

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĐI ANONİM ŐİRKETİ

**CONVENIENCE TRANSLATION TO ENGLISH OF
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE PERIOD ENDED
30 SEPTEMBER 2014
(ORIGINALLY ISSUED IN TURKISH)**

CONVENIENCE TRANSLATION TO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2014

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

ASSETS	Notes	<i>Not reviewed</i> 30 September 2014	<i>Audited</i> 31 December 2013
CURRENT ASSETS		51,627,497	43,602,611
Cash and cash equivalents	6	32,801,464	30,326,239
Trade receivables	8	13,245,447	6,031,253
- <i>Trade receivables from third parties</i>	8	<i>13,245,447</i>	<i>6,031,253</i>
Other receivables	9	21,740	44,062
- <i>Other receivables from third parties</i>	9	<i>21,740</i>	<i>44,062</i>
Prepaid expenses	17	1,122,353	2,162,893
Other current assets	18	4,436,493	5,038,164
NON-CURRENT ASSETS		1,479,462,573	1,474,923,421
Other receivables	9	10,150,784	9,780,255
- <i>Other receivables from third parties</i>	9	<i>10,150,784</i>	<i>9,780,255</i>
Investment property	10	1,426,872,257	1,418,898,726
Property and equipment	11	97,314	98,357
Intangible assets	12	42,472	44,321
- <i>Other intangible assets</i>	12	<i>42,472</i>	<i>44,321</i>
Prepaid expenses	17	9,975,546	11,770,339
Deferred tax assets	25	1,327,304	1,133,551
Other non-current assets	18	30,996,896	33,197,872
TOTAL ASSETS		1,531,090,070	1,518,526,032

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 BALANCE SHEET AS AT 30 SEPTEMBER 2014

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

LIABILITIES	Notes	<i>Not reviewed</i> 30 September 2014	<i>Audited</i> 31 December 2013
CURRENT LIABILITIES		111,551,215	105,200,282
Short term financial liabilities	7	21,406,256	8,504,390
Short term portion of long term financial liabilities	7	83,145,998	83,782,797
Trade payables	8	1,650,257	11,236,283
- <i>Trade payables to related parties</i>	8	739,476	751,010
- <i>Other trade payables to third parties</i>	8	910,781	10,485,273
Other payables	9	1,060,272	781,985
- <i>Other payables to third parties</i>	9	1,060,272	781,985
Deferred income	17	3,389,719	-
Short term provisions	16	352,716	360,243
- <i>Short term provisions for employee benefits</i>	16	352,716	360,243
Other current liabilities	18	545,997	534,584
NON-CURRENT LIABILITIES		488,283,287	480,534,217
Long term financial liabilities	7	417,435,307	408,511,424
Long term provisions	16	52,992	48,512
- <i>Long term provisions for employee benefits</i>	16	52,992	48,512
Deferred tax liability	25	66,915,040	68,474,722
Other non-current liabilities	18	3,879,948	3,499,559
EQUITY	19	931,255,568	932,791,533
Equity attributable to equity holders of parent		897,441,004	897,881,682
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		(19,025,085)	2,987,760
- <i>Currency translation differences</i>		(19,025,085)	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		21,572,167	118,002,845
Non-controlling interests		33,814,564	34,909,851
TOTAL EQUITY AND LIABILITIES		1,531,090,070	1,518,526,032

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 SEPTEMBER 2014

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

	Notes	Not reviewed 1 January - 30 September 2014	Not reviewed 1 July - 30 September 2014	Not reviewed 1 January - 30 September 2013	Not reviewed 1 July - 30 September 2013
PROFIT OR LOSS					
Revenue	20	37,650,784	12,936,820	31,039,660	10,920,614
Cost of sales	20	(4,244,077)	(1,388,850)	(3,827,404)	(1,364,064)
GROSS PROFIT		33,406,707	11,547,970	27,212,256	9,556,550
General administrative expenses	21	(4,634,568)	(1,324,486)	(5,900,484)	(1,874,302)
Other operating income	22	19,673,278	12,648,510	2,422,738	1,071,571
Other operating expenses	22	(2,106,219)	(237,751)	(2,140,759)	(903,438)
OPERATING PROFIT		46,339,198	22,634,243	21,593,751	7,850,381
Financial income	23	22,348,974	297,073	6,011,446	1,024,682
Financial expenses	24	(47,451,465)	(16,879,223)	(63,378,368)	(29,085,320)
PROFIT/(LOSS) BEFORE TAX		21,236,707	6,052,093	(35,773,171)	(20,210,257)
Current tax (expense)/ income	25	(759,827)	897,708	1,041,155	849,087
- Deferred tax (expense)/income	25	(759,827)	897,708	1,041,155	849,087
NET PROFIT/(LOSS) FOR THE PERIOD		20,476,880	6,949,801	(34,732,016)	(19,361,170)
Attribution of (loss)/income for the period					
Non-controlling interest		(1,095,287)	(486,797)	(1,673,600)	(481,453)
Attributable to equity holders of the parent		21,572,167	7,436,598	(33,058,416)	(18,879,717)
Net profit/(loss) for the period		20,476,880	6,949,801	(34,732,016)	(19,361,170)
Earnings per share (Full TL)	26	0,12	0,04	(0,18)	(0,10)
PROFIT/(LOSS) FOR THE PERIOD		20,476,880	6,949,801	(34,732,016)	(19,361,170)
OTHER COMPREHENSIVE (LOSS)/INCOME					
		(22,012,845)	(16,444,871)	2,625,933	3,016,375
Items to be reclassified to profit or loss					
		(22,012,845)	(16,444,871)	2,625,933	3,016,375
Change in currency translation differences		(22,012,845)	(16,444,871)	2,625,933	3,016,375
TOTAL COMPREHENSIVE LOSS		(1,535,965)	(9,495,070)	(32,106,083)	(16,344,795)
Attribution of total comprehensive loss:					
Non-controlling interest		(1,095,287)	(486,797)	(1,673,600)	(481,453)
Attributable to equity holders of the parent		(440,678)	(9,008,273)	(30,432,483)	(15,863,342)

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 CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2014

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

	Paid-in Capital	Adjustment to Share Capital	Share Premium	Purchase of share of under entity common control	Other Comprehensive Income and items to be reclassified to Profit or Loss Foreign currency translation reserve	Restricted reserves allocated Restricted from profit	Retained Earnings		Equity attributable of equity holders of the parent	Non controlling interests	Total Equity
							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	455,759,024	24,201,835	778,292,817	30,978,935	809,271,752
Transfers	-	-	-	-	-	-	24,201,835	(24,201,835)	-	-	-
Total comprehensive income /(loss)	-	-	-	-	2,625,933	-	-	(33,058,416)	(30,432,483)	(1,673,600)	(32,106,083)
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	360,391	360,391
Balance as at 30 September 2013	184,000,000	317,344	58,880,000	53,748,727	4,027,673	4,147	479,940,859	(33,058,416)	747,860,334	29,665,726	777,526,060
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	-	-	-	-	(22,012,845)	-	-	21,572,167	(440,678)	(1,095,287)	(1,535,965)
Balance as at 30 September 2014	184,000,000	317,344	58,880,000	53,748,727	(19,025,085)	4,147	597,943,704	21,572,167	897,441,004	33,814,564	931,255,568

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 CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2014

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

	Notes	Not reviewed 1 January- 30 September 2014	Not reviewed 1 January - 30 September 2013
A. Cash flows from operating activities			
Net profit/(loss) for the period		20,476,880	(34,732,016)
<i>Adjustments to reconcile profit to cash provided by operating activities:</i>			
Adjustments for depreciation and amortization expense	11,12	27,909	44,555
Adjustments for change in provisions for employee termination benefits and unused vacation	16	(3,047)	60,107
Adjustments for interest income and expense		16,531,708	16,014,134
Adjustments for foreign currency exchange differences		7,087,838	47,230,530
Adjustments for rent expense accrual	18	391,802	477,518
Adjustments for tax expense/(income)		759,827	(1,041,155)
		45,272,917	28,053,673
Net working capital changes in:			
Trade receivables		(7,214,194)	(2,510,603)
Other receivables from operating activities		(348,207)	(1,621,250)
Change in other current and noncurrent assets		5,637,980	(10,591,708)
Trade payables		(9,591,542)	3,926,384
Other payables from operating activities		1,160,260	7,232,070
Cash provided from operating activities		34,917,214	24,488,566
Severance indemnity and vacation liability paid		--	(19,425)
Net cash provided from operating activities		34,917,214	24,469,141
B. Cash flows from investing activities			
Cash outflow from acquisition of property, equipment and intangible assets		(25,017)	(15,839)
Cash inflow from sale of property, equipment and intangible Assets		--	2,102
Acquisition of investment property		(46,006,016)	(74,889,767)
Interest received		202,096	514,622
Net cash used in investment activities		(45,828,937)	(74,388,882)
C. Cash flows from financing activities			
Proceeds from issuance of financial liabilities		142,763,536	163,809,992
Repayment of financial liabilities		(112,642,783)	(89,722,365)
Change in project, reserve accounts		5,179,284	(9,097,477)
Interest received		364,953	196,687
Interest paid		(17,098,758)	(16,725,443)
Other cash outflows		--	360,391
Net cash provided by financing activities		18,566,232	48,821,785
Net increase in cash and cash equivalents		7,654,509	(1,097,956)
Cash and cash equivalents at the beginning of the period		22,446,202	28,002,325
Cash and cash equivalents at the end of the period	6	30,100,711	26,904,369

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