

Akfen Holding Anonim Şirketi

Consolidated Balance Sheet as at 31 December 2015

(Currency: Thousands of TL)

ASSETS	<u>Notes</u>	<u>Audited</u>	
		<u>31 December 2015</u>	<u>31 December 2014</u>
Current Assets		196.719	564.851
Cash and cash equivalents	5	22.424	63.736
Trade receivables		17.867	115.043
- Due from related parties	8-36	--	822
- Trade receivables from third parties	8	17.867	114.221
Other receivables		99.734	2.190
- Other receivables from related parties	9-36	99.587	652
- Other receivables from third parties	9	147	1.538
Restricted bank balances	6	47.664	--
Inventories	11	--	252.387
Prepaid expenses	24	8.119	7.805
Current tax assets		886	7.732
Other current assets	23	25	115.958
Asset classified as held for sale	13	1.071.328	--
Non-Current Assets		2.902.219	3.342.575
Trade receivables		--	135.624
- Trade receivables from third parties	8	--	135.624
Other receivables		448.730	66.726
- Other receivables from related parties	9-36	431.387	51.690
- Other receivables from third parties	9	17.343	15.036
Investments in equity accounted investees	14	864.249	631.082
Investment property	15	1.428.361	1.351.891
Property, plant and equipment	16	63.210	875.349
Intangible assets	17	31.754	83.560
Goodwill		3.309	3.309
Deferred tax assets	34	6.364	77.457
Prepaid expenses	24	11.797	14.333
Other non-current assets	23	44.445	103.244
TOTAL ASSETS		4.170.266	3.907.426

Akfen Holding Anonim Şirketi

Consolidated Balance Sheet as at 31 December 2015

(Currency: Thousands of TL)

LIABILITIES	Notes	Audited	
		31 December 2015	31 December 2014
Current Liabilities		299.188	720.603
Short term loans and borrowings	7	42.728	31.809
Short term portion of long term loans and borrowings	7	224.119	331.706
Trade payables		19.316	30.815
-Due to related parties	8-36	3.783	1.530
-Trade payables to third parties	8	15.533	29.285
Other payables		10.022	41.820
-Other payables to related parties	9-36	1.603	25.911
-Other payables to third parties	9	8.419	15.909
Employee benefit obligations		548	574
Deferred income	24	402	278.772
Short term provisions		2.053	3.655
-Provision for employee benefits	19-21	2.053	2.865
-Other provisions	19	--	790
Other current liabilities		--	1.452
Liabilities classified as held for sale	13	788.562	--
Non-Current Liabilities		1.346.703	1.515.117
Long term loans and borrowings	7	1.262.779	1.414.551
Trade payables		--	8.411
-Due to related parties	8-36	--	39
-Trade payables to third parties	8	--	8.372
Other payables		12.688	12.408
-Other payables to related parties	9-36	9.066	7.737
-Other payables to third parties	9	3.622	4.671
Deferred tax liability	34	69.795	76.828
Long term provisions		1.441	2.919
-Provision for employee benefits	19-21	1.441	2.797
-Other long term provisions	19	--	122
EQUITY		1.735.813	1.671.706
Total Equity Attributable to Equity Holders of the Parent		1.388.191	1.296.841
Paid in capital	25	261.900	291.000
Adjustments to share capital		(7.257)	(7.257)
Share premium		157.694	211.695
Treasury shares (-)	25	(76.029)	(167.264)
Business combination of entities under common control		6.236	6.236
Other comprehensive income/expense not to be reclassified to profit or loss		133.279	78.697
-Revaluation reserve		137.068	81.192
-Actuarial gain/loss arising from defined benefit plans		(3.789)	(2.495)
Other comprehensive income/expense to be reclassified to profit or loss		177.894	63.102
-Foreign currency translation reserve	25	199.899	81.675
-Cash flow hedge reserves	25	(22.005)	(18.573)
Restricted reserves allocated from profit		96.508	187.743
Retained earnings		600.501	644.752
Net (loss)/profit for the period		37.465	(11.863)
Non-controlling interests	25	347.622	374.865
TOTAL EQUITY AND LIABILITIES		4.170.266	3.907.426

Akfen Holding Anonim Şirketi

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2015

(Currency: Thousands of TL)

		<i>Audited</i>	
	<i>Notes</i>	<u>31 December 2015</u>	<u>Restated 31 December 2014</u>
PROFIT OR LOSS			
Revenue	26	197.060	119.252
Cost of sales (-)	26	(83.713)	(60.658)
GROSS PROFIT		113.347	58.594
General administrative expenses (-)	27	(51.962)	(41.529)
Other operating income	29	45.984	80.136
Other operating expense (-)	29	(2.266)	(45.273)
Share on profit/(loss) of equity-accounted investees, net of tax	14	107.324	143.283
OPERATING PROFIT		212.427	195.211
Income from investment activities	30	966	3.863
Expense from investment activities		(1.891)	(825)
OPERATING PROFIT BEFORE FINANCIAL INCOME/(EXPENSE)		211.502	198.249
Financial income	31	99.776	68.700
Financial expense	32	(461.465)	(234.315)
PROFIT/(LOSS) BEFORE TAX		(150.187)	32.634
Tax Income/(Expense)		12.850	6.568
Tax expense	34	(4.162)	(3.985)
Deferred tax income	34	17.012	10.553
PROFIT/(LOSS) OF CONTINUING OPERATIONS FOR THE PERIOD		(137.337)	39.202
Profit/(loss) of discontinuing operations for the period	13	148.276	(53.762)
PROFIT/(LOSS) FOR THE PERIOD		10.939	(14.560)
Profit/(Loss) Attributable To:			
Non-controlling interest		(26.526)	(2.697)
Equity holders of the parent		37.465	(11.863)
Profit/(Loss) for the Period		10.939	(14.560)
Earnings/(losses) per share			
Basic and diluted earnings/(losses) per share for continuing operation		(0,4395)	0,1614
Basic and diluted earnings/(losses) per share for discontinuing operations		0,5881	(0,2071)
Basic and diluted earnings/(losses) per share	35	0,1486	(0,0457)

Convenience Translation to English of Consolidated Financial Statements Originally Issued in Turkish
Akfen Holding Anonim Şirketi
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2015
(Currency: Thousands of TL)

		<i>Audited</i>	
		<u>31 December</u>	<u>Restated</u>
OTHER COMPREHENSIVE INCOME	<u>Notes</u>	<u>2015</u>	<u>31 December 2014</u>
Items not to be reclassified to profit or loss in subsequent			
Defined benefit obligation actuarial differences		174	534
Items not to be reclassified to comprehensive income in subsequent periods from equity accounted investees		54.437	23.840
Tax income/(expense) from other comprehensive income items not to be reclassified to profit or loss	34	(29)	(89)
Items to be reclassified to profit or loss in subsequent periods			
Foreign currency translation differences	31	(2.805)	(71.624)
Items to be reclassified to comprehensive income in subsequent periods from equity accounted investees	31	116.142	19.314
OTHER COMPREHENSIVE INCOME		167.919	(28.025)
TOTAL COMPREHENSIVE INCOME		178.858	(42.585)
Total comprehensive income attributable to:			
Non-controlling interest		(27.981)	(30.745)
Equity holders of the parent		206.839	(11.840)
Total comprehensive income		178.858	(42.585)

Convenience Translation to English of Consolidated Financial Statements Originally Issued in Turkish

Akfen Holding Anonim Şirketi

Consolidated Statements of Changes in Equity For the Year Ended 31 December 2014

(Currency: Thousands of TL)

	Paid in capital	Adjustments to share capital	Share premium	Capital adjustments due to cross ownership	Treasury shares	Entities under common control	Other Comprehensive Income and Expense to Be Reclassified to Profit or Loss		Other Comprehensive Income and Expense Not to Be Reclassified to Profit or Loss		Restricted reserves allocated from profit	Retained Earnings		Total	Non-controlling interest	Total equity
							Translation differences	Cash flow hedging reserve	Revaluation on reserve	Actuarial gain/losses from defined benefit plans		Retained earnings	Profit/(loss) for the period			
Balances at 1 January 2014	291.000	(7.257)	211.118	(34.661)	(57.159)	6.236	101.270	(12.027)	56.367	(1.921)	111.010	765.882	(73.173)	1.356.685	406.187	1.762.872
Total comprehensive income/(expense) for the period																
Profit/(loss) for the period	--	--	--	--	--	--	--	--	--	--	--	--	(11.863)	(11.863)	(2.697)	(14.560)
Other comprehensive income																--
Foreign currency translation differences	--	--	--	--	--	--	(17.715)	--	--	--	--	--	--	(17.715)	(28.048)	(45.763)
Revaluation of property, plant and equipment	--	--	--	--	--	--	--	--	24.825	--	--	33	--	24.858	--	24.858
Actuarial gain/losses from defined benefit plans	--	--	--	--	--	--	--	--	--	(574)	--	--	--	(574)	--	(574)
Net fair value change in cash flow hedges	--	--	--	--	--	--	--	(6.546)	--	--	--	--	--	(6.546)	--	(6.546)
Total other comprehensive income/(expense)	--	--	--	--	--	--	(17.715)	(6.546)	24.825	(574)	--	33	--	23	(28.048)	(28.025)
Total comprehensive income/(expense)	--	--	--	--	--	--	(17.715)	(6.546)	24.825	(574)	--	33	(11.863)	(11.840)	(30.745)	(42.585)
Transfers	--	--	--	--	--	--	(1.880)	--	--	--	1.289	(72.582)	73.173	--	--	--
Share transfer transaction from income/(expenses)	--	--	--	--	--	--	--	--	--	--	--	37.334	--	37.334	--	37.334
Reserves from acquisition of own shares	--	--	--	--	--	--	--	--	--	--	75.444	(75.444)	--	--	--	--
Dividend distribution	--	--	--	--	--	--	--	--	--	--	--	(10.471)	--	(10.471)	--	(10.471)
Transactions with subsidiaries	--	--	577	--	--	--	--	--	--	--	--	--	--	577	(577)	--
Acquisition of own shares	--	--	--	34.661	(110.105)	--	--	--	--	--	--	--	--	(75.444)	--	(75.444)
Total transactions with owners	--	--	577	34.661	(110.105)	--	(1.880)	--	--	--	76.733	(121.163)	73.173	(48.004)	(577)	(48.581)
Balances at 31 December 2014	291.000	(7.257)	211.695	--	(167.264)	6.236	81.675	(18.573)	81.192	(2.495)	187.743	644.752	(11.863)	1.296.841	374.865	1.671.706

Convenience Translation to English of Consolidated Financial Statements Originally Issued in Turkish

Akfen Holding Anonim Şirketi

Consolidated Statements of Changes in Equity For the Year Ended 31 December 2015

(Currency: Thousands of TL)

							Other Comprehensive Income and Expense to Be Reclassified to Profit or Loss		Other Comprehensive Income and Expense Not to Be Reclassified to Profit or Loss			Retained Earnings		Total	Non-controlling interest	Total equity
	Paid in capital	Adjustments to share capital	Share premium	Capital adjustments due to cross ownership	Treasury shares	Entities under common control	Translation differences	Cash flow hedging reserve	Revaluation reserve	Actuarial gain/losses from defined benefit plans	Restricted reserves allocated from profit	Retained earnings	Profit/(loss) for the period			
Balances at 1 January 2015	291.000	(7.257)	211.695	--	(167.264)	6.236	81.675	(18.573)	81.192	(2.495)	187.743	644.752	(11.863)	1.296.841	374.865	1.671.706
Total comprehensive income/(expense) for the period																
Profit/(loss) for the period	--	--	--	--	--	--	--	--	--	--	--	--	37.465	37.465	(26.526)	10.939
Other comprehensive income																
Foreign currency translation differences	--	--	--	--	--	--	118.224	--	--	--	--	--	--	118.224	(1.455)	116.769
Revaluation of property, plant and equipment	--	--	--	--	--	--	--	55.876	--	--	--	--	--	55.876	--	55.876
Actuarial gain/losses from defined benefit plans	--	--	--	--	--	--	--	--	(1.294)	--	--	--	--	(1.294)	--	(1.294)
Net fair value change in cash flow hedges	--	--	--	--	--	--	--	(3.432)	--	--	--	--	--	(3.432)	--	(3.432)
Total other comprehensive income/(expense)	--	--	--	--	--	--	118.224	(3.432)	55.876	(1.294)	--	--	--	169.374	(1.455)	167.919
Total comprehensive income/(expense)	--	--	--	--	--	--	118.224	(3.432)	55.876	(1.294)	--	--	37.465	206.839	(27.981)	178.858
Transfers	--	--	--	--	--	--	--	--	--	--	--	(11.863)	11.863	--	--	--
Acquisition of subsidiary shares	--	--	(54.001)	--	--	--	--	--	--	--	--	--	--	(54.001)	--	(54.001)
Capital decrease	(29.100)	--	--	--	29.100	--	--	--	--	--	--	--	--	--	--	--
Changes in non-controlling shares	--	--	--	--	--	--	--	--	--	--	--	--	--	--	738	738
Capital decrease losses	--	--	--	--	104.641	--	--	--	--	--	--	(104.641)	--	--	--	--
Reserves from acquisition of own shares	--	--	--	--	--	--	--	--	--	--	(91.235)	91.235	--	--	--	--
Distribution of dividend	--	--	--	--	--	--	--	--	--	--	--	(18.982)	--	(18.982)	--	(18.982)
Acquisition of own shares	--	--	--	--	(42.506)	--	--	--	--	--	--	--	--	(42.506)	--	(42.506)
Total transactions with owners	(29.100)	--	(54.001)	--	91.235	--	--	--	--	--	(91.235)	(44.251)	11.863	(115.489)	738	(114.751)
Balances at 31 December 2015	261.900	(7.257)	157.694	--	(76.029)	6.236	199.899	(22.005)	137.068	(3.789)	96.508	600.501	37.465	1.388.191	347.622	1.735.813

Akfen Holding Anonim Şirketi

Consolidated Statement of Cash Flow For the Year Ended 31 December 2015

(Currency: Thousands of TL)

	<u>Notes</u>	<u>Audited</u> <u>31 December 2015</u>	<u>Audited</u> <u>31 December 2014</u>
Cash flows from operating activities:			
(Loss)/Profit of continuing operation for the period		(137.337)	39.202
(Loss)/Profit of discontinuing operation for the period		148.276	(53.762)
Adjustments for:			
Depreciation of property, plant and equipment and amortization of intangibles	16-17	28.857	23.700
Provision for employee termination benefits		940	802
Unearned interest income/(expense), net		12.563	8.862
Profit from sale of subsidiary and affiliate		(266.302)	361
Shares on profit of investments in equity accounted investees	14	(107.324)	(142.381)
Increase/decrease investment properties value	15	(22.840)	(18.665)
Provision for vacation pay		2.623	554
Unrealized foreign exchange differences		356.656	188.422
Interest expense/income, net		91.366	99.025
Tax expense	34	(23.787)	(20.167)
Cash flow from operating activities before changes in working capital:		83.691	125.953
<i>Changes in:</i>			
Other current trade receivables		(71.887)	(97.305)
Other current non-trade receivables		(22.650)	2.901
Other current assets		(50.096)	(52.384)
Changes in restricted bank balances		(47.664)	--
Other non-current trade receivables		(61.845)	(122.348)
Other non-current non-trade receivables		(60.686)	(356)
Inventories		(97.888)	(82.545)
Due from related parties		(21.050)	(25.125)
Other non-current assets		(91.239)	2.273
Other current trade payables		28.524	3.457
Other current non-trade payables		109.232	(10.478)
Other current liabilities		63.887	277.300
Other non-current trade payables		(4.502)	(16.237)
Other non-current payables		(3.299)	(1.247)
Due to related parties		(25.335)	8.739
Other non-current liabilities		(74)	(412)
Cash provided/(used) by operating activities		(272.881)	12.186
Taxes paid		(402)	(1.188)
Retirement benefit paid	21	(342)	(340)
Dividends received from investments in equity accounted investees	14	56.194	17.355
Net cash provided/(used) by operating activities		(217.431)	28.013

Akfen Holding Anonim Şirketi

Consolidated Statement of Cash Flow For the Year Ended 31 December 2014

(Currency: Thousands of TL)

	<u>Notes</u>	<u>Audited</u> <u>31 December 2015</u>	<u>Audited</u> <u>31 December 2014</u>
Cash flows from investing activities			
Interest received	31	43.169	6.414
Acquisition of property, plant and equipment and intangible assets	16-17	(41.204)	(104.566)
Purchases of investment properties	15	(61.509)	(59.699)
Increase/(decrease) in financial investments		--	5.609
Acquisition of subsidiaries and affiliates		(4.500)	(23.309)
Sale of subsidiary and entity under common control		--	272
Capital increase of subsidiaries	14	(36.756)	--
Change in asset classified as held for sale		(3.997)	--
Net cash provided by operating activities		(104.797)	(175.279)
Cash flows from financing activities			
Proceeds from borrowings		1.258.532	1.127.164
Repayment of borrowings		(768.209)	(871.661)
Interest paid		(147.099)	(105.439)
Change in project reserve accounts	5	15.597	37.353
Acquisition of own shares		(42.506)	(75.444)
Change in non-controlling interests		(820)	(577)
Distribution of dividend		(18.982)	(10.471)
Net cash (used in)/ provided by financing activities		296.513	100.925
Net increase in cash and cash equivalents		(25.715)	(46.341)
Cash and cash equivalents at period start	5	48.139	94.480
Cash and cash equivalents at period end	5	22.424	48.139