

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş



REAL ESTATE APPRAISAL REPORT

Report Date: 08.02.2013
Value Date: 31.12.2012

R. No: 2012REVF50



ISO9001:2008
FS 509685

**AKFEN GAYRİMENKUL
YATIRIM ORTAKLIĞI
A.Ş**

ADANA İBİS OTEL

SEYHAN/ADANA

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

We hereby state the following matters regarding the appraisal report prepared by **TSKB Gayrimenkul Değerleme A.Ş.** for **Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.**, on the date of **08.02.2013** with the report number **2012REV50**;

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

EXECUTIVE SUMMARY**OPEN ADDRESS OF PROPERTY**

Çınarlı Mahallesi, Dr. Ali Menteşoğlu Caddesi, 61004. Sokak, No: 14
Seyhan/ADANA

USE OF PROPERTY

3-star hotel and a shop.

TITLE DEED INFORMATION

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

ZONING STATUS

According to the observations made on 11.12.2012, which was approved by the Adana Metropolitan Municipality Council, the immovable property under appraisal remains in "Commercial" area and the construction conditions are as follows;

- Block construction style,
- 10 floors (building height = max. 30.75 m. and floor height = max. 3.00 m.),

TOTAL FAIR MARKET VALUE OF THE SUPERFICIES OF IBIS HOTEL 31.12.2012 (Excluding VAT)

37.030.000.-TL

(Thirtysevenmillionthirtythousand.-
TurkishLiras)

15.670.000.-Euro

(Fifteenmillionsixhundredandseventythousand.-Euro)

TOTAL FAIR MARKET VALUE OF THE SUPERFICIES OF IBIS HOTEL 31.12.2012 31.12.2012 (Including VAT)

43.695.400.-TL

(Fortythreemillionsixhundredandninetyfivethousand
fourhundred.- TurkishLiras)

18.490.600.-Euro

(Eighteenmillionfourhundredninetythousandsix
hundred.-Euro)

TOTAL ANNUAL RENT VALUE OF IBIS OTEL AS OF 31.12.2012 (Excluding VAT)

998.000.-TL

(Ninehundredandninetyeightthousand.-
TurkishLiras)

420.000.-EURO

(Fourhundredandtwentythousand.-Euro)

TOTAL ANNUAL RENT VALUE OF IBIS OTEL AS OF 31.12.2012 (Including VAT)

1.177.600.- TL

(Onehundredmillionseventyseventhousandsix
hundred.-Türk Lirası)

495.600.-EURO

(Fourhundredandninetyfivethousandsixhundred.-Euro)

- Exchange rate has been taken as EURO 1 = TL 2,3630. The value in EURO is given only for information.
- This page is an inseparable part of the appraisal report, it is complete with the detailed information in the report and it can not be used separately

Simge Sevin AKSAN
Değerleme Uzmanı (401772)

Makbule Yönel MAYA
Sorumlu Değerleme Uzmanı (401456)

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SECTION 1

***REPORT,
COMPANY AND CUSTOMER INFORMATION***

SECTION 1

REPORT, COMPANY AND CUSTOMER INFORMATION

1.1 Report Date and Number

This report was issued by our company on 08.02.2013 and number 2012REV50 with reference to the request dated 31.10.2012 and made by the firm, titled as Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.

1.2 Report Type

This is the project appraisal report prepared in order to determine the fair market value in Turkish Liras on 31.12.2012 for the project to be developed in Adana province, Seyhan district, Çınarlı quarter, section 585, parcel no. 2. The report has been prepared according to the provisions of the declaration of the Board of Capital Markets.

1.3 People Issuing the Report

This appraisal report has been prepared through using the information obtained from the people – organizations – institutions as a result of the inspection at the place of the property. This report has been prepared by Simge Sevin AKSAN and by appraiser in charge Makbule Yönel MAYA.

1.4 Appraisal Date

This appraisal report is prepared with reference to the studies started on 03.11.2012 and finished on 08.02.2013. 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 02.11.2012 and has determined the rights and obligations of the contractual parties.

1.6 Factors Affecting the Appraisal Process Negatively

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

1.7 The Scope of the Client Demands and Delimitation

This real estate appraisal report has been prepared further to Akfen Gayrimenkul Yatırım Ortaklığı A.Ş request dated 30.10.2012, and in accordance with the provisions of the capital markets legislation in effect on the subject property. No restrictions were imposed by the customer during the valuation study

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

| | Report-1 | Report-2 | Report-3 | Report-4 |
|--|-----------------------------|-----------------------------|----------------------------|------------------------------|
| Report Date | 30.06.2010 | 31.12.2010 | 28.02.2011 | 30.09.2011 |
| Report No | 2010REV195-9 | 2010REV387-9 | 2011REV78-9 | 2011REV367 |
| People Issuing the Report | Hüsniye BOZTUNÇ Adem YOL | Hüsniye BOZTUNÇ Adem YOL | HüsniyeBOZTUNÇ Adem YOL | Fatih TOSUN- Mehmet ASLAN |
| Total Fair Market Value Of The Project (TL) | | 14.308.000.-TL | 15.190.000.-TL | 27.080.000.-TL |
| Total Present Status Value Of The Project (TL) | 4.426.000.-TL | - | 5.807.000.-TL | 12.250.000.-TL |

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

* In the report numbered 2010REV195-9, the land value of the immovable property has been assessed as the final value, since the construction permit and approved architectural design are not yet available. Meanwhile, in the reports numbered 2010REV387-9 and 2011REV78-9, the project value has been assessed as the final value, in the reports numbered 2011REV78-9 and 2011REV367; current status value assessment has also been made since construction has been started as of the appraisal date.

1.9 Company's Information

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

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

1.10 Client Information

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

SECTION 2

DEFINITION AND SCOPE OF THE APPRAISAL

SECTION 2

DEFINITION AND SCOPE OF THE APPRAISAL

2.1 The Methods Used in the Appraisal

There are three different valuation methods, which can be utilized in our country. There are respectively, “Sales Comparison Approach”, “Income Capitalization Approach” and the “Cost Approach” methods.

2.1.1 Sales Comparison Approach

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

2.1.2 Income Capitalization Approach

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

2.1.3 Cost Analysis Approach

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

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

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

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

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

2.1.4 Development Approach Method

The purpose of an investment is to produce goods or services, to put them into the market and make profit consequently. The commercial profitability of the investment depends on sufficient demand for the goods or services to be produced and their sales with the prices that would provide possibility to obtain the expected profitability. The examination of the project for the entrepreneur covers the

examination and evaluation of the industry where the subject product of the project is positioned and the anticipations regarding the future. The evaluation of the market where the subject goods or services of the project are positioned can be examined as the current situation and the expectations for the future.

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

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

2.2 Definitions and Model of the Calculation Methodology

2.2.1 Definitions and Model of the Calculation Methodology

Risk Free Rate

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

Variant on the risk-free rate¹

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

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

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

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

Variant 3 has been selected as the method in the assumptions our company has made by using all these data. However, especially when assessing the value of the real estates with long-term commercial lifetime, an asset appropriate for the commercial lifetime of the real

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

estate does not exist. For that reason, our company suggests appropriate bonds for each projects regarding their duration as a risk free return rate. The chosen bonds vary according to the duration of projects and to the rate of exchange. This rate also covers the country risk. In addition to hat, the rates suggested by Damodaran for use in accordance with its Financial Market Characteristics are as follows:

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

Market Risk Premium- Market Index

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

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

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

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

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).

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

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

CAPM model measures risk in terms of on diversifiable variance and relates expected returns to this risk measure. It is based upon several assumptions, that investors have homogeneous expectations about asset returns and variances, that they can borrow and lend at a risk-free rate, that all assets are marketable and perfectly divisible, that there are no transactions

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

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 2.2.1, and it has been identified with the average of last 6 months (the average is used for minimizing short-term market fluctuations) of the Eurobond with the longest maturity currently in effect. This rate includes the country risk.

Risk premium has been estimated according to the professional opinion of the appraiser in parallel to his/her experiences by taking into account the risks associated with the specifications of the project such as the region, sector, project, zoning, etc. as explained in article 2.2.1.

2.2.2 Project Development Approach

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

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

2.3 The Value Definitions

2.3.1 Fair Market Value (Market Value)

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

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

2.3.2 Orderly Liquidation Value

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

2.3.3 Forced Liquidation Value

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

SECTION 3

GENERAL AND SPECIAL DATA

SECTION 3**GENERAL AND SPECIAL DATA**

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

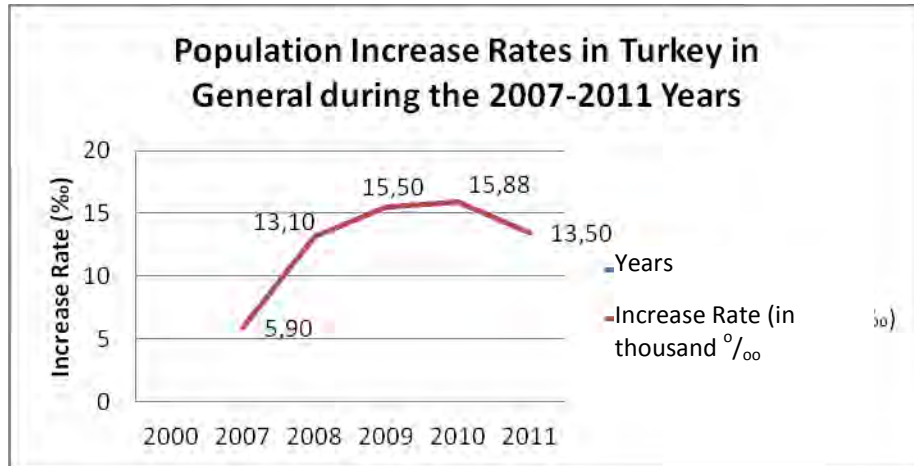
3.1 Genel Veriler- Sosyal ve Ekonomik Veriler**3.1.1 Demographic Data**

According to the Address Based Population Registration System data, the population of Turkey as of December 31, 2011 is 74,724,269 persons. In 2011, the annual population in Turkey has materialized as 13.5 in thousand. In 2011, the population residing in Turkey has increased by 1,001,281 persons. From this population, 50.2% (37,532,954 persons) are males, and 49.8% (37,191,315 persons) are females.

| Representation of the General Population Increase in Turkey over the Years | | | |
|--|------------|------------|------------|
| Total | | | |
| | Total | Male | Female |
| 2008 | 71,517,100 | 35,901,154 | 35,615,946 |
| 2009 | 72,561,312 | 36,462,470 | 36,098,842 |
| 2010 | 73,722,988 | 37,043,182 | 36,679,806 |
| 2011 | 74,724,269 | 37,532,954 | 37,191,315 |

While the population of Turkey was 71,517,000 according to the 2008 Population Count results, Turkey's population has increased to 72,561,312 persons as of December 31, 2009. While the annual population increase during the 2000-2007 period has materialized as 5.9 in thousand on the average, the population increase rate in Turkey in 2008 has been 13.1 in thousand and the country's population has reached 71,517,100.

The population of Turkey has increased by 14.5 in thousand as of the end of 2009, as compared to 2008, and as of the end on 2010 this figure, by an increase of 1,161,676 persons (15.88 in thousand), has reached 73,722,988 persons. In the following graph, it is possible to observe the population increase rates in Turkey in general during the 2007-2011 years.



In 2011, while the populations of 56 provinces, from the total 81 provinces, have increased as compared to the previous year, the populations of 25 provinces have decreased. The first three provinces with the lowest population increase rates are; Bilecik (-100.41 in thousand), Isparta (-86.27 in thousand) and Kütahya (-45.44 in thousand). In the meantime, the first three provinces with the highest population increase rates are; Tunceli (103.49 in thousand), Hakkari (79.75 in thousand) and Şırnak (62.82 in thousand).

In Turkey, the population in the cities increases at a much higher rate than the population in the villages. The urban population in the country has demonstrated a significant increase over the past 17 years, and while this was 59 percent in 1990, it has reached 64.9 percent in 2000, and 75.5 percent in 2009. In 2010, this ratio has been measured as 76.3%. The urban population (population residing at provincial and district centers) is 56,222,356, while the rural population (population residing on townships and villages) is 17,500,632 persons. As of 2011, while 76.8% (57,385,706 persons) of the total population is residing at provincial and district centers, 23.2% (17,338,563 persons) are residing at townships and villages. The province with the highest population ratio residing in provincial and district centers has been İstanbul by 99 percent, while the lowest has been Ardahan with 35 percent.

From our country's total population, 18.2% (13,624,240 persons) are residing in İstanbul. This is respectively followed by; Ankara with 6.6% (4,890,893 persons), İzmir with 5.3% (3,965,232 persons), Bursa with 3.6% (2,652,126 persons), and Adana with 2.8% (2,108,805 persons). In the Bayburt province, which has the lowest population in our country, the number of residents is 76,724.

The average age in our country is 29.7. While the median age in males is 29.1, it is 30.3 in females. The median age of those residing in provincial and district centers is 29.5; and the median age of those residing in townships and villages is 30.5. Half of the population is younger than the age of 29.7.

The population in working age in the 15-64 group (50,346,979 person), constitutes 67.4% of the total population. 25.3% of our country population (18,886,575 persons) is in the 0-14 age group, while 7.3% (5,490,715 persons) are in the 65 and above age group.

The population density expressed as "number of persons per square kilometer" is 97 persons in Turkey, in general. This figure ranges from 11 to 2,622 persons in the provinces. In the İstanbul province, there are 2,622 persons per square kilometer. This is followed respectively by; Kocaeli with 443 persons, İzmir with 330 persons, Gaziantep with 257 persons and Bursa with 254 persons.

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In the meantime, the province where the population density is lowest is Tunceli with 11 persons. In Konya, which ranks first based on surface area size, the population density is 52, and in Yalova, which has the smallest surface area, the population density is 244.

| Province | Population | Population (City Center) |
|----------|------------|--------------------------|
| İstanbul | 13,624,240 | 13,483,052 |
| Ankara | 4,890,893 | 4,762,116 |
| İzmir | 3,965,232 | 3,623,540 |
| Bursa | 2,652,126 | 2,359,804 |
| Adana | 2,108,805 | 1,864,591 |

3.1.2 Economic Data

External economic developments have been more predominant than internal politics at the beginning of 2008, the developments have influenced the economy directly and a regression has been observed in the investments as of the beginning of April, 2008 and the levels of foreign investments of the previous years have begun to drop. Viewing the investments in 2008, it has been observed that while saturation level has been reached in certain areas in the housing and SHC sectors, investments have continued in the office and logistics sectors.

The economic crisis in the world, which was the most significant event in 2008, initially emerging as a subprime mortgage crisis in the US, and thought to be arising from a liquidity problem, but in time understood to be mainly a lack of confidence, has emerged by bankruptcy of major US investments banks and insurance companies in March and has spread to Europe in a very short time. Despite countries' declaring crisis prevention packages one after another, the developments could not be prevented and the world growth figures have displayed negative values.

As of the end of 2008 and the beginning of 2009, the economic crisis has begun to be felt by the real sector also in Turkey. With the economic shrinkage in 2009, drops have been observed in industrial production and employment. It is known that the real estate sector has continued to shrink in 2009, the decreasing trend in the prices has continued and the demand has been low.

However, with the positive outlook experienced in the country's economy and the foreign markets as of the beginning of 2010, it is observed that a sustainable development has started again and the influences of the crisis have been somewhat decreased by the positive atmosphere. By the currency rates' remaining within a certain band within 2010 in general, the continued increasing trend of the Istanbul Stock Market, and the perception of the September 2010 referendum as political stability, the positive atmosphere in the markets has continued.

Within 2011, when economic data has begun to be positive, the interest of foreign investments in Turkey has continued. However, the fact that major investment decisions may not be made as comfortably and easily as in the previous years, has prolonged the investment processes. With the price consistency and the increase in economic growth, 2011 has been the stage for Turkey's progress and increased power in foreign politics.

Although it is observed that economic stability has continued in 2012, it has also been observed that sales difficulties have been experienced for certain real property types and projects. In addition, 2012 has been a year when 3 significant laws have been brought to the sector. With the reciprocity law, the road for foreign investors wanting to invest in Turkey has been cleared, and this law is expected to provide a serious acceleration in the real property market in the coming period. Although it is aimed to attract foreign capital and close the current deficit with the reciprocity law, it is believed that Urban Transformation and the sales of 2B lands actually will be the factors attracting attention both locally and internationally and allowing the increase of resources. By these laws, new

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real property development areas have been created, and it is believed that its impact will be felt more clearly in 2013.

During the last quarter of 2012, the Fitch Rating Organization has raised Turkey's foreign currency credit rating from BB to BBB-. With this positive development, it is expected that foreign investors will turn their eyes to Turkey. With this favorable economic development and the 3 important laws passed in 2012, it is foreseen that 2013 will be a better year as compared to 2012 from the real property sector perspective.

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

3.2.1 Adana Province



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

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

According to the results of the 2011 Address-Based Population Census, 2.108.805 persons from Adana's total population of 1.864.591 live in cities and 244.214 live in villages.

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

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

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

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

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

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

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

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

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

3.2.2 Seyhan District



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

According to the results of the 2011 Address-Based Population Census, the population of the Seyhan District is 757.928 and the entirety of this population lives in the city. Based on these results, the population of Seyhan constitutes 35% of the general of the Adana Province. With this figure, it has a higher population than those of many other provinces.

According to the results of the last 2011 Address-Based Population Census;

| Year | Total | City | Village |
|------|-----------|---------|---------|
| 1990 | 672.121 | 642.321 | 29.800 |
| 2000 | 849.283 | 807.934 | 41.349 |
| 2007 | 1.007.992 | 990.073 | 17.919 |
| 2008 | 752.308 | 752.308 | - |
| 2009 | 722.852 | 722.852 | - |
| 2010 | 723.277 | 723.277 | - |
| 2011 | 757.928 | 757.928 | - |

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

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

Seyhan bears the characteristics of the Mediterranean climate. Summers are hot and dry and winters are mild and rainy. The hottest month average is 28.1 C⁰ and the coldest month average is 9.3 C⁰. The humidity is quite high during the summer season. These sweltering temperatures have brought along the tradition of going up to the plateaus. The natural vegetation cover consists of short scrubs up to the height of 1,500 m. Arenicolous and halophilous plants are found in regions that are close to the sea.

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

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

SECTION 4

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

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

| | | | |
|-------------------------|---|---|---|
| Province | : | Adana | Adana |
| Distirict | : | Seyhan | Seyhan |
| Subdistrict | : | Çınarlı | Çınarlı |
| Village | : | - | - |
| Street | : | - | - |
| Locality | : | - | - |
| Plot No | : | - | - |
| Section | : | 585 | 585 |
| Parcel | : | 2 | 2 |
| Area | : | 2.213 sqm | 2.213 sqm |
| Quality | : | 11-Storey Reinforced Concrete Hotel and Land | 11-Storey Reinforced Concrete Hotel and Land |
| Independent Part Number | : | 1 | 2 |
| Floor | : | Ground+1.+2.+3.+4.+5.+6.+7.+8. | Ground +1.Basement |
| Quality | : | Hotel | Work place |
| Share Of Land | : | 2054/2213 | 159/2213 |
| Owner | : | Akfen Gayrimenkul Yatırım Ortaklığı Anonim Şirketi* | Akfen Gayrimenkul Yatırım Ortaklığı Anonim Şirketi* |
| Shares | : | Full | Full |

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

4.2 Title Deed Examination of the Real Estate

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

The following rights and limitations have been identified on the appraised property according to the document of encumbrances obtained on 11.12.2012 and according to the inspections held at the 2nd Regional Title Deed Registry Directorate of the Seyhan District of the Province of Adana on 11.12.2012. (The certificate of encumbrances dated 11.12.2012 on the properties is also enclosed.)

For independent section no 1:**In the Statements Section;**

- Management Plan: 22.10.2012, registered on 23.10.2012 with number 33811 (Starting Date: 22.10.2012 Ending Date: 22.10.2012- Term:-)
- 'This real property has been passed to property ownership.' registered on 23.10.2012 with number 33811.'

In the Pledges Section;

- There is a mortgage in the amount of EURO 11,250,000.00 dated 03 August 2010, with journal no 9873 in favor of Türkiye İş Bankası A.Ş., and Türkiye Sınai Kalkınma Bankası Anonim Şirketi and

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against Akfen Gayrimenkul Yatırım Ortaklığı Anonim Şirketi with a variable interest at the annual rate of 4.75% + Euribor.

For independent section no 2:

In the Statements Section:

- Management Plan: 22.10.2012, registered on 23.10.2012 with number 33811 (Starting Date: 22.10.2012 Ending Date: 22.10.2012- Term:-)
- 'This real property has been passed to property ownership.' registered on 23.10.2012 with number 33811.'

In the Pledges Section:

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

| TASINMAZ AIT TAPU KAYDI | | | | | | | | | |
|--|--|--|-------------------------|-----------------|--|---------------|---------------|---------------|---------------|
| Zemin Eği | Çar. Mülk No | Ada Parşel | 1 | 9873 | | | | | |
| Zemin No | Pafta No | Ada No | 1 | 221010102 | | | | | |
| R. No | Adres | Ada No | 1 | 221010102 | | | | | |
| Katman Adı | Katman No | Ada No | 1 | 221010102 | | | | | |
| Mahalle / Kıs. Adı | Çar. Mülk No | Ada Parşel | 1 | 9873 | | | | | |
| Mevki | Ada No | Ada Parşel | 1 | 9873 | | | | | |
| Kayıt No | Ada No | Ada Parşel | 1 | 9873 | | | | | |
| Kayıt Tarihi | Ada No | Ada Parşel | 1 | 9873 | | | | | |
| TASINMAZ ŞEHRİ / BEYAN / İRTİFAK | | | | | | | | | |
| S-Bil | Açıklama | Malik / Tarih | Tarih / Yorum | Tarih / Yorum | Tarih / Yorum | Tarih / Yorum | Tarih / Yorum | Tarih / Yorum | Tarih / Yorum |
| Devir | Yatırım Planı | 22.10.2012 (İhtilafat Tarih: 22.10.2012) | | | | | | | |
| MİLLİ KAYIT / MİLLİ GİRİŞ | | | | | | | | | |
| Sistem No | Malik | Ehliyet No | İhtilafat No | Malik No | Malik No | Malik No | Malik No | Malik No | Malik No |
| 221010102 | AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ | 9873 | | | | | | | |
| İPOTEK | | | | | | | | | |
| Alacaklı | Müsteri | Borç | Faiz | Borç / Borç | İhtilafat No | İhtilafat No | İhtilafat No | İhtilafat No | İhtilafat No |
| İSİN 401 TÜRKİYE İŞ BANKASI A.Ş. | İhtilafat | 11.250.000,00 EUR | YILLIK % 4,75 + EURIBOR | 03/08/2010-9873 | AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ | | | | |
| Yatırım No: 401000000 | | | | | | | | | |
| Yatırım No: 401000000 | | | | | | | | | |
| TÜRKİYE SİNİ KALKINMA BANKASI ANONİM ŞİRKETİ | | | | | | | | | |
| Yatırım No: 401000000 | | | | | | | | | |
| Yatırım No: 401000000 | | | | | | | | | |
| İPOTEKİN SONUÇLARI (İhtilafat Bilgisi) | | | | | | | | | |
| Tarixi | İhtilafat | İhtilafat | İhtilafat | İhtilafat | İhtilafat | İhtilafat | İhtilafat | İhtilafat | İhtilafat |
| 22.10.2012 | AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ | | | | | | | | |
| 22.10.2012 | AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ | | | | | | | | |
| 22.10.2012 | AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ | | | | | | | | |
| İPOTEKİN SONUÇLARI (İhtilafat Bilgisi) | | | | | | | | | |
| Tarixi | İhtilafat | İhtilafat | İhtilafat | İhtilafat | İhtilafat | İhtilafat | İhtilafat | İhtilafat | İhtilafat |
| 22.10.2012 | AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ | | | | | | | | |
| 22.10.2012 | AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ | | | | | | | | |
| 22.10.2012 | AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ | | | | | | | | |

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

| TASINMAZ AIT TAPU KAYDI | | | | | | | | | |
|--|--|--|-------------------|--------------------|--------------------------------------|----------------------------|--|--|------------|
| Zemin Tipi | 1 | Kar. Mülkiyet | Ada/Parcel | 1 | 9826 | | | | |
| Zemin No | 1 | 791/9844 | Yatırım | 1 | 23101042 | | | | |
| B. No | 1 | ADANA SEYHAN | Ada/Parcel | 1 | 10 KAD. BÜYÜKSAĞIRI GÜZEL YI. ARKANI | | | | |
| Kararın Adı | 1 | Seyhan TM | Ada/Parcel | 1 | 10 KAD. BÜYÜKSAĞIRI GÜZEL YI. ARKANI | | | | |
| Mahalle / Kily Adı | 1 | ÇINARLI Mah. | Bölge/Kararın Adı | 1 | 10 KAD. BÜYÜKSAĞIRI GÜZEL YI. ARKANI | | | | |
| Mevki | 1 | 1 | Ada/Parcel | 1 | 10 KAD. BÜYÜKSAĞIRI GÜZEL YI. ARKANI | | | | |
| Çizim / Şekil No | 1 | 56 / 3548 | Bölge/Kararın Adı | 1 | 10 KAD. BÜYÜKSAĞIRI GÜZEL YI. ARKANI | | | | |
| Kayıt Durum | 1 | Aktif | Bölge/Kararın Adı | 1 | 10 KAD. BÜYÜKSAĞIRI GÜZEL YI. ARKANI | | | | |
| TASINMAZ SERH / BEYAN / İRTİFAK | | | | | | | | | |
| S/Şİ | Açıklama | | Matik / Lehdar | Tarih / Yorum | | Terkis Şekli - Tarih - Yes | | | |
| Beyan | Yatırım Planı: 23/10/2012 (Şekillenme Tarih: 22/10/2012, 8046 Tarih: 22/10/2012) | | | 23/10/2012 - 13811 | | | | | |
| MÜHÜRLEME BİLGİLERİ | | | | | | | | | |
| Noter No | Matik | Elbirliği No | Hisse Pay/Payda | Mevkure | Edinme Şekli - Tarih - Yes | Terkis Şekli - Tarih - Yes | | | |
| 22/10/2012 | AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ | YAT | | | 23/10/2012 - 13811 | | | | |
| İpotek | | | | | | | | | |
| Alacaklı | Müvakkil | Borç | Faiz | Borçlu Sıra | Sıra | Tarih / Yorum | Borçlu | | S/Şİ Bilgi |
| (S/Şİ) TÜRKİYE İŞ BANKASI A.Ş. | Yat | 11.250.000.00 TL | YILLIK % 11,0 | 1. Sıra | 1. Sıra | 03/08/2010 - 9826 | AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ | | Y-6 |
| Vergi No: 441808799 | | | | | | | | | |
| Şirket No: 4311270004 (S/Şİ) 4311270004 | | | | | | | | | |
| TÜRKİYE İŞ BANKASI A.Ş. | | | | | | | | | |
| ANONİM ŞİRKETİ Vergi No: 476003339 | | | | | | | | | |
| Şirket No: 476003339 | | | | | | | | | |
| İpotek Konusu Hissedar Bilgisi | | | | | | | | | |
| Tasınmaz | Hisse Pay/Payda | Borçlu Matik | Matik Borç | Tarih / Yorum | | Terkis Şekli - Tarih - Yes | | | |
| AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ | 1/1 | AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ | 11.250.000.00 TL | 23/10/2012 - 13811 | | | | | |
| AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ | 1/1 | AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ | 11.250.000.00 TL | 23/10/2012 - 13811 | | | | | |
| İpotek S/Şİ Bilgi | | | | | | | | | |
| S/Şİ | Açıklama | Matik | Tarih / Yorum | | Terkis Şekli - Tarih - Yes | | | | |
| | | | | | | | | | |

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

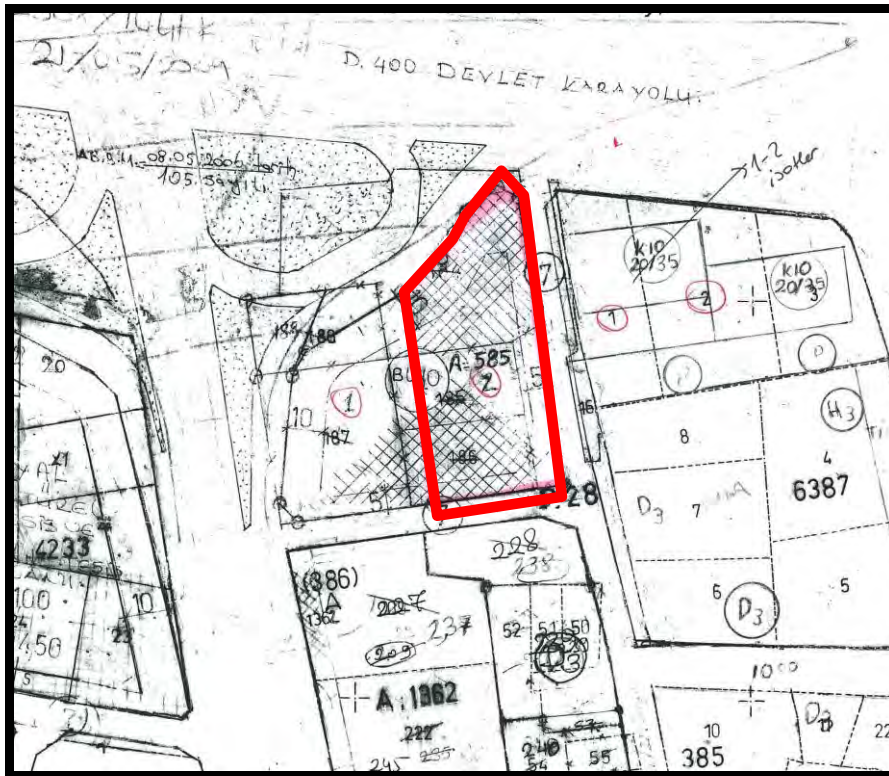
According to the information received from the Adana province, Seyhan district Title Deed Registry Directorate, the real property at section 585 parcel no. 2; is composed by the amalgamation of Çınarlı Quarter, section 1362, parcels no. 184, 185 and 186 dated 10.01.2008 and numbered 706, and while it was under the ownership of Mehmet Ali Boğa it has been transferred to the ownership of Akfen Gayrimenkul Yatırım Ortaklığı Anonim Şirketi on 03.08.2010 with no. 9826. In addition, the real property has been passed to Property Ownership on 23.10.2012 with number 33811, and the independent section no. 1 has been registered as; 'Hotel', while the independent section no. 2 has been registered as; 'Workplace'.

4.3 Zoning Information of the Real Estate

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

According to the According to the inspection dated 11.12.2012, at Adana Province, Seyhan District zoning directorate and zoning cadastre no 105 and dated 08 May 2006, which was approved by the Adana Metropolitan Municipality Council, the immovable property under appraisal remains in "Commercial" area and the construction conditions are as follows;

- Block construction style,
- 10 floors (building height = max. 30.75 m. and floor height = max. 3.00 m.),
- TAKS (Base Area Coefficient) = 0.40
- The setback distances are 10 m. from the front, 5 m. from the back and sides, and 6 m. from the neighboring parcel.



✓ Licenses and Permits

- The approved architectural project dated 01 December 2010, which belongs to the immovable property under appraisal, was found in the archive file and examined.
- A Construction Permit is available for the immovable property subject to appraisal, dated 01.12.2010, no. 12/13, issued for a total closed area of 9,047 sqm, as 6533 sqm “Hotel or Similar Guest-House” and 2514 sqm “Common Area”.
- For the real property subject to appraisal, there is a “**Building Occupancy Permit**” dated 25.04.2012 and numbered 3/20, issued for 9,047 sqm closed area, as 5911 sqm “Hotel and Similar Guest House”, 622 sqm “Workplace in building” and 2514 sqm “Common Area”.

Building License and Permits Summary Table

| License – Occupancy Permit Date/No | Reason of Issue | Area (m²) | Explanation |
|--|----------------------|-----------|---|
| 01.12.2010 -12/13 (Building Licence) | New Construction | 9.047 | Hotel or Similar Guest-House and Common Area |
| “Building Occupancy Permit” dated 25.04.2012 and numbered 3/20 | New Building | 9,047 | Hotel and Similar Guest House, Workplace in building and Common Area |
| Architectural project as basis for the property ownership approved on 28.12.2011 | General Modification | 9,047 | Hotel as independent section number 1 and Workplace as independent section number 2 |

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✓ Building Supervision

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

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

It was determined based on the information document of encumbrance obtained from the 2nd Regional Title Deed Registry Directorate of the Seyhan District of the Province of Adana that the immovable property with parcel no 2 on block 585 was formed with the amalgamation of the parcels no 184, 185, and 186 on block 1362 in the Çınarlı Neighborhood on 10 January 2008, with journal no 706. In addition, the real property has been passed to property ownership by the Management Plan registered on 23.10.2012 with number 33811.

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

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

4.5 Civil Liability

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

4.6 Environmental and Ground Contamination

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

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

SECTION 5

PHYSICAL INFORMATION OF THE REAL ESTATE

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

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

In order to reach the immovable property under appraisal, the Seyhan Municipality Building located on the right-hand side and the crossover road must be passed by while moving in the direction of the east on the Turhan Cemal Beriker Boulevard. The subject property is the vacant building plot located adjacent to Vatan Computer located on the right-hand side before reaching the interchanges. On the plot subject to appraisal, there is a 3-star hotel, the rough-works of which have been completed, as of the date of the appraisal.

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

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

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

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5.2 Current Status Of The Real Estate

The real property subject to appraisal is the real property at Adana province, Seyhan district, Çınarlı quarter, section 585, parcel no. 2, qualifying as “11 Stories Reinforced Concrete Hotel and Plot” under the property of “Akfen Gayrimenkul Yatırım Ortaklığı Anonim Şirketi”.

The real property subject to appraisal is located in Adana province’s Seyhan district, close to the area where the important hotels in the city are located. To the real property, which is at a central location where commercial activities are concentrated, access may be provided by private vehicles and public transportation vehicles. Although the parcel on which the aforesaid real property is located has a front to the intersection, its accessibility is lower as compared to the adjacent parcel no. 1.

The building located on the Section 585 Parcel no. 2, subject to appraisal; is comprised of 11 stories in total, as 2 basement stories, ground storey and 8 regular stories. According to the approved architectural modification project approved on 09.12.2011 at the Seyhan Title Deed Registry Directorate, the real property is composed of 2 independent sections in total, hotel as independent section numbered 1 and workplace as independent section numbered 2. At the 2nd Basement storey; there is a parking lot of 15 vehicles’ capacity, reception hall, 2 water tanks and pump room, at the 1st Basement storey; there is a parking lot of 17 vehicles’ capacity, personnel rooms, technical rooms, laundry and annex to independent section no. 2, at the Ground storey; there are technical rooms of the independent section no. 1, entrance hall and the independent section no. 2, at the 1st Regular storey; as continuation of the independent section no. 1, there is the lobby, administrative rooms, restaurant, kitchen, meeting room, technical rooms, terrace, at the 2nd Regular storey; as continuation of the independent section no. 1, there are 3 meeting rooms, foyer, technical rooms and 15

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hotel rooms, while technical rooms, as continuation of the independent section no. 1; and 25 hotel rooms are available on each of the other regular stories. From the real properties subject to appraisal, the independent section numbered 1, qualifying as 'hotel', is comprised of 165 room volumes in total.

In the investigations made on site of the real property subject to appraisal, it has been determined to be compatible with the approved architectural project with respect to area and location. The open areas of the facility have been partially evaluated as green area and open parking area. Within the hotel area, there are total 5 elevators, as 2 service elevators, 2 guest elevators and 1 parking lot elevator. Deluxe construction materials have been selected in the hotel's construction and sound insulation has been provided. At the hotel building, automation system, fire sprinkler line and fire escapes are also available.

Meanwhile, at the real property established as independent section no. 2, qualifying as workplace, the inside furnishing has not been completed yet, while the facades are enclosed with window walls. During the discussions with the company officials, it has been found out that the area will be delivered without inside furnishing and the interior decoration features of the workplace will be provided by the leasing individual/organization. Therefore, the real property has been accepted as being at the 100% construction level.

In the building on the Section 585, parcel no. 2, subject to appraisal, the utilization areas and the storey utilization areas of the 3-star Ibis Hotel, established as independent section no. 1, and the workplace, established as independent section no. 2, are provided in the following table.

| Akfen Gyo Adana Ibis Hotel- Architectural Project- The Function and area of the Floors | | | | |
|--|----------------------------|----------|-----|--|
| Hotel Block- According to approved architectural project | | | | |
| Independent section no | Floors | Area | sqm | Function |
| Common area of the building | 2. Basement Floor | 1149,66 | sqm | Emergency, Water depot, Pump Room, Business Center, Welcome Hole |
| Common area of the building | 1. Basement Floor | 1086,9 | sqm | 15 Car Park, Personal Rooms, Laundry, Technical Rooms, Welcome Hole |
| Independent section no 1. | Ground Floor | 295,84 | sqm | Technical Room |
| Independent section no 1. | 1. Floor | 853,47 | sqm | Lobby, Managerial Rooms, Restaurant, Kitchen, Meeting Room, Technical Rooms, Terrace |
| Independent section no 1. | 2.Floor | 853,47 | sqm | 3 Meeting Room, Foyer, Technical Rooms, 15 Rooms |
| Independent section no 1. | 3.Floor | 693,76 | sqm | Technical Rooms, 25 Rooms, Terrace |
| Independent section no 1. | 4.Floor | 693,76 | sqm | Technical Rooms, 25 Rooms |
| Independent section no 1. | 5.Floor | 693,76 | sqm | Technical Rooms, 25 Rooms |
| Independent section no 1. | 6.Floor | 693,76 | sqm | Technical Rooms, 25 Rooms |
| Independent section no 1. | 7.Floor | 690,53 | sqm | Technical Rooms, 25 Rooms |
| Independent section no 1. | 8.Floor | 690,53 | sqm | Technical Rooms, 25 Rooms |
| Independent section no 2. | 1. Basement Floor | 62,76 | sqm | Shop Store |
| Independent section no 2. | Ground Floor | 589,24 | sqm | Shop |
| Common area of the building | | 2.236,56 | sqm | |
| Independent section no 1. | The total area hotel block | 6.158,88 | sqm | |
| Independent section no 2. | The total area shop | 652 | sqm | |

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| | | | |
|-------------------------------|----------|-----|--|
| The total building area (sqm) | 9.047,44 | sqm | |
| Total parking area | | sqm | 19 closed, 8 open, totally 27 car park |
| Total room | | sqm | 165 Adet |

5.3 Structural Construction Features of the Property in Question

General Properties of the Real Property:

| | | |
|--|---|--|
| Construction Style | : | Reinforced concrete carcass |
| Construction Order | : | Detached order |
| Roof System | : | Terrace roof |
| Building Number of Stories | : | 2 Basement Stories + Ground Storey + 8 Regular Stories |
| Total Closed Area subject to Expertise | : | ~ 6,158.88 sqm (Ibis Hotel) ~ 652 sqm (workplace no. 2) |
| Electricity | : | Mains |
| Water | : | Mains |
| Sewerage | : | Mains |
| Heating System | : | Central air-conditioning system |
| Air-conditioning System | : | Available |
| Ventilation System | : | Available |
| Generator | : | Available |
| Fire Extinguishing System | : | Available |
| Parking Area | : | Available (open parking lot-closed parking lot) |
| Facade | : | Sinterflex cladding material, exterior painting |

- The real property established as independent section no. 1 and being used as Ibis Hotel on site; has 165 rooms and serves at the 3-star hotel standards. There are 5 elevators in the hotel. The features of the guest rooms of Ibis Hotel;

| | | |
|-------------|---|---|
| Floor | : | Laminate parquet (room), PVC (bathroom) |
| Wall | : | Wall paper and decorative wall paint (room and bathroom) |
| Ceiling | : | Plaster board false ceiling (room and bathroom) |
| Joinery | : | Window (aluminum), door (wood) |
| Description | : | In the rooms; TV, minibar, tea-coffee maker and internet are available as standard. |

- The properties of the real property established as independent section no. 2, and qualifying as workplace;

| | | |
|----------|---|--|
| Floor | : | Concrete |
| Wall | : | Plastic paint over plaster and window wall |
| Ceiling | : | Concrete (parking lot) |
| Joinery | : | Not available |
| Lighting | : | Not available |

- Properties of the common area at the basement stories;

| | | |
|----------|---|---|
| Floor | : | PVC, Concrete (parking lot) |
| Wall | : | Plastic paint over plaster |
| Ceiling | : | Rock-wool false ceiling, concrete (parking lot) |
| Joinery | : | Window (aluminum), door (wood) |
| Lighting | : | Spot fluorescent fixtures, Fluorescent fixtures (parking lot) |

5.4 Determinations made on-site of the Real Property

- The visibility and publicity capability of the parcel subject to appraisal is high.
- The real property subject to appraisal is located in an area identified as the Adana Province City Center and where commercial density is high.
- The perimeter of the real properties is enclosed by reinforced concrete walls with decorative tile cladding.
- Transportation to the subject real properties is provided by public transportation and private vehicles, and its accessibility is high due to its location.
- The parcel subject to appraisal has a surface area of 2,213 sqm, and remains in the “Commercial Area” legend.

SECTION 6

THE HIGHEST AND THE BEST USE ANALYSIS

SECTION 6 THE HIGHEST AND THE BEST USE ANALYSIS

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

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

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

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

The property location, the development plan for the development of the issues and the environment are examined, and in accordance with the current zoning status of the highest and best use of the property is **"Tourism"**.

SECTION 7
FACTORS THAT AFFECT THE VALUE
OF THE REAL PROPERTY

SECTION 7**FACTORS THAT AFFECT THE VALUE OF THE REAL PROPERTY****7.1 Factors That Affect The Value Of The Real Property**

| STRENGTHS | WEAKNESSES |
|---|--|
| <ul style="list-style-type: none">+ In the close surroundings of the real property, there are real properties that are used for commercial purposes primarily.+ There are many hotels located close to the real property.+ The real property is located close to buildings of high recognition such as BMC (İsotlar), Seyhan Municipality, Adana Title Deed Registry Directorate, Seyhan Cultural Center, Çetinkaya Store and most of the hotels located in the Seyhan district and significant connection axes such as the Turhan Cemal Beriker Boulevard, Dr. Ali Menteşoğlu Street, Ziyapaşa Boulevard, Kurtuluş Street, Sefa Özler Street.+ The fact that it is a newly constructed hotel will provide an advantage as compared to old hotels. | <ul style="list-style-type: none">- The real property's accessibility is lower than the parcel no. 1, to which it has a front.- From the real properties subject to appraisal, the commercial visibility and perceptibility of the real property with independent section no. 2, qualifying as workplace, is lower. |
| OPPORTUNITIES | THREATS |
| <ul style="list-style-type: none">✓ The subject real property is at a central location.✓ By the new intersection arrangement made on the north of the subject real property, the area has acquired a new outlook. | <ul style="list-style-type: none">✗ The economic developments experienced in the world and in our country are impacting the real property sector adversely also, as is the case for all other sectors. |

7.2 The Analysis of methods Used in the Appraisal

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

7.2.1 Equivalent Comparison Approach Analysis

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

Plot Equivalents:

- It has been found out that for a plot at a close distance to the real property subject to appraisal, located at the Market Center, on Özler Street, of 220 sqm surface area, advised to have Attached 10 Stories, Central Business District (CBD) legend, a sale value of 2,000,000TL is being demanded. Due to the location of the real property at the market center, its betterment is higher. (9,000TL/sqm, 3,913Euro/sqm).
- It has been found out that for a plot at a close distance to the real property subject to appraisal, located at the Market Center, on Özler Street, of 224 sqm surface area, advised to have Attached 10 Stories, Central Business District (CBD) legend, a sale value of 2,250,000TL is being demanded. Due to

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the location of the real property at the market center, its betterment is higher. (10,000TL/sqm, 4,348Euro/sqm).

- It has been found out that for a plot at a close distance to the real property subject to appraisal, located on Kurtuluş Street, adjacent to the İnci Hotel, of 557 sqm surface area, with Attached 10 Stories, Commercial zoning, a sale value of 1,000,000US\$ is being demanded. (3,200TL/sqm, 1,391Euro/sqm)
- It has been found out that for a plot at a close distance to the real property subject to appraisal, located across the Seyhan Municipality Open Parking Lot, of 420 sqm surface area, with Attached 10 Stories, Commercial zoning, a sale value of 550,000TL is being demanded. As the real property is located on a side street, its betterment is lower. (1,300TL/sqm, 565Euro/sqm)
- It has been found out that for a plot at a close distance to the real property subject to appraisal, located on E5 and across the Airport, of 12,210 sqm surface area, with C: 2.40 Touristic Facility Area legend, a sale value of 12,210,000US\$ is being demanded. As the real property is located at a longer distance to the city center, its betterment is lower. (1,800TL/sqm, 782.6Euro/sqm)
- It has been found out that for a plot at a close distance to the real property subject to appraisal, located on E5, of 1,925 sqm surface area, advised to have Commercial zoning, a sale value of 4,000,000TL is being demanded. (2,075TL/sqm, 902Euro/sqm)
- It has been found out that for a plot at a close distance to the real property subject to appraisal, located on Kurtuluş Street and at a short distance to the İnci Hotel, of 572 sqm surface area, with Attached 10 Stories, Commercial zoning, a sale value of 1,600,000TL is being demanded. (2,800TL/sqm, 1,217Euro/sqm)

| Equivalent No | Area (sqm) | Legend | Price (TL/sqm) | Price (Euro/sqm) | Description |
|---------------|------------|---------------------------|----------------|------------------|---|
| 1 | 220 | Central Business District | 9,000 | 3,913 | Located close, at the Market center. Due to location, betterment is higher. |
| 2 | 224 | Central Business District | 10,000 | 4,348 | Located close, at the Market center. Due to location, betterment is higher. |
| 3 | 557 | Commercial | 3,200 | 1,391 | Located close, next to the İnci Hotel |
| 4 | 420 | Commercial | 1,300 | 565 | Located close, next to the Seyhan Municipality, on the side street |
| 5 | 12,210 | Touristic Facility Area | 1,800 | 782,6 | Located close, on E5, across the airport. |
| 6 | 1,925 | Commercial | 2,075 | 902 | Located close, on E5. |
| 7 | 572 | Commercial | 2,800 | 1,217 | Located close, on Kurtuluş Street. |

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Store Equivalents:

- It has been found out that for the store, which is the independent section no. 2 among the real properties subject to appraisal, of 652 sqm utilization area, a monthly lease fee of 20,000TL is being demanded. (30.67TL/sqm/month, 13.05 Euro/sqm/month)
- It has been found out that for a store, located at a close distance to the real properties subject to appraisal, on Ziyapaşa Boulevard, advised to have 300sqm ground storey and 220sqm basement storey utilization area, an annual lease fee of 150,000TL is being demanded. (24TL/sqm/month, 10.434 Euro/sqm/month)
- It has been found out that for a store, located at a close distance to the real properties subject to appraisal, on Ziyapaşa Boulevard at a busier spot, advised to have 120sqm basement storey, 120sqm ground storey and 120sqm mezzanine storey utilization area, an annual lease fee of 200,000TL is being demanded. (46TL/sqm/month, 20 Euro/sqm/month)
- It has been found out that for a store, located at a close distance to the real properties subject to appraisal, on E5, with 125 sqm ground storey utilization area, an annual lease fee of 55,000TL is being demanded. (36.6TL/sqm/month, 15.6 Euro/sqm/month)

| Equivalent No | Area (sqm) | Legend | Price (TL/sqm/month) | Price (Euro/sqm/month) | Description |
|---------------|------------|------------|----------------------|------------------------|--|
| 1 | 652 | Commercial | 30.67 | 13.05 | Independent section no. 2 subject to appraisal |
| 2 | 520 | Commercial | 24 | 10.434 | Located close, on Ziyapaşa Boulevard, at an area where commercial density is higher. |
| 3 | 360 | Commercial | 46 | 20 | Located close, on Ziyapaşa Boulevard, at an area where commercial density is higher. |
| 4 | 125 | Commercial | 36.6 | 15.6 | Located close, on E5, at an area where commercial density is higher. |

✓ Professional Opinion of the Appraiser:

Given the location, environment, the roads it is facing, transportation conditions, zoning status, and the buildings in its surroundings, it has been considered that the unit price of the subject building plot would be **Euro 913 /sqm**.

| ARSA DEĞERİ | | | |
|--------------------------|-----------|----------------|------------------------------|
| 1 sqm Land Value(TL/sqm) | 913 | .-€ | |
| Total Land Area (sqm) | 2.213,00 | m ² | |
| TOTAL LAND VALUE (.-TL) | 2.020.469 | .-€ | |
| TOTAL LAND VALUE | | | 2.020.469 .-€ |
| TOTAL LAND VALUE | | | 4.774.368 .-TL |
| APPROXIMATE LAND VALUE | | | 4.770.000 .-TL |

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7.2.2 Cost Formation Analysis

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

| VALUE OF THE BUILDING (IBIS OTEL) | | | | |
|--|-----------|----------------|-------------------|-------------|
| Indoor Parking, Technical Rooms, Basement Floor Installation Areas | | | | |
| Construction Cost per 1 sqm for building | 250 | .-€ | | |
| Total Closed Area of the Building (including basement floor) | 2.299,32 | m ² | | |
| Total Construction Cost | 574.830 | .-€ | | |
| Depreciation | 1% | | | |
| Depreciation Cost | 5.748 | .-€ | | |
| Value of the Building | 569.082 | .-€ | 569.082 | .-€ |
| Hotel | | | | |
| Construction Cost per 1 sqm for building | 1.200 | .-€ | | |
| Total Closed Area of the Building (including basement floor) | 6.748,12 | m ² | | |
| Total Construction Cost | 8.097.744 | .-€ | | |
| Depreciation | 1% | | | |
| Depreciation Cost | 80.977 | .-€ | | |
| Value of the Building | 8.016.767 | .-€ | 8.016.767 | .-€ |
| Total Value of the Land | | | 2.020.469 | .-€ |
| Total Value of the Building | | | 8.585.848 | .-€ |
| External and Miscellaneous Works | | | 1.750.000 | .-€ |
| TOTAL VALUE (EURO) | | | 12.356.317 | .-€ |
| TOTAL APPROXIMATE VALUE (EURO) | | | 12.360.000 | .-€ |
| TOTAL APPROXIMATE VALUE (TL) | | | 29.210.000 | .-TL |

7.2.3 Valuation Approach

Assumptions regarding the Hotel

On the assumption that the immovable property is operated under its current conditions, a revenue projection was prepared. The average room price used in the revenue projection, the average room occupancy and other revenue items were appraised on the evaluation of the current conditions, the information for which has been provided by the customer. The rates and data used during the first year were extracted from the actualized revenue and cost tables provided by the company and the rates of increase were calculated from the market researches.

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

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- Cash flows that are obtained in years due to the operation of the real estate and used in revenue reduction method are constituted of the total of the cash flows obtained by Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. and Accor group
- The appraisal study was conducted according to the existing capacity of the hotels. It was considered that the hotels, in the future;
 - will be operated as three-star Ibis Hotel,
 - Ibis Hotel will have 165 rooms and capacity of 330 beds
 - It was assumed that it will be working for 365 days a year.
 - The data of 2012 was taken into consideration.
- The hotel prices were projected as bed and breakfast. Considering that the facility is a hotel that is recently opened as well as the examinations in tourism sector and the area, for Ibis Hotel, the room price of 2013 will be €45 according to the assumption. It was projected that the room price will increase 4% per annum during the first ten years.
- It was projected that for Ibis Hotel, the occupancy rate will be 50% in 2013, 60% in 2014, 70% in 2015, and 75% as of 2016 and will remain stable afterwards.
- The rental charges of the stores, the wellness center, extra expenditures within the hotel were assumed to be included in the other revenue items. Considering the performance of the facility, it was assumed that the other revenues will correspond to 20% of the accommodation revenues of Ibis Hotel.
- It was assumed that renovation reserves will be spared as equal to 1.5% of the construction costs of the facility, in the first year for furniture and inventory and the amount will be increased up to 2.5% and will be thus spared.
- Euro was used as currency during the appraisal and the worth of €1 was considered as TL2.3630.
- Tax and VAT were not included in the studies within the scope of IVSC.
- In the appraisal study, the rate of 3.60%, which corresponds to the Eurobond rate of the last 6 months of 2020, was taken as the "Risk-Free Rate of Return". (In this appraisal study, the longest term 2020 Eurobond rate of return was chosen as the risk-free rate of return.)
- The rate of reduction was considered as 9.25%.
- The rate of 2.5% which is the inflation rate of Euro zone was used as the inflation rate.
- The real estate tax payment was included in the calculations as of 2013 and 2.5% of increase as applied per year after 2013.
- Building insurance and real estate tax was added to the calculations in line with the figures actualized according to the customer's statements and it was assumed that these will increase by 2.5% which is the inflation rate.

| Akfen Gyo Adana İbis Hotel- Architectural Project- The Function and area of the Floors | | | | |
|--|----------------------------|----------|-----|--|
| Hotel Block- According to approved architectural project | | | | |
| Independent section no | Kat | Alan | sqm | Kullanım |
| Common area of the building | 2. Basement Floor | 1149,66 | sqm | Emergency, Water depot, Pump Room, Business Center, Welcome Hole |
| Common area of the building | 1. Basement Floor | 1086,9 | sqm | 17 Car Park, Personal Rooms, Laundry, Technical Rooms, Welcome Hole |
| Independent section no 1. | Ground Floor | 295,84 | sqm | Technical Room |
| Independent section no 1. | 1. Floor | 853,47 | sqm | Lobby, Managerial Rooms, Restaurant, Kitchen, Meeting Room, Technical Rooms, Terrace |
| Independent section no 1. | 2. Floor | 853,47 | sqm | 3 Meeting Room, Foyer, Technical Rooms, 15 Rooms |
| Independent section no 1. | 3. Floor | 693,76 | sqm | Technical Rooms, 25 Rooms, Terrace |
| Independent section no 1. | 4. Floor | 693,76 | sqm | Technical Rooms, 25 Rooms, Terrace |
| Independent section no 1. | 5. Floor | 693,76 | sqm | Technical Rooms, 25 Rooms, Terrace |
| Independent section no 1. | 6. Floor | 693,76 | sqm | Technical Rooms, 25 Rooms, Terrace |
| Independent section no 1. | 7. Floor | 690,53 | sqm | Technical Rooms, 25 Rooms, Terrace |
| Independent section no 1. | 8. Floor | 690,53 | sqm | Technical Rooms, 25 Rooms, Terrace |
| Independent section no 2. | 1. Basement Floor | 62,76 | sqm | Shop Store |
| Independent section no 2. | Ground Floor | 589,24 | sqm | Shop |
| Common area of the building | | 2.236,56 | sqm | |
| Independent section no 1. | The total area hotel block | 6.158,88 | sqm | |
| Independent section no 2. | The total area shop | 652 | sqm | |
| The total building area (sqm) | | 9.047,44 | sqm | |
| Total parking area | | | sqm | 19 closed, 8 open, totally 27 car park |
| Total room | | | sqm | 165 Adet |

| IBIS HOTEL SUMMARY CHART | |
|-------------------------------------|--------|
| NUMBER OF ROOMS | 165 |
| NUMBER OF BEDS | 330 |
| OPERATION DAYS | 365 |
| ROOM CAPACITY FOR YEAR | 60.225 |
| ROOM PRICE (€)(2012) | 45,00 |
| ROOM PRICE INCREASE RATE (%) | 4,0% |
| OTHER INCOME RATE (%) | 20% |
| RENEWEL COSTS RATE | 1,5% |
| REAL ESTATE TAX INCREASE RATE | 2,5% |
| INSURANCE COSTS INCREASE RATE ORANI | 2,5% |
| CAPITALIZATION RATE-OPERATING MODEL | 8,5% |
| CAPITALIZATION RATE-LEASING MODEL | 6,0% |

| 3 STAR HOTEL CASH FLOW | | | | | | | | | | | |
|------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| YEARS | 31.12.2012 | 31.12.2013 | 31.12.2014 | 31.12.2015 | 31.12.2016 | 31.12.2017 | 31.12.2018 | 31.12.2019 | 31.12.2020 | 31.12.2021 | 31.12.2022 |
| Occupancy Rate (%) | | 50% | 60% | 70% | 75% | 75% | 75% | 75% | 75% | 75% | 75% |
| Room Capacity | | 60.225 | 60.225 | 60.225 | 60.225 | 60.225 | 60.225 | 60.225 | 60.225 | 60.225 | 60.225 |
| Room Price(€) | | 45,00 | 46,80 | 48,67 | 50,62 | 52,64 | 54,75 | 56,94 | 59,22 | 61,59 | 64,05 |
| Room Income (€) | | 1.355.063 | 1.691.118 | 2.051.890 | 2.286.392 | 2.377.847 | 2.472.961 | 2.571.880 | 2.674.755 | 2.781.745 | 2.893.015 |
| Other Incomes (€) (%20) | | 271.013 | 338.224 | 410.378 | 457.278 | 475.569 | 494.592 | 514.376 | 534.951 | 556.349 | 578.603 |
| Total Hotel Income (€) | | 1.626.075 | 2.029.342 | 2.462.268 | 2.743.670 | 2.853.417 | 2.967.553 | 3.086.255 | 3.209.706 | 3.338.094 | 3.471.618 |
| GOP (%) | | 38% | 40% | 45% | 55% | 55% | 55% | 55% | 55% | 55% | 55% |
| GOP (€) | | 617.909 | 811.737 | 1.108.021 | 1.509.018 | 1.569.379 | 1.632.154 | 1.697.440 | 1.765.338 | 1.835.952 | 1.909.390 |
| Cost (€) | | -1.008.167 | -1.217.605 | -1.354.247 | -1.234.651 | -1.284.037 | -1.335.399 | -1.388.815 | -1.444.368 | -1.502.142 | -1.562.228 |
| OTEL ALANI NET NAKİT AKIŞLARI | | 617.909 | 811.737 | 1.108.021 | 1.509.018 | 1.569.379 | 1.632.154 | 1.697.440 | 1.765.338 | 1.835.952 | 1.909.390 |
| Renewal Costs (%1,5) | | -128.788 | -132.007 | -135.308 | -138.690 | -142.158 | -145.711 | -149.354 | -153.088 | -156.915 | -160.838 |
| Real Estate Tax (Increase %2,5) | | 0 | 0 | 0 | 0 | 0 | -4.000 | -4.000 | -4.000 | -5.000 | -5.000 |
| Building Insurance (Increase %2,5) | | -17.169 | -17.598 | -18.038 | -18.489 | -18.951 | -19.425 | -19.911 | -20.409 | -20.919 | -21.442 |
| Shop Rent Income(€) | 0 | 68.280 | 72.377 | 76.719 | 81.323 | 86.202 | 91.374 | 96.857 | 102.668 | 108.828 | 115.358 |
| Construction Costs | 0 | | | | | | | | | | |
| Hotel Net Cash Flow | 0 | 540.232 | 734.508 | 1.031.394 | 1.433.162 | 1.494.472 | 1.554.392 | 1.621.032 | 1.690.509 | 1.761.946 | 1.837.467 |
| TERMINAL VALUE | | | | | | | | | | | 21.617.264 |
| NET CASH FLOW | 0 | 540.232 | 734.508 | 1.031.394 | 1.433.162 | 1.494.472 | 1.554.392 | 1.621.032 | 1.690.509 | 1.761.946 | 23.454.732 |

| Appraisal Table | | | |
|--------------------------|------------|------------|------------|
| Risk free Rate of Return | 3,60% | 3,60% | 3,60% |
| Risk Premiums | 5,40% | 5,65% | 5,90% |
| Discount Rate | 9,00% | 9,25% | 9,50% |
| NET PRESENT VALUE (€) | 17.271.289 | 16.958.397 | 16.652.563 |
| NET PRESENT VALUE (TL) | 40.812.057 | 40.072.692 | 39.350.006 |

7.2.4. The Calculation of the Revenue Reduction Approach over the Arranged Rental Revenue

For the appraised hotels, the construction rights of which are on Akfen Gayrimenkul Yatırım Ortaklığı A.Ş., the annual rental rate to be paid by the international hotel chain Accor Group shall either be the twenty five percent (25%) of the gross revenue (VAT exclusive) for Ibis Hotel or the rate higher than 60 percent of the corrected gross operation revenue (70%).

- The construction right of the hotel under appraisal is on Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. and it is operated by the international hotel chain Accor Group.
- It was assumed that the appraisal study will be carried out with revenue reduction method, where the appraisal will be conducted according to the cash flows raised as a result of the operation of the real estate.
 - The appraisal study was conducted according to the existing capacity of the hotels. It was considered that the hotels, in the future;
 - will be operated as three-star Ibis Hotel,
 - Ibis Hotel will have 165 rooms and capacity of 330 beds
 - It was assumed that it will be working for 365 days a year.
 - The data of 2012 was considered and the building insurance, real estate tax and lot rental items were provided by Akfen REIT.
- The hotel prices were projected as bed and breakfast. Considering that the facility is a hotel that is recently opened as well as the examinations in tourism sector and the area, for Ibis Hotel, the room price of 2013 will be €45 according to the assumption. It was projected that the room price will increase 4% per annum during the first ten years.
- It was projected that for Ibis Hotel, the occupancy rate will be 50% in 2013, 60% in 2014, 70% in 2015, and 75% as of 2016 and will remain stable afterwards.
- The rental charges of the stores, the wellness center, extra expenditures within the hotel were assumed to be included in the other revenue items. Considering the performance of the facility, it was assumed that the other revenues will correspond to 20% of the accommodation revenues for Ibis Hotel, according to the performance of the hotel.
- Euro was used as currency during the appraisal and the worth of €1 was considered as TL2.3630.
- Tax and VAT were not included in the studies within the scope of IVSC.
- In the appraisal study, the rate of 3.60%, which corresponds to the Eurobond rate of the last 6 months of 2020, was taken as the “Risk-Free Rate of Return”. (In this appraisal study, the longest term 2020 Eurobond rate of return was chosen as the risk-free rate of return.)
- The low rate of reduction and the risk premium were given on the assumption that the rental revenues guaranteed by the international reputation and brand power of Accor will be detected in years.

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The rental revenues of the hotel leased by Akkor Group with a rental contract of 25 years, plus 10 years of extension were guaranteed by the contract. The calculation of the risk premium was made according to the assumption that the risk premium in the raising of the rental revenues by Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. will be very low. The rate of reduction as projected as 7.50% by adding to 3.60% of “Risk-Free Rate of Return”, the 3.90% of “Risk Premium”.

| ibis HOTEL CASH FLOW | | | | | | | | | | | |
|-----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| YEARS | 31.12.2012 | 31.12.2013 | 31.12.2014 | 31.12.2015 | 31.12.2016 | 31.12.2017 | 31.12.2018 | 31.12.2019 | 31.12.2020 | 31.12.2021 | 31.12.2022 |
| IBIS HOTEL INCOME | 0 | 406.519 | 507.335 | 615.567 | 685.917 | 713.354 | 741.888 | 771.564 | 802.426 | 834.523 | 867.904 |
| AGOP IBIS HOTEL | 0 | 341.476 | 454.573 | 637.727 | 902.667 | 938.774 | 976.325 | 1.015.378 | 1.055.993 | 1.098.233 | 1.142.162 |
| IBIS HOTEL RENTAL INCOMES | 0 | 406.519 | 507.335 | 637.727 | 902.667 | 938.774 | 976.325 | 1.015.378 | 1.055.993 | 1.098.233 | 1.142.162 |
| INSURANCE COSTS (EURO) | 0 | -17.169 | -17.598 | -18.038 | -18.489 | -18.951 | -19.425 | -19.911 | -20.409 | -20.919 | -21.442 |
| REAL ESTATE TAX | 0 | 0 | 0 | 0 | 0 | 0 | -4.000 | -4.000 | -4.000 | -5.000 | -5.000 |
| RENEWAL COSTS (EURO) | 0 | -6.439 | -6.600 | -6.765 | -6.935 | -7.108 | -7.286 | -7.468 | -7.654 | -7.846 | -8.042 |
| TOTAL NET OPERATING PROFIT (EURO) | 0 | 382.910 | 483.137 | 612.924 | 877.244 | 912.715 | 945.614 | 984.000 | 1.023.930 | 1.064.468 | 1.107.679 |
| CONTRUCTION COST | 0 | | | | | | | | | | |
| RESIDUAL VALUE | | | | | | | | | | | 18.461.309 |
| NET CASH FLOW (EURO) | 0 | 382.910 | 483.137 | 612.924 | 877.244 | 912.715 | 945.614 | 984.000 | 1.023.930 | 1.064.468 | 19.568.988 |

| Appraisal Table | | | |
|--------------------------|------------|------------|------------|
| Risk free Rate of Return | 3,60% | 3,60% | 3,60% |
| Risk Premiums | 3,40% | 3,90% | 4,40% |
| Discount Rate | 7,00% | 7,50% | 8,00% |
| NET PRESENT VALUE (EURO) | 14.961.285 | 14.385.500 | 13.836.479 |

The Rental Value Of The Property

| | 31.12.2012 | 31.12.2013 |
|--------------------------------|------------|------------|
| Rental Value Avarege Cash Flow | 0 | 461.571 |

| Rental Appraisal Table | | | |
|--------------------------|-----------|---------|---------|
| Risk Free Rate of Return | 3,60% | 3,60% | 3,60% |
| Risk Premiums | 5,40% | 5,65% | 5,90% |
| DISCOUNT RATE | 9,00% | 9,25% | 9,50% |
| NET PRESENT VALUE (EURO) | 423.460 | 422.491 | 421.526 |
| NET PRESENT VALUE (TL) | 1.000.635 | 998.346 | 996.066 |

| | |
|-------------------------|---------|
| NET PRESENT VALUE(EURO) | 422.491 |
| NET PRESENT VALUE(TL) | 998.346 |

| | |
|--|---------|
| ANNUAL RENTAL VALUE OF THE HOTEL(EURO) | 422.491 |
| ESTIMATED ANNUAL RENTAL VALUE OF THE HOTEL(EURO) | 420.000 |

7.2.5 Evaluation of The Analysis Results

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

- According to the sales comparison approach, the value of the building plot under appraisal was calculated as TL 4.770.000.-TL.
- According to the project development approach, where the commercial unit to be developed on the parcel and included in the hotel was assumed to be rented, the final value was assessed to be € 15.670.000/ TL 37.030.000 (Thirtysevenmillionthirtythousand.-Turkish Liras) which is the average of € 16.960.000.- (the project value) and € 14.390.000 (net present value of the rental income).
- According to cost approach analysis the fair market value of the hotel under construction has been appraised as TL 29.210.000 (Twentytynemilliontwohundredtenthousan.-Turkish Liras)(€ 12.360.000)

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

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it was considered that the income capitalization value to be calculated with the 2 methods would be much sounder.

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VAT APPLICATION

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

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SECTION 8
CONCLUSION

SECTION 8 CONCLUSION

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

| |
|--|
| TOTAL FAIR MARKET VALUE OF THE SUPERFICIES OF IBIS HOTEL 31.12.2012 (Excluding VAT) |
|--|

| | |
|---|---|
| 37.030.000.-TL (Thirtysevenmillionthirtythousand.- TurkishLiras) | 15.670.000.-Euro (Fifteenmillionsixhundredandseventythousand.-Euro) |
|---|---|

| |
|--|
| TOTAL FAIR MARKET VALUE OF THE SUPERFICIES OF IBIS HOTEL 31.12.2012 (Including VAT) |
|--|

| | |
|---|---|
| 43.695.400.-TL (Fortythreemillionsixhundredandninetyfivethousand fourhundred.- TurkishLiras) | 18.490.600.-Euro (Eighteenmillionfourhundredninetythousandsix hundred.-Euro) |
|---|---|

| |
|--|
| TOTAL ANNUAL RENT VALUE OF IBIS OTEL AS OF 31.12.2012 (Excluding VAT) |
|--|

| | |
|---|--|
| 998.000.-TL (Ninehundredandninetyeightthousand.- TurkishLiras) | 420.000.-EURO (Fourhundredandtwentythousand.-Euro) |
|---|--|

| |
|--|
| TOTAL ANNUAL RENT VALUE OF IBIS OTEL AS OF 31.12.2012 (Including VAT) |
|--|

| | |
|---|--|
| 1.177.600.- TL (Onehundredmillionseventyseventhousandsix hundred.-Türk Lirası) | 495.600.-EURO (Fourhundredandninetyfivethousandsixhundred.-Euro) |
|---|--|

- *Exchange rate has been taken as EURO 1 = TL 2,3630. The value in EURO is given only for information.*
- *This page is an inseparable part of the appraisal report, it is complete with the detailed information in the report and it can not be used separately*

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

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|--|---|
| Simge Sevin AKSAN Değerleme Uzmanı (401772) | Makbule Yönel MAYA Sorumlu Değerleme Uzmanı (401456) |
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***SECTION 9
ANNEX***

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş

SECTION 9

ANNEX

Ek Listesi

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|---|-----------------------|
| 1 | Market Report |
| 2 | Copy of deed |
| 3 | Approved encumbrances |
| 4 | Zoning Plan Photocopy |
| 5 | Construction permits |
| 6 | Photos |
| 7 | CV's |
| 8 | SPK Licences |