

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş



REAL PROPERTY APPRAISAL REPORT

Report Date : 08.02.2013
Appraisal Date: 31.12.2013

R.No: 2012REV913



ISO9001:2008
FS 509685

AKFEN
GAYRİMENKUL
YATIRIM ORTAKLIĞI
A.Ş.

KAŞÜSTÜ NOVOTEL

YOMRA / TRABZON

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

We hereby state the following matters regarding the appraisal report prepared by **TSKB Gayrimenkul Değerleme A.Ş.** for **Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.**, on the date of **08.02.2013** with the report number **2012REV913**;

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

EXECUTIVE SUMMARY

OPEN ADDRESS OF PROPERTY

Cumhuriyet District, Devlet Karayolu Street, No:17, Kaşüstü-Yomra/TRABZON

USE OF PROPERTY

4-star hotel on 13,450.71 sqm land

TITLE DEED INFORMATION

49 years superficies for Akfen REIT on "Reinforced concrete hotel and appurtenance and land" type of property at Trabzon province, Yomra District, Cumhuriyet Quarter, Kaşüstü Village, Yalı Locality, plot G43b02c1c2ad2, section 209, parcel no. 12.

ZONING STATUS

Stated under the heading 4.3. of the report.

Fair Market Value (Excluding VAT) Dated 30.09.2011 Of Hotel On The Land With 49 Years Superficies(Construction) Entitlement Allocated For Akfen Real Estate Investment Partnership CO.

78.470.000.-TL

33.210.000.- EURO

Seventyeightmillionfourhundredseventy thousand.-
Turkish Liras.-)

(Thirtythreemilliontwo hundred tenthousand.-EURO)

Fair Market Value (Including VAT) Dated 30.09.2011 Of Hotel On The Land With 49 Years Superficies (Construction)Entitlement Allocated For Akfen Real Estate Investment Partnership CO.

92.594.600.-TL

39.187.800.-EURO

(Ninetytwomillionfivehundredandninetyfour thousandsix
hundred.-TurkishLiras)

(Thirtyninemilliononehundredandeightyseven thousandeight
hundred.-EURO)

Rental Value Dated 30.09.2011 Of The Hotel (Excluding Vat)

3.740.000.- TL

1.580.000.- EURO

(Threemillionsevenhundredandfourty thousand.-Turkish
Liras)

(Onemillionfivehundredandeighty thousand.-EURO)

Rental Value Dated 30.09.2011 Of The Hotel (Including VAT)

4.413.000.-TL

1.864.400.-EURO

(Fourmillionfourhundredandthirteenthousand.-
TurkishLiras)

(Onemillioneighthundredandsixtyfour thousandfour hundred.-
EURO)

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

2- VAT not included.

3- Exchange rate has been taken as EURO 1 = TRY 2,3630 - The value in EURO is given only for information

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

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

Özge Aklar
Appraiser (401775)

Hüsniye BOZTUŇ
Appraiser in Charge (400811)

INDEX

SECTION 1	6
REPORT, COMPANY AND CUSTOMER INFORMATION	6
1.1 Report Date and Number	6
1.2 Report Type	6
1.3 People Issuing the Report	6
1.5 Base Contract	6
1.6 Factors Affecting the Appraisal Process Negatively	6
1.7 The Scope of the Client Demands and Delimitation	6
1.8 The Information on the Last Three Appraisal Studies Performed by Our Company on the Subject Property of the Study on Previous Dates	6
1.9 Company's Information	7
1.10 Client Information	7
SECTION 2	9
DEFINITION AND SCOPE OF THE APPRAISAL	9
2.1 The Methods Used in the Appraisal	9
2.1.1 Sales Comparison Approach	9
2.1.2 Income Capitalization Approach	9
2.1.3 Cost Analysis Approach	9
2.1.4 Development Approach Method	9
2.2 Definitions and Model of the Calculation Methodology	10
2.2.1 Definitions and Model of the Calculation Methodology	10
2.2.2 Project Development Approach	12
2.3 The Value Definitions	13
2.3.1 Market Value	13
2.3.2 Forced Liquidation Value	13
SECTION 3	15
GENERAL AND SPECIAL DATA	15
3.1 General Data- Social and Economic Data	15
3.1.1 Demographic Data	15
3.1.2 Economic Data	17
3.2 Special Data - Analysis of the Area Where the Property is Located	18
3.2.1 Trabzon Province	18
3.2.2 Yomra District	19
SECTION 4	22
TITLE DEED AND ZONING INFORMATION OF THE REAL ESTATE	22
4.1 Title Deed Information of the Real Estate	22
4.2 Title Deed Examination of the Real Estate	22
4.2.1 The Buying and Selling Transactions for the Property in the Last Three-Year Period, If Any	22
4.3.1 Information Regarding the Changes in the Legal Status of the Property in the Last Three Years (Changes in the Zoning Plan, Expropriation Procedures, etc.)	26
4.4 Opinions About the Property, the Property Project or the Rights and Benefits Associated with the Property in line with the Capital Market Regulations	26
4.5 Civil Liability	27
4.6 Environmental and Ground Contamination	27
SECTION 5	29
PHYSICAL INFORMATION OF THE REAL ESTATE	29
5.1 The Existing Buildings Structural Characteristics of the Construction	29
5.3 Structural Construction Features of the Property in Question	31
SECTION 6	33
THE HIGHEST AND THE BEST USE ANALYSIS	33
SECTION 7	35
EVALUATION OF THE REAL ESTATE	35
7.1 Factors Affecting the Value of the Real Estate	35

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

7.2. Analysis of the Methods Used for Appraisal.....	35
7.2.1. Sales Comparison Analysis.....	35
7.2.2 Construction Cost Analyse.....	37
7.3.3 Income Capitalization Approach.....	37
7.3.4 The Value of the Property According to Income Capitalization Approach	38
7.3.5. The Value of the Property According to the Rental Income.....	42
SECTION 8	47
CONCLUSION	47
SECTION 9	49
ANNEX	49

SECTION 1

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

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

SECTION 1

REPORT, COMPANY AND CUSTOMER INFORMATION

1.1 Report Date and Number

This report was issued by our company on 08.02.2013 and number 2012REV913 with reference to the request dated 31.10.2012 and made by the firm, titled as Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.

1.2 Report Type

This is the appraisal report prepared according to the related Capital Market Regulations in order to identify the net present value in Turkish Liras by discounting the potential revenues as of 31.12.2012 which would be obtained as a result of the operation and leasing for the remaining period of the 49 years superficies for Akfen REIT on "Reinforced concrete hotel and appurtenance and land" type of property at Trabzon province, Yomra District, Cumhuriyet Quarter, Kaşüstü Village, Yalı Locality, plot G43b02c1c2ad2, section 209, parcel no. 12.

1.3 People Issuing the Report

This appraisal report has been prepared through using the information obtained from the people – organizations – institutions as a result of the inspection at the place of the property. This report has been prepared by Özge Aklar and by appraiser in charge Hüsniye BOZTUNÇ.

1.4 Appraisal Date

This appraisal report is prepared with reference to the studies started on 12.11.2012 and finished on 08.02.2013. Not only examinations conducted at real estate location, municipality and land registry but also office work is done during appraisal study.

1.5 Base Contract

This appraisal report was issued in accordance with the provisions of the base contract that was executed by and between Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. and our Company on 02.11.2012 and has determined the rights and obligations of the contractual parties.

1.6 Factors Affecting the Appraisal Process Negatively

There are not any negative factors that affect or limit the appraisal process in general aspect.

1.7 The Scope of the Client Demands and Delimitation

This real estate appraisal report has been prepared further to Akfen Gayrimenkul Yatırım Ortaklığı A.Ş request dated 31.10.2012, and in accordance with the provisions of the capital markets legislation in effect on the subject property. No restrictions were imposed by the customer during the valuation study.

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

	Report-1	Report-2	Report-3
Report Date	31.12.2010	28.02.2011	30.09.2011
Report No	2010REV387-2	2010REV78-2	2011REV363
People Issuing the Report	Hüsniye BOZTUNÇ- Adem YOL	Hüsniye BOZTUNÇ- Adem YOL	Mehmet ASLAN- Fatih Tosun
Total Fair Market Value Of The Project (TL)	TL 53.102.000.	TL 57.790.000.	TL 77.180.000.

The values have differed between the above reports due to the increase in the recognition of the hotel, and the sales prices and occupancy rates have differed due to the exchange rate fluctuation and change of the superficies period.

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

1.9 Company's Information

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

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

1.10 Client Information

This appraisal report has been prepared for Akfen Gayrimenkul Yatırım Ortaklığı A.Ş., located at the address of Büyükdere Avenue, No: 201, Block C, Floor: 8, Levent / İSTANBUL.

SECTION 2

DEFINITION AND SCOPE OF THE APPRAISAL

SECTION 2

DEFINITION AND SCOPE OF THE APPRAISAL

2.1 The Methods Used in the Appraisal

There are three different valuation methods, which can be utilized in our country. There are respectively, "Sales Comparison Approach", "Income Capitalization Approach" and the "Cost Approach" methods.

2.1.1 Sales Comparison Approach

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

2.1.2 Income Capitalization Approach

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

2.1.3 Cost Analysis Approach

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

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

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

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

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

2.1.4 Development Approach Method

The purpose of an investment is to produce goods or services, to put them into the market and make profit consequently. The commercial profitability of the investment depends on sufficient demand for the goods or services to be produced and their sales with the prices that would provide possibility to obtain the expected profitability. The examination of the project for the entrepreneur covers the examination and evaluation of the industry where

the subject product of the project is positioned and the anticipations regarding the future. The evaluation of the market where the subject goods or services of the project are positioned can be examined as the current situation and the expectations for the future.

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

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

2.2 Definitions and Model of the Calculation Methodology

2.2.1 Definitions and Model of the Calculation Methodology

Risk Free Rate

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

Variant on the risk-free rate¹

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

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

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

Variant 3 : The current long term government-bond rate (with the duration of the bond matched up to the duration of the asset) is used as the risk-free rate, and the historical premium earned by a broad market index above this long term government security rate is used to estimate the expected return on the market. The cost of equity, calculated using these inputs, is used as the discount rates each year's cash flows. Eurobond does not include the market risk for the performed work, although it includes the country and political risk.

Variant 3 has been selected as the method in the assumptions our company has made by using all these data. However, especially when assessing the value of the real estates with long-term commercial lifetime, an asset appropriate for the commercial lifetime of the real

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

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

estate does not exist. For that reason, our company suggests appropriate bonds for each projects regarding their duration as a risk free return rate. The chosen bonds vary according to the duration of projects and to the rate of exchange. This rate also covers the country risk. In addition to hat, the rates suggested by Damodaran for use in accordance with its Financial Market Characteristics are as follows:

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

Market Risk Premium- Market Index

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

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

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

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

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

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

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

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

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

CAPM model measures risk in terms of on diversifiable variance and relates expected returns to this risk measure. It is based upon several assumptions, that investors have homogeneous expectations about asset returns and variances, that they can borrow and lend at a risk-free

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

rate, that all assets are marketable and perfectly divisible, that there are no transactions costs, and there are no restrictions on short sales. With these assumptions the non-diversifiable risk for any asset can be measured by the covariance of its returns with returns on a market index, which is defined to be asset's beta. If the beta for the equity in the company can be estimated, the cost of the equity will be the required return,

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

Where R_f = Risk Free rate

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

Analysis Of The Methods Used In The Appraisal

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

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

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

Risk premium has been estimated according to the professional opinion of the appraiser in parallel to his/her experiences by taking into account the risks associated with the specifications of the project such as the region, sector, project, zoning, etc. as explained in article 2.2.1.

2.2.2 Project Development Approach

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

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

2.3 The Value Definitions

2.3.1 Market Value

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

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

2.3.2 Forced Liquidation Value

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

SECTION 3

GENERAL AND SPECIAL DATA

SECTION 3**GENERAL AND SPECIAL DATA**

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

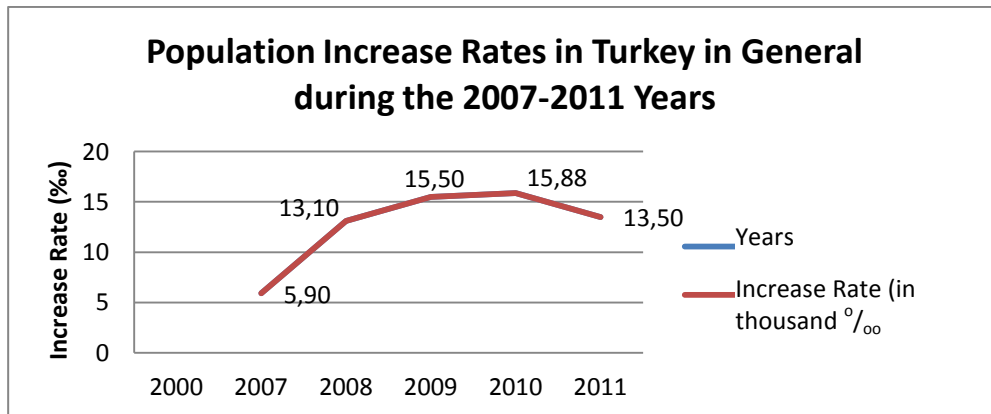
3.1 General Data- Social and Economic Data**3.1.1 Demographic Data**

According to the Address Based Population Registration System data, the population of Turkey as of December 31, 2011 is 74,724,269 persons. In 2011, the annual population in Turkey has materialized as 13.5 in thousand. In 2011, the population residing in Turkey has increased by 1,001,281 persons. From this population, 50.2% (37,532,954 persons) are males, and 49.8% (37,191,315 persons) are females.

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

While the population of Turkey was 71,517,000 according to the 2008 Population Count results, Turkey's population has increased to 72,561,312 persons as of December 31, 2009. While the annual population increase during the 2000-2007 period has materialized as 5.9 in thousand on the average, the population increase rate in Turkey in 2008 has been 13.1 in thousand and the country's population has reached 71,517,100.

The population of Turkey has increased by 14.5 in thousand as of the end of 2009, as compared to 2008, and as of the end on 2010 this figure, by an increase of 1,161,676 persons (15.88 in thousand), has reached 73,722,988 persons. In the following graph, it is possible to observe the population increase rates in Turkey in general during the 2007-2011 years.



AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

In 2011, while the populations of 56 provinces, from the total 81 provinces, have increased as compared to the previous year, the populations of 25 provinces have decreased. The first three provinces with the lowest population increase rates are; Bilecik (-100.41 in thousand), Isparta (-86.27 in thousand) and Kütahya (-45.44 in thousand). In the meantime, the first three provinces with the highest population increase rates are; Tunceli (103.49 in thousand), Hakkari (79.75 in thousand) and Şırnak (62.82 in thousand).

In Turkey, the population in the cities increases at a much higher rate than the population in the villages. The urban population in the country has demonstrated a significant increase over the past 17 years, and while this was 59 percent in 1990, it has reached 64.9 percent in 2000, and 75.5 percent in 2009. In 2010, this ratio has been measured as 76.3%. The urban population (population residing at provincial and district centers) is 56,222,356, while the rural population (population residing on townships and villages) is 17,500,632 persons. As of 2011, while 76.8% (57,385,706 persons) of the total population is residing at provincial and district centers, 23.2% (17,338,563 persons) are residing at townships and villages. The province with the highest population ratio residing in provincial and district centers has been İstanbul by 99 percent, while the lowest has been Ardahan with 35 percent.

From our country's total population, 18.2% (13,624,240 persons) are residing in İstanbul. This is respectively followed by; Ankara with 6.6% (4,890,893 persons), İzmir with 5.3% (3,965,232 persons), Bursa with 3.6% (2,652,126 persons), and Adana with 2.8% (2,108,805 persons). In the Bayburt province, which has the lowest population in our country, the number of residents is 76,724.

The average age in our country is 29.7. While the median age in males is 29.1, it is 30.3 in females. The median age of those residing in provincial and district centers is 29.5; and the median age of those residing in townships and villages is 30.5. Half of the population is younger than the age of 29.7.

The population in working age in the 15-64 group (50,346,979 person), constitutes 67.4% of the total population. 25.3% of our country population (18,886,575 persons) is in the 0-14 age group, while 7.3% (5,490,715 persons) are in the 65 and above age group.

The population density expressed as "number of persons per square kilometer" is 97 persons in Turkey, in general. This figure ranges from 11 to 2,622 persons in the provinces. In the İstanbul province, there are 2,622 persons per square kilometer. This is followed respectively by; Kocaeli with 443 persons, İzmir with 330 persons, Gaziantep with 257 persons and Bursa with 254 persons.

In the meantime, the province where the population density is lowest is Tunceli with 11 persons. In Konya, which ranks first based on surface area size, the population density is 52, and in Yalova, which has the smallest surface area, the population density is 244.

Province	Population	Population (City Center)
İstanbul	13,624,240	13,483,052
Ankara	4,890,893	4,762,116
İzmir	3,965,232	3,623,540
Bursa	2,652,126	2,359,804
Adana	2,108,805	1,864,591

3.1.2 Economic Data

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

The economic crisis in the world, which was the most significant event in 2008, initially emerging as a subprime mortgage crisis in the US, and thought to be arising from a liquidity problem, but in time understood to be mainly a lack of confidence, has emerged by bankruptcy of major US investments banks and insurance companies in March and has spread to Europe in a very short time. Despite countries' declaring crisis prevention packages one after another, the developments could not be prevented and the world growth figures have displayed negative values.

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

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

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

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

During the last quarter of 2012, the Fitch Rating Organization has raised Turkey's foreign currency credit rating from BB to BBB-. With this positive development, it is expected that foreign investors will turn their eyes to Turkey. With this favorable economic development

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

and the 3 important laws passed in 2012, it is foreseen that 2013 will be a better year as compared to 2012 from the real property sector perspective.

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

3.2.1 Trabzon Province



Trabzon Province, with 4,664 sq km area, is located on the northern side of Kalkanlı mountainous mass which is located in the middle of the Eastern Black Sea Mountain curve, between 38° 30' - 40° 30' eastern meridians and 40° 30' - 41° 30' northern parallels, and it is surrounded by the Black Sea on the north, Gümüşhane and Bayburt on the south, Rize on the east, and Giresun on the west.

The population of the province according to year 2010 Address-Based Registry System is 763.714. The urban population is 415.652 and the rural population is 348.062. The population of the centrum district is 297.710.

Although Trabzon has developed from cultural and social aspects, it has not obtained the desired economic development. The economy of the province is still based on agriculture and animal husbandry; 65% of the population makes their livings from the revenues obtained through these activities. Those who are employed in commerce, industry, handicrafts, transportation, construction and other services account for 35% of the population. In Trabzon, the share of value added in total production is 59% and the input share is 41%. The input rates in Trabzon are higher than the average of overall Turkey. This causes the costs to increase.

In terms of air transportation, the only airport in the Black Sea Region is in Trabzon. The recently constructed foreign lines terminal building was put into service on 18 May 1998. In the Eastern Black Sea Region, the first port was constructed in Trabzon between 1946 and 1954. With 3.5 million tons/year handling capacity, Trabzon Port is one of the important gates opening to the world in "Transcaucasia" corridor which would ensure the development of the globalizing world trade between west and east after the realization of the Baltic-Black Sea (Ren-Danube) water way project of the CIS countries and especially the Turkic Republics which gained their independences following the collapse of the Soviet Union.

From the 664,000 hectares total land, nearly 107,421 ha (23.1%) is convenient for agriculture. The remaining 185,292 hectares (39.7%) are forest, 111,628 hectares (23.9%) are meadow and 62,059 hectares (13.3%) are infertile land.

The important source of income in the region is tea and hazelnut. Hazelnut and tea is grown on 61.9% of the agricultural land. 24.9% land is spared for corn and bean plantation, 8.1% for tobacco

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

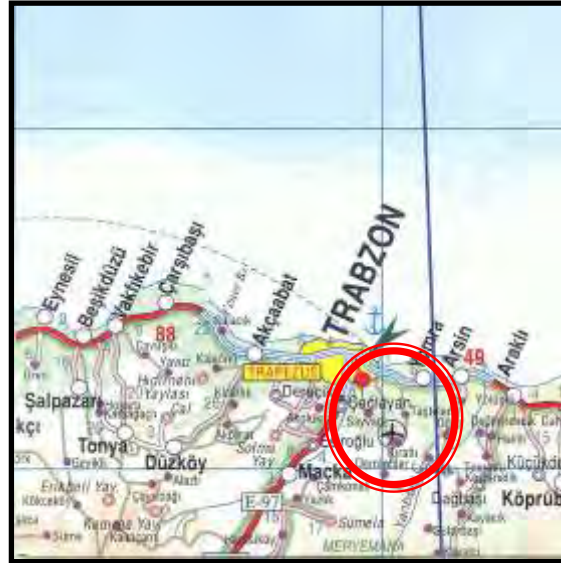
and potatoes productions, and 3.4% for vegetables & feed plants production. In the province, animal husbandry is mostly realized towards the production of milk and dairy products. Mostly bovine animals are fed. A rapid shift in demand from the native black cattle top hybrid and pure cow has been observed year on year. Fishery is an important source of income for Trabzon; meanwhile, a noticeable decrease has been observed in fish production due to the continuous pollution of the Black Sea. The European anchovy, as the most important fish species fluctuates in years. As an alternative to marine fishing, 85 salmon trout fish farms have been established at the inland waters so far, and production has started.

Trabzon is one of the provinces which could not sufficiently develop in manufacturing industry despite its potential from the Ottoman era and the industrialization movements that gained speed from time to time during the Republic period. The number of big scale production facilities in the province is almost none. The most important manufacturing industry organization is the cement factory with 455 thousand tons/year capacity, which was privatized in 1992. Apart from that, the manufacturing industry organizations are mostly oriented towards processing agricultural products.

In the province, certain fields which can be listed in the manufacturing industry are flour and bran, dairy products, fish oil and flour, apparel, fabrics, shoes, timber, concrete pillars, rubber and plastic products, PVC pipe, copper, zinc, lead, aluminum, lead products, pipe, galvanized sheet, metal, automotive supplier industry and surgical sewing material production.

In the province, there is a large-scale, 30 medium-scale and 319 small scale industrial organizations totaling 350. The number of employees in this sector in the overall province is around 22 thousand people.

3.2.2 Yomra District



Yomra was converted into a district with the Law 7033 dated 19 June 1957, and the District Organization was actually established on 04 April 1959. The first name of Yomra District was DURANA. The district was later named as Yomra, due to YOMRA Apple.

Yomra is located 15 kilometers from Trabzon on the east, and covers 207 sq km area. It extends from the Black Sea on the north to Yalıncağ Hills on the west, and to 250 meters east of Harmanlı Creek in a manner to cover the downstream of Zil Creek. The 7.5 kilometers east-west width on the coastline continues from north to south, and begins to narrow down after Çamlıyurt-İşhan crossroad which is 23.5 kilometers air distance away from Yomra. The narrow down looks like a knife's end which overlooks from Gümüşhane's Seydiyurdu tableland to the west. On the southern end point, the

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

adjacent Arsin and 2213 meters high Kilise hill are located. Its south has a border to Maçka. It shows typical Eastern Black Sea climate properties. The land height's regularity from the shore to the section causes the marine climate to influence the inner sections. However, different climatic properties are noted at the hinterland and higher sections of the coast due to the height factor.

The temperature decreases 0.5 degrees Celsius at every 100 m. Accordingly, if the temperature in Yomra centrum is 10 degrees Celsius in January, then it means the temperature is below zero at Sirhanlı Tableland. The exposure of the land and mountains to mistral appears as the first factor which converts the humid air masses of the Black Sea to rain. The annual average temperature is 14.6 degrees Celsius and it represents a completely warm character.

Yomra District has 4 Municipalities, and there are 4 Quarters in the Centrum Municipality, 6 Quarters in Özdil Municipality, 3 Quarters in Kaşüstü Municipality and 5 Quarters in Oymalitepe Municipality, totaling 18 Quarters and 17 Villages.

During the last censusin 2011, the population of Yomra district was identified as 30.652.

SECTION 4

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

SECTION 4

TITLE DEED AND ZONING INFORMATION OF THE REAL ESTATE

4.1 Title Deed Information of the Real Estate

İli	:	Trabzon
İlçesi	:	Yomra
Bucağı	:	-
Mahallesi	:	Cumhuriyet
Köyü	:	Kaşüstü
Sokağı	:	-
Mevkii	:	Yalı
Pafta No.	:	G43b02c1c2ad2
Ada No.	:	209
Parsel No.	:	12
Yüzölçümü	:	Reinforced concrete hotel and appurtenance and land
Niteliği*	:	13.450,71 sqm
Sahibi*	:	Trabzon Dünya Ticaret Merkezi A.Ş.

4.2 Title Deed Examination of the Real Estate

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

According to the encumbrance document received on 12.11.2012 and attached hereon, the following rights and limitations are available on the subject immovable property.

Annotations

- Rent Annotation in favor of TAMARİS Turizm A.Ş.: Rented by Akfen GYO A.Ş., the permanent and individual right holder, for 25 years. (dated 24 September 2008 and journal no. 1761)

Collaterals

- Mortgage: There is a 1st rank mortgage for € 150,000,000.00 with 3.75% interest for Türkiye İş Bank and Türkiye Sınai Kalkınma Bank. (dated 15 October 2008 and no. 1858)

Mortgaged jointly with İstanbul Zeytinburnu Section 774, parcel 55 Kayseri-Kocasinan Pervane Quarter, Section 2420, parcel 1 and Gaziantep Şehitkamil, Yaprak Quarter Section 5020, parcel 2.

Rights and Encumbrances

- Right of Superficies: 49 years permanent superficies for Akfen GYO A.Ş. (dated 27 February 2008 and no. 389)

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

Superficies dated 27 February 2008 and no. 389 has been established on the property. The certificate of encumbrances dated 13.09.2011 on the properties are enclosed.

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.



4.3 The Zoning Information for the Real Estate

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

According to the information obtained as a result of the inspections at Trabzon Province, Kaşüstü Municipality Engineering Department on 12.11.2012, and according to the zoning status certificate obtained on 12.11.2012, the data of the subject parcel are listed as follows.

✓ Zoning Situation:

In 1/1000 scale "Implementation Zoning Plan" approval dated 01 February 2006;

- It is located in "Convention area, Fair Area and Exhibition Area, Central Business Area, Tourism Settlement Area, Fuel Oil Station, Sports Facilities Area, Public Building Area".
- BC=2.00.
- Building Height=35 m.
- Front yard distance=15-10 m.

(The zoning status dated 12.11.2012 on the properties is also enclosed.)

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.



AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

✓ Licenses and Permits:

- The property has a "Building Utilization Permit Certificate" dated 27 August 2008 and no. 08-13. The document was obtained for a 15,232 sqm "Hotel with or without Restaurant"*
- There is a "Building License" dated 17 November 2006 and no. 1-11. The document was obtained for 15,232 sqm "Hotel and appurtenances, basement floor, ground floor, 1st Floor, 2-3rd Floor, 4-5th Floor and terrace floor".
- There is an "Approved Architectural Design" dated 17 November 2006 for the property.

Licence-Building Utilization Permit Certificate Date/No	Reason of Issue	Area (sqm)	Explanation
17.11.2006 / 1-11 Building Licence	Hotel	15.232	
27.08.2008 / 08-13 Building Utilization Permit Certificate	Hotel	15.232	

*Any differences between the actual status and legal status have not been noted during the on site inspections of the mentioned property. The property has a "Building Utilization Permit Certificate" dated 27 August 2008 and no. 08-13.

✓ Building Supervision:

- The responsible engineering authority for building supervision of the appraised property is "Rıza Nuri NALBANTOĞLU" resided at Kahraman Maraş caddesi, Yıldırımlar İşhanı, Kat:2, No:223 Trabzon, that for the static design is "Kemal ÇAM" at G.Paşa mahallesi, Kasımoğlu çıkmazı, Aygün Apartmanı, Kat:3, No:19 Trabzon, that for the electrical design is "Mustafa Yılmaz ODABAŞ" at Uzun sokak, Tabakhane Yolu, No:105/F Trabzon and that for the mechanical installation design is "Şaban BÜLBÜL" resided at Uzun sokak, Çinili Çarşısı, Kat:2, No:411 Trabzon.

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

- The properties at Section 209, Parcel 1 (52,270.39 sqm), Section 209, parcel 7 (17.04 sqm), Section 209, parcel 7 (17.04 sqm) and Section 209, parcel 8 (788.90 sqm) have been merged further to Article 18 of the zoning law no. 3194 with the decision of Kaşüstü Municipal Committee dated 07 March 2006 and no. 5, and turned into Section 209, parcel 9 (53,078.33 sqm).
- Section 209, parcel no. 9 has been held subject to zoning application and converted into Section 209, Parcel 10 (34,916.64 sqm) on 03 August 2007 with the journal no. 889.
- Section 209, Parcel 10 was allotted on 27 February 2008, and it became section 209, parcel 12 (13,450.71 sqm).
- The distraint on the property for TL 120,386.47 value with the letter of distraint of Istanbul 12th Bailiff Office dated 23 January 2009 and no. 08/20140 was removed with the letter dated 20 February 2009 and no. 316.
- The zoning documents dated 22 January 2010 and 21 June 2010 for the property are enclosed.

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

It is considered that the inclusion of the hotel with a superficies on the appraised land into REIT portfolio would be possible according to Capital Market Regulation provisions, and also because of the establishment of the joint mortgage on the title records of the property for project financing, the mortgage is not considered as an obstacle for the inclusion of the property in the REIT portfolio.

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

4.5 Civil Liability

There is a "1st rank mortgage for € 150,000,000.00 with 3.75% interest for Türkiye İş Bank and Türkiye Sınai Kalkınma Bank" on the appraised property. The property is mortgaged jointly with Istanbul Zeytinburnu Section 774, parcel 55 Kayseri-Kocasinan Pervane Quarter, Section 2420, parcel 1 and Gaziantep Şehitkamil, Yaprak Quarter, Section 5020, parcel 2 (dated 15 October 2008 and journal no. 1858). There is an official letter for the mortgage in question.

4.6 Environmental and Ground Contamination

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

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

SECTION 5

PHYSICAL INFORMATION OF THE REAL ESTATE

SECTION 5

PHYSICAL INFORMATION OF THE REAL ESTATE

5.1 The Existing Buildings Structural Characteristics of the Construction

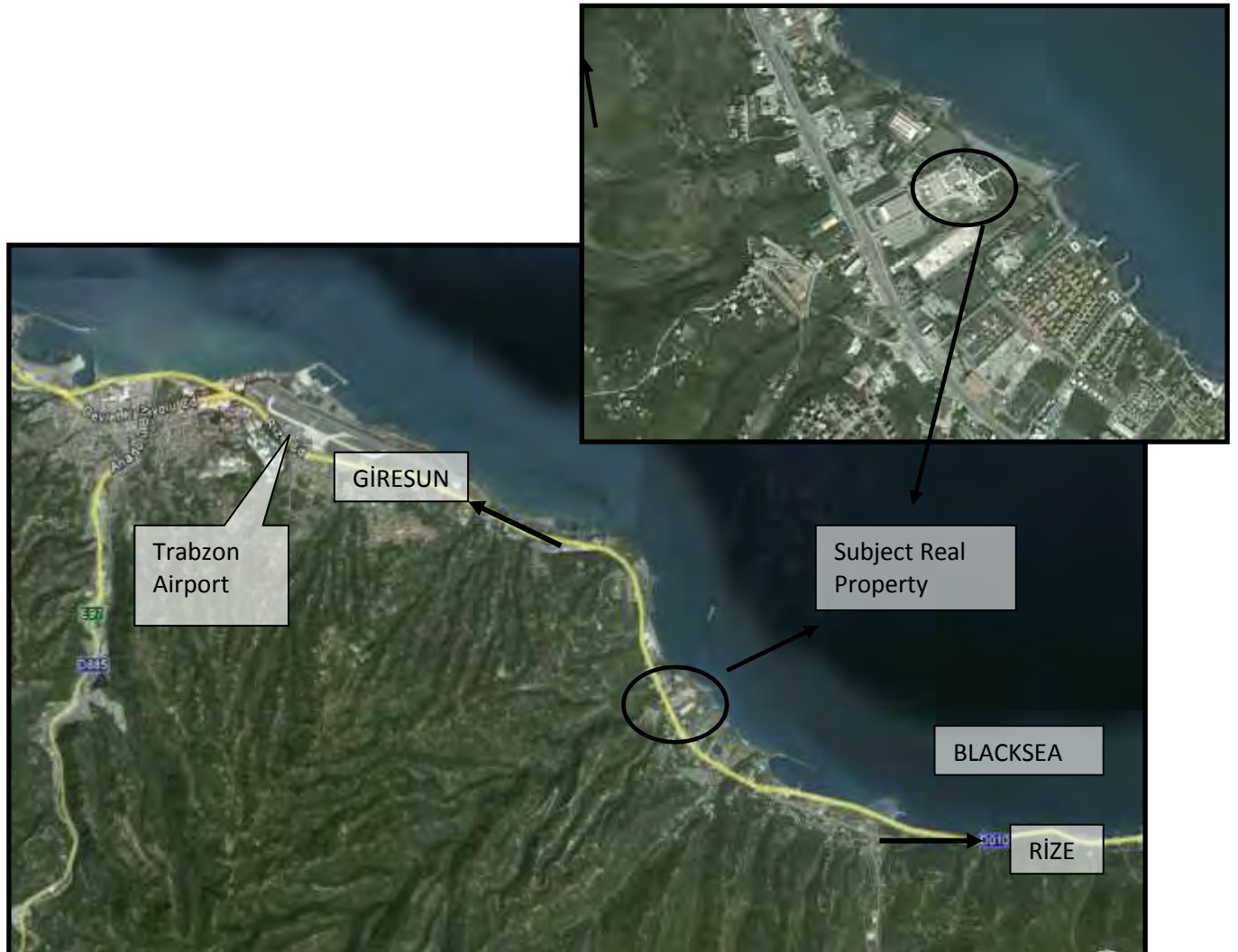
Open address of the property: Cumhuriyet District, Devlet Karayolu Street, no:17, Kaşüstü-Yomra/İSTANBUL

The property in question is the 4-star Novotel facility at Trabzon Province, Yomra District, Kaşüstü Subdistrict.

In order to access the appraised property, continue on Trabzon-Rize Road, towards Rize. After first passing by Trabzon Airport and then the World Trade Center, the property is the hotel building on the left hand side, on section 209, parcel 12, facing the sea.

Kaşüstü Subdistrict, where the appraised property is located, has become an appealing place with the investments such as World Trade Center, Novotel, Trabzon Forum SHC, and 400-beds capacity Training and Research Hospital in recent years. The most important advantage of the subdistrict is its abundant flat area for construction and the development of the city towards Kaşüstü Subdistrict.

Low-storey residential type construction has been densely observed in the region. The appraised property can be accessed with private cars and mass transportation vehicles.



AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

Location	Distance
Trabzon Airport	~6 km.
TrabzonCenter	~12,6 km.
Trabzon-RizeHighway	~0,2 km.

5.2 Definition of Subject Property

The appraised property is Novotel-Trabzon with 200 beds capacity, a basement floor + ground floor + 5 normal floors + terrace. The property has totally 15,232 sqm indoor area and 4,570 sqm base area.

There are three staircases, three personnel lifts, one freight lift and two guest lifts at the hotel. The hotel has 4 types of rooms as: standard, corner, suite and disabled rooms. In the rooms, the floors are carpet coated, the walls are partially painted and partially paper coated. The floors and walls of wet volumes are ceramic tiled. The rooms have television, hair drier, telephone, mini refrigerator, safe, and internet connection as a standard. There is a bathtub or shower in the bathroom according to the room type. Lighting is provided with decorative wall lamps. The rooms facing the sea have French balconies. The building has a generator, water tank, fire and security systems.

Basement Floor

The basement floor has 2,340 sqm area, and it has areas such as mechanical rooms, water tanks, laundry room, maintenance and repair workshop, shelter, and swimming pool pump room. The floors are partially ceramic tiled and partially epoxy. Lighting is provided with fluorescent bulbs. The walls are ceramic at wet volumes and in the laundry, and it is painted in the other areas.

Ground Floor

The ground floor is divided into 2 sections as a hotel section and meeting rooms area with 4,570 sqm area. In the hotel section; there are various areas such as kitchen, shops, reception, lobby-bar, restaurant, health center, indoor swimming pool and fitness center. In the meeting section, there is a 584,09 sqm dividable multipurpose room, a foyer, a cloakroom, an entrance hall and meeting rooms with 50.91 sqm, 50.74 sqm, 25.64 sqm and 27.27 sqm areas. The floors are partially ceramic tiled, partially laminated parquet and partially carpet coated. Lighting is provided partially with fluorescent bulbs and partially with spot fixtures. The walls are ceramic tiled in wet volumes and in the kitchen, and they are partially painted and paper coated in the other areas.

1st Normal Floor

The 1st normal floor has 1,755 sqm area and it is divided into 2 sections as a personnel section and rooms section. In the personnel section, there are personnel lodges (actually used as personnel office), offices, personnel dining hall, personnel dressing rooms, infirmary, services areas and 28 rooms. The floors are partially ceramic tiled, partially laminated parquet and partially carpet coated. Lighting is provided partially with fluorescent bulbs and partially with spot fixtures. The walls are ceramic tiled in wet volumes and in the personnel dining hall, and they are partially painted and paper coated in the other areas.

2nd and 3rd Normal Floors

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

The 2nd normal floor has 1,517 sqm area and it includes 39 rooms (38 rooms + 1 suite) and service areas. The floor is carpet coated. Lighting is provided with spot fixtures. The walls are ceramic tiled at wet volumes and partially painted and partially paper covered in the other areas.

4th and 5th Normal Floors

The 4th normal floor has 1,736 sqm area and it includes 47 rooms (46 rooms + 1 suite) and service areas. The floor is carpet coated. Lighting is provided with spot fixtures. The walls are ceramic tiled at wet volumes and partially painted and partially paper covered in the other areas.

Terrace floor

The terrace floor has 61 sqm area. The area is used as a technical volume.

Akfen REIT Trabzon NOVOTEL Architectural Project Floor Area and Functions			
Hotel Block – According to the Architectural Project			
Basement Floor	2.340,00	Sqm.	Water warehouses, laundry, maintenance-repair workshop, shelter, pumping rooms
Ground Floor	4.570,00	Sqm.	Reception, stores, meeting rooms, restaurant, health care center, swimming pool, fitness
1. Floor	1.755,00	Sqm.	28 rooms, personnel offices, doctor's room, dressing rooms, personnel dining hall
2. Floor	1.517,00	Sqm.	39 rooms
3. Floor	1.517,00	Sqm.	39 rooms
4. Floor	1.736,00	Sqm.	47 rooms
5. Floor	1.736,00	Sqm.	47 rooms
Terrace Floor	61,00	Sqm.	Technical Room
Total	15.232,00	sqm	

5.3 Structural Construction Features of the Property in Question

General features of the properties (Novotel- Hotel):

Building Name	:	Hotel Building
Construction	:	Reinforced Concrete
Adjacent or Stand Alone	:	Detached Building
Number of Floor	:	8 (basement+ground+5 normal floor+terrace floor)
Age of Building	:	~1
Area	:	15.232 sqm
Facade	:	Ceramic
Roof System	:	Built-up Roof
Carpark	:	Available (Open Area)
Elevator	:	Available (5)
Jenerator	:	Available
Fire Extinguishing	:	Available
Security System	:	Available
Storage Tank	:	Available

5.4 External and Miscellaneous Works:

The external and miscellaneous works include concrete sites, paved stone tiling, surrounding walls, outdoor parking lots, landscaping, security booths, playground for children, totally 664 sqm tennis courts, lockers area, and the garden bar.

SECTION 6

THE HIGHEST AND THE BEST USE ANALYSIS

SECTION 6

THE HIGHEST AND THE BEST USE ANALYSIS

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

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

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

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

Kaşüstü is among developing regions of Trabzon. In the region, many major investments have been made in recent years. The appraised property is located in "Convention area, Fair Area and Exhibition Area, Central Business Area, Tourism Settlement Area, Fuel Oil Station, Sports Facilities Area, Public Building Area" on the zoning plan. The current use of the property is compatible with the zoning plan use. Therefore, the most effective and efficient use of the property is its current use.

SECTION 7

EVALUATION OF THE REAL ESTATE

SECTION 7**EVALUATION OF THE REAL ESTATE****7.1 Factors Affecting the Value of the Real Estate**

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none">- The property is located in "Convention area, Fair Area and Exhibition Area, Central Business Area, Tourism Settlement Area, Fuel Oil Station, Sports Facilities Area, Public Building Area" on the current zoning plan.- The licenses and settlement certificates of the facility have been obtained.- The facility has the required natural characteristics for summer tourism. It is located in the midst of the forest and the sea, just on the seaside, and therefore it has an appealing nature.- The hotel covers the facilities such as indoor swimming pool, tennis court, fitness center, sauna, Turkish bath, etc. which are required and demanded.- The property does not have infrastructural problems.- The property is located near to the airport, city center, world trade center and the recently constructed Trabzon Forum SHC.- The appraised hotels are run under a brand which provides the same standards everywhere around the world.	<ul style="list-style-type: none">- The property faces Trabzon-Rize Road.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none">- The region of the property is an appealing region of Trabzon province, which receives demand and which is developing.	<ul style="list-style-type: none">- There are economic ambiguities and fluctuations.

7.2. Analysis of the Methods Used for Appraisal

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

7.2.1. Sales Comparison Analysis

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

- It has been indicated that the land reserve is limited in the region of the appraised property, and any transactions have not been realized for a long time. However, considering the location and zoning rights of the appraised property, we have been informed that it could be sold at TL 800 – 1,000/sqm.

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

- We have been informed that in the region, the residence lands are sold in TL 400-450/sqm range according to their locations, and these lands generally do not have a side along the road.
- It was learned that the immovable property in proximity with the subject immovable property, with net area of 6.000 sqm, with commercial zoning and facade to Trabzon-Ordu Road is on sale for TL6.500.000. (1.083 TL/sqm – 458 €/sqm)
- It was learned that the immovable property in proximity with the subject immovable property, with facade to the main road, with commercial zoning and coefficient of 3 and 3.000 sqm of net area is on sale for TL5.000.000 and the saleable price could be around TL3.500.000. (1.666 TL/sqm – 705 €/sqm)
- It was learned that the lot in proximity with the subject immovable property, with 467 sqm area, zoned for housing is on sale for TL180.000. (385 TL/sqm– 163 €/sqm)
- It was learned that the lot in proximity with the subject immovable property, with 578 sqm area, near the main road is on sale for TL300.000. (519 TL/sqm – 219 €/sqm)
- In the market research carried out, it has been observed that the prices of the commercial zoned plots ranged between 600 and 1,000 TL/sqm (271 - 452 Euro/sqm), and taking the location and zoning rights into consideration, the value of the subject immovable property has been assessed as 900 TL/sqm (358 Euro/sqm).

Comperable No	Aera (sqm)	Qualification	Unit Price (TL/sqm)	Definition
1	6.000	Commercial	1.083	It has facade to the main road.
2	3.000	Commercial	1.666	It has facade to the main road.
3	467	Residental	385	Zoned for housing, has view of the sea
4	578	Residental	519	Zoned for housing.
5			600-1000	Opinion

SUPERFICIES VALUE OF THE LAND				
1 sqm Land Value (*) 44,15/49 years(**)	240	.-EURO/sqm		
Land Size	13.450,00	sqm.		
Total Land Value	3.231.227	.-EURO	3.231.277	EURO
(*) As the unit value for the land; 70% of the 381 EURO/sqm (900 TL/sqm) commercially-zoned value has been taken into consideration as the value of the 49 years-long superficies.				
(**) On the land owned by Trabzon Dünya Ticaret Merkezi A.Ş., Exclusive and Permanent Superficies have been established for Akfen GYO A.Ş. by 27 February 2057.				
The Detail of the Land Value Calculation = (zoned parcel value x 49 years superficies coefficient x time period)				
= 381(EURO/sqm) x 0.70 x 44,15/49				
= 240 (EURO/sqm)				

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

7.2.2 Construction Cost Analyse

LAND VALUE			
1 sqm Land Value	240	.-€	
Land Size	13.450,00	sqm	
Total Land Value	3.231.226,28		
Akfen GYO A.Ş.	3.231.226,68	.-€	3.231.227 .-€
TOTAL			3.231.227 .-€

VALUE OF THE BUILDING (NOVOTEL)			
Construction cost per 1 sqm for basement floor	550	.-€	
Total Closed Area of the Building	2.340,00	sqm	
Total Construction Cost	1.287.000	.-€	
Depreciation	3%		
Depreciation Cost	38.610	.-€	
Value of the Building	1.248.390	.-€	1.248.390 .-€
Construction cost per 1 sqm	1.200	.-€	
Total Closed Area of the Building	12.892,00	sqm	
Total Construction Cost	15.470.400	.-€	
Depreciation	3%		
Depreciation Cost	464.112	.-€	
Value of the Building	15.006.288	.-€	15.006.288 .-€
Total Value of the Land			3.231.227 .-€
Total Value of the Building			16.254.678 .-€
External and miscellaneous works			400.000 .-€
TOTAL VALUE			19.885.905 .-€
TOTAL APPROXIMATE VALUE			19.890.000 .-€

7.3.3 Income Capitalization Approach

7.3.3.1 Contracts Related with the Property

Regarding the property, the data on the latest official documents and rental contracts are as follows:

- **“Contract for Trabzon World Trade Center Complex Build-Operate-Transfer Model and 4-Star Hotel and Appurtenance Construction and Operation Contract” dated 23 September 2008.** Signed between the landlord Trabzon Dünya Ticaret Merkezi A.Ş., the investor company Akfen GYO A.Ş., and the transferor Accotel Yatırım ve İşletim A.Ş. In the document, the conditions of the contract are indicated, and also it is indicated that the “49 years operating period will begin when all constructions are completed, the entire hotel and appurtenances obtain Culture and Tourism Ministry Operating Certificate; and the operating certificate procurement period may not exceed-shall begin 6 (six) months after the ending date of the construction”. The document in question is annexed.

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

- **“Lease Contract, Novotel Trabzon” dated 22 September 2008:** In the contract, the lessor is indicated as “Aksel Turizm Yatırım ve İşletmecilik A.Ş. (now Akfen GYO A.Ş.), and the tenant is Accor SA. The document in question is annexed.
- The superficies that began on 27 February 2008 will end on 27 February 2057. The hotel, run with the terms and conditions mentioned in the contract by that date, will be handed over to Trabzon Dünya Ticaret Merkezi A.Ş. after the contract period is over

7.3.4 The Value of the Property According to Income Capitalization Approach

Assumptions,

- ❖ The construction right of the subject hotel is owned by Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. while it is being operated by the international hotel operation company Accor Group. During this study, it was assumed that the hotel will be operated in the existing concept throughout the term of the construction right.
- ❖ It was assumed that the appraisal study will be conducted according to the cash flows obtained from the operation of the real estate in the years of utilization, during the appraisal study.
- ❖ It is assumed that the hotel’s number of beds, which is currently 200, will remain unchanged in years.
- ❖ It is assumed that the plant will remain open for 365 days.
- ❖ The room rates are foreseen according to bed & breakfast system. Considering the performance of the hotel in the previous years, as well as the inspections in the tourism industry and in the region, per capita rate is assumed as €68 for 2013. The room rate has been increased by 4% for the first 10 years. Due to the increase in the hotel’s advertising capacity, recognition and premium, the room rates are foreseen to increase by 4% in the first 10 years and reach maturity, and increase by 2.5% -which is the inflation rate- in the following years.
- ❖ It was projected that the occupancy rate will start with 73% in 2013, in line with the number of rooms that are sold and as of 2015, it will remain stable around 78%.
- ❖ It is assumed that the items such as shop rent, wellness center, extra expenditure etc. will be included in the other revenues item. Considering the performance of the hotel, it is assumed that other revenues will be equal to 57% of accommodation revenues.
- ❖ The profit margin of the hotel is assumed as 42% in 2013, and this rate is assumed to increase in years to 44% and remain stable afterwards.
- ❖ It is assumed that 1.5% of the hotel’s construction cost will be spared as renewal cost for the first year, and the amount will be increased as much as the inflation rate in the following years.
- ❖ Further to “Trabzon World Trade Center Complex Build-Operate-Transfer Model and 4-Star Hotel and Appurtenances Construction and Operating Contract”, it is foreseen that the superficies cost will not be taken in the first 5 years, and at the end of the 5th year, it will be paid as €37.901 for 5 years, and then the values indicated in the contract conditions will be paid in the following years.
- ❖ Further to the “Contract for Trabzon World Trade Center Complex Build-Operate-Transfer Model and 4-Star Hotel and Appurtenance Construction and Operation Contract” dated 27 September 2008, it is assumed that 100 rooms every year will be allocated for Trabzon World Trade Center.
- ❖ EURO is used during the studies and TL 1=€2,3630 is considered.

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

- ❖ Taxes and VAT are not included in the studies within IVSC (International Valuation Standards Coverage).
- ❖ In the appraisal study, Euro-based Eurobond rate for the last 6 months of 2020, which is 3,60%, is considered as the “Risk-free Rate of Return”. (In this appraisal study, the yield of the Eurobond with the longest maturity, which is Euro based Eurobond with maturity in 2020, has been chosen as the risk free rate of return.)
- ❖ Discount ratio is foreseen as 9.00%.
- ❖ In the studies, the inflation rate of Euro zone, which is 2.5%, has been taken into consideration.
- ❖ The real estate tax and building insurance have been included in the accrued figures in accordance with the client’s declarations, and they have been assumed to increase by 2.5% every year, which is the inflation rate.

NOVOTEL TRABZON – CASH FLOW CHART

NOVOTEL (4 STAR)	
ROOMS	200
BED NUMBER	400
OPERATING DAYS	365
WORLD TRADE CENTER ACCOMMODATION SHARE	100
YEARLY ROOM CAPACITY	72.900
ROOM PRICE (EURO)(2011)	68,00
ROOM RATE INCREASE IN THE FIRST 10 YEARS (%)	4,0%
PER BED RATE INCREASE FOR THE REMAINING YEARS (%) EURO ZONE INFLATION RATE	2,5%
OTHER INCOMES RATE (%)	57%
RENEWAL COST RATE	1,5%
REAL ESTATE TAX BASE (EURO) (2012)	8.644.761

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOVOTEL CASH FLOW																
YEARS	31.12.2012	31.12.2013	31.12.2014	31.12.2015	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022	31.12.2023	31.12.2024	31.12.2025	31.12.2026	31.12.2027
OCCUPANCY RATE (%)	0%	73%	75%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%
ROOMS SOLD	0	53.217	54.675	56.862	56.862	56.862	56.862	56.862	56.862	56.862	56.862	56.862	56.862	56.862	56.862	56.862
ROOM PRICE (EURO)	68,00	68,00	70,72	73,55	76,49	79,55	82,73	84,80	86,92	89,09	91,32	93,60	95,94	98,34	100,80	103,32
ROOM REVENUES (EURO)	0	3.618.756	3.866.616	4.182.132	4.349.417	4.523.394	4.704.330	4.821.938	4.942.486	5.066.048	5.192.700	5.322.517	5.455.580	5.591.970	5.731.769	5.875.063
OTHER REVENUES (EURO)	0	2.062.691	2.203.971	2.383.815	2.479.168	2.578.334	2.681.468	2.748.505	2.817.217	2.887.648	2.959.839	3.033.835	3.109.681	3.187.423	3.267.108	3.348.786
TOTAL REVENUES (EURO)	0	5.681.447	6.070.587	6.565.947	6.828.585	7.101.728	7.385.797	7.570.442	7.759.703	7.953.696	8.152.538	8.356.352	8.565.261	8.779.392	8.998.877	9.223.849
GOP (%)	0%	42%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%
GOP (EURO)	0	2.386.208	2.671.058	2.889.017	3.004.577	3.124.760	3.249.751	3.330.995	3.414.270	3.499.626	3.587.117	3.676.795	3.768.715	3.862.933	3.959.506	4.058.494
COSTS (EURO)		3.295.239	3.399.529	3.676.930	3.824.008	3.976.968	4.136.047	4.239.448	4.345.434	4.454.070	4.565.422	4.679.557	4.796.546	4.916.460	5.039.371	5.165.355
HOTEL CASH FLOW		2.386.208	2.671.058	2.889.017	3.004.577	3.124.760	3.249.751	3.330.995	3.414.270	3.499.626	3.587.117	3.676.795	3.768.715	3.862.933	3.959.506	4.058.494
RENEWAL COST (EURO) (%1,5)	0	251.361	257.645	264.086	270.688	277.456	284.392	291.502	298.789	306.259	313.915	321.763	329.807	338.053	346.504	355.167
REAL ESTATE TAX	0,40%	0	36.330	37.238	38.169	39.123	40.101	41.104	42.131	43.184	44.264	45.371	46.505	47.668	48.859	50.081
BUILDING INSURANCE	0	12.085	12.387	12.696	13.014	13.339	13.673	14.014	14.365	14.724	15.092	15.469	15.856	16.252	16.659	17.075
ANNUAL LAND RENT	0	0	37.901	37.901	37.901	37.901	37.901	56.851	56.851	56.851	56.851	56.851	75.802	76.560	77.318	78.076
COSTS (EURO)	0	-3.558.685	-3.743.791	-4.028.852	-4.183.779	-4.344.786	-4.512.113	-4.642.919	-4.757.571	-4.875.088	-4.995.544	-5.119.012	-5.264.516	-5.394.992	-5.528.711	-5.665.754
NET OPERATING PROFIT	0	2.122.762	2.326.796	2.537.095	2.644.806	2.756.942	2.873.684	2.927.524	3.002.133	3.078.608	3.156.994	3.237.340	3.300.744	3.384.400	3.470.166	3.558.095
NET CASH FLOW	0	2.122.762	2.326.796	2.537.095	2.644.806	2.756.942	2.873.684	2.927.524	3.002.133	3.078.608	3.156.994	3.237.340	3.300.744	3.384.400	3.470.166	3.558.095

31.12.2028	31.12.2029	31.12.2030	31.12.2031	31.12.2032	31.12.2033	31.12.2034	31.12.2035	31.12.2036	31.12.2037	31.12.2038	31.12.2039	31.12.2040	31.12.2041	31.12.2042	31.12.2043	31.12.2044	31.12.2045
78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%
56.862	56.862	56.862	56.862	56.862	56.862	56.862	56.862	56.862	56.862	56.862	56.862	56.862	56.862	56.862	56.862	56.862	56.862
105,90	108,55	111,27	114,05	116,90	119,82	122,82	125,89	129,03	132,26	135,57	138,96	142,43	145,99	149,64	153,38	157,22	161,15
6.021.940	6.172.488	6.326.800	6.484.970	6.647.095	6.813.272	6.983.604	7.158.194	7.337.149	7.520.577	7.708.592	7.901.307	8.098.839	8.301.310	8.508.843	8.721.564	8.939.603	9.163.093
3.432.506	3.518.318	3.606.276	3.696.433	3.788.844	3.883.565	3.980.654	4.080.170	4.182.175	4.286.729	4.393.897	4.503.745	4.616.338	4.731.747	4.850.041	4.971.292	5.095.574	5.222.963
9.454.445	9.690.806	9.933.076	10.181.403	10.435.938	10.696.837	10.964.258	11.238.364	11.519.323	11.807.306	12.102.489	12.405.051	12.715.178	13.033.057	13.358.883	13.692.856	14.035.177	14.386.056
44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%
4.159.956	4.263.955	4.370.554	4.479.817	4.591.813	4.706.608	4.824.273	4.944.880	5.068.502	5.195.215	5.325.095	5.458.223	5.594.678	5.734.545	5.877.909	6.024.856	6.175.478	6.329.865
5.294.489	5.426.852	5.562.523	5.701.586	5.844.126	5.990.229	6.139.984	6.293.484	6.450.821	6.612.092	6.777.394	6.946.829	7.120.499	7.298.512	7.480.975	7.667.999	7.859.699	8.056.192
4.159.956	4.263.955	4.370.554	4.479.817	4.591.813	4.706.608	4.824.273	4.944.880	5.068.502	5.195.215	5.325.095	5.458.223	5.594.678	5.734.545	5.877.909	6.024.856	6.175.478	6.329.865
364.046	373.147	382.475	392.037	401.838	411.884	422.181	432.736	443.554	454.643	466.009	477.659	489.601	501.841	514.387	527.247	540.428	553.939
51.333	52.616	53.932	55.280	56.662	58.078	59.530	61.019	62.544	64.108	65.710	67.353	69.037	70.763	72.532	74.345	76.204	78.109
17.502	17.940	18.388	18.848	19.319	19.802	20.297	20.804	21.324	21.858	22.404	22.964	23.538	24.127	24.730	25.348	25.982	26.631
78.834	79.592	80.350	81.108	81.866	82.624	83.382	84.140	84.898	85.656	86.414	87.172	87.930	88.688	89.446	90.204	90.962	91.720
-5.806.204	-5.950.146	-6.097.668	-6.248.859	-6.403.811	-6.562.617	-6.725.375	-6.892.183	-7.063.142	-7.238.356	-7.417.932	-7.601.978	-7.790.606	-7.983.931	-8.182.070	-8.385.143	-8.593.275	-8.806.591
3.648.241	3.740.660	3.835.409	3.932.545	4.032.128	4.134.220	4.238.883	4.346.181	4.456.181	4.568.950	4.684.557	4.803.074	4.924.572	5.049.126	5.176.814	5.307.712	5.441.902	5.579.466
3.648.241	3.740.660	3.835.409	3.932.545	4.032.128	4.134.220	4.238.883	4.346.181	4.456.181	4.568.950	4.684.557	4.803.074	4.924.572	5.049.126	5.176.814	5.307.712	5.441.902	5.579.466

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

31.12.2046	31.12.2047	31.12.2048	31.12.2049	31.12.2050	31.12.2051	31.12.2052	31.12.2053	31.12.2054	31.12.2055	31.12.2056	27.02.2057
78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%
56.862	56.862	56.862	56.862	56.862	56.862	56.862	56.862	56.862	56.862	56.862	9.036
165,17	169,30	173,54	177,88	182,32	186,88	191,55	196,34	201,25	206,28	211,44	216,72
9.392.171	9.626.975	9.867.649	10.114.340	10.367.199	10.626.379	10.892.038	11.164.339	11.443.448	11.729.534	12.022.772	1.958.230
5.353.537	5.487.376	5.624.560	5.765.174	5.909.303	6.057.036	6.208.462	6.363.673	6.522.765	6.685.834	6.852.980	1.116.191
14.745.708	15.114.350	15.492.209	15.879.514	16.276.502	16.683.415	17.100.500	17.528.013	17.966.213	18.415.368	18.875.753	3.074.421
44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%
6.488.111	6.650.314	6.816.572	6.986.986	7.161.661	7.340.703	7.524.220	7.712.326	7.905.134	8.102.762	8.305.331	1.352.745
8.257.596	8.464.036	8.675.637	8.892.528	9.114.841	9.342.712	9.576.280	9.815.687	10.061.079	10.312.606	10.570.421	1.721.675
6.488.111	6.650.314	6.816.572	6.986.986	7.161.661	7.340.703	7.524.220	7.712.326	7.905.134	8.102.762	8.305.331	1.352.745
567.787	581.982	596.531	611.445	626.731	642.399	658.459	674.920	691.793	709.088	726.815	729.703
80.062	82.063	84.115	86.218	88.373	90.582	92.847	95.168	97.547	99.986	102.486	16.693
27.297	27.980	28.679	29.396	30.131	30.884	31.656	32.448	33.259	34.090	34.943	35.081
92.478	93.236	93.994	94.752	95.510	96.268	97.026	97.785	98.543	99.301	100.059	16.020
-9.025.220	-9.249.297	-9.478.957	-9.714.339	-9.955.586	-10.202.846	-10.456.269	-10.716.008	-10.982.221	-11.255.071	-11.534.724	-2.519.172
5.720.487	5.865.053	6.013.253	6.165.176	6.320.916	6.480.569	6.644.232	6.812.005	6.983.992	7.160.297	7.341.029	555.248
5.720.487	5.865.053	6.013.253	6.165.176	6.320.916	6.480.569	6.644.232	6.812.005	6.983.992	7.160.297	7.341.029	555.248

APPRAISAL CHART			
RISK FREE RATE OF RETURN	3,60%	3,60%	3,60%
RISK PREMIUM	4,40%	5,40%	6,40%
DISCOUNT RATE	8,00%	9,00%	10,00%
NET PRESENT VALUE (EURO)	40.543.739	35.493.402	31.413.406

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

7.3.5. The Value of the Property According to the Rental Income

Assumptions According to the 4th Modification on the Memorandum of Understanding dated 18 April 2005,

- ❖ **According to the modification on the rental agreement signed by and between Akfen Holding A.Ş. and its affiliate Akfen REIT and Accor SA and its affiliate TAMARİS Turizm A.Ş., it was assumed that whichever is higher among the 70% of the AGOP rate of the hotel and 22% of the revenue, it will be taken as the basis. The related modification of agreement has been attached**
- ❖ The construction right of the subject hotel is owned by Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. while it is being operated by the international hotel operation company Accor Group. During this study, it was assumed that the hotel will be operated in the existing concept throughout the term of the construction right..
- ❖ It is assumed that the hotel's number of beds, which is currently 200, will remain unchanged in years.
- ❖ It is assumed that the plant will remain open for 365 days.
- ❖ The room rates are foreseen according to bed & breakfast system. Considering the performance of the hotel in the previous years, as well as the inspections in the tourism industry and in the region, per capita rate is assumed as €68 for 2013. The room rate has been increased by 4% for the first 10 years. Due to the increase in the hotel's advertising capacity, recognition and premium, the room rates are foreseen to increase by 4% in the first 10 years and reach maturity, and increase by 2.5% -which is the inflation rate- in the following years.
- ❖ It was projected that the occupancy rate will start with 73% in 2013, in line with the number of rooms that are sold and as of 2015, it will remain stable around 78%.
- ❖ It is assumed that the items such as shop rent, wellness center, extra expenditure etc. will be included in the other revenues item. Considering the performance of the hotel, it is assumed that other revenues will be equal to 57% of accommodation revenues.
- ❖ The profit margin of the hotel is assumed as 42% in 2013, and this rate is assumed to increase in years to 44% and remain stable afterwards.
- ❖ The renovation cost of the hotel has been calculated as 0.05% of the operating income calculated in the operation alternative. The operating model assumes that the renovation works of the hotel will be realized by the tenant.
- ❖ Further to "Trabzon World Trade Center Complex Build-Operate-Transfer Model and 4-Star Hotel and Appurtenances Construction and Operating Contract", it is foreseen that the superficies cost will not be taken in the first 5 years, and at the end of the 5th year, it will be paid as €37.901 for 5 years, and then the values indicated in the contract conditions will be paid in the following years.
- ❖ Further to the "Contract for Trabzon World Trade Center Complex Build-Operate-Transfer Model and 4-Star Hotel and Appurtenance Construction and Operation Contract" dated 27 February 2008, it is assumed that 100 rooms every year will be allocated for Trabzon World Trade Center.
- ❖ EURO is used during the studies and TL 1=€2,3630 is considered.

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

- ❖ Taxes and VAT are not included in the studies within IVSC (International Valuation Standards Coverage).
- ❖ In the appraisal study, Euro-based Eurobond rate for the last 6 months of 2020, which is 3,60%, is considered as the “Risk-free Rate of Return”. (In this appraisal study, the yield of the Eurobond with the longest maturity, which is Euro based Eurobond with maturity in 2020, has been chosen as the risk free rate of return.)
- ❖ Low discount rate and risk premium have been considered with the guaranteed rent income due to Accor’s international recognition and brand strength.
- ❖ In this study, the rent income from the hotel let to Accor group has been guaranteed with the 25 years lease contract. The calculation has been made with the assumption that the risk Premium of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. in obtaining the mentioned rent income is very low. The discount rate is projected as 6.50%, which has been found by adding 2,90% “Risk Premium” to the 3,60% “Risk-Free Income Rate”

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOVOTEL CASH FLOW																
YEARS	31.12.2012	31.12.2013	31.12.2014	31.12.2015	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022	31.12.2023	31.12.2024	31.12.2025	31.12.2026	31.12.2027
NOVOTEL INCOME	0	1.249.918	1.335.529	1.444.508	1.502.289	1.562.380	1.624.875	1.665.497	1.707.135	1.749.813	1.793.558	1.838.397	1.884.357	1.931.466	1.979.753	2.029.247
AGOP NOVOTEL	0	1.352.184	1.529.788	1.654.619	1.720.803	1.789.636	1.861.221	1.907.751	1.955.445	2.004.331	2.054.440	2.105.801	2.158.446	2.212.407	2.267.717	2.324.410
NOVOTEL USED TRENTAL INCOME	0	1.352.184	1.529.788	1.654.619	1.720.803	1.789.636	1.861.221	1.907.751	1.955.445	2.004.331	2.054.440	2.105.801	2.158.446	2.212.407	2.267.717	2.324.410
ANNUAL RENT COST (EURO)	0	0	-37.901	-37.901	-37.901	-37.901	-37.901	-56.851	-56.851	-56.851	-56.851	-56.851	-75.802	-76.560	-77.318	-78.076
INSURANCE COST (EURO)	0	-12.085	-12.387	-12.696	-13.014	-13.339	-13.673	-14.014	-14.365	-14.724	-15.092	-15.469	-15.856	-16.252	-16.659	-17.075
REAL ESTATE TAX	0	0	-36.330	-37.238	-38.169	-39.123	-40.101	-41.104	-42.131	-43.184	-44.264	-45.371	-46.505	-47.668	-48.859	-50.081
RENEWAL COST (EURO) (%0,05)	0	-12.568	-12.882	-13.204	-13.534	-13.873	-14.220	-14.575	-14.939	-15.313	-15.696	-16.088	-16.490	-16.903	-17.325	-17.758
TOTAL CASH FLOW (EURO)	0	1.327.532	1.430.289	1.553.579	1.618.186	1.685.400	1.755.327	1.781.207	1.827.158	1.874.259	1.922.536	1.972.021	2.003.792	2.055.024	2.107.556	2.161.420

31.12.2028	31.12.2029	31.12.2030	31.12.2031	31.12.2032	31.12.2033	31.12.2034	31.12.2035	31.12.2036	31.12.2037	31.12.2038	31.12.2039	31.12.2040	31.12.2041	31.12.2042	31.12.2043	31.12.2044	31.12.2045
2.079.978	2.131.977	2.185.277	2.239.909	2.295.906	2.353.304	2.412.137	2.472.440	2.534.251	2.597.607	2.662.548	2.729.111	2.797.339	2.867.273	2.938.954	3.012.428	3.087.739	3.164.932
2.382.520	2.442.083	2.503.135	2.565.714	2.629.856	2.695.603	2.762.993	2.832.068	2.902.869	2.975.441	3.049.827	3.126.073	3.204.225	3.284.330	3.366.439	3.450.600	3.536.865	3.625.286
2.382.520	2.442.083	2.503.135	2.565.714	2.629.856	2.695.603	2.762.993	2.832.068	2.902.869	2.975.441	3.049.827	3.126.073	3.204.225	3.284.330	3.366.439	3.450.600	3.536.865	3.625.286
-78.834	-79.592	-80.350	-81.108	-81.866	-82.624	-83.382	-84.140	-84.898	-85.656	-86.414	-87.172	-87.930	-88.688	-89.446	-90.204	-90.962	-91.720
-17.502	-17.940	-18.388	-18.848	-19.319	-19.802	-20.297	-20.804	-21.324	-21.858	-22.404	-22.964	-23.538	-24.127	-24.730	-25.348	-25.982	-26.631
-51.333	-52.616	-53.932	-55.280	-56.662	-58.078	-59.530	-61.019	-62.544	-64.108	-65.710	-67.353	-69.037	-70.763	-72.532	-74.345	-76.204	-78.109
-18.202	-18.657	-19.124	-19.602	-20.092	-20.594	-21.109	-21.637	-22.178	-22.732	-23.300	-23.883	-24.480	-25.092	-25.719	-26.362	-27.021	-27.697
2.216.649	2.273.278	2.331.342	2.390.876	2.451.918	2.514.504	2.578.675	2.644.468	2.711.925	2.781.088	2.851.998	2.924.701	2.999.239	3.075.661	3.154.011	3.234.340	3.316.695	3.401.129

31.12.2046	31.12.2047	31.12.2048	31.12.2049	31.12.2050	31.12.2051	31.12.2052	31.12.2053	31.12.2054	31.12.2055	31.12.2056	27.02.2057
3.244.056	3.325.157	3.408.286	3.493.493	3.580.831	3.670.351	3.762.110	3.856.163	3.952.567	4.051.381	4.152.666	676.373
3.715.918	3.808.816	3.904.037	4.001.638	4.101.679	4.204.221	4.309.326	4.417.059	4.527.486	4.640.673	4.756.690	774.754
3.715.918	3.808.816	3.904.037	4.001.638	4.101.679	4.204.221	4.309.326	4.417.059	4.527.486	4.640.673	4.756.690	774.754
-92.478	-93.236	-93.994	-94.752	-95.510	-96.268	-97.026	-97.785	-98.543	-99.301	-100.059	-16.020
-27.297	-27.980	-28.679	-29.396	-30.131	-30.884	-31.656	-32.448	-33.259	-34.090	-34.943	-35.081
-80.062	-82.063	-84.115	-86.218	-88.373	-90.582	-92.847	-95.168	-97.547	-99.986	-102.486	-16.693
-28.389	-29.099	-29.827	-30.572	-31.337	-32.120	-32.923	-33.746	-34.590	-35.454	-36.341	-36.485
3.487.692	3.576.438	3.667.422	3.760.699	3.856.328	3.954.366	4.054.873	4.157.913	4.263.547	4.371.842	4.482.862	670.475

APPRAISAL CHART			
RISK FREE RATE OF RETURN		3,60%	3,60%
RISK PREMIUM		2,40%	2,90%
DISCOUNT RATE		6,00%	6,50%
NET PRESENT VALUE (EURO)		33.524.409	30.918.872

Rental Value of the Property

YEARS	31.12.2012	31.12.2013
Average Cash Flow of Rental Value	0	1.725.147

RENTAL APPRAISAL CHART			
Risk Free Rate of Return		3,60%	3,60%
Risk Premium		4,40%	5,40%
Discount Rate		8,00%	9,00%
NET PRESENT VALUE (EURO)		1.597.358	1.582.704

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NET PRESENT VALUE (EURO)		1.582.704
NET PRESENT VALUE (TL)		3.739.929

Number of Days Between 31.12.2012 and 31.12.2013		365
Annual Rental Value of The Hotel (EURO)		1.582.704
Estimated Annual Rental Value of the Hotel (EURO)		1.580.000

7.3.6 Evaluation of The Analysis Results

The value of the subject immovable property is **€ 19.970.000** according to the cost method and **€ 34.490.000** according to the revenue reduction method. For the hotel, the construction right of which is owned by Akfen Gayrimenkul Yatırım Ortaklığı A.Ş, according to the annual rental value that should be paid by the international hotel operation company Accor group and the calculated rental revenues, the net current value has been detected as **€ 30.920.000**.

The rental value of the immovable property was calculated with the consideration of the average of the net cash flow values of the first year according to the revenue reduction method and the rental revenue. The annual average cash flow for the first year were reduced to the date of reduction and thus, the annual rental value of the immovable property was calculated. According to this calculation, the annual rental value has been appraised as **€ 1.580.000 (TL 3.740.000)**.

However, due to the fact that the immovable property is a currently operating and earning facility, the average of the fair market value calculated with revenue reduction approach, which is **€ 35.490.000** and the net current value of the rental revenue, which is **€ 30.920.000**, calculated as **€ 33.210.000 (Thirtythreemilliontwohundredandtenthousand.-Euros)** **(TL78.470.000, Seventyeightmillionfourhundredseventyfourthousand.-Turkish Liras)** as been appraised as the final result.

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

VAT APPLICATION

It was assumed that routine VAT shall apply on the immovable property. It was assumed that the VAT rate to apply on the commercial real estate sales will be 18%.

***SECTION 8
CONCLUSION***

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

SECTION 8 CONCLUSION

All the features that can affect the value of the property such as location, organization style of the surrounding, infrastructure and transportation facilities, façades to streets and roads, area and location, construction method of the structure, age, workmanship and material quality, installation etc. have been taken into consideration and a thorough market research has been conducted in the region. Accordingly and also considering the economic conditions of the country, the value of the property is estimated by SKB Gayrimenkul Değerleme A.Ş., as follows;

Fair Market Value (Excluding VAT) Dated 30.09.2011 Of Hotel On The Land With 49 Years Superficies(Construction) Entitlement Allocated For Akfen Real Estate Investment Partnership CO.

78.470.000.-TL

33.210.000.- EURO

Seventyeightmillionfourhundredseventyousand.-
Turkish Liras.-)

(Thirtythreemilliontwohundredtentousand.-EURO)

Fair Market Value (Including VAT) Dated 30.09.2011 Of Hotel On The Land With 49 Years Superficies (Construction)Entitlement Allocated For Akfen Real Estate Investment Partnership CO.

92.594.600.-TL

39.187.800.-EURO

(Ninetytwomillionfivehundredandninetyfourthousandsix
hundred.-TurkishLiras)

(Thirtyninemilliononehundredandeightyseventhousandeight
hundred.-EURO)

Rental Value Dated 30.09.2011 Of The Hotel (Excluding Vat)

3.740.000.- TL

1.580.000.- EURO

(Threemillionsevenhundredandfourtythousand.-Turkish
Liras)

(Onemillionfivehundredandeightyfourthousand.-EURO)

Rental Value Dated 30.09.2011 Of The Hotel (Including VAT)

4.413.000.-TL

1.864.400.-EURO

(Fourmillionfourhundredandthirteenthousand.-
TurkishLiras)

(Onemillioneighthundredandsixtyfourthousandfourhundred.-
EURO)

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

2- VAT not included.

3- Exchange rate has been taken as EURO 1 = TRY 2,3630 - The value in USD is given only for information

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

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

Özge Aklar
Appraiser (401775)

Hüsniye BOZTUŇ
Appraiser in Charge (400811)

***SECTION 9
ANNEX***

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

SECTION 9

ANNEX

Annex List

1	Copy of the Title Deed
2	Copy of the Zoning Plan
3	Building License ,occupancy permit
4	Construction Right Contract
5	Pictures
6	Resumes