



EMLAK KONUT REIC

Annual Activity Report 2016

**EMLAK KONUT GYO A.Ş. BOARD OF DIRECTORS ACTIVITY REPORT
2016**



PREPARED IN ACCORDANCE WITH THE COMMUNIQUÉ ON THE PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKET (SERIAL: II, NO:14.1) OF THE CAPITAL MARKETS BOARD OF TURKEY (CMB)

EMLAK KONUT GYO A.Ş.

(EMLAK KONUT REAL ESTATE INVESTMENT COMPANY)

01.01.2016- 31.12.2016

**BOARD OF DIRECTORS ACTIVITY REPORT
2016**

PREPARED IN ACCORDANCE WITH THE COMMUNIQUÉ ON THE PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKET (SERIAL: II, NO:14.1) OF THE CAPITAL MARKETS BOARD OF TURKEY (CMB)

PAGES FROM 71 TO 132 OF THIS REPORT FEATURE THE CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT PREPARED IN ACCORDANCE WITH THE CAPITAL MARKETS BOARD OF TURKEY'S CORPORATE GOVERNANCE COMMUNIQUE NO II.17-1

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MANAGEMENT

MESSAGE FROM THE GENERAL MANAGER



Dear Shareholders,

I greet you all respectfully on behalf of Emlak Konut, an institution that spearheads innovations in Turkey with its projects based on its own business models as well as a corporate culture and management approach formed with over sixty years of industry experience.

Without a doubt, 2016 went down the history as a year of significant developments both for our country and our industry. As is known, housing industries and their components have the potential to be easily affected by the internal dynamics in countries. From this point of view, the most striking event of 2016 in Turkey was the thwarting of the failed coup attempt on July 15, which came as an attack on all the gains of our nation. At the time, we evaluated what options we could adopt and what Emlak Konut's due share might be in eliminating the negative effects of this process on the economy. We launched a campaign after seeking the opinions of our contractors which help us undertake our projects. We achieved very positive results as we ended the year by increasing profitability despite all the adverse circumstances – thanks to the government's favorable policies for the housing industry, our production-focused efforts, and our nation's dedication.

MANAGEMENT

MESSAGE FROM THE GENERAL MANAGER

In 2016, we sold 10,053 units worth approximately 7.3 billion Turkish lira until the end of the year. We signed contracts for seven revenue-sharing tenders. We finalized tender processes for six turn-key projects. We reached a business volume of 6.45 billion Turkish lira from our revenue sharing-based projects alone. Also, we signed a protocol with Tarıř Cooperative Associations in December to develop a project based on revenue sharing model in Alsancak, one of Izmir’s most valuable regions. Similarly, we signed another protocol with Galatasaray Sports Club Association, one of Turkey’s biggest sports clubs, to develop projects on its Riva and Florya lands. In addition to raising revenues from these projects, our company will make significant contributions to the national economy with the new business volume generation. On the other hand, we currently have non-tendered land stocks worth 5.2 billion Turkish lira, which includes our land acquisitions from TOKİ in řiřli and K¼¼k¼ekmece (Istanbul) with a value of 2.3 billion Turkish lira. In 2017, we will continue to develop projects in Istanbul and various Anatolian cities. Our plans involve new land purchases and new tenders.

We reached our initial net profit target of 1.5 billion Turkish lira in the 3rd quarter of 2016 in alignment with our policies and plans and even updated it as 1.8 billion Turkish lira. I am pleased to share with you that we achieved this target easily with the 1.76 billion Turkish lira profit by the end of the year. This figure indicates a growth of 85 percent compared to the 2015 profit (952 million Turkish lira). Considering the current circumstances, this profitability growth provides us with great hope and energy for 2017.

I am fully convinced that 2017 will be a much better year for both our country and our industry. At Emlak Konut, we have prepared well for the new year establishing robust goals and identifying the means to achieve them. If I am to mention our 2017 goals briefly, I believe that we will be able to achieve the following goals with resolution and dedication: selling 9,900 units in a total gross area of 1.27 million square meters valued at 8 billion Turkish lira excluding VAT until the end of 2017. As a matter of fact, we are able to observe favorable signs due to the keen interest in the campaign we launched in the first months of the year.

MANAGEMENT

MESSAGE FROM THE GENERAL MANAGER



As Emlak Konut's General Manager, I would like to greet our esteemed partners on behalf our Board of Directors, extend our thanks to our country for its contributions to our activities, and wish a very successful year for everyone who toils for our achievements.

Yours Sincerely,

Murat Kurum

ABOUT EMLAK KONUT

OUR COMPANY AT A GLANCE

Founded in 1953, Emlak Konut REIC one of Turkey's oldest enterprises whose main field of expertise is residential production. This value, which has been obtained in years and through many projects, was transformed to Real Estate Company in 2002 and has been continuing its operations since then.

Emlak Konut REIC., whose main shareholder is TOKİ, is the biggest real estate investment company in Turkey in terms of market value, real estate portfolio and land inventory.

Our activities include purchasing land in Turkey, developing real estate for the middle and upper- middle class, and marketing and selling real estate. Our Company considers producing value for our country as one of the most important aspects. Our main goal is to enhance the values (tangible/ intangible) of especially our shareholders and other beneficiaries by developing innovative and contemporary projects in these respects.

Our 3,800,000,000 TL paid capital and 4,000,000,000 TL registered capital demonstrate the Company's leading role in the sector.

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

CONTACT INFORMATION

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ABOUT EMLAK KONUT

SCOPE OF BUSINESS

Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş. was established under the title Emlak Konut A.Ş as a subsidiary of Türkiye Emlak Bankası A.Ş. on December 26, 1990 according to the terms and conditions in its Articles of Association. Its establishment was based on the Statutory Decree No. 233 on State Owned Enterprises. The Company would be subject to the provisions of the Turkish Commercial Code as well as Türkiye Emlak Bankası A.Ş.'s Articles of Association. It started its operations after its registration and announcement on March 6, 1991. The Company's Articles of Association became subject to the provisions of the Turkish Commercial Code under the Law No. 4603 after their amendment on May 19,2014.

Our Company was transformed into a Real Estate Investment Company with the High Planning Board's resolution (dated August 4, 1999, No.99/T-29), as well as the Statutory Decree (dated December 29, 1999, and No.588) The amendment bill for the Articles of Association was submitted to the General Assembly for its approval after the authorization of the Capital Markets Boards (CMB) (dated June 20, 2002, and No. 298) and authorization of the Ministry of Trade and Industry (dated June 25, 2002, and No. 5320). The amendment bill was adopted by the Extraordinary General Assembly on July, 22, 2002.

The Articles of Association was registered at İstanbul Trade Registry Office on July 29, 2002, and entered into force after their publication in the Trade Registry Gazette on August 1, 2002. (Our Company's Trade Registration No. is 273488-221070, Central Registration System (MERSİS) No. is 5669-3333-4423-6524) The Company's name was changed from Emlak Gayrimenkul Yatırım Ortaklığı A.Ş. to Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş. following the General Assembly on February 28, 2006. No time limit was set on the legal entity of the Company.

Our organization was given the legal entity of Real Estate Company in order to deal with the goals and subjects specified in the arrangements of the Capital Markets Board regarding Investment Companies. As a result, the Company acts in accordance with the provisions of the related legislation.

As stated in Article 5 of the Articles of Association, our Company is a joint stock public company founded with the registered capital in order to deal with the goals and subjects specified in the arrangements of the Capital Markets Board regarding investment companies and to make investments in actual real estate, real estate-oriented capital markets tools, real estate projects and real estate- oriented right.

ABOUT EMLAK KONUT

SCOPE OF BUSINESS (CONTINUED)

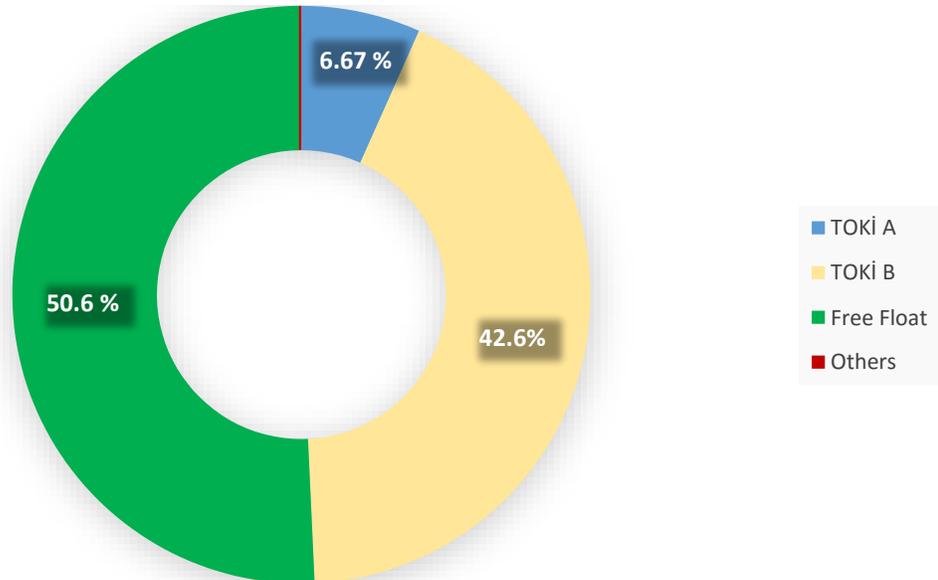
Emlak Konut REIC's goal and area of activity: (a) developing real estate projects majority of them consisting of residential, as well as commercial units, education units, social facilities, infrastructure, highways, and all kinds of landscapes; (b) supervision of construction in developed projects; (c) marketing and sales of completed units. Our Company commissions contractors to undertake all the construction work as it cannot act as a contractor under the CMB's REIC communiques and regulations.



ABOUT EMLAK KONUT

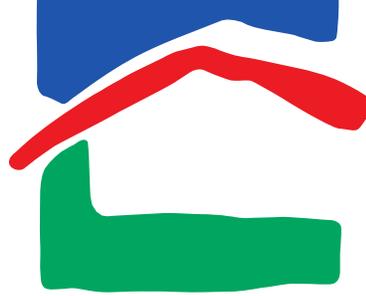
CAPITAL AND PARTNERSHIP STRUCTURE

	Group	Type	Share Amount	Number of Shares	%
Housing Development Adm. (TOKi)	A	Registered (Privileged)	253,369,919.00	25,336,991,900	6.67
Housing Development Adm. (TOKi)	B	Bearer	1,621,460,838.35	162,146,083,835	42.6
Free Float	B	Bearer	1,925,111,072.26	192,511,107,226	50.6
Others	B	Bearer	58,170.39	5,817,039	<1
Total			3,800,000,000.00	380,000,000,000	100



ABOUT EMLAK KONUT

OUR MISSION AND VISION



OUR EMBLEM STANDS FOR;

- **Planned and quality modern urban life,**
- **Peaceful and safe warmth of a house,**
- **Awareness of green and environment.**

Mission (Goal)

- Following real estate developments and innovations closely as one of the leading organizations shaping the domestic industry,
- Caring about the social value and customer satisfaction and producing planned, quality and environment-friendly establishment centers that offer peaceful and safe living places,
- Caring about employees' and shareholders' material and spiritual satisfaction.

Vision (Target)

- Maintaining and enhancing its position in the domestic real estate industry by improving management approach and quality standards,
- Becoming one of the world's top real estate investment trusts by improving its planned, quality, and environment-friendly city approach according to international criteria,
- Increasing the number of residential and commercial units to 250,000 by the end of 2023.

ABOUT EMLAK KONUT

BUSINESS MODELS

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

- One of the most important values of Emlak Konut REIC is the models it executes and develops. These models are developed and implemented with the sense of constant improvement. As our methods cover both administrative and construction stages and are aimed at the proper completion of the process, they are effective in risk management.
- In financial terms, the models make great contributions in terms of construction techniques, health and inspection besides including the factors such as profit, cost, risk control etc.
- Emlak Konut REIC procures lands for project development majorly from TOKİ, and partially from third parties.
- By virtue of the construction and real estate sector accounting, sales and costs are added to the income statement only when it is confirmed that the project has been completed by Emlak Konut REIC.
- Our Company has a conscientiously developed 60- year brand value. It proves effective in the relevant models contributing positively to the construction, marketing and sales stages.



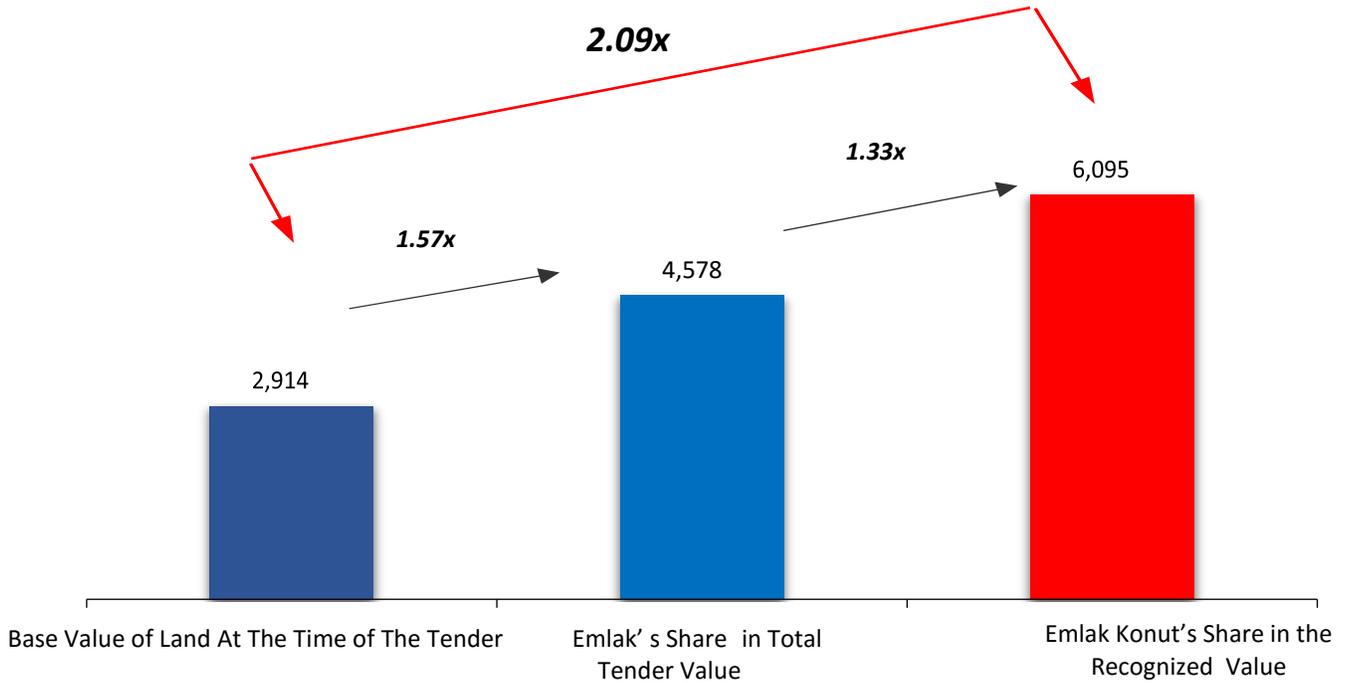
ABOUT EMLAK KONUT

REVENUE SHARING MODEL

This is the primary income creation model of the Company. This is an original model used especially for projects intended for the upper- middle and upper income groups and provides profitability and fund flow for the Company. When it is deemed necessary, our Company purchase units in revenue sharing model-based projects throughout or after the completion of a project or may share such units with the contractor at the end of a project.

TENDERED REVENUE SHARING MODEL PROJECTS

COMPLETED REVENUE SHARING MODEL PROJECTS



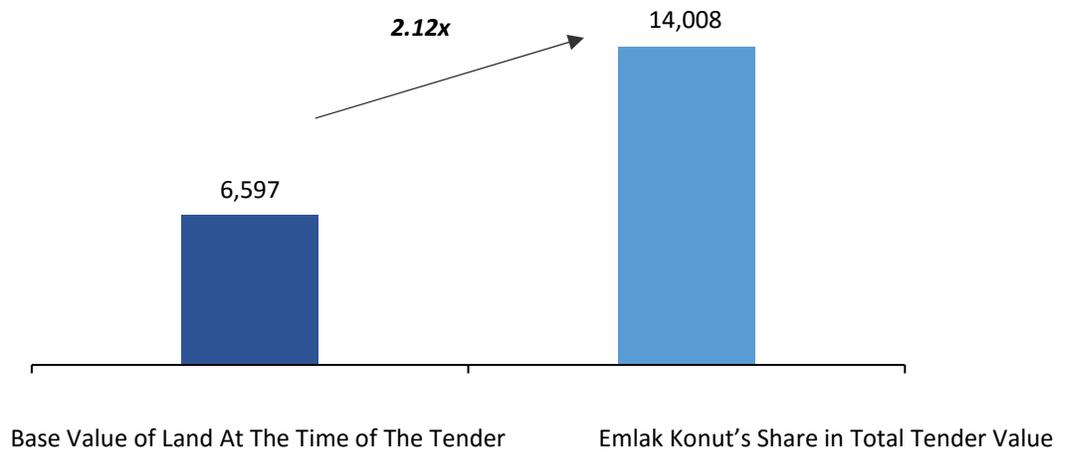
* The figures are in billion TL. Please note that, the past performance is not necessarily an indicator of future performance.

ABOUT EMLAK KONUT

REVENUE SHARING MODEL (CONTINUED)

TENDERED REVENUE SHARING MODEL PROJECTS

ONGOING REVENUE SHARING MODEL PROJECTS



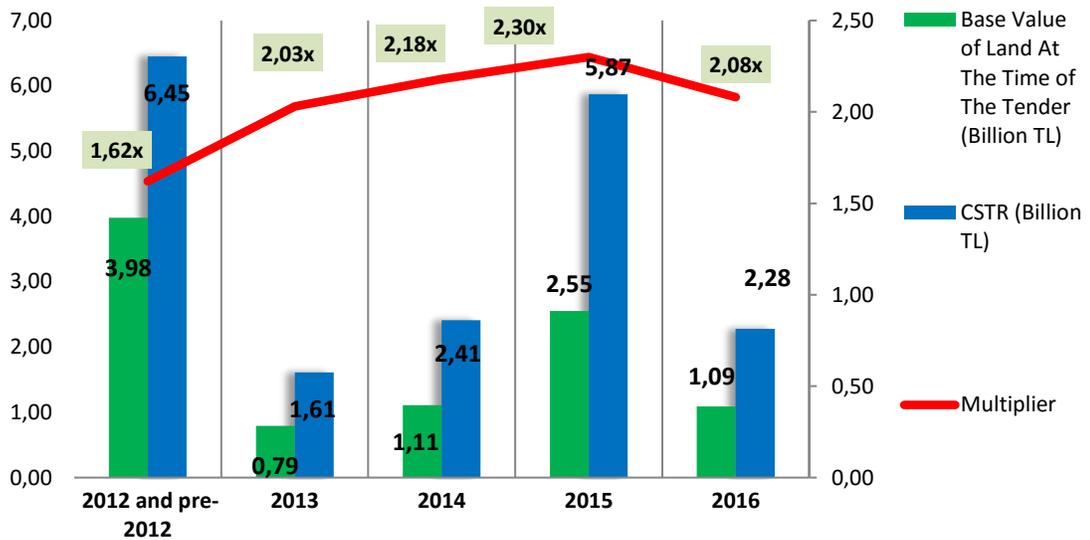
* The figures are in billion TL. Please note that, the past performance is not necessarily an indicator of future performance.

ABOUT EMLAK KONUT

REVENUE SHARING MODEL (CONTINUED)

TENDERED REVENUE SHARING MODEL PROJECTS

MULTIPLIER FOR REVENUE SHARING MODEL PROJECTS (2003- YEAR TO DATE*)



ABOUT EMLAK KONUT

ONGOING REVENUE SHARING MODEL PROJECTS



PROJECT	SARPHAN FİNANSPARK		
CONTRACTOR	YENİ SARP ~ ÖZ AKAR	PROGRESS LEVEL	93.71 %
ETSR	164,000,000 TL	COMPLETION DATE	29.12.2016
CRSR	37.50 %	LAND AREA	20,714.48
CSTR	61,500,000 TL	NUMBER OF UNITS	969



PROJECT	METROPOL İSTANBUL		
CONTRACTOR	VARYAP ~ GAP	PROGRESS LEVEL	65.95 %
ETSR	1,161,000,000 TL	COMPLETION DATE	04.04.2017
CRSR	43.15 %	LAND AREA	99,108.08
CSTR	500,971,500 TL	NUMBER OF UNITS	2,177

ABOUT EMLAK KONUT

ONGOING REVENUE SHARING MODEL PROJECTS (CONTINUED)



PROJECT	MASLAK 1453		
CONTRACTOR	AKDENİZ	PROGRESS LEVEL	88.76 %
ETSR	3,250,000,000 TL	COMPLETION DATE	07.07.2017
CRSR	35.50 %	LAND AREA	190,678.74
CSTR	1,153,750,000 TL	NUMBER OF UNITS	5,258



PROJECT	FATİH YEDİKULE		
CONTRACTOR	EGE ~ METROPOLİST~ SENA~ BUKTOR	PROGRESS LEVEL	0.00 %
ETSR	302,680,000 TL	COMPLETION DATE	07.11.2018
CRSR	35.01 %	LAND AREA	40,945.86
CSTR	105,968,268 TL	NUMBER OF UNITS	N/A

ABOUT EMLAK KONUT

ONGOING REVENUE SHARING MODEL PROJECTS (CONTINUED)



PROJECT	BAHÇEKENT FLORA		
CONTRACTOR	İZKA ~ DAĞ ~ SITAR	PROGRESS LEVEL	73.76 %
ETSR	320,000,000 TL	COMPLETION DATE	30.04.2017
CRSR	25.26 %	LAND AREA	119,756.54
CSTR	80,832,000 TL	NUMBER OF UNITS	1,219



PROJECT	GÖL PANAROMA		
CONTRACTOR	BE-MA	PROGRESS LEVEL	73.82 %
ETSR	530,000,000 TL	COMPLETION DATE	01.05.2017
CRSR	28.00 %	LAND AREA	85,251.43
CSTR	148,400,000 TL	NUMBER OF UNITS	1,471

ABOUT EMLAK KONUT

ONGOING REVENUE SHARING MODEL PROJECTS (CONTINUED)



PROJECT	İSTMARINA		
CONTRACTOR	DAP ~ ELTES	PROGRESS LEVEL	52.00 %
ETSR	1,335,000,000 TL	COMPLETION DATE	30.05.2018
CRSR	40.00 %	LAND AREA	53,687.97
CSTR	534,000,000 TL	NUMBER OF UNITS	1,625



PROJECT	BULVAR İSTANBUL		
CONTRACTOR	BULVAR İSTANBUL İŞ ORTAKLIĞI	PROGRESS LEVEL	97.68 %
ETSR	723,000,000 TL	COMPLETION DATE	08.10.2016
CRSR	28.00 %	LAND AREA	98,064.96
CSTR	202,440,000 TL	NUMBER OF UNITS	1,746

ABOUT EMLAK KONUT

ONGOING REVENUE SHARING MODEL PROJECTS (CONTINUED)



PROJECT	EVVEL İSTANBUL		
CONTRACTOR	İNTAYA ~ EYG ~ İNTES	PROGRESS LEVEL	57.38 %
ETSR	726,000,000 TL	COMPLETION DATE	03.10.2017
CRSR	26.00 %	LAND AREA	75,197.88
CSTR	188,760,000 TL	NUMBER OF UNITS	1,423



PROJECT	KÖY		
CONTRACTOR	SİYAHKALEM	PROGRESS LEVEL	17.04 %
ETSR	1,475,000,000 TL	COMPLETION DATE	10.03.2020
CRSR	32.25 %	LAND AREA	342,266.74
CSTR	475,687,500 TL	NUMBER OF UNITS	996 *

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

ABOUT EMLAK KONUT

ONGOING REVENUE SHARING MODEL PROJECTS (CONTINUED)



PROJECT	PARK MAVERA		
CONTRACTOR	MAKRO ~ AKYAPI	PROGRESS LEVEL	68.90 %
ETSR	1,400,000,000 TL	COMPLETION DATE	25.06.2018
CRSR	30.00 %	LAND AREA	98,476.77
CSTR	420,000,000 TL	NUMBER OF UNITS	1,815



PROJECT	AVRUPARK		
CONTRACTOR	ÇİHAN ~ KONUT YAPI	PROGRESS LEVEL	35.49 %
ETSR	602,000,000 TL	COMPLETION DATE	29.04.2018
CRSR	26.00 %	LAND AREA	78,639.77
CSTR	156,520,000 TL	NUMBER OF UNITS	1,480

ABOUT EMLAK KONUT

ONGOING REVENUE SHARING MODEL PROJECTS (CONTINUED)



PROJECT	BÜYÜKYALI İSTANBUL		
CONTRACTOR	ÖZAK ~ YENİGÜN ~ ZİYLAN	PROGRESS LEVEL	8.11 %
ETSR	4,240,000,000 TL	COMPLETION DATE	21.06.2020
CRSR	37.00 %	LAND AREA	104,354.76
CSTR	1,568,800,000 TL	NUMBER OF UNITS	1,541



PROJECT	SOFALOÇA		
CONTRACTOR	BAŞYAPI ~ SOLARYAPI	PROGRESS LEVEL	41.63 %
ETSR	180,000,000 TL	COMPLETION DATE	17.08.2017
CRSR	30.00 %	LAND AREA	18,228.00
CSTR	54,000,000 TL	NUMBER OF UNITS	156

ABOUT EMLAK KONUT

ONGOING REVENUE SHARING MODEL PROJECTS (CONTINUED)



PROJECT	KOCAELİ DERİNCE		
CONTRACTOR	KUMUŞOĞLU ~ TOKAL	PROGRESS LEVEL	0.00 %
ETSR	385,000,000 TL	COMPLETION DATE	31.12.2019
CRSR	21.61 %	LAND AREA	72,620.00
CSTR	83,198,500 TL	NUMBER OF UNITS	N/A



PROJECT	TUAL ADALAR		
CONTRACTOR	DAĞ MÜHENDİSLİK	PROGRESS LEVEL	13.91 %
ETSR	420,000,000 TL	COMPLETION DATE	06.11.2018
CRSR	29.50 %	LAND AREA	25,462.91
CSTR	123,900,000 TL	NUMBER OF UNITS	471*

ABOUT EMLAK KONUT

ONGOING REVENUE SHARING MODEL PROJECTS (CONTINUED)



PROJECT	KARAT 34		
CONTRACTOR	KELİF İŞ ORTAKLIĞI	PROGRESS LEVEL	13.40 %
ETSR	440,000,000 TL	COMPLETION DATE	14.03.2018
CRSR	39.00 %	LAND AREA	21,438.07
CSTR	171,600,000 TL	NUMBER OF UNITS	592



PROJECT	AVRUPA KONUTLARI BAŞAKŞEHİR		
CONTRACTOR	ARTAŞ	PROGRESS LEVEL	38.56 %
ETSR	876,000,000 TL	COMPLETION DATE	24.02.2018
CRSR	40.00 %	LAND AREA	72,706.72
CSTR	350,400,000 TL	NUMBER OF UNITS	968

ABOUT EMLAK KONUT

ONGOING REVENUE SHARING MODEL PROJECTS (CONTINUED)



PROJECT	TUAL BAHÇEKENT		
CONTRACTOR	DAĞ MİMARLIK VE MÜH.	PROGRESS LEVEL	10.11 %
ETSR	1,090,000,000 TL	COMPLETION DATE	15.12.2018
CRSR	25.26 %	LAND AREA	152,621.06
CSTR	275,334,000 TL	NUMBER OF UNITS	1,925



PROJECT	NİDAPARK İSTİNYE		
CONTRACTOR	TAHİNCİOĞLU	PROGRESS LEVEL	0.00 %
ETSR	3,672,000,000 TL	COMPLETION DATE	13.06.2019
CRSR	51.10 %	LAND AREA	129,487.27
CSTR	1,876,392,000 TL	NUMBER OF UNITS	N/A

ABOUT EMLAK KONUT

ONGOING REVENUE SHARING MODEL PROJECTS (CONTINUED)



PROJECT	TEMAŞEHİR KONYA		
CONTRACTOR	TORKAM ~ BUKTOR	PROGRESS LEVEL	10.03 %
ETSR	705,000,000 TL	COMPLETION DATE	22.06.2018
CRSR	30.00 %	LAND AREA	60,675.48
CSTR	211,500,000 TL	NUMBER OF UNITS	905



PROJECT	ANKARA YENİMAHALLE İSTASYON		
CONTRACTOR	PASİFİK ~ ÇİFTAY	PROGRESS LEVEL	0.00 %
ETSR	4,194,550,000 TL	COMPLETION DATE	18.07.2019
CRSR	30.00 %	LAND AREA	124,475.80
CSTR	1,258,365,000 TL	NUMBER OF UNITS	3,230

ABOUT EMLAK KONUT

ONGOING REVENUE SHARING MODEL PROJECTS (CONTINUED)



PROJECT	AVANGART İSTANBUL		
CONTRACTOR	GÜL İNŞAAT	PROGRESS LEVEL	% 0,00 %
ETSR	1,300,000,000 TL	COMPLETION DATE	11.01.2018
CRSR	% 49,00 %	LAND AREA	36,750,00
CSTR	637,000,000 TL	NUMBER OF UNITS	280 *



PROJECT	NİDAKULE KAYAŞEHİR		
CONTRACTOR	TAHİNCİOĞLU ~ NİDA	PROGRESS LEVEL	10.01 %
ETSR	1,072,600,000 TL	COMPLETION DATE	20.10.2018
CRSR	38.00 %	LAND AREA	77,327.02
CSTR	407,588,000 TL	NUMBER OF UNITS	1,233

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

ABOUT EMLAK KONUT

ONGOING REVENUE SHARING MODEL PROJECTS (CONTINUED)



PROJECT	EVORA DENİZLİ		
CONTRACTOR	TEKNİK YAPI ~ UCD	PROGRESS LEVEL	5.40 %
ETSR	514,727,778 TL	COMPLETION DATE	10.01.2019
CRSR	18.00 %	LAND AREA	95,294.22
CSTR	92,651,000 TL	NUMBER OF UNITS	1,550



PROJECT	KOORDİNAT ÇAYYOLU		
CONTRACTOR	YP İNŞAAT	PROGRESS LEVEL	10.16 %
ETSR	545,454,545 TL	COMPLETION DATE	10.05.2019
CRSR	33.00 %	LAND AREA	29,916.83
CSTR	180,000,000 TL	NUMBER OF UNITS	432

ABOUT EMLAK KONUT

ONGOING REVENUE SHARING MODEL PROJECTS (CONTINUED)



PROJECT	VALİDEBAĞ KONAKLARI		
CONTRACTOR	ELTES ~ İSTLIFE	PROGRESS LEVEL	0.00 %
ETSR	810,000,000 TL	COMPLETION DATE	23.04.2018
CRSR	50.15 %	LAND AREA	17,528.55
CSTR	406,215,000 TL	NUMBER OF UNITS	366



PROJECT	EBRULİ İSPARTAKULE		
CONTRACTOR	TORKAM İNŞAAT	PROGRESS LEVEL	0.00 %
ETSR	600,000,000 TL	COMPLETION DATE	06.12.2018
CRSR	22.00 %	LAND AREA	41,168.49
CSTR	132,000,000 TL	NUMBER OF UNITS	776

ABOUT EMLAK KONUT

ONGOING REVENUE SHARING MODEL PROJECTS (CONTINUED)



PROJECT	EYÜP ALİBEYKÖY		
CONTRACTOR	YENİYAPI ~ TACA İNŞAAT	PROGRESS LEVEL	0.00 %
ETSR	442,500,000 TL	COMPLETION DATE	27.10.2018
CRSR	38.00 %	LAND AREA	22,302.56
CSTR	168,150,000 TL	NUMBER OF UNITS	N/A



PROJECT	HOŞDERE 5 TH STAGE		
CONTRACTOR	CİHAN İNŞ. ~ KONUT YAPI	PROGRESS LEVEL	0.00 %
ETSR	626,000,000 TL	COMPLETION DATE	01.10.2019
CRSR	25.00 %	LAND AREA	42,019.75
CSTR	156,500,000 TL	NUMBER OF UNITS	N/A

ABOUT EMLAK KONUT

ONGOING REVENUE SHARING MODEL PROJECTS (CONTINUED)



PROJECT	OFİS KARAT BAKIRKÖY		
CONTRACTOR	BAŞYAPI ~ GÜNEY ~ ELİT VİZYON	PROGRESS LEVEL	0.00 %
ETSR	200,000,000 TL	COMPLETION DATE	12.03.2019
CRSR	31.00 %	LAND AREA	5,164.46
CSTR	62,000,000 TL	NUMBER OF UNITS	90



PROJECT	NİDAPARK KÜÇÜKYALI		
CONTRACTOR	TAHİNCİOĞLU ~ KOZKEN	PROGRESS LEVEL	0.00 %
ETSR	3,635,715,000 TL	COMPLETION DATE	15.04.2021
CRSR	42.00 %	LAND AREA	68,785.89
CSTR	1,527,000,300 TL	NUMBER OF UNITS	2,025

ABOUT EMLAK KONUT

ONGOING REVENUE SHARING MODEL PROJECTS (CONTINUED)



PROJECT	AVCILAR ISPARTAKULE 6 TH STAGE		
CONTRACTOR	AK YAPI	PROGRESS LEVEL	0.00 %
ETSR	342,400,000 TL	COMPLETION DATE	31.05.2019
CRSR	25.00 %	LAND AREA	38,529.21
CSTR	85,600,000 TL	NUMBER OF UNITS	N/A



PROJECT	HOŞDERE 6 TH STAGE		
CONTRACTOR	SUR YAPI ~ HATAY	PROGRESS LEVEL	0.00 %
ETSR	602,000,000 TL	COMPLETION DATE	01.06.2019
CRSR	25.00 %	LAND AREA	53,823.56
CSTR	150,500,000 TL	NUMBER OF UNITS	N/A

ABOUT EMLAK KONUT

ONGOING REVENUE SHARING MODEL PROJECTS (CONTINUED)



PROJECT	İSTANBUL FINANCE CENTER		
CONTRACTOR	AKDENİZ	PROGRESS LEVEL	41.01 %
ETSR	1,460,000,000 TL	COMPLETION DATE	21.09.2019
CRSR	4.15 %	LAND AREA	115,497.01
CSTR	29,200,000 TL	NUMBER OF UNITS	1,442

TERMINOLOGY

* The ETSR and CSTR are based on the initial tender value figures.

ETSR: Estimated Total Sales Revenue

- Total revenue estimated to be generated from the sale of all units

CRSR: Company Revenue Share Ratio

- The percentage of total revenues to be allocated to Emlak Konut

CSTR: Minimum Company Share in Total Revenue

- The minimum amount to be paid by the contractor to Emlak Konut (ETSR x CRSR)

**“Company Share in Total Revenue” given in the charts is the amount that contractors committed to pay to our company in tenders or after with protocols; commissions which are being paid to the banks to reduce the interest rate of the mortgage loan during campaign periods are not seen in the charts.

ABOUT EMLAK KONUT

COMPLETED REVENUE SHARING MODEL PROJECTS

Line	PROJECT	BASE VALUE OF LAND AT THE TIME OF THE TENDER (TL)	CSTR (TL)	CRSR(%)	EMLAK KONUT'S REALIZED VALUE (TL)
1	ATAŞEHİR RESIDENCE	3,519,000	10,255,000	32.53	18,181,734
2	KENTPLUS ATAŞEHİR	72,748,200	131,100,000	33.61	179,475,009
3	IDEALISTKENT	36,600,740	38,100,000	31.75	96,143,402
4	AVRUPA TEM KONUTLARI	162,344,327	186,000,000	30.00	216,075,517
5	KÖRFEZKENT 1 ST STAGE	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	MISSTANBUL	56,779,661	112,050,000	41.50	157,780,977
11	KENTPLUS MİMARŞINAN	9,732,640	42,120,000	35.10	54,717,096
12	EMLAK KONUT PELİKAN PROJECT	20,849,150	67,515,000	38.58	87,123,867
13	ÇERKEZKÖY DREAMCITY	3,990,647	10,065,000	30.50	13,624,442
14	BİZİMEVLER 2	48,686,587	48,750,000	33.00	54,270,185
15	ERGENE VADİSİ	23,935,426	31,000,000	25.00	42,405,496
16	SPRADON QUARTZ	75,291,059	88,520,000	41.00	131,118,805
17	İZMİR MAVİŞEHİR 5 TH STAGE	25,145,000	27,001,000	31.00	29,434,971
18	MERKEZ KAYAŞEHİR	29,440,000	32,000,000	32.00	40,273,717
19	ELITE CITY	54,896,071	56,000,000	35.00	71,317,909
20	MY WORLD EUROPE	179,089,192	228,018,000	30.50	305,449,312
21	PARKYAŞAM MAVİŞEHİR	51,186,000	60,000,000	25.00	76,168,663
22	AVRUPA KONUTLARI ATAKENT 3	240,000,000	264,000,000	30.00	279,524,564
23	SPRADON VADİ	50,291,820	50,310,000	26.00	61,770,244
24	BULVAR 216*	10,860,000	52,200,000	36.00	56,880,000
25	İSTANBUL	102,555,962	105,000,000	30.00	154,434,905
26	ŞEHRİZAR KONAKLARI	105,535,000	137,700,000	50.00	225,371,578
27	VARYAP MERIDIAN	214,793,710	338,189,000	44.15	446,569,757
28	MY TOWERLAND	42,000,000	107,019,000	47.00	234,766,505
29	SOYAK PARK APARTS/ EVOSTAR	72,904,525	102,312,000	26.10	102,312,000
30	EVORA İSTANBUL	47,815,045	163,903,000	32.65	177,362,987
31	EVORA İSTANBUL MARMARA	49,868,323	153,600,000	32.00	166,077,766
32	AVRUPA KONUTLARI TEM 2	42,910,000	73,328,640	30.00	83,925,799
33	DUMANKAYA MİKS	37,590,590	82,502,500	30.50	82,610,259
34	KUASAR İSTANBUL	237,485,823	375,337,542	50.00	467,638,254
35	BATIŞEHİR	351,665,405	424,000,000	32.00	573,782,822
36	BAHÇETEPE İSTANBUL	110,649,748	165,100,000	26.00	189,630,902
37	SEYRANŞEHİR	23,170,000	51,520,000	28.00	58,365,088
38	NİDAKULE ATAŞEHİR	63,551,681	190,231,000	36.20	192,736,638
TOTAL		2,913,583,259	4,577,600,585		6,095,004,427
THE WEIGHTED AVERAGE OF COMPANY REVENUE SHARE RATIO (%)				34.28	

* Project has been completely sold with its current status.

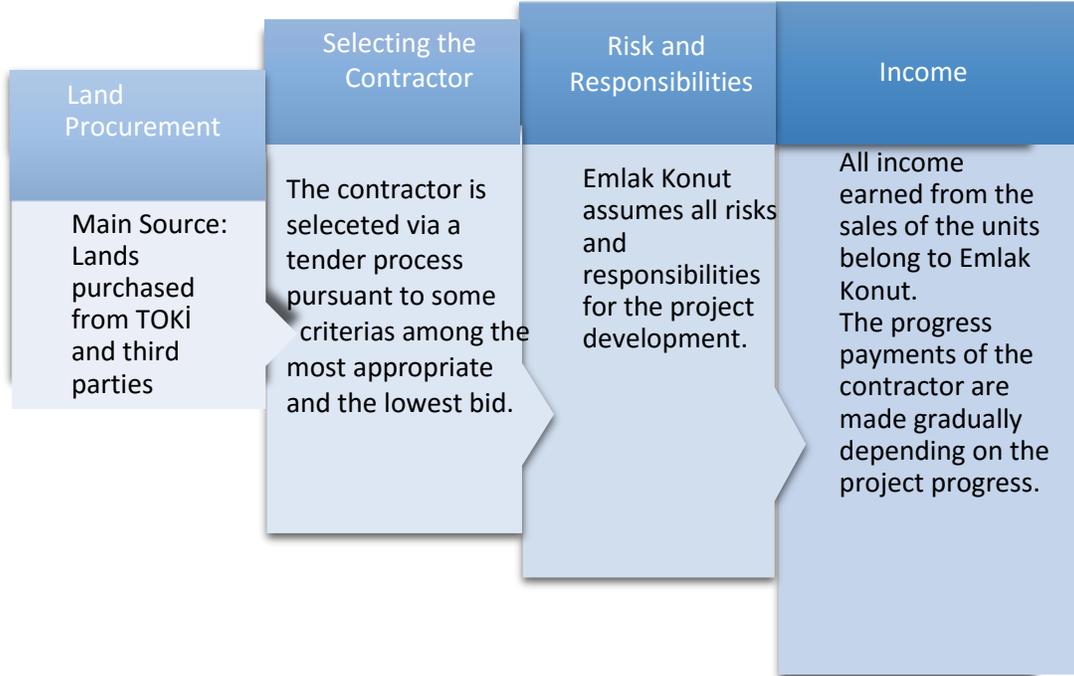
ABOUT EMLAK KONUT

ONGOING REVENUE SHARING MODEL PROJECTS

Line	Project Name	Base Value of Land At The Time of The Tender (TL)	CSTR (TL)	CRSR(%)	Multiplier For Each Project
1	SARPHAN FINANS PARK	51,786,200	61,500,000	37.50	1.19
2	METROPOL İSTANBUL	290,998,144	500,971,500	43.15	1.72
3	AĞAOĞLU MASLAK 1453 İSTANBUL	604,940,000	1,153,750,000	35.50	1.91
4	KÖY	252,910,000	475,687,500	32.25	1.88
2012 and Pre-2012		1,200,634,344	2,191,909,000	<i>Average Multiplier</i>	1.83
5	İSTMARİNA	214,045,000	534,000,000	40.00	2.49
6	BULVAR İSTANBUL	128,386,000	202,440,000	28.00	1.58
7	BAHÇEŞEHİR GÖL PANORAMA EVLERİ	80,810,000	148,400,000	28.00	1.84
8	FATİH YEDİKULE	67,915,000	105,968,270	35.01	1.84
9	EVVEL İSTANBUL	97,500,000	188,760,000	26.00	1.94
10	BAHÇEKENT FLORA	55,245,000	80,832,000	25.26	1.46
2013		643,901,000	1,260,400,270	<i>Average Multiplier</i>	1.96
11	BÜYÜKYALI İSTANBUL	725,700,000	1,568,800,000	37.00	2.16
12	PARK MAVERA	124,615,000	420,000,000	30.00	3.37
13	AVRUPARK	63,698,214	156,520,000	26.00	2.46
14	SOFALOCA	36,547,140	54,000,000	30.00	1.48
15	KOCAELİ, DERİNCE	70,000,000	83,198,500	21.61	1.19
16	TUAL ADALAR	85,030,299	123,900,000	29.50	1.46
2014		1,105,590,653	2,406,418,500	<i>Average Multiplier</i>	2.18
17	KARAT 34	63,564,095	171,600,000	39.00	2.70
18	NİDAPARK İSTİNYE	1,062,270,000	1,876,392,000	51.10	1.77
19	TUAL BAHÇEKENT	115,680,485	275,334,000	25.26	2.38
20	AVRUPA KONUTLARI BAŞAKŞEHİR	115,200,000	350,400,000	40.00	3.04
21	TEMAŞEHİR KONYA	85,000,000	211,500,000	30.00	2.49
22	AVANGART İSTANBUL	115,953,466	637,000,000	49.00	5.49
23	ANKARA YENİMAHALLE	622,000,000	1,258,365,000	30.00	2.02
24	NİDAKULE KAYAŞEHİR	117,420,000	407,588,000	38.00	3.47
25	EVORA DENİZLİ	74,738,419	92,651,000	18.00	1.24
26	KOORDİNAT ÇAYYOLU	95,156,250	180,000,000	33.00	1.89
27	VALİDEBAĞ KONAKLARI	85,003,711	406,215,000	50.15	4.78
2015		2,551,986,426	5,867,045,000	<i>Average Multiplier</i>	2.30
28	BAKIRKÖY YENİMAHALLE	32,025,000	62,000,000	31.00	1.94
29	EYÜP ALİBEYKÖY	46,400,000	168,150,000	38.00	3.62
30	EBRULİ İSPARTAKULE	72,111,718	132,000,000	22.00	1.83
31	ESENYURT HOŞDERE 5 TH STAGE	83,391,734	156,500,000	25.00	1.88
32	ESENYURT HOŞDERE 6 TH STAGE	86,255,477	150,500,000	25.00	1.74
33	NİDAPARK KÜÇÜKYALI	713,096,640	1,527,000,300	42.00	2.14
34	AVCILAR İSPARTAKULE 6 TH STAGE	61,856,717	85,600,000	25.00	1.38
2016		1,095,137,286	2,281,750,300	<i>Average Multiplier</i>	2.08
TOTAL		6,597,249,709	14,007,523,070	<i>Multiplier</i>	2.12

ABOUT EMLAK KONUT

TURN- KEY MODEL PROJECTS



ABOUT EMLAK KONUT

TURN-KEY MODEL PROJECTS (CONTINUED)

Completed Turn- Key Model Projects

- 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
- Ataşehir Resmi Kurum Binası
- Körfezkent 3
- Sultanbeyli Emlak Konutları
- Alemdağ Emlak Konutları
- Tuzla Emlak Konutları 2
- Tuzla Emlak Konutları 1
- Körfezkent 2
- Gebze Emlak Konutları 2
- Gebze Emlak Konutları 1
- Emlak Konut Mavişehir Evleri
- Selimpaşa Emlak Konutları
- Burgazkent
- Lüleburgaz Çarşı
- Yıldızkent 1
- Yıldızkent 2
- Yıldızkent 3

Ongoing Turn-Key Model Projects

- Esenler Emlak Konutları
- Ayazma Emlak Konutları 1st Stage
- Körfezkent 4
- Emlak Konut Ispartakule Evleri 1st Stage 1st Part
- Emlak Konut Ispartakule Evleri 1st Stage 2nd Part
- İstanbul Kayabaşı Emlak Konutları 2nd Stage
- Nevşehir Emlak Konutları
- Ayazma Emlak Konutları 2nd Stage
- Niğde Emlak Konutları
- Gebze Emlak Konutları 3rd Stage 1st Part
- Gebze Emlak Konutları 3rd Stage 2nd Part
- Başkent Emlak Konutları
- Kayabaşı Recreation Area

ABOUT EMLAK KONUT

ONGOING TURN- KEY MODEL PROJECTS



PROJECT		ESENLER EMLAK KONUTLARI	
CONTRACTOR	ÖZYAZICI	COMPLETION DATE	10.12.2016
AGREEMENT VALUE	240,457,787.42 TL	LAND AREA	56,841.92
BOOK VALUE + PROGRESS PAYMENTS	528,012,887.58 TL	NUMBER OF UNITS	989
PROGRESS LEVEL	97.44 %		



PROJECT		AYAZMA EMLAK KONUTLARI 1 ST STAGE	
CONTRACTOR	GÜRYAPI	COMPLETION DATE	29.05.2018
AGREEMENT VALUE	363,000,000 TL	LAND AREA	99,874.55
BOOK VALUE + PROGRESS PAYMENTS	224,237,811.32 TL	NUMBER OF UNITS	1,239
PROGRESS LEVEL	36.22 %		

ABOUT EMLAK KONUT

ONGOING TURN- KEY MODEL PROJECTS (CONTINUED)



PROJECT	KÖRFEZKENT 4		
CONTRACTOR	ZEK-SAN	COMPLETION DATE	22.11.2017
AGREEMENT VALUE	158,712,000 TL	LAND AREA	79,804.19
BOOK VALUE + PROGRESS PAYMENTS	73,926,126.87 TL	NUMBER OF UNITS	1,124
PROGRESS LEVEL	34.70 %		



PROJECT	EMLAK KONUT ISPARTAKULE EVLERİ 1ST STAGE 1ST PART		
CONTRACTOR	YÖRÜK ~ ERMIT	COMPLETION DATE	16.08.2018
AGREEMENT VALUE	268,650,000 TL	LAND AREA	85,871.43
BOOK VALUE + PROGRESS PAYMENTS	156,515,126.59 TL	NUMBER OF UNITS	978
PROGRESS LEVEL	22.88 %		

ABOUT EMLAK KONUT

ONGOING TURN- KEY MODEL PROJECTS (CONTINUED)



PROJECT	EMLAK KONUT ISPARTAKULE EVLERİ 1 ST STAGE 2 ND PART		
CONTRACTOR	BALPA	COMPLETION DATE	16.08.2018
AGREEMENT VALUE	239,900,000 TL	LAND AREA	74,346.32
BOOK VALUE + PROGRESS PAYMENTS	129,860,223.46 TL	NUMBER OF UNITS	904
PROGRESS LEVEL	19.71 %		



PROJECT	İSTANBUL KAYABAŞI EMLAK KONUTLARI 2 ND STAGE		
CONTRACTOR	KALYON	COMPLETION DATE	23.09.2017
AGREEMENT VALUE	78,137,500 TL	LAND AREA	24,272.40
BOOK VALUE + PROGRESS PAYMENTS	66,921739.10 TL	NUMBER OF UNITS	271
PROGRESS LEVEL	38.11 %		

ABOUT EMLAK KONUT

ONGOING TURN- KEY MODEL PROJECTS (CONTINUED)



PROJECT	NEVŞEHİR EMLAK KONUTLARI		
CONTRACTOR	CENT YAPI	COMPLETION DATE	19.11.2018
AGREEMENT VALUE	116,722,000 TL	LAND AREA	29,541.40
BOOK VALUE + PROGRESS PAYMENTS	97,816,087.45 TL	NUMBER OF UNITS	420
PROGRESS LEVEL	19.79 %		



PROJECT	AYAZMA EMLAK KONUTLARI 2 ND STAGE		
CONTRACTOR	YILMAZ	COMPLETION DATE	24.07.2018
AGREEMENT VALUE	82,578,000 TL	LAND AREA	21,406.97
BOOK VALUE + PROGRESS PAYMENTS	44,112,159.70 TL	NUMBER OF UNITS	386
PROGRESS LEVEL	23.51 %		

ABOUT EMLAK KONUT

ONGOING TURN- KEY MODEL PROJECTS (CONTINUED)



PROJECT		NİĞDE EMLAK KONUTLARI	
CONTRACTOR	PEKİNTAŞ YAPI	COMPLETION DATE	19.05.2019
AGREEMENT VALUE	101,700,000 TL	LAND AREA	25,643,04
BOOK VALUE + PROGRESS PAYMENTS	24,418,892,38 TL	NUMBER OF UNITS	365
PROGRESS LEVEL	% 0,00		



PROJECT		GEBZE EMLAK KONUTLARI 3 RD STAGE 1 ST PART	
CONTRACTOR	MUSTAFA EKŞİ	COMPLETION DATE	13.03.2019
AGREEMENT VALUE	314,800,000 TL	LAND AREA	91,564.72
BOOK VALUE + PROGRESS PAYMENTS	37,412,944.39 TL	NUMBER OF UNITS	1,040
PROGRESS LEVEL	0.00 %		

ABOUT EMLAK KONUT

ONGOING TURN- KEY MODEL PROJECTS (CONTINUED)



PROJECT			
GEBZE EMLAK KONUTLARI 3 RD STAGE 2 ND PART			
CONTRACTOR	SIYAHKALEM	COMPLETION DATE	20.03.2019
AGREEMENT VALUE	315,900,000 TL	LAND AREA	97,112.08
BOOK VALUE + PROGRESS PAYMENTS	32,960,452.72 TL	NUMBER OF UNITS	950
PROGRESS LEVEL	0.00 %		



PROJECT			
BAŞKENT EMLAK KONUTLARI			
CONTRACTOR	KALYON/ASL İNŞ.	COMPLETION DATE	25.07.2019
AGREEMENT VALUE	559,500,000 TL	LAND AREA	138,137.43
BOOK VALUE + PROGRESS PAYMENTS	327,889,087.67 TL	NUMBER OF UNITS	1,836
PROGRESS LEVEL	0.00 %		

ABOUT EMLAK KONUT

ONGOING TURN- KEY MODEL PROJECTS (CONTINUED)

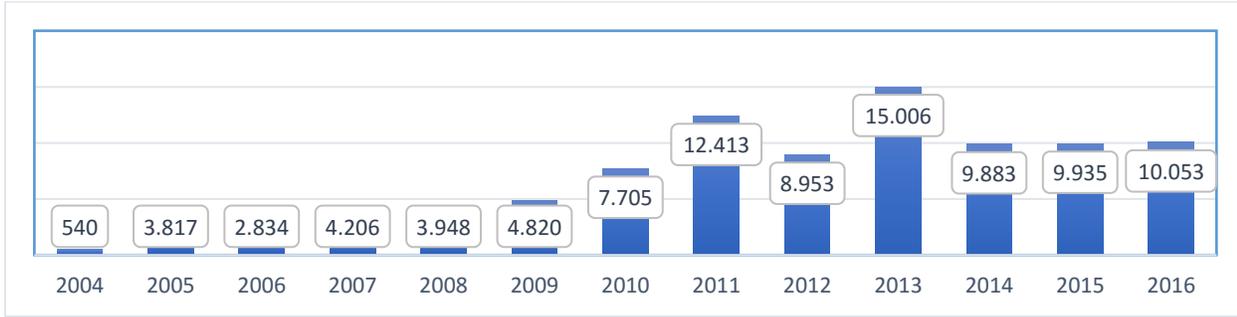


PROJECT	KAYABAŞI RECREATION AREA		
CONTRACTOR	YAPI VE YAPI İNŞ.	COMPLETION DATE	14.09.2019
AGREEMENT VALUE	509,513,500 TL	LAND AREA	363,979.03
BOOK VALUE + PROGRESS PAYMENTS	143,297,726.36 TL	NUMBER OF UNITS	373
PROGRESS LEVEL	0.00 %		

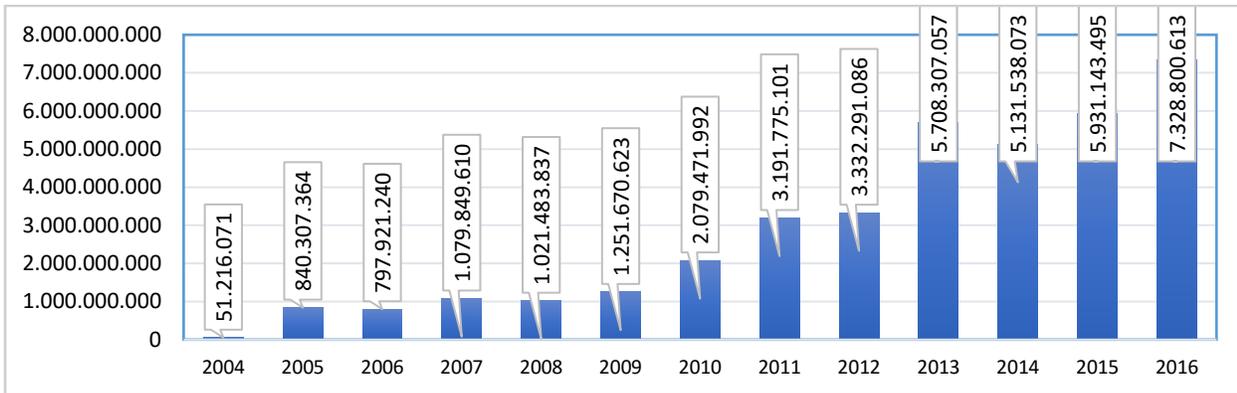


ABOUT EMLAK KONUT

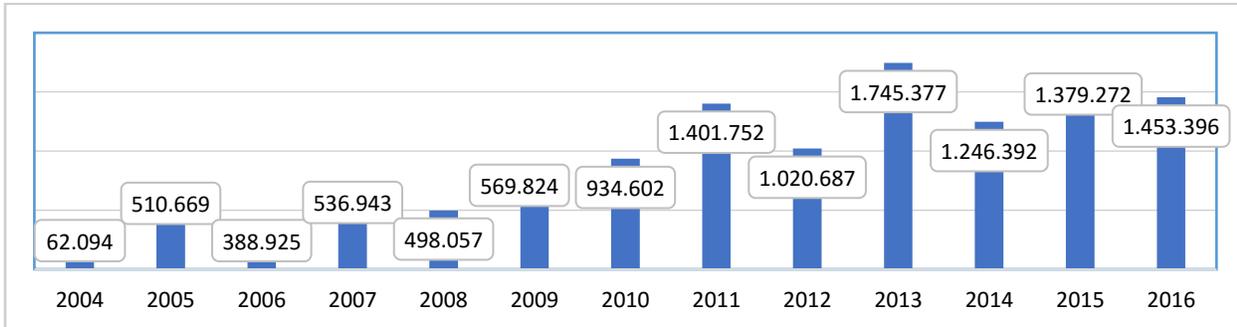
NUMBER OF UNITS SOLD/ ANNUALLY (INCLUDING PRE-SALES)



TOTAL SALES VALUE/ ANNUALLY ⁽¹⁾ (INCLUDING PRE-SALES)



TOTAL SQUAREMETERS SOLD/ ANNUALLY ⁽²⁾ (INCLUDING PRE-SALES)



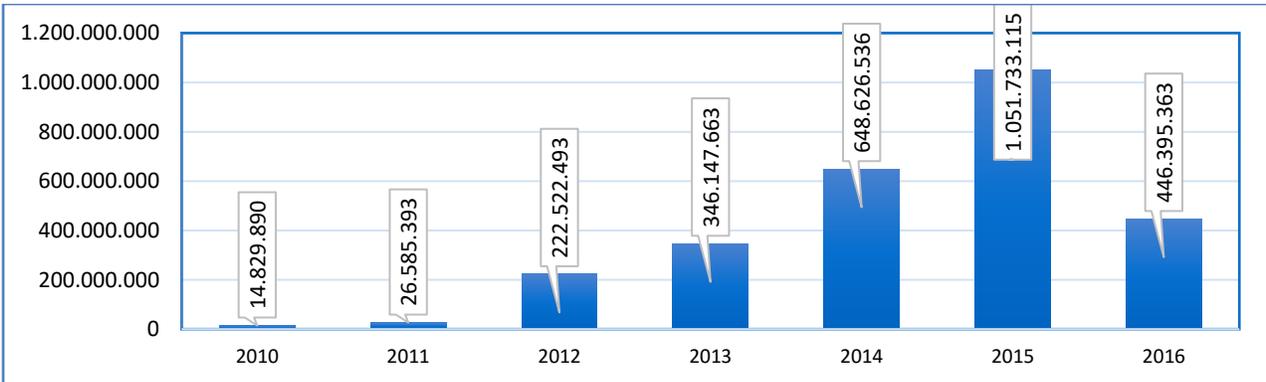
(1) Excluding VAT
 (2) Squaremeters sold. Add-ons not included.

ABOUT EMLAK KONUT

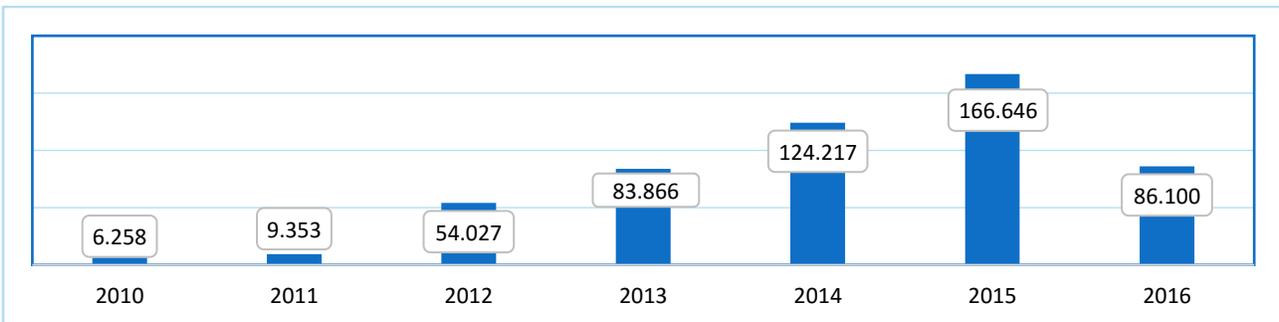
NUMBER OF UNITS SOLD TO FOREIGNERS/ ANNUALLY (INCLUDING PRE-SALES)



TOTAL SALES VALUE TO FOREIGNERS/ ANNUALLY ⁽³⁾ (INCLUDING PRE-SALES)



SQUAREMETERS SOLD TO FOREIGNERS/ ANNUALLY ⁽⁴⁾ (INCLUDING PRE-SALES)



(3) Excluding VAT

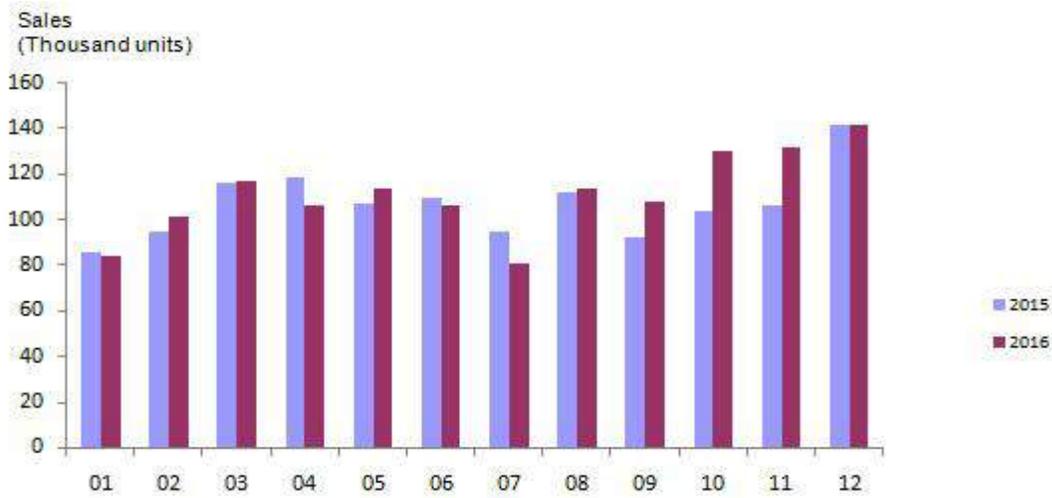
(4) Squaremeters sold. Add-ons not included.

CONSTRUCTION AND HOUSING SECTOR OUTLOOK

HOUSE SALES STATISTICS (December 2016)

In Turkey, 1,341,453 houses were sold in 2016. In Turkey, house sales increased by 4% in 2016 compared to the previous year. For the house sales of 2016, İstanbul had the highest share of house sales with 17.3% and 232,428 sold house. The followers of İstanbul were Ankara with 144,570 house sales with 10.8% and İzmir 81,316 house sales with 6.1%. The least house sold province is Hakkari with 130 house sales. In Turkey, 449,508 of all sales were mortgaged sales and 891,945 are other house sales.

Number of House Sales, 2015-2016



In December 2016, 142,713 houses were sold in Turkey.

In Turkey, house sales increased by 0.1% in December 2016 compared to the same month of the previous year and hence, became 142,713. For the house sales of December 2016, İstanbul had the highest share of house sales with 17.6% and 25,147 sold house. The followers of İstanbul were Ankara with 15,618 house sales with 10.9% and İzmir 8,975 house sales with 6.3%. The least house sold provinces were Hakkari with 20 house sales, Şırnak with 51 house sales, Bayburt with 57 house sales.

In December 2016, 49,076 ownership of the houses changed by mortgage sales

The mortgaged house sales throughout Turkey became 49,076 by increasing 21.8% compared to the same month of the previous year. House sales with mortgage had a 34.4% share of all house sales in Turkey. Most of house sales with mortgage was in İstanbul with 9,091 sales. İstanbul was the first province in Turkey ranking that has most house sales with mortgage share with 18.5%. Mortgaged house sales had the highest share in Erzincan with 43.5% of all house sales.

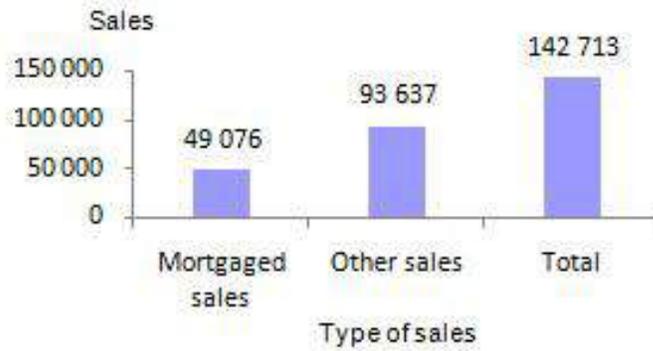
CONSTRUCTION AND HOUSING SECTOR OUTLOOK

HOUSE SALES STATISTICS (December 2016) (CONTINUED)

Ownership of 93,637 houses changed by other sales.

Other house sales in Turkey became 93,637 by decreasing 8.5% compared to the same month of the previous year. In the other sales, İstanbul was the first province with 16,056 sales and 17.1% share. Other house sales had 63.8% share of all house sales in İstanbul. Ankara was the second province with 9,596 sales. Ankara was followed by İzmir with 5,606 sales. The least other house sales was realized in Hakkari with 19 house sales.

House Sales by Type of Sales, December 2016



Hose Sales by State of Sales, December 2016



Source: TURKSTAT

CONSTRUCTION AND HOUSING SECTOR OUTLOOK

HOUSE SALES STATISTICS (December 2016) (CONTINUED)

In house sales, 71,792 of houses were sold for the first time.

First house sales in Turkey became 71,792 by decreasing 3% compared to the same month of the previous year. First house sales had 50.3% share of all house sales in Turkey. The most first house sales was in İstanbul with 12,476 sales. İstanbul was the first province in Turkey ranking that had most first house sales share with 17.4%. The followers of İstanbul were Ankara with 6,737 house sales and İzmir with 3,938 house sales.

Ownership of 70,921 houses changed by second hand sales.

Second hand house sales in Turkey became 70,921 by increasing 3.4% compared to the same month of the previous year. In the second hand sales, İstanbul was the first province again with 12,671 sales and 17.9% share. Share of the second hand sales was 50.4% in İstanbul in total house sales. Ankara was the second province with 8,881 sales and Ankara was followed by İzmir with 5,037 sales.

In Turkey, 18,189 houses were sold to foreigners in 2016.

House sales to foreigners decreased by 20.3% in 2016 compared to the previous year. In house sales to foreigners, İstanbul was the first province with 5,811 sales in 2016. Antalya was the second province with 4,352 sales. Antalya was followed by Bursa with 1,318 sales and Aydın with 871 sales.

In December 2016, 1,640 houses were sold to foreigners.

İstanbul was the first province with 585 sales in December 2016. The followers of İstanbul were Antalya with 315 house sales, Bursa with 140 house sales and Aydın with 74 house sales. Most house sales were made to Iraqi citizens according to country nationalities. Iraqi citizens bought 3,036 houses from Turkey in 2016. The followers of Iraq were Saudi Arabia with 1,886 house sales, Kuwait with 1,744 house sales, Russia with 1,224 house sales and Afghanistan with 1,205 house sales. In December, Iraqi citizens bought 244 houses from Turkey. The followers of Iraq were Saudi Arabia with 204 house sales, Kuwait with 153 house sales, Afghanistan with 94 house sales.

CONSTRUCTION AND HOUSING SECTOR OUTLOOK

BUILDING PERMITS (January- December, 2016)

Floor area of buildings given construction permits increased by 7.3%

In 2016 compared with the previous year, number of buildings, floor area of buildings, value of buildings and number of dwelling units increased by 5.5%, 7.3%, 15.4% and 10.6% respectively according to the construction permits given by municipalities. Total floor area of buildings given construction permits in 2016 realized as 202.3 million sqm and 112.8 million sqm of it realized as residential building, 48.2 million sqm of it realized as non residential building and 41.3 million sqm of it realized as common used area.

According to the use of building, two and more dwelling residential buildings had the highest share with 150.9 million sqm. It was followed by public entertainment, education, hospital or institutional carebuildings with 11.5 million sqm. According to the type of investor, private sector had the highest share with 169.9 million sqm.

It was followed by public sector with 29.0 million sqm and construction cooperatives with 3.4 million sqm respectively. According to the number of dwelling units, from total 986 thousand 119 dwellings, 908 thousand 687 of it was taken by private sector, 64 thousand 604 of it was taken by public sector and 12 thousand 828 of it was taken by construction cooperatives. According to the total floor area of buildings, İstanbul had the highest share with 38.9 million sqm. It was followed by Ankara with 17.7 million sqm and İzmir with 9.2 million sqm respectively.

The provinces which had the lowest floor area were Hakkari, Ardahan and Şırnak respectively. According to the dwelling units, İstanbul had the highest share with 213 thousand 526 units. It was followed by Ankara with 67 thousand 514 units and İzmir with 50 thousand 367 units respectively. The provinces which had the lowest dwelling units were Hakkari, Şırnak and Bayburt respectively.

Construction permit, January-December 2014-2016

Indicators	Year			Ratio of change by the previous year (%)	
	2016	2015 ^(r)	2014 ^(r)	2016	2015
Number of building	131 848	124 952	139 541	5.5	-10.5
Floor area (m ²)	202 321 341	188 472 301	220 653 829	7.3	-14.6
Value (TL)	184 172 950 675	159 576 743 337	176 001 825 189	15.4	-9.3
Number of dwelling unit	986 119	891 798	1 031 754	10.6	-13.6

(r) Building permits data of 2014 and 2015 years are revised.

CONSTRUCTION AND HOUSING SECTOR OUTLOOK

BUILDING PERMITS (January- December, 2016) (CONTINUED)

Floor area of buildings given occupancy permits increased by 5.1%.

In 2016 compared with the previous year, number of buildings, floor area of buildings, value of buildings and the number of dwelling units increased by 0.3%, 5.1%, 14.2% and 2.5% respectively according to the occupancy permits given by municipalities.

Total floor area of buildings given occupancy permits in 2016 realized as 150.3 million sqm and 86.1 million sqm of it realized as residential building, 36.0 million sqm of it realized as non residential building and 28.2 million sqm of it realized as common used area.

According to the use of building, two and more dwelling residential buildings had the highest share with 110.4 million sqm. It was followed by wholesale and retail trade buildings with 8.7 million sqm.

According to the type of investor, private sector had the highest share with 130.1 million sqm. It was followed by public sector with 16.2 million sqm and construction cooperatives with 3.9 million sqm respectively. According to the number of dwelling units, from total 750 thousand 336 dwellings, 683 thousand 642 of it was taken by private sector, 47 thousand 612 of it was taken by public sector and 19 thousand 82 of it was taken by construction cooperatives.

According to the total floor area of buildings, İstanbul had the highest share with 28.1 million sqm. It was followed by Ankara with 13.4 million sqm and İzmir with 8.7 million sqm respectively. The provinces which had the lowest floor area were Ardahan, Hakkari and Bayburt respectively.

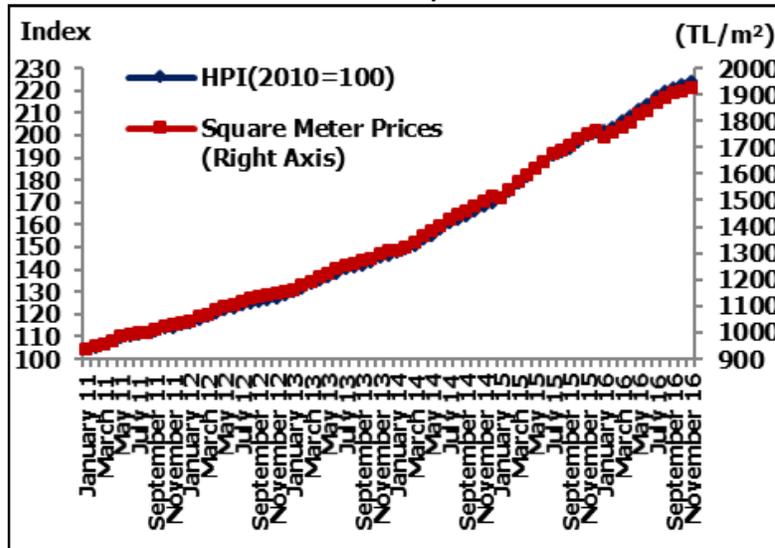
According to the dwelling units, İstanbul had the highest share with 158 thousand 709 units. It was followed by Ankara with 59 thousand 352 units and İzmir with 47 thousand 35 units respectively. The provinces which had the lowest dwelling units were Ardahan, Şırnak and Hakkari respectively.

CONSTRUCTION AND HOUSING SECTOR OUTLOOK

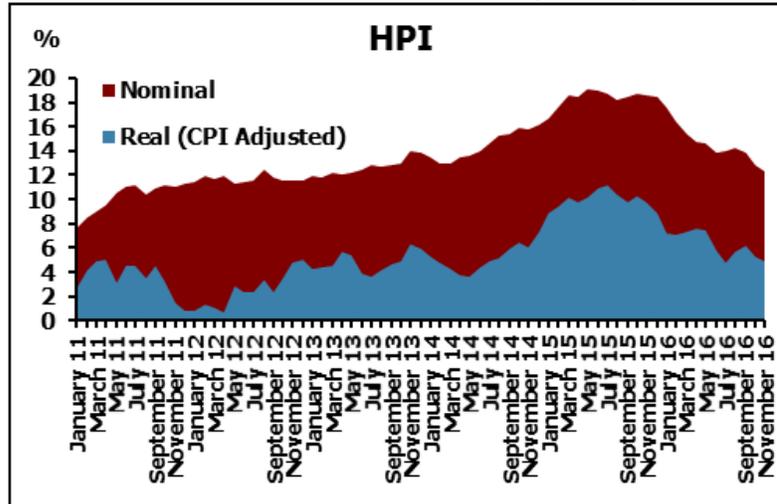
HOUSE PRICE INDEX (October, November, December 2016)

House Price Index (2010=100); which is calculated by stratified median price method to follow the price changes of the Turkey Real Estate Market, has increased by 0.72 percent month over month in November 2016 to 224.05 (Graph.1). HPI has increased by 12.26 percent compared with the previous year and increased in real 4.92 percent in the same period (Graph.2). Unit price defines a house price per meter square has increased by 1,928.19 TL/sqm in November 2016 in comparison with November 2015 with a value of 1,752.29 TL/sqm.

GRAPH 1. HPI and Square Meter Prices



GRAPH 2. HPI Annual Percentage Changes

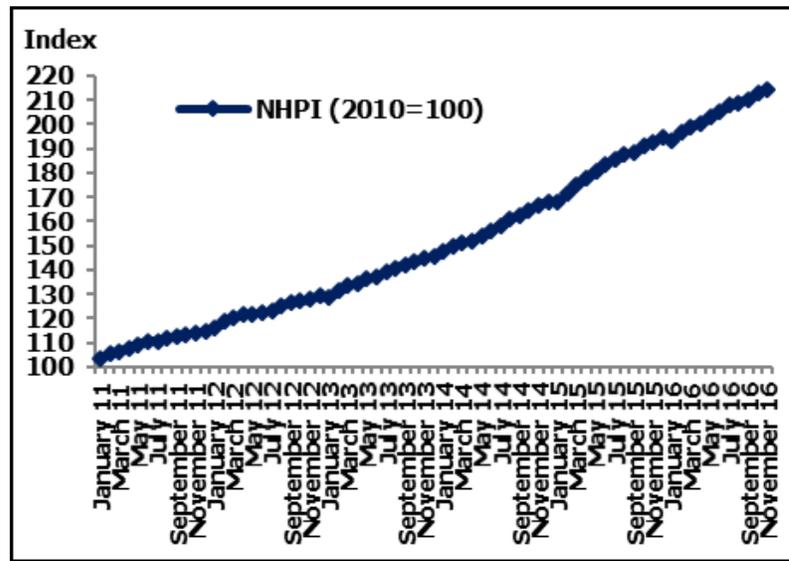


CONSTRUCTION AND HOUSING SECTOR OUTLOOK

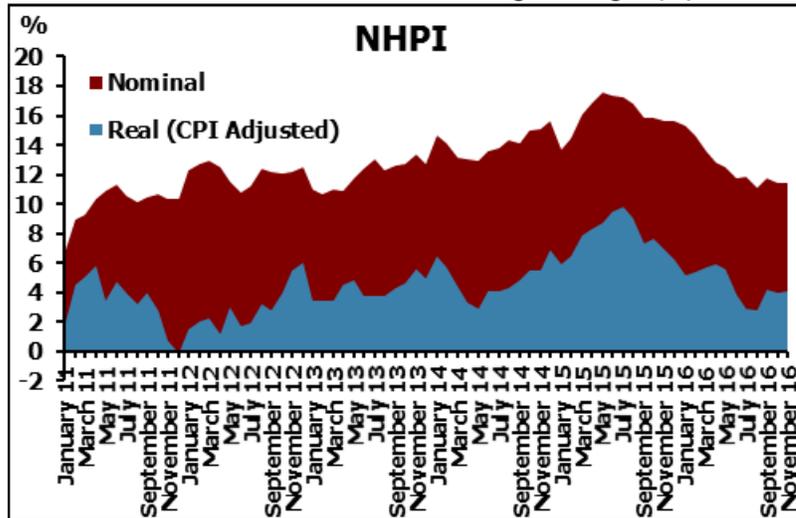
NEW HOUSING PRICE INDICES (October, November, December 2016)

In Turkey, New Housing Price Index (2010=100) which is calculated by analyzing the appraisal reports of the houses which have been built in preceding two years in 48 cities, has increased by 0.88 percent month over month in 2016 November to 214.60 (Graph.3). Index has increased by 11.39 percent compared with the previous year and increased in real 4.10 percent in the same period (Graph.4).

GRAPH 3. NHPI



GRAPH 4. NHPI Annual Percentage Changes (%)



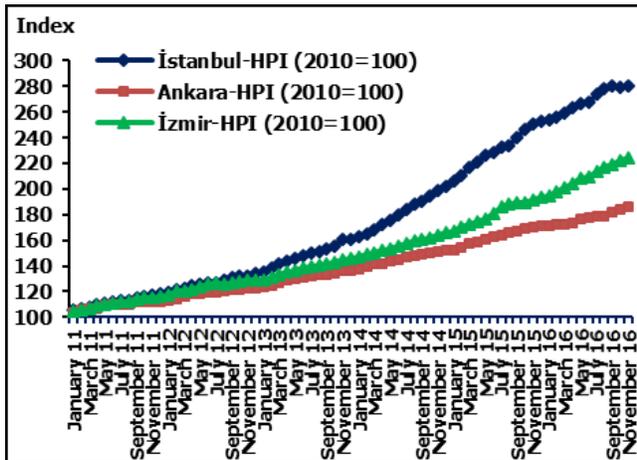
CONSTRUCTION AND HOUSING SECTOR OUTLOOK

HOUSE PRICE INDICES AND NEW HOUSING PRICE INDICES FOR THREE LARGE CITIES (October, November, December 2016)

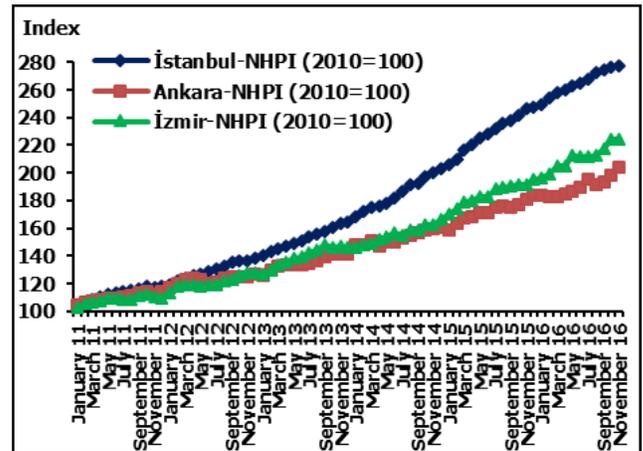
House Price Indices of three big cities displays that in November 2016 compared to previous month, indices of İstanbul, Ankara and İzmir have increased by the percentage of 0.26, 1.12, and 0.87 respectively. Indices values of İstanbul, Ankara and İzmir have increased by the percentage of 11.57, 9.32 and 17.41 respectively compared with the previous year.

New House Price Indices of three big cities displays that in November 2016 compared to previous month, indices of İstanbul, Ankara and İzmir have increased by the percentage of 0.27, 2.78 and 0.35 respectively. Indices values of İstanbul, Ankara and İzmir have increased by the percentage of 12.49, 12.79 and 17.28 respectively compared with the previous year.

Graph 5. House Price Indices for Three Large Cities



Graph 6. New Housing Price Indices for Three Large Cities



Source: CBRT

ABOUT EMLAK KONUT

SUMMARY OF FINANCIAL RESULTS (MILLION TL)

FINANCIAL DATA	2016	2015	2014	2013	2012
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Income Statement

Net Sales	3,455.9	1,786.8	1,804.5	2,331.1	1,004.6
EBITDA	1,907.5	904.3	749.0	1,004.4	529.8
EBITDA Margin	55.2 %	50.6 %	41.5 %	43.1 %	52.7 %
Profit for the Period	1,761.3	952.6	954.4	1,060.5	523.4

Balance Sheet

Total Assets	18,702.4	16,736.0	14,490.6	13,471.0	8,578.9
Equity	10,730.2	9,325.4	8,751.3	8,353.6	4,392.3

OUR EQUITY

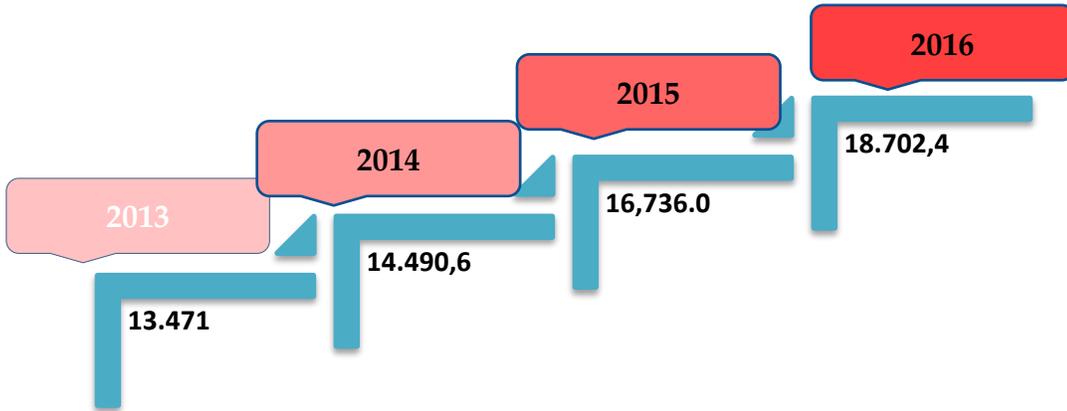


✓ OUR EQUITY
 has turned into a strong
 funding source thanks to our
 profitability over years.

ABOUT EMLAK KONUT

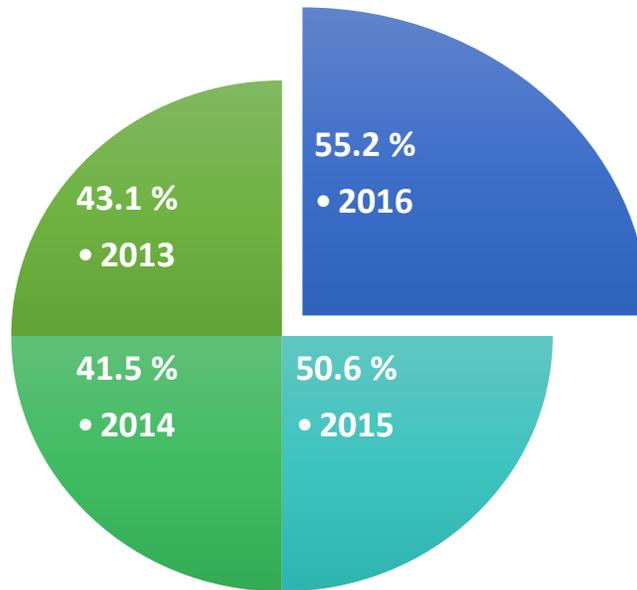
SUMMARY OF FINANCIAL RESULTS (MILLION TL)

✓ Total assets has increased year over year.



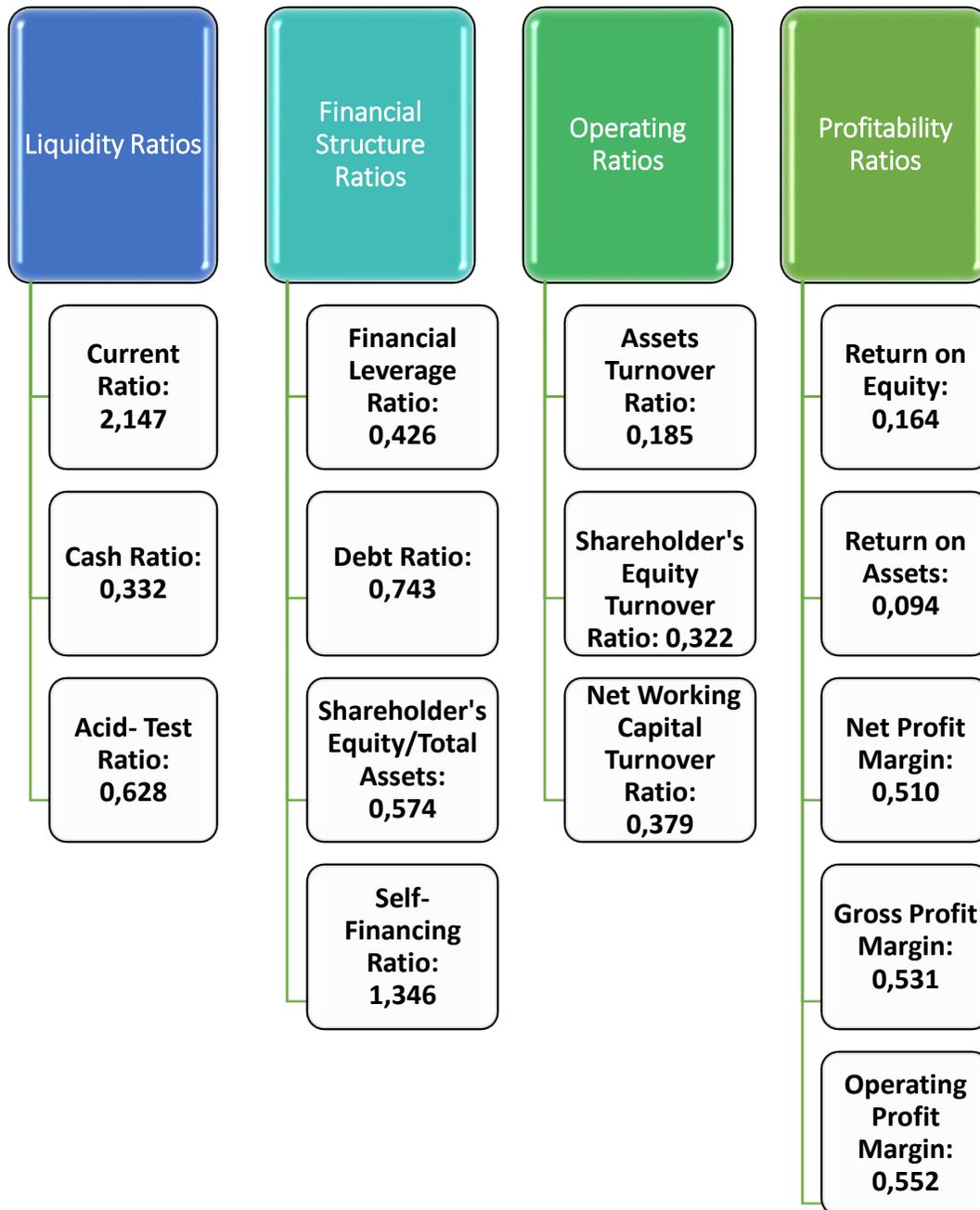
EBITDA MARGIN

(EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION)



ABOUT EMLAK KONUT

FINANCIAL RATIOS



ABOUT EMLAK KONUT

SUMMARY TABLE OF SIGNIFICANT FIGURES

	31.12.2016 (‘000 TL)
Total Assets	18.702.367
Cost of Land and Residential Unit Inventories	-12.085.195
Cost of Investment Property	-38.199
Liabilities	-7.972.174
Appraisal Value of Land Stock	5.219.168
Appraisal Value of Buildings	483.642
Company Share of Total Revenue for RSM	13.561.390
Cost of Purchase + Progress Payments (Turn- Key)	1.887.381
TOTAL	19.758.380

ABOUT EMLAK KONUT

LEASED AND RENTED PROPERTIES

No.	Tenant	Starting Date	Ending Date	Time	Province, Plot/Parcel	Rent Value*
1	TAHİNCİOĞLU GRUBU ORTAK	15.02.2017	15.09.2017	6 months	İSTANBUL-ATAŞEHİR, 3334 / 8	8,500.00
2	İFM&AKDENİZ İN. İŞ ORTAKLIĞI	01.09.2016	01.09.2017	1 year	İSTANBUL - KADIKÖY, 3317 / 22	12,500.00
3	GÜRYAPI RESTORASYON TAH. VE TİC. A.Ş.	03.08.2015	03.03.2018	2 years 7 months	İSTANBUL -BAŞAKŞEHİR, 1344 /2	2,200.00
4	CİHAN İNŞAAT VE KONUT YAPI ADI ORTAKLIĞI	01.10.2016	01.10.2017	1 year	İSTANBUL-BAŞAKŞEHİR, 324 /2	1,700.00
5	NİDA İNŞAAT VE TURİZM A.Ş.	01.11.2016	01.11.2017	1 year	İstanbul-Ümraniye 3317/21 and 3317/20	6,500.00
6	İŞ GYO A.Ş.	01.12.2016	01.12.2017	1 year	İstanbul-Ümraniye 3317/21 and 3317/20	5,000.00
7	YILMAZ İNŞAAT TAH. VE TİC. A.Ş.	01.07.2016	01.07.2018	2 years	İstanbul-Başakşehir 1335/15	6,000.00
8	TOLGA ŞEN	07.10.2016	07.03.2017	5 months	İstanbul-Arnavutköy 101/1-5, 135/151, 138/5 and 139/5	24,200.00
9	OLCAY GÜVENCİ	18.10.2016	18.03.2017	5 months	İstanbul-Arnavutköy 296 and 304 parsel, 103/2, 135/148 and 135/151, 138/5, 139 /5, 35,36, 37 and 149 parsel	28,160.00
TOTAL						94,760.00

No.	Tenant	Starting Date	Ending Date	Time	Province, Plot/Parcel	Rent Value*
1	EMLAK KONUT GYO A.Ş.	20.10.2016	20.10.2017	1 year	NİĞDE/MERKEZ	2,625.00
2	EMLAK KONUT GYO A.Ş.	01.05.2016	01.05.2017	1 year	ANKARA-ÇANKAYA, 14	5,536.35
TOTAL						8,161.35

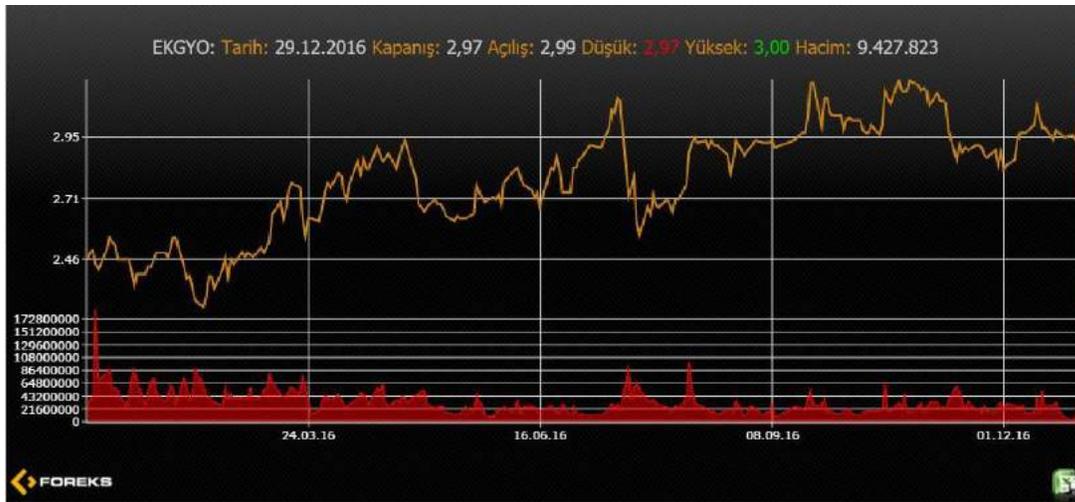
*Not included VAT, values are expressed in Turkish Lira and monthly

ABOUT EMLAK KONUT

SHARE PERFORMANCE

Share certificates of our Company are traded in the National Market at İstanbul Stock Exchange. It is in Group A in the equity market. It is included in XU100, XU30, XU50, XUMAL, XUTUM, XGMYO indexes. The symbol tickers are as follows; BIST TICKER: EKGYO, BLOOMBERG TICKER: EKGYO.TI, REUTERS TICKER: EKGYO.IS

SHARE PERFORMANCE



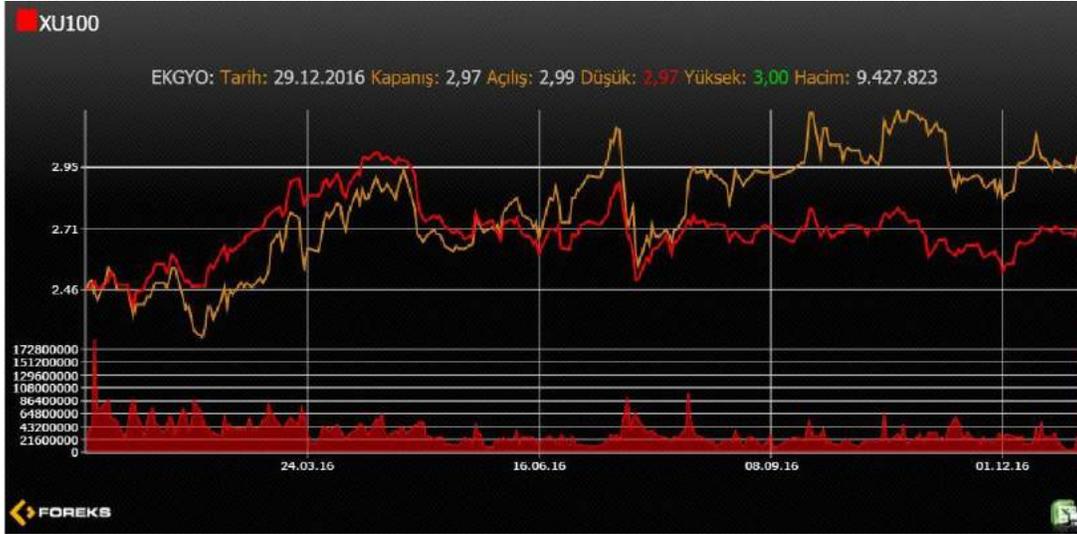
EKGYO SHARE/ XGMYO INDEX COMPARISON



ABOUT EMLAK KONUT

SHARE PERFORMANCE (CONTINUED)

EKGYO SHARE/ XU100 INDEX COMPARISON



MANAGEMENT

BOARD OF DIRECTORS

Board of Directors

- The ultimate decision maker within Emlak Konut
- Responsible for management and representation of Emlak Konut, realization of the Company activities, establishing relations between the shareholders and the Company and recruitment.
- Responsible for execution of Emlak Konut activities in accordance with laws and provision of the Articles of Association.
- Board members are elected by the General Assembly.
- The Board consists of seven members including the Chairman, Vice Chairman, and five other members. Three of them are independent members.
- The company acts in accordance with the principles set forth by the Corporate Governance Communique of the Capital Markets Board of Turkey regarding the "Board Structure - Conditions for Independence."
- The Board of Directors represents the company and uses its powers and responsibilities -entrusted by stakeholders at the General Assembly- pursuant to the legislation, Articles of Association, company regulations, and policies. It also develops and conducts strategic planning in accordance with the company vision.

The Board of Directors adopted **77 resolutions** between **September 1, 2016**, and **December 31, 2016**, whereas it adopted a total of **214 resolutions** between **January 1, 2016** and **December 31, 2016**. All the resolutions were passed unanimously and applied. The board members are not granted weighted voting rights and/or veto rights.

MANAGEMENT

BOARD OF DIRECTORS (CONTINUED)

Our Board of Directors consists of the following members as of the General Assembly on April 14, 2016.

Name	Position	Profession	Independent / Not Independent	Share Group(s)
ERTAN YETİM	Chairman	Civil Engineer	-	A, B
ERTAN KELEŞ	Vice Chairman	Civil Engineer	Independent	B
MURAT KURUM	Member and CEO	Civil Engineer	-	A, B
SAMİ ER	Member	Mechanical Engineer	-	A,B
MEHMET ÖZÇELİK	Member	Civil Engineer	-	A,B
VEYSEL EKMEN	Member	Public Accountant Financial Advisor	Independent	B
HAVVANUR YURTSEVER	Member	Lawyer	Independent	B

ERTAN YETİM/ CHAIRMAN/ EXECUTIVE



Ertan YETİM

Chairman

Civil Engineer

Ertan Yetim was born in 1966 in Trabzon. He graduated from Trabzon High School in 1984 and then the Civil Engineering Department of Black Sea Technical University in 1988. He served as a civil engineer, site manager and technical manager in the private sector from 1988 to 1997. He worked as a control officer at KİPTAŞ, an affiliate of Istanbul Metropolitan Municipality between 1997 and 2004. He served as the General Manager of Emlak Pazarlama İnşaat Proje Yönetimi ve Ticaret A.Ş., an affiliate of TOKİ between 2004 and 2005. He became a Member of the Board of Directors at Emlak Konut REIC in 2005 and served as the Vice-Chairman of the Board. In 2007, he started serving TOKİ as a specialist. He has been in this position since and

assigned by TOKİ to serve at Emlak Konut REIC. He has been the Chairman of the Board of Directors at Emlak Konut REIC since 2011.

MANAGEMENT

BOARD OF DIRECTORS (CONTINUED)

ERTAN KELEŞ/ VICE CHAIRMAN/ NON- EXECUTIVE/INDEPENDENT



Ertan KELEŞ

Vice Chairman

Civil Engineer

Ertan Keleş was born in 1976 in Giresun. He studied Civil Engineering at the Middle East Technical University between 1993 and 1998. He worked as a Construction Engineer at Aset Telekomünikasyon İnşaat. A.Ş. from 1998 to 2000. He worked as a Construction Engineer at Dky Telekomünikasyon İnşaat. A.Ş. from 2001 to 2002. Between 2002 and 2004, he served as Project Director at Aset Dekar İş Ortaklığı and then as Assistant General Manager of Yalova Hazır Beton Ltd. Şti. from 2004 to 2005. He assumed the role of Assistant General Manager at Turkuaz Kablo Taah. İnşaat. Tic. A.Ş. from 2002 and 2005, when he became a board member at Beltur A.Ş.,

an affiliate of Istanbul Metropolitan Municipality. He has sustained this role and has been acting as the General Manager of the company since then.

MURAT KURUM/ MEMBER/GENERAL MANAGER/ EXECUTIVE



Murat KURUM

Member

Civil Engineer

Murat Kurum was born in Ankara in 1976. He graduated from Civil Engineering Department, Faculty of Engineering and Architecture of Selçuk University in 1999. He has been the General Manager of Emlak Konut REIC since 2009. He served as Branch Manager at TOKİ's Application Department in Istanbul (European side) between 2006 and 2009. He served as a specialist at TOKİ's same department in Ankara from 2005 to 2006. He developed projects in various institutions between 1999 and 2005.

MANAGEMENT

BOARD OF DIRECTORS (CONTINUED)

HAVVANUR YURTSEVER/ MEMBER/ NON- EXECUTIVE /INDEPENDENT



Havvanur YURTSEVER

Member

Lawyer

Havvanur Yurtsever was born in Ankara in 1972. She studied at the Faculty of Law at Istanbul University between 1990 and 1996. She has served Emlak Konut REIC as a member of the Board of Directors since 2014. In 2014, she served as a member of the Istanbul Metropolitan Municipality's Council, Zeytinburnu Municipal Council, Chairperson of the Municipality's Law Commission and also Assistant Vice-President of Zeytinburnu Municipal Council. She worked as a contracted lawyer at Halk Bankası A.Ş. And T. Telekomünikasyon A.Ş from 2008-2014 and 2003-2014, respectively. She had her law internship at Attorney Necati Ceylan's law firm between 1996 and 1997.

VEYSEL EKMEN/ MEMBER/ NON- EXECUTIVE /INDEPENDENT



Veysel EKMEN

Member

Public Accountant

Veysel Ekmen was born in Giresun in 1965. He graduated from Department of Business Administration, Faculty of Economics and Administrative Sciences of Marmara University. He has been working as an independent accountant and financial advisor since 1984. Between 1999 and 2004, he was a member of the Board of Directors of the Öncü Eğitim Kurumları. In 2004, became a member of Audit Committee at Rumeli Hayat Sigorta A.Ş. and also a member of the Audit Committee of İktisat Yatırım Menkul Değerler A.Ş. and he was elected as a member of the Board of Directors of Emlak Konut REIC in 2005.

YÖNETİM

YÖNETİM KURULU (CONTINUED)

MEHMET ÖZÇELİK/MEMBER/NON-EXECUTIVE



Mehmet ÖZÇELİK

Member

Civil Engineer

(2004-2012), the Head of Road Maintenance and Infrastructure Coordination Department (2012-2013) and finally the Civil Works Department (2013-2014). In June 2014, he was appointed as the Vice President of the Republic of Turkey Prime Ministry Housing Development Administration.

SAMİ ER/ MEMBER/ NON- EXECUTIVE



Sami ER

Member

Mechanical Engineer

Construction and Real Estate Directorate of the Ministry of Defense. Then, he worked as a Control Engineer in Beykoz Göksu Evleri project with 1400 housing units from 1992-1993. In 1993, Mr. Er started to work as an engineer in the Istanbul.

He was born in 1965 in Burdur. In 1988, he graduated from Civil Engineering Faculty of Istanbul Technical University. He served the 1st Stage of Halkalı Mass Housing as Infrastructure Field Engineer and Site Manager from 1988 to 1991. Mr. Özçelik worked as the Chief Maintenance Engineer at 17th Region of Highways until 1993. He served the Directorate of Building and Inspection, Güngören Municipality as an engineer (1993-1994) and then Building Inspection Manager (1994-2002). Mr. Özçelik was appointed as the Head of Istanbul Metropolitan Municipality's Transportation Coordination Directorate in December 2002. He served the Municipality as the Head of the Road Maintenance and Repair Directorate

He was born in 1963 in Malatya. He completed his first, middle, and high school education in Malatya. He graduated from the Mechanical Engineering Department, Faculty of Engineering of Yıldız Technical University in 1989. Mr. Er obtained his master's degree Istanbul Sabahattin Zaim University in the field of Urban Planning and Management (Urban Transformation) under the Department of Architecture, Institute of Science. He started his working life at Ümran Boru San. Tic. A.Ş. as an Engineering and Quality Control Manager and served this company from 1989-1990.

Between 1990 and 1992, he served as a Control Engineer in the Diyarbakır

YÖNETİM

BOARD OF DIRECTORS (CONTINUED)

Bağcılar Municipality. He served the same institution at various levels including as a Chief, Assistant Manager, and Manager. From 2004-2005, he worked as the Head of the Directorate of Civil Works and Zoning at Yakuplu Municipality of Büyükçekmece, Istanbul. In 2005, he was appointed as the Deputy Mayor of Fatih Municipality responsible for the Directorates of Accounting, Revenue, Procurement, License and Inspection, Municipal Police, Human Resources, Information Technology, Civil Works and Park and Horticulture. He served as Deputy Mayor until 2008 as well as the Chairman of the Board of Directors of Halktaş A.Ş., a Fatih Municipality affiliate. In July 2014, he was appointed as the Vice President of the Republic of Turkey Prime Ministry Housing Development Administration.

- On December 22, Veysel Ekmen, an Independent Board Member, resigned from his position due to his workload. Upon Veysel Ekmen's resignation, Muhterem İnce started to serve as a new member of the Board of Directors until the next Ordinary General Assembly. Muhterem İnce's resume is presented below;

MUHTEREM İNCE/ MEMBER/ NON-EXECUTIVE/INDEPENDENT



Muhterem İNCE

Member

Public Administration

Muhterem İnce was born in 1971 in Istanbul. He graduated from the Faculty of Political Sciences of Istanbul University in 1993. In 2000, he obtained his Master's degree from the Institute of Social Sciences. In 2017, he assumed the role of an independent member of the Board of Directors of Emlak Konut REIC. He has been an Undersecretary (Governor) of the Ministry of Interior since 2016. He undertook the following duties:

Artvin Governor (06.2016-09.2016), General Manager - Ankara Directorate of General for Personnel (02.2014-06.2016), Deputy General Manager-Directorate of General for Personnel (08.2013-02.2014), Deputy General Manager - Ankara Directorate of

General for Personnel (07.2013-08.2013), Head of the Department - Directorate of General for Personnel (09.2011-07.2013), Unit Head - Directorate of Education (09.2009-09.2011),

MANAGEMENT

BOARD OF DIRECTORS (CONTINUED)

District Governor - Çanakkale Eceabat Governorship (10.2005-09.2009), District Governor - Erzurum Nayman Governorship (10.2002-10.2005), District Governor - Adıyaman Samsat Governorship (10.2000-10.2002), District Governor - Kinkkale Sulakyurt Governorship (05.2000-10.2000), District Governor - Kinkkale Sulakyurt Governorship (09.1997-04.2000), District Governor Candidate - Edirne Governorship (07.1994-09.1997).

SENIOR MANAGEMENT

Senior executives use powers vested by relevant legislation and internal regulations to fulfill their duties in line with the company's vision and mission. The senior executive team consists of experienced staff. It takes managerial decisions in coordination with the staff and other units within the organization to meet the expectations of all stakeholders. The executive staff also pays attention to sustainability and social responsibility principles as part of the corporate culture.

Murat Kurum serves as the General Manager of the Company. Hakan Akbulut acts as Deputy General Manager - Financial Affairs. Hakan Gedikli acts Deputy General Manager - Technical Affairs. Sinan Ayoğlu holds the position of Deputy General Manager - Tender and Marketing Affairs. And Metin Tekin serves as Deputy General Manager - Application and Administrative Affairs.

ACCESS TO INSIDER INFORMATION

In case of a special circumstance, the parties in touch with the Emlak Konut REIC employees that have access to insider information will be informed of their obligation to maintain the confidentiality of this information until it is disclosed on the PDP. Those acting on behalf of Emlak Konut REIC employees will not release any information to third parties that may be considered a special circumstance under any conditions. If Emlak Konut REIC determines that insider information was disclosed to the third parties unintentionally and concludes that the confidentiality of information could not be maintained, it will issue a material disclosure pursuant to the capital markets legislation.

The relevant company departments communicate persons with access to insider information to the Directorate of Administrative Affairs and Human Resources, which ensures that this list remains up-to-date. In accordance with the changing project scopes and current issues, the Emlak Konut REIC will regularly update the list of individuals with access to insider information. The list of individuals with access to insider information in the relevant period is presented below:

MANAGEMENT

THE LIST OF THOSE WHO HAVE ACCESS TO INTERNAL INFORMATION IN EMLAK KONUT REIC (As of December 31, 2016)

BOARD OF DIRECTORS

Name	Position	Profession	Whether Independent Board Member or not	Share Group(s)
ERTAN YETİM	Chairman	Civil Engineer	-	A, B
ERTAN KELEŞ	Vice Chairman	Civil Engineer	Independent	B
MURAT KURUM	Member and CEO	Civil Engineer	-	A, B
SAMİ ER	Member	Mechanical Engineer	-	A,B
MEHMET ÖZÇELİK	Member	Civil Engineer	-	A,B
MUHTEREM İNCE	Member	Public Administration	Independent	B
HAVVANUR YURTSEVER	Member	Lawyer	Independent	B



MANAGEMENT

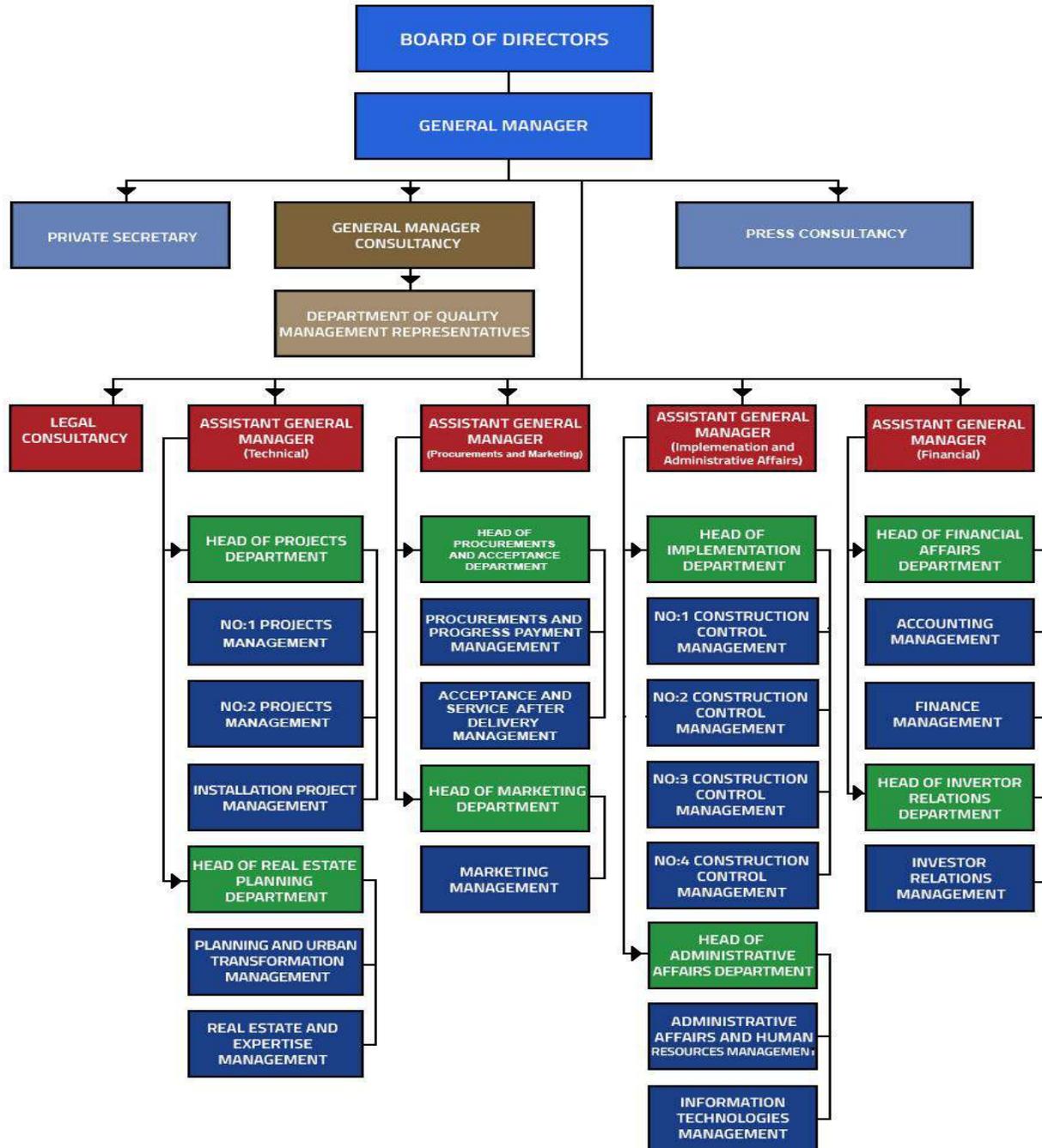
THE LIST OF THOSE WHO HAVE ACCESS TO INTERNAL INFORMATION IN EMLAK KONUT REIC (As of December 31, 2016)

SENIOR MANAGEMENT

Name	Profession	Position
Murat Kurum	Civil Engineer	General Manager, Board Member
Sinan Ayođlu	Civil Engineer	Deputy General Manager
Hakan Akbulut	Public Administration	Deputy General Manager
Metin Tekin	Civil Engineer	Deputy General Manager
Hakan Gedikli	Topographical Engineer	Deputy General Manager
Nurettin Őam	Lawyer	First Legal Advisor
Zeynep Basa	Economics	Head of Marketing Department
Hasan Vehbi Arslantürk	Civil Engineer; Business Administration	Head of Investor Relations Department
Hasan Saka	Civil Engineer MSc.	Head of Procurement and Acceptance Department
Hicran Őakmak	Architect	Head of Projects Department
Mustafa AŐikkutlu	Civil Engineer MSc.	Head of Real Estate and Planning Department
Ercan Aliođlu	Business Administration	Head of Real Estate and Planning Department
Halil İbrahim Őahin	Economics	Head of Administrative Affairs Department
Nurullah Öztürk	Civil Engineer	Acting Head of Implementation Department
Halim AtaŐ	Business Administration	Private Secretary
İlyas Fehim Őelik	Architect	Project Manager No.1
YaŐar Altun	Civil Engineer	Project Manager No.2
İbrahim Oflaz	Mechanical Engineer Msc.	Installation Project Manager
Hakan Bakırdal	Topographical and Civil Engineer	Real Estate and Appraisal Manager
Fatih Kanitođlu	Civil Engineer	Acceptance and Service After Delivery Manager
SelŐuk Aydemir	Topographical Engineer	Planning and Urban Transformation Manager
Mehmet Akif Aydođan	Public Administration	Marketing Manager
Mehmet Akagündüz	Public Administration	Finance Manager
Adem Hacıhasanođlu	Forest Engineer	Procurement and Progress Payments Manager
Serdar Bala	Physics	Information Technology Manager
Salih Őetin	Business Administration	Accounting Manager
Enver Turan	Civil Engineer	Acting Construction Control Manager No.1
Mecit Altıner	Civil Engineer MSc.	Acting Construction Control Manager No.2
Alim Kaplaner	Civil Engineer MSc.	Construction Control Manager No.3
Yasir Yılmaz	Civil Engineer	Acting Construction Control Manager No.4
Ali Haydar Yıldırım	Business Administration	Act. Administrative Affairs, Human Resources Manager
Fatih İbiŐ	Public Relations and Press	Press Advisor
İsmet Kubilay	Lawyer	Legal Advisor
Eyyüp Ocak	Lawyer	Legal Advisor
Rasim Faruk Kadiođlu	Civil Technican	Consultant to the General Manager
Sadık Soyulu	High School Graduate	Consultant to the General Manager
Mustafa Bayraktar	Civil Engineer	Consultant to the General Manager
Tülay Odakır	Civil Engineer	Consultant to the General Manager
Özlem Hanođlu Őelik	Economics	Consultant to the General Manager
Yasemin Ülkü	Civil Engineer	Consultant to the General Manager

MANAGEMENT

ORGANIZATION CHART



CORPORATE GOVERNANCE COMPLIANCE REPORT

CORPORATE GOVERNANCE COMPLIANCE REPORT PREPARED PURSUANT TO
THE CAPITAL MARKETS BOARD'S CORPORATE GOVERNANCE COMMUNIQUE
NO II. 17.1



CORPORATE GOVERNANCE COMPLIANCE REPORT

Emlak Konut REIC acknowledges compliance with the "Corporate Governance Principles" and practices published by the Capital Markets Board (CMB) as its main management principle. Adopting the main tenets of the Corporate Governance Principles, i.e. Equality, Transparency, Accountability, and Responsibility, our Company complies with all the mandatory principles covered by the "Corporate Governance Principles" annex of the Capital Markets Board's Corporate Governance Communique No. II-17.1. It also carries on efforts and pays utmost attention to compliance with non-mandatory principles.

Emlak Konut REIC started compliance with the CMB's now-defunct "Communique on the Determination and Implementation of Corporate Governance Principles" Serial: IV, No: 56 at the same date.

Upon the abolishment of the above communique and the newly enacted the Corporate Governance Communique No. II-17.1 (published in the Official Gazette, No: 28871, dated: January 3, 2014) of the Capital Markets Law (published in the Official Gazette No: 6362 dated: December 12, 2012), Emlak Konut REIC started its operations in an urgent manner to ensure compliance with the principles in accordance with the new communique and it completed necessary amendments.

Within this scope, the companies traded on the Exchange (BİST) were subject to classification. Also, a statement was made regarding the process they need to follow for compliance with the "Corporate Governance Principles." Such classification is made by the Capital Markets Board (CMB) every January, and the list is announced through the Board Bulletin. Following the evaluation of the implementation of "Corporate Governance Communique" No. II-

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17.1 with the "Announcement about the Groups in which stock exchange companies take part in accordance with Corporate Governance Communique No. II-17.1A" based on the decision of CMB dated 06.01.2017 and No. 1/23 and as per the determination and supervision of the obligatorily principles of the Corporate Governance Principles, Emlak Konut REIC ranked, as before, as one of the companies specified in the first group in the 2017 calculation, based on systemic significance-based market values and the market values of the shares of the publicly traded partners which are traded in Borsa İstanbul A.Ş., BIST Stars and BIST Main, Collective and Structured Products Market.

As previously stated, the Partnership complies with all mandatory principles. The relevant titles of this report address Corporate Governance Principles articles that are not applied by the Company, meticulous efforts for compliance as well as justifications for lack of compliance. In this context, the Company presented non-mandatory principles and its efforts for meeting them under related headings as well as the aspects on conflicts of interests that may occur due to non-compliance. Likewise, we refer to individual principles for which the Company has a plan to make changes.

The writing format to be followed by the companies obliged to prepare Corporate Governance Compliance Reports as per the publication of the Corporate Governance Communique No. II-17.1 on the Official Gazette No. 28871, dated: 03.01.2014 was announced with the decision No. 2/35, dated: 27.01.2014. And the company prepared this report in line with the said regulation.

Emlak Konut REIC attaches importance to assigning Independent Board Members to implement its business policies and ensure effective working of the Board of Directors as part of its management approach and Corporate Governance Principles. The Independent Board members with the qualifications required by the legislation were elected at the Ordinary General Assembly on 14.04.2016. Ertan Keleş, Veysel Ekmen, and Havvanur Yurtsever started their duties following the General Assembly as Independent Board Members. Detailed explanations regarding the Board of Directors can be found in Part IV. Havvanur Yurtsever serves as a female Board Member.

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We made amendments to the Remuneration Policy based on the resolutions taken at the General Assembly on April 14, 2016, and announced them to the public. These remuneration policy amendments are described in the Corporate Governance (Remuneration) Committee part (Part IV) of this report.

Emlak Konut REIC made revisions as necessary to the following regulations on the below dates both in an operational and administrative sense. We carried out the activities on the relevant regulations by taking into consideration the Corporate Governance principles.

- » Board Resolution No. 03-003, dated 08.02.2016 on the Revision of the Building Construction, Tender and Contract Regulation
- » Board Resolution No. 11-022, dated 08.02.2016 on the Revision of the Building Construction, Tender and Contract Regulation
- » Board Resolution No. 24-057, dated 29.04.2016 on the Revision of the Revenue Sharing, Tender and Contract Regulation
- » Board Resolution No. 38-090, dated 27.06.2016 on the Revision of Duties, Authorities and Responsibilities and Staff and Discipline Regulation
- » Board Resolution No. 45-108, dated 28.07.2016 on the Real Estate Purchase, Sale, and Leasing Regulation
- » Board Resolution No. 45-109, dated 28.07.2016 on the Revision of the Revenue Sharing, Tender and Contract Regulation
- » Board Resolution No. 45-110, dated 28.07.2016 on the Revision of the Building Construction Tender and Contract Regulation
- » Board Resolution No. 53-130, dated 26.08.2016 on the Revision of Duties, Authorities and Responsibilities and Staff and Discipline Regulation

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» Board Resolution No. 58-148, dated 05.10.2016 on the Revision of the Building Construction, Tender and Contract Regulation and Services Procurement Procedures Regulation

» Board Resolution No. 68-183, dated 29.11.2016 on the Revision of the Revenue Sharing, Tender and Contract Regulation

» Board Resolution No. 68-184, dated 29.11.2016 on the Revision of the Services Procurement Regulation

» Board Resolution No. 68-185, dated 29.11.2016 on the Revision of the Building Construction Tender and Contract Regulation

» Board Resolution No. 68-1, dated 29.11.2016 on the Revision of the Goods Procurement and Leasing Procedures Regulation

» Board Resolution No. 68-187, dated 29.11.2016 on the Revision of the Monetary Values in Regulations

The following committees continue to operate within the Emlak Konut REIC: "Corporate Governance Committee, Audit Committee, Nomination Committee, Early Risk Detection and Risk Management Committee, Remuneration Committee." The Corporate Governance Committee started its operations with the Board of Directors resolution No. 24-053, dated April 30, 2012, under the "Communique on the Specification and Implementation of the Corporate Governance Principles" ("Serial: IV, No: 56") published by the CMB" and effective in the relevant period. Nevertheless, the company complied with the regulations introduced by the new Corporate Governance Communique No. II-17.1 published on January 3, 2014, in a short period of time. The Corporate Governance Committee also fulfills the responsibilities of the "Remuneration, Nomination" committees. You can find detailed information regarding the committees in Part IV.

However, at the Ordinary General Meeting held on April 14, 2016, the shareholders were informed on the principles related to the remuneration of the members of the Board of Directors and senior executives in accordance with the Article 1.3.6 of the Corporate

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Governance Principles. Relevant information is provided in detail under the fourth title, "General Assembly" which is located below Part I - Shareholders.

Due to the necessity of providing information about the compliance activities with all Corporate Governance Principles in this section; you can find below the method followed in the resignation of Veysel Ekmen, an independent Board Member, in this period in accordance with the CMB legislation as well as the reason behind it the resulting situation.

On December 22, Veysel Ekmen, an Independent Board Member, resigned from his position due to his workload. The company applied all the legislative provisions in Veysel Ekmen's resignation process.

Upon Veysel Ekmen's resignation, and the Corporate Governance Committee's review of the report on the new independent board member and the attached declaration of independence on 30.12.2016, the Company's Board of Directors made the following decisions with its resolution on December 30, 2016:

- a) Approval of Muhterem İnce as an independent board member after the Corporate Governance Committee's nomination evaluation and referral to the Board of Directors,
- (b) Election of Muhterem İnce to serve until the first General Assembly by filling the vacant independent member position temporarily
- (c) Presentation of the documents of the said person to the CMB pursuant to the Corporate Governance Communique.

Upon the resignation of Independent Board Member Veysel Ekmen, the memberships of the committees established by the CMB's Corporate Governance Communique were updated and released to the public as follows.

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Corporate Governance Committee:

Ertan Keleş (Committee President), Muhterem İnce, Sami Er, Hakan Akbulut

Audit Committee:

Ertan Keleş (Committee President), Muhterem İnce, Havvanur Yurtsever

Early Risk Detection and Risk Management Committee:

Havvanur Yurtsever (Committee President), Ertan Keleş, Mehmet Özçelik

Corporate Governance Committee (Nomination):

Ertan Keleş (Committee President), Muhterem İnce, Sami Er, Hakan Akbulut

Corporate Governance Committee (Remuneration):

Ertan Keleş (Committee President), Muhterem İnce, Sami Er, Hakan Akbulut

Muhterem İnce's declaration of independence and resume were presented to the stakeholders at the Company's corporate website.

In 2016, no amendments were made to the Articles of Association since there is no need for any additional amendments for compliance with the "Corporate Governance Principles."

Efforts are under way to continuously improve the corporate governance understanding in the partnership and increase the level of harmonization with the "Corporate Governance Principle

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PART I – SHAREHOLDERS

2 Investor Relations Department

Under the provisions of Article 11 of the Corporate Governance Communiqué No.17.1 published in the Official Gazette No. 28871, dated 03.01.2014 by the Capital Markets Board, it is obligatory to establish an Investor Relations Department which facilitates communication between the shareholders and investors. This department is also obliged to report directly to a general manager or assistant general manager or one of the managers with equivalent administrative responsibilities as well as submit a report to the Board of Directors at least once a year regarding the activities it carries out.

The Investor Relations Department fulfills the following tasks: ensuring that local and international investors within Emlak Konut REIC are informed correctly, consistently, simultaneously and timely, establishing communication with the capital market regulators and meeting on all public disclosures requirements in accordance with all relevant regulations, and performing all functions of the Department itself. This Department reports directly to Hakan Akbulut, Deputy General Manager - Financial Affairs.

Emlak Konut REIC went through a change in its organizational structure on 26.11.2015 due to the increasing importance of the Investor Relations Department and to carry on a better information exchange with the stakeholders; the Directorate of Investor Relations started to serve as a Department.

It is imperative that the Investor Relations Department executive has the "Advanced License for Capital Markets Activities" and "Corporate Governance Rating Specialist License" and works as a full-time executive at the Company. The name, surname and contact information of the Investor Relations Department manager and at least one employee of this Department can be found on in the Company General Information - Contact Information section of the Public Disclosure Platform (PDP). If the department manager leaves

••• PART I – SHAREHOLDERS

2. Investor Relations Department
3. Exercise of Shareholder Rights to Obtain Information
4. General Assemblies
5. Voting Rights and Minority Rights
6. Right to Dividends
7. Transfer of Shares

PART II - PUBLIC DISCLOSURE AND TRANSPARENCY

PART III - STAKEHOLDERS

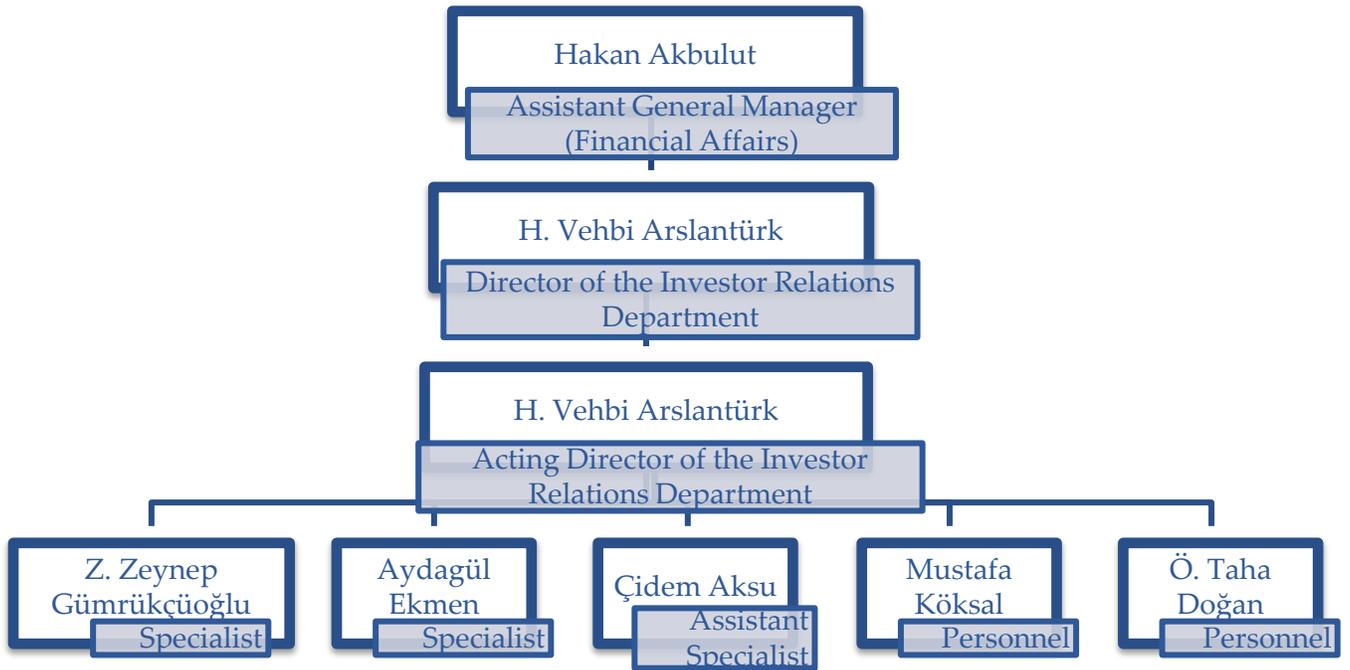
PART IV - BOARD OF DIRECTORS

his/her position, it is obligatory for a new person to be appointed within 30 days. In the event of changes in this information, new credentials should be updated promptly in PDP under the CMB's regulations on special circumstances.

Hasan Vehbi Arslantürk, the Investor Relations Department executive, has the "Advanced License for Capital Markets Activities" and "Corporate Governance Rating Specialist License" and works as a full-time executive at the Company. The Investor Relations Department directly reports to Hakan Akbulut, Assistant General Manager - Financial Relations, who still serves as the Corporate Governance Committee member.

In accordance with the communique provisions, the Department submitted the report on its 2016 activities dated: 20.12.2016, No. YİBD-330.99-E.188/216 to the company's Board of Directors.

Following is the Organization Chart of the Investor Relations Department:



The contact information of the Investor Relations Department staff and the related Assistant General Manager is as follows. The concerned personnel can be contacted through the following email addresses as well as info@emlakkonut.com.tr.

CORPORATE GOVERNANCE COMPLIANCE REPORT



<i>Name and Surname</i>	<i>Position</i>	<i>CMB License&No</i>	<i>Telephone</i>	<i>Email</i>
Hakan Akbulut	Assistant General Manager (Financial Affairs)	Capital Markets Board Level 3 License/Corporate Governance Rating License 202142/700914	+90 216 579 1603	hakbulut@emlakkonut.com.tr
Hasan Vehbi Arslantürk	Director of the Investor Relations Department and Acting Manager	Capital Markets Board Level 3 License/Corporate Governance Rating License 208265/701558	+90 216 579 1590	harslanturk@emlakkonut.com.tr
Z. Zeynep Gümrukçüoğlu	Investor Relations Specialist	Capital Markets Board Level 3 License/Corporate Governance Rating License 208681/701666	+90 216 579 1592	zzgumrukcuoglu@emlakkonut.com.tr
Aydağül Ekmen	Investor Relations Specialist		+90 216 579 1595	aekmen@emlakkonut.com.tr
Çidem Aksu	Assistant Investor Relations Specialist		+90 216 579 1593	caksu@emlakkonut.com.tr
Mustafa Köksal	Technical Staff		+90 216 579 1596	mkoksal@emlakkonut.com.tr
Ömer Taha Doğan	Administrative Personnel		+90 216 579 1594	tdogan@emlakkonut.com.tr



The main responsibilities of the Investor Relations Department are as follows:

» Keeping all stakeholders informed according to legislation and internal regulations and following up on the disclosure of both internal and external information and public disclosures,

» Observing and monitoring the fulfillment of obligations arising from the capital market legislation including all matters related to corporate governance and public disclosure,

Making announcements on (Ordinary/Extraordinary) General Assembly, carrying out related obligations, ensuring that it take place in accordance with the related legislation, articles of association, partnership arrangements, preparing documents that will benefit shareholders at the General Assembly, presenting them for the review of shareholders, reporting voting results and reporting the relevant result,

» Informing shareholders and potential investors regularly on company activities, financial state and strategies (excluding confidential and secret information) and managing the bilateral communications between shareholders and company executives without causing information inequality.

» Taking precautions to facilitate shareholders' participation in the General Assembly,

» Conducting financial communication activities to ensure effective understanding of the company's publicly available information along with the convenient procedures and methods that comply with legislation on public disclosure.

» Managing relations with local/international, individual/corporate investors as well as current shareholders/potential investors, analysts and the company, providing effective information, and answers to written and verbal questions,

» Ensuring that the company is represented on the national and international platforms in the best possible way by participating in investor conferences and target-specific roadshows within and outside Turkey,

» Ensuring healthy, safe and up-to-date storage of correspondence between the company and its investors, records of other information and documents in accordance with the legal regulations,

» Ensuring that notifications related to public disclosure obligations are made in English and Turkish on proper platforms,

» Coordinating the creation of the content related to the annual and interim reports in accordance with the legislation; managing all the processes to ensure their availability on the printed/web media, and ensure their timely publication on the Public Disclosure Platform (PDP).

» Managing the contents published on corporate website in relation to the Investor Relations Department, providing continuous access to information in both Turkish and English, keeping the information up-to-date and including the aspects of Corporate Governance Principles,



» Fulfilling the duties required by the policies regarding the general operation of the company.

In addition to the above-mentioned job definition, the Investor Relations Department carried out the following activities in 2016:

Participating in **nine** domestic/overseas conferences/roadshows in 2016 to share operational, strategic and financial developments with the existing investors/potential investors and analysts and meeting with **157** investors/analysts from **100** different institutions and funds during these events. Organizing **68** meetings at the company headquarters and sharing company-related developments were with **111** investors/analysts from **61** different institutions and funds. Holding meetings with **eight** investors/analysts outside the company headquarters. Informing many investors and analysts through e-mail and telephone.

Participation in eight Conferences/Roadshows Abroad	Participation in one Conferences/Roadshows in Turkey	68 Meetings/teleconferences at the company headquarters and one meeting outside the company
<ul style="list-style-type: none"> • Meetings with 134 investors and analysts • 85 different institutions and funds 	<ul style="list-style-type: none"> • Meetings with 23 investors and analysts • 18 different institutions/funds 	<ul style="list-style-type: none"> • Meetings with 119 investors and analysts • 64 different institutions and funds

The Investor Relations Department received three written applications in 2016. The applications are related to the Housing Acquisition Support (KEY) beneficiaries' requests for the transfer of closed shares within their KEY accounts to the relevant investment account Beneficiaries' claims were processed, and KEY-equivalent shares were transferred into their accounts. The total transfer amount (share amount) was 308.41 in 2016.

The company held its Ordinary General Assembly on April 14, 2016. The company prepared and announced documents to inform the Company shareholders and facilitate their participation. Details on the General Assembly are explained in *Part 4: General Assemblies.*

In 2016, three interim reports were prepared, published and presented to all stakeholders in accordance with the CMB legislation. The same process was applied for the 2016 Annual Report was in 2017 in accordance with Compliance Report on the Corporate Governance Principles. Furthermore, we prepared three industry reports in Turkish and English where we examined the real estate industry developments in order to contribute to the industry and published them on the investor relations section of the corporate website in both languages.

3. Exercise of Shareholder Rights to Obtain Information

We share all information with our stakeholders providing transparency and truth as determined corporate governance principles and due to our corporate culture (excluding trade secrets). The Company Disclosure Policy is based on the principle that all stakeholders are informed in a timely, effective and easily accessible manner.

The "Investor Relations Department" among other company divisions plays an active role in facilitating the protection and use of shareholder rights, in particular, the right to receive and review information. Information and disclosures that may affect the exercise of shareholder rights are provided to investors on the Company's corporate website in their up-to-date forms. The Company's Investor Relations Department gives verbal or written replies to requests and inquiries from all stakeholders as soon as possible. The inquiries and information requests to the company can be answered in electronic format as well as in written form with external writing. We also regularly meet with both the existing and/or potential investors and analysts in one-on-one and/or group meetings upon the requests received outside this informational channel. We manage address questions through telephone or e-mail and provide replies within 10 working days at the latest.

We made the Investor Relations website accessible to investors through the corporate website both in Turkish and English to ensure the shareholders' right to obtain information. Investor Relations sites give access to all the publicly announced reports related to the company (annual reports, financial statements, current Company presentations), material event disclosures, corporate governance information, general assembly information, Emlak Konut REIC's stock performance chart, and all the announcements and declarations regarding the use of shareholder rights. Similarly, the entire corporate website content is available to all stakeholders in English as well as Turkish. In addition, we provide the shareholders with a comprehensive Real Estate Industry Report, in both Turkish and English, to provide updates regarding the developments in the real estate industry and contribute.

The Turkish version of the investor relations site:

<http://www.emlakkonut.com.tr/tr-TR/yatirimci-iliskileri>

The English version of the investor relations site:

<http://www.emlakkonut.com.tr/en-US/investor-relations>

We received no request for the appointment of a special auditor to the Company throughout 2016 while the appointment of a special auditor is not regulated as a right under Emlak Konut REIC's Articles of Association. However, the Company management avoids all transactions that make it difficult to conduct special audits and pays utmost attention to this matter.

4. General Assemblies

Emlak Konut REIC's Ordinary General Assembly for 2015 was held on April 14, 2016, at 10:00 at the Head Office (Barbaros Mahallesi, Mor Sümbül Sokak, No: 7/2 B, Ataşehir, Istanbul) under the supervision of Devrim Demircan, the Ministry Representative appointed by the letter (dated 13.04.2016 and No. 15304315) of the Istanbul Provincial Directorate of Trade, Ministry of Customs and Trade. The Ordinary General Assembly was held with the participation of shareholders whose proportion represented 2,625,867,010.23 (69.10 percent) of the Company's capital of 3,800,000,000 Turkish lira. Apart from the main shareholder Republic of Turkey Prime Ministry Housing Development Administration, which is a shareholder of the Company's Group A and B shares, the meeting was attended by held in Istanbul İmar İnşaat A.Ş. And a representative from European Side of the Directorate General of National Property. The press did not attend the assembly.

The Board of Directors makes the General Assembly invitation in accordance with the provisions of the Turkish Commercial Code, pertinent Laws and the Company's Articles of Association. Following the decision of the Board of Directors to hold the General Assembly, relevant information is announced on PDP.

The announcement on participation in the General Assembly (Invitation Text, Agenda Items and Example of Power of Attorney) was announced on PDP on March 8, 2016. The Company published the documents related to the General Assembly on its corporate website on the same date. The General Assembly Disclosure Document was made available to all stakeholders on PDP, on March 24, 2016. The company published, following the General Assembly on April 14, 2016, the Dividend Distribution Table, Agenda Items, Meeting Minutes and the List of Participants same day on PDP and under the title General Assembly (2015) within the Investor Relations section of the corporate website and they are available for the review of its shareholders.

It was carried out in due time as stipulated in Article 414 of the Turkish Commercial Code and the Articles of Association and after the notification of its day and agenda in the Turkish Trade Registry Gazette dated March 16, 2016 and No. 9033, Yenigün Newspaper dated March 12, 2016, and the corporate website www.emlakkonut.com.tr and also after being communicated to the shareholders with recorded addresses on March 3, 2016 through registered letter with return receipt and also on PDP and Merkezi Kayıt Kuruluşu A.Ş.'s Electronic General Assembly System.

In addition to the General Assembly announcement, the company presented on its corporate website and on PDP the documents to be available for the review of the shareholders as well as the declarations and statements that the Company shall make in accordance with the relevant legislation (excluding announcement and meeting dates) at least three weeks prior to the General Assembly date pursuant to the article 437 of the Turkish Commercial Code (TCC) No. 6102 dated 13.01.2011.



The Board of Directors Annual Report for the period January 1, 2015-December 31, 2015, the Corporate Governance Principles Compliance Report in its appendix, the Independent Auditor Report as well as detailed information about dividend distribution proposal, its appendix and agenda items were made available to shareholders in accordance with the provisions of the Communiqué on the Electronic General Assemblies of Joint Stock Corporations and the Capital Markets Law No. 6362 starting three weeks prior to the General Assembly and for a duration of three weeks at the Company's headquarters, branches, www.emlakkonut.com.tr, its corporate website, and the Central Securities Depository's Electronic General Assembly Portal.

The company shows utmost care to facilitate the participation of shareholders in the General Assembly. Shareholders are able to participate in the General Assembly in person or in electronic form as well as through their representatives. Shareholders or their representatives are able to participate in the General Assembly in the electronic environment through their secure electronic signatures.

Shareholders may also participate in the General Assembly through representation. They can authorize their representatives by means of electronic General Assembly System, a proxy to be issued by a public notary or a proxy to be arranged by themselves provided that they have a signature circular arranged by a public notary.

In the non-electronic General Assemblies, the participants can take part in the Assembly after signing the list of participants in the following cases: real shareholders shall submit their identity cards, legal person shareholders shall submit the authority documents and the identities of persons authorized to represent and bind legal persons, and representatives of real and legal persons shall submit their identity documents and representation documents.

In accordance with Article 1527 of the Turkish Commercial Code No. 6102, the Company's Electronic General Assembly preparations were carried out in accordance with legal regulations and the General Assembly started simultaneously in the physical and electronic environment.

Members of the Board of Directors, other related persons, authorities, and auditors responsible for the preparation of financial statements were present at the General Assembly to be able to provide necessary information and answer the questions about the agenda issues.

The General Assembly Information Disclosure announced on PDP, on 24.03.2016, provided information for the review of shareholders regarding the total number of shares and voting rights reflecting the partnership structure of the Company as of the publication date of the document, the number of privileged shares representing the partnership structure, the number of shares representing each privileged share group, the right to vote and the nature of the privileges.

Similarly, the General Assembly Disclosure Document informed shareholders that there are no significant changes to the company's activities in the previous accounting period or those planned for the next accounting period with regard to the management and activity areas.



The General Assembly informed all stakeholders regarding the election of the members of the Board of Directors through the candidate resumes published on the Company's corporate website (indicating the tasks they undertook in the last 10 years), the nature of their relations with the partnership, and whether they had independence qualifications in the case of independent candidates. This information is also included in the annual report of the Board of Directors presented to investors at the General Assembly and published on PDP. The report also includes details of the documentation of independent members' statements established and approved by the Notary.

The resumes of the Board Members are also available on the Central Securities Depository Information Portal for the review of shareholders. The Company shares the duties carried out by the candidates within and outside the company with the shareholders in the Information on Management section of PDP General Information. Nevertheless, information on the members elected on 15.04.2016 following the General Assembly with regard to their partnership shares, tasks they undertake inside and outside the company, the groups of shares they represent, their independence state, the committees they attend at General Company Information Form on PDP are shared with the shareholders their up-to-date forms and independent members' declarations of independence are posted on the Company's corporate website.

The Company shareholders did not submit any requests in writing to the Investor Relations Department regarding adding items to the General Assembly agenda, and this was stated in the General Assembly Disclosure Document.

The Company organizes the General Assembly to increase the participation of shareholders to avoid inequality between shareholders and with the least possible cost to increase the participation of shareholders. The Company took care to ensure that each proposal is presented under a separate title on the General Meeting agenda of and agenda items were expressed explicitly not to lead to different interpretations. The information was given prior to the General Assembly with referral to the relevant agenda items. The President of the General Assembly completed preparations in accordance with the TCC and related legislation for the execution of the General Assembly.

At the General Assembly, the Company paid utmost attention to conveying the agenda items in an objective and detailed manner and in a clear and understandable way giving the shareholders the opportunity to state their opinions and ask questions under equal conditions. All shareholders questions that are not considered trade secrets at the General Assembly meeting and are answered Assembly meeting directly. However, the Investor Relations Department give written answers within 15 days the latest if such questions are not related to the agenda or if they are too comprehensive to be answered immediately. The Investor Relations Department announces all questions asked during the General Assembly and the given answers to the public on the Company's corporate website within 30 days following the date of the General Assembly. At the General Assembly held on April 14, 2016, no shareholders raised questions or expressed opinions. Shareholders did not raise any agenda proposals at the General Assembly. In addition, no agenda items were raised in the General Assembly due to "unfavorable" votes of Independent Board Members.



On 14.04.2016, the General Assembly carried out a discussion in a separate agenda item (item 12) regarding the absence of transactions by the shareholders who are in control of the management, the Board members, the managers who have responsibilities and their spouses and second-degree relatives by marriage such as carrying out an important transaction that may cause conflict of interest with the Company or its subsidiaries and/or making a commercial transaction within the business context of the company or its subsidiaries on their or someone else's account or entering as an unlimited partner in another partnership involved in the same type of commercial activity. And the shareholders were informed about the issue, and the details were entered into the General Assembly minutes.

As stated in Article 6 of the Company's Articles of Association the company can make donations in a way that does not interfere with its own purpose or subject provided that it does not violate the last paragraph of Article 21 of the Law, make material event disclosures, present the donations made throughout the year to the shareholders in the General Assembly, and obtain a Board resolution on such activities. In accordance with Article 6 of the CMB's Dividend Communique No. II-19.1, the limit of the donation is determined by the General Assembly in cases not mentioned in the Articles of Association, and it is obligatory to inform shareholders about the donations and payments at the Ordinary General Assembly. Accordingly, the donation was discussed as a separate agenda item (Item 10) at the General Assembly held on 14.04.2016. The General Assembly was informed about the donations in 2015 worth 14,226,647.90 Turkish lira and a majority of votes accepted that the company could make donations up to 15,000,000 Turkish Lira in 2016 and this was entered in the General Assembly minutes. The Company does not have a Donation Policy. The Company carries on its activities diligently to create such a Donation Policy. The donations and the relevant beneficiaries in 2016 are explained below:

- » The Company donated an amount of 8,000,000.00 Turkish lira to Istanbul Mosque Construction, Education, and Cultural Services Association.
- » The company donated an amount of 5,000,000.00 Turkish lira to the Ministry of National Education.
- » The company donated an amount of 1,121,000.00 Turkish lira to the Istanbul Directorate of Riot Police.
- » The company donated an amount of 609,768.83 Turkish lira to July 15 martyrs and veterans.
- » The company donated an amount of 200,000.00 Turkish lira to Van Police Services Development and Support Association.
- » The company donated an amount what 62,715.60 Turkish lira to the Regional Administrative Court.

As stated in Article 21 of the Company's Articles of Association, the Board of Directors has the authority of hold General Assemblies open to the public including stakeholders and the press without the right to speak.

The Ordinary General Assembly on the company's 2015 operations was registered on April 21, 2016, and announced on PDP the same day.

5. Voting Rights and Minority Rights

The company avoided all applications that force the use of voting rights pursuant to the Voting Right Principle within the Shareholders section of the Corporate Governance Principles and it takes utmost care to facilitate the exercise of the voting rights. The Company provides every shareholder with the opportunity to use their voting right in the easiest and most convenient manner including cross-border voting.

Each share equals to one vote at General Assembly. Group A shares have the privilege of nominating candidates only in the election of members of the Board of Directors. All members of the Board of Directors excluding independent members are elected by the General Assembly among Group A candidates nominated by shareholders. Without prejudice to the provision regarding group A shares to be issued due to capital increase stated in article 8 of the company's Articles of Association, no privileges, including nominations for Board of Directors, may be created. Nor shall there be a right to issue any securities that provide privileges. The transfer of privileged shares is subject to the permission of the CMB.

Prime Ministry Housing Development Administration (TOKİ) is the leading shareholder of the company. TOKİ a state enterprise controlled by the Republic of Turkey Prime Ministry. The parties considered to be related to the Company are listed below:

1. Republic of Turkey Prime Ministry Housing Development Administration (TOKİ)
2. Emlak Planlama, Insaat, Proje Yönetimi ve Tic. A.Ş. (TOKİ affiliate)
3. GEDAŞ (Gayrimenkul Değerleme A.Ş.) (TOKİ affiliate)
4. TOBAŞ (Toplu Konut - Büyükşehir Bel. İnş. Emlak ve Proje A.Ş. (TOKİ affiliate)
5. Vakıf Gayrimenkul Yatırım Ortaklığı A.Ş. (TOKİ affiliate)
6. Vakıf İnşaat Restorasyon ve Ticaret A.Ş. (TOKİ affiliate)
7. Emlak-Toplu Konut İdaresi Spor Kulübü
8. Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş.- Fideltus İnş. - Öztaş İnş. Ortak Girişimi
9. Ege Yapı – Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş.
10. Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. A.Ş.– Cathay Ortak Girişimi

According to the revised TAS 24 - Related Parties standard, exemptions were brought to the disclosure requirements of state institutions and organizations. The Company has transactions with State banks (T.C. Ziraat Bankası A.Ş., Türkiye Vakıflar Bankası T.A.O., Türkiye Halk Bankası A.Ş.) and Turkish



Treasury in relation to payments. The Company does not have any subsidiaries. Therefore, the Company is not represented by other legal entities.

If the parties to the transactions requiring the approval of the General Assembly under Article 22 of the Articles of Association are related parties, the related parties shall not have voting right related to such transactions in the General Assembly. No quorum is sought at the General Assembly to be held in such cases, and resolutions are taken by the simple majority of the voters.

As stated in Article 21 of the Company's Articles of Association, at the General Assembly meetings where resolutions of the Board of Directors on transactions with related parties, the provision of collateral, pledge and mortgage for the third parties are submitted despite the lack of approval by the majority of the Independent Members of the Board of Directors; the resolution shall be made at a voting where the parties to the transaction and persons related to them cannot cast votes. Also, it is ensured that other shareholders agree to such resolutions at the General Assembly. No quorum is sought at the General Assembly to be held in such cases, and resolutions are taken by the simple majority of the voters, and if such a situation occurs, the matter shall be announced in the Public Disclosure Platform (PDP) in accordance with the provisions of the relevant legislation.

Minority shares are not regulated within the capital structure, not identified less than twentieth by the Articles of Association. The Articles of Association does not contain any arrangement on minority rights. The company attaches utmost importance to facilitating the exercise of the minority rights in accordance with the CMB and TCC regulations and carries on its efforts on this matter diligently. To date, no one has submitted any opinions or criticism to the company on this matter.

6. Right To Dividends

The partnership has a specific and consistent dividend policy. This policy was submitted for shareholders' review at the Ordinary General Assembly held on April 28, 2014, and the policy was published on the corporate website and disclosed to the public in the General Assembly documents. The Dividend Policy is also submitted for all stakeholders' information through the "Corporate Governance Compliance Reports" included in the annual report. The dividend policy includes minimum information clear enough to enable shareholders to foresee the dividend procedures and principles that the Company will obtain in future periods. The company observes a balance between the interests of shareholders and those of the company in the dividend policy.

The partnership has no privilege on dividend participation. The dividend for the related accounting period shall be distributed equally to all the existing shares.

After the Board of Directors' proposal regarding the use, distribution amount, method, and date of the operating profit for 2015 was discussed and determined, the agenda item (Item 6) was discussed at the General Assembly and approved by a majority of votes. Accordingly, the General Assembly decided to distribute an amount of 367,688,000 Turkish lira to shareholders as the first dividend for dividend vouchers



at gross (=net) dividend rate of 0.09676 Turkish lira in cash/on account to be realized on May 26, 2015. The company made its dividend payments on the said date.

As stated in the Company's profit distribution policy, "In accordance with CMB communiques and regulations, the Company may distribute a minimum of 40 percent of the distributable net period profit (giving cash or bonus shares or both cash and bonus shares to a certain extent) calculated at year-end based on the profit share distribution proposal of the Board of Directors that is submitted to the General Assembly for approval. In doing so, the company takes into account any negativity in the national and global economic conditions or factors such as the circumstances of the projects and funds on the agenda."

The Company reports its dividend distribution principles, policies and dividend ratios for shareholders in annual reports, and informs shareholders about the relevant process with the announcements on PDP. The dividend distribution policy is also available for the review of shareholders on the corporate website. The company complies with all the dividend distribution principles.

Since the first public offering in 2010, the company distributes dividends to its shareholders every year on a regular basis. Following is the Articles of Association article on the dividend distribution principles (also the main articles of the Dividend Distribution Policy):

ARTICLE 30, ARTICLES OF ASSOCIATION - DIVIDEND DISTRIBUTION

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

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

Primary legal reserve

a) Five percent of the balance sheet profit is set aside as primary legal reserves until the total reserve reaches 20 percent of the paid-in capital, as per Article 519 of the Turkish Commercial Code (TCC).

First Dividend

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

Second Dividend

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



Second legal reserve

d) The second legal reserve is set aside pursuant to Article 519, paragraph 2, sub-paragraph (c) of the TCC.

e) Unless the above-mentioned reserve funds and the first dividend are set aside, the decisions on reserving additional funds or carrying forward the profit to the following year cannot be made. Unless the first dividend is paid, the decision cannot be made to distribute profit shares to members of the Board of Directors, officers, employees and workers.

f) Dividend advances may be distributed to shareholders pursuant to article 20 of the CML.

Information about profit distribution principles and policies, as well as dividend rates to shareholders, is available in the company's annual reports. Furthermore, the profit distribution process is disclosed to stakeholders on PDP. Emlak Konut REIC duly complies with profit distribution regulations as part of the Corporate Governance Principles.

7. TRANSFER OF SHARES

The company avoids practices that make it difficult to transfer shares freely. Pursuant to article 9 of the company's Articles of Association, "The transfer of privileged shares is subject to the permission of the CMB." Apart from this, the Articles of Association do not contain any provisions that restrict share transfers.

The Group B non-floating shares against Housing Support (KEY) have been transferred into floating shares that can be traded on the stock exchange under the shareholders' accounts. In 2016, the company received three bank transfer requests from Housing Acquisition Support (KEY) holders. Pursuant to these requests, 308.41 Turkish lira worth of nominal shares were transferred.

PART II –PUBLIC DISCLOSURE AND TRANSPARENCY

8. DISCLOSURE POLICY

The Company created its disclosure policy as follows. Adopted by the Board of Directors, the Disclosure Policy was submitted to the General Assembly on April 28, 2014. Also, it was announced on PDP and available on the corporate site for the review of shareholders. It is also presented to all stakeholders in the "Corporate Governance Compliance Reports" part of the annual report. The company did not make any changes to the disclosure policy throughout 2016. The company's Disclosure Policy is as follows:

[PURPOSE AND SCOPE

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

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

This policy is announced to all stakeholders on PDP and is also available on the corporate website. In case of a change to the Disclosure Policy, the new version is published on PDP and corporate website immediately and submitted to stakeholders for review.

Public Disclosure Methods and Means

The company uses the following methods and means to inform its stakeholders in accordance with the periodic statements, reports and other means for public disclosure set forth in articles 38 and 39 of the Communiqué on Principles Regarding Real Estate Investment Companies (No: III-48.1).

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PART I –
SHAREHOLDERS

**PART II - PUBLIC
DISCLOSURE
AND
TRANSPARENCY**

8. Disclosure Policy
9. Corporate Website and
its Contents
10. Annual Report

PART III -
STAKEHOLDERS

PART IV - BOARD
OF DIRECTORS



» Material event disclosures,

» Financial Statements and Footnotes, and Independent Audit Report communicated to Borsa Istanbul periodically

» Quarterly Reports

» Annual Reports,

» Corporate website,

» Investor and Analyst Meetings

» Press releases

» Press Conferences

The Company's website is accessible at www.emlakkonut.com.tr/. The website features the up-to-date version of the Articles of Association, periodical financial statements and reports, prospectuses, public offering circulars and general assembly agendas are listed on the website.

The website is updated on a continuous basis to provide up-to-date information on the partnership and organizational structure. The company shall speedily respond to all information requests made via the corporate website.

Emlak Konut REIC Press and Public Relations Department puts together the press releases to inform the publish and/or as past of its corporate communication activities.

Disclosures to the Press

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

- The monitoring of company-related news and rumors published by media outlets or appearing on websites and principles for making statements:

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



As a principle, the company does not comment on market rumors or speculation. However, the company makes a public statement for such unfounded news in case of a confirmation request from the Capital Markets Board and/or Borsa Istanbul or if the management deems it necessary or more appropriate to give a response in accordance with the provisions of the Capital Markets Legislation.

Principles of Access to Presentations and Reports Submitted at Investor Disclosure and Investor Briefing Meetings or Press Conferences

The company's Directorate of Investor Relations manages disclosures to investors and analysts. The department assesses the meeting demands of natural or legal persons, and upon receipt of 10 requests in a week, the department schedules a meeting and informs the requesters. Presentations and/or explanatory information are published at the corporate website following the presentation, teleconference or speech. The company representatives may occasionally attend national and international conferences or meetings in order to disclose information to investors and analysts. We manage address questions through telephone or e-mail and provide replies within 10 working days at the latest.

Insider Information and Measures to Ensure the Confidentiality of Insider Information Until Disclosure to the Public

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

In case of a material event, the other parties who communicate with the company employees with access to insider information will be informed of their obligation to maintain the confidentiality of this information until it is clarified and disclosed on Borsa Istanbul. The company employees will not release any information that may be considered a material event with third parties under any circumstances. If the company determines that insider information was disclosed to the third parties unintentionally and concludes that the confidentiality of information could not be maintained, the company will issue a material event disclosure pursuant to the capital markets legislation.

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

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



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

Communication with Shareholders and individuals Authorized to Make Public Disclosures

The company will determine whether any information request constitutes a trade secret and whether it can impact investment decisions or cause a fluctuation in the value of capital market instruments pursuant to CMB Communique No. II on the Principles Regarding 15.1 Material Event Disclosures, and

»the Chairman and Members of the Board of Directors,

»the Chairman and Members of the Audit Committee,

»General Manager, and

»Directorate of the Investor Relations Department

will answer them in a written or verbal manner. Employees other than these persons are not authorized to respond to requests. The company employees will refer incoming questions to the Directorate of Investor Relations.

Authority and Responsibility

The Board of Directors of the company develops the Disclosure Policy with its resolution, and it shall have the ultimate authority and responsibility for its implementation, supervision, and improvement. A Board resolution shall be required to amend the Disclosure Policy. The names and duties of the board members are provided in Section IV. The Directorate of Investor Relations implements the provisions of this policy.

Principles for Determining Individuals with Administrative Responsibility

Individuals with administrative responsibility are board members and non-members who access insider information, directly or indirectly, on a regular basis and have the authority to make administrative decisions that affect the company's development and commercial targets. The company identified the Board Members and Executive Management as individuals with administrative responsibility.

Principles regarding the Disclosure of the Company's Assessment for the Future

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



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

It takes place in alignment with information disclosed to the public regarding the future, forecasts based on studies conducted, current market conditions and the assumptions/developments that are expected to occur in the country and the world economy during the year. In the event of unforeseen circumstances, the Company reassesses its targets, updates the information that is previously disclosed to the public if it concludes that the estimates and their grounds will not take place and shares them on PDP.

Emlak Konut REIC primarily uses PDP for disclosing its future projections (actualization and differentiation) in line with the CMB Communiqué on the Principles Regarding the Public Disclosure of Material Events.

In making future projections, Emlak Konut REIC keeps close tabs on economic and social data and various confidence indices compiled by government agencies, as well as on analyses from a number of reputable domestic and international organizations. The company's projections are interpreted by analyzing our own data from the previous year such as sales, square meters, amounts, and so on. Emlak Konut REIC also announces a monthly sales summary on its corporate website at (<http://www.emlakkonut.com.tr/raporlar/raporlar.aspx>) and also on PDP. The website periodically shares information with the public regarding gross square meters, sales values in Turkish lira, the number of sales, and the units sold to foreigners. The Company announced its sales targets for 2016 with its announcement on January 5, 2016, on PDP. Also, it evaluated its 2015 targets with its announcement on January 14, 2016, on PDP communicating realizations to all stakeholders. The company evaluated its 2016 sales targets on 16.05.2016 and shared it with the public that its targets were in parallel with its expectations. In its announcement on PDP on 31.10.2016, the company presented to the public its revised year-end profit target upwards together with a reason for the increase.

The company showed the necessary care for the material event disclosures, and it made the disclosures required by the legislation in a complete form and timely manner. The following paragraph provides a summary of the disclosures made in 2016.

The company made **203** material event disclosures between 01.01.2016 and 31.12.2016. All the disclosures were made by Emlak Konut REIC. CMB or BIST did not request additional written statement after these disclosures.

In addition to making disclosures required by the legislation, Emlak Konut REIC follows all developments and makes announcements in due form. Our company evaluates all kinds of news about itself by following printed and visual media. The company follows even the situations not related to the material disclosure and relevant units share such developments with the public when deemed necessary.



Disclosure Policy provisions are overseen by the Director of Investor Relations. The Investor Relations Department employees responsible for the implementation of the Disclosure Policy are presented in the relevant section of this report. (See pp. 8-9)

The Company also manages the communication on insider information effectively. The company prepares its financial statements in accordance with the CMB's Communique on Principles Regarding Financial Reporting in Capital Markets (XI-29) as well as TCC and other legislation to provide accurate, transparent and measurable information about the company's operations to all the stakeholders. Therefore, the company must provide its financial statements using International Financial Reporting Standards (IAS/IFRS) as endorsed by the European Union. However, IAS/IFRS shall govern until the differences between IAS/IFRS accepted by the European Union and those published by International Accounting Standards Board (IASB) are announced by Turkish Public Oversight, Accounting and Auditing Standards Authority (KGK). In this respect, the basis will be the Turkish Accounting / Financial Reporting Standards (TMS/TFRS) issued by KGK, which are not contrary to the adopted standards.

9. CORPORATE WEBSITE AND ITS CONTENTS

The company has two different web pages in Turkish and English:

Turkish website address:

<http://www.emlakkonut.com.tr/tr-TR>

English website address:

<http://www.emlakkonut.com.tr/en-US>

The information on the website is prepared fully in alignment with the Turkish content to benefit international investors.

The Company's corporate website includes the following: information required to be disclosed in accordance with the relevant legislation including aspects specified in the Corporate Governance Principles; most recent partnership and management structure; the final version of the articles of association together with information on preferential shares, material event disclosures, financial reports, annual reports, Corporate Governance Principles Compliance Reports within annual report; prospectuses and other public disclosure documents; information about the Board of Directors and Committees, agendas of the general assembly, list of participants and meeting minutes, proxy voting form, Remuneration Policy, dividend distribution policy, information policy, human resources policy, partnership presentations, stock performance information, analyst information, contact information as well as frequently asked questions (FAQ) and related answers appearing on the home page. In this context, the corporate website provides information on the last five years. The Company continues to work diligently to create ethical rules.

The Company's partnership structure does not have any real persons with a share higher than 5 percent eliminating the indirect and mutual affiliate relationships. However, if there is a development regarding this matter, the company will share with the public to ensure transparency the shareholders' names as well as their share amounts, rates and which concession they have by updating such information at least every six months.

The Company discloses its financial statements on PDP in Turkish and English pursuant to the capital market legislation. The Company makes material event disclosures and announces financial statement footnotes on its web page in Turkish and English simultaneously. In addition, the English version of the annual report is available to investors in the Investor Relations section of its corporate website. The disclosures in English are summarized in an accurate, complete, direct, comprehensible, sufficient way and consistent with the Turkish versions of the disclosures to help decision makers in their judgment.

All the information on the website is available in English and fully aligned with the Turkish content for the benefit of international investors.



However, the company provides access to the dedicated content on the corporate website through the "Information Society Services" link in accordance with the Ministry of Customs and Trade Regulation on the Websites to be Started by the Stock Companies, dated May 31, 2013.

10. ACTIVITY REPORT

The Board of Directors prepares the annual report in details to enable the public to reach full and accurate information about the company activities.

In addition to the matters specified in the legislation and other parts of the corporate governance principles, annual reports include:

- » information on the duties carried out by the board members and executives outside the company and board members' declarations regarding their independence,

- » members of the committees established within the Board of Directors, the frequency of meetings, and conducted activities,

- » the number of the Board meetings throughout the year and the attendance of the board members in these meetings,

- » information on legislative changes that could significantly affect the company operations,

- » information on important cases filed against the company and their possible consequences,

- » information on likely conflicts of interest between the company and the institutions providing it with investment consultancy and rating services and measures taken by the company in the event of such conflicts of interest,

- » information (if any) on reciprocal shareholding where capital contributions exceed 5 percent

- » information on employees' social rights, vocational training, and other company operations with social and environmental consequences

The Company's 2016 annual report was prepared in accordance with the TCC and related legislation as well as Corporate Governance Principles. The company obtains the approval of the Board of Directors for the annual report, discloses it along with financial statements and publishes it on the corporate website. The financial statements reflect the financial developments in our operating period, and they are subject to independent audits in related periods.



PART III- STAKEHOLDERS

11. DISCLOSURES TO STAKEHOLDERS

Nowadays Emlak Konut REIC is aware of increasingly important nature of knowledge acquisition and related decision-making processes. Therefore, it takes necessary measures to offer easy access to accurate information on equal terms. This is an administrative priority for the company.

Stakeholders include institutions or interest groups such as employees, creditors, customers, suppliers, unions, various non-governmental organizations who are interested in how the company reaches its goals or conducts its operations. When conducting its procedures and operations the company protects stakeholders' rights regulated by related legislation and mutual agreements. The company takes utmost care to protect stakeholder interests with good faith principles and within the company's capacity where such rights are not protected by legislation and mutual agreements.

Emlak Konut REIC informs all stakeholders about corporate developments with transparent, accurate, clear, and easily accessible disclosures that comply with legislation. Acting in accordance with the principles stated in its Disclosure Policy, the company uses communications methods and means stated in the policy. The company provides public information in a complete, accurate, and clear form and in a timely and cost-effective manner ensuring easy and equal access.

Emlak Konut REIC applies the Disclosure Policy as stated in the Corporate Governance Principles. The policy is made public through the corporate website and annual report. The Disclosure Policy indicates information to be shared, its methods, and frequency as well as the parties to do it.

Although the company does not have any particular policy on stakeholders, it continues to work with the utmost care to form such a policy.

The Company provides an effective and rapid compensation means in case of violations of stakeholder rights that are protected by legislation and contracts. The company facilitates the use mechanisms



PART I – SHAREHOLDERS

PART II - PUBLIC DISCLOSURE AND TRANSPARENCY

PART III – STAKEHOLDERS

- 11. Disclosure to Stakeholders
- 12. Stakeholder Participation in Company Management
- 13. Human Resources Policy
- 14. Codes of Conduct and Social Responsibility

PART IV - BOARD OF DIRECTORS



such as compensation which is provided to stakeholders by the relevant legislation. The company does not have any compensation policy for its employees. However, it fully complies with all the provisions of the Social Security Institution (SSI) regarding employees. The company applies the relevant provisions of Labor Law No. 4857 since compensation policy is not included in the Personnel Regulation. The Company diligently pursues the formation of a compensation policy that respects principles of equality, fairness, and impartiality. The Company will inform all stakeholders through its corporate website regarding the protection of their rights after the creation of a compensation policy.

The Company established the necessary mechanisms for the stakeholders to communicate with the Corporate Governance Committee or to the Audit Committee regarding the company's transactions that violate the relevant legislation or seem ethically inappropriate. Also, it keeps open all kinds of communication channels.

The Company approaches all stakeholders by observing business ethics and traditional commercial ethics. The internal audit department is authorized to investigate issues that may arise. The company does not have any policy in place to make it hard for stakeholders to get in touch with the Corporate Governance or Audit committees. Stakeholders may apply in writing to the company in order to obtain information on any topic.

In the case that there is a conflict of interest between stakeholders, or that a stakeholder belongs to more than one interest groups, as far as is possible, a balanced policy is pursued in order to protect the rights of the stakeholder, and each right is preserved independently.

In the case that there is a conflict of interest between stakeholders, or that a stakeholder belongs to more than one interest groups, as far as is possible, a balanced policy is pursued in order to protect the rights of the stakeholder and each right is preserved independently.

Under its Disclosure Policy, the company announces the details, results, and contractors of every tender it organizes and provides its stakeholders with relevant information. Emlak Konut REIC started to offer services through the call center number 444 36 55 from October 26, 2016, onwards, to enable stakeholders to access the company more easily as well as provide better services to stakeholders.

The Company values a comprehensive stakeholder concept (including an indirect relationship with the third parties). Therefore, it aims to offer better services to its stakeholders with an organizational structure complying with the ISO quality standards on data security, usage, exchange, storage - important aspects for the company and stakeholders.

Emlak Konut REIC highly regards its employees as one of its most important corporate values. Seeing its employees as an intellectual asset, the company invests in them by providing various training programs and meetings in order to empower them with new skills in different interest areas.

The Investor Relations Department answers the questions, receives comments and replies to information requests of all stakeholders. Department employees' email addresses are available on the Turkish and



English version of the Investor Relations section. The concerned personnel can be contacted through the following email addresses as well as info@emlakkonut.com.tr. In addition, it notifies persons/institutions registered in the distribution list regarding new important disclosures by e-mail.

12. Stakeholder Participation in Company Management

The Company strives to develop models supporting the participation of all stakeholders, especially its employees, in the management of the company in a way not to interfere with the company operations.

The Company adopts a comprehensive stakeholder concept and pursues it not only with the stakeholders but also with service users, service providers, and its employees.

Emlak Konut REIC carries on the following efforts to ensure customer satisfaction in its direct or indirect projects (based on the business models explained in the annual report).

» The company collected customer satisfaction feedback with the surveys at its sales offices, and then evaluated and reported it to the senior management. The company measured consumer expectations and tendencies by conducting various surveys in Istanbul's various regions to evaluate demands and expectations and developed relevant projections.

» It monitors, reviews, and evaluates customer and employee requests and recommendations.

» The company holds meetings to ensure their participation in the management and express opinions while reviewing the past feedback. In addition, our employees are able to submit their requests, suggestions, and complaints to relevant department units.

On the other hand, stakeholders are able to participate in the management under the legislation and regulations. The Board of Directors takes most of the important decisions as it is the company's executive body.

The Company receives opinions of stakeholders by keeping all kinds of communication channels open in important resolutions that bears significant outcomes for stakeholder interests.

13. Human Resources Policy

The Company presents its Human Resources Policy in the light of principles underlying its personnel policy, and it presents this policy to all stakeholders on the corporate website. The company did not make any updates to this policy throughout 2016.

The Company established a Staff and Human Resources Policy to keep productivity and effectiveness at the highest level by specifying, in its Organization Handbook, the methods and conditions necessary for staff selection, distribution of employment within the company and staff training that help execution of services in the best way.



» To recruit competent employees, who fit the qualifications stated in the job descriptions, for vacant positions company wide.

» To provide opportunities for the professional development of all employees by providing training programs based on their competence and skill levels.

» To respect our employees and protect their rights and benefits.

» To provide a work environment that motivates their desire to work and promotes better working relationships.

» To lead our employees towards success, create equal opportunities for growth based on their knowledge and competence levels, and to reward success.

» To promote from within to fill vacant executive positions by providing management and leadership training.

» To avoid over-staffing and ensure employees work with maximum efficiency in their positions, which are appropriate for their knowledge and skills.

» To meet our employees' social and cultural needs within the allocated budget, to make the company an attractive place to work by providing social services and benefits equally to all employees.

» To provide competent, successful employees with the chance of promotion based on available positions, and to ensure job security.

» To inform employees in a timely manner about issues that relate to them, to develop communication procedures to enable them to provide their recommendations and opinions to the management team easily.

» To support our employees' career paths by providing effective training programs.

» To maintain and boost the morale and motivation of all employees.

» To protect and improve the tangible and intangible rights of employees

» To provide a work environment that motivates employees' desire to work and strive to establish good human relations.

However;

» The Company adopts the principle of offering equal opportunities to persons with equal conditions in its recruitment and career planning policies. A succession plan is prepared for the appointment of new managers in cases where changes to a manager's duties are expected to cause a disruption in the management of the company.

» The Company specifies written recruitment criteria and observes them.



The Company acts fairly towards all the employee rights, implements training programs for employees to improve their knowledge, skills, and attitudes and creates educational policies.

The Company seeks opinions by holding informative meetings for employees on its financial situation, salaries, career, education, and health matters and the like.

» The Company notifies the employees or their representatives of the decisions or developments concerning them. Also, it receives opinions from the relevant unions in relevant decisions.

» The Company notifies its employees of their job definitions, work distribution, and performance and reward criteria. The company takes productivity into account when determining salaries and other benefits given to employees. The company may create share acquisition plans for its employees.

» The Company takes measures to prevent employees from being discriminated on the basis of race, religion, language or gender, and protect them against physical, mental and emotional maltreatment within the company.

» The Company supports the effective recognition of the freedom to establish associations and the right to the collective agreement.

» The Company provides its employees with a safe work environment and conditions.

The Company's Directorate of Administrative Affairs and Human Resources started to provide services with the status of Administrative Affairs and Human Resources Department with the Circular No. 365 dated 04.03.2015 to provide better services. The company revised the Administrative Affairs and Human Resources Department as Administrative Affairs Department with the consent dated 07.12.2015. This department also assumes the Human Resources responsibility. The company's reasons for this change include conducting a more effective HR management. Ali Haydar Yıldırım serves as the Deputy Manager for Administrative Affairs and Human Resources whereas Halil İbrahim Şahin serves as the Director of the Administrative Affairs Department.

The Company takes all measures to prevent employees from being discriminated on the basis of race, religion, language or gender, and protect them against physical, mental and emotional maltreatment within the company. The company did not receive any complaints from its employees on discrimination or other issues in 2016. However, company employees are informed about all human resources processes (recruitment, promotion, job description, transfer, rotation, performance, rewarding, talent management, labor planning, remuneration and additional benefits, organizational development and process improvement). Also, written regulations are in place for these all matters. The company organizes regular seminars on its financial state and operations as well as training, health, and similar matters while exchanging opinions with employees. The company notifies the employees of the decisions or developments concerning them immediately. The company takes productivity into account when determining salaries and other benefits given to employees.



The Company conducts transactions, processes, and applications under the provisions of the Labor Law No. 4857 and other relevant legislation regarding the aspects that are not regulated by any provisions of the Personnel Regulation and other relevant regulations.

The Company provides its employees with a safe work environment and conditions. Employees are subject to Social Security Law No. 506 in terms of social security benefits. All the employees have received training on occupational health and security, fire safety, and first aid through the Provincial Health Directorate. The company has formed the Occupational Health Security Board for supervising occupational health and security.

The Company has not appointed a special representative yet for the conduct of relations with its employees as it has a Quality Management Representative. However, the company continues to work diligently to ensure the appointment of a representative to conduct relations with its employees on a healthier ground.

The Company has a Quality Management Representative. The Quality Management Representative is responsible for preparing and/or ensuring the preparation and publication of all quality management system-related data and documents in coordination with the other department heads.

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

The Quality Management Representative is responsible for ensuring the implementation of Corrective and Preventive Actions, monitoring the status of on-going actions, and preserving all relevant records. Department officials are responsible for recommending and implementing corrective and preventive actions against nonconformities and errors, as well as monitoring such nonconformities.

Together with Department Managers, Quality Management Representative makes use of statistical and analytical techniques for determining performance measurements of products and services. The Quality Management Representative evaluates the application results of statistical methods from the departments and submits them at Board meetings for management review. The Quality Management Representative is responsible for the proper functioning of the entire Quality Management System.

As part of its relations with its customers and suppliers;

» The Company takes all kinds of measures to ensure customer satisfaction when marketing and selling goods and services. Therefore, as previously noted, the company collects customer satisfaction feedback with the surveys at its sales offices, and then evaluated and reports it to the senior management.

» The Company responds to customer requests regarding the purchased goods and services rapidly, and it compensates for the delays related to the goods and services purchased by the customers under the Regulation on Pre-paid House Sales, which was prepared on the basis of Articles 46 and 84 of the Law on the Protection of Consumers No. 6502 dated 07.11.2013.



» The Company adheres to quality standards in goods and services and pays attention to the protection of the standard. For this purpose, it aims to provide a certain quality guarantee.

The Company pays attention to the confidential information and trade secrets of its customers and suppliers.

14. Codes of Conduct and Social Responsibility

In its construction operations, the company strives to support its subcontractors in creating project models that are based nature-friendly and clean energy resources. The company also takes measures for energy savings at its projects and workplaces, as it believes that effective energy savings will have positive consequences on the environment and economy. The company takes into consideration public interest in all its activities and shows utmost care to ensure that the project complies with renewable energy and environmental awareness aspects.

Emlak Konut REIC carries on its all construction and manufacturing activities under the Construction Inspection Law, which was accepted on 29.06.2001, published in the Official Gazette No. 24461 dated 13.07.2001 and reached its final version with the Decree No. 4709 dated 02.11.2011.

Since Emlak Konut REIC attaches great importance to stakeholder concept in the widest sense, as a principle it considers being conscious about the environment, humanity, and nature in all its projects. In this respect, the company issued a Quality Policy posted it on the corporate website. Quality Policy emphasizes a business management approach that contributes to sustainable and social values.

The Company prepared its Quality Policy taking into account the social responsibility principles including;

- » complying with the management system and quality standards and continuously develop them,
- » encouraging personnel to improve their creativity and effectiveness by giving importance to training activities,
- » keeping abreast of the industry developments and innovations,
- » observing financial and moral rights of shareholders and investors as a company traded on BİST,
- » having an understanding of historical and cultural values inherited from the past,
- » paying attention to social values as well as customer preferences and expectations,
- » producing planned, quality and environment-friendly establishment centers that offer peaceful and safe living places under the assurance of Emlak Konut brand,
- » carrying the brand Emlak Konut, a product of successful activities since its establishment, to the future on the backdrop of knowledge accumulation and experience. And preserving an understanding of family together with our employees and a management approach that places "us" at the center.



The Company transformed the aforementioned principles into a foundation of Emlak Konut REIC logo. Emlak Konut REIC's logo represents planned, quality and modern urban life, peaceful and safe family warmth, sensitivity to green and environment.

Emlak Konut REIC plans its social responsibility activities with an emphasis on "sustainability" and "social value creation." It constructs not only modern and healthy buildings and areas required by the public but also units that will be used for public interest. School and mosque constructions are the most typical examples.

Activities Undertaken for Public Interest between 2003 and 2017

Projects	School/Kindergarten	Mosque	Health Facility
Completed Projects	24	5	3
Ongoing Projects	25	12	7
Total	49	17	10

In addition to these activities, following sponsorships have been undertaken, particularly in education and culture areas for social responsibility and information purposes;

Public activities (Emlak Konut REIC supported/led regional social work) are listed below:

- ITU Career Center ITU, Sponsorship for 2016 ITU Career Summit Event, February 22-25, 2016
- Trabzon Metropolitan Municipality Mayorship, Sponsorship for the "Trabzon in Every Sense" events, February 24-28, 2016
- Sponsorship for the Cityscape Turkey Fair, March 24-26, 2016
- Sabah Newspaper, Sponsorship for the Panel on Urban Transformation and Smart Cities, April 11, 2016
- İnfoloji Fuarçılık A.Ş., Sponsorship for Young Turkey Summit, May 6-8, 2016
- GYODER, 15th Sponsorship for the Real Estate Summit, May 10, 2016
- Karabüklüler Foundation, Sponsorship for Karabük Days, May 19-22, 2016
- Sponsorship for AFAD, Sponsorship for Debiço Theater Plays, May 23- June 6, 2016
- Sponsorship for the Smart City Expo Istanbul Expo and World Congress, June 1-3, 2016

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- Sponsorship for the Cityscape Dubai Fair, September 6-8, 2016
- Sponsorship for the Habitat 3 Conference, October 17-20, 2016
- Sponsorship for the Workshop on Urban Transformation and Smart Cities, October 25, 2016
- Sponsorship for Nevşehir Summit, October 28-30, 2016
- Istanbul University, Faculty of Law, Sponsorship for the 66th International Law Association Scientific Congress, November 3-4, 2016
- Sponsorship for the Sign of City Awards, November 9, 2016
- Sponsorship for the 16th MUSIAD International Trade Expo, November 9-12, 2016
- Istanbul Technical University, Career Center, Sponsorship for Tümkaf Turkey Engineering Career Fair, November 14-15, 2016
- The Republic of Azerbaijan, State Committee on Property Issues, Sponsorship for Rec 2 Expo, November 22-24, 2016
- Istanbul University, Sponsorship for the Book Ottoman Architectural Projects from the Past to the Future, November 25, 2016
- Sponsorship for R&D and Innovation Summit, November 29-30, 2016
- Sponsorship for the Football Match organized for our martyrs, December 20, 2016

Emlak Konut REIC attaches importance to social responsibility and related concepts, and it will continue to build up its support for the efforts with the potential to benefit the industry.

The Company continues to work toward creating a set of ethical rules with utmost care. The company will disclose its ethical rules to the public through its corporate website after their formation.

The Company is sensitive to its social responsibilities; it complies with the environment, consumer, and public health regulations. The company supports and respects internationally recognized human rights while fighting against corruption in all its forms, including extortion and bribery.

PART IV- BOARD OF DIRECTORS

15. Structure and Formation of the Board of Directors

The Board of Directors ensures the company's management and representation with strategic decisions by taking into account the company's long-term interests with a reasonable and cautious risk management approach that ensures keeping the risk, growth and return balance to the optimum level.

Board of Directors defines the company's strategic objectives, identifies the required workforce and financial resources and supervises the management's performance.

The number of members of the Board of Directors has been determined in to enable the Board members to carry out efficient and constructive efforts, make quick and rational decisions, and organize the committees and their activities effectively.

Board members are elected by the General Assembly. The Board consists of seven members including the Chairman, Vice-Chairman, and five other members, The Board of Directors currently has three independent members. The qualifications to be sought in the Board members are determined according to the principles of the laws and communiques.

Consisting of seven members elected by the General Assembly under the TTC provisions fulfilling the conditions set out in the Turkish Commercial Code and the Capital Markets Board legislations, the Board of Directors is responsible for managing and representing the company before the third persons. Ever year, the Board of Directors elects, in its first meeting, a chairman and at least one vice-chairman to act in chairman's place in their absence.

The Board of Directors elected at the Ordinary General Assembly on 14.04.2016 held its first meeting on 14.04.2016 and decided to make the following disclosure a result of its negotiations and voting:

In accordance with Article 366 of the Turkish Commercial Code, the election of Ertan Keleş, an Independent Board Member, as the Vice Chairman of the Board. Also, Murat Kurum, Veysel Ekmen, Sami Er, Mehmet Özçelik and Havvanur Yurtsever were elected as members of the Board of Directors. This decision was announced through the PDD and corporate website.

PART I – SHAREHOLDERS

PART II - PUBLIC DISCLOSURE AND TRANSPARENCY

PART III - STAKEHOLDERS

PART IV - BOARD OF DIRECTORS

- 15. Structure and Formation of the Board of Directors
- 16. Operating Principles of the Board of Directors
- 17. Number, Structure and Independence of the Committees Formed within the Board of Directors
- 18. Risk Management and Internal Control Mechanism
- 19. Strategic Goals of the Company
- 20. Financial Rights



All members of the Board of Directors have a one-year office term. Members can be re-elected at the end of their terms by being nominated. If a member leaves his or her position for any reason, the Board of Directors shall temporarily elect a member who satisfies the requirements set forth in the TCC and capital market legislation and present them for approval at the first General Assembly. The member elected in this way shall serve until the General Assembly and complete his/her predecessor's term in case of approval.

Members of the Board of Directors are required to meet the requirements stipulated by TCC, capital market legislation and other relevant legislation. If a legal entity is elected as a member of the Board of Directors, only one real person determined by the legal entity shall be registered and announced together with the legal entity. The legal entity that is a member of the Board of Directors may change the real person registered in its name at any time.

Board members can be removed at any time by the General Assembly.

The majority of the members of the Board of Directors are non-executive members. A non-executive member of the Board of Directors is a person who does not have any other administrative duties at the company other than membership or a unit with executive functions reporting to him or her and not involved in the company's daily workflow and ordinary activities. Non-executive members of the Board of Directors include independent members who can perform their duties without exposure to any influence.

As the Article 12 of the Articles of Association sets out: "Non-executive members include independent members who are not less than one-third of total members of the Board as defined in Corporate Governance Principles of the CMB. The independent members must satisfy all the criteria set out in the said legislation. If one-third of the total members is a fractional number, the result is rounded to the next whole number. The Board of Directors complies with the Corporate Governance Principles issued by the Capital Markets Board (CMB) on matters concerning it.

The number of independent members of the Board of Directors is not less than one-third of the total number of members. In the calculation of the number of independent members, fractions are considered to be the following integer. In any case, the number of independent members is not less than two, and there are three Independent Board members within the Company.

Independent Members of the Board meet the independence criteria as defined in the relevant legislation. The Company published the declarations of independence on its corporate website and annual report.

In the event of a situation that eliminates independence or when an independent member resigns or becomes unable to fulfill his/her duties, the matter is referred to the Board of Directors by the concerned independent member to be announced to the public, and the member resigns as a principle. The replacement appointment for the resigning member shall be carried out in accordance with the Corporate Governance Principles published by the CMB.



The Nomination Committee evaluates candidate proposals for independent membership including those from the management and investors (if they have such a request) by taking into account whether a candidate carries independence criteria or not, it concludes its assessment with a report and presents it to the Board of Directors for approval.

An Independent Board Member candidate gives a written statement to the Nomination Committee at the time of nomination demonstrating his/her independence based on all the criteria in the relevant legislation, Articles of Association and Corporate Governance Communiqué.

In 2016, the company sent an independent candidate list consisting of Veysel Ekmen, Ertan Keleş and Havvanur Yurtsever based on the report of the Board of Directors Nomination Committee to the CMB together with the relevant report and the resolution of the Board of Directors. The company asked the CMB for their written opinion on the approval of the candidate's compliance with the CMB criteria. In the absence of any negative opinions expressed by the CMB, there were no objections to presenting the candidate to the General Assembly. The General Assembly's decision regarding the appointment of an Independent Board Member is disclosed within the General Assembly minutes on the corporate website. In 2016, Veysel Ekmen, Ertan Keleş, and Havvanur Yurtsever served as Independent Members in the Board of Directors upon the decision of the General Assembly.

The Declaration of Independence of Ertan Keleş, Vice Chairman and an Independent Member of the Board of Directors, was established with the document dated April 8, 2016, No. 14901 approved by the Kadıköy Notary Office No. 9. The Declaration of Independence of Veysel Ekmen, an Independent Member of the Board of Directors, was established with the document dated April 8, 2016, No. 14899 approved by the Kadıköy Notary Office No. 9. The Declaration of Independence of Havvanur Ekmen, an Independent Member of the Board of Directors, was established with the document dated April 8, 2016, No. 14900 approved by the Kadıköy Notary Office No. 9. The company disclosed the declarations of independence to all stakeholders under the General Assembly section of "Investor Relations" on the corporate website.

The Company has necessary mechanisms for Independent Members to communicate any situation that removes independence together with the reason to the Board of Directors immediately to be announced later on PDP. Following end-2016, Veysel Ekmen, a member of the Board of Directors, presented his resignation to the Board of Directors together with the reason. Also, the member communicated this situation and its justification to the CMB in writing simultaneously in a prompt fashion. The Nomination Committee made the necessary evaluations for the selection of independent members in the vacated membership to serve until the first General Assembly and presented notified the Board of Directors of its nomination of Muhterem İnce an Independent member. The Board of Directors submitted the independent member assessment to the CMB in alignment with Nomination Committee's report within 30 days of the vacancy of an independent member. And Muhterem İnce was designated as an Independent Member to serve until the first General Assembly after his election by the Board of Directors.



The Company carries on its activities to set a target time to have at least 25 percent of the Board of Directors from women. The Company has a sensitive approach towards having women as Board members, and currently, Havvanur Yurtsever (independent member) serves as a woman member on the board of directors.

Independent Board Member Veysel Ekmen serving the Board of Directors as a member of the Audit Committee in 2016 has a five-year experience in auditing/accounting and finance.

The Board of Directors convenes as often as required to carry out its duties effectively. The Chairman of the Board of Directors meets with the other members of the Board of Directors and General Manager to determine its meeting agenda. The members take pay attention to attending each meeting and reporting their opinions.

The Chairman of the Board of Directors is responsible for presenting the information and documents related to the board meeting agenda to the examination of Board members in sufficient time before the meeting to ensure an equal flow of information.

The method for holding board meetings is written in Article 14 of the company's Articles of Association. The Board of Directors convenes upon the invitation of the chairman or vice chairman at times deemed necessary for company activities. Each member of the Board of Directors may apply in writing to the Chairman or Vice Chairman and request that the board is called for a meeting. Board members shall have the authority to make a meeting request if the Chairman or the Vice Chairman still does not call the Board of Directors to a meeting.

Shareholders with at least 5 percent share of the company's capital may invite the Board of Directors to hold a meeting by submitting a request to the Chairman. If the Chairman comes to a conclusion that there is no need to convene immediately, he or she can open the matter subject to the invitation up for discussion at the next Board meeting.

Every member has one voting right at meetings. The voting right can be exercised in person. If none of the members requests a meeting, board resolutions can be reached with the written approval of at least a majority of all the members for the proposal a board member who writes it in a decision format. Making the same proposal to all Board members is a condition for the validity of a decision to be taken in this way. Keeping the approvals on the same paper is not necessary, but it is necessary to attach all the papers with counter signatures to the Board's minutes book or transferring them to the minutes book by creating a resolution that contains the signatures of acceptors.

The Board's meeting agenda is determined by the Chairman. The Board can decide to make changes to the agenda.

The meeting takes place at the company headquarters. However, the Board of Directors may also convene elsewhere subject to a decision.



Those who have the right to participate in the Board meetings may do so in an electronic environment in accordance with Article 1527 of the TCC. The company can establish an Electronic Meeting System as well as purchase services created for this purpose to enable shareholders to participate in such meetings and vote in an electronic environment in accordance with the provisions of the Communiqué on the Electronic General Assemblies of Joint Stock Corporations. The company ensures that the beneficiaries use their rights specified in the related legislation under the Communiqué provisions through the system established in accordance with this provision of the company's Articles of Association or the support system to be purchased.

Articles of Association provisions on meetings and decision quorum apply if the Board meeting takes place in an electronic environment.

The Board of Directors convenes with the majority of the total number of members and takes decisions with the majority of the members present at the meeting. So if the number of votes is equal, that topic is left to the next meeting. A proposal with equal votes in that particular meeting is considered rejected.

The approval of the majority of independent members is required in the Board of Directors resolutions regarding the company's all related party transactions and the issuance of guarantees, pledges, and mortgages for third parties. The failure to obtain such approval is announced to the public under the public disclosure regulations with sufficient information on the transaction, and the transaction is presented to the General Assembly for approval. Board resolutions lacking these principles are not considered valid.

Votes are cast as in favor and against during the Board meeting. The member casting a vote against writes down the reason and puts his/her signature. Members who do not attend the meeting cannot vote in writing or in any other way unless they have a legitimate excuse.

In the board meetings, the agenda items are discussed clearly and in all aspects. The Chairman of the Board uses his reasonable best efforts to ensure the active participation of the non-executive members in the board meetings and board members get their reason for counter vote recorded in resolution minutes in a reasonable and detailed way.

Members of the Board of Directors spare sufficient time for company activities. If a board member is a manager or board member at another company or provides consultancy services to another company, it is essential that such situation does not cause a conflict of interest or hinders that member's duties at the company. When members can take another duty or duties outside the company are determined or limited by the CMB communiqués and the TTC provisions.

However, under Article 19 of the company's Articles of Association "A member of the Board of Directors shall not participate in negotiations where there is a conflict of interest between their personal interests outside the company and those of the company as well as between the interests of any of their descendants or spouses or their kinships until third degree including those by marriage and interests of the company. Board members who breach this provision or members who do not object knowingly to a violating member's participation in the meeting despite the objective nature of the conflict of interest and board members who take a decision to let such members participate in the meeting shall be liable to compensate losses incurred by the company."



The members of the Board of Directors do not have any shares in the Company.

The Nomination Committee showed three independent member candidates within the relevant period, and it prepared a report on 07.04.2016 showing that the candidates met the independence criteria submitted it to the approval of the Board of Directors on the same date, and it was approved by the Board of Directors on 08.04.2016. In the relevant period, no situation eliminated the independence of independent members.

The duties and transactions that can be carried out by Board members outside the Company are limited in Article 22 of the Company's Articles of Association as follows: Shareholders, Board members, senior executives and their spouses and second-degree relatives by blood or marriage who has control of the company management should receive the General Assembly's prior approval to be able to carry out transactions that can cause conflict of interest with the company or its subsidiaries and the Assembly should be informed about such transactions.

Resumes of the Board members are presented to stakeholders in the relevant part of this report together with "declarations of independence" of independent members.

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Board Members

Name and Surname	Gender	Position	Occupation	Duties Undertaken in the Company in the Last Five Years	Current Duties Undertaken outside the Company	Share of Capital (%)	Share Group	Whether an Independent Board Member	The Committees and Duties
Ertan Yetim	Male	Chairman of the Board of Directors (executive)	Civil Engineer	Vice Chairman of the Board of Directors	TOKİ/Specialist/Serving since 23.03.2007.		A.B	Not Independent Member	
Ertan Keleş	Male	Vice Chairman of Board of Directors (non-executive)	Civil Engineer	Independent Board Member			B	Independent Member	Chairman of the Corporate Governance Committee and Committee Member, Chairman of the Audit Committee and Committee Member, Member of the Early Risk Detection and Risk Management Committee
Murat Kurum	Male	Member of the Board (executive)	Civil Engineer	Member of the Board and General Manager			A.B	Not Independent Member	
Sami Er	Male	Board Member (non-executive)	Mechanical Engineer	Board Member	TOKİ/Vice President		A.B	Not Independent Member	Corporate Governance Committee
Veysel Ekmen	Male	Board Member (non-executive),	Certified Public Accountant	Independent Board Member	Certified Public Accountant, Board Member at İller Bank		B	Independent Member	Member of the Audit Committee, Member of the Corporate Governance Committee
Havvanur Yurtsever	Female	Board Member (non-executive),	Attorney	Independent Board Member	Municipal Council Member, Istanbul Metropolitan Municipality and Zeytinburnu Municipality, Attorney		B	Independent Member	Member, Audit Committee, Member, Early Risk Detection Committee and Risk Management Committee
Mehmet Özçelik	Male	Board Member (non-executive)	Civil Engineer		TOKİ/Vice President		A.B	Not Independent Member	Member, Early Risk Detection and Risk Management Committee

16. Operating Principles of the Board of Directors

The Board of Directors carries out its activities in a transparent, accountable, fair and responsible manner.

The relevant parts of the annual report feature work distribution among the Board members, their duties and authorities, their committee memberships, the declarations, and resumes of independent members.

The Board of Directors created its internal control systems that include risk management and information systems and processes that can minimize the influence of risks likely to affect the company's stakeholders, primarily those of shareholders taking into account the opinions of the relevant Board committees.

The Board of Directors represents the company and uses its powers and responsibilities -entrusted by stakeholders at general assembly- pursuant to the legislation, articles of association, company regulations, and policies. It develops strategic planning in accordance with the company vision.

The Board of Directors may delegate all or part of its authorities to executives it designates from its members or externally or managers who are not obliged to be shareholders. Our company does not have any executive board members.

The Board of Directors is charged with and authorized for the management of the company and the execution of the tasks assigned to it by the TCC, the laws, the Articles of Association and other related legislation and those outside the duties and authorities of the General Assembly. The Board of Directors is authorized to transfer management authority partially or entirely to one or more Board members or a third person with an internal regulation.

The Board of Directors may conclude contracts that exceed the term of office.

Board members are not granted weighted voting rights and/or veto rights.

Also, the Board of Directors has the authority to represent the company before third parties. All documents to be given by the company and all contracts, bills, checks and similar documents that are expected to be binding for the company should bear, to gain validity, the company title as well as signatures of at least two persons among those who are given signature authority and registered regarding the way they will use signatures.

The Board of Directors may delegate all or part of its representation and binding authorities to executives it designates from its members or externally or managers who are not obliged to be shareholders. However, at least one Board member should be vested with the authority to represent the company.

The Board of Directors shall establish the sufficient number of committees stipulated by the Corporate Governance Principles published by the Capital Markets Board and the those it deems necessary to fulfill its duties and responsibilities in a healthy manner.



Two different persons serve as the General Manager and Chairman of the Board within the company. The powers of the Chairman of the Board of Directors and the General Manager are clearly separated, and the powers of the General Manager is explained in Article 18 of the Articles of Association. On the other hand, the powers of the Chairman of the Board of Directors are determined and state in Article 14 of the Articles of Association. Two different persons serve as the Vice-Chairman of the Board and General Manager within the company. No one in the company is equipped with an unlimited power to make decisions.

The Board of Directors plays a leading role in ensuring effective communication between the company and its shareholders, resolving likely disputes, and it works closely with the Corporate Governance Committee and Investor Relations Department to this end.

The loss that may be caused by the Company's Board Members and senior management due to their faults in their duties is insured up to \$20 million.

The Company ensured active participation in all the issues mentioned in the relevant section of the CMB's Corporate Governance Principles. The Board of Directors did not make any resolution which required the majority of independent members.

All the important issues resolved by the Board of Directors are announced to the public through material event disclosures under the public disclosure policy.

Chairman of the Board of Directors identified the agenda items of the meetings taking place in the accounting period. The Board convened upon the Chairman or Vice Chairman's call. The Board of Directors adopted 214 resolutions in 74 meetings between January 1, 2016, and December 31, 2016. The Board of Directors convened with the majority of the total number of members and adopted its resolutions with the majority of the members present at the meeting. All Board members participated in most of the meetings. All resolutions were adopted unanimously. The board members did not express any opinions against the resolutions adopted by the Board in its meetings throughout 2016.

The Board did not present to the General Assembly any matters related to unapproved related party transactions or important transactions as such transactions obtained the approval of the independent board members. The characteristics required from of the company's Board members are in line with the related articles in the CMB's Corporate Governance Principles.

In 2016, Board members did not engage in any transactions with the Company or engage in activities to compete in the same field of activity. The Board members business arrangements with the Company is regulated in Article 395 of the TTC. And the General Assembly authorizes the Board on this matter.

The non-compete clause regarding the Company activities is regulated in Article 396 of the TTC and Article 1.3.6 of the Corporate Governance Communiqué. Item 12 of the General Assembly minutes stated that there was no such transaction in 2016.

It undertakes, as part of the company organization, the duties of Directorate of Private Affairs and Board secretariat. It enters the questions asked during the Board meetings to the resolution register together with



reasonable justifications for counter votes. Resolutions adopted by the Board of Directors are kept and presented to the relevant authorities when deemed necessary. The Board plans its meetings provides information about the agenda in advance as much as possible for ensuring the participation of the Board members in a healthy manner.

17. Number, Structure, and Independence of the Committees Formed within the Board of Directors

As stated in Article 17 of the Company's Articles of Association; "Board of Directors will determine and announce to the public in detail the duties and working areas of the committees and their membership composition taking into account the provisions of the Articles of Association, the Corporate Governance Principles published by the CMB and related legislation. The Board of Directors is always authorized to redefine the duties and duty areas of the committees and may make any changes it deems necessary in its membership. The committees carry out their work independently and make recommendations to the Board of Directors. Committees have no executive decision-making powers regarding the company affairs. The Board of Directors has the decision-making power regarding the issues raised by the committees. The Board of Directors shall establish the sufficient number of committees stipulated by the Corporate Governance Principles published by the Capital Markets Board and it deems necessary to fulfill its duties and responsibilities in a healthy manner."

Our Company created the committees at the Board of Directors meeting following the amendment of the Articles of Association in alignment with the regulations rendered mandatory by Communiqué on the Determination and Implementation of Corporate Governance Principles of the Republic of Turkey Prime Ministry Capital Markets Board Serial: IV No: 56 and then the II-17.1 Corporate Governance Communiqué (published in the Official Gazette dated 03.01.2014 and No. 28871 as part of the Capital Markets Law No. 6362 regarding the Capital Markets Board). The Company followed the legislative and regulatory requirements and made necessary committees arrangements.

The Board also benefits from committee activities in its operations. The committees present their activities and relevant decisions to the Board of Directors, which in turn, makes the final evaluation. Our committees did not have any conflicts of interest in 2016.

Emlak Konut REIC strives to comply with the Corporate Governance Principles with all its bodies especially the Board of Directors as well as its employees. Our company also shows utmost care to works on the non-mandatory Corporate Governance Principles, and it aims to internalize them over time.

Attaching great significance to Corporate Governance, the company will carry on necessary efforts in the next period by taking into consideration the legislative developments and applications.

Committees Established within the Board of Directors

The following committees continue to carry out activities under Emlak Konut REIC: "Corporate Governance Committee, Audit Committee, Early Risk Detection and Risk Management Committee." The Corporate Governance Committee also fulfills the responsibilities of the "Remuneration and Nomination" committees. The company provided the necessary infrastructure for the efficient operation of committees.

The Board of Directors elected at the Ordinary General Assembly on 14.04.2016 held its first meeting on 14.04.2016 and decided to make the following disclosure a result of its negotiations and voting:

» Election of Independent Board Members Ertan Keleş, Veysel Ekmen, and Board Member Sami Er and Deputy General Manager - Financial Affairs Hakan Akbulut as the members of the Corporate Governance Committee and assignment of Independent Member Ertan Keleş as the Committee President,

» Election of Independent Board Members Ertan Keleş, Veysel Ekmen, and Havvanur Yurtsever as the members of Audit Committee and assignment of Independent Member Ertan Keleş as the Committee President,

» Election of Independent Board Members Havvanur Yurtsever, Ertan Keleş, and Board Member Mehmet Özçelik as the members of the Early Risk Detection and Risk Management Committee and assignment of Independent Board Member Havvanur Yurtsever as the Committee President,

» Announcement of the members of the Corporate Governance Committee, Audit Committee, Early Risk Detection and Risk Management Committee on PDP and our corporate website. The company published this development on PDP on 14.04.2016 presenting it to the interest holders.

Independent Board members who had the qualifications required by the legislation were elected at the Ordinary General Assembly on 14.04.2016. Ertan Keleş, Veysel Ekmen, and Havvanur Yurtsever started their duties following the General Assembly as Independent Board Members.

Committees act in accordance with the working principles prepared under Emlak Konut REIC's internal regulations and the legislation. A board member is assigned to more than one committees under current conditions (because the tasks of the Nomination Committee and Remuneration Committee are undertaken by the Corporate Governance Committee, the company has three independent members, executive members are required to avoid taking part in committees- except Corporate Governance Committee, all the Audit Committee members are independent members, and the committee presidents are elected from such members).

"Duties, working principles, task fields and member composition of the committees are announced by the Board of Directors in detail taking into account the provisions of the Articles of Association, the Corporate Governance Principles published by the CMB and the relevant provisions of the legislation. All of the committees within Emlak Konut REIC include three members. All the members are non-executive directors of the Board. The committee presidents are elected among the independent board members. All members



of the Audit Committee are also independent members of the Board of Directors. The company has not assigned any chief executive officers. General Manager does not assume duties in any of the committees.

The Board of Directors provides all the resources and support necessary for the committees to fulfill their duties. The committees may invite the persons they deem necessary to their meetings and take their opinions.

The committees can benefit from independent expert opinions on issues they consider relevant to their activities. The consulting services required by the committees may be paid by the company. When such a need arises, the annual report must contain information about the service providing person/organization and whether they have any relation to the Company.

The committees keep a written record of all the activities they undertake. The committees convene when necessary and as described in the working principles to ensure the effectiveness of their activities. The committees present the reports on their activities and meeting results to the Board of Directors.

Audit Committee

The Audit Committee acts in accordance with the legislation and internal regulations and carries out defined functions. The committee works to ensure that the financial and operational activities of the company are properly monitored in accordance with the capital markets legislation and the principles included in this regulation.

Working under the Board of Directors, the Committee aims to monitor the operation and effectiveness of the company's accounting system, the disclosure of financial information to the public, independent audit, and the company's internal control and internal audit system in accordance with Article 17 of the Company's Articles of Association. The selection of the independent audit firm, initiation of the independent audit process through independent audit contracts, and the activities of the independent audit institution at each takes place under the supervision of the Audit Committee.

The Audit Committee determines the independent auditing institution that will serve the company as well as the services to be obtained and submits them to the Board of Directors for approval.

The Audit Committee determines the methods and criteria to be applied to the examination and resolution of the complaints received by the company regarding the accounting, internal control system and independent audit as well as confidential assessment of company employees, accounting, and independent audit matters.

After taking the views of the company's responsible managers and independent auditors, the Audit Committee provides the Board of Directors with its evaluations regarding the authenticity and accuracy of the annual and interim financial statements that will be disclosed to the public in terms of accounting principles.



The Audit Committee convenes at least once every quarter and four times a year, and it records results of the meetings to the minutes presents them to the Board of Directors. The annual report (In Corporate Governance Compliance Report) explains the activities of the Audit Committee and the results of the meetings. The Audit Committee notifies the Board of Directors of its findings and suggestions in writing immediately regarding its duties and responsibilities. Accordingly, the Audit Committee made 4 written notifications to the Board of Directors within the accounting period.

The operating principles and member information of the Audit Committee are available on the corporate website under Corporate Governance Information.

Members of the Audit Committee

<i>Name</i>	<i>Position</i>	<i>Date Elected</i>
<i>Ertan Keleş</i>	Independent Board Member-Non-executive/Committee Chairman	April 14, 2016
<i>Veysel Ekmen</i>	Independent Board Member-Non-executive/Committee Member	April 14, 2016
<i>Havvanur Yurtsever</i>	Independent Board Member-Non-executive/Committee Member	April 14, 2016

Following are Audit Committee's meeting dates and main agendas in 2016:

- » February 29, 2016: Statement of Liability for Financial Statements
- » February 2, 2016: Statement of Liability for Financial Statements
- » August 9, 2016: Statement of Liability for Financial Statements
- » October 31, 2016: Statement of Liability for Financial Statements



Corporate Governance Committee

The Corporate Governance Committee undertakes necessary tasks in terms of implementing Corporate Governance Principles in line with legislation and company regulations, as well as integrating them into the corporate culture.

The Corporate Governance Committee determines whether the company implements Corporate Governance Principles and finds conflicts of interest that result from failure to fully comply with these principles, it makes recommendations to the Board to improve corporate governance practices and oversees the activities of the Investor Relations Department.

The committee objectives and principles under article 1 of the “Operating Principles of the Corporate Governance Committee” are as follows:

The Committee shall support and assist Board of Directors by ensuring compliance to the CMB’s Communique on Determination and Implementation of Corporate Governance Principles (IV-56), (“Corporate Governance Principles”), research reasons for non-implementation, if any, and taking preventive measures by identifying the non-conformities as well as working on investor relations and public disclosures. The committee will review and assess the systems and processes in place or planned, and bring proposals in order to implement methods and practices to enhance the company’s performance. It will also perform the duties of the Nomination Committee, Early Detection of Risk and Remuneration Committee pursuant to the Corporate Governance Principles.

The operating principles and member information of the Corporate Governance Committee are available on the corporate website under Corporate Governance Information.

The Committee is established and authorized by the Board of Directors. It is re-established every year, at the first Board of Directors meeting that follows the Ordinary General Assembly. Thus, the terms of office of the Committee and the Board of Directors are concurrent; and the Committee is reestablished once the compliance process of the new Board of Directors is accomplished.

**Corporate Governance Committee Members**

<i>Name</i>	<i>Position</i>	<i>Date Elected</i>
<i>Ertan Keleş</i>	Independent Board Member-Non-executive/Committee Chairman	April 14, 2016
<i>Veysel Ekmen</i>	Independent Board Member-Non-executive/Committee Member	April 14, 2016
<i>Sami Er</i>	Independent Board Member-Non-executive/Committee Member	April 14, 2016
<i>Hakan Akbulut</i>	Assistant General Manager (Financial)/Executive/Committee Member	April 14, 2016

Corporate Governance Committee (Nomination Committee)

The duties of Nomination Committee stipulated in the Corporate Governance Principles is fulfilled by the Corporate Governance Committee.

The Nomination Committee is responsible for,

a) establishing a transparent system for the determination, evaluation, and training of the candidates for the Board and executive positions with managerial responsibilities as well as working to determine relevant policies and strategies,

b) making regular assessments on the structure and efficiency of the Board of Directors and presenting its recommendations on any likely changes on these matters to the Board.

Members of the Corporate Governance Committee (Nomination):

<i>Name</i>	<i>Position</i>	<i>Date Elected</i>
<i>Ertan Keleş</i>	Independent Board Member-Non-executive/Committee Chairman	April 14, 2016
<i>Veysel Ekmen</i>	Independent Board Member-Non-executive/Committee Member	April 14, 2016
<i>Sami Er</i>	Independent Board Member-Non-executive/Committee Member	April 14, 2016
<i>Hakan Akbulut</i>	Assistant General Manager (Financial)/Executive/Committee Member	April 14, 2016



Following are the Nomination Committee's meeting dates and main agendas in 2016:

» 07.04.2016: Designation of Candidates for Independent Board Member Assignment

» 30.12.2016: Designation of Candidates for Independent Board Member Assignment

Early Risk Detection and Risk Management Committee

The Risk Management Committee acts within corporate risk management principles in parallel with legislation and internal regulations and fulfills its duties.

The committee objectives and principles are specified as follows in the relevant article of Emlak Konut REIC's Operating Principles of Early Risk Detection and Risk Management Committee:

The Risk Management Committee is responsible for the early detection and assessment of any strategic, operation, financial and similar risks that may threaten the existence, development, and continuity of the company. The committee calculates the impact and potentiality of said risks, manages them in accordance with the corporate risk-level and reports on them. Furthermore, the committee implements necessary measures against detected risks, ensures their consideration by decision-making entities, and accordingly, advises the Board of Directors with recommendations on setting internal control systems and their integration and review the risk management systems at least once a year.

The operating principles and member details of the Committee are available on our corporate website under the section Corporate Governance.

Members of the Early Risk Detection and Risk Management Committee

<i>Name</i>	<i>Position</i>	<i>Date Elected</i>
<i>Havvanur Yurtsever</i>	Independent Board Member-Non-executive/Committee Chairman	April 14, 2016
<i>Ertan Keleş</i>	Independent Board Member-Non-executive/Committee Member	April 14, 2016
<i>Mehmet Özçelik</i>	Board Member-Non-executive/Committee Member	April 14, 2016

Following are the Early Risk Detection and Risk Management Committee's meeting dates and main agendas in 2016:

- » 08.02.2016: Regarding the Activities of the Early Risk Detection and Risk Management Committee
- » 22.03.2016: Regarding the Activities of the Early Risk Detection and Risk Management Committee
- » 21.04.2016: Regarding the Activities of the Early Risk Detection and Risk Management Committee
- » 31.05.2016: Regarding the Activities of the Early Risk Detection and Risk Management Committee
- » 15.07.2016: Loan Use for Possible Land Acquisition
- » 29.08.2016: Activities of the Early Risk Detection and Risk Management Committee
- » 30.09.2016: Activities of the Early Risk Detection and Risk Management Committee
- » 14.11.2016: Activities of the Early Risk Detection and Risk Management Committee
- » 26.12.2016: Activities of the Early Risk Detection and Risk Management Committee

Corporate Governance Committee (Remuneration):

The duties of Remuneration Committee stipulated in the Corporate Governance Principles is fulfilled by the Corporate Governance Committee.

Remuneration Committee;

a) It determines the principles, criteria, and practices to be used for the remuneration of the members of the Board of Directors and the managers who have administrative responsibilities taking into account the company's long-term goals and oversees them.

b) It presents proposals to the members of the Board of Directors regarding the wages to be paid to the Board members and managers with administrative responsibility taking into consideration the level of accomplishment of the remuneration criteria.

**Members of the Corporate Governance Committee (Remuneration):**

<i>Name</i>	<i>Position</i>	<i>Date Elected</i>
<i>Ertan Keleş</i>	Independent Board Member-Non-executive/Committee Chairman	April 14, 2016
<i>Veysel Ekmen</i>	Independent Board Member-Non-executive/Committee Member	April 14, 2016
<i>Sami Er</i>	Independent Board Member-Non-executive/Committee Member	April 14, 2016
<i>Hakan Akbulut</i>	Assistant General Manager (Financial)/Executive/Committee Member	April 14, 2016

Following are the Remuneration Committee's meeting dates and main agendas in 2016:

- » 25.03.2016: Remuneration Policy
- » 22.07.2016: Employee Wages in the Second Half of 2016 (01.07.2016-01.07.2016)
- » 20.12.2016: Employee Wages in the First Half of 2017 (01.01.2017-30.06.2017)

18. Risk Management and Internal Control Mechanism

Emlak Konut REIC attaches importance to risk management and pursues improving it continuously as one of the main capital market institutions. The company strives to implement a total risk management system to institutionalize the risk management and achieve sustainable growth with effective risk management. Early Risk Detection and Risk Management Committee was formed in 2012. It plays an active role in the company's management and decision-making mechanisms.

Emlak Konut REIC's risk management and its effectiveness can be summarized as follows;

As part of risk prevention, it carries out activities to detect risks that may damage the existence, development, and future of the company, implement necessary measures for early detected risks and their management. It seeks the opinions of the management and the related parties to determine the areas that may cause administrative risks and vulnerabilities and remedy the deficiencies. The company reviews its risk management systems at least once a year. It reviews and resolves significant complaints sent to the company regarding the management and ensures that the employees make relevant notifications to the management in compliance with the confidentiality principle.

Emlak Konut REIC strives to establish an optimum relationship between risk and return in its financial and non-financial operations. Its main objectives include ensuring sustainable growth of the business with



effective risk management. It aspires to ensure a permanent growth trend for all stakeholders and especially shareholders by deploying other management tools and methods.

Emlak Konut REIC has an established internal control mechanism. This process is based on the evaluation conducted by relevant departments and directors regarding their workflows and results as natural extensions of organizational structure. The internal control system and audit take into consideration not only the past but also future developments.

The most important key risk management model implemented by the company so far requires relevant departments with defined duties and powers to determine their own risks and take possible precautions before the emergence of risk. It strives to promote 'complete risk management' by exchanging information continuously with all the departments and senior management.

The Board of Directors monitors the risks associated with business from a macro perspective and asking the departments, when necessary, to conduct reviews and reporting so that it can evaluate results. The internal audit mechanism and the Audit Committee monitors possible risky developments closely. Early Risk Detection and Risk Management Committee gathers the necessary information inside the company and informs the Board of Directors on risk management.

The company may be exposed to the following risks due to its operations. However, Emlak Konut REIC carries out activities to minimize the changes related to possible risks as it adopts the corporate risk management principles. The company also tries to avoid high-risk operations and transfer risks as the indispensable elements of risk management.

Emlak Konut REIC focuses on the total risk management approach as well as the unpredictability of financial markets, and it aims to avoid a deterioration in its financial performance by minimizing the impact.

The company shapes its activities related to corporate risk management according to legal regulations because risk management is an integral part of both the new TCC and the new Corporate Governance Principles.

Emlak Konut REIC's total risk management approach aimed to define, evaluate, classify, monitor and report the risks that may be encountered in the company's operations, determine relevant measures and strategies to be implemented and take action.

The Internal Control Mechanism fulfills its duty more effectively thanks to the establishment of the Audit Committee. The Audit Committee undertakes the tasks assigned by the Board of Directors under the current internal regulations of the Audit Committee.

The Early Risk Detection and Risk Management Committee, whose principle function is to reduce and prevent risks, keeps in touch with the Board of Directors constantly with a view to improving corporate risk management understanding. Nevertheless, the Early Risk Detection and Management Committee



carefully monitors information flow both inside and outside the company and conducts necessary activities in case of an early warning.

The internal control mechanism established within the company involves a quality management approach designed to control the overall business quality and the accuracy of the policies to be followed. The company conducts internal quality audits to check whether the quality system documentation is used appropriately and effectively, determine malfunctions that may have occurred or may occur in the system, take relevant measures and ensure that the quality system is processed and developed in as planned.

The Company conducts Internal Quality Audits as specified in the audit plan. Audits are carried out by qualified and trained personnel who are independent of the field to be audited and who can make objective decisions. The internal auditor cannot examine the department they serve. Internal Quality Examinations are carried out by personnel who are not responsible for the audited department.

Emlak Konut REIC establishes a system whereby it can audit the Internal Examination Procedure and Quality Management System in terms of competence, suitability, and effectiveness and initiate corrective and, when necessary, preventive actions regarding the nonconformities.

The investigation takes place in accordance with the Internal Inspection Plan. Examination activities involve the review of the documents and processes. The assigned personnel uses questionnaires, Process Evaluation Cards and related documents and records results. Auditors collect all findings supported by objective evidence during the audit. All audit checklists and notes are maintained in the audit file.

The auditors make preparations for the department to be examined as specified in the audit plan. They examine the relevant audit form questions and documents.

The Quality Management Representative collects and analyzes the Internal Audit results periodically to assess the effectiveness of the Quality Management System. Repeated findings and ineffective management activities constitute important evidence for Quality and Risk Management. All internal audit data are analyzed and examined in the management's oversight meeting agenda and according to the management oversight procedure.

The quality management system involves the application of the Preventive Action Procedure to plan and implement preventive actions to eliminate the causes of the current nonconformities, prevent their repetition and monitor the results.

The basic risk definition of the company is the emergence of a new phenomenon that leads to unexpected effects on the current targets as the company undertakes its operations. The company identifies and monitors the following risks:



Investment Risk and Capital Management

The Company evaluates its investment regions and conditions according to many financial and non-financial risk factors and prefers the investment option with the highest total benefit.

The Company prefers Istanbul, its top priority, in its investments and projects along with the other cities close to Ankara and Istanbul. However, it implements projects in cities such as Kocaeli, Konya, Denizli, Nevşehir, and Niğde with a desire to provide services in different cities and ensure an effective risk distribution by operating in rapidly growing Anatolian cities. In addition, the company portfolio includes lands for project development in cities such as Yalova, Bursa, and Eskişehir. The company may launch operations in different regions and settlements in line with its plans.

The Company has a large land stock in Istanbul and Ankara, Turkey's two largest cities. The regions hosting these lands and projects are Turkey's fastest growing and most densely populated regions. The company reduces investment-related risks considerably thanks to the diversified projects and lands in its portfolio. Land stock diversification with TOKİ stands out as another factor in reducing this type of risks.

Emlak Konut REIC adopts a principle of using its capital effectively and through careful risk diversification. The company aims to maintain its existence as a revenue-generating enterprise, pay regard to interests of its shareholder and corporate partners, and resort to the most efficient capital structure to minimize the cost of the capital. In this way, it aspires to provide long-term benefits to all shareholders and stakeholders.

The Company examines return rate in investments with different scenarios and obtains investment approvals under the most optimum conditions. The company constantly monitors whether its units stick to plans regardless of the business model applied in the investment period.

Also, the Company initiated efforts to revise the Enterprise Resource Utilization operating system to make more effective administrative and risk management decisions and monitor results. In this way, it plans to accelerate decision-making processes by reaching financial and operational data in a much shorter time.

Emlak Konut REIC follows all systemic and non-systemic risks. It considers the most significant systemic risk variable as the "Market Risk" and monitors it carefully. It carefully monitors global and national exchange rate, interest rate, credit, and liquidity risks within the free market economy, and strives to take preventive actions.

Other Risks

Apart from these, the company closely monitors the industry, third party, concentration, operational and strategy risks that can be expressed as non-systemic risks. The Board of Directors and employees takes utmost care to ensure that negativities can be overcome with minimum damage and achieve sustainable profitability more securely.

19. Strategic Goals of the Company

Emlak Konut REIC developed a five-year strategy plan beginning with 2015 with the Board Resolution on December 23, 2014. This strategic plan will be valid from 2015-2019. The company pays utmost care to achieve the strategic goals and objectives with this plan. The Board of Directors started to implement this 5-year strategy plan with the approval of all its members. The Board revised the plan with its resolution No. 34-094 on May 8, 2015, The 5-year plan and the following revision were communicated to the company's administrative staff and all the units. The progress in reaching the targets and the results obtained within the five-year period are subject to evaluation by the Board of Directors. The Board of Directors reviews the targets immediately in case of a divergence, takes necessary measures and engage in efforts to ensure regulatory activities.

The Board of Directors is responsible for achieving the company's operational and financial performance targets as announced to the public. In case of a failure to reach the publicly announced operational and financial performance targets, the company announces this situation and the reasons in its annual report(In Corporate Governance Compliance Report). The board of directors expresses self-criticism and conducts a performance evaluation on board members and executives with administrative responsibilities.

The Board of Directors evaluates its short-, medium- and long-term strategic plans as often as it deems necessary. In doing so, it takes into account all systemic and non-systematic data, particularly financial and non-financial company data. In the short term, it makes a general assessment on reaching the main objective in qualitative and quantitative terms in every quarter.

It creates its short- and medium-term plans in line with its main objective and it exerts efforts to boost total benefit in the short and long term to reach its goals. The Board of Directors and the related units monitor and manage the risks with utmost care by taking into account possible administrative results.

However, it makes the short-term planning changes (if necessary) annually.

Here the main objective is "to become one of world's most renowned Real Estate Investment Trusts and, thus, create a national brand by safeguarding both economic and social benefits."

Following are the main aspects of the Company vision;

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

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

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



The Board of Directors set the vision and mission, and they are included in the Annual Report. The company has announced them to the public on its corporate website.

20. Financial Rights

The Company determines remuneration amounts for its senior managers in accordance with legal obligations and by taking into consideration the current economic indicators, the wage policies on the market, long-term company goals and policies, and the past responsibilities and experience of such managers in the company. Senior executives cannot be paid a performance-based wage.

The Company cannot provide any benefit to its shareholders, Board members, staff or third parties other than the payments required by its operations such as per diem, remuneration, profit share, dividends, and the like under its Articles of Association.

Similarly, Article 16 of the company's Articles of Association states that “Principles of remuneration for the members of the Board of Directors and senior management shall be made in writing and presented to the shareholders as a separate item at the General Assembly meeting. Shareholders are given the opportunity to express their opinions on this issue. Therefore, it publishes its remuneration policy on the company website. Stock options or performance-based payment plans cannot be used to determine the remuneration of independent board members and salaries of the independent board members must be at a level to maintain their independence. In this context, the principles of remuneration for the members of the Board of Directors and managers with administrative responsibilities were made in writing and presented to the shareholders as a separate item at the General Assembly Meeting. Shareholders are given the opportunity to express their opinions on this issue. The Remuneration Policy prepared for this purpose is available for the examination of all stakeholders on the corporate website. It is also described in the relevant part of the annual report (In Corporate Governance Compliance Report).

Emlak Konut REIC determined its remuneration policy as follows pursuant to the resolutions adopted by the General Assembly on April 14, 2016.

Under our Remuneration Policy, the following wages are paid to the Board of Directors and senior company executives:

(i) The Board members are paid a net monthly salary of 6,600.00 Turkish lira and also a bonus worth four net salaries.

(ii) Emlak Konut REIC pays the income tax amount (accruing from fees paid by more than one employer) at the end of the fiscal year.

(iii) The wages to be paid to the Board members are presented to the shareholders for examination and approved at the Ordinary General Assembly of the relevant accounting period.



(iv) Dividends, share options or performance-based payment plans cannot be used to determine the remuneration of independent board members and salaries of the independent board members must be at a level to maintain their independence.

(v) The company determines remuneration amounts for its senior managers in accordance with legal obligations and by taking into consideration the current economic indicators, the wage policies on the market, long-term company goals and policies, and the past responsibilities and experience of such managers in the company.

The benefits provided to senior managers are announced to the public with references to total figures in the footnotes of financial statements and independent audit reports.

All rights, benefits, and remunerations provided to the members of the Board of Directors and senior executives are discussed and voted on as agenda items in the General Assembly. This matter was discussed as agenda item 9 in the General Assembly held on 14.04.2016, and it was accepted by a majority of votes despite the counter votes of the shares representing 2.657.569,00 Turkish lira in the company capital.

The "Wages of the Members of Board of Directors and Senior Managers" Article of the "Articles of Association" is available the corporate website. In addition, in the relevant section of the independent audit report, "Remuneration of Board Members and Senior Managers," is shared with the public.

Remuneration of key management	1 January- 31 December 2016	1 January- 31 December 2015
Salaries and other short-term employee benefits	3,096	2,027
	3,096	1,557

In 2016, the Company did not lend or provide loans to any Board Member or senior manager. Nor did the company extend the duration of the previous debts and loans, improve their conditions, provide personal loans under through a third party or give guarantees such as sureties in their favor.

MISCELLANEOUS DEVELOPMENTS

LAWSUIT BROUGHT AGAINST OUR COMPANY

MASLAK 1453 PROJECT

1) UCTEA, Chamber of City Planners, Istanbul Branch

The case was brought at the Istanbul Administrative Court No. 5 with the file No. 2012/401 E. for the suspension and annulment of the Revision Master Zoning Plan (Scale: 1:5,000) and the Revision Application Zoning Plan (Scale: 1:1,000) for the Slum Prevention Zone in Ayazağa, Şişli, which was published between 29.11.2011 and 29.12.2011 after the Ministry of Environment and Urban Planning approval (dated 16.09.2011, No. 103140). The court decided to include the Ministry of Environment and Urban Planning as an adverse party although the case was brought against the Housing Development Administration (TOKİ). On 10.05.2012, the court dismissed the case on the basis of authorization and referred the file to the Council of State. The file was registered to the docket No. 2012/4412 of the Chamber No. 6 of the Council of State, and our company joined the case as an intervenor together with the defendant institutions. The court rendered a stay of execution judgment and dismissed the objection to the judgment of the stay of execution. An examination was conducted on 30.05.2016. The expert report reached the conclusion that the implementation plans in dispute violate the legislation, public interest, the principles and procedures of urban planning, and planning techniques and that the geological and geotechnical surveys and evaluations conducted based on the zoning plan did not cause any issues for housing. We objected to the report on 28.12.2016.

2) UCTEA, Chamber of City Planners, Istanbul Branch

The case was brought against Sarıyer Municipality Mayorship and Şişli Municipality Mayorship at the Istanbul Administrative Court No. 12 with the file No. 2015/1354 E. for the reversal of the dismissal of the request for suspension and cancellation of the construction and renovation licenses and the said licenses themselves granted for the Section No. 2, Block No. 1, and Plot No. 20, 49, and 50 (previously Block No. 1 and Plot No. 145 and after the zoning application Block No. 10622 and Plot No. 1) in Ayazağa Slum Prevention Zone, Şişli District, Istanbul. The court accepted our request to intervene in the case together with the defendants, and dismissed the request for the suspension of execution on 29.02.2016. The plaintiff's objection to the dismissal of the request for the suspension of execution was dismissed by Istanbul District Administrative Court on 06.04.2016.

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

The case was brought at the Istanbul Administrative Court No. 10 with the file No. 2016/1026 E. against the Ministry of Environment and Urban Planning for the suspension and annulment of the Environmental Plan Amendment (Scale: 1:100,000), Master Zoning Plan Amendment (Scale: 1/5,000) and Application Zoning Plan (Scale: 1:1,000) approved by the Ministry of Environment and Urban Planning ex officio on 19.01.2016 for the Ayazağa Shanty Prevention Area within Sarıyer District, Istanbul,

MISCELLANEOUS DEVELOPMENTS

LAWSUIT BROUGHT AGAINST OUR COMPANY (CONTINUED)

MASLAK 1453 PROJECT (CONTINUED)

published between 21.01.2016 and 19.02.2016. On 02.08.2016, the court decided to dismiss the request for the suspension of execution. We made a request to intervene on 10.13.2016. We submitted an additional petition for a declaration on 03.11.2016.

ZEKERİYAKÖY

1) UCTEA, Chamber of City Planners, Istanbul Branch

The case was brought against the Ministry of Environment and Urban Planning and Housing Development Administration at the Chamber No. 6 of the Council of State with the file No. 2012/3789 for the suspension and annulment of the Protective Master Zoning Plan (Scale: 1:1,500) and Application Zoning Plan (Scale: 1:1,000) for Zekeriyaköy Housing Area, prepared for the third-degree natural protected area within Zekeriyaköy Neighborhood, Sarıyer District, Istanbul and granted approval (dated: 13.03.2012, No. 1769) On 13.05.2013, the court rendered the judgment to “accept the request for the suspension of execution due to the nature of the case and situation until another judgment is made on the issue following the issuance of a report after an examination and expert review” and dismissed the objection to the suspension of execution. The court decided to suspend the execution on 07.07.2014 in line with the examination and expert review, which took place on 17.01.2014. And the objections to this judgment was dismissed by the Plenary Session of Administrative Law Chambers. Our company submitted a request to join the case as an intervenor together with the defendant institutions, and the court accepted our request on 04.05.2015. The hearing took place on 24.06.2015. The court decided to notify the Ministry of Forestry and Water Affairs of the case on 08.12.2015. The Ministry of Forestry and Water Affairs requested the reporting of the case to the Directorate General of Forestry with its letter dated 17.02.2016. On 30.06.2016, the court decided to annul the disputed process. We wait for the result of our appeal.

2) UCTEA, Chamber of City Planners, Istanbul Branch

The case was brought against the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 7 with the file No. 2013/2478 E. for the suspension and annulment of the Protective Master Zoning Plan (Scale: 1:5,000) and the Protective Application Zoning Plan (Scale: 1:1,000) approved by the Ministry of Environment and Urban Planning with the office consent (dated: 14.08.2013, No. 8097) for the Zekeriyaköy Housing Area within Zekeriyakoy Neighborhood, Sarıyer, District, Istanbul. The examination was made on 20.05.2015, and the expert report was notified to our company on 19.02.2016. Our company made an objection to the expert report’s unfavorable parts. On 12.04.2016, the court decided to review the request for the suspension of the execution after receiving the report. A new examination and expert review will be conducted.

MISCELLANEOUS DEVELOPMENTS

LAWSUIT BROUGHT AGAINST OUR COMPANY (CONTINUED)

ZEKERİYAKÖY (CONTINUED)

3) UCTEA, Chamber of Forest Engineers, Istanbul Branch

The case was brought against the Housing Development Administration (TOKİ), Ministry of National Defense, Ministry of Finance at the Istanbul Administrative Court No. 3 with the file No. 2014/268 E. for the suspension and annulment of Consent granted in the Ministry of National Defense document (dated: 09.02.2010 and No. 3075-10) for the transfer of 34 immovables allocated to the Ministry of National Defense in Zekeriyaköy Neighborhood, Sarıyer District, Istanbul, to Housing Development Administration (TOKİ) as well as the Ministry of Finance's Consent in the document (dated: 04.11.2010, No. 37014) for the transfer of these immovables to TOKİ. On 20.11.2014, our company submitted a request to join the case as an intervenor together with the defendant institutions. On 15.07.2015, the requests of our company, Siyah Kalem Mühendislik, and the Foresters' Association of Turkey to intervene in the case.

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

KUASAR PROJECT

1) Serdar Bayraktar et al.,

The case was brought at the Istanbul Administrative Court No. 5 with the file No. 2014/260 E. for the suspension and annulment of the Master Zoning Plan amendment (Scale: 1:5,000) and the Application Zoning Plan amendment (Scale: 1:1,000) accepted with the Consent (dated: 19.06.2013 and No. 6186) regarding the immovable in Section No. 58, Block No. 1199, and Plot No. 230, Dikilitaş Neighborhood, Şişli District. Our company joined the case as an intervenor together with the defendant institutions. The court accepted the case and decided to annul the plan in dispute. The parties wait for the result of the appellate review.

2) UCTEA, Chamber of City Planners, Istanbul Branch

The case was brought at the Istanbul Administrative Court No. 5 with the file No. 2013/2103 E. for the suspension and annulment of the Master Zoning Plan amendment (Scale: 1:5,000) and the Application Zoning Plan amendment (Scale: 1:1,000) accepted with the Consent (dated: 19.06.2013 and No. 6186) regarding the immovable in Section No. 58, Block No. 1199, and Plot No. 230, Dikilitaş Neighborhood, Şişli District. Our company joined the case as an intervenor together with the defendant institutions. The court accepted the case and decided to annul the plan in dispute. An appeal was made against the judgment for the suspension of execution and the parties wait for the result.

MISCELLANEOUS DEVELOPMENTS

LAWSUIT BROUGHT AGAINST OUR COMPANY (CONTINUED)

İSTANBUL KAPADIK AREA

1) Avcılar Municipality Mayorship

The case was brought against the Ministry of Environment and Urban Planning at the Chamber No. 6 of the Council of State with the file No. 2013/6332 E. for the suspension and annulment of the Master Zoning Plan Revision (Scale: 1:5,000) and the Application Zoning Plan Revision (Scale: 1:1,000) approved by the Ministry of Environment and Urban Planning with the office consent (dated: 01.04.2013 and No. 4989) for Kapadık Area, Yeşilkent Neighborhood, Avcılar District, Istanbul. There was also a request to associate the case with the file No. 2012/4041 E. of the Chamber No. 6 of the Council of State. The court decided to notify TOKİ and our company of the case. On 02.04.2014, our company submitted a request to join the case as an intervenor together with the defendant institution. Our company presented its objections to the expert report notified after the examination. The court decided to suspend the execution in line with the expert report on 01.12.2014, and the Plenary Session of Administrative Law Chambers of the Council of State dismissed our appeal against the judgment to suspend the execution. On 02.03.2015, our company requested a new expert review and trial. On 27.04.2015, the Plenary Session of Administrative Law Chambers of the Council of State dismissed our appeal against the judgment to suspend the execution. The court dismissed the request of the Istanbul Branch of the Chamber of City Planners, UCTEA, to attend the case together with the plaintiff. On 26.11.2015, the Council of State prosecutor gave an opinion against which we presented a counter statement on 18.12.2015.

2) Avcılar Municipality Mayorship

The case was brought against the Ministry of Environment and Urban Planning at the Chamber No. 6 of the Council of State with the file No. 2012/4041 E. for the suspension and annulment of the Master Zoning Plan Revision (Scale: 1:5,000) and the Application Zoning Plan Revision (Scale: 1:1,000) approved by the Ministry of Environment and Urban Planning with the office consent (dated: 09.01.2012 and No. 491) for Kapadık Area, Yeşilkent Neighborhood, Avcılar District, Istanbul. On 23.09.2013, the court accepted the request for the association and examination of the case together with the case No. 2013/6332 E. (filed against the 2013 plan). Our company made a request to intervene together with the defendant on 09.04.2015 and the court accepted our request to intervene on 29.06.2015. On 10.11.2015, the Council of State prosecutor gave an opinion against which we presented a counter statement on 18.12.2015.

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

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

MISCELLANEOUS DEVELOPMENTS

LAWSUIT BROUGHT AGAINST OUR COMPANY (CONTINUED)

İSTANBUL KAPADIK AREA (CONTINUED)

dated 17.05.2016 for the approval of the Master Zoning Plan Amendment (Scale: 1: 5,000) and Application Zoning Plan Amendment (Scale: 1:5,000) regarding the immovable with the former Plot No. 557 in Kapadık Neighborhood, Avcılar District, Istanbul. On 19.10.2016, the court decided to review the request for the suspension of execution after taking the defendant administration's first defense and fulfillment of the interim judgment. We made a request to intervene on 28.12.2016.

İSTANBUL KAYABAŞI

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

The case was brought against the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 9 with the file No. 2013/2096 E. for the suspension and annulment of the Revision Master Zoning Plan amendment (Scale: 1:5,000) and the Revision Application Zoning Plan amendment (Scale: 1:1,000) approved by the Ministry of Environment and Urban Planning with the office consent (dated: 09.05.2013, No. 7096) for the Kayabaşı Housing Development in Başakşehir District, Istanbul. On 21.04.2014, our company made a request to join the case as an intervenor together with the defendant institution and the court accepted this intervention request on 30.06.2014. On 24.06.2016, the court accepted the case and decided to annul the plan in dispute. The parties wait for the result of our appeal.

İSTANBUL ZEYTİNBURNU

1) UCTEA, Chamber of City Planners, Istanbul Branch

The case was brought against the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 5 with the file No. 2014/561 E. for the suspension and annulment of the Master Zoning Plan (Scale: 1:5,000) and the Application Zoning Plan (Scale: 1:1,000) approved by the Ministry of Environment and Urban Planning with the office consent (dated: 19.11.2013, No. 17978) for Block No. 774 and Plot No. 6 and 31 in Kazlıçeşme Neighborhood, Zeytinburnu District, Istanbul. Our company joined the case as an intervenor together with the defendant institution. On 22.09.2014, the court decided to dismiss the request for the suspension of execution, and the plaintiff's objection was also by the District Administrative Court. The expert report came in our company's favor, whereas the plaintiff objected to it. On 31.03.2016, the court decided to hold the file No. 2014/1641 E. until the preparation and submission of an expert report to the court following an examination and expert review. The examination and expert review was conducted on the said file on 15.07.2016.

MISCELLANEOUS DEVELOPMENTS

LAWSUIT BROUGHT AGAINST OUR COMPANY (CONTINUED)

İSTANBUL ZEYTİNBURNU (CONTINUED)

2) UCTEA, Chamber of Architects, Istanbul Büyükkent Branch

The case was brought against the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 5 with the file No. 2014/1641 E. for the suspension and annulment of the Master Zoning Plan (Scale: 1:5,000) and Application Zoning Plan amendment (Scale: 1:1,000) approved by the Ministry of Environment and Urban Planning after amendment with the office consent (dated: 19.11.2013 and No. 17978) for Block No. 774 and Plot No. 6 and 31 within Kazlıçeşme Neighborhood, Zeytinburnu District, Istanbul as well as the Master Zoning Plan (Scale: 1:5,000) and the Application Zoning Plan amendment (Scale: 1:1,000) approved by the Ministry of Environment and Urban Planning with the office consent (dated: 20.03.2014, No. 4446) and published between 09.04.2014 and 08.05.2014 for the same area. On 26.03.2015, our company submitted a request to join the case as an intervenor together with the defendant institution. On 27.05.2015, the court accepted our company's request to intervene. The case was heard at the Istanbul Administrative Court No. 5 with the file No. 2014/561 E. The expert report came in our company's favor, whereas the plaintiff objected to it. On 15.07.2016, an examination and expert review was conducted by a 5-person panel. The parties wait for the report.

İSTANBUL KARTAL

1) S.S. İstanbul Anadolu Yakası Kumcular Üretim ve Paz. Cooperative

The case was brought against the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 9 with the file No. 2013/2105 E. for the suspension and subsequent annulment of the approval (dated: 05.11.2012 and No. 16997) of the master zoning plan (Scale: 1:5,000) and application zoning plan (Scale: 1:1,000) conducted for the plan notes and immediate environs of Block No. 674 and Plot No. 1, 4, 5, 6; Block No. 675 and Plot No. 1, 2, 3; Block No. 676 and Plot No. 108; Block No. 720 and Plot No. 2, 4, 8, 19, 34 within Kartal District. Our company joined the case as an intervenor together with the defendant institution. On 27.04.2015, the court decided to dismiss the case, and the parties wait for the result of the plaintiff's appeal.

2) UCTEA, Chamber of City Planners, Istanbul Branch

The case was brought against the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 1 with the file No. 2013/685 E. for the suspension and subsequent annulment of the approval (dated: 05.11.2012 and No. 16997) of the master zoning plan (Scale: 1:5,000) and application zoning plan (Scale: 1:1,000) conducted for the plan notes and immediate environs of Block No. 674 and Plot No. 1, 4, 5, 6; Block No. 675 and Plot No. 1, 2, 3; Block No. 676 and Plot No. 108; Block No. 720 and Plot No. 2, 4, 8, 19, 34 within Kartal District.

MISCELLANEOUS DEVELOPMENTS

LAWSUIT BROUGHT AGAINST OUR COMPANY (CONTINUED)

İSTANBUL KARTAL (CONTINUED)

Our company joined the case as an intervenor together with the defendant institution. On 16.04.2015, the court decided to dismiss the case, and the parties wait for the result of the plaintiff's appeal.

FINANCE CENTER PROJECT

1) UCTEA, Chamber of City Planners, Istanbul Branch

The case was brought against the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 7 with the file No. 2013/621 E. for the suspension and subsequent annulment of the Istanbul Financial Center Master Zoning Plan (Scale: 1:5,000) and Istanbul Financial Center Application Zoning Plan (Scale: 1:1,000) published between 25.06.2012 and 24.07.2012 for the region known as Istanbul Financial Center within Ümraniye and Ataşehir districts. Our company joined the case as an intervenor together with the defendant institution. The expert report prepared after the examination was unfavorable for our company and we made an objection to it. Our objection was accepted, and the court ruled for the conduct of a new examination but it could not take place on 11.01.2017 due to adverse weather conditions. The parties wait for a new examination date.

2) UCTEA, Chamber of Architects

The case was brought against the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 8 with the file No. 2012/1672 E. for the suspension and subsequent annulment of the Istanbul Financial Center Master Zoning Plan (Scale: 1:5,000) and Istanbul Financial Center Application Zoning Plan (Scale: 1:1,000) published between 25.06.2012 and 24.07.2012 for the region known as Istanbul Financial Center within Ümraniye and Ataşehir districts. Our company submitted a request to join the case as an intervenor together with the defendant institution. The file docket was closed as it was related to the file No. 2013/621 E. of the Istanbul Administrative Court No. 7 and it was referred to the Istanbul Administrative Court No. 7. The file was registered to the Istanbul Administrative Court No. 7 with the docket No. 2014/1102. As the court came to the understanding that the judgment it will make for the case with the file No. 2013/621 after the examination and expert review would affect its judgment in this case, it decided to hold the case at this stage and make its judgment after ruling on the said case according to the expert report.

3) UCTEA, Chamber of Architects

The case was brought against the Housing Development Administration and Istanbul Metropolitan Municipality Mayorship at the Istanbul Administrative Court No. 1 with the file No. 2013/1927 E. for the annulment of the "Ataşehir Housing Development Area Revision Master Zoning Plan Amendment"

MISCELLANEOUS DEVELOPMENTS

LAWSUIT BROUGHT AGAINST OUR COMPANY (CONTINUED)

FINANCE CENTER PROJECT (CONTINUED)

(Scale: 1:5,000) prepared by the Housing Development Administration and published on 14.03.2008 after its approval on 15.02.2008 by the Istanbul Metropolitan Municipality Council. The same request was made for the Ataşehir Housing Development Area Revision Application Zoning Plan Amendment (Scale: 1:1,000), which was published on 12.03.2008 after its approval on 15.02.2008. Our company joined the case as an intervenor together with the defendants. The court dismissed the case, and the parties wait for the outcome of the appellate review.

İSTİNYE PROJECT

1) Sarıyer Municipality Mayorship

The plaintiff, Sarıyer Municipality Mayorship, brought the case at the Civil Court of First Instance No. 12 with the file No. 2015/73 for the suspension and annulment of the tender to be carried out on 03.03.2015 with the Land Sale-based Revenue Sharing method for the immovables owned by our company within Block No. 380 and Plot No. 17, 18 and 38; Block No. 360 and Plot No. 3 and 64; Block No. 1352 and Plot No. 3 within İstinye Neighborhood, Sarıyer, Istanbul. On 02.03.2015, the court made the judgment No. 2015/79 K. to dismiss the case on the grounds of authorization. Our company made an appeal against the judgment together with the plaintiff and the parties wait for the result of the appeal.

2) Sarıyer Municipality Mayorship

The plaintiff, Sarıyer Municipality, brought the case against the Prime Ministry Privatization Administration at the Chamber No. 13 of the Council of State with the file No. 2014/2899 E. for the suspension of execution and cancellation of the High Board of Privatization decision (dated: 16.05.2014 and No. 2014/51) regarding the sale of immovables on Block No. 380 and Plot No. 17, 18, and 38; Block No. 360 and Plot No. 3 and 64; Block No. 1352 and Plot No. 3 to Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş. through the tender conducted according to the Law No. 4046. A party to the sales and tender process, our company was not cited as a party in this case, but it made a request to intervene in the case in April 2015 after finding out about the case separately. And we presented our defense regarding the merits of the case after the court's decision to accept our intervention. The court decided to dismiss the request for the suspension of execution on 20.10.2015 with an interlocutory judgment and then to dismiss the case on 07.06.2016.

MISCELLANEOUS DEVELOPMENTS

LAWSUIT BROUGHT AGAINST OUR COMPANY (CONTINUED)

FATİH YEDİKULE

The plaintiff, Hikmet Öz et al. brought the case against Istanbul Metropolitan Municipality Mayorship, Ministry of Culture and Tourism, and Fatih Municipality Mayorship at the Istanbul Administrative Court No. 2 with the file No. 2013/347 E. for the suspension and annulment of the protective Application Plan and plan provisions (Scale: 1:1,000) for Historic Peninsula's Urban History, Urban Archaeological, 1st Degree Archaeological Area (Turkish State Railways, TCDD Workshops and Yedikule Gashouse), accepted with the Fatih Municipality Council's decision (dated: 09.05.2012 and No. 2012/44) and approved by the Istanbul Metropolitan Municipality Mayorship on 04.10.2012. On 24.04.2015, the court made a judgment for the partial acceptance and dismissal of the request for the suspension of execution. On 07.08.2015, our company submitted a request to join the case as an intervenor together with the defendant institutions. The Chamber No. 1 of the District Administrative Court accepted the defendant institutions' objection to the judgment for the suspension of execution. It decided to remove the judgment to suspend the execution given on 24.04.2015 until making a new judgment regarding the request for the suspension of execution in line with a report to be prepared after an expert review. The court accepted our request to intervene in the case on 15.01.2016. The Ministry of Transport, Maritime Affairs and Communications submitted a request to join the case together with the defendants on 03.03.2016. The court accepted the request of the Ministry of Transport, Maritime Affairs and Communications to intervene on 18.05.2016 and the hearing took place on 20.06.2016. On 10.10.2016, the court ruled that a decision cannot be given with the disputed zoning plan related to Topkapı İETT Terminal area and Sirkeci Train Station area and decided to reject the case with respect to the other aspects of the plan.

MÜHYE LAND

1) UCTEA, Chamber of City Planners, Ankara Branch

The case was brought against the Ministry of Environment and Urban Planning and the Housing Development Administration at the Ankara Administrative Court No. 8 with the file No. 2015/1224 E. for the suspension of and annulment of the Başkent Ankara Master Zoning Plan Amendment (Scale: 1:25,000), Master Zoning Plan Amendment (Scale: 1:5,000) and the Application Zoning Plan (Scale: 1:1,000) approved by the Ministry of Environment and Urban Planning with the office consent (dated: 27.02.2015, No. 3341) for the Plot No. 2 of the Block No. 644, 831, 919, 920, 921, 3189, 3198, 3320, 3321 and 28060 within Mühye Neighborhood, Çankaya District, Ankara. On 10.09.2015, our company submitted a request to join the case as an intervenor together with the defendant institutions. As per the unification judgment of the Chamber No. 1 of the Ankara District Administrative Court (dated: 21.10.2015, No. 2015/2933 E., 2015/2724 K.), the file was closed and referred to the Ankara Administrative Court No. 5. The trial continued with the file No. 2015/2968 E. of the Ankara Administrative Court No. 5. On 13.01.2016, the court decided to accept our company's request to intervene in the case. The expert report following the examination and expert review conducted on 12.04.2016 was against our company, and we objected to it on 11.07.2016. Also, the court made a judgment for the suspension of execution on 27.07.2016, and we made an appeal against this

MISCELLANEOUS DEVELOPMENTS

LAWSUIT BROUGHT AGAINST OUR COMPANY (CONTINUED)

MÜHYE LAND (CONTINUED)

judgment on 18.08.2016. On 03.10.2016, the Chamber No. 5 of the District Administrative Court decided to remove the judgment to suspend the execution. On 02.11.2016, the court decided to review the request for the suspension of execution after the same court made a ruling regarding the suspension of execution in the file No. 2015/2940 E.

2) UCTEA, Chamber of Architects, Ankara Branch

The case was brought against the Ministry of Environment and Urban Planning and the Housing Development Administration at the Ankara Administrative Court No. 4 with the file No. 2015/1482 E. for the suspension of and annulment of the Başkent Ankara Master Zoning Plan Amendment (Scale: 1:25,000), Master Zoning Plan Amendment (Scale: 1:5,000) and the Application Zoning Plan (Scale: 1:1,000) approved by the Ministry of Environment and Urban Planning with the office consent (dated: 27.02.2015, No. 3341) for the Plot No. 2 of the Block No. 644, 831, 919, 920, 921, 3189, 3198, 3320, 3321 and 28060 within Mühye Neighborhood, Çankaya District, Ankara. On 10.09.2015, our company submitted a request to join the case as an intervenor together with the defendant institutions. As per the unification judgment of the Chamber No. 1 of the Ankara District Administrative Court (dated: 21.10.2015, No. 2015/3087 E., 2015/2723 K.), the file was closed and referred to the Ankara Administrative Court No. 5. The trial continued with the file No. 2015/3052 E. of the Ankara Administrative Court No. 5. On 13.01.2016, the court decided to accept our company's request to intervene in the case. The expert report following the examination and expert review conducted on 12.04.2016 was against our company, and we objected to it on 11.07.2016. Also, the court made a judgment to suspend the execution on 27.07.2016. The Chamber No. 8 of the District Administrative Court accepted our objection to the judgment of the suspension of execution and the court decided to reverse this judgment on 24.08.2016. On 29.09.2016, the court decided to receive an additional report and review the request for the suspension of execution after the presentation of objections to the additional report. The additional report dated 15.12.2016 was unfavorable for our company and we made an objection to it.

3) Çankaya Municipality Mayorship

The case was brought against the Ministry of Environment and Urban Planning and the Housing Development Administration at the Ankara Administrative Court No. 9 with the file No. 2015/1554 E. for the suspension of and annulment of the Başkent Ankara Master Zoning Plan Amendment (Scale: 1:25,000), Master Zoning Plan Amendment (Scale: 1:5,000) and the Application Zoning Plan (Scale: 1:1,000) approved by the Ministry of Environment and Urban Planning with the office consent (dated: 27.02.2015, No. 3341) for the Plot No. 2 of the Block No. 644, 831, 919, 920, 921, 3189, 3198, 3320, 3321 and 28060 within Mühye Neighborhood, Çankaya District, Ankara. On 10.09.2015, our company submitted a request to join the case as an intervenor together with the defendant institutions. As per the unification judgment of the Chamber No. 1 of the Ankara District Administrative Court (dated: 21.10.2015, No. 2015/2369 E., 2015/2726 K.), the file was closed and referred to the Ankara Administrative Court No. 5. The trial continued with the file No. 2015/2940 E. of the Ankara Administrative Court No. 5. On 03.12.2015, the court made a judgment to

MISCELLANEOUS DEVELOPMENTS

LAWSUIT BROUGHT AGAINST OUR COMPANY (CONTINUED)

MÜHYE LAND (CONTINUED)

obtain an expert review and rule on the suspension of execution after obtaining the expert review. On 13.01.2016, the court decided to accept our company's request to intervene. On 09.03.2016, the court accepted Fatma Nazan Özyay's request to intervene. The expert report following the examination and expert review conducted on 12.04.2016 was against our company, and we objected to it on 11.07.2016. Also, the court made a judgment to suspend the execution on 27.07.2016. The Chamber No. 5 of the District Administrative Court accepted our objection to the judgment of the suspension of execution and the court decided to reverse this judgment on 03.10.2016. On 02.11.2016, the court decided to request an additional report and review the request for the suspension of execution after the expiry of the objection period for the additional report. The additional report dated 15.12.2016 was unfavorable for our company and we made an objection to it.

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

The case was brought against the Ministry of Environment and Urban Planning and the Housing Development Administration at the Ankara Administrative Court No. 5 with the file No. 2015/1521 E. for the suspension of and annulment of the Başkent Ankara Master Zoning Plan Amendment (Scale: 1:25,000), Master Zoning Plan Amendment (Scale: 1:5,000) and the Application Zoning Plan (Scale: 1:1,000) approved by the Ministry of Environment and Urban Planning with the office consent (dated: 27.02.2015, No. 3341) for the Plot No. 2 of the Block No. 644, 831, 919, 920, 921, 3189, 3198, 3320, 3321 and 28060 within Mühye Neighborhood, Çankaya District, Ankara. On 10.09.2015, our company submitted a request to join the case as an intervenor together with the defendant institutions. On 21.10.2015, the Chamber No. 1 of Ankara District Administrative Court decided to authorize the Ankara Administrative Court No. 5 regarding the associated files. On 03.12.2015, the court made a judgment to obtain an expert review and rule on the suspension of execution after obtaining the expert review. On 13.01.2016, the court decided to accept TOKİ's and our company's request to intervene. On 09.03.2016, the court accepted Fatma Nazan Özyay's request to intervene. The expert report following the examination and expert review conducted on 12.04.2016 was against our company, and we objected to it on 11.07.2016. Also, the court made a judgment to suspend the execution on 27.07.2016. The Chamber No. 5 of the District Administrative Court accepted our objection to the judgment of the suspension of execution and the court decided to reverse this judgment on 03.10.2016. On 02.11.2016, the court decided to review the request for the suspension of execution after the same court made a ruling regarding the suspension of execution in the file No. 2015/2940 E.

ÇAYYOLU LAND

1) UCTEA, Chamber of Architects, Ankara Branch

The case was brought against the Ministry of Environment at the Ankara Administrative Court No. 10 with the file No. 2015/1987 E. for the suspension an annulment of the Başkent Ankara Master Zoning Plan Amendment (Scale: 1:25,000) Master Zoning Plan Amendment (Scale: 1:5,000) and the Application

MISCELLANEOUS DEVELOPMENTS

LAWSUIT BROUGHT AGAINST OUR COMPANY (CONTINUED)

ÇAYYOLU LAND (CONTINUED)

Zoning Plan (Scale: 1:1,000) approved by the Ministry of Environment and Urban Planning ex officio on 21.05.2015 for the Plot No. 953 within Çayyolu Neighborhood, Çankaya District, Ankara. On 02.10.2015, our company submitted a request to join the case as an intervenor together with the defendant institutions. On 14.10.2015, the court made a judgment for an expert review and the notification of our intervention petition to the parties. And the court decided to rule on the request for the suspension of execution after the completion of an examination and expert review. The examination was made on 20.01.2016, and the expert report came in our favor. On 25.01.2016, the contractor, YP İnşaat A.Ş., submitted a request to intervene in the case. The court decided to dismiss the case on 25.03.2016, and the parties wait for the review of the plaintiff's appeal.

2) UCTEA, Chamber of City Planners, Ankara Branch

The case was brought against the Ministry of Environment at the Ankara Administrative Court No. 16 with the file No. 2015/2300 E. for the suspension an annulment of the Başkent Ankara Master Zoning Plan Amendment (Scale: 1:25,000) Master Zoning Plan Amendment (Scale: 1:5,000) and the Application Zoning Plan (Scale: 1:1,000) approved by the Ministry of Environment and Urban Planning ex officio on 21.05.2015 for the Plot No. 953 within Çayyolu Neighborhood, Çankaya District, Ankara. On 16.12.2015, our company submitted a request to join the case as an intervenor together with the defendant institutions. The court decided to accept TOKİ's and our company's request to intervene on 24.12.2015 and 15.02.2016, respectively. The expert report following the examination and expert review conducted on 07.06.2016 was against our company, and we objected to it on 03.10.2016. On 04.11.2016, the court decided to review the request for the suspension of execution after the conduct of an additional expert review and the submission of the additional expert report to the court.

3) Ela Betül Termeli

The case was brought against Ankara Metropolitan Municipality Mayorship and the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 17 with the file No. 2016/4065 E. for the annulment of the zoning plan amendments approved by the Ministry of Environment and Urban Planning on 21.05.2015 ex officio regarding the Plot No. 1 within the Block No. 29622 and Plot No. 1, 2, 3, and 4 (953) within the Block No. 29479 in Çayyolu Neighborhood, Çankaya District, Ankara as well as the the suspension of execution of the related construction building permit. On 02.11.2016, the court decided to review the request for the suspension of execution after taking the defendant administration's first defense and fulfillment of the interim judgment. We made a request to intervene on 23.12.2016.

MISCELLANEOUS DEVELOPMENTS

LAWSUIT BROUGHT AGAINST OUR COMPANY (CONTINUED)

ALİBEYKÖY

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

The case was brought against the Ministry of Environment at the Istanbul Administrative Court No. 5 with the file No. 2015/2131 E. for the suspension and annulment of the Master Zoning Plan Amendment (Scale: 1:5,000) and the Application Zoning Plan Amendment (Scale: 1:1,000) approved by the Ministry of Environment and Urban Planning on 08.09.2015 ex officio for the Block No. 859 and Plot No. 6 (Block 2, Plot 6 in the new records) within Osmanpaşa Area, Alibeyköy Neighborhood, Eyüp District, Istanbul. On 19.08.2016, our company submitted a request to join the case as an intervenor together with the defendant institutions.

MALTEPE KÜÇÜKYALI PROJECT

1) Maltepe Municipality Mayorship

The case was brought by Maltepe Municipality Mayorship against the Ministry of Environment and Urban Planning and the Housing Development Administration at the Istanbul Administrative Court No. 10 with the file No. 2016/1529 E. for the suspension and annulment of the Master Zoning Plan (Scale: 1:5,000) and the Application Zoning Plan (Scale: 1:1,000) regarding the Plot No. 2 and 3 within Block No. 1396, and various plots within Block No. 2775 and 1586 owned by our company and the planning area consisting of non-registered areas in Küçükaly and Başbüyük neighborhoods, Maltepe District, Istanbul. Our company and the contractor Tahincioğlu-Küçükaly Joint Venture requested to participate in the case together with the defendant institutions and the court accepted this request for intervention. On 15.12.2016 an examination was conducted and the court will make a judgment regarding the request for the suspension of execution according to the expert report.

2) Özgür AYDIN – Hakkı SAĞLAM

The case was brought by plaintiffs Özgür Aydın and Hakkı Sağlam against the Ministry of Environment and Urban Planning and the Housing Development Administration at the Istanbul Administrative Court No. 10 with the file No. 2016/1478 E. for the suspension and annulment of the Master Zoning Plan (Scale: 1:5,000) and the Application Zoning Plan (Scale: 1:1,000) regarding the Plot No. 2 and 3 within Block No. 1396, and various plots within Block No. 2775 and 1586 owned by our company and the planning area consisting of non-registered areas in Küçükaly and Başbüyük neighborhoods, Maltepe District, Istanbul. Our company and the contractor Tahincioğlu-Küçükaly Joint Venture requested to participate in the case together with the defendant institutions and the court accepted this request for intervention. On 15.12.2016 an examination was conducted and the court will make a judgment regarding the request for the suspension of execution according to the expert report.

MISCELLANEOUS DEVELOPMENTS

LAWSUIT BROUGHT AGAINST OUR COMPANY (CONTINUED)

MALTEPE KÜÇÜKYALI PROJECT (CONTINUED)

3) UCTEA, Chamber of City Planners – UCTEA, Chamber of Architects

The case was brought by UCTEA Chamber of City Planners against the Ministry of Environment and Urban Planning and at the Istanbul Administrative Court No. 13 with the file No. 2016/1065 E. for the suspension and annulment of the Master Zoning Plan (Scale: 1:5,000) and the Application Zoning Plan (Scale: 1:1,000) regarding the Plot No. 2 and 3 within Block No. 1396, and various plots within Block No. 2775 and 1586 owned by our company and the planning area consisting of non-registered areas in Küçükalyalı and Başbüyük neighborhoods, Maltepe District, Istanbul. UCTEA Chamber of Architects requested to participate in the case together with plaintiff while our company and the contractor Tahincioğlu-Küçükalyalı Joint Venture requested to participate in the case together with the defendant institutions and the court accepted these requests. The court rejected the request for the suspension of execution. The court ruled with its interim decision dated 09.12.2016 that the case should be referred to the Istanbul Administrative Court No. 10 to determine whether the case was connected with the cases No. 2016/1478 E. and 2016/1529 E. heard at the said court.

SIGNIFICANT DEVELOPMENTS IN THE PERIOD

RESIGNATION OF AN INDEPENDENT BOARD MEMBER

Veysel Ekmen, an Independent Board Member, resigned from his position due on December 22, 2016, due to his workload.

APPOINTMENT OF A NEW INDEPENDENT BOARD MEMBER

Approval of Muhterem İnce as an independent board member after the Corporate Governance Committee's nomination evaluation and referral to the Board of Directors,

Election of Muhterem İnce to serve until the first General Assembly by filling the vacant independent member position temporarily

Presentation of the documents of the said person to the CMB pursuant to the Corporate Governance Communique.

THE PROTOCOL SIGNED WITH GALATASARAY SPORTS CLUB ASSOCIATION

Emlak Konut REIC and Galatasaray Sports Club Association signed a protocol and an additional protocol on June 29, 2016, and December 27, 2016, respectively, regarding the lands with a total area of 1,098,649.18 square meters for project development.

Galatasaray Sports Club Association will have a minimum share of 508,729,251.72 Turkish lira in projects to be developed by Emlak Konut REIC.

Galatasaray Sports Club Association and Emlak Konut REIC will obtain 80 percent and 20 percent of the revenues from the projects to be developed through the tender method, respectively.

ABOUT COMPANY TARGET

Our company made the tenders as planned in 2016 by inviting putting out seven revenue-sharing tenders whereby the company had a share of approximately 2.28 billion Turkish lira and maintained its grow.

The company aspired to reach a profit target of 1.5 billion Turkish lira in 2016 based on the estimations at the beginning of the year. It showed a profit of approximately 1.5 billion Turkish lira as of the third quarter due to the rapid progress of the construction projects and the strong sales achieved in them. Accordingly, the year-end net profit target was revised up to 1.8 billion Turkish lira. The company sustains its growth with the implementation of about 10 million square meters of land and projects.

SIGNIFICANT DEVELOPMENTS IN THE PERIOD

THE PROTOCOL SIGNED WITH TARIŞ COOPERATIVE ASSOCIATIONS

Our company signed a protocol with Tariş Cooperative Associations to develop projects with a revenue sharing model on the Association's lands with a total area of 143,366 square meters located within Kuruçay/Umurbey Neighborhoods, Konak District of Izmir.

According to our agreement, our Company and Tariş Cooperative Associations will obtain 20 percent and 80 percent of the project revenues, respectively. Within this scope, 367,315,324.44 TL have been paid to the Associations as advance payment and following the project development, this amount will be collected from Associations with its interest.

SIGNIFICANT DEVELOPMENTS AFTER THE PERIOD

OUR COMPANY'S 2017 SALES TARGETS

We estimate that our company can achieve the following important figures in 2017 through the ongoing and future projects:

Selling 1,350 units with a total gross area of 183,655 square meters and sales value of 1,055,548,126 Turkish lira excluding VAT in the first quarter.

Selling 2,615 units with a total gross area of 335,262 square meters and sales value of 2,224,365,386 Turkish lira excluding VAT in the second quarter.

Selling 2,292 units with a total gross area of 294,513 square meters and sales value of 1,928,557,701 Turkish lira excluding VAT in the third quarter.

Selling 3,643 units with a total gross area of 466,085 square meters and sales value of 2,796,447,263 Turkish lira excluding VAT in the fourth quarter.

Selling 9,900 units with a total gross area of 1,279,513 square meters and sales value of 8,004,918,475 Turkish lira excluding VAT throughout the year.

We estimate our company to generate a net profit of 1.8 billion Turkish lira.

LOAN USE

Our company has acquired a loan worth 620.000.000 Turkish lira from Vakıfbank with an annual interest rate of 12.46 percent.

Loan use conditions:

A grace period of one year with interest payments every three months and then principal + interest payments every three months for the next three years. The Company used 620,000,000 TL credit from Vakıfbank with an annual interest rate of 12.46%.

UPDATES TO THE COMMITTEE MEMBERSHIPS

Upon the resignation of Independent Board Member Veysel Ekmen, the memberships of the committees established under the CMB's Corporate Governance Communique were updated as follows.

Corporate Governance Committee: Ertan Keleş (Committee President), Muhterem İnce, Sami Er, Hakan Akbulut

Audit Committee: Ertan Keleş (Committee President), Muhterem İnce, Havvanur Yurtsever

SIGNIFICANT DEVELOPMENTS AFTER THE PERIOD

SELECTION OF THE APPRAISAL COMPANY FOR 2017

Under Article 35 ("Selection of Real Estate Evaluation Company" of the Communique on Principles Regarding Real Estate Investment Trusts, our Company decided to get valuation services from "Nova Taşınmaz Değerleme ve Danışmanlık A.Ş." and "Atak Gayrimenkul Değerleme A.Ş." for each portfolio asset that needs to be evaluated and those that may be included in our portfolio, and hence require valuation, in 2017.

MISCELLANEOUS DEVELOPMENTS

ADMINISTRATIVE AND JUDICIAL SANCTION

No administrative or judicial sanctions were imposed on the members of the company's management unit due to practices against the provisions of the legislation.

SHARE BUYBACK PROGRAM

Under our "Buyback Program," the total number of Emlak Konut REIC shares repurchased by the company reached 120,070,862 lots and 3.16 percent of the company capital.

R&D ACTIVITIES

Emlak Konut REIC does not have any R&D activities.

HOUSING ACQUISITION AID (KEY) PAYMENTS

In 2016, the company received three written request regarding the transfer of closed shares from the Housing Acquisition Aid (KEY) beneficiaries' accounts to the relevant investment account. Beneficiaries' claims were processed, and KEY-equivalent shares were transferred into their accounts. The total transfer amount (share amount) was 308.41 in 2016.

The company did not receive any KEY transfer requests between October 1, 2016, and December 31, 2016.

DONATIONS

Information on the donations for 2016 are explained below:

The Company donated an amount of 8,000,000.00 Turkish lira to Istanbul Mosque Construction, Education, and Cultural Services Association.

The Company donated an amount of 5,000,000.00 Turkish lira to the Ministry of National Education.

The Company donated an amount of 1,121,000.00 Turkish lira to the Istanbul Directorate of Riot Police.

The Company donated an amount of 609,768.83 Turkish lira to July 15 martyrs and veterans.

The Company donated an amount of 200,000.00 Turkish lira to Van Police Services Development and Support Association.

The Company donated an amount what 62,715.60 Turkish lira to the Regional Administrative Court.

INVESTOR RELATIONS

Investor Relations Department works pursuant to the relevant legislation and internal arrangements. Under our disclosure policy, the department has met both domestic and international corporate investors' meeting and interview requests within the bounds of possibility. Following is the list of such meetings organized by the Investor Relations Department within the relevant period:

Emlak Konut REIC participated in nine domestic/overseas conferences/roadshows in 2016 to share operational, strategic and financial developments with the existing investors/potential investors and analysts and had meetings with 157 investors/analysts from 100 different institutions and funds during these events. The company held 68 meetings at its headquarters and shared the company-related developments with 111 investors/analysts from 61 different institutions and funds. It held meetings with eight investors/analysts outside the company headquarters. Informing many investors and analysts through e-mail and telephone.

We expect to see continued confidence by domestic and international investors and institutions in our company in the coming days.



HUMAN RESOURCES

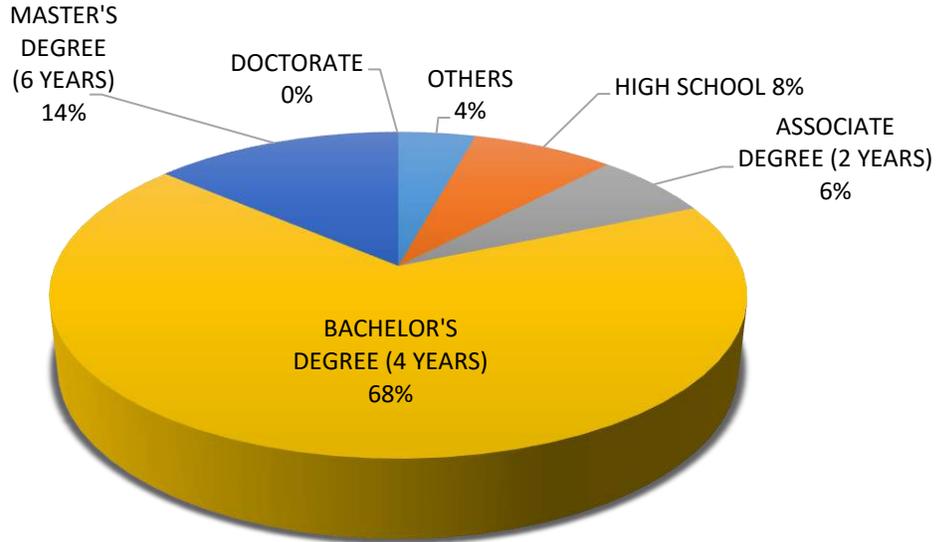
The company believes in the power of the human capital and attaches particular importance to professional and specialist training for its personnel. We apply the meticulous approach to our human resources management processes as well as operations. We carry on our improvement- and development-focused activities in personnel management. 82 percent of our employees have a higher education background.

Our company adopts a human resources policy that aspires to create value that will ensure the achievement of our corporate vision and mission. Our Human Resources and Personnel Policy are published on our website.

The Company notifies its employees of their job definitions, work distribution as well as performance and reward criteria. The company takes productivity into account when determining salaries and other benefits given to employees. The company conducts transactions, processes, and applications under the provisions of the Labor Law No. 4857 and other relevant legislation regarding the aspects that are not regulated by any provisions of the Personnel Regulation and other relevant regulations.

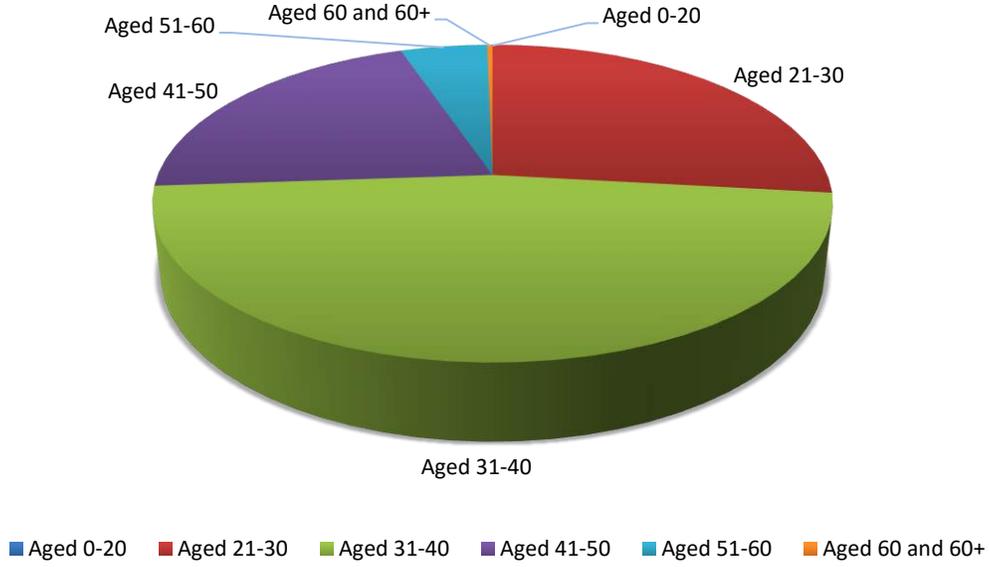
Detailed information on the Human Resources Policy and its operation is also available in Part III of the 'Corporate Governance Compliance Report.

EDUCATIONAL STATUS

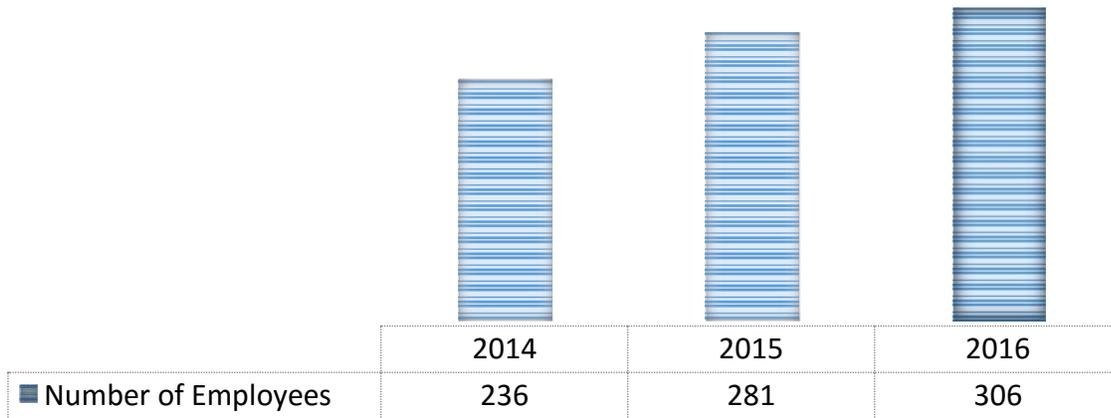


HUMAN RESOURCES

PERSONNEL AGE RANGE



NUMBER OF EMPLOYEES



PORTFOLIO STRUCTURE AND REAL ESTATES

In accordance with the Capital Markets Board's Communiqué (Serial: VI No: 29) on the amendment of the Communiqué on Principles Regarding Real Estate Investment Companies, the matters covered by Article 42 of the Regulation are shared with all stakeholders in the relevant sections of our annual report. The relevant sections of this report provide a summary of the appraisal reports prepared for the assets in the portfolio, a summary of the developments in the last quarter, detailed information about the leased and rented portfolio assets, the company's comparative financial statements for the related accounting period and the control of portfolio restrictions.

Starting with the premise that the public should be provided with more transparent, understandable and accessible information, the relevant parts of the annual report present a project-based explanation of the current state of our two business development models, completion rates and durations, and a summary of relevant matters.

LANDS PURCHASED FOR PROJECT DEVELOPMENTS

We explain below the lands identified and purchased by the company in alignment with its strategies, targets as well as risks.

Land Purchases between January 1, 2016 and March 31, 2016

The company did not make any land purchases in this period.

Land Purchases between April 1, 2016, and June 30, 2016

Our company and Republic of Turkey Prime Ministry Housing Development Administration signed a protocol on 20.06.2016 for the purchase of five immovables with a total area of 983,857.84 square meters, worth 2,277,960,526.00 Turkish lira by our company. Two of them are located in Halkalı Neighborhood, Küçükçekmece, Istanbul with a total area of 959,388.94 square meters and worth 1,822,838,986 Turkish lira. Three of them are located in Teşvikiye Neighbourhood, Şişli District, Istanbul with a total area of 24,468,90 square meters and worth 455,121,540 Turkish lira.

The company will make its payments to TOKİ in cash in following installments: 277,960,526.00 Turkish lira within 1 month, 600,000,000 Turkish lira on 15.01.2017, 700,000,000 Turkish lira on 15.06.2017 and the remaining 700,000,000 Turkish lira on 15.12.2017. The company will pay the said amount according to the payment schedule beginning with its down payment with an updated D-PPI ratio and the paid amount will be subtracted from the last updated figure.

Land Purchases between July 1, 2016, and September 30, 2016

The company did not make any land purchases in this period.

Land Purchases between October 1, 2016, and December 31, 2016

The company did not make any land purchases in this period.

CONSULTANCY, AUDIT AND APPRAISAL ENTERPRISES OFFERING SERVICES

INDEPENDENT AUDIT FIRM

DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

(Member of DELOITTE TOUCHE TOHMATSU LIMITED)

APPRAISAL COMPANIES

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

INVESTOR RELATIONS CONSULTANCY COMPANY

Dalfin Finansal Kurumsal İletişim ve Danışmanlık Hizmetleri Ltd. Şti.

CERTIFIED PUBLIC ACCOUNTANT

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

PRESS AND PR COMPANY

Native Reklam ve Medya İletişim Hizmetleri Ticaret A.Ş.

CORPORATE RESOURCE MANAGEMENT SYSTEM SOTFWARE CONSULTANCY COMPANY

SAP Türkiye Çözüm Ortağı olan Detay Danışmanlık Bilgisayar Hizmetleri Sanayi Dış Ticaret A.Ş.

ANNEXES

- 1. Convenience Translation of The Financial Statements at 31 December 2016 Together With Independent Auditor's Report**
- 2. Summary Table of Tendered Land Plots**
- 3. Summary Table of Building Inventory**
- 4. Land Stock Summary Table**
- 5. Summary of Land Plots' Appraisal Reports**
- 6. Summary of Projects' Appraisal Reports**
- 7. Summary of Buildings' Appraisal Reports**
- 8. Dividend Distribution Table**
- 9. Declaration of Independence (Notarised Original Version in Turkish)**

LEGAL NOTICE

This interim report includes information about the Company's operations and accounts for the period from January 1 to December 31, 2016. It was prepared in accordance with legal regulations and based on the Board of Directors Report, Corporate Governance Compliance Report and Financial Statements.

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

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONVENIENCE TRANSLATION OF
THE FINANCIAL STATEMENTS AT 31 DECEMBER 2016
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**

(ORIGINALLY ISSUED IN TURKISH)

**(CONVENIENCE TRANSLATION OF
INDEPENDENT AUDITOR’S REPORT ORIGINALLY ISSUED IN TURKISH)**

INDEPENDENT AUDITOR’S REPORT

**To the Board of Directors of
EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**

Report on the Financial Statements

We have audited the accompanying financial statements of Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş. (“the Company”) statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Turkish Accounting Standards (“TAS”), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with standards on auditing issued by Capital Markets Board and Independent Auditing Standards which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority (“POA”). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş. as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with Turkish Accounting Standards.

Other Matter

The financial statements of the Company for the year ended 31 December 2015 were audited by another auditor who expressed an unmodified opinion on those statements on 29 February 2016.

Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 398 of the Turkish Commercial Code No. 6102 ("TCC"), the auditor's report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Company on 27 February 2017.

In accordance with paragraph four of the Article 402 of TCC, nothing has come to our attention that may cause us to believe that the Company's set of accounts and financial statements prepared for the period 1 January-31 December 2016 does not comply with TCC and the provisions of the Company's articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

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

Koray Öztürk, SMMM
Partner

İstanbul, 27 February 2017

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

FINANCIAL STATEMENTS AT 31 DECEMBER 2016 AND 2015

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EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2016 AND 2015

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

		<i>Audited</i> 31 December 2016	<i>Restated (*)</i> 31 December 2015	<i>Restated (*)</i> 1 January 2015
	Notes			
ASSETS				
Current assets		17,076,882	15,097,889	13,231,061
Cash and cash equivalents	3	2,501,233	3,005,003	2,606,133
Financial investments	4	140,795	143,819	236,798
Trade receivables	6	682,868	918,649	697,066
<i>Trade receivables due from related parties</i>	25	<i>21,087</i>	<i>204,172</i>	<i>26,499</i>
<i>Trade receivables due from unrelated parties</i>		<i>661,781</i>	<i>714,477</i>	<i>670,567</i>
Other receivables	7	838,505	499,781	443,060
Inventories	8	12,085,195	10,330,403	8,984,095
Prepaid expenses	15	543,811	33,962	11,544
Other current assets	14	284,475	166,272	252,365
Non-current assets		1,625,485	1,638,104	1,259,519
Trade receivables	6	1,466,854	1,483,100	1,220,622
Other receivables	7	1,053	168	166
Investment property	9	38,199	16,000	847
Property, plant and equipment	10	69,181	78,721	35,897
Intangible assets	11	2,605	1,874	1,987
Other non-current assets	14	47,593	58,241	-
Total assets		18,702,367	16,735,993	14,490,580

(*) See Note: 2.7

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2016 AND 2015

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

	Notes	Audited 31 December 2016	Restated (*) 31 December 2015	Restated (*) 1 January 2015
LIABILITIES AND EQUITY				
Current liabilities		7,954,280	7,140,154	5,248,974
Short term borrowings	5	-	-	515
Current portion of non-current borrowings	5	219,490	230,657	171,757
Trade payables	6	3,824,119	2,231,297	1,077,815
<i>Trade payables due to related parties</i>	25	3,510,865	1,881,778	558,203
<i>Trade payables due to unrelated parties</i>		313,254	349,519	519,612
Other payables	7	560,576	517,994	515,425
Deferred income	15	3,215,821	3,989,548	3,363,224
<i>Deferred income from related parties</i>	25	64,732	64,732	-
<i>Deferred income from unrelated parties</i>		3,151,089	3,924,816	3,363,224
Current provisions		134,274	170,658	120,238
<i>Current provisions for employee benefits</i>	13	6,190	4,626	3,609
<i>Other current provisions</i>	12	128,084	166,032	116,629
Non-current liabilities		17,894	270,440	490,322
Long term borrowings	5	-	214,000	434,000
Trade payables	6	71	36,192	36,192
Other payables		9,352	13,814	15,130
Deferred income	15	2,963	2,448	1,952
Long term provisions		5,508	3,986	3,048
<i>Long term provisions for employee benefits</i>	13	5,508	3,986	3,048
Shareholders' equity		10,730,193	9,325,399	8,751,284
Paid-in capital	16	3,800,000	3,800,000	3,800,000
Treasury shares (-)	16	(262,857)	(262,857)	(240,687)
Share premium	16	2,378,513	2,366,895	2,366,895
Other comprehensive income / expense not to be reclassified to profit or loss		(897)	(487)	(203)
- <i>Gain/(loss) on remeasurement of employee benefits</i>		(897)	(487)	(203)
Restricted reserves	16	423,295	357,908	292,674
Retained earnings		2,630,863	2,111,335	1,578,208
Net profit for the year		1,761,276	952,605	954,397
Total liabilities and equity		18,702,367	16,735,993	14,490,580

(*) See Note: 2.7

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2016 AND 2015

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

		<i>Audited</i> 1 January- 31 December 2016	<i>Audited</i> 1 January- 31 December 2015
	Notes		
Profit or loss			
Revenue	17	3,455,892	1,786,788
Cost of sales (-)	17	(1,619,678)	(898,788)
Gross profit		1,836,214	888,000
General administrative expenses (-)	18	(137,483)	(94,651)
Marketing expenses (-)	18	(56,084)	(28,570)
Other income from operating activities	20	288,987	183,663
Other expenses from operating activities (-)	20	(24,120)	(44,102)
Operating profit		1,907,514	904,340
Income from investing activities	21	13,810	14,570
Operating profit before financial income / (expense)		1,921,324	918,910
Financial income	22	94,312	84,504
Financial expenses (-)	22	(254,360)	(50,809)
Profit for the period from continued operations		1,761,276	952,605
Other comprehensive income / (loss)			
Items that will be reclassified to profit or loss			
<i>Actuarial losses related to employee benefit liabilities</i>	<i>13</i>	<i>(410)</i>	<i>(284)</i>
Total comprehensive income for the year		1,760,866	952,321
Earnings per share (in full TL)	24	0.0048	0.0026

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2016 AND 2015

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

	Share capital	Treasury shares (-)	Share premium	Restricted reserves	Other Comprehensive Income and Expense not to be Reclassified to Profit or Loss	Retained Earnings		Total equity
					Loss on remeasurement of employee benefits	Retained earnings	Net Income for the year	
1 January 2015	3,800,000	(240,687)	2,366,895	292,674	(203)	1,578,208	954,397	8,751,284
Transfers	-	-	-	65,234	-	889,163	(954,397)	-
Dividend payment (Note:16)	-	-	-	-	-	(356,036)	-	(356,036)
Increases / (decreases) related to the acquisition of treasury shares	-	(22,170)	-	-	-	-	-	(22,170)
Total comprehensive income	-	-	-	-	(284)	-	952,605	952,321
31 December 2015	3,800,000	(262,857)	2,366,895	357,908	(487)	2,111,335	952,605	9,325,399
1 January 2016	3,800,000	(262,857)	2,366,895	357,908	(487)	2,111,335	952,605	9,325,399
Transferler	-	-	-	65,387	-	887,218	(952,605)	-
Dividend payment (Note: 16)	-	-	-	-	-	(367,690)	-	(367,690)
Increases / (decreases) related to the acquisition of treasury shares	-	-	11,618	-	-	-	-	11,618
Total comprehensive income	-	-	-	-	(410)	-	1,761,276	1,760,866
31 December 2016	3,800,000	(262,857)	2,378,513	423,295	(897)	2,630,863	1,761,276	10,730,193

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

STATEMENTS OF CASH FLOWS AT 31 DECEMBER 2016 AND 2015

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

	Notes	1 January- 31 December 2016	1 January- 31 December 2015
Cash flows from operating activities			
Profit for the year		1,761,276	952,605
Adjustments to reconcile net profit			
Depreciation and amortization expenses	10,11	7,086	3,086
Adjustments for impairments	8	7,434	(986)
<i>Adjustments for impairment loss (reversal of impairment loss) of inventories</i>		7,434	(986)
Changes in provisions		(33,950)	60,747
<i>Adjustments for (reversal of) provisions related with employee benefits</i>	13	2,812	2,127
<i>Adjustments for (reversal of) lawsuit and/or penalty provisions</i>	12	(3,664)	17,606
<i>Adjustments for (reversal of) other provisions</i>	12	(33,098)	41,014
Adjustments for interest (income) expenses		(90,989)	(172,597)
<i>Adjustments for interest income</i>	20,22	(344,746)	(222,368)
<i>Adjustments for interest expense</i>	22	253,757	49,771
Adjustments for unrealised foreign exchange losses (gains)		-	(119)
Changes in net working capital		1,650,857	842,736
Adjustments for decrease (increase) in trade accounts receivable		167,769	(532,886)
<i>Decrease (increase) in trade accounts receivables from related parties</i>	25	183,085	(177,672)
<i>Decrease (Increase) in trade accounts receivables from unrelated parties</i>	6	(15,316)	(355,214)
Adjustments for decrease (increase) in inventories	8	237,774	(1,360,542)
Adjustments for increase (decrease) in trade accounts payable		(570,661)	1,200,434
<i>Increase (decrease) in trade accounts payables to related parties</i>	25	(498,275)	1,323,575
<i>Increase (decrease) in trade accounts payables to unrelated parties</i>	6	(72,386)	(123,141)
Adjustments for increase (decrease) in other operating receivables		(883,044)	19,781
Adjustments for increase (decrease) in other operating payables		(691,105)	666,482
Other adjustments for other increase (decrease) in working capital		730,426	(1,071,484)
Net cash flow from operating activities			
Interest received		121,257	19,634
Payments related with provisions for employee benefits	13	(137)	(172)
Income taxes paid		(44,542)	(36,382)
Cash flows from operating activities		718,594	(252,399)
Cash flows from investing activities			
Purchases of tangible and intangible assets	10,11	(19,945)	(45,730)
Sales of tangible and intangible assets		44	-
Interest received		13,810	17,362
Purchases of financial assets		(125,678)	(713,046)
Returns of financial assets		128,703	806,025
Cash flow from investing activities		(3,066)	64,611
Cash flow from financing activities			
Payments to acquire entity's shares or other equity instruments		-	(22,170)
<i>Payments to acquire entity's shares</i>		-	(22,170)
Repayments of borrowings, classified as financing activities		(220,000)	(160,515)
<i>Loan repayments</i>		(220,000)	(160,515)
Dividends Paid		(356,072)	(356,036)
Interest paid		(36,351)	(50,871)
Interest received		94,238	84,624
Other inflows (outflows) of cash		(631)	(1,151)
Cash flow from financing activities		(518,816)	(506,119)
Increase (decrease) in cash and cash equivalents before effect of exchange rate before effect of exchange rate changes			
		196,712	(693,907)
Effect of exchange rate changes on cash and cash equivalents		-	-
Net Increase (decrease) in cash and cash equivalents		196,712	(693,907)
Cash and cash equivalents at the beginning of the period	3	759,493	1,453,400
Cash and cash equivalents at the end of the period	3	956,205	759,493

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2016 AND 2015

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

NOTE 1 – ORGANIZATION AND OPERATION OF THE COMPANY

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

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

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

By the decision of the Board of Directors of Istanbul Stock Exchange Market on 26 November 2010, 25% portion of the Company’s class B shares with a nominal value of TL 625,000 has been trading on the stock exchange since 2 December 2010.

The registered address of the Company is as follows:

Barbaros Mah. Mor Sümül Sok. No: 7/2 B (Batı Ataşehir) Ataşehir - İstanbul

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

The financial statements at 31 December 2016 have been approved by the Board of Directors on 27 February 2017. 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.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2016 AND 2015

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

The 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 financial statements of the Company is prepared as per the CMB announcement of 7 June 2013 relating to financial statements presentations.

In accordance with the CMB resolution issued on 17 March 2005, listed companies operating in Turkey are not subject to inflation accounting effective from 1 January 2005. Therefore, the financial statements of the Company have been prepared accordingly.

The Company maintains its books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code (“TCC”), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB. These financial statements have been prepared under historical cost conventions. The financial statements are based on the statutory records, which are maintained under historical cost conventions, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with TAS.

Accounting for the effects of hyperinflation

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

Functional and presentation currency

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2016 AND 2015

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

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

2.1 Basis of Preparation (continued)

Offsetting

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

Going concern

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

2.2 Changes in accounting policies, accounting estimates and errors

Significant changes in accounting policies or material errors are corrected, retrospectively; by restating the prior period financial statements.

2.3 Conformity with the Portfolio Limitations

The information presented in Additional Note of this report, regarding control of conformity with the portfolio limitations, is a summary information extracted from financial statements in accordance with Article 16 of Communiqué No: II-14.1, “Principles of Financial Reporting in Capital Markets” and is prepared in accordance with the provisions of the control of portfolio limitations of Communiqué No: III-48.1, “Principles Regarding Real Estate Investment Companies”.

2.4 Summary of significant accounting policies

The significant accounting policies followed in the preparation of these financial statements are summarized below;

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and highly liquid investments, whose maturity at the time of purchase is less than three months and conversion risk on value at the date of sale is immaterial. For Land Subject to Revenue Sharing Agreements (“LSRSA”) projects, advances received from customers by construction entities, are deposited in bank accounts which are under the name of the Company. Since such cash balances are restricted, they are not treated as cash or cash equivalents in the cash flow statement (Note 3).

Related party transactions

Shareholders, key management personnel, Board of Directors, close family members, and companies which are controlled by those are regarded as related party for the purpose of preparation of these financial statements. In accordance with TAS 24 – Related party standards, the description of related parties has been restricted. The Company has also transactions with State owned banks and the Republic of Turkey Prime Ministry Undersecretariat of Treasury (the “Treasury”) however quantitative information regarding Turkish State Banks and Treasury is not disclosed in accordance with this exemption. 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 control of Republic of Turkey Prime Ministry. The transactions made between the Company and TOKİ and its affiliates are presented in Note 25.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2016 AND 2015

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

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

2.4 Summary of significant accounting policies (Continued)

Foreign currency transactions

The foreign exchange transactions during the year are translated into TL using the prevailing exchange rates on the related transaction dates. Foreign currency denominated monetary assets and liabilities are translated into TL with the exchange rates prevailing on the balance sheet dates. The foreign currency exchange gain and losses that arise by the exchange rate change based on monetary assets and liabilities are presented in the comprehensive income statement.

Financial assets

Classification

The financial assets of the Company consist of government bonds, treasury bills, trade receivables and long term bank deposits. Management determines the classification of its financial assets at initial recognition. Government bonds and treasury bills are classified as held to maturity financial assets except for the special issue long term government bonds obtained for HAS payments.

The special issue long term government bonds have been issued by the Treasury and given to the Company for payment of HAS payables. These bonds are non-negotiable on the secondary market and do not bear any interest. It is puttable on demand by the Company at par back to the Treasury, upon proof of payment to HAS beneficiaries. In order to eliminate an accounting mismatch with the measurement of HAS payables; these bonds are also accounted at par representing its fair value, as the matching liability is also accounted at par.

Receivables are financial assets which have fixed or defined payments. They are not traded in an active market and also they are not derivative instruments. They are classified as current assets if their maturity is less than 12 months, otherwise they are classified as non-current assets.

Trade receivables include receivables from residential unit sales on credit terms, receivables from sale of land and rent receivables from the units are classified to investment properties.

Recognition and measurement

The Company recognizes a financial asset or a financial liability in its statement of financial position when, and only, the entity becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received. An entity shall remove a financial liability from its statement of financial position when, and only, the obligation specified in the contract is discharged or cancelled or expires.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2016 AND 2015

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

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

2.4 Summary of significant accounting policies (Continued)

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

Trade receivables and payables

Trade receivables of the Company that are created by way of providing goods are carried at amortized cost using the effective interest rate method. Trade receivables, net of unearned financial income, are measured at amortized cost, using the effective interest rate method, less the unearned financial income. Short term receivables with no stated interest rate are measured at original invoice amount unless the effect of imputing interest is significant (Note 6).

An impairment provision for trade receivables is established if there is objective evidence that the Company will not be able to collect all amounts due in accordance with the original agreement terms. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collaterals, discounted based on the original effective interest rate of the originated receivables at inception.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is reversed through other operating income.

Trade payables consist of payables to suppliers for purchases of goods and services. Trade payables and other liabilities are carried at amortized cost using the effective interest rate method. Trade payables, are measured at amortized cost, using the effective interest rate method. Short term trade payables and other liabilities with no stated interest rate are measured at original invoice amount unless the effect of imputing interest is significant.

HAS payables are payables on demand therefore they are measured at their demand values and classified as short-term.

Employment termination benefits

Under Turkish labor law, the Company is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men). Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement.

The amount payable consists of one month’s salary limited to a maximum of 4,927.21 full TL as of 31 December 2016 (31 December 2014: 3,828.37 full TL).

Fair value of employment benefits are calculated based on the assumptions. Actuarial gains/losses will be accounted in the statements of comprehensive income.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2016 AND 2015

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

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

2.4 Summary of significant accounting policies (Continued)

The employment termination benefit obligation as explained above is considered a defined benefit plan under TFRS. TFRS requires actuarial valuation methods to be developed to estimate the enterprise’s obligation for such benefits. The liability for this unfunded plan recognized in the balance sheet is the full present value of the defined benefit obligation at the end of the reporting period, calculated using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows from the retirement of its employees using the long-term TL interest rates.

The principal actuarial assumption is that the maximum liability will increase in line with inflation. Thus the effective discount rate applied represents the expected real interest rate after adjusting for the effects of future inflation. As the maximum liability amount is revised semi-annually by the authorities, the maximum amount of 4,426.16 full TL which is effective from 1 January 2017 has been taken into consideration when calculating the liability (1 January 2016: 4,092.53 full TL) (Note 13).

Financial liabilities

Borrowings are recognized initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective yield method in financial statements (Note 5).

Provisions, contingent assets and liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are not recognised for future operating losses.

Contingent assets or contingent obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company are not included in financial statements and are treated as contingent assets or liabilities.

Land and Residential Unit Inventory

The company has four types of inventories in its financial statements (Note 8). These are;

1. Vacant land and plots;

Vacant land and plots are carried at lower of cost or net realizable value and represent vacant land and plot of the Company with no ongoing or planned construction project on them. Such land and plots are classified as inventories because the Company uses such land and plots the development of residual and commercial units, as explained below, which are also classified as inventories.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2016 AND 2015

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

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

2.4 Summary of significant accounting policies (Continued)

2. *Turnkey Projects*

Turnkey projects are valued at lower of cost or net realizable value. Turnkey projects costs consist of construction costs of the semi-finished residential units together with the cost of the land on which these projects are developed. Upon completion of residential units costs including the cost of land are classified under completed residential unit inventories.

3. *Land Subject to Revenue Sharing Agreements (“LSRSA”)*

The Company enters into revenue sharing agreements with construction entities to maximize sales proceeds from the sale of its vacant land and plots. Such land and plot sold subject to revenue share agreements to construction entities are accounted at cost until sale is recognized. Sale is recognized when risk and rewards of ownership of land is transferred to the ultimate customers (that is the customers of the construction entities) and when the sales proceeds are reliably determinable.

4. *Completed Residential and Commercial Unit Inventories*

Completed turnkey and commercial units comprise units build in Turnkey projects and units acquired in return for land in some LSRSA projects. Completed residential and commercial units are received from LSRSA projects in cases where the Company’s share have not reached the projected minimum revenue as defined in the agreements, thus unsold units are then transferred at fair value by contractors to the Company.

Completed residential and commercial unit inventories are valued at lower of cost or net realizable value.

The Company takes into consideration independent expert valuation reports for inventory (land, finished and semi-finished residential and commercial units) separately at least once a year to determine the fair value of such projects as required by the CMB regulations for REICs, and uses these reports to assess impairment if any. Impairment charges are recorded in other operating expenses account balance in the comprehensive income statement in the period during which they are incurred. When the related inventory is subsequently sold the reversal of such impairment charges are recorded in other operating income.

Property, plant and equipment

Property and equipment are carried at cost less accumulated depreciation and provision for impairment, if any. Any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2016 AND 2015

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

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

2.4 Summary of significant accounting policies (Continued)

Depreciation is calculated over of the cost of property and equipment using the straight-line method based on expected useful lives (Note 10).

The expected useful lives are stated below:

	Years
Buildings	50
Motor vehicles	5
Furniture and fixtures	4-5

Subsequent costs incurred for tangible assets are included in the asset’s carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statements during the financial period in which they were incurred.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount and the provision for impairment is charged to the income statement.

Gains and losses on the disposal of property and equipment are determined by deducting the net book value of the property and equipment from the sales proceeds. Gains and losses on the disposal of property and equipment are then included in the related income and expense accounts, as appropriate.

Intangible assets and related amortization

Intangible assets comprise expenditure to acquire licenses and computer software. They are initially recognized at acquisition cost and amortized on a straight-line basis over 5 years their estimated useful lives (Note 11).

Whenever there is an indication that the intangible is impaired, the carrying amount of the intangible asset is reduced to its recoverable amount and the impairment loss is recognized as an expense.

Investment properties

Investment properties are defined as land and buildings held to earn rental income or capital appreciation or both, rather than for use in the production of goods or services or for administrative purposes; or sale in the ordinary course of business. The Company uses cost model for all investment properties. Investment properties are presented in the financial statements at cost less accumulated depreciation and less impairment, if any (Note 9).

Impairment of assets

The Company reviews all assets subject to amortization at each balance sheet date in order to see if there is a sign of impairment on the stated asset. If there is such a sign, carrying amount of the stated asset is projected. Impairment exists if the carrying value of an asset is greater than its net realizable value. Net recoverable value is the higher of the net sales value or value in use. Value in use is the present value of cash flows generated from the use of the asset and the disposal of the asset after its useful life. Impairment losses are recorded in the comprehensive income statement.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2016 AND 2015

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

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

2.4 Summary of significant accounting policies (Continued)

Impairment loss for an asset is reversed, if an increase in recoverable amount is related to a subsequent event following the booking of impairment by not exceeding the amount reserved for impairment. The Company takes the valuation reports for each property separately into consideration over investment property at least once a year to compare carrying value of assets with its net recoverable value and calculate the impairment if any.

Segment reporting

Operating segments shall be reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. Because the Company operates in only one geographical segment (Turkey) and only in the development of residential projects on its vacant land and plot inventories, the Company does not prepare a segment report.

Chief operating decision maker of the Company is its Board of Directors (“BOD”), and the BOD of the Company uses quarterly financial statements of the Company prepared in accordance with the TAS.

Revenue recognition

Revenue is recognized when it is probable that future economic benefits associated with the sales transaction will flow to the Company and revenue from the sales transaction can be measured reliably. Revenue is recognized when the following criteria are met;

1. *Sale of vacant land and plots*

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

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

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

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

The Company recognizes the revenue for the sale of land by way of LSRSA when the transfer of title deed, which means the legal ownership of land, is transferred to the buyer, the construction company, which in return passes the ownership of such land to the buyers of the residential and commercial units sold. When the title deed is not transferred, the Company follows-up its revenue share in the deferred revenue (Note 15) and the share of the construction entity as a liability to contractors under LSRSA (Note 6).

The Company’s share in the Total Sales Revenue (“TSR”) is recorded as revenue from sale of land and the related cost of land is recognised as cost of land sold in the comprehensive income statement (Note 17).

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NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2016 AND 2015

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

2.4 Summary of significant accounting policies (Continued)

Interest income and expense

Interest income and expense are recognised on an accrual basis within ‘finance income’ and ‘finance expense’ using the effective interest rate method. Interest income comprises mostly interest income from time deposits and interest income from credit sales of residences (Note 20-22).

Paid-in capital

Ordinary shares are classified as equity. Proceeds from issuing new equity instruments are recorded net of transaction costs.

Share premium

Share premium represents the positive difference between the nominal value of issued shares and proceeds for such shares issued.

Treasury shares

The Company’s own shares which are bought by the Company itself from Information Sharing Environment (ISE) are named as treasury shares and recorded on nominal value in equities. Purchase/sale of treasury stocks is not associated with comprehensive income statement, and recognition is made directly on equities.

Earnings per share

Earnings per share are determined by dividing net comprehensive income by the weighted average number of shares that have been outstanding during the period concerned.

In Turkey, companies can increase their share capital by making a pro rata distribution of their shares (“Bonus Shares”) to existing shareholders funded from retained earnings or other reserves. For the purpose of earnings per share computations, such Bonus Share issuances are regarded as issued shares for all periods presented and accordingly the weighted average number of shares used in earnings per share computations in prior periods is adjusted retroactively for the effects of these shares, issued without receiving cash or another consideration from shareholders. In case of increase in issued stock after balance sheet date but before the date that financial statement is prepared due to the bonus share distribution, earning per share calculation is performed taking account of total new share amount.

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NOTES TO THE FINANCIAL STATEMENTS

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

2.4 Summary of significant accounting policies (Continued)

Payments for Housing Acquisition Support (“HAS”)

HAS was a compulsory of saving fund, established by the state to be used by fund participants in the future for acquisition of affordable housing. All employees have paid compulsory contributions to this fund by way of deductions from their salaries between the years 1987 and 1995. This system aimed to collect the deducted amounts in a single account, apply interest to the savings and provide the employees with these contributions at the time they wish to acquire a house/residential unit in the future. However, this project was suspended in 1996 and as per decree law No. 588, issued in 1999, the decision was taken to terminate the HAS accounts. With this decree law, real estate corresponding to the monetary value of the HAS deductions which were held by Emlak Bankası was transferred to the Company as paid in Capital.

Within the scope of Law No. 5664, dated 30 May 2007, and the regulation issued on 14 August 2007, the decision was taken to pay back these savings, which were still held as capital in kind in the accounts of the Company, to the HAS beneficiaries. Accordingly, the shares of HAS beneficiaries were removed from the Company’s equity capital and comprehensive income for the current period based on the ratios specified in the law and recognized as debts to HAS beneficiaries under other payables. The amount payable was determined as the share in the net asset value of the Company at 28 February 2008. The payable amount does not bear any interest or does not change with subsequent changes in the net asset value in subsequent periods and is payable on demand any date after 28 February 2008. The Company has borrowed funds from the Republic of Turkey Prime Ministry Undersecretariat of Treasury (the “Treasury”) to make such payments.

Dividends

Dividends payable are recognized as an appropriation of the profit in the period in which they are declared.

Statement of cash flows

Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements.

Cash flows from operating activities represent the cash flows of the Company generated from its main activities.

Cash and cash equivalents comprise cash on hand and bank deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash with maturities equal or less than three months.

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NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2016 AND 2015

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

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

2.4 Summary of significant accounting policies (Continued)

Subsequent events

Subsequent events cover any events that arise between the reporting date and the balance sheet date, even if they occurred after any declaration of the net profit for the period or specific financial information publicly disclosed. The Company adjusts its financial statements if such subsequent events arise which require an adjustment to the financial statements (Note 29).

2.5 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.

Net realizable value of lands and home inventories

The estimated net realizable value of land and commercial units is less than the cost value, the allowance is recognized to reduce the value of inventories to their estimated net realizable value. To determine the estimated net realizable value, the fair value of the Company’s land and commercial units as at 31 December 2016 has been arrived at on the basis of a valuation carried out on by Atak Gayrimenkul Değerleme A.Ş. And Yetkin Gayrimenkul Değerleme A.Ş.

Legal Provision

As of 31 December 2016, a total of TL 183,995 lawsuits have been filed against the Company. For those cases in which there is a high probability of potential outflow of potential resources from these cases, a provision amounting to TL 73,238 has been provided by taking the opinion of the lawyers (Note:12). According to the legal judgment of the lawyers, there is no risk of any outflow of resources from the company.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2016 AND 2015

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

2.6 Changes in standards and interpretations

a) Amendments to TAS affecting amounts reported and/or disclosures in the financial statements

None.

New and revised TAS applied with no material effect on the financial statements

Amendments to TAS 16 and TAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortization</i> ¹
Amendments to TAS 16 and TAS 41 and amendments to TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40	<i>Agriculture: Bearer Plants</i> ¹
Amendments to TFRS 11 and TFRS 1 Annual Improvements to 2011-2013 Cycle	<i>Accounting for Acquisition of Interests in Joint operations</i> ¹ <i>TFRS 1</i> ²
Amendments to TAS 1 Annual Improvements to 2012-2014 Cycle	<i>Disclosure Initiative</i> ² <i>TFRS 5, TFRS 7, TAS 34, TAS 19</i> ²
Amendments to TAS 27	<i>Equity Method in Separate Financial Statements</i> ²
Amendments to TFRS 10 and TAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ²
Amendments to TFRS 10, TFRS 12 and TAS 28	<i>Investment Entities: Applying the Consolidation Exception</i> ²
TFRS 14	<i>Regulatory Deferral Accounts</i> ²

¹ Effective for annual periods beginning on or after 31 December 2015.

² Effective for annual periods beginning on or after 1 January 2016.

Amendments to TAS 16 and TAS 38 *Clarification of Acceptable Methods of Depreciation and Amortization*

This amendment clarifies that that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment, and introduces a rebuttable presumption that an amortization method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. The amendment also adds guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2016 AND 2015

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

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

2.6 Changes in standards and interpretations

b) New and revised TAS applied with no material effect on the financial statements (cont’d)

Amendments to TAS 16 and TAS 41 and Amendments to TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40 Agriculture: Bearer Plants

This amendment include ‘bearer plants’ within the scope of TAS 16 rather than TAS 41, allowing such assets to be accounted for a property, plant and equipment and measured after initial recognition on a cost or revaluation basis in accordance with TAS 16. The amendment also introduces a definition of ‘bearer plants’ as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales, and clarifies that produce growing on bearer plants remains within the scope of TAS 41.

Amendments to TAS 16 and TAS 41 also led to amendments in related provisions of TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40, respectively.

Amendments to TFRS 11 and TFRS 1 Accounting for Acquisition of Interests in Joint operations

This amendment requires an acquirer of an interest in a joint operation in which the activity constitutes a business to:

- Apply all of the business combinations accounting principles in TFRS 3 and other TAS, except for those principles that conflict with the guidance in TFRS 11,
- Disclose the information required by TFRS 3 and other TAS for business combinations.

Annual Improvements 2011-2013 Cycle

TFRS 1: Clarify which versions of TAS can be used on initial adoption (amends basis for conclusions only).

Amendments to TAS 1 Disclosure Initiative

This amendment addresses perceived impediments to preparers exercising their judgment in presenting their financial reports.

Annual Improvements 2012-2014 Cycle

TFRS 5: Adds specific guidance in TFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

TFRS 7: Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

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

2.6 Changes in standards and interpretations

b) New and revised TAS applied with no material effect on the financial statements (cont’d)

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

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

Amendments to TFRS 10, TFRS 12 and TAS 28 Investment Entities: Applying the Consolidation Exception

This amendment addresses issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points:

- The exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value.
- A subsidiary that provides services related to the parent’s investment activities should not be consolidated if the subsidiary itself is an investment entity.
- When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.
- An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by TFRS 12.

TFRS 14 Regulatory Deferral Accounts

TFRS 14 *Regulatory Deferral Accounts* permits an entity, which is a first-time adopter of Turkish Financial Reporting Standards to continue to account, with some limited changes, for ‘regulatory deferral account balances’ in accordance with its previous GAAP, both on initial adoption of TFRS and in subsequent financial statements.

TFRS 14 also led to amendments in related provisions of TFRS 1.

c) New and revised TAS in issue but not yet effective

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

TFRS 9

*Financial Instruments*¹

TFRS 15

*Revenue from Contracts with Customers*¹

¹ Effective for annual periods beginning on or after 1 January 2018.

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NOTES TO THE FINANCIAL STATEMENTS

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

2.6 Changes in standards and interpretations

c) New and revised TAS in issue but not yet effective (cont'd)

TFRS 9 *Financial Instruments*

TFRS 9, issued by Public Oversight Authority ("POA") in 2010, introduces new requirements for the classification and measurement of financial assets. TFRS 9 is amended in 2011 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Revised version of IFRS 9 is issued by POA in January 2017 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income ("FVTOCI") measurement category for certain simple debt instruments.

TFRS 9 is effective for the annual periods beginning on or after 1 January 2018. Early adoption is permitted unless before 1 February 2015.

TFRS 15 *Revenue from Contracts with Customers*

TFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

- Identify the contract with the customer,
- Identify the performance obligations in the contract,
- Determine the transaction price,
- Allocate the transaction price to the performance obligations in the contracts,
- Recognize revenue when the entity satisfies a performance obligation.

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

2.7 Comparative information and revision of prior period financial statements

The financial statements of the Company have been prepared with the prior periods on a comparable basis in order to give consistent information about the financial position and performance. If the presentation or classification of the financial statements is changed, in order to maintain consistency, the financial statements of the prior periods are also reclassified in line with the related changes and the significant changes are explained.

1- The Company has audited the undrawn and unrecorded notes receivables classified under trade receivables in the current period and deferred receivables which they intentionally recorded in these amounts and decided that the two amounts should be netted. According to TAS 8 ("Accounting Policies, Changes in Accounting Estimates and Error"), the financial statements as of 31 December 2015 and 31 December 2014 have been restated as follows. The restatement has no effect on changes in equity and profit or loss and other comprehensive income statements.

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NOTES TO THE FINANCIAL STATEMENTS

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

2.7 Comparative information and revision of prior period financial statements (Continued)

	Previously Reported 31 December 2015	Restatement effect	Restated 31 December 2015
Trade receivables	1,410,160	(491,511)	918,649
Trade payables	2,553,198	(321,901)	2,231,297
Deferred income	4,159,158	(169,610)	3,989,548

	Previously Reported 1 January 2015	Restatement effect	Restated 1 January 2015
Trade receivables	1,159,972	(462,906)	697,066
Trade payables	1,376,240	(298,425)	1,077,815
Deferred income	3,527,705	(164,481)	3,363,224

2- The Company has restated the earnings per share by considering the number of treasury shares in determining the weighted average number of the shares outstanding. The effect of the change on the earnings per share amounts for the prior years are disclosed below. The changes do not have any effect on the statements of financial positions, profit or loss and other comprehensive income and changes in equity.

	Earnings Per Share	
	Previously Reported	Restated
1 January – 31 December 2015	0.0025	0.0026

3- The Company classified inventories under the non-current assets in previous periods. The company reassessed and decide to present its inventories under the current assets in accordance with TAS 1 standard. As of 31 December 2015, TL 8,523,344 and 31 December 2014, TL 8,243,895 of land and residence stocks which are classified in long-term stocks, are reclassified as short-term inventories.

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NOTES TO THE FINANCIAL STATEMENTS

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NOTE 3 – CASH AND CASH EQUIVALENTS

	31 December 2016	31 December 2015
Cash on hand	2	4
Banks	2,501,231	3,004,999
- Demand deposit	133,748	65,500
- Time deposits up to 3 months maturity	2,367,483	2,939,499
	2,501,233	3,005,003

Maturities of cash and cash equivalents are as follows:

	31 December 2016	31 December 2015
Demand	133,748	65,504
Up to 3 month	2,367,483	2,939,499
Less: Blocked deposits with maturities less than 3 months	(88,194)	(41,432)
	2,413,037	2,963,571

Average effective interest rates of time deposits are as follows:

	31 December 2016	31 December 2015
	(%)	(%)
	7.94%	8.90%

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

	31 December 2016	31 December 2015
Cash and cash equivalents	2,501,233	3,005,003
Less: Interest accruals	(8,074)	(8,525)
Less: LSRSA project deposits (*)	(368,484)	(301,997)
Less: TOKI deposits (**)	(1,111,138)	(1,908,051)
Less: Blocked deposits	(57,332)	(26,937)
	956,205	759,493

(*) The contractors’ portion of the residential unit sales in accordance with the related agreements, realized from the ongoing LSRSA projects is deposited in time deposit bank accounts that are opened for the related LSRSA projects. The Company has the authority to control these accounts TL 368, 484 (31 December 2015: TL 301,997) part of the total project amount deposits TL 30, 862 (31 December 2015: TL 14,495) consists of blocked deposits.

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

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NOTES TO THE FINANCIAL STATEMENTS

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NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

The breakdown of foreign currency denominated cash equivalents in terms of TL is as follows:

	31 December 2016	31 December 2015
Dollar	538	15
	538	15

NOTE 4 - FINANCIAL INVESTMENTS

	31 December 2016	31 December 2015
Financial investments		
Bond	128,278	130,552
Special issue government bonds (*)	12,517	13,267
	140,795	143,819

(*) 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 TL 429,617 has been issued to the Company. The Bonds are redeemed partially and early readapted and the amount is transferred to the Company’s accounts when the HAS lists are specified (Note 7). 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 acquired bonds amounting to TL 128,278 as of 31 December 2016 (31 December 2015: TL 130,552) from free market. These bonds are measured at fair value. The fair value of these bonds are calculated by using the effective interest rates quarterly. Average effective interest rate of financial assets at 31 December 2016 is 8.95 % (31 December 2015: 10.84%). As of 31 December 2016, average term of the treasury bills changes between three and six months (31 December 2015: changes between four and six months).

NOTE 5 - BORROWING COSTS

	31 December 2016	31 December 2015
Short-term financial liabilities		
Short-term portion of long-term borrowings	219,490	230,657
	219,490	230,657
Long-term financial liabilities		
Long-term borrowings	-	214,000
	-	214,000

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NOTE 5 - BORROWING COSTS (Continued)

According to the agreement signed with the Turkish Treasury in 25 July 2008, the Company has TL 214,000 remaining borrowing 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 December 2016 is 9.32% (31 December 2015: 10.14%).

The redemption schedules of the borrowings at 31 December 2016 and 31 December 2015 are as follows:

	31 December 2016	31 December 2015
2017	-	214,000
	-	214,000

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

	31 December 2016	31 December 2015
Less than 3 months	115,490	65,657
Between 3 - 12 months	104,000	165,000
Between 1 - 5 years	-	214,000
	219,490	444,657

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

NOTE 6 - TRADE RECEIVABLES AND PAYABLES

	31 December 2016	31 December 2015
Short-term trade receivables		
Receivables from sale of residential and commercial units	418,768	445,709
Receivables from LSRSA contractors invoiced	237,016	242,658
Receivables from related parties (Note 25)	21,087	204,172
Receivables from land sales	6,514	28,083
Rent receivables	1,449	1,385
Other	978	693
Unearned finance income	(2,944)	(4,051)
	682,868	918,649
Doubtful receivables	1,866	1,965
Less: Provision for doubtful receivables	(1,866)	(1,965)
	682,868	918,649

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NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2016 AND 2015

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NOTE 6 - TRADE RECEIVABLES AND PAYABLES (Continued)

	31 December 2016	31 December 2015
Long-term trade receivables		
Receivables from sale of residential and commercial units	1,539,837	1,565,891
Unearned finance income	(72,983)	(82,791)
	1,466,854	1,483,100

Movements of provision for doubtful receivables at 31 December 2016 and 2015 are as follows:

	2016	2015
Balance at 1 January	1,965	1,732
Provision charged for the period	-	247
Provision released within current period	(99)	(14)
Balance at 31 December	1,866	1,965

	31 December 2016	31 December 2015
Short-term trade payables		
Payables to related parties (Note 25)	3,510,865	1,881,778
Payables to LSRSA contractors invoiced	279,154	291,075
Time deposit interest accruals from LSRSA contractors invoiced (*)	17,169	31,457
Trade payables	16,931	26,987
	3,824,119	2,231,297

(*) 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 3).

	31 December 2016	31 December 2015
Long-term trade payables		
Payables to land owners	71	36,192
	71	36,192

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NOTE 7 - OTHER RECEIVABLES AND PAYABLES

	31 December 2016	31 December 2015
Short-term other receivables		
Housing Acquisition Support (“HAS”) related		
receivables from Turkish Treasury	390,780	390,750
Receivables from contractors	441,771	103,726
Receivables from the authorities	5,826	5,279
Other	128	26
	838,505	499,781
	31 December 2016	31 December 2015
Long-term other receivables		
Deposits and guarantees given	1,053	168
	1,053	168
	31 December 2016	31 December 2015
Short term other payables		
Payable to HAS beneficiaries	403,447	404,079
Payable to contractors (*)	88,752	88,752
Taxes and funds payable	14,447	8,470
Deferred income	-	4,704
Other	53,930	11,989
	560,576	517,994

(*) The amount includes the unissued invoice by the contractor amount of TL 88,752 regarding to the units received as a result of revenue allocation at İzmir Mavisehir Phase 3 project, where the contractor filed a lawsuit regarding the revenue sharing percentages (31 December 2015: TL 88,752).

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 December 2016 and 2015 are shown below:

	1 January 2016	Additions within the period	Disposals	31 December 2016
Treasury support share				
Receivable from Treasury	390,750	54	(24)	390,780
Special purpose government Bond (Note 4)	13,267	-	(750)	12,517
Cash generated from government bond redemption	62	876	(788)	150
Total consideration received or receivable from Treasury	404,079			403,447
Payable to HAS beneficiaries	(404,079)			(403,447)

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NOTE 7 - OTHER RECEIVABLES AND PAYABLES (Continued)

	1 January 2015	Additions within the period	Disposals	31 December 2015
Treasury support share				
Receivable from Treasury	391,001	6	(257)	390,750
Special purpose government Bond (Note 4)	13,767	-	(500)	13,267
Cash generated from government bond redemption	462	1,232	(1,632)	62
Total consideration received or receivable from Treasury	405,230			404,079
Payable to HAS beneficiaries	(405,230)			(404,079)

NOTE 8 -INVENTORIES

	31 December 2016	31 December 2015
Land	4,293,728	3,262,076
<i>Cost</i>	4,305,099	3,273,192
<i>Impairment</i>	(11,370)	(11,116)
Planned land by LSRSA	5,664,474	5,409,099
Planned land by turnkey project	1,841,251	1,647,307
Residential and commercial units ready for sale	285,741	11,921
<i>Cost</i>	293,179	12,179
<i>Impairment</i>	(7,438)	(258)
	12,085,195	10,330,403

As of 31 December 2016, independent valuation reports prepared by Atak Gayrimenkul Değerleme A.Ş. ve Yetkin Gayrimenkul Değerleme A.Ş. are taken into consideration in order to calculate the fair value and impairment loss, if any, on land units and commercial units ready for sale.

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NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2016 AND 2015

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NOTE 8 - INVENTORIES (Continued)

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

	2016	2015
Balance at 1 January	11,374	12,293
Impairment charge for the period	10,206	6,805
Reversal of impairment	(2,772)	(7,798)
The impairment of stocks that transferred from investment property	-	74
Balance at 31 December	18,808	11,374

The details of land and residential stocks of the company are shown below as of 31 December 2016 and 31 December 2015:

Lands	31 December 2016	31 December 2015
İstanbul Küçükçekmece Lands	1,822,839	-
İstanbul Şişli Lands	455,122	-
İstanbul Başakşehir Lands	299,141	433,905
İstanbul Zeytinburnu Lands	400,045	400,006
İstanbul Arnavutköy Lands	317,309	317,309
Ankara Yeni Mahalle Lands	272,783	273,036
İstanbul Tuzla Lands	225,933	225,933
Yalova Lands	178,340	178,340
İstanbul Kartal Lands	132,283	132,283
İstanbul Ataşehir Lands	41,979	41,979
İstanbul Esenyurt Lands	36,181	141,282
Bursa Osmangazi Lands	27,336	27,336
Maltepe Kucukyali Lands	2,753	-
Ankara Çankaya Lands	15,358	11,849
İstanbul Şile Lands	10,213	10,210
İzmir Urla Lands	10,166	19,537
Tekirdağ Kapaklı Lands	8,248	8,248
Tekirdağ Çorlu Lands	6,153	16,578
Kocaeli Tütünçiftliği Lands	3,417	3,267
Kocaeli Gebze Lands	2,999	45,174
İstanbul Zekeriyaköy Lands	677	677
Niğde Lands	-	20,304
İstanbul Maltepe Lands	-	665,557
İstanbul Avcılar Lands	-	106,085
İstanbul Bakırköy Lands	-	30,005
Balıkesir Merkez Lands	-	44,000
İstanbul Eyüp Lands	-	30,091
Nevşehir Lands	-	70,042
Other	24,453	9,043
	4,293,728	3,262,076

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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AT 31 DECEMBER 2016 AND 2015

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NOTE 8 - INVENTORIES (Continued)

Planned lands by LSRSA	31 December 2016	31 December 2015
Sarıyer İstinye Project	1,006,171	1,006,171
Maltepe-Küçükyalı Project	677,675	-
Kazlıçeşme Project	656,808	656,408
Ankara Yenimahalle İstasyon Project	634,574	634,550
Maslak 1453 Project	230,386	549,415
Köy Project	225,241	224,276
İstanbul Kartal Project	186,635	186,778
Metropol İstanbul Project	182,046	246,166
Hoşdere 3. Etap Projesi	159,150	72,016
Fatih Yedikule Projesi	121,491	65,646
İstanbul Kağıthane Seyrantepe Project	118,273	115,953
Kayabaşı 5. Etap Project	117,552	117,552
Park Maveria Project	116,866	115,859
Kayabaşı 6. Etap Project	113,982	115,227
İstanbul Üsküdar Project	108,107	85,006
Kartal Yakacık Project	106,405	91,905
Hoşdere 4. Etap Project	104,977	104,935
Konya Meram Yenice Project	86,704	86,704
Avcılar Kapadık Project	79,722	79,343
Denizli Merkez Efendi Project	76,268	74,761
Kocaeli Derince Project	70,001	70,001
Yenibosna Project	68,063	68,334
Isparta Kule 5.Etap Project	58,105	-
Hoşdere 2. Etap Project	47,628	55,878
Ankara Etimesgut Project	37,299	37,288
Yeni Yapı Project	30,130	-
Ataşehir Finans Merkezi Project	17,587	14,951
Bulvar İstanbul Project	-	14,136
Evora İstanbul - 2 Project	-	88,794
Ankara Çankaya Mühye Project	-	316,662
Other	226,628	114,384
	5,664,474	5,409,099

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NOTE 8 - INVENTORIES (Continued)

Planned lands by turnkey project	31 December 2016	31 December 2015
İstanbul Esenler Kentsel Dönüşüm Project	472,911	348,366
Ankara Muhye Project	336,250	-
Ayazma Emlak Konutları Project	224,918	133,791
Ispartakule 1. Etap 1. Kısım Project	156,515	95,535
Nidapark Basakşehir Project	143,298	-
Ispartakule 1. Etap 2. Kısım Project	130,396	83,358
Nevşehir Emlak Konutları Project	97,816	-
Körfezkent 4. Etap Project	73,926	39,199
Gebze Project	68,682	-
Emlak Konut Başakşehir Evleri 2. Kısım Project	66,922	35,432
Başakşehir Ayazma 2. Etap Project	44,112	-
Nigde Project	24,419	-
Kocaeli Gebze Kirazpınar Kentsel Dönüşüm Project	662	662
Bursa Kentsel Dönüşüm Project	424	424
Kayabaşı 1. Etap 1. Kısım Project	-	221,819
Hoşdere 1. Kısım 2. Etap Project	-	145,460
Kayabaşı 1. Etap 4. Kısım Project	-	125,384
Kayabaşı 1. Etap 3. Kısım Project	-	129,013
Hoşdere 1. Kısım 1. Etap Project	-	119,608
Kayabaşı 1. Etap 2. Kısım Project	-	107,553
Hoşdere 1. Kısım 3. Etap Project	-	61,703
	1,841,251	1,647,307
Completed units	31 December 2016	31 December 2015
Batışehir Project	136,932	-
Unikonut Project	31,572	-
Sarphan Finanspark Project	28,440	-
Hoşdere Emlak Konutları	28,330	-
Nidakule Ataşehir Project	26,210	-
Dumankaya Miks Project	16,911	-
Başakşehir Emlak Konutları	5,287	-
Bulvar İstanbul Evleri	3,138	-
Spradon Vadi Evleri	2,195	1,086
Park Yaşam Mavişehir Evleri	1,486	1,739
Kayabaşı Emlak Konutları	1,654	-
Kocaeli Körfez Kent Emlak Konutları	1,238	1,238
Evora 2. Etap Project	303	979
My Towerland	-	3,752
Burgazkent Çarşı Project	-	950
Other	2,045	2,177
	285,741	11,921

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NOTE 9 - INVESTMENT PROPERTIES

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

The movement of investment property at 31 December 2016 and 2015 are as follows:

	1 January 2016	(Impairment charge)/ reversal of impairment	Additions	Disposals	Transfer	31 December 2016
İstanbul Dursunköy land	16,000	-	-	-	-	16,000
Atasehir General Management Office A Block	-	-	-	-	22,199	22,199
	16,000	-	-	-	22,199	38,199

	1 January 2015	(Impairment charge)/ reversal of impairment	Additions	Disposals	Transfer	31 December 2015
Avcılar land	847	-	-	-	(847)	-
İstanbul Dursunköy land	-	-	-	-	16,000	16,000
	847	-	-	-	15,153	16,000

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NOTE 9 - INVESTMENT PROPERTIES (Continued)

Regarding the measurement of fair values of investment properties at 31 December 2016, the valuation reports are taken from independent valuation firms Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş. (31 December 2015: Peritus Gayrimenkul Değerleme A.Ş.). The fair values of the investment property determined by independent valuation experts are as follows:

	31 December 2016	31 December 2015
Avcılar land	34,942	18,047
Atasehir General Management Office A Block	82,032	-
	116,974	18,047

Details of the Group’s freehold land and buildings and information about the fair value hierarchy as at 31 December 2016 and 2015 are as follows:

	31 December 2016	Fair value as at 31 December 2016		
		Level 1	Level 2	Level 3
		TL	TL	TL
Istanbul Dursunkoy land	34,942	-	34,942	-
Atasehir General Management Office A Block	82,032	-	82,032	-

	31 December 2015	Fair value as at 31 December 2015		
		Level 1	Level 2	Level 3
		TL	TL	TL
Istanbul Dursunkoy land	18,047	-	18,047	-

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2016 AND 2015

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

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

31 December 2016	Buildings	Motor vehicles	Furniture, equipment and fix assets	Construction in progress	Total
Net book value as of 1 January 2016	9,584	737	4,650	63,750	78,721
Additions	9,730	886	6,712	29	17,357
Disposal, (net) (-)	-	-	(44)	-	(44)
Transfers from constructions in progress,	63,750	-	-	(63,750)	-
Transfers from investment	(22,199)	-	-	-	(22,199)
Depreciation expense(-)	(2,113)	(397)	(2,719)	-	(5,229)
Reversal of impairment	575	-	-	-	575
Net book value 31 December 2016	59,327	1,226	8,599	29	69,181
Cost	61,251	2,436	16,023	29	79,739
Accumulated depreciation (-)	(1,924)	(1,210)	(7,424)	-	(10,558)
Net book value 31 December 2016	59,327	1,226	8,599	29	69,181

31 December 2015	Buildings	Motor vehicles	Furniture, equipment and fix assets	Construction in progress	Total
Net book value as of 1 January 2015	9,302	545	2,152	23,898	35,897
Additions	440	461	3,979	39,852	44,732
Depreciation expense(-)	(225)	(269)	(1,481)	-	(1,975)
Impairment (-)	67	-	-	-	67
Net book value 31 December 2015	9,584	737	4,650	63,750	78,721
Cost	11,338	1,551	9,355	63,750	85,994
Accumulated depreciation (-)	(1,179)	(814)	(4,705)	-	(6,698)
Impairment (-)	(575)	-	-	-	(575)
Net book value 31 December 2015	9,584	737	4,650	63,750	78,721

All depreciation expenses are included to general and administrative expenses.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 11 – INTANGIBLE ASSETS

31 December 2016	Licenses	Computer software	Total
Net book value, 1 January 2016	740	1,134	1,874
Additions	2,474	114	2,588
Depreciation expense (-)	(1,133)	(724)	(1,857)
Net book value 31 December 2016	2,081	524	2,605
Cost	4,773	2,692	7,465
Accumulated Depreciation (-)	(2,692)	(2,168)	(4,860)
Net book value 31 December 2016	2,081	524	2,605

31 December 2015	Licenses	Computer software	Total
Net book value, 1 January 2016	976	1,011	1,987
Additions	417	581	998
Depreciation expense (-)	(653)	(458)	(1,111)
Net book value 31 December 2015	740	1,134	1,874
Cost	2,300	2,577	4,877
Accumulated Depreciation (-)	(1,560)	(1,443)	(3,003)
Net book value 31 December 2015	740	1,134	1,874

All depreciation expenses are included to general and administrative expenses.

NOTE 12 – OTHER SHORT TERM PROVISIONS

	31 December 2016	31 December 2015
Provisions		
Provision for lawsuits (*)	73,238	78,088
Provision for cost accruals	54,846	87,944
	128,084	166,032

(*)As of 31 December 2016, a total of TL 183,995 lawsuits have been filed against the Company. For those cases in which there is a high probability of potential outflow of potential resources from these cases, a provision amounting to TL 73,238 has been set by taking the opinion of the lawyers. According to the legal judgment of the lawyers, there is no risk of any source outflow for company in the released provision lawsuits.

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NOTE 12 – OTHER SHORT TERM PROVISIONS (Continued)

The movements of provision for lawsuits as of 31 December 2016 and 2015 are as follows:

	2016	2015
Balance at 1 January	78,088	69,699
Provision charged for the period	2,613	28,839
Provision released within the current period (Note:20)	(6,277)	(11,233)
Provision used in the period	(1,186)	(9,217)
Balance at 31 December	73,238	78,088

NOTE 13 - EMPLOYEE BENEFITS

	31 December 2016	31 December 2015
Short-term provisions		
Unused vacation provision	6,190	4,626
	6,190	4,626
Long-term provisions		
Provision for employment termination benefit	5,508	3,986
	5,508	3,986

TAS 19 foresees that actuarial valuation method should be in use in order to estimate the certain liabilities for defined benefit obligations of the Company. Accordingly, in the calculation of these liabilities, the following actuarial assumptions are used:

	31 December 2016	31 December 2015
Discount Rate (%)	3.26	3.6
Turnover rate to estimate probability of retirement(%)	1.15	1.06

The basic assumption is that the determined value for every working year increases proportional to inflation. Using this assumption, the existing discount ratio shows the real ratio, unaffected by inflation.

If the discount rate would have been 1% lower, provision for employee termination benefits would increase by TL 552.

If the anticipated turnover rate would have been 1% higher while all other variables were held constant, provision for employee termination benefits would increase by TL 198.

Movement of the provision for employment termination benefits as of 31 December 2016 and 2015 are as follows:

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NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2016 AND 2015

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NOTE 13 - EMPLOYEE BENEFITS (Continued)

	2016	2015
Balance at 1 January	3,986	3,048
Service cost	1,118	461
Interest cost	131	365
Payment within the period	(137)	(172)
Actuarial loss	410	284
Balance at 31 December	5,508	3,986

NOTE 14 - OTHER ASSETS AND LIABILITIES

	31 December 2016	31 December 2015
Other current assets		
Progress payments given to contractors	118,700	79,286
Accrued income	122,946	43,842
Receivables from tax office (*)	34,066	33,144
Deferred VAT	8,500	10,000
Other	263	-
	284,475	166,272

(*) Receivables from tax office consist of bank stoppages paid on interest income, which have been requested from the tax office to be paid back.

	31 December 2016	31 December 2015
Other non-current assets		
Deferred VAT	47,593	58,241
	47,593	58,241

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AT 31 DECEMBER 2016 AND 2015

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

NOTE 15 - DEFERRED INCOME AND PREPAID EXPENSES

	31 December 2016	31 December 2015
Short-term deferred income		
Deferred income from LSRSA projects (*)	1,727,759	2,147,597
Advances taken from turnkey project sales	371,128	1,000,469
Advances taken from LSRSA contractors (**)	976,954	776,750
Deferred income from sales of completed units	75,248	-
Advances taken from related parties (Note 25)	64,732	64,732
	3,215,821	3,989,548

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

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

	31 December 2016	31 December 2015
Long-term deferred income		
Other advances taken	2,963	2,448
	2,963	2,448

	31 December 2016	31 December 2015
Prepaid expenses		
Advances given for inventory (*)	542,674	32,414
Prepaid expenses	1,137	1,548
	543,811	33,962

(*) A protocol has been signed between the Company and the Tariş Cooperative Associations to develop revenue sharing project on a total of 143,366-m2 land, which is belonging to the Tariş Cooperative Unions, located within the boundaries of Kurukay / Umurbey, Konak district of İzmir. The Company has provided an advance of stock amounting to TL 367,315.

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NOTE 16 - SHAREHOLDERS' EQUITY

The Company's authorized capital amount is TL 3,800,000 (31 December 2015: TL 3,800,000) and consists of 380,000,000,000 (31 December 2015: 380,000,000,000) authorized number of shares with a nominal value of TL 0,01 each.

The Company's shareholders and their shareholding percentages as of 31 December 2016 and 31 December 2015 is as follows:

Shareholders	31 December 2016		31 December 2015	
	Share (%)	TL	Share (%)	TL
Public offering portion	50.66	1,925,111	50.66	1,925,111
T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı ("TOKİ")	49.34	1,874,831	49.34	1,874,831
HAS beneficiaries	0.00	56	0.00	56
Other	0.00	2	0.00	2
Total paid in capital	100	3,800,000	100	3,800,000

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

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

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

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

Between 1 January 2015 and 24 August 2015, The Company has repurchased 9,183,544 numbers of shares with nominal value between TL 2.39 and TL 2.46 and total amounting to TL 22,169,753.53 full TL). Shares average purchase price is TL 2.42 and as a result of the purchases, the share of the total shares to the total share lot is 3.16%

The Company paid dividend to its shareholders amounting to TL 367,690 according to the decision in general assembly meeting on 14 April 2016. The dividend amounting to TL 11,618 which correspond to its treasury shares has been accounted in share premium account in equity.

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NOTE 17 - REVENUE AND COST OF SALES

	1 January- 31 December 2016	1 January- 31 December 2015
Sales income		
Land sales	1,808,322	1,511,915
<i>Income from sale of land and plots by way of LSRSA</i>	<i>1,743,896</i>	<i>1,511,915</i>
<i>Land sales income</i>	<i>64,426</i>	-
Residential and commercial units sales	1,651,644	275,840
Rent Income	808	677
	3,460,774	1,788,432
Sales returns	(4,210)	(887)
Sales discounts	(672)	(757)
Net sales income	3,455,892	1,786,788
Cost of sales		
Cost of land sales	(407,456)	(673,725)
<i>Cost of land and plots sold by way of LSRSA</i>	<i>(395,711)</i>	<i>(673,725)</i>
<i>Cost of land sales</i>	<i>(11,745)</i>	-
Cost of residential and commercial units sales	(1,212,222)	(225,063)
	(1,619,678)	(898,788)
Gross profit	1,836,214	888,000

NOTE 18 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING, SALES AND DISTRIBUTION EXPENSES

	1 January- 31 December 2016	1 January- 31 December 2015
General administrative expenses		
Personnel expenses	(53,418)	(41,433)
Taxes, duties and fees	(24,296)	(11,986)
Donations	(15,217)	(14,227)
Consultancy expenses	(9,956)	(5,220)
Subcontracting service expenses	(8,885)	(3,117)
Depreciation and amortisation (Note: 10-11)	(7,086)	(3,086)
Lawsuit and notary expenses	(4,039)	(2,012)
Due and contribution expenses	(2,929)	(2,892)
Travel expenses	(2,996)	(2,366)
Maintenance	(773)	(505)
Communication	(609)	(435)
Insurance expenses	(597)	(2,179)
Other	(6,682)	(5,193)
	(137,483)	(94,651)

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NOTE 18 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING, SALES AND DISTRIBUTION EXPENSES (Continued)

	1 January- 31 December 2016	1 January- 31 December 2015
Marketing, sales and distribution expenses		
Advertising expenses	(49,790)	(21,326)
Personnel expenses	(4,863)	(4,901)
Notary expenses	(135)	(884)
Office expenses	(270)	(226)
Other	(1,026)	(1,233)
	(56,084)	(28,570)

NOTE 19 - EXPENSES BY NATURE

	1 January - 31 December 2016	1 January - 31 December 2015
Cost of land sales	1,212,222	225,063
Cost of residential units and commercial unit sales	407,456	673,725
Staff costs	58,281	46,334
Advertisement	49,790	21,326
Taxes,duties and fees	24,296	11,986
Donations	15,217	14,227
Consultancy expenses	9,956	5,220
Subcontracting service expenses	8,885	3,117
Depreciation and amortisation	7,086	3,086
Legal and notary	4,174	2,238
Membership fees	2,929	2,892
Insurance	597	2,179
Communication	609	435
Other	11,747	10,181
	1,813,245	1,022,009

NOTE 20 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

	1 January- 31 December 2016	1 January- 31 December 2015
Other income		
Finance income from credit sales	173,250	92,377
Delay penalty interest from project contractors	52,495	38,863
Recirculate commission income	26,256	3,567
Not realized finance income	10,953	8,387
Released lawsuit provisions (Note 12)	6,277	11,233
Impairment provision reversals (Note 8-10)	3,348	7,865
Fee returns from land offices	1,696	1,004
Income from tender contract sales	611	1,078
Income from guarantees	220	1,507
Insurance income	21	3,313
Delay penalty and compensation income from project contractors	-	3,395
Other	13,860	11,074
	288,987	183,663

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NOTE 20-OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES (Continued)

	1 January- 31 December 2016	1 January- 31 December 2015
Other expenses		
Impairment provision expenses (Note 8)	(10,206)	(6,805)
Reversal of due date differences	(1,905)	(328)
Lawsuit provision charge for the period (Note 12)	(2,613)	(28,839)
Lawsuit expenses	-	(7,000)
Other	(9,396)	(1,130)
	(24,120)	(44,102)

NOTE 21 - INCOME FROM INVESTING ACTIVITIES

	1 January- 31 December 2016	1 January- 31 December 2015
Interest income from bonds	13,810	14,570
	13,810	14,570

NOTE 22 - FINANCIAL INCOME / EXPENSES

	1 January- 31 December 2016	1 January- 31 December 2015
Financial income		
Interest income from time deposits	94,238	84,378
Foreign exchange income	74	126
	94,312	84,504

	1 January- 31 December 2016	1 January- 31 December 2015
Financial expenses		
Interest expense on payable to TOKI (***)	(127,362)	-
Interest discount on pay off debt (*)	(95,211)	-
Interest expense on Turkish Treasury borrowings (**)	(31,184)	(49,771)
Foreign exchange loss	(603)	(715)
Commission expenses	-	(323)
	(254,360)	(50,809)

(*) This amount is related to the application of 20% deduction over the current loan balance of borrowers who continue their installment payments in the projects held by the Company, in case of clearing their debt amount.

(**) Interest expense of borrowing for HAS beneficiaries payments from Turkish Treasury amounting to TL 214,000 calculated in accordance with Domestic Government Debt Securities issuance compound interest rate announced at the time of payment periods.

(***) This amount consists of the interest expense accrued as of 31 December 2016 for the debts arising from payments of land received from the Toplu Konut İdaresi.

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NOTE 23 - TAX ASSETS AND LIABILITIES

“Corporate Tax Law” No. 5520 was taken into effect after being published in the Official Gazette No. 26205, dated 21 June 2006. Many clauses of the “New Tax Law” are effective from 1 January 2006. According to Tax Law, No. 5520, the corporate tax rate in Turkey is payable at the rate of 20% as of 1 January 2006. The corporate tax rate is calculated on the total income of the Company after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey or to resident corporations, are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as profit distribution and no withholding tax incurs in such a case.

The Company is exempt from corporate income tax in accordance with paragraph 4-d of Article 8 of the Corporate Income Tax Law after the Real Estate Investment Company (“REIC”) conversion on 22 June 2002 and in accordance with paragraph 6-a of Article 94 of the Income Tax Law, the earnings of the REICs are subject to withholding taxes. According to the Council of Ministers Decision, No: 93/5148, the withholding tax rate is determined as "0".

NOTE 24 – EARNINGS PER SHARE

In Turkey, companies can increase their share capital by making a pro rata distribution of shares (“Bonus Shares”) to existing shareholders from retained earnings and revaluation surplus. The issue of such shares is treated as the issuance of ordinary shares in the calculation of earnings per share. Accordingly, previous effects of related share distributions taking into consideration on weighted average number of shares used in calculation. Earnings per share is calculated by considering the total number of new shares when there is an increase in issued shares because of distribution of bonus shares after the balance sheet date but before the preparation of financial statements.

The earnings per share stated in income statement are calculated by dividing net income for the period by the weighted average number of the Company’s shares for the period.

	2016	2015
Net income attributable to equity holders of the parent in full TL	1,761,276	952,605
Weighted average number of ordinary shares	3,685,803,920	3,685,803,920
Earnings per share in full TL	0.0048	0.0026

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NOTE 25 - RELATED PARTY DISCLOSURES

The main shareholder of the Company is T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı (“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 Planlama, Insaat, Proje Yönetimi ve Ticaret A.Ş. (an affiliate of TOKİ)
3. GEDAŞ (Gayrimenkul Değerleme A.Ş.) (an affiliate of TOKİ)
4. TOBAŞ (Toplu Konut - Büyükşehir Bel. İnş. Emlak ve Proje A.Ş.) (an affiliate of TOKİ)
5. Vakıf Gayrimenkul Yatırım Ortaklığı A.Ş. (an affiliate of TOKİ)
6. Vakıf İnşaat Restorasyon ve Ticaret A.Ş. (an affiliate of TOKİ)
7. Emlak-Toplu Konut İdaresi Spor Kulübü
8. Emlak Planlama İnş. Prj. Yön. A.Ş. – Fideltus İnş. – Öztaş İnş. Ortak Girişimi
9. Ege Yapı - Emlak Planlama, İnşaat, Proje Yönetimi ve Ticaret A.Ş.
10. Emlak Planlama İnşaat. Proje. Yönetimi ve Ticaret. A.Ş. – Cathay Ortak Girişimi

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

- Balances and transactions with respect to Turkish Treasury are detailed in Note 4, 5 and 7.
- The Company mostly deposits its cash in State Banks in compliance with its related statute. The bank balances with state banks amounted to TL 2,178,178 as of 31 December 2016 (31 December 2015: TL 2,725,418) Regarding these bank balances, the Company also generated interest income from the related State banks amounted to TL 226,889 in as of 31 December 2016 (31 December 2015: TL 84,378). Average effective interest rates of time deposits of the Company as of 31 December 2016 are explained in Note 3.

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

	31 December 2016	31 December 2015
Trade receivables from related parties		
Emlak Planl. İnş. Prj. Yön. A.Ş. - Ege Yapı Ltd. Şti.	14,178	197,277
Emlak Planl. İnş. Prj. Yön. A.Ş. - Fideltus İnş-Öztaş İnş O.G.	5,567	5,567
Emlak Planl. İnş. Prj. Yön. A.Ş. - Cathay Ortak Girişimi	1,342	1,328
	21,087	204,172
Trade payables to related parties		
T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı (“TOKİ”) (*)	3,509,541	1,881,778
Ege Yapı Ltd. Şti.-Emlak Pazarlama O.G.	1,324	-
	3,510,865	1,881,778

(*) The Company has purchased various lands from its ultimate parent company (TOKİ) in 2016 and 2015. The remaining payable from this purchases to TOKİ is amounting to TL 3,080,088 (31 December 2015: TL 1,711,926) and accrued interest is TL 429,453 (31 December 2015: TL 169,852).

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NOTE 25 - RELATED PARTY DISCLOSURES (Continued)

	31 December 2016	31 December 2015
Advances received from related parties		
Emlak Planl. İnş. Prj. Yön. A.Ş. - Fideltus İnş. - Öztaş İnş. O.G. (*)	64,732	64,732
	64,732	64,732

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

	1 January- 31 December 2016	1 January- 31 December 2015
Purchases from related parties		
T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı (“TOKİ”)	2,314,030	1,293,514
Emlak Planl. İnş. Prj. Yön. A.Ş. - Ege Yapı Ltd. Şt	152,191	-
Emlak Planlama İnş. Prj. Yön. A.Ş. - Emlak Basın Yayın A.Ş.	864	786
	2,467,085	1,294,300

	31 December 2016	31 December 2016
Finance expense from related parties		
T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı (“TOKİ”)	(127,362)	-
	(127,362)	-

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

	1 January- 31 December 2016	1 January- 31 December 2015
Sales to related parties		
T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı (“TOKİ”)	66,626	306,851
Emlak Paz.-Cathay Ortak Girişimi	58	-
	66,684	306,851

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:

	1 January- 31 December 2016	1 January- 31 December 2015
Remuneration of key management		
Salaries and other short-term employee benefits	3,096	2,027
	3,096	1,557

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NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Company’s activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Company’s management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

Liquidity Risk

Liquidity risk is the inability of the Company to match the net funding requirements with sufficient liquidity.

The Company manages its liquidity risk by using special analyses regarding its ability to meet the Company’s financial and trade liabilities using the expected undiscounted cash out-flows.

Regarding the liquidity risk arising from the financial liability for HAS beneficiaries, which is a demand-liability, the Company uses the funds made available by the Treasury to meet the payment obligations for this liability. For other financial liabilities, the majority of which comprise of trade liabilities, the Company mainly uses its cash balances and proceeds from sales and advances received.

The Company aims to maintain flexibility in funding by maintaining the availability of committed credit lines. The Company has no derivative financial instruments. The tables have been prepared based on the contractual undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

The maturity distribution of financial liabilities of the Company as of 31 December 2016 is as follows:

31 December 2016	Carrying value	Contractual cash flows	Up to 3 months	3 months to 1 year	1 year- to 5 years
Short-term financial liabilities					
(Non-Derivative):					
Financial liabilities	219,490	220,169	61,160	159,009	-
Trade payables	3,824,119	3,967,801	1,267,894	2,699,907	-
Other liabilities	560,576	560,576	68,377	492,199	-
	4,604,185	4,748,546	1,397,431	3,351,115	-
Long-term financial liabilities					
(Non-Derivative):					
Trade payables	71	71	-	-	71
Other liabilities	9,352	9,352	-	-	9,352
	9,423	9,423	-	-	9,423

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NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Liquidity Risk (Continued)

31 December 2015	Carrying value	Contractual cash flows	Up to 3 months	3 months to 1 year	1 year- to 5 years
Short-term financial liabilities (Non-Derivative):					
Financial liabilities	230,657	308,444	53,536	254,908	-
Trade payables	2,231,297	2,231,297	2,231,297	-	-
Other liabilities	517,994	517,994	25,163	492,831	-
	2,979,948	3,057,735	2,309,996	747,739	-
Long-term financial liabilities (Non-Derivative):					
Financial liabilities	214,000	229,009	-	-	229,009
Trade payables	36,192	36,192	-	-	36,192
Other liabilities	13,814	13,814	-	-	13,814
	264,006	279,015	-	-	279,015

Interest rate risk

The Company is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. These exposures are managed by offsetting interest rate sensitive assets and liabilities. In this context, matching of not only maturities of receivables and payables but also contractual reprising dates is crucial.

The Company is exposed to interest rate risk as the Company borrow funds from Republic of Turkey Prime Ministry Undersecretariat of Treasury at floating interest rates.

Average effective annual interest rates of balance sheet items as of 31 December 2016 and 2015 are as follows:

	31 December 2016 (%)	31 December 2015 (%)
Current assets		
Cash and cash equivalents	7.94%	8.90%
Trade receivables	7.00%	7.00%
Current liabilities		
Financial liabilities	9.75%	10.14%
Non-current liabilities		
Financial liabilities	-	10.14%

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NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Interest rate risk (Continued)

The Company’s financial instruments that are sensitive to interest rates are as follows:

	31 December 2016	31 December 2015
Financial instruments with fixed interest rate		
Time deposits	2,367,483	2,939,499
Financial instruments with floating interest rate		
Financial liabilities	219,490	444,657

The profit before tax of the Company will increase / decrease by TL 2,194 as of 31 December 2016 (31 December 2015: TL 4,447) and in case of a 1% decrease/increase in TL market interest rates with all other factors remaining constant as of 31 December 2015.

Credit risk

The Company is subject to credit risk arising from trade receivables related to credit sales and deposits at banks.

The Company manages credit risk of bank deposits by working mainly with state banks established in Turkey and having long standing relations with the Company. Majority of bank deposits in this regard are with the state owned retail banks.

Credit risk of receivables from third parties is managed by securing receivables with collaterals covering receivables at the highest possible proportion. Methods used are as follows:

- Bank guarantees (letter of guarantee, etc.),
- Mortgage on real estate
- Retain the legal title to the goods solely to protect the collectability of the amount due.

In credit risk control, the credit quality of each customer is assessed; taking into account its financial position, past experience and other factors, individual risk limits are set in accordance and the utilisation of credit limits is regularly monitored.

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NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Credit risk (Continued)

Credit risk of financial instruments as of 31 December 2016 is as follows:

31 December 2016	Trade receivables		Other receivables		Deposits in Cash and Banks
	Related party	Other party	Related party	Other party	
Maximum exposed credit risk as of reporting date	21,087	2,128,635	-	839,558	2,501,231
Secured portion of the maximum credit risk by guarantees,etc,	21,087	2,127,657	-	839,558	2,501,231
A. Net book value of financial assets either not due or not impaired	21,087	2,127,657	-	839,558	2,501,231
Secured portion by guarantees,etc,	21,087	2,127,657	-	839,558	2,501,231
B. Financial assets with renegotiated condition Secured portion by guarantees,etc,	-	-	-	-	-
C. Net book value of the expired but not impaired financial assets	-	978	-	-	-
Secured portion by guarantees,etc,	-	-	-	-	-
D. Net book value of the impaired assets	-	-	-	-	-
Overdue(Gross book value)	-	1,866	-	-	-
Impairment(-)	-	(1,866)	-	-	-
Secured portion of the net value by guarantees,etc,	-	-	-	-	-

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NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Credit risk (Continued)

Credit risk of financial instruments as of 31 December 2015 is as follows:

31 December 2015	Trade receivables		Other receivables		Deposits in Cash and Banks
	Related party	Other party	Related party	Other party	
Maximum exposed credit risk as of reporting date	204,172	2,197,577	-	499,949	3,005,003
Secured portion of the maximum credit risk by guarantees,etc,	204,172	2,775,237	-	499,942	3,005,003
A. Net book value of financial assets either not due or not impaired	204,172	2,775,237	-	499,942	3,005,003
Secured portion by guarantees,etc,	204,172	2,775,237	-	499,942	3,005,003
B. Financial assets with renegotiated condition Secured portion by guarantees,etc,	-	-	-	-	-
C. Net book value of the expired but not impaired financial assets	-	693	-	7	-
Secured portion by guarantees,etc,	-	-	-	7	-
D. Net book value of the impaired assets	-	-	-	-	-
Overdue(Gross book value)	-	1,965	-	-	-
Impairment(-)	-	(1,965)	-	-	-
Secured portion of the net value by guarantees,etc,	-	-	-	-	-

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NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Credit risk (Continued)

Amounts showing the maximum credit risk exposed as of balance sheet date by excluding guarantees in hand and other factors that increase the credit quality. There is no any impairment on the Company’s asset that subject to credit risk of financial activities. In addition, there is no any overdue receivables off-balance sheet item.

Foreign exchange risk

The Company is subject to the foreign currency risk due to the foreign currency deposits in the bank deposit account. The Company does not use foreign currency in its main operations; the foreign currency risk is only originated from deposits of the Company.

Foreign currency position

Foreign currency denominated assets, liabilities and off-balance sheet accounts give rise to foreign exchange exposure.

The Company has no any financial instruments for the foreign exchange position of the assets and liabilities as of 31 December 2016.

The table below summarizes the Company's foreign currency position of the Company as of 31 December 2016 and 2015. TL equivalent of foreign exchange denominated financial assets and liabilities as follows;

	31 December 2016	
	TL Amount (Functional Currency)	US Dollar
1a. Monetary Financial Assets	538	153
2.CURRENT ASSETS	538	153
3. TOTAL ASSETS	538	153
4a. Monetary Other Liabilities	3,016	857
5. CURRENT LIABILITIES	3,016	857
6.TOTAL LIABILITIES	3,016	857
7.Net Foreign Currency Assets/Liabilities Position	(2,478)	(704)
8.Monetary Items Net Foreign Currency Assets / Liabilities (1a-4a)	(2,478)	(704)

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NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Foreign exchange risk (Continued)

	31 December 2015	
	TL Amount (Functional Currency)	US Dollar
1a. Monetary Financial Assets	15	5
2.CURRENT ASSETS	15	5
3. TOTAL ASSETS	15	5
4a. Monetary Other Liabilities	2,492	857
5. CURRENT LIABILITIES	2,492	857
6.TOTAL LIABILITIES	2,492	857
7.Net Foreign Currency Assets/Liabilities Position	(2,477)	(852)
8.Monetary Items Net Foreign Currency Assets / Liabilities (1a-4a)	(2,477)	(852)

Capital risk management

The Company attempts to manage its capital by minimizing the investment risk with portfolio diversification. The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Gearing ratios as of 31 December 2016 and 2015 are as follows:

	31 December 2016	31 December 2015
Total liabilities	219,490	444,657
Less:Cash and cash equivalents	2,501,233	3,005,003
Net asset	(2,281,743)	(2,560,346)
Total shareholder's equity	10,730,193	9,325,399
Invested Capital	3,800,000	3,800,000
Gearing ratio	(60%)	(67%)

NOTE 27 - FINANCIAL INSTRUMENTS

Fair value of financial instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

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NOTE 27 - FINANCIAL INSTRUMENTS (Continued)

Accordingly, the estimates presented herein may differ from the amounts the Company could realize in a current market exchange.

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

Financial assets:

The fair values of cash and due from banks are considered to approximate their respective carrying values due to their short-term nature.

The carrying values of trade receivables, which are measured at amortized cost, along with the related allowances for uncollectability are assumed to approximate their fair values.

The fair values of balances denominated in foreign currencies, which are translated at year-end official exchange rates announced by the Central Bank of Turkey, are considered to approximate their carrying value.

The special issue long term government bond has been issued by the Treasury and given to the Company for payment of HAS payables, is non-negotiable on the secondary market and does not bear interest. It is puttable on demand by the Company at par back to the Treasury, and is also accounted at par representing its fair value.

Financial liabilities:

The Company’s borrowing from the Turkish Treasury for financing its HAS payment liability has a floating interest rate defined as the weighted average of the compound rate of discounted Government bonds issued by Turkish Treasury before each payment period. Therefore it is considered that fair values of the borrowing’s fair value are approximate carrying value which is amortized cost.

Short term trade payables and other liabilities with no stated interest rate are measured at original invoice amount and are payables on demand therefore they are measured at their demand values and classified as short-term. They are considered to approximate their respective carrying values due to their short-term nature.

It is anticipated that there is no significant difference between the cost values and fair values of the borrowings with floating interest rates including its accruals for the regarding period.

Fair Value of Financial Instruments

The fair values of financial assets and financial liabilities are determined as follows:

- Level 1: Financial assets and financial liabilities with standard terms and conditions are valued with quoted market prices which are determined on active liquid markets.
- Level 2: Financial assets and financial liabilities are valued by directly or indirectly observable market prices rather than the quoted market prices mentioned in first level of the regarding assets or liabilities.

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NOTE 27 - FINANCIAL INSTRUMENTS (Continued)

- Level 3: Financial assets and financial liabilities are valued by the inputs where there is no observable market data of the fair value of the regarding assets and liabilities

Classifications of the assets and liabilities which are measured by fair values are as follows:

Financial assets	31 December 2016		
	Fair value levels		
	1. Level	2. Level	3. Level
	TL	TL	TL
Bond	128,278	-	-
Special issue government bonds	12,517	-	-

Financial assets	31 December 2015		
	Fair value levels		
	1. Level	2. Level	3. Level
	TL	TL	TL
Bond	130,552	-	-
Special issue government bonds	13,267	-	-

NOTE 28 - CONTINGENT ASSETS AND LIABILITIES

1. The LSRSA Project Agreement dated 21 December 2005 regarding 750 units in İzmir Mavisehir Upper North Area 2. Phase has been abolished on 21 December 2009 since the contractor did not meet the requirements of the provisions in the agreement. Following the cancellation of the agreement, the project has been transferred to the Company and the remaining part of the project has been completed by another construction company which was assigned in accordance with public tender law. The related units have been completed and are sold by the Company as in Turnkey projects .

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

In the expert report dated 19 January 2016, it has been made a decision of whether related cancellation is unfair, and there alternative calculations has been realized over the possibility of whether the cancellation is right and over the effects on forward and backward. The expert report has been contested and it has been requested from the court that the expert report is declared “null and void” and that to receive a report that contains the objections of parties by creating a new committee. The court has given trial day on 4 March 2017.

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

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NOTE 28 - CONTINGENT ASSETS AND LIABILITIES

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 TL 67,515 plus VAT calculated as TL 175,000 plus VAT total project revenue times 38.58% Company’s revenue portion. The Contractor wants all the properties and related land portion to be valued by an independent valuation company as of the date of the lawsuit and that 38.58% of the total value to be appropriated to the Company and the remaining 61.42% of the total value to be appropriated to the Contractor (Note 12).

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

The court has been decided to examine the file for the evaluation of the request that receiving report from the new expert committee and to adjournment of hearing on 5 March 2015.

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

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

- 3- Albayrak Turizm Sey. İnş. Tic. A.Ş. filed a lawsuit against the Company claiming that the agreement of The LSRSA project regarding İzmir Mavişehir Upper North Area 3. Phase should be revised considering the changing conditions. The court rejected the case. The result of appeal is being waited. According to comments received from the Company’s lawyer, it is not expected to arise any liability that put the Company under obligation as a result of related case.
- 4- Contractor of İzmir Mavişehir Upper North Area 2. Phase LSRSA Project, Bozoğlu İnş. San. Tic. Ltd. Şti, was filed a lawsuit for assignment that the claimant has given. The case is proceeding and According to comments received from the Company’s lawyer, it is not expected to arise any liability that put the Company under obligation as a result of related case.
- 5- Contractor of İzmir Mavişehir Upper North Area 2. Phase LSRSA Project filed a lawsuit against the Company regarding term inaction of the contract. The Company filed a lawsuit as well for collecting amount of TL 100,000 without prejudice to further claims. The case is proceeding and According to comments received from the Company’s lawyer, it is not expected to arise any liability that put the Company under obligation as a result of related case.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2016 AND 2015

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

NOTE 28 - CONTINGENT ASSETS AND LIABILITIES (Continued)

6. Mortgage and guarantees received are;

	31 December 2016	31 December 2015
Guarantees received (*)	3,027,085	3,256,850
Mortgages received (**)	45,878	126,221
	3,072,964	3,383,071

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

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

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

	31 December 2016	31 December 2015
A. CPM given on behalf of the Company's legal personality	65,511	58,040
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	-	-
	65,511	58,040

NOTE 29 - EVENTS AFTER THE REPORTING PERIOD

1- As of January 2017, the Company has launched a residence sales campaign with a 5 percent down payment for 30 different projects with a construction status of 0.79% for 20 years, 0.45% for 10 years and 0% for 5 years.

2- The Company has borrowed TRY 620,000 credit from Vakıfbank with an annual interest rate of 12.46%. Credit terms used: No principal payment for the first year, interest payment every 3 months; after the grace period, the principal + interest must be paid every 3 months for 3 years

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2016 AND 2015

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

ADDITIONAL NOTE - CONTROL OF COMPLIANCE WITH THE PORTFOLIO LIMITATIONS

	Non-Consolidated (Individual) Financial Statements Main Account Items	Related Regulation	Current Period 31 December 2016 (TL)	Prior Period 31 December 2015 (TL)
A	Money and Capital Market Instruments	Series:III-No:48, Art,24/(b)	2,405,012	3,142,936
B	Properties, Projects based on Properties and Rights based on Properties	Series:III-No:48, Art,24/(a)	12,204,919	10,346,403
C	Affiliates	Series:III-No:48, Art,24/(b)	-	-
	Due from related parties (Non Commercial)	Series:III-No:48, Art,23/(f)	-	-
	Other Assets		4,092,436	3,246,654
D	Total Assets	Series:III-No:48, Art,3/(k)	18,702,367	16,735,993
E	Financial Liabilities	Series:III-No:48, Art,31	219,561	486,735
F	Other Financial Liabilities	Series:III-No:48, Art,31	-	-
G	Due from Financial Leases	Series:III-No:48, Art,31	-	-
H	Due to Related Parties (Non Commercial)	Series:III-No:48, Art,23/(f)	-	-
I	Shareholders' equity	Series:III-No:48, Art,31	10,730,193	9,325,399
	Other Resources		7,752,613	6,923,859
D	Total Resources	Series:III-No:48, Art,3/(k)	18,702,367	16,735,993
	Non-Consolidated (Individual) Financial Statements Other Account Items	Related Regulation	Current Period 31 December 2016 (TL)	Prior Period 31 December 2015 (TL)
A1	The portion of Money and Capital Market Instruments held for Payables of Properties for the following 3 Years	Series:III-No:48, Art,24/(b)	956,203	938,774
A2	Term/ Demand/ Currency	Series:III-No:48, Art,24/(b)	956,203	759,489
A3	Foreign Capital Market Instruments	Series:III-No:48, Art,24/(d)	-	-
B1	Foreign Properties, Projects based on properties and Rights based on Properties	Series:III-No:48, Art,24/(d)	-	-
B2	Idle Lands	Series:III-No:48, Art,24/(c)	425,220	543,047
C1	Foreign Affiliates	Series:III-No:48, Art,24/(d)	-	-
C2	Affiliates for Operating Company	Series:III-No:48, Art,28	-	-
J	Non-cash Loans	Series:III-No:48, Art,31	65,511	58,103
K	Mortgage amount of Servient Lands Which Will Be Developed And Not Owned	Series:III-No:48, Art,22/(e)	-	-

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2016 AND 2015

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

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

	Portfolio restrictions	Related regulation	31 December 2016 (%)	31 December 2015 (%)	Minimum/ Maximum Rate
1	Mortgage amount of Servient Lands Which Will Be Developed And Not Owned	Series:III-No:48, Art,22/(e)	-	-	<10%
2	Properties, Projects based on Properties and Rights based on Properties	Series:III-No:48, Art,24/(a)(b)	70	67	>50%
3	Money and Capital Market Instruments and Affiliates	Series:III-No:48, Art,24/(b)	8	13	<50%
4	Foreign Properties, Projects based on Properties, Rights based on Properties, Affiliates, Capital Market Instruments	Series:III-No:48, Art,24/(d)	-	-	<49%
5	Idle Lands	Series:III-No:48, Art,24/(c)	2	3	<20%
6	Affiliates to the Operating Company	Series:III-No:48, Art,28	-	-	<10%
7	Borrowing Limit	Series:III-No:48, Art,31	3	6	<500%
8	TL and Foreign Currency Time and Demand Deposits	Series:III-No:48, Art,22/(e)	-	-	<10%

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

The Company restated the portfolio limitations amounts as of 31 December 2015 is disclosed above.

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ANNEX-2
EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
LAND STOCK SUMMARY TABLE
(31.12.2016)

Appraisal Report Name	Number	SQM	Date of Purchase	Book Value (TL)	Expertise Date	Expertise Value (TL)	Explanation
ANKARA ETİMESGUT BALIKUYUMCU PARCELS	91	1.919.107,39	26.10.2006	273.036.259,40	31.12.2016	349.424.348,05	
TEKİRDAĞ ÇORLU PARCELS	4	35.923,48	24.03.2006 - 30.09.2010	6.152.734,20	31.12.2016	8.965.010,00	
İZMİR KONAK PARCEL	1	6.810,00	31.05.2000	734.812,18	31.12.2016	10.896.000,00	
TEKİRDAĞ ÇERKEZKÖY PARCELS	17	371.235,69	09.12.2005	8.247.941,97	31.12.2016	110.324.894,20	
KOCAELİ KÖRFEZ PARCELS	5	28.577,05	25.02.2008	3.417.381,58	31.12.2016	10.886.455,80	
KOCAELİ GEBZE GÜZELLER PARCELS	14	10.454,00	21.03.2007 - 29.06.2009 - 17.02.2010	1.307.800,13	31.12.2016	2.404.000,00	
KASTAMONU CİDE PARCELS	1	9.110,04	06.10.2011 - 07.08.2012 - 14.06.2011 - 30.07.2012	52.663,05	31.12.2016	55.000,00	
İSTANBUL ESENYURT HOŞDERE PARCELS	3	53.689,19	14.06.2011 - 30.07.2012	49.001.960,38	31.12.2016	86.485.529,00	
İSTANBUL ÜMRANIYE PARCELS	4	17.067,99	31.12.2012	1.843.977,03	31.12.2016	27.736.380,50	
İSTANBUL ZEKERİYAKÖY PARCELS	1	992,00	02.03.2011	677.397,25	31.12.2016	696.294,72	
İSTANBUL BEŞİKTAŞ PARCELS	1	1.298,32	22.12.1989	296.673,67	31.12.2016	4.200.000,00	
ANKARA ÇANKAYA CEBECİ PARCELS	2	400,00	18.05.1990	0,08	31.12.2016	280.800,00	
İSTANBUL BÜYÜKÇEKMECE PARCELS	1	78,10	31.08.1987	1,00	31.12.2016	16.231,52	
İSTANBUL ARNAVUTKÖY PARCELS *	14	3.645.527,92	05.06.2013	333.309.400,26	31.12.2016	395.369.806,07	** TRY 16.000.000,00 of the registered cost of İstanbul Arnavutköy Parseller is classified as investment properties in the financial statements.
İSTANBUL, ATAŞEHİR'DE 13 PARCELS	13	27.788,87	24.04.2013 - 22.04.2012	40.144.660,15	31.12.2016	76.715.202,22	
İSTANBUL MALTEPE PARCELS	1	305,84	28.05.2014	3.010.213,51	31.12.2016	2.752.560,00	
BURSA OSMANGAZİ PARCELS	4	54.745,33	28.05.2014	27.336.415,48	31.12.2016	29.197.770,15	
ESKİŞEHİR PARCEL	1	23.941,74	28.05.2014	5.367.042,79	31.12.2016	5.865.726,30	
İZMİR URLA PARCEL	1	367.780,27	03.04.2014	19.646.918,32	31.12.2016	22.066.816,00	
İSTANBUL BAĞCILAR PARCEL	1	531,70	05.03.2015	903.890,00	31.12.2016	918.658,80	
İSTANBUL ZEYTİNBURNU PARCEL	3	36.782,54	05.03.2015	400.045.453,14	31.12.2016	418.966.961,00	
İSTANBUL ŞİLE PARCELS	2	34.590,00	05.03.2015	12.036.613,44	31.12.2016	12.562.500,00	
YALOVA ÇİFTLİKKÖY PARCELS	4	1.455.000,00	05.03.2015	178.340.000,00	31.12.2016	209.020.000,00	
İSTANBUL ŞİŞLİ TEŞVİKİYE PARCELS ***	3	24.468,90	29.05.2015	458.289.076,74	31.12.2016	455.121.540,00	In the scope of Şişli Teşvikiye and Küçükçekmece Halkalı Parcels Purchase Protocol, an update price of TL 127.362.000,00 added to were classified as a financing expense in financials***
İSTANBUL KÜÇÜKÇEKMECE HALKALI PARCELS ***	2	959.388,94	03.04.2014	1.947.867.268,32	31.12.2016	1.822.838.986,00	
NEVŞEHİR PARCELS	2	26,10	03.04.2014	8.088,01	31.12.2016	8.482,50	
ANKARA ÇAYYOLU PARCEL	1	778,68	03.04.2014	1.031.412,07	31.12.2016	1.031.751,00	
ANKARA ÇANKAYA MÜHYE PARCELS	10	20.646,99	03.04.2014	16.770.893,67	31.12.2016	23.859.389,00	
İSTANBUL SARIYER İSTİNYE PARCELS	4	1.373,21	28.05.2014	12.738.591,36	31.12.2016	7.782.155,00	
İSTANBUL KARTAL PARCELS	18	73.269,99	24.04.2013 - 22.04.2012	132.283.105,86	31.12.2016	149.086.144,14	
İSTANBUL BAŞAKŞEHİR HOŞDERE PARCELS	20	286.161,98	14.06.2011 - 06.10.2011 - 30.07.2012 - 07.08.2012	78.905.095,95	31.12.2016	114.784.190,78	
İSTANBUL BAŞAKŞEHİR İKİTELLİ-2 PARCELS	33	203.948,90	01.12.2010 - 07.03.2012 - 25.09.2012 - 01.10.2012 - 05.03.2015	220.771.031,01	31.12.2016	257.944.281,28	
İSTANBUL TUZLA PARCELS	6	77.408,18	30.12.2005 - 05.03.2015 - 01.06.2007	225.933.230,74	31.12.2016	233.589.022,57	
TOTAL OF LAND STOCK	288	9.749.209,33		4.459.508.002,74		4.851.852.886,61	
İZMİR KONAK KURUCAY PARCELS ****	31	143.366,00	30.12.2016	367.315.324,71	31.12.2016	367.315.324,71	**** A contract has been signed with Taris Associations in order to share the income to be obtained in the form of 80% Taris 20% Emlak Konut G.Y.O A.Ş. In this scope, 367.315.324,44 TL as advance payment has been made to the associations and will be collected together with interest when the project is developed
	31			367.315.324,71		367.315.324,71	
	319			4.826.823.327,45		5.219.168.211,32	

* The given land and lands values above are taken into consideration in the calculation of book values, and the stock value depreciation is not taken into consideration.

ANNEX-3
EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
SUMMARY TABLE OF BUILDING INVENTORY
(31.12.2016)

Building Inventory	Number of Units in Inventory	SQM	Date of Purchase	Book Value (TL)	Expertise Date	Expertise Value (TL)	Explanation
UNITS IN SPRADON QUARTZ PROJECT	9	584,51	22.09.2011-17.07.2012	2.194.698,13	31.12.2016	2.391.501,96	
UNITS IN VARYAP MERİDİAN PROJECT	2	137,60	07.05.2013	805.413,49	31.12.2016	976.960,00	
UNITS IN PARKYAŞAM MAVİŞEHİR PROJECT	1	345,07	31.10.2013	1.738.800,00	31.12.2016	1.485.675,00	
UNITS IN ANKARA ÇANKAYA NEXT LEVEL PROJECT	4	989,00	23.11.2013	8.082.523,14	31.12.2016	8.892.000,00	* Ankara Çankaya Next Level Building and Istanbul Ataşehir Public Institution Building Block B are shown in the property, plant and equipment for use on the financial statements.
UNITS IN EMLAK KONUT MAVİŞEHİR EVLERİ PROJECT	2	252,41	31.12.2013	775.690,87	31.12.2016	800.646,00	
STÜDYO 24 PROJECT	3	179,08	30.04.2014	467.973,27	31.12.2016	508.300,00	
EVORA 2 PROJECT	1	63,71	28.07.2015	302.500,00	31.12.2016	382.755,00	
UNIKONUT PROJECT	16	5.432,37	28.02.2015	31.571.980,14	31.12.2016	31.962.131,00	
BATIŞEHİR PROJECT	191	24.975,11	31.12.2015	137.351.293,88	31.12.2016	137.217.158,00	
KÖRFEZKENT 3TH STAGE	8	1.126,11	31.12.2015	1.237.977,36	31.12.2016	2.167.800,00	
BAHÇEKENT EMLAK KONUTLARI 1ST STAGE 2ND PART	0	-	30.01.2016	-	31.12.2016	-	
BAHÇEKENT EMLAK KONUTLARI 1ST STAGE 3TH PART	109	13.325,33	29.02.2016	28.330.406,75	31.12.2016	37.512.149,00	
BAHÇEKENT EMLAK KONUTLARI 1ST STAGE 1ST PART	0	-	29.02.2016	-	31.12.2016	-	
BAŞAKŞEHİR EMLAK KONUT EVLERİ 1ST STAGE 2ND PART	13	1.612,52	30.06.2016	4.974.877,80	31.12.2016	15.183.149,50	
EMLAK KONUT BAŞAKŞEHİR EVLERİ 1-4	5	834,17	31.03.2016	1.654.084,48	31.12.2016	5.017.458,50	
RESMİ KURUM BİNASI (EMLAK KONUT HEADQUARTER)	2	49.771,00	31.03.2016	75.819.402,80	31.12.2016	190.889.394,00	** Istanbul Ataşehir Official Agency Building Block A is shown on the financial tables under the investment property account.
EMLAK KONUT BAŞAKŞEHİR EVLERİ 1-1	1	154,26	20.09.2016	311.999,44	31.12.2016	1.160.806,50	
DUMANKAYA MİKS PROJECT	21	2.104,34	22.09.2016	17.733.769,95	31.12.2016	17.745.600,00	
BULVAR İSTANBUL PROJECT	6	626,52	30.12.2016	3.138.168,32	31.12.2016	3.138.168,32	
NİDAKULE ATAŞEHİR PROJECT	6	1.597,45	30.12.2016	32.149.800,00	31.12.2016	26.210.300,00	
TOTAL OF BUILDING INVENTORY	400	104.110,56		348.641.359,82		483.641.952,78	

ANNEX 4
EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
SUMMARY TABLE OF TENDERED LAND PLOTS
(31.12.2017)

Revenue Sharing Model Projects in Return For The Land Sale	SQM	Date of Purchase	Book Value (TL)	Current Emlak Konut's Share in Total Revenue (TL)	Explanation
SARPHAN FINANCE PARK PROJECT - İSTANBUL ÇİMRANİYE 1ST STAGE (EMLAK PAZARLAMA - YENİSARP İNŞAAT JOINT VENTURE)	28.714,48	31.05.2000	7.890.673,81	171.688.929,04	Construction permit obtained.
METROPOL İSTANBUL PROJECT - İSTANBUL ATAŞEHİR EAST REGION 2ND STAGE (VARYAP VARILIBAŞLAR - GAP İNŞAAT JOINT VENTURE)	99.108,08	31.05.2000	182.845.996,07	445.208.699,00	Construction permit obtained.
ACAĞÖLÜ MASLAK 143 İSTANBUL PROJECT - İSTANBUL ŞİŞLİ AYAZGA İST STAGE (AKDENİZ İNŞAAT)	211.694,84	30.09.2010	228.532.341,77	576.020.551,63	Construction permit obtained.
KÖY PROJECT - İSTANBUL SARIYER ZEKERİYAKÖY (SİYAHİ KALEM MÜH.)	343.062,46	02.03.2011	223.354.876,16	475.687.500,00	The agreement of the project was signed on 19.07.2012, the construction permits for the parcels 1790/2, 1790/4, 1790/5, 1790/2, 1790/4 were obtained on 25.07.2014, 31.12.2014, 24.06.2015, 06.07.2015, 06.07.2015 respectively.
İSTİMARİNA PROJECT - İSTANBUL KARTAL (ELTES İNŞAAT)	53.087,97	22.04.2012	186.694.277,39	672.380.800,00	The agreement of the project was signed on 04.02.2013, the construction permits for the parcels 908/1, 904/2, 904/9, 905/1 were obtained on 14.03.2014, 10.06.2015, 18.05.2015, 27.05.2015 respectively.
BULVAR İSTANBUL PROJECT - İSTANBUL BAŞAKŞEHİR AYAZMA 3RD STAGE (ÖZELKE - ÖZ KAR JOINT VENTURE)	50.209,32	01.12.2010	14.135.799,79	40.320.413,20	The agreement of the project was signed on 02.04.2013, the construction permit was obtained on 31.05.2013, the modification construction permit date is 28.08.2013, occupancy permit was obtained on 31.12.2015
GÖL PANAROMA EVLERİ PROJECT - İSTANBUL AVCILAR KAPADIK (BE-MA İNŞAAT)	85.251,43	30.07.2012	79.319.537,28	148.400.000,00	The agreement of the project was signed on 05.07.2013, the construction permit was obtained on 25.04.2014.
FATİH YEDİKULE PROJECT - İSTANBUL FATİH YEDİKULE (EGE YAPI - MUMMETOPOL-SENA-BUKTOR JOINT VENTURE)	40.945,86	30.07.2012	65.645.746,88	165.968.270,00	The agreement of the project was signed on 02.08.2013, the construction permit has not been obtained yet.
BAHÇEKENT FLORA PROJECT - İSTANBUL HOŞDERE 2ND STAGE (İZKA İNŞAAT & DAĞ MÜHENDİSLİK & SİTAR İNŞAAT JOINT VENTURE)	119.756,54	14.06.2011	55.766.808,58	118.877.096,40	The agreement of the project was signed on 22.11.2013, the construction permits for the parcels 656/2, 657/2 were obtained on 23.05.2014. The construction permits for the parcels 656/1, 657/1 were obtained on 04.11.2014.
EVVEL İSTANBUL PROJECT - İSTANBUL BAŞAKŞEHİR KAYABAŞI 3RD STAGE (İNTAYA & EYGA İNŞAAT JOINT VENTURE)	75.197,88	03.12.2012	88.794.095,91	188.760.000,00	The agreement of the project have been signed on 17.12.2013, the construction permit of the 8041 have been obtained on 04.11.2014, 891/3 ve 892/3 have been obtained on 31.08.2015.
ZEYTİBERNÜ KAZIÇEŞME PROJECT - İSTANBUL ZEYTİBERNÜ KAZIÇEŞME (ÖZAK-YENİGÜN-ZİVLAN JOINT VENTURE)	111.262,55	24.04.2013	656.808.201,70	1.568.800.000,00	The agreement of the project have been signed on 08.04.2014. The construction permit have been obtained on 25.01.2016 and 18.03.2016.
PARK MAVERA PROJECT - İSTANBUL BAŞAKŞEHİR KAYABAŞI 4TH STAGE (MAKRO - AK YAPI JOINT VENTURE)	98.476,77	03.12.2012	115.513.251,21	420.000.000,00	The agreement of the project have been signed on 25.04.2014, the construction permit of the 8891 have been obtained on 08.10.2014 and 803/3 have been obtained on 02.09.2015
AYRİ PARK PROJECT - İSTANBUL BAŞAKŞEHİR HOŞDERE 3RD STAGE (CHAN İNŞ. - KONUT YAPI JOINT VENTURE)	78.639,77	14.06.2011	71.972.724,58	156.520.000,00	The agreement of the project was signed on 20.05.2014, the construction permit was obtained on 16.03.2015.
KOCAELİ DERİNCE PROJECT - (KUMUŞOĞLU İNŞAAT - TOKAL İNŞAAT JOINT VENTURE)	72.313,00	03.04.2014	70.001.245,10	83.198.500,00	The agreement of the project was signed on 21.08.2014, the construction permit has not been obtained yet.
SOFALOCA PROJECT - ANKARA İTİMİSGÜT PROJECT (BAŞYAPI İNŞAAT - SOLARYAPI JOINT VENTURE)	18.228,00	03.04.2014	37.287.611,69	54.000.000,00	The agreement of the project was signed on 18.08.2014, the construction permit was obtained on 11.12.2014.
KARTAL YAKACIK PROJECT - (DAĞ MÜHENDİSLİK)	25.462,91	28.05.2014	92.434.783,16	123.900.000,00	The agreement of the project was signed on 30.12.2014, the construction permit for the parcel 1262/3 was obtained on 21.01.2016
İSTANBUL BAHÇELİEVLER YENİBOSNA PROJECT - (KELİF JOINT VENTURE)	36.174,56	28.05.2014	68.334.381,63	171.600.000,00	The agreement of the project was signed on 09.01.2015, the construction permit was obtained on 25.01.2016.
İSTANBUL BAŞAKŞEHİR KAYABAŞI 4TH STAGE PROJECT - (ARTAS İNŞAAT SANAYİ VE TİC. A.Ş.)	72.706,72	03.04.2014	115.227.284,92	350.400.000,00	The agreement of the project was signed on 25.05.2015, the construction permit was obtained on 19.01.2016.
İSTANBUL BAŞAKŞEHİR HOŞDERE 4TH STAGE PROJECT - (DAĞ MİMARLIK YAPI GAYRİMENKUL TİC.LTD.ŞTİ.)	152.621,06	14.06.2011 - 30.07.2012	104.935.801,43	275.334.000,00	The agreement of the project was signed on 26.05.2015, the construction permit was obtained on 22.01.2016.
İSTANBUL SARIYER İSTİVE PROJECT - (TAHİNCİOĞLU GAYRİMENKUL - TAHİNCİOĞLU YAPI NİDA JOINT VENTURE)	129.487,27	28.05.2014	993.432.511,26	1.876.392.000,00	The agreement of the project was signed on 03.06.2015, the construction permit has not been obtained yet.
KONYA MERAM YENİCE PROJECT - (TORKAM İNŞAAT - BUKTOR YAPISAN JOINT VENTURE)	60.675,48	05.03.2015	86.703.690,24	211.500.000,00	The agreement of the project was signed on 08.06.2015, the construction permits were obtained on 24.05.2016 for the parcels 1709/1 and 1709/5.
ANKARA YENİMAHALLE İSTASYON - (PAŞİRK GAYRİMENKUL - ÇİFTAY İNŞAAT JOINT VENTURE)	124.475,80	03.04.2014	634.550.206,25	1.258.365.000,00	The agreement of the project was signed on 09.07.2015, the construction permit has not been obtained yet.
İSTANBUL KAĞITHANE SEYRANTEPE PROJECT - (GÜL İNŞAAT PROJE A.Ş. - GÜL İNŞAAT A.Ş. JOINT VENTURE)	36.749,99	05.03.2015	118.272.971,40	637.000.000,00	The agreement of the project was signed on 14.07.2015, the construction permit has not been obtained yet.
KAYABAŞI 5. ETAP PROJECT - (TAHİNCİOĞLU - NİDA İNŞAAT JOINT VENTURE)	77.327,02	03.04.2014	117.552.126,69	407.580.000,00	The agreement of the project was signed on 20.07.2015, the construction permit was obtained on 04.02.2016.
DENİZLİ MERKEZ FENDE - (TEKNİK YAPI KONUT - TEKNİK YAPI TEKNİK YAPILAR - ECD YAPI JOINT VENTURE)	95.294,22	05.03.2015	76.256.346,83	92.651.000,00	The agreement of the project was signed on 14.09.2015, the construction permit was obtained on 29.01.2016.
ANKARA CANKAYA CAYOLU PROJECT - (YF İNŞAAT A.Ş.)	30.669,27	03.04.2014	96.082.202,11	180.000.000,00	The agreement of the project was signed on 08.10.2015, the construction permit was obtained on 15.06.2016 for the parcel 2947/1.
İSTANBUL ÜSKÜDAR BARBAROS PROJECT - (ELTİS İNŞAAT - İSTİFFE YAPI JOINT VENTURE)	17.528,55	05.03.2015	108.107.491,38	439.887.380,00	The agreement of the project was signed on 23.10.2015, the construction permit was obtained on 05.02.2016.
AVCILAR İSPARTAKULE 5. ETAP PROJECT - (TORKAM - SİTAR İNŞAAT)	41.168,49	01.06.2007	58.105.439,44	132.000.000,00	The agreement of the project was signed on 09.06.2016, the construction permit has not been obtained yet.
İSTANBUL EYÜP ALİBEYKÖY - (YENİ YAPI TACA İNŞAAT)	27.368,93	05.03.2015	20.130.354,69	168.150.000,00	The agreement of the project was signed on 11.05.2016, the construction permit has not been obtained yet.
İSTANBUL ESENLYURT HOŞDERE 5TH STAGE - (CHAN İNŞAAT KONUT YAPI)	42.019,75	14.06.2011-30.07.2012	47.628.899,82	156.500.000,00	The agreement of the project was signed on 17.06.2016, the construction permit has not been obtained yet.
BAKIRKÖY YENİMAHALLE - (BASYAPI İNŞ. - GÜNEY GAYRİMENKUL - ELİT VİZYON JOINT VENTURE)	5.250,00	05.03.2015	30.004.940,73	62.000.000,00	The agreement of the project was signed on 15.04.2016, the construction permit has not been obtained yet.
ESENLYURT HOŞDERE 6TH STAGE - (SURYAPI HAYAT AKPINAR JOINT VENTURE)	53.823,56	14.06.2011	44.652.420,94	150.500.000,00	The agreement of the project was signed on 04.08.2016, the construction permit has not been obtained yet and project study is proceeding.
MALTEPE KÜÇÜKYALI - (TAHİNCİOĞLU GAYRİMENKUL - TAHİNCİOĞLU KÜÇÜKYALI - KOZKEN JOINT VENTURE)	78.097,81	28.05.2014	677.674.976,39	1.527.000.300,00	The agreement of the project was signed on 04.08.2016, the construction permit was obtained on 29.12.2016 for the parcel 1677/1, 1677/2, 1677/3.
AVCILAR İSPARTAKULE 6TH STAGE - (AKYAPI İNŞAAT A.Ş.)	38.529,21	03.04.2015	47.979.230,35	85.600.000,00	The agreement of the project was signed on 01.09.2016 and project study is proceeding.
Supervisory Projects	SQM	Date Of Purchase	Book Value	Current Emlak Konut's Share in Total Revenue (TL)	Explanation
İSTANBUL INTERNATIONAL FINANCE CENTER SPECIAL RECREATION AREA PROJECT (İFM - AKDENİZ İNŞAAT JOINT VENTURE)	115.497,01	31.05.2000	0,03	29.200.000,00	The construction permit of 3328/4 was obtained on 01.12.2014
TOTAL OF REVENUE SHARING MODEL FOR THE LAND SALE PROJECTS	2.739.386,56		5.633.827.444,61	13.561.390.349,27	
Revenue Sharing Model Projects in Return For The Land Sale	SQM	Date Of Purchase	Book Value	Current Emlak Konut's Share in Total Revenue (TL)	Explanation
TOTAL OF REVENUE SHARING MODEL IN RETURN FOR THE LAND SALE					
REVENUE SHARING MODEL FOR THE LAND SALE And REVENUE SHARING MODEL IN RETURN FOR THE LAND SALE			5.633.827.444,61	13.561.390.349,27	
Turn-Key Model Projects	SQM	Date Of Purchase	Book Value + Progress Payments (TL)	Explanation	
İSTANBUL ESENLER ÜRBAN TRANSFORMATION (ESKON)	56.841,92	10.03.2014	520.012.887,58	The agreements of the project were signed on 16.04.2014, 20.06.2014, 19.08.2014 with Şişhalkem, Günyap, Özyatay respectively. The construction permits were obtained on 28.03.2014, 09.05.2014, 09.05.2014 respectively.	
KÖRFEZKENT 4TH STAGE (ZK-SAN İNŞAAT)	79.804,19	25.02.2008	73.926.126,87	The agreement of the project was signed on 07.02.2015, the construction permit was obtained on 21.11.2014.	
İSTANBUL AYAZMA 1ST STAGE (GİR YAPI A.Ş.)	99.874,55	01.12.2010	224.237.811,32	The agreement of the project was signed on 26.05.2015, the construction permit was obtained on 18.12.2014.	
EMLAK KONUT İSPARTAKULE 1ST STAGE 1ST PART PROJECT (YÖRÜK YAPI - ERMİT MÜH. JOINT VENTURE)	85.871,43	01.06.2007	156.515.126,59	The agreement of the project was signed on 18.09.2015, the construction permit was obtained on 01.06.2015.	
EMLAK KONUT İSPARTAKULE 1ST STAGE 2ND PART PROJECT (BALFA İNŞAAT TEKS. SAN. VE TİC. A.Ş.)	74.346,32	01.06.2007	129.860.223,46	The agreement of the project was signed on 18.09.2015, the construction permit was obtained on 01.06.2015.	
BAŞAKŞEHİR EMLAK KONUTLARI 2ND STAGE PROJECT (KALYON İNŞAAT)	24.272,40	03.04.2014	66.921.739,10	The agreement of the project was signed on 02.02.2015, the construction permit was obtained on 11.08.2015.	
NEŞEHİR EMLAK KONUTLARI (CENT YAPI TİCARET LTD.ŞTİ.)	29.541,40	03.04.2014	97.816.087,45	The agreement of the project was signed on 24.05.2016, the construction permit was obtained on 07.03.2016.	
BAŞAKŞEHİR AYAZMA 2ND STAGE PROJECT (YILMAZ İNŞAAT SAN.TİC.A.Ş.)	21.406,97	03.04.2014	44.112.159,70	The agreement of the project was signed on 25.04.2016, the construction permit was obtained on 31.12.2015.	
BAŞKENT EMLAK KONUTLARI	138.137,43	03.04.2014	327.889.087,67		
NİĞDE EMLAK KONUTLARI - (PERİNTAŞ YAPI)	25.643,04	27.05.2016	24.418.892,38	The agreement of the project was signed on 22.11.2016, the construction permit was obtained on 20.09.2016	
KOCAELİ GERZE EMLAK KONUTLARI 3TH STAGE 1ST PART (MUSTAFA EKŞİ İNŞAAT)	91.564,72	30.06.2010	37.412.944,39	The agreement of the project was signed on 22.12.2016, the construction permit was obtained on 28.10.2016	
GERZE EMLAK KONUTLARI 3TH STAGE 2ND PART (SİYAHİ KALEM MÜHENDİSLİK)	97.112,08	30.06.2010	32.960.452,72	The agreement of the project was signed on 18.01.2017, the construction permit was obtained on 28.10.2016	
KAYABAŞI REKREASYON ALANI BÖLGE PARKI İNŞAATI (YAPI VE YAPI İNŞAAT A.Ş.)	363.979,03	03.04.2014	143.297.726,36	The agreement of the project was signed on 08.12.2016, the construction permit was obtained on 05.10.2016	
TOTAL OF TURN-KEY MODEL PROJECTS	1.188.395,48		1.887.381.265,59		
TOTAL OF PROJECTS	3.927.782,04		7.521.208.710,20	13.561.390.349,27	

ANNEX-5 SUMMARY OF LAND PLOTS' APPRAISAL REPORTS

1

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	The appraisal report specifying the present market value of the immovables with plot no. 9, 14 and 102 within Block No. 405 in Teşvikiye Neighborhood, Şişli District, İstanbul under the CMB legislation.			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.			
Report Number	16.11-01-195			
Report Date	12.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	405/9	3.485,90	7/656	05.05.1994/2076
	405/14	17.466,00	7/661	05.05.1994/2076
	405/102	3.517,00	16/1505	05.05.1994/2076
Current Use	Marmara University's Nişantaşı Campus is located on the plots.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	405	9	University Area and Road Area	-
	405	14	Partially Road	-
			Park Area	
405	102	University Area	-	
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of the Lots Excluding VAT (TL)	455.121.540,00			

2

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	5 Plots within Avcılar, İstanbul			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	28.11.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: İstanbul District: Avcılar Neighborhood: Firuzköy			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	623/1	20.314,51	121/11972	03.04.2015/6909
	633/2	19.915,64	122/12023	03.04.2015/6909
	670/1	18.214,70	122/12091	03.04.2015/6909
	678/11	21.252,85	124/12251	8.11.2016/24421
Current Use	Empty Land			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	623	1	Commercial Area	FAR: 2.00, Max. H: Unconstrained
	633	2	Commercial Area	FAR: 2.00, Max. H: Unconstrained
	670	1	Non-residential Urban Work Area	FAR: 1.50, Max. H: Unconstrained
	678	11	Commercial Area	FAR: 2.00, Max. H: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
The Value of Emlak Konut REIC's Share (1/1) in the Plots Excluding VAT (TL)	135.828.035,00			

3

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	İzmir Urla 263/Plot No. 31			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	18.11.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: İzmir District: Urla Neighborhood: Bademler			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	263/31	367.780,27	20/1923	23.02.2016/1704
Current Use	Empty Land			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	263	31	Urban Development Area	FAR: 0.30
Values Agreed on the Valuation Report (Excluding VAT)				
The Value of Emlak Konut REIC's Share (1/1) in the Plots Excluding VAT (TL)	22.066.816,00			

4

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	İstanbul Ümraniye Plots			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	11.11.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: İstanbul District: Ümraniye Neighborhood: Küçükkalkalköy			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	3317/20	2.006,36	1/43	25.12.2012/34454
	3317/21	8.075,60	1/44	25.12.2012/34454
	3317/22	8.673,95	1/60	25.12.2012/34454
	3328/15	2.652,92	1/59	25.12.2012/34454
Current Use	Empty Land			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	3317	20	Pre-School Education Area	FAR: 1.50, Max. H:Unconstrained
	3317	21	Primary Education Facility Area	FAR: 1.50, Max. H:Unconstrained
	3317	22	Official Institution Area	FAR: 1.50, Max. H:Unconstrained
	3328	15	Religious Facility Area	FAR: 1.50, Max. H:Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
The Value of Emlak Konut REIC's Share (1/1) in the Plots Excluding VAT (TL)	27.736.000,00			

5

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Yalova, Çiftlikköy District, Plot No. 1178, 1179, 1180 and 1181			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	14.11.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Yalova District: Çiftlikköy Village: Kılıç			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	0/1178	357.000,00	12/1178	23.12.2014/6594
	0/1179	350.000,00	12/1179	23.12.2014/6594
	0/1180	359.000,00	12/1180	23.12.2014/6594
	0/1181	389.000,00	12/1181	23.12.2014/6594
Current Use				
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
		1178	Fairground	The construction conditions will be determined in Master Zoning Plan (scale: 1/5,000) and Application Zoning Plan (scale: 1/1,000).
		1179	Urban Service Area	
		1180	Urban and Regional Huge Education Facility Areas (E) and Education Areas	
	1181	Urban and Regional Huge Education Facility Areas (E) and Education Areas		
Values Agreed on the Valuation Report (Excluding VAT)				
The Value of Emlak Konut REIC's Share (1/1) in the Plots Excluding VAT (TL)	209.020.000,00			

6

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	The appraisal report specifying the present appraised market value of the immovables with Plot No.4554 and Plot No. 1, 2, 3 within Block No. 101, and Plot No. 2 within Block No. 130 in Aydınlı Neighborhood, Tuzla District, İstanbul under the CMB legislation.			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.			
Report Number	16.11-01-224			
Report Date	19.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	101/1	7,36	227/22330	11.11.2010/12622
	101/2	36,28	227/22331	11.11.2010/12622
	101/3	546,76	227/22332	11.11.2010/12622
	4.554,00	10.998,00	235/23140	24.06.2013/9649
	103/2	697,43	227/22338	11.11.2010/12622
	120/1	260.489,41	79/7800	29.05.2015/9648
Current Use	See Main Real Estate Characteristics			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	101	1	Health Facility	-
	101	2	Official Institution (İSKİ)	-
	101	3	Official Institution (İSKİ)	-
	-	4554	Cemetery	-
	103	2	Service-Based Development Area	FAR:1.50, Max. H: 15.50
	120	1	Logistics Services Area	FAR: 2.50
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of Emlak Konut REIC's Shares (TL)	233.589.022,57			

7

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	4 Plots in Çavuşbaşı Neighborhood, Şile District, Istanbul			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	27.10.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Şile Neighborhood: Çavuş			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	70/82	17.631,00	2/174	8.09.1963/17810
	91/194	3.509.51	41/3949	10.08.2007/3890
	42/117	30.030,00	27/2608	22.09.2014/7785
	140/1	4.560,00	7/612	22.09.2014/7785
Current Use	Empty Land			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	70	82	Preferred Tourism Area	See: Section 4.3 of the Report
	91	194	Housing+Commercial	
	42	117	Military Area	
	140	1	Military Area	
Values Agreed on the Valuation Report (Excluding VAT)				
Value of the Lots Excluding VAT (TL)	22.593.811,00			

8

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	The appraisal report specifying the present appraised market value of the immovables with plot no. 236 within Block No. 3169 in Umurbey Neighborhood, Konak District, Izmir under the CMB legislation.			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.			
Report Number	16.11-01-237			
Report Date	12.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	3169/236	6.810,00	468/1015	11.05.2000/3329
Current Use	There are no housing developments within the real estate.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	3169	236	-	-
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of the Plot Excluding VAT (TL)	10.896.000,00			

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	The appraisal report on 18 immovables within Çavuşoğlu, Soğanlık, and Yakacak Neighborhoods, Kartal District, Istanbul			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.			
Report Number	16.11-01-223			
Report Date	23.12.2016			
Summary Information on the Real Estates Subject to Valuation				
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	676/108	7.583,32	60/5873	13.03.2014/5255
	720/2	464,86	3/210	13.03.2014/5257
	720/8	1.666,00	6/582	14.03.2013/5044
	720/34	163,49	33/3229	13.03.2014/5257
	2226/33	1.000,00	7/650	03.10.2011/18157
	2227/5	5.662,00	5/401	03.10.2011/18157
	2227/48	8.793,00	31/2981	03.10.2011/18157
	2227/50	1.776,00	31/2984	03.10.2011/18157
	2227/52	840,00	31/2987	03.10.2011/18157
	9048/1	598,93	61/5969	13.03.2014/5257
	1094/33	3.999,00	5/465	03.10.2011/18157
	1094/34	7.411,00	5/466	03.10.2011/18157
	1094/37	6.185,00	5/469	03.10.2011/18157
	1094/38	5.585,00	5/470	03.10.2011/18157
	5705/35	13.595,00	6/540	03.10.2011/18157
	5705/39	5.118,00	6/544	03.10.2011/18157
	5705/324	2.333,00	59/5821	03.10.2011/18157
	2657/12	1.427,00	15/1419	03.10.2011/18157
	Current Use	See 6.7 Definition, Structural and Technical Features		
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	676	108	Partially Park-Partially Road	-
	720	2	Transportation	-
	720	8	Partially Park-Partially Road	-
	720	34	Parking	-
	2226	33	-	-
	2227	5	-	-
	2227	48	-	-
	2227	50	-	-
	2227	52	-	-
	9048	1	Commercial	H: Unconstrained , FAR: 2.50
	1094	33	-	-
	1094	34	-	-
	1094	37	-	-
	1094	38	-	-
	5705	35	-	-
	5705	39	-	-
5705	324	-	-	
2657	12	-	-	
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of the Lots (TL)	149.086.144,14			
Total Value of Emlak Konut REIC's Shares of the Plots Excluding VAT (TL)	23.176.301,80			

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Istanbul, Sarıyer District, 1789/ Plot No. 1			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	14.11.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Sarıyer Neighborhood: Zekeriyaköy			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	1789/1	999,87	51/5022	03.07.2014/6194
Current Use	Empty Land			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	1789	1	Technical Infrastructure Area	FAR: 1.00, Max. H: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
The Value of Emlak Konut REIC's Share (238111/240000) in the Plots Excluding VAT (TL)	696.294,72			

11 Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Istanbul Bakirköy Osmaniye Plot			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	14.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Bakirköy Neighborhood: Yenimahalle			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	901/18	5.164,46	7/613	26.03.2013/3779
Current Use	Empty Land			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	901	18	Commercial Area	FAR: 1.50, Housing Permit up to six floors
Values Agreed on the Valuation Report (Excluding VAT)				
The Value of Emlak Konut REIC's Share (1/1) in the Plots Excluding VAT (TL)	32.277.875,00			

12 Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	The appraisal report specifying the present appraised market value of the immovables with plot no. 157, 160, 162 and 163 within Block No. 7726 in Demirtaş Neighborhood, Osmangazi District, Bursa under the CMB legislation.			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.			
Report Number	16.10-01-183			
Report Date	28.11.2016			
Summary Information on the Real Estates Subject to Valuation				
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	7726/157	11.347,91	169/16678	11.07.2014/25377
	7726/160	10.253,99	169/16681	11.07.2014/25377
	7726/162	21.471,80	169/16683	11.07.2014/25377
	7726/163	11.671,63	169/16684	11.07.2014/25377
Current Use	Incomplete Abandoned Construction			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	7726	157	-	-
	7726	160	-	-
	7726	162	-	-
	7726	163	-	-
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of Emlak Konut REIC's Shares of the Plots Excluding VAT (TL)	29.197.770,15			

13 Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Eyüp Alibeyköy 859/4 Plots			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	26.10.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Republic of Turkey Prime Ministry Housing Development Administration Province: Istanbul District: Eyüp Neighborhood: Alibeyköy			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	859/128	5.066,37	180/17821	13.06.2016/12526
	859/129	22.302,56	180/17822	13.06.2016/12526
	859/130	1.175,04	180/17823	13.06.2016/12526
	859/131	1.743,40	180/17824	13.06.2016/12526
Current Use	Empty Land			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	859	128	Middle School Area	FAR: 1.50
	859	129	Residential Area Development	FAR: 1.50, Max. H: 8 floors
	859	130	Health Facility	.Preliminary Project
	859	131	Official Institution Area	.Preliminary Project
Values Agreed on the Valuation Report (Excluding VAT)				
Value of 4 Plots Excluding VAT (TL)	52.077.746,00			

14 Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	The appraisal report specifying the present appraised market prices of the immovables with plot no. 4009 in Mimarşinan Neighborhood, Büyükkçekmece District, İstanbul under the CMB legislation.			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.			
Report Number	16.11-01-222			
Report Date	14.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	0/4009	156,20	80/7859	24.04.2006/9374
Current Use	Transformer Area			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	-	4009	Transformer Area	-
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of Emlak Konut REIC's Share in the Plot Excluding (TL)	16.231,52			

15 Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Nevşehir Center, Plot No 772 and 773 within Block No. 70			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	07.11.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Nevşehir District: Center District: Yeni			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	70/772	14,51	44/4317	13.01.2016/544
	70/773	11,59	44/4318	13.01.2016/544
Current Use	Empty Land			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	70	772	Official Institution (Governor's Mansion) Area	
	70	773	Official Institution (Governor's Mansion) Area	
Values Agreed on the Valuation Report (Excluding VAT)				
The Value of Emlak Konut REIC's Share (1/1) in the Plots Excluding VAT (TL)	8.500,00			

16 Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	The appraisal report on the immovables with Plot No. 1 within Block No. 1491 in Rumelihisar Neighborhood, Beşiktaş District, İstanbul			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.			
Report Number	16.10-01-182			
Report Date	10.11.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	1491/1	1,298.32	12/1103	23.07.2013/8862
Current Use				
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	1491	1	Parking	-
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of Emlak Konut REIC's Shares of the Plot Excluding VAT (TL)	4.200.000,00			

17 Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	The appraisal report on the immovable with Plot No. 17 within Block No. 1531 in Yıldıztepe Neighborhood, Odunpazarı District, Eskişehir			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.			
Report Number	16.11-01-193			
Report Date	24.11.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	1531/17	23.941,74	90/8813	25.06.2014/15851
Current Use	Empty			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	1531	17	Partially residential, partially university area, partially green area, partially road, partially plantation area and fault line area	FAR: 0.80 and Max. H: 9.50 m
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of Emlak Konut REIC's Shares of the Plots Excluding VAT (TL)	5.865.726,30			

18 Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	3 Plots within Beştelesiz, Zeytinburnu, Istanbul			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	06.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Zeytinburnu Neighborhood: Beştelesiz			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	3327/1	5.558,69	256/26400	22.03.2016/4018
	3329/1	20.570,13	256/26406	22.03.2016/4005-4018
	3330/1	10.653,72	256/26407	22.03.2016/4005-4018
Current Use	Empty Land			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	3327	1	Commercial+Tourism Area	FAR: 2.00 and Max. H: 35.50 m
	3329	1	Residential+Commercial Area	FAR: 2.00 and Max. H: 35.50 m
	3330	1	Commercial Area	FAR: 0.90, Lot Coverage: 0.50, Max. H: 2 floors
Values Agreed on the Valuation Report (Excluding VAT)				
The Value of Emlak Konut REIC's Share (1/1) in the Plots Excluding VAT (TL)	418.966.961,00			

19 Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Güzeller Plots, Gebze, Kocaeli			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	04.10.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Kocaeli District: Gebze Neighborhood: Kirazpınar			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	23 Plots	234.213,29	See: Section 4.2 of the Report	
Current Use	Empty Land			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	See: Section 4.3 of the Report			
Values Agreed on the Valuation Report (Excluding VAT)				
The Value of Emlak Konut REIC's Share (1/1) in the Plots Excluding VAT (TL)	69.627.260,53			

20 Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	The appraisal report specifying the present appraised market value of the immovable with plot no. 7 within Block No. 2384 in İlyas Bey Neighborhood, Fatih District, Istanbul under the CMB legislation.			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.			
Report Number	16.11-01-226			
Report Date	13.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	2384/7	40.945,86	9/1024	08.07.2014/15090
Current Use	Empty			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	2384	7	Partially Tourism-Cultural Area, Partially Parks and Resting Areas, Partially Religious Facility Areas	Lot Coverage: 0.25, FAR: 0.75
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of the Plot Excluding VAT (TL)	94.175.478,00			

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Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Kocaeli Derince (Plot No. 1 within Block No. 4968, Çenedeğ Neighborhood)			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	18.11.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Republic of Turkey Prime Ministry Housing Development Administration (TOKI) Province: Kocaeli District: Derince Neighborhood: Çenedeğ			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	4968/1	72.620,00	39/3842	10.07.2013/5115
Current Use	The Plot has a stadium, Youth Services Provincial Directorate of Sports Building, Services Building, swimming pool, road and outdoor parking lot.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	4968	1	Commercial Area	FAR: 1.20, Building Height: 3 floors
Values Agreed on the Valuation Report (Excluding VAT)				
The Value of Prime Ministry Housing Development Administration's Share (1/1) of the Plots Excluding VAT (TL)	72.620.000,00			

22

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	The appraisal report on the immovables with Plot No. 1 within Block No. 1917, Plot No. 10 within Block No. 1919, Plot No. 2 within Block No. 1921, and Plot No. 1 and 2 within Block No. 1928 in Yarımcı (Şuyulandırma) Neighborhood, Körfez District, Kocaeli			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.			
Report Number	16.10-01-190			
Report Date	05.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	1917/1	11.922,37	262/25787	24.09.2007/6972
	1919/10	1.474,08	286/28139	14.05.2013/5058
	1921/2	5.742,04	263/25793	24.09.2007/6972
	1928/1	6.614,97	263/25812	24.09.2007/6972
	1928/2	5.043,25	263/25813	24.09.2007/6972
Current Use				
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	1917	1	Commercial Area	FAR: 1.50, H: Unconstrained
	1919	10	Commercial Area	Separated, Lot Coverage: (0.40+0.40), FAR: (1.20+0.40), H: 9.50 m
	1921	2	Sports Area	FAR: 0.15
	1928	1	Health Facility	FAR: 1.00, H: 9.50 m
1928	2	Urban Service Area	FAR: 1.00, H: 9.50 m	
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of Emlak Konut REIC's Shares of the Plots Excluding VAT (TL)	10.886.455,80			

23

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Ankara, Yenimahalle District, 63865/Plot No. 2			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	14.11.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Ankara District: Yenimahalle Neighborhood: Station			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	63865/2	124.475,80	0,01	06.02.2015/5770
Current Use				
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	63865	2	Central Business Area	FAR: 4.50, MCHP: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
The Value of Emlak Konut REIC's Share (1/1) in the Plots Excluding VAT (TL)	759,302,380,00			

24

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Istinye Plots, Sarıyer, Istanbul			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	28.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Sarıyer Neighborhood: Istinye			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	360/3	19.877,09	3/281	11.10.2016/10041
	360/64	27.980,00	9/829	12.06.2014/5458
	380/18	1.719,96	6/584	11.10.2016/10041
	380/38	5.895,10	13/1254	11.10.2016/10041
	380/80	472,49	34/3359	11.10.2016/10041
	380/81	322,66	34/3360	11.10.2016/10041
	380/82	406,71	34/3361	11.10.2016/10041
	380/83	352,59	34/3362	11.10.2016/10041
	380/84	26.212,23	34/3363	11.10.2016/10041
	1352/7	15.525,62	28/2709	12.06.2014/5458
	1353/4	32.277,27	34/3364	12.06.2014/5458
Current Use	Empty Land			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	360	3	Parking	Preliminary Project (FAR: 1.00 Max. H: 9.50)
	360	64	Parking	-
	380	18	Tourism Facility Area	Preliminary Project (FAR: 1.00 Max. H: 9.50)
	380	38	Educational Facility Area	-
	380	80	Kindergarten Area	-
	380	81	Residential Area	Floor Area Ratio: 0.35, Lot Coverage: 0.15, Max. H: 6.50
	380	82	Residential Area	Floor Area Ratio: 0.35, Lot Coverage: 0.15, Max. H: 6.50
	380	83	Tourism Facility Area	Preliminary Project (FAR: 1.00 Max. H: 9.50)
	380	84	Tourism Facility Area	Preliminary Project (FAR: 1.00 Max. H: 9.50)
	1352	7	Tourism Facility Area and Park	Preliminary Project (FAR: 1.00 Max. H: 9.50)
1353	4	Tourism Facility Area	Preliminary Project (FAR: 1.00 Max. H: 9.50)	
Values Agreed on the Valuation Report (Excluding VAT)				
Value of 11 Plots Excluding VAT (TL)	1.171.808.197,50			

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Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Plot No 1, 2, and 3 within Block No. 7752, Kağıthane Merkez, Istanbul			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	09.11.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Kağıthane (7752/4)/Sarıyer (7752/2) Neighborhood: Center (7752/4) / I. Ayazağa (7752/2)			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	7752/2	9.458,00	34/3268	29.02.2016/2075
	7752/4	27.292,00	454/44716	09.02.2016/2742
Current Use	Empty Land			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	7752	2	Housing	FAR:2.25, Max. H:Unconstrained
	7752	4	Housing	FAR:2.25, Max. H:Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
The Value of Emlak Konut REIC's Share (1/1) in the Plots Excluding VAT (TL)	206.854.000,00			

26

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	8 Plots within Hoşdere, Esenyurt, Istanbul			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	09.11.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul, District: Esenyurt, Neighborhood: Hoşdere			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	See: Section 3.2 of the Report			
Current Use	Empty Land			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	See: Section 3.3 of the Report			
Values Agreed on the Valuation Report (Excluding VAT)				
Value of Emlak Konut REIC's Share in the Plots Excluding VAT (TL)	264.142.828,00			

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	The appraisal report specifying the present appraised market value of 17 plots registered in Kapaklı Neighborhoods, Kapaklı District, Tekirdağ under the CMB legislation.			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.			
Report Number	16.10-01-216			
Report Date	12.12.2016			
Summary Information on the Real Estates Subject to Valuation				
	Block/Plot	Surface Area	Volume No./Page No.	Date/Journal No.
	1544/1	7.643,27	207/20480	28.11.2005/10446
	1546/1	49.918,85	207/20482	28.11.2005/10446
	1547/1	41.409,11	207/20483	28.11.2005/10446
	1548/1	30.079,19	207/20484	28.11.2005/10446
	1549/1	12.431,24	207/20485	28.11.2005/10446
	1549/3	15.927,60	207/20487	28.11.2005/10446
	1551/1	26.561,86	207/20490	28.11.2005/10446
	1552/1	33.891,67	207/20491	28.11.2005/10446
	1552/2	4.603,44	207/20492	28.11.2005/10446
	1553/1	12.313,14	207/20493	28.11.2005/10446
	1554/1	18.557,90	207/20494	28.11.2005/10446
	1555/1	17.835,22	207/20495	28.11.2005/10446
	1556/1	15.602,98	207/20496	28.11.2005/10446
	1557/1	41.758,18	207/20497	28.11.2005/10446
	1558/1	23.327,48	207/20498	28.11.2005/10446
	1558/3	3.701,88	207/20500	28.11.2005/10446
	1559/1	15.672,68	207/20501	28.11.2005/10446
Current Use	The plots consist of empty lands.			
	Block No.	Plot No.	Zoning Function	Construction Conditions
	1544	1	Residential Area	Order: Separate FAR: 1.15 Max. H: 30.50 Setback Distance: 10 Meters From Each Side
	1546	1	Residential Area	Order: Separate FAR: 1.15 Max. H: 30.50 Setback Distance: 10 Meters From Each Side
	1547	1	Residential Area	Order: Separate FAR: 1.15 Max. H: 30.50 Setback Distance: 10 Meters From Each Side
	1548	1	Residential Area	Order: Separate FAR: 1.15 Max. H: 30.50 Setback Distance: 10 Meters From Each Side
	1549	1	Residential Area	Order: Separate FAR: 1.15 Max. H: 30.50 Setback Distance: 10 Meters From Each Side
	1549	3	Residential Area	Order: Separate FAR: 1.15 Max. H: 30.50 Setback Distance: 10 Meters From Each Side
	1551	1	Residential Area	Order: Separate FAR: 1.15 Max. H: 30.50 Setback Distance: 10 Meters From Each Side
	1552	1	Residential Area	Order: Separate FAR: 1.15 Max. H: 30.50 Setback Distance: 10 Meters From Each Side
	1552	2	Treatment Facility	
	1553	1	Residential Area	Order: Separate FAR: 1.15 Max. H: 30.50 Setback Distance: 10 Meters From Each Side
	1554	1	Residential Area	Order: Separate FAR: 1.15 Max. H: 30.50 Setback Distance: 10 Meters From Each Side
	1555	1	Residential Area	Order: Separate FAR: 1.15 Max. H: 30.50 Setback Distance: 10 Meters From Each Side
	1556	1	Residential Area	Order: Separate FAR: 1.15 Max. H: 30.50 Setback Distance: 10 Meters From Each Side
	1557	1	Residential Area	Order: Separate FAR: 1.15 Max. H: 30.50 Setback Distance: 10 Meters From Each Side
	1558	1	Residential Area	Order: Separate FAR: 1.15 Max. H: 30.50 Setback Distance: 10 Meters From Each Side
	1558	3	Commercial Area	FAR: 1.60 Max. H: Unconstrained Setback Distance: 5 Meters From Each Side
	1559	1	Residential Area	Order: Separate FAR: 1.15 Max. H: 30.50 Setback Distance: 10 Meters From Each Side
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of Emlak Konut REIC's Shares of the Plots Excluding VAT (TL)	110.324.864,20			

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Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	The appraisal report on the immovables with Plot No. 6 and 11 within Block No. 2941 in Öncebeci Neighborhood, Çankaya District, Ankara			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.			
Report Number	16.10-01-180			
Report Date	10.11.2016			
Summary Information on the Real Estates Subject to Valuation				
Zoning Status	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	2941/6	200,00	1/76	27.06.2013/36045
	2941/11	200,00	1/79	27.06.2013/36045
Current Use				
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	2941	6	Green Area	-
	2941	11	Green Area	-
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of Emlak Konut REIC's Shares of the Plots Excluding VAT (TL)	280.800,00			

29

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	8 Plots within Çankaya, Ankara			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	14.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Ankara, District: Çankaya, Neighborhood: Mühye			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	29396/5	2.015,83	60/7021	15.11.2016/86034
	29397/2	2.562,44	60/7024	03.11.2015/68610
	29397/5	2.219,51	60/7027	15.11.2016/86034
	29397/6	2.566,25	60/7028	15.11.2016/86034
	29397/7	8.489,27	60/7029	15.11.2016/86034
	29398/1	9.134,69	60/7030	15.11.2016/86034
	29399/1	1.253,38	60/7031	03.11.2015/68610
	29401/8	4.547,91	65/7518	15.11.2016/86034
Current Use	Empty Land			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	29396	5	Administrative and Social Facility	FAR: 0.60, Max. H: Unconstrained
	29397	2	Residential+Commercial Area	FAR: 2.50, Max. H: 50 m.
	29397	5	Administrative and Social Facility	FAR: 0.60, Max. H: Unconstrained
	29397	6	Recreation	FAR: 0.05, Max. H: 6.50 m.
	29397	7	Housing	FAR: 2.50, Hmax: 40.50 m.
	29398	1	Housing	FAR: 2.50, Hmax: 40.50 m.
	29399	1	Technical Infrastructure	FAR: 0.60, Hmax: 6.50 m.
	29401	8	(Exclusive) Health Facility Area	FAR: 1.00, Hmax: 12 m.
Values Agreed on the Valuation Report (Excluding VAT)				
Value of Emlak Konut REIC's Share in the Plots Excluding VAT (TL)	23.859.389,00			

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Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	The appraisal report specifying the present appraised market prices of the immovable with plot no. 7 within Block No. 1562 in Mahmutbey Neighborhood, Bağcılar District, Istanbul under the CMB legislation.			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.			
Report Number	16.10-01-181			
Report Date	28.11.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	1562/7	531,70	221/21856	30.09.2015/21297
Current Use	Transportation			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	1562	7	Road Area	-
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of the Lots Excluding VAT (TL)	918.658,80.			

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Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	The appraisal report on the immovables with Plot No. 4 within Block No. 1474, Plot No. 1 within Block No. 2559, Plot No. 1 and 2 within Block No. 2562 in Kazimiye Neighborhood, Çorlu District, Tekirdağ			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.			
Report Number	16.10-01-214			
Report Date	12.12.2016			
Summary Information on the Real Estates Subject to Valuation				
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	1474/4	793,00	1/63	02.08.2013/17982
	2559/1	6.700,60	26/2456	06.11.2007/17834
	2562/1	10.297,39	26/2468	06.11.2007/17835
	2562/2	23.976,85	26/2469	06.11.2007/17836
Current Use	Plot No. 4 within Block No. 1474 currently remains in the road area. Other plots consist of empty lands.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	1474	4	Road, Green Area, Park	-
	2559	1	Health Facility Area	FAR: 1.00, Max. H: Unconstrained
	2562	1	Indoor and Outdoor Sports Area	FAR: 1.50, H: Unconstrained
	2562	2	Cultural Park Area	FAR: 0.30
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of Emlak Konut REIC's Shares of the Plots Excluding VAT (TL)	8.965.010,00			

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Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	The appraisal report specifying the present appraised market value of the immovables with plot no. 1 within Block No. 808 and plot No. 6 within Block No. 853 in Halkalı Neighborhood, Küçükçekmece District, İstanbul under the CMB legislation.			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.			
Report Number	16.11-01-225			
Report Date	12.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	808/1	379.495,94	130/12727	21.03.2008/5552
	853/6	579.893,00	153/14952	08.04.2016/12937
Current Use				
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	808	1	*University Area	-
	853	6	*Technology Development Area	-
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of the Lots Excluding VAT (TL)	1.822.838.986,00			

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Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Ankara Çankaya Çayyolu, 29479/Plot No. 2			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	25.11.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Ankara District: Çankaya Neighborhood: Çayyolu			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	29479/2	778,68	27/2579	09.02.2016/10446
Current Use	Empty Land			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	29479	2	Technical Infrastructure Area	FAR:1.00, Max. H:Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
The Value of Emlak Konut REIC's Share (1/1) in the Plots Excluding VAT (TL)	1.031.751,00			

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	The appraisal report specifying the present appraised market value of 91 plots within Balkuyumcu Neighborhood, Etimesgut District, Ankara under the CMB legislation.			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.			
Report Number	16.11-01-217			
Report Date	27.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Block/Plot	Surface Area	Volume No./Page No.	Date/Journal No.	
	(m ²)			
49240/1	6,986.00 m ²	33/3721	11.3.2016-10632	
49241/1	6,551.00 m ²	33/3724	11.3.2016-10632	
49249/3	2,921.64 m ²	33/3758	11.3.2016-10632	
61927/1	10,545.00 m ²	19/2381	1.5.2008-8656	
61928/1	19,013.00 m ²	19/2382	1.5.2008-8656	
61929/1	24,415.00 m ²	19/2383	1.5.2008-8656	
61930/1	2,071.81 m ²	19/2384	1.5.2008-8656	
61931/3	18,608.65 m ²	20/2388	1.5.2008-8656	
61932/1	40,064.00 m ²	20/2389	1.5.2008-8656	
61937/1	15,116.14 m ²	20/2394	1.5.2008-8656	
61938/1	5,009.00 m ²	20/2396	1.5.2008-8656	
61942/1	13,610.34 m ²	20/2401	1.5.2008-8656	
61943/1	21,045.00 m ²	20/2403	1.5.2008-8656	
61945/1	21,518.00 m ²	20/2408	1.5.2008-8656	
61946/1	18,578.00 m ²	20/2409	1.5.2008-8656	
61947/1	15,750.00 m ²	20/2410	1.5.2008-8656	
61948/1	27,698.00 m ²	20/2411	1.5.2008-8656	
61949/1	14,509.00 m ²	20/2412	1.5.2008-8656	
61951/1	11,750.00 m ²	20/2414	1.5.2008-8656	
61952/1	19,162.00 m ²	20/2415	1.5.2008-8656	
61953/2	650.00 m ²	20/2417	22.10.2008-18846	
61953/3	650.00 m ²	20/2418	22.10.2008-18846	
61953/4	650.00 m ²	20/2419	22.10.2008-18846	
61953/5	660.00 m ²	20/2420	22.10.2008-18846	
61954/1	47,347.00 m ²	20/2421	1.5.2008-8656	
61955/1	51,446.00 m ²	20/2422	1.5.2008-8656	
61956/1	19,752.71 m ²	20/2423	22.10.2008-18846	
61957/1	28,676.34 m ²	20/2425	22.10.2008-18846	
61958/1	1,522.66 m ²	20/2426	1.5.2008-8656	
61958/1	13,373.00 m ²	20/2426	1.5.2008-8656	
61959/1	43,144.00 m ²	20/2427	22.10.2008-18846	
61960/1	4,327.00 m ²	20/2428	22.10.2008-18846	
61961/1	20,829.00 m ²	20/2429	22.10.2008-18846	
61962/1	6,016.00 m ²	20/2430	22.10.2008-18846	
61963/1	8,270.00 m ²	20/2431	22.10.2008-18846	
61964/1	5,734.00 m ²	20/2432	22.10.2008-18846	
61968/1	13,831.00 m ²	20/2437	22.10.2008-18846	
61969/2	17,321.27 m ²	20/2478	22.10.2008-18846	
61972/1	5,402.00 m ²	20/2442	22.10.2008-18846	
61974/1	7,523.00 m ²	20/2443	22.10.2008-18846	
61975/1	7,606.00 m ²	20/2444	22.10.2008-18846	
61980/1	27,569.00 m ²	20/2449	22.10.2008-18846	
61981/1	4,821.00 m ²	20/2450	22.10.2008-18846	
61982/1	15,723.00 m ²	20/2451	22.10.2008-18846	
61983/1	5,821.00 m ²	20/2452	22.10.2008-18846	
61984/1	1,115.36 m ²	20/2453	22.10.2008-18846	
61985/1	4,689.64 m ²	20/2454	1.5.2008-8656	
61987/1	11,420.00 m ²	20/2454	22.10.2008-18846	
61987/1	35,540.00 m ²	20/2457	22.10.2008-18846	
61989/1	5,982.00 m ²	20/2461	22.10.2008-18846	
61992/1	2,460.00 m ²	20/2466	22.10.2008-18846	
61992/2	5,131.00 m ²	20/2467	22.10.2008-18846	
61992/4	286,719.19 m ²	20/2469	1.5.2008-8656	
61992/4	232.27 m ²	20/2469	22.10.2008-18846	
61992/4	580.92 m ²	20/2469	1.5.2008-8656	
61992/4	198.94 m ²	20/2469	1.5.2008-8656	
61992/5	27,259.76 m ²	20/2470	30.7.2009-11486	
61996/2	2,963.31 m ²	21/2515	22.10.2008-18846	
62000/1	32,751.00 m ²	21/2524	22.10.2008-18846	
62007/1	3,000.04 m ²	21/2536	22.10.2008-18846	
62008/1	21,490.00 m ²	21/2539	22.10.2008-18846	
62011/1	650.00 m ²	21/2542	22.10.2008-18846	
62011/2	650.00 m ²	21/2543	22.10.2008-18846	
62011/3	650.00 m ²	21/2544	22.10.2008-18846	
62011/4	813.00 m ²	21/2545	22.10.2008-18846	
62013/1	9,593.00 m ²	21/2547	22.10.2008-18846	
62014/1	19,032.00 m ²	21/2548	22.10.2008-18846	
62017/3	5,215.24 m ²	21/2554	22.10.2008-18846	
62018/1	11,754.00 m ²	21/2556	27.5.2008-10307	
62020/1	190,591.24 m ²	21/2558	22.10.2008-18846	
62020/1	1,396.16 m ²	21/2558	22.10.2008-18846	
62020/4	8,621.01 m ²	21/2561	6.10.2009-5362	
62020/4	1,457.35 m ²	21/2561	27.5.2008-10307	
62020/4	277.60 m ²	21/2561	6.10.2009-5362	
62021/1	16,396.00 m ²	21/2562	27.5.2008-10307	
62023/2	32,662.99 m ²	21/2565	22.10.2008-18846	
62026/1	5,760.00 m ²	21/2569	22.10.2008-18846	
62028/1	17,177.65 m ²	21/2572	22.10.2008-18846	
62030/1	5,765.00 m ²	21/2576	22.10.2008-18846	
62032/1	7,703.00 m ²	21/2578	22.10.2008-18846	
62033/1	37,588.00 m ²	21/2579	22.10.2008-18846	
62034/1	31,273.00 m ²	21/2580	22.10.2008-18846	
62036/1	13,814.00 m ²	21/2583	22.10.2008-18846	
62037/1	1,918.00 m ²	21/2584	22.10.2008-18846	
62038/1	12,776.00 m ²	21/2585	22.10.2008-18846	
62039/1	4,991.00 m ²	22/2586	22.10.2008-18846	
62041/1	12,639.94 m ²	22/2588	22.10.2008-18846	
62043/1	29,268.74 m ²	22/2590	22.10.2008-18846	
62044/1	29,758.00 m ²	22/2592	22.10.2008-18846	
62045/1	13,109.00 m ²	22/2593	22.10.2008-18846	
62046/5	62,615.57 m ²	22/2598	22.10.2008-18846	
62050/4	21,520.43 m ²	22/2608	22.10.2008-18846	
62051/1	11,029.24 m ²	22/2609	22.10.2008-18846	
62051/2	36,323.76 m ²	22/2610	27.5.2008-10307	
62052/1	59,536.00 m ²	22/2611	27.5.2008-10307	
62053/1	57,421.00 m ²	22/2612	27.5.2008-10307	
62054/1	10,644.00 m ²	22/2613	27.5.2008-10307	
62055/1	6,547.02 m ²	22/2614	27.5.2008-10307	
62056/1	25,405.00 m ²	22/2615	27.5.2008-10307	

Current Use	See 6.7 Definition, Structural and Technical Features			
	Block No.	Plot No.	Zoning Function	Construction Conditions
	49240	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	49241	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	49249	3	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61927	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61928	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61929	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61930	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61931	3	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61932	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61937	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61938	1	Commercial Area	FAR: 1.00, Max. H: Unconstrained
	61942	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61943	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61945	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61946	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61947	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61948	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61949	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61951	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61952	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61953	2	Exclusive Technical Infrastructure Area	FAR: 1.00, Max. H: Unconstrained
	61953	3	Exclusive Technical Infrastructure Area	FAR: 1.00, Max. H: Unconstrained
	61953	4	Exclusive Technical Infrastructure Area	FAR: 1.00, Max. H: Unconstrained
	61953	5	Exclusive Technical Infrastructure Area	FAR: 1.00, Max. H: Unconstrained
	61954	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61955	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61956	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61957	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61958	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61959	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61960	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61961	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61962	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61963	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61964	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61968	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61969	2	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61972	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61974	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61975	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61980	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61981	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61982	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61983	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61984	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61985	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61987	1	Commercial Area	FAR: 1.50, Max. H: Unconstrained
	61989	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61992	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61992	2	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61992	4	Commercial Recreation Area	FAR: 0.10, Max. H: 7.50
	61992	5	Residential Area	FAR: 1.00, Max. H: Unconstrained
	61996	2	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62000	1	Commercial Area	FAR: 1.50, Max. H: Unconstrained
	62007	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62008	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62011	1	Technical Infrastructure Area	FAR: 1.00, Max. H: Unconstrained
	62011	2	Technical Infrastructure Area	FAR: 1.00, Max. H: Unconstrained
	62011	3	Technical Infrastructure Area	FAR: 1.00, Max. H: Unconstrained
	62011	4	Technical Infrastructure Area	FAR: 1.00, Max. H: Unconstrained
	62013	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62014	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62017	3	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62018	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62020	1	University Area	FAR: FAR: 0.50, Max. H: Unconstrained
	62020	4	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62021	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62023	2	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62026	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62028	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62030	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62032	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62033	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62034	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62036	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62037	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62038	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62039	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62041	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62043	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62044	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62045	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62046	5	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62050	4	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62051	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62051	2	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62052	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62053	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62054	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62055	1	Residential Area	FAR: 1.00, Max. H: Unconstrained
	62056	1	Commercial Area	FAR: 1.50, Max. H: Unconstrained
	Values Agreed on the Valuation Report (Excluding VAT)			
Total Value of the Lots (TL)	351.302.174,20			
Total Value of Emlak Konut REIC's Shares of the Plots Excluding VAT (TL)	349.424.348,05			

Real Estate Valuation Report Summary					
Name of the Work Subject to Valuation	The appraisal report specifying the present appraised market value of the immovables with Plots No. 1 and 5 within Block No. 101, Plot No. 2 within Block No 103, Plot No. 148, 149 and 151 within Block No. 135, Plot No. 5 within Block No. 138, Plot No. 5, 22, 35, 36, and 37 within Block No. 139, and Plot No. 296 and 304 within Block No. 0 under the CMB legislation.				
Institution Requesting Valuation	Emlak Konut REIC				
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.				
Report Number	16.09-01-167				
Report Date	05.10.2016				
Summary Information on the Real Estates Subject to Valuation					
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.	
	101/5	1.077.257,15	3/295	05.06.2013/11277	
	-/296	233.000,00	3/296	05.06.2013/11277	
	-/304	10.828,15	4/304	05.06.2013/11277	
	135/151	544.170,13	8/735	05.06.2013/11277	
	103/2	330.328,87	20/1954	05.06.2013/11277	
	101/1	41.700,77	11/1087	07.06.2013/11514	
	135/148	203.119,54	4/298	07.06.2013/11514	
	135/149	8.372,18	4/303	07.06.2013/11514	
	138/5	1.359.442,48	8/734	07.06.2013/11514	
	139/5	986.437,53	21/1993	07.06.2013/11514	
	139/22	5.771,11	21/2007	07.06.2013/11514	
	139/35	3.920,33	4/302	07.06.2013/11514	
	139/36	645,48	4/300	07.06.2013/11514	
	139/37	1.681,61	4/301	07.06.2013/11514	
	Current Use				
	Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
101		5	Agricultural character to be protected (scale: 1/1,000,000)	-	
-		296	Agricultural character to be protected (scale: 1/1,000,000)	-	
-		304	Agricultural character to be protected (scale: 1/1,000,000)	-	
135		151	Agricultural character to be protected (scale: 1/1,000,000)	-	
103		2	Agricultural character to be protected (scale: 1/1,000,000)	-	
101		1	Agricultural character to be protected (scale: 1/1,000,000)	-	
135		148	Agricultural character to be protected (scale: 1/1,000,000)	-	
135		149	Agricultural character to be protected (scale: 1/1,000,000)	-	
139		5	Agricultural character to be protected (scale: 1/1,000,000)	-	
139		22	Agricultural character to be protected (scale: 1/1,000,000)	-	
139		35	Agricultural character to be protected (scale: 1/1,000,000)	-	
139		36	Agricultural character to be protected (scale: 1/1,000,000)	-	
139	37	Agricultural character to be protected (scale: 1/1,000,000)	-		
Values Agreed on the Valuation Report (Excluding VAT)					
Total Value of Emlak Konut REIC's Shares of the Plots Excluding VAT (TL)	395.369.806,07				

Real Estate Valuation Report Summary					
Name of the Work Subject to Valuation	The appraisal report specifying the present market value of the 12 plots registered in Barbaros and Küçükbakkalköy neighborhoods, Ataşehir District, İstanbul under the CMB legislation.				
Institution Requesting Valuation	Emlak Konut REIC				
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.				
Report Number	16.11-01-218				
Report Date	29.12.2016				
Summary Information on the Real Estates Subject to Valuation					
Title Deed Information	Block/Plot	Surface Area (m ²)	Volume No./ Page No	Date/Journal No.	Zoning Function
	2190/9	198,10	3/244	19.07.2013/15294	Residential Area
	2190/15	145,90	3/250	19.07.2013/15294	Residential Area
	2192/1	332,90	3/275	19.07.2013/15294	Road
	2684/10	7.830,00	17/1584	02.08.2013/16296	Park and Road
	2693/5	309,80	16/1523	02.08.2013/16296	Residential Area
	3334/8	3.762,20	86/8437	07.11.2008/23854	Kindergarten Area
	3382/2	14.248,40	86/8366	10.09.2008/19532	Education Facility
	3384/4	2.099,56	86/8367	10.09.2008/19532	Religious Facility Area
	3385/1	3.900,64	86/8370	10.09.2008/19532	Highschool Area
	3385/2	2.200,68	86/8368	10.09.2008/19532	Kindergarten Area
	3385/5	15.618,65	86/8369	10.09.2008/19532	Sports Area
	1970/1	10.160,00	47/4569	02.07.2014/12660	Health Facility
Current Use	Empty.				
Values Agreed on the Valuation Report (Excluding VAT)					
Emlak Konut GYO A.Ş. Total Value of the Shares Excluding VAT (TL)	76.715.202,21				

Real Estate Valuation Report Summary						
Name of the Work Subject to Valuation	The appraisal report specifying the present appraised market value of 20 immovables within Hoşdere Neighborhood, Başakşehir District, Istanbul under the CMB legislation.					
Institution Requesting Valuation	Emlak Konut REIC					
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.					
Report Number	16.11-01-219					
Report Date	20.12.2016					
Summary Information on the Real Estates Subject to Valuation						
Block/ Plot	Surface area (m ²)	Volume No./ Page No	Date/Journal No.	Zoning Status		
	(m ²)			Function Legent	Construction Conditions	
-/144	400,74	2/139	03.10.2012/11187	It was learned that it remained within "Bahçeşehir Industrial Zone, Hoşdere and Its Vicinity, Hoşdere Filtape, Köyüstü and Köyiçi Areas Revision Application Zoning Plan" approved on 24.02.2003 and that it also remained within the area declared on 06.01.2012 by Istanbul Governorship as Mass Housing Area and that its official zoning status may be given after the completion of activities in the area declared as Mass Housing Area.		
-/145	9.537,31	2/140	03.10.2012/11187			
-/154	89.000,00	2/149	02.08.2012/8825			
318/1	34.054,00	31/2972	06.10.2011/10580			
318/2	3.116,00	31/2973	06.10.2011/10580			
319/1	4.936,00	31/2974	06.10.2011/10580			
319/2	1.499,00	31/2975	06.10.2011/10580			
320/1	8.892,00	31/2976	06.10.2011/10580			
321/1	24.277,00	31/2977	06.10.2011/10580			
322/1	23.435,00	31/2978	06.10.2011/10580			
322/2	2.571,00	31/2979	06.10.2011/10580			
323/1	10.153,00	31/2980	06.10.2011/10580			
323/2	5.940,00	31/2981	06.10.2011/10580			
323/3	49.084,54	31/2982	03.10.2012/11187			
324/1	26.959,00	31/2983	06.10.2011/10580			
324/2	25.306,24	31/2984	03.10.2012/11187			
644/1	3.452,39	47/4582	15.10.2012/11741	Health Facility Area	FAR: 1.00	
644/3	8.283,23	47/4584	15.10.2012/11741	Administrative Facility Area	FAR: 1.00	
649/3	11.756,13	47/4602	14.03.2013/3635	Residential Area	FAR: 0.50, H: Unconstrained	
650/2	13.319,58	47/4604	15.10.2012/11741	Residential Area	FAR: 0.50, H: Unconstrained	
Current Use	Empty.					
Values Agreed on the Valuation Report (Excluding VAT)						
Total Value of Emlak Konut REIC's Shares (TL)	112.316.916,49					

Real Estate Valuation Report Summary					
Name of the Work Subject to Valuation	The appraisal report specifying the present appraised market value of a total of 33 plots (the two plots registered in İkitelli-1 Neighborhood and 31 plots registered in İkitelli-2 Neighborhood) in District, Istanbul under the CMB legislation.				
Institution Requesting Valuation	Emlak Konut REIC				
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.				
Report Number	16.11-01-220				
Report Date	23.12.2016				
Summary Information on the Real Estates Subject to Valuation					
Title Deed Information	Block/Plot	Surface area (m2)	Volume No./Page No.	Date/Journal No.	Zoning Function
	1335/5	7,606.73	153/15084	08.09.2011/9524	It was learned that immovables registered in İkitelli-2 Neighborhood with Plot No. 5, 12, 13 and 15 within Block No. 1335; Plot No. 7, 8 and 10 within Block No. 1336; Plot No. 17 and 23 within Block No. 1337, Plot No. 8 within Block No. 1338, Plot No. 5, 7, 9, 10, 11, 12, 13 and 14 within Block No. 1339; Plot No. 2, 3, 4, 6 and 10 within Block No. 1340; Plot No. 2, 3, 4, and 5 within Block No. 1341; Plot No. 1 and 2 within Block No. 1344 were covered by İkitelli Ayazma Region Shanty Transformation and Urban Renewal Area Revised Application Zoning Plan (scale: 1:1,000) approved on 30.03.2011. However, this plan was canceled with the decision No. 2015/2398 of the Istanbul Administrative Court No. 9 in the file No. 2013/1528 dated 28.12.2015. Prime Ministry Housing Development Administration's Zoning, Planning and Urban Transformation Department's letters No. 15450 dated 06.06.2016 stated that it started the main operations for the zoning plan activities in the area in question. The zoning status of the immovables is not given for such reasons. The company learned that Plot No. 26 (formerly Plot No. 7) within Block No. 1360 and Plot No. 3 (formerly Plot No. 1) within the Block No. 1384 registered in İkitelli-2 Neighbourhood are covered by the Kuzey Ayazma Shanty Prevention Area Application Zoning Plan (scale: 1:1,000) approved on 04.11.2015. However, zoning status information can not be given because of the ongoing activities on the relevant plot in accordance with Article 18 of the Zoning Law no. 3194. However, the official documents and information obtained from the client showed that the application was completed on 25.10.2016 and that there was no changes in the surface areas and zoning statuses of the Plot No. 26 within the Block No. 1360 and Plot No. 3 within the Block No. 1384 cited in the report.
	1335/12	7,123.14	153/15091	08.09.2011/9524	
	1335/13	4,123.45	153/15092	08.09.2011/9524	
	1335/15	3,507.22	153/15094	08.09.2011/9524	
	1336/7	2,000.00	153/15103	08.09.2011/9524	
	1336/8	3,639.25	153/15104	08.09.2011/9524	
	1336/10	2,000.00	153/15106	24.09.2012/10733	
	1337/17	3,074.73	153/15127	24.09.2012/10733	
	1337/23	4,186.21	154/15133	08.09.2011/9524	
	1338/8	6,752.61	154/15142	08.09.2011/9524	
	1339/5	3,438.76	154/15152	08.09.2011/9524	
	1339/7	16,640.94	154/15154	25.08.2016/16813	
	1339/9	2,089.79	154/15156	08.09.2011/9524	
	1339/10	5,900.62	154/15157	07.02.2013/1780	
	1339/11	5,080.74	154/15158	07.02.2013/1782	
	1339/12	3,007.56	154/15159	08.09.2011/9524	
	1339/13	3,140.22	154/15160	07.02.2013/1780	
	1339/14	3,174.62	154/15161	08.09.2011/9524	
	1340/2	2,000.00	154/15163	08.09.2011-9524	
	1340/3	3,869.99	154/15164	07.02.2013/1780	
	1340/4	15,400.00	154/15165	25.08.2016/16808	
	1340/6	4,909.35	154/15167	07.02.2013/1780	
	1340/10	8,329.50	154/15171	07.02.2013/1780	
	1341/2	3,552.91	154/15183	08.09.2011/9524	
	1341/3	5,294.07	154/15184	08.09.2011/9524	
	1341/4	4,473.52	154/15185	08.09.2011/9524	
	1341/5	8,293.85	154/15186	08.09.2011/9524	
	1344/1	24,216.63	154/15189	25.08.2016/16809	
	1344/2	13,924.89	154/15210	24.09.2012/10733	
	1360/26	13,849.54	164/16164	25.11.2016/20953	
	1384/3	5,454.10	165/16268	31.10.2016/20953	
	0/2664	14,400.00	2/126	23.09.2014/15219	
0/2665	71,563.17	2/127	14.11.2014/18361	Terminal and Zoning Road	
Current Use	Empty.				
Values Agreed on the Valuation Report (Excluding VAT)					
Total Value of Emlak Konut REIC's Shares Excluding VAT (TL)	257,944,281.24 TL				

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Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Plot No. 31, Umurbey, Kuruçay, Konak, Izmir			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	28.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Izmir District: Konak Neighborhood: Kuruçay, Umurbey			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
See: Section 3.2 of the Report				
Current Use	Empty Land			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	See: Section 3.3 of the Report			
Values Agreed on the Valuation Report (Excluding VAT)				
Full Value of Emlak Konut REIC's Share in the Plots Excluding VAT (TL)	540,599,500.00 TL			

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Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Istanbul Maltepe Plots			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	28.11.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Avcılar Neighborhood: Firuzköy			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	16771/1	18,344.34	60/5897	25.11.2016/29592
	16772/1	35,479.85	60/5898	25.11.2016/29592
	16773/1	4,004.99*	60/5901	25.11.2016/29592
	16773/2	14,961.7	60/5902	25.11.2016/29592
	16773/4	600*	60/5904	25.11.2016/29592
*Emlak Konut REIC's land amount share of the Plot No. 16773/1 is 3,854,69 square meters. Emlak Konut REIC's land amount share of the Plot No. 16773/4 is 305.84 square meters.				
Current Use	Empty Land			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	16771	1	Residential+Commercial	Floor Area Ratio: 1.80
	16772	1	Residential+Commercial	Floor Area Ratio: 1.80
	16773	1	Municipal Service Area	Floor Area Ratio: 2.00
	16773	2	Residential+Commercial	Floor Area Ratio: 1.80
16773	4	Residential+Commercial	Floor Area Ratio: 1.80	
Values Agreed on the Valuation Report (Excluding VAT)				
Value of Emlak Konut REIC's Share in the Plots Excluding VAT (TL)	714,836,154.00 TL			

ANNEX-6 SUMMARY OF PROJECTS' APPRAISAL REPORTS

1 Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Istmarina Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	29.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: İstanbul District: Kartal Neighborhood: Çavuşoğlu			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	9048/2	1,403.89	61/5970	13.03.2014/5257
	9049/1	4,665.28	61/5971	13.03.2014/5257
	9050/1	2,332.78	61/5972	13.03.2014/5257
9051/1	45,286.02	61/5973	13.03.2014/5257	
Current Use	Housing project with Shopping Mall, office, stores and apartments.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	9048	2	Commercial Area	FAR: 2.50, Hmax: Unconstrained
	9049	1	Exclusive Health Area	FAR: 2.50, Hmax: Unconstrained
	9050	1	Exclusive Education Area	FAR: 2.00, Hmax: Unconstrained
	9051	1	Housing+Services Area	FAR: 2.70, Hmax: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of the Project in its Current State (TL)	727.371.342,75			
The Value for Emlak Konut A.Ş. in its Current State (TL)	377.856.342,75			
Present Value of the Project When Completed	1.637.975.348,93			
The Value for Emlak Konut A.Ş. upon the Completion of the Project (TL)	672.380.000,00			
Market Value of 1624 Detached Units with the Fulfillment of Turnkey Conditions Excluding VAT (TL)	1.721.621.400,00			

2 Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	İstanbul Başakşehir Kayabaşı 6th Stage Avrupa Konutları			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	08.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: İstanbul District: Başakşehir Neighborhood: Kayabaşı			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	443/44	11,327.51	123/12151	23.06.2014/10172
	443/45	17,343.21	123/12152	23.06.2014/10172
	882/1	44,036.00	124/12251	23.06.2014/10172
Current Use	The project with housing, commercial units and offices.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	443	44	Housing	FAR:1.35, H:Unconstrained
	443	45	Housing	FAR:1.70, H:Unconstrained
	882	1	Housing	FAR:1.70, H:Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
The Project's Present Value (TL)	244.605.703,00			
The Project's Value after Completion (TL)	598.118.044,79			
Emlak Konut A.Ş.'s Share upon the Completion of the Project (TL)	350.400.000,00			
Total Market Value of 968 Detached Units with the Fulfillment of Turnkey Conditions (TL)	652.862.600,00			

3 Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Ayazma Emlak Konutları 2nd Stage Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	09.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: İstanbul District: Başakşehir Neighborhood: İkitelli-2			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	1339/8	3,783.19	154/15155	08.09.2011/9524
	1339/19	17,623.78	162/15999	27.03.2015/5307
	Current Use	Housing Project with commercial units. It remains within Hogsdere Housing Area Application Zoning Plan (scale: 1/1,000) approved on 12.03.2012.		
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	1339	8	Residential Area	FAR: 1.50, H: Unconstrained
	1339	19	Residential Area	FAR: 1.50, H: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
The Project's Present Value (TL)	45.614.126,24			
The Project's Value after Completion (TL)	142.739.391,12			
Lot Value (TL)	31.040.106,50			

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Ayazma Emlak Konutları 1st Stage Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	20.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Bağışkehir Neighborhood: İkitelli_2			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	1340/5	61.103,97	154/15166	08.09.2011/9524
	1340/36	38.770,58	160/15800	09.06.2014/9426
Current Use	Housing Project with commercial units.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	1340	5	Residential Area	FAR:1.50, Max. H: Unconstrained
	1340	36	Residential Area	FAR:1.50, Max. H: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of 1,239 Detached Units with the Fulfillment of Turnkey Conditions (TL)	667.841.300,00			
The Project's Present Value (TL)	288.802.123,00			
The Project's Value after Completion (TL)	660.374.856,43			
Lot Value (TL)	159.800.000,00			

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Bahçekent Flora Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	08.09.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Bağışkehir Neighborhood: Hoşdere			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	656/1	20.817,91	47/4622	14.03.2013/3635
	656/2	17.589,53	Construction servitude was established.	
	656/3	22.449,31	47/4624	14.03.2013/3635
	657/1	31.012,65	47/4625	14.03.2013/3635
	657/2	27.887,14	Construction servitude was established.	
Current Use	Housing Project with commercial units.			
Zoning Status	It remains within Hoşdere Housing Area Application Zoning Plan (scale: 1/1,000) approved on 12.03.2012.			
	Block No.	Plot No.	Zoning Function	Construction Conditions
	656	1	Commercial Area	FAR: 0.50, H: Unconstrained
	656	2	Residential Area	FAR: 2.00, H: Unconstrained
	656	3	Recreation Area	FAR: 0.05, H: 6.5
	657	1	Commercial Area	FAR: 0.50, H: Unconstrained
	657	2	Residential Area	FAR: 2.00, H: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of 1219 Detached Units with the Fulfillment of Turnkey Conditions (TL)	409.108.600,00			
The Project's Present Value (TL)	319.353.785,20			
The Project's Value after Completion (TL)	434.412.282,66			
Emlak Konut A.Ş.'s Share upon the Completion of the Project (TL)	118.877.096,40			

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Denizli Merkezefendi Evora Denizli Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	05.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner	Emlak Konut REIC		
	Province	Denizli		
	District	Merkezefendi		
	Neighborhood	Çakmak		
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	716/1	6.094,21	62/6087	27/01/2016-2045
	717/1	3.031,06	62/6088	27/01/2016-2045
	718/1	14.227,02	62/6089	27/01/2016-2045
	719/1	17.079,48	62/6090	27/01/2016-2045
	720/1	19.441,35	62/6091	27/01/2016-2045
721/1	7.037,06	62/6092	27/01/2016-2045	
722/1	6.490,63	62/6094	27/01/2016-2045	
723/1	7.764,06	62/6065	27/01/2016-2045	
724/1	14.129,35	62/6096	27/01/2016-2045	
Current Use	Housing Project with commercial units and educational area			
Zoning Status	Housing (FAR:2.00), Commercial (FAR: 1.00), Special Education (FAR:1.00), Max. H: Unconstrained			
Values Agreed on the Valuation Report (Excluding VAT)				
The Project's Present Value (TL)	100.057.743,61			
The Project's Value after Completion (TL)	461.718.789,00			
The Value for Emlak Konut A.Ş. upon the Completion of the Project Value (TL)	83.109.382,04			
The Total Value of 741 Detached Units (TL)	227.044.800,00			

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Bahçeşehir Göl Panorama Evleri			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	01.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC			
	Province: Istanbul			
	District: Avclar			
	Neighborhood: Kapadik			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	386/2	8.000,00	0,05	09.04.2014/7046
386/3	-	-	-	
386/4	2.546,70	0,04	13.01.2014/696	
386/5	85.251,43	0,04	06.12.2013/21641	
Current Use	Housing Project with commercial units.			
Zoning Status	Included in the Application Zoning Plan (Scale 1/1,000) approved on 11.05.2016 and amended on 24.08.2016 regarding the former Plot No. 557 within Kapadik Neighborhood in Avclar District, Istanbul.			
	Block No.	Plot No.	Zoning Function	Construction Conditions
	386	2	Primary Education Facility Area	Preliminary Project
	386	3	Park Area	-
	386	4	Religious Facility Area	FAR: 1.5 Application will conducted according to the preliminary project
	386	5	Residential+Commercial Area	FAR:1.70, Max. Footprint Ratio: 0.50
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of 1471 Detached Units with the Fulfillment of Turnkey Conditions (TL)	630.922.800,00			
The Project's Present Value (TL)	356.010.000,00			
The Project's Value after Completion (TL)	606.000.542,12			
Emlak Konut A.Ş.'s Share upon the Completion of the Project (TL)	110.827.000,00			

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Emlak Konut Ispartakule Evleri 1st Stage 2nd Part Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	17.11.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC			
	Province: Istanbul			
	District: Avclar			
	Neighborhood: Firuzköy			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
616/15	74.346,32	121/11945	03.04.2015/6909	
627/1	15.021,18	121/11990	03.04.2015/6909	
Current Use	Housing project with commercial units and school.			
Zoning Status	It remains within Tahtakale Ispartakule Revision and Additional Application Zoning Plan (scale: 1/1,000) approved on 30.09.2013.			
	Block No.	Plot No.	Zoning Function	Construction Conditions
	616	15	Residential Area	FAR: 1.50 H: Unconstrained
	627	1	Basic Education Area	-
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of 904 Detached Units with the Fulfillment of Turnkey Conditions (TL)	359.308.800,00			
The Project's Present Value (TL)	160.403.800,00			
The Project's Value after Completion (TL)	380.581.288,00			
Lot Value (TL)	118.954.000,00			

9 Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Emlak Konut İspartakule Evleri 1st Stage 1st Part Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	17.11.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Avclar Neighborhood: Firuzköy			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	622/1	85.871,43	121/11971	03.04.2015/6909
Current Use	Housing Project with commercial units.			
Zoning Status	It remains within Tahtakale İspartakule Revision and Additional Application Zoning Plan (scale: 1/1,000) approved on 30.09.2013.			
	Block No.	Plot No.	Zoning Function	Construction Conditions
	622	1	Residential Area	FAR: 1.50, H: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of 978 Detached Units with the Fulfillment of Turnkey Conditions (TL)	437.565.300,00			
The Project's Present Value (TL)	184.247.200,00			
The Project's Value after Completion (TL)	437.855.144,70			
Lot Value (TL)	137.394.000,00			

10 Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Zekeriyaköy Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	28.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Sarıyer Neighborhood: Zekeriyaköy			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	1789/2	51.880,88	51/5023	03.07.2014/6194
	1789/3	7.603,30	51/5024	03.07.2014/6192
	1789/4	25.235,23	51/5025	03.07.2014/6194
	1790/1	795,72	51/5027	03.07.2014/6194
	1790/3	9.188,44	51/5029	03.07.2014/6192
	1790/4	79.215,81	51/5030	03.07.2014/6194
	1791/2	149.511,21	51/5034	03.07.2014/6194
	1791/3	1.134,67	51/5035	03.07.2014/6192
	1791/4	18.497,20	51/5036	03.07.2014/6192
Current Use	The project with housing and commercial units.			
Zoning Status	Block/Plot	Zoning Function		Construction Conditions
	1789/2	Housing		0,30
	1789/3	Commercial+Housing		0,80
	1789/4	Housing		0,30
	1790/1	Health Facility		1,00
	1790/3	Commercial+Housing		0,80
	1790/4	Housing		0,30
	1791/2	Housing		0,30
	1791/3	Exclusive Pre-School Education Area		1,00
	1791/4	Commercial+Housing		0,80
Values Agreed on the Valuation Report (Excluding VAT)				
The Total Value of 782 Detached Units (TL)	906.651.700,00			
The Project's Present Value (TL)	459.778.000,00			
The Project's Value after Completion (TL)	1.515.753.461,43			
Emlak Konut A.Ş.'s Share upon the Completion of the Project (TL)	488.830.491,31			

11 Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Yenibosna Karat 34 Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	07.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Bahçelievler Neighborhood: Yenibosna			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	1542/37	21.438,07	200/19722	12.08.2015/21741
Current Use	A residential+commercial project is underway.			
Zoning Status	According to the information and documents provided by the Bahçelievler Municipality's Directorate of Zoning and Urban Planning, the plot mentioned in the report is planned as "T1 Commercial and Service Area" under the Implementation Zoning Plan (Scale: 1/1000) approved by the Istanbul Metropolitan Municipal Council (Decision No. 1643, date: 14.11.2014) for the Plot No. 37 and Block No. 1542 within Yenibosna Neighborhood, Bahçelievler District.			
Values Agreed on the Valuation Report (Excluding VAT)				
Total Market Value of 592 Detached Units with the Fulfillment of Turnkey Conditions (TL)	376.276.000,00			
Total Value of the Project in its Current State (TL)	114.039.000,00			
The Value for Emlak Konut A.Ş. in its Current State (TL)	96.471.315,00			
Present Value of the Project When Completed	343.615.415,34			
The Value for Emlak Konut A.Ş. upon the Completion of the Project Present Value of its Share of Revenues (TL)	171.600.000,00			

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Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Maslak 1453 Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	28.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Sarıyer Neighborhood: Ayazağa			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	10622/2	183.484,18	34/3291	10.06.2016/6059
	10623/1	7.996,27	30/2876	26.01.2012/1453
	10623/2	4.729,30	30/2877	26.01.2012/1453
	10640/1	260,39	34/3292	10.06.2016/6059
Current Use	Housing project with houses and commercial units.			
	Block No.	Plot No.	Zoning Function	Construction Conditions
	10622	2	Residential Area	Footprint Ratio: 0.55, FAR: 2.20
	10623	1	Special Education Area+Parking Area	FAR: 2.00
Zoning Status	10623	2	Special Education Area	FAR: 2.00
	10640	1	Special Education Area	FAR: 2.00
	1	155	Park Area	-
	1	156	Religious Facility Area	-
Values Agreed on the Valuation Report (Excluding VAT)				
The Total Value of 1318 Detached Units (TL)	3.034.707.900,00			
The Project's Present Value (TL)	3.800.300.408,67			
The Project's Value after Completion (TL)	7.338.891.123,38			
The Project's Value for Emlak Konut A.Ş. in its Current State (TL)	1.410.305.225,00			
Total Share of Emlak Konut A.Ş. In Exchange for Land Sale upon the Completion of the Project (TL)	2.605.306.348,80			

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Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Metropol Istanbul Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	28.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Ataşehir Neighborhood: Küçükbakkalköy			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	3386/1	99.108,08	86/8441	07.11.2018/23858
Current Use	The project with housing and commercial units.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	3386	1	Commercial Area	FAR: FAR: 1.50, Max. H:Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
The Total Value of 1438 Detached Units (TL)	1.994.571.800,00			
The Project's Present Value (TL)	1.202.701.808,53			
The Project's Value after Completion (TL)	2.191.814.886,45			
Emlak Konut A.Ş.'s Share upon the Completion of the Project (TL)	945.768.123,50			

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Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Neveşehir Real Estate Housing Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	07.11.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Neveşehir District: Center District: Yeni			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	70/771	29.541,40	44/4316	543/13.01.2016
Current Use	The project with housing and commercial units.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	70	771	Housing Area on Commercial Units	FAR: 3.00
Values Agreed on the Valuation Report (Excluding VAT)				
The Project's Present Value (TL)	80.577.554,00			
The Project's Value after Completion (TL)	172.694.018,91			
Value of 420 Detached Units (TL)	158.611.100,00			

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Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Büyükyalı İstanbul			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	21.09.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: İstanbul District: Zeytinburnu Neighborhood: Kazlıçeşme			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	774/69	70.945,13	8/757	15.10.2015/12539
	774/70	2.616,10	8/758	15.10.2015/12538
	774/71	4.052,07	8/759	15.10.2015/11702
774/73	33.409,63	8/761	15.10.2015/12539	
Current Use	Housing project with hotel, office, stores and apartments.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	774	69	Commercial+Housing	FAR: 2.00
	774	70	Religious Facility Area	FAR: 1.50
	774	71	Educational Facility Area	FAR: 2.00
774	73	Tourism+Trade	FAR: 2.50	
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of the Project in its Current State (TL)	999.410.970,00			
Present Value of the Project When Completed	3.780.997.115,93			
Share of Emlak Konut A.Ş. upon the Completion of the Project (TL)	1.568.800.000,00			
Total Market Value of 108 Detached Units with the Fulfillment of Turnkey Conditions Excluding VAT (TL)	189.885.200,00			

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Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	İstmarina Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	14.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: İstanbul District: Kartal Neighborhood: Çavuşoğlu			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	9048/2	1.403,89	61/5970	13.03.2014/5257
	9049/1	4.665,28	61/5971	13.03.2014/5257
	9050/1	2.332,78	61/5972	13.03.2014/5257
9051/1	45.286,02	61/5973	13.03.2014/5257	
Current Use	Housing project with Shopping Mall, office, stores and apartments.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	9048	2	Commercial Area	FAR: 2.50, Hmax: Unconstrained
	9049	1	Exclusive Health Area	FAR: 2.50, Hmax: Unconstrained
	9050	1	Exclusive Education Area	FAR: 2.00, Hmax: Unconstrained
	9051	1	Housing+Services Area	FAR: 2.70, Hmax: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of the Project in its Current State (TL)	727.371.342,75			
The Value for Emlak Konut A.Ş. in its Current State (TL)	377.856.342,75			
Present Value of the Project When Completed	1.637.975.348,93			
Share of Emlak Konut A.Ş. upon the Completion of the Project (TL)	672.380.000,00			
Market Value of School Units with the Fulfillment of Turnkey Conditions Excluding VAT (TL)	36.000.000,00			
Monthly Rental Value of School Units with the Fulfillment of Turnkey Conditions Excluding VAT (TL)	185.000,00			

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Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Kayabaşı Park Mavera Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	14.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: İstanbul District: Bağcısahur Neighborhood: Kayabaşı			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	883/1	45.389,81 m ²	124/12256	10.01.2014/415
889/1	53.086,96 m ²	124/12263	10.01.2014/415	
Current Use	The project with housing and commercial units.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	883	1	Tick2 Residential+Commercial	FAR: FAR: 2.00, Max. H:Unconstrained
	889	1	Tick2 Residential+Commercial	FAR: FAR: 2.00, Max. H:Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
The Total Value of 1812 Detached Units (TL)	1.244.846.600,00			
The Project's Present Value (TL)	569.801.217,00			
The Project's Value after Completion (TL)	1.222.453.580,74			
Emlak Konut A.Ş.'s Share upon the Completion of the Project (TL)	420.000.000,00			

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Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Sofaloca Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	08.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Ankara District: Etimesgut Neighborhood: Erler			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	48758/2	18,23	25/2442	14.10.2014/36993
Current Use	The Plot No. 2 within Block No. 48758 included in the report under the definitive plot plan No. 85170/1 is allocated as "Residential Area."			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	48758	2	Housing	FAR:1.50, H:Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
The Project's Present Value (TL)	62.543.000,00			
The Project's Value after Completion (TL)	180.000.000,00			
Emlak Konut A.Ş.'s Share upon the Completion of the Project (TL)	54.000.000,00			
Total Market Value of 156 Detached Units with the Fulfillment of Turnkey Conditions (TL)	114.913.300,00			

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Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Istanbul Kartal Yakacak			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	16.11.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Kartal Neighborhood: Yakacak			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	12341/68	7.701,76	181,00	42.342,00
	12624/4	3.762,68	182,00	42.405,00
	12626/1	21.000,50	181,00	42.342,00
	12627/36	699,73	181,00	42.342,00
Current Use	A residential project is underway.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	12341	68	Secondary Education Facility Area	---
	12624	4	Residential Area	FAR: 1.75
	12626	1	Residential Area	FAR: 2.00
	12627	36	Residential Area	FAR: 1.25
Values Agreed on the Valuation Report (Excluding VAT)				
The Project's Present Value (TL)	103.736.679,00			
The Project's Value after Completion (TL)	343.260.128,00			
Emlak Konut A.Ş.'s Share upon the Completion of the Project (TL)	101.261.738,00			
Total Value of 471 Detached Units with the Fulfillment of Turnkey Conditions (TL)	275.991.800,00			

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Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Tual Bahçekent Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	25.10.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Başakşehir Neighborhood: Hoşdere			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	647/2	14.257,28	47/4590	3636/14.03.2013
	648/1	29.587,60	47/4593	3636/14.03.2013
	648/6	3.647,21	47/4598	3636/14.03.2013
	648/7	15.867,59	47/4599	3636/14.03.2013
	649/1	22.282,37	47/4600	3636/14.03.2013
	658/2	5.496,97	47/4631	3636/14.03.2013
	658/3	16.216,38	47/4632	3636/14.03.2013
	658/4	11.840,23	47/4633	3636/14.03.2013
	658/5	18.759,50	47/4634	3636/14.03.2013
	658/6	14.665,93	47/4635	3636/14.03.2013
Current Use	Housing project with school, health care facility, office, stores and apartments.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	647	2	K2 Residential Area	FAR: 1.50, Max. H: Unconstrained
	648	1	K3 Residential Area	FAR: 2.00, Max. H: Unconstrained
	648	6	K1 Residential Area	FAR: 0.50, Max. H: Unconstrained
	648	7	K3 Residential Area	FAR: 2.00, Max. H: Unconstrained
	649	1	K3 Residential Area	FAR: 2.00, Max. H: Unconstrained
	658	2	Exclusive Pre-School Education Area	FAR: 1.00, Max. H: Unconstrained
	658	3	Exclusive Primary Education Facility Area	FAR: 1.00, Max. H: Unconstrained
	658	4	Exclusive Social and Cultural Facility Area	FAR: 1.00, Max. H: Unconstrained
	658	5	Exclusive Health Facility Area	FAR: 1.00, Max. H: Unconstrained
	658	6	T2 Commercial Area	FAR: 1.00, Max. H: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of the Project in its Current State (TL)	194.475.328,00			
Present Value of the Project When Completed	867.467.147,56			
Share of Emlak Konut A.Ş. upon the Completion of the Project (TL)	275.334.000,00			
Total Market Value of 1914 Detached Units with the Fulfillment of Turnkey Conditions Excluding VAT (TL)	606.257.300,00			

21 Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Revenue Sharing Project Based on Land Sales in Istanbul Üsküdar Barbaros			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	21.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Üsküdar Neighborhood: Altunizade			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	1137/48	17.528,55	38/3659	01.02.2016/2101
Current Use	Housing Project			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	1137	48	Residential Area	FAR: 1.00, Lot Coverage: 0.25, Max. H: 14.50 m
Values Agreed on the Valuation Report (Excluding VAT)				
The Project's Present Value (TL)	153.576.226,00			
The Project's Value after Completion (TL)	574.669.752,33			
Lot Value (TL)	151.622.000,00			

22 Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Arrupark Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	02.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Başakşehir Neighborhood: Hoşdere			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	650/1	29.533,20	47/4603	14.03.2013/3636
	651/1	49.106,57	47/4610	14.03.2015/3636
Current Use	Housing Project with commercial units.			
Zoning Status	It remains within Hoşdere Housing Area Application Zoning Plan (scale: 1/1,000) approved on 12.03.2012.			
	Block No.	Plot No.	Zoning Function	Construction Conditions
	650	1	Residential Area	FAR: 2.00, H: Unconstrained
	651	1	Residential Area	FAR: 2.00, H: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
The Project's Present Value (TL)	212.388.047,00			
The Project's Value after Completion (TL)	504.160.383,08			
Emlak Konut A.Ş.'s Share upon the Completion of the Project (TL)	156.520.000,00			
Total Value of 1480 Units/Stores with the Fulfillment of Turnkey Conditions (TL)	486.690.800,00			

23 Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Nigde Merkeztepe			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	13.10.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Nigde District: Center District: Tepe			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	3337/2	25.643,04	13/1274	27.5.2016/13817
Current Use	Empty Land			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	3337	2	Housing Development Area	FAR: 2.50, Max. H: 50.50
Values Agreed on the Valuation Report (Excluding VAT)				
The Project's Present Value (TL)	22.652.706,08			
The Project's Value after Completion (TL)	125.025.569,21			
Value of 365 Detached Units (TL)	132.789.700,00			

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Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	It is the appraisal report specifying, under Istanbul Başakşehir 5th Stage Revenue Sharing Agreement based on Land Sales, the total value of Nidapark Kayışehir project (located in Plot No. 51 within Block No. 443, Plot No. 53 within Block No 443, Plot No.18 within Block No. 458, and Plot No. 3 within Block No 882 in Kayabaşı Neighborhood, Başakşehir District, Istanbul) and Emlak Emlak GYO A.Ş.'s share upon completion, its current value and Emlak Konut GYO A.Ş.'s relevant share and the present market value of 871 units in the project as per the open list communicated to us.			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.			
Report Number	16.11-01-227			
Report Date	28.12.2016			
Summary Information on the Real Estates Subject to Valuation				
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	443/51	10,224.7	123/12165	23.06.2014/10172
	443/53	19,971.4	123/12167	23.06.2014/10172
	458/18	12,027.6	123/12168	23.06.2014/10172
	882/3	35,103.32	124/12253	23.06.2014/10172
Current Use	The construction activity is underway.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	443	51	Housing	FAR:0,75, H:Unconstrained
	443	53	Housing	FAR:1,35, H:Unconstrained
	458	18	Commercial	FAR:2,00, H:Unconstrained
	882	3	Housing	FAR:1,70, H:Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
Project's Current Value	240,078,446 TL			
Project's Value for Emlak Konut A.Ş. in its Current State Value Share	183,204,056 TL			
Project's Value after Completion	1,044,932,742 TL			
Emlak Konut REIC's Share upon the Completion of the Project	407,588,000 TL			
Total Value of 871 Detached Units	501,332,496 TL			

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Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Başkent Emlak Konutları			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	08.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Ankara District: Çankaya Neighborhood: Mühye			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	29396/3	89.502,19	60/7019	15.11.2016/86034
	29397/3	8.022,29	60/7025	15.11.2016/86034
	29397/4	19.494,80	60/7026	15.11.2016/86034
	29401/7	3.004,07	65/7517	15.11.2016/86034
	29401/4	4.599,79	60/7036	15.11.2016/86034
	29402/1	4.554,46	60/7039	15.11.2016/86034
	29400/1	2.593,62	60/7032	15.11.2016/86034
	29403/1	6.366,21	60/7040	15.11.2016/86034
	29405/1	2.372,64	60/7042	03.11.2015/68610
	29406/1	7.900,31	60/7043	03.11.2015/68610
	29404/1	4.560,32	60/7041	03.11.2015/68610
	29401/6	1.674,14	60/7038	03.11.2015/68610
	Current Use	The project with housing and commercial units.		
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	29396	3	Residential+Commercial	FAR: 2.00, MCHP: 70.00 m.
	29397	3	Residential+Commercial	FAR: 2.00, MCHP: 70.00 m.
	29397	4	Residential Area Development	FAR: 2.00, MCHP: 70.00 m.
	29401	7	Exclusive Recreation Area	FAR: 0.30, MCHP: 12.00 m.
	29401	4	Residential+Commercial	FAR: 2.00, MCHP: 70.00 m.
	29402	1	Residential Area Development	FAR: 1.50, MCHP: 27.00 m.
	29400	1	Health Facility Area	FAR: 1.00, MCHP: 12.00 m.
	29403	1	Residential Area Development	FAR: 1.50, MCHP: 27.00 m.
	29405	1	Mosque Area	FAR: 0.60
	29406	1	Primary Education Facility Area	FAR: 1.00, MCHP: Unconstrained
29404	1	Mosque Area	FAR: 0.60	
29401	6	Mosque Area	FAR: 0.60	
Values Agreed on the Valuation Report (Excluding VAT)				
The Project's Present Value (TL)	430.358.578,50			
The Project's Value after Completion (TL)	1.265.473.362,00			
Total Value of the Lots (TL)	422.841.578,50			

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Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Gebze Emlak Konutları 3rd Stage			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	02.11.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Kocaeli District: Gebze Neighborhood: Güzeller			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	6157/1	12.683,58	167/16521	23.8.2016 / 17810
	6159/2	16.987,67	167/16529	23.8.2016 / 17810
	6160/1	61.893,47	167/16533	23.8.2016 / 17810
	6163/1	18.791,32	168/16554	23.8.2016 / 17810
	6163/2	21.013,26	168/16559	23.8.2016 / 17810
	6163/3	27.419,17	168/16561	23.8.2016/17810
	6163/4	23.550,37	168/16562	23.8.2016/17810
Current Use	Project construction			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	6157	1	Residential Area	FAR: 1.40, Max. H:Unconstrained, Setback Distance: 5-10 m
	6159	2	Residential Area	FAR: 1.40, Max. H:Unconstrained, Setback Distance: 5-10 m
	6160	1	Residential Area	FAR: 1.40, Max. H:Unconstrained, Setback Distance: 5-10 m
	6163	1	Residential Area	FAR: 1.40, Max. H:Unconstrained, Setback Distance: 5-10 m
	6163	2	Residential Area	FAR: 1.40, Max. H:Unconstrained, Setback Distance: 5-10 m
	6163	3	Residential Area	FAR: 1.40, Max. H:Unconstrained, Setback Distance: 5-10 m
6163	4	Residential Area	FAR: 1.40, Max. H:Unconstrained, Setback Distance: 5-10 m	
Values Agreed on the Valuation Report (Excluding VAT)				
The Project's Present Value (TL)	79.939.929,93			
The Project's Value after Completion (TL)	638.178.001,04			
Value of 1955 Detached Units (TL)	662.726.200,00			

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Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	This is the appraisal report specifying, under Kocaeli Körfez Emlak Konutları 4th Stage Housing, Infrastructure and Landscaping Construction Work, the present value, land value and future value of Körfez Emlak Konutları 4th Stage Project (located in Plot No. 2 within Block No. 1925 and Plot No. 1 within Block No. 1930 in Yarımca (Şuyalandırma) Neighborhood, Körfez District, Kocaeli) as well as the present market value of 1,124 units within the project.			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.			
Report Number	16.10-01-192			
Report Date	20.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	1925/2	19.079,91	278/27318	03.08.2010/7703
	1930/1	60.724,28	263/25817	24.09.2007/6972
	The construction activity continues on the plot.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	1925	2	Residential Area	E: 1,50, H: 30.50 m
	1930	1	Residential Area	
Values Agreed on the Valuation Report (Excluding VAT)				
The Project's Present Value (TL)	102.071.000,00			
The Project's Value after Completion (TL)	265.707.918,16			
Land Value (TL)	43.892.304,50			
Total Value of 1,124 Units Excluding VAT (TL)	252.857.207,83			

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Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Konya Meram Yenice Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	28.10.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Konya District: Meram Neighborhood: Yenice			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	37594/5	29.459,11	11/1005	30.07.2015/21414
	37595/3	31.216,37	11/1015	30.07.2015/21414
Current Use	The project with housing and commercial units.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	37594	5	Housing	FAR: 2.18, Max. H: 15 floors
	37595	3	Housing	FAR: 2.10, H: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
The Project's Present Value (TL)	100.798.227,00			
The Project's Value after Completion (TL)	404.677.096,79			
Emlak Konut A.Ş.'s Share upon the Completion of the Project (TL)	211.500.000,00			
Total Market Value of 903 Detached Units with the Fulfillment of Turnkey Conditions Excluding VAT (TL)	408.459.500,00			

29 Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Istanbul Başakşehir Kayabaşı Recreation Area Trade and Regional Park Construction and Infrastructure and Landscaping Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	23.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Ataşehir Neighborhood: Küçükbakkalköy			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	888/2	25.073,74	141/13913	05.09.2016/17385
	888/3	37.381,65	141/13914	05.09.2016/17385
	888/4	20.284,78	141/13915	05.09.2016/17385
888/5	281.238,86	141/13916	05.09.2016/17385	
Current Use	Kayabaşı Recreation Project			
Zoning Status	R4 Recreation Area, FAR: 0.15 (888/2-3-4), R5 Recreation Area, FAR: 0.02 (888/5)			
Values Agreed on the Valuation Report (Excluding VAT)				
The Project's Present Value (TL)	146.759.796,50			
The Project's Value after Completion (TL)	650.503.740,00			
Lot Value (TL)	140.658.289,00			

30 Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Istanbul International Finance Center Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	20.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Ümraniye Neighborhood: Küçükbakkalköy			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	3328/1	54.144,94	1/45	25.12.2012/34454
	3328/13	8.454,56	1/57	25.12.2012/34454
3328/14	52.897,61	1/58	25.12.2012/34454	
Current Use	A mixed project with offices, residences, and commercial units (stores, etc).			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	3328	1	Recreation Area	FAR: 0.15, Hmax: Unconstrained
	3328	13	Recreation Area	FAR: 0.15, Hmax: Unconstrained
	3328	14	Exclusive Project Area	FAR: 2.85, Hmax: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
Present Value of the Project When Completed	2.643.556.840,31			
Share of Emlak Konut A.Ş. upon the Completion of the Project (TL)	52.871.136,81			

31 Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Istanbul Esenler Urban Transformation Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	28.11.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Esenler Neighborhood: Atılgalanı			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
1095/16	56.841,92	232/22968	20.08.2014/11404	
Current Use	Housing Project with commercial units.			
Zoning Status	The examinations conducted by Esenler Municipality's Directorate of Zoning and Urban Planning showed that the plot in question is included in the Implementation Zoning Plan (scale: 1/1,000) approved on 01.04.2013 and amended on 11.06.2013-29.08.2013 for the Risky Area within Havaalanı Neighborhood, Esenler, Istanbul and that the plot was allocated as Commercial+Services+Residential Area with values the FAR:3.00, Max. H: Unconstrained construction conditions.			
	Block No.	Plot No.	Zoning Function	Construction Conditions
1095	6	Commercial+ Service+Housing Area	FAR: 3.00, Max. H: Unconstrained	
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of 993 Detached Units Excluding VAT with the Fulfillment of Turnkey Conditions (TL)	533.995.400,00			
The Value for Emlak Konut A.Ş. upon the Completion of the Project (TL)	40.014.658,59			

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Kayabaşı Seyranşehir Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	13.10.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Başaşehir Neighborhood: Kayabaşı			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	906/3	23.170,60	124/12301	10.01.2014/415
Current Use	Residence project with commercial units			
Zoning Status	It remains within Kayabaşı Shanty Prevention Zone Revision Application Zoning Plan (scale: 1/1,000) approved by the Ministry on 22.04.2016.			
	Block No.	Plot No.	Zoning Function	Construction Conditions
	906	3	Commercial Area	FAR: 1.50, H: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of 1 Detached Units with the Fulfillment of Turnkey Conditions (TL)	427.400,00			
The Project's Present Value (TL)	119.777.265,00			
The Project's Value after Completion (TL)	184.000.000,00			
Emlak Konut A.Ş.'s Share upon the Completion of the Project (TL)	51.520.000,00			

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Istanbul Başaşehir Kayabaşı Emlak Konutları 2nd Stage, Revenue Sharing in Exchange for Land Sale Bahçetepe Istanbul			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	02.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Başaşehir Neighborhood: Kayabaşı			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	458/20	24.272,40	123/12170	23.06.2014/10172
Current Use	The project with housing, commercial units and offices.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	458	20	Residential Area	FAR: 1.35, Hmax: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
The Project's Present Value (TL)	56.587.000,00			
The Project's Value after Completion (TL)	121.766.790,00			
Lot Value (TL)	38.836.000,00			
The Total Value of 271 Detached Units (TL)	129.136.000,00			

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Koordinat Çayyolu Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	05.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Ankara District: Çankaya Neighborhood: Çayyolu			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	29479/1	29.916,83	27/2578	09.02.2016/10446
	29479/3	752,44	27/2580	09.02.2016/10446
Current Use	Housing project with stores and apartments.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	29479	1	Residential Area Development	FAR: 1.25
	29479	3	Family Health Center	FAR: 1.00
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of the Project in its Current State (TL)	110.022.291,00			
Present Value of the Project When Completed	303.293.758,90			
Share of Emlak Konut A.Ş. upon the Completion of the Project (TL)	180.000.000,00			
Total Market Value of 432 Detached Units with the Fulfillment of Turnkey Conditions Excluding VAT (TL)	298.689.000,00			

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	It is the appraisal report specifying, under Istanbul Ümraniye 1st Stage Revenue Sharing Agreement based on Land Sales, the total value of Sarphan Finanspark project (located in Plot No. 5 within Block No. 3317 in Küçükbakkalköy Neighborhood, Ümraniye District, Istanbul) and Emlak Emlak GYO A.Ş.'s share upon completion, its current value and Emlak Konut GYO A.Ş.'s relevant share and the present market value of 488 units in the project.			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.			
Report Number	16.11-01-230			
Report Date	30.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	3317/5	20.714,48	1/27	09.07.2010/18400
Current Use				
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	3317	5	T1-Commercial Area	FAR:2,50, H:Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
The Project's Present Value (TL)	533.556.171,90			
Project's Value for Emlak Konut A.Ş. in its Current State (TL)	267.063.052,20			
The Project's Value after Completion (TL)	1.053.580.489,53			
Emlak Konut A.Ş.'s Share upon the Completion of the Project (TL)	395.198.041,62			
The Total Value of 488 Units (Excluding VAT, TL)	608.662.535,50			

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Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Denizli Merkezefendi Evora Denizli Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	29.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner	Emlak Konut REIC		
	Province	Denizli		
	District	Merkezefendi		
	Neighborhood	Çakmak		
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	716/1	6.094,21	62/6087	27/01/2016-2045
	717/1	3.031,06	62/6088	27/01/2016-2045
	718/1	14.227,02	62/6089	27/01/2016-2045
	719/1	17.079,48	0,01	27/01/2016-2045
	720/1	19.441,35	62/6091	27/01/2016-2045
	721/1	7.037,06	62/6092	27/01/2016-2045
	722/1	6.490,63	62/6094	27/01/2016-2045
723/1	7.764,06	62/6065	27/01/2016-2045	
724/1	14.129,35	62/6096	27/01/2016-2045	
Current Use	Housing Project with commercial units and educational area			
Zoning Status	Housing (FAR:2.00), Commercial (FAR: 1.00), Special Education (FAR:1.00), Max. H: Unconstrained			
Values Agreed on the Valuation Report (Excluding VAT)				
The Project's Present Value (TL)	100.057.743,61			
The Project's Value after Completion (TL)	461.718.789,00			
The Value for Emlak Konut A.Ş. upon the Completion of the Project Value (TL)	83.109.382,04			
The Total Value of 2 Detached Units (TL)	23.165.200,00			

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Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	İstanbul Başakşehir Kayabaşı 3rd Stage (Adım İstanbul) Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	17.11.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner:	Emlak Konut REIC		
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	884/1	40.121,18	124/12257	10.01.2014/415
	891/1	16.423,50	124/12265	10.01.2014/415
892/1	18.653,20	124/12266	10.01.2014/415	
Current Use	Housing project with commercial units			
Zoning Status	TICK2-Residential+ Commercial Area, FAR: 2.00, Max. H: Unconstrained			
Values Agreed on the Valuation Report (Excluding VAT)				
The Total Value of 1423 Detached Units (TL)	870.714.700,00			
The Project's Present Value (TL)	364.291.347,00			
The Project's Value after Completion (TL)	846.748.899,24			
The Value for Emlak Konut A.Ş. upon the Completion of the Project Value (TL)	220.154.713,80			

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Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Dumankaya Miks Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	21.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner:	Emlak Konut REIC		
	Province:	İstanbul		
	District:	Küçükçekmece		
Neighborhood:	Halkalı			
Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.	
800/11	27.737,16 m ²	Construction servitude was established.		
Current Use	Housing Project with commercial units and offices.			
Zoning Status	Located as a "Commercial Area" within Halkalı Housing Revision Application Zoning Plan (scale: 1/1,000) approved on 07.11.2010-07.03.2011-14.08.2012-13.02.2013, FAR:1,75 /Max. H: It has unconstrained construction conditions.			
Values Agreed on the Valuation Report (Excluding VAT)				
Total Rental Value of 28 Units with the Fulfillment of Turnkey Conditions (TL)	20.139.000,00			
The Project's Present Value (TL)	184.563.774,00			
The Project's Value after Completion (TL)	333.598.250,00			
Emlak Konut A.Ş.'s Share upon the Completion of the Project (TL)	101.747.466,25			

39 Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	This is the appraisal report specifying, under Kocaeli Körfezkent Emlak Konutları 3rd Stage Housing, Social Reinforcement and Landscaping Construction Work, the present value, land value and future value of Körfezkent 4th Stage Project (located in Plot No. 1 within Block No. 1930 in Yarmca (Şuyulandırma) Neighborhood, Körfez District, Kocaeli) as well as the present market value of 1,124 commercial units within the project.			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.			
Report Date	05.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	It is registered in Emlak Konut REIC's name with Plot No. 10 within Block No. 1924 in Yarmca Şuyulandırma Neighborhood, Körfez district, Kocaeli and the title deed registry includes * designation under Article 7 of the Expropriation Law No. 2942 with the Document No. 4036 dated 29.03.2016 by İzmit Directorate of Construction and Real Estate, Ministry of National Defense. * designation under Article 7 of the Expropriation Law No. 2942 with the Document No. 4907 dated 13.04.2016 by İzmit Directorate of Construction and Real EstateThere are. Ministry of National Defense.			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	1924/10	14.840,67	281/27663	20.09.2011/8054
Current Use	The construction activity continues on the plot.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	1924	10	Residential Area	E: 1,50, H: 30.50 m
Values Agreed on the Valuation Report (Excluding VAT)				
The Project's Present Value (TL)	34.848.000,00			
The Project's Value after Completion (TL)	37.929.909,00			
Land Value (TL)	8.163.000,00			
The Total Value of 8 Detached Units (TL)	2.324.000,00			

40 Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Istanbul Başakşehir Avazma 2nd Stage Bahçetepe Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	08.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Başakşehir Neighborhood: Kayabaşı (900/5) İkitelli-2 (1357/2)			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
				See: Section 3.2 of the Report (construction servitude was established in the project)
Current Use	The project with housing, commercial units and offices.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	900	5	Recreation	Footprint Ratio: 0.10, FAR: 0.15 Hmax: 15.50
	1357	2	T1 Commercial+Housing Area	FAR: 2.00, Hmax: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
The Total Value of 6 Detached Units (TL)	3.875.200,00			
The Project's Present Value (TL)	641.279.592,43			
The Project's Value after Completion (TL)	1.018.785.482,50			
Total Share of Emlak Konut A.Ş. In Exchange for Land Sale upon the Completion of the Project (TL)	264.884.225,45			

41 Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	This is the appraisal report under Istanbul Hoşdere Real Estate Houses, 1st Stage, 3rd Part Project including the construction of commercial units, school, sports hall, kindergarten, mosque and general infrastructure, block infrastructure and landscaping, specifying the present value, land value and future value of the project (located in Plot No. 1 within Block No. 654, Plot No. 5 within Block No. 656, and Plot No. 2, 3 and 5 within Block No. 663 in Hoşdere Neighborhood, Başakşehir District, Istanbul) as well as the present market value of an inventory of 60 commercial units within the project.			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.			
Report Number	16.11-01-229			
Report Date	21.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	654/1	18.171,56	294/28989	08.02.2016/2320
	656/5	37.814,94	295/29118	08.02.2016/2326
Current Use	The current projects consist of 9 blocks including one-floor, two-story, and three-story stores as well as office volumes.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	654	1	Commercial Area	FAR:0.50/H: Unconstrained
	656	5	Commercial Area	FAR:0.50/H: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
The Project's Present Value (TL)	92.271.000,00			
The Project's Value after Completion (TL)	94.339.286,39			
Land Value (TL)	43.389.537,50			
Total Value of 60 Units Excluding VAT (TL)	20.413.672,54			

42 Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	The appraisal report specifying the present value of the Unit No. 6 on Floor 2 at Block No. 9 (Bahçekent Emlak Konutları 1st Stage 2nd Part Project) with Plot No. 2 within Block No. 654 registered in Emlak Konut REIC's name in Hoşdere Neighborhood, Başakşehir District, Istanbul.			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.			
Report Number	16.11-01-228			
Report Date	20.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	654/2	22.293,25	283/27892	17.02.2015/2660
Current Use	Currently the unit consisting of four rooms, living room, bathroom, parent's bathroom, parent's fitting room, vestibule is in an empty state.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	654	2	Residential Area	FAR:2.00/H: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of the Unit No. 6 Excluding VAT (TL)	426.000,00			

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Istanbul Tuzla 2nd Stage, 2nd Region Project Based on Revenue Sharing in Exchange for Land Sale (Evra Istanbul)			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	23.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Tuzla Neighborhood: Aydınlı			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	102/1	47.964,65	Construction servitude was established.	
	101/4	72.044,46	Construction servitude was established.	
105/3	507,68	Construction servitude was established.		
Current Use	Housing project with commercial units, private primary school and private secondary school.			
Zoning Status	It is included in the Implementation Zoning Plan (Scale: 1/1,000) approved on 31.05.2010 for Aydıntepe Shanty Prevention Zone and Aydıntepe Shanty Prevention Zone Plan Amendment approved on 20.01.2011 and 14.08.2012.			
	Block No.	Plot No.	Zoning Function	Construction Conditions
	102	1	K1-Residential Area	FAR: 1.75, H:Unconstrained
	101	4	K1-Residential Area	FAR: 1.75, H:Unconstrained
105	3	Private Primary and Secondary Education Facility Area	FAR: 2.00	
Values Agreed on the Valuation Report (Excluding VAT)				
The Total Value of 1 Detached Units (TL)	382.755,00			
The Project's Present Value (TL)	650.887.522,07			
The Project's Value after Completion (TL)	703.451.437,50			
Emlak Konut A.Ş.'s Share upon the Completion of the Project (TL)	229.676.894,34			

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Evra Istanbul 2nd Stage, 1st Region Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	31.10.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Tuzla Neighborhood: Aydınlı			
	Block/Plot	Surface Area (m ²)	Construction servitude was established on the plots.	
	103/1	45.052,69		
	103/4	14.363,04		
	104/1	58.772,51		
104/2	7.130,52			
Current Use	The project with housing and commercial units.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	103	1	K1-Residential Area	FAR: 1.75, H:Unconstrained
	103	3	Religious Facility Area	Preliminary Project
	103	4	K1-Residential Area	FAR: 1.75, H:Unconstrained
	104	1	K1-Residential Area	FAR: 1.75, H:Unconstrained
104	2	Commercial Area	FAR: 2.00, H: Unconstrained	
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of the Project in its Current State (TL)	722.988.414,50			
The Value for Emlak Konut A.Ş. in its Current State (TL)	168.240.317,00			
Present Value of the Project When Completed	755.341.944,00			
The Value for Emlak Konut A.Ş. upon the Completion of the Project Present Value of its Share of the Project (TL)	241.709.422,08			
The Total Value of 60 Completed Units Excluding VAT (TL)	19.976.900,00			

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Kayabaşı Emlak Konutları 1. Stage 1st Part, 1 Unit			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	20.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Başakşehir Neighborhood: Kayabaşı			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
Current Use	895/2	81.536,59	236/23384	20.01.2016/1092
Current Use	Commercial Unit/Store			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	895	2	Residential Area	FAR: 1.70, Hmax: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
Total Market Value of 1 Detached Units with the Fulfillment of Turnkey Conditions (TL)	1.160.806,50			

ANNEX-7 SUMMARY OF BUILDINGS' APPRAISAL REPORTS

1

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Varyap Meridian 4 Units			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	18.10.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul, District: Ataşehir, Neighborhood: Barbaros			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	3346/1	23,589.72	375/37068	30.03.2010/4991
Current Use	Residential and Commercial Units			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	3346	1	Housing Development Area	FAR: 2.07
Values Agreed on the Valuation Report (Excluding VAT)				
The Value of Emlak Konut REIC's Share (1/1) in Two Units Excluding VAT (TL)	976.960,00			

2

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Unikonut Project, 16 Units			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	24.10.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Avclar Neighborhood: Firuzköy			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	639/1	24.506,00	Property ownership established. (See: Section 3.2 of the Report)	
Current Use	Housing project with stores and apartments.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	639	1	Commercial Area	FAR: 2.00, Hmax: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
Total Market Value of 16 Units (TL)	31.889.471,00			

3

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	8 Units within Istanbul Başakşehir Spradon Quartz Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	23.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner	Emlak Konut REIC		
	Province	Istanbul		
	District	Başakşehir		
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	217/1	14.431,11	See: Section 3.2 of the Report	
561/1	16.806,78	See: Section 3.2 of the Report		
563/1	13.193,56	See: Section 3.2 of the Report		
564/1	8.562,94	See: Section 3.2 of the Report		
Current Use	Residential and Commercial Units			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	217	1	Residential Area	FAR in Block Order: 1.50
	561	1	Residential Area	FAR in Block Order: 1.50
	563	1	Residential Area	FAR in Block Order: 1.50
	564	1	Residential Area	FAR in Block Order: 1.50
Values Agreed on the Valuation Report (Excluding VAT)				
7 Units The Value of Emlak Konut REIC's Share (1/1) Excluding VAT (TL)	1.920.927,00			

4

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	The appraisal report specifying the present values of the unit No. 30 on Floor 7, Block No. 6 and the Unit No. 1 on Floor 1 at Block No. 1 with the Plot No. 1 within Block No. 1266 (Burgazkent Project) registered in Emlak Konut REIC's name in Kurtuluş Neighborhood, Lüleburgaz District, Kırklareli.			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.			
Report Number	16.12-01-296			
Report Date	28.12.2016			
Summary Information on the Real Estates Subject to Valuation				
RESIDENCE IN BLOCK 1, NO. 1	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	1266/1	34.146,00	104/10234	04.05.2007/3600
RESIDENCE IN BLOCK 6, NO. 30	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	1266/1	34.146,00	106/10431	04.05.2007/3600
Current Use	RESIDENCE IN BLOCK 1, NO. 1: Empty Apartment RESIDENCE IN BLOCK 6, NO. 30: Empty Apartment			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	1266	1	Housing	FAR:1.20/H: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
Total value of Residence in Block 1, No. 1 (TL)	127.160,00			
Total value of Residence in Block 6, No. 30 (TL)	134.640,00			
The Total Value of 2 Detached Units (TL)	261.800,00			

5

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	The appraisal report specifying the present values of the Unit No. 2 on Ground Floor at Entrance 32/C, with Block No. 1 within Block No. 26032 registered in Emlak Konut REIC's name in Şemikler Neighborhood, Karşıyaka District, İzmir.			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.			
Report Number	16.12.01-297			
Report Date	27.12.2016			
Summary Information on the Real Estates Subject to Valuation				
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	26032/1	11.442,00	469/46390	20.09.2012/17955
Current Use	The workplace with 335 m2 of usage area is currently empty.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	26032	1	Commercial Area	FAR:2.00/H: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of the Unit at the Entrance of 32/C, No. 2 (TL, excluding VAT)	1.485.675,00			

6

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Official Institution Building and Infrastructure and Land Use Plan Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	23.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: İstanbul District: Ataşehir Neighborhood: Küçükbakkalköy			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	3331/5	11.528,07	Construction servitude was established.	
Current Use	Official Institution Building			
Zoning Status	Official Institution Area, FAR: 1.00, Max. H: Unconstrained			
Values Agreed on the Valuation Report (Excluding VAT)				
The Total Value of 2 Detached Units (TL)	190.889.393,75			
The Project's Present Value (TL)	121.519.804,00			
The Project's Value after Completion (TL)	194.360.110,00			
Lot Value (TL)	57.640.350,00			

7

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	The appraisal report specifying the present values of 6 units with Plot No. 5 within Block No. 33334 (Nidakule Ataşehir Kuzey Blok Project) registered in Emlak Konut REIC's name in Küçükbakkalköy Neighborhood, Ataşehir District, İstanbul.			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.			
Report Number	16.12.01-301			
Report Date	28.12.2016			
Summary Information on the Real Estate Subject to Valuation				
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	
	3334/5	13.020,03	81/7915	
Current Use	All the units are currently empty.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	3334	5	Social and Cultural Facility Area	FAR:1.50/H: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
The Total Value of 6 Detached Units (TL)	26.210.300,00			

8

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Batşehir, 190 Units			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	26.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: İstanbul District: Bağcılar Neighborhood: Mahmutbey			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	1562/11	144.323,22	Property ownership established.	
Current Use	Housing project with commercial blocks, school and hotel.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	1562	11	Commercial Area with Special Conditions	FAR: 2.20, Hmax: 180 m.
Values Agreed on the Valuation Report excluding VAT (TL)				
Total Market Value of 190 Units (TL)	137.366.718,00			
Total Value of 190 Units Including VAT (TL)	146.947.737,00			

9

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	İzmir Karşıyaka Şemikler Emlak Konut Houses Bozoğlu B Region Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	23.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: İzmir District: Karşıyaka Neighborhood: Şemikler			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	25696/1	10.566,00	359/35494	27.11.2008/17331
Current Use	Two-block housing project.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	25696	1	Residential Area	FAR: 1.20, Hmax: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
The Total Value of 1 Detached Units (TL)	369.036,00			

10

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Kayabaşı Emlak Konutları 1st Stage, 2nd Part			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	20.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: İstanbul District: Başakşehir Neighborhood: Kayabaşı			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	894/1	31.724,08	124/12271	10.01.2014/415
Current Use	Housing project with stores and apartments.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	894	1	Residential Area	FAR: 1.70, Hmax: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
The Total Value of 13 Detached Units (TL)	15.183.149,50			

11

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Kayabaşı Emlak Konutları 1st Stage, 4th Part			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	20.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: İstanbul District: Başakşehir Neighborhood: Kayabaşı			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	893/2	38.624,32	194/19200	22.10.2014/16932
Current Use	Housing project with stores and apartments.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	893	2	T1 Commercial+Housing Area	FAR: 2.00, Hmax: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
The Total Value of 5 Detached Units (TL)	5.017.458,50			

12

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Hoşdere 1st Stage, 1st Part			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	22.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	656/4	37.404,01	47/4625	14.03.2013/
Current Use	The project with housing units.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	656	4	Residential Area	FAR: 2.00
Values Agreed on the Valuation Report (Excluding VAT)				
Present Market Value of 1 Unit (TL)	245.000,00			

13

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Ayazma 3rd Stage Bulvar Istanbul Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	30.12.2016			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC			
	Province: Istanbul			
	District: Başakşehir			
	Neighborhood: İkitelli-2			
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	1358/3	39.580,91	157/15518	25.11.2016/20953
1358/4	5.623,45	157/15519	25.11.2016/20953	
1359/5	58.484,05	157/15520	25.11.2016/20953	
1359/6	8.004,86	157/15521	25.11.2016/20953	
Current Use	The project with housing and commercial units.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	1358	3	K2 Residential Area	FAR: 2.00/Max. H: Unconstrained
	1358	4	Religious Facility Area	FAR: 1.00/ Max. H: Preliminary Project
	1359	5	K1 Residential Area	FAR: 2.40/Max. H: Unconstrained
	1359	6	Primary Education Facility Area	FAR: 1.00/ Max. H: Preliminary Project
Values Agreed on the Valuation Report (Excluding VAT)				
The Total Value of 179 Detached Units (TL)	115.943.800,00			
The Project's Present Value (TL)	633.155.655,00			
The Project's Value after Completion (TL)	816.620.000,00			
Emlak Konut A.Ş.'s Share upon the Completion of the Project (TL)	228.653.600,00			

14

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	The appraisal report specifying the present values of three units with Plot No. 2 within Block No. 634 (Stüdyo 24 Project) registered in Emlak Konut REIC's name in Firuzköy Neighborhood, Avcılar District, Istanbul.			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.			
Report Number	16.12-01-295			
Report Date	26.12.2016			
Summary Information on the Real Estate Subject to Valuation				
	Block/Plot	Surface Area (m ²)	Volume No./Page No.	
	634/2	15,103.39	113/11140	
Current Use	The units and offices are currently empty.			
Zoning Status	Block No.	Plot No.	Zoning Function	Construction Conditions
	634	2	Commercial Area	Floor Area Ratio:2.00/H: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of the Unit No. 198 within Block No. B	160,000 TL			
Total Value of the Unit No. 1 within Block No. C	196,000 TL			
Total Value of the Unit No. 2 within Block No. C	150,000 TL			

EMLAK KONUT REAL ESTATE INVESTMENT COMPANY
PROFIT DISTRIBUTION TABLE (TL) FOR THE YEAR 2015

1.	Paid / Issued Capital		3.800.000.000,00
2.	Total Legal Contingency Reserve (According to Legal Records)		350.139.670,23
Information on concession, if any, regarding profit distribution as required by the articles of incorporation			
		According to CMB	According to Legal Records(LR)
3.	Period Income	952.605.000,00	952.378.339,02
4.	Taxes to be paid (-)	0,00	0,00
5.	Net Period Income (=)	952.605.000,00	952.378.339,02
6.	Losses from Previous Years (-)	0,00	0,00
7.	Primary Legal Reserve (-)	47.618.916,95	47.618.916,95
8.	NET DISTRIBUTABLE PERIOD INCOME (=)	904.986.083,05	904.759.422,07
9.	Donations Made Throughout the Year (+)	14.226.647,90	
10.	Net Distributable Period Income by adding Donations to be calculated for First Dividend	919.212.730,95	
11.	First Dividend Shareholders (*)	367.688.000,00	
	- Cash	367.688.000,00	
	- No-par		
	- Total	367.688.000,00	
12.	Dividends Distributed to Preference Shareholders		
13.	Dividends to Members c Divide		
14.	Dividends Distributed to Dividend Shareholders		
15.	Second Dividend for Shareholders		
16.	Secondary Legal Contingency Reserve	17.768.800,00	
17.	Status Reserves		
18.	Special Reserves		
19.	EXCESS RESERVE	519.529.283,05	519.302.622,07
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 DISTRIBUTES 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	24.516.073,36	0,09676	9,67600
	B	343.171.926,64	0,09676	9,67600
	TOTAL	367.688.000,00		
NET	A	24.516.073,36	0,09676	9,67600
	B	343.171.926,64	0,09676	9,67600
	TOPLAM	367.688.000,00		
RATIO OF AMOUNT OF PROFIT SHARE DISTRIBUTED TO THE NET DISTRIBUTABLE PERIOD INCOME INCLUDING DONATIONS (%)				
AMOUNT OF PROFIT SHARE DISTRIBUTED SHAREHOLDERS (TL)		RATIO OF AMOUNT OF PROFIT SHARE DISTRIBUTED TO SHAREHOLDERS TO THE NET DISTRIBUTABLE PERIOD INCOME INCLUDING DONATIONS (%)		
367.688.000,00		0,4000031632		

T.C. BAŞBAKANLIK SERMAYE PİYASASI KURULU'NUN II-17.1 SAYILI
"KURUMSAL YÖNETİM TEBLİĞİ" ÇERÇEVESİNDE DÜZENLENEN

"BAĞIMSIZLIK BEYANI"

Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.'de ("Sirket") üstleneceğim bağımsız yönetim kurulu üyeliği görevine ilişkin olarak,

- 3 Ocak 2014 tarih ve 28871 sayılı Resmi Gazete'de yayımlanarak yürürlüğe giren T.C. Başbakanlık Sermaye Piyasası Kurulu'nun II-17.1 sayılı "*Kurumsal Yönetim Tebliği*" hükümleri,
- Şirket esas sözleşmesi ile dâhili prosedürlerinde bulunan ilgili hükümler, ve
- İlgili sair mevzuat hükümleri,

çerçevesinde "bağımsız yönetim kurulu üyesi" nitelik ve kriterlerine sahip olduğumu, yukarıda bahsi geçen bilgi ve belgeleri okuyarak anladığımı ve bahsi geçen bu bilgi ve belgelerde yazılı görevleri tam olarak yerine getireceğimi, Şirket'in Kurumsal Yönetim Komitesi ile Yönetim Kurulu'na beyan ederim.

II-17.1 sayılı "*Kurumsal Yönetim Tebliği*"ne göre bağımsız üye olarak nitelendirilebilmek adına gerekli özelliklerin hepsini taşıdığımı, buna göre;

a) Şirket, şirketin yönetim kontrolü ya da önemli derecede etki sahibi olduğu ortaklıklar ile şirketin yönetim kontrolünü elinde bulunduran veya şirkette önemli derecede etki sahibi olan ortaklar ve bu ortakların yönetim kontrolüne sahip olduğu tüzel kişiler ile kendim, eşim ve ikinci dereceye kadar kan ve sıhrî hısımlarım arasında; son beş yıl içinde önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda istihdam ilişkisinin bulunmadığı, sermaye veya oy haklarının veya imtiyazlı payların %5 inden fazlasına birlikte veya tek başıma sahip olmadığımı ya da önemli nitelikte ticari ilişkisinin kurulmamış olduğunu,

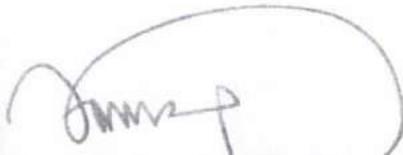
b) Son beş yıl içerisinde, başta şirketin denetimi (vergi denetimi, kanuni denetim, iç denetim de dahil), derecelendirilmesi ve danışmanlığı olmak üzere, yapılan anlaşmalar çerçevesinde şirketin önemli ölçüde hizmet veya ürün satın aldığı veya sattığı şirketlerde, hizmet veya ürün satın alındığı veya satıldığı dönemlerde, ortak (%5 ve üzeri), önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda çalışan veya yönetim kurulu üyesi olmadığımı,

c) Bağımsız yönetim kurulu üyesi olması sebebiyle üstleneceğim görevleri gereği gibi yerine getirecek mesleki eğitim, bilgi ve tecrübeye sahip olduğumu,

ç) Kamu kurum ve kuruluşlarında tam zamanlı çalışmıyor olduğumu,

d) 31/12/1960 tarihli ve 193 sayılı Gelir Vergisi Kanunu (G.V.K.)'na göre Türkiye'de yerleşmiş sayıldığımı,

e) Şirket faaliyetlerine olumlu katkılarda bulunabilecek, şirket ile pay sahipleri arasındaki çıkar çatışmalarında tarafsızlığımı koruyabilecek, menfaat sahiplerinin haklarını dikkate alarak özgürce karar verebilecek güçlü etik standartlara, mesleki itibara ve tecrübeye sahip olduğumu,



06 Nisan 2016

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f) Şirket faaliyetlerinin işleyişini takip edebilecek ve üstlendiğim görevlerin gereklerini tam olarak yerine getirebilecek ölçüde şirket işlerine zaman ayırabiliyor olduğumu,

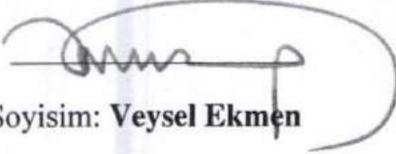
g) Şirketin veya şirketin yönetim kontrolünü elinde bulunduran ortakların yönetim kontrolüne sahip olduğu şirketlerin üçten fazlasında ve toplamda borsada işlem gören şirketlerin beşten fazlasında bağımsız yönetim kurulu üyesi olarak görev almıyor olduğumu,

ğ) Yönetim Kurulu üyesi olarak seçilmiş bir tüzel kişi adına gerçek kişi temsilci olarak tescil ve ilan edilmemiş olduğumu beyan ve kabul ederim.

Yine ilgili Kurumsal Yönetim Tebliği hükümleri çerçevesinde herhangi bir sebepten ötürü, bağımsızlığımı ortadan kaldıracak bir durumun ortaya çıkması halinde, bu değişikliği kamuya duyurulmak üzere derhal yönetim kuruluna iletmeğimi beyan ve kabul ederim.

Saygılarımla, 07.04.2016

İmza:



İsim/Soyisim: **Veysel Ekmekçi**



**BAŞBAKANLIK SERMAYE PİYASASI KURULU'NUN II-17.1 SAYILI
"KURUMSAL YÖNETİM TEBLİĞİ" ÇERÇEVESİNDE DÜZENLENEN**

"BAĞIMSIZLIK BEYANI"

Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.'de ("**Şirket**") üstleneceğim bağımsız yönetim kurulu üyeliği görevine ilişkin olarak,

- 3 Ocak 2014 tarih ve 28871 sayılı Resmi Gazete'de yayımlanarak yürürlüğe giren T.C. Başbakanlık Sermaye Piyasası Kurulu'nun II-17.1 sayılı "*Kurumsal Yönetim Tebliği*" hükümleri,
- Şirket esas sözleşmesi ile dâhili prosedürlerinde bulunan ilgili hükümler, ve
- İlgili sair mevzuat hükümleri,

çerçevesinde "bağımsız yönetim kurulu üyesi" nitelik ve kriterlerine sahip olduğumu, yukarıda bahsi geçen bilgi ve belgeleri okuyarak anladığımı ve bahsi geçen bu bilgi ve belgelerde yazılı görevleri tam olarak yerine getireceğimi, Şirket'in Kurumsal Yönetim Komitesi ile Yönetim Kurulu'na beyan ederim.

II-17.1 sayılı "*Kurumsal Yönetim Tebliği*"ne göre bağımsız üye olarak nitelendirilebilmek adına gerekli özelliklerin hepsini taşıdığımı, buna göre;

a) Şirket, şirketin yönetim kontrolü ya da önemli derecede etki sahibi olduğu ortaklıklar ile şirketin yönetim kontrolünü elinde bulunduran veya şirkette önemli derecede etki sahibi olan ortaklar ve bu ortakların yönetim kontrolüne sahip olduğu tüzel kişiler ile kendim, eşim ve ikinci dereceye kadar kan ve sıhrî hısımlarım arasında; son beş yıl içinde önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda istihdam ilişkisinin bulunmadığı, sermaye veya oy haklarının veya imtiyazlı payların %5 inden fazlasına birlikte veya tek başıma sahip olmadığımı ya da önemli nitelikte ticari ilişkisinin kurulmamış olduğunu,

b) Son beş yıl içerisinde, başta şirketin denetimi (vergi denetimi, kanuni denetim, iç denetim de dahil), derecelendirilmesi ve danışmanlığı olmak üzere, yapılan anlaşmalar çerçevesinde şirketin önemli ölçüde hizmet veya ürün satın aldığı veya sattığı şirketlerde, hizmet veya ürün satın alındığı veya satıldığı dönemlerde, ortak (%5 ve üzeri), önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda çalışan veya yönetim kurulu üyesi olmadığımı,

c) Bağımsız yönetim kurulu üyesi olması sebebiyle üstleneceğim görevleri gereği gibi yerine getirecek mesleki eğitim, bilgi ve tecrübeye sahip olduğumu,

ç) Kamu kurum ve kuruluşlarında tam zamanlı çalışmıyor olduğumu,

d) 31/12/1960 tarihli ve 193 sayılı Gelir Vergisi Kanunu (G.V.K.)'na göre Türkiye'de yerleşmiş sayıldığımı,

e) Şirket faaliyetlerine olumlu katkılarda bulunabilecek, şirket ile pay sahipleri arasındaki çıkar çatışmalarında tarafsızlığımı koruyabilecek, menfaat sahiplerinin haklarını dikkate alarak özgürce karar verebilecek güçlü etik standartlara, mesleki itibara ve tecrübeye sahip olduğumu,



f) Şirket faaliyetlerinin işleyişini takip edebilecek ve üstlendiğim görevlerin gereklerini tam olarak yerine getirebilecek ölçüde şirket işlerine zaman ayırabiliyor olduğumu,

g) Şirketin yönetim kurulunda son on yıl içerisinde altı yıldan fazla yönetim kurulu üyeliği yapmamış olduğumu,

ğ) Şirketin veya şirketin yönetim kontrolünü elinde bulunduran ortakların yönetim kontrolüne sahip olduğu şirketlerin üçten fazlasında ve toplamda borsada işlem gören şirketlerin beşten fazlasında bağımsız yönetim kurulu üyesi olarak görev almıyor olduğumu,

h) Yönetim kurulu üyesi olarak seçilmiş bir tüzel kişi adına gerçek kişi temsilci olarak tescil ve ilan edilmemiş olduğumu beyan ve kabul ederim.

Yine ilgili Kurumsal Yönetim Tebliği hükümleri çerçevesinde herhangi bir sebepten ötürü, bağımsızlığımı ortadan kaldıracak bir durumun ortaya çıkması halinde, bu değişikliği kamuya duyurulmak üzere derhal yönetim kuruluna iletteceğimi beyan ve kabul ederim.

Saygılarımla, 07.04.2016

İmza: _____

İsim/Soyisim: **Ertan KELEŞ**



08 Nisan 2016

№ 14900

**BAŞBAKANLIK SERMAYE PİYASASI KURULU'NUN II-17.1 SAYILI
"KURUMSAL YÖNETİM TEBLİĞİ" ÇERÇEVESİNDE DÜZENLENEN**

"BAĞIMSIZLIK BEYANI"

Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.'de ("**Sirket**") üstleneceğim bağımsız yönetim kurulu üyeliği görevine ilişkin olarak,

- 3 Ocak 2014 tarih ve 28871 sayılı Resmi Gazete'de yayımlanarak yürürlüğe giren T.C. Başbakanlık Sermaye Piyasası Kurulu'nun II-17.1 sayılı "*Kurumsal Yönetim Tebliği*" hükümleri,
- Şirket esas sözleşmesi ile dâhili prosedürlerinde bulunan ilgili hükümler, ve
- İlgili sair mevzuat hükümleri,

çerçevesinde "bağımsız yönetim kurulu üyesi" nitelik ve kriterlerine sahip olduğumu, yukarıda bahsi geçen bilgi ve belgeleri okuyarak anladığımı ve bahsi geçen bu bilgi ve belgelerde yazılı görevleri tam olarak yerine getireceğimi, Şirket'in Kurumsal Yönetim Komitesi ile Yönetim Kurulu'na beyan ederim.

II-17.1 sayılı "*Kurumsal Yönetim Tebliği*"ne göre bağımsız üye olarak nitelendirilebilmek adına gerekli özelliklerin hepsini taşıdığımı, buna göre;

a) Şirket, şirketin yönetim kontrolü ya da önemli derecede etki sahibi olduğu ortaklıklar ile şirketin yönetim kontrolünü elinde bulunduran veya şirkette önemli derecede etki sahibi olan ortaklar ve bu ortakların yönetim kontrolüne sahip olduğu tüzel kişiler ile kendim, eşim ve ikinci dereceye kadar kan ve sıhrî hısımlarım arasında; son beş yıl içinde önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda istihdam ilişkisinin bulunmadığı, sermaye veya oy haklarının veya imtiyazlı payların %5 inden fazlasına birlikte veya tek başıma sahip olmadığımı ya da önemli nitelikte ticari ilişkisinin kurulmamış olduğunu,

b) Son beş yıl içerisinde, başta şirketin denetimi (vergi denetimi, kanuni denetim, iç denetim de dahil), derecelendirilmesi ve danışmanlığı olmak üzere, yapılan anlaşmalar çerçevesinde şirketin önemli ölçüde hizmet veya ürün satın aldığı veya sattığı şirketlerde, hizmet veya ürün satın alındığı veya satıldığı dönemlerde, ortak (%5 ve üzeri), önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda çalışan veya yönetim kurulu üyesi olmadığımı,

c) Bağımsız yönetim kurulu üyesi olması sebebiyle üstleneceğim görevleri gereği gibi yerine getirecek mesleki eğitim, bilgi ve tecrübeye sahip olduğumu,

ç) Kamu kurum ve kuruluşlarında tam zamanlı çalışmıyor olduğumu,

d) 31/12/1960 tarihli ve 193 sayılı Gelir Vergisi Kanunu (G.V.K.)'na göre Türkiye'de yerleşmiş sayıldığımı,

e) Şirket faaliyetlerine olumlu katkılarda bulunabilecek, şirket ile pay sahipleri arasındaki çıkar çatışmalarında tarafsızlığımı koruyabilecek, menfaat sahiplerinin haklarını dikkate alarak özgürce karar verebilecek güçlü etik standartlara, mesleki itibara ve tecrübeye sahip olduğumu,



08 Nisan 2016

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f) Şirket faaliyetlerinin işleyişini takip edebilecek ve üstlendiğim görevlerin gereklerini tam olarak yerine getirebilecek ölçüde şirket işlerine zaman ayırabiliyor olduğumu,

g) Şirketin yönetim kurulunda son on yıl içerisinde altı yıldan fazla yönetim kurulu üyeliği yapmamış olduğumu,

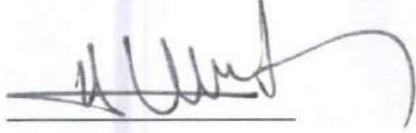
ğ) Şirketin veya şirketin yönetim kontrolünü elinde bulunduran ortakların yönetim kontrolüne sahip olduğu şirketlerin üçten fazlasında ve toplamda borsada işlem gören şirketlerin beşten fazlasında bağımsız yönetim kurulu üyesi olarak görev almıyor olduğumu,

h) Yönetim kurulu üyesi olarak seçilmiş bir tüzel kişi adına gerçek kişi temsilci olarak tescil ve ilan edilmemiş olduğumu beyan ve kabul ederim.

Yine ilgili Kurumsal Yönetim Tebliği hükümleri çerçevesinde herhangi bir sebepten ötürü, bağımsızlığımı ortadan kaldıracak bir durumun ortaya çıkması halinde, bu değişikliği kamuya duyurulmak üzere derhal yönetim kuruluna iletceğimi beyan ve kabul ederim.

Saygılarımla, 07.04.2016

İmza:



İsim/Soyisim: **Havvanur YURTSEVER**



T.C. BAŞBAKANLIK SERMAYE PİYASASI KURULU'NUN II-17.1 SAYILI
"KURUMSAL YÖNETİM TEBLİĞİ" ÇERÇEVESİNDE DÜZENLENEN

"BAĞIMSIZLIK BEYANI"

Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.'de ("**Sirket**") üstleneceğim bağımsız yönetim kurulu üyeliği görevine ilişkin olarak,

- 3 Ocak 2014 tarih ve 28871 sayılı Resmi Gazete'de yayımlanarak yürürlüğe giren T.C. Başbakanlık Sermaye Piyasası Kurulu'nun II-17.1 sayılı "*Kurumsal Yönetim Tebliği*" hükümleri,
- Şirket esas sözleşmesi ile dâhili prosedürlerinde bulunan ilgili hükümler, ve
- İlgili sair mevzuat hükümleri,

çerçevesin de "bağımsız yönetim kurulu üyesi" nitelik ve kriterlerine sahip olduğumu, yukarıda bahsi geçen bilgi ve belgeleri okuyarak anladığımı ve bahsi geçen bu bilgi ve belgelerde yazılı görevleri tam olarak yerine getireceğimi, Şirket'in Kurumsal Yönetim Komitesi ile Yönetim Kurulu'na beyan ederim.

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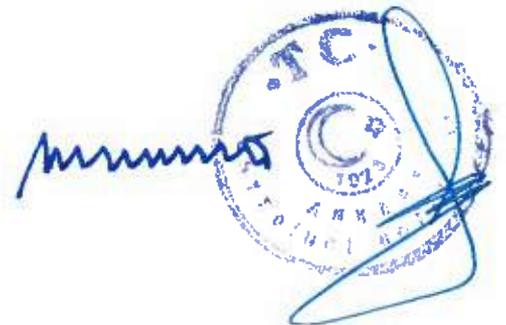
a) Şirket, şirketin yönetim kontrolü ya da önemli derecede etki sahibi olduğu ortaklıklar ile şirketin yönetim kontrolünü elinde bulunduran veya şirkette önemli derecede etki sahibi olan ortaklar ve bu ortakların yönetim kontrolüne sahip olduğu tüzel kişiler ile kendim, eşim ve ikinci dereceye kadar kan ve sıhrî hısımlarım arasında; son beş yıl içinde önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda istihdam ilişkisinin bulunmadığı, sermaye veya oy haklarının veya imtiyazlı payların %5 inden fazlasına birlikte veya tek başıma sahip olmadığımı ya da önemli nitelikte ticari ilişkinin kurulmamış olduğunu,

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M.



№ 22422

30 ARALIK 2016

e) Şirket faaliyetlerine olumlu katkılarda bulunabilecek, şirket ile pay sahipleri arasındaki çıkar çatışmalarında tarafsızlığımı koruyabilecek, menfaat sahiplerinin haklarını dikkate alarak özgürce karar verebilecek güçlü etik standartlara, mesleki itibara ve tecrübeye sahip olduğumu,

f) Şirket faaliyetlerinin işleyişini takip edebilecek ve üstlendiğim görevlerin gereklerini tam olarak yerine getirebilecek ölçüde şirket işlerine zaman ayırabiliyor olduğumu,

g) Şirketin yönetim kurulunda son on yıl içerisinde altı yıldan fazla yönetim kurulu üyeliği yapmamış olduğumu,

ğ) Şirketin veya şirketin yönetim kontrolünü elinde bulunduran ortakların yönetim kontrolüne sahip olduğu şirketlerin üçten fazlasında ve toplamda borsada işlem gören şirketlerin beşten fazlasında bağımsız yönetim kurulu üyesi olarak görev almıyor olduğumu,

h) Yönetim kurulu üyesi olarak seçilmiş bir tüzel kişi adına gerçek kişi temsilci olarak tescil ve ilan edilmemiş olduğumu beyan ve kabul ederim.

Yine ilgili Kurumsal Yönetim Tebliği hükümleri çerçevesinde herhangi bir sebepten ötürü, bağımsızlığımı ortadan kaldıracak bir durumun ortaya çıkması halinde, bu değişikliği kamuya duyurulmak üzere derhal yönetim kuruluna iletceğimi beyan ve kabul ederim.

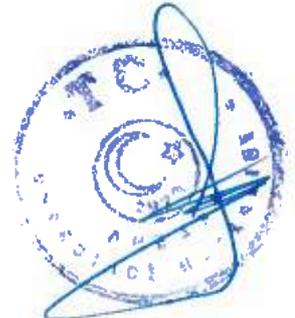
30 Aralık 2016

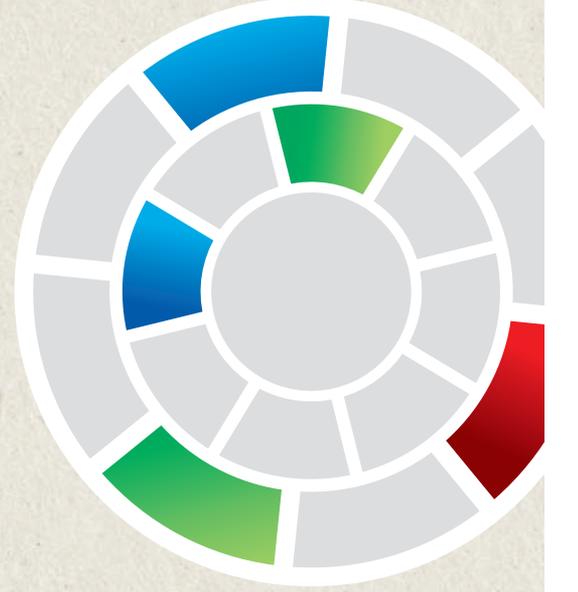
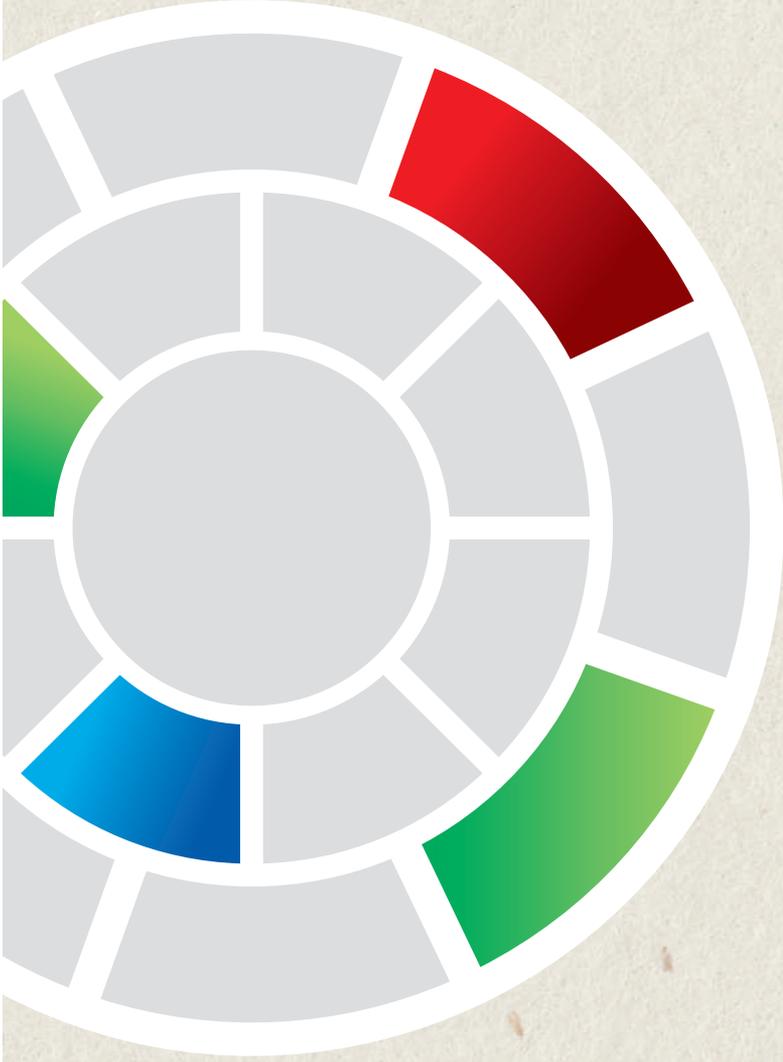
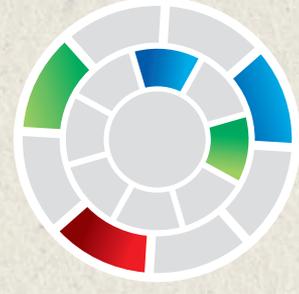
Saygılarımla,

İmza:



İsim/Soyisim: Muhterem İNCE





Barbaros Mah. Mor Sümbül Sok. No: 7/2 B Ataşehir/İSTANBUL
Phone: +90 216 579 15 15 Fax: +90 216 456 48 75

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