolios covering many locations.

Professional Local Hotel Companies			
Hotel Company	Number of Available Hotels	Number of Hotels Under Construction	Number of Hotels Planned
Dedeman	14	1	2
Anemon	14	0	2
Divan	6	2	0
The Marmara	5	0	0
Rixos	7	0	0
IC Hotels	3	0	N/A
Green Park	5	2	0
Aksoy Group	5	0	0
Öztanık Group	7	0	0
Limak	6	2	0

Source: Colliers International Turkey

3.4.2.1.5 Hotel Market in Istanbul

According to the data for 2010, Istanbul, which is the most crowded city in Turkey with a population of approximately 13,000,000, maintains its position as a commercial and economic hub for centuries. In addition to being one of the largest hotel markets in Turkey with more than 30,000 room capacity and consisting of hotels, almost all of which are of city hotel type, Istanbul is also one of the most important and successful cities in the world in terms of hotel business. Istanbul is an important haunt for both local and international visitors, with its characteristic of being the heart of the business world, having historical and cultural sites and holding a unique position between 2 continents.

Although Istanbul, which especially strengthened its position in the global lists by its performance in the past 6 years, has recorded an occupancy rate of 78% and ADR of €160 in the last quarter of 2008. With the impact of the global crisis that affected the whole world, it has closed 2009 with an occupancy rate of 70% and ADR of €150 (ADR- the number that equals to the division of the hotel revenues generated in the relevant period by the number of rooms sold within the same period).

Istanbul 2009/2008 Occupancy Rate and ADR Comparison				
Occupancy Rate %		**Average Room Prices (ADR)**		**ADR Change**
2009	2008	2009	2008	%
70	76	€ 155	€ 160	-3.12
Source: Colliers International Turkey				

2009 Hotel Values per Room				
Cities	2006	2007	2008	2009
Paris	2	2	1	1
London	1	1	2	2
Geneva	8	8	3	3
Zurich	6	6	5	4
Rome	3	4	7	5
Istanbul	13	12	9	6
Milan	5	5	8	7
Moscow	4	3	4	8
Amsterdam	9	9	10	9
Madrid	10	10	11	10
Source: HVS				

In 2009, Istanbul has ranked as the 9th, before Hong Kong, in the most visited cities of the world ranking, with 7.51 million visitors. In 2009, Istanbul has also ***climbed 7 places within the last 4 years*** and ranked as the 6th, after Rome, in hotel values per room ranking and ***proved that it is a very strong hotel market***.
(Source: HVS)

Even though Istanbul has the highest number of hotel stock, it will continue to offer great opportunities for hotel investors with its rising star in the international arena. During the last period, all of the major international hotel chains in the world are trying to add new links to their chains in the Turkish market, while those, which have not yet entered Turkish market, are trying to put their first hotels into operation. There is no doubt that the best way to enter Turkish market is to pass through Istanbul, which is the center of attention of the whole world.

3.4.2.1.6 Other Potential Cities

Besides being an important tourism market, Turkey is also a very rapidly growing country. While in 1955, the only city in Turkey with a population over 1 million was Istanbul, today, population of 20 cities are around 1 million. Due to the fact that the hotel stock in many of our cities is either very low, or consists of buildings incompatible with international standards, far from satisfying the demand, such cities are unable to use their potentials. Many cities have a great potential for hotel projects when built at right locations with right qualifications.

Hotel Investment Opportunities in Turkey				
Cities	**Investment Potential**			
	Luxury	**Upper Range**	**Mid-Range**	**Economic**
Istanbul	□□	□□	□□	□□
Kocaeli	-	-	□□	□□
Eskişehir	-	-	□□	□□
Denizli	-	-	□□	□□
Konya	-	-	□□	□□
Samsun	-	-	□□	□□
Trabzon	-	-	□□	□□
Diyarbakır	-	-	□□	□□
Source: Colliers International Turkey				

3.4.2.1.7 General Evaluation

Despite the crisis, in 2009, Turkey was one of the most successful countries in the world in the tourism sector. Due to its broad-ranging tourism opportunities and a hotel supply appealing to all budgets, Turkey can host visitors of very different profiles.

Main economic indicators show that the impacts of the crisis have begun to slowly disappear. The Government has revised its 2010 estimated economic growth rate as 4%, which was previously announced as 3.5% based on the data pertaining to the first half of 2010. Declaration of Istanbul as the “2010 European Capital of Culture” by UNESCO and events organized within this scope are expected to increase the number of visitors by providing an additional appeal to Istanbul while strengthening its position as an important cultural center in Europe, as well as to increase the average periods of stay of the visitors in the city.

Again, agreements concerning the mutual revocation of visa requirements signed in 2010 with many countries such as Iran, Syria, Serbia, Portugal, Albania, Indonesia and Lebanon, are expected to have a great contribution to tourism in Turkey in 2010 and after. Ministry of Tourism is expecting to reach 30 million visitors by the end of 2010.

With its tourism potential Turkey will continue to arouse interest in investors and international hotel operators in the forthcoming years. There will be many new hotel investments in potential Anatolian cities, especially due to the fact that the shortage of 4 star hotel stocks has started to be felt.
(Source: Colliers International, Turkish Hotel Market, July 2010 report)

3.4.2.1.8 Tourism Strategy of Turkey - 2023

In the report entitled “Tourism Strategy of Turkey – 2023”, prepared by the Ministry of Culture and Tourism in 2007, plans and targets are set out and investment incentives are embodied. “Tourism Strategy of Turkey- 2023 and Action Plan - 2013” aims at using the natural, cultural, historical and geographical values of Turkey within the protection-usage balance and increasing Turkey’s share in tourism by developing tourism alternatives.

Rather than planning such sources of tourism at the point scale, handling it in such a way to establish tourism corridors, tourism regions, tourism cities and eco-tourism regions throughout the development axes, seems to be the right approach. Accordingly, regions with a tourism potential will become more appealing together with other alternative tourism types.

Investors, who plan to make tourism investments in the tourism development axes that are contemplated to be developed by this study, will find the opportunity to invest in these areas by benefiting from coastal tourism or other alternative tourism types. Besides, they will also be able to benefit from other incentives granted for planning, allocation and tourism investments, by the government.

In general, Investment Section of the report discusses certain matters such as; the Value Added Tax (VAT) discounts in the sector shall speed up the investments, firms rendering investment and consultancy services in the tourism sector shall be subjected to certain standards and licensed, and the necessity of annual incentive systems specific to regions and tourism types.

Strengthening Transportation and Infrastructure Section of the Report indicates that a developing infrastructure along with diversified and qualified means of transportation should be considered as *sine qua non* for the development and diversification of tourism and stresses the importance of various practices that would bring the private sector to the forefront while minimizing the costs of the government in these areas.

In the Diversification of Tourism Types Section, types of tourism that have priority for development in the forthcoming periods (i.e. health and thermal tourism, winter tourism, golf tourism, coastal tourism, eco-tourism and plateau tourism, conference and expo tourism) are separately evaluated.

In the section dealing with Tourism Development Regions, Tourism Corridors, Tourism Cities and Eco-tourism Regions adopts a thematic and guiding approach. This approach mainly aims at routing the public and private sector sources towards the top priority tourism development areas. Within the context of these sections, nine tourism development regions, seven thematic corridors, ten tourism cities and five eco-tourism regions are proposed. This section also includes information on how, where and within what measures should alternative tourism types be developed at the national and regional scale.

In the event of completion of the studies to be conducted in accordance with the strategic approaches set out in Tourism Strategy of Turkey - 2023 Report, and satisfaction of the infrastructure and accommodation needs in the regions that are planned to be developed, in 2023, 63 million tourists, USD 86 billion of foreign tourism revenue and USD 1,350 of expense per tourist are expected.

The target of the plan prepared within this context is to make tourism a leading sector in increasing employment and regional development, by adopting a sustainable tourism approach and to ensure that, until 2023, Turkey becomes one of the top five destination countries as well as an international brand in the international market in terms of number of tourists and tourism revenues.

3.4.2.1.9 Government Incentives in the Tourism Sector

Summary of the incentives granted within the scope of Tourism Promotion Law No. 2634 is provided hereinbelow:

- Land Allocation for Tourism Investments: Public lands may be allocated to tourism facilities for 49 years, out of relatively economic prices.
- Employment of Foreign Personnel: Foreign specialist personnel and artists may be employed at the licensed entities, by obtaining the opinion of the Ministry of Culture and Tourism and subject to the permission of the Ministry or Labor and Social Security. Certain requirements imposed by the law for Turkish citizens are not applicable to foreign personnel. However, the amount of personnel employed as such cannot exceed 10% of the total number of personnel. This ratio may be increased up to 20% by the Ministry. Such personnel may start working as of 3 months prior to the entry of the entity into operation.
- Employment of persons under the age of 21 at the licensed tourism facilities and licensed entities falling into the scope of article 12 of the Law No. 2559 on the Duties and Authorities

of the Police is possible with the permission of the highest ranking administrative authority of the place.

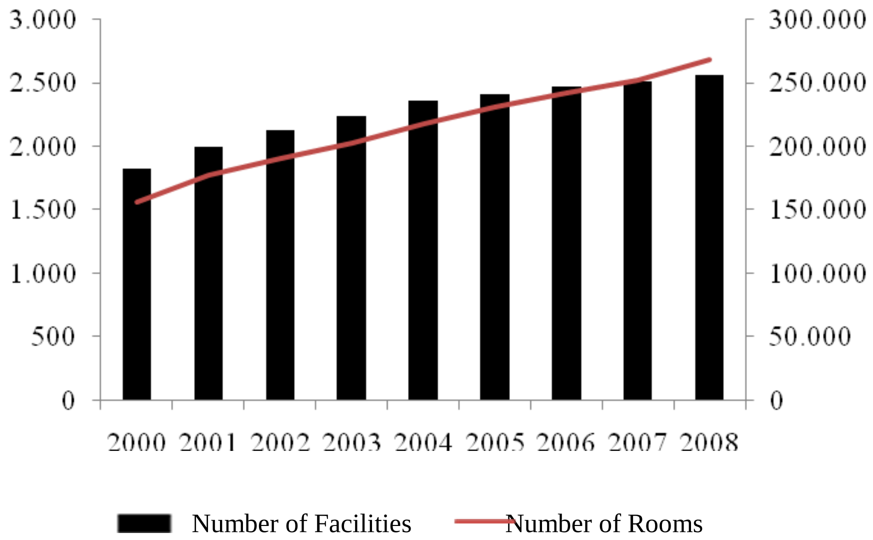
- Communication Facilities: All transactions and allocations regarding telephone and telex applications of the licensed investments and entities shall be handled with priority.
- Privileged Treatment to Exporters: Licensed entities that provide the foreign currency levels to be determined by the Council of Ministers every year for such purpose, shall be deemed as exporters.
- Tourism Loans: T.C. Turizm Bankası Anonim Şirketi may borrow loans from foreign resources, to allocate the same to licensed investments at cultural and touristic protection and development regions and tourism centers.

Furthermore, a draft law concerning the reduction of the prices of utility services such as electricity and gas, used in the tourism facilities, is being prepared.

3.4.2.1.10 Evaluation of the Hotel Sector in Turkey

The hotel sector in Turkey is in constant growth both in terms of demand and supply. Total number of facilities and rooms has increased to 41% and 72% respectively between the years 2000-2008, and in 2008, has reached 2,566 facilities and 268,633 rooms. As of 2015, the total number of hotels is expected to reach 3,500 and the total number of rooms is expected to reach 370,000.

Development of the Number of Facilities and Rooms in Turkey



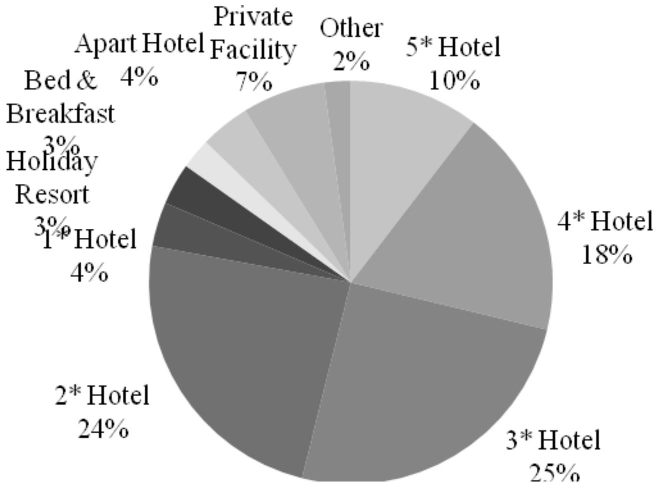
Source: Ministry of Culture and Tourism

Hotel demands continue to increase not only in the tourism sector, but also with the growing business and MICE activities (meetings, incentives, conference and exhibitions). The number of check-ins into the hotels has increased from approximately 16 million to approximately 25 million, by a 59% increase between 2000-2008. Considering the fact that the hotels in metropolises are city hotels, it can be said that half of the total check-ins is made at the city hotels.

Holiday regions such as Antalya, Aydın and Muğla and Istanbul, Ankara and Izmir are the leading locations of the hotel sector. City hotels in these areas, particularly the 5 star hotels with conference and congress halls, are generally managed by local and international hotel chains.

Breakdown of entities with the Tourism Operating Certificates in 2008 by entity type based on the data obtained from the Ministry of Culture and Tourism is demonstrated in the graph below.

Breakdown of Accommodation Facilities in Turkey for 2008



Source: Ministry of Culture and Tourism

According to the above graph, majority of the facilities in Turkey consist of 2, 3 and 4 star hotels. For the hotels within this category, cost control is more significant than the quality of the services. As a consequence, although the number of hotels seems high, there are not many choices, especially people who travel for business or with middle income, who demanding consistent services at reasonable prices. At this point, large local and foreign hotel chains started to distinguish themselves by benefiting from the expertise they gained in other segments. Large hotel chains introduce their own brands to the sector through local partners or franchise agreements or by signing management agreements. Besides, local groups wish to expand their positions in the business travel sector, which has a high potential of growth. Although the main focus for such development is on cities such as Istanbul, Ankara, Izmir, mid-size Anatolian cities with developed industrial and commercial markets, constitute a big potential for the development of the sector.

Generally, businessmen or people coming for international fairs or congresses stay in metropolises. On the other hand, those who stay in small cities primarily consist of businessmen and salesmen travelling for various meetings and training activities.

Entry of international hotel chains into the sector began with the opening of Hilton Hotel in Istanbul in 1955. This was followed by Inter Continental and Sheraton Hotels.

Interest of international chains in the country has rapidly increased after the second half of 1980s. As of today, 9 out of 10 largest hotel chains of the world are active in Turkey under various brands. In addition, other hotel chains render services with their business hotels in the metropolises or holiday hotels in the coastal regions.

City hotel projects in Anatolia and different regions of Istanbul became prominent in the investment plans of local and international hotel chains.

Lease agreements signed with Accor S.A. for each hotel provide an important advantage to Akfen GYO in terms of generating long-term income and making safe estimations for the future. Besides, under these agreements, the company becomes free of all liabilities to be assumed by a hotel operator. These lease agreements signed with an international hotel operator, constitute the first example of their sort in Turkey and Russia.

<u>Sources</u>

-Colliers International Turkey: It is an international cooperation established to provide services throughout the world, in property and real estate markets and is composed of local expert companies.

Colliers International operates through 480 offices in 61 countries worldwide.

Consultancy services:
- Market research
- Feasibility and investment analysis
- Appraisal
- Best use analysis
- Concept development

- HVS: It is a company established in 1980, providing consultancy and services to mainly, hotels, restaurants and holiday industry.

3.4.2.2 General Information on the REIT Sector

3.4.2.2.1 REIT Sector

Real Estate Investment Trusts are capital markets institutions operating under the scope of Communiqué Serial:VI, No:11. It is obligatory that corporations, which have gained the status of a Real Estate Investment Trust by way of incorporation or conversion prior to the date of this Communiqué, to apply to the Board with the request for offering a minimum of 25% of their paid in capital to public and registration of all of their shares with the Board, within the periods granted to them prior to the publication of this Communiqué. Pursuant to the said Communiqué, REITs, which are obliged to apply to the Board in order to offer at least 25% of their shares to public within a maximum period of 3 months, are transparent entities with a corporate structure, by virtue of the legislations and legal requirements applicable thereto. These corporations are investment instruments, which provide the opportunity for the corporate capital to enter the real estate market, realization of large-scale projects and direct investment opportunities for individual small investors to projects with high added values.

Real Estate Investment Trusts are mainly found in construction and real estate sectors. Construction sector is the leading sector of Turkish economy. This sector functions as an engine for the economy, by virtue of relying mainly on the local industry, creating a high added value, high levels of employment potential, being in a close input-output relationship with other sectors, in particular the manufacturing sector, as well as the foreign exchange generation impact of its operations abroad.

Real estate market has a structure that is directly influenced by the general economic and demographic changes in our country. While the increasing population and internal migration heat up the market in certain regions, fluctuations in the economy generally cause contractions. Houses for single use, houses for multiple use, offices and business centers, shopping malls, touristic facilities and hotels, industrial facilities are among the sub-segments of the real estate sector.

Although Real Estate Investment Trusts are within the real estate sector, they do not engage in real estate brokerage or construction activities. REITs are also a part of the capital markets, due to their real estate portfolio management, real estate investments financing and project development functions, as well as for being financial institutions that collect the resources of the investors in a portfolio and invest them into real estate projects.

3.4.2.2.2 Development of REITs

REITs, which were put into practice upon the completion of the legal framework by the CMB in 1995, began to be traded on ISE on January 2, 1997 for the first time and the number of real estate investment trusts (REITs) have risen up to 22, by April 18, 2011. Apart from the REITs traded on the ISE, there are other institutions that completed their incorporation licenses and waiting for the appropriate public offering time. After the completion of the planned public offerings, a significant increase is expected in the number of REITs and the total portfolio sizes in the forthcoming years.

Interest in this funding model has rapidly grown with the exemption under article 8/4 of the Corporate Tax Law, which was granted with the aim of promoting institutionalization in the real estate sector. In 2004, serious amendments have been made to the provisions pertaining to REITs in the Capital Markets Legislation and certain provisions concerning the protection of investors by expanding their investment fields and application of the corporate governance principles have been added to the legislations. Considering the fact that, in our country, a significant portion of the savings of individuals consists of real estates, entry of a corporate capital managed by professionals, into the construction sector has a great importance. After long-term housing finance became practical, REITs, which allow the entry of corporate capital into the sector, are expected to assume an active role in the markets as the new capital markets instruments.

REITs, which grew by mainly investing in portfolios composed of real estates for sale in the initial years, have turned into real estate developers within the course of time; and as a result, the ratio of development projects in their portfolio structures has increased. As of 2006, REITs, which have portfolio structures heavily composed of commercial real estates, have increasingly moved towards investing in houses and shopping malls.

Although the REIT sector is new in our country, a significant amount of corporate income has entered into the sector until today. Tax incentives granted by the government have led many companies to procuring new funding sources by turning the idle properties within their assets into securities through establishing real estate investment funds. The fact that the real estate sector is a sector with an increasing demand, that corporate capital is required to meet such demand and, that REITs provide an opportunity for small investors to invest in real estates in consideration of small sums, had an impact on new REITs entering into the sector. Considering the fact that, in our country, a significant portion of the savings of individuals consists of real estates, entry of a corporate capital, managed by professionals, into the construction sector has a great importance. After long-term housing finance became practical, REITs, which allow the entry of corporate capital into the sector, are expected to assume an active role in the markets as the new capital markets instruments.

3.4.2.2.3 Operations of REITs

REITs are counted among capital market institutions under the Capital Markets Law and although, in general, they operate within the framework of investment trusts, they are publically held joint stock companies investing in real estates, separately regulated by the Communiqué Serial:VI, No:11 of the Capital Markets Law. From this perspective, REITs are hybrid companies under both the real estate and finance sectors.

It is mandatory for REITs to be publically held at least by 25% and real estate brokerage, construction works and businesses listed in articles 24 and 26 of the REIT Communiqué are prohibited for REITs. Operations that they are allowed to engage in are listed in the Communiqué and for the purpose of promoting public holding, dematerialization and institutionalization, these companies are held exempt from corporate tax under the Corporate Tax Law.

REITs gather the resources they collect from a vast number of investors through offering shares to public in a pool and realize valuable and costly real estate investments with such amounts. Accordingly, individual investors are provided an opportunity to indirectly become shareholders in large scale real estate investments, which they would not be able to invest in with their own sources, and thereby the investment risk is mitigated by offering a portfolio logic that is diversified with different projects. Thus, REITs both provide opportunity for individual investors to benefit from an appraisal that is not available to them, by investing in real estate projects in a professional manner with corporate principles and facilitate the liquidation opportunity of direct real estate investments, which is not very easy, by way of trading their stocks on the Stock Exchange.

REITs offer certain benefits to its investors such as appreciation of the stocks and distribution of dividends. These companies generate income of different maturity and risk types, from their portfolios, such as real estate sales income, lease income and interest income received from the securities. According to their different management strategies, REITs may invest in completed and leased real estates or projects at the development stage or any combination thereof. Real estates in the portfolios of the companies are assessed by the real estate experts, who are granted a license by the Capital Markets Board and such assessments are declared to public. Thus, investors may learn the value of the assets in the companies' portfolios through easy and reliable means. In addition to the supervision of CMB and the Stock Exchange, REITs are also subject to independent audit.

3.4.2.2.4 Real Estate Investment Trusts Traded on ISE

Currently, 21 real estate investment trusts are traded on the ISE. Upon the review of the REITs, the portfolios of which are composed of lands, buildings and projects, it is noted that the portfolios are mainly composed of office/service buildings, hotels, residences, houses, and shopping malls. In terms of their portfolio structures, there are REITs that operate with lease income, with portfolios concentrated on shopping malls, office/service buildings as well as REITs that are mainly project developers, with a high concentration of the portfolios on houses and residences. It is noted that the number of companies that adopt portfolio diversity is higher than specialized REITs focusing on a single segment.

3.4.3. Information regarding the breakdown of the net sales amount by field of activity and the geographical structure of the market for the last three years and the relevant interim period:

(TL)	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
TRNC	8,489,313	9,422,442	8,616,611
Istanbul	5,371,495	5,059,406	5,331,093
Eskişehir	729,237	632,136	684,804
Trabzon	2,254,010	2,376,330	182,457
Gaziantep	652,740	-	-
Kayseri	726,825	-	-
Bursa	75,729	-	-
Other	171,651	208,731	172,57
Total	**18,471,000**	**17,699,045**	**14,987,535**

3.4.4. Information regarding the completed major investments of the Company for the last three years and as of the relevant interim period and financing methods of these investments:

Akfen GYO – Completed Investments

Project	Location	Total Investment (mio €)*	Operation Date	Funding Method
Zeytinburnu Novotel and Ibis Hotel	Istanbul	27	2007	Long-term project facility and equity
Eskişehir Ibis Hotel	Eskişehir	5.4	2007	Long-term project facility and equity
Trabzon Novotel	Trabzon	15.5	2008	Long-term project facility and equity
Kayseri Novotel and Ibis Hotel	Kayseri	14.4	March 2010	Long-term project facility and equity
Gaziantep Novotel and Ibis Hotel	Gaziantep	19.1	January 2010	Long-term project facility and equity
Bursa Ibis Hotel	Bursa	10.5	November 2010	Long-term project facility and equity

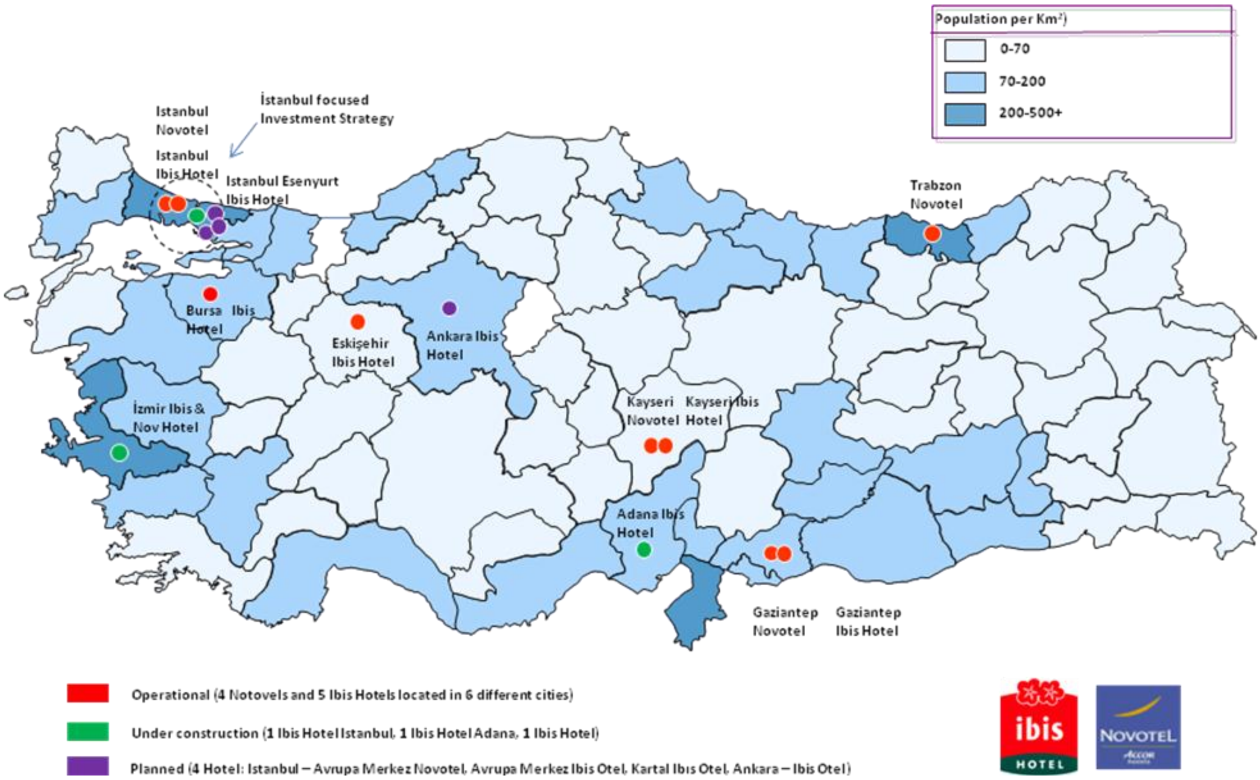
**Not including the financing costs during the construction period.*

Akfen GT - Completed Investments

Project	Location	Total Investment (mio €)*	Operation Date	Funding Method
Kyrenia Mercure Hotel	TRNC	40	2007	Long-term project facility and equity

**Not including the financing costs during the construction period.*

Geographical breakdown of the hotel projects of Akfen GYO in Turkey:



1. ISTANBUL, ZEYTINBURNU NOVOTEL and IBIS HOTEL

Within the scope of the Public Land Final Allocation Certificate dated December 27, 2003 and numbered B17.0.YGM.0.08.03 /1456-5971-44672 issued by the General Directorate of Investments of the Ministry of Tourism, a final allocation was made in favor of Akfen GYO on the land of Zeytinburnu Novotel and Ibis Hotel through an easement right. Duration of the said final allocation was determined as 49 years, starting from November 18, 2002. Pursuant to the said final allocation, under the Official Deed setting out the terms and conditions regarding the construction right, issued and signed between General Directorate of National Real Estate of Revenue Office of Istanbul, representing the Treasury of the Finance Department and Akfen GYO, on December 4, 2003 under the journal entry no. 6650 of the Land Registry Office of Zeytinburnu 1st Region, Akfen GYO has been granted a construction right. The said permanent and private construction right has been registered with the Land Registry Office on the same date and under the same journal entry number. On January 6, 2005, the construction permit has been obtained and the construction has started.

Akfen GYO has applied to National Estate Authority with the request of type change dated on March 24, 2011 numbered 2011/29. Necessary measurements and transactions have been conducted by National Estate Authority and the file has been forwarded by İstanbul Topkapı Estate Directorship in a written way dated on April 19, 2011 numbered 40763 to Ministry of Finance National Estate

Directorship in order to get its comments and approval. After obtaining the approval, it will be applied to Land Registry and Cadastre Directorship and the transaction will be finalized.

Zeytinburnu Novotel and Ibis Hotel are at an ideal location between the city center and the airport; and due to their closeness to shopping culture centers, ferry stops and subway and tram stops, they constitute suitable locations for business and tourism travellers. Zeytinburnu
Novotel and Ibis Hotel were put into operation on March 12, 2007. They are operated by Tamaris Turizm A.Ş., a subsidiary of Accor Group.

Zeytinburnu, Novotel & Ibis Hotel, Real Estate Information	
Area of Land	11,720 m^2
Area of Construction	26,372 m^2
Capacity	
Novotel	4 stars, 208 Rooms
Ibis Hotel	3 stars, 228 Rooms
Date of Construction Permit	January 06, 2005
Date of Occupancy Permit	February 23, 2007
Operation Date	March 2007
Lessee (*)	Accor Group
Date of the Lease Agreement	December 12, 2005
Term of Lease	**25 Years (+10 year option)**

* Lease agreement is signed with Tamaris Turizm A.Ş., Accor Group's subsidiary in Turkey.

Zeytinburnu Novotel contains a total of 208 rooms; 6 suits and 4 handicapped rooms, a meeting room with 250 people capacity, 1 restaurant, 1 bar, a gym and an outdoor swimming pool. Zeytinburnu Ibis Hotel contains a total of 228 standard rooms; 4 of which are handicapped rooms, a lobby bar and a car park.

2. ESKİŞEHİR IBIS HOTEL

Land of Eskişehir Ibis Hotel has been leased from Eskişehir Metropolitan Municipality for a period of 22 years. Due to its closeness to Anadolu University campus, which is considered as one of the most important centers of the city, and being at a walking distance to train and tram stations, Ibis Eskişehir is ideally located for the visitors. It is operated by Tamaris Turizm A.Ş., a subsidiary of Accor Group.

Eskişehir Ibis Hotel, Real Estate Information	
Area of Land	6,806 m^2
Area of Construction	5,868 m^2
Capacity	3 stars, 108 Rooms
Date of Construction Permit	December 15, 2005
Date of Occupancy Permit	March 02, 2007
Operation Date	April 2007
Lessee (*)	Accor Group
Date of the Lease Agreement	November 18, 2005
Term of Lease	**25 Years (+10 year option)**

* Lease agreement is signed with Tamaris Turizm A.Ş., Accor Group's subsidiary in Turkey.

Eskişehir Ibis Hotel contains a total of 108 comfortable and modernly decorated rooms; 2 of which are special rooms for physically handicapped people, a meeting room for 80 people and a car park.

3. TRABZON NOVOTEL

Trabzon World Trade Center 4 Star Hotel and Complementary Parts Construction and Operation Agreement by way of Build-Operate-Transfer Model has been signed on December 9, 2005 between Trabzon Dünya Ticaret Merkezi A.Ş., as the property owner and Akfen Infrastructure, as the investor firm, which grants the Build-Operate-Transfer right in relation to the construction/procurement of the construction and operation of a 4 star hotel and accessories and transfer of the same to Trabzon Dünya Ticaret Merkezi A.Ş., at the end of the contractual period. However, subject to the provisions and terms set out in the agreement, Akfen Infrastructure has transferred its rights and obligations arising therefrom to Akfen GYO and within such scope, Trabzon World Trade Center Complex 4 Star Hotel and Complementary Parts Construction and Operation Agreement by way of Build-Operate-Transfer Model has been signed between TWTC, as the property owner and Akfen GYO, the investor firm and Akfen Infrastructure, as the transferor. On November 17, 2006, Trabzon Novotel’s construction has been obtained and the construction has started. On February 27, 2008, a permanent and private construction right has been registered in favor or Akfen GYO on the land on which Trabzon Novotel is built, for a period of 49 years.

Trabzon Novotel is the first international chain hotel of the city and the region. It is located right next to the World Trade Center, at the coast of Black Sea. It was put into operation on October 6, 2008 and is being operated by Tamaris Turizm A.Ş., a subsidiary of Accor.

Trabzon Novotel, Real Estate Information	
Area of Land	13,450,71 m^2
Area of Construction	15,232 m^2
Capacity	4 star, 200 Rooms
Date of Construction Permit	November17, 2006
Date of Occupancy Permit	August 27, 2008
Operation Date	October 2008
Lessee (*)	Accor Group
Date of the Lease Agreement	July 26, 2006
Term of Lease	**25 Years (+10 year option)**

* Lease agreement is signed with Tamaris Turizm A.Ş., Accor Group’s subsidiary in Turkey.

Trabzon Novotel contains a total of 200 rooms; 4 of which are for physically handicapped people, 1 restaurant-bar with 152 people capacity, 1 meeting room with 650 people capacity, 1 gym and 1 swimming pool.

4. GAZİANTEP NOVOTEL and IBIS HOTEL

Under the “Contract” dated May 31, 2007 between Gaziantep Metropolitan Municipality and Akfen GYO, on the land of Gaziantep Novotel and Ibis Hotel, Akfen GYO has been granted the right to construct and operate a hotel facility on Gaziantep Property and transfer of the same to Gaziantep Metropolitan Municipality at the end of the operation period. On July 17, 2007 a permanent and private construction right has been registered with the land registrar in favor of Akfen GYO over the land of Gaziantep Novotel and Ibis Hotel for a period of 30 years, and on October 21, 2008 the construction permit has been obtained and construction has started.

Gaziantep Novotel and Ibis Hotels are located at the city center of Gaziantep, which is a city of culture and industry. It has been put into operation on January 8, 2010 and is being operated by Tamaris Turizm A.Ş., a subsidiary of Accor.

Gaziantep, Novotel & Ibis Hotel, Real Estate Information	
Area of Land	6,750 m^2
Area of Construction	18,825 m^2
Capacity	
Novotel	4 star, 92 Rooms
Ibis Hotel	3 star, 177 Rooms
Date of Construction Permit	October 21, 2008
Date of Occupancy Permit	November 6, 2009
Operation Date	January 2010
Lessee (*)	Accor Group
Date of the Lease Agreement	March 24, 2008
Term of Lease	**25 Years (+10 year option)**

* Lease agreement is signed with Tamaris Turizm A.Ş., Accor Group's subsidiary in Turkey.

Gaziantep Novotel contains a total of 92 rooms; 4 suits, 2 handicapped rooms; 1 restaurant, 1 bar, a meeting room with 650 people capacity, a swimming pool, a gym and a car park. Gaziantep Ibis Hotel contains a total of 177 comfortable and modern rooms; 4 handicapped rooms, 1 living room, a lobby bar and a car park.

5. KAYSERİ NOVOTEL and IBIS HOTEL

Within the scope of the "3 and 4 Star Hotel and Complementary Parts Construction and Operation Agreement by way of Build-Operate-Transfer Model" made between Kayseri Chamber of Commerce and Akfen GYO in relation to the land of Kayseri Novotel and Ibis Hotel, signed on November 4, 2006 and amended on September 4, 2008, Akfen GYO has been granted a Build-Operate-Transfer right in relation to the construction and/or procurement of the construction and operation of a 3 star Ibis Hotel and a 4 star Novotel at the location and area to be determined by mutual consent of the parties and specified in an additional protocol, and transfer of the same to Kayseri Chamber of Commerce at the end of the contractual period. On August 17, 2007 a permanent and private construction right has been registered with the land registrar in favor of Akfen GYO over the land of Kayseri Novotel and Ibis Hotel for a period of 49 years; and on March 6, 2008 the construction permit has been obtained and the construction has started.

Novotel and Ibis Hotels are located at the city center of Kayseri, 10 minutes away from the airport. They were put into operation on March 15, 2010 and are being operated by Tamaris Turizm A.Ş., a subsidiary of Accor.

Kayseri, Novotel & Ibis Hotel, Real Estate Information	
Area of Land	11,035,40 m^2
Area of Construction	11,064 m^2
Capacity	
Novotel	4 star, 96 Rooms
Ibis Hotel	3 star, 160 Rooms
Date of Construction Permit	March 6, 2008
Date of Occupancy Permit	March 27, 2009
Operation Date	March 2010
Lessee (*)	Accor Group
Date of the Lease Agreement	March 24, 2008
Term of Lease	**25 Years (+10 year option)**

* Lease agreement is signed with Tamaris Turizm A.Ş., Accor Group's subsidiary in Turkey.

Kayseri Novotel contains a total of 96 rooms; 4 suits, 2 handicapped rooms; 1 restaurant, 1 bar, a meeting room with 120 people capacity, a gym and a car park. Kayseri Ibis Hotel contains 160 comfortable and modern rooms; 4 of which are for handicapped, 1 living room, a lobby bar and a car park.

6. BURSA IBIS HOTEL

Within the scope of the "Ibis Hotel and Complementary Parts Construction and Operation Agreement" dated May 9, 2008 signed between Bursa International Textile and Commerce Center (BUTTIM) and Akfen GYO, Akfen GYO has been granted certain rights over the land of Bursa Ibis Hotel, concerning the construction and/or procurement of the construction and operation of Ibis hotel and its complementary parts and transfer of the same to BUTTIM at the end of the contractual term. On August 7, 2008 a permanent and private construction right has been registered with the land registrar in favor of Akfen GYO over the land of Bursa Ibis Hotel for a period of 30 years, and on June 17, 2009 the construction permit has been obtained and the construction has started.

Bursa Ibis Hotel is located in one of the major cities of Turkey with a developed industry, and is positioned in a suitable location for travelling tourism with its distance to trade centers. On June 30, 2010, the construction has been completed and the occupancy permit has been obtained; and November 2010, it has been put into operation. It is operated by Tamaris Turizm A.Ş., a subsidiary of Accor.

Bursa Ibis Hotel, Real Estate Information	
Area of Land	7,961,79 m^2
Area of Construction	7,523 m^2
Capacity	3 star, 200 Rooms
Date of Construction Permit	June 17, 2009
Date of Occupancy Permit	June 30, 2010
Operation Date	November 2010
Lessee (*)	Accor Group
Date of the Lease Agreement	July 17, 2009
Term of Lease	**25 Years (+10 year option)**

* Lease agreement is signed with Tamaris Turizm A.Ş., Accor Group's subsidiary in Turkey.

Bursa Ibis Hotel contains a total of 200 rooms; 196 standard rooms, 4 handicapped rooms, and a bed capacity of 400, 1 restaurant, 1 bar, 1 meeting room.

3.4.5. Information regarding the nature, degree of completion, geographical breakdown and funding method of the Company's investments in progress:

Akfen GYO – Investments in Progress

Project	**Location**	**Total Investment (mio €)**	**Investment Completion (%) as of March 31, 2011**	**Operation Date**
Istanbul Esenyurt Ibis	Istanbul	9.4	36	2012
Adana Ibis	Adana	11	37	2012
Izmir Ibis Hotel	İzmir	7.2	19	2012

Akfen GT - Investments in Progress

Project	Location	Total Investment (mio €)	Investment Completion (%) as of February 28, 2011	Operation Date
Samara Ibis Hotel*	Russia	22.8	97	2011
Samara Business Center*	Russia	8.4	92	2011
Yaroslavl Ibis Hotel*	Russia	16.4	90	2011
Kaliningrad Ibis Hotel*	Russia	16.6	16	2012
Moscow Ibis Hotel	Russia	50.2	0	2014

**Akfen GYO owns 50% of these projects through its subsidiary Akfen GT. Investment costs set out in the table in relation to these projects indicate the total investment costs.*

75% of the Ibis Hotel projects that are in progress in Esenyurt, Adana and İzmir are financed by bank loans. Debt ratio of the Business Center and Ibis Hotel Projects in Samara and Yaroslavl, Russia is 70%.

According to the loan agreement signed with EBRD and IFC on April 27, 2010, in relation to the refinancing of Samara and Yaroslavl Ibis Hotel projects and financing of Kaliningrad Ibis Hotel Project, the borrowing ratio will be 55%.

Pursuant to the agreements dated April 27, 2010, RHI will transfer a total of 15% of its shares to EBRD and IFC. Negotiations for the shareholders agreement regarding this transfer are still ongoing.

3.4.5.1 Ongoing Investments in Turkey

Within the scope of Cost+Profit Construction Contract signed on March 16, 2007 by and between Akfen GYO and Akfen Construction, all hotel investments to be made by Akfen GYO in Turkey shall be carried out by Akfen Construction on a turnkey basis.

Subject matter of the contract is the construction of both the hotels and complementary parts of the hotels in accordance with the contracts signed by Akfen GYO and Accor as well as the standards and specifications of Accor, and other complexes to be built on properties to be found by Akfen GYO for different intentions of use in accordance with the terms set out in the relevant agreements, by Akfen Construction on a turnkey and “cost+profit” basis.

In the provisions pertaining to the contract price, it is stated that the contract price shall be determined in accordance with the projects prepared by the project contractor, by applying the specified amount of contractor’s profit on the necessary cost items, as set out in article 8 of the Contract with respect to the realization of the contracted work, and that the contract price shall be indicated in the location delivery records, to be issued for the construction of each complex, as an approximate amount in accordance with the projects pertaining to the relevant complex.

In its provisions regarding collaterals it is provided that at the signing of each location delivery record, a collateral, bearing conditions satisfactory to Akfen GYO, in the amount of 6% of the estimate cost of the works related to the complex in question as calculated in line with the principles set out in the contact, shall be given to Akfen GYO as a performance bond for the complex mentioned in such location delivery records; and that, such collateral shall be returned upon the completion and final acceptance of the works related to the complex, in compliance with its projects; and that, a collateral granted for a complex cannot be used for different works or complexes.

In the provisions of the contract concerning the duration and schedule of the works, it is noted that the duration of the work shall be indicated in the location delivery records pertaining to each complex and it shall be a reasonable amount of time necessary for the conduct of the business, as agreed mutually by the parties; and that, such duration of the works shall commence upon Akfen GYO’s instruction to start the works following the obtainment of the permits required for the conduct of the contracted business by Akfen GYO and delivery of the same to Akfen Construction together with the implementation projects. It is set out that, upon the entry into effect of each location delivery record, a working schedule related the works concerning such location delivery record shall be prepared and submitted for approval.

Pursuant to the loan agreement signed with TSKB/İş Bankası in relation to a Euro 100,000,000 loan, Akfen Holding and Akfen Construction granted a completion guarantee for these construction projects.

1. ISTANBUL, ESENYURT IBIS HOTEL

Land is owned by Akfen GYO. Esenyurt project is in Büyükçekmece, which is the development axis of Istanbul with its satellite towns, at a location bordering the E-5 highway and close to TUYAP Expo and Congress Center. Construction permit of the project is obtained, the construction agreement is signed and construction activities have started. This hotel, with 156-room capacity will be operated by Tamaris Turizm A.Ş, a subsidiary of Accor.

Istanbul, Esenyurt Ibis Hotel, Real Estate Information	
Area of Land	1,755,37 m^2
Area of Construction	7,331 m^2
Capacity	3 star, 156 Rooms
Date of Construction Permit	December 30, 2010
Planned Operation Date	July 2012
Lessee (*)	Accor Group
Date of the Lease Agreement	August 16, 2010
Term of Lease	**25 Years (+10 year option)**

* Lease agreement is signed with Tamaris Turizm A.Ş., Accor Group's subsidiary in Turkey.

2. ADANA IBIS HOTEL

Title of the land was transferred to Akfen Real Estate Investment Trust on August 3, 2010. On December 1, 2010, the groundwork permit has been obtained for the real estate, the project works of which are completed.

Adana is one of the first industrialized cities in Turkey and is an important trade and agriculture center. With 1.7 million population Adana is the 5th largest city in Turkey in terms of population density. The land is located on Turhan Cemal Beriker Boulevard, the busiest street in Adana city center. The land, which is neighboring the Municipality Building, is 4 km away from the airport. It is at an advantageous location, close to Adana-Mersin highway and important intersections such as Atatürk Street.

Adana Ibis Hotel, Real Estate Information	
Area of Land	2,213 m^2
Area of Construction	9,047 m^2
Capacity	3 star, 165 Rooms
Date of Construction Permit	December 1, 2010
Date of Construction Contract	December 20, 2010
Planned Operation Date	April 2012
Lessee (*)	Accor Group
Date of Lease Agreement	September 07, 2010
Term of Lease	**25 Years (+10 year option)**

* Lease agreement is signed with Tamaris Turizm A.Ş., Accor Group's subsidiary in Turkey.

Construction agreement is signed upon the obtainment of the ground works permit and ground/excavation works have started. It is planned to be put in operation within the first quarter of

2012. The hotel with 165-room capacity will be operated by Tamaris Turizm A.Ş., a subsidiary of Accor.

3. IZMIR, ALSANCAK IBIS HOTEL

As per article 35/a of the Public Procurement Law no. 2886, the land located in the city of Izmir, district of Konak, borough of Alsancak, registered under block no. (7656) *(ada)*, parcel no. (2) *(parsel)* has been put out to tender through a sealed tender process, by the General Directorate of Foundations of the Prime Ministry of the Republic of Turkey, in order to be leased for a period of 49 years and to build a business center (hotel) by way of long-term lease against building, further to the decision dated May 25, 2010 and numbered 307/219 of the Council of Foundations and in accordance with article 20 of the Foundations Law No.5737. The tender held on August 25, 2010 was won by Akfen GYO, as per the decision dated August 25, 2010 and numbered 101 of the Presidency of the Tender Committee of Izmir Regional Directorate and the approval dated August 26, 2010 of the Office of the Regional Directorate. On September 16, 2010, the lease and construction operation agreement has been signed and a performance bond has been submitted and delivery of the location has been made and registered with the records. The agreement signed with the Foundations has been annotated at the land registry office on February 15, 2011.

İzmir Alsancak Ibis Hotel, Real Estate Information	
Area of Land	629 m^2
Area of Construction	5,555 m^2
Capacity	140 Rooms
Date of Construction Contract	December 24, 2010
Planned Operation Date	July 2012
Lessee (*)	Accor Group
Date of Lease Agreement	February 2, 2011
Term of Lease	**25 Years (+10 year option)**

* Lease agreement is signed with Tamaris Turizm A.Ş., Accor Group's subsidiary in Turkey.

Preliminary design works of the project have been completed and submitted to the representatives of Izmir Regional Directorate of Foundations and have been approved by the same on January 24, 2011. A hotel project will be constructed on the real estate and will be operated by Accor S.A., one of the international hotel chain operators, as a 3 star Ibis Hotel. Within this scope, the lease agreement has been signed by Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. and Tamaris Turizm A.Ş., a 100% owned Turkish subsidiary of the France-based Accor S.A., on February 2, 2011. Registration of the architectural, static, mechanic and electricity projects by the relevant chambers of engineers and architectures is completed and an application has been made to Konak municipality for hotel license dated on March 29, 2011 numbered 4546 and for pileworks permit by a petition dated on March 30, 2011 numbered 4629. Project and documents are in evaluation process. Fee for pileworks permit has been paid to municipality and it is planned to get the license within the shortest period. . The construction agreement has been signed and an advance payment has been made. The hotel project is planned to be put into operation within the first half of 2012.

Real Estates Summary Chart

Asset Type / Asset Information	ZEYTINBURNU NOVEOTEL/IBIS HOTEL	TRABZON NOVOTEL	GAZİANTEP NOVEOTEL/IBIS HOTEL	KAYSERİ NOVEOTEL/IBIS HOTEL
Land/Construction Owner	Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. (private and permanent construction right for 49 years)	Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. (private and permanent construction right for 49 years)	Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. (private and permanent construction right for 30 years)	Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. (private and permanent construction right for 49 years)
Location	City of İstanbul, District of Zeytinburnu, Zeytinburnu Mahallesi, 1st Zone, Sahilyolu Mevkii, Kenedy Caddesi No:56	City of Trabzon, District of Yomra, Cumhuriyet Mahallesi, Kaşüstü Köyü, Yalı Mevkii, Devlet Karayolu Caddesi, No:17	City of Gaziantep, District of Şehitkemal, Yaprak Mahallesi, İstasyon Caddesi, Block no. 5020 *(Ada)*, Parcel No. 2 *(Parsel),*	City of Kayseri, District of Kocasinan, Pervane Mahallesi, Kocasinan Bulvarı, No:161 A and B
Current Status	Novotel: 4 star 208 rooms, Ibis Hotel: 3 star 228 rooms, Operation: March 2007	Novotel: 4 star 200 rooms, Operation: October 2008	Novotel: 4 star 92 rooms, Ibis Hotel: 3 star 177 rooms, Operation: January 2010	Novotel: 4 star 96 rooms, Ibis Hotel: 3 star 160 rooms, Operation: March 2010

Signed Agreements	- Construction right agreement dated December 4, 2003 with the Treasury - Hotel lease agreement dated December 2, 2005 with Accor S.A.	- Construction and operation agreement dated December 9, 2005 with Trabzon Dünya Ticaret Merkezi A.Ş. and amendment agreement dated October 30, 2006 - Hotel lease agreement dated July 26, 2006 with Accor S.A.	- Construction and operation agreement dated May 31, 2007 with Gaziantep Metropolitan Municipality - Hotel lease agreement dated March 24, 2008 with Tamaris Turizm A.Ş. (Accor S.A.'s subsidiary in Turkey)	- Construction and operation agreement dated November 4, 2006 with Kayseri Chamber of Commerce - Hotel lease agreement dated March 24, 2008 with Tamaris Turizm A.Ş. (Accor S.A.'s subsidiary in Turkey)

Asset Type / **Asset Information**	**ESKİŞEHİR IBIS HOTEL**	**BURSA IBIS HOTEL**	**ESENYURT IBIS HOTEL**	**ADANA IBIS HOTEL**
Land/Construction Owner	Eskişehir Metropolitan Municipality (A long term lease agreement for 22 years is signed and registered with the land registry office)	Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. (private and permanent construction right for 30 years)	Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.	Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.
Location	City of Eskişehir, District of Tepebaşı, Hoşnudiye Mahallesi, Bağlar Caddesi mevkii, Siloönü Sokak, No:5	City of Bursa, District of Osmangazi, Altınova Mahallesi, Bursa Uluslararası Tekstil ve Ticaret Merkezi, Block no. 3198 *(Ada)*, Parcel no.67 *(Parsel)*,	City of İstanbul, District of Esenyurt, Yakuplu Mahallesi, Londra Asfaltı mevkii, Plot no. F21d24d3a *(Pafta)*, Block no. 404 *(Ada)*, Parcel no. 39 *(Parsel)*,	City of Adana, District of Seyhan, Çınarlı mahallesi, Dr, Ali Menteşoğlu Caddesi, 61004, Sokak, Block no.585 *(Ada)*, Parcel no. 2 *(Parsel)*

Current Status	Ibis Hotel: 3 star 108 rooms, Operation: April 2007	Ibis Hotel: 3 star 200 rooms, Occupancy: June 30, 2010, Operation: November 2010	Ibis Hotel: 3 star 156 rooms, Construction Permit: December 30, 2010, Under construction.	Ibis Hotel: 3 star 165 rooms, Construction Permit: December 1, 2010, Under construction.
Signed Agreements	- Long term lease agreement dated May 16, 2006 with Eskişehir Metropolitan Municipality - Hotel lease agreement dated November 8, 2005 with Accor S.A.	- Construction and Operation Agreement Dated May 9, 2008 with Bursa International Textile Trade Center Operation Cooperative - Hotel lease agreement dated July 17, 2009 with Tamaris Turizm A.Ş. (Accor S.A.'s subsidiary in Turkey)	- Lease agreement dated August 16, 2010 with Accor S.A.	- Prior to the sale of the land, a preliminary property sales contract was signed and upon the transfer of the title, this agreement was terminated as a result of the performance of its provisions. - Hotel lease agreement dated September 7, 2010 with Tamaris Turizm A.Ş. (Accor S.A.'s subsidiary in Turkey) - Main contractor's agreement (contractorship) dated December 20, 2010

Asset Type / **Asset Information**	**İZMİR IBIS HOTEL**

Land/Construction Owner	General Directorate of Foundations of the Prime Ministry of the Republic of Turkey (a 49 year lease and construction operation agreement was signed and registered with the land registry)
Location	City of İzmir, District of Konak, Alsancak Mahallesi, Block no. 7656 *(Ada)*, Parcel no. 2 *(Parsel)*
Current Status	Ibis Hotel: 3 star 140 rooms, Project development is in progress
Signed Agreements	- Lease and construction operation agreement dated September 16, 2010 with the General Directorate of Foundations of the Prime Ministry of the Republic of Turkey - Lease agreement dated February 2, 2011 with Tamaris Turizm A.Ş. (Accor S.A.'s subsidiary in Turkey)

3.4.5.2 Ongoing Investments Abroad (in Russia)

A joint venture agreement has been signed on July 27, 2007 between Akfen GT and Kasa İnşaat A.Ş.

Subject matter of the agreement is the investments to be made by the parties in Russia and Ukraine on lands that they deem appropriate for hotels and/or residences, business centers, stores, shopping malls and other investments with similar purposes within the area on which the hotels will be constructed.The parties have agreed that, among these investments, operation of the hotels shall be delegated to Accor under the lease agreements to be made, and for other investments, the parties shall agree mutually.

It has been decided that the hotel and other investments that constitute the subject matter of the agreement, shall be carried out by one or more investor holdings to be incorporated by the parties, with a 50%-50% shareholding structure, in the Netherlands.

Negotiations between the parties concerning transfer of all of the shares in established companies by parties belonging to Kasa Investments BV and Cüneyt Baltaoğlu to GYO, subsidiaries are still ongoing. If these negotiations are finalized successfully, 100% of RHI and RPI will controlled by Akfen .

1. SAMARA IBIS HOTEL& BUSINESS CENTER, RUSSIA

General Information

Project	: Samara 3 Star Ibis Hotel (204 rooms) and Business Center
Project Company (Investor)	: Samstroykom Ltd. (Hotel Project) Volgastroykom Ltd. (Business Center Project)
Location	: Novo-Sadovaya 160/D Samara, Russia
Developer	: Kasa-Akfen Real Estate Development
Construction Company	: Kasa Stroy
Date of the Construction Agreement	: July 11, 2008
Date of Construction Permit	: May 14, 2009
Area of Land	: 4,803.66 m^2 (including 628.30 m^2 of area of use) 2,337.97 m^2 (Business Center Blocks- Business Center 1 1,289.36 m^2, Business Center 2 1,048.31 m^2) 2,465.69 m^2 (Hotel Block)
Area of Construction	: 21,653.60 m^2 (Hotel and Business Center Blocks 11,749.25 m^2 (Business Center Blocks, Business Center 1: 5,321.70 m^2 Business Center 2: 6,427.53 m^2) 9,904.35 m^2 (Hotel Block)
Project Finance	: Credit Europe Bank
Project Management Company	: Thost Projekt Management, Hamburg
Current Status	: Under construction

Characteristics of the Location and the Surroundings

Samara Ibis Hotel and Business Center Project is located in Samara, one of the biggest cities in Russia with an approximate population of 1.2 million. Volga River strengthens the position of the city in the region. Besides being a touristic city, Samara is also considered as an industrial city due to the presence of Lada Automobile Factory. Low number of hotels that are operated in international standards and that carry a brand value, in the city makes the region attractive for hotel investments. In addition, capacities of the hotels seem to be insufficient during the high seasons.

Furthermore, it is announced that FIFA 2018 World Cup will be held in Russia. Samara is one of cities chosen by the Russian Government for the World Cup games and investments that will be made before the championship will make the region more attractive. This situation will increase the business tourism as well as the need for business hotels.

The land, on which the project is developed, is located on a main artery with the Airport road intersection, at a short distance to the city center (2 km away). In the surroundings, there is a Renaissance Hotel, business centers and houses and Volga River (3 km away). Some of the hotel rooms have the view of Volga River. The real estate is well connected with public transport and there is no infrastructure problem in the region.

Ownership Information and Zoning Status

Hotel:

Land Registry Information: a real estate located at the address of Region of Samara, City of Samara, District of Okteyabır, Novo-Sadovaya Street, No: 160/D, with cadastral no. 63:01:0637006:236, and area of 2,466 m^2, categorized as "Multi-Functional Buildings and Residential Zone Area", owned by Samstraykom LTD.

Cadastral No	: 63:01:0637006:236
Parcel No	: 22
Surface Area	: 2,466 m^2
Max. Indoor Area	: 20,590 m^2 (Hotel Block + 2 Business Center Blocks)
Category	: Land
Owner	: Samstroykom Ltd. Şti.
Shares	: Full

Zoning Status Information: Property; it is within the category of "Multi-Functional Buildings and Residential Zone Area" and according to the accepted project, approved by the Expertise division of Samara Municipality, it is planned as a hotel. Construction permit for the hotel and 2 business center blocks with an indoor area of 20,590 m2 has been obtained and their projects have been approved. As the said construction permit is obtained for the business center and hotel blocks, the total area of land is specified as 5,431.70 m^2 (for 4 parcels). However, the parcel on which only the hotel block is situated is 2,466 m^2.

Business Center Blocks:

Different than other projects of Akfen GYO, only Samara project contains both a hotel and a business center complex. The reason for this is that the area of the land in this project is quite big, a synergy is expected to be created between the business center and the hotel projects.

Land Registry Information: a real estate in the form of land, located at the address of Region of Samara, City of Samara, District of Okteyabır, Novo-Sadovaya Street, No:160/D, with cadastral no. 63:01:0637006:237, and area of 2,337.97 m^2, categorized as a "Multi-Purpose Building Facility", owned by Volgastroykom Ltd.

Cadastral No	: 63:01:0637006:237
Area of Land	: 2,337.97 m^2
Max. Indoor Area	: 20,590 m^2 (Hotel Block + 2 Business Center Blocks)
Category	: Land
Owner	: Volgastroykom Ltd. Şti.
Share	: Full

Zoning Status Information: The parcel, on which the Business Center block is situated is within "Multi-Purpose Building Area" category and according to the accepted project, approved by the Expertise division of Samara Municipality, it is planned as a business center. Construction permit for the hotel and 2 business center blocks with an indoor area of 20,590 m2 has been obtained and their projects have been approved. As the said construction permit is obtained for the business center and hotel blocks, the total area of land is specified as 5,431.70 m^2 (for 3 parcels). However, the parcel on which only the business center block is situated is 11,749.25 m^2.

Permits and Permissions

There is a construction permit dated May 14, 2009 and numbered RU-63301000-036, granted by the construction department of Samara region, for a "Hotel and Business Center Block" with an area of 20,590 m^2. On September 28, 2010, the said construction permit has been extended until May 14, 2011.

Current Status of the Project (Construction Phase)

Construction of Samara Hotel and Business Center Project is currently in progress. Rough construction works for both units (hotel and business center) have been completed and delicate construction works are in progress. Business Center Blocks (as shell & core) are planned to be completed by April 2011, and hotel unit is planned to be put into operation by the third quarter of 2011. A Furniture, Furnishing and Equipment contract has been signed for the hotel project and furnishings have been ordered.

Hotel project has 13 floors; 1 basement floor, a ground floor, 11 normal floors and a roof floor. At the basement floor, there is technical spaces, on the ground floor, there is a restaurant, a kitchen and on the 1st floor there are offices and meeting rooms; 2nd to 11th floors are designed as normal floors for rooms; on the 11th normal floor three rooms are designated to managers (general manager's living area).The Business Center Block has 10 floors; a basement floor, a ground floor and 8 normal floors. Business Center floors are planned to be leased. Business Center Block 1 is constructed for the property owner in consideration of the land price and lease income will be generated from Business Center Block 2.

The siding of the hotel is aluminum-glass and coating-paint and their manufacturing and assembly have been completed. There are customer and service elevators, fire alarm and extinction system and ventilation, heating and cooling systems in the building. All technical systems are built according to international norms in line with Accor standards. Currently, 84% of the hotel unit and 87% of the business center units have been completed.

2. YAROSLAVL IBIS HOTEL, RUSSIA

General Information

Project	: Yaroslavl 3 Star Ibis Hotel (177 rooms)
Project Company (Investor)	: Yaroslavl Otel Invest Ltd.
Location	: Pervomayskiy Street, No:4 Yaroslavl, Russia
Developer	: Kasa-Akfen Real Estate Development
Construction Company	: Kasa Stroy
Date of Construction Agreement	: July 11, 2008
Date of Construction Permit	: February 12, 2010
Area of Land	: 4,432 m2
Area of Construction	: 7,916 m2
Project Finance	: Credit Europe Bank
Project Management Company	: Thost Projekt Management, Hamburg
Current Status	: Under construction

Characteristics of the Location and the Surroundings

Yaroslavl Ibis Hotel Project is located 250 km away from Moscow, in the city of Yaroslavl, which is positioned in the center of towns called the "Golden Ring". Due to being inside the Golden Ring, the city attracts a large number of local and foreign tourists for culture tourism. Apart from culture tourism, shares of cruise tourism created through Volga River and business tourism created by the international conferences held every year in the number of tourists are quite high. The city also hosts one the most important oil refineries in Russia. According to the figures for 2008, Yaroslavl refines 6% of the oil and 5.7% of the gasoline needs of the country.

Furthermore, it is announced that FIFA 2018 World Cup will be held in Russia. Yaroslavl is one of cities chosen by the Russian Government for the World Cup games and investments that will be made before the championship will make the region more attractive. This situation will increase the need arising from business travels.

The Project is situated at the city center of Yaroslavl. There are churches, administrative buildings and historical museums in the surrounding area of the Project; Regional Governorship, Municipality Building, Kazansky Monastery and Prophet Ilya Church, the landmark of Yaroslavl, are within a walking distance. The real estate is well connected with public transport and there is no infrastructure problem in the region. The real estate is 450 m away from Volga River and 3 km away from Yaroslavl Train Station. In addition, the region in which the real estate is located has been announced as a protected area by UNESCO and is a very active zone for cultural tourism.

Ownership Information and Zoning Status

According to the legislations of the Russian Federation, the document demonstrating the title information and rights over the real estates is called "United State Registry Sample". This document contains certain information such as cadastral number, surface area and restrictions on the real estate.

Cadastral No	: 76:23:030702:22
Parcel No	: 22
Surface Area	: 4,432 m^2
Max. Indoor Area	: 7,916 m^2
Category	: Hotel Construction with Engineering Infrastructure
Lessee	: Yaroslavl Otel Invest Ltd. Şti.

According to the land laws of the Russian Federation, all existing lands are under the government's ownership and projects are developed through allocation and leasing of the lands at the appropriate locations. According to the "State Registry Sample" of Yaroslavl Provincial Administration, State Registry, Federal Cadaster and Cartography Service, "Yaroslavl Otel Invest Limited Şirketi" is registered as the lessee. According to the legal legislations, in addition to the 49 year right of use, there is a purchase option after the completion of the project. The company is making its projections in accordance with this purchase option.

Pursuant to the land laws of the Russian Federation, land allocation for the planned investments is a 3-stage process. All existing lands are under the ownership of the government and as a result of the applications, lands located in the appropriate places are allocated and a cadastral number is provided. 3-stage permission process; Yaroslavl Municipality, temporary decision of the governorship and the final decision of the governorship, for the allocation of the land on which Yaroslavl Ibis hotel project is situated, is completed. At the final stage of permissions, after the final determination of the borders of the land by the regional governorship, a cadastral number is given to the relevant parcel and a decision for the "Hotel Construction" is taken.

Upon the final decision of the Governorship, project design studies have been conducted and following the approval of the government's appraisal, an application is made to the city's Construction Department for the construction permit. With the construction permit, the number of floors and the maximum indoor area of the hotel are determined. The construction permit for Yaroslavl Ibis Hotel project has been obtained for an indoor area of 7,916 m2 and the projects have been approved.

Permits and Permissions

- Temporary approval dated February18, 2008 and numbered 463 by Yaroslavl Municipality,
- Temporary decision dated August 26, 2008 and numbered 379 by Yaroslavl Provincial Administration,
- Final decision dated March 11, 2009 and numbered 196 by Yaroslavl Provincial Administration,
- "Land Lease Agreement" dated March 17, 2009 and numbered 138,
- Government's expertise report dated February 11, 2010 and numbered 76-1-2-0017-10,
- Architectural projects with approval date February 11, 2010 are available,
- Construction permit dated February 12, 2010 and numbered RU76301000-002/2010, granted by the construction department of Yaroslavl region for "Hotel and Infrastructure" with an area of 7,916 m2 is available.

Pursuant to Russian legislations, land allocation, which is made after the final decision of the governorship, is followed by project design works. After the project design works conducted in line with the 3-stage permissions obtained, a government's expertise report is required for obtaining the construction permit. All of the procedure has been fulfilled and the construction permit has been obtained on February 12, 2010 and the construction has started.

1.5 Current Status of the Project (Construction Phase)

The hotel project, the construction of which is still ongoing contains a total of 6 floors; 1 Basement Floor, a Ground Floor and 4 Normal Floors. At the Basement Floor, technical areas such as, technical spaces, a parking garage, laundry rooms are located. At the Ground Floor, there is a lobby, a restaurant, a kitchen and meeting rooms and normal floors are designed as room floors. There are 45 rooms on each floor; at the 4th Normal Floor, there are spaces allocated to the management.

As of December 2010, rough construction works of the hotel are completed and delicate construction works are in progress. Within this scope, production of separation walls and final layer of painting works are almost complete. As to mechanical and electrical production, production and assembly of ventilation ducts and production of fire sprinkler lines are ongoing.

Siding of the building is made of travertine, in accordance with the historical texture of Yaroslavl. Siding works are completed and assembly of the carpentry works is ongoing. The project is planned to be completed by the 2nd quarter of 2011.

3. KALININGRAD IBIS HOTEL, RUSSIA

General Information

Project	: Kaliningrad 3 Star Ibis Hotel (167 rooms)
Project Company (Investor)	: Kaliningrad Invest Ltd. Şti.
Location	: Moskovsky Street, V, Hugo Road, 39:15:132332:18 Kaliningrad, Russia
Developer	: Kasa-Akfen Real Estate Development
Construction Company	: Kasa Stroy
Area of Land	: 5,099 m^2
Area of Construction	: 6,209.49 m^2
Project Finance	: EBRD/ IFC (loan agreement dated April 27, 2010)
Project Management Company: Thost Projekt Management, Hamburg	
Current States	: Under development (Architectural, mechanical, static, electrical projects that will constitute the basis for the permit are prepared and submitted to the approval of the government's expertise)

Characteristics of the Location and Surroundings

Project is located in the city of Kaliningrad, which is a piece of land owned by the Russian Federation, at the coast of the Baltic Sea, between Lithuania and Poland, with no physical connection with Russia. The city is an important transit center due to its geographical position. There are river and seaports in the city; in addition, the city is linked with Russia, Lithuania, Poland and Berlin via railways. The city has an industrial and cultural potential. Kaliningrad is located in former Prussia; and in terms of tourism, it particularly attracts German tourists.

The Project has a strategic location; it is situated at the Coast of Progolia River, right after the intersection point of Moskovsky Street and Leningradsky Street. It is 1.2 km to the city center of Kaliningrad, 450 m to Progolia River, and 20 km away from the airport. In surrounding area of the land, there is Baltiksky office building, Severo-Zapadnny Telekom building and Kaliningrad hotel. The Project area may be reached by private and public transport as well as through the river; therefore, there is no infrastructure problem.

Within the last 10 years, there was an increase in the demand-supply amounts in the hotel sector. Low number of hotels that are operated in international standards and that carry a brand value, the shortage of hotels with number of rooms over 100, and the existing hotels with rooms over 100 are the ones left from the Soviet era make Kaliningrad attractive for hotel investments.

There is an interest in the historical texture of the city and the general number of incoming tourists is expected to increase due to the developing business tourism. With respect to business tourism, it has been noted that the insufficient number of conference halls and meeting rooms constitutes a disadvantage and meeting rooms were made an important aspect in the project. There is only a Radisson Hotel in the city in terms of international hotels.

Furthermore, it is announced that FIFA 2018 World Cup will be held in Russia. Kaliningrad is one of cities chosen by the Russian Government for the World Cup games and investments that will be made before the championship will make the region more attractive. This situation will increase the demand arising from business travels.

Ownership Information and Zoning Status

Land Registry Information:

Cadastral No	: 39:15:132332:18
Parcel No	: 18
Surface Area	: 5,099 m^2
Category	: Land
Owner	: Kaliningrad Invest Ltd. Şti.

According to the legislations of the Russian Federation, the document demonstrating the title information and rights over the real estates is called “United State Registry Sample”. This document contains certain information such as the address, cadastral number, surface area, and restrictions on the real estate.

According to the land laws of the Russian Federation, all existing lands are under the government’s ownership and projects are developed through allocation and leasing of the lands at the appropriate locations. According to the “State Registry Sample” obtained from Kaliningrad Provincial Administration, State Registry, Federal Cadaster and Cartography Service, “Kaliningrad Invest Limited Şirketi” is registered as the lessee. According to the legal legislations, in addition to the 49 year right of use, there is a purchase option after the completion of the project. The company is making its projections in accordance with this purchase option. At the land registry, there is a lease obligation registered in favor of Kaliningrad Invest Limited Şirketi, on April 26, 2010, under no. 39-39-01/067/2009-689 effective between February18, 2009 – December 31, 2013.

Zoning Status Information: The Project area is categorized as “Residential Land” and is located within a multi-function complex area with hotels, commercial, expo and administrative buildings and restaurants. Land allocation has been made under the municipal decrees and the investment agreement signed with the Municipality. An application is made to the Construction Department of the city following the approval of the government’s expertise. Number of floors and the maximum indoor area of the hotel are determined with the construction permit. The hotel project has been submitted to the approval of the government’s expertise.

Permits and Permissions

- Lease agreement dated February 18, 2009 and numbered 990869 signed between Kaliningrad Municipality and Lastadiye Limited company.
- Agreement dated March 29, 2010 and numbered 009869-1/UA regarding the transfer (assignment) of the rights and obligations under the contract dated February 18, 2009 and numbered 009869, signed between Kaliningrad Municipality and Lastadiye Limited company.
- Decision dated August 20, 2010 and numbered 1421 of the Regional Administration of the City of Kaliningrad (Municipality),
- Contract dated September 9, 2010 and numbered 233 between Independent Public Enterprise of the City of Kaliningrad and Kaliningrad Invest Limited company regarding the rendering of government’s expertise services (expert’s examination),

- Agreement dated September 10, 2010 and numbered 009869-2, regarding the amendments made to the agreement dated February 18, 2009 and numbered 009869 between Kaliningrad Municipality and Kaliningrad Invest Limited company.

Current Status of the Project

The project is designed as a 6,209.49 m^2 indoor area and 167 rooms on a parcel with a surface area of 5,099 m2. Project is currently at the stage of approval and the projects have been submitted for expertise approval as per the Russian procedures. The hotel project has 8 floors; 1 basement floor, a ground floor and 5 normal floors and a roof floor. According to the architectural projects submitted for approval, the basement floor contains the technical spaces, laundry rooms, storage areas and an archive unit. The ground floor has the lobby, a restaurant, a kitchen and meeting rooms. Normal floors are designed as room floors and 1st, 2nd, 3rd floors have 35 rooms, 4th floor has 33 rooms and the 5th floor has 30 rooms. 199 of the hotel rooms are designed as standard rooms, 40 as double and 3 as handicapped rooms, 5 as family rooms and 1 as the general manager's suit.

4. MOSKOVA IBIS HOTEL, RUSSIA

General Information

Project	: Moscow 3 Star Ibis Hotel (475 rooms)
Project Company (Investor)	: Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.
Location	: Begovaya Street, Parsel 36 Moscow, Russia
Developer	: Kasa-Akfen Real Estate Development
Area of Land	: 3,000 m^2
Area of Construction	: 20,029.70 m^2
Project Finance	: Credit Europe Bank (indicative term sheet)
Project Management Company	: Thost Projekt Management, Hamburg
Current Status	: Under development

Characteristics of the Location and the Surroundings

Moscow is the 5th largest city in the world with 5 airports, 9 railway stations and 2 river terminals. There are numerous museums, monasteries, churches and historical buildings in the city. Pushkin Museum of Art, State Tretayakov Gallery, Moscow Museum of Modern Art, Chudov Monastery, the Red Square, Kremlin Palace, Preobrazhenka Cemetery, Nativity Church and St. Nicholas Church are the most important examples.

The land is located at the most important political route in Russia (and Moscow), stretching from point zero (Red Square and Kremlin Palace) to the state airport and having a federal value of significance, with approximately 4 km distance to Kremlin. In the surroundings of the real estate there are commercial buildings and hotels. In the immediate surroundings of the land, there is a Renaissance Hotel, sports complexes, Sovietsky Hotel and business centers. The project is well connected with public transport and there is no infrastructure problem in the region.

Ownership Information and Zoning Status

Land Registry Information:

Cadastral No	: 77:09:0005015:1000
Parcel No	: 36
Area of Land	: 3,000 m^2
Category	: Land
Right holder	: Horus International BV

The land has been leased to Dinamo-Petrovskiy Park XXI Vek-MS Limited company under the lease agreement dated November 25, 2009 and annexes to such lease agreement have been drafted on July 8, 2010 and October 12, 2010. Under the annex dated July 8, 2010, the term of the lease agreement has been extended until the 4th quarter of 2013 and under the annex dated October 12, 2010; the lease amount has been revised.

On April 30, 2010, a preliminary protocol has been signed between Akfen GYO and Horus International B.V concerning the purchase of the shares of the company that holds the rights of lease and on September 2, 2010, the term has been extended until October 22, 2010. The said Protocol has been transformed into a Share Purchase Agreement ("SPA") between the parties and signed on February 4, 2011 and upon the completion of the Transfer Conditions set out in the Share Transfer Agreement, the share transfer will be completed.

Zoning Status: Pursuant to the lease agreement dated November 25, 2009, the land has been leased for the purpose of designing and constructing a multi-purpose administration and hotel building. According to the "Moscow City Administration Directive" pertaining to the parcel, the maximum indoor area of the hotel building to be constructed is 20,029.70 m^2.

Permits and Permissions

Implementation project works are in progress and the concept project has been approved by the relevant authorities. There are the following official permits and agreements in relation to the project:

- Investment agreement dated August 31, 2005 between the Government of Moscow and Dinamo-Petrovskiy Park XXI Vek-MS Limited company.
- Land lease agreement dated November 25, 2009 between the Government of Moscow and Dinamo-Petrovskiy Park XXI Vek-MS Limited company.
- "Moscow City Administration Directive" dated May 4, 2010.

Current Status of the Project

The Project is designed as a basement floor and 22 normal floors on a land with a surface area of 3,000m2. The total construction area is 19,888 m^2 and 475 rooms are planned. Design works of the Project are still in progress.

3.4.6. Information regarding incentives and subsidies etc. concerning the Company, and their conditions:

Pursuant to Investment Incentives Law No. 47/2000, there is an investment incentive of 100% for the investments made by Akfen GYO in TRNC until December 31, 2008.

In addition, there are certain tax exemptions for the hotels listed in the table below.

Hotels Subject to Tax Exemptions

Project Name of the Incentive Certificate	Incentive Conditions	Exceptions Used
Zeytinburnu Novotel and Ibis Hotel	Hotel Investment (Completely new investment)	VAT and Customs Duty in imports, VAT in domestic purchases
Eskişehir Ibis Hotel	Hotel Investment (Completely new investment)	VAT and Customs Duty in imports, VAT in domestic purchases
Trabzon Novotel	Hotel Investment (Completely new investment)	Incentive certificate holder is Akfen GYO, as a turnkey agreement is made with the contractor firm; it is not used in purchases.
Kayseri Novotel and Ibis Hotel	Hotel Investment (Completely new investment)	Incentive certificate holder is Akfen GYO, as a turnkey agreement is made with the contractor firm; it is not used in purchases.
Gaziantep Novotel and Ibis Hotel	Hotel Investment (Completely new investment)	Incentive certificate holder is Akfen GYO, as a turnkey agreement is made with the contractor firm; it is not used in purchases.

3.4.7. Information regarding the decisions passed, agreements signed and other incentives taken by the management of the Company in relation to important future investments, to be binding on the Company:

Investments of Akfen Real Estate Investment Trust and its subsidiary Akfen Gayrimenkul Ticaret ve İnşaat A.Ş., that are being developed in Turkey and Russia and that are planned to be completed by the end of 2015 as well as their total investment amounts, excluding the funding costs pertaining to the construction period, are provided in the table below.

Akfen GYO – Planned Investments

Project	Location	Total Investment (mio €)
Esenyurt Ibis Hotel	Istanbul	9.4
Adana Ibis Hotel	Adana	11
İzmir Ibis Hotel	Izmir	7.2
Ankara Novotel	Ankara	31.2
Istanbul Kartal Ibis Hotel	Istanbul	12
Ankara Ibis Hotel	Ankara	12.4
Istanbul Europe Central Novotel	Istanbul	34.2
Istanbul Europe Central Ibis Hotel	Istanbul	20.6

Akfen GT - Planned Investments

Project	Location	Total Investment (mio €)
Samara Ibis Hotel *	Russia	22.8
Samara Business Center*	Russia	8.4
Yaroslavl Ibis Hotel *	Russia	16.4
Kaliningrad Ibis Hotel *	Russia	16.6
Moscow Leningradsky Ibis Hotel	Russia	50.2

**Akfen GYO is a 50% shareholder in these projects through its subsidiary Akfen GT. Investment costs indicated in this table for the projects are the total investment costs.*

3.4.8. Information related to the research and development policies of the Company and payments made for such activities, including the amounts spent for research and development activities, in which the Company was a sponsor for the last three years, and as of the relevant interim period:

Akfen GYO does not carry out research and development activities as per its operational area.

3.4.9. Publicly announced information, which does not bear the nature of disclosing any trade secrets, regarding the important products and services, whose research and development processes are still ongoing, and the stage attained in the research and development processes regarding such products and services:

Akfen GYO does not carry out research and development activities.

3.4.10. Summarized information regarding patent, license, industrial-commercial, financial agreements and such similar agreements, which are significant for the business activities and profitability of the Company, and the degree of dependency of the business operations and financial situation of the Company on these agreements:

In order to develop hotel projects in Turkey, Akfen Holding has signed a Memorandum of Understanding with Accor S.A., one of the international hotel operation chains. Within the context of aforementioned Memorandum of Understanding and framework agreement Accor will grant first right of refusal to Akfen GYO regarding the hotel projects in Turkey which will be operated under Sofitel, Novotel, Mercure, Ibis, Coralia, Etap Hotel, Suitehotel, Formule-1 and Thalassa brands or brands which will be replaced by them and will not proceed with another investor if Akfen GYO does not reject the offer within two months. In relation to all of the operational hotels, separate lease agreements have been signed with Tamaris Turizm A.Ş., the subsidiary of Accor S.A. in Turkey, and these agreements are in effect.

According to the franchising agreement signed on April 18, 2008 and became effective as of January 1, 2008 between Accor and Tamaris, brand (hotel) usage rights of Accor have been granted to Tamaris Turizm A.Ş.

Except for Kyrenia Mercure Hotel in TRNC, Akfen GYO does not lease any of its operating hotels and hotels, the projects of which are still ongoing, to hotel companies other than Accor S.A. or its subsidiaries.

Business licenses and working licenses and tourism establishment certificates, in relation to the operating hotels are listed in the table below.

Business Licenses and Working Licenses and
Tourism Establishment Certificates of the Operating Hotels

No	Name of the License, Certificate	Relevant Public Authority	Document No	Document Date
1	Trabzon Novotel business license and working license (document is issued in the name of Tamaris Turizm)	Trabzon Kaşüstü Municipality	157	September 19, 2008
2	Trabzon Novotel Tourism Establishment Certificate (document is issued in the name of Tamaris Turizm)	Ministry of Culture and Tourism	104395	June 2, 2009
3	Eskişehir Ibis Hotel business license and working license (document is issued in the name of Tamaris Turizm)	Eskişehir Metropolitan Municipality	1359	March 30, 2007
4	Eskişehir Ibis Hotel Tourism Establishment Certificate (document is issued in the name of Tamaris Turizm)	Ministry of Culture and Tourism	98330	June 5, 2007
5	Eskişehir Fitness Center business license and working license (document is issued in the name of Sportif Makine ve Spor Malzemeleri San. ve Tic. Ltd. Şti)	Eskişehir Metropolitan Municipality	1400	January 18, 2008
6	Zeytinburnu Novotel Ibis Hotel Tourism Establishment Certificate (document is issued in the name of Akfen GYO)	Ministry of Culture and Tourism	198836	November 28, 2007
7	Zeytinburnu Novotel Ibis Hotel business license and working license (document is issued in the name of Tamaris Turizm)	Zeytinburnu Municipality	2007-RS-209	March 8, 2007
8	Gaziantep Novotel Ibis Hotel business license and working license (document is issued in the name of Tamaris Turizm)	Gaziantep Şehitkamil Municipality	548	December 3, 2009
9	Gaziantep Novotel Ibis Hotel Tourism Establishment Certificate (document is issued in the name of Tamaris Turizm)	Ministry of Culture and Tourism	50	June 22, 2010
10	Kayseri Novotel Ibis Hotel business license and working license (document is issued in the name of Tamaris Turizm)	Kayseri Kocasinan Municipality	226	March 3, 2010
11	Kayseri Novotel Ibis Hotel Tourism Establishment Certificate (document is issued in the name of Tamaris Turizm)	Ministry of Culture and Tourism	49	June 22, 2010
12	Bursa Ibis Hotel business license and working license (document is issued in the name of Tamaris Turizm)	Osmangazi Municipality of Bursa Metropolitan Municipality	10-2520	October 06, 2010
13	Bursa Ibis Hotel Tourism Establishment Certificate (document is issued in the name of Tamaris Turizm)	Ministry of Culture and Tourism	253461	December 15, 2010

3.4.11. Information regarding significant tangible assets owned by the Company, including those acquired through financial leasing or planned to be acquired by the Company in accordance with a resolution of the board of directors, as of the latest accounting period:

INFORMATION REGARDING THE TANGIBLE FIXED ASSETS OWNED BY AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.								
Type	**Year of Acquisition**	**M2**	**Location**	**Book Value (TL)**	**Intended Use**	**Lessor – Person/entity**	**Term of Lease**	**Income**
Mercure Hotel	2006	30,926	TRNC-Kyrenia	163,473,000	To generate lease income	Serenas Turizm Kongre ve Organizasyon Hizmetleri Ltd. Şti. and Voyager Kıbrıs Ltd.	Serenas: December 30, 2007-December 31, 2012 Voyager: March 15, 2007-March 15, 2012 (for voyager +5 year option)	Hotel: for 2011, €1,500,000 / Year Casino: for 2011, € 3,209,829 /Year
Novotel-Ibis Hotel	2007	11,720	Istanbul-Zeytinburnu	157,045,000	To generate lease income	Tamaris Turizm A.Ş	25+10 year option (starting as of January 1, 2011)	For Ibis Hotel: the higher of 25% of the turnover or 65% of AGOP; for Novotel:the higher of 22% of the turnover or 65% of AGOP is received as lease income.
Ibis Hotel	2007	6,806	Eskişehir	17,521,000	To generate lease income	Tamaris Turizm A.Ş	25+10 year option (starting as of January 1, 2011)	The higher of 25% of the Hotel's turnover or 65% of AGOP is received as lease income.
Novotel	2008	13,450	Trabzon	53,102,000	To generate lease income	Tamaris Turizm A.Ş	25+10 year option (starting as of January 1, 2011)	The higher of 22% of the Hotel's turnover or 65% of AGOP is received as lease income.
Novotel-Ibis Hotel	2009	6,750	Gaziantep	51,383,000	To generate lease income	Tamaris Turizm A.Ş	25+10 year option (starting as of January 1, 2011)	For Ibis Hotel: the higher of 25% of the hotel's turnover or 70% of AGOP; for Novotel:the higher of 22% of the hotel's turnover or 70% of AGOP is received as lease income.
Novotel-Ibis Hotel	2009	11,035	Kayseri	54,445,000	To generate lease income	Tamaris Turizm A.Ş	25+10 year option (starting as of January 1, 2011)	For Ibis Hotel: the higher of 25% of the hotel's turnover or 70% of AGOP; for Novotel:the higher of 22% of the hotel's turnover or 70% of AGOP is received as lease income.
Ibis Hotel	2010	7,961	Bursa	44,358,000	To generate lease income	Tamaris Turizm A.Ş	25+10 year option (starting as of January 1, 2011)	The higher of 25% of the Hotel's turnover or 70% of AGOP is received as lease income.
Ibis Hotel project	2007	1,755	Esenyurt	20,297,000	To generate lease income	Tamaris Turizm A.Ş	25+10 year option (starting as of January 1, 2011)	The higher of 25% of the Hotel's turnover or 70% of AGOP is received as lease income.
Ibis Hotel project	2010	2,213	Adana	14,308,000	To generate lease income	Tamaris Turizm A.Ş	25+10 year option (starting as of January 1, 2011)	The higher of 25% of the Hotel's turnover or 70% of AGOP is received as lease income.
Ibis Hotel project	2010	629	Izmir	22,292,000	To generate lease income	Tamaris Turizm A.Ş	25+10 year option (starting as of January 1, 2011)	The higher of 25% of the Hotel's turnover or 70% of AGOP is received as lease income.
Total				**598,224,000**				

3.4.12. In case the current/fair value of the tangible assets is known, information regarding such current/fair value and the appraisal reports, on which such value is based:

Summary of the appraisal reports prepared by TSKB Gayrimenkul Değerleme A.Ş. in relation to Akfen GYO's hotels and lands is provided below.

Appraisal Values according to the Appraisal Reports

Name of the Facility	Report Date	Issuer of the Report	Appraisal Value (000' TL – excluding VAT)
Akfen Gayrimenkul Ticareti ve İnşaat A.Ş.	February 28, 2011	TSKB Corporate Finance Department	297.936
Zeytinburnu Novotel and Ibis Hotel	February 28, 2011	TSKB Gayrimenkul Değerleme A.Ş.	167.000
Eskişehir Ibis Hotel	February 28, 2011	TSKB Gayrimenkul Değerleme A.Ş.	18.856
Trabzon Novotel	February 28, 2011	TSKB Gayrimenkul Değerleme A.Ş.	57.790
Kayseri Novotel and Ibis Hotel	February 28, 2011	TSKB Gayrimenkul Değerleme A.Ş.	59.205
Gaziantep Novotel and Ibis Hotel	February 28, 2011	TSKB Gayrimenkul Değerleme A.Ş.	57.835
Bursa Ibis Hotel	February 28, 2011	TSKB Gayrimenkul Değerleme A.Ş.	47.900
Esenyurt Ibis Hotel	February 28, 2011	TSKB Gayrimenkul Değerleme A.Ş.	21.583
Adana Ibis Hotel	February 28, 2011	TSKB Gayrimenkul Değerleme A.Ş.	15.190
İzmir Ibis Hotel	February 28, 2011	TSKB Gayrimenkul Değerleme A.Ş.	4.630
Total Value			**747.925**

3.4.13. Information regarding the restrictions, real rights, and amounts of pledges on the tangible assets:

Rental income of hotels located in Turkey have been assigned to TSKB/İş Bankası with regards to the guarantees of loans granted from TSKB/İş Bankası.

Rental income of hotels of KKTC Mercure Otel and casino operators (Serenas Turizm A.Ş. anf Voyager Kıbrıs Ltd.) have been assigned to ING Bank with regards to the guarantees of loans granted from ING Bank.

Lien	Degree	Beneficiary	Reason	Registration Date	Mortgage Amount
Joint lien on the construction rights in Zeytinburnu, Trabzon, Kayseri, Gaziantep	1st	TSKB A.Ş. and T.İş Bankası	Project Finance	Zeytinburnu: October 14, 2008; Trabzon:October 15, 2008; and Kayseri and Gaziantep: October 16, 2008	EUR 150,000,000
Esenyurt	1st	TSKB A.Ş. and T.İş Bankası	Project Finance	September 22, 2008	EUR 7,000,000
Construction right in TRNC Mercure Hotel	1st	ING Bank	Financing	September 4, 2008	EUR 42,000,000
Construction right in Bursa	1st	TSKB A.Ş. and T.İş Bankası	Project Finance	September 16, 2009	EUR 11,500,000
Adana	1st	TSKB A.Ş. and T.İş Bankası	Project Finance	August 3, 2010	EUR 11,250,000

3.4.14. Information in relation to all environmental matters, which may affect the usage of the tangible assets of the Company:

Reports pertaining to all of the tangible assets of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. are being prepared in accordance with the Environmental Impact Assessment Regulation that has entered into effect by being published on the Official Gazette date July 17, 2008 and numbered 26939. As a result of the examinations, the said projects are granted an "Environmental Impact Assessment is not required" certificate by the relevant Governorships, as the measures taken against environmental impact were found sufficient.

Dates of the certificates are as follow:

1- Istanbul, Zeytinburnu Ibis/Novotel: July 2, 2003 Decision No: 287
2- Eskişehir Ibis Hotel: August 15, 2006 Decision No: 103
3- Trabzon Novotel: December 29, 2006 Decision No: 1146
4- Kayseri Ibis/Novotel: October 22, 2007 Decision No: 312
5- Gaziantep Ibis/Novotel: February 27, 2009 Decision No: 669
6- Bursa Ibis Hotel: March 24, 2009 Decision No: 187
7- Cyprus Mercure Hotel: December16, 2003 Decision No: ÇK 30 - 2003
8- Istanbul, Esenyurt Ibis Hotel: August 13, 2010 Decision No: 2010/04 – 88 - 2101
9- Adana Ibis Hotel: October 27, 2010 Decision No: 564

3.4.15. Summary of significant agreements other than the agreements signed with respect to the ordinary business operations, in which the Company or any one of the group companies is a party, and the Company is related to, during the last three years, as of relevant interim period and the latest status:

Important agreements of Akfen GYO, other than those signed with respect to ordinary business operations, and agreements signed with administrations that bear the nature of a concession granting a certain right are listed below.

	Parties	*Date*	*Subject Matter*	*Price/ Consideration*
1	ING Bank Akfen GT	September 10, 2008	Akfen GYO has granted a surety for the loan agreement signed by Akfen GT, a subsidiary of Akfen GYO, in relation to the re-financing of the hotel project in TRNC.	Euro 21,000,000
2	Credit Europe Bank Akfen GYO A.Ş.	August 19, 2008	Akfen GYO has granted a surety for the project financing of the Russia Samara Ibis Hotel project, to which its subsidiary Akfen GT is a 50% partner.	Euro 15,000,000
3	Credit Europe Bank Akfen GYO A.Ş.	August 19, 2008	Akfen GYO has granted a surety for the project financing of the Russia Samara Business Center project, to which its subsidiary Akfen GT is a 50% partner.	Euro 6,800,000
4	Credit Europe Bank Akfen GYO A.Ş.	May 22, 2008	Akfen GYO has granted a surety for the project financing of the Russia Samara Business Center project, to which its subsidiary Akfen GT is a 50% partner.	Euro 12,400,000
5	Akfen GYO Akfen Holding Garanti Bankası	August 31, 2010	Share pledge agreement regarding the pledge in favor of Garanti Bank, on the non-publically held shares of Akfen Holding A.Ş. in Akfen GYO.	103,224,000 shares
6	Akfen GYO TSKB/İş Bankası	July 17, 2008	Loan agreement signed by Akfen GYO and TSKB/İş Bankası. Akfen Holding and Akfen İnşaat has committed to complete the construction	100,000,000 Euro
7	Akfen GT Türkiye Kalkınma Bankası	May 14,2004	Loan agreement signed by Akfen GT and Türkiye Kalkınma Bankası. Akfen İnşaat has guarantee on this agreement.	17,137,930 Euro

3.4.16. Explanation regarding the number of personnel, its breakdown by main fields of operation and geographical regions, and explanation regarding the significant variations in such numbers during the last three years, as of the relevant interim period and the latest status:

Activity	**December 31, 2010**	**December 31, 2009**	**December 31, 2008**
Akfen GYO	14	14	16
Akfen GT	0	2	2
Total	**14**	**16**	**18**

Companies under Common Control	**December 31, 2010**	**December 31, 2009**	**December 31, 2008**
RHI and RPI	16	16	14

3.4.17. Information regarding any agreement that may enable the personnel to provide funds to the Company:

None

3.4.18. Information regarding the suspension of operations, which have significantly affected or may affect the financial situation within the last 12 months:

None

3.4.19. Summary information regarding the nature of disputes, which have significantly affected or may affect the Company's or the group's financial situation or operations, as of the last accounting period and the latest status:

Significant disputes, in which Akfen GYO and its subsidiaries are a party as a plaintiff or a defendant, are listed in Section 12.3.

It has been objected within the proper period and the transaction has halted for the assessment and punishment transactions in TRNC between 2007-2010 without being exercised "Investment Incentive" right provided for our touristic facility "Mercure Hotel", commencing its operations in April 2007 in Kyrenia and realized by Akfen GT in the scope of Incentive Certificate dated on August 4, 2008, numbered 073(RRRR).

Detailed information is provided in the Legal Report in Appendix.

3.4.20. Financial investment policies within the last three years:

Short-term financial investments are utilized in liquid instruments such as deposits and/or repo transactions. Banks, at which the deposits will be held, are generally (also by virtue of the loan agreements, from time to time) chosen among the banks, in which we have a credit limit and those that carry the risk of Akfen GYO.

3.5. Trend Information

3.5.1. Information regarding recent significant trends in production, sale, stocks, costs and sale prices:

None

3.5.2. Information regarding trends, uncertainties, requests, commitments or events, which might significantly affect the Company's financial situation and operations:

There are no trends, uncertainties, requests, commitments or events, which might significantly affect the financial situation and operations apart from the risks mentioned in Section 2.1 of this Prospectus.

4. SELECTED FINANCIAL INFORMATION

4.1 Consolidated Balance Sheet

(-TL)		*Independently Audited*	
		Revised	
ASSETS	**December 31, 2010**	**December 31, 2009**	**December 31, 2008**
CURRENT ASSETS	**8,365,971**	**5,146,431**	**12,412,726**
Cash and cash equivalents	1,304,927	499,009	2,594,918
Trade receivables	6,155,758	2,909,725	3,725,781
- Trade receivables from related parties	*1,291,871*	*436*	*526,040*
- Other trade receivables	*4,863,887*	*2,909,289*	*3,199,741*
Other receivables	--	94,587	3,948,204
- Other receivables from related parties	--	*56,614*	*933,595*
- Other receivables	--	*37,973*	*3,014,609*
Stocks	--	1,094,805	1,067,707
Other current assets	905,286	548,305	1,076,116
FIXED ASSETS	**678,636,026**	**502,950,957**	**439,864,117**
Other receivables	87,396	51,723	55,281
Real estates for investment	644,063,152	473,158,302	415,190,285
Tangible fixed assets	117,937	167,881	239,694
Intangible fixed assets	7,622	9,487	11,541
Deferred tax assets	89,343	282,554	--
Other fixed assets	34,270,576	29,281,010	24,367,316
TOTAL ASSETS	**687,001,997**	**508,097,388**	**452,276,843**

LIABLILITIES	December 31, 2010	December 31, 2009	December 31, 2008
SHORT-TERM LIABILITIES	**63,017,344**	**61,027,157**	**70,897,849**
Financial debts	47,628,674	34,139,632	61,417,644
Trade debts	854,847	3,794,315	1,276,608
- Trade debts to related parties	*58,433*	*1,785,666*	--
- Other trade debts	*796,414*	*2,008,649*	*1,276,608*
Other debts	12,291,507	21,905,811	582,264
- Other debts to related parties	*12,247,437*	*21,905,561*	*582,264*
- Other debts	*44,070*	*250*	--
Provisions for employee benefits	64,619	24,573	33,167
Other short-term liabilities	1,731,386	1,162,826	7,588,166
Period income tax liability	446,311	--	--
LONG-TERM LIABILITIES	**173,236,249**	**162,639,333**	**114,925,338**
Financial debts	164,563,313	161,137,078	109,733,867
Provisions for employee benefits	6,486	37,099	20,244
Deferred tax liability	7,321,185	670,707	4,807,506
Other long-term liabilities	1,345,265	794,449	363,721
SHARHOLDERS'S EQUITY	**450,748,404**	**284,430,898**	**266,453,656**
Paid-in capital	138,000,000	72,147,000	72,147,000
Capital adjustment differences	317,344	380,186	380,186
Impact of mergers of entities under common control	53,748,727	53,748,727	54,310,330
Foreign currency conversion differences	524,372	217,708	-114,598
Restricted reserves allocated from profit	4,147	4,147	4,147
Profit of previous years	137,819,739	139,726,591	80,801,022
Period profit	120,362,989	18,206,539	58,925,569
Minority shares	-28,914	--	--
TOTAL LIABILITIES	**687,001,997**	**508,097,388**	**452,276,843**

As of December 31, 2010, Akfen GYO's consolidated asset size has reached TL 687 Million. As of December 31, 2010, Akfen GYO's consolidated financial debts are TL 212 Million. Akfen GYO mainly finances its investments in the real estate sector, in which it operates, by long-term project finance facilities based on the income generated from the projects. Within the last two years, despite the global financial and economic crisis, Akfen GYO has managed to continue its hotel investments in the real estate sector through long-term project finance facilities.

(-TL)	December 31, 2010	%	December 31, 2009	%	December 31, 2008	%
Short-term Financial Debts	47,628,674	22%	34,139,632	17%	61,417,644	36%
Long-term Financial Debts	164,563,313	78%	161,137,078	83%	109,733,867	64%
Total	**212,191,987**	100%	**195,276,710**	100%	**171,151,511**	100%

4.2. Consolidated Income Statement

(-TL)	*Independently Audited*		
		Revised	
	December 31, 2010	**December 31, 2009**	**December 31, 2008**
Sales income	18,471,000	17,699,045	14,987,535
Cost of Sales	-2,090,052	-1,686,951	-3,436,461
GROSS PROFIT	**16,380,948**	**16,012,094**	**11,551,074**
General administrative expenses	-3,981,912	-4,884,891	-5,275,834
Other operating income	129,621,140	21,595,304	105,261,295
Other operating expenses	-6,264,306	-971,148	-447,589
OPERATING PROFIT	**135,755,870**	**31,751,359**	**111,088,946**
Financial income	25,777,756	8,039,887	8,935,410
Financial expenses	-33,184,649	-25,916,754	-52,186,121
PROFIT BEFORE TAX	**128,348,977**	**13,874,492**	**67,838,235**
Tax income / (expense)	-8,014,902	4,332,047	-8,912,666
- Tax expenses for the period	-1,107,657	*39,994*	--
- Deferred tax income /(expense)	-6,907,245	*4,292,053*	-8,912,666
INCOME	**120,334,075**	**18,206,539**	**58,925,569**
Other Comprehensive Income/(Expense)			
Change in foreign currency conversion differences	306,664	332,306	-114,598
OTHER COMPREHENSIVE INCOME/(EXPENSE), AFTER TAX	**306,664**	**332,306**	**-114,598**
TOTAL COMPREHENSIVE INCOME	**120,640,739**	**18,538,845**	**58,810,971**
Breakdown of Income/ (Loss) for the period			
Minority shares	-28,914	--	--
Parent Company Shares	120,362,989	18,206,539	58,925,569
Income	**120,334,075**	**18,206,539**	**58,925,569**
Breakdown of Total Comprehensive Income/(Expense)			
Minority shares	-28,914	--	--
Parent Company Shares	120,669,653	18,538,845	58,810,971
Total Comprehensive Income	**120,640,739**	**18,538,845**	**58,810,971**
Earnings per share and diluted earnings per share	**1.02**	**0.2**	**0.64**

Akfen GYO’s consolidated lease income from continuing operations in 2010 was TL 18.5 Million.

Akfen GYO’s sale income consists of lease income; whereas lease income consists of the income received from Tamaris, for operating hotel projects in Turkey and from Voyager and Serenas, for the hotel project in TRNC.

Other Operating Income consists of the appreciation revenues of the real estates for investment and the appreciation revenues of the real estates under construction.

5. INFORMATION REGARDING THE EXISTING CAPITAL AND CAPITAL MARKETS INSTRUMENTS

5.1. Registered Capital Ceiling: TL 1,000,000,000
Paid-in / Issued Capital: TL 138,000,000

The existing capital amounting to TL 138,000,000 of Akfen GYO, which is within the registered capital system, has been registered with the CMB in accordance with the decision dated September 23, 2010 and numbered 28/840 of the Board. Upon the registration of the new capital article within the scope of the public offering, the paid-in capital of the Company will be increased to TL 184,000,000.

5.2. Shareholding structure according to the last general assembly meeting and as of the latest status, by separately demonstrating the real persons and legal entities, which directly and indirectly hold 5% and more shares in the capital or the total voting rights:

There are no shareholders that hold 5% or more shares except for Akfen Holding and Hamdi Akın.

Current Shareholding Structure of Akfen GYO

Shareholder	Amount of Shares (TL)	Ratio of Shares
AKFEN HOLDİNG A.Ş.	103,273,884	74.84%
HAMDİ AKIN	33,991,838	24.63%
İBRAHİM SÜHA GÜÇSAV	345,380	0.25%
MUSTAFA CEYHAN	345,380	0.25%
AKINISI MAKİNA SANAYİ VE TİCARET A.Ş.	43,513	0.03%
AKFEN İNŞAAT TURİZM VE TİCARET A.Ş.	2	0.00%
MEHMET SEMİH ÇİÇEK	1	0.00%
MUSTAFA DURSUN AKIN	1	0.00%
AHMET SEYFİ USLUOĞLU	1	0.00%
TOTAL	**138,000,000**	**100.00%**

Post-IPO Shareholding Structure of Akfen GYO (without over allotment option):

Shareholder	Amount of Shares (TL)	Ratio of Shares
AKFEN HOLDİNG A.Ş.	95,156,384	51.72%
HAMDİ AKIN	33,991,838	18.47%
İBRAHİM SÜHA GÜÇSAV	345,380	0,19%
MUSTAFA CEYHAN	345,380	0,19%
AKINISI MAKİNA SANAYİ VE TİCARET A.Ş.	43,513	0,02%
AKFEN İNŞAAT TURİZM VE TİCARET A.Ş.	2	0,00%
MEHMET SEMİH ÇİÇEK	1	0,00%
MUSTAFA DURSUN AKIN	1	0,00%
AHMET SEYFİ USLUOĞLU	1	0,00%
FREE FLOAT	54,117,500	29.41%
TOTAL	**184,000,000**	**100.00%**

Post-IPO Shareholding Structure of Akfen GYO (over allotment option exercised):

Shareholder	Amount of Shares (TL)	Ratio of Shares
AKFEN HOLDİNG A.Ş.	87,038,759	47.31%
HAMDİ AKIN	33,991,838	18.47%
İBRAHİM SÜHA GÜÇSAV	345,380	0,19%
MUSTAFA CEYHAN	345,380	0,19%
AKINISI MAKİNA SANAYİ VE TİCARET A.Ş.	43,513	0,02%
AKFEN İNŞAAT TURİZM VE TİCARET A.Ş.	2	0,00%
MEHMET SEMİH ÇİÇEK	1	0,00%
MUSTAFA DURSUN AKIN	1	0,00%
AHMET SEYFİ USLUOĞLU	1	0,00%
FREE FLOAT	62,235,125	33.82%
TOTAL	**184,000,000**	**100.00%**

5.3. Line of descent between the real person shareholders holding 5% or more shares in the capital or the total voting rights:

The only real person shareholder with more than 5% share is Hamdi Akın.

5.4. Name, last name, trade name of the persons having the management power of the Company; the source of such management power and the measures taken to prevent the misuse of such management power:

Shareholder	Share in the Capital	Share % in the Capital	Source of Control	Measures Taken
Akfen Holding A.Ş.	103.271.884	74.84%	As per article 14 of the Articles of Association, A and D Group shares held by Akfen Holding have a privilege in nomination for the election of the members of the Board of Directors. 2 members are elected to the Board of Directors by the General Assembly, separately for each group of shares, from amongst the persons nominated by the A and D Group shareholders.	As per article 21 of the Articles of Association regulating the prohibitions applicable to the executives, in case of existence of a direct or indirect employment, capital or commercial relationship between the members of the Board of Directors and those who are parties to the resolutions passed by the Board of Directors, within the last two years, or existence of a blood affinity or affinity by way of marriage, up to third degree, including spouses, the member of the Board of Directors in question is obliged to notify the situation to the Board of Directors, together with the relevant grounds and to record the same in the meeting minutes. Board members cannot attend the negotiations pertaining to their personal interests or interests of their lineal descents and persons with blood affinity or affinity by way of marriage, up to third degree, including spouses. A member who acts in breach of this provision must indemnify the damages of the Company arising from the relevant transaction. Members of the Board of Directors cannot carry out, in person or indirectly, in their own name or in the name of other persons, any commercial transaction with the Company, which falls into the scope of operations of the Company, even with the permission of the General Assembly, nor can they carry out a commercial transaction that falls into the scope of operations of the Company in their own account or in others' account or become an unlimited liability shareholders in a company, which is engaged in same type of commercial operations.
Hamdi Akın	33.990.839	24.63%	As per article 14 of the Articles of Association, C Group shares held by Hamdi Akın have a privilege in nomination for the election of the members of the Board of Directors. 2 members are elected to the Board of Directors by the General Assembly, from amongst the persons nominated by the C Group shareholders.	As per article 21 of the Articles of Association regulating the prohibitions applicable to the executives, in case of existence of a direct or indirect employment, capital or commercial relationship between the members of the Board of Directors and those who are parties to the resolutions passed by the Board of Directors, within the last two years, or existence of a blood affinity or affinity by way of marriage, up to third degree, including spouses, the member of the Board of Directors in question is obliged to notify the situation to the Board of Directors, together with the relevant grounds and to record the same in the meeting minutes. Board members cannot attend the negotiations pertaining to their personal interests or interests of their lineal descents and persons with blood affinity or affinity by way of marriage, up to third degree, including spouses. A member who acts in breach of this provision must indemnify the damages of the Company arising from the relevant transaction. Members of the Board of Directors cannot carry out, in person or indirectly, in their own name or in the name of other persons, any commercial transaction with the Company, which falls into the scope of operations of the Company, even with the permission of the General Assembly, nor can they carry out a commercial transaction that falls into the scope of operations of the Company in their own account or in others' account or become an unlimited liability shareholders in a company, which is engaged in same type of commercial operations.

5.5. Information regarding the shares representing the share capital:

Akfen GYO A.Ş.'s paid-in capital is TL 138,000,000.

Company's registered capital ceiling is TL 1,000,000,000 (one billion Turkish Lira) and it is divided into 1,000,000,000 (one billion) shares each with a nominal value of TL 1 (one Turkish Lira).

Share groups representing the paid-in capital are composed of 1,000 A Group registered shares corresponding to TL 1,000; 137,997,000 B Group bearer shares corresponding to TL 137,997,000; 1,000 C Group registered shares corresponding to TL 1,000 and 1,000 D Group registered shares corresponding to TL 1,000; each with a nominal value of TL 1.

In capital increases, A group shares shall be issued in consideration of A Group shares, B group shares shall be issued in consideration of B Group shares, C group shares shall be issued in consideration of C Group shares and D group shares shall be issued in consideration of D Group shares. However, if the Board of Directors restricts the right of the shareholders to purchase new shares, all of the newly issued shares shall be issued as B Group and bearer shares.

Between 2010-2015, the Board of Directors is entitled to increase the paid-in capital up to the aforementioned registered capital ceiling, by way of issuing new shares when it deems necessary, in accordance with the provisions of the Capital Markets Law, without adhering to the provisions of the Turkish Commercial Code pertaining to the increasing of the principle capital.

Board of Directors is also entitled to pass decisions on matters such as issuing shares and shares/stocks above the nominal value and restricting the rights of shareholders to purchase new shares.

Transfer of the company's shares, regardless of the ratio, prior to the public offering is subject to the permission of the Board. In share transfers made under this article, new shareholders who will acquire shares in the company shall bear the qualifications required for the founders.

In capital increases, shares remaining after the exercise of the preemptive rights as well as all newly issued shares, in case of restricting preemptive rights, shall be offered to public out of their market prices, to the extent they are not below the nominal values.

Shares representing the capital are followed up in a registered manner, in accordance with the registration principles.

5.6. Number, book value and nominal value of the company shares, which are held by itself or in its name or held by its affiliates:

None.

5. 7. Information regarding the agreements, which might cause a change in the Company's management power:

Pursuant to the Share Pledge Agreement executed on August 31, 2010 and amended on August 31, 2010 and December 28, 2010, that is in effect between Akfen GYO, Akfen Holding A.Ş. and Türkiye Garanti Bankası A.Ş. Luxembourg Branch, there is a first degree pledge in favor of Türkiye Garanti Bankası A.Ş. Luxembourg Branch over the non-publically held shares of Akfen Holding A.Ş. in Akfen GYO. In accordance with the terms of the loan agreement, the company has applied to Türkiye Garanti Bankası A.Ş. for the purpose of waiver of the pledge over a total of 16,235,125 of the shares to be used in sales by shareholder and over allotment option, and such application has been received positively.

5.8. Information on the capital increases and their sources, and capital decreases, created/cancelled share groups and other transactions causing a change in the number of shares within the last three years:

Type of Transaction	Registration Date	TTRG Date	TTRG Issue No	Previous Capital (TL)	Capital After the Increase (TL)
Capital increase	March 31, 2010	April 6, 2010	7537	72,147,000	100,000,000
Capital increase	September 30, 2010	October 6, 2010	7663	100,000,000	138,000,000

On December 31, 2007, Akfen GYO's existing paid-in capital was TL 72,147,000 TL. On March 31, 2010 a capital increase was made and the Company's capital was increased by TL 27,853,000 up to TL 100,000,000. The increased portion of the capital was subscribed and paid in cash. As THO BV has not exercised its preemptive right, its share in the total capital has decreased from 45% to 32.47%.

With the decision dated August 19, 2010 of the CMB, transfer of D group shares amounting to TL 32,466,150 held by THO BV to Akfen Holding A.Ş. was permitted. Accordingly, Akfen Holding's share ratio has increased to 74.84%.

With the second capital increase, which was registered on September 30, 2010, the Company's paid-in capital was increased by TL 38,000,000 up to TL 138,000,000. Capital increase was made pro rata to the shareholding ratio of each share group in the capital.

5.9. Information regarding the payment in kind of more than 10% of the share capital within the last 3 years, if any:

More than 10% of the capital has not been paid in kind within the last 3 years.

5.10. If the Company has issued shares through a public offering or a private placement within the last twelve months, explanation on the nature of such transactions, number and nature of the shares involved in such transactions and real and/or legal entities, to which such private placement was made:

None.

5.11. Information on the amount and principles regarding the conversion, changing or demanding of capital markets instruments such as, warranted capital markets instruments, shares deprived of voting power, convertible bonds and changeable bonds:

None.

5.12. Information regarding the capital markets instruments of the Group companies, which have been subject to an option or which have been decided to be conditionally or unconditionally subject to an option under an agreement, and information on such options, including the relevant persons:

None.

5.13. Information on the number and nature of the founders' certificate and such similar shares, which do not represent the capital:

None.

5.14. Information on whether the shares of the same group with the Company are listed/traded on the stock exchange or whether there has been any application to such extent:

None.

5.15. Simultaneously with the capital markets instruments that are intended to be traded at the stock exchange;
- those within the same group with the said instruments were made subject of a private placement or their purchase has been undertaken, or
- Detailed information on the nature and number, and qualifications of the capital markets instruments, in case, another group of the said instruments were made subject of a private placement or a public offering.

None.

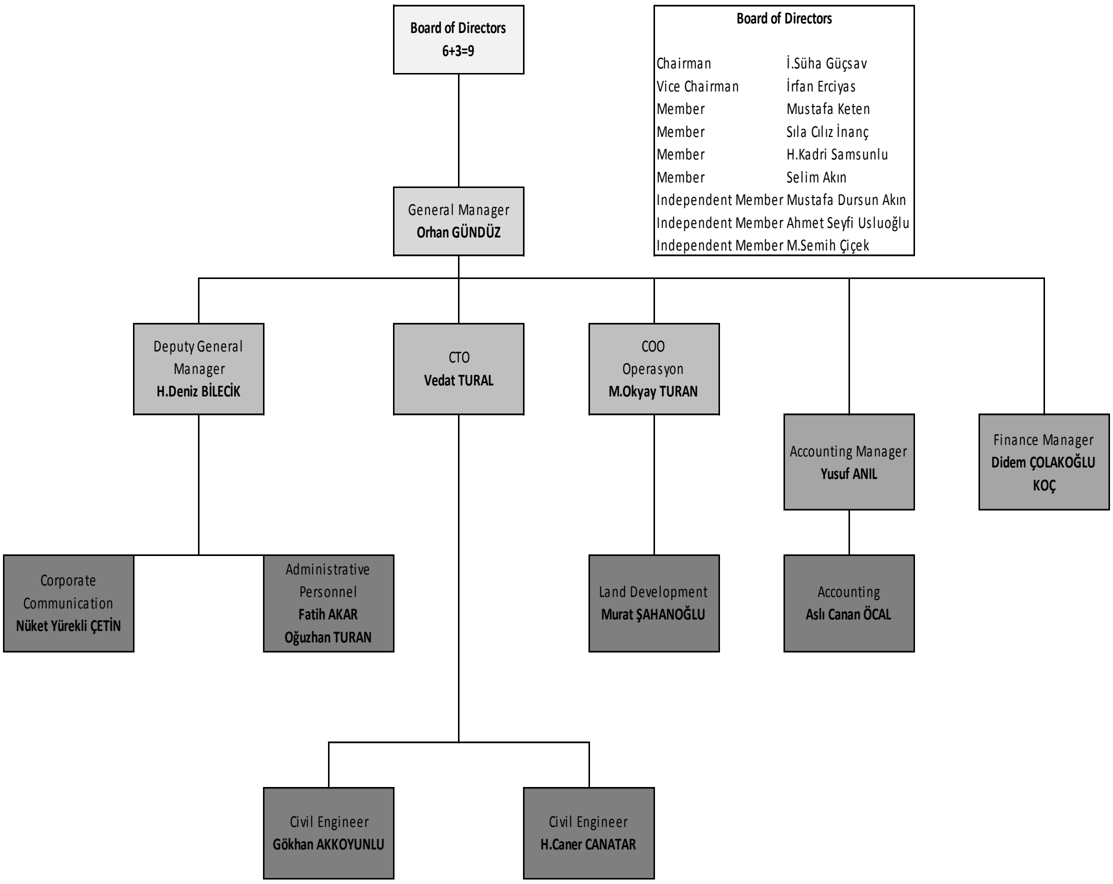
5.16. If the Company was already publically held, on or 1 year prior to the year on which this Prospectus is prepared, information on;
- Acquisition offers made by third parties regarding the Company's shares,
- Prices and results of such offers.

None.

6. INFORMATION REGARDING THE MANAGEMENT AND ORGANIZATIONAL STRUCTURE

6.1. General organization chart of the Company:

Akfen GYO



6.2. Information regarding the members of the board of directors of the Company:

Name-Last Name	Title	Address	Phone Number
İbrahim Süha GÜÇSAV	Chairman of the Board	Büyükdere cad, No: 201 Levent Loft A Blok Kat: 11 Levent-ISTANBUL	(212) 319 87 00
İrfan ERCİYAS	Vice-chairman of the Board	Koza Sok. No: 22 GOP ANKARA	(312) 408 10 00
Mustafa KETEN	Board Member	Koza Sok. No: 22 GOP ANKARA	(312) 408 10 00
Sıla CILIZ İNANÇ	Board Member	Koza Sok. No: 22 GOP ANKARA	(312) 408 10 00
Selim AKIN	Board Member	Koza Sok. No: 22 GOP ANKARA	(312) 408 10 00
Hüseyin Kadri SAMSUNLU	Board Member	Büyükdere cad. No: 201 Levent Loft A Blok Kat:11 Levent-ISTANBUL	(212) 319 87 00
Mehmet Semih ÇİÇEK	Independent Board Member	Angora Evleri E1 Blok No:25 Beysukent-ANKARA	(312) 448 27 60
Mustafa Dursun AKIN	Independent Board Member	Ağaoğlu My World Starland Sitesi D-1 Daire 65 Ataşehir- Istanbul	(216) 688 62 12
Ahmet Seyfi USLUOĞLU	Independent Board Member	Eskişehir Yolu 7.Km Mustafa Kemal Mah, Barış Sitesi 1-B Blok Kat:10 Çankaya-ANKARA	(532) 644 18 99

6.3. Information regarding the options held by the members of the Board of Directors in relation to the Company's shares:

There are no options held by the members of the Board of Directors in relation to the Company's shares.

6.4. If significant, information regarding the titles of all companies, in which the board members have served in the board of directors or the board of auditors or to which they were shareholders in the last 5 years, and shareholdings in such companies and whether or not their memberships in such board of directors and the board of auditors or their shareholder status still continue:

İbrahim Süha Güçsav, Chairman of the Board, has served as a Board Member in Akfen Holding A.Ş., the major shareholder ofAkfen Gayrimenkul Yatırım Ortaklığı A.Ş. as well as all of its affiliated companies.

İrfan Erciyas, Vice Chairman of the Board, has served as a Board Member in Akfen Holding A.Ş., the major shareholder ofAkfen Gayrimenkul Yatırım Ortaklığı A.Ş. as well as all of its affiliated companies.

Mustafa Keten, Board Member, has served as a Board Member in Akfen Holding A.Ş., the major shareholder of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. as well as all of its affiliated companies.

Selim Akın, Board Member, has Board memberships in Akfen Holding A.Ş., the major shareholder of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. as well as its affiliated companies.

Sıla Cılız İnanç, Board Member, has Board memberships in the affiliated companies of Akfen Holding A.Ş., the major shareholder of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.

Hüseyin Kadri Samsunlu, Board Member, has Board memberships in the affiliated companies of Akfen Holding A.Ş., the major shareholder of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.

Mustafa Dursun Akın, Independent Board Member, does not serve as a member of the board of directors or board of auditors member or Audit in any company other thanAkfen Gayrimenkul Yatırım Ortaklığı A.Ş.

Ahmet Seyfi Usluoğlu, Independent Board Member, is serving as a member of the board of auditors in SS Bahçelievler Barış Arsa ve Konut Yapı Kooperatifi.

Mehmet Semih ÇİÇEK, Independent Board Member, is a Board Member in Şeker Bilişim Sanayi A.Ş., apart from Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. Besides, he has served as a board member in Ticaret Sigorta A.Ş. (New Title: SBN Sigorta A.Ş.), yet this duty is not still continuing.

6.5. Information regarding the members of the board of auditors:

Name-Last Name	Title	Address	Phone Number
Rafet YÜKSEL	Auditor	Koza Sok,No:22 GOP ANKARA	(312) 408 10 00
Meral Necmiye ALTINOK	Auditor	Büyükdere cad, No:201 Levent Loft A Blok Kat:11 Levent-ISTANBUL	(212) 319 87 00

6.6. Information regarding the options held by the members of the board of auditors in relation to the company’s shares:

There are no options held by the members of the board of auditors in relation to the company’s shares.

6.7. If significant, information on the titles of all companies, in which the members of the Board of Auditors have served in the board of directors or board of auditors, or to which they were shareholders within the last 5 years, and whether or not their memberships in such board of directors and board of auditors, or their shareholder status still continue:

Name-Last Name	Work Address	Duties Assumed Within the Last 5 Years	Term of Office / Remaining Term of Office
Rafet Yüksel	Koza Sokak No: 22 GOP ANKARA	Member of the Board of Auditors	Elected on: April 3, 2006 for a period of 1 year, November 8, 2007 for a period of 1 year, June18, 2008 for a period of 1 year, May 22, 2009 for a period of 3 years June 28, 2010 for a period of 1 year, March 28, 2011 for a period of 1 year,
Meral NecmiyeAltınok	Büyükdere caddesi Levent Loft no: 201 C blok kat:8 Levent/Istanbul	Member of the Board of Auditors	Elected on: May 22, 2009 for a period of 3 years June 28, 2010 for a period of 1 year, March 28, 2011 for a period of 1 year,

Name-Last Name	Work Address	Companies served at, within the last 5 years	Shareholding ratio in the relevant company	Term of Office and Position
Rafet Yüksel	Koza Sok. No.22 GOP/Ankara	Akfen Holding A.Ş.	None	Ended
		Akfen İnş. Turizm ve Tic. A.Ş.	None	Member of the Board of Auditors – 1 year
		Akfen Gayrimenkul Yatırım Ort. A.Ş.	None	Member of the Board of Auditors – 1 year
		Akfen Gayrimenkul Yatırım Ort. A.Ş.	None	Member of the Board of Auditors – 1 year
		Akfen Gayrimenkul Yatırım Ort. A.Ş.	None	Member of the Board of Auditors – 1 year
		Akfen Enerji Kaynakları Üretim ve Tic. A.Ş.	None	Member of the Board of Auditors – 1 year
		Akfen Enerji Yatırımları Holding A.Ş.	None	Member of the Board of Auditors – 1 year
		Akfen Yenilenebilir Enerji Yatırımları A.Ş.	None	Member of the Board of Auditors – 1 year
		Akfen Enerji Termik Santral Yat. Ve Tic. A.Ş.	None	Member of the Board of Auditors – 1 year
		Akfen Gaz Santral Yat. Ve Tic. A.Ş.	None	Member of the Board of Auditors – 1 year
		Akfen Eneryi Üretim ve Tic. A.Ş.	None	Member of the Board of Auditors – 1 year
		Akfen Enerji Depolama ve Toptan Satış A.Ş.	None	Member of the Board of Auditors – 1 year
		Akfen Enerji Dağıtım ve Tic. A.Ş.	None	Member of the Board of Auditors – 1 year
		Akfen Uluslararası Enerji Faaliyetleri ve Tic. A.Ş.	None	Member of the Board of Auditors – 1 year
		Akfen Rüzgar Enerjisi ve Tic. A.Ş.	None	Member of the Board of Auditors – 1 year
		Akörenbeli Hidroelektrik Sant. Yat. Yap. Ve İşl.	None	Member of the Board of Auditors – 1 year
		Akfen Altyapı Danışmanlık A.Ş.	None	Member of the Board of Auditors – 1 year
		Akınısı Makine San. Ve Tic. A.Ş.	None	Member of the Board of Auditors – 1 year
		Task Su Kanalizasyon Yatırım Yap. Ve İşl. A.Ş.	None	Member of the Board of Auditors – 1 year
		Task Güllük Su Kanalizasyon Yatırım Yap. Ve İşl. A.Ş.	None	Member of the Board of Auditors – 1 year
		Task Çorlu Su Kanalizasyon Yatırım Yap. Ve İşl. A.Ş.	None	Member of the Board of Auditors – 1 year
		Akfen Turizm Yatırımları ve İşl. A.Ş.	None	Member of the Board of Auditors – 1 year
		Akfen Gayrimenkul Ticareti ve İnşaat A.Ş.	None	Member of the Board of Auditors – 1 year
Meral Altınok	Büyükdere caddesi Levent Loft No. 201 C Blok Kat. 8 Levent /Istanbul	Akfen Gayrimenkul Yatırım Ort. A.Ş.	None	Member of the Board of Auditors – 1 year
		Akfen Gayrimenkul Ticareti ve İnşaat A.Ş.	None	Member of the Board of Auditors – 1 year
		Task Su Kanalizasyon Yatırım Yap. Ve İşl. A.Ş.	None	Member of the Board of Auditors – 1 year
		Task Güllük Su Kanalizasyon Yatırım Yap. Ve İşl. A.Ş.	None	Member of the Board of Auditors – 1 year
		Task Çorlu Su Kanalizasyon Yatırım Yap. Ve İşl. A.Ş.	None	Member of the Board of Auditors – 1 year

6.8. Information regarding the personnel with a voice in the management:

Name-Last Name	Title	Address	Phone Number
Orhan GÜNDÜZ	General Manager	Büyükdere cad, No:201 Levent Loft C Blok Kat:8 Levent-ISTANBUL	(212) 371 87 00
Vedat TURAL	Assistant General Manager	Büyükdere cad, No:201 Levent Loft C Blok Kat:8 Levent-ISTANBUL	(212) 371 87 00
Hülya Deniz BİLECİK	Assistant General Manager	Büyükdere cad, No:201 Levent Loft C Blok Kat:8 Levent-ISTANBUL	(212) 371 87 00
Memduh Okyay TURAN	Assistant General Manager	Büyükdere cad, No:201 Levent Loft C Blok Kat:8 Levent-ISTANBUL	(212) 371 87 00
Yusuf ANIL	Accounting Manager	Büyükdere cad, No:201 Levent Loft C Blok Kat:8 Levent-ISTANBUL	(212) 371 87 00
Servet Didem KOÇ	Finance Manager	Büyükdere cad, No:201 Levent Loft C Blok Kat:8 Levent-ISTANBUL	(212) 371 87 00

6.9. If significant, information on the titles of all companies, in which the personnel that have a say in the management have served in the board of directors or board of auditors, or to which they were shareholders within the last 5 years, and whether or not their memberships in such board of directors and board of auditors, or their shareholder status still continue:

Personnel that have a say in the management have not served in the board of directors or auditors of any company, nor do they hold shares in any company.

6.10. Information on the options held by the personnel with a voice in the management, in relation to the Company's shares

There are no options held by the personnel with a voice in the management, in relation to the Company's shares.

6.11. Information regarding the managerial and professional experience of the members of the board of directors, board of auditors of the company and the personnel with a voice in the management:

İbrahim Süha GÜÇSAV – Chairman of the Board

Graduated from Istanbul University, Department of Economics in 1992. He has completed his master's degree in Business Administration in Gazi University, Social Sciences Institute. He started his professional career at Alexander & Alexander Insurance Brokerage Co. and joined Akfen Family in 1994. In Akfen Holding, he served as the Head of Financial Group, Chairman of Execution Board and the Vice Chairman of the Board of Directors and in Akfen GYO, he served as an Executive Board Member.In addition to his position as the Vice-Chairman of the Board in Akfen Holding, he also served as a Board Member in various subsidiaries, and as a CEO at IBS Sigorta Brokerlik Hizmetleri. Since March 2010, he is continuing his duty as the CEO of Akfen Holding and in addition to such duty, since July 26, 2010, he is the Chairman of the Board of Directors in Akfen GYO.

İrfan ERCİYAS – Vice-Chairman of the Board

Graduated from Gazi University, Department of Economics and Finance in 1977. After working as an inspector and branch manager in Türkiye Vakıflar Bankası, he was appointed as Assistant General Manager in 1996 and as General Manager in 2002. In 2003, he joined Akfen Holding as the Vice Chairman of the Board of Directors. Since March 2010, he is continuing his duty as an Executive

Board Member of Akfen Holding and in addition to such duty, since July 26, 2010, as Vice-Chairman of the Board of Directors in Akfen GYO.

Mustafa KETEN – Board Member

Graduated from Istanbul Economics and Commercial Sciences Academy, Economic Business Administration Department in 1968. He completed his master's degree in the Netherlands Social Sciences Institute, in the area of Development Administration in 1978 and between 1979 and 1999, he served in various positions including Presidency of Development Priority Regions at State Planning Organization, Undersecretariat of Agriculture, Forestry and Rural Affairs, Prime Ministry Consultancy, Chairmanship of Special Environmental Protection Board, Prime Ministry General Directorate of Foundations and Foundations Assembly Presidency. During his service period in public organizations, he participated in the board of directors of Petkim and Tamek Gıda. He served as a Board Chairman at Güneş Sigorta and Vakıfbank. He also served as an educator in many education organizations. In 1999, he joined Akfen Holding as the Vice Chairman of the Board of Directors. He was a member of the board of directors of DEIK Eurasia Business Council and the chairman of the Turkish-Moldavian Council and at the moment, he is the Vice-Chairman of Turkish-Georgian Business Council. Since 2008, he is a Board member of Akfen GYO.

Sıla Cılız İNANÇ – Board Member

Graduated from Marmara University, Faculty of Law in 1995. In 1996, she completed her legal internship and in 1997 she started working under the body of Akfen Holding. Since then, she was a Board member in various subsidiaries of Akfen Holding and the Legal Affairs Coordinator in Akfen Holding. Since 2010, she is serving as the Assistant General Manager of Legal Affairs, in Akfen Holding. She worked in the Public Private Partnership works field in Turkey.She took part in the completion of the tenders, transfers, establishment of financial structures of build-operate-transfer and privatization practices, and signing of loan agreements to which Akfen is a party. She worked on Energy Law and Companies Law, primarily on public procurement legislation, FIDIC International Engineering Consultants Federation (Federation Iternationale des Ingenieurs Conseils), Concession Agreements, Renewable Energy and Energy Market. Since July 26, 2010, she is a Board member of Akfen GYO.

Selim AKIN - Board Member

Born in Ankara on June 23, 1983. Graduated from Surrey University, Business Administration Department in UK. Selim Akın, the future head of Akfen Holding, is serving as a Board Member in Akfen Holding and its affiliates.He was the President of the Turkish Foundation at Surrey University in 2005-2006 and he still serves as a Member of Turkish Young Businessmen Foundation and Honorary Member of Turkish Anatolian Employees and Laborers Foundation. Since September 1, 2010, he is a Board member of Akfen GYO.

Hüseyin Kadri SAMSUNLU – Board Member

Appointed to the Board Membership of TAV Havalimanları Holding A.Ş. in 2009, Samsunlu is serving as the Assistant General Manager of Financial Affairs in Akfen Holding and as a Board Member in Akfen Holding's subsidiaries. He completed his undergraduate degree at Boğaziçi University, Department of Economics in 1991 and MBA degree at Missouri University in 1993. In the same year, he became a Certified Public Accountant registered at the State of Missouri. Samsunlu, who started his career as a financial analyst at Türkiye Sınai Kalkınma Bankası, served in various managerial positions such as the General Manager, Board Member in Global Yatırım Holding and its subsidiaries between 1995 and 2006.Before joining Akfen Holding at the beginning of 2009, he worked as an investment and corporate financial consultant in Romania and Turkey for 3 years. Since September 1, 2010, he is a Board member of Akfen GYO.

Mehmet Semih ÇİÇEK – Independent Board Member

Graduated from Ankara Economic and Commercial Sciences Academy, Department of Business Administration in 1974. He obtained a master's degree at Marmara University, Social Sciences Institute, in the field of Economic Policies. Çiçek served at various positions in the Financial Analysis

Department of Şekerbank T.A.Ş. between 1974-1980; as Assistant General Manager for Credits at the headquarters between 1980-1984; as a Credit Monitoring Manager at the Risk Monitoring and Control Department between 1984-1993 and as Assistant General Manager of the same bank between 1993-1999. Between 1999-2001, he worked as the Founder General Manager at Şeker Faktoring A.Ş., between 2001-2004 as the Member of the Executive Board and Finance Coordinator at Makimsan A.Ş., between 2005-2006, as Chairman of the Executive Board and Assistant General Manager for Financing at AS Çelik A.Ş. Since September 29, 2008, he is serving as an Independent Board Member in Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.

Mustafa Dursun AKIN – Independent Board Member

Graduated from Ankara University, Faculty of Political Sciences, Department of Economics and Accounting in 1974. Akın, who started his career as an Assistant Inspector in General Inspection at Vakıfbank in 1975, served as an Inspector between 1978-1982, Assistant Personnel Manager in 1982, Credit Monitoring Manager of Istanbul Region, between 1983-1993, Head of General Inspection in 1997 and Assistant General Manager in 1998 in the same bank. Thereafter, in 2000, he worked as General Manager of Expertise at Vakıf Real Estate, and as Head of General Inspection at Istanbul Gold Exchange between 2003-2004. Since October 28, 2008, he is serving as an Independent Board Member in Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.

Ahmet Seyfi USLUOĞLU - Independent Board Member

Graduated from Middle Eastern Technical University, Department of Business Administration in 1978. He started his career as the Chief of Customs at the headquarters of Petrol Ofisi in 1978. Usluoğlu worked as an Inspector at the General Inspection of Türk Ticaret Bankası A.Ş. between 1982-1990; as a branch manager at Siteler Branch of Türk Ticaret Bankası A.Ş. between 1990-1993; as a branch manager at Yenişehir Branch of Türk Ticaret Bankası A.Ş. between 1993-1996 and as a branch manager at Ankara Branch of Türk Ticaret Bankası between 1996-2000. Since May 28, 2009, he is serving as an Independent Board Member in Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.

Meral Necmiye ALTINOK - Auditor

Graduated from Istanbul University, Faculty of Economics in 1979. She started her career in financial affairs in 1977 and continued with Anadolu Kredi Kartı Turizm ve Ticaret A.Ş., in 1980. In 1984, she moved on to banking and finance sector with The First National Bank of Boston. After working as the Assistant General Manager of Financial Affairs at Toprakbank A.Ş. between 1993-2000 and at Çalık Holding A.Ş. between 2001-2008, she joined Akfen Group in 2008 and she is still serving as the Budget and Reporting Coordinator.

Rafet YÜKSEL - Auditor

Graduated from Anadolu University, Department of Economics, in 1987. He served as an accounting officer at the accounting department of PEG A.Ş., within the body of Profilo Holding A.Ş. In 1990, he started working as an accounting specialist at Akfen Müh.Müş.Müt.ve Müm.A.Ş. In 1998, he became a certified public accountant. He served in managerial positions at the accounting department of Akfen Group. He is still working as the Accounting Coordinator at Akfen Holding A.Ş.

Orhan GÜNDÜZ – General Manager

Graduated from Bilkent University, International Relations Department in 1993 and from the same university's Business Administration Department in 1995. He obtained his MBA degree from Kellogg Graduate School of Management, Northwestern University in 2001. Gündüz, who started his career in 1994 at PricewaterhouseCoopers, worked at the headquarters of JP Morgan Chase in New York between 2001-2004, at Deutsche Bank between 2004–2005 and at Lehman Brothers between 2006-2008 as a manager. Orhan Gündüz, who joined Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. in 2008 as the Assistant General Manager of Financial Affairs, has been working as the General Manager since July 15, 2009. He has been elected as a Board Member of GYODER (Real Estate Investment Trusts Association)on January 27, 2011.

Hülya Deniz BİLECİK

Assistant General Manager – Corporate Communications, Human Resources and Administrative Affairs

Graduated from Istanbul University, Faculty of Business Administration in 1990.In 2009,she attended a Certification Program on Human Resources Specialists at Boğaziçi University. Bilecik, who is a member of GYODER, holds a CMB Advance Level License. She started her career in 1990 at Deha Menkul Değerler A.Ş. After working at Nurol Menkul Değerler A.Ş. in 1992-1993, Karon Menkul Değerler A.Ş. in 1994-1995, Tür Menkul Değerler A.Ş. in 1995, she served as a manager at the Domestic Markets Department of Alternatif Menkul Değerler A.Ş. between 1996-2006. Hülya Deniz Bilecik, who joined Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. in 2006 and who has been working at the Company since its incorporation, is currently working as the Assistant General Manager for Corporate Communications, Human Resources and Administrative Affairs.

Vedat TURAL

Assistant General Manager – Technical Affairs

Graduated from Fırat University, Department of Civil Engineering in 1982. He started his career as a Site Engineer and Final Account Engineer at Altınkaya Dam, constructed by the joint venture of Yüksel İnşaat – Güriş A.Ş., between 1984-1989. Between 1989-2005, he worked as a Project Manager at Swiss Otel, Zincirlikuyu Tat Towers, Şişli Tat Towers, Metrocity, Etiler Tat 2000, Kadıköy Moda Tramway Projects realized by Yüksel İnşaat. Tural joined Akfen Group in 2005 with Novotel and Ibis Hotel Zeytinburnu Project. Since 2007, he is working as the Assistant General Manager for Technical Affairs at Akfen Gayrimenkul Yatırım Ortaklığı A.Ş., and completed Kayseri Novotel Ibis Hotel, Gaziantep Novotel Ibis Hotel and Bursa Ibis Hotel Projects.

Memduh Okyay TURAN

Assistant General Manager - Operations

Graduated from Bilkent University, Department of Tourism and Hotel Management in 1993. He started his career at Antalya Club Hotel Sera City & Resort and Antalya Dedeman Convention, at which he did an internship during his university years. Turan, who holds a Travel Agencies Information Certificate of the Ministry of Tourism, thereafter worked as a manager at Mega Residence Hotel Front Office Management, Mega Residence Sales & Marketing departments, as a General Manager and General Coordinator at St, Paul Tourism & Travel Agency and Mersin Hotel Chain Group. In the following years, he continued his General Coordination duty at City Residence and Kuşadası Mersin Beach Resort, of the same group. In June 2005, he joined Akfen Group. Since 2008, he is working as the Assistant General Manager for Operations at Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.

Servet Didem KOÇ

Manager - Finance

Graduated from Bilkent University, Department of Tourism and Hotel Management in 2004. She obtained her MBA degree at Bilgi University in 2009. She started her career as a Project Planning Specialist at Accotel company of Akfen Group in 2005 and in 2006, she was transferred to Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. Koç, who holds a CMB Advance Level License, continued her duty as a Financial Coordinator and Accor Affairs Officer, and since July 2010, she is working as a Financing Manager.

Yusuf ANIL

Manager - Accounting

Graduated from Anadolu University, Department of Economics in 1994. Between 1988-1994, he worked as an Assistant Accounting Manager at Anadolu Saykon Sağlık Hizmetleri A.Ş., between 1996-2000, as a Accounting and Financial Affairs Manager at Tam Group Companies, between 2000-

2004 as an independent certified public accountant, and between 2004-2007, as an Accounting Manager at Borusan Technology Group. Anıl, who joined Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. in 2008 as the Accounting Manager, holds a Certified Public Accountant license.

6.12. If the Company was established within the last 5 years, information regarding the founders of the Company:

Our Company was incorporated in 1997, with the title of Aksel Turizm Yatırımları ve İşletmecilik A.Ş.; and in 2006 it was transformed into a real estate investment trust and the company's title was changed to Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.

6.13. Information regarding the line of descent between the existing members of the board of directors, board of auditors and the personnel with a voice in the management, as well as the founders, in case the Company was established within the last 5 years:

Selim Akın, a Board member of our Company and Hülya Deniz Bilecik, an Assistant General Manager in our Company are cousins. Other members of the Board of Directors, Board of Auditors or the personnel with a voice in the management do not have any line of descent with each other or with the aforementioned Board members.

6.14. Information on whether there has been any criminal investigation and/or conviction concerning infamous crimes against the existing members of the board of directors and the board of auditors and the personnel that have a say in the management, and any legal dispute to which the Company is a party and/or a final award concerning the business of the Company within the last 5 years:

None.

6.15. Detailed information on any bankruptcy, transfer to a trustee and liquidation of the companies, in which the existing members of the board of directors and the board of auditors and the personnel that have a say in the management of the Company serves in the board of directors, board of auditors or has a voice in its management, within the last 5 years:

None.

6.16. Information on the lawsuits/criminal complaints and sanctions announced to public by judicial authorities, public administrations or professional institutions within the last 5 years, in relation to the existing members of the board of directors, board of auditors, and the personnel that have a say in the management of the company:

None.

6.17. Detailed information on whether or not the memberships in the management and auditing organs or managerial duties of the existing members of the board of directors and the board of auditors and the personnel that have a say in the management in the Company have been terminated by any court or public authorities within the last 5 years:

None.

6.18. - Information on any conflict of interest between the duties in the Company and the personal interests of the members of the board of directors, members of the board of auditors and the personnel that have a say in the management, and the founders of the Company, if the Company was established within the last 5 years:
- Information on agreements made by the major shareholders, customers, suppliers or other persons for the purpose of having such persons assume a role in the board of directors, board of auditors or senior management:
- Detailed information regarding the restrictions imposed on these persons with respect to sales of capital market instruments of the Company for a certain period:

None.

6.19. Name, last name of the committee members responsible for the auditing of the Company and other committee members, and description of the duties of such committees:

Audit Committee shall assist the Board of Directors for the purpose of ensuring the operation and efficiency of the Company's accounting system, auditing and public disclosure of the financial information and the internal system. Audit Committee consists of 3 members to be appointed from amongst the Board Members. One member of the Audit Committee shall be an Independent Board Member and the Audit Committee shall be presided by the Independent Board Member.

Audit Committee is appointed by the Board of Directors in accordance with the principles set out in the Company's Articles of Association. Its duties and authorities are determined by the Board of Directors.

With the resolution dated February 16, 2011 and numbered 2011/16 of the Board of Directors, Mustafa Dursun Akın has been appointed as the chairman of the Audit Committee and İrfan Erciyas and Selim Akın are appointed as the members of the Audit Committee for 2011.

Corporate Governance Committee shall assist the Board of Directors by conducting studies on matters regarding the compliance of the Company with corporate governance principles; determination of the Board Members and the senior level executives, wages, bonuses and performance evaluations, career planning, investor relation and public disclosure.

Corporate Governance Committee consists of 3 members to be appointed from amongst the Board Members. Chairman of the Corporate Governance Committee is appointed by the Board of Directors.

With the resolution dated February 16, 2011 and numbered 2011/16 of the Board of Directors, Süha Güçsav has been appointed as the chairman of the Corporate Governance Committee and Mustafa Keten and Ahmet Seyfi Usluoğlu are appointed as the members of the Audit Committee for 2011.

6.20. Information on the manager of the shareholder relations unit of the Company, which is required to be established in accordance with the Communiqué Serial:IV, No:41 on "Principles to be Followed by Joint Stock Companies subject to the Capital Markets Law":

Management of the shareholder relations unit, which is required to be established in accordance with the Communiqué, shall be assumed by Servet Didem Koç, the Finance Manager of Akfen GYO as per the BoD decision dated December 31, 2011 numbered 2010/35.

Servet Didem Koç has graduated from Bilkent University, Department of Tourism and Hotel Management in 2004. She obtained her MBA degree from Bilgi University in 2009.

Servet Didem Koç holds a CMB Advance Level License and her contact details are provided hereinbelow.

Name-Last Name	Address	Phone Number	Facsimile	E-Mail
Servet Didem KOÇ	Büyükdere caddesi Levent Loft no: 201 C blok kat:8 Levent/Istanbul	(212) 371 87 00	(212) 279 62 62	dcolakoglu@akfen.com.tr

6.21. Pursuant to the Communiqué Serial: IV, No: 41 on "Principles to be Followed by Joint Stock Companies subject to the Capital Markets Law", name, last name and contact details and type of capital markets transaction licenses of the personnel in charge, who is responsible for the coordination of the performance of the liabilities arising from capital markets legislations and corporate governance practices:

The personnel with the necessary licenses as per the legal legislations will be one of the employees of the Company or will newly employed, within maximum of 3 months following the public offering.

6.22. As of the last accounting period, amount and type of all kinds of salaries and benefits paid to the members of the board of directors and the board of auditors and the personnel with a voice in the management of the Company;
- including conditional and deferred payments paid and granted for all kinds of services rendered to the Company and its affiliates:

Total amount of salaries and similar benefits paid to the chairman and the members of the Board of Directors and the senior level executives such as the general manager and assistant general managers during the year that ended on December 31, 2010 was TL 690,450 (December 31, 2009: TL 1,690,136; December 31, 2008: TL 1,226,190).

- Total amounts paid or accrued by the Company or its affiliates in order to be able to pay pensions, severance pays or such similar benefits:

Movements pertaining to severance pays for the periods that ended on December 31, 2010 and December 31, 2009, December 31, 2008 are as follows:

(-TL)	**December 31, 2010**	**December 31, 2009**	**December 31, 2008**
Opening balance	37,099	20,244	8,699
Amount Paid within the period	-9,985	-4,927	-17,475
(Decrease)/increase within the current period	-20,628	21,782	29,020
Closing balance	**6,486**	**37,099**	**20,244**

6.23. Information regarding the contracts concerning the payments/benefits to be made/granted to the members of the board of directors and board of auditors and the managerial personnel in the event of termination of their employment, as of the last accounting period:

None.

6.24. Explanation on whether or not the Company acts in accordance with the corporate governance principles; explanation regarding its status against corporate governance principles and if not complying with the corporate governance principles, justified explanation on the grounds of such non-compliance:

Akfen GYO does not have Corporate Governance Principles or a compliance report that are currently in practice. Corporate Governance Principles Compliance Report and Disclosure will be prepared within 2011.

With the resolution dated February 16, 2011 and numbered 2011/16 of the Board of Directors, Süha Güçsav has been appointed as the chairman of the Corporate Governance Committee and Mustafa Keten and Ahmet Seyfi Usluoğlu are appointed as the members of the Audit Committee for 2011.

7. INFORMATION REGARDING THE GROUP

7.1. Summary information regarding the group, in which the Company is included, scopes of operation of the group companies, their relationships with the Company and the Company's position within the group:

Akfen Holding, to which the Company is affiliated, continues its operations through directly and indirectly participating in companies engaged in construction, airport operation, management of duty free shops, port operation, construction and operation of natural gas and hydroelectric power plants, energy production, real estate investments, management of food and beverage stores, infrastructure and water concession.

- Shares of TAV Havalimanları Holding A.Ş. are traded on ISE.

- It has operations in airport and other fields of service such as; ground handling services, duty free, food-beverages, information technologies and security services.

- Total value of the completed projects of TAV Tepe Akfen Yatırım İnşaat ve İşletme A.Ş. ("TAV Construction"), a subsidiary of TAV Yatırım Holding A.Ş., which is incorporated with a 50%-50% partnership of Akfen and Tepe Groups and which is particularly specialized on airport construction business, is more than US$ 2.3 billion.

- Mersin Uluslararası Liman İşletmeciliği (MIP), is established by PSA-AKFEN Joint Venture Group. On May 11, 2007, it has acquired Mersin Port from Turkish State Railways *(*TCDD-*Türkiye Cumhuriyeti Devlet Demir Yolları),* under a Concession Agreement signed with the Privatization Authority. The term of the 36-year concession has started on May 11, 2007.

- Akfen HES companies have been incorporated for the purpose of establishing and operating Hydroelectric Power Plants in Turkey. Hydro-energy operations of Akfen Holding are gathered under three companies; Akfen HES Yatırımları ve Enerji Üretim A.Ş. ve Akfen Enerji Kaynakları ve Yatırım A.Ş. Other investments excluding these 3 group are being conducted under Akfen Enerji Yatırımları Holding.

- TASK Su ve Kanalizasyon Yatırım Yapım ve İşletme A.Ş. was incorporated in 2005 in order to build facilities to provide drinking and utility water from surface and underground sources, collect domestic and industrial waste water and provide waste water treatment services.

- Akfen Construction provides engineering and construction services to industrial projects, infrastructure facilities, airports and housing projects.

7.2. List of all direct and indirect affiliates of the Company, including information such as the title, registered office, ratio of participation and voting rights:

All direct and indirect affiliates of Akfen GYO and subsidiaries under common management are as provided in the table below. Indirectly held companies are indicated in *italics.*

AKFEN GYO	Head Office	Direct Shareholding Ratio (%)	Indirect Shareholding Ratio (%)	Active/Inactive
Akfen Gayrimenkul Ticareti ve İnşaatı A.Ş.	Istanbul	99.9		Active
Russian Property Investment B.V.	*The Netherlands*		*50.00*	*Active*
Russian Hotel Investment B.V.	*The Netherlands*		*50.00*	*Active*
Samstroykom Ltd.	*Russia*		*50.00*	*Active*
Yaroslavlotelinvest Ltd.	*Russia*		*50.00*	*Active*
Kaliningradinvest Ltd.	*Russia*		*50.00*	*Active*
Volgastroykom Ltd.	*Russia*		*50.00*	*Active*
Kasa-Akfen real Estate Development Ltd.	*Russia*		*50.00*	*Active*

7.3. Information regarding the financial investments of the Company other than those included in the consolidation:

As of December 31, 2010 the Company does not have any financial investments. Companies under common management are consolidated by using the pro rata consolidation method.

8. INFORMATION REGARDING RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES

Corporations, which can directly or indirectly control or materially affect the counter party through shareholding, contractual rights, family relations or such other means, are defined as related parties. Related parties also include investors and the Group's management. Related party transactions consist of the transfer of resources and liabilities between the related parties with or without a certain price.

As of December 31, 2010, December 31, 2009 and December 31, 2008, receivables from related parties are as shown below:

Receivables from Related Parties			
(-TL)	**December 31, 2010**	**December 31, 2009**	**December 31, 2008**
Trade receivables			
Akfen Gayrimenkul Yatırımları ve Ticaret AŞ(1)	1,291,871	--	--
Task Su Kanalizasyon Yatırım ve Yapım ve İşletme AŞ	--	436	--
Akfen Turizm Yatırımları ve İşletmeleri AŞ	--	--	526,040
	1,291,871	**436**	**526,040**
Kasa BV	--	--	805,206
Other	--	56,614	128,389
	--	**56,614**	**933,595**
Total	**1,291,871**	**57,050**	**1,459,635**

(1) As of December 31, 2010, receivables from Akfen Gayrimenkul Yatırımları ve Ticaret AŞ are derived from inventory sales.

As of December 31, 2010, December 31, 2009 and December 31, 2008, debts to related parties are as shown below:

Debts to Related Parties			
(-TL)	**December 31, 2010**	**December 31, 2009**	**December 31, 2008**
Trade Debts			
Akfen Turizm Yatırımları ve İşletmeleri AŞ	57,453	18,410	--
Other	980	22,804	--
Razveev(1)	--	1,744,452	--
	58,433	**1,785,666**	**--**
Other Debts			
Akfen Holding(1)	11,608,602	17,843,750	198,266
Razveev(3)	617,180	--	--
Akfen Gayrimenkul Geliştirme(2)	--	2,399,531	--
Other	21,655	1,662,280	383,998
	12,247,437	**21,905,561**	**582,264**
Total	**12,305,870**	**23,691,227**	**582,264**

(1) As of December 31, 2010, TL 6,644,934 portion of the debt owed to Akfen Holding has resulted from the acquisition of the Company's debt to Akfen Construction by Akfen Holding during the current period, and financing of the Company's operations by Akfen Holding; and TL 4,272,269 portion has resulted from

the fact that the capital payment to Russian Hotel was made on behalf of the Company by Akfen Holding. TL 74,424 and TL 616,975 of the remaining debt have arisen from the financing and rental expense invoices issued by Akfen Holding to the Company during the current period, respectively. As of December 31, 2009, TL 5,557,886 portion of the debt owed to Akfen Holding has resulted from the acquisition of the Company's debt to Akfen Construction by Akfen Holding during the current period, TL 2,022,532 portion has resulted from the financing of the Company's operations by Akfen Holding, TL 5,730,245 and TL 3,132,435 have resulted from the fact that the capital payments to Russian Hotel and Russian Property, respectively, were made on behalf of the Company by Akfen Holding. TL 760,287 TL and TL 640,365 TL of the remaining debt have arisen from the financing and rental expense invoices issued by Akfen Holding to the Company during the current period, respectively.

(2) As of December 31, 2009, debt owed to Akfen Gayrimenkul Geliştirme has resulted from the acquisition of 50% of the shares of Russian Property by the Company.

(3) Debt owed to Razveev is the debt owed to the owner of the land in the Samara Project in Russia, as of December 31, 2010.

Akfen GYO's transactions with related parties pertaining to the periods ending on December 31, 2010, December 31, 2009 and December 31, 2008 are summarized below:

Related Party Transactions			
(-TL)			
a) Real Estates for Investment (Real Estates for Investment that are under construction)			
	December 31, 2010	**December 31, 2009**	**December 31, 2008**
Akfen Construction	11,892,307	18,296,281	46,416,345
	11,892,307	**18,296,281**	**46,416,345**
b) Lease expenses			
	December 31, 2010	**December 31, 2009**	**December 31, 2008**
Hamdi Akın	141,750	--	--
Akfen Holding	63,071	542,682	128,174
	204,821	**542,682**	**128,174**
c) Interest expenses			
	December 31, 2010	**December 31, 2009**	**December 31, 2008**
Akfen Holding	603,150	707,588	2,190
	603,150	**707,588**	**2,190**

9. INFORMATION REGARDING THE PUBLIC OFFERING

9.1. Resolutions of the competent organs:

At the meeting dated January 24, 2011 of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş., it has been unanimously resolved that;

- 8,117,500 shares with a nominal value of TL 8,177,500 out of the shares, each with a nominal value of TL 1, in the portfolio of Akfen Holding A.Ş., one of the shareholders of the Company, shall be offered to public fully with premium, in accordance with the relevant communiqué of the CMB and its provisions;
- In case there is a sufficient amount of excessive demand after the public offering, 8,117,625 shares with a nominal value of TL 8,177,625 out of the shares, each with a nominal value of TL 1, in the portfolio of Akfen Holding A.Ş., one of the shareholders of the Company, shall be offered to public fully with premium, within the scope of over allotment, in accordance with the relevant communiqué of the CMB and its provisions;
- Paid-in capital of the Company shall be increased from TL 138,000,000 to TL 184,000,000 within the registered capital ceiling, to be fully paid in cash; and 46,000,000 shares corresponding to TL 46,000,000, the increased amount, shall be offered to public fully with premium, in accordance with the relevant communiqué of the CMB and its provisions.
- As per the provision that reads “Between 2011-2015, the Board of Directors is entitled to increase the paid in capital up to the aforementioned registered capital ceiling, by way of issuing new shares when it deems necessary, in accordance with the provisions of the Capital Markets Law, without adhering to the provisions of the Turkish Commercial Code pertaining to the increasing of the principle capital. Board of Directors is also entitled to resolve on matters of issuing shares and shares/stocks above the nominal value and restricting the rights of shareholders to purchase new shares.”, set out in Article 8 entitled “Capital and Share Certificates” of the Company’s articles of association, within the scope of authority vested in the Board of Directors, rights of the existing shareholders to purchase new shares shall be fully restricted in the capital increase.

At the Board meeting dated January 24, 2011 of Akfen Holding, it has been unanimously resolved that;

- 8,117,500 shares with a nominal value of TL 8,177,500 out of the shares, each with a nominal value of TL 1, being owned in Akfen GYO A.Ş., shall be offered to public fully with premium, in accordance with the relevant communiqué of the CMB and its provisions;
- In case there is a sufficient amount of excessive demand after the public offering, 8,117,625 shares with a nominal value of TL 8,177,625 out of the shares, each with a nominal value of TL 1, being owned in Akfen GYO A.Ş., shall be offered to public fully with premium, within the scope of over-allotment, in accordance with the relevant communiqué of the CMB and its provisions

9.2. Information on the shares to be sold:

Out of the existing shares, the shares to be offered to public by way of shareholder sales are provided in the table below.

Selling Shareholder	Group	Registered /Bearer	Nominal Unit Value (TL)	Offered Amount	Total Nominal Value (TL)	Ratio to Capital (%)
Akfen Holding	B	Bearer	1	8,117,500	8,117,500	4,41

The shares to be offered to public by way of capital increase are provided in the table below.

Group	Registered /Bearer	Nominal Unit Value (TL)	Offered Amount	Total Nominal Value (TL)	Ratio of Capital Increase (%)
B	Bearer	1	46,000,000	46,000,000	25

In addition, B Group bearer shares with a nominal value of TL 8,117,625, held by Akfen Holding may be offered to public within the scope of over allotment.

All of the shares to be offered to public are B Group bearer shares and their transfer to third parties is entirely unconditional and free under the Turkish Commercial Code.

9.3. Information on the shareholder/s who will sell their shares:

Public offering will be made by way of capital increase and shareholder sales. Information on Akfen Holding, which will sell its shares, is provided hereinbelow.

Selling Shareholder	Address	Duties assumed in the Company within the last 3 years / Nature of Important Relationships	Shares in the Existing Capital (nominal)	Shares in the Existing Capital (%)
Akfen Holding	Koza sok, No:22 Gaziosmanpaşa / ANKARA		103,273,884	74.84

9.4. a) Information regarding the sources of the capital increase made from internal resources:

None.

b) Information on the bonus shares to be distributed to the existing shareholders out of the internal resources:

None.

c) Principles of distribution of the bonus shares:

None.

9.5. Rights conferred upon the investors by the shares to be sold:

With regards the shares to be sold, right to receive dividends vested in the shareholders as per the relevant legislations (CML, article 15):
Pursuant to article 15 of the CML, dividends shall be distributed equally to all the existing shares as of the end of the accounting period without taking into account the dates of issue or acquisition of such shares.

Right to participate in the liquidation (TCC, article 455):
Pursuant to article 455 of the TCC, each shareholder is entitled to participate in the net profit allocated to the distribution to the shareholders as per the law and the articles of association, pro rata to its shareholding ratio.

Right to receive bonus shares (CML, article 15):
Pursuant to article 15 of the CML, bonus shares are distributed to the existing shares on the date of capital increases for the increases of publicly held joint stock corporations.

Right to purchase new shares (TCC, article 394, for companies within the registered capital system, CML, article 12):
Pursuant to article 394 of the TCC, unless provided otherwise by the resolution of the General Assembly that constitutes the basis of the capital increase, each shareholder is entitled to purchase the new share certificates pro rata to its shareholding ratio in the company’s capital. The Board of Directors shall announce the price of the shares to be distributed to the shareholders in the newspapers. Period determined in the announcements to be made to such extent for the shareholders

to exercise their right to purchase new shares cannot be less than 15 days.

Right to attend the general assembly (TCC, article 360):
Pursuant to article 360 of the TCC, shareholders shall exercise their rights concerning the company's business such as the appointment of company's administrative body, approval of accounts and distribution of the profit at the general assembly meetings.

Right to attend the discussions at the general assembly (TCC, article 375, article 369):
Pursuant to article 375 of the TCC, the Board of Directors shall take necessary measures to determine whether or not the shareholders are entitled to attend the meetings and discussions and exercise their voting rights.

Right to vote (TCC, articles 373, 374):
Pursuant to article 373 of the TCC, each share grants at least one voting right. Provided that it is not contrary to this principle, number of votes that each share will vest in its holder is determined by the articles of association. If a share has more than owner, they can only exercise their voting rights through a representative.

Right to Receive Information (CML, article16 and 16/A, TCC, article 362):
Pursuant to article 16 of the CML, issuers and capital market institutions shall prepare financial statements, financial reports and other information to be disclosed or required by the Board, when necessary, including consolidated financial statements, in compliance with the form and principles to be determined and generally accepted accounting definitions, principles and standards.

Pursuant to article 16/A of the CML, members of board of directors, general managers and their assistants, and shareholders holding 10% or more of the capital of companies whose shares are traded on the stock exchange or other organized markets, shall provide the Board and relevant exchanges and other organized markets such information relating to their shares in those companies as the Board may require for the purpose of disclosure.

Right to review and audit (TCC, article 363):
Furthermore, pursuant to article 363 of the TCC, shareholders are entitled to draw the attention of the auditor to issues that they deem suspicious and request an explanation thereon, when necessary. Inspection of the commercial books and information of the company is only possible with an explicit permission of the general assembly or a decision of the board of directors. Save for the secrets to be obtained from books and documents, the inspection of which has been permitted, no shareholder is entitled to learn the business secrets of the company.

Right to file an action for cancellation (TCC, articles 381-384; for companies within the registered capital system, CML, article 12):
Pursuant to article 381, below mentioned persons may file an action for cancellation before the courts located in the same area as the company's head quarters against the general assembly resolutions that are in breach of laws or the provisions of the articles of association and in particular, the objective good will principles, within three months as of their dates:

- shareholders who were present at the meeting and who have objected to the decision and recorded such objection in the minutes or those who were unlawfully not allowed to exercise their votes or those who claim that the invitation of the meeting was not duly made, or the agenda was not duly announced or notified or that persons who are not entitled to attend the general assembly have attended the meeting;
- Board of Directors;
- Each member of the Board of Directors or the auditors, to the extent the execution of the resolution requires their individual liability.

Filing of the action for cancellation and the date of the hearing shall be duly announced by the Board of Directors.

Minority rights (TCC, articles 341, 348, 356, 359, 366, 367 and 376 and CML, article 11)
Pursuant to article 341 of the TCC, in the event that the general assembly decides to file an action against the members of the Board of Directors, or decides not to file an action but shareholders

representing at least 10% of the capital cast votes in favor of the filing of such action, the company is obliged to file such action as of the date of such decision or request. Right to file an action shall not be forfeited upon the expiry of such period of time. The action shall be filed by the auditors on behalf of the company. However, if the action is filed further to the minority votes, the minority shareholders may appoint a proxy who is not an auditor.

9.6. Information regarding the right to receive dividend:

a) Date of acquisition of the right: Shares issued by way of capital increase acquire the right to receive dividend as of the accounting period on which the capital increase is registered; in case a profit is generated and it is decided by the general assembly to distribute such profit, they acquire the right to receive dividend for the first time from the profit in 2011.

Investors who purchase shares in the sales of the existing shares by way of participating in the public offering acquire the right to receive dividend for the first time from the profit in 2011, to the extent, a profit is generated and it is decided by the general assembly to distribute such profit.

In its principle decision dated January 27, 2010, CMB has decided to not to impose any obligations for publically held joint stock corporations, in relation to the minimum profit distribution to be made out of the profit of 2009. Investors must be aware of dividend distribution risk while taking investment decisions.

b) Statute of Limitations: Pursuant to article 19 entitled "Amounts of uncollected dividends and dividend advances barred by the statute of limitations" of the Communiqué on Principles regarding the Principles to be Followed by Publically Held Joint Stock Corporations Subject to the Capital Markets Law in Distribution of Dividends and Dividend Advances (Serial: IV, No:27) of the CMB, amounts of dividends not collected by the shareholders and other persons participating in the profit and amounts of dividend advances not collected by the shareholders are barred by the statute of limitations, five years after their distribution dates. In relation to the dividends and dividend advance amounts that are barred by the statute of limitations, provisions of the Law numbered 2308, regarding the Transfer to the Treasury of the Prices of Coupons, Bonds and Share Certificates of Companies Barred by the Statute of Limitations, shall apply.

c) Limitations on the exercise of the right and the procedure regarding the exercise of such right by shareholders residing abroad:

There are no limitations regarding the exercise of the right to receive dividends.

d) Dividend ratio or calculation method, payment periods and whether they are of a cumulative nature:

With regards the dividend ratio, calculation method and payments, principle decisions issued by the Capital Markets Board, the Communiqués, Laws of the Republic of Turkey and articles of association of the Company shall be applied.

9.7. a) Information regarding the rules pertaining to mandatory invitation, rights of purchase and/or sale regarding the shares to be issued in this increase:

None.

b) Information regarding the offers for collection of the Company's shares through invitation within the last accounting period and the current accounting period, prices and changing conditions regarding such offers and results of such offers:

None.

9.8. Information regarding the Right to Purchase New Shares

a) Information on whether or not the right to purchase new shares is restricted, if restricted, information on the grounds of such restriction:

With the resolution dated January 24, 2011 and numbered 2011/3 of the Board of Directors, right to purchase new shares of the existing shareholders in relation to the shares with a nominal value of TL 46,000,000 that will be subject to the capital increase have been fully restricted.

b) Amount and number of shares allocated to specific persons, separately:

None.

c) Whether there is any decision as to the allocation for the shares remaining after the exercise of the right to purchase new shares:
As the existing shareholders' rights to purchase new shares are restricted in Akfen GYO's public offering, there is none.

d) Period of exercising the right to purchase new shares is: ...... days. Commencement and expiry dates of this period will be announced in the circular to be announced. In case the expiry date of the right to purchase new shares corresponds to an official holiday, the period will end in the evening of the subsequent business day.

As the existing shareholders' rights to purchase new shares are restricted in Akfen GYO's public offering, there is none.

e) Ratios of purchasing new shares of the shareholders according to their existing shares in the paid-in/issued capital:

As the existing shareholders' rights to purchase new shares are restricted in Akfen GYO's public offering, there is none.

f) Information regarding the place and method of payment of the share prices:

None.

g) Application method and time and place of distribution of the shares:

None.

h) Places where the new share purchase circular will be announced:

None.

9.9. Names, business addresses of the real and/or legal entities who made a purchase commitment and the purchase price of one share:

None.

9.10. Amount of the public offering:

The total nominal value of the public offering is TL 54,117,500; the portion with a nominal value of TL 46,000,000 of which is will be made through capital increase by restricting the pre-emptive rights of the existing shareholders and the portion with a nominal value of TL 8,117,500 of which is will be made through the sales of the shares of Akfen Holding A.Ş.

In case of receiving a sufficient amount of excessive demand for the offering, an over-allotment option of TL 8,117,625, held by Akfen Holding may be exercised. In such case, the nominal value of the public offering will reach TL 62,235,125.

After the offering, the ratio of the shares offered to public to the paid-in capital will be 29.41% (in case use of over-allotment option, the ratio will be 33.82%).

9.11. Duration of the public offering and estimate public offering calendar:

Duration of the public offering is 2 (two) business days. Commencement and expiry dates of the public offering will be included in the circular to be announced and the targeted book building date is May 2011 and the targeted date for trading on ISE is May 2011.

9.12. Sales price of one share with a nominal value of TL 1 and methods used in determination of such price:

Following methods have been applied in calculation of Akfen GYO's Net Asset Value ("NAV");

1. NAV Method, which takes the Discounted Cash Flow ("DCF") Method, in which the cash flows to be generated from the Company's existing and planned projects into account, as basis.
2. NAV Method, which takes the expertise studies, carried out TSKB Gayrimenkul Değerleme A.Ş., as basis.

The valuation and appraisal reports which constitute the basis of the public offering prices will be announced in the same manner as the circular, 2 business days prior to the book building date, at the latest.

9.13. Comparison between the price paid or to be paid by the members of the board of directors or board of auditors and senior-level executives or persons related with the same (their spouses and first degree blood relatives or relatives through marriage) for the publically offered shares, which such persons have acquired or had the right to acquire within the last year, with the price of the public offering:

None.

9.14. Sales method and manner of application:

Sales will be made by the consortium established under the leadership of OYAK YATIRIM Menkul Değerler A.Ş., through book building with a price range and best effort method.

All investors who wish to purchase shares in this public offering must apply to the application points mentioned in this Prospectus within the public offering period and fill out and sign an "Application Form". However, this requirement shall not apply to applications via the Internet, NetMatiks and ATMs and telephone banking.

Demands from Domestic Individual Investors and Group Employees shall be collected out of the price range ceiling.

. Domestic Institutional Investors will be able to submit only one demand for stocks at a price that they see fit which is within the price range. International Institutional Investors will be able to submit more than one demand for stocks at a price that they see fit which is within the price range. If the final price is realized above the demanded price, the relevant demand will not be taken into account in calculation of the final demands. If the final price is realized equal to or below the demanded price, the relevant demand will be taken into account in calculation of the final demands as if submitted out of the final price.

Investors who will submit demands shall enclose the following documents to their Application Forms:
1. Real Person Investors: Photocopy of an ID (identity card or drivers license or passport)
2. Legal Entity Investors: Notarized copy of the signature circular, copies of the Trade Registry Gazette pertaining to its incorporation, tax certificate and Trade Registry registration certificate.

Investors who submit demands via the Internet, telephone banking, NetMatiks or ATMs, will be required to be authorized to conduct operations via the Internet, telephone banking, NetMatiks or ATMs (to have an Internet, NetMatik or telephone banking account, to sign the interactive banking undertaking and/or to have magnetic cards used in ATMs).

International Institutional Investors and Group Employees may only apply to OYAK YATIRIM Menkul Değerler A.Ş.

After the demands collected are gathered separately for each allocation group, those that do not contain the minimum information set out in Appendix 1 of the Communiqué Serial:VIII, No:66 and the application form delivered to the Consortium Members by Oyak Yatırım and the Turkish identity numbers, for individual investors other than the citizens of TRNC and foreigners residing in Turkey, shall be cancelled and not included in the distribution. After the removal of the records cancelled due to missing information, the distribution shall take place as follows:

Distribution to each allocation group shall be made separately within such group, as provided below.

a. Distribution to Domestic Individual Investors: Pro Rata Distribution Method shall be applied. "Ratio of the Demand against Offer" will be found by dividing the share allocation amount set out for the Domestic Individual Investors by the amount of demands submitted by the Domestic Individual Investors. The calculated Ratio of Demand against Offers will be multiplied by the individual demands of each investor and the shares will be distributed accordingly.

b. Distribution to Group Employees: Pro Rata Distribution Method shall be applied. "Ratio of the Demand against Offer" will be found by dividing the share allocation amount set out for the Group Employees by the amount of demands submitted by the Group Employees. The calculated Ratio of Demand against Offers will be multiplied by the individual demands of each investor and the shares will be distributed accordingly.

c. Distribution to Domestic Institutional Investors: Amount of shares to be given to each Domestic Individual Investor shall be determined by OYAK YATIRIM, Akfen GYO and Akfen Holding jointly.

d. Distribution to International Institutional Investors: Amount of shares to be given to each International Individual Investor shall be determined by OYAK YATIRIM, Akfen GYO and Akfen Holding jointly.

While making the distributions to investors groups in accordance with the above-mentioned methods, shares, which cannot be distributed due to fractional calculations, shall be distributed among the investors whose demands could not be fully met, as deemed appropriate by OYAK YATIRIM.

OYAK YATIRIM, shall submit the distribution lists to Akfen GYO and Akfen Holding, by finalizing them separately for each allocation group, within a maximum of 1 (one) business day following the expiry of the book building period.

Akfen GYO and Akfen Holding shall confirm the distribution lists on the same day on which such lists were delivered to them, at the latest and shall notify such confirmation to OYAK YATIRIM.

9.15. Information regarding the minimum and/or maximum share amounts to be demanded:

Amount of shares demanded shall be indicated in the Application Forms. Amount of demands must be 1 (one) lot and its multiples. Investors may also indicate the minimum amount they demand in the application forms, if they wish to do so.

9.16. Information regarding the place and method of payment of the share prices:

a. Domestic Individual Investors and Employees of the Group

Domestic Individual Investors **and Group Employees** can pay the demand prices by the following cash payment options. However, they may only use one of these payment options for each demand. Demands of investors who pay the same demand with different payment options will not be accepted.

1. Payment in Cash:

Domestic Individual Investors **and Group Employees** shall deposit the prices pertaining to the amount of shares they demand, in cash.

2. Demands by Security Blockage Method:

Domestic Individual Investors and Group Employees may demand shares by way of setting the Domestic Government Bonds ("DIBS") and liquid funds in their investment accounts as collateral.

Blocked amounts to be taken in consideration of the prices of the demanded share shall be calculated as follows:

Liquid Fund Blockage
Price required to be paid / 97%

TL DIBS Blockage
Price required to be paid / 90%

FX and FX-Indexed DIBS Blockage
Price required to be paid / 90%

For the blockage;

- Purchase price of the liquid fund announced on that date by the founder of the fund,
- In DIBS, the initial benchmark price announced in the morning by the banks that each Consortium Member works with shall be taken into account.

In conversion of the FX and FX-Indexed DIBS to TL, FX purchase rate of exchange of the Central Bank of the Republic of Turkey shall be used.

In liquidation of the securities that have been set as collaterals, the immediate benchmark prices of the banks that each Consortium Member works with or the current market price occurred at the ISE Bonds and Bills Market, shall be used.

In calculation of the collateral amounts, amounts may be rounded up by taking into consideration the minimum number, multiples and unit price of the securities used, provided that the amount of securities that have been set as collateral shall not be less than the minimum quantity and such amount shall not be fractional and/or such amount shall not be in a quantity other than the determined multiples.

In the event that one type of the collateral is not sufficient to meet the demands of the investors, liquid funds, TL DIBS and FX and FX-Indexed DIBS in the same investment accounts may be set as collateral at the same time.

Consortium Members and agents may use only one of the below stated security methods and book building options. Members and agents of the consortium may use different methods from each other. Methods to be used by the members and agents of the consortium shall be specified under section 9.17.

i. Fixed Method:

On the day of announcement of the distribution list, prices for the amounts of the shares deserved by the investors that used this method as per the distribution list, shall be paid by liquidating the blocked TL DIBS and/or liquid funds of the investors, *ex officio*. Liquidation of the collateralized securities shall be made in the following order; liquid funds, tax free DIBS and taxed DIBS. For this method, FX and FX-Indexed DIBS shall not be used as collateral.

ii. Variable Method:

On the day of announcement of the distribution list, prices for the amounts of the shares deserved by the investors that used this method as per the distribution list, shall be paid by liquidating the blocked DIBS and/or liquid funds if such payment was not made in cash by the investors by 12:00 PM on the first business day following the last day of the book building period.

The blockage on the blocked securities shall be released on the same day, if the amounts corresponding to the price of the shares demanded by the investors are paid in cash within the above-mentioned period.

Customer demands shall be taken into consideration during the liquidation of such blocked securities.

3. Demands by Foreign Exchange Blockage Method:

Domestic Individual Investors and Group Employees may demand shares by setting the convertible foreign exchanges in their accounts, which can be subject to buying-selling by the Central Bank of the Republic of Turkey.

Foreign exchange amounts to be taken in consideration of the price of the demanded shares shall be calculated as follows:

Price required to be paid / 90%

In the blockage transaction, initially announced counter exchange rates of the banks that each of the Consortium Member is working with, shall be taken into consideration for the relevant foreign exchange. Fractional foreign exchange amounts shall be rounded up to one and its multiples.

Consortium Members and agents may use only one of the below stated security methods and book building options. Members and agents of the consortium may use different methods from each other. Methods to be used by the members and agents of the consortium shall be specified under section 9.17.

i. Fixed Method:

On the day of announcement of the distribution list, prices for the amounts of the shares deserved by the investors that used this method as per the distribution list, shall be paid by liquidating the blocked foreign exchange of the investors, ex officio, out of the current exchange rate of the banks that each Consortium member works with.

ii. Variable Method:

On the day of announcement of the distribution list, prices for the amounts of the shares deserved by the investors that used this method as per the distribution list, shall be paid by liquidating the blocked foreign exchanges, if such payment was not made in cash by the investors by 12:00 PM on the first business day following the last day of the book building period.

The blockage on the blocked foreign exchanges shall be released on the same day, if the amounts corresponding to the price of the shares demanded by the investors are paid in cash within the above-mentioned period.

In liquidation of the foreign exchanges that have been set as collateral, the current exchange rate of the banks that each Consortium member works with shall be used.

Domestic Individual Investors and Group Employees shall deposit the share prices to be calculated by multiplying the price at the ceiling of the specified price range by the amount of demanded shares, into the bank account notified by the consortium member to which they have applied, in cash or by approximation or through blockage, in order to be transferred into the public offering account.

b. Domestic Institutional Investors:

In order to submit demands through the head offices and branches of the consortium members set out in Section 9.17, Domestic Institutional Investors must fill out an application form.

Domestic Institutional Investors shall pay the share prices to be calculated by multiplying the amount of shares they deserved by the public offering price, to the consortium member, through which they have submitted their demands, at the latest, by 12:00 PM or if such day is a officially a half-day, by 11:00 AM, on the 2nd business day following the approval of the distribution lists.

The risk pertaining to the non-payment of the prices of the shares by the Domestic Institutional Investors is borne by the intermediary institution, which has accepted the demand.

The intermediary institution that collects the demands shall be free to accept or deny the demands of the Domestic Institutional Investors.

Domestic Institutional Investors cannot refrain from paying the prices of the shares they have deserved upon the approval of the distribution lists to the intermediary institution.

c. International Institutional Investors:

International Institutional Investors shall pay the share prices to be calculated by multiplying the amount of shares they deserved by the final sales price determined, to OYAK YATIRIM Menkul Değerler A.Ş. on the 2nd business day following the approval of the distribution lists, at the latest.

The risk of non payment of share prices by International Institutional Investors is beared by OYAK YATIRIM, which is the intermediary institution accepting the demand.

9.17. Places of Application:

CONSORTIUM LEADER

OYAK YATIRIM MENKUL DEĞERLER A.Ş.
Akatlar Ebulula Cad F2 C Blok Levent 34335 Beşiktaş- ISTANBUL
Tel: (0212) 319 12 00
Fax: (0212) 351 05 99
and all branches and agencies thereof, all branches of ING Bank A.Ş., www.oyakyatirim.com.tr web address and phone number 444 0 414

CONSORTIUM CO-LEADER

AK YATIRIM MENKUL DEĞERLER A.Ş.
İnönü Cad. No:42 Gümüşsuyu 34437 Taksim-İstanbul
Tel: (0212) 334 94 94
FaX: (0212) 249 12 87
All Akbank T.A.Ş. branches, Akbank T.A.Ş., www.akbank.com and phone number 444 25 25

CONSORTIUM MEMBERS

ACAR YATIRIM MENKUL DEĞERLER A.Ş.
Gazeteciler Sitesi Keskin Kalem Sok. No:29 Esentepe/Istanbul
Tel: (0212) 216 26 61
Fax: (0212) 266 05 43
İzmir Branch

ALTERNATİF YATIRIM A.Ş.
Cumhuriyet Cad.Elmadağ Han No:32 K:2-3 34367 Elmadağ/İstanbul
Tel: (0212) 315 58 00
Fax: (0212) 231 95 44
Adana, Bursa Agents of Alternatif Yatırım A.Ş., all branches of Alternatifbank A.Ş. and Main, Erenköy and Antalya branches of Alternatif Yatırım A.Ş., www.ayatirim.com.tr and phone number 0212 444 00 54

ANADOLU YATIRIM MENKUL KIYMETLER A.Ş.
Merkez Mah. Birahane Sok. No:26 Bomonti / Şişli / İstanbul
Tel: (0212) 368 77 00
Fax: (0212) 233 33 18
All branches of Anadolubank A.Ş.

ATA ONLINE MENKUL KIYMETLER A.Ş.
Emirhan Cad. No:109 Kat:12 34349 Balmumcu Beşiktaş-İSTANBUL
Tel: (0212) 310 60 60
Fax: (0212) 310 63 63
www.ataonline.com.tr and phone number (0212) 310 60 60

ATA YATIRIM MENKUL KIYMETLER A.Ş.
Emirhan Cad. No:109 A Blok Kat:11 34349 Balmumcu-İSTANBUL
Tel: (0212) 310 62 00
Fax: (0212) 310 62 44
Main branch and Bostancı, Ankara, Denizli, İzmir branches, T-Bank branches, www.atayatirim.com.tr and phone number (0212) 310 62 00

CAMİŞ MENKUL DEĞERLER A.Ş.
Büyükdere Cad. No:245 USO Center Kat:2 34398 Maslak-İSTANBUL
Tel: (0212) 330 07 00
Fax: (0212) 330 06 01
Mersin, Diyarbakır, Kırıkkale, Denizli, Trabzon,Van,Antalya,Ankara İskenderun, Bakırköy Liaison Offices ve www.camismenkul.com.tr

DELTA MENKUL DEĞERLER A.Ş
Teşvikiye Cad. İkbal İş Merkezi No:17 K/6 Teşvikiye
Tel: (0212) 310 08 98
Fax: (0212) 236 65 67 – 68
Main office and Suadiye branch and www.deltamenkul.com.tr

DENİZ YATIRIM MENKUL KIYMETLER A.Ş.
Büyükdere Cad. No:106 Kat 16, 34394 Esentepe İstanbul
Tel: (0212) 336 40 00
Fax: (0212) 336 30 70
All branches of DenizBank A.Ş. http://www.denizbank.com and phone number 444 0 800

ECZACIBAŞI MENKUL DEĞERLER A.Ş.
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Tel: (0212) 319 59 99
Fax: (0212) 319 59 00
İstanbul Main, Ankara, İzmir, Kadıköy, Adana, Bursa, Afyon, Antalya branches, www.emdas.com.tr and www.netyatirim24.com.tr and phone number (0212) 319 55 55

EKİNCİLER YATIRIM MENKUL DEĞERLER A.Ş.
Yıldız Posta Cad. Dedeman Ticaret Mer. No:52/5 Esentepe/İstanbul
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Fax: (0212) 266 16 07
Main Branch: (0212) 266 28 66
İzmir Branch: (0232) 445 16 80
Adana Branch: (0322) 457 05 17
Mersin Branch: (0324) 238 18 18
İskenderun Branch: (0326) 613 33 10
Malatya Branch: (0422) 325 62 67
Gaziantep Branch: (0342) 220 24 11, www.ekinvest.com

ETİ YATIRIM A.Ş.
Merkez Mahallesi Develi Sokak No:14 Kağıthane/ İSTANBUL
Tel: (0212) 321 38 38 / 295 47 49
Fax: (0212) 294 93 93 / 295 40 38
Etiler Liaison Office Tel: (0212) 352 20 90, Fax: (0212) 352 20 04, www.etiyatirim.com

EURO YATIRIM MENKUL DEĞERLER A.Ş.
Yıldız Posta Caddesi Cerrahoğulları İş Merkezi No:17 Kat:3 Esentepe / İstanbul
Tel: (0212) 354 07 00
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İstanbul-Main branch, İstanbul-Gayrettepe branch, Ankara-Kızılay branch, Ankara-Balgat branch.

FİNANS YATIRIM MENKUL DEĞERLER A.Ş.
Nispetiye Cad. Akmerkez B Kulesi Kat :2-3 Etiler 34330 İSTANBUL
Tel: (0212) 282 17 00
Fax: (0212) 282 22 55
All branches of Finans Yatırım Menkul Değerler A.Ş. and Finansbank A.Ş., www.finansbank.com.tr and www.finansonline.comand phone number of Finans Yatırım (212) 336 74 74

FORTİS YATIRIM MENKUL DEĞERLER A.Ş.
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Türk Ekonomi Bankası A.Ş. branches, www.fortisyatirim.com.tr

GARANTİ YATIRIM MENKUL KIYMETLER A.Ş.
Etiler Mah.Tepecik Yolu Demirkent Sok. No:1 34337 Beşiktaş/İstanbul
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Fax:(0212) 352 42 40
All branches and investment centers of Türkiye Garanti Bankası A.Ş., Türkiye Garanti Bankası A.Ş., www.garanti.com.tr, wap.garanti.com.tr and phone number,444 0 333

GEDİK YATIRIM MENKUL DEĞERLER A.Ş.
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Halk Yatırım Menkul Değerler A.Ş., Headquarter and all branches and agencies of T.Halk Bankası A.Ş. all branches, www.halkyatirim.com.tr and www.halkbank.com.tr

HSBC YATIRIM MENKUL DEĞERLER A.Ş.
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Fax: (0212) 290 69 95
Nişantaşı, Ankara, Bursa, Marmaris agents, www.teramenkul.com.tr

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Ankara, İzmir branches, Online branch and www.tskb.com.tr

VAKIF YATIRIM MENKUL DEĞERLER A.Ş
Ebulula Cad. Park Maya Sitesi F2/A Blok Levent-İSTANBUL
Tel: (0212) 352 35 77
Fax: (0212) 352 35 70
Main branch and agents of Vakıf Yatırım Menkul Değerler A.Ş., all branches of T. Vakıflar Bankası T.A.O, Vakıf Yatırım Menkul Değerler A.Ş. Ankara branch, www.vakifbank.com.tr and phone number 444 0 724

YAPI KREDİ YATIRIM MENKUL DEĞERLER A.Ş.
Büyükdere Cad. Yapı Kredi Plaza A Blok, Levent - İstanbul
Tel: (0212) 319 80 00
Fax: (0212) 325 22 45
All branches of Yapı Kredi Bankası, Yapı ve Kredi Bankası A.Ş., www.yapikredi.com.tr and phone number,444 0 444.

YATIRIM FİNANSMAN MENKUL DEĞERLER A.Ş.
Nispetiye Caddesi, Akmerkez E-3 Blok Kat:4 Etiler/İstanbul
Tel: (0212) 317 69 00
Fax: (0212) 282 15 50 – 51
All branches, www.yatirimfinansman.com

ZİRAAT YATIRIM MENKUL DEĞERLER A.Ş.
Büyükdere Cad. No:39 Kat:3 34398 Maslak-ISTANBUL
Tel: (0212) 366 98 98
Fax: (0212) 285 16 61

All branches of Ziraat Yatırım Menkul Değerler A.Ş., branches of T.C. Ziraat Bankası A.Ş., www.ziraatyatirim.com.tr and www.ziraatbank.com.tr and phone number 444 49 79

Application Points Where Akfen GYO Shares can be Purchased Via Internet Banking:

www.oyakmenkul.com.tr
www.akbank.com
www.ayatirim.com.tr
www.anadolubank.com.tr
www.ataonline.com.tr
www.atayatirim.com.tr
www.camismenkul.com.tr
www.deltamenkul.com.tr
www.denizbank.com
www.emdas.com.tr ve www.netyatirim24.com.tr
www.ekinvest.com
www.etiyatirim.com
www.finansbank.com.tr ve www.finansonline.com
www.fortisyatirim.com.tr
www.garanti.com.tr, wap.garanti.com.tr
www.gedik.com
www.global.com.tr
www.halkyatirim.com.tr ve www.halkbank.com.tr
www.hsbc.com.tr
www.strateji.com.tr
www.sekeryatirim.com.tr
www.tacirler.com.tr
www.teb.com.tr
www.tekstilbank.com.tr, www.tekstilyatirim.com
www.teramenkul.com.tr
www.tskb.com.tr
www.turkishyatirim.com.tr
www.vakifbank.com.tr
www.yapikredi.com.tr
www.yatirimfinansman.com adresi
www.ziraatyatirim.com.tr, www.ziraatbank.com.tr

Application Points Where Akfen GYO Shares can be Purchased Via Telephone Banking:

Oyak Yatırım Menkul Değerler A.Ş.	: 444 0 414
Ak Yatırım Menkul Değerler A.Ş.	:444 25 25
Alternatif Yatırım A.Ş.	: (212) 444 00 54
Ata Online Menkul Kıymetler A.Ş.	: (212) 310 60 60
Ata Yatırım Menkul Kıymetler A.Ş.	: (212) 310 62 00
Deniz Yatırım Menkul Kıymetler A.Ş.	: 444 0 800
Eczacıbaşı Menkul Değerler A.Ş.	: (212) 319 55 55
Finans Yatırım Menkul Değerler A.Ş.	: (212) 336 74 74
Garanti Yatırım Menkul Kıymetler A.Ş.	: 444 0 333
Gedik Yatırım Menkul Değerler A.Ş.	: (216) 453 00 53
Global Menkul Değerler A.Ş.	: 444 03 21
HSBC Yatırım Menkul Değerler A.Ş.	: 444 0 111
TEB Yatırım Menkul Değerler A.Ş.	: 444 0 666
Vakıf Yatırım Menkul Değerler A.Ş.	: 444 0 724
Yapı Kredi Menkul Değerler A.Ş.	: 444 0 444
Ziraat Yatırım Menkul Değerler A.Ş.	: 444 49 79

APPLICATION POINTS THAT ACCEPT DEMANDS BY WAY OF SECURITY BLOCKAGE METHOD:

Application Points	Securities Which Can Be Subject To Assurance	Method of Demand
OYAK YATIRIM MENKUL DEĞERLER A.Ş	Liquid funds, T-bill (TL) (Headquarter, branches and agents of Oyak Yatırım Menkul Değerler A.Ş.- ING Bank A.Ş. branches will not collect demand with this method only for Oyak Yatırım clients)	VARIABLE METHOD (Intermediary Institution and Agent)
ACAR YATIRIM MENKUL DEĞERLER A.Ş	T-bill (TL), T-bill (FX and FX indexed), Main and İzmir branch	VARIABLE METHOD (Intermediary Institution and Agent)
AK YATIRIM MENKUL DEĞERLER A.Ş.	Liquid funds, T-bill (TL) T-bill (FX and FX indexed)	VARIABLE METHOD (Main branch, branches and agents of intermediary institution)
ANADOLU YATIRIM MENKUL KIYMETLER A.Ş.	Liquid funds, T-bill (TL) T-bill (FX) Main and all branches of intermediary institution	VARIABLE METHOD (Intermediary Institution and Agent)
ALTERNATİF YATIRIM A.Ş.	Liquid funds, T-bill (TL) T-bill (FX and FX indexed), all branches of Alternatifbank A.Ş. and Main Erenköy and Antalya branches of Alternatif Yatırım A.Ş. Adana, Bursa agents of Alternatif Yatırım A.Ş.	VARIABLE METHOD (Intermediary Institution and Agent)
ATA ONLINE MENKUL KIYMETLER A.Ş.	Liquid funds, T-bill (TL), Headquarter (212) 3106060, website www.ataonline.com.tr	VARIABLE METHOD (Intermediary Institution)
ATA YATIRIM MENKUL KIYMETLER A.Ş.	Liquid funds, T-bill (TL) Headquarter, (212) 3106060, branches, T-bank branches	VARIABLE METHOD (Intermediary Institution and Agent)
CAMİŞ MENKUL DEĞERLER A.Ş.	Liquid funds, T-bill (TL) T-bill (FX and FX indexed), Main office and Suadiye Liaison	VARIABLE METHOD (Intermediary Institution)
DENİZ YATIRIM MENKUL KIYMETLER A.Ş.	Liquid funds, T-bill (TL), all branches of DenizBank A.Ş.	VARIABLE METHOD (Intermediary Institution and Agent)
DELTA MENKUL DEĞERLER A.Ş	Liquid funds, T-bill (TL), T-bill (FX and FX indexed) (Main office and Suadiye Liaison)	VARIABLE METHOD (Intermediary Institution)
ECZACIBAŞI MENKUL DEĞERLER A.Ş.	Liquid funds, T-bill (TL), All branches of Eczacıbaşı Menkul Değerler A.Ş.	VARIABLE METHOD (Intermediary Institution)
EKİNCİLER YATIRIM MENKUL DEĞERLER A.Ş.	Liquid funds, T-bill (TL)	VARIABLE METHOD (Intermediary Institution)
ETİ YATIRIM A.Ş.	Liquid funds, T-bill (TL), T-bill (FX and FX indexed) Main branch:Merkez Mah.Develi Sok.No:14 Kağıthane/İstanbul Liaison office:Ebulula Mardin Cad.Maya Meridyen İş Merkezi Kat 5/17 Akatlar,Etiler/istanbul	FIXED METHOD (Intermediary Institution and Agent)
FİNANS YATIRIM MENKUL DEĞERLER A.Ş.	Liquid funds, T-bill (TL), T-bill (FX and FX indexed), Finansbank will not apply only for FinansInvest clients. Demands will be accepted by internet banking and securities blockage methods. Only T-bill (TL) and liquid fund can be secured jointly	VARIABLE METHOD (Intermediary Institution and Agent)
FORTİS YATIRIM MENKUL DEĞERLER A.Ş.	Liquid funds, T-bill (TL), T-bill (FX and FX indexed), Fortis Yatırım Headquarter, investment centers and TEB branches	VARIABLE METHOD (Intermediary Institution and Agent)
GARANTİ YATIRIM MENKUL KIYMETLER A.Ş.	Liquid funds, T-bill (TL), T-bill (FX) It can be participated in IPO by all	VARIABLE METHOD (Intermediary Institution

	brannches of the agent, invetment centers, internet and telephon banking, liquid funds and T-bill (FX) blockag	and Agent)
GEDİK YATIRIM MENKUL DEĞERLER A.Ş.	Liquid funds, T-bill (TL), T-bill (FX and FX indexed), (Headquarter, all branches and agents)	VARIABLE METHOD (Intermediary Institution and Agent)
GLOBAL MENKUL DEĞERLER A.Ş.	Liquid funds, (Main branch and branches)	VARIABLE METHOD (Intermediary Institution)
HALK YATIRIM MENKUL DEĞERLER A.Ş.	Liquid funds, T-bill (TL), Main branch and agents of Halk Yatırım Menkul Değerler A.Ş. and all branches of T. Halk Bankası A.Ş.	VARIABLE METHOD (Intermediary Institution and Agent)
HSBC YATIRIM MENKUL DEĞERLER A.Ş.	Liquid funds, T-bill (TL), HSBC Yatırım Menkul Değerler A.Ş. and all HSBC Bank A.Ş. branches as an agent T-bill (FX and FX indexed) will not be secured Demand will be collected only through blockage of liquid fund by aplications via internet banking In cases of mixed assurance, the order will be as T-bill (TL), liquid funds and if there is not any instruction of a private client, it will be converted to cash with inverse order and share price will be covered	VARIABLE METHOD (Intermediary Institution and Agent)
STRATEJİ MENKUL DEĞERLER A.Ş	T-bill (TL), T-bill (FX and FX indexed)	FIXED METHOD (Headquarter)
ŞEKER YATIRIM MENKUL DEĞERLER A.Ş.	Liquid funds, T-bill (TL),	VARIABLE METHOD (Intermediary Institution and Agent)
TEB Yatırım Menkul Değerler A.Ş.	Liquid funds, T-bill (TL),	FIXED METHOD (Intermediary Institution, only liquid fund blockage will be applied) VARIABLE METHOD (Agent, liquid fund and T-bill (TL) will be used for the applications being made to (agent) branches of Türk Ekonomi Bankası A.Ş.)
TACİRLER YATIRIM MENKUL DEĞERLER A.Ş.	Likit Fon (Main and all branches, liaison office	FIXED METHOD (Intermediary Institution, Liaison Office)
TEKSTİL YATIRIM MENKUL DEĞERLER A.Ş	Liquid funds, T-bill (TL), T-bill (FX and FX indexed), (Tekstil Yatırım Menkul Değerler AŞ and its branches -Tekstilbank branches)	VARIABLE METHOD (Intermediary Institution and Agent)
TURKİSH YATIRIM A.Ş.	Liquid funds, T-bill (TL), T-bill (FX and FX indexed), Main branch of intermediary institution, branches, agents and liaison offices	VARIABLE METHOD (Intermediary Institution and Agent)
TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.	Liquid funds, T-bill (TL), T-bill (FX and FX indexed) Demand via blockage of securities option can be exercised by Main, İzmir and Ankara branches of TSKB	VARIABLE METHOD (Intermediary Institution)

VAKIF YATIRIM MENKUL DEĞERLER A.Ş	Liquid funds, T-bill (TL) Main branch and agents of Vakıf Yatırım Menkul Değerler A.Ş. , all branches ofVakıfbank T.A.O.	FIXED METHOD (Intermediary Institution and Agent)
YAPI KREDİ YATIRIM MENKUL DEĞERLER A.Ş.	Liquid funds, T-bill (TL), T-bill (FX and FX indexed) Demand via blockage of T-bill (FX) option can be exercised only by Main branch of Yapı Kredi Yatırım. It can not be exercised by website and distribution channels of Yapı Kredi Yatırım.	VARIABLE METHOD (Intermediary Institution and Agent)
YATIRIM FİNANSMAN MENKUL DEĞERLER A.Ş.	Liquid funds, T-bill (TL), main branch and branches of Yatırım Finansman	FIXED METHOD (Intermediary Institution)
ZİRAAT YATIRIM MENKUL DEĞERLER A.Ş.	Liquid funds, T-bill (TL), main branch, branches and agents of Ziraat Yatırım	FIXED METHOD (Intermediary Institution and Agent)

APPLICATION POINTS THAT ACCEPT DEMANDS BY WAY OF FOREIGN EXCHANGE BLOCKAGE METHOD:

Application Point	Limitations	Method of Demand
OYAK YATIRIM MENKUL DEĞERLER A.Ş	(Headquarter, branches and agents of Oyak Yatırım Menkul Değerler A.Ş. – ING BANK A.Ş. branches will not collect demand by this method only for Oyak Yatırım clients.)	VARIABLE METHOD (Intermediary Institution and Agent)
ACAR YATIRIM MENKUL DEĞERLER A.Ş	Main and İzmir branches	VARIABLE METHOD (Intermediary Institution and Agent)
AK YATIRIM MENKUL DEĞERLER A.Ş.	AKBANK	VARIABLE METHOD (Intermediary Institution and Agent)
ALTERNATİF YATIRIM A.Ş.	All branches of Alternatifbank A.Ş. and Main, Erenköy and Antalya branches of Alternatif Yatırım A.Ş., Adana, Bursa agents of Alternatif Yatırım A.Ş.	VARIABLE METHOD (Intermediary Institution and Agent)
ANADOLU YATIRIM MENKUL KIYMETLER A.Ş.	Main branch and all branches of intermediary institution	VARIABLE METHOD (Intermediary Institution)
ATA ONLINE MENKUL KIYMETLER A.Ş.	Headquarter (212) 310 60 60, web sitewww.ataonline.com.tr	VARIABLE METHOD (Intermediary Institution and Agent)
ATA YATIRIM MENKUL KIYMETLER A.Ş.	Headquarter (212-3106200), branches, T-bank branches	VARIABLE METHOD (Intermediary Institution and Agent)
CAMİŞ MENKUL DEĞERLER A.Ş.	İnternet branch, Main branch and liaison offices	VARIABLE METHOD (Intermediary Institution)
DENİZ YATIRIM MENKUL KIYMETLER A.Ş.	All branches of DenizBank A.Ş., only current FX accounts can be used and one investor can only demand via only one current FX account.	VARIABLE METHOD (Intermediary Institution and Agent)
DELTA MENKUL DEĞERLER A.Ş	(Main office and Suadiye Liaison)	VARIABLE METHOD (Intermediary Institution)
ETİ YATIRIM A.Ş.	Main:Merkez Mah.Develi Sok.No:14 Kağıthane/İstanbul Liaison office:Ebulula Mardin Cad.Maya Meridyen İş Merkezi Kat 5/17	FIXED METHOD (Intermediary Institution and Agent)

	Akatlar,Etiler/istanbul	
FİNANS YATIRIM MENKUL DEĞERLER A.Ş.	Only USD and EUR type FX' s can be used as assurance. Only current FX accounts can be used as assurance. Mixed assurance is not acceptable.	VARIABLE METHOD (Intermediary Institution and Agent)
FORTİS YATIRIM MENKUL DEĞERLER A.Ş.	Fortis Yatırım Headquartere, investment centers and TEB branches	VARIABLE METHOD (Intermediary Institution and Agent)
GARANTİ YATIRIM MENKUL KIYMETLER A.Ş.	It can be participated in IPO with FX blockage method by all branches of the agent, investment centers, internet and telephone banking.	VARIABLE METHOD (Intermediary Institution and Agent)
GEDİK YATIRIM MENKUL DEĞERLER A.Ş.	(Headquarter, all branches and agents)	VARIABLE METHOD (Intermediary Institution and Agent)
HALK YATIRIM MENKUL DEĞERLER A.Ş .	All branches of T.Halk Bankası A.Ş.	VARIABLE METHOD (Agent)
HSBC YATIRIM MENKUL DEĞERLER A.Ş.	HSBC Yatırım Menkul Değerler A.Ş. and all HSBC Bank A.Ş. branches as an agent FX blockage method will not be exercised by applications via internet banking Only with the order, JPY, CHF, GBP, EUR, USD type FX's can be used as assurance and if there is not any instruction of a private client, it will be converted to cash with inverse order and share price will be covered.	VARIABLE METHOD (Intermediary Institution and Agent)
ŞEKER YATIRIM MENKUL DEĞERLER A.Ş.		VARIABLE METHOD (Intermediary Institution and Agent)
TEB Yatırım Menkul Değerler A.Ş.	Only will be exercised by applications made to (agent) branches of Türk Ekonomi Bankası A.Ş.. Current USD and EUR accounts will be accepted.	VARIABLE METHOD (Agent)
TEKSTİL YATIRIM MENKUL DEĞERLER A.Ş	-Tekstil Yatırım Menkul Değerler AŞ and its branches -Tekstilbank branches	VARIABLE METHOD (Intermediary Institution and Agent)
TURKİSH YATIRIM A.Ş.	Main branch, branches, agents and liaison offices of intermediary institution, branches	VARIABLE METHOD (Intermediary Institution and Agent)
TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.	Demand via blockage of FX option can be exercised by Main, İzmir and Ankara branches of TSKB	VARIABLE METHOD (Intermediary Institution)
YAPI KREDİ YATIRIM MENKUL DEĞERLER A.Ş.	Will be exercised by distribution channels of Yapı Kredi Yatırım and Yapı Kredi Bankası	VARIABLE METHOD (Intermediary Institution and Agent)
YATIRIM FİNANSMAN MENKUL DEĞERLER A.Ş.	USD,EURO, main branch of Yatırım Finansman, all branches	FIXED METHOD (Intermediary Institution)
ZİRAAT YATIRIM MENKUL DEĞERLER A.Ş.	Main branch, branches and agents of Ziraat Yatırım	FIXED METHOD (Intermediary Institution and Agent)

9.18. Information on the method of announcement of the results of the public offering to the public:

Results of the public offering will be announced to public in accordance with the principles set forth in the Communiqué numbered Serial: VIII, No: 66 on "Principles Regarding the Sales Methods of the Public Offering of Capital Market Instruments" on the first business day following the date of finalization of the distribution list, as per the provisions pertaining to the public disclosure of material events of the Board.

9.19. Information regarding intermediation and underwriting:

Intermediation in the public offering will be conducted by the consortium under the leadership of OYAK Yatırım Menkul Değerler A.Ş. in accordance with the best effort method.

a) Institution/institutions to act as an intermediary or an underwriter for the sales (consortium leader/leaders to be specified separately), nature of intermediation, amount of the underwritten shares and their ratio to those offered for sale:

Application Point	Type of Intermediary	Share Amount	Share ratio
OYAK YATIRIM MENKUL DEĞERLER A.Ş	Best Effort	0	0
ACAR YATIRIM MENKUL DEĞERLER A.Ş	Best Effort		
AK YATIRIM MENKUL DEĞERLER A.Ş.	Best Effort		
ALTERNATİF YATIRIM A.Ş.	Best Effort		
ANADOLU YATIRIM MENKUL KIYMETLER A.Ş.	Best Effort		
ATA ONLINE MENKUL KIYMETLER A.Ş.	Best Effort		
ATA YATIRIM MENKUL KIYMETLER A.Ş.	Best Effort		
CAMİŞ MENKUL DEĞERLER A.Ş.	Best Effort		
DELTA MENKUL DEĞERLER A.Ş.	Best Effort		
DENİZ YATIRIM MENKUL KIYMETLER A.Ş.	Best Effort		
ECZACIBAŞI MENKUL DEĞERLER A.Ş.	Best Effort		
EKİNCİLER YATIRIM MENKUL DEĞERLER A.Ş.	Best Effort		
ETİ YATIRIM A.Ş.	Best Effort		
EURO YATIRIM MENKUL DEĞERLER A.Ş.	Best Effort		
FİNANS YATIRIM MENKUL DEĞERLER A.Ş.	Best Effort		
FORTİS YATIRIM MENKUL DEĞERLER A.Ş.	Best Effort		
GARANTİ YATIRIM MENKUL KIYMETLER A.Ş.	Best Effort		
GEDİK YATIRIM MENKUL DEĞERLER A.Ş.	Best Effort		
GLOBAL MENKUL DEĞERLER A.Ş.	Best Effort		
HALK YATIRIM MENKUL DEĞERLER A.Ş .	Best Effort		
HSBC YATIRIM MENKUL DEĞERLER A.Ş.	Best Effort		
İNFO YATIRIM A.Ş.	Best Effort		
MEKSA YATIRIM MENKUL DEĞERLER A.Ş.	Best Effort		
STRATEJİ MENKUL DEĞERLER A.Ş	Best Effort		
ŞEKER YATIRIM MENKUL DEĞERLER A.Ş.	Best Effort		
TACİRLER YATIRIM MENKUL DEĞERLER A.Ş.	Best Effort		
TEB YATIRIM MENKUL DEĞERLER A.Ş.	Best Effort		
TEKSTİL YATIRIM MENKUL DEĞERLER A.Ş	Best Effort		
TERA MENKUL DEĞERLER A.Ş.	Best Effort		
TURKİSH YATIRIM A.Ş.	Best Effort		
TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.	Best Effort		
VAKIF YATIRIM MENKUL DEĞERLER A.Ş	Best Effort		
YAPI KREDİ YATIRIM MENKUL DEĞERLER A.Ş.	Best Effort		
YATIRIM FİNANSMAN MENKUL DEĞERLER A.Ş.	Best Effort		
ZİRAAT YATIRIM MENKUL DEĞERLER A.Ş.	Best Effort		
TOTAL		0	0

b) Total fee to be paid to the intermediary institution/institutions and other institutions rendering counter services, and its share in the total issuance costs:

An approximate fee that varies between TL 1,386,761 – TL 2,333,810 will be paid to the intermediary institutions in the public offering. Share of such fee in the total issuance costs varies between 33% to 46%.

c) Amount of shares that are not underwritten:

As the public offering will be conducted by the best effort intermediation method, there are no underwritten shares.

d) Date of the intermediation contract and material provisions included in such contract:

Brokerage and Consortium Agreement between Akfen GYO and Akfen Holding and the intermediary institution was signed on 18 April, 2010. The intermediation agreement contains provisions regarding the intermediation as set out in this section of the Prospectus, cancellation conditions of the public offering as well as the intermediation commissions.

In relation to Akfen GYO's public offering, it is provided that, in case the offering price is realized as TL 2.05 per share, TL 1,386,761, if there is no over allotment and TL 1,594,775, if there is over allotment, shall be paid to the consortium member intermediary institutions. The share of this cost in the total costs is 33% and 36%, respectively.

In relation to Akfen GYO's public offering, it is provided that, in case the offering price is realized as TL 2.50 per share, TL 2,029,406, if there is over allotment and TL 2,333,817, if there is over allotment, shall be paid to the consortium member intermediary institutions. The share of this cost in the total costs is 41% and 46%, respectively.

9.20. Time and place of distribution of the shares:

Company shares to be offered to public shall be monitored by CRA on a registered basis, in accordance with the regulations of the Capital Markets Legislations pertaining to the registered system. Therefore, in the Company's public offering, it will not be possible to physically print out the company shares offered to public and to physically deliver such company shares to investors, who request so. It is mandatory to transfer the capital market instruments that each demand holder has deserved, into the accounts opened in their name. It is not mandatory for investors to have accounts at the intermediary institutions, to which they apply for the public offering and shares purchased through the public offering are transferred by the intermediary institution, which has accepted the demand to the intermediary institutions, at which they have accounts, in accordance with the information they have provided in the application form.

OYAK Yatırım will transfer the shares that investors have deserved as a result of the distribution, to the accounts of the consortium members at the Central Registry Agency, in a registered manner, within two business days following the approval of the distribution lists at the latest and provided that the share prices are paid.

CONSORTIUM MEMBERS shall transfer the shares deserved by the investors to the investment accounts, on the business day following OYAK YATIRIM's transfer, at the latest.

In the event that the information submitted by the CONSORTIUM MEMBERS to OYAK YATIRIM in a magnetic medium and the information sent to the Company in the application forms, if requested by the Company, are different, the application forms shall prevail and CONSORTIUM MEMBER, which collected the demand shall be severally liable.

9.21. Total costs payable by the Company in relation to the public offering and cost of each share to be offered to public:

In case of realization of an over allotment, table prepared out of share prices of TL 2.05 and TL 2.50 shall be as shown below:

	PRICE	
(TL)	2.05	2.50
BDR	100,000	100,000
Legal	60,000	60,000
Advertisement&Marketing	2,200,000	2,200,000
CMB	255,164	311,175
CRA	52,500	52,500
ISE	184,000	184,000
Brokerage Fee	1,594,775	2,333,817
TOTAL Cost	4,446,439	5,057,492
Cost per Share	0.024	0.028

In case of non-realization of an over allotment, table prepared out of share prices of TL 2.05 and TL 2.50 shall be as shown below:

	PRICE	
(TL)	2.05	2.50
BDR	100,000	100,000
Legal	60,000	60,000
Advertisement&Marketing	2,200,000	2,200,000
CMB	221,882	270,588
CRA	52,500	52,500
ISE	184,000	184,000
Brokerage Fee	1,386,761	2,029,406
TOTAL Cost	4.205.143	4,896,494
Cost per Share	0.023	0.027

9.22. Information regarding the costs to be borne by the investors making a demand:

During the public offering, consortium members may request an account opening fee (customers that have accounts do not have to open new accounts), a transfer fee for transfers to the investors' accounts at other intermediary institutions, a wire transfer fee, stamp taxes and other fees, to the extent an explanation as to their nature is provided.

Cost For Investors Who Submit Demand						
Application Point	**Account Opening Fee**	**CRA Transfer Fee**	**Transfer Fee to Other Intermediary Institution**	**Wire Transfer Fee**	**Stamp Tax**	**Other**
OYAK YATIRIM MENKUL DEĞERLER A.Ş	None	None	None	None	None	Legal fees whih will be paid to CRA are charged to investors.
ACAR YATIRIM MENKUL DEĞERLER A.Ş	None	None	None	Fee of Takasbank (for custody)	Legal fee	None
AK YATIRIM MENKUL DEĞERLER A.Ş.	None	None	None	None	None	None
ALTERNATİF YATIRIM	Account opening fee	None	None	None	None	None

A.Ş.	requested by Takasbank A.Ş.					
ANADOLU YATIRIM MENKUL KIYMETLER A.Ş.	CRA tariff	None	0,25 YTL+Banking, Insurance and Deposits Tax (“BSMV”)	Wire transfer scale of our bank	None	None
ATA ONLINE MENKUL KIYMETLER A.Ş.	None	None	None	İnternet for free, Investment center 3 TL	None	None
ATA YATIRIM MENKUL KIYMETLER A.Ş.	None	None	None	Will be taken	None	None
CAMİŞ MENKUL DEĞERLER A.Ş.	None	Takasbank tariff	Takasbank tariff	Takasbank tariff	None	None
DELTA MENKUL DEĞERLER A.Ş	None	0,21 including BSMV	0,21 including BSMV	5,25-31,50 YTL	None	None.
DENİZ YATIRIM MENKUL KIYMETLER A.Ş.	None	None	0,25 TL	None	None	None
ECZACIBAŞI MENKUL DEĞERLER A.Ş.	None	Per bill 0,1.- TL.	Per bill 0,1.- TL.	None	None	None
EKİNCİLER YATIRIM MENKUL DEĞERLER A.Ş.	None	None	0,50 TL	3 TL for 0-30.000 TL, above that for each 5.000 TL 0,50 TL (+BSMV)	None	None
ETİ YATIRIM A.Ş.	None	None	None	1,50 TL	None	None.
EURO YATIRIM MENKUL DEĞERLER A.Ş.	None	None	None	None	None	None.
FİNANS YATIRIM MENKUL DEĞERLER A.Ş.	1,5 TL + 5 TL	None	None	Not applicable for IPO’s. For wire transfers except IPO’s between 5 – 25 TL	None	CRA custody fee (7,5 in ten thousand +BSMV)
FORTİS YATIRIM MENKUL DEĞERLER A.Ş.	None	None	None	Wire transfer fee of 0,5% of the amount for transactions via TEB branches (independent from the amount, wire tarnsfer fee cannot be less than 40 TL and more than 350 TL).	None	None
GARANTİ YATIRIM MENKUL KIYMETLER A.Ş.	None	0,50 TL	0,50 TL	From an account in a branch: 0,4% Min.35 TL-Max. 300 TL From cashier in a branch: 0,4% Min.37 TL-Max. 300 TL İnternet: 2,75 TL	None	None
GEDİK	None	0,5 TL	0,5 TL	None	None	None.

YATIRIM MENKUL DEĞERLER A.Ş.						
GLOBAL MENKUL DEĞERLER A.Ş.	None	None	None	None	None	None.
HALK YATIRIM MENKUL DEĞERLER A.Ş .	None	None	5.00 TL + BSMV	Current wire transfer fee scale shall be applied	None	Legal fees whih will be paid to CRA are charged to investors.
HSBC YATIRIM MENKUL DEĞERLER A.Ş.	None	None	None	None	None	None.
İNFO YATIRIM A.Ş.	None	None	None	None	None	None.
MEKSA YATIRIM MENKUL DEĞERLER A.Ş.	None	None	0,11	5 in hundred thousand+BSMV	None	None.
STRATEJİ MENKUL DEĞERLER A.Ş	None	CRA fee	CRA fee	Custody fee	None	None.
ŞEKER YATIRIM MENKUL DEĞERLER A.Ş.	5,25 TL	0,10TL	None	1,47 TL	None	None.
TACİRLER YATIRIM MENKUL DEĞERLER A.Ş.	None	None	None	Between 0-500TL 3TL, between 501-2.500TL 5T, between.2.501TL-50.000TL 10TL, above 50.000TL ü 15TL	None	None.
TEB Yatırım Menkul Değerler A.Ş.	None	None	None	For wire tarnsfer from accounts in TEB A.Ş. 0,5 % (min 40TL, max 350 TL)	None	None.
TEKSTİL YATIRIM MENKUL DEĞERLER A.Ş	None	None	0,11 TL	For each transaction 1,5 TL	None	None.
TERA MENKUL DEĞERLER A.Ş.	None	None	None	Rate determined by Takasbank	8,25 in thousand	None.
TURKİSH YATIRIM A.Ş.	None	None	None	Between 0,00 – 66.000,00 TL 5,00 TL (BSMV included), between 66.000,01 – 317.000,00 0,000075 (sevenpointfive in onehundredthousand) over the amount+BSMV, Over 317.000,01 – 25,00 TL (BSMVincluded)	None	None.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.	None	None	None	None	None	CRA custody fee sevenpointfive in tenthousand
VAKIF YATIRIM MENKUL DEĞERLER A.Ş	None	None	None	Up to30.000 TL 7 TL + BSMV 30.000 TL and above 14 TL + BSMV T. Vakıflar Bankası T.A.O 0,4%+BSMV (at least 30 TL+ BSMV at most 500 TL + BSMV) of wire tarnsfer amount is charged as a cost. In addition, for each wire transfer transaction, (min. 0.20 TL + BSMV. max 14.50 TL + BSMV) 0.000025 (25 in million) + BSMV of wire transfer amount will be charged as Central Bank message fee.	None	Custody and account operation fees requested by CRA each month are charged to clients
YAPI KREDİ YATIRIM MENKUL DEĞERLER A.Ş.	None	None	None	None	None	None.
YATIRIM FİNANSMAN MENKUL DEĞERLER A.Ş.	None	Not taken from clients, (CRA tariff is valid for customers who are not a client of Yatırım Finansman and transfers shares to other institutions)	Not taken from clients, (None for transfers to , İş Bankası from people who are not a client of Yatırım Finansman, for wire transfer and transfer to other banks and intermediary institutions; 2 TL for amounts below 28.000 TL ,20 TL (BSMV included) for 28.000 TL and above will be charged.)	Not taken from clients, (CRA tariff is valid for share transfer to other institutions by people who are not a client of Yatırım Finansman. Not valid for transfers to İş Bankası by people who are not a client of Yatırım Finansman,,for wire transfers and transfers to other banks and intermediary institutions; 2 TL for amounts below 28.000 TL ,20 TL (BSMV included) for 28.000 TL and above will be charged.)	None	None.
ZİRAAT YATIRIM MENKUL DEĞERLER A.Ş.	None	None	None	None	None	None.

9.23. Explanation on when and under which conditions, the public offering may be cancelled or postponed and whether or not cancellation is possible after the beginning of the sales:

a. Public Offering shall automatically come to an end in the event that the preliminary permission of ISE is not obtained or the CMB does not register the shares.

In case of termination, the Consortium shall not demand losses, damages or any other payments by reason of deprived profit.

b. In case of occurrence of one of the events mentioned below prior to book building, OYAK Yatırım and/or the Company may collectively terminate this agreement and cease the public offering and/or postpone it to another date.

- **i.** Legal arrangements, which render the fulfillment of the obligations under this agreement impossible or materially difficult, due to the arrangements implemented by the competent bodies that are entitled to take decisions with regard to legislation, enforcement or capital markets or banks.

- **ii.** Natural disasters, which may affect the public offering such as warfare, fire, earthquake, floods.

- **iii.** Foreseeing that sufficient demand will not be collected due to the fact that economic and political developments as well as the developments in the money and capital markets are of such nature to prevent OYAK Yatırım from marketing the shares being offered to the public, and that the anticipated benefit will not be achieved due to the situation of the markets.

- **iv.** Filing of a lawsuit or investigation against the managers and shareholders of Akfen GYO and Akfen GYO, which may impede the marketing of the shares and filing of an investigation, lawsuit or execution proceedings against other shareholders of Akfen GYO, as mentioned hereinabove, which has or may have a material effect on the public offering.

In such case, the Company shall not pay any commission to the consortium including sales commission. The Consortium shall not demand losses, damages or any other payments by reason of deprived profit.

v. Sales shall not be cancelled if the total amount of demands turns out to be less than those offered to public.

c. Public offering may be terminated in case of occurrence of a material ground between the commencement of the book building period and the approval of the distribution lists by Akfen GYO.

In case of termination of the public offering, with respect to the public offering, Akfen GYO shall only pay the reasonable and documented expenses of the consortium related to book building.

Prices shall be returned to investors who have made a demand and paid the price of such demand.

In the event of termination as such, Akfen GYO shall not pay any commission to the consortium including sales commission. The Consortium shall not demand compensation for losses, damages or ask for any other payments because of foregone profit.

"Material ground" shall include situations acknowledged in practice and doctrine as well as developments with severe economic and political consequences in any part of the World or in Turkey.

9.24. Information regarding the principles on returning the amounts paid by the investors in excess of the sales price:

a) Returning conditions for the investors who demand the conversion of the difference between the ceiling value and ultimate value are mentioned below

Domestic Individual Investors and Group Employees shall declare their preferences as to whether or not they demand extra shares in consideration of the return amount equal to the difference occurring between the ceiling price and the final price of the public offering, by marking the relevant option on the application form. In the event that the investors indicate their preferences as to demanding the return amount as shares, the difference between the ceiling price and the final price of the public offering will be reflected on the investors' demands as an extra share demand and the distribution will start only upon such reflection. Domestic individual investors and group employees who have not marked the relevant space at all or who choose to pay in cash will be deemed as wishing to receive the return amount to be paid in cash.

b) Returning of the return amounts arising from unsatisfied demands to investors:

Return and discount amounts arising from the unsatisfied demands, shall be immediately returned to the investors on the business day following the day on which the distribution lists are notified to the Consortium Members by Oyak Yatırım and results of the public offering are announced to public by the PDP. In returning the said amounts, the periods mentioned in Communiqué Serial:VIII, No:66 of the CMB cannot be exceeded.

9.25. Reason of the public offering and estimated net cash inflow to be obtained by the Company and where to use such cash inflow; if the estimated cash inflow is not sufficient for the specified areas of use, detailed information on the amount and source of other required funds:

The Company is fulfilling its obligation as to the public offering of its shares within the specified time as per the REIT Communiqué. Public offering of the shares will be made through capital increase and shareholder sales.

The Company is planning to use a substantial portion of the funds to be generated from the public offering in strengthening its capital, funding of the projects contemplated by the Company as well as its ordinary activities.

In general, Akfen GYO's expectations regarding the public offering may be summarized as follows:

- Capital
- Enhancing corporate governance
- Increasing competitiveness
- Healthy growth
- Reinforcing market recognition and reputation
- Increasing credibility
- Exercising the transparency and accountability principles in a more forceful way
- Maintaining the REIT status by fulfilling the legal requirements

As the income to be generated from sales by the shareholders will be transferred to the shareholders, such amounts will not be used by the Company within the aforementioned scope.

9.26. Whether or not the amounts collected through the public offering will bear interest, if yes, principles regarding such interest-bearing:

Amounts collected from the investors during the public offering will not bear interest.

9.27. Information regarding the investors' right of revoking their purchasing demands:

Investors may revoke their purchasing demands until the last day of the book building period, by the time of approval and may get the amounts they have paid for the public offering application back. However, they cannot revoke and cancel their applications after the expiry of the application time on the last day of the book-building period.

Investors who submit demands are also entitled to revoke their previous demands within 2 business days as of the date of announcement of the amendments to the prospectus and the circular, in line with the principles mentioned in article 25 of the Communiqué Serial:I, No:4 on "Principles regarding the Registration with the Board and Sales of the Shares".

9.28. List of persons in a position to access to internal information regarding the public offering:

List of the intermediary institutions related to the public offering with Akfen GYO, executives with access to information that may affect the value of shares, shareholders holding 5% or more shares in the Company and the other person/corporations, from whom the Company procures services in relation to the public offering, are as below.

Person	Corporation
Hamdi Akın	Akfen Holding A.Ş. / Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.
Mustafa Keten	Akfen Holding A.Ş. / Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.
İrfan Erciyas	Akfen Holding A.Ş. / Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.
İbrahim Süha Güçsav	Akfen Holding A.Ş. / Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.
Selim Akın	Akfen Holding A.Ş. / Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.
Sıla Cılız İnanç	Akfen Holding A.Ş. / Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.
Hüseyin Kadri Samsunlu	Akfen Holding A.Ş. / Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.
Ebru Gündüz	Akfen Holding A.Ş.
Ahmet Seyfi Usluoğlu	Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.
Mustafa Dursun Akın	Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.
Mehmet Semih Çiçek	Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.
Orhan Gündüz	Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.
Hülya Deniz Bilecik	Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.
Vedat Tural	Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.
Okyay Turan	Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.
Yusuf Anıl	Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.
Servet Didem Koç	Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.
Nesrin Tuncer	KPMG
Şafak Erdur	KPMG
Onur Sarı	KPMG
Sinan Ataseven	KPMG
Yiğit Pamuk	KPMG
Sibel Ertekin	Sibel Ertekin Law Office
Burcu Mert	Sibel Ertekin Law Office
Fatoş Laleoğlu	Sibel Ertekin Law Office
Başak Birlik	Sibel Ertekin Law Office
Meltem Ağcı – General Manager	OYAK Yatırım
Tayfun Oral – Assistant General Manager	OYAK Yatırım
Yurdal Yalman - Assistant General Manager	OYAK Yatırım
Buğra Baban – Group Manager	OYAK Yatırım
Alpay Dinçkoç – Research Manager	OYAK Yatırım
Emrah Çelebi – Manager	OYAK Yatırım
Özlem Gülçiçek Kataş – Associate	OYAK Yatırım
Levent Bakırcı – Associate	OYAK Yatırım
Mehmet Kerem Köseoğlu – Associate	OYAK Yatırım
Neslihan Karagöz – Associate	OYAK Yatırım

9.29. Principles of allocation and distribution to investors in the public offering:

a) Ratios allocated to qualified investors, individual investors, employees of the Company and other investor categories:

In the Company's public offering, the investors are categorized into the following groups.

Domestic Individual Investors: Real and legal persons that fall outside the definitions of Domestic Institutional Investors, Group Employees and International Institutional Investors as defined below, including the citizens of Turkish Republic of Northern Cyprus, real persons and legal entities with a residence in Turkey, including employees, self-employed persons and owners of separate businesses in foreign countries, and the persons living in the Turkey for more than 6 (six) uninterrupted months within 1 calendar year with the intention of settling.

Group Employees: Akfen Holding, Affiliates and Subsidiaries as well as companies under common control with Akfen GYO A.Ş.

Domestic Institutional Investors: Investment funds, private pension funds, venture capital investment trusts, real estate investment trusts, intermediary institutions, banks, insurance companies, asset management companies, pension and support funds, foundations, support funds and associations that work for public interest, established as per Article 20 of Social Securities Act numbered 506 and dated July 17, 1964.

International Institutional Investors: Investment funds, private pension funds, securities investment trusts, intermediary institutions, banks, insurance companies, asset management companies, mortgage finance companies, pension and support funds, foundations, which are residing abroad, as defined in the Decree No. 32 regarding the Protection of the Value of Turkish Currency.

Due to the fact that the shares will be offered to the public in a way to be traded on Istanbul Stock Exchange as per the Turkish regulations, investors that submit demands out of this category will purchase the shares in Turkey.

5% discount will be applied to Group Employees, which will account for 1% of the total IPO and granted by shareholder sale.

Out of the shares to be offered to public, following percentages have been allocated to following investors:

(39%) representing TL 21.105.825- nominal value to the Domestic Individual Investors,
(1%) representing TL 541,175 nominal value to the Group Employees,
(10%) representing TL 5.411.750- nominal value to the Domestic Institutional Investors,
(50%) representing TL 27.058.750- nominal value to the International Institutional Investors.

In case of exercise of the over allotment option, shares subjected to such option will also be distributed in accordance with the foregoing ratios.

b) Conditions and size of changes that can be made with respect to allocations and applicable percentages for individual tranches in case of change in allocation:

If, at the end of the book-building period, there is no sufficient demand to meet the amount allocated to a certain investor group, the entire unsatisfied portion of the allocation to such group may be transferred to other investor groups.

On the other hand, even if, at the end of the book building period, there is sufficient demand to meet the amount allocated to each investor group, the allocation ratios may be shifted between the groups, provided that the allocation ratios for domestic individual and domestic institutional investors are not reduced (at least 10% of the capital market instruments to be offered to public shall be allocated to domestic individual investors and 10% shall be allocated to domestic institutional investors). However, in such case, no reduction of more than 20% of the amount specified in the Prospectus can be made for any investor group.

By calculating the demand, total demand which is equal or above the final IPO price will be taken into consideration.

c) Distribution method/s to be applied in case of excessive demand to allocation group concerning the individual investors and employees of the Company:

No different method will be applied in case of excessive demand to Domestic Individual Investors and Group Employees allocation groups.

d) Privileges that may be granted to particular investor groups or other particular privileges that may be granted in allocation, percentages allocated to such groups and criteria for inclusion in such groups:

5% discount out of the final public offering price will be applied to Group Employees. Shares allocated to Group Employees will be granted from Akfen Holding shares.

e) Minimum share amount planned to be distributed to a single individual investor:

None.

f) Principles applicable in case of compound demands:

In case the same investor submits demands from more than one investor group, the demands submitted outside of its allocation group are cancelled.

As pro rata distribution method will apply to Domestic Individual Investors and Group Employees, no repeat demand scanning will be made.

Only one demand of investors within the Domestic Institutional Investors and International Institutional Investors groups will be accepted, but, if investors wish to do so, they may change their demands by 5:00 PM on the last day of the book building period.

The higher of the compound demands of Domestic Institutional Investors will be accepted and the lower one will be rejected. If the repeat demands are out of equal amounts or in case no decision can be made due to insufficient information, the titles of the institutions in alphabetical order shall be taken into account.

g) Information regarding the process of the announcement to the investors placing a demand, of the finalized share amount that they receive:

OYAK Yatırım shall deliver the distribution lists within 1 (one) business day following the expiry of the book-building period to Akfen GYO and Akfen Holding, by finalizing the same separately for each allocation group.

Reporting made to Akfen GYO and Akfen Holding, other than the distribution lists bearing the genuine signatures of OYAK Yatırım, is for information purposes only and is not conclusive.

Akfen GYO and Akfen Holding shall approve and return to OYAK Yatırım, the distribution lists finalized by OYAK Yatırım, within the same day. Investors who made a demand in the public offering may learn about the final shares they have received from the public offering, by applying to the consortium members, to which they have submitted their demands, on the day on which the distribution lists are notified by Oyak Yatırım to the Consortium Members and the results of the public offering are announced on the PDP.

OYAK Yatırım shall disclose the information pertaining to the amount, ratio and investor quantities of the capital market instruments that are distributed on the basis of investor groups and the persons and entities that purchased more than 5% of the nominal value of the publically offered shares to public, on the business day following the day on which the distribution lists have finalized, in accordance with the regulations of the Board regarding the public disclosure of material events. Furthermore, purchase of shares by persons mentioned in article 18 of the Communiqué Serial:VIII, No:66 (persons with access to internal information regarding the public offering) shall also be announced under this article, regardless of any ratio.

In the event of occurrence of a situation that requires an amendment to the prospectus after the end of the book building period and if CMB's approval with regard such amendment is required, declaration of sales results, approval of distribution lists, collection of public offering prices, returning of the amounts pertaining to unsatisfied demands, transfer of values and all other relevant transactions may be delayed.

9.30. In case of simultaneous sales in more than one country, information regarding any allotment at a specific ratio in any of those countries, if any:

None.

9.31. Information on whether or not there are any records restricting the transfer and circulation of the publically offered shares, or preventing the exercise of the rights by the shareholder of such shares:

None.

9.32. Trading on the Stock Exchange:

Trading on the stock exchange of the shares offered to public upon the completion of the sale depends on the affirmative decision of the stock exchange, in accordance with the relevant provisions of stock exchange legislations.

Targeted ISE market for the trading of the shares offered to public is the National Market.

9.33. Undertakings regarding the increase of the amount of shares in circulation after the public offering:

a) Undertaking granted by the Company:

BoD decision of Akfen GYO dated January 25, 2011numbered 2011/4:
Following the IPO of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş., for 180 days beginning from the date of our shares are traded at the İstanbul Stock Exchange, our Company will not sell its shares in no circumstances and therefore the shares amount in circulation will not be increased.

b) Undertaking granted by the Shareholders:

BoD decision of Akfen Holding dated April 8, 2011numbered 2011/9:
Following the IPO of our subsidiary Akfen Gayrimenkul Yatırım Ortaklığı A.Ş., for 180 days beginning from the date of Akfen GYO's shares are traded at the İstanbul Stock Exchange, our Company will not sell its shares in no circumstances and therefore the shares amount in circulation will not be increased.

Hamdi Akin's undertaking signed on March 3, 2011:
Following the IPO of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş., of which I am a shareholder, for 180 days beginning from the date of Akfen GYO's shares are traded at the İstanbul Stock Exchange, I will not sell my shares in no circumstances and therefore the shares amount in circulation will not be increased.

c) Content, exceptions and periods of the Undertakings:

Akfen GYO, Akfen Holding and Hamdi Akın shall not sell additional shares and increase the amount of shares in circulation for a period of 180 (onehundredeighty) days as of the date on which the share certificates start to be traded on ISE.

9.34. Places where the prospectus will be announced:

The prospectus will be announced on the following web sites; www.kap.gov.tr, www.akfengyo.com.tr and www.oyakyatirim.com.tr .

9.35. Information regarding over allotment transactions:

a) If the final demand collected is higher than the amount of shares offered to sales, whether or not the shares held by the below mentioned shareholders are planned to be added to the total amount of shares that will be subject to distribution:

It is not planned.

b) Maximum amount and ratios of the shares that can be subject to over allotment option and their sales method:

Over Allotment Method	Amount	Public Offering Ratio (%)
Shareholder sales	8,117,625	15.00
Sales of the shares that the intermediary institution will borrow from the shareholders	-	-
TOTAL	**8,117,625**	**15.00**

c) Information on the portion of over allotment which is planned to be exercised by the intermediary institution through shares of shareholders which will be kept in escrow:

None

i) Company title of the intermediary institution which will exercise over allotment option:

None

ii) Principles of escrow agreement:

None

iii) Information stating that the transactions cannot be held as a price undertaking:

None

iv) Responsibility:

None

d) Other information that might have an effect on the decision making process of the investors:

Information on price stability transactions

Cash to be generated from the shareholder sales of 8,117,500 shares held by Akfen Holding may be used within the scope of price stability transactions.

9.36. Market makers and principles of market making and transactions related to price stability:

a) Whether Price Stability is planned:

It is planned.

b) Trade name of the intermediary institution, which may conduct the price stability transactions:

OYAK Yatırım Menkul Değerler A.Ş.

c) Period of the price stability transactions:

It is 30 days following the date, on which the shares start to be traded on ISE.

d) Declaration regarding the non-existence of a guarantee regarding the fulfillment of price stability transactions:

OYAK Yatırım Menkul Değerler A.Ş. is planning the conduct price stability transactions for our company's shares. However, OYAK Yatırım Menkul Değerler A.Ş. does not grant any guarantee as to the definite realization of price stability transactions. OYAK Yatırım Menkul Değerler A.Ş. may not commence the price stability transactions at all or, if does start such transactions, may cease the same, by indicating the reasons, at any time after their commencement, if it deems desirable.

e) Purpose of price stability transactions:

The purpose of price stability transactions is to contribute to price stability by making purchases in the event that the price of the shares is below the price offered to public. However, the said transactions do not constitute any price undertaking and during the price stability transactions price of the shares may be higher than the price that should occur at the market conditions. No order exceeding the price offered to public can be given in price stability transactions.

f) Explanation indicating that prices may fall after the expiry of the period pertaining to price stability:

Price stability transactions are limited to the time period set out in the subparagraph (c). Even if the price of the shares may increase during the price stability transactions, they may decrease again after the expiry of the said period.

g) Liability regarding the price stability transactions and nature of the sources to be used in such transactions:

According to the regulations of the Board, entire liability regarding the price stability transactions is assumed by OYAK Yatırım Menkul Değerler A.Ş., the intermediary institution, which conducts such transactions. OYAK Yatırım Menkul Değerler A.Ş. will use the funds undertaken by Akfen Holding A.Ş., for the purpose of being used in price stability transactions and which corresponds to %15 of the public offering amount coming from shareholder sale without over allotment.

h) Other information that may be effective in the decision making process of the investors:

None.

9.37. Dilution Effect

a) Amount and percentage of the dilution effect arising from the public offering:

If the public offering is made out of TL 2.05 – TL 2.50 price band and sales volumes are taken into consideration, the dilution effect on NAV based on appraisal value and book value will be as follows:

Based on NAV Calculated by Appraisal (excluding over allotment)		
Pre IPO NAV/share		
NAV	592.495.323	592.495.323
Current paid in capital	138.000.000	138.000.000
Pre IPO NAV/share	4,29	4,29
Dilution for current shareholders		
Capital increase	46.000.000	46.000.000
Price	2,05	2,50
Capital increase*Price	94.300.000	115.000.000
IPO costs	4.205.143	4.896.494
(Capital increase*Price)-IPO costs	90.094.857	110.103.506
NAV	682.590.180	702.598.829
Post IPO NAV/share	3,71	3,82
Dilution for current shareholders	**-13,60%**	**-11,06%**
Dilution for new shareholders		
Capital increase	46.000.000	46.000.000
Price	2,05	2,50
Capital increase*Price	94.300.000,00	115.000.000,00
IPO costs	4.205.143	4.896.494
(Capital increase*Price)-IPO costs	90.094.857	110.103.506
NAV	682.590.180	702.598.829
Post IPO NAV/share	3,71	3,82
Dilution for new shareholders	**80,96%**	**52,74%**

Based on NAV Calculated by Book Value (excluding over allotment)		
Pre IPO book value/share		
Book value	450.748.404	450.748.404
Current paid in capital	138.000.000	138.000.000
Pre IPO NAV/share	3,27	3,27
Dilution for current shareholders		
Capital increase	46.000.000	46.000.000
Price	2,05	2,50
Capital increase*Price	94.300.000	115.000.000
IPO costs	4.205.143	4.896.494
(Capital increase*Price)-IPO costs	90.094.857	110.103.506
Post IPO book value	540.843.261	560.851.910
Post IPO book value/share	2,94	3,05
Dilution for current shareholders	**-10,01%**	**-6,68%**
Dilution for new shareholders		
Capital increase	46.000.000	46.000.000
Price	2,05	2,50
Capital increase*Price	94.300.000	115.000.000
IPO costs	4.205.143	4.896.494
(Capital increase*Price)-IPO costs	90.094.857	110.103.506
Post IPO book value	540.843.261	560.851.910
Post IPO book value/share	2,94	3,05
Dilution for new shareholders	**43,38%**	**21,92%**

Based on NAV Calculated by Appraisal (including over allotment)		
Pre IPO NAV/share		
NAV	592.495.323	592.495.323
Current paid in capital	138.000.000	138.000.000
Pre IPO NAV/share	4,29	4,29
Dilution for current shareholders		
Capital increase	46.000.000	46.000.000
Price	2,05	2,50
Capital increase*Price	94.300.000	115.000.000
IPO costs	4.446.439	5.057.492
(Capital increase*Price)-IPO costs	89.853.561	109.942.508
NAV	682.348.884	702.437.831
Post IPO NAV/share	3,71	3,82
Dilution for current shareholders	**-13,63%**	**-11,08%**
Dilution for new shareholders		
Capital increase	46.000.000	46.000.000
Price	2,05	2,50
Capital increase*Price	94.300.000,00	115.000.000,00
IPO costs	4.446.439	5.057.492
(Capital increase*Price)-IPO costs	89.853.561	109.942.508
NAV	682.348.884	702.437.831
Post IPO NAV/share	3,71	3,82
Dilution for new shareholders	**80,90%**	**52,70%**

Based on NAV Calculated by Book Value (including over allotment)		
Pre IPO book value/share		
Book value	450.748.404	450.748.404
Current paid in capital	138.000.000	138.000.000
Pre IPO NAV/share	3,27	3,27
Dilution for current shareholders		
Capital increase	46.000.000	46.000.000
Price	2,05	2,50
Capital increase*Price	94.300.000	115.000.000
IPO costs	4.446.439	5.057.492
(Capital increase*Price)-IPO costs	89.853.561	109.942.508
Post IPO book value	540.601.965	560.690.912
Post IPO book value/share	2,94	3,05
Dilution for current shareholders	**-10,05%**	**-6,71%**
Dilution for new shareholders		
Capital increase	46.000.000	46.000.000
Price	2,05	2,50
Capital increase*Price	94.300.000	115.000.000
IPO costs	4.446.439	5.057.492
(Capital increase*Price)-IPO costs	89.853.561	109.942.508
Post IPO book value	540.601.965	560.690.912
Post IPO book value/share	2,94	3,05
Dilution for new shareholders	**43,32%**	**21,89%**

b) Amount and percentage of the dilution effect, if the existing shareholders do not purchase shares from the public offering:

Shareholder	Current Structure		Post-IPO Structure		Post-IPO Structure (Over Allotment Included)	
AKFEN HOLDİNG A.Ş.	103.273.884	74,84%	95.156.384	51,72%	87.038.759	47,30%
HAMDİ AKIN	33.991.838	24,63%	33.991.838	18,47%	33.991.838	18,47%
İBRAHİM SÜHA GÜÇSAV	345.380	0,25%	345.380	0,19%	345.380	0,19%
MUSTAFA CEYHAN	345.380	0,25%	345.380	0,19%	345.380	0,19%
AKINISI MAKİNA SANAYİ VE TİCARET A.Ş.	43.513	0,03%	43.513	0,02%	43.513	0,02%
AKFEN İNŞAAT TURİZM VE TİCARET A.Ş.	2	0,00%	2	0,00%	2	0,00%
MEHMET SEMİH ÇİÇEK	1	0,00%	1	0,00%	1	0,00%
MUSTAFA DURSUN AKIN	1	0,00%	1	0,00%	1	0,00%
AHMET SEYFİ USLUOĞLU	1	0,00%	1	0,00%	1	0,00%
FREE FLOAT			54.117.500	29,41%	62.235.125	33,82%
	138.000.000	**100,00%**	**184.000.000**	**100,00%**	**184.000.000**	**100,00%**

9.38. Information regarding the interests related to the public offering and the nature of such interests and persons who will benefit from such interests:

Akfen GYO will receive capital; Akfen Holding will receive fund input and intermediary institutions, which act, as intermediaries in the public offering will receive intermediation commission from the public offering.

10. FINANCIAL SITUATION AND RESULTS OF OPERATIONS

10.1. Financial situation of the Company in the last three years and as of the relevant interim period, changes occurred in its financial situation from year to year and the reasons of such changes:

AKFEN GYO SUMMARIZED BALANCE SHEET AND FINANCIAL ANALYSIS

(-TL) **ASSETS**	**December 31, 2010**	**December 31, 2009**	**December 31, 2008**
Current Assets	8,365,971	5,146,431	12,412,726
Fixed Assets	678,636,026	502,950,957	439,864,117
TOTAL ASSETS	**687,001,997**	**508,097,388**	**452,276,843**
LIABILITIES	**236,253,593**	**223,666,490**	**185,823,187**
Short-term Liabilities	**63,017,344**	**61,027,157**	**70,897,849**
Financial debts	47,628,674	34,139,632	61,417,644
Other Short-term Liabilities	15,388,670	26,887,525	9,480,205
Long-term Liabilities	**173,236,249**	**162,639,333**	**114,925,338**
Financial debts	164,563,313	161,137,078	109,733,867
Other Long-term Liabilities	8,672,936	1,502,255	5,191,471
SHAREHOLDER EQUITY	**450,748,404**	**284,430,898**	**266,453,656**
Shareholder Equity Attributable to the Parent Company	450,777,318	284,430,898	266,453,656
Minority Shares	-28,914	--	--
TOTAL LIABILITIES	**687,001,997**	**508,097,388**	**452,276,843**

	December 31, 2010	**December 31, 2009**	**December 31, 2008**
Asset Growth Rate	35%	12%	-
Consolidated Financial Debt and Liability Growth Rate	5%	25%	-
Consolidated Financial Debt and Liability / Total Equity	52%	79%	70%
Short Term Financial Debt and Liability / Total Financial Debt and Liability	27%	27%	38%
Total Consolidated Financial Debt and Liability / Total Assets	34%	44%	41%

By constantly developing and completing new hotel projects, Akfen GYO has grown its total assets by 12% in 2009 and by 35% in 2010, and reached an asset size of TL 687 million as of December 31, 2010.

Despite the 35% increase in the asset size in 2010, consolidated financial debts and liabilities have only increased by 5%, due to the increase of paid-in capital from TL 72,147,000 to TL 138,000,000 within 2010.

Furthermore, the ratio of short-term financial debts and liabilities to total financial debts and liabilities, which was 38% in 2008, has decreased to 27% in 2010.

SUMMARIZED INCOME STATEMENT OF AKFEN GYO AND FINANCIAL ANALYSIS

(-TL)			
	December 31, 2010	**December 31, 2009**	**December 31, 2008**
Lease Income	18,471,000	17,699,045	14,987,535
GROSS PROFIT	**16,380,948**	**16,012,094**	**11,551,074**
OPERATING PROFIT	**135,755,870**	**31,751,359**	**111,088,946**
PROFIT BEFORE TAX	**128,348,977**	**13,874,492**	**67,838,235**
NET INCOME	**120,334,075**	**18,206,539**	**58,925,569**

	December 31, 2010	**December 31, 2009**	**December 31, 2008**
Income Growth %	4%	18%	
Gross Profit Margin	89%	90%	77%

10.2. Information regarding the results of operations of the Company within the last three years and as of the relevant interim period:
- Factors that materially affected the incomes and net sales of the Company including extraordinary events and/or developments and information on the degree of affect of such factors on the income and net sales:

None.

- Information regarding the public, economic, financial or monetary policies that materially affected or might affect the operations of the Company directly or directly:

As the Company's field of operations is developing real estate projects, it is directly or indirectly affected by the public, economic, financial or monetary policies and developments in these areas in Turkey and the World.

10.3. Whether or not the working capital of the Company is sufficient and if not, information on how to procure additional working capital:

Our Company's working capital is sufficient for the coming 12 months.

10.4. Information on the Company's most recent financing structure and indebtedness status (with a guaranteed – unguaranteed, secured – unsecured distinction and including indirect and conditional liabilities):

(-TL)	12/31/2010	12/31/2009
Financing Structure and Indebtedness Status	**Amount (TL)**	**Amount (TL)**
Short term liabilities	**47,628,674**	**34,139,632**
Guaranteed	0	0
Secured	47,628,674	33,869,003
Unguaranteed/Unsecured		270,629
Long term liabilities (excluding short term portions of the long term liabilities)	**164,563,313**	**161,137,078**
Guaranteed	0	0
Secured	164,563,313	161,137,078
Unguaranteed/Unsecured	0	0
Shareholder's Equity	**450,748,404**	**284,430,898**
Paid-in/issued capital	138,000,000	72,147,000
Legal reserves	4,147	4,147
Other reserves	312,744,257	212,279,751
TOTAL	**662,940,391**	**479,707,608**
Net Indebtedness Status	**Amount (TL)**	**Amount (TL)**
A. Cash	2,132	596
B. Cash Equivalents	1,302,795	498,413
C. Financial Assets for sale and purchase	0	0
D. Liquidity (A+B+C)	1,304,927	499,009
E. Short Term Financial Receivables	0	0
F. Short Term Bank Loans	0	7,578,433
G. Short Term Portions of Long Term Bank Loans	47,628,674	26,561,199
H. Other Financial Debts	0	0
I. Short Term Financial Debts (F+G+H)	47,628,674	34,139,632
J. Short Term Net Financial Indebtedness (I-E-D)	46,323,747	33,640,623
K. Long Term Bank Loans	164,563,313	161,137,078
L. Bills	0	0
M. Other Long Term Loans	0	0
N. Long Term Financial Indebtedness (K+L+M)	164,563,313	161,137,078
O. Net Financial Indebtedness (J+N)	**210,887,060**	**194,777,701**

Details of financial debts as of December 31, 2010, December 31, 2009 and December 31, 2008 are provided hereinbelow:

(-TL)	December 31, 2010	December 31, 2009	December 31, 2008
Short term financial debts:			
Short term bank loans	--	7,578,434	44,912,885
Short term portions of long term loans	47,628,674	26,561,198	16,504,759
Total	**47,628,674**	**34,139,632**	**61,417,644**
Long term financial debts:			
Long term bank loans	164,563,313	161,137,078	109,733,867
Total financial debts	**212,191,987**	**195,276,710**	**171,151,511**

11. SOURCES OF FUNDS OF THE COMPANY

11.1. Information on the short and long term fund sources of the Company:

Main sources of funds of the Company are the rent income generated from hotels. Each quarter, Akfen GYO obtains rental income from Accor for the hotels rented to Accor for relevant quarter. Rental income from fitness center and restaurant in Eskişehir are other sources of funds. In TRNC, rental income is obtained in every quarter from Serenas Turizm Kongre ve Organizasyon Hizmetleri Ltd. Şti. ve Voyager Kıbrıs Ltd.

Other source of fund is long term project loans.

Breakdown of the sources used by Akfen GYO by maturity is as follows:

(-TL)	December 31, 2010	December 31, 2010	December 31, 2010
Shorter than 1 year	47,628,674	34,139,632	61,417,644
1 to 2 years	35,881,967	32,905,376	20,356,766
2 to 3 years	24,802,337	30,701,851	19,769,407
3 to 4 years	23,716,745	24,959,310	17,845,089
4 to 5 years	23,381,352	21,672,317	15,446,887
5 years and longer	56,780,912	50,898,224	36,315,718
	212,191,987	**195,276,710**	**171,151,511**

11.2. Evaluation regarding cash flows:

In the cash flow chart, cash flow related to the period is reported as classified according to main investment and financing activities and operations. Cash flows arising from main operations demonstrate the cash flows arising from the operations of the Company.

Cash flows related to investment activities demonstrate the cash flows, which Akfen GYO uses in and generates from its investment activities.

Cash flows related to financing activities demonstrate the sources, which Akfen GYO uses in financing activities and their repayments.

Cash and cash equivalents include cash and bank deposits and short-term investments with high liquidity, which can easily be converted into a specified amount of cash, with a 3 months or a shorter maturity.

Cash flow chart pertaining to periods of December 31, 2010, December 31, 2009 and December 31, 2008 is provided hereinbelow.

11.2.1. Cash Flow arising from Operations

Provided in the cash flow chart below.

11.2.2. Cash Flow arising from Investment Activities

Provided in the cash flow chart below.

11.2.3. Cash Flow arising from Financial Activities

Provided in the cash flow chart below.

(-TL)	Independently audited 2010	Revised 2009	2008
A. Cash flow arising from main operations			
Net profit/(loss)	**120,334,075**	**18,206,539**	**58,925,569**
Adjustments:			
Depreciation expenses	49,417	69,524	56,147
Redemption expenses	5,613	6,057	7,664
Increase/(decrease) due to provisions for severance pay liabilities	-20,628	21,782	29,020
Increase/(decrease) due to leave liabilities	40,046	-882	33,167
Interest expense	15,102,121	14,889,691	14,119,248
Unrealized exchange rate difference income	-8,354,382	-551,087	32,185,526
Net value increase of real estates for investments	-128,299,803	-21,151,504	-104,922,137
Lease expense accruals	620,338	416,686	177,404
Other provisions	1,202,882	694,330	6,989,281
Tax expense / (income)	8,014,902	-4,332,047	8,912,666
Operating profit before changes in working capital	**8,694,581**	**8,269,089**	**16,513,555**
Changes in inventory	1,094,805	-27,098	180,178
Changes in trade receivables	-3,246,033	816,056	384,546
Changes in other receivables	58,914	3,857,175	-556,025
Changes in other current and fixed assets	-5,346,547	-4,385,883	12,007,282
Changes in trade debts	-2,939,468	2,517,707	551,424
Payment of severance and leave obligations	-9,985	-12,639	-17,475
Paid tax	-658,576	--	--
Changes in other debts and liabilities	-10,318,148	13,656,316	550,905
Net cash arising from/(used in) main operations	**-12,670,457**	**24,690,723**	**29,614,390**
B. Cash flow arising from /(used in) investment activities			
Tangible fixed asset purchases	-45,847	-19,720	-97,733
Tangible fixed asset sales	46,374	22,009	--
Intangible fixed asset purchases	-3,748	-4,003	-15,339
Purchases of real estate for investment	-43,949,562	-31,382,124	-52,733,448
Cancelled outflows of real estates for investment	1,344,515	348,250	--
Net cash impact of acquired corporations under common management	--	-1,631,642	--
Net Cash used in Investment Activities	**-42,608,268**	**-32,667,230**	**-52,846,520**
C. Cash flow arising from financing activities			
Cash input arising from capital increase	45,676,767	--	--
Cash input generated from financial debts	44,373,896	65,019,809	170,045,255
Repayment of financial debts	-19,264,800	-45,596,332	-131,733,528
Interest payments	-15,007,884	-13,875,185	-14,119,248
Net cash arising from financing activities	**55,777,979**	**5,548,292**	**24,192,479**
Exchange rate differences on the balance sheet	306,664	332,306	-114,598
Net (decrease) /increase in cash and cash equivalents	**805,918**	**-2,095,909**	**845,751**
Cash and cash equivalents at the beginning of the period	499,009	2,594,918	1,749,167
Cash and cash equivalents at the end of the period	**1,304,927**	**499,009**	**2,594,918**

11.3. Evaluation of the status of funds and borrowing needs:

As of December 31, 2010, the Company has TL 212,191,987 of bank debts arising from the long-term project finance facilities obtained.

Akfen GYO realizes its projects with long-term project finance, with a 75% borrowing rate.

The borrowing rate for the Office and Ibis Hotel projects in the cities of Samara and Yaroslavl in Russia is 70%. Pursuant to the loan agreement made on April 27, 2010 with EBRD and IFC in relation to the re-financing of Ibis Hotel projects in Samara and Yaroslavl and financing of Kaliningrad Ibis Hotel project, the borrowing rate will be 55%.

A major portion of the funds to be generated from Akfen GYO's public offering will be used in financing the equity contributions of projects that the Company is contemplating to realize.

The Company borrows in compliance with the limitations imposed by the REIT Communiqué.

11.4. Information regarding the restrictions on the usage of the sources of funds, which had or might have a material direct or indirect affect on the operations:

On October 17, 2008, Akfen GYO has signed a loan agreement with TSKB and İş Bankası, with a total amount of EUR 100,000,000 for the purpose of financing its hotel projects. The loan has been collateralized in line with the following principles:

Borrowing Limits
Debt Service Coverage Ratio (DSCR) > 1.1
Debt to Equity Ratio: 75-25

Conditions of Distribution of Dividend
As per Akfen GYO's loan agreement, Akfen GYO may only distribute dividends if all of the following conditions are fulfilled:

- The Debt Repayment Adequacy Ratio for the relevant period is equal to or higher than 1.50:1;
- Aggregate of the amount of Loan made available by the Lenders and the principle amount of the unutilized portion of the Loan is less than EURO 80,000,000 (eightymillion Euro).

Pledges related to cash movements have been provided. In addition, Akfen GYO has assigned its entire lease income from hotels as collateral for the loans made available under the loan agreements.

11.5. Information on;
- Planned investments, on which a resolution of the Board of Directors is passed,
- Sources of funds provided for the material tangible assets, currently existing or planned to be acquired, including those acquired through financial leasing:

Investment costs of existing material tangible assets are provided in Section 3.4.4 and 3.4.7. Sources of funds related to tangible assets are provided in Section 11.3.

12. FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORTS PERTAINING TO THE PREVIOUS PERIOD

12.1. Company's financial statements and related independent audit reports for the last three years as prepared in accordance with the Board's accounting/financial reporting standards

Company's financial statements and related independent audit reports for the last three years as prepared in accordance with the Board's accounting/financial reporting standards are provided in Exhibit-2.

12.2. Titles of the firms that performed the independent audit for the last three years and the relevant interim period, the independent auditor's opinion and if the audit firm/responsible partner auditor has changed, information on the reasons of such change:

Independent audit firms that prepared the independent audit reports pertaining to Akfen GYO's consolidated financial statements and independent audit standards are listed below.

Financial statements for the accounting periods of 2008, 2009 and 2010, as prepared according to IAS/IFRS accepted by IASB as per the provisions of Serial: XI No: 29 are audited by Akis Bağımsız Denetim ve SMMM A.Ş (KPMG) and contain a positive opinion.

There is no change in the responsible partner auditor.

12.3. Lawsuits, which had significant impact or might have significant impact in the future, on the Company's and/or the Group's financial situation or profitability within the last 12 months (including any lawsuits, which are not filed yet are threatened to be filed within the knowledge of the Company):

Based on lawsuits with a value exceeding TL 100,000.00 and/or which might affect the Company's operations:

<u>Pending lawsuits, in which Akfen Gayrimenkul Ticareti ve İnşaat A.Ş. is the claimant</u>

Counter Party	Subject Matter	Amount	Current Status
Şengüller İnşaat Taah. San. Tic. Ltd. Şti.	Pending execution proceedings filed by Akfen against the Debtor.	TL 113,650.00	Attachment has been set on the vehicles and real estates registered under the debtor's name. There are other attachments on these attached properties in favor of 3rd parties.

<u>Pending lawsuits, in which Akfen Gayrimenkul Ticareti ve İnşaat A.Ş. is the respondent</u>

Counter Party	Subject Matter	Amount	Current Status
TMO	Relying on the land registration case filed against the Eskişehir Metropolitan Municipality by TMO, TMO has requested the cancellation of the lease annotation in favor or Akfen GYO, on the relevant property. In the land registration case filed against the Metropolitan Municipality of Eskişehir by TMO, the Supreme Court of Appeals has overruled the decision made by the local court against Eskişehir Metropolitan Municipality. The Court wishes to wait for the result of this case.	Cancellation of the land registration	The case is pending before the first-degree court. When the below mentioned case between TMO and Eskişehir Metropolitan Municipality results in favor of Eskişehir Municipality, this case will become devoid of essence and rejected.
TMO	Land registration case filed by TMO (Soil Products Office) against Eskişehir Metropolitan Municipality, with the request for the reacquisition of the expropriated	Action for registration at the land registry	The case has been concluded in favor of TMO and it has been decided to return the property to TMO, provided that the price is

	property. The case has been notified to Akfen GYO and Akfen GYO is not a main party to the case, it has only been notified.		returned. The Supreme Court of Appeals has overruled the case. The first-degree court has upheld the decision of the Supreme Court of Appeals and rejected the case. Ruling of this case is under the review of the 18th Civil Chamber of the Supreme Court of Appeals under file no. 2010/13628 Merits.
Kubatoğlu Dek. İnş. Ses Su Yal. San. Tic. Ltd. Şti.	Case with a value of TL 100,000.00, for the cancellation of the objection raised to the execution procedures commenced by Kubatoğlu, the sub-contractor of Ordinat İnşaat, the Contractor company related to the construction works carried out in Gaziantep. The plaintiff does not have any contractual relationship with Akfen GYO.	TL 100,000.00	Case is pending before the first-degree court.
BDC İş Geliştirme ve Danışmanlık Hiz. Tic. A.Ş.	Case for the cancellation of the objection raised to the execution procedures commenced by BDC İş Geliştirme ve Danışmanlık Hiz. Tic. A.Ş, the plaintiff against Akfen GYO A.Ş. before Istanbul 8th Execution Office. Akfen GYO has become informed of the case late, due to unduly served notifications.	TL 160,000.00	The case has been appealed. Execution proceedings have been suspended until the end of the appeal, by depositing a security to Istanbul 8th Execution Office.

12.4. Material changes occurred after the date of the latest financial statements, which might have an impact on the Company's or group's financial situation or commercial position:

Upon the increase of the paid-in capital to TL 138,000,000, further to the resolution dated January 24, 2011 and numbered 3 of the Board of Directors, the Company has filed a revised application to the CMB in relation to the public offering of 46,000,000 shares corresponding to TL 46,000,000, to be issued by way of increasing the capital up to TL 184,000,000, and 8,117,500 shares corresponding to TL 8,117,500 out of such capital, and in case of receiving a sufficient amount of demands 8,117,625 corresponding to TL 8,117,625, within the scope of over allotment.

With the Board of Directors resolution dated January 24, 2011 and numbered 2011/13, Akfen GYO has decided that:

- 8,117,500 shares with a nominal value of TL 8,177,500 out of the shares, each with a nominal value of TL 1, in the portfolio of Akfen Holding A.Ş., one of its shareholders, shall be offered to public fully with premium, in accordance with the relevant communiqué of the CMB and its provisions;
- In case there is a sufficient amount of excessive demand after the public offering, 8,117,625 shares with a nominal value of TL 8,177,625 out of the shares, each with a nominal value of TL 1, in the portfolio of Akfen Holding A.Ş., one of its shareholders, shall be offered to public fully with premium, within the scope of over allotment, in accordance with the relevant communiqué of the CMB and its provisions;
- Paid-in capital of the Company shall be increased from TL 138,000,000 to TL 184,000,000 within the registered capital ceiling; 46,000,000 shares corresponding to TL 46,000,000, which have been increased in cash shall be offered to public fully with premium, in accordance with the relevant communiqué of the CMB and its provisions.

At the Board meeting dated January 24, 2011, numbered 2011/2 of Akfen Holding, it has been unanimously resolved that;

- 8,117,500 shares with a nominal value of TL 8,177,500 out of the shares, each with a nominal value of TL 1, being owned in Akfen GYO A.Ş., shall be offered to public fully with premium, in accordance with the relevant communiqué of the CMB and its provisions;

- In case there is a sufficient amount of excessive demand after the public offering, 8,117,625 shares with a nominal value of TL 8,177,625 out of the shares, each with a nominal value of TL 1, being owned in Akfen GYO A.Ş., shall be offered to public fully with premium, within the scope of over-allotment, in accordance with the relevant communiqué of the CMB and its provisions

The Group has decreased the interest rate of the loan agreement amounting to EURO 100 million that it has signed for the financing of the hotel projects in Turkey, from Euribor + 4.75% to Euribor + 3.75%, as of January 1, 2011 in accordance with the agreement reached by Türkiye İş Bankası and TSKB.

With regard to the offering of the Company's shares to public, as mentioned in note 18, applications to CMB and ISE were made on August 25, 2010 and such applications were revised in accordance with the aforementioned resolution dated January 24, 2011 and numbered 2011/3 of the Board of Directors of Akfen GYO.

On February 2, 2011, the Group has signed a 25-year lease agreement with Tamaris Turizm A.Ş., a subsidiary of Accor S.A., in relation to Izmir Ibis Hotel project with 140 rooms, which is planned to become operational in 2012. Tamaris A.Ş. has the option to terminate the agreement 10 years before expiration and to extend for another 10 years.

Pursuant to the agreement signed between Akfen Construction and TRNC Ministry of Agriculture and Natural Resources on December 30, 2010, the land with a tourism occupancy permit, located at the city of Bafra, P/H XVI, on parcel no. 23/2/1/1 + 23/4 with an area of 224,556 m2 has been allocated to Akfen Construction's usage for a period of 49 years. With its Board resolution dated February 10, 2011 and numbered 2011/03, Akfen Construction has decided to transfer the said agreement to Akfen GT and on February 23, 2011, such transfer has been approved by TRNC Council of Minister's Decree.

The Company has amended its articles of association further to the permission dated February 7, 2011 and numbered B.02.1.SPK.0.15-325.06-141/1457 of the CMB and permission numbered B.14.0.TTG.0.10.00.01/351.01-59012-18162/832 of the Ministry of Industry and Commerce and on February 16, 2011, within the scope of such registered amendment, it has increased its registered capital ceiling from TL 200,000,000 divided into 200,000,000 shares each with a nominal value of TL 1 (one) to TL 1,000,000,000 divided into 1,000,000,000 shares each with a nominal value of TL 1 (one).

As per another amendment made to the articles of association, Independent Board Member Mustafa Dursun Akın has been elected as the Chairman of the Audit Committee, established by the resolution dated February 16, 2011 and numbered 2011/16 of the Board of Directors, and Board Members İrfan Erciyas and Selim Akın have been elected as the members of the said Audit Committee. Board Member İbrahim Süha Güçsav has been elected as the Chairman of the Corporate Governance Committee, established under the same resolution of the Board of Directors and Board Member Mustafa Keten and Independent Board Member Ahmet Seyfi Usluoğlu have been elected as the members.

Pursuant to the decision dated February 25, 2011 and numbered 2011/18 of the Board of Directors, taking into consideration the general profitability of the Company, it has been decided to determine a profit distribution policy based on the principle of proposing the distribution of at least %30 of the distributable profit of the Company starting from 2011 accounting period, to the General Assembly.

On February 4, 2011, the Group has signed a share purchase agreement with Horus International B.V., the owner of Keramit Financial Company B.V.I ("Keramit B.V.I"), in relation to the purchasing of the shares of Keramit B.V.I, which owns 100% of the Dinamo- Petrovskiy Park XXI Vek-MS Limited, a right holder in a land located in the center of Moscow. According to the share purchase agreement, the transfer shall be made upon the fulfillment of the transfer conditions stipulated under the agreement. Pursuant to the agreement signed on April 12, 2010 with Accor SA, lease conditions for the Ibis Hotel project with 475 room capacity, to be constructed upon the said land are set as follows: annual lease amount will be 75% of the hotel's adjusted annual profit, provided that it does not fall below; Euro 5,000/room for the first full operation year, Euro 6,500/room for the second full operation year; Euro 8,000/room for the third to eighth full operation years. Duration of the agreement is 25 years as of the commencement date of the hotel. Accor S.A. has the option to terminate the agreement 10 years earlier and to extend the same for another 10 years.

13. PROJECTED FINANCIAL INFORMATION OF THE COMPANY[1]

13.1. Projected financial information:

There is no situation that requires the provision of projected financial information.

13.2. Special purpose independent audit report pertaining to projected financial information:

None.

[1] **Projected Financial Information:** In case of occurrence of a substantial change by 25% or more in the indicators that are significant for the operations and financial situation of the Company, such as total assets and sales, financial information regarding the impact of such change on the gross income, total assets and profit/loss of the Company, with the assumption that such change has occurred as of the beginning or the last day of the period of the financial statements.

14. PRINCIPLES REGARDING THE DISTRIBUTION OF PROFIT

Information on the principles regarding the distribution of profit, as mentioned in the articles of association of the Company and other information and documents that are publically disclosed and decisions taken within the last 3 years in relation to the distribution of profit:

With the Board resolution passed by our Company's Board of Directors of February 25, 2011, a profit distribution policy has been adopted based on the principle of "taking into consideration the general profitability of our Company, proposing the distribution of at least 30% of the distributable profit as of the accounting period of 2009, to the General Assembly".

Provisions of the articles of association governing the distribution of profit are as follows:

DISTRIBUTION OF PROFIT

ARTICLE 31: With regard to the distribution of profit, the Company complies with the provisions set out in the Turkish Commercial Code and the Capital Markets Legislations.

Upon the deduction of the amounts that are required to be paid or set aside by the Company such as the Company's overall expenses and various amortizations as well as the taxes that are required by the Company's legal entity and provisions set aside for financial liabilities from the income determined at the end of the accounting period, out of the remaining net profit demonstrated on the balance sheet, the previous years' losses, if any, are deducted, and the remaining amount shall be distributed in the following order and in line with the following principles:

<u>Primary Legal Reserves</u>
a) In accordance with article 466 of the Turkish Commercial Code, % 5 of the remaining amount is set-aside as primary legal reserves until the amount reaches 20% of the paid-in capital.

<u>First Dividend</u>
b) Out of the remaining amount, first dividend in the ratio and amount determined by the Capital Markets Board is set aside.

<u>Second Dividend</u>
c) After the deduction of the items included in paragraphs (a) and (b) from the net profit, the general assembly is entitled to fully or partially distribute the remaining amount as second dividend, leave the same on the balance sheet as a Profit for the Period-end, add the same to legal or voluntary reserves or set it aside as extraordinary reserves.

<u>Secondary Legal Reserves</u>
d) As per sub-paragraph 3 of paragraph 2 of article 466 of the Turkish Commercial Code; after deduction of profit share in the amount of 5% of the paid-in capital from the portion decided to be distributed to the shareholders and other persons participating in the profit, 10% of the remaining amount is set aside as secondary legal reserves.

e) 0.6% of the remaining distributable net profit is primarily paid to the specified foundations as mentioned in paragraph (u) of article 6 of the Company's Articles of Association.

f) Unless the legal reserves that are required to be set aside pursuant to the legal provisions, and unless the first dividend determined for the shareholders in the Articles of Association is distributed in cash and/or in the form of shares, it cannot be decided to set aside other reserve funds, to shift profit to the next year or to distribute profit to the members of the Board of Directors, officers, employees, workers or funds established for various reasons and similar persons/entities of a similar nature.

g) Dividend advances may be distributed to the shareholders in accordance with the provisions of article 15 of the Capital Markets Law.

Profit distribution tables for the last 3 years, prepared in the format determined by the Board are as below.

(-TL)	2010	2009	2008
a) Period Profit / (Loss)	-3,615,421	-8,312,262	-23,316,917
b) Loss of Previous Years	-31,629,179	-23,316,917	
c) Taxes to be Paid			
- Corporate Tax			
- Income Tax			
- Other Taxes, etc.			
d) Primary Legal Reserves			
e) Net Distributable Period Profit			
f) First Dividend to Shareholders			
g) Dividend to Officers and Employees			
h) Dividend to the Board of Directors			
f) Second Dividend to Shareholders			
j) Secondary Reserves			
k) Statutory Reserves			
l) Special Reserves			
m) Extraordinary Reserves			
n) Profit / (Loss) per share	-0,0262	-0,1152	-0,3232
	138,000,000	**72,147,000**	**72,147,000**

15. PROFIT ESTIMATIONS AND EXPECTATIONS[2]

Akfen GYO does not have independently audited profit estimations.

15.1. Company's profit expectations and profit estimations for the current or subsequent accounting periods:

None.

15.2. Assumptions regarding the Company's profit estimations and expectations:

None.

15.3. Special purpose independent audit report regarding profit estimations and expectations:

None.

15.4. Information regarding the previous profit estimations, and if such estimations are different than the estimations provided in section 15.1, reasons of such difference:

None.

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[2] **Profit estimation**: Indication of data, by which a figure or a minimum or a maximum figure pertaining to the probable profit and loss levels for the current and/or following accounting periods or the profit or loss to be generated or suffered in the future can be explicitly or indirectly calculated.

Profit expectation: Estimation of the amount of profit or loss for a period that ended but the results of which have not been published as yet.

16. TAXATION PRINCIPLES PERTAINING TO THE SHARES

16.1. Taxation of the Income of Real Estate Investment Trusts

16.1.1. Regulations under the Corporate Tax Law

As a capital stock company, real estate investment trusts are corporate taxpayers and their income is subject to corporate tax. On the other hand, under article 5/1-4 of the CTL, income of these companies is exempt from corporate tax. This exemption starts from the date of attaining the real estate investment trust status in accordance with the Capital Markets Law and the pertinent regulations and is valid as long as the real estate investment trust status is preserved (CTL, art. 5/1-d-4). However, this exemption does not prevent collection of taxes from the said income of these companies through withholding.

Indeed, although corporate income of real estate investment trusts are exempt from corporate tax, income of these companies (whether or not distributed to the shareholders) that are exempt from corporate tax are subject to corporate tax withholding of 15% within the company (CTL, art.15/3). However, the rate of the corporate tax withholding to be made within the company is determined by the Council of Ministers as zero and such decree is still in effect (Council of Minister's Decree no. 2009/14594).

On the other hand, in the event that the gains exempted from corporate tax and subjected to tax withholding by the company are distributed to shareholders as dividend, no tax withholding will be applied due to distribution of profit (Corporate Tax General Circular no.1, Section: 15.6.1).

16.1.2. Regulations under the Income Tax Law

Article 94-6/a of the ITL provides that gains generated from asset management by real estate investment trusts (whether or not distributed) shall be subject to income tax withholding; the withholding rate under this article has been determined as 0% under the relevant Council of Ministers' Decree.

However, due to the provisions of paragraph (1) of Provisional Article 1 of the CTL no. 5520, which is still in effect, which reads; "gains and revenues, which have been subjected to tax withholding according to this law shall not be subject to further withholding under article 94 of the Income Tax Law", it is not possible to apply the provisions of article 94/6-a of the ITL.

16.2. Taxation of Persons who Purchase the Shares of Real Estate Investment Trusts

16.2.1. Taxation of Income Generated through Disposition of the Stocks

Pursuant to paragraph (1) of Provisional Article 67 of the ITL; to be effective until December 31, 2015, income generated from stock buying-selling transactions performed through banks and intermediary institutions in the capital markets, are taxed through 0% withholding for full-fledged and limited liability taxpayer individuals and institutions (Council of Ministers' Decree no. 2006/10731, art. 1/1 as amended by Council of Ministers' Decree no. 2010/926).

Withholding shall be made by banks and intermediary institutions that acted as intermediaries in the transaction or custody institutions, as the case may be. Withholding shall be made quarterly in a calendar year.

In case a portion of the stocks bought on various dates are sold, first in first out method shall apply to determine the buy price to be taken into account for the withholding base. In case of disposition of the stocks prior to acquisition, the amount to the withholding base shall be determined on the basis of the first buy transaction form after disposition. In case of more than one buy-sell transactions within the same day, weighted average method shall apply to determine the buy cost within such day. Commissions paid in relation to buy and sell transactions as well as the Banking and Insurance Transactions Tax shall be taken into consideration to determine the withholding base.

In case of more than one share buy-sell transactions within a three-month period, such transactions are regarded as a single transaction for withholding. In other words, at the end of the three-month period, income and loss generated from same type of securities within that period are taken into account collectively. Losses incurred as a result of the share buy-sell may be deducted from the withholding base of the subsequent periods provided that it is within that calendar year.

In disposition of the stocks, which are held by full-fledged taxpayer institutions, traded on Istanbul Stock Exchange (ISE) and held for a period of more than 1 (one) year, no withholding shall apply. Furthermore, for income generated from the disposition of the stocks held by full-fledged taxpayer institutions, traded on ISE and held for a period of more than 1 (one) year, provisions of Repeated Provision 80 of the ITL shall not apply.

No annual or individual returns shall be submitted by real persons in relation to the stock buying and selling income, which are subjected to withholding. Such income shall not be included in the annual returns to be submitted in relation to other incomes. Income generated from commercial activities are taken into consideration to determine gain in line with the provisions pertaining to commercial gains and in accordance the provisions that apply to the withheld taxes within the scope of article 94 of ITL, taxes paid by way of withholding, are deducted from the tax calculated in the return, in which the earnings subject to withholding is declared. Similarly, buy-sell income generated by corporate taxpayers is added to the corporate tax base and withheld taxes may be deducted.

16.3. Taxation of Dividends and Dividend Advances

16.3.1. Real Persons

16.3.1.1. Full-Fledged Taxpayer Real Persons

In sentence (b) of sub-paragraph (6) of the first paragraph of article 94 of the ITL, with the amendment made to the law by Law numbered 4842, withholding has been left until the stage of distribution of the profit. Within this context, as per article (94/6-b) of the ITL, as amended by Law no. 4842, withholding in an amount determined by the Council of Ministers shall be made by full-fledged taxpayer institutions "out of the profit shares distributed" to "full-fledged taxpayer real persons, to those who are not liable to pay income and corporate tax and who are exempt from such taxes, limited liability taxpayer real persons, limited liability taxpayer institutions and limited liability taxpayers who are exempt from income tax and corporate tax". The rate is still 15%. However, income exempted from corporate tax under article 5/1-d of the CTL and subjected to withholding under article 15/3 of the same law, regardless of whether they are distributed to the shareholders or not, no withholding due to distribution of profit will be applied (Corporate Tax General Circular No.1, Section 15.3.9).

According to 2nd paragraph of article 22, added to the ITL by the Law no. 4842, "half of the profit shares" set forth in sub-paragraphs (1), (2) and (3) of the second paragraph of article 75 of the ITL, generated from full-fledged taxpayer institutions, are exempt from tax. If the dividends subject to tax exceed a certain amount (for 2010, this amount is TL 22,000), such dividends must be declared in the annual return and the remaining amount after the deduction of the tax paid through withholding from the amount of tax calculated according to the return, if any, must be paid to the tax office.

On the other hand, as distribution of bonus shares to real person shareholders by reason of addition of the company's profit to the capital is not considered distribution of dividend, these are not subject to withholding and as acquisition of bonus shares by real person shareholders is not considered capital gains, these are not declared. Dividend advances are taxed in accordance with the same principles that apply to dividends.

16.3.1.2. Limited Liability Real Persons

Taxation of dividend payments to limited liability taxpayer real persons by withholding is made in accordance with the principles mentioned for full-fledged taxpayer real persons.

Security income of limited liability taxpayer real persons, taxed by withholding are not required to be declared in Turkey (ITL, art. 86/2). Security income, which has not been taxed by withholding, must be declared to the tax office with a separate return within 15 days (ITL, art. 101/5).

16.3.2. Institutions

16.3.2.1. Full-Fledged Taxpayer Institutions and Limited Liability Taxpayer Institutions, which hold the Stocks through an Office or Permanent Representative in Turkey

Dividend payments to the aforementioned institutions by a full-fledged taxpayer institution are not subject to withholding (CTL, art.15/2 and art. 30/3).

Dividends received by these institutions from another full-fledged taxpayer institution are exempt from corporate tax as participation income (CTL, art. 5/1-a-1). However, exemption of the participation income does not apply to dividends received from investment funds and trusts. Therefore, dividends received from investment funds and trusts, including real estate investment funds and trusts should be added to the institution’s income and subjected to corporate tax. Tax paid within the investment fund and trust, which made the distribution in relation to the dividends included in the corporate tax base shall be deducted from the corporate tax calculated in the annual return, in an amount that corresponds to the received dividend (CTL, art. 34/2). This tax, which shall be deducted, shall be calculated by grossing up the net dividend received from the investment fund or trust, by using the applicable deduction rate.

16.3.2.2. Other Limited Liability Taxpayer Institutions

Limited liability taxpayer institutions, which hold the stocks without an office or a permanent representative in Turkey, are subject to withholding in accordance with the explanations to be provided. Taxes collected by way of withholding out of the security income is a final tax for the limited liability taxpayer institutions (CTL, art.30/9) and security income, tax of which has not been collected by way of withholding, shall be taxed by way of declaration.

16.3.3. Explanation regarding the obligation to make tax withholding by the issuer

Pursuant to the tax legislations, for January 1, 2006- December 31, 2015 withholding will be made by banks, intermediary institutions or custody institutions, if related to earnings generated from the disposition of the stocks, and by the Company, if related to the dividends.

16.4. Stamp Tax Exemption for REITs

Exemption 21 regarding IV- Exemption regarding Papers pertaining to Commercial and Civil transactions, set out in table no.2, as enclosed to the Stamp Tax Law, concerns REITs and reads “buying-selling contracts exclusively concerning the real estate portfolios and preliminary real estate sales contracts of real estate investment trusts”. Further to this exemption, buying-selling contracts exclusively concerning the real estate portfolios and preliminary real estate sales contracts of real estate investment trusts are exempt from stamp tax.

17. EXPERT REPORTS AND INFORMATION OBTAINED FROM THIRD PARTIES

The Prospectus contains information provided by the independent audit company (Akis Bağımsız Denetim ve SMMM A.Ş.) and the real estate appraisal company (TSKB Gayrimenkul Değerleme A.Ş.). Information obtained from third parties is included in this Prospectus as provided. As Akfen GYO, we hereby declare that, to the best of our knowledge or as far as we can derive from the information published by the relevant third parties, there is no omission, which may render the announced information wrong or misleading.

Experts that took part in the Prospectus do not have any material interests in the Company.

18. DOCUMENTS AVAILABLE FOR EXAMINATION

Following documents are kept available for the examination of the concerned parties at the Company's headquarters at Büyükdere cad, Levent Loft no:201 C blok kat 8 Levent /Istanbul and application points specified in Section 9 hereof:

1) All kinds of reports or documents constituting the basis of the information included in the Prospectus and all evaluations and opinions (appraisal, expert, activity and independent audit reports and reports prepared by the intermediary institutions, articles of association, etc.)
2) Financial statements of the Company and the companies included within the scope of consolidation, pertaining to the last 3 years and the latest interim period.

19. PERSONS ASSUMING THE RESPONSIBILITY OF THE PROSPECTUS

We hereby declare that, within the scope of our legal powers and responsibilities and under the framework of our duties, information and data included in the sections of this prospectus and its annexes, which are under our responsibility, are true; and that, we have shown all kinds of reasonable care, in order to ensure that this prospectus does not have any omission, which might change the meaning of such information given.

Name, Last Name, Position, Signature of Representative of AKFEN Gayrimenkul Yatırım Ortaklığı A.Ş.	**Responsible for:**
	ENTIRE PROSPECTUS

Trade Name of the Intermediary Institution that acts as the intermediary in the public offering and Name, Last Name, Position, Signature of its Representative	**Responsible for:**
	ENTIRE PROSPECTUS