

AKFEN REAL ESTATE INVESTMENT TRUST INC.

CITY OF GAZIANTEP, DISTRICT OF SEHITKAMIL

BUILDING BLOCK NO. 5020, PLOT NO. 2

GAZIANTEP NOVOTEL AND IBIS HOTEL

REAL ESTATE APPRAISAL REPORT

Report No: 2015-020-GYO-006

Appraisal Date: 31.12.2015

Date of Report: 08.01.2015



(REAL ESTATE CONSULTANCY AND APPRAISAL INC.)

APPRAISAL REPORT SUMMARY

| | | |
|---|---|--|
| Person/Entity Requesting the Appraisal | : | Akfen Real Estate Investment Trust Inc. |
| Institution Preparing the Report | : | Epos Real Estate Consultancy and Appraisal Inc. |
| Date of Report: | : | 08. 01.2016 |
| Report No | : | 2014-020-GYO-006 |
| Date of Appraisal | : | 24.11. 2015 - 31.12.2015 |
| Information Concerning the Property Subject to the Appraisal | : | "12-Storeyed Concrete Hotel with/without Restaurant Building" real estate with an area of 11.035,40 m ² , located in the city of Gaziantep, district of Sehitkamil, Neighborhood of Yaprak, Block No: 5020, Plot No: 2. |
| Subject of Study | : | Determining the top current market value and the annual current lease value of the said real estate (building). |
| Land Area of the Real Estate Subject to the Appraisal | : | 6.750,00 m ² |
| Land Area of Closed Spaces of the Real Estate Subject to the Appraisal | : | Novotel: 7,520.43 m ² Ibis Hotel: 11.305,16 m ² Total: 18.825,59 m ² |
| Zoning Status of the Real Estate Subject to the Appraisal | : | Hotel Area |

As of 31.12.2015

| | Top Market Value of the Remaining (Building) of the Real Estate (EURO) | Top Market Value of the Remaining (Building) of the Real Estate (TL) |
|---------------------|---|---|
| VAT Excluded | 20.820.000 | 58.727.000 |
| VAT Included | 24.568.000 | 69.298.000 |

| | Annual Lease Value of the Real Estate (EURO) | Annual Lease Value of the Real Estate (TL) |
|---------------------|---|---|
| VAT Excluded | 1.276.000 | 3.599.000 |
| VAT Included | 1.506.000 | 4.247.000 |

- 1-) The appraised value is the current value regarding the cash sale price.
- 2-) The VAT ratio has been established at 18%.
- 3-) In this report, Euro buying rate of exchange on 02.11.2015 has been taken/accepted as 3,098 TL, USD as 2,8035 TL.
- 4-) This report has been prepared within the scope of the related Capital Market Legislation.

| | | |
|------------------------------|---|--------------------|
| Certified Appraiser | : | Hamdi ARIKAN |
| Certified Appraiser | : | Dilek YILMAZ AYDIN |
| Responsible Appraiser | : | Neşecan ÇEKİCİ |



Declaration of Conformity

- The findings hereby presented in this report are correct, within the scope of the information that the Appraisers had at their disposal.
- The analysis and their respective results are limited only according to the specified assumptions and conditions.
- The appraisers have no connection whatsoever to the property subject to the appraisal nor will they ever have.
- The appraisers are not biased in relation to the real estate and the related parties.
- The appraisal cost does not depend on any single part, analysis opinion or the results of the report.
- The appraisers have carried out the appraisal pursuant to the moral principles and performance standards.
- The appraisers meet the necessary professional education terms and possess the sufficient experience.
- The analysis, opinions and resulting values have been prepared in accordance with the International Valuation Standards (IVS - UDES).

Assumptions

- The value stated within this report is the value specified on the date of its preparation. The appraisers cannot be held responsible for the economic and/or physical changes that might affect the value herein stated, occurring after the date of this report.
- No comments in this report (even though the matters in question are discussed in the continuation of the report) have been made with the purpose of clarifying legal affairs, matters that might require special research and specialty or other issues that are beyond the scope of the area of expertise of the appraisers.
- No changes have been made to the information pertaining to the property. The authorities that provide the information related to the property and legal descriptions are generally accepted to be trustworthy; however, no guarantees are given with regard to their truthfulness.
- Documents and corresponding related information are found in the report as they have been procured from public institutions.
- The photographs, maps, images and diagrams have been used for illustrative purposes only, in the interest of further comprehending the matters mentioned in the report; thus, they cannot be used as a reliable reference for any other purpose.



- The projections subject to this appraisal have been performed in order to help the appraisal process by taking into account a stable economic process, in the case of a demand during the current market conditions. The projections depend on the variable market conditions, which the appraisers cannot accurately discern; moreover, it is possible that the value might be affected from these variable conditions.
- The appraisers do not possess the necessary qualifications to determine the dangerous or health threatening materials found within or in the proximity of the property. Throughout the value appraisal, it is assumed that such materials that might decrease the value are considered to be inexistent. No responsibility is accepted concerning this matter.
- Predictions and projections or business estimates included in this appraisal report depend on the current market conditions and short term supply, together with demand factors and a stable economy; consequently, these may present changes to plausible future conditions. No responsibility is accepted in the event that the opinions and results presented in the report are affected due to economic changes that might occur after its herein date.
- Unless stated otherwise, underground resources have not been taken into consideration.
- It is not possible for the appraisers to carry out a soil contamination investigation, in the matter of the property in question. For this reason, to the extent that it can be seen, it has been determined that there is no cause for concern in regard to soil contamination.
- On account of the area in question being an established earthquake zone, the subject of ground stability cannot be clarified without the performance of detailed geological surveys. For this reason, in behalf of the appraisal studies, it has been assumed that there are no negative issues presently concerning the ground.
- Soil investigation and soil contamination studies in real estate fall within the scope of the “Environmental Geophysics” field. Our company does not employ such a specialization, thus did not perform a detailed investigation regarding the aforementioned matter. However, in accordance with the observations carried at the locale, it has been established that the real estate poses no threat to the environment. For this reason, this appraisal has been carried out taking into consideration that there have not been any negative effects against the environment.

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1 REPORT INFORMATION

1.1 The Date, Number and Type of the Appraisal Report

Date of Report :08.01.2016

Report Number :2015-020-GYO-006

Type of Report :Appraisal report relative to the 12-Storeyed Concrete Hotel with/without Restaurant Building” real estate with an area of **6.750,00 m²** , located in the city of **Gaziantep**, district of **Sehitkamil**, Neighborhood of **Yaprak**, at **Block No: 5020**, **Plot No: 2**, for the purpose of determining current market value of its right of construction and the current lease value in Turkish Lira currency.

1.2 Information Regarding the Responsible Appraiser that Prepared the Appraisal Report

Report Issued By : Certified Appraiser, Hamdi ARIKAN

Report Controlled By : Certified Appraiser, Dilek YILMAZ AYDIN

Responsible Appraiser : Responsible Appraiser Neşecan ÇEKİCİ

Capital Market Board Coverage : Yes

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

1.3 Date of Appraisal

On the date of 01.10.2015, the necessary procedures have been initiated for this appraisal report. Subsequently, this report has been concluded on the date of 08.01.2016.

1.4 Reference Agreement

This report has been concluded by taking into consideration the reference agreement signed on the date of 19.08.2015

1.5 Statement Whether the Report Has Been Prepared Within the Scope of the Board

Arrangements for the Purpose of the Appraisal

This report relative to the 12-Storeyed Concrete Hotel with/without Restaurant Building” real estate with an area of 6.750,00 m² , located in the city of Gaziantep, district of Sehitkamil, Neighborhood of Yaprak, at Block No: 5020, Plot No: 2, for the purpose of determining current market value of its right of construction and the current lease value in Turkish Lira currency.

2 INTRODUCTORY INFORMATION CONCERNING THE COMPANY AND THE CLIENT

2.1 Introductory Information Concerning the Appraisal Company

Company Title : EPOS Real Estate Consultancy and Appraisal Inc.

Company Address : Kore Şehitleri Cad. Yüzbaşı Kaya Aldoğan Sok. Engin İş Merkezi No: 20
Kat:2 Zincirlikuyu / Istanbul

2.2 Introductory Information Concerning the Client

Client Title : Akfen Real Estate Investment Trust Inc.

Client Address : Büyükdere Caddesi, No:201, C Blok, Kat:8, Levent/İstanbul

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

This appraisal report relative to the 12-Storeyed Concrete Hotel with/without Restaurant Building” real estate with an area of 6.750,00 m² , located in the city of Gaziantep, district of Sehitkamil, Neighborhood of Yaprak, at Block No: 5020, Plot No: 2, for the purpose of determining its sales and rental value within the scope of the Council arrangements.

Referring to the 13.10.2014 dated request by Akfen Real Estate Investment Trust, of which property belongs to the Gaziantep Metropolitan Municipality and the potential revenue resulting with regard to its use or leasing with an agreement of right of construction for 30 years commencing on 17.07.2007 in favor of Akfen Real Estate Investment Trust has been evaluated in the report. There are no restrictive constraints in force exercised by the client. During the appraisal studies, the market research, the onsite surveys and the agreements executed between Akfen Real Estate Investment Trust Inc. and Gaziantep Metropolitan Municipality and the Accor Group, have all been taken into account.

3 VALUE DEFINITIONS, DESCRIPTION OF APPRAISAL METHODS

There are three different appraisal methods available in our country: “Exemplary Comparison Approach (Market Approach)”, “Cost Approach” and “Revenue Discount Approach”.

3.1 Exemplary Comparison Approach (Market Value Approach)

With regard to the real estate that will be appraised; this method follows particular procedures, such as the comparison of the real estate with other real estates that have similar characteristics in the market and those that have been recently sold, the application of appropriate comparison processes and making various modifications in the comparable sale values.

The appraisal analysis is carried out by means of comparing the examples found within specific criteria such as location, visibility, functional use, size, zoning status and its comparable. The market value approach is the most preferred method when there are widespread and comparable examples present.

The most trustworthy and realistic approach in real estate appraisal is the market value approach. In this appraisal method, comparable examples that share common characteristics with the real estate that has been submitted for the appraisal in the area are evaluated.

The Market Value Approach depends on the following assumptions:

- The existence of an available market, in relation to the type of the real estate in analysis, is acknowledged beforehand.
- It has been verified that the buyers and sellers in this market possess excellent knowledge on the subject of real estate and that, for this reason, time is not a critical factor.
- It has been established that the real estate has stayed on the market for an appropriate amount of time and for a reasonable price.
- It has been determined that the chosen comparable examples possess common characteristics with the real estate in question.
- It has been noted that the changes made in the prices given for the chosen comparable examples are subject to today's socioeconomic conditions.

3.2 Cost Approach

In this method, the appraisal of the real estate is based on the cost of the reconstruction of the real estate, in accordance with today's socio-economic conditions.

Pursuant to this approach, it has been established that the value of the real estate consists of two different facts, namely land and buildings. In addition, it is acknowledged that the real estate has a



significant remaining economic life span. Therefore, for this reason, it is taken into account that the value of the real estate will decrease in time due to physical wear and become out of date in terms of functionality and economic status. In other words, this method concedes that the current value of a real estate can never be more than the cost of its reconstruction.

The appraisal process is calculated by the addition of the interest or gain that the current building possesses, if any, to the present reconstruction or reinstallation cost of the real estate in question, followed by the subtraction of the wear and tear ratio from the total cost and, finally, the addition of the land value.

3.3 Revenue Discount Approach

In the revenue discount approach, the net revenue that the real estate will bring, the idle time, collection losses and business expenses are analyzed for the business period.

The appraisers will calculate the present value of the real estate by capitalizing the prospective future benefits and the revenue that it brings.

There are two different methods in revenue capitalization; Direct Capitalization is calculated through the division of the annual revenue by the revenue ratio or through the multiplication of the annual revenue with the revenue coefficient. On the other hand, in the Reduced Cash Flow, the value of the real estate is calculated by applying the lump sum value and reflecting it on the revenue model; afterwards, the revenues are brought to the present day value by an acceptable discount rate.

Some real estates, due to their characteristics, may need to be appraised by taking into account that they will be improved. In this case, the net revenues that the real estate will generate for its development will be set off from the expenses that will be made for its development; the net result will be taken into consideration to determine the present value of the real estate by taking into account the entrepreneur profit and an acceptable discount rate.

4 ECONOMIC STATUS, REAL ESTATE SECTOR DATA AND ANALYSIS OF THE REGION WHERE THE REAL ESTATE IS LOCATED

4.1 General and Socio-Economic Data

According to the result of the Address Based Population Registration System (ADNKS) for the year of 2014, from the date of 31.12.2014, the population of Turkey is established to be 77.695.904. 50,17% of this number (corresponding approximately to 38.984.302) represents men and 49,83% (corresponding approximately to 38.711.602) represents women.

One of the most significant characteristics of the Turkish population is the fact that it is comprised of a young population, with the 0-14 year group constituting approximately 24.3% of the population. However, this number has been in continuous decline since the year of 1965 and the population of Turkey is gradually getting older. While the 0-14 age group constituted 41,9% of the population in the year of 1965, it represented 24,3% in the year of 2014.

The annual population growth rate in Turkey is 13,4th of a thousand. 91,8% of the population resides in cities and districts. The average age in Turkey is 30,7. According to the data obtained, 96,1% of the Turkish population is literate. The 15-64 age group, which corresponds to the working age group, makes up 67,7% of the population (corresponding approximately to 52.640.512 people). When the ramifications of the employment into industries is observed, it is concluded that 51% represents services, 21,1% agriculture, 20,5% industry and 7,4% construction.

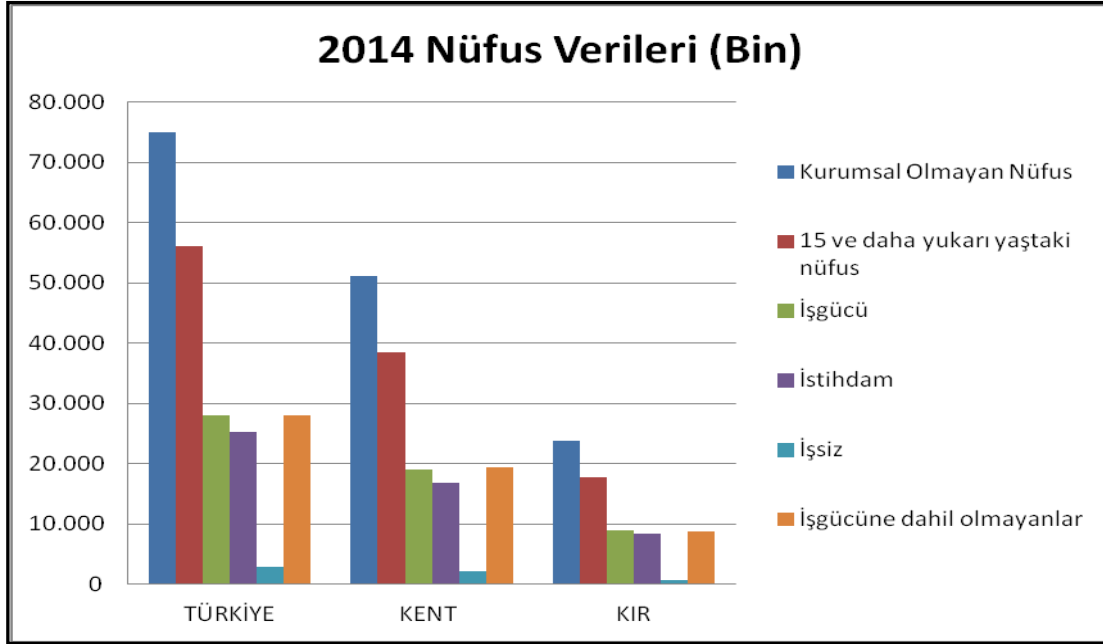
The analysis of the Turkish population information has been provided below in terms of Turkey in general, cities and country. The data with regard to the years 2013 and 2014 has been compared.

| | TURKEY | | CITY | | COUNTRY | |
|--|--------|--------|--------|--------|---------|--------|
| | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 |
| Non institutional Population (000) | 74.033 | 74.947 | 50.675 | 51.129 | 23.358 | 23.818 |
| Population of and above 15 years of age (000) | 55.169 | 56.084 | 37.916 | 38.372 | 17.253 | 17.712 |
| Labor force (000) | 27.323 | 28.036 | 18.418 | 19.056 | 8.905 | 8.980 |
| Employment (000) | 24.433 | 25.194 | 16.196 | 16.849 | 8.237 | 8.346 |
| Unemployment (000) | 2.890 | 2.841 | 2.223 | 2.207 | 668 | 634 |
| Not Included in the Labor Force (000) | 27.846 | 28.048 | 19.498 | 19.316 | 8.348 | 8.733 |
| Participation in the Labor Force Rate (%) | 49,5 | 50,0 | 48,6 | 49,7 | 51,6 | 50,7 |
| Employment Rate (%) | 44,3 | 44,9 | 42,7 | 43,9 | 47,7 | 47,1 |
| Unemployment Rate (%) | 10,6 | 10,1 | 12,1 | 11,6 | 7,5 | 7,1 |
| Indescribable Unemployment Rate (%) | 12,9 | 12,3 | 12,3 | 11,9 | 15,5 | 14,1 |
| Unemployment Rate in Young Population (15-24 age group) (%) | 20,7 | 19,0 | 22,3 | 21,2 | 17,0 | 14,0 |

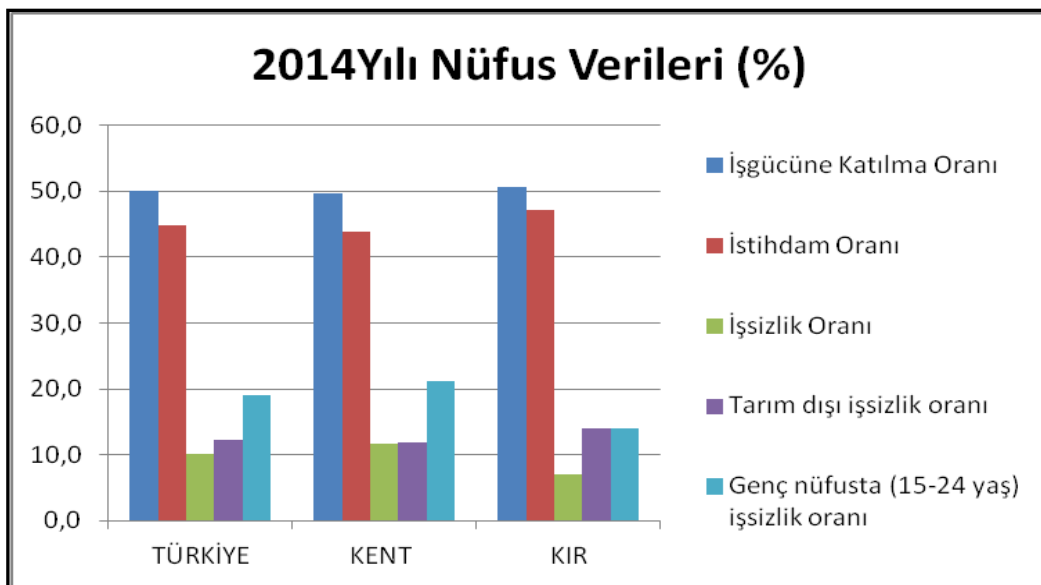
Population Data for the years of 2013 and 2014 (Source: Turkish Statistical Institute – TUIK)

When the data relative to the years of 2013 and 2014 is evaluated, it can be observed that the population, labor force and employment are on the rise for Turkey in general, as well as the cities

and the country. Nonetheless, unemployment has also increased. While those that are not included in the labor force are in decline in the cities, this number has been noted to rise in the country side. In addition, the increase in participation in the labor force and the employment rates in the city, with regard to the overall rates, has drawn attention. The unemployment rate has been verified to increase in all of the three groups. Meanwhile, the unemployment rate among the young population in Turkey in general, together with the cities, is another important topic to consider.



Furthermore, a second comparison is made based in Turkey in general, the city and the country side, with regard to the population data for the year of 2014 provided in the table. It is remarkable that graphs of Turkey in general and city graphs are similar in terms of distribution.



In light of this data, the information regarding general economic overview and real estate industry will be conveyed.

4.1.1 Global Economic Overview

Following all developments became necessary as a result of globalism and increasing economic links of countries.

Primary problem in global economic crisis is deflationist (decrease of general price level) process and correspondingly recession (stability-negative growth). For developing countries, on the other hand, there are inflationist (general increase in prices) problems and low growth. Related situations have different characteristics and reasons for every country; therefore, there is no standard prescription for solution.

After global crisis, most important implementers of economy politics were central banks. Decisions taken by big and efficient central banks in the world were crucial for not only their own country but also became a guide for international fund mobility. Developing countries were influenced most by its both positive and negative effects.

Right after the crisis, USA central bank Fed immediately started to use tools of 'expansionary I monetary policy'. For this purpose, many methods were implemented like interest discount, bond intake, property intake and funding of financial system, and activating credit mechanisms. Through this kind of monetary policy, financial stabilization, and by stimulating consumption and investment, growth was aimed as a final goal to get rid of crisis.

Policies followed by Fed to get rid of crisis were extraordinary and with its differences in implementation it revealed necessary pathway for other world banks. Fed, who immediately responded to crisis and performed decision-making mechanisms, was followed by ECB (European Central Bank) even if it was late. In the Far East, Japan central bank followed similar policies to get rid of deflation and recession, which are primary problems of its economy. In parallel with relative recovering of USA economy, Fed decreased bond retrieval amount on the date of December 2013 in order to withdraw monetary expansion policy. Process initiated ahead of time expected in developing countries (like Turkey, Brazil, Argentina, Indonesia, India) and this caused decrease in local currencies and then partly outgoing of funds, which are short-term investment oriented. On October 2014, USA central bank finished 'cash flow by taking bonds'. However, transition to increasing 'interest' phase, which will end actual monetary expansion, expected by the end of 2015.

In Fed meeting on September 2015, it was stated that (except for one member) concerns regarding China and other developing countries increased value of dollar and decreased value commodities, and by taking into consideration economic outlook, labour force market, inflation and risks about

them, there is no need to interest rate hike, although USA economy is strengthening and unutilized capacity in labour force is decreasing.

Following inferences were deduced according to “World Economic Outlook” issue of October 2015 report, which is prepared by IMF twice a year:

- Global growth rate in 2015 was expected as 3,10 %. This rate fell 0,30 % of year 2014. It is also 0,20 % under of rate 3,30 %, which was stated in World Economic Outlook (WEO) report January 2015. Expectancy of decrease was revised compare to previous report.
- Expectancies of main countries and regions stayed indeterminate and unbalanced. Recovering of developed countries compare to recent years, and for developing economies and markets recession is foreseen again like previous 5 years. Some increasing market economies and growth of countries exported petrol represent weak hopes.
- Decreasing commodity price, reduced share capital increase negative risks of developing economies, pressure on market and financial market instability, and therefore Fed tightens financial conditions regarding developing countries considering expected increasing interest and worsening global economic outlook.
- Developed and developing countries have an important role as middle or long term alliances one of which has decrease in growth rate and one of which has modest recovering.
- Crisis leaved high rate of private and public deficit, financial sector weakness, low rate of investments for some developed countries having low growth rate. For developing countries, on the other hand, demographic transitions, investment explosions, revised growth in China, decrease in commodity price and reregulation of the market is required.
- Volatility was related with Greece debt meetings of Chinese authorities on June-July, sharp drop of Chinese stock market and policy incentives.
- Increasing policy interests of USA and worsening global outlook tightened more financial situation of developing countries since last spring. Dollar, bond and long-term local currency bond interests increased nearly 50-60 basis point and stock prices decreased, exchange rate devalorized or pressured.
- As a result of nuclear agreement with Iran and low global demand, petrol prices decreased. Falling production activity in China, investment explosion in mining sector decreased metal prices.
- Countries implemented flexible exchange regime and exported commodities lost large amount of money.
- Developing economies experienced more sharp loss. Major developed economy currencies experienced modest mobility.

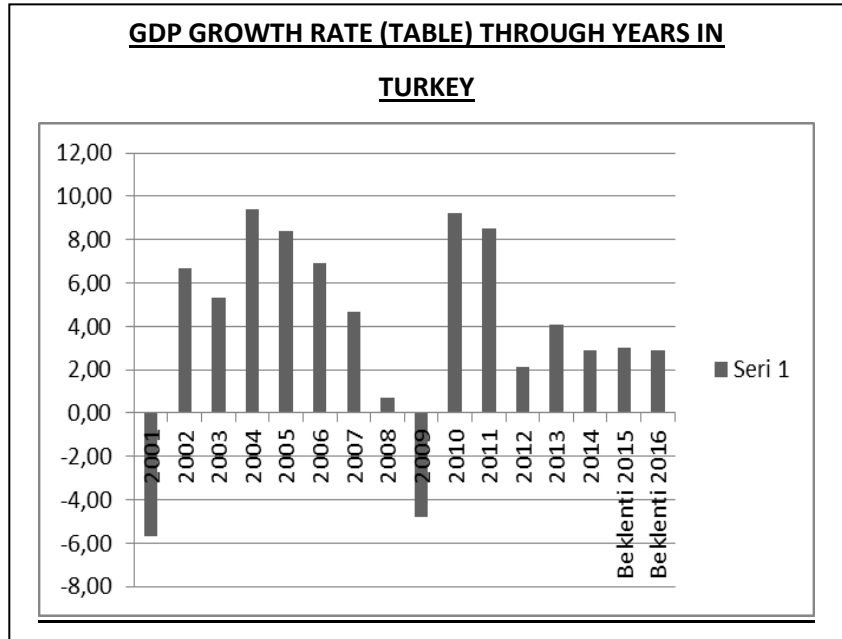
- This global factors and country specific developments indicate relatively weaker revival compare to predicted amounts for 2015 and 2016 modest increase in growth expected for developed economies increase chance of loss for the next year. Developments of this year reflect a modest recovering of euro and returning of Japan to a positive growth, and additionally falling in petrol prices and devaluation of money for some conditions.
- Developments in developed economies, exporters –especially Norway and Canada- and in Asia excluding Japan (especially Korea and Taiwan region of China) unemployment decreases related to degrowth. However, growth in productivity is still weak even in USA where recovering is stronger.
- In 2016, some level of growth is expected in especially North America, however; expectations are still low considering falling investments, negative demography and weak productivity growth. Recently, decrease in petrol and other commodity prices must support demand of developed economies, which are exporters of net commodities. On the other hand, slowness in rising markets will indicate weaker importations.
- Revised fall in commodity prices will pressure inflation in developed economies in next months, and while revival is happening, expected development in core inflation will delay.
- Although core inflation stayed more stable, it is still under targeted amount of central bank. It is seen that inflation will be low towards falling unemployment and medium term weak growth.
- Growth expectancies are very different depending on regions and countries but outlook became weak generally considering consecutive 5 years that decrease was foreseen. This reflects a combination of factors.
- For the most developing market economies external conditions became harder. While money devaluation helps net exportation, depending on weak recoverings and medium level expectancies for medium level growth, it is expected that future drawal of developed economies will be more modest than prospected.
- Capital flows slowed down in rising markets in last quarters and rising USA currency politics from zero lower limit related with tightness of external financial conditions.
- Decelaration of growth in China is parallel to expectancies until now, however reflections in cross border are bigger than prospected. This reflected as lower imports to China and lower prices of commodities (especially metal). Devaluation of Greece by China, volatilities related to weakness in currencies of developing economies and increasing global risks caused sharp decreases in property prices throughout world.
- Rebound is expected for growth of rising markets and developing economies 2016.

- This reflects lower recession and relative normalization in 2015 for countries having economic trouble (Brazil, Russia, some countries in Latin America and in Middle East), and spill-over effect depending on stronger recovering in economic activities of developed economies and facilitating of sanctions for Islamic Republic of Iran.
- Decreasing growth is expected for China even if it is gradually. Weakness in commodity prices, slower global growth than expected and possibility of tighter global financial conditions become a burden to low-income countries. While Chinese authorities implement reforms towards decreasing financial infirmity strengthening role of market powers in economy, they confront tradeoffs in their projection of transition to growth depending on consumption without deceleration of activity.
- Some countries, especially the ones with rich sources, have wide current account deficit due to foreign direct investment. Correspondingly they are more vulnerable towards foreign financial shock.
- Risk balance is still downward. Low level of petrol and other commodities can constitute an upward demand for commodity importers in some level. However, this complicates the demand for commodity importers so some of them already confront with nervous initiation conditions.
- Vulnerability of rising markets in terms of continuing fall in commodity prices and sharp rise in American Dollar is still proceeding and this may force balance sheet of companies in some countries further.

4.1.2 Turkey Economic Outlook

Discipline constructed after 2001 crisis in Turkey economy succeed in issues like public dept, banking rates, budget balance and until 2008 growth rate continuously increased. Economies developed in between 2008-2012 influenced by global crisis at least. In this process, increase in yearly growth rate relieved world economy. Countries like Turkey had brilliant performance after crisis. Recovering abilities of developing countries are more rapid than developed economies. However, the main problem of these economies is that they cannot keep gaining and stability. Turkey has problems like lack of savings, unemployment, problems regarding general level of prices, added values of import and export items, balance of exchange, middle-income trick, current deficit, demand failure, technology deficiency, political and geographical risks. Average growth rate of Turkey is 4,8% for 92 years period. Briefly, potential growth rate in full employment level is 6-7%.

| TURKEY GROWTH RATES (%) | |
|----------------------------|-------|
| 2001 | -5,70 |
| 2002 | 6,70 |
| 2003 | 5,30 |
| 2004 | 9,40 |
| 2005 | 8,40 |
| 2006 | 6,90 |
| 2007 | 4,70 |
| 2008 | 0,70 |
| 2009 | -4,80 |
| 2010 | 9,20 |
| 2011 | 8,50 |
| 2012 | 2,10 |
| 2013 | 4,10 |
| 2014 | 2,90 |
| Expectation 2015 | 3,00 |
| Expectation 2016 | 2,90 |
| Source:TCBM and IMF REPORT | |



IMF argued that political uncertainty will decrease domestic demand and revised growth expectancies downwardly in its evaluation regarding Turkey economy in World Economic Outlook Report.

According to this, growth expectancy is 3% for this year and 2,9% for the next year for Turkey. These rates were stated as 3.1% and 3.6% in previous report.

Inflation expectation of IMF for Turkey increased from 6,6% to 7.40% for 2015 and 6,50% to 7.00% for 2016.

Current deficit balance (current deficit/gross national product) expectations of IMF is -4-5% for 2015 and -4,7% for 2016. These rates were -4,2% and -4,8% in previous report.

IMF projected unemployment rate as 10,8% for this year and 11,6% for next year, which was 9,9% for last year.

TL decreased in value towards especially USA dollar and Euro significantly as a result of global instability and political, economic and other risks in Turkey. Since exchanges increased significantly, fixed exchange rate approach was seen in especially real estate sales. Exchange rates for 01.10.2015 dated and 20.11.2015 dated appraisal reports were investigated. Exchange rate was instable in this period and this instability continued after political elections of 2015. In this period average dollar exchange was 2.91 TL, and average euro exchange was 3.22 TL. Fixed exchange rate is preferred in

especially real estate sector because of above-mentioned reasons. Preferred exchange rate is below the value in period of 01.10.2015 and 20.11.2015. For this reason, in the appraisal report, exchange rate on the date of 02.11.2015 in accordance with central bank data since it is nearest value to the current exchange value in the market.

Foreign market value is determined through selling rate of exchange was used, and for determining TL value buying rate of exchange was used.

On the date of 02.11.2015, buying rate of exchange was 1 USD=2,8035 TL, and 1 EURO=3,0898 TL.

On the date of 02.11.2015, selling rate of exchange was 1 USD=2,8085 TL, and 1 EURO=3,0954 TL

4.2 General Status of the Real Estate Industry

Real estate sector became a growing sector contrary to service, industry and rural sector recently. Although insufficient capital source makes hard to invest to rural and industry sector, small scale capital stock may be sufficient to invest in real estate sector. For this reason, real estate sector of Turkey depends relatively on national capital. It is defined as leading sector since it mobilizes other sectors and as sponge sector since it may absorb unqualified workers. Almost all production of real estate sector counts as investment good. Real estate sector in Turkey develops through these investments.

Construction sector, which was initiated with public investments, large scaled infrastructure projects in early republic period, has influences of private sector through liberal economy effects in 1950s especially in public expenditures. After the year of 1950, construction sector developed through barrage, hydroelectric power stations, highways and housing investments. After 1980 in neo-liberal period, on the other hand, housing investments became prominent as a result of increasing migration. In liberal period after 2002, shopping mall, residence and housing investments gained importance through influence of TOKİ.

In sectoral distribution of long term external debt in period of 2002-2014, construction-real estate sector has impressive intensity.

Recently, it is seen that legal regulations concentrated in real estate sector. Moreover, sales of the lands legally actualized in 2012 within the scope of the law “sale of the agricultural estate belonging to Treasury, support for development of forest villagers and assessment of outside of the forest borders on behalf of Treasury”, which is known in public opinion as “2B law”. However, these sales became less than expected and did not influence building sector sufficiently. Advantages of urban renewal law increased growth of real estate sector in 2013.

Decision directed to removal of restrictions over possessing real estate of foreigners through the law “Law Organizing Property Sale to Foreigners” provided rising attractions of investors in especially Russia, Middle East, and Asia. Purchasing real estate of foreigners started to increase gradually.

Additionally, following reasons have influence on development of real estate sector:

- Attraction of investors from different countries for Istanbul as a brand city, and laying the foundations of Istanbul to be a financial center,
- Infrastructure projects that attract attentions (3rd bosphorus bridge, all tunnel projects in bosphorus, 3rd airport, metro projects in metropolitans etc.)
- Increasing transportation opportunities, widening metropolitan borders and growing living spaces,
- Urban renewal and related regulations,
- Continuing rural to urban migration,
- Effect of natural demand as a result of having young population,
- Changing nuclear family concept,
- Precautions for housing purchase and saving incentives to keep sector alive,

Tendency of procrastination of demand for housing and automotive, which is generally seen before elections, was not influenced this year, on the contrary, these two sectors was quite alive. This may be thought as a kind of protection method of customers related to expectation of increasing demand.

It is evaluated that stabile development of real estate sector in Turkey in 2016 depends on political and economic stability, interest of foreign investor and growth rate of economy. It is expected that residence sale to foreigners will be stable because of stagnancy in other developing countries.

4.3 Information Regarding the Tourism Industry

The Tourism industry in Turkey has closed the year of 2014 with 40.901.438 tourists. Antalya became the first city in regards to foreign tourists visiting touristic centers, with a number of 14.65 million tourists.

TESİSLERE GELİŞ SAYISI, GECELEME, ORTALAMA KALİŞ SÜRESİ VE DOLULUK ORANLARININ AYLARA GÖRE DAĞILIMI (2014)
Distribution of Number of Arrivals, Nights Spent, Average Length of Stay and Occupancy Rates of Establishments by Months

| AYLAR | TESİSE GELİŞ SAYISI Number of Arrivals | | | GECELEME Nights Spent | | | ORTALAMA KALİŞ SÜRESİ Average Length of Stay | | | DOLULUK ORANI % Occupancy Rate % | | | Months |
|---------|---|------------|------------|--------------------------|------------|-------------|---|---------|--------|-------------------------------------|---------|--------|-----------|
| | YABANCI | YERLİ | TOPLAM | YABANCI | YERLİ | TOPLAM | YABANCI | YERLİ | TOPLAM | YABANCI | YERLİ | TOPLAM | |
| | Foreigner | Citizen | Total | Foreigner | Citizen | Total | Foreigner | Citizen | Total | Foreigner | Citizen | Total | |
| OCAK | 845 503 | 1 176 719 | 2 022 222 | 2 881 506 | 2 093 434 | 4 974 940 | 3.4 | 1.8 | 2.5 | 18.47 | 13.42 | 31.90 | January |
| ŞUBAT | 1 014 585 | 1 248 552 | 2 263 137 | 3 380 717 | 2 147 898 | 5 508 615 | 3.3 | 1.7 | 2.4 | 23.29 | 14.88 | 38.17 | February |
| MART | 1 380 251 | 1 288 103 | 2 648 354 | 4 452 283 | 2 201 912 | 6 654 175 | 3.3 | 1.7 | 2.5 | 26.48 | 13.10 | 39.58 | March |
| NİSAN | 1 973 212 | 1 544 937 | 3 518 149 | 7 141 227 | 2 721 235 | 9 862 462 | 3.6 | 1.8 | 2.8 | 30.29 | 11.54 | 41.83 | April |
| MAYIS | 2 681 655 | 1 682 245 | 4 343 900 | 11 279 324 | 3 041 037 | 14 320 361 | 4.2 | 1.8 | 3.3 | 45.33 | 12.22 | 57.55 | May |
| HAZİRAN | 2 955 570 | 1 636 646 | 4 592 216 | 12 980 509 | 3 226 788 | 16 207 297 | 4.4 | 2.0 | 3.5 | 53.76 | 13.36 | 67.13 | June |
| TEMMUZ | 2 793 350 | 1 408 800 | 4 203 150 | 12 619 957 | 3 022 241 | 15 642 198 | 4.5 | 2.1 | 3.7 | 50.64 | 12.13 | 62.77 | July |
| AĞUSTOS | 2 929 192 | 1 844 704 | 4 773 896 | 12 668 090 | 3 944 203 | 16 612 293 | 4.3 | 2.1 | 3.5 | 50.79 | 15.81 | 66.60 | August |
| EYLÜL | 2 815 757 | 1 498 002 | 4 303 759 | 13 043 159 | 2 910 122 | 15 953 281 | 4.6 | 2.0 | 3.7 | 54.09 | 12.07 | 66.15 | September |
| EKİM | 2 242 969 | 1 348 513 | 3 589 482 | 10 085 018 | 2 584 672 | 12 649 690 | 4.5 | 1.9 | 3.5 | 41.17 | 10.47 | 51.64 | October |
| KASIM | 1 145 048 | 1 318 958 | 2 464 006 | 4 097 511 | 2 288 914 | 6 386 425 | 3.6 | 1.7 | 2.6 | 24.60 | 13.74 | 38.34 | November |
| ARALIK | 851 924 | 1 329 243 | 2 181 167 | 2 971 794 | 2 286 386 | 5 258 180 | 3.5 | 1.7 | 2.4 | 18.28 | 14.06 | 32.34 | December |
| TOPLAM | 23 609 016 | 17 292 422 | 40 901 438 | 97 581 075 | 32 448 842 | 130 029 917 | 4.1 | 1.9 | 3.2 | 38.90 | 12.94 | 51.84 | Total |

NOT: ORTALAMA KALİŞ, BAKANLIĞIMIZCA BELGE VERİLEN TESİSLERDEKİ ORTALAMA KALİŞ SÜRESİ OLUP, ÜLKEMİZDEKİ ORTALAMA KALİŞ SÜRESİNİ GÖSTERMEMEKTEDİR.

Note: The average length of stay is the stay in accommodation establishments registered by the Ministry, and is not the stay in the country.

While Turkey has managed to be one of the 20 biggest economies in the world (G20), it is ranked at number 6 among the 10 touristic destinations with 37,8 million tourists according to data of UNWTO (World Tourism Organization).

According to the real estate report for the year of 2014, which Deloitte has prepared for Turkey, one interesting topic is the Tourism Strategy of the Ministry of Culture and Tourism for the year of 2023. The target visitor number is set for 63 million and the total planned revenue (from foreign visitors) is 86 billion dollars. The aim is to enter the top 5.

4.4.2 District of Şehitkamil

The territory in the North of the Alleben River and natural extensions of the City of Gaziantep as the center with the name of Şehitkamil, in accordance with the law No. 3398 on the establishment of two Districts of Şehitkamil and Şahinbey in the center of the City of Gaziantep, has been founded on 20.06.1987 and come into effect on 19.09.1988.

The District takes the name of "Şehitkamil" from "Mehmet Kamil" martyred during Gaziantep Defense while he was 14 years old.

The district is composed of 2 towns, 71 villages and 22 hamlets from these villages.

Şehitkamil, located in the west of the Southeastern Anatolia Region, covers an area of 1,250 km². The climate of both regions is seen in the district between the Southeastern Anatolia and the Mediterranean regions. Winters are cold and rainy, and summers are hot and dry. Pazarcık is located in the North of District, Yavuzeli is located in the northeast of District, Nizip is located in the East of District, Oğuzeli is located in the southeast of District, Şahinbey is located in the south of District and District of Nurdağı is located in the west of District.

The Major elevations in the district; Sofdagi (1496 m), Dülük Baba (1250 m), Gureniz (1069 m) and Sam Mountains (1053 m). The most important one among runnels is Alleben River.

Population for the year 2014 is 710.843 according to the Results of Population Registration System based on Address for the year 2014.

4.4.3 Information Regarding the Tourism Industry in Gaziantep

Gaziantep has an important efficiency in terms of tourism with cultural and local wealth, cuisine culture, and being frontier town. The location of the region between Mesopotamia and the Mediterranean which is the birthplace of the first civilization, being one of the most ancient centers reflecting the culture of human communities in Anatolia, its location at the junction of ways to the east from the south and the Mediterranean, and to the north and west, and the historical Silk Road's passing through here has led to continuous protection for the importance and boom of the City.

A great number of mosques, madrasas, khans and baths were built and the city was also advanced for production, trade and handicrafts in Ottoman period.

Gaziantep is the Veterans city that; experiences past and future together with historical, touristic and natural beauties worth sight-seeing, remembrances of the War of Independence and Antep defense, its plateaus, plains, historical sites, delicious food, unique handicrafts, mosques, mausoleums, madrasas, Antep houses, khans, baths, castles, churches, baklava and nuts that it gives its name, its industry, diligence and friendly behavior of its people. The number of foreign tourists coming to

Gaziantep is estimated to be around 107.353 and the number of domestic visitors is estimated to be around 254,563 according to data of The Ministry of Culture and Tourism for November 2014.

| TOURISTS NUMBERS COMING THROUGH ALL TRANSPORTATION WAYS | | | |
|---|-------------------|------------------|---------|
| YEARS | DOMESTIC TOURISTS | FOREIGN TOURISTS | TOTAL |
| 2004 | 56.941 | 40.816 | 97.757 |
| 2005 | 30.015 | 24.289 | 54.304 |
| 2006 | 25.972 | 25.008 | 50.98 |
| 2007 | 46.856 | 41.883 | 88.739 |
| 2008 | 52.577 | 61.573 | 114.15 |
| 2009 | 56.311 | 55.128 | 111.439 |
| 2010 | 66.012 | 58.143 | 124.155 |
| 2011 | 82.625 | 69.506 | 152.131 |
| 2012 | 88.523 | 125.274 | 213.797 |
| 2013 | 68.322 | 150.102 | 218.424 |
| 2014 | 149.310 | 70.189 | 219.499 |

| TOURISTS USED ACCOMADATIONS WITH TOURISM OPERATION PERMIT | | | |
|---|-------------------|------------------|---------|
| YEARS | DOMESTIC TOURISTS | FOREIGN TOURISTS | TOTAL |
| 2004 | 198.405 | 21.512 | 220.324 |
| 2005 | 192.911 | 24.419 | 217.33 |
| 2006 | 193.713 | 23.776 | 214.491 |
| 2007 | 236.609 | 25.817 | 262.426 |
| 2008 | 232.405 | 27.776 | 260.171 |
| 2009 | 238.896 | 23.213 | 262.109 |
| 2010 | 203.044 | 32.927 | 236.031 |
| 2011 | 228.203 | 47.103 | 275.306 |
| 2012 | 253.043 | 48.043 | 301.370 |
| 2013 | 267.985 | 51.896 | 319.881 |
| 2014 | 307.594 | 123.146 | 430.740 |

Source: Gaziantep Directorate of Culture and Tourism

| HOTELS WITH TOURISM OPERATION PERMIT | | |
|---|---------------------|---------------------|
| OTEL NUMBERS | NUMBER OF THE ROOMS | NUMBER OF THE BEDS |
| 42 | 2995 | 5951 |
| HOTELS WITH TOURISM INVESTMENT PERMIT | | |
| OTEL NUMBERS | NUMBER OF THE ROOMS | NUMBER OF THE BEDS |
| 20 | 2192 | 4354 |
| RESTAURANTS WITH TOURISM OPERATION PERMIT | | |
| RESTAURANT NUMBER | CLASS | RESTAURANT CAPACITY |
| 18 | 1.SINIF | 8743 |
| TRAVEL AGENCIES WITH TOURISM OPERATION PERMIT | | |
| TRAVEL AGENCY NUMBER | A GROUP | C GROUP |
| 99 | 99 | 0 |

| NAME OF THE HOTEL | STAR | TOTAL NUMBER OF THE ROOMS |
|----------------------------|--------|---------------------------|
| Pamuk City Hotel | 3 STAR | 33 |
| Kucuk Velic Hotel | 3 STAR | 37 |
| Hotel Kaleli | 3 STAR | 100 |
| Park Hotel | 4 STAR | 72 |
| Dedeman Park Gaziantep | 4 STAR | 125 |
| Safir Hotel | 4 STAR | 90 |
| BEST WESTERN Ravanda Hotel | 4 STAR | 86 |
| Met Gold Hotel | 4 STAR | 84 |
| Hotel Tilmen | 4 STAR | 83 |

5 INFORMATION REGARDING THE REAL ESTATE SUBJECT TO THE APPRAISAL

5.1 Information Regarding Place, Location and Neighborhood of the Real Estate

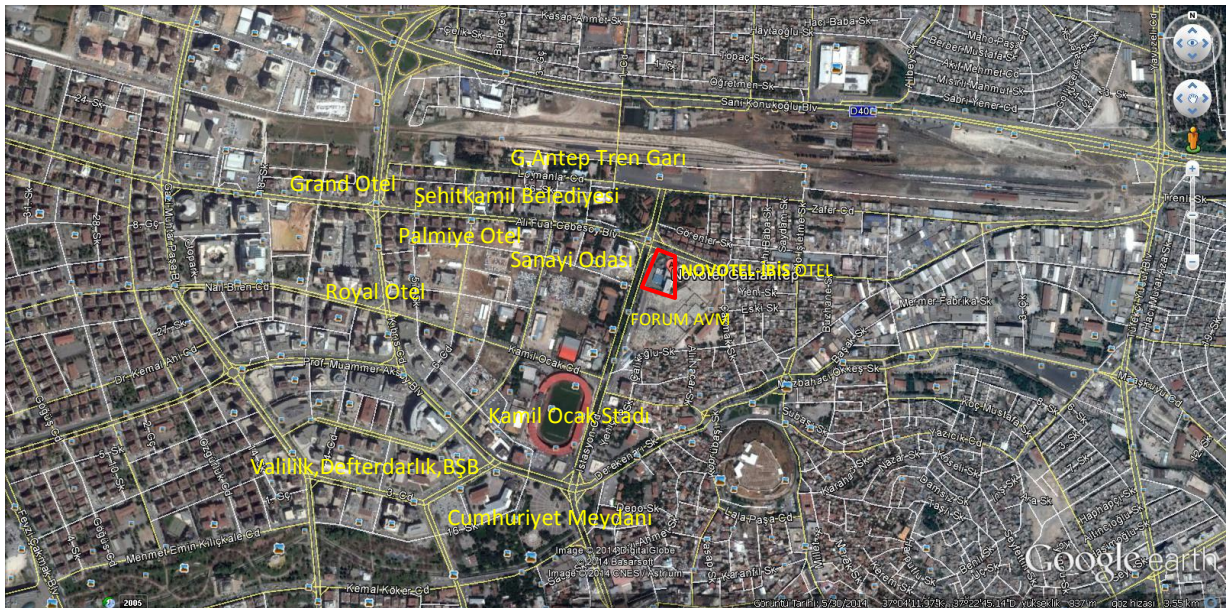
The real estate subject to this appraisal is located at the physical address of Yaprak Neighborhood, Istasyon Street, No. 80, Sehitkamil / Gaziantep. The City of Gaziantep is registered in the land office as the District of Sehitkamil, the Neighborhood of Yaprak, Plan Section no: 21L4C, Block no: 5020, Plot No:2. There are 2 hotels in service as 4-star Novotel and 3-star Ibis Hotel on the Plot.

Hotels are located in the city center and Hasan Ali Yücel High School, Kamil Ocak Stadium, Municipality of Sehitkamil and Gaziantep Museum are located in the immediate vicinity of hotels. In addition, Multiturkmall Gaziantep Forum Shopping Mall, which is in service as of appraisal date, is located in the parcel adjacent to the parcel of the said hotel and Gaziantep Chamber of Industry Services Building is located in the counter front of Istasyon Street that is real estate-fronted and Gaziantep Train Station is located in the immediate vicinity.

The area, where the plot of hotel subject to the appraisal is located, is very close to the city center having Governorship, Metropolitan Municipality, Revenue Office etc. public institutions and it is about 1 km walking distance. The Region has become more active with the service of Multiturkmall Gaziantep Forum Shopping Mall.

There is Royal Gaziantep Hotel on Kibris Street and Grand Hotel on Ali Fuat Cebesoy Street located in close proximity of the said hotel. Palmiye Hotel, which has been built as 4 stars and not been in service yet, is located on the same street.

Transportation to the hotels subject to the appraisal is easily provided by means of Mass Transportation and private vehicles.



Position of the Real Estate Subject to the Appraisal (Novotel and Ibis Hotel)

5.2 Land Register Information of the Real Estate

| | | Main Real Estate | Right of Construction |
|-----------------|---|---|---|
| City | : | Gaziantep | Gaziantep |
| District | : | Şehitkamil | Şehitkamil |
| Neighborhood | : | Yaprak Neighborhood | Yaprak Neighborhood |
| Section No | : | 21L4C | 21L4C |
| Block No | : | 5020 | 5020 |
| Plot No | : | 2 | 2 |
| Surface Area | : | 6,750.40 m ² | - |
| Owner | : | Gaziantep Metropolitan Municipality | Akfen Real Estate Investment Trust Inc. |
| Nature | : | 12-Storeyed Concrete Hotel and Land with/without Restaurant | Right of Construction of the Real estate at Block No. 5020, Plot.2 for a duration of 30 years |
| Land Title Date | : | 17.07.2007 | 17.07.2007 |
| Journal No | : | 16976 | 16976 |
| Volume No | : | 6 | 6 |
| Page No | : | 556 | 560 |

The real estate subject to the appraisal is registered at the Title Deeds Registry Office of the District of Şehitkamil in **Yaprak Neighborhood, volume no.6, page.556**. It is a "12-Storeyed Concrete Hotel and Land with/without Restaurant", and its owner is "Gaziantep Metropolitan Municipality".

The Independent and Permanent "Right of Construction" has been established on the real estate in favor of Akfen Real Estate Investment Trust Inc. and registered on page no. 560 of the same land register (**Pervane Neighborhood volume no.6, page. 560**). The title deed information on both pages is given in the table above and the liens on it are given below.

5.2.1 Investigation of the Land Registry of the Real Estate

The following restrictions are about the real estate subject to the appraisal according to the land register, presented in attachment, dated 25.11.2014, in the investigation carried out on the related pages of the land register dated 15.12.2014 and 19.12.2014 as of 15:00 in the Title Deeds Registry Office of District of Şehitkamil.

In Diqit of the Servitude Rights (Pervane Neighborhood, Volume No. 6, Page. 556)

- The Independent and Permanent "Right of Easement" has been established in favor of Akfen Real Estate Investment Trust Inc.. (Surface Area: 6.750 m2, date of commencement:17.07.2007, duration: 30 years) dated 17.07.2007 and journal no. 169976

In Digit of the Annotations (Pervane Neighborhood, Volume No. 6, Page. 560)

- Lease Annotation in favor of Tamariz Tourism Inc. dated 25.09.2008 and journal no. 34188 against a value of 20.676.237 New Turkish Liras (Date of Commencement: 17.07.2007 Duration: 30 years)

In Digit of the Securities (Pervane Neighborhood, Volume No. 6, Page. 560)

- A-İ: A First Degree Security is available in favor of Türkiye İş Bankası Inc. and Turkey Industrial Development Inc. amounted to 150.000.000,00 EURO, with an annual rate of interest of 3,75% for a duration until declaration of the release, dated 14.10.2008 and journal no. 12982.

5.3 The mortgage in question is joint with the real estates specified below.

- Kocasinan TM – DMH over Pervane Mah. 2420 block, 9 plot, DMH over Zeytinburnu TM –DMH over Zeytinburnu Mah. 774 block, 55 plot, Şehitkâmil TM – Yaprak Mah. 5020 block, 2 plot, Osmangazi TM Altınova Mah.3198 block 67 plot, Esenyurt TM Yakuplu Mah. 404 block 39 plot, Akyurt TM Balıkhisar-İmar Mah 1843 block 5 plot, Yomra Tapu Md. Kaşüstü/Cumhuriyet Mahallesi 209 block 12 plot, Seyhan TM Çınarlı Mah. 585 block 2 Plot Independent unit no 1, Seyhan TM Çınarlı Mah. 585 Block 2 Plot unit no 2

Land registration copy was presented at the appendix.

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

There has not been any change in the land registry of the real estate within the last three Years.

5.3.2 Opinion Whether There Is an Obstacle In Including the Investment Trust Portfolio in Terms of Land Title Records to the Real Estate Within the Scope of the Capital Market Legislation

It has been seen that the real estate subject to the appraisal report has an Independent and Permanent "Right of Construction" in favor of Akfen Real Estate Investment Trust Inc. for a duration of 30 years, and a rental annotation on the "Right of Construction" of the Akfen Real Estate Investment Trust Inc. for a duration of 30 years, and a first degree permanent joint security amounted to 173.052.185,00 EURO in favor of Credit Europe Bank N.V. with yearly 7,2% variable interest rate with document no. 3407 dated 28.01.2015



With regard to the security mentioned in the pledges section of the real estate, referring to the construction right of the real estate; in accordance with the letter of the mortgage owner Credit Bank Europe on the date of 07.12.2015, in accordance with the agreement between Akfen Real Estate Investment Trust Inc. and Accor SA., the project constituted as warrant of financing syndicated loan provided in 2015, on the purpose of investment financing regarding 1 hotel under construction with brand of "IBIS", and 8 hotels, which have been operating with brands of "IBIS" and "NOVOTEL".

The related letter from the Credit Bank Europe has been enclosed herewith.

Pursuant to the 1st clause of the Article number 30 of the Communiqué Regarding the Real Estate Investment Trusts Principles, published in the 28.05.2013 dated official gazette of the Capital Market Board, can only institute mortgage, hypothecate or other limited rights on the assets in the portfolio throughout the purchase of real estates, real estate projects and rights with regard to a real estate, for the purpose of referring to the financing of these actions or of providing credit for investments.

Pursuant to the related article of mortgages on the real estate do not constitute an obstacle for the real estate to be included in the Real Estate Investment Trust portfolio, within the scope of the Capital Market regulations.

Pursuant to the subparagraph "a" of the Article number 22 of the communiqué, with regard to the real estate investment trusts principles of the Capital Market Board regulations, the Real Estate Investment Trusts "can purchase, sell, lease, lease out and pledge to purchase or sell all sorts of real estate, such as land, plot, building, office building, shopping mall, hotel, logistic centers, warehouse, park and hospitals, for the purpose of achieving gross profit or lease revenue."

There are no obstacles that prevent the "Right of Construction" on the plot subject to the appraisal from being included in the real estate investment trusts portfolio in accordance with Article 22 of the communiqué with regard to the change in the principles of the real estate investment trusts.

5.4 Inspection of the Zoning Information of the Real Estate

Current land registry status is as follows according to review done on 24.11.2015 in Directorate of Land Registry and Urbanization of Gaziantep Şehitkamil Municipality and the letter No. 51156386-310.05.02/29456 and dated 11.12.2015 of Directorate of Land Registry and Urbanization of Gaziantep Şehitkamil Municipality:

The real estate subject to the appraisal remains in the legend of the "Hotel Zone" under "Şehitkamil Implementation Land Registry Plan" with the registry date of 16.02.2007 and Scale of 1 /1000. The construction conditions are as follows;



Example 1.50- Hmax: Free. However, in accordance with Article 17 of Gaziantep Metropolitan Municipality zoning regulations; there is a phrase that “precedent can be increased as k: 1,20 in parcels larger than 5.000 m²”. According to this article, it is Emax: 1.80. Traction distance: Front yard is 5,00 m.

Zoning status document is presented in the appendix.

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

Approved Architectural Project: There is an existing architectural project approved on 21.10.2008. Total enclosed area is 18.825,59 m² according to the project.

First Construction License: (New construction) There is a “Construction Permit” dated 01.08.2007 with the number of 2007-246, granted for the “*hotel with restaurant or without a restaurant*” with the total surface area of 18.825,59 m².

Additional Construction License: Additional construction permit with explanation of “*it has been submitted for 2 interior door and addition and repair on basement floor*” dated 21.10.2008 with the number of 2008-217.

Occupancy Permit: There is a “Occupancy Permit” dated 06.11.2009 with the number of 150, granted for the “*hotel with restaurant or without a restaurant*” with the total surface area of 18.825,59 m².

Conforming to the inspections carried out on site, there are no differences found between the ongoing situation and the legal situation. The current structure is in compliance with the "Occupancy Permit" dated 06.11.2009, No. 150.

5.4.2 Building Inspection Institution and Maintenance

The real estate subject to this appraisal is liable to the Law Regarding Building Inspection dated 29.06.2001 with the number of 4708. As the plot subject to this appraisal is property of Gaziantep Metropolitan Municipality, Building Inspection built on that plot has been made by Gaziantep Metropolitan Municipality General Directorate of technical works.

5.4.3 Changes that Have Occurred in the Legal Status (Changes in the Zoning Plan, Nationalization, etc.) of the Real Estate within the Last Three Years Changes that Have Occurred within the Last Three Years

Pursuant to the information obtained from the Sehitkamil Municipality Zoning and Urbanism Directorate, it has been established that a change in the legal status of the real estate in the last three years is out of the question.

5.4.4 Opinion Whether the Necessary Permit and Documents Pursuant to the Legislation is Accurate and Complete

All of the necessary permits and licenses, such as the Zoning Status Document, the Approved Architectural Project, the Construction Permit and Occupancy Permit required by the Turkish Law, have been obtained in full, with regard to the real estate subject to the appraisal.

5.4.5 Opinion Whether There Is an Obstacle in Including the Investment Trust Portfolio in Terms of Zoning Information to the Real Estate within the Scope of the Capital Market Legislation

There are no changes in the structuring conditions and the current zoning status of the plot where the real estate subject to this appraisal is located. The buildings presently found on the plot have the required approved architectural project, construction permit and occupancy permit; therefore, there are no obstacles that prevent the real estate from being included in the Real Estate Investment Trust portfolio in terms of zoning information, within the scope of the Capital Market Board regulations.

5.4.6 Statement that the Detailed Information, along with the Value in Question Regarding the Project, are Completely in Connection with the Project and that, in the case of Executing a Different Project, the Resulting Value Might Vary

The appraisal study in question is not carried out within the scope of the “project evaluation”.

5.5 Physical Characteristics of the Real Estate

5.5.1 Structural Construction Characteristics of the Real Estate

The real estate subject to this appraisal is located in the City of Gaziantep, District of Sehitkamil, Neighborhood of Yaprak, Block no: 5020, Plot no: 2, with a surface area of 6.750,00 m² and it is a “12-Storeyed Concrete Hotel with/without Restaurant Building” real estate.

There is a construction built on the plot, in two blocks partially adjacent, as reinforced concrete building which is used as NOVOTEL and Ibis Hotel. This block used as NOVOTEL Hotel was built with a 2 basement + ground + 6 normal floors, and the block used as the IBIS Hotel was built with 2 basement + ground + 10 normal floors. According to the Istasyon Street towards the parcel has a facade, NOVOTEL section is positioned ahead by the IBIS Hotel section.

When the real estate subject to this appraisal is reviewed in two parts as NOVOTEL and IBIS Hotel, NOVOTEL is 4-stars and IBIS Hotel is 3-stars accommodation plant.

Total construction area is 18.825,59 m² in the architectural projects, construction permits and occupancy permits of the real estate subject to this appraisal. This area specified in the appraisal



study has been taken as a basis due to the fact that the real estate was built in accordance with the approved architectural project.

Total construction area is 18,825.59 m². While Total construction area of NOVOTEL is 7.520,43 m², the construction area of IBIS hotel is 11.305,16 m². There are 92 rooms in NOVOTEL part and 177 rooms in IBIS hotel part.

According to the approved architectural project and the inspections performed on site, the building used as NOVOTEL has; 2nd basement floor composed of indoor parking area, 1st basement floor composed of administrative offices, kitchen, cold storage, boiler room, central heating, air conditioner handling units and rooms, staff dining hall, male / female WCs, laundry and storage, staff dining hall, ground floor composed of reception, lobby, restaurant, bar, conference rooms and lobby area, fitness, kitchen, electrical rooms, server rooms, pool rooms, F & B office, male / female / disabled WCs, and 1st, 2nd, 3rd, 4th, 5th and 6th normal floors composed of hotel rooms.

NOVOTEL has 16 standard rooms on 1st normal floor and 6th normal floor, 1 suite and 14 standard rooms on 2nd, 3rd, 4th and 5th normal floors for a total of 15 rooms, and a total of 92 rooms on all floors. There is an outdoor swimming pool in backyard of Novotel that is accessible from the restaurant part.

Room types have been designed as standard rooms, standard rooms with bath, twin adjoinable twin rooms and rooms for the disabled customers. Size of the rooms according to their type; standard and standard rooms with bath is 23, 53 m², combinable twin rooms and rooms for the disabled are 23, 49 m²

IBIS Hotel has; 2nd basement floor composed of indoor parking area, water pump room, septic tank chamber, chemical waste storage room, electrical room, fuel tank room, 1st basement floor composed of generator room, main board and auxiliary board room, UPS room, transformer room, ground floor composed of reception, lobby, bar, breakfast room, kitchen, male / female WCs,

1. 1st normal floor composed of 12 standard rooms and administrative offices, 2nd to 7th normal floors composed of 18 standard rooms, 8th, 9th and 10th normal floors composed of 19 standard rooms in each floor for a total of 177 rooms.

Room types have been designed as standard room, adjoinable standard rooms and desk& bed rooms, adjoinable rooms for the disabled customers. Size of the rooms according to their type; standard rooms, adjoinable standard rooms and desk&bed rooms are 15, 79 m², combinable rooms for the disabled are 13, 97 m².

| Floor | Floor Areas (m ²) | |
|--------------------------------|-------------------------------|--------------------------------|
| | Novotel: | Ibis Hotel |
| 2 nd Basement Floor | 1.643,86 | 2.471,18 |
| 1 st Basement Floor | 1.598,70 | 2.403,28 |
| Ground Floor | 1.069,31 | 1.520,00 |
| 1. Normal Floor | 534,76 | 517,87 |
| 2. Normal Floor | 534,76 | 517,87 |
| 3. Normal Floor | 534,76 | 517,87 |
| 4. Normal Floor | 534,76 | 517,87 |
| 5. Normal Floor | 534,76 | 517,87 |
| 6. Normal Floor | 534,76 | 517,87 |
| 7. Normal Floor | - | 517,87 |
| 8. Normal Floor | - | 517,87 |
| 9. Normal Floor | - | 517,87 |
| 10. Normal Floor | - | 517,87 |
| TOTAL | 7.520,43 m² | 11.305,16 m² |

Interior Construction Characteristics of the Novotel and Ibis Hotel are as follows:

| Interior Construction Characteristics of the Novotel and Ibis Hotel | |
|---|--|
| Total Area | <u>According to the Architectural Project, Construction License and the Occupancy Permit Certificate and current status:</u> 18,825.59 m ² (Novotel 7.520,43 m ² and Ibis Hotel 11.305,16 m ²) |
| Age | 6 |
| Construction Type: | Reinforced Concrete |
| Roofing System: | Terrace |
| Disposition | Partially Adjacent |
| Number of Floors | <u>Novotel:</u> 9 Storeyed (2 Basement Floors + Ground Floor + 6 Normal Floors) <u>Ibis Hotel:</u> 13 Storeyed (2 Basement Floors + Ground Floor + 10 Normal Floors) |
| Exterior Facade | The front and the rear facade are covered with glass, sinter flex in some places and the remaining areas are covered with special acrylic paint. |
| Electricity | City Grid |
| Heating system | Central Heating System |
| Water | City Grid |
| Sewerage | City Grid |
| Elevator | Available (2 pcs.) |
| Ventilation System | Available |
| Fire Escape | Available |
| Fire Extinguisher System | Available |
| Car Park | Available (Parking Garage) |
| Flooring | Wall to wall carpet, laminate parquet, ceramic |
| Walls | Satin paint, ceramic tile and wall paper |
| Joinery | Exterior Joineries are made of aluminum, while the interior ones are made of wood |
| Ceilings | Suspended ceiling |
| Illumination | Wall lamps, chandeliers, lamp shades, spot lights and fluorescent luminaries |
| Roof Covering | Terrace roof |
| Facade | The front and the rear facade are covered with glass, sinter flex in some places and the remaining areas are covered with special acrylic paint. |

The front and the rear facades of both Novotel and Ibis Hotel are covered with glass, sinter flex in some places and the remaining areas are covered with special acrylic paint. Lateral facades of the building have been painted with special acrylic paint. Entrances to the building are provided by large, big doors enclosed with a canopy. There is not a hotel room at the entrance (ground) floors for both hotels. On the other hand, an area has been built as a service hall at the junction point of both



buildings. There is a stairwell and 1 service elevator enabling transition inter-buildings and floors are available on that area.

5.5.2 Inspections Performed Within the Premises of the Real Estate

- Novotel and Ibis Hotel are structures built as partially adjacent and operating as two separate hotels.
- Novotel is totally 9 Storeyed (2 Basement Floors + Ground Floor + 6 Normal Floors). Ibis Hotel is totally 13 Storeyed (2 Basement Floors + Ground Floor + 10 Normal Floors).
- The Hotels are located in a central position close to the main arteries and state institutions and organizations. The transportation is easily provided.
- Inside the Ibis Hotel, there are customer and service elevators, fire alarm and extinguishing systems, air conditioning with the heating and cooling systems.
- Parking garage, kitchen, conference rooms, cold storage, heating / cooling systems, septic tank, generator, staff dining halls and security services are shared areas for both hotels.
- The sides of the plot is surrounded by concrete wall with wire mesh and with a height of 1.00 m and 1.50 m.
- Areas of plot outside the building session are partially concrete, partially cross stone and partially covered with asphalt.
- Other external and miscellaneous works determined on the site and included within the appraisal are; swimming pool, landscape work, concrete walls. External and miscallenous works have been added as an additional cost into the calculations made in the cost approach analysis.
- Guests' entrance to facilities is provided from separate doors on the ground floor. In addition to this, departments are built through service department at the junction of two buildings to provide the officer to pass both buildings from each floor.

6 FACTORS AFFECTING AND DETERMINING THE VALUE OF THE REAL ESTATE

6.1 Factors that Limit or Negatively Affect the Appraisal Process

There are no limiting or negatively affecting factors hindering the appraisal studies in question.

6.2 Swot Analysis

Strengths

- The Owner is Gaziantep Metropolitan Municipality and there is "Right of (easement) Construction" in favor of a permanent and independent nature for AKFEN Real Estate Investment Trust Inc. on the real estate for 30 years.
- It has been registered at a separate page of the land registry book of the "Right of Construction (Easement)" that is valid until the year of 2037.
- The hotel has high recognition and marketing capacity due to its location.
- The Facility is located in the city center and at the intersection of the main arterial roads and has a variety of access and transportation options
- There is a parking garage.
- Gaziantep is one of Turkey's developed cities in terms of industry and trade.
- Its tenant is hotels, which operates under the name of two different brands (NOVOTEL and IBIS HOTEL) of the Accor hotel group operating all over the world and 30-year rental agreement (during the entire right of construction) has been annotated to land register.

Weaknesses

- Although Gaziantep is one of Turkey's developed cities in terms of industry and trade, it is the City facing with intensive migration and irregular urbanization in terms of city planning

Opportunities

- The City of Gaziantep is facing with intensive migration from both domestic and neighboring countries such as Syria and Iraq which are still experiencing inner disturbances. This situation may be considered as an opportunity for hotels in terms of accommodation as well as negative impact.



Threats

- Negativities, which have been happening in Iraq and Syria, which are very near to area of subjected immovable as border neighboring countries, has been also affecting real estate market negatively.
- Although Gaziantep Forum Shopping Mall located as adjacent to hotels and brought into service last year increases activity in the region, it may bring a discount in other revenues except for room revenues (especially food and beverage revenues) in case people stay in hotels meet their needs from Gaziantep Forum Shopping Mall.

6.3 Exemplary Share Rate in the Projects that Will Be Performed According to the Revenue Sharing and Flat for Land Methods

Revenue Sharing and Flat for Land Methods have not been employed throughout this appraisal study.

6.4 Methods and Eligibility Motives Employed in the Appraisal of the Real Estate

Since the real estate subject to this appraisal study is an operating Hotel generating revenue, the Revenue Approach and Cost Approach Methods have been employed. In the Cost Approach Management, the “Land value” has been determined according to the Exemplary Approach.

6.4.1 Exemplary Approach

As a result of the surveys performed in the vicinity of the real estate, no other recently sold exemplary hotels with a similar location, nature and structuring conditions to those of the real estate subject to the appraisal have been found. However, information relative to land examples with Residential zoning, which are for sale, has been obtained in the vicinity of the plot subject to the appraisal study.

6.4.1.1 Definitions and Sale Value of the Similar Sales Examples that Has Been Based Upon During the Appraisal and the Reasons Why They Have Been Employed

Land examples with commercial and residential zoning, located in the vicinity of the plot subject to the appraisal study, have been listed in the table below.

| EXAMPLE | Location | Characteristics | Surface Area (m ²) | Price (TL) | Price m ² (TL) | Source |
|-----------|--|---|--------------------------------|------------|---------------------------|---|
| Example 1 | 400 m-500 m. far from subjected real estate near to Palmiye Hotel have front to Şehitkamil Ali Fuat Cebesoy Street | Commercial zoned, sold before 3-4 months | 4.000 | 15.000.000 | 3.750 | Mercan Real Estate 0533 721 09 23 |
| Example 2 | Near to boulevard of Şehitkamil Gazi Muhtar Paşa, on the ~1100 m. west of subjected immovable | KAKS: 1,8 Hmax: 33 m. Commercial Zoned | 3.500 | 14.000.000 | 4.000 | Re/Max 3 Bay 0342 341 66 66 0532 370 80 65 |
| Example 3 | Over Şehitkamil Bus Terminal | Detached ordered 4 storey Commercial Zoned | 2.614 | 4.500.000 | 1.721 | Çiçek Real Estate 0342 322 32 02 0532 332 78 00 |
| Example 4 | With front of Şehitkamil Umut Mah. Nihat Özdemir Street, on ~4000 m east of subjected immovable. | Hmax: 9,50 m. Total of 3 separate Commercial Zoned parcels | 6.528 | 7.833.600 | 1.200 | Kolcuoğlu Real Estate 0342 341 32 37 0532 341 21 78 |

A correction chart has been created over the examples with similar qualities and final appraisal has been carried out.

| LAND EXAMPLES EVALUATION TABLE | | | | | | | | |
|--------------------------------|------------|-------------------|------------|-------------------|-----------|-------------------|-----------|-------------------|
| | Example 1 | | Example 2 | | Example 3 | | Example 4 | |
| Area (m ²) | 4.000 | m ² | 3.500 | m ² | 2.614 | m ² | 6.528 | m ² |
| Demanded difference (TL) | 15.000.000 | | 14.000.000 | | 4.500.000 | | 7.833.600 | |
| Bargain Price (TL) | 13.500.000 | | 12.600.000 | | 4.050.000 | | 7.050.240 | |
| Location Correction (+-%) | -5% | | -10% | | -20% | | -30% | |
| Surface Area Correction (+-%) | 0% | | 0% | | 5% | | 0% | |
| Zoning Status Correction (+-%) | -30% | | -30% | | -30% | | -50% | |
| Corrected Price per Unit | 4.556 | TL/m ² | 5.040 | TL/m ² | 2.247 | TL/m ² | 1.944 | TL/m ² |
| Example Average | 3.447 | | | | | | | |

- Possible bargain rates, purchase sale expenses and real estate agent commissions on the sale prices of the properties that are for sale have been taken into consideration.
- As a result of the surveys performed, it has been noted that the zoned land stock as "Tourism Facility Land" in the same area with the real estate subject to the appraisal is considerably limited and there are no concrete land examples that can compare to the plot subject to the appraisal. Consequently, from the research and interviews carried out in the area, the appraisal with regard to the plot has been conducted by taking into account the above provided examples and the total price of the property has been estimated to be **4.000.-TL/m²**.
- 1/3 of the unit price per m2 of the land value has been determined as bare ownership and 2/3 as the right of construction.
- The total lease right for the duration of 30 years has been calculated by comparing the remaining the right of construction, on the date that this report was prepared, to the total duration time and determining the price per m2 of the right of construction.

| | |
|--|------------------------|
| Price per Unit Land Value of the Remaining Time for the Right of Construction* | 1.915 TL |
| Size of the Land | 6.750,0 m ² |
| Unit Land Value (TL) | 12.924.000 TL |
| Total Land Value (Euro) | 4.182.795 € |

| | |
|--|----------|
| Unit Land Value | 4.000 TL |
| Right of Construction Value Rate | 2/3 |
| Remaining Time for Right of Construction (YEARS) | 21,54 |
| Price per Unit Land Value of the Remaining Time for the Right of Construction* | 1.915 TL |

"When the remaining time value resulting from the right of construction of the land is calculated, for the right of construction value of the land, it has been employed as 2/3 at the first step Afterwards, the remaining time from the right of construction for 30 years is calculated in order to determine the current unit value of the land for the right of construction

| | |
|---|---|
| Time Coefficient Remaining from the Right of Construction | = (Date of Report- Right of Construction Date)/ 30 years |
| Price per Unit Land Value of the Remaining Time for the Right of Construction | =(Unit Land Value x The coefficient of the right of construction for 30 years x The remaining time from the right of construction x 30 years) |
| Price per Unit Land Value of the Remaining Time for the Right of Construction | =(4.000 TL x 2/3 x 21,54 / 30) |

Professional Opinion of the Appraiser:

Taking into account the factors relative to the real estate subject to the appraisal, such as its location, the area of the plot, zoning status with tourism facility, formation of its vicinity, existence of the hotel building on the plot that are operational and bring in revenue, possessing all the required legal permits and classifications, legal status and the prices of the surrounding real estate examples, the land unit sale value has been estimated to be **4.000 TL/m²**.

Cost Approach

The building cost values in this analysis, with the cost generation approach, the technical specifications of the buildings, the material and labor quality that has been employed during the construction of the buildings, the construction values of the buildings that have similar characteristics in the market, the industry experience relative to similar hotel costs and the construction costs in relation to the real estate subject to the appraisal submitted by Akfen Real Estate Investment Trust Inc. have been taken into consideration.

COST TABLE

LAND+BUILDING

| ENCLOSED AREAS | | | | UNIT COSTS (EURO)(*) | | | AMORTIZED TOTAL COST (EURO) (**) |
|--|-----------------|------------------|---|--------------------------|-----------------------------|-------------------|----------------------------------|
| FLOOR AREAS (m ²) | NOVOTEL | IBIS HOTEL | TOTAL CONSTRUCTION AREA (m ²) | NOVOTEL UNIT M2 COST (€) | IBIS HOTEL UNIT M2 COST (€) | TOTAL COST (€) | RATE OF AMORTIZATION (5%) |
| 2 nd Basement Floor | 1.643,86 | 2.471,18 | 4.115,04 | 250 | 250 | 1.028.760 | 977.322 |
| 1 st Basement Floor | 1.598,70 | 2.403,28 | 4.001,98 | 500 | 500 | 2.000.990 | 1.900.941 |
| Ground Floor | 1.069,31 | 1.252,00 | 2.321,31 | 1.200 | 1.100 | 2.660.372 | 2.527.353 |
| 1. Normal Floor | 534,76 | 517,87 | 1.052,63 | 1.200 | 1.100 | 1.211.369 | 1.150.801 |
| 2. Normal Floor | 534,76 | 517,87 | 1.052,63 | 1.200 | 1.100 | 1.211.369 | 1.150.801 |
| 3. Normal Floor | 534,76 | 517,87 | 1.052,63 | 1.200 | 1.100 | 1.211.369 | 1.150.801 |
| 4. Normal Floor | 534,76 | 517,87 | 1.052,63 | 1.200 | 1.100 | 1.211.369 | 1.150.801 |
| 5. Normal Floor | 534,76 | 517,87 | 1.052,63 | 1.200 | 1.100 | 1.211.369 | 1.150.801 |
| 6. Normal Floor | 534,76 | 517,87 | 1.052,63 | 1.200 | 1.100 | 1.211.369 | 1.150.801 |
| 7. Normal Floor | - | 517,87 | 517,87 | 1.200 | 1.100 | 569.657 | 541.174 |
| 8. Normal Floor | - | 517,87 | 517,87 | 1.200 | 1.100 | 569.657 | 541.174 |
| 9. Normal Floor | - | 517,87 | 517,87 | 1.200 | 1.100 | 569.657 | 541.174 |
| 10. Normal Floor | - | 517,87 | 517,87 | 1.200 | 1.100 | 569.657 | 541.174 |
| TOTAL CONST. COST | 7.520,43 | 11.305,16 | 18.825,59 | | | 15.236.964 | 14.475.116 |
| External Miscellaneous Works (***) (€) | | | | | | | 300.000 |
| TOTAL STRUCTURE VALUE | | | | | | | 14.775.116 |
| LAND VALUE | | | | | | | 4.182.795 |
| TOTAL VALUE | | | | | | | 18.958.000 |
| | | | | | | | 58.576.000 |

(*) The total construction cost value has been calculated by scrutinizing the verified construction cost information taken from Akfen Real Estate Investment Trust Inc. together with our industry experience in relation to the similar hotel costs.



(**) The date of completion of the construction of the real estate subject to the appraisal is 06.11.2009. The appraisal has been conducted by taking into consideration the age and physical status of the real estate.

() Costs for the wire fences over the swimming pool, concrete wall, open area landscaping etc, have been roughly estimated.***

6.4.2 Cost Discount / Development Approach

Considering that the real estate subject to this appraisal study is a property that brings in revenue, the cost approach method has been employed. NOVOTEL and IBIS HOTEL revenue projections have been individually shown.

NOVOTEL PROJECTION:

- NOVOTEL comprises of 92 rooms.
- It has been estimated that the occupancy rate of the hotel will be 75% in the year of 2016 and that this rate will increase each year and reach to 80% in the year of 2019 and it will be operated with this occupancy rate of 80% in the following years.
- It has been assumed that the hotel will be operating 365 days a year.
- The hotel prices have been calculated based on the room-breakfast system. Taking into account the performance of the hotel in the previous year, along with the surveys performed in regard to the tourism industry in the area, it has been estimated that the average price for a room will be 54 EURO, in the year of 2016. Moreover, it has been anticipated that this price will increase annually at the rate of 5% until 2020 year and (2,5%) in the following years as based on the inflation in the Euro Zone.
- It has been assumed that workplace rental, meeting hall rental, wellness center, restaurant expenditures and extra costs etc. will be specified in items of other revenues. Considering the performance of the facility, it has been assumed that the room revenues will constitute 61% of the total revenue, whereas 39% of the other revenues.
- The gross operating profit has been calculated by subtracting the department and operating expenses from the total revenues. It has been determined that the Gross Operating Profit (GOP) in the hotel will be of 37% in the year of 2016 and also increase to 38% as of 2018 and this rate will remain to be stable in the following years



NOVOTEL Business Revenue

| Land Area (m2) | | Number of Seasonal Rooms | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------------------|--|--------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--|--|
| Total Construction Area (m2) | | Long Term Growth Rate | | | | | | | | | | | | | | | | | | | | | | | | |
| Year | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | | |
| Date | | 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 | 31.12.2033 | 31.12.2034 | 31.12.2035 | 31.12.2036 | 17.07.2037 | | |
| REVENUES | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ROOMS REVENUES | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Annual Average Occupancy, % | | 75% | 77% | 78% | 80% | 80% | 80% | 80% | 80% | 80% | 80% | 80% | 80% | 80% | 80% | 80% | 80% | 80% | 80% | 80% | 80% | 80% | 80% | 80% | | |
| Average Room Price, EUR | | 54 | 57 | 60 | 64 | 67 | 69 | 70 | 72 | 74 | 76 | 78 | 80 | 81 | 84 | 86 | 88 | 90 | 92 | 95 | 97 | 99 | 102 | | | |
| Total Room Revenues | | 1.359.990 | 1.456.549 | 1.559.964 | 1.702.545 | 1.787.672 | 1.832.364 | 1.878.173 | 1.925.128 | 1.973.256 | 2.022.587 | 2.073.152 | 2.124.981 | 2.178.105 | 2.232.558 | 2.288.372 | 2.345.581 | 2.404.220 | 2.464.326 | 2.525.934 | 2.589.082 | 2.653.810 | 2.653.810 | 1.586.757 | | |
| DEPARTMENT REVENUES | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Department Revenues | | 858.354 | 919.298 | 984.568 | 1.074.557 | 1.128.285 | 1.156.492 | 1.185.404 | 1.215.039 | 1.245.415 | 1.276.551 | 1.308.465 | 1.341.176 | 1.374.706 | 1.409.073 | 1.444.300 | 1.480.408 | 1.517.418 | 1.555.353 | 1.594.237 | 1.634.093 | 1.674.945 | 1.674.945 | 1.001.478 | | |
| TOTAL REVENUES | | 2.218.344 | 2.375.847 | 2.544.532 | 2.777.102 | 2.915.957 | 2.988.856 | 3.063.578 | 3.140.167 | 3.218.671 | 3.299.138 | 3.381.616 | 3.466.157 | 3.552.811 | 3.641.631 | 3.732.672 | 3.825.989 | 3.921.638 | 4.019.679 | 4.120.171 | 4.223.176 | 4.328.755 | 4.328.755 | 2.588.235 | | |
| EXPENSES | | | | | | | | | | | | | | | | | | | | | | | | | | |
| DEPARTMENT EXPENSES | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Department Expenses | | 1.010.796 | 1.082.562 | 1.159.424 | 1.265.396 | 1.328.665 | 1.361.882 | 1.395.929 | 1.430.827 | 1.466.598 | 1.503.263 | 1.540.845 | 1.579.366 | 1.618.850 | 1.659.321 | 1.700.804 | 1.743.324 | 1.786.907 | 1.831.580 | 1.877.369 | 1.924.304 | 1.972.411 | 1.972.411 | 1.179.338 | | |
| Net Department Revenues | | 1.207.548 | 1.293.284 | 1.385.108 | 1.511.706 | 1.587.292 | 1.626.974 | 1.667.648 | 1.709.340 | 1.752.073 | 1.795.875 | 1.840.772 | 1.886.791 | 1.933.961 | 1.982.310 | 2.031.868 | 2.082.664 | 2.134.731 | 2.188.099 | 2.242.802 | 2.298.872 | 2.356.344 | 2.356.344 | 1.408.897 | | |
| OPERATING EXPENSES | | | | | | | | | | | | | | | | | | | | | | | | | | |
| General Management Expenses | | 177.468 | 190.068 | 203.563 | 222.168 | 233.277 | 239.108 | 245.086 | 251.213 | 257.494 | 263.931 | 270.529 | 277.293 | 284.225 | 291.330 | 298.614 | 306.079 | 313.731 | 321.574 | 329.614 | 337.854 | 346.300 | 346.300 | 207.059 | | |
| Marketing | | 33.275 | 35.638 | 38.168 | 41.657 | 43.739 | 44.833 | 45.954 | 47.103 | 48.280 | 49.487 | 50.724 | 51.992 | 53.292 | 54.624 | 55.990 | 57.390 | 58.825 | 60.295 | 61.803 | 63.348 | 64.931 | 64.931 | 38.824 | | |
| Energy | | 177.468 | 190.068 | 178.117 | 194.397 | 204.117 | 209.220 | 214.450 | 219.812 | 225.307 | 230.940 | 236.713 | 242.631 | 248.697 | 254.914 | 261.287 | 267.819 | 274.515 | 281.378 | 288.412 | 295.622 | 303.013 | 303.013 | 181.176 | | |
| Total Operating Expenses | | 388.210 | 415.773 | 419.848 | 458.222 | 481.133 | 493.161 | 505.490 | 518.128 | 531.081 | 544.358 | 557.967 | 571.916 | 586.214 | 600.869 | 615.891 | 631.288 | 647.070 | 663.247 | 679.828 | 696.824 | 714.245 | 714.245 | 427.059 | | |
| GROSS OPERATING PROFIT | | 819.338 | 877.511 | 965.260 | 1.053.485 | 1.106.159 | 1.133.813 | 1.162.158 | 1.191.212 | 1.220.992 | 1.251.517 | 1.282.805 | 1.314.875 | 1.347.747 | 1.381.441 | 1.415.977 | 1.451.376 | 1.487.661 | 1.524.852 | 1.562.974 | 1.602.048 | 1.642.099 | 1.642.099 | 981.838 | | |

IBIS HOTEL PROJECTION:

- The hotel subject to the appraisal has a capacity for 177 rooms.
- It has been estimated that the occupancy rate of the hotel will be 72% in the year of 2016 and that this rate will increase each year and reach to 78% in the year of 2020 and it will be operated with this occupancy rate of 78% in the following years.
- It has been assumed that the hotel will be operating 365 days a year.
- The hotel prices have been calculated based on the room-breakfast system. Taking into account the performance of the hotel in the previous year, along with the surveys performed in regard to the tourism industry in the area, it has been estimated that the average price for a room will be 40 EURO, in the year of 2016. Moreover, it has been anticipated that this price will increase annually at the rate of 5% until 2020 year and (2,5%) in the following years as based on the inflation in the Euro Zone.
- It has been assumed that restaurant expenditures and extra costs etc. will be specified in items of other revenues. Considering the performance of the facility, it has been assumed that the room revenues will constitute 82% of the total revenue, whereas 18% of the other revenues.
- The gross operating profit has been calculated by subtracting the department and operating expenses from the total revenues. It has been determined that the Gross Operating Profit (GOP) in the hotel will be of 47% in the year of 2015 and increase to 49% also remain to be stabile in the following years.



Ibis Hotel Business Revenue

| CASH FLOW DISCOUNT TABLE | | | | | | | | | | | | | | | | | | | | | | | |
|------------------------------|----------------|------------|-------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Name of the Hotel | GAZIANTEP IBIS | | Total Number of Rooms | | | | | | | | | | | | | | | | | | | | |
| Land Area (m2) | 6750 m2 | | Number of Seasonal Days | | | | | | | | | | | | | | | | | | | | |
| Total Construction Area (m2) | 11.305,16 m2 | | Long Term Growth Rate | | | | | | | | | | | | | | | | | | | | |
| Year | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| Date | 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 | 31.12.2033 | 31.12.2034 | 31.12.2035 | 31.12.2036 | 17.07.2037 |
| REVENUES | | | | | | | | | | | | | | | | | | | | | | | |
| ROOMS REVENUES | | | | | | | | | | | | | | | | | | | | | | | |
| Annual Average Occupancy, % | 72% | 73% | 75% | 76% | 78% | 78% | 78% | 78% | 78% | 78% | 78% | 78% | 78% | 78% | 78% | 78% | 78% | 78% | 78% | 78% | 78% | 78% | 78% |
| Average Room Price, EUR | 40 | 42 | 44 | 47 | 50 | 51 | 52 | 53 | 55 | 56 | 57 | 59 | 60 | 62 | 63 | 65 | 67 | 68 | 70 | 72 | 74 | 75 | |
| Total Room Revenues | 1.860.624 | 1.992.728 | 2.134.212 | 2.329.279 | 2.494.658 | 2.557.024 | 2.620.950 | 2.686.474 | 2.753.635 | 2.822.476 | 2.893.038 | 2.965.364 | 3.039.498 | 3.115.486 | 3.193.373 | 3.273.207 | 3.355.037 | 3.438.913 | 3.524.886 | 3.613.008 | 3.703.334 | 2.214.285 | |
| DEPARTMENT REVENUES | | | | | | | | | | | | | | | | | | | | | | | |
| Total Department Revenues | 408.430 | 437.428 | 468.486 | 511.305 | 547.608 | 561.298 | 575.330 | 589.714 | 604.457 | 619.568 | 635.057 | 650.934 | 667.207 | 683.887 | 700.984 | 718.509 | 736.472 | 754.883 | 773.755 | 793.099 | 812.927 | 486.063 | |
| TOTAL REVENUES | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL REVENUES | 2.269.054 | 2.430.156 | 2.602.698 | 2.840.584 | 3.042.266 | 3.118.322 | 3.196.280 | 3.276.187 | 3.358.092 | 3.442.044 | 3.528.095 | 3.616.298 | 3.706.705 | 3.799.373 | 3.894.357 | 3.991.716 | 4.091.509 | 4.193.797 | 4.298.642 | 4.406.108 | 4.516.260 | 2.700.347 | |
| EXPENSES | | | | | | | | | | | | | | | | | | | | | | | |
| DEPARTMENT EXPENSES | | | | | | | | | | | | | | | | | | | | | | | |
| Total Department Expenses | 855.377 | 916.108 | 981.152 | 1.070.829 | 1.146.858 | 1.175.530 | 1.204.918 | 1.235.041 | 1.265.917 | 1.297.565 | 1.330.004 | 1.363.254 | 1.397.335 | 1.432.269 | 1.468.075 | 1.504.777 | 1.542.397 | 1.580.957 | 1.620.480 | 1.660.992 | 1.702.517 | 1.017.963 | |
| Net Department Revenues | | | | | | | | | | | | | | | | | | | | | | | |
| Net Department Revenues | 1.413.677 | 1.514.048 | 1.621.546 | 1.769.755 | 1.895.408 | 1.942.793 | 1.991.363 | 2.041.147 | 2.092.175 | 2.144.480 | 2.198.092 | 2.253.044 | 2.309.370 | 2.367.104 | 2.426.282 | 2.486.939 | 2.549.112 | 2.612.840 | 2.678.161 | 2.745.115 | 2.813.743 | 1.682.384 | |
| OPERATING EXPENSES | | | | | | | | | | | | | | | | | | | | | | | |
| General Management Expenses | 158.834 | 170.111 | 182.189 | 198.841 | 212.959 | 218.283 | 223.740 | 229.333 | 235.066 | 240.943 | 246.967 | 253.141 | 259.469 | 265.956 | 272.605 | 279.420 | 286.406 | 293.566 | 300.905 | 308.428 | 316.138 | 189.024 | |
| Marketing | 34.036 | 36.452 | 39.040 | 42.609 | 45.634 | 46.775 | 47.944 | 49.143 | 50.371 | 51.631 | 52.921 | 54.244 | 55.601 | 56.991 | 58.415 | 59.876 | 61.373 | 62.907 | 64.480 | 66.092 | 67.744 | 40.505 | |

General Assumptions (For NOVOTEL and IBIS HOTEL)

- It has been assumed that the real estate tax will be jointly paid for both hotels.
- According to the information obtained from Akfen Real Estate Investment Trust Inc., it has been acknowledged that the insurance value for the year of 2016 will be of 17.474 Euro and that it will remain so, on account of the estimation made that there will not be any increases in the insurance premium by Akfen Real Estate Investment Trust Inc. in the following years.
- Furniture Fixture Renovation Reserve has been obtained by reason of the agreements executed with ACCOR. Accordingly, it has been determined that the rate will consist of 3,5% of the annual gross revenue.
- The annually paid Right of Construction value (land) has been accepted in accordance with the right of construction agreement signed between Akfen Real Estate Investment Trust Inc. and Gaziantep Metropolitan Municipality.
- The first 5-year usage fee from the business period (January 2010) Annual "Right of Construction" amount shall be paid in a single sum. This usage fee shall be increased at a rate of 5% for the following second five-year; and 10% from the 11th Year (included) to the 20th (included) year and 10% within the remaining period as of 21st (included) year, compared to the previous periods. These values have been determined according to the lease agreement executed by and between Akfen Real Estate Investment Trust Inc. and Gaziantep Metropolitan Municipality.
- Term of the agreement can be extended by a new agreement to be agreed by the parties upon demand by the Akfen Real Estate Investment Trust A.Ş and approval by the administration after its expiry.
- In the appraisal study, the 10 year Eurobond interest rate of 3,10% has been employed as the "Risk Free Revenue Rate". (In this appraisal study, the most-ready 10 years EURO base Eurobond revenue rate has been employed as the risk free revenue rate.)
- Discount rate has been determined as 10% in the Projection.
- In the course of the studies, the exchange rate for 1 EURO has been acknowledged at 3,0898 TL, in accordance with the 02.11.2015 dated buying rate exchange of the Central Bank of Turkey
- It has been assumed that all payments are made in cash.
- Throughout the course of the studies, the Euro Zone inflation rate of 2,5% has been employed as the inflation rate.



- In net present value calculations, mid year factor (0,5) was considered to present more realist value.
- Within the scope of the International Valuation Standards (IVSC), taxes and VAT have not been included in the studies



Novotel and Ibis Hotel Net Business Revenue

| Yıl Date | 0 31.12.2015 | 1 31.12.2016 | 2 31.12.2017 | 3 31.12.2018 | 4 31.12.2019 | 5 31.12.2020 | 6 31.12.2021 | 7 31.12.2022 | 8 31.12.2023 | 9 31.12.2024 | 10 31.12.2025 | 11 31.12.2026 | 12 31.12.2027 | 13 31.12.2028 | 14 31.12.2029 | 15 31.12.2030 | 16 31.12.2031 | 17 31.12.2032 | 18 31.12.2033 | 19 31.12.2034 | 20 31.12.2035 | 21 31.12.2036 | 22 17.07.2037 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | | | | | | | | | | | | | | | | | | | | | | | |
| NOVOTEL TOTAL REVENUE (Euro) | 2.218.344 | 2.375.847 | 2.544.532 | 2.777.102 | 2.915.957 | 2.988.856 | 3.063.578 | 3.140.167 | 3.218.671 | 3.299.138 | 3.381.616 | 3.466.157 | 3.552.811 | 3.641.631 | 3.732.672 | 3.825.989 | 3.921.638 | 4.019.679 | 4.120.171 | 4.223.176 | 4.328.755 | 2.588.235 | |
| IBISI HOTEL TOTAL REVENUE(EURO) | 2.269.054 | 2.430.156 | 2.602.698 | 2.840.584 | 3.042.266 | 3.118.322 | 3.196.280 | 3.276.187 | 3.358.092 | 3.442.044 | 3.528.095 | 3.616.298 | 3.706.705 | 3.799.373 | 3.894.357 | 3.991.716 | 4.091.509 | 4.193.797 | 4.298.642 | 4.406.108 | 4.516.260 | 2.700.347 | |
| | | | | | | | | | | | | | | | | | | | | | | | |
| NOVOTEL GROSS OPERATION PROFIT (Euro) | 819.338 | 877.511 | 965.260 | 1.053.485 | 1.106.159 | 1.133.813 | 1.162.158 | 1.191.212 | 1.220.992 | 1.251.517 | 1.282.805 | 1.314.875 | 1.347.747 | 1.381.441 | 1.415.977 | 1.451.376 | 1.487.661 | 1.524.852 | 1.562.974 | 1.602.048 | 1.642.099 | 981.838 | |
| IBISI HOTEL GROSS OPERATION PROFIT (Euro) | 1.061.974 | 1.137.374 | 1.218.128 | 1.386.276 | 1.484.702 | 1.521.819 | 1.559.865 | 1.598.861 | 1.638.833 | 1.679.804 | 1.721.799 | 1.764.844 | 1.808.965 | 1.854.189 | 1.900.544 | 1.948.057 | 1.996.759 | 2.046.678 | 2.097.845 | 2.150.291 | 2.204.048 | 1.317.837 | |
| | | | | | | | | | | | | | | | | | | | | | | | |
| FIXED EXPENCES | 253.941 | 265.093 | 277.035 | 301.442 | 313.361 | 318.574 | 323.918 | 329.396 | 335.010 | 340.765 | 346.663 | 352.709 | 358.906 | 373.993 | 380.504 | 387.178 | 394.018 | 401.030 | 408.217 | 415.583 | 423.134 | 298.658 | |
| Real Estate Tax | | | | | | | | | | | | | | | | | | | | | | | |
| Insurance | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | |
| Furniture,Fixture and Renovation Reserve | 157.059 | 168.210 | 180.153 | 196.619 | 208.538 | 213.751 | 219.095 | 224.572 | 230.187 | 235.941 | 241.840 | 247.886 | 254.083 | 260.435 | 266.946 | 273.620 | 280.460 | 287.472 | 294.658 | 302.025 | 309.576 | 185.100 | |
| Annual Right Of Construction Price(\$) | 87.518 | 87.518 | 87.518 | 96.269 | 96.269 | 96.269 | 96.269 | 96.269 | 96.269 | 96.269 | 96.269 | 96.269 | 96.269 | 96.269 | 105.896 | 105.896 | 105.896 | 105.896 | 105.896 | 105.896 | 105.896 | 105.896 | |
| Annual Right Of Construction Price (Euro) | 79.408 | 79.408 | 79.408 | 87.349 | 87.349 | 87.349 | 87.349 | 87.349 | 87.349 | 87.349 | 87.349 | 87.349 | 87.349 | 87.349 | 96.084 | 96.084 | 96.084 | 96.084 | 96.084 | 96.084 | 96.084 | 96.084 | |
| | | | | | | | | | | | | | | | | | | | | | | | |
| HOTELS TOTAL NET OPERATING REVENUE | 1.627.371 | 1.749.793 | 1.906.352 | 2.138.318 | 2.277.500 | 2.337.058 | 2.398.105 | 2.460.678 | 2.524.815 | 2.590.556 | 2.657.941 | 2.727.010 | 2.797.806 | 2.861.637 | 2.936.016 | 3.012.256 | 3.090.401 | 3.170.500 | 3.252.602 | 3.336.756 | 3.423.013 | 2.001.017 | |

| | | | |
|--------------------------------------|------------|------------|------------|
| Risk Free Revenue Rate | 4,80% | 4,80% | 4,80% |
| Risk Premium | 4,70% | 5,20% | 6,70% |
| Discount Rate | 9,50% | 10,00% | 11,50% |
| NET CURRENT VALUE (Euro) | 22.509.408 | 21.647.918 | 19.356.512 |
| NET APPROXIMATE CURRENT VALUE (Euro) | 22.510.000 | 21.650.000 | 19.360.000 |
| NET APPROXIMATE CURRENT VALUE (TL) | 69.551.000 | 66.894.000 | 59.819.000 |

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

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

- The Accor Group shall pay the rental amount that must be paid each year for the hotel of which appraisal study has been completed and the right of construction is in the ownership of Akfen Real Estate Investment Trust A.Ş; more than twenty-two percent (22%) of the gross revenue (VAT excluded) for the Novotel, twenty-five percent (25%) for the Ibis Hotel and seventy percent (70%) of the Adjusted Gross Operating Profit (AGOP) in 2015. The Adjusted Gross Operating Profit (AGOP) has been calculated as 72,5% as of the 2016 year depending on the agreement terms.
- The Adjusted Gross Operating Profit (AGOP) has been calculated by subtracting a ratio of 4% operator share, which will be paid to ACCOR, from the gross operating profit (GOP) and a ratio of 4% Furniture Fixture and Renovation Reserve from the gross revenue

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

- The Right of Construction on the hotel subject to the appraisal study is owned by Akfen Real Estate Investment Trust Inc. and managed by the international hotel operating company ACCOR Group. In the appraisal study, it has been assumed that the hotel will be operated within the terms of the current concept, in the course of the duration of the “Right of Construction”.
- It has been assumed that the facility will be operating 365 days a year.
- The renovation expenses, which will be met by the investor for the lease of the hotel, have been based on the ratio of 5% of the renovation expenses calculated in the lease alternative. It has been assumed that the renovation expenses shall be met by the Lessee.
- It has been assumed that the real estate tax will be jointly paid for both hotels.
- According to the information obtained from Akfen Real Estate Investment Trust Inc., it has been acknowledged that the insurance value for the year of 2016 will be of 17.474 Euro and that it will remain so, on account of the estimation made that there will not be any increases in the insurance premium by Akfen Real Estate Investment Trust Inc. in the following years.
- The lease revenue generated in relation to the hotel leased out to the Accor Group has been guaranteed with a lease agreement for the duration of 30 years. It has been assumed that the risk premiums in obtaining the lease revenue will be low for Akfen Real Estate Investment Trust Inc. and therefore, it has been calculated accordingly. The discount rate



has been estimated at 7% by adding a 4,80% “Risk Premium” to the 3,20% to the Risk Free Revenue.

- In the course of the studies, the exchange rate for 1 EURO has been acknowledged at 3,0898 TL, in accordance with the 02.11.2015 dated buying rate exchange of the Central Bank of Turkey
- Throughout the course of the studies, the Euro Zone inflation rate of 2,5% has been employed as the inflation rate.
- Within the scope of the International Valuation Standards (IVSC), taxes and VAT have not been included in the studies.



Akfen Total Lease Revenue

| AKFEN OBTAINED LEASE | | | | | | | | | | | | | | | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| NOVOTEL LEASE REVENUE ON TOTAL REVENUE | 488.036 | 522.686 | 559.797 | 610.962 | 641.511 | 657.548 | 673.987 | 690.837 | 708.108 | 725.810 | 743.956 | 762.555 | 781.618 | 801.159 | 821.188 | 841.717 | 862.760 | 884.329 | 906.438 | 929.099 |
| Operator's Share | 88.734 | 95.034 | 101.781 | 111.084 | 116.638 | 119.554 | 122.543 | 125.607 | 128.747 | 131.966 | 135.265 | 138.646 | 142.112 | 145.665 | 149.307 | 153.040 | 156.866 | 160.787 | 164.807 | 168.927 |
| Furniture, fixture and renovation reserve | 88.734 | 95.034 | 101.781 | 111.084 | 116.638 | 119.554 | 122.543 | 125.607 | 128.747 | 131.966 | 135.265 | 138.646 | 142.112 | 145.665 | 149.307 | 153.040 | 156.866 | 160.787 | 164.807 | 168.927 |
| Total Novotel AGOP | 465.356 | 498.397 | 552.231 | 602.704 | 632.840 | 648.661 | 664.877 | 681.499 | 698.537 | 716.000 | 733.900 | 752.247 | 771.054 | 790.330 | 810.088 | 830.340 | 851.099 | 872.376 | 894.186 | 916.541 |
| Furniture, fixture and renovation reserve | 488.036 | 522.686 | 559.797 | 610.962 | 641.511 | 657.548 | 673.987 | 690.837 | 708.108 | 725.810 | 743.956 | 762.555 | 781.618 | 801.159 | 821.188 | 841.717 | 862.760 | 884.329 | 906.438 | 929.099 |
| Total Novotel AGOP | | | | | | | | | | | | | | | | | | | | |
| IBIS OTEL REVENUE ON TOTAL REVENUE | 567.263 | 607.539 | 650.674 | 710.146 | 760.566 | 779.581 | 799.070 | 819.047 | 839.523 | 860.511 | 882.024 | 904.074 | 926.676 | 949.843 | 973.589 | 997.929 | 1.022.877 | 1.048.449 | 1.074.660 | 1.101.527 |
| Operator's Share | 90.762 | 97.206 | 104.108 | 113.623 | 121.691 | 124.733 | 127.851 | 131.047 | 134.324 | 137.682 | 141.124 | 144.652 | 148.268 | 151.975 | 155.774 | 159.669 | 163.660 | 167.752 | 171.946 | 176.244 |
| Furniture, fixture and renovation reserve | 90.762 | 97.206 | 104.108 | 113.623 | 121.691 | 124.733 | 127.851 | 131.047 | 134.324 | 137.682 | 141.124 | 144.652 | 148.268 | 151.975 | 155.774 | 159.669 | 163.660 | 167.752 | 171.946 | 176.244 |
| Total Ibis Hotel AGOP | 638.326 | 683.647 | 732.186 | 840.296 | 899.957 | 922.456 | 945.518 | 969.156 | 993.384 | 1.018.219 | 1.043.675 | 1.069.766 | 1.096.511 | 1.123.923 | 1.152.021 | 1.180.822 | 1.210.343 | 1.240.601 | 1.271.616 | 1.303.407 |
| USED IBIS HOTEL LEASE REVENUE | 638.326 | 683.647 | 732.186 | 840.296 | 899.957 | 922.456 | 945.518 | 969.156 | 993.384 | 1.018.219 | 1.043.675 | 1.069.766 | 1.096.511 | 1.123.923 | 1.152.021 | 1.180.822 | 1.210.343 | 1.240.601 | 1.271.616 | 1.303.407 |
| USED TOTAL HOTEL LEASE REVENUE | 1.126.362 | 1.206.333 | 1.291.983 | 1.451.259 | 1.541.468 | 1.580.005 | 1.619.505 | 1.659.992 | 1.701.492 | 1.744.029 | 1.787.630 | 1.832.321 | 1.878.129 | 1.925.082 | 1.973.209 | 2.022.539 | 2.073.103 | 2.124.931 | 2.178.054 | 2.232.505 |
| Real Estate Tax | | | | | | | | | | | | | | | | | | | | |
| Insurance | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 | 17.474 |
| Furniture, fixture and renovation reserve (%5) | 8.975 | 9.612 | 10.294 | 11.235 | 11.916 | 12.214 | 12.520 | 12.833 | 13.154 | 13.482 | 13.819 | 14.165 | 14.519 | 14.882 | 15.254 | 15.635 | 16.026 | 16.427 | 16.838 | 17.259 |
| Annual right Of Construction Place | 79.408 | 79.408 | 79.408 | 87.349 | 87.349 | 87.349 | 87.349 | 87.349 | 87.349 | 87.349 | 87.349 | 87.349 | 87.349 | 87.349 | 87.349 | 87.349 | 87.349 | 87.349 | 87.349 | 87.349 |
| AKFEN LEASE REVENUE | 1.020.504 | 1.099.839 | 1.184.806 | 1.335.200 | 1.424.728 | 1.462.967 | 1.502.162 | 1.542.336 | 1.583.515 | 1.625.724 | 1.668.988 | 1.713.333 | 1.758.787 | 1.796.642 | 1.844.397 | 1.893.346 | 1.943.519 | 1.994.945 | 2.047.658 | 2.101.688 |

| | | | |
|--------------------------------------|------------|------------|------------|
| Risk Free Revenue Rate | 4,80% | 4,80% | 4,80% |
| Risk Premium | 2,70% | 3,20% | 3,70% |
| Discount Rate | 7,50% | 8,00% | 8,50% |
| NET CURRENT VALUE (Euro) | 16.652.012 | 15.954.480 | 15.300.836 |
| NET APPROXIMATE CURRENT VALUE (Euro) | 16.650.000 | 15.950.000 | 15.300.000 |
| NET APPROXIMATE CURRENT VALUE (TL) | 51.445.000 | 49.282.000 | 47.274.000 |

6.4.4 Lease Value Analysis and Taxes Employed

The lease value of the construction right subject to the appraisal has been calculated taking into consideration the revenue discount method and the average net cash flow value for the first year on the basis of the lease revenue. The annual lease value of the real estate has been calculated by reducing the 1st year cash flow average to the appraisal day. According to this calculation, the annual lease value of the hotel is **1.262.000.- EURO (3.900.000 - TL)**. The discount rate has been determined to be of 9%.

| Date | 31.12.2015 | 31.12.2016 |
|----------------------|------------|------------|
| Annual Lease Revenue | 0 | 1.323.938 |

| | |
|--|-----------|
| Net Current Value of the Annual Lease Value (EURO) | 1.262.325 |
| Net Current Value of the Annual Lease Value (TL) | 3.900.000 |

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

The appraisal study in question is not carried out within the scope of the “project evaluation”.

6.4.6 Most Effective and Most Productive Use Analysis

It has been appraised that the current use of the real estate in question (as a hotel), in accordance with the zoning status and structuring conditions, consists of the most effectively appropriate and productive use for the property.

6.4.7 Appraisal Analysis of Common or Divided Parts

There are two separate hotels which are in service under the names of NOVOTEL and IBIS HOTEL on the plot. Both the structure values in the Cost Approach and the revenue projections in the Revenue Approach have been individually calculated for these two hotels. However due to the fact that the owner of the real estate is Gaziantep Metropolitan Municipality and the AKFEN Real Estate Investment Trust Inc. has a right of construction on the real estate for a duration of 30 years and this right of construction cannot be assigned and transferred partly or completely, value of all the right of construction has been estimated.

7 APPRAISAL OF ANALYSIS RESULTS

7.1 Alignment of Different Appraisal Methods and Analysis Results, together with the Explanation of the Method and the Reasons Used for this Purpose

On the grounds that the real estate subject to this appraisal study consists of a property operating as a revenue bringing hotel, the Revenue Approach and Cost Approach Methods have been employed. In the Cost Approach Method, the “Land value” has been determined according to the Exemplary Approach.

The total value including the land according to the cost method has been calculated at **18.958.000 EURO (58.576.000 TL)**

As a result of the discount of the potential revenue of the structure on the plot that will be generated during the remainder of the 49 years of the lease agreement, in accordance with the revenue discount approach, the net current value of the HOTEL has been calculated to be **21.650.000 EURO (66.894.000 TL)**. The amount determined to be paid to the Akfen Real Estate Investment Trust Inc. by the Accor Group, with the use of the lease revenue discount method, is **15.950.000 EURO (49.282.000 TL)**. The final value of the hotel has been calculated to be **18.800.000 EURO (58.088.000 TL)** based on the approximate arithmetic average of the value calculated by both of the methods.

The lease value of the real estate has been calculated taking into consideration the revenue discount method and the average net cash flow value for the first year on the basis of the lease revenue as of 31.12.2014. The annual lease value of the real estate has been calculated by reducing the 1st year cash flow average to the appraisal day. According to this calculation, the annual lease value of the hotel is **1.262.000.- EURO (3.900.000.- TL)**.

During the course of the appraisal study, the revenue discount approach and cost approach have both been applied, in terms of revenue capitalization and lease revenues. The real estate subject to the appraisal constitutes a revenue generating property and, therefore, the values calculated with the use of the revenue approach and lease value analysis result in more accurate values, concerning this sort of properties. Therefore, the value calculated through the use of the cost method has been ruled out in the final appraisal value.

In the cost discount method, from the total revenue that the real estate will generate, the gross operating revenue and net operating revenues have been calculated, respectively.

In the discount model pursuant to the lease revenue, the lease revenues have been evaluated and the calculations have been made in accordance with the value obtained. Different discount rates have been employed in both models. Since there is a guaranteed lease revenue in the lease revenue analysis, the risk premium is lower.



While the value of the real estate according to the revenue discount approach was being determined, in the 1st model the revenue obtained by operating the real estate without a brand name has been calculated and in the 2nd model the revenue obtained by operating by leasing it out to a brand (Accor) has been calculated. Both models are methods that are exercised in the market and, thusly, the final appraisal has been determined by calculating the average of their outcome.

7.2 Explanation of the Motives Pursuant to the Minimum Information for Not Including Certain Aspects in the Report

There is no information that has not been included in the minimum information.

7.3 Information Concerning the Last Three Appraisal of the Real Estate Carried Out by the Company

For immovable subjected to appraisal, report was prepared by our company on the date of 02.01.2015; this report was revised by report wit no. 2015-020-REV-006 on the date of 02.01.2015, and then with no. 2015-020-REV2-006 on the date of 08.12.2015.

7.4 Opinion Whether There Is Any Obstacle in Including the Real Estate, the Real Estate Project and the Rights and Benefits with Regard to the Real Estate in the Real Estate Investment Trusts Portfolio within the Scope of the Capital Market Legislation

There are no obstacles that prevent the "Right of Construction + Building" of the real estate in question from being included in the Real Estate Investment Trusts Portfolio within the Scope of the Capital Market Legislation.

8 OUTCOME

8.1 The Concluding Sentence of the Appraiser

I hereby agree with the effective and productive use analysis of the appraiser, together with all of the aspects mentioned in the report.

8.2 Final Appraisal

The totality of the characteristics that can affect the value of the real estate, such as the location, the style of formation of its surroundings, the infrastructure and means of transportation, façades looking over to the avenue and street, the area and its position, the construction form of the structure, its system, the materials used in its construction and the craftsmanship quality, fixture status, ventilation – illumination – landscape status, have all been carefully taken into account and a detailed market research has been conducted in the area. Correspondingly, the value of the real estate subject to this appraisal report has been presented in the following chart.

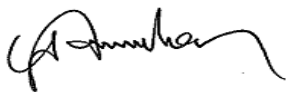
As the date of 31.12.2015

| | Market Value of the Remaining Construction Right of the Real Estate EURO) | Market Value of the Remaining Construction Right of the Real Estate (TL) |
|---------------------|--|---|
| VAT Excluded | 18.800.000 | 58.088.000 |
| VAT Included | 22.184.000 | 68.543.840 |

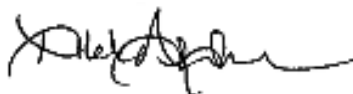
| | Annual Lease Value of the Real Estate (EURO) | Annual Lease Value of the Real Estate (TL) |
|---------------------|---|---|
| VAT Excluded | 1.262.000 | 3.900.000 |
| VAT Included | 1.490.000 | 4.602.000 |

- 1-) The appraised value is the current value regarding the cash sale price.
- 2-) The VAT ratio has been established at 18%.
- 3-) The currency rates dated 02.11.2015 have been established at 1,-USD = 2,8035 TL, 1 EURO= 3,0898 TL.
- 4-) This report has been prepared within the scope of the related Capital Market Legislation.

Hamdi ARIKAN
Certified Appraiser
SPK License No:400634



Dilek YILMAZ AYDIN
Certified Appraiser
SPK License No:400566



Neşecan ÇEKİCİ
Certified Appraiser
SPK License No:400177





9 9. APPENDIX

1. Title Deed Photocopy
2. Land Registry
3. Letter of Zoning Status and Map of the Zoning Status
4. Architectural Project Approval Sheet
5. Building Licenses
6. Occupancy Permit
7. Condition and Floor Plans
8. Right of Construction Agreement
9. Lease Agreement with Accor Group
10. Letter of Security
11. Tourism Investment Document
12. Tourism Business Document
13. Photographs
14. Backgrounds
15. SPK Certificate Samples