



EMLAK KONUT

REAL ESTATE INVESTMENT COMPANY

THE PARTICIPATION OF T.C. ENVIRONMENTAL AND URBANIZATION MINISTRY TOKI
(HOUSING DEVELOPMENT ADMINISTRATION)

EMLAK KONUT REIC 6 MONTH INTERIM ACTIVITY REPORT JUNE 2018



ARA DÖNEM FAALİYET RAPORU UYGUNLUĞU HAKKINDA SINIRLI DENETİM RAPORU

Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş. Yönetim Kurulu'na

Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.'nin ("Şirket") 30 Haziran 2018 tarihi itibarıyla hazırlanan ara dönem faaliyet raporunda yer alan finansal bilgilerin, sınırlı denetimden geçmiş ara dönem özet finansal tablolar ile tutarlı olup olmadığının sınırlı denetimini yapmakla görevlendirilmiş bulunuyoruz. Rapor konusu ara dönem Faaliyet Raporu Şirket yönetiminin sorumluluğundadır. Sınırlı denetim yapan kuruluş olarak üzerimize düşen sorumluluk, ara dönem faaliyet raporunda yer alan finansal bilgilerin, sınırlı denetimden geçmiş ve 9 Ağustos 2018 tarihli sınırlı denetim raporuna konu olan ara dönem özet finansal tablolar ve açıklayıcı notlar ile tutarlı olup olmadığına ilişkin ulaşılan sonucun açıklanmasıdır.

Sınırlı denetim, Sınırlı Bağımsız Denetim Standardı ("SBDS") 2410 "Ara Dönem Finansal Bilgilerin, İşletmenin Yıllık Finansal Tablolarının Bağımsız Denetimini Yürüten Denetçi Tarafından Sınırlı Bağımsız Denetimi'ne uygun olarak yürütülmüştür. Sınırlı denetimimiz, ara dönem faaliyet raporunda yer alan finansal bilgilerin sınırlı denetimden geçmiş ara dönem özet finansal tablolar ve açıklayıcı notlar ile tutarlı olup olmadığına ilişkin incelemeyi kapsamaktadır. Ara dönem finansal bilgilerin sınırlı denetiminin kapsamı; Bağımsız Denetim Standartları'na uygun olarak yapılan ve amacı finansal tablolar hakkında bir görüş bildirmek olan bağımsız denetimin kapsamına kıyasla önemli ölçüde dardır. Sonuç olarak ara dönem finansal bilgilerin sınırlı denetimi, denetim şirketinin, bir bağımsız denetimde belirlenebilecek tüm önemli hususlara vâkıf olabileceğine ilişkin bir güvence sağlamamaktadır. Bu sebeple, bir bağımsız denetim görüşü bildirmemekteyiz.

Sınırlı denetimimiz sonucunda, ilişikteki ara dönem faaliyet raporunda yer alan finansal bilgilerin sınırlı denetimden geçmiş ara dönem özet finansal tablolar ve açıklayıcı notlarda verilen bilgiler ile tüm önemli yönleriyle, tutarlı olmadığına dair herhangi bir hususa rastlanılmamıştır.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of DELOITTE TOUCHE TOHMATSU LIMITED

Okan ÖZ, SMMM
Sorumlu Denetçi

İstanbul, 9 Ağustos 2018

İstanbul, 10 Ağustos 2018 (faaliyet raporunun 48 ve 82. sayfalarındaki Nidapark Küçükyalı projesinin maliyeti düzeltilmiş haliyle)

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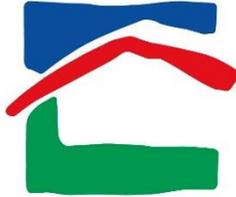
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EMLAK KONUT

REAL ESTATE INVESTMENT COMPANY

THE PARTICIPATION OF T.C. ENVIRONMENTAL AND URBANIZATION MINISTRY TOKİ
(HOUSING DEVELOPMENT ADMINISTRATION)

Planned and quality
modern urban life,

Peaceful and safe
warmth of a house,

Awareness of green
and environment.

Vision (Target)

Maintaining and enhancing its position in the domestic real estate industry by improving management approach and quality standards,

Becoming one of the world's top real estate investment trusts by improving its planned, quality, and environment-friendly city approach according to international criteria,

Increasing the number of residential and commercial units to 250,000 by the end of 2023.

Mission (Goal)

Following real estate developments and innovations closely as one of the leading organizations shaping the domestic industry,

Caring about the social value and customer satisfaction and producing planned, quality and environment-friendly establishment centers that offer peaceful and safe living places,

Caring about employees' and shareholders' material and spiritual satisfaction.



We set out on this journey 65 years ago to meet our citizens' housing needs. Today, we undertake Turkey's most prestigious projects. We are pleased to share that we pride ourselves on becoming the leading actor of the national economy.



THE POSITION OF EMLAK KONUT REIC

▶ 79th
REIC in
the
World

Global

Real Estate Investment Company		TOTAL ASSETS* (billion USD)
72	SUN COMMUNITIES INC	6.15
73	STORE CAPITAL CORP	6.13
74	CAMDEN PROPERTY TRUST	6.13
75	JBG SMITH PROPERTIES	6.06
76	KEPPEL REIT	5.81
77	CBL&ASSOCIATES PROPERTIES	5.70
78	COMINAR REAL ESTATE INV-TR U	5.62
▶ 79	EMLAK KONUT GYO A.Ş.	5.54
80	APPLE HOSPITALITY REIT INC	4.97
81	MACK-CALI REALTY CORP	4.82
82	COLE CREDIT PROPERTY TRUSTIV	4.70
83	ALSTRIA OFFICE REIT-AG	4.70
84	HIGHWOODS PROPERTIES INC	4.69
85	SELECT INCOME REIT	4.67
86	MAPLETREE COMMERCIAL TRUST	4.65

▶ 2nd REIC
in the
EMEA
Region

EMEA Region

Real Estate Investment Company		TOTAL ASSETS* (billion USD)
1	MERLIN PROPERTIES SOCIMI SA	14.8
▶ 2	EMLAK KONUT GYO A.Ş.	5.54
3	ALSTRIA OFFICE REIT-AG	4.70
4	COFINIMMO	4.56
5	WAREHOUSES DE PAUW SCA	3.58
6	HISPANIA ACTIVOS INMOBILIARI	3.48
7	BEFIMMO	3.35
8	IMMOBILIARE GRANDE DISTRIBUZ	2.81
9	TORUNLAR GYO	2.75
10	NBG PANGAEA REIC	2.14
11	LAR ESPANA REAL ESTATE SOCIM	1.94
12	HAMBORNER REIT AG	1.54
13	İŞ GYO	1.39
14	GRIVALIA PROPERTIES REIC	1.30
15	SİNPAŞ GYO	1.28

▶ Turkey's largest
REIC with total
assets of TRY
22.38 bn

Turkey

Real Estate Investment Company		TOTAL ASSETS* (billion USD)
▶ 1	EMLAK KONUT GYO A.Ş.	5.54
2	TORUNLAR GYO	2.75
3	İŞ GYO	1.39
4	SİNPAŞ GYO	1.28
5	AKİŞ GYO	1.08
6	ÖZAK GYO	0.63
7	HALK GYO	0.61
8	YEŞİL GYO	0.56
9	YENİ GİMAT GYO	0.51
10	AKFEN GYO	0.48
11	KİLER GYO	0.48
12	REYSAŞ GYO	0.47
13	NUROL GYO	0.46
14	VAKIF GYO	0.31
15	DÖĞÜŞ GYO	0.29
16	ALARKO GYO	0.24
17	PANORA GYO	0.23
18	SERVET GYO	0.20
19	EDİP GYO	0.16
20	ÖZDERİCİ GYO	0.14

2018 1st HALF ACTIVITY RESULTS

► Solid net profit results and balance land portfolio..

1st Half Figures

1.1 Billion TRY

2018 1H Net Profit

3.5 Billion TRY

Land Portfolio Value

2018 First Half Pre-Sales Figures

2.5 Billion TRY

2018 1H Pre-sales Revenue

2,593

Number of Units Sold

384 k sqm

Sold Area

370 Million TRY

Sold to Foreigners

2018 Completed Tender Results (ytd)

3 Tenders

Completed

1.74

Average Multiplier

2.06 Billion TRY

Total Min
Emlak Konut Share*

5 Billion TRY

Total Sales Revenue
from Tenders

* In Florya tender, Emlak REIC owns 71.43% of the Min. Company Share and 28.57% will belong to Galatasaray Sport Club Association.

SUMMARY TABLE OF SIGNIFICANT FIGURES

TOTAL ASSETS

22,379,314,000

Appraisal Value of
Land Stock

3,501,995,947

Appraisal Value of Buildings

1,616,801,630

Company Share of
Total Revenue for RSM Projects

14,555,520,578

Cost of Purchase + Progress
Payments (Turn- Key)

3,160,964,000

Cost of Land and
Residential Unit Inventories

14,199,700,000

Cost of Investment
Property

303,922,000

Liabilities

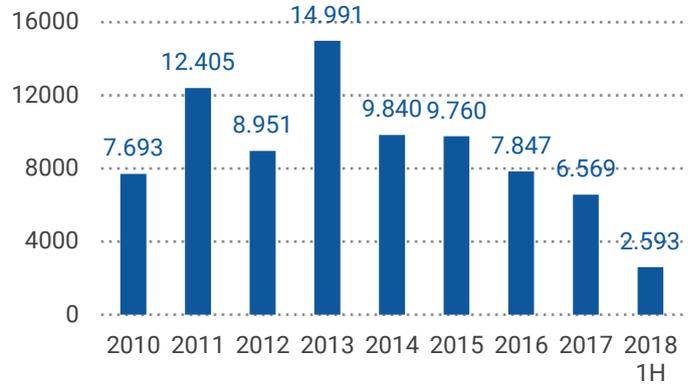
9,431,575,000

21,279,399,155

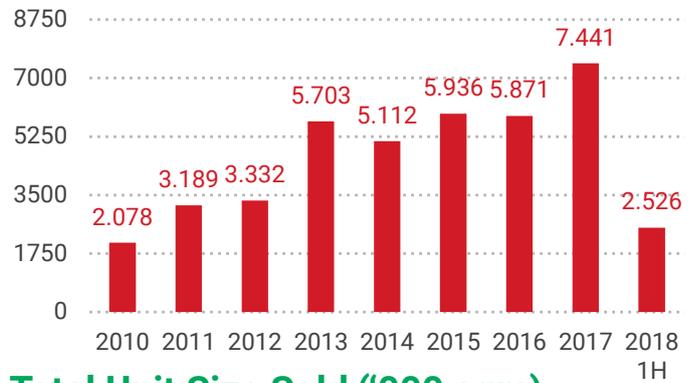
COMPANY SALES DATA

► We completed the period in line with our sales targets...

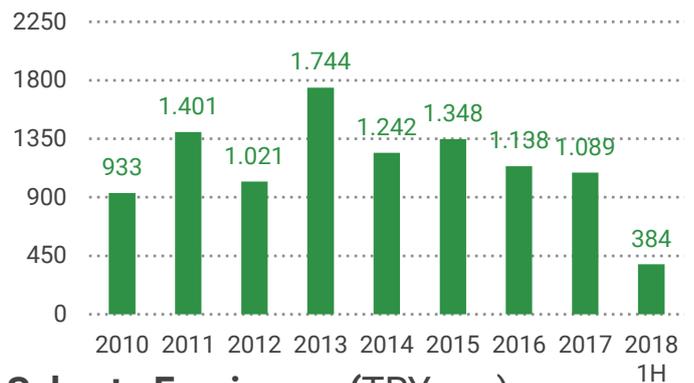
Unit Sales (Number)



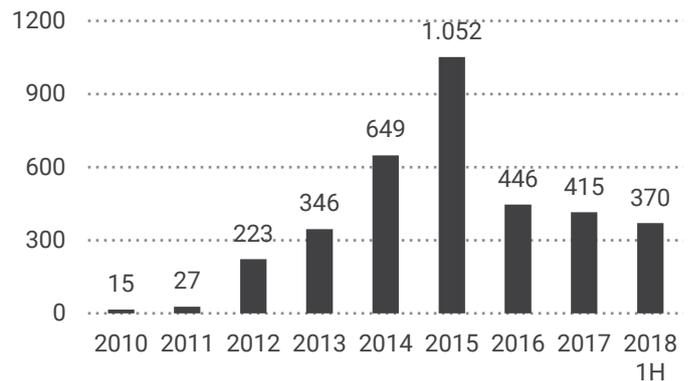
Total Value of Sales (TRY mn)



Total Unit Size Sold ('000 sqm)

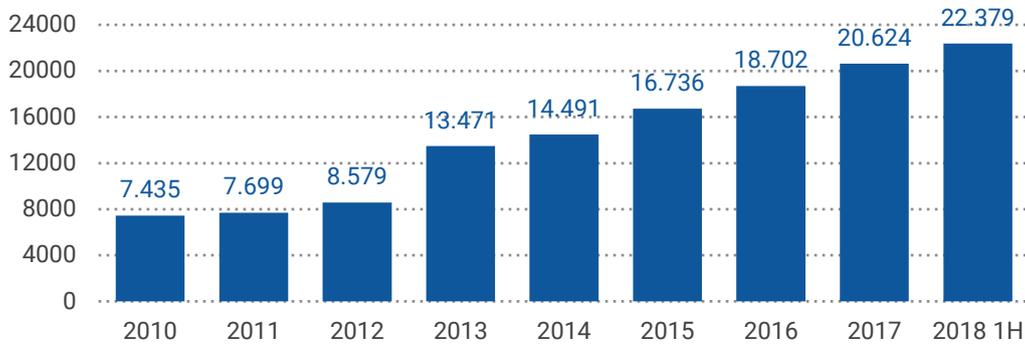


Sales to Foreigners (TRY mn)

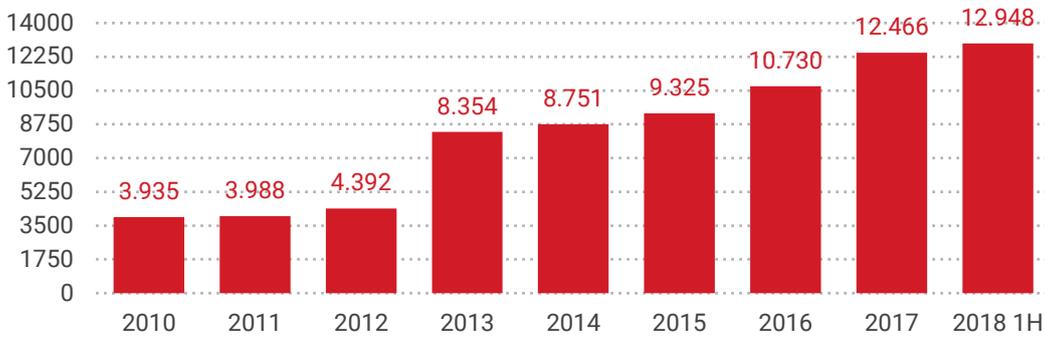


FINANCIAL TRACK RECORD

Total Assets (TRY mn)



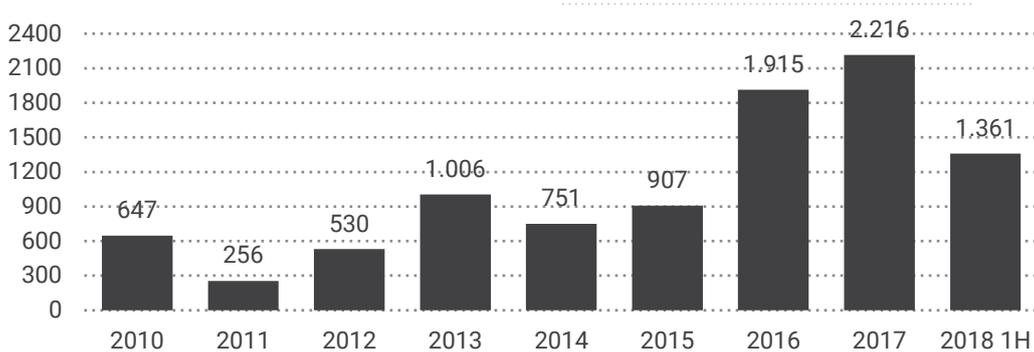
Equity (TRY mn)



Profit for Period (TRY mn)

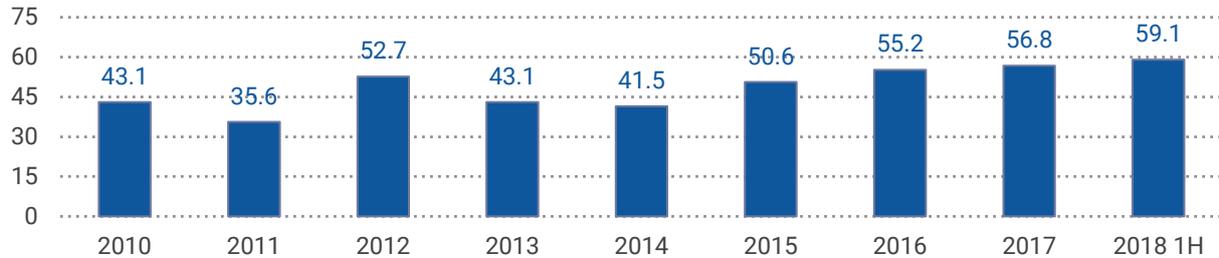


EBITDA for Period (TRY mn)



KEY FINANCIAL RESULTS

EBITDA Margin (%)



Key Financials (TRY mn)

	2010	2011	2012	2013	2014	2015	2016	2017	2018 1H
Net Sales	1.497,9	716,6	1.004,6	2.331,1	1.804,5	1.786,8	3.455,9	3.900,6	2,304.1
EBITDA ⁽¹⁾	646,5	255,6	530,4	1.005,8	750,8	907,4	1.914,6	2.215,9	1,360.9
EBITDA Margin (%) ⁽²⁾	43,2	35,7	52,8	43,1	41,6	50,8	55,4	56,8	59,1
Profit for Period	554,3	228,3	523,4	1.060,5	954,4	952,6	1.761,3	1.756,1	1,130.8
Total Assets	7.434,7	7.698,8	8.578,9	13.471,0	14.490,6	16.736,0	18.702,4	20.623,7	22,379.3
Shareholder's Equity	3.934,7	3.987,5	4.392,3	8.353,6	8.751,3	9.325,4	10.730,2	12.465,5	12,947.7
Dividend Per Share (TRY)	0.0702	0.0474	0.0800	0.1231	0.0965	0.0968	0.0000	0.1755	-
Return on Equity (%)	0.14	0.06	0.12	0.13	0.11	0.10	0.16	0.14	0.09
Cash Flow	1,538.6	470	1,171.1	4,298	1,453.4	759	956	385	913

1: EBITDA: Profit Before Income Tax -Financial Expenses +Financial Income -Income From Investing Activities -Amortizations.

2: EBITDA Margin: Margin calculated as EBITDA /Net sales.

Receivables ('000 TRY)*

	Trade Receivables	Off-balance sheet deferred revenue	TOTAL
1 Year	638,471	537,795	1,176,266
2 Year	433,973	419,218	853,191
3 Year	286,252	421,168	707,420
4 Year	297,498	363,788	661,286
5 Year and Above	637,712	1,652,769	2,290,481
TOTAL	2,293,906	3,394,738	5,688,644

* Please see Independent Audit's Report for details Note.12, pp. 30

FINANCIAL RATIOS

Liquidity Ratios

Current Ratio
2.915

Cash Ratio
0.231

Acid-Test Ratio
0.895

Financial Structure Ratios

Financial Leverage Ratio
0.421

Financial Leverage Ratio
0.728

Shareholder's Equity/Total Assets
0.579

Self-Financing Ratio
1.373

Operating Ratios

Assets Turnover Ratio
0.103

Shareholder's Equity Turnover Ratio
0.178

Net Working Capital Turnover Ratio
0.171

Profitability Ratios

Return on Equity
0.087

Return on Assets
0.051

Net Profit Margin
0.491

Gross Profit Margin
0.552

Operating Profit Margin
0.590

MESSAGE FROM CEO



Today, Emlak Konut REIC holds assets of 22.38 billion TRY, as a leading Company that guides the Turkish housing industry. We will continue our innovative and pioneering efforts, together with all our colleagues, to take both our Company and the housing industry to a better future.

To Our Esteemed Investors, Business Partners and Employees;

Having successfully served as the General Manager of Emlak Konut REIC since 2009, Murat Kurum has been appointed as the Minister of Environment and Urban Planning of our nation in the incoming cabinet under the new presidential system introduced by our President. As the Emlak Konut family, we wish that this assignment will lead to further accomplishments for Turkey, our industry and our Company. Mr. Minister's former roles in Emlak Konut and TOKİ for many years offers a huge advantage for the real estate industry's development and quick resolution of the relevant issues.

Following Mr. Kurum's appointment, I was asked to serve as the General Manager of Emlak Konut REIC. Previously, I held the role of Deputy General Manager responsible for Technical Affairs after serving in various positions within the Company since 2006. Throughout my tenure, I have had an opportunity to witness the tremendous progress that Emlak Konut REIC has achieved. Today, Emlak Konut REIC holds assets of 22.38 billion TRY, as a leading Company that guides the Turkish housing industry. We will continue our innovative and pioneering efforts, together with all our colleagues, to take both our Company and the housing industry to a better future.

I believe that an assessment of the first half of 2018 will demonstrate that we completed the period in line with our targets and with results that strongly suggest an optimistic outlook.

In the first half of 2018, we concluded tender processes for three revenue-sharing projects, of which the total appraisal value stood at 1.1 billion TRY. These comprised Florya Land, a project jointly developed with the Galatasaray Sports Club Association, as well as highly valuable land in Teşvikiye, Şişli. The third project involves land in Taşdelen, Çekmeköy. The total revenues from these tenders stood at 5.12 billion TRY, with Emlak Konut REIC's minimum share at approximately 1.9 billion TRY. We expect our sales to be positively influenced in the last quarter of the year with the quick implementation of these projects. In addition, we continue efforts directed towards tenders taking place in the second half of 2018.

During the first half of the year, our Company sold units in project developments with a total value of 2.52 billion TRY (excluding VAT). We also saw a significant increase in housing sales to foreign nationals; these reached 15 percent of our total sales. Foreign nationals' demand for housing has risen across the country in 2018. We will also endeavor to increase our share by implementing a more active sales policy to foreigners. We achieved 95 percent of our sales value targets while exceeding the saleable area target, if we compare these figures to sales value and sales area targets of 2.65 billion TRY and 336,000 square meters, respectively, for the first half of the year. These indicators reveal that we have taken decisive steps to achieve our profitability targets by the end of 2018. Accordingly, our financial results reveal that we generated a profit of 1.1 million TRY from completed projects in the first half of 2018. We also held our 2017 General Assembly in the second quarter, distributing 667 million TRY of last year's profit to our investors.

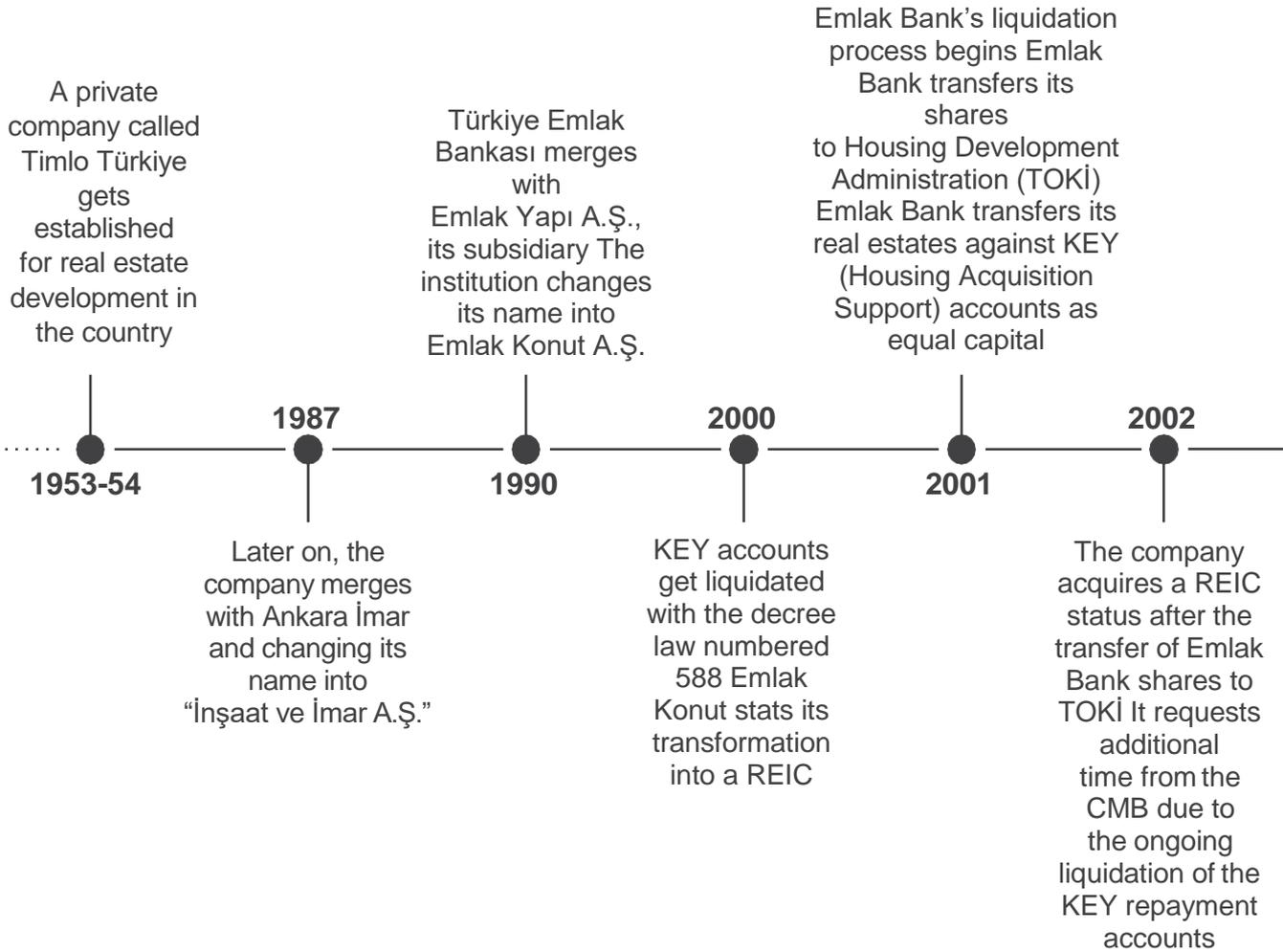
Additionally, I would like to share the important news that, regarding this period, we will undertake a joint project under a protocol signed with Türk Hava Yolları Havaalanı Gayrimenkul Yatırım ve İşletme A.Ş. According to this protocol, we sold 50 percent of a 3.64 million-square-meter land parcel in Istanbul's Arnavutköy district valued at 312.5 million TRY+ VAT. The net profit from the projects, which will be jointly developed in stages, will be shared equally between the parties. This is an eco-friendly project that will be constructed along a low-rise and horizontal profile that corresponds with the surrounding environmental aesthetics. It is expected to provide a contribution to the development of that region.

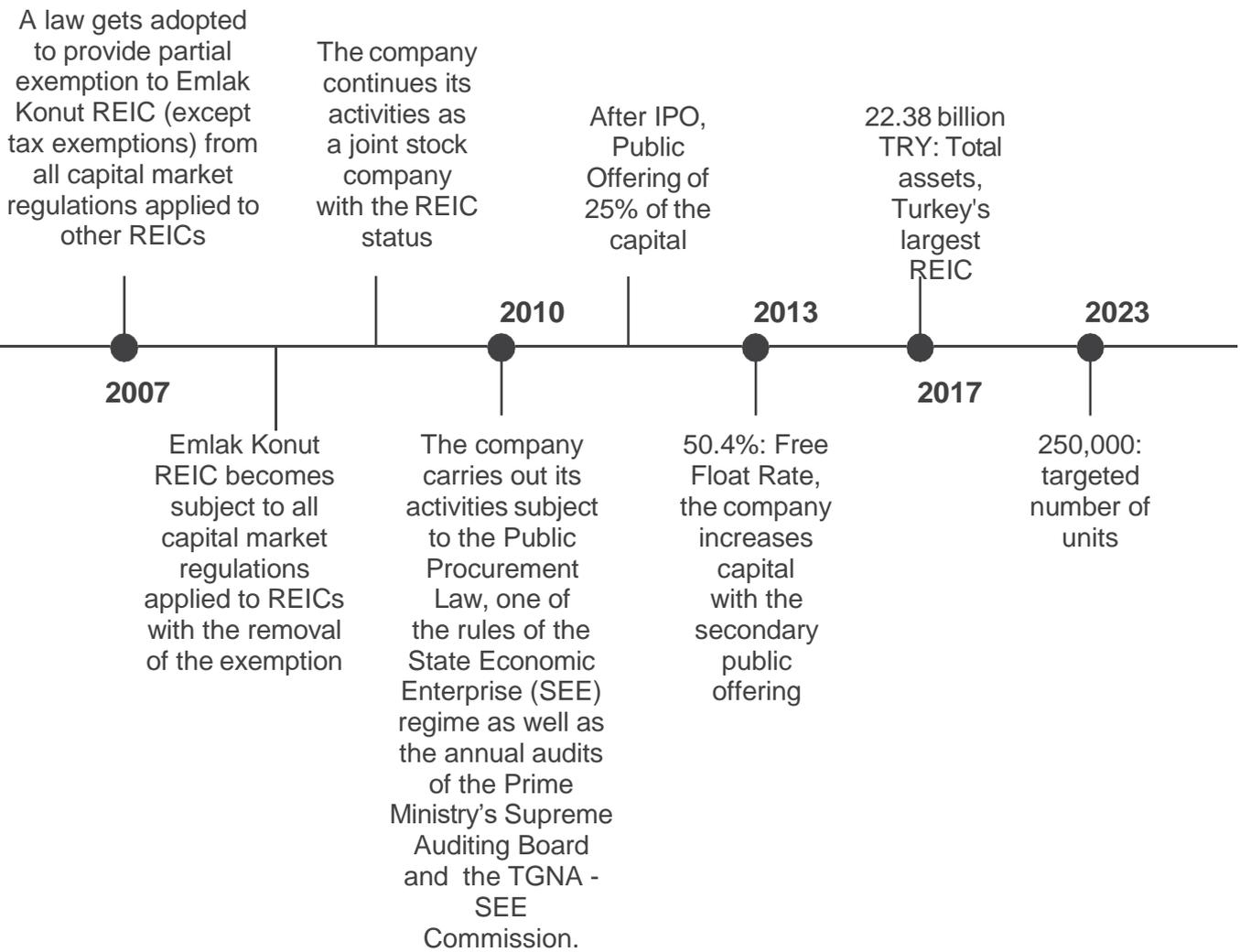
In closing, I am making this commitment to you as Emlak Konut REIC's new General Manager: We will continue to work with all our power to achieve even greater objectives by accelerating our efforts with Turkey's new bureaucratic system and new minister. Emlak Konut REIC will continue to be a leading company in the housing industry and to contribute to our nation. I would like to express my deep gratitude to all our employees, stakeholders and especially Murat Kurum, our Minister of Environment and Urban Planning, who put in a great deal of effort that brought our Company to its current point.

Sincerely,

Hakan GEDİKLİ

EMLAK KONUT REIC MILESTONES





EMLAK KONUT WITH NUMBERS

▶ The leading developer company in Turkey..

Total Sales Revenue in Revenue Sharing Model

80 Billion TRY

▶ Strategic partnership with TOKİ..

Turnkey Model Agreement Value

5.8 Billion TRY

▶ The pre-sales ratio of the Project to be completed in 2018 is 86%..

Successfully driving or delivered since 2003

94 Revenue Sharing Projects

Successfully driving or delivered since 2003

44 Turn Key Model Projects

Total Profit Target in 4 Years

7.22 Billion TRY

Strong launch to sales ratio

86% in 2018

38% in 2019

Completed and Tendered Units

132 k Units

2018 TENDER SCHEDULE AND PRE-SALES TARGETS

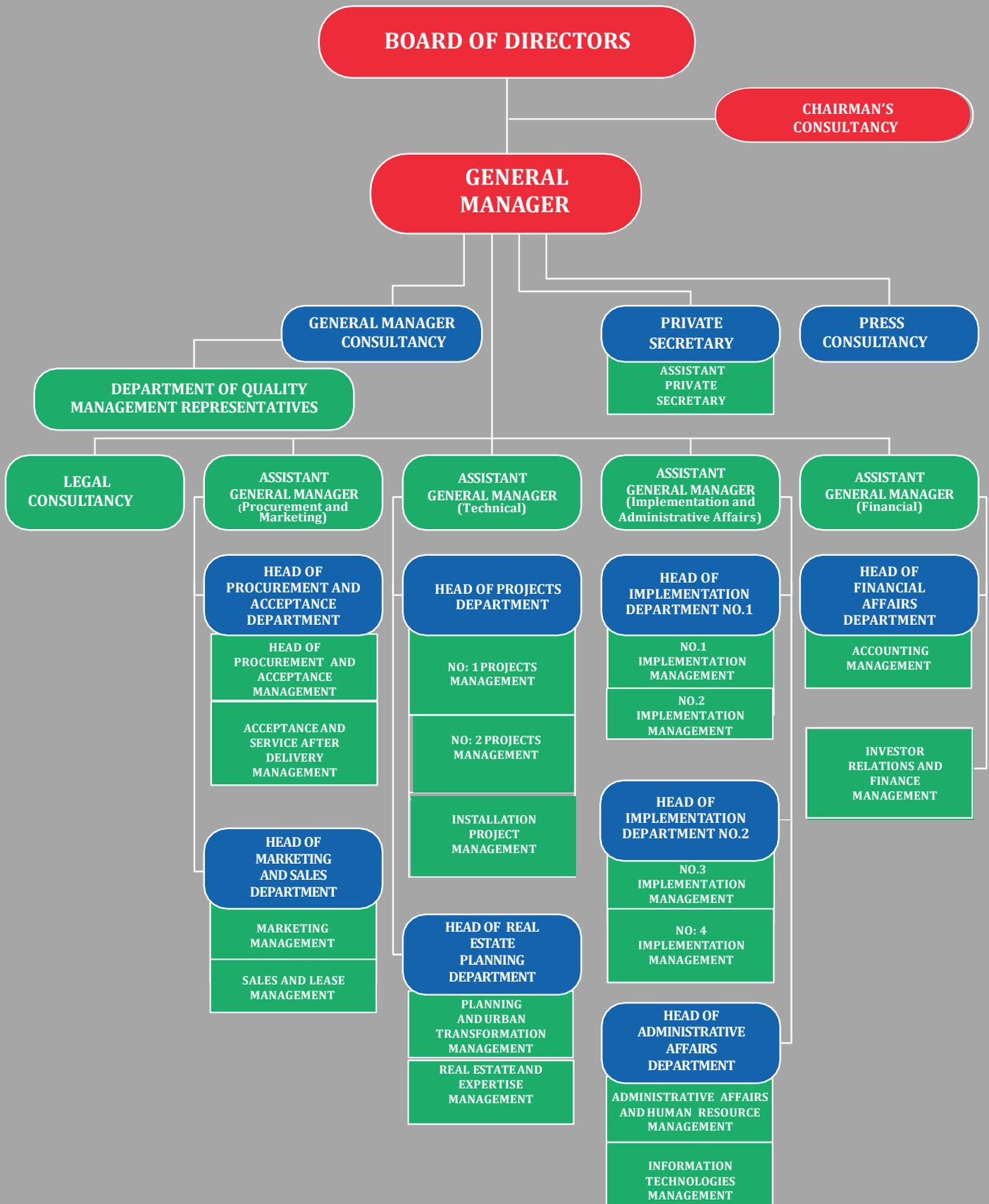
2018 Tender Schedule

Project	Appraisal	Min.Company	Total Sales
Revenue Sharing Model			
1. İstanbul Şişli Teşvikiye	455,121,540	705,500,000	1,763,750,000
2. İstanbul Bakırköy Şevketiye	422,925,600	-	-
3. İstanbul Çekmeköy Taşdelen	247,830,000	355,552,000	1,111,100,000
4. İstanbul Küçükçekmece Bizim Mahalle 1 st and 3 rd Stage	514,036,001	-	-
5. İstanbul Florya	383,554,450	832,500,000	2,250,000,000
6. Ankara Çankaya Saraçoğlu	0	-	-
7. Hoşdere Mass Housing Area 2nd Stage	109,528,318	-	-
Total	2,132,995,909	1,893,552,000	5,124,850,000
Turn Key Model			
1. Samsun Canik			194,264,873

2018 Sales Target

FIRST QUARTER	Sales Value 1.14 Billion TRY	Gross Saleable Area 144 k
SECOND QUARTER	Sales Value 1.51 Billion TRY	Gross Saleable Area 192 k
THIRD QUARTER	Sales Value 1.43 Billion TRY	Gross Saleable Area 178 k
FOURTH QUARTER	Sales Value 3.16 Billion TRY	Gross Saleable Area 315 k
TOTAL PRE-SALES TARGET	Sales Value 7.3 Billion TRY	Gross Saleable Area 830 k sqm
2018 Profit Target	Net Profit Target 1.8 Billion TRY	

ORGANIZATION CHART



ACCESS TO INSIDER INFORMATION

BOARD OF DIRECTORS		
NAME	PROFESSION	POSITION
Ertan Keleş	Civil Engineer	Chairman
Mehmet Özçelik	Civil Engineer	Vice Chairman
Hakan Gedikli	Survey Engineer	Member and CEO
Sami Er	Mechanical Engineer (MSc.)	Member
Muhterem İnce	Public Administration	Member
Havvanur Yurtsever	Lawyer	Member

SENIOR MANAGEMENT		
NAME	PROFESSION	POSITION
Hakan Gedikli	Survey Engineer	General Manager, Board Member
Sinan Ayoğlu	Civil Engineer	Assistant General Manager
Hakan Akbulut	Public Administration	Assistant General Manager
Metin Tekin	Civil Engineer	Assistant General Manager
Hicran Çakmak	Architect	Assistant General Manager
Nurettin Şam	Lawyer	First Legal Advisor
Zeynep Basa	Economics	Head of Marketing and Sales Department
Hasan Saka	Civil Engineer MSc.	Head of Procurement and Acceptance Department
Mustafa Aşıkcutlu	Civil Engineer MSc.	Head of Real Estate Planning Department
Ercan Alioğlu	Business Administration	Head of Accounting Department
Mecit Altınır	Civil Engineer MSc.	Acting Head of Implementation Department No.1
Yasir Yılmaz	Civil Engineer	Acting Head of Implementation Department No.2
Halil İbrahim Şahin	Economics	Head of Administrative Affairs Department
İlyas Fehim Çelik	Architect	Acting Head of Projects
Halim Ataş	Business Administration	Private Secretary
Emriye Fundağül Şengöçgel	Civil Engineer	Acting Project Manager No.1
Yaşar Altun	Civil Engineer	Project Manager No.2
İbrahim Oflaz	Mechanical Engineer MSc.	Installation Project Manager
Hakan Bakırdal	Survey and Civil Engineer	Real Estate and Appraisal Manager
Ömer Yiğit	Civil Engineer	Act. Acceptance and Service After Delivery Manager
Hakan İçin	City and Regional Planner	Act. Planning and Urban Transformation Manager
Mehmet Akif Aydoğan	Public Administration	Marketing Manager
Enver Turan	Civil Engineer MSc.	Implementation Manager No.1
Süleyman Aşıkcutlu	Civil Engineer MSc.	Acting Implementation Manager No.2
Alim Kaplaner	Civil Engineer MSc.	Implementation Manager No.3
Mehmet Buğra Elkıran	Civil Engineer MSc. / Business Adm.	Acting Implementation Manager No.4
Adem Hacıhasanoğlu	Forest Engineer	Procurement and Progress Payments Manager
Salih Çetin	Business Administration	Accounting Manager
Ali Haydar Yıldırım	Business Administration	Administrative Affairs, Human Resources Manager
Serdar Bala	Physics	Information Technology Manager
Tuğba Türkmenoğlu	Economics	Acting Investor Relations and Finance Manager
Mustafa Buğa	Business and Finance	Investor Relations Manager
Fatih İbiş	Public Relations and Press	Press Advisor
İsmet Kubilay	Lawyer	Legal Advisor
Eyyüp Ocak	Lawyer	Legal Advisor
Rasim Faruk Kadioğlu	Civil Technican	Consultant to the General Manager

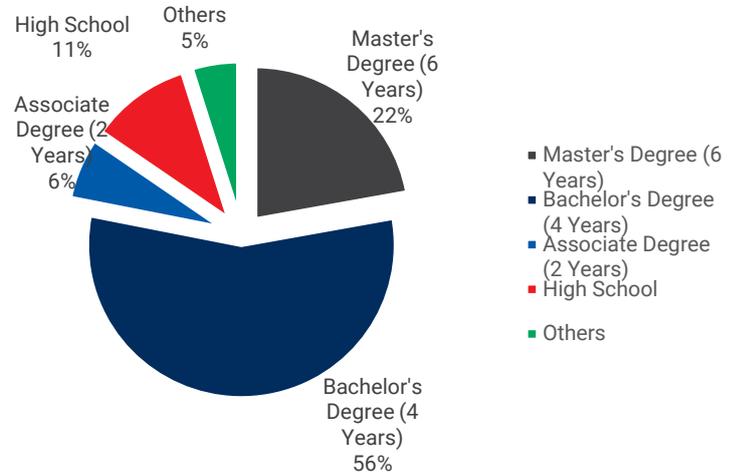
HUMAN RESOURCES

▶ An effective and efficient human resources policy with young human resources...

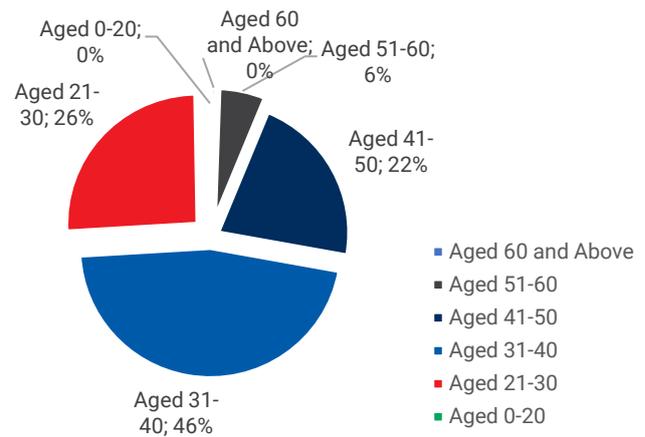
▶ Our Company believes in the power of human capital and attaches particular importance to professional and specialist training for its personnel...

▶ Our Company adopts a human resources policy that aspires to create values in alignment with our corporate vision and mission...

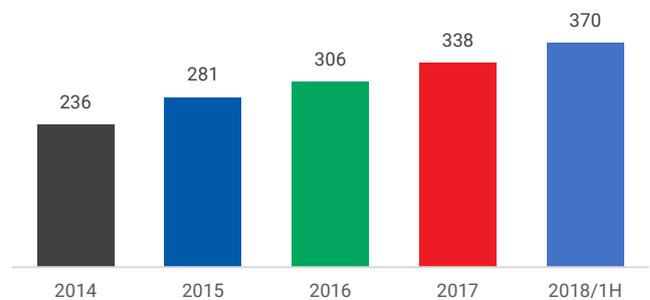
Personnel Education Status (30/06/2018)



Personnel Age Range (30/06/2018)



Number of Employees



OTHER DEVELOPMENTS

Significant Developments in the Period Ahead

1. According to the Article 31 of the Capital Markets Law and Article 7 of the Company's Articles of Association related "Borrowing Limit and Issuance of Securities";
 - It has been decided to sign a contract between our Company and Halk Varlık Kiralama Anonim Şirketi (Halk VKŞ) for the issuance of lease certificate/certificates in which our Company will be in a position as "Fund User",
 - In the context of Article 10, sub-article 3 of Capital Markets Board's Lease Certificate Communique (III-61.1) dated 07.06.2013; within the scope of the planned lease certificate issuance program, Halk VKŞ is authorized as "Issuer Asset Leasing Company",
 - Halk Yatırım Menkul Değerler A.Ş. is authorized as financial consultant and bookrunner in the process of issuing the lease certificates up to 2 billion TL nominal value, to be sold in the domestic market and at different maturities, with Turkish Lira currency, without public offering, with private placement and/or qualified investors, based on the related lease certificates types and agreements on Communique, in one year starting from the approval of the issuance document by CMB in which the issuer will be defined as Halk VKŞ,
 - the authorization given to the General Directorate for signing of contracts, establishment of all necessary procedures within the scope of the issuance to be realizeddecided by unanimous vote

The amount of 2 billion TL above is the total limit, it is planned to issue lease according to the requirements.

2. The application to CMB for the approval of the issuance document concerning the lease certificates planned to be issued in the domestic market up to 2.000.000.000.-TL (twobillion Turkish Lira), without public offering, with private placement and/or qualified investors was made on 24.07.2018, which Our Company will be in a position as "Fund User" and Halk Varlık Kiralama Anonim Şirketi (Halk VKŞ) as "Issuer".

3. According to the decisions of the Board of Directors; Mr.Ertan KELEŞ has elected as the Chairman and Mr. Mehmet ÖZÇELİK has elected as the Vice Chairman.
4. Since the chairman of our company Mr. Ertan Yetim is appointed as the Board Member of İller Bankası A.Ş., he stepped aside as of today from his duties in our Company.
5. According to the today's decisions of the Board of Directors; Mr.Hakan Gedikli, who was Deputy General Manager (responsible for Technical Affairs) has been assigned as the General Manager of the Company because of the resignation of Mr.Murat Kurum, Mr.Hakan Gedikli was also assigned as the Board Member, according to the article 315 and sub-article 1 of TCC, until the submission to the approval of the first General assembly because of the resignation of Mr.Murat Kurum from the Board of Directors.
6. Since the Board Member and General Manager Mr. Murat Kurum is appointed The Minister of Environment and Urbanization, according to his letter of resignation dated 09.07.2018, he stepped aside from his duties in our Company.

Consultancy, Audit and Appraisal Enterprises Offering Services

Independent Audit Firm

DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of DELOITTE TOUCHE TOHMATSU LIMITED)

Appraisal Companies

"Yetkin Gayrimenkul Değerleme A.Ş." and "Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş."

Certified Public Accountant

Sırdaş Denetim ve Yönetim Danışmanlığı Yeminli Mali Müşavirlik A.Ş.

Press and PR Company

Native Reklam ve Medya İletişim Hizmetleri Ticaret A.Ş.

Corporate Resource Management System Software Consultancy Company

SAP Turkey Solution Partner(Detay Danışmanlık Bilgisayar Hizmetleri Sanayi Dış Ticaret A.Ş.)

EMLAK KONUT REIC SCOPE OF BUSINESS

Founded in 1953, Emlak Konut REIC one of Turkey's oldest enterprises whose main field of expertise is residential production.

Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş. was established under the title Emlak Konut A.Ş. as a subsidiary of Türkiye Emlak Bankası A.Ş. and started its operations after its registration and announcement on March 6, 1991. The company's Articles of Association was amended in 2001. Our Company was transformed into a Real Estate Investment Company with the the amendment bill for the Articles of Association and it was submitted to the General Assembly for its approval. The amendment bill was adopted by the Extraordinary General Assembly on July, 22, 2002.

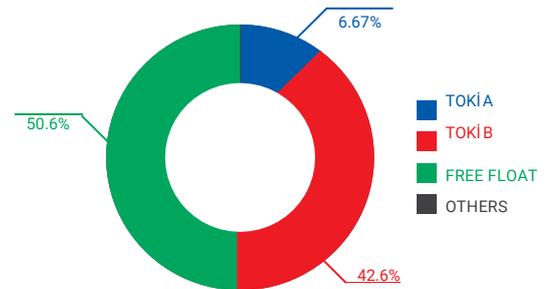
The Articles of Association was registered at İstanbul Trade Registry Office on July 29, 2002, and entered into force after their publication in the Trade Registry Gazette on August 1, 2002. (Our Company's Trade Registration No. is 273488-221070, Central Registration System (MERSİS) No. is 5669-3333-4423- 6524). The Company's name was changed from Emlak Gayrimenkul Yatırım Ortaklığı A.Ş. to Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş. following the General Assembly on February 28, 2006. No time limit was set on the legal entity of the Company. This value, which has been obtained in years and through many projects, was transformed to Real Estate Company in 2002 and has been continuing its operations since then.

Our activities include purchasing land in Turkey, developing real estate for the middle and upper-middle class, and marketing and selling real estate.

Our Company considers producing value for our country as one of the most important aspects. Emlak Konut REIC conducted its initial public offering in 2010 and secondary public offering in 2013 to sustain its rapid growth. These public offerings achieved a significant success by attracting record individual investor demand and turning out to be 5th biggest public offering in the history of Republic. Taking place in November 2013, the secondary public offering oversubscribed 2.3 times. It attracted over 100 international investors from 20 countries becoming the biggest public offering in the form of raising capital in Central and Eastern Europe, the Middle East and Africa.

Emlak Konut REIC., whose main shareholder is TOKİ, is the biggest real estate investment company in Turkey in terms of market value, real estate portfolio and land inventory. Our 3,800,000,000 TL paid capital and 4,000,000,000 TL registered capital demonstrate the Company's leading role in the sector.

- Emlak Konut REIC's goal and area of activity:
- developing real estate projects majority of them consisting of residential, as well as commercial units, education units, social
- facilities, infrastructure, highways, and all kinds of landscapes;
- supervision of construction in developed projects;
- marketing and sales of completed units.



Capital and Partnership Structure

	GROUP	TYPE	SHARE AMOUNT	NUMBER OF SHARES	%
TOKİ	A	Registered (Privileged)	253,369,919.00	25,336,991,900	6.67
TOKİ	B	Bearer	1,621,460,838.35	162,146,083,835	42.67
Free Float	B	Bearer	1,925,170,333.57	192,517,033,357	50.6
Others	B	Bearer	48,383.77	4,838,377	<1
		Total	3,800,000,000.00	380,000,000,000	100

BUSINESS MODELS

Emlak Konut REIC applies two different business models effectively to achieve its administrative goals and strategies. The first business model is “Revenue Sharing Model (RSM)”, and second is Turn-Key Model.

- One of the most important values of Emlak Konut REIC is the models it executes and develops.
- Emlak Konut REIC procures lands for project development majorly from TOKİ, and partially from third parties.
- By virtue of the construction and real estate sector accounting, sales and costs are added to the income statement only when it is confirmed that the project has been completed by Emlak Konut REIC.
- Our Company has a conscientiously developed 65-year brand value. It proves effective in the relevant models contributing positively to the construction, marketing and sales stages.

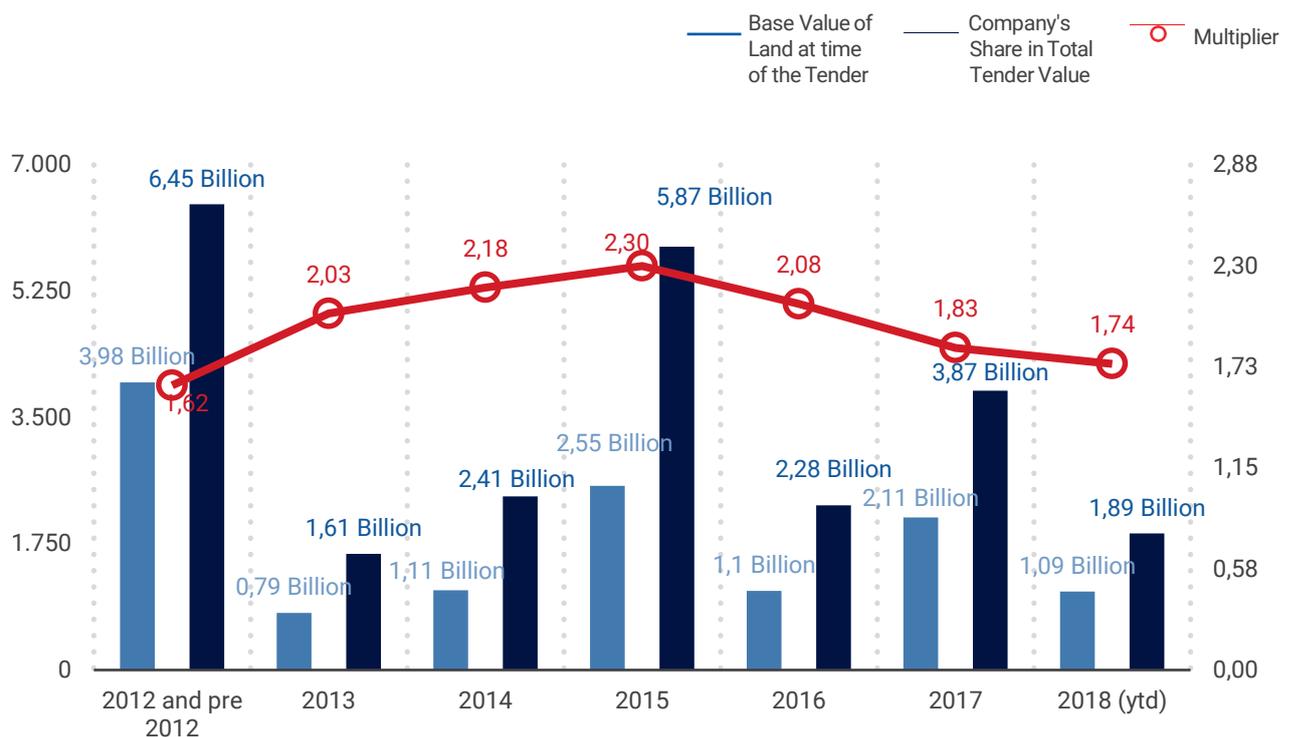
Revenue Sharing Model

This is the primary income creation model of the Company. This is an original model used especially for projects intended for the upper- middle and upper income groups and provides profitability and fund flow for the Company. When it is deemed necessary, our Company purchase units in revenue sharing model- based projects throughout or after the completion of a project or may share such units with the contractor at the end of a project. Company Share in Total Revenue” given in the charts is the amount that contractors committed to pay to our company in tenders or after with protocols; Emlak Konut’s share of the bank commissions that have been paid to decrease the interest rate for mortgage loans in unit sales will be added to related project cost along with the completion.

Turn- Key Model Projects

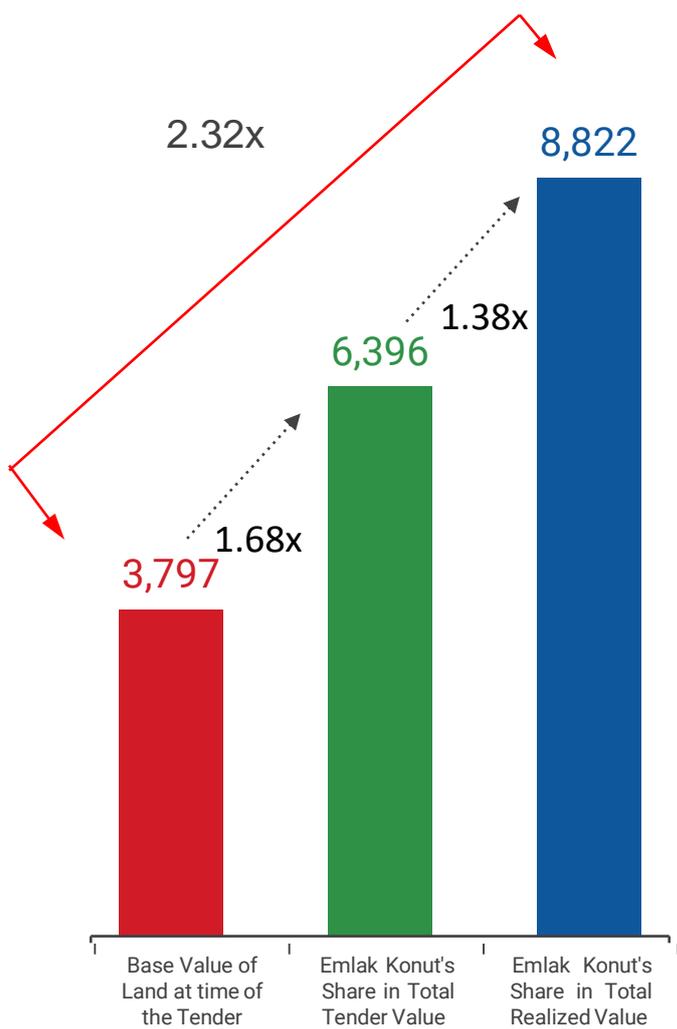
The contractor is selected via a tender process pursuant to some criterias among the most appropriate and the lowest bid. Emlak Konut assumes all risks and responsibilities for the project development. All income earned from the sales of the units belong to Emlak Konut.

The Progress of Multiplier for Revenue Sharing Model Projects (2003 - 2018) ytd



MULTIPLIER FOR REVENUE SHARING MODEL

► Multiplier for Completed Projects is 2.32...

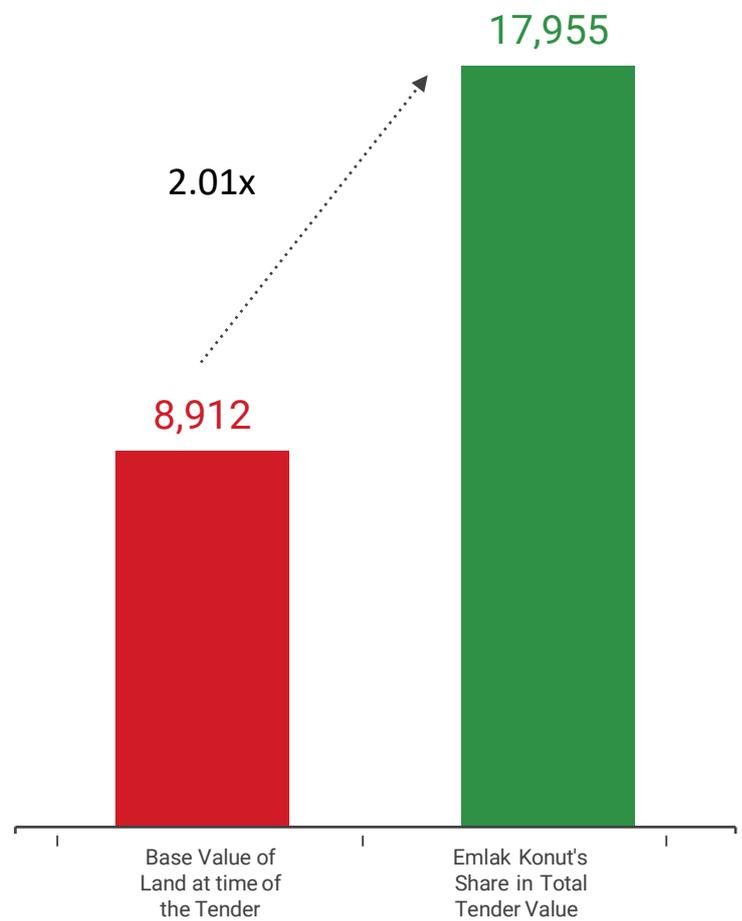


■ Base Value of Land at time of the Tender
■ Emlak Konut's Share in Total Tender Value
■ Emlak Konut's Share in Total Realized Value

Completed Projects

- The figures are in billion TRY. Please note that, the past performance is not necessarily an indicator of future performance.

► Emlak Konut REIC expects to maintain high multiplier on ongoing projects...



■ Base Value of Land at time of the Tender
■ Emlak Konut's Share in Total Tender Value

Ongoing Projects

- The figures are in billion TRY. Please note that, the past performance is not necessarily an indicator of future performance.

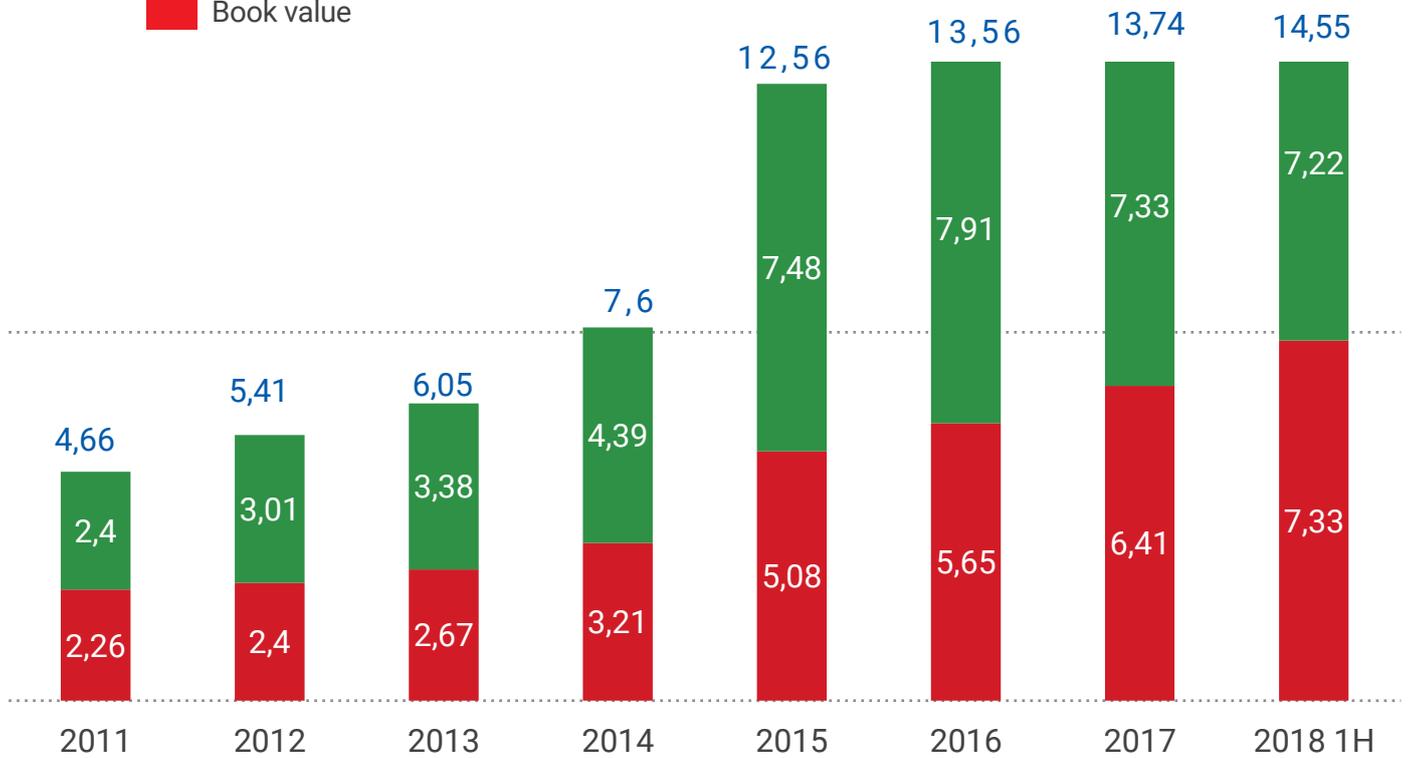
PROGRESS OF GUARANTEED PROFIT IN RSM PROJECTS (BILLION TRY)

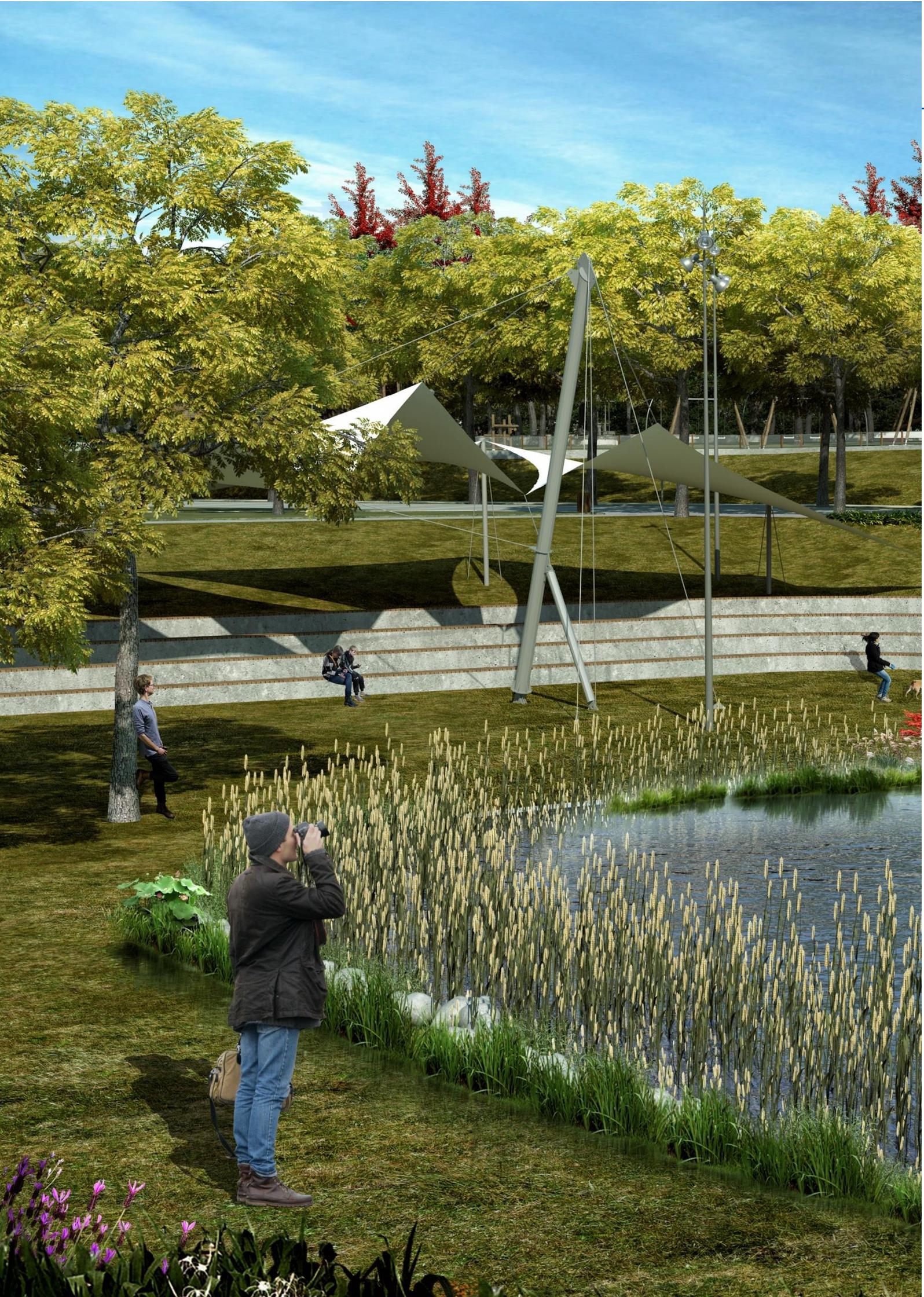
► Strong earnings visibility ahead from RSM projects...

Emlak REIC expects to recognize 7.22 Billion TRY of profit over the next 5 years.

Emlak REIC Min. Guaranteed Revenue recognition depends on completion of construction. Abovementioned values will be recognized when we complete our projects.

■ Guaranteed Minimum Profit
■ Book value







ONGOING REVENUE SHARING MODEL PROJECTS

MASLAK 1453

CONTRACTOR
AKDENİZ

EXP. COMPLETION DATE
02.06.2018

LAND AREA
241,905 sqm

NUMBER OF UNITS
5,258

Estimated Total Sales Revenue
3,250,000,000 TRY

Company Revenue Share Ratio
35.50%

Min. Company Share in Total
Revenue
1,153,750,000 TRY

Progress Level
94.48%



EVVEL İSTANBUL/ADIM İSTANBUL

CONTRACTOR
İNTAYA & İNTES & EYG

EXP. COMPLETION DATE
31.07.2018

LAND AREA
94,637 sqm

NUMBER OF UNITS
1,423

Estimated Total Sales Revenue
726,000,000 TRY

Revenue Share Ratio
26.00%

Min. Company Share in Total
Revenue
188,760,000 TRY

Progress Level
88.85%



ONGOING REVENUE SHARING MODEL PROJECTS

AVRUPARK



CONTRACTOR	CİHAN & KONUT YAPI
EXP. COMPLETION DATE	25.09.2018
LAND AREA	106,834 sqm
NUMBER OF UNITS	1,480
Estimated total Sales Revenue	602,000,000 TRY
Company Revenue Share Ratio	26.00%
Min. Company Share in Total Revenue	156,520,000 TRY
Progress Level	79.31%

NİDAPARK KAYASEHİR



CONTRACTOR	TAHİNCIOĞLU KAYABAŞI JOINT VENTURE
EXP. COMPLETION DATE	20.10.2018
LAND AREA	103,277 sqm
NUMBER OF UNITS	1,139
Estimated total Sales Revenue	1,072,600,000 TRY
Company Revenue Share Ratio	38.00%
Min. Company Share in Total Revenue	407,588,000 TRY
Progress Level	61.21%

ONGOING REVENUE SHARING MODEL PROJECTS

OFİS KARAT BAKIRKÖY

CONTRACTOR

BAŞYAPI & GÜNEY &
ELİT VİZYON

EXP. COMPLETION DATE

12.03.2019

LAND AREA

5,250 sqm

NUMBER OF UNITS

90

Estimated Total Sales Revenue
200,000,000 TRY

Revenue Share Ratio
31.00%

Min. Company Share in Total
Revenue
62,000,000 TRY

Progress Level
33.92%



KARAT 34

CONTRACTOR

KELİF JOINT VENTURE

COMPLETION DATE

16.09.2018

LAND AREA

36,175 sqm

NUMBER OF UNITS

592

Estimated Total Sales Revenue
440,000,000 TRY

Revenue Share Ratio
39.00%

Min. Company Share in Total
Revenue
171,600,000 TRY

Progress Level
61.55%



ONGOING REVENUE SHARING MODEL PROJECTS

KOORDİNAT CAYYOLU



CONTRACTOR	YP İNŞAAT
EXP. COMPLETION DATE	10.05.2019
LAND AREA	38,152 sqm
NUMBER OF UNITS	432
Estimated total Sales Revenue	545,454,545 TRY
Company Revenue Share Ratio	33.00%
Min. Company Share in Total Revenue	180,000,000 TRY
Progress Level	46.26%

TUAL BAHCEKENT



CONTRACTOR	DAĞ
EXP. COMPLETION DATE	14.05.2019
LAND AREA	189,901 sqm
NUMBER OF UNITS	1,925
Estimated total Sales Revenue	1,090,000,000 TRY
Company Revenue Share Ratio	25.26%
Min. Company Share in Total Revenue	275,334,000 TRY
Progress Level	39.97%

ONGOING REVENUE SHARING MODEL PROJECTS

İSTMARİNA

CONTRACTOR
DAP-ELTES

EXP. COMPLETION DATE
30.05.2018

LAND AREA
64,502 sqm

NUMBER OF UNITS
1,851

Estimated Total Sales Revenue
1,335,000,000 TRY

Revenue Share Ratio
40.00%

Min. Company Share in Total
Revenue
534,000,000 TRY

Progress Level
94.40%



TUAL ADALAR

CONTRACTOR
DAĞ

EXP. COMPLETION DATE
11.03.2019

LAND AREA
47,565 sqm

NUMBER OF UNITS
542

Estimated Total Sales Revenue
420,000,000 TRY

Revenue Share Ratio
29.50%

Min. Company Share in Total
Revenue
123,900,000 TRY

Progress Level
43.14%



ONGOING REVENUE SHARING MODEL PROJECTS

EVORA DENİZLİ



CONTRACTOR	TEKNİK YAPI & UCD
EXP. COMPLETION DATE	28.08.2020
LAND AREA	115,291 sqm
NUMBER OF UNITS	1,558
Estimated total Sales Revenue	514,727,778 TRY
Company Revenue Share Ratio	18.00%
Min. Company Share in Total Revenue	82,651,000 TRY
Progress Level	35.88%

KÖY



CONTRACTOR	SİYAHKALEM
EXP. COMPLETION DATE	10.03.2020
LAND AREA	348,807 sqm
NUMBER OF UNITS	1,156*
Estimated total Sales Revenue	1,475,000,000 TRY
Company Revenue Share Ratio	32.25%
Min. Company Share in Total Revenue	475,687,500 TRY
Progress Level	36.43%

* The number of units may increase following obtaining construction permits for the whole project.

ONGOING REVENUE SHARING MODEL PROJECTS

TEMAŞEHİR KONYA

CONTRACTOR
TORKAM

EXP. COMPLETION DATE
03.04.2019

LAND AREA
72,727 sqm

NUMBER OF UNITS
905

Estimated Total Sales Revenue
705,000,000 TRY

Revenue Share Ratio
30.00%

Min. Company Share in Total
Revenue
212,500,000 TRY

Progress Level
56.54%



YENİKÖY KONAKLARI

CONTRACTOR
YENİYAPI & TACA

EXP. COMPLETION DATE
24.06.2019

LAND AREA
35,856 sqm

NUMBER OF UNITS
349

Estimated Total Sales Revenue
442,500,000 TRY

Revenue Share Ratio
38.00%

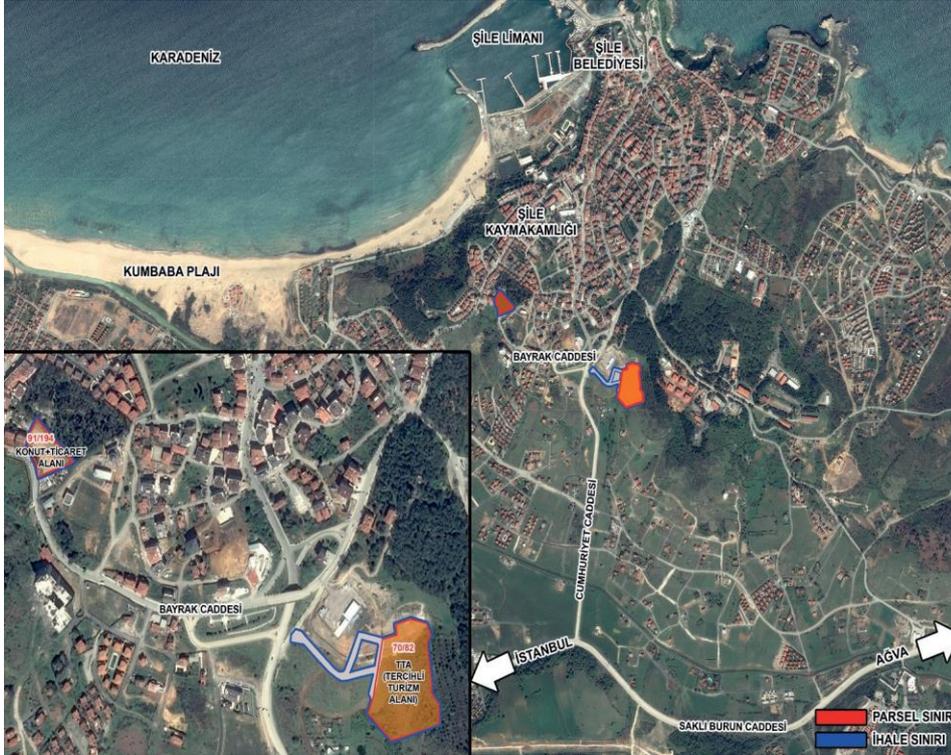
Min. Company Share in Total
Revenue
168,150,000 TRY

Progress Level
15.48%



ONGOING REVENUE SHARING MODEL PROJECTS

İDEALİST KORU/ İDEALİST CADDE



CONTRACTOR	İDEALİST İNŞAAT & İDEALİST GYO
EXP. COMPLETION DATE	10.08.2019
LAND AREA	17,933 sqm
NUMBER OF UNITS	58*
Estimated total Sales Revenue	68,500,000 TRY
Company Revenue Share Ratio	22.00%
Min. Company Share in Total Revenue	15,070,000 TRY
Progress Level	0.00%

* The number of units may increase following obtaining construction permits for the whole project.

AVRUPARK HAYAT



CONTRACTOR	CIHAN İNŞ. & KONUT YAPI
EXP. COMPLETION DATE	30.12.2019
LAND AREA	42,020 sqm
NUMBER OF UNITS	1,184
Estimated total Sales Revenue	626,000,000 TRY
Company Revenue Share Ratio	25.00%
Min. Company Share in Total Revenue	156,500,000 TRY
Progress Level	13.12%

ONGOING REVENUE SHARING MODEL PROJECTS

VALİDEBAĞ KONAKLARI

CONTRACTOR
ELTES & İSTLIFE

EXP. COMPLETION DATE
03.09.2019

LAND AREA
17,237 sqm

NUMBER UNITS
366

Estimated Total Sales Revenue
810,000,000 TRY

Revenue Share Ratio
50.15%

Min. Company Share in Total Revenue
406,215,000 TRY

Progress Level
29.09%



İSTANBUL FİNANS MERKEZİ

CONTRACTOR
AKDENİZ & İFM JOINT VENTURE

EXP. COMPLETION DATE
12.11.2020

LAND AREA
115,497 sqm

NUMBER OF UNITS
1,447

Estimated Total Sales Revenue
1,460,000,000 TRY

Revenue Share Ratio
4.15%

Min. Company Share in Total Revenue
60,590,000 TRY

Progress Level
44.28%



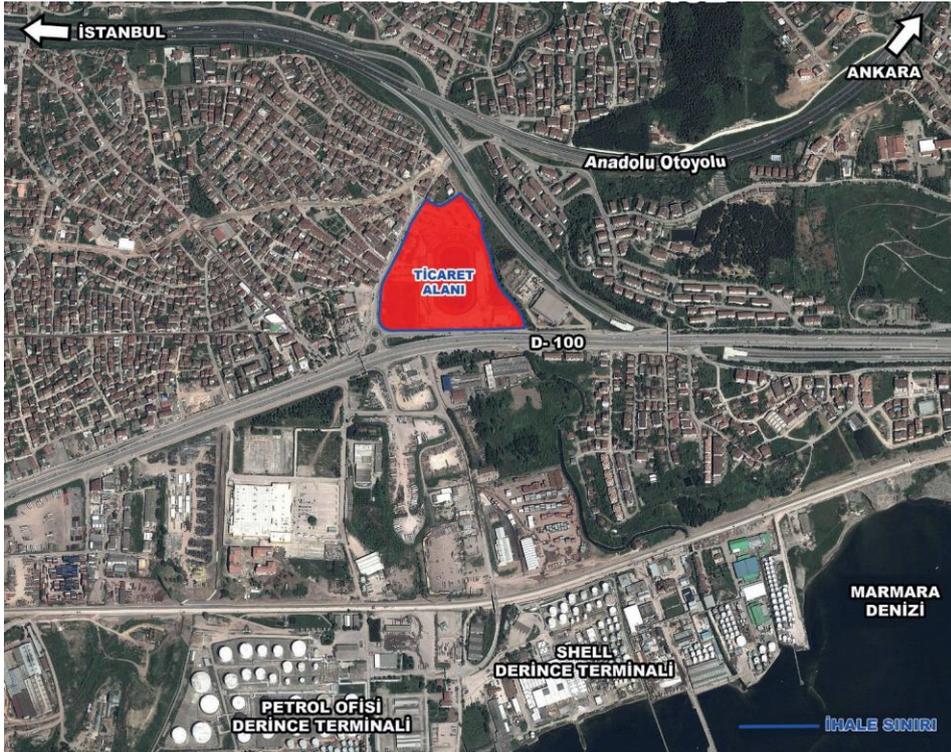
ONGOING REVENUE SHARING MODEL PROJECTS

BAHCETEPE ISPARTAKULE/ TEM 34 TAHTAKALE



CONTRACTOR	AKYAPI & EŞBAH
EXP. COMPLETION DATE	31.05.2019
LAND AREA	44,825 sqm
NUMBER OF UNITS	632
Estimated total Sales Revenue	342,400,000 TRY
Company Revenue Share Ratio	25.00%
Min. Company Share in Total Revenue	85,600,000 TRY
Progress Level	0.00%

KOCAELİ DERİNCE



CONTRACTOR	KUMUŞOĞLU & TOKAL
EXP. COMPLETION DATE	01.09.2021
LAND AREA	72,313 sqm
NUMBER OF UNITS	-
Estimated total Sales Revenue	385,000,000 TRY
Company Revenue Share Ratio	21.61%
Min. Company Share in Total Revenue	83,198,500 TRY
Progress Level	0.00%

ONGOING REVENUE SHARING MODEL PROJECTS

SEMT BAHÇEKENT

CONTRACTOR
SUR YAPI & HATAY AKPINAR

EXP. COMPLETION DATE
01.06.2020

LAND AREA
66,656 sqm

NUMBER OF UNITS
1,039

Estimated Total Sales Revenue
602,000,000 TRY

Revenue Share Ratio
25.00%

Min. Company Share in Total
Revenue
150,500,000 TRY

Progress Level
6.14%



AVANGART İSTANBUL

CONTRACTOR
GÜL İNŞAAT

EXP. COMPLETION DATE
8.08.2019

LAND AREA
36,750 sqm

NUMBER OF UNITS
959

Estimated Total Sales Revenue
1,300,000,000 TRY

Revenue Share Ratio
49.00%

Min. Company Share in Total
Revenue
637,000,000 TRY

Progress Level
18.64%



ONGOING REVENUE SHARING MODEL PROJECTS

CER İSTANBUL



CONTRACTOR	EGE & YEDİKULE
EXP. COMPLETION DATE	16.09.2019
LAND AREA	41,162 sqm
NUMBER OF UNITS	148
Estimated total Sales Revenue	302,680,000 TRY
Company Revenue Share Ratio	35.01%
Min. Company Share in Total Revenue	105,968,268 TRY
Progress Level	7.32%

ZEYTİNBURNU BEŞTELSİZ



CONTRACTOR	BEŞTELSİZ JOINT VENTURE
EXP. COMPLETION DATE	27.08.2021
LAND AREA	96,968 sqm
NUMBER OF UNITS	478
Estimated total Sales Revenue	1,730,000,000 TRY
Company Revenue Share Ratio	37.00%
Min. Company Share in Total Revenue	640,100,000 TRY
Progress Level	0.00%

ONGOING REVENUE SHARING MODEL PROJECTS

EBRULİ İSPARTAKULE

CONTRACTOR
EBRULİ İNŞAAT

EXP. COMPLETION DATE
03.08.2019

LAND AREA
47,168 sqm

NUMBER OF UNITS
776

Estimated Total Sales Revenue
600,000,000 TRY

Revenue Share Ratio
22.00%

Min. Company Share in Total
Revenue
132,000,000 TRY

Progress Level
11.82%



NİDAPARK İSTİNYE

CONTRACTOR
TAHİNCİOĞLU İSTİNYE
JOINT VENTURE

EXP. COMPLETION DATE
07.11.2020

LAND AREA
158,498 sqm

NUMBER OF UNITS
555

Estimated Total Sales Revenue
3,672,000,000 TRY

Revenue Share Ratio
51.10%

Min. Company Share in Total
Revenue
1,876,392,000 TRY

Progress Level
14.78



ONGOING REVENUE SHARING MODEL PROJECTS

MERKEZ ANKARA



CONTRACTOR	PASİFİK & ÇİFTAY
EXP. COMPLETION DATE	23.03.2020
LAND AREA	137,249 sqm
NUMBER OF UNITS	3,060
Estimated total Sales Revenue	4,194,550,000 TRY
Company Revenue Share Ratio	30.00%
Min. Company Share in Total Revenue	1,258,365,000 TRY
Progress Level	14.70%

TUZLA ARTI



CONTRACTOR	DAĞ
EXP. COMPLETION DATE	29.07.2020
LAND AREA	9,600 sqm
NUMBER OF UNITS	-
Estimated total Sales Revenue	185,000,000 TRY
Company Revenue Share Ratio	29.15%
Min. Company Share in Total Revenue	53,927,500 TRY
Progress Level	0.00%

ONGOING REVENUE SHARING MODEL PROJECTS

ANTALYA MURATPAŞA

CONTRACTOR
MESA MESKEN

EXP. COMPLETION DATE
29.10.2020

LAND AREA
40,000 sqm

NUMBER OF UNITS
-

Estimated Total Sales Revenue
1,060,000,000 TRY

Revenue Share Ratio
28.50%

Min. Company Share in Total Revenue
302,100,000 TRY

Progress Level
0.00%



BÜYÜKYALI İSTANBUL

CONTRACTOR
ÖZAK & YENİGÜN & ZİYLAN

EXP. COMPLETION DATE
30.10.2021

LAND AREA
111,023 sqm

NUMBER OF UNITS
1,766

Estimated Total Sales Revenue
4,240,000,000 TRY

Revenue Share Ratio
37.00%

Min. Company Share in Total Revenue
1,568,800,000 TRY

Progress Level
41.87%



ONGOING REVENUE SHARING MODEL PROJECTS

ANKARA ÇANKAYA ORAN



CONTRACTOR
YP

EXP. COMPLETION DATE
21.01.2021

LAND AREA
20,854 sqm

NUMBER OF UNITS
-

Estimated total Sales Revenue
156,000,000 TRY

Company Revenue Share Ratio
30.00%

Min. Company Share in Total
Revenue
46,800,000 TRY

Progress Level
0.00%

TUAL BİZİM MAHALLE



CONTRACTOR
DAĞ

EXP. COMPLETION DATE
27.11.2022

LAND AREA
118,099 sqm

NUMBER OF UNITS
-

Estimated total Sales Revenue
2,000,000,000 TRY

Company Revenue Share Ratio
27.55%

Min. Company Share in Total
Revenue
551,000,000 TRY

Progress Level
0.00%

ONGOING REVENUE SHARING MODEL PROJECTS

EVORA İZMİR

CONTRACTOR
TEKNİK YAPI & HALK GYO

EXP. COMPLETION DATE
16.09.2021

LAND AREA
47,070 sqm

NUMBER OF UNITS
-

Estimated Total Sales Revenue
1,672,000,000 TRY

Revenue Share Ratio
35.00%

Min. Company Share in Total
Revenue
585,200,000 TRY *

Progress Level
0.00%



* 20% of the company share in total revenue (117,040,000 TRY) will be allocated to Emlak Konut.

ALLSANCAK

CONTRACTOR
PEKİNTAŞ & BURAKCAN

EXP. COMPLETION DATE
21.08.2021

LAND AREA
78,558 sqm

NUMBER OF UNITS
-

Estimated Total Sales Revenue
2,200,000,000 TRY

Revenue Share Ratio
33.00%

Min. Company Share in Total
Revenue
726,000,000 TRY *

Progress Level
0.00%



* 20% of the company share in total revenue (145,200,000 TRY) will be allocated to Emlak Konut.

ONGOING REVENUE SHARING MODEL PROJECTS

NİDAPARK KÜÇÜKYALI



CONTRACTOR	TAHİNCİOĞLU KÜÇÜKYALI JOINT VENTURE
EXP. COMPLETION DATE	16.09.2021
LAND AREA	114,239 sqm
NUMBER OF UNITS	2,025
Estimated total Sales Revenue	3,635,715,000 TRY
Company Revenue Share Ratio	42.00%
Min. Company Share in Total Revenue	1,527,000,300 TRY
Progress Level	19.71%

DÜSLER VADİSİ



CONTRACTOR	YILMAZ İNŞAAT
EXP. COMPLETION DATE	22.09.2023
LAND AREA	1,157,004 sqm
NUMBER OF UNITS	-
Estimated total Sales Revenue	3,808,000,000 TRY
Company Revenue Share Ratio	25.00%
Min. Company Share in Total Revenue	952,000,000 TRY *
Progress Level	0.00%

* 20% of the company share in total revenue (190,400,000 TRY) will be allocated to Emlak Konut.

ONGOING REVENUE SHARING MODEL PROJECTS

ŞİŞLİ TEŞVİKİYE

CONTRACTOR
ELTES & ISTLIFE

EXP. COMPLETION DATE
06.05.2022

LAND AREA
20,677 sqm

NUMBER OF UNITS
-

Estimated Total Sales Revenue
1,763,750,000 TRY

Revenue Share Ratio
40.00%

Min. Company Share in Total
Revenue
705,500,000 TRY

Progress Level
0.00%



ÇEKMEKÖY TAŞDELEN

CONTRACTOR
ELTES & ISTLIFE

EXP. COMPLETION DATE
07.06.2022

LAND AREA
155,056 sqm

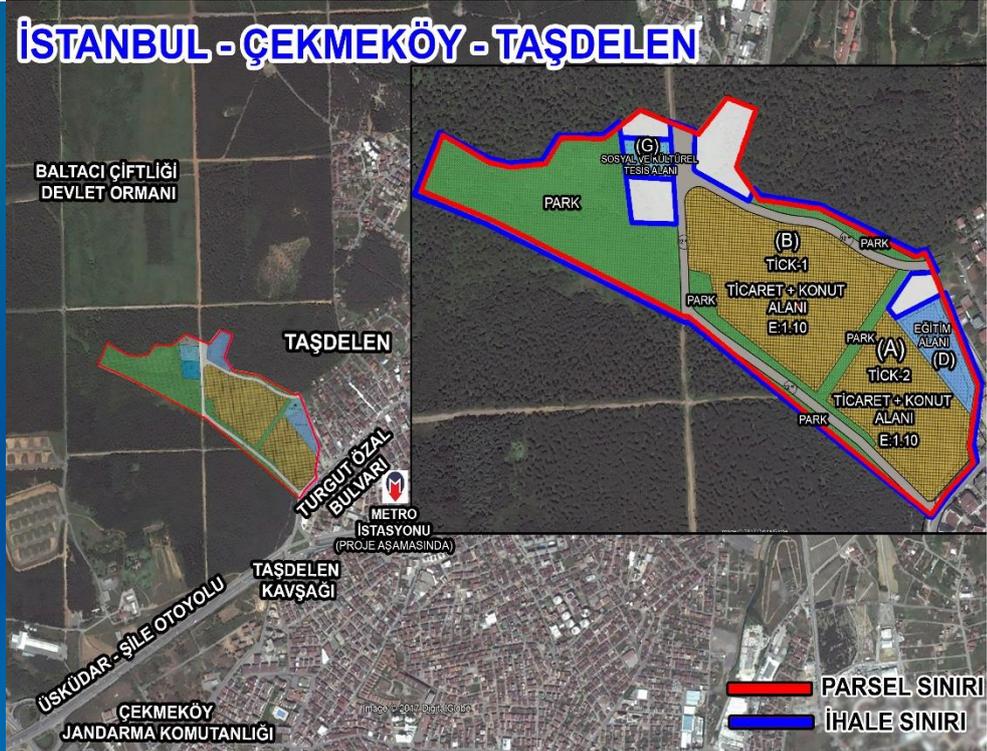
NUMBER OF UNITS
-

Estimated Total Sales Revenue
1,111,100,000 TRY

Revenue Share Ratio
32.00%

Min. Company Share in Total
Revenue
355,552,000 TRY

Progress Level
0.00%



ONGOING REVENUE SHARING MODEL PROJECTS

BAKIRKÖY FLORYA



* In Florya tender, Emlak REIC owns 71.43% (594,654,750 TRY) of the Min. Company Share and 28.57% will belong to Galatasaray Sport Club Association.

ONGOING REVENUE SHARING MODEL PROJECTS TABLE 30.06.2018

No	Project Name	Emlak Konut Min. Guaranteed Revenue (TRY)	Minimum Profit (TRY)	Total Number of Units	Units Sold	(%) Sold
1	AĞAOĞLU MASLAK 1453	34,173,875	-1,295,575	5,258	4,977	95%
2	EVVEL / ADIM İSTANBUL	77,071,196	-4,094,733	1,423	1,120	79%
3	İSTMARİNA	58,000,000	31,281,447	1,851	1,567	85%
4	AVRUPARK	156,520,000	75,722,069	1,480	1,298	88%
5	KARAT 34	171,600,000	104,120,485	592	353	60%
6	NİDAPARK KAYAŞEHİR	407,588,000	209,663,906	1,139	820	72%
7	KOORDİNAT ÇAYYOLU	180,000,000	82,862,061	432	262	61%
8	TEMAŞEHİR KONYA	198,759,060	112,055,369	905	495	55%
9	TUAL ADALAR	116,961,600	26,119,576	542	260	48%
10	TUAL BAHÇEKENT	275,334,000	156,405,084	1,925	1,243	65%
11	EVORA DENİZLİ	92,651,000	16,394,653	1,558	566	36%
12	VALİDEBAĞ KONAKLARI	439,887,380	286,123,535	366	244	67%
13	OFİS KARAT BAKIRKÖY	62,000,000	31,394,758	90	7	8%
14	İDEALİSTKORU/İDEALİST CADDE	15,070,000	6,452,972	58		Not on Sale
15	KÖY	322,911,258	161,229,870	1,156	542	47%
16	İFM	29,200,000	29,200,000	1,447	460	32%
17	SEMT BAHÇEKENT	150,500,000	99,925,684	1,039	185	18%
18	BAHÇETEPE İSPARTAKULE / TEM 34 TAHTAKALE	85,600,000	37,620,770	632	44	7%
19	AVRUPARK HAYAT	156,500,000	102,443,628	1,184	368	32%
20	EBRULİ İSPARTAKULE	132,000,000	73,894,560	776	96	12%
21	NİDAPARK İSTİNYE	1,876,392,000	882,959,488	555	90	16%
22	CER İSTANBUL	105,968,270	38,447,821	148	15	10%
23	KOCAELİ / DERİNCE	96,147,618	25,788,103	-		Not on Sale
24	AVANGART İSTANBUL	637,000,000	516,123,188	959	70	10%
25	YENİKÖY KONAKLARI	168,150,000	122,781,852	349	91	26%
26	MERKEZ ANKARA	1,258,365,000	623,812,894	3,060	144	5%
27	TUAL ARTI	53,927,500	33,911,140	-		Not on Sale
28	ANTALYA / MURATPAŞA	302,100,000	104,184,433	-		Not on Sale
29	BÜYÜKYALI İSTANBUL	1,568,800,000	911,997,533	1,766	377	21%
30	NİDAPARK KÜÇÜKYALI	1,527,000,300	849,285,523	2,025	745	37%
31	İSTANBUL / ZEYTİNBURNU BEŞTELSİZ	640,100,000	232,071,326	478		Not on Sale
32	EVORA İZMİR	117,040,000	117,040,000	-		Not on Sale
33	ALLSANCAK	145,200,000	145,200,000	-		Not on Sale
34	DÜŞLER VADİSİ	542,892,221	190,399,999	-		Not on Sale
35	TUAL BİZİM MAHALLE	551,000,000	116,122,850	-		Not on Sale
36	ANKARA ÇANKAYA ORAN	46,800,000	13,720,673	-		Not on Sale
37	ANKARA SARAÇOĞLU	-	-2,441,603	-		Not on Sale
38	İSTANBUL TEŞVİKİYE	705,500,000	250,154,460	-		Not on Sale
39	BAKIRKÖY FLORYA	695,258,299	332,161,250	-		Not on Sale
40	ÇEKMEKÖY TAŞDELEN	355,552,000	101,338,000	-		Not on Sale
TOTAL		14,555,520,577	7,242,579,049	33,193	16,439	50%



ONGOING TURN - KEY MODEL PROJECTS

AYAZMA EMLAK KONUTLARI 1

CONTRACTOR
GÜRYAPI

EXP. COMPLETION DATE
27.08.2018

LAND AREA
140,793 sqm

NUMBER OF UNITS
1,239

Current Agreement Value
392,847,911 TRY

Book Value
Progress Payments
577,366,000 TRY

Progress Level
87.55%



KÖRFEZKENT 4TH STAGE

CONTRACTOR
ZEK-SAN

EXP. COMPLETION DATE
05.05.2018

LAND AREA
79,804 sqm

NUMBER OF UNITS
1,124

Current Agreement Value
158,712,000 TRY

Book Value
Progress Payments
185,346,000 TRY

Progress Level
94.42%



ONGOING TURN - KEY MODEL PROJECTS

EMLAK KONUT ISPARTAKULE EVLERİ- 1/1



CONTRACTOR
YÖRÜK & ERMIT

EXP. COMPLETION DATE
16.08.2018

LAND AREA
85,871 sqm

NUMBER OF UNITS
978

Current Agreement Value
273,300,183 TRY

Book Value
Progress Payments
326,552,000 TRY

Progress Level
76.55%

EMLAK KONUT ISPARTAKULE EVLERİ- 1/2



CONTRACTOR
BALPA

EXP. COMPLETION DATE
16.08.2018

LAND AREA
89,368 sqm

NUMBER OF UNITS
904

Current Agreement Value
244,121,394 TRY

Book Value
Progress Payments
293,543,000 TRY

Progress Level
73.45%

ONGOING TURN - KEY MODEL PROJECTS

NİĞDE EMLAK KONUTLARI

CONTRACTOR
PEKİNTAŞ YAPI

EXP. COMPLETION DATE
19.05.2019

LAND AREA
25,643 sqm

NUMBER OF UNITS
365

Current Agreement Value
101,700,000 TRY

Book Value
Progress Payments
99,697,000 TRY

Progress Level
53.89%



NEVŞEHİR EMLAK KONUTLARI

CONTRACTOR
CENT YAPI

EXP. COMPLETION DATE
19.11.2018

LAND AREA
29,541 sqm

NUMBER OF UNITS
420

Current Agreement Value
116,722,000 TRY

Book Value
Progress Payments
193,902,000 TRY

Progress Level
83.42%



ONGOING TURN - KEY MODEL PROJECTS

AYAZMA EMLAK KONUTLARI 2



CONTRACTOR
YILMAZ İNŞAAT

EXP. COMPLETION DATE
24.07.2018

LAND AREA
21,407 sqm

NUMBER OF UNITS
386

Current Agreement Value
90,731,718 TRY

Book Value
Progress Payments
559,500,000 TRY

Progress Level
95.95%

BAŞKENT EMLAK KONUTLARI 1



CONTRACTOR
KALYON

EXP. COMPLETION DATE
25.07.2019

LAND AREA
89,502 sqm

NUMBER OF UNITS
1,329

Current Agreement Value
559,500,000 TRY

Book Value
Progress Payments
451,090,000 TRY

Progress Level
34.89%

ONGOING TURN - KEY MODEL PROJECTS

GEBZE EMLAK KONUTLARI - 3/1

CONTRACTOR
MUSTAFA EKŞİ

EXP. COMPLETION DATE
18.07.2019

LAND AREA
91,565 sqm

NUMBER OF UNITS
1,040

Current Agreement Value
314,800,000 TRY

Book Value Progress
Payments
180,916,636 TRY

Progress Level
35.36%



GEBZE EMLAK KONUTLARI - 3/2

CONTRACTOR
SİYAHKALEM

EXP. COMPLETION DATE
20.03.2019

LAND AREA
90,774 sqm

NUMBER OF UNITS
950

Current Agreement Value
333,726,641 TRY

Book Value
Progress Payments
200,122,000 TRY

İlerleme Oranı
44.21%



ONGOING TURN - KEY MODEL PROJECTS

GEBZE EMLAK KONUTLARI- 3/3



CONTRACTOR At the Tender Process
EXP. COMPLETION DATE At the Tender Process
LAND AREA 6,338 sqm
NUMBER OF UNITS 62
Current Agreement Value At the Tender Process
Book Value Progress Payments 1,276,000 TRY
Progress Level At the Tender Process

KUZEY YAKASI



CONTRACTOR YAPI & YAPI İNŞAAT
EXP. COMPLETION DATE 14.09.2019
LAND AREA 372,995 sqm
NUMBER OF UNITS 373
Current Agreement Value 509,513,550 TRY
Book Value Progress Payments 337,301,000 TRY
Progress Level 54.35%

ONGOING TURN - KEY MODEL PROJECTS

BAŞKENT EMLAK KONUTLARI 2

CONTRACTOR
ASL İNŞAAT

EXP. COMPLETION DATE
29.05.2019

LAND AREA
30,521 sqm

NUMBER OF UNITS
507

Current Agreement Value
203,800,000 TRY

Book Value
Progress Payments
181,523,000 TRY

Progress Level
39.07%



KÖRFEZKENT ÇARŞI



CONTRACTOR
AHES İNŞAAT

EXP. COMPLETION DATE
27.01.2019

LAND AREA
11,967 sqm

NUMBER OF UNITS
106

Current Agreement Value
49,041,053 TRY

Book Value
Progress Payments
26,009,000 TRY

Progress Level
44.19%

ONGOING TURNKEY MODEL PROJECTS TABLE 30.06.2018

No	City / Region	Project Name	Book Value + Progress Payments (TRY)	Number of Units	Number of units Sold
1	İSTANBUL AYAZMA	AYAZMA EMLAK KONUTLARI 1	577,366,000.00	1,239	1,224
2	KOCAELİ KÖRFEZ	KÖRFEZKENT 4. ETAP	185,346,000.00	1,124	1,108
3	İSTANBUL AVCILAR	EMLAK KONUT ISPARTAKULE EVLERİ 1-1	326,552,000.00	978	975
4	İSTANBUL AVCILAR	EMLAK KONUT ISPARTAKULE EVLERİ 1-2	293,543,000.00	904	900
5	NEVŞEHİR MERKEZ	NEVŞEHİR EMLAK KONUTLARI	172,990,718.03	420	324
6	İSTANBUL AYAZMA	AYAZMA EMLAK KONUTLARI 2	106,321,000.00	386	-
7	ANKARA MÜHYE	BAŞKENT EMLAK KONUTLARI 1	451,090,000.00	1,329	157
8	NİĞDE	NİĞDE EMLAK KONUTLARI	99,697,000.00	365	73
9	KOCAELİ GEBZE	GEBZE EMLAK KONUTLARI 3-1	180,916,636.00	1,040	521
10	KOCAELİ GEBZE	GEBZE EMLAK KONUTLARI 3-2	200,122,000.00	950	344
11	İSTANBUL KAYABAŞI	KUZEY YAKASI	337,301,000.00	373	68
12	ANKARA MÜHYE	BAŞKENT EMLAK KONUTLARI 2	181,523,000.00	507	-
13	KOCAELİ GEBZE	GEBZE EMLAK KONUTLARI 3-3	1,276,000.00	62	-
14	KOCAELİ KÖRFEZ	KÖRFEZKENT ÇARŞI	26,009,000.00	106	29
TOTAL			3,160,964,000	10,054	5,989

LEASED AND RENTED PROPERTIES

Leased Properties (TRY)					
No.	Tenant	Ending Date	Duration	Property Information	Lease Value*
1	İFM&AKDENİZ İN. JOINT VENTURE	1.09.2019	3 YEARS	İstanbul / Kadıköy 3317 / 22	14,217.46 TRY
2	AKSÜS MARMARA REYHAN JOINT VENTURE	15.02.2021	3 YEARS	İstanbul / K.Bakkalköy 3385 / 5	1,000.00 TRY
3	AKSÜS YAPI VE ENTEGRE ATIK İŞLETMELERİ	8.05.2020	3 YEARS	İstanbul / K.Bakkalköy 3385 / 2	1,000.00 TRY
4	SALMAN NAKLİYAT YOL İNŞ.SAN.	1.05.2019	1 YEAR	İstanbul / Kartal 5705/ 35	6,200.00 TRY
5	TÜRKİYE HALK BANKASI A.Ş.	15.11.2022	5 YEARS	İstanbul/ Ataşehir 3331/ 5	425,000.00 TRY
6	ROTA MAĞAZACILIK SAN. VE TİC.A.Ş.	3.11.2027	10 YEARS	İstanbul/ Avcılar 3 commercial units	43,800.00 TRY
7	ÇETİN ERGÜN	1.01.2019	1 YEAR	İstanbul/ Avcılar 1 commercial unit	5,550.00 TRY
8	BARAKAT YAPI SAN. TİC.A.Ş.	1.07.2028	10 YEARS	İstanbul/ Ataşehir 1 commercial unit	28,000.00 TRY
9	HAMZA ÇELİK	19.04.2023	5 YEARS	İstanbul/ Başakşehir 2 commercial units	8,350.00 TRY
10	CEMİL MERCAN- MİTHAT AYDEMİR	2023	5 YEARS	İstanbul/ Esenler 2 commercial units	2,950.00 TRY
11	COM GIDA SAN. VE TİC.LTD. ŞTİ.	1.07.2023	5 YEARS	İstanbul/ Küçükçekmece Dükkan	36,000.00 TRY
12	OTHERS	05.2023	5 YEARS	Kocaeli/ Körfez 5 commercial units	7,274.00 TRY
TOTAL					579,341.46

Rented Properties (TRY)					
No.	Tenant	Ending Date	Duration	Property Information	Rent Value*
1	EMLAK KONUT REIC	1.05.2019	1 YEAR	Ankara/ Çankaya No:14	6,865.80 TRY
2	EMLAK KONUT REIC	1.04.2020	3 YEARS	İstanbul / Ataşehir 3337 / 2	1,908.00 TRY
TOTAL					8,773.80 TRY

* Not included VAT, values are expressed as monthly.

LEASED PROPERTIES

Leased Properties (USD)*					
No	Tenant	Ending Date	Duration	Property Information	Lease Value**
1	MISCELLANEOUS	2023	5 YEARS	Ağaoğlu Maslak 1453 3 Commercial Units	10% Turnover ratio***
2	MISCELLANEOUS	2022	5 YEARS	Ağaoğlu Maslak 1453 11 Commercial Units	138,500.00 USD 15% Turnover ratio***
3	MISCELLANEOUS	2018	1 YEAR	Ağaoğlu Maslak 1453 4 Commercial Units	19,825.00 USD
4	CAN DOSTLAR KUAFÖR VE GÜZ. SALONLARI İŞLT. LTD. ŞTİ.	2022	1 YEAR	Ağaoğlu Maslak 1453 1 Commercial Unit	9,500.00 USD
5	FERİŞTE HACISÜLEYMAN	2019	1 YEAR 4 MONTHS	Ağaoğlu Maslak 1453 1 Commercial Unit	12,500.00 USD
6	SHAYA KAHVE SANAYİ VE TİCARET A.Ş.	2027	10 YEARS	Ağaoğlu Maslak 1453 1 Commercial Unit	14% Turnover ratio***
7	MISCELLANEOUS	2022	5 YEARS	Ağaoğlu Maslak 1453 3 Commercial Units	10,186.90 USD
8	GRATİS İÇ VE DIŞ TİC. A.Ş.	2028	10 YEARS	Ağaoğlu Maslak 1453 1 Commercial Unit	10% Turnover ratio***
9	MİGROS TİC. A.Ş.	2028	10 YEARS	Ağaoğlu Maslak 1453 2 Commercial Units	5% Turnover ratio***
10	MISCELLANEOUS	2023	5 YEARS	Ağaoğlu Maslak 1453 2 Commercial Units	15% Turnover ratio***
11	TİNKON TURİZM KONGRE VE ORG. HİZ. TİC.LTD.ŞTİ.	2019	1 YEAR	Ağaoğlu Maslak 1453 1 Commercial Unit	15% Turnover ratio***
12	EGE TEM HİZ. VE YÖN. LTD.ŞTİ.	2022	1 YEAR	Ağaoğlu Maslak 1453 1 Commercial Unit	5,760.00 USD 15% Turnover ratio***

*The exchange rate of USD Dollar is fixed with 3 TRY.

** Not included VAT, values are expressed as monthly.

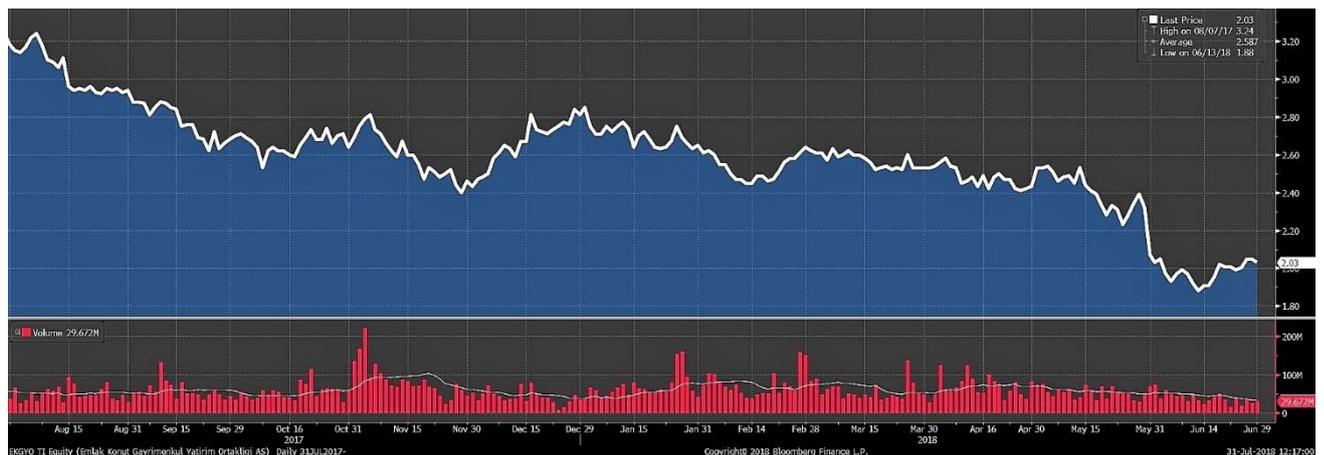
*** Turnover share is not included the rent value. The rent values will be shared with the contractor over the share ratios specified in the contract.

SHARE PERFORMANCE

- ▶ Traded in the collective and structured products market at İstanbul Stock Exchange...
- ▶ Included in XU100, XU30, XU50, XUMALI, XUTUM, XGMYO indexes...
- ▶ The symbol tickers are as follows; BIST TICKER: EKGYO, BLOOMBERG TICKER: EKGYO.TI, REUTERS TICKER: EKGYO.IS

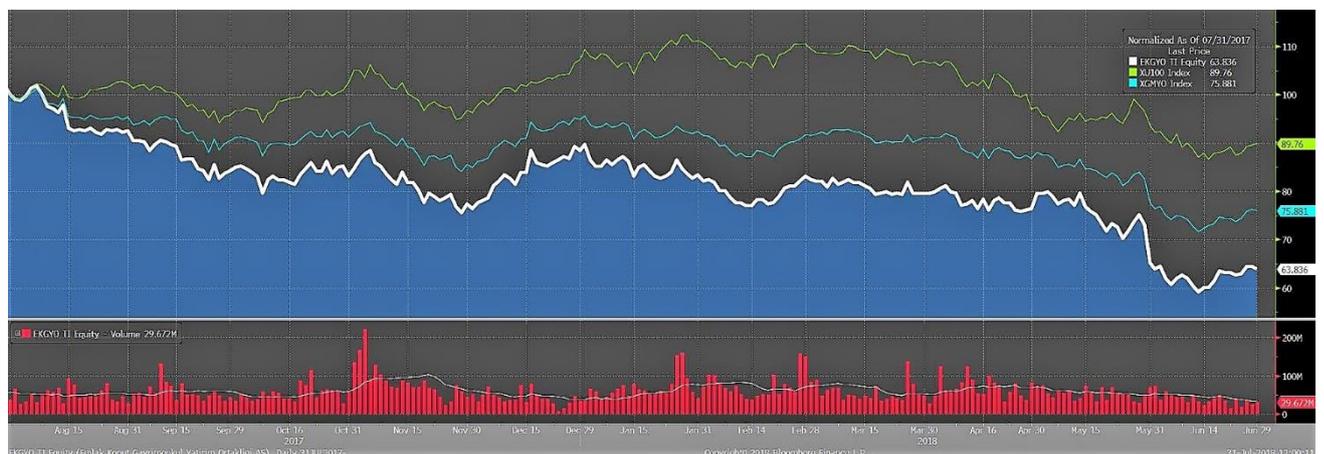
Share Performance

EKGYO



EKGYO/ XGMYO/XU100

- XU100 Index
- XGMYO Index
- EKGYO



RECOMMENDATIONS



Source : BLOOMBERG

CONSTRUCTION AND HOUSING SECTOR OUTLOOK

House Sales Statistics (June 2018)

In June 2018, 119 413 houses were sold in Turkey.

In Turkey, house sales increased by 22.4% in June 2018 compared to the same month of the previous year and hence, became 119 413. For the house sales of June 2018, İstanbul had the highest share of house sales with 17.2% and 20 547 sold house. The followers of İstanbul were Ankara with 12 078 house sales and İzmir 6 888 house sales with the share of 10.1% and 5.8% respectively. The least house sold provinces were Hakkari and Ardahan with 13 house sales, Bayburt with 39 house sales.

In June 2018, 47 648 ownership of the houses changed by mortgage sales.

The mortgaged house sales throughout Turkey became 47 648 by increasing 35.3% compared to the same month of the previous year. House sales with mortgage had a 39.9% share of all house sales in Turkey. Most of house sales with mortgage was in İstanbul with 7 794 sales. İstanbul was the first province in Turkey ranking that has most house sales with mortgage share with 16.4%. Mortgaged house sales had the highest share in Hakkari with 84.6% of all house sales.

Ownership of 71 765 houses changed by other sales.

Other house sales in Turkey became 71 765 by increasing 15.1% compared to the same month of the previous year. In the other sales, İstanbul was the first province with 12 753 sales and 17.8% share. Other house sales had 62.1% share of all house sales in İstanbul. Ankara was the second province with 6 676 sales. Ankara was followed by İzmir with 3 778 sales. The least other house sales was realized in Hakkari with 2 house sales.

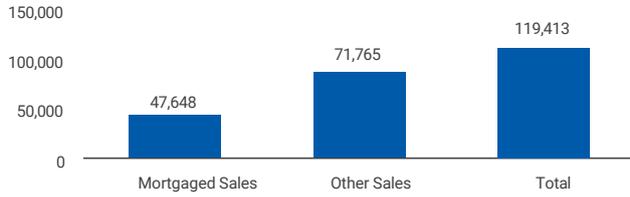
57 064 of houses were sold for the first time.

First house sales in Turkey became 57 064 by increasing 25.6% compared to the same month of the previous year. First house sales had 47.8% share of all house sales in Turkey. The most first house sales was in İstanbul with 9 923 sales. İstanbul was the first province in Turkey ranking that had most first house sales share with 17.4%. The followers of İstanbul were Ankara with 4 279 house sales and İzmir with 2 937 house sales.

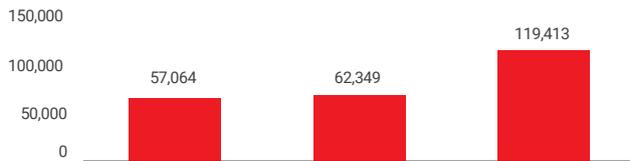
**Number of house sales, 2017-2018
(Thousand Units)**



House sales by type of sales, June 2018



House Sales by state of sales, June 2018



Ownership of 62 349 houses changed by second hand sales.

Second hand house sales in Turkey became 62 349 by increasing 19.6% compared to the same month of the previous year. In the second hand sales, İstanbul was the first province again with 10 624 sales and 17% share. Share of the second hand sales was 51.7% in İstanbul in total house sales. Ankara was the second province with 7 799 sales and Ankara was followed by İzmir with 3 951 sales.

In June 2018, 2 060 houses were sold to foreigners.

In house sales to foreigners became 2 060 by increasing 7% compared to the same month of the previous year. İstanbul was the first province with 764 sales in June 2018. The followers of İstanbul were Antalya with 525 house sales, Bursa with 117 house sales, Ankara with 83 house sales and Yalova with 74 house sales.

Most house sales were made to Iraq citizens according to country nationalities

Iraqi citizens bought 315 houses from Turkey in June. The followers of Iraq were Iran with 228 house sales, Russia with 169 house sales, Afghanistan with 139 house sales and Saudi Arabia with 110 house sales.

Building Construction Cost Index, Quarter IV: October - December, 2017

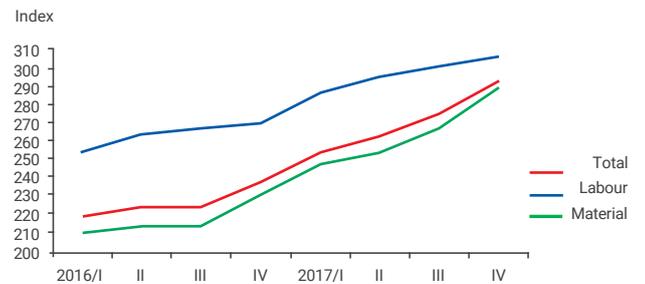
Building construction cost index increased by 6.5% compared with the previous quarter.

Building construction cost index increased by 6.5% compared with the previous quarter, by 22.8% compared with the same quarter of the previous year and by 19.7% compared with the four quarter average in the fourth quarter of 2017. In the fourth quarter of 2017, labour index increased by 1.8% and material index increased by 7.9% compared with the previous quarter. Annual changes were 13.7% increase in labour index and 25.6% increase in material index.

Bina inşaatı maliyet endeksi, 2016-2017 [2005=100]

	2016 quarter IV			2017 quarter IV		
	Total	Labour	Material	Total	Labour	Material
Quarterly Change	5.9	1.1	7.5	6.5	1.8	7.9
Annual Change	12.4	10.6	12.9	22.8	13.7	25.6
Compared with the four quarter average	7.7	10.6	6.9	19.7	12.7	21.9

Building construction cost index, 2016-2017 [2005=100]



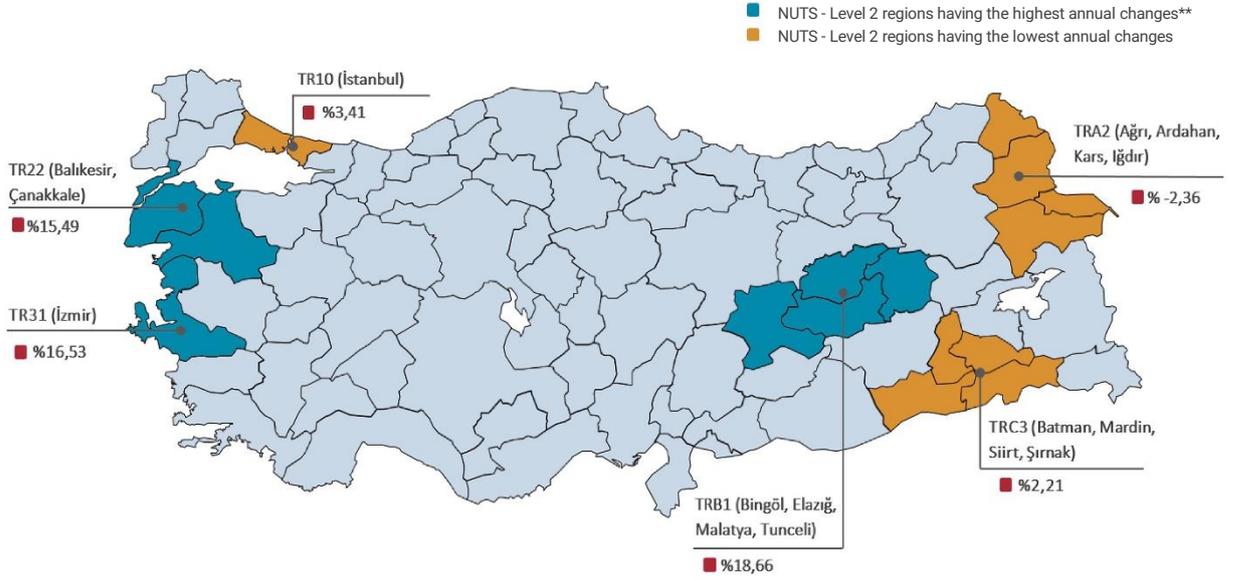
House Price Index (May 2018)

Hedonic House Price Index (HHPI)

In May 2018, HHPI increased monthly by 1.23 percent, recorded an annual increase of 9.52 percent in nominal terms and decreased by 2.35 percent in real terms.

Source: TSI, CBTR

Hedonic House Price Index (HHPI)



House Price Indices and Unit Prices

	Hedonic House Price Index	House Price Index*	Unit Prices (TRY/sqm)*	New Housing Price Index*	Existing Housing Price Index*
	225.34 (9.52%)	264.02 (10.59%)	2,218.71 TRY	248.77 (10.00%)	261.64 (10.39%)
	271.71 (3.41%)	306.56 (3.86%)	3,961.29 TRY	306.55 (4.84%)	300.65 (4.83%)
	200.22 (6.81%)	207.21 (7.56%)	1,799.86 TRY	224.33 (6.64%)	200.30 (6.62%)
	261.86 (16.53%)	290.06 (17.79%)	2,849.21 TRY	292.21 (19.34%)	286.73 (17.71%)

* House Price Index, Square Meter Prices, New and Existing Housing Price Indices are constructed by using the *Stratified Median Price* method.

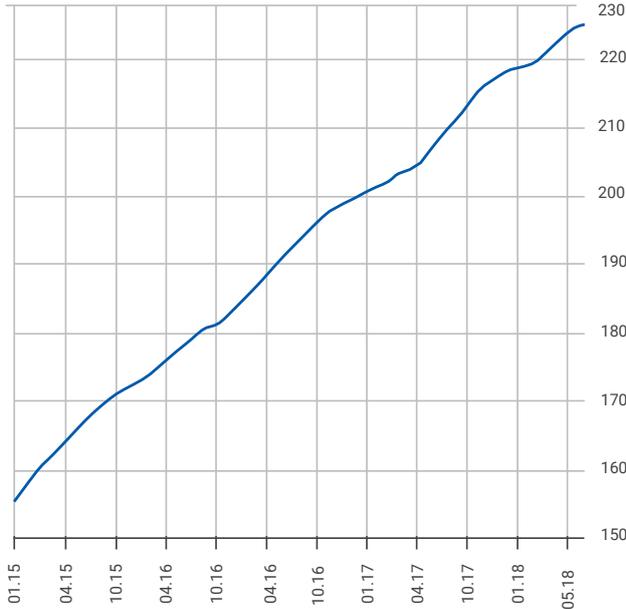
** Nomenclature of Territorial Units for Statistics (NUTS) Level 2 definitions are given in the Metadata note. Figures in parentheses indicate annual percentage changes.

Source: CBRT

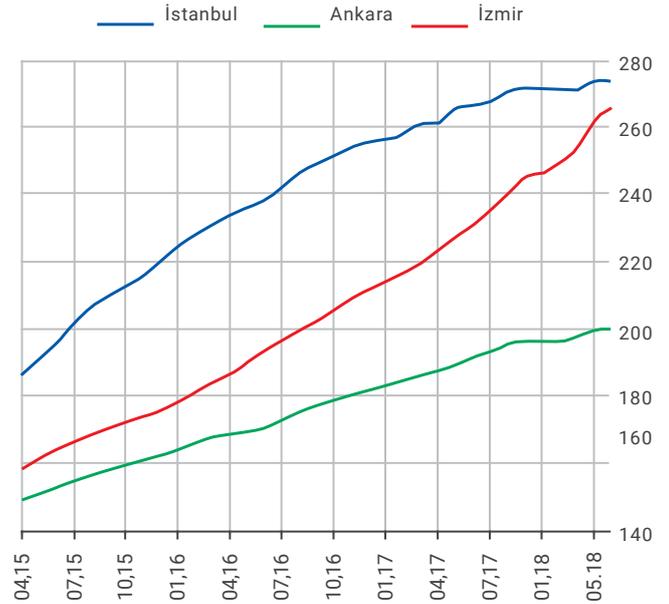
The Hedonic House Price Index, HHPI (2010=100), which measures quality adjusted price changes by controlling the observable characteristics of the houses in Turkey stands at 225.34 in May 2018 by a monthly increase of 1.23 percent.

In May 2018, the HHPI increased monthly by 0.73, 1.58 and 1.49 percent in İstanbul, Ankara and İzmir respectively. These three major cities recorded an annual increase of 3.41, 6.81 and 16.53 percent respectively.

Graph 1: Hedonic House Price Index
(Level, 2010=100)

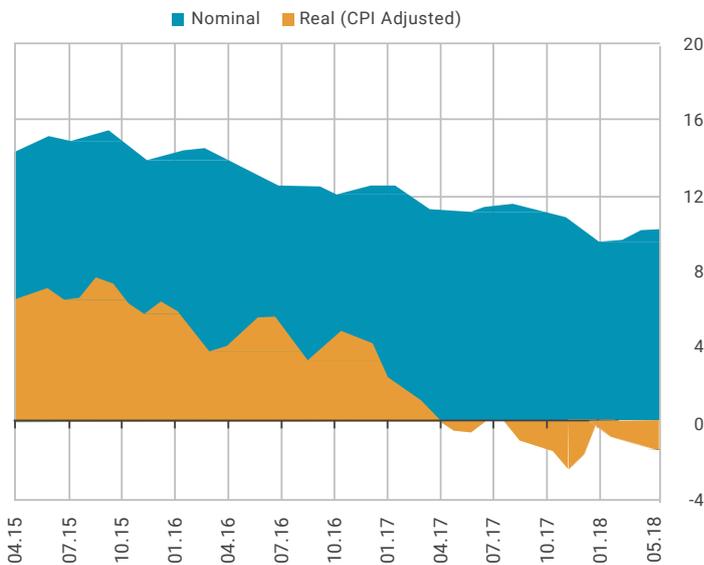


Graph 3: Hedonic House Price Index 3 Big Cities
(Level, 2010=100)



The HHPI increased annually by 9.52 percent in nominal terms and decreased by 2.35 percent in real terms.

Graph 2: Hedonic House Price Index
(Annual % Change)







EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONVENIENCE TRANSLATION
OF THE REVIEW REPORT AND CONDENSED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2018**

(ORIGINALLY ISSUED IN TURKISH)

**(CONVENIENCE TRANSLATION OF THE REPORT ON REVIEW OF CONDENSED
INTERIM FINANCIAL INFORMATION ORIGINALLY ISSUED IN TURKISH)**

**REPORT ON REVIEW OF CONDENSED INTERIM
FINANCIAL INFORMATION**

**To the General Assembly of
Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.**

Introduction

We have reviewed the accompanying condensed statement of financial position of Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş. (“the Company”) as of 30 June 2018 and the related condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with Turkish Accounting Standards 34 “Interim Financial Reporting” (“TAS 34”). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Independent Auditing Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with TAS 34 “Interim Financial Reporting”.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Okan Öz, SMMM
Partner

İstanbul, 9 August 2018

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION AT 30 JUNE 2018 AND 31 DECEMBER 2017

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

	Notes	Reviewed 30 June 2018	Audited 31 December 2017
ASSETS			
Current assets		20,492,200	18,796,338
Cash and cash equivalents	4	1,489,956	897,501
Financial investments	5	133,525	186,274
Trade receivables	7	2,074,101	1,752,257
<i>Trade receivables due from related parties</i>	20	8,323	8,239
<i>Trade receivables due from third parties</i>		2,065,778	1,744,018
Other receivables	8	1,207,512	1,180,466
<i>Other receivables due from third parties</i>		1,207,512	1,180,466
Inventories	9	14,199,700	13,646,631
Prepaid expenses	14	1,220,158	986,501
Other current assets	13	167,248	146,708
Non-current assets		1,887,114	1,827,322
Trade receivables	7	1,432,930	1,686,645
<i>Trade receivables due from third parties</i>		1,432,930	1,686,645
Other receivables	8	1,008	988
Investment property		303,922	57,283
Property, plant and equipment	10	65,003	66,858
Intangible assets		2,343	2,911
Other non-current assets	13	81,908	12,637
Total assets		22,379,314	20,623,660

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION
AT 30 JUNE 2018 AND 31 DECEMBER 2017**

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

		<i>Reviewed</i> 30 June 2018	<i>Audited</i> 31 December 2017
	Notes		
LIABILITIES AND EQUITY			
Current liabilities		7,030,718	6,083,525
Current portion of non-current borrowings	6	773,040	482,364
Trade payables	7	2,038,532	1,266,648
<i>Trade payables due to related parties</i>	20	832,853	744,713
<i>Trade payables due to third parties</i>		1,205,679	521,935
Other payables	8	568,484	554,767
Deferred income	14	3,597,715	3,728,717
<i>Deferred income from related parties</i>	20	64,732	64,732
<i>Deferred income from third parties</i>		3,532,983	3,663,985
Current provisions		52,947	51,029
<i>Current provisions for employee benefits</i>		4,649	4,113
<i>Other current provisions</i>	12	48,298	46,916
Non-current liabilities		2,400,856	2,074,616
Long term borrowings	6	2,120,131	1,932,308
Trade payables		211,056	95,666
Other payables		59,523	37,306
Deferred income		3,174	3,174
Long term provisions		6,972	6,162
<i>Long term provisions for employee benefits</i>		6,972	6,162
Shareholders' equity		12,947,740	12,465,519
Paid-in capital	15	3,800,000	3,800,000
Treasury shares (-)		(284,480)	(284,480)
Share premium		2,366,895	2,378,513
Other comprehensive income / expense not to be reclassified to profit or loss		(42)	(42)
- <i>Gain/(loss) on remeasurement of employee benefits</i>		(42)	(42)
Restricted reserves		662,853	511,347
Retained earnings		5,271,709	4,304,087
Net profit for the period		1,130,805	1,756,094
Total liabilities and equity		22,379,314	20,623,660

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

INTERIM CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2018 AND 2017

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

		<i>Reviewed</i>	<i>Not</i>	<i>Reviewed</i>	<i>Not</i>
	<i>Notes</i>	<i>1 January- 30 June 2018</i>	<i>Reviewed 1 April- 30 June 2018</i>	<i>1 January- 30 June 2017</i>	<i>Reviewed 1 April- 30 June 2017</i>
Profit or loss					
Revenue	16	2,304,082	868,700	1,367,485	533,393
Cost of sales (-)	16	(1,032,386)	(495,340)	(570,979)	(185,828)
Gross profit		1,271,696	373,360	796,506	347,565
General administrative expenses (-)	17	(105,332)	(64,917)	(71,228)	(39,773)
Marketing expenses (-)	17	(27,878)	(14,162)	(31,517)	(12,557)
Other income from operating activities	18	299,509	137,544	208,961	99,964
Other expenses from operating activities (-)	18	(78,886)	(46,169)	(87,225)	(20,431)
Operating profit		1,359,109	385,656	815,497	374,768
Income from investing activities		435	353	1,760	399
Operating profit before financial income / (expense)		1,359,544	386,009	817,257	375,167
Financial income	19	57,325	36,679	46,419	33,156
Financial expenses (-)	19	(286,064)	(159,142)	(237,832)	(102,175)
Profit for the income		1,130,805	263,546	625,844	306,148
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		1,130,805	263,546	625,844	306,148
Earnings per share (in full TL)		0.0031	0.0007	0.0017	0.0008

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2018 AND 2017

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

	Share capital	Treasury shares (-)	Share premium	Restricted reserves	Other Comprehensive Income and Expense not to be Reclassified to Profit or Loss	Retained Earnings		Total equity
					Gain/Loss on remeasurement of employee benefits	Retained earnings	Net income for the period	
1 January 2017	3,800,000	(262,857)	2,378,513	423,295	(897)	2,630,863	1,761,276	10,730,193
Transfers	-	-	-	-	-	1,761,276	(1,761,276)	-
Total comprehensive income	-	-	-	-	-	-	625,844	625,844
30 June 2017	3,800,000	(262,857)	2,378,513	423,295	(897)	4,392,139	625,844	11,356,037
1 January 2018 (Previously Reported)	3,800,000	(284,480)	2,378,513	511,347	(42)	4,304,087	1,756,094	12,465,519
Accounting policy change effect (Note 3)	-	-	-	-	-	(4,142)	-	(4,142)
1 January 2018 (Restated)	3,800,000	(284,480)	2,378,513	511,347	(42)	4,299,945	1,756,094	12,461,377
Transfers	-	-	(11,618)	151,506	-	1,616,206	(1,756,094)	-
Dividend payment (Note: 15) (*)	-	-	-	-	-	(644,442)	-	(644,442)
Total comprehensive income	-	-	-	-	-	-	1,130,805	1,130,805
30 June 2018	3,800,000	(284,480)	2,366,895	662,853	(42)	5,271,709	1,130,805	12,947,740

(*) At the Ordinary General Assembly Meeting held on 28 March 2018, the decision on distributing cash dividend of 666.976 TL (31 March 2017: None) is approved. As of 30 March 2018, the Company has own 3,38% shares with a nominal value of 1 TL, is shown by netting off dividend to be distributed. Dividend payment was made on 30 May 2018.

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

INTERIM CONDENSED STATEMENTS OF CASH FLOWS FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2018 AND 2017

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

	Notes	1 January- 30 June 2018	1 January- 30 June 2017
Cash flows from operating activities			
Profit for the year		1,130,805	625,844
Adjustments to reconcile net profit			
Depreciation and amortization expenses	17	3,172	3,447
Adjustments for impairments		40,779	21,510
<i>Adjustments for impairment loss (reversal of impairment loss) of inventories</i>	9	15,542	21,510
<i>Adjustments for impairment loss (reversal of impairment loss) of investment properties</i>	18	25,237	-
Changes in provisions		8,237	(97,950)
<i>Adjustments for (reversal of) provisions related with employee benefits</i>		1,347	(1,923)
<i>Adjustments for (reversal of) lawsuit and/or penalty provisions</i>	12	1,382	(41,181)
<i>Adjustments for (reversal of) possible risks of cash and cash equivalents</i>		5,508	-
<i>Adjustments for (reversal of) other provisions</i>		-	(54,846)
Adjustments for interest (income) expenses		(20,961)	50,397
<i>Adjustments for interest income</i>	18.19	(306,778)	(187,288)
<i>Adjustments for interest expense</i>	19	285,817	237,685
Changes in net working capital		1,162,032	603,248
Adjustments for decrease (increase) in trade accounts receivable		(243,431)	(512,503)
<i>Decrease (increase) in trade accounts receivables from related parties</i>	20	(84)	7,391
<i>Decrease (Increase) in trade accounts receivables from third parties</i>		(243,347)	(519,894)
Adjustments for decrease (increase) in inventories		(368,284)	(787,739)
Adjustments for increase (decrease) in trade accounts payable		347,557	(1,658,075)
<i>Increase (decrease) in trade payables to related parties</i>		20,626	(2,034,859)
<i>Increase (decrease) in trade payables to third parties</i>		326,931	376,784
Adjustments for (decrease) in other operating receivables		(81,353)	(143,112)
Adjustments for increase (decrease) in other operating payables		(8,177)	516,299
Other adjustments for other increase (decrease) in working capital		(64,688)	246,959
Net cash flow from operating activities			
Interest received		89,484	74,713
Payments related with provisions for employee benefits		-	(9)
Income taxes paid		(86,776)	(32,200)
Cash flows from operating activities		746,364	(1,692,419)
Cash flows from investing activities			
Purchases of investment properties, tangible and intangible assets		(749)	(3,442)
Interest received		435	1,760
Purchases of financial assets		(7,000)	(4,831)
Returns of financial assets		13,116	128,374
Other inflows (outflows) of cash		46,629	(144,704)
Cash flow from investing activities		52,431	(22,843)
Cash flow from financing activities			
Proceeds from borrowings		610,000	1,379,963
<i>Proceeds from loans</i>		610,000	1,379,963
Repayments of borrowings, classified as financing activities		(154,595)	(110,000)
<i>Loan repayments</i>		(154,595)	(110,000)
Interest paid		(138,646)	(59,422)
Dividends Paid	15	(644,442)	-
Interest received	19	57,313	33,004
Other inflows (outflows) of cash		(117)	(305)
Cash flow from financing activities		(270,487)	1,243,240
Net Increase (decrease) in cash and cash equivalents		528,308	(472,022)
Cash and cash equivalents at the beginning of the year	4	385,081	985,315
Cash and cash equivalents at the end of the year	4	913,389	513,293

The Company has booked provision for impairment of TL 9.650 of cash and cash equivalents in accordance with TFRS 9 on its financial statements in the direction of expected credit losses.

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2018

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

NOTE 1 – ORGANIZATION AND OPERATION OF THE COMPANY

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 TL 625,000 has been trading on the stock exchange since 2 December 2010.

The registered address of the Company is as follows:

Barbaros Mah. Mor Sümbül Sok. No: 7/2 B (Batı Ataşehir) 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 cannot be a part of construction business, but only can organize it by auctioning between the contractors.

The financial statements at 30 June 2018 have been approved by the Board of Directors on 9 August 2018. 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. Toplu Konut İdaresi Başkanlığı (the Housing Development Administration of Turkey, "TOKİ"). TOKİ is a state institution under the control of T.C. Ministry of Environment and Urbanisation.

An "Ordinary Partnership" is formed between Dap Yapı İnşaat San. And Tic. Inc. 59,7% - Eltes İnşaat Tes. San. Tic. A.Ş. 0,3% and "the Company" which has 40% shares. Within the scope of "Istanbul Kartal LSRSA Project" structure has been established for the sale of a shopping center with an area of 51.000 m2 in the Istmarina project which is completed and ready to be sold to the rent and to manage the financial transactions of the shopping center. The related ordinary partnership is not included in the consolidation as of the reporting period, by reason of the financial statements are not affected significantly.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2018

(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 30 June 2018 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 declaration dated 7 June 2013 and 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.

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 value. 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.

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in thousands of TL, which is the Company’s functional and presentation currency.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2018

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

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

2.1 Basis of Preparation (Continued)

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Going concern

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

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”

NOTE 3 – ACCOUNTING POLICIES

Interim condensed financial statements for the period ended 30 June 2018, have been prepared in accordance with TMS 34 for the preparation of interim condensed financial statements of TFRS. In addition, the interim condensed financial statements of the period ending on 30 June 2018 were prepared by applying accounting policies consistent with the accounting policies applied during the preparation of condensed financial statements for the year ended 31 December 2017. Therefore, these interim financial statements should be evaluated together with the condensed financial statements for the year ended 31 December 2017.

3.1 New and Revised Turkish Accounting Standards

a) Amendments to TFRSs that are mandatorily effective for the current year

TFRS 9	<i>Financial Instruments</i>
TFRS 15	<i>Revenue from Contracts with Customers</i>
Amendments to TFRS 10 and TAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>
Amendments to TFRS 2	<i>Classification and Measurement of Share-Based Payment Transactions</i>
TFRS Interpretation 22	<i>Foreign Currency Transactions and Advance Consideration</i>
Amendments to TAS 40	<i>Transfers of Investment Property</i>
Annual Improvements to TFRS Standards 2014–2016 Cycle	<i>TFRS 1, TAS 28</i>

TFRS 9 *Financial Instruments*

TFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets / liabilities and for derecognition and for general hedge accounting.

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2018**

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

NOTE 3 – ACCOUNTING POLICIES (Continued)

3.1 New and Revised Turkish Accounting Standards (Continued)

a) Amendments to TFRSs that are mandatorily effective for the current year (Continued)

Key requirements of TFRS 9:

- all recognized financial assets that are within the scope of TFRS 9 are required to be subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under TFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading nor contingent consideration recognized by an acquirer in a business combination) in other comprehensive income, with only dividend income generally recognized in profit or loss.
- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, TFRS 9 requires that the amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under TAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.
- in relation to the impairment of financial assets, TFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under TAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.
- the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in TAS 39. Under TFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an ‘economic relationship’. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity’s risk management activities have also been introduced.

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NOTE 3 – ACCOUNTING POLICIES (Continued)

3.1 New and Revised Turkish Accounting Standards (Continued)

a) Amendments to TFRSs that are mandatorily effective for the current year (Continued)

TFRS 15 Revenue from Contracts with Customers

TFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. TFRS 15 will supersede the current revenue recognition guidance including TAS 18 *Revenue*, TAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of TFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Under TFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer.

Far more prescriptive guidance has been added in TFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by TFRS 15.

Later on *Clarifications to TFRS 15* in relation to the identification of performance obligations, principal versus agent considerations were issued, as well as licensing application guidance.

Amendments to TFRS 10 and TAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

This amendment clarifies the treatment of the sale or contribution of assets from an investor to its associate or joint venture.

Amendments to TFRS 10 and TAS 28 have no impact on Company’s financial statements.

Amendments to TFRS 2 Classification and Measurement of Share-Based Payment Transactions

The amendments clarify the standard in respect of the share-based payment arrangement has a ‘net settlement feature’, such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.

Amendments to TFRS 2 have no impact on the Company’s financial statements.

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NOTE 3 – ACCOUNTING POLICIES (Continued)

3.1 New and Revised Turkish Accounting Standards (Continued)

a) Amendments to TFRSs that are mandatorily effective for the current year (Continued)

IFRS Interpretation 22 *Foreign Currency Transactions and Advance Consideration*

The interpretation addresses foreign currency transactions or parts of transactions where:

- there is consideration that is denominated or priced in a foreign currency;
- the entity recognizes a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and
- the prepayment asset or deferred income liability is non-monetary.

The Interpretations Committee came to the following conclusion:

- The date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability.
- If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

IFRS Interpretation 22 has no impact on the Company’s financial statements.

Amendments to TAS 40 *Transfers of Investment Property*

The amendments to TAS 40:

- Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management’s intentions for the use of a property by itself does not constitute evidence of a change in use.
- The list of examples of evidence in paragraph 57(a) – (d) is now presented as a non-exhaustive list of examples instead of the previous exhaustive list.

Amendments to TAS 40 have no impact on the Company’s financial statements.

Annual Improvements to IFRS Standards 2014–2016 Cycle

- **IFRS 1:** Deletes the short-term exemptions in paragraphs E3–E7 of IFRS 1, because they have now served their intended purpose.
- **TAS 28:** Clarifies that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

Annual improvements to IFRS Standards 2014-2016 cycle have no impact on the Company’s financial statements.

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NOTE 3 – ACCOUNTING POLICIES (Continued)

3.1 New and Revised Turkish Accounting Standards (Continued)

b) New and revised TFRSs in issue but not yet effective

The Company has not applied the following new and revised TFRSs that have been issued but are not yet effective:

TFRS 16	<i>Leases</i> ¹
Amendments to TAS 28	<i>Long-term Interests in Associates and Joint Ventures</i> ¹
Amendments to TFRS 23	<i>Uncertainty over Income Tax Treatments</i>

¹ Effective for annual periods beginning on or after 1 January 2019.

TFRS 16 *Leases*

TFRS 16 specifies how a TAS reporter will recognise, measure, present and disclose leases and supersedes TAS 17 “Leases”. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with TFRS 16’s approach to lessor accounting substantially unchanged from its predecessor, TAS 17.

Amendments to TAS 28 *Long-term Interests in Associates and Joint Ventures*

This amendment clarifies that an entity applies TFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

TFRS Interpretation 23 *Uncertainty over Income Tax Treatments*

This interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under TAS 12.

The Company evaluates the effects of these standards, amendments and improvements on the financial statements.

3.2 Changes in accounting policies

This note explains the impact of the adoption of TFRS 9 Financial Instruments, TFRS 15 Revenue from Contracts with Customers and also discloses the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior periods.

a) **The change in accounting policies of impact on the Company’s condensed interim financial statements**

The application of changing accounting policies for the first time has no significant effect on the Company's financial statements.

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NOTE 3 – ACCOUNTING POLICIES (Continued)

3.2 Changes in accounting policies (Continued)

b) TFRS 9 Financial instruments

Transition to TFRS 9 “Financial Instruments”

The Company has applied TFRS 9 “Financial Instruments”, which has replaced TMS 39 on the transition date, 1 January 2018. The amendments include the classification and measurement of financial assets and liabilities and the expected credit risk model which will replace incurred credit risk model. Effect of transition is accounted based on the simplified approach. In accordance with this method, the Company recorded the cumulative effect related to the transition of TFRS 9 in retained earnings on the first application date. Therefore, prior year financial statements are not restated and these financial statements are presented in accordance with TMS 39.

Financial assets	Original classification under TMS 39	New classification under TFRS 9
Cash and cash equivalents	Loans and receivables	Amortized cost
Trade receivables	Loans and receivables	Amortized cost
Financial assets	Available for sale financial assets	Fair value through other comprehensive income

Financial liabilities	Original classification under TMS 39	New classification under TFRS 9
Borrowings	Amortized cost	Amortized cost
Factoring liabilities	Amortized cost	Amortized cost
Trade payables	Amortized cost	Amortized cost

Impact on the Financial Statement

TFRS 9 replaces the provisions of TAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of TFRS 9 Financial Instruments from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in note 3(c) below. In accordance with the transitional provisions in TFRS 9, comparative figures have not been restated.

The total impact on the Company’s retained earnings as at 1 January 2018 is as follows:

Retained Earnings – 31 December 2017	4,304,087
Impact on the retain earnings according to TFRS 9	(4,142)
Retain earnings - 1 January 2018	4,299,945

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NOTE 3 – ACCOUNTING POLICIES (Continued)

3.2 Changes in accounting policies (Continued)

Classification and measurement – Financial assets

On 1 January 2018 (the date of initial application of TFRS 9), the Company’s management has assessed which business models apply to the financial assets held by the Company

- Treasury bonds and bills as held-to-maturity investments as disclosed in Note 5: These are held within a business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on the principal outstanding. Accordingly, these financial assets will continue to be subsequently measured at amortized cost upon the application of TFRS 9.
- Trade and other receivables measured at amortized cost as disclosed in Note 7: These are held within a business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on the principal outstanding. Accordingly, these financial assets will continue to be measured at amortized cost upon the application of TFRS 9. All other financial assets and financial liabilities will continue to be measured on the same bases as is currently adopted under TAS 39.

3.3 Significant accounting policies – TFRS 9 Financial Instruments

Impairment – Financial assets and contract assets

TFRS 9 replaces the ‘incurred loss’ model in TAS 39 with a forward looking ‘expected credit loss’ (ECL) model. This will require considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments, and to contract assets.

Under TFRS 9, loss allowances will be measured on either the following bases.

- 12 month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12 month ECL measurement applies if it has not.

An entity may determine that a financial asset’s credit risk has not increased significantly if the asset has low credit risk at the reporting date. However lifetime ECL measurement (simplified approach) always apply for trade receivables and contract assets without a significant financing component. The Company will apply lifetime ECL measurement.

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3.3 Significant accounting policies - TFRS 15 Revenue Recognition

Company recognizes revenue when the goods or services is transferred to the customer and when performance obligation is fulfilled. Goods is counted to be transferred when the control belongs to the customer.

Company recognizes revenue based on the following main principles:

- (a) Identification of customer contracts
- (b) Identification of performance obligations
- (c) Determination of transaction price in the contract
- (d) Allocation of price to performance obligations
- (e) Recognition of revenue when the performance obligations are fulfilled

1. *Sale of vacant land and plots*

Revenue is recognised, when all the significant risks and rewards of the vacant land and plots are transferred to the buyer and the amount of revenue can be measured reliably.

2. *Sale of residential units produced by Turnkey projects*

Revenue is recognised when all significant risks and rewards regarding the completed residential units are transferred to the customers and the amount of revenue is measured reliably.

3. *Sale of land and plots by way of LSRSA*

The Company recognizes the revenue for the sale of land by way of LSRSA when the transfer of title deed, which means the legal ownership of land, is transferred to the buyer, the construction company, which in return passes the ownership of such land to the buyers of the residential and commercial units sold. When the title deed is not transferred, the Company follows-up its revenue share in the deferred revenue (Note 14) and the share of the construction entity as a liability to contractors under LSRSA (Note 7). The Company’s share in the Total Sales Revenue (“TSR”) is recorded as revenue from sale of land and the related cost of land is recognised as cost of land sold in the comprehensive income statement (Note 16).

Company recognized revenue from its customers only when all of the following criteria are met:

- (a) The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations,
- (b) Company can identify each party’s rights regarding the goods or services to be transferred
- (c) Company can identify the payment terms for the goods or services to be transferred;
- (d) The contract has commercial substance,
- (e) It is probable that Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer’s ability and intention to pay that amount of consideration when it is due.

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3.3 Significant accounting policies - TFRS 15 Revenue Recognition (Continued)

Company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. Company delivers the control of services related to the sale of extended warranty over time and it fulfills the performance obligation of extended warranty over time. Therefore, Company measures the delivery status of its performance obligation and recognize revenue in the financial statements accordingly. recognizes revenue from the sale of goods in the financial statements when the control of the good is transferred to the customer.

When another party is involved in providing goods or services to a customer, the Company determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself or to arrange for the other party to provide those goods or services. The company is a principal if it controls a promised good or service before the company transfers the good or service to a customer. When a company that is a principal satisfies a performance obligation, it recognizes as revenue the gross amount of consideration which it expects to be entitled to in exchange for those goods or services. The company is an agent if its performance obligation is to arrange for the provision of goods or services by another party.

Company recognizes revenue when it has right to collect the consideration which is equal to the price of performance obligation fulfilled by the perspective of customer (after the delivery of goods) in an amount of its right to invoice. Company expects that the difference between the timing of the transfer of goods of services determined at the beginning of the contact and the timing of the collection of transaction price by the customer does not differ more than one year and therefore transaction price does not contain a significant finance component.

Transaction price varies due to favors like discounts and rebates provided to the customers. Transaction price is determined based on the most likely amount method since Company provides bonus premium to its customers if the customers achieves the limit of sale.

Company recognizes a refund liability in the financial statements if the entity receives consideration from a customer and expects to refund some or all of that consideration to the customer. A refund liability is measured at the amount of consideration received (or receivable) for which the entity does not expect to be entitled. The refund liability is updated at the end of each reporting period for changes in circumstances.

3.4 Comparative information and revision of prior period financial statements

The Company classified CPI income accrual amount under the other current assets in previous periods. The company reassessed and decide to present CPI accruals under the trade receivables. As of 31 December 2017, TL 70,568 CPI accruals which are classified in other current assets, are reclassified as trade receivables.

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NOTE 4 – CASH AND CASH EQUIVALENTS

	30 June 2018	31 December 2017
Cash on hand	30	-
Banks	1,489,926	897,501
- Demand deposit	242,686	191,479
- Time deposits up to 3 months maturity	1,247,240	706,022
	1,489,956	897,501

Maturities of cash and cash equivalents are as follows:

	30 June 2018	31 December 2017
Demand	242,686	191,479
Up to 3 month	1,247,240	706,022
Less: Blocked deposits with maturities less than 3 months	(33,650)	(30,977)
	1,456,276	866,524

Average effective interest rates of in TL time deposits are as follows:

30 June 2018	31 December 2017
(%)	(%)
15.96%	10.41%

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

	30 June 2018	31 December 2017
Cash and cash equivalents	1,489,956	897,501
Less: Interest accruals	(11,390)	(2,707)
Less: LSRSA project deposits (*)	(286,263)	(237,198)
Less: TOKİ deposits (**)	(270,799)	(255,176)
Less: Blocked deposits	(17,765)	(17,339)
Add: TFRS 9 impact	9,650	-
	913,389	385,081

(*) 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 TL 286,263 (31 December 2017: TL 237,198) part of the total project amount deposits TL 15,885 (31 December 2017: TL 13,638) comprises of blocked deposits.

(**) According to the protocols signed with TOKİ regarding to land purchases, the cost of lands purchased from TOKİ is kept in time deposit accounts of Emlak Konut in the name of TOKİ, until the payment date determined by TOKİ. All of this accumulated interest income on time deposits will be paid to TOKİ.

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NOTE 5 - FINANCIAL INVESTMENTS

Financial investments	30 June 2018	31 December 2017
Blocked deposits more than 3 months maturity (**)	119,108	165,741
Bond	2,400	8,266
Special issue government bonds (*)	12,017	12,267
	133,525	186,274

(*) The Republic of Turkey, Undersecretaries 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 TL 429,617 has been issued to the Company. The Bonds are redeemed partially and early readapted and the amount is transferred to the Company’s accounts when the HAS lists are specified (Note 8). 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.

(**) In order to provide low interest rate financing to customers who want to buy home from the projects developed by the company, the aim is to keep the loan amounts used by the customers as blocked deposits in the bank. The relevant amounts are ready for the use of the company in the specified period. The contractor portion of blocked deposits in the bank accounts which opened in the name of the related project and more than 3 months maturity, is TL 59,605 (31 December 2017: TL 80,748) while the company portion of the blocked shares is TL 59,503 (31 December 2017: TL 84,993).

The Company acquired bonds amounting to 2,400 TL as of 30 June 2018 (31 December 2017: 8,266 TL) from free market. These bonds are measured at fair value. The fair value of these bonds are calculated by using the effective interest rates quarterly. Average effective interest rate of financial assets at 30 June 2018 is 14.09 % (31 December 2017: 12.92%). As of 30 June 2018, average term of the treasure bills changes between three and six months (31 December 2017: changes between three and six months).

NOTE 6 - FINANCIAL LIABILITIES

	30 June 2018	31 December 2017
Short-term financial liabilities		
Short-term portion of long-term borrowings	773,040	482,364
	773,040	482,364
Long-term financial liabilities		
Long-term borrowings	2,120,131	1,932,308
	2,120,131	1,932,308

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NOTE 6 - FINANCIAL LIABILITIES (Continued)

The weighted average interest rate of the borrowing as at 30 June 2018 is 14.84% (31 December 2017: 14.75 %).

The redemption schedules of the borrowings at 30 June 2018 and 31 December 2017 are as follows:

	30 June 2018	31 December 2017
2019	484,743	746,154
2020	970,618	746,154
2021	617,078	440,000
2022	47,692	-
	2,120,131	1,932,308

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

	30 June 2018	31 December 2017
Less than 3 months	106,048	47,692
Between 3 - 12 months	666,992	434,672
Between 1 - 5 years	2,120,131	1,932,308
	2,893,171	2,414,672

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

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

	30 June 2018	31 December 2017
Short-term trade receivables		
Receivables from LS RSA contractors invoiced	1,315,361	951,881
Receivables from sale of residential and commercial units	687,970	792,099
Assigned receivables from sale of residential and commercial units (*)	44,958	-
Receivables from land sales	24,779	11,289
Receivables from related parties (Note 20)	8,323	8,239
Rent receivables	1,283	1,572
Other	2,287	2,429
Unearned finance income	(10,860)	(15,252)
	2,074,101	1,752,257
Doubtful receivables	1,837	1,837
Less: Provision for doubtful receivables	(1,837)	(1,837)
	2,074,101	1,752,257

(*)The Company has assigned a certain portion of its receivables arising from instalment sales that it has realized as "irrevocable". This amount comprises of the receivables from the receivables financing company.

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NOTE 7 - TRADE RECEIVABLES AND PAYABLES (Continued)

	30 June 2018	31 December 2017
Long-term trade receivables		
Receivables from sale of residential and commercial units	1,655,435	1,944,998
Unearned finance income	(222,505)	(258,353)
	1,432,930	1,686,645

	30 June 2018	31 December 2017
Short-term trade payables		
Payables to related parties (Note 20)	832,853	744,713
Payables to LSRSA contractors invoiced	470,552	314,001
Trade payables	722,321	195,211
Time deposit interest accruals from LSRSA contractors invoiced (*)	12,806	12,723
	2,038,532	1,266,648

(*) 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 8 - OTHER RECEIVABLES AND PAYABLES

	30 June 2018	31 December 2017
Short-term other receivables		
Receivables from contractors	808,290	783,205
Housing Acquisition Support (“HAS”) related receivables from Turkish Treasury	390,768	390,771
Receivables from the authorities	7,801	6,360
Other	653	130
	1,207,512	1,180,466

	30 June 2018	31 December 2017
Long-term other receivables		
Deposits and guarantees given	1,008	988
	1,008	988

	30 June 2018	31 December 2017
Short term other payables		
Payable to HAS beneficiaries	402,898	403,013
Payable to contractors (*)	88,752	88,752
Taxes and funds payable	13,254	10,187
Other	63,580	52,815
	568,484	554,767

(*) The amount includes the unissued invoice by the contractor amount of TL 88,752 regarding to the units received as a result of revenue allocation at İzmir Mavisehir Phase 3 project, where the contractor filed a lawsuit regarding the revenue sharing percentages (31 December 2017: TL 88,752).

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NOTE 8 - OTHER RECEIVABLES AND PAYABLES (Continued)

As of 30 June 2018, other long-term payables comprises of deposits and guarantees received.

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 30 June 2018 and 2017 are shown below:

	1 January 2018	Additions within the period	Disposals	30 June 2018
Treasury support share				
Receivable from Treasury	390,771	-	(3)	390,768
Special purpose government Bond (Note 5)	12,267	-	(250)	12,017
Cash generated from government bond redemption	(25)	252	(114)	113
Total consideration received or receivable from Treasury	403,013			402,898
Payable to HAS beneficiaries	(403,013)			(402,898)

	1 January 2017	Additions within the period	Disposals	30 June 2017
Treasury support share				
Receivable from Treasury	390,780	2	(8)	390,774
Special purpose government Bond	12,517	-	(250)	12,267
Cash generated from government bond redemption	150	258	(192)	216
Total consideration received or receivable from Treasury	403,447			403,257
Payable to HAS beneficiaries	(403,447)			(403,257)

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NOTE 9 -INVENTORIES

	30 June 2018	31 December 2017
Lands	3,009,042	4,022,623
<i>Cost</i>	3,031,312	4,033,188
<i>Impairment</i>	(22,270)	(10,565)
Planned land by LSRSA	7,313,733	6,362,982
Planned land by turnkey project	3,160,964	2,433,661
Residential and commercial units ready for sale	715,961	827,365
<i>Cost</i>	731,062	838,629
<i>Impairment</i>	(15,101)	(11,264)
	14,199,700	13,646,631

As of 31 December 2017, independent valuation reports prepared by Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş. ve Yetkin Gayrimenkul Değerleme ve Danışmanlık 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 movement of the impairment on land and residential unit inventories is as follows:

	2018	2017
Balance at 1 January	21,829	18,808
Impairment charge for the period	42,857	30,990
Reversal of impairment	(27,315)	(9,480)
Balance at 30 June	37,371	40,318

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2018

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

NOTE 9 - INVENTORIES (Continued)

The details of land and residential stocks of the company are shown below as of 30 June 2018 and 31 December 2017:

Lands	30 June 2018	31 December 2017
İstanbul Küçükçekmece Lands	1,462,913	1,341,390
İstanbul Bakırköy Lands	445,004	685,406
İstanbul Başakşehir Lands	373,169	352,243
İstanbul Tuzla Lands	205,917	205,917
İstanbul Arnavutköy Lands	147,667	333,309
İstanbul Kartal Lands	133,878	133,878
Samsun Canik Lands	94,265	94,265
İstanbul Ataşehir Lands	40,136	40,136
İstanbul Esenyurt Lands	39,178	49,588
Ankara Çankaya Lands	17,202	46,042
İzmir Konak Umurbey Lands	12,966	-
Kocaeli Gebze Lands	12,363	7,839
İstanbul İstinye Lands	7,734	7,734
Tekirdağ Çorlu Lands	5,227	6,153
Maltepe Küçükyalı Lands	3,010	3,010
Tekirdağ Kapaklı Lands	1,862	6,210
İstanbul Umraniye Lands	1,844	1,844
Kocaeli Tütünçiftliği Lands	1,528	1,528
İstanbul Zekeriyaköy Lands	677	677
İstanbul Çekmeköy Lands	-	247,830
İstanbul Şişli Lands	-	455,122
İstanbul Şile Lands	2,441	2,441
Other	61	61
	3,009,042	4,022,623

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2018

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

NOTE 9 - INVENTORIES (Continued)

Planned lands by LSRSA	30 June 2018	31 December 2017
Nidapark İstinye Project	993,433	994,512
Nidapark Kucukyali Project	677,715	678,835
Büyükyali Project	656,802	656,805
Merkez Ankara Project	634,550	639,672
Nişantaşı Project	455,344	-
Bizim 2.Mahalle Project	434,877	486,288
Zeytinburnu Beştelsiz Project	408,029	407,730
Florya Şenlik Mahallesi Project	363,097	-
Beykoz Riva Project	352,492	-
İstanbul Çekmeköy Taşdelen Project	254,114	-
Nidapark Kayasehir Project	197,924	179,903
Antalya Muratpaşa Project	197,916	194,435
Köy Project	161,681	225,564
Validebağ Konakları Project	153,764	153,775
Avangart İstanbul Project	120,077	120,077
Tual Bahçekent Project	118,929	105,104
Koordinat Çayyolu Project	97,138	97,138
Tual Adalar Project	90,842	91,079
Temaşehir Konya Project	86,704	86,704
Evvel İstanbul Project	81,166	72,590
Avrupark Project	80,798	71,818
Evora Denizli Project	76,256	77,197
Kocaeli Derince Project	70,360	70,360
Cer İstanbul Project	67,520	67,520
Karat 34 Project	67,480	67,438
Ebruli İspartakule Project	58,105	57,817
Avrupark Hayat Project	54,056	48,665
Semt Bahçekent Project	50,574	45,413
İspartakule 6. Etap Project	47,979	47,979
Yeniköy Konakları İstanbul Project	45,368	45,475
Maslak 1453 Project	35,469	35,469
Çankaya Oran Project	33,079	-
Ofis Karat Bakırköy Project	30,605	30,919
Tuzla İçmeler Project	20,016	20,016
İstmarina Project	26,719	194,406
Şile Çavuş Project	8,617	9,813
Ankara Saraçoğlu Project	2,442	-
Göl Panorama Project	-	13,720
Avrupa Konutları Başakşehir Project	-	126,977
Other	1,696	141,769
	7,313,733	6,362,982

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2018

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

NOTE 9 - INVENTORIES (Continued)

Planned lands by turnkey project	30 June 2018	31 December 2017
Ayazma Emlak Konutları Project	577,366	431,551
Başkent Emlak Konutları Project	451,090	470,380
Ispartakule 1. Etap 1. Kısım Project	326,552	265,455
Kuzey Yakası Project	337,301	227,941
Gebze Emlak Konutları	382,314	211,815
Ispartakule 1. Etap 2. Kısım Project	293,543	223,584
Nevşehir Emlak Konutları Project	193,902	163,996
Körfezkent 4. Etap Project	185,346	126,008
Ankara Başkent Project	181,523	-
Başakşehir Ayazma 2. Etap Project	106,321	108,261
Niğde Emlak Konutları	99,697	64,486
Kocaeli Körfezkent Commercial Units	26,009	11,262
Emlak Konut Başakşehir Evleri 2. Etap Project	-	128,922
	3,160,964	2,433,661

Completed units	30 June 2018	31 December 2017
Sarphan Finanspark Project	228,887	231,042
Maslak 1453 Project	167,224	168,335
Metropol İstanbul Project	100,467	141,096
Batışehir Project	34,108	41,631
Başakşehir Emlak Konutları 2. Etap	32,802	-
Esenler Emlak Konutları	30,885	138,828
Nidakule Ataşehir Project	30,862	30,862
Bahçekent Emlak Konutları 1.Etap 3.Kısım	10,405	11,616
Dumankaya Mıks Project	23,889	24,866
Unikonut Project	23,181	23,435
Bahçekent Flora Evleri	16,991	-
Başakşehir Emlak Konutları 1. Etap 2.Kısım	4,345	4,345
Bulvar İstanbul Project	3,962	3,917
Park Yaşam Mavişehir Evleri	2,143	1,739
Kocaeli Körfezkent Emlak Konutları	1,089	1,089
Kayabaşı Emlak Konutları	2,572	2,418
Spradon Vadi Evleri	603	599
Emlak Konut Mavişehir Evleri	404	-
Other	1,142	1,547
	715,961	827,365

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2018

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

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

30 June 2018	Buildings	Motor vehicles	Furniture, equipment and fix assets	Construction in progress	Total
Net book value as of 1 January 2018	58,504	833	7,427	94	66,858
Additions	-	-	291	3	294
Depreciation expense(-)	(567)	(148)	(1,434)	-	(2,149)
Net book value 30 June 2018	57,937	685	6,284	97	65,003
Cost	62,129	2,160	18,152	97	82,538
Accumulated depreciation (-)	(4,192)	(1,475)	(11,868)	-	(17,535)
Net book value 30 June 2018	57,937	685	6,284	97	65,003

30 June 2017	Buildings	Motor vehicles	Furniture, equipment and fix assets	Construction in progress	Total
Net book value as of 1 January 2017	59,327	1,226	8,599	29	69,181
Additions	812	-	1,117	-	1,929
Depreciation expense(-)	(1,068)	(197)	(1,458)	-	(2,723)
Net book value 30 June 2017	59,071	1,029	8,258	29	68,387
Cost	62,062	2,160	17,133	29	81,384
Accumulated depreciation (-)	(2,991)	(1,131)	(8,875)	-	(12,997)
Net book value 30 June 2017	59,071	1,029	8,258	29	68,387

NOTE 11 –INVESTMENT PROPERTIES

Investment properties are for rent and sales comparison approach and income methods by discounted cash flows are used as fair value in these valuations and impairment calculations.

Regarding the measurement of fair values of investment properties at 31 December 2017, the valuation reports are taken from independent valuation CMB authorised firms Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş. and Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş. As of 30 June 2018, a provision for impairment of TL 25.237 is reserved for investment property (Note 18). The fair values of the investment property determined by independent valuation experts are as follows:

	30 June 2018	31 December 2017
Lands	23,744	23,744
Atasehir General Management Office A Block	83,524	83,524
Independent commercial units of Istmarina AVM (*)	270,950	-
	378,218	107,268

(*)The Company purchased independent commercial units in 2018 with the aim of obtaining rental income from the Istmarina shopping center, which was completed within the scope of "İstanbul Kartal LSRSA Project".

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2018

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

NOTE 12 –PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

	30 June 2018	31 December 2017
Provisions		
Provision for lawsuits	48,298	46,916
	48,298	46,916

The movements of provision for lawsuits as of 30 June 2018 and 2017 are as follows:

	2018	2017
Balance at 1 January	46,916	73,238
Provision released within the current period (Note 18)	-	(31,602)
Provision charged for the period (Note 18)	1,382	-
Provision used in the period	-	(42)
Provision paid in the period	-	(9,579)
Balance at 30 June	48,298	32,015

12.1 Continued and Contingency Cases

- 12.1.1** Contractor firm filed a lawsuit against the Company claiming compensation because of damage caused by our company in the agreement of The LSRSA Project regarding İstanbul Bakırköy, 51/4 section 257 zone 33 & 38 parcels. the requested case has been concluding against the Company by the local court and the judgment of the Court of Cassation is dismissed in favor of the Company and the decision of the local court is expected. The Company made provision amounting to TL 19,989 from the related case.
- 12.1.2** Plaintiff contractor firm filed a lawsuit against the Company claiming compensation because of receivables, cancellation of title deed, registration. The decision of the contractor to unjustly terminate the contract has been finalized. Lawsuits filed by the company, amounting to TL 6.681, have been partially accepted and the trial has been appealed The Company made provision amounting to TL 6,717 from the related case.
- 12.1.3** The plaintiff is requested by the contractor to register a legal mortgage amounting to TL 4,065 for the buildings constructed in İstanbul, Kucukcekmece District 478, parcel 6, and parcel 844, parcel 1. The İstanbul 16th Asliye Commercial Court dismissed the lack of jurisdiction by stating that the Bakırköy courts were the definite authority. The decision has been appealed and the Court of Cassation upheld the decision of the local court. The proceedings are continuing at the Bakırköy 4th Asliye Commercial Court. The Company made provision amounting to TL 4,184 from the related case.

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2018**

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

NOTE 12 –PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

12.2 Contingent Liabilities of Emlak Konut GYO

In the financial statements prepared as of 30 June, 2018, the ongoing litigation liabilities were evaluated in the following matters. According to the opinion of the Company Management and its lawyers, no provision has been made in the financial statements prepared as of 30 June, 2018 on the grounds that it is not probable that the outflow of resources with economic benefits will be realized in cases filed against the Company in order to fulfill its obligation.

12.2.1 The LSRSA Project Agreement dated 21 December 2005 regarding 750 units in İzmir Mavisehir 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 Turnkey projects.

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 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.

In the expert report dated 19 January 2016, it has been made a decision of whether related cancellation is unfair, and there alternative calculations has been realized over the possibility of whether the cancellation is right and over the effects on forward and backward. The expert report has been contested and it has been requested from the court that the expert report is declared “null and void” and that to receive a report that contains the objections of parties by creating a new committee.

The Company filed a lawsuit as well for collecting amount of TL 34,100 without prejudice to further claims as of 7 July 2011.

According to comments received from the Company’s lawyer, it is not expected to arise any liability that put the Company under obligation as a result of related case.

12.2.2 The LSRSA project agreement regarding İzmir Mavisehir 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 TL 67,515 plus VAT calculated as TL 175,000 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.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2018

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

NOTE 12 –PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

12.2 Contingent Liabilities of Emlak Konut GYO (Continued)

The court rejected the case on 5 March 2015. The claimant has filed an appeal. The result of appeal is being waited. As a result of the appeal the court’s verdict was approved from the supreme court.

12.2.3 Contractor firm filed a lawsuit against the Company claiming compensation amounting to 21.690 TL. The court decided to accept the case. The decision of the local court was corrupted by the Court of Cassation in favor of Emlak Konut GYO. The correctness of the decision is expected. According to comments received from the Company’s lawyer, it is not expected to arise any liability that put the Company under obligation as a result of related case.

12.2.4 Contractor of İzmir Mavisehir Upper North Area 2. Phase LSRSA Project, the contractor was filed a lawsuit for assignment that the claimant has given. The case is proceeding and According to comments received from the Company’s lawyer, it is not expected to arise any liability that put the Company under obligation as a result of related case.

12.2.5 In terms of the assignment given by the Istanbul Ümraniye Phase 1 LSRSA contractor, ordinary partnership received amount of TL 46,000 from Şekerbank T.A.Ş. according to the contract with Emlak Konut GYO. Şekerbank T.A.Ş. claiming that the amount of TL 34,134 has not been paid unjustly to the transferring entity. The plaintiff requested that the mortgage be put on a part of the immovable subject matter in order to constitute the guarantee of taking the case. The trial is ongoing.

12.3 Contingent Assets of Emlak Konut GYO

12.3.1 As of 30 June 2018 and 31 December 2017, the breakdown of nominal trade receivables resulted from the residential and commercial unit sales and the expected timing of the nominal installments not due or not collected that are not included in the balance sheet as TAS 18 criteria has not been met since the construction is still ongoing or the construction has been completed but the units have not been delivered in accordance with pre-sales contract:

30 June 2018	Trade Receivables	Off-balance sheet deferred revenue	Total
1 year	638,471	537,795	1,176,266
2 year	433,973	419,218	853,191
3 year	286,252	421,168	707,420
4 year	297,498	363,788	661,286
5 year and above	637,712	1,652,769	2,290,481
	2,293,906	3,394,738	5,688,644

31 December 2017	Trade Receivables	Off-balance sheet deferred revenue	Total
1 year	721,531	755,373	1,476,904
2 year	480,164	564,401	1,044,565
3 year	343,526	488,004	831,530
4 year	217,240	345,673	562,913
5 year and above	904,068	1,622,221	2,526,289
	2,666,529	3,775,672	6,442,201

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

NOTE 13 - OTHER ASSETS AND LIABILITIES

	30 June 2018	31 December 2017
Other current assets		
Progress payments given to contractors	138,624	83,020
Accrued income	19,624	40,989
Receivables from tax office	9,000	20,187
Deferred VAT	-	2,512
	167,248	146,708

	30 June 2018	31 December 2017
Other non-current assets		
Deferred VAT	81,908	12,637
	81,908	12,637

NOTE 14 - DEFERRED INCOME AND PREPAID EXPENSES

	30 June 2018	31 December 2017
Short-term deferred income		
Deferred income from LSRSA projects (*)	1,550,749	2,069,084
Advances taken from LSRSA contractors (**)	793,330	850,342
Advances taken from turnkey project sales	619,623	582,153
Alienable deferred incomes (***)	350,000	-
Deferred income from sales of completed units	219,281	162,406
Advances taken from related parties (Note 20)	64,732	64,732
	3,597,715	3,728,717

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

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

(***)The Company is obliged to collect cash by assigning a certain portion of its receivables arising from term sales that it has realized as "irrevocable recourse".

	30 June 2018	31 December 2017
Prepaid expenses		
Advances given for inventory (*)	1,220,116	986,501
Prepaid expenses	42	-
	1,220,158	986,501

(*) A protocol has been signed between the Company and the Tariş Cooperative Associations to develop revenue sharing project on a total of 143,366-m2 land, which is belonging to the Tariş Cooperative Unions, located within the boundaries of Kurukay / Umurbey, Konak district of İzmir. The Company has provided an advance of stock amounting to TL 416,938. The Company has also provided a stock advance of 742,808 TL to the contractors for the houses and commercial units they have received from Ankara Yeninahalle Station and Büyükyalı projects.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2018

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

NOTE 15 - SHAREHOLDERS' EQUITY

The Company's authorized capital amount is TL 3,800,000 (31 December 2017: TL 3,800,000) and consists of 380,000,000,000 (31 December 2017: 380,000,000,000) authorized number of shares with a nominal value of TL 0,01 each.

The Company's shareholders and their shareholding percentages as of 30 June 2018 and 31 December 2017 is as follows:

Shareholders	30 June 2018		31 December 2017	
	Share (%)	TL	Share (%)	TL
Public offering portion	50.66	1,925,111	50.66	1,925,111
T.C. Toplu Konut İdaresi Başkanlığı "TOKİ"	49.34	1,874,831	49.34	1,874,831
HAS beneficiaries	0.00	56	0.00	56
Other	0.00	2	0.00	2
Total paid in capital	100	3,800,000	100	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 adding it to the share capital.

On 28 March 2018, the General Assembly decided to distribute dividends of TRY 666.976. This dividend which amounting to TL 22,534 is related to the recovered shares, are netted under equity.

Between 1 November 2017 and 17 November 2017, The Company has repurchased 8,309,000 numbers of shares with nominal value between full TL 2.55 and full TL 2.70 and total amounting to full TL 21,623,770 full TL). Shares average purchase price is TL 2.60 and as a result of the purchases, the share of the total shares to the total share lot is 3.38%

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2018

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

NOTE 16 - REVENUE AND COST OF SALES

	1 January- 30 June 2018	1 April- 30 June 2018	1 January- 30 June 2017	1 April- 30 June 2017
Sales income				
Land sales	1,935,461	657,538	949,260	536,755
<i>Income from sale of land and plots by way of LSRSA</i>	<i>1,477,203</i>	<i>199,280</i>	<i>949,260</i>	<i>536,755</i>
<i>Land sales income</i>	<i>458,258</i>	<i>458,258</i>	-	-
Residential and commercial units sales	368,925	210,891	500,111	79,051
Other Income	3,028	1,944	1,701	1,163
	2,307,414	870,373	1,451,072	616,969
Sales returns	(1,841)	(915)	(83,291)	(83,280)
Sales discounts	(1,491)	(758)	(296)	(296)
Net sales income	2,304,082	868,700	1,367,485	533,393
Cost of sales				
Cost of land sales	(788,158)	(372,747)	(209,421)	(144,654)
<i>Cost of land and plots sold by way of LSRSA</i>	<i>(588,836)</i>	<i>(173,425)</i>	<i>(209,421)</i>	<i>(144,654)</i>
<i>Cost of land sales</i>	<i>(199,322)</i>	<i>(199,322)</i>	-	-
Cost of residential and commercial units sales	(244,228)	(122,593)	(361,558)	(41,174)
	(1,032,386)	(495,340)	(570,979)	(185,828)
Gross profit	1,271,696	373,360	796,506	347,565

NOTE 17 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES

	1 January- 30 June 2018	1 April- 30 June 2018	1 January- 30 June 2017	1 April- 30 June 2017
General administrative expenses				
Personnel expenses	(29,022)	(13,771)	(25,977)	(14,318)
Taxes, duties and fees	(21,073)	(11,982)	(16,174)	(9,288)
Donations	(18,718)	(18,563)	(806)	(776)
Consultancy expenses	(9,677)	(6,577)	(7,287)	(4,175)
Information technology expenses	(4,331)	(956)	(5,472)	(2,648)
Travel expenses	(2,871)	(1,132)	(2,208)	(724)
Depreciation and amortisation	(3,172)	(1,382)	(3,447)	(1,814)
Lawsuit and notary expenses	(2,595)	(2,478)	(928)	(600)
Maintenance	(1,994)	(1,292)	(978)	(162)
Due and contribution expenses	(1,924)	(1,377)	(2,596)	(1,779)
Insurance expenses	(517)	(400)	(215)	(184)
Communication	(293)	(202)	(272)	(147)
Other	(9,145)	(4,805)	(4,868)	(3,158)
	(105,332)	(64,917)	(71,228)	(39,773)

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2018

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

NOTE 17 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES (Continued)

	1 January- 30 June 2018	1 April- 30 June 2018	1 January- 30 June 2017	1 April- 30 June 2017
Marketing, sales and distribution expenses				
Advertising expenses	(23,170)	(11,726)	(28,410)	(10,969)
Personnel expenses	(3,024)	(2,077)	(2,576)	(1,371)
Office expenses	(188)	(68)	-	-
Notary expenses	(50)	(33)	-	-
Other	(1,446)	(258)	(531)	(217)
	(27,878)	(14,162)	(31,517)	(12,557)

NOTE 18- OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

	1 January- 30 June 2018	1 April- 30 June 2018	1 January- 30 June 2017	1 April- 30 June 2017
Other income from operating activities				
Finance income from credit sales	166,498	56,189	107,156	43,248
Delay penalty interest from project contractors	64,379	25,199	32,073	12,776
Due date differences	18,153	18,153	-	-
Recirculate commission income	12,562	5,934	7,961	3,887
Impairment provision reversals (Note 9)	27,315	26,135	9,480	-
Fee returns from land offices	1,284	770	-	-
Income from tender contract sales	151	26	-	-
Released lawsuit provisions (Note 12)	76	-	31,602	26,380
Other	9,091	5,138	20,689	13,673
	299,509	137,544	208,961	99,964

	1 January- 30 June 2018	1 April- 30 June 2018	1 January- 30 June 2017	1 April- 30 June 2017
Other expenses from operating activities				
Investment properties impairment provision expenses	(25,237)	(1,904)	-	-
Home and land inventories impairment provision expenses (Note 9)	(42,857)	(34,047)	(30,990)	(4,272)
Cash and cash equivalents impairment provision expenses	(5,508)	(5,508)	-	-
Lawsuit provision charge for the period (Note 12)	(1,382)	(1,382)	-	-
Reversal of due date differences	-	-	(51,944)	(12,853)
Other	(3,902)	(3,328)	(4,291)	(3,306)
	(78,886)	(46,169)	(87,225)	(20,431)

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2018

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

NOTE 19 - FINANCIAL INCOME / EXPENSES

	1 January- 30 June 2018	1 April- 30 June 2018	1 January- 30 June 2017	1 April- 30 June 2017
Financial income				
Interest income from time deposits	57,313	36,674	33,004	19,743
Interest income from TOKI	-	-	13,295	13,295
Foreign exchange income	12	5	120	118
	57,325	36,679	46,419	33,156

	1 January- 30 June 2018	1 April- 30 June 2018	1 January- 30 June 2017	1 April- 30 June 2017
Financial expenses				
Loan interest expense	(161,742)	(103,282)	(47,765)	(29,514)
Assigned receivables and commission expense	(27,376)	17,062	-	-
Interest expense on payable to TOKI (*)	(67,514)	(44,449)	(135,118)	(24,490)
Interest discount on pay off debt	(29,185)	(28,440)	(46,039)	(44,966)
Foreign exchange loss	(247)	(33)	(147)	-
Interest expense on Turkish Treasury borrowings	-	-	(8,763)	(3,205)
	(286,064)	(159,142)	(237,832)	(102,175)

(*) This amount comprises of the interest expense accrued as of 30 June 2018 for the debts arising from payments of land received from the Toplu Konut İdaresi.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2018

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

NOTE 20 - RELATED PARTY DISCLOSURES

The main shareholder of the Company is T.C. Toplu Konut İdaresi Başkanlığı (“TOKİ”). TOKİ is a state institution under control of T.C. Ministry of Environment and Urbanisation. Related parties of the Company are as listed below:

1. T.C. Toplu Konut İdaresi Başkanlığı (“TOKİ”)
2. Emlak Planlama, İnşaat, Proje Yönetimi ve Ticaret A.Ş. (an affiliate of TOKİ)
3. GEDAŞ (Gayrimenkul Değerleme A.Ş.) (an affiliate of TOKİ)
4. TOBAŞ (Toplu Konut - Büyükşehir Bel. İnş. Emlak ve Proje A.Ş.) (an affiliate of TOKİ)
5. Vakıf Gayrimenkul Yatırım Ortaklığı A.Ş. (an affiliate of TOKİ)
6. Vakıf İnşaat Restorasyon ve Ticaret A.Ş. (an affiliate of TOKİ)
7. Emlak-Toplu Konut İdaresi Spor Kulübü
8. Emlak Planlama İnş. Prj. Yön. A.Ş. – Fideltus İnş. – Öztaş İnş. Ortak Girişimi
9. Ege Yapı - Emlak Planlama, İnşaat, Proje Yönetimi ve Ticaret A.Ş.
10. Emlak Planlama İnşaat. Proje. Yönetimi ve Ticaret. A.Ş. – Cathay Ortak Girişimi
11. Emlak Konut Spor Kulübü Derneği
12. DAP Yapı İnşaat Sanayi ve Ticaret A.Ş. ve Eltes İnşaat Tesisat Sanayi ve Ticaret A.Ş. Ortak Girişimi – Emlak Konut GYO A.Ş. İstmarina AVM Adi Ortaklığı

According to the revised TAS 24 – “Related Parties Transactions Standard”, exemptions have been brought to the disclosure requirements of balances. The Company has transactions with state banks (T.C. Ziraat Bankası A.Ş., Türkiye Vakıflar Bankası T.A.O., Türkiye Halk Bankası A.Ş.) and Turkish Treasury.

- Balances and transactions with respect to Turkish Treasury are detailed in Note 4, 5 and 8.
- The Company mostly deposits its cash in State Banks in compliance with its related statute. The bank balances with state banks amounted to TL 674,320 as of 30 June 2018 (31 December 2017: TL 508,974) Regarding these bank balances, the Company also generated interest income from the related State banks amounted to TL 71,183 in as of 30 June 2018 (30 June 2017: TL 34,539). Average effective interest rates of time deposits of the Company as of 30 June 2018 are explained in Note 4.

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

	30 June 2018	31 December 2017
Trade receivables from related parties		
Emlak Planl. İnş. Prj. Yön. A.Ş. - Ege Yapı Ltd. Şti.	1,413	1,353
Emlak Planl. İnş. Prj. Yön. A.Ş. - Fideltus İnş-Öztaş İnş O.G.	5,576	5,576
Emlak Planl. İnş. Prj. Yön. A.Ş. - Cathay Ortak Girişimi	1,334	1,310
	8,323	8,239

	30 June 2018	31 December 2017
Trade payables to related parties		
T.C. Toplu Konut İdaresi Başkanlığı (“TOKİ”)	831,530	743,388
Ege Yapı Ltd. Şti.-Emlak Pazarlama O.G.	1,323	1,325
	832,853	744,713

(*) The Company has purchased various lands from its ultimate parent company (TOKİ). The remaining payable from this purchases to TOKİ is amounting to TL 489,277 (31 December 2017: TL 489,380) and accrued interest is TL 58,403 (31 December 2017: TL 38,200).

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2018

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

NOTE 20 - RELATED PARTY DISCLOSURES (Continued)

Advances received from related parties	30 June 2018	31 December 2017
Emlak Planl. İnş. Prj. Yön. A.Ş. - 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 a predetermined portion of the total sales amount in line with the agreements.

Purchases from related parties	1 January- 30 June 2018	1 April- 30 June 2018	1 January- 30 June 2017	1 April- 30 June 2017
T.C. Toplu Konut İdaresi Başkanlığı (“TOKİ”)	12,058	-	1,012,000	1,012,000
Emlak Planlama İnş. Prj. Yön. A.Ş. - Ege Yapı Ltd Şti.	-	-	1,791	1,791
Emlak Planlama İnş. Prj. Yön. A.Ş. - Emlak Basın Yayın A.Ş.	577	291	505	281
	12,635	291	1,014,296	1,014,072

Finance expense from related parties	1 January- 30 June 2018	1 April- 30 June 2018	1 January- 30 June 2017	1 April- 30 June 2017
T.C. Toplu Konut İdaresi Başkanlığı (“TOKİ”)	67,514	44,449	135,118	24,490
	67,514	44,449	135,118	24,490

According to the protocols signed with TOKİ regarding to land purchases, the cost of lands purchased from TOKİ is kept in time deposit accounts of Emlak Konut in the name of TOKİ, until the payment date determined by TOKİ. Interest income from time deposit of Emlak Konut in the name of TOKİ are net off from Interest income from time deposits in the financial statements. All of this accumulated interest income on time deposits will be paid to TOKİ.

Sales to related parties	1 January- 30 June 2018	1 April- 30 June 2018	1 January- 30 June 2017	1 April- 30 June 2017
T.C. Toplu Konut İdaresi Başkanlığı (“TOKİ”)	-	-	27,309	27,309
Emlak Planlama İnş. Prj. Yön. A.Ş. - Ege Yapı Ltd. Şti.	-	-	86	84
	-	-	27,395	27,393

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:

Remuneration of key management	1 January- 30 June 2018	1 April- 30 June 2018	1 January- 30 June 2017	1 April- 30 June 2017
Salaries and other short-term employee benefits	2,982	1,686	2,922	1,389
	2,982	1,686	2,922	1,389

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2018

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

NOTE 21 - COMMITMENTS

The mortgage and guarantees received of the Company as of 30 June 2018 and 31 December 2017 are explained below;

	30 June 2018	31 December 2017
Guarantees received (*)	3,877,900	3,606,210
Mortgages received (**)	58,542	57,685
	3,936,442	3,663,895

(*) Guarantees received comprises of accurate and temporary guarantees given by contractors for construction projects during the tendering process.

(**) Mortgages taken comprises of mortgaged independent sections and land which sold but not yet collected.

The collaterals, pledges and mortgages (“CPM”) of the Company as of 30 June 2018 and 31 December 2017 are explained below;

	30 June 2018	31 December 2017
A. CPM given on behalf of the Company's legal personality	53,095	56,397
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	-	-
	53,095	56,397

NOTE 22 - EVENTS AFTER THE REPORTING PERIOD

None.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2018

(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		Current Period	Prior Period
	Main Account Items	Related Regulation	30 June 2018	31 December 2017
			(TL)	(TL)
A	Money and Capital Market Instruments	Series:III-No:48, Art,24/(b)	1,066,419	591,401
B	Properties, Projects based on Properties and Rights based on Properties	Series:III-No:48, Art,24/(a)	14,600,778	13,802,092
C	Affiliates	Series:III-No:48, Art,24/(b)	-	-
	Due from related parties (Non Commercial)	Series:III-No:48, Art,23/(f)	-	-
	Other Assets		6,712,117	6,134,501
D	Total Assets	Series:III-No:48, Art,3/(k)	22,379,314	20,527,994
E	Financial Liabilities	Series:III-No:48, Art,31	2,893,171	2,414,672
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	12,947,740	12,465,519
	Other Resources		6,538,403	5,647,803
D	Total Resources	Series:III-No:48, Art,3/(k)	22,379,314	20,527,994
	Non-Consolidated (Individual) Financial Statements		Current Period	Prior Period
	Other Account Items	Related Regulation	30 June 2018	31 December 2017
			(TL)	(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)	1,066,419	591,401
A2	Term/ Demand/ Currency	Series:III-No:48, Art,24/(b)	913,419	385,081
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)	589,273	330,670
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	53,095	56,397
K	Mortgage amount of Servient Lands Which Will Be Developed And Not Owned	Series:III-No:48, Art,22/(e)	-	-

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2018

(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	30 June 2018 (%)	31 December 2017 (%)	Minimum/ Maximum Rate
1	Mortgage amount of Servient Lands Which Will Be Developed And Not Owned	Series:III-No:48, Art,22/(e)	-	-	<10%
2	Properties, Projects based on Properties and Rights based on Properties	Series:III-No:48, Art,24/(a)(b)	70	70	>50%
3	Money and Capital Market Instruments and Affiliates	Series:III-No:48, Art,24/(b)	-	8	<50%
4	Foreign Properties, Projects based on Properties, Rights based on Properties, Affiliates, Capital Market Instruments	Series:III-No:48, Art,24/(d)	-	-	<49%
5	Idle Lands	Series:III-No:48, Art,24/(c)	3	2	<20%
6	Affiliates to the Operating Company	Series:III-No:48, Art,28	-	-	<10%
7	Borrowing Limit	Series:III-No:48, Art,31	23	3	<500%
8	TL and Foreign Currency Time and Demand Deposits	Series:III-No:48, Art,22/(e)	-	-	<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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ANNEX-2 CASES INVOLVING OUR COMPANY

MASLAK 1453 PROJECT

1-) UCTEA, Chamber of City Planners,

The case was brought against the Ministry of Environment and Urbanization and the Housing Development Administration at the Chamber No. 6 of the Council of State with the file No. 2012/4412 for the stay of execution and cancellation of the Revision Master Zoning Plan (scale: 1: 1,500 and Revision Application Zoning Plan (scale: 1: 1,000) (both dated: 16.09.2011 and No. 103140) for the Slum Prevention Zone in Ayazağa, Şişli. Our company joined the case as an intervenor together with the defendant institutions. The court rendered a stay of execution judgment and dismissed the objection to the judgment of the stay of execution. The expert report based on the survey reached the conclusion that the implementation plans in dispute violate the legislation, public interest, the principles and procedures of urban planning, and planning techniques and that the geological and geotechnical surveys and evaluations conducted based on the zoning plan did not cause any issues for housing. Necessary objections were made to the report. The court decided to cancel the transaction in dispute. The parties wait for the result of the appellate review.

2-) UCTEA, Chamber of City Planners, Istanbul

The case was brought against Sariyer Municipality Mayorship and Şişli Municipality Mayorship at the Istanbul Administrative Court No. 12 with the file No. 2015/1354 E. for the reversal of the dismissal of the request for stay of execution and cancellation of the construction and renovation licenses and the said licenses themselves granted for the Section No. 2, Block No. 1, and Parcel No. 20, 49, and 50 (previously Block No. 1 and Parcel No. 145 and after the zoning application Block No. 10622 and Parcel No. 1) in Ayazağa Slum Prevention Zone, Şişli District, Istanbul. Our company joined the case as an intervenor together with the defendant institutions. The court rejected the request for the stay of execution, and the plaintiff's objection to the dismissal of the request for the stay of execution was rejected by Istanbul Regional Administrative Court. On 05.10.2017, the court decided to dismiss the case. There was an appeal request for the ruling and the parties wait for the outcome.

3-) Istanbul Metropolitan Municipality Council Members (Hakkı Sağlam et al.)

The case was brought at the Istanbul Administrative Court No. 10 with the file No. 2016/1026 E. against the Ministry of Environment and Urban Planning for the stay of execution and cancellation of the Environmental Plan Amendment (scale: 1:100,000), Master Zoning Plan Amendment (scale: 1/5,000) and Application Zoning Plan (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning ex officio on 19.01.2016 for the Ayazağa Shanty Prevention Area within Sariyer District, Istanbul. The court decided to reject the request for the stay of execution. Our company joined the case as an intervenor together with the defendant institutions. The court decided to annul the transaction in dispute on 20.03.2018. The parties wait for the result of the request for appellate review.

4-) UCTEA Chamber of Architects, Istanbul Büyükkent Branch, UCTEA Chamber of City Planners, Istanbul Branch

The case was brought at the Istanbul Administrative Court No. 4 with the file No. 2016/685 E. against the Ministry of Environment and Urban Planning for the stay of execution and cancellation of the Environmental Plan Amendment for Istanbul with one-sheet plan proceeding No. İÇDP-17092,2 (scale: 1:100,000), one-sheet plan transaction No. NİP-17063 Master Zoning Plan Amendment (scale: 1/5,000) and five-sheet plan transaction No. NİP-17066 Application Zoning Plan (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning ex officio on 19.01.2016 for the Ayazağa Shanty Prevention Area within Sariyer District, Istanbul. Proceedings continue with the file No. 2016/6417 at the Chamber No. 6 of the Council upon the court's dismissal of the case on the ground of authorization on 21.04.2016, and the referral of the file to the Council of State. On 17.11.2017, our company submitted a request to intervene together with the defendants. The court took TOKİ as an adverse party. Our company joined the case as an intervenor together with the defendant institutions.

ZEKERİYAKÖY PROJECT

1-) UCTEA, Chamber of City Planners,

The case was brought against the Ministry of Environment and Urban Planning and Housing Development Administration at the Chamber No. 6 of the Council of State with the file No. 2012/3789 for the stay of execution and cancellation of the Protective Master Zoning Plan (scale: 1:1,500) and Application Zoning Plan (scale: 1:1,000) for Zekeriyaköy Mas Housing Development Area, prepared for the third-degree natural protected area within Zekeriyaköy Neighborhood, Sarıyer District, Istanbul and granted approval (dated: 13.03.2012, No. 1769) On 30.06.2016, the court decided to annul the transaction in dispute. An appeal was made against the decision and the parties wait for the result of the appellate review.

2-) UCTEA, Chamber of City Planners, Istanbul

The case was brought against the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 7 with the file No. 2013/2478 E. for the stay of execution and cancellation of the Protective Master Zoning Plan (scale: 1:5,000) and the Protective Application Zoning Plan (scale: 1:1,000) (dated: 14.08.2013, No. 8097) for the Zekeriyaköy Mass Housing Development Area within Zekeriyaköy Neighborhood, Sarıyer, District, Istanbul. Our company joined the case as an intervenor together with the defendant institutions. The court ordered a discovery, which came in favor of our company. The court dismissed the case. The plaintiff made a request for appeal and the parties wait for the outcome.

3-) UCTEA, Chamber of Forest Engineers, Istanbul Branch

The case was brought against the Housing Development Administration (TOKİ), Ministry of National Defense, Ministry of Finance at the Istanbul Administrative Court No. 3 with the file No. 2014/268 E. for the stay of execution and cancellation of the transaction for the transfer of 34 immovables allocated to the Ministry of National Defense in Zekeriyaköy Neighborhood, Sarıyer District, Istanbul, to Housing Development Administration (TOKİ) as well as the Ministry of Finance's transaction for the transfer of these immovables to TOKİ. Our company joined

The court decided to dismiss the case. The plaintiff appealed against the Administrative Court's judgment with a request for the stay of execution. On 24.02.2016, the Chamber No. 10 of the Council of State decided to suspend the execution. The parties wait for the result of the appellate review.

KUASAR PROJECT

1-) Serdar Bayraktar et al.,

The case was brought at the Istanbul Administrative Court No. 5 with the file No. 2014/260 E. for the stay of execution and cancellation of the Master Zoning Plan amendment (scale: 1:5,000) and the Application Zoning Plan amendment (scale: 1:1,000) (both dated: 19.06.2013 and No. 6186) regarding the immovable in Section No. 58, Block No. 1199, and Parcel No. 230, Dikilitaş Neighborhood, Şişli District. Our company joined the case as an intervenor together with the defendant institutions. The court accepted the case and decided to cancel the plan in dispute. The Chamber No 6th of the Council of State decided that the ruling of the first instance court should be dismissed. The plaintiffs requested a revision to the decision and the parties wait for the result.

2-) UCTEA, Chamber of City Planners, Istanbul Branch

The case was brought at the Istanbul Administrative Court No. 5 with the file No. 2014/260 E. for the stay of execution and cancellation of the Master Zoning Plan amendment (scale: 1:5,000) and the Application Zoning Plan amendment (scale: 1:1,000) (both dated: 19.06.2013 and No. 6186) regarding the immovable in Section No. 58, Block No. 1199, and Parcel No. 230, Dikilitaş Neighborhood, Şişli District. Our company joined the case as an intervenor together with the defendant institutions. The court accepted the case and decided to cancel the plan in dispute. An appeal was made against the judgment of the stay of execution. The Chamber No 6th of the Council of State decided that the ruling of the first instance court should be dismissed.

ISTANBUL KAPADIK AREA

1-) Avcılar Municipality Mayorship

The case was brought against the Ministry of Environment and Urbanization at the Chamber No. 6 of the Council of State with the file No. 2013/6332 E. for the stay of execution and cancellation of the Master Zoning Plan Revision (scale: 1:5,000) and the Application Zoning Plan Revision (scale: 1:1,000) approved by the Ministry of Environment and Urbanization (dated: 01.04.2013, No. 4989) for Kapadık Area, Yeşilkent Neighborhood, Avcılar District, Istanbul. Our company joined the case as an intervenor together with the defendant institutions. The court decided to cancel the transaction in dispute. The parties wait for the result of the appellate review.

2-) Avcılar Municipality Mayorship

The case was brought against the Ministry of Environment and Urbanization at the Chamber No. 6 of the Council of State with the file No. 2012/4041 E. for the stay of execution and cancellation of the Master Zoning Plan Revision (scale: 1:5,000) and the Application Zoning Plan Revision (scale: 1:1,000) approved by the Ministry of Environment and Urbanization (dated: 09.01.2012, No. 491) for Kapadık Area, Yeşilkent Neighborhood, Avcılar District, Istanbul. On 23.09.2013, the court accepted the request for the association and survey of the case together with the case No. 2013/6332 E. (filed against the 2013 plan). Our company joined the case as an intervenor together with the defendant institutions. The court decided to cancel the transaction in dispute. The parties wait for the result of the appellate review.

3-) Istanbul Metropolitan Municipality Council Members (Hakkı Sağlam et al.)

The case was brought against the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 11 with the file No. 2016/1665 E. for the stay of execution and cancellation of the execution of the Ministry of Environment and Urban Planning procedure No. 8199, dated

ISTANBUL KAYABAŞI

1-)Istanbul Metropolitan Municipality Council Members (Serdar Bayraktar et al.)

The case was brought against the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 9 with the file No. 2013/2096 E. for the stay of execution and cancellation of the Revision Master Zoning Plan amendment (scale: 1:5,000) and the Revision Application Zoning Plan amendment (scale: 1:1,000) (dated: 09.05.2013, No. 7096) for the Kayabaşı Mass Housing Development Area in Başakşehir District, Istanbul. On 24.06.2016, the court accepted the case and decided to annul the transaction in dispute. Our company waits for the result of its appeal.

2-) Serdar Bayraktar & Hakkı Sağlam

The case was brought against the Housing Development Administration at the Istanbul Administrative Court No. 4 with the file No. 2017/245 E. for the stay of execution and cancellation of the Revision Master Zoning Plan amendment (scale: 1:5,000) and the Revision Application Zoning Plan amendment (scale: 1:1,000) approved on 15.08.2016 for the Kayabaşı Mass Housing Development Area in Başakşehir District, Istanbul. On 10.10.2017, our company submitted a request to intervene together with the defendants. On 20.10.2017, the court decided to reject the request for the stay of execution. The court waits for the expert report.

ISTANBUL ZEYTINBURNU

1-) UCTEA, Chamber of City Planners, Istanbul Branch

The case was brought against the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 5 with the file No. 2014/561 E. for the stay of execution and cancellation of the Master Zoning Plan (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) (dated: 19.11.2013, No. 17978) for Block No. 774 and Parcel No. 6 and 31 in Kazlıçeşme Neighborhood, Zeytinburnu District, Istanbul. Our company joined the case as an intervenor together with the defendant institution. The court decided to annul the disputed process.

Our company made a request for appeal. On 24.04.2017, the Chamber No. 4 of the Istanbul Regional Administrative Court examining the appeal request requested the conduct of a discovery and expert examination and decided for the stay of execution until the submission of the expert report. A survey was conducted on 26.07.2017, and the report was notified to the parties. The expert report was in the company's favor. However, the company made an objection to the statements of expert Ali Kılıç who lodged the statement of opposition. The High Court decided to deny our appeal request. The decision was appealed against by the both parties, and the parties wait for the result of the appeal.

2-) UCTEA, Chamber of Architects, Istanbul Büyükkent Branch

The case was brought against the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 5 with the file No. 2014/1641 E. for the stay of execution and cancellation of the Master Zoning Plan (scale: 1:5,000) and Application Zoning Plan amendment (scale: 1:1,000) (dated: 19.11.2013 and No. 17978) for Block No. 774 and Parcel No. 6 and 31 within Kazlıçeşme Neighborhood, Zeytinburnu District, Istanbul as well as the Master Zoning Plan (scale: 1:5,000) and the Application Zoning Plan amendment (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning with the office consent (dated: 20.03.2014, No. 4446). Our company joined the case as an intervenor together with the defendant institution. The court decided to annul the disputed process. Our company made a request for appeal. On 24.04.2017, the Chamber No. 4 of the Istanbul Regional Administrative Court examining the appeal request requested the conduct of a discovery and expert examination and decided for the stay of execution until the submission of the expert report. A survey was conducted on 26.07.2017, and the report was notified to the parties. The expert report was in the company's favor. However, the company made an objection to the statements of expert Ali Kılıç who lodged

KARTAL PROJECT

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

The case was brought against the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 9 with the file No. 2013/2105 E. for the stay of execution and subsequent cancellation of the approval (dated: 05.11.2012 and No. 16997) of the master zoning plan (scale: 1:5,000) and application zoning plan (scale: 1:1,000) conducted for the plan notes and immediate environs of Block No. 674 and Parcel No. 1, 4, 5, 6; Block No. 675 and Parcel No. 1, 2, 3; Block No. 676 and Parcel No. 108; Block No. 720 and Parcel No. 2, 4, 8, 19, 34 within Kartal District. Our company joined the case as an intervenor together with the defendant institution. On 27.04.2015, the court decided to dismiss the case. The relevant party appealed against the decision. The High Court decided to approve the decision upon appellate review. The plaintiff requested the revision of the decision.

2-) UCTEA, Chamber of City Planners, Istanbul Branch

The case was brought against the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 1 with the file No. 2013/685 E. for the stay of execution and subsequent cancellation of the approval (dated: 05.11.2012 and No. 16997) of the master zoning plan (scale: 1:5,000) and application zoning plan (scale: 1:1,000) conducted for the plan notes and immediate environs of Block No. 674 and Parcel No. 1, 4, 5, 6; Block No. 675 and Parcel No. 1, 2, 3; Block No. 676 and Parcel No. 108; Block No. 720 and Parcel No. 2, 4, 8, 19, 34 within Kartal District. Our company joined the case as an intervenor together with the defendant institution. On 16.04.2015, the court decided to dismiss the case. The plaintiff's request for appellate review was dismissed upon examination and the decision was upheld. The plaintiff requested the revision of the

FINANCIAL CENTER PROJECT

1-) UCTEA, Chamber of City Planners, Istanbul Branch

The case was brought against the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 7 with the file No. 2013/621 E. for the stay of execution and subsequent cancellation of the Istanbul Financial Center Master Zoning Plan (scale: 1:5,000) and Istanbul Financial Center Application Zoning Plan (scale: 1:1,000) for the region known as Istanbul Financial Center within Ümraniye and Ataşehir districts. Our company joined the case as an intervenor together with the defendant institution. The court ordered for re-discovery to overcome the contradictions in the two expert reports in the file, and the report after the discovery was positive. The court decided to reject the case on the grounds that the plan was in conformity with the law. The plaintiff applied to the appeal court against the decision.

2-) UCTEA, Chamber of Architects

The case was brought against the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 8 with the file No. 2012/1672 E. for the stay of execution and subsequent cancellation of the Istanbul Financial Center Master Zoning Plan (scale: 1:5,000) and Istanbul Financial Center Application Zoning Plan (scale: 1:1,000) for the region known as Istanbul Financial Center within Ümraniye and Ataşehir districts. Our company joined the case as an intervenor together with the defendant institution. The court decided to refer the file ruling that it was related to the file no. 2013/621 E. of the Administrative Court No. 7 and the file docket was closed.

The above-cited docket was renamed 2014/1102 at Istanbul Administrative Court No. 7 and the court decided to reject the case on the grounds that the plan was in conformity with the law. The plaintiff applied to the appeal court against the decision.

3-) UCTEA, Chamber of Architects

The case was brought against the Housing Development Administration and Istanbul Metropolitan Municipality Mayorship at the Istanbul Administrative Court No. 1 with the file No. 2013/1927 E. for the cancellation of the "Ataşehir Mass Housing Development Area Revision Master Zoning Plan Amendment" (scale: 1:5,000) prepared by the Housing Development Administration and published on 14.03.2008 after its approval on 15.02.2008 by the Istanbul Metropolitan Municipality Council. The same request was made for the Ataşehir Mass Housing Development Area Revision Application Zoning Plan Amendment (scale: 1:1,000), which was published on 12.03.2008 after its approval on 15.02.2008. Our company joined the case as an intervenor together with the defendants. The court dismissed the case, and the request for appellate review was rejected. In response, the plaintiff made a request of revision of decision.

İSTİNYE PROJECT

1-) Sarıyer Municipality Mayorship

The plaintiff, Sarıyer Municipality Mayorship, brought the case at the Civil Court of First Instance No. 12 with the file No. 2015/73 for the stay of execution and cancellation of the tender to be carried out on 03.03.2015 with the Land Sale-based Revenue Sharing method for the immovables owned by our company within Block No. 380 and Parcel No. 17, 18 and 38; Block No. 360 and Parcel No. 3 and 64; Block No. 1352 and Parcel No. 3 within İstinye Neighborhood, Sarıyer, Istanbul. On 02.03.2015, the court made the judgment No. 2015/79 K. to dismiss the case on the grounds of authorization. Our company made an appeal against the judgment together with the plaintiff. The Court of Cassation decided that the Court of First Instance was authorized as a result of its the appellate review. After the reversal of the decision, the proceedings continue in the file based on the file No. 2017/232 of the Istanbul

FATİH YEDİKULE

1-) Hikmet Öz et al.

The plaintiff, Hikmet Öz et al. brought the case against Istanbul Metropolitan Municipality Mayorship, Ministry of Culture and Tourism, and Fatih Municipality Mayorship at the Istanbul Administrative Court No. 2 with the file No. 2013/347 E. for the stay of execution and cancellation of the protective Application Plan and plan provisions (scale: 1:1,000) for Historic Peninsula's Urban History, Urban Archaeological, 1st Degree Archaeological Area (Turkish State Railways, TCDD Workshops and Yedikule Gashouse), accepted with the Fatih Municipality Council's decision (dated: 09.05.2012 and No. 2012/44) and approved by the Istanbul Metropolitan Municipality Mayorship on 04.10.2012. On 10.10.2016, the court ruled that a decision cannot be given with the disputed zoning plan related to Topkapı İETT Terminal area and Sirkeci Train Station area and decided to reject the case with respect to the other aspects of the plan. The plaintiff made a request for appeal. On 15.05.2017, the Chamber No. 4 of the Istanbul Regional Administrative Court made a judgment for the partial acceptance and dismissal of the appeal request. The plaintiff and the defendant authorities appealed against this ruling waiting for the outcome of the appellate

The trial took place with the file No. 2015/2968 E. of the Ankara Administrative Court No. 5. The court decided to cancel the transaction, and our company appealed the verdict. Upon its review, the court decided to accept the appeal request for the Master Zoning Plan (scale: 1:25000) and reject the other requests. The plaintiff appealed against the plan with a scale of 1:25,000 and the parties wait for the result of the appellate review.

2-) UCTEA, Chamber of Architects, Ankara Branch

The case was brought against the Ministry of Environment and Urban Planning and the Housing Development Administration at the Ankara Administrative Court No. 4 with the file No. 2015/1482 E. for the stay of execution and cancellation of the Başkent Ankara Master Zoning Plan Amendment (scale: 1:25,000), Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) (dated: 27.02.2015, No. 3341) for the Parcel No. 2 of the Block No. 644, 831, 919, 920, 921, 3189, 3198, 3320, 3321 and 28060 within Mühye Neighborhood, Çankaya District, Ankara. The trial took place with the file No. 2015/3052 E. of the Ankara Administrative Court No. 5. The court decided to cancel the transaction against which an appeal request was made. Upon its review, the court decided to accept the appeal request for the Master Zoning Plan (scale: 1:25000) and reject the other requests.

MÜHYE LAND

1-) UCTEA, Chamber of City Planners, Ankara Branch

The case was brought against the Ministry of Environment and Urban Planning and Housing Development Administration for the stay of execution and cancellation of the Başkent Ankara Master Zoning Plan Amendment (scale: 1:25,000), Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) (dated: 27.02.2015, No. 3341) for the Parcel No. 2 of the Block No. 644, 831, 919, 920, 921, 3189, 3198, 3320, 3321 and 28060 within Mühye Neighborhood, Çankaya District, Ankara.

3-) Çankaya Municipality Mayorship

The case was brought against the Ministry of Environment and Urban Planning and Housing Development Administration for the stay of execution and cancellation of the Başkent Ankara Master Zoning Plan Amendment (scale: 1:25,000), Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) (dated: 27.02.2015, No. 3341) for the Parcel No. 2 of the Block No. 644, 831, 919, 920, 921, 3189, 3198, 3320, 3321 and 28060 within Mühye Neighborhood, Çankaya District, Ankara. Our company intervened in the case. The trial continued with the file No. 2015/2940 E. of the Ankara Administrative Court No. 5. On 04.05.2017, the court decided to cancel the transaction in dispute. Our company made a request for appeal regarding the above-cited ruling. Upon its review, the court decided to accept the appeal request for the Master Zoning Plan (scale: 1:25000) and reject the other requests. The plaintiff appealed against the plan with a scale of 1:25,000 and the parties wait for the result of the appellate review.

4-) Gazi Sönmez et al. (a total of 44 plaintiffs, owners),

The case was brought against the Ministry of Environment and Urban Planning and the Housing Development Administration at the Ankara Administrative Court No. 5 with the file No. 2015/1482 E. for the stay of execution and cancellation of the Başkent Ankara Master Zoning Plan Amendment (scale: 1:25,000), Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) (dated: 27.02.2015, No. 3341) for the Parcel No. 2 of the Block No. 644, 831, 919, 920, 921, 3189, 3198, 3320, 3321 and 28060 within Mühye Neighborhood, Çankaya District, Ankara. Our company intervened in the case. On 11.05.2017, the court decided to cancel the transaction in dispute. The court received an appeal request regarding the decision in question. Upon its review, it decided to accept the appeal request for the Master Zoning Plan (scale: 1:25000) and reject the other requests.

5-) UCTEA, Chamber of City Planners, Ankara Branch

The case was brought against the Housing Development Administration at the Ankara Administrative Court No. 5 with the file No. 2017/1011 E. for the stay of execution and cancellation of the Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Housing Development Administration with the office consent (dated: 01.09.2016, No. 3996) for the Slum Prevention Zone in Mühye Neighborhood, Çankaya District, Ankara. On 17.02.2017, our company submitted a request to join the case as an intervenor together with the defendant institution. On 08.12.2017, the court accepted the case and decided to cancel the proceeding in dispute. Our company made a request for appeal and waits for the outcome.

6-) UCTEA, Chamber of City Planners, Ankara Branch

The case was brought against the Housing Development Administration at the Ankara Administrative Court No. 17 with the file No. 2016/5166 E. for the stay of execution and cancellation of the Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Housing Development Administration with the office consent (dated: 01.09.2016, No. 3996) for the Slum Prevention Zone in Mühye Neighborhood, Çankaya District, Ankara. On 17.02.2017, our company submitted a request to join the case as an intervenor together with the defendant institution. A discovery and expert examination were conducted upon the court's decision and the report was unfavorable. Our company made necessary objections to the report.

7-) Gazi SÖNMEZ

The case was brought against the Governorship of Ankara at the Istanbul Administrative Court No. 5 with the file No. 2017/550 E. regarding the "Emlak Konut Mühye Mass Housing Project" planned to be constructed within Block No. 29396, Parcel No. 3, Block No. 29397 and Parcel No. 3, Block No. 29397 and Parcel No. 4 within Mühye Neighborhood, Çankaya district, Ankara. The plaintiff requested the stay of execution and cancellation of the decision "No Environmental Impact Assessment is required" given by the Ministry of Environment and Urban Planning on 24.11.2016. On 18.05.2017, our company made a request to join the case as an intervenor together with the defendant institution and the court accepted this intervention request on 26.09.2017. The court decided to annul the disputed process. An appeal was made against the decision and the parties wait for the result of the appellate review.

8-) İlyas Kara as a proxy of Hüseyin Zorlu

The case was brought against the Housing Development Administration and Çankaya Municipality at the Ankara Administrative Court No. 1 with the file No. 2017/562 E. for the stay of execution and cancellation of the amendment of Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000), parcel plan amendment and the granted construction permit as approved by the Housing Development Administration with the office consent (dated: 01.09.2016, No. 3996) for the immovable property No. parcel No. 921 within in Mühye Village, Çankaya District, Ankara. On 15.05.2017, our company submitted a request to join the case as an intervenor together with the defendant institutions. On 14.06.2017, the court decided to obtain a survey and expert review and rule on the stay of execution after obtaining such survey and expert review. On 13.09.2017, the court decided to accept our company's request to intervene. The report arranged by the experts was unfavorable. Our company made necessary objections to the report.

9-) Gazi Sönmez et al. (a total of 45 plaintiffs, owners).

The case was brought against the Housing Development Administration at the Ankara Administrative Court No. 5 with the file No. 2017/722 E. for the stay of execution and cancellation of the Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Housing Development Administration with the office consent (dated: 01.09.2016, No. 3996) for the Slum Prevention Zone in Mühye Neighborhood, Çankaya District, Ankara. Also, it decided that there was no ground for making a decision as the case did not have any subject due to another cancellation decision on 08.12.2017 regarding the case No. 2017/1011 filed for the cancellation of the same zoning plans. Our company made a request for appeal and waits for the outcome.

10-) UCTEA, Chamber of Architects, Ankara Branch

The case was brought against the Housing Development Administration at the Ankara Administrative Court No. 15 with the file No. 2017/2692 E. for the stay of execution and cancellation of the Master Zoning Plan Amendment (scale: 1:25,000), Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Housing Development Administration with the office consent (dated: 01.06.2017, No. 2017/2532) for the Slum Prevention Zone in Mühye Neighborhood, Çankaya District, Ankara. On 08.09.2017, the court considered the Ankara Metropolitan Municipality Mayor and Çankaya Municipality Mayor as adverse parties deciding to review the request for the stay of execution after taking the defendant's first defense and fulfillment of the interim judgment. On 17.11.2017, our company submitted a request to intervene. The court decided to refer the file to the Ankara Administrative Court No. 17 due to the connection. The court decided to refer the file to the Ankara Administrative Court No. 5 due to the connection. The proceedings continue with the court's file No. 2018/1125 E. On 29.05.2018, the court decided to take Ankara Metropolitan Municipality and Çankaya Metropolitan Municipality as adverse party while accepting our request for intervention.

11-) UCTEA, Chamber of City Planners, Ankara Branch

The case was brought against the Housing Development Administration at the Ankara Administrative Court No. 17 with the file No. 2017/2706 E. for the stay of execution and cancellation of the Master Zoning Plans (scale: 1:25,000 and scale: 1:5,000) approved by the Housing Development Administration with the office consent (dated: 01.06.2017, No. 2017/2532) for the Slum Prevention Zone in Mühye Neighborhood, Çankaya District, Ankara. The court decided to refer the file to the Ankara Administrative Court No. 5 due to the connection. The trial continues with the file No. 2018/136 E. of the Ankara Administrative Court No. 5. Our company submitted a request to

ÇAYYOLU LAND

1-) UCTEA, Chamber of Architects, Ankara Branch

The case was brought against the Ministry of Environment at the Ankara Administrative Court No. 10 with the file No. 2015/1987 E. for the stay of execution and cancellation of the Başkent Ankara Master Zoning Plan Amendment (scale: 1:25,000) Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning ex officio on 21.05.2015 for the Parcel No. 953 within Çayyolu Neighborhood, Çankaya District, Ankara. Our company intervened in the case. The court decided to dismiss the case on 25.03.2016, and the parties wait for the review of the plaintiff's appeal.

2-) UCTEA, Chamber of City Planners, Ankara Branch

The case was brought against the Ministry of Environment at the Ankara Administrative Court No. 16 with the file No. 2015/2300 E. for the stay of execution and cancellation of the Başkent Ankara Master Zoning Plan Amendment (scale: 1:25,000) Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning ex officio on 21.05.2015 for the Parcel No. 953 within Çayyolu Neighborhood, Çankaya District, Ankara. The court decided to accept our company's request of intervention along with the defendant administration. On 30.03.2017, the court decided to cancel the part ("floor area ratio calculation shall be conducted based on cadaster parcel No. 953") of the plan note No. 10 of the Application Zoning Plan in dispute, while dismissing the case regarding other procedures in dispute. Our company made a request for appeal regarding the above-cited ruling. The Administrative Chamber No. 5 of Ankara Regional Administrative Court decided to dismiss our request for appeal. This decision was appealed this time and the parties wait for the result.

3-) Ela Betül Termeli

The case was brought against Ankara Metropolitan Municipality Mayorship and the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 17 with the file No. 2016/4065 E. for the cancellation of the zoning plan amendments approved by the Ministry of Environment and Urban Planning on 21.05.2015 ex officio regarding the Parcel No. 1 within the Block No. 29622 and Parcel No. 1, 2, 3, and 4 (953) within the Block No. 29479 in Çayyolu Neighborhood, Çankaya District, Ankara as well as the stay of execution of the related construction building permit. Our company submitted a request to intervene. On 17.05.2017, the court decided to accept our intervention request. On 18.05.2017, it decided to dismiss the case on grounds of capacity and period of limitation. The plaintiff made a request for appeal and the parties wait for the outcome. The plaintiff made a request for appeal. On 26.04.2018, the Administrative Chamber No. 5 Ankara Regional Administrative Court conclusively decided to overturn the court decision and send back the case file to the relevant court for another decision. The proceedings continue with the file No.

4-) UCTEA, Chamber of City Planners, Ankara Branch

The case was brought against the Ministry of Environment and Urban Planning at Istanbul Administrative Court No. 1 with the file No. 2017/2665 E. for stay of execution and cancellation of Başkent Ankara Master Zoning Plan Amendment (Scale: 1:25000), Master Zoning Plan Amendment (scale: 1:5,000), and Application Zoning Plan Amendment (scale: 1:1,000) prepared for Parcel No. 1, 2, 3, 4 in Block No. 29479 and Parcel No. 1 in Block No. 29622 of Çayyolu neighborhood, Çankaya district and approved ex officio by the Ministry of Environment and Urban Planning on 10.06.2017. On 20.09.2017, the court decided to review the request for the stay of execution after taking the defendant administration's first defense and fulfillment of the interim judgment. On 17.11.2017, our company submitted a request to intervene.

ALİBEYKÖY

1-) Istanbul Metropolitan Municipality Council Members (Özgür Aydın, İsa Öztürk),

The case was brought against the Ministry of Environment at the Istanbul Administrative Court No. 5 with the file No. 2015/2131 E. for the stay of execution and cancellation of the Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan Amendment (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning on 08.09.2015 ex officio for the Block No. 859 and Parcel No. 6 (Block No. 2, Parcel No. 6 in the new records) within Osmanpaşa Area, Alibeyköy Neighborhood, Eyüp District, Istanbul. Our company intervened in the case. On 31.05.2017, the court decided to cancel the procedure in dispute. Our company made a request for appeal regarding the above-cited ruling. On 21.05.2018, the Administrative Chamber No. 4 of Istanbul Regional Administrative Court decided to dismiss our request for appeal based on the examination of the file No. 2017/1623 E.

MALTEPE KÜÇÜKYALI PROJECT

1-) Maltepe Municipality Mayorship

The case was brought by Maltepe Municipality Mayorship against the Ministry of Environment and Urban Planning and the Housing Development Administration at the Istanbul Administrative Court No. 10 with the file No. 2016/1529 E. for the stay of execution and cancellation of the Master Zoning Plan (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) regarding the Parcel No. 2 and 3 within Block No. 1396, and various parcels within Block No. 2775 and 1586 owned by our company and the planning area consisting of non-registered areas in Küçükalyalı and Başbüyük neighborhoods, Maltepe District, Istanbul. Our company and the contractor Tahincioğlu-Küçükalyalı Joint Venture requested to participate in the case together with the defendant institutions and the court accepted this request for intervention. In accordance with the decision of the Chamber No. 10 of the Istanbul Regional Administrative Court on 24.05.2017, the file was sent to the Administrative Court No. 4. due to its

The file was registered to Istanbul Administrative Court No. 4 with the docket No. 2017/1137. The court decided to cancel the plan in dispute with the decision No. 2017/1949 K on 12.10.2017. Our company applied for an appellate review.

2-) Özgür AYDIN – Hakkı SAĞLAM

The case was brought by plaintiffs Özgür Aydın and Hakkı Sağlam against the Ministry of Environment and Urban Planning and the Housing Development Administration at the Istanbul Administrative Court No. 10 with the file No. 2016/1478 E. for the stay of execution and cancellation of the Master Zoning Plan (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) regarding the Parcel No. 2 and 3 within Block No. 1396, and various parcels within Block No. 2775 and 1586 owned by our company and the planning area consisting of non-registered areas in Küçükalyalı and Başbüyük neighborhoods, Maltepe District, Istanbul. Our company and the contractor Tahincioğlu-Küçükalyalı Joint Venture requested to participate in the case together with the defendant institutions and the court accepted this request for intervention. In accordance with the decision of the Chamber No. 10 of the Istanbul Regional Administrative Court on 24.05.2017, the file was sent to the Administrative Court No. 4. due to its relation. The file was registered to Istanbul Administrative Court No. 4 with the docket No. 2017/1137. The court decided that there was no ground for making a decision because the Istanbul Administrative Court No. 4 decided to cancel the plans in dispute with the decision No. 2017/1137 E. 2017/1949 K.

3-) Özgür AYDIN – Hakkı SAĞLAM

The case was brought for the cancellation and stay of execution of the additional Master Zoning Plan (scale: 1:5,000) and additional application zoning plan (scale: 1:1,000) prepared for Parcel No. 2 and 3 within Block No. 1396, various parcels within Block No. 2775 and 15896 in Küçükbakkalköy and Başbüyük Neighborhood, Maltepe district, Istanbul. The court decided to refer the file to the Istanbul Administrative Court No. 4 due to the connection, and it was registered as 2017/1170 E. The court decided that there was no ground for making a decision regarding this case because the matter in dispute was canceled with the file No. 2017/1137 of the Istanbul Administrative Court No. 4.

REVENUE SHARING BASED ON LAND SALES IN İSTASYON, YENİMAHALLE, ANKARA.

1-) UCTEA, Chamber of Architects, Ankara Branch

The case was brought by the Ankara branch of the UCTEA Chamber of City Planners against the Ministry of Environment and Urban Planning and at the Istanbul Administrative Court No. 13 with the file No. 2017/501 E. regarding the "Revenue Sharing Based on Land Sales in İstasyon, Yenimahalle, Ankara" project planned in Block No. 63865, Parcel No. 2 within Emniyet Neighborhood, Yenimahalle district, Ankara. The plaintiff requested the stay of execution and cancellation of the decision "Environmental Impact Assessment is favorable" given by the Ministry of Environment and Urban Planning on 21.12.2016. Our company submitted a request with the petition dated 15.05.2017 to join the case as an intervenor together with the Ministry of Environment and Urban Planning. An objection was made to the expert report submitted for the file. On 05.06.2018, the court decided to dismiss ..

BAKIRKÖY YENİMAHALLE

1-) Bakırköy Municipality Mayorship

The case was brought against the Ministry of Environment at the Istanbul Administrative Court No. 4 with the file No. 2015/1853 E. (previous Docket No. 2014/2297) for the stay of execution and cancellation of the Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning on 20.03.2014 for the Parcel No. 18, Block No. 901, within Yenimahalle Neighborhood, Bakırköy District, Istanbul. On 23.10.2015, the court decided to dismiss the request for the stay of execution. A survey was conducted on 14.07.2016. On 24.07.2017, our company submitted a request to join intervention together with the defendant institution.

ANTALYA MURATPAŞA

1-) Antalya Muratpaşa Municipality Mayorship

The case was brought against the Ministry of Environment at the Izmir Administrative Court No. 1 with the file No. 2016/1489 E. for the stay of execution and cancellation of the Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning on 20.07.2016 for the parcel No. 6, Block No. 12581 within Bahçelievler Neighborhood, Muratpaşa District, Antalya. On 22.02.2017, the court decided to dismiss the request for the stay of execution. On 01.08.2017, our company submitted a request to join the case together with the defendant institution. On 21.12.2017, the court decided to accept our company's request to intervene. The report came against and the company made the necessary objection.

2-) Antalya Branch of the UCTEA, Antalya Branch of UCTEA Chamber of City Planners, Antalya Barr, Polat Balkan

The case was brought against the Ministry of Environment at the Izmir Administrative Court No. 1 with the file No. 2016/1200 E. for the stay of execution and cancellation of the Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning on 20.07.2016 for the parcel No. 6, Block No. 12581 within Bahçelievler Neighborhood, Muratpaşa District, Antalya. On 18.01.2017, the court decided to dismiss the request for the stay of execution. On 01.08.2017, our company submitted a request to join the case together with the defendant institution. On 21.12.2017, the court decided to accept our company's request to intervene. The report came against and the company made the necessary objection.

İZMİR KONAK

1-) Izmir Branch of the UCTEA Chamber of City Planners, General Presidency of the UCTEA Chamber of Architects

The case was brought against the Ministry of Environment at the Izmir Administrative Court No. 1 with the file No. 2017/1124 E. for the stay of execution and cancellation of the Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning on 10.05.2017 for the various panels within Kuruçay and Umurbey Neighborhoods, Konak District, Izmir. On 26.07.2017, the court decided to examine the request for the stay of execution after taking the defendant's statement. Our company submitted a request to join the case with the defendant institution. On 08.11.2017, the court decided to dismiss the request for the stay of execution and accented our company's request to intervene.

KÜÇÜKÇEKMECE HALKALI BİZİM MAHALLE

1-) Bekir Güler, Erhan Aslaner, Enis Koçak, Nurettin Aydın

The case was brought against the Ministry of Environment and Urban Planning at Istanbul Administrative Court No. 5 with the file No. 2017/2034 E. for stay of execution and cancellation of Environmental Plan Amendment (Scale: 1:100,000), Master Zoning Plan Amendment (scale: 1:5,000), and Application Zoning Plan Amendment (scale: 1:1,000) prepared for Parcel No. 1, 2 in Block No. 808 and Parcel No. 6, 7, 8 and immediate vicinity in Block No. 853 in Halkalı Neighborhood, Küçükçekmece district, Istanbul approved by the Ministry of Environment and Urban Planning on 15.08.2017. Our company submitted a request to intervene. The court decided to refer the file to the Istanbul Administrative Court No. 12 due to the connection. The proceedings continue with the file No. 2018/523 E.

2-) UCTEA, Chamber of City Planners (Istanbul branch), UCTEA, Chamber of Architects (Istanbul Büyükşehir Branch)

The case was brought against the Ministry of Environment and Urban Planning at Istanbul Administrative Court No. 2 with the file No. 2017/2087 E.

for stay of execution and cancellation of Environmental Plan Amendment (Scale: 1:100,000), Master Zoning Plan Amendment (scale: 1:5,000), and Application Zoning Plan Amendment (scale: 1:1,000) prepared for Parcel No. 1, 2 in Block No. 808 and Parcel No. 6, 7, 8 and immediate vicinity in Block No. 853 in Halkalı Neighborhood, Küçükçekmece district, Istanbul approved by the Ministry of Environment and Urban Planning on 15.08.2017. Our company submitted a request to intervene. The court decided to refer the file to the Istanbul Administrative Court No. 12 due to the connection. The proceedings continue with the file No. 2018/381 E. On 06.04.2018, the court decided to accept TOKİ's and our company's request to intervene.

3-) Hakkı Sağlam, Özgür Aydın

The case was brought against the Ministry of Environment and Urban Planning at Istanbul Administrative Court No. 12 with the file No. 2017/2087 E. for stay of execution and cancellation of Environmental Plan Amendment (Scale: 1:100,000), Master Zoning Plan Amendment (scale: 1:5,000), and Application Zoning Plan Amendment (scale: 1:1,000) prepared for Parcel No. 1, 2 in Block No. 808 and Parcel No. 6, 7, 8 and immediate vicinity in Block No. 853 in Halkalı Neighborhood, Küçükçekmece district, Istanbul approved by the Ministry of Environment and Urban Planning on 15.08.2017. Our company submitted a request to intervene. On 25.04.2018, a discovery and expert examination were conducted in the vicinity. The parties wait for the report.

4-) Alkom Bilgisayar Eğitim Fidancılık Gıda San. ve Tic. Ltd. Şti.

On 15.08.2017, the case was brought against the Ministry of Environment and Urban Planning (later the court took Istanbul Metropolitan Municipality as an adverse party) at the Istanbul Administrative Court No. 8 with the file No. 2017/2392 E. for the stay of execution and cancellation of the Environmental Plan Amendment (scale: 1:100,000), Master Zoning Plan Amendment (scale: 1/5,000) and Application Zoning Plan (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning on 15.08.2017 for Parcel No. 1, Block No. 808 within Halkalı neighborhood, Küçükçekmece district, Istanbul. On 28.03.2018, the court decided to reject the request for the stay of execution notifying Marmara University and TOKİ of the case and get a discovery and expert examination. The Administrative Chamber No. 4 of Istanbul Regional Administrative Court dismissed the objection to the rejection of the request for the stay of execution. Our company submitted a request to intervene in the case.

ANNEX-EMLAK KONUT REIC TABLE OF TENDERED LAND PLOTS (30.06.2018)

Revenue Sharing Model in Return for the Land Sale	SQM	Date of Purchase	Book Value (TRY)	Current Company Share in Total Revenue	Explanation
AĞAOĞLU MASLAK 1453 İSTANBUL	7,194.46	30.09.2010	35,469,450.00	34,173,875.00	Construction permit obtained.
KÖY	343,062.46	2.03.2011	161,681,388.00	322,911,258.15	The agreement of the project was signed on 19.07.2012, the construction permits for the parcels 1791/2, 1789/4, 1790/3, 1789/2, 1790/4 were obtained on 25.07.2014, 31.12.2014, 24.06.2013, 06.07.2015, 06.07.2015 respectively.
İSTMARİNA	4,665.28	22.04.2012	26,718,553.00	58,000,000.00	The agreement of the project was signed on 04.02.2013, the construction permits for the parcels 9051/1, 9048/2, 9049/1, 9050/1 were obtained on 14.03.2014, 10.06.2015, 18.05.2015, 27.05.2015 respectively.
CER İSTANBUL	40,945.86	30.07.2012	67,520,449.00	105,968,270.00	The agreement of the project was signed on 02.08.2013, the construction permits were obtained 24.03.2017, 11.04.2017, 26.04.2017, 27.04.2017 respectively.
EVVEL / ADIM İSTANBUL	35,076.70	3.12.2012	81,165,929.00	77,071,196.21	The agreement of the project was signed on 17.12.2013. The construction permits for the parcels 884/1, 891/1, 892/1 were obtained on 04.11.2014, 31.08.2015, 31.08.2015 respectively.
BÜYÜKYALI İSTANBUL	111,262.55	24.04.2013	656,802,467.00	1,568,800,000.00	The agreement of the project was signed on 08.04.2014, the construction permits were obtained on 25.01.2016 and 18.03.2016.
AVRUPARK	78,639.77	14.06.2011	80,797,931.00	156,520,000.00	The agreement of the project was signed on 20.05.2014, the construction permit was obtained on 16.03.2015.
KOCAELİ DERİNCE	72,313.00	3.04.2014	70,359,515.00	96,147,617.66	The agreement of the project was signed on 21.08.2014, the construction permit have not been obtained yet.
TUAL ADALAR	24,763.18	28.05.2014	90,842,024.00	116,961,600.00	The agreement of the project was signed on 30.12.2014, the construction permit for the parcel 12626/1 was obtained on 21.01.2016 and permit for the parcel 12624/4 was obtained on 10.05.2017.
KARAT 34	36,174.56	28.05.2014	67,479,515.00	171,600,000.00	The agreement of the project was signed on 09.01.2015, the construction permit was obtained on 25.01.2016.
TUAL BAĞÇEKENT	152,621.06	14.06.2011 – 30.07.2012	118,928,916.00	275,334,000.00	The agreement of the project was signed on 26.05.2015, the construction permit was obtained on 22.01.2016.
NİDAPARK İSTİNYE	129,487.27	28.05.2014	993,432,512.00	1,876,392,000.00	The agreement of the project was signed on 03.06.2015, the construction permit were obtained on 14.07.2017.
TEMAŞEHİR KONYA	60,675.48	5.03.2015	86,703,691.00	198,759,060.00	The agreement of the project was signed on 08.06.2015, the construction permits were obtained on 24.05.2016 for the parcels 37594/5 and 37595/5.
MERKEZ ANKARA	124,475.80	3.04.2014	634,552,106.00	1,258,365,000.00	The agreement of the project was signed on 09.07.2015, the construction permit was obtained on 06.02.2017.
AVANGART İSTANBUL	36,749.99	5.03.2015	120,876,812.00	637,000,000.00	The agreement of the project was signed on 14.07.2015, construction permit for parcels 7752/2 and 7752/4 were obtained on 16.01.2017 and 17.04.2017 respectively.
NİDAPARK KAYAŞEHİR	77,327.02	3.04.2014	197,924,094.00	407,588,000.00	The agreement of the project was signed on 20.07.2015, the construction permit was obtained on 04.02.2016.
EVORA DENİZLİ	95,294.22	5.03.2015	76,256,347.00	92,651,000.04	The agreement of the project was signed on 14.09.2015, the construction permit was obtained on 29.01.2016.
KOORDİNAT ÇAYYOLU	29,916.83	3.04.2014	97,137,939.00	180,000,000.00	The agreement of the project was signed on 08.10.2015, the construction permit was obtained on 15.06.2016 for the parcel 29479/1.

Revenue Sharing Model in Return for the Land Sale	SQM	Date of Purchase	Book Value (TRY)	Current Company Share in Total Revenue	Explanation
VALİDEBAĞ KONAKLARI	17,528.55	5.03.2015	153,763,845.00	439,887,380.00	The agreement of the project was signed on 23.10.2015, the construction permit was obtained on 05.02.2016.
EBRULİ İSPARTAKULE	41,168.49	1.06.2007	58,105,440.00	132,000,000.00	The agreement of the project was signed on 09.06.2016, the construction permit was obtained on 03.02.2017.
YENİKÖY KONAKLARI	27,368.93	5.03.2015	45,368,148.00	168,150,000.00	The agreement of the project was signed on 11.05.2016, the construction permit of B and D Blocks were obtained on 24.03.2017, A and C Blocks were obtained on 23.06.2017.
AVRUPARK HAYAT	42,019.75	14.06.2011-30.07.2012	54,056,372.00	156,500,000.00	The agreement of the project was signed on 16.06.2016, the construction permit was obtained on 02.07.2017.
OFİS KARAT BAKIRKÖY	5,250.00	5.03.2015	30,605,242.00	62,000,000.00	The agreement of the Project was signed on 15.04.2016 and construction permit was obtained on 19.01.2017.
SEMT BAHÇEKENT	53,823.56	14.06.2011	50,574,316.00	150,500,000.00	The agreement of the project was signed on 04.08.2016, the construction permit of 707/1 parcel was obtained on 14.04.2017.
NİDAPARK KÜÇÜKYALI	78,097.81	14.06.2011	677,714,777.00	1,527,000,300.00	The agreement of the project was signed on 02.09.2016, the construction permits of 16771/1, 16772/1, 16773/2 were obtained on 29.12.2016.
TEM 34 TAHTAKALE / TEM 34 BAHÇETEPE	38,529.21	3.04.2015	47,979,230.00	85,600,000.00	The agreement of the project was signed on 01.09.2016, the construction permit was obtained on 30.06.2017.
DÜŞLER VADİSİ	1,076,022.18	13.09.2017	352,492,222.00	542,892,221.30	The agreement of the project signed on 13.09.2017, the construction permit have not been obtained yet.
ZEYTİNBURNU BEŞTELSİZ	36,782.54	5.03.2015	408,028,674.00	640,100,000.00	The agreement of the project signed on 14.08.2017, the construction permit was obtained on 30.09.2017.
TUAL ARTI	10,998.00	5.03.2015	20,016,360.00	53,927,500.00	The agreement of the project signed on 14.07.2017, the construction permit have not been obtained yet.
İDEALİST KORU/İDEALİST CADDE	21,140.51	5.03.2015	8,617,028.00	15,070,000.00	The agreement of the project signed on 20.07.2017, the construction permit have not been obtained yet.
EVORA İZMİR	47,750.00	30.12.2016	-	117,040,000.00	The agreement of the project signed on 25.08.2017, the construction permit have not been obtained yet.
ALL SANCAK	95,616.00	30.12.2016	-	145,200,000.00	The agreement of the project signed on 08.08.2017, the construction permit have not been obtained yet.
TUAL BİZİM MAHALLE	118,098.98	20.11.2017	434,877,150.00	551,000,000.00	The agreement of the project signed on 20.11.2017, the construction permit have not been obtained yet.
ANTALYA MURATPAŞA	40,000.00	17.10.2017	197,915,567.00	302,100,000.00	The agreement of the project signed on 20.11.2017, the construction permit have not been obtained yet.
ANKARA ÇANKAYA ORAN	15,520.46		33,079,327.00	46,800,000.00	10.01.2018 Agreement signed.
ANKARA SARAÇOĞLU	-		2,441,603.00	-	

Revenue Sharing Model in Return for the Land Sale	SQM	Date of Purchase	Book Value (TRY)	Current Company Share in Total Revenue	Explanation
ÇEKMEKÖY TAŞDELEN	187,750.00	5.03.2015	254,214,000.00	355,552,000.00	
İSTANBUL BAKIRKÖY FLORYA	63,349.50	1.06.2007	363,097,049.00	695,258,299.00	
İSTANBUL ŞİŞLİ TEŞVİKİYE	24,468.90	5.03.2015	455,345,540.00	705,500,000.00	

Supervision Projects	SQM	Date of Purchase	Book Value (TRY)	Current Company Share in Total Revenue	Explanation
İSTANBUL INTERNATIONAL FINANCE CENTER	115,497.01	31.05.2000	-	29,200,000.00	The construction permit of 3328/14 and 3328/1 parcels were obtained on 01.12.2014, 31.12.2015 respectively.
Total of Revenue Sharing Model Projects in Return For The Land Sale	3,617,425.87		7,312,137,628.00	14,555,520,577.36	

REVENUE SHARING MODEL IN RETURN FOR THE LAND	SQM	Date of Purchase	Book Value (TRY)	Current Company Share in Total Revenue	Explanation
TOTAL OF REVENUE SHARING MODEL IN RETURN FOR THE LAND	-		-	-	

TOTAL OF REVENUE SHARING MODEL IN RETURN FOR (THE LAND/ LAND SALE)

Turn Key Model Projects	SQM	Date of Purchase	Book Value Progress Payments	Explanation
KÖRFEZKENT 4	79,804.19	25.02.2008	185,346,000.00	The construction permit was obtained on 21.11.2014, the agreement was signed on 07.02.2015.
İSTANBUL AYAZMA 1	99,874.55	1.12.2010	577,366,000.00	The construction permit was obtained on 18.12.2014, the agreement was signed on 26.05.2015.
EMLAK KONUT İSPARTAKULE 1/1	85,871.43	1.06.2007	326,552,000.00	The construction permit was obtained on 01.06.2015, the agreement was signed on 18.09.2015.
EMLAK KONUT İSPARTAKULE 1/2	74,346.32	1.06.2007	293,543,000.00	The construction permit was obtained on 01.06.2015, the agreement was signed on 18.09.2015.
NEVŞEHİR	29,541.40	3.04.2014	193,902,000.00	The construction permit was obtained on 07.03.2016, the agreement was signed on 24.05.2016.
BAŞAKŞEHİR AYAZMA 2	21,406.97	3.04.2014	106,321,000.00	The construction permit was obtained on 31.12.2015, the agreement was signed on 25.04.2016.
NİĞDE EMLAK KONUTLARI	25,643.04	27.05.2016	99,697,000.00	The construction permit was obtained on 20.09.2016, the agreement was signed on 22.11.2016.
GEBZE EMLAK KONUTLARI 3/1	91,564.72	30.06.2010	180,91,636.00	The construction permit was obtained on 28.10.2016, the agreement was signed on 22.12.2016.

TURN-KEY PROJECTS	SQM	Purchase Date	Book Value + Progress Payments (TRY)	Explanation
GEBZE EMLAK KONUTLARI 3/2	90,774.12	30.06.2010	200,122,000.00	The construction permit was obtained on 28.10.2016, the agreement was signed on 18.01.2017.
GEBZE EMLAK KONUTLARI 3/3	6,337.96	3.04.2014	1,276,000.00	The construction permit was obtained on 28.10.2016, the agreement have not been signed yet.
KAYABAŞI RECREATION AREA	363,979.03	3.04.2014	337,301,000.00	The construction permit was obtained on 05.10.2016, the agreement was signed on 08.12.2016.
BAŞKENT EMLAK KONUTLARI 1	89,502.19	3.04.2014	451,090,000.00	The construction permit was obtained on 04.01.2017, the agreement was signed on 16.02.2017.
BAŞKENT EMLAK KONUTLARI 2	30,521.16	30.06.2010	181,523,000.00	The construction permit was obtained on 28.10.2016, the agreement was signed on 18.01.2017.
KÖRFEZKENT COMMERCIAL	11,966.61	3.04.2014	26,009,000.00	The construction permit was obtained on 05.10.2016, the agreement was signed on 08.12.2016.
TOTAL OF ONGOING TURN-KEY MODEL PROJECTS	1,220,406.09		3,160,964,000.00	-
TOTAL OF ONGOING PROJECTS	4,647,514.99		10,473,101,628.00	14,555,520,577.36

ANNEX-4 EMLAK KONUT REIC TABLE OF LAND STOCK (30.06.2018)

APPRAISAL REPORT NAME	NUMBER OF PARCELS	SQM	Purchase Date	Book Vaue (TRY)	Appraisal Value (TRY)
TEKİRDAĞ ÇORLU	4	35,923.48	24.03.2006 - 30.09.2010	6,152,734.00	8,965,010.00
İZMİR KONAK	1	6,810		12,966,101.69	10,896,000.00
TEKİRDAĞ ÇERKEZKÖY	6	109,018.79	09.12.2005	1,861,935.35	35,396,736.60
KOCAELİ KÖRFEZ	4	16,610.44	25.02.2008	1,528,023.00	5,365,000.00
KOCAELİ GEBZE GÜZELLER	26	30,015.80	21.03.2007- 29.06.2009 - 17.02.2010	12,362,800.13	4,457,800.00
KASTAMONU ÇİDE	1	9,110.04	06.10.2011 - 07.08.2012 14.06.2011 - 30.07.2012	52,663.00	60,000.00
İSTANBUL ESENYURT HOŞDERE	2	38,689.20	14.06.2011 - 30.07.2012	39,178,211.15	68,170,016.00
İSTANBUL ÜMRANIYE	4	17,067.99	31.12.2012	1,843,977.00	28,250,000.02
İSTANBUL ZEKERİYAKÖY	1	992.00	02.03.2011	677,397.00	719,200.00
İSTANBUL BÜYÜKÇEKMECE	1	78.10	31.08.1987	1.00	16,853.20
İSTANBUL ARNAVUTKÖY	14	1,819,485.80	05.06.2013	166,654,700.11	222,478,357.40
İSTANBUL ATAŞEHİR	12	25,192.25	24.04.2013 - 22.04.2012	40,144,660.14	80,021,824.00
İSTANBUL MALTEPE	1	305.84	28.05.2014	3,010,214.00	3,012,524.00
İSTANBUL ŞİLE	1	7,231.97	05.03.2015	2,440,657.00	2,640,000.00
İSTANBUL KÜÇÜKÇEKMECE HALKALI	22	424,746.27	03.04.2014	1,673,655,765.41	1,666,007,793.10
NEVŞEHİR	2	26.10	03.04.2014	8,088.00	8,500.00
ANKARA ÇANKAYA MÜHYE	9	22,913.39	03.04.2014	18,093,857.00	30,259,331.00
İSTANBUL,SARIYER, İSTİNYE	4	1,373.21	28.05.2014	12,738,591.36	7,782,155.00
İSTANBUL KARTAL	18	73,826.63	24.04.2013 - 22.04.2012	133,639,927.00	151,136,071.50
İSTANBUL BAŞAKŞEHİR HOŞDERE	18	285,777.12	14.06.2011 - 06.10.2011 30.07.2012 - 07.08.2012	91,583,321.75	115,261,790.40
İSTANBUL BAŞAKŞEHİR İKİTELLİ-2	34	220,546.51	01.12.2010 - 07.03.2012 25.09.2012 - 01.10.2012 - 05.03.2015	235,536,534.66	276,207,002.25
İSTANBUL TUZLA	4	65,712.75	30.12.2005 05.03.2015 - 01.06.2007	205,916,871.00	209,583,508.87
İSTANBUL BAKIRKÖY ŞEVKETİYE	1	52,939.23	30.05.2017	448,107,727.46	422,905,600.00
SAMSUN CANIK	3	51,697.64	30.05.2017	110,598,133.18	94,264,873.50
İSTANBUL BAŞAKŞEHİR KAYABAŞI	1	20,396.70		67,513,721.39	58,130,000.00
TOTAL OF LAND STOCK	194	3,336,487.17		3,286,266,612.76	3,501,995,946.82

ANNEX-5 EMLAK KONUT REIC TABLE OF BUILDING INVENTORY (30.06.2018)

BUILDINGS	NUMBER OF UNITS IN STOCK	SQM	BOOK VALUE (TRY)	APPRAISAL VALUE(TRY)
İSTANBUL SPRADON QUARTZ	2	198.00	603,000.00	610,000.00
İSTANBUL ATAŞEHİR VARYAP MERİDİEN	2	137.60	805,413.49	1,040,000.00
İZMİR PARK YAŞAM MAVİŞEHİR	1	345.07	2,143,000.00	1,738,800.00
İZMİR EMLAK KONUT MAVİŞEHİR EVLERİ	1	143.87	404,000.00	403,960.40
ANKARA ÇANKAYA NEXTLEVEL	4	989.00	8,082,000.00	9,065,000.00
STÜDYO 24	2	116.77	335,300.00	360,000.00
KÖRFEZKENT 3RD STAGE	6	1,057.50	1,089,000.00	2,016,900.00
BATIŞEHİR PROJECT	16	3,472.41	34,108,000.00	38,560,373.83
UNİKONUT	11	3,761.01	23,181,000.00	23,439,120.39
BAŞAKŞEHİR EMLAK KONUT EVLERİ 1ST STAGE 2ND PART	12	1,488.48	4,345,000.00	13,765,358.50
BAHÇEKENT EMLAK KONUTLARI 1ST STAGE 3RD PART	40	4,604.85	10,395,000.00	11,599,261.04
EMLAK KONUT BAŞAKŞEHİR EVLERİ 1-4	7	1,251.99	2,572,000.00	5,843,450.50
EMLAK KONUT BAŞAKŞEHİR EVLERİ 2ND STAGE	63	24,272.40	32,802,000.00	32,801,540.41
RESMİ KURUM BİN	2	49,771.00	96,133,853.90	198,675,000.00
DUMANKAYA MİKS PROJECT	27	2,184.97	23,889,000.00	22,642,800.00
BULVAR İSTANBUL PROJECT	4	659.98	3,962,000.00	3,917,000.00
NİDAKULE ATAŞEHİR PROJECT	5	1,505.92	30,862,000.00	30,975,000.00
ESENLER EMLAK KONUTLARI	84	10,796.45	30,885,000.00	41,845,000.00
BÜYÜK YALI PROJECT	31	3,920.81	0.00	81,435,900.00
METROPOL İSTANBUL PROJECT	56	6,410.43	100,467,000.00	100,467,000.00
SARPHAN FİNANSPARK PROJECT	179	8,731.68	228,887,000.00	221,881,596.73
MERKEZ ANKARA PROJECT	53	124,475.80	0.00	318,551,268.00
AĞAOĞLU MASLAK 1453 PROJECT	87	13,937.69	167,224,000.00	167,225,900.00
İSTMARİNA PROJECT	12	42,532.89	270,950,000.00	270,950,400.00
BAHÇEKENT FLORA	26	4,996.68	16,991,000.00	16,991,000.00
TOTAL OF BUILDINGS	733	311,759.25	1,091,115,567.39	1,616,801,629.80

ANNEX -6 SUMMARIES OF APPRAISAL REPORTS

REAL ESTATE VALUATION REPORT SUMMARY
ANNEX 5 - SUMMARIES OF APPRAISAL REPORTS (PROJECTS)

NAME OF THE WORK SUBJECT TO VALUATION	It is the valuation report specifying, under Istanbul Başakşehir 5th Stage Revenue Sharing Agreement based on Land Sales, the total value of Nidapark Kayaşehir project (located in Plot No. 69 within Block No. 443, Plot No. 71 within Block No 443, Plot No.24 within Block No. 458, and Plot No. 3 within Block No 976 in Kayabaşı Neighborhood, Başakşehir District, Istanbul) and Emlak Emlak GYO A.Ş.'s share upon completion, its current value and Emlak Konut GYO A.Ş.'s relevant share and the present market value of 54 units in the project as per the open list communicated to us.
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	08.05.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway.
TITLE DEED INFORMATION	443/69 - 443/71 - 458/24 - 976/3
PROJECT'S CURRENT VALUE	608,193,091
PROJECT'S VALUE FOR EMLAK KONUT REIC IN ITS CURRENT STATE VALUE SHARE	231,113,375
PROJECT'S VALUE AFTER COMPLETION	1,047,707,204
EMLAK KONUT REIC'S SHARE UPON THE COMPLETION OF THE PROJECT	407,588,000

NAME OF THE WORK SUBJECT TO VALUATION	Cer Istanbul Project
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	13.04.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway.
TITLE DEED INFORMATION	Emlak Konut REIC
PROJECT'S VALUE AFTER COMPLETION	453,468,000
EMLAK KONUT REIC'S SHARE UPON THE COMPLETION OF THE PROJECT	158,759,000

NAME OF THE WORK SUBJECT TO VALUATION	Ispartakule 6th Stage Project (TEM 34 TAHTAKALE)
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	17.05.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway.
TITLE DEED INFORMATION	Emlak Konut REIC
PROJECT'S VALUE AFTER COMPLETION	340,495,000
EMLAK KONUT REIC'S SHARE UPON THE COMPLETION OF THE PROJECT	85,125,000

NAME OF THE WORK SUBJECT TO VALUATION	This is the appraisal report regarding the value of Başkent Emlak Konutları 1st Stage Project in its current value and at completion as well as the market value of 155 units within the project located in Parcel No. 11, Block No. 29396, Mühye neighborhood, Çankaya district, Ankara.
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	27.4.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway.
TITLE DEED INFORMATION	29396/11
PROJECT'S CURRENT VALUE	438,505,807.53
PROJECT'S VALUE AFTER COMPLETION	873,634,185
LAND VALUE	290,882,117.5

Real Estate Valuation Report Summary
ANNEX 5 - SUMMARIES OF APPRAISAL REPORTS (PROJECTS)

NAME OF THE WORK SUBJECT TO VALUATION	This is the appraisal report specifying the value of "Land Sale-based Revenue Sharing Work of Istanbul International Finance Center Special Project and Recreation Area" in its current value and at completion as well as the market value of 1308 units within the project located in Parcel No. 1, 13 and 14 in Block No. 3328, Küçükbakkalköy neighborhood, Ümraniye district, Istanbul.
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	02.04.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway.
TITLE DEED INFORMATION	3328/1 - 3328/13 - 3328/14
PROJECT'S VALUE AFTER COMPLETION	2,700,701,699
SHARE OF EMLAK KONUT REIC UPON THE COMPLETION OF THE PROJECT VALUE SHARE	54,014,034

NAME OF THE WORK SUBJECT TO VALUATION	This is the appraisal report specifying the value of Merkez Ankara Project in its current state and at completion, Emlak Konut REIC's share in its current state and at completion as well as the current market value of 319 units within the project at completion in Parcel No. 2, Block No. 63865, İstasyon neighborhood, Yenimahalle district, Ankara.
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	13.06.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway.
TITLE DEED INFORMATION	63865/2
PROJECT'S CURRENT VALUE	1,044,762,473
PROJECT'S VALUE FOR EMLAK KONUT REIC IN ITS CURRENT STATE VALUE SHARE	759,302,380
PROJECT'S VALUE AFTER COMPLETION	3,161,830,280
EMLAK KONUT REIC'S SHARE UPON THE COMPLETION OF THE PROJECT	1,258,365,000

NAME OF THE WORK SUBJECT TO VALUATION	Metropol Project
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	17.04.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway.
TITLE DEED INFORMATION	See Report 4.1. Property Status
PROJECT'S VALUE AFTER COMPLETION	2,274,970,000
EMLAK KONUT REIC'S SHARE UPON THE COMPLETION OF THE PROJECT	981,650,000

NAME OF THE WORK SUBJECT TO VALUATION	This is the appraisal report regarding the value of Merkez Ankara Project in its current value and at completion as well as the market value of 828 units within the project located in Parcel No. 2, Block No. 63865, İstasyon neighborhood, Yenimahalle district, Ankara.
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	22.05.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway.
TITLE DEED INFORMATION	63865/2
PROJECT'S CURRENT VALUE	1,019,776,907
PROJECT'S VALUE FOR EMLAK KONUT REIC IN ITS CURRENT STATE VALUE SHARE	759,302,380
PROJECT'S VALUE AFTER COMPLETION	3,070,710,095
EMLAK KONUT REIC'S SHARE UPON THE COMPLETION OF THE PROJECT	1,258,365,000

Real Estate Valuation Report Summary
ANNEX 5 - SUMMARIES OF APPRAISAL REPORTS (PROJECTS)

NAME OF THE WORK SUBJECT TO VALUATION	This is the appraisal report specifying the value of Avrurpark Project in its current state and at completion, Emlak Konut REIC's share in its current state and at completion as well as the current market value of 1480 units according to construction servitude and market value of 86 stores within the project in Parcel No. 1, Block No. 650 and Parcel No. 1, Block No. 651, Hoşdere neighborhood, Başakşehir district, İstanbul.
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	21.06.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway.
TITLE DEED INFORMATION	650/1-651/1
PROJECT'S CURRENT VALUE	479,179,560
EMLAK KONUT REIC'S SHARE IN THE PROJECT IN ITS CURRENT STATE	137,619,000
PROJECT'S VALUE AFTER COMPLETION	694,685,336
EMLAK KONUT REIC'S SHARE UPON THE COMPLETION OF THE PROJECT	180,618,186

NAME OF THE WORK SUBJECT TO VALUATION	Temaşehir Konya
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	26.04.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway.
TITLE DEED INFORMATION	Emlak Konut REIC
PROJECT'S VALUE AFTER COMPLETION	528,145,000
EMLAK KONUT REIC'S SHARE UPON THE COMPLETION OF THE PROJECT	158,444,000

NAME OF THE WORK SUBJECT TO VALUATION	This is the appraisal report specifying the value of İstmarina Project in its current state and at completion in Parcel No. 2, Block No. 9048, Parcel No. 1, Block No. 9049, Parcel No. 1, Block No. 9050 and Parcel No. 1, Block No. 9051, Çavuşoğlu neighborhood, Kartal district, İstanbul as well as the current market value of 238 units within the shopping center subject to renewal license in Parcel No. 1, Block No. 9051.
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	26.06.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway.
TITLE DEED INFORMATION	9048/2, 9049/1, 9050/1, 9051/1
PROJECT'S CURRENT VALUE	1,326,720,177
PROJECT'S VALUE FOR EMLAK KONUT REIC IN ITS CURRENT STATE VALUE SHARE	530,688,071
PROJECT'S VALUE AFTER COMPLETION	2,318,907,631
EMLAK KONUT REIC'S SHARE UPON THE COMPLETION OF THE PROJECT	927,563,052

NAME OF THE WORK SUBJECT TO VALUATION	Yeniköy Konakları
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	27.06.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway.
TITLE DEED INFORMATION	Emlak Konut REIC
PROJECT'S VALUE AFTER COMPLETION	290,820,000
EMLAK KONUT REIC'S SHARE UPON THE COMPLETION OF THE PROJECT	168,150,000

Real Estate Valuation Report Summary
ANNEX 5 - SUMMARIES OF APPRAISAL REPORTS (PROJECTS)

Name of the Work Subject to Valuation	Emlak Konut Körfezkent 4th Stage Site
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	25.04.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway.
TITLE DEED INFORMATION	See Report 4.1. Property Status
VALUE OF THE PROJECT IN ITS CURRENT STATE	251,205,000
PRESENT VALUE OF THE PROJECT IF COMPLETED	289,560,000

Name of the Work Subject to Valuation	This is appraisal report specifying the value of Evra Denizli Project in its current state and at completion as well as the current market value of 232 "residential" units in Parcel No. 1, 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, Block No. 724, Çakmak neighborhood, Merkezefendi district, Denizli.
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	28.05.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway.
TITLE DEED INFORMATION	Parcel No. 1, 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, Block No. 724
PROJECT'S CURRENT VALUE	219,756,855
PROJECT'S VALUE FOR EMLAK KONUT REIC IN ITS CURRENT STATE VALUE SHARE	80,517,600
PROJECT'S VALUE AFTER COMPLETION	563,909,997
EMLAK KONUT REIC'S SHARE UPON THE COMPLETION OF THE PROJECT	101,503,799

Real Estate Valuation Report Summary
ANNEX 5 - SUMMARIES OF APPRAISAL REPORTS (LANDS)

Name of the Work Subject to Valuation	This is the appraisal report specifying the current rental value of real estates in Parcel No. 33, 34, 37, 38 Block No. 1094, Parcel No. 35, 39, 324, Block No. 5705 in Soğanlık neighborhood, Kartal district; and Parcel No. 12, Block No. 2657 in Yakacak neighborhood, Istanbul.
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	13.04.2018
REPORT TYPE	Land
CURRENT USE	See: 5.6: Definition, Structural and Technical Characteristics
TITLE DEED INFORMATION	1094/33, 1094/34, 1094/37, 1094/38, 5705/35, 5705/39, 5705/324, 2657/12
TOTAL MONTHLY RENTAL VALUE	188,931

Real Estate Valuation Report Summary
ANNEX 5 - SUMMARIES OF APPRAISAL REPORTS (BUILDINGS)

Name of the Work Subject to Valuation	This is the appraisal report specifying the value of the three units within "Land Sale-based Revenue Sharing Work of Başakşehir Ayazma 3rd Stage, Bulvar Istanbul Project" in Parcel No. 3, Block No. 1358 and Parcel No. 5, Block No. 1359, İkitelli-2 neighborhood, Başakşehir district, Istanbul.
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	10.05.2018
REPORT TYPE	Leasing
CURRENT USE	Vacant
TITLE DEED INFORMATION	1358/3 - 1359/5
TOTAL RENTAL VALUE OF 3 UNITS EXCLUDING VAT	15,349.02
TOTAL RENTAL VALUE OF 3 UNITS INCLUDING VAT	18,111.84

LEGAL NOTICE

This interim report includes information about the Company's operations and accounts for the period from January 1 to June 30, 2018. It was prepared in accordance with legal regulations and based on the Board of Directors Report, and Financial Statements.

The report was prepared to inform shareholders and does not constitute the basis for any investment decision. The views and estimated figures in the report reflect the Company management's opinions about the future; however, they may take place differently depending on the variables and estimates that constitute such prospective and estimated figures. Accordingly, Emlak Konut GYO A.Ş. (Emlak Konut REIC) or members of the Board of Directors, its advisors or employees shall not be responsible for any direct or indirect losses or damages suffered by any person due to any information or communication conducted through this report or any when such results are based on any information covered in this report or deemed to have resulted from the lack of thereof.

All the information provided in this report is considered to be correct as of its publication date; Emlak Konut GYO A.Ş. shall not assume any responsibility for any errors that may occur in writing and printing stages.

