

AGRICULTURE SECTOR OVERVIEW

SECTORIAL INFO

Turkish Republic of Northern Cyprus (TRNC) agricultural sector is comprised of four sub-sectors: crop production, animal husbandry, forestry, and fishery products. Crop production with a significant share influences the total agricultural sector.

WATER PROJECT

With semi-arid climatic conditions in TRNC, lack of water resources particularly had a negative impact on the development of agricultural sector. However, with introduction of TRNC supply of drinking water and irrigation project in 2015 (started in 2011 by Turkey), TRNC will have the opportunity of 75 million m³ water supplement. This amount of water will improve agriculture while meeting water demand for 50 years in TRNC.

FOREIGN TRADE

In Turkish Republic of Northern Cyprus (TRNC);

- Total imports \$1.376 billion in 2006, while exports reached \$ 68.1 million.
- With influence of recession in the world economy in 2009, imports decreased by \$1,326,000,000 while exports increased by 4 percent and reached \$71.1 million \$.
- Exports of agricultural products were \$20.9 million in 2009 with \$14 million for citrus and \$2.4 million for potatoes.
- 13 percent of total imports (\$171,400,000) in 2009 were in the form of animal imports.

AGRICULTURAL DATA

Out of 3.298.908 acres total area in TRNC, 56,7 percent (1,870,689 acres) is suitable for agriculture. This potential allows the production of a wide variety of products such as cereals, legumes, fruit, and vegetables. In total agricultural production, share of cereals is 70 percent, share of legumes is 15%, and share of vegetables, fruit and others is 35%.

OPPORTUNITIES AND BENEFITS

Turkish Republic of Northern Cyprus (TRNC):

- Complete resolution for water supply major bottleneck, beginning from 2015;
- Advantage of strategic partnership with Turkey (Turkey has a strong position in agriculture in the world);
- An efficient investment area will be provided for future investment in the agricultural sector with incentives related to the agricultural field.

(Million \$)	2006	2007	2008	2009
IMPORTS				
Food and Live Animals	113,9	162,9	226,2	171,4
Total	1.376,2	1.539,2	1.680,7	1.326,2
EXPORTS				
Agricultural Products	24,1	30,7	28,4	20,9
Citrus	19,1	22,7	20,5	14
Potatoes	2,1	3	4,6	2,4
Live Animals	-	-	-	-
Others	2,9	5	3,3	4,5
Total	68,1	83,7	83,7	71,1

Source: SPO - Monitoring and Coordination Department

SILVER COVE HOTEL

INVESTMENT PROJECT

INVESTOR / COMPANY INFORMATION

Established on the 14th December 2004, the company has a paid-up nominal Capital amount of 50,000 TL which will be increased and paid by %40 of the total investment amount by the partners when the investment completed.

The main activity of the company is Tourism Investment and Management, and its activities will be concentrated in the Çatalköy, Kyrenia Region.

The company officials have an experience for so many years within the sector and are planning to invest in a totally new Project.

PROJECT JUSTIFICATION

The investment project feasibility study has been prepared by G.Saydam & Co. Accountancy Firm for the Rose & Akasan Enterprises Ltd. Sti. for TRNC YAGA in order to realize the regional planning and the objectives in their programmes. Land in Girne/Çatalköy is allocated in the name of the investment company.

SUBJECT AND PLACE OF ESTABLISHMENT

The Project aims to establish a 670-bed capacity touristic facility. The facility will be built on plot numbers 3 and 4 of the tourism investment area of Çatalköy-Kyrenia.

The facility will be built in one of the favorite areas of the region where the increasing number of tourists are in demand and will approximately employ 268 people.

SECTORIAL INFORMATION

With regards to the TRNC State Planning Organization's sectorial distributions report for 2009-2010-2011, in 2010 number of tourists were increased by 12,75%, and in 2011 the amount increased by 13,26%.

Number of tourist stayed over-night in 2010 was increased by 12,45% and in 2011 the amount increased by 25,26%.

It is expected mainly by the Ministry of Tourism, Environment and Culture and other public institutions and government entities that the amounts will be ascending in 2012 and also in future years via new projects initiatives and investments.

GOODS/SERVICES AND CAPACITY

The capacity of facility is determined as 10hrs/day and 300 days/years.

Production	Capacity	
	Number of beds	Number of beds / year
Accommodation	670	201.000

INCENTIVES

By the incentive certificate issued customs tax, funds VAT, and tax exemption is provided. In order for the investor to benefit from the above mentioned exemptions, it is required to obtain "Incentive Certificate" from the TRNC State Planning Organization. For the mentioned investment, an incentive certificate is taken.

In this respect, provided incentives includes the following advantages:

- Investment Reduction
- Prior Locations for Development (200%)
- Custom Tax and Fund Exemption
- Zero Value Added Tax (VAT) for imported or domestically provided machine and equipments
- Fund Based Credit Opportunities
- Supply of Public land, estate and building
- Exemption from Building Permits related to Tax, levy, Fee, and other contributions
- Stamp Tax Reduction related to capital increase
- Fee Reduction related to hypothecate operations

PROJET EVALUATION RESULTS

With regards to the financial data as examination, an economical life period of 10 years the ROA is 9,30%, NPV is 1.561267, IRR is 10,03%, PI is 1,03 and the pay-back period is calculated as 6 years and 3 months.



INVESTOR

Rose & Akasan Enterprises Ltd.

Investor Establishment

Established : 14.12.2004
Activities : Tourism Investment and Management
Capital : 50.000 TL

Company Executives

Directors:
Özden ÖZBİLÜN
Ahmet BASTAS

Partnership Structure

Akasan Turizm Petrol A.S. : 49%
Rose Line Ltd. : 51%

Investment Information

Fixed Investment : 33.810.000
Managing Capital : 640.000
Total Investment : 34.450.000

Financing (USD)

Equity : 13.780.000
Foreign Source : 20.670.000

Investment

Type : New Investment
Period : 3 years
Technical Duration: 49 years
Employment : 268 persons

Financial Data

ROA : 9,30 %
NPV : 1.561.267
IRR : 10,03 %
PI : 1,03 %
Pay Back Time : 6 years 3 months

RECAIOĞLU INC. RESORT HOTEL

INVESTMENT PROJECT

INVESTOR / COMPANY INFORMATION

Recaioglu Inc. was established on 12.08.1987, with 10.000 TL capital. The nominal capital was increased 2.046.872 TL in 2003 and the paid capital was increased to 1.774.648 TL. Occupational field of Recaioglu Inc. consists of wood work, PVC, steel and wrought iron, marble & granite and double glazing.

PROJECT JUSTIFICATION

TRNC is a rich island in history, geographic location, nature and atmosphere. Tourism is suitable in TRNC. Kyrenia is known as famous and paradise city of TRNC, the number of tourists is increasing each year.

SUBJECT AND PLACE OF ESTABLISHMENT

Project consists of three parts related to beds and activities:

Hotel: It is a luxury 5 star hotel 6 story, 16157 m² as closed area with 164 rooms in total.

Bungalows: They are 62 bungalows and 3 137 m² total closed area. Bungalows become two different projects and six different types.

Activities: All local and foreign tourists can find amenities such as restaurants, indoor outdoor pools, gym, turkish bath etc. For the activities we have allocated 19.081 m² area.



SECTORIAL INFORMATION

The location of TRNC is Eastern Mediterranean and it is very important as Cyprus is the middle of Europe, Africa and Asia.

Tourism is supported by Government in TRNC has been improving each year. The 5 star hotels in 2011 were 90% full for 7 months and the rest 5 months were 40% full remaining.

The reservation for 2012 show us full percentages will be higher than 2011.

INCENTIVES

Tourism is the first improvement in the sectors in TRNC. Our project has received certificate on 25/02/2010 and advantages are:

- Capital allowance
- Customs tax and fund exemption
- VAT (it is 0%).
- The possibility of loans from the funds
- Public land, plot and building supplies
- Free for building promotion taxes and fees.
- Free stamp duty for encouraging investment
- Mortgage operations tuition discount

PROJET EVALUATION RESULTS

As a result of the economic, technical, and financial evaluation, it is determined that annuity of the project meet the desired criteria and resources requirement might be met by company partners.



INVESTOR

Recaioglu Inc.

Investor Establishment

Established	:1987
Activities	: Construction & Industry
Capital	: 2,000,000 TL

Company Executives

Director : Ahmet RECAIOGLU
Partners : Recai G. RECAIOGLU
Adem G. RECAIOGLU
Okan RECAIOGLU

Partnership Structure

Family Company : 4 × %25 Shares

Investment Information (USD)

Fixed Investment	: 30,870,534
Business Capital	: 3,946,440
Total Investment	: 34,816,974

Financing (USD)

Resource	: 23,152,901 (Investment made so far)
Needed Quantity	: 11,664,073

Investment

Type	: New Investment
Period	: 1 year
Technical Duration	: 50 years
Employment	: 102 persons

Financial Data

NPV	: \$53,904,224
IRR	: %30
Payback Period	: 4 years, 2 months

POTATO PROCESSING PLANT

INVESTMENT PROJECT

INVESTOR / COMPANY INFORMATION

The company was established in 12.01.2009 with a fully paid capital of 300.000.-TL. Main activity of the company is agriculture and activities are located in Cayonu region. Company directors have experience in the sector for 20 years and planned to increase added value and considering exporting through a new industrial investment.

PROJECT JUSTIFICATION

Feasibility study of the Project has been prepared by Ilke Dagli for Sadik Kilic Agri and Trading Inc. based on regional plan and programs of YAGA TRNC.

SUBJECT AND PLACE OF ESTABLISHMENT

Project is establishment of the first potato processing plant. Capacity has been planned as 10-15 tons daily. After process of sizing and packaging; onion, beet, and carrot along with potato as the main product will be sold as wholesale products to companies and wholesaler in both domestic and international markets.

The plant will be located in the land of P/H no. XXXII/31, 364.13/1 parcel in Cayonu Village, part of Famagusta in TRNC. The land has been leased for 25 years. Potato processing plant is comprised of two parts of a factory and cold storages.

SECTORIAL INFORMATION

Potato is an important export item for TRNC. In 1983, share of potato export in aggregated export level was 25%. Even though this is an old data, export status of this product has not changed significantly and potato has still been an important element economically. Harvest of spring season meets the lack of production and supply of potato in Western Europe and England. In 1984, consumption per person was estimated as 29 kg. However, production estimates still higher, about 355 kg per person meaning that after meeting domestic need; potential export amount is still significantly high.

GOODS/SERVICES AND CAPACITY

Plant capacity has been set based on work principle of 8 hr./day and 294 days/yr. Plant will have a capacity that 10-15 tons of potato can be processed.

Production	Capacity	
	(tons/hr.)	(tons/yr.)
Potato	15	35280

INCENTIVES

In order investors to benefit from the specified exemptions, they are required to obtain "Incentive Certificate" from The State Planning Organization. Incentive Certificate is available.

In this context, Incentive Certificate provides following benefits:

- Investment discount,
- Priority Development Areas(%200)
- Other areas (%100)
- Custom duty and fund exemption
- Zero value added tax for machines and equipment domestically supplied or imported
- Fund sourced credit opportunity
- Supply of public land and building
- Exemption of tax, duties, charges, and any contribution related to building permit
- Stamp duty reduction on capital increases
- Discount Fee on Mortgage Procedures

PROJET EVALUATION RESULTS

As a result of economic, technical, and financial evaluation of Potato Processing Plant of Sadik Kilic Agri and Trading Inc., it is found that rehabilitation of the investment meets required criteria and required sources will be provided by the company partners.



INVESTOR

Investor Establishment

Established : 2009
Activities : Agriculture
Capital : 300.000 TL
Total Employee : 2 persons

Company Executives

Director: Sadik KILIÇ

Partnership Structure

Sadik KILIÇ : 99 %
Ayşe KILIÇ : 1%

INVESTMENT

Investment Information (USD)

Fixed Investment : 1,595,016
Managing Capital : 2,421,035
Total Investment : 4,016,112

Financing (USD)

Equity : 998,464
Foreign Source : 3,017,647

Investment

Type : New Investment
Period : 2 years
Technical Duration : 25 years
Employment : 13 persons

Financial Data

ROA : 2 %
NPV : 3,343,989
IRR : 1 %
PI : 21 %
Pay Back Time : 3 years, 11 months
(USD Exchange Rates : 1:1.7)



SEA BASS AND SEA BREAM PRODUCTION

INVESTMENT PROJECT

INVESTOR / COMPANY INFORMATION

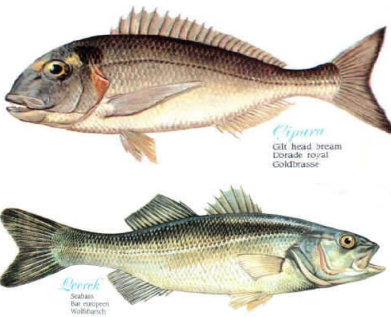
The European University of Lefka is a Foundation University which was established by the Cyprus Science Foundation in 1990. The University has currently 7 faculties, 3 Advanced Vocational Schools, 2 Institutes, Master Degree and PhD Degree Programs. The Marine and Fisheries Research Institute of the European University of Lefka has developed the first project to aquaculture Sea Bream and Sea Bass in ponds by the sea. The project leader, Prof.Dr. Isik Kemal Oray who is an international scientist has been working on Fisheries Science and Aquaculture in Germany, Turkey and TRNC since 40 years.

PROJECT JUSTIFICATION

The investment project feasibility study has been prepared by the European University, Marine and Fisheries Research Institute in order to realize the objectives of the regional plan of YAGA in TRNC.

SUBJECT AND PLACE OF ESTABLISHMENT

The project topic is to produce Sea Bass and Sea Bream in salt water Ponds near the sea, aiming to produce in the first phase 29 tons in TRNC. In the coming years the Fish production will be increased. The Aquaculture area is in Güzelyurt near the sea coast. On 14/02/2012; an application for leasing the land from the TRNC government was made to the Güzelyurt District office which was forwarded to the Title Deed and Cadaster Department.



SECTORAL INFORMATION

Presently, the annual demand of Sea Bream and Sea Bass in TRNC is over 1200 tons/ per year. The two Sea Bass and Sea Bream farms exercising aquaculture of these fish in cages in the sea could only supply less than the half of the demand in the TRNC. With this project, raising Sea Bass and Sea Bream in the ponds around 60 meters away from the Sea Side could not only give the fish the sufficient nutrients developing in the ponds which are more which are tasty and healthy to eat. These fish will need less feed for the conversion of feed into fish meat and bring higher selling prices in the market.

SERVICES AND CAPACITY

In the beginning, the aim is to produce in a period of 15 months, 29 tons of Sea bream and Sea Bass in salt water ponds. In the following years it is planned to increase the aquaculture of Sea Bream and Sea Bass in the production.

INCENTIVES

By incentive certificate customs tax, fund, VAT, and tax exemption is provided. In order investor to benefit from mentioned exemptions, it is required to obtain "Incentive Certificate" from State Planning Office in this respect, provided incentives includes the following advantages:

- Investment Reduction
- Prior Locations for Development (200%)
- Custom Tax and Fund Exemption
- No Value Added Tax (VAT) for imported or domestically provided machine and equipment
- Fund Based Credit Opportunities
- Public land, estate and building supply
- Exemption from Building Permits related to Tax, Picture, Fee, and other contributions
- Stamp Tax Reduction related to capital increase
- Fee Reduction related to hypothecate operations.

PROJECT EVALUATION RESULTS

According to the technical and economic budget and sales prices evaluation, back payment duration current net value of the investment and the domestic profit numbers comply with the economic criteria.

INVESTOR

European University of Lefka

Investor Establishment

Established : 1990
Activities : University, Marine and Fisheries Research Institute
Current Personnel: 4 persons

Company Executives

Board of Trustees:
Mehmet ZAFER, Çavlan SÜERDEM,
Nihat ÇAKAR, Özdemir TOKER,
Savas EREN, Tarkan ÖKSÜZ,
Prof. Dr. Semra PASAZADE,
Zehra ECEL SOY, Hasan BALMAN,
Muzaffer SEVINÇ

Director: Prof. Dr. Isik ORAY

INVESTMENT

Investment Information (TL)

Fixed Investment : 281,200
Managing Capital : 29,600
Total Investment : 320,800

Financing (TL)

Foreign Source : 310,800

Investment

Type : New Investment
Period : 15 months
Technical Duration: 20 years
Employment : 3 persons

Financial Data

NPV : 1,916,604 TL
IRR : 83 %
Pay Back Time : 1 year, 2 months

CYPFROZEN FOOD

INVESTMENT PROJECT

INVESTOR / COMPANY INFORMATION

CypFrozen Foods was established on 10.02.2010 and main production of the company will be Frozen Chips and Frozen food products.

Sales Stage 1; Sales will be concentrated in Turkish Rep Northern Cyprus.

Sales Stage 2; Expansion is planned for exports into regions where TRNC trade agreements will eventually be made. However, stage 1, is sufficient market to sustain gradual growth at a rate of 50% per annum up to year 3. Thereafter growth at 10%-20% PA (Extensive market research conducted).

First Time: CypFrozen Foods will be the first fully automated frozen food plant. CypFrozen Foods producing self-branded frozen foods (mainly, Chips for restaurants, hotels, fast food outlets and retail market) and frozen prepackaged vegetables.

PROJECT JUSTIFICATION

CypFrozen Foods has been granted an "Incentives Certificate". An extensive market research has been conducted.

SUBJECT AND PLACE OF ESTABLISHMENT

Production and sale of frozen chips & vegetables is the main subject in which CypFrozen Foods will plant cultivate potatoes and selected vegetables used in Turkish, Mediterranean and Middle East cuisines. CypFrozen Foods produce frozen chips, frozen prepackaged vegetables (grown in TRNC). CypFrozen Foods factory is located in the Famagusta district (Magosa Municipality).

SECTORIAL INFORMATION

CypFrozen Foods aims to be the first 'TRNC branded' frozen chips and vegetable producer and supplier in TRNC.

CypFrozen Foods will supply all food supermarket shelves and wholesale buyers (restaurant, hotels, and catering companies).

CypFrozen Foods 'local brand' frozen vegetable will be supplied in retail packs and catering packs.

GOODS/SERVICES AND CAPACITY

The capacity of facility is determined as 8 hours/day. This capacity can be increased 12 hr/day.

Production	Capacity	
	Tons/Day	Tons/Years
Frozen Chips Product	3140	314.555
Frozen Vegetable	5500	650.000
Total	8690	964.555

INCENTIVES

We have our Incentive Cert:

- Custom Tax and Fund Exemption
- No Value Added Tax (VAT) for imported or domestically provided machine and equipment
- Fund Based Credit Opportunities
- Public land, estate and building supply
- Exemption from Building Permits related to Tax, Picture, Fee, and other contributions
- Stamp Tax Reduction related to capital increase
- Fee Reduction related to hypothecate operation.



INVESTOR

Investor Establishment

Established : 2010
Activities : Potato (Frozen & Vegetables)
Capital : 200,000 TL

Company Executives

Chairman of the Board: Osman TOSUNOGLU
Marketing/Research : Eric RASHID

Partnership Structure

Osman Tosunoglu
(Investor)

Investment Information (USD)

Fixed Investment : 10.176.482
Managing Capital: 1.079.895
Total Investment : 11.256.377

Financing (USD)

Equity : 1.780.000
Foreign Source : min. 4.000.000

Investment

Type : New Investment
Period : 1- 1.5 years
Technical Duration: open
Employment : 30 -50 persons
(subsidiary suppliers: 350-550)

Financial Data

ROI : 25%
(Return on Investment)
NPV : \$5.660.391
IRR : 12.34%
PI : 1.4744
Pay Back Time : 5 years

FAMAGUSTA & KARAVOSTASI FREE ZONE & PORT

INVESTMENT PROJECT

INVESTOR / COMPANY INFORMATION

PortISBI Cyprus Free Zone & Marine Logistics Services Inc. was established by the Founder & Operator of Istanbul Ataturk Airport Free Zone (ISBI) which is a leading company on Free Zone sector in Turkey. PortISBI provides all Logistic and Free Zone Services at both Port Fields leased for 49 years from the State.

PROJECT JUSTIFICATION

Turkish Republic of Northern Cyprus (TRNC), being at the center of the East Mediterranean trade lines presents an ideal situation on transit trade and port services sector.

Container transportation and handling sector is continuously growing. Parallel to this growth, special port services and transit trade zones became a vital need for global traders and create an opportunity for development of TRNC.

SUBJECT AND PLACE OF ESTABLISHMENT

Project subject is the establishment and operation of a Free Port and Zone.

The company operates at two Free Zones:



Famagusta Free Port and Zone: Established next to Famagusta port that is located on the east side of TRNC, over 108.000 m² areas. It's the first Free Zone operated by a private entity and started mainly on transit trade services. Investments are in progress.

Karavostasi Free Port and Zone: It takes place of an old mining land nearly 2.000.000 m² area in a village named Karavostasi at the farthestmost west point, Lefka Town coast. Rehabilitation of this land is still in progress.

PortISBI Karavostasi Free Port & Zone that has 1 km coastline and approx. 2.000.000 m² of port & free zone land area is internationally registered, situated at the optimum location as a container port and ready to create a considerable amount of volume for Eastern Mediterranean area. A preliminary project has been prepared for a regional container terminal (hub-port) and contacts with investors are in progress.

SECTORIAL INFORMATION

At Global Trade, transportation via sea has been developed during last couple decades and "Container Transport" has become the Major Transportation Model. This easy to use model on international transport also increases the importance of ports and port facilities. At 1990's, 65,843,815 TEU has been carried between ports worldwide. This number increased yearly by 10-15 % and reached to 391,882,766 TEU at 2005 and 550,802,292 TEU at 2009.

SERVICES AND CAPACITY

Business capacities as container basis from Eastern Mediterranean and Black Sea region countries are estimated below:

	2011	2011	2012	2013	2014	2015
Turkey	4.2	5	5.5	6.1	6.5	7.8
Israel	1	1.2	1.5	1.7	1.8	1.9
Syria	0.75	0.8	0.81	0.83	0.85	0.86
CIS	2.75	2.8	3	3.2	3.5	3.6
Russia	8	8.5	9.2	9.5	10	10.5
TOTAL	16.4	18.3	20	21.3	22.6	24.6

(Units: Million TEU)

As PortISBI Free Port and Zone, our first target only 10 % of this volume. Feasibility of this project is positive even with the most competitive prices of the region.

INCENTIVES

The Free Zone users will benefit on these opportunities:

- VAT is not applied
- No fund, No customs taxes,
- No corporate tax for companies
- No income tax for companies
- Simplified bureaucracy
- No limit on profit transfer

INVESTOR

PortISBI Inc.



Investor Establishment

Established	: 2003
Activities	: Free Zone and Port Management
Capital	: \$7,000,000
Total Employee	: 20 persons

Company Executives

Chairman : Hakan DINÇERLER
Directors : Metin YALÇIN
SELÇUK TÜR

Partnership Structure

Partner A	: 80%
Partner B	: 15%
Others	: 5%

Investment

Total Investment (USD)	
Fixed Investment	: 5.000.000
Managing Capital	: 4.000.000
Total Investment	: 9.000.000

Financing

Equity	: \$8,000,000
Foreign Sources	: \$1,000,000

Investment Information

Type	: New Investment
Period	: 10 years
Technical Duration	: 45 years
Employment	: 20 persons



MARISCOS AND FISH SERVICES INC.

INVESTMENT PROJECT

INVESTOR / COMPANY INFORMATION

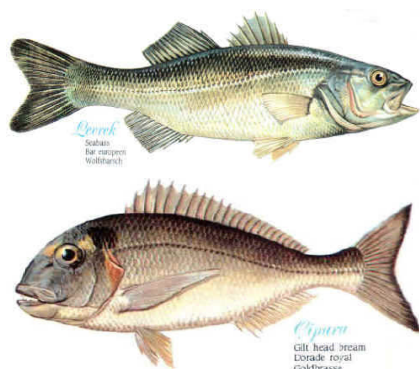
Mariscos and Fish Services Inc. was established in 2005. Capital of the company is 10.000 TL. Main field of activities are water fishing, hunting fisheries, and aquaculture (harvesting); carrying out research and projects related to fishing; processing of fishery products (icing, salting, canning, and smoking); running export and import activities for all kind of fishery products. Operations of the company are intensely in TRNC. The company has also many studies to develop fishing in TRNC and runs consulting for public and private sector about scientific matters of fishing.

PROJECT JUSTIFICATION

Investment feasibility study was made by Prof. Dr. Işık K. Oray, Director of Marine Fisheries Research Institute, in Lefka European University in the light of objectives of regional plan and programs by YAGA. Introduction of the Project will contribute to meeting demand for sea bass and sea bream.

SUBJECT AND PLACE OF ESTABLISHMENT

Project aims to product sea bass and sea bream. Capacity is planned to be 29 tons for the first production stage and be increased for the following years. Production facility is located in Guzelyurt district of TRNC. For the land to establish this facility, the company applied to TRNC directorate of land registry and cadastre offices via Guzelyurt District Office in March 16, 2003.



SECTORIAL INFORMATION

Estimated demand for sea bass and bream in TRNC is above 1100 tons/year and increasing constantly. Currently, sea bass and bream have been produced in only 2 farms and the production is not sufficient to meet the demand. Sea bass grown in soil pools has more delicious flavor and is healthier since of natural feed 10-15% more than regular. These fishes also may be sold for higher prices than the regular sea fishes.

GOODS/SERVICES AND CAPACITY

29 tons/year production of sea bass and bream is planned for the first 15 months production period. Production is planned to be increased for the following years.

INCENTIVES

Incentive certificates provide investors custom duty, value added tax, and tax exemption. We will apply for incentive certificate for his investment.

In this context, incentives provided to the project include the following benefits:

- Investment Tax Credit: 100%
- Customs duties and Fund Exemption
- Value added tax exemption for machinery and equipment supplied domestically or imported
- Fund source credit opportunities
- State owned land or building supplies
- Tax, duties, and charge exemption related to building permit
- Stamp duty reduction related to capital increases
- Fee discount related to mortgage procedures

PROJET EVALUATION RESULTS

As a result of the economic, technical, and financial evaluation on the basis of estimated sales prices, it is determined that internal profitability of the project payback period and present value of the project meet the desired criteria.

INVESTOR

Investor Establishment

Established : 2005
Activities : Fishing, Aquaculture and consulting in related areas
Total Employee : 2 persons

Company Executives

Chairman : Prof. Dr. Isik K. ORAY
Directors : Caglar Mehmet Talat ORAY

Investment

Fixed Investment : 281,000 TL
Capital : 29,600 TL
Total Investment : 310,000 TL

Financing

Foreign Sources : 310,800 TL

Information

Type : New Investment
Period : 15 months
Technical Duration : 20 years
Number of Employees : 3 persons

Financial Data

NPV : 1,916,604 TL
IRR : 83%
Payback Period : 1 years, 2 months

EXCLUSIVE VILLAS HOTEL

INVESTMENT PROJECT

INVESTOR / COMPANY INFORMATION

The company was established in 20.02.2002. Nominal capital was 42.000 TL and fully paid. Main activity of the company is contracting but the company is active also in tourism and marketing.

Company partners have been in the sector for 20 years and planned to operate in hotel management with this new investment.

PROJECT JUSTIFICATION

Feasibility study of the Project will be made by Exclusive Villas Inc. based on the achievement of regional plan of TRNC - YAGA. Particularly, the project will contribute to hotel demand during summer term.

SUBJECT AND PLACE OF ESTABLISHMENT

Subject of the project is tourism investment. In the facility with 704 bed capacity; it has been planned to work for tourism. Facility will be located in a company owned Turkish Title land with 26 acres in Karsiyaka Village of Kyrenia.

SECTORIAL INFORMATION

Cyprus is a very attractive region for tourism with natural beauty and temperate climate. Mainly Kyrenia, Famagusta, and Karpas and coastal areas have great importance in terms of investments. Despite the positive features, share of tourism in GDP has low rates. There is a capacity of 19.332 beds in TRNC. According to 2011 data, 590.718 tourists were accommodated and net profit of tourism was 420.000.000 USD.



PRODUCT /SERVICES AND CAPACITY

Facility has a capacity of 256.960 overnight stays a year. With introduction of the investment, there will be 704 overnight stay capacities a day. Marine tourism for summer season and congress and spa tourism for other seasons have been planned.

Unit	Capacity	
	bed/day	bed/year
Hotel	704	256,960
TOTAL	704	256,960

INCENTIVES

Investors are provided custom duty, fund, value added tax and tax benefits with incentives. In order the investor to benefit exemptions, the investor required to obtain "Incentive Certificate" from the State Planning Organization. For this investment, Incentive Certificate was obtained.

Available incentives for this project are as follows.

- Investment discount;
- Priority Development Areas (%200)
- Other Areas (%100)
- Custom duty and fund exemption
- Zero value added tax for domestically obtained or imported machines and equipment.
- Fund source credit opportunities
- Public land or building usage
- Tax and fee related to building permit
- Contribution exception
- Stamp tax reduction related to capital increase
- Fee discount related to mortgage procedures

PROJECT EVALUATION RESULTS

As a result of the economic, technical, and financial evaluation, estimated sale prices and occupancy rates it is determined that financial rehabilitation of the project meets desired criteria.

INVESTOR

Company Executives

Chairman of the Board
John HALLOWAY

Managing Director
John TORRIS

Partnership Structure

Partner A : 39,2 %
Partner B : 46 %
Other : 14,8 %

INVESTMENT

Total Investment (USD)

Fixed Investment : 43.000.000
Managing Capital : 4.000.000
Total Investment : 47.000.000

Financing (USD)

Equity : 47.000.000

Investment Information

Type : Complete New Investment
Period : 3 years
Tech. Duration : 30 years
Employment : 209 persons

Financial Data

IRR : 12 %
Pay Back Time : 7 years



EMEK RESIDENCE

INVESTMENT PROJECT

INVESTOR / COMPANY INFORMATION

The company was established in August 1977. Nominal capital of the company was 664.000 TL and fully paid.

The company's main activity is construction and mainly active in Nicosia, Kyrenia and Famagusta.

Our company is a leader with 30 years of experience in the sector and has planned to expand its portfolio through this investment.

PROJECT JUSTIFICATION

Kyrenia area with intense hotel and university population is one of the areas that get touristic visit intensely. This area is reasonable in terms of this construction investment in both short term and long term aspects.

The Project located in Turkish Title land in city center benefits constantly from TRNC's unique politic position. Therefore, leasing instead of build-sell project will be more reasonable investment in this case.

SUBJECT AND PLACE OF ESTABLISHMENT

Subject of the Project is constructing luxury residents to lease. Consisting of 28 apartments and 6 stores, the Project will have 12 apartments with 3 bedrooms and 16 apartments with 2 bedrooms.

In order to achieve desired customer portfolio, we have planned to work with experienced real estate agents.

The building will be in Kyrenia city center.

SECTORIAL INFORMATION

In Kyrenia, as most popular tourist destination of Cyprus with thousands of domestic and foreign tourists, rental demand in both short term and long term has been increasing for every year.

Target group of the Project has been planned as domestic/ foreign tourist, senior hotel staff, and faculties.

INCENTIVES

No incentive is available.

RESIDENTIAL CAPACITY

There will be 12 apartments with 3 bedrooms and 16 apartments with 2 bedrooms in the building.

MARKETING AND MANAGEMENT TYPE

For the best practice of marketing, we will be working experienced real estate agents. It is possible to work with more than one agent if required.

It is seemed to be appropriate to work with expert outside companies for management and maintenance.

Applicable firms will be invited in the light of their expertise. There will be an agreement with the company that offers the best expertise and price combination. Agreement will be valid for one year and can be cancelled based on the performance.

PROJECT EVALUATION RESULTS

Within the framework of the evaluations; based on 8.1% discount rate, NPV as 105.008,78 USD and IRR as 8.1% are calculated. Payback period is 10 years.



INVESTOR

Investor Establishment

Established : 1997
Activities : Construction
Capital : 664.000 TL
Current Employment : 320 persons

Company Executives

Chairman of the Board :
Burhan YETKILI
Mehmet KAHVECI
Managing Director:
Gani ERSOY

Partnership Structure

Burhan Yetkili and Family
Investments : % 50,00
Europa Ltd. : % 50,00

INVESTMENT

Total Investment (USD)

Fixed Investment : 4.215.857
Managing Capital : 10.000
Total Investment : 14.225.857

Financing (USD)

Equity : 2.112.928
Foreign Source : 2.112.928

Investment Information

Type : Complete New Investment
Period : 2 years
Technical Duration: 50 years
Employment : 5 persons

Financial Data

NPV : \$ 105.008,78
IRR : 8,1 %
Pay Back Time : 10 years



CYPRUSBABYLON RESORT HOTEL

INVESTMENT PROJECT

INVESTOR / COMPANY INFORMATION

SimseklerTesebbüsleri LTD. was established in 2004 as an affiliate of Limak Construction. The company's main activity is to operate the Cyprus Babylon Hotel and the related facilities.

The Parent Company, Limak Construction has been operating, as a leader company in construction sector, since 1976.

Limak International Hotels & Resorts operates 7 hotels with 6.000 bed capacity. All of the tourism investments owned by Limak Group are built and operated by itself. Cyprus Babylon Hotel has been also built by Limak Construction.

PROJECT JUSTIFICATION

Bafra region's tourism potential was carefully evaluated by the investing groups with the help of their know-how and experience in the sector. As a consequence, the decision to realize this project was taken.

In this context, the company will contribute to Turkish Republic of Northern Cyprus (TRNC) tourism by way of enrichment of the tourism facilities.

SUBJECT AND PLACE OF ESTABLISHMENT

The hotel will serve TRNC tourism with its 900 bed capacity, conference rooms as well as with its social and entertainment facilities including its casino.

The hotel is being constructed in Bafra Tourism Investments Zone, precisely in Iskele municipality.

SECTORIAL INFORMATION

Tourism sector is an indispensable factor for the economics of the island and it is one of the main sectors delivering economic development. According to the 2011 data issued by TRNC Ministry of Tourism, Environment and Culture, TRNC's total bed capacity in the touristic facilities was 16,947 in 2010. Among these facilities, the 5-star hotels have a share of 46% with 7,712 bed capacity.

With its 9,000 years old history and 360 kilometers long coasts, TRNC is an ideal place for both history and nature oriented tourism. The shoreline between Gazimagusa and Bogaz where our investment is located hosts beaches which can be as long as 25 km.

SERVICES AND CAPACITY

The hotel will host 484 rooms with various qualities. In addition, 7 conference rooms (with 4,200 seat capacity), a night club, an animation room, a SPA, restaurants, pools and a casino will be available in the facilities. The hotel's casino is designed as a separate building and can be operated completely independently in case the prospective operator prefers to do so.

INCENTIVES

Incentive certificate is available:

- Investment Reduction: 200%
- Customs and Fund Exemption: 100%
- Value Added Tax Ratio: 0%
- Capital Increase Expenses: 0.01%
- Fee Discount related to Mortgage Procedures: 0.01%
- Deductions for Building Permits: %100

PROJECT EVALUATION RESULTS

The economical, technical and financial feasibility of the project were studied in view of sector dynamics as well as market conditions and risks. In this context, the exactness of the projections made for the main items such as construction costs, sale prices, occupancy rates and ongoing expenses have been tested by sensitivity analysis which led to the conclusion that the investment returns of the project are satisfactory and promising.



INVESTOR

Simsekler Tesebbüsleri Ltd.

Investor Establishment

Establishment: 2004
Activities: Hotel Management
Capital : 42.400.000 TL

Company Executives

Board of Directors :
Nihat ÖZDEMİR
Sezai BACAKSIZ
Coordinator:
Kaan KAVALOĞLU

Partnership Structure

Limak Ins.San. ve Tic.A.S. : 99,9%
Diger : 0,1%

Financing

Equity :

Investment

Type : Green Field
Technical Duration : 40 years
Total Investment Amount (USD):
100.000.000
Completed Investment Amount
(USD) : 50.000.000



AGRICULTURE SECTOR OVERVIEW

SECTORIAL INFO

Turkish Republic of Northern Cyprus (TRNC) agriculture sector is comprised of four sub-sectors: crop production, animal husbandry, forestry, and fishery products. Crop production with a significant share influences the total agriculture sector.

WATER PROJECT

With semi-arid climatic condition in the TRNC, particularly lack of water resources has a negative impact on development of agricultural sector. However, with introduction of TRNC supply of drinking water and irrigation project in 2015 (started in 2011 by Turkey), TRNC will have opportunity of 75 million m³ water supplement. This amount of water will improve agriculture while meeting water demand for 50 years in TRNC.

FOREIGN TRADE

In Turkish Republic of Northern Cyprus (TRNC);

- Total imports \$ 1.376 billion \$ in 2006, while exports reached \$ 68.1 million USD.
- With influence of recession in the world economy in 2009, import decreased by \$ 1,326,000,000 but on the contrary, exports increased by 4 percent and reached \$ 71.1 million \$.
- Export of agricultural products was \$ 20.9 million in 2009 with the \$ 14 million for citrus and \$ 2.4 million for potatoes.
- 13 percent of total imports (\$ 171,400,000) in 2009 realized in the form of animal imports.

AGRICULTURAL DATA

Out of 3.298.908 acres- total area in TRNC, 56, 7 percent (1,870,689 acres) is suitable for agriculture. This potential allows production of wide variety of products such as cereals, legumes, fruits, and vegetables. In total agricultural production, share of cereal is 70 percent, share of legumes is 15%, and share of vegetables, fruit and others is 35%.

OPPORTUNITIES AND BENEFITS

Turkish Republic of Northern Cyprus (TRNC):

- Complete resolution for water supply; major bottleneck; beginning from 2015,
- Advantage of strategic partnership with Turkey (Turkey has a strong position in agriculture in the world),
- Providing an efficient investment area for future investments in agricultural sector with incentives related to agriculture field.

(Million \$)	2006	2007	2008	2009
IMPORT				
Food and Live Animals	113,9	162,9	226,2	171,4
Total	1.376,2	1.539,2	1.680,7	1.326,2
EXPORT				
Agricultural Products	24,1	30,7	28,4	20,9
Citrus	19,1	22,7	20,5	14
Potatoes	2,1	3	4,6	2,4
Live Animals	-	-	-	-
Others	2,9	5	3,3	4,5
Total	68,1	83,7	83,7	71,1

Source: SPO - Monitoring and Coordination Department

DENIZ SHOPPING CENTER

INVESTMENT PROJECT

INVESTOR / COMPANY INFORMATION

The nominal capital of the company which was established in 1941 is 1,976,706 TL and the capital is fully paid. Main subject of the company is import and retail chain stores. The company is active in all districts of TRNC.

The company has been active in the sector since 1941 and plans to increase the capital and invest in shopping centers as a new experience in TRNC.

PROJECT JUSTIFICATION

Investment feasibility study was made in the light of objectives of regional plan and programs of YAGA by Ass. Prof. Dr. Erdal Guray for M. Kemal Deniz Inc.

SUBJECT AND PLACE OF ESTABLISHMENT

Project aims to build a shopping center (mall) in Nicosia, capital of TRNC.

The shopping center will be build, on 47 acres, a Turkish owned land, next to Nicosia-Kyrenia highway within the boundaries of municipality of the capital.

SECTORIAL INFORMATION

Retail sector has been mainly driven by small enterprises (98%) in certain districts and streets in TRNC. This leads to heavy traffic, parking problems, and time consuming inner cities. TRNC citizens spend about 100-120 million Euro a year in South Cyprus with intense shopping center capacity due to these issues. The first and new shopping center in TRNC will also attract the customer potential from South Cyprus and offer remedies for parking and other issues.

Taking into account that TRNC citizens have \$2-2.5 billion average annual consumption expenditures, we can say that this shopping center project would be a lucrative business.

SERVICES AND CAPACITY

Projected shopping center consists of 88 shops, 18 restaurant-cafes, 1 large movie theatre, 4 mobile movie theatres, 1 seminar hall, 1 sport hall, and 7,500 m² outdoor sport facility, 14,293 m² indoor parking lot, and 2,350 m² outdoor parking lot.

INCENTIVES

A significant part of the project will benefit from the incentive certificate by addition of hotel project to the project. Investors with incentive certificates benefit from custom duty, fund, and value added tax exemption.

- Investment Tax Credit: 100%
- Custom duties and fund exemption
- Value added tax exemption for machinery and equipment supplied domestically or imported
- State owned land or building supplies
- Tax, duties, and charge exemption related to building permit
- Stamp duty reduction related to capital increases
- Fee discount related to mortgage procedures

PROJET EVALUATION RESULTS

As a result of the economic, technical, and financial evaluation, it is determined that the annuity of the project will meet the desired criteria and resource requirement might be met by company partners.



88 Shops
1 Sport Center
1 Seminar Center
1 Cinema
4 Small Cinemas
18 Restaurants + Cafe

98 Houses
34 Triple Bedroom
32 Double Bedroom
32 Singular Bedroom
TOTAL: 62,612 m²

INVESTOR

Investor Establishment

Established	: 1941
Activities	: Import and retail chain store
Capital	: 1,976,706 TL
Total Employee	: 108 persons

Company Executives

Chairman : Turgay DENIZ
Directors : Nidai DENIZ
Niyazi E. DENIZ

Partnership Structure

Turgay DENIZ	: 34%
Nidai DENIZ	: 33%
Niyazi E. DENIZ	: 33%

Investment

Fixed Investment	: £30,039,733
Capital	: £800,000
Total Investment	: £30,839,733

Financing

Equity	: £800,000
Foreign Sources	: £30,839,733

of Investment

Type	: New Investment
Period	: 2,5 years
Technical Duration	: 30 years
Employment	: 700 persons

Financial Data

NPV	: £5,219,951
IRR	: 56%
Payback Period	: 8 years

CYPRUS GREEN HOUSE

INVESTMENT PROJECT

INVESTOR / COMPANY INFORMATION

Polatkan Tourism Inc. was established in 1987 as a family business. The company's main activities include tourist agency, hotel and restaurant management. All of the activities are operated in TRNC. The company has 2 tourist agencies, 1 hotel, and a 1 restaurant.

The company executives have 25 years of experience in the sector and are well known in Turkey.

PROJECT JUSTIFICATION

An investment feasibility study was conducted in the light of objectives of the regional plans and programs of YAGA by the company. In this context, the company will contribute to eco-tourism that TRNC needs for tourism diversification.

SUBJECT AND PLACE OF ESTABLISHMENT

The hotel, the main theme of the project, has a capacity of 414 beds and consists of 3 sections. One of the sections will have a variety of animals and flora. Another section, called the quiet section, will feature country houses and Cyprus architecture. The main section will provide other services such as lobby, restaurant, hotel, etc. The hotel will operate 365 days a year and will be built in Geziyeren near the sea. The site of the hotel will be 110 acres in area of which 69 acres will be provide by YAGA.



SECTORIAL INFORMATION

Cyprus is a very attractive region for tourism with natural beauty and temperate climate. Kyrenia, Famagusta, and Karpas and coastal areas, mainly, have great importance in terms of investments. Despite the positive features, the share of tourism in GDP has low rates. The main reason is the lack of tourist diversity and international flights. In this context, eco-tourism investment will have an important contribution to diversify tourism.

SERVICES AND CAPACITY

Hotel has a capacity of 151.200 overnight stays. Activities; (1) will have an eco-Agro and partly organic concept, (2) will have features known as green hotel, (3) include horse riding, surfing, golf and traditional products.

Unit	Capacity	
	(bed/day)	(bed/year)
Hotel	144	52650
Country Houses	270	98550
Total	414	151200

INCENTIVES

Incentive certificate is available:

- Investment Reduction: 200%
- Customs and fund exemption: 100%
- Value Added Tax rate: 0%
- Capital Increase Expenses: 0.01%
- Fee Discount related to Mortgage Procedures: 0.01%
- Deductions for Building Permits: All
- Fund-Sourced Credit: 70%

PROJET EVALUATION RESULTS

As a result of the economic, technical, and financial evaluation, estimated sale prices and occupancy rates it is determined that annuity meets desired criteria and required resources might be provided by company partners.

INVESTOR

Polatkan Tourism Inc.

Investor Establishment

Established : 1987
Activities : Tourism
(agency, hotel and restaurant m.)
Capital : \$ 15,000,000
Total no. of Employees: 80 persons

Company Executives

Chairman : H. Zihni POLATKAN
Directors : Okay POLATKAN
Okan POLATKAN

Partnership Structure

Okan POLATKAN : 69.56%
Okay POLATKAN : 30.43%
Others : 0.01%

Financing

Investment : \$ 15,000,000
Equity : \$ 7,500,000
Foreign Sources : \$ 7,500,000

Of Investment

Type : New Investment
Period : 3 years
Technical Duration : 40 years

Financial Data

NPV : \$ 43,000,000
IRR : 22%
Payback Period : 4 years, 7 months

MARISCOS AND FISH SERVICES INC.

INVESTMENT PROJECT

INVESTOR / COMPANY INFORMATION

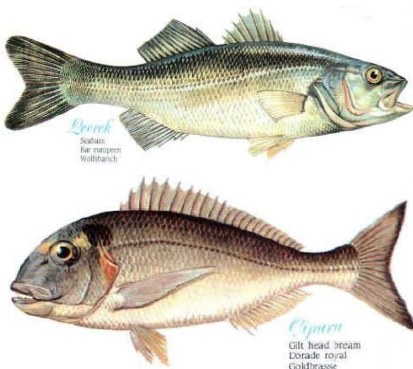
Mariscos and Fish Services Inc. was established in 2005. Capital of the company is 10.000 TL. Main field of activities are water fishing, hunting fisheries, and aquaculture (harvesting); carrying out research and projects related to fishing; processing of fishery products (icing, salting, canning, and smoking); running export and import activities for all kinds of fishery products. Operations of the company are mainly in TRNC. The company conducted studies to develop fishing in TRNC and render consulting for the public and private sectors about scientific matters related to fishing.

PROJECT JUSTIFICATION

An investment feasibility study was conducted by Prof. Dr. Işık K. Oray, Director of Marine Fisheries Research Institute, in Lefka European University, in the light of objectives of regional plan and programs by YAGA. The Project will contribute to meeting demand in sea bass and sea bream.

SUBJECT AND PLACE OF ESTABLISHMENT

The Project aims to produce sea bass and sea bream. Capacity is planned to be 29 tons in the first production stage and then to increase in the following years. Production facility is located in Guzelyurt district of TRNC. For the land allocated for this facility, the company applied to TRNC Directorate of Land Registry and cadastre offices via Guzelyurt District Office in March 16, 2003.



SECTORIAL INFORMATION

Estimated demand for sea bass and bream in TRNC is more than 1100 tons/year and is steadily increasing. Currently, sea bass and bream have been produced in only 2 farms and the production is not sufficient to meet the demand. Sea bass grown in soil pools has more delicious flavor and are healthier as they take 10-15% more natural feed than regular sea fish, and may be sold for higher prices than regular sea fish.

GOODS/SERVICES AND CAPACITY

29 tons/year production of sea bass and bream is planned for the first 15 months production period. Production is scheduled to increase in the following years.

INCENTIVES

Incentive certificates provide investors with custom duty, value added tax, and tax exemption. The company will apply for incentive certificates for his investment. In this context, incentives provided to the project include the following benefits:

- Investment tax credit: 100%.
- Customs duties and fund exemption.
- Value added tax exemption for machinery and equipment supplied domestically or imported.
- Fund source credit opportunities.
- State owned land or building supplies.
- Tax, duties, and charge exemption related to building permit.
- Stamp duty reduction related to capital increases.
- Fee discount related to mortgage procedures.

PROJECT EVALUATION RESULTS

As a result of the economic, technical, and financial evaluation on the basis of estimated sales prices, it is expected that internal profitability of the project payback period and present value of the project will meet the desired criteria.

INVESTOR

Investor Establishment

Established : 2005
Activities : Fishing, Aquaculture and consulting in related areas
Total Employee : 2 persons

Company Executives

Chairman : Prof. Dr. Isik K. ORAY
Directors : Caglar Mehmet Talat ORAY

Investment

Fixed Investment : 281,000 TL
Capital : 29,600 TL
Total Investment : 310,000 TL

Financing

Foreign Sources : 310,800 TL

Information

Type : New Investment
Period : 15 months
Technical Duration : 20 years
Number of Employees : 3 persons

Financial Data

NPV : 1,916,604 TL
IRR : 83%
Payback Period : 1 years, 2 months

EDUCATION SECTOR OVERVIEW

SECTORIAL INFO

Turkish Republic of Northern Cyprus (TRNC) welcomes all investments without any barrier. In line with this understanding, 3 sectors have priority. They are the sectors of tourism, higher education, and agriculture. Higher education features tuition fees, scholarships and student loans in universities and government educational institutions based on certain criteria.

OPPORTUNITIES AND BENEFITS

Turkish Republic of Northern Cyprus (TRNC) features:

- Dormitories in campus and city are available.
- Catering and other services are available.
- Ease of access.
- English medium of instruction is available.
- Equivalent degrees and diplomas acceptable.
- Reasonable fees.

QUANTITATIVE DATA

In TRNC:

- There are 8 universities along with Anadolu University (distant learning) and the Middle East Technical University.
- During the academic year of 2009-2010, there were more than 40.000 foreign students from 65 countries
- Higher education has a significant contribution to the balance of payments and the economy. In 2009, the share of higher education in GDP amounted to \$400 million (12%).
- Enrollment rate at secondary school level is 100 percent and at higher education is 78 percent.
- In the academic year of 2009-2010, the number of students enrolled in higher education was 40.000. It is estimated that this number will reach 67.000 by 2015-2016.

NUMBER OF STUDENTS IN TRNC

	2005-06	2006-07	2007-08	2008-09	2009-10
Eastern Mediterranean University	15.091	12.545	13.809	13.255	11.706
American University	4.898	4.590	4.999	4.936	4.604
Near East University	10.843	11.157	12.536	14.270	11.246
European University of Lefke	2.997	3.043	3.169	3.529	3.118
International American University	-	-	-	-	-
Cyprus International University	3.444	3.280	3.927	4.348	4.494
Anadolu University	4.216	3.490	3.577	4.053	3.827
METU Northern Cyprus Campus	376	674	1.004	1.243	1.436
Total	41.865	38.799	43.021	45.634	40.431

Source: SPO - Monitoring and Coordination Department