

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.



REAL ESTATE APPRAISAL REPORT

Report Date: 03.02.2014
Appraisal Date: 31.12.2013

R. No: 2013REVB144

AKFEN GAYRİMENKUL
YATIRIM ORTAKLIĞI
A.Ş.

KAYSERİ NOVOTEL
AND
IBIS HOTEL

KOCASINAN / KAYSERİ

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

We hereby specify the following matters regarding the appraisal report prepared by **TSKB Gayrimenkul Değerleme A.Ş.** for **Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.** on the date of **03.02.2014** with report number **2013REVB144**;

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

Pervane Quarter, Kocasinan Street, Beside Sanayi Odası, No: 161/A (Novotel) and B (Ibis Hotel), Kocasinan / KAYSERİ

USE OF PROPERTY

It is used as Novotel and Ibis Hotel.

TITLE DEED INFORMATION

Property, located in city of Kayseri, Kocasinan District, Pervane Quarter, section 2420 and parcel no. 9, with surface area of 11.035,40 sqm, qualified as "Carcass Hotel and Plot", under full ownership of "Kayseri Sanayi Odası".

ZONING STATUS

The immovable property is included under the "Tourism Facility Area" legend under "Implementation Zoning Plan" with scale of 1/1000 and approved in 28.11.2008. Block no. 2420, parcel no. 9:

- Coefficient = 0.90.
- Setback distances are; 30,00 m for the front garden, 5,00 m for the side gardens, 10,00 m for the backyard.

MARKET VALUE OF HOTEL WITH CONSTRUCTION RIGHT AS OF 31.12.2013 (VAT EXCLUDED)

60.817.000.- TL

(Sixtymillioneighthundredseventeenthousand.-
Turkish Liras)

20.711.000.- EURO

(Twentymillionsevenhundredeleventhousand.-
EURO)

MARKET VALUE OF HOTEL WITH CONSTRUCTION RIGHT AS OF 31.12.2013 (VAT INCLUDED)

71.764.060.- TL

(Seventyonemillionsevenhundredsixtyfourthousand
sixty.- Turkish Liras)

24.438.980.- EURO

(Twentyfourmillionfourhundredthirtyeightthousand
ninehundredeighty.- EURO)

RENTAL VALUE DATED 31.12.2013 OF THE HOTEL (VAT EXCLUDED)

2.199.000 TL

(Twomilliononehundredninetyninethousand.-
Turkish Liras)

749.000.- EURO

(Sevenhundredfortyninethousand.-
EURO)

RENTAL VALUE DATED 31.12.2012 OF THE HOTEL (VAT INCLUDED)

2.594.820 TL

(Twomillionfivehundredninetyninefourthousand
eighthundredtwenty.- Turkish Liras)

883.820.- EURO

(Eighthundredeightythreehousand
eighthundredtwenty.- EURO)

1- This value is net present value.

2- VAT is included and assumed as 18%.

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

4- This report has been prepared further to the related provisions of the Capital Markets Regulation

5- This page is an inseparable part of the appraisal report, it is complete with the detailed information in the report and it can not be used separately.

Bilge KALYONCU
Appraiser (402484)

Bilge BELLER ÖZÇAM
Responsible Appraiser (400512)

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SECTION1

REPORT, COMPANY – CUSTOMER INFORMATION

SECTION 1

REPORT COMPANY – CUSTOMER INFORMATION

1.1 Report Date and Number

This report was issued by our company on December 31, 2013 and number 2013REVB144 with reference to the request dated 03.02.2014 and made by the firm, titled as Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.

1.2 Report Type

This report, is the valuation report prepared for the determination of the reduction of potential revenues which will occur in the process of remaining time of its 49 years contract of the property located in city of Kayseri, Kocasinan District, Pervane Quarter, section 2420 and parcel no. 9, with surface area of 11.035,40 sqm, qualified as “Carcass Hotel and Plot”, under full ownership of “Kayseri Sanayi Odası” until 31.12.2013 in Turkish Liras.

1.3 Persons 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 Bilge KALYONCU, real estate appraiser and Bilge BELLER ÖZÇAM, 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 November 25, 2013 and finished on 03.02.2014. 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 report was issued to the request dated November 13, 2013 and made by the firm, titled as Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.

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 Customer Requests Extensions and Limitations

This real estate appraisal report has been prepared further to Akfen Gayrimenkul Yatırım Ortaklığı A.Ş request dated 07 November 2013, and in accordance with the provisions of the capital markets legislation in effect on the subject property.

During the projection studies, the coefficient values collected with market researches and the agreements made by Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. with Accor Group have been considered.

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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	31.12.2013
Report No	2011REV78-4	2011REVB53	2012REVB113
Report Prepared By	Hüsniye BOZTUNÇ- Adem YOL	Makbule YÖNEL MAYA- Mehmet ASLAN	Özge AKLAR- Hüsniye BOZTUNÇ
Proper Total Value (TL)	59.205.000 TL	59.843.000 TL	56.234.000 TL

* The differences between the defined values are change renting period, increase of room prices and change in rates

1.9 Company's Information

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

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

1.10 Client Information

This appraisal report has been prepared for Akfen GYO A.Ş., located at the address of Büyükdere Street, No: 201, C Block, Fold: 8, Levent / ISTANBUL.

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 The Value Definitions

2.2.1 Fair Market Value (Market Value)

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

- The buyer and seller are acting in a reasonable and sensible manner.
- The parties are knowledgeable concerning every matter related to the real estate and are acting in a manner to obtain the utmost benefit for them.
- 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.

2.2.2 Forced Liquidation Value

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

SECTION 3

GENERAL AND SPECIAL DATA

SECTION 3**GENERAL AND SPECIAL DATA**

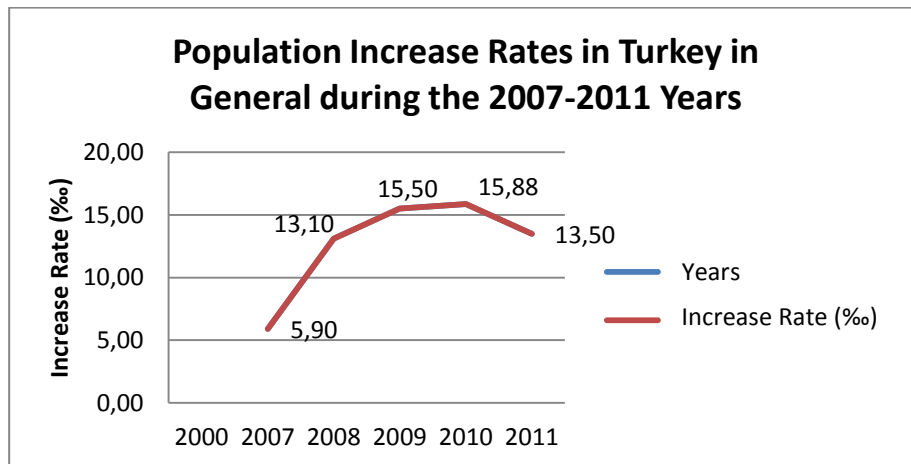
Data investigation starts with study of the prevailing trends in the international, national, regional or neighbourhood at the market level concerning the asset, which is subject to the evaluation. This research assists the appraiser to perceive the principles, powers and factors influencing the real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

3.1 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. In the following graph, it is possible to observe the population increase rates in Turkey in general during the 2007-2011 years.



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	2.402.012	2.688.171
Adana	1.886.624	2.125.635

3.1.2 Economic Data¹

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

¹ TSKB Gayrimenkul Değerleme A.Ş.
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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.

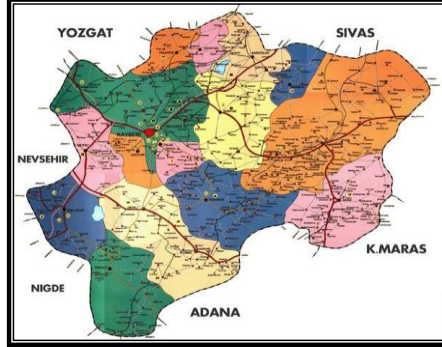
Within 2011, when economic data has begun to be positive, the interest of foreign investments in Turkey has continued. However, the fact that major investment decisions may not be made as comfortably and easily as in the previous years, has prolonged the investment processes. With the price consistency 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 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 Kayseri Province



The city of Kayseri has a 16.917 km² surface area and constitutes 2.2% of the surface area of entire country. The elevation level of the city center from the sea level is 1,504 m.

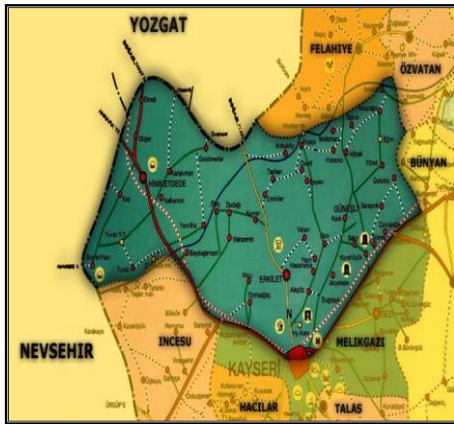
The city is surrounded by Çayıralan and Boğazlıyan Districts of Yozgat on the Northwest and North; Gemerek, Şarkışla, Kangal and Gürün Districts of Sivas on the Northeast and North; Afşin and Göksun Districts of Kahramanmaraş on the east; Tufanbeyli, Saimbeyli Feke and Karaisalı Districts of Adana on the South; Center and Çamardı Districts of Niğde on the Southwest; and Derinkuyu, Ürgüp and Avanos Districts of Nevşehir on the West. The city is delimited by extension of Mid-Taurus Mountains on the South and East; by a vast lava plateau on the North and West.

The city has 16 districts. The city center has the metropolitan status and the boundaries of the Kayseri Metropolitan Municipality were re-arranged by the Metropolitan Municipalities Law no. 5216 which became effective on 23 July 2004.

Kayseri Metropolitan Municipality, formerly constituted by 2 metropolis districts, is composed of 5 districts (Kocasinan, Melikgazi, Hacılar, İncesu ve Talas) and 19 smaller municipalities, by the new law.

The population of Kayseri is 1. 274.968 according to the data of address-based population registration system of 2012. 1. 116.393 of this population live in the cities and 158.575 live the villages.

3.2.2 Kocasinan District



Kocasinan District is the greatest district of Kayseri both in terms of population and in terms of surface area. The district was separated from the city center and became a district by the law dated 07.12.1988 and numbered 3508.

Kocasinan District was constructed by the virtual division of the city of Kayseri in 1989 within its rich historical structure. The borders of Kocasinan District are roughly specified by the Government highway coming from Sivas, passing through the city as Sivas street, followed by Düvenönü and Osman Kavuncu Streets and connected to the Ankara Arterial Highway and Boğazköprü.

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Kocasinan District is located in Central Anatolia Region, around the middle part of Kızılırmak River. The Municipal borders enclose an area of 9,025 ha. The district center has been established on a plain with an altitude of 1,055 m.

The population of the district is 372.507 according to the address-based population registration system in 2012. 359.469 people live in the center of the district, while 13.038 people live in town municipalities and villages.

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	Kayseri
District	Kocasinan
Subdistrict	-
Quarter	Pervane
Village	-
Locality	-
Plot No.	-
Section No.	2420
Parcel No.	9
Quality of the Main Real Estate	Carcass Hotel and Plot*
Area	11.035,40 sqm
Owner	Kayseri Sanayi Odası*
Share	Tam

* The data on the main real property is in volume 56, page 5913, the qualification of the aforesaid real property is "Carcass Hotel and Plot", and the owner is "Kayseri Chamber of Industry". Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. has 49-years' "Right of Construction" on the real property.

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.

According to the examinations conducted in the Title Deeds Registry office of administrative district of Kocasinan province of Kayseri at 25 November 2013 at 11:30 and the letter of encumbrances dated 25 November 2013 the encumbrances on the immovable property have been listed below.

In the Statements Section (Registered at Pervane Quarter, Volume 56, Page 5913):

- DMH: "Right of Construction" of independent and permanent nature has been registered (Surface area: 11,035.40 sqm, Beginning Date: 20.08.2008, Term: 49 years) (Owner/Beneficiary: Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.) (dated 17.08.2007, numbered 17645).

Annotations (Registered for Pervane Quarter, Volume 56, Page 5919):

- There is a rental contract in favor of TAMARİS Turizm A.Ş. dated 26.09.2008 and numbered 25040 for a price of 20,000,740.60 YTL (Based on the contract approved by Istanbul 6. Notary Office on 24.09.2008 with number 11039, there is a rent annotation put for 12 years.) (Starting Date: 25.09.2008, Term: 12 years)
- (The term of the Rent annotation increased from 12 years to 25 years by addition of 13 years more on the existing term of rent annotation dated 26.09.2008 and roll. no. 25040.) The rent annotation has been renewed. (Term: 13 years, Price 23,111,332.60 YTL) (dated 10.10.2008 and roll no 25726)

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

Pledges (Registered for Pervane Quarter, Volume 56, Page 5919):

- There is mortgage in favor of Türkiye İş Bankası A.Ş., Türkiye Sınai Kalkınma Bankası A.Ş., worth € 150.000.000,00, of the 1st degree, until cancellation is declared, with annual interest rate of 3,75%, at Zeytinburnu 1st Region (Closed) TM facility, dated 14.10.2008 and with journal no 12982. The aforesaid lien is collective with Zeytinburnu Quarter section 774 parcel 55 and Yaprak Quarter section 5020 parcel 2.)

Data on Shares which have been Pledged:

Kocasinan TM – Pervane District, section 2420, parcel 9, DHM (Date of commencement: 20/08/2008, Term: 49 years) Debt: € 150.000.000,00 (dated 16.10.2008, with journal no 26140)

Zeytinburnu TM – Zeytinburnu District, section 774, parcel 55 (Date of Commencement: --, Term: without limit) Debt: € 150.000.000,00 (dated 14.10.2008, with journal no 12982)

Şehitkamil TM – District. section 5020, parcel 2, DHM (Date of Commencement: 17/07/2007, Duration: 30 years) Debt: € 150.000.000,00 (dated 16.10.2008, with journal no 35591).

TAŞINMAZA AİT TAPU KAYDI					
Zemin Tipi	: Ana Taşınmaz	Ada/Parsel	: 2420/9		
Zemin No	: 19050848	Yüzölçüm	: 11.035,40 m2		
İl / İlçe	: KAYSERİ/KOCASINAN	Ana Tas. Nitelik	: KARKAS OTEL VE ARSASI		
Kurum Adı	: Kocasinan TM				
Mahalle / Köy Adı	: PERVANE Mah.				
Mevkii	:				
Cilt / Sayfa No	: 56 / 5913				
Kayıt Durum	: Aktif				

TAŞINMAZ ŞERH / BEYAN / İRTİFAK				
S/B'd	Açıklama	Malik / Lehdar	Tarih - Yevmiye	Terkin Sebebi - Tarih - Yev
DMH	Müstakil ve daimi nitelikte olan "Üst (İnşaat) Hakkı" tescil edilmiştir(Yüzölçüm: 11035.40m2 Başlangıç Tarihi: 20/08/2008 Süre: 49 yıl)	AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.	17/08/2007 - 17645	--

MÜLKİYET BİLGİLERİ					
Sistem No	Malik	Elbirliği No	Hisse Pay/Payda	Metrekare	Edinme Sebebi - Tarih - Yev.
44278810	KAYSERİ SANAYİ ODASI		TAM	11.035,40	İfraz İşlemi (TSM) - 02/08/2007 - 16329-

Raporlayanın: 1637315

M. DEMİREL

Kaydına uygundur.

25.11.2013

Hacı Ali DEMİREL

Yetkili Müdür Yardımcısı

T.C.

KOCASINAN KAYMAKAMLIĞI

İlçe Tapu Müdürlüğü

Rapor Tarihi / Saati : 25.11.2013 11:30

1

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

TAŞINMAZA AİT TAPU KAYDI								
Zemin Tipi	: Daimi ve Mükatıl Hak	Ada/Parsel	: 2420/9					
Zemin No	: 32137163	Yüzölçümü	: 11.035,40 m2					
İl / İlçe	: KAYSERİ/KOCASINAN	Ana Taş. Nitelik	: 49 yıl süre ile 56. cilt 5913. sayfadaki 2420 ada 9 parsel üzerindeki "Üst (İnşaat) Hakkı"					
Kurum Adı	: Kocasinan TM							
Mahalle / Köy Adı	: PERVANE Mah.							
Mevki	:							
Cilt / Sayfa No	: 56 / 5919							
Kayıt Durum	: Aktif							
MÜLKİYET BİLGİLERİ								
Sistem No	Malik	Elbirtliği No	Hisse Pay/Payda	Metrekare	Edinme Sebebi - Tarih - Yev.	Terkin Sebebi - Tarih - Yev.		
76176093	AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.	TAM		11.035,40	Daimi ve Mükatıl Üst Hakkı Tesisi - - -	17/08/2007 - 17645-		
S/B/İ	Açıklama	Malik / Lehdar	Tarih - Yevmiye	Terkin Sebebi - Tarih - Yev.				
Şerh	20.000 740,6 YTL bedel karşılığında kira sözleşmesi vardır. (İSTANBUL 6. NOTERLİĞİNİN 24/09/2008 TARİHİ 11039 SAYILI SÖZLEŞMEYE İSTİNADEN 12 YIL MÜDETLER KİRA ŞERHİ VARDIR.) (Başlama Tarihi:25/09/2008 Süre: 12 Yıl)	TAMARİS TURİZM A.Ş.	26/09/2008 - 25040	--				
Şerh	26/09/2008 Tarih 25040 yevmiyeli 12 yıl süreli kira sözleşmesi 13 yıl ilave edilerek kira şerhi süresi 25 yıl'a çıkarılmıştır. Kira Şerhi Yenilenmiştir. (Süre: 13 Yıl, Bedel: 23.111.332,6 YTL.) (Başlama Tarihi:10/10/2008,Bitis Tarihi:07/10/2021 - Süre:1	TAMARİS TURİZM A.Ş.	10/10/2008 - 25726	--				
İpotek								
Alacaklı	Müşterekmi?	Borç	Faiz	Derece/Sıra	Süre	Tesis Tarih - Yev.	Borçlu	SDF Hakkı
(SN:40) TÜRKİYE İŞ BANKASI A.Ş. VergiNo:4810058590 SicilNo:431112/378694 (SN:6412) TÜRKİYE İNŞAAT KALKINMA BANKASI A.Ş. VergiNo:8790033309	Evet	150,000,000.00 EUR	%3,75 YILLIK / 0	F.B.K.		14/10/2008- 12982	AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.,AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ	Yok
İpotek Konulu Hisse Bilgisi								
Taşınmaz	Hisse Pay/Payda	Borçlu Malik	Malik Borç	Tescil Tarih - Yev.	Terkin Sebebi - Tarih - Yev			
Kocasinan TM - PERVANE Mah. 2420 Ada 9 Parsel üzerindeki DMH (Baş. Tarih: 20/08/2008 Süre: 49 yıl)	1 / 1	AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.	150,000,000.00 EUR	16/10/2008- 26140	--			
Zeytinburnu TM - ZEYİTBURNU Mah. 774 Ada 55 Parsel üzerindeki DMH (Baş. Tarih: -- Süre: Süresiz)	1 / 1	AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ	150,000,000.00 EUR	14/10/2008- 12982	--			
Şehitkamil TM - YAPRAK Mah. 5020 Ada 2 Parsel üzerindeki DMH (Baş. Tarih: 17/07/2007 Süre: 30 yıl)	1 / 1	AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.	150,000,000.00 EUR	16/10/2008- 35591	--			
İpotek S/B/İ Bilgisi								
S/B/İ	Açıklama	Malik	Tarih/Yevmiye	Terkin Sebebi - Tarih - Yev				
-	-	-	-	--				

Rapor Tarihi / Saati : 25.11.2013 11:30

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

There is no buying or selling transaction on the subject immovable property within the last three years.

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 received as a result of the Zoning and Urban Planning Directorate of Kocasinan Municipality on the date of 25.11.2013 and according to the attached official zoning status document dated 25.11.2013 and numbered M.38.3.KOC.0.13.İŞM/3096, the zoning and construction conditions of the immovable property are as follows.

✓ Zoning Status:

The immovable property is included under the "Tourism Facility Area" legend under "Implementation Zoning Plan" with scale of 1/1000 and approved in 28.11.2008. Block no. 2420, parcel no. 9:

- Coefficient = 0.90.
- Setback distances are; 30,00 m for the front garden, 5,00 m for the side gardens, 10,00 m for the backyard.

T.C
KAYSERİ KOCASINAN BELEDİYESİ
İmar ve Şehircilik Müdürlüğü

Sayı : M.38.3.KOC.0.13.İŞM./ 3096
Konu :

25.11.2013

Sayın: Serdar BAYSAL
KAYSERİ

İLGİ: 25.11.2013 tarih ve 340961 sayılı dilekçeniz.

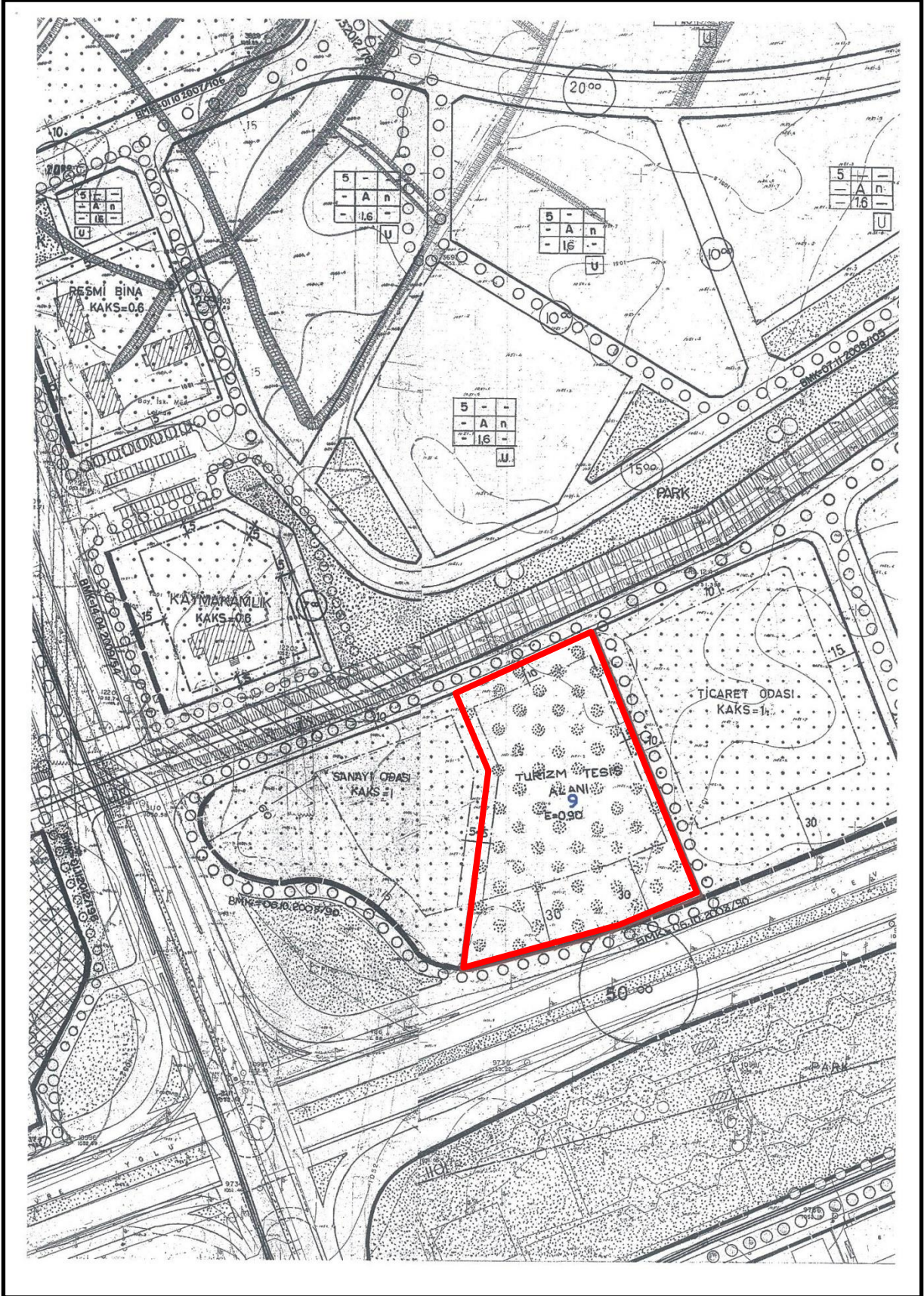
İlgi dilekçede konu edilen İlçemiz Pervane Mahallesi, 2420 ada, 9 parsel nolu taşınmaz, 28.11.2008 tarihinde onanan 1/1000 ölçekli Uygulama İmar Planları ile yürürlükte ve "Turizm Tesis Alanı" olarak planlıdır. Söz konusu alana ait Uygulama İmar planı yazımız ekindedir.

Bilgilerinize rica ederim.

H.Mustafa ÇAPAN
Başkan a.
Başkan Yardımcısı

Adres : Gevhernesibe Mah. Tekin Sok. No: 10 Kayseri Tel : (0352) 222 70 00/1617 Fax:231 59 17
e-posta: www.kocasinan.bel.tr

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.



AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

✓ Licenses and Permissions:

- There is an architectural project approved on 11.02.2008 belonging to the property in question.
- There exists an "Occupancy Permit" dated 27.03.2009 and numbered 1/37, issued for a total of 11,064 sqm usage area that includes a 9,628 sqm closed space to be used as "Hotel and similar Guest House", a 1,238 sqm area to be used as "Shared Space (Shelter in Building)" and a 198 sqm area to be used as "Water Tank".*
- There exists a "Building License" dated 06.03.2008 and numbered 1/28, issued for a total of 11,064 sqm usage area that includes a 9,628 sqm closed space to be used as "Hotel and similar Guest House", a 1,238 sqm area to be used as "Shared Space (Shelter in Building)" and a 198 sqm area to be used as "Water Tank".*

*** In the site investigations carried out for the property in question, it is observed that there is no difference between its existing situation and legal situation. The existing building is in conformity with the "Occupancy Permit" dated 27.03.2009 and numbered 1/37.**

✓ Building Supervision:

- The immovable properties under appraisal are not subject to the Building Inspection Law dated 29 June 2001.

4.3.1 Information on Amendments About the Legal Status of the Property in Question within the Last Three Years, if any (Amendments on Zoning Plan, nationalization, etc.)

According to the information received from the officials of Zoning and Urban Planning Directorate of Kocasinan Municipality, it has been noted that there have not been any changes in the zoning status of the parcel subject to appraisal, during the last 3 years' period.

4.4 Remarks about Property, Project of the Property and Rights and Benefits Related to the Property, within the Scope of Capital Market Legislation

It is believed that it is possible to include the hotel, which has a construction right on the land in question, in the Real Estate Investment Company portfolio in accordance with provisions of Capital Market Legislation and there is no inconvenience in including the property in question in the portfolio of the Real Estate Investment Company arising from the common mortgage indicated in the existing title deed registration records due to the fact that the mortgage has been allocated for the purpose of financing the project.

4.5 Legal Liabilities

There is a 1st degree mortgage with a price of 150,000,000.00 Euro and an annual interest rate of 3.75% in favor of Türkiye İş Bankası A.Ş., Türkiye Sınai Kalkınma Bankası A.Ş. for an indefinite term (until the cessation is notified) (dated 14.10.2008 and roll no.12982). It is determined that the encumbrance is allocated for financing the project. Official letter related to the abovementioned mortgage presented in the attachment. No factors that might cause an impediment on the inclusion of the immovable within the portfolio of the Real Estate Investment Trust (REIT).

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 AND ENVIRONMENTAL INFORMATION
OF THE REAL ESTATE***

SECTION 5

PHYSICAL AND ENVIRONMENTAL INFORMATION OF THE REAL ESTATE

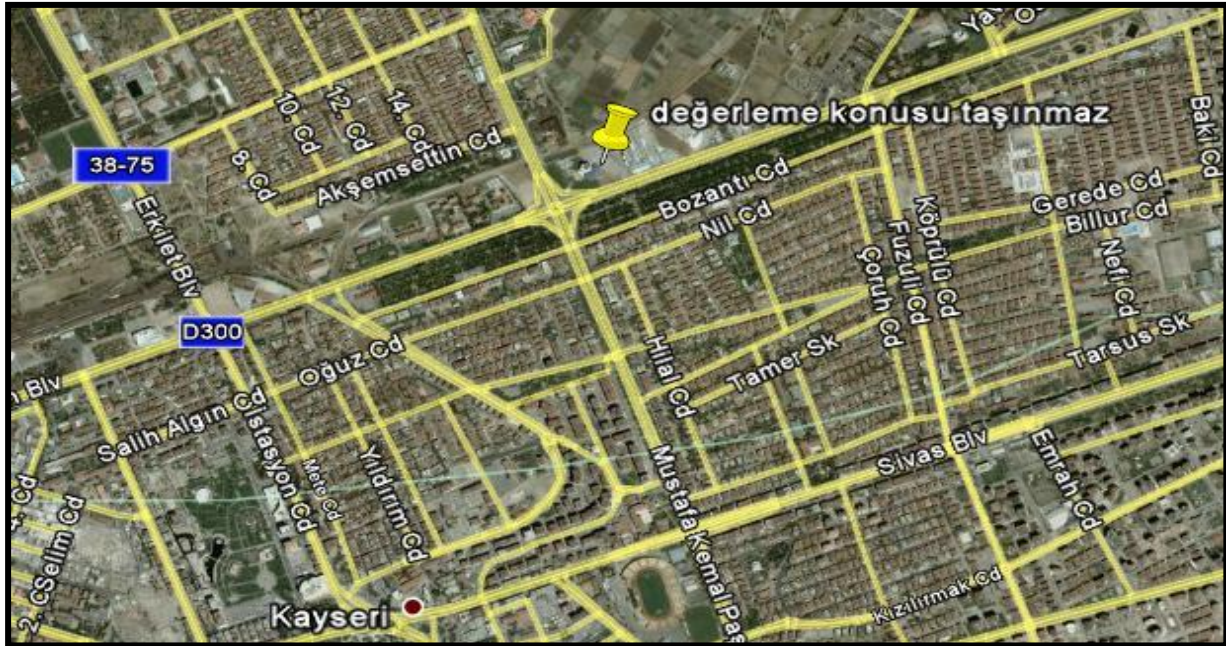
5.1 The Existing Buildings Structural Characteristics of the Construction

Full address of the property: Pervane Mahallesi, Kocasinan Bulvarı, Sanayi Odası yanı, No:161 / A (Novotel) ve B (Ibis Hotel), Kocasinan / KAYSERİ.

In order to reach to the region where the property is located; after entering the city center in the direction of Ankara, Osman Kavuncu Boulevard and the consequent Park Boulevard is followed and the city square is reached where the Governorship Building, Court House and Hilton Hotel exist. From this square, it is required to turn left toward Istasyon Street. Following Istasyon Street for about 1 km, one turns to right to Kocasinan Boulevard. The property in question is located along this boulevard after a 1.25 km distance, on the left hand side and next to the Building of Kayseri Chamber of Industry. Transportation to the region where the property is located can easily be provided by private and public transportation vehicles.

The property is situated on the parcel next to the Building of Kayseri Chamber of Industry which is located at the intersection of the two most important main arterials of Kayseri city center, namely Kocasinan and Mustafa Kemal Paşa Boulevards.

The property in question is situated at place where important public buildings exist. In addition, the property is in proximity to central points such as the Governorship, Court House Kocasinan Municipality etc. In the vicinity of the building the following buildings are found; Kayseri Chamber of Industry, Kocasinan District Governorship, Provincial Directorate of Ministry of Public Works and Settlement, 9th Zone Directorate of Provincial Bank, Special Provincial Administration, General Directorate of Kayseri Water and Sewerage System Works (KASKİ), Mevlana Mosque, Lodging buildings of Ministry of Public Works and Settlement, Nuh Mehmet Küçükçalık Anatolian High School and BP Gas Station. Besides, directly across the property, there is İnönü Park which lies along Kocasinan Boulevard for 2.37 km. At the rear facade of the parcel on which the property is located, railway that connects the Ankara-Kayseri-Sivas line passes. Apart from these, in the vicinity of the property there are mostly residential buildings and several commercial units.



AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.



The distances between the property in question and certain points are given below;

Location	Length (km.)
Kocasinan Municipality	~0,42
City Center	~2,15
Airport	~3,70
Bus Terminal	~8,00
Erciyes Ski Center	~20,00

5.2 Definition of the Property in Question

The property in question, Novotel and Ibis Hotel are constructed as partially attached buildings. The property is situated on the 11.035,40 sqm land block no. 2420 and parcel no.9.

The borders of the parcel on which the property is situated are surrounded by concrete wall. On the parcel, the areas remaining from the building are covered with asphalt and partially green areas are formed. There is no closed car parking area in the project. For cars, the greatest portion of the hotel garden is allocated as outdoor car parking lot. In the facility under investigation, there is an open car parking lot with 113-vehicle capacity and a decorative pool.

Considering the features of the project, Novotel is designed as a 4-star accommodation facility and Ibis Hotel is designed as a 3-star accommodation facility. These two hotels are constructed in a partially attached layout. In the facade facing to Kocasinan Boulevard, Novotel is situated in on a front position when compared to Ibis Hotel part.

Novotel has a larger basement floor, while basement floor of Ibis Hotel is just 60 sqm. According to the approved architectural project and the investigations carried out at the site, the basement floor of the hotels incorporates spaces such as hydrophore room, technical room, storage, kitchen, laundry, UPS room, personnel refectory, fitness center etc.

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

The entrance to the buildings is provided from separate gates. But, through the service section located at the intersection of the two buildings there are passages from one building to the other for the personnel. In the ground floors of both of the hotels there is a lobby, restaurant, bar and cafeteria.

Normal floors of the both hotels above their ground floors are divided into rooms. According to the approved architectural project and the investigations carried out at the site, Novotel has 96 rooms and Ibis Hotel has 117 rooms. The distribution of the rooms according to floors is given in the table below;

There is a 30 sqm closed area attached to the rear facade of the hotel in question that was formed by using glass frames without affecting the structural frame of the building. This attached volume cannot be seen in the architectural project but since it is completely portable and only glass frame materials are used, it does not constitute a problem for the legal status of the property.

The hotel building is composed of two main buildings attached to each other. Total construction area is 10,998.53 sqm. Novotel has 96 rooms and Ibis Hotel has 160 rooms. The building is constructed as a reinforced concrete frame building.

Building license of the property in question is issued for an area of 11,064.00 sqm and the closed area is 10,998.53 according to the architectural plan for which the said license is issued. Since the property was constructed in conformity with its approved architectural plan, in the appraisal the existing closed area is taken into consideration.

Front and rear facade claddings of both Novotel and Ibis Hotel are composed of partially glass, partially sinterflex and the remaining parts are painted by acrylic paint. Side facades are designed to be painted by a special acrylic paint. The building entrances are provided through large doors covered by canopies. In both of the hotels there is no room in the ground floors. But at the intersection point of the two buildings there is a space allocated as service hall. In this area the staircase and 1 service elevators that provide exchange between floors and buildings. The car parking areas belonging to the hotels are for common use.

Novotel, under question, has a construction area of 5,370.68 sqm. It was constructed as composed of a basement floor, ground floor and 5 normal floors. The roofs are terrace roofs. In this floor there are meeting rooms, restaurant, reception and WCs. There are 2 elevators and 1 staircase that provide exchange between floors within the building. In normal floors there are the rooms. These rooms might have different features but in general there are two types of rooms. The first type rooms are standard rooms that have 24 sqm of usage area and the others are suit rooms with 50.19 sqm area. There are 4 suit rooms in total. The other rooms are standard but arranged differently in order to respond to various different preferences. In the basement floor of the building, there is the administrative department, personnel refectory and change rooms, laundry and various workshops.

Ibis Hotel, under question, has a construction area of 5,627.85 sqm. It was constructed as composed of a basement floor, ground floor and 8 normal floors. Floor properties are the same as Novotel. There are 2 types of rooms in Ibis Hotel part. The first type rooms are the 4 rooms for the disabled people with 16.57 sqm of usage area and the others are standard rooms with 16.08 sqm usage area and arranged in different options. In the basement floor of the building, there are cool air tanks, boiler room, pool technical room and water tank.

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

Chart on the Area Distribution in the Immovable Properties

NOVOTEL	NOVOTEL FLOORS					TOTAL
	1. FLOOR	2. FLOOR	3. FLOOR	4. FLOOR	5. FLOOR	
STANDARD ROOM	15	10	10	10	13	58
STANDARD INCORPORABLE ROOM				1		1
STANDARD ROOM WITH BATHTUB	2	2	2	2	2	10
INCORPORABLE ROOM WITH BATHTUB		2	2	1		5
TWIN ROOM		2	2	2	2	8
TWIN INCORPORABLE ROOM	1	2	2	2	1	8
SUIT ROOM		1	1	1		3
INCORPORABLE SUIT ROOM					1	1
ROOM FOR THE DISABLED	1					1
INCORPORABLE ROOM FOR THE DISABLED	1					1
TOTAL	20	19	19	19	19	96

IBIS HOTEL	IBIS HOTEL FOORS								TOTAL
	1. FLOOR	2. FLOOR	3. FLOOR	4. FLOOR	5. FLOOR	6. FLOOR	7. FLOOR	8. FLOOR	
STANDARD ROOM	12	13	13	13	14	14	14	14	107
STANDARD INCORPORABLE ROOM	3	2	2	2	2	2	2	2	17
ROOM WITH DESK BED	2	2	2	2	2	2	2	2	16
INCORPORABLE ROOM WITH DESK BED	2	2	2	2	2	2	2	2	16
ROOM FOR THE DISABLED		1	1	1					3
INCORPORABLE ROOM FOR THE DISABLED	1								1
TOTAL	20	20	20	20	20	20	20	20	160

Akfen GYO Kayaseri Novotel and Ibis Hotel Floor Areas		
FLOOR	NOVOTEL ARESA (sqm)	IBIS HOTEL AREA (sqm)
Basement Floor	945,83	447,28
Ground Floor	875,70	686,73
1 st Normal Floor	707,71	561,73
2 nd Normal Floor	710,36	561,73
3 rd Normal Floor	710,36	561,73
4 th Normal Floor	710,36	561,73
5 th Normal Floor	710,36	561,73
6 th Normal Floor	-	561,73
7 th Normal Floor	-	561,73
8 th Normal Floor	-	561,73
TOTAL	5.370,68	5.627,85

5.3 Structural Construction Features of the Property in Question

THE HOTEL BUILDING (NOVOTEL AND IBIS HOTEL)	
Total Area Subject to Appraisal	10.998,53 sqm (According to approved architectural project) 11.064,00 m ² (According to Building License)
Age	4 years
Construction Type	Reinforced Concrete Frame
Roofing System	Terrace Roof
Construction Layout	Attached layout
Number of Floors in the Building	7 Floor (Basement Floor +Ground Floor + 5 Normal Floors) (Novotel) 10 Floor (Basement Floor +Ground Floor + 5 Normal Floors) (Ibis Hotel)
Wall Lining	Front and rear facade claddings are partially glass, partially sinterflex and the remaining areas painted with special acrylic paint
Electricity	Network
Heating System	Available (center)
Water	Network
Sewer System	Network
Elevator	Available (2)
Ventilation System	Available
Fire-escape Stairs	Available
Fire Alarm	Available
Parking	Available (Open)

5.4 Gayrimenkulün Katlara Göre İç Mekan İnşaat Özellikleri

THE HOTEL BUILDING	
At the Novotel, the basement storey is constituted of administrative section, personnel dining hall and locker rooms, laundry, workshops, infirmary; the ground storey includes meeting rooms, restaurant, cafe-bar, reception, lobby, restrooms-washrooms; while the regular stories are constituted of bed rooms and service hall. At the Ibis Hotel, the basement storey is comprised of boiler room, water tank, pool plant room, cold storages; the ground storey houses restaurant, cafe-bar, reception, lobby, restrooms-washrooms; and the regular stories include the bed rooms and the service hall.	
Closed Area	: 10.998,53 sqm (According to approved architectural project) 11.064,00 sqm (According to Building License) (Novotel 5.370,68 sqm and Ibis Hotel 5.627,85 sqm)
Construction Type	: Reinforced Concrete Frame
The Purpose of Use	: Administrative section, personnel dining hall and locker rooms, laundry, workshops, infirmary, meeting rooms, restaurant, cafe-bar, reception, lobby, restrooms-washrooms, bed rooms and service hall.
Number of Floors in the Building	: 7 Floor (Basement Floor +Ground Floor + 5 Normal Floors) (Novotel) 10 Floor (Basement Floor +Ground Floor + 5 Normal Floors) (Ibis Hotel)
Flooring	: Carpet, ceramic tiles and granite
Wall Lining	: Satin paint, ceramic tiles, laminate and wall paper
Joinery	: Windows are aluminum framed double glazing, interior doors are wooden
Ceiling	: Suspended Ceiling
Heading System	: Central
Lighting	: Wall lamps, chandeliers, lamp shades, spot lighting, fluorescent fixtures
Roofing System	: Terrace Roof
Wall Lining	: Front and rear facade claddings are partially glass, partially sinterflex and the remaining areas painted with special acrylic paint

5.5 Determinations Made in the Real Estate Location

- The properties in question are in attached layout and functioning as 2 separate hotels.
- Novotel incorporates 7 floors, which are basement + ground + 5 normal floors and Ibis Hotel incorporates 10 floors, which are basement + ground + 8 normal floors.
- The property is located in a very central location close to important main arterial roads and public institutions.
- Transportation to the property is quite easy and there are different alternatives to reach the property.
- In the close surroundings of the real property which is at a central location, any other accommodation facilities of similar features and qualifications are not available.
- There are customer and service elevators, fire alarm and extinguisher systems, ventilation, heating and cooling systems.
- The car parking areas in the hotels are for common use. Only an open parking area is available.
- The parcel is surrounded with concrete walls of 1.00 m and 1.50 m high.
- On the parcel there is 1 transformer building and 1 portable generator building.
- As the real property is owned by the Kayseri Chamber of Industry, Akfen Gayrimenkul Yatırım Ortaklığı does not have any proprietary rights pursuant to the “Right of Construction” contract, and is present at the subject real property at the lessee position. However, there is a lease contract valid until 2057, annotated at the land register, on behalf of the aforesaid company.

5.6 External and Miscellaneous Works

As for the external and miscellaneous works, construction of a transformer building, concrete field, landscaping, surrounding concrete wall, security room and decorative pool are included in the scope of the appraisal. External and miscellaneous works are added to the calculations conducted for cost approach analysis as incremental costs.

SECTION 6

THE HIGHEST AND THE BEST USE ANALYSIS

SECTION 6

THE HIGEST 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 and technological 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 the optimum alternative which could provide financially and technically the highest efficiency and in addition to that which had obtained financing into execution phase 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.

In our country, zoning plans have not strung along with the urbanization pace and they have remain relatively static. This situation causes a financially executable usage on a property which is the highest efficient and could provide the most revenue is not let by laws. As a result, a usage which is not let by laws and physically impossible could not be assumed as the best use having the highest efficiency.

Considering the position, zoning conditions and environmental conditions of the subject immovable properties, the most efficient and effective use of the subject property is considered as **“Tourism Facility Area”** use in accordance with its zoning plan.

SECTION 7

ANALYSIS AND EVALUATION OF THE REAL PROPERTY

SECTION 7**ANALYSIS AND EVALUATION OF THE REAL PROPERTY****7.1 Factors That Affect The Value Of The Real Property**

STRENGTHS	WEAKNESSES
+ The property in question is situated at a central location. It is close to main arterial roads, city center, airport, railway and governmental organizations and institutions.	– The parking lot areas in the hotel in general are being used collectively. Only an open parking area is available.
OPPORTUNITIES	THREATS
✓ Transportation to the property is easy and there are different alternatives for transportation. ✓ In the close surroundings of the real property which is at a central location, any other accommodation facilities of similar features and qualifications are not available.	x The uncertain fluctuations in the economy in the world and in Turkey are impacting the real property sector adversely.

7.2 The Methods Used in the Appraisal

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

7.2.1 Equivalent Comparison Approach Analysis

The following similar sales information has been obtained as a result of the researches in the close vicinity of the property.

Plot Equivalents:

- It has been found out that a real property located close to the real property subject to appraisal, in Fatih Quarter, qualifying as “Plot” of 298,00 sqm surface area, with “Urban Service Area” zoning and Coefficient = 2,00, is on sale for 260.000 EURO. (872 EURO/sqm; 2.561 TL/sqm)
- It has been found out that a real property located close to the real property subject to appraisal, on Fazilet Street, qualifying as “Plot” of 864,00 sqm surface area, with “Housing” zoning and permitted for 5 floors, is on sale for 280.000 EURO. (324 EURO/sqm; 951 TL/sqm)
- It has been found out that a real property located close to the real property subject to appraisal, in Pervane Quarter, qualifying as “Plot” of 6.000,00 sqm surface area, with “Green Area” zoning, is on sale for 1.900.000 TL. (317 TL/sqm)
- It has been found out that a share of real property located close to the real property subject to appraisal, in front of Kadir Has Sport Hall, qualifying as “Plot” of 60,00 sqm surface area, with “Housing” zoning and Coefficient = 1,80, is on sale for 42.000 TL. (700 TL/sqm)
- It has been found out that a real property located close to the real property subject to appraisal, in Zümrüt Quarter, qualifying as “Plot” of 1.028,00 sqm surface area, with “Housing” zoning, is on sale for 260.000 EURO. (253 EURO/sqm; 743 TL/sqm)
- It has been found out that a real property located close to the real property subject to appraisal, in Mehmet Akif Ersoy Quarter, qualifying as “Plot” of 242,00 sqm surface area, with “Housing” zoning, is on sale for 65.000 TL. (269 TL/sqm)
- It has been found out that a real property located close to the real property subject to appraisal, in Mehmet Akif Ersoy Quarter, qualifying as “Plot” of 1.380,00 sqm surface area, with “Housing” zoning, is on sale for 430.000 TL. (312 TL/sqm)

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- It has been found out that a real property located close to the real property subject to appraisal, in Yıldızevler Quarter, qualifying as "Plot" of 1.521,00 sqm surface area, with "Housing" zoning, is on sale for 600.000 TL. (394 TL/sqm)
- It has been found out that a real property located close to the real property subject to appraisal, on the road leading to the airport, qualifying as "Plot" of 4.118,00 sqm surface area, with "Commercial" zoning and Coefficient = 1,80, is on sale for 1.850.000 EURO. (419 EURO/sqm; 1.230 TL/sqm)
- It has been found out that a real property located close to the real property subject to appraisal, on Erkilet Boulevard, qualifying as "Plot" of 2.302,00 sqm surface area, with "Commercial" zoning, is on sale for 2.500.000 TL. (1.086 TL/sqm)
- It has been found out that a real property located close to the real property subject to appraisal, on Sivas Boulevard, qualifying as "Plot" of 28.959,00 sqm surface area on which there are factory building of 40.000,00 sqm closed area, with "Non-residential Urban Business Area" zoning and Coefficient = 0,50, is on sale for 20.000.000 EURO. (691 EURO/sqm; 2.029 TL/sqm)
- It has been found out that a real property located close to the real property subject to appraisal, on former fruit and vegetable market, qualifying as "Plot" of 2.833,00 sqm surface area, with "Housing" zoning and Coefficient = 2,50, has been recently sold for 4.400.000 TL. (1.553 TL/sqm)
- It has been found out that a real property located close to the real property subject to appraisal, on Tavlusun Street, qualifying as "Plot" of 1.829,00 sqm surface area, with "Commercial" zoning and Coefficient = 1,00, is on sale for 750.000 EURO. (410 EURO/sqm; 1.204 TL/sqm)
- It is learned that in the vicinity of the property in question it is difficult to find real estates that can be considered as equivalent to the property and the property in question can be sold for a price of 500-550 Euro/sqm.
- It is learned that in the vicinity of the property in question, plots zoned as "Housing" can be worth of 1.000 – 1.500 TL/sqm.

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Plot Equivalents on Sale Summary Table

Equal No	Area	Qualification	Price	Explanation
1	298,00	“Urban Service Area” zoning	2.561 TL/sqm	real property located close to the real property subject to appraisal, in Fatih Quarter
2	864,00	“Housing” zoning	951 TL/sqm	Real property located close to the real property subject to appraisal, on Fazilet Street
3	6.000,00	“Green Area” zoning	317 TL/sqm	Real property located close to the real property subject to appraisal, in Pervane Quarter
4	60,00	“Housing” zoning	700 TL/sqm	Share of real property located close to the real property subject to appraisal, in front of Kadir Has Sport Hall
5	1.028,00	“Housing” zoning	743 TL/sqm	Real property located close to the real property subject to appraisal, in Zümrüt Quarter
6	242,00	“Housing” zoning	269 TL/sqm	Real property located close to the real property subject to appraisal, in Mehmet Akif Ersoy Quarter
7	1.380,00	“Housing” zoning	312 TL/sqm	Real property located close to the real property subject to appraisal, in Mehmet Akif Ersoy Quarter
8	1.521,00	“Housing” zoning	394 TL/sqm	Real property located close to the real property subject to appraisal, in Yıldızevler Quarter
9	4.418,00	“Commercial” zoning	1.230 TL/sqm	Real property located close to the real property subject to appraisal, on the road leading to the airport
10	2.302,00	“Commercial” zoning	1.086 TL/sqm	Real property located close to the real property subject to appraisal, on Erkiyet Boulevard
11	28.959,00	“Non-residential Urban Business Area” zoning	2.029 TL/sqm	Real property located close to the real property subject to appraisal, on Sivas Boulevard
12	2.833,00	“Housing” zoning	1.553 TL/sqm	Real property located close to the real property subject to appraisal, on former fruit and vegetable market
13	1.829,00	“Commercial” zoning	1.204 TL/sqm	Real property located close to the real property subject to appraisal, on Tavlusun Street

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✓ Professional Estimate of the Appraiser:

Considering criteria such as the location, size, geometrical shape, slope, means of transportation, distance to the connection roads and zoning status of the real property subject to appraisal and the plot equivalents in the surroundings, **538 TL/sqm** has been assessed as the plot unit price.

VALUE OF THE RIGHT OF CONSTRUCTION				
1 sqm Land Value (*)	538	.- TL/m ²		
Size of the Land (sqm)	11.035,40	m ²		
Total Value of the Land (TL)	5.936.181	.- TL	5.936.181	.- TL
			2.021.516	.- €
(*) For the land, unit value is calculated as 70% as the value of 49-year construction right considering 900 TL/sqm unit value for lands zoned as tourism area.				
(**) On the land, which is under the ownership of Kayseri Chamber of Industry , Private and Permanent Right of Casement has been established in favor of Akfen GYO A.Ş. on 20.08.2057.				
Land Value Calculation Detail = (Value of the zoned land x 49-year construction right factor x term rate)				
= 900 (TL/m ²) x 0,70 x 41,84 / 49				
= 538 (TL/m²)				

7.2.2 Construction Cost Analyse

In this analysis, the building cost value of the real property has been assessed by the cost development approach; considering the technical properties of the buildings, the materials used in the buildings, construction costs of other buildings in the market which have been constructed with similar features and the costs calculated based on our experiences. The depreciation ratio of the buildings has been assessed based on the experiences of the appraisal expert and the visible physical conditions of the building.

VALUE OF THE RIGHT OF CONSTRUCTION				
1 sqm Land Value (*)	538	.- TL/m ²		
Size of the Land (sqm)	11.035,40	m ²		
Total Value of the Land (TL)	5.936.181	.- TL	5.936.181	.- TL
			2.021.516	.- €
(*) For the land, unit value is calculated as 70% as the value of 49-year construction right considering 900 TL/sqm unit value for lands zoned as tourism area.				
(**) On the land, which is under the ownership of Kayseri Chamber of Industry , Private and Permanent Right of Casement has been established in favor of Akfen GYO A.Ş. on 20.08.2057.				
Land Value Calculation Detail = (Value of the zoned land x 49-year construction right factor x term rate)				
= 900 (TL/m ²) x 0,70 x 41,84 / 49				
= 538 (TL/m²)				

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VALUE OF THE BUILDING			
Construction Cost per 1 sqm for Novotel(Basement Floor) (€)	500	.- €	
Total Closed Area of the Building (sqm)	945,83	m ²	
Construction Cost per 1 sqm for Novotel(Hotel Area) (€)	1.200,00	.- €	
Total Closed Area of the Building (sqm)	4.424,85	m ²	
Total Construction Cost (€)	5.782.735	.- €	
Depreciation (%)	4%		
Depreciation Cost(€)	231.309	.- €	
Value of the Building (€)	5.551.426	.- €	5.551.426 .- €
Construction Cost per 1 sqm for İbis Hotel (Basement Floor) (€)	500	.- €	
Total Closed Area of the Building (sqm)	447,28	m ²	
Construction Cost per 1 sqm for İbis Hotel (Hotel Area) (€)	1.100,00	.- €	
Total Closed Area of the Building (sqm)	5.180,57	m ²	
Total Construction Cost (€)	5.922.267	.- €	
Depreciation (%)	4%		
Depreciation Cost(€)	236.891	.- €	
Value of the Building (€)	5.685.376	.- €	5.685.376 .- €
Total Value of the Land (€)			2.021.516 .- €
Total Value of the Building(€)			11.236.802 .- €
External and miscellaneous works(€)			110.000 .- €
TOTAL VALUE (€)			13.368.318 .- €
TOTAL APPROXIMATE VALUE (€)			13.368.000 .- €

7.2.3 Revenue Reduction Method

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

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CLOSED AREAS				
	NOVOTEL AREA(SQM)	IBIS HOTEL AREA (SQM)	PERMITTED AREA (SQM)	TOTAL CLOSED AREA (SQM)
Basement Floor	945,83	447,28	60,42	1.393,11
Ground Floor	875,70	686,73	1.515,35	1.562,43
1 st Normal Floor	707,71	561,73	1.220,20	1.269,44
2 nd Normal Floor	710,36	561,73	1.224,85	1.272,09
3 rd Normal Floor	710,36	561,73	1.224,85	1.272,09
4 th Normal Floor	710,36	561,73	1.224,85	1.272,09
5 th Normal Floor	710,36	561,73	1.224,85	1.272,09
6 th Normal Floor	-	561,73	522,87	561,73
7 th Normal Floor	-	561,73	522,87	561,73
8 th Normal Floor	-	561,73	522,87	561,73
TOTAL	5.370,68	5.627,85	9.263,98	10.998,53

NOVOTEL HOTEL PROJECTION:

- It is assumed that the hotel will have 96 rooms.
- It is assumed that the average occupancy rate of the hotel during the months when the hotel is open will start with 65% in 2014, and it reach to 78% during 2020, and it will be maintained at 78% in the following years.
- It is assumed that the hotel will be open for 365 days.
- The prices of the hotel are anticipated assuming there will be a room-breakfast system. Considering the performance of the hotel in the previous years and the investigations carried out related to the tourism sector and the region, it is envisaged that all-inclusive price per person will be 53 EURO for the year 2014. For the first 10 years, the room prices are increased by 4%. Within the first 10 years, the room prices are assumed to increase by 4% and to attain a saturation level with the increasing advertisement capability, awareness and premium of the hotel and in the following years they are assumed to increase by inflation rate, which is 2.5%.
- Rents of the stores in the hotel, wellness center, extra expenditures, etc. are assumed to be included in the other revenues item. Considering the performance of the facility, it is estimated that the other revenues will be 46% of the accommodation revenues in 2014 and the following years.
- It is assumed that GOP (Gross Operating Profit) rate in the hotel will be 32% in 2014, in the following years it is assumed to increase and reach to 40% in the year 2018 and remain constant later on.
- A renovation cost, which is 1.5% of the construction cost of the hotel, is envisaged to increase by a rate of 2.5% per year starting from 2014.
- In the appraisal, the rate of Eurobond, Euro based bond, for the last 6 months in 2020 is taken as 4,37% "Risk-free Return Rate". (In the appraisal, the revenue rate of Eurobond, Euro based bond, of 2020 for the longest term is chosen as "Risk-free Return Rate".).
- The projection reduction rate was foreseen as 9,20%.
- The currency used in the study is EURO.
- It is also assumed that all payments are made in cash.

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NOVOTEL	
ROOMS (NUMBER)	96
BEDS (NUMBER)	192
AÇIK OLAN GÜN SAYISI (DAY)	365
YEARLY ROOM CAPACITY (PERSON)	35.040
ADR (€)	53,00
ROOM PRICE INCREASE RATE IN FIRST 10 YEARS (%) (FROM THE DATE OF LAUNCH)	4,0%
ROOM PRICE INCREASE RATE FOR 10 REST YEARS (%)	2,5%
OTHER INCOME RATE(%)	46%
ROOM PRICE INCREASE RATE FOR REST YEARS(%) (EURO ZONE INFLATION RATE)	2,5%

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NOVOTEL CASHFLOW		1	2	3	4	5	6	7	8	9	10	11	12	13
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
OCCUPATION (%)	0	65%	68%	70%	75%	76%	77%	78%	78%	78%	78%	78%	78%	78%
OPERATING DAYS	0	22.776	23.827	24.528	26.280	26.630	26.981	27.331	27.331	27.331	27.331	27.331	27.331	27.331
ROOM PRICE (€)	0	53,00	55,12	57,32	59,62	62,00	64,48	67,06	68,74	70,46	72,22	74,02	75,87	77,77
ROOM INCOME (€)	0	1.207.128	1.313.355	1.406.063	1.566.756	1.651.151	1.739.792	1.832.882	1.878.704	1.925.672	1.973.814	2.023.159	2.073.738	2.125.582
OTHER INCOME RATE (€) (%46)	0	555.279	604.143	646.789	720.708	759.530	800.304	843.126	864.204	885.809	907.954	930.653	953.920	977.768
TOTAL HOTEL INCOME (€)	0	1.762.407	1.917.499	2.052.852	2.287.463	2.410.681	2.540.097	2.676.008	2.742.909	2.811.481	2.881.768	2.953.812	3.027.658	3.103.349
GOP (%)	0	32%	33%	34%	37%	40%	40%	40%	40%	40%	40%	40%	40%	40%
GOP (EURO)	0	563.970	632.775	697.970	846.361	964.272	1.016.039	1.070.403	1.097.163	1.124.593	1.152.707	1.181.525	1.211.063	1.241.340
OPERATION COSTS (€)	0	-1.198.437	-1.284.724	-1.354.882	-1.441.102	-1.446.409	-1.524.058	-1.605.605	-1.645.745	-1.686.889	-1.729.061	-1.772.287	-1.816.595	-1.862.010
RENEWAL COST (%)	0	-83.271	-85.353	-87.487	-89.674	-91.916	-94.214	-96.569	-98.984	-101.458	-103.995	-106.594	-109.259	-111.991
TOTAL COST (€)	0	-1.281.708	-1.370.077	-1.442.369	-1.530.776	-1.538.325	-1.618.272	-1.702.174	-1.744.729	-1.788.347	-1.833.056	-1.878.882	-1.925.854	-1.974.000
NET CASH FLOW	0	480.699	547.421	610.483	756.687	872.356	921.825	973.834	998.180	1.023.134	1.048.713	1.074.931	1.101.804	1.129.349

Table Continued

14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34
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	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
78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%
27.331	27.331	27.331	27.331	27.331	27.331	27.331	27.331	27.331	27.331	27.331	27.331	27.331	27.331	27.331	27.331	27.331	27.331	27.331	27.331	27.331
79,72	81,71	83,75	85,84	87,99	90,19	92,45	94,76	97,13	99,55	102,04	104,59	107,21	109,89	112,64	115,45	118,34	121,30	124,33	127,44	130,62
2.178.721	2.233.189	2.289.019	2.346.244	2.404.901	2.465.023	2.526.649	2.589.815	2.654.560	2.720.924	2.788.947	2.858.671	2.930.138	3.003.391	3.078.476	3.155.438	3.234.324	3.315.182	3.398.062	3.483.013	3.570.088
1.002.212	1.027.267	1.052.949	1.079.272	1.106.254	1.133.911	1.162.258	1.191.315	1.221.098	1.251.625	1.282.916	1.314.989	1.347.863	1.381.560	1.416.099	1.451.501	1.487.789	1.524.984	1.563.108	1.602.186	1.642.241
3.180.933	3.260.456	3.341.968	3.425.517	3.511.155	3.598.934	3.688.907	3.781.130	3.875.658	3.972.549	4.071.863	4.173.660	4.278.001	4.384.951	4.494.575	4.606.939	4.722.113	4.840.166	4.961.170	5.085.199	5.212.329
40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%
1.272.373	1.304.183	1.336.787	1.370.207	1.404.462	1.439.573	1.475.563	1.512.452	1.550.263	1.589.020	1.628.745	1.669.464	1.711.200	1.753.980	1.797.830	1.842.776	1.888.845	1.936.066	1.984.468	2.034.080	2.084.932
-1.908.560	-1.956.274	-2.005.181	-2.055.310	-2.106.693	-2.159.360	-2.213.344	-2.268.678	-2.325.395	-2.383.530	-2.443.118	-2.504.196	-2.566.801	-2.630.971	-2.696.745	-2.764.164	-2.833.268	-2.904.099	-2.976.702	-3.051.119	-3.127.397
-114.791	-117.660	-120.602	-123.617	-126.707	-129.875	-133.122	-136.450	-139.861	-143.358	-146.942	-150.615	-154.380	-158.240	-162.196	-166.251	-170.407	-174.667	-179.034	-183.510	-188.098
-2.023.350	-2.073.934	-2.125.782	-2.178.927	-2.233.400	-2.289.235	-2.346.466	-2.405.128	-2.465.256	-2.526.887	-2.590.059	-2.654.811	-2.721.181	-2.789.211	-2.858.941	-2.930.415	-3.003.675	-3.078.767	-3.155.736	-3.234.629	-3.315.495
1.157.583	1.186.522	1.216.185	1.246.590	1.277.755	1.309.699	1.342.441	1.376.002	1.410.402	1.445.662	1.481.804	1.518.849	1.556.820	1.595.740	1.635.634	1.676.525	1.718.438	1.761.399	1.805.434	1.850.570	1.896.834
12.696.998	13.883.521	15.099.706	16.346.296	17.624.050	18.933.749	20.276.190	21.652.192	23.062.594	24.508.256	25.990.060	27.508.909	29.065.729	30.661.469	32.297.103	33.973.628	35.692.066	37.453.465	39.258.899	41.109.469	43.006.303

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Table Continued

35	36	37	38	39	40	41	42	43	44
31.12.2048	31.12.2049	31.12.2050	31.12.2051	31.12.2052	31.12.2053	31.12.2054	31.12.2055	31.12.2056	20.08.2057
78%	78%	78%	78%	78%	78%	78%	78%	78%	78%
27.331	27.331	27.331	27.331	27.331	27.331	27.331	27.331	27.331	17.372
133,89	137,24	140,67	144,18	147,79	151,48	155,27	159,15	163,13	167,21
3.659.341	3.750.824	3.844.595	3.940.710	4.039.227	4.140.208	4.243.713	4.349.806	4.458.551	2.904.777
1.683.297	1.725.379	1.768.514	1.812.726	1.858.045	1.904.496	1.952.108	2.000.911	2.050.934	1.336.197
5.342.637	5.476.203	5.613.108	5.753.436	5.897.272	6.044.704	6.195.821	6.350.717	6.509.485	4.240.974
40%	40%	40%	40%	40%	40%	40%	40%	40%	40%
2.137.055	2.190.481	2.245.243	2.301.374	2.358.909	2.417.881	2.478.329	2.540.287	2.603.794	1.696.390
-3.205.582	-3.285.722	-3.367.865	-3.452.062	-3.538.363	-3.626.822	-3.717.493	-3.810.430	-3.905.691	-2.544.584
-192.800	-197.620	-202.561	-207.625	-212.815	-218.136	-223.589	-229.179	-234.908	-153.044
-3.398.382	-3.483.342	-3.570.426	-3.659.686	-3.751.178	-3.844.958	-3.941.082	-4.039.609	-4.140.599	-2.697.629
1.944.255	1.992.861	2.042.683	2.093.750	2.146.094	2.199.746	2.254.740	2.311.108	2.368.886	1.543.345
44.950.557	46.943.419	48.986.101	51.079.851	53.225.945	55.425.691	57.680.430	59.991.538	62.360.424	63.903.769

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

IBIS HOTEL PROJECTION:

- The hotel in question has 160 rooms.
- It is assumed that the average occupancy rate of the hotel during the months when the hotel is open will start with 55% in 2014, and it will reach to 72% during 2018, and in the years following 2017 the occupancy rate will be maintained at 72%.
- It is assumed that the hotel will be open for 365 days.
- The prices of the hotel are anticipated assuming there will be a room-breakfast system. Considering the performance of the hotel in the previous years and the investigations carried out related to the tourism sector and the region, it is envisaged that all-inclusive price per person will be 40 EURO for the year 2014. For the first 10 years, the room prices are increased by 4%. Within the first 10 years, the room prices are assumed to increase by 2.5% and to attain a saturation level with the increasing advertisement capability, awareness and premium of the hotel and in the following years they are assumed to increase by inflation rate, which is 2.5%.
- Considering the performance of the facility, it is estimated that the other revenues will be 2014 25% of the accommodation revenues and remain constant later.
- It is assumed that GOP (Gross Operating Profit) rate in the hotel will be 32% in 2014, in the following years it is assumed to increase and reach to 47% in the year 2020 and remain constant later on.
- A renovation cost, which is 1.5% of the construction cost of the hotel, is envisaged to increase by a rate of 2.5% per year starting from 2014.
- In the appraisal, the rate of Eurobond, Euro based bond, for the last 6 months in 2020 is taken as 4,37% "Risk-free Return Rate". (In the appraisal, the revenue rate of Eurobond, Euro based bond, of 2020 for the longest term is chosen as "Risk-free Return Rate".)
- The projection reduction rate was foreseen as 10,75%.
- The currency used in the study is EURO.
- It is also assumed that all payments are made in cash.

IBIS OTEL	
ROOMS (NUMBER)	160
BEDS (NUMBER)	320
AÇIK OLAN GÜN SAYISI (DAY)	365
YEARLY ROOM CAPACITY (PERSON)	58.400
ADR (€)	40,00
ROOM PRICE INCREASE RATE IN FIRST 10 YEARS (%) (FROM THE DATE OF LAUNCH)	4,0%
ROOM PRICE INCREASE RATE FOR 10 REST YEARS (%)	2,5%
OTHER INCOME RATE(%)	25%
ROOM PRICE INCREASE RATE FOR REST YEARS(%) (EURO ZONE INFLATION RATE)	2,5%

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

IBIS HOTEL CASHFLOW		1	2	3	4	5	6	7	8	9	10	11	12	13
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
OCCUPATION (%)	0	58%	60%	65%	70%	72%	72%	72%	72%	72%	72%	72%	72%	72%
OPERATING DAYS	0	33.872	35.040	37.960	40.880	42.048	42.048	42.048	42.048	42.048	42.048	42.048	42.048	42.048
ROOM PRICE (€)	0	40,00	41,60	43,26	44,99	46,79	48,67	50,61	51,88	53,18	54,50	55,87	57,26	58,70
ROOM INCOME (€)	0	1.354.880	1.457.664	1.642.301	1.839.378	1.967.609	2.046.313	2.128.165	2.181.369	2.235.904	2.291.801	2.349.096	2.407.824	2.468.019
OTHER INCOME RATE (€) (%46)	0	338.720	364.416	410.575	459.844	491.902	511.578	532.041	545.342	558.976	572.950	587.274	601.956	617.005
TOTAL HOTEL INCOME (€)	0	1.693.600	1.822.080	2.052.877	2.299.222	2.459.511	2.557.891	2.660.207	2.726.712	2.794.880	2.864.752	2.936.370	3.009.780	3.085.024
GOP (%)	0	32%	35%	40%	43%	45%	46%	47%	47%	47%	47%	47%	47%	47%
GOP (EURO)	0	541.952	637.728	821.151	988.665	1.106.780	1.176.630	1.250.297	1.281.555	1.313.593	1.346.433	1.380.094	1.414.596	1.449.961
OPERATION COSTS (€)	0	-1.151.648	-1.184.352	-1.231.726	-1.310.557	-1.352.731	-1.381.261	-1.409.910	-1.445.157	-1.481.286	-1.518.318	-1.556.276	-1.595.183	-1.635.063
RENEWAL COST (%)	0	-85.281	-87.413	-89.598	-91.838	-94.134	-96.487	-98.899	-101.372	-103.906	-106.504	-109.166	-111.896	-114.693
TOTAL COST (€)	0	-1.236.929	-1.271.765	-1.321.324	-1.402.394	-1.446.865	-1.477.748	-1.508.809	-1.546.529	-1.585.192	-1.624.822	-1.665.443	-1.707.079	-1.749.756
NET CASH FLOW	0	456.671	550.315	731.553	896.828	1.012.646	1.080.143	1.151.398	1.180.183	1.209.687	1.239.929	1.270.928	1.302.701	1.335.268

Table Continued

14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34
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	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
72%	72%	72%	72%	72%	72%	72%	72%	72%	72%	72%	72%	72%	72%	72%	72%	72%	72%	72%	72%	72%
42.048	42.048	42.048	42.048	42.048	42.048	42.048	42.048	42.048	42.048	42.048	42.048	42.048	42.048	42.048	42.048	42.048	42.048	42.048	42.048	42.048
60,16	61,67	63,21	64,79	66,41	68,07	69,77	71,51	73,30	75,13	77,01	78,94	80,91	82,93	85,01	87,13	89,31	91,54	93,83	96,18	98,58
2.529.720	2.592.963	2.657.787	2.724.232	2.792.337	2.862.146	2.933.699	3.007.042	3.082.218	3.159.273	3.238.255	3.319.212	3.402.192	3.487.247	3.574.428	3.663.789	3.755.383	3.849.268	3.945.500	4.044.137	4.145.241
632.430	648.241	664.447	681.058	698.084	715.536	733.425	751.760	770.554	789.818	809.564	829.803	850.548	871.812	893.607	915.947	938.846	962.317	986.375	1.011.034	1.036.310
3.162.150	3.241.204	3.322.234	3.405.289	3.490.422	3.577.682	3.667.124	3.758.802	3.852.772	3.949.092	4.047.819	4.149.015	4.252.740	4.359.058	4.468.035	4.579.736	4.694.229	4.811.585	4.931.875	5.055.171	5.181.551
47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%
1.486.210	1.523.366	1.561.450	1.600.486	1.640.498	1.681.511	1.723.548	1.766.637	1.810.803	1.856.073	1.902.475	1.950.037	1.998.788	2.048.757	2.099.976	2.152.476	2.206.288	2.261.445	2.317.981	2.375.931	2.435.329
-1.675.939	-1.717.838	-1.760.784	-1.804.803	-1.849.924	-1.896.172	-1.943.576	-1.992.165	-2.041.969	-2.093.019	-2.145.344	-2.198.978	-2.253.952	-2.310.301	-2.368.058	-2.427.260	-2.487.941	-2.550.140	-2.613.893	-2.679.241	-2.746.222
-117.560	-120.499	-123.512	-126.600	-129.765	-133.009	-136.334	-139.742	-143.236	-146.817	-150.487	-154.249	-158.106	-162.058	-166.110	-170.262	-174.519	-178.882	-183.354	-187.938	-192.636
-1.793.500	-1.838.337	-1.884.296	-1.931.403	-1.979.688	-2.029.180	-2.079.910	-2.131.908	-2.185.205	-2.239.835	-2.295.831	-2.353.227	-2.412.058	-2.472.359	-2.534.168	-2.597.522	-2.662.460	-2.729.022	-2.797.247	-2.867.179	-2.938.858
1.368.650	1.402.866	1.437.938	1.473.886	1.510.734	1.548.502	1.587.215	1.626.895	1.667.567	1.709.256	1.751.988	1.795.788	1.840.682	1.886.699	1.933.867	1.982.213	2.031.769	2.082.563	2.134.627	2.187.993	2.242.693
14.786.900	16.189.766	17.627.704	19.101.591	20.612.324	22.160.826	23.748.041	25.374.936	27.042.503	28.751.759	30.503.747	32.299.535	34.140.217	36.026.916	37.960.783	39.942.996	41.974.765	44.057.328	46.191.955	48.379.948	50.622.640

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

Table Continued

35	36	37	38	39	40	41	42	43	44
31.12.2048	31.12.2049	31.12.2050	31.12.2051	31.12.2052	31.12.2053	31.12.2054	31.12.2055	31.12.2056	20.08.2057
72%	72%	72%	72%	72%	72%	72%	72%	72%	72%
42.048	42.048	42.048	42.048	42.048	42.048	42.048	42.048	42.048	26.726
101,05	103,57	106,16	108,82	111,54	114,33	117,18	120,11	123,12	126,20
4.248.872	4.355.093	4.463.971	4.575.570	4.689.959	4.807.208	4.927.388	5.050.573	5.176.837	3.372.745
1.062.218	1.088.773	1.115.993	1.143.892	1.172.490	1.201.802	1.231.847	1.262.643	1.294.209	843.186
5.311.089	5.443.867	5.579.963	5.719.462	5.862.449	6.009.010	6.159.235	6.313.216	6.471.047	4.215.931
47%	47%	47%	47%	47%	47%	47%	47%	47%	47%
2.496.212	2.558.617	2.622.583	2.688.147	2.755.351	2.824.235	2.894.841	2.967.212	3.041.392	1.981.488
-2.814.877	-2.885.249	-2.957.381	-3.031.315	-3.107.098	-3.184.775	-3.264.395	-3.346.005	-3.429.655	-2.234.444
-197.452	-202.388	-207.448	-212.634	-217.950	-223.399	-228.984	-234.709	-240.576	-156.737
-3.012.330	-3.087.638	-3.164.829	-3.243.949	-3.325.048	-3.408.174	-3.493.379	-3.580.713	-3.670.231	-2.391.181
2.298.760	2.356.229	2.415.135	2.475.513	2.537.401	2.600.836	2.665.857	2.732.503	2.800.816	1.824.751
52.921.400	55.277.629	57.692.764	60.168.277	62.705.677	65.306.513	67.972.370	70.704.873	73.505.689	75.330.439

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

- The insurance charge of the hotel facility is estimated as 15.729 EURO in 2014 based on the charges of the previous years and it is envisaged that it will be increasing by 2.5% in parallel with inflation rate each following year.
- Annual construction right price is 36.171 EURO for 2014 (no payment in first 5 years). Starting from 2019 and until 2023 75.958, for 2024 101.278 EURO, and as of 2025 this price will increase 1.018 EURO (1,400 USD) each year. These values are determined according to the rental contract entered into between Kayseri Chamber of Industry and Akfen GYO.
- At the end of the 49-year term the facility will be transferred to Kayseri Chamber of Industry.
- The contract made between Akfen GYO and Kayseri Chamber of Industry is given in the attachment of this report.
- In the appraisal, the rate of Eurobond, Euro based bond, for the last 6 months in 2020 is taken as 4,37% "Risk-free Return Rate". (In the appraisal, the revenue rate of Eurobond, Euro based bond, of 2020 for the longest term is chosen as "Risk-free Return Rate".)
- The projection reduction rate was foreseen as 9,25%.
- In the appraisal it is assumed that 1,00 EURO = 2, 9365 TL.
- Under IVSC (International Valuations Standards Committee), taxes and VAT are not included in the studies.

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

TOTAL CASHFLOW		1	2	3	4	5	6	7	8	9	10	11	12	13
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
NOVOTEL (4 STARS) NET CASHFLOW (€)	0	480.699	547.421	610.483	756.687	872.356	921.825	973.834	998.180	1.023.134	1.048.713	1.074.931	1.101.804	1.129.349
IBIS OTEL (3 STARS) CASHFLOW (€)	0	456.671	550.315	731.553	896.828	1.012.646	1.080.143	1.151.398	1.180.183	1.209.687	1.239.929	1.270.928	1.302.701	1.335.268
YEARLY "CONSTRUCTION RIGHT" COST (€)	0	-36.171	-36.171	-36.171	-36.171	-36.171	-75.958	-75.958	-75.958	-75.958	-75.958	-101.278	-102.290	-103.303
INSURANCE COST (€)	0	-15.729	-16.123	-16.526	-16.939	-17.362	-17.796	-18.241	-18.697	-19.165	-19.644	-20.135	-20.638	-21.154
REAL ESTATE TAX (€)	0	0	0	-16.320	-16.728	-17.147	-17.575	-18.015	-18.465	-18.927	-19.400	-19.885	-20.382	-20.892
TOTAL CASH FLOW (€)	0	885.470	1.045.443	1.273.018	1.583.677	1.814.323	1.890.637	2.013.017	2.065.242	2.118.772	2.173.640	2.204.561	2.261.194	2.319.268

Table Continued

14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34
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	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
1.157.583	1.186.522	1.216.185	1.246.590	1.277.755	1.309.699	1.342.441	1.376.002	1.410.402	1.445.662	1.481.804	1.518.849	1.556.820	1.595.740	1.635.634	1.676.525	1.718.438	1.761.399	1.805.434	1.850.570	1.896.834
1.368.650	1.402.866	1.437.938	1.473.886	1.510.734	1.548.502	1.587.215	1.626.895	1.667.567	1.709.256	1.751.988	1.795.788	1.840.682	1.886.699	1.933.867	1.982.213	2.031.769	2.082.563	2.134.627	2.187.993	2.242.693
-104.316	-105.329	-106.342	-107.354	-108.367	-109.380	-110.393	-111.405	-112.418	-113.431	-114.444	-115.457	-116.469	-117.482	-118.495	-119.508	-120.520	-121.533	-122.546	-123.559	-124.572
-21.683	-22.225	-22.781	-23.350	-23.934	-24.533	-25.146	-25.775	-26.419	-27.079	-27.756	-28.450	-29.162	-29.891	-30.638	-31.404	-32.189	-32.994	-33.818	-34.664	-35.530
-21.414	-21.949	-22.498	-23.060	-23.637	-24.228	-24.833	-25.454	-26.091	-26.743	-27.412	-28.097	-28.799	-29.519	-30.257	-31.014	-31.789	-32.584	-33.398	-34.233	-35.089
2.378.820	2.439.885	2.502.503	2.566.711	2.632.550	2.700.060	2.769.283	2.840.263	2.913.041	2.987.665	3.064.180	3.142.633	3.223.072	3.305.548	3.390.111	3.476.813	3.565.708	3.656.851	3.750.298	3.846.107	3.944.335

Table Continued

35	36	37	38	39	40	41	42	43	44
31.12.2048	31.12.2049	31.12.2050	31.12.2051	31.12.2052	31.12.2053	31.12.2054	31.12.2055	31.12.2056	20.08.2057
1.944.255	1.992.861	2.042.683	2.093.750	2.146.094	2.199.746	2.254.740	2.311.108	2.368.886	1.543.345
2.298.760	2.356.229	2.415.135	2.475.513	2.537.401	2.600.836	2.665.857	2.732.503	2.800.816	1.824.751
-125.584	-126.597	-127.610	-128.623	-129.635	-130.648	-131.661	-132.674	-133.687	-134.699
-36.419	-37.329	-38.262	-39.219	-40.199	-41.204	-42.235	-43.290	-44.373	-45.482
-35.966	-36.865	-37.787	-38.732	-39.700	-40.693	-41.710	-42.753	-43.821	-44.917
4.045.045	4.148.298	4.254.158	4.362.689	4.473.959	4.588.036	4.704.991	4.824.894	4.947.821	3.142.998

Appraisal Table

Risk Free Rate of Return (%)	4,37%	4,37%	4,37%
Risk Premiums (%)	4,38%	4,88%	5,38%
DISCOUNT RATE (%)	8,75%	9,25%	9,75%
NET PRESENT VALUE (€)	23.500.259	21.972.197	20.597.120

7.3.4 The Value of the Property According to the Rental Income

Assumptions based on the 4th Amendment on Memorandum of Understanding 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, whichever is greater.
- The owner of the construction right of the hotel in question is Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. and it is to be operated by Accor group, an international hotel management company. It is assumed that the hotel will be operated in current concept during the construction right process.
- It is assumed that facility will be open for 365 days throughout the year.
- Annual construction right price is 36.171 EURO for 2014 (no payment in first 5 years). Starting from 2019 and until 2023 75.958, for 2024 101.278 EURO and as of 2025 this price will increase 1.018 Euro (1,400 USD) each year. These values are determined according to the rental contract entered into between Kayseri Chamber of Industry and Akfen GYO.
- Renovation cost for the rental model of the hotel is taken as 0.05% of the renovation cost calculated in management alternative. In the rental model, it is assumed that renovation works will be carried out by the leaseholder.
- The currency used in the study is EURO and it is assumed that 1 EURO=2,9365 TL.
- Under IVSC (International Valuations Standards Committee), taxes and VAT are not included in the studies.
- In the appraisal, the rate of Eurobond, EURO based bond, for the last 6 months in 2020 is taken as 4,37% "Risk-free Return Rate". (In the appraisal, the revenue rate of Eurobond, Euro based bond, of 2020 for the longest term is chosen as "Risk-free Return Rate".)
- In this appraisal, rental income of the hotel leased by the Accor group is guaranteed under the 25-year rental contract. It is assumed that risk premium for Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.'s obtaining the rental incomes will be significantly low. The reduction rate is estimated as 6,75% obtained by adding 2,38% "Risk Premium" to 4,37% "Risk Free Return Rate".

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

TOTAL CASHFLOW		1	2	3	4	5	6	7	8	9	10	11	12	13
YILLAR	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
HOTEL INCOMES NOVOTEL (€)	0	387.730	421.850	451.627	503.242	530.350	558.821	588.722	603.440	618.526	633.989	649.839	666.085	682.737
AGOP NOVOTEL (€)	0	296.084	335.562	373.619	464.355	539.993	568.982	599.426	614.412	629.772	645.516	661.654	678.195	695.150
USED RENTAL INCOME NOVOTEL (€)	0	387.730	421.850	451.627	503.242	539.993	568.982	599.426	614.412	629.772	645.516	661.654	678.195	695.150
HOTEL INCOMES IBIS OTEL (€)	0	423.400	455.520	513.219	574.806	614.878	639.473	665.052	681.678	698.720	716.188	734.093	752.445	771.256
AGOP İBİS OTEL (€)	0	284.525	344.373	459.844	563.309	637.013	680.399	726.236	744.392	763.002	782.077	801.629	821.670	842.212
USED RENTAL INCOME IBIS HOTEL (€)	0	423.400	455.520	513.219	574.806	637.013	680.399	726.236	744.392	763.002	782.077	801.629	821.670	842.212
ANNUAL CONSTRUCTION RIGHT VALUE (€)	0	-36.171	-36.171	-36.171	-36.171	-36.171	-75.958	-75.958	-75.958	-75.958	-75.958	-101.278	-102.290	-103.303
INSURANCE COST (€) (Increase 2,5%)	0	-15.729	-16.123	-16.526	-16.939	-17.362	-17.796	-18.241	-18.697	-19.165	-19.644	-20.135	-20.638	-21.154
REAL ESTATE TAX (€) (Increase 2,5%)	0	0	0	-16.320	-16.728	-17.147	-17.575	-18.015	-18.465	-18.927	-19.400	-19.885	-20.382	-20.892
NOVOTEL RENEWALCOST (€) (5%)	0	-4.164	-4.268	-4.374	-4.484	-4.596	-4.711	-4.828	-4.949	-5.073	-5.200	-5.330	-5.463	-5.600
IBIS HOTEL RENEWALCOST (€) (5%)	0	-4.264	-4.371	-4.480	-4.592	-4.707	-4.824	-4.945	-5.069	-5.195	-5.325	-5.458	-5.595	-5.735
TOTAL CASHFLOW (€)	0	750.802	816.438	886.975	999.134	1.097.024	1.128.516	1.203.675	1.235.665	1.268.456	1.302.066	1.311.197	1.345.497	1.380.678

Table Continued

14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34
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	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
699.805	717.300	735.233	753.614	772.454	791.765	811.560	831.849	852.645	873.961	895.810	918.205	941.160	964.689	988.807	1.013.527	1.038.865	1.064.836	1.091.457	1.118.744	1.146.712
712.529	730.342	748.601	767.316	786.499	806.161	826.315	846.973	868.147	889.851	912.097	934.900	958.272	982.229	1.006.785	1.031.954	1.057.753	1.084.197	1.111.302	1.139.085	1.167.562
712.529	730.342	748.601	767.316	786.499	806.161	826.315	846.973	868.147	889.851	912.097	934.900	958.272	982.229	1.006.785	1.031.954	1.057.753	1.084.197	1.111.302	1.139.085	1.167.562
790.537	810.301	830.558	851.322	872.605	894.421	916.781	939.701	963.193	987.273	1.011.955	1.037.254	1.063.185	1.089.765	1.117.009	1.144.934	1.173.557	1.202.896	1.232.969	1.263.793	1.295.388
863.267	884.849	906.970	929.644	952.885	976.707	1.001.125	1.026.153	1.051.807	1.078.102	1.105.055	1.132.681	1.160.998	1.190.023	1.219.774	1.250.268	1.281.525	1.313.563	1.346.402	1.380.062	1.414.563
863.267	884.849	906.970	929.644	952.885	976.707	1.001.125	1.026.153	1.051.807	1.078.102	1.105.055	1.132.681	1.160.998	1.190.023	1.219.774	1.250.268	1.281.525	1.313.563	1.346.402	1.380.062	1.414.563
-104.316	-105.329	-106.342	-107.354	-108.367	-109.380	-110.393	-111.405	-112.418	-113.431	-114.444	-115.457	-116.469	-117.482	-118.495	-119.508	-120.520	-121.533	-122.546	-123.559	-124.572
-21.683	-22.225	-22.781	-23.350	-23.934	-24.533	-25.146	-25.775	-26.419	-27.079	-27.756	-28.450	-29.162	-29.891	-30.638	-31.404	-32.189	-32.994	-33.818	-34.664	-35.530
-21.414	-21.949	-22.498	-23.060	-23.637	-24.228	-24.833	-25.454	-26.091	-26.743	-27.412	-28.097	-28.799	-29.519	-30.257	-31.014	-31.789	-32.584	-33.398	-34.233	-35.089
-5.740	-5.883	-6.030	-6.181	-6.335	-6.494	-6.656	-6.822	-6.993	-7.168	-7.347	-7.531	-7.719	-7.912	-8.110	-8.313	-8.520	-8.733	-8.952	-9.175	-9.405
-5.878	-6.025	-6.176	-6.330	-6.488	-6.650	-6.817	-6.987	-7.162	-7.341	-7.524	-7.712	-7.905	-8.103	-8.305	-8.513	-8.726	-8.944	-9.168	-9.397	-9.632
1.416.765	1.453.780	1.491.744	1.530.684	1.570.622	1.611.584	1.653.595	1.696.682	1.740.872	1.786.191	1.832.669	1.880.334	1.929.216	1.979.345	2.030.753	2.083.472	2.137.533	2.192.972	2.249.822	2.308.118	2.367.897

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Table Continued

35	36	37	38	39	40	41	42	43	44
31.12.2048	31.12.2049	31.12.2050	31.12.2051	31.12.2052	31.12.2053	31.12.2054	31.12.2055	31.12.2056	20.08.2057
1.175.380	1.204.765	1.234.884	1.265.756	1.297.400	1.329.835	1.363.081	1.397.158	1.432.087	933.014
1.196.751	1.226.670	1.257.336	1.288.770	1.320.989	1.354.014	1.387.864	1.422.561	1.458.125	949.978
1.196.751	1.226.670	1.257.336	1.288.770	1.320.989	1.354.014	1.387.864	1.422.561	1.458.125	949.978
1.327.772	1.360.967	1.394.991	1.429.866	1.465.612	1.502.253	1.539.809	1.578.304	1.617.762	1.053.983
1.449.927	1.486.176	1.523.330	1.561.413	1.600.449	1.640.460	1.681.471	1.723.508	1.766.596	1.150.949
1.449.927	1.486.176	1.523.330	1.561.413	1.600.449	1.640.460	1.681.471	1.723.508	1.766.596	1.150.949
-125.584	-126.597	-127.610	-128.623	-129.635	-130.648	-131.661	-132.674	-133.687	-134.699
-36.419	-37.329	-38.262	-39.219	-40.199	-41.204	-42.235	-43.290	-44.373	-45.482
-35.966	-36.865	-37.787	-38.732	-39.700	-40.693	-41.710	-42.753	-43.821	-44.917
-9.640	-9.881	-10.128	-10.381	-10.641	-10.907	-11.179	-11.459	-11.745	-7.652
-9.873	-10.119	-10.372	-10.632	-10.898	-11.170	-11.449	-11.735	-12.029	-7.837
2.429.196	2.492.053	2.556.506	2.622.597	2.690.364	2.759.851	2.831.101	2.904.157	2.979.065	1.860.340

Appraisal Table			
Risk Free Rate of Return (%)	4,37%	4,37%	4,37%
Risk Premiums (%)	1,88%	2,38%	2,88%
DISCOUNT RATE (%)	6,25%	6,75%	7,25%
NET PRESENT VALUE (€)	21.078.093	19.449.117	18.005.771

Rental Value of the Subject Property

YEARS	31.12.2013	31.12.2014
Average Cash Flow of Rental Value (€)	0	818.136

Rental Appraisal Chart			
Risk Free Rate of Return (%)	4,37%	4,37%	4,37%
Risk Premiums (%)	4,38%	4,88%	5,38%
DISCOUNT RATE (%)	8,75%	9,25%	9,75%
NET PRESENT VALUE (€)	752.309	748.866	745.454

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NET PRESENT VALUE (€)	748.866
NET PRESENT VALUE (TL)	2.199.045

Number of Days Between 31.12.2012 ve 31.12.2013	365
ANNUAL RENTAL VALUE OF THE HOTEL (€)	748.866
ESTIMATED ANNUAL RENTAL VALUE OF THE HOTEL (€)	749.000

7.2.5 Evaluation of The Analysis Results

The appraisal study is based on income capitalization method and discounted income approach for rent revenues.

- The potential revenues to occur according to income capitalization analysis approach within the remaining period of the 49 years rental contract of the parcel, the discounted net present value of the HOTEL has been calculated as **TL 64.521.000**. The value of the rent income to be paid by Accor Company to Akfen REIT has been calculated as **TL 57.112.000** with income capitalization method. The final value of the hotel is the approximate arithmetic mean of the values calculated with both methods, which is **TL 60.817.000**.
- The rental value of the immovable property was calculated on the basis of the average of the net cash flow values of the first year according to the revenue reduction approach and rental revenue. The annual rental value of the immovable property was calculated by the reduction of the average net cash flows of the first year. Accordingly, the annual rental value of the hotel is **€749.000 (2.199.000.- Turkish Liras)** according to the appraisal.
- According to this calculation, the annual rental value has been appraised as **TL 60.817.000**.

Building insurance rate is calculated as **3.932.626.- EURO** according to the 2013 costs of Public Works and Settlement Directorate, and 35% of this cost is also added as equipment / furnishing cost and the final insurance rate is accordingly obtained as **5.309.045.- EURO**. Construction cost, which is used for calculating insurance value is determined via construction costs of 2013 of Ministry of Environment and Urbanization. As the current situation, insuring the building is appropriate via the construction cost we appraised in construction construction cost analyse section.

In this study, revenue capitalization and revenue reduction based on rental values was applied during appraisal. The hotel is currently let to Accor Group to be operated with a lease contract. The rent income has been guaranteed with the contract, and therefore the capitalization of rent income has been realized with a low risk premium. In addition, the value to be calculated according to the total revenues provided by the property has been found according to the operating income. In this method, the total potential of the hotel which provides profit for both the landlord and the operator has been considered, and this value has been considered important for any potential sales. Therefore, the value of the property according to income capitalization method is concluded as the average of the capitalization of two values: the guaranteed rent income with the rental contract, and the revenues that may be obtained with the total operation potential. For income generating properties, the value of the property depends on its performance, and the income capitalization value calculated with 2 methods is considered more rational.

Resolution with respect to VAT Application:

“By the Council of Ministers resolution numbered 2002/4480, in the delivery of residential units of net area up to 150 sqm 1%, and in the delivery of residential units of net area above 150 sqm and in the delivery of workplaces and other real properties, 18% VAT shall be applied.”

On 01.01.2013, an amendment has been made in the subject resolution for the buildings for which licenses have been received starting from that date. However, since the license for the real property under appraisal has been received prior to 01.01.2013, the real property is subject to the above mentioned law numbered 2002/4480, and within the scope of this resolution, 18% VAT has been applied for the real property under appraisal.

SECTION 8

CONCLUSION

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SECTION 8 CONCLUSION

All characteristics which might have an influence on the value of the property such as its location in Akyurt, infrastructure and means of access, its facade to the street, land area and its zoning status. 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.

MARKET VALUE OF HOTEL WITH CONSTRUCTION RIGHT AS OF 31.12.2013 (VAT EXCLUDED)	
60.817.000.- TL (Sixtymillioneighthundredseventeenthousand.- Turkish Liras)	20.711.000.- EURO (Twentymillionsevenhundredeleventhousand.- EURO)

MARKET VALUE OF HOTEL WITH CONSTRUCTION RIGHT AS OF 31.12.2013 (VAT INCLUDED)	
71.764.060.- TL (Seventyonemillionsevenhundredsixtyfourthousand sixty.- Turkish Liras)	24.438.980.- EURO (Twentyfourmillionfourhundredthirtyeightthousand ninehundredeighty.- EURO)

RENTAL VALUE DATED 31.12.2013 OF THE HOTEL (VAT EXCLUDED)	
2.199.000 TL (Twomilliononehundredninetyninethousand.- Turkish Liras)	749.000.- EURO (Sevenhundredfortyninethousand.- EURO)

RENTAL VALUE DATED 31.12.2012 OF THE HOTEL (VAT INCLUDED)	
2.594.820 TL (Twomillionfivehundredninetyninefourthousand eighthundredtwenty.- Turkish Liras)	883.820.- EURO (Eighthundredeightythreeousand eighthundredtwenty.- EURO)

1- This value is net present value.

2- VAT is included and assumed as 18%.

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

4- This report has been prepared further to the related provisions of the Capital Markets Regulation

5- This page is an inseparable part of the appraisal report, it is complete with the detailed information in the report and it can not be used separately.

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

Bilge KALYONCU Appraiser (402484)	Bilge BELLER ÖZÇAM Responsible Appraiser (400512)
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SECTION 9

ANNEX

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SECTION 9

ANNEX

Annex List

1	Sector Report
2	Title Deed Photocopies
3	Restrictions Document
4	Zoning Status Document
5	Licence and Use Permit Photocopies
6	Contract Photocopies
7	Related Bank Letter
8	Photos
9	CVs