

**AKFEN GAYRİMENKUL YATIRIM
ORTAKLIĞI ANONİM ŞİRKETİ**

**CONVENIENCE TRANSLATION INTO ENGLISH OF
STANDALONE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2016 – 31 MARCH 2016
(ORIGINALLY ISSUED IN TURKISH)**

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH****STANDALONE FINANCIAL POSITION AS AT 31 MARCH 2016**

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

ASSETS	Notes	<i>Not reviewed</i> 31 March 2016	<i>Audited</i> 31 December 2015
CURRENT ASSETS		9,181,720	16,676,833
Cash and cash equivalents	4	2,363,995	10,149,201
Trade receivables		5,820,904	5,689,764
- <i>Due from third parties</i>	6	5,820,904	5,689,764
Other receivables		-	90,905
- <i>Due from third parties</i>	7	-	90,905
Prepaid expenses	16	873,204	515,759
Other current assets	17	123,617	231,204
NON-CURRENT ASSETS		949,517,780	945,413,471
Financial investments		168,194,091	168,194,091
- <i>Subsidiaries</i>	8	168,194,091	168,194,091
Other receivables		98,460	104,281
- <i>Due from third parties</i>	7	98,460	104,281
Investment property	9	756,676,136	751,851,000
Property and equipment	10	47,076	32,982
Intangible assets		18,888	16,816
- <i>Other intangible assets</i>	11	18,888	16,816
Prepaid expenses	16	3,704,816	4,324,823
Other non-current assets	17	20,778,313	20,889,478
TOTAL ASSETS		958,699,500	962,090,304

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

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH****STANDALONE FINANCIAL POSITION AS AT 31 MARCH 2016**

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

LIABILITIES	Notes	<i>Not reviewed</i> 31 March 2016	<i>Audited</i> 31 December 2015
CURRENT LIABILITIES		34,178,864	31,581,607
Short term portion of long term financial liabilities	5	28,882,267	25,820,555
Trade payables		3,655,553	3,457,574
- <i>Due to related parties</i>	6	2,451,926	2,811,915
- <i>Due payables to third parties</i>	3,6	1,203,627	645,659
Other payables		196,531	698,348
- <i>Due to third parties</i>	7	196,531	698,348
Short term provisions		321,378	328,404
- <i>Short term provisions for employee benefits</i>	15	321,378	328,404
Other current liabilities	17	1,123,135	1,276,726
NON-CURRENT LIABILITIES		349,824,565	349,831,040
Long term financial liabilities	5	346,025,454	346,149,733
Long term provisions		98,424	80,773
- <i>Long term provisions for employee benefits</i>	15	98,424	80,773
Other non-current liabilities	17	3,700,687	3,600,534
EQUITY	18	574,696,071	580,677,657
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		337,476,166	366,287,136
Net loss for the period		(5,981,586)	(28,810,970)
TOTAL LIABILITIES		958,699,500	962,090,304

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

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH****STANDALONE STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED
31 MARCH 2016**

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

PROFIT OR LOSS	Notes	Not reviewed 31 March 2016	Not reviewed 31 March 2015
Revenue	19	4,939,072	4,919,693
Cost of sales (-)	19	(821,445)	(703,016)
GROSS PROFIT		4,117,627	4,216,677
General administrative expenses (-)	20	(979,727)	(954,473)
Other operating income	21	7,579	82,108
Other operating expenses (-)	21	(12,162)	(15,272)
OPERATING PROFIT		3,133,317	3,329,040
Financial income	22	7,135	19,474
Financial expenses (-)	23	(9,122,038)	(12,671,198)
LOSS BEFORE TAX		(5,981,586)	(9,322,684)
Current tax expense		-	-
LOSS FOR THE PERIOD		(5,981,586)	(9,322,684)
Loss per share	25	(0.03)	(0.05)

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

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH

STANDALONE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 MARCH 2016

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

	Paid in Capital	Adjustment to share capital	Share premiums	Restricted reserves allocated from profit	Retained earnings		Equity Total
					Retained earnings	Net loss for the period	
Balance as at 1 January 2015	184,000,000	317,344	58,880,000	4,147	381,578,873	(15,291,737)	609,488,627
Transfers	-	-	-	-	(15,291,737)	15,291,737	-
Total comprehensive loss	-	-	-	-	-	(9,322,684)	(9,322,684)
Balance as at 31 March 2015	184,000,000	317,344	58,880,000	4,147	366,287,136	(9,322,684)	600,165,943
Balance as at 1 January 2016	184,000,000	317,344	58,880,000	4,147	366,287,136	(28,810,970)	580,677,657
Transfers	-	-	-	-	(28,810,970)	28,810,970	-
Total comprehensive loss	-	-	-	-	-	(5,981,586)	(5,981,586)
Balance as at 31 March 2016	184,000,000	317,344	58,880,000	4,147	337,476,166	(5,981,586)	574,696,071

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

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH****STANDALONE STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2016**

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

PROFIT OR LOSS	Notes	<i>Not reviewed</i> 31 March 2016	<i>Not reviewed</i> 31 March 2015
A. Cash flows from operating activities			
Net loss for the period		(5,981,586)	(9,322,684)
Adjustments to reconcile loss to cash provided by operating activities:			
Adjustments for depreciation and amortization expense	10, 11	4,985	4,360
Adjustments for change in provisions for employee termination benefits and unused vacation	15	10,625	40,572
Adjustments for interest income and expense		5,458,183	10,852,241
Adjustments for foreign currency exchange differences		2,937,433	805,927
Adjustments for rent expense accrual		(53,438)	68,554
		2,376,202	2,448,970
Net working capital changes in:			
Trade receivables		(131,140)	(1,868,715)
Other receivables from operating activities		96,726	-
Change in other current and non-current assets		481,314	103,728
Trade payables		197,979	2,251,519
Other payables from operating activities		(501,817)	(14,600)
Cash provided from operating activities		2,519,264	2,920,902
B. Cash flows from investing activities			
Cash outflow from acquisition of property, equipment and intangible assets	10, 11	(21,151)	(1,696)
Acquisition of investment property	9	(4,825,136)	(3,775,394)
Net cash used in investment activities		(4,846,287)	(3,777,090)
C. Cash flows from financing activities			
Proceeds from borrowings		-	323,045,600
Repayment of financial liabilities		-	(278,245,303)
Interest paid		(5,465,318)	(10,871,715)
Interest received		7,135	19,474
Net cash provided by financing activities		(5,458,183)	33,948,056
Net (decrease)/increase in cash and cash equivalents		(7,785,206)	33,091,868
Cash and cash equivalents at the beginning of the period		10,149,201	232,262
Cash and cash equivalents at the end of the period	4	2,363,995	33,324,130

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