

**March 2014**



**EMLAK  
KONUT  
REIC**

**BOARD OF DIRECTORS  
INTERIM ACTIVITY REPORT I**

It has been prepared in accordance with the Statement Number 14.1  
Serial II of CMB.



EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.  
BOARD OF DIRECTORS INTERIM ACTIVITY REPORT  
FOR THE PERIOD 01.JAN.2014 -31.MAR.2014



# CONTENT

Content	I
Content	I
<b>Comments of the General Manager Mr. Murat Kurum</b>	<b>2</b>
<b>Area of Activity and Objective</b>	<b>5</b>
<b>Strategy of Emlak Konut</b>	<b>7</b>
<b>Business Models</b>	<b>9</b>
Revenue Sharing Model	9
Turnkey Model	14
<b>Board of Directors</b>	<b>18</b>
Board of Directors	18
<b>Activities of the Board of Directors</b>	<b>20</b>
Corporate Management and Committees	21
Corporate Management Committee	21
Audit Committee	21
Early Detection of Risk and Risk Management Committee	22
Waging Committee Decisions	22
<b>Executive Management</b>	<b>23</b>
<b>Other Developments about the Company</b>	<b>24</b>
Administrative and Legal Sanction	24
Share Repurchasing Program	24
R&D Activities	24
KEY Payments	25
Lawsuits brought against the company	25
Changes made within the Reporting Period	28
<b>Profit Distribution Policy and Principles</b>	<b>30</b>
<b>Information Policy</b>	<b>32</b>
Investor Relations Department	<b>Hata! Yer işareti tanımlanmamış.</b>
Material Disclosures	36
Internal Information and Access List	37
<b>Human Resources and Policy</b>	<b>40</b>
Personnel Structure	41

# CONTENT

Waging Principles for Members of the Board of Directors and Executive Managers	42
<b>HR Principles and Social Responsibility</b>	<b>44</b>
Developments in Global and Turkish Economy	45
Effect of Developments on the Sector and Emlak Konut REIC	50
Developments after the Related Activity Period	54
Contracts	54
Developments Related with 2013 Ordinary General Assembly Meeting	54
Profit Distribution Table for the Year 2013	55
<b>Portfolio Structure and Real Estates</b>	<b>56</b>
Real Estates which are Rented or Given for Rental	57
Independent Section Sales	58
Lands Purchased for the Purpose of Project Development	59
Ongoing Projects	59
Expertise Value of Assets	59
Final Status and Completion Percentages of Projects	59
Portfolio Limitations	59
<b>Information on Share Performance</b>	<b>60</b>
Market-Index-Class of Trading	60
Share Price and Volume Change Charts	60
<b>Financial Data Summary</b>	<b>63</b>
<b>Companies which Serve for Assets and Rights within the Corporate Portfolio</b>	<b>65</b>
Independent Auditing Institution	65
Appraisal Companies	65
Investor Relations Consultancy Company	65
Certified Public Accountant	65
Press and Public Relations Company	65
<b>Appendices</b>	<b>66</b>
11. Share Repurchase Program	66
<b>Legal Notice</b>	<b>67</b>



# CONTENT

## Tables and Charts

<i>Shareholder Structure</i> .....	8
<i>Corporate Management Committee</i> .....	21
<i>Audit Committee</i> .....	21
<i>Early Detection of Risk and Risk Management Committee</i> .....	22
<i>Waging Committee</i> .....	22
<b><i>List of Persons who are able to Access Internal Information</i></b> .....	38
<i>Monetary Expansion</i> .....	48
<i>Share Performance since the Beginning of the Year</i> .....	60
<i>Share Volume Since Beginning of the Year</i> .....	61
<i>BIST and REIC Index Comparison</i> .....	62
<i>Basic Financial Data in Yearly Basis</i> .....	63
<i>Financial Ratios</i> .....	64

# CONTENT

### Comments of the General Manager Mr. Murat Kurum



Dear Shareholders,

We have left the year of 2013 and first quarter of 2014 that our sector and company have been through many essential and innovative steps behind. We had closed the year 2013 by 15.175 pieces of independent section sales and 5,9 billion TL sales price amount which are promising numbers for both our company and sector. We started the year 2014 with the confidence of this fact and closed the first quarter by 1.543 pieces of independent section sales and 638 million TL sales price amount. As a result of our activities, **the profit of the first quarter financial period of 2014 has come out to be 383 million TL** which can be deemed to be very fascinating.

We also completed the “Secondary Public Offering” process which will provide us to accomplish projects in global scale and which will carry our company to the global league within the final quarter of 2013. We have rapidly carried out all necessary actions required in order to complete the

process successfully and despite of a very difficult timing when all global markets are focused on the decisions of the American Federal Reserve, we completed the SPO with a record breaking demand both in national and international scale. Turkish Capital Markets have met many new individual investors who make stock exchange investment for the very first time in their lives thanks to the confidence in the Emlak Konut brand. This development which will increase the depth in the sector and contribute to the spreading of the capital to ordinary people and positive approach of investors about our company proved once again that we are in the right direction. So we stepped up our activities in 2014 in order not to let this confidence down.

Within the first quarter of 2014, we successfully finalized the tender which is the biggest project of our company history in terms of project value to be developed. The first revenue sharing tender of the year has been completed with a record breaking 4,24 billion TL Total Revenue in return for land sales and 1,568 billion TL Minimum Company Share Total Revenue in return for land sales within the scope of Istanbul Zeytinburnu Kazlıçeşme Revenue Sharing in Return for Land Sales Tender.

In the beginning of 2014, we also took some concrete and important steps in terms of urban transformation too. In this regard, a cooperation protocol has been signed between our Company, Ministry of Environment and Urbanization, Municipality of Esenler and Eskon Esenler Construction Industry and Trading Incorporation

## COMMENTS OF THE GENERAL MANAGER

for the project to be constructed on the urban transformation land with a total area of approximately 71 decares within Esenler district of Istanbul. Our activities will start on this field as soon as we receive the construction permit.

In addition to these, the construction permit for one of the largest revenue sharing projects of our Company, the Kartal project at the Anatolian side of Istanbul has also been received in the first quarter of 2014 and we will be starting active marketing and sales of this project in close future too. There are more than 1.700 independent sections within the scope of the project.

We also believe in our hearts that we will be able to accomplish our target sales number for 2014, which is 10 thousand by the contribution of projects of which sales are going on or to be started. I also proudly share with you that total number of sold independent sections has reached about 90 thousand by projects completed since the year 2003. Moreover, I would like to state that the above mentioned data is one of the most essential elements contributing our target of “being named among the biggest real estate investment companies in the world”.

A negative pressure had been put on the stocks of our company due to local and global developments experienced starting from the last quarter of 2013 and continued during upcoming months and affected money and capital markets. In order to eliminate this pressure, to look out for the benefits of our shareholders and to protect the well-earned place of our company shares at Istanbul Stock Exchange Market; we have repurchased around 104 million shares within a specific period of time in line with the “share repurchasing” program. I believe that it would be beneficial assess this act as an example which indicates that we, as Emlak Konut, always support our investors.

Consequently, I would like to express my sincere thanks to our Executive Board and all employees for their contributions to the successes achieved by Emlak Konut within the year 2013 and first quarter of 2014. We will sincerely and excitedly continue to actualize new success stories, enlarge our business activities and make the most efficient investments at correct areas while creating added value for our shareholders.

Kind Regards,

Murat Kurum

## AREA OF ACTIVITY AND OBJECTIVE



### Introduction of the Company

- Founded back in 1953, Emlak Konut REIC is one of the oldest establishments specialized on housing production in Turkey. The brand of which value is based on vast experience and numerous successful projects; operates as Real Estate Investment Company since 2002.
- Emlak Konut has become a reliable institution for all beneficiaries thanks to evergreen management approach and corporate culture for 60 years. Our management approach is capable of setting higher standards in real estate sector; by virtue of long-established brand value. Emlak Konut serves as a model and leader in the sector, operating with social awareness especially regarding construction systems, design, environmental consciousness and operating manners.
- TOKİ (Housing Development Administration of Turkey) is the main shareholder of Emlak Konut; today is greatest real estate investment company in Turkey, in terms of market value, real estate portfolio and plot stock.
- Our activities include land purchasing in Turkey, as well as real estate development, marketing and sales to middle and upper-middle income groups. The main objective is to increase (tangible and intangible) value of our partners and other beneficiaries by means of innovative, modern projects.
- The paid-in capital of 3,800,000,000 TL and the authorized capital of 4,000,000,000 TL are at a scale which reflects the leading role of company in the sector.
- Emlak Konut was offered to public in 2010, in order to continue its rapid growth. The public offering attracted an unexpected attention; the demand by domestic individual investors set a new Turkish record, which became one of the 5 biggest public offerings in the history of Turkey. Moreover, at the secondary public offering in November 2013, the actions attracted 2.3 times higher than the demand; 100 international investors from 20 countries showed interest in Emlak Konut public offering and it became the top public offering of the year as increased capital in the region of Central-Eastern Europe, Middle East and Africa.

## AREA OF ACTIVITY AND OBJECTIVE



### Area of Activity and Objective

- Emlak Konut Real Estate Investment Company was founded on 26<sup>th</sup> of December 1990 under title of Emlak Konut A.Ş. as a subsidiary of Türkiye Emlak Bankası A.Ş., pursuant to terms and conditions in its prime contract, Decree Law no. 233 regarding State Economic Enterprises, the main statute of Türkiye Emlak Bankası A.Ş. and provisions of Turkish Commercial Code. We began our business activities on 6<sup>th</sup> of March 1991 following the registration and announcement of the company. The articles of incorporation are amended on 19<sup>th</sup> of May 2001 and the company became subject to provisions of Turkish Commercial Code in accordance with the law no. 4603.
- In the wake of resolution no. 99/T-29 by Higher Planning Council on 4<sup>th</sup> of August 1999, it was decided to make the company a Real Estate Investment Company pursuant to Decree Law no. 588 on 29<sup>th</sup> of December 1999. Within the frame of permission no. 298 on 20<sup>th</sup> of June 2002 by Capital Markets Board (“CMB”) and the permission no. 5320 on 25<sup>th</sup> of June 2002 by T.R. Ministry of Industry and Commerce about the transformation of company in to Real Estate Investment Company; the amendment draft for the articles of incorporation is submitted for approval at the general assembly and it is accepted at the Extraordinary General Assembly meeting on 22<sup>nd</sup> of July 2002.
- The articles of incorporation of the company were registered on 29<sup>th</sup> of July 2002 by Istanbul Trade Registry Office and came into effect upon publication on Trade Registry Gazette on 1<sup>st</sup> of August 2002. **(Company Trade Register Number: 273488-221070 MERSİS [Central Registration System] Number: 5669-3333-4423-6524)**
- Following the General Assembly Meeting on 28<sup>th</sup> of February 2006, the trade name “Emlak Gayrimenkul Yatırım Ortaklığı A.Ş.” was amended as “Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.”. The legal existence of our company is not restricted by any deadline.

## AREA OF ACTIVITY AND OBJECTIVE

- After being transformed into a legal entity “real estate investment company” in order to deal with objectives and issues indicated in the regulation on Real Estate Investment Companies by Capital Markets Board, our company acts in line with relevant legislation provisions.
- As is seen in the article 5 of company prime contract, its field of activity is as follows: The company is a publicly-held corporation with authorized founded in order to deal with objectives and issues indicated in the regulation by CMB on real estate investment trusts and principally to make investments in real estates, capital market means based on real estates, real estate projects and rights based on real estates.
- The objective and field of activity of Emlak Konut REIC is to realize real estate projects concerning housing above all, as well as commercial units, educational units, social outfits, infrastructure, road and any kind of landscape planning, to acts as construction supervisor of such projects and to carry out marketing and sale of built independent sections. Since the company cannot serve as contractor of construction and building works pursuant to CMB notice on real estate investment trusts, it subcontracts all construction works by means of tenders.  
The contact information of our company is given below:

### **CONTACT INFORMATION:**

**HEADQUARTERS:** ATATÜRK DISTRICT ÇİTLENBİK AV. NO:4  
ATAŞEHİR-İSTANBUL

**BRANCH OFFICE:** BİLKENT PLAZA A3 BLOCK NO:14 ÇANKAYA-ANKARA

**Tel** : 0216 579 1515  
**Fax 1** : 0216 579 1699  
**Fax 2** : 0216 456 4875  
**E-mail** : info@emlakkonut.com.tr  
**Web** : www.emlakkonut.com.tr

# STRATEGY OF EMLAK KONUT

<p>FOCUSING ON MIDDLE and UPPER-MIDDLE INCOME GROUPS</p>	<ul style="list-style-type: none"> <li>• Making use of existing demographical tendencies such as economic urbanization in Turkey</li> <li>• Continuing to develop housing units for middle and upper-middle income groups</li> <li>• Investing in developing regions</li> </ul>
<p>PROCURING LANDS FOR MORE HOUSING UNITS DEVELOPMENT</p>	<ul style="list-style-type: none"> <li>• Continuing strategic coordination with TOKİ             <ul style="list-style-type: none"> <li>○ Purchasing lands without tender processes and</li> <li>○ Availability to access the most suitable lands for development by Emlak Konut</li> </ul> </li> <li>• Continuing to be able to access land stock of TOKİ</li> <li>• Purchasing lands from third parties when needed</li> </ul>
<p>CREATING CASH FLOW BY COMPLETION OF EXISTING PROJECTS</p>	<ul style="list-style-type: none"> <li>• Using cash flows to be achieved by ongoing project for new development possibilities</li> <li>• Actualizing large scale projects by means of using revenue sharing model for attractive projects and achieving higher profits by limiting economic risks</li> </ul>

The objective is to remain as the leading real estate development company in Turkey and to grow even stronger in order to become a global real estate corporation. The rule of thumb for our company is a constantly improved management approach towards the objective indicated in our corporate mission and vision.

Thanks to 60 years of experience and strength via vast corporate culture, we seek attaining our short and long-term plans. The objective is to ensure a sustainable growth via generating 'permanent value' for all beneficiaries.

## CAPITAL AND SHAREHOLDER STRUCTURE

COMMERCIAL TITLE / NAME-SURNAME	GROUP	TYPE	AMOUNT OF SHARES	NUMBER OF SHARES
Housing Development Administration of Turkey	A	Registered	253.369.919,00	25.336.991.900
Housing Development Administration of Turkey	B	Bearer	1.621.460.838,35	162.146.083.835
KEY Right Holders	B	Bearer	68.575,72	6.857.572
İstanbul İmar İnşaat A.Ş.	B	Bearer	695,63	69.563
İller Bankası A.Ş.	B	Bearer	602,84	60.284
Kutlutaş Holding A.Ş.	B	Bearer	602,84	60.284
Treasury Office	B	Bearer	8,95	895
Veysel Ekmen	B	Bearer	0,01	1
Muhammet Haluk Sur	B	Bearer	0,01	1
Volkan Kumaş	B	Bearer	0,01	1
KEY Right Holders Public Shares	B	Bearer	98.756,64	9.875.664
Public Shares	B	Bearer	1.925.000.000,00	192.500.000.000
		<b>Total</b>	<b>3.800.000.000,00</b>	<b>380.000.000.000</b>

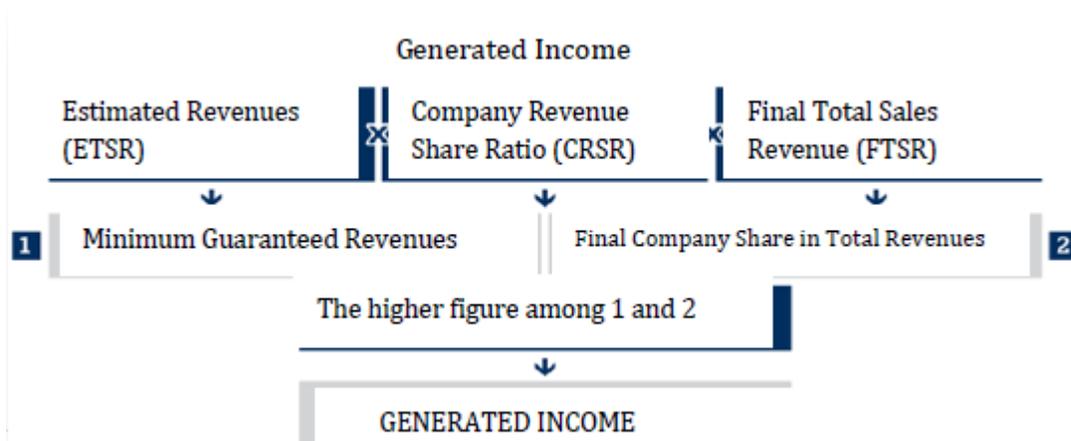
# BUSINESS MODELS

Emlak Konut REIC effectively applies two different business models in order to achieve its managerial targets and strategies. The processes and comparison of both of these business models being applied for the execution of activities of the company are given below.

- Another significant value for Emlak Konut REIC is the business models it implements and develops. The models are improved and applied via constant progress approach. The methods include both financial and construction phases and seeks flawless completion of process; therefore, they serve as an important tool in terms of risk management as well.
- In financial terms, the models which include profit, cost and risk control also provide important contribution regarding construction techniques, safety and supervision.
- Emlak Konut REIC develops its projects under two business models: First, “**Revenue Sharing Model (RSM)**”; and second, “**Turnkey Model**”.
- Emlak Konut REIC acquires land plots for project development from TOKİ, resources as in-kind capital from Emlak Bankası and also limitedly from third parties.
- Pursuant to accounting requirements in construction and real estate sectors, the sales and costs are added to income statement only after the approval that the project is completed by Emlak Konut REIC.
- The brand value of company which is based on meticulous efforts for 60 years; today, is influential on relevant models and hugely contributes to production, marketing and sale phases.

## Revenue Sharing Model

It is the most important income generation model for the company. It is a genuine model which is prominent in the projects towards medium-high and high income groups and ensures high profitability and fund flow.



# BUSINESS MODELS

The information on tenders of the first quarter of 2014 and information on projects of which the first section of the tender was held in the last quarter of 2013 and second section of the tender was held in the first quarter of 2014 by Emlak Konut REIC is given below:

The second section of the tender for “**Istanbul Başakşehir Kayabaşı 4<sup>th</sup> Stage Revenue Sharing Project in return for Land Sales**” for which first section of tender was organized on 27<sup>th</sup> of March 2014 was held on 31<sup>st</sup> of March 2014 and the highest offer is given by “MAKRO İNŞAAT TİC. A.Ş. ~ AKYAPI İNŞ. TAAH. SAN. VE TİC. LTD. ŞTİ. JOINT VENTURE” as Total Income in return for Land Sales: 1.400.000.000,00 TL+VAT, Total Company Share Income in return for Land Sales: 420.000.000,00 TL+VAT and Total Company Share Ratio in return for Land Sales: 30,00%. The contract regarding the project has not been signed yet.

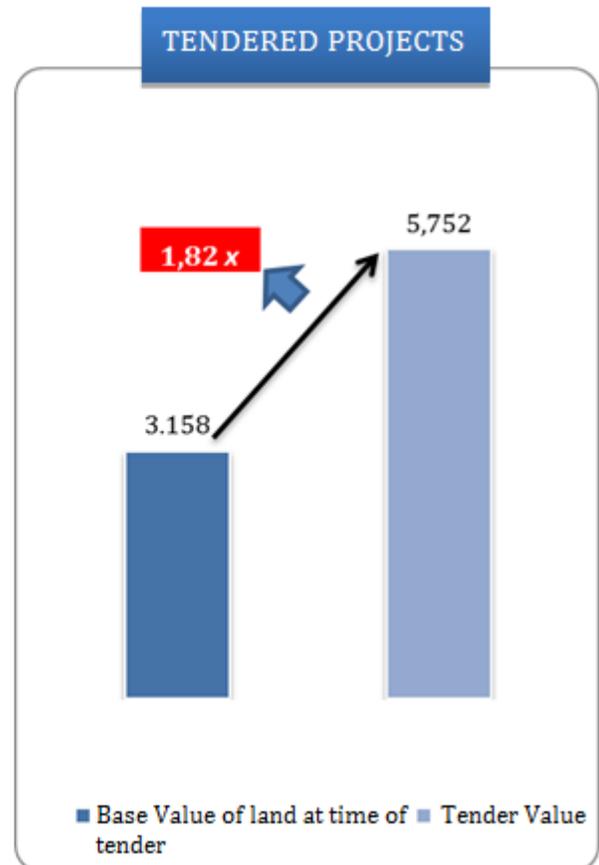
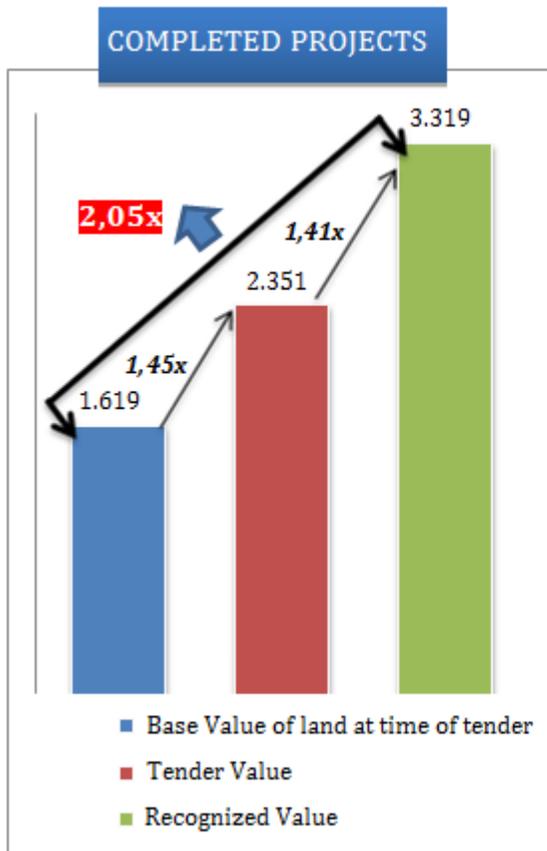
The second section of the tender for “**Istanbul Kazlıçeşme Revenue Sharing Project in return for Land Sales**” for which first section of tender was organized on 24<sup>th</sup> of December 2013 was held on 16<sup>th</sup> of January 2014 and the highest offer is given by “ÖZAK GAYRİMENKUL YAT. ORT. A.Ş. ~ YENİGÜN İNŞ. SAN. VE TİC. A.Ş. ~ DELTA PROJE İNŞ. TUR. SAN. VE TİC. A.Ş. JOINT VENTURE” as Total Income in return for Land Sales: 4.240.000.000,00 TL+VAT, Total Company Share Income in return for Land Sales: 1.568.800.000,00 TL+VAT and Total Company Share Ratio in return for Land Sales: 37,00%. The contract regarding the project has been signed on 8<sup>th</sup> of April 2014 and construction site delivery is made on 18<sup>th</sup> of April 2014.

## Distribution of Ongoing Projects In terms of Project Costs



■ Contract Value for Turn Key Projects	814.998.189TL
■ Total Company Share Income by Revenue Sharing Projects	5.756.627.104TL

## Project Status Charts



\* The figures are in billion TL. Please note that past performance do not indicate future performance.

# BUSINESS MODELS

## Completed Revenue Sharing Model Projects

No	Name of the Project	Value taken as basis for tender	TCSI	CSIR	At the end of Project
1	ATAŞEHİR RESIDENCE	3.519.000	10.255.000	32,53	18.181.734
2	KENTPLUS ATAŞEHİR	72.748.200	131.100.000	33,61	179.475.009
3	IDEALISTKENT	36.600.740	38.100.000	31,75	96.143.402
4	AVRUPA TEM KONUTLARI	162.344.327	186.000.000	30,00	216.075.517
5	KÖRFEZKENT 1.ETAP	11.380.501	15.253.903	16,00	17.260.313
6	UPHILL COURT ATAŞEHİR	57.076.350	136.400.000	34,10	207.875.855
7	MY WORLD ATAŞEHİR	127.236.476	311.850.000	38,50	531.870.815
8	SOYAK MAVİŞEHİR	43.600.000	51.600.000	24,00	94.915.970
9	NOVUS RESIDENCE	16.408.600	57.750.000	55,00	115.760.305
10	MİSSTANBUL	56.779.661	112.050.000	41,50	157.780.977
11	KENTPLUS MİMARŞİNAN	9.732.640	42.120.000	35,10	54.717.096
12	EMLAK KONUT PELİKAN PROJESİ	20.849.150	67.515.000	38,58	87.123.867
13	ÇERKEZKÖY DREAMCITY	3.990.647	10.065.000	30,50	13.624.442
14	BİZİMEVLER 2	48.686.587	48.750.000	33,00	54.270.185
15	ERGENE VADİSİ	23.935.426	31.000.000	25,00	42.405.496
16	SPRADON QUARTZ	75.291.059	88.520.000	41,00	131.118.805
17	İZMİR MAVİŞEHİR 5.ETAP	25.145.000	27.001.000	31,00	29.434.971
18	MERKEZ KAYAŞEHİR	29.440.000	32.000.000	32,00	40.273.717
19	ELITE CITY	54.896.071	56.000.000	35,00	71.317.909
20	MY WORLD EUROPE	179.089.192	228.018.000	30,50	305.449.312
21	PARKYAŞAM MAVİŞEHİR	51.186.000	60.000.000	25,00	76.168.663
22	AVRUPA KONUTLARI ATAKENT 3	240.000.000	264.000.000	30,00	279.524.564
23	SPRADON VADİ	50.291.820	50.310.000	26,00	61.770.244
24	BULVAR 216*	10.860.000	52.200.000	36,00	56.880.000
25	1STANBUL	102.555.962	105.000.000	30,00	154.434.905
26	ŞEHRİZAR KONAKLARI	105.535.000	137.700.000	50,00	225.371.578
		<b>1.619.178.409</b>	<b>2.350.557.903</b>		<b>3.319.225.651</b>
<b>Weighted Average of Company Share Income Ratio (%)</b>				<b>33,33</b>	

\* Bulvar 216 Project is completely sold at present situation.

# BUSINESS MODELS

## Tendered Revenue Sharing Model Projects

No	Name of the Project	Value taken as basis for tender	TCSI	CSIR (%)	Order in terms of Contract Date
1	MY TOWERLAND	42.000.000	107.019.000	47,00	Before 2012
3	VARYAP MERIDIAN	214.793.710	338.189.000	44,15	Before 2012
4	KUASAR İSTANBUL (LİKÖR FABRİKASI)	237.485.823	415.750.000	50,00	Before 2012
6	SOYAK PARK APARTS - SOYAK EVO STAR	72.904.525	102.312.000	26,10	Before 2012
7	SARPHAN FINANS PARK	51.786.200	61.500.000	37,50	Before 2012
8	BATIŞEHİR	351.665.405	424.000.000	32,00	Before 2012
9	METROPOL İSTANBUL	290.998.144	500.971.500	43,15	Before 2012
10	AĞAOĞLU MASLAK 1453 İSTANBUL	604.940.000	1.153.750.000	35,50	Before 2012
11	EVORA İSTANBUL & EVORA İSTANBUL MARMARA	97.683.368	317.503.000	32,00	Before 2012
12	DUMANKAYA MIKS	37.590.590	82.502.500	30,50	Before 2012
<b>Subtotal for 2011 and previous years</b>		<b>2.001.847.765</b>	<b>3.503.497.000</b>	<b>Multiplier Effect</b>	<b>1,75</b>
13	BAHÇETEPE İSTANBUL	110.649.748	165.100.000	26,00	2012
14	SARIYER, ZEKERİYAKÖY*	252.910.000	475.687.500	32,25	2012
<b>Subtotal for 2012</b>		<b>363.559.748</b>	<b>640.787.500</b>	<b>Multiplier Effect</b>	<b>1,76</b>
15	İSTMARİNA	214.045.000	534.000.000	40,00	2013
16	BULVAR İSTANBUL	128.386.000	202.440.000	28,00	2013
17	NİDAKULE ATAŞEHİR	63.551.681	190.231.000	36,20	2013
18	AVRUPA KONUTLARI TEM 2	61.800.000	105.600.000	30,00	2013
19	AVCILAR KAPADIK *	80.810.000	148.400.000	28,00	2013
20	FATİH YEDİKULE *	67.915.000	105.968.270	35,01	2013
21	SEYRANŞEHİR	23.170.000	51.520.000	28,00	2013
22	KAYABAŞI 3. ETAP *	97.500.000	188.760.000	25,26	2013
23	BAHÇEKENT FLORA *	55.245.000	80.832.000	26,00	2013
<b>Subtotal for 2013</b>		<b>792.422.681</b>	<b>1.607.751.270</b>	<b>Multiplier Effect</b>	<b>2,03</b>
<b>TOTAL</b>		<b>3.157.830.194</b>	<b>5.752.035.770</b>	<b>Multiplier Effect</b>	<b>1,82</b>

Resource: Company data

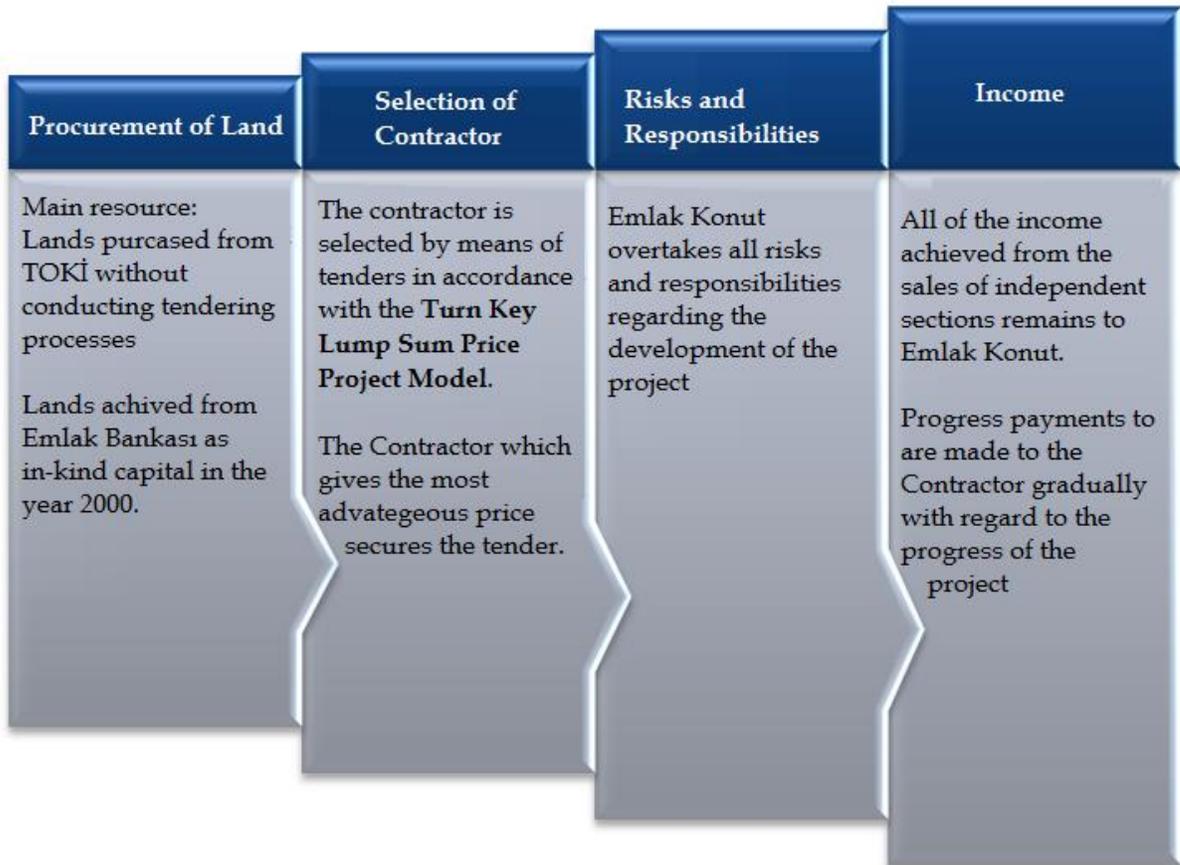
Construction permits have not been received yet for projects marked with \*

TCSI: Total Company Share Income

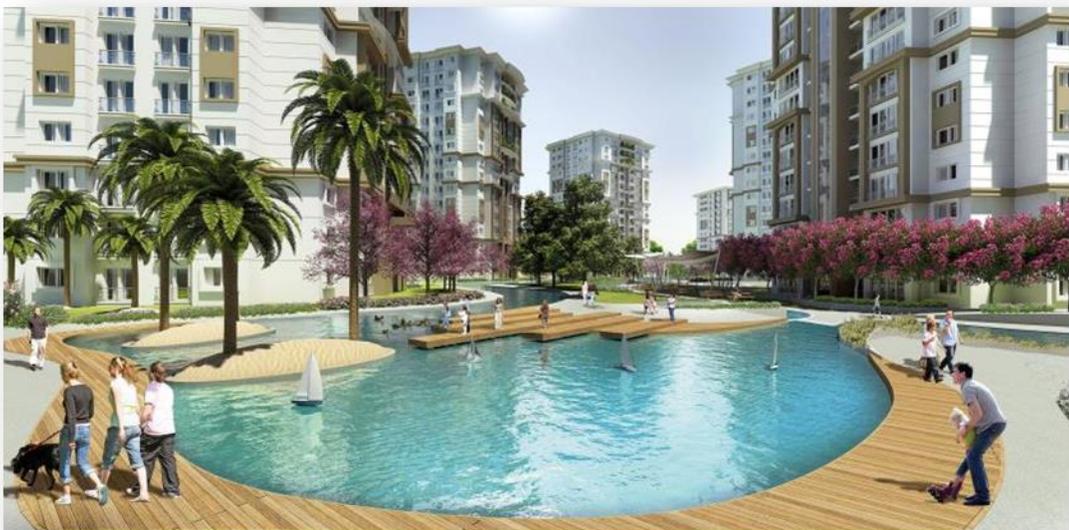
CSIR: Company Share Income Ratio

# BUSINESS MODELS

## Turnkey Model



Hereby model also seeks increasing income generation, financial and non-financial benefit for the company; nonetheless, the target socioeconomic income group is rather medium income group. The 'social benefit'



# BUSINESS MODELS

principles are meticulously respected in this model.

Since 2004, Emlak Konut has completed the tender process of 23 Turnkey Model projects. While 13 of these projects are accomplished; related processes are still being carried out for the remaining 10. A total of 9287 saleable independent units are yielded from 13 completed turnkey projects. The general list of completed Turnkey Projects is as follows; Tuzla Emlak Konutları 1, Gebze Emlak Konutları 2, Tuzla Emlak Konutları 2, Körfezkent 2, Gebze Emlak Konutları 1, Emlak Konut Mavişehir Evleri, Selimpaşa Emlak Konutları, Burgazkent, Lüleburgaz Çarşısı, Yıldızkent 1, Yıldızkent 2 and Yıldızkent 3 projects. A total of 5772 saleable independent units will be built by means of ongoing 10 turnkey projects. The list of Turnkey Model Projects, whose building-construction processes continue or whose tender phase is completed and contract is signed is as follows;

Sultanbeyli Emlak Konutları, Körfezkent 3, Ataşehir Resmi Kurum Binası, Bahçekent Emlak Konutları 1, Bahçekent Emlak Konutları 2, Bahçekent Emlak Konutları 3, Emlak Konut Başakşehir Evleri 1, Emlak Konut Başakşehir Evleri 2, Emlak Konut Başakşehir Evleri 3, Emlak Konut Başakşehir Evleri 4.



Details about ongoing Turnkey Projects are given below:

Among the projects by our Company, the tender process for “**Istanbul Ataşehir Government Agency Building and Infrastructure and Landscaping Constructions Project**” is completed; the contract is signed with contractor “Turyapı İnş. Taah. Tic. San. A.Ş.” on 06<sup>th</sup> of May 2013 and the site delivery is made on 10<sup>th</sup> of May 2013.

“**Bahçekent Emlak Konutları 1 Project**” is one of the significant projects our company will yield 682 housing units. Project contract is signed with “Egemen İnşaat ve Tic. A.Ş.” on 18<sup>th</sup> of June 2013 and the site delivery is made on 21<sup>st</sup> of June 2013.

The contract for “**Bahçekent Emlak Konutları 2 Project**” of our company is signed with contractor “İlgın İnşaat İç ve Dış Tic. A.Ş.” on 19<sup>th</sup> of June 2013; and the site delivery is made on 21<sup>st</sup> of June 2013. The project consists of 824 housing units.

The contract for “**Bahçekent Emlak Konutları 3 Project**” of our company is signed with Contractor “Zek-San İnşaat Tic. ve San. Ltd. Şti.” on 21<sup>st</sup> of June 2013 and the site delivery is made on 21<sup>st</sup> of June 2013. The project consists of 282 housing units.

The contract for “**Emlak Konut Başakşehir Evleri 1**” project is signed with the Contractor “TÜRKERLER İNŞ. TUR. MADEN. ENR. ÜRETİM TİC. VE SAN A.Ş.” on 12<sup>th</sup> of August 2013 and the site delivery is made on 16<sup>th</sup> of August 2013. The project consists of 1099 independent units.

The contract for “**Emlak Konut Başakşehir Evleri 2**” project is transferred to Contractor “Binbay Yapı İnş. San. Ve Tic. Ltd. Şti. -Zirve İnş. Tic. Ltd. Şti. İş Ortaklığı” on 11<sup>th</sup> of February 2014. The project consists of 456 independent units.

The contract for the project “**Emlak Konut Başakşehir Evleri 3**” is signed with the contractor “ALTINDAĞ İNŞAAT TAAH. TİC. İTH. İHR. LTD. ŞTİ.” on 02<sup>nd</sup> of September 2013 and the site delivery is made on 04<sup>th</sup> of September 2013. The project consists of 510 independent units.

The contract for the project “**Emlak Konut Başakşehir Evleri 4**” is signed with contractor “MAKSEM YAPI TİCARET A.Ş. ~ CENT YAPI İNŞ. SAN. TİC. LTD. ŞTİ.İŞ ORTAKLIĞI” 02<sup>nd</sup> of September 2013 and the site delivery is made on 04<sup>th</sup> of September 2013. The project consists of 608 independent units.

Within the scope of project “**Istanbul Sultanbeyli Emlak Konutları Housing and Infrastructure Construction Works with Landscaping**”, tendered pursuant to Emlak Konut Real Estate Investment Company Turnkey Model, 436 housing units will be developed. Project contract is signed with contractor “İlgın İnşaat İç ve Dış Tic. A.Ş.” on 01<sup>st</sup> of March 2013 and the site delivery is made on Friday, 08<sup>th</sup> of March 2013.

Within the scope of project “**Kocaeli Körfezkent Emlak Konutları 3. Stage Housing, Social Outfit and Infrastructure Construction with Landscaping Works**” tendered pursuant to Turnkey model, 776 houses and 98 commercial units will be developed. Project contract is signed with contractor “Mustafa Ekşi İnş. San. Tur. Tic. Ltd. Şti. ~ Aydur İnş. Taah. Tic. ve San. Tur. Taş. Hiz. Ltd. Şti. İş Ortaklığı” on 20<sup>th</sup> of March 2013 and the site delivery is made on Monday, 25<sup>th</sup> of March 2013.



## Board of Directors

The Board of Directors, the most important managerial element of our Company, takes strategic decisions in accordance with the related legal regulations and articles of the incorporation and by considering the rights of all beneficiaries. The Board of Directors overtakes managerial functions required for a sustainable growth within the frame of long-term targets specified.

The necessary editions have been carried out on the articles of incorporation as required by legal regulations to be followed and Corporate Management Principles Legislations of CMB.

## Board of Directors

### Board of Directors

- The board is the highest decision maker within Emlak Konut.
- The Board is responsible for managing and representing Emlak Konut, actualizing corporate activities, building the relationship between shareholders and Company and recruitments.
- The Board is responsible for actualization of corporate activities in accordance with related laws and articles of incorporation.
- Board of Directors Members are elected by General Assembly resolution.
- Board of Directors consists of 7 persons: Chairman, Vice-Chairman and 5 members; 3 of the which are independent members.

Board of Directors carries out the tasks entrusted by Turkish Commercial Code, Capital Markets Law and other relevant legislation, as well as those assigned by the general assembly. Board of Directors may sign contracts that exceed its term of office.

The Board of Directors operates actively within the company and it seeks for permanent increase in corporate value (financial and non-financial) by acting in accordance with relevant regulations for decision making processes and changes in actual conditions.

Members of the Board of Directors are elected by resolution of General Assembly. Board of Directors consists of 7 persons: Chairman, Vice-Chairman and 5 members. Board of Directors includes 3 independent members.

Each member has one vote at Board of Directors meeting. The voting right is used by person. The members, who do not participate in the meeting, cannot vote in written or via deputy.

As long as one of the members does not demand a meeting, it is possible to make decisions if a proposal by any member is approved in written by other members.

## BOARD OF DIRECTORS

All significant matters resolved by Board of Directors are released to public via material disclosure pursuant to our public information policy.

Members of the Board are not provided with weighted voting right and/or negative veto right. In line with the authority entrusted by stakeholders at general assembly, the Board of Directors applies its powers and responsibilities pursuant to legislation, articles of incorporation, inter-corporate regulations and policies and represents the company. It conducts strategic planning in accordance with corporate vision. Each member has one vote at the meetings. Voting right is used by person. The members, who do not participate in the meeting, cannot vote in written or by means of deputy. As long as one of the members does not demand a meeting, it is possible to make decisions if a proposal by any member is approved in written by other members. All significant matters resolved by Board of Directors are released to public via material disclosure pursuant to our public information policy.

Actual participation is ensured on all issues in the relevant section of CMB Corporate Management Principles.

Board of Directors may partially or completely transfer its authorities to the executives among or other than its own members, or even to the managers who do not have to possess shares. The company does not have managing members in board of directors.

Name-Surname	Duty	Occupation	Duties Overtaken in Partnership for Last 5 Years	Capital Ratio in Partnership	Share Group Represented By
Ertan YETİM	Chairman	Civil Engineer	Deputy Chairman		A-B
Veysel EKMEN	Deputy Chairman / Independent Member	Certified Public Accountant	Independent Member of the Board	0,000000000004	B
Murat KURUM	Member / General Manager	Civil Engineer	Member of Board		A-B
Ali Seydi KARAÖĞLU	Member	Business Administration	Member of Board		A-B
M. Ali KAHRAMAN	Member	Urban and Regional Planner	Member of Board		A-B
M. Haluk SUR	Independent Member	Civil Engineer (M.Sc)	Independent Member of the Board	0,000000000004	B
Volkan KUMAŞ	Independent Member	Attorney at Law	Independent Member of the Board	0,000000000004	B

## Activities of the Board of Directors

The board of directors is the highest decision maker within Emlak Konut REIC and it is responsible for management and representation of the company, operation of activities and establishment of relations between stakeholders and company, as well as recruitments. The board is also liable for due conduct of Emlak Konut REIC activities in line with relevant laws and articles of incorporation.

The Board complies with the principles of “Independency Conditions of the Structure of Board of Directors” specified in the Corporate Management Legislation issued by the Prime Ministry Capital Market Board.

The members of the Board are elected by resolution of General Assembly. Board of Directors consists of 7 persons: Chairman, Vice-Chairman and 5 members. Board of Directors includes 3 independent members.

**48 decisions** are made between the dates **1<sup>st</sup> of January 2014 and 31<sup>st</sup> of March 2014**. All decisions are taken and applied unanimously.

Members of the Board do not have weighted voting right and/or negative veto right.

In line with the authority entrusted by stakeholders at general assembly, the Board of Directors applies its powers and responsibilities pursuant to legislation, prime contract, inter-corporate regulations and policies and represents the company. It conducts strategic planning and management in accordance with corporate vision.

## Amendments made in the Articles of Incorporation within the Report Period

No amendments have been made in the articles of incorporation between the dates **1<sup>st</sup> of January 2014 and 31<sup>st</sup> of March 2014**.

### Voting – Dissentive Right

Binding applications for voting rights of our shareholders are avoided as required by the principle of Voting Rights of shareholders of Corporate Management Principles.

Members who hold A group of shares have the privilege to make nominations for the election of members of the Board. All members of the Board except for independent members are elected by the General Assembly among candidates nominated by Group A type shareholders. No additional instruments for privileges can be issued except for shares which hold privilege to nominate for election of members of the Board and no additional privileges can be created including privilege for nominating for the Board. The transfer of privileged shares is subjected to the approval of CMB. Each share has 1 voting right at the General Assembly. 5 members of the Board, those other than independent members, are elected by the General Assembly among candidates nominated by the Group A type shareholders. 3 independent members of the Board are elected among candidates nominated by TOKİ. No dissentive right is identified within the capital structure of our company.

# BOARD OF DIRECTORS

## Corporate Management and Committees

The basis for main management activity within Emlak Konut REIC is compliance with Corporate Management Principles and applications issued by Capital Markets Board. At this point, the stages of compliance such as organization, principles and administrative efforts are put actualized as a process. Our activities concerning Equality, Transparency, Accountability and Responsibility, which are main rules of Corporate Management Principles, are applied in former manner until the amendment of our legislation, whereupon new implementations will come into effect.

The Board of Directors makes use of committee efforts during its activities. The researches by committees and resolutions about such efforts are submitted to Board of Directors as proposals and the Board makes the final assessment.

### Corporate Management Committee

#### *Corporate Management Committee*

<b>Name</b>	<b>Duty</b>	<b>Date of Election</b>
Veysel EKMEK	Independent Member of the Board/Chairman of Committee	May 28, 2013
M.Ali KAHRAMAN	Member of the Board/Committee Member	May 28, 2013
Ali Seydi KARAOĞLU	Member of the Board/Committee Member	May 28, 2013

The subjects and dates of meetings held by the committee within the reporting period are given below:

- 07<sup>th</sup> of January 2014: About Legislation on Tendering and Contract Works for Construction
- 15<sup>th</sup> of January 2014: About Legislation on Tendering and Contract Works for Service Procurement
- 28<sup>th</sup> of January 2014: About Legislation on Procurement and Renting of Property
- 25<sup>th</sup> of March 2014: About identification of profit distribution policy, information policy, waging policy and repurchasing program

### Audit Committee

#### *Audit Committee*

<b>Name</b>	<b>Duty</b>	<b>Date of</b>
Veysel EKMEK	Independent Member of the Board/Chairman of Committee	May 28, 2013
M.Haluk Sur	Independent Member of the Board/Committee Member	May 28, 2013
Volkan KUMAŞ	Independent Member of the Board/Committee Member	May 28, 2013

# BOARD OF DIRECTORS

The subjects and dates of meetings held by the committee within the reporting period are given below:

- 03<sup>rd</sup> of March 2014: Responsibility Statement about financial tables
- 07<sup>th</sup> of March 2014: About funds achieved as a result of capital increase through rights issues

## Early Detection of Risk and Risk Management Committee

### *Early Detection of Risk and Risk Management Committee*

<b>Name</b>	<b>Duty</b>	<b>Date of Election</b>
Veysel EKMEK	Independent Member of the Board/Chairman of Committee	April 30, 2012
M.Ali KAHRAMAN	Member of the Board/Committee Member	April 30, 2012
Ali Seydi KARAOĞLU	Member of the Board/Committee Member	April 30, 2012

The subjects and dates of meetings held by the committee within the reporting period are given below:

- 24<sup>th</sup> of February 2014: About tender of lands at Kayabaşı
- 04<sup>th</sup> of March 2014: About tender of lands at Hoşdere
- 14<sup>th</sup> of March 2014: About tender of lands at Tekirdağ Çorlu

## Waging Committee Decisions

### *Waging Committee*

<b>Name</b>	<b>Duty</b>	<b>Date of Election</b>
Veysel EKMEK	Independent Member of the Board/Chairman of Committee	May 28, 2013
M.Ali KAHRAMAN	Member of the Board/Committee Member	May 28, 2013
Ali Seydi KARAOĞLU	Member of the Board/Committee Member	May 28, 2013

Corporate Management Committee acts as “Nominating Committee” and “Waging Committee” in addition to convenience with corporate management. The subjects and dates of meetings held by the committee within the reporting period are given below:

- 06<sup>th</sup> of January 2014: About personnel wage increases for the 1<sup>st</sup> period of 2014 (1<sup>st</sup> of January 2014 – 30<sup>th</sup> of June 2014)

# EXECUTIVE MANAGEMENT

## Executive Management

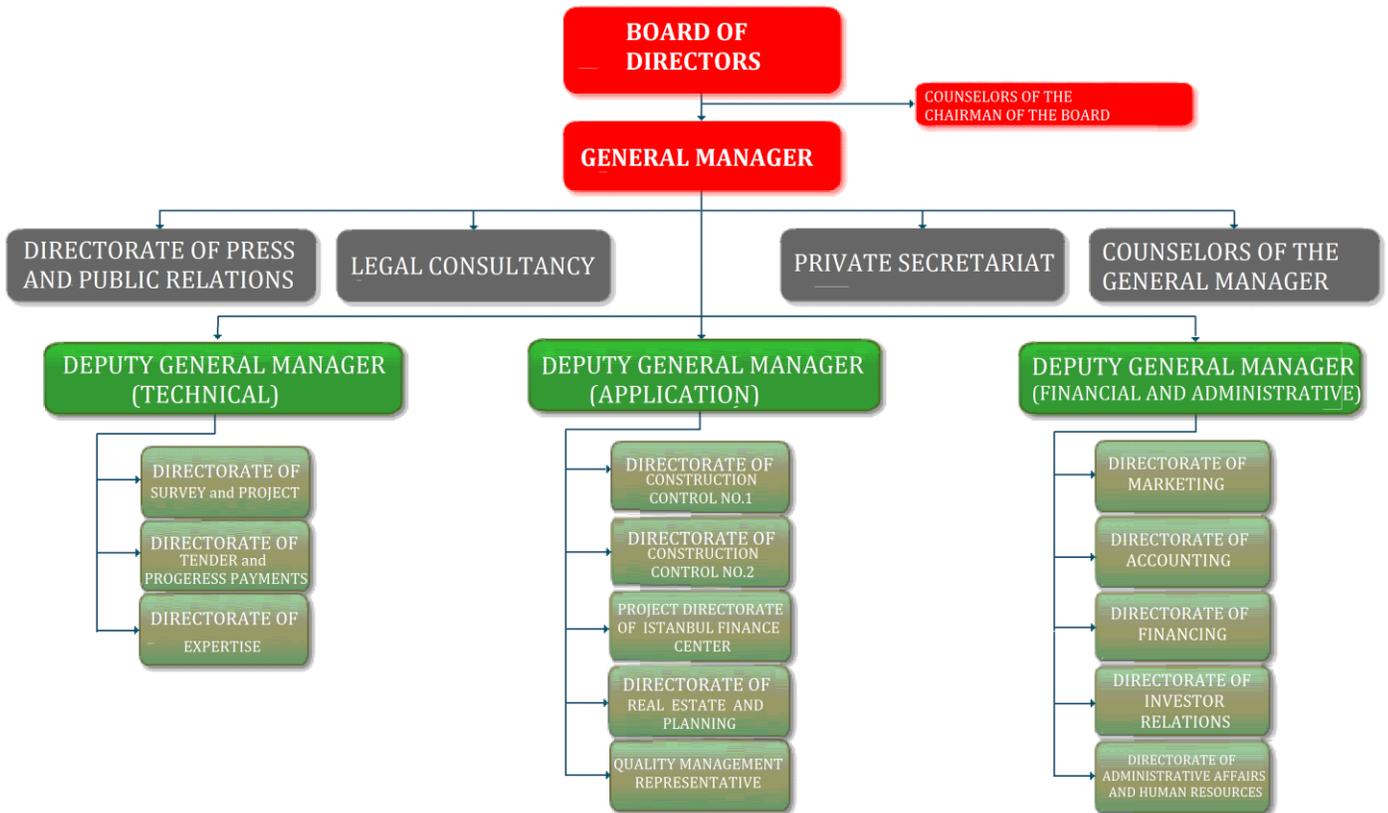
Executive Managers fulfill their tasks in accordance with corporate vision and mission by exercising the power granted by relevant legislation and internal regulations. Executive management team, which consists of experienced squad, collaborates with staff and other units in the organization, makes administrative decisions to meet expectations of beneficiaries. In line with corporate culture, the executive team is attentive about sustainability and social responsibility.

Within our company, Mr. **Murat KURUM** is General Manager, **Hakan Akbulut** is **Vice Manager of Financial and Administrative Affairs**, Mr. Sinan AYOĞLU is **Vice General Manager of Technical Services** and Mr. **Metin TEKİN** is **Vice General Manager of Implementation**.

By means of the Company Circular numbered 345 and dated 25<sup>th</sup> of February 2014, it is decided that;

1. The Company Lawyer İbrahim KESKİN to be assigned as Legal Counselor within the body of Legal Consultancy department,
2. The Company Lawyer İsmet KUBİLAY to be assigned as Legal Counselor within the body of Legal Consultancy department.

### ORGANIZATION CHART OF EMLAK KONUT REAL ESTATE INVESTMENT COMPANY



## Other Developments about the Company

### Administrative and Legal Sanction

There have been no administrative or legal sanctions about members of management elements of the company due to applications against the provisions of related regulations.

### Share Repurchasing Program

Our company has completed the repurchasing of below mentioned shares between the dates 1<sup>st</sup> of January 2014 and 31<sup>st</sup> of March 2014.

Regarding the shares of Emlak Konut Real Estate Investment Company, purchasing of 10.000.000 lots has been carried out by our Company by the price interval of 2,20 – 2,21 on 7<sup>th</sup> of January 2014. By this transaction, while the total number of repurchased shares of Emlak Konut Real Estate Investment Company reached 74.700.000 lots within the frame of Repurchasing Program, the ratio of repurchased shares to the capital of the company reached 1,96579 %.

On 27<sup>th</sup> of January 2014, purchasing of 14.187.318 lots regarding the shares of Emlak Konut Real Estate Investment Company, has been carried out by our Company by the price interval of 2,10 – 2,16. By this transaction, while the total number of repurchased shares of Emlak Konut Real Estate Investment Company reached 88.887.318 lots within the frame of Repurchasing Program, the ratio of repurchased shares to the capital of the company reached 2,33914 %.

In addition to these, on 30<sup>th</sup> of January 2014, purchasing of 15.000.000 lots regarding the shares of Emlak Konut Real Estate Investment Company, has been carried out by our Company by the price interval of 2,11 – 2,13. By this transaction, while the total number of repurchased shares of Emlak Konut Real Estate Investment Company reached 103.887.318 lots within the frame of Repurchasing Program, the ratio of repurchased shares to the capital of the company reached 2,73388 %.

The amendments carried out and repurchasing policy in accordance with related legislations and decision of the Board dated 31<sup>st</sup> of March 2014 as required by the regulation dated 3<sup>rd</sup> of January 2014 and with the Official Gazette number 28871 specified on the Legislation of Repurchased Shares (II-22.1) are submitted to the approval of the General Assembly and accepted on 28<sup>th</sup> of April 2014.

The Repurchasing Program for Company Shares which is prepared by the Board of Directors has been accepted at the 2013 General Assembly. The company has been authorized by the General Assembly for repurchasing of 38 billion shares by the price interval of 0,00 – 4,00 TL by company resource of 1.520.000.000 TL.

Detailed Share Repurchasing Program is given in the appendices.

### R&D Activities

There is no research and development activity within Emlak Konut REIC.

# OTHER DEVELOPMENTS

## **KEY Payments**

The nominal value of the virement (share amount) sent between the dates 1<sup>st</sup> of January 2014 and 31<sup>st</sup> of March 2014 to the accounts of shareholders who bought shares in return for KEY payments is 2.719,93 TL.

## **Lawsuits brought against the company**

The ongoing lawsuits which are relatively more important are given below;

### **MASLAK 1453 PROJECT**

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

The stay of execution of the Applicational Zoning Plan with the scale of 1/1000 and Master Development Plan with the scale of 1/5000 which is published between 18<sup>th</sup> of August 2010 and 17<sup>th</sup> of September 2010 regarding the Squatter Prevention region of Ayazağa neighborhood of Şişli District on the file numbered 2010/2191 E of the 1<sup>st</sup> Administrative Court of Istanbul is requested to be canceled by the Constitutional Court in accordance with the 4<sup>th</sup> item of the Law numbered 2985 and 7<sup>th</sup> item of the Law numbered 5793. Our Company joined the lawsuit as Intervener together with the Defendant. In the report prepared as a result of researches and investigations carried out by the expert witnesses, it is stated that the related zoning plan does not fit in the urbanization and planning principles, so the court decided to cancel the amendments in the related plan. The decision of the Administrative Court is appealed for correction and results of appealing investigation are due.

#### **1. Istanbul Büyükkent Branch of UCTAE**

The stay of execution of the Applicational Zoning Plan with the scale of 1/1000 and Master Development Plan with the scale of 1/5000 which is published between 18<sup>th</sup> of August 2010 and 17<sup>th</sup> of September 2010 regarding the Squatter Prevention region of Ayazağa neighborhood of Şişli District on the file numbered 2010/2300 E of the 8<sup>th</sup> Administrative Court of Istanbul is requested to be canceled. Our Company joined the lawsuit as Intervener together with the Defendant. In the report prepared as a result of researches and investigations carried out by the expert witnesses, it is stated that the related zoning plan does not fit in the urbanization and planning principles, so the court decided to cancel the amendments in the related plan. The decision of the Administrative Court is appealed for correction and results of appealing investigation are due.

#### **2. Istanbul Branch of UCTAE Urban Planners**

The stay of execution of the Applicational Zoning Plan with the scale of 1/1000 and Master Development Plan with the scale of 1/5000 which is published between 18<sup>th</sup> of August 2010 and 17<sup>th</sup> of September 2010 regarding the Squatter Prevention region of Ayazağa neighborhood of Şişli District on the file numbered 2010/2480 E of the 6<sup>th</sup> Administrative Court of Istanbul is canceled. Our Company joined the lawsuit as Intervener together with the Defendant. The Court has decided to reject the lawsuit and the results of appealing investigation are due.

#### **3. Istanbul Branch of UCTAE Urban Planners**

## OTHER DEVELOPMENTS

The Applicational Zoning Plan with the scale of 1/1000 and Master Development Plan with the scale of 1/5000 which is published between 29<sup>th</sup> of November 2011 and 29<sup>th</sup> of December 2011 regarding the Squatter Prevention region of Ayazağa neighborhood of Şişli District on the file numbered 2012/401 E of the 5<sup>th</sup> Administrative Court of Istanbul is requested to be put on hold and canceled. Although the lawsuit is brought against TOKİ, the Court decided Ministry of Environment and Urbanization to be considered as adverse party too. On 10<sup>th</sup> of May 2012, the Court rejected the lawsuit in terms of authorization and sent it to Council of State. The file is registered to the essential numbered 2012/4412 of 6<sup>th</sup> Department of the Council of State and Our Company joined the lawsuit as Intervener together with the Defendant Institutions. The Court made the decision of stay of execution. The decision of stay of execution is appealed against and the results are due.

#### **4. Yusuf Özden**

The construction permit and Applicational Zoning Plan with the scale of 1/1000 and Revision Master Development Plan with the scale of 1/5000 dated 16<sup>th</sup> of September 2009 regarding the Squatter Prevention region of Ayazağa neighborhood of Şişli District on the file numbered 2012/1913 E of the 1<sup>st</sup> Administrative Court of Istanbul is requested to be canceled and put on hold. Our Company joined the lawsuit as Intervener together with the Defendant Institutions. The appeal against Regional Administrative Court of Istanbul has also been rejected. The Court took the decision of rejecting lawsuit in terms of license on 25<sup>th</sup> of November 2013.

### **ZEKERİYAKÖY PROJECT**

#### **Istanbul Branch of Chamber of UCTAE Urban Planners**

Regarding the lawsuit brought at the 6<sup>th</sup> Department of the Council of State with the file numbered 2012/3789 E against ministry of Environment and Urbanization and TOKİ with the request of stay of execution and cancellation of the Zekeriyaköy Mass Housing Area Preventive Master Development Plan with the scale of 1/5000 dated 13<sup>th</sup> of March 2012 and numbered 1769 prepared for 3<sup>rd</sup> Degree Natural Protected Area within the borders of Zekeriyaköy neighborhood of Sarıyer District of Istanbul Province and related Applicational Zoning Plan with the scale of 1/1000; by the decision of the Court dated 13<sup>th</sup> of May 2013, "it is agreed that the request of stay of execution is accepted according to the conditions and specialties of the case until a new decision is to be taken in accordance with the report to be prepared as a result of research and investigation studies." The appeal against the decision of stay of execution is also rejected. The research and investigation studies are carried out on 17<sup>th</sup> of January 2014; however, the related report has not yet been prepared or submitted.

### **KUASAR PROJECT**

#### **1. İstanbul Büyükkent Branch of Chamber of UCTAE Architects**

Stay of execution and cancellation of the approved Master Development Plan with the scale of 1/5000 dated 22<sup>nd</sup> of February 2011 regarding the property on the parcel no 230, block no 1199 and plot no 58 within the borders of Dikilitaş neighborhood of Şişli district is requested by the file numbered 2011/920 E of 6<sup>th</sup> Administrative Court of Istanbul. Our Company joined the lawsuit as Intervener together with the Defendant. In the report prepared as a result of researches and investigations carried out by the expert witnesses, it is stated that the related zoning plan

## OTHER DEVELOPMENTS

does not fit in the urbanization and planning principles, so the court decided to cancel the amendments in the related plan. The decision of the Administrative Court is appealed for correction and results of appealing investigation are due.

### **2. Serdar Bayraktar and friends**

Stay of execution and cancellation of Master Development Plan with the scale of 1/5000 which is accepted by the approval dated 19<sup>th</sup> of June 2013 and numbered 6186 and Applicational Zoning Plan with the scale of 1/1000 regarding the property on the parcel no 230, block no 1199 and plot no 58 within the borders of Dikilitaş neighborhood of Şişli district is requested by the file numbered 2014/260 E of 5<sup>th</sup> Administrative Court of Istanbul. Our Company joined the lawsuit as Intervener together with the Defendant. The Court rejected the request of stay of execution by the decision taken on 11<sup>th</sup> of February 2014.

### **3. Istanbul Branch of Chamber of UCTAE Urban Planners**

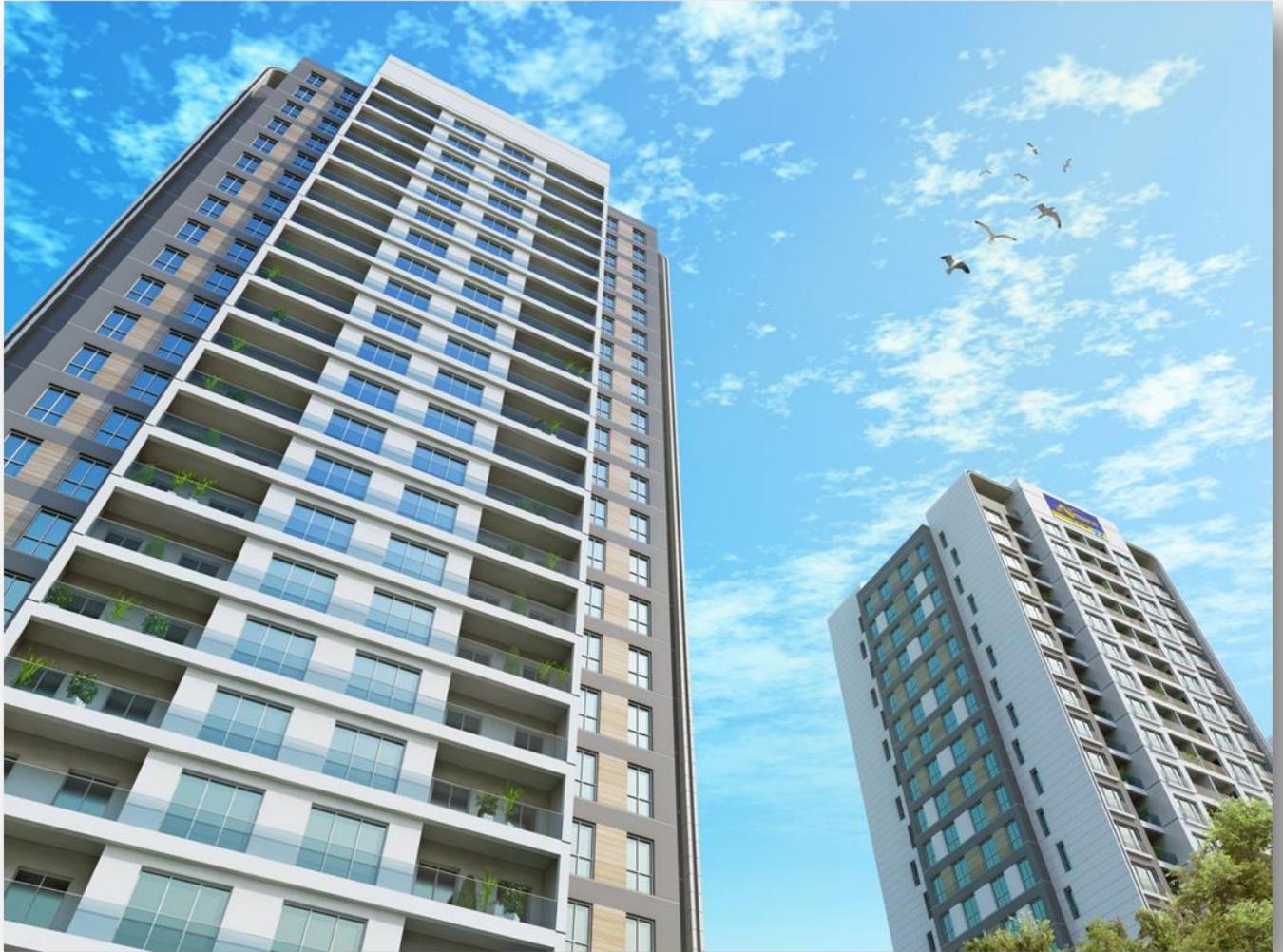
Stay of execution and cancellation of Master Development Plan with the scale of 1/5000 which is accepted by the approval dated 19<sup>th</sup> of June 2013 and numbered 6186 and Applicational Zoning Plan with the scale of 1/1000 regarding the property on the parcel no 230, block no 1199 and plot no 58 within the borders of Dikilitaş neighborhood of Şişli district is requested by the file numbered 2013/2103 E of 5<sup>th</sup> Administrative Court of Istanbul. Our Company joined the lawsuit as Intervener together with the Defendant. The Court rejected the request of stay of execution by the decision taken on 11<sup>th</sup> of February 2014.

### **Metal Yapı-Özüm Petrol-Yeşil İnşaat-Nasa İnşaat-K Yapı-Taşçılar Madencilik Joint Venture**

Regarding the lawsuit brought with the file numbered 2013/134 of 11<sup>th</sup> Commercial Court of First Instance of Istanbul by Metal Yapı-Özüm Petrol-Yeşil İnşaat-Nasa İnşaat-K Yapı-Taşçılar Madencilik Joint Venture, it is agreed at the session dated 20<sup>th</sup> of March 2014 that, the principle case is to be accepted, bid bond of 24.400.000-TL is to be returned to the claimant party by the defendant party, the combined lawsuit brought by the file numbered 2011/805 at 1<sup>st</sup> Commercial Court of First Instance of Kadıköy is to be rejected due to lack of active lawsuit license, damage compensation request of 274.424,92 TL regarding the combined lawsuit brought by the file numbered 2012/266 at 1<sup>st</sup> Commercial Court of First Instance of Kadıköy is to be accepted and to be paid to the claimant by the defendant by calculating advance payment interest starting from 1<sup>st</sup> of March 2012 and all other requests are to be rejected. The justifiable decision of the Court is still due.

Other related legal processes are meticulously followed by our company.

## OTHER DEVELOPMENTS



### **Changes made within the Reporting Period**

As specified at the PDP disclosure made on 31<sup>st</sup> of March 2014, by the decision of the Board of Directors taken on 31<sup>st</sup> of March 2014 it is agreed that;

1. The Profit Distribution Policy of our Company is determined as given in the appendix and our shareholders are to be informed accordingly at the first General Assembly meeting to be conducted as required by the Profit Share Declaration numbered II-19.1 of Capital Market Board,
2. The Information Policy of our Company is determined as given in the appendix and our shareholders are to be informed accordingly at the first General Assembly meeting to be conducted as required by the Material Disclosure Statement numbered II-15.1 of Capital Market Board,

## OTHER DEVELOPMENTS

3. The Waging Policy of our Company is determined as given in the appendix and our shareholders are to be informed accordingly at the first General Assembly meeting to be conducted as required by the Corporate Management Declaration numbered II-17.1 of Capital Market Board,
4. The Repurchasing Program of our Company is determined as given in the appendix and it is to be submitted to the approval of shareholders at the first General Assembly meeting to be conducted as required by the Repurchased Shares Declaration numbered II-22.1 of Capital Market Board and it is announced to PDP on 31<sup>st</sup> of March 2014.



## Profit Distribution Policy and Principles

Emlak Konut REIC takes displaying due sensitivity and compliance with relevant regulations with respect to profit distribution as principle. Our Company attaches importance to the concept of 'profit share/dividend' efficiency in Capital Market; accordingly, we strive in order to ensure that dividend efficiency is higher than riskless alternative investment yield in terms of financial asset valuation. Profit distribution rules are applied pursuant to the below-given legislation and company prime contract. Detailed information about rules of profit distribution policy is available under main chapter 'Investor Relations' on website [www.emlakkonut.com.tr](http://www.emlakkonut.com.tr).

By the decision taken by the Board on 31<sup>st</sup> of March 2014;

Pursuant to the statement numbered II-19.1 of Capital Market Board, it is agreed that the Profit Distribution Policy of our Company shall be determined as given below and shareholders shall be informed at the first possible ordinary general assembly meeting. Disclosure to PDP regarding this issue is made on 31<sup>st</sup> of March 2014. The Profit Distribution Policy is also published on the website.

On the 30<sup>th</sup> item of the articles of incorporation;

### **Articles of Incorporation Item 30 – Distribution of Profit**

The Company follows the regulations of Turkish Commercial Code and provisions of capital markets legislations.

As required by such widely known accounting principles as general costs and various depreciation costs; after subtracting amounts which are compulsory to be paid or saved by the Company, mandatory taxes which are also compulsory to be paid by the Company and amounts which are saved for fiscal charges from the total annual income, and after deducting the losses of previous years, if any, from the net profit of the annual financial statement, the remaining balance is distributed in accordance with the order and principles given below:

#### **Primary legal reserves**

- a) 5% of the remaining is saved as primary legal reserve until it reaches 20% of the paid capital as required by the 1<sup>st</sup> paragraph of the 519<sup>th</sup> article of Turkish Commercial Code.

#### **First dividend**

- b) First dividend is saved from the remaining balance by the percentage and amount determined by CMB.

#### **Second dividend**

- c) Regarding the remaining balance after deducting amounts specified in items (a) and (b) from the net profit; The General Assembly is authorized to partially or fully distribute it as second dividend, leave it on the financial statement as profit, add it to legal or voluntary reserves or save it as extraordinary reserve.

#### **Secondary Legal Reserves**

## PROFIT DISTRIBUTION POLICY

- d) Secondary legal reserves are saved pursuant to item (c) of second paragraph of the 519<sup>th</sup> item of Turkish Commercial Code.
- e) While it cannot be decided to transfer profit to the following year or distribute shares from profit to members of the Board, officers, employees or workers provided that legal reserves and first dividend specified in the articles for shareholders are not saved; such profit distribution to above mentioned persons cannot be made provided that specified first dividend is not distributed either.
- f) Advance dividend payments can be made to partners within the frame of the 20<sup>th</sup> article of the Capital Market Law.

In accordance with the profit distribution offer which is determined by the Board of Directors by considering such situations as negative conditions of national and international markets and conditions of current projects and funds and which is then submitted to the approval of the General Assembly; 40% of the annual distributable net profit can be distributed in cash, by giving shares free of charge or in cash or by giving shares free of charge with at a certain extend.

In convenience with the articles of incorporation; the Board of Directors, provided that it is authorized by the General Assembly and it follows the Capital Market Law and the related regulations of Capital Market Board, can distribute advance profit shares. The authorization of distributing advance profit shares given to the Board of Directors by the General Assembly is limited with the year that authorization is provided in.

# INFORMATION POLICY

## Information Policy

Emlak Konut REIC applies Information Policy pursuant to Corporate Management Principles. The policy is declared to public via company website and activity report. Information Policy indicates which information will be declared by whom, through which means and with what frequency. The public information is announced in a timely, accurate, complete, comprehensible, low-cost, easy and equally available manner.

By the decision taken by the Board on 31<sup>st</sup> of March 2014;

Pursuant to the statement for material disclosures numbered II-15.1 of Capital Market Board, it is agreed that the Information Policy of our Company shall be determined as given below and shareholders shall be informed at the first possible ordinary general assembly meeting. Disclosure to PDP regarding this issue is made on 31<sup>st</sup> of March 2014. The Information Policy is also published on the website.

### A. Objective and Scope

Through “Information Policy”, Emlak Konut Real Estate Investment Company (EKREIC) will notify stakeholders, investors and beneficiaries in a timely, complete, accurate and active manner the past performance, future plans and expectations, after public offering of its shares, pursuant to corporate strategy, objective and vision and in line with Capital Market Legislation, Turkish Commercial Code, Istanbul Stock Exchange (Borsa Istanbul-BIST) Legislation and other relevant legislation.

The information policy includes any knowledge, document, electronic register and data whose declaration is legally convenient, apart from “Inside Information” and “Trade Secrets” exclusively known by Members of the Board, executive managers and employees.

### B. Methods and Tools for Public Disclosure

EKREIC makes use of below mentioned methods and tools in terms of information policy within the frame of durations and principles specified related with periodic tables and reports given in 38<sup>th</sup> and 39<sup>th</sup> items of Legislation on Principles Related with Real Estate Investment Partners numbered III-48.1:

- Material disclosures
- Financial Statements and Footnotes, Portfolio Value Table and Independent Audit Report periodically communicated to BIST
- Quarterly Activity Reports
- Annual Board of Directors Activity Reports
- Corporate website (<http://www.emlakkonut.com.tr>)
- Investor and Analyst Meetings
- Press releases
- Press conferences

# INFORMATION POLICY

EKREIC website address is [www.emlakkonut.com.tr](http://www.emlakkonut.com.tr). The final edition of articles of incorporation, periodical financial tables and reports, statements, public offering circulars and agendas of general assembly meetings can be achieved on the website.

The website is often updated in order to be able to reflect the structures of partnership and management. The company shall reply any kind of information request received via website immediately.

Bulletins prepared for the purpose of public disclosure by EKREIC and/or within the scope of corporate communication activities of EKREIC shall be prepared by the Press and Public Relations Department of EKREIC by taking supports on specialization-required issues.

## **I. Informing of the Press**

Conferences can be organized and press releases can be prepared by EKREIC for the purpose of informing the press about issues which directly relates with activities such as ongoing projects, medium and long term strategies by adhering to the material disclosures. The principle of equity is abided by among the members of press to be invited to the conferences.

### **- The principles for following the news and rumors about EKREIC which take place on media organs or websites and principles for disclosures to be made in this regard:**

EKREIC monitors the news and rumors which take place at national and international media organs or other communication channels in accordance with the media monitoring procedure and in case there are news and rumors with different content than previously issued information; EKREIC considers whether such information affects the value and price of company shares or investment decisions of investors and when it is deemed necessary, makes disclosure to public within the frame of principles specified in the capital market regulations.

As principle, EKREIC does not make any announcement regarding market rumors or speculations; however, announcement can be made in case confirmation is required by the Prime Ministry Capital Market Board (CMB) within the provisions of Capital Market Regulations and/or by Istanbul Stock Exchange Market or it is deemed by the Board that it is appropriate or necessary to reply such rumors and speculations.

## **II. Principles for Informing Investors and presentations and reports to be presented for meetings to be conducted for informing investors and for press conferences**

The issues related with informing investors and analysts are managed by Investor Relations Department of EKREIC. By considering meeting requests by natural or legal persons, in case such requests reach the number of 10, a meeting date is determined and announced to requestors. Presentations and/or fact sheets are published on EKREIC website after presentation, teleconference or speech. EKREIC personnel may attend national or international conferences and meetings for the purpose of sharing information with investors and analysts. Presentations made at such meetings are also published on EKREIC website. Questions being directed via telephone or e-mail are replied back within 10 working days at most.

# INFORMATION POLICY

## **C. Internal Information and precautions to be taken for providing confidentiality of internal information until it is disclosure to public**

Internal information is information, related with a tangible case that can affect value or price of capital market tools issued by EKREIC or investing decisions of investors, which can be deemed meaningful by a rational investor while taking decision of investment, which can provide advantage for its user in comparison with other investors who are not informed about a case that is not disclosure to public yet and which can affect value of capital market tools or investment decisions of investors in case it is disclosure to public.

All parties communicating with EKREIC employees who hold such internal information shall be informed that they are obliged to protect the confidentiality of internal information within the period of forming of special cases and until material disclosure is made to Istanbul Stock Exchange Market. Persons acting for and on behalf of EKREIC cannot share any information which is not announced to public and which can be considered as special case with third parties by any means. In case it is specified that internal information is accidentally shared with third parties by these persons and in case it is decided that confidentiality of internal information cannot be kept, a material disclosure shall immediately made by EKREIC within the scope of the regulations of the Capital Market.

Within the frame of “Material Disclosure Statement” numbered II-15.1 of CMB, EKREIC prepares a list for natural or legal persons who act for or on behalf of EKREIC, employees working for EKREIC by means of occupational contract or by other means and persons who can access internal information. The works for the preparation and updating of list is carried out by submitting information on persons who can access internal information to Administrative Affairs and Human Resources Department of EKREIC.

The list of persons who can access internal information shall be kept updated in convenience with the scopes of changes in projects and subjects. The above mentioned list can be submitted to governmental institutions in case it is requested. EKREIC is responsible for informing persons on the list in written for the protection of internal information.

EKREIC may postpone disclosure of internal information within the frame of “Material Disclosure Statement” numbered II-15.1 of CMB in order to prevent legal rights and interests to be protected.

## **D. Communications with Shareholders and Persons authorized to make Disclosure to Public**

By considering any kind of information request submitted to EKREIC in terms of whether it is a trade secret within the frame of “Material Disclosure Statement” numbered II-15.1 of CMB or not and whether it can affect investment decisions and value of capital market tools or not;

Such requests are to be replied back in written or orally by;

- Chairman and members of the Board
- Chairman and members of Audit Committee
- General Manager
- Investor Relations Department

# INFORMATION POLICY

Other employees are not authorized to reply information requests. Employees of EKREIC are supposed to direct questions addressed to them to the Investor Relations Department.

## **E. Authorization and Responsibility**

Information Policy is established by EKREIC Board of Directors, pursuant to board resolution. Board of Directors is authorized and responsible for monitoring, supervising and developing the policy. The amendments on information policy are subject to board resolution.

The provisions of this policy are implemented by the Investor Relations Department.

## **F. Principles for determining persons who hold administrative responsibilities**

Persons who hold administrative responsibilities are members of the Board and other persons who can directly or indirectly access internal information in regular manner and persons who can give administrative decisions which can affect development and commercial targets of the company. EKREIC specifies Persons who hold administrative responsibilities as Members of the Board and Executive Management of EKREIC.

## **G. Principles for announcing considerations for future**

The considerations of the company regarding plans and estimations for future in terms of internal information can be declared to public for persons authorized in this manner within the frame of principles specified in the regulations of the capital market. Considerations for future are based on reasonable approaches and estimations, in case of deviations due to unforeseen risks and developments, such considerations can be modified. Differences can be seen between the outcomes achieved as a result of risks, uncertainties and other factors and considerations made in advance. Such differences are expressed to investors within a reasonable duration of time. In addition to disclosures to be made within the frame of principles specified in the regulations of the capital market, considerations for future can also be announced by means of media organs, press conferences and/or releases, national and international conferences or other communication methods.

## **Investor Relations Department**

Emlak Konut REIC incorporates Investor Relations Department regarding stakeholders. The unit operates under presidency of company Financial Executive Deputy General Manager **Hakan Akbulut** (hakbulut@emlakkonut.com.tr). **Hasan Vehbi Arslantürk** (harslanturk@emlakkonut.com.tr) is the department manager. In investor relations department, specialized personnel are employed in order to provide related persons with better service.

In addition to the e-mail addresses given above, the authorized personnel can also be reached via telephone **(0216) 579 15 15**, fax **(0216) 456 48 75**, or e-mail address **info@emlakkonut.com.tr**.

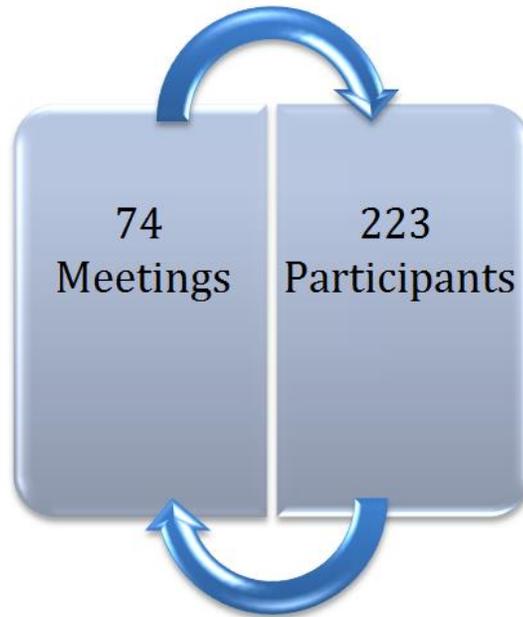
Emlak Konut REIC Investor Relations Department operates within scope of relevant legislation and internal regulations.

# INFORMATION POLICY

Pursuant to our information policy, the meeting and interview requests by domestic and foreign corporate investors are duly responded within the bounds of possibility. The list of such meetings, organized by Investor relations department, is as follows:

- Total of **74 organizations** have been conducted by the participation of national/international institutions and funds, national/international analysts between **1<sup>st</sup> of January 2014 and 31<sup>st</sup> of March 2014**. Total of **223 investor/analyst** participated in these organizations which include international conferences, teleconferences and meetings held within the body of company headquarters.

Due to the fact that Emlak Konut REIC is followed by many investors in global scale, we expect the interest to continue in 2014 and increase in the number of meetings.



## Material Disclosures

Regarding Material Disclosures, all General Vice-Managers are responsible for declaration of issues about their department.

Total of **68** material disclosures are made between **1<sup>st</sup> of January 2014 and 31<sup>st</sup> of March 2014**. While 2 of these disclosures are made by Özak Real Estate Investment Company, other disclosures are made by Emlak Konut Real Estate Investment Company.

No additional disclosure in written is requested by CMB or BIST after these disclosures. Our Company shows great attention for making such disclosures within legal periods.

On the other side, “the list for persons who are able to access internal information” is prepared for drawing attraction to the rules to be followed in relation with use of internal information. Statements from persons on the

# INFORMATION POLICY

list are taken specifying that they are aware of their responsibilities for protection of such information and not misusing it. The statements of persons who are added on the list are also taken meticulously.

## **Internal Information and Access List**

Any party in communication with Emlak Konut REIC employees with access to inside information shall be duly informed that they are liable for preserving the confidentiality of such information in the course of formation of special condition or even from the occurrence of special condition until declaration on PDP. On behalf of Emlak Konut REIC, company employees shall not share with third parties for any reason whatsoever the information that is not disclosed to public and that may be considered as special condition. In case it is found out that such persons have accidentally disclosed inside information to third parties, Emlak Konut REIC shall promptly make material disclosure if it is concluded that the confidentiality of information can be no more preserved pursuant to Capital Market regulation.

Within the frame of "Notice on Principles of Material Public Disclosure" by CMB, Emlak Konut REIC shall prepare a list of real or legal entities that act on behalf of the company, as well as of persons under labor contract with EKREIC who have access to inside information. The preparation and updating of the list shall be carried out through communication of persons with access to inside information to Administrative Affairs and Human Resources Management in the company.

Emlak Konut REIC shall constantly update the list of persons who have access to inside information, pursuant to the scope of changing projects and subjects. The mentioned list shall be submitted for information of relevant government agencies and institutions. EKREIC shall inform the listed persons about protection of inside information.

Emlak Konut REIC may delay the disclosure of inside information pursuant to provisions under CMB notice, so that legal rights and interests are reserved.

## EMLAK KONUT REAL ESTATE INVESTMENT COMPANY

### List of Persons who are able to Access Internal Information

#### BOARD OF DIRECTORS

Name-Surname	Occupation	Duty
Ertan Yetim	Civil Engineer	Chairman of the Board
Veysel Ekmen	Independent Accountant	Deputy Chairman of the Board, Independent Member of the Board
Murat Kurum	Civil Engineer	Member of the Board, General Manager
Ali Seydi Karaoğlu	Business Administration	Member of the Board
Mehmet Ali Kahraman	Urban and Regional Planner (M.Sc.)	Member of the Board
Muhammet Haluk Sur	Civil Engineer (M.Sc.)	Independent Member of the Board
Volkan Kumaş	Attorney at Law	Independent Member of the Board

#### EXECUTIVE MANAGEMENT

Name-Surname	Occupation	Duty
Sinan Ayoğlu	Civil Engineer	Deputy General Manager
Hakan Akbulut	Public Administration	Deputy General Manager
Metin Tekin	Civil Engineer	Deputy General Manager
Rasim Faruk Kadioğlu	Construction Technician	Counselor of the General Manager
Hüseyin Turan	Attorney at Law	Counselor of the General Manager (Law)
Halim Ataş	Business Administration	Principal Clerk
Nurettin Şam	Attorney at Law	1 <sup>st</sup> Legal Counselor
Zeynep Basa	Economics	Head of Department and Deputy Marketing Manager
Tülay Odakır	Civil Engineer	Tenders and Progress Payments Manager
Mustafa Aşıkcutlu	Civil Engineer (M.Sc.)	Construction Control Manager No 1

# INFORMATION POLICY

Hasan Saka	Civil Engineer (M.Sc.)	Construction Control Manager No 2
Hakan Gedikli	Surveying Engineer	Real Estate and Planning Manager
Hicran akmak	Architect	Researches and Projects Manager
Ercan Aliođlu	Business Administration	Accounting Manager
İzzet Gani Karakaya	Independent Accountant	Financing Manager
Halil İbrahim Şahin	Economics Financial Operation Administration	Administrative Affairs and HR Manager
Özlem Hanođlu elik	Economics	Press and Public Relations Manager
Hasan Vehbi Arslantürk	Civil Engineer; Foreign Trading	Investor Relations Manager
Fatih Kanitođlu	Civil Engineer (M.Sc.)	Expertise Manager

## Human Resources and Policy

Emlak Konut REIC considers human resources as one of its most precious assets. The company has adopted a human resources policy that seeks value creation towards corporate vision and mission.

Basic human resources policy of Emlak Konut REIC is indicated below:

- To employ, in the entire company, appropriate and competent staff pursuant to job descriptions,
- To provide all personnel with an opportunity of training and improvement in accordance with their competence and skills,
- To respect the character of employees, to oversee all their rights and interests,
- To ensure a work environment which enhances working desire, to establish healthy human relations,
- To orient the employees towards success, to provide training, knowledge and equivalent possibilities pursuant to competence, to award the successful persons,
- To fill the vacant executive positions firstly with the employees duly trained within the company,
- Not to employ too many personnel, to ensure maximum efficiency via tasks compliant with personnel knowledge and skills,
- Within the frame of budget possibilities, to meet social and cultural requirements of personnel, to render the company an attractive work place by means of ensuring social services and welfare for entire staff,
- To provide the competent and successful employees with a chance of promotion within the frame of positional possibilities and to ensure job security,
- To make sure that the staff is aware of issues involving him/her in due time and to develop communication procedures and possibilities in order ensure easy communication of opinions and recommendations to the management,
- To ensure personal development (career) opportunity for each employee via an effective training plan and schedule.
- To keep the morale and motivation of all staff at the highest level.
- To work for protecting and improving tangible and moral rights of personnel
- To establish a work environment that will promote the working desire of personnel
- To ensure that our employees work in team spirit and commitment to our corporate culture.

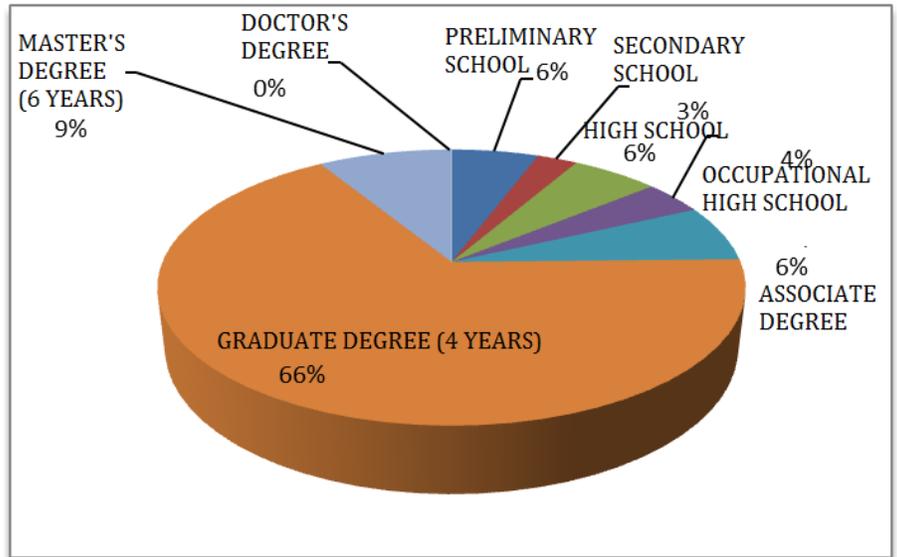
During recruitment process, our main objectives are to employ individuals loyal to ethical values, open for innovation and self-improvement, capable of long-term planning, prone to teamwork and aware of corporate culture and brand value. Our policy of Human Resources and personnel are available on our website. Company takes as principle fair attitude towards all employees and takes measures against any discrimination regarding religion, language, race and gender and strives to protect the employees against ill treatment. The company never received a complaint from employees regarding discrimination.

Job definitions and distribution of employees, as well as performance and awarding criteria, are declared to employees. Productivity is taken into account when it comes to determining wages and other interests. As for the issues not included in Personnel Regulations and other related Regulations, the affairs, operations and applications are conducted pursuant to Labor Law no. 4857 and provisions under other related legislations. The issues about our Human Resources policy and its functioning are available in chapter 13 of Corporate Management Principles Compliance Report.

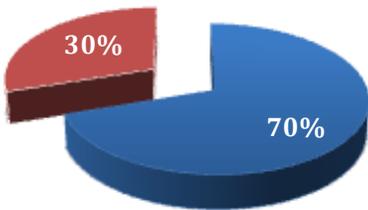
# HUMAN RESOURCES AND WAGING POLICY

## Personnel Structure

Our Company believes in the power of human capital and puts emphasis on on-the-job and specialization trainings. Human resources management is subject to the same due diligence. The ameliorative and constructive efforts are in place also on personnel management. 84% of EKREIC employees are graduates of higher education.

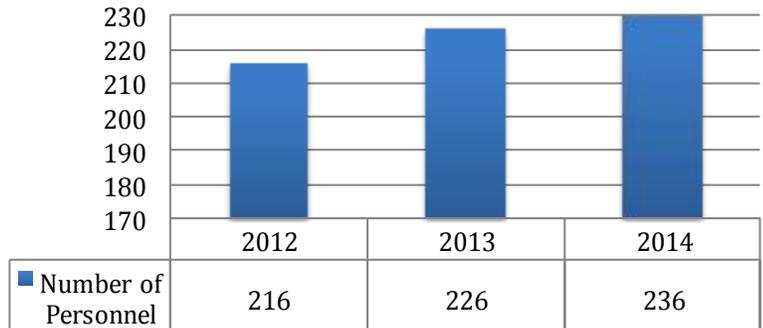


## Personnel



■ Male ■ Female

## Number of Personnel



## Waging Principles for Members of the Board of Directors and Executive Managers

By the decision taken by the Board on 31<sup>st</sup> of March 2014;

Pursuant to the Corporate Management Statement numbered II-17.1 of Capital Market Board, it is agreed that the Waging Policy of our Company shall be determined as given below and shareholders shall be informed at the first possible ordinary general assembly meeting. Disclosure to PDP regarding this issue is made on 31<sup>st</sup> of March 2014. The Waging Policy is also published on the website.

The waging policy of Emlak Konut is given below;

1. The waging policy for members of the Board and executive managers, which is rendered obligatory pursuant to Notice series IV, no. 56 regarding Determination and Implementation of Corporate Management Principles by T.R. Prime Ministry Capital Markets Board, is stated as follows:
  - i. The wages of members of the Board are determined by resolution of Higher Planning Council. The wages of the members of Board of Directors are submitted for review of stakeholders at the ordinary general assembly meeting of the relevant operating period and are duly approved.
  - ii. Stock options or performance-based payment plans cannot be applied regarding wages of Independent Members of the Board; besides, the wages of independent Members of the Board should be acceptable enough to preserve their independence.
  - iii. The wages of executive managers are determined and paid pursuant to legal liabilities, in consideration of actual economic data in the market, valid wage policies in the market, long-term objectives and policies of the company, as well as the tasks, responsibilities and experiences of mentioned executives. Executive managers are not subject to performance-based salary system.

It is also decided that;

2. The waging policy under above article (1) is submitted for information of stakeholders at the first upcoming general assembly and stakeholders are asked for opinion on the issue and
3. Appropriate waging policy is declared to public via company website.

# ENVIRONMENT AND QUALITY POLICY

The company has a policy of being sensitive about environment and clean energy resources; accordingly, we work towards use of recyclable and non-polluting products in order to minimize carbon emission. The company displays due diligence for reutilization of consumables that enables recycling within the corporation. We also generate projects in collaboration with subcontractors for ensuring nature-conscious, clean energy resources also in construction activities.

The company incorporates Quality Management Representative for direction of relations with employees. Quality Management Representative is responsible for preparation of all data and documents regarding quality management system and/or their preparation in coordination with officials from other departments, preservation of the original copies of all documents in documentation cabinets and/or electronic environment; whereas other department officials bear responsibility with respect to preparation of procedures and directives concerning their department.

In addition to these, an internal auditor is appointed for due fulfillment of tasks and responsibilities in every unit. Quality Management Representative is responsible for ensuring that the specialists of Internal Inspection get necessary training, organization of inspection activities, organization of activities between departments and inter-department coordination.

Quality Management Representative is responsible for implementation of Corrective and Preventive Activity efforts, follow-up of started corrective and preventive activities and preservation of relevant records. All department officials are responsible for proposing and starting corrective and preventive activities against nonconformities and errors, as well as monitoring such nonconformities. Together with Departmental Managers, Quality Management Representative makes use of statistical and analytical techniques for establishment of performance measurements concerning products and services.

Quality Management Representative evaluates the application results of statistical methods from the unit and submits them at board meeting for management review.



## ASSESSMENT OF ACTIVITY PERIOD



The company's traditional respect for ethical principles resulting from its corporate culture is updated pursuant to actual conditions. Since we are one of the greatest scale companies in Turkey, public interest is sought in company activities and maximum effort is displayed for renewable energy and environmental awareness and the compliance of projects with such issues.

Social responsibility studies of our Company are carried out by taking "sustainability" and "creating social values" and giving priority to education and culture/arts fields.

# ASSESSMENT OF ACTIVITY PERIOD

## Assessment of the Related Activity Period

There are many changes observed in many fields from economics to social structure both in our country and the World in a short period of time. Emlak Konut REIC follows variables which interest it much more in terms of activity periods.

In the course of its activities, Emlak Konut REIC makes assessments about previous and upcoming periods. In this respect, the economic variables, as well as sector developments are monitored. The company conducts economic, financial and socioeconomic in regular intervals from general to the specific and makes of such evaluations in administrative decisions.

Since Emlak Konut REIC adopts a sustainable and innovative management mentality, the risk and income opportunities are analyzed and assessed in this respect. The main objective is to pay regard to the rights of all beneficiaries and attain strategic targets.

In this section, a brief analysis of economic and sector actions occurred since the Annual Activity Report of 2013 was published is to be given.

## Developments in Global and Turkish Economy

Although it's been about six years since the second largest global economic crisis, it's hard to state that the socio-economic capacities reached the level before the crisis. The situation in the economies of developed countries is also attention-grabbing on this issue. A global scale uncertainty has also been created within this period since each country differentiated its economic program and opposite economic policies are being applied.

Central Bank has become the most essential element of the economy policies being applied. Therefore, each decision taken especially by the central banks of developed countries affects global markets. In this regard; The Federal Reserve of the United States (FED) stated on 22<sup>nd</sup> of May 2013 that "it is planned to limit" the "monetary expansion policy" which was being applied for a long time. The statement created the understanding of alternative costs of investments in global financial markets might increase and it is necessary to avoid risky investments. As a result, interest rates among in all markets among the world increased and especially currencies of developing countries depreciated.

As of December 2013, Federal Reserve began reducing 'bond buyback amount' in order to retreat from 'quantitative easing policy'. As the process began before expected date, the developing countries (Turkey, Brazil, Argentina, Indonesia, India etc.) underwent recession of local currencies; then came the partial outflow of the funds that came from financial markets for short-term investment (Portfolio movements, Hot money etc.). It is estimated that the contraction by FED, principally via reduction of 'bond purchase', will end in the final quarter of 2014. Nonetheless, we will have to wait until late 2015 for transition to 'interest rate hike' that will actually terminate the quantitative easing period. The indication of that interest rate hike may be applied in case the annual inflation rate is 2% or higher and the unemployment rate is 6.5% or lower has been revised in the first

## ASSESSMENT OF ACTIVITY PERIOD

quarter of 2014 as decreasing unemployment and increasing buoyancy as much as possible. The statement of FED and the fact that the data of the economics of the US is not at desired level has increased the “risk appetite” of international fund movements.

The increase in risk appetite resulted in portfolio movements to be directed to developing countries (Brazil, Turkey, Indonesia, India, etc.). The increasing trend in stock exchange markets and local currency values has been observed at the second half of March.

Nevertheless, two globally influential central banks, BOJ (Bank of Japan) and ECB (European Central Bank) maintain ‘quantitative easing’ in order to ensure economic recovery. Moreover, Bank of Japan sets inflation targets and tries to raise the general level of prices to that end. On the other hand, it is stated by European Central Bank Chairman Mr. Draghi on the second half of April that a brand new expansion package is on the agenda in order to increase economic boom.

Transition period seems to be still valid for 2014 for global economy; however, geo-political risks have increased considerably in last six months. The Russian-Ukrainian issue comes up to be a process to be followed carefully in terms of economic and other possible risks.

In recent years, Central Bank of Republic of Turkey (CBRT) has more responsibility about prices and financial consistency, as well as economic growth, in line with the changes in its job definition. Pursuant to global economic developments and domestic conditions, CBRT successfully implements preventive policies, as well as those that reduce possible fluctuation. It’s become necessary to make changes in the money policy in accordance with the dynamic developments in global economy.

In this regard; as a result of changes in conditions of some internal risks in addition to external factors, while the overnight interest rate has been increased to 12% from 7,75%, borrowing rate of interest of the Central Bank has been increased to 8% from 3,5% and one-week repo rate has been increased to 10% from 4,5% by the decision taken at the extraordinary meeting of the Monetary Committee of CBRT on 28<sup>th</sup> of January 2014.

As a result of precautions taken; a more steady structure has been provided for consumption trends as well as foreign exchange market. In addition to above mentioned targets, The Central Bank aims to keep “price consistency” and mentioned that decrease in interest rates might be planned in case inflation rate approaches to the intermediate-band of annual target (6.6%) by considering external factors.

Another issue being monitored carefully in terms of global economy is the concept of “growth”. Achieving a sustainable economic growth is one of the most important risk factors being followed.

## ASSESSMENT OF ACTIVITY PERIOD

Growth Estimations (%) for some Countries and Country Groups									
		Global	Turkey	Euro Zone	USA	Brasil	Russia*	India	PRC
IMF	2014	3,6	2,3	1,2	2,8	1,8	1,3	5,4	7,5
	2015	3,9	3,1	1,5	3,0	2,7	2,3	6,4	7,3
OECD	2014	3,6	3,8	1,0	2,9	2,2	2,3	4,7	8,2
	2015	3,9	4,1	1,6	3,4	2,5	2,9	5,7	7,5
DB	2014	3,2	2,4	1,1	2,8	2,4	1,1	6,2	7,6
	2015	3,4	3,5	1,4	2,9	2,7	1,3	6,6	7,5
* For high risk scenario of World Bank, 2014: -1,8% 2015: 2,1% (April 8, 2014)									

Source: IMF, OECD, World Bank

Growth was the most considerably damaged macroeconomic variable in the global crisis of 2008. The “recession” in the economies of developed countries reached such significant scales after the crisis that it caused the most serious stagnation ever since 1929.

While such problems as negative economic growth, deflation and unemployment became a threat for developed countries, the period of 2009-2011 was very satisfactory for the economies of developing countries. High economic growth ratios and buoyancy in BRICT (Brazil, Russia, India, Turkey, and China) countries has set a nice example for this situation. As a result the number of countries which have a corner at the positive growth of global economy increased.

After 2012, problems arose due to rapid growth of developing countries (current deficit, inflation pressure, rapid increase in asset prices, etc.) so, such countries sacrificed from growth rate and took some precautions. A group of countries including Turkey, India, Brazil and Indonesia played a leading role in taking such precautions.

The economy of the US comparatively showed signs of recovering in 2013 and the expectation for gradually finalizing expanding money policies increased as a result. First effects of this expectation (as explained above) are observed as fund outflows and fragilities in the economies of developing countries after May of 2013.

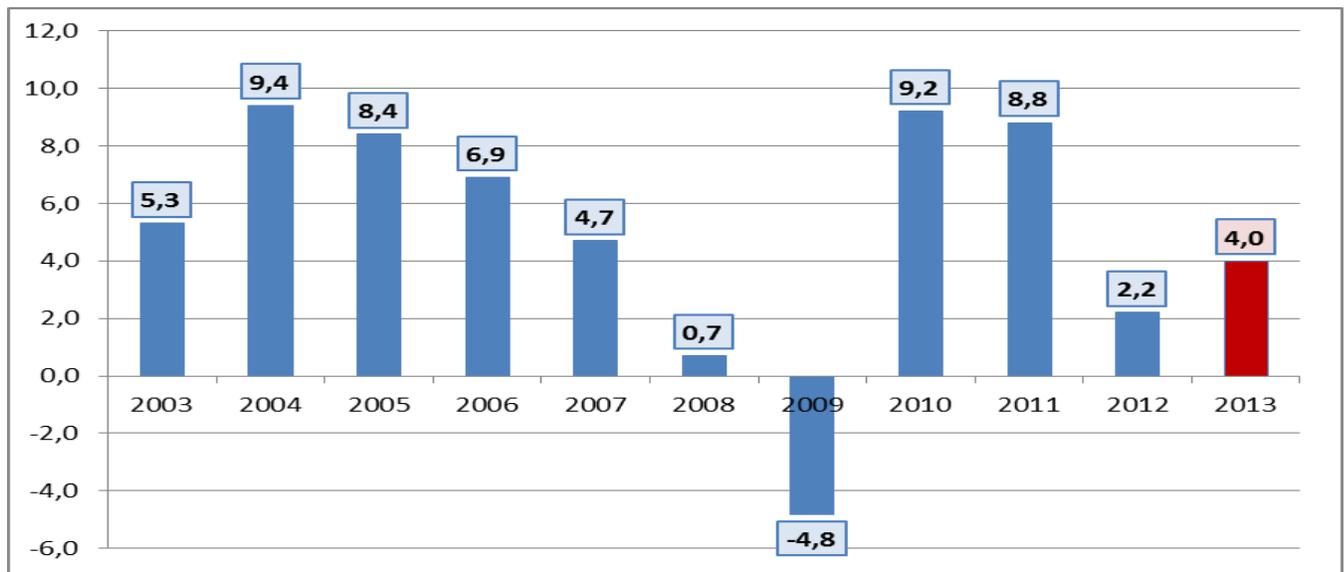
While recovery period of the economy of the US continues as of 2014, it is not possible to mention the same situation for EU and Japanese economies.

Meanwhile Turkish economy still preserves its durable structure against both internal and external fluctuations. The most typical indicator for this is seen at growth rates and Turkey preferred sustainable and controlled growth to rapid growth in this period.

The growth rate of 2013 which has been announced last month exceeded expectations and mentioned the dynamic structure of the Turkish economy once again. The growth rate of Turkish economy for 2013 is 4% according to the statistics of Turkish Statistics Institute.

# ASSESSMENT OF ACTIVITY PERIOD

Annual Growth Rates of Turkish Economy (According to the statistics of Turkish Statistics Institute)



Turkey is one of the countries which overcome crisis most rapidly and which are least affected by uncertainties due to global economic crisis. Average annual growth between 2003 and 2013 is 5%.

Although growth rate of Turkey is very good compared to the averages of the world, it is decided to reduce the growth rate gradually as of 2013 by monetary and financial policy decisions taken in parallel with problems which may arise due to rapid growth and changes in global conjuncture. It can be stated that a similar controlled process is expected for 2014 too.

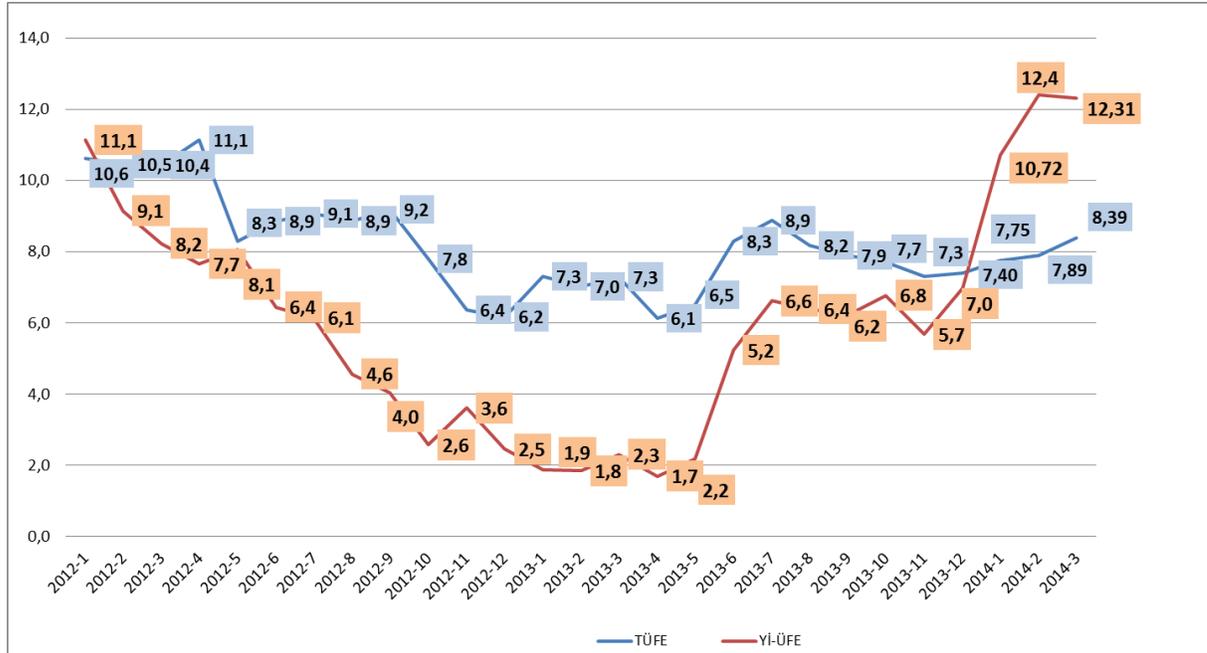
The most significant issue about the growth numbers is that growth continues but more controllably; however, it should be noted that some sectors which are more sensitive to growth may experience relatively less growth compared to country level.

Although increase in general price level, which is one of the structural problems of our country, is significantly taken under control and there has been an increase in inflation in last 18 months due to consumption and transitivity in foreign currencies, economic recovery can be expected for the second half of the year as a result of tight monetary policy.

# ASSESSMENT OF ACTIVITY PERIOD

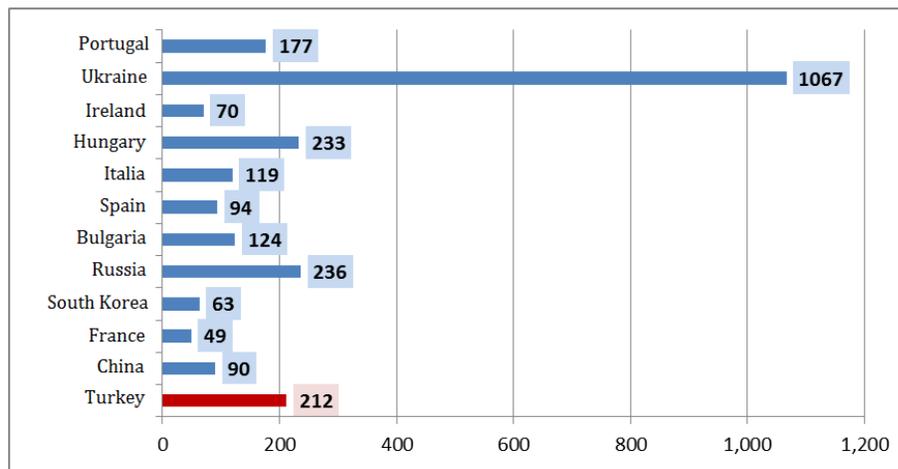
## Inflation (In comparison with the same month of the previous year)

Source: Turkish Statistics Institute



Risk perception in Turkish economy is another significant issue. In this respect, the globally-used CDS premiums, which are among important variables for reimbursement power of a country, point out the continuous confidence in Turkish economy despite all systemic and non-systemic risk changes.

## CDS Premiums (As of April 14, 2014)



Source: DB Research \* As CDS premium increases, risk level perceived decreases.

# ASSESSMENT OF ACTIVITY PERIOD

CDS premiums of Turkey indicate a medium level of risk. Factors affecting risk perception and systemic risks of countries in the world might show changes in short term.

In short, having significantly reduced its structural problems and with a high growth potential, Turkish economy has a solid position in world economic conjuncture. Certain occasional past or possible fluctuations shall not lead to a change the main tendency in the long run. However, risk management will become gradually more important in both macro and micro terms. As a country with high potential, Turkey will remain a centre of attention for both domestic and foreign investors.

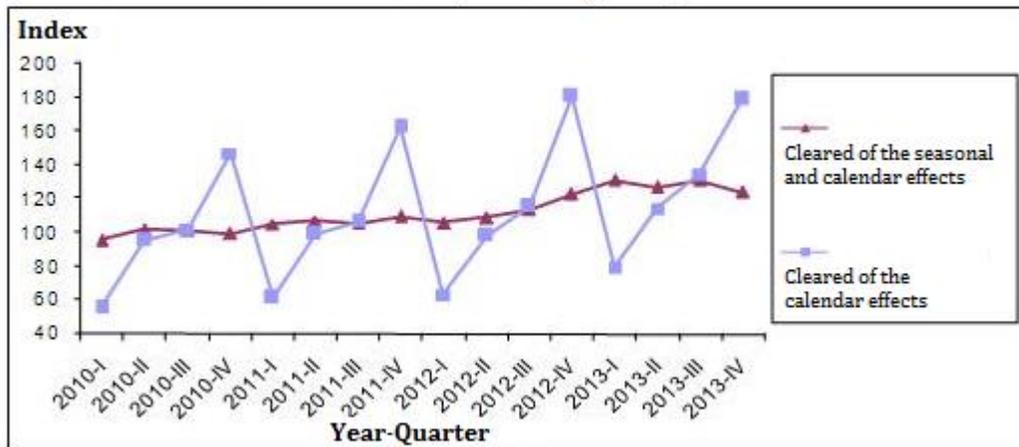
## Effect of Developments on the Sector and Emlak Konut REIC

Hereby chapter comprises analyses the effects of abovementioned macro changes on construction and real estate sectors, as well as on Emlak Konut REIC.

CDS premiums of Turkey indicate a medium level of risk. Factors affecting risk perception and systemic risks of countries in the world might show changes in short term.

In short, having significantly reduced its structural problems and with a high growth potential, Turkish economy has a solid position in world economic conjuncture. Certain occasional past or possible fluctuations shall not lead to a change the main tendency in the long run. However, risk management will become gradually more important in both macro and micro terms. As a country with high potential, Turkey will remain a centre of attention for both domestic and foreign investors.

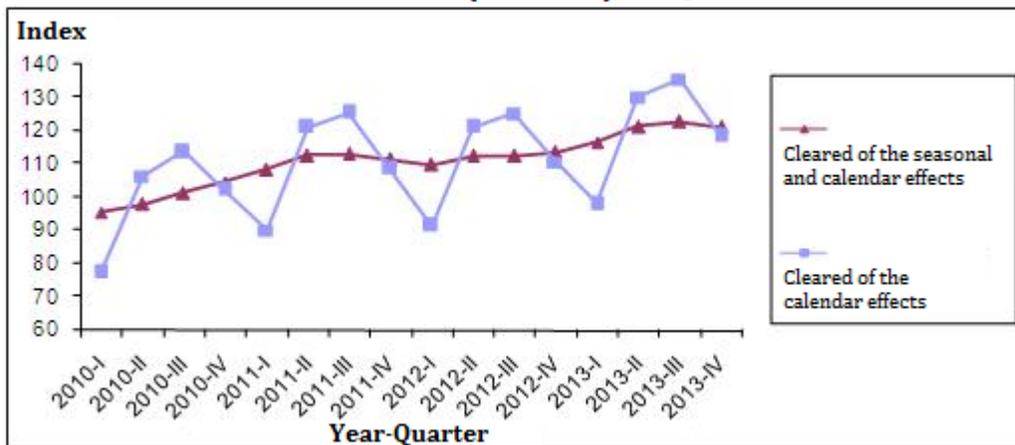
**Construction Sector Turnover Index (2010=100), 4th Quarter of 2013**



Construction Production Index cleared of seasonal and calendar effects decreased 1,2% in 4<sup>th</sup> quarter of 2013 compared to the previous quarter. While Construction Production Index cleared of calendar effects increased 7,0% compared to the same quarter of the previous year, it increased by 7,5% in 2013 compared to the previous year.

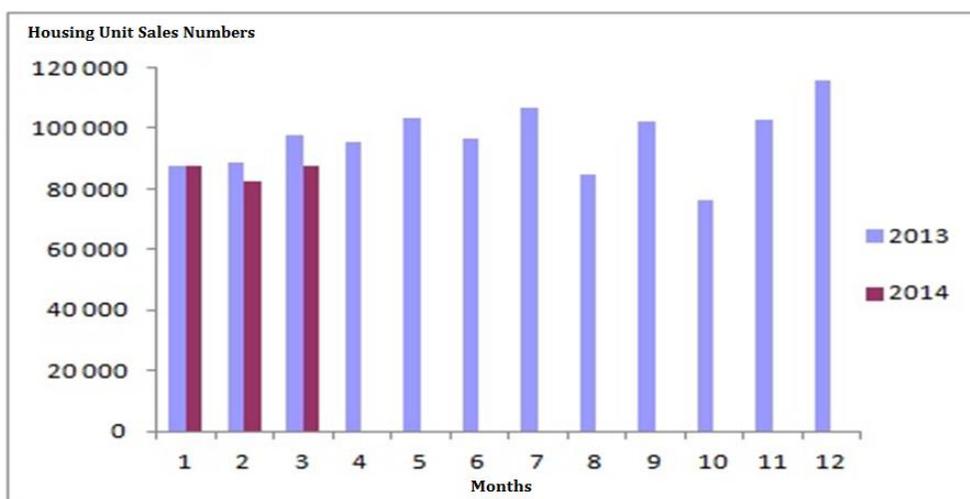
# ASSESSMENT OF ACTIVITY PERIOD

**Construction Sector Production Index (2010=100), 4th Quarter of 2013**



Another important issue for the sector is sales and distribution of types. According to the data provided by Turkish Statistics Institute, there has been a slight decrease in sales in first three months of 2014 relative to 2013; however, it should be noted that foreign currency fluctuations have been seen and risk perception has increased in this period.

**Housing Unit Sales (According to the statistics of Turkish Statistics Institute), 2013-2014**



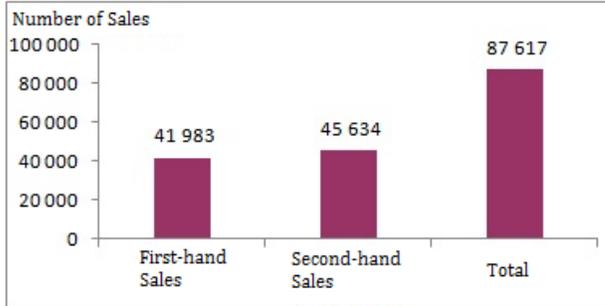
Istanbul has the highest share in housing unit sales by 17.718 sales (20,2%) in March of 2014. Ankara and Izmir follows Istanbul on this list by 10.963 (12,2%) and 5.851 (6,7%) sales respectively.

When housing unit types are considered, it is seen that; share of mortgaged sales is 27,9% and Istanbul has the highest number for mortgaged sales too by 6.079 sales (24,8%).

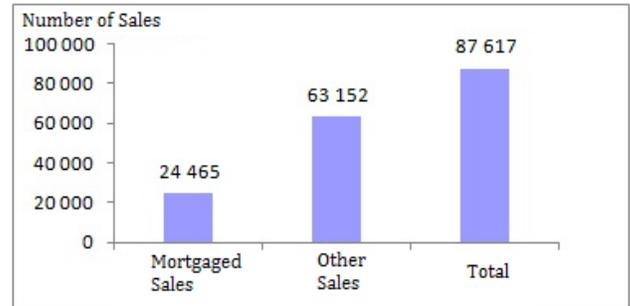
Istanbul holds the first place for other sales too by 11.639 sales and a share of 18.4%. Share of other sales among all sales in Istanbul is 65,7%. Ankara and Izmir follows Istanbul on this list by 7.464 and 4.165 sales respectively.

# ASSESSMENT OF ACTIVITY PERIOD

Housing Unit Sales by Status of Sales March 2014



Housing Unit Sales by Type of Sales March 2014



Share of first hand shares at country level is 47,9%. Istanbul has the highest share for first hand sales by 8.235 sales (19,6%). Ankara and Izmir follows Istanbul by 4.913 and 2.698 sales respectively.

Istanbul is at the first place for second hand sales too with 9.483 sales and a share of 20,8%. Share of second hand sales among all sales in Istanbul is 53,5%. While Ankara takes the second place on this list by 5.780 sales, Izmir follows Ankara by 3.153 sales.

Another significant element in the construction sector is the business activities of foreign investors seen after the reciprocity law. While the interest of foreign investors in Turkish real estate sector, increase in foreign currencies has become a value for such type of investors too.

1.362 housing units have been sold to foreigners in March of 2014.

While Istanbul holds the first place for sales to foreigners in March by 478 units, Antalya follows it by 459 sales.

Other important issues for the sector can be named as;

- Demand of the young and dynamic population of the country for qualitative housing and construction projects
- Istanbul becoming an important business center by becoming a global city and attracting foreign investors
- Infrastructure and superstructure projects being carried out for Istanbul to become an International Finance Center
- Investor interest due to such projects as 3<sup>rd</sup> Bosphorus Bridge, 3<sup>rd</sup> Airport and Sub-sea Tunnel in Istanbul
- Continuation of construction projects with both housing and trading purposes at other metropolitan municipalities and continuation of demands for such projects
- Urban Transformation projects which are started against earthquakes and unhealthy living conditions becoming more popular
- The sector working faster with more efficiency due to technological developments in construction techniques, applications and methods

## ASSESSMENT OF ACTIVITY PERIOD

- Contributions of international construction experiences and successes earned over years to the development of the sector
- Increase in the predictability of macro-economic conditions
- Being less affected by fluctuations resulting from risk perception

These features are very important for the construction sector and all its components so they should be followed carefully.

# ASSESSMENT OF ACTIVITY PERIOD

## Developments after the Related Activity Period

Significant developments experienced after the activity period (01<sup>st</sup> of January 2014 – 31<sup>st</sup> of March 2014) are given below.

### Contracts

A purchasing protocol has been signed with Housing Development Administration of Turkey (TOKİ) for purchasing of total of 15 lands with a surface area of 1.113.374,57 m2, where 9 of them are in Başakşehir District of Istanbul with a surface area of 547.300,77 m2, 5 of them are within Çankaya, Etimesgut and Yenimahalle districts of Ankara with a surface area of 493.453,80 m2 and one is in Derince district of Kocaeli province with a surface area of 72.620,00 m2 by a total price of 1.530.909.640,00-TL.

Tender documents are purchased for the tender to be executed by the Directorate of Privatization Administration on 13<sup>th</sup> of May 2014 for sales of real estate with a total surface area of 158.497,62 m2 within İstinye neighborhood of Sarıyer district of Istanbul.

The tender for “Istanbul Esenler Airport Neighborhood Urban Transformation Area 1<sup>st</sup> Stage 1<sup>st</sup> Section Housing Units Construction and Infrastructure and Landscaping Works” project is conducted on 1<sup>st</sup> of April 2014 and the contract has been signed on 16<sup>th</sup> of April 2014 with the contractor “Siyahkalem Müh. İnş. San. ve Tic. Ltd. Şti.”.

## Developments Related with 2013 Ordinary General Assembly Meeting

It is agreed by the decision dated 28<sup>th</sup> of March 2014 and numbered 20-046 of the Board of Directors for;

- 1- The General Assembly meeting to be held on 28<sup>th</sup> of April 2014 Monday at 10:30 at the address Atatürk district Çitlenbik Av. Ataşehir/Istanbul in accordance with the 414<sup>th</sup> item and other related provisions of the Turkish Commercial Code, 29<sup>th</sup> item and other related provisions of the Capital Market Law and articles of incorporation of our company; all related announcements and publications including the agenda attached to this decision, sample letter of attorney and invitation letter to be made; public disclosure related with all information, including issues specified within the scope of the item 1.3.1 of Corporate Management Principles regulated attached to Corporate Management Statement, which is required to be announced to public within legal durations
- 2- Applications to Provincial Directorate of the Ministry of Customs and Trade in order for a representative to be assigned to the general assembly meeting mentioned in the item (1) given below to be made; the General Manager to be authorized in order for all these works and transactions to be carried out and finalized

Among those who were nominated for membership of the Board; while Ertan Yetim, Murat Kurum and Ali Seydi Karaoğlu who participated in the meeting and Mehmet Ali Kahraman by the consent letter of 7<sup>th</sup> Notary Office of Bodrum dated 25<sup>th</sup> of April 2014 with the roll number 3595 are elected as members of the Board and Veysel Ekmen, Aysel Demirel, Ertan Keleş, who participated in the meeting and declared their candidationship have been selected as Independent Members of the Board.

# ASSESSMENT OF ACTIVITY PERIOD

The necessary disclosure for the “Decisions of 2103 Ordinary General Assembly Meeting” has been made to the Public Disclosure Platform.

The agenda, proceedings and list of participants are given in appendices.

## **Profit Distribution Table for the Year 2013**

Regarding the profit distribution for 2013;

The net profit for the period given on the tables prepared in accordance with the provisions of the legislation numbered II-14.1 of the Capital Market Board is 1.060.536.511,00 TL and the net profit for the period given on the tables prepared in accordance with the provisions of the Tax Procedural Law is 1.230.195.821,49 TL. The total primary legal reserves saved within the frame of Turkish Commercial Law is 195.617.938,31 TL and since this amount does not reach 20% of the paid capital, 5% of the net profit for the period given on the tables prepared in accordance with the provisions of the Tax Procedural Law that is 1.230.195.821,49 TL is reserved as Primary Legal Reserve (61.509.791,07 TL).

40,0261 % of the remaining amount of 1.168.686.030,42 TL, that is 467.780.000,00 TL, which is calculated by deducting the primary legal reserve of 61.509.791,07 TL from the net profit for the period given on the tables prepared in accordance with the provisions of the Tax Procedural Law that is 1.230.195.821,49 TL is reserved as First Dividend.

The amount of 27.778.000,00 TL which is 10% of the remaining amount after deducting 5% of the paid capital from the total profit share of 467.780.000,00 TL to be distributed to shareholders is reserved as Secondary Legal Reserve in accordance with the Turkish Commercial Code.

The remaining profit amount of 673.128.030,42 TL according to legal records is reserved as Contingency Reserve; the first dividend amount of 467.780.000,00 TL which is reserved in order to be distributed from net profit of the period to shareholders is decided to be distributed as 0,1231 TL in cash/on account gross (=net) in return for 2013 profit share bonds of shares that our shareholders possess and it is agreed to submit the decision of making profit distribution on 26<sup>th</sup> of May 2014 to the approval of the General Assembly. The disclosure about the above mentioned issues is made to PDP on 01<sup>st</sup> of April 2014.

Please refer to appendices for Profit Distribution Table

## Portfolio Structure and Real Estates

Pursuant to the notification (series VI no. 29) of amendment on the Notice regarding Principles of Real Estate Investment Companies by Capital Markets Board, the issues under article 42 of our activity report are available in hereby chapter. Tables on up-to-date projects, real estate valuation tables (project, land plot, building) and project construction accomplishment rates table are attached to activity report, since they are too extensive and require further analysis.

In line with our principle of providing the public with more transparent and comprehensible information, the brief points of our two business development models are given in the chapter 'business models' at the beginning of the activity report. Moreover, the tables of projects completed and tendered under 'Revenue Sharing' model and the details on completed and ongoing projects under "Turnkey Model" are available under respective titles in relevant chapters.

# PORTFOLIO STRUCTURE AND REAL ESTATES

## Real Estates which are Rented or Given for Rental

REAL ESTATES GIVEN FOR RENTAL							
No	Lessee	Starting Date	Ending Date	Duration	PROVINCE-DISTRICT	BLOCKAND LOT	Rental Price TL
1	ARZU CAMADAN	05.07.2012	15.06.2017	5	İSTANBUL-SİLİVRİ	675 /1, E- 11	1.067,64
2	BERNA GAYRİMENKUL DANIŞMANLIK VE TUR. TİC. LTD.ŞTİ.	01.03.2014	30.03.2014	10	İSTANBUL - BAĞCILAR	1562 /11, C1- 3	4.000,00
3	EMLAK PAZARLAMA -YENİ SARPINŞ ADI ORTAKLIĞI	23.12.2010	23.12.2013	3	İSTANBUL -ATAŞEHİR	3317-4	4.165,63
4	CATHAYEP ADI ORTAKLIĞI	01.04.2012	01.04.2014	1	İSTANBUL -AVCILAR	524-2	3.469,22
5	BERNA GAYRİMENKUL DANIŞMANLIK VE TUR. TİC. LTD.ŞTİ.	01.03.2014	30.03.2014	10	İSTANBUL - BAĞCILAR	1562 /11, C1- 5	2.800,00
6	BERNA GAYRİMENKUL DANIŞMANLIK VE TUR. TİC. LTD.ŞTİ.	01.03.2014	30.03.2014	10	İSTANBUL - BAĞCILAR	1562 /11, C1- 4	6.000,00
7	BERNA GAYRİMENKUL DANIŞMANLIK VE TUR. TİC. LTD.ŞTİ.	01.03.2014	30.03.2014	10	İSTANBUL - BAĞCILAR	1562 /11, C1- 6	2.800,00
8	TAHİNCİOĞLU GRUBU ORTAK GİRİŞİMİ	15.09.2013	15.09.2015	2	İSTANBUL -ATAŞEHİR	-  3334 /8	2.200,00
9	İLGİNİNŞAAT İÇ VE DİŞ TİC. A.Ş. (BAHÇEKENT 1 ETAP 2 KISIM)	01.08.2013	01.08.2014	1	İSTANBUL -BAŞAKŞEHİR	651-1	1.350,00
10	İFM&AKDENİZ İN. İŞ ORTAKLIĞI	01.09.2013	01.09.2014	1	İSTANBUL -KADIKÖY	3317 /22	4.110,00
11	ALKAN GIDA UNLU MAMULLERİ TUR. TİC. SAN. LTD. ŞTİ.	01.04.2014	01.04.2024	10+10	İSTANBUL -BAĞCILAR	246DS2C/156211 NOLU PARSEL	20.000,00
12	ASİST ÖĞRETİM KURUMLARI A.Ş.	01.08.2014	01.08.2024	10+10	İSTANBUL -TUZLA	105-3	125.000,00
Note: VAT is excluded in the rental price.						<b>TOTAL</b>	<b>176.962,49</b>

REAL ESTATES RENTED BY EKREIC							
No	Lessee	Starting Date	Ending Date	Duration	Information on the Real Estate	Rental Price TL	
1	EMLAK KONUT G.Y.O A.Ş.	01.05.2011	01.05.2012	1	ANKARA - ÇANKAYA / 1 Office	3.750,00	
2	EMLAK KONUT G.Y.O A.Ş.	15.02.2013	15.02.2014	1	İSTANBUL - BAŞAKŞEHİR / 912 / 3, C - 17 .İSTANBUL - BAŞAKŞEHİR / 912 / 3, C - 18 .İSTANBUL - BAŞAKŞEHİR / 912 / 3, C - 19 .İSTANBUL - BAŞAKŞEHİR / 912 / 3, C - 20 .İSTANBUL - BAŞAKŞEHİR / 912 / 3, C - 21 .İSTANBUL - BAŞAKŞEHİR / 912 / 3, C - 22 .İSTANBUL - BAŞAKŞEHİR / 912 / 3, C - 23 .İSTANBUL - BAŞAKŞEHİR / 912 / 3, C - 24 .İSTANBUL - BAŞAKŞEHİR / 912 / 3, C - 25 .İSTANBUL - BAŞAKŞEHİR / 912 / 3, C - 26 .İSTANBUL - BAŞAKŞEHİR / 912 / 3, C - 27 .İSTANBUL - BAŞAKŞEHİR / 912 / 3, C - 28 .İSTANBUL - BAŞAKŞEHİR / 912 / 3, C - 15 .İSTANBUL - BAŞAKŞEHİR / 912 / 3, C - 16	8.284,00	
3	EMLAK KONUT G.Y.O A.Ş.	04.10.2013	04.10.2014	1	İSTANBUL - AT AŞEHİR / 3338 / 4, A - 54	10.000,00	
Note: VAT is excluded in the rental price.						<b>TOTAL</b>	<b>22.034,00</b>

# PORTFOLIO STRUCTURE AND REAL ESTATES

## Independent Section Sales for 2014

NO	NAME OF THE PROJECT	JAN	FEB	MAR	As of 31 <sup>st</sup> of March 2014
		Pieces	Pieces	Pieces	Pieces
1	1STANBUL			30	30
2	AĞAOĞLU MASLAK 1453 İSTANBUL	19	18	80	117
3	AĞAOĞLU MY WORLD EUROPE		1	1	2
4	AVRUPA KONUTLARI TEM 2	21		16	37
5	BAHÇEKENT EMLAK KONUTLARI 1. ETAP 1. KISIM	2		19	21
6	BAHÇEKENT EMLAK KONUTLARI 1. ETAP 2. KISIM	2		19	21
7	BAHÇETEPE İSTANBUL	16	8	8	32
8	BATIŞEHİR	64	41	31	136
9	BİZİM EVLER 4	13	18	22	53
10	BULVAR İSTANBUL	121	109	111	341
11	BURGAZKENT	1			1
12	DUMANKAYA MIKS	60	5	21	86
13	ELITE CITY	5			5
14	EMLAK KONUT BAŞAKŞEHİR EVLERİ 1-1	4	4	24	32
15	EMLAK KONUT BAŞAKŞEHİR EVLERİ 1-2	1	1	12	14
16	EMLAK KONUT BAŞAKŞEHİR EVLERİ 1-4	1	3	20	24
17	EMLAK KONUT MAVİŞEHİR EVLERİ		2		2
18	EVORA İSTANBUL 1.BÖLGE	71	48	43	162
19	EVORA İSTANBUL 2.BÖLGE	54	30	31	115
20	KÖRFEZKENT 3. ETAP	13	20	42	75
21	METROPOL İSTANBUL	34		15	49
22	NİDAKULE ATAŞEHİR			13	13
23	NOVUS RESİDENCE			1	1
24	PARKYAŞAM MAVİŞEHİR	1	1		2
25	SARPHAN FİNANS PARK	14	4	4	22
26	SELİMPAŞA EMLAK KONUTLARI	1			1
27	SEYRAN ŞEHİR			20	20
28	SOYAK PARK APARTS	20	23	5	48
29	SPRADON QUARTZ	3		1	4
30	STÜDYO 24	10	14	5	29
31	SULTANBEYLİ EMLAK KONUTLARI	2		6	8
32	ŞEHRİZAR KONAKLARI	8	1	1	10
33	TUZLA EMLAK KONUTLARI 2			4	4
34	UNİKONUT	2	6	7	15
35	VARYAP MERİDİAN	11			11
<b>TOTAL</b>		<b>574</b>	<b>357</b>	<b>612</b>	<b>1543</b>

## **Lands Purchased for the Purpose of Project Development**

Information on lands which are determined and purchased in accordance with the strategies, risks and profit targets of our company is given below.

### **Land Purchases between 01<sup>st</sup> of January 2014 – 31<sup>st</sup> of March 2014**

No lands have been purchased between 01<sup>st</sup> of January 2014 and 31<sup>st</sup> of March 2014.

## **Ongoing Projects**

The details of ongoing projects by our corporation are given in APPENDIX-3, APPENDIX-4, APPENDIX-5 and APPENDIX-7.

## **Expertise Value of Assets**

The expertise reports on projects, land plots and buildings of our company are available in APPENDIX-2.

## **Final Status and Completion Percentages of Projects**

Information about the final situation and accomplishment rates of our current projects is available in APPENDIX 3. The table of accomplishment dates is given in APPENDIX-7.

## **Portfolio Limitations**

Tables on Portfolio Restrictions are provided in APPENDIX-1, under Summary Financial Statements.

# SHARE PERFORMANCE

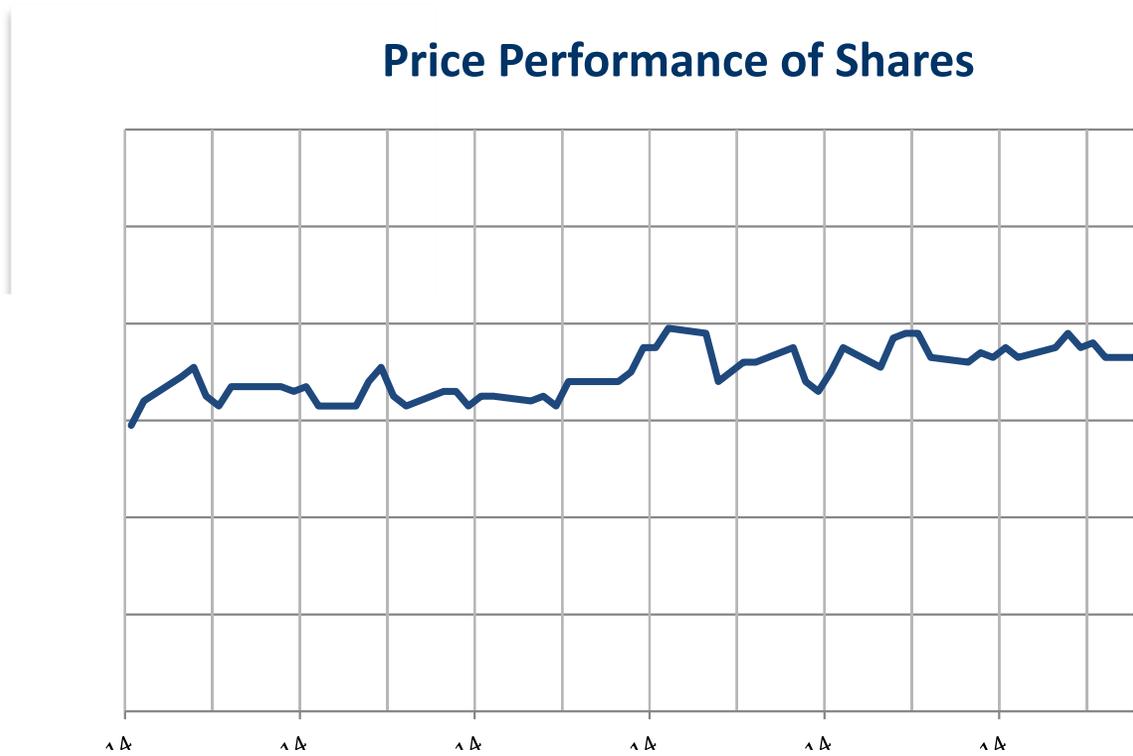
## Information on Share Performance

### Market-Index-Class of Trading

The shares of our corporation are traded at Borsa Istanbul National Market. They are within group A of stock market. Our stocks are included in the indexes BIST GAYRİMENKUL YAT. ORT., BIST MALİ, BIST TÜM, BIST 100, BIST 30, and BIST 50. The short data codes in data providers are as follows: **BIST CODE:**EKGYO, **BLOOMBERG CODE:**EKGYO.TI, **REUTERS CODE:** EKGYO.IS

### Share Price and Volume Change Charts

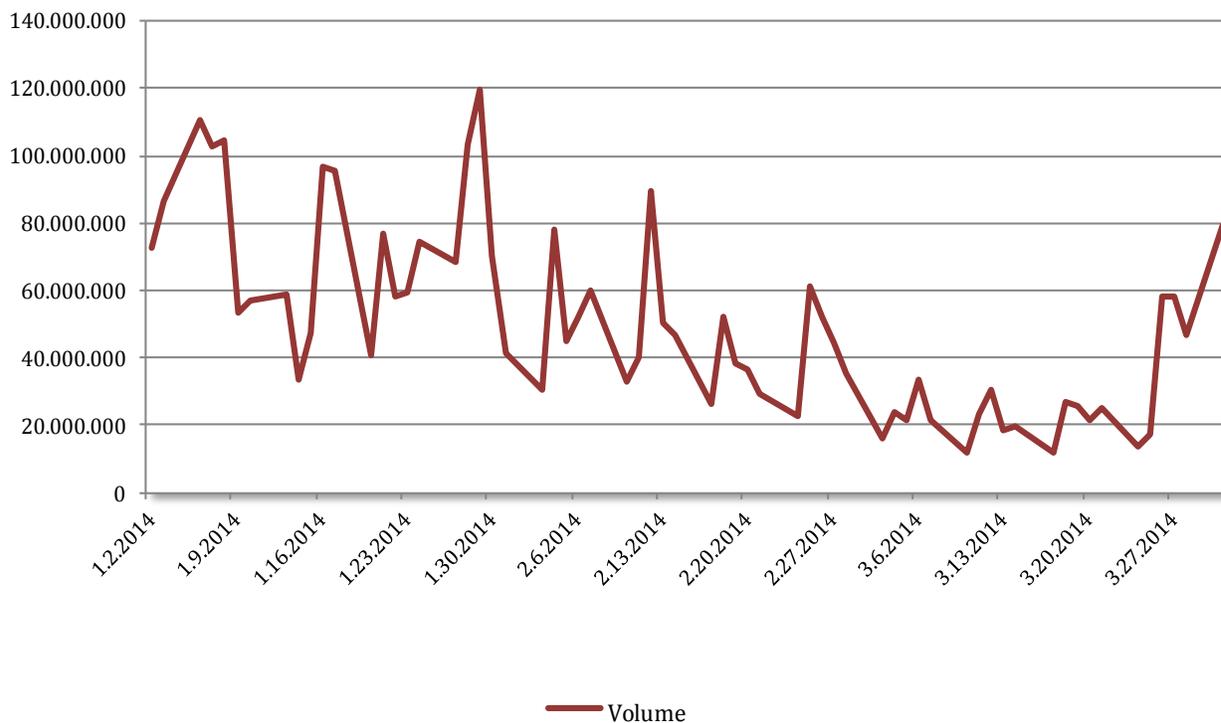
*Share Performance since the Beginning of the Year*



# SHARE PERFORMANCE

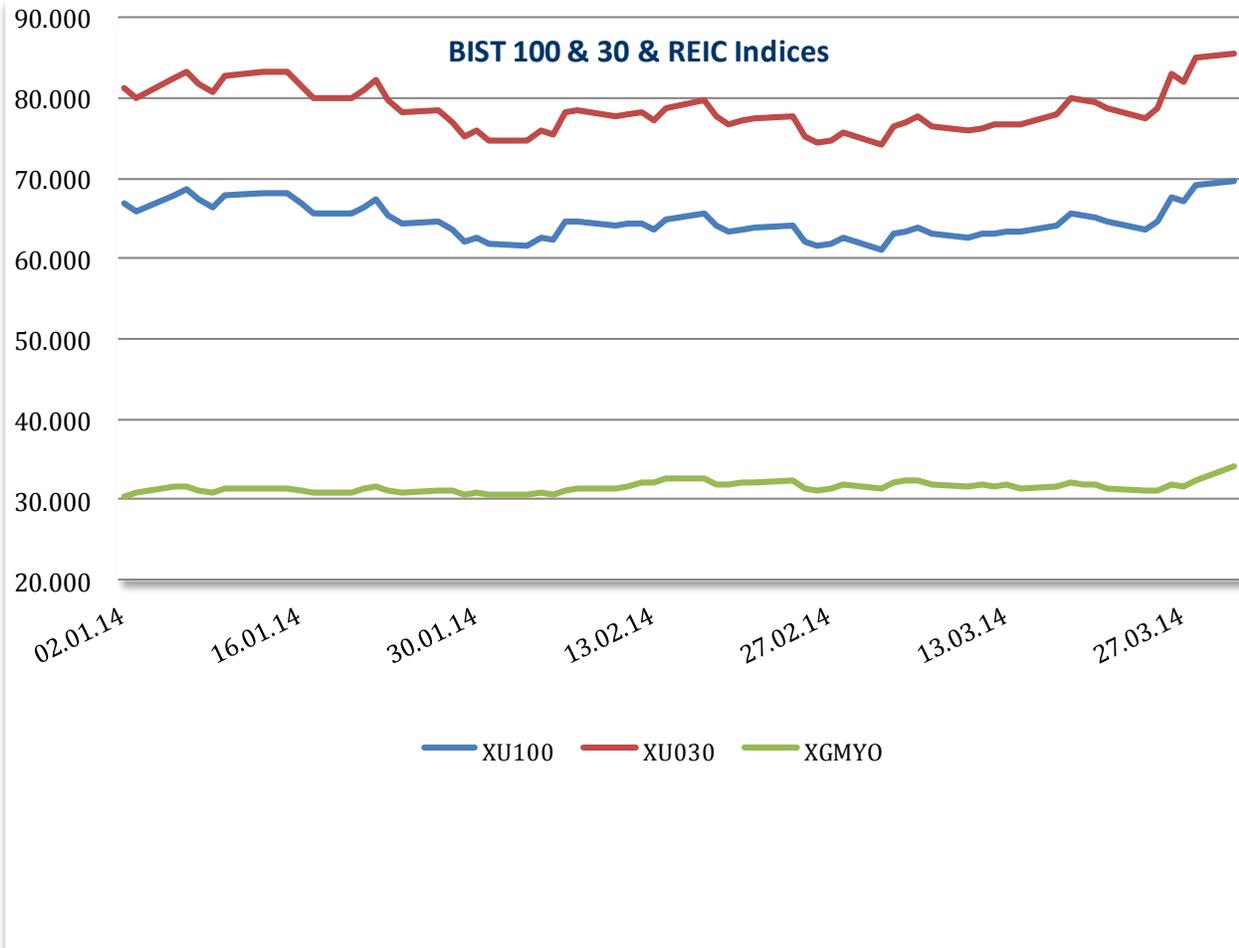
*Share Volume Since Beginning of the Year*

## Volume between January and March



# SHARE PERFORMANCE

*BIST and REIC Index Comparison*



# FINANCIAL DATA SUMMARY

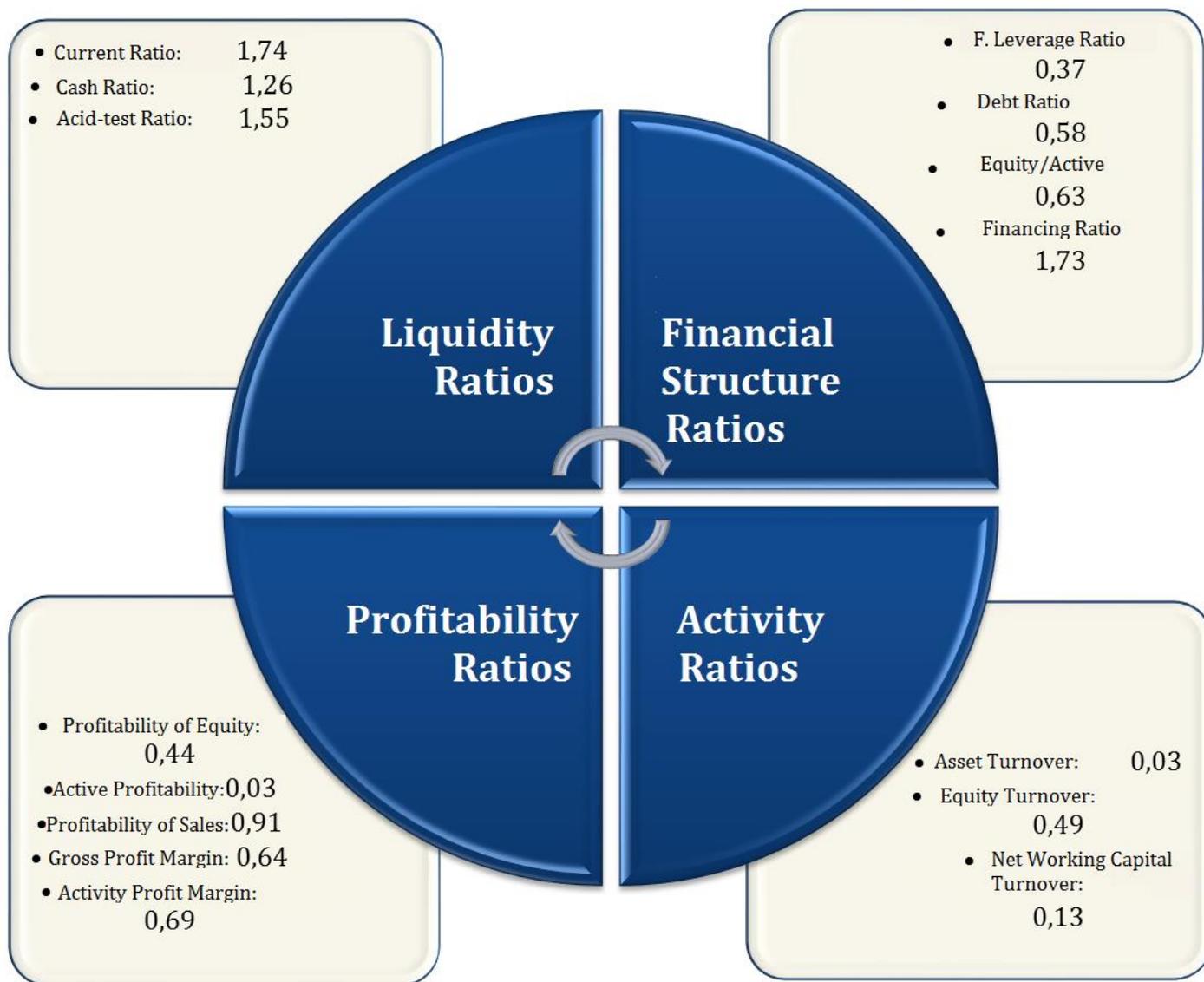
## Financial Data Summary

*Basic Financial Data in Yearly Basis*

mn. TL.	31.12.2011	31.12.2012	31.12.2013	31.03.2014
NET Sales	716,6	1.004,6	2.331,1	421,8
EBITDA	255,1	529,8	1.004,4	291,1
EBITDA Margin (%)	35,6	52,7	43,1	69,0
Profit for the Period	228,3	523,4	1.060,5	383,8
Total Assets	7.698,8	8.578,9	13.471,0	13.641,8
Equity Capital	3.987,5	4.392,3	8.353,6	8.653,5

# FINANCIAL DATA SUMMARY

## Financial Ratios



## Companies which Serve for Assets and Rights within the Corporate Portfolio

### Independent Auditing Institution

Upon the resolution no. 22-049 by our Board of Directors on 01<sup>st</sup> of April 2014, **Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.** (Pricewaterhousecoopers) is approved as the independent audit company of Emlak Konut in 2014 and it is concluded to submit the signature of related contract for approval at Ordinary General Assembly.

### Appraisal Companies

By the decision of the Board taken at the meeting on 30<sup>th</sup> of January 2014 with the Number/Resolution No: 07-015; in accordance with the article of "Election of Appraisal Company" under the "Statement Regarding Principles for Real Estate Investment Companies", it is agreed to receive appraisal service from appraisal companies given in the attached table for each asset in our portfolio and to receive services for assets that may be added to portfolio or require appraisal in 2014 from "Nova Taşınmaz Değerleme Danışmanlık A.Ş." and " Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş."

### Investor Relations Consultancy Company

It is agreed with **Dalfin Finansal Kurumsal İletişim ve Danışmanlık Hizmetleri Ltd. Şti** regarding such issues as configuration of investor relations and training.

### Certified Public Accountant

It is decided to get services of Certified Public Accountant **Şükrü AYDIN** by means of a contract valid between 01<sup>st</sup> of January 2014 and 31<sup>st</sup> of December 2014.

Our Company does not undergo any other specific audit.

### Press and Public Relations Company

With respect to creative and press-related affairs of Emlak Konut REIC, it is decided to get service from **F5 Görsel Sanatlar Merkezi Tic. Ltd. Şti.** By means of a contract valid from 17<sup>th</sup> of September 2013 until 16<sup>th</sup> of September 2014.

## FINANCIAL DATA SUMMARY

- 1. Independent Audit Report and Summary Financial Statements**
- 2. Summary of Expertise Reports of Assets**
- 3. Construction Progress Levels**
- 4. Summary Table of Tendered Land Plots**
- 5. Summary Table of Building Stocks**
- 6. Summary Table of Land Plots without Project Development**
- 7. Table of Construction Accomplishment Dates**
- 8. List of Appraisal Companies**
- 9. The agenda and Proceedings of General Assembly in 2013**
- 10. Profit Distribution Table for 2013**
- 11. Share Repurchase Program**

## LEGAL NOTICE

Board of Directors Report, Audit Report, Financial Tables and Independent Audit Report about the activities and accounts of the period between 01<sup>st</sup> of January and 31<sup>st</sup> of March 2014 included in this Activity Report herein are prepared in accordance with legal regulations.

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

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

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**

**CONDENSED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2014**

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## FINANCIAL STATEMENTS FOR THE PERIOD 31 JANUARY-31 MARCH 2014

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

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## CONDENSED BALANCE SHEETS AT 31 MARCH 2014 AND 31 DECEMBER 2013

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

	Notes	Unaudited 31 March 2014	Audited 31 December 2013
<b>ASSETS</b>			
<b>Current assets</b>		<b>7,628,955</b>	<b>7,213,078</b>
Cash and cash equivalents	5	5,434,698	4,803,784
Financial assets	6	84,949	644,605
Trade receivables	8	612,362	661,101
<i>Due from related parties</i>	8, 19	5	57
<i>Trade receivables from third party</i>	8	612,357	661,044
Other receivables	9	501,339	504,137
<i>Other receivables from related parties</i>	9, 19	6,240	6,575
<i>Other receivables from third parties</i>	9	495,099	497,562
Land and residential unit inventories	10	821,608	440,266
Prepaid expenses		5,886	6,644
Other current assets	12	168,113	152,541
<b>Non-current assets</b>		<b>6,012,867</b>	<b>6,257,904</b>
Trade receivables	8	1,128,999	1,080,313
<i>Trade receivables from third parties</i>	8	1,128,999	1,080,313
Other receivables	9	171	171
<i>Other receivables from third parties</i>	9	171	171
Land and residential unit inventories	10	4,875,220	5,168,696
Investment property		1,169	1,169
Property, plant and equipment		5,404	5,485
Intangible assets		1,904	2,070
<b>Total assets</b>		<b>13,641,822</b>	<b>13,470,982</b>

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

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## CONDENSED BALANCE SHEETS AT 31 MARCH 2014 AND 31 DECEMBER 2013

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

	Notes	Unaudited 31 March 2014	Audited 31 December 2013
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>		<b>4,381,634</b>	<b>4,512,022</b>
Short-term portion of			
Long-term borrowings	7	177,746	175,635
Trade payables	8	550,703	607,765
<i>Trade payables to third parties</i>	8	550,703	607,765
Other payables	9	583,245	570,379
<i>Other payables to related parties</i>	9	14	18
<i>Other payables to third parties</i>	9	583,231	570,361
Deferred income	13	2,942,020	3,038,081
Short term provisions		102,387	94,629
<i>Short-term provision for     employee benefits</i>		2,597	2,693
<i>Other short-term provisions</i>	11	99,790	91,936
Other current liabilities	12	25,533	25,533
<b>Non-current liabilities</b>		<b>606,714</b>	<b>605,352</b>
Long term borrowings	7	554,000	594,000
Trade payables	8	36,192	-
<i>Trade payables to third parties</i>	8	36,192	-
Other payables		12,447	7,204
<i>Other payables to third parties</i>		12,447	7,204
Deferred income	13	1,844	1,797
Long term provision for employee benefits		2,231	2,351
<b>Shareholders' equity</b>		<b>8,653,474</b>	<b>8,353,608</b>
Paid-in capital	14	3,800,000	3,800,000
Treasury shares (-)	14	(223,677)	(139,307)
Share premium		2,366,895	2,366,895
Remeasurement of employee benefits		629	147
Legal reserves		203,386	203,386
Retained earnings		2,122,487	1,061,950
Net income for the period		383,754	1,060,537
<b>Total liabilities and equity</b>		<b>13,641,822</b>	<b>13,470,982</b>
Contingent assets and liabilities	20		

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

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.****CONDENSED STATEMENTS OF COMPREHENSIVE INCOME  
AT 31 MARCH 2014 AND 31 DECEMBER 2013**

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

		<i>Unaudited</i> <b>1 January - 31 March 2014</b>	<i>Limited reviewed(*)</i> <b>1 January - 31 March 2013</b>
	<b>Notes</b>		
Revenue	15	421,755	374,535
Cost of sales	15	(153,729)	(84,165)
<b>Gross profit</b>		<b>268,026</b>	<b>290,370</b>
General administrative expenses (-)		(14,929)	(18,129)
Marketing, sales and distribution expenses (-)		(4,543)	(12,885)
Other operating income	16	57,002	28,359
Other operating expenses (-)	16	(14,469)	(20,328)
<b>Operating profit</b>		<b>291,087</b>	<b>267,387</b>
Income from investing activities		6,654	4,189
<b>Operating profit before financial income and expense</b>		<b>297,741</b>	<b>271,576</b>
Financial income	17	105,913	12,362
Financial expenses (-)	18	(19,900)	(13,151)
<b>Profit before income tax</b>		<b>383,754</b>	<b>270,787</b>
Tax expense from continued operations		-	-
<b>Profit for the period from continued operations</b>		<b>383,754</b>	<b>270,787</b>
Other comprehensive income		482	(25)
<b>Total comprehensive income for the period</b>		<b>384,236</b>	<b>270,762</b>
<b>Earnings per share (in full TL)</b>		<b>0,0010</b>	<b>0,0011</b>

(\*) Please see Note 3.1

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

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**

**CONDENSED STATEMENTS OF CHANGES IN EQUITY  
FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2014 AND 2013**

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

	Share Capital	Adjustment to Share Capital	Share Premium	Legal Reserves	Other Comprehensive Income and Expense not to be reclassified to Profit or Loss Remeasurement of employee benefits	Retained earnings	Net income for the period	Total Equity
<b>1 January 2013 balances</b>	<b>2,500,000</b>	-	<b>426,989</b>	<b>171,440</b>	-	<b>770,494</b>	<b>523,402</b>	<b>4,392,325</b>
Transfers	-	-	-	-	-	523,402	(523,402)	-
Total comprehensive income	-	-	-	-	(25)	-	270,787	270,762
<b>31 March 2013 balances</b>	<b>2,500,000</b>	-	<b>426,989</b>	<b>171,440</b>	<b>(25)</b>	<b>1,293,896</b>	<b>270,787</b>	<b>4,663,087</b>
<b>1 January 2014 balances</b>	<b>3,800,000</b>	<b>(139,307)</b>	<b>2,366,895</b>	<b>203,386</b>	<b>147</b>	<b>1,061,950</b>	<b>1,060,537</b>	<b>8,353,608</b>
Transfers	-	-	-	-	-	1,060,537	(1,060,537)	-
Acquisition of treasury shares	-	(84,370)	-	-	-	-	-	(84,370)
Total comprehensive income	-	-	-	-	482	-	383,754	384,236
<b>31 March 2014 balances</b>	<b>3,800,000</b>	<b>(223,677)</b>	<b>2,366,895</b>	<b>203,386</b>	<b>629</b>	<b>2,122,487</b>	<b>383,754</b>	<b>8,653,474</b>

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

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## CONDENSED STATEMENTS OF CASH FLOWS AT 31 MARCH 2014 AND 31 DECEMBER 2013

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

	Notes	1 January - 31 March 2014	1 January - 31 March 2013
<b>Cash flows from operating activities</b>			
Profit/Loss for the period		383,754	270,787
<b>Adjustments to reconcile net profit/ (loss) to net cash provided by operating activities:</b>			
Depreciation and amortization		384	249
Adjustments for impairments		(13)	7,947
Changes in provisions		8,234	11,511
Adjustments for interest income and expenses		(139,362)	(30,398)
Unrealized exchange losses on cash and cash equivalents		74	27
<b>Net cash before changes in assets and liabilities</b>		<b>253,071</b>	<b>260,123</b>
<b>Changes in net working capital</b>			
Change in land and residential unit inventories		(87,853)	13,247
Change in trade receivables		44,431	51,491
Change in trade payables		(20,874)	(9,542)
Change in other receivables		(26,739)	40,160
Change in other payables		(71,384)	536,590
Change in project deposits		87,608	(15,180)
<b>Net cash flow from operating activities</b>			
Interest received		2,070	1,001
Tax payments		(3,466)	(2,754)
Other cash outflow		(114)	(9)
<b>Net cash flow from operating activities</b>		<b>176,750</b>	<b>875,127</b>
Purchases of tangible and intangible assets		(137)	(1,332)
Interest received		23,749	788
Purchase of financial assets		(235,124)	(805,163)
Return of financial assets		794,780	411,439
<b>Cash flow from investing activities</b>		<b>583,268</b>	<b>(394,268)</b>
Payments for acquisition of treasury shares		(84,370)	-
Repayments of financial liabilities		(40,000)	(40,351)
Interest received		104,935	11,996
Interest paid		(17,542)	(13,293)
Decrease in payables to HAS beneficiaries		7,642	18,117
Increase in payables to HAS beneficiaries		(10,740)	(22,519)
<b>Cash flow from financing activities</b>		<b>(40,075)</b>	<b>(46,050)</b>
<b>Net increase/ (decrease) in cash and cash equivalents before currency translation differences</b>		<b>719,943</b>	<b>434,809</b>
Effects of unrealized gain/(loss) on cash and cash equivalents		(27)	-
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>719,916</b>	<b>434,809</b>
Cash and cash equivalents at the beginning of the year	5	4,298,097	664,649
<b>Cash and cash equivalents at the end of the year</b>	<b>5</b>	<b>5,018,013</b>	<b>1,099,458</b>

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

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2014

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

---

### NOTE 1 - GENERAL INFORMATION

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

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

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

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

The registered address of the Company is as follows:

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

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

The condensed financial statements at 31 March 2014 have been approved by the Board of Directors on 29 April 2014. The General Assembly of the Company has the power to amend these financial statements.

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

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

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

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2014

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

---

### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

#### 2.1 Basis of preparation

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

The Company prepared its condensed interim financial statements for the period ended 31 March 2014 in accordance with the Communiqué and announcements regarding this Communiqué, in accordance with TAS 34, “Interim Financial Reporting”. In this respect, the Company has preferred to prepare condensed interim financial statements in the interim periods and prepared the mentioned condensed interim financial statements in compliance with CMB Accounting Standards. The condensed interim financial statements and the related notes to them are presented in accordance with the formats required by the CMB.

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

Interim condensed financial statements of the Company do not include all the information and disclosures required in the annual financial statements, therefore should be read in conjunction with the Company’s annual financial statements as of 31 December 2013.

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

#### Accounting for the effects of hyperinflation

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

The information included in the Additional Note : Control of Compliance with Portfolio Restrictions” represent a condensed information based on the figures extracted from the interim financial statements that are prepared in accordance with the Communiqué Serial XI, No: 29 “Principals of Financial Reporting in Capital Markets” of the CMB. This condensed information has been prepared in accordance with the requirements of Communiqué Serial VI, No: 11 “Principals of The Real Estate Investment Trusts” of the CMB particularly relating to the principles regarding the control of compliance to portfolio restrictions.

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2014

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

---

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

#### 2.2 Conformity with the Portfolio Limitations

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

#### 2.3 Going concern

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

### NOTE 3 - ACCOUNTING POLICIES

The accounting policies adopted as of 31 March 2014 are consistent with those prepared as of 31 December 2013. Therefore, condensed interim financial statements have to be considered with year ended financial statements.

#### 3.1 Comparative Figures and the Restatement to the Financial Statements of the Prior Period

The condensed financial statements of the Company include comparative financial information to enable the determination of the trends in financial position and performance. For the purposes of effective comparison, comparative financial statements can be reclassified when deemed necessary by the Company, where descriptions on significant differences are disclosed.

Based on the decision taken on 7 June 2013 by the CMB at its meeting numbered 20/670, a new illustrative financial statement and guidance to it has been issued effective from the interim periods ended after 31 March 2013, which is applicable for the companies that are subject to Communiqué on the Principles of Financial Reporting In Capital Markets. Based on these new illustrative financial statements, a number of changes made at the Company’s balance sheets. The major reclassifications that have been made by the Company are as follows:

The interest income which was previously reclassified under financial income in the financial statements of 31 March 2013 amounting to TL4,189 has been reclassified to Income from investing activities in accordance with the new illustrative financial statements.

The unearned finance income and finance income from credit sales which were previously reclassified under financial income in the financial statements of 31 March 2013 amounting to TL26,324 have been reclassified to other operating income in accordance with the new illustrative financial statements.

The Company has found following misstatement related to previous years’ financial statements declared by The Company and has declared adjusted financial statements:

#### *Restatement in inventories and retained earnings*

The Company has identified that value of land and residential unit inventories, which were planned by a Land Subject to Revenue Sharing Agreements (“LSRSA”) projects, under non-current assets and current assets, is under its cost value by TL184,600 due to an inflation adjustment error related with prior periods. As a result of the regarding restatement, land and residential unit inventories classified under non-current assets increased by TL173,580 in 2012 and 2011 and inventories classified under current assets increased by TL11,020 in 2012 and 2011. As a counterpart account retained earnings of the opening balance sheet of the earliest presented period (1 January 2011) increased by TL184,600. This restatement does not have an income statement effect for the periods presented.

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2014

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

---

### NOTE 3 - ACCOUNTING POLICIES (Continued)

#### 3.2 New or amended standards

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

#### *The new standards, amendments and interpretations which are effective Financial Statements as of 31 March 2014:*

- TFRS 1 (amendment), "First time adoption", on government loans", is effective for annual periods beginning on or after 1 January 2013. The amendment addresses how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to TFRS. It also adds an exception to the retrospective application of IFRS, which provides the same relief to first-time adopters granted to existing preparers of IFRS financial statements when the requirement was incorporated into TAS 20 in 2008.
- TFRS 7 (amendment), "Financial instruments: Disclosures", on offsetting financial assets and financial liabilities", is effective for annual periods beginning on or after 1 January 2013. The amendment reflects the joint IASB and FASB requirements to enhance current offsetting disclosures. These new disclosures are intended to facilitate comparison between those entities that prepare TFRS financial statements and those that prepare US GAAP financial statements
- TFRS 10, "Consolidated financial statements"; is effective for annual periods beginning on or after 1 January 2013. The objective of TFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entity (an entity that controls one or more other entities) to present consolidated financial statements. It defines the principle of control, and establishes controls as the basis for consolidation. It sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. It also sets out the accounting requirements for the preparation of consolidated financial statements.
- TFRS 11, "Joint arrangements"; is effective for annual periods beginning on or after 1 January 2013. TFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and therefore accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and therefore equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.
- TFRS 12, "Disclosures of interests in other entities", is effective for annual periods beginning on or after 1 January 2013. The standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.
- TFRS 13, "Fair value measurement"; is effective for annual periods beginning on or after 1 January 2013. TFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. The requirements, which are largely aligned between TFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within TFRSs or US GAAP.

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2014

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

---

### NOTE 3 - ACCOUNTING POLICIES (Continued)

#### 3.2 New or amended standards (Continued)

##### *The new standards, amendments and interpretations which are effective Financial Statements as of 31 March 2014: (Continued)*

- TFRS 10, 11 and 12 on transition guidance (amendment), is effective for annual periods beginning on or after 1 January 2013. The amendment also provide additional transition relief in TFRSs 10, 11 and 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosure related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for the periods before TFRS 12 is applied.
- Annual Improvements to TFRSs 2011 is effective for annual periods beginning on or after 1 January 2013. Amendments effect five standards:
  - TFRS 1, "First Time Adoption of IFRS"
  - TAS 1, "Presentation of Financial Statement"
  - TAS 16, "Tangible Assets"
  - TAS 32, "Financial Instrument and Disclosures"
  - TAS 34, "Interim Financial Statements"
- TAS 27 (revised), "Separate financial statements", is effective for annual periods beginning on or after 1 January 2013. The standard includes the provisions on separate financial statements that are left after the control provisions of TAS 27 have been included in the new TFRS 10.
- TAS 28 (revised), "Associates and joint ventures", is effective for annual periods beginning on or after 1 January 2013. The standard includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of TFRS 11.
- TFRIC 20, "Stripping costs in the production phase of a surface mine" is effective for annual periods beginning on or after 1 January 2013. This interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. The interpretation may require mining entities reporting under TFRS to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable component of an ore body.
- TAS 19 (amendment), "Employee benefits", is effective for annual periods beginning on or after 1 January 2013. These amendments eliminate the corridor approach and calculate finance costs on a net funding basis.

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2014

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

---

### NOTE 3 - ACCOUNTING POLICIES (Continued)

#### 3.2 New or amended standards (Continued)

*The new standards, amendments and interpretations introduced to the prior Financial Statements as of 31 March 2014 however will be enforced as of 1 April 2014:*

- TAS 32 (amendment), "Financial instruments: Presentation", on offsetting financial assets and financial liabilities", is effective for annual periods beginning on or after 1 January 2014. The amendment updates the application guidance in TAS 32, 'Financial instruments: Presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.
- Amendment to TAS 36, "Impairment of assets" on recoverable amount disclosures is effective for annual periods beginning on or after 1 January 2014. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.
- Amendment to TAS 39 "Financial Instruments: Recognition and Measurement" - "Novation of derivatives is effective for annual periods beginning on or after 1 January 2014. This amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria.
- Amendment to TAS 19 regarding defined benefit plans; is effective for annual periods beginning on or after 1 July 2014. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.
- Annual improvements 2012; is effective for annual periods beginning on or after 1 July 2014. These amendments include changes from the 2010-12 cycle of the annual improvements project, that affect 7 standards :
  - TFRS 2, "Share Based Payment"
  - TFRS 3, "Business Combination"
  - TFRS 8, "Operating Segments"
  - TFRS 13, "Fair value measurement"
  - TAS 16, "Tangible Assets and IAS 38, Intangible Assets"
  - TFRS 9, "Financial Instruments:IAS 37, Provisions, Contingent Assets and Liability"
  - TFRS 39, "Financial Instruments-Recognition and Measurement"
- Annual improvements 2013; is effective for annual periods beginning on or after 1 July 2014. The amendments include changes from 2011-2-13 cycle of the annual improvements project that affect 4 standards:
  - TFRS 1, "First Adoption of IFRS"
  - TFRS 3, "Business Combinations"
  - TFRS 13, "Fair Value Measurement"
  - TAS 40, "Investment Properties"

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2014**

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

---

**NOTE 3 - ACCOUNTING POLICIES (Continued)**

**3.2 New or amended standards (Continued)**

*The new standards, amendments and interpretations introduced to the prior Financial Statements as of 31 March 2014 however will be enforced as of 1 April 2014: (Continued)*

- TFRS 9 “Financial instruments” - classification and measurement; is effective for annual periods beginning on or after 1 January 2015. This standard on classification and measurement of financial assets and financial liabilities will replace TAS 39, “financial instruments: Recognition and measurement”. TFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the TAS 39 requirements. These include amortised-cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. This change will mainly affect financial institutions.
- Amendments to TFRS 9, “Financial instruments”, regarding general hedge. These amendments to TFRS 9, “Financial instruments”, bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements.
- TFRIC 21, “Levies” is effective for annual periods beginning on or after 1 January 2014. This is an interpretation of TAS 37, 'Provisions, contingent liabilities and contingent assets'. TAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

Related amendments and assessments will not have material effect on financial statements has been foreseen by the company

**3.3 Critical accounting estimates, assumptions and judgments**

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

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2014

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

### NOTE 4- SIGNIFICANT EVENTS AND TRANSACTIONS RELATED WITH THE PERIOD

The events and transactions which have significant impacts on the financial statements at the period ended at 31 March 2014 are as follows:

The Company issued land invoices amounting to TL404,220 in the three months period ended 31 March 2014 regarding temporary admissions made on the parts of ongoing constructions of LSRSA projects (Note 15).

The Company made collections amounting to TL 533,610 based on the sales agreements signed with the resident buyers of the ongoing LSRSA projects. TL 172,158 portion of the total amount belongs to the Company and is accounted for at Other Current Liabilities - Deferred Revenue from LSRSA Projects. The remaining portion amounting to TL 361,452 was collected to be paid to the subcontractors in accordance with the percentage of completion levels of the projects. The unpaid portion of this balance is accounted for at Short-term Trade Payables - Payables To Contractors According to LSRSA.

The Company received advances amounting to TL7,108 regarding to the LSRSA projects with terms of the rates defined in the construction agreements.

Collaboration protocol has been signed as of 28 February 2014 among the Company and Ministry of Environment and Urbanization, Esenler Municipality, Eskon Esenler İnşaat Sanayi ve Ticaret A.Ş for the purpose of the urban transformation. In this context, the title deed transfer of the real estate consists of area sqm 56,841.92, 1095 block and 16 parcels has been done on behalf of the Company in the Esenler district, Atışalanı ward, İstanbul city (Note 8).

The Company has adjusted and reclassified in previous financial statements as detailed in Note 3.1.

### NOTE 5 - CASH AND CASH EQUIVALENTS

	31 March 2014	31 December 2013
Cash on hand	53	3
Banks		
- Demand deposit	108,723	98,455
- Time deposit	5,319,533	4,700,613
Other	6,389	4,713
	<b>5,434,698</b>	<b>4,803,784</b>

Maturities of cash and cash equivalents are as follows:

Demand	115,165	103,171
Up to 1 month	5,319,533	4,700,613
Less: Blocked deposits	(6,389)	(4,713)
	<b>5,428,309</b>	<b>4,799,071</b>

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2014

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

### NOTE 5 - CASH AND CASH EQUIVALENTS (Continued)

Average effective interest rates of time deposits are as follows:

	31 March 2014	31 December 2013
	(%)	(%)
TRY	9.51	7.49

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

	31 March 2014	31 December 2013
Cash and cash equivalents	5,434,698	4,803,784
Less: Interest accruals	(15,538)	(14,560)
Less: LSRSA project deposits (*)	(400,511)	(488,119)
Less: Blocked deposits	(636)	(3,008)
	<b>5,018,013</b>	<b>4,298,097</b>

(\*) 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. TL5,753 part of the total project amount deposits TL400,511 consists of blocked deposits.

### NOTE 6 - FINANCIAL ASSETS

	31 March 2014	31 December 2013
<b>Financial Assets</b>		
Treasury bills	68,182	626,338
Special issue government bonds (*)	16,767	18,267
	<b>84,949</b>	<b>644,605</b>

(\*) The Republic of Turkey, Undersecretariat of Treasury ("Turkish Treasury") issues special Domestic Government Debt securities in the name of the Company to make the HAS payments on behalf of Turkish Treasury. In 2010, special Domestic Government Debt securities amounted to TL429,617 has been issued to the Company. The Bonds are redeemed partially and early redeemed and the amount is transferred to the Company's accounts when the HAS lists are specified (Note 9). The government bonds' amounts are TL16,767 and TL18,267 at 31 March 2014 and 31 December 2013, respectively. These government bonds are non-interest bearing and are not subject to sale on secondary market therefore the fair values are also their nominal values.

The Company issues treasury bills amounting to TL68,182 as of 31 March 2014 (31 December 2013: TL626,338) from Turkish Treasury. These treasury bills are measured at fair value. The fair value of these treasury bills are calculated by using the effective interest rates as quarterly which are announced by Turkish Treasury. Average effective interest rate of financial assets at 31 March 2014 is 8.81% (31 December 2013: 8.26%). As of 31 March 2014 average term of the treasure bills is 5 months (31 December 2013: 5 months).

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2014

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

### NOTE 7 - FINANCIAL LIABILITIES

	31 March 2014	31 December 2013
<b>Short-term financial liabilities</b>		
Short-term portion of long-term borrowings	177,746	175,635
	<b>177,746</b>	<b>175,635</b>
<b>Long-term bank borrowings</b>		
Long-term borrowings	554,000	594,000
	<b>554,000</b>	<b>594,000</b>

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

The interest rate of the borrowing at 31 March 2014 is 10.29% (31 December 2013: 7.45%).

The redemption schedules of the borrowings at 31 March 2014 and 31 December 2013 are as follows:

	31 March 2014	31 December 2013
2015	120,000	160,000
2016	220,000	220,000
2017 and over	214,000	434,000
	<b>554,000</b>	<b>594,000</b>

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

	31 March 2014	31 December 2013
Less than 3 months	57,746	55,635
Between 3 - 12 months	120,000	120,000
Between 1 - 5 years	554,000	594,000
	<b>731,746</b>	<b>769,635</b>

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

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2014

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

### NOTE 8 - TRADE RECEIVABLES AND PAYABLES

	31 March 2014	31 December 2013
<b>Short-term trade receivables</b>		
Receivables from LSRSA contractors invoiced	275,675	237,312
Receivables from sale of residential units and commercial units	203,305	253,530
Receivables from land sales	85,689	105,620
Notes receivables	47,759	65,842
Rent receivables	1,823	1,830
Due from related parties (Note 19)	5	57
Other	382	384
Unearned finance income	(2,276)	(3,474)
	<b>612,362</b>	<b>661,101</b>
Doubtful receivables	1,732	1,732
Less: Provision for doubtful receivables (-)	(1,732)	(1,732)
	<b>612,362</b>	<b>661,101</b>
<b>Long-term trade receivables</b>		
	31 March 2014	31 December 2013
Receivables from sale of residential units and commercial units	1,126,506	1,081,555
Receivables from land sales	44,076	42,629
Unearned finance income	(41,583)	(43,871)
	<b>1,128,999</b>	<b>1,080,313</b>
<b>Short-term trade payables</b>		
	31 March 2014	31 December 2013
Payables to contractors according to LSRSA	502,287	569,133
Contractors' time deposit interest payables (*)	38,190	33,505
Trade payables	10,226	5,127
	<b>550,703</b>	<b>607,765</b>
<b>Long-term trade payables</b>		
	31 March 2014	31 December 2013
Payables to landowners (**)	36,192	-
	<b>36,192</b>	<b>-</b>

(\*) 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 5).

(\*\*) In the context of collaboration protocol for urban transformation project, the control of the land amounting to TL36,192 has been transferred to the Company and since the payment will be in done with the delivery of the residential and commercial units, the payable to landowner has been classified in long term trade payables (Note 4).

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2014

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

### NOTE 9 - OTHER RECEIVABLES AND PAYABLES

31 March 2014 31 December 2013

#### Short-term other receivables

Housing Acquisition Support (“HAS”) related		
receivables from Turkish Treasury	389,939	388,170
Receivables from contractors (*)	98,904	103,092
Due from related parties (Note 19)	6,240	6,575
Receivables from state institutions	6,213	6,212
Other	43	88
	<b>501,339</b>	<b>504,137</b>

(\*) Includes the receivable amounting to TL63,506 (31 December 2013: TL62,873) from the prior contractor of the İzmir Mavişehir project (Note 17).

31 March 2014 31 December 2013

#### Long-term other receivables

Deposits and guarantees given	171	171
	<b>171</b>	<b>171</b>

#### Short term other payables

Payable to HAS beneficiaries	407,542	408,996
Payable to contractors (*)	88,752	88,752
Deferred income (**)	59,125	57,499
Taxes and funds payable	20,108	3,606
Due to related parties	14	18
Other	7,704	11,508
	<b>583,245</b>	<b>570,379</b>

(\*) The balance includes unissued invoice amount of TL88,752 regarding units received as a result of revenue allocation at İzmir Mavişehir Phase 3 project (Note 20), where the contractor filed a lawsuit regarding the revenue sharing percentages (31 December 2013: TL88,752).

(\*\*) Part of TL190,717 of the total revenue amounting to TL249,222 from İzmir Mavişehir Project has been recognized in the financial statements. The remaining part amounting to TL58,505 has been recorded under short term other payables. In accordance with the result of ongoing legal case, either a portion or the whole amount will be recognized as income (Note 20).

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.****NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2014**

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

**NOTE 9 - OTHER RECEIVABLES AND PAYABLES (Continued)**

The movements of the payments either from Company's shareholder's equity to HAS beneficiaries and the detail of HAS payments and HAS receivables and payables related to Treasury Support as of for 31 March 2014 and 2013 are shown below:

	<b>1 January 2014</b>	<b>Additions within the period</b>	<b>Disposals</b>	<b>31 March 2014</b>
<b>Treasury support share</b>				
Receivable from Treasury	388,170	2,441	(797)	389,814
Special purpose government Bond (Note 6)	18,267	-	(1,500)	16,767
Cash generated from government bond redemption	2,559	7,642	(9,240)	961
<b>Total consideration received or receivable from Treasury</b>	<b>408,996</b>			<b>407,542</b>
<b>Payable to HAS beneficiaries</b>	<b>(408,996)</b>			<b>(407,542)</b>
	<b>1 January 2013</b>	<b>Additions within the period</b>	<b>Disposals</b>	<b>31 March 2013</b>
<b>Treasury support share</b>				
Receivable from Treasury	374,197	3,475	(604)	377,068
Special purpose government bond	34,617	-	(3,500)	31,117
Cash generated from government bond redemption	2,456	18,116	(19,019)	1,553
<b>Total consideration received or receivable from Treasury</b>	<b>411,270</b>			<b>409,738</b>
<b>Payable to HAS beneficiaries</b>	<b>(411,270)</b>			<b>(409,738)</b>

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2014

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

### NOTE 10 - LAND AND RESIDENTIAL UNIT INVENTORIES

	31 March 2014	31 December 2013
<b>Short-term inventories</b>		
Planned land by LSRSA	477,557	256,353
Residential and commercial units ready for sale	242,310	145,129
<i>Cost</i>	245,181	148,013
<i>Impairment</i>	(2,871)	(2,884)
Planned land by RPSPTL	101,741	38,784
	<b>821,608</b>	<b>440,266</b>
<b>Long-term inventories</b>		
Land	2,373,053	2,373,053
<i>Cost</i>	2,407,349	2,407,349
<i>Impairment</i>	(34,296)	(34,296)
Planned land by LSRSA	2,054,882	2,406,746
Planned land by RPSPTL	432,213	377,102
Semi-finished construction projects	15,072	11,795
	<b>4,875,220</b>	<b>5,168,696</b>

As of 31 December 2013, independent valuation reports prepared by Nova Taşınmaz Değerleme ve Danışmanlık A.Ş. and Reel Gayrimenkul Değerleme A.Ş. are taken into consideration in order to calculate the fair value and impairment loss, if any, on land units and commercial units ready for sale. The valuation methods that the independent valuation companies took into consideration included sales comparison and discounted cash flow methods, where the major assumptions were comprised of total cash flows expected from the projects, discount rates to calculate the present value of the related projects and comparable m2 sales amounts.

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

	1 January - 31 March 2014	1 January - 31 March 2013
<b>Balance at 1 January</b>	<b>37,180</b>	<b>43,635</b>
Impairment charge for the period	20	8,731
Reversal of impairment due to sales	-	(238)
Reversal of impairment	(33)	(784)
<b>Balance at 31 March</b>	<b>37,167</b>	<b>51,344</b>

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2014

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

### NOTE 11 - PROVISIONS

	31 March 2014	31 December 2013
<b>Provisions</b>		
Provision for lawsuits	67,826	59,996
Provision for cost accruals	31,964	31,940
	<b>99,790</b>	<b>91,936</b>

The movements of provision for lawsuits as of 31 March 2014 and 2013 are as follows:

	2014	2013
<b>Balance at 1 January</b>	<b>59,996</b>	<b>60,508</b>
Provision charge for the period	13,611	11,567
Provision released	(5,781)	-
<b>Balance at 31 March</b>	<b>67,826</b>	<b>72,075</b>

### NOTE 12 - OTHER ASSETS AND LIABILITIES

	31 March 2014	31 December 2013
<b>Other current assets</b>		
Progress payments given to contractors	73,170	70,625
Accrued Income	41,082	38,001
Stamp duty tax receivables		
from contractors (*)	25,533	25,533
Receivables from tax office (**)	28,235	12,495
Deferred VAT	-	5,840
Other	93	47
	<b>168,113</b>	<b>152,541</b>

(\*) The Company went through a tax inspection in 2012 and consequently, additional stamp duty tax was calculated regarding agreements made with contractors. Since all additional taxes and charges on the agreements are chargeable to the contractors as stated in the agreements, the related amount has been accounted for in both other assets and other liabilities.

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

	31 March 2014	31 December 2013
<b>Other non-current liabilities</b>		
Stamp duty tax payables	25,533	25,533
	<b>25,533</b>	<b>25,533</b>

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2014

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

### NOTE 13 - DEFERRED REVENUE

	31 March 2014	31 December 2013
<b>Short term deferred revenue</b>		
Deferred revenue from LSRSA projects (*)	1,886,590	2,001,157
Advances taken from LSRSA contractors (**)	548,141	544,248
Advances taken from RPSPTL projects sale	405,368	391,507
Due to related parties (Note 19)	64,735	64,735
Advances taken from LSRSA Projects sale (***)	37,186	36,434
	<b>2,942,020</b>	<b>3,038,081</b>

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

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

(\*\*\*) Comprised of advances received from İzmir Mavişehir project sales (Note 20).

	31 March 2014	31 December 2013
<b>Long term deferred revenue</b>		
Other advances taken	1,844	1,797
	<b>1,844</b>	<b>1,797</b>

### NOTE 14 - SHAREHOLDER S' EQUITY

The Company's authorized capital amount is TL3,800,000 (31 December 2013: TL3,800,000 ) and consists of 380,000,000,000 authorized number of shares with a nominal value of TL0.01 each.

The Company's shareholders and their shareholding percentages as of 31 March 2014 and 31 December 2013 is as follows:

Shareholders	31 March 2014		31 December 2013	
	Share %	TL	Share %	TL
Public offering portion	50,66	1,925,000	50,66	1,925,000
T,C, Başbakanlık				
Toplu Konut İdaresi Başkanlığı	49,34	1,874,831	49,34	1,874,831
HAS beneficiaries	0,00	167	0,00	167
Other	<0,00	2	<0,00	2
<b>Total paid-in capital</b>	<b>100,00</b>	<b>3,800,000</b>	<b>100,00</b>	<b>3,800,000</b>

Between 7 January 2014 and 30 January 2014, The Company has repurchased 39,187,318 numbers of shares with nominal value between TL2.10 and TL2.21 and total amounting to TL84,369,489. Shares average purchase price is TL2.14 and as a result of the purchases, the share of the total shares to the total share lot is 2.73%.

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2014

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

---

### NOTE 14 - SHAREHOLDER S' EQUITY (Continued)

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

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

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

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

The listed companies whose shares are publicly traded in the market are subject to the CMB regulations regarding profit distribution:

In accordance with the 02/51 numbered decision and dated on 27 January 2010 about the principal of publicly-held corporations 2009 year business dividend distribution, it was decided that for publicly-held corporation's shares traded at the exchange, there is not any minimum profit distribution obligation, in this scope profit distribution is executed according to principals mentioned in CMB's Serial:IV, No:27 statement, determinations in master agreement of association and the announced profit distribution policies of companies. In case of taking decision on dividend distribution, depending on general assembly purpose, by means of cash or adding the dividend to capital, issued shares shall be distributed as bonus share or cash and bonus share in certain proportion. In other case, if the first dividend amount is 5% less than paid in capital/ issued capital, it is available to leave the amount in association structure without distributing, however, for incorporated companies which perform increase in capital without distributing previous period dividend and for this reason differed as "old" and "new" and companies which will distribute dividend from profit arising its business, it was decided to obligate the calculated first dividend distributed as cash.

There is no any obligatory decision taken regarding the dividend distribution except the decisions mentioned above.

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2014

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

### NOTE 15 - SALES AND COST OF SALES

	1 January - 31 March 2014	1 January- 31 March 2013
<b>Revenue</b>		
Land sales	404,220	352,366
<i>Income from sale of land and plots by way of LSRSA</i>	404,220	53,106
<i>Income from sale of vacant land and plots</i>	-	299,260
Residential and commercial units sales	16,889	21,675
Other income	661	585
	<b>421,770</b>	<b>374,626</b>
Sales returns	(15)	(23)
Sales discounts	-	(68)
<b>Net sales income</b>	<b>421,755</b>	<b>374,535</b>
<b>Cost of sales</b>		
Cost of land sales	(142,458)	(67,648)
<i>Cost of land and plots sold by way of LSRSA</i>	(142,458)	(39,575)
<i>Cost of vacant land and plots sold</i>	-	(28,073)
Cost of residential and commercial units sales	(11,271)	(16,358)
Cost of other projects	-	(159)
	<b>(153,729)</b>	<b>(84,165)</b>
<b>Gross Profit</b>	<b>268,026</b>	<b>290,370</b>

### NOTE 16 - OTHER INCOME/EXPENSES

	1 January - 31 March 2014	1 January- 31 March 2013
<b>Other operating income</b>		
Finance income from credit sales	40,885	24,083
Released lawsuit provision	5,781	-
Unearned finance income, net	3,493	1,240
Delay penalty interest from project contractors	2,070	1,001
Commission income on transfers of ownership	1,258	321
Fuel and subscription income	494	31
Delay penalty income from project contractors	423	383
Income from tender contract sales	86	104
Impairment provision reversals	33	-
Income from guarantees	-	5
Other	2,479	1,191
	<b>57,002</b>	<b>28,359</b>

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2014

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

### NOTE 16 - OTHER INCOME/EXPENSES (Continued)

	1 January - 31 March 2014	1 January- 31 March 2013
<b>Other operating expenses</b>		
Lawsuit provision charge for the period (Note 11)	(13,611)	(11,567)
Legal expenses	(416)	(670)
Reversal of due date differences	(137)	(153)
Impairment provision expenses (Note 10)	(20)	(7,709)
Other	(285)	(229)
	<b>(14,469)</b>	<b>(20,328)</b>

### NOTE 17 - FINANCIAL INCOME

	1 January - 31 March 2014	1 January- 31 March 2013
<b>Financial income</b>		
Interest income from time deposits	105,913	12,362
	<b>105,913</b>	<b>12,362</b>

### NOTE 18 - FINANCIAL EXPENSE

	1 January - 31 March 2014	1 January- 31 March 2013
<b>Financial expenses</b>		
Interest expense on Turkish Treasury borrowings (*)	(19,653)	(12,383)
Commission expenses	(164)	(730)
Foreign exchange loss	(83)	(38)
	<b>(19,900)</b>	<b>(13,151)</b>

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

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2014

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

### NOTE 19 - RELATED PARTY TRANSACTIONS

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

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

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

- Balances and transactions with respect to Turkish Treasury are detailed in Note 7 and 9.
- The Company mostly deposits its cash in State Banks in compliance with its related statute. The bank balances with state banks amounted to TL5,033,945 as of 31 March 2014 (31 December 2013: TL4,455,051). Regarding these bank balances, the Company also generated interest income from the related State banks amounted to TL104,928 in as of 31 March 2014 (2013: TL12,268). Average effective interest rates of time deposits of the Company as of 31 March (December) 2014 and 2013 are explained in Note 5.

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

	31 March 2014	31 December 2013
<b>Trade receivables from related parties</b>		
Emlak Paz. İnş. A.Ş.-Yeni Sarp İnş. Ltd.	5	57
	<b>5</b>	<b>57</b>
<b>Other receivables from related parties</b>		
Emlak Paz.-Fideltus İnş-Öztaş İnş. O.G.	5,551	5,550
Emlak Paz. İnş. A.Ş.-Yeni Sarp İnş. Ltd.	689	1,025
	<b>6,240</b>	<b>6,575</b>

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2014

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

### NOTE 19 - RELATED PARTY TRANSACTIONS (Continued)

	31 March 2014	31 December 2013
<b>Advances received from related parties</b>		
Emlak Paz.- Fideltus İnş. - Öztaş İnş. O.G.	64,732	64,732
Emlak Paz.- Yeni Sarp İnş. Ltd. O.G.	3	3
	<b>64,735</b>	<b>64,735</b>

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

	1 January - 31 March 2014	1 January - 31 March 2013
<b>Purchases from related parties</b>		
T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı	-	859
	-	<b>859</b>

	1 January - 31 March 2014	1 January - 31 March 2013
<b>Sales to related parties</b>		
Emlak Paz.-Cathay Ortak Girişimi	664	85
Emlak Pazarlam-Yeni Sarp Ortak Girişimi	17	14
	<b>681</b>	<b>99</b>

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

	31 March 2014	31 March 2013
<b>Remuneration of key management</b>		
Salaries and short-term employee benefits	287	299
	<b>287</b>	<b>299</b>

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2014

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

---

### NOTE 20 - CONTINGENT ASSETS AND LIABILITIES

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

The prior contractor filed a lawsuit against the Company claiming that the completion percentage of the project was significantly high and that the agreement between the parties was based on construction right in return for flat. The expert report on the project stated that the completion percentage was 83% but that the agreement between the parties was not based on construction right in return for flat. The Company and the contractor filed counter lawsuits in the following period and an additional report was decided to be issued. The additional report is about the final receivables and payables of the parties considering all the claims. The additional report is completed and in the process of examination and the next trial will be held on 11 June 2014.

The Company recorded the receivables from contractor under "Other short term receivables" (Note 9) amounting to TL63,506 (31 December 2013: TL62,873) and the advances received from sales of the residential units under "Other short term liabilities" amounting to TL37,186 (31 December 2013: TL36,434 ) without netting off each other due to the uncertainty of the legal case. A part of TL190,717 of the total sales amount TL249,222 from this project after the abolishment of the project has been recognized in the financial statements. The remaining part amounting to TL58,505 (31 December 2013: TL190,796) was recorded as deferred revenue under "short term other payables" (Note 9). The Company does not expect any obligation or liability to be incurred as a result of the lawsuit.

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

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

Following the objection of the Company an additional report was requested from the commission of experts. The next trial is scheduled to be held on 26 June 2014. Since a similar lawsuit was finalized in favor of the Company in the past, the Company does not expect any obligation or liability to be incurred as a result of the lawsuit.

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2014

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

### NOTE 20 - CONTINGENT ASSETS AND LIABILITIES (Continued)

3. Mortgage and guarantees received are;

	31 March 2014	31 December 2013
Guarantees received	2,212,056	2,385,590
Mortgages received	52,007	52,086
	<b>2,264,063</b>	<b>2,437,676</b>

4. Collaterals, pledges, mortgages ("CPM"):

	31 March 2014	31 December 2013
A. CPM given on behalf of the Company's legal personality	7,482	7,901
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.	-	-
	<b>7,482</b>	<b>7,901</b>

### NOTE 21 - EVENTS AFTER THE REPORTING PERIOD

1. The Company and T.C Başbakanlık Toplu Konut İdaresi Başkanlığı has signed a protocol which adds nine lands with area of 547,300.77 m<sup>2</sup> in İstanbul Başakşehir, five lands with area 493,453.80 m<sup>2</sup> in Ankara Etimesgut, a land with area 72,620.00 m<sup>2</sup> in Kocaeli Derince, totally 15 lands with 1,113,374.57 m<sup>2</sup> amounting to TL1,530,910 to The Company's portfolio.

2. The Company's net period profit in the financial statements prepared within the framework of Capital Markets Board's Communique No. II-14.1 is TL1,060,537, and the net period profit stated in the financial statements prepared within the framework of the provisions of the Tax Procedural Law is TL1,230,196.

The total of the primary legal reserves allocated in accordance with the Turkish Commercial Code is TL195,618. Since this amount does not reach 20% of the paid-in capital, it has been decided: to allocate a 5% (TL61,510) primary legal reserve from the net period profit amounting to TL1,230,196 included under our financial statements prepared in line with the provisions of the Tax Procedural Law; to distribute the remaining TL467,780, which is the 40.0261% of TL1,168,686 remaining after allocating the primary legal reserve of TL61,510 from the net period profit of TL1,230,196 stated in our financial statements prepared in line with the provisions of the Tax Procedural Law, as the first dividend; to allocate TL27,778, which is one tenth of the amount remaining after deducting 5% of the paid-in capital from the total dividends amounting to TL467,780 to be distributed to the shareholders, as the secondary legal reserve as per the provisions of the Turkish Commercial Code; to not distribute the profit amounting to TL673,128 remaining according to the legal records of the Company and to allocate this amount as an extraordinary reserve; and to distribute the primary dividend amounting to TL467,780 allocated from the net period profit of TL0.1231 (full TL ) in cash/on account gross (=net) to be distributed to the Company's shareholders in return for 2013 dividend coupons; and to present the suggestion to perform the dividend distribution on 26 May 2014 to the Ordinary General Assembly.

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2014**

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

**ADDITIONAL NOTE - CONTROL OF COMPLIANCE WITH THE PORTFOLIO LIMITATIONS**

	<b>Non-Consolidated (Individual) Financial Statements Main Account Items</b>	<b>Related Regulation</b>	<b>31 March 2014 (TL)</b>	<b>31 December 2013 (TL)</b>
<b>A</b>	Money and Capital Market Instruments,	Series:III-No:48, Art,24/(b)	5,119,136	4,960,270
<b>B</b>	Properties, Projects based on Properties and Rights based on Properties	Series:III-No:48, Art,24/(a)	5,700,449	5,612,599
<b>C</b>	Affiliates	Series:III-No:48, Art,24/(b)	-	-
	Due from related parties (Non Commercial)	Series:III-No:48, Art,23/(f)	-	-
	Other Assets		2,822,237	2,898,113
<b>D</b>	<b>Total Assets</b>	<b>Series:III-No:48, Art,3/(k)</b>	<b>13,641,822</b>	<b>13,470,982</b>
<b>E</b>	Financial Liabilities	Series:III-No:48, Art,31	731,746	769,635
<b>F</b>	Other Financial Liabilities	Series:III-No:48, Art,31	-	-
<b>G</b>	Due from Financial Leases	Series:III-No:48, Art,31	-	-
<b>H</b>	Due to Related Parties (Non Commercial)	Series:III-No:48, Art,23/(f)	-	-
<b>I</b>	Shareholders’ equity	Series:III-No:48, Art,31	8,653,474	8,353,608
	Other Resources		4,256,602	4,347,739
<b>D</b>	<b>Total Resources</b>	<b>Series:III-No:48, Art,3/(k)</b>	<b>13,641,822</b>	<b>13,470,982</b>
	<b>Non-Consolidated (Individual) Other Information</b>	<b>Related Regulation</b>	<b>31 March 2014 (TL)</b>	<b>31 December 2013 (TL)</b>
<b>A1</b>	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)	582,706	658,269
<b>A2</b>	Term/ Demand/ Currency	Series:III-No:48, Art,24/(b)	5,017,960	4,298,094
<b>A3</b>	Foreign Capital Market Instruments	Series:III-No:48, Art,24/(d)	-	-
<b>B1</b>	Foreign Properties, Projects based on properties and Rights based on Properties	Series:III-No:48, Art,24/(d)	-	-
<b>B2</b>	Idle Lands	Series:III-No:48, Art,24/(c)	635,293	635,293
<b>C1</b>	Foreign Affiliates	Series:III-No:48, Art,24/(d)	-	-
<b>C2</b>	Affiliates for Operating Company	Series:III-No:48, Art,28	-	-
<b>J</b>	Non-cash Loans	Series:III-No:48, Art,31	7,482	7,901
<b>K</b>	Mortgage amount of Servient Lands Which Will Be Developed And Not Owned	Series:III-No:48, Art,22/(e)	36,192	-

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2014

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

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

	<b>Portfolio restrictions</b>	<b>Related regulation</b>	<b>31 March 2014 (%)</b>	<b>31 December 2013 (%)</b>	<b>Minimum/ Maximum Rate</b>
1	Mortgage amount of Servient Lands Which Will Be Developed And Not Owned	Series:III-No:48, Art,22/(e)	0%	0%	<10%
2	Properties, Projects based on Properties and Rights based on Properties	Series:III-No:48, Art,24/(a)(b)	46%	47%	>50%
3	Money and Capital Market Instruments and Affiliates	Series:III-No:48, Art,24/(b)	33%	32%	<50%
4	Foreign Properties, Projects based on Properties, Rights based on Properties, Affiliates, Capital Market Instruments	Series:III-No:48, Art,24/(d)	0%	0%	<49%
5	Idle Lands	Series:III-No:48, Art,24/(c)	5%	5%	<20%
6	Affiliates to the Operating Company	Series:III-No:48, Art,28	0%	0%	<10%
7	Borrowing Limit	Series:III-No:48, Art,31	9%	9%	<500%
8	TL and Foreign Currency Time and Demand Deposits	Series:III-No:48, Art,22/(e)	33%	27%	<10%

The information in the table of “control of compliance with the portfolio limitations” is prepared in accordance with the provisions on the control of portfolio limitations of Communiqué Series:III No: 48,1, “Principles Regarding Real Estate Investment Companies”.

,.....

**APPENDIX -2/A**  
**ORIGINALLY IN TURKISH VERSION**

**01.01 - 31.03.2014 TARİHLERİ ARASINDA DEĞERLEMeye KOnU OLAN PROJELERİN EKSPERTİZ RAPORLARI**

GAYRİMENKUL DEĞERLEME RAPOR ÖZETİ	
DEĞERLEME KONUSU İŞİN İSMİ	İSTANBUL Başakşehir Kayabaşı 2. Etap Arsa Satış Karsılığı Gelir Paylaşımı İş (Seyranşehir) Projesi
DEĞERLEMeyİ TALEP EDEN KURUM	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
RAPORU HAZIRLAYAN KURUM	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
RAPOR TARİHİ	13.03.2014
DEĞERLEME KONUSU GAYRİMENKULLER HAKKINDA ÖZET BİLGİ	
TAPU BİLGİLERİ	İSTANBUL İli, Başakşehir İlçesi, Kayabaşı Mahallesi, 906 Ada 3 Parsel
MEVCUT KULLANIM	Parsel boş durumda olup, üzerinde konut + ticaret projesi geliştirilmesi için yapı ruhsatları mevcuttur.
İMAR DURUMU	TİCARET ALANI E:1.50 Hmaks: Serbest
DEĞERLEME RAPORUNDA TAKDİR OLUNAN DEĞERLER (KDV HARİÇ)	
Projenin mevcut durumuyla pazar değeri	33.905.598,09 TL
Projenin mevcut durumuyla Emlak Konut GYO A.Ş. payına düşen kısmın pazar değeri	33.600.000,00 TL
Projenin tamamlanması durumunda toplam pazar değeri	129.592.356,00 TL
Projenin tamamlanması durumunda Emlak Konut GYO A.Ş. payına düşen kısmın pazar değeri	51.520.000,00 TL
Proje bünyesindeki 220 adet bağımsız bölümün anahtar teslim şartlarının yerine getirilmesi durumunda toplam pazar değeri	84.932.113,80 TL

GAYRİMENKUL DEĞERLEME RAPOR ÖZETİ	
DEĞERLEME KONUSU İŞİN İSMİ	Bahçetepe Projesi
DEĞERLEMeyİ TALEP EDEN KURUM	Emlak Konut GYO A.Ş.
RAPORU HAZIRLAYAN KURUM	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
RAPOR TARİHİ	14.02.2014
DEĞERLEME KONUSU GAYRİMENKULLER HAKKINDA ÖZET BİLGİ	
TAPU BİLGİLERİ	İSTANBUL İli, Başakşehir İlçesi, İkitelli-2 Mahallesi, 1357 ada, 1 no'lu parsel ile 900 ada 3 no'lu parsel
MEVCUT KULLANIM	İnşaat işleri devam etmektedir.
İMAR DURUMU	• 1357 ada 1 parsel; 1/1000 ölçekli "19.06.2012 onay tarihli Kuzey Ayazma Gecekondu Önleme Bölgesi Partial Revizyon Uygulama İmar Planı" kapsamında T-1 (Ticaret+Hizmet) Alanında kalmakta olup, Emsal(E): 2,00 H: serbest olmak üzere plan notu ve yönetmelik şartlarında yapılaşmaya hazırdır. • 900 ada 3 parsel; 1/1000 ölçekli "09.05.2013 onay tarihli Kayabaşı Gecekondu Önleme Bölgesi Revizyon Uygulama İmar Planı" kapsamında kalmaktadır. Rekreatyon Alanı
DEĞERLEME RAPORUNDA TAKDİR OLUNAN DEĞERLER (KDV HARİÇ)	
Projenin mevcut durumuyla pazar değeri	275.860.000,-TL
Projenin mevcut durumuyla Emlak Konut GYO A.Ş. payına düşen kısmın pazar değeri	134.255.000,-TL
Projenin tamamlanması durumunda toplam pazar değeri	670.430.000,-TL
Projenin tamamlanması durumunda Emlak Konut GYO A.Ş. payına düşen kısmın pazar değeri	174.310.000,-TL
Proje bünyesindeki 220 adet bağımsız bölümün anahtar teslim şartlarının yerine getirilmesi durumunda toplam pazar değeri	154.576.000,-TL

GAYRİMENKUL DEĞERLEME RAPOR ÖZETİ	
DEĞERLEME KONUSU İŞİN İSMİ	Şehrizar Konakları Projesi
DEĞERLEMeyİ TALEP EDEN KURUM	Emlak Konut GYO A.Ş.
RAPORU HAZIRLAYAN KURUM	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
RAPOR TARİHİ	06.03.2014
DEĞERLEME KONUSU GAYRİMENKULLER HAKKINDA ÖZET BİLGİ	
TAPU BİLGİLERİ	İSTANBUL İli, Üsküdar İlçesi, Burhaniye Mahallesi, 218 Pafta, 1326 Ada, 49.598,69 m <sup>2</sup> yüzölçümlü 60 no'lu parsel
MEVCUT KULLANIM	İnşaat işleri tamamlanmıştır.
İMAR DURUMU	Konut Alanı, TAKS: 0,13 ve Hmaks: 9,50 m (3 kat)
DEĞERLEME RAPORUNDA TAKDİR OLUNAN DEĞERLER (KDV HARİÇ)	
Projenin mevcut durumuyla pazar değeri	399.055.000,-TL
Projenin mevcut durumuyla Emlak Konut GYO A.Ş. payına düşen kısmın pazar değeri	241.545.000,-TL
Projenin tamamlanması durumunda toplam pazar değeri	501.030.000,-TL
Projenin tamamlanması durumunda Emlak Konut GYO A.Ş. payına düşen kısmın pazar değeri	250.515.000,-TL
Proje bünyesinde yer alan 4 adet bağımsız bölümün anahtar teslim şartlarının yerine getirilmesi durumunda toplam pazar değeri	10.342.000,-TL

GAYRİMENKUL DEĞERLEME RAPOR ÖZETİ	
DEĞERLEME KONUSU İŞİN İSMİ	Kartal Projesi
DEĞERLEMeyİ TALEP EDEN KURUM	Emlak Konut GYO A.Ş.
RAPORU HAZIRLAYAN KURUM	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
RAPOR TARİHİ	27.03.2014
DEĞERLEME KONUSU GAYRİMENKULLER HAKKINDA ÖZET BİLGİ	
TAPU BİLGİLERİ	İSTANBUL İli, Kartal İlçesi, Çavuşoğlu Mahallesi, 9051 ada 1 no'lu parsel, 9050 ada 1 no'lu parsel, 9048 ada 2 no'lu parsel ve 9049 ada 1 no'lu parsel
MEVCUT KULLANIM	Hafriyat işleri devam etmektedir.
İMAR DURUMU	Bkz. Rapor içeriği
DEĞERLEME RAPORUNDA TAKDİR OLUNAN DEĞERLER (KDV HARİÇ)	
Projenin mevcut durumuyla pazar değeri	244.895.000,-TL
Projenin mevcut durumuyla Emlak Konut GYO A.Ş. payına düşen kısmın pazar değeri	238.700.000,-TL
Projenin tamamlanması durumunda toplam pazar değeri	1.337.340.000,-TL
Projenin tamamlanması durumunda Emlak Konut GYO A.Ş. payına düşen kısmın pazar değeri	534.935.000,-TL
Proje bünyesinde yer alan 1.463 adet bağımsız bölümün anahtar teslim şartlarının yerine getirilmesi durumunda toplam pazar değeri	675.887.000,-TL

GAYRİMENKUL DEĞERLEME RAPOR ÖZETİ	
DEĞERLEME KONUSU İŞİN İSMİ	Sarphan Finanspark Projesi
DEĞERLEMeyİ TALEP EDEN KURUM	Emlak Konut GYO A.Ş.
RAPORU HAZIRLAYAN KURUM	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
RAPOR TARİHİ	24.03.2014
DEĞERLEME KONUSU GAYRİMENKULLER HAKKINDA ÖZET BİLGİ	
TAPU BİLGİLERİ	İSTANBUL İli, Ümraniye İlçesi, Küçükbakkalköy Mahallesi, 3317 ada, 5 no'lu parsel
MEVCUT KULLANIM	İnşaat işleri devam etmektedir.
İMAR DURUMU	T1 "Ticaret Alanı" Emsal (E): 2,50 ve Hmaks: Serbest
DEĞERLEME RAPORUNDA TAKDİR OLUNAN DEĞERLER (KDV HARİÇ)	
Projenin mevcut durumuyla pazar değeri	284.090.000,-TL
Projenin mevcut durumuyla Emlak Konut GYO A.Ş. payına düşen kısmın pazar değeri	128.430.000,-TL
Projenin tamamlanması durumunda toplam pazar değeri	462.500.000,-TL
Projenin tamamlanması durumunda Emlak Konut GYO A.Ş. payına düşen kısmın pazar değeri	173.440.000,-TL
31 adet bağımsız bölümün bugünkü toplam pazar değeri	59.623.600,-TL

GAYRİMENKUL DEĞERLEME RAPOR ÖZETİ	
DEĞERLEME KONUSU İŞİN İSMİ	Tahincioğlu Projesi
DEĞERLEMeyİ TALEP EDEN KURUM	Emlak Konut GYO A.Ş.
RAPORU HAZIRLAYAN KURUM	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
RAPOR TARİHİ	03.03.2014
DEĞERLEME KONUSU GAYRİMENKULLER HAKKINDA ÖZET BİLGİ	
TAPU BİLGİLERİ	İSTANBUL İli, Ataşehir İlçesi, Küçükbakkalköy Mahallesi, 3331 ada, 6 no'lu parsel ile 3334 ada 5 no'lu parsel
MEVCUT KULLANIM	İnşaat işleri devam etmektedir. (Hafriyat)
İMAR DURUMU	Sosyal ve Kültürel Tesis Alanı Emsal (E): 1,50
DEĞERLEME RAPORUNDA TAKDİR OLUNAN DEĞERLER (KDV HARİÇ)	
Projenin mevcut durumuyla pazar değeri	116.835.000,-TL
Projenin mevcut durumuyla Emlak Konut GYO A.Ş. payına düşen kısmın pazar değeri	107.550.000,-TL
Projenin tamamlanması durumunda toplam pazar değeri	530.165.000,-TL
Projenin tamamlanması durumunda Emlak Konut GYO A.Ş. payına düşen kısmın pazar değeri	191.920.000,-TL
Proje bünyesinde yer alan 362 adet bağımsız bölümün anahtar teslim şartlarının yerine getirilmesi durumunda toplam pazar değeri	502.524.000,-TL

**APPENDIX -2/A**  
**ORIGINALLY IN TURKISH VERSION**

**01.01 - 31.03.2014 TARİHLERİ ARASINDA DEĞERLEMeye KOnU OLAN PROJELERİN EKSPERTİZ RAPORLARI**

<b>DEĞERLEME KONUSU İŞİN İSMİ</b>	3525 ada 5 no'lu parsel Avrupa Konutları TEM-2 Projesi üzerinde yer alan 34 adet bağımsız bölümün Pazar değeri tespiti
<b>DEĞERLEMeyİ TALEP EDEN KURUM</b>	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
<b>RAPORU HAZIRLAYAN KURUM</b>	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
<b>RAPOR TARİHİ</b>	24.03.2014
<b>DEĞERLEME KONUSU GAYRİMENKÜLLER HAKKINDA ÖZET BİLGİ</b>	
<b>TAPU BİLGİLERİ</b>	İSTANBUL İli, Gaziosmanpaşa İlçesi, Küçükköy Mahallesi, 3525 Ada 5 No.lu Parsel
<b>MEVCUT KULLANIM</b>	Parsel üzerinde inşaat işleri devam etmektedir.
<b>İMAR DURUMU</b>	Ticaret + Hizmet Alanı Emsal:2,50 Hmaks: Serbest
<b>DEĞERLEME RAPORUNDA TAKDİR OLUNAN DEĞERLER (KDV HARİC)</b>	
PROJENİN MEVCUT DURUMUyla PAZAR DEĞERİ (3525 ada 5 parsel için)	68.113.664,60 TL
PROJENİN MEVCUT DURUMUyla EMLAK KOnUT GYO A.Ş. PAYINA DÜŞEN KİSMİN PAZAR DEĞERİ (3525 ada 5 parsel için)	51.500.000,00 TL
PROJENİN TAMAMLANMASI DURUMUNDA TOPLAM PAZAR DEĞERİ (3525 ada 5 parsel için)	250.078.060,00 TL
PROJENİN TAMAMLANMASI DURUMUNDA EMLAK KOnUT GYO A.Ş. PAYINA DÜŞEN ASGARİ ŞİRKET PAYI TOPLAM GELİRİ (3525 ada 5 parsel için)	75.023.418,00 TL
PROJE BÜNYESİNDEKİ 34 ADET BAĞIMSIZ BÖLÜMÜN ANAHTAR TESLİM ŞARTLARININ YERİNE GETİRİLMESİ DURUMUNDAKİ TOPLAM PAZAR DEĞERİ	55.972.143,00 TL

<b>8 GAYRİMENKUL DEĞERLEME RAPOR ÖZETİ</b>	
<b>DEĞERLEME KONUSU İŞİN İSMİ</b>	1İSTANBUL Projesi
<b>DEĞERLEMeyİ TALEP EDEN KURUM</b>	Emlak Konut GYO A.Ş.
<b>RAPORU HAZIRLAYAN KURUM</b>	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
<b>RAPOR TARİHİ</b>	25.03.2014
<b>DEĞERLEME KONUSU GAYRİMENKÜLLER HAKKINDA ÖZET BİLGİ</b>	
<b>TAPU BİLGİLERİ</b>	İSTANBUL İli, Avclar İlçesi, Firuzköy Mahallesi, 520 ada 2 no'lu parsel, 521 ada 1 no'lu parsel
<b>MEVCUT KULLANIM</b>	İnşaat işleri tamamlanmıştır
<b>İMAR DURUMU</b>	Konut Alanı, Emsal (E): 1,50 ve Hmaks: Serbest
<b>DEĞERLEME RAPORUNDA TAKDİR OLUNAN DEĞERLER (KDV HARİC)</b>	
Proje arsalarının pazar değeri	90.465.000,-TL
Projenin mevcut durumuyla pazar değeri	310.950.000,-TL
Projenin tamamlanması durumunda bugünkü toplam pazar değeri	311.235.000,-TL
Proje bünyesinde yer alan 15 adet bağımsız bölümün anahtar teslim şartlarını yerine getirilmesi durumunda toplam pazar değeri	3.637.200,-TL

<b>9 GAYRİMENKUL DEĞERLEME RAPOR ÖZETİ</b>	
<b>DEĞERLEME KONUSU İŞİN İSMİ</b>	İSTANBUL TUZLA 2.ETAP 2.BÖLGE KOnUT PROJESİ EVORA İSTANBUL ( 2 ADET BAĞIMSIZ BÖLÜM )
<b>DEĞERLEMeyİ TALEP EDEN KURUM</b>	EMLAK KOnUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
<b>RAPORU HAZIRLAYAN KURUM</b>	REEL GAYRİMENKUL DEĞERLEME A.Ş.
<b>RAPOR TARİHİ</b>	29.01.2014
<b>DEĞERLEME KONUSU GAYRİMENKÜLLER HAKKINDA ÖZET BİLGİ</b>	
<b>TAPU BİLGİLERİ</b>	BAKINIZ DEĞERLEME KONUSU TAŞINMAZIN MÜLKİYET VE YAPILAŞMA BİLGİLERİ
<b>MEVCUT KULLANIM</b>	MEVCUTTA PARSEL ÜZERİNDE YAPI BULUNMAMAKTADIR.
<b>İMAR DURUMU</b>	BAKINIZ DEĞERLEME KONUSU TAŞINMAZIN MÜLKİYET VE YAPILAŞMA BİLGİLERİ
<b>DEĞERLEME RAPORUNDA TAKDİR OLUNAN DEĞERLER (KDV HARİC)</b>	
PROJENİN ARSA DEĞERİ	109.337.214,00 TL
PROJENİN MEVCUT DURUM DEĞERİ	283.494.077,64 TL
PROJENİN EMLAK KOnUT GYO A.Ş. PAYINA DÜŞEN MİKTARINA GÖRE MEVCUT DURUM DEĞERİ	109.337.214,00 TL
PROJENİN TAMAMLANMASI DURUMUNDAKİ BÜGÜNKÜ DEĞERİ	537.264.006,96 TL
PROJENİN TAMAMLANMASI DURUMUNDA EMLAK KOnUT GYO A.Ş. HİSSESİNE DÜŞEN DEĞER	175.416.690,27 TL
2 ADET BAĞIMSIZ BÖLÜMÜN TAMAMLANMASI DURUMUNDAKİ BÜGÜNKÜ ANAHTAR TESLİMİ DEĞERLERİNİN TOPLAMI	21.212.599,50 TL

## APPENDIX - 2/B

## ORIGINALLY IN TURKISH VERSION

## 01.01 - 31.03.2014 TARİHLERİ ARASINDA DEĞERLEMeye KOnu OLAN BİNALARIN EKSPERTİZ RAPORLARI

1		GAYRİMENKUL DEĞERLEME RAPOR ÖZETİ	
DEĞERLEME KONUSU İŞİN İSMİ		Spradon Quartz Projesi 3 adet bağımsız bölüm	
DEĞERLEMeyİ TALEP EDEN KURUM		Emlak Konut GYO A.Ş.	
RAPORU HAZIRLAYAN KURUM		Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.	
RAPOR TARİHİ		12.03.2014	
DEĞERLEME KONUSU GAYRİMENKULLER HAKKINDA ÖZET BİLGİ			
TAPU BİLGİLERİ		İSTANBUL İli, Başakşehir İlçesi, Hoşdere Mahallesi, 217 ada 1 no'lu parselde kayıtlı 44 no'lu bağımsız bölüm ile 563 ada 1 no'lu parselde kayıtlı 48 ve 78 no'lu bağımsız bölümler	
MEVCUT KULLANIM		Daireler boş durumdadır.	
İMAR DURUMU		Lejantı: Konut Alanı Emsal (E): 1,50 ve Bina yüksekliği (Hmax): Serbest	
DEĞERLEME RAPORUNDA TAKDİR OLUNAN DEĞERLER (KDV HARİÇ)			
3 BAĞIMSIZ BÖLÜM TOPLAM DEĞERİ		481.500 TL	

2		GAYRİMENKUL DEĞERLEME RAPOR ÖZETİ	
DEĞERLEME KONUSU İŞİN İSMİ		Emlak Konut Mavişehir Evleri 3 adet bağımsız bölüm	
DEĞERLEMeyİ TALEP EDEN KURUM		Emlak Konut GYO A.Ş.	
RAPORU HAZIRLAYAN KURUM		Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.	
RAPOR TARİHİ		25.02.2014	
DEĞERLEME KONUSU GAYRİMENKULLER HAKKINDA ÖZET BİLGİ			
TAPU BİLGİLERİ		İzmir İli, Karşıyaka İlçesi, Şemikler Mahallesi, 25696 ada 1 no'lu parsel üzerinde kayıtlı B Blok, 54 Giriş 21 bağımsız bölüm no'lu mesken, D Blok, 52 Giriş, 42 bağımsız bölüm no'lu mesken, 26023 Ada, 3 no'lu parsel üzerinde C Blok, 7 Giriş 1 bağımsız bölüm no'lu mesken	
MEVCUT KULLANIM		Daireler boş durumdadır.	
İMAR DURUMU		Lejantı: Konut Alanı 25696 Ada, 1 Parsel Emsal (E): 1,20 ve Bina Yüksekliği (Hmax): Serbest 26023 Ada, 3 Parsel Emsal (E): 1,50 ve Bina Yüksekliği (Hmax): Serbest	
DEĞERLEME RAPORUNDA TAKDİR OLUNAN DEĞERLER (KDV HARİÇ)			
3 BAĞIMSIZ BÖLÜM TOPLAM DEĞERİ		1.130.000 TL	

**APPENDIX - 3**  
**CONSTRUCTION PROGRESS LEVEL TABLE**

No	Project Description	Province	District	Progress Level as of the date of March 31, 2014
1	ATAŞEHİR RESIDENCE	ISTANBUL	ATAŞEHİR	Final Acceptance is Completed.
2	İDEALİSTKENT	ISTANBUL	ÜMRANİYE	Final Acceptance is Completed.
3	UPHILL COURT	ISTANBUL	ATAŞEHİR	Final Acceptance is Completed.
4	MY WORLD	ISTANBUL	ATAŞEHİR	Final Acceptance is Completed.
5	KENTPLUS ATAŞEHİR	ISTANBUL	ATAŞEHİR	Final Acceptance is Completed.
6	KÖRFEZKENT 1	KOCAELİ	KÖRFEZ	Final Acceptance is Completed.
7	ŞEHRİZAR KONAKLARI	ISTANBUL	ÜSKÜDAR	Provisional Acceptance is Completed
8	VARYAP MERIDIAN	ISTANBUL	ATAŞEHİR	93,14%
9	MY TOWERLAND	ISTANBUL	ATAŞEHİR	91,65%
10	METROPOL ISTANBUL	ISTANBUL	ATAŞEHİR	16,95%
11	ALEMDAĞ EMLAK KONUTLARI	ISTANBUL	ÇEKMEKÖY	Provisional Acceptance is Completed
12	KÖRFEZKENT 2	KOCAELİ	KÖRFEZ	Final Acceptance is Completed.
13	GEBZE EMLAK KONUTLARI 1	KOCAELİ	GEBZE	Final Acceptance is Completed.
14	SARPHAN FİNANS PARK	ISTANBUL	ÜMRANİYE	66,24%
15	GEBZE EMLAK KONUTLARI 2	KOCAELİ	GEBZE	Final Acceptance is Completed.
16	TUZLA EMLAK KONUTLARI 2	ISTANBUL	TUZLA	Kesin Kabul işlemleri devam ediyor.
17	EVORA ISTANBUL MARMARA/ EVORA ISTANBUL DENİZ/ EVORA ISTANBUL PLATINUM	ISTANBUL	TUZLA	56,15%
18	EVORA ISTANBUL/ EVORA ISTANBUL ADALAR/ EVORA ISTANBUL REZİDANS	ISTANBUL	TUZLA	62,47%
19	TUZLA EMLAK KONUTLARI 1	ISTANBUL	TUZLA	Provisional Acceptance is Completed
20	BULVAR 216	ISTANBUL	ATAŞEHİR	Tapu devri yapıldı.
21	KARTAL	ISTANBUL	KARTAL	0,00%
22	SULTANBEYLİ	ISTANBUL	SULTANBEYLİ	64,61%
23	KÖRKEZKENT 3	İZMİR	KÖRFEZ	43,31%
24	ISTANBUL FİNANS MERKEZİ	ISTANBUL	ATAŞEHİR	0,00%
25	ATAŞEHİR GENEL MÜDÜRLÜK BİNASI	ISTANBUL	ATAŞEHİR	16,67%
26	ATAŞEHİR BATI BÖLGESİ 1.KISIM 6.BÖLGE	ISTANBUL	ATAŞEHİR	0,00%
27	YILDIZKENT 1	TEKİRDAĞ	KAPAKLI	Final Acceptance is Completed.
28	YILDIZKENT 2	TEKİRDAĞ	KAPAKLI	Final Acceptance is Completed.
29	SOYAK MAVİŞEHİR	İZMİR	KARŞIYAKA	Final Acceptance is Completed.
30	YILDIZKENT 3	TEKİRDAĞ	KAPAKLI	Final Acceptance is Completed.
31	NOVUS RESIDENCE	ISTANBUL	BAKIRKÖY	Final Acceptance is Completed.
32	MİSSTANBUL	ISTANBUL	BAŞAKŞEHİR	Final Acceptance is Completed.
33	KENTPLUS MİMARŞİNAN	ISTANBUL	B.ÇEKMECE	Final Acceptance is Completed.
34	EMLAK KONUT PELİKAN SİTESİ	İZMİR	KARŞIYAKA	Final Acceptance is Completed.
35	EMLAK KONUT MAVİŞEHİR EVLERİ	İZMİR	KARŞIYAKA	Final Acceptance is Completed.
36	DREAMCITY ÇERKEZKÖY	TEKİRDAĞ	KAPAKLI	Final Acceptance is Completed.
37	SPRADON QUARTZ	ISTANBUL	BAŞAKŞEHİR	Final Acceptance is Completed.
38	İSPARTAKULE EVLERİ	ISTANBUL	AVCILAR	Partial Final Acceptance is Completed.
39	AVRUPA KONUTLARI İSPARTAKULE 1	ISTANBUL	AVCILAR	Final Acceptance is Completed.
40	BİZİMEVLER 4	ISTANBUL	AVCILAR	Partial Final Acceptance is Completed.
41	MY TOWN İSPARTAKULE	ISTANBUL	AVCILAR	Final Acceptance is Completed.

**APPENDIX - 3**  
**CONSTRUCTION PROGRESS LEVEL TABLE**

No	Project Description	Province	District	Progress Level as of the date of March 31, 2014
42	BURGAZKENT	KIRKLARELİ	LÜLEBURGAZ	Final Acceptance is Completed.
43	1STANBUL	ISTANBUL	AVCILAR	Provisional Acceptance is Completed
44	AVRUPA KONUTLARI TEM	ISTANBUL	G.OSMANPAŞA	Final Acceptance is Completed.
45	SELİMPAŞA EMLAK KONUTLARI	ISTANBUL	SİLİVRİ	Final Acceptance is Completed.
46	ERGENE VADİSİ	TEKİRDAĞ	ÇORLU	Final Acceptance is Completed.
47	KUASAR ISTANBUL	ISTANBUL	ŞİŞLİ	24,16%
48	PARKYAŞAM MAVİŞEHİR	İZMİR	KARŞIYAKA	Provisional Acceptance is Completed
49	BİZİMEVLER 2	ISTANBUL	AVCILAR	Final Acceptance is Completed.
50	UNİKONUT	ISTANBUL	AVCILAR	59,03%
51	BİZİMEVLER 3	ISTANBUL	AVCILAR	Final Acceptance is Completed.
52	MAVİŞEHİR MODERN	İZMİR	ÇİĞLİ	Final Acceptance is Completed.
53	MY WORLD EUROPE	ISTANBUL	BAŞAKŞEHİR	Provisional Acceptance is Completed
54	AVRUPA KONUTLARI ISPARTAKULE 2	ISTANBUL	AVCILAR	Final Acceptance is Completed.
55	ELITE CITY	ISTANBUL	K.ÇEKMECE	Final Acceptance is Completed.
56	SOYAK PARK APARTS/ SOYAK EVOSTAR	ISTANBUL	K.ÇEKMECE	Provisional Acceptance is Completed
57	STUDYO 24	ISTANBUL	AVCILAR	82,59%
58	AVRUPA KONUTLARI ISPARTAKULE 3	ISTANBUL	AVCILAR	Partial Final Acceptance is Completed.
59	AVRUPA KONUTLARI ATAKENT 3	ISTANBUL	K.ÇEKMECE	Final Acceptance is Completed.
60	MERKEZ KAYAŞEHİR	ISTANBUL	BAŞAKŞEHİR	Final Acceptance is Completed.
61	BATIŞEHİR	ISTANBUL	SULTANGAZİ	52,14%
62	AĞAOĞLU MASLAK 1453 ISTANBUL	ISTANBUL	ŞİŞLİ	18,54%
63	LÜLEBURGAZ ÇARŞI	KIRKLARELİ	LÜLEBURGAZ	Final Acceptance is Completed.
64	SPRADON VADİ	ISTANBUL	BAŞAKŞEHİR	Provisional Acceptance is Completed
65	DUMANKAYA MİKS	ISTANBUL	K.ÇEKMECE	21,56%
66	BAHÇETEPE ISTANBUL	ISTANBUL	BAŞAKŞEHİR	49,10%
67	KÖY	ISTANBUL	ZEKERİYAKÖY	0,00%
68	BULVAR ISTANBUL	ISTANBUL	İKİTELLİ	6,16%
69	AVRUPA KONUTLARI TEM 2	ISTANBUL	G.OSMANPAŞA	17,10%
70	AVCILAR KAPADIK	ISTANBUL	AVCILAR	0,00%
71	FATİH YEDİKULE	ISTANBUL	FATİH	0,00%
72	SEYRANŞEHİR	ISTANBUL	BAŞAKŞEHİR	0,00%
73	BAHÇEKENT EMLAK KONUTLARI 1	ISTANBUL	BAŞAKŞEHİR	28,84%
74	BAHÇEKENT EMLAK KONUTLARI 2	ISTANBUL	BAŞAKŞEHİR	31,15%
75	BAHÇEKENT EMLAK KONUTLARI 3	ISTANBUL	BAŞAKŞEHİR	16,82%
76	EMLAK KONUT BAŞAKŞEHİR EVLERİ 1	ISTANBUL	BAŞAKŞEHİR	10,42%
77	EMLAK KONUT BAŞAKŞEHİR EVLERİ 2	ISTANBUL	BAŞAKŞEHİR	10,87%
78	EMLAK KONUT BAŞAKŞEHİR EVLERİ 3	ISTANBUL	BAŞAKŞEHİR	16,11%
79	EMLAK KONUT BAŞAKŞEHİR EVLERİ 4	ISTANBUL	BAŞAKŞEHİR	17,84%
80	KAYABAŞI 3. ETAP	ISTANBUL	BAŞAKŞEHİR	0,00%
81	BAHÇEKENT FLORA	ISTANBUL	BAŞAKŞEHİR	0,00%

**APPENDIX - 4**  
**EMLAK KONUT REAL ESTATE INVESTMENT COMPANY**  
**TENDERED LANDS SUMMARY TABLE**  
**(March 31, 2014)**

Land Sales Revenue Sharing Projects	SQM*	Date of Purchase	Book Value	Current Company Share Total Revenue	Explanation
TOWERLAND A BLOK + TİCARET BLOĞU PROJECT - ISTANBUL ATAŞEHİR EAST 1st STAGE (AKDENİZ İNŞAAT)	1.750,48	31-May-00	1.824.979,02	14.494.095,00	Partial Provisional Acceptance is Completed. Land invoices of 12 commercial sections are not issued. Total sales price is 30.838.500,00 TL and Company share is written as 47%.
MERIDIAN PROJECT - ISTANBUL ATAŞEHİR WEST SIDE 1st STAGE 4th REGION (VARYAP VARLIBAŞLAR)	23.589,72	31-May-00	1.695.220,06	17.467.205,09	Construction permit is taken.
SOYAK PARK APARTS PROJECT - ISTANBUL KÜÇÜKÇEKMECE HALKALI 3rd STAGE (SOYAK YAPI İNŞAAT)	19.267,33	2-Dec-09	7.794.591,14	20.294.799,83	Construction permit is taken
SARPHAN FİNANSPARK PROJECT - ISTANBUL ÜMRANİYE 1st STAGE (YENİ SARP - EPP JOINT VENTURE)	20.714,48	31-May-00	14.029.881,40	184.555.306,00	Construction permit is taken
DUMANKAYA MİSK PROJECT - ISTANBUL KÜÇÜKÇEKMECE HALKALI 2nd STAGE (DUMANKAYA İNŞAAT)	30.294,51	16-Aug-07	27.862.311,74	82.502.500,00	Construction permit is taken
METROPOL ISTANBUL PROJECT - ISTANBUL ATAŞEHİR EAST SIDE 2nd STAGE (VARYAP VARLIBAŞLAR - GAP İNŞAAT JOINT VENTURE)	99.108,08	31-May-00	246.165.569,09	500.971.500,00	Construction permit is taken
EVORA ISTANBUL 1 PROJECT - ISTANBUL TUZLA 2nd STAGE 1st REGION (TEKNİK YAPI)	125.318,76	4-Oct-10	48.622.204,50	163.000.056,60	Construction permit is taken
EVORA ISTANBUL 2 PROJECT - ISTANBUL TUZLA 2nd STAGE 2. REGION (TEKNİK YAPI)	125.066,79	4-Oct-10	48.403.843,02	163.903.000,00	Construction permit is taken
KUASAR ISTANBUL PROJECT - ISTANBUL ŞİŞLİ DİKLİTAŞ (VİATRANS - MEYDANBEY JOINT VENTURE)	22.059,51	11-Feb-08	230.118.122,39	423.729.947,91	Construction permit is taken
BATIŞEHİR PROJECT - ISTANBUL SULTANGAZİ HABİBLER İSTOÇ (EGE YAPI - EPP JOINT VENTURE)	165.326,57	19-Sep-08	344.481.387,15	436.515.314,92	Construction permit is taken
AĞAOĞLU MASLAK 1453 ISTANBUL PROJECT - ISTANBUL ŞİŞLİ AYAZGA 1st STAGE (AKDENİZ İNŞAAT)	222.549,42	30-Sep-10	549.414.999,94	1.371.134.407,80	Construction permit is taken
BAHÇETEPE ISTANBUL PROJECT - ISTANBUL BAŞAKŞEHİR AYAZMA 2nd STAGE (MAKRO - AK YAPI JOINT VENTURE)	209.362,14	01-Dec-2010 - 31-Mar-2011	88.025.290,63	165.100.000,00	Construction permit is taken
ZEKERİYAKÖY PROJECT - ISTANBUL SARIYER ZEKERİYAKÖY (SİYAH KALEM MÜH)	343.062,46	2-Mar-11	224.208.733,63	475.687.500,00	The Contract of the Project is signed on July 19, 2012 and Construction Permit is not taken.
KARTAL PROJECT - ISTANBUL KARTAL (DAP YAPI İNŞAAT)	53.687,97	22-Apr-12	186.694.277,39	534.000.000,00	The Contract of the Project is signed on February 04, 2013 and Construction Permit is taken on March 14, 2014.
AYAZMA 3rd STAGE PROJECT - ISTANBUL BAŞAKŞEHİR AYAZMA 3rd STAGE (ÖZLÜKE - ÖZ KAR JOINT VENTURE)	108.693,37	1-Dec-10	107.553.273,25	202.440.000,00	The Contract of the Project is signed on April 02, 2013. Date of Construction Permit is 31.05.2013, Revised permit date is August 28, 2013
GAZİOSMANPAŞA 2nd STAGE PROJECT - ISTANBUL GAZİOSMANPAŞA KÜÇÜKÖY 2nd STAGE (ARTAŞ İNŞAAT)	24.716,89	30-Jul-12	62.430.238,50	105.600.000,00	The Contract of the Project is signed on July 07, 2013. Date of Construction Permit is 16.09.2013
B.ATAŞEHİR 1.KISIM 6.REGION PROJECT-İST. ATAŞEHİR WEST SIDE 1st STAGE 6th REGION (TAHİNCİOĞLU-KOZKEN O.GİRİŞİMİ)	19.554,44	31-May-00	7.131.240,59	190.231.000,00	Construction permit is taken
KAPADIK PROJECT - ISTANBUL AVCILAR KAPADIK (BE-MA İNŞAAT)	85.251,43	30-Jul-12	79.298.587,28	148.400.000,00	The Contract of the Project is signed on July 05, 2013 and Construction Permit is not taken.
FATİH YEDİKULE PROJECT - ISTANBUL FATİH YEDİKULE ( EGE YAPI - MYMETROPOL-SENA-BUKTOR JOINT VENTURE)	41.161,52	30-Jul-12	65.990.336,00	105.968.270,00	The Contract of the Project is signed on August 02, 2013 and Construction Permit is not taken.
KAYABAŞI 2nd STAGE PROJECT - ISTANBUL BAŞAKŞEHİR KAYABAŞI 2nd STAGE (MAKRO - AK YAPI İŞ ORTAKLIĞI)	23.170,60	30-Jul-08	23.295.549,61	51.520.000,00	The Contract of the Project is signed on September 23, 2013 and Construction Permit is taken on March 03, 2014.
HOŞDERE 2nd STAGE PROJECT - ISTANBUL HOŞDERE 2nd STAGE ( İZKA İNŞAAT & DAĞ MÜHENDİSLİK JOINT VENTURE)	119.756,54	14-Jun-11	47.064.237,81	80.832.000,00	The Contract of the Project is signed on November 22, 2013 and Construction Permit is not taken.
KAYABAŞI 3rd STAGE PROJECT - ISTANBUL BAŞAKŞEHİR KAYABAŞI 3rd STAGE (INTAYA & İNTES JOINT VENTURE)	75.197,88	3-Dec-12	88.794.095,91	188.760.000,00	The Contract of the Project is signed on December 17, 2013 and Construction Permit is not taken.
ISTANBUL INTERNATIONAL FINANCE CENTER SPECIAL PROJECT RECREATIONAL AREA PROJECT ( İFM - AKDENİZ İNŞAAT JOINT VENTURE)	115.497,01	31/05/200	0,03	29.200.000,00	
<b>LAND SALES REVENUE SHARING PROJECTS TOTAL</b>	<b>2.074.157,90</b>		<b>2.500.898.970,08</b>	<b>5.656.306.903,15</b>	

Revenue Sharing Projects In Return For Land Sharing	SQM*	Date of Purchase	Book Value	Current Company Share Total Revenue	Explanation
STÜDYO24 PROJECT - ISTANBUL BAHÇEŞEHİR İSPARTAKULE 1st REGION 5th STAGE PROJECT (CATHAY - EPP JOINT VENTURE)	15.103,39	1-Jun-09	13.408.401,71	18.828.245,35	Construction permit is taken
UNIKONUT PROJECT - ISTANBUL BAHÇEŞEHİR İSPARTAKULE 1st REGION 4th STAGE (YENİ DOĞUŞ İNŞAAT)	24.506,00	2-Aug-07	20.835.321,73	21.938.803,59	Construction permit is taken
<b>REVENUE SHARING PROJECTS IN RETURN FOR LAND SHARING TOTAL</b>	<b>39.609,39</b>		<b>34.243.723,44</b>	<b>40.767.048,94</b>	
<b>LAND SALES REVENUE SHARING PROJECTS and REVENUE SHARING PROJECTS IN RETURN FOR LAND TOTAL</b>			<b>2.535.142.693,52</b>	<b>5.697.073.952,09</b>	

Projects Tendered Within the Frame of Public Procurement Law-Turnkey	SQM*	Date of Purchase	Land Cost + Progress Payments	Explanation
SULTANBEYLİ EMLAK KONUTLARI PROJECT (İLGIN İNŞAAT)	63.595,64	13-Mar-07	46.474.843,05	Construction permit is taken
KOCAELİ KÖRFEZKENT EMLAK KONUTLARI 3rd STAGE PROJECT (MUSTAFA EKŞİ & AYDUR İNŞAAT JOINT VENTURE)	61.613,42	25-Feb-08	55.266.401,29	Construction permit is taken
ISTANBUL ATAŞEHİR RESMİ KURUM BİNASI PROJECT (TURİYAP İNŞAAT)	11.528,07	31-May-00	8.249.390,36	Construction permit is taken
ISTANBUL HOŞDERE 1. KISIM 1st STAGE (EGEMEN İNŞAAT)	37.404,01	14-Jun-11	53.982.206,97	Construction permit is taken (April 18, 2013)
ISTANBUL HOŞDERE 1. KISIM 2nd STAGE (İLGIN İNŞAAT)	76.702,91	14-Jun-11	70.917.949,18	Construction permit is taken (April 18, 2013)
ISTANBUL HOŞDERE 1. KISIM 2nd STAGE (ZEK-SAN İNŞAAT)	55.986,50	14-Jun-11	24.200.201,07	Construction permit is taken (April 18, 2013)
KAYABAŞI 1st STAGE 1. KISIM (TÜRKERLER İNŞAAT)	81.536,59	30-Jul-12	93.783.592,10	Construction permit is taken (May 31, 2013) The Contract is signed on August 12, 2013.
KAYABAŞI 1st STAGE 2. KISIM (BİNBAY - ZİRVE ADI ORTAKLIĞI)	31.724,08	3-Dec-12	37.500.986,43	Construction permit is taken (May 31, 2013) The Contract is signed on July 29, 2013.
KAYABAŞI 1st STAGE 3. KISIM (ALTINDAG İNŞAAT)	33.755,50	30-Jul-12	51.236.504,27	Construction permit is taken (May 31, 2013) The Contract is signed on September 02, 2013.
KAYABAŞI 1st STAGE 4. KISIM (MAKSEM YAPI - CENT YAPI İŞ ORTAKLIĞI)	38.624,32	3-Dec-12	63.975.392,40	Construction permit is taken (May 31, 2013) The Contract is signed on September 02, 2013.
ISTANBUL ESENLER KENTSEL DÖNÜŞÜM (ESKON)	56.841,92	10-Mar-14	36.191.785,00	
<b>TURNKEY MODEL PROJECTS TOTAL</b>	<b>549.312,96</b>		<b>541.779.252,12</b>	<b>-</b>
<b>PROJECTS GRAND TOTAL</b>	<b>2.663.080,25</b>		<b>3.076.921.945,64</b>	<b>5.697.073.952,09</b>

**APPENDIX - 5**  
**EMLAK KONUT REAL ESTATE INVESTMENT COMPANY**  
**RESIDENCE STOCKS SUMMARY TABLE**  
**(March 31, 2014)**

BUILDINGS	Number of Remaining Independent Units	SQM	Date of Purchase	Book Value	Date of Expertise	Appraisal Value
ATAŞEHİR GENERAL DIRECTORATE BUILDING	1	2.513,28	31-May-00	3.254.393,82	31-Dec-13	13.410.000,00
SİLİVRİ SELİMPAŞA EMLAK KONUTLARI PROJECT INDEPENDENT SECTIONS	1	117,87	15-Jun-10	91.066,22	31-Dec-13	186.576,00
NOVUS RESIDENCE PROJECT INDEPENDENT SECTIONS	0	0,00	26-Jan-10	0,00	31-Dec-13	0,00
SPRADON QUARTZ PROJECT SECTIONS	48	3.943,83	22-Sep-2011-17-Jul-2012	12.979.597,34	31-Dec-13	10.459.500,00
VARYAP MERİDİAN PROJECT INDEPENDENT SECTIONS	2	137,60	31-Dec-12	805.413,49	31-Dec-13	842.142,45
TUZLA 2 PROJECT INDEPENDENT SECTIONS	6	459,29	29-May-13	340.665,04	31-Dec-13	478.483,53
LÜLEBURGAZ MALL INDEPENDENT SECTIONS	1	1.188,23	7-May-13	1.208.400,00	31-Dec-13	1.200.112,30
BİRİSTANBUL PROJECT INDEPENDENT SECTIONS	439	41.251,14	30-Sep-13	107.975.737,52	31-Dec-13	115.648.865,36
TUZLA 1 PROJECT INDEPENDENT SECTIONSİ	3	247,03	12-Dec-13	236.760,91	31-Dec-13	272.432,21
TOWERLAND PROJECT INDEPENDENT SECTIONS	109	15.643,65	31-Oct-13	81.028.251,42	31-Dec-13	81.087.000,00
PARKYAŞAM MAVİŞEHİR PROJECT INDEPENDENT SECTIONS	2	453,63	23-Nov-13	2.175.800,00	31-Dec-13	2.175.800,00
MY WORLD EUROPE PROJECT INDEPENDENT SECTIONS	119	12.043,50	30-Nov-13	35.286.674,55	31-Dec-13	35.369.000,00
EMLAK KONUT MAVİŞEHİR EVLERİ PROJECT INDEPENDENT SECTIONS	15	2.322,29	31-Dec-13	3.057.414,28	31-Dec-13	6.574.391,26
GEBZE 2 GÜZELLER PROJECT INDEPENDENT SECTIONSİ	1	97,77	20-Mar-14	86.645,27	31-Dec-13	103.468,76
<b>TOTAL</b>	<b>747</b>	<b>80.419,11</b>		<b>248.526.819,86</b>		<b>267.807.771,87</b>

**APPENDIX - 6**  
**EMLAK KONUT REAL ESTATE INVESTMENT COMPANY**  
**LANDS WITHOUT PROJECT DEVELOPMENT SUMMARY TABLE**  
**(March 31, 2014)**

LOCATION	Qty	SQM	Date of Purchase	Book Value	Date of Expertise	Appraisal Value
91 PARCELS AT ANKARA, YENİMAHALLE, BALI KUYUMCU	91	1.919.107,39	26-Oct-2006	273.036.259,40	31-Dec-13	309.074.234,54
13 PARCELS TEKİRDAĞ, ÇORLU	13	102.794,51	24-Mar-2006 - 30-Sep-2010	15.468.289,27	31-Dec-13	36.386.000,00
LAND AT İZMİR, UMURBEY DISTRICT	1	6.810,00	31-May-00	734.812,18	31-Dec-13	8.715.000,00
17 PARCELS AT TEKİRDAĞ, KAPAKLI, ÇERKEZKÖY	17	371.235,69	09-Dec-2005	8.247.941,97	31-Dec-13	91.297.000,00
8 PARCELS AT KOCAELİ, KÖRFEZ	8	112.687,34	25-Feb-08	15.198.924,20	31-Dec-13	33.699.911,75
10 PARCELS AT İSTANBUL, AVCILAR	10	239.915,45	01-Jun-2007	275.911.075,55	31-Dec-13	255.181.630,50
32 PARCELS AT KOCAELİ GEBZE GÜZELLER	32	183.231,23	21-Mar-07	44.601.813,53	31-Dec-13	46.418.501,20
13 PARCELS AT İSTANBUL, ATAŞEHİR	13	21.627,91	10-Nov-1992 - 23-Dec-1996 - 31-May-2000 - 31-Dec-2012	12.660,16	31-Dec-13	13.121.304,84
16 PARCELS AT İSTANBUL, BAŞAKŞEHİR, HOŞDERE	16	277.090,03	06-Oct-2011 - 07-Aug-2012	60.366.144,21	31-Dec-13	73.257.182,86
2 PARCELS AT KASTAMONU CİDE	2	10.262,82	11-Apr-11	66.866,81	31-Dec-13	62.000,00
9 PARCELS AT İSTANBUL, KARTAL	5	10.020,76	22-Apr-12	19.965.722,61	31-Dec-13	20.737.115,80
8 PARCELS AT İSTANBUL, ESENVURT	8	149.532,50	14-Jun-2011 - 30-Jul-2012	119.762.612,88	31-Dec-13	132.469.047,20
40 PARCELS AT İSTANBUL, BAŞAKŞEHİR	40	239.267,21	01-Dec-2010 - 07-Mar-2012 - 14-Sep-2012 - 25-Sep-2012 - 01-Oct-	195.173.899,98	31-Dec-13	226.998.802,22
21 PARCELS AT İSTANBUL, BAŞAKŞEHİR, HOŞDERE LOCATION	16	240.332,78	14-Jun-2011 - 30-Jul-2012	150.856.585,29	31-Dec-13	170.756.818,36
7 LANDS AT İSTANBUL, ÜMRANİYE	4	17.067,99	01-Nov-2005	1.840.000,03	31-Dec-13	10.546.000,00
6 PARCELS AT İSTANBUL, BAŞAKŞEHİR	2	98.476,77	30-Jul-2008 - 30-Jul-2012 - 03-Dec-2012	115.513.251,21	31-Dec-13	117.679.740,15
4 PARCELS AT İSTANBUL, TUZLA	4	1.287,83	31-Dec-2012	0,04	31-Dec-13	125.776,13
1 PARCEL AT KIRKLARELİ, LÜLEBURGAZ	1	3.615,00	31-Dec-2012	0,01	31-Dec-13	89.290,00
1 PARCEL AT İZMİR, KARŞIYAKA	1	2.787,00	30-Dec-2005	0,01	31-Dec-13	840.000,00
12 PARCELS AT İSTANBUL SARIYER ZEKERİYAKÖY	3	1.038,65	2-Mar-11	1.849.266,37	31-Dec-13	358.948,66
1 PARCEL AT İSTANBUL, BEŞİKTAŞ	1	1.298,32	22-Dec-1989	296.673,67	31-Dec-13	1.200.000,00
3 PARCELS AT İSTANBUL, ŞİŞLİ	1	23,30	18-May-90	50,49	31-Dec-13	60.422,00
3 PARCELS AT ANKARA, ÇANKAYA	3	525,00	31-Aug-1987	0,10	31-Dec-13	531.076,00
PARCEL NUMBERED 4009 AT İSTANBUL, BÜYÜKÇEKMECE	1	78,10	28-Apr-06	1,00	31-Dec-13	12.000,00
17 PARCELS AT KOCAELİ, GEBZE	17	4.746,73	29-Jun-2009 - 17.02.2010	0,17	31-Dec-13	479.261,00
2 LANDS AT İSTANBUL, ZEYTİNBURNU KAZLI ÇEŞME	2	127.920,00	24-Apr-13	635.005.000,00	31-Dec-13	725.700.000,00
14 PARCELS AT İSTANBUL, ARNAVUKKÖY DURSUNLU	14	3.645.527,92	05-Jun-2013	333.309.400,26	31-Dec-13	368.665.000,00
13 LANDS AT İSTANBUL, KARTAL	13	63.249,23	24-Apr-13	112.267.383,25	31-Dec-13	112.410.000,00
1 PARCEL AT İZMİR URLA BADEMLER	1	368.342,54	24-Apr-13	19.536.888,32	31-Dec-13	20.260.000,00
<b>TOTAL OF LANDS AND PARCELS</b>	<b>340</b>	<b>8.219.900,00</b>		<b>2.399.021.522,97</b>		<b>2.777.132.063,21</b>

**APPENDIX - 7  
PROJECT DEADLINES TABLE**

<b>EMLAK KONUT REAL ESTATE INVESTMENT COMPANY TABLE OF RESIDENCE, TRADE CENTER, SCHOOL BUILDING CONSTRUCTION PROJECTS BY REVENUE SHARING MODEL</b>			
<b>NO</b>	<b>NAME OF THE PROJECT</b>	<b>PROJECT DEADLINE (ACCORDING TO TIME TABLE)</b>	<b>CONTRACTOR</b>
1	MY TOWERLAND *	15-Sep-13	AKDENİZ
2	VARYAP MERİDİAN *	15-Dec-12	VARYAP
3	KUASAR ISTANBUL	2-Oct-14	VIATRANS ~ MEYDANBEY
4	METROPOL ISTANBUL	19-Jan-15	VARYAP ~ GAP
5	SOYAK PARK APARTS / SOYAK EVOSTAR *	17-May-13	SOYAK
6	SARPHAN FİNANS PARK	22-Jun-14	EPP ~ YENİ SARP
7	BATIŞEHİR	7-Oct-14	EGE YAPI ~ EPP
8	MASLAK 1453	15-May-15	AKDENİZ
9	EVORA ISTANBUL DENİZ	4-Aug-14	TEKNİK YAPI
10	EVORA ISTANBUL ADALAR MARMARA	4-Aug-14	TEKNİK YAPI
11	DUMANKAYA MİKS	13-Nov-14	DUMANKAYA
12	BAHÇETEPE ISTANBUL	15-May-15	MAKRO ~ AKYAPI
13	KÖY	10-May-17	SİYAHKALEM
14	FİNANS MERKEZİ	20-Jul-16	İFM ~ AKDENİZ
15	ISTANBUL KARTAL	15-Aug-16	DAP ~ ELTES
16	BULVAR ISTANBUL	8-Oct-16	ÖZÜLKE ~ ÖZ-KAR
17	NİDAKULE ATAŞEHİR	2-Mar-16	TAHİNCİOĞLU ~ KOZKEN
18	AVRUPA KONUTLARI TEM 2	2-Mar-16	ARTAŞ
19	AVCILAR KAPADIK	11-Jul-16	BE-MA
20	FATİH YEDİKULE	8-May-16	EGE YAPI ~ MYMETROPOL ~ SENA ~ BUKTOR
21	KAYABAŞI 2nd STAGE	14-Mar-16	MAKRO ~ AKYAPI
22	HOŞDERE 2nd STAGE	1-Dec-16	İZKA ~ DAĞ ~ SITAR
23	KAYABAŞI 3rd STAGE	2-Jan-17	İNTAYA ~ İNTES

\* Contractors work by delay penalty due to exceeding project deadline according to time table.

<b>EMLAK KONUT REAL ESTATE INVESTMENT COMPANY TABLE OF RESIDENCE, TRADE CENTER, SCHOOL BUILDING CONSTRUCTION PROJECTS BY LAND SALES REVENUE SHARING</b>			
<b>NO</b>	<b>NAME OF THE PROJECT</b>	<b>PROJECT DEADLINE (ACCORDING TO TIME TABLE)</b>	<b>CONTRACTOR</b>
1	UNİKONUT	29-Apr-15	YENİ DOĞUŞ
2	STUDIO 24	17-May-14	EPP ~ CATHAY

<b>EMLAK KONUT REAL ESTATE INVESTMENT COMPANY TABLE OF RESIDENCE, TRADE CENTER, SCHOOL BUILDING CONSTRUCTION PROJECTS BY TURNKEY MODEL</b>			
<b>NO</b>	<b>NAME OF THE PROJECT</b>	<b>PROJECT DEADLINE (ACCORDING TO TIME TABLE)</b>	<b>CONTRACTOR</b>
1	SULTANBEYLİ EMLAK KONUTLARI	20-Jul-14	ILGIN
2	KÖRFEZKENT 3	19-Dec-15	MUSTAFA EKŞİ ~ AYDUR
3	RESMİ KURUM BİNASI	9-May-14	TURYAPI
4	BAHÇEKENT EMLAK KONUTLARI 1	7-Dec-15	EGEMEN
5	BAHÇEKENT EMLAK KONUTLARI 2	16-Mar-16	ILGIN
6	BAHÇEKENT EMLAK KONUTLARI 3	7-Dec-15	ZEK-SAN
7	EMLAK KONUT BAŞAKŞEHİR EVLERİ 2	6-Oct-15	BİNBAY ~ ZİRVE
8	EMLAK KONUT BAŞAKŞEHİR EVLERİ 1	1-Feb-16	TÜRKERLER
9	EMLAK KONUT BAŞAKŞEHİR EVLERİ 3	20-Feb-16	ALTINDAĞ
10	EMLAK KONUT BAŞAKŞEHİR EVLERİ 4	20-Feb-16	MAKSEM ~ CENT

**APPENDIX - 8**  
**LIST OF COMPANIES FROM WHICH APPRAISAL SERVICES ARE RECEIVED**

No	EMLAK KONUT REAL ESTATE INVESTMENT COMPANY ASSETS LIST	COMPANY FROM WHICH APPRAISAL SERVICE IS TO BE RECEIVED
1	"İSTANBUL ATAŞEHİR DOĞU BÖLGESİ 1. ETAP ARSA SATIŞI KARŞILIĞI GELİR PAYLAŞIMI İŞİ" SKYTOWERS TOWERLAND PROJESİ+ TİCARET BLOĞU (AKDENİZ İNŞ.)	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
2	"İSTANBUL ATAŞEHİR BATI BÖLGESİ 1. KISIM 4. BÖLGE ARSA SATIŞI KARŞILIĞI GELİR PAYLAŞIMI İŞİ" VARYAP MERIDIAN PROJESİ	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
3	"İSTANBUL SULTANGAZI HABİPLER ARSA SATIŞI KARŞILIĞI GELİR PAYLAŞIMI İŞİ (EGE YAPI-ARCTON-E.P.P) BATİŞEHİR PROJESİ	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
4	"İSTANBUL BAĞÇEŞEHİR İSPARTAKULE 1. BÖLGE 4.KISIM ARSA KARŞILIĞI GELİR PAYLAŞIMI İŞİ"(YENİ DOĞUŞ) UNICONUT PROJESİ	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
5	"İSTANBUL BAĞÇEŞEHİR İSPARTAKULE 1. BÖLGE 5.KISIM ARSA KARŞILIĞI GELİR PAYLAŞIMI İŞİ"525/2 PARSEL (CATHAY-E.P.P) STÜDYO 24	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
6	"İSTANBUL ÜMRANIYE 1. ETAP ARSA SATIŞI KARŞILIĞI GELİR PAYLAŞIMI İŞİ" ( YENİSARP-E.P.P) SARPHAN FİNANSARK PROJESİ	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
7	"İSTANBUL, TUZLA 2. ETAP 2. BÖLGE ARSA SATIŞI KARŞILIĞI GELİR PAYLAŞIMI İŞİ" (TEKNİK YAPI) EVORA PROJESİ-2	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
8	"İSTANBUL, TUZLA 2. ETAP 1. BÖLGE ARSA SATIŞI KARŞILIĞI GELİR PAYLAŞIMI İŞİ" (TEKNİK YAPI) EVORA PROJESİ-1	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
9	"İSTANBUL ATAŞEHİR DOĞU BÖLGESİ 2. ETAP ARSA SATIŞI KARŞILIĞI GELİR PAYLAŞIMI İŞİ" (VARYAP-GAP) METROPOL PROJESİ	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
10	"İSTANBUL ŞİŞLİ AYAZAĞA 1.ETAP ARSA SATIŞI KARŞILIĞI GELİR PAYLAŞIMI İŞİ" 10622 ADA 1 PARSEL (AKDENİZ İNŞ.) 5322 ADET BAĞ. BÖL.(MASLAK 1453)	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
11	"İSTANBUL KÜÇÜKÇEKMECE HALKALI 2.ETAP ARSA SATIŞI KARŞILIĞI GELİR PAYLAŞIMI İŞİ" 800/11 PARSEL (DUMANKAYA İNŞ.) DUMANKAYA MİKS PROJESİ	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
12	"İSTANBUL ŞİŞLİ DİKLİTAŞ ARSA SATIŞI KARŞILIĞI GELİR PAYLAŞIMI İŞİ" ESKİ TEKEL LİKÖR FABRİKASI ARAZİSİ 1199/230 PARSEL (VIATRANS-MEYDANBEY)	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
13	"İSTANBUL BAŞAKŞEHİR AYAZMA 2. ETAP ARSA SATIŞI KARŞILIĞI GELİR PAYLAŞIMI İŞİ" ( MAKRO-AKYAPI) BAĞÇETEPE-İSTANBUL	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
14	"İSTANBUL SULTANBEYLİ EMLAK KONUTLARI KONUT İLE ALTYAPI ve ÇEVRE DÜZENLEME İNŞAATLARI İŞİ" 4 adet parsel ( PROJE )	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
15	"KOCAELİ KÖRFEZKENT EMLAK KONUTLARI 3. ETAP KONUT, SOSYAL DONATI İLE ALTYAPI ve ÇEVRE DÜZENLEME İNŞAATLARI İŞİ" 2 adet parsel ( PROJE )	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
16	"İSTANBUL HOŞDERE EMLAK KONUTLARI 1. ETAP 1. KISIM KONUT İLE ADA İÇİ ALTYAPI VE ÇEVRE DÜZENLEME İNŞAATLARI İŞİ"	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
17	"İSTANBUL HOŞDERE EMLAK KONUTLARI 1. ETAP 2. KISIM KONUT İLE ADA İÇİ ALTYAPI VE ÇEVRE DÜZENLEME İNŞAATLARI İŞİ"	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
18	"İSTANBUL HOŞDERE EMLAK KONUTLARI 1. ETAP 3. KISIM TİCARET, OKUL, SPOR SALONU KREŞ ve CAMİ İLE GENEL ALTYAPI, ADA İÇİ ALTYAPI ve ÇEVRE DÜZENLEME İNŞAATLARI İŞİ"	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
19	"İSTANBUL BAŞAKŞEHİR AYAZMA 3. ETAP ARSA SATIŞI KARŞILIĞI GELİR PAYLAŞIMI İŞİ" (BULVAR İSTANBUL) Özülike	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
20	"İSTANBUL ATAŞEHİR RESMİ KURUM BİNASI ALTYAPI VE ÇEVRE DÜZENLEME İNŞAATLARI İŞİ" (3331 ADA 5 PARSEL)	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
21	"İSTANBUL GAZİOSMANPAŞA KÜÇÜKKÖY 2. ETAP ARSA SATIŞI KARŞILIĞI GELİR PAYLAŞIMI İŞİ" ( TEM-2) ARTAŞ	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
22	"İSTANBUL ATAŞEHİR BATI BÖLGESİ 1. KISIM 6. BÖLGE ARSA SATIŞI KARŞILIĞI GELİR PAYLAŞIMI İŞİ" (TAHİNCİOĞLU-KOZKEN)	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
23	"İSTANBUL KAYABAŞI EMLAK KONUTLARI 1. ETAP 1. KISIM KONUT İLE ADA İÇİ ALTYAPI VE ÇEVRE DÜZENLEME İNŞAATLARI İŞİ"	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
24	"İSTANBUL KAYABAŞI EMLAK KONUTLARI 1. ETAP 2. KISIM KONUT İLE ADA İÇİ ALT. VE ÇEVRE DÜZEN. İŞLERİ, GENEL ALT YAPI İM.YOL. İNŞ. İŞİ"	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
25	"İSTANBUL KAYABAŞI EMLAK KONUTLARI 1.ETAP 3.KISIM KONUT, OKUL İLE ADA İÇİ ALTYAPI ve ÇEVRE DÜZ. İNŞ. İŞİ"	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
26	"İSTANBUL KAYABAŞI EMLAK KONUTLARI 1.ETAP 4.KISIM KONUT İLE ADAİÇİ ALTYAPI VE ÇEVRE"	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
27	"İSTANBUL SARIYER ZEKERİYAKÖY ARSA SATIŞI KARŞILIĞI GELİR PAYLAŞIMI İŞİ" (SİYAH KALEM) (9 adet Parsel) PROJE	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
28	"İSTANBUL KARTAL ARSA SATIŞI KARŞILIĞI GELİR PAYLAŞIMI İŞİ" (ELTES İNŞ.-DAP YAPI İNŞ.) (4 adet Parsel) PROJE	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
29	"İSTANBUL AVCILAR KAPADIK ARSA SATIŞI KARŞILIĞI GELİR PAYLAŞIMI İŞİ" (BE-MA İNŞ.) ( 1 adet parsel) PROJE	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
30	"İSTANBUL FATİH YEDİKULE ARSA SATIŞI KARŞILIĞI GELİR PAYLAŞIMI İŞİ" (EGE YAPI-MYMETROPOL-SENA-BUKTOR) 2384 ada 4 parsel PROJE	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
31	"İSTANBUL BAŞAKŞEHİR KAYABAŞI 2. ETAP ARSA SATIŞI KARŞILIĞI GELİR PAYLAŞIMI İŞİ" 536/3 1 adet parsel PROJE	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
32	"İSTANBUL BAŞAKŞEHİR KAYABAŞI 3. ETAP ARSA SATIŞI KARŞILIĞI GELİR PAYLAŞIMI İŞİ" Intaya-İntes İnş. 3 adet parsel PROJE	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
33	"İSTANBUL BAŞAKŞEHİR HOŞDERE 2.ETAP ARSA SATIŞI KARŞILIĞI GELİR PAYLAŞIMI İŞİ" 5 adet parsel hoşdere PROJE	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
34	İSTANBUL İli, ZEYTİNBURNU İlçesi KAZLIÇEŞME Mevkiinde 2 ADET PARSEL (arsa) PROJE	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
35	"İSTANBUL ULUŞLAR ARASI FİNANS MERKEZİ ÖZEL PROJE VE REKREASYON ALANI ARSA SATIŞI KARŞILIĞI GELİR PAYLAŞIMI İŞİ" 3 adet parsel (arsa) PROJE	Yetkin Gayrimenkul Değ. ve Danış. A.Ş.
36	ATAŞEHİR MERKEZ BİNA 1 ADET BAĞIMSIZ BÖLÜM	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
37	SİLVİRİ SELİMPAŞA EMLAK KONUTLARI	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
38	NOVUS RESIDENCE PROJESİ	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
39	"İSTANBUL BAĞÇEŞEHİR ARSA SATIŞI KARŞILIĞI GELİR PAYLAŞIMI İŞİ" SPRADON QUARTZ PROJESİ	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.

**APPENDIX - 8**  
**LIST OF COMPANIES FROM WHICH APPRAISAL SERVICES ARE RECEIVED**

No	EMLAK KONUT REAL ESTATE INVESTMENT COMPANY ASSETS LIST	COMPANY FROM WHICH APPRAISAL SERVICE IS TO BE RECEIVED
40	KIRKLAERELİ LÜLEBURGAZ ÇARCI TİCARET MERKEZİ PROJESİ	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
41	"İZMİR MAVİŞEHİR KUZEY ÜST BÖLGE 2.ETAP KONUTLARI İLE ADA İÇİ ALTYAPI VE ÇEVRE DÜZENLEME İKMAL İNŞAATI İŞİ" EMLAK KONUT MAVİŞEHİR EVLERİ PROJESİ	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
42	"İSTANBUL ÜSKÜDAR BURHANIYE ARSA SATIŞI KARŞILIĞI GELİR PAYLAŞIMI İŞİ" ŞEHRİZAR KONAKLARI PROJESİ ( GAP İNŞAAT)	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
43	"İSTANBUL TUZLA EMLAK KONUTLARI 1. ETAP 2. KISIM KONUT İNŞ. İLE ADA İÇİ ALTYAPI VE ÇEVRE DÜZENLEME İNŞ. İŞİ" TUZLA EMLAK KONUTLARI 1. ETAP 2. KISIM PROJESİ	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
44	"İSTANBUL TUZLA EMLAK KONUTLARI 1. ETAP 1. KISIM KONUT, SOSYAL DONATI İNŞ. VE ATAŞEHİR İLÇESİ BÖLGE PARKI İNŞ. İLE ALTYAPI VE ÇEVRE DÜZENLEME İŞLERİ" İŞİ" TUZLA EMLAK KONUTLARI 1. ETAP 1. KISIM PROJESİ	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
45	"İSTANBUL AVCILAR İSPARTAKULE 3. BÖLGE ARSA SATIŞI KARŞILIĞI GELİR PAYLAŞIMI İŞİ" ( 1İSTANBUL PROJESİ)	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
46	"İSTANBUL KÜÇÜKÇEKMECE HALKALI 3. ETAP ARSA SATIŞI KARŞILIĞI GELİR PAYLAŞIMI İŞİ" SOYAK PARK APARTS-EVOSTAR (SOYAK İNŞ.)	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
47	"İZMİR MAVİŞEHİR KUZEY ÜST BÖLGESİ 4.ETAP ARSA SATIŞI KARŞILIĞI GELİR PAYLAŞIMI İŞİ" PARK YAŞAM PROJESİ (TÜRKERLER-DURMAZ-İZKA)	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
48	"İSTANBUL BAŞAKŞEHİR İKİTELLİ AYAZMA 1. ETAP ARSA SATIŞI KARŞILIĞI GELİR PAYLAŞIMI İŞİ" MY WORLD EUROPE PROJESİ (AKDENİZ İNŞ.)	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
49	"İSTANBUL BAĞÇEŞEHİR İSPARTAKULE 2. BÖLGE 3. KISIM ARSA KARŞILIĞI GELİR PAYLAŞIMI İŞİ" (BİZİMEVLER 4)	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
50	ANKARA İLİ YENİ MAHALLE İLÇESİ BALIKUYUMCU MAHALLESİ 91 ADET PARSEL	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
51	ANKARA İLİ ÇANKAYA İLÇESİ ÖNCEBECİ MAHALLESİ 3 ADET ARSA	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
52	İSTANBUL İLİ ATAŞEHİR İLÇESİ K.BAKKALKÖY VE BARBOROS MAHALLELERİNDE 13 ADET PARSEL	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
53	İSTANBUL İLİ AVCILAR İLÇESİ FIRUZKÖY MAHALLESİ 10 ADET ARSA	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
54	İSTANBUL İLİ BAŞAKŞEHİR İLÇESİ ESENYURT HOŞDERE MAHALLESİ 16 ADET PARSEL	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
55	İSTANBUL İLİ BAŞAKŞEHİR İLÇESİ ESENYURT 16 ADET PARSEL	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
56	İSTANBUL İLİ BAŞAKŞEHİR İLÇESİ İKİTELLİ-2 MAHALLESİ 40 ADET PARSEL	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
57	İSTANBUL İLİ BAŞAKŞEHİR İLÇESİ KAYABAŞI MAHALLESİ 2 ADET PARSEL	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
58	İSTANBUL İLİ, BEŞİKTAŞ İLÇESİ RUMELİHISARI MAHALLESİ 1 ADET PARSEL (arsa)	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
59	İSTANBUL İLİ BÜYÜKÇEKMECE İLÇESİ MİMARŞİNAN MAHALLESİ 4009 NO.LU PARSEL (1 adet)	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
60	İSTANBUL İLİ KARTAL İLÇESİ ÇAVUŞOĞLU MAHALLESİ 18 ADET PARSEL	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
61	İSTANBUL İLİ ESENYURT İLÇESİ HOŞDERE MAHALLESİ 8 ADET PARSEL	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
62	İSTANBUL İLİ ŞİŞLİ İLÇESİ ORTAKÖY ve AYAZAĞA MAHALLESİNDE 3 ADET ARSA	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
63	İSTANBUL İLİ TUZLA İLÇESİ AYDINLI MAHALLESİ 4 ADET PARSEL	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
64	İSTANBUL İLİ ÜMRANİYE İLÇESİ K.BAKKALKÖY MAHALLESİ 4 ADET PARSEL	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
65	İSTANBUL İLİ SARIYER İLÇESİ ZEKERİYAKÖY MAHALLESİNDE 3 ADET ARSA	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
66	İSTANBUL İLİ, ARNAVUTKÖY İLÇESİ DURSUNKÖY MAHALLESİ 14 ADET PARSEL (arsa)	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
67	İZMİR İLİ KARŞIYAKA İLÇESİ ŞEMİKLER MAHALLESİNDE 1 ADET PARSEL	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
68	İZMİR İLİ KONAK İLÇESİ UMURBEY MAHALLESİ 1 ADET PARSEL 3169 ADA 236 PARSEL	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
69	İZMİR İLİ, URLA İLÇESİ BADEMLER KÖYÜ 1 ADET PARSEL (arsa)	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
70	KIRKLAERELİ İLİ LÜLEBURGAZ İLÇESİ KURTULUŞ MAHALLESİNDE 1 ADET ARSA	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
71	KASTAMONU İLİ, CİDE İLÇESİ, DOĞANKAYA KÖYÜ 2 ADET ARAZİ	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
72	KOCAELİ İLİ KÖRFEZ İLÇESİ YARIMCA MAHALLESİ 8 ADET PARSEL	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
73	KOCAELİ İLİ GEBZE İLÇESİ GÜZELLER MAHALLESİ 49 ADET PARSEL	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
74	TEKİRDAĞ İLİ ÇERKEZKÖY İLÇESİ KAPAKLI BELDESİ 17 ADET ARSA	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
75	TEKİRDAĞ İLİ ÇORLU İLÇESİ KAZİMİYE MAHALLESİ 13 ADET ARSA	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.

## **EMLAK KONUT REAL ESTATE INVESTMENT COMPANY**

### **AGENDA OF ORDINARY MEETING OF THE GENERAL ASSEMBLY DATED APRIL 28, 2014**

1. Opening of the meeting and election of the Chairmanship Council of the General Assembly,
2. Authorization of the Chairmanship Council regarding signing of the minutes of the meeting,
3. Reading, discussion and finalization of Board of Directors Activities Report and Independent Auditing Institution Report on activities of the year 2013,
4. Reading, discussion and finalization of calculations of financial tables regarding the activities of the year 2013,
5. Discussion and finalization of acquitting the Board of Directors members regarding the activities of the year 2013,
6. Submission of “Profit Distribution Policy” which has been accepted and put into force by the Board of Directors to the information of the General Assembly
7. Discussion and finalization of the suggestion of the Board of Directors on methods of use, distribution amount, method and date of the profit achieved by the activities of the year 2013,
8. Determination of the payments to be made to the members of the Board of Directors,
9. Election of the members of the Board of Directors and determination of the terms of office within the frame of the 12<sup>th</sup> item of the Articles of Incorporation,
10. Taking decision on confirmation of selection of the independent auditing institution made by the Board of Directors within the scope of the Turkish Commercial Law and capital market regulations,
11. Informing shareholders on waging of members of the Board of Directors and senior managers which has been put into writing as required by the Corporate Management Principles,
12. Informing on donations made in 2013 and setting the limits for donations to be made in 2014,
13. Informing on warranties, deposits, hypothecs given and achieved income or interests in 2013 for benefit of third parties as required by the regulations of the Republic of Turkey Prime Ministry Capital Markets Board,
14. Informing the General Assembly on actions specified in the item numbered 1.3.6 of Corporate Management Principles,
15. Discussion and finalization of the issue of authorization of the Board of Directors regarding the program prepared within the scope of the provisions of regulation related with the repurchase of company shares,
16. Authorization of the Members of the Board of Directors in order to carry out actions specified in the 395<sup>th</sup> and 396<sup>th</sup> articles of the Turkish Commercial Law,
17. Submission of the “Informing Policy” which has been accepted and put into force by the Board of Directors to the information of the General Assembly
18. Comments and Closure.

**EMLAK KONUK REAL ESTATE INVESTMENT COMPANY**  
**PROFIT DISTRIBUTION TABLE (TL) FOR THE YEAR 2013**

1.	Paid / Issued Capital		3.800.000.000,00
2.	Total Legal Contingency Reserve (According to Legal Records)		195.617.938,31
Information on concession, if any, regarding profit distribution as required by the articles of incorporation			
		According to Legal Records (LR)	According to CMB
3.	Period Income	1.230.195.821,49	1.060.536.511,00
4.	Taxes to be paid (-)	0,00	0,00
5.	<b>Net Period Income (=)</b>	<b>1.230.195.821,49</b>	<b>1.060.536.511,00</b>
6.	Losses from previous years (-)	0,00	0,00
7.	Primary Legal Reserve (-)	61.509.791,07	61.509.791,07
8.	<b>NET DISTRIBUTABLE PERIOD INCOME (=)</b>	<b>1.168.686.030,42</b>	<b>999.026.719,93</b>
9.	Donations Made Throughout the Year (+)	0,00	
10.	<b>Net Distributable Period Income by adding Donations to be calculated for First Dividend</b>	<b>1.168.686.030,42</b>	
11.	First Dividend for Shareholders (*)	467.780.000,00	
	- Cash	467.780.000,00	
	- No-par		
	- Total	467.780.000,00	
12.	Dividends Distributed to Preference Shareholders		
13.	Dividends to Members of the Board of Directors, Employees etc.		
14.	Dividends Distributed to Dividend Shareholders		
15.	Second Dividend for Shareholders		
16.	Secondary Legal Reserve	27.778.000,00	
17.	Status Reserves		
18.	Special Reserves		
19.	<b>EXCESS RESERVE</b>	<b>673.128.030,42</b>	<b>503.468.719,93</b>
20.	Other Resources Estimated to be Distributed		
	- Profit of previous year		
	- Excess reserves		
	- Other Reserves Distributable as Required by the Law and Articles of Incorporation		

INFORMATION ON DISTRIBUTED PROFIT SHARE PERCENTAGES				
DIVIDEND INFORMATION PER SHARE				
	GROUP	TOTAL DIVIDEND AMOUNT (TL)	DIVIDEND CORRESPONDING TO SHARE WITH A NOMINAL VALUE OF 1 TL	
			AMOUNT (TL)	PERCENTAGE (%)
GROSS	A	#BAŞV!	0,1231000000000000	12,31000000000000
	B	#BAŞV!	0,1231000000000000	12,31000000000000
	<b>TOTAL</b>	<b>#BAŞV!</b>		
NET	A	#BAŞV!	0,1231000000000000	12,31000000000000
	B	#BAŞV!	0,1231000000000000	12,31000000000000
	<b>TOTAL</b>	<b>#BAŞV!</b>		
RATIO OF AMOUNT OF PROFIT SHARE DISTRIBUTED TO THE NET DISTRIBUTABLE PERIOD INCOME INCLUDING DONATIONS (%)				
AMOUNT OF PROFIT SHARE DISTRIBUTED TO SHAREHOLDERS (TL)		RATIO OF AMOUNT OF PROFIT SHARE DISTRIBUTED TO SHAREHOLDERS TO THE NET DISTRIBUTABLE PERIOD INCOME INCLUDING DONATIONS (%)		
467.780.000,00		0,40026147983790900		

**EMLAK KONUT REAL ESTATE INVESTMENT COMPANY  
SHARE REPURCHASE PROGRAM**

1.	The aim of repurchase	:	The possibility of the Market Price of our company shares not reflecting the actual performance of the activities of the Company as a result of the global economic crisis and reducing the possible price fluctuations which can be seen within the scope of requirements of capital markets due to volatility being observed in Markets.
2.	Duration of Repurchase Program	:	36 months
3.	Total funds reserved and resource for repurchase	:	1.520.000.000 TL. Repurchase is to be financed by existing cash assets and income achieved by Company activities
4.	Maximum Number of Shares to be repurchased	:	38.000.000.000 shares corresponding to a capital of 380.000.000 TL  Nominal value of the shares to be repurchased cannot exceed 10% of issued capital including previous repurchases. The destocked ones out of repurchased shares during the schedule are not taken into account as discount items.  The total price for repurchased shares cannot exceed the total amount of resources which can be subjected to profit distribution.  The schedule shall be terminated once maximum number of shares to be repurchased is achieved.
5.	The Lowest and Highest Price Limits set for Repurchase of Shares	:	0,00 TL – 4,00 TL  In case processes which require correction of stock market prices of shares occur, the correction shall be applied to the lowest and highest price limits set for repurchasing. In this regard, corrected lowest and highest price limits shall be announced at PDP.
6.	Sale Principles of Repurchased Shares	:	Provisions of the statement are applicable.
7.	Number of Repurchased and not destocked Shares, their ratio in Capital and Results of Previous Program	:	Repurchase of shares with a nominal value of 103.887.318 TL is completed. The ratio of such shares in the Capital is approximately 2,73387%.
8.	Possible Effects of Repurchase Program on Financial Situation and Activity Results of the Company	:	The planned repurchase program will not have any negative effects on financial activities of the Company.
9.	Annual Lowest, Highest and Weighted Average Share Price Information	:	The lowest closure is 2,05 TL, the highest closure is 3,40 TL and the weighted average price is 2,60 TL within the last year.
10.	Lowest, Highest and Weighted Average Share Price Information within last 3 Months	:	The lowest closure is 2,05 TL, the highest closure is 2,30 TL and the weighted average price is 2,20 TL within last 3 months.
11.	Authorized Person for Repurchase	:	Mr. Ertan Yetim, Chairman of the Board or Mr. Murat Kurum, General Manager

12.	The Date of General Assembly When the Program is to be submitted to approval	:	April 28, 2014
13.	Benefits to be gained by Related Parties from Repurchasing	:	None.
14.	Announcements to be made to the Public	:	<ul style="list-style-type: none"> <li>- The repurchase program prepared by the Board shall be announced to the Public by means of a material disclosure at least three weeks in advance to the General Assembly Meeting excluding the announcement and meeting days and it shall be published on the website of the Company simultaneously.</li> <li>- In case of any amendments on the repurchase program by the General Assembly once it is submitted to approval, the altered program shall be announced to the Public by means of a material disclosure on the first working day after the General Assembly Meeting and it shall be published on the website of the Company simultaneously.</li> <li>- As required by the Program, two days in advance to the start of the repurchase of the program, material disclosure regarding the starting and ending dates of the planned program, nominal value of the shares to be repurchased and their ratio to the capital shall be issued by the Company.</li> <li>- For every single transaction within the scope of the repurchase program, a material disclosure including nominal value of shares, total price of transaction, ratio of repurchased shares to the capital, nominal value of shares repurchased before, related preferences, if any and date of transaction shall be issued by the Company before the session starts on the first working day after the transaction is completed.</li> <li>- In case the repurchased shares, including the ones repurchased before, are destocked; a material disclosure including nominal value of shares, total price of transaction, ratio of shares to the capital, ratio of remaining shares to the capital, actual gain/loss amounts, related preferences, if any and date of transaction shall be issued by the Company before the session starts on the first working day after the transaction is completed.</li> <li>- Within three working days after the duration for repurchase expires, program is terminated and repurchase planned within the scope of the program is completed; maximum and average prices paid for repurchased shares, cost of repurchase and resources used, total number of shares repurchased and ratio of such shares to the capital shall be announced to the Public by the Company. In case repurchased shares are destocked by the Company during the program,</li> </ul>

			<p>additionally and same-wise; total nominal value of destocked shares, total gain/loss amount, average sales price, related preferences of destocked shares, if any and dates of transactions shall be announced. Such information which can be utilized as the summary of all transactions within the frame of repurchase program shall also be submitted to the information of shareholders on the first general assembly meeting.</p>
15.	Additional Information Regarding the Program	:	<ul style="list-style-type: none"> <li>- Contingency reserves with the same price of repurchased shares shall be reserved and classified as contingency limited under equities. Such contingencies can be released in case repurchased shares are sold or redeemed with the amount which meets repurchasing value.</li> <li>- Acquired shares are not taken into account for the calculation of quorum at the general assembly.</li> </ul>