

**AKFEN GAYRİMENKUL YATIRIM  
ORTAKLIĞI ANONİM ŞİRKETİ**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
CONSOLIDATED FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITORS' REPORT  
FOR THE PERIOD 1 JANUARY 2016 – 30 JUNE 2016  
(ORIGINALLY ISSUED IN TURKISH)**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ****CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH****CONSOLIDATED FINANCIAL POSITION AS AT 30 JUNE 2016**

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

<b>ASSETS</b>	<b>Notes</b>	<b>Reviewed 30 June 2016</b>	<b>Audited 31 December 2015</b>
<b>CURRENT ASSETS</b>		<b>24,541,113</b>	<b>36,538,078</b>
Cash and cash equivalents	5	12,415,286	16,238,637
Trade receivables		8,820,914	17,179,374
- <i>Due from third parties</i>	7	8,820,914	17,179,374
Other receivables		26,621	147,465
- <i>Due from third parties</i>	8	26,621	147,465
Prepaid expenses	16	2,082,705	1,413,980
Other current assets	17	1,195,587	1,558,622
<b>NON-CURRENT ASSETS</b>		<b>1,596,035,029</b>	<b>1,549,319,879</b>
Long term financial assets	5	48,066,000	47,664,000
Other receivables		17,815,136	17,074,766
- <i>Due from third parties</i>	8	17,815,136	17,074,766
Investment property	9	1,477,605,316	1,428,360,875
Property and equipment	10	146,066	134,379
Intangible assets	11	54,052	53,318
- <i>Other intangible assets</i>	11	54,052	53,318
Prepaid expenses	16	11,558,494	12,995,995
Deferred tax assets	24	3,104,624	5,745,079
Other non-current assets	17	37,685,341	37,291,467
<b>TOTAL ASSETS</b>		<b>1,620,576,142</b>	<b>1,585,857,957</b>

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

# AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

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

### CONSOLIDATED FINANCIAL POSITION AS AT 30 JUNE 2016

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

LIABILITIES	Notes	Reviewed 30 June 2016	Audited 31 December 2015
<b>CURRENT LIABILITIES</b>		<b>59,588,548</b>	<b>54,872,283</b>
Short term financial liabilities	6	5,023,180	-
Short term portion of long term financial liabilities	6	43,604,902	44,730,329
Trade payables		5,338,412	5,923,557
- Due to related parties	4,7	3,012,718	3,742,189
- Due to third parties	7	2,325,694	2,181,368
Other payables		1,344,920	2,490,694
- Due to third parties	8	1,344,920	2,490,694
Deferred income	16	2,545,208	-
Short term provisions		466,975	450,977
- Short term provisions for employee benefits	15	466,975	450,977
Other current liabilities	17	1,264,951	1,276,726
<b>NON-CURRENT LIABILITIES</b>		<b>737,151,846</b>	<b>726,879,148</b>
Long term financial liabilities	6	665,263,496	659,286,603
Long term provisions		100,704	80,773
- Long term provisions for employee benefits	15	100,704	80,773
Deferred tax liability	24	68,267,219	63,911,239
Other non-current liabilities	17	3,520,427	3,600,533
<b>EQUITY</b>		<b>823,835,748</b>	<b>804,106,526</b>
<b>Equity attributable to equity holders of parent</b>		<b>793,159,311</b>	<b>773,453,673</b>
Paid in capital	18	184,000,000	184,000,000
Adjustment to share capital	18	317,344	317,344
Purchase of share of entity under common control	18	53,748,727	53,748,727
Share premiums	18	58,880,000	58,880,000
Other comprehensive income to be reclassified to profit or loss		(58,426,468)	(72,009,383)
- Currency translation differences		(58,426,468)	(72,009,383)
Restricted reserves allocated from profit	18	4,147	4,147
Retained earnings		548,512,838	595,495,917
Net profit/(loss) for the period		6,122,723	(46,983,079)
<b>Non-controlling interests</b>		<b>30,676,437</b>	<b>30,652,853</b>
<b>TOTAL LIABILITIES</b>		<b>1,620,576,142</b>	<b>1,585,857,957</b>

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



**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2016**

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

	<i>Notes</i>	<i>Reviewed 1 January - 30 June 2016</i>	<i>Not reviewed 1 April - 30 June 2016</i>	<i>Reviewed 1 January - 30 June 2015</i>	<i>Not reviewed 1 April - 30 June 2015</i>
<b>PROFIT OR LOSS</b>					
Revenue	19	26,136,874	13,528,683	24,049,719	13,284,487
Cost of sales	19	(4,193,326)	(2,198,048)	(3,228,471)	(1,709,737)
<b>GROSS PROFIT</b>		<b>21,943,548</b>	<b>11,330,635</b>	<b>20,821,248</b>	<b>11,574,750</b>
General administrative expenses	20	(4,276,951)	(2,453,637)	(3,583,585)	(2,098,982)
Other operating income	21	84,886	56,329	242,692	115,175
Other operating expenses	21	(1,115,180)	(1,018,273)	(491,208)	(133,083)
<b>OPERATING PROFIT</b>		<b>16,636,303</b>	<b>7,915,054</b>	<b>16,989,147</b>	<b>9,457,860</b>
Financial income	22	18,863,458	12,170,858	18,003,348	7,358,830
Financial expenses	23	(23,704,325)	(9,798,226)	(38,721,523)	(24,164,906)
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>11,795,436</b>	<b>10,287,686</b>	<b>(3,729,028)</b>	<b>(7,348,216)</b>
Current tax expense	24	(5,649,129)	(2,419,431)	(4,993,225)	(1,840,298)
- Deferred tax expense	24	(5,649,129)	(2,419,431)	(4,993,225)	(1,840,298)
<b>NET PROFIT/(LOSS) FOR THE PERIOD</b>		<b>6,146,307</b>	<b>7,868,255</b>	<b>(8,722,253)</b>	<b>(9,188,514)</b>
<b>Attribution of income/(loss) for the period</b>					
Non-controlling interest		23,584	341,570	(795,029)	(713,733)
Attributable to equity holders of the parent		6,122,723	7,526,685	(7,927,224)	(8,474,781)
<b>Net profit/(loss) for the period</b>		<b>6,146,307</b>	<b>7,868,255</b>	<b>(8,722,253)</b>	<b>(9,188,514)</b>
Earnings/(loss) per share (Full TRY)	25	0,03	0,04	(0,04)	(0,05)
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>6,146,307</b>	<b>7,868,255</b>	<b>(8,722,253)</b>	<b>(9,188,514)</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>					
<b>Items to be reclassified to profit or loss</b>		<b>13,582,915</b>	<b>8,498,723</b>	<b>23,564,807</b>	<b>11,014,936</b>
Change in currency translation differences		13,582,915	8,498,723	23,564,807	11,014,936
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>19,729,222</b>	<b>16,366,978</b>	<b>14,842,554</b>	<b>1,826,422</b>
<b>Attribution of total comprehensive income:</b>					
Non-controlling interest		23,584	341,570	(795,029)	(713,733)
Attributable to equity holders of the parent		19,705,638	16,025,408	15,637,583	2,540,155

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 30 JUNE 2016**

(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	Restricted reserves allocated from profit	Retained Earnings	Equity attributable of equity holders of the parent	Non controlling interests	Total Equity	
											Foreign currency translation reserve
<b>Balance as at 1 January 2015</b>	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)	-	-	-	-	23,564,807	-	-	(7,927,224)	15,637,583	(795,029)	14,842,554
<b>Balance as at 30 June 2015</b>	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
<b>Balance as at 1 January 2016</b>	184,000,000	317,344	58,880,000	53,748,727	(72,009,383)	4,147	595,495,917	(46,983,079)	773,453,673	30,652,853	804,106,526
Transfers	-	-	-	-	-	-	(46,983,079)	46,983,079	-	-	-
Total comprehensive Income	-	-	-	-	13,582,915	-	-	6,122,723	19,705,638	23,584	19,729,222
<b>Balance as at 30 June 2016</b>	184,000,000	317,344	58,880,000	53,748,727	(58,426,468)	4,147	548,512,838	6,122,723	793,159,311	30,676,437	823,835,748

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

# AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

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

### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2016

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

	Notes	Reviewed 30 June 2016	Reviewed 30 June 2015
<b>A. Cash flows from operating activities</b>			
Net profit/(loss) for the period		6,146,307	(8,722,253)
<i>Adjustments to reconcile loss to cash provided by operating activities:</i>			
Adjustments for depreciation and amortization expense	10,11	15,382	17,719
Adjustments for change in provisions for employee termination benefits and unused vacation	15	35,929	99,693
Adjustments for interest income and expense		18,515,338	16,486,225
Adjustments for foreign currency exchange differences		(15,361,150)	11,471,370
Adjustments for tax expense	24	5,649,129	4,993,225
Other adjustments to reconcile loss to cash provided by operating activities		(91,881)	98,421
		<b>14,909,054</b>	<b>24,444,400</b>
<b>Net working capital changes in:</b>			
Trade receivables		8,358,460	(2,712,342)
Other receivables from operating activities		(619,526)	(871,770)
Trade payables		(585,145)	4,314,482
Other payables from operating activities		2,746,740	5,456,140
Other adjustments for net working capital changes		737,937	(3,145,409)
<b>Cash provided from operating activities</b>		<b>25,547,520</b>	<b>27,485,501</b>
Interest received		42,926	55,239
Payments for provisions for employee termination benefits and unused vacation		-	(28,800)
<b>Net cash provided from operating activities</b>		<b>25,590,446</b>	<b>27,511,940</b>
<b>B. Cash flows from investing activities</b>			
Cash outflow from acquisition of property, equipment and intangible assets		(29,684)	(5,067)
Cash inflow from sale of property, equipment and intangible assets		1,881	-
Acquisition of investment property		(15,827,730)	(45,479,325)
<b>Net cash used in investment activities</b>		<b>(15,855,533)</b>	<b>(45,484,392)</b>
<b>C. Cash flows from financing activities</b>			
Proceeds from borrowings		5,000,000	340,522,639
Repayment of borrowings		-	(287,379,997)
Interest received		530,778	253,268
Interest paid		(18,639,626)	(13,205,220)
Repayment of other financial liabilities		(449,416)	(7,414,108)
Other outflows		-	(26,146)
<b>Net cash (used)/provided by financing activities</b>		<b>(13,558,264)</b>	<b>32,750,436</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(3,823,351)</b>	<b>14,777,984</b>
Cash and cash equivalents at the beginning of the period		16,238,637	24,072,498
<b>Cash and cash equivalents at the end of the period</b>	5	<b>12,415,286</b>	<b>38,850,482</b>

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