

PROJECT APPRAISAL REPORT



**AKFEN GAYRİMENKUL
YATIRIM ORTAKLIĞI A.Ş.
ADANA İBİS HOTEL PROJECT
SEYHAN/ADANA**



ISO9001:2008
FS 509685

Date: 28.02.2011
Revision Date: 20.04.2011

R. No: 2011REV78-9

SUMMARY CHART			
REPORT NO:	2011REV78-9	REPORT DATE:	28.02.2011
		REV. DATE*:	20.04.2011

OPEN ADDRESS:	Çınarlı Quarter, Dr. Ali Menteşoğlu Avenue, 61004. Street, 585 Section, 2 Parcel, Seyhan/ADANA		
PREPARED BY:	TSKB Gayrimenkul Değerleme A.Ş.		
APPRAISERS:	Hüsnüye BOZTUNÇ Appraiser (400811)	Adem YOL Appraiser in Charge (400101)	
REQUESTED BY:	Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.		
USE OF PROPERTY:	3-star hotel project under construction.		
TITLE DEED INFORMATION:	The immovable property qualified as "Building Plot", which is owned by "Akfen Gayrimenkul Yatırım Ortaklığı Anonim Şirketi" and registered under block 585 and parcel no 2 in the Province of Adana, Seyhan District, and Çınarlı Neighborhood.		
ZONING STATUS:	According to the zoning cadastre no 15-961 and dated 25.02.2011, which was approved by the Adana Metropolitan Municipality Council, the immovable property under appraisal remains in "Commercial" area and the construction conditions are as follows; <ul style="list-style-type: none"> ▪ Block construction style, ▪ 10 floors (building height = max. 30.75 m. and floor height = max. 3.00 m.), ▪ TAKS (Base Area Coefficient) = 0.40 ▪ The setback distances are 10 m. from the front, 5 m. from the back and sides, and 6 m. from the neighboring parcel. 		
TOTAL FAIR MARKET VALUE OF THE PROJECT AS OF 28 FEBRUARY 2011 (Excluding VAT)	15.190.000.-TL (Fifteenmilliononehundredninetysixthousand.- Turkish Liras)	6.863.000.-EURO (Sixmillioneighthundredsixtythreethousand.- EUROS)	
TOTAL PRESENT STATUS VALUE OF THE PROJECT ON 28 FEBRUARY 2011 (Excluding VAT)	5.807.000.-TL (Fivemillioneighthundredseventyfourthousand.- Turkish Liras)	2.264.000.-EURO (Twomilliontwohundredsixtyfourthousand.- EUROS)	
FAIR MARKET VALUE OF THE PROJECT AS OF 28 FEBRUARY 2011 (Including VAT)	17.924.000.-TL (Seventeenmillionninetyninethousand.- Turkish Liras)	8.099.000.-EURO (Eightmillionninetyninethousand.- EUROS)	
TOTAL PRESENT STATUS VALUE OF THE PROJECT ON 28 FEBRUARY 2011 (Including VAT)	6.852.000.-TL (Sixmillioneighthundredfiftytwothousand.- Turkish Liras)	3.096.000.-EURO (Threemillionninetysixthousand.- EUROS) (Exchange rate has been taken as EURO1 = TL 2,2132)	

We herewith declare that:

The findings presented in the report are correct to the best of the knowledge of the appraiser

The analyses and the results are only limited to the specified assumptions and conditions;

The appraiser has no interest whatsoever related to the property which is subject to the valuation;

The appraiser's remuneration does not depend on any section of the report;

The appraiser was realized in accordance with the ethic rules and the performance standards;

The appraiser possesses the professional education requirements;

This page is an inseparable part of the appraisal report. The report is a whole with all the detailed information in it and cannot be used independently

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; with 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

The revision appraisal report prepared has been arranged in line with the demand for amendment and correction specified during the talk with the Capital Market Board on 12.04.2011.

Hüsnüye BOZTUNÇ Appraiser (400811)	Adem YOL Appraiser in Charge (400101)
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SECTION 1 REPORT INFORMATION

1.1 Report Date and Number

This report was issued by our company on 28 February 2011 and number 2011REV78-9 with reference to the request dated 16 February 2011 and made by the firm, titled as Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.

1.2 Report Type

This is the project appraisal report prepared in order to determine the fair market value in Turkish Liras on 28 February 2011 for the project to be developed in Adana province, Seyhandistrict, Çınarlı quarter, section 585, parcel no. 2. The report has been prepared according to the provisions of the declaration of the Board of Capital Markets.

1.3 Persons 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 Hüsniye BOZTUNÇ, real estate appraiser, and Adem YOL, 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 February 25, 2011 and finished on February 28, 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 report was issued to the request dated February 16, 2011 and made by the firm, titled as Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.

1.6 Factors Affecting the Appraisal Process Negatively

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

1.7 Customer Requests Extensions and Limitations

This real estate appraisal report has been prepared further to Akfen Gayrimenkul Yatırım Ortaklığı A.Ş request dated 16 February 2011, and in accordance with the provisions of the capital markets legislation in effect on the subject property.

No restrictions were imposed by the customer during the valuation study.

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

	Report-1	Report-1	Report-1
Report No	2009C42-1	2010REV195-9	2010REV387-9
Report Date	19.10.2009	30.06.2010 (Rev. Date:06.10.2010)	31.12.2010
Report Prepared by	Derya ALAN-Fatih TOSUN-Adem YOL	Hüsniye BOZTUNÇ- Adem YOL	Hüsniye BOZTUNÇ- Adem YOL
Total Value (TL)	3.541.000	4.426.000	14.308.000

The reports dated 19. October 2009 and 30 June 2011 are valuation reports concerning the value of the building plot. The report dated 31 December 2010 is for determining the value of the project, for which a building license has been obtained.

SECTION

COMPANY – CUSTOMER INFORMATION, DEFINITION AND SCOPE OF THE APPRAISAL

2.1 Company's Information

Our Company was established with a capital amount of NTRL 300.000 in order to engage in providing works and services described as Expertise and Appraisal according to the Articles of Association of the Company published in the Trade Registration Journal dated 13 September 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 03 February 2003 and no. KYD-66/001347, of Capital Market Board of the Prime Ministry.

2.2 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.

2.3 The Value Definitions

2.3.1 Fair Market Value (Market Value)

In the case of a real property changing hands between the buLocation 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 buLocation 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.

2.4 Project Appraisal

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.

2.4.1 Definition, Purpose and Scope of Project Appraisal

This project evaluation study aims at shedding insight into the following issues in general:

- The overview of the industry to which the goods and services, which are considered to be produced in consequence of the considered investment, are pertaining,
- Domestic and/or offshore marketing possibilities for the subject goods or services of the project,
- Whether the technology to be used within the planned investment possesses the required quality and technical norms,
- The investment cost of the foreseen project,
- The acceptable costs of the goods or services, which are considered for investment within the project, under the market conditions, and whether the sales prices would provide an acceptable investment for this investment.

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 2007 Census through Address-Based Population Registry System, the population of Turkey was 70,586,256 and the population increased to 71,517,100 on 31 December 2008. In 2000-2007 period, the annual population increase was 0.59%; while the annual population increase of Turkey in 2008 appeared as 1.31%.

In 2008 among the 81 provinces, the population of 55 populations increased and that of 26 populations decreased. The three provinces with lowest population increase rate are Bilecik (-5.35%), Kütahya (-3.14%) and Isparta (-2.99%). Among the 81 provinces, the first three with the highest population increase are Yalova (8.26%), Tekirdağ (5.66%) and Hakkari (4.8%).

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% in 2008. Urban population (the population in the centers of provinces and districts) is 53,611,723 while the rural population (population at subdistricts and villages) is 17,905,377. The province with highest urban population proportion is İstanbul with 99%, while that with the lowest is Bartın with 32.2%.

17.8% of the country's population lives in İstanbul. 6.4% of the total population lives in Ankara, 5.3% in İzmir, 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 75.675.

Half of the population is younger than 28.5 years old. The median age in Turkey is 28.5. The median age for males is 28 and that for females is 29. The median age of the urban population is 28.4 and that of rural population is 28.6. The population in 15-64 age group accounts for 66.9% of the total population. 26.3% of the country's population is in 0-14 age group and 6.8% is in the 65 and higher group.

The number of people per square kilometer, which is indicated as the density of population is 93 in overall Turkey, while it varies between 12 and 2.444 people among provinces. İstanbul has the highest population density with 2,444 people. It is respectively followed by Kocaeli with 413 people, İzmir with 316 people, Hatay with 242 people and Bursa with 241 people. The province with lowest population density is Tunceli with 12 people. In Konya -the

province with the largest area- the population density is 51 people per sq km and the population density in Yalova – the province with the smallest area- is 233 people per sq km.

CITY	POPULATION	POPULATION (CITY CENTER)
İstanbul	12.915.158	12.782.960
Ankara	4.650.802	4.513.921
İzmir	3.868.308	3.525.202
Bursa	2.550.645	2.249.974
Adana	2.062.226	1.805.145

3.1.2 Economic Data¹

In our country, especially in the period which began with the economic crisis in 2001, a significant shrinkage was experienced in the real estate market in parallel to the crisis in all other sectors.

The potential earthquake expectation, which was added to the current situation, has strongly restricted the capability to act in the years 2001 and 2002. In this period, real estate prices decreased seriously compared to the previous period; and the buy & sell transactions decreased to almost none.

With the positive developments beginning from the second half of 2003; 2004 was a year when the real estate sector revived and the prices increased by a certain extent compared to the previous period. Positive developments were experienced in the real estate and construction sector with the beginning of economic and political stability, the decline of the inflation to single digit figures, the developments related with the Mortgage law, and the course of accession to the European Union in accordance with the expectations.

The private sector investments and large scale projects, which were started in 2004, also increasingly continued in 2005, and the real estate prices significantly increased especially in the second half of 2005. The increasing trend lasted until the final quarter of 2006. As the 2007 was the year of elections, the domestic and foreign investors preferred to wait for the elections before their elections, and after the elections, the political stability was assured and the investments continued.

In the first quarter of 2008, foreign economic developments were more influential than domestic politics and the foreign developments began to directly influence the economy in April 2008, the investments slowed down and the foreign investment rate began to decrease compared to the previous years. On looking at the investments in 2008, certain regions reached saturation on residence and shopping sector, and the investments continued in office and logistics sector.

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. Three largest banks of Island went bankrupt. The immovable property market of England also went into a great decline, similar to that of Europe. Major automobile companies also began to fail against the crisis.

Although the share allocated by the Turkish banking industry to housing loans has abated the effects of the crisis, Turkey has also begun to be influenced from all these global developments since 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. Unemployment began to increase rapidly especially in the industrial cities as factories suspend

¹ TSKB Gayrimenkul Değerleme A.Ş.

production. In economic predictions, common belief is that 2009 will pass with economic shrinkage for Turkey. The real estate sector will spend 2009 by shrinking and see a discount in prices. Nevertheless, we think the interest of foreigners to Turkey will continue as the years 2009 and 2010 will present discounted opportunities at high quality housing projects.

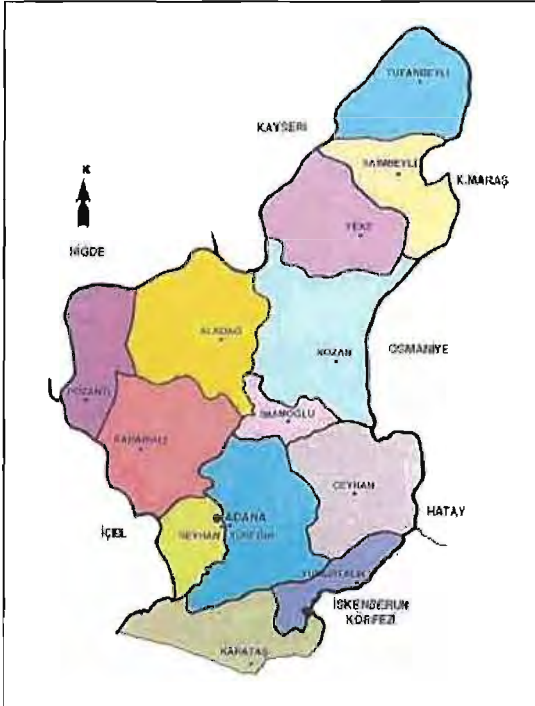
However, in early 2010, together with the positive Outlook of the economy of the country and foreign markets, sustainable development has resumed and the impacts of the crisis lessened somewhat together with the positive mood. The positive mood in the markets continued as the foreign exchange rates remained within a certain band throughout 2010, Istanbul Stock Exchange continued its upwards trend from the beginning of 2010, and the referendum in September 2010 was perceived as political stability; thus, housing projects started one after the other especially in Istanbul during the same period and led to positive reactions in the market, and an intense demand has emerged for such projects.

According to the forecasts for 2011 and beyond, positive economic data and availability of many more investment areas in the overall country hint that domestic and foreign investors' interest in Turkey will continue if the political and economic stability continues in 2011, when general elections are to be held, in parallel to the economic demand and stability in the real estate industry as the machine of the country. Re-direction of foreign investments to Turkey started being noticed, and it is understood that the foreign investors support the real estate industry same as they did before the crisis, because they consider it as the locomotive industry.

In addition, the positive perception of Turkey is expected to further continue due to the forecast that Turkey will be among the fastest growing OECD countries with 6.7% projected annual growth between 2011 and 2017, and as it has been the only OECD country with an increase in growth speed after the experienced economic crisis, as it is one of the few countries whose credit note has been increased and one of the potential countries to see further increase in its credit note in international markets.

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

3.2.1 City of Adana



Established in the south of Turkey, on both sides of the Seyhan River in the Çukurova section of the Mediterranean Region, Adana shares boundaries with Osmaniye, Kahramanmaraş, and Gaziantep in the east; İçel in the west; Niğde in the northwest; Hatay in the southeast, and the Mediterranean in the south.

The section, which remains in the south of the Plain of Adana, is called Çukurova and the section remaining in the south is called Yukarıova or Anavarza.

According to the results of the 2010 Address-Based Population Census, 1,805,145 persons from Adana's total population of 1.836.432 live in cities and 248.793 live in villages.

Adana bears the characteristics of the Mediterranean climate. Summers are hot and dry and winters are mild and rainy. The Seyhan and Ceyhan, which are the largest rivers of the Mediterranean Region, flow from within the lands of Adana. The Seyhan Dam and Reservoir, the Kozan Dam and Reservoir, the Nergizlik Dam and Reservoir, and the Çatalan Dam and Reservoir located in the province are among important dams of the country in general.

The southwestern, southern, and southeastern sections of the province are encircled with the mountain system called the Central Taurus Mountains. The boundaries in the east rest on the Amanos Mountains, which enter the Taurus system.

The city was connected to the Mersin Port with the railway in 1886. The Hejaz railway reached Adana by crossing the Taurus Mountains during the years of the First World War. Following these developments and particularly after 1950, the city rapidly grew towards the station in the North-West and west rather than around its former core. New planned neighborhoods were established and wide avenues and parks were opened. During these developments, the growth spilled over towards the left side of Seyhan. Being one of the places of settlement with the fastest developing urbanization process in Turkey, Adana is the most important center of the Mediterranean Region in terms of the commercial, industrial, capital markets. Adana constitutes the intersection point of a developed road network and contains an airport, education institutions at various levels, the Çukurova University, and the State Fine Arts Gallery.

The industrial activities, which started with industrialization based on agriculture and consumption during the years between 1930 and 1940, entered the stage of constructing large scale factories from 1940 on.

During 1950s, factories producing construction materials started operation due to rapid urbanization. The Osmaniye, Gaziantep, İçel, and Konya roads becoming first class roads in 1956 caused Adana to become a transit center and the importance of the province to increase. During the same years, the Seyhan Hydroelectricity Power Plant was transferred to Çukurova Elektrik A.Ş. many factories started operation in various sectors in 1960s and establishment of holdings started in the industrial sector in 1970s. Today Sasa, Çukurova Elektrik, Marsa, Bossa, Güney Sanayi, Temsa, Adana Çimento, Çukobirlik, Mensa, Pilsa, Güney Biracılık, Paksoy, and Özbucak are among the 500 industrial organizations operating throughout the country. While there were only 2 spinning and weaving factories in Adana during the years of the Republic, today the number of workplaces employing 25 and more workers has reached 189.

New regulations that would increase competitiveness in both domestic and foreign markets were introduced during the industrialization process following 1980s. An Organized Industrial Zone (OIZ) was established in order to help entrepreneurs, to bring together the scattered manufacturing industry, and to prevent industrial constructions and unhealthy urbanization on fertile agricultural lands. The number of 9 State Economic Enterprises located in the Province was reduced to 4 following the Privatization Law. Those currently operating as SEEs are the meat and Fish Authority, the Tekel Leaf Tobacco Factory, the Tekel Cigarette Factory, and the Cotton Hatchery.

The Galleria Business Center established on an area of 44,000 sqm on the coast of the Seyhan River in the city center is located in place, where it is easily accessible for everybody. There is an intense flow of population to this area due to its vicinity to the places qualified as social and cultural parks. Since these are suitable places for fairs and exhibitions, various events are organized and attract the attention from time to time.

In addition, the branches of the Migros stores in various quarters of the city as well as such sales centers as Carrefour-Sa, Groseri, Metro, and Real opened in the northern section of the province have enlivened the trade in Adana.

Having a great industrial and commercial potential, Adana entered the 2000s with its infrastructure completed. Adana has a central position with the Organized Industrial Zone and the Mersin Free Zone, which are currently in operation and the Yumurtalık Free Zone and the Southeastern Anatolia Project, which are still under construction, and the importance of the province will increase even more.

3.2.2 Seyhan District



The Seyhan District was established as a separate administrative district in 1986, when the Central District of Adana connected to the Adana Province was divided into two separate districts. The Seyhan District consists of the section located in the western side of the Seyhan River, which divides Adana into two in the direction of north and south, and it is the largest district of Adana in terms of its population.

According to the results of the 2010 Address-Based Population Census, the population of the Seyhan District is 723.277 and the entirety of this population lives in the city. Based on these results, the population of Seyhan constitutes 37.13% of the

general and 42.66% of the urban population of the Adana Province. With this figure, it has a higher population than those of many other provinces.

According to the results of the last 2010 Address-Based Population Census;

Total Population	Central District Population	Village and Town Population	Surface Area	Density
723.277	723.277	-	420 sqkm	1,721 persons/sqkm

The results of the 2010 Address-Based Population Census show that Seyhan is one of the densest places of settlement in Turkey with a population density of 1,721 persons/sqkm. This is 8 times higher than that of the Yüreğir District, which has the closest population density to Seyhan. This population density results from the fact that the Seyhan District is a center of industry and trade. Most of the industrial facilities, commercial centers, and residential areas of the Adana Province are located in the District of Seyhan.

Its elevation from the sea level is 23 m. and it has 94 neighborhoods. Its surface area is 420 sqkm. It has maintained its position as the city center of various civilizations for centuries. The district was occupied by the French between 1918 and 1920 and saved in 1922.

Seyhan bears the characteristics of the Mediterranean climate. Summers are hot and dry and winters are mild and rainy. The hottest month average is 28.1 C° and the coldest month average is 9.3 C°. The humidity is quite high during the summer season. These sweltering temperatures have brought along the tradition of going up to the plateaus. The natural vegetation cover consists of short scrubs up to the height of 1,500 m. Arenicolous and halophilous plants are found in regions that are close to the sea.

Wheat, barley, oat, and rice are the types of grain that are grown most in the District. Cotton comes in the lead among industrial plants. Cottonseed and peanut from the oily plants and early-grown fruits and citrus in fruit growing are the most popular. Adana has been recently growing 4/5 of the total soy bean production.

According to the data obtained from the Adana Chamber of Industry, there are many factories and organizations that process textile, leather, synthetic, fiber, plastic, rubber and chemical as well as forestry, soil, vegetable oil and by-products within the boundaries of the Seyhan District.

The Taşköprü (Stone Bridge), the Bebekli Church, the Clock Tower, the Covered Bazaar, the Grand Mosque, the Yağ Mosque, the New Mosque, the Hasanağa Mosque (Hasan Kethüda), the Kemeraltı Mosque, the Akça Masjid (Ağca Masjid), the Ramazanoğlu Mansion and Women's Quarters, the Çarşı Turkish Bath, the İrmak Turkish Bath, the Gök Hanı Gate, and the Bahçe Paşa Fountain are among the major historical works located in the district.

3.2.3 Market Research

➤ HOTEL SEYHAN (5 Star)



Hotel Seyhan is in the city center of Adana and it is at a 5 km. distance from the Adana Şakirpaşa Airport, 6 km. from the central bus terminal, and 3 km. from the train station. The hotel has a total of 138 rooms. 108 of these are standard rooms, 28 junior suits, and 2 senior suits. Each room has a direct telephone line, a bathroom, a hair-dryer, an electronic lock system, a fire alarm, a mini bar, wakeup call service, a safe, 24-hour room service, cable TV, and wireless internet access. There is a manager on duty for 24 hours, a doctor, information desk, internet, 2 restaurants, 2 bars, safes in the reception, laundry and dry-cleaning service, generator, indoor car parking areas,

hairdressers for men and women, a flower shop, a mini shop, a photograph studio, a sauna, massage, and fitness center, 14 meeting halls (Maximum (sqm/cap) 621/700 – (Minimum (sqm/cap) 36/12) in terms of the general services provided by the hotel.

Company price/single room	Company price/double room
161 TL	190 TL

*VAT and breakfast included.

➤ SÜRMEİ ADANA (Star)



Sürmeli Adana is in the city center of Adana and it is at a 3.5 km. distance from the Adana Şakirpaşa Airport. The hotel has a total of 159 rooms. 84 of these are superior rooms with two separate beds and 64 superior queen rooms, 4 junior suits (with Jacuzzi), 5 senior suits (with Jacuzzi), 10 superior non-smoking rooms, and 2 superior rooms for the handicapped. All rooms have 24-hour room service, a mini bar, a study table, high speed wireless internet, an interactive TV, a telephone line open to external calls, a private bathroom and shower, a hair-dryer, an automatic air-conditioning system, a letter and note pad, and suit rooms contain a Jacuzzi and an LCD flat screen

television set. As the general services provided by the Hotel, there is a Turkish Bath, sauna, an outdoor swimming pool, massage, hairdressers for men and women, a solarium, 7/24 information service, 5 meeting halls, a brasserie, a bar, a poolside restaurant, a health club, a gymnasium, a garden, child care service, a telephone line for calling the doctor, a business center, a garage, concierge services (for carrying luggage and suitcases), a gift shop, car rental, dry-cleaning, laundry, inner city transportation, and city tour services.

Company price/single room	Company price/double room
99 TL	99 TL

*VAT and breakfast included.

➤ **ZAIMOĞLU HOTEL (4 Star)**



The Zaimoğlu Hotel is in the city center of Adana and it is at a 3.70 km. distance from the Adana Şakirpaşa Airport. The hotel has a total of 77 rooms. 69 of them are luxury rooms and 8 suit rooms. All rooms contain an independently controlled air-conditioning system, a direct telephone line, a color TV with satellite connection, a radio, a sunken bathtub, a hair-dryer, a safe, and a mini bar. Among the general services provided by the hotel are an indoor car park, dry-cleaning services, laundry services, hairdressers for men and women, gift stands, 24-hour room service, and 3 meeting halls.

Company price/single room	Company price/double room
95 TL	130 TL

*VAT and breakfast included.

➤ **ADANA ERTEN HOTEL (4 Star)**



The Adana Erten Hotel is in the city center of Adana and it is at a 3.50 km. distance from the Adana Şakirpaşa Airport. The hotel has a total of 38 rooms. 31 of these rooms are normal and 6 double rooms and 1 suit room. All rooms contain air-conditioning, a mini bar, a television with satellite connection, a direct telephone line, a safe with electronic password, a fire detector, 24-hour hot water, a hair-dryer, and an automatic alarm system. Among the general services provided by the hotel are 24-hour room service, a restaurant, a meeting hall, a rental car service, and a private car parking area.

Company price/single room	Company price/double room
80 TL	100 TL

*VAT and breakfast included.

➤ **HOTEL İNCİ (4 Star)**



Hotel İnci is in the city center of Adana and it is at a 3.50 km. distance from the Adana Şakirpaşa Airport. The hotel has a total of 89 rooms. 80 of them are normal rooms and 9 suit rooms. All rooms contain a sunken bathtub, an automatic telephone, a mini bar, a radio, a satellite antenna, and a split air conditioner. Among the general services provided by the hotel are 24-hour room service, a restaurant, a bar, 2 ball rooms, a disco bar, a seminar hall, indoor car park, sauna, a Turkish Bath, a steam room, massage, a sports room, and hairdressers for men and women.

Company price/single room	Company price/double room
80 TL	110 TL

*VAT and breakfast included.

➤ **EMİR ROYAL HOTEL LUXURY (4 Star)**



The Emir Royal Hotel Luxury is in the city center of Adana and it is at a 3.50 km. distance from the Adana Şakirpaşa Airport. The hotel has a total of 62 rooms. 60 of them are normal rooms and 2 suit rooms. All rooms contain a mini bar, an orthopedic bed, a central air-conditioning system, a satellite TV, wired and wireless internet line, an LCD TV, and a specially equipped bathroom. Among the general services provided by the hotel are 24-hour room service, a restaurant, a multi-purpose meeting hall, and a lobby bar.

Company price/single room	Company price/double room
90 TL	130 TL

*VAT and breakfast included.

➤ **ÇUKUROVA PARK HOTEL (4 Star)**



The Çukurova Park Hotel is in the city center of Adana and it is at a 3.50 km. distance from the Adana Şakirpaşa Airport. All rooms contain a central heating and cooling system, air-conditioning, an LCD TV with satellite connection, a bathroom with a shower cabin, a hair-dryer, wireless internet, and internal and external telephone lines. Among the general services provided by the hotel are 24-hour room service, a restaurant, a bar, a multi-purpose meeting hall, and a multi-story car park.

Company price/single room	Company price/double room
100 TL	140 TL

*VAT and breakfast included.

➤ **HOTEL MAVİ SÜRME Lİ (4 Star)**



The Hotel Mavi Sürmeli is in the city center of Adana and it is at a 3.00 km. distance from the Adana Şakirpaşa Airport. The hotel has a total of 117 rooms. 101 of them are standard rooms, 2 for the handicapped, 2 king suits, and 12 suit rooms. All rooms contain air-conditioning and central heating and cooling, a mini bar, a satellite TV, a sunken bathtub, a hair-dryer, a data link, and a telephone line. Among the general services provided by the hotel are 24-hour room service, a restaurant, a bar, a café, sauna, a steam room, massage, a vitamin bar, 4 halls, dry-cleaning, laundry, and ironing services, a car park, child care services, doctor, a foreign currency exchange office, a hairdresser, a business center, secretarial services, a wireless internet system, and newspaper and journal stalls.

Company price/single room	Company price/double room
110 TL	150 TL

*VAT and breakfast included.

Summary Chart:

	Company price/single room*		Company price/double room*	
SÜRMEİ	83 TL	42 €	83 TL	42 €
ZAIMOĞLU	80 TL	40 €	110 TL	55 €
ADANA ERTEN	67 TL	34 €	84 TL	42 €
HOTEL İNCİ	67 TL	34 €	93 TL	47 €
EMİR ROYAL	76 TL	38 €	110 TL	55 €
ÇUKUROVA PARK	84 TL	42 €	118 TL	59 €
HOTEL MAVİ SÜRMEİ	93 TL	47 €	127 TL	64 €
AVERAGE PRICE	79 TL	39 €	104 TL	52 €

*VAT and breakfast excluded.

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

Province	:	Adana
District	:	Seyhan
Subdistrict	:	-
Quarter	:	Çınarlı
Village	:	-
Street	:	-
Locality	:	-
Plot No.	:	-
Section	:	585
Parcel No.	:	2
Area	:	2.213 sqm.
Quality	:	Land
Owner	:	Akfen Gayrimenkul Yatırım Ortaklığı Anonim Şirketi*
Share	:	Exact

**While the immovable property was previously owned by Mehmet Ali BOĞA, it was sold to Akfen Gayrimenkul Yatırım Ortaklığı Anonim Şirketi on 03 August 2010, with journal no 9826. The relevant documents of encumbrance are included in the attachments section.*

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 document of encumbrances obtained on 25 February 2011 and according to the inspections held at the 2nd Regional Title Deed Registry Directorate of the Seyhan District of the Province of Adana on 25 February 2011. (The certificate of encumbrances dated 25 February 2011 on the properties is also enclosed.)

- There is a mortgage in the amount of EURO 11,250,000.00 dated 03 August 2010, with journal no 9873 in favor of Türkiye İş Bankası A.Ş., and Türkiye Sınai Kalkınma Bankası Anonim Şirketi and against Akfen Gayrimenkul Yatırım Ortaklığı Anonim Şirketi with a variable interest at the annual rate of 4.75% + Euribor.

TASINMAZ BİLGİLERİ								
Zemin Tipi	: Ana Taşınmaz	Ada/Parşel	: 585/2					
Zemin No	: 25870954	Yüzölçüm	: 2.213,00 m ²					
İl/İlçe	: ADANA/SEYHAN	Ana Tap. Nitelik	: Arsa					
Kurum Adı	: Seyhan TM							
Mahalle / Kısıy Adı	: ÇINARLI Mah.							
İstifid.								
Çift / Sayfa No	: 17 / 2028							
Kayıt Durum	: Aktif							
MÜLKİYET BİLGİLERİ								
Sistem No	Malik	Eldirliği No	Hisse Payı/Payda	Metrekare	Edinme Sebebi - Tarih - Yev.			
114153499	AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ	TAM		2.213,00	Satış - 03/08/2010 - 9826			
Rehin								
Rehin Tipi	Alacaklı	Borç	Faiz	Derece/Sıra	Süre	Teslim Tarih - Yev.	Borçlu	SDF No
İpotek	(SN-40) TÜRKİYE İŞ BANKASI A.Ş. Vergi No: 410058590 Sicil No: 431132078694 (SN-6420955) TÜRKİYE İNHAL KALKINMA BANKASI ANONİM ŞİRKETİ Vergi No: 879033309 Sicil No: 879033309	11.250.000,00 EUR	VILLIK%4,75 1/0 DEĞİŞKEN		F.B.K.	03/08/2010-9873	AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ	Yok
Rehinin Kapsamındaki Hisse Bilgisi								
Tasınmaz	Hisse Payı/Payda	Borçlu Malik	Malik Borç	Teslim Tarih - Yev.	Terkin Sebebi - Tarih - Yev.			
Seyhan TM - ÇINARLI Mah. 585 Ada 2 Parşel	1/1	AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI	11.250.000,00 EUR	03/08/2010-9873	-			
Rehin Şifre Bilgisi								
Şifre	Açıklama	Malik	Tarih/Yevniye	Terkin Sebebi - Tarih - Yev.				

Raporlayan: Seren ARIKAN
Kayıt No: 25.02.2011

Rapor Tarihi - Sayı: 25.02.2011 - 11.31

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

It was determined based on the information document of encumbrance obtained from the 2nd Regional Title Deed Registry Directorate of the Seyhan District of the Province of Adana that the immovable property with parcel no 2 on block 585 was formed with the amalgamation of the parcels no 184, 185, and 186 on block 1362 in the Çınarlı Neighborhood on 10 January 2008, with journal no 706 and while it was previously owned by Mehmet Ali BOĞA, it was sold to Akfen Gayrimenkul Yatırım Ortaklığı Anonim Şirketi on 03 August 2010, with journal no 9826.

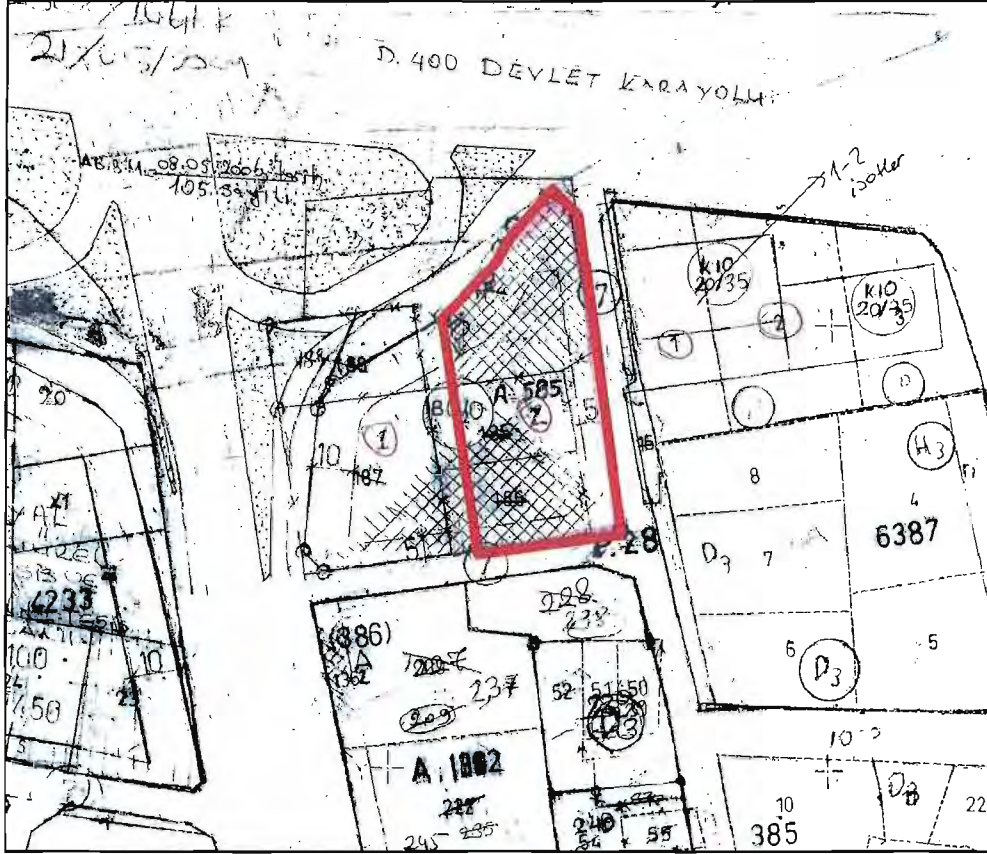
4.3 The Zoning Information for the Real Estate

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

According to the According to the inspection dated 25 Feb 2011, at Adana Province, Seyhan District zoning directorate and zoning cadastre no 105 and dated 08 May 2006, which was approved by the Adana Metropolitan Municipality Council, the immovable property under appraisal remains in "Commercial" area and the construction conditions are as follows;

- Block construction style,
- 10 floors (building height = max. 30.75 m. and floor height = max. 3.00 m.),
- TAKS (Base Area Coefficient) = 0.40

The setback distances are 10 m. from the front, 5 m. from the back and sides, and 6 m. from the neighboring parcel.



✓ **Licenses and Permits:**

- The approved architectural project dated 01 December 2010, which belongs to the immovable property under appraisal, was found in the archive file and examined.
- There is a "Foundation License" dated 01 December 2010 with volume no 12/13 for an indoor area of 9,047 sqm belonging to the immovable property under appraisal, which was issued pursuant to article 21 of the Regulation concerning the Zoning Law no 3194.

✓ **Building Supervision:**

- The building inspection for the hotel building to be constructed on the immovable property under appraisal, which has a "Foundation License", has been conducted by Pegasus Yapı Denetim Ltd. Şti. located at the address Güzelyalı Mah. 81106 Sok. No: 4 Çukurova/ADANA.

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.)

It was determined based on the information document of encumbrance obtained from the 2nd Regional Title Deed Registry Directorate of the Seyhan District of the Province of Adana that the immovable property with parcel no 2 on block 585 was formed with the amalgamation of the parcels no 184, 185, and 186 on block 1362 in the Çınarlı Neighborhood on 10 January 2008, with journal no 706.

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

It is considered that there are no obstacles preventing the subject hotel project from being included in the portfolio of the Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. as "project" pursuant to the provisions of the Capital Markets Legislation.

4.5 Civil Liability

It has been detected that the mortgage on the subject property, dated 03.08.2010, with journal no 9873, in favor of Türkiye İş Bankası A.Ş., Türkiye Sınai Kalkınma Bankası Anonim Şirketi, against Akfen Gayrimenkul Yatırım Ortaklığı Anonim Şirketi, with annual 4,75%+Euribor variable, worth € 11.250.000,00 was established for the purpose of funding the project. The official letter regarding the said mortgage has been obtained from the relevant bank and is attached.

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

5.1 The Existing Buildings Structural Characteristics of the Construction

Full address of the property: Çınarlı Quarter, Dr. Ali Menteşoğlu Avenue, 61004. Street, 585 Section, 2 Parcel, Seyhan/ADANA.

In order to reach the immovable property under appraisal, the Seyhan Municipality Building located on the right-hand side and the crossover road must be passed by while moving in the direction of the east on the Turhan Cemal Beriker Boulevard. The subject property is the vacant building plot located adjacent to BMC (İsotlar) located on the right-hand side before reaching the Atilla Altıkat Bridge. The foundation license has been obtained for the hotel planned to be constructed on the subject immovable property under appraisal and it was learned from the customer that the construction would be started at the end of December 2010.

BMC (İsotlar), the Seyhan Municipality, the Adana Title Deed Registry Directorate, the Seyhan Cultural Center, the Çetinkaya Store, well-known buildings such as most of the hotels located in the Seyhan district, as well as such important connection axes as the Turhan Cemal Beriker Boulevard, the Dr. Ali Menteşoğlu Avenue, the Ziyapaşa Boulevard, the Kurtuluş Avenue, and the Sefa Özler Avenue are located in the close surroundings of the immovable property under appraisal, which is positioned in the center of the Seyhan district of the Province of Adana. The property has a side of approximately 43 m. facing the linking road, approximately 74 m. facing the 61004th street located in the east, approximately 34 m. facing the 61004th street located in the south, and approximately 53 m. facing the parcel no 1 on block 585. The topography of the property is close to level.



The distances of the property to various centers are indicated below:

Location	Distance (km)
Seyhan Municipality	~250 m.
Title Deed Registry Directorate of the Seyhan	~400 m.
Adana Şakirpaşa Airport	~3,00 km.

5.2 Current Status Of The Real Estate

The property under appraisal is the immovable property qualified as "Building Plot", which is owned by "Akfen Gayrimenkul Yatırım Ortaklığı Anonim Şirketi" and registered under block 585 and parcel no 2 in the Province of Adana, Seyhan District, and Çınarlı Neighborhood.

The subject building plot is located in the Seyhan District of the Province of Adana and it is close to the region where important hotels of the city are located. Access to the property, which is in a central location where commercial activities are intense, can be realized by private and mass transportation vehicles. Even though the subject immovable property has a side facing the crossroads, it has lower accessibility compared to parcel no 1, which is located adjacent to it.

The immovable property under appraisal, which is in a central position, has a topography that is close to level. Its geometrical shape is similar to a rectangle. The construction of 3-star Ibis hotel which is located adjacent to BMC (İsotlar), is planned on the land where excavation works have been completed and the foundation has been laid as of the date of appraisal. The architectural project of the property under appraisal has been approved and the relevant foundation license has been obtained. According to the information obtained from the customer, the subject hotel construction will be started at the beginning of 2011 and the construction is planned to be completed within 18 months. The floor areas and floor utilization plans of the hotel, which is designed as the 3-star Hotel Ibis, are given below.

Akfen Gyo Adana İbis Hotel- Architectural Project- The Function and area of the Floors		
Hotel Block- According to approved architectural project		
Floors	Area(sqm)	Function
2. Basement Floor	1149,66	Emergency, Water depot, Pump Room, Business Center, Welcome Hole
1. Basement Floor	1149,66	15 Car Park, Shop Store, Personal Rooms, Laundry, Technical Rooms, Welcome Hole
Ground Floor	885,08	Shop(548,99 sqm), Technical Room
1. Floor	853,47	Lobby, Managerial Rooms, Restaurant, Kitchen, Meeting Room, Technical Rooms, Terrace
2. Floor	853,47	3 Meeting Room, Foyer, Technical Rooms, 11 Rooms
3. Floor	693,76	Technical Rooms, 25 Rooms, Terrace
4. Floor	693,76	Technical Rooms, 25 Rooms
5. Floor	693,76	Technical Rooms, 25 Rooms
6. Floor	693,76	Technical Rooms, 25 Rooms
7. Floor	690,53	Technical Rooms, 25 Rooms
8. Floor	690,53	Technical Rooms, 25 Rooms
Total enclosed area of the hotel block(sqm)	9.047,44	
Total parking area		19 closed, 8 open, totally 27 car park
Total room		161

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 quit 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.

Considering the current location, zoning status, construction conditions, potential and environmental improvement, the highest and best use of the property is "tourism area" appropriate with current situation.

SECTION 7

EVALUATION OF THE REAL ESTATE

7.1 Factors Affecting the Value of the Real Estate

❖ STRONG POINTS

- ✓ The immovable property under appraisal faces the linking road.
- ✓ The immovable property under appraisal is close to level in topographical terms and its infrastructure is ready since it is located in the center.
- ✓ There are immovable properties intensely used for commercial purposes in the close surroundings of the property.
- ✓ There are many hotels located in the vicinity of the property.
- ✓ The immovable property under appraisal is located close to BMC (İsotlar), the Seyhan Municipality, the Adana Title Deed Registry Directorate, the Seyhan Cultural Center, the Çetinkaya Store, well-known buildings such as most of the hotels located in the Seyhan district, as well as such important connection axes as the Turhan Cemal Beriker Boulevard, the Dr. Ali Menteşoğlu Avenue, the Ziyapaşa Boulevard, the Kurtuluş Avenue, and the Sefa Özler Avenue.

❖ WEAKNESSES

- The immovable property under appraisal has lower accessibility compared to parcel no 1, which it faces.

❖ OPPORTUNITIES

- ✓ The subject immovable property is located in a central position.
- ✓ It was learned that the Atilla Altıkat Bridge, located to the north of the subject property would be demolished and a crossroads would be constructed at this point. If the subject crossroads is constructed, the transit road connecting to the E-5 Highway will pass by the immovable property under appraisal.

❖ **THREATS**

- Ambiguities and fluctuations in economy.

SECTION 8

THE METHODS USED IN THE APPRAISAL AND THE ANALYSIS

8.1 The Methods Used in the Appraisal

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

8.1.1 Sales Comparison Method

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.

8.1.2 Income Capitalization Method

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.

8.1.3 Cost Analysis Method

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.

8.1.4 Development Approach

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.

8.2. Definitions and Model of the Calculation Methodology

8.2.1. 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.

Variante on the risk-free rate²

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

Variante 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.

Variante 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.

Variante 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.

Variante 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:

² Damodaran on Valuation „Security Analysis for Investment and Corporate Finance, Section 3 : Estimation of Discount Rates p.25

Financial Market Characteristics ³	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

8.2.3. 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.⁴

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).

8.2.4. 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.⁵

8.2.5. Other point of view: The Capital Asset Pricing Model (CAPM) 6

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,

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

Description of the Method Used for 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.

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

⁴ International Valuation Standarts, Sixth Edition , 2003 , p.323

⁵ The Appraisal of Real Estate , 12th Edition , Chapter 20, The Income Capitalization Approach, p. 489

⁶ Damodaran on Valuation ,Security Analysis for Investment and Corporate Finance, Section 3 : Estimation of Discount Rates p.21

Risk-free rate of return has been identified according to the variable model 3 of the above article 9.2.1, and it has been identified with the average of last 6 months (the average is used for minimizing short-term market fluctuations) of the Eurobond with the longest maturity currently in effect. This rate includes the country risk.

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

8.3 Analysis of the Methods Used for Appraisal

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

8.3.1 Sales Comparison Method

The following information has been obtained to constitute equivalents for the parcel under appraisal as a result of the examinations conducted in its close surroundings:

- A price of TL 5,000,000 was offered for a building plot with a surface area of 2,400 sqm and "Commercial" zoning, which is located adjacent to the immovable property under appraisal, belongs to İsohtar, and contains an indoor area of 1,000 sqm. (Assuming that the unit price of the building is TL 500 /sqm, the unit price of the building plot would be TL 1,850 /sqm, € 925 /sqm)
- A building plot located across the immovable property under appraisal, in the 2nd parcel position from the D-400 road, with an area of 606 sqm and "Commercial" zoning (Taks (Base Area Coefficient): 0.6, h max: free) is for sale at a price of TL 1,212,000. (TL 2,000 /sqm, € 903 /sqm)
- A unit price of TL 4,000 /sqm was asked for the parcel no 1 located adjacent to the immovable property under appraisal; however, it was understood from the information obtained from the relevant real estate agents that this value could not be higher than TL 2,000 /sqm. (TL 2,000 /sqm, € 903 /sqm)
- A unit price of TL 3,140 /sqm is asked for a building plot located close to the immovable property under appraisal with an area of 8,000 sqm and "Commercial" zoning; however, it was understood from the information obtained from the relevant real estate agents that this value could not be higher than TL 1,500 /sqm.
- A price of TL 8,500,000 was offered for a building plot with a surface area of 10,000 sqm, "Commercial" zoning, and a density of 2.4, which is adjacent to Acibadem. (TL 850 /sqm, € 384 /sqm)
- A price of TL 1,430,000 is asked for a building plot with a surface area of 1,100 sqm, "Commercial" zoning, and a density of 2 next to the building plot that is adjacent to Acibadem. (TL 1,300 /sqm, € 587/sqm)
- It was learned from the information obtained from the real estate agents in the surroundings about the immovable property under appraisal that its unit price would be TL 1,700-2,000 /sqm.

Equivalent Shops for Sale:

- A shop with an area of 240 sqm on the Ziyapaşa Boulevard is for sale at a price of TL 375,000. (TL 1,562 /sqm, Euro 705 /sqm)
- A shop with an area of 370 sqm. located parallel with the main street in Çınarlı is for sale at a price of TL 600,000. (TL 1,621 /sqm, EURO 732 /sqm)
- A shop with an area of 140 sqm on the Sun Sineması Street in Çınarlı is for sale at a price of TL 350,000.(TL 2,500 /sqm, EURO 1,129 /sqm)
- A 2-floor shop with an area of 110 sqm located in a central position in Çınarlı is for sale at a price of TL 500,000. (TL 4,545 /sqm, EURO 2,053 /sqm)
- A 2-floor shop with an area of 90 sqm located in Çınarlı was sold at the price of TL 450,000 TL. (TL 5,000 /sqm, EURO 2,259 /sqm)

Equivalent Shops for Rent:

- A shop with an area of 250 sqm, which is located under the Atilla Altıkat Bridge at a 100 m distance from the immovable property, was rented at an annual price of TL 40,000. (TL 13 /sqm/month, EURO 5.8 /sqm/month)
- A shop on the ground floor with an area of 160 sqm, close to the Atilla Altıkat Bridge in the Ziyapaşa Boulevard is for rent at a monthly price of TL 4,000. (TL 25 /sqm/month, EURO 11.2 /sqm/month)
- A shop with an approximately 90 sqm ground floor and 220 sqm basement, which is located close to the immovable property under appraisal in the Çınarlı Neighborhood, is for rent at a monthly price of TL 4,000. (TL 13 /sqm/month, EURO 5.8 /sqm/month)
- It was learned that the unit prices of the shops inside the Adana Hilton Hotel was EURO 13.5 EURO/sqm/month. (TL 26 /sqm/month)
- A shop located on the ground floor on the Ataturk Avenue, with a better position compared to the immovable property under appraisal and an area of 65 sqm, is for rent at a monthly price of TL 7,000. (TL 107 /sqm/month, EURO 48.3/sqm/month)
- A shop located on the ground floor on the Ziyapaşa Boulevard, with a better position compared to the immovable property under appraisal and an area of 50 sqm, is for rent at an annual price of TL 15,000. (TL 25 /sqm/month, EURO 11.2 /sqm/month)
- The Mc Donald's shop on the Turgut Özal Boulevard, with a better position compared to the immovable property under appraisal and an area of 350 sqm is paying approximately TL 160,000 as an annual rent. (TL 38 /sqm/month, EURO 17.1 /sqm/month)
- The shop used by the Simit Sarayı, located at the Çakmak Locality, with a better position compared to the immovable property under appraisal, and an area of 305 sqm was rented at an annual price of TL 160,000. (TL 43 /sqm/month, EURO 19.42 /sqm/month)

✓ Professional Opinion of the Appraiser:

Given the location, environment, the roads it is facing, transportation conditions, zoning status, and the buildings in its surroundings, it has been considered that the unit price of the subject building plot would be **TL 2,000 /sqm**.

The Subjected Property	Total Land Area (sqm)	1 sqm Land Value(TL/sqm)
585 section 2 parcel	2.213	2.000
TOTAL LAND VALUE (-TL)		4.426.000
APPROXIMATE LAND VALUE (-TL)		4.426.000
TOTAL LAND VALUE (-EURO)		1.999.819

8.3.2 Cost Formation Analysis

In this analysis, the building cost values of the property have been calculated with cost formation approach; according to the costs estimated by basing on the technical properties and the materials of the buildings, the construction costs of other buildings with same properties in the market and our past experiences. The depreciation margin of the buildings has been calculated by considering the visible physical condition of the building as based on the appraiser's experiences.

The construction costs considered for the calculation of the current status of the property is the completed construction cost of the project as of the date of appraisal. The value of the construction costs have been taken from the accounting records of Akfen GYO A.Ş. from which the advance payments were deducted, and they are annexed to the report. The detail of the following table is included in the construction cost calculation in the "Development Approach" section.

TOTAL COST (€)	
Construction Cost (€)	6.310.732
Infrastructure Cost (€)	631.073
Environmental Design and Landscape Cost (€)	126.215

Project General Expenses (€)	706.802
TOTAL (€)	7.774.822
SPENT COST(€)	623.839
REST COST(€)	7.150.983
FLAT COST (€/m2)	859

TOTAL LAND VALUE(€)	1.999.819
REALIZED CONSTRUCTION COST(€)	623.839
TOTAL VALUE(€)	2.623.658
TOTAL VALUE(TL)	5.806.680
APPROXIMATE VALUE (TL)	5.807.000

8.3.3 Development Approach

The project value of the immovable property has been calculated with the project evaluation method by using the information included in the approved architectural project belonging to the hotel to be developed on the immovable property under appraisal.

✓ Assumptions regarding the Hotel

- The spatial information contained in the approved architectural project has been used during the valuation study.
- In the project development approach, it was assumed that a 3-star Ibis Hotel would be constructed and operated on the subject parcel.
- It was projected that the 3-star hotel would have a capacity of 161 rooms and 322 beds.
- It was assumed that the hotel project under construction will be completed within 18 months and the Hotel would be commissioned in April 2012.
- It was assumed that the average room capacity occupancy rate of the hotel would be 50% in 2012 and this rate would increase by years and reach 73% in 2019, and remain fixed during the subsequent years.
- The prices in the hotel have been projected to be according to the room-breakfast system. As a result of the research conducted in the tourism sector and the region, it was assumed that the price for the rooms would be € 51,75.- with the commissioning of the hotel in 2012 and that this price would increase by years at a rate of 3.5%.

ROOM PRICE INCREASE BY YEARS (€)				
2011	2012	2013	2014	2015
50,00	51,75	53,56	55,44	57,38

- It was assumed that all the costs would be realized by the investor company.
- Such expenditures as lunch and dinner, beverages, laundry, etc., which are qualified as extra expenditures throughout the 3-star hotel were added to other revenues. The income projected for this item is 25% of the total income. It was assumed that this rate would remain fixed and the income would increase together with the revenues of the hotel.
- It was assumed that the GOP (Gross Operating Profit) in the 3-star hotel would rise to 52% from 42% together with the increase in the profit rate by years.
- It was projected that the replacement cost for the 3-star hotel would be around 1.5% of the fixed asset investment and start in 2012.
- Apart from the advance payment, certain portions of the project overhead costs such as design drawing and approval costs, construction site installation and license fees have been realized, and the realized cost value is based on the value in Akfen GYO A.Ş. accounting records, which is € 623,839. The remaining construction cost has been reflected on the cash flow.

- It was assumed within the scope of the project that the functions used in the areas and floors according to the approved architectural project would be as given below.
- 4.70%, which is the average for the last 6 months for the Euro-based 2019 termed Eurobond, was taken as the "Risk-Free Rate of Return".
- The capitalization rate was determined as 11.00% in the projection.
- It was assumed that all payments were made in advance.
- EURO was used during the studies.
- Tax was not included in the studies pursuant to the IVSC (International Valuation Standards).
- It was learned from the Seyhan Municipality that the current value of the building plot under appraisal was TL 900 /sqm (Euro 406,65 /sqm).

Akfen Gyo Adana İbis Hotel- Architectural Project- The Function and area of the Floors		
Hotel Block- According to approved architectural project		
Floors	Area(sqm)	Function
2. Basement Floor	1149,66	Emergency, Water depot, Pump Room, Business Center, Welcome Hole
1. Basement Floor	1149,66	15 Car Park, Shop Store, Personal Rooms, Laundry, Technical Rooms, Welcome Hole
Ground Floor	885,08	Shop(548,99 sqm), Technical Room
1. Floor	853,47	Lobby, Managerial Rooms, Restaurant, Kitchen, Meeting Room, Technical Rooms, Terrace
2. Floor	853,47	3 Meeting Room, Foyer, Technical Rooms, 11 Rooms
3. Floor	693,76	Technical Rooms, 25 Rooms, Terrace
4. Floor	693,76	Technical Rooms, 25 Rooms
5. Floor	693,76	Technical Rooms, 25 Rooms
6. Floor	693,76	Technical Rooms, 25 Rooms
7. Floor	690,53	Technical Rooms, 25 Rooms
8. Floor	690,53	Technical Rooms, 25 Rooms
Total enclosed area of the hotel block(sqm)	9.047,44	
Total parking area		19 closed, 8 open, totally 27 car park
Total room		161

It was assumed that the tables showing the costs made and to be made for the 3-star hotel project realized on the subject immovable property would be as follows.

Akfen GYO Adana İbis Hotel Architectural Project(sqm)	
Hotel Block - Approved Architectural Project	
2. Basement Floor	1149,66
1. Basement Floor	1149,66
Ground Floor	885,08
1. Floor	853,47
2. Floor	853,47
3. Floor	693,76
4. Floor	693,76
5. Floor	693,76
6. Floor	693,76
7. Floor	690,53
8. Floor	690,53
Total enclosed area of the hotel block(sqm)	9047,44

Total Terrace Area in 1st and 3dr floors	186
Shop Area	548,99
Shop Store Area	89,53

Area Dispersion	Construction Area (sqm)	2010 Unit Construction Cost (€/sqm)	Cost (€)
Car park, emergency, Terrace	2.299	250	574.830
Normal Floors	6.748	850	5.735.902
Total	9.047,44		6.310.732

INFRASTRUCTURE COST		
Indoor Area Total Construction Cost (€)	Rate	Cost (€)
6.310.732	10%	631.073

ENVIRONMENTAL DESIGN AND LANDSCAPE COSTS		
Indoor Area Total Construction Cost (€)	Rate	Cost (€)
6.310.732	2%	126.215

TOTAL COST (€)	
Construction Cost (€)	6.310.732
Infrastructure Cost (€)	631.073
Environmental Design and Landscape Cost (€)	126.215
TOTAL (€)	7.068.020

PROJECT GENERAL EXPENSES		
Total Cost(€)	Rate	Cost (€)
7.068.020	10%	706.802

TOTAL COST(€)	
Construction Cost (€)	6.310.732
Infrastructure Cost (€)	631.073
Environmental Design and Landscape Cost (€)	126.215
Project General Expenses (€)	706.802
TOTAL (€)	7.774.822
SPENT COST(€)	623.839
REST COST(€)	7.150.983
FLAT COST(€/m²)	859

SPENT COST(€)	623.839
REST COST(€)	7.150.983

DISPERSION OF COST BY YEARS			
YEARS	2011	2012	TOPLAM
RATE	70%	30%	100%
COST (€)	5.005.688	2.145.295	7.150.983

IBIS HOTEL SUMMARY CHART	
NUMBER OF ROOMS	161
NUMBER OF BEDS	322
OPERATION DAYS	365

ROOM CAPACITY FOR YEAR	58,765
ROOM PRICE (€)(2010)	50,00
ROOM PRICE INCREASE RATE (%)	3,5%
OTHER INCOME RATE (%)	25%
RENEWEL COSTS RATE	1,5%
REAL ESTATE TAX INCREASE RATE	2,5%
INSURANCE COSTS INCREASE RATE ORANI	2,5%
CAPITALIZATION RATE-operating model	8,5%
CAPITALIZATION RATE-leasing model	8,0%

Shop Area(sqm)	638,52
Shop Unit Rent Price(EURO/sqm)	15,52
Shop Rent Price Monthly(EURO)	9.913,02

ROOM PRICE INCREASE BY YEARS (€)				
2011	2012	2013	2014	2015
50,00	51,75	53,56	55,44	57,38

2010 MINISTRY OF PUBLIC WORKS VALUES	
2010 Ministry of Public Works/Unit Value	761
€	343,85
Areas	9.047
Value (€)	3.110.926

Land Value (€)	Building Cost (€)	Total (€)
899.919	3.110.926	4.010.845

The commercial unit with a total indoor area of 638.52 sqm comprising of the 548.99 sqm store and 89.53 sqm storage area belonging to this store, which will be included in the hotel was rented at a price of EURO 15,52 /sqm/month.

Shop Area(sqm)	638,52
Shop Unit Rent Price(EURO/sqm)	15,52
Shop Rent Price Monthly(EURO)	9.913,02

SHOP RENT PRICE INCREASE BY YEARS (€)-monthly				
2011	2012	2013	2014	2015
9.913,02	10.259,98	10.619,07	10.990,74	11.375,42

	2010 YILI	2011 YILI	2012 YILI	2013 YILI	2014 YILI	2015 YILI	2016 YILI	2017 YILI	2018 YILI	2019 YILI	2020 YILI	2021 YILI	2022 YILI
Building Insurance Cost (€)	9.955	10.204	10.459	10.720	10.988	11.263	11.545	11.833	12.129	12.432	12.743	13.062	13.388
Real Estate Tax Cost (€)	16.043	16.444	16.856	17.277	17.709	18.152	18.605	19.071	19.547	20.036	20.537	21.050	21.577
Inflation	2,5%												

3 STAR HOTEL CASH FLOW													
YEARS	28.02.2011	31.12.2011	31.12.2012	31.12.2013	31.12.2014	31.12.2015	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022
Occupancy Rate (%)		50%	50%	53%	55%	60%	65%	70%	72%	73%	73%	73%	73%
Room Capacity		44.275	44.275	58.765	58.765	58.765	58.765	58.765	58.765	58.765	58.765	58.765	58.765
Room Price(€)		518	518	536	554	574	594	615	636	658	681	705	730
Room Income (€)		1.145.616	1.668.189	1.791.730	2.023.026	2.268.318	2.268.318	2.528.302	2.691.558	2.824.453	2.923.309	3.025.625	3.131.522
Other Incomes (€) (%25)		286.404	417.047	447.932	505.756	567.079	567.079	632.075	672.888	706.113	730.827	756.406	782.880
Total Hotel Income (€)		1.432.020	2.085.237	2.239.662	2.528.782	2.835.397	2.835.397	3.160.377	3.364.447	3.530.567	3.654.136	3.782.031	3.914.402
GOP (%)		42%	42%	42%	44%	46%	48%	50%	52%	52%	52%	52%	52%
GOP (€)		601.448	875.799	985.451	1.163.240	1.360.991	1.360.991	1.580.189	1.749.512	1.835.895	1.900.151	1.966.656	2.035.489
Cost (€)		-630.571	-1.209.437	-1.264.211	-1.365.542	-1.474.406	-1.474.406	-1.580.189	-1.614.935	-1.694.672	-1.753.986	-1.815.375	-1.878.913
Hotel Area Net Cashflow		801.448	875.799	985.451	1.163.240	1.360.991	1.360.991	1.580.189	1.749.512	1.835.895	1.900.151	1.966.656	2.035.489
Renewal Costs (%1,5)		-71.320	-97.028	-99.453	-101.940	-104.488	-104.488	-107.100	-109.778	-112.522	-115.335	-118.219	-121.174
Real Estate Tax (Increase %2,5)		-7.860	-10.720	-10.988	-11.263	-11.545	-11.545	-11.833	-12.129	-12.432	-12.743	-13.062	-13.388
Building Insurance (Increase %2,5)		0	0	0	0	0	0	0	0	0	0	0	0
Shop Rent Income(€)	0	0	92.761	127.429	130.615	133.880	137.227	140.658	144.174	147.778	151.473	155.260	159.141
Construction Costs	0	-5.005.688	-2.145.295										
Hotel Net Cash Flow	0	-5.005.688	-1.530.285	895.480	1.005.624	1.183.917	1.382.185	1.587.544	1.752.232	1.838.683	1.903.009	1.969.595	2.038.492
TERMINAL VALUE	0	-5.005.688	-1.530.285	895.480	1.005.624	1.183.917	1.382.185	1.587.544	1.752.232	1.838.683	1.903.009	1.969.595	2.038.492
NET CASH FLOW	0	-5.005.688	-1.530.285	895.480	1.005.624	1.183.917	1.382.185	1.587.544	1.752.232	1.838.683	1.903.009	1.969.595	2.038.492

Appraisal Table

Risk free Rate of Return	4,70%	4,70%	4,70%
Risk Premiums	5,30%	6,30%	7,30%
Discount Rate	10,00%	11,00%	12,00%
NET PRESENT VALUE (€)	9.319.536	8.110.076	7.024.125
NET PRESENT VALUE (TL)	20.625.997	17.949.221	15.545.795
APPROXIMATE VALUE (TL)	20.626.000	17.949.000	15.546.000

The commercial unit with a total indoor area of 638.52 sqm comprising of the 548.99 sqm storage area belonging to this store, which will be included in the hotel would be sold at a price of EURO 2,070 /sqm.

Shop Area(sqsm)	638,52
Shop Unit Sale Price(EURO/sqm)	2.070
Shop Sale Price (EURO)	1.321.736

YILLARA YAYGIN İMAĞAZA SATIŞ FİYAT ARTIŞI (€)

	2011	2012	2013	2014	2015
	1.321.736	1.367.997	1.415.877	1.465.432	1.516.722

	2010 YILI	2011 YILI	2012 YILI	2013 YILI	2014 YILI	2015 YILI	2016 YILI	2017 YILI	2018 YILI	2019 YILI	2020 YILI	2021 YILI	2022 YILI
Building Insurance Cost (€)	9.955	10.204	10.459	10.720	10.988	11.263	11.545	11.833	12.129	12.432	12.743	13.062	13.388
Real Estate Tax Cost (€)	16.043	16.444	16.856	17.277	17.709	18.152	18.605	19.071	19.547	20.036	20.537	21.050	21.577
Inflasyon	2,5%												

3 STAR HOTEL CASH FLOW

YEARS	28.02.2011	31.12.2011	31.12.2012	31.12.2013	31.12.2014	31.12.2015	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022
Occupancy Rate (%)			50%	55%	55%	60%	65%	70%	72%	73%	73%	73%	73%
Room Capacity			44.275	58.765	58.765	58.765	58.765	58.765	58.765	58.765	58.765	58.765	58.765
Room Price(€)			51.8	53.6	55.4	57.4	59.4	61.5	63.6	65.8	68.1	70.5	73.0
Room Income (€)			1.145.616	1.688.189	1.791.730	2.023.026	2.268.318	2.528.302	2.691.558	2.824.453	2.923.309	3.025.625	3.131.522
Other Incomes (€) (%25)			286.404	417.047	447.932	505.756	567.079	632.075	672.889	706.113	730.827	756.406	782.880
Total Hotel Income (€)			1.432.020	2.085.237	2.239.662	2.528.782	2.835.397	3.160.377	3.364.447	3.530.567	3.654.136	3.782.031	3.914.402
GOP (%)			42%	42%	44%	46%	48%	50%	52%	52%	52%	52%	52%
GOP (€)			601.448	875.799	985.451	1.163.240	1.360.991	1.580.189	1.749.512	1.835.895	1.900.151	1.966.656	2.035.489
Cost (€)			-830.571	-1.209.437	-1.254.211	-1.365.542	-1.474.406	-1.580.189	-1.614.935	-1.694.672	-1.753.986	-1.815.375	-1.876.913
Hotel Area Net Cashflow			601.448	875.799	985.451	1.163.240	1.360.991	1.580.189	1.749.512	1.835.895	1.900.151	1.966.656	2.035.489
Renewal Costs (%1.5)			-71.320	-97.028	-99.453	-101.940	-104.488	-107.100	-109.778	-112.522	-115.365	-118.219	-121.174
Real Estate Tax (Increase %2.5)			0	0	0	0	0	-14.368	-19.547	-20.036	-20.537	-21.050	-21.577
Building Insurance (Increase %2.5)			-7.860	-10.720	-10.968	-11.263	-11.545	-11.833	-12.129	-12.432	-12.743	-13.062	-13.388
Shop Sale Income(€)			1.367.997	0	0	0	0	0	0	0	0	0	0
Construction Costs	0	-5.005.688	-2.145.295										
Hotel Net Cash Flow	0	-5.005.688	-255.050	768.051	875.010	1.050.037	1.244.958	1.446.887	1.608.058	1.690.904	1.751.536	1.814.326	1.879.350
TERMINAL VALUE													223.333
NET CASH FLOW	0	-5.005.688	-255.050	768.051	875.010	1.050.037	1.244.958	1.446.887	1.608.058	1.690.904	1.751.536	1.814.326	2.002.683



Appraisal Table			
Risk free Rate of Return	4,70%	4,70%	4,70%
Risk Premiums	5,30%	6,30%	7,30%
Discount Rate	10,00%	11,00%	12,00%
NET PRESENT VALUE (€)	9.062.321	7.939.368	6.930.362
NET PRESENT VALUE (TL)	20.056.730	17.571.410	15.338.278
APPROXIMATE VALUE (TL)	20.057.000	17.571.000	15.338.000

8.3.4. The Value of the Property According to the Rental Income

Pursuant to the Ibis Hotel Adana Rental Contract dated 7 September 2010;

- The international hotel management company Accor Group will pay as the annual rental fee for the Hotel which is under appraisal and the construction right of which belongs to Akfen Gayrimenkul Yatırım Ortaklığı A.Ş., the highest of the twenty five percent (25%) of the gross income (excluding VAT) or seventy percent (70%) of the adjusted gross operation income obtained by deducting a total amount of 8% (4% for operation expenses and 4% for replacement costs) from the gross income.
- The construction right of the hotel under appraisal belongs to Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. and it will be operated by the Accor Group, which is an international hotel management company. Such items as occupancy rates, bed/room prices that affects the potential of the hotel was assumed that the hotel would be operated in 3 star city hotel concept.
- It was assumed that the number of beds of the hotel would remain fixed by years as specified in the approved architectural project.
- It was assumed that the hotel would be open for 365 days during the year.
- The prices in the hotel have been projected to be according to the room-breakfast system. As a result of the research conducted in the tourism sector and the region, it was assumed that the price for the rooms would be € 51,75.- with the commissioning of the hotel in 2012 and that this price would increase by years at a rate of 3.5%.
- It was assumed that the average room capacity occupancy rate of the hotel would be 50% in 2012 and this rate would increase by years and reach 73% in 2020, and remain fixed during the subsequent years.
- It was assumed that the profit margin of the facility would be 42% in 2012 and this rate would rise to 52% by years and remain fixed at this rate.
- The replacement cost for the rent model of the hotel was taken as 0.05% of the replacement cost calculated in the operation alternative. It was assumed that such replacement works of the hotel would be performed by the tenant in the rent model.
- EURO was used during the studies and 1 Euro was taken as TL 2.2132.
- Tax and VAT was not included in the studies pursuant to the IVSC (International Valuation Standards).
- 4.70%, which is the average for the last 6 months for the Euro-based 2020 termed Eurobond, was taken as the "Risk-Free Rate of Return". (The rate of return of the longest termed Euro-based 2020 termed Eurobond was chosen as the risk-free rate of return in this valuation study.)
- Low capitalization rate and risk premium were given by considering that the rental incomes guaranteed by the international recognition level and brand power of Accor would be determined by years.
- In this study, the rental revenues of the hotel rented to the Accor group with a 25 –year rental contract, have been guaranteed under a contract. It was assumed that the risk premium in Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. obtaining the rental revenues would be quite low. The capitalization rate was projected to be 8.50% by adding a "Risk Premium" of 3.80% to the 4.70% "Risk-Free Rate of Return."

The commercial unit with a total indoor area of 638.52 sqm comprising of the 548.99 sqm store and 89.53 sqm storage area belonging to this store, which will be included in the hotel was rented at a price of EURO 15,52 /sqm/month.

IBIS HOTEL CASH FLOW													
YEARS	28.02.2011	31.12.2011	31.12.2012	31.12.2013	31.12.2014	31.12.2015	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022
IBIS HOTEL INCOME		0	358.005	521.309	559.916	632.196	708.849	790.094	841.112	882.642	913.534	945.508	978.601
AGOP IBIS HOTEL		0	340.821	496.286	564.395	672.656	793.911	929.151	1.036.250	1.087.415	1.125.474	1.164.866	1.205.636
IBIS HOTEL RENTAL INCOMES		0	358.005	521.309	564.395	672.656	793.911	929.151	1.036.250	1.087.415	1.125.474	1.164.866	1.205.636
INSURANCE COSTS (EURO)		0	-7.880	-10.720	-10.988	-11.263	-11.546	-11.833	-12.129	-12.432	-12.743	-13.062	-13.388
REAL ESTATE TAX		0	0	0	0	0	0	-14.368	-19.547	-20.036	-20.537	-21.050	-21.577
RENEWAL COSTS (EURO)		0	-3.566	-4.851	-4.973	-5.097	-5.224	-5.355	-5.489	-5.626	-5.767	-5.911	-6.059
TOTAL NET OPERATING PROFIT (EURO)		0	346.559	505.737	548.434	656.296	777.142	897.594	999.084	1.049.320	1.086.427	1.124.843	1.164.612
SHOP RENT INCOME		0	92.761	127.429	130.615	133.880	137.227	140.858	144.174	147.778	151.473	155.260	159.141
CONSTRUCTION COST		0	439.320	633.166	679.048	790.176	914.369	1.038.252	1.143.258	1.197.099	1.237.900	1.280.102	1.323.754
NET CASH FLOW (EURO)		0	-5.005.688	-2.145.286									
NET NAKİT AKIŞLARI (EURO)		0	-5.005.688	-1.705.975	633.166	679.048	914.369	1.038.252	1.143.258	1.197.099	1.237.900	1.280.102	1.323.754

Appraisal Table	
Risk Free Rate of Return	4,70%
Risk Premium	3,30%
DISCOUNT RATE	8,00%
NET PRESENT VALUE (EURO)	5.615.895
	4.809.456



The commercial unit with a total indoor area of 638.52 sqm comprising of the 548.99 sqm store and 89.53 sqm storage area belonging to this store, which will be included in the hotel would be sold at a price of EURO 2,070 /sqm

IBIS HOTEL CASH FLOW													
YEARS	28.02.2011	31.12.2011	31.12.2012	31.12.2013	31.12.2014	31.12.2015	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022
IBIS HOTEL INCOME		0	358.005	521.309	559.916	632.186	708.849	790.094	841.112	882.642	913.534	945.508	978.601
AGOP IBIS HOTEL		0	340.821	486.286	564.395	672.656	793.911	929.151	1.036.250	1.087.415	1.125.474	1.164.866	1.205.636
IBIS HOTEL RENTAL INCOMES		0	358.005	521.309	564.395	672.656	793.911	929.151	1.036.250	1.087.415	1.125.474	1.164.866	1.205.636
INSURANCE COSTS (EURO)	0	0	-7.890	-10.720	-10.988	-11.263	-11.545	-11.833	-12.129	-12.432	-12.743	-13.062	-13.388
REAL ESTATE TAX	0	0	0	0	0	0	0	-14.368	-19.547	-20.036	-20.537	-21.050	-21.577
RENEWAL COSTS (EURO)	0	0	-3.566	-4.851	-4.973	-5.087	-5.224	-5.355	-5.489	-5.626	-5.767	-5.911	-6.059
TOTAL NET OPERATING PROFIT (EURO)	0	0	346.559	505.737	548.434	656.296	777.142	897.594	999.084	1.049.320	1.086.427	1.124.843	1.164.612
SHOP SALE INCOME			1.367.997										
CONTRIBUTION COST		-5.005.688	-2.145.296										
NET CASH FLOW(EURO)	0	-5.005.688	-430.739	505.737	548.434	656.296	777.142	897.594	999.084	1.049.320	1.086.427	1.124.843	1.164.612

Appraisal Table			
Risk Free Rate of Return	4,70%	4,70%	4,70%
Risk Premium	3,30%	3,80%	4,30%
DISCOUNT RATE	8,00%	8,50%	9,00%
NET PRESENT VALUE (EURO)	5.618.234	5.163.765	4.734.043

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8.3.5 Evaluation of The Analysis Results

In this valuation study, the sales comparison approach was used in determining the value of the building plot and the project development approach was used for the hotel in general.

- According to the sales comparison approach, the value of the building plot under appraisal was calculated as TL 4.426.000.-.
- According to the project development approach, where the commercial unit to be developed on the parcel and included in the hotel was assumed to be rented, the final value was assessed to be € 6.863.000/ TL 15.190.000 (Fifteenmilliononehundredninetythousand.-Turkish Liras) which is the average of € 8.110.000.- (the project value) and € 5.616.000 (net present value of the rental income).
- According to cost approach analysis the fair market value of the hotel under construction has been appraised as TL 5.807.000 (Fivemillioneighthundredseventhousan.-Turkish Liras)(€ 2.264.000)
- The architectural project for the 3-star hotel currently being developed on the parcel has been approved and the relevant building license has been obtained.
- It is considered that there are no obstacles preventing the subject hotel project from being included in the portfolio of the Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. as “project” pursuant to the provisions of the Capital Markets Legislation.

The sales comparison approach was used in determining the current value in this valuation study. The value of the hotel based on the income capitalization method was calculated with the use of 2 methods according to the rental income and the operation income. The hotel is currently rented to the Accor group to be operated under a rental contract. The value was found based on the rental income by capitalizing the rental revenues guaranteed under the contract with a low risk premium. In addition, the value of the property to be calculated based on the total revenues provided by it was found according to the operating incomes. In this method the total potential of the hotel, which brings profit for both the owner of the property and the operator, was taken into consideration and it was thought that this value would be important in case of any sales. Therefore, the value of the immovable property, which was found based on the income capitalization approach, was calculated by taking the average of the two values through capitalizing the rental income guaranteed with the rental contract and the revenues to be provided with the total operating potential. Since the value of the property depends on the performance of such property in income generating facilities, it was considered that the income capitalization value to be calculated with the 2 methods would be much sounder.

VAT APPLICATION

It is assumed that routine VAT will apply to the property. The VAT rate to be applied on commercial property sales is assumed as 18%.

SECTION 9 CONCLUSION

All characteristics which might have an influence on the value of the property such as the location, the style of its environment, infrastructure and means of access, its facade to the road and the street, the construction system of the building, its age, the workmanship and the quality of the products, situation of the plumbing 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.

The immovable property qualified as "Building Plot", which is owned by "Akfen Gayrimenkul Yatırım Ortaklığı Anonim Şirketi" and registered under block 585 and parcel no 2 in the Province of Adana, Seyhan District, and Çınarlı Neighborhood:

TOTAL FAIR MARKET VALUE OF THE PROJECT AS OF 28 FEBRUARY 2011 (Excluding VAT)	15.190.000.-TL (Fifteenmilliononehundredninetiethousand.-Turkish Liras)	6.863.000.-EURO (Sixmillioneighthundredsixtythreehousand.-EUROS)
TOTAL PRESENT STATUS VALUE OF THE PROJECT ON 28 FEBRUARY 2011 (Excluding VAT)	5.807.000.-TL (Fivemillioneighthundredseventhousandbin.-Turkish Liras)	2.264.000.-EURO (Twomilliontwohundredsixtyfourhousand.-EUROS)
FAIR MARKET VALUE OF THE PROJECT AS OF 28 FEBRUARY 2011 (Including VAT)	17.924.000.-TL (Seventeenmillionninhundredtwentyfourthousand.-Turkish Liras)	8.099.000.-EURO (Eightmillionninetyninethousand.-EUROS)
TOTAL PRESENT STATUS VALUE OF THE PROJECT ON 28 FEBRUARY 2011 (Including VAT)	6.852.000.-TL (Sixmillioneighthundredfiftytwothousand.-Turkish Liras)	3.096.000.-EURO (Threemillionninetysixthousand.-EUROS)

NOT:	1	The value above is the fair market value for a cash sale.
	2	* VAT included and VAT rate is taken %18.
	3	Exchange rate has been taken as 1 Euro=2,2132- TL. The value in EURO is given only for information purpose
	4	This appraisal report has been prepared further to the related provisions of the Capital Markets Regulation.
	5	This page is an inseparable part of the appraisal report, it is complete with the detailed information in the report and it can not be used separately.

***It is considered that there are no obstacles preventing the subject hotel project from being included in the portfolio of the Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. as "project" pursuant to the provisions of the Capital Markets Legislation.*

Hüsniye BOZTUNÇ Appraiser (400811)	Adem YOL Appraiser in Charge (400101)
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