



EMLAK KONUT REIC INTERIM REPORT

MARCH 2015

Prepared pursuant to Capital Markets Board
Communique on Principles of Financial Reporting
in Capital Markets (II-14.1)

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
BOARD OF DIRECTORS INTERIM REPORT
FIRST QUARTER 2015

CONTENTS

Contents

About the Company	4
Area of Operations	6
Revenue Sharing Model	14
Turnkey (TK) Project Model	20
The Board of Directors	22
The Board of Directors	22
Activities of the Board of Directors	24
Corporate Governance and Committees	25
Executive Management	27
Other Developments in the Reporting Period	30
Administrative and Legal Sanctions	30
Buyback Program	30
R&D Activities	30
KEY Payments	30
Lawsuits against Emlak Konut REIC	30
Dividend Distribution Policy and Principles	37
Articles of Association; Article 30 - Profit Distribution:	37
First legal reserve:	37
First dividend:	37
Second dividend:	38
Second legal reserve:	38
Disclosure Policy	39
A. Objective and Scope	39
B. Means for Public Disclosure:	39
C. Insider Information and implemented measures for ensuring the confidentiality of insider information until it is disclosed to the public	41
D. Communications with Shareholders and Persons Authorized to Make Public Disclosures	42
E. Authority and Responsibility	42
F. Principles for determining persons with administrative responsibility	42
G. Principles regarding the disclosure of company's assessment for the future	42

CONTENTS

Directorate of Investor Relations	43
Material Event Disclosures	44
Insider Information and Access List	44
Human Resources and HR Policy	47
Environmental Awareness	50
Code of Conduct and Social Responsibility	51
Assessment of the Relevant Activity Period	52
Developments in the World Economy	52
Major Macroeconomic Developments in the World Economy	56
Changes in Commodity Prices and Their Impact on World Economies	58
Developments in Turkish Economy	60
Developments in Construction and Real Estate Industries	65
Turkish Construction Industry's Impact on Growth	67
Construction Industry's Impact on Employment	69
Analysis in Terms of Population and Components (Such as Urbanization)	71
Construction Industry and Housing Sales Indicators	72
Interest Rate Effect on Construction and Housing Industries	76
Changes in Home Prices	78
Subsequent Developments in the Post-Reporting Period	83
Developments Related to the 2014 Ordinary General Assembly Meeting	83
2014 Dividend Distribution Statement	83
Portfolio Structure and Real Estate	85
Plots of Land Purchased for Developing Projects	87
Current Projects	87
Appraisal Reports	87
Current Status and Completion Rates of Projects	87
Portfolio Limitations	87
Share Price Performance	88
Traded Market - Index - Group	88
Stock Prices and Volume Change Charts	88
Service Providers that Serve Assets and Rights in the Shareholder Portfolio	91
Independent Audit Company	91
Appraisal Companies	91

CONTENTS

Investor Relations Consultant Firm _____	91
Certified Public Accountant _____	91
Press and Public Relations PR Agency _____	91
Appendices _____	92
1. Independent Audit Report and Consolidated Financial Statements _____	92
2. Summary Reports on Asset Appraisals _____	92
3. Construction Progress Phases _____	92
4. Summary Table of Tendered Land Plots _____	92
5. Summary Table of Building Inventory _____	92
6. Summary Table of Land Plots without Developed Projects _____	92
7. Table of Construction Completion Dates _____	92
8. List of Appraisal Companies _____	92
9. 2014 Dividend Distribution Statement _____	92
Legal Notice _____	93

CONTENTS

Tables and Figures

Basic Financial Data per Year	10
Financial Ratios.....	11
Capital and Shareholding Structure.....	13
Corporate Governance Committee	25
Audit Committee.....	26
Early Detection of Risk and Risk Management Committee	26
List of Individuals with Access to Insider Information	45
Policy Interaction of the Three Major Central Banks	55
Global and Developed-Emerging Countries' Growth Trends (Annual %)	57
Brent Oil Price (USD/Barrel).....	59
Changes in Bond Interest Rates of Selected Emerging Economies.....	61
Turkey's Annual Growth Rates based on TurkStat Data	62
GDP per capita at Purchasing Power Parity (2013).....	63
Annual Price Changes, CPI and D-PPI (TurkStat)	64
Credit Ratings of Turkey (based on Foreign Currency, March 30 2015)	65
Balance of Payments - Services Balance - Construction Services.....	66
Share of Construction in GDP %.....	67
Share of Construction in GDP at Current Prices (Quarterly).....	68
Sectoral Shares in Total Employment (%).....	69
Construction Industry Employment Index.....	70
Population Projection in the Five Big Cities (Istanbul-Ankara-Izmir-Bursa-Antalya)	72
Construction Industry Turnover Index (2014)	73
Number of Home Sales (2013-2014).....	74
Pre-Owned Home Sales in Five Big Cities	75
Number of Homes Sold to Foreign Nationals (January-February 2014 and 2015)	76
Home Loan Rates	77
Turkey Housing Price Index and Unit Usage Price	79
Annual Change in Turkey New House Price Index (%)	80
House Price Index of Three Big Cities (2010=100)	80
Leased and Rented Properties	85
Independent Unit Sales	86
Annual Share Performance.....	88
Annual Share Volume.....	89
Comparison of BIST and GYO Indices.....	90





Comments by Murat Kurum, General Manager

Dear Shareholders,

Following our success in 2014, we closed the first quarter of the year with a significant increase in our activities. In fact, the quarter marked a period where we shaped the future growth of Emlak Konut. We successfully completed the tender process for several of the major projects for which we issued the tenders during the quarter. In addition, we received the building permits for our contracted projects and began the sale process. Furthermore, we pushed forward with the sales of the units in our ongoing projects. Looking at the quarter, we see that we have exceeded our targets for 2015. We sold 2,101 independent units with a sales value of nearly 1.3 billion Turkish lira in the first quarter. This achievement in our sales targets, which are

followed closely by the entire Turkish real estate industry, was a reassuring and motivating outcome for both us and the wider industry. From a financial perspective, we closed the first quarter with a profit of **138.2 million Turkish Liras** by completing several of our projects during the period.

In March, consistent with our projections, we successfully closed out the revenue share tender for the Sarıyer İstinye land project, which is the largest project in terms of total revenue in the company's history.

The competitive tender process was concluded with an encouraging proposal of 3.67 billion Turkish lira in total sales revenue and 1.87 billion Turkish lira in company share total revenue in return for land sale.

I would like to reiterate that we procured this land by participating in the tender issued by the Privatization Administration.

In addition to the Sarıyer İstinye land project, we completed the tender processes and started the construction for Kayabaşı Stage 6 and Hoşdere Stage 4 projects in Başakşehir, the rising star of İstanbul's European side. Furthermore, we completed the tender for the commercial units of Kayabaşı Park Mavera project thanks to the strong demand. Looking at the results of the tenders, we see that the development of the area coupled with the rapidly growing demand for commercial and residential real estate prompts construction companies to take action and participate in our tenders. This activity drives our company share total revenue upward in the revenue sharing tenders that we issue.

Also, we received the building permits for the revenue sharing Avrurpark project in Hoşdere and began the sale process for the sought after independent units during the first quarter.

We issued calls for tenders for four new revenue sharing projects. One of these projects is located in Kağıthane Seyrantepe, a recently popular area on İstanbul's European side that has strategic importance in terms of transportation. The other projects include two valuable plots in Ankara and one in Konya Meram. We are confident we will also successfully complete these tenders.

The rising trend in the tender results is the direct result of the appropriate land investments we have made in the past. As we have always emphasized, we believe that making the right investments in the right place for the right price and at the right time will provide maximum benefits not only for our company but also the market. Our country

needs quality housing. This is not a luxury, it is a vital necessity as a significant portion of İstanbul and majority of the country is in an earthquake zone. This is the reality that we will always remember and therefore continue our efforts to provide quality homes that our people need.

In this context, we procured plots of land from the Housing Development Administration of Turkey. We believe that these plots will meet the scale and quality requirements. Emlak Konut has paid 1.29 billion Turkish lira from its allocated budget to procure these plots that cover an area over two million square meters across Turkey. In addition to İstanbul, these plots are located in Yalova, which will become İstanbul's close neighbor due to the Gebze-Orhangazi bridge as part of the Northern Marmara Highway project, as well as Konya, Nevşehir, Niğde and Denizli, which are the emerging cities of the Central Anatolia and Aegean regions. The investments in these cities will increase Emlak Konut's brand recognition in the Anatolian region. We hope that the home buyers will choose Emlak Konut's projects when making their real estate investments.

I would like to express my sincere thanks to our Board of Directors and our employees for their contribution to Emlak Konut's continued success and our vision for the future. With all our sincerity and enthusiasm, we will continue to create value for our shareholders, expand our business, and make appropriate investments.

Best regards,

Murat Kurum

ABOUT THE COMPANY



Founded in 1953, Emlak Konut REIC is a long-established company with core experience in housing development. The company has operated as a Real Estate Investment Company since 2002. Its brand value is based on years of experience and numerous successful projects.

Emlak Konut has become a reliable institution for all stakeholders, thanks to its adaptive management approach that for 62 years has fostered a strong corporate culture. The brand value that has been created over the years allows our company to enjoy a management approach that continuously raises standards in the real estate industry. The company is a leader and role model in the area of social awareness, especially in building systems, design, environmental awareness and business practices.

TOKİ (Housing Development Administration of Turkey) is the main shareholder of Emlak Konut REIC. Today the company is the largest real estate investment trust in Turkey based on its market value, real estate portfolio and land inventory.

Our core business activities include purchasing land in Turkey and developing real estate projects for middle and upper-middle income groups. Our main objective is to increase both pecuniary and non-pecuniary value for our shareholders and other stakeholders by implementing innovative and contemporary projects.

The paid-in capital of 3,800,000,000 Turkish lira and the authorized capital of 4,000,000,000 Turkish lira reflect the leading role of company in the real estate industry.

Emlak Konut REIC was offered to the public in 2010 and in 2013 with the goal of maintaining rapid growth. The IPO attracted unprecedented attention: the demand by domestic individual investors set a record in Turkey, becoming one of the five biggest public offerings in the history of Turkey. The second public offering, which was made in November 2013, was oversubscribed by 2.3 times the available offer shares. With more than 100 international investors from 20 countries interested in Emlak Konut shares as capital increase in Central-Eastern Europe, Middle East and Africa. it became the largest public offering of the year.



ABOUT THE COMPANY

AREA OF OPERATIONS



Emlak Konut Real Estate Investment Company was incorporated on December 26, 1990, under title of Emlak Konut A.Ş., as a subsidiary of Türkiye Emlak Bankası A.Ş., in accordance with its articles of association, main statute of Türkiye Emlak Bankası A.Ş., Decree-Law No. 233 on State Economic Enterprises and the Turkish Commercial Code. Its incorporation was registered and announced on March 6, 1991, after which the company began its operations. Pursuant to Law No. 4603, its articles of associations were amended on May 19, 2001, and the company was therefore subjected to the provisions of the Turkish Commercial Code.

Pursuant to Higher Planning Council Decision No. 99/T-29 on August 4, 1999 and Decree-Law No. 588 on December 29, 1999, the company has decided to restructure as a Real Estate

Investment Company. As per the permissions granted by the Capital Markets Board (permission no. 298 on June 20, 2002) and the Ministry of Science, Industry and Technology (permission no. 5320 on June 25, 2002), the draft amendment to the articles of association was presented to the General Assembly for approval. The articles of association were revised following the approval of the draft amendment during the Extraordinary General Assembly Meeting on July 22, 2002.

The company's articles of association were registered by Istanbul Trade Register Office on July 29, 2002, and became effective following the announcement in the Trade Registry Gazette on August 1, 2002. (Trade Registry No: 273488-221070; MERSIS [Central Registry] No: 5669-3333-4423-6524)

Per the resolution of the General Assembly Meeting on February 28, 2006, the company's business name was changed from "Emlak Gayrimenkul Yatırım Ortaklığı A.Ş." to "Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş." (Emlak Konut Real Estate Investment Company), without any time restrictions to its legal entity.

The company's legal entity was modified to real estate investment company for engaging in activities and topics as indicated in the Capital Markets Board of Turkey (CMB) Communiqué on Principles Regarding Real Estate Investment Companies. As a result, the company acts in accordance to the provisions of relevant legislation.

Per article 5 of the articles of association, the company's areas of activity are defined as follows: The company is a publicly-held corporation established with authorized capital that engages in activities and topics as indicated in the CMB Communiqué on Principles Regarding Real Estate Investment Companies and primarily invests in real estate, real estate backed capital market instruments, real estate projects and real estate rights.

Emlak Konut REIC's objective and areas of activity are: (a) developing real estate projects that include mostly housing units as well as commercial units, educational facilities, social outfits, infrastructure, roads, and landscapes; (b) act as construction supervisor of developed projects; (c) marketing and sales of completed independent units. Emlak Konut REIC subcontracts all construction work by means of tenders, as it cannot serve as a construction contractor pursuant to the CMB communiques and regulations on real estate investment companies.

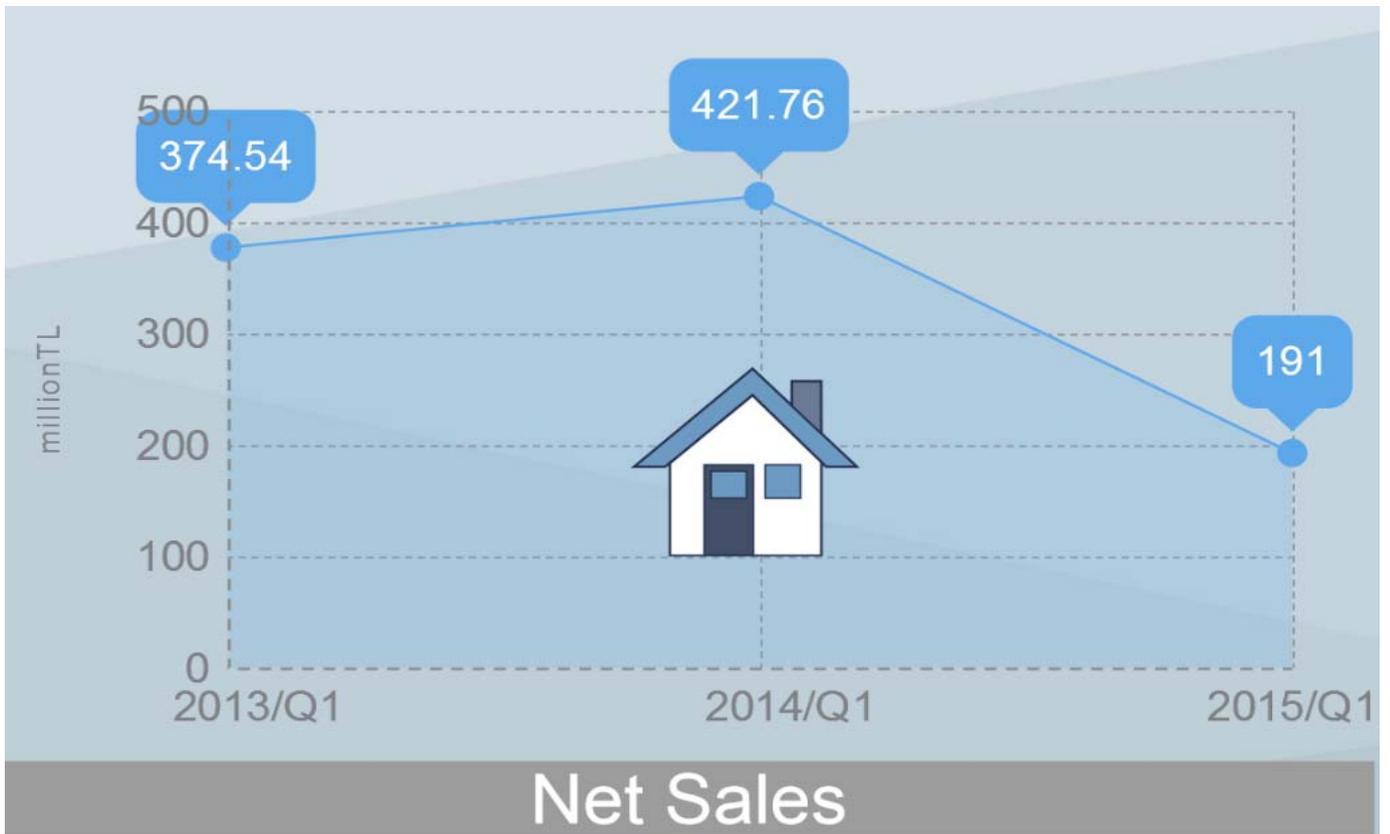
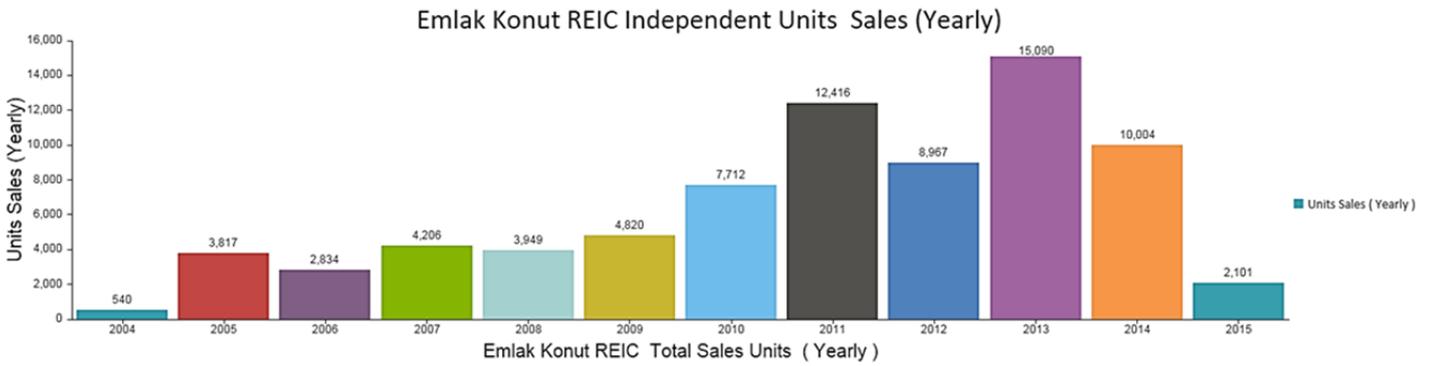
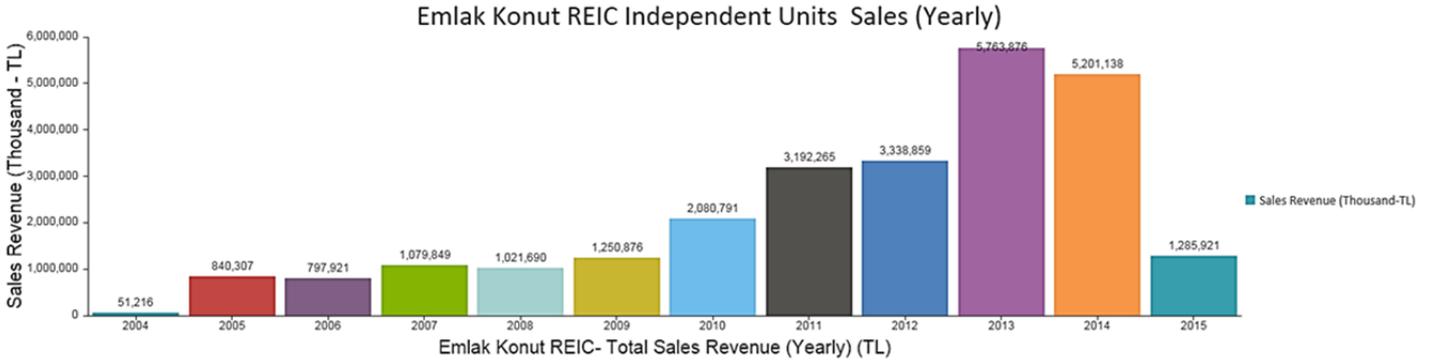
CONTACT INFORMATION:

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ATAŞEHİR, İSTANBUL.

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SUMMARY OF FINANCIAL DATA



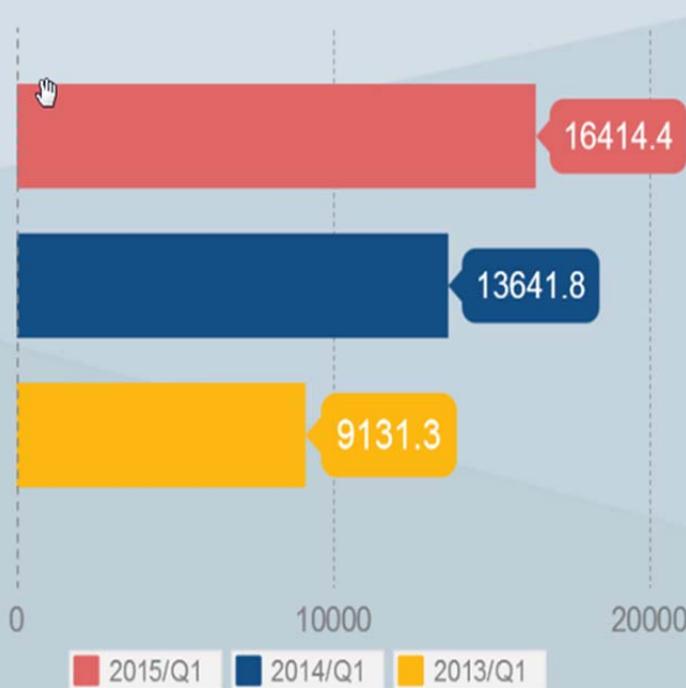
SUMMARY OF FINANCIAL DATA

✓ Our Equity

Our profitability continues for years has turned into a strong funding source.



million TL



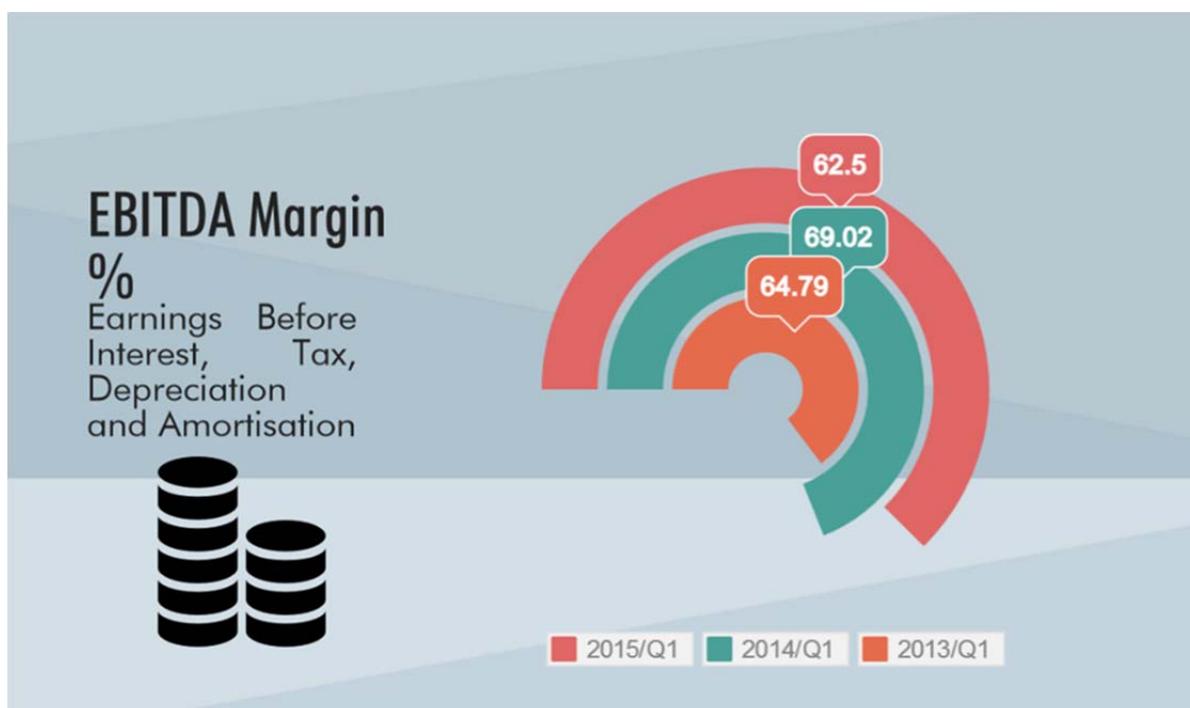
Total Assets

Our assets has been increased year over year.

SUMMARY OF FINANCIAL DATA

Basic Financial Data per Year

Financial Data	2015/Q1	2014	2013	2012
Income Statement				
Net Sales	191.0	1,804.5	2,331.1	1,004.6
EBITDA	119.4	749.0	1,004.4	529.8
EBITDA Margin	62.5	41.5%	43.1%	52.7%
Period Profit	138.3	954.4	1,060.5	523.4
Balance Sheet				
Total Assets	16,414.1	14,953.5	13,471.0	8,578.9
Equity	8,889.4	8,751.3	8,353.6	4,392.3



SUMMARY OF FINANCIAL DATA

Financial Ratios



EMLAK KONUT'S STRATEGY

FOCUSING ON MIDDLE AND UPPER-MIDDLE INCOME GROUPS	<ul style="list-style-type: none">• Making use of existing demographical tendencies such as economic urbanization in Turkey• Continuing to develop housing units for middle and upper-middle income groups• Investing in developing regions
PROCURING LAND FOR DEVELOPING MORE HOUSING UNITS	<ul style="list-style-type: none">• Maintaining strategic relationship with TOKİ<ul style="list-style-type: none">○ Purchasing lands without tender processes○ Opportunity for accessing the most suitable lands for development by Emlak Konut.• Continuing to access TOKİ's land inventory• Purchasing land from third parties as needed
CREATING CASH FLOW BY COMPLETING CURRENT PROJECTS	<ul style="list-style-type: none">• Using cash flow from ongoing projects in new development opportunities• Implementing large scale projects by applying revenue sharing model for projects in favored locations and achieving higher profits by limiting economic risks

Our objective is to remain leading real estate development company in Turkey and grow into a global real estate corporation. The rule of thumb for our company has always been its adaptive management approach towards achieving the objectives as per its vision and mission.

Our goal is to ensure sustainable growth by creating “permanent value” for all our stakeholders with the 60 years of accumulated knowledge and the power that stems from our strong corporate culture.

CAPITAL AND PARTNERSHIP STRUCTURE

	GROUP	TYPE	SHARE AMOUNT	NUMBER OF SHARES	%
Housing Development Administration	A	Registered (Privileged)	253,369,919.00	25,336,991,900	6.67
Housing Development Administration	B	Bearer	1,621,460,838.35	162,146,083,835	42.67
Free-floating	B	Bearer	1,925,108,972.63	192,510,897,263	50.66
Others	B	Bearer	60,270.02	6,027,002	<1
		Total	3,800,000,000.00	380,000,000,000	100



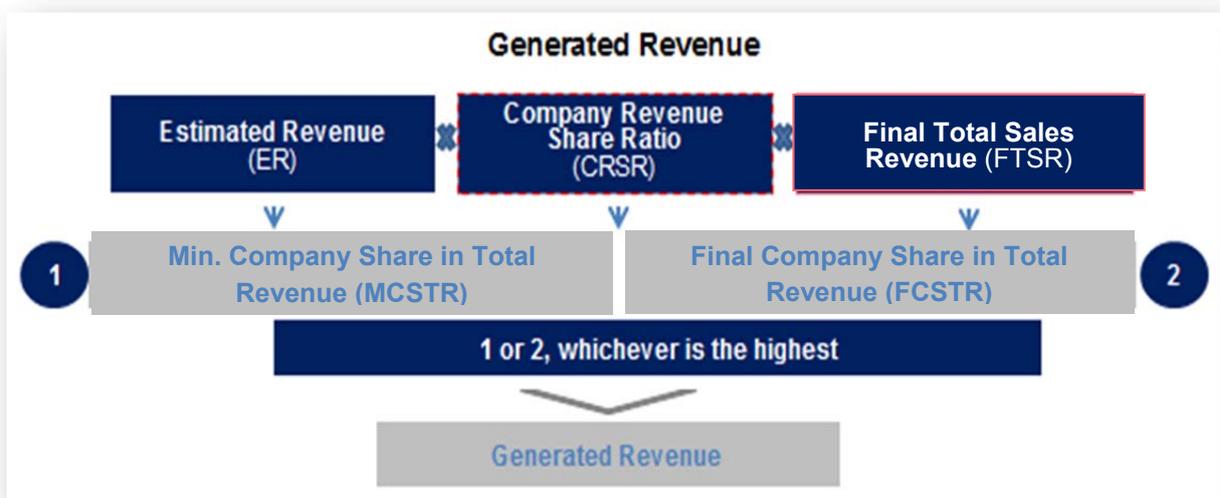
BUSINESS MODELS

Emlak Konut REIC effectively applies two different business models in order to achieve its administrative targets and strategies. The process flows and comparison of the two business models are provided below.

- One of the significant values of Emlak Konut REIC is the business models it develops and implements. With an adaptive approach, Emlak Konut continuously improves these models. They also serve as an important tool in managing risk; since the models seek flawless completion of the process by taking into account both financial planning and construction phases of the projects.
- The models which include profit, cost and risk control from a financial perspective, also provide important contributions to construction techniques, safety and supervision.
- Emlak Konut REIC develops its projects under two business models: Revenue Sharing Model (RSM) and Turnkey (TK) Project Model.
- Emlak Konut REIC acquires land plots for project development from TOKİ, resources as capital in-kind from Emlak Bankası and also in limited amounts from third parties.
- Pursuant to accounting requirements in construction and real estate industries, the sales and costs are added to income statement only after Emlak Konut REIC approves the project completion.
- The company's brand value, which is the fruit of 60 years of meticulous labor, influences the business models and greatly contributes to construction, marketing and sale phases of the projects.

Revenue Sharing Model

As the company's most important model in terms of generating income, the Revenue Sharing Model is used primarily in projects that are intended for upper-middle and high income groups. It is a unique model that provides ensures high profitability and fund flows.



BUSINESS MODELS

The summary of Emlak Konut REIC's projects, whose contracts were awarded in 2014 and **signed** in the first quarter of 2015, is provided below.

Istanbul Bahçelievler Yenibosna Revenue Sharing Project in Return for Land Sale: The first and second sessions of the tender were held on October 27, 2014, and November 3, 2014, respectively; and **DOĞA ŞEHİRCİLİK İÇ VE DIŞ TİC. A. Ş. & BAŞ YAPI İNŞ. TAAH. VE TUR. SAN. DIŞ TİC. LTD. ŞTİ. JOINT VENTURE** submitted the highest bid as follows: Final Total Sales Revenue in Return for Land Sale: 440,000,000.00 TL+VAT; Company Share Total Revenue in Return for Land Sale: 171,600,000.00 TL+VAT; Company Revenue Share Ratio in Return for Land Sale: 39%. The project contract was signed on January 9, 2015, and the site was delivered on January 20, 2015.

The summary of Emlak Konut REIC's projects, whose contracts were awarded in the first quarter of 2015 but **not signed** yet, is provided below.

Istanbul Sarıyer İstinye Revenue Sharing Project in Return for Land Sale: The first and second sessions of the tender were held on March 13, 2015, and March 13, 2015, respectively; and **TAHİNCİOĞLU GAYRİMENKUL İNŞ. VE TUR. A.Ş. & TAHİNCİOĞLU YAPI İNŞ. A.Ş. & NİDA İNŞAAT VE TUR. A.Ş. JOINT VENTURE** submitted the highest bid as follows: Final Total Sales Revenue in Return for Land Sale: 3,672,000,000.00 TL+VAT; Company Share Total Revenue in Return for Land Sale: 1,876,392,000.00 TL+VAT; Company Revenue Share Ratio in Return for Land Sale: 51.10%. The project contract has not been signed yet.

Istanbul Hoşdere Stage 4 Revenue Sharing Project in Return for Land Sale: The first and second sessions of the tender were held on March 26, 2015 and March 26, 2015, respectively; and **DAĞ MİMARLIK YAPI GAYR. TİC. VE SAN. LTD. ŞTİ. & DAĞ MÜHENDİSLİK MÜT. TİC. VE SAN. A.Ş. JOINT VENTURE** submitted the highest bid as follows: Final Total Sales Revenue in Return for Land Sale: 1,090,000,000.00 TL+VAT; Company Share Total Revenue in Return for Land Sale: 275,334,000.00 TL+VAT; Company Revenue Share Ratio in Return for Land Sale: 25.26%. The project contract has not been signed yet.

Istanbul Kayabaşı Stage 6 Revenue Sharing Project in Return for Land Sale: The first and second sessions of the tender were held on March 24, 2015, and March 31, 2015, respectively; and **ARTAŞ İNŞ. SAN. VE TİC. A.Ş.** submitted the highest bid as follows: Final Total Sales Revenue in Return for Land Sale: 876,000,000.00 TL+VAT; Company Share Total Revenue in Return for Land Sale: 350,400,000.00 TL+VAT; Company Revenue Share Ratio in Return for Land Sale: 40%. The project contract has not been signed yet.

BUSINESS MODELS

Emlak Konut REIC's projects whose tenders were **announced** in the first quarter of 2015 are summarized below:

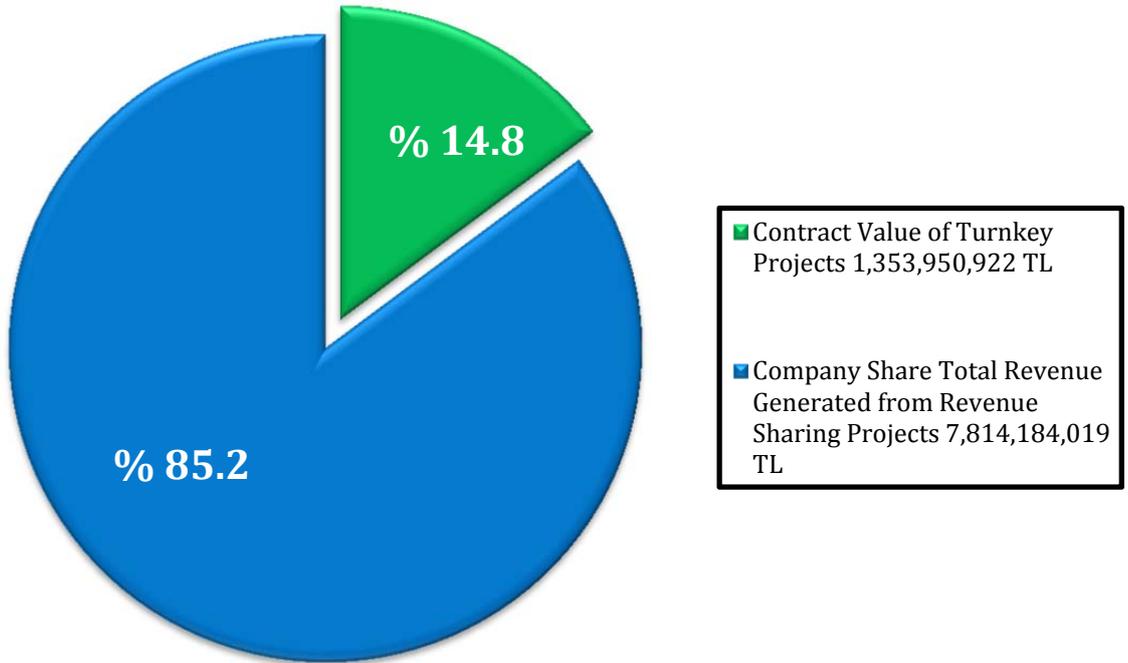
Konya Meram Yenice Revenue Sharing Project in Return for Land Sale: The first session of the tender will be held on Tuesday, April 14, 2015.

Ankara Çankaya Mühye Revenue Sharing Project in Return for Land Sale: The first session of the tender will be held on Thursday, April 16, 2015.

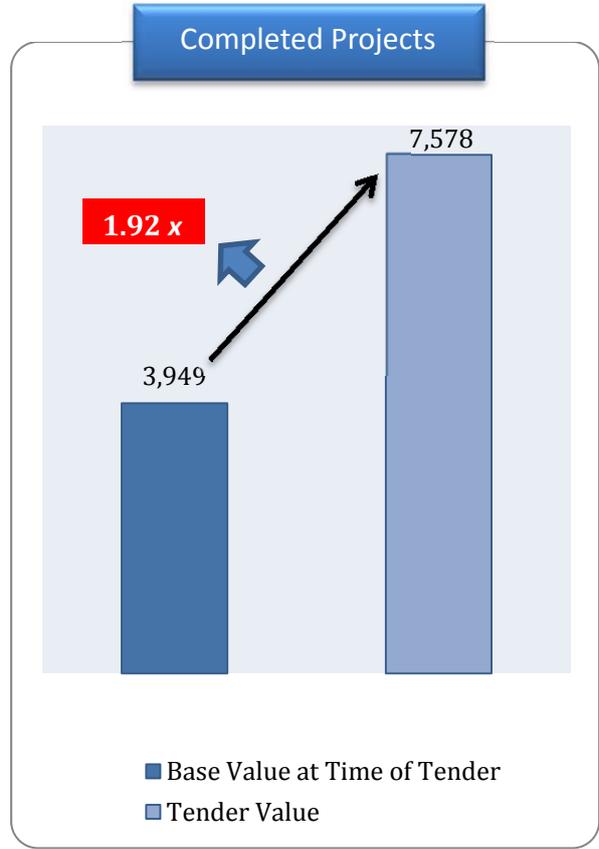
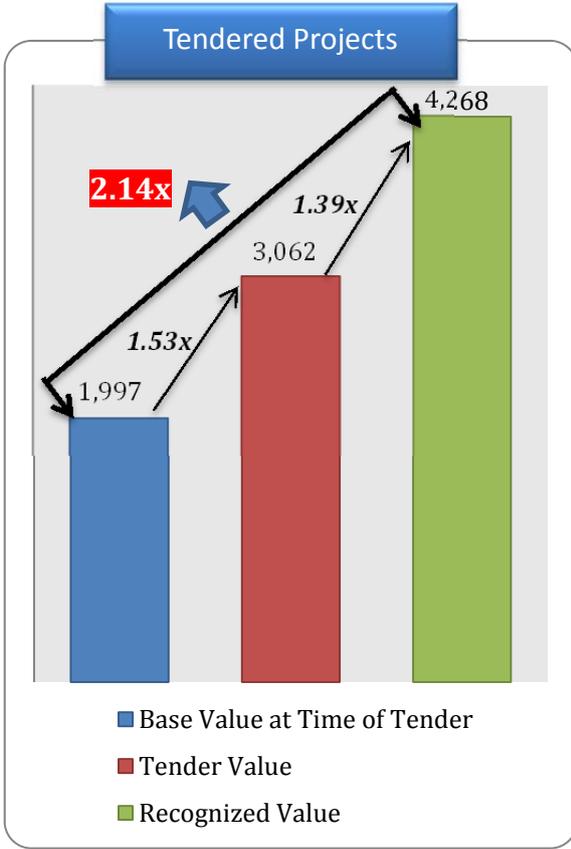
Istanbul Kağıthane Seyrantepe Revenue Sharing Project in Return for Land Sale: The first session of the tender will be held on Tuesday, April 21, 2015.

Ankara Yenimahalle İstasyon Revenue Sharing Project in Return for Land Sale: The first session of the tender will be held on Thursday, April 30, 2015.

Breakdown of Ongoing Projects Based on Value



Project Status Charts



* The figures are in billion TL. It must be noted that past performance is not an indicator of future results.



BUSINESS MODELS

Completed Revenue Sharing Model Projects

NO	PROJECT NAME	BASE VALUE AT TIME OF TENDER (TL)	CSTR (TL)	CRSR (%)	RECOGNIZED VALUE (TL)
1	ATAŞEHİR RESIDENCE	3,519,000	10,255,000	32.53	18,181,734
2	KENTPLUS ATAŞEHİR	72,748,200	131,100,000	33.61	179,475,009
3	IDEALISTKENT	36,600,740	38,100,000	31.75	96,143,402
4	AVRUPA TEM KONUTLARI	162,344,327	186,000,000	30.00	216,075,517
5	KÖRFEZKENT STAGE 1	11,380,501	15,253,903	16.00	17,260,313
6	UPHILL COURT ATAŞEHİR	57,076,350	136,400,000	34.10	207,875,855
7	MY WORLD ATAŞEHİR	127,236,476	311,850,000	38.50	531,870,815
8	SOYAK MAVİŞEHİR	43,600,000	51,600,000	24.00	94,915,970
9	NOVUS RESIDENCE	16,408,600	57,750,000	55.00	115,760,305
10	MİSSTANBUL	56,779,661	112,050,000	41.50	157,780,977
11	KENTPLUS MİMAR SİNAN	9,732,640	42,120,000	35.10	54,717,096
12	EMLAK KONUT PELİKAN PROJECT	20,849,150	67,515,000	38.58	87,123,867
13	ÇERKEZKÖY DREAMCITY	3,990,647	10,065,000	30.50	13,624,442
14	BİZİMEVLER 2	48,686,587	48,750,000	33.00	54,270,185
15	ERGENE VADİSİ	23,935,426	31,000,000	25.00	42,405,496
16	SPRADON QUARTZ	75,291,059	88,520,000	41.00	131,118,805
17	İZMİR MAVİŞEHİR STAGE 5	25,145,000	27,001,000	31.00	29,434,971
18	MERKEZ KAYAŞEHİR	29,440,000	32,000,000	32.00	40,273,717
19	ELITE CITY	54,896,071	56,000,000	35.00	71,317,909
20	MY WORLD EUROPE	179,089,192	228,018,000	30.50	305,449,312
21	PARKYAŞAM MAVİŞEHİR	51,186,000	60,000,000	25.00	76,168,663
22	AVRUPA KONUTLARI ATAKENT 3	240,000,000	264,000,000	30.00	279,524,564
23	SPRADON VADİ	50,291,820	50,310,000	26.00	61,770,244
24	BULVAR 216*	10,860,000	52,200,000	36.00	56,880,000
25	İSTANBUL	102,555,962	105,000,000	30.00	154,434,905
26	ŞEHRİZAR KONAKLARI	105,535,000	137,700,000	50.00	225,371,578
27	VARYAP MERIDIAN	214,793,710	338,189,000	44.15	446,569,757
28	MY TOWERLAND	42,000,000	107,019,000	47.00	234,766,505
29	SOYAK PARK APARTS/ EVOSTAR	72,904,525	102,312,000	26.10	102,312,000
30	EVORA İSTANBUL	47,815,045	163,903,000	32.65	164,884,305
		1,996,691,689	3,061,980,903		4,267,758,218

Weighted Average Company Share Revenue (%)

34.25

* Bulvar 216 project is completely sold.

BUSINESS MODELS

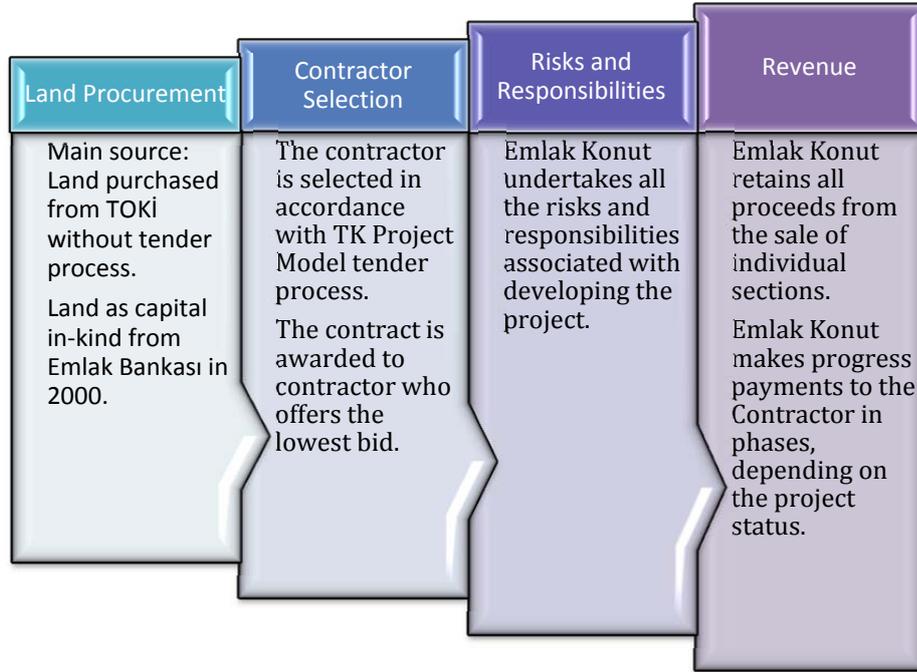
Tendered Revenue Sharing Model Projects					
No	Project Name	Base Value at Time of Tender (TL)	CSTR (TL)	CRSR (%)	Project Multiplier
1	KUASAR ISTANBUL (LIQUEUR FACTORY)	237,485,823	375,337,542	50.00	1.58
2	SARPHAN FINANS PARK	51,786,200	61,500,000	37.50	1.19
3	BATIŞEHİR	351,665,405	424,000,000	32.00	1.21
4	METROPOL ISTANBUL	290,998,144	500,971,500	43.15	1.72
5	AĞAOĞLU MASLAK 1453 ISTANBUL	604,940,000	1,153,750,000	35.50	1.91
6	EVORA ISTANBUL & EVORA ISTANBUL MARMARA	49,868,323	153,600,000	32.00	3.08
7	DUMANKAYA MIKS	37,590,590	82,502,500	30.50	2.19
8	BAHÇETEPE ISTANBUL	110,649,748	165,100,000	26.00	1.49
9	KÖY	252,910,000	475,687,500	32.25	1.88
Subtotal (before and including 2012)		1,987,894,233	3,392,449,042	<i>Multiplier</i>	1.71
10	ISTMARİNA	214,045,000	534,000,000	40.00	2.49
11	BULVAR ISTANBUL	128,386,000	202,440,000	28.00	1.58
12	NİDAKULE ATAŞEHİR	63,551,681	190,231,000	36.20	1.58
13	AVRUPA KONUTLARI TEM 2	61,800,000	105,600,000	30.00	1.71
14	AVCILAR KAPADIK	80,810,000	148,400,000	28.00	1.84
15	FATİH YEDİKULE *	67,915,000	105,968,270	35.01	1.84
16	SEYRANŞEHİR	23,170,000	51,520,000	28.00	2.22
17	KAYABAŞI STAGE 3	97,500,000	188,760,000	25.26	1.94
18	BAHÇEKENT FLORA	55,245,000	80,832,000	26.00	1.94
2013 Subtotal		792,422,681	1,607,751,270	<i>Multiplier</i>	2.03
19	ZEYTİNBURNU, KAZLIÇEŞME *	725,700,000	1,568,800,000	37.00	2.16
20	KAYABAŞI STAGE 4	124,615,000	420,000,000	30.00	3.37
21	HOŞDERE STAGE 3	63,698,214	156,520,000	26.00	2.46
22	ANKARA, ETİMESGUT	36,547,140	54,000,000	30.00	1.48
23	KOCAELİ, DERİNCE *	70,000,000	83,198,500	21.61	1.19
24	KARTAL, YAKACIK *	85,030,299	123,900,000	26.00	1.46
2014 Subtotal		1,105,590,653	2,406,418,500	<i>Multiplier</i>	2.18
25	BAHÇELİEVLER, YENİBOSNA *	63,564,095	171,600,000		
2015 Subtotal		63,564,095	171,600,000		
TOTAL		3,949,471,662	7,578,218,812	<i>Multiplier</i>	1.92

Source: Company Data

Construction permits have not been obtained yet for projects marked with *.

CSTR: Company Share Total Revenue **CRSR:** Company Revenue Share Ratio

Turnkey (TK) Project Model



Since 2004, Emlak Konut has completed the tender process of 25 TK projects, 14 of which are completed and 11 are in progress. The 14 completed TK projects resulted with 9723 saleable independent units. The completed TK projects are Sultanbeyli Emlak Konutları, Alemdağ Emlak Konutları, Tuzla Emlak Konutları 1, Gebze Emlak Konutları 2, Tuzla Emlak Konutları 2, Körfezkent 2, Gebze Emlak Konutları 1, Emlak Konut Mavişehir Evleri, Selimpaşa Emlak Konutları, Burgazkent, Lüleburgaz Çarşısı, Yıldızkent 1,

Yıldızkent 2 and Yıldızkent 3.

The 11 ongoing TK projects will generate additional 7,451 saleable independent units. The ongoing TK projects, which are under construction or their contracts were awarded and executed, are Körfezkent 3, Ataşehir Resmi Kurum Binası, Bahçekent Emlak Konutları



BUSINESS MODELS

1, Bahçekent Emlak Konutları 2, Bahçekent Emlak Konutları 3, Emlak Konut Başakşehir Evleri 1, Emlak Konut Başakşehir Evleri 2, Emlak Konut Başakşehir Evleri 3, Emlak Konut Başakşehir Evleri 4, Esenler Stage 2, and Körfezkent Stage 4.

In addition, in a disclosure issued on March 23, 2015, the company has announced that the tender for **Istanbul Başakşehir Ayazma Emlak Konutları, Stage 1 Housing Construction, Infrastructure, and Landscaping Project** would take place at 2:30 p.m. on Tuesday, April 28, 2015. This project will generate 1,239 independent units in addition to the aforementioned units.



The Board of Directors

As the most important administrative component of our company, the Board of Directors makes strategic decisions that are compliant with the provisions of the articles of association and applicable legal regulations, and in utmost consideration of the rights of all stakeholders. The Board of Directors performs managerial functions required for achieving the sustainable growth that is in line with the long-term corporate goals and interests.

Pursuant to CMB's Communique On Corporate Governance (II-17.1), the company has amended its articles of association for compliance to relevant regulations.

The Board of Directors

The Board of Directors

- The Board of Directors is the most senior decision-making body within Emlak Konut.
- It is responsible for managing and representing Emlak Konut, performing corporate activities, building the company's relationship with shareholders and recruiting.
- It is accountable for ensuring that the corporate activities are performed in accordance with the articles of association and the relevant provisions of the law.
- Its members are elected by resolutions of the General Assembly.
- The Board consists of seven members: Chairman, Vice-Chairman and five members, three of which are independent.

The Board of Directors fulfills the duties determined by the Turkish Commercial Code, the Capital Markets Board of Turkey, other relevant legislation and the General Assembly. The Board of Directors may execute contracts that go past the incumbency of the Board.

Actively engaged in the corporate operations, the Board of Directors intends to increase the business value (pecuniary or non-pecuniary) by acting in accordance with relevant regulations for decision-making processes and fluctuations in actual conditions.

Its members are elected by resolutions of the General Assembly. The Board consists of seven members: Chairman, Vice-Chairman and five members, three of which are independent.

THE BOARD OF DIRECTORS

Irrespective of his or her position and duties, each member of the Board of Directors is entitled to one vote, which must be cast in person. Members who cannot participate in the General Assembly meetings may not submit their votes in writing or in proxy.

In cases when no members request to call a meeting, a decision can be made as long as members submit their written approvals for the proposition.

All significant matters resolved by Board of Directors are released to the public via material event disclosure in accordance with our disclosure policy.

Members have not been granted weighted voting rights and/or veto rights. The Board of Directors applies its powers and responsibilities, and represents the company in line with the authority entrusted by stakeholders at general assembly and pursuant to legislation, articles of incorporation, intra-company regulations, and policies. It also develops strategic plans in accordance with the corporate vision. Irrespective of his or her position and duties, each member of the Board of Directors is entitled to one vote, which must be cast in person. Members who cannot participate in the General Assembly meetings may not submit their votes in writing or in proxy. In cases when no members request to call a meeting, a decision can be made as long as members submit their written approvals for the proposition. All significant matters resolved by Board of Directors are released to the public via material event disclosure.

Actual participation is ensured on all topics related to CMB's Communique on Corporate Governance. The Board of Directors may delegate their authority completely or partially either to one or more executive members or to managers who are not required to be shareholders. There are no managing members in the Board of Directors. **THE BOARD OF DIRECTORS**

Full Name	Position	Occupation	Whether an Independent Member or Not	Share Group(s)
ERTAN YETİM	Chairman	Civil Engineer	-	A, B
MURAT KURUM	Member and General Manager	Civil Engineer	-	A, B
HAVVANUR YURTSEVER	Member	Lawyer	Independent Member	B
ERTAN KELEŞ	Vice-Chairman	Civil Engineer	Independent Member	B
MEHMET ALİ KAHRAMAN	Member	Sr. Urban and Regional Planner	-	A, B
VEYSEL EKMEN	Member	CPA	Independent Member	B
ALİSEYDİ KARAOĞLU	Member	Business Administration	-	A, B

Activities of the Board of Directors

The Board is the most senior decision-making body within Emlak Konut REIC. It is responsible for managing and representing Emlak Konut REIC, performing corporate activities, building the company's relationship with shareholders and recruiting. In addition, it is accountable for ensuring that the corporate activities are performed in accordance with the articles of association and the relevant provisions of the law.

The Board of Directors was established in accordance with the provisions on "board structure" and "terms for independence" set forth in the CMB's Corporate Governance Communiques.

Board members are elected by the resolutions of the General Assembly. The Board consists of seven members: Chairman, Vice-Chairman and five members, three of which are independent.

There were 61 unanimous Board resolutions in the first quarter of 2015. Members have not been granted weighted voting rights and/or veto rights.

The Board of Directors applies its powers and responsibilities, and represents the company in line with the authority entrusted by stakeholders at general assembly and pursuant to legislation, articles of incorporation, intra-company regulations, and policies. It also develops, assigns and manages strategic plans in accordance with the corporate vision.

Amendments to the Articles of Association

No revisions were made to the articles of association during the first quarter of 2015.

Voting Rights and Minority Rights

Pursuant to Voting Right Principle under Shareholders section of Corporate Governance Principles, there are no compulsory practices for the exercise of voting rights by our shareholders.

Group A shares have nomination privileges in Board of Directors elections. All Board members, excluding independent members, are elected by the General Assembly from among candidates nominated by Group A shareholders. Other than the nomination privileges granted to Group A shareholders, no privileges, including nominations for Board of Directors, may be issued or securities that provide privileges may be removed during the election of the Board members. The transfer of privileged shares is subject to the permission of the Capital Markets Board of Turkey. Each share equals to one vote at General Assembly. Five non-independent members of the Board are elected by the General Assembly from among candidates nominated by Group A shareholders. Three independent members are elected from among candidates nominated by the Housing Development Administration of Turkey. There are no minority rights within the company's capital structure.

THE BOARD OF DIRECTORS

Corporate Governance and Committees

Emlak Konut REIC has acknowledged compliance to the CMB's Corporate Governance Principles and Practices as its primary governance principle. Therefore, Emlak Konut REIC has implemented processes for the stages of compliance such as organization, principles, and managerial activities. We follow our amended legislation in our operations concerning Equality, Transparency, Accountability, and Responsibility, which are the key aspects of Corporate Governance Principles.

The Board of Directors makes use of committee efforts during its activities. The efforts by committees and related decisions are submitted to Board of Directors as proposals, and the Board makes the final decision.

The Corporate Governance Committee also serves as Nomination Committee and Wages Committee.

During the 2014 General Assembly Meeting, the following members were elected to aforementioned committees:

Corporate Governance Committee

Full Name	Position	Date Elected
Veysel Ekmen	Independent Board Member/Chairman of the Committee	April 29, 2014
M. Ali Kahraman	Board Member/Committee Member	April 29, 2014
Aliseydi Karaođlu	Board Member/Committee Member	April 29, 2014
Hakan Akbulut	Deputy General Manager/Committee Member	April 29, 2014

The dates and the main agenda items of the meetings held by the Corporate Governance Committee are as follows:

- January 12, 2015: Regulation on Buying, Selling, Renting and Leasing Real Estate
- January 12, 2015: Regulation on Revenue Sharing in Return for Land Sale
- January 12, 2015: Revision of the Regulation on Procurement and Renting of Property
- January 12, 2015: Revision of the Regulation on Task Distribution, Authorization, and Responsibilities
- January 12, 2015: Revision of the Regulation on Service Procurement
- January 12, 2015: Revision of the Personnel Regulation

THE BOARD OF DIRECTORS

Corporate Governance Committee (Nomination Committee)

- March 6, 2015: Nomination of candidates for independent member positions of the Board of Directors

Audit Committee

Full Name	Position	Date Elected
Ertan Keleş	Independent Board Member/Chairman of the Committee	April 29, 2014
Veysel Ekmen	Independent Board Member/Committee Member	April 29, 2014
Havvanur Yurtsever	Independent Board Member/Committee Member	December 5, 2014

The dates and the main agenda items of the meetings held by the Committee are as follows:

- February 27, 2015: Statement of Responsibility about the Financial Reports

Early Detection of Risk and Risk Management Committee

Full Name	Position	Date Elected
Ertan Keleş	Independent Board Member/Chairman of the Committee	April 29, 2014
M. Ali Kahraman	Board Member/Committee Member	April 29, 2014
Aliseydi Karaoğlu	Board Member/Committee Member	April 29, 2014

The dates and the main agenda items of the meetings held by the Committee are as follows:

- January 14, 2015: Land Tender in Istinye Neighborhood, Sarıyer District, Istanbul
- March 4, 2015: Projects and Purchase of Various Real Estate

Executive Management

Executive Managers fulfill their duties in accordance with corporate vision and mission by exercising the power granted by relevant legislation and internal regulations. Emlak Konut's experienced executive management team collaborates with their staff and other units in the organization and makes administrative decisions to meet the expectations of stakeholders. In line with corporate culture, the executive team is attentive about sustainability and social responsibility. Within the company, **Murat Kurum** is the General Manager, **Hakan Akbulut** is Deputy General Manager of Financial and Administrative Affairs, **Sinan Ayođlu** is Deputy General Manager of Technical Services and **Metin Tekin** is Deputy General Manager of Implementation.

With the company Circular No: 345 on March 4, 2015, the following appointments were made in the executive management in accordance with the Emlak Konut REIC's Regulation on Task Distribution, Authorization, and Responsibilities:

- a) Survey Project Manager Hicran akmak was appointed as Head of Projects Department.
- b) Project Survey Specialist İlyas Fehim elik was appointed as Acting Manager. Project No. 1
- c) Project Survey Specialist İlyas Fehim elik was appointed as Acting Manager. Project No. 2
- d) Real Estate Planning Manager Hakan Gedikli was appointed as Head of Real Estate Planning Department.
- e) Real Estate Planning Specialist Seluk Aydemir was appointed as Acting Manager of Planning and Urban Transformation.
- f) Real Estate Planning Specialist Hakan Bakirdal, was appointed as Acting Manager of Real Estate and Appraisals.
- g) Manager, Construction Control No. 1 Mustafa Ařikkutlu was appointed as the Head of Implementation Department.
- h) Appraisals Manager Fatih Kanitođlu was appointed as Manager, Construction Control No. 1.
- i) Construction Control No. 1 and No. 2 Specialist Alim Kaplaner was appointed as Acting Manager of Construction Control No. 3.
- j) Acting Manager of Marketing Zeynep Basa was appointed as Head of Marketing Department.
- k) Marketing Specialist Mehmet Akif Aydođan was appointed as Acting Manager of Marketing.
- l) Construction Control No. 1 and No. 2 Specialist Yasemin Ülkü was appointed as Acting Manager of Service After Sale and Site Management.
- m) Accounting Manager Ercan Aliođlu was appointed as Acting Head of Financial Affairs Department while keeping his Accounting Manager duties.
- n) Financing Specialist Mehmet Akagündüz was appointed as Acting Manager of Financing.
- o) Administrative Affairs and Human Resources Manager Halil İbrahim řAHİN was appointed as Head of Administrative Affairs and Human Resources Department.

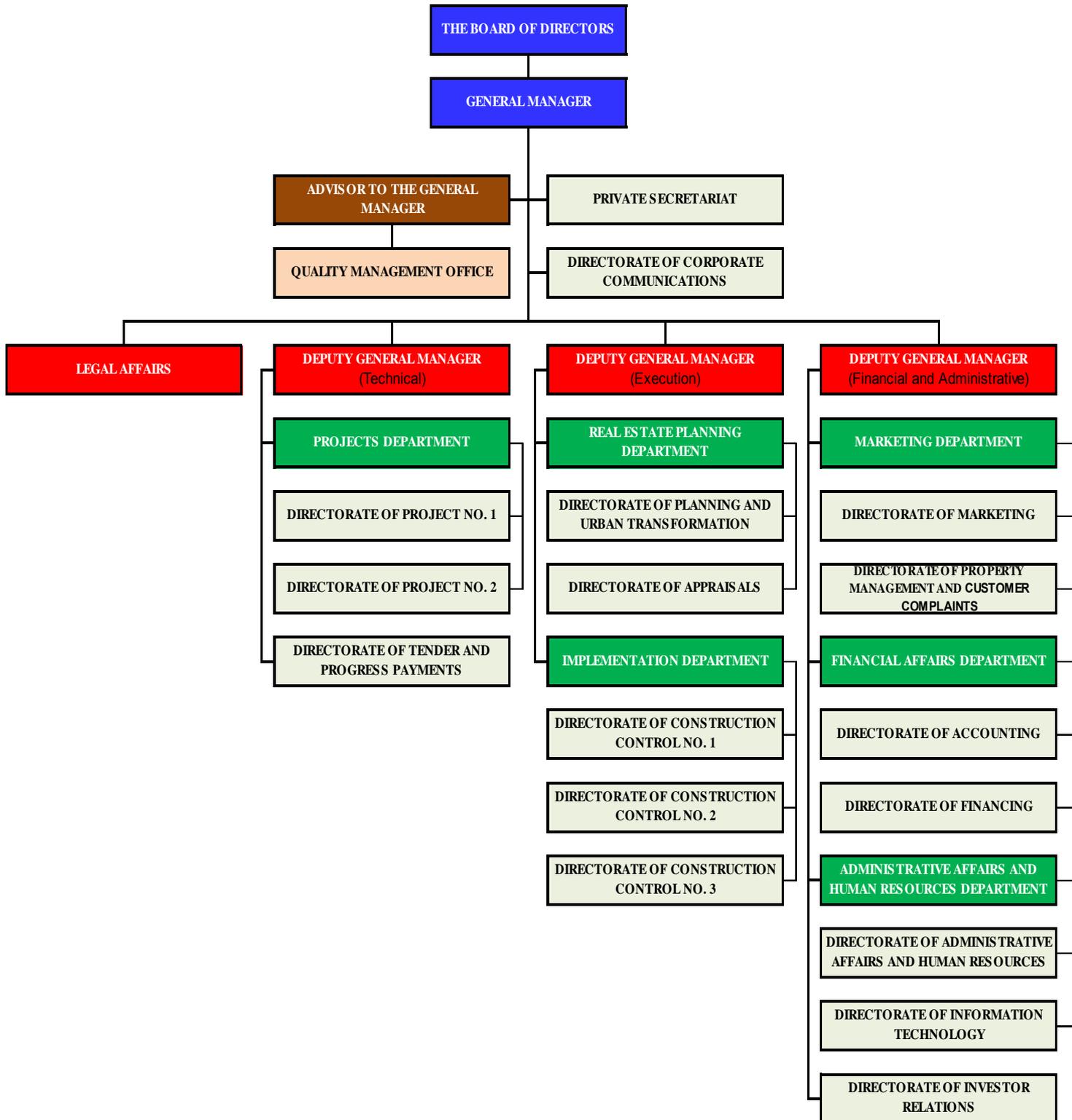
EXECUTIVE MANAGEMENT

- p)** Financing Manager İzzet Gani Karakaya was appointed as Administrative Affairs and Human Resources Manager.
- r)** Administrative Affairs and Human Resources Specialist Serdar Bala was appointed as Acting Manager of Information Technology.

All aforementioned assignments are effective as of March 4, 2015.

EXECUTIVE MANAGEMENT

EMLAK KONUT REIC'S ORGANIZATION CHART



Other Developments in the Reporting Period

Administrative and Legal Sanctions

There are no administrative or legal sanctions about company management members due to violations of legislation provisions.

Buyback Program

The company did not repurchase any shares during the first quarter of 2015.

Within the Buyback Program, the total number of repurchased Emlak Konut REIC shares has reached **110,887,318.00** lots and the ratio of repurchased shares to the company capital reached **2.91809%**.

R&D Activities

Emlak Konut REIC has no research and development activities.

KEY Payments

During the **first quarter of 2015**, total of **948.18** transfers (share amount) were made to the accounts of shareholders with KEY (shares against Housing Support).

Lawsuits against Emlak Konut REIC

Of the ongoing lawsuits against Emlak Konut REIC, the following are the large-scale proceedings:

MASLAK 1453 PROJECT

- 1. Members of the Council of Istanbul Metropolitan Municipality (Serdar Bayraktar and friends)**

The stay of execution of the Application Zoning Plan with the scale of 1/1,000 and Master Development Plan with the scale of 1/5,000 which is published between August 18 and September 17, 2010, regarding the Squatter Prevention Area of Ayazağa neighborhood of Şişli District on file no. 2010/2191E of the First Administrative Court of Istanbul was requested to be canceled by the Constitutional Court in accordance with the article 4 of Law No: 2985 and article 7 of the Law No: 5793. The company joined the lawsuit as Intervener together with the Defendant. The expert witness report, which was prepared following the survey and investigation, stated that the disputed zoning plan was in violation of the urbanization and planning principles. Therefore, the court ruled in favor of canceling the revisions to the disputed plan. The decision of the Administrative Court was approved by decision no: 2013/4248, 2014/5118 of the Sixth State Council on June 26, 2014. The approval was appealed for correction and results of correction request are expected.

OTHER DEVELOPMENTS

2. Istanbul Büyükkent Branch of UCTAE

The stay of execution of the Application Zoning Plan with the scale of 1/1,000 and Master Development Plan with the scale of 1/5,000, which was published between August 18 and September 17, 2010, regarding the Squatter Prevention Area of Ayazağa neighborhood of Şişli District on file no. 2010/2300E of the Eighth Administrative Court of Istanbul was requested to be canceled. The company joined the lawsuit as Intervener together with the Defendant. The expert witness report, which was prepared following the survey and investigation, stated that the disputed zoning plan was in violation of the urbanization and planning principles. Therefore, the court ruled in favor of canceling the revisions to the disputed plan. The Administrative Court decision was appealed and the results of the appeal investigation are expected.

3. Istanbul Branch of UCTAE Urban Planners

The stay of execution of the Application Zoning Plan with the scale of 1/1,000 and Master Development Plan with the scale of 1/5,000 regarding the Squatter Prevention Area of Ayazağa neighborhood of Şişli District on file no. 2010/2480E of the Sixth Administrative Court of Istanbul was requested to be canceled. The company joined the lawsuit as Intervener together with the Defendant. The dismissal decision of the Administrative Court was reversed by the decision no: 2013/4255, 2014/2354 of the Sixth State Council on March 26, 2014. An appeal for the reversal of the decision was filed and the results of the appeal is expected.

4. Istanbul Branch of UCTAE Urban Planners

The Revised Application Zoning Plan with the scale of 1/1,000 and the Revised Master Development Plan with the scale of 1/5,000, which was published between November 29 and December 29, 2011, regarding the Squatter Prevention region of Ayazağa neighborhood of Şişli District on the file no: 2012/401E of the Fifth Administrative Court of Istanbul was requested to be put on hold and canceled. Although the lawsuit is brought is against TOKİ, the Court decided Ministry of Environment and Urbanization to be considered as adverse party too. On May 10, 2012, the Court rejected the lawsuit in terms of authorization and sent it to Council of State. The file is registered under no: 2012/4412 of Sixth Department of the Council of State and the company joined the lawsuit as Intervener together with the Defendant Institutions. The Court has made the decision of stay of execution and also denied the appeal against the stay of execution.

The construction permit and Application Zoning Plan with the scale of 1/1,000 and Revision Master Development Plan with the scale of 1/5,000 on September 16, 2009, regarding the Squatter Prevention region of Ayazağa neighborhood of Şişli District on the file no: 2012/1913E of the First Administrative Court of Istanbul is requested to be canceled and put on hold. The company joined the lawsuit as Intervener together with the Defendant Institutions. The appeal against Regional Administrative Court of Istanbul has also been rejected. The Administrative Court dismissed the case based on qualification on November 25, 2013. The plaintiff appealed and the Sixth Department of the Council of State reversed the decision of the Administrative Court on September 18, 2014.

OTHER DEVELOPMENTS

ZEKERİYAKÖY PROJECT

1. Istanbul Branch of UCTAE Urban Planners

Regarding the lawsuit brought against TOKİ and the Ministry of Environment and Urbanization by the Sixth Department of the Council of State with the file no: 2012/3789E for the suspension of execution and cancellation of the Master Development Plan with the scale of 1/5,000 and the Application Zoning Plan with the scale of 1/1,000, which were approved by transaction no: 1769 on March 13, 2012 regarding the Zekeriyaköy Mass Housing Area located in the Third Degree Natural Protected Area within the borders of Zekeriyaköy Neighborhood, Sarıyer District in Istanbul; the Court has ruled that “the request for stay of execution is accepted based on the conditions and uniqueness of the case until a new decision is made in accordance with the report to be prepared and submitted to the Court following the survey and investigation by the expert witness.” The appeal against the stay of execution was also denied. Based on the results of the survey and investigation that were carried out on January 17, 2014, the Court has made the decision of stay of execution on July 7, 2014. The company filed a request on August 26, 2014 to join the lawsuit as Intervener together with the Defendant Institutions.

2. Istanbul Branch of UCTAE Urban Planners

Regarding the lawsuit brought against the Ministry of Environment and Urbanization by the Seventh Administrative Court of Istanbul with the file no: 2013/2478E for the suspension of execution and cancellation of the Master Development Plan with the scale of 1/5,000 and the Protective Application Zoning Plan with the scale of 1/1,000, which were approved by the Ministry of Environment and Urbanization on August 14, 2013 (Regulatory Approval No. 8097), regarding Zekeriyaköy Mass Housing Area in Zekeriyaköy Neighborhood, Sarıyer District in Istanbul; the company filed a request to join the lawsuit as Intervener together with the Defendant Institution.

3. Istanbul Branch of UCTAE Chamber of Forest Engineers

Regarding the lawsuit brought against TOKİ, the Ministry of National Defense, and the Ministry of Finance by the Third Administrative Court of Istanbul with the file no: 2014/268E for the suspension of execution and cancellation of the transfer of 34 real estate properties, which are located in Zekeriyaköy Neighborhood, Sarıyer District, Istanbul, from the Ministry of National Defense to TOKİ as approved in writing by the Ministry of National Defense (No: 3075-10 on February 9, 2010) and by the Ministry of Finance (No: 37014 on November 4, 2010); the company filed a request on November 20, 2014, to join the lawsuit as Intervener together with the Defendant Institutions.

KUASAR PROJECT

1. Istanbul Büyükkent Branch of Chamber of UCTAE Architects

Stay of execution and cancellation of the revisions to the Master Development Plan with the scale of 1/5,000, which was approved on February 22, 2011, regarding the property on Sheet no: 58, Block no: 1199, Parcel No: 230, in Dikilitaş Neighborhood of Şişli District was requested by the Sixth

OTHER DEVELOPMENTS

Administrative Court of Istanbul under file no: 2011/920E. The company joined the lawsuit as Intervener together with the Defendant. The expert witness report, which was prepared following the survey and investigation, stated that the disputed zoning plan was in violation of the urbanization and planning principles. Therefore, the court ruled in favor of canceling the revisions to the disputed plan. The Administrative Court decision was appealed and the results of the appeal investigation are expected.

2. Serdar Bayraktar and friends

Stay of execution and cancellation of the revisions to the Master Development Plan with the scale of 1/5,000 and the Application Zoning Plan with the scale of 1/1,000, which were approved on June 19, 2013 with decision no: 6186, regarding the property on Sheet no: 58, Block no: 1199 and Parcel No:230 in Dikilitaş Neighborhood of Şişli District was requested by the Fifth Administrative Court of Istanbul under file no: 2014/260E. The company joined the lawsuit as Intervener together with the Defendant Institutions. The Court rejected the request of stay of execution by the decision taken on February 11, 2014. The Court has ordered an expert witness investigation and the report is expected.

3. Istanbul Branch of UCTAE Urban Planners

Stay of execution and cancellation of the revisions to the Master Development Plan with the scale of 1/5,000 and the Application Zoning Plan with the scale of 1/1,000, which were approved on June 19, 2013 with decision no: 6186, regarding the property on Sheet no: 58, Block no: 1199 and Parcel No:230 in Dikilitaş Neighborhood of Şişli District was requested by the Fifth Administrative Court of Istanbul under file no: 2013/2103E. The Court rejected the request of stay of execution by the decision taken on February 11, 2014. The court has ordered an expert witness investigation and the report is expected.

ISTANBUL KAPADIK DISTRICT

Avcılar Municipality

Regarding the lawsuit brought against the Ministry of Environment and Urbanization by the Sixth Department of the Council of State with file no: 2013/6332E for the stay of execution, cancellation of the revisions to the Application Zoning Plan with the scale of 1/1,000 and the Master Development Plan with the scale of 1/5,000, which were approved by the Ministry of Environment and Urbanization on April 1, 2014 (approval no: 4989), regarding the property in Kapadık Locality, Yeşilkent Neighborhood, Avcılar District in Istanbul and combining the case with the lawsuit by the Sixth Department of the Council of State with file no: 2012/4041E; the Court notified TOKİ and Emlak Konut. The company filed a request to join the lawsuit as Intervener together with the Defendant Institution on April 2, 2014. The company's objections were presented against the expert witness report which was submitted to the Court following the investigation. Based on the expert witness report, the Court ruled a stay of execution on December 1, 2014. An appeal was submitted against the Court's decision. On March 2, 2015, the company requested a new expert witness report as well as a new trial.

OTHER DEVELOPMENTS

İSTANBUL KAYABAŞI

Members of the Council of Istanbul Metropolitan Municipality (Serdar Bayraktar and friends)

Regarding the lawsuit brought against the Ministry of Environment and Urbanization by the file of the Ninth Administrative Court of Istanbul with file no: 2013/2096E for the stay of execution and cancellation of the revisions to the Revised Application Development Plan with the scale of 1/5,000 and the Revised Master Development Plan with the scale of 1/1,000, which were approved by the Ministry of Environment and Urbanization on May 9, 2013 (Regulatory Approval No. 7096), regarding the Kayabaşı Mass Housing Area in Başakşehir District of Istanbul; the company filed a request to join the lawsuit as Intervener together with the Defendant Institution on April 21, 2014 and the request was granted on June 30, 2014.

İSTANBUL ZEYTİNBURNU

1. Istanbul Branch of UCTAE Urban Planners

Istanbul Büyükşehir Branch of Chamber of UCTAE Architects

Regarding the lawsuit brought against the Ministry of Environment and Urbanization by the Fifth Administrative Court of Istanbul with file no: 2014/561E for the stay of execution and cancellation of the Master Development Plan with the scale of 1/5,000, which were approved by the Ministry of Environment and Urbanization on November 19, 2013 (Regulatory Approval No. 17978), regarding Block No: 774, Parcel No: 6 and 31 in Kazlıçeşme Neighborhood, Zeytinburnu District in Istanbul; the company filed a request to join the lawsuit as Intervener together with the Defendant Institution on August 26, 2014.

2. Istanbul Büyükşehir Branch of Chamber of UCTAE Architects

Regarding the lawsuit brought against the Ministry of Environment and Urbanization by the Fifth Administrative Court of Istanbul with file no: 2014/1641E for the stay of execution and cancellation of the revisions to the Master Development Plan with the scale of 1/5,000 and the Application Zoning Plan with the scale of 1/1,000, which were approved by the Ministry of Environment and Urbanization on November 19, 2013 (Regulatory Approval No. 17978), regarding Block No: 774, Parcel No: 6 and 31 in Kazlıçeşme Neighborhood, Zeytinburnu District in Istanbul as well as the revisions to the said plans, which were approved by the Ministry on March 20, 2014 (Regulatory Approval No. 4446) and published between April 9, 2014 and May 8, 2014; the company filed a request on to join the lawsuit as Intervener together with the Defendant Institution March 26, 2015. This case is heard together with the related file no: 2014/561E of the Fifth Administrative Court of Istanbul.

OTHER DEVELOPMENTS

KARTAL PROJECT

1. S.S. İstanbul Anadolu Yakası Kumcular Üretim ve Paz. Kooperatifi

Regarding the lawsuit brought against the Ministry of Environment and Urbanization by the Ninth Administrative Court of Istanbul with file no: 2013/2105E for the stay of execution and cancellation of the decision no. 16997 that approved the revision of the Application Zoning Plan with the scale of 1/1,000 and Master Development Plan with the scale of 1/5,000 regarding Block No: 674, Parcel No: 1, 4, 5, and 6, Block No: 675, Parcel No: 1, 2, and 3, Block No: 676, Parcel No: 108, Block No: 720, Parcel No: 2, 4, 8, 19, and 34 in Kartal district on November 5, 2012; the company's request to join the lawsuit as Intervener together with the Defendant Institution has been granted by the Court.

2. Istanbul Branch of UCTAE Urban Planners

Regarding the lawsuit brought against the Ministry of Environment and Urbanization by the First Administrative Court of Istanbul with file no: 2013/685 E for the stay of execution and cancellation of the revisions to the Application Zoning Plan with the scale of 1/1,000 and the Master Development Plan with the scale of 1/5,000 regarding Block No: 674, Parcel No: 1, 4, 5, and 6; Block No: 675, Parcel No: 1, 2, and 3; Block No: 676, Parcel No: 108; Block No: 720, Parcel No: 2, 4, 8, 19, and 34 in Kartal; the company filed a request on to join the lawsuit as Intervener together with the Defendant Institution February 23, 2014.

ISTANBUL FINANCE CENTER PROJECT

1. Istanbul Branch of UCTAE Urban Planners

Regarding the lawsuit brought against the Ministry of Environment and Urbanization by the Seventh Administrative Court of Istanbul with file no: 2013/621E for the stay of execution and cancellation of the Application Zoning Plan with the scale of 1/1,000 and Master Development Plan with the scale of 1/5,000, which were published between June 25 and July 24, 2012, regarding the Istanbul Finance Center Area of Ümraniye and Ataşehir Districts, the company filed a request to join the lawsuit as Intervener together with the Defendant Institution. The request was accepted and the trial is ongoing.

2. Chamber of UCTAE Architects

Regarding the lawsuit brought against the Ministry of Environment and Urbanization by the Eighth Administrative Court of Istanbul with file no: 2012/1672E for the stay of execution and cancellation of the Application Zoning Plan with the scale of 1/1,000 and Master Development Plan with the scale of 1/5,000, which were published between June 25 and July 24, 2012, regarding the Istanbul Finance Center Area of Ümraniye and Ataşehir Districts, the company filed a request to join the lawsuit as Intervener together with the Defendant Institution. Since this case is related to file no: 2013/621E of the Seventh Administrative Court of Istanbul, the file was closed and sent to the Seventh Administrative Court of Istanbul. The file was registered under no: 2014/1102E of the Seventh Administrative Court of

OTHER DEVELOPMENTS

Istanbul. With the understanding that the decision on file no: 2013/621E would affect the present case, the Court has decided to adjourn the trial until a decision is made on the said trial following the evaluation of the expert witness report ordered for the survey and investigation of the disputed sites. The Court has decided to reach a verdict on file no: 2014/1102E based on the decision to be made on file no: 2013/621E.

BURSA OSMANGAZI

Bursa Branch of UCTAE Urban Planners

Regarding the lawsuit brought against the Privatization Administration by the Sixth Department of the Council of State with file no: 2012/4341E for the stay of execution and cancellation of the decision no: 2012/18 by the Privatization High Council that approved the revisions to the Central Planning Area Master Development Plan with the scale of 1/25,000, Master Development Plan with the scale of 1/5,000 and the Application Zoning Plan with the scale of 1/1,000 regarding Tepecik Ayazması Locality, Demirtaş Neighborhood, Osmangazi District in Bursa on February 6, 2012; the Court has ruled a stay of execution on November 18, 2013. The company filed a request on January 28, 2015 to join the lawsuit as Intervener together with the Defendant Institution.

ISTINYE PROJECT

Sarıyer Municipality

Regarding the lawsuit filed by the plaintiff Sarıyer Municipality at the Third Administrative Court of Istanbul under file no:2012/268E, the plaintiff has requested a stay of execution and cancellation of the Revenue Sharing Model Based Project in Return For Land Sale Tender for Emlak Konut's real estate located in Istinye Neighborhood, Sarıyer District of Istanbul (Block no: 380, Parcel No: 17, 18 and 38; Block no: 360, Parcel No: 3 and 64; and Block No: 1352, Parcel No: 3 scheduled for March 3, 2015. The Court has dismissed the case based on appointment on March 17, 2015 under decision no: 2015/481K.

Dividend Distribution Policy and Principles

Emlak Konut REIC takes as principle to show due sensitivity and compliance with relevant regulations with respect to profit distribution to its shareholders. The company emphasizes the concept of “profit share/dividend” efficiency in the capital markets. Accordingly, it strives to ensure that the dividend yield is higher than risk-free alternative investment yield in terms of financial asset valuation. The company’s Dividend Distribution Policy is compliant to relevant legislation and the related provision of the company’s articles of association, which is provided below. In addition, detailed information about the Dividend Distribution Policy is provided under the Investor Relations section of the company’s website at www.emlakkonut.com.tr.

With the Board of Directors resolution on March 31, 2014:

Pursuant to the Capital Markets Board Communique No: II-19.1 on Dividends, the company has decided to prepare its Dividend Distribution Policy as provided below and agreed to informing the shareholders during the first General Assembly Meeting to be held. The related disclosure was issued on PDP on March 31, 2014. The Dividend Distribution Policy is available on the corporate website.

The dividend distribution policy for 2014 was adopted at the Ordinary General Assembly Meeting held on April 6, 2015. The dividend distribution table, which was disclosed on PDP, is also provided in the Appendix.

Article 30 of Emlak Konut's articles of association is stated below.

Articles of Association; Article 30 - Profit Distribution:

The company observes profit distribution regulations under Turkish Commercial Code and Capital Market Legislation.

The net profit, as stated in the annual balance sheet, is calculated by deducting the company’s general expenses, various amortization considerations, amounts that are required to be paid or set aside and the current payable taxes from the total profit assessed at the end of the fiscal year. After deducting the previous years' losses, the net profit (if any) is distributed in the order listed below:

First legal reserve:

- a) Five percent of the balance sheet profit is set aside as first legal reserves until the total reserve reaches 20% of the paid-in capital per article 519 of the Turkish Commercial Code.

First dividend:

- b) Appropriated from the balance, in the amount and proportion as determined by CMB.

DIVIDEND DISTRIBUTION POLICY

Second dividend:

- c) Once the items in sub-paragraphs (a) and (b) are deducted from net profit, the General Assembly is authorized to distribute the remaining amount in part or as a whole as second dividend, leave it on balance sheet as profit for the period, add it to legal or voluntary reserves, or reserve the balance as excess reserve fund.

Second legal reserve:

- d) The second legal reserve is set aside pursuant to article 519 paragraph 2 sub-paragraph (c) of the Turkish Commercial Code.
- e) Unless the above-mentioned reserve funds and the first dividend are set aside, the decisions on reserving additional funds or carrying forward the profit to the following year cannot be made. Unless the first dividend is paid, the decision cannot be made to distribute profit shares to members of the Board of Directors, officers, employees, and workers.
- f) Dividend advances may be distributed to shareholders pursuant to article 20 of the Capital Markets Law.

By taking into consideration the operational performance of its current projects and the company's financial situation as well as any negative developments in domestic and global economic conditions, the Board of Directors sets its dividend distribution proposal in accordance with the CMB Communiqués and Regulations. Subsequent to approval by the General Assembly, the company may distribute at least 40 percent of the net distributable period profit as dividends in cash, bonus shares, or as both cash and bonus shares.

Per the company's articles of association, the General Assembly may authorize the Board of Directors for distributing dividend advances to the shareholders in accordance with the Capital Markets Law and the relevant regulations of the Capital Markets Board. The Board's authority to distribute dividend advances is limited to the year in which the authorization is granted by the General Assembly.

Disclosure Policy

Emlak Konut REIC applies its Disclosure Policy pursuant to the provisions set forth in the Corporate Governance Principles of the CMB. The policy is disclosed to public via company website and annual report. The Disclosure Policy indicates which information will be declared by whom, through which means and at which frequency. The company discloses complete and accurate information in a timely, understandable and easily accessible manner.

With the Board of Directors resolution on March 31, 2014:

Pursuant to the Capital Markets Board Communique No: II-15.1 on Material Events Disclosures, the company has decided to prepare its Disclosure Policy as provided below and agreed to informing the shareholders during the first General Assembly Meeting to be held. The related disclosure was issued on PDP on March 31, 2014. The Disclosure Policy is available on the corporate website.

A. Objective and Scope

Through the Disclosure Policy, Emlak Konut REIC ensures that all shareholders, investors and stakeholders are provided with timely information about the company's past performance, future plans, forecasts, strategies, objectives and vision in a complete, accurate and efficient manner pursuant to regulations imposed by the Capital Markets Legislation, Turkish Commercial Code, Borsa Istanbul Legislation and other relevant legislation.

The Disclosure Policy includes any information, documents, digital records, and data about the company's operations that are legally permissible to disclose to the public, but excludes any trade secrets or insider information held by the Members of the Board, senior executives, and employees.

B. Means for Public Disclosure:

In accordance with the periodic statements, reports and other means for public disclosure set forth in articles 38 and 39 of the Communique on Principles Regarding Real Estate Investment Companies (No: III-48.1), Emlak Konut REIC uses the following methods and tools for informing its stakeholders:

- Material Event Disclosures
- Financial Statements and Footnotes periodically communicated to BIST and Independent Audit Report
- Quarterly Reports
- Annual Reports
- Corporate Website (<http://www.emlakkonut.com.tr>)
- Investor and Analyst Meetings
- Press Releases
- Press Conferences

DISCLOSURE POLICY

Emlak Konut REIC's corporate website is www.emlakkonut.com.tr. The company's articles of association, periodic financial statements and reports, prospectuses, public offering circulars and General Assembly meeting agenda are provided on the corporate website.

Emlak Konut REIC immediately updates the website upon any changes in the shareholding and management structure. The company endeavors to promptly responding to any inquiry received via the website.

Emlak Konut REIC's Directorate of Press and Public Relations is responsible for preparing press releases for the purposes of public disclosure and/or corporate communications. The Directorate engages intra-company or external support on topics that require expertise.

I. Informing the Press

Emlak Konut REIC holds press conferences and issues press releases for disclosing information about its activities such as ongoing projects and medium- and long-term strategies. The company adheres to content of material event disclosures when preparing for the press conferences and complies with the principle of equality when inviting members of the press to the meetings.

- Principles for following up and disclosing information about news and rumors about Emlak Konut REIC that are released by the media or published on websites:

Emlak Konut REIC monitors national and international media as well as other communication channels for news and rumors about the company. In case of new public disclosures or inaccurate news or rumors about previously disclosed information, the company evaluates their effects on the value and price of the company shares as well as the investment decisions of the investors. If deemed appropriate or necessary, the company makes a public statement as to the accuracy or legitimacy of such news or rumors in accordance with the principles set forth by the Capital Markets Legislation.

As a principle, Emlak Konut REIC does not comment on market rumors and speculations. However, the company will issue a public response for unfounded and fabricated news if the management deems it appropriate or necessary to respond or in case of a verification request by the Capital Markets Board and/or Borsa Istanbul, in accordance with the provisions of the Capital Markets Legislation.

II. Informing Investors and principles for sharing presentations and reports that are disclosed during investor meetings or press conferences

Emlak Konut REIC's Directorate of Investor Relations manages disclosures to investors and analysts. The department assesses the meeting demands of natural persons or legal entities and upon receipt of 10 requests in a week, the department schedules a meeting and informs the requestors. After the meeting and/or teleconference, the company publishes the presentations and/or explanatory notes shared with investors and analysts on the corporate website. Emlak Konut REIC representatives may occasionally attend national and international conferences or meetings for disclosing information to investors and analysts. Information presented at such events is also published on the corporate

website. The Directorate of Investor Relations responds to information requests received via telephone or e-mail within 10 business days.

C. Insider Information and implemented measures for ensuring the confidentiality of insider information until it is disclosed to the public

Insider information is non-public knowledge about a material event, which may affect the value and price of the capital market instruments or the investment decisions of investors. Access to such information could provide unfair advantages over other investors when used for trading capital market instruments. Release of such information to the public may be detrimental on the value of the capital market instrument, and will influence the investment decisions of the rational investors.

In case of a material event, the other parties who communicate with Emlak Konut REIC employees with access to insider information will be informed of their obligation to maintain the confidentiality of this information until it is clarified and disclosed on Borsa Istanbul. Emlak Konut REIC employees will not release any information that may be considered material event with third parties under any circumstances. If the company concludes that the confidentiality of information that is unintentionally disclosed to third parties cannot be maintained, Emlak Konut REIC will issue a material event disclosure in accordance with the Capital Markets regulations.

Pursuant to CMB's Communique on the Principles Regarding the Public Disclosure of Material Events (No: II-15.1), Emlak Konut REIC will prepare a list of natural persons or legal entities, including their subordinates, who work for or on behalf of the company directly or indirectly and have access to insider information. The company departments will provide the names of people with access to insider information to the Administrative Affairs and Human Resources Directorate, where the list will be prepared and updated.

In accordance with the changing project scopes and current issues, Emlak Konut REIC will regularly update the list of individuals with access to insider information. The list will be submitted to the relevant government agencies and organizations upon request. Emlak Konut REIC ensures that the persons on the list are informed in writing of their obligation to protect the confidentiality of the insider information.

In accordance with the provisions of the CMB's Communique on the Principles Regarding the Public Disclosure of Material Events (No: II-15.1), Emlak Konut REIC may postpone the disclosure of the list to prevent damage to the legitimate rights and interests of the persons on the list.

D. Communications with Shareholders and Persons Authorized to Make Public

Disclosures

Pursuant to CMB's Communique on the Principles Regarding the Public Disclosure of Material Events (No: II-15.1),

- The Chairman and Members of the Board of Directors,
- The Chairman and Members of the Audit Committee,
- The General Manager, and
- The Directorate of Investor Relations

will evaluate any information request for ramifications on investment decisions and value of the capital market instruments. The authorized persons will also determine if the requested information is considered a trade secret and respond accordingly to the requester either verbally or in writing. No other employee is authorized for responding to requests. Emlak Konut REIC employees forward incoming questions to Directorate of Investor Relations.

E. Authority and Responsibility

The Disclosure Policy is developed by the Emlak Konut REIC Board of Directors, pursuant to Board Resolution. The Board of Directors is authorized and responsible for monitoring, supervising, and updating the policy. Amendments are subject to Board resolution.

The provisions of the Disclosure Policy are managed by the Directorate of Investor Relations.

F. Principles for determining persons with administrative responsibility

Persons with administrative responsibility are board members and non-members who access insider information, directly or indirectly, on a regular basis and have the authority to make administrative decisions that affects the company's development and commercial targets. Emlak Konut REIC has identified the Board Members and Executive Management as persons with administrative responsibility.

G. Principles regarding the disclosure of company's assessment for the future

Only persons who are authorized to make public disclosures may disclose the company's assessments for the future, which include plans and projections that are considered insider information. Such disclosure is made within the principles of Capital Markets Legislation. Since the assessments for the future are based on reasonable assumptions and forecasts, they may be revised in case of deviations due to unexpected risks and developments. In case of differences between the forecast and actual results of the futuristic assessments due to risks, uncertainties and other factors, Emlak Konut REIC provides clarifications to the investors in a reasonable period.

In addition to the disclosures made within the principles of Capital Market Legislation, the Company may utilize media sources, press conferences and/or releases, national and international conferences or meetings, and other means of communication for its assessments for the future.

Directorate of Investor Relations

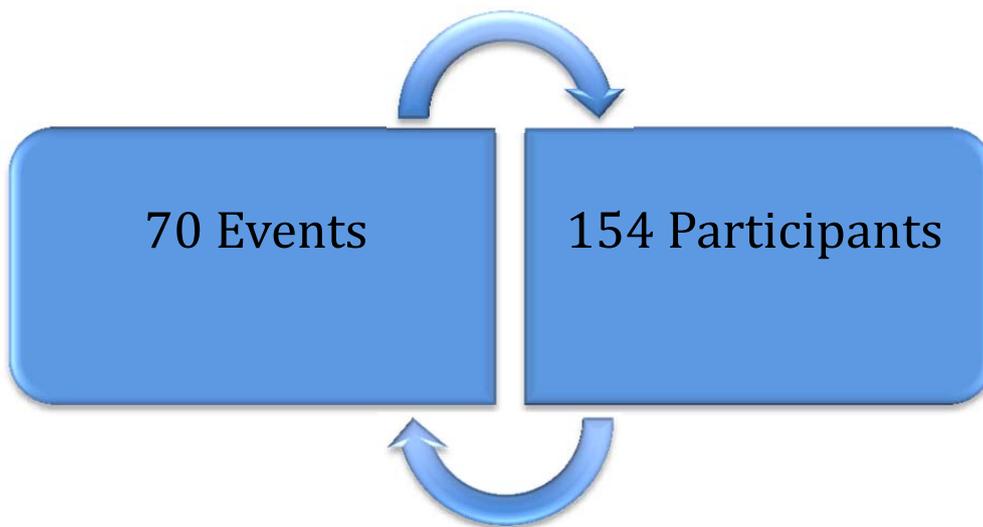
Emlak Konut REIC has an Directorate of Investor Relations that manages the relations of the company with its shareholders. The department reports directly to **Hakan Akbulut**, the Deputy General Manager responsible for Financial and Administrative Affairs (hakbulut@emlakkonut.com.tr). **Hasan Vehbi Arslantürk** (harslanturk@emlakkonut.com.tr) is the Department Manager. The department employs specialists for providing superior service to the shareholders and other investors.

In addition to the e-mail address provided above, the authorized personnel may be reached via telephone at **+90 (216) 579 1515**, fax at **+90 (216) 456 4875**, or via company email address info@emlakkonut.com.tr.

Emlak Konut REIC's Directorate of Investor Relations operates in accordance with relevant legislation and internal regulations. Emlak Konut REIC responds to meeting and interview requests from domestic and foreign corporate investors, in accordance with its Disclosure Policy and within the bounds of possibility. The meetings organized by the Directorate of Investor Relations during the reporting period are as follows:

- **During the first quarter of 2015**, the department has organized **70 events** with the participation of domestic and/or foreign corporations, funds, and analysts. Total of **154 investors and analysts** participated in the events that include international conferences and teleconferences as well as meetings that were held at the company headquarters.

Additionally, the company hosted a teleconference on March 3, 2015 for evaluating 2014 year-end financial results, which was attended by 37 investors and analysts. It is expected that Emlak Konut REIC will continue to draw attention from domestic and foreign investors and institutions.



Material Event Disclosures

All Deputy General Managers are responsible for making Material Event Disclosures about their own departments.

Emlak Konut REIC has made 82 Material Event Disclosures during the first quarter 2015.

Neither the CMB nor the BIST requested additional written clarifications following these disclosures.

Insider Information and Access List

In case of a material event, the other parties who communicate with Emlak Konut REIC employees with access to insider information will be informed of their obligation to maintain the confidentiality of this information until it is clarified and disclosed on the PDP. Emlak Konut REIC employees will not release any information that may be considered material event with third parties under any circumstances. If the company concludes that the confidentiality of information that is unintentionally disclosed to third parties cannot be maintained,

Emlak Konut REIC will issue a material event disclosure in accordance with the Capital Markets regulations.

Pursuant to CMB's Communique on the Principles Regarding the Public Disclosure of Material Events, Emlak Konut REIC will prepare a list of natural persons or legal entities, including their subordinates, who work for or on behalf of the company directly or indirectly and have access to insider information. The company departments will provide the names of people with access to insider information to the Administrative Affairs and Human Resources Directorate, where the list will be prepared and updated.

In accordance with the changing project scopes and current issues, Emlak Konut REIC will regularly update the list of individuals with access to insider information. The list will be submitted to the relevant government agencies and organizations upon request. Emlak Konut REIC will ensure that the persons on the list are informed in writing of their obligation to protect the confidentiality of the insider information.

In accordance with the provisions of the CMB's Communiques, Emlak Konut REIC may postpone the disclosure of the list to prevent damage to the legitimate rights and interests of the persons on the list. Insider information list for the reporting period is provided below.

EMLAK KONUT REIC's

List of Individuals with Access to Insider Information

THE BOARD OF DIRECTORS

Full Name	Occupation	Position
Ertan Yetim	Civil Engineer	Chairman of the Board
Ertan Keleş	Civil Engineer	Vice Chairman, Independent Board Member Member
Murat Kurum	Civil Engineer	Board Member, General Manager
Aliseydi Karaoğlu	Business Administration	Board Member
Mehmet Ali Kahraman	Sr. Urban and Regional Planner	Board Member
Veysel Ekmen	Independent Accountant CPA	Independent Board Member
Havvanur Yurtsever	Lawyer	Independent Board Member

EXECUTIVE MANAGEMENT

Full Name	Occupation	Position
Sinan Ayoğlu	Civil Engineer	Deputy General Manager
Hakan Akbulut	Public Administration	Deputy General Manager
Metin Tekin	Civil Engineer	Deputy General Manager
Rasim Faruk Kadioğlu	Civil Technician	Consultant to the General Manager
Sadık Soylu	High School Graduate	Advisor to the Chairman of the Board
Nurettin Şam	Lawyer	General Counsel
Hüseyin Turan	Lawyer	Legal Counsel
İbrahim Keskin	Lawyer	Legal Counsel
İsmet Kubilay	Lawyer	Legal Counsel
Halim Ataş	Business Administration	Private Secretariat
Mustafa Aşikkutlu	Civil Engineer M. Sc.	Head of Implementation Department
Fatih Kanitoğlu	Civil Engineer	Manager, Construction Control No. 1
Hasan Saka	Civil Engineer M. Sc.	Manager, Construction Control No. 2
Alim Kaplaner	Civil Engineer M. Sc.	Manager, Construction Control No. 3
Hakan Gedikli	Survey Engineer	Head of Real Estate Planning Department

DISCLOSURE POLICY

Hakan Bakırdal	Survey Engineer	Acting Manager of Real Estate and Appraisals
Selçuk Aydemir	Senior City Planner	Acting Manager of Planning and Urban Transformation
Zeynep Basa	Economics	Head of Marketing Department
Mehmet Akif Aydoğan	Public Administration	Acting Manager of Marketing
Ercan Alioğlu	Business Administration	Acting Head of Financial Affairs Department and Accounting Manager
Mehmet Akagündüz	Public Administration	Financing Manager
Hicran Çakmak	Architect	Head of Projects Department
İlyas Fehim Çelik	Architect	Acting Manager. Project No. 1
Yaşar Altun	Civil Engineer	Acting Manager. Project No. 2
Halil İbrahim Şahin	Economics	Head of Administrative Affairs and Human Resources Department
İzzet Gani Karakaya	Economics	Administrative Affairs and Human Resources Manager
Serdar Bala	Physics	Acting Manager of Information Technology
Tülay Odakır	Civil Engineer	Tender and Progress Payments Manager
Hasan Vehbi Arslantürk	Civil Engineer, Exports	Investor Relations Manager
Özlem Hanoğlu Çelik	Economics	Corporate Communications Manager
Yasemin Ülkü	Civil Engineer	Acting Manager of Service After Sale and Site Management

Human Resources Policy

Emlak Konut REIC considers human resources as one of its most precious assets. The company has adopted a Human Resources policy that seeks to create value for achieving its vision and mission.

The fundamentals of the Human Resources Policy are as follows:

- To recruit competent employees, who fit the qualifications stated in the job descriptions, for vacant positions across the company.
- To provide opportunities for professional development of all employees by providing training programs based on their competence and skill levels.
- To respect the employees and protect their rights and benefits.
- To provide a work environment that motivates their desire to work and promotes better working relationships.
- To lead the employees towards success, create equal opportunities for growth based on their knowledge and competence levels, reward success.
- To promote from within to fill vacant executive positions by providing management and leadership training.
- Not to over-staff and to ensure employees work with maximum efficiency in their positions that are appropriate for their knowledge and skills.
- To meet social and cultural needs of the employees within the allocated budget, to make the company an attractive place to work by providing social services and benefits equally to all employees.
- To provide the competent and successful employees with a chance of promotion based on available positions, and ensure job security.
- To inform employees timely about issues that relate to them, to develop communication means procedures to enable them to provide their recommendations and opinions to management team easily
- To support the employees' career paths by providing effective training programs
- To maintain and boost the morale and motivation of all employees
- To protect and improve tangible and intangible rights of the employees
- To provide a work environment that motivates their desire to work
- To ensure employees foster a team spirit and commitment to the corporate culture.

It is one the main objectives of Emlak Konut REIC to employ persons who are loyal to ethical values, welcome innovation and self-improvement, capable of long-term planning, prone to teamwork, and aware of corporate culture and brand value. The Human Resources Policy is available on the corporate website. Emlak Konut REIC treats all its employees equally, regardless of race, religion, color,

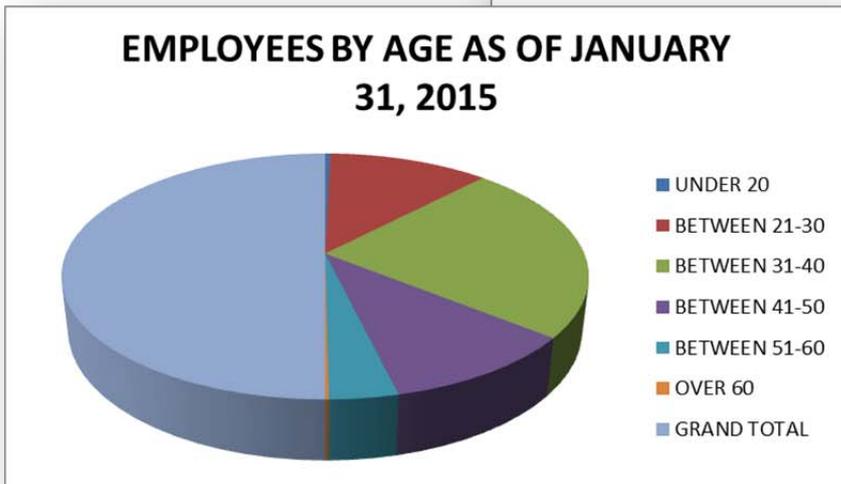
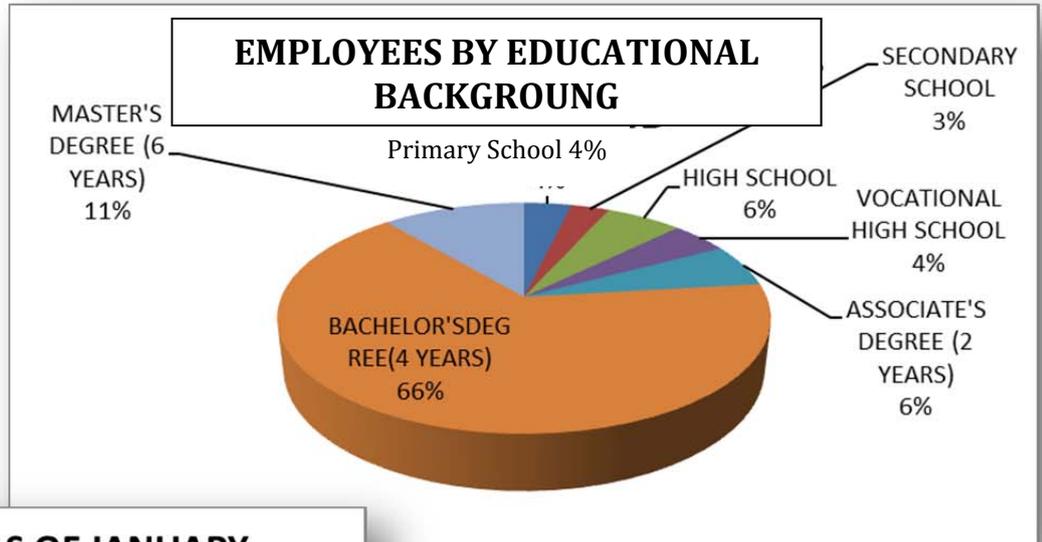
HUMAN RESOURCES POLICY

language, gender, nationality, age or marital status. The company takes preventive measures against discrimination and protection of its employees. The company never received any discrimination complaints.

The company provides information about job descriptions and position distributions as well as performance and reward criteria to the employees. Employee productivity forms the basis in determining salary and benefits. The company acts in accordance with Labor Law No: 4857 and provisions of other legislation for issues that are not covered by the Personnel Regulations and other regulations of the company.

Personnel Structure

Emlak Konut REIC believes in the power of human capital, emphasizes occupational training and specialized training for its employees. With a meticulous approach to human resources management, the company continues with its improvement and development work on employee management. 84 percent of employees have graduate degrees.



Number of Employees



Remuneration Principles for Board of Directors and of the Executive Management

Pursuant to the resolutions adopted following the General Assembly Meeting on April 6, 2015:

REMUNERATION POLICY

The company's Remuneration Policy for the Board Members and Senior Executives has been developed in accordance with the mandatory provisions set forth in the Communiqué on Corporate Governance (No: II-17.1) of the Capital Markets Board as follows:

- i. The Members of the Board of Directors are paid a salary of net 6,000.00 Turkish lira and annual bonus in the amount of four salaries. The payment amounts are presented to the approval of the shareholders during the Ordinary General Assembly Meeting of the related activity period.
- ii. Dividends, stock options, or performance-based payment plans cannot be applied to the salaries of Independent Board Members. It is essential that the remuneration of the Independent Board Members should be kept at a level so as to maintain their independence.
- iii. The salaries of senior executives are determined and paid pursuant to legal liabilities, in consideration of actual economic data in the market, valid salary policies in the market, long-term objectives and policies of the company, as well as the tasks, responsibilities and experiences of the executives. Senior executives are not subject to performance-based salary system.

Environmental Awareness

Emlak Konut REIC has a policy of being sensitive about environment and clean energy resources; accordingly, it work towards use of recyclable and non-polluting products in order to minimize carbon emissions. The company displays due diligence for reutilization of consumables by recycling within the corporation. In collaboration with subcontractors, the company develops exemplary nature-conscious projects that use clean energy resources.

The company employs a Quality Management Representative for regulating the relations with employees. Quality Management Representative is responsible for preparing all data and documents regarding quality management system and/or coordinating their preparation with officials from other departments, preserving all originals of documents in filing cabinets and/or digitally. Other department managers are responsible for preparing departmental procedures and directives.

In addition, an Internal Assessor is appointed to each department to ensure all departmental duties and responsibilities are fulfilled. Quality Management Representative is responsible for ensuring that the Internal Assessor receives necessary training, coordinating assessment activities, organizing interdepartmental activities and ensuring coordination between departments.

Quality Management Representative is responsible for ensuring the implementation of Corrective and Preventive Actions, monitoring the status of ongoing actions, and preserving all relevant records. Department officials are responsible for recommending and implementing corrective and preventive actions against nonconformities and errors, as well as monitoring such nonconformities. Together with Department Managers, Quality Management Representative makes use of statistical and analytical techniques for determining performance measurements of products and services.

Quality Management Representative evaluates the application results of statistical methods from the departments, and submits them at Board meetings for management review.





Code of Conduct and Social Responsibility

The company traditionally respects ethical principles thanks to its corporate culture and updates its approach based actual conditions. As a predominantly public company, Emlak Konut REIC also looks after public interest in its operations, and puts forward great effort for renewable energy and environmental awareness as well as compliance of its projects to such sensitivities.

Emlak Konut REIC performs its social responsibility projects based on the concepts of sustainability and social value creation. In this respect, the projects focus on education, culture and arts.

The company did not make any donations or grants during **the first quarter of 2015**.

During the Ordinary General Assembly Meeting held on April 6, 2015, the proposal to donate up to 15,000,000.00 Turkish lira was accepted by a majority vote with Yes votes of the shareholders representing 1,976,374,971.28 Turkish lira of the company's capital and No votes of the shareholders representing 624,014,001.00 Turkish lira.

Assessment of the Relevant Activity Period

Since Emlak Konut REIC adopts a sustainable and innovative management approach, the risk and income opportunities are analyzed and assessed in this respect. The main objective is reach the strategic goals while paying utmost consideration to the rights of all stakeholders.

We live in a world where many things, from economy to social structure, can change in the wink of an eye. Therefore, Emlak Konut REIC closely observes the “variables” that concerns its operations during the relevant activity period.

The company periodically performs macro- and micro-economic, financial and demographic analyses, and bases its executive decisions on these analyses. Performing special analyses has become a necessity for all stakeholders in the face of rising data and analyses needs in parallel with the rapid growth of the construction and housing industry in the past decade.

The multiplier effect of the real estate industry, and especially the housing sector, interacts and accelerates more than 250 industries, making a significant impact on the economy. Therefore, due diligence and plans are vital for the real estate businesses as well as institutions or consumers that have economic relations with real estate business.

Pursuant to this responsibility, Emlak Konut REIC provides comprehensive analyses on the "Economy and Housing Industry," particularly in its annual reports but also in interim financial reports. In consideration of the need for “effective analyses”, the company has started publishing quarterly “Real Estate and Housing Industry” reports since August 2014.

In this section, economic and industrial developments of 2014 and the first quarter of 2015 are briefly evaluated.

Developments in the World Economy

This section analyses the global economic developments and their effects on world economies.

It is worth noting that globalization gradually becomes more common and leads to diversification of systemic risks via directly impacts the national economies in the process. Although it may have overlapping elements, the concept of risk has a broad consideration in different countries. Whereas global developments are considered as “serious risk” factors for some countries, they may have an “expansionary” impact on the economies of other countries.

The most critical milestone for the global economy was the Global Crisis of 2008. The aftershocks of the crisis still resonate, affecting different economies differently. Today, the increasing economic interaction between countries has become a trend that changes and influences global economic conditions.

ECONOMIC ANALYSIS OF THE REPORTING PERIOD

It has become a necessity to keep up with all the significant developments in the world economy because of globalization that increased interconnectivity and interdependence of national economies.

Although it has been nearly seven years since the second large global economic crisis, it is still difficult to assert that socioeconomic performances have gone back to pre-crisis levels. This is especially felt in the economies of emerging countries. Over a period of time, each country may take a separate course regarding its economic program, resulting in implementation of opposing economic policies. In return, this becomes a factor that increases global uncertainty.

The priority challenge in global economy is the fact that the developed countries are faced with deflationary pressures (reduction in the general prices) that create recession (economic decline or stagnation) while emerging countries go up against inflationary pressures (rise in the general prices) that suppress economic growth. There is no standard solution to such a problem due to varying policies based on unique conditions and reasons in each country.

Central banks have become the most decisive executors of economic policies in the aftermath of the global crisis. Decisions of the largest and most influential global central banks not only affected their own economies, they served as a guide for international fund movements. The assets of the emerging countries have been affected most by both the positive and negative outcomes of their decisions.

The lingering uncertainties pertaining to the normalization of global monetary policies cause the global risk appetite and capital flows to be data-sensitive. In the upcoming period, the capital flows are expected to remain sensitive to country-specific factors. In this context, the growth prospects, inflation rates, and external balances of the emerging countries will become more important. Meanwhile, the recent weak course of economic activity increases the chances of a delay in the normalization of global monetary policies.¹

Three major central banks, namely the US Federal Reserve (the Fed), the European Central Bank (ECB) and the Bank of Japan (BOJ), influence and shape global economies. Thus, policies by these banks give rise to implications that need to be followed up closely by the other economies.

The policies implemented by the Fed to come out of crisis were not only unconventional, they were also essential to be adopted by the other central banks with diverse ways of implementation methods. Although belated, the ECB made an effort to follow in the footsteps of the Fed, which reacted to the crisis swiftly with more dynamic decision-making mechanisms. In the Far East, the BOJ implemented similar policies so as to curtail recession with deflationary measures, a chronic issue for its economy.

In parallel with the relative recovery in the US economy, the Fed initiated "bond buyback tapering" in December 2013 in order to step back from its expansionary monetary policy. An earlier-than-expected start of the process caused a decline in the local denominations of emerging countries (i.e., Brazil,

¹ CBT, "Report on Financial Stability", November 2014, issue 19, p. 5

ECONOMIC ANALYSIS OF THE REPORTING PERIOD

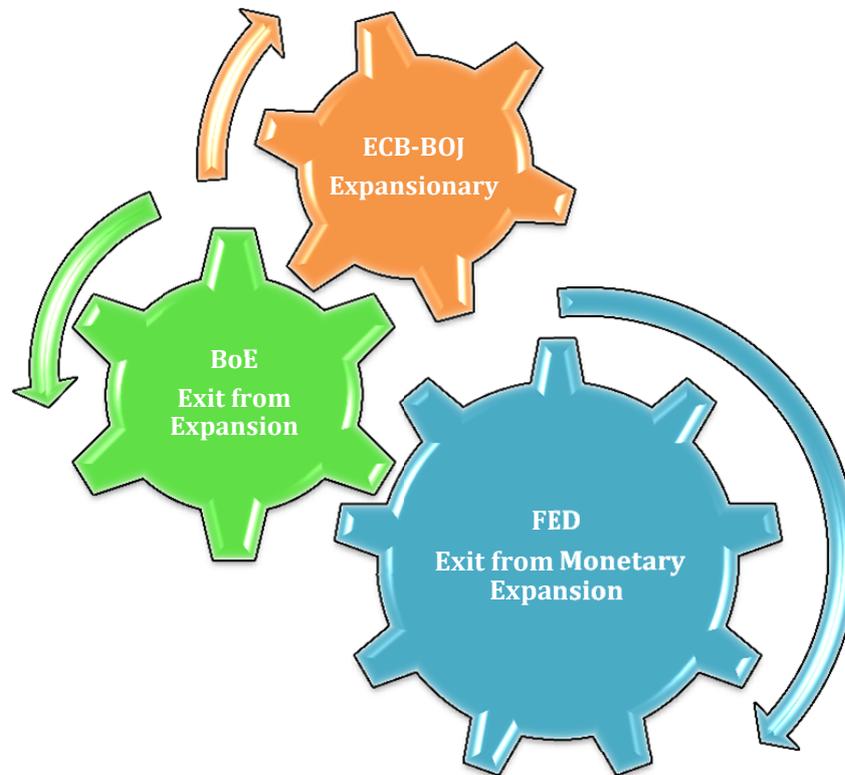
Argentina, Indonesia and India), including Turkey, at first; then, a partial outflow of funds (i.e., Portfolio Movements, Hot Money), which come from financial markets for short-term investments, was observed.

Volatile national currencies also caused fluctuations in all financial assets. In fact, some of the macroeconomic parameters such as inflation, exports, and current account balance were affected as well.

Even though the measures taken by the three major central banks are similar, there were significant timing differences. As a result, while the Fed put a stop to its monetary expansion policies, the ECB and the BOJ were re-instating these policies. The British Central Bank (BoE) is one of the few institutions that followed a similar policy to the US Fed.



Policy Interaction of the Three Major Central Banks



Growth problems are at the heart of the differences observed in monetary expansion policies and interest rate discussions in the world economies. Even the Fed is cautious about raising interest rates despite the relative recovery and growth in the US economy. This global issue keeps risk perception in terms of capital movement fluctuating, but alive.

With the expectation that the Fed would slowly tighten its monetary policy, many central banks, including the ECB, BOJ, and the People's Bank of China (PBOC) have continued their monetary expansion policies. This situation raised expectations of continuing positive outlook for fund inflows to countries such as Turkey, South Africa, Brazil, India and Indonesia.

As of first quarter 2015, recovery in the global economic activity remains slow with varying dynamics among countries. While the US economy is recovering, economic growth in the Eurozone and Japan looks quite fragile and weak. The growth rate in emerging countries is losing steam. Recent downtrend in commodity prices is expected to affect the growth dynamics of commodity-exporting emerging countries adversely.²

² CBT, "Report on Financial Stability", Ankara, November 2014, issue 19, p. 5

Major Macroeconomic Developments in the World Economy

Since 2008, the world economy has been struggling to overcome the effects of the crisis through different methods. Unfortunately, various economic measures only diminished the destructive effects of economic depression, a far cry from complete recovery.

Growth was the macroeconomic variable that took the brunt of the global crisis of 2008 the fastest. Post-crisis "shrinkage" in developed countries peaked, causing the most severe stagnation since 1929. Developed countries were faced with ever-increasing risks of negative economic growth, deflation and unemployment, whereas emerging countries had a rather satisfactory period between 2009 and 2011. A good example of this is the high rate of growth and economic boom particularly in the countries known as BRICT (Brazil, Russia, India, China and Turkey). Consequently, these countries' role in the positive growth of the world economy has increased.³

Throughout 2014, recovery in global economic activities remained slow and differences in countries' growth trends drew attention. A low trend of inflation is tied to weak outlook in economic activities and drop in oil prices. Even though monetary policies of developed countries still support growth, monetary policies of the FED and the ECB differ from each other. Nevertheless, loose monetary policies that are implemented to boost recovery also cause certain financial risks for developed countries. In these countries, banking industry fails to give enough support to economic recovery, and risks concentrate especially on the non-bank financial industry.⁴

Additionally, the slowdown in both the global growth outlook and economic activity in emerging economies feed risks on capital flows, which have continued to fluctuate in the last quarter. Given the concerns over Russia and the Middle East, fluctuations in global risk appetite and the volatility in portfolio flows are expected to persist in the upcoming period as well.⁵

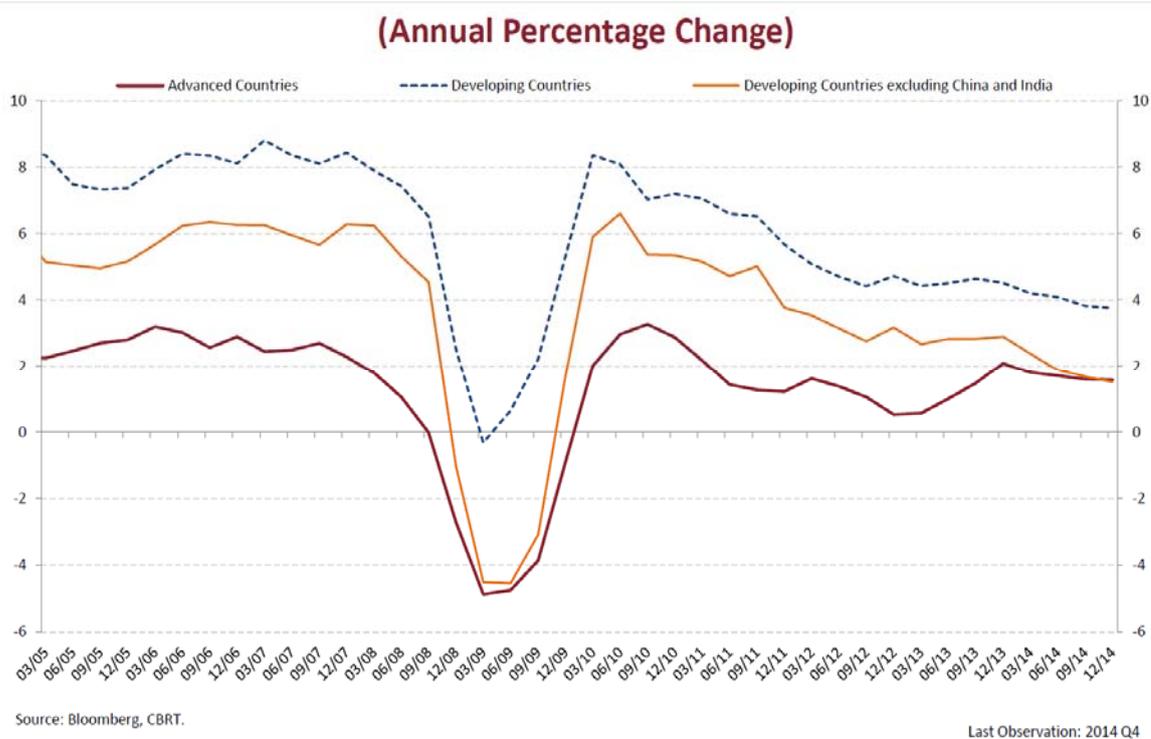
³ Emlak Konut GMYO A.Ş. Third Quarter Activity Report, <http://www.emlakkonut.com.tr/Assets/Upload/Images/file/Faaliyet-Raporu-2014-9-ayl%C4%B1k.pdf>, Istanbul, October, 2014, p.50.

⁴ CBT, "Report on Financial Stability", Ankara, November 2014, issue 19, p. 5

⁵ CBT, "Inflation Report 2015-I", p. 11

ECONOMIC ANALYSIS OF THE REPORTING PERIOD

Global and Developed-Emerging Countries' Growth Trends (Annual %)



Due to the reasons explained above, global growth projections and risk forecasts are revised often. There have been downward revisions in global and country-based growth projections in 2014 and 2015.

In its World Economic Outlook Report, IMF stated that global growth remains moderate, with uneven prospects across the main countries and regions and projected global growth to be 3.5 percent in 2015 and 3.8 percent in 2016. With these projections, IMF has revised its outlook for global growth a second time. Initially projected at 3.8 percent and 4 percent for 2015 and 2016 respectively, IMF had cut back its projections to 3.5 percent and 3.7 percent in its World Economic Outlook Update published in January.⁶

The report stated that the distribution of risks to global growth has become more balanced in the last six months. Indicating that the global economy would show some signs of improvement with the support of advanced economies in the short-term, but many complex forces would shape the medium- and long-term trends in global growth.

While identifying low inflation, aging populations, lackluster total factor productivity growth and weak investment as factors that arise from advanced economies, IMF pointed out that the factors from emerging markets varied significantly. Reminding that several emerging markets have implemented

⁶ IMF, "World Economic Outlook", April 2015

ECONOMIC ANALYSIS OF THE REPORTING PERIOD

measures to boost domestic demand in the aftermath of the 2007-2009 crisis, the report argued that such policies have led to certain macroeconomic vulnerabilities.

Another interesting aspect of the report was the revisions made to the country-based growth projections. While lowering the growth projections of many countries, including the United States, Canada, Russia, Brazil, Mexico and South Africa, IMF applied upward revisions to European Union members such as Germany, Spain, and Italy.

Accordingly, IMF cut its US growth projections by 0.5 percentage point to 3.1 percent for 2015 and by 0.2 percentage point to 3.1 percent for 2016. IMF projected an even deeper contraction in Russia, with growth expected to shrink to 3.8 percent this year and 1.1 percent in 2016 (revised from 3 percent and 1 percent, respectively).

IMF cut Turkey's growth forecast from 3.4 percent to 3.1 percent for 2015 while upgrading its growth forecast for 2016 from 3.4 percent to 3.6 percent. However, in another report released in February, the IMF had upgraded Turkey's growth forecast from 3 percent to 3.4 percent in 2015 while decreasing its forecast from 3.7 percent to 3.4 percent for 2016.

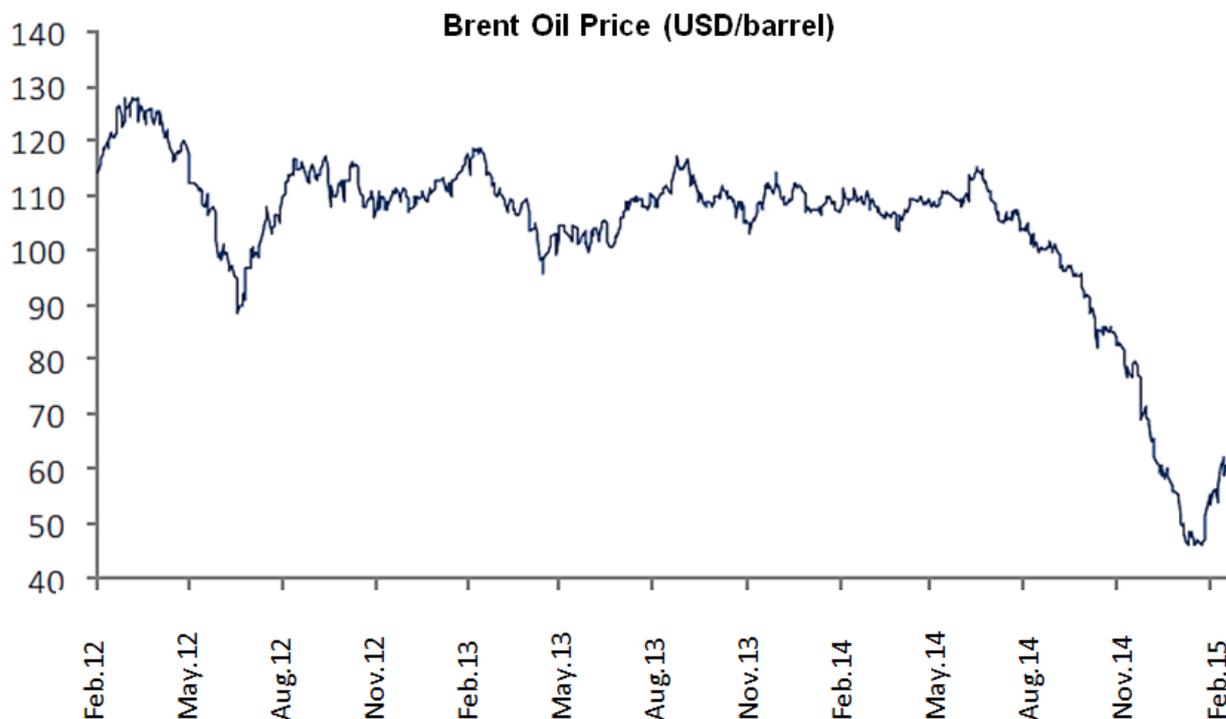
However, IMF maintained its growth projections for country groups. While advanced economies will maintain 2.4 percent growth in both 2015 and 2016, emerging economies are expected to grow 4.3 percent this year and 4.7 percent in 2016.

Changes in Commodity Prices and Their Impact on World Economies

Commodity prices have fallen significantly since the second half of 2014. Primarily driven by insufficient supply (a global growth problem) and increasing demand, prices of many products fell, including food, metal, and energy.

Following the no-quota decision made at the OPEC meeting in November 2014, crude oil prices continued to decelerate further and Brent crude oil prices dropped to 55.8 US dollar at the year-end. Forward contracts indicate that oil prices will remain well below the levels recorded in the first half of 2014 in the upcoming period.

ECONOMIC ANALYSIS OF THE REPORTING PERIOD



Source: CBT, Reuters

A price correction in US crude oil supply or an OPEC decision to restrict production may push oil prices up in the upcoming period. The relatively weak course of the Chinese economy, on the other hand, indicates that the downside pressure on industrial metal prices will continue.⁷

In summary, although the effects of the 2008 crises have weakened, it is difficult to say that economic variables have gone back to normal. It must be remembered that the crisis affects different economies differently. The US economy is in relatively better shape than those of the EU and Japan, partly due to its political decision-making mechanism's ability to react easily.

The uneven economic structure may be expected to continue globally. The influence of the instability in advanced economies on emerging countries will vary depending on their risk perception.

⁷ CBT, "Inflation Report 2015-I", p. 14

Developments in Turkish Economy

In this part, particularly recent developments in Turkish economy, 2014 year-end evaluation, and projections for 2015 will be analyzed in light of important macro variables. We have adopted an approach based on correlation of time and location, which is one of the most important factors that must be considered when analyzing the economic developments.

The 2001 crisis was a milestone for the Turkish economy. The country had fallen into a deep crisis due to decades-long structural problems such as high inflation, unemployment, low growth, high interest and public debt. During a rapid recovery period, the effects of the crisis were significantly removed in a relatively short time, thanks to the post-crisis legal regulations and administrative measures. Improvements were accomplished in debt management especially through public spending and a borrowing discipline, and the results were observed in the shape of growth and a decline in risk premiums.

The changing risk perceptions due to fluctuations in global economy have affected the Turkish economy tremendously. However, downturn of chronic problems or positive developments in Turkish economy has increased its flexibility to global economic fluctuations. In comparison to many other countries, Turkey is positioned better in terms of its economic indicators and outlook. Just like other countries in similar risk categories, Turkish economy is also influenced by the emerging trends in the world economy. World economies had to implement proactive monetary, economic, and fiscal policy actions against the fluctuations and changes that occurred in different phases of the global crisis.⁸

Interest (annual nominal) rates peaked at 80 percent right after the crisis and remained steady at times, only to drop to 8.53 percent on April 1, 2015. In May 2013, benchmark interest rate slumped to 4.99 percent, the lowest rate in the history of the republic, and started to rise again following the Fed's tapering announcement. The fluctuations in international fund flows, which began in the second half of 2013, and the subsequent depreciation of local currencies also affected the interest rate markets. Consequently, globally increasing risk premiums were included in the interest rates. Emerging economies such as Brazil, Turkey, India, and Russia feel the effects of this process.

⁸ 2013 Annual Report of Emlak Konut - 2014, p. 101

ECONOMIC ANALYSIS OF THE REPORTING PERIOD

Changes in Bond Interest Rates of Selected Emerging Economies (March 2014 - March 2015)

Russia	2-Year	12.58	13.53	12.74	14.54	8.96	8.29
	5-Year	12.69	13.53	12.62	14.92	9.50	8.99
	10-Year	12.65	13.36	12.43	14.08	9.53	9.19
Brazil	2-Year	13.43	13.53	13.18	12.99	11.92	12.43
	5-Year	13.30	13.26	12.97	12.85	11.91	12.76
	10-Year	13.09	13.10	12.81	12.41	11.60	13.16
India	2-Year	7.82	7.83	7.82	7.92	8.32	8.56
	5-Year	7.79	7.86	7.72	8.02	8.50	8.89
	10-Year	7.75	7.78	7.71	7.96	8.46	8.78
Indonesia	2-Year	6.87	6.95	6.66	7.44	7.42	7.23
	5-Year	7.10	7.29	6.86	7.99	7.99	7.69
	10-Year	7.20	7.38	7.17	8.16	8.16	8.10
Turkey	2-Year	8.47	8.76	8.07	9.18	9.18	11.60
	5-Year	8.28	8.56	7.79	9.29	9.29	11.34
	10-Year	8.25	8.43	7.75	9.39	9.39	11.36

Source: Bloomberg, March 25, 2015

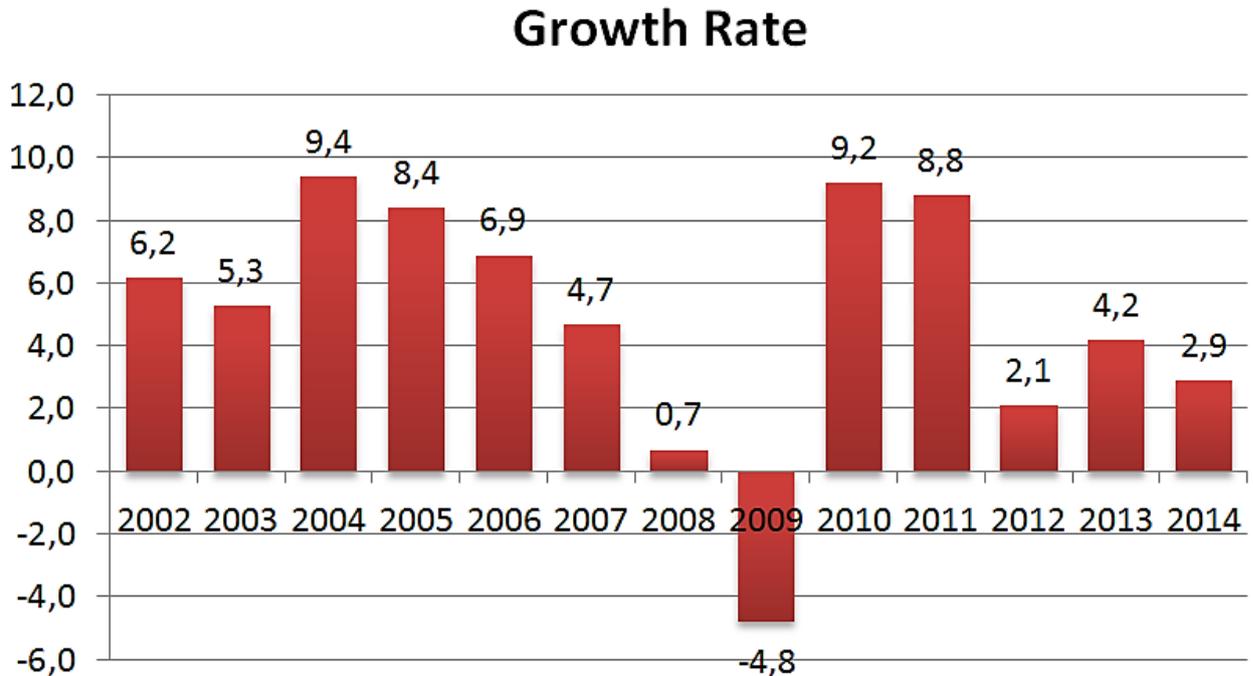
During the March 2014 - March 2015 period, Russia and Brazil, which are in the same risk category as Turkey, suffered from high interest rates due to high-risk premiums. While interest rates in Brazil increased by one percentage point to 13.43%, Russian interest rates bounced from 8.29% to 12.58%. However, Turkey enjoyed a sharp decline in interest rates, which fell from 11.60% to 8.47%, in the same period. A similar downward trend was observed in Indonesia and India.

Sustainable growth is one of the major achievements of the Turkish economy. Insufficient economic growth is a dominant macroeconomic problem in the world.

Following the global crisis, “growth at reasonable levels” has become the most critical problem for many countries. Turkish economy is closely monitored in this regard. Up until the 2001 crisis, Turkish economy failed to post growth for four consecutive years. However, it accomplished a great feat by achieving growth for six consecutive years from 2002 to 2008. In the aftermath of the 2008 global crisis, Turkish economy posted negative growth only in 2009, and enjoyed a rapid recovery in 2010.

ECONOMIC ANALYSIS OF THE REPORTING PERIOD

Turkey's Annual Growth Rates based on TurkStat Data
(GDP, %)



Source: TurkStat

■ Growth Rate

In parallel with growth rates, GDP per capita and purchasing power parity also improved considerably. Rapid growth rate of GDP per capita between 2003-2008 fluctuated within a narrower margin after 2010, but did not fall. Rising GDP per capita induced higher rates of consumption as well as related activities, boosting the economy. However, it flatlined between 2010 and 2013.

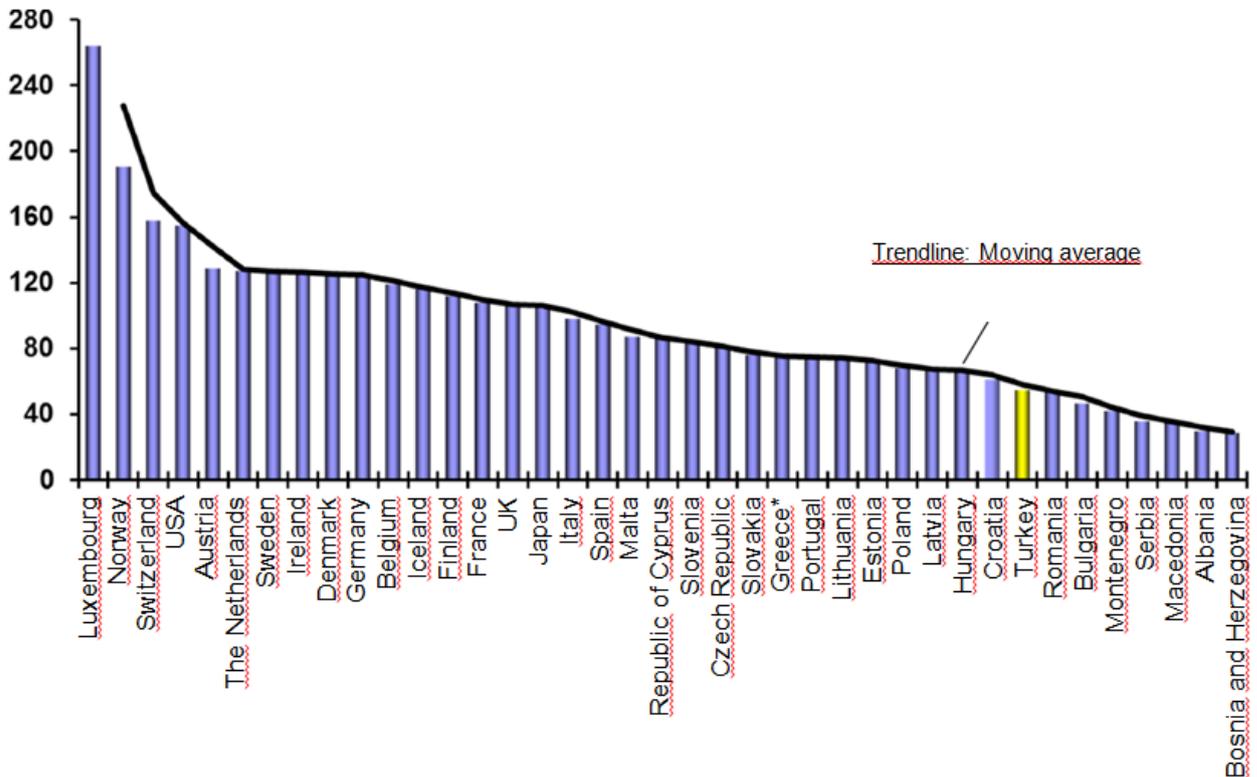
As of the end of 2014, GDP per capita was 10,404 US dollars. Although the flatlining of GDP per capita may be reminiscent of the “middle-income trap,” studies are in progress for developing policies to improve both the GDP and its equal distribution across the economy. Aiming to increase GDP per capita, these efforts include successive announcements of new employment and incentive packages that are developed for creating innovation-based production by reshaping the employment structure and tools.

On the other hand, Turkish lira remains below the EU currencies in terms of Purchasing Power Parity (PPP) exchange rates, based on 2013 data. However, the contribution of the surge of PPP from 8.54 US dollars in 2001 to 18.974 US dollars in 2013 must be considered.⁹

⁹ Source: US Dollar values based on TurkStat data, PPP values based on World Bank data. The related chart was provided on page 40 of our Real Estate and Housing Report published in December 2014.

GDP per capita at Purchasing Power Parity (2013)

Gross Domestic Product Per Capita, 2013 (Purchasing Power Standard, AB-27=100)



Source: Eurostat.

Annual inflation remained in chronically high levels for a long time. Recorded at 62.7 percent from 1983 to 1994, the average inflation rate increased to 71.6 percent between 1995 and 2001. Subsequent to preventive measures taken, the average inflation rate was cut back to 10.6 percent during the 2001-2014 period.¹⁰

Even though the rise in general price levels (one of the critical structural problems of our country) have largely been taken under control, inflation has increased in the past 24 months as a result of consumption and foreign currency volatility. Key inputs and unprocessed food prices rose considerably due to mediocre harvest in agricultural production caused by drought.

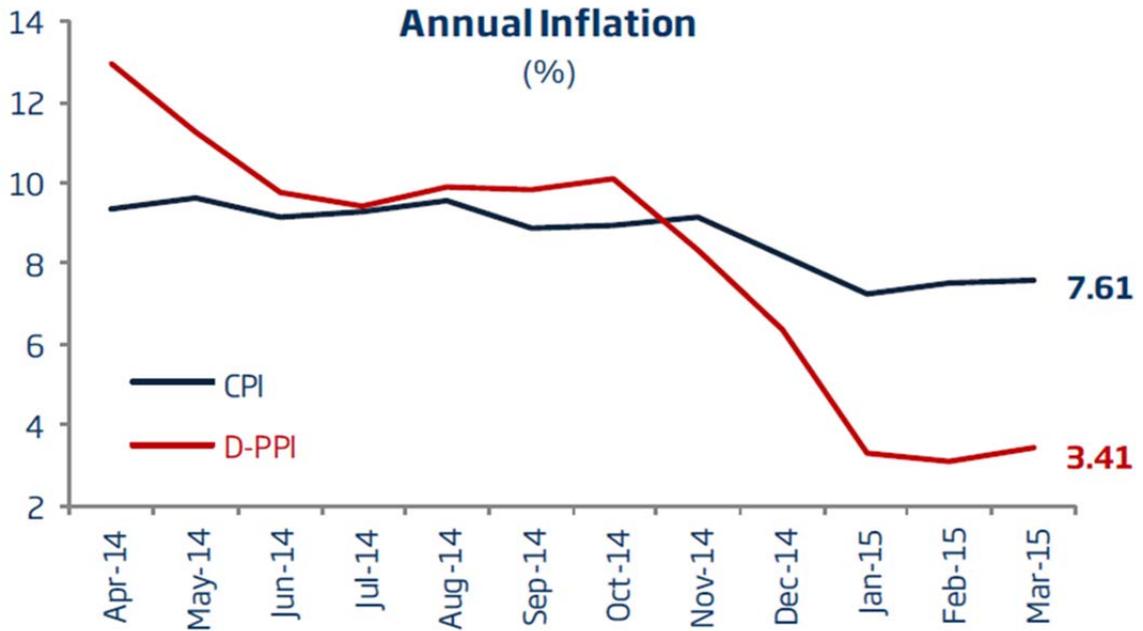
According to Consumer Price Index (CPI) data announced on April 3, 2015; CPI (2003=100) increased by 1.19 percent in March 2015 compared to the previous month, by 3.03 percent compared to December 2014, by 7.61 percent year-on-year and by 8.70 percent on average in 12 months.¹¹

¹⁰ Based on TurkStat data

¹¹ <http://www.tuik.gov.tr/PreHaberBultenleri.do?id=18530>

ECONOMIC ANALYSIS OF THE REPORTING PERIOD

Annual Price Changes, CPI and D-PPI (TurkStat)



Source: İş Bank, Inflation Report, April 3, 2015

Aside from the negative outlook in food inflation; international oil prices, mild trend in import prices and the loss of momentum in economic activity primarily contribute to the relief of pressure on inflation.

The risk appetites of world economies continue to experience fluctuations in terms of valuation and economic perception. On the other hand, Turkish economy appears to be relatively stable thanks to its CDS (Credit Default Swap Insurance) premiums and credit ratings compared to both the emerging countries and advanced economies.

ECONOMIC ANALYSIS OF THE REPORTING PERIOD

Credit Ratings of Turkey (based on Foreign Currency, March 30 2015)

Turkey's Credit Ratings (In Foreign Currency, March 30, 2015)

Moody's		Standard & Poor's		Fitch	
A2	Botswana, Poland, Slovakia	A	Trinidad and Tobago, Slovakia, Slovenia, Ireland	A	Malta
A3	Malta, Mexico, Peru, Latvia	A-	Botswana, Poland, Lithuania, Latvia	A-	Poland, Lithuania, Latvia, Ireland
Baa1	Trinidad and Tobago, Thailand, Mauritius, Ireland	BBB+	Thailand, Malta, Peru, Mexico	BBB+	Thailand, Italy, Mexico, Slovenia, Peru, Spain
Baa2	Kazakhstan, Bulgaria, Brazil, Italy, Panama, Bahrain, Spain, Uruguay, Colombia, The Bahamas, South Africa, The Philippines	BBB	The Bahamas, Kazakhstan, Panama, Spain, Colombia, The Philippines	BBB	Bahrain, Kazakhstan, Brazil, Panama, South Africa, Iceland, Colombia
Baa3	Turkey (negative), Namibia, India, Romania, Iceland, Slovenia, Indonesia, Azerbaijan	BBB-	Morocco, India, Azerbaijan, Uruguay, Iceland, Brazil, Romania, South Africa, Italy, Bahrain	BBB-	Turkey (stable), Morocco, Namibia, India, Romania, Indonesia, The Philippines, Bulgaria, Azerbaijan, Uruguay, Russia
Ba1	Morocco, Albania, Hungary, Costa Rica, Guatemala, Croatia, Portugal, Russia, Paraguay	BB+	Turkey (negative), Indonesia, Bulgaria, Russia, Hungary	BB+	Costa Rica, Hungary
Ba2	El Salvador, Angola	BB	Guatemala, Portugal, Costa Rica, Jordan, Croatia	BB	Guatemala, Croatia
Ba3	Bangladesh, Georgia, Montenegro, Bolivia, Suriname, Tunisia	BB-	Bangladesh, Georgia, Vietnam, El Salvador, Paraguay, Suriname, Bolivia, Montenegro	BB-	Angola, Sri Lanka, Georgia, Suriname, Bolivia, El Salvador, Tunisia, Vietnam
B1	Senegal, Sri Lanka, Jordan, Dominican Republic, Fiji, Papua New Guinea, Saint Vincent and Grenadines, Vietnam	B+	Senegal, Sri Lanka, Angola, Papua New Guineas, Ecuador	B+	Mongolia
B2	Cambodia, Mongolia, Lebanon	B	Bosnia and Herzegovina, Cambodia, Fiji, Honduras, Tunisia, Albania, Barbados	B	Lebanon, Ecuador
B3	Belarus, Moldova, Barbados, Nicaragua, Bosnia and Herzegovina, Honduras, Ecuador	B-	Pakistan, Belarus, Lebanon, Belize, Jamaica, Egypt, Greece	B-	Egypt, Jamaica
Caa1 Caa2 Caa3 Ca C	Jamaica, Egypt, Argentina, Greece Belize, Cuba Jamaica, Venezuela Ukraine	CCC+ CCC CCC- CC C SD	Venezuela Ukraine Argentina	CCC+ CCC CCC- CC C DDD D/RD	Venezuela, Greece Ukraine Argentina

Source: Bloomberg

In the period after the crisis, in November 2012, Fitch Ratings adjusted Turkey's long-term foreign currency rating from BB+ to BBB- while raising its long-term local currency rating from BB+ to BBB. The most recent rating was issued by on March 27, 2013 by Standard & Poor's, which raised the long-term rating from BB to BB+. CDS premiums were rolled back in the same period.

Developments in Construction and Real Estate Industries

This section reviews the effects of the aforementioned macro changes on construction and real estate industries, as well as Emlak Konut REIC. The construction industry holds a special place in most countries' economies as it acts as a leverage with the added value and employment opportunities it creates. Today, the concept of "construction" comprises building and related activities, such as maintenance, repair and operations. Nowadays, construction production is defined not only by

ECONOMIC ANALYSIS OF THE REPORTING PERIOD

building a structure but also by creating environmentally-friendly, socially-responsible, transparent and sustainable production that has a direct effect on society.¹²

Even though Turkish construction industry and its components (sub-sectors) have achieved rapid growth in the past 30 years, they have benefited the most from the economic stability following the 2001 crisis. The construction industry accelerated its institutionalization process with the structural transformation it has gone through during that time.

Construction production has made substantial gains not only in the housing industry, which we use daily in our lives, but also in areas that require technical know-how and expertise (i.e., dams, bridges, tunnels) over the years.

Turkish construction and contracting businesses displayed a competitive attitude with sound financial resources and have turned into an industry, bringing in foreign currency into the country with the work they carry out abroad.

The Ministry of Economy data show 42 Turkish companies among the biggest construction companies of the world in 2014. Turkey is second to China in this area.¹³

Contracting services abroad have created added value through foreign currency inflow, employment, support for exports, technology transfer, machinery and overseas expansion. This becomes even more evident in the Balance of Payments Services Items.

Balance of Payments - Services Balance - Construction Services

Million US Dollar	2009	2010	2011	2012	2013	January- November 2013	January- November 2014	Change (%)
Construction Services Income	1,090	859	838	1,029	672	629	986	56.7
Construction Services Expenses	0	0	0	0	0	0	0	

Source: CBT

Construction and other supporting industries have high levels of interaction not only with each other but also with macro-economic parameters. Therefore, it is important that the analyses should be based on total interactions in the industry with socio-economic elements.

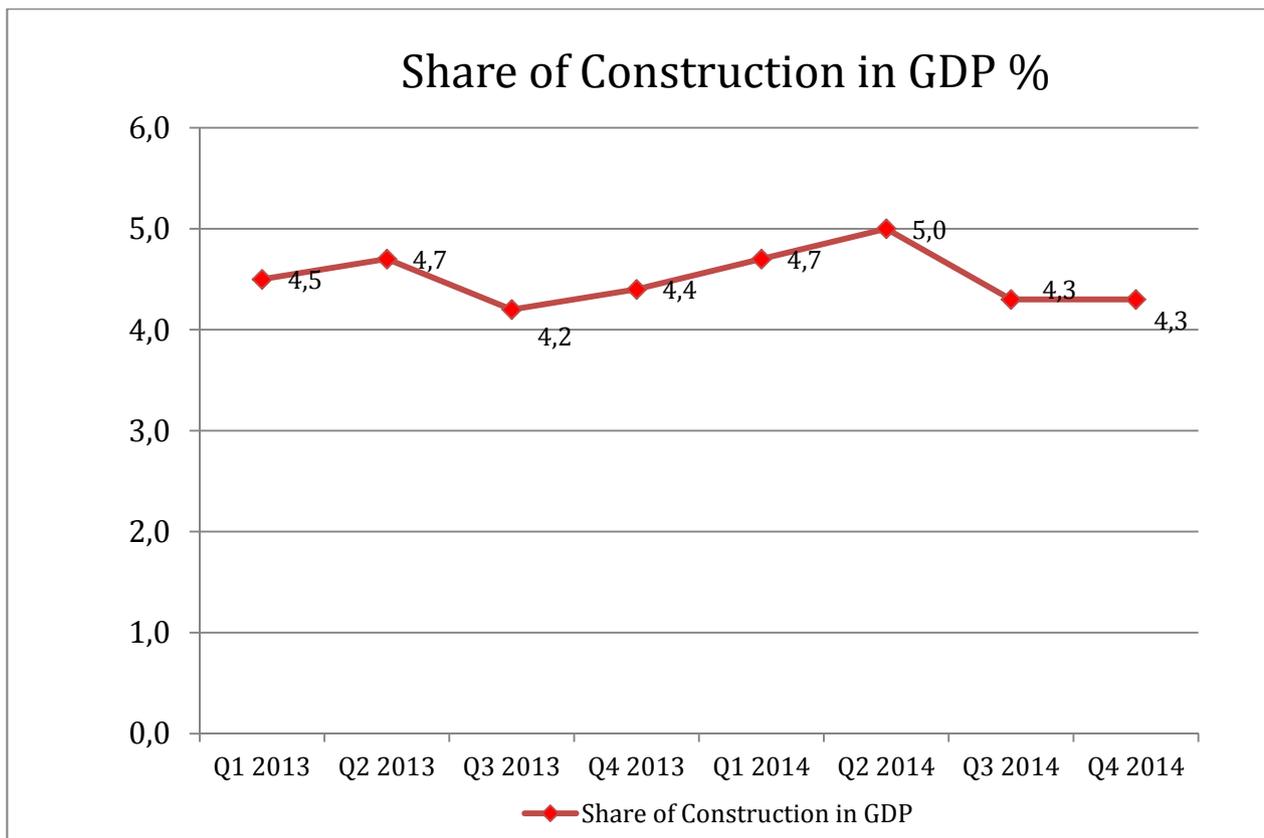
¹² Ergül, Nuray, "Effects of Globalization on the Construction Industry", Tax Issues Magazine, August 2007, Issue: 227.

¹³ Ministry of Economy, "Economic Outlook" November 2014, p. 39

Turkish Construction Industry's Impact on Growth

The construction industry and sub-sector components are among the sectors that are greatly affected by general economic conditions. The industry is susceptible to the economy at varying levels in every country throughout the world. Turkey's construction industry, which to a large extent is dependent on the national capital, has a significant impact on employment and production as it concerns many occupational fields. The industry boasts huge domestic and international experience and potential, functioning both as a “locomotive industry” due to its capacity to put in motion over 200 sub-sectors that rely on it, and as an unemployment absorber due to its ability to provide a high number of jobs.

The construction industry plays an important role in economic growth, and there is a significant correlation between the construction industry and GDP (growth) rates. The rapid decline experienced following the 2001 crisis in Turkey significantly affected both the industry and GDP. A similar situation was observed in the aftermath of the 2008 global crisis. Nevertheless, it must be noted that both the industry and the GDP enjoyed a swift and sharp recovery in 2010. The balancing policies that were implemented in the following adjustment period resulted in declining fluctuations starting in 2013.



Source: TurkStat

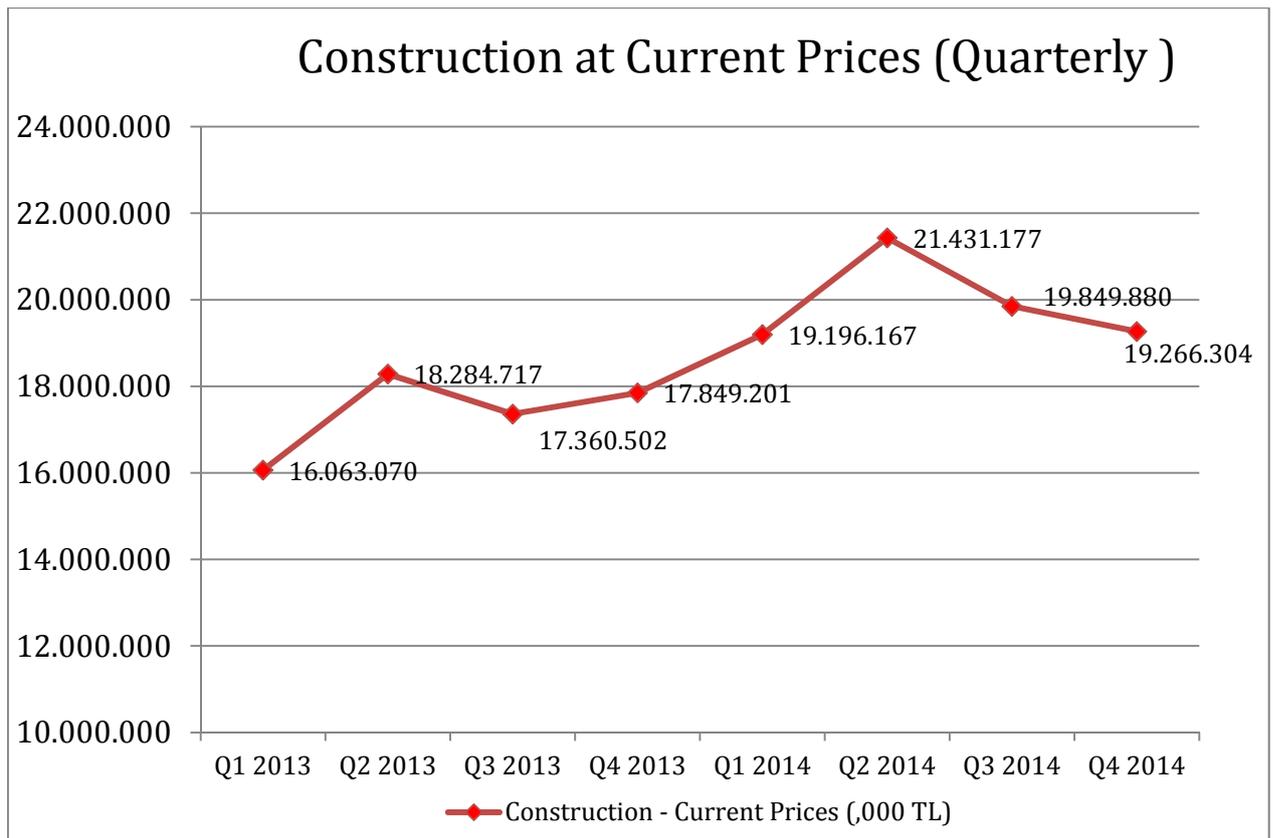
ECONOMIC ANALYSIS OF THE REPORTING PERIOD

The third quarter 2014 decline of the share of construction industry in GDP is the typical result of the slowdown of home sales in the first half of 2014 (compared to 2013) and the stagnation of investments in the construction industry. However, with the growing demand for homes since August 2014 and heightened interest of the foreign investors, housing sales have increased.

In 2014, the construction industry's share in GDP was 4.6 percent, up from 4.4 percent in 2013. The increase that was achieved despite the internal factors and global trends should be considered as a positive economic indicator.

Similar to the last quarter of 2014, the construction industry is expected to enjoy a consecutive growth trend due to the relative increase in home sales in the first quarter of 2015.

The construction industry's contribution to GDP has grown rapidly at the current prices after the third quarter of 2013. However, following the decline that began in the second quarter of 2014, construction industry's share in GDP remained stable for the second half of the year.



Source: TurkStat

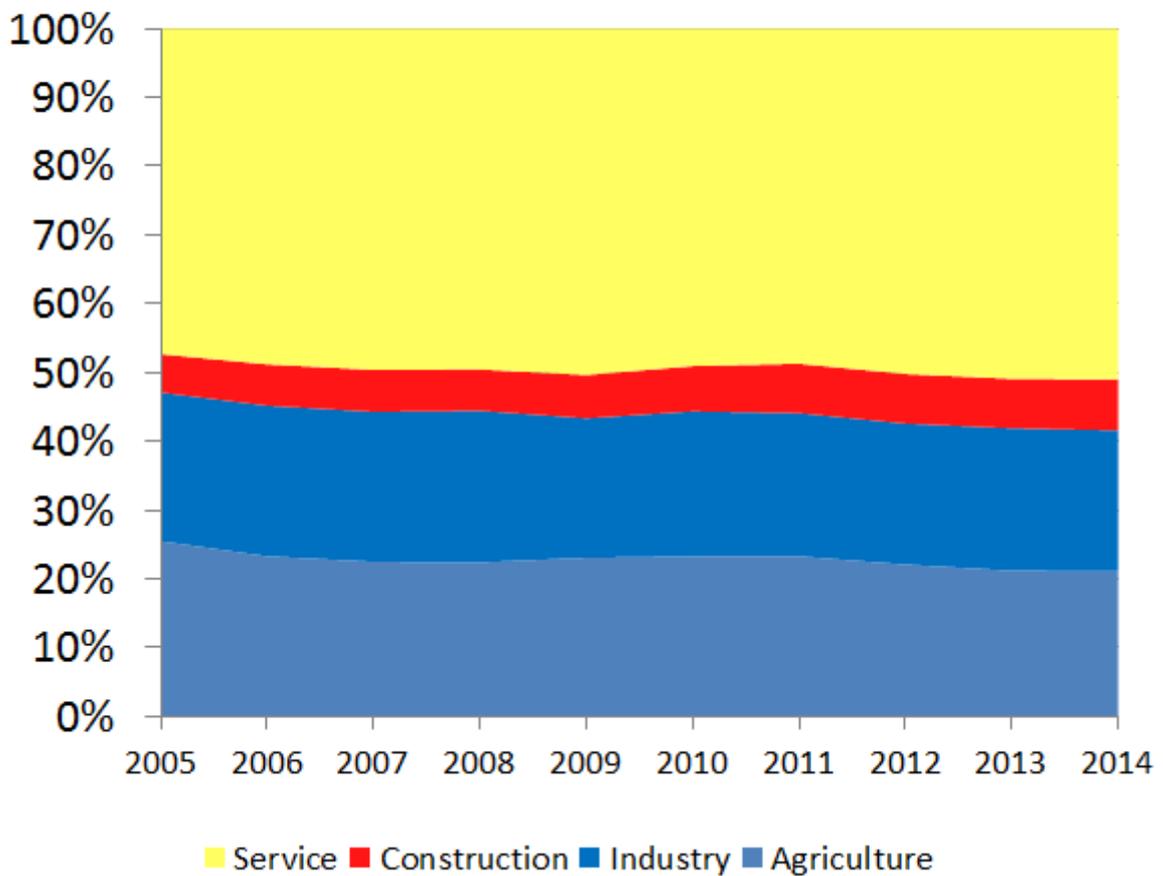
Construction Industry's Impact on Employment

Rate of unemployment went up due to declining economic growth between 2012 and 2014. However, Turkish economy has gone through an impressive period through its successful programs developed for creating jobs and increasing employment in the aftermath of the global crisis.

Between 2005 and 2014, services industry offered the most job opportunities to the workforce, followed by construction, industry, and agriculture, in that order.

Sectoral Shares in Total Employment (%)

Sectoral Shares in Total Employment (%)



Source: TurkStat

According to TurkStat data, the construction industry accounted for 4.6 percent of the GDP at current prices in 2014. By its nature, the industry is able to create jobs for people in different age groups and educational backgrounds. Construction industry is capable of creating jobs for both white-collar and blue-collar workforce. However, while enjoying higher employment rates during periods of economic growth, the construction industry suffers from higher unemployment rates during periods of crisis.

ECONOMIC ANALYSIS OF THE REPORTING PERIOD

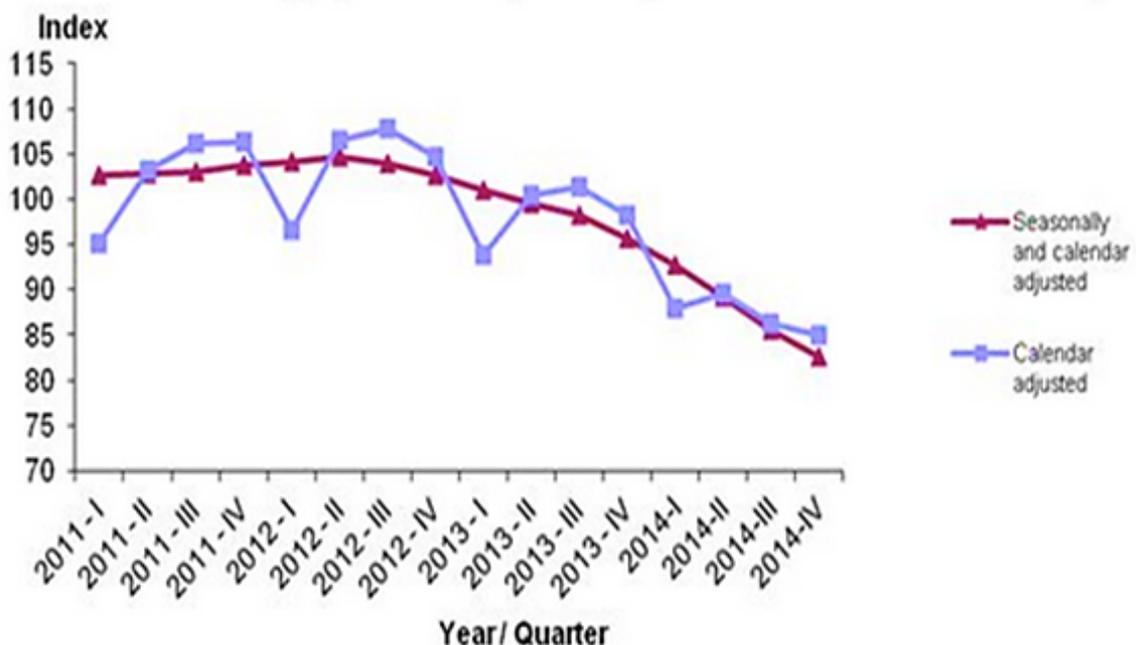
In fact, industrial and construction industries are complementary business lines that interact and influence each other with similar processes such as employment and growth. Based on TurkStat data, the construction industry contributed 5.8 percent to the economy's growth rate between 2011 and 2013. Also in 2013, the construction industry accounted for 7 percent of employment – a significant contribution to reducing unemployment.

The industry-specific dynamics can be understood better by analyzing the construction industry's unique employment characteristics and related developments. It must be remembered that some of the industry's operations involve specific work conditions, and therefore require technologically more advanced equipment, but with less number of technical workers.

According to the "Construction Labor Force Turnover Index" data published by TurkStat¹⁴, seasonally and calendar adjusted Construction Hours Worked Index fell by 3.3 percent in the last quarter of 2014 compared to third quarter. Meanwhile, calendar adjusted Construction Production Index fell by 13.6 percent when compared to fourth quarter of 2013 and by 11.4 percent year-on-year.

Construction Industry Employment Index

Construction sector employment index (2010=100), IV. Quarter: October-December, 2014



Source: TurkStat

¹⁴ TurkStat, "Construction Labor Turnover Index, 4th Quarter: October-December 2014", Issue: 18604, February 27, 2015.

Analysis in Terms of Population and Components (Such as Urbanization)

A population's composition and resulting migration, urbanization and factor incomes (i.e., agriculture, industry and services) create conditions that hinge on change; these socially-critical factors have an immense effect on the economy. Furthermore, these types of issues need to be analyzed from "the process of making an investment decision" to the "feasibility" stages.

Economies are directly affected by the compositional characteristics of their populations. Turkey's young and dynamic demographics can have a positive effect on the economy. Essential for consumption-based industries, demographic characteristics are among the most critical elements that contribute to increasing real estate as well as white and brown consumer goods.

Demographic data influences the decision-making processes of real estate investors. Turkey's potential in this regard is very striking.

Turkey's population reached 77,695,904 in 2014, an increase of 1,028,040 when compared to 2013. Whereas the male population (38,984,302) accounted for 50.2 percent of the population, the female population (38,711,602) came in at 49.8 percent.¹⁵

In addition to the population growth, the continued migration from rural areas to major cities is contributing to the urban population increase. Proportion of population residing in province and district centers was registered at 91.8 percent.

This was an increase of 0.5 percentage point from 91.3 percent in 2013.

The ratio of people living in towns and villages was as 8.2 percent. The resident population of Istanbul increased by 1.5 percent in 2014. Istanbul, where 18.5 percent of Turkey's population lives, maintained its status as the most populated province (pop. 14,377,018). It is followed by Ankara with 6.6 percent (pop. 5,150,072), Izmir with 5.3 percent (pop. 4,113,072), Bursa with 3.6 percent (pop. 2,787,539) and Antalya with 2.9 percent (pop. 2,222,562).

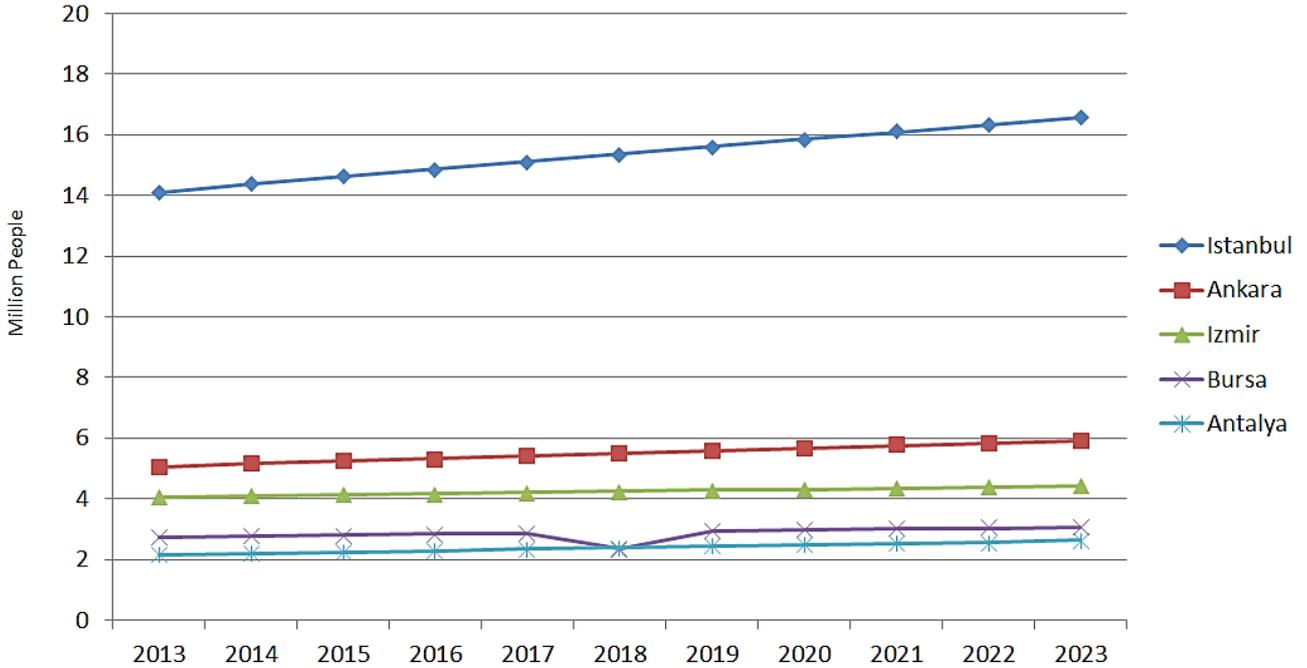
The population density (number of people per square kilometer) also increased by one to 101 persons. With 2,767 people, Istanbul has the highest population density. It is followed by Kocaeli with 477 people, Izmir with 342 people, Gaziantep with 277 people and Bursa (including Yalova) with 267 people.

Population growth rate, rural-urban migration, increased population density and young demographics are important variables for the economy. From the construction and housing perspective, these variables form a natural demand, which is especially evident in Turkey's five major cities (Istanbul, Ankara, Izmir, Bursa, and Antalya).

¹⁵ TurkStat, "Address-Based Population Registration System Results", Issue: 18616, January 28, 2015

Population Projection in the Five Big Cities (Istanbul-Ankara-Izmir-Bursa-Antalya)

TurkStat - Estimated City Populations by 2023
(Top 5)



Source: TurkStat

Construction Industry and Housing Sales Indicators

This section analyzes the important indicators of the construction industry and home sale trends.

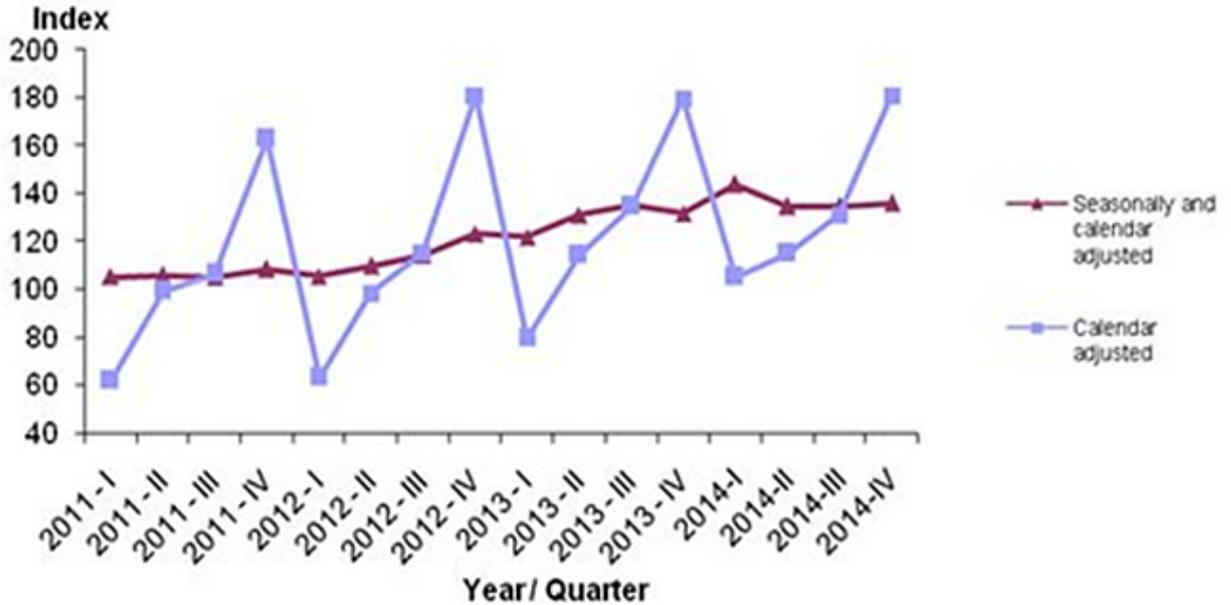
In Turkey, construction turnover index is an indicator that provides information about the trends and tendencies in homes sales.

According to TurkStat¹⁶ data, seasonally and calendar adjusted Construction Turnover Index increased by 0.9 percent in the last quarter of 2014 compared to previous quarter. Meanwhile, calendar adjusted Construction Production Index increased by 0.6 percent when compared to fourth quarter of 2013 and by 4.6 percent year-on-year.

¹⁶ TurkStat, "Construction Turnover and Production Indices, 4th Quarter: October-December 2014". Issue: 18608, April 6, 2015.

Construction Industry Turnover Index (2014)

Construction sector turnover index (2010=100), IV. Quarter: October-December, 2014



Source: TurkStat

On the other hand, seasonally and calendar adjusted Construction Production Index fell by 0.7 percent in the last quarter of 2014 compared to previous quarter. The calendar adjusted Construction Production Index fell by 0.8 percent when compared to fourth quarter of 2013 and by 3.0 percent year-on-year.

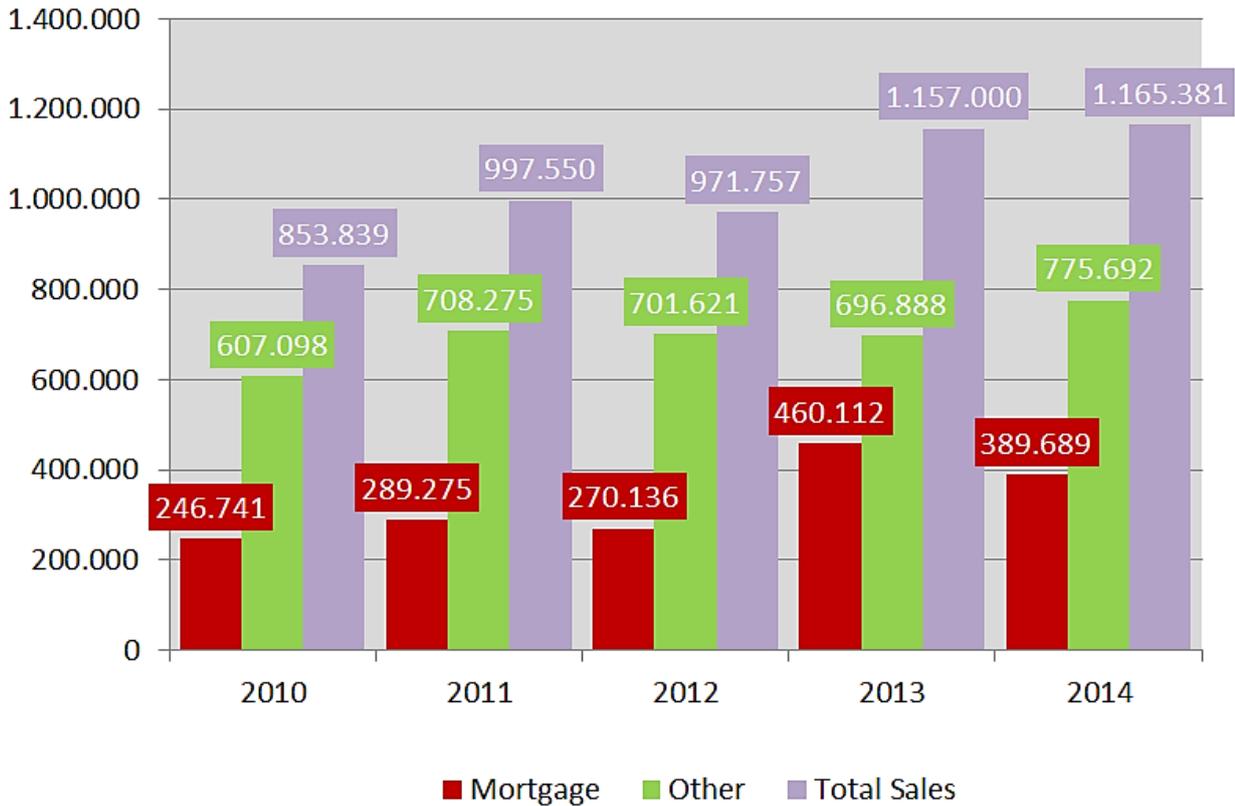
Essential for the construction industry, home sales data must be monitored continuously. Essential for the construction industry, home sales data must be monitored continuously. High volumes in home sales constitute a critical indicator, not only for this industry but also for the economy as a whole.

With a 0.7 percent increase from 2013, a record sale of 1,165,381 homes were sold in across Turkey in 2014.

Istanbul took the biggest share in home sales with 225,454 (19.3 percent) houses sold in 2014. Ankara and Izmir followed with home sales of 131,825 (11.3 percent) and 71,779 (6.2 percent), respectively.¹⁷ Of the total sales in Turkey, 389,689 homes were sold by mortgage and the remaining 775,692 by other means.

¹⁷ TurkStat, "News Bulletin - Home Sales Statistics" Issue: 18551, January 23, 2015

Number of Home Sales (2013-2014) Mortgage Sales by Year



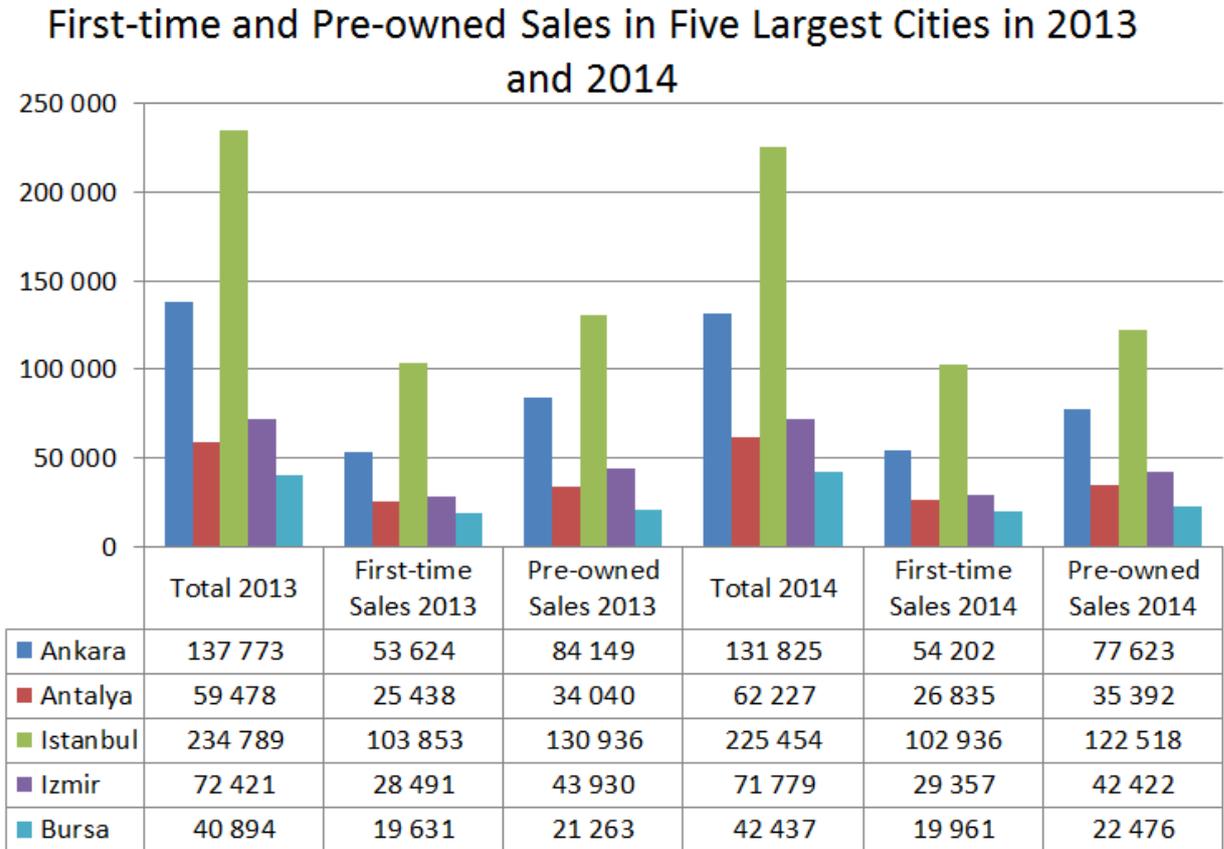
Source: TurkStat

Due to global fluctuations and the two domestic elections in Turkey in 2014, the total sales figure in the first eight months of the year remained less than the 2013 sales figures. The decline in uncertainties released the deferred demand, which boosted the sales. It is important to note that as of August 2014, the company has sold more homes than in all of 2013. In addition, it is quite remarkable that the 2014 year-end total number of sales has surpassed that of 2013.

Pre-owned home sales are another crucial indicator in home sales. It must be remembered that demand is better in housing markets with high liquidity in pre-owned home sales.

A review of the first seven months of 2014 demonstrates that home sales in the five big cities has maintained sufficient vitality (even though a slight decline was experienced). However, as of August home sales showed a very rapid growth that also exceeded market expectations.

Pre-Owned Home Sales in Five Big Cities



Source: TurkStat

Sales types are also important elements of the housing market. Mortgage sales must be monitored for the relevance of the financial system and its effects on homes sales. Other sales are those in which real estate investment trusts, construction companies and contractors sell homes via their own financing systems. Interest rates and strong demand are the top two factors that tip the balance between the two sales methods.

With the amendment to Land Registry and Cadastre Law No. 6302 in May 2012, foreign nationals were given the right to purchase and own property in Turkey. Following the first tangible result in 2013, the foreign national interests in properties in Turkey have increased over the past year. Based on TurkStat data; 18,959 homes were sold to foreign nationals across Turkey in 2014.

ECONOMIC ANALYSIS OF THE REPORTING PERIOD

Number of Homes Sold to Foreign Nationals (January-February 2014 and 2015)

Number of Homes Sold to Foreigners, 2014 - 2015				
	Şub.14	February 2015	January - February 2014	January - February 2015
Total	1 071	1 369	2 278	2 658
Istanbul	301	466	544	843
Antalya	400	356	864	748
Bursa	57	106	119	187
Yalova	36	77	57	172
Muğla	61	75	136	120
Aydın	61	65	131	128
Mersin	49	53	119	91
Sakarya	17	50	136	99
Ankara	21	33	42	74
Izmir	10	14	25	29
Other Cities	58	74	105	167

Source: TurkStat

It must be noted that recognition of the Turkish real estate market as well as the upward trend in the purchasing power of foreign investors due to exchange rate volatility contributed to the growing foreign demand in the last quarter of 2014. A similar trend has continued into the first two months of 2015.

Interest Rate Effect on Construction and Housing Industries

The real estate industry in Turkey continues to perform the task of providing "housing at certain standards" as well as functioning as an "investment tool." Bank loans and related interest rates are the crucial external sources that enable home purchases with a certain maturity date.

The "interest variable" is a factor that affects the resource costs of construction companies by creating as much, or even more, demand fluctuations as it does in all sectors. This variable is critical in terms of sales and all related parameters.

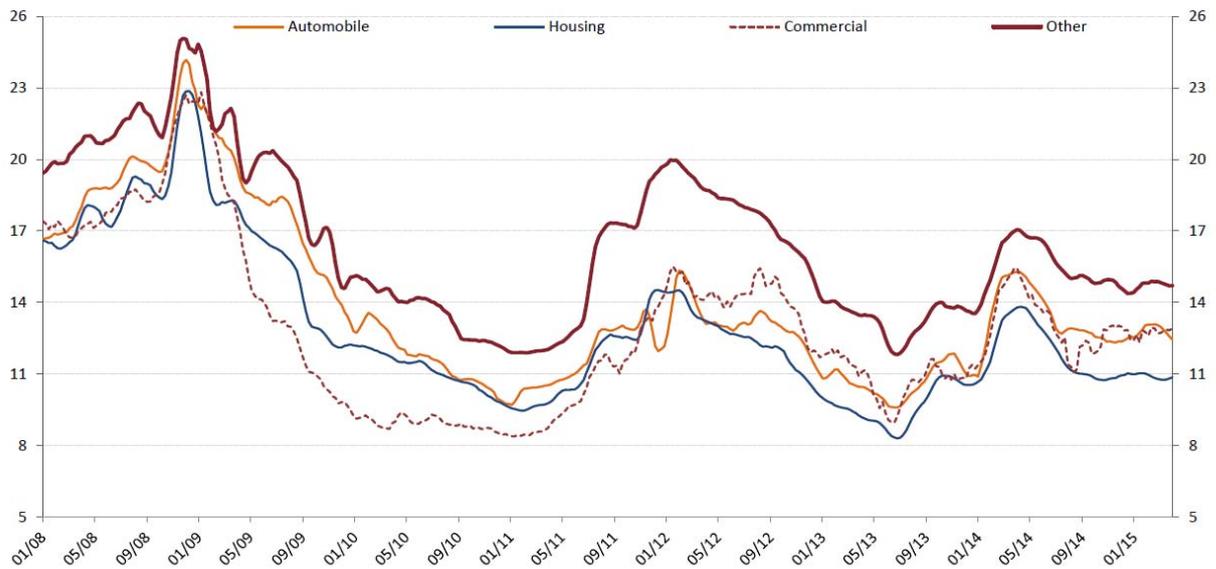
Following the 2001 crisis, a rapid decline in interest rates created significant growth in demand and brought down operating costs.

ECONOMIC ANALYSIS OF THE REPORTING PERIOD

Changes in mortgage rates determine the demand to buy homes: for example, a drop in mortgage rates would spur demand. A positive relationship exists between mortgage rates, the home ownership growth rate, and the number of homes sold.¹⁸

Home Loan Rates

(Flow, Annualized, Percent, 4 Week-Average)



Source: CBRT.

Last Observation: 03 April 2015.

A growth trend was experienced in parallel with Fed announcements and rising domestic risk perception. This followed the May 2002-2013 period, in which both real and nominal interest rates plummeted in Turkey. This process caused loan interest rates and all other interest types to increase (in Turkish lira).

Then with the US dollar gaining value fast, the central banks around the world used more stimulus measures as stopgaps against their fragilities over foreign exchange. In particular, they rapidly raised the interest rates. Trying to protect balances such as interest, exchange, growth and employment, the CBT also kept the interest rates high until the last quarter of 2014. Then, it rolled out a gradual interest rate reduction based on internal factors as well as global trends.

In the second half of 2014, the declining interest rates and improvements on expectations in general led the increase in credit demand, primarily for home and vehicle loans. On the other hand, the relative

¹⁸ Kaya, Asli. *ibid*, p.16

decline in consumer loans may be considered as the result of macroprudential measures. With the expectation that the interest rates will be lowered during the first half of 2015 and the gradual rate cuts by the CBT is very crucial to the construction industry.

Changes in Home Prices

A home is not only a factor of wealth: it is also one of the most significant determinants in the cost of living for the household. The price of a home represents a different value than simply the total of the housing services it provides.¹⁹

Changes in economic conditions come with the requirement to monitor and interpret them. The construction industry, and in its core, the housing sector, acts as a barometer of the economy. As a result, price-related changes can be crucial with regards to macroeconomic decision-making processes.

Moreover, a home continues to be a traditional, reliable and sound investment tool in Turkey. Housing demand from many middle-income people can be maintained by achieving greater national income, further improvement in income distribution, good management of expectations, and effective general risk management.

Since 2010, the CBT filled a crucial gap by establishing two indexes regarding housing prices in Turkey. These are the "Turkey Housing Price Index" and the "Turkey New Housing Price Index."²⁰

Since houses are not "homogeneous" assets, homes with similar features may have greatly varying prices depending on their locations. Furthermore, prices may vary depending on features such having a sea view, facing south, or being near a park. Therefore, the CBT uses a method to reduce price variances when making calculations for Turkey in general.²¹

Following are the results of an analysis of the housing price index announced by the CBT on March 30, 2015.²²

The Turkey House Price Index (THPI) rose to a level of 172.19 in January 2015, up 1.29 percent from the previous month. The THPI surged by 16.70 percent year-on-year, with a real growth of 8.82 percent in the same period. Unit prices, which are calculated as the value of the house per square meter, increased to 1,511.75 TL/m² in January 2015, up from 1,313.20 TL/m² year-on-year.

¹⁹ Büyükduman, Ahmet, "Bir Kent Efsanesi, Konut Balonu" (An Urban Myth, Housing Balloon), Scala Publishing, Istanbul, 2014, p.102

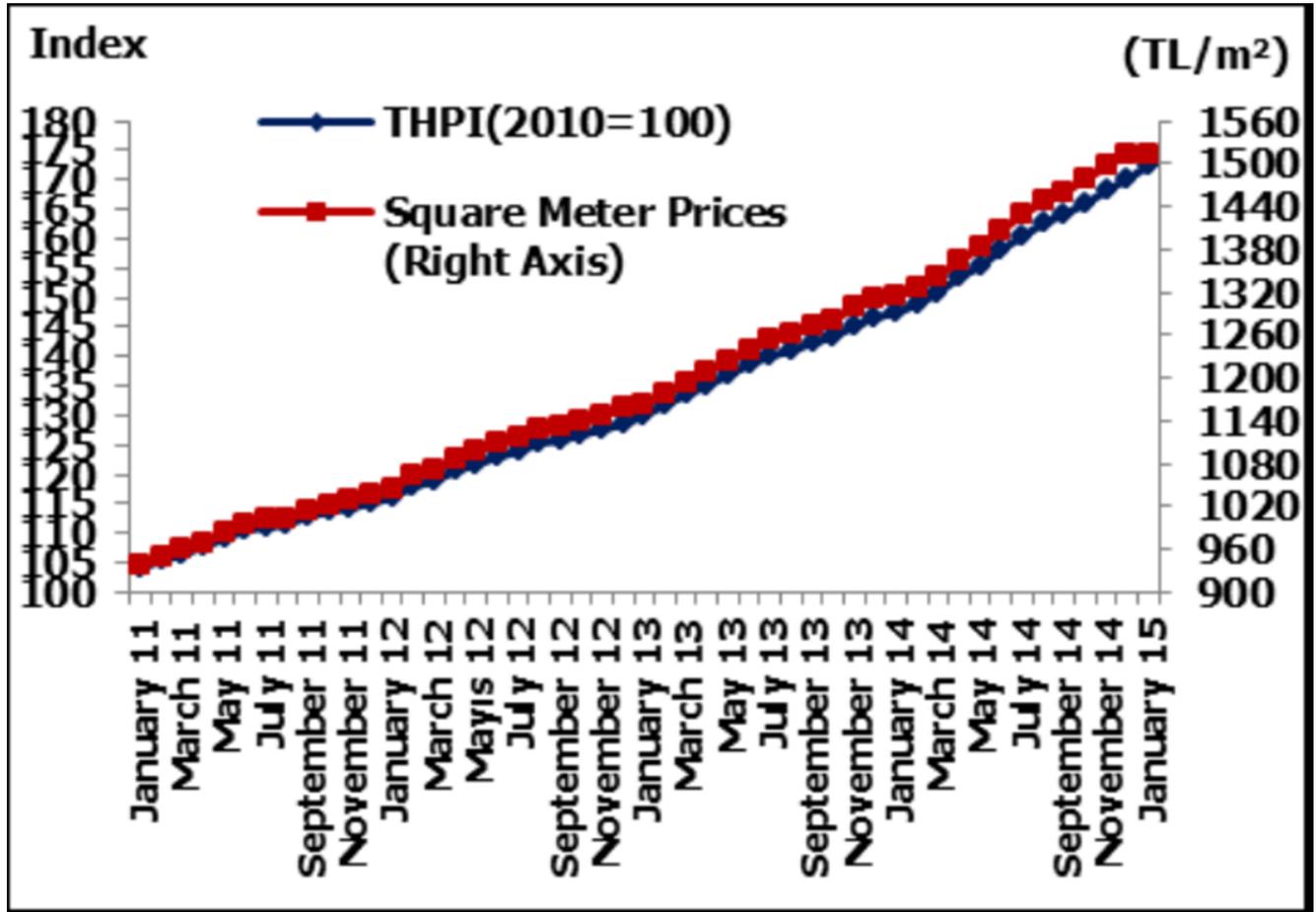
²⁰ While making the index calculations, the CBT strives to set more realistic prices by taking into account home appraisal reports.

²¹ The CBT applies the "weighted average price" method to minimize price variances.

²² CBT "Turkey House Price Index", March 30, 2015 - The House Price Index is calculated quarterly, and the last index published was for the December 2014 - February 2015 period.

ECONOMIC ANALYSIS OF THE REPORTING PERIOD

Turkey Housing Price Index and Unit Usage Price

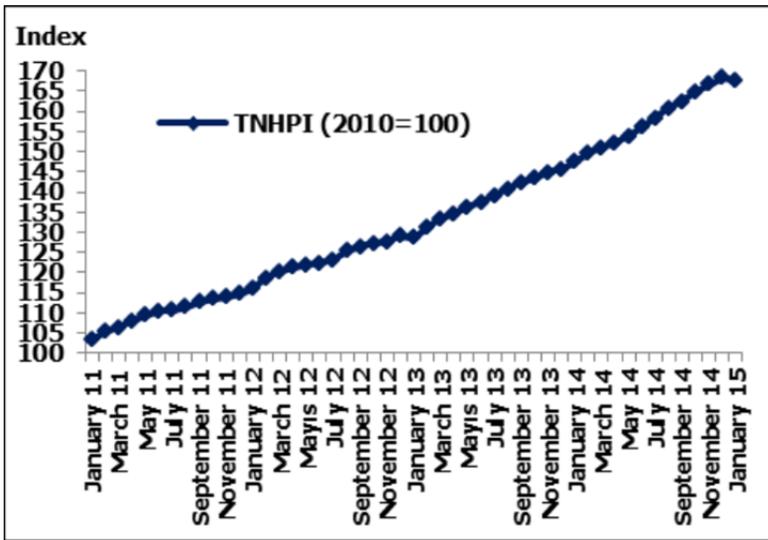


Source: CBT

Calculated by analyzing the appraisal reports of new homes constructed in 45 cities across Turkey in the last two years, the Turkey New Housing Price Index (TNHPI) was registered at 167.71 percent in January 2015, down 0.34 percent from the previous month across Turkey. The TNHPI increased by 13.66 percent year-on-year, with a real growth of 5.99 percent in the same period.

ECONOMIC ANALYSIS OF THE REPORTING PERIOD

Annual Change in Turkey New House Price Index (%)



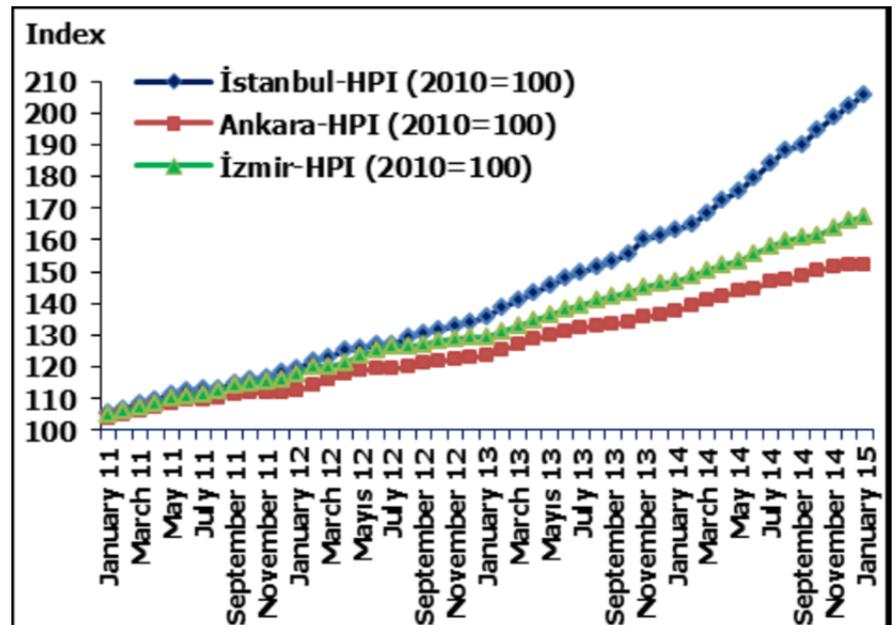
A close tab must be kept on price changes in our country's housing market and also on three big cities (Istanbul, Ankara, and Izmir) as an economic indicator. In January 2015, the housing price index in the three big cities increased by 1.73 percent, 0.06 percent and 0.72 percent in Istanbul, Ankara and Izmir, compared to December 2014. The index rose by 26.24 percent, 10.58 percent, and 13.69 percent year-on-year in Istanbul, Ankara, and Izmir, respectively.

Source: CBT

House Price Index of Three Big Cities (2010=100)

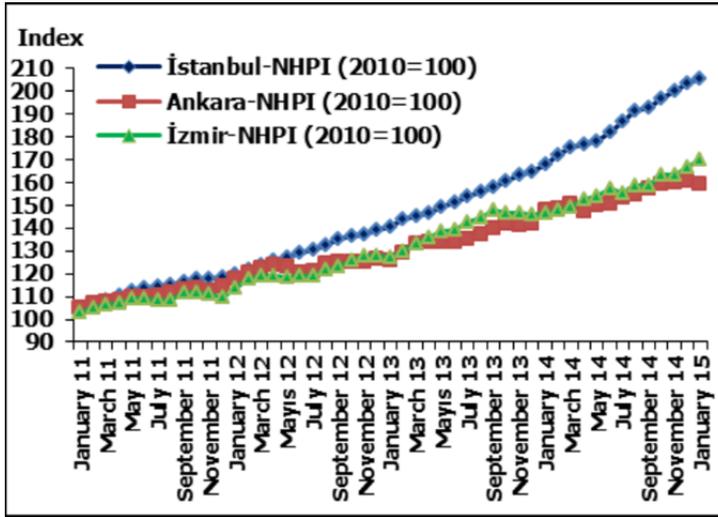
While the new housing price index of three big cities fell by 0.69 percent in Ankara, it increased by 1.25 percent in Istanbul and 2.05 percent in Izmir in January 2015, compared to the previous month. The index rose by 22.30 percent, 7.68 percent, and 16.00 percent year-on-year in Istanbul, Ankara, and Izmir, respectively.

Source: CBT



ECONOMIC ANALYSIS OF THE REPORTING PERIOD

New Housing Price Index of Three Big Cities (2010=100)



In Turkey, it is safe to say that there is no price bubble that is based on real price increases. Similarly, the same can be said for when the prices are compared to global housing prices. A strong demand should be expected in Turkey pursuant to regulations on the economy, demographics (young population and demand for housing) and legal requirements (Urban Renewal).²³

In conclusion, it is evident that the below mentioned factors are monitored closely for

the related period and beyond.

Source: CBT

Turkish economy has a specific dynamic structure and it displays a behavior that achieves quick recovery after crisis and fluctuations. The same characteristic applies to Turkish Construction and Housing industries as well. The most typical example of this situation is the swift growth achieved in 2010 and 2011 following the 2008 crisis.

Turkish housing sector is capable of implementing relatively flexible policies as a result of the accumulated past experiences and institutionalization at corporate levels. With respect to developments related with the demand, we see that consumers or investors are wiser and selective. This process is positive in medium- term efficiency of the Turkish housing market.

Other important topics for the industry are:

- Demand of the young and dynamic population of the country for qualitative housing and construction projects
- Istanbul becoming more significant business center as a global metropolis and attracting foreign investors
- Infrastructure and superstructure projects carried out for Istanbul to become an International Finance Center
- Investor interest due to such projects as 3rd Bosphorus Bridge, 3rd Airport and Sub-sea Tunnel in Istanbul

²³ Please click the link to access the detailed analysis; Real Estate & Housing Industry Report - December 2014, Section V, p. 113-138. http://www.emlakkonut.com.tr/_Assets/Upload/Images/file/EKGYO-Aral%C4%B1k-Konut-Raporu-Final.pdf

ECONOMIC ANALYSIS OF THE REPORTING PERIOD

- Construction projects with both residential and commercial aspects at other metropolitan municipalities and tourism centers as well as the continued demand for such projects
- Increased popularity of Urban Transformation projects, which began as measures against earthquakes and unhealthy living conditions
- Technological advances in construction techniques, tools, and methods that enable faster and more efficient working conditions
- Contributions of international construction experiences and achievements
- Istanbul becoming a logistics center for international air freight and land transportation.
- Increased real estate sales to foreigners due to growing popularity of Turkey's major cities that offer attractively priced investment opportunities

Such topics are extremely important for the construction industry, and its affiliates or business partners, to follow diligently.

Subsequent Developments in the Post-Reporting Period

Significant developments that occurred following the first quarter 2015 reporting period are provided below.

Developments Related to the 2014 Ordinary General Assembly Meeting

The 2014 General Assembly Meeting of Shareholders of Emlak Konut REIC was held on Monday, April 6, 2015, at 10:00 at the Radisson Blu Hotel, located at Atatürk Mahallesi, Yakut Caddesi Ataşehir, Istanbul 34738. The meeting was held under the supervision of Ministry Representative Savaş Özer, who was appointed as per the Istanbul Provincial Directorate of Industry and Commerce Directive No. 7071006/431.03 on April 3, 2015.

During the General Assembly meeting, Ertan Yetim, Murat Kurum, Sami Er, and Aliseydi Karaoğlu, who were present in the meeting and declared their candidacy for Board member positions, were elected as Board Members. Similarly, Veysel Ekmen, Havvanur Yurtsever, and Ertan Keleş, who were present in the meeting and declared their candidacy for independent member positions, were elected as Independent Members of the Board.

As stipulated in article 414 of the Turkish Commercial Code and the company's articles of association, invitation to the meeting was made within the required time by announcing the meeting date and agenda: in the Turkish Trade Registry Gazette No. 8777 on March 12, 2015 and Yenigün Newspaper on March 9, 2015; by publishing it on the company's website at www.emlakkonut.com.tr; by sending registered mail to the shareholders, who provided their addresses, on March 3, 2015; by communicating it via the Public Disclosure Platform and the Electronic General Assembly System (e-GEM) of Merkezi Kayıt Kuruluşu A.Ş.

The agenda items were adopted by majority vote as indicated in the minutes of the meeting, which was disclosed on the PDP.

2014 Dividend Distribution Statement

The following resolutions regarding the company's 2014 dividend distribution were adopted during the Ordinary General Assembly Meeting:

As reported in the financial statements, which were prepared pursuant to the provisions of the Capital Markets Board's (CMB) Communiqué No: II-14.1, the company's net period profit was 954,396,530.00 Turkish lira. As for the financial statements prepared in accordance with the provisions of the Tax Procedure Law, the net period profit was reported as 951,202,816.92 Turkish lira.

Set aside in accordance with the Turkish Commercial Code (TCC), the company's First Legal Reserves amounted to 284,905,729.38 Turkish lira, which did not reach the 20 percent of the paid-in capital of the company. Therefore, it was decided to set aside 5 percent of the net period profit, which was

SUBSEQUENT DEVELOPMENTS

reported as 951,202,816.92 Turkish lira in the financial statements prepared in accordance with the provisions of the Tax Procedure Law, as the First Legal Reserves (47,560,140.85 Turkish lira).

It was decided that 366,738,000 Turkish lira be distributed as First Dividend. The said amount equals 40.000037568 percent of the adjusted net profit period of 916,836,389.15 Turkish lira, which was calculated by adding 10,00,000 Turkish lira for the Donations and Grants made in 2014 to the balance of 906,836,389.15 Turkish lira that remained after deducting the First Legal Reserves in the amount of 47,560,140.85 Turkish lira (set aside pursuant to TCC) from the net profit for the period in the amount of 954,396,530.00 Turkish lira (set aside pursuant to CMB Communique No: II-14.1).

It was decided to set aside 17,673,800.00 Turkish lira as Second Legal Reserves, which is one tenth of the balance that remained after deducting 5 percent of the paid-in capital from the 366,738,000 Turkish lira set aside as First Dividend to be distributed to the shareholders.

It was decided to reserve the remaining balance of 519,230,876.07 as Excess Reserve Fund.

It was decided that the First Dividend in the amount of 366,738,000 Turkish lira be distributed to shareholders in exchange for 2014 dividend right coupons at gross (=net) dividend rate of 0.09651 Turkish lira in cash/on account on May 26, 2015.

The Dividend Distribution Statement is provided in the Appendix.



Portfolio Structure and Real Estate

This section addresses the mandatory requirements of article 42 of the CMB Communique on Principles of Real Estate Investment Companies (Communique:VI, No:29). Detailed reports about our current projects, including real estate valuation tables (projects, land and buildings) and construction completion status, will be included in the appendix of the annual report, for providing clarity and making it easier for the reader to review.

Based on our principle to disclose public information in a transparent, understandable and easily accessible manner, we have provided a summary of the two business developments methods under the “Business Models” section in our activity report. In addition, information about completed and tendered “Revenue Share” projects and completed and ongoing “Turnkey Projects” are available in the sub-sections.

Leased and Rented Properties

LEASED PROPERTIES						
No	Lessee	Start Date	End Date	Lease Term (Year)	Property Information	Lease Amount (TL)
1	EMLAK PAZARLAMA - YENİ SARP İNŞ. ORDINARY PARTNERSHIP	23.12.2014	23.12.2015	1	ISTANBUL - ATAŞEHİR	4.530,40
2	TAHİNCİOĞLU GROUP JOINT VENTURE	15.09.2013	15.09.2015	2	ISTANBUL - ATAŞEHİR - 3334/8	2.405,70
3	ILGIN İNŞAAT İÇ VE DIŞ TİC. A.Ş. (BAHÇEKENT STAGE 1 PART 2)	01.08.2014	01.08.2015	1	ISTANBUL - BAŞAKŞEHİR	1.476,76
4	İFM & AKDENİZ İN. JOINT VENTURE	01.09.2014	01.09.2015	1	ISTANBUL - KADIKÖY 3317/22	4.473,99
					TOTAL:	12.886,85

NOTE:Lease amount excludes VAT.

PROPERTIES LEASED BY EMLAK KONUT							
No	Lessee	Start Date	End Date	Lease Term (Year)	Property Information	Use	Lease Amount (TL)
1	Emlak Konut REIC	May 1, 2014	May 1, 2015	1	ANKARA - ÇANKAYA - 14	OFFICE	6,017.98
2	Emlak Konut REIC	October 4, 2014	October 4, 2015	1	ISTANBUL - ATAŞEHİR 3338 /4, A-54	OFFICE	12,500.00
						TOTAL:	18.517,98

NOTE: Lease amount excludes VAT.

PORTFOLIO STRUCTURE AND REAL ESTATE

2015 INDEPENDENT UNIT SALES					
No	Project Name	January	February	March	Total Sales as of March 31, 2015
		Number of Units	Number of Units	Number of Units	Number of Units
1	1STANBUL	6	2	5	13
2	AĞAOĞLU MASLAK 1453 ISTANBUL	41	53	37	131
3	AĞAOĞLU MY WORLD EUROPE	1		1	2
4	AVRUPA KONUTLARI TEM 2	88			88
5	AYAZMA EMLAK KONUTLARI	261	386	30	677
6	BAHÇEKENT EMLAK KONUTLARI 1.1.	1			1
7	BAHÇEKENT FLORA	30	3	12	45
8	BAHÇETEPE ISTANBUL		5	22	27
9	BATIŞEHİR	74	9	213	296
10	BULVAR ISTANBUL	24	4	99	127
11	DUMANKAYA MIKS	8	2	9	19
12	EMLAK KONUT PELİKAN SİTESİ		1		1
13	ERGENE VADİSİ		1		1
14	ESENLER EMLAK KONUTLARI	10	6	13	29
15	EVORA ISTANBUL AREA 1	7	16	3	26
16	EVORA ISTANBUL AREA 2	5	11	3	19
17	EVVEL İSTANBUL	37	34	37	108
18	GEBZE EMLAK KONUTLARI 1	2			2
19	GÖL PANORAMA EVLERİ	7	23	24	54
20	İSTMARİNA	25	36	24	85
21	KÖRFEZKENT 1	1			1
22	KÖRFEZKENT STAGE 3	18	19	8	45
23	KÖRFEZKENT STAGE 4	42	38	6	86
24	KÖY	4	13	11	28
25	METROPOL ISTANBUL		2		2
26	NİDAKULE ATAŞEHİR	3	6	20	29
27	NOVUS RESIDENCE				0
28	PARK MAVERA	10	11	22	43
29	SARPHAN FINANS PARK	7	5	3	15
30	SEYRAN ŞEHİR	10	1	22	33
31	SOFALOCA		2	1	3
32	SPRADON QUARTZ		1		1
33	STÜDYO 24		7		7
34	SULTANBEYLİ EMLAK KONUTLARI		6	1	7
35	ŞEHRİZAR KONAKLARI	1			1
36	UNİKONUT			36	36
37	VARYAP MERIDIAN	1		12	13
	TOTAL	724	703	674	2101

Plots of Land Purchased for Developing Projects

In line with its strategy, risk and profitability targets, the company has completed the purchase of the following plots of land:

Plots of Land Purchased in the First Quarter of 2015.

After the successful completion of the negotiations with the Housing Development Administration of Turkey (TOKİ);

Emlak Konut REIC has purchased 110 real estate properties, covering an area of 2,020,479.02 m² in Istanbul, Yalova, Niğde, Nevşehir, Denizli, and Konya, for 1,292,654,790.77 Turkish lira from TOKİ on March 5, 2015.

Current Projects

Detailed information on current projects are provided in Appendix-3, Appendix-4, Appendix-5, and Appendix-7.

Appraisal Reports

Appraisal reports about projects, land and buildings are provided in Appendix-2.

Current Status and Completion Rates of Projects

Status updates and completion rates of the projects managed by Emlak Konut REIC are provided in Appendix-3. Project completion timelines are provided in Appendix-7.

Portfolio Limitations

Portfolio Limitation Tables are presented in the notes to the Consolidated Financial Statements in Appendix-1.

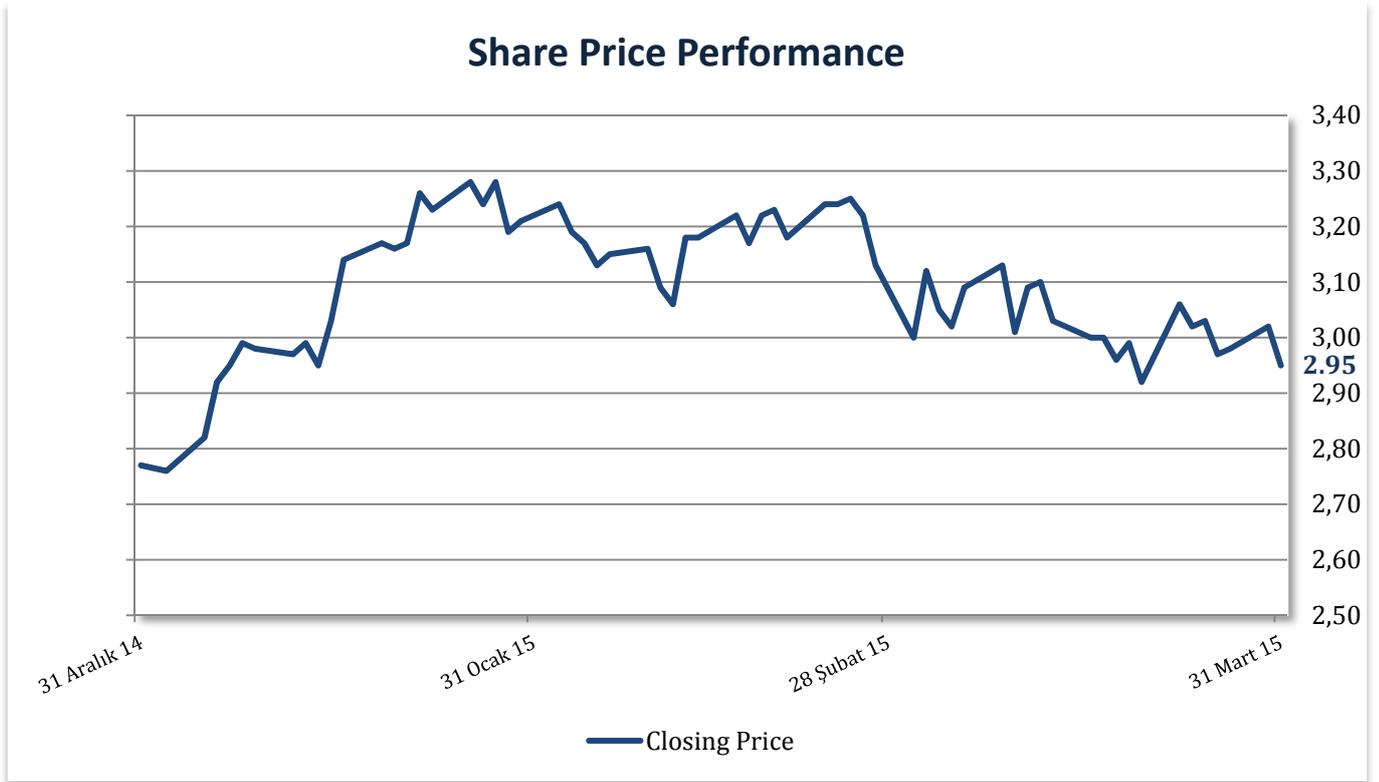
Share Price Performance

Traded Market - Index - Group

The company's Group A share stocks are traded on the Borsa Istanbul National Market. Our shares have been included in BIST GAYRİMENKUL YAT. ORT., BIST MALİ, BIST TÛM, BIST 100, BIST 30, and BIST 50 indices. The symbol tickers are as follows: **BIST TICKER:** EKGYO, **BLOOMBERG TICKER:** EKGYO.TI, **REUTERS TICKER:** EKGYO.IS.

Stock Prices and Volume Change Charts

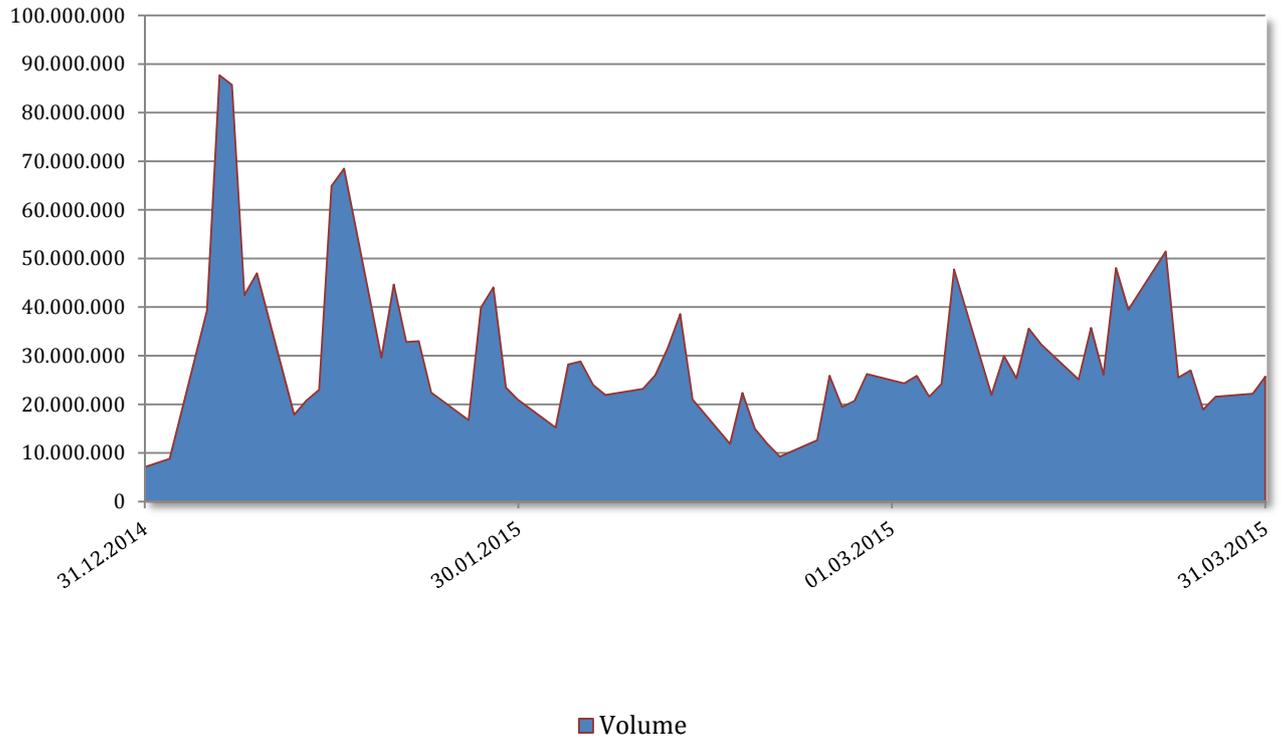
Annual Share Performance



SHARE PRICE PERFORMANCE

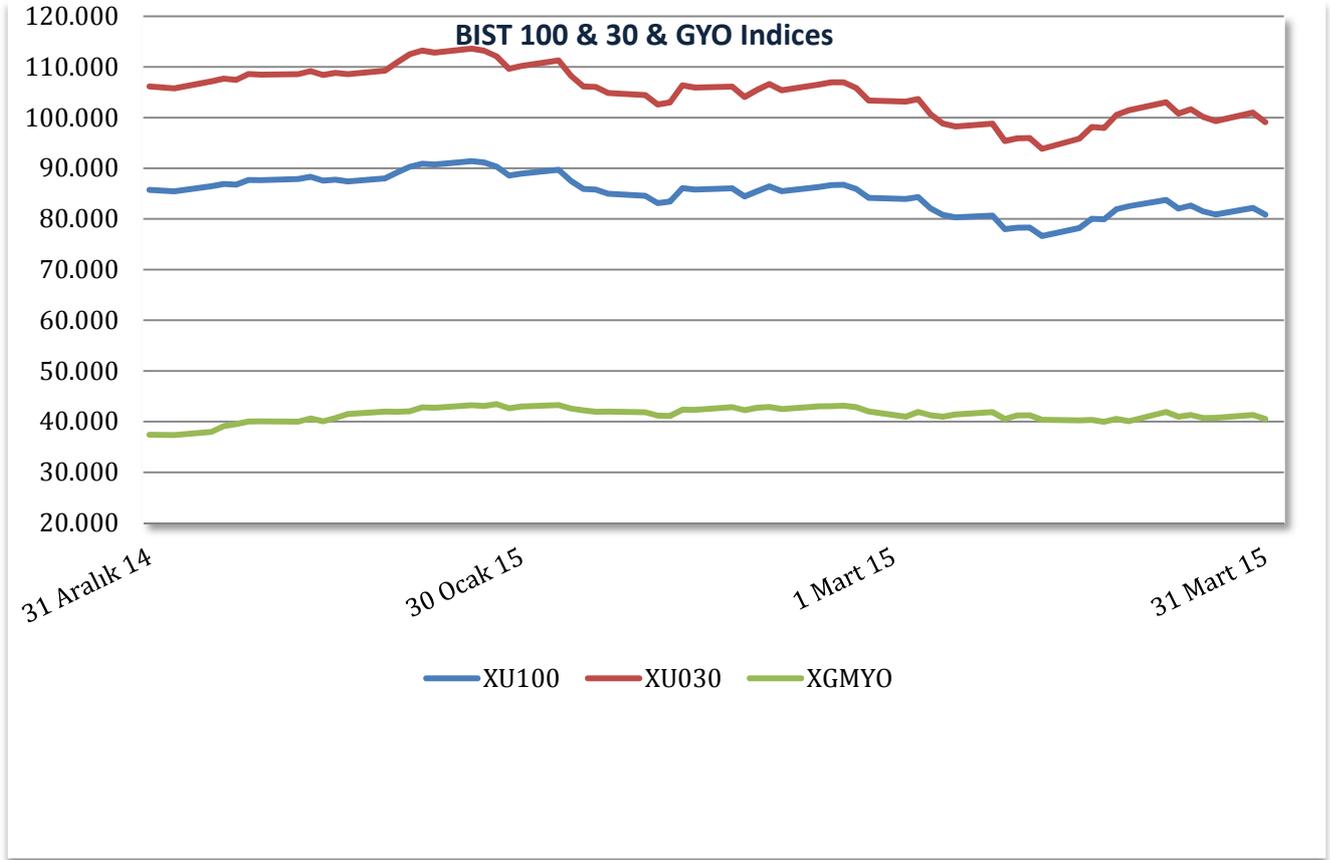
Annual Share Volume

January-March 2015 Volume



SHARE PRICE PERFORMANCE

Comparison of BIST and GYO Indices



Service Providers that Serve Assets and Rights in the Shareholder Portfolio

Independent Audit Company

In line with Board of Directors resolution no:18-052 on March 16, 2015, it was decided to submit to the approval by the General Assembly the proposal for the selection of BAŞARAN NAS BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş. (Pricewaterhousecoopers) as the Independent Audit Company and for executing a service contract for the 2015 accounting period.

During the Ordinary General Assembly Meeting on April 6, 2015, the Company Policy for the Selection of an Independent Audit Company and the related Board Resolution was read and submitted for the approval of the shareholders. It was decided by a majority vote of the Yes votes of the shareholders representing 2,485,803,989.28 Turkish lira of the company's capital and No votes of the shareholders representing 114,557,983.00 Turkish lira, to appoint **Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers)** to perform the independent audit of the company for a period of one year.

Appraisal Companies

In line with Board resolution, it was decided to purchase appraisal services from "**Atak Gayrimenkul Değerleme A.Ş.**" and "**Peritus Gayrimenkul Değ. ve Danış. A.Ş.**" for the appraisal of every asset currently in the company's portfolio and will be added to the portfolio in 2015. The Board Resolutions was made in accordance with article 35 with the title "Determining Real Estate Appraisal Company" of the CMB Communique on Principles of Real Estate Investment Companies (III-48.1a).

Investor Relations Consultant Firm

It was mutually agreed that **Dalfin Finansal Kurumsal İletişim ve Danışmanlık Hizmetleri Ltd. Şti.** will provide consulting services throughout the project duration on topics such as structuring investor relations and training.

Certified Public Accountant

It was decided to receive the services of CPA **Sırdaş Denetim ve Yönetim Danışmanlığı Yeminli Mali Müşavirlik A.Ş.** under contract from January 1, 2015 to December 31, 2015.

The company has not been subjected to any additional audits.

Press and Public Relations PR Agency

It was decided to receive creative and media-related services of **F5 Görsel Sanatlar Merkezi Tic. Ltd. Şti.** under contract from September 12, 2014 to September 12, 2015.

- 1. Independent Audit Report and Consolidated Financial Statements**
- 2. Summary Reports on Asset Appraisals**
- 3. Construction Progress Phases**
- 4. Summary Table of Tendered Land Plots**
- 5. Summary Table of Building Inventory**
- 6. Summary Table of Land Plots without Developed Projects**
- 7. Table of Construction Completion Dates**
- 8. List of Appraisal Companies**
- 9. 2014 Dividend Distribution Statement**

LEGAL NOTICE

This Quarterly Report includes the Board of Directors Report, the Auditor's Report, Consolidated Financial Statements, and Independent Auditor's Report, which provide information about the company's operations and accounts in the first quarter of 2015.

The report is elaborated for informing shareholders, and does not constitute basis for any investment decision. The prospective views and estimated figures in the report reflect the opinions of company management about future; however, their actualization may differ due to certain variables and assumptions that constitute prospective estimated figures. Accordingly, Emlak Konut REIC or Board of Directors members, advisors or employees are not responsible in any manner whatsoever for any direct or indirect loss or damage suffered by any person due to any information or communication notified or grounded by hereby report.

As of the report date, the members believe in the correctness of all provided information; Emlak Konut REIC assumes no responsibility with respect to possible errors or mistakes at typing and printing stages.

APPENDIX - 1

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONDENSED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2015**

(ORIGINALLY ISSUED IN TURKISH)

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

FINANCIAL STATEMENTS FOR THE PERIOD 31 JANUARY-31 MARCH 2015

CONTENTS		PAGE
STATEMENT OF FINANCIAL POSITION		1-2
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		3
STATEMENTS OF CHANGES IN EQUITY		4
STATEMENTS OF CASH FLOWS		5
NOTES TO THE FINANCIAL STATEMENTS		6-30
NOTE 1	GENERAL INFORMATION	6
NOTE 2	BASIS OF PRESENTATION OF FINANCIAL STATEMENTS	7-8
NOTE 3	ACCOUNTING POLICIES	8-11
NOTE 4	SIGNIFICANT EVENTS AND TRANSACTIONS RELATED WITH THE PERIOD	11
NOTE 5	CASH AND CASH EQUIVALENTS	12
NOTE 6	FINANCIAL ASSETS	13
NOTE 7	FINANCIAL LIABILITIES	13-14
NOTE 8	TRADE RECEIVABLES AND PAYABLES	14-15
NOTE 9	OTHER RECEIVABLES AND PAYABLES	16-17
NOTE 10	LAND AND RESIDENTIAL UNIT INVENTORIES	18-20
NOTE 11	PROVISIONS	20
NOTE 12	OTHER ASSETS AND LIABILITIES	21
NOTE 13	DEFERRED REVENUE	21
NOTE 14	SHAREHOLDER S' EQUITY	22
NOTE 15	SALES AND COST OF SALES	23
NOTE 16	GENERAL ADMINISTRATIVE EXPENSES, MARKETING, SALES AND DISTRIBUTION EXPENSES	23
NOTE 17	OTHER INCOME/EXPENSES	24
NOTE 18	FINANCIAL INCOME/EXPENSE	24
NOTE 19	RELATED PARTY TRANSACTIONS	25-26
NOTE 20	CONTINGENT ASSETS AND LIABILITIES	27-28
NOTE 21	EVENTS AFTER THE REPORTING PERIOD	28
ADDITIONAL NOTE - CONTROL OF COMPLIANCE WITH THE PORTFOLIO LIMITATIONS		29-30

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2015 AND 31 DECEMBER 2014

(Amounts expressed in thousands of Turkish Lira ("TL") otherwise indicated.)

	Notes	Unaudited 31 March 2015	Audited 31 December 2014
ASSETS			
Current assets		5,792,364	5,450,071
Cash and cash equivalents	5	2,765,909	2,606,132
Financial assets	6	245,170	236,798
Trade receivables	8	1,113,357	1,133,473
<i>Trade Receivables from third parties</i>		<i>1,113,357</i>	<i>1,133,473</i>
Other receivables	9	464,685	469,559
<i>Other receivables from related parties</i>	19	<i>6,931</i>	<i>26,499</i>
<i>Other receivables from third parties</i>		<i>457,754</i>	<i>443,060</i>
Land and residential unit inventories	10	971,432	740,200
Prepaid expenses		10,762	11,544
Other current assets	12	221,049	252,365
Non-current assets		10,621,992	9,503,414
Trade receivables	8	1,252,300	1,220,622
<i>Trade receivables from third parties</i>		<i>1,252,300</i>	<i>1,220,622</i>
Other receivables	9	168	166
Land and residential unit inventories	10	9,326,127	8,243,895
Investment property		847	847
Property, plant and equipment		40,734	35,897
Intangible assets		1,816	1,987
Total assets		16,414,356	14,953,485

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2015 AND 31 DECEMBER 2014

(Amounts expressed in thousands of Turkish Lira (“TL”) otherwise indicated.)

	Notes	Unaudited 31 March 2015	Audited 31 December 2014
LIABILITIES AND EQUITY			
Current liabilities		7,089,345	5,711,879
Short term borrowings		-	515
Short term portion of long term borrowings	7	184,957	171,757
Trade payables	8	2,564,911	1,376,240
<i>Trade payables to related parties</i>	19	1,798,209	558,203
<i>Trade payables to third parties</i>		766,702	818,037
Other payables	9	510,452	515,425
<i>Other payables to third parties</i>		510,452	515,425
Deferred income	13	3,717,332	3,527,704
Short term provisions		111,693	120,238
<i>Short-term provision for employee benefits</i>		3,420	3,609
<i>Other short term provisions</i>	11	108,273	116,629
Non-current liabilities		435,595	490,322
Long term borrowings	7	379,000	434,000
Trade payables		36,192	36,192
<i>Trade payables to third parties</i>		36,192	36,192
Other payables		15,248	15,130
<i>Other payables to third parties</i>		15,248	15,130
Deferred income	13	1,952	1,952
Long term provision for employee benefits		3,203	3,048
Shareholders' equity		8,889,416	8,751,284
Paid-in capital	14	3,800,000	3,800,000
Treasury shares (-)		(240,687)	(240,687)
Share premium	14	2,366,895	2,366,895
Other comprehensive income/expense not to be reclassified to profit or loss		(328)	(203)
<i>-Gain/(loss) on revaluation and remeasurement</i>		(328)	(203)
Restricted reserves		292,674	292,674
Retained earnings		2,532,605	1,578,208
Net profit for the period		138,257	954,397
Total liabilities and equity		16,414,356	14,953,485

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
AT 31 MARCH 2015 AND 31 DECEMBER 2014**

(Amounts expressed in thousands of Turkish Lira (“TL”) otherwise indicated.)

	Notes	<i>Unaudited</i> 1 January - 31 March 2015	<i>Unaudited</i> 1 January - 31 March 2014
Revenue	15	191,002	421,755
Cost of sales	15	(78,278)	(153,729)
Gross profit		112,724	268,026
General administrative expenses (-)	16	(29,579)	(14,929)
Marketing, sales and distribution expenses (-)	16	(8,207)	(4,543)
Other operating income	17	46,363	57,002
Other operating expenses (-)	17	(1,932)	(14,469)
Operating profit		119,369	291,087
Income from investing activities		4,830	6,654
Operating profit before financial income and expense		124,199	297,741
Financial income	18	25,615	105,913
Financial expenses (-)	18	(11,557)	(19,900)
Profit before income tax		138,257	383,754
Tax expense from continued operations		-	-
Profit for the period from continued operations		138,257	383,754
Other comprehensive income		(125)	482
Total comprehensive income for the period		138,132	384,236
Earnings per share (in full TL)		0,0004	0,0010

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2015 AND 2014**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

	Share Capital	Adjustment to Share Capital	Share Premium	Legal Reserves	Other Comprehensive Income and Expense not to be reclassified to Profit or Loss Remeasurement of employee benefits	Retained earnings	Net income for the period	Total Equity
1 January 2014 balances	3,800,000	(139,307)	2,366,895	203,386	147	1,061,950	1,060,537	8,353,608
Transfers	-	-	-	-	-	1,060,537	(1,060,537)	-
Acquisition of treasury shares	-	(84,370)	-	-	-	-	-	(84,370)
Total comprehensive income	-	-	-	-	482	-	383,754	384,236
31 March 2014 balances	3,800,000	(223,677)	2,366,895	203,386	629	2,122,487	383,754	8,653,474
1 January 2015 balances	3,800,000	(240,687)	2,366,895	292,674	(203)	1,578,208	954,397	8,751,284
Transfers	-	-	-	-	-	954,397	(954,397)	-
Total comprehensive income	-	-	-	-	(125)	-	138,257	138,132
31 March 2015 balances	3,800,000	(240,687)	2,366,895	292,674	(328)	2,532,605	138,257	8,889,416

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONDENSED STATEMENTS OF CASH FLOWS AT 31 MARCH 2015 AND 31 DECEMBER 2014

(Amounts expressed in thousands of Turkish Lira (“TL”) otherwise indicated.)

	Notes	1 January - 31 March 2015	1 January - 31 March 2014
Cash flows from operating activities			
Profit/Loss for the period		138,257	383,754
Adjustments to reconcile net profit/ (loss) to net cash provided by operating activities:			
Depreciation and amortization		547	384
Adjustments for impairments		442	(13)
Changes in provisions		(8,284)	8,234
Adjustments for interest income and expenses		(58,980)	(139,362)
Unrealized exchange losses on cash and cash equivalents		246	74
Net cash before changes in assets and liabilities		72,228	253,071
Changes in net working capital			
Increase in land and residential unit inventories		(1,313,618)	(87,853)
(Increase)/decrease in trade receivables		(9,736)	44,431
Increase/(decrease) in trade payables		1,188,671	(20,874)
(Increase)/decrease in other receivables		74,979	(26,739)
Increase/(decrease) in other payables		194,291	(71,384)
Change in project deposits		(1,008,791)	87,608
Net cash flow from operating activities			
Interest received		3,721	2,070
Tax payments		(9,395)	(3,466)
Other cash outflow		(105)	(114)
Net cash flow from operating activities		(807,755)	176,750
Purchases of tangible and intangible assets		(5,502)	(137)
Interest received		3,943	23,749
Purchase of financial assets		(172,437)	(235,124)
Return of financial assets		164,065	794,780
Cash flow from investing activities		(9,931)	583,268
Payments for acquisition of treasury shares		-	(84,370)
Repayments of financial liabilities		(40,515)	(40,000)
Interest received		26,685	104,935
Interest paid		(13,191)	(17,542)
Decrease in payables to HAS beneficiaries		1,142	7,642
Increase in payables to HAS beneficiaries		(1,632)	(10,740)
Cash flow from financing activities		(27,511)	(40,075)
Net increase/ (decrease) in cash and cash equivalents before currency translation differences		(845,197)	719,943
Effects of unrealized gain/(loss) on cash and cash equivalents		(4)	(27)
Net increase / (decrease) in cash and cash equivalents		(845,201)	719,916
Cash and cash equivalents at the beginning of the year	5	1,453,400	4,298,097
Cash and cash equivalents at the end of the year	5	608,199	5,018,013

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2015

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

NOTE 1 - GENERAL INFORMATION

Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş. (“Emlak Konut GYO” or the “Company”) was established on 26 December 1990 as a subsidiary of Türkiye Emlak Bankası A.Ş. The Company is governed by its articles of association, and is also subject to the terms of the decree law about Public Finances Enterprises No. 233, in accordance with the statute of Türkiye Emlak Bankası A.Ş. The Company has been registered and started its activities on 6 March 1991. The Company’s articles of association were revised on 19 May 2001 and it became an entity subject to the Turkish Commercial Code No. 4603.

The Company was transformed into a Real Estate Investment Company with Senior Planning Committee Decree No. 99/T-29, dated 4 August 1999, and according to Statutory Decree No. 588, dated 29 December 1999. According to Permission No. 298, dated 20 June 2002, granted by the Capital Markets Board (“CMB”) regarding transformation of the Company into a Real Estate Investment Company and permission No. 5320, dated 25 June 2002, from the Republic of Turkey Ministry of Industry and Trade and amendment draft for the articles of association of the Company was submitted for the approval of the Board and the amendment draft was approved at the Ordinary General Shareholders Committee meeting of the Company convened on 22 July 2002, changing the articles of association accordingly.

The articles of association of the Company were certified by Istanbul Trade Registry Office on 29 July 2002 and entered into force after being published in Trade Registry Gazette dated 1 August 2002. As the result of the General Shareholders committee meeting of the Company convened on 28 February 2006, the title of the Company Emlak Gayrimenkul Yatırım Ortaklığı A.Ş. was changed to Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.

By the decision of the Board of Directors of Istanbul Stock Exchange Market on 26 November 2010, 25% portion of the Company’s class B shares with a nominal value of TL625,000 has been trading on the stock exchange since 2 December 2010.

The registered address of the Company is as follows:

Atatürk Mahallesi Çitlenbik Caddesi No:4 Kat:1-8 Ataşehir / İstanbul.

The objective and operating activity of the Company is coordinating and executing Real Estate Property Projects mostly housing, besides, commercial units, educational units, social facilities, and all related aspects, controlling and building audit services of the ongoing projects, marketing and selling the finished housing. Due to statutory obligation to be in compliance with the Real Estate Investment Companies decrees and related CMB communiqués, The Company can not be a part of construction business, but only can organize it by auctioning between the contractors.

The condensed financial statements at 31 March 2015 have been approved by the Board of Directors on 30 April 2015. The General Assembly of the Company has the power to amend these financial statements.

The ultimate parent and ultimate controlling party of the company is T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı (the Housing Development Administration of Turkey, “TOKİ”). TOKİ is a State institution under the control of Republic of Turkey Prime Ministry.

The main operations of the Company are not subject to any seasonality due to the nature of the industry. There have not been any significant events or transactions since 1 January 2014 that would have a material impact on the financial position and performance of the Company (Note 4).

Since the operations performed by The Company are centered only in a geographical region (Turkey) and only an industrial sector (housing development projects on the real estate), The Company does not report based on separate sections. Board of Directors is authorized to decide related to operations of The Company. In resolution process, decision maker evaluates quarterly prepared financial statements based on accounting policies accepted by “CMB”.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2015

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of preparation

The condensed interim financial statements of the Company have been prepared in accordance with the communiqué numbered II-14,1 “Communiqué on the Principles of Financial Reporting In Capital Markets” (“the Communiqué”) announced by the Capital Markets Board (“CMB”) (hereinafter will be referred to as “the CMB Accounting Standards”) on 13 June 2013 which is published on Official Gazette numbered 28676. In accordance with article 5th of the CMB Accounting Standards, companies should apply Turkish Accounting Standards/Turkish Financial Reporting Standards (“TAS/TFRS”) and interpretations regarding these standards as adopted by the Public Oversight Accounting and Auditing Standards Authority (“POA”).

The Company prepared its condensed interim financial statements for the period ended 31 March 2015 in accordance with the Communiqué and announcements regarding this Communiqué, in accordance with TAS 34, “Interim Financial Reporting”. In this respect, the Company has preferred to prepare condensed interim financial statements in the interim periods and prepared the mentioned condensed interim financial statements in compliance with CMB Accounting Standards. The condensed interim financial statements and the related notes to them are presented in accordance with the formats required by the CMB.

The Companies are free to prepare their interim financial statements as full or condensed in accordance with TAS 34. In this context, the Company choice to prepare its interim financial statements as condensed.

Interim condensed financial statements of the Company do not include all the information and disclosures required in the annual financial statements, therefore should be read in conjunction with the Company’s annual financial statements as of 31 December 2014.

The Company maintains its books of account and prepares its statutory financial statements in accordance with the Turkish Commercial Code (“TCC”), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. These condensed interim financial statements in Turkish Lira (“TRY”) based on the historical cost convention except for the financial assets and liabilities which are expressed with their fair values. The condensed interim financial statements are based on the statutory records, with adjustments and reclassifications for the purpose of fair presentation in accordance with the Accounting Standards of the POA.

Accounting for the effects of hyperinflation

With the decision taken on 17 March 2005, the CMB has announced that, effective from 1 January 2005, for companies operating in Turkey and preparing their financial statements in accordance with CMB Financial Reporting Standards the application of inflation accounting is no longer required. Accordingly, the Company did not apply IAS 29 “Financial Reporting in Hyperinflationary Economies” issued by IASB in its financial statements for the accounting periods starting 1 January 2005.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2015

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Conformity with the Portfolio Limitations

The information presented in Additional Note of this report, regarding control of conformity with the portfolio limitations, is a summary information extracted from financial statements in accordance with Article 16 of Communiqué No: II-14,1, “Principles of Financial Reporting in Capital Markets” and is prepared in accordance with the provisions of the control of portfolio limitations of Communiqué No: III-48,1, “Principles Regarding Real Estate Investment Companies”.

2.3 Going concern

The Company’s financial statements are prepared under the going concern assumption.

NOTE 3 - ACCOUNTING POLICIES

The accounting policies adopted as of 31 March 2015 are consistent with those prepared as of 31 December 2014. Therefore, condensed interim financial statements have to be considered with year ended financial statements.

3.1 New or amended standards

The Company has applied revised standards and interpretations announced by TASC and TFRIC will be valid as of 1 April 2014.

Standards, Amendments and IFRICs applicable to 31 December 2014 period ends:

- IAS 19 (amendment), “Defined Benefit Plans”; effective for annual periods beginning on or after 1 July 2014. The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.
- Annual improvements 2010 - 2012; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2010-2012 cycle of the annual improvements project, that affect 7 standards:
 - TFRS 2, ‘Share-based payment’
 - TFRS 3, ‘Business Combinations’
 - TFRS 8, ‘Operating segments’
 - TFRS 13, ‘Fair value measurement’
 - TAS 16, ‘Property, plant and equipment’ and TAS 38, ‘Intangible assets’
 - TFRS 9, ‘Financial instruments’ and TAS 37, ‘Provisions, Contingent Liabilities and Contingent Assets’
 - TAS 39, Financial instruments – Recognition and measurement’

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2015

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

NOTE 3 - ACCOUNTING POLICIES (Continued)

The new standards, amendments and interpretations which are effective Financial Statements as of 31 March 2015 (Continued):

- Annual improvements 2011 - 2013; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2011-12-13 cycle of the annual improvements project, that affect 4 standards:
 - TFRS 1, ‘First time adoption’
 - TFRS 3, ‘Business combinations’
 - TFRS 13, ‘Fair value measurement’ and
 - TAS 40, ‘Investment property’

New IFRS standards, amendments and IFRICs effective after 1 April 2015

- Amendment to TFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation, effective from annual periods beginning on or after 1 January 2016. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.
- Amendments to TAS 16 ‘Property, plant and equipment’, and TAS 41, ‘Agriculture’, regarding bearer plants, effective from annual periods beginning on or after 1 January 2016. These amendments change the financial reporting for bearer plants, such as grape vines, rubber trees and oil palms. It has been decided that bearer plants should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of TAS 16, instead of TAS 41. The produce growing on bearer plants will remain within the scope of TAS 41.
- Amendment to TAS 16, 'Property, plant and equipment' and TAS 38, 'Intangible assets', on depreciation and amortisation, effective from annual periods beginning on or after 1 January 2016. In this amendment it has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. It is also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.
- TFRS 14 ‘Regulatory deferral accounts’, effective from annual periods beginning on or after 1 January 2016. TFRS 14, ‘Regulatory deferral accounts’ permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt TFRS. However, to enhance comparability with entities that already apply TFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items.
- Amendments to TAS 27, ‘Separate financial statements’ on the equity method, effective from annual periods beginning on or after 1 January 2016. These amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2015

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

NOTE 3 - ACCOUNTING POLICIES (Continued)

New IFRS standards, amendments and IFRICs effective after 1 April 2015 (Continued):

- Amendments to TFRS 10, ‘Consolidated financial statements’ and TAS 28, ‘Investments in associates and joint ventures’, effective from annual periods beginning on or after 1 January 2016. These amendments address an inconsistency between the requirements in TFRS 10 and those in TAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.
- Annual improvements 2014, effective from annual periods beginning on or after 1 January 2016. These set of amendments impacts 4 standards:
 - TFRS 5, ‘Non-current assets held for sale and discontinued operations’ regarding methods of disposal.
 - TFRS 7, ‘Financial instruments: Disclosures’, (with consequential amendments to TFRS 1) regarding servicing contracts.
 - TAS 19, ‘Employee benefits’ regarding discount rates.
 - TAS 34, ‘Interim financial reporting’ regarding disclosure of information.
- TAS 1, “Presentation of financial statements” is effective from annual periods beginning on or after 1 January 2016.
- Amendments to TFRS 10, ‘Consolidated financial statements’ and TAS 28, ‘Investments in associates and joint ventures’, effective from annual periods beginning on or after 1 January 2016. These amendments address an inconsistency between the requirements in TFRS 10 and those in TAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.
- TFRS 15 ‘Revenue from contracts with customers’, effective from annual periods beginning on or after 1 January 2017. TFRS 15, ‘Revenue from contracts with customers’ is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally.
- TFRS 9 ‘Financial instruments’, effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in TAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2015

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

NOTE 3 - ACCOUNTING POLICIES (Continued)

New IFRS standards, amendments and IFRICs effective after 1 April 2015 (Continued):

- Standards, amendments and interpretations those are not published yet by POA as of 31 March 2015 summarized as below:
 - TFRS 14 ‘Regulatory deferral accounts’
 - TAS 16, ‘Property, plant and equipment’ and TAS 38, ‘Intangible assets’
 - TAS 27, ‘Separate financial statements’
 - TFRS 10, ‘Consolidated financial statements’ and TAS 28, ‘Investments in associates and joint ventures’
 - TAS 1, ‘Presentation of financial statements’
 - TFRS 15 ‘Revenue from contracts with customers’
 - Annual improvements 2014

The Company assess the affect of the regarding changes mentioned above and will apply accordingly if relevant.

3.2 Critical accounting estimates, assumptions and judgments

The preparation of financial statements requires the use of assumptions and estimates that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues expenses which are reported throughout the period. Even though these assumptions and estimates rely on the best estimates of the Company management both the actual results may differ and not material for these financial statements.

NOTE 4- SIGNIFICANT EVENTS AND TRANSACTIONS RELATED WITH THE PERIOD

The events and transactions which have significant impacts on the financial statements at the period ended at 31 March 2015 are as follows:

The Company has purchased 110 properties covering a total of 2,020,479 m² which are located in Istanbul, Yalova, Niğde, Nevşehir, Denizli and Konya provinces for a consideration of TL1,292,655 from Housing Development Administration of Turkey (T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı).

The Company issued land invoices amounting to TL177,498 in the three months period ended 31 March 2015 regarding temporary admissions made on the parts of ongoing constructions of LSRSA projects (Note 15).

The Company made collections amounting to TL1,002,933 based on the sales agreements signed with the resident buyers of the ongoing LSRSA projects. TL337,604 portion of the total amount belongs to the Company and is accounted for at Other Current Liabilities - Deferred Revenue from LSRSA Projects. The remaining portion amounting to TL665,329 was collected to be paid to the subcontractors in accordance with the percentage of completion levels of the projects. The unpaid portion of this balance is accounted for at Short-term Trade Payables - Payables To Contractors According to LSRSA.

The Company received advances amounting to TL49,176 regarding to the LSRSA projects with terms of the rates defined in the construction agreements.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2015

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

NOTE 5 - CASH AND CASH EQUIVALENTS

	31 March 2015	31 December 2014
Cash on hand	37	3
Banks		
- Demand deposit	120,927	97,277
- Time deposit	2,638,235	2,496,079
Other	6,710	12,773
	2,765,909	2,606,132

Maturities of cash and cash equivalents are as follows:

Demand	120,964	97,280
Up to 1 month	2,638,235	2,496,079
Less: Blocked deposits	(6,710)	(12,773)
	2,752,489	2,580,586

Average effective interest rates of time deposits are as follows:

	31 March 2015 (%)	31 December 2014 (%)
TRY	8.12	8.14

The calculation of cash and cash equivalents of the Company for the use in statements of cash flows is as follows:

	31 March 2015	31 December 2014
Cash and cash equivalents	2,765,909	2,606,132
Less: Interest accruals	(7,697)	(8,771)
Less: LSRSA project deposits (*)	(2,147,355)	(1,138,564)
Less: Blocked deposits	(2,658)	(5,397)
	608,199	1,453,400

(*) The contractors' portion of the residential unit sales in accordance with the related agreements, realized from the ongoing LSRSA projects is deposited in time deposit bank accounts that are opened for the related LSRSA projects. The Company has the authority to control these accounts. TL455,678 part of the total project amount deposits TL4,052 consists of blocked deposits.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2015

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

NOTE 6 - FINANCIAL ASSETS

31 March 2015 31 December 2014

Financial Assets

Treasury bills	231,903	223,031
Special issue government bonds (*)	13,267	13,767
	245,170	236,798

(*) The Republic of Turkey, Undersecretariat of Treasury (“Turkish Treasury”) issues special Domestic Government Debt securities in the name of the Company to make the HAS payments on behalf of Turkish Treasury. In 2010, special Domestic Government Debt securities amounted to TL429,617 has been issued to the Company. The Bonds are redeemed partially and early redeemed and the amount is transferred to the Company’s accounts when the HAS lists are specified (Note 9). These government bonds are non-interest bearing and are not subject to sale on secondary market therefore the fair values are also their nominal values.

The Company issues treasury bills amounting to TL231,903 as of 31 March 2015 (31 December 2014: TL223,031) from Turkish Treasury. These treasury bills are measured at fair value. The fair value of these treasury bills are calculated by using the effective interest rates as quarterly which are announced by Turkish Treasury. Average effective interest rate of financial assets at 31 March 2015 is 9.19 % (31 December 2014: 8.96%). As of 31 March 2015 average term of the treasure bills is 5 months (31 December 2014: 5 months).

NOTE 7 - FINANCIAL LIABILITIES

31 March 2015 31 December 2014

Short-term financial liabilities

Short-term bank borrowings	-	515
Short-term portion of long-term borrowings	184,957	171,757
	184,957	172,272

Long-term bank borrowings

Long-term borrowings	379,000	434,000
	379,000	434,000

The Company has borrowed TL 1,314,000 from the Turkish Treasury for financing its HAS payment liability. With respect to the agreement signed with the Turkish Treasury, the related borrowing has a floating interest rate and has a maturity of 10 October 2017. The interest rate is defined as the weighted average of the compound rate of discounted Government bonds issued by Turkish Treasury before each payment period.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2015

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

NOTE 7 - FINANCIAL LIABILITIES (Continued)

The interest rate of the borrowing at 31 March 2015 is 8.2% (31 December 2014: 9.44%).

The redemption schedules of the borrowings at 31 March 2015 and 31 December 2014 are as follows:

	31 March 2015	31 December 2014
2016	165,000	220,000
2017	214,000	214,000
	379,000	434,000

The allocation of interest rate sensitivity of financial liabilities according to their repricing dates is as follows:

	31 March 2015	31 December 2014
Less than 3 months	49,957	52,272
Between 3 - 12 months	135,000	120,000
Between 1 - 5 years	379,000	434,000
	563,957	606,272

It is anticipated that the long-term borrowings with the floating rates reflect the fair values of the borrowings.

NOTE 8 - TRADE RECEIVABLES AND PAYABLES

	31 March 2015	31 December 2014
Short-term trade receivables		
Notes receivables	498,077	468,476
Receivables from sale of residential units and commercial units	328,242	424,283
Receivables from LSRSA contractors invoiced	241,258	224,029
Receivables from land sales	47,127	18,988
Rent receivables	1,550	1,657
Other	587	587
Unearned finance income	(3,484)	(4,547)
	1,113,357	1,133,473
Doubtful receivables	1,732	1,732
Less: Provision for doubtful receivables (-)	(1,732)	(1,732)
	1,113,357	1,133,473

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2015

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

NOTE 8 - TRADE RECEIVABLES AND PAYABLES (Continued)

Long-term trade receivables

	31 March 2015	31 December 2014
Receivables from sale of residential units and commercial units	1,335,371	1,268,305
Receivables from land sales	6,848	42,999
Unearned finance income	(89,919)	(90,682)
	1,252,300	1,220,622

Short-term trade payables

	31 March 2015	31 December 2014
Payables to related parties (Note 19)	1,798,209	558,203
Payables to contractors according to LSRSA	704,444	758,916
Interest payables of contractors' time deposit (*)	45,701	45,161
Trade payables	16,557	13,960
	2,564,911	1,376,240

Long-term trade payables

	31 March 2015	31 December 2014
Payables to landowners (**)	36,192	36,192
	36,192	36,192

(*) The contractors' portion of the residential unit sales as defined in the agreement which gained from ongoing LSRSA projects is deposited in the time deposit bank accounts under control of the Company within the related LSRSA projects (Note 4).

(**) In the context of collaboration protocol dated 28 February 2014 for urban transformation project, the control of the land amounting to TL36,192 has been transferred to the Company and since the payment will be in done with the delivery of the residential and commercial units, the payable to landowner has been classified in long term trade payables.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2015

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

NOTE 9 - OTHER RECEIVABLES AND PAYABLES

31 March 2015 31 December 2014

Short-term other receivables

Housing Acquisition Support (“HAS”) related receivables from Turkish Treasury	390,802	391,001
Receivables from contractors	61,654	48,838
Due from related parties (Note 19)	6,931	26,499
VAT receivables from the tax authority	5,275	3,058
Other	23	163
	464,685	469,559

31 March 2015 31 December 2014

Long-term other receivables

Deposits and guarantees given	168	166
	168	166

Short term other payables

Payable to HAS beneficiaries	404,740	405,230
Payable to contractors (*)	88,752	88,752
Taxes and funds payable	9,348	12,222
Other	7,612	9,221
	510,452	515,425

(*) The amount includes the unissued invoice amount of TL88,752 regarding to the units received as a result of revenue allocation at İzmir Mavişehir Phase 3 project, where the contractor filed a lawsuit regarding the revenue sharing percentages (31 December 2014: TL88,752).

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2015**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

NOTE 9 - OTHER RECEIVABLES AND PAYABLES (Continued)

The movements of the payments either from Company’s shareholder’s equity to HAS beneficiaries and the detail of HAS payments and HAS receivables and payables related to Treasury Support as of for 31 March 2015 and 2014 are shown below:

	1 January 2015	Additions within the period	Disposals	31 March 2015
Treasury support share				
Receivable from Treasury	391,001	142	(341)	390,802
Special purpose government Bond (Note 6)	13,767	-	(500)	13,267
Cash generated from government bond redemption	462	1,000	(791)	671
Total consideration received or receivable from Treasury	405,230			404,740
Payable to HAS beneficiaries	(405,230)			(404,740)
	1 January 2014	Additions within the period	Disposals	31 March 2014
Treasury support share				
Receivable from Treasury	388,170	2,441	(797)	389,814
Special purpose government Bond (Note 6)	18,267	-	(1,500)	16,767
Cash generated from government bond redemption	2,559	7,642	(9,240)	961
Total consideration received or receivable from Treasury	408,996			407,542
Payable to HAS beneficiaries	(408,996)			(407,542)

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2015

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

NOTE 10 - LAND AND RESIDENTIAL UNIT INVENTORIES

31 March 2015 31 December 2014

Short-term inventories

Planned land by LSRSA	540,381	577,498
Residential and commercial units ready for sale	65,578	73,361
<i>Cost</i>	66,427	74,276
<i>Impairment</i>	(849)	(915)
Planned land by RPSPTL	365,473	89,341
	971,432	740,200

Long-term inventories

Land	5,959,415	4,752,386
<i>Cost</i>	5,971,013	4,763,764
<i>Impairment</i>	(11,598)	(11,378)
Planned land by LSRSA	2,684,709	2,643,700
Planned land by RPSPTL	682,003	847,809
	9,326,127	8,243,895

As of 31 December 2014, independent valuation reports prepared by Nova Taşınmaz Değerleme ve Danışmanlık A.Ş. and Yetkin Gayrimenkul Değerleme A.Ş. are taken into consideration in order to calculate the fair value and impairment loss, if any, on land units and commercial units ready for sale. The valuation methods that the independent valuation companies took into consideration included sales comparison and discounted cash flow methods, where the major assumptions were comprised of total cash flows expected from the projects, discount rates to calculate the present value of the related projects and comparable m² sales amounts.

The movement of the impairment on land and residential unit inventories is as follows:

	2015	2014
Balance at 1 January	12,293	37,180
Impairment charge for the period	220	20
Reversal of impairment due to sales	(66)	-
Reversal of impairment	-	(33)
Balance at 31 March	12,447	37,167

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2015

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

NOTE 10 - LAND AND RESIDENTIAL UNIT INVENTORIES (Continued)

The details of land and residential stocks of the company are shown below as of 31 March 2015 and 31 December 2014:

Lands (Long term)	31 March 2015	31 December 2014
İstanbul İstinye Lands	1,006,171	1,005,627
Ankara Yeni Mahalle Lands	894,704	894,705
İstanbul Başakşehir Lands	767,589	703,069
İstanbul Maltepe Lands	665,557	688,674
Ankara Çankaya Lands	421,282	420,476
İstanbul Zeytinburnu Lands	400,006	-
İstanbul Arnavutköy Lands	333,307	333,308
İstanbul Avcılar Lands	277,793	276,301
Yalova Lands	178,340	-
İstanbul Kağıthane Lands	145,881	-
İstanbul Kartal Lands	132,283	132,283
İstanbul Esenyurt Lands	119,905	119,879
İstanbul Üsküdar Lands	85,004	-
Konya Lands	85,000	-
Denizli Lands	74,738	-
Nevşehir Lands	69,939	-
İstanbul Ataşehir Lands	49,127	8,995
Kocaeli Gebze Lands	44,376	44,376
Other	208,413	124,693
	5,959,415	4,752,386

Planned lands by LSRSA	31 March 2015	31 December 2014
Kazlıçeşme Project	640,004	640,004
Maslak 1453 Project	549,415	549,415
Metropol İstanbul Project	246,166	246,166
Kuasar İstanbul Project	230,118	230,118
Köy Project	224,258	224,209
İstanbul Kartal Project	186,694	186,694
Batışehir Project	144,871	144,871
Park Maveria Project	115,513	115,513
Bulvar İstanbul Project	107,553	107,553
Kartal Yakacık Project	89,537	86,919
Kayabaşı 3.Phase Project	88,835	88,794
Avcılar Kapadık Project	79,394	79,299
Kocaeli Derince Project	70,001	70,001
Yenibosna Project	68,334	-
Fatih Yedikule Project	65,646	65,646
Hoşdere 3. Phase Project	60,372	60,372
Hoşdere 2. Phase Project	47,064	47,064
Ankara Etimesgut Project	37,288	37,288
Bahçetepe Project	28,986	28,986
Other	145,041	212,286
	3,225,090	3,221,198

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2015**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

NOTE 10 - LAND AND RESIDENTIAL UNIT INVENTORIES (Continued)

Planned land by RPSPTL	31 Mart 2015	31 Aralık 2014
İstanbul Esenler Urban Transformation Project	157,526	114,163
Kayabaşı 1. Phase 1. Part Project	152,165	138,580
Hoşdere 1. Kısım 2. Phase Project	115,004	106,261
Kayabaşı 1. Phase 4. Part Project	100,460	92,361
Ayazma Emlak Konutları Project	97,230	96,674
Körfezkent 3 Phase Project	96,337	89,341
Hoşdere 1. Part 1. Phase Project	91,809	86,730
Kayabaşı 1. Phase 3. Part Project	89,311	80,624
Kayabaşı 1. Phase 2. Part Project	69,801	62,740
Hoşdere 1. Part 3. Phase Project	62,324	54,167
Körfezkent 4. Phase Project	14,423	14,423
Kocaeli Gebze Kirazpınar Urban Transformation Project	662	662
Bursa Urban Transformation Project	424	424
	1,047,476	937,150

Completed Units	31 Mart 2015	31 Aralık 2014
Şehrizar Konakları	49,042	51,335
Birİstanbul Project	6,376	10,504
My Towerland	3,752	3,752
Other	6,408	7,770
	65,578	73,361

NOTE 11 - PROVISIONS

	31 March 2015	31 December 2014
Provisions		
Provision for lawsuits	68,022	69,699
Provision for cost accruals	40,251	46,930
	108,273	116,629

The movements of provision for lawsuits as of 31 March 2015 and 2014 are as follows:

	2015	2014
Balance at 1 January	69,699	59,996
Provision charge for the period	1,176	13,611
Provision released	(2,853)	(5,781)
Balance at 31 March	68,022	67,826

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2015

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

NOTE 12 - OTHER ASSETS AND LIABILITIES

	31 March 2015	31 December 2014
Other current assets		
Progress payments given to contractors	74,963	142,778
Deferred VAT	58,074	38,306
Receivables from tax office (*)	51,548	44,247
Accrued Income	36,409	27,034
Other	55	-
	221,049	252,365

(*) Receivables from tax office consist of withholding taxes paid on interest income.

NOTE 13 - DEFERRED REVENUE

	31 March 2015	31 December 2014
Other current liabilities		
Deferred revenue from LSRSA projects (*)	2,512,897	2,406,969
Advances taken from LSRSA contractors (**)	630,846	630,273
Advances taken from RPSPTL projects sale	508,857	425,730
Due to related parties (Note 19)	64,732	64,732
	3,717,332	3,527,704

(*) The balance is comprised of deferred revenue of future land sales regarding the related LSRSA projects residential unit’s sales.

(**) In certain LSRSA projects, the Company collects in advance a certain portion of the total Company revenue from the project before signing the agreement with the contractor.

	31 March 2015	31 December 2014
Long term deferred revenue		
Other advances taken	1,952	1,952
	1,952	1,952

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2015

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

NOTE 14 - SHAREHOLDER S’ EQUITY

The Company’s authorized capital amount is TL3,800,000 (31 December 2014: TL3,800,000) and consists of 380,000,000,000- authorized number of shares with a nominal value of TL0.01 each.

The Company’s shareholders and their shareholding percentages as of 31 March 2015 and 31 December 2014 is as follows:

Shareholders	31 March 2015		31 December 2014	
	Share %	TL	Share %	TL
Public offering portion	50.66	1,925,000	50,66	1,925,000
T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı	49.34	1,874,831	49,34	1,874,831
HAS beneficiaries	0.00	167	0,00	167
Other	0.00	2	0,00	2
Total paid-in capital	100.00	3,800,000	100,00	3,800,000

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (“TCC”). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve balance reaches 20% of the Company’s paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

In accordance with the Communiqué Serial: II, No: 14,1 which became effective as of 13 June 2013 and according to the CMB's announcements clarifying the said Communiqué, “Share Capital”, “Restricted Reserves Allocated from Profit” and “Share Premiums” need to be recognized over the amounts contained in the legal records. The valuation differences (such as inflation adjustment differences) shall be disclosed as follows:

- if the difference is arising from the valuation of “Paid-in Capital” and not yet been transferred to capital should be classified under the “Inflation Adjustment to Share Capital”;
- “if the difference is arising from valuation of “Restricted Reserves” and “Share Premium” and the amount has not been subject to dividend distribution or capital increase, it shall be classified under “Retained Earnings”. Other equity line should be revaluated in accordance with the CMB standards.

There is no any use of the adjustment to share capital except the adding it to the share capital.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2015**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

NOTE 15 - SALES AND COST OF SALES

	1 January - 31 March 2015	1 January- 31 March 2014
Revenue		
Land sales	177,498	404,220
<i>Income from sale of land and plots by way of LSRSA</i>	<i>177,498</i>	<i>404,220</i>
Residential and commercial units sales	14,073	16,889
Other income	100	661
	191,671	421,770
Sales returns	(537)	(15)
Sales discounts	(132)	-
Net sales income	191,002	421,755
Cost of sales		
Cost of land sales	(68,464)	(142,458)
<i>Cost of land and plots sold by way of LSRSA</i>	<i>(68,464)</i>	<i>(142,458)</i>
Cost of residential and commercial units sales	(9,814)	(11,271)
	(78,278)	(153,729)
Gross Profit	112,724	268,026

NOTE 16 - MARKETING, SALES AND DISTRIBUTION EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES

	1 January - 31 March 2015	1 January - 31 March 2014
General administrative expenses		
Taxes, duties and fees	12,907	4,841
Staff costs	9,319	6,011
Consultancy expenses	2,334	301
Electronic archiving expenses	1,167	-
Subcontracting service expenses	898	579
Depreciation and amortisation	547	384
Membership fees	495	808
Insurance	439	305
Travel expences	357	641
Legal and notary	273	564
Communication	101	93
Other	742	402
	29,579	14,929
Marketing, sales and distribution expenses	2014	2013
Advertisements	6,512	2,920
Staff costs	913	592
Other	782	1,031
	8,207	4,543

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2015

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

NOTE 17 - OTHER INCOME/EXPENSES

	1 January - 31 March 2015	1 January- 31 March 2014
Other operating income		
Finance income from credit sales	34,208	40,885
Delay penalty interest from project contractors	3,721	3,493
Released lawsuit provision	2,853	5,781
Unearned finance income, net	1,871	2,070
Commission income on transfers of ownership	1,598	1,258
Impairment provision reversals	66	33
Other	2,046	3,482
	46,363	57,002
	1 January - 31 March 2015	1 January- 31 March 2014
Other operating expenses		
Lawsuit provision charge for the period (Note 11)	(1,176)	(13,611)
Impairment provision expenses	(508)	(20)
Reversal of due date differences	(45)	(137)
Legal expenses	-	(416)
Other	(203)	(285)
	(1,932)	(14,469)

NOTE 18 - FINANCIAL INCOME / EXPENSES

	1 January - 31 March 2015	1 January- 31 March 2014
Financial income		
Interest income from time deposits	25,611	105,913
Foreign exchange income	4	-
	25,615	105,913
	1 January - 31 March 2015	1 January- 31 March 2014
Financial expenses		
Interest expense on Turkish Treasury borrowings (*)	(11,391)	(19,653)
Foreign exchange loss	(85)	(164)
Commission expenses	(81)	(83)
	(11,557)	(19,900)

(*) Interest expense of borrowing for HAS beneficiaries payments from Turkish Treasury amounting to TL1,314,000 calculated in accordance with Domestic Government Debt Securities issuance compound interest rate announced at the time of payment periods.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2015

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

NOTE 19 - RELATED PARTY TRANSACTIONS

The main shareholder of the Company is TOKİ. TOKİ is a State institution under control of Republic of Turkey Prime Ministry. Related parties of the Company are as listed below:

1. T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı (“TOKİ”)
2. Emlak Pazarlama. İnşaat. Proje Yönetimi ve Ticaret A.Ş. (TOKİ iştiraki)
3. GEDAŞ Gayrimenkul Değerleme A.Ş. (TOKİ iştiraki)
4. TOBAŞ (Toplu Konut - Büyükşehir Bel. İnş. Emlak ve Proje A.Ş.) (TOKİ iştiraki)
5. Vakıf Gayrimenkul Yatırım Ortaklığı A.Ş. (TOKİ iştiraki)
6. Vakıf İnşaat Restorasyon ve Ticaret A.Ş. (TOKİ iştiraki)
7. Emlak-Toplu Konut İdaresi Spor Kulübü
8. Emlak Paz.-Fideltus İnş. - Öztaş İnş. Ortak Girişimi

According to the revised IAS 24 - Related Parties standard, exemptions have been brought to the disclosure requirements of balances. The Company has transactions with State banks that are T.C.Ziraat Bankası A.Ş., Türkiye Vakıflar Bankası T.A.O., Türkiye Halk Bankası A.Ş. and Turkish Treasury in relation to the HAS payments.

- Balances and transactions with respect to Turkish Treasury are detailed in Note 7 and 9.
- The Company mostly deposits its cash in State Banks in compliance with its related statute. The bank balances with state banks amounted to TL2,524,090 as of 31 March 2015 (31 December 2014: TL2.269.959)Regarding these bank balances, the Company also generated interest income from the related State banks amounted to TL25,611 in as of 31 March 2015 (2014: TL104,928). Average effective interest rates of time deposits of the Company as of 31 March (December) 2015 and 2014 are explained in Note 5.

The transactions made between the Company and TOKİ and its affiliates and other related parties are presented below:

	31 March 2015	31 December 2014
Other receivables from related parties		
Emlak Paz.-Fideltus İnş-Öztaş İnş. O.G.	5,559	5,559
Emlak Paz.-Cathay Ortak Girişimi	1,372	-
Emlak Paz. İnş. A.Ş.-Yeni Sarp İnş. Ltd.	-	20,940
	6,931	26,499

	31 March 2015	31 December 2014
Trade payables to related parties		
T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı (“TOKİ”) (*)	1,798,209	558,203
	1,798,209	558,203

(*) The Company has purchased various lands from its ultimate parent company (TOKİ) in 2014 and 2015. The remaining payable from this purchases to TOKİ is amounting to TL1,742,631 (31 December 2014: TL 524,067) and accrued interest is TL 55,578 (31 December 2014: TL 33,596).

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2015

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

NOTE 19 - RELATED PARTY TRANSACTIONS (Continued)

	31 March 2015	31 December 2014
Advances received from related parties		
Emlak Paz.- Fideltus İnş. - Öztaş İnş. O.G.	64,732	64,732
	64,732	64,732

Represents the initial collections made from LSRSA projects, where the Company collects in advance a predetermined portion of the total sales amount in line with the agreements

	1 January - 31 March 2015	1 January - 31 March 2014
Purchases from related parties		
T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı	1,292,655	-
	1,292,655	-

	1 January - 31 March 2015	1 January - 31 March 2014
Sales to related parties		
Emlak Paz.-Cathay Ortak Girişimi	-	664
Emlak Pazarlam-Yeni Sarp Ortak Girişimi	-	17
	-	681

In the Company the president of the Board of Directors, members of Board of Directors, Audit Committee members, General Manager, Assistant General Managers and General Manager consultant and other decision makers who are in charge to manage the operations are assumed as Key management. Short-term benefits given to Key management are stated below:

	31 March 2015	31 March 2014
Remuneration of key management		
Salaries and short-term employee benefits	442	287
	442	287

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2015

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

NOTE 20 - CONTINGENT ASSETS AND LIABILITIES

1. The LSRSA project agreement regarding 750 units in İzmir Mavişehir Upper North Area 2. Phase has been abolished on 21 December 2009 since the contractor did not meet the requirements of the provisions in the agreement. Following the cancellation of the agreement, the project has been transferred to the Company and the remaining part of the project has been completed by another construction company which was assigned in accordance with public tender law. The related units have been completed and are sold by the Company as in RPSPTL.

The prior contractor filed a lawsuit against the Company claiming that the completion percentage of the project was significantly high and that the agreement between the parties was based on construction right in return for flat. The expert report on the project stated that the completion percentage was 83% but that the agreement between the parties was not based on construction right in return for flat. The Company and the contractor filed counter lawsuits in the following period and an additional report was decided to be issued. The additional report is about the final receivables and payables of the parties considering all the claims. The additional report is completed. The court decided to apply secondary expert report as a result of additional report examination on 11 June 2014. Nevertheless next trial date has not been appointed yet. In addition, the file was conferred to the committee since the Commercial Court converted to Committee Judgeship. The Company does not expect any obligation or liability to be incurred as a result of the lawsuit.

2. The LSRSA project agreement regarding İzmir Mavişehir Upper North Area 3. Phase has been signed on 19 December 2005 and following almost all the contractual obligations have been performed by the parties, the Contractor filed a lawsuit against the Company claiming that the agreement conditions should be revised considering the changing conditions. The Contractor wants all the agreement provisions to be cancelled except for the provisions where the Company’s revenue portion is TL67,515 plus VAT calculated as TL175,000 plus VAT total project revenue times 38.58% Company’s revenue portion. The Contractor wants all the properties and related land portion to be valued by an independent valuation company as of the date of the lawsuit and that 38.58% of the total value to be appropriated to the Company and the remaining 61.42% of the total value to be appropriated to the Contractor.

An expert report has been issued on the subject, which stated that the relation between the parties was in the form of ordinary partnership. The Company objected the expert report putting forward the existence of counter opinions in the doctrine and submitted the sources of such opinions. The expert report also opined that the mortgage crisis in the global markets required the revision of the agreement in accordance with the changing conditions.

The court rejected the case on 5 March 2015. The claimant has filed an appeal. The result of appeal is being waited.

3. Mortgage and guarantees received are;

	31 March 2015	31 December 2014
Guarantees received	2,808,692	2,493,538
Mortgages received	46,369	44,595
	2,855,061	2,538,133

Other guarantees consist of accurate and temporary guarantees given by contractors for construction projects during the tendering process.

Mortgages taken consist of mortgaged independent sections and land which sold but not yet collected

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2015

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

NOTE 20 - CONTINGENT ASSETS AND LIABILITIES (Continued)

4. Collaterals, pledges, mortgages (“CPM”):

	31 March 2015	31 December 2014
A. CPM given on behalf of the Company’s legal personality	24,962	22,906
B. CPM given on behalf of fully consolidated subsidiaries	-	-
C. CPM given for continuation of its economic activities on behalf of third parties.	-	-
D. Total amount of other CPM	-	-
i) Total amount of CPM given on behalf of majority shareholder	-	-
ii) Total amount of CPM given on behalf of other companies which are not in scope of B and C.	-	-
iii) Total amount of CPM given on behalf of third parties which are not in scope of C.	-	-
	24,962	22,906

NOTE 21 - EVENTS AFTER THE REPORTING PERIOD

None.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2015**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

ADDITIONAL NOTE - CONTROL OF COMPLIANCE WITH THE PORTFOLIO LIMITATIONS

	Non-Consolidated (Individual) Financial Statements Main Account Items	Related Regulation	31 March 2015 (TL)	31 December 2014 (TL)
A	Money and Capital Market Instruments,	Series:III-No:48, Art,24/(b)	2,555,401	1,704,366
B	Properties, Projects based on Properties and Rights based on Properties	Series:III-No:48, Art,24/(a)	10,308,582	8,994,886
C	Affiliates	Series:III-No:48, Art,24/(b)	-	-
	Due from related parties (Non Commercial)	Series:III-No:48, Art,23/(f)	6,931	-
	Other Assets		3,543,442	4,254,233
D	Total Assets	Series:III-No:48, Art,3/(k)	16,414,356	14,953,485
E	Financial Liabilities	Series:III-No:48, Art,31	563,957	606,272
F	Other Financial Liabilities	Series:III-No:48, Art,31	-	-
G	Due from Financial Leases	Series:III-No:48, Art,31	-	-
H	Due to Related Parties (Non Commercial)	Series:III-No:48, Art,23/(f)	-	-
I	Shareholders’ equity	Series:III-No:48, Art,31	8,889,416	8,751,284
	Other Resources		6,960,983	5,595,929
D	Total Resources	Series:III-No:48, Art,3/(k)	16,414,356	14,953,485
	Non-Consolidated (Individual) Other Financial Information	Related Regulation	31 March 2015 (TL)	31 December 2014 (TL)
A1	The portion of Money and Capital Market Instruments held for Payables of Properties for the following 3 Years	Series:III-No:48, Art,24/(b)	691,812	755,956
A2	Term/ Demand/ Currency	Series:III-No:48, Art,24/(b)	608,162	1,453,397
A3	Foreign Capital Market Instruments	Series:III-No:48, Art,24/(d)	-	-
B1	Foreign Properties, Projects based on properties and Rights based on Properties	Series:III-No:48, Art,24/(d)	-	-
B2	Idle Lands	Series:III-No:48, Art,24/(c)	626,845	624,867
C1	Foreign Affiliates	Series:III-No:48, Art,24/(d)	-	-
C2	Affiliates for Operating Company	Series:III-No:48, Art,28	-	-
J	Non-cash Loans	Series:III-No:48, Art,31	24,962	22,906
K	Mortgage amount of Servient Lands Which Will Be Developed And Not Owned	Series:III-No:48, Art,22/(e)	-	-
L	Total money and capital market investments in separate company.	Series:III-No:48, Art,22/(1)	-	-

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2015

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

ADDITIONAL NOTE - CONTROL OF COMPLIANCE WITH THE PORTFOLIO LIMITATIONS (Continued)

	Portfolio restrictions	Related regulation	31 March 2014 (%)	31 December 2013 (%)	Minimum/ Maximum Rate
1	Mortgage amount of Servient Lands Which Will Be Developed And Not Owned	Series:III-No:48, Art,22/(e)	0%	0%	<10%
2	Properties, Projects based on Properties and Rights based on Properties	Series:III-No:48, Art,24/(a)(b)	67%	65%	>50%
3	Money and Capital Market Instruments and Affiliates	Series:III-No:48, Art,24/(b)	11%	6%	<50%
4	Foreign Properties, Projects based on Properties, Rights based on Properties, Affiliates, Capital Market Instruments	Series:III-No:48, Art,24/(d)	0%	0%	<49%
5	Idle Lands	Series:III-No:48, Art,24/(c)	4%	4%	<20%
6	Affiliates to the Operating Company	Series:III-No:48, Art,28	0%	0%	<10%
7	Borrowing Limit	Series:III-No:48, Art,31	7%	7%	<500%
8	TL and Foreign Currency Time and Demand Deposits	Series:III-No:48, Art,22/(e)	0%	5%	<10%
9	Total money and capital market investments in separate company.	Series:III-No:48, Art,22/(1)	0%	0%	<10%

The information in the table of control of compliance with the portfolio limitations', in accordance with Capital Markets Board's Communiqué Serial: II, No: 14.1 "Financial Reporting in Capital Markets" Amendment No: 16 comprised condensed information and prepared in accordance with Capital Markets Board's Communiqué Serial: III, No: 48.1 "Real Estate Investment Company" published in official gazette no 28660 on 28 May 2013.

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APPENDIX - 2/A

APPRAISAL REPORTS FOR THE PROJECTS

REAL ESTATE APPRAISAL REPORT SUMMARY	
APPRAISED REAL ESTATE	Bulvar Istanbul Project
APPRAISAL REQUESTOR	Emlak Konut REIC
APPRAISER	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
REPORT DATE	22.01.2015
INFORMATION ABOUT THE APPRAISED REAL ESTATES	
LAND REGISTRY DATA	CITY: İstanbul. DISTRICT: Başakşehir. NEIGHBORHOOD: İktelli. BLOCK NO: 1358. PARCEL NO: 1. and BLOCK NO: 1359 PARCEL NO: 1.
ZONING STATUS	BLOCK: 1358 PARCEL: 1. ZONING CATEGORY: R2 Residential. FLOOR AREA RATIO (FAR): 2.00. MAX H: Free. - BLOCK: 1359 PARCEL: 1; K1 Housing Area. FAR: 2.40. MAX. H: Free.
APPRAISAL VALUES (EXCLUDING VAT)	
CURRENT MARKET VALUE OF THE PROJECT	321.800.000,00 TL
CURRENT MARKET VALUE OF EMLAK KONUT REIC'S SHARE OF THE PROJECT	148.990.000,00 TL
TOTAL ESTIMATED MARKET VALUE OF THE COMPLETED PROJECT	743.530.000,00 TL
EMLAK KONUT REIC'S REVENUE SHARE OF THE COMPLETED PROJECT	208.190.000,00 TL
TOTAL MARKET VALUE OF THE PROJECT UPON TURNKEY DELIVERY OF 175 INDEPENDENT UNITS	99.230.200,00 TL
REAL ESTATE APPRAISAL REPORT SUMMARY	
APPRAISED REAL ESTATE	Real Estate Appraisal Report for İstanbul Başakşehir Kayabaşı Park Mavera Project
APPRAISAL REQUESTOR	Emlak Konut REIC
APPRAISER	Atak Gayrimenkul Değerleme A.Ş.
REPORT DATE	18.02.2015
INFORMATION ABOUT THE APPRAISED REAL ESTATES	
LAND REGISTRY DATA	OWNER: Emlak Konut REIC. CITY: İstanbul. DISTRICT: Başakşehir. NEIGHBORHOOD: Kayabaşı. BLOCK NO: 889. PARCEL NO: 1. PROPERTY TYPE: Land. AREA (m2): 53.086.96. SHARE RATIO: Full. JOURNAL NO: 415. VOLUME NO: 124. PAGE NO: 12263. DATE OF TITLE DEED: January 1, 2014. - BLOCK NO: 883. PARCEL NO: 1. PROPERTY TYPE: Land. AREA (m2): 45.389.81. SHARE RATIO: Full. JOURNAL NO: 415. VOLUME NO: 124. PAGE NO: 12256. DATE OF TITLE DEED: January 1, 2014.
CURRENT USE	Real estate project that includes independent units for residential and commercial use.
ZONING STATUS	Based on the records of Başakşehir Municipality's Directorate of Housing and Urban Development, the appraised real estate is within the scope of the "Revised Application Zoning Plan for Kayabaşı Squatter Prevention Region as approved on May 9, 2013" and the parcels are marked as "C1 Commercial Area" in the legend of the zoning plan. Construction conditions based on zoning plan: • FAR: 2.00 • MAX. H: Free
APPRAISAL VALUES (EXCLUDING VAT)	
TOTAL MARKET VALUE OF INDEPENDENT UNITS	230.455.700,00 TL
CURRENT MARKET VALUE OF THE PROJECT	223.538.217,00 TL
TOTAL ESTIMATED MARKET VALUE OF THE COMPLETED PROJECT	1.127.385.568,00 TL
EMLAK KONUT REIC'S REVENUE SHARE OF THE COMPLETED PROJECT	420.000.000,00 TL
REAL ESTATE APPRAISAL REPORT SUMMARY	
APPRAISED REAL ESTATE	Metropol İstanbul Project
APPRAISAL REQUESTOR	Emlak Konut REIC
APPRAISER	Atak Gayrimenkul Değerleme A.Ş.
REPORT DATE	26.03.2015
INFORMATION ABOUT THE APPRAISED REAL ESTATES	
LAND REGISTRY DATA	OWNER: Emlak Konut REIC. CITY: İstanbul. DISTRICT: Sarıyer. NEIGHBORHOOD: Ataşehir. PROPERTY TYPE: Land. AREA (m2): 99.108.08. BLOCK NO: 3386. PARCEL NO: 1. JOURNAL NO: 8441. VOLUME NO: 86. PAGE NO: 8441. DATE OF TITLE DEED: November 7, 2008.
CURRENT USE	Housing project that includes commercial units and offices.
ZONING STATUS	The appraised real estate is within the scope of "Revised Application Zoning Plan with the scale of 1/1,000 for Ataşehir Mass Housing Area Finance Center East" as approved by Regulatory Approval no: 105776 on December 6, 2012. Construction conditions based on the zoning plan: FAR: 1.50+Plan Notes, H: Free. The property is marked "Commercial Area" in the legend of the plan.
APPRAISAL VALUES (EXCLUDING VAT)	
TOTAL RENT VALUE UPON TURNKEY DELIVERY OF 991 INDEPENDENT HOUSING UNITS AND OFFICES	1.666.120,00 TL
CURRENT MARKET VALUE OF THE PROJECT	869.081.480,00 TL
TOTAL ESTIMATED MARKET VALUE OF THE COMPLETED PROJECT	1.430.238.925,55 TL
EMLAK KONUT REIC'S REVENUE SHARE OF THE COMPLETED PROJECT	617.148.096,37 TL
REAL ESTATE APPRAISAL REPORT SUMMARY	
APPRAISED REAL ESTATE	Sarphan Finanspark Project
APPRAISAL REQUESTOR	Emlak Konut REIC
APPRAISER	Atak Gayrimenkul Değerleme A.Ş.
REPORT DATE	24.02.2015
INFORMATION ABOUT THE APPRAISED REAL ESTATES	
LAND REGISTRY DATA	OWNER: Emlak Konut REIC. CITY: İstanbul. DISTRICT: Ümraniye. NEIGHBORHOOD: Küçükbakkalköy. BLOCK NO: 3317. PARCEL NO: 5. PROPERTY TYPE: Land. AREA (m2): 20.714.48. SHARE RATIO: Full. JOURNAL NO: 18409. VOLUME NO: 1. PAGE NO: 27. DATE OF TITLE DEED: July 9, 2010
CURRENT USE	Real estate project that includes independent units for residential and commercial (offices, business and stores) use.
ZONING STATUS	Based on the records of Ümraniye Municipality's Directorate of Housing and Urban Development, the appraised real estate is within the scope of the "Application Zoning Plan with the scale of 1/1,000 for İstanbul Finance Center" as approved on June 19, 2012. The parcel is marked as "C1 Commercial Area" in the legend of the zoning plan.
APPRAISAL VALUES (EXCLUDING VAT)	
TOTAL MARKET VALUE OF 316 INDEPENDENT UNITS	203.236.900,00 TL
CURRENT MARKET VALUE OF THE PROJECT	369.225.600,00 TL
TOTAL ESTIMATED MARKET VALUE OF THE COMPLETED PROJECT	655.766.058,28 TL
EMLAK KONUT REIC'S REVENUE SHARE OF THE COMPLETED PROJECT	245.912.271,85 TL
REAL ESTATE APPRAISAL REPORT SUMMARY	
APPRAISED REAL ESTATE	Zekeriyaköy Köy Project
APPRAISAL REQUESTOR	Emlak Konut REIC
APPRAISER	Atak Gayrimenkul Değerleme A.Ş.
REPORT DATE	16.03.2014
INFORMATION ABOUT THE APPRAISED REAL ESTATES	
LAND REGISTRY DATA	OWNER: Emlak Konut REIC. CITY: İstanbul. DISTRICT: Sarıyer. NEIGHBORHOOD: Zekeriyaköy. PROPERTY TYPE: Land. BLOCK/PARCEL, AREA (m2), VOLUME/PAGE NO, DATE OF TITLE DEED/JOURNAL NO 1789/2, 51.880.88, 51/5023, July 3, 2014/6194 1789/3, 7.603.3, 51/5024, July 3, 2014/6192 1789/4, 25.235.23, 51/5025, July 3, 2014/6194 1790/1, 795.72, 51/5027, July 3, 2014/6194 1790/3, 9.188.44, 51/5029, July 3, 2014/6192 1790/4, 79.215.81, 51/5030, July 3, 2014/6194 1791/2, 14.9511.21, 51/5034, July 3, 2014/6194 1791/3, 1.134.67, 51/5035, July 3, 2014/6192 1791/4, 18.497.2, 51/5036, July 3, 2014/6192
CURRENT USE	Housing project that includes commercial units, low-rise apartments and villas.
ZONING STATUS	Based on the records of Sarıyer Municipality's Directorate of Housing and Urban Development, the appraised real estate is within the scope of the "Protective Application Zoning Plan with the scale of 1/1,000 for Zekeriyaköy Mass Housing Area as approved on August 14, 2013". Based on the zoning plan, the parcel information, zoning categories and the construction conditions for the appraised properties are provided in the following table: BLOCK/PARCEL, ZONING CATEGORY, CONSTRUCTION CONDITIONS 1789/2, Residential, FAR: 0.30 MAX. H: 6.50 1789/3, Commercial + Residential, FAR: 0.80 / MAX. H: 9.50 1789/4, Residential, FAR: 0.30 / MAX. H: 6.50 1790/1, Health Facility, FAR: 1.00 / MAX. H: Free 1790/3, Commercial + Residential, FAR: 0.80 / MAX. H: 9.50 1790/4, Residential, FAR: 0.30 / MAX. H: 6.50 1791/2, Residential, FAR: 0.30 MAX. H: 6.50 1791/3, Private Pre-School Education Facility, FAR: 1.00 / MAX. H: Free 1791/4, Commercial + Residential, FAR: 0.80 / MAX. H: 9.50
APPRAISAL VALUES (EXCLUDING VAT)	
TOTAL MARKET VALUE OF 26 INDEPENDENT UNITS	76.800.000,00 TL
CURRENT MARKET VALUE OF THE PROJECT	373.621.952,00 TL
TOTAL ESTIMATED MARKET VALUE OF THE COMPLETED PROJECT	1.095.976.292,92 TL
EMLAK KONUT REIC'S REVENUE SHARE OF THE COMPLETED PROJECT	475.687.500,00 TL

APPENDIX - 2/B

APPRAISAL REPORTS FOR THE BUILDINGS

REAL ESTATE APPRAISAL REPORT SUMMARY	
APPRAISED REAL ESTATE	Appraising the market value of the independent unit no: 112 on floor 15 of building 6B1. The unit is within "Seven-Building Reinforced Concrete Apartment Complex and The Land," which is the main property that covers an area of 55,021.44 square meters. The main property is located on block no: 521 parcel no: 1 in Firuzköy Neighborhood, Avcılar District, Istanbul.
APPRAISAL REQUESTOR	Emlak Konut REIC
APPRAISER	Peritus Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	06.03.2015
INFORMATION ABOUT THE APPRAISED REAL ESTATES	
LAND REGISTRY DATA	Appraising the market value of the independent unit no: 112 on floor 15 of building 6B1. The unit is within "Seven-Building Reinforced Concrete Apartment Complex and The Land," which is the main property that covers an area of 55,021.44 square meters. The main property is located on block no: 521 parcel no: 1 in Firuzköy Neighborhood, Avcılar District, Istanbul.
CURRENT USE	Residential
ZONING STATUS	Residential Area, FAR:1.50, MAX. H: Free
APPRAISAL VALUES (EXCLUDING VAT)	
TOTAL MARKET VALUE OF THE INDEPENDENT UNIT NO: 112	190.000 TL

REAL ESTATE APPRAISAL REPORT SUMMARY	
APPRAISED REAL ESTATE	Çorlu Ergene Vadisi Project; 1 Independent Unit
APPRAISAL REQUESTOR	Emlak Konut REIC
APPRAISER	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
REPORT DATE	28.01.2015
INFORMATION ABOUT THE APPRAISED REAL ESTATES	
LAND REGISTRY DATA	The independent unit no: 38 in building C8 registered on Block No: 2563 Parcel No: 1 located in Değirmenköy Yolu Locality, Kazımîye Neighborhood, Çorlu District, Tekirdağ.
CURRENT USE	Unoccupied residential unit.
ZONING STATUS	Zoning Category: Mass Housing Area FAR: 2.00
APPRAISAL VALUES (EXCLUDING VAT)	
MARKET VALUE OF 1 INDEPENDENT UNIT	200.000 TL

REAL ESTATE APPRAISAL REPORT SUMMARY	
APPRAISED REAL ESTATE	İzmir Pelikan Complex; 1 Independent Unit
APPRAISAL REQUESTOR	Emlak Konut REIC
APPRAISER	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
REPORT DATE	14.01.2015
INFORMATION ABOUT THE APPRAISED REAL ESTATES	
LAND REGISTRY DATA	Independent unit no: 6 in building 6 registered on Sheet No: 26LIVAD Block No: 26026 Parcel No: 1 located in Şemikler Neighborhood, Karşıyaka District, İzmir.
CURRENT USE	Unoccupied residential unit.
ZONING STATUS	Zoning Category: Residential Area FAR: 1.20, MAX. H: Free
APPRAISAL VALUES (EXCLUDING VAT)	
MARKET VALUE OF 1 INDEPENDENT UNIT	395.000 TL

REAL ESTATE APPRAISAL REPORT SUMMARY	
APPRAISED REAL ESTATE	Spradon Quartz Project, 1 Independent Unit
APPRAISAL REQUESTOR	Emlak Konut REIC
APPRAISER	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
REPORT DATE	14.01.2015
INFORMATION ABOUT THE APPRAISED REAL ESTATES	
LAND REGISTRY DATA	Independent unit no: 103 in building D2 within "Five-Building B.A.K Housing, Recreational Facility and Land" registered on Block No: 563 Parcel No: 1 in Dereköy Locality, Hoşdere Neighborhood, Başakşehir District, Istanbul.
CURRENT USE	Unoccupied residential unit.
ZONING STATUS	Zoning Category: Residential Area FAR: 1.50, MAX. H: Free
APPRAISAL VALUES (EXCLUDING VAT)	
MARKET VALUE OF 1 INDEPENDENT UNIT	165.000 TL

REAL ESTATE APPRAISAL REPORT SUMMARY	
APPRAISED REAL ESTATE	Spradon Quartz Project, 4 Independent Units
APPRAISAL REQUESTOR	Emlak Konut REIC
APPRAISER	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
REPORT DATE	30.01.2015
INFORMATION ABOUT THE APPRAISED REAL ESTATES	
LAND REGISTRY DATA	Independent unit no: 1, 103 and 109 in building D1 within "Five-Building B.A.K Housing, Recreational Facility and Land" registered on Block No: 563 Parcel No: 1 and Independent unit no: 10 in building AE1 within "Eight-Building B.A.K Housing, Pool, Car Park and Land" registered on Block No: 561 Parcel No: 1 in Dereköy Locality, Hoşdere Neighborhood, Başakşehir District, Istanbul.
CURRENT USE	Unoccupied residential unit.
ZONING STATUS	Zoning Category: Residential Area FAR: 1.50, MAX. H: Free
APPRAISAL VALUES (EXCLUDING VAT)	
TOTAL MARKET VALUE OF 4 INDEPENDENT UNITS	1.109.300 TL

APPENDIX - 2/C

APPRAISAL REPORTS FOR THE LANDS

REAL ESTATE APPRAISAL REPORT SUMMARY	
APPRAISED REAL ESTATE	Two plots of land in İkitelli Neighborhood, Başakşehir District, Istanbul
APPRAISAL REQUESTOR	Emlak Konut REİC
APPRAISER	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
REPORT DATE	27.01.2015
INFORMATION ABOUT THE APPRAISED REAL ESTATES	
LAND REGISTRY DATA	Parcel No: 2664 with an area of 14,400 square meters and Parcel No: 2665 with an area of 71,563.17 square meters located in Kartaltepe Locality, İkitelli-1 Neighborhood, Başakşehir District, Istanbul.
ZONING STATUS	Unplanned area.
CURRENT USE	Vacant lot.
APPRAISAL VALUES (EXCLUDING VAT)	
LAND VALUE	130.384.755 TL

REAL ESTATE APPRAISAL REPORT SUMMARY	
APPRAISED REAL ESTATE	One plot of land in Osmaniye Neighborhood, Bakırköy District, Istanbul.
APPRAISAL REQUESTOR	Emlak Konut REİC
APPRAISER	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
REPORT DATE	27.01.2015
INFORMATION ABOUT THE APPRAISED REAL ESTATES	
LAND REGISTRY DATA	"Health Facility that includes a dispensary, an outpatient clinic, a children's hospital, a maternity ward, other premises and a garden" registered on Block No: 901 Parcel No: 18 with an area of 5,250 square meters located in Mera Oğalan Istanbul Caddesi Locality, Yenimahalle Neighborhood, Bakırköy District, Istanbul.
ZONING STATUS	Zoning Category: Commercial Area FAR: 1.50, MAX. H: 6-story
CURRENT USE	Old hospital buildings are located on the lot.
APPRAISAL VALUES (EXCLUDING VAT)	
LAND VALUE	30.003.750 TL

REAL ESTATE APPRAISAL REPORT SUMMARY	
APPRAISED REAL ESTATE	One plot of land in Kağıthane District in Istanbul
APPRAISAL REQUESTOR	Emlak Konut REİC
APPRAISER	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
REPORT DATE	27.01.2015
INFORMATION ABOUT THE APPRAISED REAL ESTATES	
LAND REGISTRY DATA	Block No: 2 Parcel No: 6 with an area of 46,400 square meters located in Osmanpaşa Çiftliği Locality, Osmanpaşa Neighborhood, Kağıthane District, Istanbul.
ZONING STATUS	Unplanned area and park.
CURRENT USE	Vacant lot.
APPRAISAL VALUES (EXCLUDING VAT)	
LAND VALUE	29.928.000 TL

REAL ESTATE APPRAISAL REPORT SUMMARY	
APPRAISED REAL ESTATE	Block No: 1907 Parcel No: 1 in Küçükbakkalköy Neighborhood, Ataşehir District, Istanbul.
APPRAISAL REQUESTOR	Emlak Konut REİC
APPRAISER	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	28.01.2015
INFORMATION ABOUT THE APPRAISED REAL ESTATES	
LAND REGISTRY DATA	Block No: 1907 Parcel No: 1 in Küçükbakkalköy Neighborhood, Ataşehir District, Istanbul.
ZONING STATUS	See: "Zoning Status"
CURRENT USE	The lot is partially unoccupied and partially occupied with squatter-type buildings.
APPRAISAL VALUES (EXCLUDING VAT)	
LAND VALUE	40.132.000,00 ₺

REAL ESTATE APPRAISAL REPORT SUMMARY	
APPRAISED REAL ESTATE	Block No: 1137 Parcel No: 26 and Block No: 1138 Parcel No: 27 in Altunizade Neighborhood, Üsküdar District, Istanbul.
APPRAISAL REQUESTOR	Emlak Konut REİC
APPRAISER	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	28.01.2015
INFORMATION ABOUT THE APPRAISED REAL ESTATES	
LAND REGISTRY DATA	Block No: 1137 Parcel No: 26 and Block No: 1138 Parcel No: 27 in Altunizade Neighborhood, Üsküdar District, Istanbul.
ZONING STATUS	"Residential" area on Block No: 1137 Parcel No: 26 with construction conditions of Base FAR: 0.25, FAR: 1.00, MAX. H: 12.50.
CURRENT USE	"Residential" area on Block No: 1138 Parcel No: 27 with construction conditions of Base FAR: 0.25, FAR: 1.00, MAX. H: 12.50.
	Buildings on the lots are used as military lodging.
APPRAISAL VALUES (EXCLUDING VAT)	
LAND VALUE	85.003.711,10 ₺

REAL ESTATE APPRAISAL REPORT SUMMARY	
APPRAISED REAL ESTATE	Block No: 1562 Parcel No: 7 in Mahmutbey Neighborhood, Bağcılar District, Istanbul.
APPRAISAL REQUESTOR	Emlak Konut REİC
APPRAISER	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	28.01.2015
INFORMATION ABOUT THE APPRAISED REAL ESTATES	
LAND REGISTRY DATA	Block No: 1562 Parcel No: 7 in Mahmutbey Neighborhood, Bağcılar District in Istanbul.
ZONING STATUS	See: "Zoning Status"
CURRENT USE	See: "Structural and Technical Specifications"
APPRAISAL VALUES (EXCLUDING VAT)	
LAND VALUE	903.890,00 ₺

REAL ESTATE APPRAISAL REPORT SUMMARY	
APPRAISED REAL ESTATE	Nine parcels in Çakmak Neighborhood, Merkezefendi District, Denizli.
APPRAISAL REQUESTOR	Emlak Konut REİC
APPRAISER	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	28.01.2015
INFORMATION ABOUT THE APPRAISED REAL ESTATES	
LAND REGISTRY DATA	Block No: 716 Parcel No: 1, Block No: 717 Parcel No: 1, Block No: 718 Parcel No: 1, Block No: 719 Parcel No: 1, Block No: 720 Parcel No: 1, Block No: 721 Parcel No: 1, Block No: 722 Parcel No: 1, Block No: 723 Parcel No: 1, and Block No: 724 Parcel No: 1 in Çakmak Neighborhood, Merkezefendi District, Denizli
ZONING STATUS	See: "Zoning Status"
CURRENT USE	The parcels are vacant.
APPRAISAL VALUES (EXCLUDING VAT)	
LAND VALUE	74.738.419,00 ₺

REAL ESTATE APPRAISAL REPORT SUMMARY	
APPRAISED REAL ESTATE	52 parcels in Merkez Neighborhood, Kağıthane District, Istanbul
APPRAISAL REQUESTOR	Emlak Konut REİC
APPRAISER	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	28.01.2015
INFORMATION ABOUT THE APPRAISED REAL ESTATES	
LAND REGISTRY DATA	Provided in the relevant section of the report.
ZONING STATUS	See: "Zoning Status"
CURRENT USE	The lot is partially unoccupied and partially occupied with squatter-type buildings.
APPRAISAL VALUES (EXCLUDING VAT)	
LAND VALUE	115.953.465,82 ₺

APPENDIX - 2/C

APPRAISAL REPORTS FOR THE LANDS

9	REAL ESTATE APPRAISAL REPORT SUMMARY	
APPRAISED REAL ESTATE	Block No: 37594 Parcel No: 5 and Block No: 37595 Parcel No: 1 in Yenice Neighborhood, Meram District, Konya.	
APPRAISAL REQUESTOR	Emlak Konut REİC	
APPRAISER	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.	
REPORT DATE	28.01.2015	
INFORMATION ABOUT THE APPRAISED REAL ESTATES		
LAND REGISTRY DATA	Block No: 37594 Parcel No: 5 and Block No: 37595 Parcel No: 1 in Yenice Neighborhood, Meram District, Konya.	
ZONING STATUS	Block No: 37595 Parcel No: 1 is within the scope of the "Application Zoning Plan with the scale of 1/1,000 for a Residential Area as approved on May 18, 2012" and has the construction conditions of FAR:2.10, MAX. H: Free, Draw Distance for Front, Back and Side Yards: 10 m. Block No: 37594 Parcel No: 5 is within the scope of the "Revised Application Zoning Plan for Residential Area as approved by Konya Metropolitan Municipality on July 18, 2014 under decision no: 358" and has the construction conditions of Base FAR: 0.25, FAR: 2.18, MAX. H: 15-story.	
CURRENT USE	Block No: 37594 Parcel No: 5 is a vacant lot. Selman-ı Faris Mosque is on Block No: 37595 Parcel No: 1.	
APPRAISAL VALUES (EXCLUDING VAT)		
LAND VALUE	85.000.000,00 ₺	
10	REAL ESTATE APPRAISAL REPORT SUMMARY	
APPRAISED REAL ESTATE	Block No: 70 Parcel No: 729 in Yeni Neighborhood, Merkez District, Nevşehir.	
APPRAISAL REQUESTOR	Emlak Konut REİC	
APPRAISER	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.	
REPORT DATE	28.01.2015	
INFORMATION ABOUT THE APPRAISED REAL ESTATES		
LAND REGISTRY DATA	The property type is land for the area on Block No: 70 Parcel No: 729 in Yeni Neighborhood, Merkez District, Nevşehir.	
ZONING STATUS	Residential + Commercial	
CURRENT USE	Vacant lot.	
APPRAISAL VALUES (EXCLUDING VAT)		
LAND VALUE	69.939.000,00 ₺	
11	REAL ESTATE APPRAISAL REPORT SUMMARY	
APPRAISED REAL ESTATE	Block No: 91 Parcel No: 27 in Tepe Neighborhood, Merkez District, Niğde.	
APPRAISAL REQUESTOR	Emlak Konut REİC	
APPRAISER	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.	
REPORT DATE	28.01.2015	
INFORMATION ABOUT THE APPRAISED REAL ESTATES		
LAND REGISTRY DATA	Block No: 91 Parcel No: 27 in Tepe Neighborhood, Merkez District, Niğde.	
ZONING STATUS	The appraised real estate is within the scope of the "Application Zoning Plan with the scale of 1/1,000 for Mass Housing Area as approved on July 5, 2013." The construction conditions are as follows: FAR: 2.50, Base FAR: 0.40, and MAX. H: 50.50.	
CURRENT USE	Niğde State Hospital Additional Services Building is located on the lot.	
APPRAISAL VALUES (EXCLUDING VAT)		
LAND VALUE	20.271.603,60 ₺	
12	REAL ESTATE APPRAISAL REPORT SUMMARY	
APPRAISED REAL ESTATE	Block No: 140 Parcel No:1 and Block No: 42 Parcel No: 117 in Balıbey Neighborhood, Şile District, İstanbul.	
APPRAISAL REQUESTOR	Emlak Konut REİC	
APPRAISER	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.	
REPORT DATE	28.01.2015	
INFORMATION ABOUT THE APPRAISED REAL ESTATES		
LAND REGISTRY DATA	Block No: 140 Parcel No:1 and Block No: 42 Parcel No: 117 in Balıbey Neighborhood, Şile District, İstanbul.	
ZONING STATUS	See: "Zoning Status"	
CURRENT USE	There are military lodgings on the lots.	
APPRAISAL VALUES (EXCLUDING VAT)		
LAND VALUE	12.034.200,00 ₺	
13	REAL ESTATE APPRAISAL REPORT SUMMARY	
APPRAISED REAL ESTATE	Parcel No: 4554 in Aydınlı Neighborhood, Tuzla District, İstanbul.	
APPRAISAL REQUESTOR	Emlak Konut REİC	
APPRAISER	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.	
REPORT DATE	28.01.2015	
INFORMATION ABOUT THE APPRAISED REAL ESTATES		
LAND REGISTRY DATA	Parcel No: 4554 in Aydınlı Neighborhood, Tuzla District, İstanbul.	
ZONING STATUS	See: "Zoning Status"	
CURRENT USE	Partially vacant lot with a two-story prefabricated building.	
APPRAISAL VALUES (EXCLUDING VAT)		
LAND VALUE	20.016.360,00 ₺	
14	REAL ESTATE APPRAISAL REPORT SUMMARY	
APPRAISED REAL ESTATE	Parcel No: 1178, 1179, 1180, and 1181 in Kılıç Neighborhood, Çiftlikköy District, Yalova.	
APPRAISAL REQUESTOR	Emlak Konut REİC	
APPRAISER	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.	
REPORT DATE	28.01.2015	
INFORMATION ABOUT THE APPRAISED REAL ESTATES		
LAND REGISTRY DATA	Parcel No: 1178, 1179, 1180, and 1181 in Kılıç Neighborhood, Çiftlikköy District, Yalova.	
ZONING STATUS	Unplanned arable land.	
CURRENT USE	Vacant.	
APPRAISAL VALUES (EXCLUDING VAT)		
LAND VALUE	178.340.000,00 ₺	
15	REAL ESTATE APPRAISAL REPORT SUMMARY	
APPRAISED REAL ESTATE	30 parcels in Kazlıçeşme Neighborhood, Zeytinburnu District, İstanbul.	
APPRAISAL REQUESTOR	Emlak Konut REİC	
APPRAISER	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.	
REPORT DATE	28.01.2015	
INFORMATION ABOUT THE APPRAISED REAL ESTATES		
LAND REGISTRY DATA	Block No: 1620 Parcel No: 1, 2, 3, 4, and 5; Block No: 1620 Parcel No: 1, 2, 3, 4, 5, and 6; Block No: 1664 Parcel No: 1, 7, and 8; Block No: 1685 Parcel No: 1, and 2; 1686 Parcel No: 1, and 3; 1692 Parcel No: 6, and 9; 1776 Parcel No: 1, and 2; 1777 Parcel No: 1, 2, and 3; 1778 Parcel No: 1; 1779 Parcel No: 1, and 2 in Kazlıçeşme Neighborhood, Zeytinburnu District, İstanbul. Block No: 1878 Parcel No: 17 in Veliefendi Neighborhood, Zeytinburnu District, İstanbul. Block No: 1686 Parcel No: 11 (old Block No: 1915 Parcel No: 158) in Beşelsiz Neighborhood, Zeytinburnu District, İstanbul.	
ZONING STATUS	See: "Zoning Status"	
CURRENT USE	There are military lodgings on the lots.	
APPRAISAL VALUES (EXCLUDING VAT)		
LAND VALUE	400.005.636,25 ₺	

APPENDIX - 3

CONSTRUCTION PROGRESS PHASES TABLE

No.	Project Name	City	District	Progress Level
1	YILDIZKENT 1	TEKİRDAĞ	KAPAKLI	Final Acceptance Completed.
2	YILDIZKENT 2	TEKİRDAĞ	KAPAKLI	Final Acceptance Completed.
3	SOYAK MAVİŞEHİR	İZMİR	KARŞIYAKA	Final Acceptance Completed.
4	YILDIZKENT 3	TEKİRDAĞ	KAPAKLI	Final Acceptance Completed.
5	NOVUS RESIDENCE	İSTANBUL	BAKIRKÖY	Final Acceptance Completed.
6	MİSSTANBUL	İSTANBUL	BAŞAKŞEHİR	Final Acceptance Completed.
7	KENTPLUS MİMARŞİNAN	İSTANBUL	B.ÇEKMECE	Final Acceptance Completed.
8	EMLAK KONUT PELİKAN SİTESİ	İZMİR	KARŞIYAKA	Final Acceptance Completed.
9	EMLAK KONUT MAVİŞEHİR EVLERİ	İZMİR	KARŞIYAKA	Final Acceptance Completed.
10	DREAMCITY ÇERKEZKÖY	TEKİRDAĞ	KAPAKLI	Final Acceptance Completed.
11	SPRADON QUARTZ	İSTANBUL	BAŞAKŞEHİR	Final Acceptance Completed.
12	ISPARTAKULE EVLERİ	İSTANBUL	AVCILAR	Partial Final Acceptance Completed.
13	AVRUPA KONUTLARI ISPARTAKULE 1	İSTANBUL	AVCILAR	Final Acceptance Completed.
14	BİZİMEVLER 4	İSTANBUL	AVCILAR	Final Acceptance Completed.
15	MY TOWN ISPARTAKULE	İSTANBUL	AVCILAR	Final Acceptance Completed.
16	BURGAZKENT	KIRKLARELİ	LÜLEBURGAZ	Final Acceptance Completed.
17	AVRUPA KONUTLARI TEM	İSTANBUL	G.OSMANPAŞA	Final Acceptance Completed.
18	SELİMPAŞA EMLAK KONUTLARI	İSTANBUL	SİLİVRİ	Final Acceptance Completed.
19	ERGENE VADİSİ	TEKİRDAĞ	ÇORLU	Final Acceptance Completed.
20	PARKYAŞAM MAVİŞEHİR	İZMİR	KARŞIYAKA	Final Acceptance Completed.
21	BİZİMEVLER 2	İSTANBUL	AVCILAR	Final Acceptance Completed.
22	BİZİMEVLER 3	İSTANBUL	AVCILAR	Final Acceptance Completed.
23	MAVİŞEHİR MODERN	İZMİR	ÇİĞLİ	Final Acceptance Completed.
24	MY WORLD EUROPE	İSTANBUL	BAŞAKŞEHİR	Final Acceptance Completed.
25	AVRUPA KONUTLARI ISPARTAKULE 2	İSTANBUL	AVCILAR	Final Acceptance Completed.
26	ELITE CITY	İSTANBUL	K.ÇEKMECE	Final Acceptance Completed.
27	SOYAK PARK APARTS/ SOYAK EVOSTAR	İSTANBUL	K.ÇEKMECE	Provisional Acceptance Completed.
28	AVRUPA KONUTLARI ISPARTAKULE 3	İSTANBUL	AVCILAR	Final Acceptance Completed.
29	AVRUPA KONUTLARI ATAKENT 3	İSTANBUL	K.ÇEKMECE	Final Acceptance Completed.
30	MERKEZ KAYAŞEHİR	İSTANBUL	BAŞAKŞEHİR	Final Acceptance Completed.
31	LÜLEBURGAZ ÇARŞI	KIRKLARELİ	LÜLEBURGAZ	Final Acceptance Completed.
32	SPRADON VADİ	İSTANBUL	BAŞAKŞEHİR	Final Acceptance Completed.
33	STUDYO 24	İSTANBUL	AVCILAR	Provisional Acceptance Completed.
34	İSTANBUL	İSTANBUL	AVCILAR	Provisional Acceptance Completed.
35	AVRUPA KONUTLARI TEM 2	İSTANBUL	G.OSMANPAŞA	Partial Provisional Acceptance Completed. %78,50
36	BAHÇEKENT EMLAK KONUTLARI 1ST STAGE 1ST PART	İSTANBUL	BAŞAKŞEHİR	%70,03
37	BAHÇEKENT EMLAK KONUTLARI 1ST STAGE 2ND PART	İSTANBUL	BAŞAKŞEHİR	%73,24
38	BAHÇEKENT EMLAK KONUTLARI 1ST STAGE 3RD PART	İSTANBUL	BAŞAKŞEHİR	%60,76
39	BAHÇEKENT FLORA	İSTANBUL	BAŞAKŞEHİR	%6,30
40	AVRUPARK	İSTANBUL	BAŞAKŞEHİR	%0,00
41	BAHÇELİEVLER YENİBOSNA	İSTANBUL	BAHÇELİEVLER	%0,00
42	ZEYTİNBURNU / KAZLIÇEŞME	İSTANBUL	ZEYTİNBURNU	%0,00
43	FATİH YEDİKULE	İSTANBUL	FATİH	%0,00
44	AVCILAR KAPADIK	İSTANBUL	AVCILAR	%13,03
45	UNİKONUT	İSTANBUL	AVCILAR	%77,01
46	BATIŞEHİR	İSTANBUL	SULTANGAZI	%74,59
47	DUMANKAYA MİKS	İSTANBUL	K.ÇEKMECE	%70,65

APPENDIX - 3

CONSTRUCTION PROGRESS PHASES TABLE

No.	Project Name	City	District	Progress Level
48	SARIYER/ ZEKERİYAKÖY	İSTANBUL	ZEKERİYAKÖY	%3,24
49	ATAŞEHİR RESIDENCE	İSTANBUL	ATAŞEHİR	Final Acceptance Completed.
50	İDEALİSTKENT	İSTANBUL	ÜMRANİYE	Final Acceptance Completed.
51	UPHILL COURT	İSTANBUL	ATAŞEHİR	Final Acceptance Completed.
52	MY WORLD	İSTANBUL	ATAŞEHİR	Final Acceptance Completed.
53	KENTPLUS ATAŞEHİR	İSTANBUL	ATAŞEHİR	Final Acceptance Completed.
54	KÖRFEZKENT 1	KOCAELİ	KÖRFEZ	Final Acceptance Completed.
55	ŞEHRİZAR KONAKLARI	İSTANBUL	ÜSKÜDAR	Final Acceptance Completed.
56	VARYAP MERIDIAN	İSTANBUL	ATAŞEHİR	Partial Final Acceptance Completed.
57	MY TOWERLAND	İSTANBUL	ATAŞEHİR	Partial Final Acceptance Completed.
58	ALEMDAĞ EMLAK KONUTLARI	İSTANBUL	ÇEKMEKÖY	Provisional Acceptance Completed.
59	KÖRFEZKENT 2	KOCAELİ	KÖRFEZ	Final Acceptance Completed.
60	GEBZE EMLAK KONUTLARI 1	KOCAELİ	GEBZE	Final Acceptance Completed.
61	GEBZE EMLAK KONUTLARI 2	KOCAELİ	GEBZE	Final Acceptance Completed.
62	TUZLA EMLAK KONUTLARI 2	İSTANBUL	TUZLA	Final Acceptance Completed.
63	TUZLA EMLAK KONUTLARI 1	İSTANBUL	TUZLA	At the Final Acceptance Stage
64	SULTANBEYLİ	İSTANBUL	SULTANBEYLİ	Provisional Acceptance Completed.
65	EVORA İSTANBUL MARMARA/ EVORA İSTANBUL DENİZ/ EVORA İSTANBUL PLATINUM	İSTANBUL	TUZLA	Partial Provisional Acceptance Completed. %89,10
66	EVORA İSTANBUL/ EVORA İSTANBUL ADALAR/ EVORA İSTANBUL REZİDANS	İSTANBUL	TUZLA	Partial Provisional Acceptance Completed. %93,55
67	SARPHAN FİNANS PARK	İSTANBUL	ÜMRANİYE	Partial Provisional Acceptance Completed. %85,02
68	KUASAR İSTANBUL	İSTANBUL	ŞİŞLİ	%52,94
69	AĞAOĞLU MASLAK 1453 İSTANBUL	İSTANBUL	ŞİŞLİ	%36,52
70	METROPOL İSTANBUL	İSTANBUL	ATAŞEHİR	%34,73
71	İSTANBUL FINANCE CENTER	İSTANBUL	ATAŞEHİR	%35,65
72	KARTAL İSTMARINA	İSTANBUL	KARTAL	%12,23
73	KÖRKEZKENT 3	KOCAELİ	KÖRFEZ	%79,31
74	KÖRFEZKENT 4	KOCAELİ	KÖRFEZ	% 0,00
75	ATAŞEHİR HEADQUARTERS OFFICE BUILDING	İSTANBUL	ATAŞEHİR	%55,35
76	ATAŞEHİR WEST REGION 1ST PART 6TH REGION	İSTANBUL	ATAŞEHİR	%34,81
77	ANKARA SOFALOCA	ANKARA	ETİMESGUT	% 0,00
78	KOCAELİ DERİNCE	KOCAELİ	DERİNCE	% 0,00
79	KARTAL YAKACIK	İSTANBUL	KARTAL	% 0,00
80	KAYABAŞI EMLAK KONUTLARI 1ST STAGE 1ST PART	İSTANBUL	BAŞAKŞEHİR	%42,04
81	KAYABAŞI EMLAK KONUTLARI 1ST STAGE 2ND PART	İSTANBUL	BAŞAKŞEHİR	%46,93
82	KAYABAŞI EMLAK KONUTLARI 1ST STAGE 3RD PART	İSTANBUL	BAŞAKŞEHİR	%54,34
83	KAYABAŞI EMLAK KONUTLARI 1ST STAGE 4TH PART	İSTANBUL	BAŞAKŞEHİR	59,59
84	KAYABAŞI 2ND STAGE (SEYRANŞEHİR)	İSTANBUL	BAŞAKŞEHİR	%34,59
85	KAYABAŞI 3RD STAGE (EVVEL İSTANBUL)	İSTANBUL	BAŞAKŞEHİR	%5,03
86	KAYABAŞI 4TH STAGE (PARK MAVERA)	İSTANBUL	BAŞAKŞEHİR	%8,19
87	ESENLER 1ST STAGE 1ST PART URBAN TRANSFORMATION	İSTANBUL	ESENLER	%32,65
88	ESENLER 1ST STAGE 2ND PART URBAN TRANSFORMATION	İSTANBUL	ESENLER	%27,84
89	ESENLER 2ND STAGE URBAN TRANSFORMATION	İSTANBUL	ESENLER	%20,57
90	AYAZMA 2ND STAGE (BAHÇETEPE İSTANBUL)	İSTANBUL	BAŞAKŞEHİR	Partial Provisional Acceptance Completed. %85,40
91	AYAZMA 3RD STAGE (BULVAR İSTANBUL)	İSTANBUL	İKİTELLİ	%45,56
92	BULVAR 216	İSTANBUL	ATAŞEHİR	Title Deed Transfer Completed.

APPENDIX - 4

TENDERED PLOTS OF LAND

Revenue Sharing Model Projects in Return For The Land Sale	SQM	Date of Purchase	Book Value	Company Share in Total Revenue	Description
SARPHAN FINANSARK PROJECT - İSTANBUL ÜMRANİYE 1ST STAGE (EMLAK PAZARLAMA - YENİSARP JOINT VENTURE)	20.714,48	31.05.2000	11.854.794,15	198.838.960,38	The construction permit has been obtained.
DUMANKAYA MİKS PROJECT - İSTANBUL KÜÇÜKÇEKMECE HALKALI 2ND STAGE (DUMANKAYA)	30.294,51	16.08.2007	27.862.311,74	82.502.500,00	The construction permit has been obtained.
METROPOL İSTANBUL PROJECT - İSTANBUL ATAŞEHİR EAST REGION 2ND STAGE (VARYAP VARLIBAŞLAR - GAP JOINT VENTURE)	99.108,08	31.05.2000	246.165.569,09	500.971.500,00	The construction permit has been obtained.
EVORA İSTANBUL 1 PROJECT - İSTANBUL TUZLA 2ND STAGE 1ST REGION (TEKNİK YAPI)	65.903,03	04.10.2010	19.731.675,01	68.213.306,69	The construction permit has been obtained.
KUASAR İSTANBUL PROJECT - İSTANBUL ŞİŞLİ DİKİLİTAŞ (VİATRANS - MEYDANBEY JOINT VENTURE)	22.059,51	11.02.2008	230.118.122,39	467.638.254,24	The construction permit has been obtained.
BATIŞEHİR PROJECT - İSTANBUL SULTANGAZI HABİBLER İSTOÇ (EGE YAPI - EPP JOINT VENTURE)	165.326,57	19.09.2008	144.871.465,60	185.824.624,90	The construction permit has been obtained.
AĞAOĞLU MASLAK 1453 İSTANBUL PROJECT - İSTANBUL ŞİŞLİ AYAZAĞA 1ST STAGE (AKDENİZ)	222.549,42	30.09.2010	549.414.999,94	1.528.185.550,10	The construction permit has been obtained.
BAHÇETEPE İSTANBUL PROJECT - İSTANBUL BAŞAKŞEHİR AYAZMA 2ND STAGE (MAKRO - AK YAPI JOINT VENTURE)	209.299,89	01.12.2010- 31.03.2011	28.985.845,41	99.728.436,79	The construction permit has been obtained.
KÖY PROJECT - İSTANBUL SARIYER ZEKERİYAKÖY (SİYAH KALEM)	343.062,46	02.03.2011	224.208.733,63	475.687.500,00	The agreement of the project has been signed on 19th July 2012, the construction permit of 1791 plot/2 parcel has been obtained on 25th July 2014, the construction permit of 1789 plot/4 parcel has been obtained on 31st December 2014, the construction permit of 1790 plot/3 parcel has been obtained on 24th June 2013.
İSTMARİNA PROJESİ - İSTANBUL KARTAL (ELTES İNŞAAT)	53.687,97	22.04.2012	186.694.277,39	534.000.000,00	The agreement of the project has been signed on 4th February 2013, the construction permit of 9051 plot /1 parcel has been obtained on 14th March 2014.
BULVAR İSTANBUL PROJECT - İSTANBUL BAŞAKŞEHİR AYAZMA 3RD STAGE (ÖZÜLKE - ÖZKAR JOINT VENTURE)	108.693,37	01.12.2010	107.553.273,25	202.440.000,00	The agreement of the project has been signed on 2nd April 2013. The construction permit has been obtained on 31st May 2013. The construction amendment date:28.08.2013
AVRUPA KONUTLARI TEM 2 PROJECT - İSTANBUL GAZİOSMANPAŞA KÜÇÜKKÖY 2ND STAGE (ARTAŞ)	7.554,33	30.07.2012	18.885.825,00	21.674.201,33	The agreement of the project has been signed on 25th July 2014, the construction permit date of 3525 plot/5 parcel: 16.09.2013
NİDAKULE ATAŞEHİR PROJECT - İSTANBUL ATAŞEHİR BATI BÖLGESİ 1.PART 6.BÖLGE (TAHİNCİOĞLU - KOZKEN JOINT VENTURE)	19.554,44	31.05.2000	7.131.240,59	190.231.000,00	The construction permit of 3334 plot /5 parcel and 3331 plot /6 parcel have been obtained on 23rd August 2013.
GÖL PANAROMA EVLERİ PROJECT - İSTANBUL AVCILAR KAPADIK (BE-MA)	85.251,43	30.07.2012	79.298.587,28	148.400.000,00	The agreement of the project has been signed on 5th July 2013, the construction permit has been obtained on 25th April 2014.
FATİH YEDİKULE PROJECT - İSTANBUL FATİH YEDİKULE (EGE YAPI - MYMETROPOL-SENA-BUKTOR JOINT VENTURE)	40.945,86	30.07.2012	65.645.743,88	105.968.270,00	The agreement of the project has been signed on 2nd August 2013, the construction permit has not been obtained yet.
SEYRANŞEHİR PROJECT - İSTANBUL BAŞAKŞEHİR KAYABAŞI 2 STAGE (MAKRO - AK YAPI JOINT VENTURE)	23.170,60	30.07.2008	23.295.549,61	51.520.000,00	The agreement of the project has been signed on 23rd September 2013, the construction permit has been obtained on 3rd March 2014.
BAHÇEKENT FLORA PROJECT - İSTANBUL HOŞDERE 2ND STAGE (İZKA & DAĞ MÜHENDİSLİK & SİTAR JOINT VENTURE)	119.756,54	14.06.2011	47.064.237,81	80.832.000,00	The agreement of the project has been signed on 22nd November 2013. The construction permit of 656/2 and 657/2 have been obtained on 23rd May 2014, the construction permit of 656/1 and 657/1 have been obtained on 31st December 2014.
EWEL İSTANBUL PROJECT - İSTANBUL BAŞAKŞEHİR KAYABAŞI 3RD STAGE (İNTAYA & EYG & İNTES JOINT VENTURE)	75.197,88	03.12.2012	88.794.095,91	188.760.000,00	The agreement of the project has been signed on 17th Decemeber 2013, the construction permit of 884/1 has been obtained on 4th December 2014.
ZEYTİNBURNU KAZLIÇEŞME PROJECT - İSTANBUL ZEYTİNBURNU KAZLIÇEŞME (ÖZAK-YENİGÜN-ZİYLAN JOINT VENTURE)	127.920,00	24.04.2013	640.003.674,20	1.568.800.000,00	The agreement of the project has been signed on 8th April 2014, the construction permit has not been obtained yet.
PARK MAVERA PROJECT - İSTANBUL BAŞAKŞEHİR KAYABAŞI 4TH STAGE (MAKRO - AK YAPI JOINT VENTURE)	98.476,77	03.12.2012	115.513.251,21	420.000.000,00	The agreement of the project has been signed on 25th April 2014, the construction permit of 889/1 has been obtained on 8th October 2014.
AVRUPARK PROJECT - İSTANBUL BAŞAKŞEHİR HOŞDERE 3RD STAGE (CİHAN İNŞ. - KONUT YAPI JOINT VENTURE)	78.639,77	14.06.2011	60.372.387,82	156.520.000,00	The agreement of the project has been signed on 20th May 2014, the construction permit has been obtained on 16th March 2015.
KOCAELİ DERİNCE PROJECT - (KUMUŞOĞLU - TOKAL JOINT VENTURE)	72.313,00	03.04.2014	70.001.245,10	83.198.500,00	The agreement of the project has been signed on 21st August 2014, the construction permit has not been obtained yet.
SOFALOCA PROJECT- ANKARA ETİMESGUT PROJECT (BAŞYAPI İNŞAAT - SOLARYAPI JOINT VENTURE)	18.228,00	03.04.2014	37.287.611,69	54.000.000,00	The agreement of the project has been signed on 18th August 2014, the construction permit has been obtained on 11th December 2014.
KARTAL YAKACIK PROJECT - (DAĞ MÜHENDİSLİK)	55.214,48	28.05.2014	89.536.634,85	123.900.000,00	The agreement of the project has been signed on 30th December 2014, the construction permit has not been obtained yet.
İSTANBUL BAHÇELİEVLER YENİBOSNA PROJECT - (KELİF JOINT VENTURE)	36.174,56	28.05.2014	68.334.381,63	171.600.000,00	The agreement of the project has been signed on 9th January 2014, the construction permit has not been obtained yet.
Supervision Project	SQM	Date of Purchase	Book Value	Company Share in Total Revenue	Description
İSTANBUL INTERNATIONAL FINANCE CENTRAL SPECIAL PROJECT RECREATION AREA (İFM - AKDENİZ İNŞAAT JOINT VENTURE)	115.497,01	31.05.2000	0,03	29.200.000,00	The Construction permit of 3328 plot 14 parcel have been obtained on 10.12.2014
Total for Revenue Sharing Model Projects in Return For The Land Sale	2.314.593,96		3.188.625.534,21	7.738.634.604,43	
Revenue Sharing Model Projects in Return For The Land Sale	SQM	Date of Purchase	Book Value	Company Share in Total Revenue	Description
UNIKONUT PROJECT - İSTANBUL BAHÇEŞEHİR İSPARTAKULE 1ST REGION 4TH PART (İSFAT MİMARLIK - YENİ DOĞUŞ JOINT VENTURE)	24.506,00	02.08.2007	20.835.321,73	31.466.971,90	Construction permit obtained on 12.04.2011
Total for Revenue Sharing Model Projects in Return For The Land	24.506,00		20.835.321,73	31.466.971,90	
TOTAL FOR REVENUE SHARING MODEL PROJECT IN RETURN FOR THE (LAND SALE/LAND)			3.209.460.855,94	7.770.101.576,33	
Revenue Sharing Model Projects in Return For The Land Sale	SQM	Date of Purchase	Book Value	Company Share in Total Revenue	Description
KOCAELİ KÖRFEZKENT EMLAK KONUTLARI 3RD STAGE PROJECT (MUSTAFA EKŞİ & AYDUR JOINT VENTURE)	61.613,42	25.02.2008	96.336.946,31		The construction permit has been obtained on 18th October 2012.
İSTANBUL ATAŞEHİR HEADQUARTERS OFFICE BUILDING (TURİYAP)	11.528,07	31.05.2000	28.741.257,70		The construction permit has been obtained on 21st December 2012.
İSTANBUL HOŞDERE 1ST PART 1ST STAGE (EGEMEN)	37.404,01	14.06.2011	91.809.253,14		The construction permit has been obtained on 18th April 2013.
İSTANBUL HOŞDERE 1ST PART 2ND STAGE (ILGIN)	76.702,91	14.06.2011	117.694.654,17		The construction permit has been obtained on 18th April 2013.
İSTANBUL HOŞDERE 1ST PART 3RD STAGE (ZEK-SAN)	55.986,50	14.06.2011	62.322.199,14		The construction permit has been obtained on 18th April 2013.
KAYABASI 1ST STAGE 1ST PART (TÜRKERLER)	81.536,59	30.07.2012	152.164.644,40		The construction permit has been obtained on 31st May 2013. The agreement has been signed on 12th August 2013.
KAYABASI 1ST STAGE 2ND PART (BİNBAY - ZİRVE JOINT VENTURE)	31.724,08	03.12.2012	69.801.161,40		The construction permit has been obtained on 31st May 2013. The agreement has been signed on 29th July 2013.
KAYABASI 1ST STAGE 3RD PART (ALTINDAG)	33.755,50	30.07.2012	89.310.855,40		The construction permit has been obtained on 31st May 2013. The agreement has been signed on 2nd September 2013.
KAYABASI 1ST STAGE 4TH PART (MAKSEM YAPI - CENT YAPI JOINT VENTURE)	38.624,32	03.12.2012	100.460.408,07		The construction permit has been obtained on 31st May 2013. The agreement has been signed on 2nd September 2013.
İSTANBUL ESENLER URBAN TRANSFORMATION PROJECT (ESKON) Siyah Kalem - Güryapı - Özyazıcı	56.841,92	10.03.2014	157.526.243,93		The construction permit has been obtained on 20th March 2014 - 9th May 2014 - 9th May 2014. The agreement has been signed on 16th April 2014 - 20th June 2014 - 19th June 2014 (respectively for Siyah Kalem - Güryapı - Özyazıcı)
KÖRFEZKENT 4TH STAGE PROJECT	79.804,19	25.02.2008	14.423.349,05		The construction permit has been obtained on 21st November 2014)
AYAZMA EMLAK KONUTLARI PROJECT	99.874,55	01.12.2010	96.797.275,69		The construction permit has been obtained on 18th December 2014.
Total for Turnkey Model Project	665.396,06		1.077.388.248,40		
TOTAL	3.004.496,02		4.286.849.104,34	7.770.101.576,33	

APPENDIX - 5

BUILDINGS SUMMARY TABLE

BUILDINGS	Number of Units	SQM	Date of Purchase	Book Value	Date of Appraisal	Appraisal Value
ATAŞEHİR HEADQUARTERS OFFICE BUILDING	1	2.513,28	31.05.2000	3.254.393,82	31.12.2014	15.060.000,00
INDEPENDENT UNITS IN SPRADON QUARTZ PROJECT	4	376,36	22.09.2011 17.07.2012	1.562.074,40	31.12.2014	976.700,00
INDEPENDENT UNITS IN VARYAP MERIDIAN PROJECT	2	137,60	31.12.2012	805.413,49	31.12.2014	858.600,00
INDEPENDENT UNIT IN LÜLEBURGAZ ÇARŞI	1	1.188,23	07.05.2013	1.208.400,00	31.12.2014	950.000,00
INDEPENDENT UNITS IN 1STANBUL PROJECT	14	2.329,36	30.09.2013	6.376.341,40	31.12.2014	6.809.800,00
INDEPENDENT UNIT IN TUZLA 1 PROJECT	1	124,95	12.12.2013	113.447,02	31.12.2014	200.000,00
INDEPENDENT UNITS IN TOWERLAND PROJECT	3	336,24	31.10.2013	3.752.000,00	31.12.2014	4.448.600,00
INDEPENDENT UNIT IN PARKYAŞAM MAVİŞEHİR PROJECT	1	345,07	23.11.2013	1.738.800,00	31.12.2014	1.745.000,00
INDEPENDENT UNITS IN EMLAK KONUT MAVİŞEHİR EVLERİ PROJECT	6	720,11	31.12.2013	708.573,04	31.12.2014	2.205.000,00
INDEPENDENT UNITS IN ANKARA ÇANKAYA NEXT LEVEL PROJECT	4	989,00	30.04.2014	7.931.717,56	31.12.2014	7.000.000,00
ŞEHRİZAR KONAKLARI	23	6.621,27	26.05.2014	49.041.613,05	31.12.2014	49.535.900,00
INDEPENDENT UNITS IN BURGAZKENT	1	151,43	26.05.2014	130.742,57	31.12.2014	125.000,00
STÜDYO 24 PROJECT	5	357,72	28.02.2015	990.000,00	31.12.2014	990.000,00
TOTAL FOR BUILDINGS	66	16.190,62		77.613.516,35		90.904.600,00

APPENDIX - 6

LAND STOCK SUMMARY TABLE

LOCATION	Number of Parcels	SQM	Date of Purchase	Book Value	Date of Appraisal	Appraisal Value
91 PARCELS IN ANKARA, YENİMAHALLE, BALI KUYUMCU	91	1.919.107,39	26.10.2006	273.036.259,40	31.12.2014	313.320.781,00
8 PARCELS IN TEKİRDAĞ, ÇORLU	8	102.794,51	24.03.2006 - 30.09.2010	16.235.738,41	31.12.2014	37.545.000,00
1 PARCEL IN İZMİR,KONAK, UMURBEY QUARTER	1	6.810,00	31.05.2000	734.812,18	31.12.2014	9.195.000,00
17 PARCELS IN TEKİRDAĞ, KAPAKLI, ÇERKEZKÖY	17	371.235,69	09.12.2005	8.247.941,97	31.12.2014	95.915.000,00
5 PARCELS IN KOCAELİ, KÖRFEZ	5	28.577,05	25.02.2008	3.254.519,76	31.12.2014	9.758.698,00
10 PARCELS IN İSTANBUL, AVCILAR	10	239.915,45	01.06.2007	278.640.127,55	31.12.2014	341.879.516,25
49 PARCELS IN KOCAELİ GEBZE GÜZELLER	49	187.978,68	21.03.2007 - 29.06.2009 - 17.02.2010	44.601.813,70	31.12.2014	48.874.462,00
13 PARCELS IN İSTANBUL, ATAŞEHİR	12	17.628,87	10.11.1992 - 23.12.1996 - 31.05.2000 - 31.12.2012	12.660,15	31.12.2014	35.771.637,00
16 PARCELS IN İSTANBUL, BAŞAKŞEHİR, HOŞDERE	16	277.090,03	06.10.2011 - 07.08.2012	60.366.144,21	31.12.2014	76.938.700,00
2 PARCELS IN KASTAMONU CİDE	2	10.262,82	11.04.2011	66.866,81	31.12.2014	62.000,00
5 PARCELS IN İSTANBUL, KARTAL	5	10.020,76	22.04.2012	20.015.722,61	31.12.2014	21.191.627,25
8 PARCELS IN İSTANBUL, ESENYURT, HOŞDERE	8	149.532,50	14.06.2011 - 30.07.2012	119.905.271,84	31.12.2014	140.685.000,00
36 PARCELS IN İSTANBUL, BAŞAKŞEHİR	32	121.768,92	01.12.2010 - 07.03.2012 - 14.09.2012 - 25.09.2012 - 01.10.2012	87.718.256,16	31.12.2014	106.659.517,00
16 PARCELS IN İSTANBUL, BAŞAKŞEHİR, HOŞDERE	14	161.693,01	14.06.2011 - 30.07.2012	91.089.291,55	31.12.2014	119.191.604,00
4 PARCELS IN İSTANBUL, ÜMRANİYE	4	17.067,99	01.11.2005	1.840.000,03	31.12.2014	16.020.000,00
4 PARCELS IN İSTANBUL, TUZLA	4	1.287,83	31.12.2012	0,04	31.12.2014	418.545,00
1 PARCEL IN İZMİR, KARŞIYAKA	1	2.787,00	30.12.2005	0,01	31.12.2014	865.000,00
1 PARCEL IN İSTANBUL SARIYER ZEKERİYAKÖY	1	992,00	02.03.2011	1.823.539,78	31.12.2014	645.000,00
1 PARCEL IN İSTANBUL, BEŞİKTAŞ	1	1.298,32	22.12.1989	296.673,67	31.12.2014	3.895.000,00
3 PARCELS IN İSTANBUL ŞİŞLİ	1	23,30	18.05.1990	50,49	31.12.2014	134.000,00
3 PARCELS IN ANKARA, ÇANKAYA	3	525,00	31.08.1987	0,10	31.12.2014	560.000,00
4009 NUMBERED PARCEL IN İSTANBUL, BÜYÜKÇEKMECE	1	78,10	28.04.2006	1,00	31.12.2014	15.000,00
14 PARCELS IN İSTANBUL, ARNAVUKKÖY DURSUNLU	14	3.645.527,92	05.06.2013	333.309.400,26	31.12.2014	375.915.000,00
13 PARCELS IN İSTANBUL, KARTAL	13	63.249,23	24.04.2013	112.267.383,25	31.12.2014	113.577.563,60
1 PARCEL IN İZMİR, URLA, BADEMLER	1	368.342,54	24.04.2013	19.536.918,32	31.12.2014	20.260.000,00
48 PARCELS IN İSTANBUL,MALTEPE, KÜÇÜKYALI AND BAŞIBÜYÜK	47	118.849,44	28.05.2014	665.556.864,00	31.12.2014	665.556.864,00
1 PARCEL IN İSTANBUL,ATAŞEHİR,KÜÇÜKBAKKALKÖY QUARTER	1	1.788,00	28.05.2014	7.300.996,73	31.12.2014	7.152.000,00
1 PARCEL IN İSTANBUL,ATAŞEHİR,KÜÇÜKBAKKALKÖY QUARTER	4	54.745,33	28.05.2014	27.336.415,48	31.12.2014	27.309.349,20
4 PARCELS IN BURSA, OSMANGAZİ, DEMİRTAŞ QUARTER	2	50.000,00	28.05.2014	44.001.330,71	31.12.2014	44.000.000,00
2 PARCELS BALIKESİR, MERKEZ, AKINCILAR QUARTER	1	23.941,74	28.05.2014	4.914.917,79	31.12.2014	4.908.057,00
1 PARCEL IN ESKİŞEHİR,ODUNPAZARI, YILDIZTEPE QUARTER	2	300.000,00	03.04.2014	326.126.209,12	31.12.2014	328.314.175,00
2 PARCELS IN ANKARA, ÇANKAYA, MÜHYE QUARTER	1	50.750,00	03.04.2014	95.164.836,00	31.12.2014	95.156.250,00
1 PARCEL IN ANKARA,ÇANKAYA, ÇAYYOLU QUARTER	1	124.475,80	03.04.2014	622.000.000,00	31.12.2014	622.000.000,00
1 PARCEL IN ANKARA,YENİMAHALLE, İSTASYON QUARTER	9	547.300,77	03.04.2014	381.448.318,52	31.12.2014	381.745.000,00
9 PARCELS IN İSTANBUL,BAŞAKŞEHİR, KAYABAŞI QUARTER	6	158.497,62	28.05.2014	1.006.171.102,62	31.12.2014	1.062.270.000,00
6 PARCELS IN İSTANBUL, SARIYER, İSTİNYE QUARTER	2	60.675,48	05.03.2015	85.000.000,00	28.01.2015	85.000.000,00
1 PARCEL IN NEVŞEHİR, MERKEZ YENİMAHALLE	1	31.084,00	05.03.2015	69.939.000,00	28.01.2015	69.939.000,00
1 PARCEL IN İSTANBUL, BAĞCILAR, MAHMUTBEY QUARTER	1	531,70	05.03.2015	903.890,00	28.01.2015	903.890,00
9 PARCELS IN DENİZLİ, MERKEZ EFENDİ, ÇAKMAK QUARTER	9	95.294,22	05.03.2015	74.738.419,00	28.01.2015	74.738.419,00
52 PARELS İSTANBUL, KAĞITHANE, MERKEZ QUARTER	52	36.765,25	05.03.2015	115.953.465,82	28.01.2015	115.953.465,82
1 PARCEL IN NIĞDE, MERKEZ, TEPE QUARTER	1	27.769,32	05.03.2015	20.271.603,60	28.01.2015	20.271.603,60
2 PARCELS IN İSTANBUL, ŞİLE, BALIBEY QUARTER	2	34.590,00	05.03.2015	12.034.200,00	28.01.2015	12.034.200,00
1 PARCEL IN İSTANBUL, TUZLA, AYDINLI QUARTER	1	10.998,00	05.03.2015	20.016.360,00	28.01.2015	20.016.360,00
4 PARCELS YALOVA, ÇİTLİKKÖY, KILIÇ QUARTER	4	1.455.000,00	05.03.2015	178.340.000,00	28.01.2015	178.340.000,00
30 PARCELS IN İSTANBUL, ZEYTİNBURNU, BEŞTELSİZ QUARTER	30	102.760,41	05.03.2015	400.005.636,25	28.01.2015	400.005.636,25
2 PARCELS IN İSTANBUL, ÜSKÜDAR ALTUNİZADE QUARTER	2	17.237,47	05.03.2015	85.003.711,10	28.01.2015	85.003.711,10
2 PARCELS IN İSTANBUL, BAŞAKŞEHİR, İKİTELLİ -1 QUARTER	2	85.963,17	05.03.2015	130.384.755,00	27.01.2015	130.384.755,00
1 PARCEL IN İSTANBUL, BAKIRKÖY, OSMANİYE QUARTER	1	5.250,00	05.03.2015	30.003.750,00	27.01.2015	30.003.750,00
1 PARCEL IN İSTANBUL, KAĞITHANE, OSMANPAŞA QUARTER	1	46.400,00	05.03.2015	29.928.000,00	27.01.2015	29.928.000,00
1 PARCEL IN İSTANBUL, ATAŞEHİR, KÜÇÜKBAKKALKÖY QUARTER	1	10.160,00	05.03.2015	40.132.000,00	28.01.2015	40.132.000,00
1 PARCEL IN İSTANBUL, BAŞAKŞEHİR, İKİTELLİ QUARTER	1	17.623,78	01.12.2010	16.776.384,90	31.12.2014	18.511.793,20
TOTAL FOR LAND STOCK	499	11.174.046,41		5.962.451.559,89		6.438.871.930,27

APPENDIX - 7
CONSTRUCTION PROGRESS PHASES TABLE

EMLAK KONUT GYO A.Ş.			
RESIDENTIAL, COMMERCIAL UNITS, SCHOOL AND CONSTRUCTION WORK BY REVENUE SHARING MODEL IN RETURN FOR THE LAND SALE TABLE			
No.	PROJECT NAME	COMPLETION DATE (BASED ON THE AGREEMENT)	CONTRACTOR
1	KUASAR İSTANBUL	10.03.2016	VİATRANS A.Ş. ~ MEYDANBEY ORTAK GİRİŞİMİ ADI ORTAKLIĞI
2	METROPOL İSTANBUL	13.07.2015	VARYAP VARLIBAŞLAR YAPI SANAYİ VE TURİZM YATIRIMLARI TİC. A.Ş. ~ GAP İNŞAAT YATIRIM VE DIŞ TİC. A.Ş. ORTAK GİRİŞİMİ
3	SARPHAN FİNANS PARK	29.06.2015	YENİ SARP İNŞAAT ~ ÖZ AKAR ELEKTRİK ADI ORTAKLIĞI
4	BATIŞEHİR	06.12.2015	EGE YAPI LTD. ŞTİ. ~ EMLAK PLANLAMA İNŞAAT PROJE YÖNETİMİ VE TİC.A.Ş. ADI ORTAKLIĞI
5	MASLAK 1453	16.07.2016	AKDENİZ İNŞ. VE EĞT. HİZM. A.Ş.
6	EVORA İSTANBUL DENİZ	05.04.2015	TEKNİK YAPI TEK.YAPILAR SAN.VE TİC.A.Ş.
7	EVORA İSTANBUL ADALAR MARMARA	05.04.2015	TEKNİK YAPI TEK.YAPILAR SAN.VE TİC.A.Ş.
8	DUMANKAYA MİKS	08.04.2015	DUMANKAYA İNŞAAT SAN. TİC. A. Ş.
9	BAHÇETEPE İSTANBUL	15.05.2015	MAKRO İNŞAAT TİC. LTD. ŞTİ. ~ AKYAPI YAPI ENDÜSTRİSİ VE TİC. A.Ş. İŞ ORTAKLIĞI
10	KÖY	12.08.2018	SİYAHKALEM MÜH. İNŞ. SAN. VE TİC. A.Ş.
11	İSTANBUL FINANCE CENTER	12.10.2017	AKDENİZ İNŞ. VE EĞT. HİZM. A.Ş. ~ İFM İSTANBUL FİNANS MERKEZİ İNŞ. TAAH. A.Ş. İŞ ORTAKLIĞI
12	İSTMARİNA	02.10.2017	ELTES İNŞ. TES. SAN. VE TİC. A.Ş. ~ DAP YAPI İNŞ. SAN. VE TİC. LTD. ŞTİ. İŞ ORTAKLIĞI
13	BULVAR İSTANBUL	08.10.2016	BULVAR İSTANBUL İŞ ORTAKLIĞI
14	NİDAKULE ATAŞEHİR	02.03.2016	TAHİNCİOĞLU GAYR. İNŞ. VE TUR. A.Ş. ~ KOZKEN İNŞ. TAAH. VE TUR. A.Ş. İŞ ORTAKLIĞI
15	AVRUPA KONUTLARI TEM-2	02.03.2016	ARTAŞ İNŞAAT SANAYİ VE TİCARET A.Ş.
16	GÖL PANAROMA EVLERİ	03.12.2016	BE-MA İNŞAAT SAN. VE TİC. LTD. ŞTİ.
17	FATİH YEDİKULE	15.12.2016	EGE YAPI LTD. ŞTİ. ~ METROPOLİST YAPI TİC. LTD. ŞTİ. ~ SENA GAYRİMENKUL YAT. TİC. A.Ş. ~ BUKTOR YAPI SAN. VE TİC. LTD. ŞTİ. İŞ ORTAKLIĞI
18	SEYRANŞEHİR	14.03.2016	MAKRO ~ AKYAPI KAYABAŞI 2. ETAP ORTAK GİRİŞİMİ
19	BAHÇEKENT FLORA	01.12.2016	İZKA İNŞAAT TAAH. MÜH. LTD. ŞTİ. ~ DAĞ MÜH. MÜT. TİC. VE SAN. LTD. ŞTİ.~SITAR İNŞ. GIDA VE TARM. ÜRÜNLERİ SAN.TİC. AŞ. İŞ ORTAKLIĞI
20	EVVEL İSTANBUL	02.01.2017	İNTAYA İNŞAAT TAAHHÜT YATIRIM A.Ş. ~ İNTES İNŞAAT SAN. VE TİC. A.Ş. ~ EYG EMLAK YATIRIM VE GAYRİMENKUL GELİŞTİRME A.Ş. İŞ ORTAKLIĞI
21	ZEYTİNBURNU KAZLIÇEŞME	03.09.2018	ÖZAK GAYRİMENKUL YAT. ORT. A.Ş. ~ YENİGÜN İNŞ. SAN. VE TİC. A.Ş. ~ ZİYLAN GAYRİMENKUL YAT. VE YÖN. A.Ş. İŞ ORTAKLIĞI
22	PARK MAVERA	28.10.2017	MAKRO İNŞAAT TİC. A.Ş. ~ AKYAPI İNŞ. TAAH. SAN. VE TİC. A.Ş. İŞ ORTAKLIĞI
23	AVRUPARK	29.11.2017	CİHAN İNŞ. MÜH. SAN. VE TİC. A.Ş.~ KONUT YAPI ENDÜSTRİ SAN. VE TİC. A.Ş. İŞ ORTAKLIĞI
24	SOFALOCA	21.02.2017	BAŞ YAPI İNŞ. TAAH. VE TUR. SAN. DIŞ TİC. LTD. ŞTİ. ~ SOLARYAPI MÜH. İNŞ. TAAH. VE SAN. DIŞ TİC. LTD. ŞTİ. İŞ ORTAKLIĞI
25	KOCAELİ DERİNCE	27.02.2018	KUMUŞOĞLU İNŞ. TUR. SAN. VE TİC. LTD. ŞTİ. ~ TOKAL İNŞ.YAPI MALZ. SANAYİ TİC. LTD. ŞTİ. İŞ ORTAKLIĞI
26	KARTAL YAKACIK	07.10.2017	DAĞ MÜH. MÜT. TİC. VE SAN. LTD. ŞTİ.
27	BAHÇELİEVLER YENİBOSNA	17.07.2017	KELİF İŞ ORTAKLIĞI

EMLAK KONUT GYO A.Ş.			
RESIDENTIAL, COMMERCIAL UNITS, SCHOOL AND CONSTRUCTION WORK BY REVENUE SHARING MODEL IN RETURN FOR THE LAND TABLE			
No.	PROJECT NAME	COMPLETION DATE (BASED ON THE AGREEMENT)	CONTRACTOR
1	UNIKONUT	29.04.2015	İSFAT MİM. MÜH. İNŞ. SAN. VE TİC. LTD. ŞTİ. ~YENİ DOĞUŞ İNŞ. TAAH. İTH. İHR. TAAH. SAN. VE TİC. LTD. ŞTİ. İŞ ORTAKLIĞI

TURN KEY MODEL PROJECTS TABLE			
NO	PROJECT NAME	COMPLETION DATE (BASED ON THE AGREEMENT)	CONTRACTOR
1	KÖRFEZKENT 3	19.12.2015	MUSTAFA EKŞİ İNŞ. SAN. TUR. TİC. LTD. ŞTİ. ~ AYDUR İNŞ. TAAH. TİC. VE SAN. TUR. TAŞ. HİZ. LTD. ŞTİ. İŞ ORTAKLIĞI
2	ATAŞEHİR HEADQUARTERS OFFICE BUILDING	05.05.2015	TURYAPI İNŞ. TAAH. TİC. SAN. A.Ş.
3	BAHÇEKENT EMLAK KONUTLARI 1	07.12.2015	EGEMEN İNŞAAT VE TİCARET A.Ş.
4	BAHÇEKENT EMLAK KONUTLARI 2	16.03.2016	ILGIN İNŞAAT İÇ VE DIŞ TİCARET A.Ş.
5	BAHÇEKENT EMLAK KONUTLARI 3	07.12.2015	ZEK-SAN İNŞAAT TİC. VE SAN. LTD. ŞTİ.
6	EMLAK KONUT BAŞAKŞEHİR EVLERİ 2	06.10.2015	BİNBAY YAPI İNŞ.SAN.VE TİC. LTD. ŞTİ ~ ZİRVE İNŞ.TİC. LTD. ŞTİ. İŞ ORTAKLIĞI
7	EMLAK KONUT BAŞAKŞEHİR EVLERİ 1	01.02.2016	TÜRKERLER İNŞ. TURZ. MAD. ENERJİ. ÜRETİM TİC. VE SAN. A.Ş.
8	EMLAK KONUT BAŞAKŞEHİR EVLERİ 3	12.11.2015	ALTINDAĞ İNŞ. TAAH. TİC. İTH. İHR. LTD. ŞTİ.
9	EMLAK KONUT BAŞAKŞEHİR EVLERİ 4	12.11.2015	MAKSEM YAPI TİC. A.Ş. - CENT YAPI İNŞ. SAN. TİC. LTD. ŞTİ. İŞ ORTAKLIĞI

EMLAK KONUT GYO A.Ş.			
No.	PROJECT NAME	COMPLETION DATE (BASED ON THE AGREEMENT)	CONTRACTOR
1	ESENLER EMLAK KONUTLARI 1ST STAGE 1ST PART	16.04.2016	SİYAHKALEM MÜH. İNŞ. SAN. VE TİC. A.Ş.
2	ESENLER EMLAK KONUTLARI 2ND STAGE	10.12.2016	ÖZYAZICI İNŞAAT ELK. MAK. MÜŞ. VE TAAH. SAN. VE TİC. LTD. ŞTİ.
3	ESENLER EMLAK KONUTLARI 1ST STAGE 2ND PART	23.06.2016	GÜRYAPI İNŞAAT TAAH TUR. SAN.VE DIŞ TİC. A.Ş.

APPENDIX - 8

LIST OF APPRAISAL COMPANIES

No.	EMLAK KONUT GYO A.Ş. ASSET LIST	APPRAISAL COMPANY
1	"İSTANBUL SULTANGAZI HABİPLER REVENUE SHARING MODEL IN RETURN FOR THE LAND SALE" BATIŞEHİR PROJECT	Atak Gayrimenkul Değerleme A.Ş.
2	"İSTANBUL KARTAL REVENUE SHARING MODEL IN RETURN FOR THE LAND SALE" (İSTMARINA PROJECT)	Atak Gayrimenkul Değerleme A.Ş.
3	"İSTANBUL BAĞÇEŞEHİR İSPARTAKULE 1ST REGION 4TH PART REVENUE SHARING MODEL IN RETURN FOR THE LAND" (UNIKONUT PROJECT)	Atak Gayrimenkul Değerleme A.Ş.
4	"İSTANBUL ÜMRANIYE 1ST STAGE REVENUE SHARING MODEL IN RETURN FOR THE LAND SALE" (SARPHAN FİNANSARK PROJECT)	Atak Gayrimenkul Değerleme A.Ş.
5	"İSTANBUL ATAŞEHİR EAST REGION 2ND STAGE REVENUE SHARING MODEL IN RETURN FOR THE LAND SALE" (METROPOL PROJECT)	Atak Gayrimenkul Değerleme A.Ş.
6	"İSTANBUL ŞİŞLİ AYAZGA 1ST STAGE REVENUE SHARING MODEL IN RETURN FOR THE LAND SALE" (MASLAK 1453)	Atak Gayrimenkul Değerleme A.Ş.
7	"İSTANBUL KÜÇÜKÇEKMECE HALKALI 2ND STAGE REVENUE SHARING MODEL IN RETURN FOR THE LAND SALE" (DUMANKAYA MİKS PROJECT)	Atak Gayrimenkul Değerleme A.Ş.
8	"İSTANBUL BAŞAKŞEHİR AYAZMA 2ND STAGE REVENUE SHARING MODEL IN RETURN FOR THE LAND SALE" (BAĞÇETEPE-İSTANBUL)	Atak Gayrimenkul Değerleme A.Ş.
9	"KÖRFEZKENT EMLAK KONUTLARI 3RD STAGE RESIDENTIAL UNITS, SOCIAL FACILITIES, INFRASTRUCTURE ASSOCIATED WITH THE LANDSCAPING WORKS"	Atak Gayrimenkul Değerleme A.Ş.
10	"İSTANBUL HOŞDERE EMLAK KONUTLARI 1ST STAGE 1ST PART RESIDENTIAL UNITS ASSOCIATED WITH INFRASTRUCTURE AND LANDSCAPING WORKS"	Atak Gayrimenkul Değerleme A.Ş.
11	"İSTANBUL HOŞDERE EMLAK KONUTLARI 1ST STAGE 2ND PART RESIDENTIAL UNITS ASSOCIATED WITH INFRASTRUCTURE AND LANDSCAPING WORKS"	Atak Gayrimenkul Değerleme A.Ş.
12	"İSTANBUL HOŞDERE EMLAK KONUTLARI 1ST STAGE 3RD PART COMMERCIAL UNITS, SCHOOL, SPORTS CENTER, KINDERGARTEN, MOSQUE ASSOCIATED WITH THE INFRASTRUCTURE AND LANDSCAPING WORKS"	Atak Gayrimenkul Değerleme A.Ş.
13	"İSTANBUL GAZİOSMANPAŞA KÜÇÜKKÖY 2ND STAGE REVENUE SHARING MODEL IN RETURN FOR THE LAND SALE" (TEM-2)	Atak Gayrimenkul Değerleme A.Ş.
14	"İSTANBUL ATAŞEHİR WEST REGION 1ST PART 6TH DISTRICT REVENUE SHARING MODEL IN RETURN FOR THE LAND SALE" (NİDAKULE)	Atak Gayrimenkul Değerleme A.Ş.
15	"İSTANBUL KAYABAŞI EMLAK KONUTLARI 1ST STAGE 1ST PART RESIDENTIAL UNITS ASSOCIATED WITH INFRASTRUCTURE AND LANDSCAPING WORKS"	Atak Gayrimenkul Değerleme A.Ş.
16	"İSTANBUL KAYABAŞI EMLAK KONUTLARI 1ST STAGE 2ND PART RESIDENTIAL UNITS ASSOCIATED WITH THE INFRASTRUCTURE, LANDSCAPING AND ROAD CONSTRUCTION WORKS "	Atak Gayrimenkul Değerleme A.Ş.
17	"İSTANBUL KAYABAŞI EMLAK KONUTLARI 1ST STAGE 3RD PART RESIDENTIAL UNITS, SCHOOL ASSOCIATED WITH INFRASTRUCTURE AND LANDSCAPING WORKS"	Atak Gayrimenkul Değerleme A.Ş.
18	"İSTANBUL KAYABAŞI EMLAK KONUTLARI 1ST STAGE 4TH PART RESIDENTIAL UNITS ASSOCIATED WITH THE LANDSCAPING WORKS"	Atak Gayrimenkul Değerleme A.Ş.
19	"İSTANBUL BAŞAKŞEHİR KAYABAŞI 2ND STAGE REVENUE SHARING MODEL IN RETURN FOR THE LAND SALE" (SEYRANŞEHİR PROJECT)	Atak Gayrimenkul Değerleme A.Ş.
20	"İSTANBUL SARIYER ZEKERİYAKÖY REVENUE SHARING MODEL IN RETURN FOR THE LAND SALE" (KÖY PROJECT)	Atak Gayrimenkul Değerleme A.Ş.
21	"İSTANBUL AVCILAR KAPADIK REVENUE SHARING MODEL IN RETURN FOR THE LAND SALE" (GÖL PANORAMA PROJECT)	Atak Gayrimenkul Değerleme A.Ş.
22	"İSTANBUL BAŞAKŞEHİR HOŞDERE 2ND STAGE REVENUE SHARING MODEL IN RETURN FOR THE LAND SALE" (BAĞÇEKENT FLORA PROJECT)	Atak Gayrimenkul Değerleme A.Ş.
23	"İSTANBUL BAŞAKŞEHİR AYAZMA 3RD STAGE REVENUE SHARING MODEL IN RETURN FOR THE LAND SALE" (BULVAR İSTANBUL PROJECT)	Atak Gayrimenkul Değerleme A.Ş.
24	"İSTANBUL BAŞAKŞEHİR KAYABAŞI 3RD STAGE REVENUE SHARING MODEL IN RETURN FOR THE LAND SALE" (EWEL İSTANBUL)	Atak Gayrimenkul Değerleme A.Ş.
25	"İSTANBUL INTERNATIONAL FINANCE CENTER SPECIAL PROJECT AND RECREATION AREA REVENUE SHARING MODEL IN RETURN FOR THE LAND SALE"	Atak Gayrimenkul Değerleme A.Ş.
26	"İSTANBUL ATAŞEHİR HEADQUARTERS OFFICE BUILDING INFRASTRUCTURE AND LANDSCAPING WORKS" (3331/ 5 PARCEL)	Atak Gayrimenkul Değerleme A.Ş.
27	"ANKARA ETİMESGUT REVENUE SHARING MODEL IN RETURN FOR THE LAND SALE" (SOFA LOCA)	Atak Gayrimenkul Değerleme A.Ş.
28	"İSTANBUL BAŞAKŞEHİR KAYABAŞI 4TH STAGE REVENUE SHARING MODEL IN RETURN FOR THE LAND SALE" (PARK MAVERA)	Atak Gayrimenkul Değerleme A.Ş.
29	"İSTANBUL, TUZLA 2ND STAGE 2ND REGION REVENUE SHARING MODEL IN RETURN FOR THE LAND SALE" (EVORA PROJECT-2)	Atak Gayrimenkul Değerleme A.Ş.
30	"İSTANBUL, TUZLA 2ND STAGE 1ST REGION REVENUE SHARING MODEL IN RETURN FOR THE LAND SALE" (EVORA PROJECT-1)	Atak Gayrimenkul Değerleme A.Ş.
31	KOCAELİ KÖRFEZKENT EMLAK KONUTLARI 4TH STAGE	Atak Gayrimenkul Değerleme A.Ş.
32	İSTANBUL AYAZMA EMLAK KONUTLARI	Atak Gayrimenkul Değerleme A.Ş.
33	ESENLER EMLAK KONUTLARI	Atak Gayrimenkul Değerleme A.Ş.
34	ATAŞEHİR HEADQUARTERS BUILDING (INDEPENDENT UNIT)	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
35	KIRKLARELİ LÜLEBURGAZ PROJECT	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
36	EMLAK KONUT MAVİŞEHİR EVLERİ PROJECT	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
37	ŞEHRİZAR KONAKLARI PROJECT	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
38	TUZLA EMLAK KONUTLARI 1ST STAGE 1ST PART PROJECT	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
39	İSTANBUL PROJECT	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
40	SOYAK PARK APARTS-EVOSTAR PROJECT	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
41	PARK YAŞAM PROJECT	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
42	KÖRFEZKENT 1ST STAGE	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
43	BURGAZKENT EMLAK KONUTLARI	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
44	SKYTOWERS TOWERLAND PROJECT	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
45	"İSTANBUL ATAŞEHİR WEST DISTRICT 1ST PART 4TH REGION REVENUE SHARING MODEL IN RETURN FOR THE LAND SALE" (VARYAP MERIDIAN PROJECT)	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
46	"İSTANBUL BAĞÇEŞEHİR İSPARTAKULE 1ST REGION 5TH PART REVENUE SHARING MODEL IN RETURN FOR THE LAND"525/2 PARCEL, STÜDYO 24 PROJECT	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.

APPENDIX - 8

LIST OF APPRAISAL COMPANIES

No.	EMLAK KONUT GYO A.Ş. ASSET LIST	APPRAISAL COMPANY
47	"İSTANBUL SULTANBEYLİ EMLAK KONUTLARI, RESIDENTIAL UNITS ASSOCIATED WITH INFRASTRUCTURE AND LANDSCAPING WORKS"	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
48	ANKARA PROVINCE ÇANKAYA DISTRICT KIZILIRMAK QUARTER INDEPENDENT UNITS IN "NEXT LEVEL" PROJECT	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
49	SPRADON QUARTZ PROJECT	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
50	ANKARA PROVINCE YENİ MAHALLE DISTRICT BALIKUYUMCU QUARTER 91 PARCEL	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
51	ANKARA PROVINCE ÇANKAYA DISTRICT ÖNCEBECİ QUARTER 3 PLOTS OF LAND	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
52	İSTANBUL PROVINCE ATAŞEHİR DISTRICT, 13 PARCEL IN K.BAKKALKÖY BARBOROS QUARTER	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
53	İSTANBUL PROVINCE AVCILAR DISTRICT FIRUZKÖY QUARTER 10 PLOTS OF LAND	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
54	İSTANBUL PROVINCE BAŞAKŞEHİR DISTRICT HOŞDERE QUARTER 16 PARCELS	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
55	İSTANBUL PROVINCE BAŞAKŞEHİR DISTRICT HOŞDERE QUARTER 14 PARCELS	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
56	İSTANBUL PROVINCE BAŞAKŞEHİR DISTRICT İKİTELLİ QUARTER 36 PARCELS	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
57	İSTANBUL PROVINCE, BEŞİKTAŞ DISTRICT RUMELİHİSARI QUARTER 1 PARCEL	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
58	İSTANBUL PROVINCE BÜYÜKÇEKMECE DISTRICT MİMARŞİNAN QUARTER NUMBERED 4009 PARCEL	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
59	İSTANBUL PROVINCE KARTAL DISTRICT ÇAVUŞOĞLU QUARTER 18 PARCELS	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
60	İSTANBUL PROVINCE ESENYURT DISTRICT HOŞDERE QUARTER 8 PARCELS	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
61	İSTANBUL PROVINCE ŞİŞLİ DISTRICT 3 PARCELS ORTAKÖY AND AYAZAĞA QUARTER	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
62	İSTANBUL PROVINCE TUZLA DISTRICT AYDINLI QUARTER 4 PARCELS	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
63	İSTANBUL PROVINCE ÜMRANİYE DISTRICT K.BAKKALKÖY QUARTER 4 PARCELS	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
64	İSTANBUL PROVINCE SARIYER DISTRICT ZEKERİYAKÖY QUARTER 1 PLOTS OF LAND	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
65	İSTANBUL PROVINCE, ARNAVUTKÖY DISTRICT DURSUNKÖY QUARTER 14 PARCELS	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
66	İZMİR PROVINCE KARŞIYAKA DISTRICT ŞEMİKLER QUARTER 1 PARCEL	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
67	İZMİR PROVINCE KONAK DISTRICT UMURBEY QUARTER 1 PARCEL, 3169/236 PARCEL	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
68	İZMİR PROVINCE, URLA DISTRICT BADEMLER VILLAGE 1 PLOT OF LAND	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
69	KASTAMONU PROVINCE, CİDE DISTRICT, DOĞANKAYA VILLAGE 2 PLOTS OF LAND	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
70	KOCAELİ PROVINCE KÖRFEZ DISTRICT YARIMCA QUARTER 5 PARCELS	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
71	KOCAELİ PROVINCE GEBZE DISTRICT GÜZELLER QUARTER 49 PARCELS	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
72	TEKİRDAĞ PROVINCE ÇERKEZKÖY DISTRICT KAPAKLI REGION 17 PARCELS	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
73	TEKİRDAĞ PROVINCE ÇORLU DISTRICT KAZIMIYE QUARTER 8 PARCELS	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
74	İSTANBUL PROVINCE SARIYER DISTRICT İSTİNYE REGION 6 PARCELS	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
75	İSTANBUL PROVINCE BAŞAKŞEHİR DISTRICT KAYABAŞI QUARTER 9 PARCELS	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
76	ANKARA PROVINCE ÇANKAYA DISTRICT MÜHYE QUARTER 2 PARCELS	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
77	ANKARA PROVINCE ÇANKAYA DISTRICT ÇAYYOLU QUARTER 1 PARCEL	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
78	ANKARA PROVINCE YENİMAHALLE DISTRICT İSTASYON QUARTER 1 PARCEL	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
79	İSTANBUL PROVINCE ATAŞEHİR DISTRICT K.BAKKALKÖY QUARTER 1 PARCEL	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
80	İSTANBUL PROVINCE MALTEPE DISTRICT KÜÇÜKYALI QUARTER 48 PARCELS	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
81	BURSA PROVINCE OSMANGAZİ DISTRICT DEMİRTAŞ QUARTER 4 PARCELS	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
82	BALIKESİR PROVINCE MERKEZ DISTRICT AKINCILAR QUARTER 2 PARCELS	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
83	ESKİŞEHİR PROVINCE ODUNPAZARI DISTRICT YILDIZTEPE QUARTER 1 PARCEL	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
84	İSTANBUL PROVINCE KARTAL DISTRICT YAKACIK QUARTER 1 PARCEL	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
85	İSTANBUL PROVINCE BAĞÇELİEVLER DISTRICT YENİBOSNA QUARTER 1 PARCEL	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
86	KOCAELİ PROVINCE DERİNCE DISTRICT ÇENEDAĞ QUARTER 1 PLOT OF LAND	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
87	İSTANBUL PROVINCE FATİH DISTRICT YEDİKULE QUARTER 1 PARCEL	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
88	İSTANBUL PROVINCE ZEYİNBURNU DISTRICT KAZLIÇEŞME QUARTER 2 PARCELS	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.
89	İSTANBUL PROVINCE BAŞAKŞEHİR DISTRICT ESENYURT HOŞDERE QUARTER 2 PARCELS (HOŞDERE 3RD STAGE)	Peritus Gayrimenkul Değ. ve Danışmanlık A.Ş.

APPENDIX - 9

**EMLAK KONUT REAL ESTATE INVESTMENT COMPANY
PROFIT DISTRIBUTION TABLE (TL) FOR THE YEAR 2014**

1.	Paid / Issued Capital		3.800.000.000,00
2.	Total Legal Yasal Contingency Reserve (According to Legal Records)		284.905.729,38
Information on conceiion, if any, regarding profit distribution as required by the articles of incorporaion			
		According to CMB	According to Legal Records
3.	Period Income	954.396.530,00	951.202.816,92
4.	Taxes to be paid (-)	0,00	0,00
5.	Net Period Income (=)	954.396.530,00	951.202.816,92
6.	Losses from Previous Years (-)	0,00	0,00
7.	Primary Legal Reserve (-)	47.560.140,85	47.560.140,85
8.	NET DISTRIBUTABLE PERIOD INCOME (=)	906.836.389,15	903.642.676,07
9.	Donations Made Throughout the Year (+)	10.000.000,00	
10.	Net DISTRITUBALE Period Income by adding Donations to be calculated for First Dividend	916.836.389,15	
11.	First Dividend Shareholders (*)	366.738.000,00	
	- Cash	366.738.000,00	
	- No-par		
	- Total	366.738.000,00	
12.	Dividends Distributed to Preference Shareholders		
13.	Dividends to Members (Divide)		
14.	Dividends Distributed to Dividend Shareholders		
15.	Second Dividend for Shareholders		
16.	Secondary Legal Reserve	17.673.800,00	
17.	Status Reserves		
18.	Special Reserves		
19.	EXCESS RESERVE	522.424.589,15	519.230.876,07
20.	Other Resources Estimated to be Distributes - Profit of previous year - Excess Reserves - Other Reserves distributable as Required by the Law and articles of Incorporation		

INFORMATION ON DISTRIBUTES PROFIT SHARE PERCENTAGES				
DIVIDEND INFORMATION PER SHARE				
	GROUP	TOTAL DIVIDEND AMOUNT (TL)	DIVIDEND CORRESPONDING TO SHARE WITH A NOMINAL VALUE OF 1 TL	
			TUTARI (TL)	ORAN (%)
GROSS	A	24.452.730,88	0,09651	9,65100
	B	342.285.269,12	0,09651	9,65100
	TOTAL	366.738.000,00		
NET	A	24.452.730,88	0,09651	9,65100
	B	342.285.269,12	0,09651	9,65100
	TOTAL	366.738.000,00		
RATIO OF AMOUNT OF PROFIT SHARE DISTRIBUTED TO THE NET DISTRIBUTABLE PERIOD INCOME INCLUDING DONATIONS (%)				
AMOUNT OF PROFIT SHARE DISTRIBUTED SHAREHOLDERS (TL)		RATIO OF AMOUNT OF PROFIT SHARE DISTRIBUTED TO SHAREHOLDERS TO THE NET DISTRUTABLE PERIOD INCOME INCLUDING DONATIONS (%)		
366.738.000,00		0,4000037568		