

**AKFEN KARAKÖY GAYRİMENKUL YATIRIMLARI VE
İNŞAAT A.Ş.**

Company Valuation Report



Türkiye Sınai Kalkınma Bankası A.Ş.

July 29, 2011

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DISCLAIMER

This valuation report (“Report”) covers various documents, financial statements; and it has been issued by Türkiye Sınai Kalkınma Bankası A.Ş. (“TSKB”) for information purposes only about the equity value of the company known as Akfen Karaköy Gayrimenkul Yatırımları ve İnşaat A.Ş. (“Akfen Karaköy”). It is prohibited to copy or disclose this Report and/or the information provided in this Report or distribute the Report or its contents to any third persons other than the persons that are required to receive a copy of the Report from Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. (“Akfen GYO”) and/or Akfen Karaköy to which this Report and/or the information contained in the Report are directly forwarded by TSKB. TSKB explicitly acknowledges and represents that although TSKB has endeavoured maximum efforts for removal of any kind of errors or deficiencies from the Report, TSKB will not be held responsible for any information presented in the Report which are received from Akfen GYO, Akfen Karaköy or other resources or for any deficiencies in the related documents or for any verbal and/or written information provided in relation thereof. Unless specified otherwise, the information contained in this Report is valid by the date of its publication.

The analyses, opinions and conclusions presented in this Report have originated from our personal, objective, professional analyses, opinions and conclusions taking into account the information and documents provided by Akfen GYO and Akfen Karaköy. The information and documents specified in this Report, which have been provided by Akfen GYO and the facts derived thereof are true and correct.

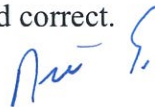


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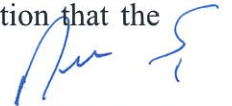
1. Introduction

Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. (“Akfen GYO”) submitted an application to Türkiye Sınai Kalkınma Bankası A.Ş. (“TSKB”) on the date of June 22, 2011 in order to receive company valuation service for one of its subsidiaries, known as Akfen Karaköy Gayrimenkul Yatırımları ve İnşaat A.Ş. (“Akfen Karaköy”).

This report was prepared upon the aforementioned request for company valuation of the related Company based on the financial statements of Akfen Karaköy, without performing detailed legal and financial due diligence, accounting audits.

There are 3 different approaches commonly used in company valuation. In one of these approaches, i.e. Discounted Cash Flow (DCF) method, the company value is estimated by discounting the projected future cash flows of the company using a discount rate consistent with the risk profile of the company and market conditions. In the Peer Comparison method, the company value is estimated considering the average financial ratios of the company appraised and of the similar companies operating in the same sector and/or the precedent industry-specific ratios that have occurred in the past transactions. Since Akfen Karaköy company is recently established and currently not engaged in any activity, the DCF and Peer Comparison methods cannot be used due to the lack of data that can constitute the basis for the related analyses. Therefore, the third method commonly used in company valuation, known as the Net Asset Value method was used in this report.

The value estimated using the Net Asset Value method refers to the “fair market value”. The outstanding element in the purchase or sale of any asset is the “price” mutually agreed as a result of the negotiations made between a willing purchaser and seller. It should be taken into consideration that the



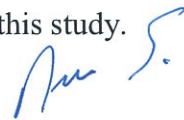
“price” constituting the basis in any purchase or sale transaction may be different from the “fair market value” for various reasons.

On June 22, 2011, Akfen Karaköy acquired the “Lease Agreement contingent on Building & Construction” (‘İnşaat Yapım Şartlı Kiralama Sözleşmesi’) regarding the real estates identified as seized foundations (‘mazbut vakıf’) according to the Article 6 of the Law on Foundations and administered and represented by the General Directorate of Foundations; and the valuation report was prepared by TSKB Gayrimenkul Değerleme A.Ş. on June 30, 2011 for estimation of the fair market value of the right arising from the mentioned lease agreement. Akfen Karaköy has capitalized the mentioned rights under the item of “Investment Properties under Construction” over their fair market value estimated by TSKB Gayrimenkul Değerleme A.Ş. Therefore, the related item in the balance sheet of Akfen Karaköy reflects the fair market value.

While the company value of the company was estimated using the Net Asset Value approach, all liabilities and provisions for liabilities specified in the liabilities section were deducted from the assets shown on the balance sheet dated June 30,2011, received from Akfen Karaköy.

The financial statements received from Akfen Karaköy which constituted the basis of the review were prepared by KPMG. However, anywritten approval was not received from KPMG regardingthe mentioned financial statements. It should be noted that, any further modifications that KPMG may make on the balance sheet may affect the Net Asset Value estimated in this report.

It should be taken into consideration, as is the case in all studies, that despite best effort was shown to exclude any kind of errors and deficiencies, any potential errors or deficiencies in the data obtained from external resources might affect the valuation results in this study.



2. General Information

2.1 Business Description and Current Status

Incorporated on May 31, 2011, Akfen Karaköy is a subsidiary of Akfen GYO.

The Company's field of activity covers planning, constructing/subcontracting for construction, leasing and operating/subcontracting for operation of any kind of tourism facility, hotel and real estate investment.

In line with its business fields, the Company is planning a tourism investment project on the adjacent building lands located in Beyoğlu/Istanbul and pertaining to the General Directorate of Foundations under the "Lease Agreement contingent on Building & Construction" which was acquired by the Company on June 22, 2011. The investment project is intended as a 5-star facility that will be composed of 200 rooms; and it is planned that this facility will be operated by a hotel management company with an international reputation.

2.2 Capital Structure

The Company's current paid-up capital is 1 million TL. The distribution of the paid-up capital among the shareholders is as follows.

Shareholders	Share Amount (in TRY)	Shareholding Rate (%)
Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.	699.980	69,98%
Akfen Gayrimenkul Ticareti ve İnşaat A.Ş.	10	0,01%
Akfen Holding A.Ş.	10	0,01%
Keskin Global Yatırım Turizm İnşaat Ltd.Şti.	299.990	29,99%
Bilal Keskin	10	0,01%
Total	1.000.000	100,00%

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2.3 Financial Fixed Assets

By the date of valuation, Akfen Karaköy does not have any subsidiaries and/or affiliates.

2.4 Financial Statements

The balance sheet dated June 30, 2011 pertaining to Akfen Karaköy which was incorporated on May 31, 2011 is provided below.

AKFEN KARAKÖY GAYRİMENKUL YATIRIMLARI VE İNŞAAT A.Ş.
CONDENSED BALANCE SHEET

(TL)	2011/2 nd Quarter
Cash and Cash Equivalents	717
<i>Cash</i>	405
<i>Banks</i>	313
Prepaid Expenses for the Following Months	1.562.136
VAT Deferred to Following Years	24.036
Total Current Assets	1.586.889
Tangible Fixed Assets (net)	78.000.000
<i>Investment Properties under Construction</i>	78.000.000
Prepaid Expenses for the Following Years	11.398.811
Total Fixed Assets	89.398.811
TOTAL ASSETS	90.985.700
Other Short-Term Liabilities	139
Total Short-Term Liabilities	139
Paid-in Capital	1.000.000
Capital Advances	12.208.715
Net Profit for the Period	77.776.846
Total Shareholders' Equity	90.985.561
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	90.985.700

The amount of 78.000.000 TL shown under the most important item among the Company's assets titled as "Investment Properties under Construction" corresponds to the market value of the "Lease Agreement contingent on Building & Construction" acquired on June 22, 2011 as estimated by TSKB

Gayrimenkul Değerleme A.Ş. in their report dated June 30, 2011. According to the mentioned agreement, it is required that the application designs of the building should be prepared and approved by the related Authority and Institutions and then, the related construction permit should be received, the construction works should be completed, and the building should be commissioned and put into service within the first 5 years following the date of the agreement.

The other main items of assets, known as the Prepaid Expenses for the Following Months and the Prepaid Expenses for the Following Years include the rental payments to be made to the General Directorate of Foundations.

AKFEN KARAKÖY GAYRİMENKUL YATIRIMLARI VE İNŞAAT A.Ş.
CONDENSED INCOME STATEMENT

(TL)	2011/2 nd Quarter
Other Incomes	77.878.796
Cost of Services Sold	39.053
Gross Profit or Loss from Sales	77.839.743
General Administrative Expenses (net)	62.897
Tax	-
Net Profit/Loss for the Period	77.776.846

The Company has not yet started to generate operating revenues; and the approximate amount of 77,9 million TL shown under the item of Other Incomes results from the “net increase in value of the investment properties”.

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3. Valuation

3.1. Scope and Methodology

Net Asset Value method was used for estimation of the fair market value of Akfen Karaköy. Net Asset Value method is based on estimation of the “Adjusted Book Value” by calculating the approximate market value of all assets currently owned by the Company, regardless of the Company’s projected future cash flows, and then deducting the market value of all liabilities from the resultant.

In this context, the estimated real values of the assets owned by the Company and the appraisal values of the fixed assets are determined and all financial and other liabilities are deducted from the resultant value to give the net asset value.

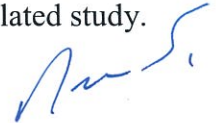
Since the Investment Properties under Construction which is the most important fixed assets item on the Company’s balance sheet of June 2011, are reported in the balance sheet at their market value specified in the appraisal report prepared by TSKB Gayrimenkul Değerleme A.Ş., the book values of all assets and liabilities were taken into consideration while calculating the Net Asset Value of Akfen Karaköy.

The mentioned fixed assets are the real estates identified as seized foundations according to the Article 6 of the Law on Foundations and administered and represented by the General Directorate of Foundations. The “Lease Agreement contingent on Building & Construction” related with the mentioned real estates was acquired by Akfen Karaköy on June 22, 2011. For the estimation of the fair market value of the right arising from the mentioned lease agreement, a valuation report was prepared on June 30, 2011 by TSKB Gayrimenkul Değerleme A.Ş., one of the licensed real estate appraisal companies performing real estate valuations in Turkey since February 2003, based on the certificate number KYD-66/001347 in

accordance with the regulations of the Capital Market Board. Akfen Karaköy has capitalized the mentioned rights under the item of Investment Properties under Construction over their fair market value estimated by TSKB Gayrimenkul Değerleme A.Ş. Therefore, the related item in the balance sheet of Akfen Karaköy reflects the fair market value.

The Net Asset Value of Akfen Karaköy was estimated with respect to the balance sheet of June 2011 which represents the latest financial statement of the Company. Since the Investment Properties under Construction in the balance sheet of June 2011 reflects the market value of the right arising from the mentioned agreement which was estimated in the valuation report prepared by TSKB Gayrimenkul Değerleme A.Ş. on June 30, 2011, the balance sheet was not revised during the Net Asset Valuation studies. The other items among the assets and the liabilities of the Company were taken into consideration over the amounts specified in the balance sheet, assuming that they reflected their market values.

Any detailed financial and legal analysis or any financial audit was not performed in terms of validity, accuracy and presence of the accounts constituting the basis of the valuation under the scope of the related study.

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3.2. Valuation Result

According to the available data for June 2011, the Net Asset Value of the Company is estimated as 90.985.561 TL.

AKFEN KARAKÖY GAYRİMENKUL YATIRIMLARI VE İNŞAAT A.Ş.

(TL)	2011/2 nd Quarter
+ Cash and Cash Equivalents	717
+ Prepaid Expenses for the Following Months	1.562.136
+ VAT Deferred to Following Years	24.036
+ Investment Properties under Construction	78.000.000
+ Prepaid Expenses for the Following Years	11.398.811
Total Assets	90.985.700
- Other Short-Term Liabilities	139
Net Asset Value	90.985.561



4. Annex

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AKFEN KARAKÖY GAYRİMENKUL YATIRIMLARI VE İNŞAAT A.Ş.

Levent Loft, Büyükdere cad. N:201

C Blok Kat:8 34390 Levent - İSTANBUL

Tel: (212) 319 87 40 Faks: (212) 279 62 62

29.07.2011

Türkiye Sınai Kalkınma Bankası A.Ş.
Kurumsal Finansman

Şirketimizin 30.06.2011 tarihli IFRS bilanço ve gelir tablosu aşağıda bilgilerinize sunulmaktadır.

Bilanço:

100	Kasa	404.87
102	Banka	312.59
	Yapılmakta Olan Yatırım	
153	Amaçlı Gayrimenkuller	78,000,000.00
180	Gelecek Aylara Ait Giderler	1,562,136.00
	Sonraki Döneme Devir	
190	Eden KDV	24,035.79
280	Gelecek Yıllara Ait Giderler	11,398,811.00

90,985,700.25

360	Ödenecek Vergiler	138.89
500	Sermaye	1,000,000.00
504	Sermaye Avansları	12,208,715.37
	Net Dönem Karı	77,776,845.99

90,985,700.25

Gelir Tablosu:

649	Diğer Gelirler	77,878,795.53
740	Hizmet Üretim Maliyeti	39,053.00
770	Genel Yönetim Giderleri	62,896.54
	Net Dönem Karı	77,776,845.99

AKFEN

Saygılarımızla,

akfen

Karaköy Gayrimenkul Yatırımları ve İnşaat A.Ş.
Levent Loft Büyükdere Cad. No:201C Blok
Kat:8 D:15A 34390 Levent/İstanbul
Tel:0212 319 87 40 Tic.Sic.No: 779183
V.D. Zincirlikuyu V.No: 023 030 9204