

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.



REAL ESTATE APPRAISAL REPORT

Report Date: 03.02.2014

Appraisal Date: 31.12.2013

R. No: 2012REV912

AKFEN GAYRİMENKUL
YATIRIM ORTAKLIĞI
A.Ş.

NOVOTEL AND İBİS
HOTEL

ZEYTİNBURNU /
İSTANBUL

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

We hereby state the following matters regarding the appraisal report numbered **2013REV946** prepared on **03.02.2014** by **TSKB Gayrimenkul Değerleme A.Ş.** for **Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.**

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

"The ISO 9001:2008 Quality Management System for the production activities of TSKB Real Estate Appraisal Company has been certified by BSI."
Certificate No: FS 509685

EXECUTIVE SUMMARY

OPEN ADDRESS OF PROPERTY

Novotel and İbis Otel, Kazlıçeşme Mahallesi, Kennedy Caddesi, No: 56, Zeytinburnu – İstanbul.

USE OF PROPERTY

4 star Novotel and 3 star İbis Otel.

TITLE DEED INFORMATION

The information on the title deed has been explained in details in the section “4.2.Title Deed Examination of the Real Estate.

ZONING STATUS

The information on the zoning status has been explained in details in the section “4.3 The Zoning Information of the Immovable Property”.

**FAIR MARKET VALUE OF THE SUPERFICIES OF NOVOTEL AND IBIS HOTEL (EXCLUDING VAT)
DATED 31 DECEMBER 2013**

247.380.000.-TRY

84.240.000.- €

(Two hundred forty seven million three hundred eighty thousand.- Turkish Liras)

(Eighty four million two hundred thousand.- EURO)

**FAIR MARKET VALUE OF THE SUPERFICIES OF NOVOTEL AND IBIS HOTEL (INCLUDING VAT)
DATED 31 DECEMBER 2013**

291.908.400.-TRY

99.403.200.- €

(Two hundred ninety one million nine hundred eighty thousand four hundred.- Turkish Liras)

(Ninety nine million four hundred thirty thousand two hundred.- EURO)

ANNUAL RENT VALUE OF NOVOTEL AND IBIS OTEL AS OF 31 DECEMBER 2013 (EXCLUDING VAT)

13.510.000.-TRY

4.600.000.- €

(Thirteen million five hundred tenthousand.- Tuskish Liras)

(Four millions six hundred thousand.- EURO)

ANNUAL RENT VALUE OF NOVOTEL AND IBIS OTEL AS OF 31 DECEMBER 2013 (INCLUDING VAT)

15.941.800.-TRY

5.428.000.- €

(Fifteen million nine hundred forty one thousand eight hundred.- Turkish Liras)

(Five million four hundred twenty eight thousand.- EURO)

1- These identified values are the fair market values respectively for cash sales payments.

2- VAT rate has been taken as 18%.

3- Exchange rate has been taken as, USD 1= TL 2,1343, EURO 1 = TL 2,9365. The value in EURO is given only for information.

4- This report has not been prepared further to the related provisions of the Capital Markets Regulation

5- This page is an unseperatable part of the appraisal report. The report is a whole with all the detailed information in it an cannot be used independently.

Simge SEVİN AKSAN
Appraiser (401772)

Makbule YÖNEL MAYA
Appraiser in Charge (401456)

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SECTION 1

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

SECTION 1

REPORT, COMPANY AND CUSTOMER INFORMATION

1.1 Report Date and Number

This report was issued by our company on 03.02.2014 and number 2013REV946 with reference to the request dated 07.11.2013 and made by the firm, titled as Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.

1.2 Report Type

This report, is a valuation report prepared with the purpose of determining as of 31.12.2013 the fair market value in Turkish Liras of Novotel and İbis Otel located on the real estate property located on 1st Area, Sahil Yolu location, in the Zeytinburnu district, Zeytinburnu neighborhood, of the province of Istanbul where the right of superficies has been established for 49 years.

1.3 People Issuing the Report

This appraisal report has been prepared at the end of necessary examinations carried out at the location of the real property and upon the information procured from the relevant individuals – institutions – establishments Simge SEVİN AKSAN, real estate appraiser, and Makbule YÖNEL MAYA, appraiser in charge of our Company, issued this report.

1.4 Appraisal Date

This appraisal report is prepared with reference to the studies started on 26 November 2013 and finished on 03 February 2013. Not only examinations conducted at real estate location, municipality and land registry but also office work is done during appraisal study.

1.5 Base Contract

This appraisal report was issued in accordance with the provisions of the base contract that was executed by and between Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. and our Company on 13 November 2013 and has determined the rights and obligations of the contractual parties.

1.6 Factors Affecting the Appraisal Process Negatively

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

1.7 Scope of Client Demands and Limitations

This real estate appraisal report has been prepared further to Akfen Gayrimenkul Yatırım Ortaklığı A.Ş request dated 07.11.2013, and in accordance with the provisions of the capital markets legislation in effect on the subject property.

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

	Report-1	Report-2	Report-3
Report Date	28.02.2011	30.09.2011	08.02.2013
Report No	2011REV78-7	2011REV366	2012REV366
Report Prepared By	Hüsniye BOZTUNÇ- Adem YOL	Özge AKLAR- Hüsniye BOZTUNÇ	Özge AKLAR- Hüsniye BOZTUNÇ
Total Value of the Property (TRY) (Excl. VAT)	167.000.000 TRY	207.640.000 TRY	211.310.000 TRY

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1.9 Company's Information

Our Company was established with a capital amount of TRL 300.000.000.000 in order to engage in providing works and services described as Expertise and Appraisal according to the Articles of Association of the Company published in the Trade Registration Journal dated September 13, 2002 and issue no. 5676.

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

1.10 Client Information

This appraisal report has been prepared for Akfen Gayrimenkul Yatirim Ortakligi A.Ş. located at the address of Büyükdere caddesi, No: 201, C Blok, Kat: 8, Levent/ İSTANBUL.

SECTION 2

DEFINITION AND SCOPE OF THE APPRAISAL

SECTION 2

DEFINITION AND SCOPE OF THE APPRAISAL

2.1 The Methods Used in the Appraisal

There are four different valuation methods, which can be utilized in our country. These are respectively, 'Sales Comparison Method', 'Income Capitalization Method', 'Cost Analysis Method' and the "Development Approach Method" methods. The expected prices and offers made can be considered.

2.1.1 Sales Comparison Approach

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

2.1.2 Income Capitalization Approach

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

2.1.3 Cost Analysis Approach

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

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

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

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

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

2.1.4 Development Approach Method

The purpose of an investment is to produce goods or services, to put them into the market and make profit consequently. The commercial profitability of the investment depends on sufficient demand for the goods or services to be produced and their sales with the prices that would provide possibility to obtain the expected profitability. The examination of the project for the entrepreneur covers the examination and evaluation of the industry where the subject product of the project is positioned and the anticipations regarding the future. The evaluation of the market where the subject goods or services of the project are positioned can be examined as the current situation and the expectations for the future.

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

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

2.2 Analysis of the Methods Used for Appraisal

2.2.1 Definitions and Model of the Calculation Methodology

Risk Free Rate

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

Variant on the risk-free rate¹

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

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

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

Variant 3 : The current long term government-bond rate (with the duration of the bond matched up to the duration of the asset) is used as the risk-free rate, and the historical premium earned by a broad market index above this long term government security rate is used to estimate the expected return on the market. The cost of equity, calculated using these inputs, is used as the discount rates each year's

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

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cash flows. Eurobond does not include the market risk for the performed work, although it includes the country and political risk.

Variant 3 has been selected as the method in the assumptions our company has made by using all these data. However, especially when assessing the value of the real estates with long-term commercial lifetime, an asset appropriate for the commercial lifetime of the real estate does not exist. For this reason, our company estimates that the project-based evaluation and usage of the long-term Eurobond types within the scope of the risk-free yield rate allowances would be coherent with the allowances in the world. This rate also covers the country risk. In addition to that, the rates suggested by Damodaran for use in accordance with its Financial Market Characteristics are as follows:

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

Market Risk Premium- Market Index

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

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

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

A rate of return used to convert a monetary sum, payable or receivable in the future, into present value. Theoretically it should reflect the opportunity cost of capital, i.e., the rate of return the capital can earn if put to other uses having similar risk. Also called yield value.³

Discount rates contain all risk premiums. (Country risk, market risk...)

Discount rate is the sum of risk free rate and the market risk premium.

IAS 36 para. 48, states that “ the discount rate (or rates) should be a pre-tax rate (or rates) that reflect (s) current market assessments of the time value of money and the risks specific to the asset. The discount rate (s) should not reflect risks for which future cash flow estimates have been adjusted.” It is also true that other measures of

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

³ International Valuation Standards, Sixth Edition , 2003 , p.323

income or cash flow may be used so long as the discount rate(s) are appropriately matched with the income flow(s).

Overall Capitalization Rate

Income rate for a total real property interest that reflects the relationship between single year's net operating income and the total property price or value; used to convert net operating income into an indication of overall property value.⁴

Other point of view: The Capital Asset Pricing Model (CAPM) 5

CAPM model measures risk in terms of on diversifiable variance and relates expected returns to this risk measure. It is based upon several assumptions, that investors have homogeneous expectations about asset returns and variances, that they can borrow and lend at a risk-free rate, that all assets are marketable and perfectly divisible, that there are no transactions costs, and there are no restrictions on short sales. With these assumptions the non-diversifiable risk for any asset can be measured by the covariance of its returns with returns on a market index, which is defined to be asset's beta. If the beta for the equity in the company can be estimated, the cost of the equity will be the required return,

Cost of equity = $R_f + \text{Equity beta} (E(R_m) - R_f)$

Where R_f = Risk Free rate

$E(R_m)$ Expected Return on the market index

Analysis Of The Methods Used In The Appraisal

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

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

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

Risk premium has been estimated according to the professional opinion of the appraiser in parallel to his/her experiences by taking into account the risks associated with the specifications of the project such as the region, sector, project, zoning, etc. as explained in article 8.2.2.

2.2.2 Project Development Approach

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

4 The Appraisal of Real Estate , 12th Edition , Chapter 20, The Income Capitalization Approach, p. 489

5 Damodaran on Valuation , Security Analysis for Investment and Corporate Finance, Section 3 : Estimation of Discount Rates p.21

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

2.3 The Value Definitions

2.3.1 Market Value (Market Value)

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

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

2.3.2 Forced Sales Value

It is the value used in the cases when the seller is under pressure about selling his/her property and consequently, when there is no appropriate marketing period. The price accepted in compulsory sale is one that reflects the special conditions of the seller, contrary to the reasonable and fair conditions of the market value.

SECTION 3

GENERAL AND SPECIAL DATA

SECTION 3**GENERAL AND SPECIAL DATA**

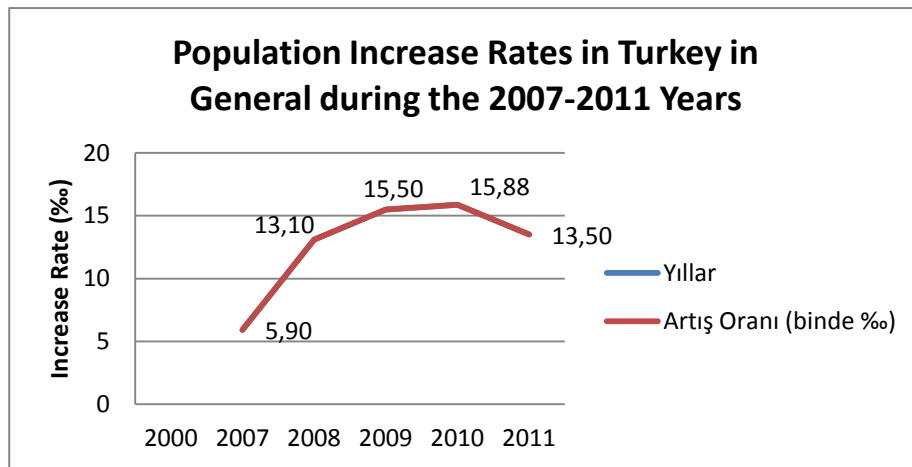
Data investigation starts with study of the prevailing trends in the international, national, regional or neighbourhood at the market level concerning the asset, which is subject to the evaluation. This research assists the appraiser to perceive the principles, powers and factors influencing the real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

3.1 General Data- Social and Economic Data**3.1.1 Demographic Data**

According to the Address Based Population Registration System data, the population of Turkey as of December 31, 2012 is 75.627.384 persons. In 2012, the annual population in Turkey has materialized as 11.9 in thousand. In 2012, the population residing in Turkey has increased by 1.001.281 persons. From this population, 50.2% (37.956.168 persons) are males, and 49.8% (37.671.216 persons) are females.

Representation of the General Population Increase in Turkey over the Years			
	Total		
	Total	Male	Female
2008	71,517,100	35,901,154	35,615,946
2009	72,561,312	36,462,470	36,098,842
2010	73,722,988	37,043,182	36,679,806
2011	74,724,269	37,532,954	37,191,315
2012	75.627.384	37.956.168	37.671.216

The population of Turkey has increased by 14.5 in thousand as of the end of 2009, as compared to 2008, and as of the end on 2010 this figure, by an increase of 1,161,676 persons (15.88 in thousand), has reached 73,722,988 persons. The annual population increase rate, which was 13.5 per mille in 2011 decreased down to 12 per mille in 2012. The population resident in Turkey increased by 903.115 persons in the year 2012. In the following graph, it is possible to observe the population increase rates in Turkey in general during the 2007-2011 years.



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In 2012, while the populations of 56 provinces, from the total 81 provinces, have increased as compared to the previous year, the populations of 25 provinces have decreased. The first three provinces with the lowest population increase rates are; Bilecik (-100.41 in thousand), Isparta (-86.27 in thousand) and Kütahya (-45.44 in thousand). In the meantime, the first three provinces with the highest population increase rates are; Tunceli (103.49 in thousand), Hakkari (79.75 in thousand) and Şırnak (62.82 in thousand).

In Turkey, the population in the cities increases at a much higher rate than the population in the villages. The urban population in the country has demonstrated a significant increase over the past 17 years, and while this was 59 percent in 1990, it has reached 64.9 percent in 2000, and 75.5 percent in 2009. In 2010, this ratio has been measured as 76.3%. The urban population (population residing at provincial and district centers) is 56,222,356, while the rural population (population residing on townships and villages) is 17,500,632 persons. As of 2012, while 76.8% (58.448.431 persons) of the total population is residing at provincial and district centers, 23.2% (17.178.953 persons) are residing at townships and villages. The province with the highest population ratio residing in provincial and district centers has been İstanbul by 99 percent, while the lowest has been Ardahan with 35 percent.

From our country's total population, 18.3% (13.854.740 persons) are residing in İstanbul. This is respectively followed by; Ankara with 6.6% (4.890.893 persons), İzmir with 5.3% (3.965.232 persons), Bursa with 3.6% (2.652.126 persons), and Adana with 2.8% (2,108,805 persons). In the Bayburt province, which has the lowest population in our country, the number of residents is 76,724.

The average age in our country is 30,1. While the median age in males is 29.5, it is 30.6 in females. The median age of those residing in provincial and district centers is 29.5; and the median age of those residing in townships and villages is 30.5. Half of the population is younger than the age of 29.7.

The population in working age in the 15-64 group (51.088.202 person), constitutes 67.6% of the total population. 24,9% of our country population (18.857.179 persons) is in the 0-14 age group, while 7.5% (5.682.003 persons) are in the 65 and above age group.

The population density expressed as "number of persons per square kilometer" is 98 persons in Turkey, in general. This figure ranges from 12 to 2,666 persons in the provinces. In the İstanbul province, there are 2,666 persons per square kilometer. This is followed respectively by; Kocaeli with 453 persons, İzmir with 333 persons, Gaziantep with 264 persons and Bursa with 258 persons.

In the meantime, the province where the population density is lowest is Tunceli with 12 persons. In Konya, which ranks first based on surface area size, the population density is 53, and in Yalova, which has the smallest surface area, the population density is 250.

Province	Population (City Center)	Population
İstanbul	13.710.512	13.854.740
Ankara	4.842.136	4.965.542
İzmir	3.661.930	4.005.459
Bursa	2.688.171	2.402.012
Adana	2.125.635	1.886.624

3.1.2 Economic Data [1]

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

The economic crisis in the world, which was the most significant event in 2008, initially emerging as a subprime mortgage crisis in the US, and thought to be arising from a liquidity problem, but in time understood to be mainly a lack of confidence, has emerged by bankruptcy of major US investments banks and insurance companies in March and has spread to Europe in a very short time. Despite countries announce anti-crisis packages one after the other, the economic shrinkages could not be prevented and the growth estimations globally proved to be negative.

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

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

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

Although it is observed that economic stability has continued in 2012, it has also been observed that sales difficulties have been experienced for certain real property types and projects. In addition, 2012 has been a year when 3 significant laws have been brought to the sector. With the reciprocity law, the road for foreign investors wanting to invest in Turkey has been cleared, and this law is expected to provide a serious acceleration in the real property market in the coming period. Although it is aimed to attract foreign capital and close the current deficit with the reciprocity law, it is believed that Urban Transformation and the sales of 2B lands actually will be the factors attracting attention both locally and internationally and allowing the increase of resources. By these laws, new real property development areas have been created, and it is believed that its impact will be felt more clearly in 2013. Especially the investments of urban transformation and the search for lands are heavily on the agenda of investors.

The International Credit Rating Organization Standard & Poor's has increased Turkey's long-term credit rating in March 2013 from BB to BB+, which is one level below investible. Meanwhile, in May 2013, Moody's has increased Turkey's credit rating by one step, to Baa3. Thus, following the increase by Fitch (BBB-) in November 2012, Turkey has received the

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second investible rating. With these positive developments, it is anticipated that there will be accelerated continuity in the entrance of foreign investors into Turkey. With this favorable economic development and the 3 important laws passed in 2012, it is foreseen that 2013 will be a better year as compared to 2012 from the real property sector perspective.

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

3.2.1 İstanbul Province



Istanbul is located on the 28° 01' and 29° 55' eastern longitudes, and 41° 33' and 40° 28' northern latitudes. Istanbul Strait merges the Black Sea with the Marmara Sea; while it also separates Asia from Europe and divides Istanbul into two.

Istanbul acts as a bridge between the continents of Europe and Asia, and it is built on the two tips that the continents most approach each other, on 5.512 square kilometre area. These tips are surrounded by Catalca on the European side, Kocaeli on the Anatolian side; Marmara and Bursa on the south, Tekirdağ on the southwest and Kırklareli on the northwest. The Princes' Islands in the Marmara Sea are also included in Istanbul province.

The districts of Istanbul province are; Adalar, Arnavutköy, Ataşehir, Avcılar, Bağcılar, Bahçelievler, Bakırköy, Başakşehir, Bayrampaşa, Beşiktaş, Beykoz, Beylikdüzü, Beyoğlu, Büyükçekmece, Çatalca, Çekmeköy, Esenler, Esenyurt, Eminönü, Eyüp, Fatih, Gaziosmanpaşa, Güngören, Kadıköy, Kağıthane, Kartal, Kocasinan, Küçükçekmece, Maltepe, Pendik, Sancaktepe, Sarıyer, Sultangazi, Sultanbeyli, Şile, Şişli, Tuzla, Ümraniye, Üsküdar, Zeytinburnu. Istanbul International Ataturk Airport is 20 km away from the city centre. Besides, it is also possible to rent an airplane or helicopter in Istanbul.

Istanbul accounts for 9.7% of the total area of Turkey, and it is the most important province of the country in terms of its population. According to Year 2012 General Census, total population of Istanbul is 13,854,740.

From the economic terms, Istanbul is one of the most developed cities in Turkey. It is one of the most important sources of tourism, industry and commerce economy. Although most of the industrial organizations have been moved outside of the province, the province still maintains its importance in terms of the manufacturing industry. The actual development with regard to the manufacturing industry of Istanbul began after the foundation of the Republic in 1923. The accelerating capital accumulation and the support provided to the private industry after 1950s enabled Istanbul to become a leading city in terms of industry and commerce.

Istanbul has become one of the most appealing tourism centres of Turkey with its natural beauty, rich cultural assets, and its developments with regard to transportation and accommodation. Most of the foreign tourists first land in Istanbul for their visits to Turkey.

3.2.2 Zeytinburnu District



Fatih is in the East of the administrative district of Zeytinburnu which is surrounded by the Marmara Sea from the south, Eyüp at its North East, Bayrampaşa at its North, Esenler at its Northwest, while the districts of Bakırköy and Güngören are in its West. The district's territory boundaries are determined by Çirpıcı River at the west, and by land ramparts separating Zeytinburnu from the historical peninsula in the East. Whereas the coastline of Zeytinburnu starts around Yedikule gate and extends to the lands of Bakırköy district. The length of this section is about 2600 m in average.

The district of Zeytinburnu is at a distance of 15-20 minutes to the airport. According to the Address Based Population Registration System of 2012 the total population of Zeytinburnu has been indicated as 292.407.

Zeytinburnu is one of the places with the most colorful lifestyle of Istanbul. It is possible to go to Zeytinburnu by traditional mass transport vehicles such as either autobus or minibus, as well as by light metro and railway transport system.

The district has very advantageous conditions regarding shopping. Regarded as the leather center of Turkey, Zeytinburnu is a spot which is marketing at the cheapest price leather which has also played an important role in its development. Furthermore, Zeytinburnu, is in a very important position with its many textile suppliers where you can buy their products at first hand as well as with Olivium shopping center where factory stores of major trademarks are available.

Zeytinburnu is one of the most productive districts of Turkey with almost 25.000 business places, about 10.000 manufacturing plants and 170 factories. Textile, leather and iron and steel are leading business lines in Zeytinburnu which contributes largely to the country's revenues with values it has created with its many sectors. Located in the North of the district, Maltepe Neighborhood is a full-fledged production centre with its 170 large industrial establishments, almost 10 thousand manufacturing places and workplaces as well as with almost 70 thousand employees. Its contributions to the country's economy cannot be denied; many large enterprises such as Ülker, Şişe Cam, İbrahim Ethem Pharmaceutical Plant, Hoechst, Mercedes Benz, Derimod, Yeşil Kundura, Karaca, Mavi Jeans are located there. The automotive sector is one of the vital points of the Cevizlibağ area.

In addition to Demirciler Sitesi (Blacksmiths' Site) which has the largest market share of the country as well as the nearby geography in the Iron-Steel sector and Nakliyeciler Sitesi (Forwarding Agents' Site) are conglomerations which are increasing the importance of the district in the business world.

SECTION 4

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

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

Province	İstanbul
District	Zeytinburnu
Quarter	1. Bölge
Subdistrict	Zeytinburnu
Village	-
Street	-
Locality	Sahilyolu
Plot No	85/1
Section	774
Parcel	55
Quality	Right of superficies for forty-nine years on the parcel fifty-five, block seven hundred seventy four, on page six hundred four.
Area	11.720,00 sqm
Owner	Akfen Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

4.2 Title Deed Examination of the Real Estate

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

The encumbrances according to the examinations at Zeytinburnu Administrative District Title Deed Registration Directorate on 26.11.2013, and according to the attached encumbrance letter there are the following encumbrances on the immovable property. The relevant encumbrance letter is attached to the report.

In the Easement Rights Section

- The individual and continuous easement right on the property was registered for Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. for 49 years on page no. 610. (dated 04 December 2003 and journal no. 6650)

In Declarations Section

- As noted in the contract table dated 03 September 2008 and journal no. 11096, the official title deed change regarding the easement right was realized. (dated 03 September 2008 and journal no. 11096)
- The type of the immovable property has been revised as "hotel building consisting of ground + 12 normal floor and the hotel building with ground + 7 normal floors and its lot".

Collaterals

- There is a hypothecation registration dated 14 October 2008 and journal entry no. 12982 in favor of Türkiye İş Bankası A.Ş. and Türkiye Sınai Kalkınma Bankası A.Ş. for the amount of 150.000.000 Euros.

In the Opinions Section

- The additional mortgage was created according to the pro-rata agreement and it is in Euro and as specified in the agreement, it is on all of the following: the immovable property in the province of Kayseri, the administrative district of Kocasinan, Pervane District, section 2420, parcel 9, zoned as D.M.H and the immovable property in Gaziantep, Şehit Kamil administrative district, Yaprak District, section 5020, parcel no 2 and the immovable property in the province of Trabzon, the administrative district of Yomra, Kaşüstü Village Road Locality, section 209, parcel no 12, zoned as D.M.H, and it is on behalf of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. (dated 12.10 2008, journal no 12982.)

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

There has been no buying or selling transaction on the subject immovable property in the last three years. The written encumbrance document on the subject immovable property has been attached to the report.

4.3 The Zoning Information for the Real Estate

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

According to the information obtained as a result of the inspection at Istanbul Province, Zeytinburnu Municipality Engineering Department, the data of the subject parcel are listed as follows:

✓ Zoning Situation:

The parcel subject to valuation remains in the “Preferred Utilization Area” in the plan approved at the date of 15 June 2007 by the Provincial Directorate of Culture and Tourism. In the plan, construction conditions are stated as;

- Construction equivalent 2,50 (for Tourism Facilities),
- Hmax= 70 m.,
- Application shall be made according to the preliminary project and approval shall be given by the Metropolitan Municipality.
- According to the information obtained from Zeytinburnu Municipality Zoning Directorate, in the plan notes on the legend of the immovable property, the following amendment with the approved date of 28.02.2012 was made.

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DEĞİŞİKLİĞİNİN İÇERİĞİNE GÖRE:

9. TK ALANLARINDA 10.000 M²DEN BÜYÜK PARSELLERDE İSTANBUL BÜYÜKŞEHİR BELEDİYE BAŞKANLIĞI'NCA ONAYLANACAK AVAN PROJESİNE GÖRE UYGULAMA YAPILACAKTIR.

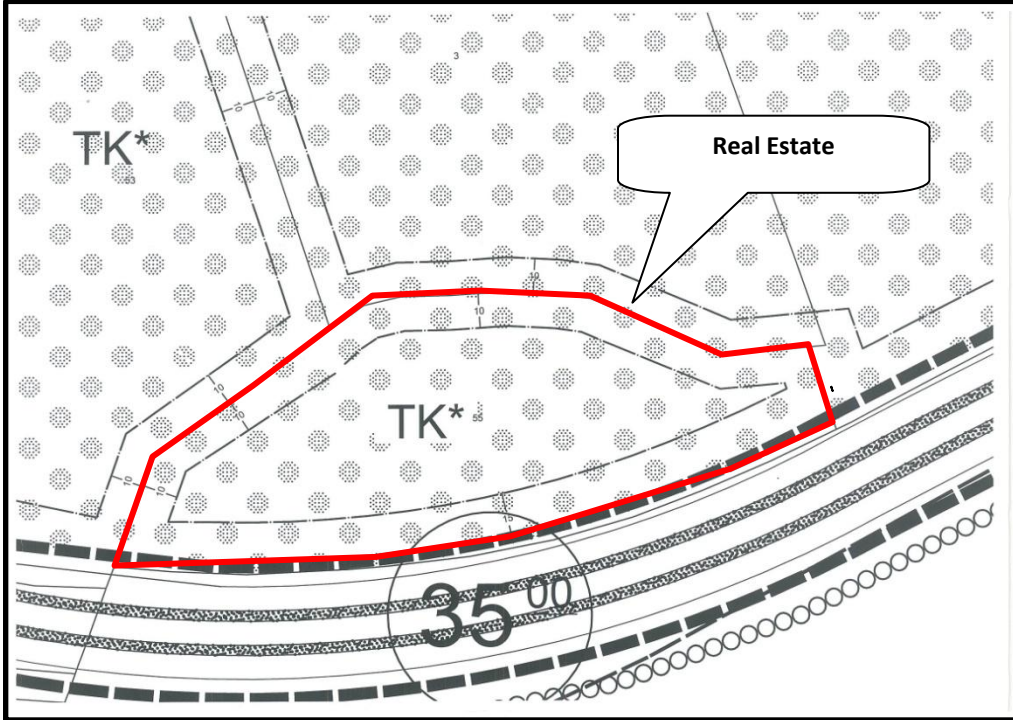
II. YAPILAŞMA HÜKÜMLERİ

1. TERCİHLİ KULLANIM ALANLARI (TK): BU ALANLARDA
TURİZM TESİSLERİ İÇİN EMSAL= 2.50,
TURİZM+TİCARET İÇİN TOPLAM İNŞAAT ALANININ EN AZ %50'Sİ TURİZM KULLANIMINA
AYRILMAK KOŞULUYLA EMSAL= 2.00
TİCARET VEYA KONUT İÇİN EMSAL= 1.00'DİR.

10 TEMMUZ 2003 ONAY TARİHLİ PLANDA YER ALAN TTKR VE TİM KULLANIMLARI (*İŞARETLİ ALANLAR) İÇİN VERİLEN HAKLAR KULLANILABİLİR. BU HAKKIN ÜSTÜNDEKİ BU PLANLA VERİLEN EMSALDEN DOĞAN FARK TURİZM TESİSİ İÇİN KULLANILACAKTIR. JEOLÖJİK VE JEOTEKNİK ETÜT RAPORLARINA GÖRE UYGUN BULUNMASI HALİNDE BU ALANDA YER ALAN MEVCUT BİNALARA EKONOMİK ÖMRÜNÜ TAMAMLAYINCAYA KADAR YAPI KULLANMA İZİNİ VERİLEBİLİR, BU BİNALARDA ESASLI TADİLAT/TAMİRAT YAPILMASI, YIKILIP YENİDEN YAPILMASI VEYA FONKSİYON DEĞİŞİKLİĞİ YAPILMASI

"The construction conditions for the optional utilization areas shall not exceed $H_{max}=70$ m. (including the roof and chimney) in case of approval by the general directorate of disaster works, which examines the height, ground-building, building-earthquake relativity, together with its detailed geotechnical reports".

3. TEMEL EĞİTİM VE YÖNETİM MERKEZİ ALANLARINDA EMSAL 1,5 VE $H_{MAX}=9,50$ M'DİR. UYGULAMA JEOLÖJİK VE JEOTEKNİK ETÜT RAPORLARI DOĞRULTUSUNDA İLÇE BELEDİYESİ'NCE ONAYLANACAK MİMARİ AVAN PROJEYE GÖRE YAPILACAKTIR. PLANDA KONTÖR VE GABARİSİ GÖSTERİLEN MEVCUT BİNALAR JEOLÖJİK VE JEOTEKNİK ETÜT RAPORLARINA GÖRE UYGUN BULUNMASI HALİNDE EKONOMİK ÖMRÜNÜ TAMAMLAYINCAYA KADAR KULLANILABİLECEKTİR.



✓ Licenses and Permits:

- There is a "Building License" dated 06 Jnuary 2005 and no 2004/6254 for totally 26.372 sqm area.
- There is a "Building Use Permit" for 26.372 sqm area dated 23 February 2007 and no. 2007/1544.*
- There is an "Approved Architectural Design" dated 06 Janurary 2005 for the property.

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License – Occupancy Permit Date/No	Reason of Issue	Area(sqm)
06.01.2005 – 2004/6254 (Building Licence)	Hotel	26.372,00
23.02.2007 – 2007/1544 (Building Use Permit)	Hotel	26.372,00
06.01.2005 (Approved Architectural Design)	Hotel	-

**Any differences have not been observed between the actual status and legal status during the on-site inspections of the mentioned property. The existing structure is compliant to the "Building Use Permit" dated 23 February 2007.*

✓ **Building Supervision:**

- Building supervision of the property is performed by Birikim Yapı Denetim Ltd. Şti. located İncirli Caddesi Toprak Apt. No:37 Kat-2 Bakırköy/İSTANBUL.

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

In the zoning plan notes on the legend of the subject immovable property, with the approval date of 28.02.2012, the following amendment was made "The construction conditions for the optional utilization areas shall not exceed Hmax=70 m. (including the roof and chimney) in case of approval by the general directorate of disaster works, which examines the height, ground-building, building-earthquake relativity, together with its detailed geotechnical reports".

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

Because the existing mortgage on the title log of the property was established for financing the project, it is believed that there are not any obstacles for the inclusion of the property in REIT portfolio with respect to the mortgage, and as the type allocation of the hotel with easement right on the appraised land was completed, its inclusion in the REIT portfolio is possible according to the provisions of the Capital Market Regulations, in our opinion.

4.5 Civil Liability

On the appraised property, there is a mortgage as, "Mortgage: Türkiye İş Bank Türkiye Sınai Kalkınma (Industrial Development) Bank, € 150,000,000.00 amount, 1st rank, 3.75% interest. It has been identified that the encumbrance (dated 14 October 2008 and journal no. 12982= was issued for project financing. The official letter regarding the mentioned mortgage is annexed herein.

4.6 Environmental and Ground Contamination

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

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

SECTION 5

PHYSICAL INFORMATION OF THE REAL ESTATE

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

Open address of the property: Novotel ve İbis Otel, Kazlıçeşme mahallesi, Kennedy caddesi, No: 56, Zeytinburnu - İstanbul

The real estate property related to the valuation study is located in the province of Istanbul within the boundaries of Zeytinburnu district. On the parcel with 11.720 square meters surface area, the 4-stars Novotel and 3-stars İbis Otel are located. The real estate property subject to valuation is positioned with their façade to the Kennedy Avenue which is also known as "Costal road-Sahil Yolu".

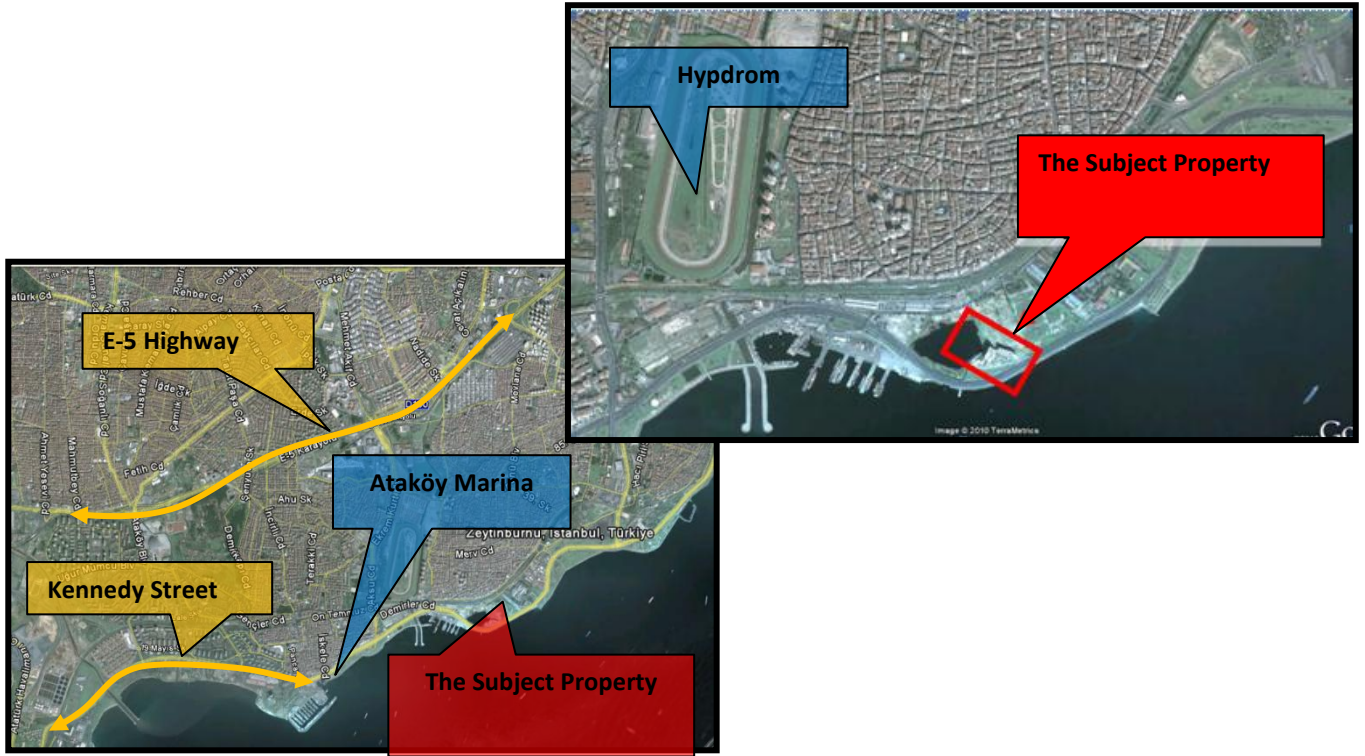
To reach the subject real estate property from Eminönü, the Coastal Road is taken. Advance straight without turning to any direction towards Yenikapı Hydrofoil landing place. After advancing for 7,5 km. from Sirkeci, the subject real estate property is positioned with its façade to the right hand side of the avenue before arriving to Bakırköy. İbis Hotel is located at the East side of the parcel and Novotel is at the West side and both hotels have panoramic sea view. In the vicinity of the real estate property; Toyota Derindere authorized technical service building, Yenikapı İDO landing place, World Trade Center, Istanbul Ataturk Airport, Galleria Shopping Center, Bakırköy Hydrofoil landing place as well as buildings of commercial and residential nature.

The real estate property is at an air distance of approximately 6,5 km. to Istanbul Yeşilköy Ataturk Airport. The subject hotels' being so near to the airport, their having a panoramic sea view and having their façades directly to the coastal road are positive advantageous factors. On the real estate property owned by the Treasury of the Ministry of Finance, rights of superficies for 49 years in favor of Akfen GYO A.Ş. have been established. Subsequently, Akfen GYO A.Ş. with a lease contract which has been signed has transferred the administration of the hotels to the French Accor Tamaris Turizm A.Ş.

The real estate property is approximately at 2,7 km. air distance to D100 (E5), at 7,5 km. to Eminönü, approximately at 29 km. air distance to Büyükçekmece. Transportation to the real estate property is possible by public and private vehicles.

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

LOCATION	DISTANCE
D100 (E5) Highway	2,7 km.
Atatürk Airport	6,5 km.
Eminönü	7,5 km.
Büyükçekmece	29 km.



5.2 Gayrimenkulün Mevcut Durumu

The real estate properties subject to valuation are Novotel and Ibis Hotel positioned with their façade to Kennedy Avenue (coastal road), in the neighborhood of Kazlıçeşme, district of Zeytinburnu in the province of Istanbul. Ibis Hotel is located at the East façade of the parcel, while Novotel is at the western façade; both hotels have panoramic sea view.

The parcel where the hotels subject to valuation are positioned is under the ownership of the Treasury. According to the agreement on the right of superficies signed between the Treasury and Akfen GYO A.Ş. the right of superficies has been given in favor of Akfen GYO A.Ş. until the date of 18 November 2051. Whereas Akfen GYO A.Ş. having bare ownership has leased the subject parcel together with the hotels it has built on it to the French Accor Tamaris Turizm A.Ş. for a duration of 25 years with five years' option.

Novotel which is located on the parcel subject to valuation consists of 2 basement floors+ ground floor + 12 floors. The part of 10.901 square meters of the hotel having a total covered area of 16.649 square meters is the area included in the equivalent. At Novotel, there is a parking garage at the 2nd basement, a parking garage, management offices, laundry, dining hall, technical and installation spaces at the 1st basement, the lobby, restaurant, meeting halls, lounge area, kitchen, business center at the ground floor, fitness center, sauna, steam bath, rest room, 4 massage halls at the 1st normal floor while at the remaining floors bedrooms are available. In Novotel, there are 160 standard rooms, 38 rooms with communication, 2 rooms for the use of handicapped, and 6 suites, making up 208 rooms in total. There is also an outdoor swimming pool at Novotel.

Ibis Hotel which is located on the parcel subject to valuation consists of 2 basement floors+ ground floor+ 7 floors. From the total covered area of 9.723 square meters of the hotel a section of 6.461 square meters is included to the equivalent. At Ibis Hotel at the 2nd basement floor a parking garage, at the 1st basement floor a parking garage, technical and installation spaces, at the ground floor, the

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lobby, restaurant, kitchen and rooms, while at other floors bedrooms are available. At Novotel, there are 160 standard rooms, 38 communicating rooms, 4 rooms for the disabled, 6 suites, in total 208 rooms. While at Ibis Hotel 18 sofa bed, 42 desk bed, 45 twins, 6 VIP's, 2 rooms for the disabled, 115 standard rooms in total 228 rooms are available. In addition an outdoor swimming pool is available at Novotel.

Surface area calculation included to the equivalent	Area
Novotel	10.901
İbis Otel	6.461
Total	17.362

Gross Areas belonging to the hotel utilization and Room Distributions (Novotel)**

Akfen GYO Zeytinburnu Novotel Mimari Proje Kat Alan ve Fonksiyonları			
Floors	Total Gross Area (sqm)*	Surface Area (sqm)	Using Status
2nd Basement Floor	1.468		Indoor Parking and warehouse
1st Basement Floor	3.474	322	Indoor parking, offices, laundry, refectory, technical areas, automation, technical manager office, technical warehouse, stuff entrance, shelter, stuff lockerroom, Wc.
Ground Floor	2.197	2.051	lobby, restaurant, meeting rooms, foyer alanı, kitchen, business center, lobby bar
1 st Floor	1.018	927	fitness center, sauna, steam room, resting room, 4 pieces massage parlor
2 nd floor	772	691	Room Floor (14 rooms)
3 rd floor	772	691	Room Floor (20 rooms)
4 th floor	772	691	Room Floor (20 rooms)
5 th floor	772	691	Room Floor (20 rooms)
6 th floor	772	691	Room Floor (20 rooms)
7 th floor	772	691	Room Floor (19 rooms)
8 th floor	772	691	Room Floor (19 rooms)
9 th floor	772	691	Room Floor (19 rooms)
10 th floor	772	691	Room Floor (19 rooms)
11 th floor	772	691	Room Floor (19 rooms)
12 th floor	772	691	Room Floor (19 rooms)
Total Area of Hotel Block	16.649	10.901	

* Gross and areas included to the equivalent have been obtained from the approved architectural project and are consistent with their current use.

Gross Areas belonging to the hotel utilization and Room Distributions (İbis Otel)**

Akfen GYO Zeytinburnu İbis Otel Mimari Proje Kat Alan ve Fonksiyonları			
Floors	Total Gross Area (sqm)*	Surface Area (sqm)	Using Status
2nd Basement Floor	734		Indoor Parking
1st Basement Floor	1.816		Indoor parking, technical and installation spaces
Ground Floor	1.245	1.162	Lobby, restoran, kitchen and room spaces
1 st Floor	858	781	Room Floor (31 rooms)
2 nd floor	845	753	Room Floor (31 rooms)

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3 rd floor	845	752	Room Floor (31 rooms)
4 th floor	845	753	Room Floor (31 rooms)
5 th floor	845	753	Room Floor (31 rooms)
6 th floor	845	753	Room Floor (31 rooms)
7 th floor	845	753	Room Floor (31 rooms)
Otel Bloğu Toplam Alan	9.723	6.461	

** Gross and areas included to the equivalent have been obtained from the approved architectural project and are consistent with their current use.*

***The construction area included in the coefficient for the hotel is currently 17.361,32 sqm in total and 1,48 of the coefficient right has been used, and the coefficient right is 2.50. According to the existing zoning status, one the parcel, where the total construction right included in the coefficient is 29.300 sqm, there is construction right of 11.938 sqm included in the coefficient.*

5.3 Structural Characteristics of the Construction

Construction Type	Reinforced Concrete Frame
Total Indoor Area subject to Appraisal	Novotel 16.649,00 m ² ibis Otel 9.723,00 m ²
Roof System	Terrace Roof
Age	Aprox. 6 years
Electricity	Network
Water	Network
Sewer System	Network
Heating System	It is provided by 2 hot water boiler and central heating with natural gas fuel.
Cooling System	It is provided with air refrigerated Chiller groups.
Climate System	It is provided with air conditioning centrals and exhaust fans.
Security System	Card pass and burglar alarm systems are available.
Fire Alarm	There is a fire safety and notification system connected to the automation system. The fire extinction system is sprinkler; furthermore fire cabinets and fire extinguishers are available.
Fire Escape	Available

5.4 Interior Structural Characteristics of the Property

Room Using and using details by floors (Novotel)

2nd basement floor	
At the 2 nd basement area having a covered area of 1.468 square meters there are indoor car park and storage areas.	
Floor	: concrete coating (public and indoor parking spaces)
Wall	: Paint over plaster, ceramic (WC)
Ceiling	: Metal suspended ceiling, plastic paint (parking spaces)
Joinery	: Metal ve and wood (door joineries)
Lightening	: Fluorescent
1st Basement Floor	
At the 1 st basement with a covered area of 3.474 square meters, indoor car park, management offices, laundry, dining hall, technical and installation spaces, automation, technical manager room, technical warehouse, power station, personnel entrance, personnel registration/accounting, engine room, shelter, personnel locker rooms, depots and WC's are available.	
Floor	: concrete coating (public and indoor parking spaces), mosaic (boiler room), parquet (office spaces), ceramic (dining hall, lockerrooms, WC, laundry).
Wall	: Paint over plaster, ceramic (WC), plastic paint (installation spaces)

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Ceiling	:	Rockwool suspended ceiling (offices), metal suspended ceiling, plastic paint (indoor parking)
Joinery	:	Wood and aluminium (door joineries)
Lightening	:	Fluorescent
Ground Floor		
At the ground floor with a covered area of 2.197 square meters, the lobby, restaurant, meeting halls, lounge, kitchen, business center and lobby bar are present. Access from the ground floor to the room floors is possible through 3 elevators and through 1 elevator to the basement floors as well as through staircases.		
Floor	:	Locally parquet, locally ceramic (foyer space, lobby and restaurant), carper (meeting rooms), ceramic (WC)
Wall	:	Papering and granit (meeting rooms and restaurant), ceramic (WC)
Ceiling	:	Suspended ceiling with spot lightening.
Joinery	:	PVC and wood
Lightening	:	Fluorescent and spot.
1st floor		
At the 1 st floor which has a covered area of 1.018 square meters a fitness center, sauna, steam bath, rest room, 4 massage parlors are available. There are no rooms at the first floor.		
Floor	:	Locally parquet, locally granit
Wall	:	Locally granit, locally papering, locally paint
Ceiling	:	Suspended ceiling with spot lightening.
Joinery	:	PVC and wood (kapı doğramaları)
Lightening	:	Fluorescent and spot.
Room floors		
All 2-12. Floors provide service as room floors. Room floors with the size of 772 square meters each have a covered area of 8.492 square meters in total. At Novotel, at the 2 nd floor there are 14 rooms, 20 rooms at each of the 3-6 th floors and 19 rooms at each of the 7-12 th floors being in total 208 rooms. 38 of these rooms have been designed as communicating rooms, 4 of them are for the disabled, 6 of them are suites and 160 are standard rooms.		
Floor	:	Carper, ceramic (bathroom and WC)
Wall	:	Paint, ceramic (WC)
Ceiling	:	Suspended ceiling
Joinery	:	Wood (door), PVC (windows)
Lightening	:	Spot and decorative lightening

Room Using and using details by floors (ibis Otel)

2nd Basement Floor		
At the 2 nd basement area having a covered area of 734 square meters there are indoor car park and storage areas.		
Floor	:	concrete coating (public and indoor parking spaces)
Wall	:	Paint over plaster, ceramic (WC)
Ceiling	:	Metal suspended ceiling, plastic paint
Joinery	:	Metal and wood (doors)
Lightening	:	Fluorescent
1. Basement Floor		
the 2 nd basement area having a covered area of 1.816 square meters there are indoor car park and storage areas.		
Floor	:	concrete coating (public and indoor parking spaces)
Wall	:	Paint over plaster,

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Ceiling	:	Metal suspended ceiling, plastic paint
Joinery	:	Metal and wood (doors)
Lightening	:	Fluorescent
Ground Floor		
At the ground floor with a covered area of 1.245 square meters, the lobby, restaurant, kitchen, are present.		
Floor	:	Parquet (lobby and restaurant), carper (rooms), ceramic (Kitchen)
Wall	:	Locally paint and locally granit (lobby, restaurant and rooms), ceramic (WC)
Ceiling	:	Suspended ceiling with spot lightening.
Joinery	:	PVC and wood
Lightening	:	Fluorescent
Room Floors		
All 1-7. Floors serve as room floors. The 1st floor has a covered area of 858 square meters; the other room floors with the size of 845 square meters each have a covered surface area of 5.928 square meters in total. At İbis Hotel, there are 11 rooms at the ground floor, 31 rooms at each of the other floors, in total 228 rooms. 18 of these rooms have been designed as sofabed, 42 as desk bed, 45 as twin, 6 as VIP, 4 as disabled rooms, 113 as standard rooms.		
Floor	:	Carpet, seramik (bathroom and WC)
Wall	:	Paint and ceramic (WC)
Ceiling	:	gypsum board suspended ceiling
Joinery	:	Wood (door), PVC (windows)
Lightening	:	Spot and decorative lightenings

➤ Details of the Hotel Spaces

Meeting Halls:

In total there are 4 divisible multi-purpose meeting halls.

At meeting halls with high ceilings and acoustic, joint secretarial services are provided.

There is a common exit from meeting halls to the lounge with a surface area of 166 square meters.

The halls are supported with technical devices. (Barcoveision, sound system and normal lighting system are available)

Rooms:

At Novotel there are 208 rooms in total consisting of 14 at the 2nd floor, 20 at each of the 3-6th floors and 19 at each of the 7-12th floors. From these rooms, 38 have been designed as communicating rooms, 4 rooms for disabled, 6 as suites and 160 as standard rooms. Room floors with a surface area of 772 square meters each represent a covered area of 8.492 square meters in total. Whereas at İbis Hotel there are 228 rooms in total consisting of 11 at the ground floor, 31 at each of the other floors. 18 of these rooms have been designed as sofabed, 42 as desk bed, 45 as twin, 6 as VIP, 4 rooms for disabled, 113 as standard rooms. The 1st floor has a covered area of 858 square meters; the other room floors with size of 845 square meters each have a covered surface area of 5.928 m² in total. The ground floor, 3rd, 5th, 7th floors at İbis Hotel and the 4th, 5th, 6th and 12th floors at Novotel are smoking floors. In the rooms, air conditioning, mini bar, internet computer connection, satellite television channels, direct telephone, mini refrigerator, cattle, tea-coffee set-up, hair dryer, fire alarm system, sound-announcement system, electronic door lock system, private safe box, 24 hours room service and dry cleaning service are available. Furthermore at Novotel, a fitness center, sauna, massage parlors and 1 outdoor swimming pool are at the service of the customers.

SECTION 6

THE HIGHEST AND THE BEST USE ANALYSIS

SECTION 6

THE HIGHEST AND THE BEST USE ANALYSIS

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

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

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

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

Because the property is located on a very important transportation axis, and a hotel requirement is expected in Istanbul in the future, and considering that the property is currently operated as an active hotel, the actual use is considered as the highest and best use.

SECTION 7
FACTORS THAT AFFECT THE VALUE
OF THE REAL PROPERTY

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

STRENGTH	WEAKNESS
<ul style="list-style-type: none">+ The real estate property is located so close to the Atatürk Airport+ The real estate property having a panoramic sea view,+ The transportation facilities being easily available as the property is located with its façade to the coastal road,+ The hotels subject to valuation being operated under a brand name providing same standards everywhere throughout the world,+ Their being business hotels located on the route to the airport,+ The car park capacity being sufficient to meet the needs of large hotels,+ The property being in a close position to the E-5 Motorway and TEM motorway in addition to the coastal road,+ Buildings well recognized being located in the vicinity of the property	<ul style="list-style-type: none">- The negative effect on transportation of the coastal road's traffic becoming dense from time to time.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none">✓ Istanbul's need for hotels expected to increase in the coming years.	<ul style="list-style-type: none">✗ The economic developments in the world and in our country are influencing the real estate sector adversely, as is also the case in the other sectors.

7.2. The Analysis of methods Used in the Appraisal

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

7.2.1. Equivalent Comparison Approach Analysis

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

- During the inspections at Zeytinburnu Municipality Real Estate Service for the appraised property, the real estate market rate of the property in question was identified as 6.171,82 TL/sqm for 2012. (TL 6.171,82/sqm, €2.102/sqm).
- In Zeytinburnu, on the coast road, 73,000 sqm land with 2.50 FAR and "Tourism-Area" zoning was tendered, and the mentioned land was purchased by T.O.B.B (Union of Chambers and Commodity Exchanges of Turkey) as a result of the auction at TL 392,000,000 (TL 5.370/sqm, €1.829/sqm).

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- For the lot in the vicinity of the subject immovable property and in proximity with the subject immovable property, on section 774, parcel no 52, with surface area of 15.500 sqm, a tender was launched and it was acquired by the Ottoman Fund company via auction for 87.000.000 TL + VAT, on the date of 12.09.2007. Currently on this parcel is the Ottomare Suites project. (5.594 TL/sqm, 1.905 €/sqm)
- On Kennedy Street, at Ataköy locality, 11,950.72 sqm parcel was sold at TL 65,750,000 through a tender in December 2009. (TL 5,502/sqm, € 1.873/sqm).
- At Ataköy coast road, 124,980 sqm land owned by TOKİ, was offered for sale in 2008 at TL 650,000,000 appraisal value, and it was sold at TL 850,000,000. 68,000 sqm of the property's 124,980 sqm land area is green space, and it will be in the public use, while the remaining approximately 56,980 sqm land can be used for hotel, marina, yacht club, shopping facilities, restaurant, convention, health and entertainment facility constructions. The construction area at the land has been identified as 249,960 sqm. (Estimated sales figure: €1,770/sqm, TL 5,200/sqm, Tender sales figure €2,316/sqm, TL 6,801/m)(At the time the land was sold, the exchange rate was nearly TL 1.25 and the Euro rate was TL 2.02).
- It was learned that in the area the subject immovable property is located; the lot with similar construction conditions with the subject immovable property could be sold for the unit sale price of 6.000-6.500 TL/sqm. (6.000-6.500 TL/sqm, 2.043-2.213 €/sqm)

LAND COMPERABLES					
No	Area (sqm)	Quality	Unit Price (TL/sqm)	Unit Price (Euro/sqm)	Explanation
1	73.000	Tourism Recreation	5.370	1.829	In Zeytinburnu, Coefficient=2,50, sold about 2 years ago.
2	15.500	Tourism Recreation	5.594	1.905	In Zeytinburnu, sold in 2007.
4	11.950,72	Tourism Recreation	5.502	1.873	In Ataköy, sold in 2009
5	124.980	Tourism Area	5.200	1.770	Estimated Value
6	124.980	Tourism Area	6.801	2.316	Sale Value
8	-	-	6.000-6.500	2.043-2.213	Opinion

✓ Professional Opinion of the Appraisal Expert:

Taking into consideration the position of the ground plot subject to valuation, transportation availabilities, the presence of a well-known prestigious facility on it, right of superficies established on the real estate property and assuming that it has not any legal problem, taking into account the imputed values of property obtained from the vicinity, the land value has been assessed as **2.400 €/sqm**.

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VALUE OF THE RIGHT OF CONSTRUCTION				
1 sqm Land Value (*)	1.337	.-Euro/sqm		
Size of the land	11.720,00	sqm		
Total Value of the Land	15.669.640	.-Euro/ sqm	15.669.640	.-Euro
			46.013.898	TRY

(*)For the land, unit value is calculated as 70% as the value of 49-year construction right considering **2.700** Euro unit value for lands zoned as tourism area..

(**)On the ground plot owned by the **Treasury** an Independent and Permanent Right of Superficies has been established in favor of Akfen GYO A.Ş until the date of 18 November 2051.

Land Value Calculation Detail = (Value of the zoned land x 49 year construction right factor x term rate)

= 2.400 (Euro/sqm) x 0.70 x 39/49

= **1.337 (Euro/sqm)**

7.2.2 Construction Cost Analyse

In this analysis the building cost values have been evaluated with cost formation approach; the technical features of the buildings, materials used in the buildings, by taking into consideration the construction costs of buildings constructed with same features in the market as well as based on our past experiences. The depreciation of the buildings has been assessed on the basis of the experience of the valuation expert by taking into consideration the visible physical situation of the building.

VALUE OF THE BUILDING (NOVOTEL)				
Indoor Parking, Technical Rooms, Basement Floors				
Construction Cost per 1 sqm	200	.-€		
Total Closed Area of the Building	4.942,00	sqm		
Total Construction Cost	988.400	.-€		
Depreciation	7%			
Depreciation Cost	69.188	.-€		
Value of the Building	919.212	.-€	919.212	.-€
Hotel				
Construction Cost per 1 sqm	1.100	.-€		
Total Closed Area of the Building	11.707,00	m²		
Total Construction Cost	12.877.700	.-€		
Depreciation	7%			
Depreciation Cost	901.439	.-€		
Value of the Building	11.976.261	.-€	11.976.261	.-€
Construction Cost per 1 sqm	200	.-€		
Total Closed Area of the Building	2.550,00	m²		
Total Construction Cost	510.000	.-€		
Depreciation	7%			
Depreciation Cost	35.700	.-€		
Value of the Building	474.300	.-€	474.300	.-€
Hotel				
Construction Cost per 1 sqm	950	.-€		
Total Closed Area of the Building	7.173,00	m²		
Total Construction Cost	6.814.350	.-€		
Depreciation	7%			

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Depreciation Cost	477.005	.-€		
Value of the Building	6.337.346	.-€	6.337.346	.-€
Total Value of the Land			15.669.640	.-€
Total Value of the Building			19.707.119	.-€
Grounf Improvement Value			4.550.000	.-€
External and miscellaneous works			650.000	.-€
TOTAL VALUE			40.576.759	.-€
TOTAL APPROXIMATE VALUE(EURO)			40.580.000	.-€
TOTAL APPROXIMATE VALUE(TRY)			119.160.000	.-TRY

7.2.3 Revenue Reduction Method

The second method used is the “Revenue Reduction Method” within the appraisal process.

Hotel Assumptions

The income projection has been prepared with the assumption that the property is run in its current situation. The average room rate, average occupancy rate and other revenue items of the income projection have been estimated according to the actual situation data provided by the company.

- The right of superficies of the hotel which is being evaluated is under the property of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. and is being operated Accor group which is an international hotel operation group. It's being operated by an international trade name provides a positive effect on the items which affect its potential such as the occupancy rates, the potential of the bed/room price of the hotel. In the study, the capacity of the hotel in the coming years has been foreseen with the assumption that the current operation potential shall continue.
- Cash flows obtained from the operation of the property over the years of operation used in the income reduction method is formed by the total of the cash flows obtained by Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. and Accor group.
- The valuation study has been made according to the current capacity of the hotels. For the following years, it was foreseen that the hotels shall be;
 - Operated as Four Stars Novotel and Three Stars İbis Hotel,
 - It was foreseen that Novotel shall have a capacity of 208 rooms, 416 beds, İbis Otel of 228 rooms, 456 beds.
 - It was assumed that they will operate 365 days per year.
 - The data realized in 2012 have been taken to account.
- Hotel prices have been foreseen to be in the room-breakfast system. Taking into consideration the performance of the facility in the past years, the examinations conducted in the tourism sector and the area, for Novotel; all inclusive price per person for 2014 has been assumed as 85 Euros; for İbis Hotel all inclusive price per person for 2014 has been assumed as 76 Euros. It was projected that the room price will increase by 4% for the first 10 years as of 2007, which is the opening year of the hotels and it will increase by 2.5% every year after that.
- The occupancy rates are foreseen to remain unchanged at 85%.
- It was assumed that other revenues such as rental of shops located in the hotels, wellness center, extra expenditures etc. shall be included in the item other revenues. Taking into consideration the performance of the facility, the other revenues shall be 35% of the accommodation revenues for Novotel, 17% of the accommodation revenues for İbis Hotel.

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- It was assumed that the profit margin for Novotel will remain fixed at 50% whereas at 58% for Ibis Hotel.
- It was assumed that the renewal expenses of the construction cost of the facility shall be increased by 1,5 % for the first year, by 2,5 % in the subsequent years.
- Further to Article 7/B of the contract dated 23 December 2004, "After the commissioning of the facility constructed on the property for which the easement right is possessed; a share equal to 1% of the total annual revenue shall be obtained", 1% of Novotel and Ibisotel annual revenues is considered as the "Share obtained from the Income".
- EURO has been used in the studies and was taken as 1 EURO=2,9365 TL.
- Tax and VAT have not been included in the studies in the scope of IVSC (International Valuation Standards Council).
- In the valuation study, 4,37 % being six months return rate of Euro denominated Eurobonds due 2020 has been taken as risk-free return rate. (In this valuation study the return rate of the Euro based Eurobonds with the longest due date of 2020, has been selected as risk-free return rate)
- Reduction rate has been foreseen as 9,25 %.
- In the studies, 2,5% which is the inflation rate for the Euro zone was used as inflation rate.
- The real estate tax payment was included to the calculations as of 2013 and after 2013, increase at the rate of inflation, which is 2.5% was also included.
- The building insurance has been added in the realized figures according to the customer's declarations, and the 2.5% increase has been assumed for each year due to the inflation rate.

NOVOTEL (4 STARS)	
ROOM NUMBER	208
BED NUMBER	416
OPERATING DAYS	365
YEARLY ROOM CAPACITY	75.920
ROOM PRICE (EURO)(2013)	85,00
ROOM RATE INCREASE IN THE FIRST 10 YEARS (%)	4,0%
PER BED RATE INCREASE FOR THE REMAINING YEARS (%) EURO ZONE INFLATION RATE	2,5%
OTHER INCOMES RATE (%)	35%
RENEWAL COST RATE	1,5%
REAL ESTATE TAX BASE (EURO) (2013)	93.972
REAL ESTATE INSURANCE (EURO) (2013)	31.680
INFLATION RATE	2,5%

NOVOTEL NAKİT AKIŞI																			
YEARS	31.12.2013	31.12.2014	31.12.2015	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022	31.12.2023	31.12.2024	31.12.2025	31.12.2026	31.12.2027	31.12.2028	31.12.2029	31.12.2030	31.12.2031
OCCUPANCY (%)		84%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
OPERATING DATES		365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365
ROOMS SOLD		63.773	64.532	64.532	64.532	64.532	64.532	64.532	64.532	64.532	64.532	64.532	64.532	64.532	64.532	64.532	64.532	64.532	64.532
ROOM PRICE (EURO)		85,00	88,40	91,94	95,61	99,44	101,92	104,47	107,08	109,76	112,50	115,32	118,20	121,16	124,18	127,29	130,47	133,73	137,08
ROOM INCOMES (EURO)		5.420.688	5.704.629	5.932.814	6.170.127	6.416.932	6.577.355	6.741.789	6.910.333	7.083.092	7.260.169	7.441.673	7.627.715	7.818.408	8.013.868	8.214.215	8.419.570	8.630.060	8.845.811
OTHER INCOMES (EURO)		1.897.241	1.996.620	2.076.485	2.159.544	2.245.926	2.302.074	2.359.626	2.418.617	2.479.082	2.541.059	2.604.586	2.669.700	2.736.443	2.804.854	2.874.975	2.946.850	3.020.521	3.096.034
TOTAL (EURO)		7.317.929	7.701.249	8.009.299	8.329.671	8.662.858	8.879.429	9.101.415	9.328.950	9.562.174	9.801.228	10.046.259	10.297.415	10.554.851	10.818.722	11.089.190	11.366.420	11.650.580	11.941.845
GOP (%)		49%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
GOP (EURO)		3.585.785	3.850.624	4.004.649	4.164.835	4.331.429	4.439.715	4.550.707	4.664.475	4.781.087	4.900.614	5.023.129	5.148.708	5.277.425	5.409.361	5.544.595	5.683.210	5.825.290	5.970.922
RENEWAL COST (EURO) (%1,5)		193.432	198.268	203.225	208.305	213.513	218.851	224.322	229.930	235.678	241.570	247.609	253.800	260.145	266.648	273.314	280.147	287.151	294.330
REAL ESTATE TAX		93.972	96.321	98.729	101.198	103.728	106.321	108.979	111.703	114.496	117.358	120.292	123.299	126.382	129.541	132.780	136.099	139.502	142.990
REAL ESTATE INSURANCE		27.000	27.675	28.367	29.076	29.803	30.548	31.312	32.095	32.897	33.719	34.562	35.426	36.312	37.220	38.150	39.104	40.082	41.084
EXPENCES (EURO)		-4.046.548	-4.172.889	-4.334.970	-4.503.414	-4.678.472	-4.795.434	-4.915.320	-5.038.203	-5.164.158	-5.293.262	-5.425.593	-5.561.233	-5.700.264	-5.842.771	-5.988.840	-6.138.561	-6.292.025	-6.449.325
NET OPERATING PROFITS		3.271.381	3.528.360	3.674.329	3.826.257	3.984.386	4.083.995	4.186.095	4.290.747	4.398.016	4.507.966	4.620.666	4.736.182	4.854.587	4.975.952	5.100.350	5.227.859	5.358.556	5.492.519
NET CASH FLOWS	0	3.271.381	3.528.360	3.674.329	3.826.257	3.984.386	4.083.995	4.186.095	4.290.747	4.398.016	4.507.966	4.620.666	4.736.182	4.854.587	4.975.952	5.100.350	5.227.859	5.358.556	5.492.519

31.12.2032	31.12.2033	31.12.2034	31.12.2035	31.12.2036	31.12.2037	31.12.2038	31.12.2039	31.12.2040	31.12.2041	31.12.2042	31.12.2043	31.12.2044	31.12.2045	31.12.2046	31.12.2047	31.12.2048	31.12.2049	31.12.2050	18.11.2051
85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	322
64.532	64.532	64.532	64.532	64.532	64.532	64.532	64.532	64.532	64.532	64.532	64.532	64.532	64.532	64.532	64.532	64.532	64.532	64.532	64.532
140,50	144,02	147,62	151,31	155,09	158,97	162,94	167,01	171,19	175,47	179,86	184,35	188,96	193,69	198,53	203,49	208,58	213,79	219,14	224,62
9.066.956	9.293.630	9.525.971	9.764.120	10.008.223	10.258.429	10.514.890	10.777.762	11.047.206	11.323.386	11.606.471	11.896.632	12.194.048	12.498.899	12.811.372	13.131.656	13.459.948	13.796.446	14.141.357	14.494.891
3.173.435	3.252.771	3.334.090	3.417.442	3.502.878	3.590.450	3.680.211	3.772.217	3.866.522	3.963.185	4.062.265	4.163.821	4.267.917	4.374.615	4.483.980	4.596.080	4.710.982	4.828.756	4.949.475	5.073.212
12.240.391	12.546.401	12.860.061	13.181.562	13.511.101	13.848.879	14.195.101	14.549.978	14.913.728	15.286.571	15.668.735	16.060.454	16.461.965	16.873.514	17.295.352	17.727.736	18.170.929	18.625.203	19.090.833	19.568.103
50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
6.120.196	6.273.200	6.430.030	6.590.781	6.755.551	6.924.439	7.097.550	7.274.989	7.456.864	7.643.286	7.834.368	8.030.227	8.230.983	8.436.757	8.647.676	8.863.868	9.085.465	9.312.601	9.545.416	9.784.052
301.688	309.230	316.961	324.885	333.007	341.332	349.866	358.612	367.578	376.767	386.186	395.841	405.737	415.880	426.277	436.934	447.858	459.054	470.530	482.294
146.564	150.228	153.984	157.834	161.780	165.824	169.970	174.219	178.574	183.039	187.615	192.305	197.113	202.040	207.091	212.269	217.575	223.015	228.590	234.305
42.111	43.164	44.243	45.349	46.482	47.644	48.836	50.056	51.308	52.591	53.905	55.253	56.634	58.050	59.501	60.989	62.514	64.077	65.678	67.320
-6.610.559	-6.775.823	-6.945.218	-7.118.849	-7.296.820	-7.479.240	-7.666.221	-7.857.877	-8.054.324	-8.255.682	-8.462.074	-8.673.626	-8.890.466	-9.112.728	-9.340.546	-9.574.060	-9.813.411	-10.058.747	-10.310.215	-10.567.971
5.629.832	5.770.578	5.914.843	6.062.714	6.214.282	6.369.639	6.528.880	6.692.102	6.859.404	7.030.889	7.206.661	7.386.828	7.571.499	7.760.786	7.954.806	8.153.676	8.357.518	8.566.456	8.780.617	9.000.133
5.629.832	5.770.578	5.914.843	6.062.714	6.214.282	6.369.639	6.528.880	6.692.102	6.859.404	7.030.889	7.206.661	7.386.828	7.571.499	7.760.786	7.954.806	8.153.676	8.357.518	8.566.456	8.780.617	9.000.133

IBIS HOTEL (3 STARS)	
ROOM NUMBER	228
BED NUMBER	456
OPERATING DATES	365
YEARLY ROOM CAPACITY	83.220
ROOM PRICE (EURO)(2013)	76,00
ROOM RATE INCREASE IN THE FIRST 10 YEARS (%)	4,0%
PER BED RATE INCREASE FOR THE REMAINING YEARS (%) EURO ZONE INFLATION RATE	2,5%
OTHER INCOMES (%)	17%
RENEWAL COST RATE	1,5%
REAL ESTATE TAX BASE (EURO) (2013)	101.803
REAL ESTATE INSURANCE (EURO) (2013)	34.320

IBIS HOTEL CASH FLOW																			
YEARS	31.12.2013	31.12.2014	31.12.2015	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022	31.12.2023	31.12.2024	31.12.2025	31.12.2026	31.12.2027	31.12.2028	31.12.2029	31.12.2030	31.12.2031
OCCUPANCY (%)	83%		84%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
OPERATING DATES	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365
ROOMS SOLD	69.073	69.905	70.737	70.737	70.737	70.737	70.737	70.737	70.737	70.737	70.737	70.737	70.737	70.737	70.737	70.737	70.737	70.737	70.737
ROOM PRICE (EURO)	76,00	79,04	82,20	85,49	88,91	91,13	93,41	95,75	98,14	100,59	103,11	105,69	108,33	111,04	113,81	116,66	119,57	122,56	
ROOM INCOMES (EURO)	5.249.518	5.525.275	5.814.695	6.047.282	6.289.174	6.446.403	6.607.563	6.772.752	6.942.071	7.115.623	7.293.513	7.475.851	7.662.747	7.854.316	8.050.674	8.251.941	8.458.239	8.669.695	
OTHER INCOMES (EURO)	892.418	939.297	988.498	1.028.038	1.069.160	1.095.889	1.123.286	1.151.368	1.180.152	1.209.656	1.239.897	1.270.895	1.302.667	1.335.234	1.368.615	1.402.830	1.437.901	1.473.848	
TOTAL (EURO)	6.141.936	6.464.572	6.803.193	7.075.320	7.358.333	7.542.292	7.730.849	7.924.120	8.122.223	8.325.279	8.533.411	8.746.746	8.965.414	9.189.550	9.419.289	9.654.771	9.896.140	10.143.544	
GOP (%)	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%
GOP (EURO)	3.562.323	3.749.452	3.945.852	4.103.686	4.267.833	4.374.529	4.483.892	4.595.990	4.710.889	4.828.662	4.949.378	5.073.113	5.199.940	5.329.939	5.463.187	5.599.767	5.739.761	5.883.255	
RENEWAL COST (EURO) (%1,5)	102.175	104.729	107.347	110.031	112.782	115.601	118.491	121.454	124.490	127.602	130.792	134.062	137.414	140.849	144.370	147.979	151.679	155.471	
REAL ESTATE TAX	101.803	104.348	106.957	109.631	112.371	115.181	118.060	121.012	124.037	127.138	130.316	133.574	136.914	140.337	143.845	147.441	151.127	154.905	
REAL ESTATE INSURANCE	34.320	35.178	36.057	36.959	37.883	38.830	39.801	40.796	41.816	42.861	43.933	45.031	46.157	47.310	48.493	49.706	50.948	52.222	
EXPENCES (EURO)	-2.817.911	-2.959.375	-3.107.702	-3.228.255	-3.353.536	-3.437.374	-3.523.309	-3.611.391	-3.701.676	-3.794.218	-3.889.074	-3.986.300	-4.085.958	-4.188.107	-4.292.810	-4.400.130	-4.510.133	-4.622.886	
NET OPERATING PROFITS	3.324.025	3.505.197	3.695.490	3.847.065	4.004.797	4.104.917	4.207.540	4.312.729	4.420.547	4.531.060	4.644.337	4.760.445	4.879.456	5.001.443	5.126.479	5.254.641	5.386.007	5.520.657	
NET CASH FLOWS	3.324.025	3.505.197	3.695.490	3.847.065	4.004.797	4.104.917	4.207.540	4.312.729	4.420.547	4.531.060	4.644.337	4.760.445	4.879.456	5.001.443	5.126.479	5.254.641	5.386.007	5.520.657	

31.12.2032	31.12.2033	31.12.2034	31.12.2035	31.12.2036	31.12.2037	31.12.2038	31.12.2039	31.12.2040	31.12.2041	31.12.2042	31.12.2043	31.12.2044	31.12.2045	31.12.2046	31.12.2047	31.12.2048	31.12.2049	31.12.2050	18.11.2051
85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	322
70.737	70.737	70.737	70.737	70.737	70.737	70.737	70.737	70.737	70.737	70.737	70.737	70.737	70.737	70.737	70.737	70.737	70.737	70.737	70.737
125,63	128,77	131,99	135,29	138,67	142,13	145,69	149,33	153,06	156,89	160,81	164,83	168,95	173,18	177,51	181,94	186,49	191,16	195,93	200,83
8.886.438	9.108.599	9.336.314	9.569.721	9.808.965	10.054.189	10.305.543	10.563.182	10.827.261	11.097.943	11.375.392	11.659.776	11.951.271	12.250.053	12.556.304	12.870.211	13.191.967	13.521.766	13.859.810	14.206.305
1.510.694	1.548.462	1.587.173	1.626.853	1.667.524	1.709.212	1.751.942	1.795.741	1.840.634	1.886.650	1.933.817	1.982.162	2.031.716	2.082.509	2.134.572	2.187.936	2.242.634	2.298.700	2.356.168	2.415.072
10.397.132	10.657.060	10.923.487	11.196.574	11.476.488	11.763.401	12.057.486	12.358.923	12.667.896	12.984.593	13.309.208	13.641.938	13.982.987	14.332.561	14.690.876	15.058.147	15.434.601	15.820.466	16.215.978	16.621.377
58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%
6.030.337	6.181.095	6.335.622	6.494.013	6.656.363	6.822.772	6.993.342	7.168.175	7.347.380	7.531.064	7.719.341	7.912.324	8.110.132	8.312.886	8.520.708	8.733.726	8.952.069	9.175.870	9.405.267	9.640.399
159.358	163.342	167.425	171.611	175.901	180.299	184.806	189.426	194.162	199.016	203.991	209.091	214.318	219.676	225.168	230.797	236.567	242.481	248.544	254.757
158.778	162.747	166.816	170.986	175.261	179.643	184.134	188.737	193.455	198.292	203.249	208.330	213.539	218.877	224.349	229.958	235.707	241.599	247.639	253.830
53.527	54.866	56.237	57.643	59.084	60.561	62.075	63.627	65.218	66.848	68.520	70.233	71.989	73.788	75.633	77.524	79.462	81.448	83.485	85.572
-4.738.459	-4.856.920	-4.978.343	-5.102.802	-5.230.372	-5.361.131	-5.495.159	-5.632.538	-5.773.352	-5.917.685	-6.065.628	-6.217.268	-6.372.700	-6.532.017	-6.695.318	-6.862.701	-7.034.268	-7.210.125	-7.390.378	-7.575.138
5.658.674	5.800.140	5.945.144	6.093.773	6.246.117	6.402.270	6.562.327	6.726.385	6.894.544	7.066.908	7.243.581	7.424.670	7.610.287	7.800.544	7.995.558	8.195.447	8.400.333	8.610.341	8.825.600	9.046.240
5.658.674	5.800.140	5.945.144	6.093.773	6.246.117	6.402.270	6.562.327	6.726.385	6.894.544	7.066.908	7.243.581	7.424.670	7.610.287	7.800.544	7.995.558	8.195.447	8.400.333	8.610.341	8.825.600	9.046.240

TOTAL CASH FLOW										
YEARS	31.12.2013	31.12.2014	31.12.2015	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022
Novotel (4 Stars)	0	3.271.381	3.528.360	3.674.329	3.826.257	3.984.386	4.083.995	4.186.095	4.290.747	4.398.016
Ibis Otel (3 Stars)	0	3.324.025	3.505.197	3.695.490	3.847.065	4.004.797	4.104.917	4.207.540	4.312.729	4.420.547
Yearly Rent Cost	0	-126.000	-129.150	-132.379	-135.688	-139.080	-142.557	-146.121	-149.774	-153.519
Revenue Sharing	0	-134.599	-141.658	-148.125	-154.050	-160.212	-164.217	-168.323	-172.531	-176.844
TOTAL CASH FLOWS	0	6.334.807	6.762.749	7.089.315	7.383.584	7.689.890	7.882.138	8.079.191	8.281.171	8.488.200

31.12.2023	31.12.2024	31.12.2025	31.12.2026	31.12.2027	31.12.2028	31.12.2029	31.12.2030	31.12.2031	31.12.2032	31.12.2033	31.12.2034	31.12.2035	31.12.2036	31.12.2037
4.507.966	4.620.666	4.736.182	4.854.587	4.975.952	5.100.350	5.227.859	5.358.556	5.492.519	5.629.832	5.770.578	5.914.843	6.062.714	6.214.282	6.369.639
4.531.060	4.644.337	4.760.445	4.879.456	5.001.443	5.126.479	5.254.641	5.386.007	5.520.657	5.658.674	5.800.140	5.945.144	6.093.773	6.246.117	6.402.270
-157.357	-161.291	-165.323	-169.456	-173.692	-178.035	-182.486	-187.048	-191.724	-196.517	-201.430	-206.466	-211.627	-216.918	-222.341
-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265
8.700.405	8.922.447	9.150.040	9.383.322	9.622.437	9.867.530	10.118.749	10.376.250	10.640.188	10.910.724	11.188.024	11.472.256	11.763.594	12.062.215	12.368.302

31.12.2038	31.12.2039	31.12.2040	31.12.2041	31.12.2042	31.12.2043	31.12.2044	31.12.2045	31.12.2046	31.12.2047	31.12.2048	31.12.2049	31.12.2050	18.11.2051
6.528.880	6.692.102	6.859.404	7.030.889	7.206.661	7.386.828	7.571.499	7.760.786	7.954.806	8.153.676	8.357.518	8.566.456	8.780.617	9.000.133
6.562.327	6.726.385	6.894.544	7.066.908	7.243.581	7.424.670	7.610.287	7.800.544	7.995.558	8.195.447	8.400.333	8.610.341	8.825.600	9.046.240
-227.899	-233.597	-239.437	-245.423	-251.558	-257.847	-264.294	-270.901	-277.673	-284.615	-291.731	-299.024	-306.499	-314.162
-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265
12.682.042	13.003.624	13.333.246	13.671.109	14.017.419	14.372.386	14.736.227	15.109.164	15.491.425	15.883.242	16.284.855	16.696.508	17.118.452	17.550.945

Appraisal Chart			
Risk Free Rate of Return	4,37%	4,37%	4,37%
Risk Premium	4,38%	4,88%	5,38%
DISCOUNT RATE	8,75%	9,25%	9,75%
NET PRESENT VALUE (EURO)	98.710.132	93.052.205	87.910.654
APROX. NET PRESENT VALUE (EURO)	98.710.000	93.050.000	87.910.000
NET PRESENT VALUE (TRY)	289.860.000	273.240.000	258.150.000
APROX. NET PRESENT VALUE (TRY)	289.861.915	273.241.325	258.147.715

7.2.4 Calculation of Cost Capitalization Approach from the Issued Rent Revenues

Assumptions made according to the 4th amendment of the Agreement dated 18 April 2005,

The price of the annual rent to be paid by the Accor group, which is an international hotel management company, to Akfen Gayrimenkul Yatırım Ortaklığı A.Ş., which holds the construction right of the hotel in question, will be twenty two (22%) percent of the gross revenue (VAT excluded) for Novotel and twenty five percent (25%) of the gross operation revenue for Ibis Hotel, or seventy percent (70%) of the adjusted gross operation revenue, which ever is greater. The related agreement amendment was attached to the report.

- The construction right of the subject hotel is owned by Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. while it is being operated by the international hotel operation company Accor Group.
- During this study, it was assumed that the hotel will be operated in the existing concept throughout the term of the construction right.
- The valuation study has been conducted according to the existing capacity of the hotels. It was foreseen that the hotels shall, in the following years;
 - Be operated as Four stars Novotel and Three stars Ibis Hotel,
 - Shall have a capacity of 208 rooms 416 beds in Novotel, 228 rooms, 456 beds in Ibis Hotel.
 - It was assumed that they will operate 365 days per year.
 - The data of 2012 was taken into consideration and building insurance, real estate tax, lot rental value and other similar items were provided from the cost items of Akfen REIT.
- Hotel prices have been foreseen to be in the room-breakfast system. Taking into consideration the performance of the facility in the past years, the examinations conducted in the tourism sector and the area, for Novotel; all inclusive price per person for 2014 has been assumed as 85 Euros; for Ibis Hotel all inclusive price per person for 2014 has been assumed as 76 Euros. It was projected that the room price will increase by 4% for the first 10 years as of 2007, which is the opening year of the hotels and it will increase by 2.5% every year after that.
- The occupancy rates are foreseen to remain unchanged at 85%.
- It was assumed that other revenues such as rental of shops located in the hotels, wellness center, extra expenditures etc. shall be included in the item other revenues. Taking into consideration the performance of the facility, the other revenues shall be 35% of the accommodation revenues for Novotel, 17% of the accommodation revenues for Ibis Hotel.
- It was assumed that the profit margin for Novotel will remain fixed at 50% whereas at 58% for Ibis Hotel.
- Renewal expense for the rental model of the hotel has been taken as 0,05 % of the renewal expense calculated in the operation alternative. In the lease model, it was assumed that renewal expenses of the hotel shall be made by the tenant.
- Further to Article 7/B of the contract dated 23 December 2004, "After the commissioning of the facility constructed on the property for which the easement right is possessed; a share equal to 1% of the total annual revenue shall be obtained", 1% of Novotel and Ibisotel annual revenues is considered as the "Share obtained from the Income".
- EURO has been used In the studies and was taken as 1 EURO=2,9365 TL.

- Tax and VAT have not been included in the studies in the scope of IVSC (International Valuation Standards Council).
- In the valuation study, 4,37 % being six months return rate of Euro denominated Eurobonds due 2020 has been taken as risk-free return rate. (In this valuation study the return rate of the Euro based Eurobonds with the longest due date of 2020, has been selected as risk-free return rate)
- Low reduction rate and risk premium have been given with the thought that rental revenues guaranteed by brand power and the international recognition of Accor shall be determined over the years.
- In this study, rental revenues of the hotel leased to Accor group have been taken under guarantee by a lease agreement for 25 years plus extension option for 10 years. It was calculated by assuming that the risk premium in obtaining rental revenues of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. would be quite low. Reduction rate has been foreseen as 4,37 % by adding 2,38 % “Risk Premium” to the 6,75 % “Risk-free Return Rate”.

TOTAL CASH FLOW																			
YEARS	31.12.2013	31.12.2014	31.12.2015	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022	31.12.2023	31.12.2024	31.12.2025	31.12.2026	31.12.2027	31.12.2028	31.12.2029	31.12.2030	31.12.2031
NOVOTEL INCOME	0	1.609.944	1.694.275	1.762.046	1.832.528	1.905.829	1.953.474	2.002.311	2.052.369	2.103.678	2.156.270	2.210.177	2.265.431	2.322.067	2.380.119	2.439.622	2.500.612	2.563.128	2.627.206
AGOP NOVOTEL	0	2.100.246	2.264.167	2.354.734	2.448.923	2.546.880	2.610.552	2.675.816	2.742.711	2.811.279	2.881.561	2.953.600	3.027.440	3.103.126	3.180.704	3.260.222	3.341.727	3.425.271	3.510.902
NOVOTEL USED RENTAL INCOME	0	2.100.246	2.264.167	2.354.734	2.448.923	2.546.880	2.610.552	2.675.816	2.742.711	2.811.279	2.881.561	2.953.600	3.027.440	3.103.126	3.180.704	3.260.222	3.341.727	3.425.271	3.510.902
IBIS HOTEL INCOME	0	1.535.484	1.616.143	1.700.798	1.768.830	1.839.583	1.885.573	1.932.712	1.981.030	2.030.556	2.081.320	2.133.353	2.186.686	2.241.354	2.297.387	2.354.822	2.413.693	2.474.035	2.535.886
AGOP IBIS HOTEL	0	2.149.677	2.262.600	2.381.117	2.476.362	2.575.417	2.639.802	2.705.797	2.773.442	2.842.778	2.913.848	2.986.694	3.061.361	3.137.895	3.216.342	3.296.751	3.379.170	3.463.649	3.550.240
IBIS HOTEL USED RENTAL INCOME	0	2.149.677	2.262.600	2.381.117	2.476.362	2.575.417	2.639.802	2.705.797	2.773.442	2.842.778	2.913.848	2.986.694	3.061.361	3.137.895	3.216.342	3.296.751	3.379.170	3.463.649	3.550.240
YEARLY RENT COST (EURO)	0	-126.000	-129.150	-132.379	-135.688	-139.080	-142.557	-146.121	-149.774	-153.519	-157.357	-161.291	-165.323	-169.456	-173.692	-178.035	-182.486	-187.048	-191.724
REVENUE SHARING (EURO)		-134.599	-141.658	-148.125	-154.050	-160.212	-164.217	-168.323	-172.531	-176.844	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265
RENEWAL COST (EURO)	0	-14.780	-15.150	-15.529	-15.917	-16.315	-16.723	-17.141	-17.569	-18.008	-18.459	-18.920	-19.393	-19.878	-20.375	-20.884	-21.406	-21.941	-22.490
REAL ESTATE TAX (EURO)	0	-195.775	-200.669	-205.686	-210.828	-216.099	-221.501	-227.039	-232.715	-238.533	-244.496	-250.609	-256.874	-263.296	-269.878	-276.625	-283.541	-290.629	-297.895
REAL ESTATE INSURANCE (EURO)	0,4%	-61.320	-62.853	-64.424	-66.035	-67.686	-69.378	-71.112	-72.890	-74.712	-76.580	-78.495	-80.457	-82.469	-84.530	-86.644	-88.810	-91.030	-93.306
TOTAL CASH FLOWS (EURO)	0	3.717.449	3.977.287	4.169.709	4.342.767	4.522.905	4.635.978	4.751.877	4.870.674	4.992.441	5.117.252	5.249.715	5.385.489	5.524.658	5.667.306	5.813.520	5.963.390	6.117.006	6.274.463

31.12.2032	31.12.2033	31.12.2034	31.12.2035	31.12.2036	31.12.2037	31.12.2038	31.12.2039	31.12.2040	31.12.2041	31.12.2042	31.12.2043	31.12.2044	31.12.2045	31.12.2046	31.12.2047	31.12.2048	31.12.2049	31.12.2050	18.11.2051
2.692.886	2.760.208	2.829.213	2.899.944	2.972.442	3.046.753	3.122.922	3.200.995	3.281.020	3.363.046	3.447.122	3.533.300	3.621.632	3.712.173	3.804.977	3.900.102	3.997.604	4.097.545	4.199.983	4.304.983
3.598.675	3.688.642	3.780.858	3.875.379	3.972.264	4.071.570	4.173.360	4.277.694	4.384.636	4.494.252	4.606.608	4.721.773	4.839.818	4.960.813	5.084.834	5.211.954	5.342.253	5.475.810	5.612.705	5.753.022
3.598.675	3.688.642	3.780.858	3.875.379	3.972.264	4.071.570	4.173.360	4.277.694	4.384.636	4.494.252	4.606.608	4.721.773	4.839.818	4.960.813	5.084.834	5.211.954	5.342.253	5.475.810	5.612.705	5.753.022
2.599.283	2.664.265	2.730.872	2.799.144	2.869.122	2.940.850	3.014.371	3.089.731	3.166.974	3.246.148	3.327.302	3.410.485	3.495.747	3.583.140	3.672.719	3.764.537	3.858.650	3.955.117	4.053.994	4.155.344
3.638.996	3.729.971	3.823.220	3.918.801	4.016.771	4.117.190	4.220.120	4.325.623	4.433.764	4.544.608	4.658.223	4.774.678	4.894.045	5.016.397	5.141.806	5.270.352	5.402.110	5.537.163	5.675.592	5.817.482
3.638.996	3.729.971	3.823.220	3.918.801	4.016.771	4.117.190	4.220.120	4.325.623	4.433.764	4.544.608	4.658.223	4.774.678	4.894.045	5.016.397	5.141.806	5.270.352	5.402.110	5.537.163	5.675.592	5.817.482
-196.517	-201.430	-206.466	-211.627	-216.918	-222.341	-227.899	-233.597	-239.437	-245.423	-251.558	-257.847	-264.294	-270.901	-277.673	-284.615	-291.731	-299.024	-306.499	-314.162
-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265	-181.265
-23.052	-23.629	-24.219	-24.825	-25.445	-26.082	-26.734	-27.402	-28.087	-28.789	-29.509	-30.247	-31.003	-31.778	-32.572	-33.387	-34.221	-35.077	-35.954	-36.853
-305.342	-312.976	-320.800	-328.820	-337.041	-345.467	-354.103	-362.956	-372.030	-381.331	-390.864	-400.635	-410.651	-420.918	-431.441	-442.227	-453.282	-464.614	-476.230	-488.135
-95.638	-98.029	-100.480	-102.992	-105.567	-108.206	-110.911	-113.684	-116.526	-119.439	-122.425	-125.486	-128.623	-131.838	-135.134	-138.513	-141.976	-145.525	-149.163	-152.892
6.435.856	6.601.284	6.770.848	6.944.651	7.122.799	7.305.401	7.492.567	7.684.413	7.881.055	8.082.613	8.289.210	8.500.972	8.718.028	8.940.510	9.168.554	9.402.300	9.641.889	9.887.468	10.139.186	10.397.197

Appraisal Chart			
Risk Free Rate of Return	4,37%	4,37%	4,37%
Risk Premium	1,88%	2,38%	2,88%
DISCOUNT RATE	6,25%	6,75%	7,25%
NET PRESENT VALUE (EURO)	81.030.966	75.436.390	70.416.301
APROX. NET PRESENT VALUE (EURO)	81.030.000	75.440.000	70.420.000
NET PRESENT VALUE (TRY)	237.947.431	221.518.960	206.777.469
APROX. NET PRESENT VALUE (TRY)	237.950.000	221.520.000	206.780.000

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

Rental Value of the Property

	31.12.2012	31.12.2013
Average Cash Flow of Rental Value	0	5.026.128

Rental Value Chart			
Risk Free Rate of Return	4,37%	4,37%	4,37%
Risk Premium	4,38%	4,88%	5,38%
Discount Rate	8,75%	9,25%	9,75%
NET PRESENT VALUE (EURO)	4.621.727	4.600.575	4.579.616
NET PRESENT VALUE (TL)	13.571.702	13.509.588	13.448.041

NET PRESENT VALUE(EURO)	4.600.575
NET PRESENT VALUE(TL)	13.509.588

ANNUAL RENTAL VALUE OF THE HOTEL(EURO)	4.600.575
ESTIMATED ANNUAL RENTAL VALUE OF THE HOTEL(EURO)	4.600.000

7.2.5 Evaluation of The Analysis Results

The net today's value of the property subject to valuation is determined as **40.580.000 €**, according to the cost method, as **93.050.000 €** according to the income reduction method and as **75.440.000 €** according to the rental revenue calculated with the yearly rental amount to be paid by Accor group which is an international hotel management company for the hotel owned by Akfen Gayrimenkul Yatırım Ortaklığı A.Ş which has the right of superficies.

The rental value of the immovable property was calculated with the consideration of the average of the net cash flow values of the first year according to the revenue reduction method and the rental revenue. The annual average cash flow for the first year were reduced to the date of reduction and thus, the annual rental value of the immovable property was calculated. According to this calculation, the annual rental value has been appraised as **4.600.000 Euro (13.510.000.-TRY)**.

However, due to the fact that there is an operating as well as income generating facility on the immovable property, the average of **93.050.000 €** as the value found with the income reduction method of the fair market value and **75.440.000 €** which is the net today's value of the rental revenue being **84.240.000.-€ (Eightyfourmilliontwohundredthousand.-Euros) – 247.380.000.-TRY (Twohundredfourtysevenmillionthreehundredeightytousand.- Turkish Liras)** has been assessed as the final result.

In the appraisal study, for the calculation of the current conditions value, the coefficient comparison and cost approach methods were used. The value of the hotel according to the revenue reduction method was calculated with two different methods according to the rental revenue and the operation revenue. The hotel is currently leased by Accor Group in order to be operated with the rental agreement. The rental revenues guaranteed with the agreement was reduced with low risk premium and the value was calculated according to the rental revenues. Moreover, the value of the immovable property to be calculated according to the total revenues was calculated according to the operation revenues. In this method, the total potential of the hotel which benefits both for the property owner and the operator was taken into consideration and it was presumed that in any case of sale, this value would be important. Therefore, the value of this immovable property calculated according to the revenue reduction method was calculated by taking the average of the two values that were calculated with the reduction of the rental value, which is guaranteed according to the rental agreement, and the revenues to be raised with the total operation potential. In properties that provide revenues, the value of the real estate depends on its performance and it is presumed that the revenue reduction method calculated with two methods is more reliable.

SECTION 8
CONCLUSION

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

SECTION 8

CONCLUSION

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

FAIR MARKET VALUE OF THE SUPERFICIES OF NOVOTEL AND IBIS HOTEL (EXCLUDING VAT)

DATED 31 DECEMBER 2013

247.380.000.-TRY

(Two hundred forty seven million three hundred eighty thousand.- Turkish Liras)

84.240.000.- €

(Eighty four million two hundred thousand.- EURO)

FAIR MARKET VALUE OF THE SUPERFICIES OF NOVOTEL AND IBIS HOTEL (INCLUDING VAT)

DATED 31 DECEMBER 2013

291.908.400.-TRY

(Two hundred ninety one million nine hundred eighty thousand and four hundred.- Turkish Liras)

99.403.200.- €

(Ninety nine million four hundred thirty thousand two hundred.- EURO)

ANNUAL RENT VALUE OF NOVOTEL AND IBIS OTEL AS OF 31 DECEMBER 2013 (EXCLUDING VAT)

13.510.000.-TRY

(Thirteen million five hundred tenthousand.- Tuskish Liras)

4.600.000.- €

(Four millions six hundred thousand.- EURO)

ANNUAL RENT VALUE OF NOVOTEL AND IBIS OTEL AS OF 31 DECEMBER 2013 (INCLUDING VAT)

15.941.800.-TRY

(Fifteen million nine hundred forty thousand eighty.- Turkish Liras)

5.428.000.- €

(Five million four hundred twenty eight thousand.- EURO)

Because the existing mortgage on the title log of the property was established for financing the project, it is believed that there are not any obstacles for the inclusion of the property in REIT portfolio with respect to the mortgage, and as the type allocation of the hotel with easement right on the appraised land was completed, its inclusion in the REIT portfolio is possible according to the provisions of the Capital Market Regulations, in our opinion.

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

Simge SEVİN AKSAN
Appraiser (401772)

Makbule YÖNEL MAYA
Appraiser in Charge (401456)

SECTION 9
ANNEX

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

SECTION 9

ANNEX

Annex List

1	Sector Analysis
2	Photocopies of Title Deeds
3	Letter of Encumbrances
4	Zoning Status Document
5	Building Licences
6	Agreements
7	Rental Agreement
8	The Mortgage Document
9	Photographs
10	CV's
11	SPK Licences