

AKFEN REAL ESTATE INVESTMENT TRUST INC.

CITY OF ISTANBUL, DISTRICT OF ESENYURT

BLOCK NO. 404, PLOT NO. 39

ESENYURT IBIS HOTEL

REAL ESTATE APPRAISAL REPORT

Report No: 2014-020-GYO-012

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-012
Date of Appraisal	:	11.11.2014 - 31.12.2014
Information Concerning the Property Subject to the Appraisal	:	"10-Storeyed Concrete Hotel Building and the Land" real estate with an area of 1,755.37m ² , located in the city of Istanbul, district of Esenyurt, Neighborhood of Yakuplu, Londra Asphalt area, Block No: 404, Plot No: 39.
Subject of Study	:	Determining the right of construction, current market value and the annual current lease value of the said real estate (building).
Land Area of the Real Estate Subject to the Appraisal	:	1,755.37m ²
Land Area of Closed Spaces of the Real Estate Subject to the Appraisal	:	7.331,00m ²
Zoning Status of the Real Estate Subject to the Appraisal	:	Tourism Facility Area

As of 31.12.2014

	Annual Market Value of the Real Estate (EURO)	Annual Market Value of the Real Estate (TL)
VAT Excluded	19.680.000	55.511.000
VAT Included	23.222.000	65.502.000

	Annual Lease Value of the Real Estate (EURO)	Annual Lease Value of the Real Estate (TL)
VAT Excluded	834.000	2.352.000
VAT Included	984.000	2.776.000

- 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,-Euro = 2,8207 -TL; 1,-EURO = 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 Appraisal

Certified Appraiser	:	Hamdi ARIKAN
Certified Appraiser	:	Dilek Yılmaz 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-012

Type of Report : Appraisal report relative to the “10-Storeyed Concrete Hotel Building and the Land” real estate with an area of 1,755.37m² , located in the city of Istanbul, district of Esenyurt, Neighborhood of Yakuplu, Londra Asphalt area, Block No: 404, Plot No: 39. for the purpose of determining current market value of its right of construction and the current lease value in Turkish Lira currency.

1.2 Information Regarding the Persons Prepared the Report and the Responsible Appraiser

Report Issued By : Certified Appraiser, Hamdi ARIKAN

Report Controlled By : Certified Appraiser, Dilek YILMAZ AYDIN

Responsible Appraiser : Responsible Appraiser Neşecan ÇEKİCİ

Capital Market Board Coverage : Yes

*** This report has been prepared within the scope of the related Capital Market Legislation.**

1.3 Date of Appraisal

On the date of 01.12.2014, the necessary procedures have been initiated for this appraisal report. Subsequently, this 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

This appraisal report has been prepared within the scope of the related Capital Market Legislation.



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 / İstanbul

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/İstanbul

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

This report relative to the "10-Storeyed Concrete Hotel Building and the Land" real estate with an area of 1,755.37m² , located in the city of İstanbul, district of Esenyurt, Neighborhood of Yakuplu, Londra Asphalt area, Block No: 404, Plot No: 39. for the purpose of determining its sales and rental value within the scope of the Council arrangements.

Referring to the 13.10.2014 dated request by Akfen Real Estate Investment Trust, the potential revenue resulting with regard to the sales and rental value of the Akfen Real Estate Investment Trust Inc. has been evaluated in the report. There are no restrictive constraints in force exercised by the client. During the appraisal studies, the market research, the onsite surveys and the agreements executed between Akfen Real Estate Investment Trust Inc. 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 (Market Value 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.

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.

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.

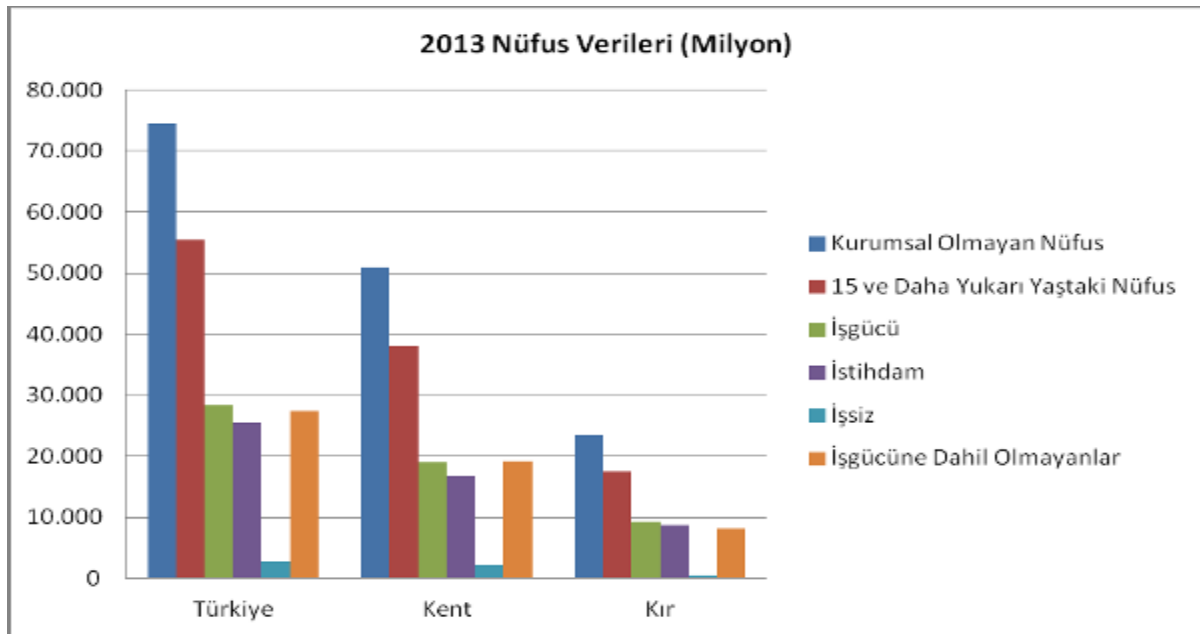
The analysis of the Turkish population information has been provided below in terms of Turkey in general, cities and country. The data with regard to the years 2013 and 2014 has been compared..

	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)

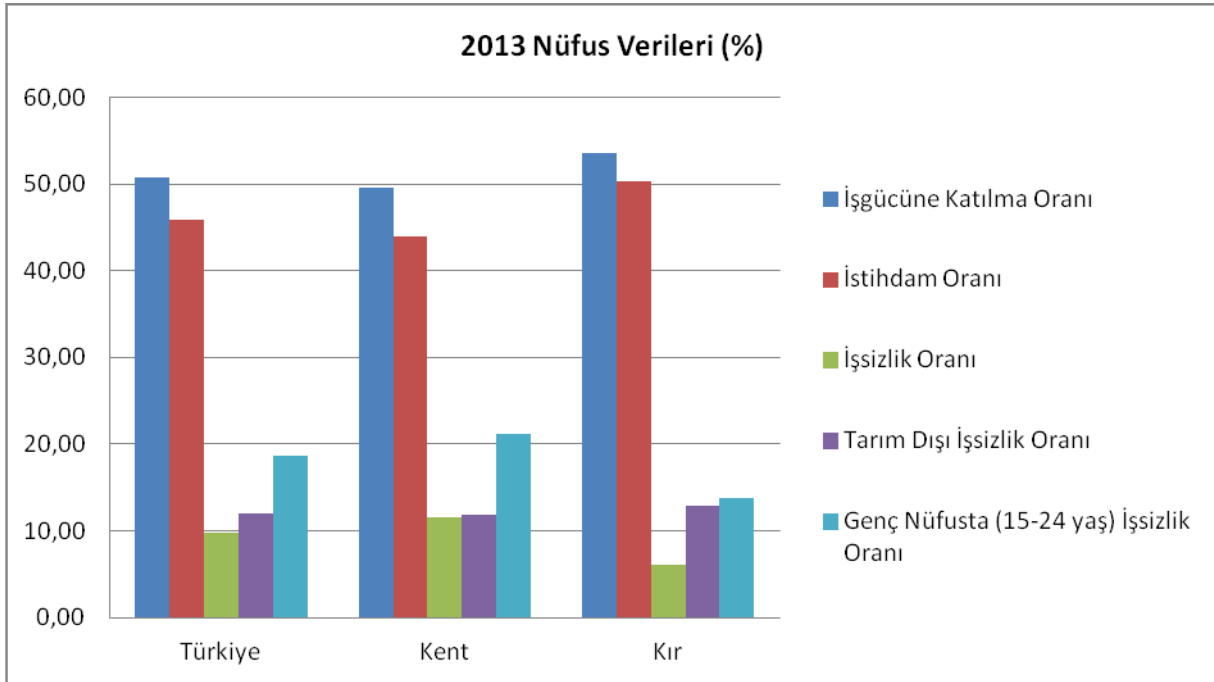
When the data relative to the years of 2012 and 2013 is evaluated, it can be observed that the population, labor force and employment are on the rise for Turkey in general, as well as the cities and the country. Nonetheless, unemployment has also increased. While those that are not included in the labor 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)



Furthermore, a second comparison is an evaluation of the 2013 year population specified in the table on the basis of city and countryside. Here, similarity of the Turkey-wide charts and the city charts in terms of distribution draws attention.

2013 Population Data (%)



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 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
Izmir	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 (TUROFED) 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 leading 10 touristic destinations of the world in terms of number of the visitors. 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 City of Istanbul

Istanbul is the Turkey's most populous, economically leading city, the cultural and financial center and with 14.2 million populations is the largest city that is 1st in Europe and 5th in the world ranking according to the population.

It consists of Catalca Peninsula in the West and Kocaeli Peninsula in the East. The city consists of Black Sea in the North, Marmara Sea in the South and Bosphorus in the middle, and it is the Neighbor of Districts Saray from Tekirdag in the northwest, Cerkezkoy, Corlu from Tekirdag in the west, Marmara Ereglisi from Tekirdag in the southwest, Kandira from Kocaeli in the northeast, Korfez from Kocaeli in the east and Gebze from Kocaeli in the southeast.



Studies have revealed that the city's history dates back to the year B.C 6500. Istanbul is a transcontinental city and while its part in Europe was called the European side or Rumeli Side, its part in Asia was called the Anatolian Side. Istanbul Walls constituted the western boundary of Istanbul, located on a peninsula formed by Marmara Sea at three sides, the Bosphorus and the Golden Horn in the history as the first. The city, expanded 4 times by construction of the walls moved to westward further at every time during the development and the growth process, has 40 districts

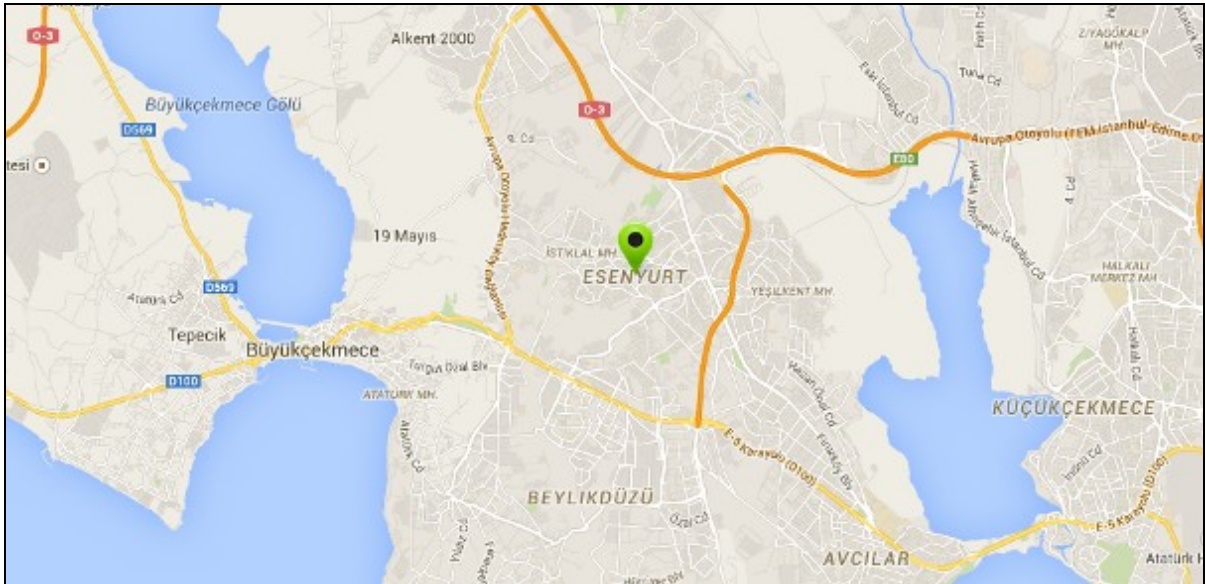
Total Population of Istanbul is 14.160.437 people according to the Population Census Results of the Address Based Population Registration System (ABPRS) for the year 2013 which were prepared by Turkey Statistical Institute (TSI).

Istanbul has become the center of economic life in Turkey as it is a crossroads of land and sea trade routes and its strategic location. The city is also the largest industrial center. .

The city meets an important part of industrial employment in Turkey. It has approximately 38% of an industrial area. Today, Istanbul has more than half of the Turkey's production and 45% of trade volume. In addition, Istanbul is one of the popular tourism centers due to its redundancy of historical monuments and works and having the Bosphorus

4.4.2 District of Esenyurt

While Esenyurt was a Neighborhood of Istanbul's District of Buyukcekmece, it became the district after combined with town of Kırac in 2008. It consists of 20 districts including Neighborhood of Namik Kemal, Neighborhood of Atatürk, Neighborhood of Istiklal, Neighborhood of Cakmakli, Neighborhood of Incirtepe, Neighborhood of Saadetdere, Neighborhood of Inonu, Neighborhood of Fatih, Neighborhood of Ornek, Neighborhood of Talatpasa, Neighborhood of Mehtercesme, Neighborhood of Pınar, Neighborhood of Sanayii, Neighborhood of Esenkent, Neighborhood of Guzelyurt, Neighborhood of Cumhuriyet, Neighborhood of Ardicievler, Neighborhood of Yenikent, Neighborhood of Yesilkent and Neighborhood of Merkez.



The whole settlement of Esenyurt is located within the boundaries of Istanbul metropolitan area in the lower region of Trakya of Marmara Region. Kucukcekmece Lake is located in the east, Buyukcekmece is located in the west, Hosdere village and TEM highway are located in the north, Firuzkoy and E-5 highway are located in the south of this region.

There are 13 health centers, 1 government hospital, 1 Red Crescent hospital and 1.000.000m² of city park in the district. Security in the district was transferred to the police as of 1 June 2009. Police headquarters building was prepared. .

The surface area of Esenyurt is 2,770 hectares and it has gained qualifications of being a municipality in 1989. A service attack has been launched in the region with the establishment of Municipal

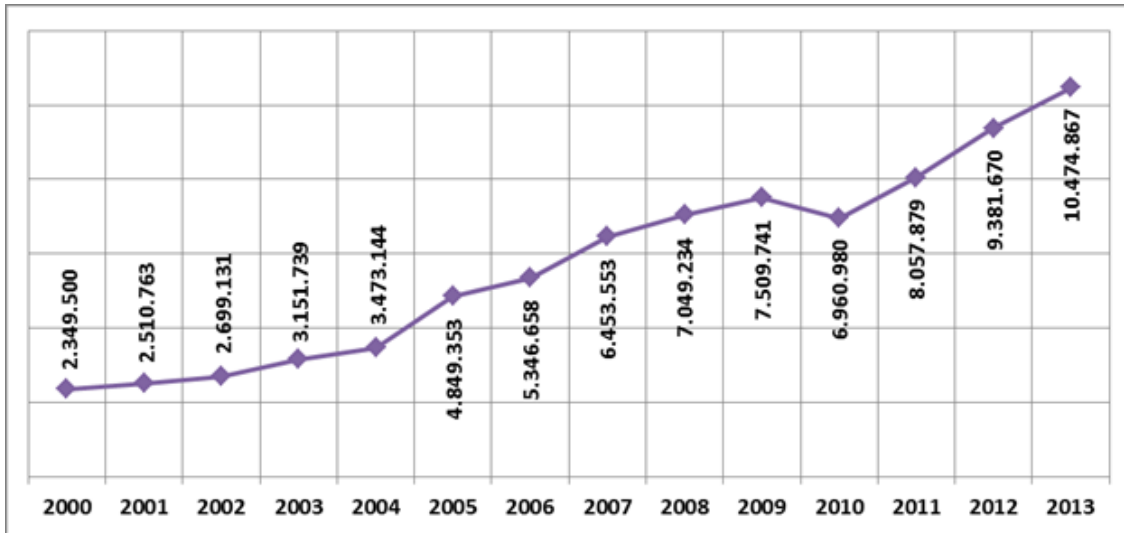
organization. A significant portion of the population took intense migration from especially Ardahan and Kars as well as Agri, Erzurum and Artvin. the industry takes an important place in the District.

In the region; there are 1759 pieces Sanitary Enterprises (Business License and Work Permits available), 745 pieces non-sanitary enterprises (Business License and Work Permits available), 615 pieces application for non-sanitary Business License and Work Permits. There are 804 pieces application for Business License and Work Permits. Evren 1st Auto Industrial Estate, Evren 2nd Auto Industrial Estate, Fatih Auto Industrial Estate, Alkop Industrial Estate, Isiso Industrial Estate, Mimsan Industrial Estate are available.

4.4.3 Istanbul Tourism Market

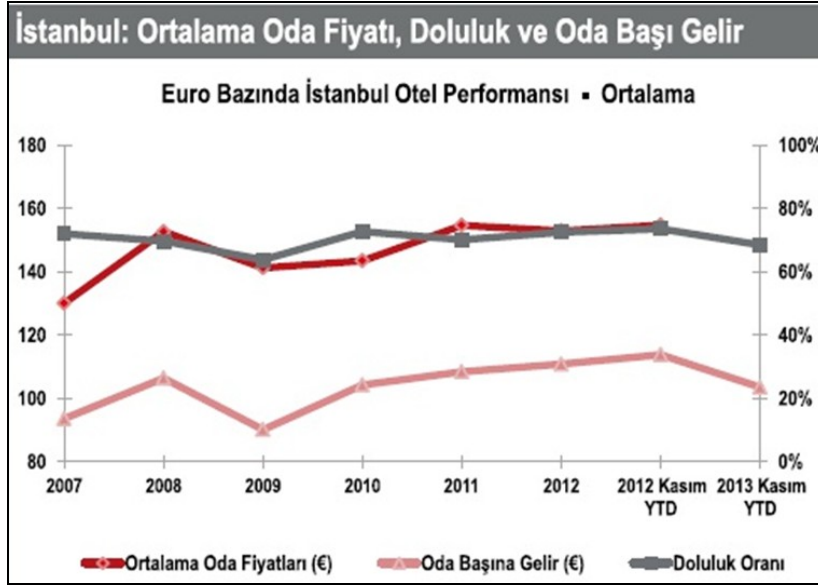
According to data for the year 2014 of Provincial Directorate of Istanbul Culture and Tourism, the number of visitors coming to Istanbul in the first half of the year 2014 increased by 9% compared to the same period of 2013. 35% of visitors coming to Turkey in the first half of the year 2014 visited Istanbul.. The highest share of foreigners visiting Istanbul in the first half of the year 2014 belongs to Germany with 10% and Russia with 6%.

When the number of tourists visiting Istanbul is observed, it is seen a steady increase until the year 2010. The decrease in 2010 is a result of the global economic recession. Istanbul that provided the economic recovery has welcomed 10.474867 tourists with the year 2013 Annual average occupancy rate has exceeded 70% level with the increase in the number of these tourists.



Number of Tourists Coming to Istanbul By Years (Source: The Ministry of Culture and Tourism)

Occupancy rate in Istanbul is the average of 70% - 72%. In contrast, the average rental fee of room is around € 140 per night. (Hotel Benchmark Survey STR Global, 2014).



İstanbul Hotel Market Room Price By Years, Revenue per Room and Occupancy Rates (Source: JLL)

According to the data for 2013 year, number of the Accommodation Facilities with "Business Certificate" issued by the Ministry of Culture and Tourism is 449. Total bed capacity in these facilities is 82.874.

LOCATION	Europe	Anatolia	Europe	Anatolia	Europe	Anatolia	TOTAL
TYPE	Number of Facilities		Number of Rooms		Number of Beds		Number of Beds
Private Facility	89	9	3287	355	9064	719	9783
Boutique Hotel	10	2	576	39	1168	82	1250
Five-Star Hotel	48	13	13418	3065	27507	6120	33627
Four-Star Hotel	88	8	10227	715	20427	1409	21836
Three-Star Hotel	87	13	5134	693	10008	1326	11334
Two-Star Hotel	41	5	1353	170	2587	342	2929
One-Star Hotel	7	1	309	19	587	38	625
Apart Hotel	2	1	49	36	128	72	200
Golf Facilities	1	-	340	-	990	-	990
B&B	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

Accommodation Facilities with "Operation Certificate" issued by the Ministry of Culture and Tourism (Source: TUIK- December 2013)

Total bed capacity of all 449 facilities listed separately as European and Asian sides is **82.874**. There are also accommodation facilities certified by the Municipality in Istanbul.

The total bed capacity of these is estimated around 70,000.

LOCATION	European	Anatolian	European	Anatolian	European	Anatolian	TOTAL
TYPE	Number of the Facility	Number of the Rooms	Number of the Rooms	Number of the Rooms	Number of the Beds	Number of the Beds	Number of the Beds
Private Facility	13	1	317	183	517	501	1018
Boutique Hotel	8	1	312	15	566	30	596
Five-Star Hotel	40	13	10058	2998	21665	6578	27835
Four-Star Hotel	46	11	6032	1544	11712	3160	14872
Three-Star Hotel	26	3	1676	229	3347	450	3797
Two-Star Hotel	2	1	52	11	90	22	112
One-Star Hotel	2	1	20	16	40	32	72
Apart 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 "Investment Certificate" issued by the Ministry of Culture and Tourism (Source: TUIK- December 2013)

There is an accommodation facility with 49.420 beds capacity that its construction continues in Istanbul. Although Istanbul is recorded on the books last year as the number of accommodation facilities with investment certificate are 130 and the total beds capacity is 40.408, the number of facilities is increased by 31% and bed capacity is also increased by 22% this year in Istanbul. The majority of these investments continue on the European side.

5 INFORMATION REGARDING THE REAL ESTATE SUBJECT TO THE APPRAISAL

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

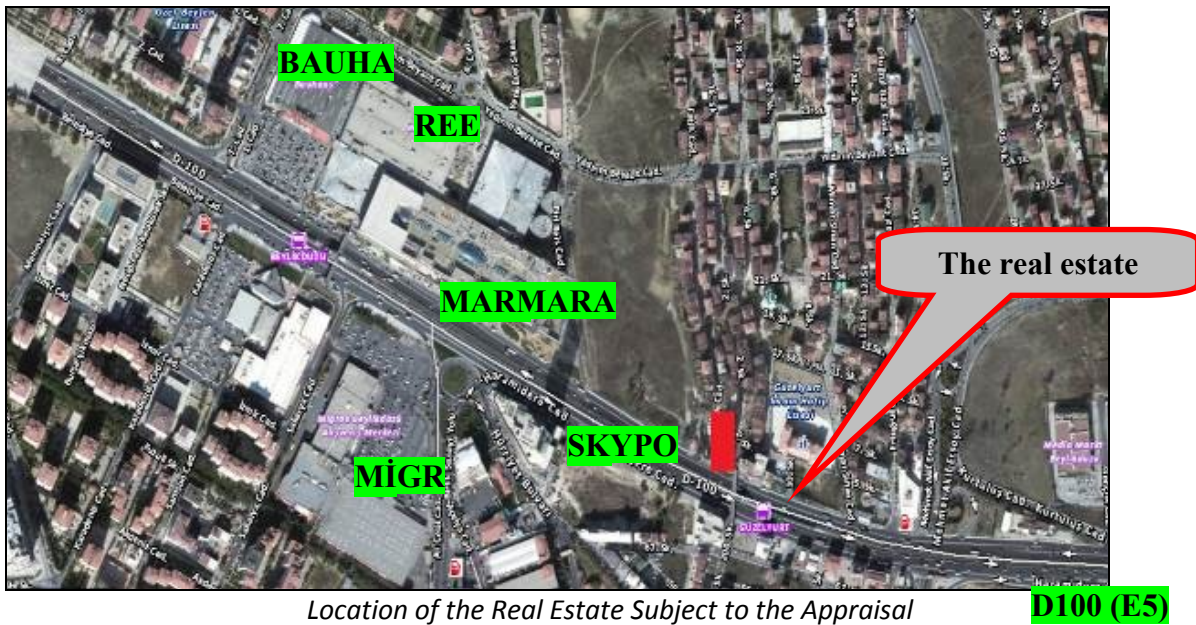
The real estate subject to the appraisal is in the address of Neighborhood of **Yakuplu**, Fatih Street, No: 5-7, IBIS Hotel Esenyurt-Istanbul.

In order to reach the real estate subject to the appraisal, Istanbul-Edirne D-100 Highway is followed to Haramidere Köprülü junction. Side road is followed after passing Haramidere Köprülü junction about 1km. After following side road approximately 200m, Fatih street and the real estate subject to the appraisal is reached. 3 stars Ibis Hotel which is in service as of the appraisal date on the real estate subject to the appraisal. The said real estate has a facade to Fatih street and Haramidere street (D-100) side road.

High recognition buildings such as Marmara Park Shopping Mall, Medilife Surgery Center, Beylikduzu Migros, Media Market, Carrefour, Bauhaus, Municipality of Beylikduzu, Equinox Beylikduzu residence, Tuyap are located in the immediate vicinity of the real estate located about 4km away from Tuyap Exhibition Center. Ground floors of the majority of buildings on Haramidere Street (D100 Highway) on which the real estate subject to the appraisal is located, is used for the purpose of shops / stores and upper floors are used for the purpose of showroom / office. Manufacturing plant and workshops of a great number of factories in the region are also located on this route. **Torium Shopping Mall and Marmara Park Shopping Mall** located near the real estate is considered to increase activity in the region. There are also shopping malls with high commercial potential such as Migros, Carrefour, Bauhaus, Media Market, Outletpark Beylikduzu Shopping Mall and Ginza Shopping Mall on the road, and there is **Skyport Residence on the opposite facade**. **There** are also shopping centers available such as Sunflower County Life Center, Parkway Shopping Mall, Eskule Shopping Mall and Akbatı Shopping Mall operating in District. **As Zincirlikuyu – Avcılar Metrobus is extended to Beylikduzu and the real estate subject to the appraisal is located so close to Guzelyurt Metrobus station, these have created a real alternative in terms of accessibility for the real estate. With the extension of the said Metrobus station, it is provided advantage for transportation easiness to the region and the development of the region. The transportation to the real estate is easily provided by means of various public transportation and private vehicles.**



Neighborhood of the Real Estate Subject to the Appraisal and Update Satellite Image



Location of the Real Estate Subject to the Appraisal

5.2 Land Register Information of the Real Estate

City	:	Istanbul
District	:	Esenyurt
Neighborhood	:	Yakuplu
Section No	:	F21D24D3A
Block No	:	404
Plot No	:	39
Surface Area	:	1.755,37m ²
Owner	:	Akfen Real Estate Investment Trust Inc. (Full)
Nature	:	10-Storeyed Concrete Hotel Building and the Land
Land Title Date	:	30.09.2010
Journal No	:	26324
Volume No	:	2
Page No	:	182

5.2.1 Investigation of the Land Registry of the Real Estate

The following restrictions are about the real estate subject to the appraisal according to the examination made on the land registries of the real estate according to the information received from the Registry of the District of Esenyurt and the information on the real estate attached (TAKBIS) (Turkish Land Registry and Cadastre Information System) dated 10.12.2014, at 12:30:00 PM.

In Digit of the Securities;

A First Degree Security is available in favor of Türkiye İş Bankası Inc. and Turkey Industrial Development Inc. amounted to 7,000,000 EURO, with an annual rate of interest of Euribor+3% for a duration until declaration of the release (dated 22.09.2008 and journal no. 21875)

- *A has been collected from the additional security in Euro currency.*

• *B: A Second Degree Security is available in favor of Türkiye İş Bankası Inc. amounted to 38,250,000 EURO, for a duration until declaration of the release (dated 22.09.2008 and journal no. 6661)*

In Digit of the Remarks;

- *Statement in favor of Istanbul Metropolitan Municipality according to Article 7 of the Expropriation Law No. 2942. (dated 04.11.2011 and journal no. 34784 (*)*

In Digit of the Annotations;

A rental agreement is available against a value of 1 TL for 99 years in favor of Boğaziçi Elektrik Dağıtım A.Ş (BEDAŞ) (Date of Commencement: 14.04.2011, Duration: 99 years) (dated 15.04.2011 and journal no. 12259)

(*)Administration that shall make expropriation according to Article 7 of Expropriation Law with number of 2942 (this state may be municipality) does some processing before making expropriation. Administration that shall make expropriation makes or has somebody make scaled plan showing borders, surface area and type of real estate or resources on which easement will be established through expropriation or expropriation way; makes somebody to inspect owners of expropriated real estate, possessors if there is no land registration and their addresses, documents based on deeds, tax records and register or investigation to be performed externally. The related tax office gives tax returns and value of the real estate, appraisal value to be declaration in case there are no tax returns within one month at latest upon the request of administration.

After expropriation decision, administration notifies the land register office, which the real estate subject to expropriation is registered, to be annotated to land registry for expropriation. From the date of notification if the owners change, land registry administration should notify the authorities who handle the expropriation of land for changes occur in real property or real rights in property. (Amended sentence: 24/04/2001 - 4650/2. Sec.). **Unless the document to be received from the court is submitted to the Land registry administration regarding the registration is requested on**

behalf of the administration within six months according to Article 10 with the determination of expropriation value, by the Administration, from the annotation date, this annotation is deleted directly from registration by Land registry administration.

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

There have not been any buying or selling activities with regard to the real estate, within the last three years. However, according to restrictions document received from City of Istanbul, District of Esenyurt Land Registry Directorate and submitted in attachment, although the real estate subject to the appraisal was qualified as "Land", its qualification has been changed into " Ten Storey Reinforced Concrete Hotel Building and Land" with type classification on 11.02.2013 and 2nd degree mortgage is provided in the amount of 38.250.000.-Euro on 29.05.2014 for Türkiye İş Bankası Inc. Written restrictions document of real estate is presented in the appendix.

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

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."

A First Degree Security is available on the real estate subject to this appraisal in favor of Türkiye İş Bankası Inc. and Turkey Industrial Development Inc. amounted to 7,000,000 EURO, and a second degree security is available in favor of Türkiye İş Bankası Inc. amounted to 38.250.000 EURO.

The said securities on the real estate in accordance with the letter received on 05.12.2014 of the security owner Türkiye İş Bankası and Turkey Industrial Development Bank for Securities are investment loans to finance the construction of hotels that Accor SA shall operate under the agreement between Akfen Real Estate Investment Trust A.Ş and Accor SA. The corresponding letter of Turkey İş Bankası and Turkey Industrial Development Bank is presented in the appendix of the report.

Security, pledge on the assets in the portfolio and other limited real rights may be allocated only for the financing of the transaction, or in order to provide credit for investments during the purchase of real estates of Real Estate Investment Partners, Real Estate projects and Rights based on Real Estate according to 1. Clause of 30. Article in Notification of Principles related to Real Estate Investment Partners published in official gazette dated 28.05.2013 of Capital Markets Board. In accordance with the relevant articles of the said notification, securities on the real estate does not constitute an

obstacle in taking the portfolio of Real Estate Investment Partners within the frame of capital market legislation.

- *In the digit of the remarks on the real estate subject to the appraisal, it is seen that there is a statement in favor of Istanbul Metropolitan Municipality according to Article 7 of the Expropriation Law No. 2942. (dated 04.11.2011 and journal no. 34784 **Pursuant to the Article 7 of the Expropriation Law, unless the document to be received from the court is submitted to the Land registry administration regarding the request on determination of the expropriation value and registration of it on behalf of the administration within six months** by the Administration, from the annotation date, this annotation is deleted directly from registration by Land registry administration. Studies performed on the land registry records have showed that there is no such notice. 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, Real estates without any mortgage on it and any cautionary remark that shall affect real estate value directly or significantly and rights based on real estate may be included. In accordance with this article of the communiqué, this provision in the remarks digit does not constitute an obstacle in taking the portfolio of Real Estate Investment Partners within the frame of capital market legislation.*

5.3 Inspection of the Zoning Information of the Real Estate

According to inspection performed on 15.12.2014 in the City of Istanbul, Municipality of Esenyurt and on 15.12.2014 in Development Directorate of Istanbul Metropolitan Municipality, the current zoning status of plot is given below and the current zoning status is presented in the appendix. ;

The real estate subject to the appraisal is in the legend of "Housing Area + Trade Area" under the "Master Plan of South of Esenyurt TEM " with the scale of 1/5000 and approved on 13.04.2013 by Istanbul Metropolitan Municipality. Construction Conditions;

- Example: 1,50
- Hmax: 12,50 m.

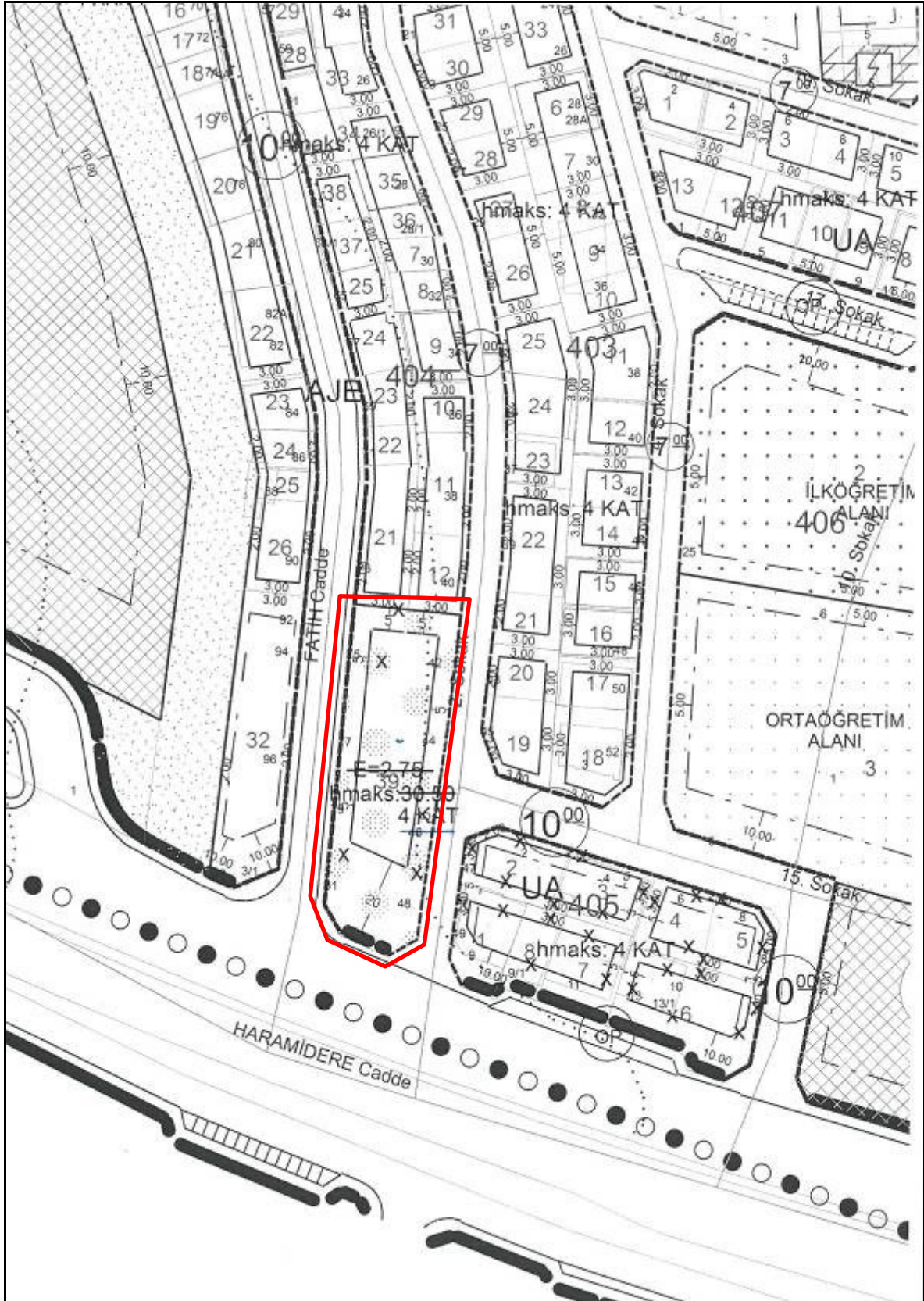
The real estate subject to the appraisal is in the legend of " 4 Storey Housing Area with back pull from the front 20m, from the sides and back 5m " under the " 5th Stage Implementation Master Plan of South of Esenyurt TEM " with the scale of 1/1000 and approved on 13.09.2013 and prepared in accordance with the Master Plan with the scale of 1/5000 by Esenyurt Municipality Council.

Plan Notes

- K3 Residential 300 person/ha Density Area; KAKS: 1,50, in areas to be given structure order with signs Hmax: shall be 12,50 m.



- In building areas nicknamed as "P", parking area, areas shown as parking area, plots shall be preserved within its body as same and these areas shall be included in Example account.
- (T4) Housing + Trade areas. These areas are subject to density requirements given in the plan. In these areas; residential, commercial and social-technical infrastructure areas shall be included.



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

As a result of the inspection of the zoning documents of the real estate subject to the appraisal in the Municipality of Esenyurt, Zoning and Urbanism Directorate Archives on 15.12.2014;

Approved Architectural Project: The renovation project for the hotel subject to the appraisal having a license attachment dated 30.12.2010, No. 2010/24269, for a surface area of 7.313,30 m² is seen in the archive files. The total enclosed area is 7.313,30m² according to the project prepared for 3 Basement Floors+ Ground Floor+ 6 normal floors.

Construction Permit: Pursuant to the zoning plan approved on 16.02.2004 for the plot, there is a "Construction License" received on 24.03.2010 with No. 2010/3066-470 for use of the "Hotel and Similar Guest House" with an enclosed area of 7.365,00m² with regard to the architectural project approved by the Municipality; and the "Retaining Wall License" received on 30.12.2010 with No. 2010/24969 following the construction license, for use of the "Hotel and Similar Guest House" with an enclosed area of 7.331.00m².

Occupancy Permit: There is an "Occupancy Permit" received on 28.12.2012 with No. 2012/29412 for a "Hotel and Similar Guest House" with an area of 7.331,00m² with regard to the real estate subject to the appraisal. ***The documents abovementioned are given in the attached report.***

Conforming to the inspections carried out on site, there are no differences found between the ongoing situation and the legal situation. The current building is in accordance with the undated "Approved Architectural Project".

5.3.2 Building Inspection Institution and Maintenance

The real estate subject to this appraisal is liable to be inspected under the 29.06.2001 dated Law Regarding Building Inspection with the number 4708, for the inspection of the building has been inspected by the Etik Yapı Denetim Limited Şirketi, operating in the address of Mehterçeşme Mahallesi, 1997 Sokak, Yalı Köşkü Sitesi, C Blok, Kat:4, No:14. Esenyurt/Istanbul.

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 Changes that Have Occurred within the Last Three Years

- While the real estate subject to the appraisal is in the legend of "Example: 2,75 "Touristic Facility Area" according to the Council Decree of the Istanbul Metropolitan Municipality on 08.04.2010 with No. 2010/82 and the Council Decree of the Istanbul Metropolitan Municipality on 17.09.2010 with No. 2010/2033, it is in the legend of "House + Trade Area" within the scope of 1/500 scaled "Esenyurt TEM South Master Plan" approved by Istanbul Metropolitan Municipality on 13.04.2013, construction conditions are; E: 1,50, Hmax: 12,50 m. The real estate in question is in the legend of " 4 Storey Housing Area with back pull from the front 20m, from the sides and back 5m " under the " 5th

Stage Implementation Master Plan of South of Esenyurt TEM " with the scale of 1/1000 and prepared in accordance with the Master Plan in question ,approved on 13.09.2013.

- In the digit of the remarks on the land register of the real estate subject to the appraisal, it is seen that there is lease agreement against a value of 1 TL for 99 years in favor of "Bogazici Elektrik Dağıtım A.Ş (BEDAŞ)"and according to the Article 7 of the Expropriation Law No. 2942. (dated 04.11.2011 and journal no. 34784) (Date of Commencement: 14.04.2011, duration: 99 years) (dated 15.04.2011 , journal no 12259).
- "Occupancy Permit" dated 28.12.2012 , No. 29412 with regard to the real estate subject to the appraisal has been issued.

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 Plan Sheet, the Approved Architectural Project, the Construction Permit and Occupancy Permit required by the Turkish Law, have been obtained in full with regard to the real estate subject to the appraisal and type classification has been carried out.

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

While the real estate subject to the appraisal is in the legend of "Example: 2,75 "Touristic Facility Area" according to the Council Decree of the Istanbul Metropolitan Municipality on 17.09.2010 with No. 2010/2033, it has been transferred to the legend of " 4 Storey Housing Area with back pull from the front 20m, from the sides and back 5m " under the " 5th Stage Implementation Master Plan of South of Esenyurt TEM " with the scale of 1/1000 and approved on 13.09.2013.

The buildings presently found on the plot have the required approved architectural project, construction permit and occupancy permit and these legal documents have been received before the zoning change. And, 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 has a quality of “9-Storeyed Concrete Hotel and 10-Storeyed Hotel Building and the Land” with an area of 1,755.37m² , located in the city of Istanbul, district of Esenyurt, Neighborhood of Yakuplu, Block No: 404, Plot No: 39.

There is a single structure which is used as IBIS Hotel on the plot, in a separate disposition, as a concrete frame structure. The building used as IBIS Hotel has been built as 3 basement floor+ ground floor+ 6 normal floors+ terrace floor. IBIS Hotel area is situated on the Fatih Street in front of the plot.

The renovation permit for the IBIS Hotel subject to this appraisal has been taken for 7,331.00m² and the total enclosed area is 7,313.30m² according to the approved architectural project. The enclosed area specified in the appraisal study has been taken as a basis due to the fact that the real estate was built in accordance with the approved architectural project.

IBIS Hotel subject to the appraisal is a 3-star accommodation facility , comprised of 156 rooms.

According to the approved architectural project, and the inspections performed on site, there are areas such as parking area, shelter, water house, pumping house, electricity house, fire reserve tank are found at **3. basement floor** (950,28m²);

The 2nd Basement Floor (931,07m²) composed of; parking area, storage, technical room, The 1st Basement Floor (652,83m²) composed of conference room, and lobby area, men/women WC, personnel cafeteria, men/women dressing rooms, transformer room, electrical control room, service areas,

The Ground Floor (645,70m²); composed of reception, lobby, lobby bar restaurant, main kitchen, 5 offices, archive.

1. 2. 3. 4. 5. 1st, 2nd, 2rd, 4th, 5th and 6th normal floors (each of them is 680,16m²) each has 26 rooms and 156 rooms in total. There is a technical room at the terrace floor (88,17m²).

There are 2 rooms with different sizes; 13,26m² and 14,68m² in IBIS Hotel. There are 3 rooms reserved for disabled customers and standard rooms designed in various shapes, in the hotel. The hotel in question is active as of 25.01.2013.

Room types and their allocation per floor are given in the tables below:

IBIS HOTEL	1st Floor	2nd Floor	3rd Floor	4th Floor	5th Floor	6th Floor	Total
Double Room	6	6	6	6	6	1	31
Two Adjoinable Room	2	2	2	2	2	1	11
Standard Room	14	15	16	16	16	21	98
Standard Adjoinable Room	1	1	1	1	1	2	7
Standard Room with Desk/Bed	1	1	1	1	1	1	6
Adjoinable Room with Desk/Bed	-	-	-	-	-	-	-
Disabled Room	-	1	-	-	-	-	1
Adjoinable Disabled Room	2	-	-	-	-	-	2
Total	26	26	26	26	26	26	156

The floor areas and floor usages of the hotel which was projected as 3-star are given below. Interior Construction Characteristics of the Ibis Hotel are as follows:

Interior Construction Characteristics of the Ibis Hotel	
Total Area	According to the Architectural Project and current status: 7,313.30m ² According to the Construction Permit and Occupancy Permit: 7,331.00m ²
Age	2 yrs
Construction Type:	Reinforced Concrete
Roofing System:	Terrace roof
Disposition	Detached Building
Number of Floors	11 Storeyed (3 Basement Floors + Ground Floor + 6 Normal Floors+ Terrace Floor)
Exterior Facade	The front and the rear facade are covered with glass, sinter flex in some places and the remaining areas are covered with special acrylic paint.
Electricity	City Grid
Heating system	Central Heating System
Water	City Grid
Sewerage	City Grid
Elevator	Available (2 Guests + 2 Service+ 1 Parking Area Elevator)
Ventilation System	Available
Fire Escape	Available
Fire Extinguisher System	Available
Car Park	Available (Open and Closed)
Flooring	Wall to wall carpet, laminate parquet, ceramics, epoxy
Walls	Satin paint, ceramic tile, wood and wall paper
Joinery	Exterior Joineries are made of aluminum, while the interior ones are
Ceilings	Suspended ceiling
Heating	Central Heating System
Illumination	Wall lamps, chandeliers, lamp shades, spot lights and fluorescent luminaries

5.4.2 Inspections Performed Within the Premises of the Real Estate

- The real estate in question is located in the city of Istanbul, district of Esenyurt, Neighborhood of Yakuplu, Block No: 404, Plot No: 39 with a surface area of 1,755.37m².
- The Hotel is located in a central position close to the main arteries and state institutions and organizations. The transportation is easily provided. The real estate subject to the appraisal is located in a busy region in terms of the trade and the industry.
- The Plot subject to the appraisal has a facade to the D-100 Highway and Fatih Street and it is located at the corner.

- The real estate subject to the appraisal has a significant visibility and ad capability due to its location over the D-100 Highway.
- There are Torium AVM and Marmara Park Avm in close proximity of the real estate subject to the appraisal, and Torium AVM ve Marmara Park Avm and the shopping centers has become active so demand for the region has increased.
- The real estate subject to the appraisal is in the immediate vicinity of Beylikduzu metro route. It is seen that the extension of the Zincirlikuyu-Avcılar metro route to the Beylikduzu has positively influenced the transportation means to the real estate and the demand for the region.
- The plot subject to the appraisal has a rectangle shape in geometrical terms however, it is almost even in terms of topography.
- There is a hotel building on the plot subject to the appraisal. The Ibis Hotel is an active hotel offering service with its 156 rooms in a 3-star concept.
- The starting date of operations of the Ibis Hotel subject to the appraisal is 25.01.2013.
- The hotel building is situated in the north-south direction of the plot and has been built as a 11-storeyed concrete building, in a detached manner, 3 basement floors+ ground floor + 6 normal floors+ terrace floor and and it has a gross enclosed area of 7,313.30m² in total.

Floor Areas (m²)	(m²)
3 rd Basement Floor	950,28
2 nd Basement Floor	931,07
1 st Basement Floor	652,83
Ground Floor	645,70
1. Normal Floor	680,16
2. Normal Floor	680,16
3. Normal Floor	680,16
4. Normal Floor	680,16
5. Normal Floor	680,16
6. Normal Floor	670,74
Terrace Floor	61,88
TOTAL	7.313,30

- Inside the building, there are customer and service and parking area elevators, fire alarm and extinguishing systems, air conditioning with the heating and cooling systems.
- The north, east and south facade of the plot have a guard above the concrete wall.
- At the Ibis Hotel, there is an open and closed parking lot since the car park areas are shared in general.
- Areas of the plot out of the building are covered partly with the paving stone and partly the green spaces. A majority of the Hotel's garden area is being used as a parking lot. There is an open and closed parking lot with a capacity for 31 vehicles.
- Other external and miscellaneous works determined on the site and included within the appraisal are; concrete areas, landscape work, concrete walls. External and miscellaneous works have been added as an additional cost into the calculations made in the cost approach analysis.

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 hotel has high recognition and marketing capacity due to its location.
- The hotel subject to the appraisal is being operated under a brand meeting the same standards all over the world.
- The Facility is situated on the main arterial road (D100) and has a variety of access and transportation options. . The rate of accessibility has increased thanks to the extension of the metro route.
- There are high structures such as Marmara Park AVM, Tüyap, Migros, CarrefourSa which are used commercially in a close proximity of it. It benefits from the appealance power of Tüyap Fair Centre.

Weaknesses

- Demand for the hotel in the Region shows intensity in a periodical manner.

Opportunities

- The hotel starting service about 2 years ago, is in the location that people visiting Tüyap and Buttim job center will prefer in the first degree.
- When the way of region's development is considered, it has been observed that the hotel investment is required 3-star Ibis hotel especially is thought to appeal to Tüyap Exhibition Center and Industrial Region of Hadimkoy
- Metro routes connected to Beylikdüzü provides the transportation advantages.
- It is seen that Torium Shopping Mall and Marmara Park Shopping Mall in service enhance the activity of the region.

Threats

- Beynova Hotel, Euro Park Hotel and the Grand Plaza Hotel serving in a similar concept is located in the immediate vicinity of real estate subject to the appraisal.
- Economical changes in terms of local and global manner directly affect the real estate sector, too. This situation possibly hinders the investments planned to be made for that region.

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 an operating Hotel generating revenue, 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

As a result of the surveys performed in the vicinity of the real estate, no other recently sold exemplary land with a similar location, nature and structuring conditions to that of the real estate subject to the appraisal have been found.

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

A similar hotel which has already been sold in the close proximity and still on sale is not seen. The exemplary lands that are still for sale have been provided in the chart below:

EXAMPLE	Location	Characteristics	Surface Area (m ²)	Price	Unit m ² Price	Source
Example 1	In close proximity of Beylikduzu 100 Highway	At a distance of app. 1 km to D-100 Highway E:1,50 house zoned hmaxx:18:50 house zoned land	5.274	11.664.000 TL (5.221.00 USD)	2.211 TL (990 USD)	Akev Emlak 0212 875 24 44
Example 2	At a close proximity of Beylikduzu Hadimkoy Junction nearby Autopya	At the 2nd Plot to the D-100 Highway, has a rear façade to Shell fuel station, E:2,50 hmax:free house zoned land	7.700	11,555,000 USD (sold nearly 1 year ago)	1,500 USD	Aktif Emlak 0212 875 65 95
Example 3	Opposite to Haramidere Carrefour, nearby Hasircilar AVM	At D-100 Highway, in the southeast corner of Haramidere junction E:2,50 Trade + Service zoned corner land	18.796	27,000,000 USD	1,437 USD	Özyapı Real Estate 0212 269 29 72
Example 4	In a close proximity to TUYAP Beylikduzu	Has a facade to the D-100 Highway, E:2.00 house +Trade zoned land	5.100	10,000,000 USD	1,961 USD	Birbey Real Estate 02123 871 04 91

EXAMPLE	Location	Characteristics	Surface Area (m ²)	Price	Unit m ² Price	Source
Example 5	Beykent Adnan Kahveci Neighborhood	At a distance of app. 2.5 km to D-100 Highway E:1,50 house zoned	3.811	9.250.000 TL (4,130,000 USD)	1083 USD	Ünal Emlak 0212 281 27 65
Example 6	Beylikdüzü Cumhuriyet Neighborhood	In a close proximity to the property in question, has a façade to the ancillary road of the D-100 Highway, E:1,75 house zoned land.	1.750	5,000,000 USD	2,857 USD	Ansia Real Estate 0212 225 54 28

LAND EXAMPLES EVALUATION TABLE						
	Example 1		Example 2		Example 4	
Area (m ²)	5.274	m ²	7.700	m ²	5.100	m ²
Demanded Price (USD)	5.221.000		11.500.000		10.000.000	
Bargain Price (USD)	4.698.900		10.350.000		8.500.000	
Location Correction (+-%)	-25%		-15%		0%	
Surface Area Correction (+-%)	-30%		-30%		-20%	
Zoning Status Correction (+-%)	0%		30%		30%	
Corrected Price per Unit	1381	USD/m ²	1546		1500	USD/m ²
Example Average	1.476					USD/m ²

Central Bank of Turkey's Foreign Currency Sale Rates on the date of 30.12.2014 – USD: 2.3189 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.
 - As a result of the surveys performed, demand for the "Housing Area" zoned land in the same area with the real estate subject to the appraisal is considerably high. Although the real estate was built in a tourism zoned condition, these values have been taken as a basis since it had a "Housing Area" zoning according to the current zoning condition.
- Consequently, from the research and interviews carried out in the area, the appraisal with regard to the plot has been conducted by taking into account the above provided examples and the land value of the property has been estimated to be **1.5000.-TL/m²** (1.233 Euro, 3.480 TL)

Unit Land Value (TL)	3.480
Size of the Land (m2)	1.755,37
Total Land Value (TL)	6.108.688
Total Land Value (Euro)	2.165.664
Approximate Land Value (Euro)	2.160.000

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 housing, 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, and the prices of the surrounding real estate examples, the land unit sale value has been estimated to be **3.480TL/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)(*)	
	IBIS HOTEL TOTAL CONSTRUCTION AREA (m²)	IBIS HOTEL	TOTAL COST
3. Basement Floor	950,28	500	475.140
2. Basement Floor	931,07	500	465.535
1. Basement Floor	652,83	500	326.415
Ground Floor	645,70	1.100	710.270
1 st Normal Floor	680,16	1.100	748.176
2 nd Normal Floor	680,16	1.100	748.176
3 rd Normal Floor	680,16	1.100	748.176
4 th Normal Floor	680,16	1.100	748.176
5 th Normal Floor	680,16	1.100	748.176
6 th Normal Floor	670,74	1.100	737.814
Terrace Floor	61,88	300	18.564
TOTAL CONSTRUCTIONAL COST			6.474.618
External Miscellaneous Works (***) (€)			150.000
TOTAL STRUCTURE			6.624.618

VALUE (€)			
LAND VALUE (€)			2.160.000
TOTAL VALUE (€)			8.784.618

(*) 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 28.12.2012.

The appraisal has been conducted by taking into consideration the age and physical status of the real estate.

(***) Costs for the concrete area, retaining wall, wire fences over the concrete wall, parking lot area landscaping etc, have been roughly estimated.

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.

IBIS HOTEL PROJECTION:

- The hotel subject to the appraisal has a capacity for 156 rooms.
- It has been estimated that the occupancy rate of the hotel will be 62% in the year of 2015 and that this rate will increase each year until 2019, and reach to 71% in the year of 2019 and it will be operated with this occupancy rate of 71% in the following years.
- It has been assumed that the hotel will be operating 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 regard to the tourism industry in the area, it has been estimated that the average price for a room will be 58 EURO, in the year of 2015. Moreover, it has been anticipated that this price will increase annually at the rate of 5% until 2019 year and (2,5%) in the following years as based on the inflation in the Euro Zone.
- Considering the performance of the facility, it has been assumed that the room revenues will constitute 79,95% of the total revenue, whereas 20,05% of the total department revenues.
- 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 47% in the year of 2015 and increase to 53% in 2018 also remain to be stabile in the following years.

General Assumptions (For IBIS HOTEL)

- According to the information obtained from Akfen Real Estate Investment Trust Inc., it has been acknowledged that it will be exempted from the real Real Estate Tax until the 2019 year; and an amount of 30.075 .-TL (88.721.-Euros) shall be paid for the year of 2019; and it will increase at the rate of 3% in the following years.
- 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 13.939 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.
- Accordingly, it has been determined that the Furniture Fixture Renewal Reserve will be 1,5% of the gross revenue.
- The capitalization rate in determination of terminal value of the hotel has been considered as 8,5%.
- 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.)
- Discount rate has been determined as 9,00% in the Projection.
- In the course of the studies, the exchange rate for 1 EURO 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.



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
Year of Agreement	4	5	6	7	8	9	10	11	12	13	14
REVENUES											
ROOMS REVENUES											
Annual Average Occupancy Rate (%)		62%	65%	68%	70%	71%	71%	71%	71%	71%	71%
Average Room Price (EURO)		58	61	64	67	70	72	74	76	78	80
Total Room Revenues		2.047.562	2.253.970	2.475.899	2.664.687	2.867.869	2.939.566	3.013.055	3.088.381	3.165.591	3.244.730
DEPARTMENT REVENUES											
Total Department Revenues		513.491	565.254	620.910	668.255	719.209	737.189	755.619	774.510	793.872	813.719
TOTAL REVENUES		2.561.054	2.819.224	3.096.810	3.332.941	3.587.078	3.676.755	3.768.674	3.862.891	3.959.463	4.058.450
EXPENSES											
DEPARTMENT EXPENSES											
Total Department Expenses		993.868	1.003.898	1.053.225	1.080.240	1.162.608	1.191.673	1.221.465	1.252.002	1.283.302	1.315.384
Net Department Revenues		1.567.186	1.815.327	2.043.585	2.252.702	2.424.470	2.485.082	2.547.209	2.610.889	2.676.161	2.743.065
OPERATING EXPENSES											
Total Operating Expenses		371.353	408.788	449.037	483.276	520.126	533.129	546.458	560.119	574.122	588.475
GROSS OPERATING PROFIT		1.195.833	1.406.539	1.594.547	1.769.425	1.904.344	1.951.952	2.000.751	2.050.770	2.102.039	2.154.590
FIXED EXPENSES											
Real Estate Tax	0	0	0	0	30.075	30.977	31.907	32.864	33.850	34.865	
Insurance	13.939	13.939	13.939	13.939	13.939	13.939	13.939	13.939	13.939	13.939	
Furniture, Fixture and Renovation Reserve	38.416	42.288	46.452	49.994	53.806	55.151	56.530	57.943	59.392	60.877	
Total Fixed Expenses		52.355	56.227	60.391	63.933	97.820	100.068	102.376	104.746	107.181	109.681
TOTAL EXPENSES	0	1.417.576	1.468.913	1.562.653	1.627.449	1.780.554	1.824.870	1.870.298	1.916.867	1.964.604	2.013.540
NET OPERATING REVENUE	0	1.143.478	1.350.312	1.534.156	1.705.492	1.806.524	1.851.885	1.898.376	1.946.024	1.994.859	2.044.909
END OF TERM VALUE											24.659.201
CASH FLOW		1.143.478	1.350.312	1.534.156	1.705.492	1.806.524	1.851.885	1.898.376	1.946.024	1.994.859	26.704.111
CUMUIATIVE CASH FLOW	0	1.143.478	2.493.790	4.027.946	5.733.438	7.539.962	9.391.847	11.290.222	13.236.246	15.231.105	17.276.014

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)	21.812.149	21.059.501	20.340.155
NET APPROXIMATE CURRENT VALUE (Euro)	21.810.000	21.060.000	20.340.000
NET APPROXIMATE CURRENT VALUE (TL)	61.519.000	59.404.000	57.373.000

6.4.4 Value of the Real Estate with Regard to the Lease Revenue

According to the additional Lease conditions documents submitted to our company by Akfen Real Estate Investment Trust Inc.;

- The Accor Group shall pay the rental amount that must be paid each year for the hotel of which appraisal study has been completed and which is in the ownership of Akfen Real Estate Investment Trust A.Ş; more than twenty-five (25%) for the Ibis Hotel and seventy percent (70%) of the Adjusted Gross Operating Profit (AGOP) in 2015. Pursuant to the terms of the agreement, sharing rate of the adjusted gross operation income (AGOP) has been accepted as 72,5% as of 2016.
- 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 hotel subject to the appraisal study is owned by Akfen Real Estate Investment Trust Inc. and managed by the international hotel operating company ACCOR Group. It has been assumed in the study that the hotel will be operated in the current concept.
- It has been assumed that the facility will be operating 365 days a year.
- 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. It has been assumed that the renovation expenses shall be met by the Lessee.
- According to the information obtained from Akfen Real Estate Investment Trust Inc., it has been acknowledged that it will be exempted from the real Real Estate Tax until the 2019 year; and an amount of 30.075 .-TL (88.721.-Euros) shall be paid for the year of 2019; and it will increase at the rate of 3% in the following years.
- 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 13.939 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.

- The capitalization rate has been determined as 6% in determination of the terminal value of the hotel in terms of the rental value cash flow.
- 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 9,00% by adding a 5,90% "Risk Premium" to the 3,10% to the Risk Free Revenue.
- In the course of the studies, the exchange rate for 1 EURO 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.



Year	0	1	2	3	4	5	6	7	8	9	10
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
Year of Agreement	4	5	6	7	8	9	10	11	12	13	14
AKFEN OBTAINED LEASE											
LEASE OBTAINED FROM IBIS HOTEL REVEN	0	640263	704806	774202	833235	896770	919189	942168	965723	989866	1014612
Operator Share	0	102442	112769	123872	133318	143483	147070	150747	154516	158379	162338
Furniture, Fixture and Renovation Reserve	0	102442	112769	123872	133318	143483	147070	150747	154516	158379	162338
IBIS HOTEL AGOP	0	693664	856226	976432	1089523	1172599	1201914	1231962	1262761	1294330	1326688
USED IBIS HOTEL LEASE REVENUE	693.664	856.226	976.432	1.089.523	1.172.599	1.201.914	1.231.962	1.262.761	1.294.330	1.326.688	
Real Estatet Tax	0	0	0	0	0	30.075	30.977	31.907	32.864	33.850	34.865
Insurance	0	13.939	13.939	13.939	13.939	13.939	13.939	13.939	13.939	13.939	13.939
Renovation Cost	0	5.122	5.638	6.194	6.666	7.174	7.354	7.537	7.726	7.919	8.117
Annual Construction Right Value (Land)	0	0	0	0	0	0	0	0	0	0	0
LEASE CASH FLOW	0	674.603	836.648	956.299	1.068.918	1.121.411	1.149.644	1.178.579	1.208.232	1.238.622	1.269.767
END OF TERM VALUE											21.691.850
CASH FLOW	674.603	836.648	956.299	1.068.918	1.121.411	1.149.644	1.178.579	1.208.232	1.238.622	22.961.617	
CUMUIATIVE CASH FLOW	674.603	1.511.251	2.467.551	3.536.468	4.657.879	5.807.523	6.986.102	8.194.334	9.432.956	10.702.723	

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)	19.015.577	18.298.211	17.614.163
NET APPROXIMATE CURRENT VALUE (Euro)	19.020.000	18.300.000	17.610.000
NET APPROXIMATE CURRENT VALUE (TL)	53.650.000	51.619.000	49.673.000

6.4.5 Value Analysis and Taxes Employed

The lease value of the real estate subject to the appraisal has been calculated taking into consideration the revenue discount method and the average net cash flow value for the first year on the basis of the lease revenue. 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 **834,000.- EURO (2,460,000 Turkish Liras)**. The discount rate has been determined to be of 9,00%.

Date	31.12.2014	31.12.2015
Annual Lease Revenue	0	909.040

Net Current Value of the Annual Lease Value (EURO)	834.000
Net Current Value of the Annual Lease Value (TL)	2.352.000

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

The appraisal study in question is not carried out within the scope of the “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 is a hotel which is in service under the name of HOTEL on the plot. Both the structure values in the Cost Approach and the revenue projections in the Revenue Approach have been individually calculated for this hotel.

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. The total value including the land according to the cost method has been calculated as approximately **8,785,000 Euro (24,779,000 TL)**. The value found in the cost method has not been taken into consideration since it will not give a robust result in terms of the real estates based on the operational potential.

As a result of the discount of the potential revenue of the structure on the plot in accordance with the revenue discount approach, the net current value of the HOTEL has been calculated to be **21,060,000 Euro (59,404,000.- 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 **18,300,000 Euro (51,619,000.- TL)**. The final value of the hotel has been calculated to be **19,680,000 Euro (55,511,000.- TL)** based on the approximate arithmetic average of the value calculated by both of the methods.

The lease value of the real estate has been calculated taking into consideration the revenue discount method and the average net cash flow value for the first year on the basis of the lease revenue as of 31.12.2014. 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 **834,000.- EURO (2,352,000 Turkish Liras)**.

During the course of the appraisal study, the revenue discount approach and cost approach have both been applied, in terms of revenue capitalization and lease revenues.

The value found in the cost method has not been taken into consideration since it will not give a robust result in terms of the real estates based on the operational potential. 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 5,885,000 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

There is not any obstacle for the real estate at Block No. 404, Plot No. 39 with a surface area of 1.755,37m² to be included in the portfolio within the scope of the Capital Market Legislation.

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, facades 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 resulting value has been presented in the following chart:

As of 31.12.2014

	Annual Market Value of the Real Estate (EURO)	Annual Market Value of the Real Estate (TL)
VAT Excluded	19.680.000	55.511.000
VAT Included	23.222.000	65.502.000

	Annual Lease Value of the Real Estate (EURO)	Annual Lease Value of the Real Estate (TL)
VAT Excluded	834.000	2.352.000
VAT Included	984.000	2.776.000

- 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,-Euro = 2,8207 -TL; 1,-EURO = 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.

Hamdi ARIKAN
Certified Appraiser

Dilek Yılmaz Aydın
Certified Appraiser

Neşecan Çekici
Responsible Appraiser



9 APPENDIX

1. Title Deed Photocopies
2. Title Deed Restrictions Document
3. Development Status Certificate.
4. Building Licenses
5. Occupancy Permit
6. Approved Architectural Project:
7. Lease Agreement with Accor Group
8. Tourism Investment Document
9. Tourism Business Document
10. Business Starting and Operating License/Permit
11. Insurance Policies
12. Photographs
13. Backgrounds
14. SPK Certificate Samples