

Convenience Translation to English of Consolidated Financial Statements Originally Issued in Turkish  
**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**  
 CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2014  
 (Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

<b>ASSETS</b>		<i>Reviewed</i>	<i>Audited</i>
	Notes	30 June 2014	31 December 2013
<b>CURRENT ASSETS</b>		<b>41,521,574</b>	<b>43,602,611</b>
Cash and cash equivalents	6	27,250,826	30,326,239
Trade receivables	8	12,362,974	6,031,253
- Trade receivables from third parties	8	12,362,974	6,031,253
Other receivables	9	27,024	44,062
- Other receivables from third parties	9	27,024	44,062
Prepaid expenses	17	1,549,786	2,162,893
Other current assets	18	330,964	5,038,164
<b>NON-CURRENT ASSETS</b>		<b>1,497,948,241</b>	<b>1,474,923,421</b>
Other receivables	9	10,008,827	9,780,255
- Other receivables from third parties	9	10,008,827	9,780,255
Investment property	10	1,440,685,572	1,418,898,726
Property and equipment	11	101,388	98,357
Intangible assets	12	42,898	44,321
- Other intangible assets	12	42,898	44,321
Prepaid expenses	17	10,487,926	11,770,339
Deferred tax assets	25	1,222,796	1,133,551
Other non-current assets	18	35,398,834	33,197,872
<b>TOTAL ASSETS</b>		<b>1,539,469,815</b>	<b>1,518,526,032</b>

The accompanying notes form an integral part of these consolidated financial statements.

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 CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2014  
 (Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

<b>LIABILITIES</b>		<i>Reviewed</i>	<i>Audited</i>
	Notes	30 June 2014	31 December 2013
<b>CURRENT LIABILITIES</b>		<b>106,417,777</b>	<b>105,200,282</b>
Short term financial liabilities	7	25,254,139	8,504,390
Short term portion of long term financial liabilities	7	73,741,139	83,782,797
Trade payables	8	3,400,446	11,236,283
- Trade payables to related parties	8	739,603	751,010
- Other trade payables to third parties	8	2,660,843	10,485,273
Other payables	9	1,013,957	781,985
- Other payables to third parties	9	1,013,957	781,985
Deferred income	17	2,318,792	--
Short term provisions	16	397,638	360,243
- Short term provisions for employee benefits	16	397,638	360,243
Other current liabilities	18	291,666	534,584
<b>NON-CURRENT LIABILITIES</b>		<b>492,301,400</b>	<b>480,534,217</b>
Long term financial liabilities	7	418,990,981	408,511,424
Long term provisions	16	64,257	48,512
- Long term provisions for employee benefits	16	64,257	48,512
Deferred tax liability	25	69,502,880	68,474,722
Other non-current liabilities	18	3,743,282	3,499,559
<b>EQUITY</b>	19	<b>940,750,638</b>	<b>932,791,533</b>
<b>Equity attributable to equity holders of parent</b>		<b>906,449,277</b>	<b>897,881,682</b>
Paid in capital		184,000,000	184,000,000
Adjustment to share capital		317,344	317,344
Purchase of share of entity under common control		53,748,727	53,748,727
Share premiums		58,880,000	58,880,000
Other comprehensive income to be reclassified to profit or loss		(2,580,214)	2,987,760
- Currency translation differences		(2,580,214)	2,987,760
Restricted reserves allocated from profit		4,147	4,147
Retained earnings		597,943,704	479,940,859
Net profit for the period		14,135,569	118,002,845
<b>Non-controlling interests</b>		<b>34,301,361</b>	<b>34,909,851</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,539,469,815</b>	<b>1,518,526,032</b>

The accompanying notes form an integral part of these consolidated financial statements.

Convenience Translation to English of Consolidated Financial Statements Originally Issued in Turkish  
**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**  
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 JUNE 2014  
(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

	Notes	Reviewed 1 January - 30 June 2014	Not reviewed 1 April - 30 June 2014	Reviewed 1 January - 30 June 2013	Not reviewed 1 April - 30 June 2013
<b>PROFIT OR LOSS</b>					
Revenue	20	24,713,964	13,200,655	20,119,046	11,435,534
Cost of sales	20	(2,855,227)	(1,477,256)	(2,463,340)	(1,198,422)
<b>GROSS PROFIT</b>		<b>21,858,737</b>	<b>11,723,399</b>	<b>17,655,706</b>	<b>10,237,112</b>
General administrative expenses	21	(3,310,082)	(1,798,015)	(4,026,182)	(1,882,575)
Other operating income	22	7,024,768	6,251,729	1,351,167	55,560
Other operating expenses	22	(1,868,469)	(358,063)	(1,237,321)	(1,065,218)
<b>OPERATING PROFIT</b>		<b>23,704,954</b>	<b>15,819,050</b>	<b>13,743,370</b>	<b>7,344,879</b>
Financial income	23	22,051,901	21,836,513	4,986,764	975,195
Financial expenses	24	(30,572,242)	(5,386,731)	(34,293,048)	(28,665,249)
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>15,184,613</b>	<b>32,268,832</b>	<b>(15,562,914)</b>	<b>(20,345,175)</b>
Current tax (expense)/ income	25	(1,657,534)	(2,643,810)	192,068	959,282
- Deferred tax (expense)/income	25	(1,657,534)	(2,643,810)	192,068	959,282
<b>NET PROFIT/(LOSS) FOR THE PERIOD</b>		<b>13,527,079</b>	<b>29,625,022</b>	<b>(15,370,846)</b>	<b>(19,385,893)</b>
<b>Attribution of (expense)/income for the period</b>					
Non-controlling interest		(608,490)	27,369	(1,192,147)	(769,160)
Attributable to equity holders of the		14,135,569	29,597,653	(14,178,699)	(18,616,733)
<b>Net profit/(loss) for the period</b>		<b>13,527,079</b>	<b>29,625,022</b>	<b>(15,370,846)</b>	<b>(19,385,893)</b>
Earnings per share (Full TL)	26	0,08	0,16	(0,08)	(0,10)
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>13,527,079</b>	<b>29,625,022</b>	<b>(15,370,846)</b>	<b>(19,385,893)</b>
<b>OTHER COMPREHENSIVE (LOSS)/INCOME</b>					
Items to be reclassified to profit or loss		(5,567,974)	5,246,768	(390,442)	972,781
Change in currency translation differences		(5,567,974)	5,246,768	(390,442)	972,781
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>		<b>7,959,105</b>	<b>34,871,790</b>	<b>(15,761,288)</b>	<b>(18,413,112)</b>
<b>Attribution of total comprehensive (loss)/income:</b>					
Non-controlling interest		(608,490)	27,369	(1,192,147)	(769,160)
Attributable to equity holders of the		8,567,595	34,844,421	(14,569,141)	(17,643,952)

The accompanying notes form an integral part of these consolidated financial statements.

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 30 JUNE 2014**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

	Paid in Capital	Adjustment to share capital	Share premiums	Purchase of share of entity under common control	Other comprehensive income items to be reclassified to profit or loss	Retained earnings			Equity attributable of equity holders of the parent	Non-controlling interests	Total Equity
						Restricted reserves allocated from profit	Retained earnings	Net (loss)/profit for the period			
Balance as at 1 January 2013	184,000,000	317,344	58,880,000	53,748,727	1,401,740	4,147	455,739,024	24,201,835	778,292,817	30,978,935	809,271,752
Transfers	--	--	--	--	--	--	24,201,835	(24,201,835)	--	--	--
Total comprehensive loss	--	--	--	--	(390,442)	--	--	(14,178,699)	(14,569,141)	(1,192,147)	(15,761,288)
Change in non-controlling interests	--	--	--	--	--	--	--	--	--	(14,303)	(14,303)
<b>Balance as at 30 June 2013</b>	<b>184,000,000</b>	<b>317,344</b>	<b>58,880,000</b>	<b>53,748,727</b>	<b>1,011,298</b>	<b>4,147</b>	<b>479,940,859</b>	<b>(14,178,699)</b>	<b>763,723,676</b>	<b>29,772,485</b>	<b>793,496,161</b>
Balance as at 1 January 2014	184,000,000	317,344	58,880,000	53,748,727	2,987,760	4,147	479,940,859	118,002,845	897,881,682	34,909,851	932,791,533
Transfers	-	-	-	-	-	-	118,002,845	(118,002,845)	-	-	-
Total comprehensive loss/(income)	-	-	-	-	(5,567,974)	-	-	14,135,569	8,567,595	(608,490)	7,959,105
<b>Balance as at 30 June 2014</b>	<b>184,000,000</b>	<b>317,344</b>	<b>58,880,000</b>	<b>53,748,727</b>	<b>(2,580,214)</b>	<b>4,147</b>	<b>597,943,704</b>	<b>14,135,569</b>	<b>906,449,277</b>	<b>34,301,361</b>	<b>940,750,638</b>

The accompanying notes form an integral part of these consolidated financial statements.

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**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 JUNE 2014**  
*(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)*

	<u>Notes</u>	<u>Reviewed</u> <u>30 June</u> <u>2014</u>	<u>Reviewed</u> <u>30 June</u> <u>2013</u>
<b>A. Cash flows from operating activities</b>			
<b>Net profit for the period</b>		<b>13,527,079</b>	<b>(15,370,846)</b>
<i>Adjustments to reconcile profit to cash provided by operating activities:</i>			
Adjustments for depreciation and amortization expense	11,12	23,409	30,680
Adjustments for change in provisions for employee termination benefits and unused vacation	16	53,140	46,655
Adjustments for change in other provisions		--	(38,617)
Adjustments for interest income and expense		11,364,098	9,548,938
Adjustments for foreign currency exchange differences		(2,660,071)	20,761,710
Adjustments for rent expense accrual	18	805	37,742
Adjustments for tax expense/(income)		1,657,534	(192,068)
		<b>23,965,994</b>	<b>14,824,194</b>
<b>Net working capital changes in:</b>			
Trade receivables		(6,331,721)	(3,278,148)
Other receivables from operating activities		(211,534)	(770,738)
Change in other current and noncurrent assets		4,401,757	(795,318)
Trade payables		(7,828,791)	877,311
Other payables from operating activities		1,825,096	1,939,511
<b>Cash provided from operating activities</b>		<b>15,820,801</b>	<b>12,796,812</b>
Severance indemnity and vacation liability paid		--	(14,239)
<b>Net cash provided from operating activities</b>		<b>15,820,801</b>	<b>12,782,573</b>
<b>B. Cash flows from investing activities</b>			
Cash outflow from acquisition of property, equipment and intangible assets		(25,017)	(4,360)
Cash inflow from sale of property, equipment and intangible Assets		--	2,102
Acquisition of investment property		(32,332,422)	(24,145,340)
Interest received		110,135	312,065
<b>Net cash used in investment activities</b>		<b>(32,247,304)</b>	<b>(23,835,533)</b>
<b>C. Cash flows from financing activities</b>			
Proceeds from issuance of financial liabilities		101,538,704	80,505,331
Repayment of financial liabilities		(76,713,381)	(46,704,399)
Change in project, reserve accounts		3,155,570	(10,777,704)
Interest received		248,290	196,687
Interest paid		(11,722,523)	(10,057,691)
Other cash outflows		--	(14,303)
<b>Net cash provided by financing activities</b>		<b>16,506,660</b>	<b>13,147,921</b>
<b>Net increase in cash and cash equivalents</b>		<b>80,157</b>	<b>2,094,961</b>
Cash and cash equivalents at the beginning of the period		22,446,202	28,002,325
<b>Cash and cash equivalents at the end of the period</b>	<b>6</b>	<b>22,526,359</b>	<b>30,097,286</b>

The accompanying notes form an integral part of these consolidated financial statements.