



EMLAK KONUT

REAL ESTATE INVESTMENT COMPANY

A PARTICIPATION OF REPUBLIC OF TURKEY MINISTRY OF ENVIRONMENT AND URBANIZATION, TOKİ
(HOUSING DEVELOPMENT ADMINISTRATION OF TURKEY)

EMLAK KONUT REIC 9 MONTH INTERIM ACTIVITY REPORT SEPTEMBER 2018





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.



2018 AT A GLANCE

- 04 Our Vision - Mission
- 05 The Position of Emlak Konut REIC
- 06 2018 First Half Activity Results
- 07 Summary Table of Significant Figures
- 08 Company Sales Data
- 09 Financial Track Record
- 10 Key Financial Highlights
- 11 Financial Ratios
- 13 Message from the CEO

EMLAK KONUT REIC

- 16 Emlak Konut REIC Milestones
- 18 Emlak Konut with Numbers
- 19 2018 Tender Schedule and Pre-Sales Targets
- 20 Organization Chart
- 21 Access to Insider Information
- 22 Human Resources
- 23 Other Developments
- 24 Emlak Konut REIC Scope of Business
- 24 Capital and Partnership Structure

BUSINESS MODELS

- 25 Revenue Sharing Model and Turn-key Model
- 25 The Progress of Multiplier for RSM Projects
- 26 Multiplier for Revenue Sharing Model
- 27 Progress of Guaranteed Profit in RSM Projects
- 30 Ongoing Revenue Sharing Model Projects
- 50 Table of Ongoing Revenue Sharing Projects
- 52 Ongoing Turn-Key Model Projects
- 59 Table of Ongoing Turn-Key Model Projects
- 60 Leased and Rented Properties

SHARE PERFORMANCE

- 62 Share Performance
- 63 Recommendations

CONSTRUCTION AND HOUSING SECTOR OUTLOOK

- 64 Housing Sales Statistics
- 65 Building Construction Cost Index
- 65 House Price Index
- 70 Cases Involving Our Company

ANNEXES

Convenience Translation of the Review Report and Condensed Financial Statements for the Interim Period 1 January- 30 June 2018

Tendered Plots of Land

Land Stock

Building Inventory

Summary of Appraisal Reports

Legal Notice



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.

THE POSITION OF EMLAK KONUT REIC

► 82nd
REIC in
the
World

Global

Real Estate Investment Company	TOTAL ASSETS* (billion USD)	
75	JBG SMITH PROPERTIES	5.91
76	KEPPEL REIT	5.59
77	CBL & ASSOCIATES PROPERTIES	5.58
78	ISTAR INC	5.36
79	COMINAR REAL ESTATE INV-TR U	5.23
80	APPLE HOSPITALITY REIT INC	5.02
81	SPIRIT REALTY CAPITAL INC	4.91
► 82	EMLAK KONUT GYO A.Ş.	4.87
83	MACK- CALI REALTY CORP	4.86
84	ASHFORD HOSPITALITY TRUST	4.83
85	MAPPLETREE COMMERCIAL TRUST	4.72
86	SELECT INCOME REIT	4.68
87	COLE CREDIT PROPERTY TRUSTIV	4.65
88	HIGHWOODS PROPERTIES INC	4.65
89	ALLIED PROPERTIES REAL ESTATE	4.64

► 3rd REIC in
the EMEA
Region

EMEA Region

Real Estate Investment Company	TOTAL ASSETS* (billion USD)	
1	MERLIN PROPERTIES SOCIMI SA	14.23
2	INMOBILIARIA COLONIAL SOCIMI	14.10
► 3	EMLAK KONUT GYO A.Ş.	4.87
4	COFINIMMO	4.57
5	EUROCOMMERCIAL PROPRTIE- CV	4.46
6	ALSTRIA OFFICE REIT- AG	4.37
7	WAREHOUSES DE PAUW SCA	3.54
8	HISPANIA ACTIVOS INMOBILIARI	3.47
9	BEFIMMO	3.17
10	IMMOBILIARE GRANDDE DISTRIBUZ	2.89
11	TORUNLAR GYO	2.47
12	NBG PANGAEA REIC	2.04
13	LAR ESPANA REAL ESTATE SOCIM	1.84
14	VASTNED RETAIL NV	1.83
15	BIG YELLOW GROUP PLC	1.76

► The
biggest
REIC in
Turkey

Turkey

Real Estate Investment Company	TOTAL ASSETS* (billion USD)	
► 1	EMLAK KONUT GYO A.Ş.	4.87
2	TORUNLAR GYO A.Ş.	2.47
3	SİNPAŞ GYO A.Ş.	1.21
4	İŞ GYO A.Ş.	1.13
5	AKİŞ GAYRİMENKUL YATIRIMI A.Ş.	1.07
6	ÖZAK GYO A.Ş.	0.57
7	HALK GYO A.Ş.	0.52
8	YEŞİL GYO A.Ş.	0.49
9	REYSAŞ GYO A.Ş.	0.44
10	AKFEN GYO A.Ş.	0.43
11	KİLER GYO A.Ş.	0.43
12	YENİ GİMAT A.Ş.	0.42
13	NUROL GYO A.Ş.	0.38
14	VAKIF GYO A.Ş.	0.28
15	DOĞUŞ GYO A.Ş.	0.24
16	ALARKO GYO A.Ş.	0.22
17	PANORA GYO A.Ş.	0.20
18	SERVET GYO A.Ş.	0.18
19	MARTI GYO A.Ş.	0.14
20	ÖZDERİCİ GYO A.Ş.	0.12

* As of 30.06.2018

Source: Bloomberg/ GICS/ All REITs

2018 FIRST 9 MONTHS ACTIVITY RESULTS

► Solid net profit results and balance land portfolio..

First 9 Months Figures

1,099 Billion TRY **3.9 Billion TRY**

2018 First Nine Months Net Profit

Land Portfolio Value

2018 First 9 Months Pre-Sales Figures

4.15 Billion TRY **4,194**

2018/9 Pre-sales Revenue

Number of Units Sold

640 k sqm **847 Million TRY**

Sold Area

Sold to Foreigners

2018 Completed Tender Results (ytd)

3 Tenders **1.74**

Completed

Average Multiplier

2.06 Billion TRY **5 Billion TRY**

Total Min Emlak Konut Share*

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.

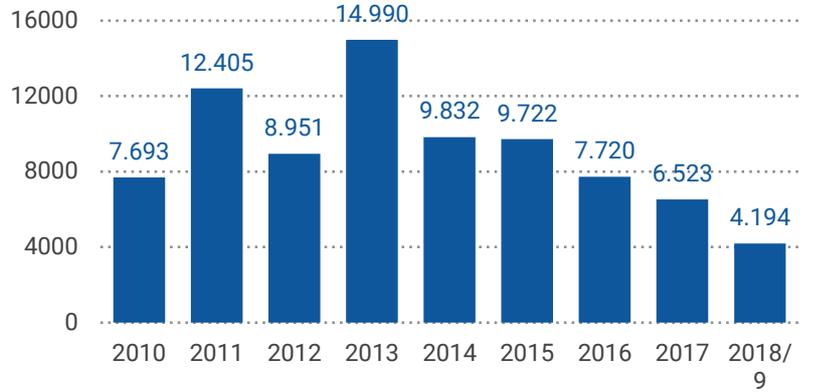
SUMMARY TABLE OF SIGNIFICANT FIGURES

TOTAL ASSETS	
22,950,990,000	
Appraisal Value of Land Stock 3,903,127,836	Cost of Land and Residential Unit Inventories 14,911,547,000
Appraisal Value of Buildings 2,151,659,682	Cost of Investment Property 317,717,000
Company Share of Total Revenue for RSM Projects 14,550,041,447	Liabilities 10,034,886,000
Cost of Purchase + Progress Payments (Turn-Key) 3,411,942,392	
21,703,611,357	

COMPANY SALES DATA

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

Unit Sales (Number)



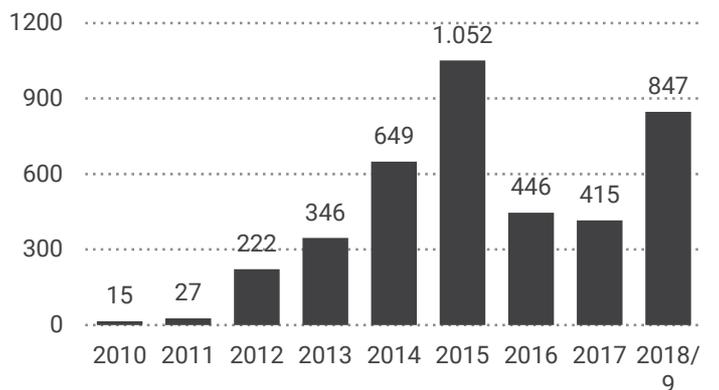
Total Value of Sales TRY mn



Total Unit Size Sold '000

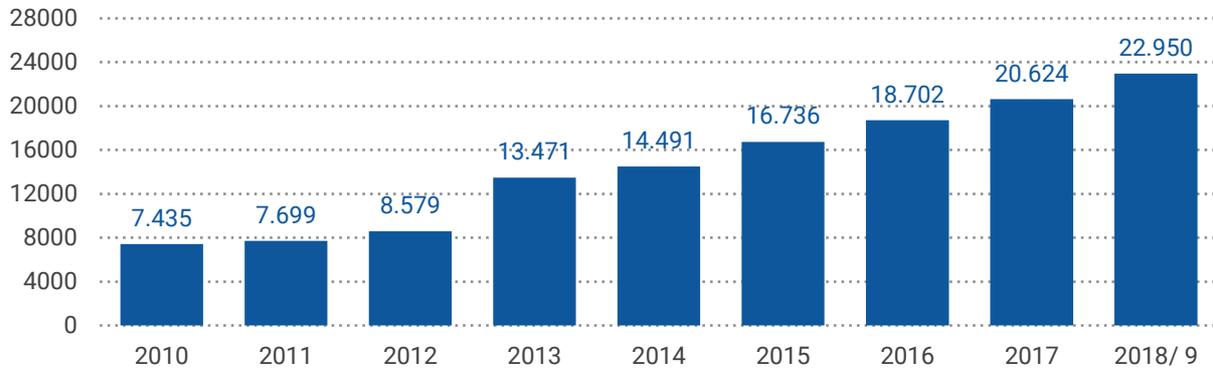


Sales to Foreigners TRY mn

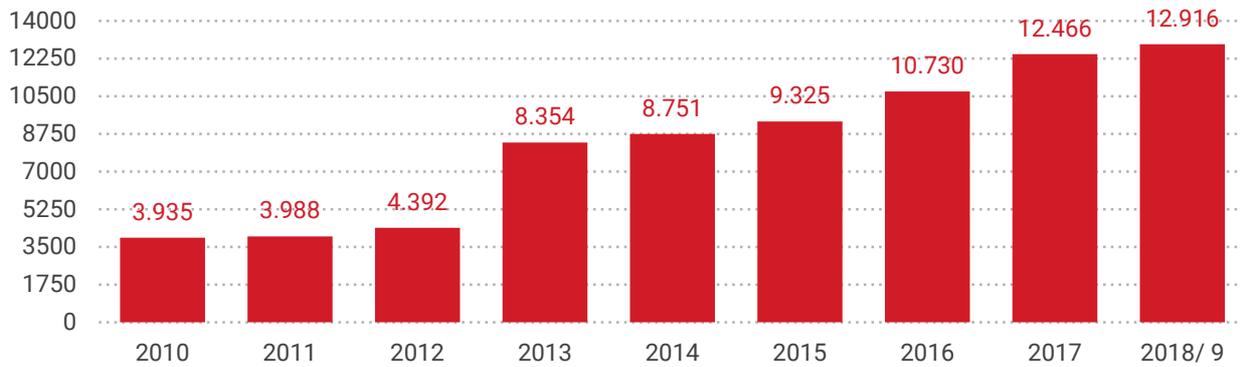


FINANCIAL TRACK RECORD

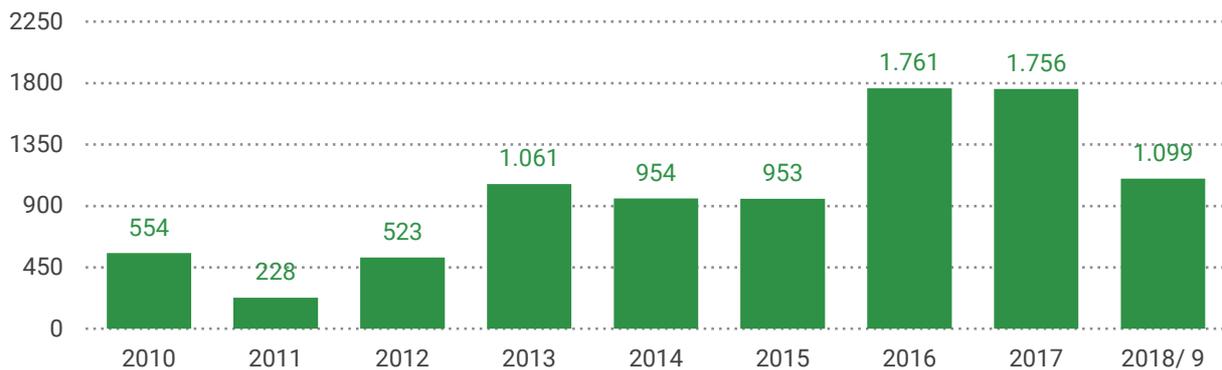
Total Assets (TRY mn)



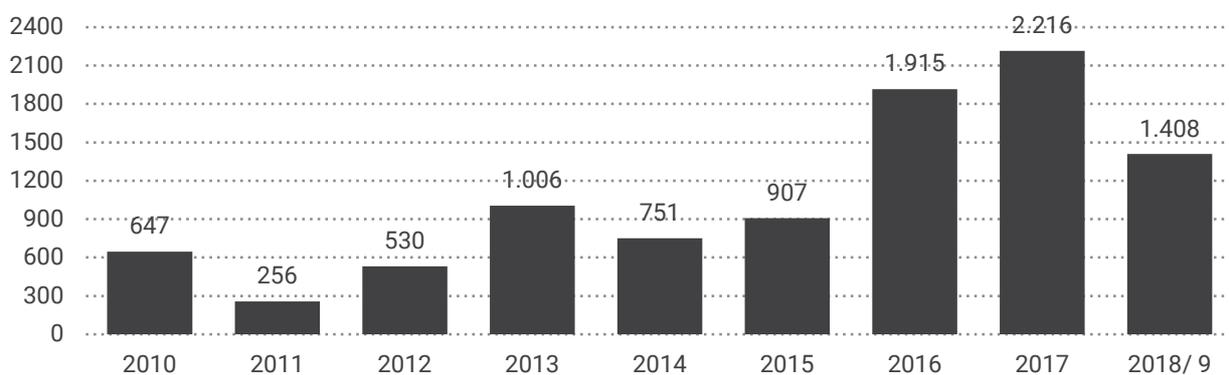
Equity (TRY mn)



Profit for Period (TRY mn)

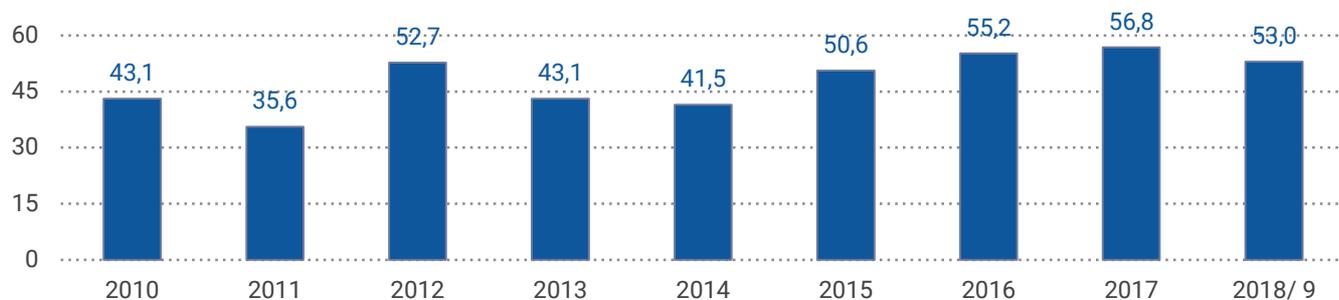


EBITDA for Period (TRY mn)



KEY FINANCIAL RESULTS

EBITDA Margin (%)



KEY Financial (TRY mn)

	2010	2011	2012	2013	2014	2015	2016	2017	2018/9
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	2.657,5
EBITDA ⁽¹⁾	646,5	255,6	530,4	1.005,8	750,8	907,4	1.914,6	2.215,9	1.408,1
EBITDA Margin (%) ⁽²⁾	43,2	35,7	52,8	43,1	41,6	50,8	55,4	56,8	53,0
Profit for Period	554,3	228,3	523,4	1.060,5	954,4	952,6	1.761,3	1.756,1	1.099,2
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	22.951,0
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	12.916,1
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	0,085
Cash Flow	1.538,6	470	1.171,1	4.298	1.453,4	759	956	385	241

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 TL)*

	Trade Receivables	Off-balance sheet deferred revenue	TOTAL
1 Year	555.961	761.176	1.317.137
2 Year	388.381	577.888	966.269
3 Year	206.609	426.869	633.478
4 Year	273.932	313.821	587.753
5 Year and Above	1.091.053	1.589.824	2.680.877
TOTAL	2.515.936	3.669.578	6.185.514

* Please see Independent Audit's Report for details Note.12, pp. 29

FINANCIAL RATIOS

Liquidity Ratios

Current Ratio

2.652

Cash Ratio

0.156

Acid-Test Ratio

0.741

Financial Structure Ratios

Financial Leverage Ratio

0.437

Financial Leverage Ratio

0.777

Shareholder's Equity/Total Assets

0.563

Self-Financing Ratio

1.287

Operating Ratios

Assets Turnover Ratio

0.116

Shareholder's Equity Turnover Ratio

0.206

Net Working Capital Turnover Ratio

0.206

Profitability Ratios

Return on Equity

0.085

Return on Assets

0.048

Net Profit Margin

0.414

Gross Profit Margin

0.503

Operating Profit Margin

0.528



“I should emphasize that we are taking firm steps forward to our targets we set at Emlak Konut at the beginning of 2018 for a revenue of 7.2 billion TL, a sellable area of 829 thousand square meters and, a profit of 1.8 billion TL. I believe that the results we will achieve by the year-end have the potential exceed our targets as it is at the end of this quarter. ”

Esteemed shareholders,

We are about to leave behind the first 9-month period of the year continuing our activities with full effort in line with our targets. I am pleased to share with you that our company has attained and exceeded the portion of our sales and income targets we predicted for the 9-month period as we announce at the end of each year. As a leading corporation in the sector, this stable position of our Company indicates that the sector is still in a position with strong foundations maintaining its power to greatly contribute to the growth and employment processes of our country. This also proves that we continue to produce houses with such qualifications requested and needed by the sector as much as by our company and, that we continue in the right direction.

In order to ensure that we operate with a high level of profitability without being affected by all the negative political and economic developments experienced throughout the world, we at Emlak Konut have successfully organized many campaigns in the recent period. I would like to share with you that our campaign "It's Time to Earn for Turkey" we have organized under the leadership of the Ministry of Environment and Urban Planning has attracted a great attention. With this campaign we have organized together with all the stakeholders at the sector, we have provided house buyers with a low interest rate of 0.98, a favorable payment schedule and an opportunity to maintain their returns against floating exchange rates in spite of the high rate of inflation experienced in the recent period. In addition, acting together with many companies operating at the sector, we have provided an advantage of deduction by 10% in the house prices.

Considering our targets for 2018 we set at the beginning of this year, we had predicted a saleable area of 514 thousand square meters and a sales income in the amount of 4.08 billion TL as of the Quarter 3. And considering the actual figures, it is seen that this target is exceeded with an independent section area sold of 640 thousand square meters and, a turnover of 4.15 billion TL.

In addition, the house sales to foreign nationals has a significant share in these sales. Emlak Konut has attained and exceeded the total number of houses sold to foreign nationals in 2017 (472 units) as of the beginning of the Quarter 3. 698 independent sections have been sold, amounting to 847 million.

Thanks to the arrangements of our government such as the amount of the direct investment required to be made to acquire the Turkish citizenship has been reduced to 250 thousand USD, the number of houses sold to foreign nationals throughout the country has significantly increased. According to the data from the TUIK (Turkish Statistical Institute), the sales to foreign nationals in September increased by 151% compared to the previous year. We expect that this interest will go significantly higher in the upcoming periods.

We have launched three important projects within this period. Out of these projects, we are trying to meet the intensive demand for the project called Bizim Mahalle (Our Neighborhood) located in our land in Küçükçekmece, through an opportunity tent without establishing a sales office. In addition, our project "Evora İzmir" in Alsancak, İzmir will be the most valuable project in the region. This project also has attracted a great deal of attention from the local people. Last but not least, our project Düşler Vadisi (Valley of Dreams), a very special one in Riva, İstanbul, will be a very attractive project for house buyers due to its location that is close to the city but also in touch with nature.

Considering the financial results, together with the projects accepted as a result of our activities during the third quarter in 2018, we are closing this period with a profit of 1.09 billion TL.

I should emphasize that we are taking firm steps forward to our targets we set at Emlak Konut at the beginning of 2018 for a revenue of 7.2 billion TL, a sellable area of 829 thousand square meters and, a profit of 1.8 billion TL. I believe that the results we will achieve by the year-end have the potential exceed our targets as it is at the end of this quarter.

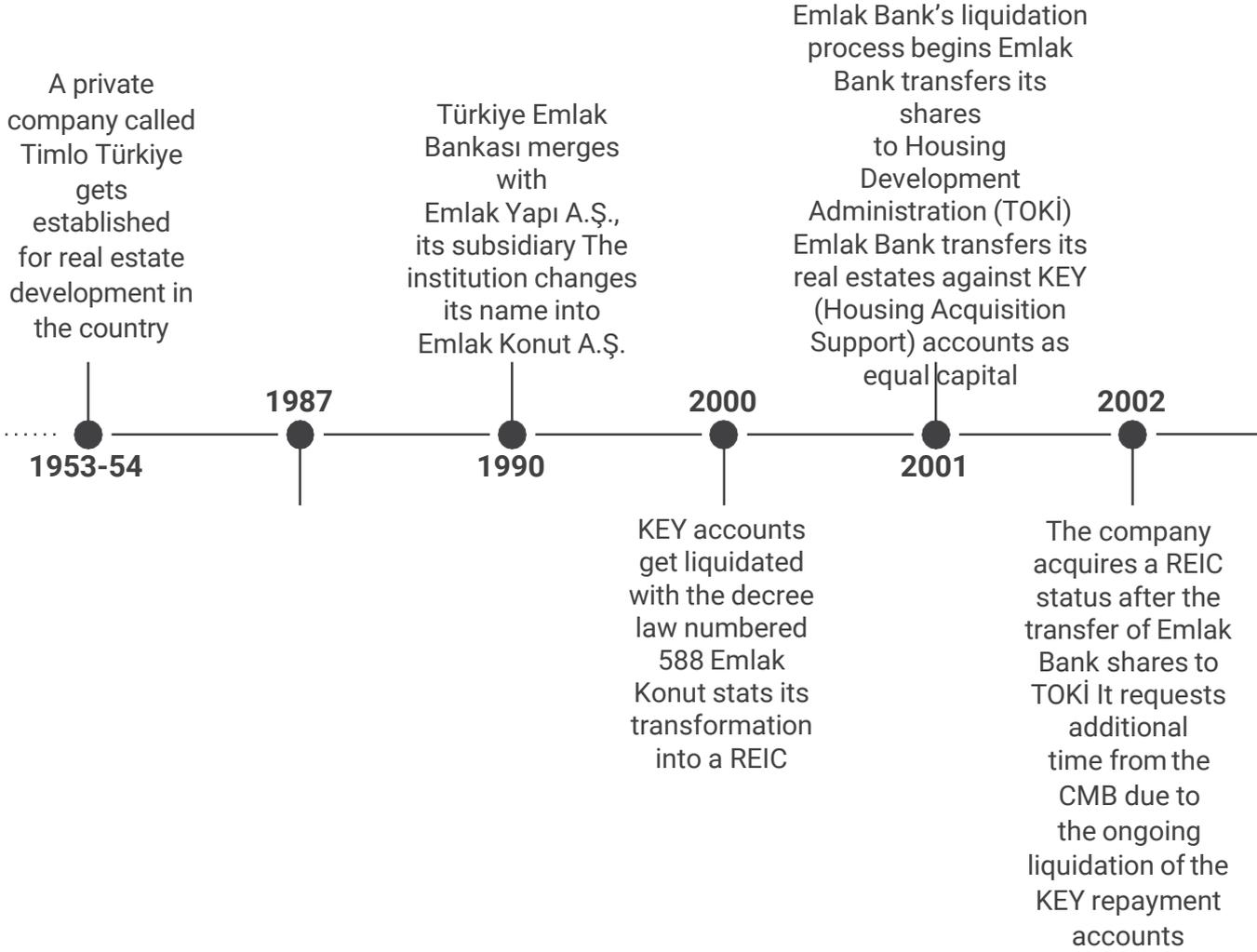
I would like to extend my thanks to, in particular, our board of directors, our employees, our business partners operating in this sector and, you, esteemed investors for this period our Company has successfully completed.

Sincerely,
Hakan GEDİKLİ





EMLAK KONUT REIC MILESTONES



A law gets adopted to provide partial exemption to Emlak Konut REIC (except tax exemptions) from all capital market regulations applied to other REICs

The company continues its activities as a joint stock company with the REIC status

After IPO, Public Offering of 25% of the capital

22.95 billion TRY: Total assets, Turkey's largest REIC

2007

Emlak Konut REIC becomes subject to all capital market regulations applied to REICs with the removal of the exemption

2010

The company carries out its activities subject to the Public Procurement Law, one of the rules of the State Economic Enterprise (SEE) regime as well as the annual audits of the Prime Ministry's Supreme Auditing Board and the TGNA - SEE Commission.

2013

50.4%: Free Float Rate, the company increases capital with the secondary public offering

2017

250,000: targeted number of units

2023

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 87%..

Successfully driving or delivered since 2003

94 Revenue Sharing Projects

Successfully driving or delivered since 2003

46 Turn Key Model Projects

Total Profit Target in 5 Years

7.16 Billion TRY

Strong launch to sales ratio

87% in 2018

43% in 2019

Completed and Tendered Units

132 k Units

2018 TENDER SCHEDULE AND PRE-SALES TARGETS

2018 Tender Schedule

Revenue Sharing Model			
Project	Appraisal Value	Min. Company Share	Total Sales Revenue
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
----------------	--	-------------------------------------

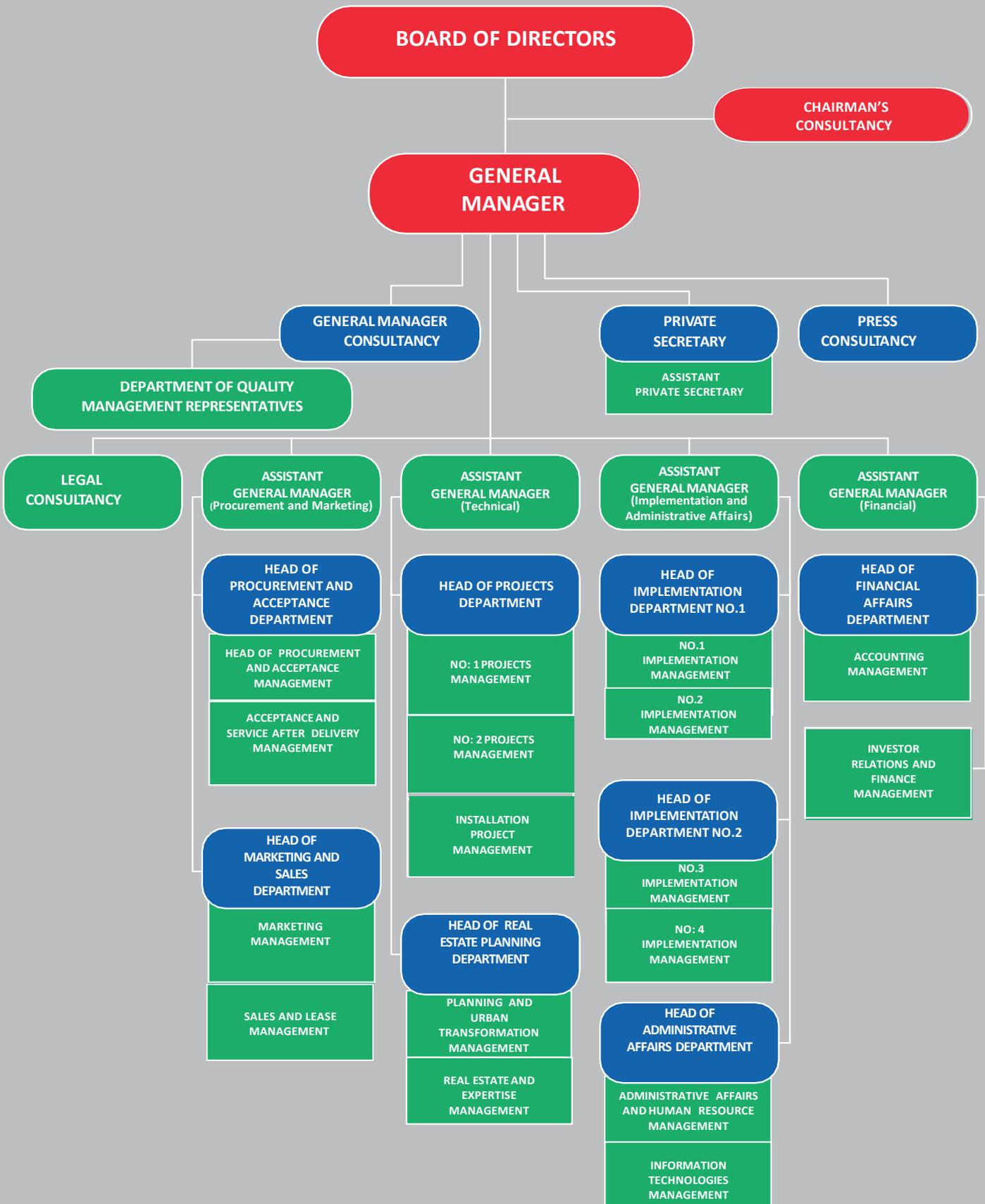
THIRD QUARTER	Sales Value 1.43 Billion TRY	Gross Saleable Area 178 k
---------------	--	-------------------------------------

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

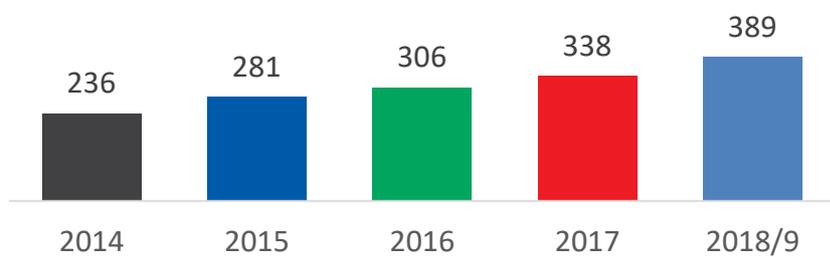
BOARD OF DIRECTORS		
NAME	PROFESSION	POSITION
ERTAN KELEŞ	Civil Engineer	Chairman
MEHMET ÖZÇELİK	Civil Engineer	Vice Chairman
HAKAN GEDİKLİ	Survey Engineer	Member and CEO
SAMİ ER	Mechanical Engineer (MSc.)	Member
MUHTEREM İNCE	Public Administration	Independent Member
HAVVANUR YURTSEVER	Lawyer	Independent Member
SİNAN AKSU	History	Independent 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 Advisors
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 Altiner	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 Project
Mustafa Buğa	Business and Finance	Sales and Lease Manager
Mehmet Akif Aydoğan	Public Administration	Marketing Manager
Emriye Fundagül Şengöçgel	Civil Engineer	Acting Project Manager No.1
Yaşar Altun	Civil Engineer	Acting Project Manager No.2
İbrahim Oflaz	Mechanical Engineer MSc.	Installation Project Manager
Ömer Yiğit	Civil Engineer	Act. Acceptance and Service After Delivery Manager
Hakan İlçin	City and Regional Planner	Act. Planning and Urban Transformation Manager
Enver Turan	Civil Engineer MSc.	Implementation Manager No.1
Süleyman Aşıkcutlu	Civil Engineer	Act. Implementation Manager No. 2
Alim Kaplaner	Civil Engineer MSc.	Implementation Manager No.3
Mehmet Buğra Elkrın	Civil Engineer	Act. Implementation Manager No. 4
Hakan Bakırdal	Survey and Civil Engineer	Real Estate and Appraisal Manager
Salih Çetin	Business Administration	Accounting Manager
Adem Hacıhasanoğlu	Forest Engineer	Procurement and Progress Payments Manager
Ali Haydar Yıldırım	Business Administration	Administrative Affairs, Human Resources Manager
Tuğba Türkmenoğlu	Economics	Acting Investor Relations and Finance Manager
Serdar Bala	Physics	Information Technology Manager
Fatih İbiş	Halkla İlişkiler ve Reklamcılık	Press Advisor
İsmet Kubilay	Lawyer	Legal Advisor
Eyyüp Ocak	Lawyer	Legal Advisor
Rasim Faruk Kadioğlu	Civil Technican	Consultant to the General Manager
Halim Ataş	Business Administration	Private Secretary

HUMAN RESOURCES

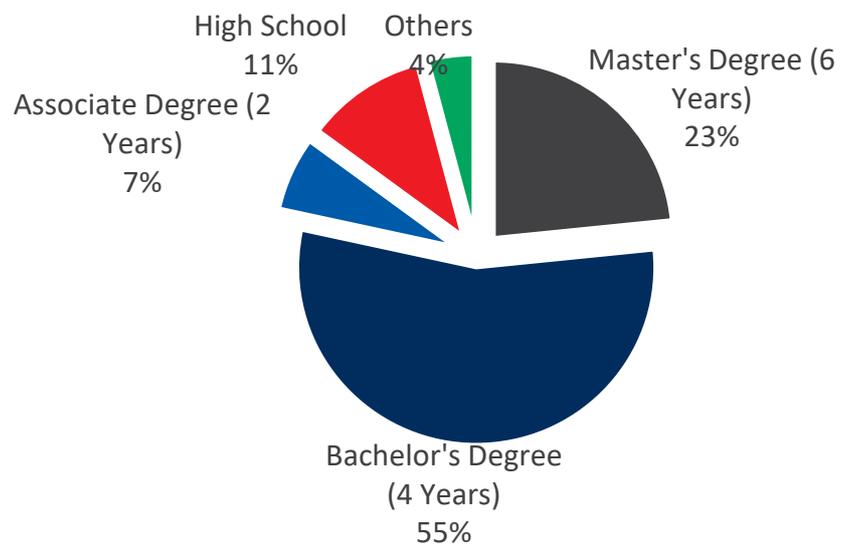
► An effective and efficient human resources policy with young human resources...

Number of Employees



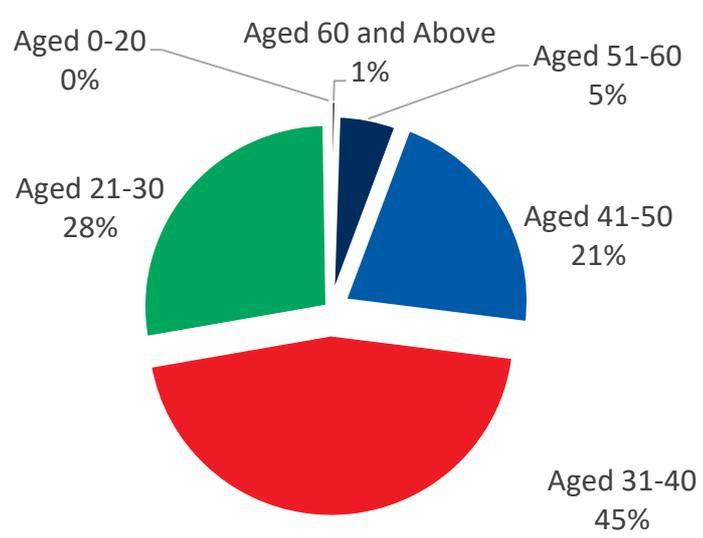
Personnel Education Status (30/09/2018)

- Master's Degree (6 Years)
- Bachelor's Degree (4 Years)
- Associate Degree (2 Years)
- High School
- Others



Personnel Age Range (30/09/2018)

- Aged 60 and Above
- Aged 51-60
- Aged 41-50
- Aged 31-40
- Aged 21-30
- Aged 0-20



OTHER DEVELOPMENTS

Significant Developments in Period Ahead

1. The Property Sales Tender which was held on 15.10.2018, the bids are received with an amount of TRY 472.000.000 (VAT inc.) for 16 properties out of 22 which have an estimated price of TRY 1.150.300.000 (VAT inc.).

Significant Developments in the Period

1. Our company has used TRY 105.000.000 loan with a 1 year maturity.
2. As a result of the examination of the Corporate Governance Committee; It was decided that; the independent board member candidacy of Sinan AKSU which is investigated by corporate governance committee and than proposed to the Board of Director is to be approved, Sinan AKSU is elected as an independent board member candidate for vacancy to serve until the first General Assembly meeting.
3. Our company has purchased 1 land plot with TRY 27.004.540,00 cash payment, which is located in İstanbul province Başakşehir quarter İkitelli-1 district with a total area of 13.502,27 sqm and 16 land plots with TRY 360.001.900,00 in equal 6 months installments, which are located in İstanbul province Beşiktaş quarter Mecidiye district with a total area of 29.760,50 sqm
4. 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";
 - (a) 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",
 - (b) In the context of Article 10, sub-article 3 of Capital Markets Board's Lease Certificate Communiqué (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",
 - (c) 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 Communiqué, in one year starting from the approval of the issuance document by CMB in which the issuer will be defined as Halk VKŞ,

(d) The authorization given to the General Directorate for signing of contracts, establishment of all necessary procedures within the scope of the issuance to be realized decided by unanimous vote.

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

5. Since the Board Member and General Manager Mr. Murat Kurum is appointed The Minister of Environment and Urbanization, he resigned from his duties in our Company. According to the decisions of the Board of Directors; Mr.Hakan Gedikli has been assigned as the General Manager of the Company, 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. Since the chairman of our company Mr. Ertan Yetim is appointed as the Board Member of İller Bankası A.Ş., he resigned from our Company. Mr.Ertan KELEŞ has elected as the Chairman and Mr. Mehmet ÖZÇELİK has elected as the Vice Chairman.

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

"Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş." and "Yetkin Gayrimenkul Değerleme 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 Türkiye Çözüm Ortağı olan 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.

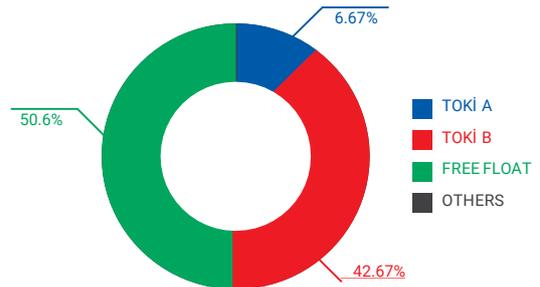
Our activities include purchasing land in Turkey, developing real estate for the middle and upper-middle class, and marketing and selling real estate. Our Company considers producing value for our country as one of the most important aspects. Emlak Konut REIC conducted its initial public offering in

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:

- (a) 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;
- (b) supervision of construction in developed projects;
- (c) marketing and sales of completed units.



Capital and Partnership Structure

	Group	Type	Share Amount	Number of Shares	%
Housing Development Adm. (TOKİ)	A	Registered (Privileged)	253,369,919.00	25,336,991,900	6.67
Housing Development Adm. (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

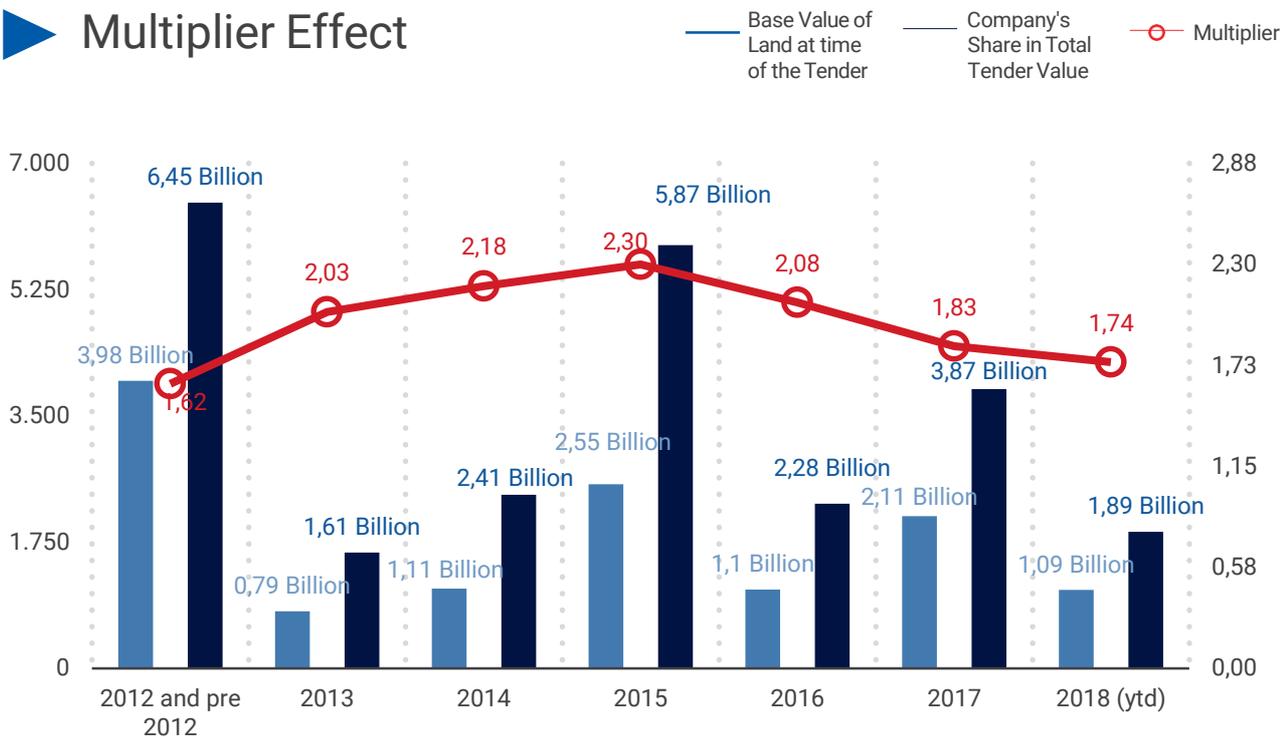
This is the primary income creation model of the Company. This is an original model used especially for projects intended for the upper- middle and upper income groups and provides profitability and fund flow for the Company. When it is deemed necessary, our Company purchase units in revenue sharing 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 commisions 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 - 2017)

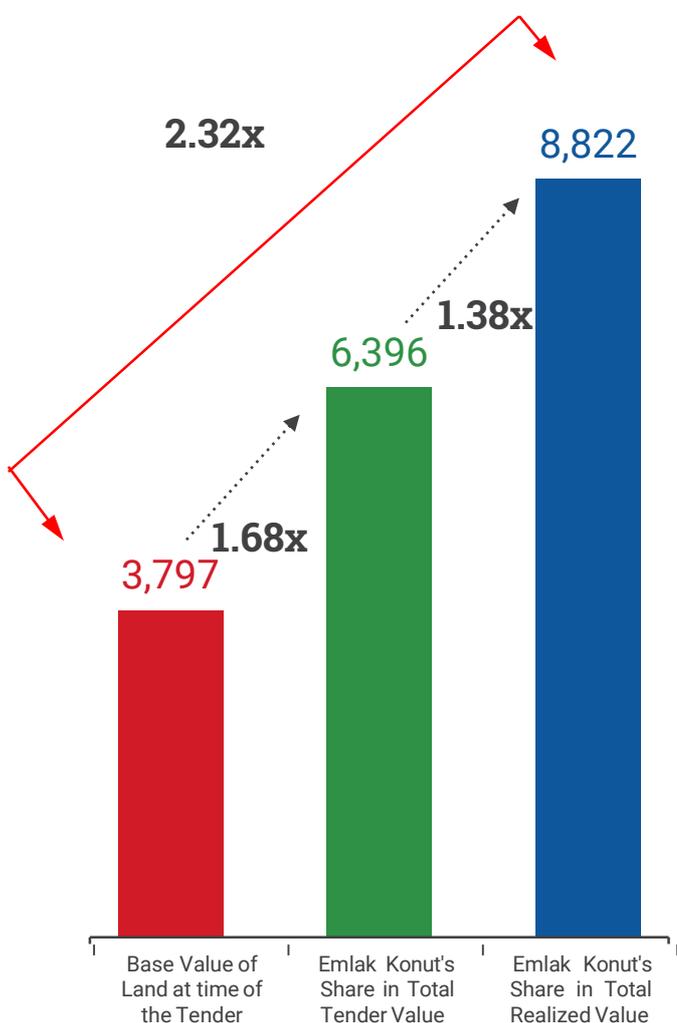
► Multiplier Effect



MULTIPLIER FOR REVENUE SHARING MODEL

▶ Multiplier for Completed Projects is 2.32...

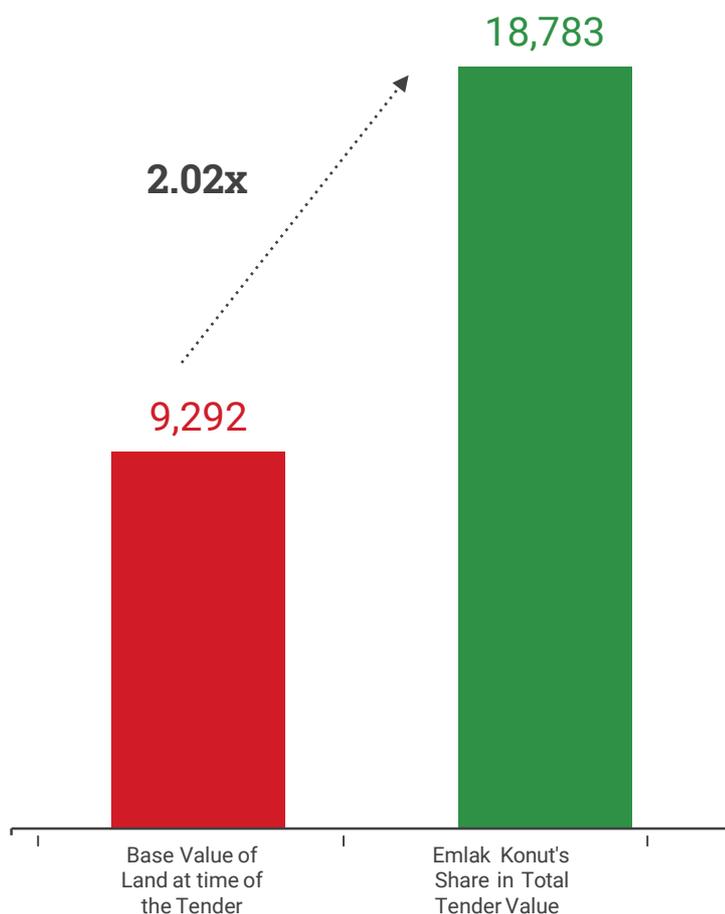
▶ Emlak Konut REIC expects to maintain high multiplier on ongoing projects...



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



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

Ongoing Projects

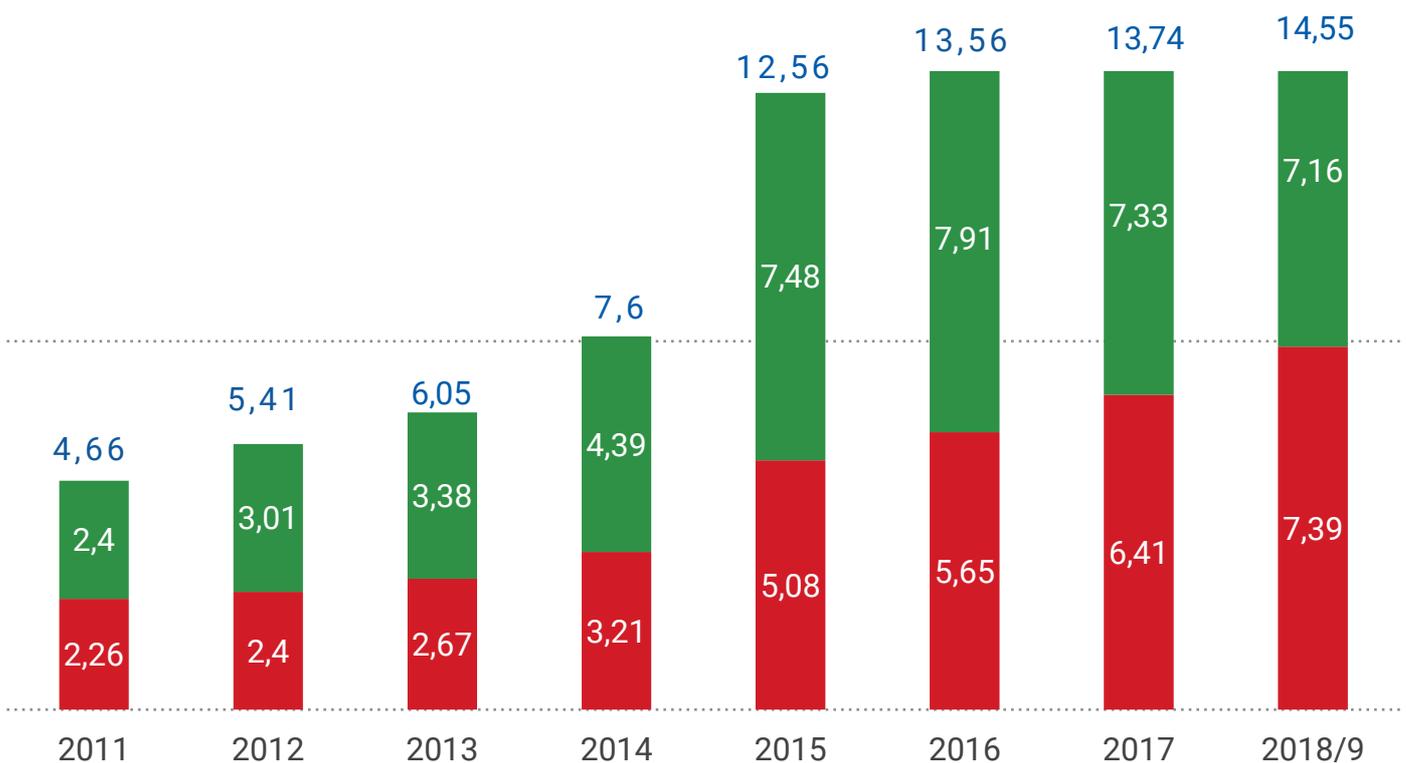
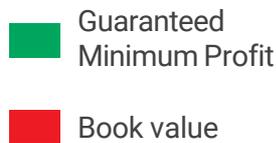
- The figures are in billion TRY. Please note that, the past performance is not necessarily an indicator of future performance.

PROGRESS OF GUARANTEED PROFIT IN RSM PROJECTS (BILLION TRY)

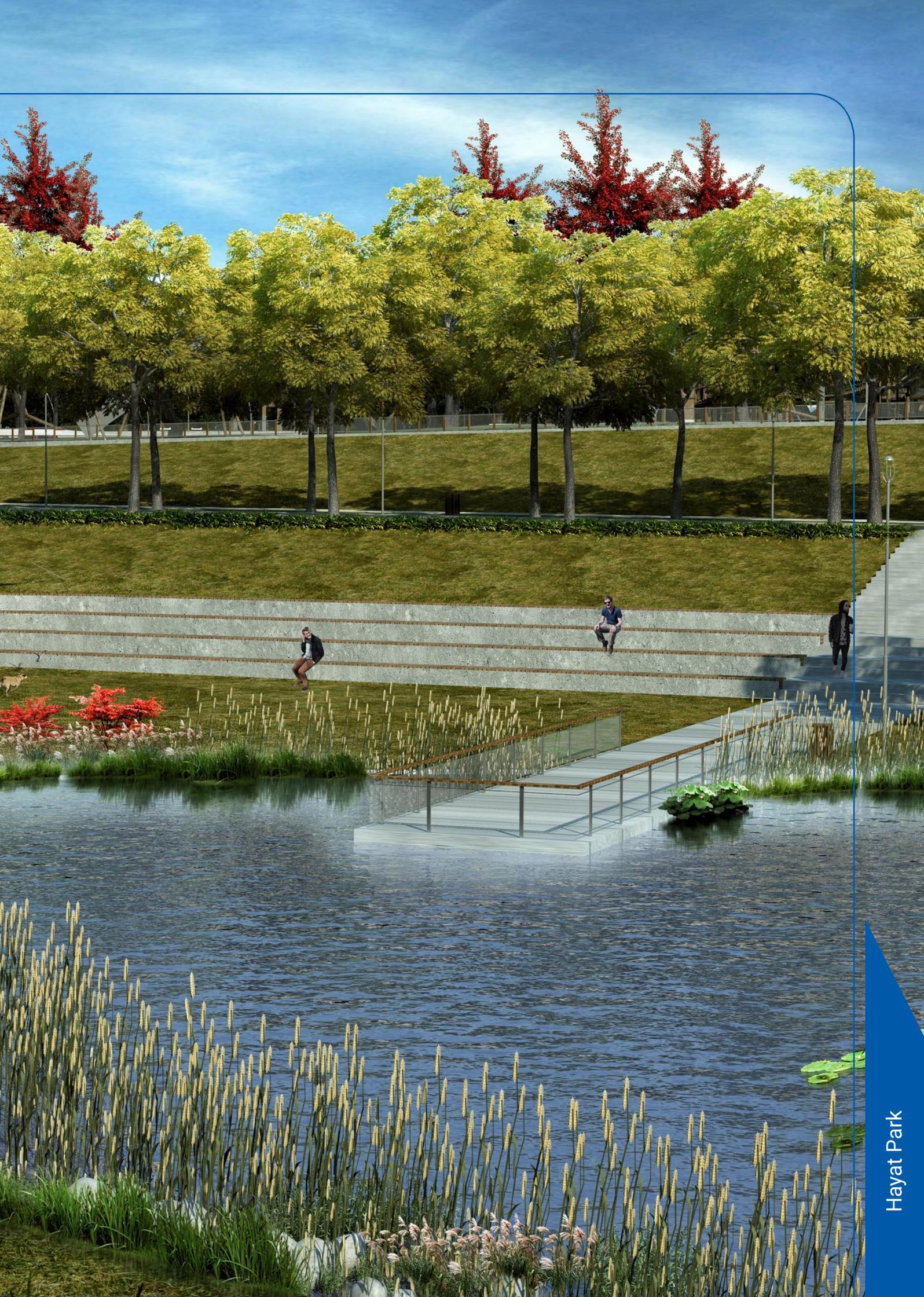
► Strong earnings visibility ahead from RSM projects...

Emlak REIC expects to recognize 7.16 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.







ONGOING REVENUE SHARING MODEL PROJECTS

MASLAK 1453

CONTRACTOR
AKDENİZ

EXP. COMPLETION DATE
02.11.2018

LAND AREA
241,905 sqm

NUMBER OF UNITS
5,258

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

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
97.06%



ONGOING REVENUE SHARING MODEL PROJECTS

NİDAPARK KAYAŞEHİR



CONTRACTOR	TAHİNCİOĞLU 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
Revenue Share Ratio	38.00%
Min. Company Share in Total Revenue	407,588,000 TRY
Progress Level	63.27%

AVRUPARK



CONTRACTOR	CİHAN & KONUT YAPI
EXP. COMPLETION DATE	24.12.2018
LAND AREA	106,834 sqm
NUMBER OF UNITS	1,480
Estimated Total Sales Revenue	602.000.000 TL
Revenue Share Ratio	26.00%
Min. Company Share in Total Revenue	156,520,000 TRY
Progress Level	85.67%

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%



KARAT 34

CONTRACTOR
KELİF JOINT VENTURE

EXP. 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
63.32%



ONGOING REVENUE SHARING MODEL PROJECTS

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
Şirket Payı Gelir Oranı	29.50%
Min. Company Share in Total Revenue	123,900,000 TRY
Progress Level	50.15%

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	64.54%

ONGOING REVENUE SHARING MODEL PROJECTS

VALİDEBAĞ KONAKLARI

CONTRACTOR
ELTES & İSTLIFE

EXP. COMPLETION DATE
03.09.2019

LAND AREA
17,237 sqm

NUMBER OF 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
33.18%



OFİS KARAT BAKIRKÖY

CONTRACTOR
BAŞYAPI & GÜNEY &
ELİT VİZYON

EXP. COMPLETION DATE
10.06.2019

LAND AREA
5,250 sqm

NUMBER OF UNITS
90

Estimated Total Sales Revenue
200,000,000 TRY

Revenue Share Ratio
40.43%

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

Progress Level
20.97%



ONGOING REVENUE SHARING MODEL PROJECTS

TUAL BAHÇEKENT



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

Revenue Share Ratio
25.26%

Min. Company Share in Total
Revenue
275,334,000 TRY

Progress Level
44.77%

KOORDİNAT ÇAYYOLU



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

Revenue Share Ratio
33.00%

Min. Company Share in Total
Revenue
180,000,000 TRY

Progress Level
58.64%

ONGOING REVENUE SHARING MODEL PROJECTS

AVANGART İSTANBUL

CONTRACTOR
GÜL İNŞAAT

EXP. COMPLETION DATE
08.08.2019

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
21.65%



YENİKÖY KONA KLARI

CONTRACTOR
YENİYAPI & TACA

EXP. COMPLETION DATE
24.06.2019

LAND AREA
35,856 sqm

NUMBER OF UNITS
385

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

BAHÇETEPE 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

Revenue Share Ratio
25.00%

Min. Company Share in Total
Revenue
85,600,000 TRY

Progress Level
4.70%

AVRUPARK HAYAT



CONTRACTOR
CİHAN 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

Revenue Share Ratio
25.00%

Min. Company Share in Total
Revenue
156,500,000 TRY

Progress Level
17.46%

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
12.86 %



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

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.

ONGOING REVENUE SHARING MODEL PROJECTS

CER İSTANBUL



CONTRACTOR	EGE & YEDİ KULE
EXP. COMPLETION DATE	08.01.2020
LAND AREA	41,162 sqm
NUMBER OF UNITS	148
Estimated Total Sales Revenue	302,680,000 TRY
Revenue Share Ratio	35.01%
Min. Company Share in Total Revenue	105,968,268 TRY
Progress Level	10.48%

KÖY



CONTRACTOR	SİYAHKALEM
EXP. COMPLETION DATE	05.10.2020
LAND AREA	348,807 sqm
NUMBER OF UNITS	1,156*
Estimated Total Sales Revenue	1,475,000,000 TRY
Revenue Share Ratio	32.25%
Min. Company Share in Total Revenue	475,687,500 TRY
Progress Level	38,15%

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

ONGOING REVENUE SHARING MODEL PROJECTS

İSTANBUL FINANCE CENTER

CONTRACTOR
AKDENİZ & İFM İŞ ORTAKLIĞI

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
2.00%

Min. Company Share in Total
Revenue
29,200,000 TRY

Progress Level
44.28%



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
6.71%



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
Revenue Share Ratio	30.00%
Min. Company Share in Total Revenue	1,258,365,000 TRY
Progress Level	18.33%

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
Revenue Share Ratio	18.00%
Min. Company Share in Total Revenue	92,651,000 TRY
Progress Level	42.79%

ONGOING REVENUE SHARING MODEL PROJECTS

ANTALYA MURATPAŞA

CONTRACTOR
MESA & MESKEN

EXP. COMPLETION DATE
29.10.2020

LAND AREA
40,000 sqm

NUMBER OF UNITS
688

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%



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

Revenue Share Ratio
29.15%

Min. Company Share in Total
Revenue
53,927,500 TRY

Progress Level
0.00%



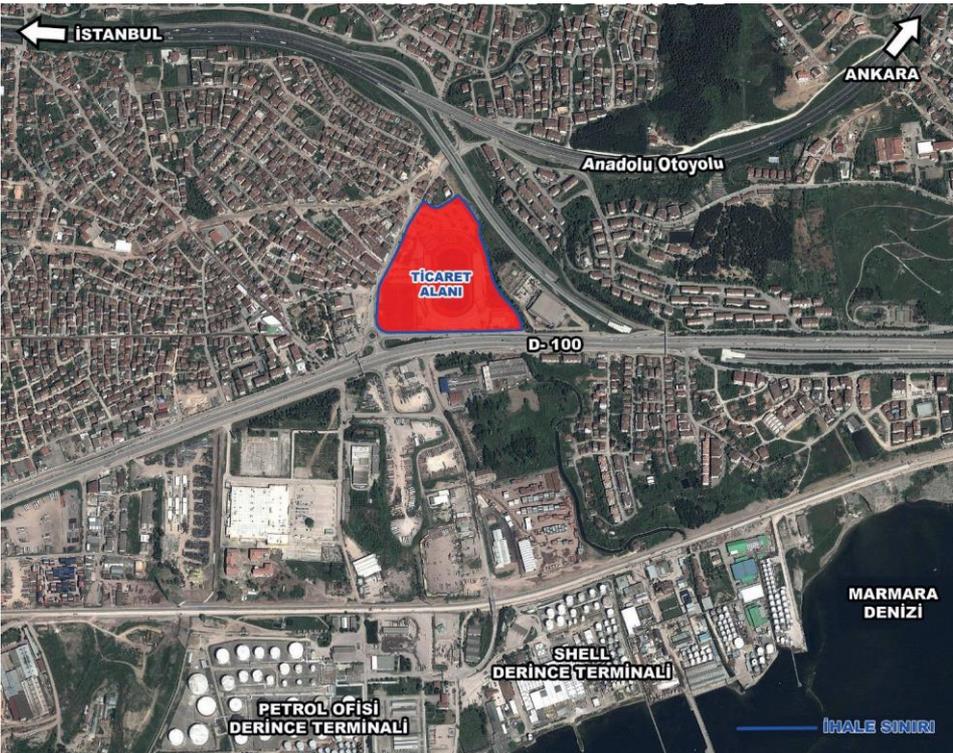
ONGOING REVENUE SHARING MODEL PROJECTS

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
Revenue Share Ratio	42.00%
Min. Company Share in Total Revenue	1,527,000,300 TRY
Progress Level	19.71%

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
Revenue Share Ratio	21.61%
Min. Company Share in Total Revenue	83,198,500 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
451*

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%



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

**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

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
Revenue Share Ratio	30.00%
Min. Company Share in Total Revenue	46,800,000 TRY
Progress Level	0.0%

ZEYTİNBURNU BEŞTELSİZ



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

ONGOING REVENUE SHARING MODEL PROJECTS

NİDAPARK İSTİNYE

CONTRACTOR
TAHİNCİOĞLU İSTİNYE
JOINT VENTURE

EXP. COMPLETION DATE
05.07.2021

LAND AREA
158,498 sqm

NUMBER OF UNITS
555

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

Revenue Share Ratio
51.10%
Min. Company Share in Total
Revenue
1,876,392,000 TRY

Progress Level
14.78%



BÜYÜKYALI İSTANBUL

CONTRACTOR
ÖZAK & YENİGÜN & ZİMLAN

EXP. COMPLETION DATE
30.10.2021

LAND AREA
108,619 sqm

NUMBER OF UNITS
1,711

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

Revenue Share Ratio
37.00%

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

Progress Level
53.69%



ONGOING REVENUE SHARING MODEL PROJECTS

TUAL BİZİM MAHALLE



CONTRACTOR	DAĞ
EXP. COMPLETION DATE	27.11.2022
LAND AREA	118,099 sqm
NUMBER OF UNITS	676*
Estimated Total Sales Revenue	2,000,000,000 TRY
Revenue Share Ratio	27.55%
Min. Company Share in Total Revenue	551,000,000 TRY
Progress Level	0.00%

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

BAKIRKÖY FLORYA



CONTRACTOR	ÖZ ER-KA
EXP. COMPLETION DATE	05.06.2022
LAND AREA	63,230 sqm
NUMBER OF UNITS	-
Estimated Total Sales Revenue	2,250,000,000 TRY
Revenue Share Ratio**	37.00%
Min. Company Share in Total Revenue	832,500,000 TRY
Progress Level	0.00%

** 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

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
155,368 sqm

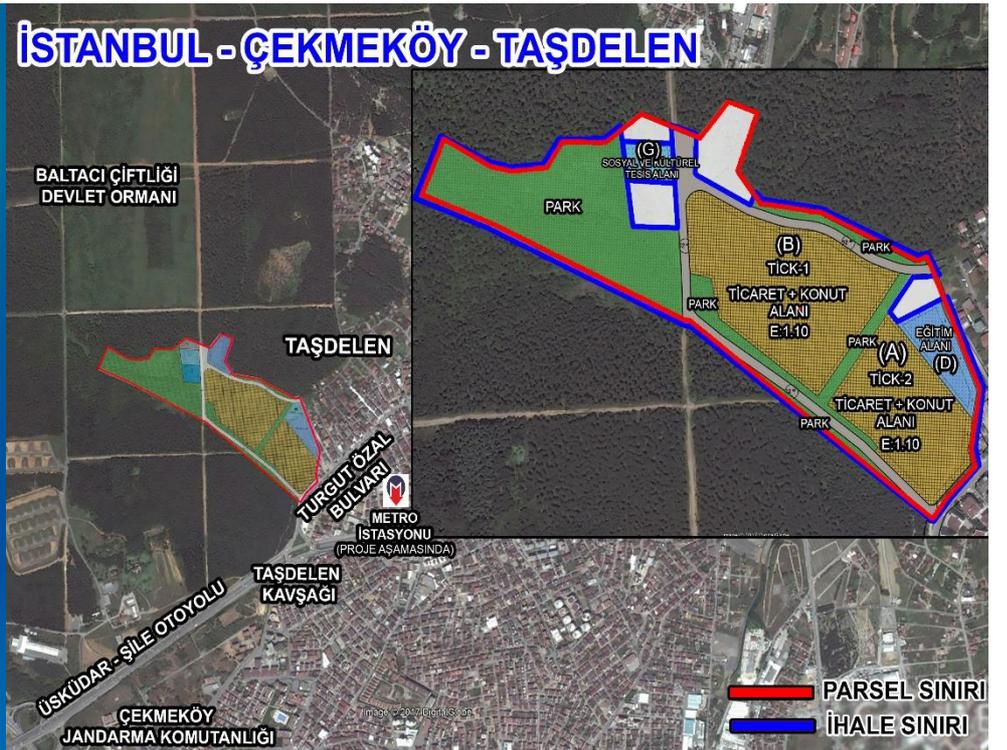
NUMBER OF UNITS
-

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

DÜŞLER VADİSİ



CONTRACTOR	YILMAZ İNŞAAT
EXP. COMPLETION DATE	22.09.2023
LAND AREA	1,157,004 sqm
NUMBER OF UNITS	509*
Estimated Total Sales Revenue	3,808,000,000 TRY
Revenue Share Ratio	25.00%
Min. Company Share in Total Revenue	952,000,000 TRY **
Progress Level	0.00%

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

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

ONGOING REVENUE SHARING MODEL PROJECTS TABLE 30.09.2018

Line	Project Name	Emlak Konut Min. Guaranteed Revenue (TRY)	Min. Profit	Total Number of Units	Units Sold	(%) Sold
1	AĞAOĞLU MASLAK 1453	34.173.875	-1.295.575	5.258	4.990	95
2	EVVEL / ADIM İSTANBUL	71.592.066	-6.934.350	1.423	1.153	81
3	İSTMARİNA	58.000.000	30.852.169	1.851	1.561	84
4	AVRUPARK	156.520.000	75.722.069	1.480	1.324	89
5	KARAT 34	171.600.000	104.120.485	592	367	62
6	NİDAPARK KAYAŞEHİR	407.588.000	208.214.947	1.139	868	76
	2018	899.473.941	410.679.745	11.743	10.263	87
7	KOORDİNAT ÇAYYOLU	180.000.000	82.862.061	432	288	67
8	TEMAŞEHİR KONYA	198.759.060	112.055.370	905	539	60
9	TUAL ADALAR	116.961.600	26.119.577	542	283	52
10	TUAL BAHÇEKENT	275.334.000	156.405.083	1.925	1.360	71
11	VALİDEBAĞ KONAKLARI	439.887.380	286.123.535	366	257	70
12	OFİS KARAT BAKIRKÖY	62.000.000	6.525.523	90	8	9
13	İDEALİSTKORU/İDEALİST CADDE	15.070.000	5.256.866	58	8	14
14	BAHÇETEPE İSPARTAKULE / TEM 34 TAHTAKALE	85.600.000	37.620.770	632	93	15
15	AVRUPARK HAYAT	156.500.000	102.443.628	1.184	391	33
16	EBRULİ İSPARTAKULE	132.000.000	73.894.560	776	132	17
17	AVANGART İSTANBUL	637.000.000	516.923.189	959	101	11
18	YENİKÖY KONAKLARI	168.150.000	122.781.852	385	93	24
	2019	2.467.262.040	1.529.012.014	8.254	3.553	43
19	KÖY	322.911.258	160.934.845	1.156	549	47
20	IFC	29.200.000	29.200.000	1.447	460	32
21	SEMT BAHÇEKENT	150.500.000	100.345.871	1.039	203	20
22	EVORA DENİZLİ	92.651.000	16.394.653	1.558	637	41
23	CER İSTANBUL	105.968.270	38.447.821	148	19	13
24	MERKEZ ANKARA	1.258.365.000	623.814.794	3.060	252	8
25	TUAL ARTI	53.927.500	33.911.140	-	not on sale	-
26	ANTALYA / MURATPAŞA	302.100.000	89.047.922	688	not on sale	-
	2020	2.315.623.028	1.092.097.046	9.096	2.120	23
27	NİDAPARK İSTİNYE	1.876.392.000	882.959.488	555	102	18
28	KOCAELİ / DERİNCE	96.147.618	25.788.103	-	not on sale	-
29	BÜYÜKYALI İSTANBUL	1.568.800.000	911.995.428	1.711	474	28
30	NİDAPARK KÜÇÜKYALI	1.527.000.300	849.285.524	2.025	743	37
31	İSTANBUL / ZEYTİNBURNU BEŞTELSİZ	640.100.000	232.370.079	478	not on sale	-
32	EVORA İZMİR	117.040.000	117.040.000	451	not on sale	-
33	ALLSANCAK	145.200.000	145.200.000	-	not on sale	-
34	ANKARA ÇANKAYA ORAN	46.800.000	13.720.673	-	not on sale	-
	2021	6.017.479.918	3.178.359.295	5.220	1.319	25
35	TUAL BİZİM MAHALLE	551.000.000	121.018.331	676	not on sale	-
36	ANKARA SARAÇOĞLU	0	-2.441.603	-	not on sale	-
37	BAKIRKÖY FLORYA	695.258.299	327.763.575	-	not on sale	-
38	ŞİŞLİ TEŞVİKİYE	705.500.000	223.392.746	-	not on sale	-
39	ÇEKMEKÖY TAŞDELEN	355.552.000	93.123.800	-	not on sale	-
	2022	2.307.310.299	762.856.849	676	-	-
40	DÜŞLER VADİSİ	542.892.221	182.036.418	509	not on sale	-
	2023	542.892.221	182.036.418	509	-	-
	TOTAL	14.550.041.447	7.155.041.367	35.498	17.255	49



ONGOING TURN - KEY MODEL PROJECTS

AYAZMA EMLAK KONUTLARI 1

CONTRACTOR
GÜRYAPI

EXP. COMPLETION DATE
18.10.2018

LAND AREA
140,793 sqm

NUMBER OF UNITS
1,239

Current Agreement Value
392,847,911 TRY

Book Value
Progress Payments
392,847,911 TRY

Progress Level
94.76%



NEVŞEHİR EMLAK KONUTLARI

CONTRACTOR
CENT YAPI

EXP. COMPLETION DATE
19.11.2018

LAND AREA
29,538 sqm

NUMBER OF UNITS
420

Current Agreement Value
116,722,000 TRY

Book Value
Progress Payments
209,521,711 TRY

Progress Level
91.19%



ONGOING TURN - KEY MODEL PROJECTS

EMLAK KONUT ISPARTAKULE EVLERİ - 1/1



CONTRACTOR	YÖRÜK & ERMİT
EXP. COMPLETION DATE	14.11.2018
LAND AREA	85,871 sqm
NUMBER OF UNITS	978
Current Agreement Value	273,300,183 TRY
Book Value	376,034,875 TRY
Progress Payments	
Progress Level	87.78%

EMLAK KONUT ISPARTAKULE EVLERİ - 1/2



CONTRACTOR	BALPA
EXP. COMPLETION DATE	14.11.2018
LAND AREA	89,368 sqm
NUMBER OF UNITS	904
Current Agreement Value	244,121,394 TRY
Book Value	339,869,185 TRY
Progress Payments	
Progress Level	89.06%

ONGOING TURN - KEY MODEL PROJECTS

AYAZMA EMLAK KONUTLARI 2

CONTRACTOR
YILMAZ İNŞAAT

EXP. COMPLETION DATE
06.04.2018

LAND AREA
21,407 sqm

NUMBER OF UNITS
386

Current Agreement Value
90,731,718 TL

Book Value
Progress Payments
134,257,006 TRY

Progress Level
95.95%



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
227,424,468 TRY

Progress Level
48.85%



ONGOING TURN - KEY MODEL PROJECTS

KUZZEY YAKASI



CONTRACTOR	YAPI & YAPI İNŞAAT
EXP. COMPLETION DATE	14.09.2019
LAND AREA	372,995 sqm
NUMBER OF UNITS	370
Current Agreement Value	509,513,550 TRY
Book Value	Progress Payments
	398,652,117 TRY
Progress Level	65.91%

BAŞKENT EMLAK KONUTLARI 1



CONTRACTOR	KALYON
EXP. COMPLETION DATE	25.07.2019
LAND AREA	89,502 sqm
NUMBER OF UNITS	1,345
Current Agreement Value	559,500,000 TRY
Book Value	Progress Payments
	518,306,595 TRY
Progress Level	39.29%

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
126,827,967 TRY

Progress Level
77.01%



GEBZE EMLAK KONUTLARI - 3/2

CONTRACTOR
SİYAHKALEM

EXP. COMPLETION DATE
18.06.2019

LAND AREA
90,774 sqm

NUMBER OF UNITS
950

Current Agreement Value
347.435.908 TRY

Book Value
Progress Payments
257,246,106 TRY

Progress Level
54.22%



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
3,663,772 TRY

Progress Level
At the Tender Process

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
207,889,798 TRY

Progress Level
70.61%

ONGOING TURN - KEY MODEL PROJECTS

KÖRFEZKENT ÇARŞI

CONTRACTOR
AHESİNŞAAT

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
27,691,814 TRY

Progress Level
%55,75



ONGOING TURNKEY MODEL PROJECTS TABLE 30.09.2018

Line	City/Region	Project Name	Book Value + Progress Payments (TRY)	Units Sold September 18	(%) Sold
1	İstanbul/ Ayazma	AYAZMA EMLAK KONUTLARI 1	591.628.906	1.239	1.233
2	İstanbul/ Avcılar	EMLAK KONUT İSPARTAKULE EVLERİ 1-1	376.034.875	978	975
3	İstanbul/ Avcılar	EMLAK KONUT İSPARTAKULE EVLERİ 1-2	339.869.185	904	899
4	Nevşehir/ Merkez	NEVŞEHİR EMLAK KONUTLARI	209.521.711	420	365
5	İstanbul/ Ayazma	AYAZMA EMLAK KONUTLARI 2	173.410.650	386	-
6	Ankara/ Mühye	BAŞKENT EMLAK KONUTLARI 1	518.306.595	1.345	192
7	Niğde	NİĞDE EMLAK KONUTLARI	126.827.967	365	128
8	Kocaeli/ Gebze	GEBZE EMLAK KONUTLARI 3-1	227.424.468	1.040	534
9	Kocaeli/ Gebze	GEBZE EMLAK KONUTLARI 3-2	257.246.106	950	363
10	İstanbul/ Kayabaşı	KUZEY YAKASI	398.694.117	370	135
11	Ankara/ Mühye	BAŞKENT EMLAK KONUTLARI 2	207.889.798	507	-
12	Kocaeli/ Gebze	GEBZE EMLAK KONUTLARI 3-3	3.663.772	62	-
13	Kocaeli/ Körfez	KÖRFEZKENT COMMERCIAL	27.691.814	106	62
TOTAL			3.458.209.965	8.672	5.993

RENTED AND LEASED PROPERTIES

Rented Properties (TRY)

Line	Tenant	Ending Date	Duration	Propert Information	Lease Value*
1	EMLAK KONUT GYO A.Ş.	1.05.2019	1 YEAR	Ankara/ Çankaya No:14	6,865.80 TRY
2	EMLAK KONUT GYO A.Ş.	1.04.2020	3 YEARS	Niğde 3337 / 1	1,908.00 TRY

TOTAL
7,860.44

Leased Properties (TRY)

Line	Tenant	Ending Date	Duration	Property Information	Rent Value*
1	TÜRKİYE HALK BANKASI A.Ş.	2022	5 YEARS	Istanbul/ Ataşehir 3331/ 5	425,000.00 TRY
2	ROTA MAĞAZACILIK SAN. VE TİC.A.Ş.	2027	10 YEARS	Istanbul/ Avcılar 3 Commercial Units	43,800.00 TRY
3	BARAKAT YAPI SAN. TİC.A.Ş.	2028	10 YEARS	Istanbul/ Ataşehir 1 Commercial Unit	28,000.00 TRY
4	COM GIDA SAN. VE TİC.LTD. ŞTİ.	2023	5 YEARS	Istanbul/ Küçükçekmece 1 Commercial Unit	36,000.00 TRY
5	DÜNYA ÇOCUKLARI EĞİTİM VE ÖĞRETİM KURUMLARI A.Ş.	2028	10 YEARS	Istanbul/ Sarıyer 4 Commercial Units	100,000.00 TRY
6	KRİSTAL KONSEPT GAYRİMENKUL YATIRIMI VE DANIŞMANLIK HİZ. LTD.	2019	1 YEAR	Istanbul/ Ümraniye 1 Housing, 1 Commercial Unit	1,500.00 TRY
7	MADO/ZAFİRAN GIDA	2028	5 YEARS	Istanbul/ Başakşehir 1 Commercial Unit	28,500.00 TRY
8	WINS BY AKEL'S	2018	6 MONTHS	Istanbul/ Sarıyer 1 Commercial Unit	15% Turnover Ratio**
9	MISCELLANEOUS	2023	5 YEARS	Istanbul/ Kartal 3 Commercial Units	16,434.00 TRY
10	MISCELLANEOUS	2023	5 YEARS	Istanbul/ Kartal 2 Commercial Units	33,099.00 TRY+3% Turnover Ratio**
11	MISCELLANEOUS	2023	5 YEARS	Istanbul/ Kartal 2 Commercial Units	39,930.00 TRY+4% Turnover Ratio**
12	MISCELLANEOUS	2023	5 YEARS	Istanbul/ Kartal 1 Commercial Unit	15,048 TRY + 8% Turnover Ratio**
13	MISCELLANEOUS	2023	5 YEARS	Istanbul/ Kartal 3 Commercial Units	67,535 TRY + 10% Turnover Ratio**
14	MISCELLANEOUS	2022	5 YEARS	Istanbul/ Kartal 2 Commercial Units	Turnover Ratio**
15	MISCELLANEOUS	2023	5 YEARS	Istanbul/ Kartal 78 Commercial Units	Turnover Ratio**
16	MISCELLANEOUS	2027	10 YEARS	Istanbul/ Kartal 1 Commercial Units	-
17	MISCELLANEOUS	2028	10 YEARS	Istanbul/ Kartal 29 Commercial Units	Turnover Ratio**
18	MISCELLANEOUS	2033	15 YEARS	Istanbul/ Kartal 9 Commercial Units	Turnover Ratio**
19	MISCELLANEOUS	2038	20 YEARS	Istanbul/ Kartal 13 Commercial Units	-
20	MISCELLANEOUS	2023	5 YEARS	Istanbul/ Başakşehir 2 Commercial Units	8,350.00 TRY
21	MISCELLANEOUS	2023	5 YEARS	Istanbul/ Esenler 2 Commercial Units	2,950.00 TRY
22	MISCELLANEOUS	2028	10 YEARS	Istanbul/ Esenler 2 Commercial Units	3,500.00 TRY
23	MISCELLANEOUS	2023	5 YEARS	Kocaeli/ Körfez 4 Commercial Units	5,150.00 TRY
24	MISCELLANEOUS	2028	10 YEARS	Istanbul/ Başakşehir 1 Commercial Unit	3,850.00 TRY
25	MISCELLANEOUS	2028	10 YEARS	Istanbul/ Başakşehir 1 Commercial Unit	2,450.00 TRY
26	MISCELLANEOUS	2019	1 YEAR	Istanbul/ Avcılar 1 Commercial Unit	5,550.00 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.

LEASED PROPERTIES

Leased Properties (USD)

Line	Tenant	Ending Date	Duration	Property Information	Rent Value*
1	MISCELLANEOUS	2022	5 YEARS	Istanbul/ Sariyer 3 Commercial Units	10,186.90 USD
2	CAN DOSTLAR KUAFÖR VE GÜZ.SAL. İŞLT.LTD.ŞTİ.	2022	1 YEAR	Istanbul/ Sariyer 1 Commercial Unit	9,500.00 USD
3	MİGROS TİC.A.Ş.	2028	10 YEARS	Istanbul/ Sariyer 2 Commercial Units	5% Turnover Ratio**
4	GRATİS İÇ VE DIŞ TİC.A.Ş.	2028	10 YEARS	Istanbul/ Sariyer 1 Commercial Unit	10% Turnover Ratio**
5	SHAYA KAHVE	2027	10 YEARS	Istanbul/ Sariyer 1 Commercial Unit	14% Turnover Ratio**
6	KARACA ZÜCCACİYE	2023	5 YEARS	Istanbul/ Kartal 1 Commercial Unit	10,710.00 €+8% Turnover Ratio**
7	KOTON MAĞAZACILIK	2023	5 YEARS	Istanbul/ Kartal 1 Commercial Unit	24,046.00 € + 9% Turnover Ratio**
8	MISCELLANEOUS	2018	1 YEAR	Istanbul/ Sariyer 4 Commercial Units	19,825.00 USD
9	EGE TEM. HİZ. VE YÖN LTD.ŞTİ.	2022	1 YEAR	Istanbul/ Sariyer 1 Commercial Unit	5,760.00 USD+15% Turnover Ratio
10	MISCELLANEOUS	2022	5 YEARS	Istanbul/Sariyer 11 Commercial Units	138,500.00USD+1 5% Turnover Ratio
11	TİNKON TURİZM	2019	1 YEAR	Istanbul/ Sariyer 1 Commercial Unit	15% Turnover Ratio
12	FERİŞTE HACİSÜLEYMAN	2019	1 YEAR 4 MONTHS	Istanbul/ Sariyer 1 Commercial Unit	12,500.00 USD
13	MISCELLANEOUS	2023	5 YEARS	Istanbul/ Sariyer 1 Commercial Unit	3,500.00 USD
14	MISCELLANEOUS	2023	5 YEARS	Istanbul/ Sariyer 2 Commercial Units	15% Turnover Ratio
15	MISCELLANEOUS	2023	5 YEARS	Istanbul/ Sariyer 3 Commercial Units	10% Turnover Ratio

* Not included VAT, values are expressed in Turkish Lira and monthly. The exchange rate of USD Dollar is fixed with 3 TRY for the foreign currency renting.

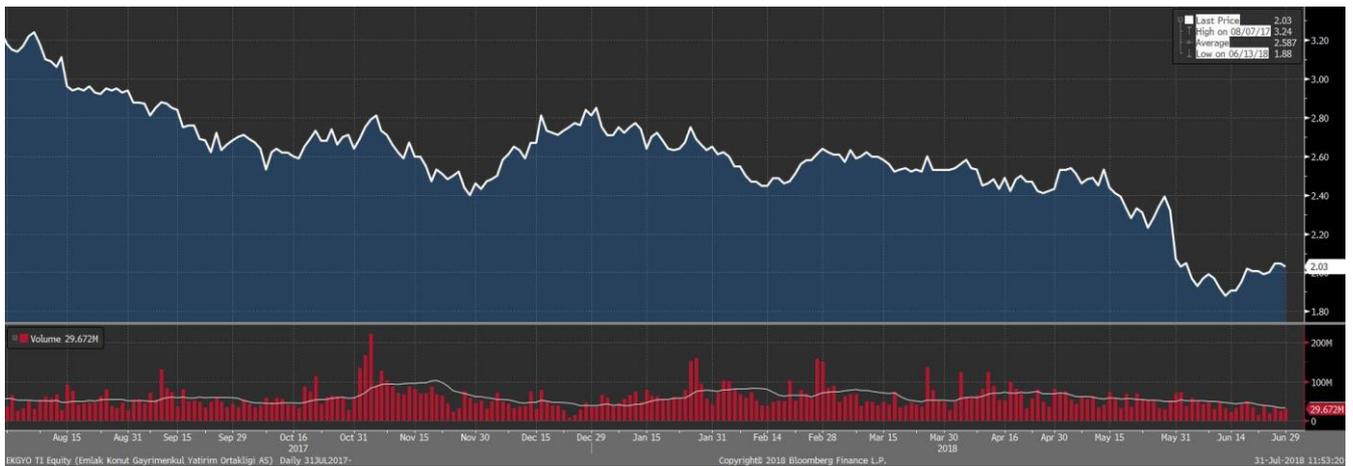
** Turnover share is not included the rent value. The rent values will be shared with the contractor over the share ratios specified in the contract.

SHARE PERFORMANCE

- ▶ Traded in the collective and structured products market at Istanbul 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



Source: BLOOMBERG

EKGYO/BIST GMYO/BIST 100

XU100 Index

XGMYO Index

EKGYO



Source: BLOOMBERG

RECOMMENDATIONS



Source : BLOOMBERG

CONSTRUCTION AND HOUSING SECTOR OUTLOOK

House Sales Statistics (September 2018)

In September 2018, 127,327 houses were sold in Turkey

In Turkey, house sales decreased by 9.2% in September 2018 compared to the same month of the previous year and hence, became 127,327. For the house sales of September 2018, İstanbul had the highest share of house sales with 15.9% and 20,216 sold house. The followers of İstanbul were Ankara with 11 368 house sales and İzmir 6 207 house sales with the share of 8.9% and 4.9% respectively. The least house sold provinces were Hakkari with 13 house sales, Ardahan with 15 house sales and Bayburt with 71 house sales.

In September 2018, 11,330 ownership of the houses changed by mortgage sales

The mortgaged house sales throughout Turkey became 11,330 by decreasing 72% compared to the same month of the previous year. House sales with mortgage had a 8.9% share of all house sales in Turkey. Most of house sales with mortgage was in İstanbul with 1,863 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 Artvin with 18.1% of all house sales.

Ownership of 115,997 houses changed by other sales

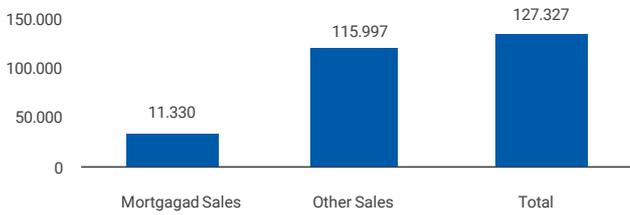
Other house sales in Turkey became 115,997 by increasing 16.3% compared to the same month of the previous year. In the other sales, İstanbul was the first province with 18,353 sales and 15.8% share. Other house sales had 90.8% share of all house sales in İstanbul. Ankara was the second province with 10 231 sales. Ankara was followed by İzmir with 5,516 sales. The least other house sales was realized in Hakkari with 13 house sales.

In house sales, 60,219 of houses were sold for the first time

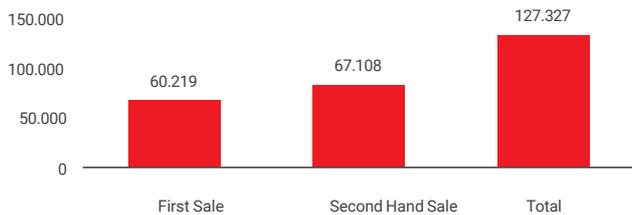
First house sales in Turkey became 60,219 by decreasing 14% compared to the same month of the previous year. First house sales had 47.3% share of all house sales in Turkey. The most first house sales was in İstanbul with 9,501 sales. İstanbul was the first province in Turkey ranking that had most first house sales share with 15.8%. The followers of İstanbul were Ankara with 4,150 house sales and İzmir with 2,786 house sales.



House Sales by type of sales, September 2018



House Sales by State of Sales, September 2018



Ownership of 67,108 houses changed by second hand sales

Second hand house sales in Turkey became 67,108 by decreasing 4.5% compared to the same month of the previous year. In the second hand sales, İstanbul was the first province again with 10,715 sales and 16% share. Share of the second hand sales was 53% in İstanbul in total house sales. Ankara was the second province with 7,218 sales and Ankara was followed by Antalya with 3,599 sales.

September 2018, 5,615 houses were sold to foreigners

In house sales to foreigners became 5,615 by increasing 151.1% compared to the same month of the previous year. İstanbul was the first province with 1,799 sales in September 2018. The followers of İstanbul were Antalya with 1,038 house sales, Bursa with 424 house sales, Ankara with 386 house sales and Yalova with 333 house sales.

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

Iraqi citizens bought 1 351 houses from Turkey in September. The followers of Iraq were Iran with 538 house sales, Kuwait with 360 house sales, Saudi Arabia with 312 house sales and Germany with 299 house sales.

Construction Cost Index, August 2018

Construction cost index increased monthly by 6.10%

In August 2018, construction cost index (CCI) increased by 6.10% compared with previous month and increased by 33.36% compared with the same month of the previous year. Material index increased by 8.37% and labour index increased by 0.66% compared with the previous month. Also, material index increased by 41.09% and labour index increased by 16.87% compared with the previous year.

Construction cost index, August 2018 [2005=100]



Building construction cost index increased monthly by 5.56%

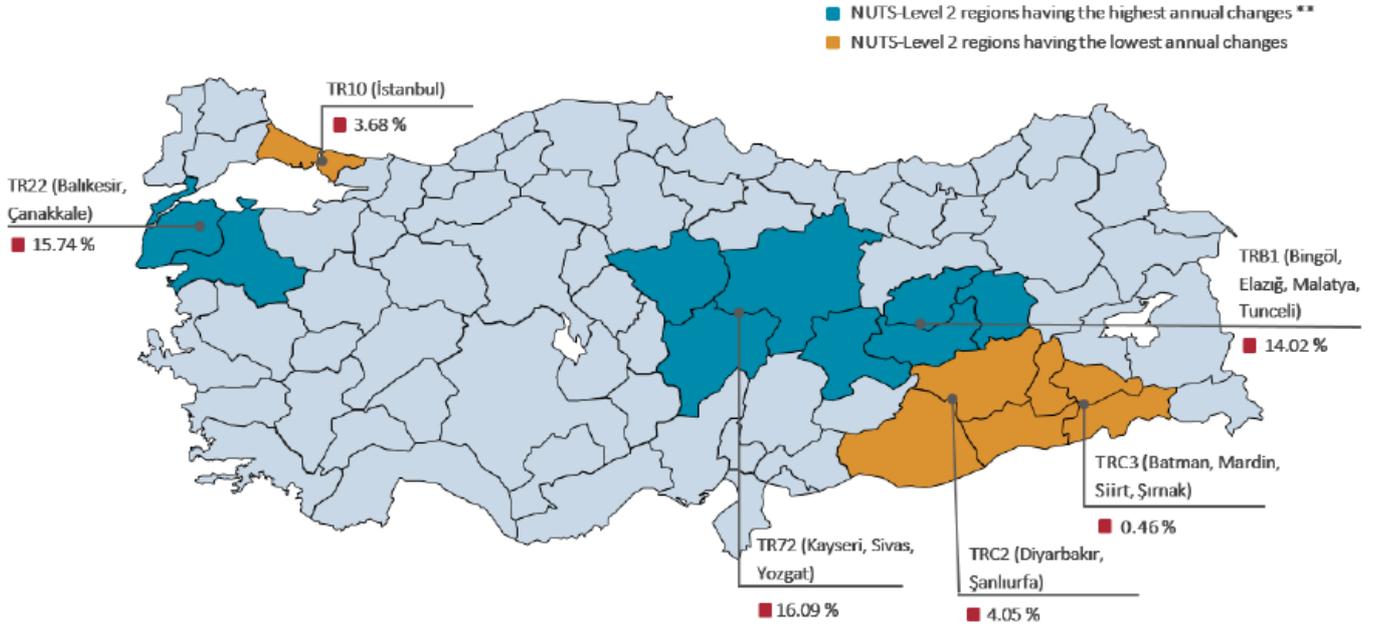
Building construction cost index increased by 5.56% compared with previous month and increased by 31.49% compared with the same month of the previous year. Material index increased by 7.75% and labour index increased by 0.54% compared with the previous month. Also material index increased by 38.61% and labour index increased by 16.77% compared with the previous year.

House Price Index (2018 August)

Hedonic House Price Index (HHPI)

In August 2018, HHPI increased monthly by 0.45 percent, recorded an annual increase of 8.32 percent in nominal terms and decreased by 8.13 percent in real terms.

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*
	226.36 (8.32%)	268.63 (9.86%)	2,257.44 TRY	254.80 (10.02%)	266.83 (10.86%)
	272.38 (3.68%)	308.65 (3.70%)	3,988.27 TRY	307.63 (3.79%)	302.62 (5.50%)
	199.19 (5.91%)	210.14 (8.61%)	1,825.27 TRY	234.62 (13.47%)	204.46 (8.49%)
	263.35 (13.30%)	300.04 (15.68%)	2,947.21 TRY	307.12 (18.10%)	298.30 (17.87%)

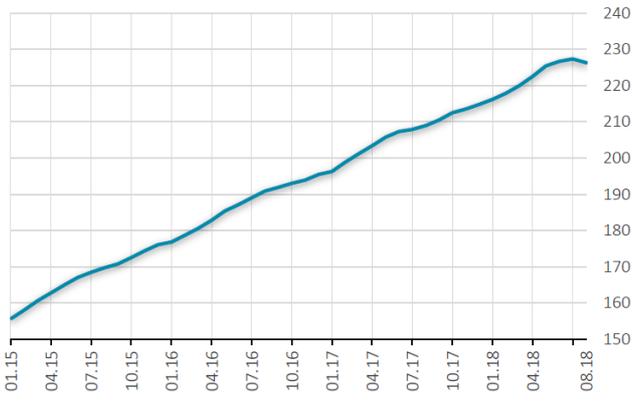
*House Price Index, Square Meter Prices, New and Existing Housing Price Indices are constructed by using the Stratified Median Price method.

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

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 226.36 in August 2018 by a monthly decrease of 0.45 percent.

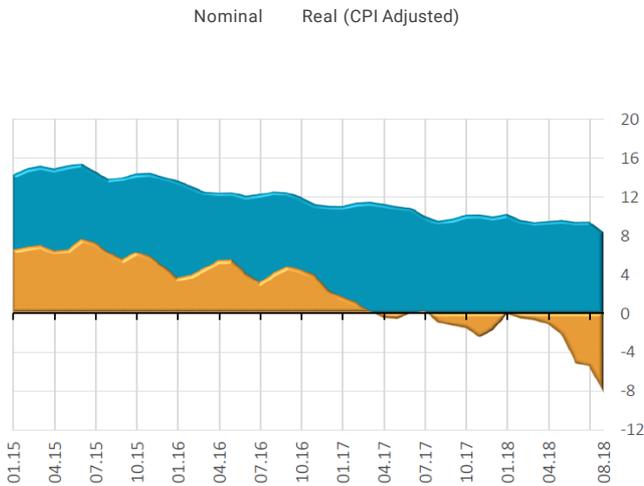
In August 2018, the HHPI increased monthly by 0.46, 1.28 and 0.57 percent in İstanbul, Ankara and İzmir respectively. These three major cities recorded an annual increase of 3.68, 5.91 and 13.30 percent respectively.

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

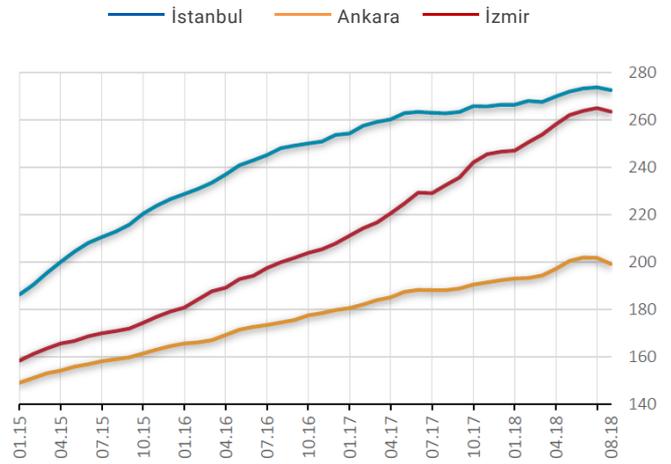


The HHPI increased annually by 8.32 percent in nominal terms and decreased by 8.13 percent in real terms.

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



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







LAWSUITS 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, İstanbul

The case was brought against Sarıyer Municipality Mayorship and Şişli Municipality Mayorship at the İstanbul 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, İstanbul. 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 İstanbul Regional Administrative Court. On 05.10.2017, the court decided to dismiss the case. There was an appeal request for the ruling and On 06.07.2018, the İstanbul Regional Administrative Court, the Chamber No. 4, made a definitive judgment to accept the appeal request, rescind the court's decision and, cancel the proceedings in dispute.

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

The case was brought at the İstanbul 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 Sarıyer District, İstanbul. 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, İstanbul Büyükkent Branch, UCTEA Chamber of City Planners, İstanbul Branch

The case was brought at the İstanbul 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 İstanbul 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 Sarıyer District, İstanbul. 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, İstanbul Branch

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, İstanbul 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, İstanbul Branch

The case was brought against the Ministry of Environment and Urban Planning at the İstanbul 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, İstanbul. 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 case as an intervenor together with the defendant institutions. The court dismissed 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.

İSTANBUL KAPADIK REGION**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-) İstanbul 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 ..17.05.2016 for the approval of the Master Zoning Plan Amendment (scale: 1: 5,000) and Application Zoning Plan Amendment (scale: 1:5,000) regarding the immovable with the former Parcel No. 557 in Kapadık Neighborhood, Avcılar District, Istanbul. On 24.04.2018, the court decided to dismiss the case. The decision was not appealed and thus finalized on 12.07.2018

İSTANBUL KAYABAŞI**1-) İstanbul 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. Our objections about the expert examination were submitted to the court file.

İSTANBUL ZEYTİNBURNU

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 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.

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 decision.

FINANCE 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 Civil Court of First Instance No. 12.

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 review.

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. 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.

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. The decision was appealed by the Defendant Ministry of Environment and Urban Planning with a request for Stay of Execution.

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. The objection for appeal was refused by the Supreme Court and, the decision has become finalized.

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. As a result of the respective hearing, the Court decided to cancel the proceedings in dispute. An appeal request has been made for the said decision, waiting for the outcome of the appeal.

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 intervene. The court waits for the expert report.

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. 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. 2018/1354 E.

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. The said decision was appealed with a request for Stay of Execution, waiting for the outcome of the appeal.

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 Küçükyalı and Başbüyük neighborhoods, Maltepe District, Istanbul. Our company and the contractor Tahincioğlu-Küçükyalı 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 to cancel the plan in dispute with the decision No. 2017/1949 K on 12.10.2017. Our company applied for an appellate review. Our appeal request was refused by the Istanbul Regional Administrative Court, the Chamber No. 4 and, an appeal was filed against this decision.

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 Küçükyalı and Başbüyük neighborhoods, Maltepe District, Istanbul. Our company and the contractor Tahincioğlu-Küçükyalı 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 PROJECT 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 the case. The Defendant has appealed the decision of the District Court.

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. Our request to participate in the case as an intervenor has been accepted, but the Court decided to cancel the proceedings in dispute. The parties wait for the outcome of the appeal request.

BAKIRKÖY ŞEVKETİYE

1-) Hakkı Sağlam & Özgür Aydın,

A legal action was initiated before the Istanbul Regional Administrative Court, the Chamber No. 4 under the file no. 2017/2268 E. against the Ministry of Environment and Urban Planning in order to stay of execution and cancel the Master Zoning Plan amendment (scale: 1/5000) and the Application Zoning Plan amendment (scale: 1/1000) approved by the Ministry of Environment and Urban Planning in connection with the land block no. 1221, parcel no. 2012 in Şevketiye, Bakırköy, Istanbul. The court decided to refuse the request for Stay of Execution. A request was submitted on 19.07.2018 to participate in the case as an intervenor together with the defendant administration.

2-) Bakırköy Municipality Mayorship

A legal action was initiated before the Istanbul Regional Administrative Court, the Chamber No. 7 under the file no. 2018/37 E. against the Ministry of Environment and Urban Planning in order to stay of execution and cancel the Master Zoning Plan amendment (scale: 1/5000) and the Application Zoning Plan amendment (scale: 1/1000) approved by the Ministry of Environment and Urban Planning in connection with the land block no. 1221, parcel no. 212 in Şevketiye, Bakırköy, Istanbul. The file was sent to the Istanbul Regional Administrative Court, the Chamber No. 4 due to the connection. The hearing continues on the file no. 2018/1020 of the Istanbul Regional Administrative Court, the Chamber No. 4. On 25.05.2018, the court decided to refuse the request for Stay of Execution. Our request to participate in the case as an intervenor has also been accepted.

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. The Court decided to accept the request of the Contractor Mesa Mesken to participate in the case as an intervenor. The additional expert report submitted to the file came out against us and, necessary objections thereto have been submitted.

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 accepted 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. On 12.09.2018, the court accepted our request to participate in the case as an intervenor, but refused the request for Stay of Execution.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. On 12.09.2018, the court decided to refuse the request for Stay of Execution.

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. On 25.04.2015, a viewing and an expert examination were carried out and, the expert report came out in our favor. On 12.09.2018, the court accepted our request and the request of TOKİ to participate in the case as an intervenor, but refused the request for Stay of Execution.

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. On 29.06.2018, the court decided to dismiss the case on grounds of capacity.





EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONVENIENCE TRANSLATION
CONDENSED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2018**

(ORIGINALLY ISSUED IN TURKISH)

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONTENTS		PAGE
INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION		1-2
INTERIM CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....		3
INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY.....		4
INTERIM CONDENSED STATEMENTS OF CASH FLOWS.....		5
EXPLANATORY NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS.....		6-39
NOTE 1	ORGANIZATION AND OPERATION OF THE COMPANY.....	6
NOTE 2	BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS.....	7-8
NOTE 3	ACCOUNTING POLICIES.....	8-16
NOTE 4	CASH AND CASH EQUIVALENTS.....	17
NOTE 5	FINANCIAL INVESTMENTS.....	18
NOTE 6	FINANCIAL LIABILITIES.....	18-19
NOTE 7	TRADE RECEIVABLES AND PAYABLES	19-20
NOTE 8	OTHER RECEIVABLES AND PAYABLES.....	20-21
NOTE 9	INVENTORIES.....	22-25
NOTE 10	PROPERTY, PLANT AND EQUIPMENT.....	26
NOTE 11	INVESTMENT PROPERTIES.....	26
NOTE 12	PROVISIONS, CONTINGENT ASSETS AND LIABILITIES.....	27-29
NOTE 13	OTHER ASSETS AND LIABILITIES.....	30
NOTE 14	DEFERRED INCOME AND PREPAID EXPENSES.....	30
NOTE 15	SHAREHOLDERS' EQUITY.....	31
NOTE 16	REVENUE AND COST OF SALES.....	32
NOTE 17	GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES.....	32-33
NOTE 18	OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES	33
NOTE 19	FINANCIAL INCOME / EXPENSES.....	34
NOTE 20	RELATED PARTY DISCLOSURES.....	35-36
NOTE 21	COMMITMENTS.....	37
NOTE 22	EVENTS AFTER THE REPORTING PERIOD.....	37
ADDITIONAL NOTE	CONTROL OF COMPLIANCE WITH THE PORTFOLIO LIMITATIONS.....	38-39

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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

		<i>Not Reviewed</i> 30 September 2018	<i>Audited</i> 31 December 2017
	Notes		
ASSETS			
Current assets		20,691,570	18,796,338
Cash and cash equivalents	4	1,139,805	897,501
Financial investments	5	77,367	186,274
Trade receivables	7	1,948,211	1,752,257
<i>Trade receivables due from related parties</i>	20	8,938	8,239
<i>Trade receivables due from third parties</i>		1,939,273	1,744,018
Other receivables	8	1,162,632	1,180,466
<i>Other receivables due from third parties</i>		1,162,632	1,180,466
Inventories	9	14,911,574	13,646,631
Prepaid expenses	14	1,278,013	986,501
Other current assets	13	173,968	146,708
Non-current assets		2,259,420	1,827,322
Trade receivables	7	1,696,196	1,686,645
<i>Trade receivables due from third parties</i>		1,696,196	1,686,645
Other receivables	8	1,014	988
Investment property		317,717	57,283
Property, plant and equipment	10	63,752	66,858
Intangible assets		2,059	2,911
Other non-current assets	13	178,682	12,637
Total assets		22,950,990	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 SEPTEMBER 2018 AND 31 DECEMBER 2017**

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

		<i>Not Reviewed</i> 30 September 2018	<i>Audited</i> 31 December 2017
	Notes		
LIABILITIES AND EQUITY			
Current liabilities		7,799,713	6,083,525
Short term borrowings	6	377,633	-
Current portion of non-current borrowings	6	981,678	482,364
Trade payables	7	2,009,511	1,266,648
<i>Trade payables due to related parties</i>	20	882,574	744,713
<i>Trade payables due to third parties</i>		1,126,937	521,935
Other payables	8	609,796	554,767
Deferred income	14	3,692,939	3,728,717
<i>Deferred income from related parties</i>	20	64,732	64,732
<i>Deferred income from third parties</i>		3,628,207	3,663,985
Current provisions		128,156	51,029
<i>Current provisions for employee benefits</i>		5,223	4,113
<i>Other current provisions</i>	12	122,933	46,916
Non-current liabilities		2,235,173	2,074,616
Long term borrowings	6	1,935,147	1,932,308
Trade payables		216,964	95,666
Other payables		73,567	37,306
Deferred income		3,174	3,174
Long term provisions		6,321	6,162
<i>Long term provisions for employee benefits</i>		6,321	6,162
Shareholders' equity		12,916,104	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		1,099,169	1,756,094
Total liabilities and equity		22,950,990	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 NINE MONTH PERIODS ENDED 30 SEPTEMBER 2018 AND 2017 (Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

		<i>Not Reviewed</i> 1 January- 30 September 2018	<i>Not Reviewed</i> 1 July- 30 September 2018	<i>Not Reviewed</i> 1 January- 30 September 2017	<i>Not Reviewed</i> 1 July- 30 September 2017
Profit or loss					
Revenue	16	2,657,515	353,433	2,802,489	1,435,004
Cost of sales (-)	16	(1,320,636)	(288,250)	(1,380,359)	(809,380)
Gross profit		1,336,879	65,183	1,422,130	625,624
General administrative expenses (-)	17	(158,576)	(53,244)	(142,262)	(71,034)
Marketing expenses (-)	17	(41,706)	(13,828)	(52,281)	(20,764)
Other income from operating activities	18	465,948	166,199	261,039	52,078
Other expenses from operating activities (-)	18	(198,761)	(119,875)	(151,080)	(63,855)
Operating profit		1,403,784	44,435	1,337,546	522,049
Income from investing activities		202	7	2,226	466
Operating profit before financial income / (expense)		1,403,986	44,442	1,339,772	522,515
Financial income	19	65,841	8,516	63,389	16,970
Financial expenses (-)	19	(370,658)	(84,594)	(337,626)	(99,794)
Profit for the income		1,099,169	(31,636)	1,065,535	439,691
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		1,099,169	(31,636)	1,065,535	439,691
Earnings per share (in full TL)		0.0030	(0.0001)	0.0029	0.0012

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 NINE MONTH PERIODS ENDED 30 SEPTEMBER 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	-	-	-	88,052	-	1,673,224	(1,761,276)	-
Total comprehensive income	-	-	-	-	-	-	1,065,535	1,065,535
30 September 2017	3,800,000	(262,857)	2,378,513	511,347	(897)	4,304,087	1,065,535	11,795,728
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	-	-	-	-	-	-	1,099,169	1,099,169
30 September 2018	3,800,000	(284,480)	2,366,895	662,853	(42)	5,271,709	1,099,169	12,916,104

(*) At the Ordinary General Assembly Meeting held on 28 March 2018, the decision on distributing cash dividend of 666.976 TL (30 September 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 NINE MONTH PERIODS ENDED 30 SEPTEMBER 2018 AND 2017

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

	Notes	1 January- 30 September 2018	1 January- 30 September 2017
Cash flows from operating activities			
Profit for the year		1,099,169	1,065,535
Adjustments to reconcile net profit			
Depreciation and amortization expenses	17	4,304	5,922
Adjustments for impairments		42,380	21,063
<i>Adjustments for impairment loss (reversal of impairment loss) of inventories</i>	9	17,143	21,063
<i>Adjustments for impairment loss (reversal of impairment loss) of investment properties</i>	18	25,237	-
Changes in provisions		81,033	(87,040)
<i>Adjustments for (reversal of) provisions related with employee benefits</i>		1,937	(2,642)
<i>Adjustments for (reversal of) lawsuit and/or penalty provisions</i>	12	76,017	(29,552)
<i>Adjustments for (reversal of) possible risks of cash and cash equivalents</i>	18	3,079	-
<i>Adjustments for (reversal of) other provisions</i>		-	(54,846)
Adjustments for interest (income) expenses		(82,221)	98,706
<i>Adjustments for interest income</i>	18.19	(452,592)	(238,735)
<i>Adjustments for interest expense</i>	19	370,371	337,441
Changes in net working capital		1,144,665	1,104,186
Adjustments for decrease (increase) in trade accounts receivable		(461,171)	(753,128)
<i>Decrease (increase) in trade accounts receivables from related parties</i>	20	(699)	10,249
<i>Decrease (Increase) in trade accounts receivables from third parties</i>		(460,472)	(763,377)
Adjustments for decrease (increase) in inventories		(1,567,757)	(1,124,390)
Adjustments for increase (decrease) in trade accounts payable		796,647	(2,242,062)
<i>Increase (decrease) in trade payables to related parties</i>		70,347	(2,260,175)
<i>Increase (decrease) in trade payables to third parties</i>		726,300	18,113
Adjustments for (decrease) in other operating receivables		(73,962)	(108,701)
Adjustments for increase (decrease) in other operating payables		202,143	635,926
Other adjustments for other increase (decrease) in working capital		(378,653)	800,628
Net cash flow from operating activities			
Interest received		143,430	97,414
Payments related with provisions for employee benefits		(667)	(9)
Income taxes paid		(146,597)	(136,668)
Cash flows from operating activities		(341,922)	(1,726,804)
Cash flows from investing activities			
Purchases of investment properties, tangible and intangible assets		(346)	(19,611)
Interest received		202	2,226
Purchases of financial assets		(7,000)	(39,169)
Returns of financial assets		13,116	147,810
Other inflows (outflows) of cash		100,382	(116,231)
Cash flow from investing activities		106,354	(24,975)
Cash flow from financing activities			
Proceeds from borrowings		1,052,537	1,384,294
<i>Proceeds from loans</i>		780,000	1,384,294
<i>Proceeds From Issue of Debt Instruments</i>		272,537	-
Repayments of borrowings, classified as financing activities		(212,950)	(165,000)
<i>Loan repayments</i>		(212,950)	(165,000)
Interest paid		(169,555)	(112,124)
Dividends Paid	15	(644,442)	-
Interest received	19	65,829	49,972
Other inflows (outflows) of cash		(159)	(378)
Cash flow from financing activities		91,260	1,156,764
Net Increase (decrease) in cash and cash equivalents		(144,308)	(595,015)
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	240,773	390,300

The Company has booked provision for impairment of TL 7.220 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 NINE MONTH PERIODS ENDED 30 SEPTEMBER 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 September 2018 have been approved by the Board of Directors on 26 October 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 financial statements 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 NINE MONTH PERIODS ENDED 30 SEPTEMBER 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 September 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 NINE MONTH PERIODS ENDED 30 SEPTEMBER 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 September 2018, have been prepared in accordance with TMS 34 for the preparation of interim financial statements of TFRS. In addition, the interim financial statements of the period ending on 30 September 2018 were prepared by applying accounting policies consistent with the accounting policies applied during the preparation of 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 NINE MONTH PERIODS ENDED 30 SEPTEMBER 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.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 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)

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 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 IFRS 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 IFRS 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 IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

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

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

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 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)

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.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 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)

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

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.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 2018

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

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 2018

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

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.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 2018

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

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.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 2018

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

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.

1-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.

2-The Company classified other income amount under the income from investing activities in previous periods. The company reassessed and decide to present other income under the other income from operating activities. As of 30 June 2018, TL 240 income amount which are classified income from investing activities, are reclassified as other income from operating activities.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 2018

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

NOTE 4 – CASH AND CASH EQUIVALENTS

	30 September 2018	31 December 2017
Cash on hand	80	-
Banks	1,139,725	897,501
- Demand deposit	305,703	191,479
- Time deposits up to 3 months maturity	834,022	706,022
	1,139,805	897,501

Maturities of cash and cash equivalents are as follows:

	30 September 2018	31 December 2017
Demand	305,703	191,479
Up to 3 month	834,022	706,022
Less: Blocked deposits with maturities less than 3 months	(52,600)	(30,977)
	1,087,125	866,524

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

	30 September 2018	31 December 2017
	(%)	(%)
	19.74%	10.41%

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

	30 September 2018	31 December 2017
Cash and cash equivalents	1,139,805	897,501
Less: Interest accruals	(11,390)	(2,707)
Less: LSRSA project deposits (*)	(310,371)	(237,198)
Less: TOKİ deposits (**)	(560,656)	(255,176)
Less: Blocked deposits	(23,836)	(17,339)
Add: TFRS 9 impact	7,221	-
	240,773	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 310,371 (31 December 2017: TL 237,198) part of the total project amount deposits TL 28,764 (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.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 2018

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

NOTE 5 - FINANCIAL INVESTMENTS

Financial investments	30 September 2018	31 December 2017
Blocked deposits more than 3 months maturity (**)	65,363	165,741
Special issue government bonds (*)	12,004	12,267
Bond	-	8,266
	77,367	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 30,025 (31 December 2017: TL 80,748) while the company portion of the blocked shares is TL 35,338 (31 December 2017: TL 84,993).

NOTE 6 - FINANCIAL LIABILITIES

	30 September 2018	31 December 2017
Short-term financial liabilities		
Short-term commercial bill (*)	272,537	-
Short-term bank borrowings	105,096	-
Short-term portion of long-term borrowings	981,678	482,364
	1,359,311	482,364

(*)As of 07 September 2018, the Company issued a rent certificate issuance with a nominal value of TL 115.000, with an interest rate of 23.85%, expiry dated 11 December 2018.

(*)As of 27 September 2018, the Company issued a rent certificate issuance with a nominal value of TL 155.000, with an interest rate of 30.34%, expiry dated 08 January 2019.

Long-term financial liabilities	30 September 2018	31 December 2017
Long-term borrowings	1,935,147	1,932,308
	1,935,147	1,932,308

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 2018

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

NOTE 6 - FINANCIAL LIABILITIES (Continued)

The all borrowings are received as TL currency and the interest rate of the borrowing as at 30 September 2018 is 16.46% (31 December 2017: 14.75 %).

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

	30 September 2018	31 December 2017
2019	249,203	746,154
2020	999,507	746,154
2021	638,745	440,000
2022	47,692	-
	1,935,147	1,932,308

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

	30 September 2018	31 December 2017
Less than 3 months	187,623	47,692
Between 3 - 12 months	899,151	434,672
Between 1 - 5 years	1,935,147	1,932,308
	3,021,921	2,414,672

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

	30 September 2018	31 December 2017
Short-term trade receivables		
Receivables from LSRSA contractors invoiced	1,318,634	951,881
Receivables from sale of residential and commercial units	555,961	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)	8,938	8,239
Rent receivables	4,135	1,572
Other	2,257	2,429
Unearned finance income	(11,451)	(15,252)
	1,948,211	1,752,257
Doubtful receivables	1,837	1,837
Less: Provision for doubtful receivables	(1,837)	(1,837)
	1,948,211	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.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 2018

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

NOTE 7 - TRADE RECEIVABLES AND PAYABLES (Continued)

	30 September 2018	31 December 2017
Long-term trade receivables		
Receivables from sale of residential and commercial units	1,959,975	1,944,998
Unearned finance income	(263,779)	(258,353)
	1,696,196	1,686,645

	30 September 2018	31 December 2017
Short-term trade payables		
Payables to related parties (Note 20)	882,574	744,713
Payables to LSRSA contractors invoiced	428,790	314,001
Trade payables	684,589	195,211
Time deposit interest accruals from LSRSA contractors invoiced (*)	13,558	12,723
	2,009,511	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 September 2018	31 December 2017
Short-term other receivables		
Receivables from contractors	764,307	783,205
Housing Acquisition Support (“HAS”) related receivables from Turkish Treasury	390,768	390,771
Receivables from the authorities	6,876	6,360
Other	681	130
	1,162,632	1,180,466

	30 September 2018	31 December 2017
Long-term other receivables		
Deposits and guarantees given	1,014	988
	1,014	988

	30 September 2018	31 December 2017
Short term other payables		
Payable to HAS beneficiaries	402,855	403,013
Payable to contractors (*)	88,752	88,752
Taxes and funds payable	14,141	10,187
Other	104,048	52,815
	609,796	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).

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 2018

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

NOTE 8 - OTHER RECEIVABLES AND PAYABLES (Continued)

As of 30 September 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 September 2018 and 2017 are shown below:

	1 January 2018	Additions within the period	Disposals	30 September 2018
Treasury support share				
Receivable from Treasury	390,771	-	(3)	390,768
Special purpose government Bond (Note 5)	12,267	-	(263)	12,004
Cash generated from government bond redemption	(25)	252	(144)	83
Total consideration received or receivable from Treasury	403,013			402,855
Payable to HAS beneficiaries	(403,013)			(402,855)

	1 January 2017	Additions within the period	Disposals	30 September 2017
Treasury support share				
Receivable from Treasury	390,780	4	(16)	390,768
Special purpose government Bond	12,517	-	(250)	12,267
Cash generated from government bond redemption	150	266	(381)	35
Total consideration received or receivable from Treasury	403,447			403,070
Payable to HAS beneficiaries	(403,447)			(403,070)

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 2018

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

NOTE 9 -INVENTORIES

	30 September 2018	31 December 2017
Lands	3,376,738	4,022,623
<i>Cost</i>	3,396,051	4,033,188
<i>Impairment</i>	(19,313)	(10,565)
Planned land by LSRSA	7,417,486	6,362,982
Planned land by turnkey project	3,469,397	2,433,661
Residential and commercial units ready for sale	647,953	827,365
<i>Cost</i>	667,612	838,629
<i>Impairment</i>	(19,659)	(11,264)
	14,911,574	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	62,588	34,399
Reversal of impairment	(45,445)	(13,336)
Balance at 30 September	38,972	39,871

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 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 September 2018 and 31 December 2017:

Lands	30 September 2018	31 December 2017
İstanbul Küçükçekmece Lands	1,466,222	1,341,390
İstanbul Bakırköy Lands	422,906	685,406
İstanbul Başakşehir Lands	411,378	352,243
İstanbul Beşiktaş Lands	360,002	-
İstanbul Tuzla Lands	205,917	205,917
İstanbul Arnavutköy Lands	147,667	333,309
İstanbul Kartal Lands	133,640	133,878
Samsun Canik Lands	94,265	94,265
İstanbul Ataşehir Lands	40,132	40,136
İstanbul Esenyurt Lands	39,178	49,588
Ankara Çankaya Lands	18,094	46,042
İzmir Konak Umurbey Lands	10,896	-
İstanbul İstinye Lands	7,734	7,734
Tekirdağ Çorlu Lands	6,153	6,153
Maltepe Küçükyalı Lands	3,010	3,010
İstanbul Şile Balıbey Lands	2,441	-
Tekirdağ Kapaklı Lands	2,260	6,210
İstanbul Umraniye Lands	1,844	1,844
Kocaeli Gebze Lands	729	7,839
İstanbul Zekeriyaköy Lands	677	677
Kocaeli Tütünçiftliği Lands	618	1,528
İstanbul Çekmeköy Lands	-	247,830
İstanbul Şişli Lands	-	455,122
İstanbul Şile Lands	-	2,441
Other	975	61
	3,376,738	4,022,623

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 2018

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

NOTE 9 - INVENTORIES (Continued)

Planned lands by LSRSA	30 September 2018	31 December 2017
Nidapark İstinye Project	993,433	994,512
Nidapark Kucukyali Project	677,715	678,835
Büyükyali Project	656,805	656,805
Merkez Ankara Project	634,550	639,672
Nişantaşı Project	482,107	-
Bizim 2.Mahalle Project	429,982	486,288
Zeytinburnu Beştelsiz Project	407,730	407,730
Florya Şenlik Mahallesi Project	367,495	-
Beykoz Riva Project	360,856	-
İstanbul Çekmeköy Taşdelen Project	262,428	-
Antalya Muratpaşa Project	213,052	194,435
Nidapark Kayasehir Project	199,373	179,903
Validebağ Konakları Project	153,764	153,775
Köy Project	161,976	225,564
Tual Bahçekent Project	118,929	105,104
Avangart İstanbul Project	120,077	120,077
Koordinat Çayyolu Project	97,138	97,138
Tual Adalar Project	90,842	91,079
Teşeşehir Konya Project	86,704	86,704
Avrupark Project	80,798	71,818
Evvel İstanbul Project	78,526	72,590
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
Ofis Karat Bakırköy Project	55,474	30,919
Avrupark Hayat Project	54,056	48,665
Semt Bahçekent Project	50,154	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	-
İstmarina Project	27,148	194,406
Tuzla İçmeler Project	20,016	20,016
Şile Çavuş Project	9,813	9,813
Ankara Saraçoğlu Project	2,442	-
Göl Panorama Project	-	13,720
Avrupa Konutları Başakşehir Project	-	126,977
Other	1,267	141,769
	7,417,486	6,362,982

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 2018

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

NOTE 9 - INVENTORIES (Continued)

Planned lands by turnkey project	30 September 2018	31 December 2017
Ayazma Emlak Konutları Project	591,629	431,551
Başkent Emlak Konutları Project	518,307	470,380
Gebze Emlak Konutları	488,334	211,815
Kuzey Yakası Project	398,694	227,941
Ispartakule 1. Etap 1. Kısım Project	376,035	265,455
Ispartakule 1. Etap 2. Kısım Project	339,869	223,584
Nevşehir Emlak Konutları Project	209,522	163,996
Ankara Başkent Project	207,890	-
Başakşehir Ayazma 2. Etap Project	173,411	108,261
Niğde Emlak Konutları	126,828	64,486
Kocaeli Körfezkent Commercial Units	27,692	11,262
Körfezkent 4. Etap Project	9,180	126,008
Hoşdere Hayat Parkı Project	1,517	-
Başakşehir Emlak Konutları Project	489	-
Emlak Konut Başakşehir Evleri 2. Etap Project	-	128,922
	3,469,397	2,433,661

Completed units	30 September 2018	31 December 2017
Sarphan Finanspark Project	229,945	231,042
Maslak 1453 Project	167,114	168,335
Kocaeli Körfezkent Emlak Konutları	59,508	1,089
Batışehir Project	34,108	41,631
Başakşehir Emlak Konutları 2.Etap	32,381	-
Nidakule Ataşehir Project	30,862	30,862
Unikonut Project	23,181	23,435
Dumankaya Miks Project	22,893	24,866
Bahçekent Flora Project	13,721	-
Bahçekent Emlak Konutları 1.Etap 3.Kısım	9,875	11,616
Metropol İstanbul Project	9,426	141,096
Esenler Emlak Konutları	7,306	138,828
Bulvar İstanbul Project	3,186	3,917
Park Yaşam Mavişehir Evleri	1,739	1,739
Kayabaşı Emlak Konutları	534	2,418
Spradon Vadi Evleri	-	599
Emlak Konut Mavişehir Evleri	408	-
Başakşehir Emlak Konutları 1. Etap 2.Kısım	126	4,345
Other	1,640	1,547
	647,953	827,365

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 2018

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

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

30 September 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	-	-	343	3	346
Depreciation expense(-)	(1,078)	(216)	(2,158)	-	(3,452)
Net book value 30 September 2018	57,426	617	5,612	97	63,752
Cost	62,129	2,160	18,204	97	82,590
Accumulated depreciation (-)	(4,703)	(1,543)	(12,592)	-	(18,838)
Net book value 30 September 2018	57,426	617	5,612	97	63,752

30 September 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	1,190	-	1,551	62	2,803
Depreciation expense(-)	(1,603)	(296)	(2,250)	-	(4,149)
Net book value 30 September 2017	58,914	930	7,900	91	67,835
Cost	62,439	2,160	17,566	91	82,256
Accumulated depreciation (-)	(3,525)	(1,230)	(9,666)	-	(14,421)
Net book value 30 September 2017	58,914	930	7,900	91	67,835

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 September 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 September 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 NINE MONTH PERIODS ENDED 30 SEPTEMBER 2018

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

NOTE 12 –PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

	30 September 2018	31 December 2017
Provisions		
Provision for lawsuits	122,933	46,916
	122,933	46,916

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

	2018	2017
Balance at 1 January	46,916	73,238
Provision released within the current period (Note 18)	-	(31,612)
Provision charged for the period (Note 18)	76,017	2,060
Provision used in the period	-	(42)
Provision paid in the period	-	(9,610)
Balance at 30 September	122,933	34,034

12.1 Continuing Cases and Provisions

12.1.1 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 the plaintiff's assertion, the contract of the related project has been terminated unjustly by the Emlak Konut. The contractor firm is subject to compensation case. The claimant increased the value of the case according to the various expert reports and the related case amount increased to TL 65,597. The Company made provision amounting to TL 74,374 from the related case.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 2018

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

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

12.1 Continuing Cases and Provisions (Continued)

12.1.2 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.

12.1.3 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.

12.2 Contingent Liabilities of Emlak Konut GYO

In the financial statements prepared as of 30 September, 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 September, 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 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 NINE MONTH PERIODS ENDED 30 SEPTEMBER 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.

12.2.2 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.

12.2.3 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.

12.2.4 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 September 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 September 2018	Trade Receivables	Off-balance sheet deferred revenue	Total
1 year	555,961	761,176	1,317,137
2 year	388,381	577,888	966,269
3 year	206,609	426,869	633,478
4 year	273,932	313,821	587,753
5 year and above	1,091,053	1,589,824	2,680,877
	2,515,936	3,669,578	6,185,514

31 December 2017	Trade Receivables	Off-balance sheet deferred revenue	Total
1 year	792,099	755,373	1,547,472
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
	2,737,097	3,775,672	6,512,769

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 2018

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

NOTE 13 - OTHER ASSETS AND LIABILITIES

	30 September 2018	31 December 2017
Other current assets		
Progress payments given to contractors	136,198	83,020
Accrued income	22,337	40,989
Receivables from tax office	15,433	20,187
Deferred VAT	-	2,512
	173,968	146,708

	30 September 2018	31 December 2017
Other non-current assets		
Deferred VAT	178,682	12,637
	178,682	12,637

NOTE 14 - DEFERRED INCOME AND PREPAID EXPENSES

	30 September 2018	31 December 2017
Short-term deferred income		
Deferred income from LSRSA projects (*)	1,806,295	2,069,084
Advances taken from LSRSA contractors (**)	726,979	850,342
Advances taken from turnkey project sales	670,730	582,153
Alienable deferred incomes (***)	309,171	-
Deferred income from sales of completed units	115,032	162,406
Advances taken from related parties (Note 20)	64,732	64,732
	3,692,939	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 September 2018	31 December 2017
Prepaid expenses		
Advances given for inventory (*)	1,277,967	986,501
Prepaid expenses	46	-
	1,278,013	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 431,818. The Company has also provided a stock advance of 517,273 TL to the contractors for the houses and commercial units they have received from Ankara Yeninahalle Station and Büyükyalı projects.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 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 September 2018 and 31 December 2017 is as follows:

Shareholders	30 September 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%

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 2018

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

NOTE 16 - REVENUE AND COST OF SALES

	1 January- 30 September 2018	1 July- 30 September 2018	1 January- 30 September 2018	1 July- 30 September 2018
Sales income				
Land sales	1,950,066	14,605	2,205,409	1,256,149
<i>Income from sale of land and plots by way of LSRSA</i>	<i>1,483,878</i>	<i>6,675</i>	<i>1,510,324</i>	<i>561,064</i>
<i>Land sales income</i>	<i>466,188</i>	<i>7,930</i>	<i>695,085</i>	<i>695,085</i>
Residential and commercial units sales	706,536	337,611	683,358	183,247
Other Income	4,492	1,464	1,975	274
	2,661,094	353,680	2,890,742	1,439,670
Sales returns	(2,043)	(202)	(87,861)	(4,570)
Sales discounts	(1,536)	(45)	(392)	(96)
Net sales income	2,657,515	353,433	2,802,489	1,435,004
Cost of sales				
Cost of land sales	(754,796)	(15,123)	(934,760)	(725,339)
<i>Cost of land and plots sold by way of LSRSA</i>	<i>(544,174)</i>	<i>(3,823)</i>	<i>(457,635)</i>	<i>(248,214)</i>
<i>Cost of land sales</i>	<i>(210,622)</i>	<i>(11,300)</i>	<i>(477,125)</i>	<i>(477,125)</i>
Cost of residential and commercial units sales	(565,840)	(273,127)	(445,599)	(84,041)
	(1,320,636)	(288,250)	(1,380,359)	(809,380)
Gross profit	1,336,879	65,183	1,422,130	625,624

NOTE 17 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES

	1 January- 30 September 2018	1 July- 30 September 2018	1 January- 30 September 2018	1 July- 30 September 2018
General administrative expenses				
Personnel expenses	(53,664)	(24,642)	(42,451)	(16,474)
Taxes, duties and fees	(29,063)	(7,990)	(38,673)	(22,499)
Donations	(18,753)	(35)	(14,565)	(13,759)
Consultancy expenses	(15,909)	(6,232)	(8,500)	(2,473)
Information technology expenses	(5,200)	(869)	(9,547)	(4,075)
Travel expenses	(4,476)	(1,605)	(3,084)	(876)
Depreciation and amortisation	(4,304)	(1,132)	(5,922)	(2,475)
Due and contribution expenses	(3,247)	(1,323)	(3,829)	(1,233)
Lawsuit and notary expenses	(2,956)	(361)	(1,126)	(198)
Maintenance	(2,705)	(711)	(1,641)	(663)
Insurance expenses	(557)	(40)	(1,077)	(862)
Communication	(412)	(119)	(417)	(145)
Other	(17,330)	(8,185)	(4,990)	(1,382)
	(158,576)	(53,244)	(142,262)	(71,034)

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 2018

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

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

	1 January- 30 September 2018	1 July- 30 September 2018	1 January- 30 September 2018	1 July- 30 September 2018
Marketing, sales and distribution expenses				
Advertising expenses	(32,641)	(9,471)	(47,406)	(18,996)
Personnel expenses	(6,180)	(3,156)	(3,987)	(1,411)
Office expenses	(407)	(219)	-	-
Notary expenses	(140)	(90)	-	-
Other	(2,338)	(892)	(888)	(357)
	(41,706)	(13,828)	(52,281)	(20,764)

NOTE 18- OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

	1 January- 30 September 2018	1 July- 30 September 2018	1 January- 30 September 2018	1 July- 30 September 2018
Other income from operating activities				
Finance income from credit sales	277,487	110,989	126,819	19,663
Delay penalty interest from project contractors	83,048	18,669	46,423	14,350
Impairment provision reversals (Note 9)	45,445	18,130	13,336	3,856
Due date differences	26,026	7,873	-	-
Recirculate commission income	18,512	5,950	9,728	1,767
Fee returns from land offices	2,434	1,150	-	-
Income from tender contract sales	151	-	-	-
Released lawsuit provisions (Note 12)	76	-	31,612	10
Other	12,769	3,438	33,121	12,432
	465,948	166,199	261,039	52,078

	1 January- 30 September 2018	1 July- 30 September 2018	1 January- 30 September 2018	1 July- 30 September 2018
Other expenses from operating activities				
Lawsuit provision charge for the period (Note 12)	(76,005)	(74,623)	(2,060)	(2,060)
Home and land inventories impairment provision expenses (Note 9)	(62,588)	(19,731)	(34,399)	(3,409)
Reversal of due date differences	(27,652)	(27,652)	(109,619)	(57,675)
Investment properties impairment provision expenses	(25,237)	-	-	-
Cash and cash equivalents impairment provision expenses	(3,079)	2,429	-	-
Other	(4,200)	(298)	(5,002)	(711)
	(198,761)	(119,875)	(151,080)	(63,855)

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 2018

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

NOTE 19 - FINANCIAL INCOME / EXPENSES

	1 January- 30 September 2018	1 July- 30 September 2018	1 January- 30 September 2018	1 July- 30 September 2018
Financial income				
Interest income from time deposits	65,829	8,516	49,972	16,968
Interest income from TOKI	-	-	13,295	-
Foreign exchange income	12	-	122	2
	65,841	8,516	63,389	16,970

	1 January- 30 September 2018	1 July- 30 September 2018	1 January- 30 September 2018	1 July- 30 September 2018
Financial expenses				
Loan interest expense	(212,292)	(50,550)	(97,435)	(49,670)
Interest expense on payable to TOKI (*)	(67,514)	-	(180,876)	(45,758)
Assigned receivables and commission expense	(59,182)	(31,806)	-	-
Interest discount on pay off debt	(31,383)	(2,198)	(48,629)	(2,590)
Foreign exchange loss	(287)	(40)	(185)	(38)
Interest expense on Turkish Treasury borrowings	-	-	(10,501)	(1,738)
	(370,658)	(84,594)	(337,626)	(99,794)

(*) This amount comprises of the interest expense accrued as of 30 September 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 NINE MONTH PERIODS ENDED 30 SEPTEMBER 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 116,229 as of 30 September 2018 (31 December 2017: TL 508,974) Average effective interest rates of time deposits of the Company as of 30 September 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 September 2018	31 December 2017
Trade receivables from related parties		
Emlak Planl. İnş. Prj. Yön. A.Ş. - Ege Yapı Ltd. Şti.	2,025	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	1,337	1,310
	8,938	8,239
Trade payables to related parties		
T.C. Toplu Konut İdaresi Başkanlığı (“TOKİ”) (*)	881,250	743,388
Ege Yapı Ltd. Şti.-Emlak Pazarlama O.G.	1,324	1,325
	882,574	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 502,147 (31 December 2017: TL 489,380) and accrued interest is TL 379,103 (31 December 2017: TL 254,008).

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 2018

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

NOTE 20 - RELATED PARTY DISCLOSURES (Continued)

Advances received from related parties	30 September 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 September 2018	1 July- 30 September 2018	1 January- 30 September 2018	1 July- 30 September 2018
T.C. Toplu Konut İdaresi Başkanlığı (“TOKİ”)	407,032	394,974	1,274,500	262,500
Emlak Planlama İnş. Prj. Yön. A.Ş. - Ege Yapı Ltd Şti.	-	-	1,791	-
Emlak Planlama İnş. Prj. Yön. A.Ş. - Emlak Basın Yayın A.Ş.	887	310	702	197
	407,919	395,284	1,276,993	262,697

Finance expense from related parties	1 January- 30 September 2018	1 July- 30 September 2018	1 January- 30 September 2018	1 April- 30 September 2018
T.C. Toplu Konut İdaresi Başkanlığı (“TOKİ”)	67,514	-	180,876	45,758
	67,514	-	180,876	45,758

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 September 2018	1 July- 30 September 2018	1 January- 30 September 2018	1 April- 30 September 2018
T.C. Toplu Konut İdaresi Başkanlığı (“TOKİ”)	7,929	-	27,309	-
Emlak Planlama İnş. Prj. Yön. A.Ş. - Ege Yapı Ltd. Şti.	-	-	88	2
	7,929	-	27,397	2

In the Company, the chair 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 September 2018	1 July- 30 September 2018	1 January- 30 September 2018	1 April- 30 September 2018
Salaries and other short-term employee benefits	4,316	1,334	4,474	1,552
	4,316	1,334	4,474	1,552

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 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 September 2018 and 31 December 2017 are explained below;

	30 September 2018	31 December 2017
Guarantees received (*)	3,301,687	3,606,210
Mortgages received (**)	58,564	57,685
	3,360,251	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 September 2018 and 31 December 2017 are explained below;

	30 September 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 NINE MONTH PERIODS ENDED 30 SEPTEMBER 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 September 2018	31 December 2017
			(TL)	(TL)
A	Money and Capital Market Instruments	Series:III-No:48, Art,24/(b)	346,145	591,401
B	Properties, Projects based on Properties and Rights based on Properties	Series:III-No:48, Art,24/(a)	15,286,717	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		7,318,128	6,134,501
D	Total Assets	Series:III-No:48, Art,3/(k)	22,950,990	20,527,994
E	Financial Liabilities	Series:III-No:48, Art,31	3,294,458	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	12,916,104	12,465,519
	Other Resources		6,740,428	5,647,803
D	Total Resources	Series:III-No:48, Art,3/(k)	22,950,990	20,527,994
	Non-Consolidated (Individual) Financial Statements		Current Period	Prior Period
	Other Account Items	Related Regulation	30 September 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)	346,145	591,401
A2	Term/ Demand/ Currency	Series:III-No:48, Art,24/(b)	1,139,805	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 NINE MONTH PERIODS ENDED 30 SEPTEMBER 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 September 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)	68	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	26	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.

.....

ANNEX-2 EMLAK KONUT REIC TABLE OF TENDERED LAND PLOTS (30.09.2018)

Line	Revenue Sharing Model in Return for the Land Sale	SQM	Date of Purchase	Book Value (TRY)	Current Company Share in Total Revenue (TRY)	Explanation
1	AĞAOĞLU MASLAK 153 İSTANBUL	7.194,56	30.09.2010	35.469.450	34.173.875	Construction permit obtained.
2	KÖY	343.062	2.03.2011	161.976.413	322.911.258	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.
3	İSTMARİNA	53.688	22.04.2012	27.147.831	58.000.000	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.
4	CER İSTANBUL	40.946	30.07.2012	67.520.449	105.968.270	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.
5	EVVEL/ADIM İSTANBUL	35.077	3.12.2012	78.526.416	71.592.066	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.
6	BÜYÜKYALI İSTANBUL	101.542	24.04.2013	656.804.572	1.568.800.000	The agreement of the project was signed on 08.04.2014, the construction permits were obtained on 25.01.2016 and 18.03.2016.
7	AVRUPARK	78.640	14.06.2011	80.797.931	156.520.000	The agreement of the project was signed on 20.05.2014, the construction permit was obtained on 16.03.2015.
8	KOCAELİ DERİNCE	72.620	3.04.2014	70.359.515	96.147.618	The agreement of the project was signed on 21.08.2014, the construction permit have not been obtained yet.
9	TUAL ADALAR	24.763	28.05.2014	90.842.023	116.961.600	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.
10	KARAT 34	21.438	28.05.2014	67.479.515	171.600.000	The agreement of the project was signed on 09.01.2015, the construction permit was obtained on 25.01.2016.

ANNEX-2 EMLAK KONUT REIC TABLE OF TENDERED LAND PLOTS (30.09.2018)

Line	Revenue Sharing Model in Return for the Land Sale	SQM	Date of Purchase	Book Value (TRY)	Current Company Share in Total Revenue (TRY)	Explanation
11	TUAL BAHÇEKENT	152.621	14.06.2011-30.07.2012	118.928.917	275.334.000	The agreement of the project was signed on 26.05.2015, the construction permit was obtained on 22.01.2016.
12	NİDAPARK İSTİNYE	129.487	28.05.2014	993.432.512	1.876.392.000	The agreement of the project was signed on 03.06.2015, the construction permit were obtained on 14.07.2017.
13	TEMAŞEHİR KONYA	60.675	5.03.2015	86.703.690	198.759.060	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.
14	MERKEZ ANKARA	124.476	3.04.2014	634.550.206	1.258.365.000	The agreement of the project was signed on 09.07.2015, the construction permit was obtained on 06.02.2017.
15	AVANGART İSTANBUL	36.750	5.03.2015	120.076.811	637.000.000	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.
16	NİDAPARK KAYAŞEHİR	77.327	3.04.2014	199.373.053	407.588.000	The agreement of the project was signed on 20.07.2015, the construction permit was obtained on 04.02.2016.
17	EVORA DENİZLİ	95.294	5.03.2015	76.256.347	92.651.000	The construction permit was obtained on 06.02.2017.
18	KOORDİNAT ÇAYYOLU	29.917	3.04.2014	97.137.939	180.000.000	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.
19	VALİDEBAĞ KONAKLARI	17.529	5.03.2015	153.763.845	439.887.380	The agreement of the project was signed on 23.10.2015, the construction permit was obtained on 05.02.2016.
20	EBRULİ İSPARTAKULE	41.168	1.06.2007	58.105.440	132.000.000	The agreement of the project was signed on 09.06.2016, the construction permit was obtained on 03.02.2017.

ANNEX-2 EMLAK KONUT REIC TABLE OF TENDERED LAND PLOTS (30.09.2018)

Line	Revenue Sharing Model in Return for the Land Sale	SQM	Date of Purchase	Book Value (TRY)	Current Company Share in Total Revenue (TRY)	Explanation
21	YENİKÖY KONA KLARI	27.369	5.03.2015	45.368.148	168.150.000	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.
22	AVRUPARK HAYAT	42.020	14.06.2011-30.07.2012	54.056.372	156.500.000	The agreement of the project was signed on 16.06.2016, the construction permit was obtained on 02.07.2017.
23	OFİS KARAT BAKIRKÖY	5.164	5.03.2015	55.474.477	62.000.000	The agreement of the Project was signed on 15.04.2016 and construction permit was obtained on 19.01.2017.
24	SEMT BA HÇEKENT	53.824	14.06.2011	50.154.129	150.500.000	The agreement of the project was signed on 04.08.2016, the construction permit of 707/1 parcel was obtained on 14.04.2017.
25	NİDAPARK KÜÇÜKYALI	67.317	14.06.2011	677.714.776	1.527.000.300	The agreement of the project was signed on 04.08.2016, the construction permits of 1671/1, 1672/1, 1673/2 were obtained on 29.12.2016.
26	TEM 34 TAHTAKALE/BA HÇETEPE İSPARTAKULE	38.529	3.04.2015	47.979.230	85.600.000	The agreement of the project was signed on 01.09.2016, the construction permit was obtained on 30.06.2017.
27	DÜŞLER VADİSİ	1.075.860	-	360.855.803	542.892.221	-
28	ZEYTİNBURNU BEŞTELSİZ	36.783	5.03.2015	407.729.921	640.100.000	The agreement of the project signed on 14.08.2017, the construction permit was obtained on 30.09.2017.
29	TUAL ARTI	10.053	5.03.2015	20.016.360	53.927.500	The agreement of the project signed on 14.07.2017, the construction permit have not been obtained yet.
30	İDEALİST KORU/İDEALİST CADDE	18.502	5.03.2015	9.813.134	15.070.000	The agreement of the project signed on 20.07.2017, the construction permit have not been obtained yet.

ANNEX-2 EMLAK KONUT REIC TABLE OF TENDERED LAND PLOTS (30.09.2018)

Line	Revenue Sharing Model in Return for the Land Sale	SQM	Date of Purchase	Book Value (TRY)	Current Company Share in Total Revenue (TRY)	Explanation
31	EVORA İZMİR	47.750	30.12.2016	-	117.040.000	The agreement of the project signed on 25.08.2017, the construction permit have not been obtained yet.
32	ALL SANCAK	95.616	30.12.2016	-	145.200.000	The agreement of the project signed on 08.08.2017, the construction permit have not been obtained yet.
33	TUAL BİZİM MAHALLE	118.099	20.11.2017	429.981.669	551.000.000	The agreement of the project signed on 20.11.2017, the construction permit have not been obtained yet.
34	ANTALYA MURATPAŞA	40.000	17.10.2017	213.052.078	302.100.000	The agreement of the project signed on 20.11.2017, the construction permit have not been obtained yet.
35	ANKARA ÇANKAYA ORAN	15.520	-	33.079.327	46.800.000	Agreement signed on 10.01.2018.
36	ANKARA SARAÇOĞLU	-	-	2.441.603	-	
37	ÇEKMEKÖY TAŞDELEN	83.739	5.03.2015	262.428.200	355.552.000	
38	İSTANBUL BAKIRKÖY FLORYA	63.350	15.09.2017-31.01.2017	367.494.724	695.258.299	
39	İSTANBUL ŞİŞLİ TEŞVİKİYE	24.469	5.03.2015	482.107.254	705.500.000	
40	İSTANBUL FINANCE CENTER	115.497	31.05.2000	-	29.200.000	The construction permit was obtained on 01.02.2014 of 3328/14. The construction permit was obtained on 31.12.2015 of 3328/1.
TOTAL OF REVENUE SHARING MODEL IN RETURN FOR (THE LAND/ LAND SALE)		3.523.676		7.395.000.080	14.550.041.447	

ANNEX-2 EMLAK KONUT REIC TABLE OF TENDERED LAND PLOTS (30.09.2018)

Line	Turn-Key Model Projects	SQM	Date of Purchase	Book Value+ Progress Payments (TRY)	Explanation
1	İSTANBUL AYAZMA 1ST STAGE	99.875	1.12.2010	584.556.978	The construction permit was obtained on 18.12.2014, the agreement was signed on 26.05.2015.
2	EMLAK KONUT İSPARTAKULE 1ST STAGE 1ST PART	85.871	1.06.2007	376.034.875	The construction permit was obtained on 01.06.2015, the agreement was signed on 18.09.2015.
3	EMLAK KONUT İSPARTAKULE 1ST STAGE 2ND PART	74.346	1.06.2007	339.869.185	The construction permit was obtained on 01.06.2015, the agreement was signed on 18.09.2015.
4	NEVŞEHİR MERKEZ	29.538	3.04.2014	209.521.711	The construction permit was obtained on 07.03.2016, the agreement was signed on 24.05.2016.
5	BAŞAKŞEHİR AYAZMA 2.ETAP	21.407	3.04.2014	134.257.006	The construction permit was obtained on 31.12.2015, the agreement was signed on 25.04.2016.
6	NİĞDE EMLAK KONUTLARI	25.643	27.05.2016	126.827.967	The construction permit was obtained on 20.09.2016, the agreement was signed on 22.11.2016.
7	GEBZE EMLAK KONUTLARI 3RD STAGE 1ST PART	108.552	30.06.2010	227.424.468	The construction permit was obtained on 28.10.2016, the agreement was signed on 22.12.2016.
8	GEBZE EMLAK KONUTLARI 3RD STAGE 2ND PART	90.774	30.06.2010	257.246.106	The construction permit was obtained on 28.10.2016, the agreement was signed on 18.01.2017.
9	GEBZE EMLAK KONUTLARI 3RD STAGE 3RD PART	6.338	3.04.2014	3.663.772	The construction permit was obtained on 28.10.2016, the agreement have not been signed yet.
10	KAYABAŞI RECREATION AREA REGION PARK	363.979	3.04.2014	398.652.117	The construction permit was obtained on 05.10.2016, the agreement was signed on 08.12.2016.
11	BAŞKENT EMLAK KONUTLARI 1ST STAGE	89.502	3.04.2014	518.306.595	The construction permit was obtained on 04.01.2017, the agreement was signed on 16.02.2017.
12	BAŞKENT EMLAK KONUTLARI 2ND STAGE	30.521	3.06.2010	207.889.798	The construction permit was obtained on 28.10.2016, the agreement was signed on 18.01.2017.
13	KÖRFEZKENT ÇARŞI	11.922	03.0.42014	27.691.814	The construction permit was obtained on 05.10.2016, the agreement was signed on 08.12.2016.
TOTAL OF ONGOING TURN-KEY MODEL PROJECTS		1.038.269		3.411.942.392	
TOTAL OF ONGOING PROJECTS		4.546.945		10.806.942.472	14.550.041.447,00

ANNEX-3 EMLAK KONUT REIC TABLE OF LAND STOCK (30.09.2018)

Line	Appraisal Report Name	Number of Parcels	SQM	Date of Purchase	Book Value (TRY)	Appraisal Value (TRY)
1	TEKİRDAĞ ÇORLU	4	35.923,48	24.03.2006 - 30.09.2010	6.152.734	8.965.010
2	İZMİR KONAK	4	6.994	31.05.2000	10.896.000	10.896.000
3	TEKİRDAĞ ÇERKEZKÖY	7	132.346	-	2.260.346	43.328.080
4	KOCAELİ KÖRFEZ	4	16.610	25.02.2008	1.528.023	5.365.000
5	KOCAELİ GEBZE GÜZELLER	14	7.482	-	728.901	1.096.200
6	KASTAMONU CİDE	1	9.110	06.10.2011 - 07.08.2012 14.06.2011 - 30.07.2012	52.663	60.000
7	İSTANBUL ESENYURT HOŞDERE	2	38.689	14.06.2011 - 30.07.2012	39.178.211	68.170.016
8	İSTANBUL ÜMRANİYE	4	17.068	31.12.2012	1.843.977	28.250.000
9	İSTANBUL ZEKERİYAKÖY	1	992	2.03.2011	677.397	719.200
10	İSTANBUL BÜYÜKÇEKMECE	1	78	-	-	16.853
11	İSTANBUL ARNAVUTKÖY	14	1.819.486	5.06.2013	147.667.094	229.072.376
12	İSTANBUL ATAŞEHİR	12	25.192	24.04.2013 - 22.04.2012	40.135.518	80.021.824
13	İSTANBUL MALTEPE	1	306	28.05.2014	3.010.214	3.012.524
14	İSTANBUL ŞİLE	1	7.232	5.03.2015	2.440.657	2.640.000
15	İSTANBUL KÜÇÜKÇEKMECE HALKALI	22	424.746	3.04.2014	1.466.223.123	1.665.921.245
16	NEVŞEHİR	2	26	3.04.2014	8.088	8.500
17	ANKARA ÇANKAYA MÜHYE	9	22.913	3.04.2014	18.093.858	30.259.331
18	İSTANBUL,SARIYER, İSTİNYE	4	1.373	28.05.2014	7.733.585	7.782.155
19	İSTANBUL KARTAL	18	73.827	24.04.2013 - 22.04.2012	133.639.926	151.136.072
20	İSTANBUL BAŞAKŞEHİR HOŞDERE	18	285.777	14.06.2011 - 06.10.2011 30.07.2012 - 07.08.2012	96.701.484	115.261.790
21	İSTANBUL BAŞAKŞEHİR İKİTELLİ-2	35	234.152	01.12.2010 - 07.03.2012 25.09.2012 - 01.10.2012 - 05.03.2015	255.957.289	303.211.542
22	İSTANBUL TUZLA	4	65.713	30.12.2005 05.03.2015 - 01.06.2007	205.916.871	209.583.509
23	İSTANBUL BAKIRKÖY ŞEVKETİYE	2	52.939	30.05.2017	422.905.600	422.905.600
24	SAMSUN CANİK	3	51.698	30.05.2017	94.264.874	94.264.874
25	İSTANBUL BAŞAKŞEHİR KAYABAŞI	1	20.397		58.719.666	58.130.000
26	İSTANBUL ZEYTİNBURNU	1	174	-	-	1
27	İSTANBUL BEŞİKTAŞ	16	29.761	-	360.001.900	360.001.900
28	İSTANBUL ÇEKMEKÖY	2	6.346	30.05.2017	2	3.048.234
TOTAL		207	3.387.351		3.376.738.001,00	3.903.127.836

ANNEX – 4 EMLAK KONUT REIC TABLE OF BUILDING INVENTORY (30.09.2018)

Line	Buildings	Number of Units in Stock	SQM	Book Value (TRY)	Appraisal Value(TRY)
1	İSTANBUL ATAŞEHİR VARYAP MERIDIEN	2	137,60	805.413	1.040.000,00
2	İZMİR PARK YAŞAM MAVİŞEHİR	1	396,18	1.738.800	1.740.000,00
3	İZMİR EMLAK KONUT MAVİŞEHİR EVLERİ	1	143,87	403.960	504.000,00
4	ANKARA ÇANKAYA NEXTLEVEL	4	989,00	8.082.000	9.065.000,00
5	STÜDYO 24 PROJESİ	2	136,15	335.300	360.000,00
6	KÖRFEZKENT 3. ETAP	6	991,02	1.089.468	2.046.000,00
7	BATIŞEHİR PROJESİ	16	3.020,83	34.108.436	34.599.561,00
8	UNİKONUT	11	4.130,40	23.180.964	23.405.792,00
9	BAŞAKŞEHİR EMLAK KONUT EVLERİ 1. ETAP 2 KISIM	9	1.394,75	126.428	9.202.517,00
10	BAHÇEKENT EMLAK KONUTLARI 1. ETAP 3. KISIM	38	4.648,74	9.875.051	13.340.956,66
11	EMLAK KONUT BAŞAKŞEHİR EVLERİ 1-4	2	269,32	534.037	1.749.681,00
12	EMLAK KONUT BAŞAKŞEHİR EVLERİ 2.ETAP	62	9.172,03	32.381.382	29.857.840,00
13	RESMİ KURUM BİNASI	2	49.771,00	96.133.854	198.675.000,00
14	DUMANKAYA MİKS PROJESİ	29	3.191,72	22.893.325	24.639.100,00
15	BULVAR İSTANBUL PROJESİ	4	733,93	3.186.066	3.917.000,00
16	NİDAKULE ATAŞEHİR PROJESİ	5	2.023,57	30.862.400	30.975.000,00
17	ESENLER EMLAK KONUTLARI	44	6.126,55	7.306.283	25.423.736,46
18	BÜYÜK YALI PROJESİ	31	5.967,05	0	82.250.259,00
19	METROPOL İSTANBUL PROJESİ	13	1.546,43	9.426.274	12.556.000,00
20	SARPHAN FİNANSPARK PROJESİ	180	11.848,91	229.945.280	226.379.199,00
21	MERKEZ ANKARA PROJESİ	99	98.215,38	0	480.321.268,55
22	AĞAOĞLU MASLAK 1453 PROJESİ	87	18.180,62	167.113.941	167.116.300,00
23	İSTMARİNA PROJESİ	12	60.878,92	270.950.400	680.448.271,33
24	BAHÇEKENT FLORA	15	3.539,38	13.721.400	12.782.200,00
25	KÖRFEZKENT 4	311	40.734,91	58.419.011	78.550.000,00
26	EVORA İSTANBUL 2ND REGION	1	80,58	422.305	480.000,00
27	BURGAZKENT	1	151,43	82.261	235.000,00
TOTAL		988	328.420,27	1.023.124.038,53	2.151.659.682,00

ANNEX 5 - SUMMARIES OF APPRAISAL REPORTS

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

NAME OF THE WORK SUBJECT TO VALUATION	A valuation report intended to identify the current value of the Project Karat 34 located in the block no. 1542, parcel no. 37, Yenibosna Neighborhood, Bahçelievler District, Istanbul; the value thereof falling into the share of Emlak Konut REIT therein under the current condition; the value thereof after the completion; the value thereof falling into the share of Emlak Konut REIT after the completion; the present market value of 592 independent sections under the scope of the said project after the completion.
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	3.09.2018
REPORT TYPE	Project
CURRENT USE	See 5.6: Definition, Structural and Technical Features
TITLE DEED INFORMATION	1542/37
PROJECT'S CURRENT VALUE	TL 250,187,858
PROJECT'S VALUE FOR EMLAK KONUT REIC IN ITS CURRENT STATE VALUE SHARE	TL 107,190,350
PROJECT'S VALUE AFTER COMPLETION	TL 405,037,247
EMLAK KONUT REIC'S SHARE UPON THE COMPLETION OF THE PROJECT	TL 171,600,000

NAME OF THE WORK SUBJECT TO VALUATION	İSTANBUL ŞİLE ÇAVUŞ REVENUE SHARING PROJECT IN RETURN FOR LAND SALE
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	6.08.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway.
TITLE DEED INFORMATION	Emlak Konut REIC
PROJECT'S VALUE AFTER COMPLETION	TL 66,000,000
EMLAK KONUT REIC'S SHARE UPON THE COMPLETION OF THE PROJECT	TL 15,070,000

NAME OF THE WORK SUBJECT TO VALUATION	A valuation report intended to identify the current value of the Project Istmarina located in the block no. 9048, parcel no. 2, block no. 9049, parcel no. 1, block no. 9050, parcel no. 1 and, block no. 9051 and parcel no. 1, Çavuşoğlu Neighborhood, Kartal District, Istanbul; the value thereof after the completion; and the present market value as per the CMB regulations of 51 independent sections located in block no. 9051, parcel no. 1 after the completion.
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	7.09.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway.
TITLE DEED INFORMATION	9048/2, 9049/1, 9050/1, 9051/1
PROJECT'S CURRENT VALUE	TL 1,326,720,177
PROJECT'S VALUE FOR EMLAK KONUT REIC IN ITS CURRENT STATE VALUE SHARE	TL 530,688,071
PROJECT'S VALUE AFTER COMPLETION	2,331,601,778.00
EMLAK KONUT REIC'S SHARE UPON THE COMPLETION OF THE PROJECT	932,640,711.00

NAME OF THE WORK SUBJECT TO VALUATION	A valuation report intended to identify the current value of the Project Northern Site "Istanbul Başakşehir Kayabaşı Recreation Area Trade and region Park Constructions as well as Infrastructure and Landscaping" located in the block no. 982, parcel no. 1, 2, 3 and 4, Kayabaşı Neighborhood, Başakşehir District, Istanbul; the value thereof after the completion; the present market value and rental value of 15 independent sections under the scope of the said project after the completion.
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	8.08.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway.
TITLE DEED INFORMATION	Section no. 982, parcels no. 1, 2, 3 and 4
PROJECT'S CURRENT VALUE	TL 333,411,474.90
PROJECT'S VALUE AFTER COMPLETION	TL 610,773,418.00

NAME OF THE WORK SUBJECT TO VALUATION	A valuation report intended to identify the current value of the Project Koordinat Çayyolu located in the block no. 29479, parcel no. 1, 3, 4 and block no. 29622 and parcel 1, Çayyolu Neighborhood, Çankaya District, Ankara; the value thereof falling into the share of Emlak Konut REIT therein under the current condition; the value thereof after the completion; the value thereof falling into the share of Emlak Konut REIT after the completion; the present market value of 169 independent sections and the rental value of 5 independent sections under the scope of the said project after the completion.
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	13.08.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway.
TITLE DEED INFORMATION	29479/1, 29479/3, 29479/4, 29622/1
PROJECT'S CURRENT VALUE	TL 201,185,074
PROJECT'S VALUE FOR EMLAK KONUT REIC IN ITS CURRENT STATE VALUE SHARE	TL 103,213,064
PROJECT'S VALUE AFTER COMPLETION	TL 367,092,054
EMLAK KONUT REIC'S SHARE UPON THE COMPLETION OF THE PROJECT	TL 180,000,000

NAME OF THE WORK SUBJECT TO VALUATION	A valuation report intended to identify the current value of the Project Düşler Vadisi (Valley of Dreams) located in parcel no. 3021 and 3202, Çayağzı (Riva) Neighborhood, Beykoz District, Istanbul; the value thereof falling into the share of Emlak Konut REIT therein under the current condition; the value thereof after the completion; the value thereof falling into the share of Emlak Konut REIT after the completion; the present market value of 509 independent sections as per CMB regulations under the scope of the said project after the completion.
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	21.09.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway.
TITLE DEED INFORMATION	Parcels no. 3201-3202
PROJECT'S CURRENT VALUE	TL 495,928,332
PROJECT'S VALUE FOR EMLAK KONUT REIC IN ITS CURRENT STATE VALUE SHARE	TL 493,636,757
PROJECT'S VALUE AFTER COMPLETION	TL 2,446,939,605
EMLAK KONUT REIC'S SHARE UPON THE COMPLETION OF THE PROJECT	TL 190,400,000

NAME OF THE WORK SUBJECT TO VALUATION	PROJECT AVANGART ISTANBUL
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	24.09.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway.
TITLE DEED INFORMATION	Emlak Konut REIC
PROJECT'S VALUE AFTER COMPLETION	TL 737,815,000
EMLAK KONUT REIC'S SHARE UPON THE COMPLETION OF THE PROJECT	TL 637,000,000

NAME OF THE WORK SUBJECT TO VALUATION	A valuation report intended to identify the market value of 189 independent sections – based on construction servitude – located in the block no. 722 and parcel no. 1 under the scope of the Project Evora Denizli located in the block no. 716 and parcel no. 1, block no. 717 and parcel no. 1, block no. 718 and parcel no. 1, block no. 719 and parcel no. 1, block no. 720 and parcel no.1, block no. 721 and parcel no. 1, block no. 721 and parcel no. 2, block no. 722 and parcel no. 1, block no. 723 and parcel no. 1 and, block no. 724 and parcel no. 1, Çakmak Neighborhood, Merkezefendi District, Denizli
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	26.09.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway.
TITLE DEED INFORMATION	Section no. 722, parcel no. 1
Value of 189 Independent Sections including VAT	TL 44716006.4

NAME OF THE WORK SUBJECT TO VALUATION

A valuation report intended to identify the current value of the Project Evora İzmir, Phase 1 located in the block no. 7698 and parcel no. 1, block no. 7700 and parcel no. 1, and block no. 7701 and parcel no. 1, Umurbey Neighborhood, Konak District, İzmir; the value thereof falling into the share of Emlak Konut REIT therein under the current condition; the value thereof after the completion; the value thereof falling into the share of Emlak Konut REIT after the completion; the present market value of 451 independent sections as per CMB regulations located in the block no. 7700 and parcel no. 1.

INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	28.09.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway.
TITLE DEED INFORMATION	Section no. 7700, parcel no. 1
Value of 451 Independent Sections ecluding VAT	221,477,265.88

NAME OF THE WORK SUBJECT TO VALUATION

A valuation report intended to identify the current value of the Project Büyükyalı located in the block no. 774 and parcel no. 70, 71, 73 and 83, Zeytinburnu Neighborhood, Zeytinburnu District, Istanbul; the value thereof falling into the share of Emlak Konut REIT therein under the current condition; the value thereof after the completion; the value thereof falling into the share of Emlak Konut REIT after the completion; the present market value of 215 independent sections located in the block no. 774 and parcel no. 73 and 83 as per CMB regulations after the completion.

INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	28.09.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway.
TITLE DEED INFORMATION	Section no. 774, parcels no. 70, 71, 73 and 83
PROJECT'S CURRENT VALUE	TL 1,666,219,759
PROJECT'S VALUE FOR EMLAK KONUT REIC IN ITS CURRENT STATE VALUE SHARE	TL 947,287,180
PROJECT'S VALUE AFTER COMPLETION	TL 5,392,729,030
EMLAK KONUT REIC'S SHARE UPON THE COMPLETION OF THE PROJECT	TL 1,995,309,741

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

NAME OF THE WORK SUBJECT TO VALUATION	A valuation report intended to identify the current market sales expertise value of the real estate properties as per CMB regulations located in the block no. 6434 and parcel no. 2, block no. 6437 and parcel no. 1, block no. 6428 and parcel no. 1, block no. 6438 and parcel no. 1, block no. 6451 and parcel no. 1 and 2, block no. 6452 and parcel no. 1, block no. 6473 and parcel no. 2, block no. 6431 and parcel no. 4, block no. 6449 and parcel no. 1, block no. 6439 and parcel no. 8, block no. 6440 and parcel no. 6, block no. 6439 and parcel no. 10 and 2, Güzeller Neighborhood, Gebze District, Kocaeli
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	9.08.2018
REPORT TYPE	Land
CURRENT USE	See 5.6: Definition, Structural and Technical Features
	6434/2
	6437/1
	6428/1
	6438/1
	6451/1
	6451/2
TITLE DEED INFORMATION	6452/1
	6473/2
	6431/4
	6449/1
	6439/8
	6440/6
	6439/10
	6439/2
Total Value excluding VAT	TL 92,305,208.80

NAME OF THE WORK SUBJECT TO VALUATION	A valuation report intended to identify the current market sales expertise value of the real estate property as per CMB regulations located in the parcel no. 6434, İkitelli 1 Neighborhood, Başakşehir District, İstanbul
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	27.08.2018
REPORT TYPE	Land
CURRENT USE	See 5.6: Definition, Structural and Technical Features
TITLE DEED INFORMATION	0/3256
Total Value excluding VAT	TL 27,004,540.00

NAME OF THE WORK SUBJECT TO VALUATION	A valuation report intended to identify the current market sales expertise value of the real estate property as per CMB regulations located in the block no. 637 and parcel no. 3, 5, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, Mecidiye Neighborhood, Beşiktaş District, İstanbul
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	27.08.2018
REPORT TYPE	Land
CURRENT USE	See 5.6: Definition, Structural and Technical Features
	637/3
	637/5
	637/55
	637/56
	637/57
	637/58
	637/59
TITLE DEED INFORMATION	637/60
	637/61
	637/62
	637/63
	637/64
	637/65
	637/66
	637/67
	637/68
Total Value excluding VAT	TL 360,001,900.00

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

NAME OF THE WORK SUBJECT TO VALUATION Market value of 2 apartments in Burgazkent Sitesi

INSTITUTION REQUESTING VALUATION Emlak Konut REIC
INSTITUTION PREPARING THE REPORT Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE 3.07.2018
REPORT TYPE Building
CURRENT USE Apartment
TITLE DEED INFORMATION See Report 4.1. Ownership Status
MARKET VALUE OF 2 INDEPENDENT SECTIONS TL 410,000.00

NAME OF THE WORK SUBJECT TO VALUATION INDEPENDENT SECTION NO. 428, B, REGISTERED UNDER THE BLOCK NO 3317 AND PARCEL NO. 5, PROJECT SARPHAN FİNANSPARK

INSTITUTION REQUESTING VALUATION Emlak Konut REIC
INSTITUTION PREPARING THE REPORT Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE 10.08.2018
REPORT TYPE Independent Section
CURRENT USE Vacant.
TITLE DEED INFORMATION Emlak Konut REIC
MARKET VALUE TL 1,300,000.00

NAME OF THE WORK SUBJECT TO VALUATION INDEPENDENT SECTION NO. 12, B1, REGISTERED UNDER THE BLOCK NO. 102 AND PARCEL NO. 1, PROJECT EVORA, PHASE 2

INSTITUTION REQUESTING VALUATION Emlak Konut REIC
INSTITUTION PREPARING THE REPORT Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE 9.08.2018
REPORT TYPE Independent Section
CURRENT USE Vacant.
TITLE DEED INFORMATION Emlak Konut REIC
MARKET VALUE TL 480,000.00

NAME OF THE WORK SUBJECT TO VALUATION A valuation report intended to identify the current rental values of 48 independent sections under the Project Esenler Emlak Konutları located in the block no. 1095 and parcel no. 16, Atışalanı Neighborhood, Esenler District, Istanbul

INSTITUTION REQUESTING VALUATION Emlak Konut REIC
INSTITUTION PREPARING THE REPORT Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE 12.07.2018
REPORT TYPE Building
CURRENT USE A mixed project containing commercial and residential independent sections.
TITLE DEED INFORMATION 1095/16
TOTAL RENTAL VALUES OF 48 INDEPENDENT SECTIONS (₺) TL 86,400.00

NAME OF THE WORK SUBJECT TO VALUATION A valuation report intended to identify the current rental values of 3 independent sections under the Project Esenler Emlak Konutları located in the block no. 1095 and parcel no. 16, Atışalanı Neighborhood, Esenler District, Istanbul

INSTITUTION REQUESTING VALUATION Emlak Konut REIC
INSTITUTION PREPARING THE REPORT Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE 13.08.2018
REPORT TYPE Building
CURRENT USE A mixed project containing commercial and residential independent sections.
TITLE DEED INFORMATION 1095/16
TOTAL RENTAL VALUES OF 3 INDEPENDENT SECTIONS (₺) 5,050.00

NAME OF THE WORK SUBJECT TO VALUATION INDEPENDENT SECTION NO. 25 , D1, REGISTERED UNDER THE BLOCK NO 561 AND PARCEL NO. 1, PROJECT SARPHAN QUARTZ

INSTITUTION REQUESTING VALUATION Emlak Konut REIC
INSTITUTION PREPARING THE REPORT Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE 17.08.2018
REPORT TYPE Independent Section
CURRENT USE Vacant.
TITLE DEED INFORMATION Emlak Konut REIC
MARKET VALUE **TL 215,000.00**

NAME OF THE WORK SUBJECT TO VALUATION Revenue Share in Return for Land Sale, Kayabaşı, Phase 6, Başakşehir, İstanbul (AVRUPA KONUTLARI BAŞAKŞEHİR)

INSTITUTION REQUESTING VALUATION Emlak Konut REIC
INSTITUTION PREPARING THE REPORT Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE 14.09.2018
REPORT TYPE Valuation of 436 Independent Section
CURRENT USE Stores and Houses
TITLE DEED INFORMATION Emlak Konut REIC
TOTAL MARKET VALUE OF THE INDEPENDENT SECTIONS **TL 353,951,700**

NAME OF THE WORK SUBJECT TO VALUATION INDEPENDENT SECTION NO. 313, A, REGISTERED UNDER THE BLOCK NO. 3317 AND PARCEL NO. 5, THE PROJECT SARPHAN FINANSBANK

INSTITUTION REQUESTING VALUATION Emlak Konut REIC
INSTITUTION PREPARING THE REPORT Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE 30.07.2018
REPORT TYPE Independent Section
CURRENT USE Vacant.
TITLE DEED INFORMATION Emlak Konut REIC
MARKET VALUE **TL 760,000.00**

LEGAL NOTICE

This interim report includes information about the Company's operations and accounts for the period from January 1 to September 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.



EMLAK KONUT

REAL ESTATE INVESTMENT COMPANY

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



444 36 55



emlakkonut.com.tr

