

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.



REAL ESTATE APPRAISAL REPORT

**Report Date: 03.02.2014
Value Date: 31.12.2013**

R. No: 2013REVC168

**AKFEN
GAYRİMENKUL
YATIRIM ORTAKLIĞI
A.Ş.**

İZMİR İBİS HOTEL

KONAK/İZMİR

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

We herewith declare the issues below about the real estate report prepared by **TSKB Real Estate Appraisal Company** for **AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.** at the date of **03.02.2014** with the report number of **2013REVC168** ;

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

"The manufacturing activities of TSKB Gayrimenkul Değerleme Anonim Şirketi (TSKB Real Estate Appraisal Corporation) are certified by ISO 9001:2008 Quality Management System , BSI".

Certificate No : FS 509685"

EXECUTIVE CHART**OPEN ADDRESS OF THE
PROPERTY**

Alsancak Quarter, Atatürk Street, No:404-410, Konak/İZMİR

USAGE OF THE PROPERTY

İbis Hotel is used on a plot of 629 sqm

TITLE DEED INFORMATION

The real property located at İzmir province, Konak district, Alsancak quarter, plot 909, section 7656, parcel no. 2, qualifying as “Reinforced Concrete Hotel Building of 10 Stories including the Basement Stories”, with a surface area of 629.00 sqm, under the property of the “General Directorate of Foundations”.

**ZONING STATUS
INFORMATION**

Presented on section 4.3 of this report

TOTAL VALUE ON 31 DECEMBER 2013 (Excluding VAT)	
46.833.000.-TL (Fortysixmilliononeighthundredthirtythreeousand .-TL)	15.949.000.-EURO (Fifteenmillionninehundredfortyninethousand.- EURO)

TOTAL VALUE ON 31 DECEMBER 2013 (Including VAT)	
55.262.940.- TL (Fiftyfivemilliontwohundredsixtytwothousandninehundred andforty.-tl)	18.819.820.-EURO (Eighteenmilliononeighthundrednineteen thousandeighthundredandtwenty.-EURO)

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

2- VAT ratio has been accepted 18%.

3- Exchange rate has been taken as EURO 1 = TL 2.9365 and

USD 1: TL 2,1343. The exchange rate is given only for information

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

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

Simge SEVİN AKSAN
Appraiser (401124)

Bilge BELLER ÖZÇAM
Responsible for the Appraiser(400512)

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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SECTION 1

***REPORT,
COMPANY AND THE CLIENT INFORMATION***

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

SECTION 1

REPORT, COMPANY AND THE CLIENT INFORMATION

1.1 Report Date and Report Number

This report was issued by our company on 03.02.2014 and number 2013REVC168 with reference to the request dated 07.11.2013 and made by the firm, titled as Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.

1.2 Report Type

This appraisal report was prepared in order to determine the fair market value on 31.12.2013 in Turkish Liras, for the planned project on the property recorded as Izmir, the administrative district of Konak, Alsancak District, plan 909, section 7656, parcel no 2, of 629 sqm area, owned by “Vakıflar Genel Müdürlüğü”, immovable property qualifying as “Reinforced Concrete Hotel Building of 10 Stories including the Basement Stories” in the land registry. This report has been prepared in line with the Provisions of the Capital Markets Legislations.

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 Simge SEVİN AKSAN real estate appraiser, Bilge BELLER ÖZÇAM responsible for the appraiser issued this report.

1.4 Appraisal Date

This appraisal report is prepared with reference to the studies started on 02.12.2013 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 appraisal report was issued in accordance with the provisions of the base contract that was executed by and between Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. and our Company on 13.11.2013 and has determined the rights and obligations of the contractual parties.

1.6 Factors Affecting the Appraisal Process Negatively

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

1.7 Customer Requests Extensions and Limitations

This report was issued by our company with reference to the request dated 07.11.2013 and made by the firm, titled as Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. In line with the requests of the customer, there is no restriction in the appraisal.

No restriction was brought by the customer during the appraisal study. In the projections, coefficient values collected during the market research and the agreements made by and between Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. and Accor Group were taken into consideration.

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	31.12.2012
Report Number	2011REV78-10	2011REVC68	2012REVC177
Report Prepared by	Hüsniye BOZTUNÇ Adem YOL	Bilge BELLER ÖZÇAM Fatih TOSUN	Simge SEVİN AKSAN- Bilge BELLER ÖZÇAM
Proper Total Value (TRY)	4.630.000 TL	7.280.000 TL	19.770.000 TL
Proper Total Project Value (TRY)	23.328.000 TL	27.450.000.-TL	46.720.000 TL

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 Gayrimenkul Yatırım Ortaklığı A.Ş. located at the address of Büyükdere Caddesi, No:201, C Blok, Kat:8, Levent/İSTANBUL.

SECTION 2

DEFINITION AND SCOPE OF THE APPRAISAL

SECTION 2

DEFINITION AND THE 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. There are respectively, “Sales Comparison Approach”, “Income Capitalization Approach”, “Cost Approach” and the “Development Approach” methods.

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 Definitions and Model of the Calculation Methodology

In this part of the study, Income capitalization method is used for the value of real estate.

2.2.1 Model Definitions and Calculation Method

Risk Free Rate

The foreign exchange bonds secured by the state treasury and sold on offshore markets, also covering the risk of country are named as "Eurobond". They are issued with various maturities, while they can be purchased or sold on a daily basis on the market. These bonds are used as an indicator of the risk free rate, which is used as the basis for financial calculations in Turkey. The most liquid Eurobond on the markets is the Eurobond with maturity in 2040, and it has the attributes required to be an indicator bond.

Variant on the risk-free rate¹

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

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

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

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

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

equity, calculated using these inputs, is used as the discount rates each year's cash flows. Eurobond does not include the market risk for the performed work, although it includes the country and political risk.

Variant 3 has been selected as the method in the assumptions our company has made by using all these data. However, especially when assessing the value of the real estates with long-term commercial lifetime, an asset appropriate for the commercial lifetime of the real estate does not exist. For that reason, our company suggests appropriate bonds for each projects regarding their duration as a risk free return rate. The chosen bonds vary according to the duration of projects and to the rate of exchange. This rate also covers the country risk. In addition to hat, the rates suggested by Damodaran for use in accordance with its Financial Market Characteristics are as follows:

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

Market Risk Premium- Market Index

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Where R_f = Risk Free rate

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

Description of the Method Used for Appraisal:

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

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

Risk-free rate of return has been identified according to the variable model 3 of the above article 2.2.1, and it has been identified with the average of last 6 months (the average is used for minimizing short-term market fluctuations) of the Eurobond with the longest maturity currently in effect. This rate includes the country risk.

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

2.3 The Value Definitions

2.3.1 Market Value (Market Value)

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

- The buyer and seller are acting in a reasonable and sensible manner.

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

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

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

2.3.2 Orderly Liquidation Value

It is the most likely sales value in cash for an interval of approximately 3 -6 months which is determined regarding the assets as a result of interviews and negotiations between the parties. In the orderly liquidation, the best value is tried to be obtained for each of the assets. If, within the determined timeframe, following the negotiations between the parties an agreement can not be reached regarding the price, it is advised to sell the assets by public auction.

SECTION 3

GENERAL AND SPECIAL DATA

SECTION 3**GENERAL AND SPECIAL DATA**

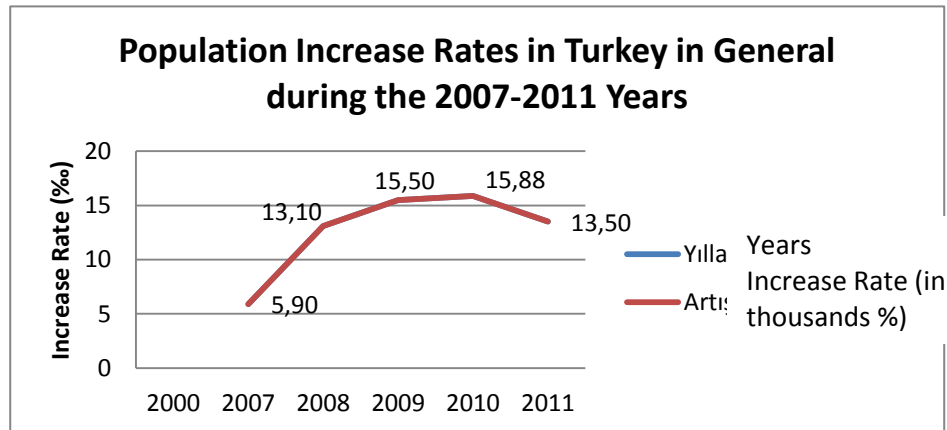
Data investigation starts with study of the prevailing trends in the international, national, regional or neighbourhood at the market level concerning the asset, which is subject to the evaluation. This research assists the appraiser to perceive the principles, powers and factors influencing the real 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 12 in thousand. In 2012, the population residing in Turkey has increased by 903.115 persons. From this population, 50.4% (37.956.168 persons) are males, and 49.6% (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 at the end of 2009, increased 14.5 per thousand compared to 2008, this figure has reached 72,561,312 people as of the end of 2010, an increase of 1,161,676 people (15.88 per thousand) reached 73,722,988. In 2011, the annual population growth rate of 13.5 per thousand to 12 per thousand in 2012 year. Population residing in Turkey in 2012 over the previous year increased by 903,115. Population growth rates in the chart below can be seen throughout Turkey between the years of 2007-2011.



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

In Turkey, the population in the cities increases at a much higher rate than the population in the villages. The urban population in the country has demonstrated a significant increase over the past 17 years, and while this was 59 % in 1990, it has reached 64.9 % in 2000, and 75.5 % 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 2011, 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 %, while the lowest has been Ardahan with 35 %.

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

3.1.2 Economic Data ^[1]

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

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

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

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

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

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

^[1] TSKB Gayrimenkul Değerleme A.Ş.
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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 Analysis of the Area Where the Property is Located

3.2.1 İzmir Province



İzmir which is a typical example of the Aegean shores is surrounded by Madra Mountains in the north, Kuşadası in the south, Teke cape of the Çeşme peninsula in the west and Aydın-Manisa border in the east on approximately 11.973 ksqm area. İzmir is the biggest city of the Aegean region and the 3rd big city of Turkey.

İzmir province is one of the richest cities of Turkey with its natural location and has a quality and plenty of raw materials, modern sea, air and land transportation, educated labor and important capital developed by agricultural activities and increased by industrial production. These properties are the main driving power of the industrialism in the city. Most important organized industry zones in the city are Atatürk Organized Industry Zone, Aegean Organized Industry Zone and Kemalpaşa Organized Industry Zone.

While İzmir's share in the total population of Turkey in 2012 the ratio has reached to 5.30% (According to the 2012 Census Record on Address, Turkey's population is 75.627.384 and İzmir's population is 4.005.459).

Between 2008 and 2012, population rise has been 209.481. The population of the villages of İzmir has decreased by %1,08 in 2008-2012 years.

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	Province/District Centers			Town/Villages			Total		
Türkiye	Total	Men	Women	Total	Men	Women	Total	Men	Women
	58.448.431	29.348.230	29.100.201	17.178.953	8.607.938	8.571.015	75.627.384	37.956.168	37.671.216
İzmir	3.661.930	1.824.682	1.837.248	343.529	174.564	168.965	4.005.459	1.999.246	2.006.213

İzmir il nüfus bilgileri												
Yıl	Toplam	Değişim	Sıra	Yüzde	Kır - Şehir				Erkek - Kadın			
1965 ^[14]	1.234.667	—	3	%3.93	613.114	%50	%50	621.553	641.118	%51.9	%48.1	593.549
1970 ^[15]	1.427.173	%16 ▲	3	%4.01	674.132	%47	%53	753.041	739.429	%51.8	%48.2	687.744
1975 ^[16]	1.673.966	%17 ▲	3	%4.15	768.907	%46	%54	905.059	868.403	%51.9	%48.1	805.563
1980 ^[17]	1.976.763	%18 ▲	3	%4.42	917.580	%46	%54	1.059.183	1.021.989	%51.7	%48.3	954.774
1985 ^[18]	2.317.829	%17 ▲	3	%4.57	517.032	%22	%78	1.800.797	1.198.236	%51.7	%48.3	1.119.593
1990 ^[19]	2.694.770	%16 ▲	3	%4.77	559.954	%21	%79	2.134.816	1.379.778	%51.2	%48.8	1.314.992
2000 ^[20]	3.370.866	%25 ▲	3	%4.97	638.197	%19	%81	2.732.669	1.698.819	%50.4	%49.6	1.672.047
2007 ^[21]	3.739.353	%11 ▲	3	%5.3	564.220	%15	%85	3.175.133	1.872.579	%50.1	%49.9	1.866.774
2008 ^[22]	3.795.978	%2 ▲	3	%5.31	345.441	%9	%91	3.450.537	1.897.792	%50	%50	1.898.186
2009 ^[23]	3.868.308	%2 ▲	3	%5.33	343.106	%9	%91	3.525.202	1.933.681	%50	%50	1.934.627
2010 ^[24]	3.948.848	%2 ▲	3	%5.36	342.522	%9	%91	3.606.326	1.985.368	%50.3	%49.7	1.963.480
2011 ^[25]	3.965.232	%0 ▲	3	%5.31	341.692	%9	%91	3.623.540	1.979.088	%49.9	%50.1	1.986.144

İzmir province is one of the richest cities of Turkey with its natural location and has a quality and plenty of raw materials, modern sea, air and land transportation, educated labor and important capital developed by agricultural activities and increased by industrial production. These properties are the main driving power of the industrialism in the city. In İzmir with all the traditional industry like food, textile, tobacco, dried vegetable-fruit industries all branches of manufacturing industry is also developed and reached important levels. İzmir has lived the advantages of being a city of trade and seaport during the history. Alsancak port is an important exportation and importation center with a capacity of 20.000.000 tons. Exportation of İzmir is close to 40% of our general exportation. Alsancak port is really important for Turkish exportation.

After the foundation of republic, İzmir became a modern city and it's developing since then. İzmir alongside being a tourism center is also an important cultural crossroad with its universities, museums, concert halls, culture and art associations, national and international fests and rich media. There are 30 districts of İzmir. Of these, Konak, Bornova, Karşıyaka, Çiğli, Balçova, Buca, Narlıdere, Güzelbahçe, Gaziemir, Foça, Aliağa, Menemen, Kemalpaşa, Bayındır, Torbalı, Selçuk, Seferihisar, Menderes, Karaburun, Bayraklı, Karabağlar and Urla are within the borders of metropolis. Others are: Bergama, Kınık, Dikili, Ödemiş, Beydağ, Kiraz, Tire, Çeşme.

Shopping centers are located in Centrum and both sides of bay. Especially in recent years there is an important increase in the shopping centre projects. Forum Bornova, Agora and Ege Park are just important ones.

For office sector, especially Çankaya, partially Alsancak and partially Konak regions are the city's office central business areas. Building accepted as A class office building in İzmir are accepted as B class office buildings in İstanbul and Ankara.

According to other provinces of the country, İzmir has an advanced transportation network. City has both domestic and foreign land, sea, air and railway connections.

3.2.2 Konak District



Konak district is the biggest district in the borders of İzmir Metropolitan city. It is surrounded by İzmir Bay and Karşıyaka on the north, Bornova on the east, Buca and Gaziemir on the south and Balçova district on the west.

It is the second biggest district of the Turkey. According to 2011 Census Record on Address has a total population of 397.201. Has a surface area of 69 km². District has 168 quarters, 6611 avenues-squares-boulevards-streets and 2 villages. Has no town.

İzmir	İl/ilçe merkezi			Toplam		
	Toplam	Erkek	Kadın	Toplam	Erkek	Kadın
Konak	397.201	194.489	202.712	397.201	194.489	202.712
Toplam	397.201	194.489	202.712	397.201	194.489	202.712

Konak district is the administrative, artistic, cultural and commercial center of İzmir.

With the flag on it flagpole in 9th September 1922 Government Office is a symbol of liberation of not only İzmir but also the whole country. Government Office was built in 1868-1872.

Clock tower which is a meeting point since it was built is in Konak Square. Tower is 25 m high and it was ordered by Grand Vizier Mehmet Said Paşa in 1901 to the architecture of the German Consulate building for the 25th anniversary of the throne of Abdülhamit II. Clock of the tower is a gift from German Emperor Wilhelm II.

It has many artifacts from antic ages, from Ottoman age but mostly it is characterized by Republic age artifacts. Since Konak is the culture, art and entertainment center of İzmir it is a meeting point for both native and foreign tourists. Especially Kemeraltı Bazaar has important contributions to economy of district and advertisement of İzmir. Agora ruins left from Romans are close to Konak and it is open for tourists. Besides Konak is also famous of Konak port which connects to Karşıyaka by sea and Konak square. Konak seashore and walking courses are filled by people especially weekends.

SECTION 4

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

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

SECTION 4

TITTLE DEED AND ZONING INFORMATION OF THE REAL ESTATE

4.1 Tittle Deed Information of the Real Estate

Province	:	İzmir
District	:	Konak
Township	:	-
Quarter	:	Alsancak
Village	:	-
Location	:	-
Plot No.	:	909 Plan
Section No.	:	7656
Parcel No.	:	2
Area	:	629 sqm
Quality of the Property	:	Reinforced Concrete Hotel Building of 10 Stories including the Basement Stories
Owner	:	Vakıflar Genel Müdürlüğü
Share	:	Full

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 investigations carried out on 02.12.2013 at 09.30 in Title Deed Registration Directorate of İzmir Konak District, and according to date on 06.01.2014 the encumbrance certificate, provided by the client and presented as attachment to this report.

In the Annotations Section:

Rental annotation in favor of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş for a term of 49 years starting from 16.09.2010. (Date of Commencement: 16.09.2010 Term:49 years) (dated 15.02.2011 and with journal no 3272)

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

- Within the last three years, no sales or transfer processes took place in relation to the property in question.
- Rental annotation in favor of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş for a term of 49 years starting from 16.09.2010. (Date of Commencement: 16.09.2010 Term:49 years) (dated 15.02.2011 and with journal no 3272)

4.3 Zoning Information of 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.

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

According to the investigations carried out on 03.12.2013 in city of İzmir Konak District, Konak Municipality Zoning Directorate and according to date on 07.01.2014 the approved zoning status certificate provided to our party, the information obtained on the parcel in question is listed below;

✓ **Zoning Status:**

- The immovable property is included in the "Residential Area with Commercial Option (hatched as TM)" according to the Alsancak Zoning Plan with scale of 1/1000 and approval date of 24.01.1985.
- The property is attached in layout and it has 8 floors excluding the roof. Hmax : 24.80 m.
- No residence can be built in Ground Floor.
- Construction can be carried out on the entire parcel.



According to the plan notes;

- Housing, market, office, retail stores, commercial and entertainment places, touristic facilities, hotels and motels, regional public institutions, multi-story car parking buildings etc. can be located on the parcel. No housing units can be built in the ground floor.

✓ **Licenses and Permissions**

- ✓ There is a "Construction License" dated 07.04.2011, license no. 1, issued pursuant to "BRACING" for "BRACING" of 17,927 sqm area.
- ✓ There is a "Construction License" dated 28.04.2011, license no. 1, issued pursuant to "BRACING" for a "Common Area" of 760 sqm.
- ✓ There is a construction license dated 29.09.2011, license no. 80, issued pursuant to a "New Building" for the "Hotel" of 5,760 sqm area.
- ✓ There is a construction license dated 10.10.2011, license no. 1/2011, issued pursuant to "BRACING license Site Chief Replacement", for a "Common Area" of 760 sqm.
- ✓ There is a construction license dated 10.10.2011, license no. 80, issued pursuant to "New Building", for "Hotel with or without Restaurant" of 5,760 sqm area.

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

- ✓ There is a “Building Occupancy Permit Certificate” dated 02.05.2013, numbered 169, issued pursuant to “New Building”, for “Hotel” of 5,760 sqm area.
- ✓ There is a “Building Occupancy Permit Certificate” dated 03.05.2013, numbered 169, issued pursuant to “New Building”, for “Hotel with or without Restaurant” of 5,760 sqm area.
- ✓ There is an architectural project approved on 19.07.2011.

Summary table for Construction Licenses and Permits

License-Building Occupancy Permit Certificate Date/No	Reason for Issue	Area (sqm)	Description
Construction License dated 07.04.2011 and numbered 1	BRACING	17,927.00	Issued for BRACING
Construction License dated 28.04.2011 and numbered 1	BRACING	760.00	Common Area
“Construction License” dated 29.09.2011 and numbered 80	New Building	5,760.00	Hotel
Construction License dated 10.10.2011 and numbered 1/2011	BRACING	760.00	BRACING license Site Chief Replacement
“Construction License” dated 10.10.2011 and numbered 80	New Building	5,760.00	For “Hotel with or without Restaurant” “New Building”
“Building Occupancy Permit Certificate” dated 02.05.2013 and numbered 169	New Building	5,760.00	Hotel
“Building Occupancy Permit Certificate” dated 03.05.2013 and numbered 169	New Building	5,760.00	Hotel with or without Restaurant

✓ Building Audit

- The immovable under appraisal is subject to the Law Concerning Construction Supervision dated 29.06.2001 and numbered 4708. “Kordon Yapı Denetim Ltd. Şti.”, resident at the address Güneşli Mah., Eskiizmir Cad., No:12/B, 35270, Yağhaneler / İZMİR is supervising the construction.

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.)

No amendments have been made on the legal status (zoning plan, nationalization, allotment - amalgamation, etc.) of the property in question within the last three years

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

The proprietor of the real property is the General Directorate of Foundations and the real property has been rented by Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. company by a contract for 49 years. Pursuant to paragraph “a” of the 22nd article of the communique of the Capital Markets Board on real property investment partnerships, **(art. 22/a: For the purpose of generating purchase-sale profit or lease revenue; they may purchase, sell, rent, lease and may promise to purchase or lease plots, lands, residential units, offices, shopping centers, hotels, logistics centers, warehouses, park, hospital and all types of other similar real properties.)**, it is believed that the real property under appraisal may be included within the Real Property Partnership field of activity.

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

4.5 Environmental and Ground Contamination

There is no mortgage on the real property. Rental annotation in favor of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. for a term of 49 years starting from 16.09.2010.

4.6 Environmental and Ground Contamination (Contamination)

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

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

SECTION 5

PHYSICAL INFORMATION OF THE REAL ESTATE

PHYSICAL INFORMATION OF THE REAL ESTATE**5.1 Situation, Location and Environment Characteristics of the Immovable Property**

Gayrimenkulün açık adresi: Alsancak Quarter, Atatürk Street, 7656 block, 2 parcel, Konak/İZMİR

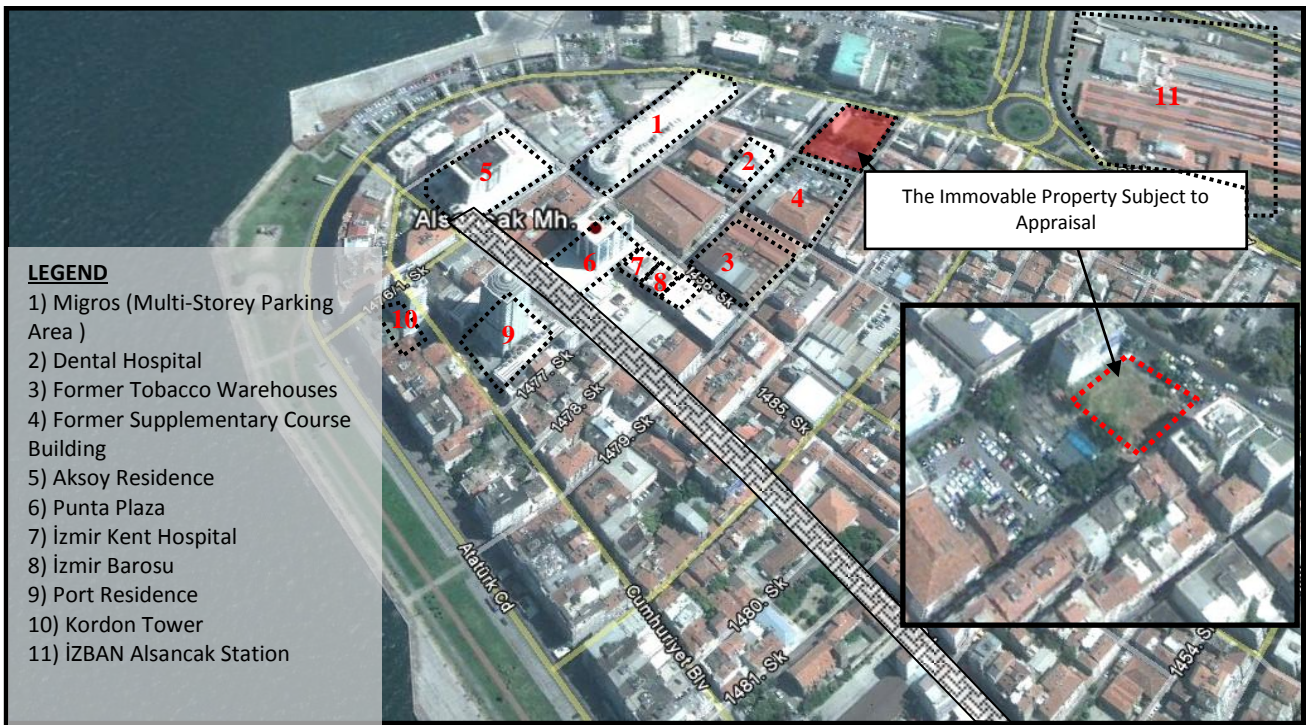
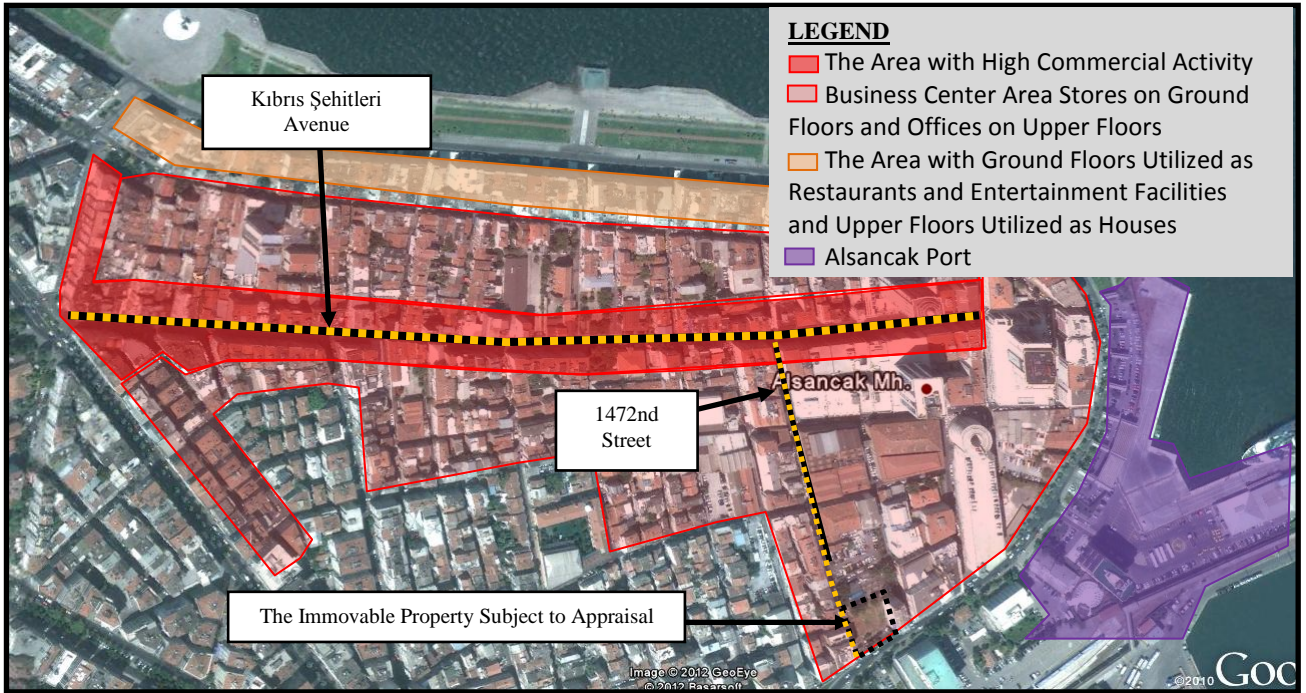
The subject immovable property is on Atatürk Avenue, from Konak direction to the direction of Alsancak Police Station, opposite the Customs Directorate, on the left hand side. In the vicinity of the immovable property are Tariş, Customs Directorate, İzmir Büyük Dershane, Final Dershanesi, Migros, Alsancak Dental Health Care Center, former Tekel warehouses, Alsancak parking building, Soil Products Office, Punta Residence, Aksoy Residence, Kordon Kule Residence, Alsancak Train Station, Alsancak Port, the Historical Gas Factory, İzmir Regional Office of the Ministry of Transport, taxi station and business areas.

The area of the immovable property is one of the focal urban points. Because of the recent rise in the demand for luxury houses, the residence construction in the vicinity is visible and this makes the area more prestigious. However, in the southern facade of the immovable property and in the western facade extending to Kıbrıs Şehitleri Avenue axis, it is observed that the social texture is low and urban transformation has not started yet. Because the immovable property is in proximity with Alsancak Train Station and Alsancak Dock, it has means of alternative and easy transportation. With the opening of Aliğa-Menderes subway line, the means of transportation improved even more.

It is possible to get access to the subject immovable properties via mass transportation and private vehicles. In the vicinity of the immovable properties, Kıbrıs Şehitleri and Atatürk Avenues are crowded in terms of pedestrian traffic and Liman Avenue is crowded in terms of vehicle traffic. Additionally, the subject immovable properties are also in proximity with the other significant avenues of İzmir such as Talatpaşa Boulevard, Cumhuriyet Boulevard and İZBAN Alsancak Station. The subject immovable property is at 0,20 km distance to Alsancak Port, 6,60 km to the center of Bornova, 4,90 km to Konak Center, 10,80 to the center of Karşıyaka.

Distances from the Subject Immovable Property to Certain Significant Centers;

Location	Distance (km)
İzmir Alsancak Port	~ 0,25 km.
İZBAN Alsancak Station	~ 0,35 km.
Gündoğdu Square	~ 0,80 km.
Konak	~ 3 km.

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

5.2 Definiton of the Subject Property of Appraisal

The subject immovable is the İzmir İbis Hotel with 629,00 sqm of lot area, on section 7656, parcel no 2. It was detected that there are building licenses and approved architectural projects on the subject property offered to us by the customer. The immovable property has 5.760 sqm of area according to the building license and according to its approved architectural project, the property has 2 basement floors, ground floor and 7 normal floors, making up 10 floors in total. The immovable property has total area size of 5.882,77 sqm according to the architectural project.

The parcel under appraisal with 629,00 sqm of surface area is in rectangular shape and has a plain topography. The immovable property has facades to Atatürk Avenue and 1472nd Street. The immovable property has around 25 meters of facade to Atatürk Avenue and 15 meters of facade to the 1472nd Street. The visibility and advertising capacity of the hotel under construction on the parcel are high. During the examination on the site of the subject immovable property it was detected that the immovable property has total number of 10 floors including 2 basement, ground and 7 bedroom floors. Immovable opened on 6/24/2013. In the light of the detections on the site of the immovable property, it can be said that the materials and craftsmanship employed are of high quality.

2nd basement storey; According to the approved architectural project of the real property, shelter areas, heating center, Water Tanks and technical volumes are located. Paint over gypsum plaster has been used on the walls of the areas located on the 2nd basement storey. According to the investigations made on site, the floors are ceramic cladded. The installations of the water tanks on the 2nd basement storey have been cladded with ceramic. In the table provided on the right, the storey layouts in the approved architectural project are provided.

2nd Basement Floor Place Distribution	sqm
Fire Escape	31,86
Fire Security	11,72
Shelter Hall	8,8
Electricity Room	3,50
Water Tank	13,21
Water Tank	9,29
Water Tank	12,11
Pumping Room	38,93
Heat Center	79,12
Corridor	31,83
Shelter	225,90
WC for Men	7,47
WC for Women	8,50

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

1st basement storey; According to the approved architectural project of the real property, office, maintenance workshop, electrical room, kitchen storerooms, laundry room, personnel dining hall, housekeeping room, male & female personnel room, archive and uniform room are located. The walls of the aforesaid areas paint over screed gypsum plaster, and according to the investigations made on site, the floors are ceramic cladded. In the table provided on the right, the storey layouts in the approved architectural project are provided.

1st Basement Floor Place Distribution	sqm
Fire Escape	31,86
Fire Security Hall	6,82
Office	9,42
Maintenance Workshop	11,04
Corridor	58,42
System Room	21,12
Electricity-Ups	15,51
Food court	12,79
Kitchen Warehouse	25,11
Clean Laundry Room	13,64
Personnel Dining Hall	12,61
Housekeeping	18,89
Personnel Room	24,54
Archive	8,39
Uniform Room	10,24

Ground storey; According to the approved architectural project of the real property; reception, restaurant, bar, offices, kitchen, the general manager's room, waste rooms, meeting rooms and restroom are located. The walls of the aforesaid areas are paint over gypsum plaster and according to the investigations made on site, the floors are ceramic cladded. In the table provided on the right, the storey layouts in the approved architectural project are provided.

Ground Floor Place Distribution	sqm
Fire Escape	34.43
Fire Security	6,51
Reception	78,16
Restaurant & Bar	129,65
Bar Kitchen	6,00
Office	13,24
Kitchen	66,40
General Director	11,80
Purchasing	4,76

Electricity Room	2,69
Dry Garbage Room	4,75
Cold Garbage Room	5,34
Service Hall	22,15
Fire Alarm	10,39
Sheltered Corridor	17,23
Handicapped WC	8,42
Meeting Room (2)	55,19
Luggage Room	6,33

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1st normal storey; According to the on-site investigation of the storey, there are 20 bedrooms, electrical room, linen room and the soiled linen room. According to the approved architectural project of the real property, there are 11 standard rooms, 1 disabled room, 1 standard room type 1, 1 standard room type 2 and 6 twin rooms. In the investigation made on site of the real property, the floors in the common areas are carpet coated, while the floors of the rooms have wooden laminate parquet cladding. On the aforesaid storey, the walls

of the rooms are satin paint over gypsum plaster. Windows have been installed on the storey and aluminum material has been used. Good quality wooden joinery has been used in all room and bathroom doors. The ceilings of all rooms and corridors are plaster board cladding. Double plaster boards have been used between all walls. The electrical and mechanical works and the fresh and waste water piping have been completed on the aforesaid storey. A mechanical ventilation system has been installed in all rooms. The walls between the rooms on the bed stories have 45 dB sound insulation. In line with the 33rd article of the Regulation on the Protection of Buildings from Fire, there is an escape corridor of 150 cm, and two fire escape stairwells of 160 and 120 cm. The standard type rooms are of 15.86 sqm size in total, composed of 13.26 sqm living room area and 2.60 sqm bathroom area. The disabled room is of 20.16 sqm size in total, 15.88 sqm of which is the living area and 4.28 sqm is the bathroom area. The standard room type 1 has a total size of 16.40 sqm, as 13.80 sqm living area and 2.60 sqm bathroom area.

The Place Distribution of the 1st Normal Floor	Sqm
Fire Escape	34,43
Fire Safety Hall	7,5
Electricity Room	3,9
Laundry Room	4,85
Dirty Laundry Room	8,52
Service Hall	4,63
Corridor	109,04

The standard room type 2 has a total size of 16.98 sqm, as 14.38 sqm living area and 2.60 sqm bathroom area. The Twin Room has a total size of 17.29 sqm, 14,69 sqm of which is living area and 2.60 sqm is bathroom area. On the storey, there are 11 standard rooms, 1 disabled room, 1 standard room type 1, 1 standard room type 2 and 6 twin rooms.

1st Normal Floor Room Type	Number	Total (sqm)
Standard Room	11	174,46
Handicapped Room	1	20,16
Standard Room Type 1	1	16,40
Standard Room Type 2	1	16,98
Twin Bedroom	6	103,74

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

2nd normal storey; According to the on-site investigation of the storey, there are 20 bedrooms, electrical room, reserve room and the soiled linen room. According to the approved architectural project of the real property, there are 11 standard rooms, 1 disabled room, 1 standard room type 1 that may be combined, 1 standard room type 2, 1 combinable twin room and 5 twin rooms. In the investigation made on site of the real property, the floors in the common areas are carpet coated, while the floors of the rooms have wooden laminate parquet cladding. On the aforesaid storey, the walls of the rooms are satin paint over gypsum plaster. Windows have been installed on the storey and aluminum material has been used. Good quality wooden joinery has been used in all room and bathroom doors. The ceilings of all rooms and corridors are plaster board cladding. Double plaster boards have been used between all walls. The electrical and mechanical works and the fresh and waste water piping have been completed on the aforesaid storey. A mechanical ventilation system has been installed in all rooms. The walls between the rooms on the bed stories have 45 dB sound insulation. In line with the 33rd article of the Regulation on the Protection of Buildings from Fire, there is an escape corridor of 150 cm, and two fire escape stairwells of 160 and 120 cm. The standard type rooms are of 15.86 sqm size in total, composed of 13.26 sqm living room area and 2.60 sqm bathroom area. The disabled room is of 20.16 sqm size in total, 15.88 sqm of which is the living area and 4.28 sqm is the bathroom area. The standard room type 1 that can be combined has a total size of 16.40 sqm, as 13.80 sqm living area and 2.60 sqm bathroom area. The standard room type 2 has a total size of 16.98 sqm, as 14.38 sqm living area and 2.60 sqm bathroom area. The combinable Twin Room has a total size of 17.29 sqm, 14,69 sqm of which is living area and 2.60 sqm is bathroom area. On the storey, there are 11 standard rooms, 1 disabled room, 1 combinable standard room type 1, 1 standard room type 2, 1 combinable twin room and 5 twin rooms.

The Place Distribution of the 2nd Normal Floor	Sqm
Fire Escape	34,43
Fire Safety Hall	7,50
Electricity Room	3,90
Reserved Room	4,85
Dirty Laundry Room	8,52
Service Hall	4,63
Corridor	109,04

2nd Normal Floor Room Type	Number	Total (sqm)
Standard Room	11	174,46
Handicapped Room	1	20,16
Combinable Standard Room Type 1	1	16,40
Standard Room Type 2	1	16,98
Combinable Twin Room	1	17,29
Twin Room	5	86,45

3rd normal storey; According to the on-site investigation of the storey, there are 20 bedrooms, electrical room, reserve room and the soiled linen room. According to the approved architectural project of the real property, there are 11 standard rooms, 1 standard room type 3, 1 standard room type 1 that may be combined, 1 standard room type 2, 1 combinable twin room and 5 twin rooms. In the investigation made on site of the real property, the floors in the common areas are carpet coated, while the floors of the rooms have wooden laminate parquet cladding. On the aforesaid storey, the walls of the rooms are satin paint over gypsum plaster. Windows have been installed on the storey and aluminum material has been used. Good quality wooden joinery has been used in all room and bathroom doors. The ceilings of all rooms and corridors are plaster board cladding. Double plaster boards have been used between all walls. The electrical and mechanical works and the fresh and waste water piping have been completed on the aforesaid storey. A mechanical ventilation system has been installed in all rooms. The walls between the rooms on the bed stories have 45 dB sound insulation. In line with the 33rd article of the Regulation on the Protection of Buildings from Fire, there is an escape corridor of 150 cm, and two fire escape stairwells of 160 and 120 cm. The standard type rooms are of 15.86 sqm size in total, composed of 13.26 sqm living room area and 2.60 sqm bathroom area. The standard room type 3 is of 17.54 sqm size in total, 13.26sqm of which is the living area and 4.28 sqm is the bathroom area. The standard room type 1 that can be combined has a total size of 16.40 sqm, as 13.80 sqm living area and 2.60 sqm bathroom area. The standard room type 2 has a total size of 16.98 sqm, as 14.38 sqm living area and 2.60 sqm bathroom area. The combinable Twin Room has a total size of 17.29 sqm, 14,69 sqm of which is living area and 2.60 sqm is bathroom area. On the storey, there are 11 standard rooms, 1 standard room type 3, 1 combinable standard room type 1, 1 standard room type 2, 1 combinable twin room and 5 twin rooms.

The Place Distribution of the 3rd Normal Floor	Sqm
Fire Escape	34,43
Fire Safety Hall	7,5
Electricity Room	3,90
Reserved Room	4,85
Dirty Laundry Room	8,52
Service Hall	4,63
Corridor	114,26

3rd Normal Floor Room Type	Number	Total (sqm)
Standard Room	11	174,46
Standard Room Type 3	1	17,54
Standard Room Type 2	1	16,98
Combinable Standard Room Type 1	1	16,40
Combinable Twin Bedroom	1	17,29
Twin Bedroom	5	86,45

4th, 5th and 6th normal stories; According to the on-site investigation of the stories, there are 20 bedrooms, electrical room, reserve room and the soiled linen room. According to the approved architectural project of the real property, there are 11 standard rooms, 1 standard room type 3, 1 standard room type 1 that may be combined, 1 standard room type 2, 1 combinable twin room, 1 combinable standard rooms and 2 twin rooms. In the investigation made on site of the real property, the floors in the common areas are carpet coated, while the floors of the rooms have wooden laminate parquet cladding. On the aforesaid storey, the walls of the rooms are satin paint over gypsum plaster. Windows have been installed on the storey and aluminum material has been used. Good quality wooden joinery has been used in all room and bathroom doors. The ceilings of all rooms and corridors are plaster board cladding. Double plaster boards have been used between all walls. The electrical and mechanical works and the fresh and waste water piping have been completed on the aforesaid storey. A mechanical ventilation system has been installed in all rooms. The walls between the rooms on the bed stories have 45 dB sound insulation. In line with the 33rd article of the Regulation on the Protection of Buildings from Fire, there is an escape corridor of 150 cm, and two fire escape stairwells of 160 and 120 cm. The standard type rooms are of 15.86 sqm size in total, composed of 13.26 sqm living room area and 2.60 sqm bathroom area. The standard room type 3 is of 17.54 sqm size in total, 13.26sqm of which is the living area and 4.28 sqm is the bathroom area. The standard room type 1 that can be combined has a total size of 16.40 sqm, as 13.80 sqm living area and 2.60 sqm bathroom area. The standard room type 2 has a total size of 16.98 sqm, as 14.38 sqm living area and 2.60 sqm bathroom area. The combinable Twin Room has a total size of 17.29 sqm, 14,69 sqm of which is living area and 2.60 sqm is bathroom area. The twin rooms have a total size of 17.29 sqm, as 14.69 sqm living area and 2.60 sqm bathroom area. On the storey, there are 11 standard rooms, 1 standard room type 3, 1 combinable standard room type 1, 1 standard room type 2, 1 combinable twin room and 5 twin rooms.

The Place Distribution of the 4th, 5th and 6th Normal Floors	sqm
Fire Escape	34,43
Fire Safety Hall	7,50
Electricity Room	3,90
Reserved Room	4,85
Dirty Laundry Room	8,52
Service Hall	4,63
Corridor	114,26

4th, 5th and 6th Normal Floors Room Type	Number	Total (sqm)
Standard Room	12	187,72
Standard Room Type 3	1	17,54
Standard Room Type 2	1	16,98
Combinable Standard Room Type 1	1	16,4
Combinable Twin Bedroom	1	17,29
Combinable Standard Room	2	31,72
Twin Bedroom	2	31,72

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7th normal storey; According to the on-site investigation of the storey, there are 20 bedrooms, electrical room, reserve room and the soiled linen room. According to the approved architectural project of the real property, there are 11 standard rooms, 1 standard room type 3, 1 standard room type 1, 1 standard room type 2, and 6 twin rooms. In the investigation made on site of the real property, the floors in the common areas are carpet coated, while the floors of the rooms have wooden laminate parquet cladding. On the aforesaid storey, the walls of the rooms are satin paint over gypsum plaster.

The Place Distribution of the 7th Floor	Sqm
Fire Escape	34,43
Fire Safety Hall	7,50
Electricity Room	3,90
Reserved Room	4,85
Dirty Laundry Room	8,52
Service Hall	4,63
Corridor	114,26

Windows have been installed on the storey and aluminum material has been used. Good quality wooden joinery has been used in all room and bathroom doors. The ceilings of all rooms and corridors are plaster board cladding. Double plaster boards have been used between all walls. The electrical and mechanical works and the fresh and waste water piping have been completed on the aforesaid storey. A mechanical ventilation system has been installed in all rooms. The walls between the rooms on the bed stories have 45 dB sound insulation. In line with the 33rd article of the Regulation on the Protection of Buildings from Fire, there is an escape corridor of 150 cm, and two fire escape stairwells of 160 and 120 cm. The standard type rooms are of 15.86 sqm size in total, composed of 13.26 sqm living room area and 2.60 sqm bathroom area. The standard room type 3 is of 17.54 sqm size in total, 13.26sqm of which is the living area and 4.28 sqm is the bathroom area. The standard room type 2 has a total size of 16.98 sqm, as 14.38 sqm living area and 2.60 sqm bathroom area. The standard room type 1 has a total size of 16.40 sqm, as 13.80 sqm living area and 2.60 sqm bathroom area. The Twin Room type has a total size of 17.29 sqm, 14,69 sqm of which is living area and 2.60 sqm is bathroom area. On the storey, there are 11 standard rooms, 1 standard room type 3, 1 standard room type 2, 1 standard room type 1, and 6 twin rooms.

According to the on-site investigation made on site of the attic storey, it is composed of elevator plant room and the terrace volume.

In the on-site investigations of the real property and according to the approved architectural project, it has been determined that there are 2 stairs, 2 customer and service elevators. During the investigation made on site of the aforesaid real property, it has been determined that all surfaces of the stairs have been made of cast stone cladding, and the stair railings have been made of iron material. The walls in the stairwell areas are painted, and it has been determined that the used materials and workmanship are at good levels.

7th Normal Floor Room Type	Number	Total (sqm)
Standard Room	11	174,46
Standard Room Type 3	1	17,54
Standard Room Type 2	1	16,98
Standard Room Type 1	1	16,40
Twin Bedroom	6	103,74

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

TOURISM MANAGEMENT CERTIFICATE

T.C.
THE REPUBLIC OF TURKEY
KÜLTÜR VE TURİZM BAKANLIĞI
THE MINISTRY OF CULTURE AND TOURISM

TURİZM İŞLETMESİ BELGESİ
The Certificate Of Tourism Establishment

İŞLETMENİN

Adı : İBİS İZMİR OTEL

Sınıfı ve Türü : 3 YILDIZLI OTEL

Adresi : ALSANCAK MAH. ATATÜRK CAD.NO:404/410 KONAK/İZMİR

Belge Sahibi : TAMARİS TURİZM A.Ş.

Tarih ve Sayı : 22/07/2011 - 13127

Çalışma Saatleri : GENELGESİNDE GÖSTERİLMİŞTİR

Kapasite : 138 ODA (2 Y)+2 BEDENSEL ENGELLİ ODASI (2 Y)
TOPLAM:140 ODA-280 YATAK, 65 KİŞİLİK 2. SINIF
LOKANTA, 40 KİŞİLİK TOPLANTI SALONU, LOBİ BAR.


Dr. Adnan ASLAN
Bakan a.
Genel Müdür V.

T-1 SERİSİ No: 004721

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

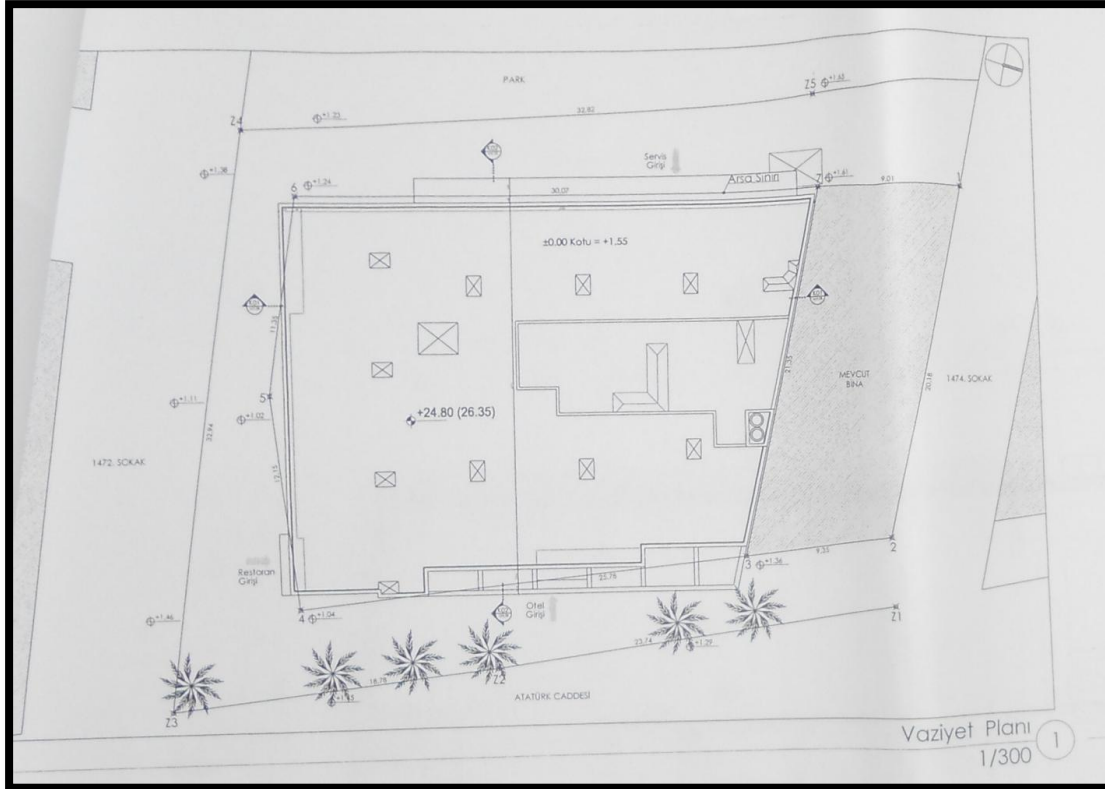
Akfen REIT İzmir Ibis Hotel Architectural Project Floor Areas and Functions

The Hotel Block - According to the Architectural Project

2nd Basement Floor	595,73	sqm	Shelter Areas, Heating Center, Water Tanks and Technical Areas
1st Basement Floor	311,42	sqm	Office, Maintenance Workshop, Electricity Room, Kitchen Warehouses, Laundry Room, Personnel Dining Hall, Housekeeping Room, Personnel Room for Men and Women, Archive and Uniform Room
Ground Floor	595,62	sqm	Reception, Restaurant, Bar, Offices, Kitchen, General Director's Room, Waste Rooms, Meeting Rooms and Toilets
1st Normal Bedroom Floor	626,90	sqm	Rooms and service room-20 rooms
2nd Normal Bedroom Floor	626,90	sqm	Rooms and service room-20 rooms
3rd Normal Bedroom Floor	627,70	sqm	Rooms and service room-20 rooms
4th Normal Bedroom Floor	623,60	sqm	Rooms and service room-20 rooms
5th Normal Bedroom Floor	623,60	sqm	Rooms and service room-20 rooms
6th Normal Bedroom Floor	623,60	sqm	Rooms and service room-20 rooms
7th Normal Bedroom Floor	627,70	sqm	Rooms and service room-20 rooms
The Roof Floor	-	sqm	Elevator Machinery Room and Air Conditioning Systems
Total Area of the Hotel Block	5.882,77*	sqm	

***In the area size section of the building license dated 10.10.2011, with certification no 80, received for 5.760 sqm, the gaps have not been included and in the area distribution table prepared according to the architectural project these gaps have been mentioned.*

SİTE PLANI



5.3 The Structural Construction Characteristics of the Subject Immovable Property

Building Name	Ibis Hotel
Total Building Area	5.760,00 sqm (According to the Building License and the Occupancy Permit) (The gaps are included in the building license.) 5.882,77 sqm (According to the physical conditions and the approved architectural project)
Age	≈6 Months
Construction Style	Concrete carcass
Construction Order	Adjacent Order
The Number of Floors in the Building	10 floors (2 basement floors + ground + 7 normal floors)
Exterior Facade	Aluminum and glass
Electricity	Network
Heating System	Available
Water	Network
Sewage System	Available
Elevator	Available
Ventilation System	Available
Fire Escape	Available
Fire Extinguishing System	Available

Building Name	Purpose of Use	Ground	Ceiling	Joinery	Lighting
2 nd Basement storey	Shelter area, heating center, water tanks	Ceramic	Paint over gypsum	PVC	Fluorescent fixture
1 st Basement Storey	Office, maintenance workshop, Electricity, laundry room, archive	Ceramic	Paint over gypsum	PVC	Fluorescent fixture
Ground Storey	Reception, restaurant, bar, offices, kitchen, general manager's room, waste rooms, meeting rooms and restrooms	Ceramic	Paint over gypsum	PVC	Fluorescent fixture
1 st Normal Storey	20 bed rooms, electrical room, linen room and soiled line room	Carpeting and Laminate Parquet	Plaster Board	Wood	Fluorescent fixture
2 st Normal Storey	20 bed rooms, electrical room, linen room and soiled line room	Carpeting and Laminate Parquet	Plaster Board	Wood	Fluorescent fixture
3 st Normal Storey	20 bed rooms, electrical room, linen room and soiled line room	Carpeting and Laminate Parquet	Plaster Board	Wood	Fluorescent fixture
4 st Normal Storey	20 bed rooms, electrical room, linen room and	Carpeting and Laminate	Plaster Board	Wood	Fluorescent fixture

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	soiled line room	Parquet			
5 st Normal Storey	20 bed rooms, electrical room, linen room and soiled line room	Carpeting and Laminate Parquet	Plaster Board	Wood	Fluorescent fixture
6 st Normal Storey	20 bed rooms, electrical room, linen room and soiled line room	Carpeting and Laminate Parquet	Plaster Board	Wood	Fluorescent fixture
7 st Normal Storey	20 bed rooms, electrical room, linen room and soiled line room	Carpeting and Laminate Parquet	Plaster Board	Wood	Fluorescent fixture

5.4 The Detections on the Site of the Immovable Property

- The hotel opened on 06/24/2013.
- The subject immovable property is Ibis Hotel.
- The immovable property is a corner parcel.
- The immovable property has around 25 meters of facade to Atatürk Avenue and around 15 meters of facade to the 1472nd Street.
- The immovable property is surrounded by a wooden pane of around 2 meters of height.
- The immovable property has a plain topography.
- In the vicinity of the immovable property are Tariş, Customs Directorate, İzmir Büyük Dershane, Final Dershane, Migros, Alsancak Dental Health Care Center, former Tekel warehouses, Alsancak multi-storey parking lot, Soil Products Office, Aliğa-Cumaovası subway station, Punta Residence, Aksoy Residence, Kordon Kule Residence, Alsancak Train Station, Alsancak Port, Historical Gas Factory, taxi station and business centers.
- The immovable property has high attraction due to its proximity with the city center and 1. Kordon whereas the area on its south and the western facade extending until Kıbrıs Şehitleri Avenue are less favorable in terms of social brisk.
- The access to the immovable property is very easy because it is at a central location and in proximity with the main arteries.
- Konak has become an area meeting the luxurious hotel demand due to the rising demand for high quality services and the density in the city center.
- The luxurious houses and offices targeting medium and upper income levels are located in the area of the subject immovable property.
- The area of the immovable property is highly recognized.
- There are buildings of significance in proximity with the immovable property.
- The immovable property is located in social accessories and recreation areas.
- The immovable property has high visibility.

SECTION 6

THE HIGHEST AND BEST USE ANALYSIS

SECTION 6

THE HIGHEST AND THE BEST USE ANALYSIS

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

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

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

The zoning plans in our country are not able to keep up with the rate of urbanization and remain relatively static. This results in the financially achievable and the most efficient use of an appraised property, generating the highest return, not being allowed by the statute. In conclusion, any use that is not allowed by the statute and thus is not physically possible may not be accepted as the best use of the highest efficiency.

Valuation of the most effective and efficient use of the property, its location, around the building, and building requirements, zoning status, given the "**Trade Option Residential Zone**" uses of purpose.

SECTION 7
FACTORS THAT AFFECT THE VALUE OF THE REAL
PROPERTY

SECTION 7**FACTORS THAT AFFECT THE VALUE OF THE REAL PROPERTY****7.1 Factors that Affect the Value of the Real Property**

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none">✓ The property in question is situated at the city center of İzmir.✓ The region where the property is located is also the geographical center of the city.✓ It is highly accessible.✓ Infrastructure located in an area that was completed,✓ It is close to Alsancak Harbor and the fair.✓ It has strong transportation links thanks to its proximity to İzmir Harbor and main axis.✓ It is situated in a developing region.✓ It is close to social outfits.✓ It has a high perceptibility because it is located at the corner.✓ It has a front to Atatürk Street.✓ The appraised property has the building use permit.	<ul style="list-style-type: none">- Parking problems in the area of the property to be taking place
OPPORTUNITIES	THREATS
<ul style="list-style-type: none">✓ Since the property is located at the corner and it has open frontage, it has a high visibility for advertisement.✓ Due to the fact that the property is close to Alsancak Harbor, the project to be developed on it will add value to the property.✓ High-quality constructions are in increase in the vicinity of the property, thus it is expected to be an attraction center.	<ul style="list-style-type: none">* Close to the appraised property in the presence of prestigious hotel rate increases competition in the region.

7.2. The Analysis of methods Used in the Appraisal

In this section of the study, sales comparison method is used for the value of the real estate.

7.2.1. Similar Sales Comparison Analysis

The property similar values obtained further to the studies in the neighbourhood of the property are as follows.

- It has been found out that a plot at the same locality with the real property under appraisal, facing the side street at the end of the Kibris Şehitleri Avenue, with residential area zoning and commercial option, of 310 sqm surface area in total, and 300 sqm construction area, is on sale for 2,000,000 Euro. (6,452 Euro/sqm)-(18,945 TL/sqm)
- It has been found out that a plot at the same locality with the real property under appraisal, across the port, with a brick-made building of approximately 500 sqm on it, with commercial area zoning, of 3,000 sqm net surface area with right for construction of

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800 sqm base area, has been sold approximately 1 year ago for 18,000,000 TL. (6,000 TL/sqm)

- It has been found out that a plot at the same locality with the real property under appraisal, facing the Alsancak Bornova Street (1469th St.), near the Tax office, at a close distance to the Alsancak Train Station Dental Hospital and the Kıbrıs Şehitleri Avenue, as a corner parcel of 240 sqm surface area, with 6-storey residential area zoning and commercial option, is on sale for 2,500,000 TL. (10,417 TL/sqm)
- It has been found out that a plot at the same locality with the real property under appraisal, facing the side street at the end of the Kıbrıs Şehitleri Avenue, of 80 sqm surface area in total with 74 sqm construction area, is on sale for 500,000 TL. (6,250 TL/sqm)
- It has been found out that a plot on the north of the real property under appraisal, in the area between the Kıbrıs Şehitleri Avenue, with 4 stories residential unit zoning and commercial option, of 1,475 sqm surface area, currently being used as a parking lot, is on sale for 9,000,000 TL. (6,102 TL/sqm)
- It has been found out that any lands that may pose as equivalents for the aforesaid real property are not available in the area of the real property, and due to reasons such as the fact that the real property does not have a sea view, and it has a central location, the sqm unit price could be in the range of 7,500 TL/sqm- 9,500 TL/sqm.

Coefficient No	Area (sqm)	Qualification	Price (TL/sqm)	Explanation
1	310	Commercial + Housing	18.945	Facing the side street at the end of the Kıbrıs Şehitleri Avenue
2	500	Commercial + Housing	6.000	Across the port, with a brick-made building of approximately 500 sqm on it
3	240	Commercial + Housing	10.417	Facing the Alsancak Bornova Street (1469 th St.), near the Tax office
4	80	Commercial + Housing	6.250	Facing the side street at the end of the Kıbrıs Şehitleri Avenue
5	1.475	Commercial + Housing	6.102	In the area between the Kıbrıs Şehitleri Avenue

✓ Professional Opining of the Appraisal Expert:

Considering the location of the appraised property, its proximity to the city center and harbour, and means of transportation; the zoning status, the area, geometrical shape, being located in seismic zone, as factor in the value of all properties can be taken into account and according to the similar property values obtained in the vicinity; taking into account the economic situation of the country's real estate assessment of the property value has been appreciated as follows:

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SUPERFICIES VALUE OF THE LAND				
1 sqm Land Value (*) 45,73/49 years(**)	6.208	.-TL/sqm		
Land Size	629,00	sqm		
Total Land Value	3.904.539	.-TL	1.329.657	EURO
(*) As the unit value for the land; 70% of the 9.500 TL/sqm commercially-zoned value has been taken into consideration as the value of the 49 years-long superficiesies.				
The Detail of the Land Value Calculation = (zoned parcel value x 49 years superficies coefficient x time period)				
= 9.500(TL/sqm) x 0.70 x 45,73/49				
= 6.208 (TL/sqm)				

7.2.2 Cost Formation Analysis

In this analysis, the building cost values of the property have been calculated with cost formation approach; according to the costs estimated by basing on the technical properties and the materials of the buildings, the construction costs of other buildings with same properties in the market and our past experiences. The depreciation margin of the buildings has been calculated by considering the visible physical condition of the building as based on the appraiser's experiences.

The construction costs used to calculate the present status of the real property are the construction costs of the completed project. The construction cost values have been taken from the accounting records of Akfen GYO A.Ş.

TOTAL COST (€)	
Total Land Cost (€)	1.329.657
Current Construction Cost (€)	6.516.864
TOTAL VALUE (€)	7.846.521
TOTAL VALUE (TL)	23.041.310
TOTAL APPROXIMATE VALUE (TL)	23.040.000

7.2.3 Project Appraisal Approach

In the suggested project, for the annual rental values, it was assumed that the conditions of the agreement between the General Directorate of Foundations and Akfen Yatırım Gayrimenkul Yatırım Ortaklığı A.Ş., dated 16.09.2010, numbered 09060 will be prevailing. The assumptions are according to the market researches within the sector as well as the general presumptions.

Project Assumptions;

- During the appraisal study, the area information on the architectural project was used.
- In the project development approach, it was assumed that on the subject parcel, the 3-star Ibis Hotel will be constructed and operated.
- It was projected that the 3-star hotel will have 140 rooms.
- It was assumed that the occupancy rates of the average room capacity of the hotel will start with 65% in 2014 and rise up to 80% by 2017 and remain stable afterwards.

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- The prices in the hotel are projected to be in bed and breakfast system. As a result of the examinations in tourism sector and the area, it has been assumed that the room price will be €57,20 with the opening of the hotel in 2014 and will rise by 4.00% in years.
- It was assumed that all costs will be actualized by the investing company.
- Lunch and dinner, the beverages, laundry and other expenditures that are considered as extra expenditures in 3-star hotels have been added to the other income sources. The revenues projected for this item has been projected as 18% of the total revenues. It was assumed that this rate will remain stable; however, the revenue will rise in proportion with the general revenues.
- It was projected that the Gross Operating Profit in the 3-star hotel will start with 35% and will rise in the following years up to 54% with the rise in the occupancy rate.
- It was projected that in the 3-star hotel, the renovation cost will be around 1.5% of the fixed asset investment and in the year 2016, it will start up in proportion with the days the hotel is open and will rise by the rate of inflation in the years to follow.
- Within the scope of the project, according to the architectural project, the areas and functions used in the floors will be as follows.

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Akfen REIT Izmir Ibis Hotel Architectural Project Floor Areas and Functions			
The Hotel Block - According to the Architectural Project			
2nd Basement Floor	595,73	sqm	Shelter Areas, Heating Center, Water Tanks and Technical Areas
1st Basement Floor	311,42	sqm	Office, Maintenance Workshop, Electricity Room, Kitchen Warehouses, Laundry Room, Personnel Dining Hall, Housekeeping Room, Personnel Room for Men and Women, Archive and Uniform Room
Ground Floor	595,62	sqm	Reception, Restaurant, Bar, Offices, Kitchen, General Director's Room, Waste Rooms, Meeting Rooms and Toilets
1st Normal Bedroom Floor	626,90	sqm	Rooms and service room-20 rooms
2nd Normal Bedroom Floor	626,90	sqm	Rooms and service room-20 rooms
3rd Normal Bedroom Floor	627,70	sqm	Rooms and service room-20 rooms
4th Normal Bedroom Floor	623,60	sqm	Rooms and service room-20 rooms
5th Normal Bedroom Floor	623,60	sqm	Rooms and service room-20 rooms
6th Normal Bedroom Floor	623,60	sqm	Rooms and service room-20 rooms
7th Normal Bedroom Floor	627,70	sqm	Rooms and service room-20 rooms
The Roof Floor	-	sqm	Elevator Machinery Room and Air Conditioning Systems
Total Area of the Hotel Block	5.882,77*	sqm	

- It was assumed that the building insurance value will be €10.997 in 2014 according to the value provided by the customer and will rise each year by 2.5%.
- The Hotel project ownership of land in immovable property belonging to the General Directorate of Foundations operations as of the end of June 2013 has elapsed and Tourism Management Certificate is assumed to receive. Subject to the General Directorate of Foundations of hotel ownership of the land is owned by the estate tax exemption of the reason is assumed.
- It was assumed that the payment plan will be prepared according to the amounts specified in the agreement between the General Directorate of Foundations and Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. dated 16.09.2010 and numbered 09060.

IBIS HOTEL SUMMARY CHART	
NUMBER OF ROOMS	140
NUMBER OF BEDS	280
DAYS OPEN	365
ANNUAL ROOM CAPACITY	51.100
ROOM PRICE (€)(2013)	57,20
ROOM PRICE RISING RATE (For first 10 years) (%)	4,0%
OTHER REVENUE RATE (%)	2,5%
RENOVATION COST RATE	18%
REAL ESTATE TAX RISING RATE	1,5%
BUILDING INSURANCE RISING RATE	2,5%
CAPITALIZATION RATE - OPERATION MODEL	9,75%
CAPITALIZATION RATE - RENTAL MODEL	7,50%

- In the appraisal study, the rate of 4,37% which is the Eurobond rate of the last 6 months of 2020 has been regarded as the "Risk-Free Rate of Return". (In this appraisal study, the longest term 2020 Eurobond return rate has been selected as the risk-free rate of return.)
- The rate of reduction has been set as 9,75% in the projection.

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- It was assumed that the operation will extend as long as the term of the agreement between the General Directorate of Foundations and Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. dated 16.09.2010, numbered 09060.
- It was assumed that all payments will be in upfront.
- It was assumed that all legal procedures have been fulfilled for the immovable property.
- Euro was used during the studies.
- The IVSC tax has not been included.

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3-STAR HOTEL CASH FLOW																										
YEARS	31.12.2013	31.12.2014	31.12.2015	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022	31.12.2023	31.12.2024	31.12.2025	31.12.2026	31.12.2027	31.12.2028	31.12.2029	31.12.2030	31.12.2031	31.12.2032						
Capacity Utilization Rate (%)		65%	70%	75%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%						
Annual Room Capacity		51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100						
Room Price (€)		57,20	59,49		61,87	64,34	66,92	69,59	72,38	75,27	78,28	81,41	83,45	85,53	87,67	89,87	92,11	94,41	96,77	99,19						
Room Revenue (€)		1.899.898	2.127.886		2.371.073	2.630.310	2.735.522	2.844.943	2.958.741	3.077.091	3.200.174	3.328.181	3.411.386	3.496.670	3.584.087	3.673.689	3.765.532	3.859.670	3.956.162	4.055.066						
Other Revenues (€) (%20)		341.982	383.019		426.793	473.456	492.394	512.090	532.573	553.876	576.031	599.073	614.049	629.401	645.136	661.264	677.796	694.741	712.109	729.912						
Total Hotel Revenues (€)		2.241.880	2.510.905		2.797.866	3.103.766	3.227.916	3.357.033	3.491.314	3.630.967	3.776.206	3.927.254	4.025.435	4.126.071	4.229.223	4.334.953	4.443.327	4.554.410	4.668.271	4.784.978						
GOP (%)		40%	45%		50%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%						
GOP (€)		896.752	1.129.907		1.398.933	1.676.034	1.743.075	1.812.798	1.885.310	1.960.722	2.039.151	2.120.717	2.173.735	2.228.078	2.283.780	2.340.875	2.399.397	2.459.382	2.520.866	2.583.888						
Costs (€)		896.752	1.129.907		1.398.933	1.676.034	1.743.075	1.812.798	1.885.310	1.960.722	2.039.151	2.120.717	2.173.735	2.228.078	2.283.780	2.340.875	2.399.397	2.459.382	2.520.866	2.583.888						
HOTEL AREA NET CASH FLOWS		-1.345.128	-1.380.998		-1.398.933	-1.427.732	-1.484.842	-1.544.235	-1.606.005	-1.670.245	-1.737.055	-1.806.537	-1.851.700	-1.897.993	-1.945.443	-1.994.079	-2.043.931	-2.095.029	-2.147.405	-2.201.090						
Renovation Cost (%1,5)		896.752	1.129.907		1.398.933	1.676.034	1.743.075	1.812.798	1.885.310	1.960.722	2.039.151	2.120.717	2.173.735	2.228.078	2.283.780	2.340.875	2.399.397	2.459.382	2.520.866	2.583.888						
Real Estate Tax (Rise %2,5)		0	0		-97.753	-100.197	-102.702	-105.269	-107.901	-110.599	-113.363	-116.198	-119.102	-122.080	-125.132	-128.260	-131.467	-134.754	-138.122	-141.575						
Building Insurance (Rise %2,5)		0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
Construction Cost		-10.997	-11.272		-11.554	-11.843	-12.139	-12.442	-12.753	-13.072	-13.399	-13.734	-14.077	-14.429	-14.790	-15.160	-15.539	-15.927	-16.325	-16.733						
Rental Value (€)		-105.366	-108.000		-110.700	-113.467	-116.304	-119.212	-122.192	-125.247	-128.378	-131.587	-134.877	-139.248	-196.029	-200.930	-205.953	-211.102	-216.380	-221.789						
HOTEL NET CASH FLOWS		780.389	1.010.635		1.178.926	1.450.527	1.511.930	1.575.875	1.642.464	1.711.805	1.784.011	1.859.198	1.905.678	1.900.321	1.947.829	1.996.525	2.046.438	2.097.599	2.150.039	2.203.790						
END-OF-TERM VALUE																										
NET CASH FLOWS	0	780.389	1.010.635		1.178.926	1.450.527	1.511.930	1.575.875	1.642.464	1.711.805	1.784.011	1.859.198	1.905.678	1.900.321	1.947.829	1.996.525	2.046.438	2.097.599	2.150.039	2.203.790						
31.12.2033	31.12.2034	31.12.2035	31.12.2036	31.12.2037	31.12.2038	31.12.2039	31.12.2040	31.12.2041	31.12.2042	31.12.2043	31.12.2044	31.12.2045	31.12.2046	31.12.2047	31.12.2048	31.12.2049	31.12.2050	31.12.2051	31.12.2052	31.12.2053	31.12.2054	31.12.2055	31.12.2056	31.12.2057	31.12.2058	16.09.2059
80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100	51.100	
104,22	106,82	109,49	112,23	115,04	117,91	120,86	123,88	126,98	130,15	133,41	136,74	140,16	143,66	147,25	150,94	154,71	158,58	162,54	166,61	170,77	175,04	179,42	183,90	188,50	193,21	
4.260.353	4.366.862	4.476.034	4.587.935	4.702.633	4.820.199	4.940.704	5.064.221	5.190.827	5.320.598	5.453.613	5.589.953	5.729.702	5.872.944	6.019.768	6.170.262	6.324.519	6.482.632	6.644.697	6.810.815	6.981.085	7.155.612	7.334.503	7.517.865	7.705.812	7.898.457	
766.864	786.035	805.686	825.828	846.474	867.636	889.327	911.560	934.349	957.708	981.650	1.006.192	1.031.346	1.057.130	1.083.558	1.110.647	1.138.413	1.166.874	1.196.046	1.225.947	1.256.595	1.288.010	1.320.210	1.353.216	1.387.046	1.421.722	
5.027.217	5.152.897	5.281.720	5.413.763	5.549.107	5.687.835	5.830.030	5.975.781	6.125.176	6.278.305	6.435.263	6.596.144	6.761.048	6.930.074	7.103.326	7.280.909	7.462.932	7.649.505	7.840.743	8.036.761	8.237.680	8.443.622	8.654.713	8.871.081	9.092.858	9.320.179	
54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	
2.714.697	2.782.565	2.852.129	2.923.432	2.996.518	3.071.431	3.148.216	3.226.922	3.307.595	3.390.285	3.475.042	3.561.918	3.650.966	3.742.240	3.835.796	3.931.691	4.029.983	4.130.733	4.234.001	4.339.851	4.448.347	4.559.556	4.673.545	4.790.384	4.910.143		
-2.312.520	-2.370.333	-2.429.591	-2.490.331	-2.552.589	-2.616.404	-2.681.814	-2.748.859	-2.817.581	-2.888.020	-2.960.221	-3.034.226	-3.110.082	-3.187.834	-3.267.530	-3.349.218	-3.432.949	-3.518.772	-3.606.742	-3.696.910	-3.789.333	-3.884.066	-3.981.168	-4.080.697	-4.182.715		
2.714.697	2.782.565	2.852.129	2.923.432	2.996.518	3.071.431	3.148.216	3.226.922	3.307.595	3.390.285	3.475.042	3.561.918	3.650.966	3.742.240	3.835.796	3.931.691	4.029.983	4.130.733	4.234.001	4.339.851	4.448.347	4.559.556	4.673.545	4.790.384	4.910.143		
-148.743	-152.461	-156.273	-160.180	-164.184	-168.289	-172.496	-176.808	-181.229	-185.759	-190.403	-195.163	-200.042	-205.043	-210.170	-215.424	-220.809	-226.330	-231.988	-237.788	-243.732	-249.826	-256.071	-262.473	-269.035		
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
-17.580	-18.020	-18.470	-18.932	-19.406	-19.891	-20.388	-20.898	-21.420	-21.956	-22.504	-23.067	-23.644	-24.235	-24.841	-25.462	-26.098	-26.751	-27.420	-28.105	-28.808	-29.528	-30.266	-31.023	-31.798		
-233.017	-238.843	-244.814	-250.934	-257.207	-263.638	-270.229	-276.984	-283.909	-291.007	-298.282	-305.739	-313.382	-321.217	-329.247	-337.478	-345.915	-354.563	-363.427	-372.513	-381.826	-391.371	-401.156	-411.185	-421.464		
2.315.357	2.373.241	2.432.572	2.493.386	2.555.721	2.619.614	2.685.104	2.752.232	2.821.037	2.891.563	2.963.852	3.037.949	3.113.897	3.191.745	3.271.539	3.353.327	3.437.160	3.523.089	3.611.166	3.701.446	3.793.982	3.888.831	3.986.052	4.085.703	4.187.846		
2.315.357	2.373.241	2.432.572	2.493.386	2.555.721	2.619.614	2.685.104	2.752.232	2.821.037	2.891.563	2.963.852	3.037.949	3.113.897	3.191.745	3.271.539	3.353.327	3.437.160	3.523.089	3.611.166	3.701.446	3.793.982	3.888.831	3.986.052	4.085.703	4.187.846		

VALUATION TABLE			
Risk free Rate	4,37%	4,37%	4,37%
Risk Premium	4,88%	5,38%	6,38%
DISCOUNT RATE	9,25%	9,75%	10,75%
NET PRESENT VALUE (EURO)	18.860.268	17.677.922	15.650.860
NET PRESENT VALUE (TL)	55.383.176	51.911.217	45.958.752

7.2.4 The Value of the Project According to Rental Revenue

- In this study, according to the framework agreement between Akfen GYO A.Ş. and Accor Group, it was assumed that the hotel will be operated by Accor Group in the 3-star Ibis Hotel concept.
- **For the hotel under appraisal, right of construction of which is owned by Akfen Gayrimenkul Yatırım Ortaklığı A.Ş., the annual rental amount to be paid by the international hotel operation company Accor Group will be either twenty five percent (25%) of the gross revenue (exclusive of VAT) or the amount that is seventy percent (70%) of the adjusted gross operation revenue, obtained by making a total deduction of 8% from the gross revenue, as 4% for Accor fee and 4% as furniture and fixtures renewal reserve, whichever is higher.**
- It was assumed that the hotel will have 140 rooms.
- It was assumed that in the suggested project, the hotel will be open for 365 days in a year.
- The construction rights for the hotel under appraisal are under Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. while it will be operated by Accor Group, an international hotel operation company. The projected occupancy rates of the hotel, the items affecting bed/room price potentials have been provided with the assumption that the hotel will be operated as a 3-star city hotel.
- On the basis of the figures of the other hotel projects in the vicinity, it was assumed that the sale value of the rooms will start as €57,20 in 2014 and will rise by 4.0% in the years to follow.
- It was projected that in the suggested project, the hotel occupancy rate will be 65% in 2014, 70% in 2015, 75% in 2016 and 80% in 2017 and will remain stable in the years to follow.
- In the suggested project, other than the rooms sold in the hotel, the extra food revenues have been included in the total revenues of the hotel within the other revenues and the proportion of the other revenues has been regarded as 18%.
- In the project, on the basis of the efficiency of the other similar hotel projects in the vicinity, it was assumed that the profitability of the hotel will start with 40% in 2014, rise up to 54% in 2017 and will be stable afterwards.
- According to the rental and operation agreement signed by and between the General Directorate of Foundations and Akfen Yatırım Gayrimenkul Yatırım Ortaklığı A.Ş., it was assumed that regular rental payment will be made annually.
- The annual average of the Producer Price Index rate specified in the rental and operation agreement has been regarded as 2.5% and it was assumed that this rate will be stable in the years to follow.
- It was assumed that the entire building will be constructed in the 3-star hotel standards of Akfen REIT.
- It was assumed that all payments have been made in upfront.
- It was assumed that all legal procedures of the immovable property have been completed and all required permits have been received.
- In the appraisal study, the rate of 4,37% which is the Eurobond rate of the last 6 months of 2020 has been regarded as the "Risk-Free Rate of Return". (In this appraisal study, the longest term 2020 Eurobond return rate has been selected as the risk-free rate of return.)
- The IVSC tax has not been included.

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- In this study, it was assumed that the hotel to be developed on the lot that was leased with the 49-year rental, building and operation agreement will be leased to Accor Group. The calculations for the rental values have been made on the assumption that the risk premium on the rental revenues of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. will be very low. With the addition of the “Risk Premium” of 4,37% on the “Risk-Free Rate of Return” of 3.13% and the rate of reduction has been projected as 7.50%.
- The low rate of reduction and risk premium were provided on the assumption that the rental revenues guaranteed by the international recognition and brand power of Accor will be detected in years.
- During the studies, the unit price and the total values have been calculated in Euro. 1 EURO has been regarded as 2,9365 TL.

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IBIS HOTEL NET CASH FLOW		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
YEARS	31.12.2013	31.12.2014	31.12.2015	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022	31.12.2023	31.12.2024	31.12.2025	31.12.2026	31.12.2027	31.12.2028	31.12.2029	31.12.2030	31.12.2031	31.12.2032
IBIS HOTEL OVER HOTEL REVENUES																				
AGOP IBIS HOTEL	0	560.470	627.726	699.466	775.941	806.979	839.258	872.829	907.742	944.051	981.813	1.006.359	1.031.518	1.057.306	1.083.738	1.110.832	1.138.603	1.167.068	1.196.244	1.226.150
AGOP IBIS HOTEL	0	502.181	650.324	822.573	999.413	1.039.389	1.080.965	1.124.203	1.169.171	1.215.938	1.264.576	1.296.190	1.328.595	1.361.810	1.395.855	1.430.751	1.466.520	1.503.183	1.540.763	1.579.282
USED IBIS HOTEL RENTAL REVENUE	0	560.470	650.324	822.573	999.413	1.039.389	1.080.965	1.124.203	1.169.171	1.215.938	1.264.576	1.296.190	1.328.595	1.361.810	1.395.855	1.430.751	1.466.520	1.503.183	1.540.763	1.579.282
INSURANCE VALUE (EURO)	0	-10.997	-11.272	-11.554	-11.843	-12.139	-12.442	-12.753	-13.072	-13.399	-13.734	-14.077	-14.429	-14.790	-15.160	-15.539	-15.927	-16.325	-16.733	-17.152
REAL ESTATE TAX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
RENOVATION COST (EURO) (%0,05)	0	0	0	-4.888	-5.010	-5.135	-5.263	-5.395	-5.530	-5.668	-5.810	-5.955	-6.104	-6.257	-6.413	-6.573	-6.738	-6.906	-7.079	-7.256
Rental Value (€)		-105.366	-108.000	-110.700	-113.467	-116.304	-119.212	-122.192	-125.247	-128.378	-131.587	-134.877	-191.248	-196.029	-200.930	-205.953	-211.102	-216.380	-221.789	-227.334
TOTAL NET OPERATION REVENUES (EURO)	0	444.107	531.053	695.431	869.093	905.811	944.047	983.863	1.025.323	1.068.493	1.113.445	1.141.281	1.116.814	1.144.734	1.173.352	1.202.686	1.232.753	1.263.572	1.295.162	1.327.541
NET CASH FLOWS (EURO)	0	444.107	531.053	695.431	869.093	905.811	944.047	983.863	1.025.323	1.068.493	1.113.445	1.141.281	1.116.814	1.144.734	1.173.352	1.202.686	1.232.753	1.263.572	1.295.162	1.327.541

20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46
31.12.2033	31.12.2034	31.12.2035	31.12.2036	31.12.2037	31.12.2038	31.12.2039	31.12.2040	31.12.2041	31.12.2042	31.12.2043	31.12.2044	31.12.2045	31.12.2046	31.12.2047	31.12.2048	31.12.2049	31.12.2050	31.12.2051	31.12.2052	31.12.2053	31.12.2054	31.12.2055	31.12.2056	31.12.2057	31.12.2058	16.09.2059
1.256.804	1.288.224	1.320.430	1.353.441	1.387.277	1.421.959	1.457.508	1.493.945	1.531.294	1.569.576	1.608.816	1.649.036	1.690.262	1.732.519	1.775.831	1.820.227	1.865.733	1.912.376	1.960.186	2.009.190	2.059.420	2.110.906	2.163.678	2.217.770	2.273.214	2.330.045	1.202.547
1.618.764	1.659.233	1.700.714	1.743.232	1.786.812	1.831.483	1.877.270	1.924.202	1.972.307	2.021.614	2.072.155	2.123.958	2.177.057	2.231.484	2.287.271	2.344.453	2.403.064	2.463.141	2.524.719	2.587.837	2.652.533	2.718.846	2.786.818	2.856.488	2.927.900	3.001.098	1.548.880
1.618.764	1.659.233	1.700.714	1.743.232	1.786.812	1.831.483	1.877.270	1.924.202	1.972.307	2.021.614	2.072.155	2.123.958	2.177.057	2.231.484	2.287.271	2.344.453	2.403.064	2.463.141	2.524.719	2.587.837	2.652.533	2.718.846	2.786.818	2.856.488	2.927.900	3.001.098	1.548.880
-17.580	-18.020	-18.470	-18.932	-19.406	-19.891	-20.388	-20.898	-21.420	-21.956	-22.504	-23.067	-23.644	-24.235	-24.841	-25.462	-26.098	-26.751	-27.420	-28.105	-28.808	-29.528	-30.266	-31.023	-31.798	-32.593	-23.706
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
-7.437	-7.623	-7.814	-8.009	-8.209	-8.414	-8.625	-8.840	-9.061	-9.288	-9.520	-9.758	-10.002	-10.252	-10.508	-10.771	-11.040	-11.316	-11.599	-11.889	-12.187	-12.491	-12.804	-13.124	-13.452	-13.788	-10.028
-233.017	-238.843	-244.814	-250.934	-257.207	-263.638	-270.229	-276.984	-283.909	-291.007	-298.282	-305.739	-313.382	-321.217	-329.247	-337.478	-345.915	-354.563	-363.427	-372.513	-381.826	-391.371	-401.156	-411.185	-421.464	-432.001	-442.801
1.360.729	1.394.747	1.429.616	1.465.356	1.501.990	1.539.540	1.578.029	1.617.479	1.657.916	1.699.364	1.741.848	1.785.394	1.830.029	1.875.780	1.922.675	1.970.741	2.020.010	2.070.510	2.122.273	2.175.330	2.229.713	2.285.456	2.342.592	2.401.157	2.461.186	2.522.716	1.072.345
1.360.729	1.394.747	1.429.616	1.465.356	1.501.990	1.539.540	1.578.029	1.617.479	1.657.916	1.699.364	1.741.848	1.785.394	1.830.029	1.875.780	1.922.675	1.970.741	2.020.010	2.070.510	2.122.273	2.175.330	2.229.713	2.285.456	2.342.592	2.401.157	2.461.186	2.522.716	1.072.345

VALUATION TABLE			
Risk free Rate	4,37%	4,37%	4,37%
Risk Premium	2,88%	3,13%	3,88%
DISCOUNT RATE	7,25%	7,50%	8,25%
NET PRESENT VALUE (EURO)	14.779.912	14.219.533	12.723.593
NET PRESENT VALUE (TL)	43.401.212	41.755.658	37.362.831

REPORT NO: 2013REVC168

REPORT DATE: 03.02.2014

*CONFIDENTIAL

7.2.5 Evaluation of Analysis Results

In the study, for the lot value, coefficient comparison approach was used and for the hotel, project development approach was used.

- According to the coefficient comparison approach, the right value arising from the agreement on the lot leased with the rental, building and operation agreement by Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. has been calculated as TL3.900.000.
- According to the project development approach, the final value has been appraised as the average of the project value of the hotel 3 stars, which is 17.678.000.-€ and the net current rental value, which is 14.220.000.- €, corresponding to 46.833.000.-TL (Fortysixmillioneighthundredthirtythreethousand.-TL) (15.949.000.- €).

The owner of the subject immovable property is the General Directorate of Foundations and the immovable property has been leased by Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. for a term of 49 years.

Pursuant to paragraph “a” of the 22nd article of the communique of the Capital Markets Board on real property investment partnerships, **(art. 22/a: For the purpose of generating purchase-sale profit or lease revenue; they may purchase, sell, rent, lease and may promise to purchase or lease plots, lands, residential units, offices, shopping centers, hotels, logistics centers, warehouses, park, hospital and all types of other similar real properties.)**, it is believed that the real property under appraisal may be included within the Real Property Partnership field of activity.

In the appraisal study, in the detection of the physical conditions value, coefficient comparison approach method was used. The value of the hotel according to the rate of reduction in view of the rental revenue and the operations revenue was calculated with 2 methods. The hotel is currently leased to Accor group to be operated according to a rental agreement. The rental revenues guaranteed with the agreement were reduced with the low risk premium and the value was calculated according to the rental revenues.

Moreover, the value of the immovable property to be calculated according to the total revenues to be provided by it, has been calculated according to the operation revenues. In this method, the whole potential of the hotel, which will bring profits both for the property owner and for the operator, has been considered and in case of any sale, this value will be significant. For this reason, the value of the immovable property calculated according to the revenue reduction method has been calculated by taking the average of the two values found with the reduction of the guaranteed rental revenue and total operation potential revenues. The value of a real estate generating revenue depends on its performance and it was considered that the revenue reduction value calculated with 2 methods will be more appropriate.

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

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

SECTION 8 CONCLUSION

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

TOTAL VALUE ON 31 DECEMBER 2013 (Excluding VAT)	
46.833.000.-TL (Fortysixmillioneighthundredthirtythreeousand .-TL)	15.949.000.-EURO (Fifteenmillionninehundredfortyninethousand.- EURO)

TOTAL VALUE ON 31 DECEMBER 2013 (Including VAT)	
55.262.940.- TL (Fiftyfivemilliontwohundredsixtytwothousandninerhundered andforty.-tl)	18.819.820.-EURO (Eighteenmillioneighthundrednineteen thousandeighthundredandtwenty.-EURO)

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

2- VAT ratio has been accepted 18%.

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

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

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

Simge SEVİN AKSAN Appraiser (401124)	Bilge BELLER ÖZÇAM Responsible for the Appraiser(400512)
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SECTION 9
ANNEX

SECTION 9

ANNEX

Annex List

1	Copy Of The Tittle Deed
2	Approved Zoning Status Certificate
3	Approved Encumbrance Certificate
4	Building License
5	Photos
6	CV's
7	Spk Licenses
8	Sector Analysis