

Akfen Gayrimenkul Yatırım Ortaklığı
Anonim Şirketi

Convenience Translation to
English of
Individual Financial Statements
As at and for the year Ended
31 December 2014
With Independent Auditors' Report on
Audit of Consolidated Financial Statements
(Originally issued in Turkish)

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

INDIVIDUAL BALANCE SHEET AS AT 31 DECEMBER 2014

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

ASSETS	Notes	Audited	Not audited
		31 December 2014	31 December 2013
CURRENT ASSETS		4,320,117	4,134,283
Cash and cash equivalents	4	232,262	409,421
Trade receivables	6	3,934,495	3,605,450
- Trade receivables from third parties	6	3,934,495	3,605,450
Other receivables	7	-	1,805
- Other receivables from third parties	7	-	1,805
Prepaid expenses	16	62,455	32,236
Other current assets	17	90,905	85,371
NON-CURRENT ASSETS		894,577,549	910,590,191
Financial investments	8	156,154,435	147,945,964
- Subsidiaries	8	156,154,435	147,945,964
Other receivables	7	101,737	73,593
- Other receivables from third parties	7	101,737	73,593
Investment property	9	716,292,000	737,445,000
Property and equipment	10	44,149	36,540
Intangible assets	11	4,267	6,541
- Other intangible assets	11	4,267	6,541
Prepaid expenses	16	10,687	853,663
Other non-current assets	17	21,970,274	24,228,890
TOTAL ASSETS		898,897,666	914,724,474

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

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

INDIVIDUAL BALANCE SHEET AS AT 31 DECEMBER 2014

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

LIABILITIES		<i>Audited</i>	<i>Not audited</i>
	Notes	31 December 2014	31 December 2013
CURRENT LIABILITIES		99.630.961	78,695,344
Short term financial liabilities	5	31.808.759	8,504,390
Short term portion of long term financial liabilities	5	65.336.695	65,442,657
Trade payables	6	953.935	3,962,599
- Trade payables to related parties	6	721.394	751,010
- Other trade payables to third parties	6	232.541	3,211,589
Other payables	7	110.319	16,161
- Other payables to third parties	7	110.319	16,161
Short term provisions	15	230.904	234,954
- Short term provisions for employee benefits	15	230.904	234,954
Other current liabilities	17	1.190.349	534,583
NON-CURRENT LIABILITIES		189.778.078	211,248,766
Long term financial liabilities	5	186.486.522	207,700,694
Long term provisions	15	59.832	48,512
- Long term provisions for employee benefits	15	59.832	48,512
Other non-current liabilities	17	3.231.724	3,499,560
EQUITY	18	609.488.627	624,780,364
Paid in capital		184,000,000	184,000,000
Adjustment to share capital		317,344	317,344
Share premiums		58,880,000	58,880,000
Restricted reserves allocated from profit		4,147	4,147
Retained earnings		381,578,873	338,686,361
Net (loss)/profit for the period		(15.291.737)	42,892,512
TOTAL EQUITY AND LIABILITIES		898.897.666	914,724,474

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

Convenience Translation to English of Individual Financial Statements Originally Issued in Turkish
AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ
INDIVIDUAL STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014
(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

	Notes	Audited 1 January - 31 December 2014	Not Audited 1 January - 31 December 2014
PROFIT OR LOSS			
Revenue	19	23,774,412	22,998,964
Cost of sales	19	(2,766,270)	(2,493,503)
GROSS PROFIT		21,008,142	20,505,461
General administrative expenses	20	(2,930,031)	(3,074,923)
Fair value gain on operating investment property, net	21	(27,647,588)	86,805,224
Other operating income	21	126,743	109,895
Other operating expenses	21	(273,296)	(88,814)
OPERATING (LOSS)/PROFIT		(9,716,030)	104,256,843
Financial income	22	17,140,547	2,615,796
Financial expenses	23	(22,716,254)	(63,980,127)
(LOSS)/PROFIT BEFORE TAX		(15,291,737)	42,892,512
Current tax expense		-	-
NET (LOSS)/PROFIT FOR THE YEAR		(15,291,737)	42,892,512
Earnings per share (Full TL)	25	(0.08)	0.23
(LOSS)/PROFIT FOR THE YEAR		(15,291,737)	42,892,512
OTHER COMPREHENSIVE INCOME			
Items to be reclassified to profit or loss		-	-
Change in currency translation differences		-	-
TOTAL COMPREHENSIVE INCOME		(15,291,737)	42,892,512
Attribution of total comprehensive income:			
Non-controlling interest		-	-
Attributable to equity holders of the parent		(15,291,737)	42,892,512

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

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

INDIVIDUAL STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

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

	Retained earnings					Total Equity	
	Paid in Capital	Adjustment to share capital	Share premiums	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	4,147	305,681,655	33,004,706	581,887,852
Transfers	-	-	-	-	33,004,706	(33,004,706)	-
Total comprehensive income	-	-	-	-	-	42,892,512	42,892,512
Balance as at 31 December 2013	184,000,000	317,344	58,880,000	4,147	338,686,361	42,892,512	624,780,364
Balance as at 1 January 2014	184,000,000	317,344	58,880,000	4,147	338,686,361	42,892,512	624,780,364
Transfers	-	-	-	-	42,892,512	(42,892,512)	-
Total comprehensive (loss)	-	-	-	-	-	(15,291,737)	(15,291,737)
Balance as at 31 December 2014	184,000,000	317,344	58,880,000	4,147	381,578,873	(15,291,737)	609,488,627

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

Convenience Translation to English of Individual Financial Statements Originally Issued in Turkish
AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ
INDIVIDUAL STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014
(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

	<u>Notes</u>	<u>Audited</u> 31 December 2014	<u>Not audited</u> 31 December 2013
A. Cash flows from operating activities			
Net profit for the period		(15,291,737)	42,892,512
<i>Adjustments to reconcile profit to cash provided by operating activities:</i>			
Adjustments for depreciation and amortization expense	10,11	19,682	37,084
Adjustments for change in provisions for employee termination benefits and unused vacation	15	7,270	181,868
Fair value (loss)/gain on operating investment property, net	21	27,647,588	(86,805,224)
Adjustments for interest income and expense		16,090,991	12,168,267
Adjustments for foreign currency exchange differences		(11,014,890)	50,041,982
Adjustments for rent expense accrual		387,930	540,963
		17,846,834	19,057,452
Net working capital changes in:			
Trade receivables		(329,045)	1,547,965
Other receivables from operating activities		(26,339)	73,649
Change in other current and noncurrent assets		3,065,839	1,206,549
Trade payables		(3,008,664)	1,936,379
Other payables from operating activities		94,158	(186,908)
Cash provided from operating activities		17,642,783	23,635,086
Severance indemnity and vacation liability paid		-	(13,175)
Net cash provided from operating activities		17,642,783	23,621,911
B. Cash flows from investing activities			
Capital increase of subsidiary	8	(8,208,471)	(13,997,652)
Cash outflow from acquisition of property, equipment and intangible assets	10,11	(25,017)	(16,047)
Acquisition of investment property	9	(6,494,588)	(34,958,776)
Net cash used in investment activities		(14,728,076)	(48,972,475)
C. Cash flows from financing activities			
Proceeds from issuance of financial liabilities		138,431,325	118,238,167
Repayment of financial liabilities		(125,432,200)	(81,078,375)
Interest paid		(16,121,257)	(12,168,267)
Interest received		30,266	-
Net cash provided by financing activities		(3,091,866)	24,991,525
Net increase in cash and cash equivalents		(177,159)	(359,039)
Cash and cash equivalents at the beginning of the period		409,421	768,460
Cash and cash equivalents at the end of the period	4	232,262	409,421

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