

VEKTÖR
Gayrimenkul Değerleme A.Ş.



REAL ESTATE APPRAISAL REPORT



**AKMERKEZ GAYRİMENKUL
YATIRIM ORTAKLIĞI A.Ş.**

**İSTANBUL
BEŞİKTAŞ-ETİLER**

2014_300_11

"AKMERKEZ"

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1. REPORT SUMMARY

TYPE OF THE APPRAISED REAL ESTATE	:	There are 473 independent sections in the building with condominium license and it consists of shopping mall, offices, residence flats/apart hotel functions and it should be assessed in "Building" category in the portfolio.
SHORT DEFINITION OF THE APPRAISED REAL ESTATE	:	The real estate subject to appraisal is 473 independent sections having shopping mall, office, residence flats/apart hotel functions located in "FOUR-BLOCK MASONRY BUILDING" main real estate consisted of 600 independent sections located on city block: 83 & parcel: 1 in Arnavutköy Neighborhood of Beşiktaş District of Istanbul Province.
LAND SURFACE AREA	:	22.557 m²
INDOOR UTILIZATION AREA	:	TOTAL: 166.624 m² (Total construction area of the building on the parcel according to the renovation building license dated as 2013)
PRESENT USE FORM	:	The construction of the real estate subject to appraisal has been completed and it is a multi-function project used as shopping mall, office and residence.
ZONING STATUS OF THE REAL ESTATE	:	According to the master development plan dated as 22.07.2011 and scaled as 1/5000 and the implementary development plan approved on 07.02.2013 and scaled as 1/1000, city block: 83 & parcel: 1 is situated in "Hotel-Motel-Shopping Mall" area.
THE APPRAISAL METHODS USED	:	The peer comparison method and income method have been used in the appraisal.
DATE OF APPRAISAL	:	30.12.2014
DETERMINED VALUE	:	Total value (VAT excluded) of the real estates subject to appraisal is 1.236.260.978.-TL (One Billion Two Hundred and Thirty Six Million Two Hundred and Sixty Thousand Nine Hundred and Seventy Eight Turkish Liras).

2. REPORT INFORMATION

DATE OF REPORT	:	31.12.2014
REPORT NO	:	2014_300_11
DATE OF APPRAISAL	:	30.12.2014
DATE OF THE REFERENCE CONTRACT	:	17.11.2014
REFERENCE CONTRACT NUMBER	:	2014_300_11

INTENDED PURPOSE AND PLACE OF USE OF REPORT

The report is issued for the portfolio of the REAL ESTATE INVESTMENT TRUSTS as per the Regulations of the Capital Market Board. It was prepared within the framework of the Communiqué regarding the principles with regard to the Real Estate Investment Trusts dated as 28.05.2013, numbered 48 and 48.1 A where the amendments made on 28.01.2014 were also included.

The report has been prepared in manner to include the Communiqué Serial VIII, No. 53 of the Capital Markets Board (CMB) with regard to making modifications on the Communiqué published in the Official Gazette dated 02.08.2007 and numbered 26601 on the principles on the Companies that will Provide Valuation Services within the Framework of Capital Market Legislation and including them in the Lists by the Commission as well as "Minimum Information to be Included in the Valuation Reports" taking place in the Commission Resolution dated 20/07/2007, no. 27/781.

SUBJECT AND PURPOSE OF APPRAISAL

This report has been prepared to appraise the value of 473 independent sections under the ownership of Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. in a "FOUR-BLOCK MASONRY BUILDING" main real estate consisted of 600 independent sections located on city block: 83 & parcel: 1 in Arnavutköy Neighborhood of Beşiktaş District of Istanbul Province. The values of the independent sections in the shopping mall section were found out by taking the "contractual rentals" into consideration.

PREPARED BY

NAZEN TÖMEN
CMB License No: 400645
Appraiser- Architect (M. Sc.)

APPRAISER IN CHARGE

Mustafa NURAL
CMB License No: 400604
Topographical Engineer
Deputy General Manager

INFORMATION RELATED TO WHETHER IT HAS BEEN APPRAISED BEFORE OR NOT

No appraisal report was prepared regarding the real estate subject to appraisal by us.

3. INTRODUCTORY INFORMATION ABOUT THE COMPANY AND THE CUSTOMER

TITLE OF THE COMPANY	:	VEKTÖR GAYRİMENKUL DEĞERLEME A.Ş.
ADDRESS OF THE COMPANY	:	İhlamurkuyu Mahallesi, Aytaşı Sokak, No:4 ÜMRANIYE / İSTANBUL
INTRODUCTORY INFORMATION ABOUT THE CUSTOMER	:	AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
ADDRESS OF THE CUSTOMER	:	Nispetiye Caddesi, Ulus E3 Blok, Kat:1 34337 ETİLER / BEŞİKTAŞ / İSTANBUL
SCOPE OF THE CUSTOMER REQUEST AND LIMITATIONS IF ANY	:	This report has been prepared to appraise the value of 473 independent sections under the ownership of Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. in a "FOUR BLOCK MASONRY BUILDING" main real estate consisted of 600 independent sections located on city block: 83 & parcel: 1 in Arnavutköy Neighborhood of Beşiktaş District of Istanbul Province. The values of the independent sections in the shopping mall section must be found out by taking the "contractual rentals" into consideration.

4. GENERAL ANALYSIS AND DATA

4.1. ANALYSIS OF THE AREA WHERE THE REAL ESTATE IS LOCATED AND THE DATA USED

ISTANBUL PROVINCE

Istanbul province is surrounded by the Black Sea in the north, high hills of Kocaeli Range of Mountains in the east, the Marmara Sea in the south and the water parting of the Ergene Basin in the west. The Istanbul Strait merges the Black Sea with the Marmara Sea and divides the European continent from the Asian continent as well as the Istanbul City into two. The provincial area is surrounded, from administrative standpoint, by Karamürsel, Gebze, Merkez and Kandıra districts of Kocaeli province in the east and south-east, Gemlik and Orhangazi districts of Bursa province in the south, and Çorlu, Çerkezköy and Saray districts of Tekirdağ province and Vize district of Kırklareli province in the west and north-west.



The population of Istanbul

With 10,018,735 people, Istanbul accounts for 15% of Turkey's total population of 67,803,927 according to the census October 2000. The population increased by 1 million 133 thousand people in average per annum over the period of 1990-2000 and by 431,171 people in average per annum over the period of 2000-2010. From these figures, the importance borne by Istanbul in terms of the population and the area is clearly seen when compared with the generality of Turkey. The annual growth rate ascertained as for Istanbul between 1997 and 2000 is 2.83%. Despite the fact that the annual average population growth rate was 3.45% in the previous period and that this growth was partly resulted from the migration, it is observed that the population growth rate has been decreasing. The reasons for this are that the population growth rate (fertility rate) has been decreasing and the migration has been slowing down across Turkey.

- With 12,573,836 people, it accounts for 17.8% of Turkey's total population of 70,586,256 according to the census December 2007;
- With 13,120,596 people, it accounts for 17.7% of Turkey's total population of 73,722,988 according to the census 2010. The population growth rate of Istanbul was 4.90% in 2010. The population growth rate has been rising. It was 2.88 % in 2000, 2.5 % in 2005 and 4.90% in 2010. Of the total population, 13,120,596 (98.98%) people live in urban areas and 135,089 (1.02%) in rural areas. Based on the data of 2010, the district with the highest population is Bağcılar, while the district with the lowest population is Adalar. Approximately 64.66% (8,571,374) of the people living in Istanbul have settled on the European side and 35.33% (4,684,311) on the Asian side;
- With 13,624,240 people, it accounts for 18.2% of Turkey's total population of 74.724.269 according to the census 2011. The population growth rate of Istanbul was 3.8% in 2011. The population growth rate has been rising. It was 2.88% in 2000, 2.5% in 2005, 4.90% in 2010 and 3.8% in 2011. Of the total population, 13,483,052 (98.93%) people live in urban areas and 141.188 (1.03%) in rural areas. Based on the data of 2011, the district with the highest population is Bağcılar with 746,650 people, while the district with the lowest population is Adalar with 13,883 people. Approximately 61.06% (8.319.273) of the people living in Istanbul have settled on the European side and 38.93% (5.304.967) on the Asian side;

- With 13,854,740 people, it accounts for 18.3% of Turkey's total population of 75,627,384 according to the census 2012. The population increase in Istanbul was 1.7%. The population of the city among the total population is 13.710.512 (98,96%) and the rural population is 144.228 (1,04%). According to 2012 population data, the Bağcılar is the district with most population with 749.024 people and the district with the least population is Şile with 13.260 people.
- According to 2013 census, 18,5% (14.160.467) of the population of Turkey live in Turkey. About 61.14 % (8.657.729) of the ones living in Istanbul live in the European Side and 38.86% (5.502.738) live in the Asian side. When population of 39 districts of Istanbul is studied according to 2013 data, we see that Bağcılar is the most populated district and Adalar is the least populated district.

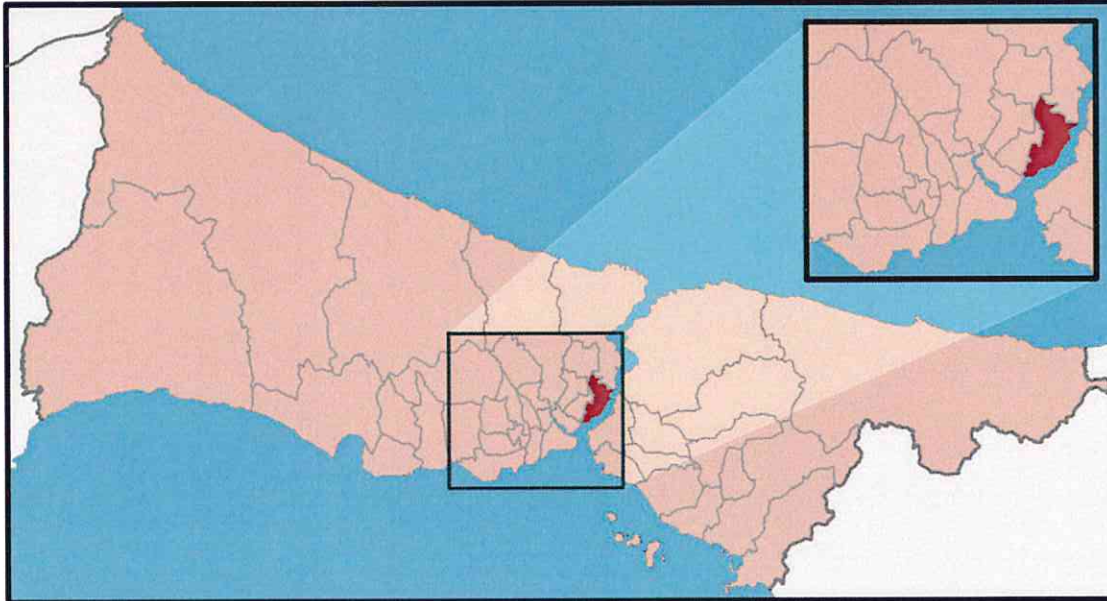
Population Data of Istanbul Province						
Years	2008	2009	2010	2011	2012	2013
Urban Area	12.569.041	12.782.960	13.120.596	13.483.052	13.710.512	14.160.467
Rural Area	128.123	132.198	135.089	141.188	144.228	0
Total	12.697.164	12.915.158	13.255.685	13.624.240	13.854.740	14.160.467
Increase rate		0,017	0,026	0,028	0,017	0,022

Istanbul has 39 districts, of which 14 are on the Asian side and 25 on the European side. The districts of Istanbul are Avcılar, Küçükçekmece, Büyükçekmece, Arnavutköy, Çatalca, Silivri, Bakırköy, Bahçelievler, Bağcılar, Güngören, Esenler, Bayrampaşa, Başakşehir, Beylikdüzü, Zeytinburnu, Fatih, Eminönü, Beyoğlu, Beşiktaş, Şişli, Kağıthane, Sarıyer, Gaziosmanpaşa, Eyüp, Sancaktepe and Silivri in the west and Üsküdar, Beykoz, Şile, Kadıköy, Kartal, Pendik, Tuzla, Ümraniye, Adalar, Maltepe, Sultanbeyli, Çekmeköy and Ataşehir in the east.

Covering 9.7 % of Turkish lands, Istanbul is the most important city of Turkey, in terms of population.

BEŞİKTAŞ DISTRICT

Beşiktaş is one of the oldest parts of Istanbul located outside the city wall. It is located on the Rumeli side between Tophane and Ortaköy. It neighbors with Şişli in the west, Beyoğlu in the south and Sarıyer in the north. Beşiktaş that was attached to Beyoğlu until 1930 covers 11.000 km² area.



Beşiktaş consists of 23 neighborhoods. These are Abbasağa, Akatlar, Arnavutköy, Balmumcu, Bebek, Cihannüma, Dikilitaş, Etiler, Gayrettepe, Konaklar, Kuruçeşme, Kültür, Levazım, Levent, Mecidiye, Ortaköy, Muradiye, Nispetiye, Sinanpaşa, Türkali, Ulus, Vişnezade and Yıldız.

Naturally, climate of Beşiktaş is similar to climate of Istanbul. But the humidity rate is higher on the shore side. Istanbul climate is between Mediterranean climate and continental climate and this characteristic also reflects to the climate of Beşiktaş. It is hot and dry in summers and mild and rainy in winters. July is the driest month while November is the rainiest. Number of the snow covered days in Beşiktaş district is seven. It snows most in February. Average annual temperature is 13°C. The hottest month is August and the coldest month is January. The temperature difference between day and night is not big. This difference is measured highest in April.

Population: The district is generally a settlement area. The preference for settlement accelerated in the Ottoman era and reached its peak nowadays. Beşiktaş is currently an urban settlement area.

Population Data of Beşiktaş District

Years	1965	1970	1975	1980	1985	1990	2000	2010	2013
Population	107.442	136.105	174.931	188.117	204.911	192.210	190.813	184.390	186.570

Education and Culture: There are central campuses of Boğaziçi University, Yıldız Teknik University and Galatasaray University as well as important units of Bahçeşehir University, Beykent University, Istanbul Teknik University, Kadir Has University, Yeditepe University and Mimar Sinan University. There are 44 primary schools 14 of which are private primary schools and 25 high schools 7 of which are Anatolian High Schools. Beşiktaş Cultural Center, founded in 1994 by Necati Akpınar and Yılmaz Erdoğan, became an important one in time in the fields of theatre, television, cinema and organizations. Besides this center, Ortaköy, Mustafa Kemal, Levent and Akatlar Cultural Center and Kuruçeşme Arena are important show and entertainment centers.

Commercial Features: The district has an active and lively commercial life. The district is shouldering and important function with about 130 small shopping centers, 2 thousand company centers, 85 bank branches, enterprises operating in capital market, shopping malls in compliance with European standards (Akmerkez), plazas, international hotel establishments, Nobel and Pfizer medicine factories and Yıldız Porselen.

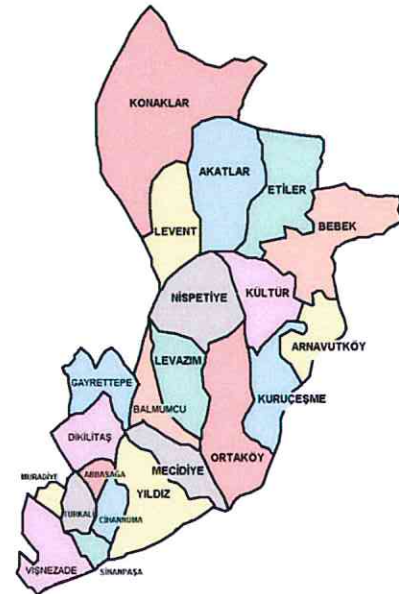
ETİLER NEIGHBORHOOD

Etiler is the second mass housing settlement established after 1st Levent in 1957. It is one of the most preferred neighborhoods of Istanbul and about 13.000 people are living there. It is a place where there are many entertainment centers and it is preferred by people of Istanbul.

The neighborhood is enlarging with newly built boroughs and housing estates and therefore, the number educational institutions are also swiftly increasing. In addition to Boğaziçi University (previously Robert College) situated on the shoulders of Küçük Bebek Rumelihisarı, Business Administration Faculty of Istanbul University, library, archive etc. buildings of Boğaziçi University, Private Yıldız High School, Anatolian Vocational High School, Private Ideal Schools and other private schools can be found in Etiler.

Today, although Etiler Neighborhood includes a smaller area, Etiler, as location, starts from the eastern borders of Levent and covers Yıldız blocks, Basın Housing Estate, Uçaksavar Housing Estate, luxury Alkent Housing settlement, Akatlar neighborhood and many other small or big housing estates and mass housing units.

Being opened at the end of 1993, Akmerkez is one of the most spectacular business and shopping mall and holds many worldwide famous shops on thousand square meters. Akmerkez is located on Nispetiye Avenue, close to the entrance of the district, while going to Etiler from Levent. There are many entertainment locations especially on Nispetiye Avenue.



4.2. ANALYSIS OF THE CURRENT ECONOMIC CONDITIONS AND THE REAL ESTATE MARKET, CURRENT TRENDS AND REFERENCE DATA

DEVELOPMENTS IN THE WORLD ECONOMY

International conditions have been important determiners in shaping the economic indicators in 2009-2010-2011-2012 and 2013.

In the interim global economic outlook assessment report published in September 2014 by OECD regarding the world general economy outlook, it is stated that a moderate recovery in the world economy is being experienced.

The data described in the most recent period, generally indicates a favorable outlook in economic activity. Annual GDP growth, described previously 4,2% in the second quarter was revised finally as 4,6% in the USA. Thus, the growth rate has been the highest since the last quarter of 2011.

Growth:

OECD GSYH Büyüme Tahminleri

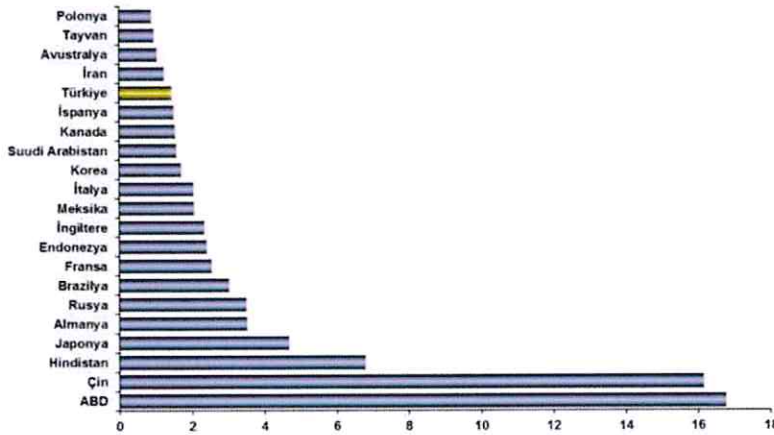
%	2013G	2014	2015	Mayıs Ayı Tahminleri	
				2014	2015
ABD	2,2	2,1	3,1	-0,5	-0,4
Euro Alanı	-0,4	0,8	1,1	-0,4	-0,6
Japonya	1,6	0,9	1,1	-0,3	-0,2
Çin	7,7	7,4	7,3	0,0	0,0

(G) Gerçekleşme

The Greatest Economies of the World and Place of Turkey among the World Economy

Dünyanın En Büyük Ekonomileri

(Satın Alma Gücü Paritesine Göre GSYH, Trilyon Dolar, 2013)



Kaynak: IMF, Dünya Ekonomik Görünümü Raporu, Ekim 2014

TURKISH ECONOMY

As a result of the measures taken to balance the growth rate domestic and external demand after the high growth rate in 2010 and 2011, the growth rate slowed down in 2012. Expected growth rate in 2012 was 3,2% but it turned out to be 2,2%.

The Turkish economy grew at an annual rate of 4 percent in 2013, IMF estimates that Turkish economy will grow at the rate of 2,3 % in 2014. In 2013, Turkish economy grew at an annual rate of 4 percent, which is more than the realization rate of 3,6% stated in the Medium Term Program (2014-2016).

Turkey is one of the fastest emerging and relatively less affected countries from the global economic uncertainty of the recent global economic crisis. The average annual growth rate was 5 % in 2003- 2013 term. Turkey proved an economic growth of 4.3 % in the first quarter of 2014.

Growth Estimates for some Countries - Country Groups (%)									
		<i>World</i>	<i>Turkey</i>	<i>Euro Zone</i>	<i>USA</i>	<i>Brazil</i>	<i>Russia</i>	<i>India</i>	<i>ÇHÇ</i>
IMF	2014	3,4	2,3	1,1	1,7	1,3	0,2	5,4	7,4
	2015	4,0	3,1	1,5	3,0	2,0	1,0	6,4	7,1
OECD	2014	3,4	3,3	1,2	2,6	1,8	0,5	4,9	7,4
	2015	3,9	4,0	1,7	3,5	2,2	1,8	5,9	7,3
WorldBank	2014	2,8	3,5	1,1	2,1	1,5	0,5	5,5	7,6
	2015	3,4	3,5	1,8	3,0	2,7	1,5	6,3	7,5

Kaynak: IMF, OECD, World Bank

2014-2016 Medium Term Program Targets

The main aim of the Medium Term program for 2014-2016 is to reach the potential growth rate, to further reduce the current account deficit, to reduce inflation, to improve public fiscal balances and thereby strengthen the macroeconomic and financial stability.

	2013*	2014	2015	2016
<i>GDP (Billion \$, at Current Prices)</i>	820	867	928	996
<i>Per Capita Income (GDP, \$)</i>	10.782	11.277	11.927	12.670
<i>GDP Growth (1)</i>	4,0	4,0	5,0	5,0
<i>Unemployment Rate (%)</i>	9,7	9,4	9,2	8,9
<i>Tourism Revenues (Billion \$)</i>	28,0	31,0	32,0	34,5
<i>Current Account Balance (Billion \$)</i>	-65,1	-55,5	-55,0	-55,0
<i>Current Account Balance / GDP (%)</i>	-7,9	-6,4	-5,9	-5,5

*Realization
2014-2016 Medium Term Program, Ministry of Development - 08/10/2013
(1) It indicates percentage change in the fixed prices.

In 2013, Gross National Product has been 820 billion dollars, national income 10 782 dollars per capita, GDP growth of 4% , the unemployment rate 9.7 % , tourism revenue has been 28 billion dollars, the current account has a deficit balance as -65.1 billion, the current account balance to gross domestic product ratio stood at -7.9 .

Manufacturing Industry Capacity Utilization Rate (KKO) and Seasonally Adjusted KKO* (Weighted Average - %)

	Years	January	February	March	April	May	June	July	August	September	October	November	December
KKO	2007	77,9	77,3	80,3	80,5	80,8	81,7	82	79,6	80,8	81,6	80,8	79,2
	2008	77,9	78,0	76,9	78,6	79,2	80,3	79,8	80	77,3	75,8	71,8	64,9
	2009	61,6	60,9	58,7	59,7	64	67,5	67,9	68,9	68	68,2	69,8	67,7
	2010	68,6	67,8	67,3	72,7	73,3	73,3	74,4	73	73,5	75,3	75,9	75,6
	2011	74,6	73,0	73,2	74,9	75,2	76,7	75,4	76,1	76,2	77	76,9	75,5
	2012	74,7	72,9	73,1	74,7	74,7	74,6	74,8	74,3	74	74,9	74	73,6
	2013	72,4	72,2	72,7	73,6	74,8	75,3	75,5	75,5	75,4	76,4	75,6	76
	2014	73,9	73,3	73,1	74,4	74,4	75,3	74,9	74,7	74,4	74,9		
KKK - MA	2007	79,7	79,5	82,3	81,2	80,6	80,7	80,5	77,8	80,1	80	80	79,8
	2008	79,8	80,2	79,1	79,2	78,9	79,2	78,2	78,3	76,5	74,2	71	65,6
	2009	63,5	63,3	61,2	60,5	63,9	66,5	66,4	67,2	67,2	66,7	68,7	68,1
	2010	70,1	70,0	69,6	73,3	73,1	72,5	73,2	71,9	72,9	74	75	75,6
	2011	75,8	74,7	75,1	75,4	75	76,1	74,6	75,2	75,8	75,7	76	75,4
	2012	75,8	74,8	75	75	74,3	73,7	74	73,6	73,7	73,9	73,4	73,6
	2013	73,6	73,8	74,2	74	74,5	74,6	74,7	74,9	75,1	75,5	75	75,8
	2014	74,9	74,7	74,5	74,8	74,2	74,6	74,2	74,1	74,1	74,1		

* The calculation method of the seasonally adjusted data and models structure has been revised since January 2007 due to change of structure. For detailed information: <http://www.tcmb.gov.tr/imalat/KKO-Yontemsel-aciklama.pdf>

CPI

CPI (2003 = 100) increased at the rate of 0.14 % in September 2014 compared to the previous month, 6.43% compared to December of the previous year and 8.86 % increase occurred compared to the same month of the previous year and 8.54 % according to the twelve-month average.

Consumer Price Index Change Ratios (2003=100), September 2014		
	Sept.2014	Sept.2013
Change Ratio compared to the Previous Month (%)	0,14	0,77
Change Ratio compared to December of the Previous Year (%)	6,43	5,01
Change Ratio compared to Same Month of the Previous Year (%)	8,86	7,88
Change Ratio compared to Twelve-Month Average (%)	8,54	7,32

Credit Rating of Turkey:

While Turkey is upgraded by Fitch, initially, to "investment grade" by increasing the country's long-term foreign currency credit rating to "BB" from "BBB-" on 5 November 2012, Moody's increased foreign currency long-term credit rating one notch from "BA1" to "BAA3" on May 16, 2013.

While Japanese Credit Rating Agency (JCR) increased Turkey's credit rating two steps to "BBB-" , which is the investment grade level, on May 23, Canada-based international credit rating agency Dominion Bond Rating Services (DBRS) increased Turkey's long-term foreign currency credit rating to "BBB-", which is "investment" level.

Standard and Poor's (S&P) increased Turkey's credit rating from "BB" to "BB+" but left it one level below investment grade.

In October 2014 , Fitch Ratings confirmed Turkey's investmentability grade that was " BBB- and "stable".

Building License Statistics, January- June 2014

BUILDING LICENSES, TOTAL BETWEEN JANUARY AND JUNE, 2014					
INDICATORS	Yıl			Change Ratio compared to First Six Months of the Previous Year (%)	
	2014	2013 [®]	2012 [®]	2014	2013
Number of Buildings (pcs)	74.214	59.551	51.358	24,6%	16,0%
Surface area (m ²)	112.617.603	82.902.610	77.774.234	35,8%	6,6%
Value (TL)	88.321.425.674	58.717.544.830	53.509.640.592	50,4%	9,7%
Number of Apartments (pcs)	525.520	415.346	375.229	27,4%	9,9%

[®]: Building License Statistics for 2012 and 2013 have been revised.

Compared with the previous year, the number of the building licenses issued in the first six months of 2014 increased to 24,6 %, the surface area to 35,8 %, value to 50,4 %, number of the apartments to 27,4%.

Conclusion:

Developed countries seem to be recovering from the economic crisis after extreme weaknesses going on for a few years. After the developed countries recover from such crisis, an overall improvement in the global economy is expected.

Structural features present in the banking system during the crisis and behavior of actors in the market in Turkey has led to this crisis to cause relatively little damage. Accordingly, the steps taken have strengthened the banking system in Turkey, especially after the 2001 crisis and have brought a stability. Together with the expectations of further strengthening, the economy gained momentum with the economic growth in Turkey and changes experienced in the Arab world, and in particular, what the result of confusion about the Iraq -Syria and Egypt still remains unclear.

Resource: TÜİK, SPK, DPT, TÜSİAD, TCMB, IMF, OECD

5. INFORMATION ABOUT THE REAL ESTATE SUBJECT TO APPRAISAL

5.1. PLACE AND LOCATION OF THE REAL ESTATE

The Real Estate subject to appraisal is Akmerkez Shopping Mall and Commercial Center located on City Block: 83 & Parcel:1 according to title deed records, on the joint of Nispetiye Avenue and Ahmet Adnan Saygun Avenue in Etiler Neighborhood of Beşiktaş District of Istanbul Province.



AIR DISTANCES FROM THE REAL ESTATE TO VARIOUS CENTERS			
Boğaziçi Bridge	3 km	Büyükdere Avenue	1 km
FSM Bridge	3 km	Atatürk Airport	2 km

Etiler area where the real estate is located is in the east of Büyükdere Avenue that developed as Central Business District (CBD) of Istanbul. CBD development in Istanbul European side starts from the historical peninsula and went up to Maslak in time after the development of the city, population density, opening of new transportation lines. Within this chronology, CBD covering Haliç, Saraçhane and Aksaray areas, developed towards Beyoğlu together with Galata Bridge that was opened in 1946 and joined historical peninsula and Beyoğlu. Between 1950 and 1970, Beyoğlu and Eminönü formed the CBD axis where the commercial functions were dense. After the Bosphorus Bridge was put into service in 1973 and the ring roads had developed, the current CBD axis started to be formed. The number of the office buildings increased rapidly after this and Esentepe became the heart of CBD. After Fatih Sultan Mehmet Bridge opened in 1988, the central business district axis started to develop towards Levent. The Levent Axis reaches up to Maslak. CBD covers Levent, Etiler, Maslak, Zincirlikuyu – Esentepe – Gayrettepe and Beşiktaş – Balmumcu regions and today, Levent is the most important axis of central business district.

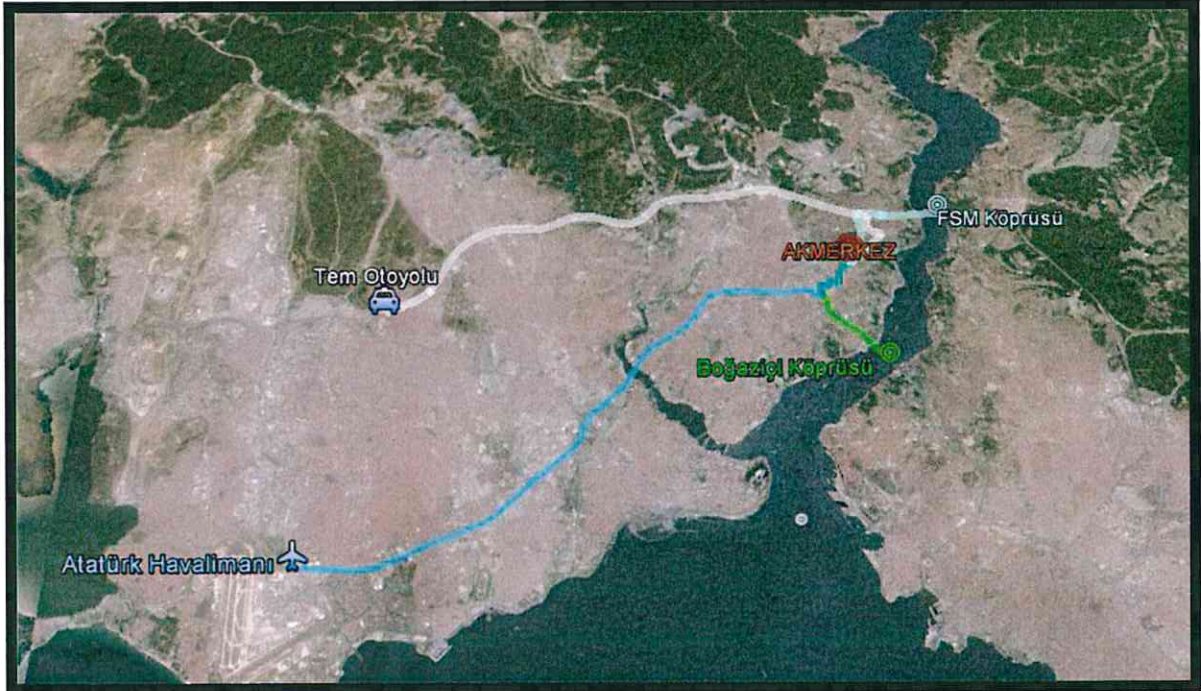
Depending on the development of the CBD axis, areas taking place around this axis began to have demand as living spaces. Etiler area where the real estate is located has developed as settlement area as well as business places, especially depending on the development of Levent district.

Immediate surroundings of the real estate subject to appraisal are surrounded by old housing estates consisting of 5 or 6 floors. The real estate subject to appraisal is located in Levent- Etiler area and housing, office and trade buildings are very dense in this area. The area is particularly developed as a housing function, the majority of these residential units minimum 15-20 years old. Büyükdere Avenue situated in the west of the area is dominated by housing settlements and continues to develop as office - residential - shopping mall types on the avenue front. This real estate is situated on Nispetiye Avenue which is one of the main transport axis of Etiler Area and developing especially as business place.

The amenities in the immediate surroundings of the real estate subject to appraisal are Akatlar Cultural Center, Şair Behçet Kemal Çağlar Primary School, Özel Açı Primary School, Terakki Vakfı Özel Şişli Terakki Schools, Hasan Ali Yücel Primary School, Etiler Mosque, Etiler High School, Artists' Park, Sarikonaklar Housing Estate, Akatlar Maya Housing Estate, Alkent Housing Estate, Maya Residences, Petrol Housing Estate and Boğaziçi University Hisarüstü Campus. The real estate subject to appraisal is situated on Nispetiye Avenue and transport is very easy by highway. Please find the air distance of the real estate subject to appraisal to certain points in above table.

It is possible to reach the real estate subject to appraisal by highway but dense traffic especially at the peak hours cause serious problems for transport. It is assumed that the traffic density of the area will be lessened by the rail system planned and developed for the Nispetiye Avenue axis and its surroundings where the real estate subject to appraisal is located. It will also be easier to reach the real estate, thanks to the rail system. "Levent-Hisarüstü Metro Project" one of the mentioned rail systems is still under construction and is passing Nispetiye Avenue axis. "Hisarüstü-Aşıyan funicular line" developed in addition to this project is planned to be put into service in 2019. Thanks to the rail systems developed as integrated with each other, the transport to the area from its surroundings will be strengthened and circulation will increase.

Please find below, on the map, the possibilities of reaching the real estate subject to appraisal from main arteries.



Levent-Hisarüstü Metro Project

The value of the area will be positively affected after Levent-Hisarüstü Metro Project started to be constructed in the area where the real estate subject to appraisal is situated and planned to be completed in 2015. The stations of the 3250 meter long metro line have been planned as Levent, Uygulama Oteli, Etiler 1, Etiler 2 and Hisarüstü stations. With this project, the passengers that will come to Levent from Hisarüstü will go to Levent station by going through the pedestrian tunnels and continue their voyage. Metro line will provide its service in one tunnel under 25 meters and two trains will be operating on this line. It will take only 5 minutes for the passengers to travel between Levent and Hisarüstü. It is planned to operate the trains every 4 minutes during peak hours. It is estimated that between 5.000 and 10.000 passengers will be carried daily one direction only.



People living in the area where the new metro line is being constructed are using only one avenue to travel at the direction of Levent- Zincirlikuyu by buses, taxis or cars. As a result, people travelling along this avenue can leave this avenue in minimum 30 minutes during peak hours. People living in the area can travel to Kabataş or Taksim in an average of 1 hour by mass transport or cars.

When the metro line starts operating this duration is estimated to be reduced to 30 minutes. Because metro will mostly replace the mass transport vehicles, the number of the buses and the people waiting at the bus stops will also reduce and the flow of the cars will be easier.

Hisarüstü-Aşiyan Funicular Line

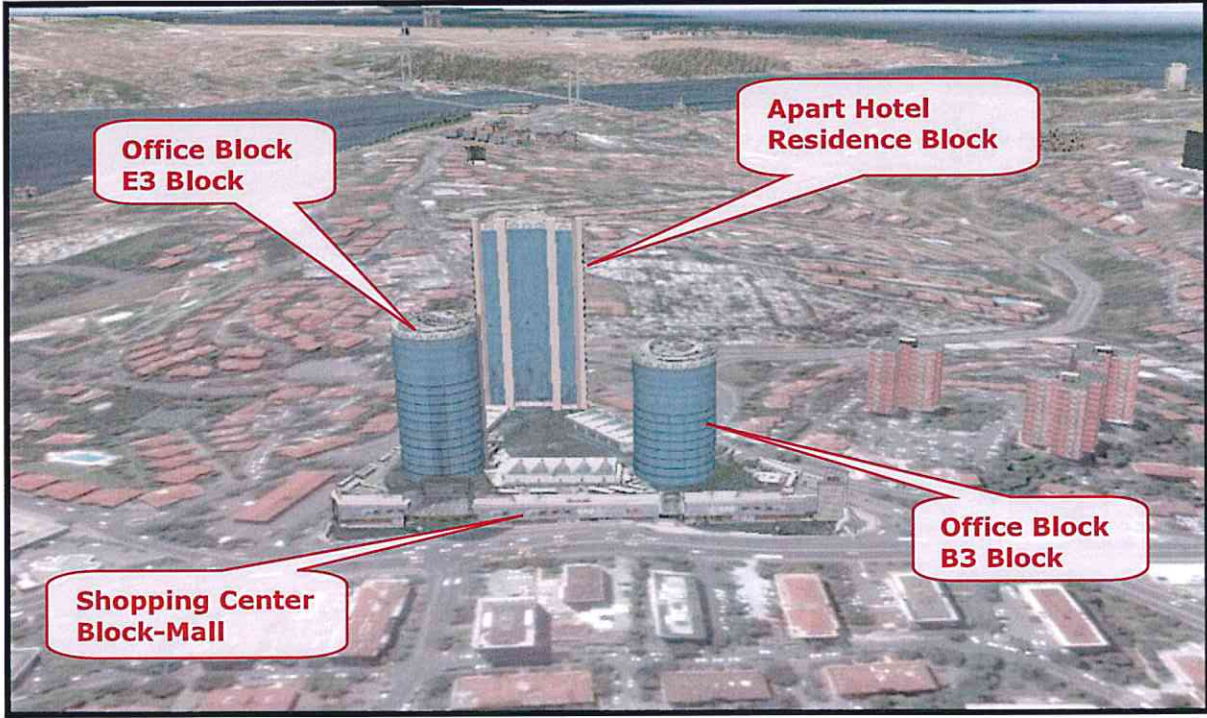
On the other side, Levent-Hisarüstü metro line will be extended to the shores of Bosphorus with a funicular attachment to be opened in 2019. Thus, the people living in the Bosphorus area will be able to use the metro line during peak hours. It is stated that the funicular will make it easy for the people who would like to travel to Hisarüstü and Etiler from the shore.

The rail system is planned to be located on the slope, instead of digging a tunnel.

The funicular line will be 730 meters and the station on the shore will be located in Aşiyan. There will be a height difference of 105 meters between the shore station and Hisarüstü station. Travel with the funicular will last only 3 minutes and the system here will be longer than the one between Taksim and Kabataş.

Taksim- Kabataş funicular that started its operations about 7 years ago realizes about 195 one-way journeys daily on 594 meter line and carries 30.000 passengers.

5.2. DEFINITION AND PROPERTIES OF THE REAL ESTATE



Akmerkez project started on 18th December 1993 with the joint venture of Akkök, Tekfen and İstikbal groups.

Akmerkez project was developed in Etiler area, one of the central locations of Istanbul. Located on 27.557 m² land on a gross 166.624 m² indoor area according to its renovation construction license, Akmerkez mixed use complex consists of 4-floor shopping mall, two circular shaped office towers having 14 and 17 floors, a triangle shaped 23- floor residence building and a 4 -floor car park.

The shopping mall extended on a triangle shaped area has three atriums and the atriums are connected to each other with main walkways. There are 41 escalators, 2 panoramic lifts and 30 ordinary lifts open for the customers and services.

Information regarding the real estate subject to appraisal and the block they are situated in can be found below:

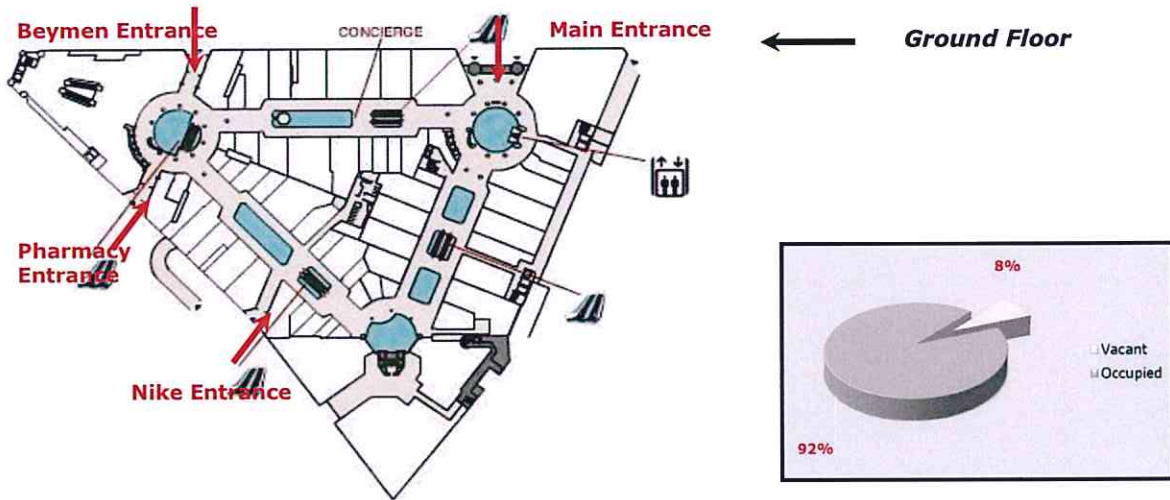
The real estate subject to appraisal consists of 445 independent sections in Akmerkez Shopping Center Block (Mall), 1 Office located in E-3 Office Block and 27 independent sections located in A Hotel Block (apart hotel/residence flat). They are totally 473 independent sections.

Shopping Center Block - Mall

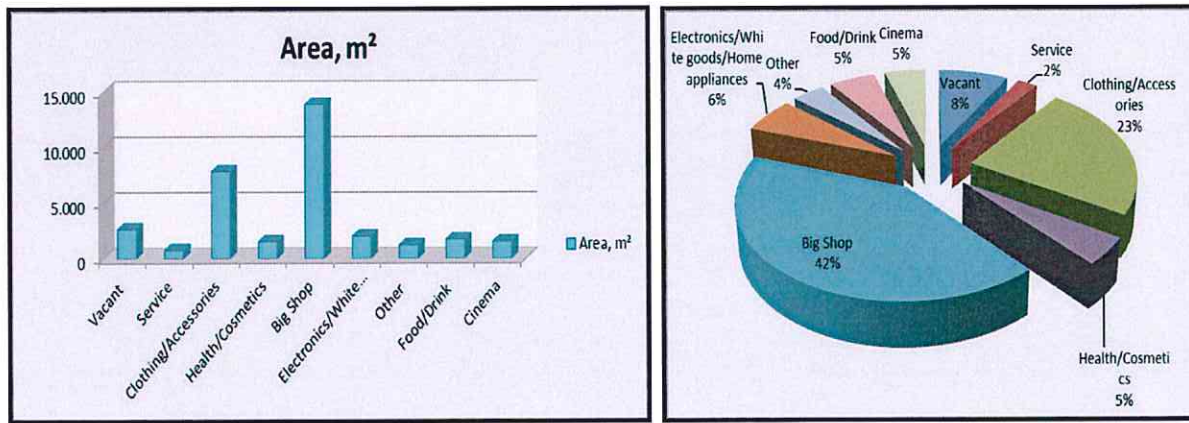
The Mall Block consists of 5 floors under the road elevation and 3 floors over the road. It has totally 8 floors. 4 floors of the block are being used as car parks. In the Mall block, there are lower shopping area, ground floor shopping area, upper shopping area and the food court floor. The mall entrances are from the ground floor shopping area and there are two entrances on Nispetiye Avenue: "main entrance gate" and "Beymen Gate". There are two more entrances on Adnan Saygun Avenue, being "Pharmacy gate" and "Nike Gate". These entrances have been defined within the body of the shopping mall and they are named as "entrance to the shopping area" in the architectural drawing. Main gate is the most densely used entrance and this is followed by the Pharmacy entrance. There are 5 fire exits on the lower shopping floor; 4 on the ground floor shopping section (pedestrian entrances); 3 on upper shopping floor and 5 on the food court; that makes totally 17 fire exits.

445 independent sections of the real estate subject to appraisal are located in the shopping center block and these independent sections are, according to the title deed records, are car parks, shops, cinema, restaurant, halls and mini golf areas. Please find below the distribution of the independent sections to the floors:

- According to the title deed records, there are 13 independent sections of 12 of which are shops and 1 duplex shops on 2nd Basement and 4th basement (According to the drawing, garage 1st and garage 3rd floors)
- According to the title deed records, there is garage 2 on 2nd basement and 3rd basement;
- According to the title deed records, there are 140 shops, consisting of 139 shops and 1 4-floor shop(According to the project, on garage 1st floor)
- According to the title deed records, there are 93 independent sections of 92 of which are shops and 1 restaurant on the ground floor (According to the drawing, on the ground floor)
- According to the title deed records, there are 99 independent sections functioning as shops on the 1st floor(According to the drawing, upper shopping floor)
- According to the title deed records, there are 99 independent sections, 94 of which functioning as shops, 1 cafeteria and 2 cinemas (According to the drawing, on the food court floor)
- According to the title deed records and drawing, there are totally 445 independent sections belonging to Akmerkez GYO A.Ş. on the garden floor, one of which is mini golf land.



Total rentable real estate surface area in the shopping mall (shopping center block) is ~33.215 m² and the occupancy rate of these areas is approximately 92%. The business places located in the mall block and subject to being rented have been categorized within them considering their service sector and the utilization areas. According to this categorization, service, clothing/accessories, health/cosmetics, big shop, electronics/white goods/home appliances, food/drink and other categories exist. The big shops have been spared as shops larger than 500 m² surface area. The unoccupied shops have been categorized as "vacant".



E-3 Office Block

The real estate subject to appraisal is categorized as an office and is located as 900 m² on the garden floor of E-3 Block according to its architectural drawing and is used as office by Akmerkez GYO A.Ş. management.

IND.SEC. NO	BLOCK	FLOOR	ELEVATION	CHARACTERI.	LAND SHARE	Area, m ²
583	E-3	Garden	(+13.70)	Office	230000 / 25600000	900

A-Hotel (Residence) Block

The real estate subject to appraisal is 27 independent sections categorized as flats and they are located in A-Hotel Block floors 1 to 13. The first 7 floors of this block are used as hotel and the other flats are subject to renting.

Between Floors 1 and 7: 20 independent sections located on the floors between 1 and 7 are subject to renting for at least one week. The independent sections situated between these floors are A1, A2, B1, B2 and C types.

- A1 and B1 type independent sections are located in the east section of the block.
- A2 and B2 type independent sections are located in the west section of the block.
- A1 and A2 types are gross 210 m²,
- B1 and B2 types are gross 96 m²,
- C type independent sections are gross 238 m² and are located in the south section of the block.

Between Floors 8 and 13: The real estate located between floors 8 and 13 and defined as A2, B2 and D2 according to their title deed records, consist of 7 independent sections. A2 and B2 types were located as explained above, according to their drawing.

- D2 type independent section is numbered as 537 and located on 13th floor. According to its drawing, D2 type real estate is located upper floor of A2 and N2 type flats and has 306 m² surface area.

There are 6 A2 and B2 type flats between 8 and 13th floors and was found out as a result of in-situ examination that A2 and B2 type flats were joined and being used as one flat. The joined flats are similar to D2 type flats and have 306 m² gross surface area. The real estate subject to appraisal between flats 1 and 13 is totally 27 independent sections, according to their title deed records, and they are used as 24 flats in-situ.

No	IND. SEC. NO	BLOCK	FLOOR	LEVEL	CHARACTERISTIC	Gross Area, m ²
1	475	A-Hotel	First	(+15.00)	A1 Flat	210
2	476	A-Hotel	First	(+15.00)	B1 Flat	96
3	477	A-Hotel	First	(+15.00)	C Flat	238
4	478	A-Hotel	First	(+15.00)	B2 Flat	96
5	479	A-Hotel	First	(+15.00)	A2 Flat	210
6	480	A-Hotel	Second	(+18.03)	A1 Flat	210
7	481	A-Hotel	Second	(+18.03)	B1 Flat	96
8	482	A-Hotel	Second	(+18.03)	C Flat	238
9	483	A-Hotel	Second	(+18.03)	B2 Flat	96
10	484	A-Hotel	Second	(+18.03)	A2 Flat	210
11	485	A-Hotel	Third	(+21.06)	A1 Flat	210
12	487	A-Hotel	Third	(+21.06)	C Flat	238
13	489	A-Hotel	Third	(+21.06)	A2 Flat	210
14	490	A-Hotel	Fourth	(+24.09)	A1 Flat	210
15	492	A-Hotel	Fourth	(+24.09)	C Flat	238
16	494	A-Hotel	Fourth	(+24.09)	A2 Flat	210
17	495	A-Hotel	Fifth	(+27.12)	A1 Flat	210
18	499	A-Hotel	Fifth	(+27.12)	A2 Flat	210
19	504	A-Hotel	Sixth	(+30.15)	A2 Flat	210
20	509	A-Hotel	Seventh	(+33.18)	A2 Flat	210
21	513	A-Hotel	Eighth	(+36.21)	B2 Flat	306
22	514	A-Hotel	Eighth	(+36.21)	A2 Flat	
23	518	A-Hotel	Ninth	(+39.24)	B2 Flat	306
24	519	A-Hotel	Ninth	(+39.24)	A2 Flat	
25	523	A-Hotel	Tenth	(+42.27)	B2 Flat	306
26	524	A-Hotel	Tenth	(+42.27)	A2 Flat	
27	537	A-Hotel	Thirteenth	(+51.36)	D2 Flat	306

Present use information of the real estate subject to appraisal has been given in the table. 6 of the A2 and B2 type independent sections were joined and are being used as D type flats. The figures showing the present use can be seen in the table.

Type	Number	Gross Area, m ²	Total, m ²
A	12	210	2.520
B	4	96	384
C	4	238	952
D*	4	306	1.224
Total	24		5.080

5.2.1. STRUCTURAL CONSTRUCTION PROPERTIES OF THE REAL ESTATE

Please find below the structural construction features of the building located on city block: 83 & parcel: 1:

Building Type	:	Reinforced Concrete
Building Classification	:	Shopping Mall: 4A, B3 and E3 Blocks: 4B, G Block (Apart Hotel Block): 5C (According to the license and occupancy permit)
Building Age	:	~26 (Construction license dated 1988 was taken as base)
Number of Flats	:	Shopping Center Block (Shopping Mall): 5 Basements + Ground Floor + 3 Typical Floors B3 Block (Office): 14 Typical Floors E3 Block (Office): 17 Typical Floors G Block (Apart Hotel): 23 Typical Floors
Outer Façade	:	The office and residence blocks are aluminum framed glass curtain-wall. The mall block outer façade renovation works are going on.
Indoor Area (m²)	:	166.624 m ² (Total construction area of the building on the parcel according to renovation building license dated as 2013)
Security	:	Yes
Air Conditioning	:	Yes
Natural gas	:	Yes
Electricity	:	Yes
Water	:	Yes
Sewage	:	Yes

5.2.2. PHYSICAL PROPERTIES

The 22.557 m² reinforced concrete building constructed on city block 83 parcel 1 was completed and has an occupancy permit. A renovation permit regarding the shopping center block façade and partly renovation of the inner volume was obtained in 2013. It is stated by AKMERKEZ GYO A.Ş. that the renovation works will be completed until the end of March 2015.

5.2.3. TECHNICAL PROPERTIES OF THE REAL ESTATE

The technical properties of the real estate subject to appraisal have been provided under Section 5.2 of the report.

ANNEX 1 – PHOTOGRAPHS

5.3. LEGAL EXAMINATIONS OF THE REAL ESTATE

5.3.1. TITLE DEED EXAMINATIONS

5.3.1.1. TITLE DEED RECORDS

TITLE DEED RECORD INFORMATION, MAIN REAL ESTATE CITY BLOCK: 83 & PARCEL: 1	
PROVINCE	: ISTANBUL
DISTRICT	: BEŞİKTAŞ
NEIGHBORHOOD	: ARNAVUTKÖY
VILLAGE	: -
STREET	: -
LOCATION	: -
BORDERS	: ON ITS SECTION
SECTION NO	: 76
CITY BLOCK NO	: 83
PARCEL NO	: 1
SURFACE AREA	: 22.557 m ²
CHARACTERISTIC OF THE MAIN REAL ESTATE	: FOUR-BLOCK MASONRY BUILDING

The independent section structure of the real estate subject to appraisal and condominium were established. The project consists of 600 independent sections and 473 independent sections are registered under Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. The title deed records of the real estate subject to appraisal were given under "ANNEX 3 – TITLE DEED AND RESTRICTION INFORMATION" title.

Please find below the distribution number of the real estate based on blocks and the total share rate according to title deed records:

Block	Number of Ind. Sec.	Share Rate
Shopping Center	445	53,11%
E-3	1	0,90%
A-Hotel	27	4,13%
Total	473	58,13%

5.3.1.2. INFORMATION ABOUT THE RESTRICTIONS AND LIMITATIONS RELATED TO ITS TRANSFER

INFORMATION WHETHER ANY RESTRICTION EXISTS OR NOT FOR THE REAL ESTATES APPRAISED AND LIMITATIONS RELATED TO ITS TRANSFER

TITLE DEED RESTRICTION INFORMATION

IN THE LIENS SECTION:

- There is not any lien record on the real estate.

IN THE ANNOTATIONS SECTION:

- Rent annotation in favor of T.E.K.: dated as 31.12.1992 and transaction no: 5538
- Rent annotation in favor of Yapı Kredi Bankası A.Ş. dated as 17.04.1995 and transaction no 1315 for 5 years (This annotation is on the real estate no: 89 with shop function)

IN THE RIGHTS AND LIABILITIES SECTION:

- There is not any right and liability record on the real estate.

IN THE DECLARATIONS SECTION:

- Management Plan: 03.03.1994

According to the restriction examinations made, there is not any legal restriction regarding the assigning and transfer of the real estate.

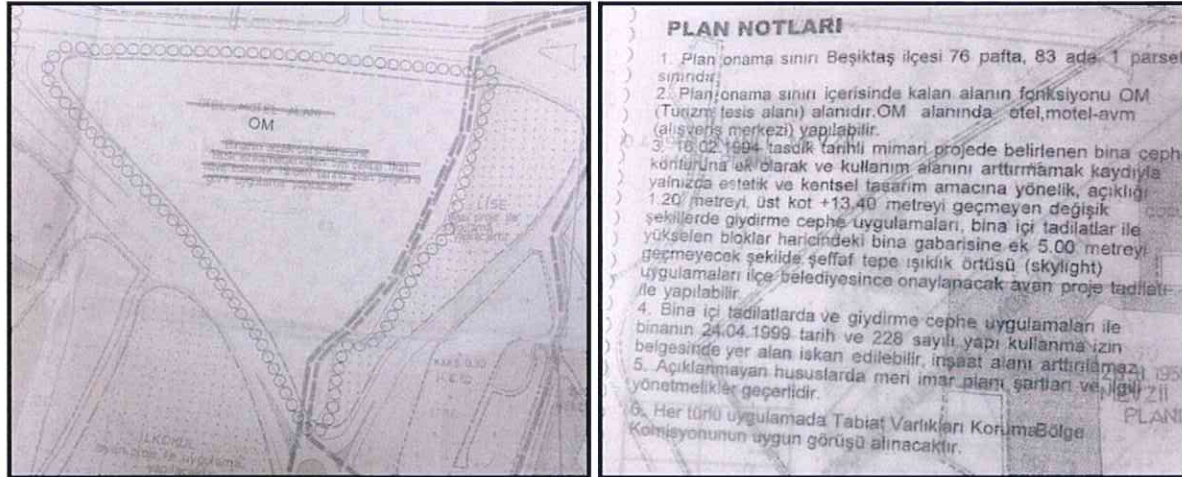
- The management plan on the real estate is a legal requirement according to condominium law and there is not any restriction on the real estate.
- The rent annotation was recorded based on the transformer located on the said parcel. There is no restriction on the real estate. It is a routine issue.
- The rent annotation on independent section no: 89 does not affect the value. There is not any legal restriction regarding the assigning and transfer of the real estate.

5.3.2. MUNICIPALITY EXAMINATIONS

5.3.2.1. ZONING STATUS

According to the information obtained from Beşiktaş Municipality Directorate of Zoning Department on 02.12.2014, city block 83 & parcel 1 subject to appraisal is within the scope of "Beşiktaş Back Outlook and Exposures Area Implementary Development Plan" with approval date of 10.12.1993, with 1/1000 scale and "Beşiktaş Back Outlook and Exposure Area Revision Master Development Plan" dated as 18.06.1993 with 1/5000 scale.

The real estate was within the "hotel/motel" plan coverage at the beginning, but later on, it was transferred into "Hotel/Motel/Mall" coverage with the Master Development Plan dated as 22.07.2011 with 1/5000 scale and the Implementary Development Plan approved on 07.02.2013 with 1/1000 scale. Please find below the plan copy and plan notes:



Plan notes:

- *Plan approval border is Beşiktaş District Section: 76, City Block: 83 & Parcel: 1.*
- *The function of the area within the plan approval is OM (Tourism facility area). Hotel, motel and shopping mall can be constructed in an OM area.*
- *In addition to the building façade contour specified in the architectural drawing approved on 16.02.1994, and on condition that the utilization area is not increase; modifications towards aesthetical and urban design purposes; various curtain wall applications with spaces no more than 1.20 meter and upper elevation no more than +13.40 meter; the inner building modifications as well as the skylights that will not be more than 5.00 meter applications to the building gauge, except for the rising blocks, can also be applied after the approval of the preliminary design by the municipality.*
- *For the inner building renovations and with curtain wall applications, the construction area of the building, specified in the occupancy permit dated as 24.04.1999 numbered 228, cannot be increased.*
- *For the issues not explained here, the applicable zoning plan, conditions and the relevant regulations shall apply.*
- *Opinion of the Regional Commission of Protection of Natural Assets will be obtained for all kinds of implementations.*

5.3.2.2. EXAMINATION OF THE ZONING FILE

We found the below documents in the zoning process file of the real estate subject to appraisal, located on City Block: 83 & Parcel: 1:

Building License:

- Building license for the Shopping Center Block exists dated as 06.12.2013 and numbered 2013/6122. The license was issued for 475 independent sections with 42.205 m² construction area. According to the renovation building license, there are 5 floors under the road elevation and 3 floors over the road elevation. The shopping center block consists of 8 floors in total. The construction area was stated as 166.624 m² in the renovation building license.

Content of the License: The license is for renovation of the shopping center block consisting of 3 blocks (B3 Office-E3 Office-G Apart Hotel) rising on the main block (shopping center block) with H= 13,70 MT as 5 basements + ground floor+ 2 typical floors and terrace roof.

The renovation license is related with the outer façade and the skylights and as explained in the plan notes, the construction area of the building, specified in the occupancy permit dated as 24.04.1999 and numbered 228, cannot be increased.

- According to the official communications in the file of the real estate, there are additional building licenses dated as 23.10.1989-17.01.1991-19.06.1991 and 17.02.1994.

Occupancy Permit:

- We have seen the occupancy permit dated as 16.03.1994 and numbered 1153. According to the occupancy permit:
 - 5th Basement consists of shelter, car park for the building and engine room;
 - 4th Basement consists of 5 shops, car park for the building and engine room;
 - 3rd Basement consists of car park, warehouse for the shops, engine room and 4 shops;
 - 2nd Basement consists of car park, warehouse for the shops, engine room and 4 shops;
 - 1st Basement consists of 159 shops;
 - Ground Floor consists of 94 shops;
 - 1st Low Shopping Center Floor consists of 105 shops; and
 - 2nd Low Shopping Center Floor consists of 95 shops and 2 cinemas.

This occupancy permit was issued for 474 independent sections in total.

- According to the occupancy permit dated as 24.10.1995 and numbered 5102, 1 shop located on 2nd low shopping center floor was changed into cinema. Therefore, there are 94 shops and 3 cinemas on 2nd low shopping center floor.
- We have seen the occupancy permit dated as 03.03.1999 and numbered 228. Please find below the blocks, intended purpose, surface area and the floor information for the units for which the occupancy permits are given.
 - B3 Block (Office) → Number of Units: 14, Surface Area: 16.000 m², Number of Floors: 14
 - E3 Block (Office) → Number of Units: 17, Surface Area: 19.000 m², Number of Floors: 17
 - G Block (Apart Hotel) → Number of Units: 94, Surface Area: 25.000 m², Number of Floors: 23
 - 13.70 mt. elevation (Mini Golf) → Number of Units: 1, Surface Area: 1.400 m², Number of Floors: 1

Architectural Drawing:

- Approved architectural drawing dated as 12.09.2013 was obtained from the employer and examined.
- Approved architectural condominium drawing dated as 26.02.1994 and numbered 1994/691 (Beşiktaş Directorate of Title Deed Registry Office).

5.3.2.3. OTHER SIMILAR SUBJECTS SUCH AS COMMITTEE DECISIONS, COURT ORDERS, PLAN CANCELLATIONS ETC.

The zoning file of the real estate subject to appraisal was examined in the archive of Beşiktaş Municipality Directorate of Zoning Department and the following official reports were found out regarding the real estate:

- Details of the building renovation report dated as 08.05.2009 and numbered 24/28 are as follows:
 - Existing gallery spaces were partly covered.
 - Additional stairs going up to the roof from the last floor was built.
 - The terrace belonging to the shopping center block was partly closed by windows.
 - Steel profiles were installed belonging to glass curtain wall on shopping block façade.
 - Roof construction was installed by using steel beams under the existing roof cover of the shopping center block joining three blocks to each other.
 - Because advertisement panels were located on the outer façade, the construction works were brought to a halt and terrace part was sealed to represent all the works against the Scaffolding Certificate.
- According to the report of Beşiktaş Municipality dated as 12.05.2009 and numbered 2009/2622, the additional escalator, specified in the building renovation report dated as 08.05.2009 and numbered 24/28, that goes up to the attic from the last floor was removed.
- It is stated in the commission decision dated as 26.05.2009 and numbered 89-113-428351 that "The issues determined by the building renovation report should be demolished and brought back to the previous situation according to article 13 of Bosphorus Law numbered 2960".

Because it was found out that the floor cover of the banister of the shopping center floors of the exiting and utilized building; together with the renewal of the façade coating the existing gallery spaces were closed; an additional escalator was built from the last floor to the attic; steel profiles were installed belonging to glass curtain wall on shopping center block façade; roof construction was installed by using steel beams under the existing roof cover of the shopping center block joining three blocks to each other; because advertisement panels were located on the outer façade, the construction works were brought to a halt and terrace part was sealed to represent all the works against the scaffolding certificate, it was decided that the issues determined by the building renovation report should be demolished and brought back to the previous situation according to article 13 of Bosphorus Law numbered 2960."

- In the commission decision dated as 17.11.2009 and numbered 207-274-458821-317 it is stated that "The additions specified in the report will be corrected in compliance with the drawing and for the other issues stated in the report, license will be required".
In 2010, opinion of Directorate of Environment Protection and Control was requested regarding opening great number of business places. According to this, it was stated that the Commission Decision dated as 17.11.2009 was made stating "the additions specified in the building renovation report dated as 19.10.2009 and numbered 29/25 will be corrected in compliance with the drawing and for the other issues stated in the report, license will be required".
- In the communication, found in the file of the real estate, dated as 26.06.2012 and numbered M.34.6.BAŞ.0.13/2242 of Beşiktaş Municipality Directorate of Zoning and Urbanism to Istanbul Metropolitan Municipality Directorate of Zoning of Department of Zoning and Urbanism, it is stated that "...a Municipality Commission Decision dated as 17.11.2009 and numbered K/207-274-458821-317 was made regarding the additions specified in the report will be corrected in compliance with the drawing and for the other issues stated in the report, license will be required by issuing a Building Renovation report numbered 2, dated 19.10.2009 and volume/order no 29/25. It is specified that upon the demolition of the places required to be demolished in line with Municipality Commission Decision dated as 17.11.2009 and numbered K/207-274-458821-317, minutes were written by the City Police Precaution Directorate of Istanbul Metropolitan Municipality, District Security Office authorized personnel and the demolition team of our Municipality on 16.08.2010". A copy of the mentioned document can be found in **ANNEX-2- DOCUMENTS AND CERTIFICATES"**
- According to the document sent to the Directorate of Zoning and Urbanism by Beşiktaş Municipality Legal Affairs Directorate on 27.11.2014 with no 32156257/846988, it is stated that "In the public prosecution filed against suspect Filiz Yılmaz for causing zoning pollution and unsealing regarding Beşiktaş, Nispetiye Avenue Section: 76, city block: 83 & parcel: 1, the decision made by the Court was reversed by the Supreme Court. When a new decision is made by the Court, your directorate will be informed". (Supreme Court Decree; T:25.11.2014, K:2014/26926)

- In the Communication sent by the Spatial Planning General Directorate of the Ministry of Environment and Urbanism to Beşiktaş Municipality on 14.06.2013 with number 92759939, it is stated that, "the offer for the change of 1/1000 scaled elementary development plan of the 22.557 m² area belonging to Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş and 112 shareholders of the real estate located at section: 76, city block: 83, parcel 1 in Arnavutköy Location of Beşiktaş District of Istanbul Province, prepared for the purpose performing modifications and renovations in the building (division, change of the walls, etc.), covering the outer façade and the skylight with glass curtain walls decided as a result of an international project competition was approved by the approval to the Ministry dated as 07.02.2013 and numbered 2357 in line with the provisions of Decree numbered 644 because it was determined that the plan and the plan notes were duly arranged in compliance with the opinions of relevant agency and institutes and the plan and the plan notes were duly arranged in compliance with the opinions of Istanbul Metropolitan Municipality and also in compliance with the 1/5000 master zoning plan approved by Istanbul Metropolitan Municipality on 22.07.2011, the approved plans were communicated to the relevant institutions with our communication dated as 18.02.2013 and numbered 2508.

1/1000 scaled elementary development plan section approved by reference (b) communication was hung on the bulletin board of the Directorate of Environment and Urbanism for 1 month between 25.02.2013 and 27.03.2013, in accordance with article 8/b of the Zoning Law numbered 3194 and during this period, one objection was recorded against it. Copies of the hanging advertisement minutes and unslinging minutes were sent to the Ministry and the mentioned objection was considered appropriate by the Ministry approval dated as 09.05.2013 and numbered 842.

Within this framework, I hereby declare that the plan approved by the Ministry on 07.02.2013 with no 2357 became finalized and the applications regarding the approved plan can be started."

Based on the plan dated as 07.02.2013, the shopping center block renovation drawing of the building on the parcel was received and the renovation works are still going on. The 1/1000 zoning plan was approved by the Directorate of Environment and Urbanism.

5.3.2.4. BUILDING AUDIT COMPANY

Because the first building license was obtained before 29.06.2011 when the Building Audit Law came in force, the real estate subject to appraisal is not subject to building audit. According to the building renovation license obtained based on the renovation drawing approved on 12.09.2013, below building audit company is dealing with auditing:

Building Audit Company: Öz Anadolu Yapı Denetim Hizmetleri Ltd. Şti.
Address: Tevfik Erdönmez Paşa Sokak, Gül Apt. No:20, Kat:2, Şişli/İSTANBUL
Phone: 0 (212) 275 89 96/97

5.3.3. CHANGES IN THE LAST THREE YEARS DUE TO LEGAL STATUS

Changes in the Last Three Years due to Legal Status

TITLE DEED REGISTRY

OFFICE INFORMATION

(The purchase and sales information in the last three years)

: No purchase or sale was realized in the last three years.

MUNICIPAL INFORMATION

(Information related to the changes in the zoning plan, expropriation procedures etc.)

City Block: 83 & Parcel: 1 subject to appraisal was within the "hotel/motel" plan coverage of "Beşiktaş Back Outlook and Exposures Area Implementation Plan" with approval date of 10.12.1993, with 1/1000 scale and "Beşiktaş Back Outlook and Exposure Area Revision Master Zoning Plan" dated as 18.06.1993 with 1/5.000 scale. Then, it was transferred into "Hotel/Motel/Mall" coverage with the Master zoning plan dated as 22.07.2011 with 1/5000 scale and the Elementary Development Plan approved on 07.02.2013 with 1/1000 scale. The written zoning status is dated as 01.12.2014 and it is submitted in the annexes part of the report.

5.4. THE APPRAISED PROJECT

Construction of the real estate subject to appraisal has been completed and the condominium has been established. The details are given in section 5.2 of the report.

6. APPRAISAL WORKS

6.1. CONCEPTS

UDES Standards define Price, Cost, Market and Value terms used in appraisal discipline as follows:

Price is a term used for the amount asked, offered or paid for a good or service. Sales price is a historical fact, whether it is publicly disclosed or kept confidential. Because of the financial capabilities, motivations or special interests of a buyer and/or seller, the price paid for goods or services may or may not have any relation to the value which might be ascribed to the goods or services by others. Price is, however, generally an indication of a relative value placed upon the goods or services by particular buyer and/or seller under particular circumstances.

Cost is the price paid for goods or services or amount required to create or produce the good or service. When that good or service has been completed, its cost is an historical fact. The price paid for a good or service becomes its cost to the buyer.

Market is the environment in which goods and services trade between buyers and sellers through a price mechanism. The concept of a market implies that goods and/or services may be traded among buyers and sellers without undo restriction on their activities. Each party will respond to supply-demand relationship and other price setting factors as well as to the party's own capacities and knowledge, understanding of the relative utilization of the goods and services, and individual needs and desires. A market can be local, regional, national or international.

Value is an economic concept referring to the price most likely to be concluded by the buyers and sellers of a good or service that is available for purchase. Value is not a fact, but an estimate is of the likely price to be paid for goods or services at a given time in accordance with a particular definition of value. The economic concept of value reflects a market's view of the benefits that accrue to one who owns the goods or receives the services as of the effective date of valuation.

Resource: UDES- page 11

6.2. VALUE DEFINITION

Market Value

The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Market Value estimate is an objective valuation of identified ownership rights to specific property as of a given date. Implicit within this definition is the concept of a general market comprises the activity and motivation of many participants rather than the preconceived view or vested interest of a particular individual.

In some countries, the legal term Fair Market Value is used synonymously with the term Market Value. Fair Market Value should not be confused with the accounting term Fair Value. The term Market Value never requires further qualification and that all countries should move toward compliance with this usage.

In summary, market value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Resource: UDES - Page 12- 5.2, 5.3, 5.4, 5.5

6.3. METHODS USED IN APPRAISAL WORKS

There are three main approaches used domestically and internationally for the appraisal of the real estate: Cost Method, Peer Comparison Method and Income Capitalization.

COST METHOD: In this method, the cost of re-construction of an existing building under the current economic conditions is taken as the basis of the value appraisal of the property. In this sense, the main principle of the cost approach can be explained by the usage value. The usage value is defined as such that "a property has a real value even if no person wants to own it or knows its value."

In this method, it is recognized that the property has a significant remaining economic life expectancy. Accordingly, it is assumed that the value of the property will decrease over the time due to physical wear and becoming outmoded in functional and economic terms. In other words, it is assumed that the building value of a property will in no case be higher than the cost of re-construction of that property.

In application of the cost method, the cost of each of all the assets should be estimated by using the information obtained as of the date of the appraisal, including the profit of the developer.

PEER COMPARISON METHOD: Peer comparison approach accepts that the prices of the properties are determined by the market. Therefore, market value is calculated by comparing with the sales of similar properties that have been transacted in the market.

The property subject to appraisal is compared with sales prices of similar properties that have been transacted in the market recently. Listings and offerings may also be considered. The sales prices are examined with suitable indicators and are adjusted according to the emerging differences.

The peer comparison approach is based on the following assumptions:

- Existence of a market for the type of the property being analyzed is presumed.
- It is presumed that the buyers and sellers in that market have knowledge at good level about the property and that because of this the time is not an important factor.
- It is presumed that the property has been in the market for a reasonable sales price for a reasonable time.
- It is presumed that the chosen comparable samples have such basic characteristics which are common with the property being appraised.
- It is presumed in the price adjustments of the data pertaining to the chosen comparable samples that the current socio-economic conditions are valid.

INCOME METHOD: The market value of a property can be appraised by the income potential/capacity it will generate. The value is determined based on the benefits expected to be obtained in the future. This method is used when the value of the real estate is determined according to the income it will bring, such as real estates that bring in rents, shopping malls, offices, rented houses etc., it is a rule to apply capitalization method to find out the current market rate. A criterion in finding out the value of a real estate by income method is the obtainable net operation income. Net revenue is calculated by deducting the revenue loss due to the emptiness of the real estate and the operational costs from the annual operation gross revenue of a revenue rising real estate. Within the framework of the Income Method, Income Discount Method (Discounted Cash Flow Method) and Direct Capitalization Methods are used.

In "Discounted Cash Flow Method", the market value of the real estate is appraised by the income generation capacity. The discounted cash flow approach is determined based on the benefits expected to be obtained in the future. Current values of the estimated revenues in the future are considered and the monetary total to be paid or obtained in the future, a range of cash flow is reduced today's value by choosing a discount rate used for converting them to the current value.

In the "direct capitalization method", when a general rate is divided one year or stable net operating income, it is applied all risks return which allows to obtain a value indicator. Direct discount is used especially in markets where the data is sufficient.

6.4. FACTORS AFFECTING THE APPRAISAL PROCEDURE

There is not any factor which negatively affects the appraisal procedure.

6.5. FACTORS AFFECTING THE VALUE OF THE REAL ESTATE– SWOT ANALYSIS

• STRONG SIDES

- ✓ The real estate subject to appraisal is located in Etiler, one of the most sophisticated areas of Istanbul and this area is preferred by high income group.
- ✓ The real estate subject to appraisal is a multi-storey, developed project used for mix-utilities and have Bosphorus and city view from the upper floors.
- ✓ The real estate subject to appraisal is in an appropriate location for mass transport and private vehicles.
- ✓ The real estate subject to appraisal is located in a area with high advertisement capability and attraction.
- ✓ The real estate subject to appraisal is located in central neighborhood of Istanbul.
- ✓ The real estate subject to appraisal is located on Levent-Hisarüstü route of subway to be constructed and it is situated between Etiler -1 station and Uygulama Oteli Station.
- ✓ The real estate subject to appraisal is between E5 highway and Tem Highway. It can reach important links.
- ✓ The real estate subject to appraisal is in Levent Area on the axis of Zincirlikuyu and Maslak which are the business oriented attractive areas of the European side.
- ✓ The real estate subject to appraisal is a mixture of shops attracting high income group.
- ✓ The real estate subject to appraisal is located in an area that owns a consumption understanding suitable for office, residence, housing and hotel concept.

• WEAK SIDES

- ✓ The real estate subject to appraisal is not on Büyükdere Avenue which is the primary artery and a main commercial axis, but on Nispetiye Avenue that has a secondary importance.
- ✓ It is not possible to reach TEM and D100 without reaching the main axis. There is a side road for TEM.
- ✓ The view can be seen only from the upper floors.

• OPPORTUNITIES

- ✓ It is located between Etiler -1 station and Uygulama Oteli Station of the metro line being constructed. This increases the possibility of reaching the real estate subject to appraisal.

• THREATS

- ✓ Uncertainties and fluctuations in the world economy adversely affect all the real estate sector, like it affects all the sectors.
- ✓ Swift formation of new settlement areas in the area (Areas such as Maslak, Gayrettepe, Seyrantepe, Kemer Burgaz etc.).
- ✓ The parcel where the police college used to be located is suitable for the development of mixed use projects where retail units can also exist legally and in terms of its location; therefore this land may cause a competition.
- ✓ Demand on Büyükdere Street is still going on.
- ✓ The new projects being developed in Esentepe-Zincirlikuyu area, defined as the old heart of CDB axis and the demands are shifting towards this area.

6.6. ASSUMPTIONS AND APPRAISAL METHODS USED IN THE APPRAISAL PROCEDURE AND THE REASONS FOR THEIR USAGE

During the appraisal, the **peer comparison method** and **income method** were used. While making use of these methods, we made the necessary market researches and analysis and considered the below issues:

- Towards the application of the "*peer comparison method*", we carried out research in the area where the real estate subject to appraisal is located or the real states that are in the same sector segment with the similar use functions and peer sales and rental values were given in 6.7. Market Research and Findings section of the report. The real estate subject to appraisal is being used as shopping mall, office, residence and hotel. Therefore, following issues were considered in peer research:
 - *Shopping Mall*: Within the context of market research, the unit rent values and the sales values of the peer shopping malls were compared, the "rent multiplier" that shows the return duration was examined and this "multiplier" is used as comparison element.
 - *Office and residence*: Within the context of market research, the sales values of the projects having similar functions in the area where the real estate subject to appraisal is located and the sales value was found out.
- We used two separate methods for the real estate that have different functions and/or qualifications within the "*Income method*". Therefore,
 - *Shopping Mall*: 445 of the independent sections for which appraisal were performed are located in the shopping center section and because they bring in revenues, Income method was used for their appraisal. "Discounted cash flow approach" of this method was used and the discounted cash flow approach is determined based on the benefits expected to be obtained in the future. Current values of the estimated revenues in the future are considered and the monetary total to be paid or obtained in the future, a range of cash flow is reduced today's value by choosing a discount rate used for converting them to the current value.

The estimates for the future terms were made according to the information obtained from the company and formed by considering the revenues and expenditure based on the present use. In accordance with this, it is thought that because there are renovation works on the real estate at the moment, the occupancy rate is low and this rate will rise after these works are completed. In the real estate located in the shopping center section and being operated as shopping mall, reduction on the exchange rate was applied over the shop and warehouse rents according to the contracts between the company and the tenants and this is expected to continue in 2015, as well. The current situation revenues, exchanged reduction, income and expense items as well as the assumptions were examined in section 6.8.3 of the report.

- *Office and Residence*: In the value appraisal of the real estate with office function in E-3 Block and the real estate with flat function in A-Hotel Block, direct capitalization method was used. According to this, the rental values of the real estates were determined in line with the market and the annual rent income is capitalized with the capitalization rate obtained from the market and the sales value was determined. Annual rental values and the capitalization rates used within the context of the approach were determined in section 6.7 Market Research of the report and the calculations in compliance with the income method were given in section 6.8.3 of the report.

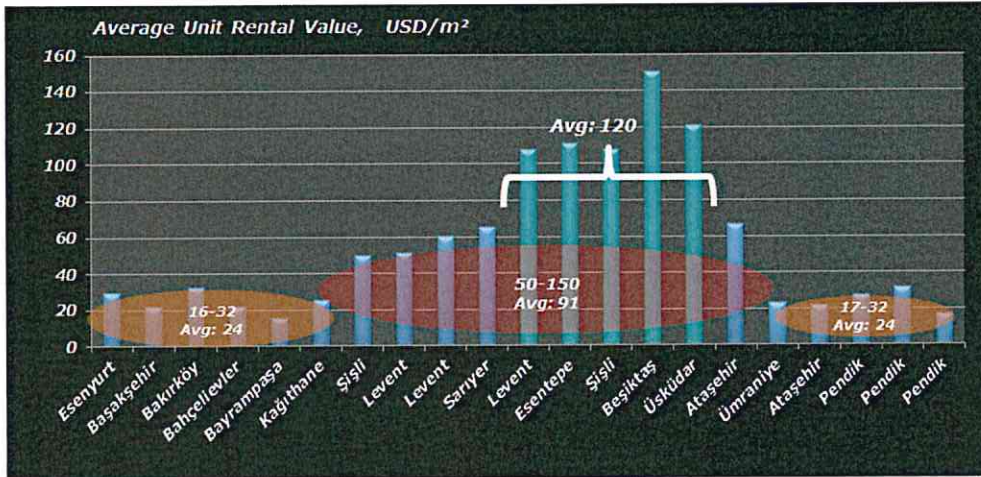
6.7. MARKET RESEARCH RELATED TO VALUE DETERMINATION AND THE FINDINGS

The real estate subject to appraisal consists of the functions of shopping mall, office and residence/apart hotel. Market research for them was performed in the district regarding the sales and rental values of the office and residence flats with similar functions to be used in peer comparison approach.

For the shopping mall function, the "income multiplier" showing the return period in the similar peers in the market were taken as comparison element (For determining the sales value by moving from annual net income). Within this context, the findings of the market research were given in "ANNEX 4. MARKET RESEARCH" of the report.

Shopping Mall - Market Research

In the market research, the rentable areas, unit numbers, average rentable area per unit, average unit rental value analysis of peer shopping malls were performed and the details regarding the examined shopping malls were summarized in the below graphics. In graphic 1, average unit rental values of the shopping malls were examined and it was found out that the values changed when we moved away from the center. In graphic 2, based on the sales and rental data, average return durations were analyzed based on years. Please find below the performed analysis.



Graphic 1



Graphic 2

Office and Residence - Market Research

In the office and residence market research, the project with mixed use function similar to the real estate subject to appraisal were examined and the findings were summarized in the below table. The details can be found in "ANNEX 4. MARKET RESEARCH" in the annexes part of the report.

OFFICE PROJECTS					
Project	Unit Sales Values (USD/m ²)	Unit Rental Values (USD/M ² /month)	Average Unit Sales Values (USD/m ²)	Average Unit Rental Values (USD/M ² /month)	Capitalization Rate (Ro)
Trump Towers	-	29 - 33	-	30,8	
Astoria	6.087 - 9.583	27 - 42	8.058	35,8	5,33%
Kanyon	-	23	-	23	
Metrocity	10.069 - 11.111	33 - 34	10.590	33,2	3,76%
Istanbul Sapphire	5.373 - 7.700	-	6.537	-	
Zorlu Center	11.149	41 - 50	11.149	43,9	4,73%
Levent Loft	-	36,0	-	36,0	
Özdilek Center	-	38 - 39	-	38,8	
General Average			9.083	34	4,56%

Table 1 – Summary of the "Office" Projects market research is as above.

RESIDENCE PROJECTS					
Project	Unit Sales Values (USD/m ²)	Unit Rental Values (USD/M ² /month)	Average Unit Sales Values (USD/m ²)	Average Unit Rental Values (USD/M ² /month)	Capitalization Rate (Ro)
Trump Towers	5.926 - 7.784	19 - 27	6.857	22,5	3,93%
Astoria	6.047 - 7.813	25 - 37	6.930	29,9	5,18%
Kanyon	8.500 - 10.920	23 - 24	9.438	24	3,02%
Metrocity	4.965 - 5.519	16 - 25	5.233	19,2	4,40%
Istanbul Sapphire	5.214 - 8.194	23 - 34	7.064	27,3	4,63%
Zorlu Center	10.241 - 10.500	-	10.370	-	
Levent Loft	6.552 - 6.957	21 - 39	6.783	28,0	4,95%
Özdilek Center	-	-	-	-	
General Average			7.525	25	4,00%

Table 2 – Summary of the "Flat (residence)" Projects market research is as above.

6.8. DETERMINATION OF SALES VALUE

6.8.1. DETERMINATION OF SALES VALUE BY PEER COMPARISON METHOD

While appraising by using peer comparison method, the sales value was determined by considering the market research findings specified in section 6.7 of the report. The district where the real estate is located is dense in terms of business centers, settlement areas and the retail activities because it is close to CBD axis. Socio-economically high income level group is residing in this district. The peers specified in section 6.7 of the report were chosen according to this fact.

- **Valuation of 1 independent section with "Office" (located in Block E3) function**

In the market research performed for the "Office", we found out that the demanded sales price for the peers were between 6.000 and 11.000 USD/m² and the average price was calculated as 9.083-USD/m². When we consider that prices of Zorlu Center, one of the peers, are above the market prices, the above price is around 8.000-USD/m². When we consider the location of Akmerkez and the bigness of the office areas, we come to believe that the unit sales price of the office floor may be around 7.750-USD/m². Please find the value appraisal of the real estate used with office function in the table. Value was appraised by using peer comparison method.

VALUATION BY PEER COMPARISON METHOD					
Ind. Sec. No	Use Function	Number of Units	Rentable/Salable Area, m ²	Unit Sales Value, USD/m ²	Sales Value, USD
583	Office	1	900	7.750	6.975.000

- **Valuation of 27 independent sections with "Apartment" (A-Hotel Block) function**

The demanded sales values of the residence apartments found out as a result of the market research were between 5.000 and 10.000 USD/m² and it was determined that average unit sales value is around 7.525-USD/m². Because some of the apartments with residence apartment type are being operated as hotel, the inner fixtures are better and well maintained. Considering that almost all of the floors have city and sea view, we came to the conclusion that residence apartment sales price would be between 7.000 and 9.000-USD/m²

- Type A residence apartments have balconies and they are located in the corner. The eastern sides of the apartments have Bosphorus view. Therefore, their unit sales value is determined higher.
- Type C residence apartments are on the south side and have balconies with sea view. Because the area of Type A is larger, the sales price of type C apartments is determined lower than Type A.
- Type D apartments have balconies and some of them have sea view. Because the area of Type A is larger, the sales price of type D apartments is determined lower than Type A.
- Type B apartments are located in the middle so they do not have any balconies. Their unit price is determined comparatively lower.

The value appraisal based on the independent sections can be found in the table.

NO	IND. SEC. NO	BLOCK	FLOOR	LEVEL	CHARACTERISTIC	Area, m ²	Unit Sales Value, USD/m ²	Sales Value, USD
1	475	A-Hotel	First	(+ 15.00)	A1 Flat	210	8.250	1.732.500
2	476	A-Hotel	First	(+ 15.00)	B1 Flat	96	7.550	724.800
3	477	A-Hotel	First	(+ 15.00)	C Flat	238	8.085	1.924.230
4	478	A-Hotel	First	(+ 15.00)	B2 Flat	96	7.100	681.600
5	479	A-Hotel	First	(+ 15.00)	A2 Flat	210	7.750	1.627.500
6	480	A-Hotel	Second	(+ 18.03)	A1 Flat	210	8.498	1.784.475
7	481	A-Hotel	Second	(+ 18.03)	B1 Flat	96	7.777	746.544
8	482	A-Hotel	Second	(+ 18.03)	C Flat	238	8.328	1.981.957
9	483	A-Hotel	Second	(+ 18.03)	B2 Flat	96	7.242	695.232
10	484	A-Hotel	Second	(+ 18.03)	A2 Flat	210	7.983	1.676.325
11	485	A-Hotel	Third	(+ 21.06)	A1 Flat	210	8.667	1.820.165
12	487	A-Hotel	Third	(+ 21.06)	C Flat	238	8.411	2.001.776
13	489	A-Hotel	Third	(+ 21.06)	A2 Flat	210	8.142	1.709.852
14	490	A-Hotel	Fourth	(+ 24.09)	A1 Flat	210	8.841	1.856.568
15	492	A-Hotel	Fourth	(+ 24.09)	C Flat	238	8.495	2.021.794
16	494	A-Hotel	Fourth	(+ 24.09)	A2 Flat	210	8.224	1.726.950
17	495	A-Hotel	Fifth	(+ 27.12)	A1 Flat	210	9.018	1.893.699
18	499	A-Hotel	Fifth	(+ 27.12)	A2 Flat	210	8.306	1.744.220
19	504	A-Hotel	Sixth	(+ 30.15)	A2 Flat	210	8.389	1.761.662
20	509	A-Hotel	Seventh	(+ 33.18)	A2 Flat	210	8.473	1.779.278
21	513	A-Hotel	Eighth	(+ 36.21)	B2 Flat	96	7.604	729.994
22	514	A-Hotel	Eighth	(+ 36.21)	A2 Flat	210	8.557	1.797.071
23	518	A-Hotel	Ninth	(+ 39.24)	B2 Flat	96	7.680	737.294
24	519	A-Hotel	Ninth	(+ 39.24)	A2 Flat	210	8.643	1.815.042
25	523	A-Hotel	Tenth	(+ 42.27)	B2 Flat	96	7.757	744.666
26	524	A-Hotel	Tenth	(+ 42.27)	A2 Flat	210	8.816	1.851.343
27	537	A-Hotel	Thirteenth	(+ 51.36)	D2 Flat	306	8.286	2.535.648
TOTAL						5.080		42.102.183

- **Valuation of the Independent Sections with "Shops", "Cinema", Restaurant", Mini Golf" and Car Park" functions in the "Shopping Mall" Section:** They are all located in the Block called Shopping Center Block.

Within the framework of peer comparison method, annual net operation revenue of the real estate is multiplied by the Revenue Multiplier obtained from the market and thus, the valuation was realized. According to this, the Revenue Multiplier and the Net Operational Revenues were determined as described below.

Shopping Center Block (Mall) Appraisal

Annual Revenues, USD	Annual Expenses, USD	Annual Net Revenues, USD	Gross Rent Multiplier, over Year	Sales Appraisal, USD
42.038.415	11.007.490	31.030.925	14,0	434.432.948

Revenue Multiplier: The return duration used for appraising the sales value of the real estate over its annual net revenue (Rent Multiplier) was obtained from the market and it was analyzed in Graphic 2 of section 6.7 of the report. According to the market researches we realized, the return durations of the shopping malls subject to examination were mainly 13- 15 years (Graphic 2). This duration was appraised as 14 years for Akmerkez (revenue multiplier).

Net operational revenue: It was calculated by considering the revenues and expenses realized in 2014. The data realized for 2014 was calculated by taking the 9-month balance sheet data as base and the estimated annual revenues and expenses were used. Table- Income (b).

(Net revenues of the real estates were calculated for 12 months by taking the 9-month balance sheet data. The incomes of the shopping center block are gross rental revenues, warehouse revenues, turnover revenues and other activity revenues. 9- Month revenues of these items are 31.528.811-USD and were calculated as 42.038.415-USD annually. Shopping center block expenses were calculated by taking the 9-month balance sheet expense item (variable expenses) and the 9-month balance sheet operational expenses (fixed expenses) as base. According to this, total of the 9-month expenses is 8.255.618-USD and annual average expense total was calculated as 11.007.490-USD. The net revenues were calculated by subtracting total expenses from total revenues.)

Total value according to peer comparison method

Please find below the total value determined based on the utilization functions of the real estates, by using peer comparison method.

Valuation according to Peer Comparison Method	
Function	Sales Value, USD
MALL	434.432.948
OFFICE	6.975.000
RESIDENCE	42.102.183
TOTAL, USD	483.510.131
TOTAL, TL	1.112.073.301

6.8.2. VALUATION BY COST METHOD

Cost method was not used in the appraisal of the real estate.

Analysis with regard to renovation of the real estate subject to appraisal was prepared as follows with the purpose of determining the insurance value. In the cost analysis, unit cost values specified in the 2014 Construction Approximate Costs Communiqué of the Ministry of Environment and Urbanism were used. Because the constructions higher than 51.50 mt are categorized as 5A construction class according to the communiqué, the construction has been categorized as 5A completely. Although it is specified as a 4A in the shopping center block building class renovation permit, because it is considered as a part of the whole construction, it is evaluated as 5A building class group in the cost analysis.

COST ANALYSIS				
City Block: 83 & Parcel: 1	Area, m²	Unit Cost TL/m²	Total Cost TL	Total Cost USD
All Building Value, 5A	166.624	1.150	191.617.600	83.312.000
Building Value (Shopping Center Block), 5A	42.205	1.150	48.535.750	21.102.500

6.8.3. VALUATION BY INCOME METHOD

This method is applied in two separate ways being "discounted cash flow" and "direct capitalization". In direct capitalization method, the annual net revenues of the real estate are converted to a value by a capitalization rate obtained from the market. In discounted cash flow method, net cash flows calculated annually by moving the revenues and expenses estimated toward future are discounted by a suitable discount rate and the value is obtained.

The real estate subject to appraisal consists of 473 independent sections. 27 of them are apartments, 1 of them is office and 445 of them are the retail units existing in the shopping center block.

The office and the apartments were appraised above by using peer comparison method and they were checked by using a secondary method within the framework of Income Method. Direct capitalization method was applied for both functions.

Because the shopping mall section is generating an income, Income Method was used and the value is appraised by Income Discount Method.

The value appraisal of the real estate according to the Income Method is given below:

• **Value appraisal of 1 independent section with "Office" (located in E3 Block) function:**

Value appraisal of 1 independent section with "Office" function was performed by using direct capitalization method, within the framework of income method. Within the context of the method, annual revenues to be generated by the real estate are converted a value by the capitalization rate obtained from the market. The rental value of the independent section numbered as 583 , with the function of office was realized in section 6.9 of the report and it was determined to be 29 USD/M²/MONTH. The capitalization rate obtained from the market was applied to the annual rental value and the sales value was determined as follows:

The market data specified in Section 6.7 of the report was used while determining the capitalization rate. When the market peers are examined, ZORLU CENTER was not considered because it is above the market data, and the other peers were examined. It is found out that the sales value is between 6.000 and 11.000 USD/m² and the rental values are between 32 and 33-USD/m²/month; the capitalization rate differs between 3,75 % and 5,5 % according to these data (Table 1, Section 6.7). 4,5 % capitalization rate was found to be suitable for the real estate subject to appraisal.

Valuation by Direct Capitalisation Method, E3 Block Office						
Ind. Sec. No	Use Function	Rentable/Salable Area, m ²	Unit Rental Value, USD/m ² /month	Annual Rental Value, USD/year	Capitalization Rate, Ro	Appraisal, USD
583	Office	900	29	313.200	4,50%	6.960.000

• **Valuation of 27 independent sections with "Apartment" (A-Hotel Block) function:**

Value appraisal of 27 independent sections with "Apartment" (A-Hotel Block) function was performed by using direct capitalization method, within the framework of income method. Within the context of the method, annual revenues to be generated by the real estate are converted a value by the capitalization rate obtained from the market. The rental value of 27 independent sections with "Apartment" function was realized in section 6.9 of the report and it was determined to be between 23 and 30-USD/m²/month. The capitalization rate obtained from the market was applied to the annual rental value and the sales value was determined as follows:

While the capitalization rate was being determined, the sales and rental values of similar residence apartments were examined and were summarized in Table 2 of section 6.7. of the report. The capitalization rate differs between 3 % and 5% according to it. 4 % capitalization rate was found to be suitable for the real estate subject to appraisal.

NO	Ind. Sec.	BLOCK	FLOOR	LEVEL	CHARACTER	Area, m ²	Unit Rental Value, USD/m ² /month	Annual Rental Value, USD/year	Capitalization Rate, Ro	Sales Value, USD
1	475	A-Hotel	First	(+15.00)	A1 Flat	210	27,25	68.670	4%	1.716.750
2	476	A-Hotel	First	(+15.00)	B1 Flat	96	24,94	28.728		718.211
3	477	A-Hotel	First	(+15.00)	C Flat	238	26,71	76.269		1.906.737
4	478	A-Hotel	First	(+15.00)	B2 Flat	96	23,45	27.016		675.404
5	479	A-Hotel	First	(+15.00)	A2 Flat	210	25,60	64.508		1.612.705
6	480	A-Hotel	Second	(+18.03)	A1 Flat	210	28,07	70.730		1.768.253
7	481	A-Hotel	Second	(+18.03)	B1 Flat	96	25,69	29.590		739.757
8	482	A-Hotel	Second	(+18.03)	C Flat	238	27,51	78.558		1.963.939
9	483	A-Hotel	Second	(+18.03)	B2 Flat	96	23,92	27.556		688.912
10	484	A-Hotel	Second	(+18.03)	A2 Flat	210	26,37	66.443		1.661.086
11	485	A-Hotel	Third	(+21.06)	A1 Flat	210	28,63	72.145		1.803.618
12	487	A-Hotel	Third	(+21.06)	C Flat	238	27,78	79.343		1.983.579
13	489	A-Hotel	Third	(+21.06)	A2 Flat	210	26,89	67.772		1.694.307
14	490	A-Hotel	Fourth	(+24.09)	A1 Flat	210	29,20	73.588		1.839.690
15	492	A-Hotel	Fourth	(+24.09)	C Flat	238	28,06	80.137		2.003.414
16	494	A-Hotel	Fourth	(+24.09)	A2 Flat	210	27,16	68.450		1.711.250
17	495	A-Hotel	Fifth	(+27.12)	A1 Flat	210	29,79	75.059		1.876.484
18	499	A-Hotel	Fifth	(+27.12)	A2 Flat	210	27,43	69.135		1.728.363
19	504	A-Hotel	Sixth	(+30.15)	A2 Flat	210	27,71	69.826		1.745.647
20	509	A-Hotel	Seventh	(+33.18)	A2 Flat	210	27,99	70.524		1.763.103
21	513	A-Hotel	Eighth	(+36.21)	B2 Flat	96	25,12	28.934		723.357
22	514	A-Hotel	Eighth	(+36.21)	A2 Flat	210	28,27	71.229		1.780.734
23	518	A-Hotel	Ninth	(+39.24)	B2 Flat	96	25,37	29.224		730.591
24	519	A-Hotel	Ninth	(+39.24)	A2 Flat	210	28,55	71.942		1.798.541
25	523	A-Hotel	Tenth	(+42.27)	B2 Flat	96	25,62	29.516		737.897
26	524	A-Hotel	Tenth	(+42.27)	A2 Flat	210	29,12	73.380		1.834.512
27	537	A-Hotel	Thirteenth	(+51.36)	D2 Flat	306	27,37	100.504		2.512.596
TOTAL						5.080		1.668.777		41.719.436

• **Valuation of the independent sections with "Shops", "Cinema", Restaurant", Mini Golf" and "Car Park" functions in the "Shopping Mall" Section:**

Because 445 of the independent sections are the independent sections with shopping and/or retail functions located at shopping center block, according to their title deed record, and because the shopping mall section is generating an income, Income Method was used as the main method for the appraisal. Within the context of this method, "Discounted Cash Flow Method" was used to find the current values of the estimated revenues in the future and the monetary total to be paid or obtained in the future, a range of cash flow is reduced today's value by choosing a discount rate used for converting them to the current value.

Within the context of the discounted cash flow approach, converting the net cash flow of the real estate in the future terms to current value by using a determined discount rate are taken as base. Accordingly, the real estates in the shopping center block were examined one by one in the cash flow table and end-of-the-year net operational revenues were calculated by deducting the annual expenses. While calculating the income and expenditure items, the 9-month balance sheet data were taken as base and they were converted to annual data. The assumptions and the calculation regarding the shopping mall income and expenditure are explained below:

REVENUES

Shopping Mall Revenues: The revenue items of the real estate subject to appraisal located in the shopping center section and operated as shopping mall were considered as fixed gross shop rents, revenues from turnover, rental revenues of the warehouses and other revenues. Please find below the shopping mall revenues to be reflected in the cash flow table:

- **Shop gross rental revenues:** They were calculated as annual rental revenues by considering the rental contracts obtained from the company. Accordingly, 2014 total contractual rental revenues for each month, depending on the current occupancy rate (~92%) is 42.970.635-USD and by moving from this fact, it will be 46.707.212-USD when the occupancy rate is 100 %. 2015 rental revenues were calculated by 3 % increase on these figures and by performing exchange rate reduction on it as explained below. According to 2014 rental data obtained from the company, the occupancy rate was calculated as ~92%. The reason of 2014 occupancy rate is below the market average is that the renovation works are still going on. The company stated that the renovation works will be completed at the end of March 2015. Therefore, we estimate that cash flow table for shop gross rental values will be 92% in 2015; 94% in 2016 and around 95 % in the following years. The exchange rate reductions applied for 2014 are thought to be valid for 2015, as well. Therefore, we presumed a 10 % exchange rate reduction over 2015 rental revenues and made our calculations accordingly.
 - **Exchange rate reduction application:** It is implemented by taking the dollar/TL parity of the current month as base and applying reduction of 10 % from it. The lower limit of Dollar/TL parity has been determined as 1.98. If the reduction made over the dollar/TL parity of the current month is lower than the lower limit 1.98, 1.98 should be taken as base while calculating the rental value. If the reduction made over the dollar/TL parity of the current month is over lower limit 1.98, rental value should be calculated over the obtained rate. Exchange rate reduction is applied only for the rents of the shops and warehouses.
- **Revenues arising from turnover:** According to the information obtained from the company, 2014 9-Month rental revenues from turnover were 147.390-USD and moving from this fact, annual average rental revenues were calculated as ~196.520-USD. 2015 rental revenues were calculated by 3 % increase on these figures.
- **Warehouse rental revenues:** According to the information obtained from the company, 9-Month rental revenues for 2014 from warehouses were 634.120-USD and moving from this fact, annual average rental revenues were calculated as ~845.494-USD. Contractual revenues are 860.541 USD. 2015 rental revenues were calculated by 3 % increase on these figures. Exchange rate reduction on it was performed as explained above.
- **Other Operational Revenues:** Located on the said parcel, Akmerkez is being operated by an operation company and the revenues being obtained from the operation of car parks, vale etc. operations are the revenues listed under "other revenues" and these are the revenues gathered for the share of Akmerkez GYO. According to the information obtained from the company, 9-Month revenues for 2014 from Akmerkez GYO and other operational revenues were 1.533.810-USD. The land share rate of the real estate located in the shopping center block to all the Akmerkez GYO A.Ş. real estate is ~91% and the 9-Month income from this revenue for the land share of the shopping center block is ~1.395.767-USD monthly and moving from this fact, annual 2014 revenues were calculated as 1.861.023-USD. Revenues of 2015 and following years were calculated by 3 % increase on these figures and reflected on the accounts.

	2014- a	2014- b	2014- c	2014- d
REVENUES, USD				
<i>Period</i>	<i>9 months</i>	<i>12</i>	<i>12 months</i>	<i>12 months</i>
<i>Occupancy rate</i>	<i>92%</i>	<i>92%</i>	<i>92%</i>	<i>100%</i>
<i>Exchange rate reduction</i>	<i>10%</i>	<i>10%</i>	<i>0%</i>	<i>0%</i>
Shop Rental Revenues	29.351.534	39.135.378	42.970.635	46.707.212
Turnover Revenues	147.390	196.520	196.520	196.520
Warehouse Revenues	634.120	845.494	860.541	860.541
Other Revenues	1.395.767	1.861.023	1.861.023	1.861.023
Total of Revenues	31.528.811	42.038.415	45.888.719	49.625.296

Table- Revenues

- a- These are the data for 2014. They were taken as monthly.
- b- These are 12-Month revenues calculated moving from 9-Month data realized in 2014 and they are the revenues calculated based on 2014 revenues.
- c- These are the contractual rental revenues calculated according to the current occupancy rate for 2014.No exchange rate reduction was applied on them.
- d- These are the contractual rental revenues calculated according to the current occupancy rate of 100 % for 2014. No exchange rate reduction was applied on them. They are the base information shown on the cash flow table and used in the information column. The occupancy rate and the exchange rate reductions have been shown in the cash flow table based on years.

Exchange reduction applies only for the shop and warehouse revenues. They do not apply for the other revenue items.

EXPENSES

The expense items in the shopping malls can be examined under the titles of fixed expenses, variable expenses and the renewal expenses:

- **Fixed Expenses:** These are the expenses defined under other operational expenses, according to 2014 9-Month balance sheet data of Akmerkez GYO. These include expenses such as general management expenses, personnel expenses, insurance, tax stamp and duty expenses etc. In the balance sheet, these expenses cover all the real estate existing under the ownership of Akmerkez GYO. According to this, total of the 9-Month fixed expenses were calculated as 1.553.875-USD for the shopping mall, office and Hotel/Residence. For the expenses of the shopping center block, the land shares of the real estate were taken as base for the calculation, which is ~91 %. According to this, the fixed expenses for 2014 for the shopping center block expenses were ~1.414.026-USD and moving from this fact, annual fixed expenses as 1.885.368-USD
- **Variable Expenses:** Akmerkez is being operated by an operation company and the variable expenses for the share of Akmerkez GYO for 2014 for the independent sections located in the shopping center section, according to the 9-Month data of 2014 were 6.841.592-USD. Annual estimated variable expenses were calculated as 9.122.122-USD.
- **Renewal Expenses:** These expenses, reserved sometimes as "reserve fund" are the expenses spared and used for the radical changes and renewal of the real estate, except for the renovation and maintenance at certain times in 5 or 6 years, with the purpose of preserving the value of the real estate. 2 % is reserved annually for this over the cost of the real estate (as re-construction amount). The re-construction amount has been given in section 6.8.2. of the report as cost analysis and it was reflected in the cash flow analysis at annual base.

Building renovation license was obtained for the real estate subject to appraisal in 2013 and the renovation work is still going on. It is stated during the interviews with the company that the renovations will be completed until the end of March 2015. It is assumed that ~8.500.000-USD more expense will be required for 2015. This expense to be reflected as renovation expense was given for the first year expense (2015) among the removal expenses.

The fixed and variable expenses were handled as "Operational Expenses" under one item on the cash flow table. The expense items were placed in the cash flow table by an increase of 3% annually for 2015 and the following years.

	9 Months for 2014	12 Months for 2014
EXPENSES, USD		
Fixed Expenses	1.414.026	1.885.368
Variable Expenses	6.841.592	9.122.122
Total of Operational Expenses	8.255.618	11.007.490

Table-Expenses

- * Values given under the title of "12 months for 2014" are the expenses that take place in the cash flow table and used in the information column. 2015 expenses were reflected by a 3 % increase on these values.
- ** "Operational Expenses" were given totally under the titles of the fixed and variable expenses on the cash flow table.

CASH FLOW:

Calculations in the cash flow table were made in USA Dollar (USD). Because a rental process will be implemented in the Shopping Mall, an operation process of 10 years was selected and net current value of the real estate operated as shopping mall in the shopping center block under the ownership of Akmerkez GYO was calculated by considering the revenues and expenses in these 10 years and by reducing to the current values by making use of a certain discount rate.

- While determining the discount rate, a non-risk or low risk revenue rate is chosen and the risks born by the real estate are added on top of it.
As non-risk revenue rate, EUROBOND in USD, issued by T.R treasure was chosen. We used 5,94% revenue rate USD based Eurobond of the T.R treasure timed as 15.01.2030 and added the risk premium on it. The added risk premium was formed in a way to include the country, region, project and operation risks. While adding these risks, we acted with the purpose of determining the liquidity transfer of the real estate as well as the operation and/or management risks. The chosen discount rate covers the segment risk of the real estate. Discount used for this purpose is 10,25 %.
- Real estate was assumed to be operated for 10 years and a terminal value was calculated for the end of 10 years.
- Revenues include 1 full year revenues and are reflected in the cash flow table as the revenues of the end of the year.
- The occupancy rate of the shopping mall is 92% for the first year and respectively 94% and 95 % for the following years.
- Growth rate was taken as 3%. 3% shop rental increase rates are taken into consideration. The warehouses revenues increase rate was taken as 3%, in compliance with the contracts.
- Exchange rate reduction application will be used only in 2015, as explained above, and, therefore, it is calculated by considering the fact that it will not be applicable in the following years.
- In the cash flow table, net operational revenue was obtained by reducing the expenses from gross revenues.
- The net cash flow to be provided in the 10 operational terms and the assessed terminal value for the end of 10 years was calculated by reducing to the current value by applying a determined discount rate.
- The base data in the "information" section of the table are the revenues specified in "d" of Table-Revenues and they reflect the 100 % occupancy condition. Expenses (Table- Expenses) reflect the expense data.

DISCOUNTED CASH FLOWS ANALYSIS-USD											
Periods	Information *	1	2	3	4	5	6	7	8	9	10
Year		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Growth Rate	3,0%	1,03	1,06	1,09	1,13	1,16	1,19	1,23	1,27	1,30	1,34
EXPENSES											
Completion Ratio		100%									
Operational Expenses	11.007.190	11.337.715	11.677.846	12.028.182	12.389.027	12.760.898	13.143.519	13.537.824	13.943.959	14.362.278	14.793.146
Renewal Expenses	2,0%	8.934.712	447.753	461.185	475.021	489.272	503.950	519.068	534.640	550.690	567.200
ANNUAL TOTAL EXPENSE		20.272.426	12.125.599	12.489.367	12.864.048	13.249.970	13.647.469	14.056.893	14.478.600	14.912.958	15.360.346
REVENUES											
Mall Revenues											
Increase Rate	3,0%	1,03	1,06	1,09	1,13	1,16	1,19	1,23	1,27	1,30	1,34
Occupancy Rate		92%	94%	95%	95%	95%	95%	95%	95%	95%	95%
2015 Exchange Rate Reduction		10%									
Shop Rental Revenues	46.707.212	39.833.779	46.578.580	48.488.320	49.940.910	51.439.137	52.982.311	54.571.781	56.208.934	57.895.202	59.632.058
Revenues arising from turnover	196.520	202.416	208.488	214.743	221.185	227.821	234.655	241.695	248.946	256.414	264.106
Warehouse Revenues	860.541	797.722	912.948	940.336	968.546	997.603	1.027.531	1.058.357	1.090.108	1.122.911	1.156.495
Other Operational Revenues	1.861.023	1.916.853	1.974.359	2.033.590	2.094.597	2.157.435	2.222.158	2.288.823	2.357.488	2.428.213	2.501.059
ANNUAL TOTAL REVENUES		42.750.769	49.674.376	51.674.989	53.225.239	54.821.996	56.466.656	58.160.656	59.905.475	61.702.639	63.553.719
ANNUAL NET REVENUES		22.478.343	37.548.776	39.185.622	40.361.191	41.572.026	42.819.187	44.103.763	45.426.876	46.789.682	48.193.372
TERMINAL VALUE	7,25%										664.736.171
NET CASH FLOW		22.478.343	37.548.776	39.185.622	40.361.191	41.572.026	42.819.187	44.103.763	45.426.876	46.789.682	48.193.372
NET PRESENT VALUE, USD	488.427.590	505.749.179	465.763.894								
NET PRESENT VALUE, TL	1.123.383.458	1.163.223.112	1.071.256.957								
DISCOUNT RATE	10,25%	9,75%	10,94%								

* The values specified in the Information section above and the income and expense items reflect the 2014 data. 3% increase rate is reflected for 2015 and the following years.

Please find below the valuations of the real estate operated under different functions within the framework of the income method:

Valuation by Income Method	
Function	Sales Value, USD
MALL	488.427.590
OFFICE	6.960.000
RESIDENCE	41.719.436
TOTAL, USD	537.107.026
TOTAL, TL	1.235.346.160

6.9. RENTAL VALUE ANALYSIS AND THE DATA USED

The real estate subject to appraisal is owned by Akmerkez GYO A.Ş. and has office, shopping mall, and residence and apartment/hotel functions. The rental functions of 27 independent sections with apartment function and 1 independent section with office function were appraised by considering the market values. The rental value analysis of the real estate can be found below:

- **Rental value appraisal of 1 independent section with "Office" (in E3 Block) function:**

According to the market researches made for the rental value of the office among the peer offices, we found out that the rental values change between 23 and 50 USD/m²/month and it was calculated as 34 USD/m²/month on the average. When we consider that prices of Zorlu Center, one of the peers, are above the market prices, this average value is around 30-31.-USD/m²/month. When we consider the location of Akmerkez and the sizes of the office areas as well as the age, the unit sales price of the office floor may be around 29 USD/m²/month. Please find the value appraisal of the real estate used with office function in the table. Value was appraised by using peer comparison method.

Office Rental Value								
IND. SEC. NO	BLOCK	FLOOR	LEVEL	CHARACTERISTIC	Monthly Rental Value, TL/month	Annual Rental Value, TL/year	Annual Rental Value, USD/year	
583	E-3	Garden	(+13.70)	Office	60.030	720.360	313.200	

- **Rental value appraisal of the 27 independent sections with "Apartment" (A-Hotel Block) function:**

According to the market researches made for the rental value of the residence apartments among the peers, we found out that the rental values change between 19 and 39 USD/m²/month and the average

unit rental value was determined as around 25 -USD/m²/month. Because some of the apartments with residence apartment type are being operated as hotel, the inner fixtures are better and well maintained. Considering that almost all of the floors have city and sea view, we came to the conclusion that residence apartment rental value would be between 25 and 30 USD/m²/month.

- Type A residence apartments have balconies and they are located in the corner. The eastern sides of the apartments have Bosphorus view. Therefore, their unit rental value is determined higher.
- Type C residence apartments are on the south side and have balconies with sea view. Because the area of Type A is larger, the rental value of type C apartments is determined lower than Type A.
- Type D apartments have balconies and some of them have sea view. Because the area of Type A is larger, the rental value of type D apartments is determined lower than Type A.
- Type B apartments are located in the middle so they do not have any balconies. Their unit rental value is determined comparatively lower.

Residence Apartment Rental Values

IND. SEC. NO	BLOCK	FLOOR	LEVEL	CHARACTERISTIC	Monthly Rental Value, TL/month	Annual Rental Value, TL/year	Annual Rental Value, USD/year
475	A-Hotel	First	(+15.00)	A1 Flat	13.162	157.941	68.670
476	A-Hotel	First	(+15.00)	B1 Flat	5.506	66.075	28.728
477	A-Hotel	First	(+15.00)	C Flat	14.618	175.420	76.269
478	A-Hotel	First	(+15.00)	B2 Flat	5.178	62.137	27.016
479	A-Hotel	First	(+15.00)	A2 Flat	12.364	148.369	64.508
480	A-Hotel	Second	(+18.03)	A1 Flat	13.557	162.679	70.730
481	A-Hotel	Second	(+18.03)	B1 Flat	5.671	68.058	29.590
482	A-Hotel	Second	(+18.03)	C Flat	15.057	180.682	78.558
483	A-Hotel	Second	(+18.03)	B2 Flat	5.282	63.380	27.556
484	A-Hotel	Second	(+18.03)	A2 Flat	12.735	152.820	66.443
485	A-Hotel	Third	(+21.06)	A1 Flat	13.828	165.933	72.145
487	A-Hotel	Third	(+21.06)	C Flat	15.207	182.489	79.343
489	A-Hotel	Third	(+21.06)	A2 Flat	12.990	155.876	67.772
490	A-Hotel	Fourth	(+24.09)	A1 Flat	14.104	169.251	73.588
492	A-Hotel	Fourth	(+24.09)	C Flat	15.360	184.314	80.137
494	A-Hotel	Fourth	(+24.09)	A2 Flat	13.120	157.435	68.450
495	A-Hotel	Fifth	(+27.12)	A1 Flat	14.386	172.637	75.059
499	A-Hotel	Fifth	(+27.12)	A2 Flat	13.251	159.009	69.135
504	A-Hotel	Sixth	(+30.15)	A2 Flat	13.383	160.599	69.826
509	A-Hotel	Seventh	(+33.18)	A2 Flat	13.517	162.205	70.524
513	A-Hotel	Eighth	(+36.21)	B2 Flat	5.546	66.549	28.934
514	A-Hotel	Eighth	(+36.21)	A2 Flat	13.652	163.828	71.229
518	A-Hotel	Ninth	(+39.24)	B2 Flat	5.601	67.214	29.224
519	A-Hotel	Ninth	(+39.24)	A2 Flat	13.789	165.466	71.942
523	A-Hotel	Tenth	(+42.27)	B2 Flat	5.657	67.887	29.516
524	A-Hotel	Tenth	(+42.27)	A2 Flat	14.065	168.775	73.380
537	A-Hotel	Thirteenth	(+51.36)	D2 Flat	19.263	231.159	100.504
TOTAL					319.849	3.838.188	1.668.777

*Revenues of the residence apartment rentals reflect the utilization of the apartments as rented as apart hotel.

- **Rental value appraisal of the 445 independent sections with "Shops", "Cinema", "Restaurant", "Mini Golf" and "Car Park" functions in the "Shopping Mall" Section:**

According to the findings of the market research, the values changed when we moved away from the center. According to this, the unit rental values of the shopping mall are between 50 and 150-USD/m²/month and this went down to 16-32 USD/m²/month when we went away from the center. According to the rental contracts obtained from the company, total annual gross shop and warehouse rental incomes of real estates in the shopping center block are given below. Because the real estate is among the normal market rental value range and the purpose of the report is valuation according to the contractual rents, a new rental appraisal has not been performed. Below table was calculated according to 92 % and 100 % occupancy rate and it reflects the shops and warehouse gross rental values for 2014. No exchange rate reduction was performed for them and they are reflecting the gross contractual rents.

REVENUES, USD	2014- Present Occupancy	2014-100% Occupancy
<i>Period</i>	<i>12 month</i>	<i>12</i>
<i>Occupancy Rate</i>	<i>92%</i>	<i>100%</i>
<i>Exchange rate reduction</i>	<i>0%</i>	<i>0%</i>
Shop Rental Revenues	42.970.635	46.707.212
Warehouse Revenues	860.541	860.541
Total of Rental Revenues	43.831.176	47.567.753

The turnover generated by the real estate appraised has been analyzed in section 6.8.3 of the report. Therefore, it is not given here.

6.10. LEGAL STATUS ANALYSIS OF THE REAL ESTATE AND THE RELATED RIGHTS

The examinations regarding the real estate subject to appraisal were realized in the Municipality and the Title Deed Registry Office and any restriction for legal status was not found out.

6.11. VACANT LAND AND DEVELOPED PROJECT VALUE ANALYSIS AND THE RESULTS REACHED BY THE USED DATA AND ASSUMPTIONS

The appraisal was performed on an active building; therefore, vacant land and developed project analysis were not performed.

6.12. ANALYSIS OF THE HIGHEST AND THE BEST UTILIZATION

The most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible and which results in the highest value of the property valued is the highest and the best use of a real estate. The most effective and best use of the real property subject to appraisal is using it with "Hotel, Motel and Shopping Mall" functions shown in the applicable zoning plan.

6.13. APPRAISAL ANALYSIS OF THE JOINT OR DIVIDED PARTS

The real estate subject to appraisal is registered in the title deed registry office under the name of Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. as separate independent sections and condominium for them have already been established. The appraisal was carried out by considering their functions in the blocks. Therefore, the revenues and expenses of the real estate were appraised under the heading of shopping mall. The real estate with office function is being used as an office, so its appraisal was performed as a separate section. The real estate in the A-Hotel block has the residence apartment/apart hotel functions and the appraisal was carried out by considering the income and expense items together. The final value includes the values of the common and joint areas.

6.14. PEER SHARE RATES IN THE PROJECTS TO BE PERFORMED WITH THE METHOD OF REVENUE SHARING OR FLAT FOR LAND

The revenue sharing or flat for land method is not used.

7. EVALUATION OF THE ANALYSIS RESULTS

7.1. HARMONIZATION OF THE RESULTS OF DIFFERENT APPRAISAL METHODS AND ANALYSIS AND DESCRIPTION OF THE METHOD FOLLOWED FOR THIS PURPOSE AND ITS REASONS

The appraised real estate consists of many independent sections with different functions. Therefore, final appraisal obtained from more suitable approaches were used according to the appraisal principles.

- The shopping center block consisting of 445 independent sections were appraised by using Income Method because they generate income.
- 28 independent sections in the Office block and A hotel block consisting of offices and apartments were appraised by using peer comparison method, according to the appraisal principles.

The values determined by applying different methods have been summarized in the below table.

FINAL VALUE APPRAISAL			
CITY BLOCK: 83 & PARCEL: 1	Peer Comparison Method	Income Discount Method	*Final Value Appraisal
Shopping Center Block, 445 Ind. Sec.	434.432.948	488.427.590	488.427.590
Office Block, 1 Ind. Sec.	6.975.000	6.960.000	6.975.000
A Hotel Block, 27 Ind. Sec.	42.102.183	41.719.436	42.102.183
Final Value Appraisal, USD			537.504.773
Final Value Appraisal, TL			1.236.260.978

7.2. REASON WHY THE MINIMUM INFORMATION REQUIRED TO BE PROVIDED IN THE REPORT WAS NOT GIVEN

There is not any information that is not included in the report.

7.3. OPINION RELATED TO WHETHER THE LEGAL REQUIREMENTS ARE FULFILLED OR NOT AND WHETHER THE PERMISSIONS AND LICENSES THAT ARE TO BE TAKEN ACCORDING TO THE REGULATIONS HAVE BEEN FULLY TAKEN OR NOT

The appraised real estates consist of 473 independent sections owned by Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. in the building consisting of 600 independent sections and located on city block: 83 & parcel: 1. Occupancy permit of the building on the parcel was issued and condominium was established. Based on the 1/1000 scaled Implementary Development Plan dated as 07.02.2013, a building renovation license dated as 06.12.2013 and numbered 2013/6122 was obtained for the shopping center block.

7.4. OPINION RELATED TO WHETHER THERE IS ANY HINDRANCE FOR TAKING THE REAL ESTATE IN THE PORTFOLIO OF REAL ESTATE INVESTMENT TRUSTS WITHIN THE FRAME OF CAPITAL MARKETS LEGISLATION

The appraised real estates consist of 473 independent sections owned by Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. in the building consisting of 600 independent sections and located on city block: 83 & parcel: 1. Occupancy permit of the building on the parcel was issued and condominium was established. According to article 22 of the Communiqué Amending the Communiqué on Principles Regarding Real Estate Investment Trusts (III-48.1.a) published in the Official Gazette dated as 23.01.2014, numbered 28891,(as amended by III-48.1.a Communiqué):b) *All kinds of building permit will be taken to the portfolio in relation to buildings and similar structures have been established and participation is mandatory property. However, the hotel belonging to the partnership with alone or with another person, property, shopping malls, business centers, hospitals, commercial warehouses, factories, office buildings and structures such as branches, all or part of their only if it is used in order to obtain rental income, in relation to the said structure the qualifications specified in obtaining a building permit and deed of real estate is considered sufficient to conform to the current situation.* Therefore the appraised real estate is suitable for the portfolio.

According to article paragraph "r" of the Communiqué Amending the Communiqué on Principles Regarding Real Estate Investment Trusts (III-48.1.a) published in the Official Gazette dated as 23.01.2014 and numbered 28891 regarding the appraised real estates, it is stated that the functions, actual use and the features to be included in the portfolio should conform to each other." Therefore the title deed features of the appraised real states define a structured property and they are actually used as buildings.

The real estates subject to appraisal are owned by Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş and it is suitable for it to be included as "Building" in the portfolio.

8. CONCLUSION

8.1. APPRAISER'S IN CHARGE FINAL WORD

I agree with the analysis and the conclusions reached by the appraisers.

8.2. FINAL VALUE APPRAISAL

8.2.1. SALES VALUE APPRAISAL

The real estates subject to appraisal are 473 independent sections owned by Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. in the main real estate qualified as "Four-Block Masonry Building" consisting of 600 independent sections located on city block: 83 & parcel: 1. The peer comparison and income methods have been used in the appraisal. Final value appraisal is as follows:

CITY BLOCK: 83 & PARCEL: 1	TOTAL SALES VALUE, VAT EXCLUDED, TL	TOTAL SALES VALUE, VAT INCLUDED, TL	TOTAL SALES VALUE, VAT EXCLUDED, USD
<i>Akmerkez GYO A.Ş. Total Value</i>	1.236.260.978	1.458.787.955	537.504.773

Total sales price of the real estates subject to appraisal was appraised as

1.236.260.978.-TL (One billion two hundred and thirty six million two hundred and sixty thousand nine hundred and seventy eight Turkish Liras) excluding VAT.

Rental Value Appraisal: The real estate subject to appraisal contains 473 independent sections, the rental value appraisal for 1 office and 27 apartments of them was performed within the coverage of this report and can be found under the title of "6.9 Rental Value Analysis and The Data Used" of this report. The summary table is as follows:

CITY BLOCK: 83 & PARCEL: 1	MONTHLY RENTAL VALUE TL/MONTH	ANNUAL RENTAL VALUE TL/YEAR	ANNUAL RENTAL VALUE USD/YEAR
<i>Office Block, 1 independent section</i>	60.030	720.360	313.200
<i>A Hotel Block, 27 independent sections</i>	319.849	3.838.188	1.668.777
<i>Akmerkez GYO A.Ş. Total Value</i>	379.879	4.558.548	1.981.977

For 445 independent sections, because long term rentals take place in the shopping center block, rental value appraisal was not realized within this report and the incomes arising from existing contracts were used for the determination of the sales values.

*(T.R. Central Bank USD purchase rate is accepted as 2,3 TL as of 30.12.2014.)

APPRAISER ON DUTY

Nazen TÖMEN
CMB LICENSE NO: 400645
Architect (M.Sc.)
Appraiser



APPRAISER IN CHARGE

Mustafa NURAL
CMB LICENSE NO: 400604
Topographical Engineer
Deputy General Manager

