

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.



REAL ESTATE APPRAISAL REPORT

Date: 30.09.2011

R. No: 2011REV366



ISO9001:2008
FS 509685

AKFEN GAYRİMENKUL
YATIRIM ORTAKLIĞI
A.Ş.

NOVOTEL AND İBİS
OTEL

ZEYTİNBURNU /
İSTANBUL

We hereby state the following matters regarding the appraisal report numbered **2011REV366** prepared on **30.09.2011** by **TSKB Gayrimenkul Değerleme A.Ş.** for **Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.**

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

EXECUTIVE SUMMARY**OPEN ADDRESS OF PROPERTY**

Novotel ve İbis Otel, Kazlıçeşme mahallesi, Kennedy caddesi, No: 56, Zeytinburnu – İstanbul.

USE OF PROPERTY

4 star Novotel and 3 star İbis Otel.

TITLE DEED INFORMATION

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

ZONING STATUS

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

**FAIR MARKET VALUE OF THE SUPERFICIES OF NOVOTEL AND IBIS HOTEL (EXCLUDING VAT)
DATED 30 SEPTEMBER 2011****207.640.000.-TRY****(Two hundred seven million six hundred forty thousand.- Turkish Liras)****82.540.000.- €****(Eighty two million five hundred forty thousand.- EUROS)****FAIR MARKET VALUE OF THE SUPERFICIES OF NOVOTEL AND IBIS HOTEL (INCLUDING VAT)
DATED 30 SEPTEMBER 2011****245.015.200.-TRY****(Two hundred forty five million fifteen thousand two hundred.- Turkish Liras)****97.397.200.- €****(Ninety seven million three hundred ninety seven thousand two hundred.- EUROS)****ANNUAL RENT VALUE OF NOVOTEL AND IBIS OTEL AS OF 30 SEPTEMBER 2011 (EXCLUDING VAT)****12.540.000.-TRY****(Twelve million five hundred forty thousand.- Turkish Liras)****4.990.000.- €****(Four million nine hundred ninety thousand.- EUROS)****ANNUAL RENT VALUE OF NOVOTEL AND IBIS OTEL AS OF 30 SEPTEMBER 2011 (INCLUDING VAT)****14.797.200.-TRY****(Fourteen million seven hundred ninety seven thousand two hundred.- Turkish Liras)****5.888.200.- €****(Five million eight hundred eighty eight thousand two hundred.- EUROS)**

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

Mehmet ASLAN
Appraiser (401124)**Fatih TOSUN**
Appraiser in Charge (400812)

REPORT NO: 2011RE/366

REPORT DATE: 30.09.2011

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SECTION 1

REPORT,
COMPANY AND CUSTOMER INFORMATION

REPORT NO: 2011REV366

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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 2011REV366 with reference to the request dated 06.09.2011 and made by the firm, titled as Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.

1.2 Report Type

This report, is a valuation report prepared with the purpose of determining as of 30.09.2011 the fair market value in Turkish Liras of Novotel and İbis Otel located on the real estate property located on 1st Area, Sahil Yolu location, in the Zeytinburnu district, Zeytinburnu neighborhood, of the province of Istanbul where the right of superficies has been established for 49 years.

1.3 People Issuing the Report

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

1.4 Appraisal Date

This appraisal report is prepared with reference to the studies started on 20 September 2011 and finished on 30 September 2011. Not only examinations conducted at real estate location, municipality and land registry but also office work is done during appraisal study.

1.5 Base Contract

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

1.6 Factors Affecting the Appraisal Process Negatively

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

1.7 Scope of Client Demands and Limitations

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

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

	Report-1	Report-2	Report-3
Report Date	06.10.2010	31.12.2010	28.02.2011
Report Number	2010REV195-7	2010REV387-7	2011REV78-7
Report Prepared By	Hüsniye BOZTUNÇ- Adem YOL	Hüsniye BOZTUNÇ- Adem YOL	Hüsniye BOZTUNÇ- Adem YOL
Total Value of the Property (TL) (Excl. VAT)	146.348.000.-TRY	157.045.000 .-TRY	167.000.000 .-TRY

REPORT NO: 2011REV366

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1.9 Company's Information

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

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

1.10 Client Information

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

SECTION 2

DEFINITION AND SCOPE OF THE APPRAISAL

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

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

2.1.1 Sales Comparison Approach

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

2.1.2 Income Capitalization Approach

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

2.1.3 Cost Analysis Approach

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

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

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

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

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

2.1.4 Development Approach Method

The purpose of an investment is to produce goods or services, to put them into the market and make profit consequently. The commercial profitability of the investment depends on

sufficient demand for the goods or services to be produced and their sales with the prices that would provide possibility to obtain the expected profitability. The examination of the project for the entrepreneur covers the examination and evaluation of the industry where the subject product of the project is positioned and the anticipations regarding the future. The evaluation of the market where the subject goods or services of the project are positioned can be examined as the current situation and the expectations for the future. The expenses to be made in the case the project is constructed have been estimated, and another estimations has been held considering the marketing policies of the company and the generally feasibility principles. The income estimation of the project in the case of its development has been made, and assumptions have been held during this estimation. In these assumptions, the condition of the industry and the statistical figures of the similar projects near to the location of the project have been benefited from. Later, the performance estimation of the project was made and its net value under today's conditions in the case it was constructed have been calculated from this performance estimation. The assumptions made in the study were partially explained while the details were kept reserved by the expert.

2.2 Analysis of the Methods Used for Appraisal

2.2.1 Definitions and Model of the Calculation Methodology

Risk Free Rate

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

Variant on the risk-free rate¹

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

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

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

Variant 3 : The current long term government-bond rate (with the duration of the bond matched up to the duration of the asset) is used as the risk-free rate, and the historical premium earned by a broad market index above this long term government security rate is used to estimate the expected return on the market. The cost of equity, calculated using these inputs, is used as the discount rates each year's cash flows. Eurobond does not include the market risk for the performed work, although it includes the country and political risk.

¹ 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 this reason, our company estimates that the project-based evaluation and usage of the long-term Eurobond types within the scope of the risk-free yield rate allowances would be coherent with the allowances in the world. This rate also covers the country risk. In addition to that, the rates suggested by Damodaran for use in accordance with its Financial Market Characteristics are as follows:

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

Market Risk Premium- Market Index

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

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

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

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

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

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

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

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

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

Overall Capitalization Rate

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

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

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

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

Where R_f = Risk Free rate

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

Analysis Of The Methods Used In The Appraisal

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

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

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

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

2.2.2 Project Development Approach

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

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

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

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

2.3 The Value Definitions

2.3.1 Fair Market Value (Market Value)

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

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

2.3.2 Orderly Liquidation Value

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

2.3.3 Forced Liquidation Value

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

SECTION 3

GENERAL AND SPECIAL DATA

SECTION 3**GENERAL AND SPECIAL DATA**

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

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

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

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

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

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

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

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

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

3.1.2 Economic Data⁶

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

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

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

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

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

In the end of 2008 and in the beginning of 2009, the economical crisis also began to be felt in the real sector of Turkey. In 2009, together with the economic shrinkage, decreases in industrial production and employment have been experienced. It is known that the real estate industry has spent 2009 with shrinkage and the prices continued to decrease while the demand remained lackluster.

⁶ TSKB Gayrimenkul Değerleme A.Ş.
REPORT NO: 2011REV366

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

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

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

3.1.3 Sector Analysis

3.1.3.1 Tourism Industry

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

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

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

3.1.3.1.1 World Tourism

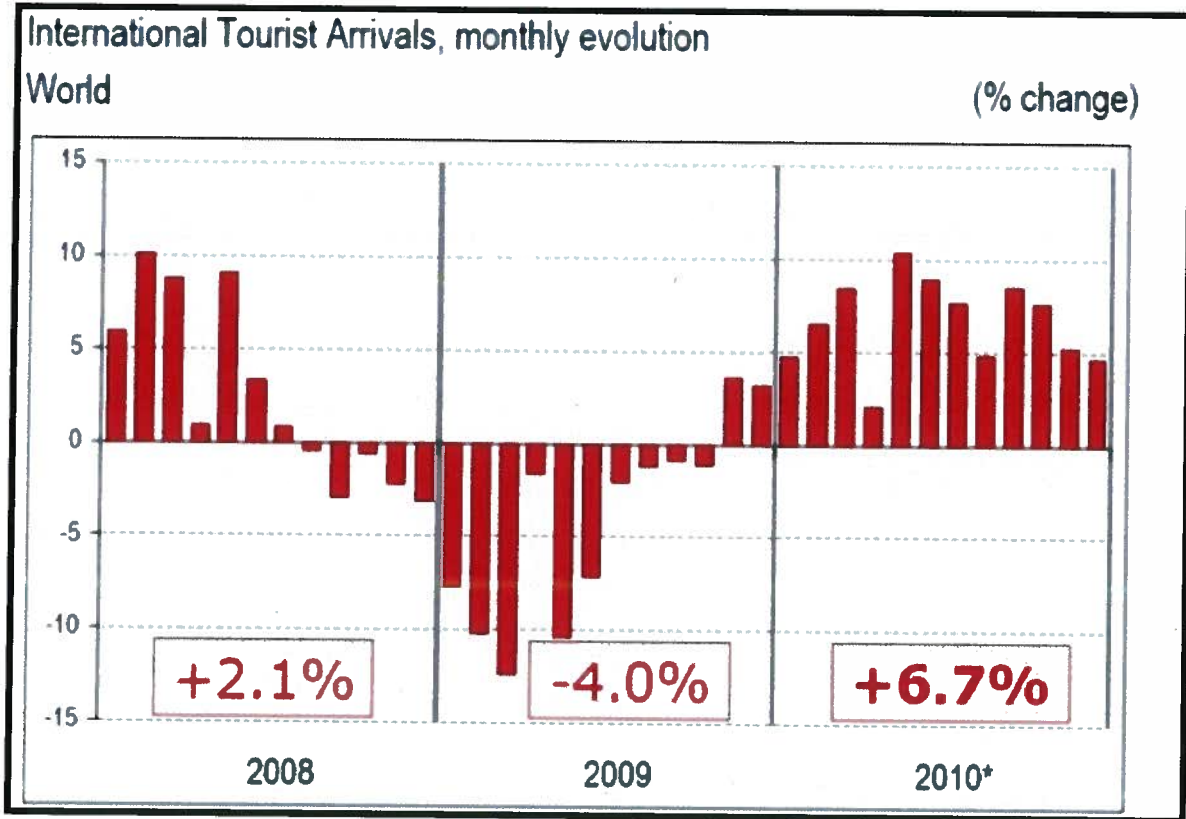
The center of gravity for the world tourism is Europe, where our country is also located. After Europe, the most important share belongs to the East and the Asian/Pacific region. Other than these two regions, the third region with the highest share is South and North America. From this, it can be said that the tourism of world economy is concentrated in the three regions which are developed economically, and with high levels.

Coming Tourist Numbers and Tourism Income (2008)

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

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

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



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

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

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

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

SOURCE: UNWTO

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

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

SOURCE: UNWTO

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

Comparison Table of Turkey vs. Competitors:

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

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

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

3.1.3.1.2 Tourism Industry in Turkey

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

2008-2011 Monthly Tourism Income

AYLAR Months	(Milyon \$ - Million \$)											
	KÜLTÜR VE TURİZM BAKANLIĞI + DEVLET İSTATİSTİK ENSTİTÜSÜ + MERKEZ BANKASI Ministry of Culture and Tourism + Turkstat + Central Bank			KÜLTÜR VE TURİZM BAKANLIĞI + DEVLET İSTATİSTİK ENSTİTÜSÜ + MERKEZ BANKASI Ministry of Culture and Tourism + Turkstat + Central Bank			KÜLTÜR VE TURİZM BAKANLIĞI + DEVLET İSTATİSTİK ENSTİTÜSÜ + MERKEZ BANKASI Ministry of Culture and Tourism + Turkstat + Central Bank			KÜLTÜR VE TURİZM BAKANLIĞI + DEVLET İSTATİSTİK ENSTİTÜSÜ + MERKEZ BANKASI Ministry of Culture and Tourism + Turkstat + Central Bank		
	2008			2009			2010			2011		
	(*)	(**)	TOPLAM (Total)	(*)	(**)	TOPLAM (Total)	(*)	(**)	TOPLAM (Total)	(*)	(**)	TOPLAM (Total)
OCAK-January	616,1	269,4	885,5	559,5	239,2	798,7	531,4	204,1	735,5	662,2	271,3	933,5
ŞUBAT-February	573,1	227,9	801,0	526,4	195,9	722,3	505,7	215,6	721,4	631,8	277,5	909,3
MART-March	817,1	272,7	1089,8	704,9	240,7	945,6	699,9	256,8	956,7	945,7	311,8	1257,5
3 AYLIK TOPLAM 3 Months Total	2006,3	770,0	2776,3	1790,8	675,8	2466,6	1737,1	676,5	2413,6	2239,7	850,6	3100,3
NİSAN-April	806,0	247,0	1053,0	765,2	256,2	1021,4	751,9	292,4	1044,3			,0
MAYIS-May	1451,7	240,3	1692,0	1208,6	235,5	1444,1	1308,2	292,4	1600,6			,0
HAZİRAN-June	1695,8	252,4	1948,2	1520,7	257,3	1778,0	1607,4	306,5	1913,9			,0
TEMMUZ-July	2342,9	711,4	3054,3	2201,1	705,7	2906,8	2099,1	641,9	2741,0			,0
AĞUSTOS-August	2965,8	1029,2	3995,0	2784,8	1029,0	3813,8	2373,4	824,3	3197,7			,0
EYLÜL-September	2190,4	748,2	2938,6	2054,8	751,0	2805,8	1980,8	655,4	2636,1			,0
EKİM-October	1842,2	419,4	2261,6	1910,2	556	2466,2	2114,1	570,8	2684,9			,0
KASIM-November	886,7	382,9	1269,6	938,9	502,8	1441,7	961,5	555,3	1516,8			,0
ARALIK-December	631,9	348,3	980,2	677,9	427,0	1104,9	643,9	413,8	1057,7			,0

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

2008-2011 Monthly Tourism Expenses

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

YABANCI ZİYARETÇİ VE YURT DIŞINDA İKAMET EDEN VATANDAŞ ZİYARETÇİ TURİZM GELİRLERİNİN YILLARA GÖRE DAĞILIMI Distribution of Tourism Receipts of Foreign Visitor and Turkish Citizens Residing in abroad by Years									
YILLAR Years	TOPLAM - Total			YABANCI - Foreigner			VATANDAŞ - Citizen		
	TURİZM GELİRİ Tourism Receipt (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)

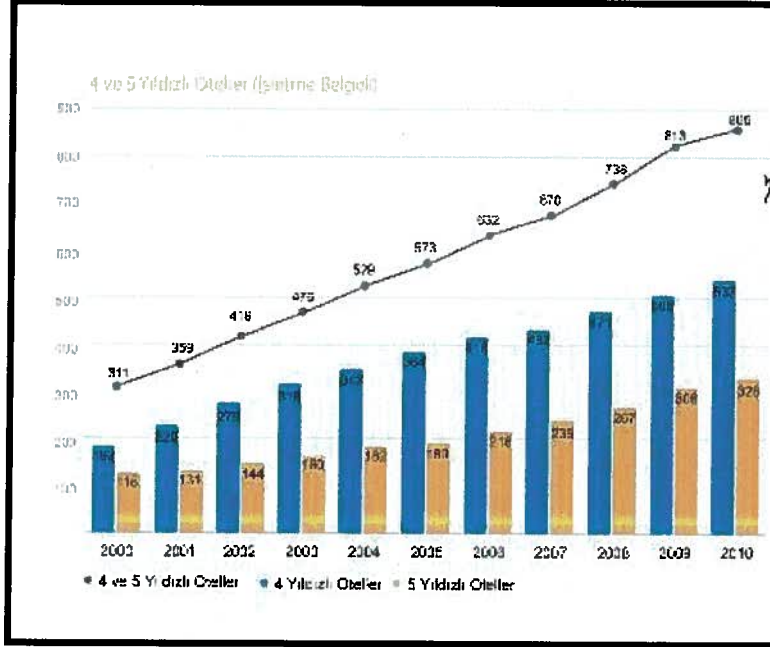
	2009	2010	10 / 09 (%) Change
Almanya	4.488.350	4.385.263	-2,3
İngiltere	2.426.749	2.673.605	10,17
Hollanda	1.127.150	1.073.064	-4,8
Fransa	932.809	928.376	-0,48
Belçika	592.078	543.003	-8,29
İtalya	634.886	671.060	5,7
Avusturya	548.117	500.321	-8,72
İspanya	376.215	321.325	-14,59
Yunanistan	616.489	670.297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

Tourism Investors Association of Turkey

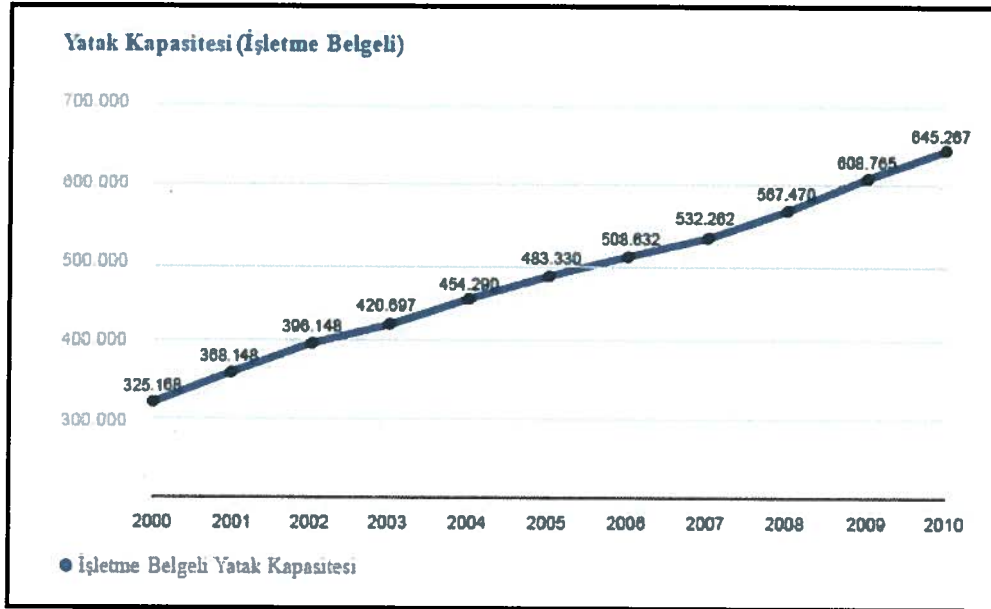
Accommodation and the Evaluation of 2010

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

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



Number of hotels Certificated Tourism Facility And Bed-2010



Bed Capacity of Facilities with Operation Certificates

Analysis of 2010 April – May – June:

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

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

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

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

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

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

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

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

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

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

Analysis of 2010 July – August – September:

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

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

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

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

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

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

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

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

MONTHS	TOURISM INCOME	DEPARTING VISTOR NUMBER	AVERAGE PERSONAL EXPENSE	TOURISM EXPENSE	NUMBER OF CITIZENS RESIDING IN DOMESTIC	AVERAGE PERSONAL EXPENSE
	(\$)		(\$)	(\$)		(\$)
2009						
JULY	2.906.792.509	4.218.369	689	460.697.012	651.212	707
AUGUST	3.813.819.077	5.491.275	695	329.229.786	460.934	714
SEPTEMBER	2.805.708.246	3.989.011	703	307.165.477	411.943	746
OCTOBER	2.466.201.396	3.515.977	701	374.671.441	490.962	763
NOVEMBER	1.441.776.357	1.945.675	741	393.619.402	517.640	760
DECEMBER	1.104.920.838	1.467.070	753	447.217.180	559.614	799
2010						
JANUARY	735.469.267	1.133.655	649	272.349.030	354.260	769
FEBRUARY	721.358.120	1.105.749	652	320.836.151	444.881	721
MARCH	956.697.423	1.513.316	632	396.740.807	494.956	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	388.662.215	518.823	749
I-III PERIOD TOTAL	15.547.264.342	25.987.902	601	3.465.071.775	4.843.296	720

Monthly Tourism Income and expenditure, 2009-2010

Analysis of 2010 October – November – December:

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

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

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

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

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

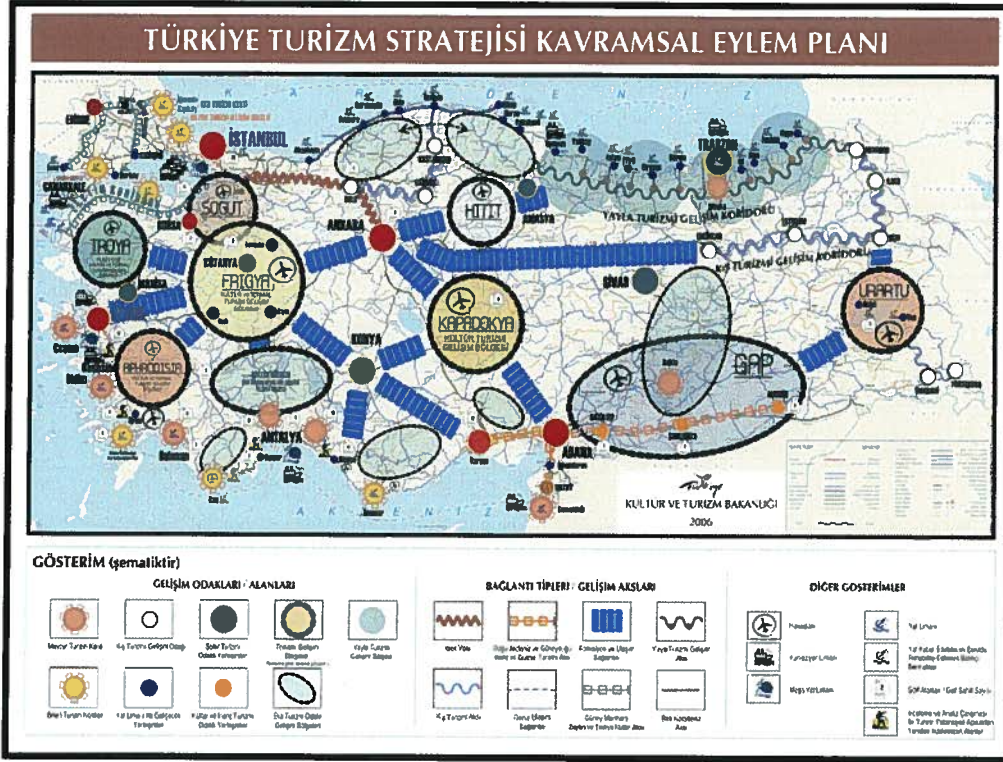
The number of outbound visitors in the 4th period of 2010 is 7.040.041 people. Among them, 6.023.265 were foreigners and 1.016.776 were citizens living abroad.

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

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

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

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



Market Players

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

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

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

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

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

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

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

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

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

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

Carlson (USA): Serves for hotel management in Turkey. Manages the hotels of Carlson group. Radisson, Country 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 İstanbul, 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, İstanbul Bussines, City İstanbul Taksim, Port İstanbul Bakırköy, and Comfort İstanbul Şişli.

3.1.3.3 Hotel Sector-Zeytinburnu

Name: WOW İSTANBUL OTEL (* * * * *)

Location: Yeşilköy

Total Number of Rooms: 275

Bed Capacity: 550

Opening Date: 2007

Room Sizes: 27 sqm

Suite Sizes: 53 sqm

Number and Capacities of Meeting Rooms:
Meeting room with capacity of 235 people.

Parking Lot Capacity: A closed parking lot is available.



General Features of the Hotel: Indoor swimming pool, Turkish bath, sauna, massage, fitness center, health center, hairdresser and beauty parlor are available. In addition, an indoor restaurant with capacity for 170 persons, Mezzanine restaurant with 170 persons capacity, Executive Lounge for 30 persons, Lobby Bar, Roof Bar, Vitamin Bar are available.

General Features of the Rooms: In the rooms, telephone, direct telephone, bathroom, in the bathroom; telephone, hair dryer, electronic lock system, fire alarm, mini bar, tea and coffee machine, wake-up service, safe box, 24 hours room service, satellite TV, pay TV, interactive TV, music broadcast, internet connectivity, central air conditioning are available. In the hotel, services for disabled persons, wake-up service, business center, internet, dry cleaning, laundry and ironing services

Room Prices: Corporate price at double standard rooms is 130 TL. Breakfast is included in the price, VAT is excluded.

Name: WOW İSTANBUL AIRPORT OTEL (* * * * *)

Location: Yeşilköy

Total Number of Rooms: 360

Bed Capacity: 720

Opening Date: 2007

Room Sizes: 26 sqm

Suite Sizes: 53 sqm

Number and Capacities of Meeting Rooms: 6 meeting room

Parking Lot Capacity: A closed parking lot is available.



General Features of the Hotel: In the hotel, room service, meeting/banquet facilities, airport shuttle service, business center, laundry, dry cleaning, hairdresser/beauty parlor, room service breakfast, ironing service, gift shop, restaurant, bar, safe box, soundproof rooms are available.

General Features of the Rooms: All rooms are sound proof and have air conditioning, mini bar and separate bathroom with bathroom products.

Room Prices: Corporate price at double standard rooms is 120 TL. Breakfast is included in the price, VAT is excluded.

Name: TITANIC PORT OTEL (* * * * *)

Location: Bakırköy

Total Number of Rooms: 181

Bed Capacity: 360

Opening Date:2009

Room Sizes: 28 -30 sqm

Suite Sizes: 55 sqm

Number and Capacities of Meeting Rooms: 8 meeting room

Parking Lot Capacity: A closed parking lot is available.



General Features of the Hotel: In the hotel, health room, child care, wake up service, business center, internet, market, dry cleaning, laundry and ironing services, a safe box available at the reception, generator, indoor car park, indoor swimming pool and children's section, children's pool, Turkish bath, sauna, massage, Jacuzzi, fitness center, health center, hairdresser, beauty parlor, solarium, gym, playground for children, mini club and TV room are available

General Features of the Rooms: In the rooms, telephone, voice mail, shower and toilet, bathroom, telephone in the bathroom, hairdryer, fire alarm, mini bar, tea or coffee machine, wake-up service, safe box, 24 hours room service, TV, cable TV, pay TV, interactive TV, music broadcast, digiturk, cine5, lig TV, internet connection, wireless internet and central air conditioning are available.

Room Prices: Corporate price at single standard rooms is 99 €, at double rooms 119 €. Breakfast and VAT are included in the prices.

Name: MARRIOTT COURTYARD AIRPORT OTEL (* * * *)

Location: Halkalı

Total Number of Rooms: 262

Bed Capacity: 312

Opening Date: 2009

Room Sizes: 28 sqm

Suite Sizes: 50 sqm

Number and Capacities of Meeting Rooms: 7 meeting room

Parking Lot Capacity: A closed parking lot is available



General Features of the Hotel: In the hotel, restaurant, bar, 24-hours open reception, garden, terrace, non-smoking rooms, rooms/facilities for the disabled guests, elevator, fast check-in/check-out, safe box, sound proof rooms, heating, luggage storage, air conditioning, a special area reserved for smoking are available.

General Features of the Rooms: In the rooms, direct telephone, voice mail, bathroom, hair dryer, fire alarm, tea or coffee machine, wake up service, tv, satellite tv, central air conditioning are available

Room Prices: For single person 100 €, two persons 110 €. Breakfast is included in the price, VAT is excluded.

Name: RADISSON SAS CONFERENCE & AIRPORT OTEL (*****)

Location: Yeşilköy

Total Number of Rooms: 326

Bed Capacity: 652

Opening Date: 1999

Room Sizes: 26 -50 sqm

Suite Sizes: 60 - 90 sqm

Number and Capacities of Meeting Rooms: 20 meeting room

Parking Lot Capacity: A closed parking lot is available



General Features of the Hotel: In the hotel, breakfast hall, pastry shop, lobby bar, pool bar, terrace bar, restaurant bar, a la carte and open buffet service, indoor restaurant, pool, children's pool, Turkish bath, sauna, massage, Jacuzzi, health center, fitness center are available.

General Features of the Rooms: In the rooms, bathroom, wc, bathtub, hair dryer, music and telephone in the bathroom, cable or wireless internet connection, direct telephone, mini bar, air conditioning are available.

Room Prices: For single person 90 €, two persons 100 €. Breakfast is included in the price, VAT is excluded.

Name: GREEN PARK OTEL (*****)

Location: Merter

Total Number of Rooms: 140

Bed Capacity: 280

Opening Date: 1995

Room Sizes: 24 -35 sqm

Suite Sizes: 40 - 65 sqm

Number and Capacities of Meeting Rooms: 5 meeting room


Parking Lot Capacity: A closed parking lot is available




General Features of the Hotel: In the hotel, health room, child care, business center, internet, wireless internet, market, dry cleaning, laundry and ironing services, a safe box available at the reception, generator, open car park, open swimming pool and children's section, 1 indoor swimming pool and children's section, Turkish bath, sauna, massage, Jacuzzi, fitness center, health center, hairdresser, beauty parlor, solarium, nightclub are available.


General Features of the Rooms: In the rooms, direct telephone, shower and toilet, bathroom, hairdryer, electronic lock system, fire alarm, mini bar, tea or coffee machine, wake-up service, safe box, 24 hours room service, TV, satellite TV, pay TV, digitürk, internet connection, central air conditioning are available.

Room Prices: Corporate price for double person is 110 €, for single 85 €. Breakfast is included in the price, VAT is excluded.

Name: KAYA RAMADA PLAZA OTEL (*****)	
	
Location: Büyükçekmece	
Total Number of Rooms: 318	
Bed Capacity: 756	
Opening Date: 2002	
Room Sizes: 25 sqm	
Suite Sizes: 50 sqm	
Number and Capacities of Meeting Rooms: 23 meeting room	
Parking Lot Capacity: A closed parking lot is available	
General Features of the Hotel: In the hotel, health club, business center, internet, wireless internet, market, dry cleaning, laundry and ironing services, generator, open car park, indoor car park, outdoor swimming pool and children's section, 1 indoor swimming pool and children's section, Turkish bath, sauna, massage, Jacuzzi, fitness center, health center, hairdresser, beauty parlor, solarium are available.	
General Features of the Rooms: In the rooms, direct telephone, shower and toilet, bathroom, hair dryer, electronic lock system, fire alarm, mini bar, tea and coffee machine, safe box, 24 hours room service, TV, satellite TV, pay TV, internet connection, central air conditioning are available.	
Room Prices: Corporate price for double person is 105 €, for single 95 €. Breakfast is included in the price and VAT is excluded.	

Name: SHERATON ISTANBUL OTEL (*****)	
	
Location: Ataköy	
Total Number of Rooms: 285	
Bed Capacity: 570	
Opening Date: 2010	
Room Sizes: 30 -40 sqm	
Suite Sizes: 70 - 110 sqm	
Number and Capacities of Meeting Rooms: 9 meeting room	
Parking Lot Capacity: A closed parking lot is available	
General Features of the Hotel: In the hotel, indoor and outdoor swimming pool, massege and fitness center, tennis court, dry cleaning, exchange office, car rental service, tour service are available.	
General Features of the Rooms: In the rooms, direct telephone, shower and WC, bathroom, hair dryer, elektronik lock system, fire alarm, mini bar, tea or coffee machine, safe box, 24 hours room service, TV, satellite TV, pay TV, internet connection, central air conditioning are available.	
Room Prices: Corporate price for double person is 155 €, for single 140 €. Breakfast is included in the price and VAT is excluded.	

Hotels in Project Phase

Name: ACVILAR HILTON DOUBLE TREE	
Location: Avcılar	
Total Number of Rooms: 230	
Bed Capacity: -	
Opening Date: 2011	
Room Sizes: -	
Suite Sizes: -	
Number and Capacities of Meeting Rooms: -	
Parking Lot Capacity: A closed parking lot is available	
General Features of the Hotel: -	
General Features of the Rooms: -	
Room Prices: -	

Summary Chart:

Hotel Name	Quality	Number of rooms	Price (Euro)*	Price (TL)*
WOW İstanbul Otel	5 star	275	59	130
WOW İstanbul Airport Otel	4 star	360	54	120
Holiday Inn Airport Otel	5 star	330	90	198
			105	231
Titanic Port Otel	5 star	181	99	217
			119	261
Marriott Courtyard Airport Otel	5 star	262	100	220
			110	242
Radisson SAS Conference & Airport Otel	5 star	326	90	198
			100	220
Green Park Otel	5 star	140	110	242
			85	187
Kaya Ramada Plaza Otel	5 star	318	95	209
			105	231
Sheraton İstanbul Ataköy Otel	5 star	285	140	308
			155	341

* VAT excluded, breakfast included.

3.2 Special Data - Analysis of the Area Where the Property is Located**3.2.1 İstanbul Province**

Istanbul is located on the 28° 01' and 29° 55' eastern longitudes, and 41° 33' and 40° 28' northern latitudes. Istanbul Strait merges the Black Sea with the Marmara Sea; while it also separates Asia from Europe and divides Istanbul into two.

Istanbul acts as a bridge between the continents of Europe and Asia, and it is built on the two tips that the continents most approach each other, on 5.512 square kilometre area. These tips are surrounded by Catalca on the European side, Kocaeli on the Anatolian side; Marmara and Bursa on the south, Tekirdağ on the southwest and Kırklareli on the northwest. The Princes' Islands in the Marmara Sea are also included in Istanbul province.

The districts of İstanbul province are; Adalar, Avcılar, Bahçelievler, Bakırköy, Bağcılar, Bayrampaşa, Beşiktaş, Beykoz, Beyoğlu, Eminönü, Eyüp, Fatih, Gaziosmanpaşa, Güngören, Kadıköy, Kağıthane, Kartal, Kocasinan, Küçükçekmece, Maltepe, Pendik, Sarıyer, Sultanbeyli, Şişli, Tuzla, Ümraniye, Üsküdar, Zeytinburnu, Büyükçekmece, Çatalca, Silivri and Şile. İstanbul International Ataturk Airport is 20 km away from the city centre. Besides, it is also possible to rent an airplane or helicopter in İstanbul.

Istanbul accounts for 9.7% of the total area of Turkey, and it is the most important province of the country in terms of its population. According to Year 2010 General Census, total population of İstanbul is 13,255,685. The annual population increase rate is 0.331%.

Istanbul is located on Kocaeli and Çatalca Peninsulas. Both of these peninsulas are two worn tablelands. The landscape of İstanbul resembles to the landscape under the Mediterranean climate. Lemur is the most observed plant type in the region. These plants acclimatized to a long and dry summer season. However, due to the characteristics of the climate, the hills are not bare. The most important one of the forest areas in patches is the Belgrade Forest 20 km on the north of the city centre.

The biggest stream in İstanbul is Riva Stream, which is also the biggest stream of Kocaeli Peninsula. The most important streams that flow into İstanbul Strait are Küçüksu and Göksu streams. Apart from them, there are also Kağıthane and Alibey Streams flowing into the Golden Gate, Sazlıdere flowing into Küçükçekmece Lake, Karasu Stream flowing into Büyükçekmece Lake, Traçça Stream flowing into Terkos Lake as the major streams of İstanbul province. In the province, there are three small but important lakes. All three of them are on the European side. The water of Terkos Lake, which is away from the sea, is fresh. The city

water is provided from that lake. The water of Küçükçekmece (11 ksqm) and Büyükçekmece (16 ksqm) lakes are salty because they contact with the sea.

Summer months are generally hot and the winters are not very cold in Istanbul due the weather systems influential in the province. Although Istanbul seems like showing the properties of the Mediterranean climate, it has a different climate due to the effect of the Marmara Sea and the Istanbul Strait. In winter months, it is under the influence of the cold-dry air mass from the Black Sea and the cold and rainy air mass from the Balkans, and especially the warm and rainy air mass from the Mediterranean. In the entire province, the cold and rainy (with northeast wind) weather of the Black Sea and the warm (with southwest wind) Mediterranean weather follow each other. In the province, major heat differences are not observed between summer and winter or day and night.

From the economic terms, Istanbul is one of the most developed cities in Turkey. It is one of the most important sources if tourism, industry and commerce economy. Although most of the industrial organizations have been moved outside of the province, the province still maintains its importance in terms of the manufacturing industry. The actual development with regard to the manufacturing industry of Istanbul began after the foundation of the Republic in 1923. The accelerating capital accumulation and the support provided to the private industry after 1950s enabled Istanbul to become a leading city in terms of industry and commerce.

Istanbul has become one of the most appealing tourism centres of Turkey with its natural beauty, rich cultural assets, and its developments with regard to transportation and accommodation. Most of the foreign tourists first land in Istanbul for their visits to Turkey.

3.2.2 Zeytinburnu District



Fatih is in the East of the administrative district of Zeytinburnu which is surrounded by the Marmara Sea from the south, Eyüp at its North East, Bayrampaşa at its North, Esenler at its Northwest, while the districts of Bakırköy and Güngören are in its West. The district's territory boundaries are determined by Çırpıcı River at the west, and by land ramparts separating Zeytinburnu from the historical peninsula in the East. Whereas the coastline of Zeytinburnu starts around Yedikule gate and extends to the lands of Bakırköy district. The length of this section is about 2600 m in average.

The district of Zeytinburnu is at a distance of 15-20 minutes to the airport. The lands of the district are located at the longitude of 29 degrees East and the latitude of 41 degrees North. At these latitude and longitude degrees, it stretches approximately on an area of 11.16 km² with its almost rectangular shape. According to the Address Based Population Registration System of 2010 the total population of Zeytinburnu has been indicated as 292.430.

The average elevation from sea level of the district's lands is 30-35 m. Any obstacle does not exist from the seaside inwards. The eastern section of the districts slants slightly upwards from the Marmara Sea to the North. This elevation reaches 51 m in the Neighborhood of Maltepe. Its southern section appears as flat lowland from Yedikule to the Sümerbank factory in Yenimahalle. The lands of the district which were formerly covered with brushwood as vegetation have now become a settlement and industry area.

The coastal road of Sirkeci-Florya passes from the south of the district, the international E-5 Motorway connecting the continents of Asia and Europe also passes through the district's boundaries. The length of the State Highway is 5 km., The length of the Provincial Road is 3 km. While the length of the international highway 3 km. The railway connecting Istanbul to Europe passes from the South of the district. The total length of the railroad is 2770 m.

Zeytinburnu is one of the places with the most colorful lifestyle of Istanbul. It is possible to go to Zeytinburnu by traditional mass transport vehicles such as either autobus or minibus, as well as by light metro and railway transport system.

The district has very advantageous conditions regarding shopping. Regarded as the leather center of Turkey, Zeytinburnu is a spot which is marketing at the cheapest price leather which has also played an important role in its development. Furthermore, Zeytinburnu, is in a very important position with its many textile suppliers where you can buy their products at first hand as well as with Olivium shopping center where factory stores of major trademarks are available.

Zeytinburnu is one of the most productive districts of Turkey with almost 25.000 business places, about 10.000 manufacturing plants and 170 factories. Textile, leather and iron and steel are leading business lines in Zeytinburnu which contributes largely to the country's revenues with values it has created with its many sectors. Located in the North of the district, Maltepe Neighborhood is a full-fledged production centre with its 170 large industrial establishments, almost 10 thousand manufacturing places and workplaces as well as with almost 70 thousand employees. Its contributions to the country's economy cannot be denied; many large enterprises such as Ülker, Şişe Cam, İbrahim Ethem Pharmaceutical Plant, Hoechst, Mercedes Benz, Derimod, Yeşil Kundura, Karaca, Mavi Jeans are located there. The automotive sector is one of the vital points of the Cevizlibağ area.

In addition to Demirciler Sitesi (Blacksmiths' Site) which has the largest market share of the country as well as the nearby geography in the Iron-Steel sector and Nakliyeciler Sitesi (Forwarding Agents' Site) are conglomerations which are increasing the importance of the district in the business world.

SECTION 4

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

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

Province	:	İstanbul
District	:	Zeytinburnu
Quarter	:	1. Bölge
Subdistrict	:	Zeytinburnu
Village	:	-
Street	:	-
Locality	:	Sahilyolu
Plot No	:	85/1
Section	:	774
Parcel	:	55
Quality	:	Right of superficies for forty-nine years on the parcel fifty-five, block seven hundred seventy four, on page six hundred four.
Area	:	11.720,00 sqm
Owner	:	Akfen Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

4.2 Title Deed Examination of the Real Estate

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

The following rights and limitations have been identified on the appraised property according to the letter of encumbrances obtained from the Land Registry Directorate of Zeytinburnu District, İstanbul Province on 27 September 2011.

In the Easement Rights Section

- The individual and continuous easement right on the property was registered for Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. for 49 years on page no. 610. (dated 04 December 2003 and journal no. 6650)

In Declarations Section

- As noted in the contract table dated 03 September 2008 and journal no. 11096, the official title deed change regarding the easement right was realized. (dated 03 September 2008 and journal no. 11096)

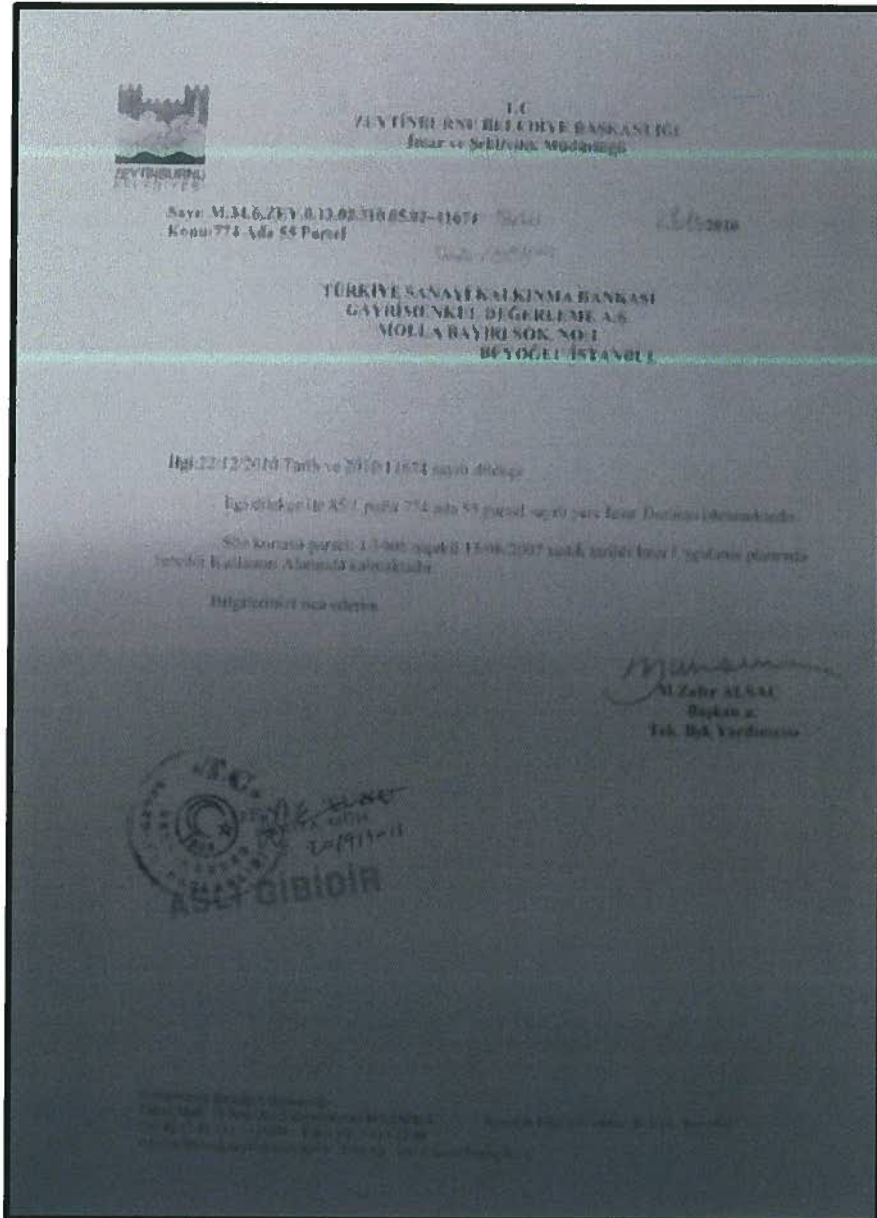
Collaterals

- There is a hypothecation registration dated 14 October 2008 and journal entry no. 12982 in favor of Türkiye İş Bankası A.Ş. and Türkiye Sınai Kalkınma Bankası A.Ş. for the amount of 150.000.000 Euros.

✓ **Zoning Situation:**

The parcel subject to valuation remains in the "Preferred Utilization Area" in the plan approved at the date of 15 June 2007 by the Provincial Directorate of Culture and Tourism. In the plan, construction conditions are stated as;

- Construction equivalent 2,50 (for Tourism Facilities),
- Hmax= 117 m.,
- Application shall be made according to the preliminary project and approval shall be given by the Metropolitan Municipality.



✓ **Licenses and Permits:**

- There is a "Building License" dated 06 January 2005 and no 2004/6254 for totally 26.372 sqm area.

REPORT NO: 2011REV366

REPORT DATE: 30.09.2011

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Istanbul (Merkez) 0212 334 50 54	Ankara (Şube) 0312 441 75 22	Izmir (Şube) 0232 463 12 00
Adana (Şube) 0322 459 59 80	Antalya (Şube) 0242 322 20 90	Bursa (Şube) 0224 225 40 30

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- There is a "Building Use Permit" for 26.372 sqm area dated 23 February 2007 and no. 2007/1544.*
- There is an "Approved Architectural Design" dated 06 January 2005 for the property.

License – Occupancy Permit Date/No	Reason of Issue	Area(sqm)
06.01.2005 – 2004/6254 (Building Licence)	Otel	26.372,00
23.02.2007 – 2007/1544 (Building Use Permit)	Otel	26.372,00
06.01.2005 (Approved Architectural Design)	Otel	-

***Any differences have not been observed between the actual status and legal status during the on-site inspections of the mentioned property. The existing structure is compliant to the "Building Use Permit" dated 23 February 2007.**

✓ **Building Supervision:**

- Building supervision of the property is performed by Birikim Yapı Denetim Ltd. Şti. located İncirli Caddesi Toprak Apt. No:37 Kat-2 Bakırköy/İSTANBUL.

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

According to research made in Zeytinburnu Municipality Construction Manager and the document provided by the customer – given as attachment – there is not a change in the zoning status of the property in last three years. Zoning status certificates of the property dated 28 December 2010 and 02 March 2011 are appended.

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

Because the existing mortgage on the title log of the property was established for financing the project, it is believed that there are not any obstacles for the inclusion of the property in REIT portfolio with respect to the mortgage, and as the type allocation of the hotel with easement right on the appraised land was completed, its inclusion in the REIT portfolio is possible according to the provisions of the Capital Market Regulations, in our opinion.

4.5 Civil Liability

On the appraised property, there is a mortgage as, "Mortgage: Türkiye İş Bank Türkiye Sınai Kalkınma (Industrial Development) Bank, € 150,000,000.00 amount, 1st rank, 3.75% interest. It has been identified that the encumbrance (dated 14 October 2008 and journal no. 12982= was issued for project financing. The official letter regarding the mentioned mortgage is annexed herein.

4.6 Environmental and Ground Contamination

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

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

SECTION 5

PHYSICAL INFORMATION OF THE REAL ESTATE

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

Open address of the property: Novotel ve İbis Otel, Kazlıçeşme mahallesi, Kennedy caddesi, No: 56, Zeytinburnu - İstanbul

The real estate property related to the valuation study is located in the province of İstanbul within the boundaries of Zeytinburnu district. On the parcel with 11.720 square meters surface area, the 4-stars Novotel and 3-stars İbis Otel are located. The real estate property subject to valuation is positioned with their façade to the Kennedy Avenue which is also known as "Coastal road-Sahil Yolu".

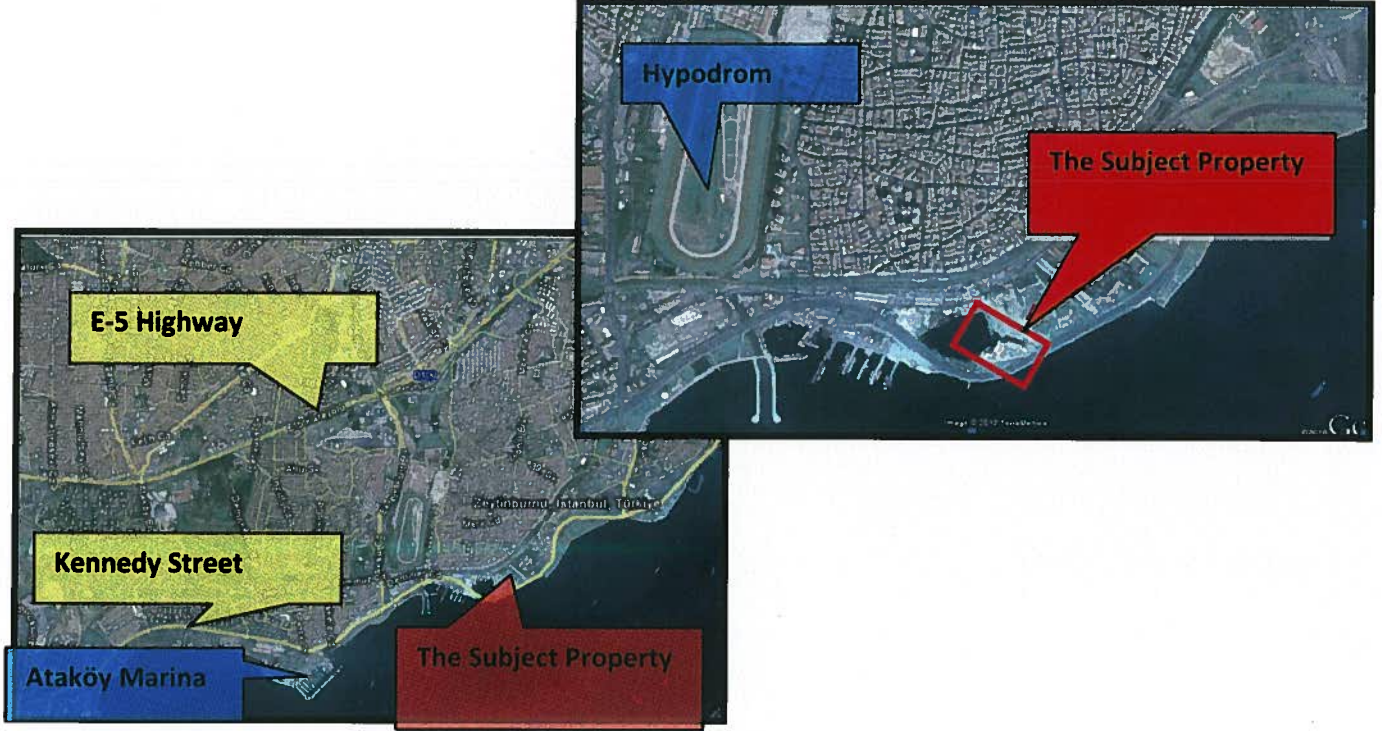
To reach the subject real estate property from Eminönü, the Coastal Road is taken. Advance straight without turning to any direction towards Yenikapı Hydrofoil landing place. After advancing for 7,5 km. from Sirkeci, the subject real estate property is positioned with its façade to the right hand side of the avenue before arriving to Bakırköy. İbis Hotel is located at the East side of the parcel and Novotel is at the West side and both hotels have panoramic sea view. In the vicinity of the real estate property; Toyota Derindere authorized technical service building, Yenikapı İDO landing place, World Trade Center, İstanbul Atatürk Airport, Galleria Shopping Center, Bakırköy Hydrofoil landing place as well as buildings of commercial and residential nature.

The real estate property is at an air distance of approximately 6,5 km. to İstanbul Yeşilköy Atatürk Airport. The subject hotels' being so near to the airport, their having a panoramic sea view and having their façades directly to the coastal road are positive advantageous factors. On the real estate property owned by the Treasury of the Ministry of Finance, rights of superficies for 49 years in favor of Akfen GYO A.Ş. have been established. Subsequently, Akfen GYO A.Ş. with a lease contract which has been signed has transferred the administration of the hotels to the French Accor Tamaris Turizm A.Ş.

The real estate property is approximately at 2,7 km. air distance to D100 (E5), at 7,5 km. to Eminönü, approximately at 29 km. air distance to Büyükçekmece. Transportation to the real estate property is possible by public and private vehicles.

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

LOCATION	DISTANCE
D100 (E5) Highway	2,7 km.
Atatürk Airport	6,5 km.
Eminönü	7,5 km.
Büyükçekmece	29 km.



5.2 Current Status Of The Real Estate

The real estate properties subject to valuation are Novotel and Ibis Hotel positioned with their façade to Kennedy Avenue (coastal road), in the neighborhood of Kazlıçeşme, district of Zeytinburnu in the province of Istanbul. Ibis Hotel is located at the East façade of the parcel, while Novotel is at the western façade; both hotels have panoramic sea view.

The parcel where the hotels subject to valuation are positioned is under the ownership of the Treasury. According to the agreement on the right of superficies signed between the Treasury and Akfen GYO A.Ş. the right of superficies has been given in favor of Akfen GYO A.Ş. until the date of 18 November 2051. Whereas Akfen GYO A.Ş. having bare ownership has leased the subject parcel together with the hotels it has built on it to the French Accor Tamaris Turizm A.Ş. for a duration of 25 years with five years' option.

Novotel which is located on the parcel subject to valuation consists of 2 basement floors+ ground floor + 12 floors. The part of 10.901 square meters of the hotel having a total covered area of 16.649 square meters is the area included in the equivalent. At Novotel, there is a parking garage at the 2nd basement, a parking garage, management offices, laundry, dining hall, technical and installation spaces at the 1st basement, the lobby, restaurant, meeting halls, lounge area, kitchen, business center at the ground floor, fitness center, sauna, steam bath, rest room, 4 massage halls at the 1st normal floor while at the remaining floors bedrooms are available. Ibis Hotel which is located on the parcel subject to valuation consists of 2 basement floors+ ground floor+ 7 floors. From the total covered area of 9.723 square meters of the hotel a section of 6.461 square meters is included to the equivalent. At Ibis Hotel at the 2nd basement floor a parking garage, at the 1st basement floor a parking garage, technical and installation spaces, at the ground floor, the lobby, restaurant, kitchen and rooms, while at other floors bedrooms are available. At Novotel, there are 160 standard rooms, 38 communicating rooms, 4 rooms for the disabled, 6 suites, in total 208 rooms. While at Ibis Hotel 18 sofa bed, 42 desk bed, 45 twins, 6 VIP's, 4 rooms for the disabled, 113 standard rooms in total 228 rooms are available. In addition an outdoor swimming pool is available at Novotel.

Surface area calculation included to the equivalent	Area
Novotel	10.901
İbis Otel	6.461
Toplam	17.362

Gross Areas belonging to the hotel utilization and Room Distributions (Novotel)**

Floors	Using Status	Total Gross Area (sqm)*	Surface Area (sqm)	Room Number
2nd Basement Floor	Indoor Parking and warehouse	1.468		
1st Basement Floor	Indoor parking, offices, laundry, refectory, technical areas, automation, technical manager office, technical warehouse, stuff entrance, shelter, stuff lockerroom, Wc.	3.474	322	
Ground Floor	lobby, restaurant, meeting rooms, foyer alanı, kitchen, business center, lobby bar	2.197	2.051	
1 st Floor	fitness center, sauna, steam room, resting room, 4 pieces massage parlor	1.018	927	
2 nd floor	Room Floor	772	691	14
3 rd floor	Room Floor	772	691	20
4 th floor	Room Floor	772	691	20
5 th floor	Room Floor	772	691	20
6 th floor	Room Floor	772	691	20
7 th floor	Room Floor	772	691	19
8 th floor	Room Floor	772	691	19
9 th floor	Room Floor	772	691	19
10 th floor	Room Floor	772	691	19
11 th floor	Room Floor	772	691	19
12 th floor	Room Floor	772	691	19
	Total	16.649	10.901	208

*** Gross and areas included to the equivalent have been obtained from the approved architectural project and are consistent with their current use.**

Gross Areas belonging to the hotel utilization and Room Distributions (İbis Otel)**

Floors	Using Status	Total Gross Area (sqm)†	Surface Area (sqm)	Room Number
2nd Basement Floor	Indoor Parking	734		
1st Basement Floor	Indoor parking, technical and installation spaces	1.816		
Ground Floor	Lobby, restoran, kitchen and room spaces	1.245	1.162	11
1 st Floor	Room Floor	858	781	31
2 nd floor	Room Floor	845	753	31
3 rd floor	Room Floor	845	752	31
4 th floor	Room Floor	845	753	31
5 th floor	Room Floor	845	753	31
6 th floor	Room Floor	845	753	31
7 th floor	Room Floor	845	753	31
Total		9.723	6.461	228

* Gross and areas included to the equivalent have been obtained from the approved architectural project and are consistent with their current use.

**The construction area included in the coefficient for the hotel is currently 17.361,32 sqm in total and 1,48 of the coefficient right has been used, and the coefficient right is 2.50. According to the existing zoning status, one the parcel, where the total construction right included in the coefficient is 29.300 sqm, there is construction right of 11.938 sqm included in the coefficient.

5.3 Structural Characteristics of the Construction

Construction Type	:	Reinforced Concrete Frame
Total Indoor Area subject to Appraisal	:	Novotel 16.649,00 m ² İbis Otel 9.723,00 m ²
Roof System	:	Terrace Roof
Age	:	Aprox. 2 years
Electricity	:	Network
Water	:	Network
Sewer System	:	Network
Heating System	:	It is provided by 2 hot water boiler and central heating with natural gas fuel.
Cooling System	:	It is provided with air refrigerated Chiller groups.
Climate System	:	It is provided with air conditioning centrals and exhaust fans.
Security System	:	Card pass and burglar alarm systems are available.
Fire Alarm	:	There is a fire safety and notification system connected to the automation system. The fire extinction system is sprinkler; furthermore fire cabinets and fire extinguishers are available.
Fire Escape	:	Available

5.4 Interior Structural Characteristics of the Property**Room Using and using details by floors (Novotel)**

2nd basement floor	
At the 2 nd basement area having a covered area of 1.468 square meters there are indoor car park and storage areas.	
Floor	: concrete coating (public and indoor parking spaces)
Wall	: Paint over plaster, ceramic (WC)
Ceiling	: Metal suspended ceiling, plastic paint (parking spaces)
Joinery	: Metal ve and wood (door joineries)
Lightening	: Fluorescent

1st Basement Floor	
At the 1 st basement with a covered area of 3.474 square meters, indoor car park, management offices, laundry, dining hall, technical and installation spaces, automation, technical manager room, technical warehouse, power station, personnel entrance, personnel registration/accounting, engine room, shelter, personnel locker rooms, depots and WC's are available.	
Floor	: concrete coating (public and indoor parking spaces), mosaic (boiler room), parquet (office spaces), ceramic (dining hall, lockerrooms, WC, laundry).
Wall	: Paint over plaster, ceramic (WC), plastic paint (installation spaces)
Ceiling	: Rockwool suspended ceiling (offices), metal suspended ceiling, plastic paint (indoor parking)
Joinery	: Wood and aluminium (door joineries)
Lightening	: Fluorescent

Ground Floor	
At the ground floor with a covered area of 2.197 square meters, the lobby, restaurant, meeting halls, lounge, kitchen, business center and lobby bar are present. Access from the ground floor to the room floors is possible through 3 elevators and through 1 elevator to the basement floors as well as through staircases.	
Floor	: Locally parquet, locally ceramic (foyer space, lobby and restaurant), carper (meeting rooms), ceramic (WC)
Wall	: Papering and granit (meeting rooms and restaurant), ceramic (WC)
Ceiling	: Suspended ceiling with spot lightening.
Joinery	: PVC and wood
Lightening	: Fluorescent and spot.

1st floor	
At the 1 st floor which has a covered area of 1.018 square meters a fitness center, sauna, steam bath, rest room, 4 massage parlors are available. There are no rooms at the first floor.	
Floor	: Locally parquet, locally granit
Wall	: Locally granit, locally papering, locally paint
Ceiling	: Suspended ceiling with spot lightening.
Joinery	: PVC and wood (kapı doğramaları)
Lightening	: Fluorescent and spot.

Room floors	
All 2-12. Floors provide service as room floors. Room floors with the size of 772 square meters each have a covered area of 8.492 square meters in total. At Novotel, at the 2 nd floor there are 14 rooms, 20 rooms at each of the 3-6 th floors and 19 rooms at each of the 7-12 th floors being in total 208 rooms. 38 of these rooms have been designed as communicating rooms, 4 of them are for the disabled, 6 of them are suites and 160 are standard rooms.	
Floor	: Carper, ceramic (bathroom and WC)
Wall	: Paint, ceramic (WC)
Ceiling	: Suspended ceiling
Joinery	: Wood (door), PVC (windows)
Lightening	: Spot and decorative lightnings

Room Using and using details by floors (İbis Otel)

2nd Basement Floor	
At the 2 nd basement area having a covered area of 734 square meters there are indoor car park and storage areas.	
Floor	: concrete coating (public and indoor parking spaces)
Wall	: Paint over plaster, ceramic (WC)
Ceiling	: Metal suspended ceiling, plastic paint
Joinery	: Metal and wood (doors)
Lightening	: Fluorescent

1. Basement Floor	
the 2 nd basement area having a covered area of 1.816 square meters there are indoor car park and storage areas.	
Floor	: concrete coating (public and indoor parking spaces)
Wall	: Paint over plaster,
Ceiling	: Metal suspended ceiling, plastic paint
Joinery	: Metal and wood (doors)
Lightening	: Fluorescent

Ground Floor	
At the ground floor with a covered area of 1.245 square meters, the lobby, restaurant, kitchen, are present.	
Floor	: Parquet (lobby and restaurant), carper (rooms), ceramic (Kitchen)
Wall	: Locally paint and locally granit (lobby, restaurant and rooms), ceramic (WC)
Ceiling	: Suspended ceiling with spot lightening.
Joinery	: PVC and wood
Lightening	: Fluorescent

Room Floors	
All 1-7. Floors serve as room floors. The 1st floor has a covered area of 858 square meters; the other room floors with the size of 845 square meters each have a covered surface area of 5.928 square meters in total. At İbis Hotel, there are 11 rooms at the ground floor, 31 rooms at each of the other floors, in total 228 rooms. 18 of these rooms have been designed as sofabed, 42 as desk bed, 45 as twin, 6 as VIP, 4 as disabled rooms, 113 as standard rooms.	
Floor	: Carpet, seramik (bathroom and WC)
Wall	: Paint and ceramic (WC)
Ceiling	: gypsum board suspended ceiling
Joinery	: Wood (door), PVC (windows)
Lightening	: Spot and decorative lightnings

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➤ Details of the Hotel Spaces

Meeting Halls:

In total there are 4 divisible multi-purpose meeting halls.

At meeting halls with high ceilings and acoustic, joint secretarial services are provided.

There is a common exit from meeting halls to the lounge with a surface area of 166 square meters.

The halls are supported with technical devices. (Barcovision, sound system and normal lighting system are available)

Rooms:

At Novotel there are 208 rooms in total consisting of 14 at the 2nd floor, 20 at each of the 3-6th floors and 19 at each of the 7-12th floors. From these rooms, 38 have been designed as communicating rooms, 4 rooms for disabled, 6 as suites and 160 as standard rooms. Room floors with a surface area of 772 square meters each represent a covered area of 8.492 square meters in total. Whereas at İbis Hotel there are 228 rooms in total consisting of 11 at the ground floor, 31 at each of the other floors. 18 of these rooms have been designed as sofabed, 42 as desk bed, 45 as twin, 6 as VIP, 4 rooms for disabled, 113 as standard rooms. The 1st floor has a covered area of 858 square meters; the other room floors with size of 845 square meters each have a covered surface area of 5.928 m² in total. The ground floor, 3rd, 5th, 7th floors at İbis Hotel and the 4th, 5th, 6th and 12th floors at Novotel are smoking floors. In the rooms, air conditioning, mini bar, internet computer connection, satellite television channels, direct telephone, mini refrigerator, cattle, tea-coffee set-up, hair dryer, fire alarm system, sound-announcement system, electronic door lock system, private safe box, 24 hours room service and dry cleaning service are available. Furthermore at Novotel, a fitness center, sauna, massage parlors and 1 outdoor swimming pool are at the service of the customers.

SECTION 6
THE HIGHEST AND THE BEST USE ANALYSIS

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

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

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

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

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

Because the property is located on a very important transportation axis, and a hotel requirement is expected in Istanbul in the future, and considering that the property is currently operated as an active hotel, the actual use is considered as the highest and best use.

SECTION 7
FACTORS THAT AFFECT THE VALUE
OF THE REAL PROPERTY

SECTION 7

FACTORS THAT AFFECT THE VALUE OF THE REAL PROPERTY

7.1 Factors That Affect The Value Of The Real Property

STRENGTH	WEAKNESS
<ul style="list-style-type: none"> ✓ The real estate property is located so close to the Atatürk Airport ✓ The real estate property having a panoramic sea view, ✓ The transportation facilities being easily available as the property is located with its façade to the coastal road, ✓ The hotels subject to valuation being operated under a brand name providing same standards everywhere throughout the world, ✓ Their being business hotels located on the route to the airport, ✓ The car park capacity being sufficient to meet the needs of large hotels, ✓ The property being in a close position to the E-5 Motorway and TEM motorway in addition to the coastal road, ✓ Buildings well recognized being located in the vicinity of the property 	<ul style="list-style-type: none"> × The negative effect on transportation of the coastal road's traffic becoming dense from time to time.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ✓ Istanbul's need for hotels expected to increase in the coming years. 	<ul style="list-style-type: none"> × The economic developments in the world and in our country are influencing the real estate sector adversely, as is also the case in the other sectors.

7.2. The Analysis of methods Used in the Appraisal

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

7.2.1. Equivalent Comparison Approach Analysis

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

- During the inspections at Zeytinburnu Municipality Real Estate Service for the appraised property, the real estate market rate of the property in question was identified as TL 5,192.50/sqm for 2010. (TL 5,192.50/sqm).
- In Zeytinburnu, on the coast road, 73,000 sqm land with 2.50 FAR and "Tourism-Area" zoning was tendered, and the mentioned land was purchased by T.O.B.B (Union of Chambers and Commodity Exchanges of Turkey) as a result of the auction at TL 392,000,000 (TL 5.370/sqm, €2,134/sqm).

- In the same zone, 15,500 sqm land at section 774 and no. 52 was tendered, and it was bought by the Ottoman Fund company through auction at TL 87,000,000. (TL 5,594/ sqm, €2,223/sqm).
- In Zeytinburnu Kazlıçeşme, near to the coast, 4,000 sqm commercially-zoned land is for sale at TL 20,000,000. (TL 5,000/sqm, € 1,987/sqm).
- On Kennedy Street, at Ataköy locality, 11,950.72 sqm parcel was sold at TL 65,750,000 through a tender in December 2009. (TL 5,502/sqm, € 2,187/sqm).
- At Ataköy coast road, 124,980 sqm land owned by TOKİ, was offered for sale in 2008 at TL 650,000,000 appraisal value, and it was sold at TL 850,000,000. 68,000 sqm of the property's 124,980 sqm land area is green space, and it will be in the public use, while the remaining approximately 56,980 sqm land can be used for hotel, marina, yacht club, shopping facilities, restaurant, convention, health and entertainment facility constructions. The construction area at the land has been identified as 249,960 sqm.

(Estimated sales figure: €2,574/sqm, TL 5,200/sqm, Tender sales figure €3,366/sqm, TL 6,801/m)

(At the time the land was sold, the exchange rate was nearly TL 1.25 and the Euro rate was TL 2.02).

LAND COMPERABLES				
No	Area (sqm)	Quality	Unit Price (TL/sqm)	Explanation
1	73.000	Tourism recreation	5.370	Zeytinburnu
2	15.500	Tourism recreation	5.594	Zeytinburnu
3	4.000	Tourism recreation	5.000	Kazlıçeşme
4	11.950,72	Tourism recreation	5.502	Ataköy
56	124.980	Tourism	5.200	Estimated sales figure
7	124.980	Tourism	6.801	Sales Value

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

Taking into consideration the position of the ground plot subject to valuation, transportation availabilities, the presence of a well-known prestigious facility on it, right of superficies established on the real estate property and assuming that it has not any legal problem, taking into account the imputed values of property obtained from the vicinity, the land value has been assessed as **2.550 €/sqm**.

VALUE OF THE RIGHT OF CONSTRUCTION				
1 sqm Land Value (*)	1.484	.-Euro/sqm		
Size of the land	11.720,00	sqm		
Total Value of the Land	17.392.480	.-Euro/ sqm	17.392.480	.-Euro
			43.754.262	TRY

(*)For the land, unit value is calculated as 70% as the value of 49-year construction right considering **2.550** Euro unit value for lands zoned as tourism area..

(**)On the ground plot owned by the **Treasury** an Independent and Permanent Right of Superficies has been established in favor of Akfen GYO A.Ş until the date of 18 November 2051.

Land Value Calculation Detail = (Value of the zoned land x 49 year construction right factor x term rate)

$$= 2.550 \text{ (Euro/sqm)} \times 0.70 \times 42/49$$

$$= \mathbf{1.484 \text{ (Euro/sqm)}}$$

7.2.2 Construction Cost Analyse

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

VALUE OF THE BUILDING (NOVOTEL)				
Indoor Parking, Technical Rooms, Basement Floors				
Construction Cost per 1 sqm	250	.-€		
Total Closed Area of the Building	4.942,00	sqm		
Total Construction Cost	1.235.500	.-€		
Depreciation	6%			
Depreciation Cost	74.130	.-€		
Value of the Building	1.161.370	.-€	1.161.370	.-€
Hotel				
Construction Cost per 1 sqm	1.200	.-€		
Total Closed Area of the Building	11.707,00	sqm		
Total Construction Cost	14.048.400	.-€		
Depreciation	6%			
Depreciation Cost	842.904	.-€		
Value of the Building	13.205.496	.-€	13.205.496	.-€
VALUE OF THE BUILDING (IBIS OTEL)				
Indoor Parking, Technical Rooms, Basement Floors				
Construction Cost per 1 sqm	250	.-€		
Total Closed Area of the Building	2.550,00	sqm		

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Total Construction Cost	637.500	.-€		
Depreciation	6%			
Depreciation Cost	38.250	.-€		
Value of the Building	599.250	.-€	599.250	.-€
Hotel				
Construction Cost per 1 sqm	1.000	.-€		
Total Closed Area of the Building	7.173,00	sqm		
Total Construction Cost	7.173.000	.-€		
Depreciation	6%			
Depreciation Cost	430.380	.-€		
Value of the Building	6.742.620	.-€	6.742.620	.-€
Total Value of the Land			17.392.480	.-€
Total Value of the Building			21.708.736	.-€
Ground Improvement Value			4.650.000	.-€
External and miscellaneous works			700.000	.-€
TOTAL VALUE			44.451.216	.-€
TOTAL APPROXIMATE VALUE(EURO)			44.450.000	.-€
TOTAL APPROXIMATE VALUE(TRY)			111.820.000	.-TRY

7.2.3 Revenue Reduction Method

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

Hotel Assumptions

The income projection has been prepared with the assumption that the property is run in its current situation. The average room rate, average occupancy rate and other revenue items of the income projection have been estimated according to the actual situation data provided by the company.

- The right of superficies of the hotel which is being evaluated is under the property of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. and is being operated Accor group which is an international hotel operation group. It's being operated by an international trade name provides a positive effect on the items which affect its potential such as the occupancy rates, the potential of the bed/room price of the hotel. In the study, the capacity of the hotel in the coming years has been foreseen with the assumption that the current operation potential shall continue.
- Cash flows obtained from the operation of the property over the years of operation used in the income reduction method is formed by the total of the cash flows obtained by Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. and Accor group.
- The valuation study has been made according to the current capacity of the hotels. For the following years, it was foreseen that the hotels shall be;
 - Operated as Four Stars Novotel and Three Stars İbis Hotel,
 - It was foreseen that Novotel shall have a capacity of 208 rooms, 416 beds, İbis Otel of 228 rooms, 456 beds.
 - It was assumed that they will operate 365 days per year.
 - The data realized in 2010 have been taken to account.
- Hotel prices have been foreseen to be in the room-breakfast system. Taking into consideration the performance of the facility in the past years, the examinations

conducted in the tourism sector and the area, for Novotel; all inclusive price per person for 2011 has been assumed as 85 Euros; for İbis Hotel all inclusive price per person for 2011 has been assumed as 72 Euros. The room price has been increased by 2,5% year by year.

- The occupancy rates are foreseen to remain unchanged at 84% for Novotel, and unchanged at 85% for İbis Hotel.
- It was assumed that other revenues such as rental of shops located in the hotels, wellness center, extra expenditures etc. shall be included in the item other revenues. Taking into consideration the performance of the facility, the other revenues shall be 36% of the accommodation revenues for Novotel, 17% of the accommodation revenues for İbis Hotel.
- It was assumed that the profit margin for Novotel will remain fixed at 52% whereas at 61% for İbis Hotel.
- It was assumed that the renewal expenses of the construction cost of the facility shall be increased by 1,5 % for the first year, by 2,5 % in the subsequent years.
- Further to Article 7/B of the contract dated 23 December 2004, "After the commissioning of the facility constructed on the property for which the easement right is possessed; a share equal to 1% of the total annual revenue shall be obtained", 1% of Novotel and İbisotel annual revenues is considered as the "Share obtained from the Income".
- EURO has been used In the studies and was taken as 1 EURO=2,5157 TL.
- Tax and VAT have not been included in the studies in the scope of IVSC (International Valuation Standards Council).
- In the valuation study, 5,20% being six months return rate of Euro denominated Eurobonds due 2020 has been taken as risk-free return rate. (In this valuation study the return rate of the Euro based Eurobonds with the longest due date of 2020, has been selected as risk-free return rate)
- Reduction rate has been foreseen as 9,13 %.
- In the studies, 2,5% which is the inflation rate for the Euro zone was used as inflation rate.
- It is exempt from the real estate tax for one year beginning from 2011. The payment of real estate tax has been added in the calculations beginning from 2013; and 2.5% annual inflation rate increase has been added after 2013.
- The building insurance has been added in the realized figures according to the customer's declarations, and the 2.5% increase has been assumed for each year due to the inflation rate.

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOVOTEL (4 STAR)	
ROOM NUMBER	208
BED NUMBER	416
OPERATING DAYS	365
YEARLY ROOM CAPACITY	75.920
ROOM PRICE (EURO)(2011)	85,00
ROOM RATE INCREASE IN THE FIRST 10 YEARS (%)	2,5%
PER BED RATE INCREASE FOR THE REMAINING YEARS (%) EURO ZONE INFLATION RATE	2,5%
OTHER INCOMES RATE (%)	36%
RENEWAL COST RATE	1,5%
REAL ESTATE TAX BASE (EURO) (2011)	94.456
REAL ESTATE INSURANCE	31.963
INFLATION RATE	2,5%

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOVATEL CASH FLOW										
YEARS	30.09.2010	30.09.2011	30.09.2012	30.09.2013	30.09.2014	30.09.2015	30.09.2016	30.09.2017	30.09.2018	30.09.2019
OCCUPANCY (%)	84%	84%	84%	84%	84%	84%	84%	84%	84%	84%
OPERATING DATES	365	365	365	365	365	365	365	365	365	365
ROOMS SOLD	63.773	63.773	63.773	63.773	63.773	63.773	63.773	63.773	63.773	63.773
ROOM PRICE (EURO)	85.00	87.13	89.30	91.54	93.82	96.17	98.57	101.04	103.56	106.15
ROOM INCOMES (EURO)	5.420.688	5.556.205	5.695.110	5.837.488	5.983.425	6.133.011	6.286.336	6.443.495	6.604.582	6.769.697
OTHER INCOMES (EURO)	1.951.448	2.000.234	2.050.240	2.101.496	2.154.033	2.207.884	2.263.081	2.319.658	2.377.650	2.437.091
TOTAL (EURO)	7.372.136	7.556.439	7.745.350	7.938.984	8.137.458	8.340.895	8.549.417	8.763.153	8.982.231	9.206.787
GOP (%)	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%
GOP (EURO)	3.833.511	3.929.348	4.027.582	4.128.272	4.231.478	4.337.265	4.445.697	4.556.899	4.670.760	4.787.529
RENEWAL COST (EURO) (%1.5)	215.503	220.891	226.413	232.073	237.875	243.822	249.917	256.165	262.569	269.134
REAL ESTATE TAX	0	99.237	101.718	104.261	106.868	109.539	112.278	115.085	117.962	120.911
REAL ESTATE INSURANCE	31.963	32.762	33.581	34.421	35.281	36.163	37.067	37.994	38.944	39.917
EXPENCES (EURO)	-3.786.091	-3.979.981	-4.079.480	-4.181.467	-4.286.004	-4.393.154	-4.502.983	-4.615.557	-4.730.946	-4.849.220
NET OPERATING PROFITS	3.586.045	3.576.458	3.665.870	3.745.517	3.851.454	3.947.741	4.046.434	4.147.595	4.251.285	4.357.567
NET CASH FLOWS	0	3.586.045	3.576.458	3.665.870	3.745.517	3.851.454	3.947.741	4.046.434	4.147.595	4.251.285

30.09.2030	30.09.2031	30.09.2032	30.09.2033	30.09.2034	30.09.2035	30.09.2036	30.09.2037	30.09.2038	30.09.2039	30.09.2040	30.09.2041	30.09.2042	30.09.2043	30.09.2044	30.09.2045	30.09.2046	30.09.2047	30.09.2048	30.09.2049	30.09.2050	30.09.2051	18.11.2051	
84%	84%	84%	84%	84%	84%	84%	84%	84%	84%	84%	84%	84%	84%	84%	84%	84%	84%	84%	84%	84%	84%	84%	
365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	
63.773	63.773	63.773	63.773	63.773	63.773	63.773	63.773	63.773	63.773	63.773	63.773	63.773	63.773	63.773	63.773	63.773	63.773	63.773	63.773	63.773	63.773	63.773	
132.57	135.89	139.28	142.76	146.33	149.99	153.74	157.59	161.52	165.56	169.70	173.94	178.29	182.75	187.32	192.00	196.80	201.72	206.77	211.93	217.23	222.66	228.23	
8.454.423	8.665.784	8.882.428	9.104.489	9.332.101	9.565.404	9.804.539	10.049.653	10.300.894	10.558.416	10.822.377	11.092.936	11.370.259	11.654.516	11.945.879	12.244.526	12.550.639	12.864.405	13.186.015	13.515.665	13.853.557	14.199.896	1.953.945	703.420
3.043.992	3.119.682	3.197.674	3.277.616	3.359.557	3.443.545	3.529.634	3.617.875	3.708.322	3.801.030	3.896.056	3.993.457	4.093.293	4.195.626	4.300.516	4.408.029	4.518.230	4.631.186	4.746.965	4.865.640	4.987.281	5.111.963	5.242.219	5.378.281
11.498.016	11.785.466	12.080.103	12.382.105	12.691.658	13.008.949	13.334.173	13.667.527	14.009.216	14.359.446	14.718.432	15.086.393	15.463.553	15.850.142	16.246.395	16.652.555	17.068.869	17.495.591	17.932.980	18.381.305	18.840.838	19.311.858	2.657.365	2.657.365
52%	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%	
5.978.968	6.128.442	6.281.653	6.438.695	6.599.662	6.764.654	6.933.770	7.107.114	7.284.792	7.466.912	7.653.585	7.844.924	8.041.047	8.242.074	8.448.125	8.659.329	8.875.812	9.097.707	9.325.150	9.558.279	9.797.236	10.042.166	1.381.830	1.381.830
336.111	344.514	353.127	361.955	371.004	380.279	389.786	399.530	409.519	419.757	430.251	441.007	452.032	463.333	474.916	486.789	498.959	511.433	524.219	537.324	550.757	564.526	77.680	77.680
151.001	154.776	158.646	162.612	166.677	170.844	175.115	179.493	183.981	188.580	193.295	198.127	203.080	208.157	213.361	218.695	224.162	229.766	235.511	241.398	247.433	253.619	34.899	34.899
49.851	51.098	52.375	53.684	55.027	56.402	57.812	59.258	60.739	62.258	63.814	65.409	67.045	68.721	70.439	72.200	74.005	75.855	77.751	79.695	81.687	83.729	11.521	11.521
-6.056.011	-6.207.412	-6.362.597	-6.521.662	-6.684.703	-6.851.821	-7.023.117	-7.198.694	-7.378.662	-7.563.128	-7.752.207	-7.946.012	-8.144.662	-8.348.279	-8.556.986	-8.770.910	-8.990.183	-9.214.938	-9.445.311	-9.681.444	-9.923.480	-10.171.567	-1.399.635	-1.399.635
5.442.004	5.578.054	5.717.506	5.860.443	6.006.954	6.157.128	6.311.057	6.468.833	6.630.554	6.796.318	6.966.226	7.140.381	7.318.891	7.501.863	7.689.410	7.881.645	8.078.686	8.280.653	8.487.669	8.699.861	8.917.358	9.140.292	1.257.729	1.257.729
5.442.004	5.578.054	5.717.506	5.860.443	6.006.954	6.157.128	6.311.057	6.468.833	6.630.554	6.796.318	6.966.226	7.140.381	7.318.891	7.501.863	7.689.410	7.881.645	8.078.686	8.280.653	8.487.669	8.699.861	8.917.358	9.140.292	1.257.729	1.257.729

IBIS HOTEL (3 STARS)	
ROOM NUMBER	228
BED NUMBER	456
OPERATING DATES	365
YEARLY ROOM CAPACITY	83.220
ROOM PRICE (EURO)(2011)	72,00
ROOM RATE INCREASE IN THE FIRST 10 YEARS (%)	2,5%
PER BED RATE INCREASE FOR THE REMAINING YEARS (%) EURO ZONE INFLATION RATE	2,5%
OTHER INCOMES (%)	17%
RENEWAL COST RATE	1,5%
REAL ESTATE TAX BASE (EURO) (2011)	47.661
REAL ESTATE INSURANCE	34.351

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

Appraisal Chart			
Risk Free Rate of Return	5,20%	5,20%	5,20%
Risk Premium	3,00%	3,93%	3,50%
DISCOUNT RATE	8,20%	9,13%	8,70%
NET PRESENT VALUE (EURO)	103.903.523	92.653.594	97.590.565
APROX. NET PRESENT VALUE (EURO)	103.900.000	92.650.000	97.590.000
NET PRESENT VALUE (TL)	261.380.000	233.080.000	245.510.000
APROX. NET PRESENT VALUE (TL)	261.381.230	233.079.605	245.507.163

İstanbul (Merkez)
0212 334 50 54

Ankara (Şube)
0312 441 75 22

İzmir (Şube)
0232 463 12 00

Adana (Şube)
0322 459 59 80

Antalya (Şube)
0242 322 20 90

Bursa (Şube)
0224 225 40 30

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7.2.4 Calculation of Cost Capitalization Approach from the Issued Rent Revenues

Assumptions made according to the 4th amendment of the Agreement 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 sixty five percent (65%) of the adjusted gross operation revenue, which ever is greater**
- The construction right of the subject hotel is owned by Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. while it is being operated by the international hotel operation company Accor Group.
- During this study, it was assumed that the hotel will be operated in the existing concept throughout the term of the construction right.
- The valuation study has been conducted according to the existing capacity of the hotels. It was foreseen that the hotels shall, in the following years;
 - Be operated as Four stars Novotel and Three stars Ibis Hotel,
 - Shall have a capacity of 208 rooms 416 beds in Novotel, 228 rooms, 456 beds in Ibis Hotel.
 - It was assumed that they will operate 365 days per year.
 - The data realized in 2010 have been taken to account.
- Hotel prices have been foreseen to be in the room-breakfast system. Taking into consideration the performance of the facility in the past years, the examinations conducted in the tourism sector and the area, for Novotel; all inclusive price per person for 2011 has been assumed as 85 Euros; for Ibis Hotel all inclusive price per person for 2011 has been assumed as 72 Euros. The room price has been increased by 2,5% year by year.
- The occupancy rates are foreseen to remain unchanged at 84% for Novotel, and unchanged at 85% for Ibis Hotel.
- It was assumed that other revenues such as rental of shops located in the hotels, wellness center, extra expenditures etc. shall be included in the item other revenues. Taking into consideration the performance of the facility, the other revenues shall be 36% of the accommodation revenues for Novotel, 17% of the accommodation revenues for Ibis Hotel.
- It was assumed that the profit margin for Novotel will remain fixed at 52% whereas at 61% for Ibis Hotel.
- Renewal expense for the rental model of the hotel has been taken as 0,05 % of the renewal expense calculated in the operation alternative. In the lease model, it was assumed that renewal expenses of the hotel shall be made by the tenant.
- Further to Article 7/B of the contract dated 23 December 2004, "After the commissioning of the facility constructed on the property for which the easement right is possessed; a share equal to 1% of the total annual revenue shall be obtained", 1% of Novotel and Ibisotel annual revenues is considered as the "Share obtained from the Income".
- EURO has been used In the studies and was taken as 1 EURO=2,5157 TL.
- Tax and VAT have not been included in the studies in the scope of IVSC (International Valuation Standards Council).
- In the valuation study, 5,20% being six months return rate of Euro denominated Eurobonds due 2020 has been taken as risk-free return rate. (In this valuation study the return rate of

the Euro based Eurobonds with the longest due date of 2020, has been selected as risk-free return rate)

- Low reduction rate and risk premium have been given with the thought that rental revenues guaranteed by brand power and the international recognition of Accor shall be determined over the years.
- In this study, rental revenues of the hotel leased to Accor group have been taken under guarantee by a lease agreement for 25 years plus extension option for 10 years. It was calculated by assuming that the risk premium in obtaining rental revenues of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. would be quite low. Reduction rate has been foreseen as 6,50 % by adding 1,70 % "Risk Premium" to the 5,20% "Risk-free Return Rate".

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

TOTAL CASH FLOW																					
YEARS		30.09.2011	30.09.2012	30.09.2013	30.09.2014	30.09.2015	30.09.2016	30.09.2017	30.09.2018	30.09.2019	30.09.2020	30.09.2021	30.09.2022	30.09.2023	30.09.2024	30.09.2025	30.09.2026	30.09.2027	30.09.2028	30.09.2029	
NOVOTEL INCOME		0	1.621.870	1.662.417	1.703.977	1.746.576	1.790.241	1.834.997	1.880.872	1.927.894	1.976.091	2.025.493	2.076.131	2.128.034	2.181.235	2.235.766	2.291.660	2.348.951	2.407.675	2.467.867	
AGOP NOVOTEL		0	2.108.431	2.161.142	2.215.170	2.270.549	2.327.313	2.385.496	2.445.133	2.506.262	2.568.918	2.633.141	2.698.970	2.766.444	2.835.605	2.906.495	2.979.158	3.053.636	3.129.977	3.208.227	
NOVOTEL USED RENTAL INCOME		0	2.108.431	2.161.142	2.215.170	2.270.549	2.327.313	2.385.496	2.445.133	2.506.262	2.568.918	2.633.141	2.698.970	2.766.444	2.835.605	2.906.495	2.979.158	3.053.636	3.129.977	3.208.227	
IBIS HOTEL INCOME		0	1.489.721	1.526.964	1.565.138	1.604.267	1.644.373	1.685.483	1.727.620	1.770.810	1.815.081	1.860.458	1.906.969	1.954.643	2.003.509	2.053.597	2.104.937	2.157.561	2.211.500	2.266.787	
AGOP IBIS HOTEL		0	2.052.836	2.104.157	2.156.761	2.210.680	2.265.947	2.322.595	2.380.660	2.440.177	2.501.181	2.563.711	2.627.803	2.693.499	2.760.836	2.829.857	2.900.603	2.973.118	3.047.446	3.123.633	
IBIS HOTEL USED RENTAL INCOME		0	2.052.836	2.104.157	2.156.761	2.210.680	2.265.947	2.322.595	2.380.660	2.440.177	2.501.181	2.563.711	2.627.803	2.693.499	2.760.836	2.829.857	2.900.603	2.973.118	3.047.446	3.123.633	
YEARLY RENT COST (EURO)		0	-133.310	-136.643	-140.059	-143.561	-147.150	-150.828	-154.599	-158.464	-162.426	-166.486	-170.648	-174.915	-179.287	-183.770	-188.364	-193.073	-197.900	-202.847	
REVENUE SHAARING (EURO)		0	-133.310	-136.643	-140.059	-143.561	-147.150	-150.828	-154.599	-158.464	-162.426	-166.486	-170.648	-174.915	-179.287	-183.770	-188.364	-193.073	-197.900	-202.847	
RENEWAL COST (EURO)		0	-16.282	-16.689	-17.106	-17.533	-17.972	-18.421	-18.882	-19.354	-19.837	-20.333	-20.842	-21.363	-21.897	-22.444	-23.005	-23.581	-24.170	-24.774	
REAL ESTATE TAX (EURO)		0	0	0	-149.311	-153.044	-156.870	-160.792	-164.812	-168.932	-173.155	-177.484	-181.921	-186.469	-191.131	-195.909	-200.807	-210.973	-216.247	-221.654	
REAL ESTATE INSURANCE (EURO)		0	0	0	-149.311	-153.044	-156.870	-160.792	-164.812	-168.932	-173.155	-177.484	-181.921	-186.469	-191.131	-195.909	-200.807	-210.973	-216.247	-221.654	
TOTAL CASH FLOWS (EURO)		0	3.812.051	3.758.041	3.851.992	3.948.291	4.046.999	4.148.174	4.251.878	4.358.175	4.467.129	4.578.808	4.697.440	4.819.038	4.943.676	5.071.430	5.202.378	5.336.600	5.474.177	5.615.193	

30.09.2030	30.09.2031	30.09.2032	30.09.2033	30.09.2034	30.09.2035	30.09.2036	30.09.2037	30.09.2038	30.09.2039	30.09.2040	30.09.2041	30.09.2042	30.09.2043	30.09.2044	30.09.2045	30.09.2046	30.09.2047	30.09.2048	30.09.2049	30.09.2050	30.09.2051	18.11.2051
2.529.563	2.592.803	2.657.623	2.724.063	2.792.165	2.861.969	2.933.518	3.006.856	3.082.027	3.159.078	3.238.055	3.319.006	3.401.982	3.487.031	3.574.207	3.663.562	3.755.151	3.849.030	3.945.256	4.043.887	4.144.984	4.248.609	584.620
3.288.432	3.370.643	3.454.909	3.541.282	3.629.814	3.720.560	3.813.574	3.908.913	4.006.636	4.106.802	4.209.472	4.314.708	4.422.576	4.533.141	4.646.469	4.762.631	4.881.697	5.003.739	5.128.832	5.257.053	5.388.480	5.523.192	760.006
3.288.432	3.370.643	3.454.909	3.541.282	3.629.814	3.720.560	3.813.574	3.908.913	4.006.636	4.106.802	4.209.472	4.314.708	4.422.576	4.533.141	4.646.469	4.762.631	4.881.697	5.003.739	5.128.832	5.257.053	5.388.480	5.523.192	760.006
3.233.457	3.315.543	3.401.082	3.490.109	3.581.661	3.674.778	3.770.506	3.868.943	3.970.906	4.076.409	4.184.462	4.294.074	4.406.245	4.520.976	4.638.267	4.758.068	4.879.389	5.003.230	5.128.601	5.257.502	5.388.433	5.523.394	739.966
3.201.723	3.281.766	3.363.811	3.447.906	3.534.103	3.622.456	3.713.017	3.805.843	3.900.989	3.998.514	4.098.477	4.200.938	4.305.962	4.413.611	4.523.951	4.637.050	4.752.976	4.871.801	4.993.596	5.118.436	5.246.396	5.377.556	739.966
3.201.723	3.281.766	3.363.811	3.447.906	3.534.103	3.622.456	3.713.017	3.805.843	3.900.989	3.998.514	4.098.477	4.200.938	4.305.962	4.413.611	4.523.951	4.637.050	4.752.976	4.871.801	4.993.596	5.118.436	5.246.396	5.377.556	739.966
-207.918	-213.116	-218.444	-223.905	-229.503	-235.241	-241.122	-247.150	-253.328	-259.662	-266.153	-272.807	-279.627	-286.618	-293.783	-301.128	-308.656	-316.372	-324.282	-332.389	-340.699	-349.216	-48.053
-166.486	-166.486	-166.486	-166.486	-166.486	-166.486	-166.486	-166.486	-166.486	-166.486	-166.486	-166.486	-166.486	-166.486	-166.486	-166.486	-166.486	-166.486	-166.486	-166.486	-166.486	-166.486	-22.909
-25.394	-26.029	-26.679	-27.346	-28.030	-28.731	-29.449	-30.185	-30.940	-31.713	-32.506	-33.319	-34.152	-35.005	-35.881	-36.778	-37.697	-38.639	-39.605	-40.596	-41.610	-42.651	-788
-227.195	-232.875	-238.697	-244.664	-250.781	-257.050	-263.476	-270.063	-276.815	-283.735	-290.829	-298.099	-305.552	-313.191	-321.020	-329.046	-337.272	-345.704	-354.347	-363.205	-372.285	-381.592	-7.049
-103.427	-106.013	-108.663	-111.390	-114.164	-117.018	-119.944	-122.942	-126.016	-129.166	-132.396	-135.705	-139.098	-142.576	-146.140	-149.793	-153.538	-157.377	-161.311	-165.344	-169.478	-173.714	-23.304
5.759.735	5.907.891	6.059.750	6.215.406	6.374.954	6.538.490	6.706.114	6.877.929	7.054.039	7.234.553	7.419.578	7.609.230	7.803.623	8.002.876	8.207.110	8.416.450	8.631.023	8.850.961	9.076.397	9.307.469	9.544.318	9.787.088	1.397.270

Appraisal Chart

Risk Free Rate of Return	5,20%	5,20%	5,20%
Risk Premium	0,80%	1,30%	1,80%
DISCOUNT RATE	6,00%	6,50%	7,00%
NET PRESENT VALUE (EURO)	78.073.421	72.425.892	67.388.769
NET PRESENT VALUE (TL)	196.409.304	182.201.817	169.529.926

Rental Value of the Property

	30.09.2011	30.09.2012
Average Cash Flow of Rental Value	0	5.310.958

	5,20%	5,20%	5,20%
Risk Free Rate of Return	5,20%	5,20%	5,20%
Risk Premium	0,80%	1,30%	1,80%
Discount Rate	6,00%	6,50%	7,00%
NET PRESENT VALUE (EURO)	5.009.538	4.985.954	4.962.592
NET PRESENT VALUE (TL)	12.602.494	12.543.166	12.484.393

NET PRESENT VALUE(EURO)	4.985.954
NET PRESENT VALUE(TL)	12.543.166

ANNUAL RENTAL VALUE OF THE HOTEL(EURO)	4.985.954
ESTIMATED ANNUAL RENTAL VALUE OF THE HOTEL(EURO)	4.990.000

7.2.5 Evaluation of The Analysis Results

The net today's value of the property subject to valuation is determined as **44.450.000 €**, according to the cost method, as **92.650.000 €** according to the income reduction method and as **72.426.000 €** according to the rental revenue calculated with the yearly rental amount to be paid by Accor group which is an international hotel management company for the hotel owned by Akfen Gayrimenkul Yatırım Ortaklığı A.Ş which has the right of superficies.

The rental value of the immovable property was calculated with the consideration of the average of the net cash flow values of the first year according to the revenue reduction method and the rental revenue. The annual average cash flow for the first year were reduced to the date of reduction and thus, the annual rental value of the immovable property was calculated. According to this calculation, the annual rental value has been appraised as **4.990.000 Euro (12.540.000.-TRY) Euro**.

However, due to the fact that there is an operating as well as income generating facility on the immovable property, the average of **92.650.000 €** as the value found with the income reduction method of the fair market value and **72.426.000 €** which is the net today's value of the rental revenue being **82.540.000.-€ (Eightytwomillionfivehundredfourtythousand.-Euros) – 207.640.000.-TRY (Twohundredsevenmillionsixhundredfourtythousand.- Turkish Liras)** has been assessed as the final result.

Building insurance rate is calculated as 11.338.654 Euro according to the 2011 costs of Public Works and Settlement Directorate, and 35% of this cost is also added as equipment / furnishing cost and the final insurance rate is accordingly obtained as **15.307.183 Euro**. Building insurance rate is given for information purposes only.

During the appraisal study, cost approach method has been used for identifying the actual status value of the property. The value of the hotel according to income capitalization approach has been calculated with 2 methods: rent income and operating income. The hotel is currently let to Accor group to be operated with a lease contract. The rent income has been guaranteed with the contract, and therefore the capitalization of rent income has been realized with a low risk premium. In addition, the value to be calculated according to the total revenues provided by the property has been found according to the operating income. In this method, the total potential of the hotel which

provides profit for both the landlord and the operator has been considered, and this value has been considered important for any potential sales. Therefore, the value of the property according to income capitalization method is concluded as the average of the capitalization of two values: the guaranteed rent income with the rental contract, and the revenues that may be obtained with the total operation potential. For income generating properties, the value of the property depends on its performance, and the income capitalization value calculated with 2 methods is considered more rational.

SECTION 8
CONCLUSION

CONCLUSION

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

**FAIR MARKET VALUE OF THE SUPERFICIES OF NOVOTEL AND IBIS HOTEL (EXCLUDING VAT)
DATED 30 SEPTEMBER 2011**

207.640.000.-TRY

(Two hundred seven million six hundred forty thousand.- Turkish Liras)

82.540.000.- €

(Eighty two million five hundred forty thousand.- EUROS)

**FAIR MARKET VALUE OF THE SUPERFICIES OF NOVOTEL AND IBIS HOTEL (INCLUDING VAT)
DATED 30 SEPTEMBER 2011**

245.015.200.-TRY

(Two hundred forty five million fifteen thousand two hundred.- Turkish Liras)

97.397.200.- €

(Ninety seven million three hundred ninety seven thousand two hundred.- EUROS)

ANNUAL RENT VALUE OF NOVOTEL AND IBIS OTEL AS OF 30 SEPTEMBER 2011 (EXCLUDING VAT)

12.540.000.-TRY

(Twelve million five hundred forty thousand.- Turkish Liras)

4.990.000.- €

(Four million nine hundred ninety thousand.- EUROS)

ANNUAL RENT VALUE OF NOVOTEL AND IBIS OTEL AS OF 30 SEPTEMBER 2011 (INCLUDING VAT)

14.797.200.-TRY

(Fourteen million seven hundred ninety seven thousand two hundred.- Turkish Liras)

5.888.200.- €

(Five million eight hundred eighty eight thousand two hundred.- EUROS)

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

Because the existing mortgage on the title log of the property was established for financing the project, it is believed that there are not any obstacles for the inclusion of the property in REIT portfolio with respect to the mortgage, and as the type allocation of the hotel with easement right on the appraised land was completed, its inclusion in the REIT portfolio is possible according to the provisions of the Capital Market Regulations, in our opinion.

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

Mehmet ASLAN
Appraiser (401124)

Fatih TOSUN
Appraiser in Charge (400812)

REPORT NO: 2011REV358

REPORT DATE: 30.09.2011

*CONFIDENTIAL

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SECTION 9
ANNEX

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