

AKFEN REAL ESTATE INVESTMENT TRUST INC.

CITY OF ISTANBUL, DISTRICT OF ZEYTİNBURNU

BLOCK NO. 774, PLOT NO. 55

NOVOTEL and IBIS HOTEL

Report No: 2014-020-GYO-013

Appraisal Date: 31.12.2014

Date of Report: 02.01.2015



REAL ESTATE CONSULTANCY AND APPRAISAL INC.

i. Appraisal Report Summary

Person/Entity Requesting the Appraisal	:	Akfen Real Estate Investment Trust Inc.
Institution Preparing the Report	:	Epos Real Estate Consultancy and Appraisal Inc.
Date of Report	:	02. 01. 2015
Report No	:	2014-020-GYO-013
Appraisal Date	:	11.11.2014 - 31.12.2014
Information Concerning the Property Subject to the Appraisal	:	“Ground Floor + 12 Regular Floors Hotel Room and Ground Floor + 7 Regular Floors Hotel Building and Their Land” quality real estate in the city of Istanbul, district of Zeytinburnu, Block no: 774, Plot No: 55
Subject of Study	:	Appraisal of the current value of the construction and annual lease value of the real estate
Land Area of the Real Estate Subject to the Appraisal	:	11.720,00 m ²
Land Area of Closed Spaces of the Real Estate Subject to the Appraisal	:	Novotel: 10.901 m ² Ibis Hotel: 6.461 m ² Total: 17.362 m ² (According to the Project and the Current Status)
Zoning Status of the Real Estate Subject to the Appraisal	:	Tourism Facility Area

As of 31.12.2014

	Market Value of the Remaining Construction of the Real Estate (EURO)	Market Value of the Remaining Construction of the Real Estate (TL)
VAT Excluded	82.716.000	233.315.000
VAT Included	97.605.000	275.311.000

	Annual Lease Value of the Real Estate (EURO)	Annual Lease Value of the Real Estate (TL)
VAT Excluded	4.881.000	13.768.000
VAT Included	5.760.000	16.246.000

- 1-) The appraised value is the current value regarding the cash sale price.
- 2-) The VAT ratio has been established at 18%.
- 3-) The currency rates have been established at 1 EUR = 2,8207 TL; 1 EUR = 1,21 USD
- 4-) This report has been prepared within the scope of the related Capital Market Legislation.



Names of the persons participating in the report

Certified Appraiser	:	Taner DÜNER
Certified Appraiser	:	Dilek YILMAZ AYDIN
Responsible Appraiser	:	Neşecan ÇEKİCİ



Declaration of Conformity

- The findings hereby presented in this report are correct, within the scope of the information that the Appraisers had at their disposal.
- The analysis and their respective results are limited only according to the specified assumptions and conditions.
- The appraisers have no connection whatsoever to the property subject to the appraisal nor will they ever have.
- The appraisers are not biased in relation to the real estate and the related parties.
- The appraisal cost does not depend on any single part, analysis opinion or the results of the report.
- The appraisers have carried out the appraisal pursuant to the moral principles and performance standards.
- The appraisers meet the necessary professional education terms and possess the sufficient experience.
- The analysis, opinions and resulting values have been prepared in accordance with the International Valuation Standards (IVS - UDES).

Assumptions

- The value stated within this report is the value specified on the date of its preparation. The appraisers cannot be held responsible for the economic and/or physical changes that might affect the value herein stated, occurring after the date of this report.
- No comments in this report (even though the matters in question are discussed in the continuation of the report) have been made with the purpose of clarifying legal affairs, matters that might require special research and specialty or other issues that are beyond the scope of the area of expertise of the appraisers.
- No changes have been made to the information pertaining to the property. The authorities that provide the information related to the property and legal descriptions are generally accepted to be trustworthy; however, no guarantees are given with regard to their truthfulness.
- Documents and corresponding related information are found in the report as they have been procured from public institutions.
- The photographs, maps, images and diagrams have been used for illustrative purposes only, in the interest of further comprehending the matters mentioned in the report; thus, they cannot be used as a reliable reference for any other purpose.



- The projections subject to this appraisal have been performed in order to help the appraisal process by taking into account a stable economic process, in the case of a demand during the current market conditions. The projections depend on the variable market conditions, which the appraisers cannot accurately discern; moreover, it is possible that the value might be affected from these variable conditions.
- The appraisers do not possess the necessary qualifications to determine the dangerous or health threatening materials found within or in the proximity of the property. Throughout the value appraisal, it is assumed that such materials that might decrease the value are considered to be inexistent. No responsibility is accepted concerning this matter.
- Predictions and projections or business estimates included in this appraisal report depend on the current market conditions and short term supply, together with demand factors and a stable economy; consequently, these may present changes to plausible future conditions. No responsibility is accepted in the event that the opinions and results presented in the report are affected due to economic changes that might occur after its herein date.
- Unless stated otherwise, underground resources have not been taken into consideration.
- It is not possible for the appraisers to carry out a soil contamination investigation, in the matter of the property in question. For this reason, to the extent that it can be seen, it has been determined that there is no cause for concern in regard to soil contamination.
- On account of the area in question being an established earthquake zone, the subject of ground stability cannot be clarified without the performance of detailed geological surveys. For this reason, in behalf of the appraisal studies, it has been assumed that there are no negative issues presently concerning the ground.
- Soil investigation and soil contamination studies in real estate fall within the scope of the “Environmental Geophysics” field. Our company does not employ such a specialization, thus did not perform a detailed investigation regarding the aforementioned matter. However, in accordance with the observations carried at the locale, it has been established that the real estate poses no threat to the environment. For this reason, this appraisal has been carried out taking into consideration that there have not been any negative effects against the environment.

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1 REPORT INFORMATION

1.1 The Date, Number and Type of the Appraisal Report

Date of Report : 02.01.2015

Report Number: 2014-020-GYO-013

Type of Report : Appraisal report relative to the “Ground Floor + 12 Regular Floors and Ground Floor + 7 Regular Floors Building and Their Land” quality real estate with a surface area of 11.720,00 m², situated in the city of Istanbul, district of Zeytinburnu, Block no. 774, Plot no. 55, for the purpose of determining the current market value of the remaining construction right and the current lease of the real estate value in Turkish Lira currency.

1.2 Information Regarding the Responsible Appraiser that Prepared the Appraisal Report

Report Issued By : Certified Appraiser,

Taner DÜNER

Report Controlled By : Certified Appraiser,

Dilek YILMAZ AYDIN

Responsible Appraiser : Responsible Appraiser,

Neşecan ÇEKİCİ

Capital Market Board Coverage : Yes

*** The hereby appraisal has been prepared in accordance with the scope of the Capital Market Legislations.**

1.3 Date of Appraisal

On the date of 04.12.2014, the necessary procedures have been initiated for this appraisal report. Subsequently, the report has been concluded on the date of 02.01.2015.

1.4 Reference Agreement

This Appraisal Report has been prepared pursuant to the provisions of the Reference Agreement executed between our company and Akfen Real Estate Investment Trust Inc. on the date of 13.10.2014.

1.5 Statement Whether the Report Has Been Prepared Within the Scope of the Board Arrangements for the Purpose of the Appraisal

The current Report has been prepared within the scope of the Capital Market Board arrangements.



2 INTRODUCTORY INFORMATION CONCERNING THE COMPANY AND THE CLIENT

2.1 Introductory Information Concerning the Appraisal Company

Company Title : Epos Real Estate Consultancy and Appraisal Inc.

Company Address : Kore Şehitleri Cad. Yüzbaşı Kaya Aldoğan Sok. Engin İş Merkezi No: 20
Kat:2 Zincirlikuyu / ISTANBUL

2.2 Introductory Information Concerning the Client

Client Title : Akfen Real Estate Investment Trust Inc.

Client Address : Büyükdere Caddesi, No: 201, C Blok, Kat: 8 Levent / ISTANBUL

2.3 The Scope of the Client's Demand and the Applied Limitations, If Any

The Appraisal report relative to the "Ground Floor + 12 Regular Floors and Ground Floor + 7 Regular Floors Building and Their Land" quality real estate with a surface area of 11.720,00 m², situated in the city of Istanbul, district of Zeytinburnu, Block no. 774, Plot no. 55, has been prepared for the purpose of determining its sale and lease value.

With reference to the 13.10.2014 dated request by Akfen Real Estate Investment Trust Inc., the property subject to this appraisal report belongs to the Treasury and has been allocated with a lease agreement, with the starting date of 04.12.2003, for the duration of 49 years, on behalf of Akfen Real Estate Investment Trust Inc.. The potential revenue, in regards to its use or leasing, has been evaluated; moreover, there are no restrictive constraints in force exercised by the client. During the appraisal studies, the market research, the onsite surveys and the existing lease agreements that Akfen Real Estate Investment Trust Inc. has made with the Treasury and the Accor Group have all been taken into account.



3 VALUE DEFINITIONS DESCRIPTION OF APPRAISAL METHODS

There are three different appraisal methods available in our country: “Exemplary Comparison Approach (Market Approach)”, “Cost Approach” and “Revenue Discount Approach”.

3.1 Exemplary Comparison Approach

With regard to the real estate that will be appraised; this method follows particular procedures, such as the comparison of the real estate with other real estates that have similar characteristics in the market and those that have been recently sold, the application of appropriate comparison processes and making various modifications in the comparable sale values.

The appraisal analysis are carried out by means of comparing the examples found within specific criteria such as location, visibility, functional use, size, zoning status and its comparable. The market value approach is the most preferred method when there are widespread and comparable examples present.

The most trustworthy and realistic approach in real estate appraisal is the market value approach. In this appraisal method, comparable examples that share common characteristics with the real estate that has been submitted for the appraisal in the area are evaluated.

The Market Value Approach depends on the following assumptions:

- The existence of an available market, in relation to the type of the real estate in analysis, is acknowledged beforehand.
- It has been verified that the buyers and sellers in this market possess excellent knowledge on the subject of real estate and that, for this reason, time is not a critical factor.
- It has been established that the real estate has stayed on the market for an appropriate amount of time and for a reasonable price.
- It has been determined that the chosen comparable examples possess common characteristics with the real estate in question.
- It has been noted that the changes made in the prices given for the chosen comparable examples are subject to today’s socioeconomic conditions.

3.2 Cost Approach

In this method, the appraisal of the real estate is based on the cost of the reconstruction of the real estate, in accordance with today’s socio-economic conditions.

Pursuant to this approach, it has been established that the value of the real estate consists of two different facts, namely land and buildings; in addition, it is acknowledged that the real estate has a significant remaining economic life span. Therefore, for this reason, it is taken into account that the value of the real estate will decrease in time due to physical wear and become out of date in terms of



functionality and economic status. In other words, this method concedes that the current value of a real estate can never be more than the cost of its reconstruction.

The appraisal process is calculated by the addition of the interest or gain that the current building possesses, if any, to the present reconstruction or reinstallation cost of the real estate in question, followed by the subtraction of the wear and tear ratio from the total cost and, finally, the addition of the land value. In this sense, the basic principle of the Cost Approach can be explained through the usage value, whereas the usage value is described as “Even though nobody desires or knows about its value, the goods have their real value”.

3.3 Revenue Discount Approach

In the revenue discount approach, the net revenue that the real estate will bring, the idle time, collection losses and business expenses are analyzed for the business period.

The appraisers will calculate the present value of the real estate by capitalizing the prospective future benefits and the revenue that it brings.

There are two different methods in revenue capitalization; Direct Capitalization is calculated through the division of the annual revenue by the revenue ratio or through the multiplication of the annual revenue with the revenue coefficient. On the other hand, in the Reduced Cash Flow, the value of the real estate is calculated by applying the lump sum value and reflecting it on the revenue model; afterwards, the revenues are brought to the present day value by an acceptable discount rate.

Some real estates, due to their characteristics, may need to be appraised by taking into account that they will be improved. In this case, the net revenues that the real estate will generate for its development will be set off from the expenses that will be made for its development; the net result will be taken into consideration to determine the present value of the real estate by taking into account the entrepreneur profit and an acceptable discount rate.

The studies and analysis that constitute the basis of the appraisal remain with the appraiser.

4 ECONOMIC STATUS, REAL ESTATE SECTOR DATA AND ANALYSIS OF THE REGION WHERE THE REAL ESTATE IS LOCATED

4.1 General and Socio-economic Data

According to the result of the Address Based Population Registration System (ADNKS) for the year of 2013, from the date of 31.12.2013, the population of Turkey is established to be 76.667.864. 50,18% of this number (corresponding approximately to 38.473.360) represents men and 49,81% (corresponding approximately to 38.194.504) represents women.

One of the most significant characteristics of the Turkish population is the fact that it is comprised of a young population, with the 0-14 year group constituting approximately 24.58% of the population. However, this number has been in continuous decline since the year of 1965 and the population of Turkey is gradually getting older. While the 0-14 age group constituted 41,9% of the population in the year of 1965, it represented 24,58% in the year of 2013.

The annual population growth rate in Turkey is 13,7th of a thousand. 91,3% of the population resides in cities and districts. The average age in Turkey is 30,4. According to the data obtained, 96,1% of the Turkish population is literate. The 15-64 age group, which corresponds to the working age group, makes up 67,7% of the population (corresponding approximately to 51.926.357 people). When the ramifications of the employment into industries is observed, it is concluded that 57% represents services, 23,6% agriculture, 19,4% industry and 7% construction.

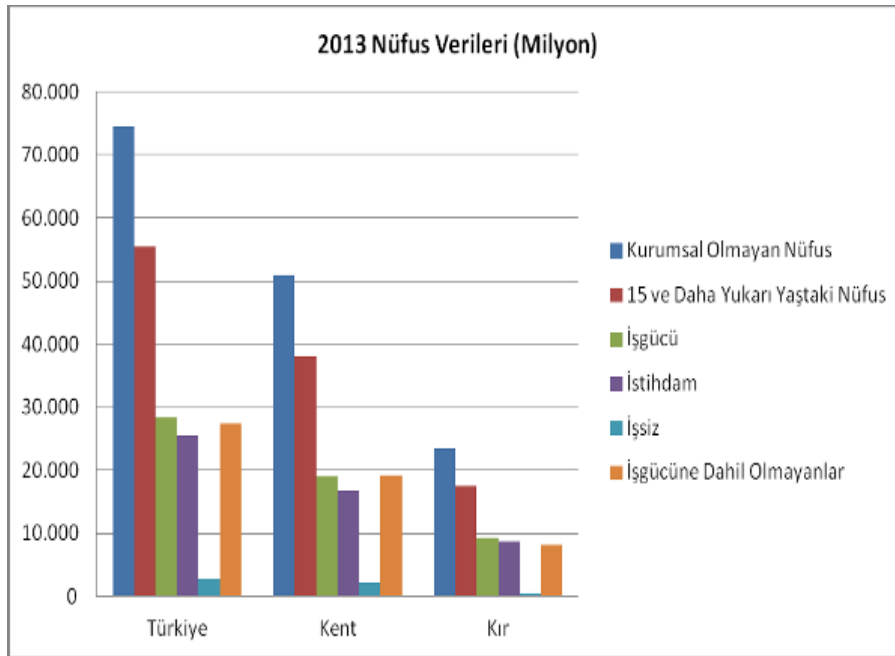
The analysis of the Turkish population information has been provided below in terms of Turkey in general, cities and country. The data with regard to the years 2013 and 2014 has been compared.

	TURKEY		CITY		COUNTRY	
	2012	2013	2012	2013	2012	2013
Non institutional Population (000)	73.504	74.457	50.397	50.885	23.207	23.572
Population of and above 15 years of age (000)	54.724	55.508	37.656	38.129	17.068	17.479
Labor force (000)	27.339	28.271	18.186	18.907	9.153	9.364
Employment (000)	24.821	25.524	16.167	16.736	8.653	8.788
Unemployment (000)	2.518	2.747	2.018	2.171	500	576
Not Included in the Labor Force (000)	27.385	27.337	19.470	19.222	7.915	8.115
Participation in the Labor Force Rate (%)	50	50,80	48,30	49,60	53,6	53,60
Employment Rate (%)	45,40	45,90	42,90	43,90	50,70	50,30
Unemployment Rate (%)	9,20	9,70	11,10	11,50	5,50	6,10
Indescribable Unemployment Rate (%)	11,50	12,00	11,40	11,80	11,90	12,90
Unemployment Rate in Young Population (15-24 age group) (%)	17,50	18,70	20,30	21,20	11,90	13,70

Population Data for the years of 2012 and 2013 (Source: Turkish Statistical Institute – TUIK)

When the data relative to the years of 2012 and 2013 is evaluated, it can be observed that the population, labor force and employment are on the rise for Turkey in general, as well as the cities and the country. Nonetheless, unemployment has also increased. While those that are not included in the labor force are in decline in the cities, this number has been noted to rise in the country side. In addition, the increase in participation in the labor force and the employment rates in the city, with regard to the overall rates, has drawn attention. The unemployment rate has been verified to increase in all of the three groups. Meanwhile, the unemployment rate among the young population in Turkey in general, together with the cities, is another important topic to consider

2013 Population Data (in millions)

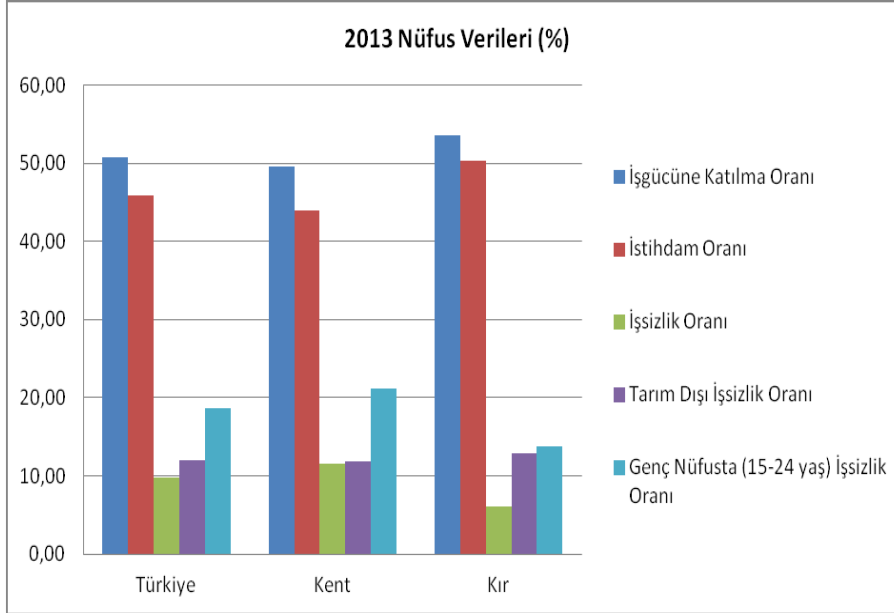


- Non Institutional Population
- Population of and above 15 years of age
- Labor force
- Employment
- Unemployment
- Not Included in the Labor Force

Turkey City Country Side

Furthermore, a second comparison is made based in Turkey in general, the city and the country side, with regard to the population data for the year of 2013 provided in the table.

2013 Population Data (%)



- Non Institutional Population
- Population of and above 15 years of age
- Labor force
- Employment
- Unemployment
- Not Included in the Labor Force

Turkey City Country Side

In light of this data, the information regarding general economic overview and real estate industry will be conveyed.

Economic Overview of Turkey

Although the global economy still seems to be following a moderate growth, the overview of this growth is weak and out of balance. The developed economy oriented growth expectations for the year of 2014, as it had been described previously, has been revised down. While the growth expectation of the Euro Zone has receded from 1,2% to 0,8%, the growth rates in the U.S.A and Japan have been down revised from 2,6% to 2,1% and from 1,2% to 0,9% consecutively.

A similar statement can be said of the developing markets; the growth in developing countries continues, despite the fact that the growth rate is far below the previously recorded levels. The circumstances resulting from FED terminating its monetary expansion and the increase of the interest rate becoming out of the question have affected the developing countries with such liquidity conditions. Displaying a growth rate far below the expected in the first quarter, the Euro Zone and Japan have portrayed a lower performance than that of the expected in the first 9 months of the year of 2014.

This situation has also reflected itself on the central banks policies, causing FED to continue the reduction process of its bond purchase program, which started from the beginning of the year of 2014, as well as causing the European Central Bank to take additional expansion steps and Japan to maintain its current loose policy stance.

With these developments in the international markets, in the first quarter of 2014, the Turkish economy has continued to grow, especially private consumption, with the help of internal demand; afterwards, it has portrayed a slowing down above the expected levels in the second quarter. The annual 4,7% growth rate in the first quarter dropped to 2,1% in the second quarter, resulting in a quarterly shrinkage for the first time since the first quarter of 2012, as well as a reduction of 0,5% in the economy, with comparison to the previous quarter.

The macro precautionary measures, which have entered into effect in February 2014, in order to limit the consumption and the severe increase in the interest rates that the Central Bank applied at the end of January, affecting the internal demand, especially private consumption, together with the weakening of the TL, can be argued as to the cause of this slowing down in the economy.

BASIC ECONOMIC INDICATORS					
	2011	2012	2013	2014*	2015*
Gross Domestic Product (GDP)	774 Million \$	785,7 Million \$	820 Million \$	-	
GDP per Capita	10.604 USD	10.666 USD	10.782 USD	-	
Growth	8,50%	2,20%	4,00%	3,50%	3,90%
Inflation	10,50%	6,20%	7,40%	8,50%	7,20%
Current Account Deficit	-77 Billion USD	-48 Billion USD	-65,1 Billion USD	-63 Billion USD	-65 Billion USD
Current Account Deficit / GDP	9,90%	6,30%	7,90%	6,00%	6,20%
Unemployment Rate	9,80%	9,20%	9,70%	9,90%	9,60%

*Source: Turkish Statistical Institute, Central Bank of Turkey, World Bank (*Predictions, Forecast)*

It is expected that the International capital flow will once more be based on the U.S.A, in the forthcoming term, thus resulting in the dollar gaining strength. This situation, carrying great importance for countries such as Turkey, which are in need of financing, limits the interest of American and European investors in Turkey.

Investors from the gulf region countries have returned to the market with an interest, especially in housing development projects. Domestic investors, on the other hand, have continued to portray an eager attitude for land purchases and property sales, for the purpose of being used by the owner.

It is expected, in the next year, that the difficulties posed by the increase in interest rates by FED and the dependency of Turkey in foreign financing will affect the economies of developing countries, as well as Turkey's, therefore resulting in a decline in economic growth, decrease in capital flow, high inflation and interest rates, ultimately reducing the internal consumption and investment activities, in Turkey.

4.2 General Status of the Real Estate Industry

After displaying rapid growth rates of 18,3% in the year of 2010 and 11,3% in the year of 2011, the construction industry in Turkey has had a growth rate of 0,6% in the year of 2012. Parallel to the economic slowdown, a significant decrease in the growth performance has been observed in the construction industry.

The sale of the lands, within the scope of the "Code Regarding the Support of the Development of Forest Farmers and the Making Use of the Lands that Have Been Taken Outside of the Forest Borders to the Benefit of the Treasury, As Well As the Sale of Agricultural Lands Belonging to the State Treasury", which is commonly known as "Law 2B", has been established pursuant to the legal conditions in the year of 2012. However, the sales have been lower than expected and limited to the construction industry.

After the drafting of the Urban Renewal laws, in the year of 2013, the activities within the scope of the law, consisting mostly of large scale infrastructure investments, have gained speed and, in behalf of the numerous advantages that the law bestowed, the real estate industry has started growing once again in the year of 2013.

With the "Law Regarding the Sale of Property to Foreigners" lifting the limitations that had kept foreigners from purchasing properties, it has consequently caused the investors from Russia, Middle East and Asia, especially, to turn their attention towards Turkey, which has ultimately resulted in real estate purchases to gradually increase, on behalf of the foreigners.

The real estate market had been mostly fluctuating during the year of 2014. High internal demand and some support from the foreign investors have kept the prices in balance and consequently resulted in an increase in the housing prices, at an average of 13-14%, as had been the case in the year of 2013.

With the expectation of FED ending its easy money policy in the year of 2014, the interests and TL – Dollar currency rates have increased to the benefit of the Dollar; nonetheless, even though the international funds have adopted a tendency to reduce their funding towards developing countries, with FED pulling its interest rates to negative in the month of June 2014, it is expected that it will have positive effects in the future fund entries.

According to the foresight observed in the Standard & Poor's "Residential Industry in the Developing Economies" report, the residential demand in Turkey is still above the current supply and the residential

market will grow based on exportation, drifting away from the credit focused internal demand; lastly, the real and nominal residential prices in Turkey will slow down in the years of 2014 and 2015.

The young population and the rapid urbanization rate in Turkey have always kept the real estate demands high. Nevertheless, with the limited supply of land, particularly in the large cities, and with the prices becoming significantly high, the developers and contractors are directed to projects that mostly appeal to middle – upper classes, as a consequence. This situation severely limits the target market and makes it difficult for the middle and middle-lower income class groups to access the new projects in development. It is estimated, in order for the real estate market in Turkey to increase steadily in the future, that political and economic stability, interest of the foreign investors in Turkey and the high growth rate that the Turkish economy will realize are all of the utmost importance.

4.3 Information Regarding the Tourism Industry

The Tourism industry in Turkey has closed the year of 2013 with an increase of 9,5% in terms of foreign visitors, corresponding to a total of 34.910.098 tourists.

Antalya became the first city in regards to foreign tourists visiting touristic centers, with a number of 11.12 million tourists. On the other hand, Istanbul has achieved a growth rate of 11% roughly. In the cities of Muğla and Izmir, the numbers recorded are approximately of 2,8%.

Number of Visitors in Touristic Centers			
	2012	2013	Change
Antalya	10.299.366	11.122.510	7,9
Istanbul	9.381.670	10.475.307	11,6
Muğla	3.009.342	3.078.781	2,3
İzmir	1.368.929	1.407.240	2,8
Total of 4 Cities	24.061.319	26.085.851	8,4
Turkey	31.782.832	34.910.098	9,5

Source: Turkish Hoteliers Federation (TUOFED) Tourism Report 2013

The revenue obtained in the Tourism industry, from the domestic and foreign tourists in the year of 2013, has increased 11,4%, thus reaching 32,3 billion dollars. The revenue obtained from foreign tourists in the year of 2013 has increased 13%, rising from 22,4 billion to 25,3 billion dollars. During the same time period, the revenue obtained from Turkish citizens living abroad and visiting the country has increased 6,4% and reached 6,7 billion dollars. (Source: *Mediterranean Touristic Hotels and Operators*

(AKTOB) Research Unit) While Turkey has managed to be one of the 20 biggest economies in the world (G20), it is ranked at number 6 among the 10 touristic destinations.

According to the real estate report for the year of 2014, which Deloitte has prepared for Turkey, one interesting topic is the Tourism Strategy of the Ministry of Culture and Tourism for the year of 2023. The target visitor number is set for 63 million and the total planned revenue (from foreign visitors) is 86 billion dollars. The aim is to enter the top 5.

4.4 Analysis of the Region Where the Real Estate is Situated

4.4.1 The City of Istanbul

The city of Istanbul, aside from being the most densely populated city of Turkey, constitutes its first and foremost economic, cultural and financial center; moreover, with its 14,2 million residents, it is the most populated city in Europe and the 5th most populated city in the world.

Istanbul has the Çamlica Peninsula to its west and the Kocaeli Peninsula to its east, with the Black Sea in the north and the Marmara Sea in the south, while the Bosphorus is located in the center. The city has borders with the district of Saray in its northwest and the districts of Çerkezköy and Çorlu in its west; the district of Marmara Ereğlisi in its southwest, belonging to the city of Tekirdağ, while the district of Kandıra is in its northeast; the district of Körfez in its east and the district of Gebze in its southeast, belonging to the city of Kocaeli.



The innumerable studies conducted in the city have shown that its history goes back as far as 6500 B.C. Istanbul is an intercontinental city; namely, a part of it is located in the European continent, called European Side or Rumeli Side, while the other part is located in the Asian continent, called Anatolian Side. The first recorded city of Istanbul was founded on a peninsula surrounded with the Marmara Sea, the Bosphorus and the River of Haliç, with the city walls marking its western borders. During the process

of development and expansion, the city walls were further extended into the west, in a constant manner, making up a total of 4 times; the city is composed of 40 districts.

According to the Address-Based Population Registration System (ANDKS) developed by the Turkish Statistical Institution (TUIK) in the year of 2013, the Total Population of Istanbul has been determined to be 14.160.437.

On account of Istanbul being an intersection of land and seas based on trade routes, together with its strategic position, it has become the center of economic life in Turkey. The city constitutes the largest industry center, as well.

Istanbul meets a significant number of industry employments in Turkey, having an industrial area of approximately 38%. Currently, Istanbul fulfills half of Turkey's production and 45% of its trade volume. Furthermore, having a historically rich panorama filled with monuments and works of art turns the city into a favorite tourism center.

4.4.2 District of Zeytinburnu

Zeytinburnu is a district of Istanbul. On the 1st of September 1957, it became a district. The district of Fatih is located to the east, the district of Eyüp to the northeast, the district of Bayrampaşa to the north, the district of Güngören to the west, the district of Esenler to the northwest and the Sea of Marmara to the south. It is separated from the historical peninsula by the old walls, along with the borders of the E-5 highway; in addition, it is at a distance of 15-20 minutes to the Airport. For this reason, it is an important district of Istanbul opening to the outside. The district is composed of 13 neighborhoods.

The totality of the population residing in the area is urban; there is no rural population. According to the Address based Population Registration System, as of the end of the year of 2013, the district has reached the population of 292.313. Immigration is a considerable issue in Zeytinburnu; on account of the extensive immigration to the area, the population growth rate of the city of Istanbul and the district of Zeytinburnu surpasses the population growth of the entirety of Turkey. With the increasing population in the district, unplanned urbanization has become a cause for concern.

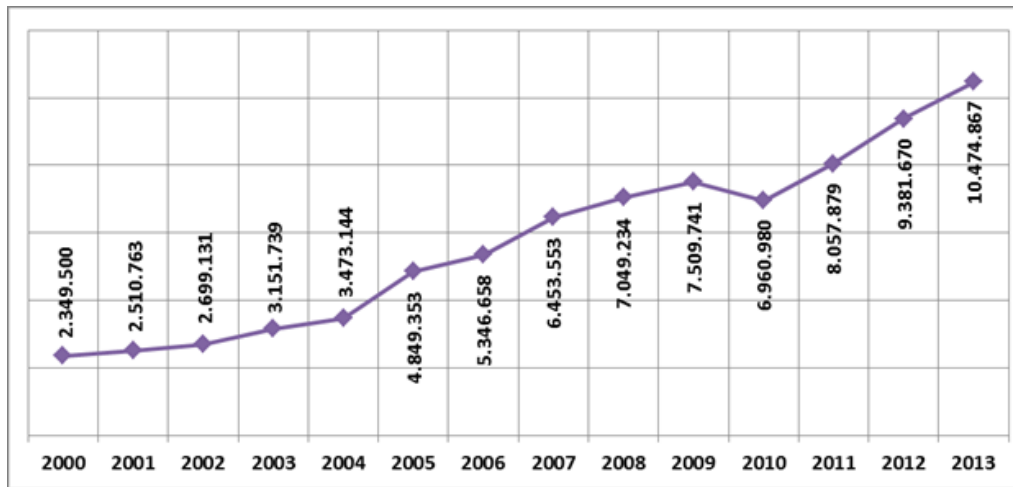
Zeytinburnu, with its approximate 25 thousand work places, around 10 thousand workshops and 170 factories, constitutes one of the most substantial districts of Turkey, in terms of production output, as well as one of the most significant contributors to the economy of Turkey, with a variety of valuables produced from its various industries, namely textile, leather and iron-steel. A major center in the leather industry, the district of Zeytinburnu maintains this status with its 650 stores, approximately, even though the tanneries have moved out. The district also houses the leading companies in the furniture industry. The existence of a coastal line not only is an advantage in terms of trade but also an important factor for

tourism in the area. The region has witnessed many important events throughout history, which enriched it with historical and cultural assets, thus making the district an important industry for tourism. The fact that it is a central district, easily accessed and close to the airport, along with the fact that the Marmaray Project will pass through the area, constitute considerable advantages for Zeytinburnu. Transportation connections in the district have been reinforced in recent years; the Kabataş – Bağcılar tram line, the Aksaray – Atatürk Airport subway line and the Zincirlikuyu – Beylikdüzü metro car lines, all currently connect to Zeytinburnu. Furthermore, the D100 Highway and the Coastal Road are the most significant transportation routes of the district.

4.4.3 Information Regarding the Tourism Industry in Istanbul and the Hotel Market

According to the data obtained from the Istanbul Provincial Directorate of Culture and Tourism for the year of 2014, the number of visitors has increased 9% in the first half of 2014, compared to the same time period of the year of 2013. 35% of the visitors arriving in Turkey have visited Istanbul, the largest number of which corresponding to Germans and Russians, with 10% and 6% respectively, during the first half of 2014.

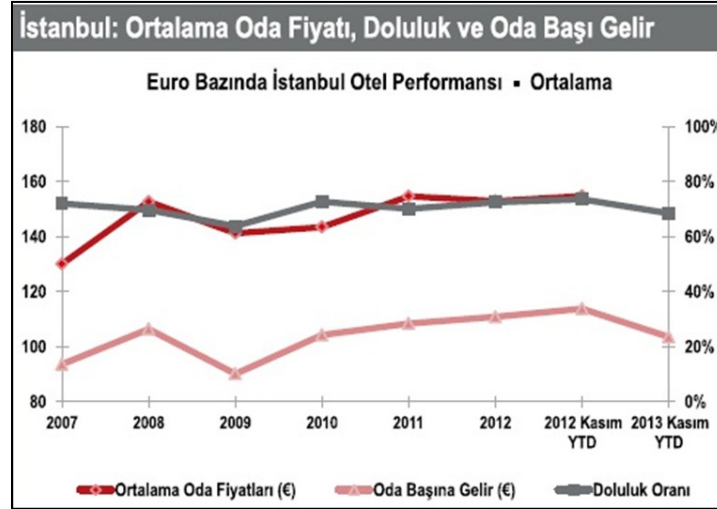
When the number of tourists arriving in Istanbul is inspected, a continuous increase can be verified until the year of 2010. The decline in the year of 2010 has been observed as a result of the global economic decrease. With the economy recuperating in the year of 2013, Istanbul has been visited by 10.474.867 tourists; furthermore, pursuant to this increase in the number of tourists, the annual occupancy rate has also increased to 70%.



The number of tourists visiting Istanbul along the years (Source Ministry of Culture and Tourism)

The occupancy rate for Istanbul

is around 70 – 72%. On account of this fact, the average price for room per night is approximately of 140 €. (Hotel Benchmark Survey STR Global, 2014)



Average Room Prices (EUR)

Revenue per Room (EUR)

Occupancy Rate (%)

Hotel Market of Istanbul along the Years

Price per Room, Revenue per Room and Occupancy Rate (Source: JLL)

In consonance with the data for the year of 2013, the number of Accommodation Facilities with the “Occupancy Permit” from the Ministry of Culture and Tourism is of 449. The total bedding capacity in these facilities corresponds to 82.874.

LOCATION	Europe	Anatolia	Europe	Anatolia	Europe	Anatolia	TOTAL
TYPE	Number of Facilities		Number of Rooms		Number of Beds		Number
Private Facility	89	9	3287	355	9064	719	9783
Boutique Hotel	10	2	576	39	1168	82	1250
5 Star Hotel	48	13	13418	3065	27507	6120	33627
4 Star Hotel	88	8	10227	715	20427	1409	21836
3 Star Hotel	87	13	5134	693	10008	1326	11334
2 Star Hotel	41	5	1353	170	2587	342	2929
1 Star Hotel	7	1	309	19	587	38	625
Apartment Hotel	2	1	49	36	128	72	200
Golf Facilities	1	-	340	-	990	-	990
Boarding House	3	1	26	9	52	18	70
Motel	1	-	32	-	64	-	64
Hostel	1	-	123	-	166	-	166
	378	53	34.874	5.101	72.748	10.126	82.874

Chart 2.6: Accommodation Facilities with “Occupancy Permit” granted by the Ministry of Culture and Tourism (Source: TUIK – December 2013)

The total bedding capacity of the 449 facilities, defined in the European and Asian sides all together, is of **82.874**. In addition, there are accommodation facilities in Istanbul with municipality permits; the estimated bedding capacity of these facilities is around 70.000.

LOCATION	Europe	Anatolia	Europe	Anatolia	Europe	Anatolia	TOTAL
TYPE	Number of		Number of Rooms		Number of Beds		Number
Private Facilities	13	1	317	183	517	501	1018
Boutique Hotel	8	1	312	15	566	30	596
5 Star Hotel	40	13	10058	2998	21665	6578	27835
4 Star Hotel	46	11	6032	1544	11712	3160	14872
3 Star Hotel	26	3	1676	229	3347	450	3797
2 Star Hotel	2	1	52	11	90	22	112
1 Star Hotel	2	1	20	16	40	32	72
Apartment Hotel	1	-	345	-	1058	-	1058
Hostel	1	-	30	-	60	-	60
Total	139	31	18.842	4.996	39.055	10.365	49.420

Accommodation Facilities with an "Investment Certificate" granted by the Ministry of Culture and Tourism (Source: TUIK – December 2013)

The accommodation facilities still under construction in Istanbul have a bedding capacity of 49.420. Last year, it has been recorded that the number of accommodation facilities with investment certificates is of 130 and their bedding capacity is 40.408. Moreover, it has been noted that the number of facilities in Istanbul have increased 31% and the bedding capacity 22%. As a matter of fact, the majority of these investments continue to be realized on the European side.

Information with Regard to the Hotel Market in Zeytinburnu

The district of Zeytinburnu, where the Novotel and the Ibis Hotel, subject to this appraisal, are located, stands out on account of significant hotel investments. A market research has been conducted in relation to the hotels that are in a rival position for Novotel and Ibis Hotel, by taking into account factors such as area, customer group, products on offer and pricing.

The area is a competition ground, especially in terms of hotels situated close to the airport. Moreover, with the Zeyport investment materializing, an expansion in the customer group of the hotel in is question.

Company prices with regard to the hotels in the district of Zeytinburnu have been provided in the table below

NAME OF THE HOTEL	TOTAL NUMBER OF ROOMS
Wow Hotel (*****)	275
Radisson Sefaköy (*****)	326
Courtyard Marriott(*****)	264
Holiday Inn Airport(*****)	330
Ataköy Marina (*****)	170

It has been noted that the special prices given for companies vary between 60 – 300 Euros, breakfast included.

5 INFORMATION IN REGARD TO THE REAL ESTATE SUBJECT TO THE APPRAISAL

5.1 Information in Regard to the Location, Site and Environment of the Real Estate

The real estate subject to the appraisal is situated at the open address of Neighborhood of Kazlıçeşme, Kennedy Avenue, No: 56 Zeytinburnu / Istanbul. It is registered at the land registry with the Block No: 774, Plot no: 55, district of Zeytinburnu, city of Istanbul. The plot contains two operating hotels, the 4 Stars Novotel and the 3 Stars Ibis Hotel.

The district where the real estate subject to this appraisal study is located is a developing district of Istanbul, with residential and hotel facilities. The area where the real estate is located is dense with commercial and residential buildings. Moreover, it constitutes a significant tourism area. Various tourism investments, which have been realized and will be realized in the vicinity of the real estate, prove that the region is an important area for the tourism industry.

The real estates are accessed from the Kennedy Avenue (Bakırköy – Eminönü Coastal Road). The area is easily accessible due to its localization. Furthermore, it is possible to access the area by sea and land with public transportation such as bus, minibüs and the Marmaray. In addition, with the completion of the partially operating Marmaray line and the Eurasia tunnel, it will become even easier to reach the region.

The real estate subject to the appraisal are at a distance of approximately 18 km to the Bosphorus Bridge, 24 km to the Fatih Sultan Mehmet Bridge, 10 km to the Atatürk Airport and 55 km to the Sabiha Gökçen Airport. To reach the real estate, one follows the coastal road from Eminönü and continues towards the Yenikapı Sea Bus Docks without detour. The real estate in question is situated on the right side of the avenue, before Bakırköy and after roughly 7,5 km from Sirkeci. The Ibis Hotel is located at the east façade of the plot, while the Novotel is located at the western façade; both of the hotels have a panoramic view to the sea. It is easy to access the area by private vehicle and public transportation.

The Toyota Derindere Authorized Service building, The Yenikapı Sea Bus Docks, the World Trade Center, the Istanbul Atatürk Airport, the Galleria Shopping Mall, the Zeytinburnu Port, the Ataköy Marina, the Veliefendi Hippodrome, the Bakırköy Sea Bus Dock, along with commercial and residential based buildings, are all situated in the vicinity of the real estate subject to the appraisal. The real estate is located at a distance of approximately 6,5 km to the Istanbul Yeşilköy Atatürk Airport, 2,7 km to the D-100 (E-5) Highway and 7,5 km to Eminönü. The fact that the hotels in question are situated close to the airport, together with the fact that they have a panoramic view to the sea, as well as a façade directly to the coastal road, all constitute noteworthy advantages.



Satellite Images of the Vicinity of Novotel and Ibis Hotel

5.2 Information with Regard to the Land Registry of the Real Estate

		Main Real Estate	Right of Construction
City	:	Istanbul	Istanbul
District	:	Zeytinburnu	Zeytinburnu
Neighborhood	:	Zeytinburnu	Zeytinburnu
Section No	:	85/1	85/1
Block No	:	774	774
Plot No	:	55	55
Surface Area	:	11.720,00 m ²	-
Owner	:	Treasury	Akfen Real Estate Investment Trust Inc.
Type	:	Ground Floor + 12 Regular Floors Hotel Building and Ground Floor + 7 Regular Floors	"Construction Right" on the plot with Block no: 774 and Plot no: 55 for the duration of 49 years, registered on the page no: 604

		Hotel Building and Their Land	
Land Title Date	:	31.01.2003	02.09.2008
Roll No	:	690	11020
Volume No	:	7	7
Page No	:	604	610

The real estate subject to the appraisal is registered at the Land Registry of Zeytinburnu, at the **Neighborhood of Zeytinburnu, volume no: 7, page 610**, it consists of a “Ground Floor + 12 Regular Floors Hotel Building and Ground Floor + 7 Regular Floors Hotel Building and Their Lands” nature and its owner is the “Treasury”.

The real estate has been allocated an independent and permanent construction for the duration of 49 years, on behalf of Akfen Real Estate Investment Trust Inc.. and has been annotated accordingly in the same land registry book (**Neighborhood of Zeytinburnu, volume no: 7**) page no: **610**. The land registry information on both pages has been provided at the table above.

5.2.1 Investigation of the Land Registry of the Real Estate

According to the inspections performed to the related pages of the land title book, at the Land Registry Office for the district of Zeytinburnu, on the date of 05.12.2014, 13:00 local time, the following restrictions on the 04.12.2014 and 05.12.2014 dated land titles with regard to the real estate subject to the appraisal have been provided below. The document has been enclosed herewith.

Appurtenance Rights Section (Neighborhood of Zeytinburnu, volume no: 7, page no: 604)

- The “right of construction” that has been allocated independently and permanently on behalf of Akfen Real Estate Investment Trust Inc. for the duration of 49 years has been recorded on the page 610. Dated 04.12.2003 and Roll No: 6650.

Annotations Section Volume no. 7, page no. 604

- As it can be observed in the 03.09.2008 dated agreement table with the number 11096, there has been an official deed change with regard to the construction right (Dated 03.09.2008 and Roll no. 11096)

Appurtenance Rights Section (Neighborhood of Zeytinburnu, volume no: 7, page no: 610)

- The “right of construction” has been allocated independently and permanently. Surface area of 11.720,00 m2, Starting Date: 04.12.2003, Duration: 49 Years, Owner/Lessor: Akfen Real Estate Investment Trust Inc. Dated 04.12.2003 and Roll No: 6650.

Annotations Section Volume no. 7, page no. 610

- As it can be observed in the 03.09.2008 dated agreement table with the number 11096, there has been an official deed change with regard to the construction right (Dated 03.09.2008 and Roll no. 11096)

Pledges Section (Neighborhood of Zeytinburnu, volume no: 7, page no: 610)

- *A-I: Existence of a 1st degree mortgage, dated 14.10.2008, roll no. 12982 on behalf of Türkiye İş Bankası A.Ş. and Türkiye Sınai Kalkınma Bankası A.Ş. with an amount of 150.000.000,00 EURO, at an interest rate of 3,75%, until its release is announced.*

Considerations: The additional mortgage has been made pursuant pro-rata agreement and it in Euro currency; furthermore, in accordance with the agreement the DMH quality real estates found at Block No. 2420, Block No: 5020, Plot No: 2 in the Şehitkamil Yaprak Neighborhood / Gaziantep and Block No: 209, Plot No: 12 in the Locality of Kaşüstü, district of Yomra / Trabzon are in joint with the real estate that are on behalf of Akfen Real Estate Investment Trust Inc. (dated 14.10.2008, roll no: 12982)

- *B-I: Existence of a 2nd degree mortgage, dated 29.05.2014, roll no 6661, on behalf of Türkiye İş Bankası A.Ş. with an amount of 38.250.000,00 EURO, at an interest rate of 6,35% annually, until the release is announced.*

Considerations: This additional mortgage is in Euro currency with a variable interest rate and pursuant to the agreement the real estate found at Block No: 404, Plot No: 39 in the Neighborhood of Esenyurt Yakuplu / Istanbul, Block No: 3198, Plot No:67 DMH in the Osmangazi Altınova Neighborhood / Bursa, Block No: 2420, Plot No: 9 DMH in the Kocasinan Pervane Neighborhood / Kayseri, Block No: 5020, Plot No: 2 DMH in the Şehitkamil Yaprak Neighborhood / Gaziantep, Block No: 1843, Plot No: 5 in the Akyurt Balıkhisar Neighborhood / Ankara and Block No. 585, Plot No: 2 with Independent Sections 1 and 2 in the Seyhan Çınarlı Neighborhood / Adana are in joint with the real estate that are on behalf of Akfen Real Estate Investment Trust Inc. (dated 29.05.2014, roll no: 6661)

The land title registry samples relative to the real estate subject to the appraisal have been enclosed herewith.

5.2.2 Changes that Have Occurred in the Land Registry of the Real Estate within the Last Three Years

There are no buying or selling activities with regard to the real estate, within the last three years. However, a 2nd degree mortgage, dated 29.05.2014 and roll no: 6661, has been added to the construction right of Akfen Real Estate Investment Trust Inc., on behalf of the Türkiye İş Bankası A.Ş. for

the amount of 38.250.000,00 Euro, with an interest rate of 6,35% annually, until its release. This mortgage is joint with the plots found at Block No: 2420, Plot No: 9 in the Neighborhood of Pervane Kocasinan / Kayseri, Block No: 3198, Plot No: 67 in the Osmangazi Altınova Neighborhood / Bursa, Block No: 5020, Plot No: 2 in the Şehitkamil Yaprak Neighborhood / Gaziantep, Block No: 404, Plot No: 39 in the Esenyurt Yakuplu / İstanbul, Block No: 1843, Plot No: 5 in the Akyurt Balıkhisar Neighborhood / Ankara, Block No: 209, Plot: 12 in the Yomra Kaşüstü Neighborhood of Cumhuriyet / Trabzon and Block No. 585, Plot No: 2 with Independent Sections 1 and 2 in the Seyhan Çınarlı Neighborhood / Adana.

5.2.3 Opinion Whether There Is an Obstacle In Including the Investment Trust Portfolio in Terms of Land Title Records to the Real Estate Within the Scope of the Capital Market Legislation

The real estate subject to the appraisal as an independent and permanent “Right of Construction” for the duration of 49 years, on behalf of Akfen Real Estate Investment Trust Inc.; there is a 1st degree mortgage on the “Right of Construction” of Akfen Real Estate Investment Trust Inc. for the amount of 150.000.000 Euro, on behalf of Türkiye İş Bankası A.Ş. and Türkiye Sınai Kalkınma Bankası A.Ş.; there is a 2nd degree joint mortgage, as well, for the amount of 38.250.000 Euro, on behalf of Türkiye İş Bankası A.Ş.

Pursuant to the subparagraph “a” of the Article number 22 of the communiqué, with regard to the real estate investment trusts principles of the Capital Market Board regulations, the Real Estate Investment Trusts “can purchase, sell, lease, lease out and pledge to purchase or sell all sorts of real estate, such as land, plot, building, office building, shopping mall, hotel, logistic centers, warehouse, park and hospitals, for the purpose of achieving gross profit or lease revenue.”

Pursuant to the Capital Market Board Regulations (in accordance with paragraph “ç” of the Article number 22 of the Communiqué Regarding Making Changes in the Real Estate Investment Trusts Principles, which has been published in the 23.01.2014 dated Official Gazette with the number 28891) there are no obstacles that prevent the “Construction Right” on the plot subject to the appraisal from being included in the Real Estate Investment Trusts portfolio.

With reference to the letter from the mortgage owner, Türkiye İş Bankası and Türkiye Sınai Kalkınma Bankası A.Ş., the mortgages in question, in accordance with the agreement between Akfen Real Estate Investment Trust Inc. and Accor SA, consist of the investment credits to be used in financing of the construction of the Hotels. The related letter from the Türkiye Sınai Kalkınma Bankası A.Ş. has been enclosed herewith.

Pursuant to the 1st clause of the Article number 30 of the Communiqué Regarding the Real Estate Investment Trusts Principles, published in the 28.05.2013 dated official gazette of the Capital Market Board, Real Estate Investment Trusts can only institute mortgage, hypothecate or other limited rights on



the assets in the portfolio during the purchase of real estates, real estate projects and rights with regard to a real estate for the purpose of referring to the financing of these actions or to provide credit for investments.

Pursuant to the related article of the communiqué in question, the mortgages on the real estate do not constitute an obstacle for the real estate to be included in the real estate investment trust portfolio within the scope of the capital market regulations.

5.3 Inspection of the Zoning Information of the Real Estate

According to the inspections carried out at the Municipality of Zeytinburnu Zoning and Urbanism Directorate, on the date of 05.12.2014, and to the zoning plan section that is enclosed, the zoning status of the real estate has been provided below:

The real estate subject to the appraisal, within the scope of the “Implementary Development Plan of Ataköy” approved on the date of 15.06.2007 by the Ministry of Culture and Tourism, with a scale of 1/1000, is included under the “Preferential Area of Use”. The structuring conditions provided in the Plan:

* Construction Example 2,50 (For the Tourism Facilities),

* Hmax (Max Height) = cannot exceed 70m.

* “Applied according to the concept project and approved by the Metropolitan Municipality” statement is included.

* Pursuant to the information obtained from the Municipality of Zeytinburnu Zoning Directorate, the following change has been made in the plan notes of the real estate’s legend.

“In the case of being found suitable with the detailed geotechnical reports, approved by the General Directorate of Disaster Affairs that Studies the Relation between Construction Condition Elevation, Ground – Structure, Structure – Earthquake in the TK Areas, Hmax = 70m (Roof – Chimney included) cannot be exceeded.”

5.3.1 Plan, License, Diagram and Similar Documents with Regard to the Real Estate

Approved Architectural Project: There is a 06.01.2005 dated approved architectural project.

Construction Permit: 06.01.2005 dated “Construction Permit” with the number 2004/6254 granted for the purpose of “Hotel” covering an area of 26.372 m2.

Occupancy Permit: 23.02.2007 dated “Occupancy Permit” with the number 2007/1544 granted for the purpose of “Hotel” covering an area of 26.372 m2. The documents in question have been enclosed herewith.

Conforming to the inspections carried out on site, there are no differences to be found between the ongoing situation and the legal situation. The current building is effectively in accordance with the 23.02.2007 dated "Occupancy Permit" with the number 2007/1544.

5.3.2 Building Inspection Institution and Maintenance

The structural maintenance of the real estate subject to the appraisal has been performed by Birikim Yapı Denetim Ltd Şti, operating at the address of İncirli Avenue, Toprak Apt. No: 37, Kat.2 Bakırköy / İstanbul.

5.3.3 Changes that Have Occurred in the Legal Status (Changes in the Zoning Plan, Nationalization, etc.) of the Real Estate within the Last Three Years

On the zoning notes of the real estate subject to the appraisal, the 28.02.2012 dated change has been made: "In the case of being found suitable with the detailed geotechnical reports approved by the General Directorate of Disaster Affairs that Studies the Relation between Construction Condition Elevation, Ground – Structure, Structure – Earthquake in the TK Areas, Hmax = 70m (Roof – Chimney included) cannot be exceeded."

5.3.4 Opinion Whether the Necessary Permit and Documents Pursuant to the Legislation are Accurate and Complete

All of the necessary permits and licenses, such as the Zoning Status Document, the Approved Architectural Project, the Construction Permit and Occupancy Permit required by the Turkish Law, have been obtained in full, with regard to the hotel real estate subject to the appraisal.

5.3.5 Opinion Whether There Is an Obstacle in Including the Investment Trust Portfolio in Terms of Zoning Information to the Real Estate within the Scope of the Capital Market Legislation

There are no changes in the structuring conditions and the current zoning status of the plot where the real estate subject to this appraisal is located. (The change "Hmax = 70m (roof and chimney included) cannot be exceeded" that has been applied on the plans with the date of 28.02.2012 does not affect the real estate) The buildings presently found on the plot have the required approved architectural project, construction permit and occupancy permit; therefore, there are no obstacles that prevent the real estate from being included in the Real Estate Investment Trust portfolio in terms of zoning information, within the scope of the Capital Market Board regulations.

5.3.6 Statement that the Detailed Information, along with the Value in Question Regarding the Project, are Completely in Connection with the Project and that, in the case of Executing a Different Project, the Resulting Value Might Vary

The appraisal study in question is not carried out within the scope of the "project evaluation".

5.4 Physical Characteristics of the Real Estate

5.4.1 Structural Construction Characteristics of the Real Estate

The real estate subject to this appraisal study consists of “Ground Floor + 12 Regular Floors Hotel Building and Ground Floor + 7 Regular Floors Hotel Building and Their Land”, located in the city of Istanbul, district of Zeytinburnu, Neighborhood of Zeytinburnu, Block no: 774, Plot no: 5, with a surface area of 11.720,00 m².

There is a building on the plot, constructed in two blocks in reinforced concrete; these are currently being used as the NOVOTEL and the IBIS Hotel. The block constituting the NOVOTEL is comprised of 2 basement floors + ground floor + 12 regular floors, whereas the block constituting the IBIS hotel is comprised of 2 basement floors + ground floor + 7 regular floors.

The real estate subject to the appraisal is appraised in two parts as two accommodation facilities, the NOVOTEL and the IBIS Hotel; the NOVOTEL is a 4 Stars Hotel, while the IBIS Hotel is a 3 Star Hotel.

The construction permit obtained for the real estate subject to the appraisal is for the surface area of 26.372,00 m² and, considering that the building has been constructed in accordance with the approved architectural project, the appraisal report has been based on the enclosed surface area.

The total construction area is of 26.372,00 m². The NOVOTEL construction area has 16.649 m², while the IBIS Hotel construction area has 9.723 m². There are 208 rooms at the Novotel, while there are 228 at the Ibis Hotel.

According to the approved architectural project and the onsite inspection performed, the **basement floor** of the block used as the NOVOTEL is comprised of facilities such as closed car park, management offices, laundry, staff dining hall, technical and fixture volumes, the water pressure room and W.C.'s. These areas are common spaces for both the NOVOTEL and the IBIS Hotel.

The ground floor of the NOVOTEL is comprised of the reception area, lobby, restaurant, bar, foyer area, conference rooms, kitchen, W.C.'s, administrative offices and the 20m² office leased by Tamaris Turizm A.Ş. **On the 1st Floor**, there is the fitness center, sauna, steam rooms, rest rooms and massage rooms. On the 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 11th and 12th regular floors are the hotel rooms. Although the rooms in the NOVOTEL may have different characteristics, in reality there are three types of rooms. Of the 208 rooms of the hotel, 6 of them are suites, 25 of them are executive rooms and 177 of them are standard rooms. On the 2nd floor of the hotel, there are 14 rooms, on the 3rd, 4th, 5th and 6th floors there are 20 rooms and on the 7th, 8th, 9th, 10th, 11th and 12th floors there are 19 rooms.



On the ground floor of the IBIS Hotel, there is the reception area, lobby, restaurant, bar, W.C.'s and 11 rooms; on the 1st, 2nd, 3rd, 4th, 5th, 6th, 7th floors are the rooms, 31 on each. The rooms in Ibis Hotel are standard rooms.

The types of rooms and their distribution on the floors have been provided in the tables below:

Novotel Architectural Project Floor Areas and Functions			
Floors	Gross Construction Area (m2)	Construction Area Included in the Example (m2)	Usage Status
2nd Basement Floor	1.468		Closed Car Park and Storage Areas
1st Basement Floor	3.474	322	Closed Car Park, administrative offices, laundry, mess hall, technical and fixture volumes, automation, technical material room, technical storage, electricity central, personnel entrance, personnel registry and accounting, machine room, shelter, locker rooms, W.C's and storage rooms
Ground Floor	2.197	2.051	Lobby, restaurant, conference rooms, foyer areas, kitchen, business center, bar, office leased by Tamaris Turizm A.Ş.
1st Regular Floor	1.018	927	Fitness center, sauna, steam room, resting room, 4 massage rooms
2 nd Regular Floor	772	691	Bedroom Story (14 rooms)
3 rd Regular Floor	772	691	Bedroom Story (20 rooms)
4 th Regular Floor	772	691	Bedroom Story (20 rooms)
5 th Regular Floor	772	691	Bedroom Story (20 rooms)
6 th Regular Floor	772	691	Bedroom Story (20 rooms)
7 th Regular Floor	772	691	Bedroom Story (19 rooms)
8 th Regular Floor	772	691	Bedroom Story (19 rooms)
9 th Regular Floor	772	691	Bedroom Story (19 rooms)
10 th Regular Floor	772	691	Bedroom Story (19 rooms)
11 th Regular Floor	772	691	Bedroom Story (19 rooms)
12 th Regular Floor	772	691	Bedroom Story (19 rooms)
Total Hotel Block Area	16.649	10.901	

Ibis Hotel Architectural Project Floor Areas and Functions			
Floors	Gross Construction Area (m2)	Construction Area Included in the Example (m2)	Usage Status
2nd Basement Floor	734		Closed Car Park
1st Basement Floor	1.816		Closed Car Park, technical and fixture volumes
Ground Floor	1.245	1.162	Lobby, restaurant, kitchen and room volumes (11 rooms)
1st Regular Floor	858	781	Bedroom Story (31 rooms)
2 nd Regular Floor	845	753	Bedroom Story (31 rooms)
3 rd Regular Floor	845	752	Bedroom Story (31 rooms)
4 th Regular Floor	845	753	Bedroom Story (31 rooms)
5 th Regular Floor	845	753	Bedroom Story (31 rooms)
6 th Regular Floor	845	753	Bedroom Story (31 rooms)
7 th Regular Floor	845	753	Bedroom Story (31 rooms)
Total Hotel Block Area	9.723	6.461	

The hotel surface area, including the construction area, is of 17.361,32 m²; according to the zoning status, 1,48 of the 2,50 comparable right has been used. According to the current zoning status, there is an area of 11.938,68 m² construction right included in the comparable, on the plot that has an area of 29.300 m² that is included in the construction right

The interior construction characteristics of the Novotel and the Ibis Hotel are provided below

Structural and Interior Construction Characteristics of the Novotel and the Ibis Hotel	
Total Construction Area	26.372,00 m ²
Age	7 years
Construction Type	Reinforced Concrete
Roof System	Terrace Roof
Manner	Attached Manner
Number of Floors	<u>Novotel</u> : 15 Story (2 Basement Floors + Ground Floor + 12 Regular Floors) <u>Ibis Hotel</u> : 10 Story (2 Basement Floors + Ground Floor + 7 Regular Floors)
Exterior Façade	Partially granite and partially glass clad
Electricity	Grid Connection
Heating System	Central
Water	Grid Connection
Sewage	Central
Elevator	Available
	(6 in Novotel and 4 in Ibis Hotel)
Ventilation System	Available
Fire Escape	Available
Fire Extinguisher System	Available
Car Park	Available (Closed)
Flooring	Wall to wall carpet, ceramic an granite
Walls	Satin paint, ceramic tile, laminate and wall paper
Joineries	Exterior joineries are made of aluminum, while the interior joineries are wood
Ceilings	Suspended Ceiling
Illumination	Front and back façades are partially glass, partially sinterflex and the remaining areas are a special acrylic paint.



Hotel Volume Details

Conference Rooms:

There is a total of 4 multi-functional and dividable conference rooms; these have high ceilings and the necessary acoustic precautions have been taken; in addition, they possess a shared secretary area. The conference rooms have a common exit to the foyer area with 166 m². The rooms support technical equipment (Barco vision, sound scheme and regular illumination system)

Rooms:

Novotel consists of 208 rooms; there are 14 rooms on the second floor, 20 rooms each on the floors between 3 and 6, 19 rooms each on the floors between 7 and 12. 38 of these rooms are communication rooms, 4 of them are disabled rooms, 6 of them suites and 160 of them are standard rooms. The room floors, each having an area of 772 m², constitute an enclosed area of 8.492 m² in total. In the **Ibis Hotel**, there are 11 rooms on the ground floor and 31 on each of the remaining floors, making a total of 228 rooms. 18 of these rooms are sofa bed rooms, 42 of them are desk bed rooms, 45 of them are twin rooms, 6 of them are VIP rooms, 2 of them disabled and 115 of them are standard rooms. The first floor having an enclosed area of 858 m² and 845 m² on the rest of the remaining floors, making a total of 5.928 m² of enclosed area. In Ibis Hotel, the ground floor, together with the 3rd, 5th and 7th floors are smoking floors, as is the case with Novotel on the 4th, 5th, 6th and 12th floors. The rooms have access to air conditioning, minibar, internet connection, satellite television channels, direct telephone line, mini fridge, kettle, tea-coffee set up, hairdryer, fire extinguisher system, sound - announcement system, electronic door lock, private safe, 24 hours rooms service and dry cleaning services. Furthermore, Novotel provides fitness center, sauna, massage rooms and 1 outdoor pool to its customers.

All the rooms in Novotel have a complete or partial view to the sea; where as in Ibis Hotel, 132 rooms have a view the sea. 92 rooms in Novotel have a view to the pool.

5.4.2 Inspections Performed Within the Premises of the Real Estate

- Novotel and Ibis Hotel is a building block that has been constructed in an attached manner; these two operate as two separate hotels.
- Novotel consists of 2 basement floors + ground floor + 12 regular floors and has a total of 15 floors, while Ibis hotel consists of 2 basement floors + ground floor + 7 regular floors and has a total of 10 floors.

Floor Surface Areas	Novotel	Ibis Hotel
2 nd Basement Floor	1.468	734
1 st Basement Floor	3.474	1.816
Ground Floor	2.197	1.245
1 st Regular Floor	1.018	858
2 nd Regular Floor	772	845
3 rd Regular Floor	772	845
4 th Regular Floor	772	845
5 th Regular Floor	772	845
6 th Regular Floor	772	845
7 th Regular Floor	772	845
8 th Regular Floor	772	
9 th Regular Floor	772	
10 th Regular Floor	772	
11 th Regular Floor	772	
12 th Regular Floor	772	
	16.649	9.723

- The entrance to the Hotel is made from the coastal road.
- The Hotels are closely situated to major arterial roads and easily accessed.
- There are customer and service elevators, fire alarm and extinguisher systems, ventilation, air conditioning and heating systems available in the hotels.
- The hotel has a closed car park.
- The empty areas of the plot that are not within the building are covered in asphalt; there are partially green spaces. There is a pool in front of the Hotel.
- Other items of note, which have been included in the appraisal report, that have been detected in the area, are the substation building, concrete spaces, landscape works, concrete wall encompassing the plot, sentry box and ornamental pool. The cost of external and miscellaneous works has been included as additional cost to the calculations made according to the cost approach.
- The visitor entries to the facilities are made on the ground floor from different entrances.

6 FACTORS AFFECTING AND DETERMINING THE VALUE OF THE REAL ESTATE

6.1 Factors that Limit or Negatively Affect the Appraisal Process

There are no limiting or negatively affecting factors hindering the appraisal studies in question.

6.2 Swot Analysis

Strengths

- The Hotels have high visibility and marketing capabilities due to their location.
- Opportunities are ample in terms of accessibility of the hotels.
- The hotels have a car park with sufficient capacity.
- The hotels are close to the E-5 Land Road and the Tem Highway, as well as to the coastal road.
- Significant tourism investments in the area are of notice.
- The hotels are located in considerable closed proximity to the Atatürk Airport.
- The real estate have a panoramic view to the sea.

Weaknesses

- The roads towards the front and back façades of the hotels cannot support the increasing transit in the area; therefore, traffic jams are becoming frequent.

Opportunities

- The tourism industry is a prominent industry in the area.
- Tourism investments in the area further reinforce the fact that this functionality of the region will continue to increase.

Threats

- Domestic and international economical fluctuations are directly affecting the real estate industry. This constitutes a probability of delaying the planned investments in the area.

6.3 Exemplary Share Rate in the Projects that Will Be Performed According to the Revenue Sharing and Flat for Land Methods

Revenue Sharing and Flat for Land Methods have not been employed throughout this appraisal study.

6.4 Methods and Eligibility Motives Employed in the Appraisal of the Real Estate

Since the real estate subject to this appraisal study is a revenue generating Hotel, the Revenue Approach and Cost Approach Methods have been employed. In the Cost Approach Method, the “Land value” has been determined according to the Exemplary Approach.

6.4.1 Exemplary Approach

6.4.1.1 Definitions and Sale Value of the Similar Sales Examples that Has Been Based Upon During the Appraisal and the Reasons Why They Have Been Employed

The exemplary lands with similar characteristics in the area that have been sold and are still for sale have been provided in the chart below:

LAND EXAMPLES

EXAMPLE	Location	Characteristic	Area (m ²)	Price	Unit Price per m ²	source
Example 1	Zeytinburnu, Kazlıçeşme Neighborhood, Land belonging to ÖZAK GYO	Partially Tourism + Commercial (E=2,50) partially Commercial + Residential (E=2,00) Zoning Land	111.262,55 m ²	745.460.000 TL (250.00.000) € (Expert Report Value February 2014)	2.246 €	www.ozakgyo.com
Example 2	On the Zeytinburnu Coastal Road, old TOBB land	Tourism Area E=2,5	73.000 m ²	1.140.000.000 TL (386.441.000 €)	15.616 TL (5.293 €)	The tender has been concluded in the beginning of the year of 2013
Example 3	Zeytinburu Telsiz Neighborhood	Tourism Zoning, KAKS 1.50, H=15.50	863 m ²	5.524.194 €	6.401 €	Yunus Emre Emlak 05372207762
Example 4	Zeytinburnu Kazlıçeşme Neighborhood	Tourism Zoning , H=15.50	450 m ²	3.629.032 €	8.064 €	İstanbul Emlak Borsası 0532 3225636
Example 5	Zeytinburnu Kazlıçeşme Neighborhood, behind Derimod	Tourism Zoning E=2.5	540 m ²	2.016.129 €	3.734 €	Bodurlar İnşaat 0532 235 51 50

- Central Bank of Turkey's Foreign Currency Sale Rates on the date of 30.12.2014 EURO: 2,8207 TL

-Possible bargain rates, purchase sale expenses and real estate agent commissions on the sale prices of the properties that are for sale have been taken into consideration.

	Example 3		Example 4		Example 5	
Area (m ²)	863	m ²	450	m ²	540	m ²
Demanded Price (Euro)	5.524.194		3.629.032		2.016.000	
Bargain Price (Euro)	4.419.355		2.903.226		1.814.400	
Location Correction (+-%)	10%		0%		-30%	
Surface Area Correction (+-%)	65%		75%		70%	
Zoning Status Correction (+-%)	-30%		-30%		0%	
Corrected Price per Unit	2.817	€/m ²	3.548	€/m ²	2.016	€/m ²
Example Average	2.794					€/m ²

- No examples with similar characteristics and size compared to the real estate have been found; an estimate has been made for unit price per m² of the properties that are for sale from owners. However, the investments (Zeyport Project, Marmaray, etc.) made in recent times in the area caused the lands even with lower unit price per m² to rise to astronomical amounts.
- The price of the land, which has been determined in the Appraisal Report for February 2014, belonging to ÖZAK GYO in the vicinity of the real estate subject to the appraisal, has been obtained. The land in question has a net surface area of 111.262,55 m², 2,50 of the land with a surface area of 33.602,66 m² has Tourism + Commercial zoning, while the other 2,50 of the land with a surface area of 70.950,13 m² has Commercial + Residential Zoning. The land in question is situated considerably close to the property (approximately 250m to the northeast) and is in the same position.
- The TOBB land situated right behind the real estate subject to the appraisal report has been sold through a tender and its payment will be made within a period of 48 months after the beginning of the project.
- There are lands that are for sale with Tourism Facility Area zoning. However, the surface areas of these lands are relatively small, when compared to the real estate subject to the appraisal. As a result of the location and surface areas corrections applied, the average m² price of these lands has been calculated to be 2.794€ (8.242 TL).

- As a result of the onsite surveys and interviews conducted, when the above provided examples are taken into consideration, the lands that exhibit similar zoning characteristic to those of the real estate subject to the appraisal have been estimated to be sold for approximately 7.500 – 8.000 TL per m2.
- It has been calculated that the full ownership price of the land value of the plot subject to the appraisal can be of 7.700 TL / m2 (2.610 € / m2).
- 1/3 of the unit price per m2 of the land value has been determined as bare ownership and 2/3 as the lease right value for the duration of 49 years of the lease.
- The total lease right for the duration of 49 years has been calculated by comparing the remaining lease duration, on the date that this report has been prepared, to the total duration time and determining the price per m2 of the right of construction.

Price per Unit Land Value of the Remaining Time for the Right of Construction*	3.761 TL
Size of the Land	11.720,0 m ²
Total Land Value (TL)	44.078.362 TL
Total Land Value (Euro)	15.626.746 €
Unit Land Value	7.700 TL
Right of Construction Value Rate	2/3
Remaining Time for Right of Construction (YEARS)	35,9
Price per Unit Land Value of the Remaining Time for the Right of Construction *	3.761 TL
<p>* When the remaining time value resulting from the right of construction of the land is calculated, for the right of construction value of the land, it has been employed as 2/3 at the first step. Afterwards, the remaining time from the right of construction is calculated in order to determine the current unit value of the land for the right of construction.</p>	
Unit Land Value of the Remaining Time for the Right of Construction	=(Unit Land Value x The coefficient of the right of construction for 49 years x The remaining time from the right of construction)
Unit Land Value of the Remaining Time for the Right of Construction	=(7.700 TL x 2/3 x 35,6 /49)



Professional Opinion of the Appraiser:

Taking into account the factors relative to the real estate subject to the appraisal, such as its location, the area of the plot, zoning status with tourism facility, formation of its vicinity, existence of two hotel buildings on the plot that are operational and bring in revenue, possessing all the required legal permits and classifications, legal status and the prices of the surrounding real estate examples, the land unit sale value has been estimated to be **7.700 TL/m²**.

6.4.2 Cost Approach

The building cost values in this analysis, with the cost generation approach, the technical specifications of the buildings, the material and labor quality that has been employed during the construction of the buildings, the construction values of the buildings that have similar characteristics in the market, the industry experience relative to similar hotel costs and the construction costs in relation to the real estate subject to the appraisal submitted by Akfen Real Estate Investment Trust Inc. have been taken into consideration.

COST TABLE (LAND + BUILDING)

ENCLOSED AREAS				UNIT COSTS (EURO)(*)			AMORTIZED COST (€) (**)
	NOVOTEL	IBIS HOTEL	TOTAL CONSTRUCTION AREA (m ²)	NOVOTEL	IBIS HOTEL	TOTAL COST	Amortization Ratio (10%)
2 ND Basement Floor	1.468	734	2.202	500	500	1.101.000	990.900
1 ST Basement Floor	3.474	1.861	5.335	500	500	2.667.500	2.400.750
Ground Floor	2.197	1.245	3.442	1.200	1.100	4.005.900	3.605.310
1 ST Regular Floor	1.018	858	1.876	1.200	1.100	2.165.400	1.948.860
2 ND Regular Floor	772	845	1.617	1.200	1.100	1.855.900	1.670.310
3 RD Regular Floor	772	845	1.617	1.200	1.100	1.855.900	1.670.310
4 TH Regular Floor	772	845	1.617	1.200	1.100	1.855.900	1.670.310
5 TH Regular Floor	772	845	1.617	1.200	1.100	1.855.900	1.670.310
6 TH Regular Floor	772	845	1.617	1.200	1.100	1.855.900	1.670.310
7 TH Regular Floor	772	845	1.617	1.200	1.100	1.855.900	1.670.310
8 TH Regular Floor	772		772	1.200		926.400	833.760
9 TH Regular Floor	772		772	1.200		926.400	833.760
10 TH Regular Floor	772		772	1.200		926.400	833.760
11 TH Regular Floor	772		772	1.200		926.400	833.760
12 TH Regular Floor	772		772	1.200		926.400	833.760
TOTAL CONSTRUCTION COST							23.136.480
External Miscellaneous Works (***) (€)							650.000
TOTAL STRUCTURE VALUE (€)							23.786.480
LAND VALUE (€)							15.626.746
TOTAL VALUE (€)							39.413.000



() The total construction cost value has been calculated by scrutinizing the verified construction cost information taken from Akfen Real Estate Investment Trust Inc. together with our industry experience in relation to the similar hotel costs.*

*(**) The date of completion of the construction of the real estate subject to the appraisal is 02.05.2013. The appraisal has been conducted by taking into consideration the age and physical status of the real estate.*

*(***) An approximate cost has been established for costs such as field concrete, barbed wire encompassing the plot, arrangement of the open car park, etc.*

6.4.3 Cost Discount / Development Approach

Considering that the real estate subject to this appraisal study is a property that brings in revenue, the revenue approach method has not been employed. The revenue projections of the NOVOTEL have been provided below:

NOVOTEL PROJECTION:

- The NOVOTEL consists of 208 rooms.
- It has been estimated that the occupancy rate of the hotel in the year of 2015 will be of 80% and that this rate will increase until the year of 2018, which will then reach 85%, thus continuing in this manner, in the following years.
- It has been assumed that the hotel will be operating for 365 days a year.
- The hotel prices have been calculated based on the room-breakfast system. Taking into account the performance of the hotel in the previous year, along with the surveys performed in regards to the tourism industry in the area, it has been estimated that the average price for a room will be 85 EUR, in the year of 2015. Moreover, it has been anticipated that this price will increase annually based on the inflation rate in the Euro Zone (2,5%).
- Considering the performance of the facility, it has been assumed that the room revenues will constitute 74% of the total revenue, whereas the total department revenues will be around 26%.
- The gross operating profit has been calculated by subtracting the department and operating expenses from the total revenues. It has been determined that the Gross Operating Profit (GOP) in the hotel will be of 49% in the year of 2015.
- It has been acknowledged that the office Tamaris Turizm A.Ş. has been leased inside of the NOVOTEL, thus generating a lease revenue of 8.400 Euro for the year of 2015; furthermore, this amount will be directly transferred to Akfen Real Estate Investment Trust Inc.



- It has been acknowledged that the lease value of the office leased by Tamaris Turizm will increase at a rate of 2,5% annually.

IBIS HOTEL PROJECTION:

- The hotel subject to the appraisal consists of 228 rooms.
- It has been estimated that the occupancy rate of the hotel will be of 83% in the year of 2015 and of 85% in the year of 2016, thus continuing in this manner, in the following years.
- It has been assumed that the hotel will be operating for 365 days a year.
- The hotel prices have been calculated based on the room-breakfast system. Taking into account the performance of the hotel in the previous year, along with the surveys performed in regards to the tourism industry in the area, it has been estimated that the average price for a room will be 82 EUR, in the year of 2015. Moreover, it has been anticipated that this price will increase annually based on the inflation rate in the Euro Zone (2,5%).
- Considering the performance of the facility, it has been assumed that the room revenues will constitute 86,5% of the total revenue, whereas the total department revenues will be around 13,5%.
- The gross operating profit has been calculated by subtracting the department and operating expenses from the total revenues. It has been determined that the Gross Operating Profit (GOP) in the hotel will be of 58% in the year of 2015 and that it will remain stable in the following years.

General Assumptions (For NOVOTEL and IBIS HOTEL both):

- Both of the hotels are exempt from real estate taxes.
- According to the information obtained from Akfen Real Estate Investment Trust Inc., it has been acknowledged that the insurance value for the year of 2015 will be of 68.753 Euro and that it will remain so, on account of the estimation made that there will not be any increases in the insurance premium by Akfen Real Estate Investment Trust Inc. in the following years.
- Furniture Fixture Renovation Reserve has been acknowledged to be 1,5% of the annual gross revenue.
- The annually paid "Right of Construction" value has been accepted in accordance with the lease agreement signed between Akfen Real Estate Investment Trust Inc. and the Treasury.
- It has been agreed upon in accordance with the lease agreement between Akfen Real Estate Investment Trust Inc. and the Treasury that the annual "Right of Construction" value to be paid for the year of 2015 is 128.773 and that it will increase 3% annually.

- With the completion of the 49 years' time period, the construction right will terminate and the land together with the facilities found within will be transferred to the Treasury in operable condition.
- In the appraisal study, the 10 year Eurobond interest rate of 3,10% has been employed as the "Risk Free Revenue Rate". (In this appraisal study, the most ready 10 year EURO base Eurobond revenue rate has been employed as the risk free revenue rate.)
- The discount rate has been determined as 9% in the Projection.
- In the course of the studies, the exchange rate for 1 EUR has been acknowledged at 2,8207 TL, in accordance with the 30.12.2014 dated buying rate exchange of the Central Bank of Turkey.
- It has been assumed that all payments are made in cash.
- Throughout the course of the studies, the Euro Zone inflation rate of 2,5% has been employed as the inflation rate.
- Within the scope of the International Valuation Standards (IVSC), taxes and VAT have not been included in the studies.



Novotel Cash Flow

Total Construction Area (m2)	16.649,00	Long Term (2,5%)																
Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Date	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	31-12-2023	31-12-2024	31-12-2025	31-12-2026	31-12-2027	31-12-2028	31-12-2029	31-12-2030	31-12-2031
Agreement Duration																		
REVENUES																		
ROOM REVENUES																		
Annual Average Occupancy , %	80%	82%	83%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
Average Room Price, EUR	85	87	89	92	94	96	99	101	104	106	109	112	114	117	120	123	126	
Total Room Revenues	5.162.560	5.397.456	5.643.041	5.899.799	6.047.294	6.198.476	6.353.438	6.512.274	6.675.081	6.841.958	7.013.007	7.188.332	7.368.041	7.552.242	7.741.048	7.934.574	8.132.938	
DEPARTMENT REVENUES																		
Total Department Revenues	1.813.872	1.896.404	1.996.178	2.072.902	2.124.725	2.177.843	2.232.289	2.288.096	2.345.299	2.403.931	2.464.030	2.525.630	2.588.771	2.653.490	2.719.828	2.787.823	2.857.519	
TOTAL REVENUES	6.976.432	7.293.860	7.639.218	7.972.701	8.172.019	8.376.320	8.585.727	8.800.371	9.020.380	9.245.889	9.477.037	9.713.963	9.956.812	10.205.732	10.460.875	10.722.397	10.990.457	
EXPENSES																		
DEPARTMENT EXPENSES																		
Total Department Expenses	2.454.832	2.566.527	2.689.657	2.805.394	2.875.529	2.947.417	3.021.103	3.096.630	3.174.046	3.253.397	3.334.732	3.418.101	3.503.553	3.591.142	3.680.920	3.772.943	3.867.267	
Net Department Revenues	4.521.600	4.727.333	4.949.561	5.167.307	5.296.490	5.428.902	5.564.625	5.703.740	5.846.334	5.992.492	6.142.304	6.295.862	6.453.259	6.614.590	6.779.955	6.949.454	7.123.190	

Annual Average Occupancy , %	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
Average Room Price, EUR	133	136	139	143	146	150	154	158	162	166	170	174	178	183	187	192	197	202
Total Room Revenues	8.544.668	8.758.285	8.977.242	9.201.673	9.431.715	9.667.508	9.909.196	10.156.925	10.410.849	10.671.120	10.937.898	11.211.345	11.491.629	11.778.920	12.073.393	12.375.227	12.684.608	13.001.723
DEPARTMENT REVENUES																		
Total Department Revenues	3.002.181	3.077.235	3.154.166	3.233.020	3.313.846	3.396.692	3.481.609	3.568.649	3.657.866	3.749.312	3.843.045	3.939.121	4.037.599	4.138.539	4.242.003	4.348.053	4.456.754	4.568.173
TOTAL REVENUES	11.546.849	11.835.520	12.131.408	12.434.693	12.745.561	13.064.200	13.390.805	13.725.575	14.068.714	14.420.432	14.780.943	15.150.466	15.529.228	15.917.459	16.315.395	16.723.280	17.141.362	17.569.896
EXPENSES																		
DEPARTMENT EXPENSES																		
Total Department Expenses	4.063.047	4.164.624	4.268.739	4.375.458	4.484.844	4.596.965	4.711.889	4.829.687	4.950.429	5.074.190	5.201.044	5.331.070	5.464.347	5.600.956	5.740.980	5.884.504	6.031.617	6.182.407
Net Department Revenues	7.483.801	7.670.897	7.862.669	8.059.236	8.260.717	8.467.234	8.678.915	8.895.888	9.118.285	9.346.243	9.579.899	9.819.396	10.064.881	10.316.503	10.574.416	10.838.776	11.109.745	11.387.489
OPERATING EXPENSES																		
Total Operating Expenses	1.789.762	1.834.506	1.880.368	1.927.377	1.975.562	2.024.951	2.075.575	2.127.464	2.180.651	2.235.167	2.291.046	2.348.322	2.407.030	2.467.206	2.528.886	2.592.108	2.656.911	2.723.334
GROSS OPERATING PROFIT	5.694.040	5.836.391	5.982.301	6.131.858	6.285.155	6.442.283	6.603.341	6.768.424	6.937.635	7.111.076	7.288.852	7.471.074	7.657.851	7.849.297	8.045.529	8.246.668	8.452.834	8.664.155
Akfen 3rd Party Revenue	13.101	13.429	13.764	14.108	14.461	14.823	15.193	15.573	15.962	16.362	16.771	17.190	17.620	18.060	18.512	18.974	19.449	19.935



IBIS Hotel Cash Flow

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Date	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	31-12-2023	31-12-2024	31-12-2025	31-12-2026	31-12-2027	31-12-2028	31-12-2029	31-12-2030	31-12-2031	31-12-2032
Agreement Duration	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
REVENUES																			
ROOM REVENUES																			
Annual Average Occupancy, %	83%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
Average Room Price, EUR	82	84	85	87	89	91	92	94	96	98	100	102	104	106	108	110	113	115	
Total Room Revenues	5.663.953	5.892.777	6.010.632	6.130.845	6.253.462	6.378.531	6.506.102	6.636.224	6.768.948	6.904.327	7.042.414	7.183.262	7.326.927	7.473.466	7.622.935	7.775.394	7.930.902	8.089.520	
DEPARTMENT REVENUES																			
Total Department Revenues	883.970	919.682	938.076	956.837	975.974	995.493	1.015.403	1.035.711	1.056.425	1.077.554	1.099.105	1.121.087	1.143.509	1.166.379	1.189.707	1.213.501	1.237.771	1.262.526	
TOTAL REVENUES	6.547.923	6.812.459	6.948.708	7.087.682	7.229.436	7.374.025	7.521.505	7.671.935	7.825.374	7.981.881	8.141.519	8.304.349	8.470.436	8.639.845	8.812.642	8.988.895	9.168.673	9.352.046	
EXPENSES																			
DEPARTMENT EXPENSES																			
Total Department Expenses	1.857.809	1.932.865	1.971.522	2.010.953	2.051.172	2.092.195	2.134.039	2.176.720	2.220.254	2.264.659	2.309.952	2.356.152	2.403.275	2.451.340	2.500.367	2.550.374	2.601.382	2.653.409	
Net Department Revenues	4.690.113	4.879.594	4.977.186	5.076.730	5.178.264	5.281.829	5.387.466	5.495.215	5.605.120	5.717.222	5.831.566	5.948.198	6.067.162	6.188.505	6.312.275	6.438.521	6.567.291	6.698.637	
OPERATING EXPENSES																			
Total Operating Expenses	883.970	919.682	938.076	956.837	975.974	995.493	1.015.403	1.035.711	1.056.425	1.077.554	1.099.105	1.121.087	1.143.509	1.166.379	1.189.707	1.213.501	1.237.771	1.262.526	
GROSS OPERATING PROFIT	3.806.144	3.959.912	4.039.110	4.119.892	4.202.290	4.286.336	4.372.063	4.459.504	4.548.694	4.639.668	4.732.461	4.827.111	4.923.653	5.022.126	5.122.568	5.225.020	5.329.520	5.436.111	

Year	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37
Date	31-12-2033	31-12-2034	31-12-2035	31-12-2036	31-12-2037	31-12-2038	31-12-2039	31-12-2040	31-12-2041	31-12-2042	31-12-2043	31-12-2044	31-12-2045	31-12-2046	31-12-2047	31-12-2048	31-12-2049	31-12-2050	18-11-2051
Agreement Duration	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43
REVENUES																			
ROOM REVENUES																			
Annual Average Occupancy, %	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
Average Room Price, EUR	117	119	122	124	127	129	132	135	137	140	143	146	149	152	155	158	161	164	167
Total Room Revenues	8.251.310	8.416.337	8.584.663	8.756.357	8.931.484	9.110.113	9.292.316	9.478.162	9.667.725	9.861.080	10.058.301	10.259.467	10.464.657	10.673.950	10.887.429	11.105.177	11.327.281	11.553.826	10.802.828
DEPARTMENT REVENUES																			
Total Department Revenues	1.287.777	1.313.532	1.339.803	1.366.599	1.393.931	1.421.810	1.450.246	1.479.251	1.508.836	1.539.012	1.569.793	1.601.189	1.633.212	1.665.877	1.699.194	1.733.178	1.767.842	1.803.198	1.685.990
TOTAL REVENUES	9.539.087	9.729.869	9.924.466	10.122.955	10.325.415	10.531.923	10.742.561	10.957.413	11.176.561	11.400.092	11.628.094	11.860.656	12.097.869	12.339.826	12.586.623	12.838.355	13.095.122	13.357.025	12.488.818
EXPENSES																			
DEPARTMENT EXPENSES																			
Total Department Expenses	2.706.477	2.760.607	2.815.819	2.872.136	2.929.578	2.988.170	3.047.933	3.108.892	3.171.070	3.234.491	3.299.181	3.365.165	3.432.468	3.501.117	3.571.140	3.642.562	3.715.414	3.789.722	3.543.390
Net Department Revenues	6.832.610	6.969.262	7.108.647	7.250.820	7.395.836	7.543.753	7.694.628	7.848.521	8.005.491	8.165.601	8.328.913	8.495.491	8.665.401	8.838.709	9.015.483	9.195.793	9.379.709	9.567.303	8.945.428
OPERATING EXPENSES																			
Total Operating Expenses	1.287.777	1.313.532	1.339.803	1.366.599	1.393.931	1.421.810	1.450.246	1.479.251	1.508.836	1.539.012	1.569.793	1.601.189	1.633.212	1.665.877	1.699.194	1.733.178	1.767.842	1.803.198	1.685.990
GROSS OPERATING PROFIT	5.544.833	5.655.729	5.768.844	5.884.221	6.001.905	6.121.943	6.244.382	6.369.270	6.496.655	6.626.589	6.759.120	6.894.303	7.032.189	7.172.833	7.316.289	7.462.615	7.611.867	7.764.105	7.259.438



NOVOTEL and IBIS Hotel Cash Flow

	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Years	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Dates	31-12-14	31-12-2015	31-12-2016	31-12-2017	31-12-2018	31-12-2019	31-12-2020	31-12-2021	31-12-2022	31-12-2023	31-12-2024	31-12-2025	31-12-2026	31-12-2027	31-12-2028	31-12-2029	31-12-2030	31-12-2031	31-12-2032
NOVOTEL TOTAL REVENUE		6.976.432	7.293.860	7.639.218	7.972.701	8.172.019	8.376.320	8.585.727	8.800.371	9.020.380	9.245.889	9.477.037	9.713.963	9.956.812	10.205.732	10.460.875	10.722.397	10.990.457	11.265.218
IBIS HOTEL TOTAL REVENUE	0	6.547.923	6.812.459	6.948.708	7.087.682	7.229.436	7.374.025	7.521.505	7.671.935	7.825.374	7.981.881	8.141.519	8.304.349	8.470.436	8.639.845	8.812.642	8.988.895	9.168.673	9.352.046
NOVOTEL GROSS OPERATING PROFIT (Euro)	0	3.440.253	3.596.785	3.765.482	3.931.538	4.029.827	4.130.573	4.233.837	4.339.683	4.448.175	4.559.379	4.673.364	4.790.198	4.909.953	5.032.702	5.158.519	5.287.482	5.419.669	5.555.161
IBIS HOTEL GROSS OPERATING PROFIT (Euro)	0	3.806.144	3.959.912	4.039.110	4.119.892	4.202.290	4.286.336	4.372.063	4.459.504	4.548.694	4.639.668	4.732.461	4.827.111	4.923.653	5.022.126	5.122.568	5.225.020	5.329.520	5.436.111
Akfen 3rd Party Lease Revenue		8.400	8.610	8.825	9.046	9.272	9.504	9.741	9.985	10.235	10.490	10.753	11.022	11.297	11.579	11.869	12.166	12.470	12.782
FIXED EXPENSES		535.634	554.047	570.066	585.976	598.724	611.794	625.195	638.935	653.022	667.466	682.277	697.462	713.033	728.999	745.371	762.159	779.373	797.026
Real Estate Tax																			
Insurance		68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753
Furniture Fixture Renovation Reserve		202.865	211.595	218.819	225.906	231.022	236.255	241.608	247.085	252.686	258.417	264.278	270.275	276.409	282.684	289.103	295.669	302.387	309.259
Annual Construction Right Value (Euro)		128.773	132.636	136.615	140.713	144.935	149.283	153.761	158.374	163.125	168.019	173.060	178.251	183.599	189.107	194.780	200.623	206.642	212.841
Seperate Share for the Construction Right From the I		135.244	141.063	145.879	150.604	154.015	157.503	161.072	164.723	168.458	172.278	176.186	180.183	184.272	188.456	192.735	197.113	201.591	206.173
HOTELS TOTAL NET OPERATING REVENUE		6.719.163	7.011.260	7.243.352	7.474.501	7.642.665	7.814.618	7.990.446	8.170.237	8.354.082	8.542.071	8.734.301	8.930.868	9.131.870	9.337.408	9.547.585	9.762.509	9.982.286	10.207.027

	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42
Years	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
Dates	31-12-2033	31-12-2034	31-12-2035	31-12-2036	31-12-2037	31-12-2038	31-12-2039	31-12-2040	31-12-2041	31-12-2042	31-12-2043	31-12-2044	31-12-2045	31-12-2046	31-12-2047	31-12-2048	31-12-2049	31-12-2050	18-11-2051
NOVOTEL TOTAL REVENUE	11.546.849	11.835.520	12.131.408	12.434.693	12.745.561	13.064.200	13.390.805	13.725.575	14.068.714	14.420.432	14.780.943	15.150.466	15.529.228	15.917.459	16.315.395	16.723.280	17.141.362	17.569.896	16.508.382
IBIS HOTEL TOTAL REVENUE	9.539.087	9.729.869	9.924.466	10.122.955	10.325.415	10.531.923	10.742.561	10.957.413	11.176.561	11.400.092	11.628.094	11.860.656	12.097.869	12.339.826	12.586.623	12.838.355	13.095.122	13.357.025	12.488.818
NOVOTEL GROSS OPERATING PROFIT (Euro)	5.694.040	5.836.391	5.982.301	6.131.858	6.285.155	6.442.283	6.603.341	6.768.424	6.937.635	7.111.076	7.288.852	7.471.074	7.657.851	7.849.297	8.045.529	8.246.668	8.452.834	8.664.155	8.140.696
IBIS HOTEL GROSS OPERATING PROFIT (Euro)	5.544.833	5.655.729	5.768.844	5.884.221	6.001.905	6.121.943	6.244.382	6.369.270	6.496.655	6.626.589	6.759.120	6.894.303	7.032.189	7.172.833	7.316.289	7.462.615	7.611.867	7.764.105	7.259.438
Akfen 3rd Party Lease Revenue	13.101	13.429	13.764	14.108	14.461	14.823	15.193	15.573	15.962	16.362	16.771	17.190	17.620	18.060	18.512	18.974	19.449	19.935	18.731
FIXED EXPENSES	815.128	833.691	852.727	872.249	892.269	912.800	933.855	955.449	977.595	1.000.307	1.023.601	1.047.492	1.071.995	1.097.127	1.122.904	1.149.342	1.176.460	1.204.274	1.166.902
Real Estate Tax																			
Insurance	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753
Furniture Fixture Renovation Reserve	316.289	323.481	330.838	338.365	346.065	353.942	362.000	370.245	378.679	387.308	396.136	405.167	414.406	423.859	433.530	443.425	453.547	463.904	434.958
Annual Construction Right Value (Euro)	219.227	225.803	232.578	239.555	246.742	254.144	261.768	269.621	277.710	286.041	294.622	303.461	312.565	321.942	331.600	341.548	351.794	362.348	373.219
Seperate Share for the Construction Right I	210.859	215.654	220.559	225.576	230.710	235.961	241.334	246.830	252.453	258.205	264.090	270.111	276.271	282.573	289.020	295.616	302.365	309.269	289.972
HOTELS TOTAL NET OPERATING REVENUE	10.436.846	10.671.858	10.912.182	11.157.938	11.409.252	11.666.250	11.929.061	12.197.818	12.472.658	12.753.718	13.041.142	13.335.074	13.635.664	13.943.063	14.257.427	14.578.915	14.907.691	15.243.920	14.251.962

Risk Free Revenue Rate	3,10%	3,10%	3,10%
Risk Premium	5,40%	5,90%	6,40%
Discount Rate	8,50%	9,00%	9,50%
NET CURRENT VALUE (Euro)	98.870.070	93.324.036	88.274.677
NET APPROXIMATE CURRENT VALUE (Euro)	98.870.000	93.320.000	88.270.000
NET APPROXIMATE CURRENT VALUE (TL)	278.883.000	263.228.000	248.983.000

6.4.4 Value of the Real Estate with Regard to the Lease Revenue According to the Lease conditions documents submitted to our company by Akfen Real Estate Investment Trust Inc.;

- For the hotel subject to this appraisal study, for which Akfen Real Estate Investment Trust Inc. has a “Construction Right”, it has been established that, for the annual lease amount, the international hotel operating company Accor Group will pay 22% (twenty two) of its gross profit for Novotel Hotel, 25% (twenty five) of its gross profit for the Ibis Hotel or the amount higher than 70% of its adjusted gross profit (AGOP) for the year of 2015. Pursuant to the agreement terms, from the year of 2016 onwards, the share ratio of the adjusted gross profit (AGOP) has been established at 72,5%.
- The Adjusted Gross Operating Profit (AGOP) has been calculated by subtracting a ratio of 4% operator share, which will be paid to ACCOR, from the gross operating profit (GOP) and a ratio of 4% Furniture Fixture and Renovation Reserve from the gross revenue.

Adjusted Gross Operating Profit = Gross Operating Profit – Accor Fee + Furniture and Fixture Renovation Reserve.

- The “Construction Right” of the hotel subject to this appraisal study belongs to Akfen Real Estate Investment Trust Inc. and the hotel is being operated by the international hotel operating company Accor Group. It has been assumed that the hotel will be operated according to the current concept, throughout the duration of the “Construction Right”.
- It has been assumed that the facility will be operating for 365 days a year.
- It has been agreed upon in accordance with the lease agreement between Akfen Real Estate Investment Trust Inc. and the Treasury that the annual “Right of Construction” value to be paid for the year of 2015 is 128.773 and that it will increase 3% annually.
- The renovation expenses, which will be met by the investor for the lease of the hotel, have been based on the ratio of 5% of the renovation expenses calculated in the lease alternative.
- Both of the hotels are exempt from real estate taxes.
- According to the information obtained from Akfen Real Estate Investment Trust Inc., it has been acknowledged that the insurance value for the year of 2015 will be of 68.753 Euro and that it will remain so, on account of the estimation made that there will not be any increases in the insurance premium by Akfen Real Estate Investment Trust Inc. in the following years.
- It has been acknowledged that office Tamaris Turizm A.Ş. has leased inside NOVOTEL will generate lease revenue of 8.400 Euro for the year of 2015 and that this amount will be directly transferred to Akfen Real Estate Investment Trust Inc.

- It has been acknowledged that the lease value of the office leased by Tamaris Turizm will increase 2,5% annually.
- The lease revenue generated in relation to the hotel leased out to the Accor Group has been guaranteed with a lease agreement for the duration of 25 years. It has been assumed that the risk premiums in obtaining the lease revenue will be low for Akfen Real Estate Investment Trust Inc. and, therefore, it has been calculated accordingly. The discount rate has been estimated at 7% by adding a 3,90% “Risk Premium” to the 3,10% to the Risk Free Revenue.
- In the course of the studies, the exchange rate for 1 EUR has been acknowledged at 2,8207 TL, in accordance with the 30.12.2014 dated buying rate exchange of the Central Bank of Turkey.
- Throughout the course of the studies, the Euro Zone inflation rate of 2,5% has been employed as the inflation rate.
- Within the scope of the International Valuation Standards (IVSC), taxes and VAT have not been included in the studies.



Novotel and Ibis Hotel Lease Revenues

	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Years	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Tarihler	31-12-14	31-12-2015	31-12-2016	31-12-2017	31-12-2018	31-12-2019	31-12-2020	31-12-2021	31-12-2022	31-12-2023	31-12-2024	31-12-2025	31-12-2026	31-12-2027	31-12-2028	31-12-2029	31-12-2030	31-12-2031	31-12-2032
AKFEN OBTAINED LEASE																			
LEASE REVENUE OBTAINED FROM NOVOTEL TOTAL RE	1.534.815	1.604.649	1.680.628	1.753.994	1.797.844	1.842.790	1.888.860	1.936.082	1.984.484	2.034.096	2.084.948	2.137.072	2.190.499	2.245.261	2.301.393	2.358.927	2.417.901	2.478.348	
Operator Share	279.057	291.754	305.569	318.908	326.881	335.053	343.429	352.015	360.815	369.836	379.081	388.559	398.272	408.229	418.435	428.896	439.618	450.609	4%
Furniture Fixture Renovation Reserve	279.057	291.754	305.569	318.908	326.881	335.053	343.429	352.015	360.815	369.836	379.081	388.559	398.272	408.229	418.435	428.896	439.618	450.609	4%
Total Novotel AGOP	2.017.497	2.184.625	2.286.900	2.387.949	2.447.647	2.508.839	2.571.560	2.635.849	2.701.745	2.769.288	2.838.521	2.909.484	2.982.221	3.056.776	3.133.196	3.211.525	3.291.814	3.374.109	
USED NOVOTEL HOTEL LEASE REVENUE	2.017.497	2.184.625	2.286.900	2.387.949	2.447.647	2.508.839	2.571.560	2.635.849	2.701.745	2.769.288	2.838.521	2.909.484	2.982.221	3.056.776	3.133.196	3.211.525	3.291.814	3.374.109	
LEASE REVENUE OBTAINED FROM IBIS HOTEL TOTAL R																			
Operator Share	261.917	272.498	277.948	283.507	289.177	294.961	300.860	306.877	313.015	319.275	325.661	332.174	338.817	345.594	352.506	359.556	366.747	374.082	4%
Furniture Fixture Renovation Reserve	261.917	272.498	277.948	283.507	289.177	294.961	300.860	306.877	313.015	319.275	325.661	332.174	338.817	345.594	352.506	359.556	366.747	374.082	4%
Total Novotel AGOP	2.297.617	2.475.814	2.525.330	2.575.836	2.627.353	2.679.900	2.733.498	2.788.168	2.843.932	2.900.810	2.958.826	3.018.003	3.078.363	3.139.930	3.202.729	3.266.783	3.332.119	3.398.762	
USED IBIS HOTEL LEASE REVENUE	2.297.617	2.475.814	2.525.330	2.575.836	2.627.353	2.679.900	2.733.498	2.788.168	2.843.932	2.900.810	2.958.826	3.018.003	3.078.363	3.139.930	3.202.729	3.266.783	3.332.119	3.398.762	
USED TOTAL HOTEL LEASE REVENUE	4.315.114	4.660.439	4.812.230	4.963.785	5.075.001	5.188.739	5.305.058	5.424.017	5.545.676	5.670.099	5.797.347	5.927.487	6.060.584	6.196.706	6.335.924	6.478.309	6.623.933	6.772.870	
Real Estate Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	
Furniture Fixture Renovation Reserve (%)	27.049	28.213	29.176	30.121	30.803	31.501	32.214	32.945	33.692	34.456	35.237	36.037	36.854	37.691	38.547	39.423	40.318	41.235	
Annual Construction Right Value	128.773	132.636	136.615	140.713	144.935	149.283	153.761	158.374	163.125	168.019	173.060	178.251	183.599	189.107	194.780	200.623	206.642	212.841	
Share Separated for the Construction Right From Hot	135.244	141.063	145.879	150.604	154.015	157.503	161.072	164.723	168.458	172.278	176.186	180.183	184.272	188.456	192.735	197.113	201.591	206.173	0
Share Separated for the Construction Right From Hot	43.151	46.604	48.122	49.638	50.750	51.887	53.051	54.240	55.457	56.701	57.973	59.275	60.606	61.967	63.359	64.783	66.239	67.729	0
AKFEN LEASE REVENUE	3.912.145	4.243.170	4.383.684	4.523.956	4.625.745	4.729.812	4.836.206	4.944.982	5.056.192	5.169.892	5.286.138	5.404.988	5.526.499	5.650.733	5.777.750	5.907.614	6.040.389	6.176.140	
Akfen 3rd Party Lease Revenue	8.400	8.610	8.825	9.046	9.272	9.504	9.741	9.985	10.235	10.490	10.753	11.022	11.297	11.579	11.869	12.166	12.470	12.782	
	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42
Years	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
Tarihler	31-12-2033	31-12-2034	31-12-2035	31-12-2036	31-12-2037	31-12-2038	31-12-2039	31-12-2040	31-12-2041	31-12-2042	31-12-2043	31-12-2044	31-12-2045	31-12-2046	31-12-2047	31-12-2048	31-12-2049	31-12-2050	18-11-2051
AKFEN OBTAINED LEASE																			
LEASE REVENUE OBTAINED FROM NOVOTEL	2.540.307	2.603.814	2.668.910	2.735.633	2.804.023	2.874.124	2.945.977	3.019.626	3.095.117	3.172.495	3.251.807	3.333.103	3.416.430	3.501.841	3.589.387	3.679.122	3.771.100	3.865.377	3.631.844
Operator Share	461.874	473.421	485.256	497.388	509.822	522.568	535.632	549.023	562.749	576.817	591.238	606.019	621.169	636.698	652.616	668.931	685.654	702.796	660.335
Furniture Fixture Renovation Reserve	461.874	473.421	485.256	497.388	509.822	522.568	535.632	549.023	562.749	576.817	591.238	606.019	621.169	636.698	652.616	668.931	685.654	702.796	660.335
Total Novotel AGOP	3.458.462	3.544.923	3.633.546	3.724.385	3.817.495	3.912.932	4.010.755	4.111.024	4.213.800	4.319.145	4.427.123	4.537.801	4.651.246	4.767.528	4.886.716	5.008.884	5.134.106	5.262.458	4.944.518
USED NOVOTEL HOTEL LEASE REVENUE	3.458.462	3.544.923	3.633.546	3.724.385	3.817.495	3.912.932	4.010.755	4.111.024	4.213.800	4.319.145	4.427.123	4.537.801	4.651.246	4.767.528	4.886.716	5.008.884	5.134.106	5.262.458	4.944.518
LEASE REVENUE OBTAINED FROM IBIS HOTEL																			
Operator Share	381.563	389.195	396.979	404.918	413.017	421.277	429.702	438.297	447.062	456.004	465.124	474.426	483.915	493.593	503.465	513.534	523.805	534.281	499.553
Furniture Fixture Renovation Reserve	381.563	389.195	396.979	404.918	413.017	421.277	429.702	438.297	447.062	456.004	465.124	474.426	483.915	493.593	503.465	513.534	523.805	534.281	499.553
Total Novotel AGOP	3.466.737	3.536.071	3.606.793	3.678.929	3.752.507	3.827.557	3.904.109	3.982.191	4.061.835	4.143.071	4.225.933	4.310.451	4.396.660	4.484.594	4.574.286	4.665.771	4.759.087	4.854.268	4.538.741
USED IBIS HOTEL LEASE REVENUE	3.466.737	3.536.071	3.606.793	3.678.929	3.752.507	3.827.557	3.904.109	3.982.191	4.061.835	4.143.071	4.225.933	4.310.451	4.396.660	4.484.594	4.574.286	4.665.771	4.759.087	4.854.268	4.538.741
USED TOTAL HOTEL LEASE REVENUE	6.925.198	7.080.995	7.240.339	7.403.314	7.570.002	7.740.489	7.914.864	8.093.215	8.275.634	8.462.216	8.653.056	8.848.253	9.047.907	9.252.121	9.461.001	9.674.655	9.893.192	10.116.727	9.483.259
Real Estate Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	68.753	
Furniture Fixture Renovation Reserve (%)	42.172	43.131	44.112	45.115	46.142	47.192	48.267	49.366	50.491	51.641	52.818	54.022	55.254	56.515	57.804	59.123	60.473	61.854	57.994
Annual Construction Right Value	219.227	225.803	232.578	239.555	246.742	254.144	261.768	269.621	277.710	286.041	294.622	303.461	312.565	321.942	331.600	341.548	351.794	362.348	373.219
Share Separated for the Construction Right	210.859	215.654	220.559	225.576	230.710	235.961	241.334	246.830	252.453	258.205	264.090	270.111	276.271	282.573	289.020	295.616	302.365	309.269	289.972
Share Separated for the Construction Right	69.252	70.810	72.403	74.033	75.700	77.405	79.149	80.932	82.756	84.622	86.531	88.483	90.479	92.521	94.610	96.747	98.932	101.167	94.833
AKFEN LEASE REVENUE	6.314.935	6.456.844	6.601.935	6.750.281	6.901.956	7.057.034	7.215.594	7.377.713	7.543.472	7.712.953	7.886.242	8.063.423	8.244.585	8.429.818	8.619.214	8.812.868	9.010.875	9.213.335	8.598.488
Akfen 3rd Party Lease Revenue	13.101	13.429	13.764	14.108	14.461	14.823	15.193	15.573	15.962	16.362	16.771	17.190	17.620	18.060	18.512	18.974	19.449	19.935	18.731



Risk Free Revenue Rate	3,10%	3,10%	3,10%
Risk Premium	3,40%	3,90%	4,40%
Discount Rate	6,50%	7,00%	7,50%
NET CURRENT VALUE (Euro)	77.118.215	72.108.651	67.591.025
NET APPROXIMATE CURRENT VALUE (Euro)	77.120.000	72.110.000	67.590.000
NET APPROXIMATE CURRENT VALUE (TL)	217.532.000	203.401.000	190.651.000

6.4.5 Lease Value Analysis of the Data Employed

The lease value of the construction right subject to the appraisal has been calculated taking into consideration the revenue discount method and the average cash flow value. The annual lease value of the real estate has been calculated by reducing the 1st year cash flow average to the appraisal day. According to this calculation, the annual lease value of the hotel is **4.881.000.- EUR (13.768.000 - Turkish Liras)**. The discount rate has been determined to be of 9%.

Date	31.12.2014	31.12.2015
Annual Lease Revenue	0	5.319.854

Net Current Value of the Annual Lease Value (EURO)	4.881.000
Net Current Value of the Annual Lease Value (TL)	13.768.000

6.4.6 Empty Land and Project Values of the Terrain Where the Project is Being Developed

The appraisal study in question does not enter the scope of "project evaluation".

6.4.7 Most Effective and Most Productive Use Analysis

It has been appraised that the current use of the real estate in question (as a hotel), in accordance with the zoning status and structuring conditions, consists of the most effectively appropriate and productive use for the property.

6.4.8 Appraisal Analysis of Common or Divided Parts

There are no common spaces on the real estate subject to the appraisal.



7 APPRAISAL OF ANALYSIS RESULTS

7.1 Alignment of Different Appraisal Methods and Analysis Results, together with the Explanation of the Method and the Reasons Used for this Purpose

On the grounds that the real estate subject to this appraisal study consists of a property operating as a revenue bringing hotel, the Revenue Approach and Cost Approach Methods have been employed. In the Cost Approach Method, the “Land Value” has been determined according to the Example Comparison Method.

The total value in the cost method has been calculated at **39.413.000 Euro (111.172.000 TL)**.

As a result of the discount of the potential revenue of the structure on the plot that will be generated during the remainder of the 49 years of the lease agreement, in accordance with the revenue discount approach, the net current value of the HOTEL has been calculated to be **93.320.000 Euro (263.228.000.- TL)**. The amount determined to be paid to the Akfen Real Estate Investment Trust Inc. by the Accor Group, with the use of the lease revenue discount method, is **72.110.000 Euro (203.401.000.- TL)**. The final value of the hotel has been calculated to be **82.716.000 Euro (233.315.000.- TL)**, based on the approximate arithmetic average of the value calculated by both of the methods.

The lease value of the real estate, since the date of 31.12.2014, has been calculated by taking into consideration the average cash flow of the first year, in accordance with the revenue discount approach and the lease revenue. The annual lease value of the real estate has been calculated by reducing the annual average net cash flow to the day when the appraisal study is performed. Pursuant to this calculation, the annual lease value has been determined to be **4.880.000- Euro (13.768.000,- TL)**.

Throughout the course of the appraisal study, the revenue discount approach and the cost approach have both been applied, in terms of revenue capitalization and lease revenues. The real estate subject to the appraisal constitutes a revenue generating property and, therefore, the values calculated with the use of the revenue approach and lease value analysis result in more accurate values, concerning this sort of properties. In addition, the value calculated through the use of the cost method has been ruled out in the final appraisal value.

In the cost discount method, from the total revenue that the real estate will generate, the gross operating revenue and net operating revenues have been calculated, respectively.

In the discount model pursuant to the lease revenue, the lease revenues have been evaluated and the calculations have been made in accordance with the value obtained. Different discount rates have been employed in both models. Since there is a guaranteed lease revenue in the lease revenue analysis, the risk premium is lower.



While the value of the real estate according to the revenue discount approach was being determined, in the 1st model the revenue obtained by operating the real estate without a brand name has been calculated and in the 2nd model the revenue obtained by operating by leasing it out to a brand (Accor) has been calculated. Both models are methods that are exercised in the market and, thusly, the final appraisal has been determined by calculating the average of their outcome.

The insurance policy belonging to the real estate subject to the appraisal study has been supplied by Akfen Real Estate Investment Trust Inc. and has been enclosed herewith. Accordingly, it has been noted that the insurance value of the real estate is 8.443.600 Euro.

7.2 Explanation of the Motives Pursuant to the Minimum Information for Not Including Certain Aspects in the Report

There is no information that has not been included in the minimum information.

7.3 Information Concerning the Last Three Appraisal of the Real Estate Carried Out by the Company

There have not been any other appraisal studies performed by our company, with regard to the real estate subject to this appraisal analysis.

7.4 Opinion Whether There is Any Obstacle in Including the Real Estate, the Real Estate Project and the Rights and Benefits With Regard to the Real Estate in the Real Estate Investment Trusts Portfolio within the Scope of the Capital Market Legislation

Within the scope of the capital market regulations, there is no obstacle that prevents the inclusion of the rights and benefits, in relation with the Block no: 774 and Plot No: 55, in the portfolio as right of construction + hotel (building).



8 OUTCOME

8.1 The Concluding Sentence of the Appraiser

I hereby agree with the effective and productive use analysis of the appraiser, together with all of the aspects mentioned in the report.

8.2 Final Appraisal

The totality of the characteristics that can affect the value of the real estate, such as the location, the style of formation of its surroundings, the infrastructure and means of transportation, façades looking over to the avenue and street, the area and its position, the construction form of the structure, its system, the materials used in its construction and the craftsmanship quality, fixture status, ventilation – illumination – landscape status, have all been carefully taken into account and a detailed market research has been conducted in the area. Correspondingly, the value of the real estate subject to this appraisal report has been presented in the following chart.

As of the date of 31.12.2014

	Market Value of the Remaining Construction of the Real Estate (EURO)	Market Value of the Remaining Construction of the Real Estate (TL)
VAT Excluded	82.716.000	233.315.000
VAT Included	97.605.000	275.311.000

	Annual Lease Value of the Real Estate (EURO)	Annual Lease Value of the Real Estate (TL)
VAT Excluded	4.881.000	13.768.000
VAT Included	5.760.000	16.246.000

- 1-) The appraised value is the current value regarding the cash sale price.
- 2-) The VAT ratio has been established at 18%.
- 3-) The currency rates have been established at 1 EUR = 2,8207 TL; 1 EUR = 1,21 USD
- 4-) This report has been prepared within the scope of the related Capital Market Legislation.

We respectfully submit our expert report representing the situation and our appraisal.

Taner DÜNER

Certified Appraiser

Dilek YILMAZ AYDIN

Certified Appraiser

Neşecan ÇEKİCİ

Responsible Appraiser



9 APPENDIX

1. Title Deed Photocopies
2. Approved Restrictions Document
3. Approved Zoning Status Document
4. Construction Right Agreement
5. Mortgage Letter
6. Construction Permit
7. Occupancy Permit
8. Insurance Policies
9. Lease Agreement Signed with Accor Group
10. Tourism Investment Document
11. Tourism Operating Document
12. Photographs
13. Backgrounds
14. SPK Certificate Samples