

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

**CONVENIENCE TRANSLATION TO ENGLISH OF
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE PERIOD ENDED
30 SEPTEMBER 2015
(ORIGINALLY ISSUED IN TURKISH)**

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

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

CONSOLIDATED FINANCIAL POSITION AS AT 30 SEPTEMBER 2015

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

ASSETS	Notes	<i>Not reviewed</i> 30 September 2015	<i>Audited</i> 31 December 2014
CURRENT ASSETS		52,978,316	39,058,426
Cash and cash equivalents	5	31,029,141	24,097,271
Trade receivables	7	18,128,039	10,939,041
- <i>Due from third parties</i>	7	<i>18,128,039</i>	<i>10,939,041</i>
Other receivables	8	27,891	26,155
- <i>Due from third parties</i>	8	<i>27,891</i>	<i>26,155</i>
Prepaid expenses	16	1,651,205	752,976
Other current assets	17	2,142,040	3,242,983
NON-CURRENT ASSETS		1,506,655,602	1,406,891,433
Other receivables	8	12,630,598	9,985,108
- <i>Due from third parties</i>	8	<i>12,630,598</i>	<i>9,985,108</i>
Investment property	9	1,440,527,509	1,351,891,377
Property and equipment	10	54,705	80,630
Intangible assets	11	54,499	42,046
- <i>Other intangible assets</i>	11	<i>54,499</i>	<i>42,046</i>
Prepaid expenses	16	15,312,232	12,925,807
Deferred tax assets	24	2,962,049	388,778
Other non-current assets	17	35,114,010	31,577,687
TOTAL ASSETS		1,559,633,918	1,445,949,859

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 FINANCIAL POSITION AS AT 30 SEPTEMBER 2015

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

LIABILITIES	Notes	<i>Not reviewed</i> 30 September 2015	<i>Audited</i> 31 December 2014
CURRENT LIABILITIES		77,226,403	124,677,322
Short term financial liabilities	6	-	31,808,759
Short term portion of long term financial liabilities	6	64,228,727	85,805,896
Trade payables	7	5,246,588	4,136,311
- <i>Due to related parties</i>	7	874,972	721,394
- <i>Due to third parties</i>	7	4,371,616	3,414,917
Other payables	8	1,919,918	1,379,813
- <i>Due to third parties</i>	8	1,919,918	1,379,813
<i>Deferred income</i>	16	3,955,206	-
Short term provisions	15	445,845	356,194
- <i>Short term provisions for employee benefits</i>	15	445,845	356,194
Other current liabilities	17	1,430,119	1,190,349
NON-CURRENT LIABILITIES		699,528,232	465,052,371
Long term financial liabilities	6	633,033,237	400,234,298
Long term provisions	15	71,398	59,832
- <i>Long term provisions for employee benefits</i>	15	71,398	59,832
Deferred tax liability	24	62,907,350	61,526,518
Other non-current liabilities	17	3,516,247	3,231,723
EQUITY	18	782,879,283	856,220,166
Equity attributable to equity holders of parent		755,005,526	823,809,895
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		(57,324,619)	(68,636,240)
- <i>Currency translation differences</i>		(57,324,619)	(68,636,240)
Restricted reserves allocated from profit		4,147	4,147
Retained earnings		595,495,917	597,943,704
Net loss for the period		(80,115,990)	(2,447,787)
Non-controlling interests		27,873,757	32,410,271
TOTAL EQUITY AND LIABILITIES		1,559,633,918	1,445,949,859

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 2015

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

	<i>Notes</i>	<i>Not reviewed 1 January - 30 September 2015</i>	<i>Not reviewed 1 July - 30 September 2015</i>	<i>Not reviewed 1 January - 30 September 2014</i>	<i>Not reviewed 1 July - 30 September 2014</i>
PROFIT OR LOSS					
Revenue	19	40,244,858	16,195,139	37,650,784	12,936,820
Cost of sales	19	(4,945,693)	(1,717,222)	(4,244,077)	(1,388,850)
GROSS PROFIT		20,821,248	14,477,917	33,406,707	11,547,970
General administrative expenses	20	(5,049,051)	(1,465,466)	(4,634,568)	(1,324,486)
Other operating income	21	405,416	162,724	19,673,278	12,648,510
Other operating expenses	21	(508,678)	(17,470)	(2,106,219)	(237,751)
OPERATING PROFIT		30,146,852	13,157,705	46,339,198	22,634,243
Financial income	22	21,347,713	3,344,365	22,348,974	297,073
Financial expenses	23	(139,076,530)	(100,355,007)	(47,451,465)	(16,879,223)
(LOSS)/PROFIT BEFORE TAX		(87,581,965)	(83,852,937)	21,236,707	6,052,093
Current tax income/(expense)	24	2,929,461	7,922,686	(759,827)	897,708
- Deferred tax income/(expense)	24	2,929,461	7,922,686	(759,827)	897,708
NET (LOSS)/PROFIT FOR THE PERIOD		(84,652,504)	(75,930,251)	20,476,880	6,949,801
Attribution of (loss)/income for the period					
Non-controlling interest		(4,536,514)	(3,741,485)	(1,095,287)	(486,797)
Attributable to equity holders of the parent		(80,115,990)	(72,188,766)	21,572,167	7,436,598
Net (loss)/profit for the period		(84,652,504)	(75,930,251)	20,476,880	6,949,801
Earnings per share (Full TRY)	25	(0,44)	(0,39)	0,12	0,04
(LOSS)/PROFIT FOR THE PERIOD		(84,652,504)	(75,930,251)	20,476,880	6,949,801
OTHER COMPREHENSIVE INCOME/(LOSS)					
		11,311,621	(12,253,186)	(22,012,845)	(16,444,871)
Items to be reclassified to profit or loss					
		11,311,621	(12,253,186)	(22,012,845)	(16,444,871)
Change in currency translation differences		11,311,621	(12,253,186)	(22,012,845)	(16,444,871)
TOTAL COMPREHENSIVE LOSS		(73,340,883)	(88,183,437)	(1,535,965)	(9,495,070)
Attribution of total comprehensive income:					
Non-controlling interest		(4,536,514)	(3,741,485)	(1,095,287)	(486,797)
Attributable to equity holders of the parent		(68,804,369)	(84,441,952)	(440,678)	(9,008,273)

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 2015
(Amounts are expressed in Turkish Lira ("TRY") 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		Restricted reserves allocated Restricted from profit	Retained Earnings		Equity attributable of equity holders of the parent	Non controlling interests	Total Equity
					Profit or Loss	Foreign currency translation reserve		Retained earnings	Net profit/(loss) for the period			
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	
Balance as at 1 January 2015	184,000,000	317,344	58,880,000	53,748,727	(68,636,240)	4,147	597,943,704	(2,447,787)	823,809,895	32,410,271	856,220,166	
Transfers	-	-	-	-	-	-	(2,447,787)	2,447,787	-	-	-	
Total comprehensive income/(loss)	-	-	-	-	11,311,621	-	-	(80,115,990)	(68,804,369)	(4,536,514)	(73,340,883)	
Balance as at 30 September 2015	184,000,000	317,344	58,880,000	53,748,727	(57,324,619)	4,147	595,495,917	(80,115,990)	755,005,526	27,873,757	782,879,283	

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 2015**

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

	Notes	<i>Not reviewed</i> 30 September 2015	<i>Not reviewed</i> 30 September 2014
A. Cash flows from operating activities			
Net (loss)/profit for the period		(84,652,504)	20,476,880
<i>Adjustments to reconcile profit to cash provided by operating activities:</i>			
Adjustments for depreciation and amortization expense	10,11	33,539	27,909
Adjustments for change in provisions for employee termination benefits and unused vacation	15	130,017	(3,047)
Adjustments for interest income and expense		25,144,350	16,531,708
Adjustments for foreign currency exchange differences		103,846,620	7,087,838
Adjustments for rent expense accrual		524,294	391,802
Adjustments for tax expense		(2,929,461)	759,827
		42,096,855	45,272,917
Net working capital changes in:			
Trade receivables		(7,188,998)	(7,214,194)
Other receivables from operating activities		(2,647,226)	(348,207)
Change in other current and noncurrent assets		(1,856,262)	5,637,980
Trade payables		1,110,277	(9,591,542)
Other payables from operating activities		6,232,333	1,160,260
Cash provided from operating activities		37,746,979	34,917,214
Interest received		396,428	202,096
Severance indemnity paid		(28,800)	-
Net cash provided from operating activities		38,114,607	35,119,310
B. Cash flows from investing activities			
Cash outflow from acquisition of property, equipment and intangible assets		(20,067)	(25,017)
Acquisition of investment property		(56,980,572)	(46,006,016)
Net cash used in investment activities		(57,000,639)	(46,031,033)
C. Cash flows from financing activities			
Proceeds from borrowings		350,504,091	142,763,536
Repayment of financial liabilities		(295,281,639)	(112,642,784)
Change in project, reserve accounts		(120,353)	5,179,284
Interest received		407,272	364,954
Interest paid		(22,004,734)	(17,098,758)
Commissions and bank charges paid for loan usage		(7,807,088)	-
Net cash provided by financing activities		25,697,549	18,566,232
Net increase in cash and cash equivalents		6,811,517	7,654,509
Cash and cash equivalents at the beginning of the period	5	24,072,498	22,446,202
Cash and cash equivalents at the end of the year	5	30,884,015	30,100,711

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