

## AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.



## REAL ESTATE APPRAISAL REPORT

Date: 30.09.2011

R.No: 2011REV364



ISO9001:2008  
FS 509685

AKFEN  
GAYRİMENKUL  
YATIRIM ORTAKLIĞI  
A.Ş.

NOVOTEL-IBIS HOTEL

ŞEHİTKAMİL /  
GAZİANTEP

We hereby state the following matters regarding the appraisal report prepared by **TSKB Gayrimenkul Değerleme A.Ş.** for **Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.**, on the date of **30.09.2011** with the report number **2011REV364**;

- The findings presented in the report are correct to the best of the knowledge of the appraiser
  - 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 valuated;
  - The Appraiser has personally inspected the property; with the exclusion of the persons mentioned in the report no other person has contributed professionally to the preparation of this report.
  - This appraisal report has been prepared further to the related provisions of the Capital Markets Regulation.
-

## EXECUTIVE SUMMARY

### OPEN ADDRESS OF PROPERTY

Yaprak Quarter, İstasyon Avenue, Novotel-Ibis Otel, Şehitkamil / GAZİANTEP

### USE OF PROPERTY

3 and 4 - star hotels situated on land with construction right established for 30 years.

### TITLE DEED INFORMATION

Property, located in city of Gaziantep, Şehitkamil District, Yaprak quarter, section 21L4C, block no. 5020 and parcel no.2, registered in the title deed records with the qualification defined as "construction right for 30 years for the property block no. 5020 and parcel no.2".

### ZONING STATUS

The immovable property is included under the "Hotel Area" legend under "Şehitkamil Implementation Zoning Plan" with scale of 1/1,000 and approved in 07.04.200. Equivalent max: 1.50, Hmax : Free. However, according to the article 17 of Zoning Regulations of the Gaziantep Metropolitan Municipality "In commercial parcels larger than 5.000 sqm, the equivalent can be increased as k:1,20".

FAIR MARKET VALUE OF 2 HOTELS ON THE LAND WITH CONSTRUCTION RIGHT FOR 30 YEARS, ON 30.09.2011 (VAT Excluded)

52.800.000.-TL

(Fiftytwomillioneighthundredthousand.-  
TurkishLiras)

20.990.000.- EURO

(Twntymillionninehundredninetythousand.-  
EURO)

FAIR MARKET VALUE OF 2 HOTELS ON THE LAND WITH CONSTRUCTION RIGHT FOR 30 YEARS, ON 30.09.2011 (VAT Included)

62.310.000.-TL

(Sixtymillionthreehundredtenthousand.-  
TurkishLiras)

24.770.000.-EURO

(Twentyfourmillionsevenhundredseventythousand.-  
EURO)

TOTAL ANNUAL RENTING VALUE OF 2 HOTELS AS OF 30.09.2011 (Excluding VAT)

1.830.000.- TL

(Onemillioneighthundredthirtythousand.-  
Turkish Liras)

730.000.- EURO

(Sevenhundredthirtythousand.-EURO)

TOTAL ANNUAL RENTING VALUE OF 2 HOTELS AS OF 30.09.2011 (Including VAT)

2.160.000.-TL

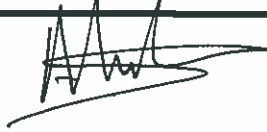
(Twomilliononehundredsixtythousand.-TurkishLiras)

860.000.-EURO

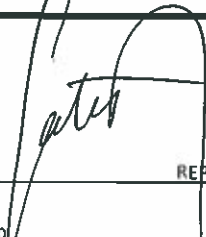
(Eighthundredsixtythousand.-EURO)

- Exchange rate has been taken as EURO 1 = TL 2,5157. The value in EURO is given only for information.
- This page is an inseparable part of the appraisal report, it is complete with the detailed information in the report and it can not be used separately

Mehmet ASLAN  
Appraiser (401124)



Fatih TOSUN  
Appraiser in Charge (400812)



REPORT NO: 2011REV364

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 2011REV364 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 real estate valuation report, is the valuation report prepared for the determination of the fair market value of the hotels located in city of Gaziantep, Şehitkamil District, Yaprak quarter, section 21L4C, block no. 5020 and parcel no.2, registered in the title deed records with the qualification defined as "construction right for 30 years for the property block no. 5020 and parcel no.2", as of the date of 30.09.2011 and in Turkish Liras.

**1.3 People Issuing the Report**

This appraisal report has been prepared through using the information obtained from the people – organizations – institutions as a result of the inspection at the place of the property. This report has been prepared by Mehmet ASLAN and by appraiser in charge Fatih TOSUN.

**1.4 Appraisal Date**

This appraisal report is prepared with reference to the studies started on 13.09.2011 and finished on 30.09.2011. 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 07.09.2011 and has determined the rights and obligations of the contractual parties.

**1.6 Factors Affecting the Appraisal Process Negatively**

There are not any negative factors that affect or limit the appraisal process in general aspect.

**1.7 The Scope of the Client Demands and Delimitation**

This real estate appraisal report has been prepared further to Akfen Gayrimenkul Yatırım Ortaklığı A.Ş request dated 06.09.2011, and in accordance with the provisions of the capital markets legislation in effect on the subject property. No restrictions were imposed by the customer during the valuation study.

**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
<b>Report Date</b>	30.06.2010	31.12.2010	28.02.2011
<b>Report No</b>	2010REV195-5	2010REV387-5	2011REV78-5
<b>People Issuing the Report</b>	Hüsniye BOZTUNÇ – Adem Yol	Hüsniye BOZTUNÇ – Adem Yol	Hüsniye BOZTUNÇ – Adem Yol
<b>Total Fair Market Value Of The Property (TL)</b>	45.405.000 TL	51.383.000 -TL	57.835.000 -TL

*The difference in the values indicated in the above reports arises from the currency difference and the change in the construction right term.*

REPORT NO: 2011REV364

REPORT DATE: 30.09.2011

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**1.9 Company's Information**

Our Company was established with a capital amount of NTRL 300.000 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 Yatırım Ortaklığı A.Ş., located at the address of Büyükdere Avenue, No: 201, Block C, Floor: 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 three different valuation methods, which can be utilized in our country. There are respectively, "Sales Comparison Approach", "Income Capitalization Approach" and the "Cost Approach" methods.

**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 Definitions and Model of the Calculation Methodology

### 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 rate<sup>1</sup>

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

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

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 that reason, our company suggests appropriate bonds for each projects regarding their duration as a risk free return rate. The chosen bonds vary according to the duration of projects and to the rate of exchange. This rate also covers the country risk. In addition to hat, the rates suggested by Damodaran for use in accordance with its Financial Market Characteristics are as follows:

Financial Market Characteristics <sup>2</sup>	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.

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

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

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.

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

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 2.2.1, 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 2.2.1.

**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, 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 Data<sup>3</sup>

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 industrial production and employment have been experienced. It is known that the real

<sup>3</sup> TSKB Gayrimenkul Değerleme A.Ş.

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 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

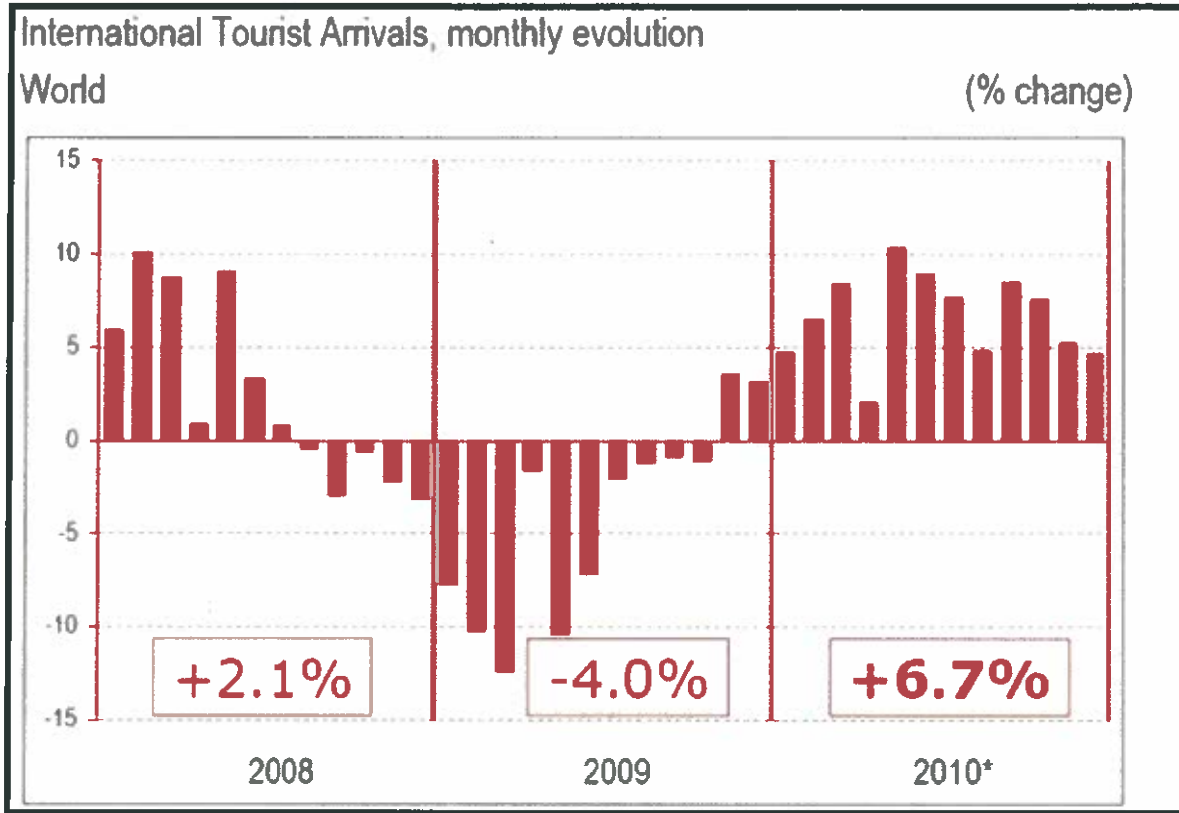
these two regions, the third region with the highest share is South and North America. From this, it can be said that the tourism of world economy is concentrated in the three regions which are developed economically, and with high levels.

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	<b>TÜRKİYE</b>	<b>25,5</b>
8	ALMANYA	24,9
9	MALEZYA	22,1
10	MEKSİKA	21,5

**SOURCE: UNWTO**

- Turkey is the 7<sup>th</sup> 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	<b>TÜRKİYE</b>	<b>21,3</b>
10	AVUSTURYA	-

**SOURCE: UNWTO**

- Turkey is the 9<sup>th</sup> 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
<b>3 AYLIK TOPLAM</b> <b>3 Months Total</b>	<b>2006,3</b>	<b>770,0</b>	<b>2776,3</b>	<b>1790,8</b>	<b>675,8</b>	<b>2466,6</b>	<b>1737,1</b>	<b>676,5</b>	<b>2413,6</b>	<b>2239,7</b>	<b>860,6</b>	<b>3100,3</b>
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
<b>3 AYLIK TOPLAM</b> <b>3 Months Total</b>	<b>671,1</b>	<b>805,4</b>	<b>896,6</b>	<b>1 196,8</b>
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 (1000 \$)	ZİYARETÇİ SAYISI Number of Visitors	ORTALAMA HARCAMA Average Expenditure (\$)	TURİZM GELİRİ Tourism Receipt (1000 \$)	ZİYARETÇİ SAYISI Number of Visitors	ORTALAMA HARCAMA Average Expenditure (\$)	TURİZM GELİRİ Tourism Receipt (1000 \$)	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)

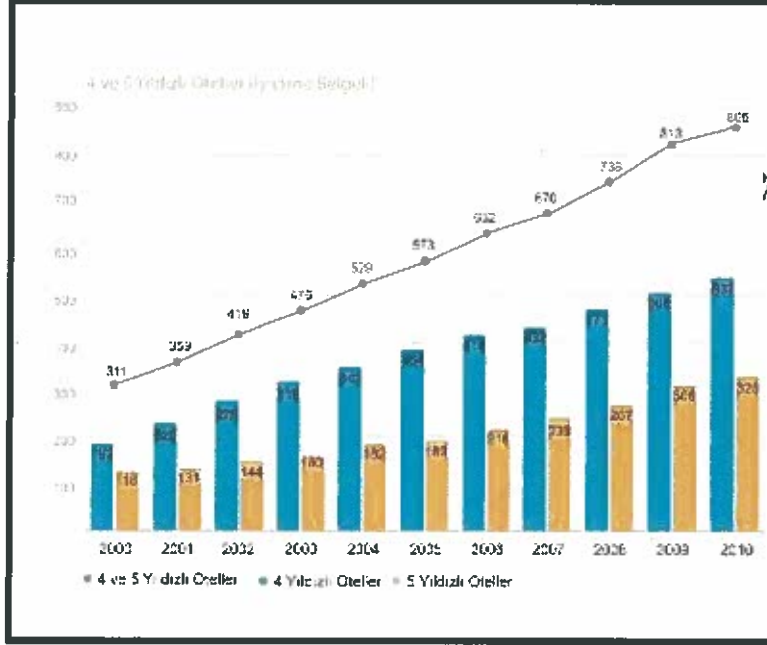
	2009	2010	10 / 09 (%) Change
Almanya	4.488.350	4.385.263	-2,3
İngiltere	2.426.749	2.673.605	10,17
Hollanda	1.127.150	1.073.064	-4,8
Fransa	932.809	928.376	-0,48
Belçika	592.078	543.003	-8,29
İtalya	634.886	671.060	5,7
Avusturya	548.117	500.321	-8,72
İspanya	376.215	321.325	-14,59
Yunanistan	616.489	670.297	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
<b>TOTAL</b>	<b>27.077.114</b>	<b>28.632.204</b>	<b>5,74</b>

Tourism Investors Association of Turkey

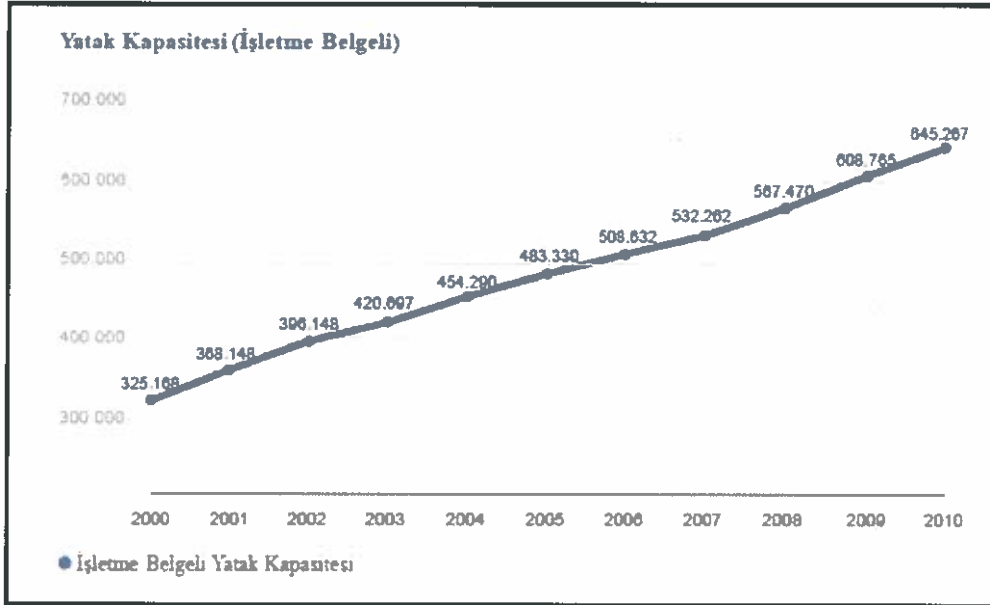
**Accomodation and the Evaluation of 2010**

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.

<b>Monthly Tourism Income and expenditure,</b>						
<b>II. Period 2010</b>						
<b>Months</b>	<b>Tourism Income (USD)</b>	<b>Visitor Number (*)</b>	<b>Avarage Personel expenditure (USD)</b>	<b>Tourism expences (USD)</b>	<b>Citizen number (**)</b>	<b>Avarage Personel expenditure (USD)</b>
<b>2010</b>						
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
<b>I - II. Period Total</b>	<b>6.972.374.656</b>	<b>12.126.127</b>	<b>575</b>	<b>2.159.171.569</b>	<b>3.006.169</b>	<b>718</b>

(\*) 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 3<sup>rd</sup> 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 3<sup>rd</sup> 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	TOUR ISM EXPENSE	NUMBER OF CITIZENS RESIDING IN DOMESTIC	AVERAGE PERSONAL EXPENSE
	(\$)		(\$)	(\$)		(\$)
<b>2009</b>						
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
<b>2010</b>						
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
<b>I-III PERIOD TOTAL</b>	<b>15.547.264.342</b>	<b>25.987.902</b>	<b>601</b>	<b>3.465.071.775</b>	<b>4.843.296</b>	<b>720</b>

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 3<sup>rd</sup> 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 4<sup>th</sup> 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 (*)	Avarage Personel expenditure (USD)	Tourism expences (USD)	Citizen number (**)	Avarage Personel expenditure (USD)
<b>2009</b>						
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
<b>2010</b>						
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



**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 Inss, 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.

### 3.1.3.1.3 Hotel Sector-Gaziantep

Gaziantep, the greatest city of Southeastern Anatolia Region and the one of greatest cities of Turkey, is a metropolitan city with its population, economic potential and Metropolis status.

As one of the first settlement areas of Anatolia, Gaziantep has lived Chalcolitic, Paleolithic and Neolithic ages, Hittite, Mitanni, Assyria, Persian, Alexander the Great, Seleucid Empire, Rome, Byzantine, Islam, Turkish-Islamic, Ottoman periods, has brought the monuments and works of these periods till today. Since it is located between Mesopotamia and Mediterranean Sea, where the first civilizations were born, on the intersection of the roads going to east north and west from Mediterranean Region, and since the historical Silk Road passing through it, it has shaped the history of civilization and today; in addition has always been a cultural and trade center in all periods.

In terms of geography, it is the entrance gate of GAP (Southeastern Anatolia Project) and the center of GAP with its industrial and trade capacity; and it keeps many cities in its surrounding under economical influence. 1/4th of Gaziantep is composed of arable plains and a certain part of it is irrigated by the water from Fırat River. It is a very rich agricultural region producing pistachio, olive, cotton, grape, red pepper, ketene and similar industrial crops with high economic value, together with grains such as lentil, wheat and barley, etc. In addition, Gaziantep is an industrial and commercial center where the products of Eastern and Southeaster Anatolia are processed and supplied to domestic and foreign markets. Having four organized industrial zones, many industrial areas, small industrial sites and free trade zones, it is at a very important position in economy and industry. Gaziantep cuisine has a very important role in tourism since it is an exclusive cuisine among the world cuisines; it has preserved the wealth of the traditions and local special tastes.

It is one of the most important centers of tourism with a great popularity thanks to the memories of independence war, its rich history and cultural environment, its new highway open to service, international airport required by the region, its location as a gate to GAP, the train station which maintains its importance, its delicious foods, rich handicrafts, mosaics, mosques, fortresses, ancient cities, ruins, public houses, Turkish baths, castles, tombs, churches, plateaus, plains, promenades and holiday resorts, baklava, and pistachio, industrial plants, commercial vitality and many other aspects.

### 3.1.3.4 City of Gaziantep Analysis of the Surrounding

#### ➤ **TILMEN HOTEL**



Tilmen Hotel, whose name is based on the historic Tilmen cairn located 10 km away from Gaziantep towards east, is the first 4-star hotel of the city which became operational on 14 February 1996. Tilmen Hotel is located at the center of the city and it is 15 km away from Gaziantep Airport and 230 km away from Adana Airport. It has 83 rooms; 4 of them are connected rooms, 16 are non-smoking rooms, 15 are suit rooms. The total capacity is 170 beds in total. In the rooms there are central air conditioning, bathtub, bathroom, hair drier and bathroom phone. In Tilmen Hotel there is a 300 person capacity ball room, 350 person capacity 2 à la cart restaurants, a 75 person capacity fish restaurant,

breakfast hall, cafeteria, lobby bar. Tilmen Hotel works on the basis of full pension and room and breakfast systems. There is a 300 person capacity ball room, in addition to a 70 person capacity meeting room. During fair periods the occupancy rate reaches to 100% and in average it is around 60%. Average price of bed is 70 TL (28 Euro). This price includes breakfast and VAT.

➤ **TUĞCAN HOTEL**



The hotel, which started to operate in 1993, is mostly preferred for accommodations for business. The 5-star Tugcan Hotel is located at the center of the city and it is 15 km away from Gaziantep Airport and 200 km away from Mersin. It has 141 rooms; 2 of them are for disabled, 4 rooms are non-smoking rooms, 16 are suit rooms, 1 room is the king room. The total capacity is 282 beds in total. In the rooms there are WC, hair drier, bathroom phone, bathtub, direct phone, music

broadcast, minibar, cash box, central air conditioning, internet connection, cable TV. Tugcan Hotel works on the basis of room and breakfast system. In the hotel there are 2 200 person capacity closed restaurants, 1 à la cart restaurant, a 400 person capacity ball room restaurant, breakfast hall, cafeteria, lobby bar, snack bar and restaurant bar. The largest capacity room is 500 person capacity for congress and meetings, in addition there are 7 meeting rooms each with 100 person capacity. During fair periods the occupancy rate reaches to 100% and in average it is around 65%. Average price of bed (company price) is 48 EURO (120.00 TL). This price includes breakfast and VAT.

➤ **GRAND GAZİANTEP HOTEL**



5-star Grand Hotel is located in the center of Gaziantep. It is 15 km away from Gaziantep Airport. There are 93 rooms and 191 beds in the hotel, in total. 3 of these rooms are suit rooms, 20 of them are junior suit rooms, 1 room is for the disabled, 1 room is the king room and there are 68 standard rooms. In the rooms there is internet connection, tea&coffee machine, cable TV, satellite, digiturk, central air conditioning, shower, bathtub, bath, WC, hair drier and bathroom telephone. 5-star Grand Hotel Gaziantep works on the basis of room and breakfast system. In the hotel there are cafeteria, pool bar,

breakfast hall, pastry, 2 330-person capacity closed restaurants, a 400 person capacity ball room restaurant, 2 450 person capacity open air restaurants, Terrace bar, American bar and Restaurant bar. The capacity of the largest room arranged for meetings and congress is 600 people. The largest area is the 330 sqm Fair and Exhibition area and there are also 4 meeting rooms with 250 sqm area for at least 1000 people. During fair periods the occupancy rate reaches to 100% and in average it is around 65%. Average price of bed (company price) is 55 EURO (138.00 TL). This price includes breakfast and VAT.

**➤ RAVANDA HOTEL**

Ravanda Hotel is a 5-star hotel located in the city center of Gaziantep. The hotel is 15 km away from Gaziantep Airport and 200 km away from Adana. In the hotel there are 86 rooms and 140 beds in total. 4 of these rooms are non-smoking rooms, 5 of them are suit rooms and 1 standard room. There is a meeting room with 110 person capacity arranged for meetings and congress. Average price of bed is 80 TL (company price-single person) (32 EURO). This price includes breakfast and VAT.

**➤ THE ANATOLIAN HOTEL**

The Anatolian Hotel is located in the center of Gaziantep. There are 131 rooms and 285 beds (1 king room, 18 suit rooms, 2 rooms for the disabled, 9 non-smoking rooms and 101 standard rooms) in the hotel. In the hotel rooms there is direct phone line, music broadcast, balcony, minibar, cash box, internet connection, cable TV, satellite TV, interactive TV, digiturk, central air-conditioning, shower, bathtub-bath, wc, hair drier, Jacuzzi, and bathroom phone. The hotel operates on the basis of room breakfast

system. There is a breakfast hall, pastry, cafeteria, lobby bar, pool bar and roof bar in the hotel. There are also 3 à la cart restaurants (for 260 people). There are 5 meeting rooms for meeting and congress (max. 1750 person capacity). The hotel is 18 km away from Gaziantep Airport. Average price of bed (company price) is 60 EURO (151.00 TL). This price includes breakfast and VAT.

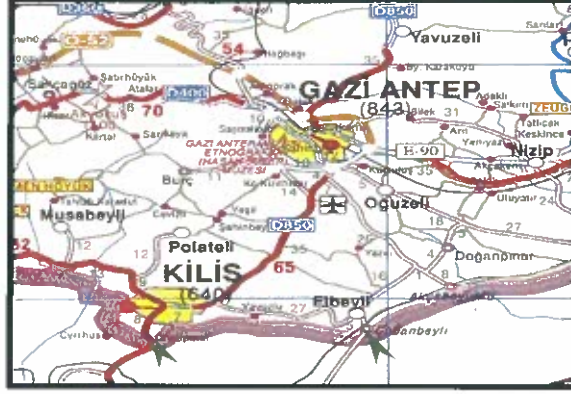
**➤ GAZİANTEP DEDEMAN HOTEL & CONVENTION CENTER**

In the 5-star hotel, which is located close to Gaziantep Organized Industrial Zone, there are 186 rooms, 27 suits and 1 king room and it consists of 19 floors and 3 basement floors. There are 11 meeting rooms in the hotel, 1 ball room, open and closed car parking areas, à la cart restaurant, disco, health and beauty center, sauna, Turkish bath, fitness center. In Gaziantep Dedeman Hotel & Convention Centre average price of bed (company price) is 60 EURO (151.00 TL). This price includes breakfast and VAT.



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

**3.2.1 The Province of Gaziantep**



Gaziantep is one of the first established and most ancient cities of the world. It is determined by the scientists that Gaziantep has been established 5,600 years ago.

Due to the fact that it is on the intersection of ancient roads and strategic locations, and since it is defensible and open to attacks, and it is at the crossroad of ancient trade routes, it had always been prone to invasions of many civilizations throughout all ages of the history.

In terms of geography, it is the entrance gate of GAP (Southeastern Anatolia Project) and constitutes the basis for the development of GAP with its industrial and trade capacity; and it keeps 18 cities in its surrounding under economical influence.

Located at the merging point of Mediterranean Region and Southeastern Region, Gaziantep is surrounded by Şanlıurfa in the East, Osmaniye and Hatay in the West, Kahramanmaraş in the North, Syria in the South, Adıyaman in the Northeast and Kilis in the Southwest. Total surface area of the city that is 6,222 km<sup>2</sup> constitutes 1% of the whole surface of Turkey, and the terrain is mostly undulated and rough.

**Population:**

Years	Gaziantep (People)	City (%)	Village (%)
1927	213.499	35,6	64,4
1940	306.906	32,1	67,9
1950	328.343	36,5	63,5
1960	434.579	45,0	55,0
1970	606.540	54,4	45,6
1980	808.697	63,4	36,6
1990	1.140.594	71,9	39,8
2000	1.285.249	78,0	22,0
2007	1.560.023	86,1	13,9
2010	1.653.670	87,9	12,1

Information on population is as follows:

Gaziantep is located at a very important crossing point in terms of transportation and routes. It is possible to access to the city via highway, airway and railway. Via highway, it is possible to go to Adana and Mersin passing through Osmaniye, to Şanlıurfa and Diyarbakır over the

Birecik bridge, to Kahramanmaraş and Malatya passing through Narlı, to Hatay over Fevzipaşa and İslahiye, to Halep (Syria) over Kilis, and again to Hatay through a highway deviating from Kilis and traveling over Hassa, and to Adıyaman passing through Araban and Pazarcık. This is an indication of the fact that Gaziantep is located at an important crossing point.

There are direct flights from Gaziantep-Oğuzeli international airport to Ankara and Istanbul everyday. The airport, where international air transportation also takes place, will become the center of air traffic of Turkey and the Region opening to Middle East in the very near future, when GAP becomes completely operational.

It is also possible to access to the city via railway. Toros-Express provides train service between Gaziantep and Istanbul. In addition, Halep Express that comes from Istanbul and goes to Syria, enters into the land of Syria through İslahiye district border. There are train services to Dülük, Nizip, Karkamış, etc. everyday. Moreover, Narlı Station is connected to Halep-Bağdat railway through Karkamış Station.

Gaziantep has a significant role in the economy of Turkey thanks to its industrial and commercial structure. Due to its geographical location, city of Gaziantep provides connection between the industrial cities of the West and the cities in the South; and it is a trade center that meets all medical needs of Southeastern Anatolia Region, East and South Anatolia Regions. So, it targets a wide market. In addition, it is an important city due to the fact that it is located at the intersection of important highways and import and export activities take place here. Number of large industrial workplaces in Gaziantep constitutes 4% of the total in Turkey and the number of small-scale industrial workplaces constitutes 6% of the total in Turkey.

Thanks to the large employment opportunities created by these industrial units, particularly small and medium scale ones, 28.72% of the active population is employed in production industry branches. Most of the existing production facilities in Gaziantep are concentrated in the city center and in the district, except for Nizip, economic structure has developed in parallel with agriculture and agricultural industry. In the district of Nizip, there are more than 100 facilities of various scales mostly in food sector, producing lentil, olive oil and soap.

While the industry has spread within the city in disorganized various zones at the beginning, with the development of the industry the industrial facilities organized in Organized Industrial Zone and Small Industrial Area. Another feature of the production industry in Gaziantep is the fact that existing industrial institutions belong to private sector. The only facility that belongs to public sector is Tekel Distillery.

#### **I. ORGANIZED INDUSTRIAL ZONE:**

It is established on a 2,100,000 sqm area in 1969. The infrastructure of the zone is complete and 138 parcels have been constructed. In the factories located in the zone 17,000 workers are employed.

#### **II. ORGANIZED INDUSTRIAL ZONE:**

Since the export organization of Gaziantep developed in favor of industrial products in 1980s, II. Organized Industrial Region was started to be built as an extension area in 1987 in order to meet the needs of the industrialists who wish to invest their money in the region.

Infrastructure works of the II. Zone, established on a 450 hectare area, were completed in 1997. Constituted of 277 parcels, II. Zone hosts 257 companies in operation including mostly

textile, food, chemistry and plastic industries. In the factories located in the zone 30,000 workers are employed.

### **III. ORGANIZED INDUSTRIAL ZONE:**

In order to meet the investment demands of the industrialists in the region, the III. Organized Industrial Zone was started to be built on a 540 hectare area in 1994.

As of today, there are 215 companies in operation in the III. Zone and required lands are allocated for 275 industrialists. In the factories located in the zone 18,000 workers are employed.

### **IV. ORGANIZED INDUSTRIAL ZONE:**

In order to meet the demands of the industrialists who are requesting land over 50,000 sqm, IV. Zone was started to be established in 1998 for further increasing production and employment but the expropriation and land surveys started in 2002. The IV. Organized Industrial Zone, which is located over an area of 1,170 hectares, was planned as parcels with certain sizes including 50 thousand, 100 thousand, 500 thousand sqm and larger parcels. In the 4th Zone there are 140 industrial parcels formed and 21 large-scale companies have become operational.

After the IV. Zone has become operational, Gaziantep Organized Industry has reached an area of 24 million sqm.

### **3.2.2 Şehitkamil District**



Şehitkamil district has been established on 20.06.1987, where the area at the north of Alleben River of Gaziantep and its natural extensions constituted the center.

In the district there are 2 towns, 71 villages and 22 fields appertained by these villages. Number of the quarters included in the borders of Şehitkamil Municipality is 51. There are 4 quarters in Aktioprak town and 2 quarters in Arıl Town. The total number of the quarters is 57.

The district is located in the west of the Southeastern Anatolia Region and it covers an area of 1,250 km<sup>2</sup>. In the district, that is located between Southeastern Anatolia and

Mediterranean Regions, climatic properties of both regions can be observed. The district is surrounded by Pazarcık district in the North, Yavuzeli district in the Northeast, Nizip district in the East, Oğuzeli district in the Southeast, Şahinbey district in the South and Nurdağı district in the West.

According to address-based census of 2010, total population of the district is 602,277; among these 570,074 people live in the district center, 32,203 people live in the towns and villages.

**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**

İli	:	Gaziantep
İlçesi	:	Şehitkamil
Bucağı	:	---
Mahallesi	:	Yaprak
Köyü	:	---
Sokağı	:	---
Mevkii	:	---
Pafta No.	:	21L4C
Ada No.	:	5020
Parsel No.	:	2
Yüzölçümü	:	6.750 m <sup>2</sup>
Niteliği*	:	12 Katlı Restrontlı veya Restronatsız Betonarme Otel ve Arsası
Sahibi*	:	AKFEN Gayrimenkul Yatırım Ortaklığı A.Ş.

\* The qualification of the main property is "12-story reinforced concrete hotel and land with or without restaurant" and it appears that the owner is "Gaziantep Metropolitan Municipality".

**4.2 Title Deed Examination of the Real Estate**

Title deed records investigation is carried out by the appraiser in order to determine the rights established on the real estate ownership and the restrictions that might be existing on these rights. According to the encumbrance attached to this report and taken from Gaziantep Şehitkamil District Title Deed Registration Directorate of 2nd Zone as per the Provisions of Capital Market Legislation on 13.09.2011;

**In the Declarations Section;**

- Private and permanent right of easement has been registered in favor of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. (Surface Area: 6.750 sqm, starting sate:17.07.2007, term: 30 years) dated 17.07.2007 and roll no. 16976

**Pledges**

- There is mortgage in favor of Türkiye İş Bankası A.Ş., Türkiye Sınai Kalkınma Bankası A.Ş., worth € 150.000.000,00, of the 1st degree, until cancellation is declared, with annual interest rate of 3,75%, at Zeytinburnu 1st Region (Closed) TM facility, dated 14.10.2008 and with journal no 12982.

Kocasinan TM – Pervane District, section 2420, parcel 9, DHM (Date of commencement: 20/08/2008, Term: 49 years) Debt: € 150.000.000,00 (dated 16.10.2008, with journal no 26140)

Zeytinburnu TM – Zeytinburnu District, section 774, parcel 55 (Date of Commencement: --, Term: without limit) Debt: € 150.000.000,00 (dated 14.10.2008, with journal no 12982)

Şehitkamil TM – District. section 5020, parcel 2, DHM (Date of Commencement: 17/07/2007, Duration: 30 years) Debt: € 150.000.000,00 (dated 16.10.2008, with journal no 35591).



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

✓ **Zoning Status:**

The immovable property is included under the "Hotel Area" legend under "Şehitkamil Implementation Zoning Plan" with scale of 1/1,000 and approved in 07.04.2008. Equivalent max: 1.50, Hmax : Free. However, according to the article 17 of Zoning Regulations of the Gaziantep Metropolitan Municipality "In commercial parcels larger than 5.000 sqm, the equivalent can be increased as k:1,20". According to this article  $E_{max}$  is determined as; 1.80.

**Parcel no.2:**

- is included in the "Hotel Area" legend.
- Equivalent : 1.50,
- Hmax : Free.
- However, according to the article 17 of Zoning Regulations of the Gaziantep Metropolitan Municipality "In commercial parcels larger than 5.000 sqm, the equivalent can be increased as k:1.20".
- According to this article  $E_{max}$  is determined as; 1.80.



T.C.  
GAZİANTEP ŞEHİTKAMİL BELEDİYESİ  
İmar ve Şehircilik Müdürlüğü

Sayı : M.27.6.ŞEH.0.13.00.00-310.05/ 11.09.2011 13.09/2011

Konu : İmar Durumu

Sayın: Bora BELGÜ

İlgi : 13.09.2011 tarih ve 48223 sayılı dilekçeniz.

İlgi dilekçe ile imar durumu istenen, Yaprak Mah.211.-4C pafta, 5020 ada, 2 parsel imar planında otel yapı adasına gelmektedir.

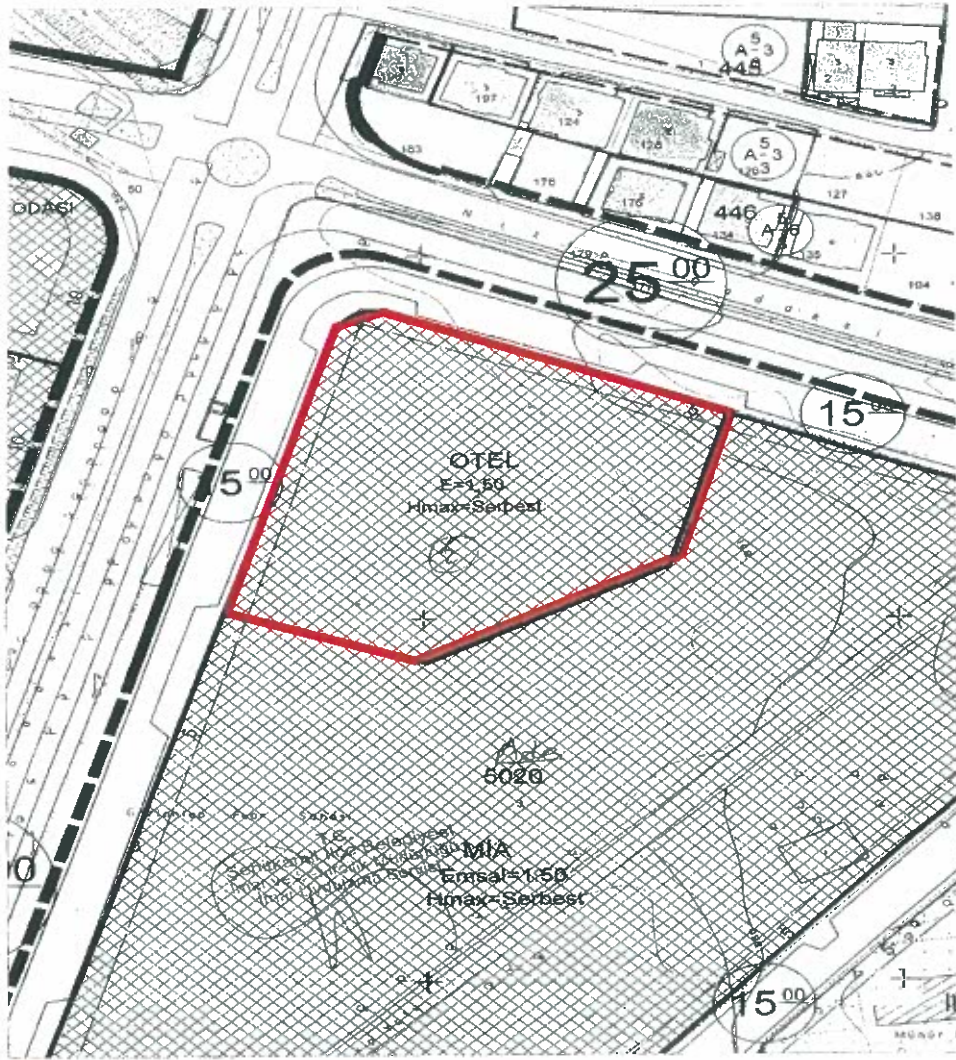
Bilgilerinize rica olunur.

  
Zöhre ARSLAN  
Başkan a.  
İmar ve Şeh.Md.Vk

EK1: 1 adet imar pafta fotokopisi

Ali Fuat Çebesoy Bulv.  
Şehitkâmil Belediyesi/ GAZİANTEP  
Telefon : ( 0342 ) 323 27 27 Dâhili: (1147 )

Ayrıntılı Bilgi İçin: M ÖZKARAMAN



3) Katlar Alanı (KA) : 1. bodrum katta iskan edilen katların %50'si ve asma kat, çekme kat dahil iskanı mümkün olan bütün katların toplam alanından, ışıklıklar ve hava bacaları çıktıktan sonraki alanların toplamıdır. Kapalı çıkmalar yapı inşaat alanına dahildir.

İskanı mümkün katlar ifadesi ile konut, iş yeri, eğlence ve dinlenme yerleri gibi ikamete çalışmaya ve eğlenmeye tahsis edilmek üzere yapılan katlar kastedilmektedir.

5000 m<sup>2</sup> ve daha büyük ticari parsellerde kullanma emsali, imar adası ortalama kullanma emsalinin (k) katsayısı ile çarpımı ile elde edilecektir. (k:1,2'dir) Bu alanlarda plan üzerine yazılmış kullanım biçimlerinden tercihe göre biri veya birkaçı uygulanabilir.

✓ **Licenses and Permissions:**

- The architectural project approved on 21.10.2008 is available.
- There exists a "Building License" dated 21.10.2008 and numbered 217, issued for an 18,825.59 sqm closed area.

- There exists an "Occupancy Permit" dated 06.11.2009 and numbered 150, issued for an 18,825.59 sqm closed area.

***\*In the site investigations carried out for the property in question, it is observed that there is no difference between its existing situation and legal situation. The existing building is in conformity with the "Occupancy Permit" dated 06.11.2009 and numbered 150.***

Licences and Permissions	Given Reason	Area (sqm)	Definition
21.12.2008 tarih, 217 yev. (Building License)	New Building	18.825,59	Given for 18.825,59 sqm hotel building.
06.11.2009 tarih, 150 yev. (Occupancy Permit)	New Building	18.825,59	Given for 18.825,59 sqm hotel building.

✓ **Construction Supervision :**

- The properties in question are subject to the Law Concerning the Supervision of Constructions dated 29.06.2001 and numbered 4708. Since the properties are located on the land belonging to Gaziantep Metropolitan Municipality, they are audited by Gaziantep Metropolitan Municipality Directorate of Technical Works.

**4.3.1 Information on Amendments About the Legal Status of the Property in Question within the Last Three Years, if any (Amendments on Zoning Plan, nationalization, etc.)**

- There are no changes in the legal status of the parcel in question within the last 3 years. The zoning status certificates belonging to the property dated 30.12.2010, 25.02.2011 and 13.09.2011 are given in the attachment of this report.

**4.4 Remarks about Property, Project of the Property and Rights and Benefits Related to the Property, within the Scope of Capital Market Legislation**

It is believed that it is possible to include the hotel, which has a construction right on the land in question, in the Real Estate Investment Company portfolio in accordance with provisions of Capital Market Legislation and there is no inconvenience in including the property in question in the portfolio of the Real Estate Investment Company arising from the common mortgage indicated in the existing title deed registration records due to the fact that the mortgage has been allocated for the purpose of financing the project.

**4.5 Legal Liabilities**

On the appraising property;

**Pledges**

- There is mortgage in favor of Türkiye İş Bankası A.Ş., Türkiye Sınai Kalkınma Bankası A.Ş, worth € 150.000.000,00, of the 1st degree, until cancellation is declared, with annual interest rate of 3,75%, at Zeytinburnu 1st Region (Closed) TM facility, dated 14.10.2008 and with journal no 12982.

Kocasinan TM – Pervane District, section 2420, parcel 9, DHM (Date of commencement: 20/08/2008, Term: 49 years) Debt: € 150.000.000,00 (dated 16.10.2008, with journal no 26140)

Zeytinburnu TM – Zeytinburnu District, section 774, parcel 55 (Date of Commencement: --, Term: without limit) Debt: € 150.000.000,00 (dated 14.10.2008, with journal no 12982)

Şehitkamil TM – District. section 5020, parcel 2, DHM (Date of Commencement: 17/07/2007, Duration: 30 years) Debt: € 150.000.000,00 (dated 16.10.2008, with journal no 35591).

**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 The Existing Buildings Structural Characteristics of the Construction**

**Mailing address of the property:** Yaprak Quarter, İstasyon Avenue, Novotel-Ibis Otel, Şehitkamil / GAZİANTEP

The hotel in question is the 4-star Novotel and 3-star Ibis Hotel located in city of Gaziantep, Şehitkamil District, Yaprak quarter, section 21L4C, block no. 5020 and parcel no.2.

The hotels are located in the city center and in their vicinity there are Hasan Ali Yücel High School, Kamil Ocak Stadium, Şehitkamil Municipality and Gaziantep Museum. In addition, on the neighboring parcel of the parcel on which the hotels in question are located, there is Multiturkmall Gaziantep Forum Shopping Center as an incomplete construction but the construction works are not in progress and across the İstasyon Street, to which the properties have façade, there is the Gaziantep Chamber of Industry Service Building under construction.

The parcel on which the hotels in question are located is in the Gaziantep city center and after the completion of the construction works in the vicinity the surrounding area will become busier.

Along the Kıbrıs Street, which is at a close location to the hotels in question, there are hotels such as Royal Gaziantep Hotel and Grand Hotel Gaziantep.

Transportation to the hotels in question is possible by means of public transportation and private vehicles.

**Distances to Certain Important Centers from the Property in Question:**

Location	Distance (km)
Kamil Ocak Stadium	~0,55
Gaziantep Airport	~20,60
Gaziantep Metropolitan Municipality	~1,00





**5.2 Definition of Subject Property**

The property in question is composed of 2 hotel buildings constituted of 2 basements floors + ground floor + 10 normal floors and 6 normal floors situated on a 6,750 sqm land located in city of Gaziantep, Şehitkamil District, Yaprak quarter, block no. 5020 and parcel no.2.

According to the existing situation and approved architectural project the properties in question have 18,825.59 sqm of closed area. At the date of the appraisal the Hotel is open and Novotel is providing service in 4-star hotel standards and Ibis Hotel is providing service in 3-star hotel standards.

	517,87 sqm	10 <sup>th</sup> Normal Floor
	517,87 sqm	9 <sup>th</sup> Normal Floor
	517,87 sqm	8 <sup>th</sup> Normal Floor
	517,87 sqm	7 <sup>th</sup> Normal Floor
534,76 sqm	517,87 sqm	6 <sup>th</sup> Normal Floor
534,76 sqm	517,87 sqm	5 <sup>th</sup> Normal Floor
534,76 sqm	517,87 sqm	4 <sup>th</sup> Normal Floor
534,76 sqm	517,87 sqm	3 <sup>rd</sup> Normal Floor
534,76 sqm	517,87 sqm	2 <sup>nd</sup> Normal Floor
534,76 sqm	517,87 sqm	1 <sup>st</sup> Normal Floor
1.069,31 sqm	1.252,00 sqm	Ground Floor
1.598,70 sqm	2.403,28 sqm	1 <sup>st</sup> Basement Floor

1.643,86 sqm	2.471,18 sqm	2 <sup>nd</sup> Basement Floor
--------------	--------------	--------------------------------

**NOVOTEL**

**IBIS HOTEL**

Meeting rooms that serve for both of the hotels in question are located in the ground floor and they can be integrated functionally and used for multiple purposes. Under the project there is an outdoor swimming pool at the rear side of the hotels.

Open areas of the facility are partially green areas and partially used as car parking lot. At the same time there are some open areas used as restaurant and café.

According to the approved architectural project, Novotel has 92 rooms and Ibis Hotel has 117 rooms. The distribution of the rooms according to floors is given below;

	19 rooms	10 <sup>th</sup> Normal Floor
	19 rooms	9 <sup>th</sup> Normal Floor
	19 rooms	8 <sup>th</sup> Normal Floor
	18 rooms	7 <sup>th</sup> Normal Floor
16 rooms	18 rooms	6 <sup>th</sup> Normal Floor
15 rooms	18 rooms	5 <sup>th</sup> Normal Floor
15 rooms	18 rooms	4 <sup>th</sup> Normal Floor
15 rooms	18 rooms	3 <sup>rd</sup> Normal Floor
15 rooms	18 rooms	2 <sup>nd</sup> Normal Floor
16 rooms	12 rooms, meeting room, WC ve offices.	1 <sup>st</sup> Normal Floor
Reception, restaurant, reception, meeting rooms, kitchen, internet room and WC.	Reception, breakfast hall, bar, offices, luggage room, kitchen (shared) and WC	Ground Floor
Kitchen, good acceptance, kitchen office, purchasing, floor services, director's office, dirty linen room, uniform room, clean linen room, laundry, personnel refectory, men-women change rooms, car parking area		1 <sup>st</sup> Basement Floor
Technical director's office, personnel rooms, technical workshop, depots and car parking lot.		2 <sup>nd</sup> Basement Floor

**NOVOTEL**

**IBIS HOTEL**

In the basement floors of the hotels there are common service locations and they are integrated for common use of the two hotels. (kitchens, offices, car parking areas, etc.)

In Novotel there are 2 customer elevators and in Ibis hotel again there are 2 customer elevators. There is 1 shared service elevator used by both of the hotels. In the construction of the hotel luxury construction materials are used and sound insulation was considered important. Furthermore, there are automation systems, fire sprinkler lines, fire doors and fire-escape stairs in the hotels.



In the open areas interlocking paving stones are laid and in the areas limited by curbstones landscaping areas are created. Outer borders of the parcel are surrounded by decorative tile lined reinforced concrete walls. Moreover, in the open areas, the parts used as restaurant are covered by shading systems.

AKFEN IBIS HOTEL - INDOOR AREAS (sqm)				
	NOVOTEL AREA	IBIS HOTEL AREA	PERMITTED AREA	TOTAL CONS. AREA
2. Basement Floor	1.643,86	2.471,18	-	4.115,04
1. Basement Floor	1.598,70	2.403,28	-	4.001,98
Ground Floor	1.069,31	1.252,00	2.262,55	2.321,31
1.2.3.4.5.6. Floors	3.208,56	3.107,22	6.027,72	6.315,78
7.8.9.10. Floors	-	2.071,48	1.983,72	2.071,48
<b>TOTAL</b>	<b>7.520,43</b>	<b>11.305,16</b>	<b>10.273,99</b>	<b>18.825,59</b>

AKFEN IBIS HOTEL - CLOSED CAR PARKING AREAS (sqm)			
	NOVOTEL AREA	IBIS HOTEL AREA	TOTAL CAR PARKING AREA
2. basement floor	1.212,65	1.822,94	3.035,59
1. basement floor	740,14	1.112,63	1.852,77
<b>TOTAL</b>	<b>1.952,79</b>	<b>2.935,57</b>	<b>4.888,36</b>

### 5.3 Structural Construction Features of the Property in Question

#### General features of the properties (Novotel-Ibis Hotel):

Construction Type	:	Reinforced Concrete Frame
Construction Layout	:	Block layout
Roofing System	:	Terrace roof
Number of Floors	:	2 Basement Floors + Ground Floor + 6 Normal Floors (Novotel) 2 Basement Floors + Ground Floor + 10 Normal Floors (Ibis Hotel)
Total Indoor Area subject to Appraisal	:	~ 7,520.43 sqm (Novotel) ~ 11,305.16 sqm (Ibis Hotel)
Electricity	:	Network
Water	:	Network
Sewer System	:	Network
Heating System	:	Central air conditioning system
Air conditioning	:	Available
Ventilation System	:	Available
Generator	:	Available
Fire Extinguishing System	:	Available
Car Parking Space	:	Available (indoor and outdoor car parking areas)
Outer Façade	:	Sinterflex cladding, painting

Novotel is providing service in 4-star hotel standards and there are 2 elevators in the hotel. Features of the guest rooms in Novotel

Floor	:	Wall to wall carpet (room), ceramic tiles (bathroom)
Wall	:	Wallpaper and decorative wall paint (room), ceramic tiles (bathroom)
Ceiling	:	Plasterboard suspended ceiling (room and bathroom)
Joinery	:	Window (aluminum), door (wooden)
Remarks	:	In the rooms there are TV, minibar, tea-coffee machine and internet connection, as a standard.

Ibis Hotel has 117 rooms and provides service in 3-star hotel standards. There are 2 elevators in the hotel. Features of the guest rooms in Ibis Hotel;

Floor	:	laminated parquet (room), PVC (bathroom)
Wall	:	Wallpaper and decorative wall paint (room and bathroom)
Ceiling	:	Plasterboard suspended ceiling (room and bathroom)
Joinery	:	Window (aluminum), door (wooden)
Remarks	:	In the rooms there are TV, minibar, tea-coffee machine and internet connection, as a standard.

Features of the units in the basement floors;

Floor	:	PVC, concrete (car parking area)
Wall	:	Plastic paint on plaster
Ceiling	:	Rock wool suspended ceiling, concrete (car parking area)
Joinery	:	Window (aluminum), door (wooden)
Lighting	:	Spot fluorescent fixtures, fluorescent fixtures (car parking area)

#### 5.4 Determinations Made in the Real Estate Location

- On the land in question, there are 2 hotel buildings, Novotel and Ibis Hotel.
- The hotels are constructed in conformity with the approved architectural plan and building license and there is an "Occupancy Permit" for the buildings.
- Novotel is providing service in 4-star hotel standards and Ibis Hotel is providing service in 3-star hotel standards.
- There is an outdoor swimming pool and children's pool at the rear side of the hotels.
- The entrance to the hotels is provided from separate gates.
- The hotel buildings are constructed as attached to each other and there are passages between the two buildings in the floors.

**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 highest and best use of the subject properties is considered as "HOTEL" which is also in accordance with the zoning plan.

**SECTION 7**

**EVALUATION OF THE REAL ESTATE**

**SECTION 7**

**EVALUATION OF THE REAL ESTATE**

**7.1 Factors Affecting the Value of the Real Estate**

<b>STRONG POINTS</b>	<b>WEAK POINTS</b>
<ul style="list-style-type: none"> <li>✓ In the hotel facility there are 2 hotels with 3 and 4 star alternatives that will target different needs.</li> <li>✓ The property is located in the city center.</li> <li>✓ The property is 20 km. far away from Gaziantep Airport and it is in a very advantageous location in terms of transportation.</li> <li>✓ Recently built hotels will be advantageous when compared to the older hotels in the city.</li> <li>✓ The hotels in question are operated under the name of brand that provides the same standards all over the world.</li> </ul>	<ul style="list-style-type: none"> <li>x There will be noise pollution arising from the construction of Multiturk's shopping center project near the property, whose construction was formerly stopped due to economic reasons and that was not in progress at the date of the appraisal, but will continue in the future. .</li> </ul>
<b>OPPORTUNITIES</b>	<b>THREATS</b>
<ul style="list-style-type: none"> <li>✓ According to the agreement entered into with Syria, the visa requirements were mutually lifted, and thus it is believed that touristic and trade visits and accommodations will increase.</li> <li>✓ Gaziantep is the most busy city of Eastern Anatolia in terms of trade and considering the customer portfolio of the hotels, it is observed that does not only attracts people from Turkey but also from Arab countries around.</li> <li>✓ According to the agreement entered into with Syria, the visa requirements were mutually lifted, and thus it is believed that touristic and trade visits and accommodations will increase.</li> </ul>	<ul style="list-style-type: none"> <li>x Negative impacts of uncertainties and fluctuations in the economy on real estate sector.</li> </ul>

**7.2. Analysis of the Methods Used for Appraisal**

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

**7.2.1. Sales Comparison Analysis**

The property similar values obtained further to the studies in the neighbourhood of the property are as follows.

- It is indicated that the land in question can be sold for a price of 1,500-1,600 TL/sqm. (1.500 –1.600 TL/m<sup>2</sup>, 596-636 Euro/m<sup>2</sup>)

- It has been learned that in the region where the property in question is located, the lands with same zoning conditions are quite rare and vacant land stock is highly limited.
- A property located along Ali Fuat Cebesoy Boulevard, with a 775 sqm surface area and zoning status of "Commercial", for which E=0.90, and qualified as "Land", is for sale for a price of 860,000 TL/sqm. (1.100 TL/m<sup>2</sup>, 437 Euro/m<sup>2</sup>)
- A property close to the properties in question, with a 1,500 sqm surface area and qualified as "Land" but does not have a façade to the main boulevard, has been for sale for a long time for a price of 1,500 TL/sqm. (1.500 TL/m<sup>2</sup>, 596 Euro/m<sup>2</sup>)
- A property close to the properties in question, with a 700 sqm surface area and zoned as "Commercial Area" but does not have a façade to the street, has been for sale for a price of 450 TL/sqm. (450 TL/m<sup>2</sup>, 178 Euro/m<sup>2</sup>)
- It is learned that a land that is similar to the property in question in terms of its location, located in İbrahimli, has a surface area of 5,000 sqm, zoned as "Commercial Area", for which E=2,30 is for sale for a price of 1,000 Euro/sqm but this price is too high however it is possible to sell this property for 1,000 USD/sqm. (1.853 TL/m<sup>2</sup>, 733 Euro/m<sup>2</sup>)
- A property, close to the property in question, around Çetinkaya, partially facing the main boulevard, with 2,000 sqm surface area, zoned as "Commercial Area" and for which E=1.80 is for sale for a price of 1,300 TL/sqm. (1.300 TL/m<sup>2</sup>, 516 Euro/m<sup>2</sup>)
- A property, close to the property in question, with 1,500 sqm surface area, zoned as "Commercial Area" and for which E=1.80 is for sale for a price of 1,300 TL/sqm. (1.500 TL/m<sup>2</sup>, 596 Euro/m<sup>2</sup>)
- It is learned that the property in question can be sold for a price higher than its equivalents thanks to its location.

Comperable No	Aera (sqm)	Qualification	Unit Price (TL/m <sup>2</sup> )	Definition
1	775	Estate	1.100	Estate for sale in commercially zoned
2	1.500	Estate	1.500	Close to the appraising property but less valuable, in commercially zoned estate for sale.
3	700	Estate	450	Close located to the appraising property but less valuable, in commercially zoned estate for sale.
4	5.000	Estate	1.853	Similar specialities, in commercially zoned estate for sale.
5	2.000	Estate	1.300	Similar specialities, in commercially zoned estate for sale.
6	800	Estate	1.500	Similar specialities, in commercially zoned estate for sale.

VALUE OF THE RIGHT OF CONSTRUCTION				
1 sqm Land Value (*) 25,8/30 years(**)	933	.-TL/m <sup>2</sup>		
Size of the Land	6.750,00	m <sup>2</sup>		
Total Value of the Land	6.297.750	.-TL	<b>6.300.000</b>	<b>TL</b>
			<b>2.504.273</b>	<b>EURO</b>
(*) For the land, unit value is calculated as 70% as the value of 30-year construction right considering 1550 TL unit value for lands zoned as tourism area.				

(\*\*) On the land, which is under the ownership of **Gaziantep Metropolitan Municipality**, Private and Permanent Right of Casement has been established in favor of Akfen GYO A.Ş. on 17.07.2037.

Land Value Calculation Detail = (Value of the zoned land x 30-year construction right factor x term rate)  
= 1550 (TL/m<sup>2</sup>) x 0.70 x 25,8/30  
= 933 (TL/m<sup>2</sup>)

**7.2.2 Construction Cost Analyse**

VALUE OF THE BUILDING			
Construction Cost per 1 sqm for car park	225	.-€	
Total Closed Area of the Building	4.888,36	m <sup>2</sup>	
Total Construction Cost	1.099.881	.-€	
Depreciation	2%		
Depreciation Cost	21.998	.-€	
Value of the Building	1.077.883	.-€	<b>1.077.883 .-€</b>
Construction Cost per 1 sqm for Novotel	1.100	.-€	
Total Closed Area of the Building	5.567,65	m <sup>2</sup>	
Total Construction Cost	6.124.410	.-€	
Depreciation	2%		
Depreciation Cost	122.488	.-€	
Value of the Building	6.001.922	.-€	<b>6.001.922 .-€</b>
Construction Cost per 1 sqm for Ibis Hotel	925	.-€	
Total Closed Area of the Building	8.369,58	m <sup>2</sup>	
Total Construction Cost	7.741.862	.-€	
Depreciation	2%		
Depreciation Cost	154.837	.-€	
Value of the Building	7.587.024	.-€	<b>7.587.024 .-€</b>
<b>Total Value of the Land</b>			<b>2.504.273 .-€</b>
<b>Total Value of the Building</b>			<b>14.666.830 .-€</b>
<b>External and Miscellaneous Works</b>			<b>300.000 .-€</b>
<b>TOTAL VALUE</b>			<b>17.471.103 .-€</b>
<b>TOTAL APPROXIMATE VALUE</b>			<b>17.470.000 .-€</b>

✓ **Professional Estimate of the Appraiser:**

Considering the fact that the property in question is zoned as tourism facility, located along the main road and existence of hotels in operation built on the property and as a result of the researches carried out in the surrounding area, in addition, taking into account the equivalent real estate values learned during the researches, the value of the immovable property is estimated as follows.

<b>Total Land Value</b>	<b>2.504.273</b>	<b>.-€</b>
-------------------------	------------------	------------



Total Building Value	14.666.830	.-€
External and Miscellaneous Works	300.000	.-€
<b>TOTAL VALUE</b>	<b>17.471.103</b>	<b>.-€</b>
<b>TOTAL APPROXIMATE VALUE</b>	<b>17.470.000</b>	<b>.-€</b>

### 7.2.3 Income Capitalization Approach

- The owner of the construction right of the hotel in question is Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. and it is be operated by Accor group, an international hotel management company. Being operated by an international brand has positive impacts on items that affect the potential of the hotel such as occupancy rate, bed/room prices, etc. The value is estimated based on the assumption that the existing capacity and operation potential of the hotel will be maintained in the following years.
- Cash flows that are obtained in years due to the operation of the real estate and used in revenue reduction method are constituted of the total of the cash flows obtained by Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. and Accor group

#### **IBIS HOTEL PROJECTION:**

It is assumed that the hotel is in operation as a 3-star hotel in the existing conditions.

- Currently, there are 177 rooms in the hotel.
- It is assumed that the average occupancy rate of the hotel during the months when the hotel is open will be 60% in 2012, and it will be 62% during 2013, 65% in 2014, and 72% in 2015, in the years following 2015 the occupancy rate will be maintained in 72%.
- It is assumed that the hotel will be open for 365 days.
- Considering the hotel prices, performance of the hotel in the previous years and the investigations carried out related to the tourism sector and the region, it is envisaged that all-inclusive price per person will be 36 EURO for the year 2012. For the first 10 years, the room prices are increased by 4%. Within the first 10 years, the room prices are assumed to increase by 4% and to attain a saturation level with the increasing advertisement capability, awareness and premium of the hotel and in the following years they are assumed to increase by inflation rate, which is 2.5%.
- It is estimated that other revenues that are obtained from foods, drinks and others (rent, telephone, etc.) will be 25% of the revenues obtained from the rooms and will be maintained as 25% in the following years.
- It is assumed that GOP (Gross Operating Profit) in the hotel will be 40% in 2012, 46% in 2013 and %50 in 2014, in the following years it is assumed to remain constant later on.
- A renovation cost, which is 1.5% of the construction cost of the hotel is envisaged for every year starting from 2012.
- The currency used in the study is EURO.
- It is also assumed that all payments are made in cash.

IBIS HOTEL	
NUMBER OF ROOMS:	177
DAYS WHEN THE HOTEL IS OPEN (2010-2037)	365
ANNUAL ROOM CAPACITY (2010-2037)	64.605
ROOM PRICE (EURO) 2011	36,00

ANNUAL CONSTRUCTION RIGHT PRICE (EURO) (2017)	61.138
BED PRICE INCREASING RATE IN THE FIRST 10 YEARS (%)	4,0%
INCREASING RATE FOR REMAINING YEARS (%)EURO REGION INFLATION RATE	2,5%
BED PRICE INCREASING RATE FOR THE FOLLOWING YEARS (%) EURO REGION INFLATION RATE	25%

# AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

IBIS OTEL CASH-FLOW YEARS	30.09.2011	17.07.2012	17.07.2013	17.07.2014	17.07.2015	17.07.2016	17.07.2017	17.07.2018	17.07.2019	17.07.2020	17.07.2021	17.07.2022	17.07.2023
OCCUPANCY (%)	0	60%	62%	65%	72%	72%	72%	72%	72%	72%	72%	72%	72%
DAYS WHEN THE HOTEL IS OPEN	0	291	365	365	365	365	365	365	365	365	365	365	365
SOLD ROOM NUMBER	0	30.904	40.055	41.993	46.516	46.516	46.516	46.516	46.516	46.516	46.516	46.516	46.516
ROOM PRICE(EURO)	0	36.00	37.44	36.94	40.50	42.11	43.80	45.55	47.37	49.27	51.24	52.52	53.83
ROOM INCOME (EURO)	0	1.112.551	1.499.663	1.635.116	1.883.654	1.959.000	2.037.360	2.118.855	2.203.609	2.291.753	2.383.423	2.443.009	2.504.084
OTHER INCOMES RATE (%)		25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
OTHER INCOMES (EURO)	0	278.138	374.916	408.779	470.914	489.750	509.340	529.714	550.902	572.938	595.856	610.752	626.021
TOTAL INCOMES(EURO)	0	1.390.689	1.874.579	2.043.895	2.354.568	2.448.750	2.546.700	2.648.568	2.754.511	2.864.691	2.979.279	3.053.761	3.130.105
GOP (%)	0	40%	48%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
GOP (EURO)	0	556.276	862.306	1.021.948	1.177.284	1.224.375	1.273.350	1.324.284	1.377.256	1.432.346	1.489.640	1.526.881	1.565.053
OPERATION EXPENCES(EURO)	0	-834.413	-1.012.272	-1.021.948	-1.177.284	-1.224.375	-1.273.350	-1.324.284	-1.377.256	-1.432.346	-1.489.640	-1.526.881	-1.565.053
RENEWAL EXPENCES	1.50%		-99.334	-124.594	-127.708	-130.901	-137.528	-140.966	-144.490	-148.103	-151.805	-155.600	-159.490
TOTAL EXPENCES(EURO)	0	-933.747	-1.136.866	-1.149.656	-1.308.185	-1.358.949	-1.410.878	-1.465.250	-1.521.746	-1.580.448	-1.641.445	-1.682.481	-1.724.543
NET OPERATION PROFIT	0	456.942	737.713	894.239	1.046.383	1.090.201	1.135.822	1.183.318	1.232.765	1.284.243	1.337.834	1.371.280	1.405.562
NET CASH FLOWS	0	456.942	737.713	894.239	1.046.383	1.090.201	1.135.822	1.183.318	1.232.765	1.284.243	1.337.834	1.371.280	1.405.562
<b>2011-2023 TOTAL</b>		<b>153.521</b>	<b>193.825</b>	<b>208.191</b>	<b>235.271</b>	<b>224.574</b>	<b>230.100</b>	<b>233.118</b>	<b>237.931</b>	<b>243.606</b>	<b>249.281</b>	<b>254.956</b>	<b>260.631</b>

	17.07.2024	17.07.2025	17.07.2026	17.07.2027	17.07.2028	17.07.2029	17.07.2030	17.07.2031	17.07.2032	17.07.2033	17.07.2034	17.07.2035	17.07.2036	17.07.2037
72%	365	365	365	365	365	365	365	365	365	365	365	365	365	365
72%	46.516	46.516	46.516	46.516	46.516	46.516	46.516	46.516	46.516	46.516	46.516	46.516	46.516	46.516
55.18	56.56	57.97	59.42	60.91	62.43	63.99	65.59	67.23	68.91	70.63	72.40	74.21	76.06	76.06
2.566.686	2.630.853	2.696.625	2.764.040	2.833.141	2.903.970	2.976.569	3.050.983	3.127.258	3.205.439	3.285.575	3.367.715	3.451.908	3.538.205	3.538.205
25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
641.672	657.713	674.156	691.010	708.285	725.992	744.142	762.746	781.814	801.360	821.394	841.929	862.977	884.551	884.551
3.208.358	3.288.567	3.370.781	3.455.050	3.541.427	3.629.962	3.720.711	3.813.729	3.909.072	4.006.799	4.106.969	4.209.643	4.314.865	4.422.757	4.422.757
50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
1.604.179	1.644.283	1.685.390	1.727.525	1.770.713	1.814.981	1.860.356	1.906.865	1.954.536	2.003.400	2.053.485	2.104.822	2.157.442	2.211.378	2.211.378
-1.604.179	-1.644.283	-1.685.390	-1.727.525	-1.770.713	-1.814.981	-1.860.356	-1.906.865	-1.954.536	-2.003.400	-2.053.485	-2.104.822	-2.157.442	-2.211.378	-2.211.378
-163.478	-167.565	-171.754	-176.047	-180.449	-184.960	-189.584	-194.323	-199.182	-204.161	-209.265	-214.497	-219.859	-225.356	-225.356
-1.767.656	-1.811.848	-1.857.144	-1.903.573	-1.951.162	-1.999.941	-2.049.940	-2.101.188	-2.153.718	-2.207.561	-2.262.750	-2.319.318	-2.377.301	-2.436.734	-2.436.734
1.440.701	1.476.719	1.513.637	1.551.478	1.590.265	1.630.021	1.670.772	1.712.541	1.755.355	1.799.238	1.844.219	1.890.325	1.937.583	1.986.023	1.986.023
1.440.701	1.476.719	1.513.637	1.551.478	1.590.265	1.630.021	1.670.772	1.712.541	1.755.355	1.799.238	1.844.219	1.890.325	1.937.583	1.986.023	1.986.023
15.093.923	15.607.350	16.135.838	16.679.103	17.237.912	17.812.916	18.405.896	19.017.511	19.648.516	20.299.651	20.971.570	21.664.931	22.379.371	23.115.531	23.874.031

Appraisal Table		
Risk Free Rate of Return	5.20%	5.20%
Risk Premiums	5.30%	5.55%
Discount Rate	10.50%	10.75%
NET PRESENT VALUE (EURO)	10.448.468	10.211.657
	5.20%	9.983.008

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**NOVOTEL HOTEL PROJECTION**

- The hotel is in operation as a 4-star hotel in the existing conditions.
- Currently, there are 92 rooms in the hotel.
- It is assumed that the average occupancy rate of the hotel during the months when the hotel is open will be 55% in 2012, and it will be 65% during 2013, 75% in 2014 and 82% in 2015 and in the years following 2015 the occupancy rate will be maintained in 82%.
- It is assumed that the hotel will be open for 365 days.
- The prices of the hotel are anticipated assuming there will be a room-breakfast system. Considering the performance of the hotel in the previous years and the investigations carried out related to the tourism sector and the region, it is envisaged that all-inclusive price per person will be 52 EURO for the year 2012. For the first 10 years, the room prices are increased by 4%. Within the first 10 years, the room prices are assumed to increase by 4% and to attain a saturation level with the increasing advertisement capability, awareness and premium of the hotel and in the following years they are assumed to increase by inflation rate, which is 2.5%.
- It is estimated that other revenues that are obtained from foods, drinks and others (rent, telephone, etc.) will be 70% of the revenues obtained from the rooms.
- It is assumed that GOP (Gross Operating Profit) in the hotel will be 35% in 2012, 40% in 2013 and 42% in 2014 and in the following years GOP rate will be maintained in 42%.
- A renovation cost, which is 1.5% of the construction cost of the hotel is envisaged for every year starting from 2012.
- The currency used in the study is EURO.
- It is also assumed that all payments are made in cash.

NOVOTEL HOTEL	
NUMBER OF ROOMS:	92
DAYS WHEN THE HOTEL IS OPEN	365
ANNUAL ROOM CAPACITY	33.580
ROOM PRICE (EURO) 2011	52,00
ANNUAL CONSTRUCTION RIGHT PRICE (EURO) (2017)	61.138
BED PRICE INCREASING RATE IN THE FIRST 10 YEARS (%)	4,0%
INCREASING RATE FOR REMAINING YEARS (%)EURO REGION INFLATION RATE	2,5%
BED PRICE INCREASING RATE FOR THE FOLLOWING YEARS (%) EURO REGION INFLATION RATE	2,5%

# AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

YEARS	30.09.2011	17.07.2012	17.07.2013	17.07.2014	17.07.2015	17.07.2016	17.07.2017	17.07.2018	17.07.2019	17.07.2020	17.07.2021	17.07.2022	17.07.2023
NOVOTEL OTEL CASHFLOW													
OCCUPANCY (%)	0%	55%	65%	75%	82%	82%	82%	82%	82%	82%	82%	82%	82%
DAYS WHEN THE HOTEL IS OPEN	0	291	365	365	365	365	365	365	365	365	365	365	365
SOLD ROOM NUMBER	0	14.725	21.827	25.185	27.536	27.536	27.536	27.536	27.536	27.536	27.536	27.536	27.536
ROOM PRICE(EURO)	0	52	54.08	58.49	60.83	63.27	65.80	68.43	71.17	74.01	76.97	78.90	78.90
ROOM INCOME (EURO)	0	765.879	1.180.404	1.416.485	1.610.638	1.675.063	1.742.066	1.811.749	1.884.218	1.959.587	2.037.971	2.118.490	2.172.477
OTHER INCOMES RATE (%)	0	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%
OTHER INCOMES(EURO)	0	535.975	826.283	991.539	1.127.447	1.172.544	1.219.446	1.268.224	1.318.953	1.371.711	1.426.590	1.483.643	1.520.794
TOTAL INCOMES(EURO)	0	1.301.855	2.006.687	2.408.024	2.738.084	2.847.608	2.961.512	3.079.973	3.203.171	3.331.298	3.464.550	3.603.132	3.693.211
GOP (%)	0	35%	40%	42%	42%	42%	42%	42%	42%	42%	42%	42%	42%
GOP (EURO)	0	455.579	802.675	1.011.370	1.149.995	1.195.995	1.243.835	1.293.588	1.345.332	1.399.145	1.455.111	1.513.316	1.551.148
OPERATION EXPENSES(EURO)	0	-846.376	-1.204.012	-1.396.654	-1.598.089	-1.651.612	-1.717.677	-1.786.384	-1.857.839	-1.932.153	-2.009.439	-2.089.817	-2.142.062
RENEWAL EXPENSES	1.50%	-77.498	-97.205	-102.126	-104.680	-107.296	-109.979	-112.728	-115.547	-118.435	-121.396	-124.431	-124.431
TOTAL EXPENSES(EURO)	0	-923.873	-1.301.218	-1.498.780	-1.696.215	-1.758.902	-1.824.973	-1.896.363	-1.970.568	-2.047.700	-2.127.874	-2.211.213	-2.266.493
NET OPERATION PROFIT	0	378.081	705.470	911.735	1.047.869	1.091.316	1.136.539	1.183.610	1.232.604	1.283.598	1.336.676	1.391.919	1.426.717
NET CASH FLOWS	0	378.081	705.470	911.735	1.047.869	1.091.316	1.136.539	1.183.610	1.232.604	1.283.598	1.336.676	1.391.919	1.426.717

17.07.2024	17.07.2025	17.07.2026	17.07.2027	17.07.2028	17.07.2029	17.07.2030	17.07.2031	17.07.2032	17.07.2033	17.07.2034	17.07.2035	17.07.2036	17.07.2037
82%	82%	82%	82%	82%	82%	82%	82%	82%	82%	82%	82%	82%	82%
365	365	365	365	365	365	365	365	365	365	365	365	365	365
27.536	27.536	27.536	27.536	27.536	27.536	27.536	27.536	27.536	27.536	27.536	27.536	27.536	27.536
80,87	82,89	84,96	87,09	89,26	91,50	93,78	96,13	98,53	100,99	103,52	106,11	108,76	111,48
2.226.789	2.282.458	2.339.520	2.398.008	2.457.958	2.519.407	2.582.392	2.646.952	2.713.126	2.780.954	2.850.478	2.921.740	2.994.783	3.069.653
70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%
1.558.752	1.597.721	1.637.664	1.678.606	1.720.571	1.763.585	1.807.675	1.852.866	1.899.188	1.946.668	1.995.334	2.045.218	2.096.348	2.148.757
3.785.541	3.880.179	3.977.184	4.076.613	4.178.529	4.282.992	4.390.067	4.499.818	4.612.314	4.727.622	4.845.812	4.966.958	5.091.132	5.218.410
42%	42%	42%	42%	42%	42%	42%	42%	42%	42%	42%	42%	42%	42%
1.589.927	1.629.675	1.670.417	1.712.178	1.754.982	1.798.857	1.843.828	1.889.924	1.937.172	1.985.601	2.035.241	2.086.122	2.138.275	2.191.732
-2.195.614	-2.250.504	-2.306.767	-2.364.436	-2.423.547	-2.484.135	-2.546.239	-2.609.895	-2.675.142	-2.742.021	-2.810.571	-2.880.835	-2.952.856	-3.026.678
-127.542	-130.730	-133.999	-137.349	-140.782	-144.302	-147.909	-151.607	-155.397	-159.282	-163.264	-167.346	-171.530	-175.818
-2.323.155	-2.381.234	-2.440.765	-2.501.784	-2.564.329	-2.628.437	-2.694.148	-2.761.502	-2.830.539	-2.901.303	-2.973.835	-3.048.181	-3.124.386	-3.202.495
1.462.385	1.498.945	1.536.419	1.574.829	1.614.200	1.654.555	1.695.919	1.738.317	1.781.775	1.826.319	1.871.977	1.918.776	1.966.746	2.015.914
1.462.385	1.498.945	1.536.419	1.574.829	1.614.200	1.654.555	1.695.919	1.738.317	1.781.775	1.826.319	1.871.977	1.918.776	1.966.746	2.015.914

Appraisal Table	5.20%	5.20%	5.20%
Risk Free Rate of Return	5.20%	5.20%	5.20%
Risk Premiums	5.30%	5.55%	5.80%
Discount Rate	10,50%	10,75%	11,00%
NET PRESENT VALUE (EURO)	10.431.195	10.192.019	9.961.110

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- The insurance charge of the hotel facility is estimated as 24,330 EURO in 2012 based on the charges of the previous years and it is envisaged that it will be increasing by 2.50% in parallel with inflation rate each following year.
- Annual construction right price is 83,350 USD (64.195 EURO) fixed every year with a 5% increase per year for 2016. Starting from 2021 and until 2031, the price will be 70.615 Euro after an increase by 10%. For the remaining years the price will be fixed at 77.676. These values are determined according to the rental contract entered into between Gaziantep Metropolitan Municipality and Akfen GYO.
- According to the rental contract entered into between Gaziantep Metropolitan Municipality and Akfen GYO, the right of use of the hotel, constructed on the property section no. 21L-4C, block no. 5020, parcel no. 2 which has a 6,750 sqm surface area and which is zoned as hotel area in the zoning plan, will belong to AKFEN GYO A.Ş. for 30 years and at the end of 30 years it will be transferred to Gaziantep Metropolitan Municipality.
- The following provisions are given in the contract made between Akfen GYO and Gaziantep Metropolitan Municipality;
  - “The entrepreneur will not pay usage price during the preparation of the implementation projects, during the period used for taking the construction license and during the construction. Annual usage price starts at the date when the facility starts to operate.”
  - “However, the entrepreneur will pay the usage price for 5 (years) of operation at once as a single payment and in cash within 90 calendar days from the date when the construction license is issued.
- Starting from the operation period, for the second 5 (five) years) the usage price will be increased by 5% over the usage price of the first 5 (five) years and over the price of the previous 5 year period, the price will be increased by 10% starting from the 11. year (included) and until 20. year (included) and again will be increased by 10% over the price of the previous period starting from 21. year and for the remaining years.
- In the appraisal, the rate of Eurobond, Euro based bond, for the last 6 months in 2020 is taken as 5.20% “Risk-free Return Rate”. (In the appraisal, the revenue rate of Eurobond, Euro based bond, of 2020 for the longest term is chosen as “Risk-free Return Rate”.) )
- In the appraisal it is assumed that €=2.5157 TL .
- Under IVSC (International Valuations Standards Committee), taxes and VAT are not included in the studies.

# AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

TOPLAM NAKİT AKIŞI		30.09.2011	17.07.2012	17.07.2013	17.07.2014	17.07.2015	17.07.2016	17.07.2017	17.07.2018	17.07.2019	17.07.2020	17.07.2021	17.07.2022	17.07.2023
YILLAR														
NOVOTEL (4 YILDIZ) NET NAKİT AKIŞI (EURO)		0	378.081	705.470	911.735	1.047.869	1.091.316	1.136.539	1.183.610	1.232.604	1.283.599	1.336.676	1.391.919	1.426.717
IBIS OTEL (3 YILDIZ) NET NAKİT AKIŞI (EURO)		0	456.942	737.713	894.239	1.046.383	1.090.201	1.135.822	1.183.318	1.232.765	1.284.243	1.337.834	1.371.280	1.405.562
YILLIK ÜST HAKKI BEDELİ (EURO)		0	0	0	0	0	0	-64.195	-64.195	-64.195	-64.195	-64.195	-64.195	-70.615
SİGORTA GİDERİ (EURO)	0,25%	0	-24.330	-24.938	-25.562	-26.201	-26.856	-27.527	-28.215	-28.921	-29.644	-30.385	-31.144	-31.923
<b>TOPLAM NAKİT AKIŞLARI (EURO)</b>		<b>0</b>	<b>810.693</b>	<b>1.418.244</b>	<b>1.780.412</b>	<b>2.068.051</b>	<b>2.154.661</b>	<b>2.180.638</b>	<b>2.274.617</b>	<b>2.372.253</b>	<b>2.474.003</b>	<b>2.579.930</b>	<b>2.667.860</b>	<b>2.729.742</b>

17.07.2024	17.07.2025	17.07.2026	17.07.2027	17.07.2028	17.07.2029	17.07.2030	17.07.2031	17.07.2032	17.07.2033	17.07.2034	17.07.2035	17.07.2036	17.07.2037
1.462.385	1.498.945	1.536.419	1.574.829	1.614.200	1.654.555	1.695.919	1.738.317	1.781.775	1.826.319	1.871.977	1.918.776	1.966.746	2.015.914
1.440.701	1.476.719	1.513.637	1.551.478	1.590.265	1.630.021	1.670.772	1.712.541	1.755.355	1.799.238	1.844.219	1.890.325	1.937.583	1.986.023
-70.615	-70.615	-70.615	-70.615	-70.615	-70.615	-70.615	-70.615	-70.615	-77.676	-77.676	-77.676	-77.676	-77.676
-32.721	-33.539	-34.378	-35.237	-36.118	-37.021	-37.946	-38.895	-39.868	-40.864	-41.886	-42.933	-44.006	-45.106
<b>2.799.751</b>	<b>2.871.510</b>	<b>2.945.063</b>	<b>3.020.455</b>	<b>3.097.732</b>	<b>3.176.940</b>	<b>3.258.129</b>	<b>3.341.348</b>	<b>3.426.647</b>	<b>3.507.017</b>	<b>3.596.634</b>	<b>3.688.492</b>	<b>3.782.646</b>	<b>3.879.154</b>

Appraisal Table	
Risk Free Rate of Return	5,20%
Risk Premiums	3,80%
Discount Rate	9,00%
<b>NET PRESENT VALUE (EURO)</b>	<b>23.401.438</b>
	<b>23.101.279</b>
	<b>21.233.689</b>

#### 7.2.4 The Value of the Property According to the Rental Income

Assumptions based on the 4th Amendment on Memorandum of Understanding dated 18 April 2005,

- **The price of the annual rent to be paid by the Accor group, which is an international hotel management company, to Akfen Gayrimenkul Yatırım Ortaklığı A.Ş., which holds the construction right of the hotel in question, will be twenty two (22%) percent of the gross revenue (VAT excluded) for Novotel and twenty five percent (25%) of the gross operation revenue for Ibis Hotel, or seventy percent (70%) of the adjusted gross operation revenue, which ever is greater .**
- The owner of the construction right of the hotel in question is Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. and it is be operated by Accor group, an international hotel management company. Being operated by an international brand has positive impacts on items that affect the potential of the hotel such as occupancy rate, bed/room prices, etc. The value is estimated based on the assumption that the existing capacity and operation potential of the hotel will be maintained in the following years.
- Rental income of the immovable property is calculated based on the conditions of the contract made between Accor group and Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.
- It is assumed that facility will be open for 365 days throughout the year.
- Annual construction right price is 83.350 USD (64.195 EURO) fixed every year with a 5% increase per year for 2016. Starting from 2021 and until 2031, the price will be 70.615 Euro after an increase by 10%. For the remaining years the price will be fixed at 77.676. These values are determined according to the rental contract entered into between Gaziantep Metropolitan Municipality and Akfen GYO.
- Renovation cost for the rental model of the hotel is taken as 0.05% of the renovation cost calculated in management alternative. In the rental model, it is assumed that renovation works will be carried out by the leaseholder.
- The currency used in the study is EURO and it is assumed that 1 TL=2.5157 EURO.
- Under IVSC (International Valuations Standards Committee), taxes and VAT are not included in the studies.
- In the appraisal, the rate of Eurobond, Euro based bond, for the last 6 months in 2020 is taken as 5.20% "Risk-free Return Rate". (In the appraisal, the revenue rate of Eurobond, Euro based bond, of 2020 for the longest term is chosen as "Risk-free Return Rate".)
- In this appraisal, rental income of the hotel leased by the Accor group is guaranteed under the 25-year rental contract.
- It is assumed that risk premium for Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.'s obtaining the rental incomes will be significantly low. Low reduction rate and risk premium is assigned considering that rental income, guaranteed by the international awareness and brand power of Accor, will be determined in years. The reduction rate is estimated as 6.50% obtained by adding 1.30% "Risk Premium" to 5.20% "Risk Free Return Rate".
- It is assumed that the contract entered into between Accor and Akfen will continue under the same conditions throughout the time the property is used by Akfen.



# AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

YILLAR	30.09.2011	17.07.2012	17.07.2013	17.07.2014	17.07.2015	17.07.2016	17.07.2017	17.07.2018	17.07.2019	17.07.2020	17.07.2021	17.07.2022	17.07.2023
OTEL GELİRİ ÜZERİNDEN NOVOTEL	0	286.364	441.471	529.765	602.379	626.474	651.533	677.594	704.698	732.886	762.201	792.689	812.506
AGOP NOVOTEL	0	246.013	449.498	573.110	651.664	677.731	704.840	733.033	762.355	792.849	824.563	857.545	878.984
KULLANILAN NOVOTEL KİRA GELİRİ	0	286.364	449.498	573.110	651.664	677.731	704.840	733.033	762.355	792.849	824.563	857.545	878.984
OTEL GELİRİ ÜZERİNDEN İBİS OTEL	0	347.672	468.645	510.974	588.642	612.188	636.675	662.142	688.628	716.173	744.820	763.440	782.526
AGOP İBİS OTEL	0	311.514	498.638	600.905	692.243	719.933	748.730	778.679	809.826	842.219	875.908	897.806	920.251
KULLANILAN İBİS OTEL KİRA GELİRİ	0	347.672	498.638	600.905	692.243	719.933	748.730	778.679	809.826	842.219	875.908	897.806	920.251
YILLIK ÜST HAKKI BEDELİ (EURO)	0	0	0	0	0	0	-64.195	-64.195	-64.195	-64.195	-64.195	-64.195	-70.615
SİGORTA GİDERİ (EURO)	0,25%	-24.330	-24.938	-25.562	-26.201	-26.856	-27.527	-28.215	-28.921	-29.644	-30.385	-31.144	-31.923
NOVOTEL YENİLEME MALİYETİ	1,5%	-77.498	-4.860	-4.982	-5.106	-5.234	-5.365	-5.499	-5.636	-5.777	-5.922	-6.070	-6.222
İBİS OTEL YENİLEME MALİYETİ	1,5%	-98.334	-6.230	-6.385	-6.545	-6.709	-6.876	-7.048	-7.225	-7.405	-7.590	-7.780	-7.975
<b>TOPLAM NAKİT AKIŞLARI (EURO)</b>	0	432.075	912.108	1.137.086	1.306.055	1.358.865	1.349.606	1.406.755	1.466.204	1.528.047	1.592.379	1.646.162	1.662.501

	17.07.2024	17.07.2025	17.07.2026	17.07.2027	17.07.2028	17.07.2029	17.07.2030	17.07.2031	17.07.2032	17.07.2033	17.07.2034	17.07.2035	17.07.2036	17.07.2037
832.819	853.639	874.980	896.855	919.276	942.258	965.815	989.960	1.014.709	1.040.077	1.066.079	1.092.731	1.120.049	1.148.050	
900.959	923.483	946.570	970.234	994.490	1.019.352	1.044.836	1.070.957	1.097.731	1.125.174	1.153.303	1.182.136	1.211.689	1.241.982	
<b>900.959</b>	<b>923.483</b>	<b>946.570</b>	<b>970.234</b>	<b>994.490</b>	<b>1.019.352</b>	<b>1.044.836</b>	<b>1.070.957</b>	<b>1.097.731</b>	<b>1.125.174</b>	<b>1.153.303</b>	<b>1.182.136</b>	<b>1.211.689</b>	<b>1.241.982</b>	
802.089	822.142	842.695	863.763	885.357	907.491	930.178	953.432	977.268	1.001.700	1.026.742	1.052.411	1.078.721	1.105.689	
943.257	966.839	991.010	1.015.785	1.041.179	1.067.209	1.093.889	1.121.236	1.149.267	1.177.999	1.207.449	1.237.635	1.268.576	1.300.290	
<b>943.257</b>	<b>966.839</b>	<b>991.010</b>	<b>1.015.785</b>	<b>1.041.179</b>	<b>1.067.209</b>	<b>1.093.889</b>	<b>1.121.236</b>	<b>1.149.267</b>	<b>1.177.999</b>	<b>1.207.449</b>	<b>1.237.635</b>	<b>1.268.576</b>	<b>1.300.290</b>	
-70.615	-70.615	-70.615	-70.615	-70.615	-70.615	-70.615	-70.615	-70.615	-70.615	-70.615	-70.615	-70.615	-70.615	
-32.721	-33.539	-34.378	-35.237	-36.118	-37.021	-37.946	-38.895	-39.868	-40.864	-41.886	-42.933	-44.006	-45.106	
-6.377	-6.537	-6.700	-6.867	-7.039	-7.215	-7.395	-7.580	-7.770	-7.964	-8.163	-8.367	-8.576	-8.791	
-8.174	-8.378	-8.588	-8.802	-9.022	-9.248	-9.479	-9.716	-9.959	-10.208	-10.463	-10.725	-10.993	-11.268	
<b>1.726.329</b>	<b>1.771.253</b>	<b>1.817.299</b>	<b>1.864.497</b>	<b>1.912.875</b>	<b>1.962.462</b>	<b>2.013.289</b>	<b>2.065.387</b>	<b>2.118.787</b>	<b>2.166.460</b>	<b>2.222.564</b>	<b>2.280.070</b>	<b>2.339.013</b>	<b>2.399.431</b>	

Appraisal Table	
Risk Free Rate of Return	4,70%
Risk Premiums	1,30%
Discount Rate	6,00%
<b>NET PRESENT VALUE (EURO)</b>	<b>19.989.796</b>
	<b>18.883.042</b>
	<b>17.862.075</b>
	<b>4,70%</b>
	<b>2,30%</b>
	<b>7,00%</b>

**THE RENTAL VALUE OF THE PROPERTY**

YEARS	30.09.2011	17.07.2012
Rental Value Avarege Cash Flow	0	621.784

Rental Appraisal Table			
Risk Free Rate of Return	5,20%	5,20%	5.20%
Risk Premiums	3,80%	3,93%	4,80%
Discount Rate	9,00%	9,13%	10,00%
<b>NET PRESENT VALUE (EURO)</b>	<b>580.498</b>	<b>579.947</b>	<b>576.287</b>

<b>NET PRESENT VALUE(EURO)</b>	<b>579.947</b>
<b>NET PRESENT VALUE(TL)</b>	<b>1.458.972</b>

<b>Days Number Between 30.09.2011 and 17.07.2012</b>	<b>291</b>
<b>ANNUAL RENTAL VALUE OF THE HOTEL(EURO)</b>	<b>727.425</b>
<b>APPROXIMATED ANNUAL RENTAL VALUE OF THE HOTEL (EURO)</b>	<b>730.000</b>

**7.2.5 Evaluation of Analysis Results**

The value of the property in question is determined as **17.470.000 €** according to cost method; **23.100.000 €** according to revenue reduction method and the net current value according to the rental income calculated based on the rent to be paid by Accor group, which is an international hotel management company, for the hotel whose construction right is owned by Akfen Gayrimenkul Yatırım Ortaklığı A.Ş., is determined as **18.880.000 €.**

The rent revenue of the immovable property has been calculated taking the average of the cash flow figures of the first year, based to the revenue reduction method and the rent revenue. By the reduction of the average net cash flows of the first year to the appraisal date, the annual rent revenue of the immovable property has been calculated. According to these calculations, the annual rental revenue of the hotel has been assessed as **730.000 Euro.**

The fair market value of the immovable property is estimated as **20.990.000 € (Twentymillionninehundredninetyninthousand.-Euro), (52.800.000.- TL(Elliikimilyonsekiyüzbin.-Türk Lirası))** calculated by taking the average of the value obtained via revenue reduction method, which is **23.100.000 €**, and the net current value of the rental income, which is **18.880.000 €**, since the property currently in operation and making revenue.

Building insurance rate is calculated as 9.950.000Euro 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 **10.758.011 Euro.**

In this appraisal, the current status value is determined by use of cost approach method. The value of the hotel according to revenue reduction method is calculated in 2 different methods based on rental income and operating revenue. Currently, the hotel is leased to Accor Group for operation via rental contract. Rental incomes under contractual guarantee are reduced by a low risk premium factor, thus the value based on the rental income is calculated. Apart from that the value of the immovable property calculated based on the total revenues it will provide is found according to the operating revenues. In this method, the total potential of the hotel that returns profit both for the

owner of the property and the operator, is considered and it is believed that in case of sale this value will be important. For this reason, the value of the immovable property calculated according to revenue reduction method, is found by taking the average of the two different values calculated by the reduction of the revenues to be obtained by rental incomes under contractual guarantee via rental contract and by total operating potential, respectively. The value of revenue-generating assets depends on the performance of the asset and it is thought that the value obtained via revenue reduction, which is calculated by 2 methods, will be more reliable.

**SECTION 8  
CONCLUSION**

**SECTION 8  
CONCLUSION**

All the features that can affect the value of the property such as location, organization style of the surrounding, infrastructure and transportation facilities, façades to streets and roads, area and location, construction method of the structure, age, workmanship and material quality, installation etc. have been taken into consideration and a thorough market research has been conducted in the region. Accordingly and also considering the economic conditions of the country, the value of the property is estimated by SKB Gayrimenkul Değerleme A.Ş., as follows;

**FAIR MARKET VALUE OF 2 HOTELS ON THE LAND WITH CONSTRUCTION RIGHT FOR 30 YEARS, ON 30.09.2011 (VAT Excluded)**

**52.800.000.-TL****Fiftytwomillioneighthundredthousand.-  
TurkishLiras)****20.990.000.- EURO****(Twntymillionninehundredninetythousand.-  
EURO)**

**FAIR MARKET VALUE OF 2 HOTELS ON THE LAND WITH CONSTRUCTION RIGHT FOR 30 YEARS, ON 30.09.2011 (VAT Included)**

**62.310.000.-TL****(Sixtymillionthreehundredtenhousand.-  
TurkishLiras)****24.770.000.-EURO****(Twentyfourmillionsevenhundredseventythousand.-  
EURO)**

**TOTAL ANNUAL RENTING VALUE OF 2 HOTELS AS OF 30.09.2011 (Excluding VAT)**

**1.830.000.- TL****(Onemillioneighthundredthirtythousand.-  
Turkish Liras)****730.000.- EURO****(Sevenhundredthirtythousand.-EURO)**

**TOTAL ANNUAL RENTING VALUE OF 2 HOTELS AS OF 30.09.2011 (Including VAT)**

**2.160.000.-TL****(Twomilliononehundredsixtythousand.-TurkishLiras)****860.000.-EURO****(Eighthundredsixtythousand.-EURO)**

*\*It is possible to include the hotel, which has a construction right on the land in question, in the Real Estate Investment Company portfolio in accordance with provisions of Capital Market Legislation.*

- 1-These identified values are the fair market values respectively for cash sales payments.
- 2- VAT not included.
- 3- Exchange rate has been taken as EURO 1 = TRY 2,5157 - The value in USD is given only for information
- 4- This report has been prepared further to the related provisions of the Capital Markets Regulation
- 5- 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: 2011REV664

REPORT DATE: 30.09.2011

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**ANNEX**

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**SECTION 9****ANNEX****Annex List**

1	Copy of the Title Deed
2	Approved Encumbrance Certificate
3	Copy of the Zoning Plan
4	Construction Right Contract
5	Building License
6	Occupancy Permit
7	Mortgage Bond
8	Pictures
9	Resumes