

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

**CONVENIENCE TRANSLATION TO ENGLISH OF
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE PERIOD ENDED
31 MARCH 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 31 MARCH 2015

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

ASSETS	Notes	<i>Not reviewed</i> 31 March 2015	<i>Audited</i> 31 December 2014
CURRENT ASSETS		71,077,766	39,058,426
Cash and cash equivalents	5	50,592,134	24,097,271
Trade receivables	7	15,348,776	10,939,041
- <i>Trade receivables from third parties</i>	7	15,348,776	10,939,041
Other receivables	8	26,609	26,155
- <i>Other receivables from third parties</i>	8	26,609	26,155
Prepaid expenses	16	1,276,264	752,976
Other current assets	17	3,833,983	3,242,983
NON-CURRENT ASSETS		1,457,064,274	1,406,891,433
Other receivables	8	10,164,950	9,985,108
- <i>Other receivables from third parties</i>	8	10,164,950	9,985,108
Investment property	9	1,400,600,209	1,351,891,377
Property and equipment	10	71,895	80,630
Intangible assets	11	41,630	42,046
- <i>Other intangible assets</i>	11	41,630	42,046
Prepaid expenses	16	11,775,029	12,925,807
Deferred tax assets	24	2,185,729	388,778
Other non-current assets	17	32,224,832	31,577,687
TOTAL ASSETS		1,528,142,040	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 31 MARCH 2015

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

LIABILITIES	Notes	Not reviewed 31 March 2015	Audited 31 December 2014
CURRENT LIABILITIES		36,344,877	124,677,322
Short term financial liabilities	6	-	31,808,759
Short term portion of long term financial liabilities	6	22,220,502	85,805,896
Trade payables	7	10,266,583	4,136,311
- Trade payables to related parties	7	724,003	721,394
- Other trade payables to third parties	7	9,542,581	3,414,917
Other payables	8	1,168,843	1,379,813
- Other payables to third parties	8	1,168,843	1,379,813
Deferred income	16	1,122,227	-
Short term provisions	15	389,535	356,194
- Short term provisions for employee benefits	15	389,535	356,194
Other current liabilities	17	1,177,187	1,190,349
NON-CURRENT LIABILITIES		622,560,865	465,052,371
Long term financial liabilities	6	551,043,830	400,234,298
Long term provisions	15	67,062	59,832
- Long term provisions for employee benefits	15	67,062	59,832
Deferred tax liability	24	68,136,534	61,526,518
Other non-current liabilities	17	3,313,439	3,231,723
EQUITY	18	869,236,298	856,220,166
Equity attributable to equity holders of parent		836,907,323	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		(56,086,369)	(68,636,240)
- Currency translation differences		(56,086,369)	(68,636,240)
Restricted reserves allocated from profit		4,147	4,147
Retained earnings		595,495,917	597,943,704
Net profit for the period/(loss)		547,557	(2,447,787)
Non-controlling interests		32,328,975	32,410,271
TOTAL EQUITY AND LIABILITIES		1,528,142,040	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 31 MARCH 2015**

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

	<i>Notes</i>	<i>Not reviewed 1 January - 31 March 2015</i>	<i>Not reviewed 1 January - 31 March 2014</i>
PROFIT OR LOSS			
Revenue	<i>19</i>	10,765,232	11,513,309
Cost of sales	<i>19</i>	(1,518,734)	(1,377,971)
GROSS PROFIT		9,246,498	10,135,338
General administrative expenses	<i>20</i>	(1,484,603)	(1,512,067)
Other operating income	<i>21</i>	127,517	773,039
Other operating expenses	<i>21</i>	(358,125)	(1,510,405)
OPERATING PROFIT		7,531,287	7,885,905
Financial income	<i>22</i>	10,644,518	215,388
Financial expenses	<i>23</i>	(14,556,617)	(25,185,511)
PROFIT/(LOSS) BEFORE TAX		3,619,188	(17,084,218)
Current tax (expense)/income	<i>24</i>	(3,152,927)	986,275
- Deferred tax (expense)/income	<i>24</i>	(3,152,927)	986,275
NET PROFIT/(LOSS) FOR THE YEAR		466,261	(16,097,943)
Attribution of income/(expense) for the period			
Non-controlling interest		(81,296)	(635,859)
Attributable to equity holders of the parent		547,557	(15,462,084)
Net profit/(loss) for the period		466,261	(16,097,943)
Earnings per share (Full TRY)	<i>25</i>	(0.003)	(0.084)
PROFIT/(LOSS) FOR THE PERIOD		466,261	(16,097,943)
OTHER COMPREHENSIVE INCOME/(EXPENSE)		12,549,871	(10,814,742)
Items to be reclassified to			
Profit or loss		12,549,871	(10,814,742)
Change in currency translation differences		12,549,871	(10,814,742)
TOTAL COMPREHENSIVE INCOME/(EXPENSE)		13,016,132	(26,912,685)
Attribution of total comprehensive income/(expense):			
Non-controlling interest		(81,296)	(635,859)
Attributable to equity holders of the parent		13,097,428	(26,276,826)

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 31 MARCH 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 Profit or Loss Foreign currency translation reserve	Restricted reserves allocated from profit	Retained earnings	Retained Earnings Net (loss)/profit for the period	Equity attributable of equity holders of the parent	Non controlling interests	Total Equity
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	-	-	-	-	(10,814,742)	-	-	(15,462,084)	(26,276,826)	(635,859)	(26,912,685)
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	(358,366)	(358,366)
Balance											
as at 31 March 2014	184,000,000	317,344	58,880,000	53,748,727	(7,826,982)	4,147	597,943,704	(15,462,084)	871,604,856	33,915,626	905,520,482
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	-	-	-	-	12,549,871	-	-	547,557	13,097,428	(81,296)	13,016,132
Balance											
as at 31 March 2015	184,000,000	317,344	58,880,000	53,748,727	(56,086,369)	4,147	595,495,917	547,557	836,907,323	32,328,975	869,236,298

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 31 MARCH 2015**

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

	<i>Notes</i>	<i>Not reviewed 31 March 2015</i>	<i>Not reviewed 31 March 2014</i>
A. Cash flows from operating activities			
Net profit/(loss) for the period		466,261	(16,097,943)
<i>Adjustments to reconcile profit to cash provided by operating activities:</i>			
Adjustments for depreciation and amortization expense	<i>10,11</i>	12,267	15,542
Adjustments for change in provisions for employee termination benefits and unused vacation	<i>15</i>	40,571	(7,983)
Adjustments for interest income and expense		12,256,879	6,120,404
Adjustments for foreign currency exchange differences		(8,716,618)	19,372,223
Adjustments for rent expense accrual		68,554	35,786
Adjustments for tax expense/(income)		3,152,927	(986,275)
		7,280,841	8,451,754
Net working capital changes in:			
Trade receivables		(4,409,735)	(2,917,277)
Other receivables from operating activities		(180,296)	(457,338)
Change in other current and noncurrent assets		(610,655)	(347,923)
Trade payables		6,130,272	(4,405,945)
Other payables from operating activities		2,571,395	(25,855)
Cash provided from operating activities		10,781,822	297,416
Interest received		20,060	88,938
Net cash provided from operating activities		10,801,882	386,354
B. Cash flows from investing activities			
Cash outflow from acquisition of property, equipment and intangible assets		(3,116)	(20,870)
Acquisition of investment property		(25,546,075)	(12,369,071)
Net cash used in investment activities		(25,549,192)	(12,301,003)
C. Cash flows from financing activities			
Proceeds from borrowings		338,341,590	56,039,235
Repayment of financial liabilities		(284,822,478)	(41,869,220)
Change in project, reserve accounts		(99,192)	1,358,118
Interest received		122,309	126,450
Interest paid		(12,399,249)	(6,335,792)
Change in non-controlling interests		-	(358,366)
Net cash provided by financing activities		41,142,980	8,960,425
Net increase in cash and cash equivalents		26,395,671	(3,043,162)
Cash and cash equivalents at the beginning of the period	<i>5</i>	24,072,498	22,446,202
Cash and cash equivalents at the end of the year	<i>5</i>	50,468,169	19,403,040

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