

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF BALANCE SHEET AS AT 31 DECEMBER 2013

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

ASSETS		<i>Audited</i>	<i>Audited</i>
	Notes	31 December 2013	31 December 2012
CURRENT ASSETS		43,602,611	43,167,053
Cash and cash equivalents	6	30,326,239	28,002,325
Trade receivables	8	6,031,253	6,321,166
- <i>Trade receivables from third parties</i>	8	6,031,253	6,321,166
Other receivables	9	44,062	39,894
- <i>Other receivables from third parties</i>	9	44,062	39,894
Prepaid expenses	17	2,162,893	4,987,994
Other current assets	18	5,038,164	3,815,674
NON-CURRENT ASSETS		1,474,923,421	1,135,860,584
Other receivables	9	9,780,255	7,417,056
- <i>Other receivables from third parties</i>	9	9,780,255	7,417,056
Investment property	10	1,418,898,726	1,090,344,950
Property and equipment	11	98,357	138,843
Intangible assets	12	44,321	4,077
- <i>Other intangible assets</i>	12	44,321	4,077
Prepaid expenses	17	11,770,339	7,587,942
Deferred tax assets	25	1,133,551	1,017,380
Other non-current assets	18	33,197,872	29,350,336
TOTAL ASSETS		1,518,526,032	1,179,027,637

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

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF BALANCE SHEET AS AT 31 DECEMBER 2013

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

LIABILITIES	<i>Audited</i>	<i>Audited</i>
Notes	31 December 2013	31 December 2012
CURRENT LIABILITIES	105,200,282	80,690,897
Short term financial liabilities	7 8,504,390	2,504,334
Short term portion of long term financial liabilities	7 83,782,797	71,570,624
Trade payables	8 11,236,283	5,265,216
- Trade payables to related parties	8 751,010	--
- Other trade payables to third parties	8 10,485,273	5,265,216
Other payables	9 781,985	429,613
- Other payables to third parties	9 781,985	429,613
Short term provisions	16 360,243	195,836
- Short term provisions for employee benefits	16 360,243	195,836
Other current liabilities	18 534,584	725,274
NON-CURRENT LIABILITIES	480,534,217	289,064,988
Long term financial liabilities	7 408,511,424	243,855,268
Long term provisions	16 48,512	18,312
- Long term provisions for employee benefits	16 48,512	18,312
Deferred tax liability	25 68,474,722	42,423,502
Other non-current liabilities	18 3,499,559	2,767,906
EQUITY	932,791,533	809,271,752
Equity attributable to equity holders of parent	897,881,682	778,292,817
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	2,987,760	1,401,740
- Currency translation differences	2,987,760	1,401,740
Restricted reserves allocated from profit	4,147	4,147
Retained earnings	479,940,859	455,739,024
Net profit for the period	118,002,845	24,201,835
Non-controlling interests	34,909,851	30,978,935
TOTAL EQUITY AND LIABILITIES	1,518,526,032	1,179,027,637

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 YEAR ENDED 31 DECEMBER 2013
(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

	Notes	Audited 1 January - 31 December 2013	Audited 1 January - 31 December 2012
PROFIT OR LOSS			
Revenue	20	41,262,185	32,047,644
Cost of sales	20	(5,338,972)	(4,494,226)
GROSS PROFIT		35,923,213	27,553,418
General administrative expenses	21	(6,977,188)	(7,889,052)
Fair value gain/(loss) on operating investment property, net	22	129,095,817	(43,809,105)
Fair value gain on investment property under development	22	76,511,485	40,000,384
Other operating income	22	2,720,670	18,103,589
Other operating expenses	22	(4,106,114)	(1,561,717)
OPERATING PROFIT		233,167,883	32,397,517
Financial income	23	53,112,511	50,178,624
Financial expenses	24	(143,664,342)	(60,597,398)
PROFIT BEFORE TAX		142,616,052	21,978,743
Current tax (expense)/income	25	(21,266,153)	935,727
- Deferred tax (expense)/income	25	(21,266,153)	935,727
NET PROFIT FOR THE PERIOD		121,349,899	22,914,470
Attribution of income for the period			
Non-controlling interest		3,347,054	(1,287,365)
Attributable to equity holders of the parent		118,002,845	24,201,835
Net profit for the period		121,349,899	22,914,470
Earnings per share (Full TL)	26	0.64	0.13
PROFIT FOR THE PERIOD		121,349,899	22,914,470
OTHER COMPREHENSIVE INCOME/(EXPENSE)			
Items to be reclassified to profit or loss		1,586,020	(1,327,862)
Change in currency translation differences		1,586,020	(1,327,862)
TOTAL COMPREHENSIVE INCOME		122,935,919	21,586,608
Attribution of total comprehensive income:			
Non-controlling interest		3,347,054	(1,287,365)
Attributable to equity holders of the parent		119,588,865	22,873,973

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 AS AT 31 DECEMBER 2013

(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	
					Foreign currency translation reserve	Restricted reserves allocated from profit	Retained earnings				Net profit for the period
Balance as at 1 January 2012	184,000,000	317,344	58,880,000	53,748,727	2,729,602	4,147	255,940,250	199,798,774	755,418,844	30,407,234	785,826,078
Transfers	--	--	--	--	--	--	199,798,774	(199,798,774)	--	--	--
Total comprehensive income/(loss)	--	--	--	--	(1,327,862)	--	--	24,201,835	22,873,973	(1,287,365)	21,586,608
Change in non-controlling interests	--	--	--	--	--	--	--	--	--	1,859,066	1,859,066
Balance as at 31 December 2012	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
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 income	--	--	--	--	1,586,020	--	--	118,002,845	119,588,865	3,347,054	122,935,919
Change in non-controlling interests	--	--	--	--	--	--	--	--	--	583,862	583,862
Balance as at 31 December 2013	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

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 YEAR ENDED 31 DECEMBER 2013
(Amounts are expressed in Turkish Lira (“TL”) unless otherwise stated.)

	<u>Notes</u>	<u>Audited</u> <u>31 December</u> <u>2013</u>	<u>Audited</u> <u>31 December</u> <u>2012</u>
A. Cash flows from operating activities			
Net profit for the period		121,349,899	22,914,470
<i>Adjustments to reconcile profit to cash provided by operating activities:</i>			
Adjustments for depreciation and amortization expense	11,12	51,907	61,394
Adjustments for change in provisions for employee termination benefits and unused vacation	16	207,782	88,097
Adjustments for change in other provisions		2,752,344	(1,881,414)
Adjustments for interest income and expense	23,24	22,361,210	17,525,367
Fair value (gain)/loss on investment property	22	(205,607,302)	3,808,721
Adjustments for foreign currency exchange differences		66,169,868	(6,358,461)
Adjustments for rent expense accrual	18	540,963	912,306
Adjustments for tax expense/(income)	25	21,266,153	(935,727)
		29,092,824	36,134,753
Net working capital changes in:			
Trade receivables		289,913	(1,731,706)
Other receivables from operating activities		(2,367,367)	(1,511,175)
Change in other current and noncurrent assets		(6,427,322)	6,940,878
Trade payables		3,245,391	514,827
Other payables from operating activities		4,994,599	(2,433,259)
Cash provided from operating activities		28,828,038	37,914,318
Severance indemnity and vacation liability paid		(13,175)	(90,957)
Net cash provided from operating activities		28,814,863	37,823,361
B. Cash flows from investing activities			
Cash outflow from acquisition of property, equipment and intangible assets	11,12	(51,665)	(83,436)
Acquisition of investment property	10	(95,790,800)	(40,362,146)
Interest received		492,117	958,929
Net cash used in investment activities		(95,350,348)	(39,486,653)
C. Cash flows from financing activities			
Proceeds from issuance of financial liabilities		250,819,956	154,912,380
Repayment of financial liabilities		(159,691,091)	(116,413,878)
Change in project, reserve accounts		(7,880,037)	--
Interest received		353,077	347,855
Interest paid		(23,206,405)	(18,832,151)
Other cash outflows		583,862	1,859,066
Net cash provided by financing activities		60,979,362	21,873,272
Net (decrease)/increase in cash and cash equivalents		(5,556,123)	20,209,980
Cash and cash equivalents at the beginning of the period		28,002,325	7,792,345
Cash and cash equivalents at the end of the period	6	22,446,202	28,002,325

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