

AKFEN REAL ESTATE INVESTMENT TRUST INC.

CITY OF ANKARA, DISTRICT OF AKYURT

BLOCK NO. 1843, PLOT NO. 5, IBIS ANKARA AIRPORT HOTEL

REAL ESTATE APPRAISAL REPORT

Report No: 2014-020-GYO-007

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-007
Appraisal Date	:	01.12.2014 - 31.12.2014
Information Concerning the Property Subject to the Appraisal	:	The real estate having the quality “10 Story Hotel and Land” with a surface area of 14,443.00 m², situated in the city of Ankara, district of Akyurt, Block no. 1843, Plot no. 5
Subject of Study	:	The appraisal report prepared for determining the market value of said real estate in Turkish Lira according to the provisions of the Capital Market Legislation.
Land Area of the Real Estate Subject to the Appraisal	:	14,443.00 m ²
Land Area of Closed Spaces of the Real Estate Subject to the Appraisal	:	7,663.78 m ² (based on the project and existing conditions)
Zoning Status of the Real Estate Subject to the Appraisal	:	Central Area for Logistics

As of 31.12.2014

	Market Value of the Real Estate (EURO)	Market Value of the Real Estate (TL)
VAT Excluded	12.510.000	35.287.000
VAT Included	14.762.000	41.639.000

	Annual Lease Value of the Real Estate (EURO)	Annual Lease Value of the Real Estate (TL)
VAT Excluded	381.000	1.075.000
VAT Included	450.000	1.269.000

- 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 = 2,8206 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	:	Dilek YILMAZ AYDIN
Certified Appraiser	:	Hamdi ARIKAN
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.



ii. CONTENTS

1	REPORT INFORMATION:.....	1
1.1	The Date, Number and Type of the Appraisal Report.....	1
1.2	Information Regarding the Persons Prepared the Report and the Responsible Appraiser	1
1.3	Date of Appraisal	1
1.4	Reference Agreement	1
1.5	Statement Whether the Report Has Been Prepared Within the Scope of the Board Arrangements for the Purpose of the Appraisal	1
2	INTRODUCTORY INFORMATION CONCERNING THE COMPANY AND THE CLIENT:.....	2
2.1	Introductory Information Concerning the Appraisal Company	2
2.2	Introductory Information Concerning the Client	2
2.3	The Scope of the Client's Demand and the Applied Limitations, If Any.....	2
3	VALUE DEFINITIONS, DESCRIPTION OF APPRAISAL METHODS	3
3.1	Exemplary Comparison Approach (Market Value Approach)	3
3.2	Cost Approach	3
3.3	Revenue Discount Approach	4
4	ECONOMIC STATUS, REAL ESTATE SECTOR DATA AND ANALYSIS OF THE REGION WHERE THE REAL ESTATE IS LOCATED	5
4.1	General and Socio-economic Data	5
4.2	General Status of the Real Estate Industry	9
4.3	Information Regarding the Tourism Industry.....	10
4.4	Analysis of the Region Where Real Estate Situated	11
4.4.1	The City of Ankara	11
4.4.2	District of Akyurt	13
4.4.3	Information Regarding the Tourism Industry in Ankara and the Hotel Market.....	14
5	INFORMATION IN REGARD TO THE REAL ESTATE SUBJECT TO THE APPRAISAL	19
5.1	Information in Regard to the Location, Site and Environment of the Real Estate.....	19
5.2	Information with Regard to the Land Registry of the Real Estate.....	21
5.2.1	Investigation of the Land Registry of the Real Estate.....	21



5.2.2	Changes that Have Occurred in the Land Registry of the Real Estate within the Last Three Years	22
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	23
5.3	Inspection of the Zoning Information of the Real Estate	23
5.3.1	Plan, License, Diagram and Similar Documents with Regard to the Real Estate	25
5.3.2	Building Inspection Institution and Maintenance	25
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	25
5.3.4	Opinion Whether the Necessary Permit and Documents Pursuant to the Legislation are Accurate and Complete	26
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	26
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	26
5.4	Physical Characteristics of the Real Estate	26
5.4.1	Structural Construction Characteristics of the Real Estate	26
5.4.2	Inspections Performed Within the Premises of the Real Estate	32
6	FACTORS AFFECTING AND DETERMINING THE VALUE OF THE REAL ESTATE:	33
6.1	Factors that Limit or Negatively Affect the Appraisal Process	33
6.2	Swot Analysis	33
6.3	Exemplary Share Rate in the Projects that Will Be Performed According to the Revenue Sharing and Flat for Land Methods	33
6.4	Methods and Eligibility Motives Employed in the Appraisal of the Real Estate	34
6.4.1	Exemplary Approach	34
6.4.2	Cost Approach	38
6.4.3	Cost Discount Approach	40
6.4.4	Value of the Real Estate with Regard to the Lease Revenue	44
6.4.5	Lease Value Analysis and Data Used	47
6.4.6	Empty Land and Project Values of the Terrain Where the Project is Being Developed	47
6.4.7	Most Effective and Most Productive Use Analysis	47
6.4.8	Appraisal Analysis of Common or Divided Parts	47



7	APPRAISAL OF ANALYSIS RESULTS:	48
7.1	Alignment of Different Appraisal Methods and Analysis Results, together with the Explanation of the Method and the Reasons Used for this Purpose	48
7.2	Explanation of the Motives Pursuant to the Minimum Information for Not Including Certain Aspects in the Report	49
7.3	Information Concerning the Last Three Appraisal of the Real Estate Carried Out by the Company	49
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	49
8	OUTCOME.....	50
8.1	The Concluding Sentence of the Appraiser	50
8.2	Final Appraisal	50
9	APPENDIX:	51



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-007

Type of Report : Appraisal report relative to the real estate having the quality "10 Story Hotel and Land" with a surface area of 14,443.00 m2, situated in the city of Ankara, district of Akyurt, Block no. 1843, Plot no. 5, for the purpose of determining the current market value 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, Dilek YILMAZ AYDIN
Report Controlled By	: Certified Appraiser, Hamdi ARIKAN
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 01.12.2014, the necessary procedures have been initiated for this appraisal report. Subsequently, this report has been concluded on the date of 02.01.2014.

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

This study is the appraisal report relative to the real estate having the quality "10 Story Hotel and Land" with a surface area of 14,443.00 m², situated in the city of Ankara, district of Akyurt, Balıkhisar Neighborhood, Block no. 1843, Plot no. 5, for the purpose of determining the current market value and lease value in the scope of the Board arrangements.

Referring to the 13.10.2014 dated request by Akfen Real Estate Investment Trust, this report is the appraisal report of the relevant property prepared according to the provisions of the Capital Market Legislation.

There are no restrictive constraints in force exercised by the client. During the projection studies, market surveys and the agreements made 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

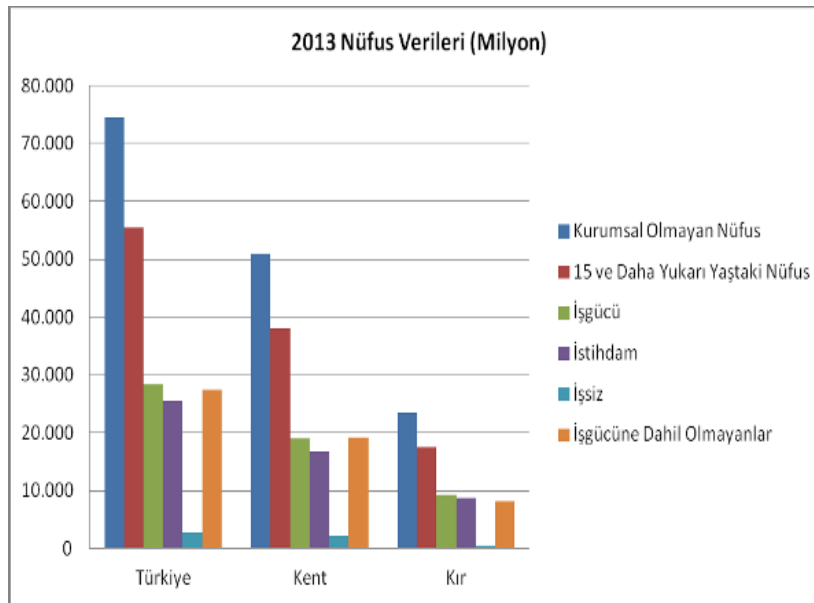
Unemployment Rate in Young Population (15-24 age group) (%)

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 side. 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)



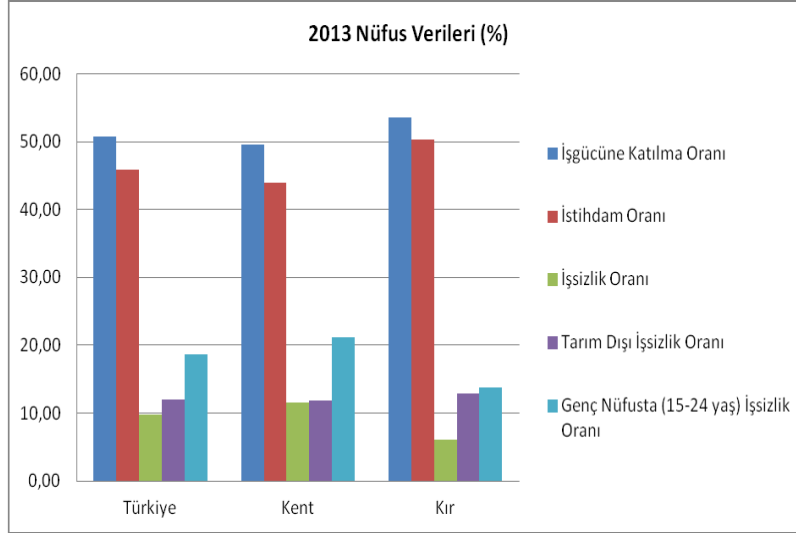
- Non Institutional Population
- Population of and above 15 years of age
- Labor force
- Employment
- Unemployment
- Not Included in the Labor Force

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

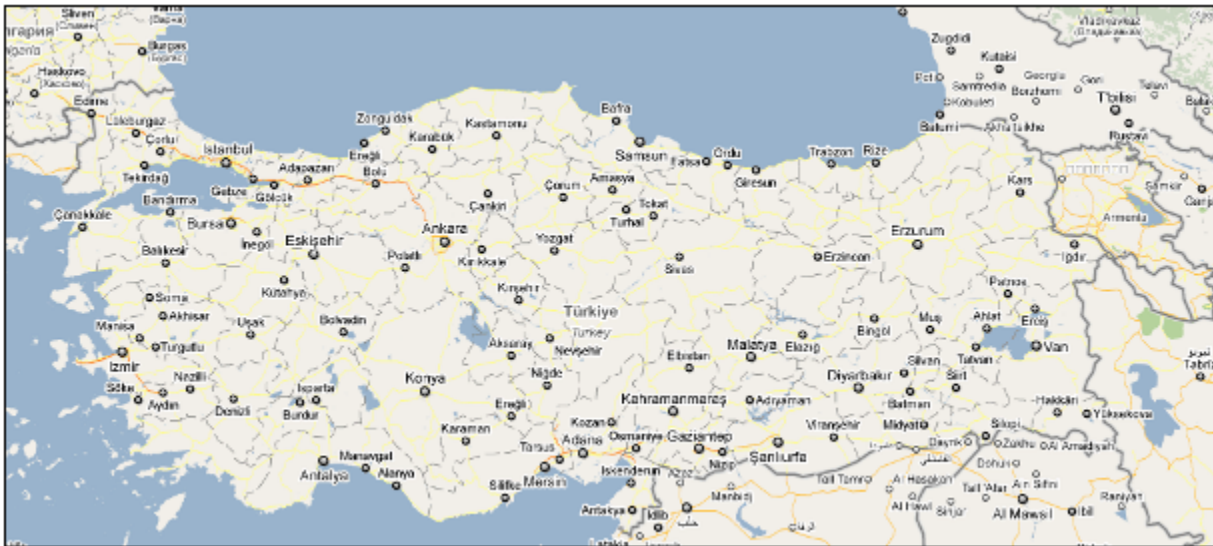
increased 6,4% and reached 6,7 billion dollars. (Source: *Mediterranean Touristic Hotels and Operators (AKTOB) Research Unit*)

While Turkey has managed to be one of the 20 biggest economies in the world (G20), it has also showed the success of entering top 10 countries in the world in terms of tourism. According to the data provided by United Nations World Tourism Organization (UNWTO), Turkey is in the 6th rank among top 10 countries in terms of number of 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 Real Estate Situated

4.4.1 The City of Ankara



The capital city Ankara situated in the Central Anatolia Region is the second largest province of Turkey. Covering a surface area of 30.715 km², the city is the second largest city after Istanbul in terms of population, and also the second after Konya in terms of surface area.

Bordered with Kırıkkale and Kırşehir in the east, Çankırı and Bolu in the north, Bolu in the northwest, Eskişehir in the west, Konya and Aksaray cities in the south, Ankara had a population of 404.581 in total according to the population census made in 1927, and this population had increased about 13 times in



the last 86 years, and reached to 5.045.083 in 2013, the population of Turkey had increased 5 times for the same period. While the share of this city's population in Turkey's total population was 3,2% in 1927, it reached to approximately 7,2% in 2013.

City and Country Side Populations in Ankara according to General Consensus

POPULATION	1990	Share of City and Village Populations in Total Population %	2000	Share of City and Village Populations in Total Population %	Address Based Population Registration System 2013	Share of City and Village Populations in Total Population %
Country Side Population	399.907	12,36	467.338	11,66	0	0
City Population	2.836.719	87,64	3.540.522	88,34	5.045.083	100,00
TOTAL	3.236.626	100,00	4.007.860	100,00	5.045.083	100,00

Ankara has 25 districts and 18 of them are central districts. The central districts consisting the Ankara Metropolitan Municipality are Akyurt, Altındağ, Ayaş, Bala, Çankaya, Çubuk, Elmadağ, Etimesgut, Gölbaşı, Kalecik, Kazan, Keçiören, Mamak, Pirsaklar, Sincan and Yenimahalle.

The economic activities are mainly based on commerce and industry. The share of agriculture and livestock farming in the economy is gradually decreasing. Both public sector and private sector investments made in Ankara and its vicinity has attracted a huge population migration from other cities, and is also still attracting this migration. About 71,5% of the population deals with jobs like official duties, transportation, communication and commerce which can be considered in the service sector; 25,7% work in the industry, and 2,8% work in agriculture sector. The industry sector covers intensely textile, food and construction industries. Today, investments are made mostly in defense, metal and engine sectors. The industrial production made in Ankara is substantially condensed in the organized industrial zones in Sincan, Akyurt, Çubuk, and the places near to the city center like İvedik and OSTİM. OSTİM organized industrial zone is the Turkey's largest small- and medium-scale industrial production area.

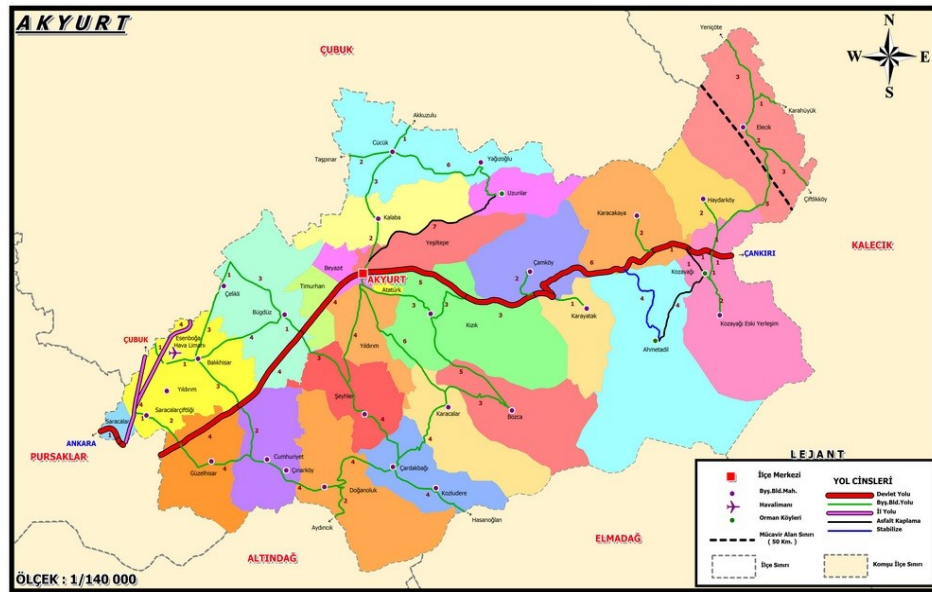
Ankara is the city having the highest number of university in Turkey, and in addition, the number of people having a university diploma in Ankara doubles the number of persons having a university diploma

in Turkey. This educated population constitutes the labor force required by the technology based investments.

Within the province, transportation is carried out by means of highways, railroad and airway. Located in north of the city center, Esenboğa International Airport is the most significant point where entrance and exits are made through airway. The city of Ankara has a modern highway net to meet the intensity of the motor vehicle traffic flowing both to and from the capital city. O-20 orbital motorway surrounding the capital city ensures the intercity traffic not to prevent the intracity traffic. O-20, by connecting with other motorways, provides access to other districts of the province and Turkey. There is a railroad line in Ankara which connects the city to Eskişehir over Sincan and Polatlı in the west, and to Kayseri over Irmak and Boğazköprü in the east, and the second railroad line connects Irmak to Karabük and Zonguldak over Çankırı. Still, train services are given to suburbs and all over Turkey from here. In addition, as Ankara-Konya, Ankara-Eskişehir and Ankara-Istanbul sublines of the High-Speed Train Line are completed and out into operation, accessibility to the city has been increased substantially.

4.4.2 District of Akyurt

District of Akyurt is situated in northeast of Ankara 32 km away to the city center. Included to the borders of the Esenboğa International Airport, the district continues its rapid growth.



Legend: District center, Metropolitan Municipality neighborhood, Airport, Forest villages, Urban area border (50 km), District border, Adjacent district border, ROAD TYPES; Asphalt pavement, State road, Metropolitan Municipality road,



City road, Stabilized road

District center is situated on the state road connecting Çankırı, Kastamonu and Sinop to Ankara. Its surface area is 258 km² and elevation from sea level is 960m. In terms of land structure, most of the land has the quality of agricultural land.

According to 2013 results of the Address Based Population Registration System, the total population of the district is 28.349. While it was 23.354 in 2007, the population was increased 21% in 6 years.

Year	Male Population	Female Population	Total Population
2013	14.456	13.893	28.349
2012	13.858	13.343	27.201
2011	13.683	13.097	26.780
2010	13.186	12.820	26.006
2009	12.930	12.471	25.401
2008	12.676	12.310	24.986
2007	11.902	11.452	23.354

The population of the District in years 2007-2013

It is one of the most rapidly developing districts of the city because of increasing the passenger capacity of Esenboğa Airport to 10 million besides the completion of the divided road projects between Akyurt-Esenboğa and Esenboğa-Ankara.

The economy of the district depends on agriculture and livestock farming. Since 1995, the district economy has started to shift from livestock farming to industry. Because of its proximity to the airport, the companies having activity in the fields of electronics, food, logistics, textile, automotive, electricity, and furniture show activity in the district. In the district, where the day population is higher than the night population due to high number of industrial plants, there are nearly 300 industrial plants in different sizes from small to large scale. These industrial organizations have been come together under the roof of AKSIAD (Akyurt Industrialists' and Businessmen's Association). Some companies such as Ülker, ASELSAN, M.A.N, CASA, Yakupoğlu, Nabay, Nurus, Kavaklıdere Şarapları, Coca Cola, Doğadan made most of their investments to the district. The organizations made their investments in Akyurt because of its proximity to Ankara and transportation easiness have been contributed to employment of thousands of people and development of the city.

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

Ankara is not a city which attracts foreign tourists. Only 1.5% of the foreign tourists (344.087 people) (2012) coming to Turkey enter from Ankara Esenboğa Airport. Most of them come in the period of May-



September and 38% of them are German citizens. As of December 2013, totally 822.375 people were entered the city; 489.197 of them were domestic while 333.178 of them were foreigners.

	2011 Year End	2013 Year End
Foreigners Entered	369.892	333.178
Citizens Entered	487.637	489.197

The number of Foreigners and Citizens entered Ankara

In terms of domestic tourism, cultural tourism being in the first place, there is congress tourism in the city center and its vicinity, winter tourism around Elmadağ, thermal tourism around Kızılcahamam, Ayaş, Çubuk and Haymana, and caving tourism in Tuluntaş cave in Gündül. Anıtkabir being in the first place, many museums and monuments besides historical houses situated in Beypazarı and Kızılcahamam contribute to domestic tourism. In addition, district of Evren with its coast around Hirfanlı dam lake offers an alternative aqueous and natural holiday opportunity for Ankara and adjacent cities.

Based on 2013 provincial report of Provincial Directorate of Culture and Tourism of the city of Ankara, the number of facilities having a tourism operation license in Ankara is 159, while the number of facilities with a municipal license is 169. The number of rooms with an operation license is 10.688 and the number of beds is 21.362.

For 38 accommodation facilities having an investment certificate, totally 4.744 rooms and 10.521 beds consisted of 4.038 normal rooms, 352 suits, 74 disabled rooms and 280 apart rooms are targeted. In Ankara, currently, totally 328 accommodation facilities with Tourism Operation License and Municipal License have totally 30.870 beds. If facilities with investment certificates are completed within 3 years, total bedding capacity of Ankara will be reached to 41.391. Among 159 accommodation facilities with an operation license, 16 of them are 5 star, 42 of them are 4 star, 49 of them are 3 star, 36 of them are 2 star, 2 of them are 1 star, while 11 of them are special licensed, 1 of them is hostel, 1 of them is class 2 mhotel and 1 of them is Auberge.

	Number of Facilities	Number of Rooms	Number of Beds
Having an Operating License	159	10.688	21.362
Having a Municipal License	169	4.932	9.508
Total	324	15.247	30.220

**Number of Facilities, Rooms and Beds Having a Tourism Operation License and Municipal License,
December 2013**

The occupancy rate at accommodation facilities in the city of Ankara; it is realized as 50.20 % in 2009, 56.96 % in 2010, 63.44% in 2011, 63.13% in 2012 and as of 2013 year end, it is realized as 58%.

While average length of stay in the facilities having an operating license in Turkey is 3,3 nights, this rate is 1,7 nights in Ankara.

	Check-in number		Overnight stay		Average length of stay		Occupancy rate (%)	
	Total (million)	*D/F Ratio	Total (million)	*D/F Ratio	Total	*D/F Ratio	Total	*D/F Ratio
Ankara	1,77	3,18	3,02	2,10	1,7	0,66	63,13	2,10
Antalya	12,79	0,26	68,04	0,13	5,3	0,50	63,22	0,13
Istanbul	6,16	0,39	13,93	0,27	2,3	0,69	53,94	0,27
Izmir	1,88	1,75	4,26	0,92	2,3	0,53	46,67	0,92
Turkey	36,18	0,77	121,15	0,33	3,3	0,44	54,34	0,33

**Distribution by cities for Check-in, Overnight stay, Average length of stay and Occupancy rate in the
Facilities having an Operating License, 2012 *D/F: Domestic/Foreigners**

In Ankara, in province basis as a whole, while hotels come in the first rank in accommodation preferences, the first rank belongs to thermal hotels with an average length of stay 6,1 nights.

Facility Type	Check-in number		Overnight stay		Average length of stay			Occupancy rate (%)		
	Total	*D/F Ratio	Total	*D/F Ratio	Foreigners	Domestic	Total	Foreigners	Domestic	Total
Hotel	1.662.802	3,18	2.852.675	2,07	2,3	1,5	1,7	13,00	27,0	40,0
Mhotel	1.812	257,86	4.573	380,08	1,7	2,5	2,5	0,08	31,2	31,2
Hostel	1.493	All Domestic	2.408	All Domestic	-	1,6	1,6	-	22,3	22,3
Auberge	8.848	All Domestic	8.848	All Domestic	-	1	1	-	36,6	36,6
Special Facility	51.971	1,59	73.332	1,51	1,5	1,4	1,4	17,5	26,3	43,7
Boutique Hotel	12.943	1,54	24.243	0,88	2,5	1,4	1,9	15,5	13,6	29,1
Thermal Hotel	29.585	31,87	57.352	9,52	6,1	1,8	1,9	1,81	16,2	18
Grand Total	1.769.454	3,18	3.023.431	2,10	2,3	1,5	1,7	12,6	26,5	39,0

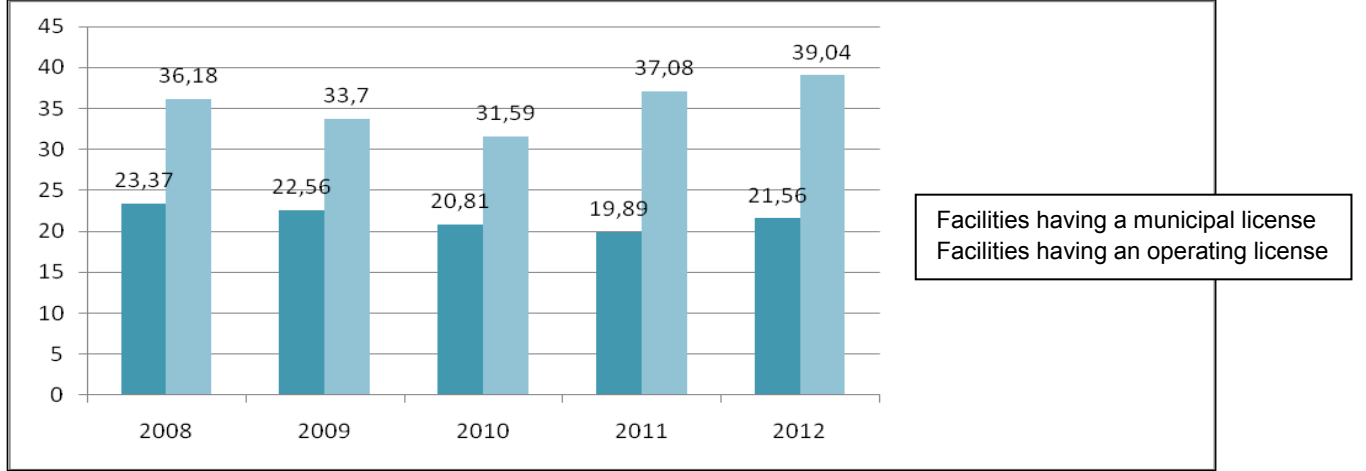
Distribution by Facility Type and Classes for Check-in, Overnight stay, Average length of stay and Occupancy rate in the Facilities having an Operating License, 2012 *D/F: Domestic/Foreigners

If occupancy rates for 2012 of the facilities having an operating license are compared in different districts of Ankara, in province basis as a whole, it is seen that Altındağ has the highest occupancy rate followed by the district of Çankaya. While Altındağ covers the Ankara's oldest historic center Ulus; Çankaya covers Kızılay and Tunalı within its borders. Occupancy rate increases in the city center. The average occupancy rate in the district of Akyurt where the real estate related to this appraisal is 38,48%.

	Check-in number	Overnight stay	Average length of stay	Occupancy rate (%)
Altındağ	470.232	778.918	1,6	42,07
Çankaya	990.638	1.733.720	1,8	40,02
Etimesgut	10.021	11.661	1,2	37,93
Keçiören	22.547	31.014	1,4	34,73
Mamak	2.896	7.318	2,5	31,24
Yenimahalle	94.134	163.886	1,7	39,14
Akyurt	46.862	96.041	2	38,48
Beypazarı	9.206	12.383	1,3	32,85
Elmadag	8.848	8.848	1	36,63
Gölbaşı	32.603	42.919	1,3	37,95
Haymana	7.702	14.558	1,9	17,96
Kazan	274	670	2,4	4,36
Kızılcahamam	58.933	107.485	1,8	28,02
Polatlı	3.460	8.736	2,5	13,84
Şereflikoçhisar	2.098	5.274	2,5	17,15
Total	1.769.454	3.023.431	1,7	39,04

Distribution by districts of Ankara for Check-in, Overnight stay, Average length of stay and Occupancy rate in the Facilities having an Operating License, 2012

If the accommodation rates in the facilities having an operating license and a municipal license are compared between the years 2008-2012; accommodation rate in the facilities having an operating license is 45% higher than the accommodation rate in the facilities having a municipal license.



Accommodation Rates by Years in the Accommodation Facilities Situated in Ankara, 2008-2012

The region where the real estate is situated is very close to the Esenboğa Airport, and except for the 3 star Ibis Ankara Airport Hotel related to this appraisal, in the region, also 5 star and 354 room capacity Büyük Anadolu Hotel in the Būdüz Neighborhood, and 5 star and 122 room capacity Esenboğa Airport Hotel in the district of Pursaklar, Saray Neighborhood are existed.

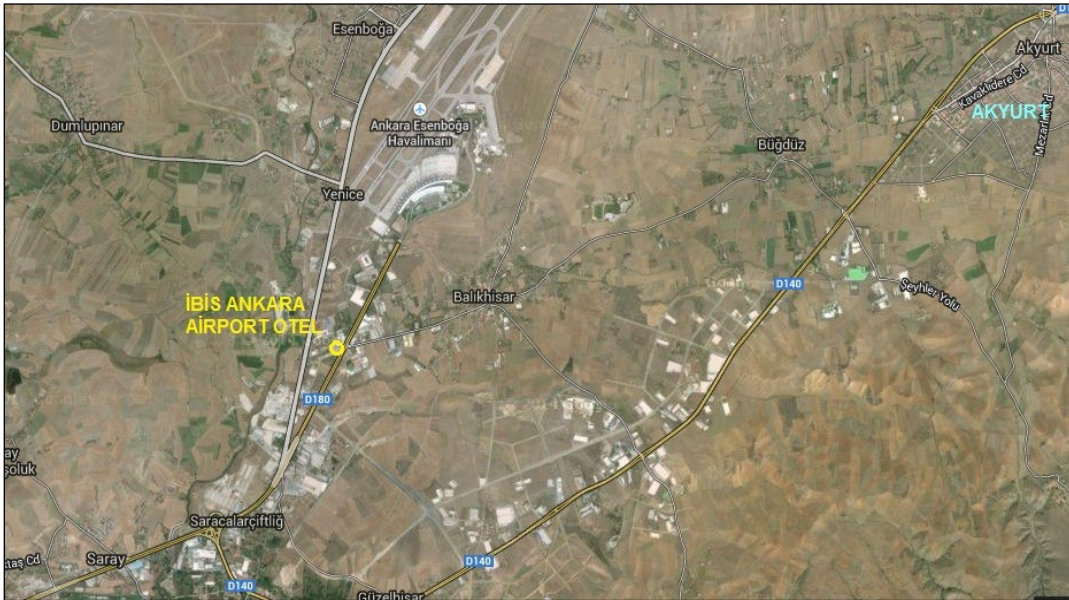
5 INFORMATION IN REGARD TO THE REAL ESTATE SUBJECT TO THE APPRAISAL

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

The real estate subject to the appraisal is at the address Akyurt İlçesi, Balıkhisar Mahallesi, Özal Bulvarı No: 617 Ankara. It is registered to the land registry as the city of Ankara, district of Akyurt, Balıkhisar Neighborhood, Block no.1843, plot no.5. There is a hotel operating as 3 star Ibis Ankara Airport Hotel on the plot.



Satellite view



Satellite view



Location of the Real Estate Subject to the Appraisal (Ibis Ankara Airport Hotel)

For accessing to the real estate; going towards in the direction of Esenboğa Airport on the Özal Avenue named as Protocol Road is needed. After passing the Akyurt turnout on the Avenue where the Ülker Plant is situated, proceeding 2.9 km towards to direction of the airport. The real estate is located at the left hand side of the road at the going direction. For accessing to the facility, by turning back from main entrance of Esenboğa Airport, after going for about 1.5 km the real estate is reached. Therefore, accessing to the region through public transport vehicles on the Ulus-Kızılay line is possible.

Real estate is approximately öy merkezine yaklaşık 2 km away from Balıkhisar village center, 17 km away from Akyurt district center, and 25 km away from Ankara city center.

Özal Avenue where the real estate has a façade thereto starts from city center, and it is a very long avenue providing access to the airport. The real estate is situated in the northeast of the avenue, in the section between Çankırı road and Esenboğa Airport. All along the avenue where the real estate is situated, this area is reserved as public works and urban service area. Exhibition Area Project has been established on the east front of the real estate corresponds to south sections of the Balıkhisar village center. Settlement ratio in the region is low and intensely has industrial plants. There are vacant lands on the south front of the real estate while Habertürk Facilities are located on the northeast front of it. In its vicinity, there are Novagenix pharmacy plant, Man truck and coach factory, Borusan Oto Akyurt plant,



Yakupoğlu (YDA) plant, Otonomi- a big automobile shopping mall project both in Turkey and Europe scale which is still under construction and going to be collect all auto galleries situated in the city center under its roof, besides small and medium-scale warehouses and factory buildings.

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

City	:	Ankara
District	:	Akyurt
Neighborhood	:	Balıkhisar-Imar
Section No.	:	-
Block No.	:	1843
Plot No.	:	5
Surface Area	:	14.443,40 m ²
Owner	:	Akfen Real Estate Investment Trust Anonim Şirketi (wholly owned)
Nature	:	10 Story Hotel and Land
Land Title Date	:	21.07.2011
Journal No.	:	3094
Volume No.	:	9
Page No.	:	792

The real estate subject to the appraisal is registered at the Directorate of Land Registry of the district of Akyurt, with the Balıkhisar-Imar Neighborhood Volume No. 9, page 792. Its quality is “Ten Storey Hotel and Land” of which owner is “Akfen Real Estate Investment Trust Anonim Şirketi.”

Restrictions on the real estate are given below.

5.2.1 Investigation of the Land Registry of the Real Estate

According to the inspection has been performed on the relevant pages of the land title registries in the Land Registry Directorate of the District of Akyurt on the date of 01.12.2014, at 02:05 p.m. and as per the land registry record dated 01.12.2014 given in the attachment, the following restrictions have been noted. Restriction documents are given in the attachment of this report.

Statements Section (Balıkhisar-Imar Neighborhood, Volume no.9, 792 Page)

- An authorizatio has been entitled to the Land Registry Directorate of Zeytinburnu upon letter dated 27.01.2014 and numbered 159.



Annotations Section (Balıkhisar-Imar Neighborhood, Volume no.9, 792 Page)

- *There is a lease agreement in a consideration of 1 TL. (A lease annotation in favor of the Republic of Turkey, General Directorate of Türkiye Elektrik Dağıtım Inc. (Turkish Electricity Distribution Company) to be started from 29.11.2013 for 99 years to be used as a transformer location for an annual rent of 1.00 TL. Commencement date:12.12.2013 Term:99 Years) Date:12.12.2013 Journal no:6311*

Liens Section (Balıkhisar-Imar Neighborhood, Volume no.9, 792 Page)

- *A-I: There is a first mortgage in favor of Türkiye İş Bankası Inc, in an amount of 11.250.000,00 EURO, valid until notification of its release, with an annual euribor+5 (variable) rate upon the letter dated 25.04.2013 with journal no. 2071.*
- *B-I: There is a first mortgage in favor of Türkiye İş Bankası Inc, in an amount of 38.250.000,00 EURO, valid until notification of its release, with an annual interest rate of 6,35 % (3 months euribor) upon the letter dated 29.05.2014 with journal no. 6661. Remarks: This mortgage is a joint mortgage including the following real estates; in the Land Registry Directorate of Osmangazi, Altınova Neighborhood block no. 3198 plot no. 6, Pervane Neighborhood block no.2420 plot no. 9, Zeytinburnu Neighborhood block no. 774 plot no.55, Yaprak Neighborhood block no. 5020 plot no.2, Yakuplu Neighborhood block no. 404 plot no.39, Kaşüstü/Cumhuriyet Neighborhood block no. 209 plot no.12, Çınarlı Neighborhood block no. 585 plot no.2 detached section no.1, Çınarlı Neighborhood, block no. 585 plot no.2 detached section no.2.*

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 subject to the appraisal within the last three years. However, a second mortgage in favor of Türkiye İş Bankası Inc, in an amount of 38.250.000,00 EURO, valid until notification of its release, with an annual interest rate of 6,35 % (3 months euribor) upon the letter dated 29.05.2014 with journal no. 6661 has been added to the records. This mortgage is a joint mortgage including the following real estates; in the Land Registry Directorate of Osmangazi, Altınova Neighborhood block no. 3198 plot no. 6, Pervane Neighborhood block no.2420 plot no. 9, Zeytinburnu Neighborhood block no. 774 plot no.55, Yaprak Neighborhood block no. 5020 plot no.2, Yakuplu Neighborhood block no. 404 plot no.39, Kaşüstü/Cumhuriyet Neighborhood block no. 209 plot no.12, Çınarlı Neighborhood block no. 585 plot no.2 detached section no.1, Çınarlı Neighborhood, block no. 585 plot no.2 detached section no.2.



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

It is seen that there is a first mortgage on the real estate subject to the appraisal in favor of Türkiye İş Bankası Inc, in an amount of 11.250.000,00 EURO and a second and joint mortgage in favor of Türkiye İş Bankası Inc, in an amount of 38.250.000,00 EURO.

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.”

With regard to mortgages recorded under real estate liens section, based on the letter received from the mortgagees the Turkish Industrial Development Bank and Türkiye İş Bankası dated 05.12.2014, the mortgage established on the real estate is related to the investment credit to be used in the financing of construction of hotels to be operated by the ACCOR SA pursuant to the agreement made between the Akfen Real Estate Investment Trust Inc.. and the Accor SA. The related letter of the Turkish Industrial Development Bank and Türkiye İş Bankası is given in the attachment of this report.

Pursuant to the paragraph 1 of the Article number 30 of the communiqué, with regard to the real estate investment trusts principles of the Capital Market Board regulations published in the Official Gazette dated 28.05.2013, the real estate investment trusts are allowed to establish mortgage, lien and other limited real rights on the assets available in the portfolio only for obtaining loans for financing the transactions of purchase of real estates, real estate projects and rights related to such real estates or for investments.

In accordance with the article of the aforementioned communiqué, the mortgages established on the real estate do not prevent the real estate from being included in the investment trusts portfolio, within the scope of the Capital Market Board regulations.

5.3 Inspection of the Zoning Information of the Real Estate

According to the inspections made in the Municipality of the District of Akyurt, Zoning and Urbanism Directorate on 03.12.2014 and based on the current zoning status certificate with no. 11165416/310.05-8267 approved on 03.12.2014, enclosed herewith; the zoning information relative to the real estate subject to the appraisal given below.



Pursuant to the Akyurt (Ankara) Logistics Center and Urban Service Areas Implementation Zoning Plan, with a scale of 1/1000, issued by the Municipality of the district of Akyurt having no. 3102, dated 05.09.2008 and approved by the Ankara Metropolitan Municipality with no. 195 on 16.01.2009, the real estate subject to the appraisal is in the “Logistics Center” area. The Official Zoning Status documents are enclosed herewith. Structuring conditions will be determined according to Floor area ratio: 1,00, Hmax: Plan notes article 1.8, for the relevant plot, the front yard setback distance: 25,00 m, side yard setback distance: 7,00 m and 10,00 m.

Pursuant to Plan notes article 5.2., these are areas where transit between different transportation types of and systems, besides transit of goods and services as well as passengers is going to be made. For this purpose, accommodation facilities, hotels, mhotels, social facilities, offices, commercial units may be included in logistics centers, and such facilities should be arranged to have a façade to the Esenboğa-Ankara Protocol Road, accommodation facilities and social facilities cannot be located on any other area. On this area, for goods to be transited by airway, warehouses can be constructed. However, such warehouses cannot be constructed on the plots having façade to the Esenboğa-Ankara Protocol Road. It is a must that the warehouse buildings to be constructed on the back plots have to be constructed together with the office units and such office units should be directed towards to the Esenboğa-Ankara Protocol Road. Minimum size for a plot shall be 5.000 m².

Pursuant to Plan notes article 1.8, “hmax in the planning area shall be determined according to the urban design projects based on the heights given in the approved obstacles plan, plot plans and road project to be prepared by the relevant municipality. Without issue of urban design projects and approval of the same by the municipal council, zoning radius and construction permit may not be issued.”

According to the information obtained from the Municipality of district of Akyurt, Zoning and Urbanism Directorate of on the date of 03.12.2014, there is a motion for stay of execution adopted by the court for the zoning plan also including the real estate related this appraisal. The motion for stay of execution adopted by the court was served on the Municipality of the district of Akyurt on 07.05.2014, and it has been noted that the related case is still pending. No detailed information regarding this case was given to our company. Based on the verbal information given, a case has been filed for narrowing the façade to the avenue of the cadastral plot belongs to another owner in the relevant area where the real estate is also located, and therefore, the plot subject to this appraisal has also been included to this case. As no objection was filed during the plan announcement period, it has been stated that the plot has also become subject matter of this case. It has been noted that construction permit and occupancy permit



related to the real estate subject to this appraisal have been issued before the date of notification relative to this case, and as these are vested rights, it will not affect the building related to this appraisal but according to the result of the case, the borders of the plot may be changed.

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

According to the inspection made at the Municipality of Akyurt, Zoning Directorate Archives, for the real estate subject to the appraisal, Construction Permit with certificate no. 105/12 on 31.12.2012; Construction Permit for Change of Name with certificate no. 32/13 on 18.02.2013; Occupancy Permit with certificate no. 33/2014 on 25.04.2014 have been obtained.

	Date and certificate no.	Surface Area	Description
Construction Permit	31.12.2012/105-12	7.663,78m ²	Hotel and other guesthouses
Construction Permit for Change of Name	18.02.2013/32-13	7.663,78m ²	Hotel and other guesthouses
Occupancy Permit	25.04.2014/33-2014	7.663,78m ²	Hotel

Construction and Occupancy Permits

The project date has been noted as 31.12.2012 on the Construction Permit and Construction Permit for Change of Name. The architectural project approved on 31.12.2012 and issued for 147 rooms consisted of basement+ground floor+8 normal floors+ attic has been inspected.

According 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 31.12.2013 dated "Architectural Project". The relevant documents are given in the attachment of this report.

5.3.2 Building Inspection Institution and Maintenance

In article 11 of the Law Regarding Building Inspection with the number 4708 and dated 29.06.2001, it is stated, *"Implementation of this Law is started with the pilot cities which are Adana, Ankara, Antalya, Aydın, Balıkesir, Bolu, Bursa, Çanakkale, Denizli, Düzce, Eskişehir, Gaziantep, Hatay, İstanbul, İzmir, Kocaeli, Sakarya, Tekirdağ and Yalova."*

The real estate related to this appraisal is subject to the Law Regarding Building Inspection, and the building inspection has been carried out by the company Tek Building Inspection Services Co. Ltd..

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



Pursuant to the information obtained from the Municipality of the District of Akyurt, Zoning and Urbanism Directorate, it has been established that a change in the legal status of the real estate in the last three years is out of the question. There is a motion for stay of the execution adopted by the court regarding the plot subject to this appraisal. The motion for stay of execution adopted by the court was served on the Municipality of the district of Akyurt on 07.05.2014, and it has been noted that the related case is still pending. No detailed information regarding this case was given to our company. Based on the verbal information given, a case has been filed for narrowing the façade to the avenue of the cadastral plot belongs to another owner in the relevant area where the real estate is also located, and therefore, the plot subject to this appraisal has also been included to this case. As no objection was filed during the plan announcement period, it has been stated that the plot has also become subject matter of this case. It has been noted that construction permit and occupancy permit related to the real estate subject to this appraisal have been issued before the date of notification relative to this case.

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 with regard to the real estate subject to the appraisal have been obtained.

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 is a motion for stay of the execution adopted by the court regarding the plot subject to this appraisal. But, it is seen that the building presently found on the plot has obtained the required approved architectural project, construction permit and occupancy permit before the date of this motion. Therefore, there are no obstacles that prevent the real estate from being included in the Real Estate Investment Trust portfolio 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 is located in the city of Ankara, district of Akyurt, Neighborhood of Balikhisar, Block no: 1843, Plot no: 5, with a surface area of 14.443,00 m², of which ownership belongs to “Akfen Real Estate Investment Trust Inc..”, and having the quality “Ten Storey Hotel and Land.”

The plot no. 5 included to block no. 1843 has a façade to Özal Avenue, and situated in the northwest direction. The plot is situated at a corner according to the zoning plan and has a slightly inclined land structure and this inclination decreases towards northwest. In geometrical terms, it has a rectangular shape. According to the approved zoning plan, plot no.6 included to block no.1843 in the west; 10,00 m long zoning road in the south; 50,00 m long Özal Avenue in the east; plot no.4 included to block no.1843 in the north of the real estate related to this appraisal are situated. The front of the plot to the avenue is approximately 125m, while its front to 10m road is 97m, west front is 132m and north front is 120m.

İBİS ANKARA AIRPORT HOTEL		
Floor Name	Project Surface Area (m ²)	Actual Surface Area (m ²)
Basement Floor	1.233,86	1.233,86
Ground Floor	1.232,98	1.232,98
1	1.244,28	1.244,28
2, 3, 4, 5, 6, 7, 8	559,34	559,34
Attic	37,28	37,28
TOTAL	7.663,78	7.663,78

Floors, Project and Actual Surface Areas of the Hotel

Basement Floor: The basement floor, of which elevation is -4,50, covers an area of 1.233,86m² according to its approved architectural project. It is composed of a parking garage with a capacity of 16 vehicles, shelter with a W.C., fuel tank room, technical manager’s room, the storerooms for potable water tank and water reserve tank against fire, pumping room and electric board room. Its current status complies with the closed area project. The section indicated as potable water tank room in the project, no water tank is built; instead, a potable water softening and ultraviolet sterilization system has been installed. The entrance to the parking garage is located at the rear front and the door is a power operated door. The floors are covered with ceramics whereas the storerooms are covered with plexy, and parking garage is concrete. The walls are satin painted. And, interior doors are partially made of Aluminium and partially panels.



Ground Floor: The elevation of the ground floor, of which elevation is -1,50, is lower than the elevation of Özal Avenue. According to its approved architectural project, it covers an area of 1.232,98m². It is composed of a parking garage with a capacity of 15 vehicles, garbage room, purchase office, 3 cold storerooms, kitchen, laundry, men's and ladies locker rooms, personnel cafeteria, fire alarm room, storeroom, system control room, main distribution panel, dirty and clean laundry room, central heating system. Its current status complies with the closed area project; however, arrangement of compartments has been changed according to the usage. Garbage room, purchase office and storeroom section and the hall in front of it have been added to the parking garage as an open space. Located abreast of the elevator, the office has been compartmented from the open space by use of pvc. The garbage room is abreast of the personnel cafeteria. The floors are covered with ceramics whereas the storerooms are covered with plexy, and parking garage is concrete. The walls are satin painted. And, interior doors are partially made of Aluminium and partially panels.

1st Floor: The 1st floor, of which elevation is +2,50, has the same elevation with Özal Avenue and entrance to the hotel is also from this floor. According to its approved architectural project, it covers an area of 1.244,28 m². It is composed of a restaurant, restaurant kitchen including a daily storeroom, food preparation room, cold storeroom and dishwashing area, 1 sectionable and 2 normal meeting rooms, men's and ladies W.C., office areas, archive room, baggage room, electric board room, gazebo, lobby bar, reception, and furniture storeroom. Its current status complies with the closed area and sectioning project. Hotel entrance is wooden lined, meeting rooms foyer area covered with carpet, restaurant flooring is covered with laminated parquet, flooring of the meeting rooms is covered with carpet, office flooring is covered with laminated parquet while wet areas and flooring of the kitchens are covered with ceramics. The walls are satin painted while kitchen walls are covered with ceramics.

2nd Floor: The 2nd floor, of which elevation is +7,50, covers an area of 559,34m² according to its approved architectural project. On the second floor, there are 21 rooms, consisted of 1 disabled, 6 twin and 14 standard rooms, besides the ironing room and the electric board room. Its current status complies with the closed area and sectioning project. Floor hall is covered with carpet, and flooring of the rooms is covered with laminated parquet, while flooring of the room bathrooms is covered with ceramics. The walls are satin painted and room doors are made of wood. A shower tube, shower cabin, flush toilet and Hilton type wash basin are found in bathrooms.

3rd Floor: The 3rd floor, of which elevation is +10,70, covers an area of 559,34m² according to its approved architectural project. On the third floor, there are 21 rooms, consisted of 1 disabled, 6 twin



and 14 standard rooms, besides the ironing room and the electric board room. Its current status complies with the closed area and sectioning project. Floor hall is covered with carpet, and flooring of the rooms is covered with laminated parquet, while flooring of the room bathrooms is covered with ceramics. The walls are satin painted and room doors are made of wood. A shower tube, shower cabin, flush toilet and Hilton type wash basin are found in bathrooms.

4th Floor: The 4th floor, of which elevation is +13,90, covers an area of 559,34m² according to its approved architectural project. On the fourth floor, there are 21 rooms, consisted of 1 disabled, 6 twin and 14 standard rooms, besides the ironing room and the electric board room. Its current status complies with the closed area and sectioning project. Floor hall is covered with carpet, and flooring of the rooms is covered with laminated parquet, while flooring of the room bathrooms is covered with ceramics. The walls are satin painted and room doors are made of wood. A shower tube, shower cabin, flush toilet and Hilton type wash basin are found in bathrooms.

5th Floor: The 5th floor, of which elevation is +17,10, covers an area of 559,34m² according to its approved architectural project. On the fifth floor, there are 21 rooms, consisted of 1 disabled, 6 twin and 14 standard rooms, besides the ironing room and the electric board room. Its current status complies with the closed area and sectioning project. Floor hall is covered with carpet, and flooring of the rooms is covered with laminated parquet, while flooring of the room bathrooms is covered with ceramics. The walls are satin painted and room doors are made of wood. A shower tube, shower cabin, flush toilet and Hilton type wash basin are found in bathrooms.

6th Floor: The 6th floor, of which elevation is +20,30, covers an area of 559,34m² according to its approved architectural project. On the sixth floor, there are 21 rooms, consisted of 6 twin and 15 standard rooms, besides the ironing room and the electric board room. Its current status complies with the closed area and sectioning project. Floor hall is covered with carpet, and flooring of the rooms is covered with laminated parquet, while flooring of the room bathrooms is covered with ceramics. The walls are satin painted and room doors are made of wood. A shower tube, shower cabin, flush toilet and Hilton type wash basin are found in bathrooms.

7th Floor: The 7th floor, of which elevation is +26,70, covers an area of 559,34m² according to its approved architectural project. On the seventh floor, there are 21 rooms, consisted of 6 twin and 15 standard rooms, besides the ironing room and the electric board room. Its current status complies with the closed area and sectioning project. Floor hall is covered with carpet, and flooring of the rooms is covered with laminated parquet, while flooring of the room bathrooms is covered with ceramics. The walls are satin



painted and room doors are made of wood. A shower tube, shower cabin, flush toilet and Hilton type wash basin are found in bathrooms.

8th Floor: The 8th floor, of which elevation is +13,90, covers an area of 559,34m² according to its approved architectural project. On the eighth floor, there are 21 rooms, consisted of 6 twin and 15 standard rooms, besides the ironing room and the electric board room. Its current status complies with the closed area and sectioning project. Floor hall is covered with carpet, and flooring of the rooms is covered with laminated parquet, while flooring of the room bathrooms is covered with ceramics. The walls are satin painted and room doors are made of wood. A shower tube, shower cabin, flush toilet and Hilton type wash basin are found in bathrooms.

Attic: The attic covers an area of 37,28m² according to its approved architectural project. There is an elevator platform on this floor. Its current status complies with the closed area and sectioning project.

	IBİS ANKARA AIRPORT HOTEL							
	2nd Floor	3rd Floor	4th Floor	5th Floor	6th Floor	7th Floor	8th Floor	Total
Standard Rooms	14	14	14	14	15	15	15	101
Twin Rooms	6	6	6	6	6	6	6	42
Disabled Rooms	1	1	1	1	-	-	-	4
Total	21	21	21	21	21	21	21	147

Quality and Number of Rooms by Hotel Floors

There are 2 guest elevators with a capacity of 8 persons, a garage elevator providing passage between the ground floor and 1st floor and a service elevator in the building. The building has a fire escape.

Building entrance is from southeast front, looking to Özal Avenue which is located on the first floor. There are parking lots available both in the front and back gardens.

It has a capacity of 147 rooms according to its approved architectural project. The surface area of each twin room is 14,68m², each standard room is 13,26m², and each disabled room is 15,98m².

Exterior façades of the hotel is mechanically fixed stone cladding unlined with rock wool. Entrance to the building is provided through wide doors closed with a canopy. Joinery is double-glazed Aluminium joinery.

Construction Characteristics of the Ibis Ankara Airport Hotel are as follows.

Structural and Interior Construction Characteristics of the Ibis Hotel	
Total Area	<p><u>According to the Architectural Project and current status:</u> 7.663,78 m²</p> <p><u>According to the Construction Permit and Occupancy Permit:</u> 7.663,78 m²</p>
Age	New building
Construction Type	Concrete
Roofing System	Terrace Roof
Disposition	Detached
Number of Floors	11 Storey (Basement + Ground Floor + 8 Normal Floors+ Attic)
Exterior Façade	Mechanically fixed stone cladding
Electricity	City Grid
Heating System	Central Heating System
Water	City Grid
Sewerage	City Grid
Elevator	Available (4 elevators)
Ventilation System	Available
Fire Escape	Available
Fire Extinguisher Systems	Available
Car Park	Available (Closed and Open)
Flooring	Carpet, laminate parquet, ceramics, wood
Walls	Satin paint, ceramic tile
Joinery	Aluminum
Ceilings	Suspended ceiling
Illumination	Wall lamps, chandeliers, lamp shades, spot lights and fluorescent luminaries



5.4.2 Inspections Performed Within the Premises of the Real Estate

- The hotel which is subject to this appraisal study is situated on the plot in the northeast direction, and an area of nearly 6.000m² is used. The usage area is surrounded by walls, and wire netting on top these walls. Nearly 8.443m² of the plot is vacant and no arrangements made on this land.
- On the part where used as hotel, front and back gardens are covered with interlocking paving stone.
- Private security team is available at the entrance.
- Put into operation on 01.10.2014, the hotel is a 3 star hotel. It has 147 rooms and 294 beds.
- The customer portfolio of the hotel is medium income group consisted of employees of the industrial plants in the vicinity besides business travelers.
- Besides accommodation income, the hotel also provides income from restaurant and meeting services. Among 3 meeting rooms, the largest one has a capacity of 181 persons while other two meeting rooms have a capacity of 12 persons. It is noted that meetings and trainings of small- and medium-scale industrial plants in the vicinity have been made.
- The capacity of the hotel restaurant is 150 persons.
- The personnel of the hotel are consisted of 28 persons.
- On the plot, 1 transformer building and 1 portable generator facility exist.
- Other issues, considered as external and miscellaneous works, which have been determined on site and included to the scope of the appraisal study are transformer building, concrete areas, landscaping, concrete wall surrounding the plot, security cabin and landscape studies. External and miscellaneous works have been included as additional cost to the calculations made under 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

- There are two 5 star hotels in its vicinity. This affects the development of the region positively.
- The real estate subject to the appraisal is situated on the Ankara-Esenboğa Airport road and has a front to the avenue.
- The surface area of the land is large and its front to the avenue is long.
- The hotel is operated under the name IBIS ANKARA AIRPORT HOTEL which is a brand name belongs to Accor hotel group has activities worldwide.
- There are multi-purpose meeting rooms.
- It has both open and closed car parks.

Weaknesses

- As it is situated in a long distance to Ankara city center, it does not strike domestic and foreign tourists' fancy visiting Ankara city center.

Opportunities

- There are large industrial plants are located in its vicinity.
- Largest and single car shopping mall of Turkey is under construction in its vicinity.

Threats

- As a result of the case filed in relation to the real estate subject to the appraisal, a motion for stay of execution adopted for the zoning plan. This does not directly affect the existing building. Construction permit and occupancy permit for this building were received before the proceedings. But, if the court will decide to change cadastral borders at the end of this case, the size of the land may change.
- Economic changes both in domestic and global scale also directly affect the real estate sector. This fact may cause retardation of the investments planned for this 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 a commercial property generating revenue having the quality of 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

As a result of the surveys performed in the vicinity of the real estate, no other recently sold or still for sale exemplary hotels with a similar location, nature and structuring conditions to that of the real estate subject to the appraisal has been found.

For employing the cost analysis approach, exemplary lands having the same structuring conditions have been investigated.

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

In the region where the real estate is located, and in the vicinity, recently sold or still for sale exemplary lands with the same structuring conditions have been investigated, and the data received are shown in the chart given below.

EXAMPLE	Location	Characteristics	Area (m ²)	Price	Price per m ²	Source
Example 1	On the Özal Avenue, at the opposite side of the real estate front to the avenue, adjacent to Borusan facility	Two neighboring plots each having a surface area of 10.904m ² and 8.360m ² , zoning is for an industrial area, E:1.00, hmax: free structuring condition	Two neighboring plots each having a surface area of 10.904m ² and 8.360m ²	22.153.000 TL	1.150TL (for sale)	Landlord, 0530 330 53 41
Example 2	Abreast of the real estate, having front to the Özal Avenue, block no.1836 plot no.1 I	Urban service area, E:1,00 (as per plan notes, on a land of 10.000m ² E:1,20), hmax: free	15.800 m ²	18.960.000 .-TL	1.200TL (for sale)	Yatırım Emlak, 0312 844 01 52
Example 3	In the region where the real estate is situated, the price per m2 requested for the lands having front to the avenue has been stated as around 1.200TL, and the sale price will be around 1.000TL.				1.000TL (as per the statement)	
Example 4	Having front to the Özal Avenue	Logistics center, E:1.00, hmax: free structuring condition	8.000m ²	6.800.000 TL	850TL (sold)	Toprak Emlak, 0312 844 01 07

EXAMPLE	Location	Characteristics	Area (m ²)	Price	Price per m ²	Source
Example 5	In the region where the real estate is situated, the price per m ² requested for the lands having front to the avenue has been stated as around 1.000TL, and the sale price will be around 850TL.				850TL (as per the statement)	
Example 6	Having front to the Özal Avenue	Logistics center, E:1,00 (as per plan notes, on a land of 10.000m ² E:1,20), hmax: free structuring condition the land is for sale from a price per m ² 1.000TL, but will be settled for 800TL.	10.000m ²	8.000.000 TL	800TL (for sale)	Arslan Emlak, 0312 399 20 02
Example 7	Abreast of the real estate, having front to the Özal Avenue, adjacent to Genpower facility	Zoning for a trade area, suitable for hotel construction, a land with a prepared hotel project for 220 beds, E:1.00	5.200m ²	10.400.000 TL	2.000TL (for sale)	Landlord, 0532 597 80 22
Example 8	Abreast of the real estate and located on the Özal Avenue	Urban service area, E:1,00 (as per plan notes, on a land of 10.000m ² E:1,20), hmax: free	6.900m ² 11.300m ²	18.200.000 TL	1.000TL (for sale)	Arcadia Emlak, 0312 837 47 47

EXAMPLE	Location	Characteristics	Area (m ²)	Price	Price per m ²	Source
Example 9	Between the Özal Avenue and the Çubuk Road, in the west of the real estate	Urban service area, E:1,00 (as per plan notes, on a land of 10.000m ² E:1,20), hmax: free	10.000 m ² 6.289 m ² 6.699 m ²	9.195.000 TL	400TL (for sale)	

The examples given are sold or still for sale lands with similar structuring conditions to that of the real estate in the region where it is situated. Examples 1, 2, 3, 6, 7, 8 are lands with façade to the Özal Avenue and having same structuring conditions. Example 4 is a land which is sold which is realized price per m² is 850TL'dir. Demanded price per m² varies between 800-2.000TL. As the zoning plans have been finalized in the region, through plan notes, enabling the structuring such as hotel, office, etc. in the region, determining of the surrounding of the airport as an exhibition area, commencement of the construction of Turkey's largest car shopping mall on the Özal Avenue, prices in the region have been arisen. Example 9 is the land located in a inner region from the avenue, between the Özal Avenue and the Çubuk Road. The plan note regarding that the accommodation facilities can be constructed on the plots having façade to the avenue has caused the rather high value difference between the plots having façade to the avenue and the ones located in the inner regions. The prices are quite lowering as the distance to the Avenue increases.

LAND EXAMPLES EVALUATION TABLE

	Example 1		Example 2		Example 4		Example 6		Example 7		Example 8	
Area (m²)	10.904	m ²	15.800	m ²	8.000	m ²	10.000	m ²	5.200	m ²	6.900	m ²
Demanded Price (TL)	12.539.600		18.960.000		6.800.000		8.000.000		10.400.000		6.900.000	
Bargain Price (TL)	10.658.660		14.220.000		6.800.000		7.360.000		5.200.000		5.865.000	
Location Correction (+-%)	-5%		0%		0%		0%		0%		0%	
Surface Area Correction (+-%)	5%		0%		7%		5%		15%		12%	
Zoning Status Correction (+-%)	10%		0%		0%		0%		0%		0%	
Corrected Price per Unit	880	TL/m ²	900	TL/m ²	791	TL/m ²	699	TL/m ²	850	TL/m ²	748	TL/m ²
Example Average	811											TL/m ²

* 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

**Professional Opinion of the Appraiser:**

Taking into account the factors relative to the real estate subject to the appraisal, such as its location and site, the area of the plot, zoning status with tourism facility, formation of its vicinity, existence of a hotel building on the plot that are operational and generating income, 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 **810 TL/m²**.

	Surface Area	Price per m2	Total Value
Block no.1843 Plot no.	14.443m ²	810 TL/m ²	11.698.830 TL
5		287 Euro/m2	4.147.492 €

* Central Bank of Turkey's Foreign Currency Buying Rate on the date of 30.12.2014 –EURO: 2,8207 TL

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 SHEET (LAND + BUILDING)

CLOSED AREAS		COST	
	TOTAL CONSTRUCTION AREA (m ²)	IBIS HOTEL COST PER M2 (€)	TOTAL COST (€)
1 st Basement Floor	1.233,86	500	616.930
Ground Floor	1.232,98	500	616.490
1 st Normal Floor	1.244,28	1.100	1.368.708
2 nd Normal Floor	559,34	1.100	615.274
3 rd Normal Floor	559,34	1.100	615.274
4 th Normal Floor	559,34	1.100	615.274
5 th Normal Floor	559,34	1.100	615.274
6 th Normal Floor	559,34	1.100	615.274
7 th Normal Floor	559,34	1.100	615.274
8 th Normal Floor	559,34	1.100	615.274
Attic	37,28	500	18.640
TOTAL CONSTRUCTION COST	7.663,78		6.927.686
External Miscellaneous Works (***) (€)			250.000
TOTAL STRUCTURE VALUE (€)			7.177.686
LAND VALUE (€)	14.443	287	4.147.492
TOTAL VALUE (€)			11.325.000

(*) 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 25.04.2014. The appraisal has been conducted by taking into consideration the age and physical status of the real estate.

(***) Costs for site concrete, wire fencing on top of walls surrounding the plot, arrangement of open car park, transformer, generator, etc. have been roughly estimated.



6.4.3 Cost Discount Approach

Considering that the real estate subject to this appraisal study is a property that brings in revenue, the revenue approach method has been employed.

IBIS NAKARA AIRPORT HOTEL PROJECTION:

- The hotel subject to the appraisal has a capacity for 147 rooms.
- It has been estimated that the occupancy rate of the hotel in the year of 2015 will be of 50% and that this rate will be reached 64% in 2021 by an annual increasing rate of 5%, and after this date, it will stabilize.
- 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. The hotel has been recently started its operation; taking into consideration 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 40 EUR, in the year of 2015. Room prices increases approximately 5 Euro per year until 2019. Moreover, it has been anticipated that this price will increase based on the inflation in the Euro Zone (2,5%) annually in the following years.
- Considering the performance of the facility, it has been assumed that the room revenues will constitute 85% of the total revenue, whereas the total department revenues will be around 15%.
- 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 39% in the year of 2015 and that it will reach 47% as of 2017, and then it will increase in 2022 and reach to 49%, which will then stabilize in the following years.
- According to the information obtained from Akfen Real Estate Investment Trust Inc., it is exempted from real real estate tax in year 2015, 106.418 TL (36.074 Euro) will be paid in 2020, and it is anticipated that it will increase at a 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 3.947,34 Euro and it is estimated that it will remain so.
- Furniture Fixture Renovation Reserve has been determined as 1,5% of the annual gross revenue.
- For determining the period end value of the hotel facility, the capitalization rate has been accepted 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.)
- 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.



Yıl	0	1	2	3	4	5	7	8	9	10
Tarih	31.12.2014	31.12.2015	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2021	31.12.2022	31.12.2023	31.12.2024
GELİRLER										
ODA GELİRLERİ										
Yıllık Ortalama Doluluk , %		50%	53%	55%	58%	61%	64%	64%	64%	64%
Ortalama Oda Fiyatı, EUR		40	45	50	55	60	64	66	68	70
Toplam Oda Gelirleri		1.073.100	1.267.599	1.478.866	1.708.090	1.956.540	2.202.103	2.268.166	2.336.211	2.406.297
DEPARTMAN GELİRLERİ										
Yiyecek & İçecek-Toplantı		189.594	206.594	231.073	264.606	303.094	341.135	351.369	361.910	372.767
Telefon & İnternet		632	738	856	987	1.131	1.273	1.311	1.350	1.391
Kiralamalar		0	0	0	0	0	0	0	0	0
Diğer Gelirler		632	738	856	987	1.131	1.273	1.311	1.350	1.391
Toplam Departman Gelirleri		190.858	208.069	232.784	266.581	305.356	343.681	353.991	364.611	375.549
TOPLAM GELİRLER		1.263.958	1.475.669	1.711.650	1.974.671	2.261.896	2.545.783	2.622.157	2.700.822	2.781.846
GİDERLER										
DEPARTMAN GİDERLERİ										
Toplam Departman Giderleri		524.669	611.074	663.573	765.284	876.598	986.618	948.172	976.617	1.005.916
Net Departman Gelirleri		739.289	864.594	1.048.078	1.209.387	1.385.298	1.559.165	1.673.985	1.724.204	1.775.931
İŞLETME GİDERLERİ										
Toplam İşletme Giderleri		246.472	287.755	248.189	286.327	327.975	369.139	380.213	391.619	403.368
BRÜT İŞLETME KARI		492.817	576.839	799.888	923.060	1.057.323	1.190.026	1.293.772	1.332.585	1.372.563
SABİT GİDERLER										
Emlak Vergisi		0	0	0	0	0	37.878	39.772	40.965	42.194
Sigorta		3.947	3.947	3.947	3.947	3.947	3.947	3.947	3.947	3.947
Mobilya Demirbaş Yenileme Rezervi		18.959	22.135	25.675	29.620	33.928	38.187	39.332	40.512	41.728
Toplam Sabit Giderler		22.907	26.082	29.622	33.567	37.876	80.012	83.051	85.424	87.869
TOPLAM GİDERLER		794.047	924.912	941.384	1.085.178	1.242.448	1.435.769	1.411.436	1.453.661	1.497.152
NET İŞLETME GELİRİ		469.910	550.757	770.266	889.492	1.019.447	1.110.015	1.210.721	1.247.161	1.284.694
DÖNEM SONU DEĞER (%8,5)										15.567.472
NET NAKİT AKIŞI		469.910	550.757	770.266	889.492	1.019.447	1.110.015	1.210.721	1.247.161	16.852.166
KÜMÜLATİF NAKİT AKIŞI		469.910	1.020.667	1.790.933	2.680.426	3.699.873	5.855.586	7.066.307	8.313.468	25.165.634



OPERATING MODEL CASH FLOW											
	0	1	2	3	4	5	6	7	8	9	10
Year	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
NET CASH FLOW	0	469.910	550.757	770.266	889.492	1.019.447	1.045.698	1.110.015	1.210.721	1.247.161	16.852.166

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)	12.767.527	12.306.550	11.866.257
NET APPROXIMATE CURRENT VALUE (Euro)	12.770.000	12.310.000	11.870.000
NET APPROXIMATE CURRENT VALUE (TL)	36.020.000	34.723.000	33.482.000



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.;

- As the annual rent which has to be paid by the Accor Group, an international hotel operating company for the hotel of which appraisal study is carried out and owned by the Akfen Real Estate Investment Trust Inc., it shall pay for Ibis Ankara Airport Hotel 25% or an amount higher than 85% of the Adjusted Gross Operating Profit (AGOP) obtained in 2015. Depending on the contractual conditions, Adjusted Gross Operating Profit (AGOP) sharing rate is accepted as 85%.
- 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 Furniture Fixture and Renovation Reserve from the gross revenue at variable ratios depending on the years (1st year 1%, 2nd year 2%, 3rd year 3%, and 4% in subsequent years).

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

- The hotel subject to the appraisal study is operated by the international hotel operating company ACCOR Group. In the appraisal study, it has been assumed that the hotel will be operated within the terms of 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.
- According to the information obtained from Akfen Real Estate Investment Trust Inc., it is exempted from real real estate tax in year 2015, 106.418 TL (36.074 Euro) will be paid in 2020, and it is anticipated that it will increase at a 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 3.947,34 Euro and it is estimated that it will remain so.
- For determining the period end value of the hotel facility, the capitalization rate has been accepted as 6 %.
- 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.



REDUCED CASH FLOW SHEET

Name of the Hotel	ANKARA IBIS	Total Number	147	Occupancy Gr	3%
Land Surface Area (m2)	14.443,40	Number of Se	365		
Total construction Surface Area (m2)	7.663,78	Long-Term Gr	3,0%		

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
AKFEN OBTAINED LEASE											
LEASE OBTAINED FROM IBIS HOTEL REVENUE		227.512	295.134	427.913	493.668	565.474	599.911	636.446	655.539	675.205	695.462
Operator Share		50.558	59.027	68.466	78.987	90.476	95.986	101.831	104.886	108.033	111.274
Furniture Fixture and Renovation Reserve		12.640	29.513	51.350	78.987	90.476	95.986	101.831	104.886	108.033	111.274
NOVOTEL HOTEL AGOP		365.176	415.054	578.062	650.323	744.916	790.281	838.409	921.400	949.042	977.513
USED IBIS HOTEL LEASE REVENUE		365.176	415.054	578.062	650.323	744.916	790.281	838.409	921.400	949.042	977.513
Estate Tax		0	0	0	0	0	36.074	37.878	39.772	40.965	42.194
Insurance		3.947	3.947	3.947	3.947	3.947	3.947	3.947	3.947	3.947	3.947

Risk Free Revenue Rate	3,10%	3,10%	3,10%
Risk Premium	3,40%	3,90%	4,40%
Discount Rate	8,50%	7,00%	7,50%
NET CURRENT VALUE (Euro)	13.221.228	12.706.794	12.216.487
NET APPROXIMATE CURRENT VALUE (Euro)	13.220.000	12.710.000	12.220.000
NET APPROXIMATE CURRENT VALUE (TL)	37.290.000	35.851.000	34.469.000



6.4.5 Lease Value Analysis and Data Used

The lease value of the real estate subject to the appraisal has been calculated taking into consideration the revenue discount method and the average cash flow value for the first year based on 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 **381.000.- EUR (1.075.000 Turkish Liras)**. The discount rate has been determined to be of 9%.

Date	31.12.2014	31.12.2015
Annual Lease Revenue	0	415.254

Estimated Annual Lease Value (EURO)	381.000
Estimated Annual Lease Value (TL)	1.075.000

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

The real estate subject to this appraisal is nor within the scope of appraisal analysis of common or divided parts.



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, including the land, has been calculated as **11.325.000 Euro (31.944.000 TL)**.

As a result of the discount of the potential revenue to be generated by the structure on the plot, in accordance with the revenue discount approach, the net current value of the HOTEL has been calculated as **12.310.000 Euro (34.723.000.- TL)**. The amount determined to be paid to the Akfen Real Estate Investment Trust Inc. by the Accor Group, with the use of lease revenue discount method, is **12.710.000 (35.851.000.- TL)**.

The values obtained by use of the revenue discount approach and lease revenue discount method comply with each other. There is nearly 10% difference between the values obtained by use Cost analysis method and the other two methods. And, this is a tolerable difference. Values obtained by use of 3 methods support each other. The real estate subject to the appraisal constitutes a revenue generating property and, therefore, the values are calculated with the use of the revenue discount approach and lease revenue discount method. The final value of the hotel is found as **12.510.000 Euro (35.287.000.- TL)** which is the arithmetic mean of the values calculated by use of these two 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 **381.000.- Euro (1.075.000.- TL)**.

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.



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 10.935.000 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 are no obstacles to include the 10 storey hotel on the plot No. 5 included to the block no. 1843 to the portfolio, within the scope of the Capital Market Board Regulations.



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 Real Estate (Euro)	Market Value of the Real Estate (TL)
VAT Excluded	12.510.000	35.287.000
VAT Included	14.762.000	41.639.000

	Annual Lease Value of the Real Estate (EURO)	Annual Lease Value of the Real Estate (TL)
VAT Excluded	381.000	1.075.000
VAT Included	450.000	1.269.000

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 = 2,8206 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.

Dilek Yılmaz Aydın

Certified Appraiser

Hamdi Arıkan

Certified Appraiser

Neşecan Çekici

Responsible Appraiser



9 APPENDIX:

1. Title Deed Photocopy
2. Approved Restrictions Document
3. Approved Zoning Status Document and Plan Notes
4. Business Starting and Operating License/Permit
5. Tourism Investment License
6. Construction Licenses/Permits
7. Occupancy Permit
8. M2 Table
9. Architectural Project, Cover Sheet
10. Condition and Floor Plans
11. Hotel Lease Agreement
12. Photographs
13. Backgrounds
14. SPK Certificate Samples