

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĐI ANONİM ŐİRKETİ

**CONVENIENCE TRANSLATION TO ENGLISH OF
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE PERIOD ENDED
30 JUNE 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 JUNE 2015

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

ASSETS	Notes	Reviewed 30 June 2015	Audited 31 December 2014
CURRENT ASSETS		57,314,552	39,058,426
Cash and cash equivalents	5	38,901,401	24,097,271
Trade receivables	7	13,651,383	10,939,041
- <i>Due from third parties</i>	7	<i>13,651,383</i>	<i>10,939,041</i>
Other receivables	8	27,206	26,155
- <i>Due from third parties</i>	8	<i>27,206</i>	<i>26,155</i>
Prepaid expenses	16	1,447,655	752,976
Other current assets	17	3,286,907	3,242,983
NON-CURRENT ASSETS		1,509,152,026	1,406,891,433
Other receivables	8	10,855,827	9,985,108
- <i>Due from third parties</i>	8	<i>10,855,827</i>	<i>9,985,108</i>
Investment property	9	1,445,223,110	1,351,891,377
Property and equipment	10	68,814	80,630
Intangible assets	11	41,210	42,046
- <i>Other intangible assets</i>	11	<i>41,210</i>	<i>42,046</i>
Prepaid expenses	16	16,314,029	12,925,807
Deferred tax assets	24	2,228,169	388,778
Other non-current assets	17	34,420,867	31,577,687
TOTAL ASSETS		1,566,466,578	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 JUNE 2015

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

LIABILITIES	Notes	<i>Reviewed</i> 30 June 2015	<i>Audited</i> 31 December 2014
CURRENT LIABILITIES		67,465,404	124,677,322
Short term financial liabilities	6	-	31,808,759
Short term portion of long term financial liabilities	6	53,809,818	85,805,896
Trade payables	7	8,450,793	4,136,311
- <i>Due to related parties</i>	7	762,698	721,394
- <i>Due to third parties</i>	7	7,688,095	3,414,917
Other payables	8	1,398,160	1,379,813
- <i>Due to third parties</i>	8	1,398,160	1,379,813
<i>Deferred income</i>	16	2,315,071	-
Short term provisions	15	418,643	356,194
- <i>Short term provisions for employee benefits</i>	15	418,643	356,194
Other current liabilities	17	1,072,919	1,190,349
NON-CURRENT LIABILITIES		627,938,454	465,052,371
Long term financial liabilities	6	552,940,748	400,234,298
Long term provisions	15	68,276	59,832
- <i>Long term provisions for employee benefits</i>	15	68,276	59,832
Deferred tax liability	24	71,481,856	61,526,518
Other non-current liabilities	17	3,447,574	3,231,723
EQUITY	18	871,062,720	856,220,166
Equity attributable to equity holders of parent		839,447,478	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		(45,071,433)	(68,636,240)
- <i>Currency translation differences</i>		(45,071,433)	(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		(7,927,224)	(2,447,787)
Non-controlling interests		31,615,242	32,410,271
TOTAL EQUITY AND LIABILITIES		1,566,466,578	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 JUNE 2015

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

	Notes	Reviewed 1 January - 30 June 2015	Not reviewed 1 April - 30 June 2015	Reviewed 1 January - 30 June 2014	Not reviewed 1 April - 30 June 2014
PROFIT OR LOSS					
Revenue	20	24,049,719	13,284,487	24,713,964	13,200,655
Cost of sales	20	(3,228,471)	(1,709,737)	(2,855,227)	(1,477,256)
GROSS PROFIT		20,821,248	11,574,750	21,858,737	11,723,399
General administrative expenses	21	(3,583,585)	(2,098,982)	(3,310,082)	(1,798,015)
Other operating income	22	242,692	115,175	7,024,768	6,251,729
Other operating expenses	22	(491,208)	(133,083)	(1,868,469)	(358,063)
OPERATING PROFIT		16,989,147	9,457,860	23,704,954	15,819,050
Financial income	23	18,003,348	7,358,830	22,051,901	21,836,513
Financial expenses	24	(38,721,523)	(24,164,906)	(30,572,242)	(5,386,731)
(LOSS)/PROFIT BEFORE TAX		(3,729,028)	(7,348,216)	15,184,613	32,268,832
Current tax expense	25	(4,993,225)	(1,840,298)	(1,657,534)	(2,643,810)
- Deferred tax expense	25	(4,993,225)	(1,840,298)	(1,657,534)	(2,643,810)
NET (LOSS)/PROFIT FOR THE PERIOD		(8,722,253)	(9,188,514)	13,527,079	29,625,022
Attribution of (loss)/income for the period					
Non-controlling interest		(795,029)	(713,733)	(608,490)	27,369
Attributable to equity holders of the parent		(7,927,224)	(8,474,781)	14,135,569	29,597,653
Net (loss)/profit for the period		(8,722,253)	(9,188,514)	13,527,079	29,625,022
Earnings per share (Full TRY)	26	(0,04)	(0,05)	0,08	0,16
(LOSS)/PROFIT FOR THE PERIOD		(8,722,253)	(9,188,514)	13,527,079	29,625,022
OTHER COMPREHENSIVE INCOME/(LOSS)					
Items to be reclassified to profit or loss		23,564,807	11,014,936	(5,567,974)	5,246,768
Change in currency translation differences		23,564,807	11,014,936	(5,567,974)	5,246,768
TOTAL COMPREHENSIVE INCOME		14,842,554	1,826,422	7,959,105	34,871,790
Attribution of total comprehensive income:					
Non-controlling interest		(795,029)	(713,733)	(608,490)	27,369
Attributable to equity holders of the parent		15,637,583	2,540,155	8,567,595	34,844,421

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 JUNE 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 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 income/(loss)	-	-	-	-	(5,567,974)	-	-	14,135,569	8,567,595	(608,490)	7,959,105	
Balance as at 30 June 2014	184,000,000	317,344	58,880,000	53,748,727	(2,580,214)	4,147	597,943,704	14,135,569	906,449,277	34,301,361	940,750,638	
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 (loss)/income	-	-	-	-	23,564,807	-	-	(7,927,224)	15,637,583	(795,029)	14,842,554	
Balance as at 30 June 2015	184,000,000	317,344	58,880,000	53,748,727	(45,071,433)	4,147	595,495,917	(7,927,224)	839,447,478	31,615,242	871,062,720	

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 JUNE 2015

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

	Notes	Reviewed 30 June 2015	Reviewed 30 June 2014
A. Cash flows from operating activities			
Net (loss)/profit for the period		(8,722,253)	13,527,079
<i>Adjustments to reconcile profit to cash provided by operating activities:</i>			
Adjustments for depreciation and amortization expense	10,11	17,719	23,409
Adjustments for change in provisions for employee termination benefits and unused vacation	15	99,693	53,140
Adjustments for interest income and expense		16,486,225	11,364,098
Adjustments for foreign currency exchange differences		11,471,370	(2,660,071)
Adjustments for rent expense accrual		98,421	805
Adjustments for tax expense		4,993,225	1,657,534
		24,444,400	23,965,994
Net working capital changes in:			
Trade receivables		(2,712,342)	(6,331,721)
Other receivables from operating activities		(871,770)	(211,534)
Change in other current and noncurrent assets		(3,145,409)	4,401,757
Trade payables		4,314,482	(7,828,791)
Other payables from operating activities		5,456,140	1,825,096
Cash provided from operating activities		27,485,501	15,820,801
Interest received		55,239	110,135
Severance indemnity paid		(28,800)	-
Net cash provided from operating activities		27,511,940	15,930,936
B, Cash flows from investing activities			
Cash outflow from acquisition of property, equipment and intangible assets		(5,067)	(25,017)
Acquisition of investment property		(45,479,325)	(32,332,422)
Net cash used in investment activities		(45,484,392)	(32,357,439)
C, Cash flows from financing activities			
Proceeds from borrowings		340,522,639	101,538,704
Repayment of financial liabilities		(287,379,997)	(76,713,381)
Change in project, reserve accounts		(26,146)	3,155,570
Interest received		253,268	248,290
Interest paid		(13,205,220)	(11,722,523)
Commissions and bank charges paid for loan usage		(7,414,108)	-
Net cash provided by financing activities		32,750,436	16,506,660
Net increase in cash and cash equivalents		14,777,984	80,157
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	38,850,482	22,526,359

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