

September 17, 2012 – Istanbul, Turkey

BLG Capital Ltd. (“BLG”) is pleased to announce the final closing of BLG Turkish Real Estate Fund LP with total commitments of €142,350,000. Despite the challenging market and fundraising environment for European real estate in 2012, the vertically integrated platform amassed what is believed to be the largest real estate fund focusing on the Turkish market since 2007.

The opportunistic fund is already significantly invested and has developed a robust pipeline of new investment opportunities, principally focused on hospitality, high end residential, student accommodation and mixed-use projects. Current fund investments include the Palazzo Corpi, an Italian-style palace built in 1873 located in the Beyoglu section of Istanbul. Palazzo Corpi is currently under redevelopment and will operate as a private club and luxury hotel with significant F&B operations managed by Soho House.

To capitalize on the vastly underpenetrated student accommodation market in Istanbul, the fund launched a student accommodation platform and management company, Republika Academic Apartments. The fund completed redevelopment of two properties in Istanbul which are operating under the Republika brand with approximately 1,300 beds. These properties are among the first institutional quality products in the market. Additionally, the fund will seek to acquire a company currently warehoused that retains the rights to operate and develop a mixed-use project within the Fatih Forest, a large urban forest area adjacent to Maslak, Istanbul’s most populous CBD.

The fund benefits from a diversified mix of leading institutional investors including university endowments, charitable foundations, pension funds, insurance companies and fund-of-funds from the US, Europe and the Middle East.

“We believe the successful capital raise highlights the attractiveness of the Turkish market as well as an ability on the part of investors to capitalize on the opportunity with a local, vertically integrated team,” said Serdar Bilgili, Principal. “We would like to thank our investors for their strong support and we’re pleased with the quality and diversity of the limited partners, which span geographies and investor types.”

Turkey is one of the world’s fastest growing economies, with GDP growth of 8.5% in 2011 and 9% in 2010. Growth can be attributed to the strength of Turkey’s banking sector, fiscal discipline and a program of economic reforms over the past decade. In addition to a robust and resilient economy, Turkey’s population of approximately 75 million is growing at an annual rate of 1.3%, with the urban population growing 2% annually. These trends are expected to continue over the coming years with 50% of Turkey’s population under the age of 29. The property market remains highly attractive and was ranked 2012’s top investment and development market in Europe by PwC/ULI.

MVision Private Equity Advisers acted as the global placement agent for the fund and Macfarlanes LLP acted as legal counsel.

### **About BLG Capital**

BLG Capital is a real estate investment management firm focused on investments in real estate assets and companies with underlying real estate assets in Turkey and adjacent geographies. BLG

provides institutional and private investors specialized investment platforms to participate in the rapidly growing Turkish real estate market. BLG's principal focus is on hospitality, high end residential, student accommodation and mixed-use assets.

BLG's Principals have a track record of identifying and executing off-market real estate investments, completing high quality, complex development and re-development projects and active property and asset management in Turkey that have resulted in significant value creation and international rewards and recognition. BLG differentiates itself through its unique vision of high-end, lifestyle focused project design and attention to detail combined with creative real estate asset management and significant execution capabilities.

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