

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.



REAL ESTATE APPRAISAL REPORT

Date: 30.09.2011

R. No: 2011REV365



**ISO9001:2008
FS 509685**

**AKFEN GAYRİMENKUL
YATIRIM ORTAKLIĞI
A.Ş.**

BURSA İBİS OTEL

OSMANGAZİ / BURSA

We hereby state the following matters regarding the appraisal report numbered **2011REV365** prepared on **30.09.2011** by **TSKB Gayrimenkul Değerleme A.Ş.** for **Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.**

- The findings provided in the following report are true to the knowledge of the Appraisal Expert;
 - The analyses and the results are only limited to the specified assumptions and conditions;
 - The appraiser has no interest whatsoever related to the property which is subject to the valuation;
 - The appraiser's remuneration does not depend on any section of the report;
 - The appraiser was realized in accordance with the ethic rules and the performance standards;
 - The appraiser possesses the professional education requirements;
 - The appraiser has previous experience in the subject of the location and type of the property which is being valued;
 - The Appraiser has personally inspected the property;
 - The exclusion of the persons mentioned in the report no other person has contributed professionally to the preparation of this report;
 - This report has been prepared further to the related provisions of the Capital Markets Regulation.
-

EXECUTIVE SUMMARY**OPEN ADRESS OF PROPERTY**

Bursa-Yalova Yolu, Bursa Uluslararası Tekstil ve Ticaret Merkezi Yanı, 3198 Ada, 67 Parsel, İbis Otel, Osmangazi/BURSA.

USE OF PROPERTY

Hotel and restaurant

TITLE DEED INFORMATION

The information on the title deed has been explained in details in the section "4.2.Title Deed Examination of the Real Estate.

ZONING STATUS

The information on the zoning status has been explained in details in the section "4.3 The Zoning Information of the Immovable Property".

FAIR MARKET VALUE AS OF 30 SEPTEMBER 2011 OF THE HOTEL LOCATED ON THE GROUND PLOT WITH RIGHT OF SUPERFICIES(CONSTRUCTION) FOR 30 YEARS GIVEN IN FAVOR OF AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. (EXCLUDING VAT)

47.840.000.-TRY

(Fortysevenmillioneighthundredfourty thousand.- Turkish Liras)

19.020.000.- €

(Nineteenmilliontwenty thousand.-EURO)

FAIR MARKET VALUE AS OF 30 SEPTEMBER 2011 OF THE HOTEL LOCATED ON THE GROUND PLOT WITH RIGHT OF SUPERFICIES(CONSTRUCTION) FOR 30 YEARS GIVEN IN FAVOR OF AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. (INCLUDING VAT)

56.451.200.-TRY

(Fiftysixmillionfourhundredfiftyone thousandtwohundred.- Turkish Liras)

22.443.600.- €

(Twentytwomillionfourhundredfourtythree thousandsixhundred.- EURO)

ANNUAL RENT VALUE OF THE OTEL AS OF 30 SEPTEMBER 2011 (EXCLUDING VAT)

1.740.000.-TRY

(Onemillionsevenhundredfourtythousand.- Turkish Liras)

690.000.- €

(Sixhundredninetlythousand.- EURO)

3 ANNUAL RENT VALUE OF THE OTEL AS OF 30 SEPTEMBER 2011 (INCLUDING VAT)

2.053.200.-TRY

(Twomillionfiftythreethousandtwohundred.- Turkish Liras)

814.200.- €

(Eighthundredfourteenthousandtwohundred.- EURO)

- Exchange rate has been taken as USD 1 = TRY 1,8453, 1 Euro=TRY 2,5157. - The value in USD is given only for information.
- This page is an unseperatable part of the appraisal report. The report is a whole with all the detailed information in it an cannot be used independently.

Mehmet ASLAN
Appraiser (401124)

Fatih TOSUN
Appraiser in Charge (400812)

REPORT NO: 2011REV363

REPORT DATE: 30.09.2011

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SECTION 1

REPORT,
COMPANY AND CUSTOMER INFORMATION

SECTION 1**REPORT, COMPANY AND CUSTOMER INFORMATION****1.1 Report Date and Number**

This report was issued by our company on 30.09.2011 and number 2011REV365 with reference to the request dated 06.09.2011 and made by the firm, titled as Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.

1.2 Report Type

This report , is a valuation report prepared with the purpose of determining the fair market value in Turkish Liras as of the date of 30 September 2011 of the hotel located on the ground plot no. 67, block 3198, in the Neighborhood of Altınova, District of Osmangazi in the province of Bursa, owned by S.S. Bursa Uluslararası Tekstil Ticaret ve Alışveriş Merkezi İşletme Kooperatifi, with its right of superficies (construction) established for a duration of 30 years in favor of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.

1.3 People Issuing the Report

This appraisal report has been prepared at the end of necessary examinations carried out at the location of the real property and upon the information procured from the relevant individuals – institutions – establishments Mehmet ASLAN, real estate appraiser, and Fatih TOSUN, appraiser in charge of our Company, issued this report.

1.4 Appraisal Date

This appraisal report is prepared with reference to the studies started on 22 September 2011 and finished on 30 September 2011. Not only examinations conducted at real estate location, municipality and land registry but also office work is done during appraisal study.

1.5 Base Contract

This appraisal report was issued in accordance with the provisions of the base contract that was executed by and between Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. and our Company on 07 September 2011 and has determined the rights and obligations of the contractual parties.

1.6 Factors Affecting the Appraisal Process Negatively

There is not any negative factor that affects and limits the appraisal process in general aspect.

1.7 Scope of Client Demands and Limitations

This real estate appraisal report has been prepared further to Akfen Gayrimenkul Yatırım Ortaklığı A.Ş request dated 06 September 2011, and in accordance with the provisions of the capital markets legislation in effect on the subject property.

Any restriction was not brought by the customer during the valuation study. In the projection studies, peer values collected during market researches as well as the articles of the hotel project which shall be constructed on an area of 7.961,79 square meters, which shall be completed with a capacity of at least 180 beds and which shall remain rented for 25 years as stated in the "Construction and Management Contract of Ibis Hotel and Appurtenances" signed at the date of 09 May 2008 between Bursa Uluslararası Tekstil Ticaret Merkezi İşletme Kooperatifi (Property Owner) and Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. (Tenant).

1.8 The Information on the Last Three Appraisal Studies Performed by Our Company on the Subject Property of the Study on Previous Dates

	Report-1	Report-2	Report-3
Report Date	30.06.2010	31.12.2011	28.02.2011
Report Number	2010REV195-6	2010REV387-6	2011REV78-6
Report Prepared By	Hüsniye BOZTUNÇ- Adem YOL	Hüsniye BOZTUNÇ- Adem YOL	Hüsniye BOZTUNÇ- Adem YOL
Total Value of the Property (TL) (Excl. VAT)	27.839.000.-TRY	44.358.000 TRY	47.900.000 TRY

*The reports dated 30 June 2010 is the value of the property during the design stage, and the value has changed together with the change in the completion ratio of the construction.

The value increase dated 31 December 2010 and 28 February 2011 are due to the completion of the construction, increase in the recognition of the hotel, and increase in both profit margin and room rates.

1.9 Company's Information

Our Company was established with a capital amount of TRL 300.000.000.000 in order to engage in providing works and services described as Expertise and Appraisal according to the Articles of Association of the Company published in the Trade Registration Journal dated September 13, 2002 and issue no. 5676.

Our Company is taken on the lists of companies, which will offer appraisal services, within the framework of the Capital Market Board (SPK) legislation by the letter of SPK dated February 03, 2003 and no. KYD-66/001347, of Capital Market Board of the Prime Ministry.

1.10 Client Information

This appraisal report has been prepared for Akfen Gayrimenkul Yatirim Ortakligi A.Ş. located at the address of Büyükdere caddesi, No: 201, C Blok, Kat: 8, Levent/ İSTANBUL.

SECTION 2

DEFINITION AND SCOPE OF THE APPRAISAL

SECTION 2**DEFINITION AND SCOPE OF THE APPRAISAL****2.1 The Methods Used in the Appraisal**

There are four different valuation methods, which can be utilized in our country. These are respectively, 'Sales Comparison Method', 'Income Capitalization Method', 'Cost Analysis Method' and the "Development Approach Method" methods. The expected prices and offers made can be considered.

2.1.1 Sales Comparison Approach

This sales comparison approach takes into account the sales of similar or substitute properties and the related market datas and realizes the appraisal based on a comparative transaction. In general the property, which is being evaluated, is compared with the sales of similar properties in the open market.

2.1.2 Income Capitalization Approach

This comparative approach takes into account the income and expense datas related to the property being evaluated and makes the appraisal with the reduction method. The reduction is related to the income converting the income amount to value appraisal and to the type of value. This transaction, takes into account product or discount rates or both. In general the principle of substitution with the income flow providing the highest investment income with a defined risk level is proportionate with the most probable value figure.

2.1.3 Cost Analysis Approach

In this method, the reconstruction cost of an existing building in the framework of the current economic conditions is considered as basis for a property valuation. In this respect, the main principle of the cost approach can be explained with the use value. The use value is described as 'Even if no one wants it and no one knows its price an asset has a real value'.

In this method, it is accepted that the real property has an important remaining economical life expectancy. For this reason, it is assumed that the property's value will decrease in time due to physical wear, as it becomes outmoded economically and functionally. In other words, it is accepted that the value of the building of an existing property will never be more than its reconstruction cost.

The building cost values of the property have been appraised by taking into account the Ministry of Public Works Construction unit costs, the technical specifications of the buildings, the materials used in the buildings, the construction costs of the buildings with same specifications constructed in the market, interviews with the contracting companies and costs calculated by us based on previous experiences.

The rate of depreciation in the buildings has been calculated by taking into account the table published in the Official Gazette indicating the depreciation in the buildings according to years and the visible state of the building.

It is accepted that the value of the property is consisting of two separate physical facts being the land and the buildings.

2.1.4 Development Approach Method

The purpose of an investment is to produce goods or services, to put them into the market and make profit consequently. The commercial profitability of the investment depends on sufficient demand for the goods or services to be produced and their sales with the prices that would provide possibility to obtain the expected profitability. The examination of the project for the entrepreneur covers the examination and evaluation of the industry where the subject product of the project is positioned and the anticipations regarding the future. The evaluation of the market where the subject goods or services of the project are positioned can be examined as the current situation and the expectations for the future.

The expenses to be made in the case the project is constructed have been estimated, and another estimations has been held considering the marketing policies of the company and the generally feasibility principles. The income estimation of the project in the case of its development has been made, and assumptions have been held during this estimation. In these assumptions, the condition of the industry and the statistical figures of the similar projects near to the location of the project have been benefited from.

Later, the performance estimation of the project was made and its net value under today's conditions in the case it was constructed have been calculated from this performance estimation. The assumptions made in the study were partially explained while the details were kept reserved by the expert.

2.2 Analysis of the Methods Used for Appraisal

2.2.1 Definitions and Model of the Calculation Methodology

Risk Free Rate

The foreign exchange bonds secured by the state treasury and sold on offshore markets, also covering the risk of country are named as "Eurobond". They are issued with various maturities, while they can be purchased or sold on a daily basis on the market. These bonds are used as an indicator of the risk free rate, which is used as the basis for financial calculations in Turkey. The most liquid Eurobond on the markets is the Eurobond with maturity in 2030, and it has the attributes required to be an indicator bond.

Variant on the risk-free rate¹

There have been 3 different approaches for calculating risk-free rate.

Variant 1: A short term government security rate is used as the risk free rate, and the historical premium earned by a broad equity market index over and above this security rate is used to estimate the expected return on the market. The cost of equity, thus obtained, is then used as the discount rate for each year's cash flows.

Variant 2: The current short term government security rate and the market's historical premium are used to calculate the cost of the equity for the first period (year). The forward rates built in to future time periods, which are used to calculate the cost of equity for future years.

Variant 3 : The current long term government-bond rate (with the duration of the bond matched up to the duration of the asset) is used as the risk-free rate, and the historical premium earned by a broad market index above this long term government security rate is used to estimate the expected return on the market. The cost of equity, calculated using these inputs, is used as the discount rates each year's

¹ Damodaran on Valuation ,Security Analysis for Investment and Corporate Finance, Section 3 : Estimation of Discount Rates p.25

cash flows. Eurobond does not include the market risk for the performed work, although it includes the country and political risk.

Variant 3 has been selected as the method in the assumptions our company has made by using all these data. However, especially when assessing the value of the real estates with long-term commercial lifetime, an asset appropriate for the commercial lifetime of the real estate does not exist. For this reason, our company estimates that the project-based evaluation and usage of the long-term Eurobond types within the scope of the risk-free yield rate allowances would be coherent with the allowances in the world. This rate also covers the country risk. In addition to that, the rates suggested by Damodaran for use in accordance with its Financial Market Characteristics are as follows:

Financial Market Characteristics ²	Premium Cover Govt. Bond Rate
Emerging markets with political risk (South America, Eastern Europe)	8.5 % over govt. bond Rate
Developed Markets with limited listings (Western Europe, minus Germany and Switzerland)	4.5 - 5.5% over govt. bond rate
Developed Markets with limited listings and stable economies (Germany and Switzerland)	3.5 - 4% over govt. bond rate

Market Risk Premium- Market Index

The market index shall be constituted from data and risks such as the conditions of the market and competition in which the real estate, the place, commercial status of the real estate, and its comparison with similar other ones in the industry. Consequently, the market risk of a real estate with a lower performance will be higher.

The figures used in our studies consist of the data, which has been obtained as a result of criticizing our experiences arising from the shopping centre appraisal studies we have performed so far in various cities of Turkey.

Discount Rate (Risk Free Rate+ Market Risk Premium = Discount Rate)

A rate of return used to convert a monetary sum, payable or receivable in the future, into present value. Theoretically it should reflect the opportunity cost of capital, i.e., the rate of return the capital can earn if put to other uses having similar risk. Also called yield value.³

Discount rates contain all risk premiums. (Country risk, market risk...)

Discount rate is the sum of risk free rate and the market risk premium.

IAS 36 para. 48, states that " the discount rate (or rates) should be a pre-tax rate (or rates) that reflect (s) current market assessments of the time value of money and the risks specific to the asset. The discount rate (s) should not reflect risks for which future cash flow estimates have been adjusted." It is also true that other measures of

² Damodaran on Valuation ,Security Analysis for Investment and Corporate Finance, Section 3 : Estimation of Discount Rates p.23

³ International Valuation Standarts, Sixth Edition , 2003 , p.323

income or cash flow may be used so long as the discount rate(s) are appropriately matched with the income flow(s).

Overall Capitalization Rate

Income rate for a total real property interest that reflects the relationship between single year's net operating income and the total property price or value; used to convert net operating income into an indication of overall property value.⁴

Other point of view: The Capital Asset Pricing Model (CAPM) 5

CAPM model measures risk in terms of on diversifiable variance and relates expected returns to this risk measure. It is based upon several assumptions, that investors have homogeneous expectations about asset returns and variances, that they can borrow and lend at a risk-free rate, that all assets are marketable and perfectly divisible, that there are no transactions costs, and there are no restrictions on short sales. With these assumptions the non-diversifiable risk for any asset can be measured by the covariance of its returns with returns on a market index, which is defined to be asset's beta. If the beta for the equity in the company can be estimated, the cost of the equity will be the required return,

$$\text{Cost of equity} = R_f + \text{Equity beta} (E(R_m) - R_f)$$

Where R_f = Risk Free rate

$E(R_m)$ Expected Return on the market index

Analysis Of The Methods Used In The Appraisal

CAPM Model has not been used within the scope of the appraisal study.

Discount rate: Calculated according to the total of Risk-Free Rate of Return and Risk Premium. The descriptions of the rates used in this total are as follows.

Risk-free rate of return has been identified according to the variable model 3 of the above article 8.2.2.1.1, and it has been identified with the average of last 6 months (the average is used for minimizing short-term market fluctuations) of the Eurobond with the longest maturity currently in effect. This rate includes the country risk.

Risk premium has been estimated according to the professional opinion of the appraiser in parallel to his/her experiences by taking into account the risks associated with the specifications of the project such as the region, sector, project, zoning, etc. as explained in article 8.2.2.

2.2.2 Project Development Approach

Project development approach is similar to income capitalization method; however, it is different in certain essential aspects. Income capitalization method appraises an existing project with available architectural design and license. Development method capitalizes revenues that maybe obtained from the most convenient project which may be developed according to the existing zoning status on a land without any actually available designs or licenses. In the development approach, which is used as the 2nd method in land appraisal,

⁴ The Appraisal of Real Estate , 12th Edition , Chapter 20, The Income Capitalization Approach, p. 489

⁵ Damodaran on Valuation , Security Analysis for Investment and Corporate Finance, Section 3 : Estimation of Discount Rates p.21

the land value is identified by calculating the revenues in the landlord's share from the project to be developed on the land.

When appraising an empty land with a definite project or with a project being constructed, the cash flow statement is created with income capitalization method according to the details of the already approved architectural design and building license. When appraising the empty lands, the appraiser determines the marketability/leasability of the land according to his own predictions in parallel to the valid zoning plan conditions, and creates the cash flow statement accordingly.

2.3 The Value Definitions

2.3.1 Fair Market Value (Market Value)

In the case of an real property changing hands between the buyer and the seller, at a specific date; it is the most plausible, cash exchange value of the property on the condition that the market conditions required for the sale are provided , the parties being willing and both parties are knowledgeable about the conditions related to the property. In this valuation study the validity of the following points are assumed:

- The buyer and seller are acting in a reasonable and sensible manner.
- The parties are knowledgeable concerning every matter related to the real estate and are acting in a manner to obtain the utmost benefit for themselves.
- A reasonable timeframe has been allowed for the sale of the real estate.
- The payment is being effected in cash or by similar instruments.
- The financing which may be required for the purchasing transaction of the real estate is being realized with the prevailing interest rates in the market.

2.3.2 Orderly Liquidation Value

It is the most likely sales value in cash for an interval of approximately 3 -6 months which is determined regarding the assets as a result of interviews and negotiations between the parties. In the orderly liquidation, the best value is tried to be obtained for each of the assets. If, within the determined timeframe, following the negotiations between the parties an agreement can not be reached regarding the price, it is advised to sell the assets by public auction.

2.3.3 Forced Liquidation Value

In an auction open to the public, it is the most probable cash value when the economic trends and the obligatory sales conditions are taken into consideration. In the obligatory liquidation, assets are sold as fast as possible. The acceptable time interval is in general less than 3 months.

SECTION 3

GENERAL AND SPECIAL DATA

SECTION 3**GENERAL AND SPECIAL DATA**

Data investigation starts with study of the prevailing trends in the international, national, regional or neighbourhood at the market level concerning the asset, which is subject to the evaluation. This research assists the appraiser to perceive the principles, powers and factors influencing the real estate values in that specific market environment. The research, at the same time provides the information related to the figures, the market trends and the clues. Whereas the general datas are datas related to the characteristics of the property to be evaluated and to the equivalent properties.

3.1 General Data- Social and Economic Data**3.1.1 Demographic Data**

According to the 2008 Census through Address-Based Population Registry System, the population of Turkey was 71.517.100 and the population increased to 72.561.312 on 31 December 2009. In 2000-2007 period, the annual population increase was 0.59%; while the annual population increase of Turkey in 2008 appeared as 1.31%. The population of Turkey is 73.722.988 beginning from December 31, 2010. The population increase of Turkey in 2010 is 15,88%.

In 2010 among the 81 provinces, the population of 53 populations increased and that of 28 populations decreased. The three provinces with lowest population increase rate are Tunceli (-79.69‰), Çankırı (-32.70‰) and Ardahan (-25.42‰). Among the 81 provinces, the first three with the highest population increase are Bilecik (109.22‰), Isparta (63.31‰) and Erzincan (53.23‰).

In Turkey, the urban population increases at a much higher speed than the rural population. The proportion of urban population of Turkey increased sharply in the last 17 years from 59% in 1990 to 64.9% in 2000 and 75,5% in 2009. This rate increased 76,3% in 2010. Urban population (the population in the centers of provinces and districts) is 56.222.356 while the rural population (population at subdistricts and villages) is 17.500.632. The province with highest urban population proportion is Istanbul with 99%, while that with the lowest is Ardahan with 32%.

18% of the country's population lives in Istanbul. 6.5% of the total population lives in Ankara, 5.4% in Izmir, 3.5% in Bursa and 2.8% in Adana. The five provinces with the lowest population are Bayburt, Tunceli, Ardahan, Kilis and Gümüşhane, respectively. The population of Bayburt, which has the lowest population, is 74.412.

The median age in Turkey is 29.2. The median age for males is 28.7 and that for females is 29.8. The median age of the urban population is 29.1 and that of rural population is 29.8. The population in 15-64 age group accounts for 67,2% of the total population. 25,6% of the country's population is in 0-14 age group and 7,2% is in the 65 and higher group.

The number of people per square kilometer, which is indicated as the density of population is 96 in overall Turkey, while it varies between 10 and 2.551 people among provinces. Istanbul has the highest population density with 2.551 people. It is respectively followed by Kocaeli with 432 people, Izmir with 329 people, Hatay with 254 people and Bursa with 250 people. The province with lowest population density is Tunceli with 10 people. In Konya -the province with the largest area- the population density is 52 people per sq km and the population density in Yalova -the province with the smallest area- is 241 people per sq km.

City	Population	Population (City Center)
Kocaeli	13.255.685	13.120.596
Ankara	4.771.716	4.641.256
İzmir	3.948.848	3.606.326
Bursa	2.605.495	2.308.574
Adana	2.085.225	1.836.432

3.1.2 Economic Data⁶

In Turkey, especially due to the economic growth and progresses in the real estate industry, beginning to obtain political stability, reduction of inflation to single-digit figures, and the developments related with the Mortgage law since 2005 have caused to the upward movement of real estate prices and to an investment boom.

In this period, when the real estate sector reached the peak level, the penetration of foreign investments was allowed and not only hot money but also fixed investments were received from foreign resources. The upwards acceleration has continued by the final quarter of 2006. Because 2007 was an election year, domestic and foreign investors waited for the results of the elections before giving their investment decisions, and after the elections they continued their investments upon foreseeing that political stability would continue.

Although it was thought that stability would continue as a result of increasing confidence in the country, foreign economic developments rather than domestic politics became more influential in early 2008, the experienced developments directly influenced the economy and a slow down was experienced in investments beginning from April 2008, and foreign investment rate of the previous years began to fall. On looking at the investments in 2008, it is observed that although certain regions reached saturation in residence and SHC sector, the investments in office and logistics sector continued.

The economic crisis, as the most important event of 2008, began as the subprime mortgage crisis in the US, and then it was thought as arising from liquidity shortage but understood in time that the actual problem arises from lack of confidence. The crisis showed itself with the bankruptcy of leading investment banks and insurance companies of the US in March and jumped to Europe in a short time. Although countries announced successive crisis-prevention packages, they could not stop the occurrences and global growth forecasts pointed minus values.

In this process, on looking at Turkey, although the low share allocated by the Turkish banking industry to housing loans abated the effects of the crisis, Turkey also began to be influenced from the global developments after the 3rd quarter of 2008. The increase in foreign exchange rates and the decrease in sales have also begun to be noticed in the real estate market. The stability of residence prices and demand has been replaced by a decrease tendency in parallel to the overall perspective. Real estate market has entered a stable period due to the increasing loan interests, postponement of investments and future forecasts.

In the end of 2008 and in the beginning of 2009, the economical crisis also began to be felt in the real sector of Turkey. In 2009, together with the economic shrinkage, decreases in

⁶ TSKB Gayrimenkul Değerleme A.Ş.
REPORT NO: 2011REV365

industrial production and employment have been experienced. It is known that the real estate industry has spent 2009 with shrinkage and the prices continued to decrease while the demand remained lackluster.

However, during early 2010, with the positive outlook in national economy and foreign markets, it has been observed that a sustainable development restarted and the impacts of the crisis abated with such positivity. With the stability of foreign currency prices throughout most of 2010, the continuity of the trend of rise in Kocaeli Stock Exchange starting from early 2010, and with the perception of referendum in September 2010 as a political stability, the positive atmosphere in the markets has been continuing. Within this process, in the real estate market, especially with the housing investments in Kocaeli's housing market that went one after the other, these investments in the market have received positive reactions and it has been observed that an intensive demand was directed at these projects.

National economic data is positive and there are many other potential investment areas across the country; general elections will be held in 2011 and in case the political and economic stability continues, parallel to the projections for 2011 and the following years, it is considered that with the developing economic demand and price stability in the real estate sector, the interest of domestic and foreign investors in Turkey will continue.

In addition to these, the fact that Turkey will economically be one of the fastest growing OECD countries from 2011 to 2017, with expected annual growth of 6.7% and that Turkey is the only OECD country with increasing growth rate after the economic crisis and the fact that it is one of the few countries with increased credit rating and a candidate for the best rating increase will also enable continuance of the positive outlook of Turkey in international markets.

3.1.3 Sector Analysis

3.1.3.1 Tourism Industry

The tourism sector is one of the fastest developing and growing sectors worldwide. As boundaries disappear, the world got smaller, and people now have a tendency to travel to destinations that are farther away. The main reasons for this can be listed as the increase of the share of disposal personal income reserved for tourism and holidays, the fast development of transportation and communication technologies, and the desire of the people to visit new areas they have not seen until now, and they wonder about.

Due to the diverse structure of tourism, it covers, on one hand, activities such as accommodation, planning, travel organizations, and sales, called typical tourist activities, and also other activities such as transportation and car rentals, which do not only depend on tourist consumption, but used by them as well. Tourism is an important sector that constitutes a significant portion of the present day gross natural product worldwide. This dynamic sector continues to grow despite the economic stagnation worldwide, and has a function of driving the other industries as well.

In addition to its contributions to the national income, through the foreign exchange revenues provided, it plays an important role in closing the payments balance deficit. As a result of offering employment for masses, the tourism sector is one of the sectors with the highest concentration on employment, and also it is an effective marketing and advertising means for the country.

3.1.3.1.1 World Tourism

The center of gravity for the world tourism is Europe, where our country is also located. After Europe, the most important share belongs to the East and the Asian/Pacific region. Other than

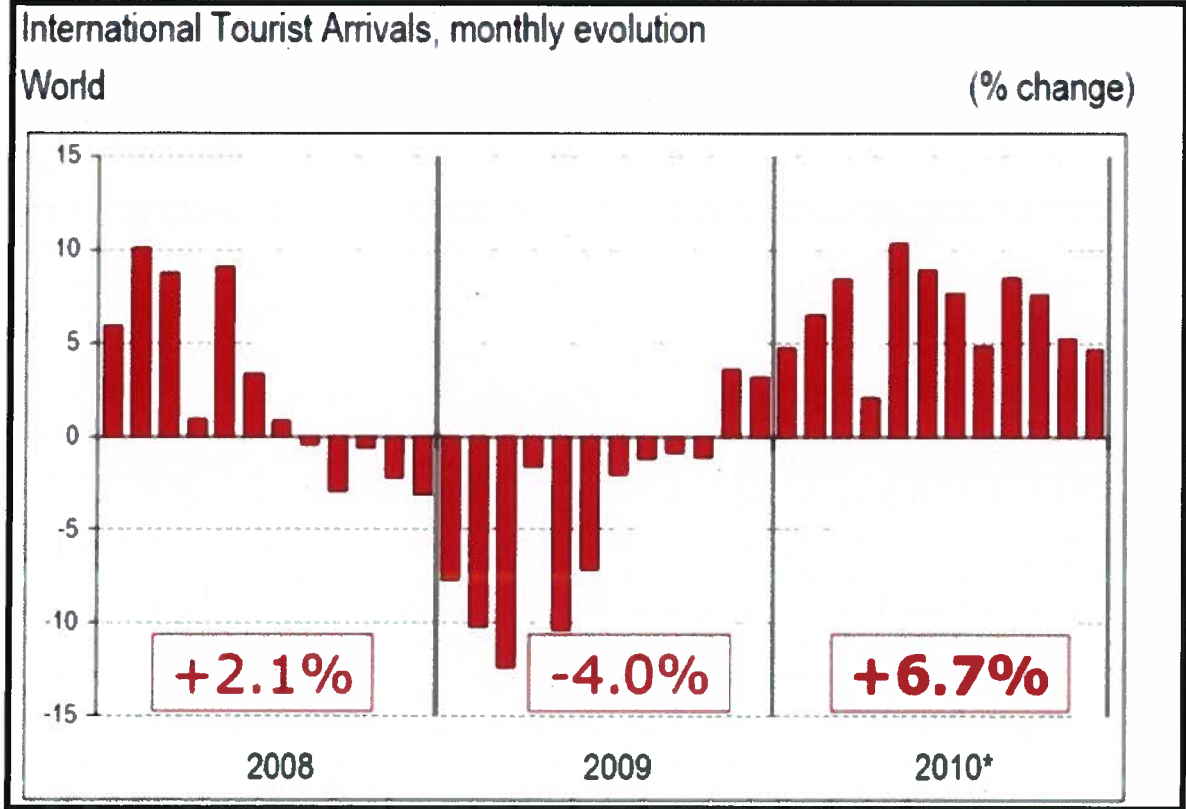
these two regions, the third region with the highest share is South and North America. From this, it can be said that the tourism of world economy is concentrated in the three regions which are developed economically, and with high levels.

Coming Tourist Numbers and Tourism Income (2008)

NO	COUNTRY	MILLION PEOPLE	MILLION USD
1	France	79.1	43
2	Spain	58.5	51
3	USA	51.1	86
4	Cjina	49.6	34
5	Italy	41.1	38
6	UK	30.1	34
7	Germany	23.6	33
8	Mexico	21.4	10
9	Austria	20.3	17
10	Russia	20.2	47
11	Turkey	18.9	17
12	Canada	18.2	14
13	Ukraine	17.6	3
14	Malaysia	17.5	13
15	Hong Kong	15.8	7
16	Poland	15.7	7
17	Greece	14.3	14
18	Thailand	13.9	7
19	Portugal	11.3	10

*T.C. Ministry of Culture and Tourism, Turkey Statistical Institute

While the World Tourism Organization (UNWTO) has indicated that the world tourism realized a growth of 7% in 2010, it has stated that 935 million individuals had travelled to different countries. In the report indicating that 913 million persons had travelled internationally in 2008 which was the before crisis period it was also stated that this figure was surpassed by 22 million in 2010.



While the Asia took the lead in the recovery of international tourism activities, Asian tourism displayed a growth of 13 percent in 2010. As a consequence the number of travelers to Asia rose to 204 million in 2010 from 181 million people in 2009. The African continent experienced a growth of 6 percent with the effect of the World Cup which was held in South Africa. The Middle East was amongst the areas displaying a major increase with a 10 percent growth rate.

According to the UNWTO report, although disruptions were experienced in the tourism activities because of the volcanic eruption of the Eyjafjallajokull Volcano in Iceland, Europe has succeeded to finish 2010 with a 3 percent growth (471 million people). The tourism activity in North and South America also achieved an increase of 8 percent. As a consequence, 181 million people in total have travelled in the American continent.

The World Tourism Organization has declared that there was also a serious increase in tourism expenditures in 2010 with tourism activities. Accordingly, tourism expenditures rose by 17 percent in China, by 26 in the Russian Federation, by 28 percent in Saudi Arabia and by 52 percent in Brazil. In the World Tourism Organization report, the growth foreseen for the year of 2011 was in the range of 4-5 percent.

TOURISM IN THE WORLD 2009 (COMING TOURIST NUMBERS – TOP 10)		
		MİLYON
1	FRANSA	74,2
2	A.B.D	54,9
3	İSPANYA	52,2
4	ÇİN	50,9
5	İTALYA	43,2
6	İNGİLTERE	28,0
7	TÜRKİYE	25,5
8	ALMANYA	24,9
9	MALEZYA	22,1
10	MEKSİKA	21,5

SOURCE: UNWTO

- Turkey is the 7th country in the world, attracting 25,5 million tourists.

TOURISM INCOME IN THE WORLD TOP 10 (2009)		
		MİLYAR \$
1	A.B.D	94,2
2	İSPANYA	53,2
3	FRANSA	48,7
4	İTALYA	40,2
5	ÇİN	39,7
6	ALMANYA	34,7
7	İNGİLTERE	30,1
8	AVUSTRALYA	25,6
9	TÜRKİYE	21,3
10	AVUSTURYA	-

SOURCE: UNWTO

- Turkey is the 9th country in the world, gaining 21,3 billion dollars tourism income.

Comparison Table of Turkey vs. Competitors:

COUNTRY	2009		2019	
	Büyüme oranı	İstihdam	Büyüme oranı	İstihdam
TÜRKİYE	+1,3	+1,5	+4,1	+2,7
İSPANYA	-4,9	-4,2	+1,3	+1,0
YUNANİSTAN	-1,8	-2,0	+3,5	+2,6
İTALYA	-5,5	-5,2	+2,0	+0,8
MISIR	-2,8	-4,3	+4,5	+2,0

*T.C. Ministry of Culture and Tourism, Turkey Statistical Institute

Experts estimate that in the coming years China shall surpass USA and become the third largest tourism country of the world and that it will become the most important tourism destination of the world by 2020. Indicating that China is the fourth largest tourism destination country in the world after France, Spain and the USA, it is stated that last year 49 million 600 thousand tourists have visited China. With its rapidly developing economy it is expected that in addition to attracting foreign visitors China is expected to send 1 million tourists abroad in the year 2020.

3.1.3.1.2 Tourism Industry in Turkey

The highest competitive edge of Turkey is in the tourism industry. Tourism is a key industry not just for solving the current account deficit issue, but also for increasing the employment, making Turkey a more livable place, and even promoting the country. Tourism has become the second highest foreign exchange providing sector to Turkey after exports; and it directly influences nearly 40 sectors in the industry.

2008-2011 Monthly Tourism Income

(Milyon \$ - Million \$)												
AYLAR Months	KÜLTÜR VE TURİZM BAKANLIĞI + DEVLET İSTATİSTİK ENSTİTÜSÜ + MERKEZ BANKASI Ministry of Culture and Tourism + Turkstat + Central Bank			KÜLTÜR VE TURİZM BAKANLIĞI + DEVLET İSTATİSTİK ENSTİTÜSÜ + MERKEZ BANKASI Ministry of Culture and Tourism + Turkstat + Central Bank			KÜLTÜR VE TURİZM BAKANLIĞI + DEVLET İSTATİSTİK ENSTİTÜSÜ + MERKEZ BANKASI Ministry of Culture and Tourism + Turkstat + Central Bank			KÜLTÜR VE TURİZM BAKANLIĞI + DEVLET İSTATİSTİK ENSTİTÜSÜ + MERKEZ BANKASI Ministry of Culture and Tourism + Turkstat + Central Bank		
	2008			2009			2010			2011		
	(*)	(**)	TOPLAM (Total)	(*)	(**)	TOPLAM (Total)	(*)	(**)	TOPLAM (Total)	(*)	(**)	TOPLAM (Total)
OCAK-January	616,1	269,4	885,5	559,5	239,2	798,7	531,4	204,1	735,5	662,2	271,3	933,5
ŞUBAT-February	573,1	227,9	801,0	526,4	195,9	722,3	505,7	215,6	721,4	631,8	277,5	909,3
MART-March	817,1	272,7	1089,8	704,9	240,7	945,6	699,9	256,8	956,7	945,7	311,8	1257,5
3 AYLIK TOPLAM 3 Months Total	2006,3	770,0	2776,3	1790,8	675,8	2466,6	1737,1	676,5	2413,6	2239,7	860,6	3100,3
NİSAN-April	806,0	247,0	1053,0	765,2	256,2	1021,4	751,9	292,4	1044,3			,0
MAYIS-May	1451,7	240,3	1692,0	1208,6	235,5	1444,1	1308,2	292,4	1600,6			,0
HAZİRAN-June	1695,8	252,4	1948,2	1520,7	257,3	1778,0	1607,4	306,5	1913,9			,0
TEMMUZ-July	2342,9	711,4	3054,3	2201,1	705,7	2906,8	2099,1	641,9	2741,0			,0
AĞUSTOS-August	2965,8	1029,2	3995,0	2784,8	1029,0	3813,8	2373,4	824,3	3197,7			,0
EYLÜL-September	2190,4	748,2	2938,6	2054,8	751,0	2805,8	1980,8	655,4	2636,1			,0
EKİM-October	1842,2	419,4	2261,6	1910,2	556	2466,2	2114,1	570,8	2684,9			,0
KASIM-November	886,7	382,9	1269,6	938,9	502,8	1441,7	961,5	555,3	1516,8			,0
ARALIK-December	631,9	348,3	962,2	677,9	427,0	1104,9	643,9	413,8	1057,7			,0

*T.C. Ministry of Culture and Tourism, Turkey Statistical Institute

2008-2011 Monthly Tourism Expenses

AYLAR - Months	YILLAR - Years			
	2008	2009	2010	2011
OCAK-January	274,1	282,1	272,3	365,2
ŞUBAT-February	254,5	287,9	320,8	373,3
MART-March	276,8	326,6	396,7	458,3
3 AYLIK TOPLAM 3 Months Total	671,1	805,4	896,6	1 196,8
NİSAN-April	296,9	268,5	351,0	
MAYIS-May	320,0	306,7	392,5	
HAZİRAN-June	389,6	361,3	425,7	
TEMMUZ-July	333,8	460,7	537,1	
AĞUSTOS-August	264,0	329,2	380,1	
EYLÜL-September	195,4	307,2	388,7	
EKİM-October	310,2	374,7	423,1	
KASIM-November	246,9	393,6	505,2	
ARALIK-December	344,2	447,2	431,9	

YABANCI ZİYARETÇİ VE YURT DIŞINDA İKAMET EDEN VATANDAŞ ZİYARETÇİ TURİZM GELİRLERİNİN YILLARA GÖRE DAĞILIMI Distribution of Tourism Receipts of Foreign Visitor and Turkish Citizens Residing in abroad by Years									
YILLAR Years	TOPLAM - Total			YABANCI - Foreigner			VATANDAŞ - Citizen		
	TURİZM GELİRİ Tourism Receipt (1,000 \$)	ZİYARETÇİ SAYISI Number of Visitors	ORTALAMA HARCAMA Average Expenditure (\$)	TURİZM GELİRİ Tourism Receipt (1,000 \$)	ZİYARETÇİ SAYISI Number of Visitors	ORTALAMA HARCAMA Average Expenditure (\$)	TURİZM GELİRİ Tourism Receipt (1,000 \$)	ZİYARETÇİ SAYISI Number of Visitors	ORTALAMA HARCAMA Average Expenditure (\$)
2001	10.067.155	13.450.121	748	7.386.246	11.276.532	655	2.680.908	2.173.589	1.233
2002	11.900.925	15.214.516	782	9.009.677	12.921.981	697	2.891.247	2.292.535	1.261
2003	13.203.144	16.302.050	810	9.676.623	13.701.418	706	3.526.520	2.600.632	1.356
2004	15.887.699	20.262.640	784	12.124.059	17.202.996	705	3.763.639	3.059.644	1.230
2005	18.153.504	24.124.501	752	13.929.300	20.522.621	679	42.234.203	3.601.880	1.173
2006	16.850.947	23.148.669	728	12.556.829	19.275.948	651	4.294.117	3.872.721	1.109
2007	18.487.008	27.214.988	679	13.989.952	23.017.081	608	4.497.055	4.197.907	1.071
2008	21.950.807	30.979.979	709	16.801.618	26.431.124	636	5.149.189	4.548.855	1.132
2009	21.249.334	32.006.149	664	15.853.074	27.347.977	580	5.396.260	4.658.172	1.158
2010	20.806.708	33.027.943	630	15.577.357	28.510.852	546	5.229.352	4.517.091	1.158
2011	3.100.270	4.398.235	705	2.239.710	3.599.196	622	860.560	799.039	1.077

Sorted by country, mainly foreign visitors coming to Turkey (January – December)

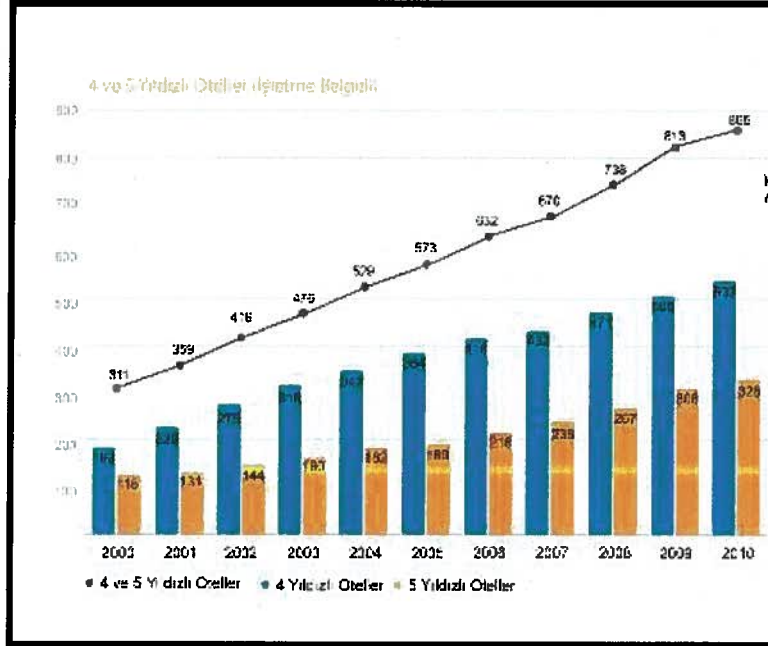
	2009	2010	10 / 09 (%) Change
Almanya	4.488.350	4.385.263	-2,3
İngiltere	2.426.749	2.673.605	10,17
Hollanda	1.127.150	1.073.064	-4,8
Fransa	932.809	928.376	-0,48
Belçika	592.078	543.003	-8,29
İtalya	634.886	671.060	5,7
Avusturya	548.117	500.321	-8,72
İspanya	376.215	321.325	-14,59
Yunanistan	616.489	670.297	8,73
İskandinav Ülkeleri (İsveç + Danimarka + Norveç + Finlandiya)	1.096.628	1.204.325	9,82
Bulgaristan	1.406.604	1.433.970	1,95
Romanya	366.698	355.144	-3,15
AB Toplamı	15.481.138	15.625.067	0,93
Rusya Fed.	2.694.733	3.107.043	15,3
Ukrayna	574.700	568.227	-1,13
BDT Toplamı	5.480.640	6.075.484	10,85
ABD	667.159	642.768	-3,66
Japonya	147.641	195.404	32,35
İran	1.383.261	1.885.097	36,28
İsrail	311.582	109.559	-64,84
Other	3.605.693	4.098.825	13,68
TOTAL	27.077.114	28.632.204	5,74

Tourism Investors Association of Turkey

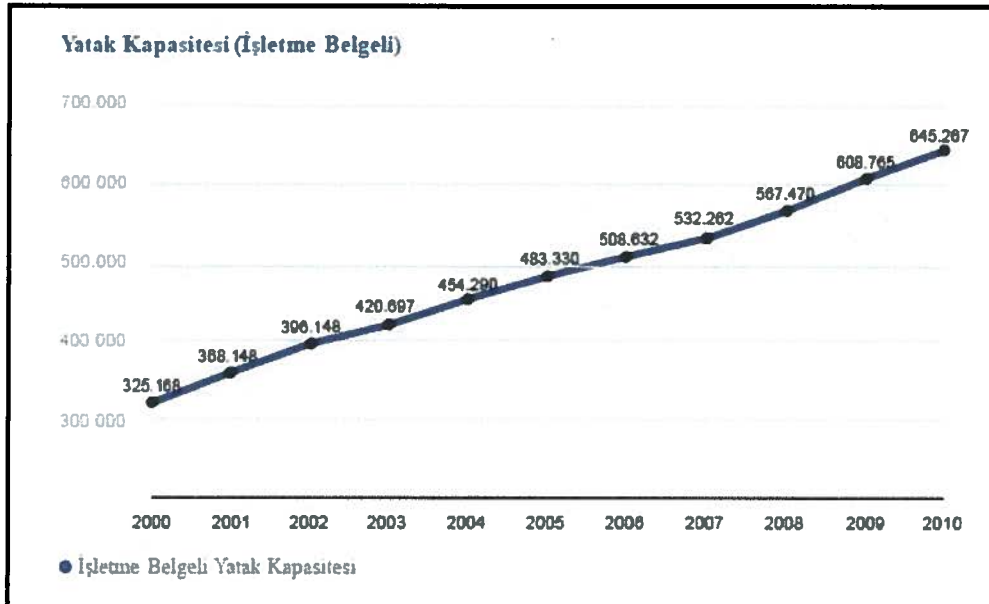
Accommodation and the Evaluation of 2010

In 2002, Turkey had a bed capacity of 396.148 with operation certificate and increased her capacity by 62,9%, reaching a bed capacity of 645.267 in 2010. Together with the rest areas with investment certificates, the total bed capacity increased up to 893.326.

In 2002, there was 419 4-star and 5-star hotels holding operation certificates in Turkey and this figure increased by 106,4%, reaching 865 in 2010.



Number of hotels Certificated Tourism Facility And Bed-2010



Bed Capacity of Facilities with Operation Certificates

Analysis of 2010 April – May – June:

Tourism revenue increased by 7,4% in comparison to the same period of 2008.

According to the results of the Outbound Visitors Survey, the tourism revenue for the second period of 2009 increased by 7,4% in comparison to the same period of the previous year, reaching US\$4.558.849.846. Among the tourism revenues, US\$ 3.667.409.710 was raised from foreign visitors and US\$ 891.440.137 was raised from the Turkish visitors living abroad.

The visitors make their trips personally or via package tours. Among the tourism revenues, US\$ 3.537.727.494 is from personal trips and US\$ 1.021.122.352 is from package tour expenditures.

In the second period consisting of April, May and June, the highest tourism revenue was US\$ in June. In May, the revenue was US\$ 1.600.640.039 and in April, the revenue was US\$ 1.044.280.697 In the period from April to June, the expenditure per capita was US\$ 546 among foreigners, and US\$ 682 among citizens.

The number of outbound visitors increased by 8,2% in comparison to the same period of the previous year.

The total number of outbound visitors in April, May and June is 8.373.407 people. Among this, 7.637.702 people are foreign visitors, and 735.705 people are citizens living abroad. In the second period, the highest number of visitors was received in June with 3.545.058 people. In May, 2.952.864 people visited our country while in April, 1.875.486 visitors were received.

Monthly Tourism Income and expenditure,						
II. Period 2010						
Months	Tourism Income	Visitor	Average	Tourism	Citizen	Average
	(USD)	Number (*)	Personel	expences	number	Personel
			(USD)	(USD)	(**)	expenditure
						(USD)
2010						
January	735.469.267	1.133.655	649	272.349.030	354.260	769
February	721.358.120	1.105.749	652	320.836.151	444.881	721
March	956.697.423	1.513.316	632	396.740.807	494.956	802
April	1.044.280.697	1.875.486	557	350.964.158	518.761	677
May	1.600.640.039	2.952.864	542	392.547.210	575.820	682
I - II. Period						
Total	6.972.374.656	12.126.127	575	2.159.171.569	3.006.169	718

(*) Accompanying persons are included in total visitor numbers.

(**) Visit to our country and abroad arriving in the country the number of citizens residing in the passport of the Republic of Turkey.

* T.C. Ministry of Culture and Tourism, Turkey Statistical Institute

Analysis of 2010 July – August – September:

The tourism revenue decreased by 10% in comparison to the same period of 2009.

In the 3rd period consisting of July, August and September, tourism revenue decreased by 10% according to the same period of 2009, becoming US\$ 8.574.889.686. Among the tourism revenue, US\$ 6.453.320.361 was from foreign visitors and US\$ 2.121.569.325 was from citizens living abroad.

The visitors make their trips either personally or with package tours. Of the expenditures in this period, US\$ 6.637.222.358 is personal and US\$ 1.937.667.328 is through package tours.

The average overnight stay of foreigners in our country is 8,8 nights and their expenditure per capita is US\$ 550. The average overnight stay of citizens living abroad is 17,9 nights and their average expenditure per capita is US\$ 1.001.

The number of visitors increased by 1,2% in comparison to the same period of 2009.

During the 3rd period of 2010, the number of outbound visitors was 13.861.776. Among them, 11.742.391 people are foreigners while 2.119.385 people are visitors living abroad.

The tourism expenditure increased by 19% in comparison to the same period of 2009.

Tourism expenditures consisting of the expenditures made by our citizens living abroad who made their visits outside Turkey increased by 19% in comparison to the same period of 2009, becoming US\$ 1.305.900.206. Among this, US\$ 1.239.589.768 is personal and US\$ 66.310.438 is package tour expenditures. The personal average of the 1.837.126 citizens visiting abroad is US\$ 711.

MONTHS	TOURISM INCOME	DEPARTING VISTOR NUMBER	AVERAGE PERSONAL EXPENSE	TOURISM EXPENSE	NUMBER OF CITIZENS RESIDING IN DOMESTIC	AVERAGE PERSONAL EXPENSE
	(\$)		(\$)	(\$)		(\$)
2009						
JULY	2.906.792.509	4.218.369	689	460.697.012	651.212	707
AUGUST	3.813.819.077	5.491.275	695	329.229.786	460.934	714
SEPTEMBER	2.805.708.246	3.989.011	703	307.165.477	411.943	746
OCTOBER	2.466.201.396	3.515.977	701	374.671.441	490.962	763
NOVEMBER	1.441.776.357	1.945.675	741	393.619.402	517.640	760
DECEMBER	1.104.920.838	1.467.070	753	447.217.180	559.614	799
2010						
JANUARY	735.469.267	1.133.655	649	272.349.030	354.260	769
FEBRUARY	721.358.120	1.105.749	652	320.836.151	444.881	721
MARCH	956.697.423	1.513.316	632	396.740.807	494.966	802
APRIL	1.044.280.697	1.875.486	557	350.964.158	518.761	677
MAY	1.600.640.039	2.952.864	542	392.547.210	575.820	682
JUNE	1.913.929.110	3.545.058	540	425.734.213	617.491	689
JULY	2.741.084.945	4.450.459	616	537.105.301	770.870	697
AUGUST	3.197.707.333	5.145.381	621	380.132.689	547.433	694
SEPTEMBER	2.636.147.408	4.265.936	618	388.662.216	518.823	749
I-III PERIOD TOTAL	15.547.264.342	25.987.902	601	3.465.071.775	4.843.296	720

Monthly Tourism Income and expenditure, 2009-2010

Analysis of 2010 October – November – December:

Tourism revenue increased by 4,9% in comparison with the same period of 2009.

In the 3rd period consisting of July, August and September, tourism revenue increased by 4,9% in comparison to the same period of 2009, becoming US\$ 5.259.444.102. Among the tourism revenues, US\$ 3.719.565.958 is from foreign visitors, US\$ 1.539.878.143 is from citizens living abroad.

The visitors make their trips either personally or with package tours. Among the expenditures in this period, US\$ 4.491.557.397 is personal and US\$ 767 886 704 is through package tours.

The average overnight stay of foreigners in our country is 9,8 nights, and their expenditures per capita is US\$ 618. The average overnight stay of the citizens living abroad is 37 nights and the average expenditure per capita is US\$ 1.514.

The number of visitors increased by 1,6% in comparison with the same period of 2009.

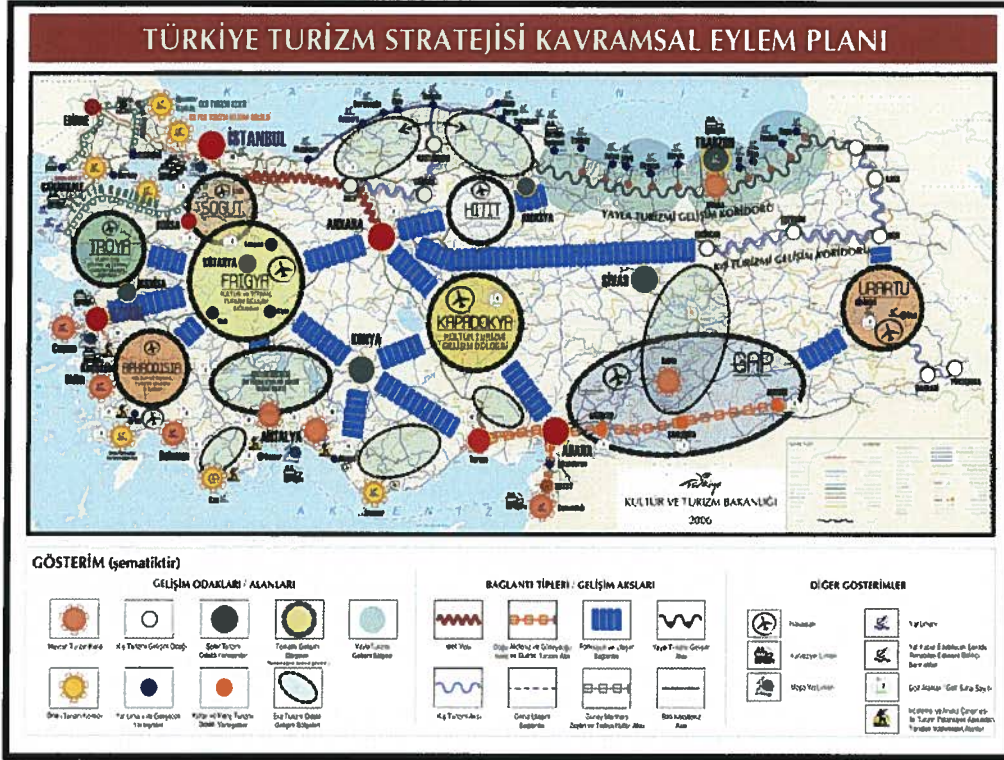
The number of outbound visitors in the 4th period of 2010 is 7.040.041 people. Among them, 6.023.265 were foreigners and 1.016.776 were citizens living abroad.

The expenditures of tourism increased by 11,9% in comparison to the same period of 2009.

Tourism expenditure consisting of the expenditures of Turkish citizens living in Turkey visiting other countries increased by 11,9% in comparison to the same period of 2009, becoming US\$ 1.360.142.326. Among this, US\$ 1.310.430.546 is personal and US\$ 49.711.780 is package tour expenditures. The average expenditure of 1.713.937 citizens visiting abroad is US\$ 794 per capita.

Monthly Tourism Income and Expenses, 2009-2010						
Months	Tourism Income (USD)	Visitor Number (*)	Average Personel expenditure (USD)	Tourism expences (USD)	Citizen number (**)	Average Personel expenditure (USD)
2009						
October	2.466.201.396	3.515.977	701	374.671.441	490.962	763
November	1.441.776.357	1.945.675	741	393.619.402	517.640	760
December	1.104.920.838	1.467.070	753	447.217.180	559.614	799
2010						
January	735.469.267	1.133.655	649	272.349.030	354.260	769
February	721.358.120	1.105.749	652	320.836.151	444.881	721
March	956.697.423	1.513.316	632	396.740.807	494.956	802
April	1.044.280.697	1.875.486	557	350.964.158	518.761	677
May	1.600.640.039	2.952.864	542	392.547.210	575.820	682
June	1.913.929.110	3.545.058	540	425.734.213	617.491	689
July	2.741.034.945	4.450.459	616	537.105.301	770.870	697
August	3.197.707.333	5.145.381	621	380.132.689	547.433	694
September	2.636.147.408	4.265.936	618	388.662.216	518.823	749
October	2.684.863.709	3.639.656	738	423.054.022	551.749	767
November	1.516.808.183	2.002.607	757	505.229.994	599.486	843
December	1.057.772.209	1.397.778	757	431.858.310	562.702	767
Total	20.806.708.444	33.027.943	630	4.825.214.101	6.557.233	736

T.C. Culture and Tourism Ministry had prepared the action plan by 2023, thought to be the development of tourism investments are seen as a graphical map below.



Market Players

In Turkey, there are certain local hotels which perform their own management such as Dedeman, Divan, The Marmara, Princess Hotels, and Swiss Hotel. The hotels are generally managed by their own hotel groups and any outside hotel management company is not assigned for the management of the hotel. The management of the hotels is generally based on 10-20 years contracts between the landlords and the management companies, and these agreements may be extended upon the parties' requests. The agreements are generally based on the gross income or net operating profit. However, some landlords may request a fixed annual fee regardless of the turnover. Apart from them, the foreign hotel management groups in Turkey are as follows.

Marriott (USA): Serves for hotel management in Turkey. Following Renaissance and Ritz Carlton hotels serving in Turkey, Marriott International Inc, opened its Marriott Asia Hotel. With more than 2,800 establishments, a prestigious and leading company in the accommodation sector of the USA and 67 countries, Marriott International Inc. has 151,000 global employees, and manages 15 hotel brands with 550,000 rooms capacity.

The number of hotels of the firm in Istanbul reached to 4 with Marriott Asyo Hotel. 3 of these hotels are located in the European Side and 1 in Anatolian Side.

Hochtief (Germany): Serves for hotel management in Turkey. They established a Facility Management Services (FMS) in 50% partnership with Silkar Holding.

Hyatt (America): Provides services in Hotel Management in Turkey. It carries out management of Hyatt Regency in Istanbul. Some of the hotels of this firm in Istanbul are Park Hyatt Istanbul Maçka Palas, Hotel Hyatt Regency.

Hilton (America): Provides services in Hotel Management in Turkey. They carry out management of hotels that belong to Hilton family group. This firm has 8 hotels throughout Turkey and 2 of the hotels are located in the European Side.

Kempinski (Germany): They provide services in Hotel Management in Turkey. They carry out management of hotels that belong to Kempinski group. Çırağan Palace Kempinsky Istanbul managed by the firm in Istanbul European Side is the only investment in Istanbul.

Mövenpick (Switzerland): They provide services in Hotel Management in Turkey. They carry out management of hotels that belong to Mövenpick group. One of the three investments of the firm in Turkey is located in Istanbul European Side.

Four Seasons (America): Provides services in Hotel Management in Turkey. They carry out management of hotels that belong to Four Seasons Hotels group. The firm has two hotel investments in Turkey that are Four Seasons Bosphorus and Four Seasons Sultanahmet.

Barcelo (Spain): Serves for hotel management in Turkey. Manages the hotels of Barcelo group. They have Ora Hiladay, Barcelo Rexene (Bodrum) and Barcelo Eresin Topkapı hotels in Turkey.

Carlson (USA): Serves for hotel management in Turkey. Manages the hotels of Carlson group. Radisson, Country Inns, Park Plaza, Park Inn and Regent hotels are included under the body of Carlson group.

Inter Continental Hotel Groups (USA): Serves for hotel management in Turkey. The company manages hotels of Inter Continental Hotel Groups in Turkey. Inter Continental, Crowne Plaza, Hotel Indigo, Holiday Inn, Holiday Inn Express, Staybridge Suites and Candlewood Suites hotels are included under the body of Inter Continental Hotel Groups.

Accor (France): They provide services in Hotel Management in Turkey. They carry out management of hotels that belong to Accor group. They cooperate with Akfen GYO in Turkey and produce hotel projects. The firm is leading in Europe and 3rd largest hotel management firm in the world.

The leading hotel investment groups in the sector are stated here below.

Divan: Divan Hotels Chain owned by Koç Group is among the domestic hotel investors serving in Turkey. The chain has totally 7 hotels in Turkey: Istanbul, Istanbul City, Istanbul Asia, Ankara, Antalya, Bodrum and Çorlu.

Dedeman: Dedeman Hotels, forthcoming with hotel investments in Turkey and abroad, have 17 domestic hotels, two of which are currently in the construction stage. Their hotels in Turkey can be listed as Dedeman Istanbul, Dedeman Bostancı, Dedeman Şile, Dedeman Zonguldak, Dedeman Bodrum, Dedeman Antalya, Dedeman Kapadokya, Dedeman Ankara, Dedeman Konya, Dedeman Şanlı Urfa, Dedeman Gaziantep, Dedeman Diyarbakır, Dedeman Erzurum, and Dedeman Rize.

Titanic: Titanic Hotels Chain owned by AYG Group can be considered among the leading hotel chains in Turkey. With totally 5 hotels in Turkey, the members of Titanic Hotels chain can be listed as; De Luxe Antalya, Istanbul Bussines, City İstanbul Taksim, Port İstanbul Bakırköy, and Comfort İstanbul Şişli.

3.1.3.3 Hotel Sector-Bursa

Bursa, being one of the leading attraction centers in the Eastern Marmara Region is among the main provinces, which draws attention with its industrial and tourism facilities. Accommodation facilities in Uludağ Zone are clustered in the locations named as the 1st and 2nd District, while the city hotels in the city center are spread in the overall city center. In addition to the below-detailed 5-star, 4-star and some 3-star hotels in the city center, there are also other hotels with 2-stars, without any stars, as well as many boarding houses and apart hotels. The following lists were compiled from the data of Bursa Province Tourism Directorate.

**DISTRIBUTION OF THE ACCOMMODATION FACILITIES IN BURSA
PROVINCE AS OF 01 APRIL 2011:**

Number:	Type:	Total number Of Rooms:	Bed capacity :
4	*****	816	1.658
14	****	1.525	3.187
19	***	1.275	2.589
8	**	204	420
1	*	30	60
1	AUBERGE	58	120
4	PRIVATE	79	154
1	BOARDING HOUSE	10	19
1	APART HOTEL	24	92
2	BOUTIQUE HOTEL	45	90
55	TOTAL	4.066	8.389

** Divan Hotel has been added in the active hotels as it was opened after April 1.*

Source: Bursa Provincial Tourism Directorate

According to April 2011, the latest record date of the data from Bursa Provincial Tourism Directorate, the table which represents the accommodation details in Bursa is provided here above.

**DISTRIBUTION OF THE INVESTMENT-CERTIFIED ACCOMMODATION FACILITIES IN
BURSA PROVINCE AS OF 01 APRIL 2011:**

Number:	Type:	Total number Of Rooms:	Bed capacity :
3	*****	554	1.106
1	****	137	274
8	***	719	1.501
0	**	0	0
0	*	0	0
0	AUBERGE	0	0
0	PRIVATE	0	0
0	BOARDING HOUSE	0	0
0	APART HOTEL	0	0
2	BOUTIQUE HOTEL	114	228
14	TOTAL	1.524	3.109

** Divan Hotel has been added in the active hotels as it was opened after April 1.*

Source: Bursa Provincial Tourism Directorate

Hotel Sector-Bursa

Name: ALMIRA OTEL (***)**

Location: Bursa

Total Number of Rooms: 219

Bed Capacity: 500

Opening Date: N/A

Room Sizes: 25 – 50 sqm

Suit Sizes: 70 m²

Number and Capacities of Meeting Rooms: 12 meeting rooms

Parking Lot Capacity: Parking garage.



General Features of the Hotel: Poolside A la carte restaurant offers sea food cuisine and Far Eastern cuisine with 600 people capacity for banquet and 1000 people capacity for cocktail. Indoor and outdoor swimming pool, thermal swimming pool, Turkish bath, sauna, massage, jacuzzi, solarium, beauty and wellness center, fitness center, aerobics, table tennis, snooker, disco, night club, Finnish bath, wellness center, spa, curing pool, play room, and child club are provided.

General Features of the Rooms: All rooms have air conditioners, bathroom, bathroom devices, telephone in the bathroom, satellite tv, cable tv, tea & coffee, direct phone line, hair drier, internet, radio, minibar, safebox, controlled heating system, music broadcast, shower and bathtub.

Room Prices: The room rate is €75 for single person and € 110 for double per night. VAT and breakfast are included in the rate. According to the information obtained from the hotel management, the average occupancy of the hotel is around 70-75%.

Name: KERVANSARAY TERMAL OTEL (***)**

Location: Bursa

Total Number of Rooms: 211

Bed Capacity: 430

Opening Date: N/A

Room Sizes: -

Suite Sizes: -

Number and Capacities of Meeting Rooms:10 meeting rooms with 700 and 600 people capacity.


Parking Lot Capacity: Parking garage.




General Features of the Hotel: The hotel which is working full board system has a restaurant with 350 people capacity, agarden restaurant with 500 people capacity, "sedef restaurant" with 80 people capacity and a la carte restaurant with 60 people capacity. Outdoor swimming pool, indoor thermal swimming pool, Turkish bath, sauna for men-women, massage, play room are provided.

General Features of the Rooms: All rooms have bathtub in the bathroom, hairdrier, cable tv, radio, air conditioners, minibar, wireless internet, baby bed and balcony if demanded.

Room Prices: The room rate is €60 for single person and € 81 for double per night. VAT and breakfast are included in the rate. According to the information obtained from the hotel management, the average occupancy of the hotel is around 75-80%.

Name: ÇELİK PALAS OTEL (*****)	
Location: Bursa	
Total Number of Rooms: 164	
Bed Capacity:-	
Opening Date: 1953	
Room Sizes: -	
Suite Sizes: -	
Number and Capacities of Meeting Rooms: Ball room with 500 people capacity and meeting room which have overhead projector, white board, slide projector, flipchart, barkovision, sound system, microphone, vcd player, dvd player, TV.	
Parking Lot Capacity: Parking garage.	
General Features of the Hotel: Central air condition system, garden, play room, men/women hairdresser, 24 hours room service, parking garage, wireless internet, laundry, dry cleaning, wellness center, business center, baggage room are provided.	
General Features of the Rooms: -	
Room Prices: The room rate is €100 for single person and € 120 for double per night. VAT and breakfast are included in the rate. The standart room rate is between €150 and €750 in Atatürk Palace. According to the information obtained from the hotel management, the average occupancy of the hotel is around 70%.	

Name: MARI GOLD OTEL (*****)	
Location: Bursa/Çekirge	
Total Number of Rooms: 120	
Bed Capacity:-	
Opening Date: April 2010	
Room Sizes: -	
Suite Sizes: -	
Number and Capacities of Meeting Rooms: 3 meeting rooms which 2 of them have 120 people capacity.	
Parking Lot Capacity: Parking garage.	
General Features of the Hotel: SPA center, thermal Turkish Bath and 3 Turkish Bath for families.	
General Features of the Rooms: All rooms have laminant flooring, central heating-cooling system, hairdrier, direct phone, minibar, TV, wireless internet, cattle, digital cash box.	
Room Prices: The room rate is €75 for single person and € 110 for double per night. VAT and breakfast are included in the rate. According to the information obtained from the hotel management, the average occupancy of the hotel is around 75%.	

Name: DİVAN OTEL (* * * * *)

Location: Bursa/Kükürtlü

Total Number of Rooms: 105

Bed Capacity:-

Opening Date: September 2011

Room Sizes: -

Suite Sizes: -

Number and Capacities of Meeting Rooms:
Meeting rooms in different sizes and 1 ball-conference room with 600 people capacity.

Parking Lot Capacity: Parking garage.



General Features of the Hotel: Thermal SPA center is provided.

General Features of the Rooms: -

Room Prices: The room rate is €92 for single person and € 121 for double per night. VAT and breakfast are included in the rate. According to the information obtained from the hotel management, the average occupancy of the hotel is around 70 %.

Name: OTANTİK CLUB OTEL

Location: Bursa/Merkez

Total Number of Rooms: 29

Bed Capacity:-

Opening Date: 2001

Room Sizes: -

Suite Sizes: -

Number and Capacities of Meeting Rooms: -


Parking Lot Capacity: Parking garage.




General Features of the Hotel: Buffet breakfast, Sera restaurant, Fish restaurant, fireplace bar, wellness club, GYM Room, indoor and outdoor swimming pool, Turkish bath, bicycle, walking and running area, sport activities in control of teachers are included.

General Features of the Rooms: All rooms have minibar, tv, wireless internet, Turkish bath and fireplace in suit rooms.

Room Prices: The room rate is €75 for single person and € 110 for double per night. VAT and breakfast are included in the rate. According to the information obtained from the hotel management, the average occupancy of the hotel is around 70%.

Name: BAIA OTEL (* * * *)	
<p>Location: Bursa/Yalova Yolu</p> <p>Total Number of Rooms: 150</p> <p>Bed Capacity:233</p> <p>Opening Date: Middle of 2009</p> <p>Room Sizes: -</p> <p>Suite Sizes: -</p> <p>Number and Capacities of Meeting Rooms: Uludağ Room (47 sqm, in U design with 20 people capacity), Bodrum Room (86 sqm, 100 people theatre, 100 people class, 80 people banquet, 45 people U design, 100 people cocktail design capacity), Lara Room (89 sqm, 65 people theatre, 60 people class, 60 people banquet, 40 people U design, 70 people cocktail design capacity)</p> <p>Parking Lot Capacity: Parking garage.</p>	
<p>General Features of the Hotel: Spa&Wellnes Club is provided.</p>	
<p>General Features of the Rooms: All rooms have 32" LCD TV, sitting area, working table, phone, music, satellite broadcasting, minibar, wireless internet, central heating-cooling system, cable TV, automatic fire alarm system, Jacuzzi and bathtub.</p>	
<p>Room Prices: The room rate is €70 for single person and € 90 for double per night. VAT and breakfast are included in the rate.</p>	

Name: HOLIDAY INN (* * * *)	
<p>Location: Bursa/ Uludağ Univesity Görükle Campus</p> <p>Total Number of Rooms: 131</p> <p>Bed Capacity:270</p> <p>Opening Date: 2000</p> <p>Room Sizes: -</p> <p>Suite Sizes: -</p> <p>Number and Capacities of Meeting Rooms: 6 meeting rooms with 10 and 750 people capaicity. All meeting rooms have wireless internet, curtain, overhead projector, sound system, microphone, TV.</p> <p>Parking Lot Capacity: Open parking area exists.</p>	
<p>General Features of the Hotel: Wedding, gala and this type of organizations with maximum 1200 people capacity can be done at the poolside (in summer time).</p>	
<p>General Features of the Rooms: 24 hours room service, air condition system, minibar, cable TV, direct telephone, wireless internet, bathroom, cattle, tea/coffee machine, flat-iron, working table, mountain view, music system, bathtub, night club, dry cleaner, doctor, laundry, play room.</p>	
<p>Room Prices: The room rate is €70 for single person and double per night. VAT and breakfast are included in the rate.</p>	

Name: CENTRAL OTEL (**)**

Location: Bursa/ Merkez

Total Number of Rooms: 52

Bed Capacity:104

Opening Date:-

Room Sizes: -

Suite Sizes: -

Number and Capacities of Meeting Rooms: 4 meeting rooms with 10 and 210 people capacity.

Parking Lot Capacity: Open parking area exists.



General Features of the Hotel: Reception service, room service, laundry, dry cleaning and safe deposit are provided.

General Features of the Rooms: All rooms have central air condition system, wireless internet, direct telephone, hair drier, cable TV, minibar.

Room Prices: The room rate is €44 for single person and € 65 for double per night. VAT and breakfast are included in the rate. According to the information obtained from the hotel management, the average occupancy of the hotel is around 68%.

Name: GÖNLÜFERAH OTEL (**)**

Location: Bursa/ Merkez

Total Number of Rooms: 70

Bed Capacity:-

Opening Date: 1890

Room Sizes: -

Suite Sizes: -

Number and Capacities of Meeting Rooms: Can afford meetings and organizations with 20 to 100 people capacity.


Parking Lot Capacity: Open parking area exists.




General Features of the Hotel: Crème de Café, Lounge 22 Café, Zoe Spa center, thermal Turkish bath, massage rooms, wellness center and panoramic city view.

General Features of the Rooms: -

Room Prices: The room rate is €75 for single person and € 105 for double per night. VAT and breakfast are included in the rate. According to the information obtained from the hotel management, the average occupancy of the hotel is around 68%.

Name: GÖNLÜFERAH CITY OTEL (****)	
Location: Bursa/ Merkez	
Total Number of Rooms: 90	
Bed Capacity:-	
Opening Date:2008	
Room Sizes: -	
Suite Sizes: -	
Number and Capacities of Meeting Rooms: Nilüfer Room with 450 people capacity, Çekirge salonu 250 people capacity, Uludağ salonu 300 people capacity, terrace with 200 people capacity with Bursa city view, Green room with 100 people capacity and Lobby room w,th 40 people capacity designed for business meetings.	
Parking Lot Capacity: Open parking area exists.	
General Features of the Hotel: Bussiness Center, car park, wireless internet, 24 hours room service, hairdresser, dry cleaning and secreterial service.	
General Features of the Rooms: -	
Room Prices: The room rate is €44 for single person and € 56 for double per night. According to the information obtained from the hotel management, the average occupancy of the hotel is around 65%.	

Name: BÜYÜKYIDIZ OTEL (****)	
Location: Bursa/ Uludağ Yolu	
Total Number of Rooms: 75	
Bed Capacity:160	
Opening Date:-	
Room Sizes: -	
Suite Sizes: -	
Number and Capacities of Meeting Rooms: 2 meeting rooms and congress room with 150 people capacity. (Overhead projector, white board, slide projector, flipchart, barkovision, microphone, video player, TV, fax)	
Parking Lot Capacity: Open parking area exists.	
General Features of the Hotel: Breakfast room, lobby bar, roof bar, terrace bar, 1 alacarte restaurant (500 pax.) 1 buffet restaurant.	
General Features of the Rooms: All rooms have telephone, music system, balcony, minibar, tea/coffee machine, TV, cable TV, split air-condition system, bathtub, hairdrier, phone in the bathroom.	
Room Prices: The room rate is €48 for single person and € 69 for double per night. VAT and breakfast are included in the rate.	

Name: ANATOLIA OTEL (* * * *)

Location: Bursa/ Merkez

Total Number of Rooms: 116

Bed Capacity:-

Opening Date:-

Room Sizes: -

Suite Sizes: -

Number and Capacities of Meeting Rooms:
Meeting room with 150 people capacity.

Parking Lot Capacity: Open parking area exists.



General Features of the Hotel: Termal Hamamlar, Business Center, Kapalı Otopark, Açık Yüzme Havuzu, Erkek ve Bayan Kuaförü, toplam 850 kişilik restaurant, kahvaltı salonu, snack bar, Kafeterya, Lobi Bar, Çatı Bar, Türk Mutfağı, Kuzine mevcuttur.

General Features of the Rooms: Otelin her odasında air condition sistemi, tv-uydu yayını, Digturk, minibar, saç kurutma makinesi mevcuttur.

Room Prices: Tek kişi için oda fiyatı 58.-€, iki kişi için oda fiyatı 87.-€'dur. Bu fiyata kahvaltı ve KDV dahildir.

Name: TUĞCU OTEL (* * * *)

Location: Bursa/ Merkez

Total Number of Rooms: 72

Bed Capacity:-

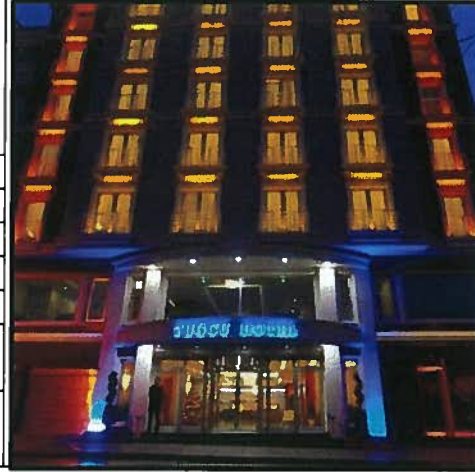
Opening Date:-

Room Sizes: -

Suite Sizes: -

Number and Capacities of Meeting Rooms: 2
meeting rooms which have 150 people capacity.

Parking Lot Capacity: Open parking area with 28 car
capacity.



General Features of the Hotel: -

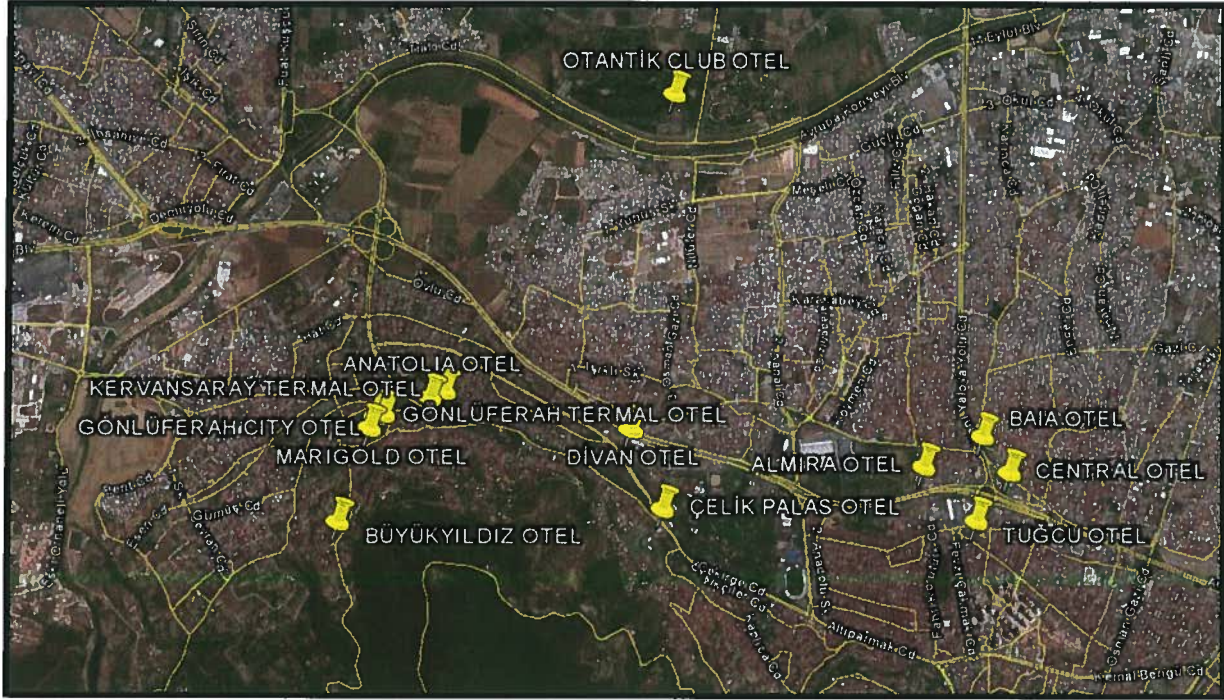
General Features of the Rooms: 24 hours room service, LCD TV, minibar, VRF heating-cooling system, bathtub, hair drier, direct telephone, ortopedic beds, wireless internet.

Room Prices: The room rate is €44 for single person and € 65 for double per night. VAT and breakfast are included in the rate. According to the information obtained from the hotel management, the average occupancy of the hotel is around 80%.

Hotel Name	Quality	Number of rooms	Type of Rooms	Price(TRY)	Price(EURO)	Price(USD)	Bed Capacity	Occupancy	Termal
ALMIRA OTEL	5 Star	219	Single	172	69	98	500	%70-75	N/A
			Double	253	102	144			
KERVANSARAY TERMAL OTEL	5 Star	211	Single	139	56	79	430	%75-80	AVAILABLE
			Double	185	75	105			
ÇELİK PALAS OTEL	5 Star	164	Single	230	93	130	328	70%	AVAILABLE
			Double	276	111	157			
MARI GOLD OTEL	5 Star	120	Single	172	69	98	240	75%	AVAILABLE
			Double	253	102	144			
DİVAN OTEL	5 Star	105	Single	211	85	120	210	70%	AVAILABLE
			Double	278	112	158			
OTANTİK CLUB OTEL	5 Star	29	Single	172	69	98	58	70%	N/A
			Double	253	102	144			
BAIA BURSA	4 Star	150	Single	161	65	91	233	N/A	N/A
			Double	207	83	117			
HOLIDAY INN	4 Star	131	Single	161	65	91	270	N/A	N/A
			Double	161	65	91			
CENTRAL OTEL	4 Star	52	Single	102	41	58	104	68%	N/A
			Double	148	60	84			
GÖNLÜ FERAH OTEL	4 Star	70	Single	172	69	98	140	68%	AVAILABLE
			Double	241	97	137			
GÖNLÜ FERAH CITY OTEL	4 Star	90	Single	102	41	58	186	65%	N/A
			Double	130	52	74			
BÜYÜKYILDIZ OTEL	4 Star	75	Single	111	45	63	160	N/A	N/A
			Double	157	63	89			
ANATOLIA OTEL	4 Star	116	Single	134	54	76	232	N/A	N/A
			Double	199	80	113			
TUĞCU OTEL	4 Star	72	Single	100	40	57	144	80%	N/A
			Double	150	60	85			

***These are the rates valid for companies, including breakfast and excluding VAT. (Breakfast is not included at Holiday Inn Hotel.) At 3-star and higher quality hotels, respectively 8% and 18% VAT is charged for accommodation and other income.**

****Divan Hotel has not officially been activated yet, while 70% occupancy is expected during the first year of activity.**



Hotels in Project Phase

Hilton Group (Hilton & Hapton, Hilton Garden Inn)

Name: Hilton & Hapton, Hilton Garden Inn (*****)

Location: Bursa/ Yalova Yolu

Total Number of Rooms: Hilton Hotel 187 rooms,
Hampton Hotel 108 rooms.

Bed Capacity: -

Opening Date: The end of year 2011

Room Sizes: -

Suite Sizes: -

Number and Capacities of Meeting Rooms:

Parking Lot Capacity:



General Features of the Hotel: -

General Features of the Rooms: -

Room Prices: -

Name: Crowne Plaza (***)**

Location: Bursa/ Yalova Yolu

Total Number of Rooms: 190

Bed Capacity: -

Opening Date: The end of year 2011

Room Sizes: -

Suite Sizes: -

Number and Capacities of Meeting Rooms: -

Parking Lot Capacity: -



General Features of the Hotel: 3.500 sqm thermal and spa floor, ball room with 950 people capacity, cocktail terrace which is 1.000 sqm, 5 meeting rooms, 3 restaurants, fitness room with Uludag view, indoor and outdoor swimming pool, sauna, Turkish bath, 6 massage rooms, 6 VIP Turkish bath.

General Features of the Rooms: -

Room Prices: -

Name: Sheraton Bursa (***), Aloft (***)**

Location: Bursa/ Mihraplı Parkı

Total Number of Rooms: Sheraton Bursa Hotel; 228 rooms which has 171 guest, 47 executive, 10 suit rooms; Aloft Bursa Hotel with 130 rooms.

Bed Capacity: -

Opening Date: 2013

Room Sizes: -

Suite Sizes: -

Number and Capacities of Meeting Rooms: -


Parking Lot Capacity: -



General Features of the Hotel: Restaurant, sport center and 5 big congress rooms.

General Features of the Rooms: -

Room Prices: -

Name: Gold Majesty Otel (* * * * *)	
Location: Bursa/ Mihraplı	
Total Number of Rooms: 119	
Bed Capacity: -	
Opening Date: February-March of 2012	
Room Sizes: -	
Suite Sizes: -	
Number and Capacities of Meeting Rooms: -	
Parking Lot Capacity: -	
General Features of the Hotel: -	
General Features of the Rooms: -	
Room Prices: -	

3.2 Special Data - Analysis of the Area Where the Property is Located

3.2.1 Bursa Province



Bursa is located at 40 degrees longitude and 28 - 30 degrees latitudes, on the southeast of the Marmara Sea. The total population of the province according to the Address-Based Census in 2007 is 2,439,876 and it is the 4th largest city of Turkey in terms of population.

The surface features of the province consist of the collapse areas separated from each other with thresholds as mountains. The leading collapse areas are lakes Iznik (Nica) and Ulubat, and the plain lands of Yenişehir, Bursa and Inegöl.

Total area of the province is 10,891 square kilometers and the plains account for 17% of Bursa's total area.

Ulubat (1,134 square kilometer) and Iznik (Nica) lakes are also located within the provincial borders. The most important water courses in the province are; Mustafakemalpaşa Stream, Nilufer Stream, Göksu Stream, Koca Dere, Kara Dere and Aksu Dere creeks which are fed by many small creeks originated from Uludağ, on the southern slopes.

22 km of the province's 135 km coast line is suitable for use, while the remaining part cannot be used.

Approximately 35% of Bursa Province's lands are covered with mountains. The mountains generally consist of the mountain chains lying on the east-west direction. These are; Samanlı Mountains lying from the west of Orhangazi to Bozburun on the western tip of Gemlik Gulf, and Mudanya Mountains that covers Gemlik Gulf's southern face and separates Bursa plain from the sea, Katırlı Mountains between the south of Lake Iznik (Nicea) and northern sections of Bursa plain, Karadağ an extension of Mudanya Mountains, and Uludağ the highest mountain of Marmara Region (2,543 m).

Bursa is 100 meters above the sea level and generally it has a warm climate. However, the climate also varies at various parts of the province. Instead of the soft and warm climate of the Marmara Sea on the north, the harsh climate of the Mount Uludağ is observed on the south of the province.

According to the Address Based Population Registration System of 2010 the total population of Bursa has been indicated as 2.605.495.

Industrial Zones in Bursa

- ❖ Bursa Industrial Zone
- ❖ Demirtaş Industrial Zone
- ❖ Nilüfer Industrial Zone
- ❖ Batı Organize Industrial Zone

Industrial Zones in Provinces

- ❖ İnegöl Industrial Zone
- ❖ Gürsu Industrial Zone
- ❖ Mustafakemalpaşa Industrial Zone

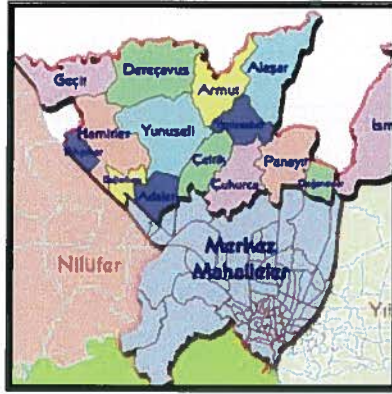
Industrial Zones

- ❖ 75. Yıl Kobi Industrial Zone
- ❖ Bursa Boya Ve Tekstil Industrial Zone
- ❖ Yenişehir Industrial Zone

Small Industrial Estates

There are many Small Industrial Estates in Bursa, which play an important role in the development of the city's industry. There are totally 16 Small Industrial Estates in the provinces, respectively 5 are completed, 10 are under construction, and 1 is provided with a land but the construction has not started yet.

Bursa province has totally 1,081,954 hectares area. 429,850 hectares of this area consists of agricultural area. In the agricultural land, depending on the climatic conditions, almost all agricultural products are grown.

3.2.2 Osmangazi District

The district, which was founded in 1987, has totally 399 sq km area. Osmangazi, being the biggest central district of Bursa Province in the Marmara Region, is surrounded by Gökdere on the east, Nilüfer Stream and New Mudanya Road on the west, and Samanlı Mountains Nilüfer Stream and Bursa Plain on the north. It lies on 116,520 sq km area. The district's altitude above the sea level is 150 meters. Osmangazi is located at the junction point of Izmir, Istanbul, and Eskişehir Roads; it is 31 km away from Mudanya Port, 74 km from Yalova and 30 km from Gemlik. The district has 92 quarters.

Being located at the northwestern skirts of Uludağ in the southeastern end of the Marmara Sea, Osmangazi is surrounded by the mountain villages of Uludağ on the southeast, with an altitude reaching 2,543 m.

Population

According to the Address Based Population Registration System of 2010;

Population		Total
Urban	Rural	
752.155	13.573	765.728

Climate

Warm marmara climate is observed in the district. The average temperature is 14.4 Celcius degrees. The humidity rate of the district is 58%. The seasons of highest precipitation are winter and spring. June and July are the months with the lowest precipitation. The annual precipitation is between 500 mm and 700 mm.

Agriculture

Cereal is the most produced product in the district. Cereal fields cover most of the planted areas. In addition to wheat, barley and oats; beans and horse beans among legumes are also planted. In addition to the vegetables such as tomato, pepper and eggplant, the industrial plants such as cotton, sesame, sunflower and tobacco, as well as the fruits such as strawberry, melon, grape, peach, berry, chestnut, walnut, apple, plum, cherry, and pear are also grown. However, in recent years, many fertile lands in Bursa plain submit in concretization due to dense residence constructions.

Industry

The textile industry, automobile supplier industry, towel industry, knitting industry, shoe industry, agricultural tools industry, furniture industry, leather, plastic industry, copper processing, machinery and mineral tool construction, electric motor industry, cast industry, carpentry machinery industry, welding machinery industry, stove industry and knife industry have highly developed in the district. Apart from them, oil, flour factories and brick factories also produce in the district.

SECTION 4

**TITLE DEED AND ZONING INFORMATION
OF THE REAL ESTATE**

SECTION 4**TITLE DEED AND ZONING INFORMATION OF THE REAL ESTATE****4.1 Title Deed Information of the Real Estate**

Province	:	Bursa
District	:	Osmangazi
Quarter	:	-
Subdistrict	:	Altınova
Village	:	-
Street	:	-
Locality	:	-
Plot No	:	7.961,79 sqm
Section	:	-
Parcel	:	3198
Quality	:	67
Area	:	Betonarme 9 Katlı Otel ve 2 Katlı Restoran Binası
Owner	:	Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.

Contracts signed between ground plot owner and customer;

"Ibis Hotel and Appurtenances Construction and Operation Contract" has been signed in the date of 09 May 2008 between Bursa Uluslararası Tekstil Ticaret Merkezi İşletme Kooperatifi (Bursa International Textile Trade Center Operations Cooperative) (Property Owner) and Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. (Akfen Real Estate Investment Trust) (Investor).

Some of the provisions of the "Ibis Hotel and Appurtenances Construction and Operation Contract" which has been signed between the parties have been listed below and the complete contract is presented in the annex of the report.

Article 2: Subject of the Contract;

- The subject of the present contract consists of realizing within the term indicated in the article 3.2 and of delivering free of payment to Property Owner the turn-key of the IBIS Hotel and Appurtenances (hereinafter "Project") in accordance with the zoning plan, license and similarly with the projects prepared by the Investor Company on the land with a surface area totaling 7.961,79 square meters of the parcel no. 10 (7.062,90 square meters), Parcel no. 8 (898,89 square meters) block 198, plate H22D02A3A registered to the neighborhood of Altınova of the administrative district of Osmangazi, in the province of Bursa (hereinafter "Land") of which the Property Owner is owner and possessor.

Article 3: Conditions of the Undertaking;

- 3.1 The completion of the projects indicated in the article 5 of this present contract and taking the construction license shall be completed until the date of 31 December 2008. The Investor Company is undertaking to realize on turnkey basis the construction of IBIS Hotel and its Appurtenances in a construction period of 2 full years by starting within 30 days from the date of construction license receipt.
- The number of rooms in the hotel shall be at least 180 or above.
- 3.2 Undertakes to operate the facilities during 25 (twenty-five) years, being free of payment in the 2 (two) years construction period following the receipt of construction licenses and opening of the business place and in the initial operations period of 5 (five)

years and starting from the 6th year of the operations period and during the following 25 (twenty-five) years) against payment.

- 3.3 The Investor Company has undertaken to construct on the same parcel following the signing of the agreement within the term indicated above to be given to the utilization of the Property Owner together with its equipments indicated in the Annex 1, the restaurant with air conditioning, heating and cooling installations built on a base area of 600 square meters for 400 (four hundred persons) and with the floor-ceiling distance being 5,50 m. (five and a half meters) with its trim works completed and with the expenses to be for its account. An ornamental pool with lightings shall be made in the restaurant's garden.

Article 5: term of the Construction;

- After amalgamation of lands by the Property Owner, the projects to be prepared by the Investor Company shall be presented to the approval of Accor and following the approval of the projects by the related Municipality, the construction license shall be taken until the date of 31 December 2008 and following the receipt of the construction license the construction shall be started by Investor Company within 30 days and shall be completed with key delivery latest within latest 24 (twenty-four) months. In the event of failing to complete the construction in time for whatever reason other than force majeure, the Investor Company shall pay 500 (Five hundred) US\$ penalty fee to the Property Owner. This duration may not exceed in any way 12 (twelve) months. In the event of the delay exceeding 12 (twelve) months and the work subject to the contract failing to complete according to the principles indicated in the specifications, the end of the 12th (twelfth) month is taken as the date of completion of the construction and the 5 (five) years of the period free of payment shall be deemed to have started.

Article 10: Payment of the Rental Amount;

- The payment of rentals of the present contract shall be paid as indicated below to start after receipt of the construction license from the opening of the business place with 2 (two) years of construction period and 5 (five) years of operations period being free of payment:
- Within the period from allocation of the right of superficies until the delivery of the immovable property to the Property Owner all property taxes, sanitation taxes collected by the municipalities and other obligations shall belong to the account of the Investor Company.
- The investor company is responsible from the installations, equipment, machinery, appliances, decoration and furnishing of the facilities, the renewal at certain periods of the machinery and equipments which have completed their economic life during their operation period, in conducting maintenance and repair of the buildings and in maintaining the standard.

Agreement		
Dare	Contractual Term	Cost (USD)
-	construction	For free
-	construction	For free
1 st year	actuation	For free
2 nd year	actuation	For free
3 rd year	actuation	For free
4 th year	actuation	For free

REPORT NO: 2011REV365

REPORT DATE: 30.09.2011

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Adana (Şube) 0322 459 59 80	Antalya (Şube) 0242 322 20 90	Bursa (Şube) 0224 225 40 30

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5 th year	actuation	For free
6 th year	actuation	90.000 + VAT
7 th year	actuation	90.000 + VAT
8 th year	actuation	90.000 + VAT
9 th year	actuation	90.000 + VAT
10 th year	actuation	90.000 + VAT
11 th year	actuation	90.000 + VAT
12 th year	actuation	90.000 + VAT
13 th year	actuation	90.000 + VAT
14 th year	actuation	90.000 + VAT
15 th year	actuation	90.000 + VAT
16 th year	actuation	100.000 + VAT
17 th year	actuation	100.000 + VAT
18 th year	actuation	100.000 + VAT
19 th year	actuation	100.000 + VAT
20 th year	actuation	100.000 + VAT
21 st year	actuation	100.000 + VAT
22 nd year	actuation	100.000 + VAT
23 th year	actuation	100.000 + VAT
24 th year	actuation	100.000 + VAT
25 th year	actuation	100.000 + VAT
26 th year	actuation	100.000 + VAT
27 th year	actuation	100.000 + VAT
28 th year	actuation	100.000 + VAT
29 th year	actuation	100.000 + VAT
30 th year	actuation	100.000 + VAT

Article 22: Duration;

- This contract enters into force on the date of signing between the Parties and remains valid from the signing of the contract, taking the construction license and opening of the business place until the end of the operating right period. The period of 24 (twenty-four) hours starting within 30 (thirty) days following receipt of the construction license and on the condition of not being later than 31 December 2008, the following period of 30 (Thirty) years is the operations period. In the event of the Investor Company finishing the construction earlier this period shall be added to the operations period.
- After preparation of the preliminary projects regarding the land which is subject of this contract approval of Accor SA shall be taken by the Investor Company. In the event of failing to receive approval from Accor SA, within 3 (three) days following notification of this situation to the Property Owner this present contract shall end automatically without needing any other procedure and notification. The Parties do not have any right to make any claim under any name whatsoever from each other due to this termination.
- According to the rental contract concluded in the date of 29 June 2010 between Akfen Gayrimenkul Yatırım Ortaklığı and Tamaris Turizm A.Ş.; for the hotel subject to valuation study having its right of superficies under the ownership of Akfen Gayrimenkul Yatırım Ortaklığı (Real estate Investment Trust) A.Ş the international hotel management company Accor Group shall pay as yearly rental amount twenty-two (22%) percent of the gross revenue (VAT excluded) or seventy (70%) of the revised gross operating revenue whichever is higher.

4.2 Title Deed Examination of the Real Estate

The investigation of the appraisal commission on the title deed records of the property under appraisal, is conducted for purposes of the determination of the rights that constitute the ownership of the property under appraisal, and the limitations imposed on such rights.

The encumbrances on the immovable property according to the examinations conducted in the Title Deeds Registry Office in the administrative district of Osmangazi in the province of Bursa and the letter of encumbrances dated 22 September 2011 presented in the annex have been listed below. The related letter of encumbrances is presented in the enclosure of the report.

In the Easement Rights Section

- A) M: Easement as seen in its plan in favor of this parcel against same village 7220 block 1, 7222 block 1, 7223 block 1 same village 1628, 1630 parcels. (Journal entry dated 12 June 1991 and numbered 3923)
- B) The right of (construction) superficies of independent and permanent nature in favor of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. for duration of 30 years has been registered in the page 2120. (journal dated 07 August 2008 numbered 23651)

Liens

- **Hypothecation:** A hypothecation in favor of Türkiye İş Bankası, Türkiye Sınai Kalkınma Bankası, for 11.500.000,00 EUROS, 1st degree. (Dated 16 September 2009 journal no 17274)

YATIRIMAZ BİLGİLERİ			
Zemin Yığı	Çevre ve Mülkiyet Hük.	Ada/Parcel	1 3198/07
Zemin No	3582212	Yatırıksız	7.063,79 m2
İl / İlçe	BURSA/OSMANGAZI	Ada Kay. No/Şehit	10 yil önce 16 22, 16 23 19 sayılı ve 1994 wta 67 genel kanununda "Osmanlı Hukuk" hükmüne göre 6 KATLI ÇOKLU VE 2 KATLI RESTORAN BİNASI
Kurum Adı	Osmanlı TM		
Mahalle / Köy/ Ada	ALTIYOLVA MAH.		
Block			
Çift / Karşı No	22 / 3150		
Kayıt Durumu	AKİP		
YATIRIMAZ SERH / BEYAN / İRTİPAK			
S/Şİ	Açıklama	Malik / Zeddar	Tarih - Yorumuz
	İRTİPAK: BU PARSEL İZİNİ AYNI KÖY 7220 ADA 1 7223 ADA 1 AYNI KÖY 1628 1630 PARSELİN ALTYERİNE PLANINDA GÖRÜLÜ OZEL İZİN HAKKI (Bulvarı Tarih:1994/09/15)		12/06/1991 - 3923
MÜLKİYET BİLGİLERİ			
Sistem No	Malik	Etilerlik No	İlim Pay/Payda
1000000	AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.	YAK	7.063,79
			Kilime Sebete - Tarih - Yen. Terkin Sebete - Tarih - Yen.
			Deniz ve Mülkiyet Üst Hukuk Tesisi - 07/08/2008 - 23651
İpotek			
Kilime	Müvazirlik	Borç	Faiz
1000000	TURKİYE İŞ BANKASI A.Ş.	11.500.000,00 EUR	AKİP
	Yığı: 610000000		1 / 0
	Şehit: 43112/778594/3582212/1		F.B.K.
	TURKİYE SINAİ KALKINMA BANKASI		Tarih - Yen. - Borç
	ANKARA SİNİ KALKINMA BANKASI		16/09/2009 - 17274
	AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.		AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
	Şehit: 43112/778594/3582212/1		Yük
	İpotek Konusunda Diğer Bilgi		
Tarım	İlim Pay/Payda	Borç Malik	Malik Borç
Osmanlı TM - ALTIYOLVA MAH. 310 MAH. 27 PARSEL 171		AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.	11.500.000,00 EUR
Osmanlı TMH - Bay Tarih: 07/08/2008 Sayı: 30/510			16/09/2009 - 17274
İpotek S/Şİ Bilgisi			
S/Şİ	Açıklama	Malik	Tarih/Yorumuz
			Terkin Sebete - Tarih - Yen.

4.2.1 The Buying and Selling Transactions for the Property in the Last Three-Year Period, If Any

While the ownership of the immovable property was registered on SS. Bursa Uluslararası Tekstil Ticaret Merkezi Toplu İşyeri Yapı Kooperatifi (Buttim) it has been transferred to S.S. Bursa Uluslararası Tekstil Ticaret ve Alışveriş Merkezi İşletme Kooperatifi through correction of ownership and on this parcel "Right of (construction) superficies" of independent and permanent nature has been registered in the date of 07 August 2008 in favor of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. In addition, the certificates of encumbrances dated 27 December 2010 , 03 February 2011 and 22 September 2011 on the same property are appended.

4.3 The Zoning Information for the Real Estate

The zoning regulations regulate the utilization of the land and the density of its development. The appraisal expert should also consider all possible changes expected in the up-to-date regulation and specifications during his inspection on the zoning and construction regulations. Zoning plans define the general purposes of use such as housing, commerce and industry, and identify the density of construction that is to be performed further to the relevant purposes of use.

According to the information obtained as a result of the inspection at Bursa Province, Osmangazi Municipality Engineering Department on 22 September 2011, the data of the subject parcel are listed as follows;

✓ Zoning Situation:

The subject immovable remains in the legend of "Tourist Accommodation Facility Area (Hotel Area)" within the boundaries of the Yalova Road 1st Area Application Zoning Plan with the scale of 1/1000 approved with the decision numbered 733/16021078-755 dated 15 November 2007 of the Bursa Metropolitan Municipality Council and,

- Equivalent :2.00
- Hmax: 30.00 m.
- Setback Distance: 10 m.



✓ **Licenses and Permits:**

- There is an "Building License" dated 17 June 2009 for totally 1.492 sqm for "restaurant" area.
- There is an "Building License" dated 17 June 2009 for totally 7.532 sqm for "hotel" area.
- There is an "Approved Architectural Design" dated 26 17.06.2009 for the property.
- There is an "Building Use Permit" for 1.492 sqm restaurant area, dated 30 June 2010 and no. 170.*
- There is an "Building Use Permit" for 1.492 sqm the hotel and similar guest houses area, dated 30 June 2010 and no. 170.*

License – Occupancy Permit Date/No	Reason of Issue	Area(sqm)
17.06.2009 – 311 (Building Licence)	Restaurant	1.492,00
17.06.2009 – 311 (Building Licence)	Hotel	7.523,00
17.06.2009 (Approved Architectural Design)	Restaurant and Hotel	-
30.06.2010 – 170 (Building Use Permit)	Restaurant	1.492,00
30.06.2010 – 170 (Building Use Permit)	Hotel and similar guest houses	7.523,00

**Any differences have not been observed between the actual status and legal status during the on-site inspections of the mentioned property. The existing structure is compliant to the "Building Use Permit" dated 30 June 2010.*

Building Supervision:

- Building supervision of the property was performed by Y.D. Yapı Denetim A.Ş. Birikim. located Y. Yalova yolu BUTTIM İş. Mer. A Blok 17/ Bursa.

4.3.1 Information Regarding the Changes in the Legal Status of the Property in the Last Three Years (Changes in the Zoning Plan, Expropriation Procedures, etc.)

According to research made in Osmangazi Municipality Contruction Manager and the document provided by the customer – given as attachment – there is not a change in the zoning status of the property in last three years. Zoning status certificates of the property dated 22 September 2011 are appended.

4.4 Opinions About the Property, the Property Project or the Rights and Benefits Associated with the Property in line with the Capital Market Regulations

It is considered that the inclusion of the hotel with a superficies on the appraised land into REIT portfolio would be possible according to Capital Market Regulation provisions, and also because of the establishment of the joint mortgage on the title records of the property for project financing, the mortgage is not considered as an obstacle for the inclusion of the property in the REIT portfolio.

4.5 Civil Liability

On the appraised property, there is a mortgage for € 11,500,000.00 issued by Türkiye İş Bank Sınai Kalkınma (Industrial Development) Bank. It has been identified that the incumbrance (dated 16 September 2009 and journal no. 17274= was issued for project financing. The official letter regarding the mentioned mortgage has been obtained from the related bank and it is annexed herein.

4.6 Environmental and Ground Contamination

Ground research and ground contamination work at the real estate are in the professional limits of the field of "Environmental Geophysics".

A detailed research in this field was not done as our company does not have expertise in this field. However, the real estate was observed to have no negative impacts on the environment during the on-site observations. Thus, the appraisal was done assuming that there was no negative impact on the environment.

SECTION 5

PHYSICAL INFORMATION OF THE REAL ESTATE

SECTION 5**PHYSICAL INFORMATION OF THE REAL ESTATE****5.1 Situation, Position and Environmental Features of the Real Estate**

Open address of the property: Bursa-Yalova Road, adjacent to Bursa International Textile and Trade Center, 3198 Block, 67 Parcel, Osmangazi/BURSA.

To reach the immovable property subject to valuation, advancing on the Bursa Yalova road towards Yalova, after passing Real Shopping center Building and the Building of the Regional Directorate of Forestry positioned at the left hand side, a right turn is made from the turnout of Bursa Uluslararası Tekstil ve Ticaret Merkezi (Buttim) positioned at 300 meters further. Advancing approximately for 330 m. on Fuat Avenue which is reached and a turn to the right is made at the end of the road. The immovable property subject to valuation is positioned approximately 300 m. further at the end of the road.

In the vicinity of the immovable property located approximately at 6 km. distance to the center of Bursa, buildings with high recognition levels such as Bursa Regional Directorate of Forestry, Buttim Building, Tüyap, Real Market. In the area where housing functions are rarely located, the axis of Yalova-Bursa road indicated as an important axis is dense with trade and services units. In addition to commercial purposed buildings of 1-3 floors, production facilities of many factories are positioned on this road. Furthermore there are shopping centers with high commercial potential and commercial chains such as Real Market, Özdilek Shopping Center, As Center and İkea.



The distance of the appraised property to certain points is as follows:

LOCATION	DISTANCE
Bursa Centrum	5,30 km.
Bursa Airport	9,00 km.
Mudanya İDO	27,00 km.
BUTTİM	0,50 km.
Tuyap	0,30 km.

5.2 Current Status Of The Real Estate

The immovable property subject to valuation which is located in central position does not have a regular geometric shape. Its slope is nearly flat. The boundaries of the hotel within the parcel and the parcel's boundaries have been encircled with concrete walls.

There are 2 buildings on the parcel. The first one is the hotel block located at the side of BUTTİM, the other one is the restaurant block on the side of TÜYAP.

The hotel block consists of the basement, ground floor and 7 normal floors. Technical rooms, personnel rooms, administrative rooms are in the basement, meeting hall, lobby, foyer, restaurant, bar, reception, office spaces, kitchen are on the ground floor and hotel rooms are at the normal floors.

Akfen GYO Bursa Ibis Hotel Architectural Project Storey Functions and Spaces		
Restaurant		
Basement Floor	635,87	Technical Room, pressure tank for a water supply, electricity room, shelter, lockerrooms, WC, kitchen, water supply
Ground Floor	619,69	Restaurant, foyer, service kitchen, WC,
Entresol	209,69	Technical room
Total Restaurant Area	1465,25	
Hotel Block		
Basement Floor	824,33	Water supply, shelter, pressure tank for a water supply, ironing room, WC, heating central, lockerrooms, electricity-UPS room
Ground Floor	926,93	Meeting room, lobby, foyer, restaurant, bar, reception, office, kitchen.
1 st Floor	801,72	Rooms and laundry room
2 nd Floor	801,72	Rooms and laundry room
3 rd Floor	801,72	Rooms and laundry room
4 th Floor	801,72	Rooms and laundry room
5 th Floor	801,72	Rooms and laundry room
6 th Floor	788,29	Rooms and laundry room
7 th Floor	775,25	Rooms and laundry room
Total Hotel Area	7323,4	

5.3 Structural Characteristics of the Construction

Construction Type	:	Reinforced Concrete Frame
Total Indoor Area subject to Appraisal	:	İbis Otel 7.323,4 sqm
Roof Type	:	Terrace Roof
Age	:	1
Electricity	:	Network
Water	:	Network
Sewer System	:	Network
Heating system	:	Naturel Gas
Cooling system	:	It is provided with air refrigerated Chiller groups.
Air-Conditioning	:	It is provided with air conditioning centrals and exhaust fans.
Security system	:	Card pass and burglar alarm systems are available.
Fire Security System	:	There is a fire safety and notification system connected to the automation system. The fire extinction system is sprinkler; furthermore fire cabinets and fire extinguishers are available.

5.4 Interior Structural Characteristics of the Property

Basement Floor	
At the basement there are cistern, shelter, laundry room, ironing room, WC, heating central, locker rooms, electricity and UPD rooms.	
Floor	: Ceramic
Wall	: Paint over plaster, ceramic (WC)
Ceiling	: Suspended Ceiling
Joinery	: PVC and aluminium
Lightening	: Fluorescent

Ground Floor	
At the ground floor there are meeting room, lobby, fayer, restaurant, bar, reception, offices, kitchen.	
Floor	: Locally parquet, locally ceramic (fayer alanı, lobby and restaurant), carper (meeting room),
Wall	: Papering and ve granit (meeting rooms and restaurant), ceramic (WC)
Ceiling	: Suspended ceiling with fluorescent
Joinery	: PVC and aluminium
Lightening	: Fluorescent and spot.

Room Floors	
Floor	: Carper (corridor), parquet (rooms), ceramic (bathroom and WC)
Wall	: Painting, ceramic (WC)
Ceiling	: plasterboard suspended Ceiling
Joinery	: Wood (doors), PVC (windows)
Lightening	: Spot and decorative lightenings

SECTION 6

THE HIGHEST AND THE BEST USE ANALYSIS

SECTION 6**THE HIGHEST AND THE BEST USE ANALYSIS**

It is the use, which is physically the most appropriate to the building, permitted by the laws, financially executable and providing the highest revenue is the most efficient use. The factors defining the highest and best use contain the answer to the following questions.

- Is the use reasonable and probable?
- Is the use legal and is there a possibility to obtain a legal right for the use?
- Is the property physically fit for use or can it be made fit?
- Is the proposed use financially executable?
- The efficient, highest and best use chosen from the use forms passing the initial four questions is indeed the most productive use of the land.

The zoning plans, which are the most defining factors of the real estate sector legally and technically have not, in our country, shown a development parallel to the economic development and due to this lack of revision have a static appearance. As a natural result of the negative structure unwanted cases such as failure to bring into execution phase the optimum alternative which could provide financially and technically the highest efficiency and in addition to that which had obtained financing can occur quite often in our sector. In other words, in the conditions prevailing in our country the best project is not only the option providing the highest return and the most perfect technical results, but also the project which can meet the requirements of the laws and regulations.

The zoning plans in our country cannot keep up with the speed of urbanization and remain somewhat static. This situation is causing the legal prohibition of the use of a property in the best possible implementable levels and generation of the highest proceeds by an immovable property that has been appraised. As a consequence, any use that is not allowed by the laws and not possible physically may not be accepted as the optimal use.

Upon inspecting the location, zoning status, building conditions, potential and environmental development of the appraised property, the property's highest and best use is considered as an **"Accommodation Facility"** in accordance with its zoning plan.

SECTION 7
FACTORS THAT AFFECT THE VALUE
OF THE REAL PROPERTY

SECTION 7

FACTORS THAT AFFECT THE VALUE OF THE REAL PROPERTY

7.1 Factors That Affect The Value Of The Real Property

STRENGTH	WEAKNESS
<ul style="list-style-type: none"> ✓ The subject immovable is located in a central position. ✓ In its close vicinity there are immovable properties such as Buttım which are intensively used for commercial purposes. ✓ It is positioned at 300 m. distance to Tüyap International Exhibition and Congress Center. ✓ The immovable property is positioned at walking distance to Tüyap and Buttım buildings. ✓ The immovable has a flat, topography and is without slopes. ✓ There is not any zoning sessions. ✓ The hotel subject to valuation is being operated by a brand name that is providing the same standards throughout the world. 	<ul style="list-style-type: none"> ✗ The immovable property does not have a façade to the Yalova – Bursa road.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ✓ The hotel which started operating approximately 1 year ago shall become the first preference of persons who shall visit Tüyap and Buttım business centers. ✓ Quite important exhibitions with a high potential of participants are held in the Tüyap Exhibition Area. ✓ The opening of Merinos Convention Center became another appealing factor for overall Bursa Province. 	<ul style="list-style-type: none"> ✗ The economic developments in the world and in our country are influencing the real estate sector adversely, as is also the case in the other sectors. ✗ There are brand hotels under construction on the Bursa-Yalova Road and on the İzmir Road.

7.2. The Analysis of methods Used in the Appraisal

In this section of the study, development approach and sales comparison method are used for the value of the real estate.

7.2.1. Equivalent Comparison Approach Analysis

Upon the investigations made in the close vicinity of the immovable property, the following equivalent information that may present equivalence to the aforementioned immovable property has been received.

- During the inspections at Osmangazi Municipality Real Estate Service for the appraised property, the real estate market rate of the land in question was identified as TL 195,24/sqm for 2010. (TL 195,24/sqm).
- Near to the appraised property, 17,000 sqm "Daily Accommodation Area" zoned land on Yalova Road is for sale at TL 1,000/sqm as we have been informed. (TL 1,000/sqm).

- Near to the appraised property, 5,000 sqm "Industrially" zoned land in Demirtaş OIZ on Yalova Road is for sale at US\$ 1,000/sqm as we have been informed. (TL 1,840/sqm).
- Near to the appraised property, 3,000 sqm "Commercially" zoned land on Yalova Road is for sale at US\$ 1,000/sqm as we have been informed. (TL 1,840/sqm).
- Near to the appraised property, 6,000 sqm "Commercially" zoned land on Yalova Road is for sale at TL 1,500/sqm as we have been informed. (TL 1,500/sqm).
- Near to the appraised property, 4,108 sqm area "Non-Residential Urban Business Area" zoned land on Yalova Road is for sale at US\$ 5,000,000 ; US\$ 4,000,000 was proposed but it was not accepted by the landlords as we have been informed. (Requested: TL 2,239/sqm) (Proposed: (TL 1,791/sqm).
- We have been informed that near to the appraised property, commercially-zoned land with BC=1.5, and 4,000 sqm area was sold at TL 4,000,000 (TL 1,000/sqm).
- On Yeni Yalova Road, nearly 6,500 sqm area land type of property with FAR=1.50 commercial zoning near to the Regional Directorate of Forests was sold at US\$ 1,200/sqm. The value of the mentioned parcel is higher due to its frontage along the road, its legend and and its FAR. (TL 2,208/sqm).
- US\$ 1,000 – 1,200/sqm price is requested for commercial lands facing Yeni Yalova Road in average, but the market price under the current market conditions is indicated as TL 1,000 – 1,200/sqm. (Saleable figure: TL 1,000-1,200/sqm)
- We have been informed that the parcels not facing Yalova Road are arable fields and they are not zoned, while the appraised parcel could be sold at TL 700-800/sqm due to its zoning status. (Saleable figure: TL 700-800/sqm)

It was indicated that the price for ground plots with commercial zoning and with facade to Yeni Yalova Road, in the market conditions is between 1.000 – 1.200 TRY/m²; the parcels without a facade to Yalova Road were qualified as field and had no zoning could be sold at the price of 700-800 TRY/sqm due to its zoning situation.

No	Area (sqm)	Quality	Unit Price (TL/sqm)	Explanation
1	17.000	Land	1.000	Daily Accommodation Area" zoned
2	5.000	Land	1.840	"Industrially" zoned
3	3.000	Land	1.840	"Commercially" zoned
4	6.000	Land	1.500	"Commercially" zoned
5	4.108	Land	2.239	"Non-Residential Urban Business Area" zoned
6	4.108	Land	1.791	"Non-Residential Urban Business Area" zoned
7	4.000	Land	1.000	"Commercially" zoned
8	6.500	Land	2.208	E=1,50, "Commercially" zoned
9	-	Land	1.000-1.200	Parcels facing Yeni Yalova Road
10	-	Land	700-800	Parcels non facing Yeni Yalova Road and not zoned

✓ **Professional Opinion of the Appraisal Expert:**

Taking into consideration the position of the immovable property subject to valuation, it's not having a facade to Bursa-Yalova Road, its zoning situation, building conditions, its being at a distance

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of 300 m. approximately, its features, its vicinity, the potential for development of the area and examining the peers in the vicinity the ground plot value The land value is estimated as TL 1,318/sqm.

VALUE OF THE RIGHT OF CONSTRUCTION				
1 sqm Land Value (*)	352	.-Euro/sqm		
Size of the land	7.961,79	sqm		
Total Value of the Land	2.802.550	.-Euro/ sqm	2.802.550	.-Euro
			7.050.375	TRY
<p>(*)For the land, unit value is calculated as 70% as the value of 30-year construction right considering 1.318 TRY unit value for lands zoned as tourism area.</p> <p>(**)On the ground plot owned by the Buttim an Independent and Permanent Right of Superficies has been established in favor of Akfen GYO A.Ş until the date of 01 November 2040.</p> <p>Land Value Calculation Detail = (Value of the zoned land x 30 year construction right factor x term rate)</p> <p style="text-align: center;">= 524 (Euro/sqm) x 0.70 x 0,99</p> <p style="text-align: center;">= 352 (Euro/sqm)</p>				

7.2.2 Construction Cost Analyse

In this analysis the building cost values have been evaluated with cost formation approach; the technical features of the buildings, materials used in the buildings, by taking into consideration the construction costs of buildings constructed with same features in the market as well as based on our past experiences. The depreciation of the buildings has been assessed on the basis of the experience of the valuation expert by taking into consideration the visible physical situation of the building.

VALUE OF THE BUILDING (NOVOTEL)				
Indoor Parking, Technical Rooms, Basement Floors				
Construction Cost per 1 sqm	450	.-€		
Total Closed Area of the Building	824,33	sqm		
Total Construction Cost	370.949	.-€		
Depreciation	1%			
Depreciation Cost	3.709	.-€		
Value of the Building	367.239	.-€	367.239	.-€
Restaurant				
Construction Cost per 1 sqm	750	.-€		
Total Closed Area of the Building	1.465,25	sqm		
Total Construction Cost	1.098.938	.-€		
Depreciation	1%			
Depreciation Cost	10.989	.-€		
Value of the Building	1.087.948	.-€	1.087.948	.-€
Hotel				
Construction Cost per 1 sqm	1.200	.-€		
Total Closed Area of the Building	6.499,07	sqm		

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Total Construction Cost	7.798.884	.-€	
Depreciation	1%		
Depreciation Cost	77.989	.-€	
Value of the Building	7.720.895	.-€	7.720.895 .-€
Total Value of the Land			2.802.550 .-€
Total Value of the Building			9.176.082 .-€
External and miscellaneous works			200.000 .-€
TOTAL VALUE(EURO)			12.178.632 .-€
TOTAL APPROXIMATE VALUE(EURO)			12.180.000 .-€

7.2.3 Revenue Reduction Method

The second method used is the "Revenue Reduction Method" within the appraisal process.

Hotel Assumptions

- The construction right of the subject hotel is owned by Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. while it is being operated by the international hotel operation company Accor Group.
- During this study, it was assumed that the hotel will be operated in the existing concept throughout the term of the construction right.
- The construction right begins in 01 November 2010 which is also the opening date of the hotel. The end of construction right is 30 years from the opening date of the hotel and ends in 01 november 2040.
- In the income reduction method, cash flows obtained from the management of the property over the years consists of the total of the cash flows obtained by Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. and Accor group.
- It was assumed that the number of beds of the hotel shall remain fixed over the years at 200 which is the current number of rooms.
- It was assumed that the facility will operate 365 days per year.
- Hotel prices have been foreseen in the room-breakfast system. Taking into consideration the studies conducted in the tourism sector and in the area, it was assumed that the price per person would be 44 EUROS for 2011. The room rate was increased by 4% for the first 10 years. It was foreseen that in the initial 10 years with the increase of advertisement ability, recognition level and premium of the hotel, the room prices shall increase by 4% and reach to saturation level and that they will increase by 2,5% thereafter.
- It was foreseen that occupancy rates shall start by 55% in 2011 depending on the number of rooms sold and that it will remain fixed at the level of 78% from 2015.
- It was assumed that other revenues such as rental of shops located in the hotels, wellness center, extra expenditures etc. shall be included in the item other revenues. Taking into consideration the performance of the facility, the other revenues have been assumed as 19% of the accommodation revenues.
- It was assumed that the profit margin of the facility shall be 50% in 2011 and that it will increase to 58% over the years to remain fixed at this rate.
- It was assumed that for renovation expenses 1,5% of the construction cost of the facility.
- According to the agreement signed between Buttım and Akfen GYO and presented in the enclosure of the report, the amount of rental to be paid to the property owner during the right of superficies has been determined as free of payment for the first five years, 90.000 US\$ in the sixth and fifteenth years and 100.000 US\$ in the remaining years.
- EURO has been used In the studies and was taken as 1 EURO=2,5157 TL.
- Tax and VAT have not been included in the studies in the scope of IVSC (International Valuation Standards Council).

- In the valuation study, 5,20% being six months return rate of Euro denominated Eurobonds due 2020 has been taken as risk-free return rate. (In this valuation study the return rate of the Euro based Eurobonds with the longest due date of 2020, has been selected as risk-free return rate)
- Reduction rate has been foreseen as 9,13 %.
- In the studies, 2,5% which is the inflation rate for the Euro zone was used as inflation rate. It is exempt from the real estate tax for five years beginning from 2011. The payment of real estate tax has been added in the calculations beginning from 2016; and 2.5% annual inflation rate increase has been added after 2016.
- The building insurance has been added in the calculations according to the actually realized figures. Building Insurance was paid as €24.792 in 2011, and the value has been calculated with 2.5% inflation rate increase in the following years.

IBIS OTEL SUMMARY CHART	
ROOM NUMBER	200
BED NUMBER	400
DAYS WHEN THE HOTEL OPEN	365
ANNUAL ROOM CAPACITY	73.000
ROOM PRICE (€)(2011)	44,00
BED PRICE INCREASING RATE IN THE FIRST 10 YEARS (%)	4,0%
BED PRICE INCREASING RATE FOR THE FOLLOWING YEARS (%) EURO REGION INFLATION RATE	2,5%
OTHER INCOMES RATE (%)	19%
RENEWAL COST RATE	1,5%
REAL ESTATE TAX COST RATE	2,5%
BUILDING INSURANCE COST RATE	2,5%

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

3 STARS HOTEL CASH FLOWS

YEARS	30.09.2011	30.09.2012	30.09.2013	30.09.2014	30.09.2015	30.09.2016	30.09.2017	30.09.2018	30.09.2019	30.09.2020	30.09.2021	30.09.2022	30.09.2023	30.09.2024	30.09.2025
Occupancy Rate (%)	0	55%	65%	75%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%
Operated Dates		365	365	365	365	365	365	365	365	365	365	365	365	365	365
Rooms Sold		40.150	47.450	54.750	56.940	56.940	56.940	56.940	56.940	56.940	56.940	56.940	56.940	56.940	56.940
Room Price (€)		44.00	45.76	47.59	49.49	51.47	53.53	55.67	57.90	60.22	62.63	64.19	65.80	67.44	69.13
Room Incomes (€)		1.766.600	2.171.312	2.605.574	2.818.189	2.930.917	3.048.154	3.170.080	3.296.883	3.428.758	3.565.908	3.655.056	3.746.433	3.840.093	3.936.096
Other Incomes (€) (%20)		335.654	412.549	495.059	535.456	556.874	579.149	602.315	626.408	651.464	677.523	694.461	711.822	729.618	747.858
Total Hotel Incomes (€)		2.102.254	2.583.861	3.100.634	3.353.645	3.487.791	3.627.303	3.772.395	3.923.291	4.080.222	4.243.431	4.349.517	4.458.255	4.569.711	4.683.954
GOP (%)		50%	52%	55%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%
GOP (€)		1.051.127	1.343.608	1.705.348	1.945.114	2.022.919	2.103.836	2.187.989	2.275.509	2.366.529	2.461.190	2.522.720	2.585.788	2.650.432	2.716.693
Expenses (€)		-1.051.127	-1.240.253	-1.395.285	-1.408.531	-1.464.872	-1.523.467	-1.584.406	-1.647.782	-1.713.693	-1.782.241	-1.826.797	-1.872.467	-1.919.279	-1.967.261
Renewal Costs (%1.5)		-137.641	-141.082	-144.609	-148.225	-151.930	-155.728	-159.622	-163.612	-167.702	-171.895	-176.192	-180.597	-185.112	-189.740
Real Estate Tax (%2.5)		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Real Estate Insurance (%2.5)		-24.792	-25.412	-26.047	-26.698	-27.366	-28.050	-28.751	-29.470	-30.207	-30.962	-31.736	-32.529	-33.342	-34.176
Right of Construction Rate		0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET OPERATING PROFITS		888.694	1.177.114	1.534.692	1.770.191	1.827.894	1.869.377	1.949.319	2.032.522	2.119.118	2.209.245	2.266.126	2.324.430	2.384.191	2.445.446
CUMULATIVE NAKİT AKIŞLARI	0	888.694	2.065.808	3.600.500	5.370.691	7.198.585	9.067.962	11.017.281	13.049.803	15.168.921	17.378.166	19.644.292	21.968.721	24.352.912	26.798.358

30.09.2026	30.09.2027	30.09.2028	30.09.2029	30.09.2030	30.09.2031	30.09.2032	30.09.2033	30.09.2034	30.09.2035	30.09.2036	30.09.2037	30.09.2038	30.09.2039	30.09.2040	01.11.2040
78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%
365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	32
56.940	56.940	56.940	56.940	56.940	56.940	56.940	56.940	56.940	56.940	56.940	56.940	56.940	56.940	56.940	4.992
70.86	72.63	74.44	76.30	78.21	80.17	82.17	84.22	86.33	88.49	90.70	92.97	95.29	97.67	100.12	102.62
4.034.498	4.135.361	4.238.745	4.344.713	4.453.331	4.564.664	4.678.781	4.795.750	4.915.644	5.038.535	5.164.499	5.293.611	5.425.951	5.561.600	5.700.640	5.12.277
766.555	785.719	805.361	825.496	846.133	867.286	888.968	911.193	933.972	957.322	981.255	1.005.786	1.030.931	1.056.704	1.083.122	97.333
4.801.053	4.921.079	5.044.106	5.170.209	5.299.464	5.431.951	5.567.749	5.706.943	5.849.617	5.995.857	6.145.753	6.299.397	6.456.882	6.618.304	6.783.762	609.609
58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%
2.784.611	2.854.226	2.925.582	2.998.721	3.073.689	3.150.531	3.229.295	3.310.027	3.392.778	3.477.597	3.564.537	3.653.650	3.744.992	3.838.616	3.934.582	353.573
-2.016.442	-2.066.853	-2.118.525	-2.171.488	-2.225.775	-2.281.419	-2.338.455	-2.396.916	-2.456.839	-2.518.260	-2.581.216	-2.645.747	-2.711.891	-2.779.688	-2.849.180	-256.036
2.784.611	2.854.226	2.925.582	2.998.721	3.073.689	3.150.531	3.229.295	3.310.027	3.392.778	3.477.597	3.564.537	3.653.650	3.744.992	3.838.616	3.934.582	353.573
-194.483	-199.346	-204.329	-209.437	-214.673	-220.040	-225.541	-231.180	-236.959	-242.883	-248.955	-255.179	-261.559	-268.098	-274.800	-24.694
19.152	19.631	20.122	20.625	21.140	21.669	22.210	22.766	23.335	23.918	24.516	25.129	25.757	26.401	27.061	2.432
-35.030	-35.906	-36.804	-37.724	-38.667	-39.634	-40.625	-41.640	-42.681	-43.748	-44.842	-45.963	-47.112	-48.290	-49.497	-4.448
-66.016	-73.351	-73.351	-73.351	-73.351	-73.351	-73.351	-73.351	-73.351	-73.351	-73.351	-73.351	-73.351	-73.351	-73.351	-73.351
2.508.232	2.565.254	2.631.219	2.698.833	2.768.138	2.839.175	2.911.988	2.986.621	3.063.121	3.141.533	3.221.905	3.304.286	3.388.727	3.475.279	3.563.995	253.512
29.306.590	31.871.844	34.503.062	37.201.895	39.970.033	42.809.208	45.721.196	48.707.817	51.770.938	54.912.470	58.134.375	61.438.661	64.827.388	68.302.667	71.866.661	72.120.173

Appraisal Chart	
Risk Free Rate of Return	5,20%
Risk Premium	3,80%
DISCOUNT RATE	9,00%
NET PRESENT VALUE (EURO)	20.725.782
NET PRESENT VALUE (TL)	52.139.849

7.2.4 Calculation of Cost Capitalization Approach from the Issued Rent Revenues

- **As the yearly rental amount for the hotels subject to valuation with right of superficies belonging to Akfen Gayrimenkul Yatırım Ortaklığı A.Ş., Accor group which is an international hotel management company shall pay (25%) twenty five percent of the gross revenue (VAT excluded) or seventy percent (70%) of the corrected gross operations revenue whichever is higher.**
- The right of superficies of the hotel subject to valuation belongs to Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. and is being managed by Accor group which is an international hotel management company. Its management by an international brand has a positive effect on items affecting the occupancy rates, the bed/room rates. In the study, the hotels capacity for the future years has been foreseen with the assumption that the current management potential shall continue.
- The construction right begins in 01 November 2010 which is also the opening date of the hotel. The end of construction right is 30 years from the opening date of the hotel and ends in 01 november 2040.
- In the income reduction method, cash flows obtained from the management of the property over the years consists of the total of the cash flows obtained by Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. and Accor group.
- It was assumed that the number of beds of the hotel shall remain fixed over the years at 200 which is the current number of rooms.
- It was assumed that the facility will operate 365 days per year.
- Hotel prices have been foreseen in the room-breakfast system. Taking into consideration the studies conducted in the tourism sector and in the area, it was assumed that the price per person would be 44 EUROS for 2011. The room rate was increased by 4% for the first 10 years. It was foreseen that in the initial 10 years with the increase of advertisement ability, recognition level and premium of the hotel, the room prices shall increase by 4% and reach to saturation level and that they will increase by 2,5% thereafter.
- It was foreseen that occupancy rates shall start by 55% in 2011 depending on the number of rooms sold and that it will remain fixed at the level of 78% from 2015.
- It was assumed that other revenues such as rental of shops located in the hotels, wellness center, extra expenditures etc. shall be included in the item other revenues. Taking into consideration the performance of the facility, the other revenues have been assumed as 19% of the accommodation revenues.
- It was assumed that the profit margin of the facility shall be 50% in 2011 and that it will increase to 58% over the years to remain fixed at this rate.
- Renewal expenses for the rental model of the hotel has been taken as 0,05% of the renewal expense calculated in the management alternative. In the rental model, it was assumed that the renewal works shall be conducted by the tenant.
- Yearly amount of the right of superficies payable to Bursa Uluslararası Tekstil Ticaret ve Alışveriş Merkezi Kooperatifi starting from 2016 was considered as yearly 90.000 US\$+VAT (65.853.-EUROS) for the first ten years and 100.000 US\$+VAT (73.170.-EURO+VAT) for the remaining years.
- EURO has been used In the studies and was taken as 1 EURO=2,5157 TL.
- Tax and VAT have not been included in the studies in the scope of IVSC (International Valuation Standards Council).
- In the valuation study, 5,20% being six months return rate of Euro denominated Eurobonds due 2020 has been taken as risk-free return rate. (In this valuation study the return rate of the Euro based Eurobonds with the longest due date of 2020, has been selected as risk-free return rate)

- Low reduction rate and risk premium have been given by considering that rental revenues guaranteed with the international recognition and brand power of Accor shall be determined over the years.
- In this study, the revenues of the hotel leased to Accor group have taken under guarantee by a rental contract of 25 years plus 10 years extension option. It has been calculated by assuming that the risk premium of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. in obtaining rental revenues would be quite low. Reduction rate was foreseen as 5,20% by adding 1,30% "Risk Premium" to the 6,50% "Risk-Free Return Rate".

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

TOTAL CASH FLOW																										
YEARS		30.09.2011	30.09.2012	30.09.2013	30.09.2014	30.09.2015	30.09.2016	30.09.2017	30.09.2018	30.09.2019	30.09.2020	30.09.2021	30.09.2022	30.09.2023	30.09.2024	30.09.2025										
IBIS HOTEL INCOME		0	525.564	645.965	775.158	838.411	871.948	906.826	943.099	980.823	1.020.056	1.060.858	1.087.379	1.114.564	1.142.428	1.170.988										
AGOP IBIS HOTEL		0	618.063	795.829	1.020.108	1.173.776	1.220.727	1.269.556	1.320.338	1.373.152	1.428.078	1.485.201	1.522.331	1.560.389	1.599.399	1.639.384										
IBIS HOTEL RENTAL INCOMES		0	618.063	795.829	1.020.108	1.173.776	1.220.727	1.269.556	1.320.338	1.373.152	1.428.078	1.485.201	1.522.331	1.560.389	1.599.399	1.639.384										
REAL ESTATE TAX (EURO)		0	0	0	0	0	-15.729	15.336	15.719	16.112	16.515	16.928	17.351	17.785	18.229	18.685										
RENEWAL COST		0	-6.882	-7.054	-7.230	-7.411	-7.597	-7.786	-7.981	-8.181	-8.385	-8.595	-8.810	-9.030	-9.256	-9.487										
YEARLY RENT COST		0	0	0	0	0	0	-66.016	-66.016	-66.016	-66.016	-66.016	-66.016	-66.016	-66.016	-66.016										
INSURANCE COST		0	-24.792	-25.412	-26.047	-26.698	-27.366	-28.050	-28.751	-29.470	-30.207	-30.962	-31.736	-32.529	-33.342	-34.176										
TOTAL CASH FLOWS (EURO)		0	586.389	763.363	986.831	1.139.666	1.170.036	1.183.039	1.233.309	1.285.597	1.339.984	1.396.556	1.433.120	1.470.598	1.509.014	1.548.389										

30.09.2026	30.09.2027	30.09.2028	30.09.2029	30.09.2030	30.09.2031	30.09.2032	30.09.2033	30.09.2034	30.09.2035	30.09.2036	30.09.2037	30.09.2038	30.09.2039	30.09.2040	01.11.2040
1.200.263	1.230.270	1.261.027	1.292.552	1.324.866	1.357.988	1.391.937	1.426.736	1.462.404	1.498.964	1.536.438	1.574.849	1.614.221	1.654.576	1.695.940	152.402
1.680.368	1.722.378	1.765.437	1.809.573	1.854.812	1.901.183	1.948.712	1.997.430	2.047.366	2.098.550	2.151.014	2.204.789	2.259.909	2.316.407	2.374.317	213.363
1.680.368	1.722.378	1.765.437	1.809.573	1.854.812	1.901.183	1.948.712	1.997.430	2.047.366	2.098.550	2.151.014	2.204.789	2.259.909	2.316.407	2.374.317	213.363
19.152	19.631	20.122	20.625	21.140	21.669	22.210	22.766	23.335	23.918	24.516	25.129	25.757	26.401	27.061	2.432
-9.724	-9.967	-10.216	-10.472	-10.734	-11.002	-11.277	-11.559	-11.848	-12.144	-12.448	-12.759	-13.078	-13.405	-13.740	-1.235
-66.016	-73.351	-73.351	-73.351	-73.351	-73.351	-73.351	-73.351	-73.351	-73.351	-73.351	-73.351	-73.351	-73.351	-73.351	-73.351
-35.030	-35.906	-36.804	-37.724	-38.667	-39.634	-40.625	-41.640	-42.681	-43.748	-44.842	-45.963	-47.112	-48.290	-49.497	-4.448
1.588.750	1.622.784	1.665.187	1.708.650	1.753.200	1.798.864	1.845.670	1.893.645	1.942.820	1.993.224	2.044.889	2.097.845	2.152.125	2.207.762	2.264.789	136.761

Appraisal Chart

Risk Free Rate of Return	5,20%	5,20%	5,20%
Risk Premium	0,80%	1,30%	1,80%
DISCOUNT RATE	6,00%	6,50%	7,00%
NET PRESENT VALUE (EURO)	18.726.195	17.592.076	16.554.529

Rental Value of the Property

	30.09.2011	30.09.2012
Average Cash Flow of Rental Value	0	737.541

Risk Free Rate of Return	5,20%	5,20%	5,20%
Risk Premium	0,80%	1,30%	1,80%
Discount Rate	6,00%	6,50%	7,00%
NET PRESENT VALUE (EURO)	695.683	692.407	689.163
NET PRESENT VALUE (TRY)	1.750.128	1.741.889	1.733.728

NET PRESENT VALUE(EURO)	692.407
NET PRESENT VALUE(TL)	1.741.889

ANNUAL RENTAL VALUE OF THE HOTEL(EURO)	692.407
ESTIMATED ANNUAL RENTAL VALUE OF THE HOTEL(EURO)	690.000

7.2.5 Evaluation of The Analysis Results

The net today's value of the property subject to valuation is determined as **12.180.000 €**, according to the cost method, as **20.438.000 €** according to the income reduction method and as **17.592.000 €** according to the rental revenue calculated with the yearly rental amount to be paid by Accor group which is an international hotel management company for the hotel owned by Akfen Gayrimenkul Yatırım Ortaklığı A.Ş which has the right of superficies.

The rental value of the immovable property was calculated with the consideration of the average of the net cash flow values of the first year according to the revenue reduction method and the rental revenue. The annual average cash flow for the first year were reduced to the date of reduction and thus, the annual rental value of the immovable property was calculated. According to this calculation, the annual rental value has been appraised as **690.000 Euro (1.740.000.-TL)**.

However, due to the fact that there is an operating as well as income generating facility on the immovable property, the average of 20.438.000€ as the value found with the income reduction method of the fair market value and 17.592.000 € which is the net today's value of the rental revenue being **19.020.000 € (Nineteenmilliontwentythousand.-Euro) - 47.840.000 TL (Fourtysevenmillioneighthundredfourtythousand.- Turkish Liras)** has been assessed as the final result.

The architectural project for the 3-Star hotel currently existing on the parcel has been approved, construction license and occupancy permit have been received. The current situation of the hotel is consistent with the Construction License and Building Utilization Permit.

Building insurance rate is calculated as 2.384.043 Euro according to the 2011 costs of Public Works and Settlement Directorate, and 35% of this cost is also added as equipment / furnishing cost and the

final insurance rate is accordingly obtained as **3.218.458 Euro**. Building insurance rate is given for information purposes only.

During the appraisal study, cost approach method has been used for identifying the actual status value of the property. The value of the hotel according to income capitalization approach has been calculated with 2 methods: rent income and operating income. The hotel is currently let to Accor group to be operated with a lease contract. The rent income has been guaranteed with the contract, and therefore the capitalization of rent income has been realized with a low risk premium. In addition, the value to be calculated according to the total revenues provided by the property has been found according to the operating income. In this method, the total potential of the hotel which provides profit for both the landlord and the operator has been considered, and this value has been considered important for any potential sales. Therefore, the value of the property according to income capitalization method is concluded as the average of the capitalization of two values: the guaranteed rent income with the rental contract, and the revenues that may be obtained with the total operation potential. For income generating properties, the value of the property depends on its performance, and the income capitalization value calculated with 2 methods is considered more rational.

SECTION 8
CONCLUSION

All characteristics which might have an influence on the value of the property such as its location in Istanbul Thrace Free Zone, infrastructure and means of access, its facade to the street, land area, its zoning status, the construction system of the building, its age, the workmanship and the quality of the products, the construction completion rate of interior design have been taken into account and detailed market research has been undertaken on location. Taking into consideration the economic conditions experienced in the recent period the value of the immovable has been estimated as follows by TSKB Gayrimenkul Değerleme A.Ş.

FAIR MARKET VALUE AS OF 30 SEPTEMBER 2011 OF THE HOTEL LOCATED ON THE GROUND PLOT WITH RIGHT OF SUPERFICIES(CONSTRUCTION) FOR 30 YEARS GIVEN IN FAVOR OF AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. (EXCLUDING VAT)

47.840.000.-TRY**(Fortysevenmillioneighthundredfourty thousand.- Turkish Liras)****19.020.000.- €****(Nineteenmilliontwenty thousand.-EURO)**

FAIR MARKET VALUE AS OF 30 SEPTEMBER 2011 OF THE HOTEL LOCATED ON THE GROUND PLOT WITH RIGHT OF SUPERFICIES(CONSTRUCTION) FOR 30 YEARS GIVEN IN FAVOR OF AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. (INCLUDING VAT)

56.451.200.-TRY**(Fiftysixmillionfourhundredfiftyone thousandtwohundred.- Turkish Liras)****22.443.600.- €****(Twentytwomillionfourhundredfourtythree thousandsixhundred.- EURO)**

ANNUAL RENT VALUE OF THE OTEL AS OF 30 SEPTEMBER 2011 (EXCLUDING VAT)

1.740.000.-TRY**(Onemillionsevenhundredfourtythousand.- Turkish Liras)****690.000.- €****(Sixhundredninetythousand.- EURO)**

ANNUAL RENT VALUE OF THE OTEL AS OF 30 SEPTEMBER 2011 (INCLUDING VAT)

2.053.200.-TRY**(Twomillionfiftythreethousandtwohundred.- Turkish Liras)****814.200.- €****(Eighthundredfourteenthousandtwohundred.- EURO)**

- 1- These identified values are the fair market values respectively for cash sales payments.
- 2- Exchange rate has been taken as EURO 1 = TL 2,5157. The value in EURO is given only for information.
- 3- This report has not been prepared further to the related provisions of the Capital Markets Regulation
- 4- This page is an unseperatable part of the appraisal report. The report is a whole with all the detailed information in it an cannot be used independently.

It is considered that the inclusion of the hotel with a superficies on the appraised land into REIT portfolio would be possible according to Capital Market Regulation provisions, and also because of the establishment of the joint mortgage on the title records of the property for project financing, the mortgage is not considered as an obstacle for the inclusion of the property in the REIT portfolio.

We hereby submit our report expressing our point of view and opinion with respects.

Mehmet ASLAN
Appraiser (401124)

Fatih TOSUN
Appraiser in Charge (400812)

REPORT NO: 2011REV36

REPORT DATE: 30.09.2011

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SECTION 9
ANNEX

SECTION 9**ANNEX**

1	Photocopies of Title Deeds
2	Letter of Encumbrances
3	Zoning Status Document
4	Building Licences
5	Agreements
6	The Mortgage Document
7	Photographs
8	CV's
9	SPK Licences