

**REAL ESTATE APPRAISAL REPORT**



**AKFEN  
GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.  
BURSA IBIS OTEL  
OSMANGAZİ / BURSA**



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FS 509685

Date: 28.02.2011  
Rev. Date: 20.04.2011

R. No: 2011REV78-6

<b>SUMMARY CHART</b>			
<b>REPORT NO:</b>	2011REV78-6	<b>REPORT DATE:</b>	28.02.2011
		<b>REV. DATE:</b>	20.04.2011

<b>OPEN ADDRESS:</b>	Bursa-Yalova Yolu, Bursa Uluslararası Tekstil ve Ticaret Merkezi Yanı, 3198 Ada, 67 Parsel, İbis Otel, Osmangazi/BURSA		
<b>PREPARED BY :</b>	TSKB Gayrimenkul Değerleme A.Ş.		
<b>APPRAISERS :</b>	Hüsnüye BOZTUNÇ Appraiser (400811)	Adem YOL Appraiser In Charge (400101)	
<b>REQUESTED BY :</b>	Akfen GYO A.Ş.		
<b>INTENDED USE OF THE PROPERTY:</b>	Hotel and restaurant		
<b>LAND REGISTRY INFORMATION :</b>	Taşınmazlara ait tapu bilgileri raporun "4.2.Gayrimenkulün Tapu Bilgileri" bölümünde detaylı olarak verilmiştir.		
<b>ZONING STATUS :</b>	The subject immovable remains in the legend of "Tourist Accommodation Facility Area (Hotel Area)" within the boundaries of the Yalova Road 1 <sup>st</sup> Area Application Zoning Plan with the scale of 1/1000 approved with the decision numbered 733/16021078-755 dated 15 November 2007 of the Bursa Metropolitan Municipality Council and, - equivalent :2.00 - Hmax: 30.00 m.		
Fair market value as of 28 February 2011 of the hotel located on the ground plot with right of superficies (Construction) for 30 years given in favor of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. (EXCLUDING VAT)	47.900.000.-TL (Fortysevemillionnintyhundredthousand-Turkish Liras)	21.643.000.-€ (Twentyonemillionsixtyhundredandfortythreethous and.-€)	
Fair market value as of 28 February 2011 of the hotel located on the ground plot with right of superficies (Construction) for 30 years given in favor of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. (INCLUDING VAT)	56.522.000.- TL (Fiftysixmilliontvehundredtwentytwothousand.-Turkish Liras)	25.538.000.-Euro (Twentyonemillionslivehundredandthirtyeightthousand.-Euro) 1 Euro=2,2132 TL	
Rental Value (Excluding VAT) dated 28 February 2011 of the Hotel	1.780.000.- TL (Onemillionsevenhundredandeighthytou sand.-Turkish Liras)	804.000.-Euro (Eighthundredandfourthousand.-Euro)	
Rental Value (Including VAT) dated 28 February 2011 of the Hotel	2.100.000.- TL (Twomillionononehundredthousand.- Turkish Liras) 1 Euro=2,2132 TL	949.000.-Euro (Ninehundredandfortyninethousand.-Euro)	

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 unseperatable part of the appraisal report. The report is a whole with all the detailed information in it an cannot be used independently
The appraiser has previous experience in the subject of the location and type of the property which is being valuated;
The Appraiser has personally inspected the property; with the exclusion of the persons mentioned in the report no other person has contributed professionally to the preparation of this report.
*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 2011REV78-6 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 report, is a valuation report prepared with the purpose of determining the fair market value in Turkish Liras as of the date of 31 December 2010 of the hotel located on the ground plot no. 67, block 3198, in the Neighborhood of Altınova, District of Osmangazi in the province of Bursa, owned by S.S. Bursa Uluslararası Tekstil Ticaret ve Alışveriş Merkezi İşletme Kooperatifi, with its right of superficies (construction) established for a duration of 30 years in favor of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.

#### 1.3 People Issuing the Report

This appraisal report has been prepared at the end of necessary examinations carried out at the location of the real property and upon the information procured from the relevant individuals – institutions – establishments Hüsniye BOZTUNÇ, licenced real estate appraiser Adem YOL, real estate 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 25 February 2011 and finished on 28 February 2011. Not only examinations conducted at real estate location, municipality and land registry but also office work is done during appraisal study.

#### 1.5 Base Contract

This appraisal report was issued in accordance with the provisions of the base contract that was executed by and between Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. and our Company on 21 February 2011 and has determined the rights and obligations of the contractual parties.

#### 1.6 Factors Affecting the Appraisal Process Negatively

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

#### 1.7 Scope of Client Demands and Limitations

This real estate appraisal report has been prepared further to Akfen Gayrimenkul Yatırım Ortaklığı A.Ş request dated 16 February 2011.

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



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

	Report-1	Report-2	Report-3
Report Date	29.01.2010	30.06.2010	31.12.2011
Report No	2009REV427-7	2010REV195-6	2010REV387-6
Prepared By	M.Özdeş TUĞLU- Hüsniye BOZTUNÇ- Adem YOL	Hüsniye BOZTUNÇ- Adem YOL	Hüsniye BOZTUNÇ- Adem YOL
Property Total Value (TL)	14.578.000 TL	27.839.000.-TL	44.358.000 TL

The reports dated 24 January 2010 and 30 June 2010 are the values of the property during the design stage, and the value has changed together with the change in the completion ratio of the construction.

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

## SECTION 2

### COMPANY – CUSTOMER INFORMATION, DEFINITION AND SCOPE OF THE APPRAISAL

#### 2.1 Company's Information

Our Company was established with a capital amount of TRL 300.000 in order to engage in providing works and services described as Expertise and Appraisal according to the Articles of Association of the Company published in the Trade Registration Journal dated September 13, 2002 and issue no. 5676.

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

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

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

### 2.3.2 Orderly Liquidation Value

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

### 2.3.3 Forced Liquidation Value

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

## 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 2008 Census through Address-Based Population Registry System, the population of Turkey was 71,517,100 and the population increased to 72,561,312 on 31 December 2009. In 2000-2007 period, the annual population increase was 0.59%; while the annual population increase of Turkey in 2008 appeared as 1.31%.

In 2009 among the 81 provinces, the population of 67 populations increased and that of 14 populations decreased. The three provinces with lowest population increase rate are Tunceli (-4%), Ardahan (-3.70%)

and Kars (-1.81). Among the 81 provinces, the first three with the highest population increase are İstanbul (4.94%), Bilecik (4.50%) and Isparta (3.22%).

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 Ardahan with 31.1%.

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 74.710.

Half of the population is younger than 28.8 years old. The median age in Turkey is 28.8. The median age for males is 28,2 and that for females is 29,3. The median age of the urban population is 28.7 and that of rural population is 29.1. The population in 15-64 age group accounts for 67% of the total population. 26% of the country's population is in 0-14 age group and 7% is in the 65 and higher group.

The number of people per square kilometer, which is indicated as the density of population is 94 in overall Turkey, while it varies between 11 and 2.486 people among provinces. İstanbul has the highest population density with 2,486 people. It is respectively followed by Kocaeli with 421 people, İzmir with 322 people, Hatay with 249 people and Bursa with 245 people. The province with lowest population density is Tunceli with 11 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 239 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 Data<sup>1</sup>

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.

<sup>1</sup> TSKB Real Estate Appraisal Company



In the first quarter of 2008, foreign economic developments were more influential than domestic political 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 3<sup>rd</sup> 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 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.

### 3.1.3 Tourism Industry

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

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

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

#### 3.1.3.1 World Tourism

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

Although the country which draws the highest number of tourists is France, the country which achieves the highest tourism revenue is the US.

Turkey ranks 11th in terms of number of tourists and 10th in terms of tourism revenues.

**Number of Tourists and Tourist Revenues (2008 yılı)**

No	Country	Million People	Billion \$
1	France	79.1	43
2	Spain	58.5	51
3	US	51.1	86
4	China	49.6	34
5	Italy	41.1	38
6	England	30.1	34
7	Germany	23.6	33
8	Mexico	21.4	10
9	Austria	20.3	17
10	Russia	20.2	47
11	Turkey	18.9	17
12	Canada	18.2	14
13	Ukraine	17.6	3
14	Malaysia	17.5	13
15	Hong Kong	15.8	7
16	Poland	15.7	7
17	Greece	14.3	14
18	Thailand	13.9	7
19	Portugal	11.3	10

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

Francesco Frangialli, Secretary General of the World Tourism Organization, who made a speech on the international tourism of 2007 in Madrid, indicated that the international tourism grew by 6% in the last year compared with the previous year.

Mr. Frangialli also stressed that the total number of foreign tourists in the world countries reached 898 million with an increase of 52 million tourists and that an important part of this increase in the international tourism in the last year was achieved in Europe.

While the number of tourists in Europe reached 480 million by an increase of 19 million, this number represents half of the total number of international tourists worldwide.

The statement also refers to increases achieved in some of the European countries and points out the 18% increase in the number of foreign tourists in Turkey, which has turned out to outdistance such countries as Greece, Portugal, Italy, and Switzerland in the increase rate.

Considering the tourism revenues of 2006, the US ranks first, followed by Spain in the second and France in the third rank. Turkey ranks ninth in this classification. The report states that the international tourism revenues are very close in Turkey, Austria, and Australia and that slight differences in the data may change the ranking. Moreover, it also emphasizes that Germany owns its rank in this classification to the comfort provided by the country to the commercial tourists.

GNP generated by tourism in Turkey is expected to reach \$27 billion in 2009 by an increase of 1.3% while the number of directly employed people would reach 443 thousand by an increase of 1.5%.

The report of the World Tourism Council (WTC) emphasizes that the economic magnitude to be indirectly generated by tourism in Turkey will be \$64 billion while the number of indirectly employed people would be 1,375,000.

The report of WTC states that in the major competitors of Turkey such as Spain, Greece, Italy, and Egypt, the tourism industry is expected to shrink. More precisely, tourism industry is expected to diminish in 2009 by 4.9% in Spain, by 1.8% in Greece, by 5.5% in Italy, and by 2.8% in Egypt.

## COMPARATIVE TABLE OF TURKEY AND IT'S COMPETITORS

COUNTRY	2009		2019	
	GROWTH RATE	EMPLOYMENT	GROWTH RATE	EMPLOYMENT
TURKEY	+1,3	+1,5	+ 4,1	+ 2,7
SPAIN	- 4,9	- 4,2	+ 1,3	+ 1,0
GREECE	-1,8	- 2,0	+ 3,5	+ 2,6
ITALY	-5,5	- 5,2	+ 2,0	+ 0,8
EGYPT	-2,8	- 4,3	+ 4,5	+ 2,0

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

The experts estimate that China will outdistance the US and rank the third greatest tourism country in the world in the forthcoming years, while it will become the greatest tourism target country by 2020. Being currently the fourth greatest tourism target country after France, Spain, and US; China was visited by 49 million 600 thousand tourists last year. In addition to attract foreign tourists, China is also expected to send 1 million tourists abroad by 2020, due to its rapidly developing economy.

World Tourism Organization declared that China would outperform France and rank first in the tourism industry in 2014, due to "Beijing 2008 Olympics" and "2010 Shanghai World Expo." China is expected to overhaul, in the number of incoming foreign tourists, the US in the third rank by the end of this year and Spain in the second rank before 2010. The organization states that although China has been normally expected to outperform France by 2020, it would be able to make this leap 6 years earlier, that is, by 2014.

### 3.1.3.2 Tourism in Turkey

The industry with highest competitive force in Turkey is tourism. Not only to solve the current account deficit problem, but also to increase the employment and increase the living standards of Turkey, and even to promote it, the tourism appears as the golden industry. Tourism has become the second highest foreign exchange providing activity of Turkey after exports, directly influencing nearly 40 sectors within the industry.

#### Evaluation of 2008:

Turkey grew 35% in tourism sector in 2008 and has had a resource of more than US\$ 22 billion. In the year 2008, 30 million 929 thousand tourists entered Turkey and 6 million of these tourists have visited Anatolia for cultural tourism. Turkish Airlines and private airline companies have had an air passenger transport revenue of US\$ 7,5 billion. It is anticipated that these figures will grow 20% in 2009.

With the impact of the crisis, there has been a decline in the incentive tourism industry investments with a rate of 3% when compared to 2007.

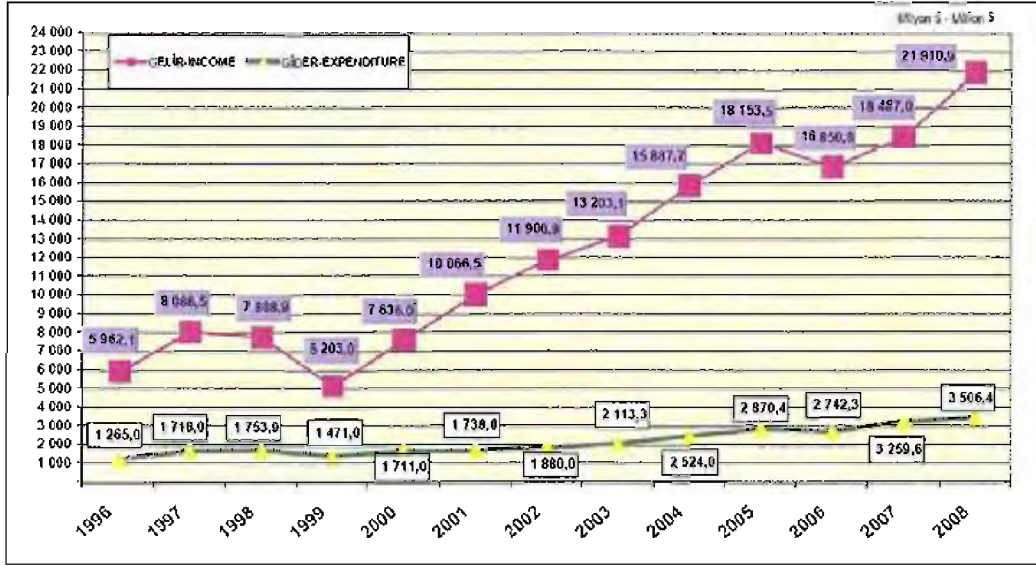
However, because the resources spared for the tourism advertisements for 2009 is TL 100.000.000 and as a result of the 8% VAT application on the tourism enterprises that became effective on January 1, 2008, no decline is anticipated for the growth figures of 2009.

#### 2008 in Numbers

- Tourism income has been 22 billion dollars approximately.
- 30 million 929 thousand tourists visited Turkey.
- The highest number of tourists visited in August as 4 million people.

- The tourists spent 708 dollars per person on average.

**TURİZM GELİR VE GİDERİNİN YILLARA GÖRE DAĞILIMI**  
 Distribution of Tourism Receipts and Tourism Expenditure by Years



The Republic of Turkey, Ministry of Culture and Tourism, Turkish Statistical Institution

**Evaluation of 2008 January - December:**

Arrival Tourists To Turkey January-December (2006-2008)												
	Toplam			Değişim Oranı %	Yabancılar			Değişim Oranı %	Vatandaşlar			Değişim Oranı %
	2 006	2 007	2008*		2 006	2 007	2008*		2 006	2 007	2008*	
Havayolu	19 683 478	22 987 702	25 386 296	10,45	14 084 727	16 807 881	18 838 735	12,08	5 598 751	8 180 021	6 529 561	6,00
Karayolu	6 359 353	7 040 683	8 168 164	16,01	4 206 198	4 721 569	5 388 308	14,12	2 153 155	2 319 114	2 779 856	19,87
Demiryolu	90 354	81 831	85 463	4,44	71 707	68 755	72 320	5,19	18 647	13 076	13 143	0,51
Denizyolu	1 854 018	2 105 483	2 408 567	14,39	1 457 201	1 742 906	2 037 314	16,89	396 817	362 577	371 253	2,39
<b>Toplam</b>	<b>27 987 203</b>	<b>32 195 699</b>	<b>36 030 490</b>	<b>11,91</b>	<b>19 819 833</b>	<b>23 340 911</b>	<b>26 336 677</b>	<b>12,83</b>	<b>8 167 370</b>	<b>8 854 788</b>	<b>9 693 813</b>	<b>9,48</b>
Günübirlik	903 398	1 092 583	1 345 669		903 397	1 092 583	1 342 670		1		2 999	

The Republic of Turkey, Ministry of Culture and Tourism, Turkish Statistical Institution

According to temporary data, in the January-December period of 2008, the number of citizen visitors that entered our country increased by 9,48% (9.693.813) and the number of exiting citizen visitors increase by 10,46% (9.872.520).

Departure Tourists To Turkey January-December (2006-2008)												
	Toplam			Değişim Oranı %	Yabancılar			Değişim Oranı %	Vatandaşlar			Değişim Oranı %
	2 006	2 007	2008*		2 006	2 007	2008*		2 006	2 007	2008*	
Havayolu	19 516 678	22 931 678	25 634 993	11,79	13 790 412	16 681 417	18 921 565	13,43	5 726 266	6 250 261	6 713 398	7,41
Karayolu	6 099 635	6 817 529	8 197 715	20,24	3 970 198	4 524 309	5 425 201	19,91	2 129 437	2 293 220	2 772 514	20,90
Demiryolu	87 331	77 112	80 610	4,54	67 193	63 439	67 171	5,88	20 138	13 673	13 439	-1,71
Denizyolu	1 847 104	2 128 422	2 390 356	12,31	1 448 152	1 747 916	2 017 187	15,41	398 952	380 505	373 169	-1,93
<b>Toplam</b>	<b>27 550 748</b>	<b>31 954 741</b>	<b>36 303 644</b>	<b>13,61</b>	<b>19 275 955</b>	<b>23 017 061</b>	<b>26 431 124</b>	<b>14,83</b>	<b>8 274 793</b>	<b>8 937 660</b>	<b>9 872 520</b>	<b>10,46</b>
Günübirlik	903 398	1 092 583	1 345 669		903 397	1 092 583	1 342 670		1		2 999	

(\*): Veriler geçicidir.

Not: Günübirlikçi ziyaretçiler denizyolu toplamına dahil edilmiştir.

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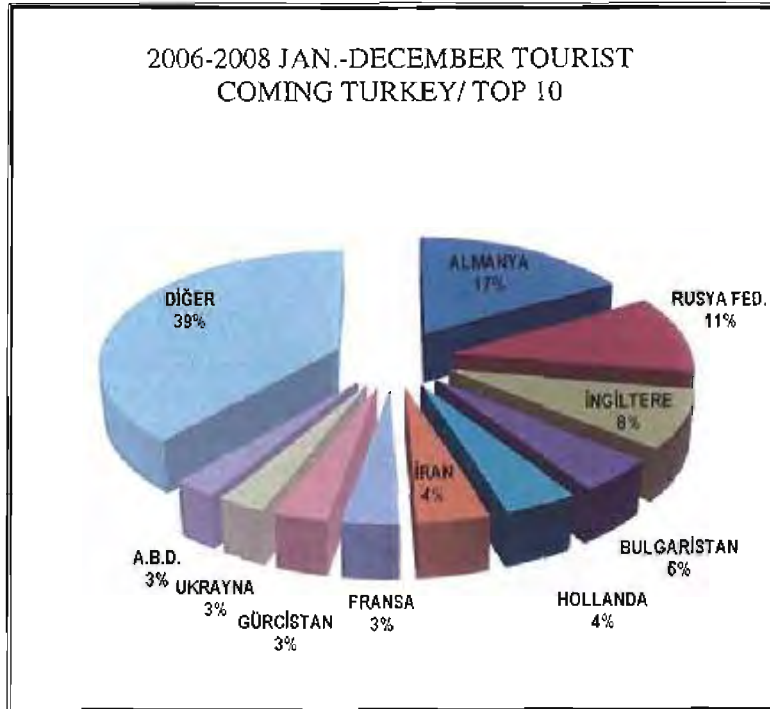


Arrival Tourist Nationality To Turkey (2006-2008)

COUNTRIES	2008*		2 007		2 006	
	MIL.PAY%		MIL.PAY%		MIL.PAY%	
GERMANY	4 415 525	16,77	4 149 805	17,78	3 762 475	18,98
RUSSIA	2 879 278	10,93	2 465 336	10,56	1 853 442	9,35
ENGLAND	2 169 924	8,24	1 916 130	8,21	1 678 845	8,47
BULGARIA	1 255 343	4,77	1 239 667	5,31	1 177 906	5,94
HOLLAND	1 141 580	4,33	1 053 675	4,51	997 556	5,03
IRAN	1 134 965	4,31	1 058 206	4,53	865 941	4,37
FRANCE	885 006	3,36	768 167	3,29	657 859	3,32
GEORGIA	830 184	3,15	630 979	2,70	549 328	2,77
UKRAINA	730 689	2,77	593 302	2,54	487 917	2,46
U.S.A	679 445	2,58	642 911	2,75	532 419	2,69
OTHERS	10 214 738	38,79	8 822 733	37,82	7 256 145	36,62
GENERAL TOTAL	26 336 677	100,00	23 340 911	100,00	19 819 833	100,00

\* The Republic of Turkey, Ministry of Culture and Tourism, Turkish Statistical Institution

Among the countries that seen the highest number of visitors to our country in the January-December period of 2008, Germany is the first with 16,77% (4.415.525), Russian Federation is second with 10,93 % (2.879.278 ) and England is the third with 8,24 % (2.169.924). England is followed by Bulgaria, Holland, Iran, France, Georgia, Ukraine and USA.



\* The Republic of Turkey, Ministry of Culture and Tourism, Turkish Statistical Institution



## The Analysis of the 1<sup>st</sup> Quarter of 2009 (January-February-March)<sup>2</sup>:

The income raised from tourism decreased by 11,2% in comparison with the same period of the previous year. According to the results of the Exiting Visitors Survey the tourism income of the first quarter of 2009 decreased by 11,2% in comparison with the same period of the previous year and became US\$ 2.466.573.727. The US\$ 1.790.860.681 of this was raised from foreign visitors while US\$ 675.713.046 was raised from the citizen visitors that live abroad.

The visitors come either personally or with tours. The US\$ 2.258.656.662 of tourism income are personal, and US\$ 207.917.065 of it is raised from package tour expenditures.

The highest tourism income in the 1<sup>st</sup> quarter consisting of January, February and March, the highest tourism income is in March with US\$ 945.578.361. In January the figure was US\$ 798.687.484 and in February, the income is US\$ 722.307.882. The average expenditure per capita in the January-March period is US\$ 608 in foreigners and US\$ 975 in citizens.

The number of exiting visitors decreased by 2,4% in comparison with the same period of the previous year.

The total number of people who exited in January, February and March is 3.636.464 people. 2.943.175 people are foreign visitors while 693.289 people are our citizens living abroad. During the 1<sup>st</sup> quarter, the highest number of visitors was in March with 1.426.537 people. In January 1.151.951, in February 1.057.976 people visited our country.

### Monthly Tourism Income and Expense, 1<sup>st</sup> Quarter 2009

Months	Tourism income (USD)	Number of Visitors (*)	Average expenditure Per capita (USD)	Tourism expense (USD)	Number of Citizens(**)	Average expenditure Per capita (USD)
January	798.687.484	1.151.951	693	282 105 147	378 771	745
February	722.307.882	1.057.976	683	287 901 482	384 447	749
March	945.578.361	1.426.537	663	326 603 863	439 320	743
<b>Total</b>	<b>2.466.573.727</b>	<b>3.636.464</b>	<b>678</b>	<b>896.610.492</b>	<b>1.202.539</b>	<b>746</b>

\* The Republic of Turkey, Ministry of Culture and Tourism, Turkish Statistical Institution

Note: The number of visitors accompanying them has been included in the total.

(\*) These are the number of Foreigner and Citizen visitors that live abroad.

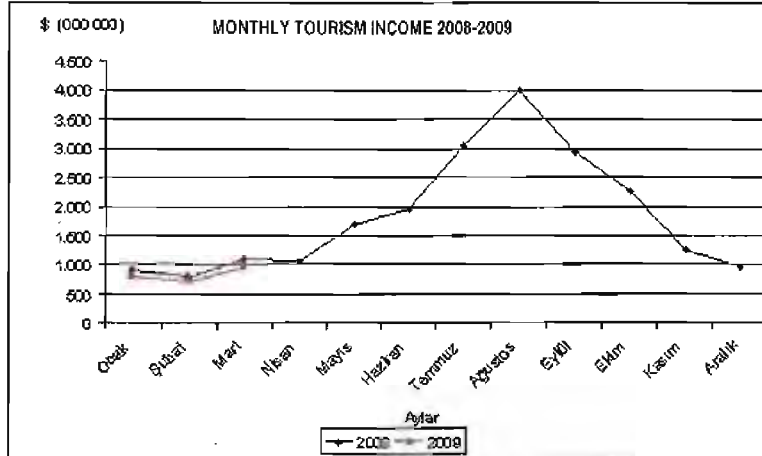
(\*\*) These are the number of citizens with Turkish passport that live in the country, visited abroad and entered the country.

The cost of tourism increased by 11,3% in comparison to the same period the previous year.

According to the results of the Entering Visitors Survey, the tourism expense of the first quarter of 2009 increased by 11,3% in comparison with the same period of the previous year and became US\$ 896.610.492. Among this US\$ 851.050.373 was for personal and US\$ 45.560.119 was for package tour costs.

The highest tourism cost in the 1<sup>st</sup> quarter is in March with US\$ 326.603.864 and the amount was US\$ 287.901.482 in February and US\$ 282.105.147 in January. The average expenditure per capita in the January-March period is US\$ 746.

<sup>2</sup> The data has been collected from the News Bulletin of Turkish Statistical Institution.



\* The Republic of Turkey, Ministry of Culture and Tourism, Turkish Statistical Institution

Considering the tourism income raised from the visitors on a monthly basis, it is seen that there is a decline in 2009 in comparison to the previous year. The highest tourism income of the period was achieved in March 2009.

Arrival Tourist Nationality To Turkey On January-March (2007-2009)						
COUNTRY	2009*	MİL.PAY%	2008	MİL.PAY%	2007	MİL.PAY%
GERMANY	475.930	16,65	562.827	18,86	496.903	19,1
BULGARIA	266.325	9,32	226.219	7,58	249.025	9,57
GEORGIA	239.598	8,38	141.480	4,74	119.551	4,6
IRAN	203.953	7,14	183.539	6,15	172.884	6,65
ENGLAND	112.370	3,93	115.560	3,87	90.417	3,48
RUSSIA	101.094	3,54	154.750	5,19	136.431	5,24
GREECE	99.432	3,48	94.048	3,15	65.005	2,5
FRANCE	91.276	3,19	92.264	3,09	84.594	3,25
AZERBAIJAN	86.965	3,04	102.109	3,42	83.398	3,21
SYRIA	81.413	2,85	80.562	2,7	59.144	2,27
OTHERS	1.100.117	38,49	1.231.207	41,25	1.044.081	40,13
<b>GENERAL TOTAL</b>	<b>2.858.473</b>	<b>100,00</b>	<b>2.984.565</b>	<b>100,00</b>	<b>2.601.433</b>	<b>100,00</b>

\* The Republic of Turkey, Ministry of Culture and Tourism, Turkish Statistical Institution

In the January-March period of 2009 the countries who sent the highest number of visitors to our country are respectively Germany with 16,65% (475.930), Bulgaria with 9,32% (266.325) and Georgia with 8,38% (239.598). Georgia is followed by Iran, England, Russian Federation, Greece, France, Azerbaijan and Syria.

## Arrival Tourist Nationality To Turkey On March (2007-2009)

COUNTRY	2009*	MİL.PAY%	2008	MİL.PAY%	2007	MİL.PAY%
GERMANY	214.617	17,77	268.000	20,53	226.071	20,55
IRAN	147.262	12,19	112.760	8,64	101.008	9,18
BULGARIA	101.203	8,38	83.691	6,41	87.305	7,94
GEORGIA	82.870	6,86	52.084	3,99	45.332	4,12
ENGLAND	49.547	4,1	55.362	4,24	39.105	3,56
GREECE	41.955	3,47	45.593	3,49	26.946	2,45
FRANCE	36.530	3,02	38.424	2,94	36.264	3,3
RUSSIA	36.134	2,99	57.515	4,41	47.118	4,28
SYRIA	31.367	2,6	34.509	2,64	30.689	2,79
OTHER	29.676	2,46	28.822	2,21	18.431	1,68
<b>TOTAL</b>	<b>1.207.729</b>	<b>100,00</b>	<b>1.305.297</b>	<b>100,00</b>	<b>1.099.960</b>	<b>100,00</b>

\* The Republic of Turkey, Ministry of Culture and Tourism, Turkish Statistical Institution

In March 2009, the countries who sent the highest number of visitors to our country are respectively Germany, with 17,77% (214.617), Iran with 12,19% (147.262), Bulgaria with 8,38 % (101.203). Bulgaria is followed by Georgia, England, Greece, France, Russian Federation, Holland and Syria.

## Arival Tourists To Turkey January-March (2007-2009)

Airline	Toplam			Değişim Oranı %	Yabancılar			Değişim Oranı %	Vatandaşlar			Değişim Oranı %
	2007	2008	2009*		2007	2008	2009*		2007	2008	2009*	
Land Route	3.003.068	3.389.620	3.054.645	-9,88	1.740.974	2.066.870	1.798.284	-12,99	1.262.094	1.322.750	1.256.361	-5,02
Sea Route	1.165.383	1.320.166	1.538.960	16,57	766.857	823.595	961.669	18,76	396.526	496.571	577.291	16,26
Railway	146.585	143.371	144.301	0,65	81.779	81.957	86.181	5,15	64.806	61.414	58.120	-5,36
<b>Total</b>	<b>4.328.160</b>	<b>4.866.825</b>	<b>4.751.358</b>	<b>-2,37</b>	<b>2.601.433</b>	<b>2.984.565</b>	<b>2.858.473</b>	<b>-4,22</b>	<b>1.726.727</b>	<b>1.882.260</b>	<b>1.892.885</b>	<b>0,58</b>
	20.195	27.517	33.774		20.195	27.512	33.772		0	5	2	

## Departure Tourists To Turkey January-March (2007-2009)

Airline	Toplam			Değişim Oranı %	Yabancılar			Değişim Oranı %	Vatandaşlar			Değişim Oranı %
	2007	2008	2009*		2007	2008	2009*		2007	2008	2009*	
Land Route	3.007.107	3.497.532	3.189.423	-8,81	1.741.460	2.073.942	1.849.942	-10,80	1.265.647	1.423.590	1.339.481	-5,91
Sea Route	1.111.195	1.343.612	1.591.123	18,42	717.599	831.482	997.691	19,99	393.596	512.150	593.432	15,87
Railway	12.232	12.747	11.858	-6,97	10.980	11.278	10.555	-6,41	1.252	1.469	1.303	-11,30
<b>Total</b>	<b>4.290.589</b>	<b>5.004.841</b>	<b>4.937.040</b>	<b>-1,35</b>	<b>2.552.373</b>	<b>2.999.858</b>	<b>2.943.175</b>	<b>-1,89</b>	<b>1.738.196</b>	<b>2.004.983</b>	<b>1.993.865</b>	<b>-0,55</b>
	20.195	27.517	33.774		20.195	27.512	33.772		0	5	2	

\* The Republic of Turkey, Ministry of Culture and Tourism, Turkish Statistical Institution

According to the temporary data, the number of the citizen visitors that entered our country in the January-march period of 2009 increased by 0,56% (1.892.885). The number of the citizen visitors that exit decreased by 0,55% (1.993.865).

**First Half of the year 2009 (January - June) Analysis<sup>3</sup> :**

Tourism income reduced by 9.6% compared to the same period of the previous year.

Second half of the year 2009 based on Survey Results of Exiting Visitors. The period's tourism income reduced by 9.6% compared to the same period of the previous year and was 4,243,545,107 USD.

<sup>3</sup> The data is obtained from Turkish Statistical Institute News Bulletin.

3,494,473,020 USD of the tourism income was earned from foreign visitors and 749,072,087 our citizen visitors residing abroad.

Visitors make their travels individually or via tour packages. 3,257,485,319 USD of the tourism income was individual and 986,059,788 USD was comprised of package tour expenditures.

In the second period comprising of the months April, May and June the highest tourism income was in June with 1,777,999,175 USD. In May, the income was 1,444,131,880 USD and 1,021,414,051 USD in April. Average expenditure per person in April - June period was 501 USD for foreign visitors and 984 USD for citizens.

The number of existing visitors increased by 1.6% compared to the same period of the previous year.

Total number of existing visitors in months April, May and June was 7,742,308. 6,980,875 of this total were foreign visitors and 761,433 were our citizens residing abroad. During the second Period the highest number of visitors was recorded in the month June with 3,261,081 people. In May, the number of visitors visiting our country was 2,656,507 and 1,824,721 in April.

#### Monthly Tourism Income and Expense, 2<sup>nd</sup> Quarter 2009

Months	Tourism income (USD)	Number of Visitors (*)	Average expenditure Per capita (USD)	Tourism expense (USD)	Number of Citizens(**)	Average expenditure Per capita (USD)
January	798.687.484	1.151.951	693	282.105.147	378.771	745
February	722.307.882	1.057.976	683	287.901.482	384.447	749
March	945.578.361	1.426.537	663	326.603.864	439.320	743
April	1.021.414.051	1.824.721	560	268.517.511	364.114	737
May	1.444.131.880	2.656.507	544	306.746.195	413.407	742
June	1.777.999.175	3.261.081	545	361.266.354	488.989	739
<b>Total</b>	<b>6.710.118.834</b>	<b>11.378.772</b>	<b>590</b>	<b>1.833.140.553</b>	<b>2.469.048</b>	<b>742</b>

\*The Republic of Turkey, Ministry of Culture and Tourism, Turkish Statistical Institution

Note: Number of accompanying visitors was included in the total sum.

(\*) Number of foreign and citizen visitors residing abroad.

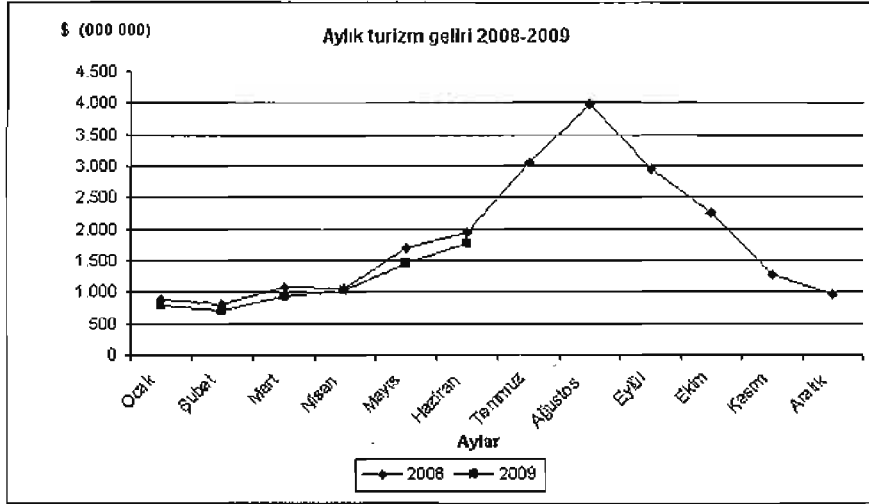
(\*\*) Number of citizens that visited abroad and entered our country, holding the passport of the Republic of Turkey and residing locally.

Tourism expenditure reduced by 7% compared to the same period of the previous year.

Second half of the year 2009 based on Survey Results of Entering Citizen Visitors. The Period's Tourism Expenditure reduced by 7% compared to the same period of the previous year and was 936,530,060 USD. 832,579,726 USD of this was individual and 103,950,334 USD was package tour expenditures.

During the second Period the highest tourism expenditure was in June with 361,266,354 USD and expenditure was 306,746,195 USD in the month May and 268,517,511 USD in April. Average expenditure per person in April - June period was 739 USD.





The Republic of Turkey, Ministry of Culture and Tourism, Turkish Statistical Institution

When we look at the tourism income for the years 2008-2009 based on months, we see that there was a fall in tourism income in 2009 compared to the previous year.

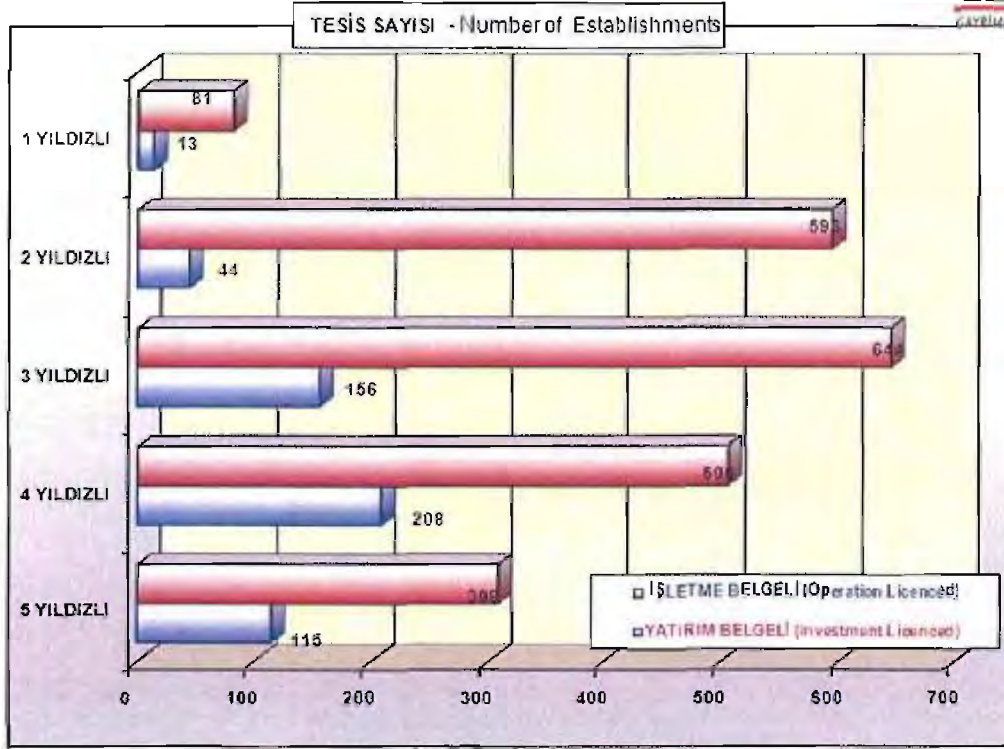
2007-2009(*) TOURIST COMING TURKEY, COMPARING COUNTRIES (MAY)								
NATIONALITY	YEARS			RATE (%)			% CHANGE RATE	
	2007	2008	2009(*)	2007	2008	2009(*)	2008/2007	2009(*)/2008
ALMANYA	408	459	429	17,86	16,71	15,79	12,43	-6,54
AVUSTURYA	28	37	38	1,23	1,35	1,40	31,92	2,80
BELÇİKA	51	56	60	2,26	2,07	2,23	9,88	6,36
DANİMARKA	25	28	28	1,12	1,05	1,05	11,72	-0,41
FİNLANDİYA	9 405	13	16	0,41	0,49	0,62	43,15	24,53
FRANSA	61	86	95	2,67	3,14	3,53	40,97	11,24
HOLLANDA	139	145	126	6,11	5,30	4,66	4,26	-13,02
İNGİLTERE	223	260	288	9,76	9,49	10,63	16,93	10,73
İRLANDA	12	14	16	0,56	0,52	0,60	11,72	13,97
İSPANYA	18	34	27	0,80	1,24	1,02	85,59	-18,54
İSVEÇ	41	54	53	1,82	1,99	1,95	31,28	-3,10
İTALYA	30	59	65	1,34	2,18	2,42	96,29	9,81
LÜKSEMBURG	640	2 878	1 109	0,03	0,10	0,04	349,69	-61,47



PORTEKİZ	2 217	3 808	4 013	0,10	0,14	0,15	71,76	
YUNANİSTAN	35 766	47 661	51 041	1,56	1,73	1,88	33,26	7,09
ÇEK CUMHURİYETİ	7 997	12 713	11 520	0,35	0,46	0,42	58,97	-9,38
İSVİÇRE	19 134	21 579	25 861	0,84	0,79	0,95	12,78	19,84
İZLANDA	553	1 016	658	0,02	0,04	0,02	83,73	-35,24
POLONYA	24 078	38 597	39 526	1,05	1,40	1,45	60,30	2,41
MACARİSTAN	5 238	5 311	6 043	0,23	0,19	0,22	1,39	13,78
NORVEÇ	19 884	29 646	27 184	0,87	1,08	1,00	49,09	-8,30
SLOVAKYA	1 881	3 038	3 661	0,08	0,11	0,13	61,51	20,51
<b>AVRUPA OECD</b>	<b>1 168 214</b>	<b>1 417 422</b>	<b>1 418 192</b>	<b>51,07</b>	<b>51,57</b>	<b>52,16</b>	<b>21,33</b>	<b>0,05</b>
A.B.D	77 453	85 016	65 505	3,39	3,09	2,41	9,76	-22,95
AVUSTRALYA	14 918	16 498	16 753	0,65	0,60	0,62	10,59	1,55
JAPONYA	16 366	14 419	13 394	0,72	0,52	0,49	-11,90	-7,11
KANADA	17 554	19 050	16 037	0,77	0,69	0,59	8,52	-15,82
G.KORE	14 820	12 685	7 080	0,65	0,46	0,26	-14,41	-44,19
MEKSİKA	2 249	2 432	2 095	0,10	0,09	0,08	8,14	-13,86
YENİ ZELANDA	2 568	2 654	3 530	0,11	0,10	0,13	3,35	33,01
<b>TOPLAM OECD</b>	<b>1 314 142</b>	<b>1 570 176</b>	<b>1 542 586</b>	<b>57,45</b>	<b>57,13</b>	<b>56,74</b>	<b>19,48</b>	<b>-1,76</b>
ESTONYA	2 854	5 187	4 827	0,12	0,19	0,18	81,74	-6,94
KARADAĞ	-	-	2 614	-	-	0,10	-	-
KOSOVA	-	-	1 674	-	-	0,06	-	-
MALTA	228	256	199	0,01	0,01	0,01	12,28	-22,27
LİTVANYA	9 737	16 029	10 865	0,43	0,58	0,40	64,62	-32,22
G.KIBRIS RUM YÖN.	327	832	653	0,01	0,03	0,02	154,43	-21,51
LETONYA	7 901	7 510	4 826	0,35	0,27	0,18	-4,95	-35,74
BOSNA HERSEK	3 557	4 468	4 436	0,16	0,16	0,16	25,61	-0,72
HRİVATİSTAN	2 694	2 852	2 581	0,12	0,10	0,09	5,86	-9,50
SLOVENYA	2 256	2 360	2 268	0,10	0,09	0,08	4,61	-3,90
SİRBİSTAN&KARADAĞ	4 644	10 536	5 770	0,20	0,38	0,21	126,87	-45,24
MAKEDONYA	7 474	7 785	8 936	0,33	0,28	0,33	4,16	14,78
ARNAVUTLUK	3 776	3 900	4 018	0,17	0,14	0,15	3,28	3,03
BULGARİSTAN	108 469	115 882	139 377	4,74	4,22	5,13	6,83	20,27
ROMANYA	28 370	30 000	27 621	1,24	1,09	1,02	5,75	-7,93

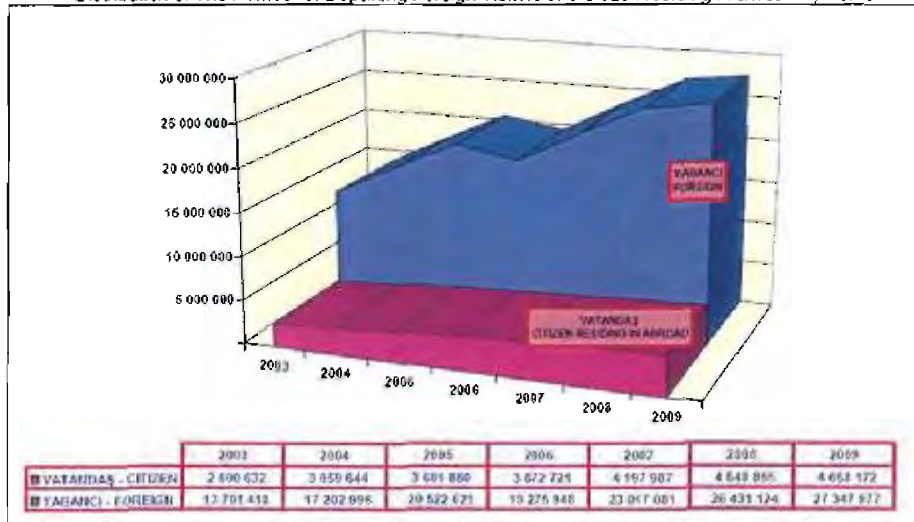
DIĞER AVRUPA ÜLKELERİ	6 934	1 891	1 660	0,30	0,07	0,06	-72,73	
<b>TOPLAM AVRUPA</b>	<b>1 357 435</b>	<b>1 626 910</b>	<b>1 640 517</b>	<b>59,34</b>	<b>59,19</b>	<b>60,34</b>	<b>19,85</b>	<b>0,84</b>
AZERBAIJAN	37 458	40 049	34 169	1,64	1,46	1,26	6,92	-14,68
B.RUSYA (BELARUS)	14 590	21 683	20 710	0,64	0,79	0,76	48,62	-4,49
ERMENİSTAN	3 926	4 425	4 360	0,17	0,16	0,16	12,71	-1,47
GÜRCİSTAN	67 209	71 033	126 840	2,94	2,58	4,67	5,69	78,56
KAZAKİSTAN	13 369	16 405	17 882	0,58	0,60	0,66	22,71	9,00
KIRGIZİSTAN	4 003	4 061	3 563	0,17	0,15	0,13	1,45	-12,26
MOLDOVA CUM.	13 734	16 703	14 406	0,60	0,61	0,53	21,62	-13,75
ÖZBEKİSTAN	2 794	4 826	5 291	0,12	0,18	0,19	72,73	9,64
RUSYA FEDERASYONU	283 026	385 999	340 373	12,37	14,04	12,52	36,38	-11,82
TACİKİSTAN	2 930	3 957	2 098	0,13	0,14	0,08	35,05	-46,98
TÜRKMENİSTAN	6 396	6 349	7 757	0,28	0,23	0,29	-0,73	22,18
UKRAYNA	70 331	93 325	83 609	3,07	3,40	3,08	32,69	-10,41
<b>B.D.T</b>	<b>519 766</b>	<b>668 815</b>	<b>661 058</b>	<b>22,72</b>	<b>24,33</b>	<b>24,31</b>	<b>28,68</b>	<b>-1,16</b>
(*) Veriler Geçicidir.								

\* The Republic of Turkey, Ministry of Culture and Tourism, Turkish Statistical Institution



**ÜLKEMİZDEN ÇIKAN YABANCI ZİYARETÇİLER VE YURTDIŞI İKAMETLİ VATANDAŞ SAYILARININ YILLARA GÖRE DAĞILIMI**

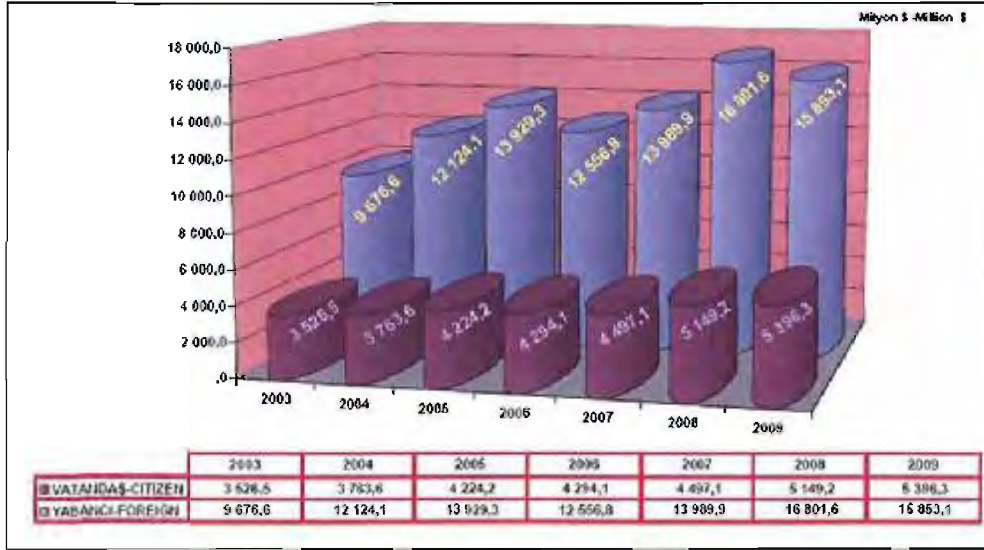
Distribution of The Number of Departing Foreign Visitors and Citizens residing in abroad by Years



\* The Republic of Turkey, Ministry of Culture and Tourism, Turkish Statistical Institution



**ÜLKEMİZDEN ÇIKAN YABANCI ZİYARETÇİLERDEN VE YURTDIŞI İKAMETLİ VATANDAŞLARDAN ELDE EDİLEN TURİZM GELİRLERİN YILLARA GÖRE DAĞILIMI**  
Distribution of Tourism Receipts of Departing Foreign Visitors and Citizen residing in abroad by Years



**ÜLKEMİZDEN ÇIKAN YABANCI ZİYARETÇİLER VE YURTDIŞI İKAMETLİ VATANDAŞLARDAN ELDE EDİLEN ORTALAMA GELİRİN YILLARA GÖRE DAĞILIMI**  
Distribution of Average Tourism Receipts of Departing Foreign Visitors and Citizen residing in abroad by Years



The Republic of Turkey, Ministry of Culture and Tourism, Turkish Statistical Institution

**Accommodation and an Evaluation of 2009**

The total number of entrances into the facilities with enterprise certificates in 2009 was 26,5 million. 54,2% of this consists of foreigners while 45,8% of this are nationals. Total number of overnight accommodations is 82,9 million and 72,3% of this are foreigners while 27,7% of this are nationals.

In 2009, the average duration for overnight accommodation in the facilities was 4 nights among foreigners per year and 2 nights per year among nationals. The average rate of occupancy over beds is around 48,9% per year. The month when the rate of occupancy is highest is September with the rate of 49,8 % foreigners and 16,9 % nationals and with 62,6% in total.

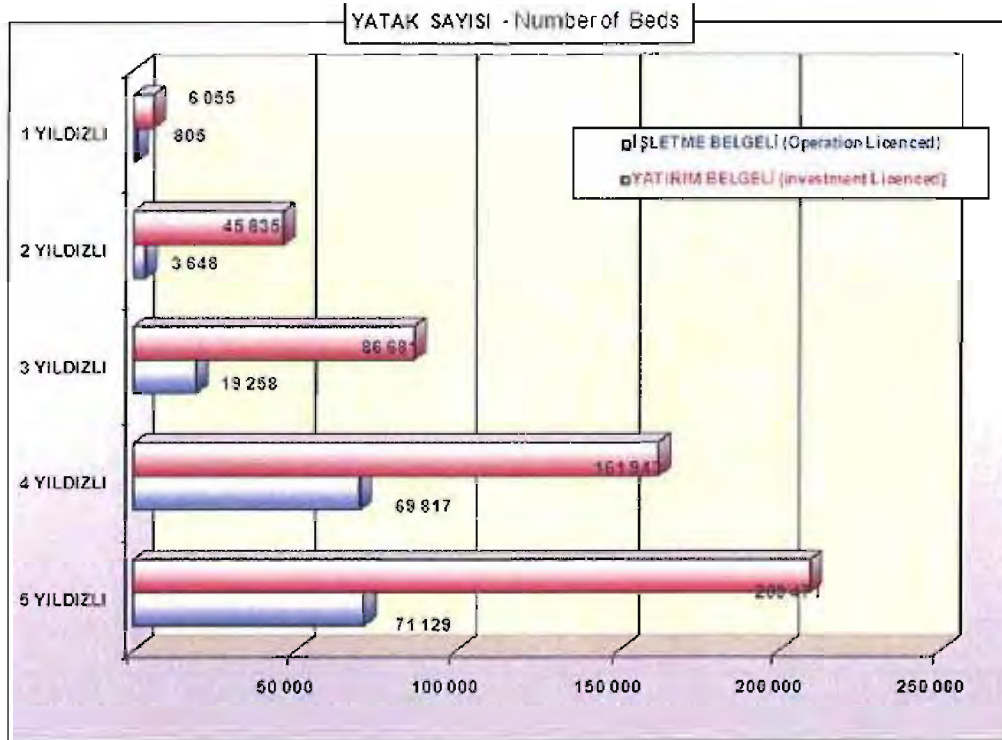
The type of facilities with the longest duration of accommodation for foreigners are the holiday resorts with 6 nights. This is followed by tourism complexes with 5,9, and hostels with 5,3 nights. The type of facility with the longest duration of accommodation for nationals is holiday resorts and tourism complexes with 3,5 nights. This is followed by golf facilities with 3,1 nights and apart hotels with 2,5 nights.

The type of facility where foreign occupancy rate is the highest is holiday resorts with 53,4%. This is followed by tourism complexes with 45,9%, and apart hotels with 44,3%. The type of facility with the highest national occupancy rate is mountain resorts with 35,5%. This is followed by mountain houses with 26,9% and boutique hotels and thermal hotels with 25,4%.

Among the 14.4 million foreigners that entered the accommodation facilities with tourism certificate, 3,1 million are German nationals while they have the top rank among total number of foreign tourists with 21,9%. Russian Federation nationals follow them with 2,0 million (14,2%) and England with 1,2 million (8,2%).

Among the total overnight accommodation of foreigners of 59,9 million tourists, 16,5 million (27,5%) are Germans, 10,6 million (17,7%) are Russian Federation nationals, 5,6 million (9,4%) are English nationals.

Montenegro nationals are the foreign tourists with longest durations of accommodation in accommodation facilities with certificate with 8,1 nights and they are followed by Kosovo nationals with 7,7 nights and Belarus nationals with 6.1



Turizm Belgeli Otellerin Tesis Ve Yatak Sayıları-2009



### Analysis of July-August-September 2010

The tourism income has decreased by 10% in comparison to 2009.

In the III. Period consisting of July, August and September, tourism income has decreased by 10% in comparison to the same period in 2009 with a total of 8.574.889.686 \$. 6 453 320 361 \$ of the tourism income has been generated by foreign visitors and 2.121.569.325 \$ has been generated by visiting expatriate citizens.

The visitors make their trips with personal or group tours. 6 637.222.358 \$ of the expenditure in this period has been generated by personal and 1.937.667.328 \$ by group tours.

The average stay period for the foreigners in our country is 8,8 nights and the average individual expense is 550\$. The average stay period for visiting expatriate citizens is 17,9 nights and the average individual expense is 1.001\$.

The visitor count has increased by 1,2% in comparison to the same period in 2009.

Number of visitors leaving our country in the III. Period of 2010 is 13.861.776. 11.742.391 of this number are foreigners and 2.119.385 are visiting expatriate citizens.

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

The tourism expenditure consists of the expenses of our citizens living in Turkey and visiting other countries. It has increased by 19% in comparison to the same period in 2009 with a total of 1.305.900.208 \$. 1.239.589.768 \$ of this is from personal tours and 66.310.438 is from group tours. The average expenditure of the 1.837.126 citizens visiting abroad is 711\$.

Aylar	Turizm geliri (\$)	Çıkış Yapan Ziyaretçi Sayısı	Kişi başı ortalama harcama (\$)	Turizm gideri (\$)	Yurtiçi İkametli Vatandaş Sayısı	Kişi başı ortalama harcama (\$)
<b>2009</b>						
Temmuz	2.906.792.509	4.218.369	689	460.697.012	651.212	707
Ağustos	3.813.819.077	5.491.275	695	329.229.786	460.934	714
Eylül	2.805.708.246	3.989.011	703	307.165.477	411.943	746
Ekim	2.466.201.396	3.515.977	701	374.671.441	490.962	763
Kasım	1.441.776.357	1.945.675	741	393.619.402	517.640	760
Aralık	1.104.920.838	1.467.070	753	447.217.180	559.614	799
<b>2010</b>						
Ocak	735.469.267	1.133.655	649	272.349.030	354.260	769
Şubat	721.358.120	1.105.749	652	320.836.151	444.881	721
Mart	956.697.423	1.513.316	632	396.740.807	494.958	802
Nisan	1.044.280.697	1.675.486	657	350.964.158	618.761	677
Mayıs	1.600.640.039	2.952.564	542	392.547.210	575.820	682
Haziran	1.913.929.110	3.545.058	540	425.734.213	617.491	689
Temmuz	2.741.034.945	4.450.459	618	537.105.301	770.870	697
Ağustos	3.197.707.333	5.145.381	621	380.132.689	547.433	694
Eylül	2.636.147.408	4.265.936	618	388.662.216	518.823	749
<b>I - III. Dönem Toplam</b>	<b>15.547.264.342</b>	<b>25.987.902</b>	<b>601</b>	<b>3.465.071.775</b>	<b>4.843.296</b>	<b>720</b>

#### Monthly tourism income, 2009-2010

In the action plan prepared by the Turkish Ministry of Culture and Tourism for the year 2023 the intended tourism investments can be seen on the map below graphically.

### 3.1.5 City of Bursa Analysis of the Surrounding

#### Almira Otel



5-Star Almira Otel is located at the city center at 35 km to Uludağ ski center, at 40 km to Yenişehir Airport and is providing service with a total of 221 rooms and capacity of 500 beds consisting of Superior room, senior suite, junior suite, executive suite, grand premier suite, standard rooms and non-smoking rooms. Air conditioning, Air conditioning, bathroom, bathroom accessories, telephone in the bathroom, satellite TV, cable TV, tea/coffee, direct telephone, hairdryer, internet, radio, mini bar, safe box, controlled heating system, music broadcast, shower and bathtub are available in all rooms. It has 12 meeting halls in total. Overhead projector, projection screen, white board, slide projector, flipchart, barcognition, sound system, microphone, video player, TV, facsimile, air conditioning, light system are available. The capacity of the largest hall is for 1000 persons. Poolside A la carte restaurant, sea food cuisine, Far East cuisine, banquet for 600 persons, cocktail capacity for 1000 persons are available. It has indoor and outdoor pools, heated pool, Turkish bath, sauna, massage, Jacuzzi, solarium, beauty and health center, fitness center, aerobic, table tennis, billiard, disco, night club, wellness center, spa, chock pool, children's club facilities. The room price for single person is 85.-€, the room price for double persons is 130.-€. Breakfast and VAT is included in this price.

#### Kervansaray Termal Otel



Kervansaray Termal Otel, which is located at the city center at 34 km to Uludağ ski center, at 41 km distance to Yenişehir Airport, is positioned on a land of 3.000 square meters and has started operating in 1984. The 5-Star hotel is providing service with 198 Standard rooms, 7 Corner Suites, 6 Junior Suites being in total 211 rooms and a capacity of 430 beds. In the rooms, telephone direct line, bathroom and bathtub in all rooms, hairdryer, cable TV, radio, air conditioning, mini bar, wireless internet, crib upon request and balcony are available. At the hotel which is operating with full pension system a restaurant for 350 persons, a garden restaurant for 500 persons, Sedef restaurant for 80 persons and A la Carte Restaurant for 60 people area available. There are 10 meeting halls providing service with the largest ones having capacity of 700 and 600 persons. Furthermore, sections such as outdoor thermal swimming pool, indoor thermal swimming pool, thermal spring bath, sauna for men and sauna for women, massage, play room, playroom for children, health club, sports facility and solarium are available. The room price for single person is 95.-€, the room price for two persons is 125.-€. Breakfast and VAT are included in this price.

### Baia Bursa



Built by Sönmez Holding and having started operations by mid-2009 Baia Bursa is located on Yalova highway. The facility which is at 9 km. to the city center, at 1 km. to the industrial zone, at 22 km. to the ferry to Istanbul, at 30 km. to Uludağ is in the 5-Star standard. There are in total 67 kings and 83 twins totaling 150 rooms with a capacity of 233 beds consisting of 124 standard rooms with 2 being connected, 1 for the disabled, 22 executive rooms, 2 junior suites, 2 executive suites. It is accommodating its guests with room features such as 32" LCD TV, sitting section, writing table, telephone, music, satellite broadcast, mini bar, wireless internet, central heating, cooling system, cable TV, automatic fire detection system, Jacuzzi, bathtub. Furthermore, there are extra advantages such as Spa&Wellnes Club, Uludağ Hall (47 square meters, U arrangement 20 persons capacity), Bodrum Hall (86 square meters, theater 100 persons, 100 persons

class, 80 persons banquet, 45 persons U arrangement, cocktail arrangement capacity for 100 persons), Lara Hall (89 square meters, with capacity of 65 persons theater, 60 persons class, 60 persons banquet, 40 persons U orders, 70 persons cocktail). The room price for single person is 140.-€, the room price for double persons is 160.-€. Breakfast and VAT are included in this price.

### Holdiy Inn Bursa



Holiday Inn Bursa is a hotel with 4-Stars and tourism operation license located at Görükle Campus area of Uludağ University. The facility is at 20 km. distance to Orhangazi and Osmangazi mausoleums, at 80 km to İznik, 18 km to Kültür Park, 45 km. to Uludağ, 55 km. to Yenişehir Airport. The hotel provides service with its open space of 20.000 square meters, 10.000 square meters of turf and with 5.000 square meters covered space. The facility has started operating in the year of 2000. In the hotel with 131 rooms and bed capacity of 270, there are no smoking rooms, 93 standard rooms, 10 corner rooms, 10 executive rooms, 2 junior suites, 2 senior suites, 2 king rooms, 6 rooms for the disabled. 24 hours

room service, air conditioning, mini bar, satellite TV, direct telephone, wireless internet, bath, water heater, tea/coffee machine, electronic iron, safe box, writing table, mountain and land view, music broadcast, bathtub, wc facilities are available in the rooms, there are common facilities such as night club, dry cleaning, doctor, laundry, playroom, business center. Holiday Inn Bursa has 6 different meeting halls with capacities between 10 to 750 persons. Furthermore poolside organizations (in summer) in the open area are made for weddings, galas and similar assemblies up to 1200 persons. Each meeting hall has wireless internet connection and flip-chart, screen, overhead projector, projection, sound system, microphone, TV are available. The room price for single person is 95.-€, the room price for double persons is 110.-€. Breakfast and VAT are included in this price.



### Gönlü Ferah City Otel



Gönlü Ferah Hotel and Gönlü Ferah City Hotel which are located in the city center and adjacently to each other have 3 and 4 stars. The hotel's history dates back to the 1890's. Gönlü Ferah Otel which is providing service with 70 rooms is also able to host meetings and organizations of 20 persons up to 100 persons. It comes to the forefront with Crème de Café, Lounge 22 Café, Zoe Spa center, thermal bath, massage rooms and panoramic city view. The room price for single person is 100.-€, the room price for double persons is 150.-€. Breakfast and VAT are included in this price.

### Central Otel



Positioned at the city center, the 4-Star Central Hotel has a total capacity of 53 rooms with 2 being suite rooms and 120 beds. The features such as; central air conditioning, wireless internet connection, direct telephone, hair dryer, TV, (satellite connected), mini bar are available. In the hotel there are two service sections which are Mimoza restaurant and Yasmin bar and 4 meeting halls with equipments able to serve from 10 to 210 persons. In addition, reception services, room service, laundry, laundry-dry cleaning and deposit box services are provided. The room price for single person is 60 €, room price for double persons is 80 €. Breakfast

and VAT are included in this price.

### Otantik Club Otel



Positioned in the centre of Bursa within the Botanic Park, Otantik Club Hotel entered into service in 2001, following the restoration of a mansion and two houses which are architectural examples of the 17<sup>th</sup> and 18<sup>th</sup> century, it was created with its current image. In the hotel consisting of 1 corner suite, 4 suites, 24 standard rooms; in the rooms, telephone, mini bar, TV, wireless internet and in the suite rooms Turkish bath and fireplace are available. Open buffet breakfast, Sera restaurant, Balık (Fish) Restaurant, Şömine Bar, Health club, Gym equipments, indoor and outdoor pools, sauna, bicycle, walking and running tracks, sports facilities in the company of coaches are available. Room price for single person is 90.-€, room price for double persons is 120.-€. Breakfast and

VAT is included in this price.

### Büyükıldız Otel



The hotel located in the center of Bursa on the way to Uludağ is 4-Star. The lowland and Mountain View of the hotel providing service with a capacity of 75 rooms being 65 standard and 10 suit rooms, 160 beds is panoramic. In all rooms, telephone, music broadcast, balcony, mini bar, safe box, tea/coffee machine, television, cable TV, satellite TV, split air conditioning, bathtub-bathroom, hair dryer, telephone in the bathroom are available. Breakfast hall, lobby bar, roof bar, terrace bar, 1 a la carte restaurant (500 pax.), 1 open buffet restaurant, 2 meeting halls and congress halls with a capacity for 150 persons (overhead projector, white board, slide projector, flipchart, barcoveision, microphone, video player,

television, fax) are available. Room price for single person is 95.-€, room price for double persons is 110.-€. Breakfast and VAT are included in this price.

#### Anatolia Otel Bursa



The 4-star hotel is in the touristic center of the city and at a distance of 35 km to Bursa airport, 20 km to the sea, at 25 km distance to Uludağ ski center. The Anatolia Bursa Hotel which has started operations in June 1985 is a hotel with panoramic view with 116 rooms. 6 of the 116 rooms are suites, 76 of them standard rooms, 34 of them rooms with king size beds. In all the rooms of the hotel, air condition system, TV-satellite broadcast, Digiturk, mini bar, hair dryer are available.

Furthermore Thermal Baths, Business Center, Parking Garage, Outdoor Swimming Pool, Coiffeur for Women and

Men are available. There is a meeting hall for 150 persons within the hotel. In the hotel providing service with a restaurant for 850 people, breakfast hall, snack bar, Cafeteria, Lobby Bar, Roof Bar, Turkish Cuisine, Kitchen Stove, the room price for single person is 70.-€, and room price for double persons is 110.-€. Breakfast and VAT are included in this price.

#### Ada Palas Otel



Ada Palas Hotel is located in the neighborhood of Çekirge in the province of Bursa. In the facility providing service in a building of approximately 100 years, there is a total capacity of 31 rooms and 62 beds. In the facility, private car park, generator, room service, Turkish bath at each floor is available. The hotel guests are able to benefit free of payment from the baths with thermal water. In the rooms, television, cable TV broadcast, wireless internet, direct dial telephone, mini bar, safe box, hair dryer, central heating system are available. The room price for single person is 85 TRY and room price for double persons is 150 TRY. Breakfast and

VAT are included in this price.

#### Black Cloud Hotel



Located in the city center of Bursa, Black Cloud Hotel started operating in 2007 at the opposite side of Kent Meydanı Shopping Center. In the hotel which provides service in 3-Stars standard, there are 30 rooms in total consisting of 25 standard, 3 executive rooms and 2 suites. Wireless internet, mini bar, hair dryer, split air conditioning,

bathroom, room service, sound insulation, satellite TV, telephone services are provided in the hotel. In the facility providing service with a restaurant, lobby and a meeting hall for approximately 100 persons, the room price for single person is 90 TRY and price for double persons 150 TRY. Breakfast and VAT are included in this price.



### Kent Otel



Kent Hotel which is located in the city center of Bursa, quite closely to Ulucami, is providing service since 1968. In the hotel with 3-Stars standard there are 57 rooms and 114 beds capacity. In all rooms, shower and toilet, direct telephone, hair dryer, min bar, TV, air conditioning, central heating, fire alarm, wireless internet connection and services such as laundry-ironing, secretarial services, 24 hours room service, safe deposit box at the reception, generator, safety camera are available. Furthermore Tepe Restaurant for 100 people and Karagöz Meeting Hall for 150 people are available in the facility. The room price for single person is 100 TRY and room price for double persons is 155 TRY. Breakfast and VAT are included in this price

### Kervansaray Bursa Otel



Located in the city center of Bursa, in a quite central position, Kervansaray Hotel Bursa is providing service in 3-Stars standard. In the facility which is one of the first city hotels of Kervansaray Group, a capacity of 112 rooms and 216 beds is available. In the facility which has a terrace restaurant with a capacity for 150 persons and indoor restaurant with capacity for 250 persons, outdoor swimming pool with a view of Bursa located in the terrace is also available. In all rooms, advantages such as shower and toilet, direct telephone, hair dryer, mini bar, TV, air conditioning, central heating, fire alarm, wireless internet connection are available. In the facility which has two meeting halls with capacities for 100 persons and 40 persons the room price for single person is 115 TRY and room price for two persons is 160 TRY. Breakfast and VAT are included in this price.

HOTEL NAME	CLASS	ROOM NUMBER	ROOM TYPE	PRICE	BED CAPACITY
ALMIRA OTEL	5 Star	221	Single	85	500
			Double	130	
KERVANSARAY TERMAL OTEL	5 Star	211	Single	95	430
			Double	125	
BAIA BURSA	5 Star	150	Single	140	233
			Double	160	
HOLIDAY INN	4 Star	131	Single	95	270
			Double	110	
GÖNLÜ FERAH OTEL	4 Star	70	Single	80	140
			Double	110	
GÖNLÜ FERAH CITY	3 Star	90	Single	100	186

OTEL			Double	150	
CENTRAL OTEL	4 Star	53	Single	60	120
			Double	80	
OTANTİK CLUB OTEL	5 Star	29	Single	90	~60
			Double	120	
BÜYÜKYILDIZ OTEL	4 Star	75	Single	95	160
			Double	135	
ANATOLIA OTEL	4 Star	116	Single	70	232
			Double	110	
ADA PALAS OTEL	3 Star	31	Single	40	62
			Double	70	
BLACK CLOUD HOTEL	3 Star	30	Single	45	60
			Double	75	
KENT OTEL	3 Star	57	Single	46	114
			Double	72	
KERVANSARAY BURSA OTEL	3 Star	112	Single	45	216
			Double	70	

#### Projects under Construction

#### Hilton Family (Hilton & Hampton, Hilton Garden Inn)



Hilton & Hampton, designed in twin hotels concept after signing a franchising agreement with Durmazlar Makine, shall be opened on Yalova Road. In the project which is at excavation phase, the Hampton brand belonging to Hilton Hotel Corporation shall enter Turkish market for the first time. The project which is planned to stretch on a total covered area of 35.000 square meters was calculated to cost 40 Million US\$. Hilton Hotel which shall provide 5-Star service and Hampton Hotel which shall provide 3-Star service shall be built in two separate blocks however the lower floors shall be interconnected. The construction is announced to be completed in 2011. Hilton Hotel has been planned to have 170 rooms, while Hampton Hotel to have 106 rooms. At the completion of the construction, Yalova Road shall obtain its second 5-Star hotel after Hotel Baia.

Information was heard that the Hilton Family, wishing to construct Hilton Garden Inn concept which shall be constructed on Mudanya Road after agreement with Amplio, has realized the purchase of the ground plot, that launching was not made yet as it is at the project phase. It is thought that the surface area of the ground plot is 10.000 square meters and the building whose project phase is continuing shall have a covered space of 5.500 square meters. The project planned to have 160 rooms is expected to cost 20 million US\$. Having its rough construction about to be completed as of valuation date, the hotel is expected to start operations in the last months of 2011.

## Grand Plaza



In the hotel, whose construction with 2 basements, ground floor, 3 normal floors, is continuing at Kükürtlü area, 80 rooms and 12 residences are available. In the facility built on a ground plot of approximately 7.500 square meters with a covered space of 17.500 square meters, a thermal spa center of 2.500 square meters was planned. Furthermore, meeting halls of various sizes and 1 large scale (for approximately 600 persons) ballroom-conference hall have been planned. Information was received that the construction of the facility which shall be able to benefit from thermal sources is currently continuing

## Yeni Çelik Palas Oteli

The facility with its rough construction works completed and under the ownership of Social Security Institution and which is located at the rear facade of Çelik Palas Hotel shall be able to operate in the near future. There is a covered space of approximately 86.000 square meters in the facility whose construction started in the 1980's on a ground plot of 41.000 square meters. The hotel which started to be constructed in blocks consists of 259 rooms and 36 apart flats able to provide 5-Star standard. The hotel shall be able to have 670 beds with 2 beds at each room and in the apart flats with 4 beds at each flat. Planned to have a congress Hall, foyer spaces, fair section, parking garages, heliport, the hotel was left at rough construction phase. The facility which is indicated to have the right to benefit from the thermal sources is waiting to have its rough construction reinforced, trim works completed and to start operating.

Excavation works have started for the hotel project whose construction started in Kükürtlü area and neighboring the construction of Grand Yazıcı Hotel and whose employer is Bemsa A.Ş. whose contracting works are realized by MGH Group. It was indicated that the building constructed on the block 3898, parcel 4 shall be a 5-star boutique hotel. It was indicated that the revisions are made in the project planned to have 70 rooms. As a consequence, finalized room/bed numbers could not be obtained.

There is an ongoing hotel construction with 120 rooms under the name of Oba Thermal Hotel located opposite to Çekirge Military Hospital. It was indicated that the facility which shall have the possibility to benefit from thermal sources shall have 7 floors. It was indicated that additional features such as a spa center, historic bath, 3 meeting halls will be available in the hotel which has its rough construction completed and trim works underway. The hotel which was expected to start operating by mid-2010 has not started operations yet. It was stated that it shall have a total covered space of ~10.000 square meters.

Regarding the center of Bursa, information was received that hotel chains continue to look for locations, that necessary zoning plan arrangements were made for urban operations area excluding housing, for commercial and tourism areas especially on the Izmir Road. It was indicated that on the Yalova Road, the equivalents of ground plots with commercial zoning were increased from 0,40 to 1,50. Furthermore due to the fact that the equivalent can be 2,05 in the case of hotels being built on the same axis, recently Yalova Road is being preferred specially for hotel investments.



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

#### 3.2.1 Bursa Province



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

Bursa Province is surrounded by Bilecik and Adapazarı on the east, İzmit, Yalova, İstanbul and Marmara Sea on the north, Eskişehir, Kütahya on the south, and Balıkesir on the west.

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

The hottest season of the year is from July to September, while the coldest season is from February to March. The annual precipitation quantity according to the observations for 52 years is 706 mm. In the province, the average relative humidity is around 69%.

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

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

The largest plain land of Bursa is Karacabey Plain with 537 sqm. Mustafakemalpaşa, Inegöl, İznik, Orhangazi and Yenişehir are the other plains of Bursa Province.

According to the results of Year 2009 census, 3.5% of Turkey's overall population lives in Bursa, and it is among the provinces with the highest population increase. 88.2% of the province's population is urban while 11.8% is rural.

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

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

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

Bursa	Province/District Center (Urban)			Town/Rural			Total		
	Total	Man	Woman	Total	Man	Woman	Total	Man	Woman
Gemlik	90.834	45.846	44.988	8.400	4.426	3.974	99.234	50.272	48.962
Inegöl	161.541	80.871	80.670	53.834	26.797	27.037	215.375	107.668	107.707
İznik	22.574	11.250	11.324	22.182	11.009	11.173	44.756	22.259	22.497
Karacabey	51.907	25.837	26.070	26.917	13.369	13.548	78.824	39.206	39.618



Keles	3.681	1.888	1.793	11.561	5.611	5.950	15.242	7.493	34.813
Mudanya	49.805	24.575	25.230	19.149	9.566	9.583	68.954	34.141	34.813
Mustafakemalpaşa	57.097	28.155	28.942	44.703	21.925	22.778	101.800	50.080	51.720
Orhaneli	7.934	3.977	3.957	16.058	7.756	8.302	23.992	11.733	12.259
Orhangazi	54.319	27.216	27.103	20.808	10.349	10.459	75.127	37.565	37.562
Yenişehir	29.275	14.625	14.650	22.145	10.877	11.268	51.420	25.502	25.918
Büyükorhan	3.285	1.631	1.654	9.959	4.840	5.119	13.244	6.471	6.773
Harmancık	4.076	2.003	2.073	3.918	1.881	2.037	7.994	3.884	4.110
Nilüfer	269.371	134.413	134.958	13.620	6.781	6.839	282.991	141.194	141.797
Osmangazi	752.155	376.291	375.864	13.573	6.769	6.804	765.728	383.060	382.668
Yıldırım	602.505	301.307	301.198	595	277	318	603.100	301.584	301.516
Görsu	52.333	26.356	25.977	2.822	1.388	1.434	55.155	27.744	27.411
Kestel	37.282	18.580	18.702	10.427	5.049	5.378	47.709	23.629	24.090
<b>Total</b>	<b>2.249.974</b>	<b>1.124.821</b>	<b>1.125.153</b>	<b>300.671</b>	<b>148.670</b>	<b>152.001</b>	<b>2.550.645</b>	<b>1.273.491</b>	<b>1.277.154</b>

Looking at the ratio of urban population to that of the rural population, it is observed that the urbanization ratio of Bursa province has always increased faster than the average of Turkey since 1935. And it is noted that the ratio of urban population exceeded that of rural population in 1970. Whereas, in overall Turkey, the urban population exceed 50% not before 1985. It is understood that Bursa province went through the urbanization process before the average of Turkey. Urban population ratio of Bursa has been higher than that of the overall Turkey both in the past and at present, and especially the rapid increase in the population after 1960 was influential in the faster urbanization process.

Year	BURSA		TÜRKİYE	
	Urban	Rural	Urban	Rural
1940	40,2	59,8	35	65
2000	76,7	23,3	65	35
2007	81,2	18,8	70	30
2008	86,2	13,8	74	26

Bursa Province has 1,081,954 hectares area in total. 429,850 hectares of this area make up the cultivated land.

On the cultivated land, almost any kind of agricultural products are grown in accordance with the climatic conditions. Considering the sizes of the agricultural lands per enterprise, the agricultural enterprises in Bursa are at around 50 - 100 decares size in general. On district basis, Bursa Centrum, Karacabey, Yenişehir and Orhangazi districts are found to have higher enterprise sizes than the mentioned figure. In the province, around the coasts and lakes, table olive and grape is grown. At the hinterland, various vegetables and fruits are grown on the fertile plain; while potatoes and strawberry are cultivated on the high mountains and tablelands.

A general structural change is not observed in husbandry, while cattle breeding is mostly preferred. Due to the lack of meadows and pastures in the province, cattle breeding is intensive especially at the open and covered stables. The most grown animals in the province are sheep, hair goat, water buffalo, cattle and horse.

Bursa is among the most important centers in terms of the potential of tourism. There are monuments dating back to Christianity and the Ottoman Era. Uludağ Ski Resort, the winter tourism center of Turkey, is 40 minutes away from Bursa and it has all facilities required for winter tourism. It also provides an ideal environment for excursions, camping and trekking. The thermal springs in Bursa are the health centers that have been in use since the Roman Era. Çekirge district of Bursa is the hub of thermal springs. Also in many other districts, the thermal springs are in demand throughout the year. Besides, lakes İznik (Nicea) and Uluabat are also ideal places for water sports.

The industry of Bursa is traditionally based on textile. Automotive, metal goods and clothing industries are among the various industrial branches that were activated in 1960s, and they have developed extensively so far. Another important branch of agriculture is husbandry. In addition to sericulture, Merino and Kıvrıkcık are the types of sheep

that are bred in the province. Cattle breeding, which became brisker after 1970s, is rather oriented to productive production. Karacabey Agricultural Enterprise, dating back to the Ottoman Era, has obtained highly productive results in improving the animal species. Poultry and horse breeding are the leading species in this regard. Apiculture is dealt with at around Uludağ, while fishing on the coasts of Marmara and fresh water fishing in the lakes are the other activities within the scope of the husbandry.

Bursa Province also pioneered in the establishment of organized industry zones in Turkey after the first organized industry zone of Turkey was built in this province. The current organized industry zones in Bursa are Bursa, Demirtaş, Nilüfer and Batı Organized Industry Zones. Besides, there are also Organized Industry Zones in İnegöl, Mustafakemalpaşa and Gürsu, which are the surrounding districts of the province. Apart from them, there are planned industry zones and small industrial sites in the province. At the industry zones of the province; textile, automotive and auxiliary industry, machinery and metal industry, chemicals and plastics industry, iron and steel, plastics and paper processing industries are located.

In terms of the automotive industry, Bursa province has a very important position in Turkey. According to the figures of 2003, the province accounts for 85% of the passenger car production, 54% of minibus-midi bus production and 31% of light truck production in Turkey.

The transformation of textile, the province's traditional industry, into modernization stage began when Merinos Wool Textile Factory and İpekış Factory were established. At present, a wide range of products from the raw material of thread to apparels are being produced in the textile industry of Bursa. 8 of the 11 synthetic thread factories of Turkey are located in Bursa. Bursa accounts for 75% of Turkey's total synthetic thread production capacity.

In terms of its value added to the country's economy, Bursa is the fourth province after İstanbul, Kocaeli and İzmir. In the ranking of socio-economic development, it is the fifth after İstanbul, Ankara, İzmir and Kocaeli. The exports from Bursa constitute approximately 15% of Turkey's total exports.

## SECTION 4

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

#### 4.1 Title Deed Information of the Real Estate

Province	:	Bursa
District	:	Osmangazi
Subdistrict	:	Altınova
Village	:	-
Street	:	-
Locality	:	-
Area	:	7.961,79m <sup>2</sup>
Plot No.	:	-
Section No.	:	3198
Parcel No.	:	67
Quality	:	Right of superficies for thirty years on the parcel 67, on page 3198.
Owner	:	Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.

#### Contracts signed between ground plot owner and customer;

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

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

**Article 2: Subject of the Contract;**

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

**Article 3: Conditions of the Undertaking;**

- 3.1 The completion of the projects indicated in the article 5 of this present contract and taking the construction license shall be completed until the date of 31 December 2008. The Investor Company is undertaking to realize on turnkey basis the construction of IBIS Hotel and its Appurtenances in a construction period of 2 full years by starting within 30 days from the date of construction license receipt.
- The number of rooms in the hotel shall be at least 180 or above.
- 3.2 Undertakes to operate the facilities during 25 (twenty-five) years, being free of payment in the 2 (two) years construction period following the receipt of construction licenses and opening of the business place and in the initial operations period of 5 (five) years and starting from the 6<sup>th</sup> year of the operations period and during the following 25 (twenty-five) years) against payment.
- 3.3 The Investor Company has undertaken to construct on the same parcel following the signing of the agreement within the term indicated above to be given to the utilization of the Property Owner together with its equipments indicated in the Annex 1, the restaurant with air conditioning, heating and cooling installations built on a base area of 600 square meters for 400 (four hundred persons) and with the floor-ceiling distance being 5,50 m. (five and a half meters) with its trim works completed and with the expenses to be for its account. An ornamental pool with lightings shall be made in the restaurant's garden.

**Article 5: term of the Construction;**

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

**Article 10: Payment of the Rental Amount;**

- The payment of rentals of the present contract shall be paid as indicated below to start after receipt of the construction license from the opening of the business place with 2 (two) years of construction period and 5 (five) years of operations period being free of payment:

- Within the period from allocation of the right of superficies until the delivery of the immovable property to the Property Owner all property taxes, sanitation taxes collected by the municipalities and other obligations shall belong to the account of the Investor Company.
- The investor company is responsible from the installations, equipment, machinery, appliances, decoration and furnishing of the facilities, the renewal at certain periods of the machinery and equipments which have completed their economic life during their operation period, in conducting maintenance and repair of the buildings and in maintaining the standard.

Agreement Dare	Contractual Term	Cost (USD)
-	construction	For free
-	construction	For free
1 <sup>st</sup> year	actuation	For free
2 <sup>nd</sup> year	actuation	For free
3 <sup>rd</sup> year	actuation	For free
4 <sup>th</sup> year	actuation	For free
5 <sup>th</sup> year	actuation	For free
6 <sup>th</sup> year	actuation	90.000 + VAT
7 <sup>th</sup> year	actuation	90.000 + VAT
8 <sup>th</sup> year	actuation	90.000 + VAT
9 <sup>th</sup> year	actuation	90.000 + VAT
10 <sup>th</sup> year	actuation	90.000 + VAT
11 <sup>th</sup> year	actuation	90.000 + VAT
12 <sup>th</sup> year	actuation	90.000 + VAT
13 <sup>th</sup> year	actuation	90.000 + VAT
14 <sup>th</sup> year	actuation	90.000 + VAT
15 <sup>th</sup> year	actuation	90.000 + VAT
16 <sup>th</sup> year	actuation	100.000 + VAT
17 <sup>th</sup> year	actuation	100.000 + VAT
18 <sup>th</sup> year	actuation	100.000 + VAT
19 <sup>th</sup> year	actuation	100.000 + VAT
20 <sup>th</sup> year	actuation	100.000 + VAT
21 <sup>st</sup> year	actuation	100.000 + VAT
22 <sup>nd</sup> year	actuation	100.000 + VAT
23 <sup>th</sup> year	actuation	100.000 + VAT
24 <sup>th</sup> year	actuation	100.000 + VAT
25 <sup>th</sup> year	actuation	100.000 + VAT
26 <sup>th</sup> year	actuation	100.000 + VAT
27 <sup>th</sup> year	actuation	100.000 + VAT
28 <sup>th</sup> year	actuation	100.000 + VAT
29 <sup>th</sup> year	actuation	100.000 + VAT
30 <sup>th</sup> year	actuation	100.000 + VAT

#### Article 22: Duration;

- This contract enters into force on the date of signing between the Parties and remains valid from the signing of the contract, taking the construction license and opening of the business place until the end of the operating right period. The period of 24 (twenty-four) hours starting within 30 (thirty) days following receipt of the construction license and on the condition of not being later than 31 December 2008, the following period of 30 (Thirty) years



is the operations period. In the event of the Investor Company finishing the construction earlier this period shall be added to the operations period.

- After preparation of the preliminary projects regarding the land which is subject of this contract approval of Accor SA shall be taken by the Investor Company. In the event of failing to receive approval from Accor SA, within 3 (three) days following notification of this situation to the Property Owner this present contract shall end automatically without needing any other procedure and notification. The Parties do not have any right to make any claim under any name whatsoever from each other due to this termination.
- According to the rental contract concluded in the date of 29 June 2010 between Akfen Gayrimenkul Yatırım Ortaklığı and Tamaris Turizm A.Ş.; for the hotel subject to valuation study having its right of superficies under the ownership of Akfen Gayrimenkul Yatırım Ortaklığı (Real estate Investment Trust) A.Ş. the international hotel management company Accor Group shall pay as yearly rental amount twenty-two (22%) percent of the gross revenue (VAT excluded) or seventy (70%) of the revised gross operating revenue whichever is higher.

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

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

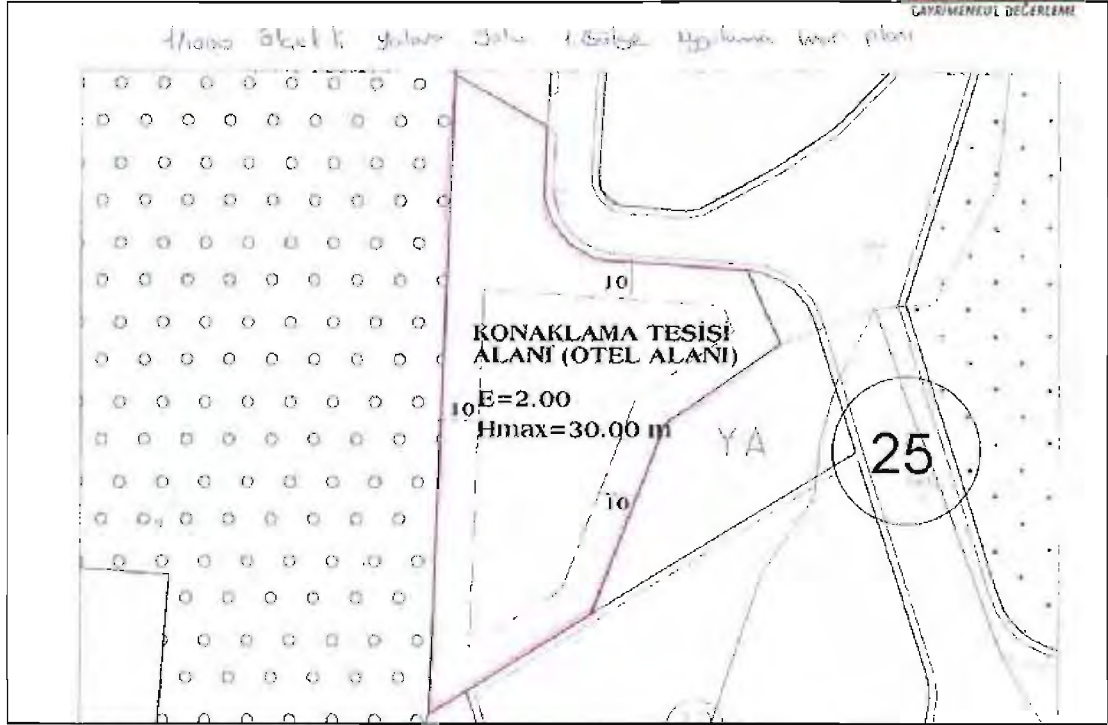
The encumbrances on the immovable property according to the examinations conducted in the 3<sup>rd</sup> Area Title Deeds Registry Office in the administrative district of Osmangazi in the province of Bursa and the letter of encumbrances dated 03 February 2011 presented in the annex have been listed below. The related letter of encumbrances is presented in the enclosure of the report.

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

#### Liens

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





T.C.  
OSMANGAZI BELEDİYE BAŞKANLIĞI  
İmar ve Şehircilik Müdürlüğü

Sayı : M.16.6.OSM.0.13.4/310.01.03/13292(S220) - 4362

25.02.2011

Kona : Yalova Yolu I.Bölge Uyg. İm. P11122d 02a 3a  
pafta, 3198 ada, 67 parsel İA.

Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.  
Levent Loft- Büyükdere Cad. No:201 C Blok K.8  
Levent, İSTANBUL

İlg: 24.02.2011 gün ve 13292(S220) sayılı yazı

İlgi yazı ile, Büyükşehir Belediye Başkanlığı'nca 14.05.2001 gün ve 16021078/008 sayılı ile onaylı 1/1000 ölçekli Yalova Yolu I.Bölge Uygulama İmar Planı kapsamında kalan 1122d 02a 3a pafta, 3198 ada, 67 parselde Sermaye Piyasası Kurulu'na sunulmak üzere hazırlanacak rapor ekine konulmak için mevcut imar durumunun ve son 3 yılki imar durumunun yazılı olarak verilmesi talep edilmiştir.

Yapılan incelemede, söz konusu parselin Büyükşehir Belediye Başkanlığı'nca 14.05.2001 gün ve 16021078/008 sayılı ile onaylı 1/1000 ölçekli Yalova Yolu I.Bölge Uygulama İmar Planında ticaret alanındaki (Butik Tesisi Alanında) bulunan iken Büyükşehir Belediye Meclisi'nin 15.11.2007 tarih ve 733 sayılı karar ve 16021078/755 sayılı karar ile plan değişikliği yapılarak, plan üzerinde belirtilen çekme mesafeleri dâhilinde E:2.00 Hmax:30.00 m. yapılmına koşullu Konaklama Tesis Alanı(Otel Alanı)nda kaldığı tespit edilmiştir.

Bilgi edinilmesi rica olunur

Abmet DONBAŞOĞLU  
İmar Müh.  
İmar ve Şehircilik Müdürü

EK:

- İlgi yazı örn.
- plan değ.den önceki durum örn.
- plan notları örn.
- 1/1000 ölç. onaylı imar pl örn.

- **Licenses and Permits:**
- There is an "Building License" dated 17 June 2009 for totally 1.492 sqm for "restaurant" area.
- There is an "Building License" dated 17 June 2009 for totally 7.532 sqm for "hotel" area.
- There is an "Approved Architectural Design" dated 26 17.06.2009 for the property.
- There is an "Building Use Permit" for 1.492 sqm restaurant area, dated 30 June 2010 and no. 170.
- There is an "Building Use Permit" for 1.492 sqm the hotel and similar guest houses area, dated 30 June 2010 and no. 170.
  
- ✓ **Building Supervision:**
- Building supervision of the property was performed by Y.D. Yapı Denetim A.Ş. Birikim. located Y. Yalova yolu BUTTIM İş. Mer. A Blok 17/ Bursa.

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

According to research made in Osmangazi Municipality Construction Manager and the document provided by the customer – given as attachment – there is not a change in the zoning status of the property in last three years. Zoning status certificates of the property dated 25 February 2011 are appended.

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

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

#### **4.5 Civil Liability**

There is a "1st rank mortgage for € 150.000.000.00 with 3,75% interest for Türkiye İş Bank and Türkiye Sınai Kalkınma Bank" on the appraised property. The property is mortgaged jointly with Istanbul parcel 55 Kayseri-Kocasinan Pervane Quarter, Section 2420, parcel 1 and Gaziantep Şehitkamil, Yaprak Quarter, Section 5020, parcel 2 (dated 15 October 2008 and journal no. 1858). There is an official letter for the mortgage in question.

#### **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

## ENVIRONMENTAL INFORMATION OF THE REAL ESTATE

## 5.1 Situation, Position and Environmental Features of the Real Estate

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

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

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







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

Location	Distance (km)
Bursa Centrum	5,30 km.
Bursa Airport	9,00 km.
Mudanya IDO	27,00 km.
BUTTİM	0,50 km.
Tuyap	0,30 km.

## 5.2 Current Status Of The Real Estate

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

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

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

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

Construction Type	:	Reinforced Concrete Frame
Total Indoor Area subject to Appraisal	:	İbis Otel 7.323,4 sqm
Roof Type	:	Terrace Roof
Age	:	1
Electricity	:	Network
Water	:	Network
Sewer System	:	Network

<b>Heating system</b>	:	Naturel Gas
<b>Cooling system</b>	:	It is provided with air refrigerated Chiller groups.
<b>Air-Conditioning</b>	:	It is provided with air conditioning centrals and exhaust fans.
<b>Security system</b>	:	Card pass and burglar alarm systems are available.
<b>Fire Security System</b>	:	There is a fire safety and notification system connected to the automation system. The fire extinction system is sprinkler; furthermore fire cabinets and fire extinguishers are available.

### Room Using and using details by floors

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

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

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

## SECTION 6

### THE HIGHEST AND THE BEST USE ANALYSIS

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 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.

The highest and best use of the subject properties is considered in accordance with the zoning plan as "Accommodation Facility".

## SECTION 7

### EVALUATION OF THE REAL ESTATE

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

##### ❖ STRENGTHS

- The subject immovable is located in a central position.
- In its close vicinity there are immovable properties such as Buttim which are intensively used for commercial purposes.
- It is positioned at 300 m. distance to Tüyap International Exhibition and Congress Center.
- The immovable property is positioned at walking distance to Tüyap and Buttim buildings.
- The immovable has a flat, topography and is without slopes.
- There is not any zoning sessions.
- The hotel subject to valuation is being operated by a brand name that is providing the same standards throughout the world.

##### ❖ WEAKNESSES

- The immovable property does not have a façade to the Yalova – Bursa road.

##### ❖ OPPORTUNITIES

- The hotel which started operating approximately 2 months ago shall become the first preference of persons who shall visit Tüyap and Buttim business centers.
- Quite important exhibitions with a high potential of participants are held in the Tüyap Exhibition Area.
- The opening of Merinos Convention Center became another appealing factor for overall Bursa Province.

##### ❖ THREATS

- There are brand hotels under construction on the Bursa-Yalova Road and on the İzmir Road.

## 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 if 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.

#### Variants on the risk-free rate<sup>4</sup>

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:

Financial Market Characteristics <sup>5</sup>	Premium Cover Govt.Bond Rate
Emerging markets with political risk (South America, Eastern Europe)	8.5 % over govt. bond Rate
Developed Markets with limited listings (Western Europe, minus Germany and Switzerland)	4.5 - 5.5% over govt. bond rate
Developed Markets with limited listings and stable economies (Germany and Switzerland)	3.5 - 4% over govt. bond rate

<sup>4</sup> Damodaran on Valuation, Security Analysis for Investment and Corporate Finance, Section 3 : Estimation of Discount Rates p.25

<sup>5</sup> Damodaran on Valuation, Security Analysis for Investment and Corporate Finance, Section 3 : Estimation of Discount Rates p.23

### 8.2.2. Market Risk Premium- Market Index

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

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

### 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.<sup>6</sup>

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.<sup>7</sup>

### 8.2.5. Other point of view: The Capital Asset Pricing Model (CAPM) 8

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

#### Analysis Of The Methods Used In The Appraisal

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

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

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

<sup>6</sup> International Valuation Standarts, Sixth Edition , 2003 , p.323

<sup>7</sup> The Appraisal of Real Estate , 12th Edition , Chapter 20, The Income Capitalization Approach, p. 489

<sup>8</sup> Damodaran on Valuation ,Security Analysis for Investment and Corporate Finance, Section 3 : Estimation of Discount Rates p.21



Risk premium has been estimated according to the professional opinion of the appraiser in parallel with his 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 Analysis

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

- Information was received that a ground plot with commercial zoning with  $E=1.5$  and 4.000 square meters surface area at close position to the immovable subject to valuation, has been sold for the amount of 4.000.000 TRY (1.000 TRY/m<sup>2</sup>).
- Information was received that a ground plot at Buttım intersection with commercial zoning and a surface area of 1.500 square meters is for sale at the price of 2.250.000 TRY (1.500 TRY/m<sup>2</sup>).
- Information was received that a ground plot with a surface area of 4.000 square meters with zoning for "urban operations area excluding housing", with building conditions of  $E:1.50$  is for sale at the price of 4.000.000 TRY (1.000.-TRY/m<sup>2</sup>).
- Information was received that ground plot with a façade of 30m. to Yeni Yalova Road with commercial zoning,  $H_{max}=9,50$ , with a surface area of 1.628 square meters is for sale at the price of 1.800.000 TRY (1.100 TRY/m<sup>2</sup>). The value of the parcel is high due to the length of its façade to the road and its high equivalent.
- Information was received that a ground plot with commercial zoning  $E=0,50$  opposite to the immovable property subject to valuation, at one parcel distance to Yeni Yalova Road is for sale at the price of 400 TRY/m<sup>2</sup>. The value of the parcel is low as it does not have a façade to the main road.
- Information was received that a ground plot with a surface area of 5.000 square meters with commercial zoning,  $E=1$  on the Yeni Yalova Road is for sale at the price of 4.500.000 TRY (900 TRY/m<sup>2</sup>). The façade to the road of subject parcel has an effect on the price.
- Information was received that a ground plot with a surface area of 7.750 square meters with commercial zoning, located on the Yeni Yalova Road was sold at the price of 425 TRY/m<sup>2</sup>. The subject parcel's being on the main road and its position has an effect on the price.
- An immovable property on the New Yalova Road with its façade to the main road and a surface area of 6.500 square meters with  $E=1,50$  commercial area equivalent positioned closely to the Regional Directorate of Forestry was sold at the price of 1.200 US\$/m<sup>2</sup>. The subject parcel's façade to the road, its legend and equivalent value has an effect on the price.
- It was indicated that the average sales prices of ground plots with commercial zoning positioned on the Yeni Yalova road is 1.000 US\$/m<sup>2</sup>.
- It was indicated that the sales value requested for a ground plot with commercial zoning with a surface area of 4.108 square meters positioned opposite to the Buttım entrance with a façade to Yeni Yalova Road is 5.000.000 US\$ (1.217 US\$/m<sup>2</sup>). The subject parcel's being close to BUTTİM which is a building with high recognition level in the area and its commercial legend has been effective.
- Information was received that a ground plot with commercial zoning on Yeni Yalova Road placed in the rear façade with a surface area of 10.100 square meters is for sale at the price of 4.250.000 TRY (420 TRY/m<sup>2</sup>). It's not having a façade to the main road is affecting its value.

- Information was received that a ground plot with a surface area of 19.540 square meters with commercial zoning located on Yeni Yalova Road, Beşyol intersection is for sale at the price of 40.000.000 TRY, that a margin for bargaining is available (2.045 TRY/m<sup>2</sup>). The central position of the subject parcel and its having a commercial legend affects its value.
- It was indicated that the price of 1.000 – 1.200 US\$/m<sup>2</sup> was requested for ground plots with commercial zoning and with façade to Yeni Yalova Road, that however, in the market conditions 1.000 – 1.200 TRY/m<sup>2</sup> would be the current market rate.

Information was received that the parcels without a façade to Yalova Road were qualified as field and had no zoning, whereas the parcel subject to valuation could be sold at the price of 700-800 TRY/m<sup>2</sup> due to its zoning situation.

✓ **Professional Estimate of the Appraiser:**

Taking into consideration the position of the immovable property subject to valuation, it's not having a façade to Bursa-Yalova Road, its zoning situation, building conditions, its being at a distance of 300 m. approximately, its features, its vicinity, the hotel planned for construction being approximately half of the construction right given by the zoning plan as well as the potential for development of the area and examining the peers in the vicinity the ground plot value The land value is estimated as TL 1,160/sqm.

VALUE OF THE RIGHT OF CONSTRUCTION				
1 sqm Land Value (*)	363	.-Euro/sqm		
Size of the land	7.961,79	sqm		
Total Value of the Land	2.890.130	.-Euro/sqm	2.890.130	.-Euro
			6.396.435	.-TL

(\*)For the land, unit value is calculated as 70% as the value of 30-year construction right considering 1.160 TRY unit value for lands zoned as tourism area.

(\*\*)On the ground plot owned by the **Buttim** an Independent and Permanent Right of Superficies has been established in favor of Akfen GYO A.Ş until the date of 01 November 2040.

Land Value Calculation Detail = (Value of the zoned land x 30 year construction right factor x term rate)

= 524 (Euro/sqm) x 0.70 x 0,99

= 363 (Euro/sqm)

<b>VALUE OF THE BUILDING</b>			
<b>Indoor Parking, Technical Rooms, Basement Floors</b>			
Construction Cost per 1 sqm	450	.-€	
Total Closed Area of the Building	824,33	sqm	
Total Construction Cost	370.949	.-€	
Depreciation	1%		
Depreciation Cost	3.709	.-€	
Value of the Building	367.239	.-€	<b>367.239 .-€</b>
<b>Restaurant</b>			
Construction Cost per 1 sqm	750	.-€	
Total Closed Area of the Building	1.465,25	sqm	
Total Construction Cost	1.098.938	.-€	
Depreciation	1%		
Depreciation Cost	10.989	.-€	
Value of the Building	1.087.948	.-€	<b>1.087.948 .-€</b>
<b>Otel</b>			
Construction Cost per 1 sqm	1.200	.-€	
Total Closed Area of the Building	6.499,07	sqm	
Total Construction Cost	7.798.884	.-€	
Depreciation	1%		
Depreciation Cost	77.989	.-€	
Value of the Building	7.720.895	.-€	<b>7.720.895 .-€</b>
<b>Total Value of the Land</b>			<b>2.890.130 .-€</b>
<b>Total Value of the Building</b>			<b>9.176.082 .-€</b>
<b>External and miscellaneous works</b>			<b>200.000 .-€</b>
<b>TOTAL VALUE</b>			<b>12.266.212 .-€</b>
<b>TOTAL APPROXIMATE VALUE</b>			<b>12.260.000 .-€</b>

### 8.3.2 Revenue Reduction Method

- The construction right of the subject hotel is owned by Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. while it is being operated by the international hotel operation company Accor Group. During this study, it was assumed that the hotel will be operated in the existing concept throughout the term of the construction right.
- It was assumed that the appraisal study will be conducted according to the cash flows obtained from the operation of the real estate in the years of utilization, during the appraisal study.
- It was assumed that the number of beds of the hotel shall remain fixed over the years at 200 which is the current number of rooms.
- It was assumed that the facility will operate 365 days per year.
- Hotel prices have been foreseen in the room-breakfast system. Taking into consideration the studies conducted in the tourism sector and in the area, it was assumed that the price per person would be 51

EUROS for 2011. The room rate was increased by 4% for the first 10 years. It was foreseen that in the following 10 years with the increase of advertisement ability, recognition level and premium of the hotel, the room prices shall increase by 4% and reach to saturation level and that they will increase by 2,5% thereafter.

- It was foreseen that occupancy rates shall start by 65% in 2011 depending on the number of rooms sold and that it will remain fixed at the level of 78% from 2014.
- It was assumed that other revenues such as rental of shops located in the hotels, wellness center, extra expenditures etc. shall be included in the item other revenues. Taking into consideration the performance of the facility, the other revenues have been assumed as 22% of the accommodation revenues.
- It was assumed that the profit margin of the facility shall be 41% in 2011 and that it will increase to 55% over the years to remain fixed at this rate.
- It was assumed that for renovation expenses 1,5% of the construction cost of the facility shall be reserved for the first year and shall be increased to 2,5% for the subsequent years.
- According to the agreement signed between Buttim and Akfen GYO and presented in the enclosure of the report, the amount of rental to be paid to the property owner during the right of superficies has been determined as free of payment for the first five years, 90.000 US\$ in the sixth and fifteenth years and 100.000 US\$ in the remaining years.
- EURO has been used in the studies and was taken as 1 EURO=2,2132 TL.
- Tax and VAT have not been included in the studies in the scope of IVSC (International Valuation Standards Council).
- In the valuation study, 4,70 % being six months return rate of Euro denominated Eurobonds due 2020 has been taken as "Risk-free Return Rate". (In this valuation study the return rate of the Euro based Eurobonds with the longest due date of 2020, has been selected as risk-free return rate)
- Reduction rate has been foreseen as 9,13 %.
- In the studies, 2,5% which is the inflation rate for the Euro zone was used as inflation rate.
- The real estate tax and building insurance have been included in the accrued figures, and they have been assumed to increase by 2,5% every year, which is the inflation rate. The real estate tax was first paid in 2010 as € 8,644; and it will not be paid for five years beginning from 2011. Real estate tax payment will resume in 2017. The real estate tax to be paid in 2017 has been obtained with the application of 2,5% annual inflation rate increase to the tax paid in 2010.
- Building Insurance payments were realized as €24,792 in 2011, and with the application of 2.5% annual inflation rate increase in the following years.

Years	2010	2011	2012	2013	2014	2015	2016	2017
Tax (Euro)	8.644,00	8.860,10	9.081,60	9.308,64	9.541,36	9.779,89	10.024,39	10.275,00
Insurance (Euro)	24.792,00	25.411,80	26.047,10	26.698,27	27.365,73	28.049,87	28.751,12	29.469,90

#### IBIS OTEL SUMMARY CHART

ROOM NUMBER	200
BED NUMBER	400
DAYS WHEN THE HOTEL OPEN	365
ANNUAL ROOM CAPACITY	73.000
ROOM PRICE (€)(2011)	51,00
BED PRICE INCREASING RATE IN THE FIRST 10 YEARS (%)	4,0%
BED PRICE INCREASING RATE FOR THE FOLLOWING YEARS (%) EURO REGION INFLATION RATE	2,5%
OTHER INCOMES RATE (%)	22%
RENEWAL COST RATE	1,5%
REAL ESTATE TAX BASE (EURO) (2011)	2,5%



3 STARS HOTEL CASH FLOWS															
YEARS	28.02.2011	28.02.2012	28.02.2013	28.02.2014	28.02.2015	28.02.2016	28.02.2017	28.02.2018	28.02.2019	28.02.2020	28.02.2021	28.02.2022	28.02.2023	28.02.2024	28.02.2025
Occupancy Rate (%)	0	65%	70%	75%	78%	76%	78%	78%	78%	78%	76%	78%	78%	76%	78%
Operated Dates		365	365	365	365	365	365	365	365	365	365	365	365	365	365
Rooms Sold		73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000
Room Price (€)		51,00	53,04	55,16	57,37	59,66	62,05	64,53	67,11	69,80	72,59	74,40	76,26	78,17	80,12
Room Incomes (€)		2,419,389	3,020,098	3,266,538	3,387,109	3,533,067	3,674,411	3,821,387	3,974,292	4,133,212	4,296,542	4,342,456	4,461,017	4,562,293	4,662,293
Other Incomes (€) (% 20)		532,389	596,276	664,421	718,638	747,384	777,279	808,370	840,706	874,333	909,307	932,038	955,340	979,224	1,003,704
Total Hotel Incomes (€)		2,952,339	3,306,620	3,884,519	3,965,176	4,144,553	4,310,656	4,482,781	4,662,092	4,848,576	5,042,519	5,168,582	5,297,796	5,430,241	5,565,997
SOCP (%)		41%	49%	52%	55%	55%	55%	55%	55%	55%	55%	55%	55%	55%	55%
GOCP (€)		1,210,459	1,620,244	1,915,950	2,191,847	2,279,521	2,370,701	2,465,529	2,564,151	2,666,717	2,773,385	2,842,720	2,913,788	2,966,633	3,061,289
Expenses (€)		-1,741,890	-1,686,376	-1,768,669	-1,793,329	-1,865,062	-1,939,665	-2,017,251	-2,097,941	-2,181,869	-2,269,133	-2,325,862	-2,384,008	-2,445,609	-2,504,099
HOTEL AREA NET OPERATING PROFITS		1,210,459	1,620,244	1,915,950	2,191,847	2,279,521	2,370,701	2,465,529	2,564,151	2,666,717	2,773,385	2,842,720	2,913,788	2,966,633	3,061,289
Renewal Costs (% 1,5)		-137,841	-141,082	-144,609	-148,225	-151,930	-155,728	-159,622	-163,612	-167,702	-171,885	-176,192	-180,597	-185,112	-189,740
Real Estate Tax (% 2,5)		0	0	0	0	0	-10,275	-10,532	-10,785	-11,085	-11,382	-11,625	-11,916	-12,214	-12,519
Real Estate Insurance (% 2,5)		0	-24,782	-25,412	-26,047	-26,698	-27,366	-28,051	-28,751	-29,470	-30,207	-30,962	-31,736	-32,529	-33,342
Right of Construction Fee		0	0	0	0	0	-65,084	-65,084	-65,084	-65,084	-65,084	-65,084	-65,084	-65,084	-65,084
NET OPERATING PROFITS	0	1,048,026	1,453,750	1,745,294	2,016,924	2,100,225	2,111,964	2,201,540	2,298,189	2,392,698	2,494,102	2,558,082	2,623,661	2,690,860	2,759,779

28.02.2026	28.02.2027	28.02.2028	28.02.2029	28.02.2030	28.02.2031	28.02.2032	28.02.2033	28.02.2034	28.02.2035	28.02.2036	28.02.2037	28.02.2038	28.02.2039	28.02.2040	01.11.2040
78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%
365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	247
73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	49,400
82,13	84,18	86,28	88,44	90,65	92,92	95,24	97,62	100,06	102,57	105,13	107,76	110,45	113,21	116,04	118,95
4,676,350	4,783,259	4,913,090	5,035,918	5,161,816	5,290,861	5,423,132	5,558,711	5,697,679	5,840,121	5,986,124	6,135,771	6,289,171	6,446,400	6,607,560	6,783,203
1,028,797	1,064,517	1,080,880	1,107,902	1,135,589	1,163,989	1,193,089	1,222,916	1,253,488	1,284,827	1,316,947	1,349,871	1,383,618	1,418,208	1,453,663	1,489,305
5,705,147	5,847,776	5,993,970	6,143,819	6,297,415	6,454,850	6,616,222	6,781,627	6,951,168	7,124,947	7,303,071	7,485,647	7,672,789	7,864,808	8,061,324	8,267,508
55%	55%	55%	55%	55%	55%	55%	55%	55%	55%	55%	55%	55%	55%	55%	55%
3,137,831	3,216,277	3,296,684	3,379,101	3,463,578	3,550,168	3,638,822	3,729,695	3,823,142	3,918,721	4,016,689	4,117,106	4,220,034	4,325,358	4,433,673	4,544,323
-2,567,316	-2,631,499	-2,697,287	-2,764,719	-2,833,837	-2,904,663	-2,977,300	-3,051,732	-3,128,026	-3,206,226	-3,286,369	-3,368,541	-3,452,755	-3,539,074	-3,627,551	-3,719,178
3,137,831	3,216,277	3,296,684	3,379,101	3,463,578	3,550,168	3,638,822	3,729,695	3,823,142	3,918,721	4,016,689	4,117,106	4,220,034	4,325,358	4,433,673	4,544,323
-194,483	-199,346	-204,329	-209,437	-214,673	-220,040	-225,541	-231,180	-236,959	-242,883	-248,959	-255,179	-261,559	-268,098	-274,800	-280,610
-12,832	-13,153	-13,482	-13,819	-14,164	-14,518	-14,881	-15,253	-15,635	-16,025	-16,426	-16,837	-17,258	-17,689	-18,131	-18,582
-35,030	-35,306	-35,604	-35,924	-36,267	-36,634	-37,024	-37,438	-37,877	-38,341	-38,830	-39,344	-39,884	-40,450	-41,042	-41,660
-65,084	-72,316	-72,316	-72,316	-72,316	-72,316	-72,316	-72,316	-72,316	-72,316	-72,316	-72,316	-72,316	-72,316	-72,316	-72,316
2,830,400	2,895,566	2,968,763	3,045,806	3,123,768	3,203,659	3,285,559	3,369,506	3,453,551	3,543,748	3,634,149	3,726,811	3,821,789	3,919,142	4,018,928	4,119,224

Appraisal Chart	
Risk Free Rate of Return	4,70%
Risk Premium	4,30%
DISCOUNT RATE	9,00%
NET PRESENT VALUE (EURO)	23,447,739
NET PRESENT VALUE (TRY)	51,894,536

### 8.3.3 Calculation of Cost Capitalization Approach from the Issued Rent Revenues

- As the yearly rental amount for the hotels subject to valuation with right of superficies belonging to Akfen Gayrimenkul Yatırım Ortaklığı A.Ş., Accor group which is an international hotel management company shall pay (25%) twenty five percent of the gross revenue (VAT excluded) or seventy percent (70%) of the corrected gross operations revenue whichever is higher.
- The construction right of the subject hotel is owned by Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. while it is being operated by the international hotel operation company Accor Group. During this study, it was assumed that the hotel will be operated in the existing concept throughout the term of the construction right.
- In the income reduction method, cash flows obtained from the management of the property over the years consists of the total of the cash flows obtained by Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. and Accor group.
- It was assumed that the number of beds of the hotel shall remain fixed over the years at 200 which is the current number of rooms.
- It was assumed that the facility will operate 365 days per year.
- Hotel prices have been foreseen in the room-breakfast system. Taking into consideration the studies conducted in the tourism sector and in the area, it was assumed that the price per person would be 51 EUROS for 2011. The room rate was increased by 4% for the first 10 years. It was foreseen that in the initial 10 years with the increase of advertisement ability, recognition level and premium of the hotel, the room prices shall increase by 4% and reach to saturation level and that they will increase by 2,5% thereafter.
- It was foreseen that occupancy rates shall start by 65 % in 2011 depending on the number of rooms sold and that it will remain fixed at the levels of 78% from 2014.
- It was assumed that other revenues such as rental of shops located in the hotels, wellness center, extra expenditures etc. shall be included in the item other revenues. Taking into consideration the performance of the facility, the other revenues have been assumed as 22% of the accommodation revenues.
- It was assumed that the profit margin of the facility shall be 41% in 2011 and that it will increase to 55% over the years and to remain fixed at this rate.
- Renewal expenses for the rental model of the hotel has been taken as 0,05% of the renewal expense calculated in the management alternative. In the rental model, it was assumed that the renewal works shall be conducted by the tenant.
- Yearly amount of the right of superficies payable to Bursa Uluslararası Tekstil Ticaret ve Alışveriş Merkezi Kooperatifi starting from 2016 was considered as yearly 90.000 US\$+VAT (65.853.-EUROS) for the first ten years and 100.000 US\$+VAT (73.170.-EURO+VAT) for the remaining years.
- EURO has been used in the studies and was taken as 1 EURO=2,2132 TL.
- Tax and VAT have not been included in the studies in the scope of IVSC (International Valuation Standards Council).
- In the valuation study, 5,38 % being six months return rate of Euro denominated Eurobonds due 2019 has been taken as "Risk-free Return Rate". (In this valuation study the return rate of the Euro based Eurobonds with the longest due date of 2020, has been selected as risk-free return rate). Low reduction rate and risk premium have been given by considering that rental revenues guaranteed with the international recognition and brand power of Accor shall be determined over the years.
- In the valuation study, 4,80 % being six months return rate of Euro denominated Eurobonds due 2020 has been taken as "Risk-free Return Rate. (In this valuation study the return rate of the Euro based Eurobonds with the longest due date of 2020, has been selected as risk-free return rate)
- Low reduction rate and risk premium have been given by considering that rental revenues guaranteed with the international recognition and brand power of Accor shall be determined over the years.
- In this study, the revenues of the hotel leased to Accor group have taken under guarantee by a rental contract of 25 years plus 10 years extension option. It has been calculated by assuming that the risk premium of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. in obtaining rental revenues would be quite low. Reduction rate was foreseen as 6,50% by adding 1,70% "Risk Premium" to the 4,80% "Risk-Free Return Rate".

- It was assumed that the contract between Accor and Akfen shall continue for the time the property is used by Akfen.

TOTAL CASH FLOW															
YEARS	28.02.2011	28.02.2012	28.02.2013	28.02.2014	28.02.2015	28.02.2016	28.02.2017	28.02.2018	28.02.2019	28.02.2020	28.02.2021	28.02.2022	28.02.2023	28.02.2024	28.02.2025
IBIS HOTEL INCOME	0	738.065	826.655	921.130	996.294	1.036.146	1.077.592	1.120.695	1.165.523	1.212.144	1.260.630	1.292.145	1.324.449	1.357.560	1.391.499
AGOP IBIS HOTEL	0	681.990	949.000	1.134.832	1.311.129	1.363.568	1.418.110	1.474.635	1.533.828	1.595.181	1.658.989	1.700.463	1.742.975	1.786.549	1.831.213
IBIS HOTEL RENTAL INCOMES	0	738.065	949.000	1.134.832	1.311.129	1.363.568	1.418.110	1.474.635	1.533.828	1.595.181	1.658.989	1.700.463	1.742.975	1.786.549	1.831.213
REAL ESTATE TAX (EURO)	0	0	0	0	0	0	-10.975	-10.632	-10.795	-11.065	-11.342	-11.625	-11.916	-12.214	-12.519
RENEWAL COST	0	-6.882	-7.094	-7.290	-7.411	-7.597	-7.786	-7.981	-8.181	-8.385	-8.595	-8.810	-9.030	-9.256	-9.487
YEARLY RENT COST	0	0	0	0	0	0	-65.084	-65.084	-65.084	-65.084	-65.084	-65.084	-65.084	-65.084	-65.084
INSURANCE COST	0	-24.792	-25.412	-26.047	-26.698	-27.365	-28.050	-28.751	-29.470	-30.207	-30.962	-31.736	-32.529	-33.342	-34.176
TOTAL CASH FLOWS (EURO)	0	706.411	916.534	1.101.554	1.277.013	1.328.606	1.306.915	1.362.486	1.420.298	1.480.440	1.543.006	1.583.208	1.624.416	1.666.653	1.709.946

28.02.2026	28.02.2027	28.02.2028	28.02.2029	28.02.2030	28.02.2031	28.02.2032	28.02.2033	28.02.2034	28.02.2035	28.02.2036	28.02.2037	28.02.2038	28.02.2039	28.02.2040	01.11.2040
1.426.287	1.461.944	1.498.493	1.535.955	1.574.354	1.613.713	1.654.055	1.695.407	1.737.792	1.781.237	1.825.768	1.871.412	1.918.197	1.966.152	2.015.306	1.997.877
1.876.893	1.923.918	1.972.016	2.021.317	2.071.850	2.123.646	2.176.737	2.231.155	2.286.934	2.344.108	2.402.710	2.462.778	2.524.347	2.587.456	2.652.143	1.839.606
1.876.893	1.923.918	1.972.016	2.021.317	2.071.850	2.123.646	2.176.737	2.231.155	2.286.934	2.344.108	2.402.710	2.462.778	2.524.347	2.587.456	2.652.143	1.839.606
-12.832	-13.153	-13.482	-13.819	-14.164	-14.518	-14.881	-15.253	-15.635	-16.025	-16.426	-16.837	-17.258	-17.689	-18.131	-12.576
-8.724	-9.967	-10.216	-10.472	-10.734	-11.002	-11.277	-11.559	-11.848	-12.144	-12.448	-12.769	-13.078	-13.405	-13.740	-8.500
-65.084	-72.316	-72.316	-72.316	-72.316	-72.316	-72.316	-72.316	-72.316	-72.316	-72.316	-72.316	-72.316	-72.316	-72.316	-72.316
-35.030	-35.906	-36.804	-37.724	-38.667	-39.634	-40.625	-41.640	-42.681	-43.748	-44.842	-45.963	-47.112	-48.290	-49.497	-34.333
1.754.322	1.792.576	1.839.198	1.885.966	1.933.966	1.986.176	2.037.638	2.090.387	2.144.454	2.199.874	2.256.678	2.314.903	2.374.584	2.435.756	2.498.458	1.710.850

Appraisal Chart	
Risk Free Rate of Return	4,70%
Risk Premium	1,80%
DISCOUNT RATE	6,50%
NET PRESENT VALUE (EURO)	21.128.354
	18.659.649



### Rental Value of the Property

YEARS	28.02.2011	0
Average Cash Flow of Rental Value	877.218	877.218

RENTAL APPRAISAL CHART			
Risk Free Rate of Return	4,70%	4,70%	4,70%
Risk Premium	4,30%	4,43%	5,30%
Discount Rate	9,00%	9,13%	10,00%
NET PRESENT VALUE (EURO)	804.787	803.829	797.471

Net Present Value (Euro)	803.829
Net Present Value (TL)	1.779.034

Annual Rental Value Of The Hotel(Euro)	803.829
Estimated Annual Rental Value Of The Hotel(Euro)	804.000

### 8.3.4 Evaluation of The Analysis Results

The net today's value of the property subject to valuation is determined as **12.266.000 €**, according to the cost method, as **23.447.000 €** according to the income reduction method and as **19.838.000 €** according to the rental revenue calculated with the yearly rental amount to be paid by Accor group which is an international hotel management company for the hotel owned by Akten Gayrimenkul Yatırım Ortaklığı A.Ş. which has the right of superficies.

The rental value of the immovable property was calculated with the consideration of the average of the net cash flow values of the first year according to the revenue reduction method and the rental revenue. The annual average cash flow for the first year were reduced to the date of reduction and thus, the annual rental value of the immovable property was calculated. According to this calculation, the annual rental value has been appraised as **804.000 Euro (1.780.000.-TL)**.

However, due to the fact that there is an operating as well as income generating facility on the immovable property, the average of **23.447.000 €** as the value found with the income reduction method of the fair market value and **19.838.000 €** which is the net today's value of the rental revenue being **21.643.000.-€** (**Fortysevenmillionnintyhundredandfortythreethousand.-€**) (**Fortysevenmillionnintyhundredthousand.-TRY**) has been assessed as the final result.

The building insurance cost has been identified according to the costs of the Public Works and Settlement Directorate's 2010 costs as **€ 2.718.440** and a furnishing and equipment cost equal to 35% of this amount has also been added and the total cost has been identified as **€ 3.669.895**. The building insurance cost is given for information. The insurance worth for 2011 has been calculated as **€ 3.762.000** assuming 2.5% increase to the insurance worth for 2010, as the unit rates of T.C. Ministry of Public Works and Settlement have not been disclosed for 2011 yet.

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

During the appraisal study, cost approach method has been used for identifying the actual status value of the property. The value of the hotel according to income capitalization approach has been calculated with 2 methods: rent income and operating income. The hotel is currently let to Accor group to be operated with a lease contract.



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





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

The immovable property in the province of Bursa, the administrative district of Osmangazi, Neighborhood of Altınova qualified as "Right of superficies (construction) for 30 years on the parcel 67, block 3198, in 22nd volume, page 2119"

Fair market value as of 28 February 2011 of the hotel located on the ground plot with right of superficies (Construction) for 30 years given in favor of Akten Gayrimenkul Yatırım Ortaklığı A.Ş. (EXCLUDING VAT)	47,900,000.-TL (Fortysevenmillionninetyhundredthousand-Turkish Liras)
The immovable property in the province of Bursa, the administrative district of Osmangazi, Neighborhood of Altınova qualified as "Right of superficies (construction) for 30 years on the parcel 67, block 3198, in 22nd volume, page 2119"	21,643,000.-€ (Twentyonemillionsixtyhundredandfortythreehousand-€)

Fair market value as of 28 February 2011 of the hotel located on the ground plot with right of superficies (Construction) for 30 years given in favor of Akten Gayrimenkul Yatırım Ortaklığı A.Ş. (INCLUDING VAT)	56,522,000.- TL (Fiftysixmillionfivethundredandtwentytwothousand-Turkish Liras)
The immovable property in the province of Bursa, the administrative district of Osmangazi, Neighborhood of Altınova qualified as "Right of superficies (construction) for 30 years on the parcel 67, block 3198, in 22nd volume, page 2119"	25,538,000.-Euro (Twentyfivemillionfivehundredandthirtysixthousand-Euro)

Rental Value (Excluding VAT) dated 28 February 2011 of the Hotel	1,780,000.- TL (Onemillionsevenhundredandeightyithousand-Turkish Liras)
The immovable property in the province of Bursa, the administrative district of Osmangazi, Neighborhood of Altınova qualified as "Right of superficies (construction) for 30 years on the parcel 67, block 3198, in 22nd volume, page 2119"	804,000.-Euro (Eighthundredandfourthousand-Euro)

Rental Value (including VAT) dated 28 February 2011 of the Hotel	2,100,000.- TL (Twomilliononehundredandthousand-Turkish Liras)
The immovable property in the province of Bursa, the administrative district of Osmangazi, Neighborhood of Altınova qualified as "Right of superficies (construction) for 30 years on the parcel 67, block 3198, in 22nd volume, page 2119"	949,000.-Euro (Ninehundredandfortyninehousand-Euro)

NOTE:	1	This value is the fair market value determined as cash sale price.
	2	VAT included and VAT rate is taken %18.
	3	It is assumed that 1 EURO = 2,2132- TL.
	4	This report has been prepared as per the relevant provisions of Capital Market Legislation.
	5	This page is an integral part of the appraisal report, it is a whole together with the detailed information in the report, cannot be used independently.

The hotel with the superficieses on the appraised land may be included in the Real Estate Investment Trust portfolio, according to the provisions of the Capital Market Regulations.

Hüsnüye BOZTUNCU Appraiser (000011)	Adem YOL Appraiser in Charge (400101)
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