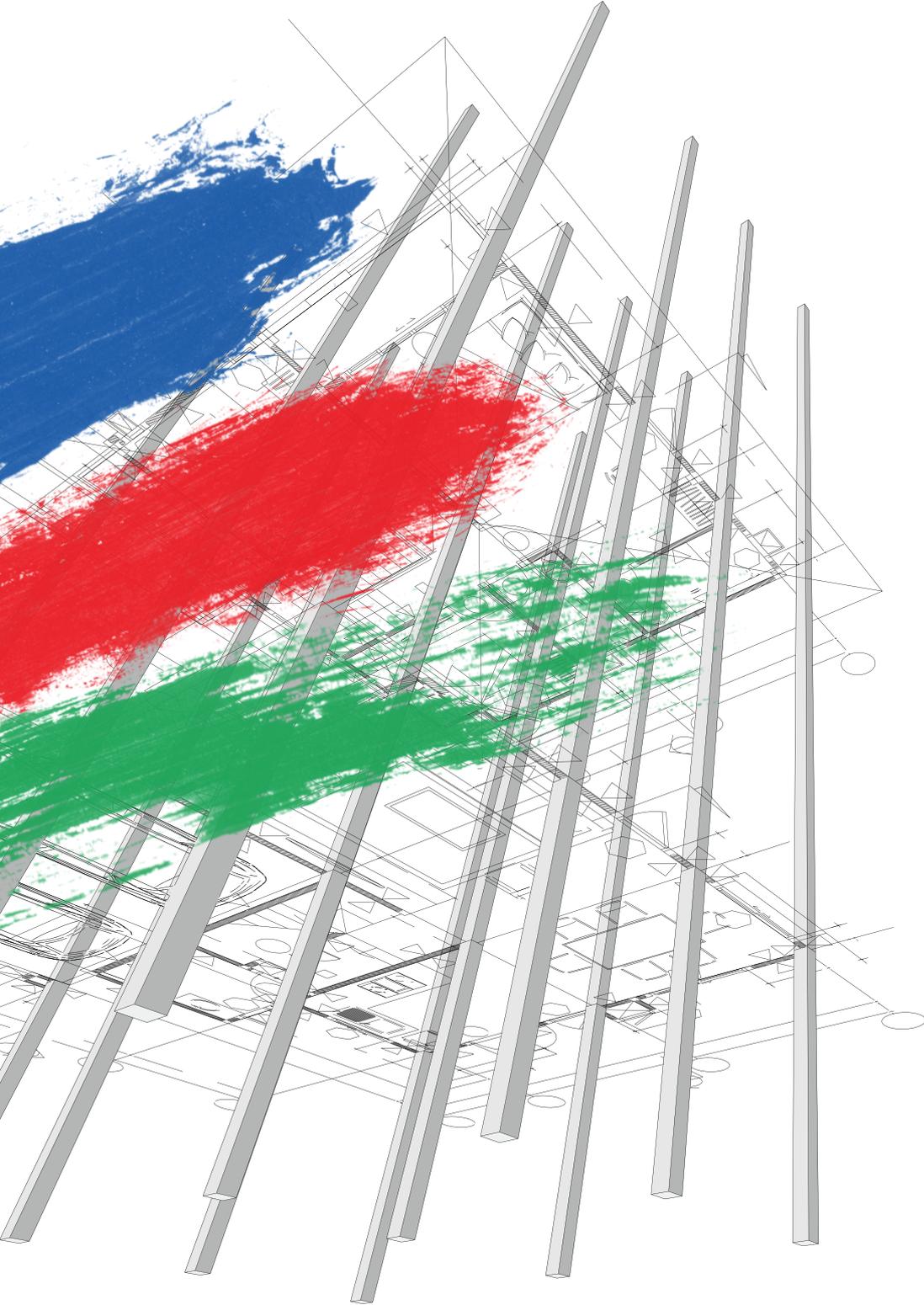


EMLAK KONUT REIC

6 MONTH INTERIM ACTIVITY REPORT

JUNE 2017



EMLAK KONUT

REAL ESTATE INVESTMENT COMPANY
THE PARTICIPATION OF T.C. PRIME MINISTRY TOKİ
(HOUSING DEVELOPMENT ADMINISTRATION)

EMLAK KONUT REIC 6 MONTH INTERIM ACTIVITY REPORT

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

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MESSAGE FROM THE GENERAL MANAGER



Dear Shareholders,

Starting the year with a busy schedule and great enthusiasm, we have now completed the first half of 2017. Emlak Konut REIC strived to offer services with great commitment while working hard to achieve its goals in the first half of the year.

Our company achieved an essential success on behalf of the industry by launching a sales campaign in July 2016, immediately after the treacherous coup attempt. The keen interest and demand for this campaign led us to mount a new one earlier this year. We carried on the new campaign under the slogan “Time of Solidarity for a Strong Turkey” until the end of March achieving further outstanding results. Throughout the first half of 2017, our company sold 3,556 units (including pre-sales) in its project developments worth 3.92 billion Turkish lira (excluding VAT). Their areas added up to 617,174 square meters. These figures show that we went beyond expectations compared to the target sales value (3.28 billion Turkish lira) and target sales area (518,917 square meters) in the first half. These indicators not only gave an impression regarding the attainability of our year-end targets but also increased our motivation. Accordingly, when we look at our financial results, we see that we generated a profit of 625,8 million Turkish lira from our completed projects in the first half of 2017. This value also supports our anticipated year-end profit target of 1.8 billion Turkish lira.

MESSAGE FROM THE GENERAL MANAGER

Our company and the Republic of Turkey Prime Ministry Housing Development Administration (TOKİ) signed a protocol for the purchase of seven lands by Emlak Konut REIC at 1 billion Turkish lira with a size of 380,000 square meters in Istanbul's Bakırköy, Başakşehir and Çekmeköy districts; Antalya's Muratpaşa district and Samsun's Canik district. Our 2-year land investment has reached 3.3 billion TL together with our 2.3 billion-TL land acquisition from last year. Our company will pay much of this amount in 2017. Therefore, we decided not to distribute dividends for the first time. However, we have not changed our dividend policy. This decision was taken only for the company's 2016 profit. In 2017, our company will continue to operate as a dividend distributing company as in the past. Our Board of Directors made the relevant resolution. Adding value to Turkey and its cities with these land additions to its portfolio, Emlak Konut will continue to produce modern projects worthy of its name.

In the first half of 2017, we concluded the tender processes of our five revenue sharing projects of all the ones scheduled for tender this year. Their total area stood at 1.3 million square meters. In these tenders, we anticipate that Emlak Konut's minimum share will be approximately 1.2 billion TL if contracts are signed in all the tenders. Also, we carry on our activities for the tenders we will announce in the second half of 2017.

Emlak Konut, a global real estate investment company thanks to its size, continues to promote itself in international fairs, investor meetings, and road shows based on its financial and business capabilities. At this point, our company signed an agreement with an international rating agency. Based on mutual efforts, Fitch Ratings set our company's foreign currency denominated long term credit rating as BB+ and its National Rating as AA (tur).

I would like to extend our thanks once more to all our individual and corporate stakeholders who supported our investment actions and enabled us to stand by our word not only by putting their trust in us but also by making invaluable contributions.

Finally, the success we achieved together with the real estate industry especially after the treacherous July 15 coup attempt has helped the Turkish economy survive a formidable obstacle. Therefore, I would like to extend my sincere thanks to our Board of Directors and all our staff for their successful work. While creating further added value for our company, we will continue to make the most efficient investments in appropriate areas with the same earnestness and excitement.

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.

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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.

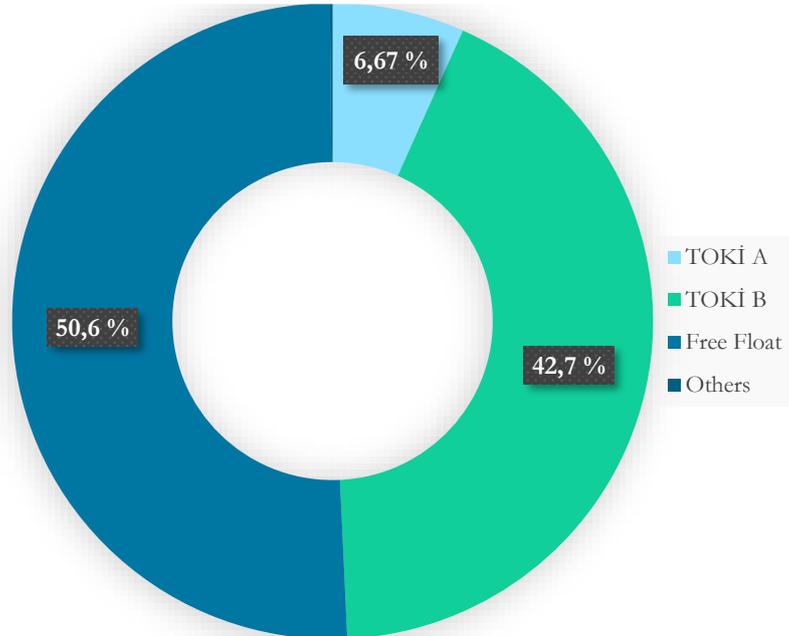
As stated in Article 5 of the Articles of Association, our Company is a joint stock public company founded with the registered capital in order to deal with the goals and subjects specified in the arrangements of the Capital Markets Board regarding investment companies and to make investments in actual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

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

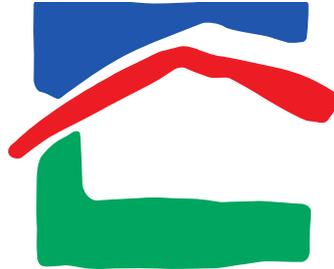
Capital and Partnership Structure

	Group	Type	Share Amount	Number of Shares	%
Housing Development Adm. (TOKİ)	A	Registered (Privileged)	253,369,919.00	25,336,991,900	6.67
Housing Development Adm. (TOKİ)	B	Bearer	1,621,460,838.35	162,146,083,835	42.7
Free Float	B	Bearer	1,925,113,300.57	192,511,330,057	50.6
Others	B	Bearer	55,942.08	5,594,208	<1
Total			3,800,000,000.00	380,000,000,000	100



ABOUT EMLAK KONUT

Our Vision and Mission



OUR EMBLEM STANDS FOR;

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

Vision (Target)

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

Mission (Goal)

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

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.



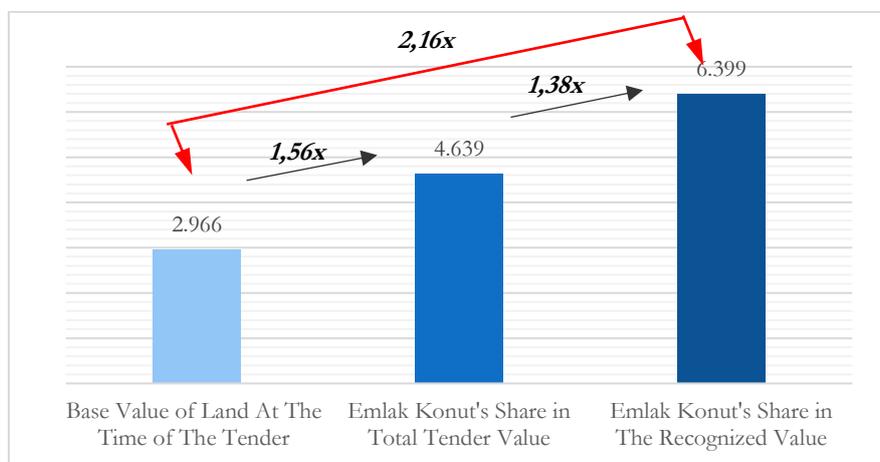
ABOUT EMLAK KONUT

Revenue Sharing Model

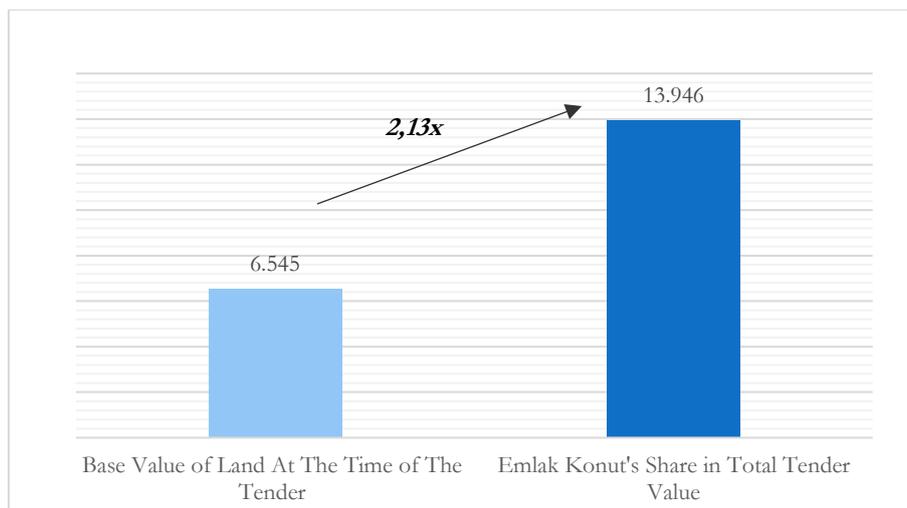
This is the primary income creation model of the Company. This is an original model used especially for projects intended for the upper- middle and upper income groups and provides profitability and fund flow for the Company. When it is deemed necessary, our Company purchase units in revenue sharing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



ONGOING REVENUE SHARING MODEL PROJECTS

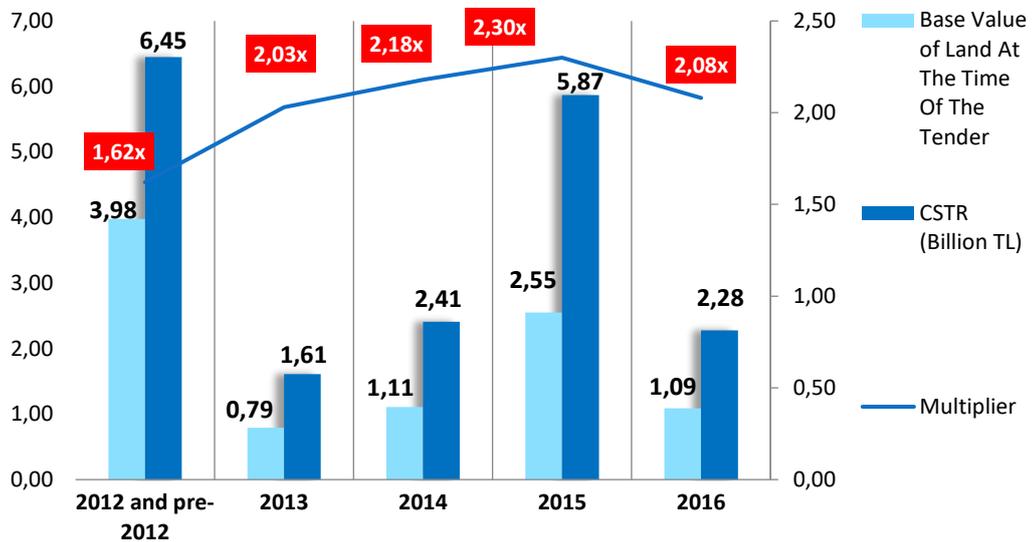


* The figures are in billion TL. Please note that, the past performance is not necessarily an indicator of future performance.

ABOUT EMLAK KONUT

Revenue Sharing Model (Continued)

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



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

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects

PROJECT	METROPOL İSTANBUL
CONTRACTOR	GAP ~ KEFELİ
ETSR	1,161,000,000 TL
CRSR	43.15 %
CSTR	500,971,500 TL
PROGRESS LEVEL	71.28 %
COMPLETION DATE	04.04.2017
LAND AREA	99,108.08
NUMBER OF UNITS	2,177



PROJECT	MASLAK 1453 İSTANBUL
CONTRACTOR	AKDENİZ
ETSR	3,250,000,000 TL
CRSR	35.50 %
CSTR	1,153,750,000 TL
PROGRESS LEVEL	94.48 %
COMPLETION DATE	07.07.2017
LAND AREA	196,364.23
NUMBER OF UNITS	5,258

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)

PROJECT	FATİH YEDİKULE
CONTRACTOR	EGE ~ METROPOLİST~ SENA~ BUKTOR
ETSR	302,680,000 TL
CRSR	35.01 %
CSTR	105,968,268 TL
PROGRESS LEVEL	0.00 %
COMPLETION DATE	07.11.2018
LAND AREA	40,945.86
NUMBER OF UNITS	21 *



PROJECT	BAHÇEKENT FLORA
CONTRACTOR	İZKA ~ DAĞ ~ SITAR
ETSR	320,000,000 TL
CRSR	25.26 %
CSTR	80,832,000 TL
PROGRESS LEVEL	86.84 %
COMPLETION DATE	30.11.2017
LAND AREA	119,756.54
NUMBER OF UNITS	1,219

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

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)

PROJECT	GÖL PANORAMA EVLERİ
CONTRACTOR	BE-MA
ETSR	530,000,000 TL
CRSR	28.00 %
CSTR	148,400,000 TL
PROGRESS LEVEL	89.80 %
COMPLETION DATE	22.10.2017
LAND AREA	85,251.43
NUMBER OF UNITS	1,471



PROJECT	İSTMARINA
CONTRACTOR	DAP ~ ELTES
ETSR	1,335,000,000 TL
CRSR	40.00 %
CSTR	534,000,000 TL
PROGRESS LEVEL	65.65 %
COMPLETION DATE	30.05.2018
LAND AREA	59,931.85
NUMBER OF UNITS	1,625

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)

PROJECT	BULVAR İSTANBUL
CONTRACTOR	BULVAR İSTANBUL JOINT VENTURE
ETSR	723,000,000 TL
CRSR	28.00 %
CSTR	202,440,000 TL
PROGRESS LEVEL	99.29 %
COMPLETION DATE	05.06.2017
LAND AREA	111,606.22
NUMBER OF UNITS	1,746



PROJECT	EVVEL İSTANBUL
CONTRACTOR	İNTAYA ~ EYG ~ İNTES
ETSR	726,000,000 TL
CRSR	26.00 %
CSTR	188,760,000 TL
PROGRESS LEVEL	66.03 %
COMPLETION DATE	03.10.2017
LAND AREA	75,197.88
NUMBER OF UNITS	1,423

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)

PROJECT	KÖY
CONTRACTOR	SİYAHKALEM
ETSR	1,475,000,000 TL
CRSR	32.25 %
CSTR	475,687,500 TL
PROGRESS LEVEL	23.71 %
COMPLETION DATE	10.03.2020
LAND AREA	343,062.46
NUMBER OF UNITS	996 *



PROJECT	PARK MAVERA
CONTRACTOR	MAKRO ~ AKYAPI
ETSR	1,400,000,000 TL
CRSR	30.00 %
CSTR	420,000,000 TL
PROGRESS LEVEL	86.60 %
COMPLETION DATE	25.06.2018
LAND AREA	98,476.77
NUMBER OF UNITS	1,812

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

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)

PROJECT	AVRUPARK
CONTRACTOR	ÇİHAN ~ KONUT YAPI
ETSR	602,000,000 TL
CRSR	26.00 %
CSTR	156,520,000 TL
PROGRESS LEVEL	43.79 %
COMPLETION DATE	27.07.2018
LAND AREA	78,639.77
NUMBER OF UNITS	1,480



PROJECT	BÜYÜKYALI İSTANBUL
CONTRACTOR	ÖZAK ~ YENİGÜN ~ ZİYLAN
ETSR	4,240,000,000 TL
CRSR	37.00 %
CSTR	1,568,800,000 TL
PROGRESS LEVEL	16.92 %
COMPLETION DATE	23.04.2021
LAND AREA	111,022.93
NUMBER OF UNITS	1,679

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)

PROJECT	SOFALOCA
CONTRACTOR	BAŞYAPI ~ SOLARYAPI
ETSR	180,000,000 TL
CRSR	30.00 %
CSTR	54,000,000 TL
PROGRESS LEVEL	80.19 %
COMPLETION DATE	17.08.2017
LAND AREA	18,228.00
NUMBER OF UNITS	156



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

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)

PROJECT	TUAL ADALAR
CONTRACTOR	DAĞ MÜHENDİSLİK
ETSR	420,000,000 TL
CRSR	29.50 %
CSTR	123,900,000 TL
PROGRESS LEVEL	22.90 %
COMPLETION DATE	06.11.2018
LAND AREA	33,164.67
NUMBER OF UNITS	542*



PROJECT	KARAT 34
CONTRACTOR	KELİF JOINT VENTURE
ETSR	440,000,000 TL
CRSR	39.00 %
CSTR	171,600,000 TL
PROGRESS LEVEL	28.39 %
COMPLETION DATE	14.03.2018
LAND AREA	21,438.07
NUMBER OF UNITS	592

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

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)

PROJECT	AVRUPA KONUTLARI BAŞAKŞEHİR
CONTRACTOR	ARTAŞ
ETSR	876,000,000 TL
CRSR	40.00%
CSTR	350,400,000 TL
PROGRESS LEVEL	60.05 %
COMPLETION DATE	23.08.2018
LAND AREA	72,706.72
NUMBER OF UNITS	968



PROJECT	TUAL BAHÇEKENT
CONTRACTOR	DAĞ MİMARLIK VE MÜH.
ETSR	1,090,000,000 TL
CRSR	25.26 %
CSTR	275,334,000 TL
PROGRESS LEVEL	16.77 %
COMPLETION DATE	14.05.2019
LAND AREA	152,621.06
NUMBER OF UNITS	1,925

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)

PROJECT	NİDAPARK İSTİNYE
CONTRACTOR	TAHİNCİOĞLU İSTİNYE JOINT VENTURE
ETSR	3,672,000,000 TL
CRSR	51.10%
CSTR	1,876,392,000 TL
PROGRESS LEVEL	0.00 %
COMPLETION DATE	13.06.2019
LAND AREA	129,487.27
NUMBER OF UNITS	555



PROJECT	TEMAŞEHİR KONYA
CONTRACTOR	TORKAM
ETSR	705,000,000 TL
CRSR	30.00%
CSTR	211,500,000 TL
PROGRESS LEVEL	26.74 %
COMPLETION DATE	22.06.2018
LAND AREA	60,675.48
NUMBER OF UNITS	905

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)

PROJECT	MERKEZ ANKARA
CONTRACTOR	PASİFİK ~ ÇİFTAY
ETSR	4,194,550,000 TL
CRSR	30 %
CSTR	1,258,365,000 TL
PROGRESS LEVEL	4.01 %
COMPLETION DATE	24.03.2020
LAND AREA	124,475.80
NUMBER OF UNITS	3,533



PROJECT	AVANGART İSTANBUL
CONTRACTOR	GÜL İNŞAAT
ETSR	1,300,000,000 TL
CRSR	49.00 %
CSTR	637,000,000 TL
PROGRESS LEVEL	4.04 %
COMPLETION DATE	04.12.2018
LAND AREA	36,750.00
NUMBER OF UNITS	953

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)

PROJECT	NİDAPARK KAYAŞEHİR
CONTRACTOR	TAHİNCİOĞLU KAYABAŞI JOINT VENTURE
ETSR	1,072,600,000 TL
CRSR	38.00 %
CSTR	407,588,000 TL
PROGRESS LEVEL	29.57 %
COMPLETION DATE	20.10.2018
LAND AREA	77,327.02
NUMBER OF UNITS	1,139



PROJECT	EVORA DENİZLİ
CONTRACTOR	TEKNİK YAPI ~ UCD
ETSR	514,727,778 TL
CRSR	18 %
CSTR	92,651,000 TL
PROGRESS LEVEL	15.00 %
COMPLETION DATE	10.01.2019
LAND AREA	95,294.22
NUMBER OF UNITS	1,555

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)

PROJECT	KOORDİNAT ÇAYYOLU
CONTRACTOR	YP İNŞAAT
ETSR	545,454,545 TL
CRSR	33.00 %
CSTR	180,000,000 TL
PROGRESS LEVEL	23.91 %
COMPLETION DATE	10.05.2019
LAND AREA	30,669.27
NUMBER OF UNITS	432



PROJECT	VALİDEBAĞ KONAKLARI
CONTRACTOR	ELTES ~ İSTLIFE
ETSR	810,000,000 TL
CRSR	50.15 %
CSTR	406,215,000 TL
PROGRESS LEVEL	3.92 %
COMPLETION DATE	03.09.2019
LAND AREA	17,528.55
NUMBER OF UNITS	366

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)

PROJECT	EBRULİ İSPARTAKULE
CONTRACTOR	SİTAR ~ ASLAN ~ TORKAM
ETSR	600,000,000 TL
CRSR	22 %
CSTR	132,000,000 TL
PROGRESS LEVEL	3.51 %
COMPLETION DATE	03.08.2019
LAND AREA	41,168.49
NUMBER OF UNITS	776



PROJECT	YENİKÖY KONAKLARI
CONTRACTOR	YENİYAPI ~ TACA İNŞAAT
ETSR	442,500,000 TL
CRSR	38.00 %
CSTR	168,150,000 TL
PROGRESS LEVEL	2.04 %
COMPLETION DATE	27.10.2018
LAND AREA	27,368.93
NUMBER OF UNITS	349

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)

PROJECT	AVRUPARK HAYAT
CONTRACTOR	CIHAN İNŞ. ~ KONUT YAPI
ETSR	626,000,000 TL
CRSR	25.00 %
CSTR	156,500,000 TL
PROGRESS LEVEL	0.00 %
COMPLETION DATE	30.12.2019
LAND AREA	42,019.75
NUMBER OF UNITS	1,184



PROJECT	OFİS KARAT BAKIRKÖY
CONTRACTOR	BAŞYAPI ~ GÜNEY ~ ELİT VİZYON
ETSR	200,000,000 TL
CRSR	31.00 %
CSTR	62,000,000 TL
PROGRESS LEVEL	3.46 %
COMPLETION DATE	12.03.2019
LAND AREA	5,164.46
NUMBER OF UNITS	90

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)

PROJECT	NİDAPARK KÜÇÜKYALI
CONTRACTOR	TAHİNCİOĞLU ~ KOZKEN
ETSR	3,635,715,000 TL
CRSR	42.00 %
CSTR	1,527,000,300 TL
PROGRESS LEVEL	7.17 %
COMPLETION DATE	15.04.2021
LAND AREA	114,239.00
NUMBER OF UNITS	2,025



PROJECT	AVCILAR ISPARTAKULE 6.ETAP
CONTRACTOR	AK YAPI ~ EŞBAH
ETSR	342,400,000 TL
CRSR	25.00 %
CSTR	85,600,000 TL
PROGRESS LEVEL	0.00 %
COMPLETION DATE	31.05.2019
LAND AREA	44,825.21
NUMBER OF UNITS	632

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)

PROJECT	SEMT BAHÇEKENT
CONTRACTOR	SUR YAPI ~ HATAY AKPINAR
ETSR	602,000,000 TL
CRSR	25.00 %
CSTR	150,500,000 TL
PROGRESS LEVEL	2.33 %
COMPLETION DATE	01.06.2019
LAND AREA	53,823.56
NUMBER OF UNITS	1,039



PROJECT	İSTANBUL FINANCE CENTER
CONTRACTOR	AKDENİZ ~ İFM İŞ ORTAKLIĞI
ETSR	1,460,000,000 TL
CRSR	4.15 %
CSTR	29,200,000 TL
PROGRESS LEVEL	44.28 %
COMPLETION DATE	21.09.2019
LAND AREA	115,497.01
NUMBER OF UNITS	1,442*

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

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)
-

NOTE: “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 NAME	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	MİSTANBUL	56,779,661	112,050,000	41.50	157,780,977
11	KENTPLUS MİMARŞİNAN	9,732,640	42,120,000	35.10	54,717,096
12	EMLAK KONUT PELİKAN 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	1STANBUL	102,555,962	105,000,000	30.00	154,434,905
26	ŞEHRİZAR KONAĞLARI	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
39	SARPHAN FİNANS PARK	51,786,200	61,500,000	37.51	304,015,436,09
TOTAL		2,965,909,459	4,639,100,585		6,399,019,864
THE WEIGHTED AVERAGE OF COMPANY REVENUE SHARE RATIO (%)				34.32	

*CSTR figures are the initial tender values.

** Project has been completely sold with its current status.

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects

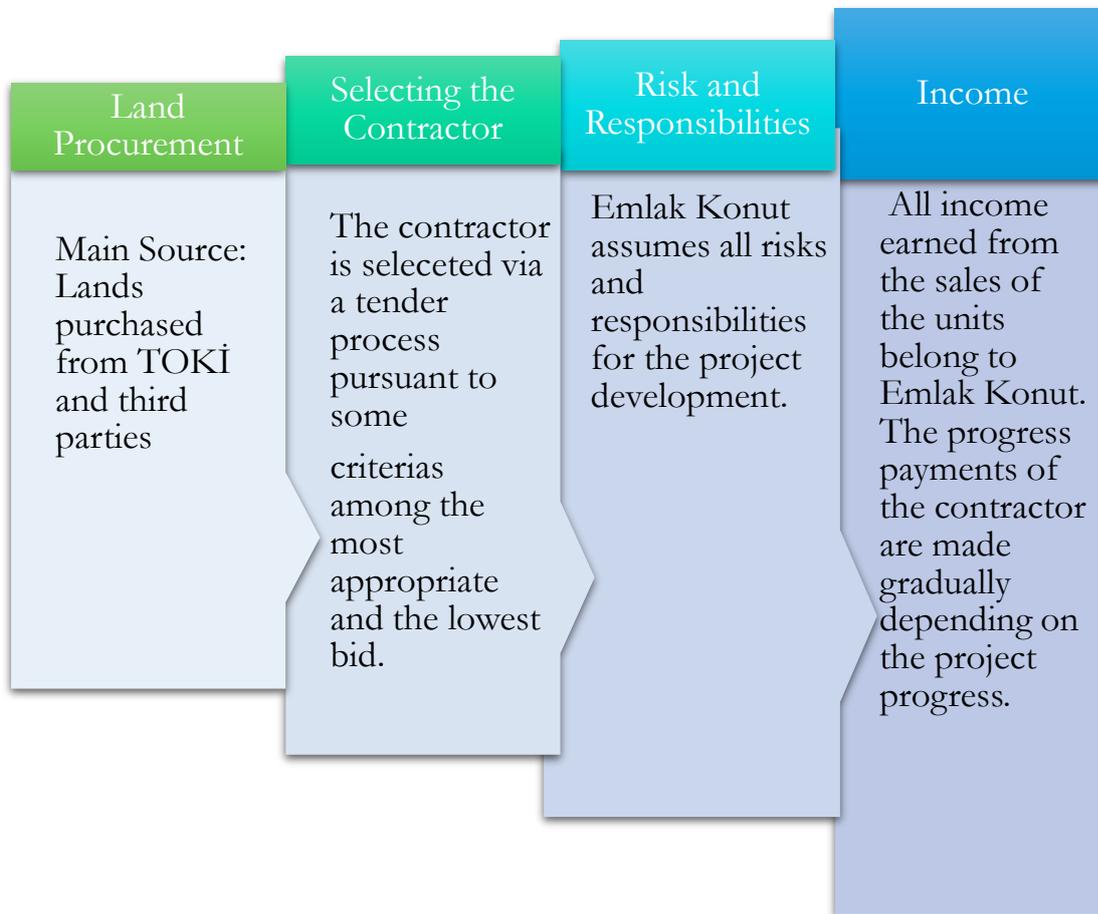
Line	PROJECT	BASE VALUE OF LAND AT THE TIME OF THE TENDER (TL)	CSTR* (TL)	CRSR(%)	MULTIPLIER FOR EACH PROJECT
1	METROPOL İSTANBUL	290,998,144	500,971,500	43.15	1.72
2	AĞAOĞLU MASLAK 1453 İSTANBUL	604,940,000	1,153,750,000	35.50	1.91
3	KÖY	252,910,000	475,687,500	32.25	1.88
2012 and pre- 2012		1,148,848,144	2,130,409,000	<i>Average Multiplier</i>	1.85
4	İSTMARİNA	214,045,000	534,000,000	40.00	2.49
5	BULVAR İSTANBUL	128,386,000	202,440,000	28.00	1.58
6	BAHÇEŞEHİR GÖL PANORAMA EVLERİ	80,810,000	148,400,000	28.00	1.84
7	FATİH YEDİKULE	67,915,000	105,968,270	35.01	1.84
8	EVVEL İSTANBUL	97,500,000	188,760,000	26.00	1.94
9	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
10	BÜYÜKYALI İSTANBUL	725,700,000	1,568,800,000	37.00	2.16
11	PARK MAVERA	124,615,000	420,000,000	30.00	3.37
12	AVRUPARK	63,698,214	156,520,000	26.00	2.46
13	SOFALOCA	36,547,140	54,000,000	30.00	1.48
14	KOCAELİ, DERİNCE **	70,000,000	83,198,500	21.61	1.19
15	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
16	KARAT 34	63,564,095	171,600,000	39.00	2.70
17	NİDAPARK İSTİNYE	1,062,270,000	1,876,392,000	51.10	1.77
18	TUAL BAHÇEKENT	115,680,485	275,334,000	25.26	2.38
19	AVRUPA KONUTLARI BAŞAKŞEHİR	115,200,000	350,400,000	40.00	3.04
20	TEMAŞEHİR KONYA	85,000,000	211,500,000	30.00	2.49
21	AVANGART İSTANBUL	115,953,466	637,000,000	49.00	5.49
22	MERKEZ ANKARA	622,000,000	1,258,365,000	30.00	2.02
23	NİDAPARK KAYAŞEHİR	117,420,000	407,588,000	38.00	3.47
24	EVORA DENİZLİ	74,738,419	92,651,000	18.00	1.24
25	KOORDİNAT ÇAYYOLU	95,156,250	180,000,000	33.00	1.89
26	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
27	OFİS KARAT BAKIRKÖY	32,025,000	62,000,000	31.00	1.94
28	YENİKÖY KONAKLARI	46,400,000	168,150,000	38.00	3.62
29	EBRULİ İSPARTAKULE	72,111,718	132,000,000	22.00	1.83
30	AVRUPARK HAYAT	83,391,734	156,500,000	25.00	1.88
31	SEMT BAHÇEKENT	86,255,477	150,500,000	25.00	1.74
32	NİDAPARK KÜÇÜKYALI	713,096,640	1,527,000,300	42.00	2.14
33	AVCILAR İSPARTAKULE 6TH 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		6,545,463,509	13,946,023,070	<i>Multiplier</i>	2.13

*CSTR figures are the initial tender values.

** Construction permits have not been obtained yet.

ABOUT EMLAK KONUT

Turn Key Model Projects



ABOUT EMLAK KONUT

Turn-Key Model Projects(Continued)

Completed Turn-Key Model Projects

Esenler Emlak Konutları
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 Headquarters Office Building
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

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 1
Kayabaşı Recreation Area
Başkent Emlak Konutları 2

ABOUT EMLAK KONUT

Ongoing TurnKey Model Projects

PROJECT	AYAZMA EMLAK KONUTLARI 1
CONTRACTOR	GÜRYAPI
CURRENT AGREEMENT VALUE	365,844,495.76 TL
BOOK VALUE OF THE LAND + PROGRESS PAYMENTS	323,514,291.87 TL
PROGRESS LEVEL	55.33 %
COMPLETION DATE	29.05.2018
LAND AREA	99,874.55
NUMBER OF UNITS	1,239



PROJECT	KÖRFEZKENT EMLAK KONUTLARI 4
CONTRACTOR	ZEK-SAN
CURRENT AGREEMENT VALUE	158,712,000 TL
BOOK VALUE OF THE LAND + PROGRESS PAYMENTS	94,354,242.96 TL
PROGRESS LEVEL	43.44 %
COMPLETION DATE	22.11.2017
LAND AREA	79,804.19
NUMBER OF UNITS	1,124

ABOUT EMLAK KONUT

Ongoing TurnKey Model Projects

PROJECT	ISPARTAKULE 1st Stage 1st Part
CONTRACTOR	YÖRÜK ~ ERMIT
CURRENT AGREEMENT VALUE	268,650,000 TL
BOOK VALUE OF THE LAND + PROGRESS PAYMENTS	203,004,813.39 TL
PROGRESS LEVEL	39.31 %
COMPLETION DATE	16.08.2018
LAND AREA	85,871.43
NUMBER OF UNITS	978



PROJECT	ISPARTAKULE 1st Stage 2nd Part
CONTRACTOR	BALPA
CURRENT AGREEMENT VALUE	239,900,000 TL
BOOK VALUE OF THE LAND + PROGRESS PAYMENTS	167,340,488.34 TL
PROGRESS LEVEL	32.55 %
COMPLETION DATE	16.08.2018
LAND AREA	74,346.32
NUMBER OF UNITS	904

ABOUT EMLAK KONUT

Ongoing TurnKey Model Projects

PROJECT	KAYABAŞI EMLAK KONUTLARI 2nd Stage
CONTRACTOR	KALYON
CURRENT AGREEMENT VALUE	82,636,175.80 TL
BOOK VALUE OF THE LAND + PROGRESS PAYMENTS	94,913,674.18 TL
PROGRESS LEVEL	60.43 %
COMPLETION DATE	22.12.2017
LAND AREA	24,272.40
NUMBER OF UNITS	271



PROJECT	NEVŞEHİR EMLAK KONUTLARI
CONTRACTOR	CEN'T YAPI
CURRENT AGREEMENT VALUE	116,722,000 TL
BOOK VALUE OF THE LAND + PROGRESS PAYMENTS	124,334,790.02 TL
PROGRESS LEVEL	35.59 %
COMPLETION DATE	19.11.2018
LAND AREA	29,541.40
NUMBER OF UNITS	420

ABOUT EMLAK KONUT

Ongoing TurnKey Model Projects

PROJECT	AYAZMA EMLAK KONUTLARI 2nd Stage
CONTRACTOR	YILMAZ
CURRENT AGREEMENT VALUE	87,914,154.16 TL
BOOK VALUE OF THE LAND + PROGRESS PAYMENTS	78,795,366.70 TL
PROGRESS LEVEL	53.36 %
COMPLETION DATE	24.07.2018
LAND AREA	21,406.97
NUMBER OF UNITS	386



PROJECT	NIĞDE EMLAK KONUTLARI
CONTRACTOR	PEKİNTAŞ YAPI
CURRENT AGREEMENT VALUE	101,700,000 TL
BOOK VALUE OF THE LAND + PROGRESS PAYMENTS	39,443,358.01 TL
PROGRESS LEVEL	9.52 %
COMPLETION DATE	19.05.2019
LAND AREA	25,643.04
NUMBER OF UNITS	365

ABOUT EMLAK KONUT

Ongoing TurnKey Model Projects

PROJECT	GEBZE EMLAK KONUTLARI 3th Stage 1st Part
CONTRACTOR	MUSTAFA EKŞİ
CURRENT AGREEMENT VALUE	314,800,000 TL
BOOK VALUE OF THE LAND + PROGRESS PAYMENTS	62,274,595.49 TL
PROGRESS LEVEL	1.97 %
COMPLETION DATE	13.03.2019
LAND AREA	91,564.72
NUMBER OF UNITS	1,040



PROJECT	GEBZE EMLAK KONUTLARI 3th Stage 2nd Part
CONTRACTOR	SİYAHKALEM
CURRENT AGREEMENT VALUE	315,900,000 TL
BOOK VALUE OF THE LAND + PROGRESS PAYMENTS	48,919,827.66 TL
PROGRESS LEVEL	2.91 %
COMPLETION DATE	20.03.2019
LAND AREA	91,564.72
NUMBER OF UNITS	950

ABOUT EMLAK KONUT

Ongoing TurnKey Model Projects

PROJECT	BAŞKENT EMLAK KONUTLARI 1st Stage
CONTRACTOR	KALYON
CURRENT AGREEMENT VALUE	559,500,000 TL
BOOK VALUE OF THE LAND + PROGRESS PAYMENTS	88,060,396.20 TL
PROGRESS LEVEL	3.05 %
COMPLETION DATE	25.07.2019
LAND AREA	89,502.19
NUMBER OF UNITS	1,329



PROJECT	KAYABAŞI RECREATION
CONTRACTOR	YAPI VE YAPI İNŞ,
CURRENT AGREEMENT VALUE	509,513,550 TL
BOOK VALUE OF THE LAND + PROGRESS PAYMENTS	120,123,459.57 TL
PROGRESS LEVEL	15.16 %
COMPLETION DATE	14.09.2019
LAND AREA	363,979.03
NUMBER OF UNITS	373

ABOUT EMLAK KONUT

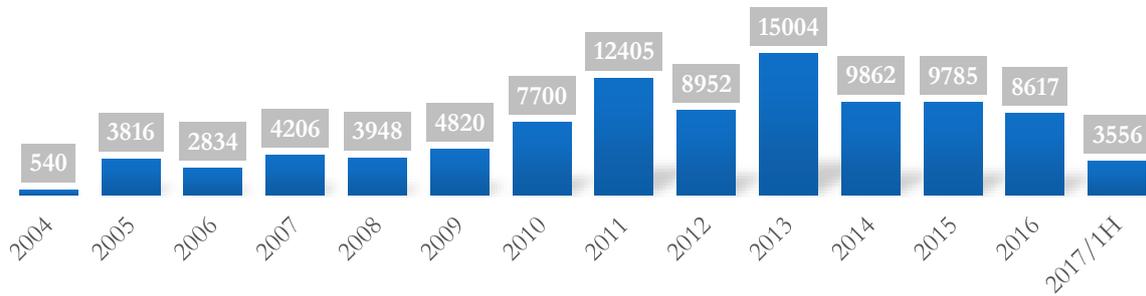
Ongoing TurnKey Model Projects

PROJECT	BAŞKENT EMLAK KONUTLARI 2nd Stage
CONTRACTOR	ASL İNŞAAT
CURRENT AGREEMENT VALUE	203,800,000 TL
BOOK VALUE OF THE LAND + PROGRESS PAYMENTS	88,060,396.20 TL
PROGRESS LEVEL	4.60 %
COMPLETION DATE	30.08.2018
LAND AREA	30,521.16
NUMBER OF UNITS	507

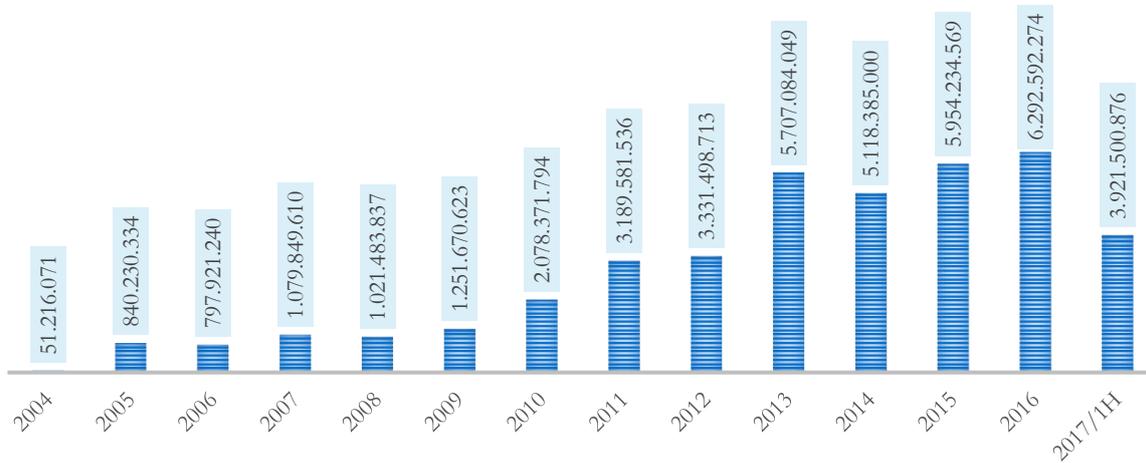


ABOUT EMLAK KONUT

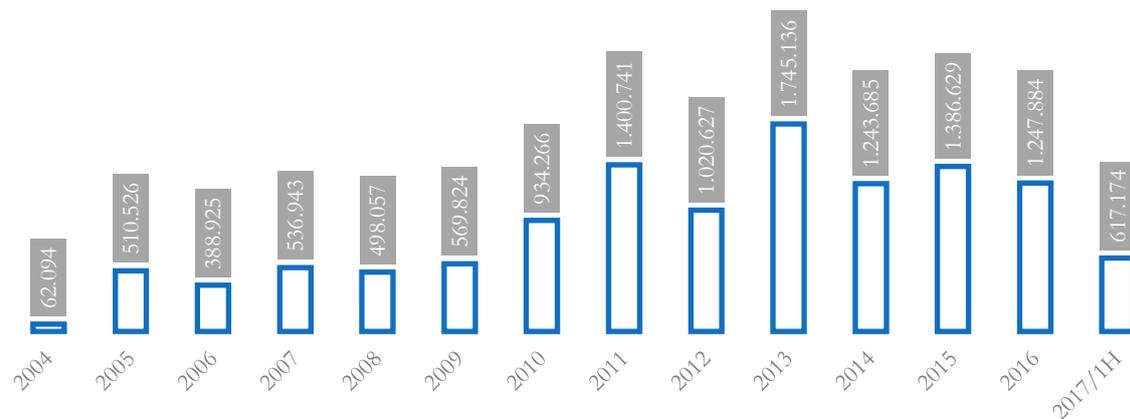
Number of Units Sold



Total Sales Value (1) TL



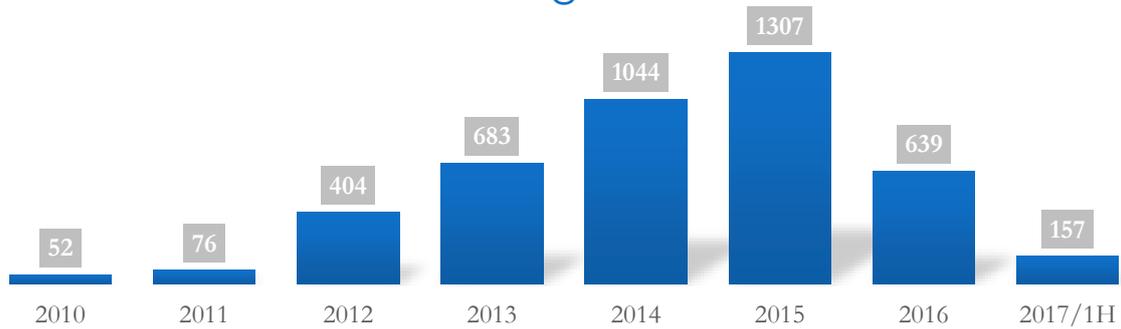
Total Squaremeters Sold (2) sqm



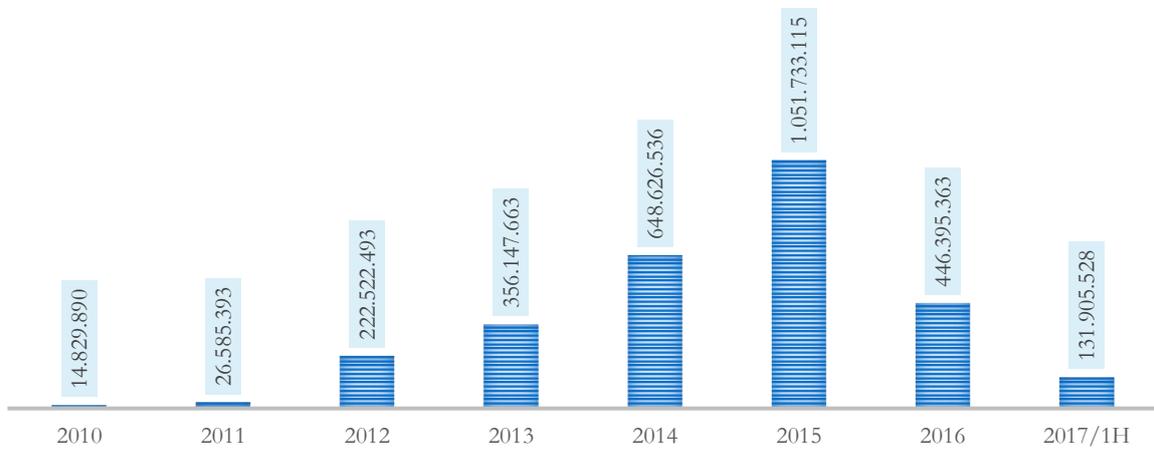
- (1) Excluding VAT
- (2) Squaremeters sold. Add-ons not included.

ABOUT EMLAK KONUT

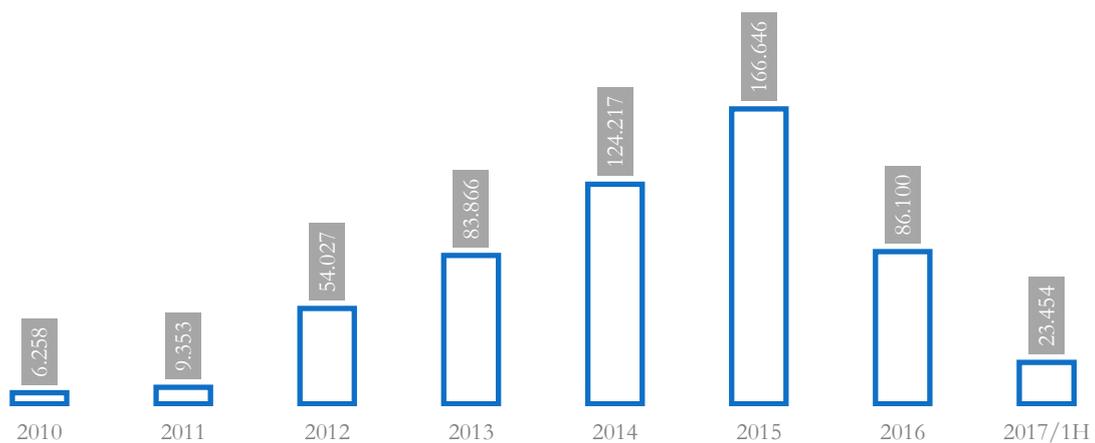
Number of Units Sold to Foreigners



Total Sales Value to Foreigners (1) TL



Squaremeters Sold to Foreigners (2) sqm



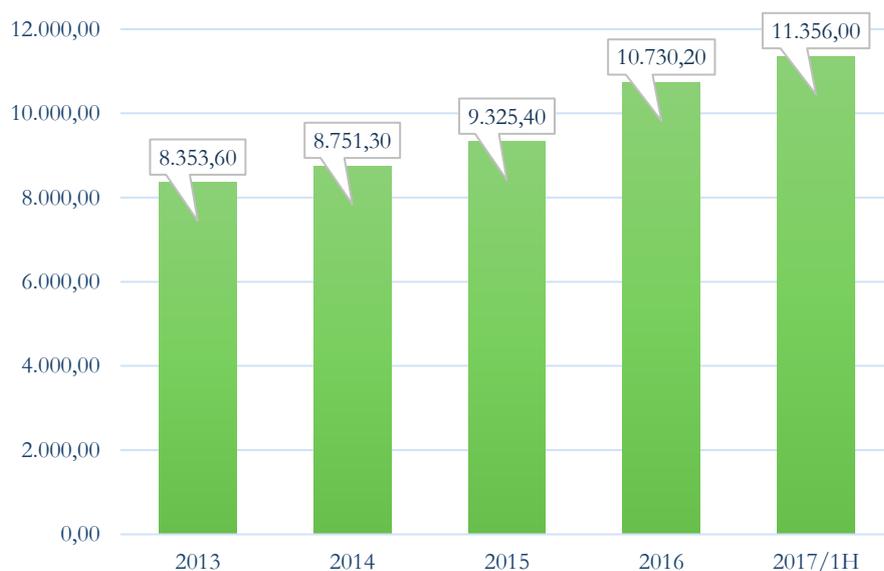
- (3) Excluding VAT
- (4) Squaremeters sold. Add-ons not included.

ABOUT EMLAK KONUT

Summary of Financial Results

Financial Data	2017/1H	2016	2015	2014	2013	2012
Income Statement						
<i>Net Sales</i>	1,367.5	3,455.9	1,786.8	1,804.5	2,331.1	1,004.6
<i>EBITDA</i>	815.5	1,907.5	904.3	749.0	1,004.4	529.8
<i>EBITDA Margin</i>	59.6 %	55.2 %	50.6 %	41.5 %	43.1 %	52.7 %
<i>Profit for The Period</i>	625.8	1,761.3	952.6	954.4	1,060.5	523.4
Balance Sheet						
<i>Total Assets</i>	20,456.9	18,702.4	16,736.0	14,490.6	13,471.0	8,578.9
<i>Our Equity</i>	11,356.0	10,730.2	9,325.4	8,751.3	8,353.6	4,392.3

EQUITY



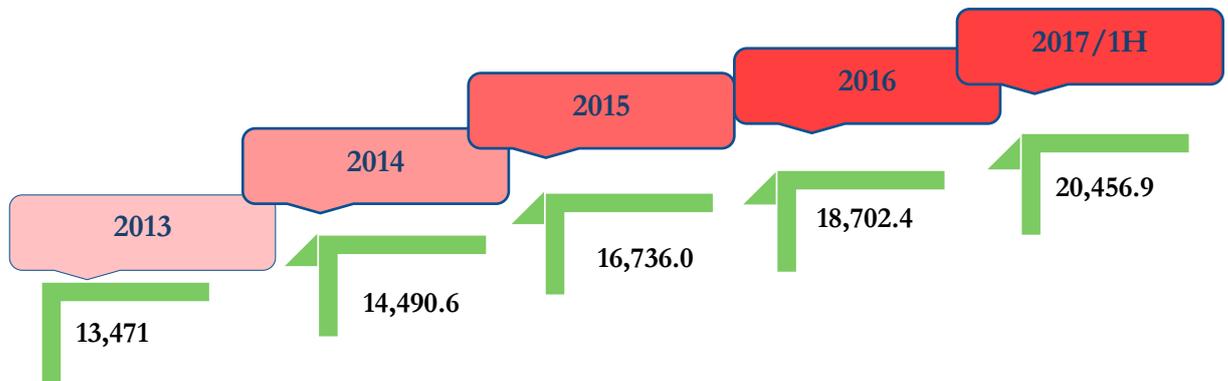
✓ OUR EQUITY

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

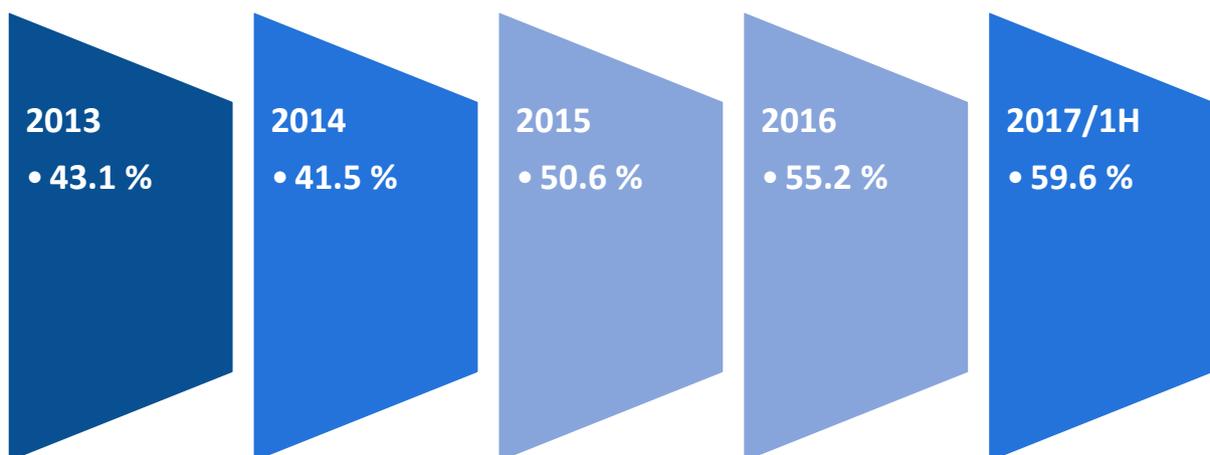
ABOUT EMLAK KONUT

Summary of Financial Results

✓ Total assets has increased year over year.

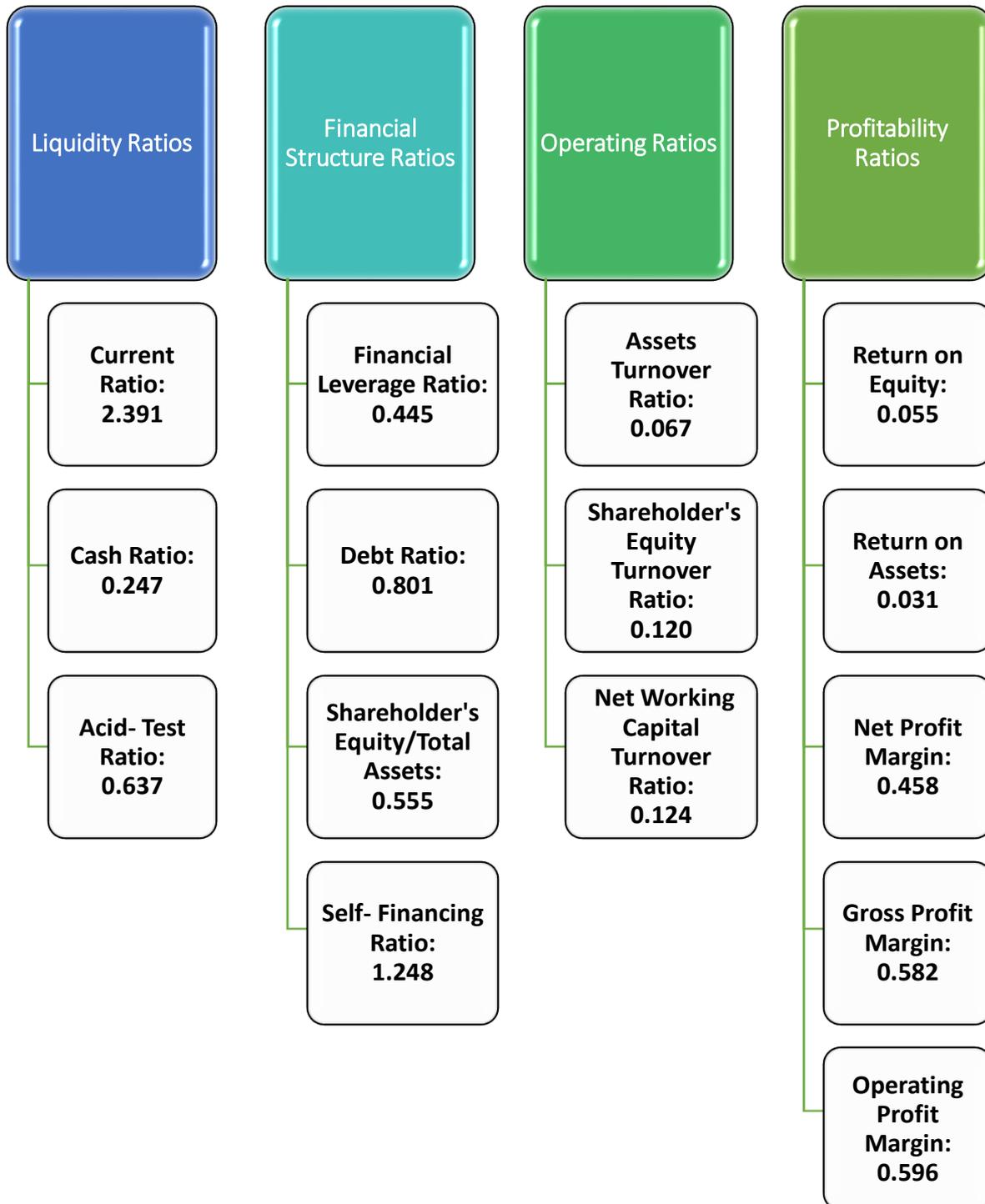


EBITDA MARGIN (EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION)



ABOUT EMLAK KONUT

Financial Results



ABOUT EMLAK KONUT

Summary Table of Significant Figures

30.06.2017 ('000 TL)	
Total Assets	20,456,862
Cost of Land and Residential Unit Inventories	-13,863,424
Cost of Investment Property	-38,199
Liabilities	-9,100,825
Appraisal Value of Land Stock	6,220,993
Appraisal Value of Buildings	1,174,072
Company Share of Total Revenue for RSM	12,923,885
Cost of Purchase + Progress Payments (Turn- Key)	1,746,379
TOTAL	19,519,743

ABOUT EMLAK KONUT

Leased Properties

No	Tenant	Starting Date	Ending Date	Duration	Property Information	Rent Value*
1	TAHİNCİOĞLU GRUBU ORTAK GİRİŞİMİ	01.04.2017	15.07.2017	10 months	İSTANBUL-ATAŞEHİR, 3334 / 8	8.500,00 TL
2	İFM&AKDENİZ İN. İŞ ORTAKLIĞI	01.09.2016	01.09.2017	1 year	İSTANBUL - KADIKÖY, 3317 / 22	12.500,00 TL
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 TL
4	CİHAN İNŞAAT VE KONUT YAPI ADI ORTAKLIĞI	01.10.2016	01.10.2017	1 year	İSTANBUL-BAŞAKŞEHİR, 324 / 2	1.700,00 TL
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 TL
6	TEKDEN FİLM YAPIMI YAY.REK. İNŞ.SAN.TİC. LTD. ŞTİ.	01.04.2017	01.11.2017	7 months	İstanbul-Beykoz 3201	35.000,00 TL
7	YILMAZ İNŞAAT TAH. VE TİC. A.Ş.	01.07.2016	01.07.2018	2 years	İstanbul-Başakşehir 1335/15	6.000,00 TL
8	T.HALK BANKASI			5 years	3331/5 A Block No:1	425.000,00 TL
9	AKSÜS YAPI VE ENTEĞRE ATIK İŞLETMELERİ SANAYİ VE TİC.A.Ş.	08.05.2017	08.05.2017	3 years	İstanbul Ataşehir 3358/2 Parcel	1.000,00 TL
10	KREM TURİZM İNŞ. SAN. VE TİC. LTD. ŞTİ.	10.06.2017	10.06.2019	2 years	Tekirdağ Çerkezköy 1544/1 Parcel	10.000,00 TL



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

ABOUT EMLAK KONUT

Leased Properties (Continued)

No	Tenant	Starting Date	Ending Date	Duration	Property Information	Rent Value*
1	UYUM GIDA İHT. MAD.SAN. VE TİC. A.Ş	01.09.2016	30.08.2017	1 year	C10 Block-122/123	500,00 \$, %5 Turnover Share**
2	ZORLUTEKS TEKSTİL SAN. TİC. A.Ş	15.11.2016	14.11.2017	1 year	C5 Block-118/119/120	2.000,00 \$, / %15 Turnover Share**
3	İBRAHİM ÖZ	01.09.2016	21.08.2017	1 year	C4 Block -119	4.127,00 \$
4	REMAX ABC GM DAN. HİZ. SELAMİ ARPACI	01.09.2016	31.08.2017	1 year	A2 Block-262	5.146,00 \$
5	TİNKON TURİZM KONGRE VE ORG. HİZ. TİC. LTD. ŞTİ.	01.11.2016	31.01.2018	1 year 3 months	A2 Block-260	4.708,33 \$
6	NURAY ÖZKAN	01.09.2016	30.08.2017	1 year	C10 Block-118	5.507,00 \$
7	SELES KURU TEM. TİC. LTD. ŞTİ.	01.10.2016	30.09.2017	1 year	C4 Block-123	5.045,00 \$
8	CAN DOSTLAR KUAFÖR VE GÜZ. SALONLARI İŞLT. LTD. ŞTİ.	01.12.2016	30.11.2017	1 year	C5 Block-123	7.500,00 \$
9	RAHVALI GAYRİMENKUL GELİŞTİRME LTD. ŞTİ.	01.12.2016	30.12.2017	1 year	C3 Block-150	3.206,00 \$
10	EGE TEM. HİZ. VE YÖN. LTD. ŞTİ.	15.12.2016	14.12.2017	1 year	C8 Block-150	4.800,00 \$



* Not included VAT, values are expressed in Turkish Lira and monthly.
*The rent values will be shared with the contractor over the share ratios specified in the contract.
** Turnover share is not included the rent value.

ABOUT EMLAK KONUT

Rented Properties

No	Tenant	Starting Date	Ending Date	Duration	Property Information	Rent Value*
1	EMLAK KONUT GYO A.Ş.	20.10.2016	20.10.2017	1 year	NİĞDE/MERKEZ	2.625,00 TL
2	EMLAK KONUT GYO A.Ş.	01.05.2017	01.05.2018	1 year	ANKARA-ÇANKAYA, 14	5.536,35 TL
3	EMLAK KONUT GYO A.Ş.	01.04.2017	01.04.2020	3 years	NİĞDE/MERKEZ	1.666,66 TL
TOTAL						9.828,01 TL



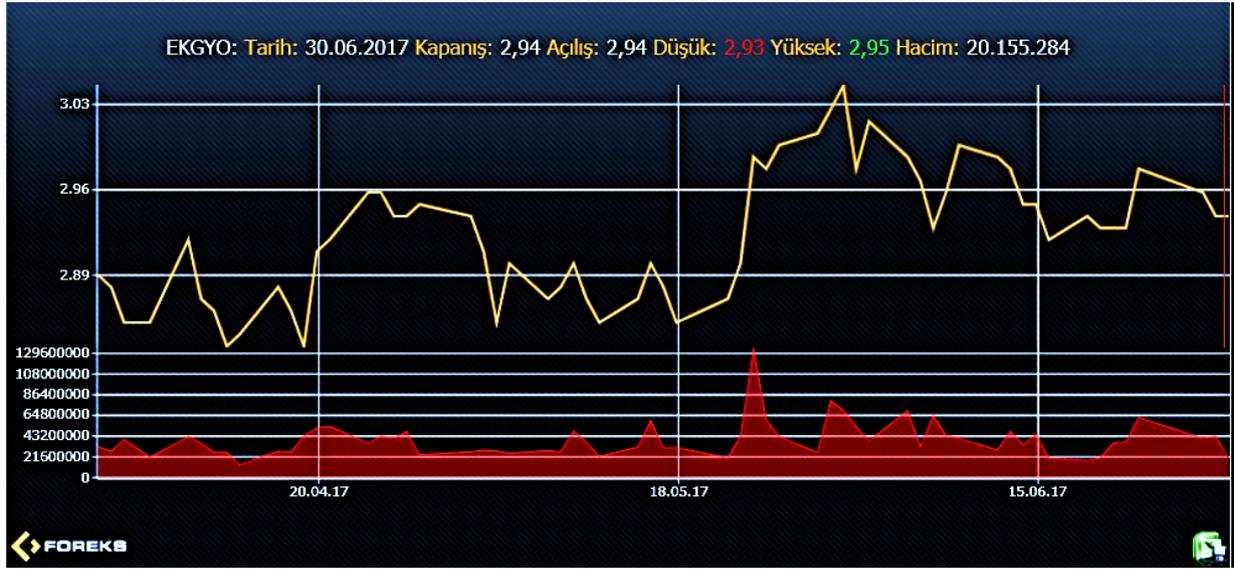
* Not included VAT, values are expressed in Turkish Lira and monthly.

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





ABOUT EMLAK KONUT

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 49 resolutions between April 1, 2017, and June 30, 2017. All the resolutions were passed unanimously and applied.

The Board of Directors adopted 103 resolutions between January 1, 2017, and June 30, 2017. All the resolutions were passed unanimously and applied. The board members are not granted weighted voting rights and/or veto rights.

ABOUT EMLAK KONUT

BOARD OF DIRECTORS (Continued)

Our Board of Directors consists of the following members;

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
SAMI ER	Member	Mechanical Engineer	-	A,B
MEHMET ÖZÇELİK	Member	Civil Engineer	-	A,B
MUHTEREM INCE	Member	Public Administration	Independent	B
HAVVANUR YURTSEVER	Member	Lawyer	Independent	B

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

ABOUT EMLAK KONUT

Access to Insider Information (Continued)

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:

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	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



ABOUT EMLAK KONUT

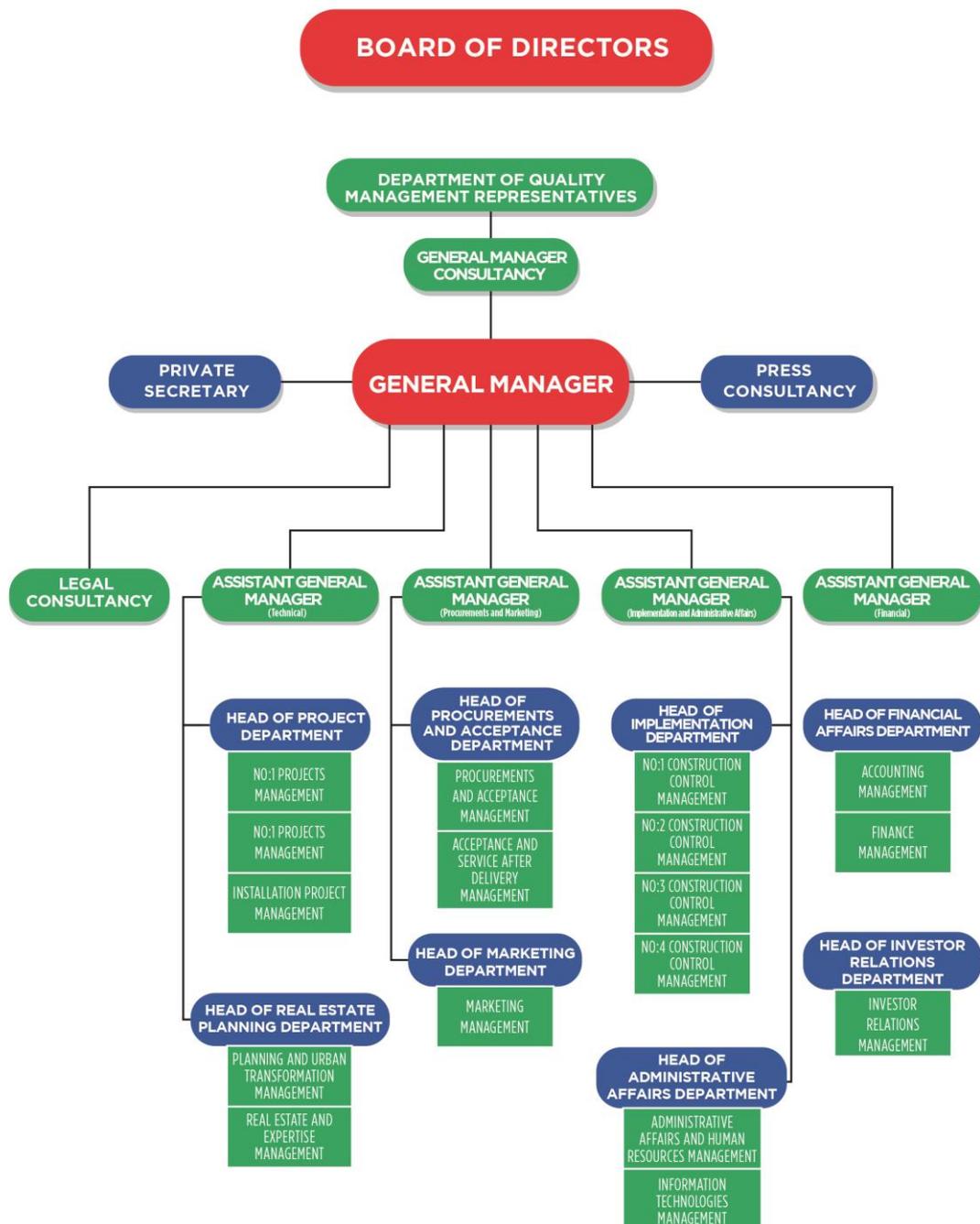
Access to Insider Information (Continued)

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 Çakmak	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	Head of Implementation Department
Halim AtaŐ	Business Administration	Private Secretary
İlyas Fehim Çelik	Architect	Project Manager No.1
YaŐar Altun	Civil Engineer	Project Manager No.2
İbrahim Ofraz	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
Selçuk 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 Çetin	Business Administration	Accounting Manager
Enver Turan	Civil Engineer	Construction Control Manager No.1
Mecit Altıner	Civil Engineer MSc.	Construction Control Manager No.2
Alim Kaplaner	Civil Engineer MSc.	Construction Control Manager No.3
Yasir Yılmaz	Civil Engineer	Construction Control Manager No.4
Ali Haydar Yıldırım	Business Administration	Administrative Affairs, Human Resources Manager
Mustafa Buđa	Business and Finance	Acting Investor Relations Manager
Fatih İbiŐ	Public Relations and Press	Press Advisor
İsmet Kubilay	Lawyer	Legal Advisor
Eyyüp Ocak	Lawyer	Legal Advisor
Rasim Faruk Kadiođlu	Civil Technician	Consultant to the General Manager
Sadık Soylu	High School Graduate	Consultant to the General Manager
Mustafa Bayraktar	Civil Engineer	Consultant to the General Manager
Özlem Hanođlu Çelik	Economics	Consultant to the General Manager
Yasemin Ülkü	Civil Engineer	Consultant to the General Manager

ABOUT EMLAK KONUT

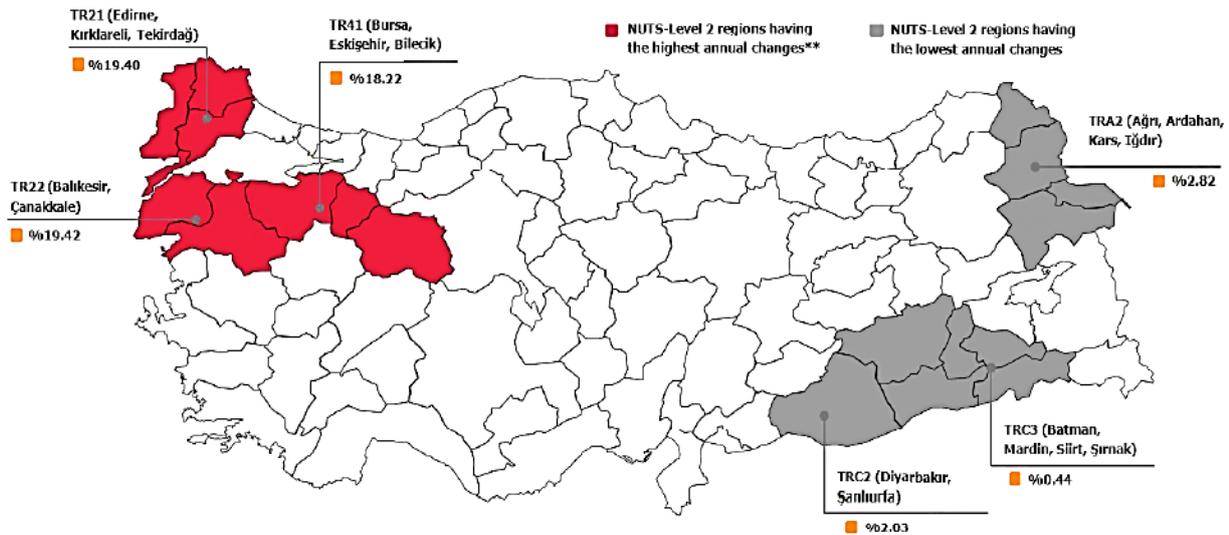
Organization Chart



CONSTRUCTION AND HOUSING SECTOR OUTLOOK

House Price Index (May 2017)

In May 2017, HHPI increased monthly by 1.16 percent and recorded an annual growth of 10.96 percent in nominal and 0.68 percent in real terms.



Hedonic House Price Index

- 205.74
- 10.96 %

House Price Index*

- 238.60
- 12.58 %

Squaremeter Prices (TL/sqm)*

- 2,006.63 TL

New Housing Price Index*

- 226.06
- 11.20 %

Source: CBRT

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

** Nomenclature of Territorial Units for Statistics (NUTS) Level 2 definitions are given in the Methodological Information note.

Figures in parentheses indicate annual percentage changes.

CONSTRUCTION AND HOUSING SECTOR OUTLOOK

House Price Index (May 2017)



İstanbul

Hedonic House Price Index: 262.68 (%9.10)
House Price Index: 294.95 (%10.53)
Square Meter Prices (TL/sqm): 3,739.41 TL
New Housing Pirce Index: 292,16 (%10.93)



Ankara

Hedonic House Price Index: 187.35 (9.24%)
House Price Index: 192.46 (9.19%)
Square Meter Prices (TL/sqm): 1,651.62 TL
New Housing Pirce Index: 210.07 (12.38%)



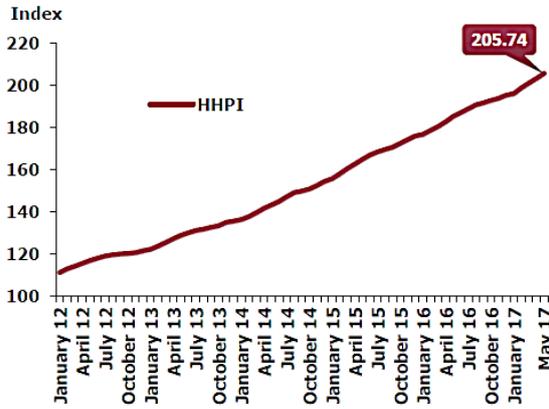
İzmir

Hedonic House Price Index: 224.71 (16.56%)
House Price Index: 246.43 (18.56%)
Square Meter Prices (TL/sqm): 2,404.21 TL
New Housing Pirce Index: 244.97 (15.31%)

Source: CBRT

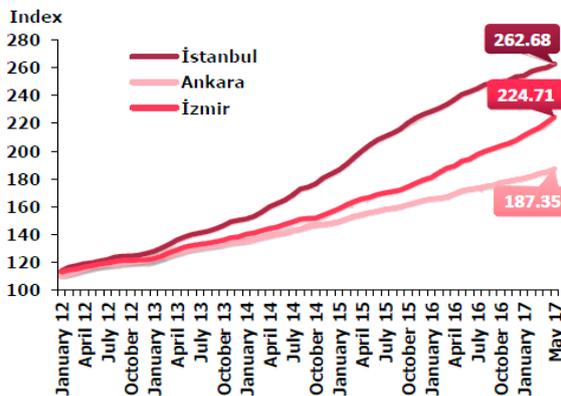
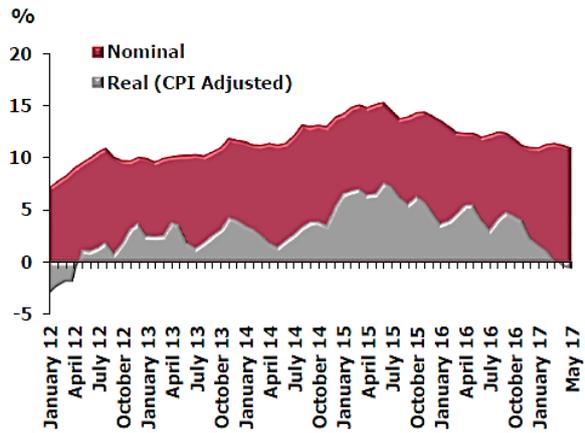
CONSTRUCTION AND HOUSING SECTOR OUTLOOK

House Price Index (May 2017)



The Hedonic House Price Index (HHPI) (2010=100), which measures quality adjusted price changes by controlling the observable characteristics of the houses in Turkey stands at 205.74 in May 2017 by a monthly growth of 1.16 percent.

The HHPI increased annually by 10.96 percent in nominal and by 0.68 percent in real terms.



In May 2017, the HHPI increased monthly by 0.98, 1.22 and 1.90 percent in İstanbul, Ankara and İzmir respectively. These three major cities recorded annual growth of 9.10, 9.24 and 16.56 percent respectively.

Source: CBRT

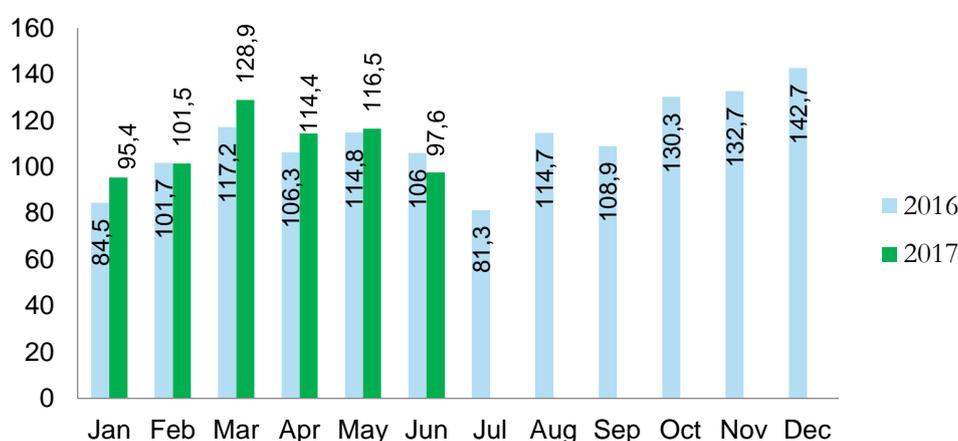
CONSTRUCTION AND HOUSING SECTOR OUTLOOK

House Sales Statistics (June 2017)

In June 2017, 97,579 houses were sold in Turkey.

In Turkey, house sales decreased by 8.1% in June 2017 compared to the same month of the previous year and hence, became 97,579. For the house sales of June 2017, İstanbul had the highest share of house sales with 18.4% and 17,970 sold house. The followers of İstanbul were Ankara with 10,160 house sales and 10.4% and İzmir 6,034 house sales and 6.2%. The least house sold provinces were Hakkari with 2 house sales, Ardahan with 20 house sales, Bayburt with 31 house sales.

Number of House Sales, 2016-2017 (Thousands Units)



In June 2017, 35,210 ownership of the houses changed by mortgage sales.

The mortgaged house sales throughout Turkey became 35,210 by decreasing 3.2% compared to the same month of the previous year. House sales with mortgage had a 36.1% share of all house sales in Turkey. Most of house sales with mortgage was in İstanbul with 6,963 sales. İstanbul was the first province in Turkey ranking that has most house sales with mortgage share with 19.8%. Mortgaged house sales had the highest share in Artvin with 56.1% of all house sales.

Ownership of 62,369 houses changed by other sales.

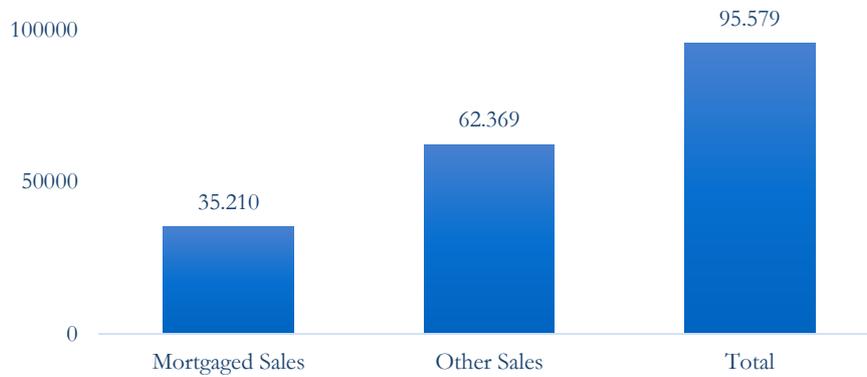
Other house sales in Turkey became 62,369 by decreasing 10.7% compared to the same month of the previous year. In the other sales, İstanbul was the first province with 11,007 sales and 17.6% share. Other house sales had 61.3% share of all house sales in İstanbul. Ankara was the second province with 5,981 sales. Ankara was followed by İzmir with 3,684 sales. The least other house sales was realized in Hakkari with 1 house sales.

Source: TurkStat

CONSTRUCTION AND HOUSING SECTOR OUTLOOK

House Sales Statistics (June 2017)

House Sales by Type of Sales, June 2017



House Sales by State of Sales, June 2017



In house sales, 45,433 of houses were sold for the first time.

First house sales in Turkey became 45,433 by decreasing 7.9% compared to the same month of the previous year. First house sales had 46.6% share of all house sales in Turkey. The most first house sales was in İstanbul with 8,656 sales. İstanbul was the first province in Turkey ranking that had most first house sales share with 19.1%. The followers of İstanbul were Ankara with 3,585 house sales and İzmir with 2,341 house sales.

Source: TurkStat

CONSTRUCTION AND HOUSING SECTOR OUTLOOK

House Sales Statistics (June 2017)

Ownership of 52,146 houses changed by second hand sales.

Second hand house sales in Turkey became 52,146 by decreasing 8.2% compared to the same month of the previous year. In the second hand sales, İstanbul was the first province again with 9,314 sales and 17.9% share. Share of the second hand sales was 51.8% in İstanbul in total house sales. Ankara was the second province with 6,575 sales and Ankara was followed by İzmir with 3,693 sales.

In June 2017, 1,926 houses were sold to foreigners.

In house sales to foreigners became 1,926 by increasing 24.8% compared to the same month of the previous year. İstanbul was the first province with 903 sales in June 2017. The followers of İstanbul were Antalya with 408 house sales, Bursa with 93 house sales, Aydın with 77 house sales, Ankara with 68 house sales and Muğla with 60 house sales.

Most house sales were made to Saudi Arabian citizens according to country nationalities.

Saudi Arabian citizens bought 612 houses from Turkey in June. The followers of Saudi Arabia were Iraq with 239 house sales, Kuwait with 136 house sales, Russia with 115 house sales and United Kingdom with 87 house sales.

Source: TurkStat

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

MASLAK 1453 PROJECT

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

The case was brought against the Ministry of Environment and Urbanization and the Housing Development Administration at the Chamber No. 6 of the Council of State with the file No. 2012/4412 for the stay of execution and cancellation of the Revision Master Zoning Plan (scale: 1: 1,500 and Revision Application Zoning Plan (scale: 1: 1,000) (both dated: 16.09.2011 and No. 103140) for the Slum Prevention Zone in Ayazağa, Şişli. Our company joined the case as an intervenor together with the defendant institutions. The court rendered a stay of execution judgment and rejected the objection to the judgment of the stay of execution. The expert report based on the examination 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. Our company made necessary objections to the report.

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 stay of execution and cancellation of the construction and renovation licenses and the said licenses themselves granted for the Section No. 2, Block No. 1, and Parcel No. 20, 49, and 50 (previously Block No. 1 and Parcel No. 145 and after the zoning application Block No. 10622 and Parcel No. 1) in Ayazağa Slum Prevention Zone, Şişli District, Istanbul. Our company joined the case as an intervenor together with the defendant institutions. The court rejected the request for the stay of execution, and the plaintiff's objection to the dismissal of the request for the stay of execution was rejected by Istanbul Regional Administrative Court.

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 Urbanization for the stay of execution and cancellation of the Environmental Plan Amendment (scale: 1:100,000), Master Zoning Plan Amendment (scale:

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

MASLAK 1453 PROJECT (Continued)

1:1,000) approved by the Ministry of Environment and Urbanization ex officio on 19.01.2016 for the Ayazağa Shanty Prevention Area within Sarıyer District, Istanbul. The court decided to reject the request for the stay of execution. Our company joined the case as an intervenor together with the defendant institutions.

ZEKERİYAKÖY PROJECT

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

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

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

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

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

The case was brought against the Housing Development Administration (TOKİ), Ministry of National Defense, Ministry of Finance at the Istanbul Administrative Court No. 3 with the file No. 2014/268 E. for the stay of execution and cancellation of the transaction for the transfer of

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

ZEKERİYAKÖY PROJECT (Continued)

34 immovables allocated to the Ministry of National Defense in Zekeriyaköy Neighborhood, Sarıyer District, Istanbul, to Housing Development Administration (TOKİ) as well as the Ministry of Finance's transaction for the transfer of these immovables to TOKİ. Our company joined the case as an intervenor together with the defendant institutions.

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

KUASAR PROJECT

1-) Serdar Bayraktar et al.,

The case was brought at the Istanbul Administrative Court No. 5 with the file No. 2014/260 E. for the stay of execution and cancellation of the Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan Amendment (scale: 1:1,000) (both dated: 19.06.2013 and No. 6186) regarding the immovable in Section No. 58, Block No. 1199, and Parcel No. 230, Dikilitaş Neighborhood, Şişli District. Our company joined the case as an intervenor together with the defendant institutions. The court accepted the case and decided to 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 stay of execution and cancellation of the Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan Amendment (scale: 1:1,000) (both dated: 19.06.2013 and No. 6186) regarding the immovable in Section No. 58, Block No. 1199, and Parcel No. 230, Dikilitaş Neighborhood, Şişli District. Our company joined the case as an intervenor together with the defendant institutions. The court accepted the case and decided to annul the plan in dispute. An appeal was made against the judgment for the stay of execution and the parties wait for the result.

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

İSTANBUL KAPADIK AREA

1-) Avcılar Municipality Mayorship

The case was brought against the Ministry of Environment and Urbanization at the Chamber No. 6 of the Council of State with the file No. 2013/6332 E. for the stay of execution and cancellation of the Master Zoning Plan Revision (scale: 1:5,000) and the Application Zoning Plan Revision (scale: 1:1,000) approved by the Ministry of Environment and Urbanization (dated: 01.04.2013, No. 4989) for Kapadık Area, Yeşilkent Neighborhood, Avcılar District, Istanbul. Our company joined the case as an intervenor together with the defendant institutions. The court accepted the case and decided to annul the transaction in dispute on 22.03.2017. The parties wait for the result of the appellate review.

2-) Avcılar Municipality Mayorship

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

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

The case was brought against the Ministry of Environment and Urbanization at the Istanbul Administrative Court No. 11 with the file No. 2016/1665 E. for the stay of execution and cancellation of the execution of the Ministry of Environment and Urbanization procedure No. 8199, dated 17.05.2016 for the approval of the Master Zoning Plan Amendment (scale: 1: 5,000) and Application Zoning Plan Amendment (scale: 1:5,000) regarding the immovable with the former Parcel No. 557 in Kapadık Neighborhood, Avcılar District, Istanbul. On 10.05.2017, the court decided to reject the request for the stay of execution.

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

İSTANBUL KAYABAŞI

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

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

İSTANBUL ZEYTİNBURNU

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

The case was brought against the Ministry of Environment and Urbanization at the Istanbul Administrative Court No. 5 with the file No. 2014/561 E. for the stay of execution and cancellation of the Master Zoning Plan (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) (dated: 19.11.2013, No. 17978) for Block No. 774 and Parcel No. 6 and 31 in Kazlıçeşme Neighborhood, Zeytinburnu District, Istanbul. Our company joined the case as an intervenor together with the defendant institution. The court decided to annul the disputed process. Our company made a request for appeal. On 24.04.2017, the Chamber No. 4 of the Istanbul Regional Administrative Court examining the appeal request requested the conduct of a discovery and expert examination and decided for the stay of execution until the submission of the expert report.

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

The case was brought against the Ministry of Environment and Urbanization at the Istanbul Administrative Court No. 5 with the file No. 2014/1641 E. for the stay of execution and cancellation of the Master Zoning Plan (scale: 1:5,000) and Application Zoning Plan Amendment (scale: 1:1,000) (dated: 19.11.2013 and No. 17978) for Block No. 774 and Parcel

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

İSTANBUL ZEYTİNBURNU (Continued)

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 Urbanization with the office consent (dated: 20.03.2014, No. 4446). Our company joined the case as an intervenor together with the defendant institution. The court decided to annul the disputed process. Our company made a request for appeal. On 24.04.2017, the Chamber No. 4 of the Istanbul Regional Administrative Court examining the appeal request requested the conduct of a discovery and expert examination and decided for the stay of execution until the submission of the expert report.

KARTAL PROJECT

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

The case was brought against the Ministry of Environment and Urbanization at the Istanbul Administrative Court No. 9 with the file No. 2013/2105 E. for the stay of execution and subsequent cancellation of the approval (dated: 05.11.2012 and No. 16997) of the master zoning plan (scale: 1:5,000) and application zoning plan (scale: 1:1,000) conducted for the plan notes and immediate environs of Block No. 674 and Parcel No. 1, 4, 5, 6; Block No. 675 and Parcel No. 1, 2, 3; Block No. 676 and Parcel No. 108; Block No. 720 and Parcel No. 2, 4, 8, 19, 34 within Kartal District. Our company joined the case as an intervenor together with the defendant institution. On 27.04.2015, the court decided to dismiss the case, 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 Urbanization at the Istanbul Administrative Court No. 1 with the file No. 2013/685 E. for the stay of execution and subsequent cancellation of the approval (dated: 05.11.2012 and No. 16997) of the master zoning plan (scale: 1:5,000) and application zoning plan (scale: 1:1,000) conducted for the plan notes and immediate environs of Block No. 674 and Parcel No. 1, 4, 5, 6; Block No. 675 and Parcel No. 1, 2, 3; Block No. 676 and Parcel No. 108; Block No. 720 and Parcel No. 2, 4, 8, 19, 34 within Kartal District. Our company joined the case as an intervenor together with the defendant institution. On 16.04.2015, the court decided to dismiss the case, and the parties wait for the result of the plaintiff's appeal.

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

FINANCIAL CENTER PROJECT

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

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

2-) UCTEA, Chamber of Architects

The case was brought against the Ministry of Environment and Urbanization at the Istanbul Administrative Court No. 8 with the file No. 2012/1672 E. for the stay of execution and subsequent cancellation of the Istanbul Financial Center Master Zoning Plan (scale: 1:5,000) and Istanbul Financial Center Application Zoning Plan (scale: 1:1,000) for the region known as Istanbul Financial Center within Ümraniye and Ataşehir districts. Our company joined the case as an intervenor together with the defendant institution. The court decided to refer the file ruling that it was related to the file no. 2013/621 E. of the Administrative Court No. 7 and the file docket was closed. The file was received by the Istanbul Administrative Court No. 7 as 2014/1102 E. The court ruled, with its interim decision, that its file No. 2013/621 E. should function as a waiting matter for this file.

3-) UCTEA, Chamber of Architects

The case was brought against the Housing Development Administration and Istanbul Metropolitan Municipality Mayorship at the Istanbul Administrative Court No. 1 with the file No. 2013/1927 E. for the cancellation of the “Ataşehir Mass Housing Development Area Revision Master Zoning Plan Amendment” (scale: 1:5,000) prepared by the Housing Development

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

FINANCIAL CENTER PROJECT (Continued)

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

İSTİNYE PROJECT

1-) Sarıyer Municipality Mayorship

The plaintiff, Sarıyer Municipality Mayorship, brought the case to the Civil Court of First Instance No. 12 with the file No. 2015/73 for the stay of execution and cancellation of the tender to be carried out on 03.03.2015 with the Land Sale-based Revenue Sharing method for the immovables owned by our company within Block No. 380 and Parcel No. 17, 17.18 and 38; Block No. 360 and Parcel No. 3 and 64; Block No. 1352 and Parcel No. 3 within İstinye Neighborhood, Sarıyer, Istanbul. On 02.03.2015, the court made the judgment No. 2015/79 K. to dismiss the case on the grounds of authorization. Our company made an appeal against the judgment together with the plaintiff. The Court of Cassation decided that the Court of First Instance was authorized as a result of its the appellate review.

FATİH YEDİKULE

1-) Hikmet Öz and et al.

The plaintiff, Hikmet Öz et al. brought the case against Istanbul Metropolitan Municipality Mayorship, Ministry of Culture and Tourism, and Fatih Municipality Mayorship at the Istanbul Administrative Court No. 2 with the file No. 2013/347 E. for the stay of execution and cancellation of the protective Application Plan and plan provisions (scale: 1:1,000) for Historic Peninsula's Urban History, Urban Archaeological, 1st Degree Archaeological Area (Turkish State Railways, TCDD Workshops and Yedikule Gashouse), accepted with the Fatih Municipality

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

FATİH YEDİKULE (Continued)

Council's decision (dated: 09.05.2012 and No. 2012/44) and approved by the Istanbul Metropolitan Municipality Mayorship on 04.10.2012. On 10.10.2016, the court ruled that a decision cannot be given with the disputed zoning plan related to Topkapı İETT Terminal area and Sirkeci Train Station area and decided to reject the case with respect to the other aspects of the plan. The plaintiff made a request for appeal. On 15.05.2017, the Chamber No. 4 of the Istanbul Regional Administrative Court made a judgment for the partial acceptance and dismissal of the appeal request.

MÜHYE LAND

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

The case was brought against the Ministry of Environment and Urbanization and Prime Ministry Housing Development Administration (TOKİ) for the stay of execution and cancellation of the Başkent Ankara Master Zoning Plan Amendment (scale: 1:25,000), Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) (dated: 27.02.2015, No. 3341) for the Parcel No. 2 of the Block No. 644, 831, 919, 920, 921, 3189, 3198, 3320, 3321 and 28060 within Mühye Neighborhood, Çankaya District, Ankara. The trial took place with the file No. 2015/2968 E. of the Ankara Administrative Court No. 5. The court decided to cancel the transaction, and our company appealed the verdict. Our company waits for the result of its appeal.

2-) UCTEA, Chamber of Architects, Ankara Branch

The case was brought against the Ministry of Environment and Urbanization and the Housing Development Administration at the Ankara Administrative Court No. 4 with the file No. 2015/1482 E. for the stay of execution and cancellation of the Başkent Ankara Master Zoning Plan Amendment (scale: 1:25,000), Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) (dated: 27.02.2015, No. 3341) for the Parcel No. 2 of the Block No. 644, 831, 919, 920, 921, 3189, 3198, 3320, 3321 and 28060 within Mühye Neighborhood, Çankaya District, Ankara. The trial took place with the file No. 2015/3052 E. of the Ankara Administrative Court No. 5. The court decided to cancel the transaction, and our company appealed the verdict. The parties wait for the result of the appellate review.

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

MÜHYE LAND (Continued)

3-) Çankaya Municipality Mayorship

The case was brought against the Ministry of Environment and Urbanization and Prime Ministry Housing Development Administration (TOKİ) for the stay of execution and cancellation of the Başkent Ankara Master Zoning Plan Amendment (scale: 1:25,000), Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) (dated: 27.02.2015, No. 3341) for the Parcel No. 2 of the Block No. 644, 831, 919, 920, 921, 3189, 3198, 3320, 3321 and 28060 within Mühye Neighborhood, Çankaya District, Ankara. Our company intervened in the case. The trial continued with the file No. 2015/2940 E. of the Ankara Administrative Court No. 5. On 04.05.2017, the court decided to cancel the transaction in dispute. Our company made a request for appeal, and it waits for the outcome.

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

The case was brought against the Ministry of Environment and Urbanization and the Housing Development Administration at the Ankara Administrative Court No. 5 with the file No. 2015/1521 E. for the stay of execution and cancellation of the Başkent Ankara Master Zoning Plan Amendment (scale: 1:25,000), Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) (dated: 27.02.2015, No. 3341) for the Parcel No. 2 of the Block No. 644, 831, 919, 920, 921, 3189, 3198, 3320, 3321 and 28060 within Mühye Neighborhood, Çankaya District, Ankara. Our company intervened in the case. The court decided to annul the transaction in dispute on 11.05.2017. The parties wait for the result of the appellate review.

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

The case was brought against the Republic of Turkey Prime Ministry Housing Development Administration at the Ankara Administrative Court No. 2 with the file No. 2016/5040 E. for the stay of execution and cancellation of the Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Housing Development Administration with the office consent (dated: 01.09.2016, No. 3996) for the Slum Prevention Zone in Mühye Neighborhood, Çankaya District, Ankara. On 17.02.2017, our company submitted a request to join the case as an intervenor together with the defendant institution.

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

MÜHYE LAND (Continued)

6-) UCTEA, Chamber of Architects, Ankara Branch

The case was brought against the Republic of Turkey Prime Ministry Housing Development Administration at the Ankara Administrative Court No. 17 with the file No. 2016/5166 E. for the stay of execution and cancellation of the Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Housing Development Administration with the office consent (dated: 01.09.2016, No. 3996) for the Slum Prevention Zone in Mühye Neighborhood, Çankaya District, Ankara. On 17.02.2017, our company submitted a request to join the case as an intervenor together with the defendant institution. The court ruled for a discovery and expert examination, and the parties currently wait for the examination day.

7-) Gazi Sönmez

The case was brought against the Governorship of Ankara at the Istanbul Administrative Court No. 5 with the file No. 2017/550 E. regarding the “Emlak Konut Mühye Mass Housing Project” planned to be constructed within Block No. 29396, Parcel No. 3, Block No. 29397 and Parcel No. 3, Block No. 29397 and Parcel No. 4 within Mühye Neighborhood, Çankaya district, Ankara. The plaintiff requested the stay of execution and cancellation of the decision “No Environmental Impact Assessment is required” given by the Ministry of Environment and Urbanization on 24.11.2016. On 18.05.2017, our company submitted a request to join the case as an intervenor together with the defendant institution.

ÇAYYOLU LAND

1-) TMMOB Mimarlar Odası Ankara Şubesi

The case was brought against the Ministry of Environment at the Ankara Administrative Court No. 10 with the file No. 2015/1987 E. for the stay of execution and cancellation of the Başkent Ankara Master Zoning Plan Amendment (scale: 1:25,000) Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Ministry of Environment and Urbanization ex officio on 21.05.2015 for the Parcel No. 953 within Çayyolu

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

ÇAYYOLU LAND (Continued)

Neighborhood, Çankaya District, Ankara. Our company intervened in the case. The court decided to dismiss the case on 25.03.2016, and the parties wait for the review of the plaintiff's appeal.

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

The case was brought against the Ministry of Environment at the Ankara Administrative Court No. 16 with the file No. 2015/2300 E. for the stay of execution and cancellation of the Başkent Ankara Master Zoning Plan Amendment (scale: 1:25,000) Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Ministry of Environment and Urbanization ex officio on 21.05.2015 for the Parcel 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 discovery and expert examination 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 stay of execution after the conduct of an additional expert examination and the submission of the additional expert report to the court. On 19.01.2017, the court decided to reject the request for the stay of execution. In the meantime, our company made an objection to the unfavorable parts of the expert report submitted in the file. The plaintiff objected to the decision of refusal regarding the request for the stay of execution. On 06.03.2017, the Chamber No. 5 of the Regional Administrative Court decided to accept the objection partially, partially remove the decision to refuse the stay of execution. In addition, the court gave a stay of execution decision regarding the part "The floor area ratio shall be given based on cadastral 953" of the Plan note no. 10 of the Application Zoning Plan.

3-) Ela Betül Termeli

The case was brought against Ankara Metropolitan Municipality Mayorship and the Ministry of Environment and Urbanization at the Istanbul Administrative Court No. 17 with the file No. 2016/4065 E. for the cancellation of the zoning plan amendments approved by the Ministry of Environment and Urbanization on 21.05.2015 ex officio regarding the Parcel No. 1 within the

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

ÇAYYOLU LAND (Continued)

Block No. 29622 and Parcel No. 1, 2, 3, and 4 (953) within the Block No. 29479 in Çayyolu Neighborhood, Çankaya District, Ankara as well as the stay of execution of the related construction building permit. Our company submitted a request to intervene. On 19.01.2017, the court decided to reject the request for the stay of execution. Upon the plaintiff's objection, the Chamber No. 5 of the Ankara Regional Administrative Court decided, on 06.03.2017, to accept the objection partially and remove partially the decision to refuse the stay of execution. In addition, the court gave a stay of execution decision regarding the part "The floor area ratio shall be given based on cadastral 953" of the Plan note no. 10 of the Application Zoning Plan.

ALİBEYKÖY

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

The case was brought against the Ministry of Environment at the Istanbul Administrative Court No. 5 with the file No. 2015/2131 E. for the stay of execution and cancellation of the Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan Amendment (scale: 1:1,000) approved by the Ministry of Environment and Urbanization on 08.09.2015 ex officio for the Block No. 859 and Parcel No. 6 (Block 2, Plot 6 in the new records) within Osmanpaşa Area, Alibeyköy Neighborhood, Eyüp District, Istanbul. Our company intervened in the case. Our company made an objection to the unfavorable aspects of the relevant report examined by an expert.

MALTEPE KÜÇÜKYALI PROJECT

1-) Maltepe Municipality Mayorship

The case was brought by Maltepe Municipality Mayorship against the Ministry of Environment and Urbanization and the Housing Development Administration at the Istanbul Administrative Court No. 10 with the file No. 2016/1529 E. for the stay of execution and cancellation of the Master Zoning Plan (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) regarding the Parcel No. 2 and 3 within Block No. 1396, and various plots within Block No. 2775 and 1586

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

MALTEPE KÜÇÜKYALI PROJECT (Continued)

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 Tahinciođlu-Küçükaly Joint Venture requested to participate in the case together with the defendant institutions, and the court accepted this request for intervention. In accordance with the decision of the Chamber No. 10 of the Istanbul Regional Administrative Court on 24.05.2017, the file was sent to the Administrative Court No. 4. due to its relation. The file was registered to Istanbul Administrative Court No. 4 with the docket No. 2017/1137. This court decided to reject the request for the stay of execution.

2-) Özgür AYDIN – Hakkı SAĐLAM

The case was brought by plaintiffs Özgür Aydın and Hakkı Sađlam against the Ministry of Environment and Urbanization and the Housing Development Administration at the Istanbul Administrative Court No. 10 with the file No. 2016/1478 E. for the stay of execution and cancellation of the Master Zoning Plan (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) regarding the Parcel No. 2 and 3 within Block No. 1396, and various 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 Tahinciođlu-Küçükaly Joint Venture requested to participate in the case together with the defendant institutions, and the court accepted this request for intervention. In accordance with the decision of the Chamber No. 10 of the Istanbul Regional Administrative Court on 24.05.2017, the file was sent to the Administrative Court No. 4. due to its relation. The file was registered to Istanbul Administrative Court No. 4 with the docket No. 2017/1138. This court decided to reject the request for the stay of execution.

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 Urbanization and at the Istanbul Administrative Court No. 13 with the file No. 2016/1065 E. for the stay of execution and cancellation of the Master Zoning Plan (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) regarding the Parcel No. 2 and 3 within Block No. 1396,

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

MALTEPE KÜÇÜKYALI PROJECT (Continued)

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 Bařbüyük neighborhoods, Maltepe District, Istanbul. UCTEA Chamber of Architects requested to participate in the case together with plaintiff while our company and the contractor Tahinciođlu-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 stay of the execution, and the trial continues.

ANKARA YENİMAHALLE İSTASYON REVENUE SHARING MODEL PROJECT IN RETURN FOR THE LAND SALE

1-) UCTEA, Chamber of Architects, Ankara Branch

The case was brought by the Ankara branch of the UCTEA Chamber of City Planners against the Ministry of Environment and Urbanization and at the Istanbul Administrative Court No. 13 with the file No. 2017/501 E. regarding the “Revenue Sharing Based on Land Sales in İstasyon, Yenimahalle, Ankara” project planned in Block No. 63865, Parcel No. 2 within Emniyet Neighborhood, Yenimahalle district, Ankara. The plaintiff requested the stay of execution and cancellation of the decision “Environmental Impact Assessment is favorable” given by the Ministry of Environment and Urbanization on 21.12.2016. Our company submitted a request with the petition dated 15.05.2017 to join the case as an intervenor together with the Ministry of Environment and Urbanization. On 22.06.2017, the court decided to notify the parties of the intervention request, and the proceedings continue.

MISCELLANEOUS DEVELOPMENTS

Administration and Judicial Sanction

No administrative or judicial sanctions were imposed on the members of the company's management body due to actions against the legislative provisions.

Share Buyback Program

The company did not buy back any shares between 01.01.2017 and 30.06.2017.

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

R&D Activities

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

Housing Acquisition Aid (HAA)

Between 01.01.2017 and 31.03.2017, the company received one written request regarding the transfer of closed shares from the Housing Acquisition Support (KEY) beneficiaries' accounts to the relevant investment account. Beneficiaries' requests were processed, and KEY-equivalent shares were transferred into their accounts. The total transfer amount (share amount) stood at 2,228.31.

The Company did not receive any requests or petitions regarding the KEY transfers between 01.04.2017 and 30.06.2017.

Donations

The Company donated an amount of 806,000.00 Turkish lira to several institutions and organizations between 01.04.2017- 30.06.2017.

SIGNIFICANT DEVELOPMENTS WITHIN THE PERIOD

About Credit Rating

Fitch Ratings, a credit rating agency, determined our company's long-term credit rating as BB+, and its outlook as stable.

About the Company's Discount Campaign

Our company launched a discount campaign for the buyers who purchased units before 01.02.2017 from the company's specific projects and continued their installment payments.

It published the detailed information on the campaign (valid between April 1, 2017, and June 9, 2017) on the company's official website.

The main campaign highlights are as follows.

Based on the current debt amount:

20 percent discount if 100 percent is paid,

15 percent discount if 75 percent is paid,

10 percent discount if 50 percent is paid,

5 percent discount if 25 percent is paid.

About Credit Rating

The credit rating agency Fitch Ratings set our company's local currency denominated long term credit rating as BB+ and its National Rating as AA (tur). Also, the outlook was announced as "stable."

Fitch Ratings determined our company's long-term credit rating as BB+ on April 3, 2017.

SIGNIFICANT DEVELOPMENTS WITHIN THE PERIOD

The Candidates of the Independent Board Members

At the Ordinary General Assembly of our Company held on April 26, 2017, Ertan Keleş, Muhterem İnce and Havvanur Yurtsever were nominated as independent board members by the Board of Directors in alignment with the Nomination Committee's decision.

Regarding the Board Committees

The Board of Directors elected at the Ordinary General Assembly on 26.04.2017 held its first meeting on 26.04.2017 and decided to make the following disclosure a result of the negotiations and voting:

The election of Ertan Yetim as the Chairman of the Board of Directors; Independent Board Member Ertan Keleş as the Vice Chairman of the Board. Also, Murat Kurum, Muhterem İnce, Sami Er, Mehmet Özçelik and Havvanur Yurtsever were elected as members of the Board of Directors.

Based on the decision, the following persons were selected for the created committees:

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

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

The announcement of the members of the Corporate Governance Committee, Audit Committee, Early Risk Detection and Risk Management Committee on PDP and our corporate website.

About Borrowing

The Company used 750,000,000 Turkish lira credit/financing support from various banks under the following conditions:

with no principal payment for one year but with a payback period of four years, quarterly principal interest/annuity payment throughout the first year, and quarterly principal+interest/annuity payment after one year.

SIGNIFICANT DEVELOPMENTS WITHIN THE PERIOD

Regarding the Right to Distribute Dividends

Net profit for the period appears as 1,761,276,000 Turkish lira in our financial statements prepared in accordance with the Capital Markets Board regulations. It stands at 1,761,040,180 Turkish lira in our financial statements prepared under the provisions of the Tax Procedure Law.

The Board of Directors decided to put to the vote non-payment of dividends from the following profit but rather its allocation as excess reserve: a net profit of 1,673,223,990.98 Turkish lira remaining from 1,761,276,000.00 Turkish lira after the allocation of Type-1 Legal Reserve of 88,052,009,02 Turkish lira pursuant to the Turkish Commercial Code in consideration of the payment for land investments in 2016 and planned land purchases in 2017.

The dividend payout table is presented to the stakeholders in the appendix section (Annex-8).

About the General Assembly

The Company's 2016 Ordinary General Assembly was held at 10.00 on April 26, 2017, at Mor Smbl Sokak No:7/2 B, Barbaros Mahallesi, Ataehir, Istanbul.

We presented all the stakeholders with the Ordinary General Assembly items, Invitation to the General Assembly, Proxy Form, 2016 Dividend Payout Table, Information Document, Meeting minutes, List of Participants through the Public Disclosure Platform.

The General Assembly's meeting minutes were presented to all stakeholders in the appendix section (Annex-9).

About the Registration of the General Assembly

The Ordinary General Assembly took place on Wednesday, April 26, 2017, at the Company Head Office. And it was registered on 28.04.2017.

SIGNIFICANT DEVELOPMENTS WITHIN THE PERIOD

Regarding the Land Purchase from TOKİ

On 30.05.2017, our company signed a protocol with the Republic of Turkey Prime Ministry Housing Development Administration (TOKİ) purchasing the following seven lands with an area of 381,172.34 square meters at 1,012,000,473.50 Turkish lira.

- o 81,328 square meter land within Florya, Bakırköy district, Istanbul (422,905,600 Turkish lira)
- o 20,396.7 square meter land within Kayabaşı, Başakşehir district, Istanbul (57,000,000 Turkish lira)
- o 187,750 square meter land within Taşdelen, Çekmeköy district, Istanbul (247,830,000 Turkish lira)
- o Three lands with a size of 51,697.64 square meters within Yeni, Canik district, Samsun (94,264,873.50 Turkish lira)
- o 40,000.00 square meter land within Bahçelievler, Muratpaşa district, Antalya (190,000,000 Turkish)

500,000,000 Turkish lira of the purchase price will be paid on 29.09.2017, whereas 450,012,596.04 Turkish lira will be paid on 29.06.2018. 61,987,877.46 Turkish lira will be deducted from the transaction due to the return of the land previously purchased from TOKİ in Osmangazi district, Bursa.

The Results of the First Half of 2017 Tenders and Year-End Expectations

Upon the completion of the tender process based on revenue sharing model for five projects with a total size of 1,3 million square meters, our company reached a total target sales revenue of 9 billion Turkish lira in these projects.

We anticipate that the current total revenue of the projects will reach 15 billion Turkish lira as a result of the tender to be realized until the end of the year thanks to the current tender plans and new potential projects.

SIGNIFICANT DEVELOPMENTS AFTER THE PERIOD

Regarding the Company Donations to Social Accountability Projects

As part of the social responsibility projects aiming to support educational, cultural, and art activities, our company donated 12,500,000 Turkish lira to the “Istanbul Mosque Construction, Education, and Cultural Service Units Association,” which currently builds a mosque, Turkish Islamic Works museum, art gallery, library, handicraft studio, and conference hall - all under construction in the Çamlıca area.

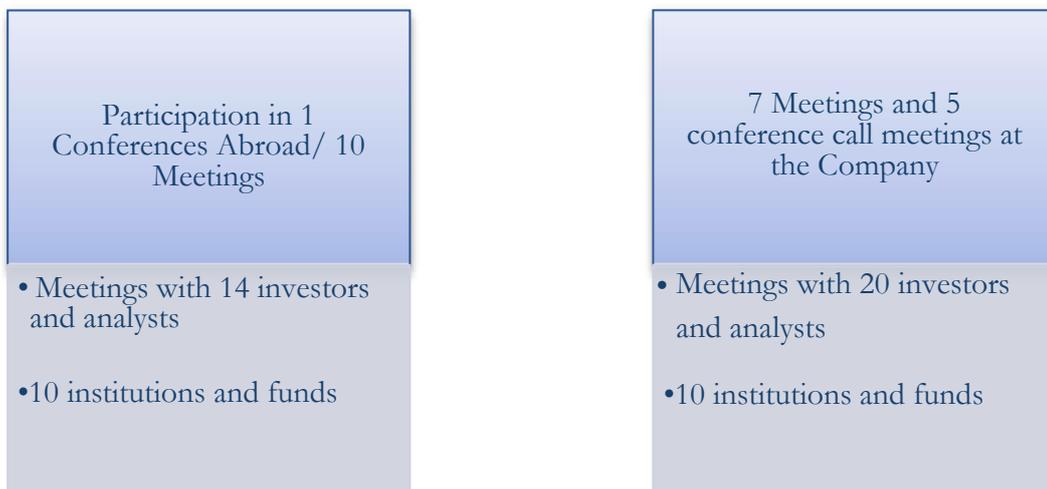


INVESTOR RELATIONS

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 1 overseas conferences in the second quarter of 2017 to share operational, strategic and financial developments with the existing investors/potential investors and analysts and had meetings with 14 investors/analysts from 10 institutions and funds during these events. The company held 7 meetings and 5 conference call meetings at its headquarters and shared the company-related developments with 20 investors/analysts from 13 institutions and funds.

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



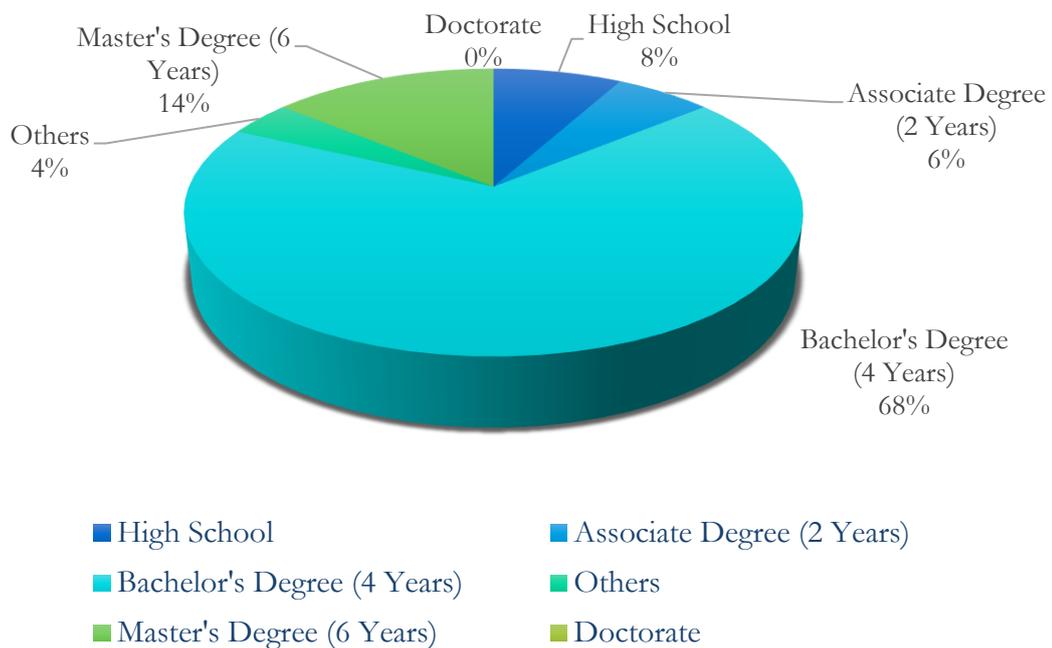
HUMAN RESOURCES

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.

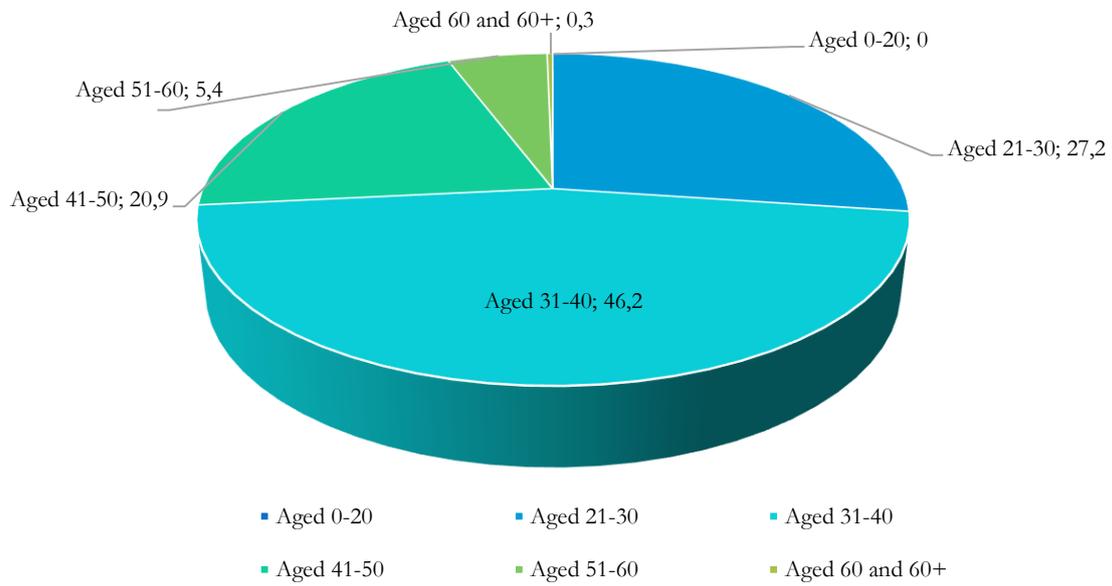
The Company notifies its employees of their job definitions, work distribution as well as performance and reward criteria. The company takes productivity into account when determining salaries and other benefits given to employees. The company conducts transactions, processes, and applications under 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.

EDUCATIONAL STATUS (30/06/2017)

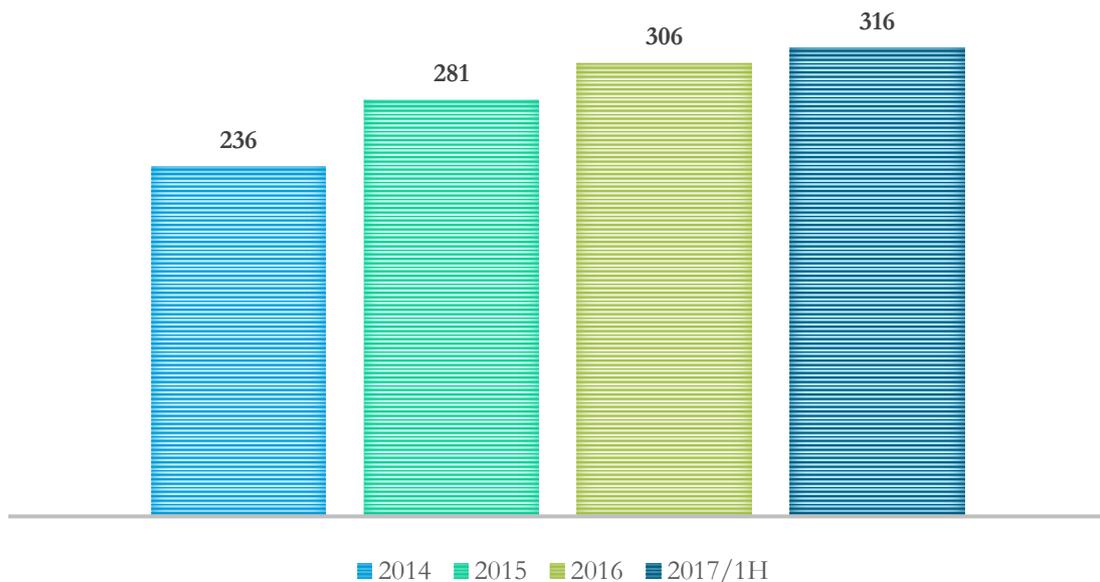


HUMAN RESOURCES

PERSONNEL AGE RANGE (30/06/2017)



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.

PLOTS OF LAND 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, 2017 and March 31, 2017

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

Land Purchases between April 1, 2017 and June 30, 2017

On 30.05.2017, our company signed a protocol with the Republic of Turkey Prime Ministry Housing Development Administration (TOKİ) purchasing the following seven lands with an area of 381,172.34 square meters at 1,012,000,473.50 Turkish lira.

- 81,328 square meter land within Florya, Bakırköy district, Istanbul (422,905,600 Turkish lira)
- 20,396.7 square meter land within Kayabaşı, Başakşehir district, Istanbul (57,000,000 Turkish lira)
- 187,750 square meter land within Taşdelen, Çekmeköy district, Istanbul (247,830,000 Turkish lira)
- Three lands with a size of 51,697.64 square meters within Yeni, Canik district, Samsun (94,264,873.50 Turkish lira)
- 40,000.00 square meter land within Bahçelievler, Muratpaşa district, Antalya (190,000,000 Turkish)

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." ve "Nova Taşınmaz 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 SOFTWARE CONSULTANCY COMPANY

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

- 1. Convenience Translation of The Condensed Financial Statements for the Interim Period**
- 2. Table of Tendered Land Plots**
- 3. Table of Building Inventory**
- 4. Table of Land Stock**
- 5. Summary of Land Plots' Appraisal Reports**
- 6. Summary of Projects' Appraisal Reports**
- 7. Summary of Buildings' Appraisal Reports**
- 8. Dividend Distribution Table**
- 9. 2016 Ordinary General Assembly Minutes Dated April 26, 2017**

LEGAL NOTICE

This interim report includes information about the Company's operations and accounts for the period from January 1 to June 30, 2017. It was prepared in accordance with legal regulations and based on the Board of Directors Report and Financial Statements.

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

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

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

**CONVENIENCE TRANSLATION OF
THE CONDENSED FINANCIAL
STATEMENTS FOR THE INTERIM
PERIOD,**

1 JANUARY- 30 JUNE 2017

(Originally Issued in Turkish)

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONVENIENCE TRANSLATION
OF THE REVIEW REPORT AND CONDENSED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2017**

(ORIGINALLY ISSUED IN TURKISH)

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

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

**To the Board of Directors of
Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.**

Introduction

We have reviewed the accompanying condensed statement of financial position of Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş. (“the Company”) as of 30 June 2017 and the related condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with Turkish Accounting Standards 34 “Interim Financial Reporting” (“TAS 34”). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

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

Koray Öztürk, SMMM
Partner

İstanbul, 9 August 2017

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION AT 30 JUNE 2017 AND 31 DECEMBER 2016

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

	Notes	Reviewed 30 June 2017	Audited 31 December 2016
ASSETS			
Current assets		18,898,960	17,076,882
Cash and cash equivalents	4	1,709,958	2,420,030
Financial investments	5	243,159	221,998
Trade receivables	7	1,237,697	682,868
<i>Trade receivables due from related parties</i>	19	13,696	21,087
<i>Trade receivables due from third parties</i>		1,224,001	661,781
Other receivables	8	1,183,301	838,505
<i>Other receivables due from third parties</i>		1,183,301	838,505
Inventories	9	13,863,424	12,085,195
Prepaid expenses	13	475,531	543,811
Other current assets	12	185,890	284,475
Non-current assets		1,557,902	1,625,485
Trade receivables	7	1,424,528	1,466,854
<i>Trade receivables due from third parties</i>		1,424,528	1,466,854
Other receivables	8	1,168	1,053
Investment property		38,199	38,199
Property, plant and equipment	10	68,387	69,181
Intangible assets		3,394	2,605
Other non-current assets		22,226	47,593
Total assets		20,456,862	18,702,367

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION
AT 30 JUNE 2017 AND 31 DECEMBER 2016**

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

		<i>Reviewed</i> 30 June 2017	<i>Audited</i> 31 December 2016
	Notes		
LIABILITIES AND EQUITY			
Current liabilities		7,904,385	7,954,280
Short term borrowings	6	952	-
Current portion of non-current borrowings	6	316,376	219,490
Trade payables	7	3,299,938	3,824,119
<i>Trade payables due to related parties</i>	19	2,609,829	3,510,865
<i>Trade payables due to third parties</i>		690,109	313,254
Other payables	8	548,169	560,576
Deferred income	13	3,703,268	3,215,821
<i>Deferred income from related parties</i>	19	64,732	64,732
<i>Deferred income from third parties</i>		3,638,536	3,151,089
Current provisions		35,682	134,274
<i>Current provisions for employee benefits</i>		3,667	6,190
<i>Other current provisions</i>	11	32,015	128,084
Non-current liabilities		1,196,440	17,894
Long term borrowings	6	1,169,231	-
Trade payables		-	71
Other payables		18,157	9,352
Deferred income	13	2,953	2,963
Long term provisions		6,099	5,508
<i>Long term provisions for employee benefits</i>		6,099	5,508
Shareholders' equity		11,356,037	10,730,193
Paid-in capital	14	3,800,000	3,800,000
Treasury shares (-)		(262,857)	(262,857)
Share premium		2,378,513	2,378,513
Other comprehensive income / expense not to be reclassified to profit or loss		(897)	(897)
- <i>Gain/(loss) on remeasurement of employee benefits</i>		(897)	(897)
Restricted reserves		423,295	423,295
Retained earnings		4,392,139	2,630,863
Net profit for the year		625,844	1,761,276
Total liabilities and equity		20,456,862	18,702,367

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

INTERIM CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017 AND 2016

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

		<i>Reviewed</i>	<i>Not Reviewed</i>	<i>Reviewed</i>	<i>Not Reviewed</i>
	<i>Notes</i>	<i>1 January- 30 June 2017</i>	<i>1 April- 30 June 2017</i>	<i>1 January- 30 June 2016</i>	<i>1 April- 30 June 2016</i>
Profit or loss					
Revenue	15	1,367,485	533,393	1,268,382	1,139,816
Cost of sales (-)	15	(570,979)	(185,828)	(702,370)	(685,468)
Gross profit		796,506	347,565	566,012	454,348
General administrative expenses (-)	16	(71,228)	(39,773)	(59,222)	(33,261)
Marketing expenses (-)	16	(31,517)	(12,557)	(23,807)	(8,659)
Other income from operating activities	17	208,961	99,964	114,321	23,666
Other expenses from operating activities (-)	17	(87,225)	(20,431)	(4,868)	(2,317)
Operating profit		815,497	374,768	592,436	433,777
Income from investing activities		1,760	399	7,570	5,294
Operating profit before financial income / (expense)		817,257	375,167	600,006	439,071
Financial income	18	46,419	33,156	49,670	23,633
Financial expenses (-)	18	(237,832)	(102,175)	(18,907)	(8,717)
Profit for the period from continued operations		625,844	306,148	630,769	453,987
Other comprehensive income / (loss)					
Items that will be reclassified to profit or loss					
<i>Actuarial losses related to employee benefit liabilities</i>		-	-	(366)	-
Total comprehensive income for the period		625,844	306,148	630,403	453,987
Earnings per share (in full TL)		0.0017	0.0008	0.0018	0.0013

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2017 AND 2016**

(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 2016	3,800,000	(262,857)	2,366,895	357,908	(487)	2,111,335	952,605	9,325,399
Transfers	-	-	-	65,387	-	887,218	(952,605)	-
Dividend payment	-	-	-	-	-	(367,688)	-	(367,688)
Increases / (decreases) related to the acquisition of treasury shares	-	-	11,618	-	-	-	-	11,618
Total comprehensive income	-	-	-	-	(366)	-	630,769	630,403
30 June 2016	3,800,000	(262,857)	2,378,513	423,295	(853)	2,630,865	630,769	9,599,732
1 January 2017	3,800,000	(262,857)	2,378,513	423,295	(897)	2,630,863	1,761,276	10,730,193
Transferler	-	-	-	-	-	1,761,276	(1,761,276)	-
Total comprehensive income	-	-	-	-	-	-	625,844	625,844
30 June 2017	3,800,000	(262,857)	2,378,513	423,295	(897)	4,392,139	625,844	11,356,037

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

INTERIM CONDENSED STATEMENTS OF CASH FLOWS AT 30 JUNE 2017 AND 2016

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

	Notes	1 January- 30 June 2017	1 January- 30 June 2016
Cash flows from operating activities			
Profit for the period		625,844	630,769
Adjustments to reconcile net profit			
Depreciation and amortization expenses	16	3,447	2,993
Adjustments for impairments		21,510	(1,013)
<i>Adjustments for impairment loss (reversal of impairment loss) of inventories</i>	9	21,510	(1,013)
Changes in provisions		(97,950)	(49,067)
<i>Adjustments for (reversal of) provisions related with employee benefits</i>		(1,923)	1,026
<i>Adjustments for (reversal of) lawsuit and/or penalty provisions</i>	11	(41,181)	(5,885)
<i>Adjustments for (reversal of) other provisions</i>	11	(54,846)	(44,208)
Adjustments for interest (income) expenses		50,397	(119,576)
<i>Adjustments for interest income</i>		(187,288)	(138,340)
<i>Adjustments for interest expense</i>	18	237,685	18,764
Changes in net working capital		603,248	464,106
Adjustments for decrease (increase) in trade accounts receivable		(512,503)	71,460
<i>Decrease (increase) in trade accounts receivables from related parties</i>	19	7,391	170,636
<i>Decrease (Increase) in trade accounts receivables from third parties</i>		(519,894)	(99,176)
Adjustments for decrease (increase) in inventories		(787,739)	86,545
Adjustments for increase (decrease) in trade accounts payable		(1,658,075)	(510,400)
<i>Increase (decrease) in trade accounts payables to related parties</i>		(2,034,859)	(268,694)
<i>Increase (decrease) in trade accounts payables to third parties</i>	7	376,784	(241,706)
Adjustments for increase (decrease) in other operating receivables		(143,112)	(24,715)
Adjustments for increase (decrease) in other operating payables		516,299	29,346
Other adjustments for other increase (decrease) in working capital		246,959	255,709
Net cash flow from operating activities			
Interest received		74,713	65,365
Payments related with provisions for employee benefits		(9)	(39)
Income taxes paid		(32,200)	(31,301)
Cash flows from operating activities		(1,692,419)	406,076
Cash flows from investing activities			
Purchases of tangible and intangible assets		(3,442)	(14,344)
Interest received		1,760	7,570
Purchases of financial assets		(4,831)	(211,926)
Returns of financial assets		128,374	207,746
Other inflows (outflows) of cash		(144,704)	-
Cash flow from investing activities		(22,843)	(10,954)
Cash flows from financing activities			
Proceeds from borrowings		1,379,963	770
<i>Proceeds from loans</i>		1,379,963	770
Repayments of borrowings, classified as financing activities		(110,000)	(110,000)
<i>Loan repayments</i>		(110,000)	(110,000)
Interest paid		(59,422)	(22,720)
Dividends paid		-	(356,070)
Interest received		33,004	49,665
Other inflows (outflows) of cash		(305)	(318)
Cash flow from financing activities		1,243,240	(438,673)
Increase (decrease) in cash and cash equivalents before effect of exchange rate changes			
before effect of exchange rate changes		(472,022)	(43,551)
Effect of exchange rate changes on cash and cash equivalents		-	-
Net Increase (decrease) in cash and cash equivalents		(472,022)	(43,551)
Cash and cash equivalents at the beginning of the period	4	985,315	759,493
Cash and cash equivalents at the end of the period	4	513,293	715,942

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2017

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

NOTE 1 – ORGANIZATION AND OPERATION OF THE COMPANY

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

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

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

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

The registered address of the Company is as follows:

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

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

The financial statements at 30 June 2017 have been approved by the Board of Directors on 09 August 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 INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2017

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Preparation

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

The Company prepared its condensed interim financial statements for the period ended 30 June 2017 in accordance with the Communiqué and announcements regarding this Communiqué, in accordance with TAS 34, “Interim Financial Reporting”. In this respect, the Company has preferred to prepare condensed interim financial statements in the interim periods and prepared the mentioned condensed interim financial statements in compliance with CMB Accounting Standards. The condensed interim financial statements and the related notes to them are presented in accordance with the declaration dated 7 June 2013 and with the formats required by the CMB.

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

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

Accounting for the effects of hyperinflation

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

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 INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2017

(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.

Statement of Compliance with TAS

The condensed interim financial statements of the Company have been prepared in accordance with the TAS taxonomy issued by POA.

2.2 Conformity with the Portfolio Limitations

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

NOTE 3 – ACCOUNTING POLICIES

The accounting policies adopted as of condensed interim 30 June 2017 are consistent with those prepared as of 31 December 2016. Therefore, condensed interim financial statements have to be considered with year end financial statements.

3.1 New and Revised Turkish Accounting Standards

- a) Amendments to TAS affecting amounts reported and/or disclosures in the financial statements

None.

- b) New and revised TAS applied with no material effect on the financial statements

None.

- 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
TFRS 15

*Financial Instruments*¹
*Revenue from Contracts with Customers*¹

¹ Effective for annual periods beginning on or after 1 January 2018.

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2017**

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

NOTE 3 – ACCOUNTING POLICIES (Continued)

3.1 New and Revised Turkish Accounting Standards (Continued)

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.

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,
- Recognise revenue when the entity satisfies a performance obligation.

TFRS 15 also clarifies three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and provides some transition relief for modified contracts and completed contracts.

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

3.2 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.

The Company has classified blocked deposits more than 3 months maturity, which amounted to TRY 81.203 and which were shown under "cash and cash equivalents" for 2016, under "financial investments". These classifications have no effect on net profit and equity.

The Company has classified, the cash flows under "investment activities" and "cash flows from financing activities" amounting to TL 53,547 from "cash flows from operating activities" in the cash flow statement for the year 2016.

3.3 Critical accounting estimates, assumptions and judgments

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2017

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

NOTE 4 – CASH AND CASH EQUIVALENTS

	30 June 2017	31 December 2016
Cash on hand	18	2
Banks	1,709,940	2,420,028
- Demand deposit	154,888	52,545
- Time deposits up to 3 months maturity	1,555,052	2,367,483
	1,709,958	2,420,030

Maturities of cash and cash equivalents are as follows:

	30 June 2017	31 December 2016
Demand	154,906	52,547
Up to 3 month	1,555,052	2,367,483
Less: Blocked deposits with maturities less than 3 months	(28,492)	(6,991)
	1,681,466	2,413,039

Average effective interest rates of time deposits are as follows:

	30 June 2017	31 December 2016
	(%)	(%)
	6.73%	7.94%

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

	30 June 2017	31 December 2016
Cash and cash equivalents	1,709,958	2,420,030
Less: Interest accruals	(6,218)	(8,074)
Less: LSRSA project deposits (*)	(351,080)	(313,266)
Less: TOKI deposits (**)	(826,365)	(1,111,138)
Less: Blocked deposits	(13,002)	(2,237)
	513,293	985,315

(*) 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 351,080 (31 December 2016: TL 313,266) part of the total project amount deposits TL 15,490 (31 December 2016: TL 4,754) 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.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2017

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

NOTE 5 - FINANCIAL INVESTMENTS

Financial investments	30 June 2017	31 December 2016
Blocked deposits more than 3 months maturity (**)	225,907	81,203
Bond	4,985	128,278
Special issue government bonds (*)	12,267	12,517
	243,159	221,998

(*) The Republic of Turkey, Undersecretaries of Treasury (“Turkish Treasury”) issues special Domestic Government Debt securities in the name of the Company to make the HAS payments on behalf of Turkish Treasury. In 2010, special Domestic Government Debt securities amounted to TL 429,617 has been issued to the Company. The Bonds are redeemed partially and early readapted and the amount is transferred to the Company’s accounts when the HAS lists are specified (Note 8). These government bonds are non-interest bearing and are not subject to sale on secondary market therefore the fair values are also their nominal values.

(**)In order to provide low interest rate financing to customers who want to buy home from the projects developed by the company, the aim is to keep the loan amounts used by the customers as blocked deposits in the bank. The relevant amounts are ready for the use of the company in the specified period. The contractor portion of blocked deposits in the bank accounts which opened in the name of the related project and more than 3 months maturity, is TL 126,132 (31 December 2016: TL 55,015) while the company portion of the blocked shares is TL 99,775 (December 31, 2016: TL 26,188).

The Company acquired bonds amounting to 4,985 TL as of 30 June 2017 (31 December 2016: 128,278 TL) from free market. These bonds are measured at fair value. The fair value of these bonds are calculated by using the effective interest rates quarterly. Average effective interest rate of financial assets at 30 June 2017 is 12.00 % (31 December 2016: 8.95%). As of 30 June 2016, average term of the treasure bills changes between three and six months (31 December 2016: changes between three and six months).

NOTE 6 - FINANCIAL LIABILITIES

	30 June 2017	31 December 2016
Short-term financial liabilities		
Short-term bank borrowings	952	-
Short-term portion of long-term borrowings	316,376	219,490
	317,328	219,490
Long-term financial liabilities	30 June 2017	31 December 2016
Long-term borrowings	1,169,231	-
	1,169,231	-

According to the agreement signed with the Turkish Treasury in 25 July 2008, the Company has TL 104,000 remaining borrowing from the Turkish Treasury for financing it’s 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 30 June 2017 is 13.42% (31 December 2016: 9.32%).

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2017

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

NOTE 6 - FINANCIAL LIABILITIES (Continued)

The redemption schedules of the borrowings at 30 June 2017 and 31 December 2016 are as follows:

	30 June 2017	31 December 2016
2018	210,769	-
2019	421,538	-
2020	421,538	-
2021	115,386	-
	1,169,231	-

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

	30 June 2017	31 December 2016
Less than 3 months	55,952	115,490
Between 3 - 12 months	261,376	104,000
Between 1 - 5 years	1,169,231	-
	1,486,559	219,490

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

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

	30 June 2017	31 December 2016
Short-term trade receivables		
Receivables from LS RSA contractors invoiced	692,894	237,016
Receivables from sale of residential and commercial units	522,706	418,768
Receivables from related parties (Note 19)	13,696	21,087
Receivables from land sales	6,582	6,514
Rent receivables	1,568	1,449
Other	1,664	978
Unearned finance income	(1,413)	(2,944)
	1,237,697	682,868
Doubtful receivables	1,847	1,866
Less: Provision for doubtful receivables	(1,847)	(1,866)
	1,237,697	682,868

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2017

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

NOTE 7 - TRADE RECEIVABLES AND PAYABLES (Continued)

	30 June 2017	31 December 2016
Long-term trade receivables		
Receivables from sale of residential and commercial units	1,550,985	1,539,837
Unearned finance income	(126,457)	(72,983)
	1,424,528	1,466,854
	30 June 2017	31 December 2016
Short-term trade payables		
Payables to related parties (Note 19)	2,609,829	3,510,865
Payables to LSRSA contractors invoiced	377,776	279,154
Trade payables	298,727	16,931
Time deposit interest accruals from LSRSA contractors invoiced (*)	13,606	17,169
	3,299,938	3,824,119

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

NOTE 8 - OTHER RECEIVABLES AND PAYABLES

	30 June 2017	31 December 2016
Short-term other receivables		
Receivables from contractors	786,409	441,771
Housing Acquisition Support (“HAS”) related receivables from Turkish Treasury	390,768	390,780
Receivables from the authorities	5,995	5,826
Other	129	128
	1,183,301	838,505
	30 June 2017	31 December 2016
Long-term other receivables		
Deposits and guarantees given	1,168	1,053
	1,168	1,053

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2017

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

NOTE 8 - OTHER RECEIVABLES AND PAYABLES (Continued)

	30 June 2017	31 December 2016
Short term other payables		
Payable to HAS beneficiaries	403,142	403,447
Payable to contractors (*)	88,752	88,752
Taxes and funds payable	11,868	14,447
Other	44,407	53,930
	548,169	560,576

(*) 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 2016: 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 30 June 2017 and 2016 are shown below:

	1 January 2017	Additions within the period	Disposals	30 June 2017
Treasury support share				
Receivable from Treasury (Note 8)	390,780	4	(16)	390,768
Special purpose government Bond (Note 5)	12,517	-	(250)	12,267
Cash generated from government bond redemption	150	266	(309)	107
Total consideration received or receivable from Treasury	403,447			403,142
Payable to HAS beneficiaries	(403,447)			(403,142)

	1 January 2016	Additions within the period	Disposals	30 June 2016
Treasury support share				
Receivable from Treasury	390,750	53	(10)	390,793
Special purpose government Bond	13,267	-	(500)	12,767
Cash generated from government bond redemption	62	612	(473)	201
Total consideration received or receivable from Treasury	404,079			403,761
Payable to HAS beneficiaries	(404,079)			(403,761)

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2017

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

NOTE 9 -INVENTORIES

	30 June 2017	31 December 2016
Land	5,318,397	4,293,728
<i>Cost</i>	5,326,129	4,305,099
<i>Impairment</i>	(7,732)	(11,370)
Planned land by LSRSA	5,773,982	5,664,474
Planned land by turnkey project	1,744,123	1,841,251
Residential and commercial units ready for sale	1,026,922	285,741
<i>Cost</i>	1,059,508	293,179
<i>Impairment</i>	(32,586)	(7,438)
	13,863,424	12,085,195

As of 30 June 2017, independent valuation reports prepared by Atak Gayrimenkul Değerleme A.Ş. ve Nova Taşınmaz Değerleme ve Danışmanlık A.Ş. are taken into consideration in order to calculate the fair value and impairment loss, if any, on land units and commercial units ready for sale.

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

	2017	2016
Balance at 1 January	18,808	11,374
Impairment charge for the period	30,990	1,718
Reversal of impairment	(9,480)	(575)
Balance at 30 June	40,318	12,517

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2017

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

NOTE 9 - INVENTORIES (Continued)

The details of land and residential stocks of the company are shown below as of 30 June 2017 and 31 December 2016:

Lands	30 June 2017	31 December 2016
İstanbul Küçükçekmece Lands	1,822,839	1,822,839
İstanbul Bakırköy Lands	479,906	-
İstanbul Şişli Lands	455,122	455,122
İstanbul Zeytinburnu Lands	400,045	400,045
İstanbul Arnavutköy Lands	317,309	317,309
İstanbul Başakşehir Lands	301,785	299,141
Ankara Yeni Mahalle Lands	272,783	272,783
İstanbul Çekmeköy Lands	247,830	-
İstanbul Tuzla Lands	225,933	225,933
Antalya Muratpaşa Lands	190,000	-
Yalova Lands	178,340	178,340
İstanbul Kartal Lands	132,283	132,283
Samsun Canik Lands	93,456	-
İstanbul Ataşehir Lands	41,979	41,979
İstanbul Esenyurt Lands	36,654	36,181
İstanbul İstinye Lands	28,829	-
İzmir Urla Lands	19,647	10,166
Ankara Çankaya Lands	15,358	15,358
İstanbul Şile Lands	12,254	10,213
Tekirdağ Kapaklı Lands	8,248	8,248
Tekirdağ Çorlu Lands	6,153	6,153
Kocaeli Tütüncüflüğü Lands	4,164	3,417
Maltepe Kucukyali Lands	2,753	2,753
Kocaeli Gebze Lands	1,308	2,999
İstanbul Zekeriyaköy Lands	677	677
Bursa Osmangazi Lands	-	27,336
Other	22,742	24,453
	5,318,397	4,293,728

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2017

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

NOTE 9 - INVENTORIES (Continued)

Planned lands by LSRSA	30 June 2017	31 December 2016
Sarıyer İstinye Project	993,433	1,006,171
Nidapark Kucukyali Project	678,812	677,675
Büyükyalı Project	656,813	656,808
Ankara Yenimahalle İstasyon Project	637,329	634,574
Köy Project	225,505	225,241
Park Maveria Project	205,906	116,866
İstmarina Project	182,094	186,635
Metropol İstanbul Project	182,046	182,046
Kayabaşı 5. Etap Project	173,509	117,552
Hoşdere 3. Etap Projesi	168,517	159,150
Kayabaşı 6. Etap Project	166,582	113,982
Validebağ Konakları Project	153,775	108,107
Fatih Yedikule Projesi	120,110	121,491
Avangart İstanbul Project	115,150	118,273
Hoşdere 4. Etap Project	108,536	104,977
Tual Adalar Project	107,886	106,405
Teşehir Konya Project	90,121	86,704
Maslak 1453 Project	82,609	230,386
Göl Panorama Project	79,937	79,722
Evora Denizli Project	76,851	76,268
Kocaeli Derince Project	70,360	70,001
Karat 34 Project	68,836	68,063
Isparta Kule 5.Etap Project	57,817	58,105
Hoşdere 2. Etap Project	48,253	47,628
Yenikoy Konakları İstanbul Project	45,358	30,130
Koordinat Çayyolu Project	35,628	37,299
Ataşehir Finans Merkezi Project	18,849	17,587
Other	223,360	226,628
	5,773,982	5,664,474

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2017

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

NOTE 9 - INVENTORIES (Continued)

Planned lands by turnkey project	30 June 2017	31 December 2016
Başkent Emlak Konutları	386,157	336,250
Ayazma Emlak Konutları Project	323,514	224,918
Ispartakule 1. Etap 1. Kısım Project	203,005	156,515
Ispartakule 1. Etap 2. Kısım Project	167,340	130,396
Nevşehir Emlak Konutları Project	124,335	97,816
Kayabaşı Recreation Project	120,123	143,298
Gebze Project	111,671	68,682
Emlak Konut Başakşehir Evleri 2. Kısım Project	94,914	66,922
Körfezkent 4. Etap Project	94,354	73,926
Başakşehir Ayazma 2. Etap Project	78,795	44,112
Niğde Project	39,293	24,419
Bursa Kentsel Dönüşüm Project	425	424
İstanbul Esenler Kentsel Dönüşüm Project	197	472,911
Kocaeli Gebze Kirazpınar Kentsel Dönüşüm Project	-	662
	1,744,123	1,841,251

Completed units	30 June 2017	31 December 2016
Esenler Emlak Konutları	309,475	-
Sarphan Finanspark Project	228,238	28,440
Merkez Ankara Project	197,782	-
Metropol İstanbul Project	148,705	-
Batışehir Project	44,237	136,932
Unikonut Project	26,512	31,572
Nidakule Ataşehir Project	25,028	26,210
Hoşdere Emlak Konutları	12,251	28,330
Dumankaya Miks Project	18,843	16,911
Başakşehir Emlak Konutları	4,345	5,287
Bulvar İstanbul Evleri	2,856	3,138
Kayabaşı Emlak Konutları	2,350	1,654
Spradon Vadi Evleri	1,292	2,195
Park Yaşam Mavişehir Evleri	1,486	1,486
Kocaeli Körfez Kent Emlak Konutları	1,089	1,238
Evora 2. Etap Project	303	303
Other	2,130	2,045
	1,026,922	285,741

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2017

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

NOTE 10 – PROPERTY, PLANT AND EQUIPMENT

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

30 June 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	8,582	888	4,524	-	13,994
Transfers from constructions in progress, (net)	63,750	-	-	(63,750)	-
Transfers from stock, (net)	(2,340)	-	-	-	(2,340)
Depreciation expense(-)	(804)	(187)	(1,149)	-	(2,140)
Impairment (-)	575	-	-	-	575
Net book value 30 June 2016	79,347	1,438	8,025	-	88,810
Cost	80,415	2,438	13,879	-	96,732
Accumulated depreciation (-)	(1,068)	(1,000)	(5,854)	-	(7,922)
Net book value 30 June 2016	79,347	1,438	8,025	-	88,810

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2017

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

NOTE 11 – OTHER SHORT TERM PROVISIONS

	30 June 2017	31 December 2016
Provisions		
Provision for lawsuits	32,015	73,238
Provision for cost accruals	-	54,846
	32,015	128,084

The movements of provision for lawsuits as of 30 June 2017 and 2016 are as follows:

	2017	2016
Balance at 1 January	73,238	78,088
Provision released within the current period	(31,602)	(5,719)
Provision paid in the period	(9,579)	-
Provision used in the period	(42)	-
Balance at 30 June	32,015	72,369

NOTE 12 - OTHER ASSETS AND LIABILITIES

	30 June 2017	31 December 2016
Other current assets		
Accrued income	91,448	122,946
Progress payments given to contractors	79,585	118,700
Receivables from tax office	10,747	34,066
Deferred VAT	4,000	8,500
Other	110	263
	185,890	284,475

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2017

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

NOTE 13 - DEFERRED INCOME AND PREPAID EXPENSES

	30 June 2017	31 December 2016
Short-term deferred income		
Deferred income from LSRSA projects (*)	2,413,611	1,727,759
Advances taken from LSRSA contractors (**)	725,984	976,954
Advances taken from turnkey project sales	430,903	371,128
Deferred income from sales of completed units	68,038	75,248
Advances taken from related parties (Note 19)	64,732	64,732
	3,703,268	3,215,821

(*) 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

	30 June 2017	31 December 2016
Long-term deferred income		
Other advances taken	2,953	2,963
	2,953	2,963

	30 June 2017	31 December 2016
Prepaid expenses		
Advances given for inventory (*)	474,273	542,674
Prepaid expenses	1,258	1,137
	475,531	543,811

(*) 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 362,898.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2017

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

NOTE 14 - SHAREHOLDERS’ EQUITY

The Company’s authorized capital amount is TL 3,800,000 (31 December 2016: TL 3,800,000) and consists of 380,000,000,000 (31 December 2016: 380,000,000,000) authorized number of shares with a nominal value of TL 0,01 each.

The Company’s shareholders and their shareholding percentages as of 30 June 2017 and 31 December 2016 is as follows:

Shareholders	30 June 2017		31 December 2016	
	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%

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2017

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

NOTE 15 - REVENUE AND COST OF SALES

	1 January- 30 June 2017	1 April- 30 June 2017	1 January- 30 June 2016	1 April- 30 June 2016
Sales income				
Land sales	949,260	536,755	458,285	345,402
<i>Income from sale of land and plots by way of LSRSA</i>	<i>949,260</i>	<i>536,755</i>	<i>413,578</i>	<i>344,932</i>
<i>Land sales income</i>	-	-	44,707	470
Residential and commercial units sales	500,111	79,051	810,357	794,366
Rent Income	1,701	1,163	278	137
	1,451,072	616,969	1,268,920	1,139,905
Sales returns	(83,291)	(83,280)	(36)	(22)
Sales discounts	(296)	(296)	(502)	(67)
Net sales income	1,367,485	533,393	1,268,382	1,139,816
Cost of sales				
Cost of land sales	(209,421)	(144,654)	(80,422)	(70,531)
<i>Cost of land and plots sold by way of LSRSA</i>	<i>(209,421)</i>	<i>(144,654)</i>	<i>(72,845)</i>	<i>(70,531)</i>
<i>Cost of land sales</i>	-	-	(7,577)	-
Cost of residential and commercial units sales	(361,558)	(41,174)	(621,948)	(614,937)
	(570,979)	(185,828)	(702,370)	(685,468)
Gross profit	796,506	347,565	566,012	454,348

NOTE 16 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES

	1 January- 30 June 2017	1 April- 30 June 2017	1 January- 30 June 2016	1 April- 30 June 2016
General administrative expenses				
Personnel expenses	(25,977)	(14,318)	(23,651)	(11,940)
Taxes, duties and fees	(16,174)	(9,288)	(16,236)	(13,129)
Consultancy expenses	(7,287)	(4,175)	(3,250)	(383)
Subcontracting service expenses	(5,472)	(2,648)	(3,810)	(2,411)
Depreciation and amortisation	(3,447)	(1,814)	(2,993)	(1,430)
Due and contribution expenses	(2,596)	(1,779)	(1,014)	(407)
Travel expenses	(2,208)	(724)	(1,449)	(669)
Maintenance	(978)	(162)	(688)	(610)
Lawsuit and notary expenses	(928)	(600)	(2,380)	(950)
Donations	(806)	(776)	(1,241)	(1,082)
Communication	(272)	(147)	(359)	(205)
Insurance expenses	(215)	(184)	(86)	(45)
Other	(4,868)	(3,158)	(2,065)	-
	(71,228)	(39,773)	(59,222)	(33,261)

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2017

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

NOTE 16 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES (Continued)

	1 January- 30 June 2017	1 April- 30 June 2017	1 January- 30 June 2016	1 April- 30 June 2016
Marketing, sales and distribution expenses				
Advertising expenses	(28,410)	(10,969)	(20,794)	(7,104)
Personnel expenses	(2,576)	(1,371)	(1,950)	(1,078)
Other	(531)	(217)	(1,063)	(477)
	(31,517)	(12,557)	(23,807)	(8,659)

NOTE 17 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

	1 January- 30 June 2017	1 April- 30 June 2017	1 January- 30 June 2016	1 April- 30 June 2016
Other income from operating activities				
Finance income from credit sales	107,156	43,248	60,284	6,389
Delay penalty interest from project contractors	32,073	12,776	17,778	4,892
Released lawsuit provisions (Note 11)	31,602	26,380	5,719	-
Impairment provision reversals (Note 9)	9,480	-	1,150	-
Not realized finance income	-	-	3,043	1,522
Recirculate commission income	7,961	3,887	5,510	2,804
Other	20,689	13,673	20,837	8,060
	208,961	99,964	114,321	23,666

	1 January- 30 June 2017	1 April- 30 June 2017	1 January- 30 June 2016	1 April- 30 June 2016
Other expenses from operating activities				
Reversal of due date differences	(51,944)	(12,853)	(1,570)	(1,448)
Impairment provision expenses (Note 9)	(30,990)	(4,272)	(1,718)	-
Other	(4,291)	(3,306)	(1,580)	(869)
	(87,225)	(20,431)	(4,868)	(2,317)

NOTE 18 - FINANCIAL INCOME / EXPENSES

	1 January- 30 June 2017	1 April- 30 June 2017	1 January- 30 June 2016	1 January- 30 June 2016
Financial income				
Interest income from time deposits	33,004	19,743	49,665	23,631
Interest income from TOKI	13,295	13,295	-	-
Foreign exchange income	120	118	5	2
	46,419	33,156	49,670	23,633

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2017

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

NOTE 18 - FINANCIAL INCOME / EXPENSES (Continued)

	1 January- 30 June 2017	1 April- 30 June 2017	1 January- 30 June 2016	1 January- 30 June 2016
Financial expenses				
Interest expense on payable to TOKİ (**)	(135,118)	(24,490)	-	-
Loan interest expense	(47,765)	(29,514)	-	-
Interest discount on pay off debt	(46,039)	(44,966)	-	-
Interest expense on Turkish Treasury borrowings (*)	(8,763)	(3,205)	(18,764)	(8,641)
Foreign exchange loss	(147)	-	(143)	(76)
	(237,832)	(102,175)	(18,907)	(8,717)

(*) Interest expense of borrowing for HAS beneficiaries payments from Turkish Treasury amounting to TL 104,000 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 30 June 2017 for the debts arising from payments of land received from the Toplu Konut İdaresi

NOTE 19 - 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, İnşaat, Proje Yönetimi ve Ticaret A.Ş. (an affiliate of TOKİ)
3. GEDAŞ (Gayrimenkul Değerleme A.Ş.) (an affiliate of TOKİ)
4. TOBAŞ (Toplu Konut - Büyükşehir Bel. İnş. Emlak ve Proje A.Ş.) (an affiliate of TOKİ)
5. Vakıf Gayrimenkul Yatırım Ortaklığı A.Ş. (an affiliate of TOKİ)
6. Vakıf İnşaat Restorasyon ve Ticaret A.Ş. (an affiliate of TOKİ)
7. Emlak-Toplu Konut İdaresi Spor Kulübü
8. Emlak Planlama İnş. Prj. Yön. A.Ş. – Fideltus İnş. – Öztaş İnş. Ortak Girişimi
9. Ege Yapı - Emlak Planlama, İnşaat, Proje Yönetimi ve Ticaret A.Ş.
10. Emlak Planlama İnşaat. Proje. Yönetimi ve Ticaret. A.Ş. – Cathay Ortak Girişimi

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.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2017

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

NOTE 19 - RELATED PARTY DISCLOSURES (Continued)

- Balances and transactions with respect to Turkish Treasury are detailed in Note 4, 5 and 8.
- The Company mostly deposits its cash in State Banks in compliance with its related statute. The bank balances with state banks amounted to TL 1,558,590 as of 30 June 2017 (31 December 2016: TL 2,178,178) Regarding these bank balances, the Company also generated interest income from the related State banks amounted to TL 69,754 in as of 30 June 2017 (30 June 2016: TL 49,411). Average effective interest rates of time deposits of the Company as of 30 June 2017 are explained in Note 4.

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

	30 June 2017	31 December 2016
Trade receivables from related parties		
Emlak Planl. İnş. Prj. Yön. A.Ş. - Ege Yapı Ltd. Şti.	6,779	14,178
Emlak Planl. İnş. Prj. Yön. A.Ş. - Fidelus İnş-Öztaş İnş O.G.	5,574	5,567
Emlak Planl. İnş. Prj. Yön. A.Ş. - Cathay Ortak Girişimi	1,343	1,342
	13,696	21,087

	30 June 2017	31 December 2016
Trade payables to related parties		
T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı (“TOKİ”) (*)	2,608,505	3,509,541
Ege Yapı Ltd. Şti.-Emlak Pazarlama O.G.	1,324	1,324
	2,609,829	3,510,865

(*) The Company has purchased various lands from its ultimate parent company (TOKİ). The remaining payable from this purchases to TOKİ is amounting to TL 2,150,696 (31 December 2016: TL3,080,088) and accrued interest is TL 457,809 (31 December 2016: TL 429,453)

	30 June 2017	31 December 2016
Advances received from related parties		
Emlak Planl. İnş. Prj. Yön. A.Ş. - Fidelus 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- 30 June 2017	1 April- 30 June 2017	1 January- 30 June 2016	1 January- 30 June 2016
Purchases from related parties				
T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı (“TOKİ”)	1,012,000	1,012,000	2,278,361	2,278,361
Emlak Planlama İnş. Prj. Yön. A.Ş. - Ege Yapı Ltd Şti.	1,791	1,791	152,191	-
Emlak Planlama İnş. Prj. Yön. A.Ş. - Emlak Basın Yayın A.Ş.	505	281	469	264
	1,014,296	1,014,072	2,431,021	2,278,625

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

NOTE 19 - RELATED PARTY DISCLOSURES (Continued)

	1 January- 30 June 2017	1 April- 30 June 2017	1 January- 30 June 2016	1 January- 30 June 2016
Finance expense from related parties				
T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı (“TOKİ”)	135,118	24,490	-	-
	135,118	24,490	-	-

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

	1 January- 30 June 2017	1 April- 30 June 2017	1 January- 30 June 2016	1 January- 30 June 2016
Finance income from related parties				
T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı (“TOKİ”)	13,295	13,295	-	-
	13,295	13,295	-	-

	1 January- 30 June 2017	1 April- 30 June 2017	1 January- 30 June 2016	1 January- 30 June 2016
Sales to related parties				
T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı (“TOKİ”)	27,309	27,309	50,102	-
Emlak Planlama İnş. Prj. Yön. A.Ş. - Ege Yapı Ltd. Şti.	86	84	-	-
Emlak Planlama İnş. Prj. Yön. A.Ş. - Cathay Ortak Girişimi	-	-	49	-
	27,395	27,393	50,151	-

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- 30 June 2017	1 April- 30 June 2017	1 January- 30 June 2016	1 January- 30 June 2016
Remuneration of key management				
Salaries and other short-term employee benefits	2,922	1,389	1,577	1,008
	2,922	1,389	1,577	1,008

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NOTE 20 - 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 20 September 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.

2. The LSRSA project agreement regarding İzmir Mavisehir Upper North Area 3. Phase has been signed on 19 December 2005 and following almost all the contractual obligations have been performed by the parties, the Contractor filed a lawsuit against the Company claiming that the agreement conditions should be revised considering the changing conditions. The Contractor wants all the agreement provisions to be cancelled except for the provisions where the Company’s revenue portion is TL 67,515 plus VAT calculated as TL 175,000 plus VAT total project revenue times 38.58% Company’s revenue portion. The Contractor wants all the properties and related land portion to be valued by an independent valuation company as of the date of the lawsuit and that 38.58% of the total value to be appropriated to the Company and the remaining 61.42% of the total value to be appropriated to the Contractor.

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.

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NOTE 20 - CONTINGENT ASSETS AND LIABILITIES (Continued)

- 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.
6. In terms of the assignment given by the Istanbul Ümraniye Phase 1 LSRSA contractor, YeniSarp-Özakar, ordinary partnership received amount of TL 46,000 from Şekerbank T.A.Ş. according to the contract with Emlak Konut GYO. Şekerbank T.A.Ş. claiming that the amount of TL 34,134 has not been paid unjustly to the transferring entity. The plaintiff requested that the mortgage be put on a part of the immovable subject matter in order to constitute the guarantee of taking the case. The trial is ongoing.
7. Taş Yapı İnşaat Sanayi ve Ticaret. A.Ş. filed a lawsuit against the Company claiming compensation because of damage caused by our company in the agreement of The LSRSA project regarding İstanbul Bakırköy, Kartaltepe St. 51/4 section 257 zone 33 & 38 parcels. The case was amended and it was decided to accept the case in court. As a result of the appeal examination, the court ruling was corrupted by the Court of Cassation. 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.
8. Mortgage and guarantees received are;

	30 June 2017	31 December 2016
Guarantees received (*)	3,243,394	3,027,085
Mortgages received (**)	45,878	45,878
	3,289,272	3,072,964

(*) 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.

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NOTE 20 - CONTINGENT ASSETS AND LIABILITIES (Continued)

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

	30 June 2017	31 December 2016
A. CPM given on behalf of the Company's legal personality	56,136	65,511
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	-	-
	<hr/> 56,136	<hr/> 65,511

NOTE 21 - EVENTS AFTER THE REPORTING PERIOD

None.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2017**

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

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

	Non-Consolidated (Individual) Financial Statements		Current Period 30 June 2017 (TL)	Prior Period 31 December 2016 (TL)
	Main Account Items	Related Regulation		
A	Money and Capital Market Instruments	Series:III-No:48, Art,24/(b)	775,672	2,405,012
B	Properties, Projects based on Properties and Rights based on Properties	Series:III-No:48, Art,24/(a)	13,982,895	12,204,919
C	Affiliates	Series:III-No:48, Art,24/(b)	-	-
	Due from related parties (Non Commercial)	Series:III-No:48, Art,23/(f)	-	-
	Other Assets		5,698,295	4,092,436
D	Total Assets	Series:III-No:48, Art,3/(k)	20,456,862	18,702,367
E	Financial Liabilities	Series:III-No:48, Art,31	1,486,559	219,561
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	11,356,037	10,730,193
	Other Resources		7,614,266	7,752,613
D	Total Resources	Series:III-No:48, Art,3/(k)	20,456,862	18,702,367
	Non-Consolidated (Individual) Financial Statements		Current Period 30 June 2017 (TL)	Prior Period 31 December 2016 (TL)
	Other Account Items	Related Regulation		
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)	775,672	956,203
A2	Term/ Demand/ Currency	Series:III-No:48, Art,24/(b)	513,293	956,203
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)	463,845	425,220
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	56,136	65,511
K	Mortgage amount of Servient Lands Which Will Be Developed And Not Owned	Series:III-No:48, Art,22/(e)	-	-

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2017

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

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

	Portfolio restrictions	Related regulation	30 June 2017 (%)	31 December 2016 (%)	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)	72	70	>50%
3	Money and Capital Market Instruments and Affiliates	Series:III-No:48, Art,24/(b)	-	8	<50%
4	Foreign Properties, Projects based on Properties, Rights based on Properties, Affiliates, Capital Market Instruments	Series:III-No:48, Art,24/(d)	-	-	<49%
5	Idle Lands	Series:III-No:48, Art,24/(c)	2	2	<20%
6	Affiliates to the Operating Company	Series:III-No:48, Art,28	-	-	<10%
7	Borrowing Limit	Series:III-No:48, Art,31	14	3	<500%
8	TL and Foreign Currency Time and Demand Deposits	Series:III-No:48, Art,22/(e)	-	-	<10%

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

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APPENDIX 2
EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
TENDERED LAND PLOTS
(30.06.2017)

Revenue Sharing Model in Return for the Land Sale	SQM	Date of Purchase	Book Value (TL)	Current Company Share in Total Revenue	Explanation
METROPOL İSTANBUL PROJECT - İSTANBUL ATASEHİR EAST REGION 2ND STAGE (VARYAF VARLIBAŞAR-GAP İNŞAAT JOINT VENTURE)	99.108,88	31.05.2009	182.045.996,07	445.288.609,00	Construction permit obtained.
AĞAĞOĞLU MASLAK 1453 İSTANBUL PROJECT - İSTANBUL ŞİŞLİ AVAZGAZ 1ST STAGE (AKDENİZ İNŞAAT)	190.678,64	30.09.2010	82.666.774,27	184.786.568,00	Construction permit obtained.
KÖY PROJECT - İSTANBUL SARIYER ZEKERİYAKÖY (ŞİVAH KALEM MÜHÜR)	343.062,46	2.03.2011	228.748.357,93	475.687.500,00	The agreement of the project was signed on 19.07.2012, the construction permits for the parcels 17912, 17904, 17903, 17902, 17901 were obtained on 25.07.2014, 31.12.2014, 24.08.2015, 06.07.2015, 06.07.2015 respectively.
İSTİMARİNA PROJECT - İSTANBUL KARTAL (ELTES İNŞAAT)	53.687,97	22.04.2012	187.099.917,87	672.300.800,00	The agreement of the project was signed on 04.02.2013, the construction permits for the parcels 90511, 90482, 90481, 90910 were obtained on 14.03.2014, 16.06.2015, 18.05.2015, 27.05.2015 respectively.
BULVAR İSTANBUL PROJECT - İSTANBUL BASAKŞEHİR AVAZMA 3RD STAGE (ÖZLÜKE - ÖZ KAR JOINT VENTURE)	50.209,32	1.12.2010	14.194.119,79	40.320.413,29	The agreement of the project was signed on 02.04.2014, the construction permits were obtained on 31.05.2015, modification permit was obtained on 28.08.2015, occupancy permit was obtained on 31.12.2015
GÜL PANAROMA EYLERİ PROJECT - İSTANBUL AVCILAR KAPADIK (BE-MA İNŞAAT)	85.251,43	30.07.2012	80.166.259,41	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 YEDİKÜLE PROJECT - İSTANBUL FATİH YEDİKÜLE (EGE YAPI - MYMETROPOL-SENA-BUKTOR JOINT VENTURE)	40.945,86	30.07.2012	67.482.342,93	105.968.270,00	The agreement of the project was signed on 02.08.2013, the construction permits were obtained 24.03.2017, 11.04.2017, 26.04.2017, 27.04.2017 respectively.
BAHÇEKENT FLORA PROJECT - İSTANBUL HOŞDERE 2ND STAGE (İZKA İNŞAAT & DAĞ MÜHENDİSLİK & SİTAR İNŞAAT JOINT VENTURE)	119.756,54	14.06.2011	56.474.472,28	118.977.096,40	The agreement of the project was signed on 23.11.2013, the construction permits for the parcels 6562, 6572 were obtained on 23.05.2014. The construction permits for the parcels 6561, 6571 were obtained on 31.12.2014.
EYVEL İSTANBUL PROJECT - İSTANBUL BASAKŞEHİR KAYABAŞI 3RD STAGE (İNTAYA & EYG& İNTEK JOINT VENTURE)	75.197,88	3.12.2012	95.494.956,81	114.249.158,19	The agreement of the project was signed on 17.12.2013, the construction permits for the parcels 98412, 98123, 98213 were obtained on 04.11.2014, 31.08.2015, 31.08.2015 respectively.
ZEYTİNBURNU KAZLIÇIŞME PROJECT - İSTANBUL ZEYTİNBURNU KAZLIÇIŞME (ÖZAK-YENİŞEN-JYLAN JOINT VENTURE)	111.262,55	24.04.2013	662.076.763,93	1.568.800.000,00	The agreement of the project was signed on 08.04.2014, the construction permit was obtained on 25.01.2016 and 18.03.2016.
PARK MAVERA PROJECT - İSTANBUL BASAKŞEHİR KAYABAŞI 4TH STAGE (MAKRO - AK YAPI JOINT VENTURE)	98.476,77	3.12.2012	206.509.646,52	420.000.000,00	The agreement of the project was signed on 25.04.2014, the construction permits for the parcels 8891, 8831 were obtained on 08.10.2014, 02.09.2015 respectively.
AVRUPARK PROJECT - İSTANBUL BASAKŞEHİR HOŞDERE 3RD STAGE (CHAN İNŞ. - KONUT YAPI JOINT VENTURE)	78.639,77	14.06.2011	74.435.562,74	156.520.000,00	The agreement of the project was signed on 20.05.2014, the construction permit was obtained on 16.03.2015.
KOCALLI BERİNCİ PROJECT - (KUMİSOĞLU İNŞAAT - TOKAL İNŞAAT JOINT VENTURE)	72.313,80	3.04.2014	79.359.515,10	83.195.500,00	The agreement of the project was signed on 21.08.2014, the construction permit have not been obtained yet.
SOFALOCA PROJECT - ANKARA ETİMESGUT PROJECT (BAŞYAPI İNŞAAT - SOLARYAPI JOINT VENTURE)	18.228,60	3.04.2014	38.315.875,02	54.000.000,00	The agreement of the project was signed on 13.08.2014, the construction permit was obtained on 11.12.2014.
KARTAL YAKACIK PROJECT - (DAĞ MÜHENDİSLİK)	25.462,91	28.05.2014	93.827.110,57	123.900.000,00	The agreement of the project was signed on 30.12.2014, the construction permit for the parcel 12624 was obtained on 21.01.2016 and permit for the parcel 12624/4 was obtained on 18.05.2017.
İSTANBUL BAHÇELİEVLER YENİBOĞNA PROJECT - (KELİF JOINT VENTURE)	36.174,56	28.05.2014	69.008.650,36	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 BASAKŞEHİR KAYABAŞI 4TH STAGE PROJECT - (ARTAS İNŞAAT SANAYİ VE TİC.A.Ş.)	72.706,72	3.04.2014	167.368.167,55	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 BASAKŞEHİR HOŞDERE 4TH STAGE PROJECT - (DAĞ MİMARLIK YAPI GAYRİMENKUL TİC.LTD.ŞTİ)	152.621,06	14.06.2011 - 30.07.2012	108.801.717,35	275.324.000,00	The agreement of the project was signed on 26.05.2015, the construction permit was obtained on 25.01.2016.
İSTANBUL SARIYER İSTİNYE PROJECT - (TAHİNÇİĞÜLÜ GAYRİMENKUL - TAHİNÇİĞÜLÜ 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 have not been obtained yet.
KONYA MERAM YENİCE PROJECT - (TORKAM İNŞAAT - BUKTOR YAPI SAN. JOINT VENTURE)	60.675,48	5.03.2015	90.845.490,44	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 75945 and 75965.
ANKARA YENİMAHALLE İSTASYON - (PAŞHİK GAYRİMENKUL - ÇİFTAY İNŞAAT JOINT VENTURE)	124.475,80	3.04.2014	634.550.206,25	1.258.365.000,00	The agreement of the project was signed on 09.07.2015, the construction permit were obtained on 09.02.2017.
İSTANBUL KAĞITHANE SEYRANTEPE PROJECT - (GÜL İNŞAAT PROJE A.Ş. - GÜL İNŞAAT A.Ş. JOINT VENTURE)	36.749,99	5.03.2015	120.609.582,07	637.000.000,00	The agreement of the project was signed on 14.07.2015, construction permit for parcels 7752/2 and 7752/4 were obtained on 16.01.2017 and 17.04.2017 respectively.
KAYABAŞI 5TH STAGE PROJECT - (TAHİNÇİĞÜLÜ - NİDA İNŞAAT JOINT VENTURE)	77.327,02	3.04.2014	185.127.042,69	407.588.000,00	The agreement of the project was signed on 20.07.2015, the construction permit was obtained on 04.02.2016.
DENİZLİ MERKEZEFENDİ - (TEKNİK YAPI KONUT - TEKNİK YAPI TEKNİK YAPILAR - UCD YAPI JOINT VENTURE)	95.294,22	5.03.2015	76.980.251,60	92.621.000,00	The agreement of the project was signed on 14.09.2015, the construction permit was obtained on 29.02.2016.
ANKARA ÇANKAYA ÇAYYOLU PROJECT - (YF İNŞAAT A.Ş.)	30.669,27	3.04.2014	99.272.523,46	180.000.000,00	The agreement of the project was signed on 08.10.2015, the construction permit was obtained on 15.06.2016 for the parcel 29479/1.
İSTANBUL ÜSKÜDAR BARBAROS PROJECT - (ELTES İNŞAAT - İSTİLFE YAPI İŞ ORT.)	17.528,55	5.03.2015	167.961.302,19	439.887.300,00	The agreement of the project was signed on 23.10.2015, the construction permit was obtained on 05.02.2016.
AVCILAR İSPARTAKULE 5TH STAGE PROJECT - (TORKAM - STAR İNŞAAT)	41.168,49	1.06.2007	58.105.439,44	122.000.000,00	The agreement of the project was signed on 09.06.2016, the construction permit was obtained on 03.02.2017.
İSTANBUL EYÜP ALBİEKÖY - (YENİ YAPI TACA İNŞAAT)	27.368,93	5.03.2015	47.777.179,61	168.150.000,00	The agreement of the project was signed on 11.05.2016, the construction permit for B and D Blocks were obtained on 24.03.2017, A and C Blocks were obtained on 23.06.2017.
İSTANBUL ESENYURT HOŞDERE 5TH STAGE - (CHAN İNŞAAT KONUT YAPI)	42.019,75	14.06.2011-30.07.2012	48.251.576,29	156.500.000,00	The agreement of the project was signed on 17.06.2016, the construction permit was obtained on 02.05.2017.
BAKIRKÖY YENİMAHALLE - (BAŞYAPI İNŞ. - GÜNEY GAYRİMENKUL - ELİT VİZYON JOINT VENTURE)	5.250,00	5.03.2015	30.605.241,98	62.000.000,00	The agreement of the project was signed on 15.04.2016, the construction permit was obtained on 19.01.2017.
ESENYURT HOŞDERE 6TH STAGE - (URVAPI HAYAT AKPARK JOINT VENTURE)	53.823,56	14.06.2011	45.186.830,11	150.500.000,00	The agreement of the project was signed on 04.08.2016, the construction permit of 7071 parcel was obtained on 14.04.2017.
MALTEPE KÜÇÜKYALI - (TAHİNÇİĞÜLÜ GAYRİMENKUL - TAHİNÇİĞÜLÜ KÜÇÜKYALI - KOZKIN JOINT VENTURE)	78.097,81	28.05.2014	708.846.261,94	1.527.000.300,00	The agreement of the project was signed on 02.09.2016, the construction permits of 16771/1, 16772/1, 16773/2 were obtained on 29.12.2016.
AVCILAR İSPARTAKULE 6TH STAGE - (AKYAPI İNŞAAT A.Ş.)	38.529,21	3.04.2015	47.979.230,35	85.600.000,00	The agreement of the project was signed on 01.09.2016, the construction permit was obtained on 30.06.2017.
Total of Revenue Sharing Model in Return for the Land Sale	2.582.248,87		5.841.167.076,18	12.894.684.894,79	
Revenue Sharing Model in Return for the Land	SQM	Date of Purchase	Book Value (TL)	Current Company Share in Total Revenue	Explanation
İSTANBUL INTERNATIONAL FINANCE CENTRE PROJECT-SPECIFIC PROJECT RECREATION AREA (İFM - AKDENİZ İNŞAAT JOINT VENTURE)	115.497,01	31.05.2009	0,03	29.200.000,00	The construction permit for the parcel 332014 and 33281 parcel were obtained on 01.12.2014, 31.12.2015 respectively.
Total of Revenue Sharing Model in Return for the Land	115.497,01		0,03	29.200.000,00	
Total of Revenue Sharing Model in Return for the (Land Sale + Land)			5.841.167.076,21	12.923.884.894,79	
Turn-Key Model Projects	SQM	Date of Purchase	Book Value + Progress Payments (TL)	Explanation	
KÖRPEZKENT 4TH STAGE (ZEK-SAN İNŞAAT)	79.804,19	25.02.2008	94.354.242,36	The agreement of the project was signed on 07.02.2015, the construction permit for parcel 19301 and 1925/2 were obtained on 21.11.2014 and 18.11.2014 respectively.	
İSTANBUL AVAZMA 1ST STAGE (GÜR YAPI A.Ş.)	99.874,55	1.12.2010	323.514.291,87	The agreement of the project was signed on 26.05.2015, the construction permits was obtained on 18.12.2014.	
EMLAK KONUT İSPARTAKULE 1ST STAGE 1ST PART PROJECT (YÖRÜK YAPI - ERMİT MÜHÜR İŞ ORTAKLIĞI)	85.871,43	1.06.2007	203.004.813,39	The agreement of the project was signed on 18.09.2015, the construction permits was obtained on 01.06.2015.	
EMLAK KONUT İSPARTAKULE 1ST STAGE 2ND PART PROJECT (BALPA İNŞAAT TEKS. SAN. VE TİC. A.Ş.)	74.346,32	1.06.2007	167.340.408,34	The agreement of the project was signed on 18.09.2015, the construction permits was obtained on 01.06.2015.	
EMLAK KONUT BAŞAKŞEHİR EYLERİ 2ND STAGE PROJECT (KALYON İNŞAAT)	24.272,40	3.04.2014	94.913.674,18	The agreement of the project was signed on 02.02.2016, the construction permits was obtained on 11.08.2015.	
NEVŞEHİR MERKEZ (CENT YAPI TİCARET LTD.ŞTİ)	29.541,40	3.04.2014	124.334.790,02	The agreement of the project was signed on 24.05.2016, the construction permits was obtained on 07.03.2016.	
BAŞAKŞEHİR AVAZMA 2ND STAGE PROJECT (YILMAZ İNŞAAT SAN.TİC.A.Ş.)	21.066,97	3.04.2014	78.795.366,70	The agreement of the project was signed on 25.04.2016, the construction permits was obtained on 31.12.2015.	
NİĞDE EMLAK KONUTLARI - (PREKİTAS) YAPI)	25.643,04	27.05.2016	39.443.358,01	The agreement of the project was signed on 22.11.2016, the construction permits was obtained on 20.09.2016.	
GERZE EMLAK KONUTLARI 3RD STAGE 1ST PART (MUSTAFA EKŞİ İNŞAAT)	91.564,72	30.06.2010	62.274.995,49	The agreement of the project was signed on 22.12.2016, the construction permits was obtained on 28.10.2016.	
GERZE EMLAK KONUTLARI 3RD STAGE 2ND PART (ŞİVAH KALEM MÜHENDİSLİK)	90.774,12	30.06.2010	48.919.827,66	The agreement of the project was signed on 18.01.2017, the construction permits was obtained on 28.10.2016.	
GERZE EMLAK KONUTLARI 3RD STAGE 3RD PART	6.137,96	3.04.2014	2.258.025,88	The agreement of the project have not been signed yet, the construction permit was obtained on 28.10.2016.	
KAYABAŞI RECREATION AREA (YAPI VE YAPI İNŞAAT A.Ş.)	82.740,17	3.04.2014	120.123.489,57	The agreement of the project was signed on 08.12.2016, the construction permits was obtained on 05.10.2016.	
BASKENT EMLAK KONUTLARI 3RD STAGE PROJECT	18.114,08	3.04.2014	45.381.283,66	The agreement of the project have not been signed yet, the construction permit was obtained on 06.12.2016.	
BASKENT EMLAK KONUTLARI 2ND STAGE PROJECT (ASL İNŞAAT TAHLİ TİC. LTD.ŞTİ)	30.521,46	3.04.2014	80.660.396,20	The agreement of the project was signed on 16.02.2017, the construction permits was obtained on 04.01.2017.	
BASKENT EMLAK KONUTLARI 1ST STAGE PROJECT (KALYON İNŞAAT)	89.502,19	3.04.2014	253.660.004,67	The agreement of the project was signed on 24.01.2017, the construction permits was obtained on 06.12.2016.	
Total of Turn-Key Model Projects	850.314,70		1.746.378.618,60	-	
TOTAL OF ONGOING PROJECTS	3.548.060,58		7.587.545.694,81	12.923.884.894,79	

APPENDIX-3
EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
SUMMARY TABLE OF BUILDING INVENTORY
(30.06.2017)

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	6	420,12	22.09.2011-17.07.2012	1.308.675,80	31.12.2016	1.482.313,00	
UNITS IN VARYAP MERİDİAN PROJECT	2	137,60	7.05.2013	805.413,49	31.12.2016	976.960,00	
UNIT 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	
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	
UNİKONUT PROJECT	18	4.732,81	28.02.2015	27.387.745,16	31.12.2016	26.902.613,00	
BATIŞEHİR PROJECT	25	4.580,13	31.12.2015	44.605.112,89	31.12.2016	45.885.930,00	
KÖRFEZKENT 3RD STAGE	6	1.057,50	31.12.2015	1.089.467,57	31.12.2016	2.016.900,00	
BAHÇEKENT EMLAK KONUTLARI 1ST STAGE 3RD PART	46	4.989,92	29.02.2016	12.341.391,51	31.12.2016	15.337.821,75	
BAŞAKŞEHİR EMLAK KONUT EVLERİ 1ST STAGE 2ND PART	12	1.488,48	30.06.2016	4.345.143,73	31.12.2016	13.120.949,50	
EMLAK KONUT BAŞAKŞEHİR EVLERİ 1-4	7	1.249,71	31.03.2016	2.567.070,40	31.12.2016	5.713.358,50	
ATAŞEHİR HEADQUARTER'S OFFICE BUILDING	2	49.771,00	31.03.2016	76.631.007,55	31.12.2016	190.889.394,00	
DUMANKAYA MİKS PROJECT	22	2.193,72	22.09.2016	19.666.357,62	31.12.2016	19.627.549,15	
BULVAR İSTANBUL PROJECT	5	827,13	30.12.2016	3.212.080,81	31.12.2016	2.855.599,01	
NİDAKULE ATAŞEHİR PROJECT	5	1.505,92	30.12.2016	30.862.400,00	31.12.2016	25.028.300,00	
ESENLER EMLAK KONUTLARI	601	80.613,72	30.12.2016	357.194.319,35	31.12.2016	334.966.800,00	
METROPOL İSTANBUL PROJECT *	156	76.360,59	30.12.2016	148.705.242,04	31.12.2016	148.795.300,00	*Related units have been obtained from pre-sales and the units are still under the construction process.
SARPHAN FİNANSPARK PROJECT	177	8.617,31	30.12.2016	228.237.866,16	31.12.2016	228.351.696,96	
MERKEZ ANKARA PROJECT *	4	3.145,54	30.12.2016	18.011.386,48	31.12.2016	19.305.500,00	*Related units have been obtained from pre-sales and the units are still under the construction process.
YILDIZKENT EMLAK KONUTLARI 2ND STAGE	1	143,00	30.12.2016	81.915,92	31.12.2016	210.000,00	
BÜYÜK YALI PROJECT *	31	5.967,05	30.12.2016	80.536.500,00	31.12.2016	80.536.500,00	*Related units have been obtained from pre-sales and the units are still under the construction process.
TOTAL OF BUILDING INVENTORY	1137	249.630,52		1.068.956.583,76		1.174.072.860,87	

APPENDIX-4
EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
TABLE OF LAND STOCK
(30.06.2017)

Location/ Appraisal Report Name	# of Parcels	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	9.12.2005	8.247.941,97	31.12.2016	110.324.894,20	
KOCAELİ KÖRFEZ PARCELS	5	28.577,05	25.02.2008	4.164.109,65	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 PARCEL	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	49.588.110,14	31.12.2016	86.485.529,00	
İSTANBUL ÜMRANİYE PARCELS	4	17.067,99	31.12.2012	1.843.977,03	31.12.2016	27.736.380,50	
İSTANBUL ZEKERİYAKÖY PARCEL	1	992,00	2.03.2011	677.397,25	31.12.2016	696.294,72	
İSTANBUL BEŞİKTAŞ PARCEL	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 PARCEL	1	78,10	31.08.1987	1,00	31.12.2016	16.231,52	
İSTANBUL ARNAVUTKÖY PARCELS	14	3.645.527,92	5.06.2013	333.309.400,26	31.12.2016	395.369.806,07	
İSTANBUL, 13 PARCELS IN ATAŞEHİR	12	25.252,88	24.04.2013 - 22.04.2012	40.144.660,14	31.12.2016	76.715.202,22	
İSTANBUL MALTEPE PARCEL	1	305,84	28.05.2014	3.010.213,51	31.12.2016	2.752.560,00	
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	3.04.2014	19.646.918,32	31.12.2016	22.066.816,00	
İSTANBUL BAĞCILAR PARCEL	1	531,70	5.03.2015	903.890,00	31.12.2016	918.658,80	
İSTANBUL ZEYTİNBURNU PARCELS	3	36.782,54	5.03.2015	400.045.453,14	31.12.2016	418.966.961,00	
İSTANBUL ŞİLE PARCELS	3	28.372,48	5.03.2015	12.253.790,40	31.12.2016	12.562.500,00	
YALOVA ÇİFTLİKKÖY PARCELS	4	1.455.000,00	5.03.2015	178.340.000,00	31.12.2016	209.020.000,00	
İSTANBUL ŞİŞLİ TEŞVİKİYE PARCELS	3	24.468,90	29.05.2015	461.735.307,41	31.12.2016	455.121.540,00	
İSTANBUL KÜÇÜKÇEKMECE HALKALI PARCELS	2	959.388,94	3.04.2014	2.077.752.453,02	31.12.2016	1.822.838.986,00	
NEVŞEHİR PARCELS	2	26,10	3.04.2014	8.088,01	31.12.2016	8.482,50	
ANKARA ÇAYYOLU PARCEL	1	778,68	3.04.2014	1.031.412,07	31.12.2016	1.031.751,00	
ANKARA ÇANKAYA MÜHYE PARCELS	10	20.646,99	3.04.2014	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	80.177.861,14	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	222.965.372,99	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	
İZMİR KONAK KURUÇAY PARCELS *	31	143.366,00	30.12.2016	386.337.605,33	31.12.2016	386.337.605,33	* A protocol has been signed with Tarış Associations in order to share income to be obtained in the form of 80 % Tarış 20% Emlak Konut GYO A.Ş.
İSTANBUL BAKIRKÖY ŞEVKETİYE PARCEL	1	81.328,00	30.05.2017	423.117.503,49	30.05.2017	422.905.600,00	
İSTANBUL BAŞAKŞEHİR KAYABAŞI PARCEL	1	20.396,70	30.05.2017	57.053.144,45	30.05.2017	57.000.000,00	
İSTANBUL ÇEKMEKÖY PARCEL	1	187.750,00	30.05.2017	248.319.190,43	30.05.2017	247.830.000,00	
SAMSUN CANİK PARCELS	3	51.697,64	30.05.2017	94.399.573,35	30.05.2017	94.264.873,50	
ANTALYA MURATPAŞA PARCEL	1	40.000,00	30.05.2017	190.104.221,66	30.05.2017	190.000.000,00	
TOTAL OF LAND STOCK	322	10.210.248,83		5.969.851.403,29		6.220.993.195,29	

APPENDIX - 5
APPRAISAL REPORT SUMMARY OF LANDS

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	ANTALYA MURATPAŞA, 1 PARCEL			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	26.05.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Block/Parcel	Surface Area	Volume No./Page No.	Date/Journal No.
	12581/6	40,000.00 (m ²)	28/2734	04.04.2013/11217
Current Use	There are simple structures belonging to shareholders on certain parcels.			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	12581	6	Commercial-Tourism Area	FAR: 1.50
Values Agreed on the Valuation Report (Excluding VAT)				
Value of 1 Parcels Excluding VAT	190,000,000.00 TL			

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	BAKIRKÖY ŞEVKETİYE, BLOCK NO. 1221, PARCEL NO. 212			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	26.05.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Block/Parcel	Surface Area	Volume No./Page No.	Date/Journal No.
	1221/212	81,328.00 (m ²)	30/2846	12.03.2015/2584
Current Use	There are simple structures belonging to shareholders on certain parcels.			
Zoning Status*	Block No.	Parcel No.	Zoning Function	Construction Conditions
	1221	212	Residential+Commercial Area	FAR: 1.00
			Special Education Area	FAR: 1.00
			Park Area	Lot Coverage: 0.50
			Religious Facility Area	-
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of the Parcel Excluding VAT	422,905,600.00 TL			

* The recommended zoning status information was taken into consideration in the zoning status data.

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Monthly rental value of the parcel No. 3201 within Çayağzı (Riva), Beykoz, İstanbul			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.			
Report Date	17.04.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Parcel No. 3201 with a 206,497.84 square-meter-area and "Special Forest" status in Sheet No. F22D05C3B within Çayağzı (Riva) Neighborhood, Beykoz District, İstanbul			
	Block/Parcel	Surface Area	Volume No./Page No.	Date/Journal No.
	/ 3201	206,497.84 (m ²)	36/3603	07.02.2017/1355
Current Use				
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
		3201	special forest area	
Values Agreed on the Valuation Report (Excluding VAT)				
Monthly Rental Value	35,000.00 TL			

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Market value of the Parcel No. 1 within Kayabaşı Neighborhood, Başakşehir, İstanbul			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.			
Report Date	30.05.2017			
Summary Information on the Real Estate Subject to Valuation				
Title Deed Information	Parcel No. 1 with a surface area of 20,396.70 m square meters within Block No. 984 in Kayabaşı Neighborhood, Başakşehir District, İstanbul.			
	Block/Parcel	Surface Area	Volume No./Page No.	Date/Journal No.
	984/1	20,396.70 (m ²)	143/14179	14.02.2017/2952
Current Use				
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	984	1	tourism+trade	1.50
Values Agreed on the Valuation Report (Excluding VAT)				
Market Value	57,000,000.00 TL			

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Monthly Market rent value of the parcel No. 3201 within Taşdelen Neighborhood, Çekmeköy, İstanbul			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.			
Report Date	22.06.2017			
Summary Information on the Real Estate Subject to Valuation				
Title Deed Information	Parcel No. 461 with a 187,750-square-meter surface area in Taşdelen Neighborhood, Çekmeköy District, İstanbul.			
	Block/Parcel	Surface Area	Volume No./Page No.	Date/Journal No.
	/461	187,750.00 (m ²)	5/471	28.04.2015/6852
Current Use				
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
		461	Military area	-
Values Agreed on the Valuation Report (Excluding VAT)				
Total Monthly Rental Value	190,000.00 TL			

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Market value of the parcel No. 461 within Taşdelen Neighborhood, Çekmeköy, İstanbul			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.			
Report Date	26.05.2017			
Summary Information on the Real Estate Subject to Valuation				
Title Deed Information	Parcel No. 461 with a 187,750-square-meter surface area in Taşdelen Neighborhood, Çekmeköy District, İstanbul.			
	Block/Parcel	Surface Area	Volume No./Page No.	Date/Journal No.
	/461	187,750.00 (m ²)	5/471	28.04.2015/6852
Current Use				
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
		461	residential+commercial	1,00
Values Agreed on the Valuation Report (Excluding VAT)				
Total Market Value	247,830,000.00 TL			

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Total Market Value of Block No. 12483 and Parcel No. 1; Block No. 12484 and Parcel No. 1; Block No. 12488 and Parcel No. 1 within Yeni Mahalle, Canik, Samsun			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.			
Report Date	26.05.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Block No.12483 and Parcel No. 1; Block No. 12484 and Parcel No. 1; Block No. 12488 and Parcel No. 1 within Yeni Mahalle, Canik District, Samsun			
	Block/Parcel	Surface Area	Volume No./Page No.	Date/Journal No.
		(m ²)		
	12483/1	36,293.72	25/2429	03.03.2017/1387
	12484/1	4,361.57	25/2430	03.03.2017/1387
	12488/1	11,042.35	25/2433	03.03.2017/1387
Current Use				
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	12483	1	commercial	1,7
	12484	1	commercial	1,7
	12488	1	commercial	1,7
Values Agreed on the Valuation Report (Excluding VAT)				
Total Market Value	94,264,873.50 TL			

**APPENDIX - 6
APPRAISAL REPORT SUMMARY OF PROJECTS**

1

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	04.05.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Avcılar Neighborhood: Firuzköy			
	Block/Parcel	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 Ispartakule Revision and Additional Application Zoning Plan (scale: 1/1,000) approved on 30.09.2013.			
	Block No.	Parcel 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 11 Units with the Fulfillment of Turnkey Conditions	8,824,100.00 TL			
Project's Current Value	232,493,501.00 TL			
Project's Value after Completion	499,076,314.93 TL			
PARCE VALUE	137,394,000.00 TL			

2

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	It is the valuation report that determines the current market value of 370 units of the project included in the open list submitted to our company as well as the total current and future value of the project upon its completion in the parcels within Istanbul Başakşehir Kayabaşı Recreation Area, Trade and Regional Park Constructions and Infrastructure and Landscaping works.			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.			
Report Number	2017-3687			
Report Date	15.06.2017			
Summary Information on the Real Estates Subject to Valuation				
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	982/1	25,073.74	143/14174	14.02.2017/2952
	982/2	37,381.65	143/14175	14.02.2017/2952
	982/3	20,284.78	143/14176	14.02.2017/2952
	982/4	281,238.86	143/14177	14.02.2017/2952
Current Use				
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	982	1	R4 Recreation	E: 0,15, H: 15.50 m
	982	2	R4 Recreation	E: 0,15, H: 15.50 m
	982	3	R4 Recreation	E: 0,15, H: 15.50 m
	982	4	R5 Recreation	E: 0,02, H: 4.50 m
Values Agreed on the Valuation Report (Excluding VAT)				
Project's Current Value	191,895,000.00 TL			
Project's Value after Completion	573,425,000.00 TL			
Total Value of 370 Units	510,366,000.00 TL			

3

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Revenue Sharing Based on the Land Sale in Sale of Konya Meram Yenice			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	21.04.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Konya District: Meram Neighborhood: Yenice			
	Block/Parcel	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.	Parcel 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)				
Project's Current Value	144,414,552.00 TL			
Project's Value after Completion	450,723,026.10 TL			
Emlak Konut REIC's Share upon the Completion of the Project	198,759,060.00 TL			
Total VAT Excluded Market Value of 163 Units with the Fulfillment of Turnkey Conditions	42,563,700.00 TL			

4

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Nidapark Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	30.05.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province : Istanbul District : Maltepe Neighborhood : Küçükyalı			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	16771/1	18,344.34	60	25.11.2016/29592
	16772/1	35,479.85	60	25.11.2016/29592
16773/2	14,961.70	60	25.11.2016/29592	
Current Use	Housing project with commercial functions.			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	16771	1	Residential+Commercial	FAR: 1.80
	16772	1	Residential+Commercial	FAR: 1.80
16773	2	Residential+Commercial	FAR: 1.80	
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of the Project in its Current State	767,083,165.00 TL			
Present Value of the Project if Completed	2,420,334,750.00 TL			
Emlak Konut REIC's Share upon the Completion of the Project	1,527,000,300.00 TL			
Total VAT Excluded Market Value of 543 Units with the Fulfillment of Turnkey Conditions	912,536,100.00 TL			

5

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Tunal Bahçekent Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	2.06.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Başakşehir Neighborhood: Hoşdere			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	658/3	16,216.38	47/4632	3636/14.03.2013
Current Use	Housing project with school, health care facility, office, stores and apartments.			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	658	3	Exclusive Primary Education Facility Area	FAR: 1.00, Max. H: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
Total VAT Excluded Rental Value of 2 School Units with the Fulfillment of Turnkey Conditions	248,000.00 TL			

6

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	15.05.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner	Emlak Konut REIC		
	Province	Denizli		
	District	Merkezefendi		
	Neighborhood	Çakmak		
	Block/Parcel	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)				
Project's Current Value	128,502,132.50 TL			
Project's Value after Completion	531,284,985.38 TL			
The Value for Emlak Konut REIC upon the Completion of the Project	95,631,297.37 TL			
Total Value of 116 Units	43,087,200.00 TL			

7

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Istanbul Kartal Yakacik Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	12.05.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Kartal Neighborhood: Yakacik			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	12341/68	7,701.76	181	42342
	12624/4	3,762.68	182	42405
	12626/1	21,000.50	181	42342
12627/36	699.73	181	42342	
Current Use	A residential project is underway.			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	12341	68	Secondary Education Facility Area	---
	12624	4	Residential Area	FAR: 1.75
	12626	1,00	Residential Area	FAR: 2.00
	12627	36,00	Residential Area	FAR: 1.25
Values Agreed on the Valuation Report (Excluding VAT)				
Project's Current Value	128,700,728.50 TL			
Project's Value after Completion	350,286,733.00 TL			
Emlak Konut REIC's Share upon the Completion of the Project	123,900,000.00 TL			
Total Value of 71 Units with the Fulfillment of Turnkey Conditions	24,700,300.00 TL			

8

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Merkez Ankara Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	14.04.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province : Ankara District: Yenimahalle Neighborhood: Station			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	63865/2	124,475.80	1/92	06.02.2015/5770
Current Use	Housing project with commercial functions.			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	63865	2	Central Business Area	FAR: 4.50
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of the Project in its Current State	795,274,380.00 TL			
Present Value of the Project if Completed	3,400,608,237.00 TL			
Emlak Konut REIC's Share upon the Completion of the Project	1,258,365,000.00 TL			
Total VAT Excluded Market Value of 144 Units with the Fulfillment of Turnkey Conditions	771,478,700.00 TL			

9

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	It is the valuation report specifying, under Istanbul Başakşehir 5th Stage Revenue Sharing Agreement based on Land Sales, the total value of Nidapark Kayaşehir project (located in Plot No. 69 within Block No. 443, Plot No. 71 within Block No 443, Plot No.24 within Block No. 458, and Plot No. 3 within Block No 976 in Kayabaşı Neighborhood, Başakşehir District, Istanbul) and Emlak Emlak GYO A.Ş.'s share upon completion, its current value and Emlak Konut GYO A.Ş.'s relevant share and the present market value of 214 units in the project as per the open list communicated to us.			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.			
Report Number	16.11-01-227			
Report Date	7.04.2017			
Summary Information on the Real Estates Subject to Valuation				
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	443/69	10,224.70	142/14086	14.02.2017/2952
	443/71	19,971.40	142/14088	14.02.2017/2952
	458/24	12,027.60	142/14089	14.02.2017/2952
	976/3	35,103.32	142/14166	14.02.2017/2952
Current Use	The construction activity is underway.			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	443	69	Housing	FAR:0.75, H:Unconstrained
	443	71	Housing	FAR:1.35, H:Unconstrained
	458	24	Commercial	FAR:2.00, H:Unconstrained
	976	3	Housing	FAR:1.70, H:Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
Project's Current Value	316,265,000.00 TL			
Project's Value for Emlak Konut REIC in its Current State Value Share	192,885,000.00 TL			
Project's Value after Completion	994,250,000.00 TL			
Emlak Konut REIC's Share upon the Completion of the Project	377,815,000.00 TL			
Total Value of 214 Units	89,945,000.00 TL			

10

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Hoşdere 6th Stage			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	21.04.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province : Istanbul District : Esenyurt Neighborhood : Hoşdere			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	63865/2	124,475.80	1/92	06.02.2015/5770
Current Use	Housing project with commercial functions.			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	700	4	Religious Facility Area	FAR: -
	704	4	T1 Commercial Area	FAR: 1.00
	704	5	T1 Commercial Area	FAR: 1.00
	707	1	T3 Commercial Area	FAR: 2.50
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of the Project in its Current State	93,768,858.80 TL			
Present Value of the Project if Completed	463,952,866.00 TL			
Emlak Konut REIC's Share upon the Completion of the Project	150,500,000.00 TL			
Total VAT Excluded Market Value of 669 Units with the Fulfillment of Turnkey Conditions	244,848,500.00 TL			

11

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Revenue Sharing Project Based on Land Sales in Seyrantepe, Kağıthane, Istanbul			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.			
Report Date	20.04.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Parcel No. 2 with a surface area of 9,458 square meters within Block No. 7752 in İ. Ayazağa Neighborhood, Sarıyer District, Istanbul; and Parcel No. 4 with a surface area of 27,292 square meters within Block No. 7752 in Merkez Neighborhood, Kağıthane District, Istanbul			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	7752/2	9,458.00	34/268	29.02.2016/2075
	7752/4			
Current Use	Housing project with houses and store units.			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	7752	2	housing	FAR: 2.25
	7752	4	housing	FAR: 2.25
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of 477 Units	450,269,000.00 TL			
Project's Current Value	248,255,000.00 TL			
Project's Value after Completion	749,600,000.00 TL			
Emlak Konut REIC's Share upon the Completion of the Project	637,000,000.00 TL			

12

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Körfezkent Trade Turnkey Contract Project within Körfez Yarımcı, Kocaeli			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.			
Report Date	28.04.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Block No. 1917, Parcel No. 1 with a surface area of 11,922.37 square meters within Yarımcı (Şuyulandırma) Neighborhood, Körfez district, Kocaeli.			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	1917/1	11,922.37	262/25787	07.12.2015/14578
Current Use	Commercial project with office and store units.			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	1917	1	Commercial	FAR: 1.5, H: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
Project's Current Value	9,425,000.00 TL			
Project's Value after Completion	65,215,000.00 TL			

APPENDIX - 7
APPRAISAL REPORT SUMMARY OF BUILDINGS

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Istanbul Ataşehir Western Region Part No. 1, Region No. 6, Sale-based Revenue Sharing Project, 5 units			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.			
Report Date	10.05.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Unit No. 1, 2, 3, 4, and 40 within the building "37-storey Reinforced Concrete Building" on Block No. 3334, Parcel No. 5 within Küçükbakkalköy Neighborhood, Ataşehir district, Istanbul			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	3334/5	13,020.30	533/52699	
Current Use	Shop			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	3334	5	Social and Cultural Facility Area	
Values Agreed on the Valuation Report (Excluding VAT)				
Value of 5 Units	30,912,000.00 TL			

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	4 Unit within Istanbul Başakşehir Spradon Quartz Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	31.05.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner	Emlak Konut REIC		
	Province	Istanbul		
	District	Başakşehir		
	Block/Parcel	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	
Current Use	563/1	13,193.56	See: Section 3.2 of the Report	
	Housing			
	Zoning Status	Block No.	Parcel No.	Zoning Function
217		1	Residential Area	FAR in Block Order: 1.50
561		1	Residential Area	FAR in Block Order: 1.50
Current Use	563	1	Residential Area	FAR in Block Order: 1.50
	Values Agreed on the Valuation Report (Excluding VAT)			
4 Units The Value of Emlak Konut REIC's Share (1/1) Excluding VAT	1,371,458.00 TL			

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	8 units within Block No. 675, Parcel No. 1 in Selimpaşa, Silivri district, Istanbul			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.			
Report Date	14.06.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	27 seven-storey, 28 four-storey, 2 two-storey reinforced concrete carcass buildings within Block No. 675, Parcel No. 1 within Selimpaşa Neighborhood, Silivri district, Istanbul as well as Apartment No. 8 located in its Block No. 9 (A9) on this land.			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	675/1	124,717.50	77/7567	08.06.2010/4096
Current Use	Commercial project with office and store units.			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	675	1	Housing	FAR: 1
Values Agreed on the Valuation Report (Excluding VAT)				
Value of 1 Unit	300,000.00 TL			

4

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Unit with No. 2, C03/3 Block, within Block No. 319, Parcel No. 1, in Kapaklı district, Tekirdağ			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.			
Report Date	10.04.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Four stone buildings within Block No. 319, Parcel No. 1 and Unit No. 2 within Block No on the land within Block No. 319, Parcel No. 1 Kapaklı Village, Çerkezköy district, Tekirdağ			
	Block/Parcel	Surface Area	Volume No./Page No.	Date/Journal No.
		(m ²)		
	319/1	18,200	66/6464	06.042006/3214
Current Use	Commercial project with office and store units.			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	319	1,00	Housing	FAR: 1.15
Values Agreed on the Valuation Report (Excluding VAT)				
Value of 1 Unit	210,000.00 TL			

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Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Unit with No. 28, C04/4 Block, within Block No. 319, Parcel No. 1, in Kapaklı district, Tekirdağ			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.			
Report Date	9.05.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Four stone buildings within Block No. 319, Parcel No. 1 and Unit No. 2 within Block No on the land within Block No. 319, Parcel No. 1 Kapaklı Village, Çerkezköy district, Tekirdağ			
	Block/Parcel	Surface Area	Volume No./Page No.	Date/Journal No.
		(m ²)		
	319/1	18,200	66/6538	06.042006/3214
Current Use	Commercial project with office and store units.			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	319	1,00	Housing	FAR: 1.15
Values Agreed on the Valuation Report (Excluding VAT)				
Value of 1 Unit	105,000.00 TL			

EMLAK KONUT REAL ESTATE INVESTMENT COMPANY
PROFIT DISTRIBUTION TABLE (TL) FOR THE YEAR 2016

1.	Paid / Issued Capital			3.800.000.000,00
2.	Total Legal Contingency Reserve (According to Legal Records)			415.527.387,18
	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		1.761.276.000,00	1.761.040.180,39
4.	Taxes to be paid	(-)	0,00	0,00
5.	Net Period Income	(=)	1.761.276.000,00	1.761.040.180,39
6.	Losses from Previous Years	(-)	0,00	0,00
7.	Primary Legal Reserve	(-)	88.052.009,02	88.052.009,02
8.	NET DISTRIBUTABLE PERIOD INCOME	(=)	1.673.223.990,98	1.672.988.171,37
9.	Donations Made Throughout the Year	(+)	14.993.484,43	
10.	Net Distributable Period Income by adding Donations to be calculated for First Dividend		1.688.217.475,41	
11.	First Dividend Shareholders (*)		0,00	
	- Cash		0,00	
	- No-par			
	- Total		0,00	
12.	Dividends Distributed to Preference Shareholders			
13.	Dividends to Member Divide			
14.	Dividends Distributed to Dividend Shareholders			
15.	Second Dividend for Shareholders			
16.	Secondary Legal Contingency Reserve		0,00	
17.	Status Reserves			
18.	Special Reserves			
19.	EXCESS RESERVE		1.673.223.990,98	1.672.988.171,37
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	0,00	0,00000	0,00000
	B	0,00	0,00000	0,00000
	TOTAL	0,00		
NET	A	0,00	0,00000	0,00000
	B	0,00	0,00000	0,00000
	TOPLAM	0,00		
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 (%)		
0,00		0,0000000000		

EMLAK KONUT REAL ESTATE COMPANY

2016 ORDINARY GENERAL ASSEMBLY MINUTES DATED APRIL 26, 2017

Emlak Konut REIC's 2016 Ordinary General Assembly of Shareholders was held on Wednesday, April 26, 2017, at 10:00 at the Head Office (Barbaros Mahallesi, Mor Smbl Sokak, No: 7/2 B, Ataehir, Istanbul) under the supervision of **Feyyaz Bal**, the Ministry Representative appointed by the **Istanbul Provincial Directorate of Trade, Ministry of Customs and Trade** with the letter dated 25.04.2017, and No. 24518748.

It was carried out as stipulated in Article 414 of the Turkish Commercial Code and the Articles of Association after its announcement with its day and agenda in **the Turkish Trade Registry Gazette dated March 28, 2017 and No. 9293, Yenign Newspaper** dated March 24, 2017, the corporate website www.emlakkonut.com.tr and also its communication on 15.03.2017 to the shareholders with registered addresses through registered letter with return receipt as well as on PDP and Merkezi Kayıt Kuruluu A..'s Electronic General Assembly System.

According to Article 1527 of the Turkish Commercial Code No. 6102, the Company's Electronic General Assembly preparations were made in line with legislative regulations. The General Assembly started simultaneously in the physical and electronic environments.

In the examination of the list of attendants, **Feyyaz Bal**, the Ministry Representative, stated that out of the company's capital of 3,800,000,000 shares with a total value of 3,800,000,000 Turkish lira, 292,699,164,998 shares with a total nominal value of 2,926,991,649.98 **Turkish lira** were represented by proxy, whereas **187,483,145,298 shares** with a total nominal value of 1,874,831,452.98 Turkish lira were represented in person, and that there was no obstacle for the commencement of the meeting as the meeting quorum stipulated both by the Turkish Commercial Code and the Company's Articles of Association was understood to be met.

Following **Murat Kurum**'s opening speech, the shareholders were informed about the number of votes they could cast at the General Assembly, their privileges, and the voting procedure. Subsequently, **Mr. Kurum** declared the meeting open and proceeded to the agenda discussion.

ARTICLE - 1

In line with a motion, shareholders participating in the physical and electronic environments accepted the election of **Havvanur Yurtseven** as the Meeting President, **Eyyüp Uçak** as the Vote Collection Officer, and **Nurettin Şam** as the Minutes Reporter unanimously.

ARTICLE - 2

The shareholders participating in the physical and electronic environments accepted unanimously to authorize the meeting committee to sign the General Assembly Minutes by the end of the meeting.

ARTICLE - 3

3.1 The shareholders voted, in the physical and electronic environments, whether the Board of Directors' Annual Report for the period January 1, 2016 - December 31, 2016, and Independent Audit Report accessed, pursuant to the provisions of the Turkish Commercial Code, the regulations, and the Capital Markets Law, within the statutory period (three weeks before the General Assembly) at the Company headquarters, in the branches, on our website at www.emlakkonut.com.tr, in the Public Disclosure Platform and in Central Registry Agency's (GRA) General Assembly Meeting Platform should be considered to have been read. It was accepted by a majority of votes with 2,926,662,374.98 votes in favor and 329,275 votes against.

General Manager Murat Kurum provided information about company activities.

The Board of Directors' Annual Report on the Company's activities in 2016 and the Independent Audit Report were accepted by a majority of votes with 2,926,662,374.98 votes in favor and 329,275 votes against.

ARTICLE - 4

4.1 The shareholders voted, in the physical and electronic environments, whether the 2016 balance sheet as well as profit and loss calculations available for access pursuant to the provisions of the Turkish Commercial Code, the regulations, and the Capital Markets Law, within the statutory period (three weeks before the General Assembly) at the Company headquarters, in the branches, on our website at www.emlakkonut.com.tr, in the Public Disclosure Platform and in Central Registry Agency's (GRA) General Assembly Meeting Platform should be considered to have been read. It was accepted by a majority of votes with 2,926,631,026.98 votes in favor and 360,623 votes against.

The balance sheet and profit and loss statements for 2016 were presented to the General Assembly. Shareholders who participated in the physical and electronic environments did not make any remarks. These financial statements, balance sheet, profit and loss statements were presented shareholders for voting in the physical and electronic environments. It was accepted by a majority of votes with 2,926,631,026.98 votes in favor and 360,623 votes against.

ARTICLE - 5

Shareholders proceeded to the discharge the Board of Directors of liability regarding their activities in 2016. The Board members were voted by the shareholders participating in the physical and electronic environments. They were discharged of their liabilities individually by a majority of votes with 2,923,232,854.98 votes in favor and 3,758,795 votes against.

ARTICLE - 6:

The Board of Directors' motion regarding the dividend payout for 2016 was read. Deputy General Manager Hakan Akbulut provided information.

Net profit for the period appears as 1,761,276,000 Turkish lira in our financial statements prepared in accordance with the Communiqué Serial No. XI and No. 29 of the Capital Markets Board. It stands at **1,761,040,180.39** Turkish lira in our financial statements prepared under the provisions of the Tax Procedure Law.

The total amount of Type 1 Legal Reserve prepared under the Turkish Commercial Code stands at **415.527.387,18 Turkish lira**. As this amount does not reach 20% of the paid capital, allocation of a 5% Type 1 Legal Reserve of 88,052,009.02 Turkish lira from the net profit of **1,761,040,180,39** Turkish lira for the period in the financial statements prepared within the framework of the provisions of the Tax Procedural Law.

The profit of **1,673,223,990.98** Turkish lira remaining after the allocation of Type 1 Legal Reserve of 88,052,009,02 Turkish lira, pursuant to the Turkish Commercial Code, from the net profit of 1,761,276,000.00 Turkish lira for the period as seen in our financial statements prepared in accordance with the Communiqué Serial No. XI and No. 29 of the Capital Markets Board. In consideration of the payment for land investments in 2016 and planned land purchases in 2017, shareholders participating in the physical and electronic environments voted on not to pay out the dividend in question and allocate it as excess reserves. It was accepted by a majority of votes with 2,896,314,234.98 votes in favor and 30,677,415 votes against.

ARTICLE - 7:

The Company Policy on the Selection of the Independent Audit Firm and the relevant Board Resolution was read. The selection of DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Deloitte) (Central Registration No: 0291001097600016, Boğaziçi Corporate Tax Office No: 291 001 0976) as the independent auditor was submitted to the General Assembly for approval. It was also presented to the voting of shareholders participating in the physical and electronic environments. It was accepted by a majority of votes with 2,826,870,053.98 votes in favor and 100,121,596 votes against.

ARTICLE - 8:

The board discussed the agenda item regarding the election of the Board of Directors in accordance with Articles 12 and 13 of the Company's Articles of Association. Information was provided about the resumes of the candidates for the Board of Directors as declared on the company website.

In line with the proposal: To serve on the Board of Directors for a 1-year period:

The election of the following individuals as members of the Board of Directors: **Ertan Yetim** (ID No: 38303119570), **Murat Kurum** (ID No: 29813087008), **Sami Er** according to the consent letter of Kadıköy Public Notary No. 9 dated 25.04.2017 and Roll No.15225 as well as **Mehmet Özçelik** (ID No: 24370453334) according to the consent letter of Kadıköy Public Notary No: 9 dated 25.04.2017 and Roll No. 15223. The election of the following attending individuals as independent board members deemed appropriate for becoming Board members in accordance with the Communiqué of the Capital Markets Board: Havvanur Yurtsever (ID No: 15668187710), Ertan Keleş (ID No: 39430363652) and Muhterem İnce (ID No: 22111408728) according to the consent letter of Kadıköy Public Notary No. 9 dated 25.04.2017 and No. 15222.

The election of Muhterem İnce with ID No. 22111408728, who is not a company partner, as a Board member in 2017 for the seat vacated by Veysel Ekmen, a former independent board member, pursuant to the **Capital Markets Board's communique** and the Board of Directors' resolution on his appointment as a Board Member in accordance with Article 363 of the Turkish Commercial Law were submitted to the approval of the General Assembly.

These motions were presented to the voting of the participating shareholders in the physical and electronic environments. They were accepted by a majority of votes with 1,980,693,041.98 votes in favor and 946,298,608 votes against.

ARTICLE -9:

In accordance with the Corporate Governance Principles, the resolution to pay a monthly net salary of 7,250.00 Turkish lira as well as bonuses equal to four net salaries per year to the Board members under the remuneration policy for the Board members and Senior Executives was presented to the voting of the participating the shareholders in the physical and electronic environments. It was accepted by a majority of votes with 2,895,452,349.98 votes in favor and 31,539,300 votes against.

ARTICLE -10:

The General Assembly was informed about our Company's donations totaling 14,993,484.43 Turkish lira in 2016. The proposal to make donations up to 15,000,000 Turkish lira in 2017 was presented to the voting of the participating shareholders in the physical and electronic environments. It was accepted by a majority of votes with 2,025,707,060.98 votes in favor and 901,284,589 votes against.

ARTICLE -11

Hakan Akbulut, Deputy General Manager, informed the General Assembly that our Company did not give any guarantees, pledges, and mortgages in favor of the third parties and that it did not obtain any income or benefits in 2016.

ARTICLE - 12

It was confirmed that the individuals covered by Article 1.3.6 of the Capital Markets Board's Corporate Governance Principles did not engage in any significant transactions that could lead to a conflict of interest with the Company, that they did not carry out commercial transactions related to the Company's field of operation on behalf of themselves or others, or that they did not participate as a personal liability partner in a company engaged in such transactions.

ARTICLE -13:

The shareholders were informed on the principles regarding the remuneration of the Board of Directors and Senior Executives in accordance with the Corporate Governance Principles.

ARTICLE - 14

Regarding the buy-back of the company shares: The General Assembly was informed that the no buy-back was made in 2016 under the 36-month "Buy-back Program" approved by the Ordinary General Assembly dated 06.04.2015, while the Company's nominal share amount totaled 120,070,862.00 Turkish lira so far.

ARTICLE - 15

Authorization of the Company's Board of Directors to carry out transactions under Articles 395 and 396 of the Turkish Commercial Code was presented to the approval of the General Assembly.

The proposal to authorize the Board of Directors to carry out transactions under Articles 395 and 396 of the Turkish Commercial Code was presented to the voting of the participating shareholders in the physical and electronic environments. It was accepted by a majority of votes with 2,838,893,036.98 votes in favor and 88,098,613 votes against.

ARTICLE - 16

The meeting president delivered a thank you speech. As there was no other agenda item to be discussed, the meeting was adjourned by the president. These meeting minutes were drawn up at the place and signed by **Feyyaz Bal, the Representative of the Istanbul Provincial Directorate of Trade, Ministry of Customs and Trade.**

MINISTRY REPRESENTATIVE

Feyyaz Bal

CHAIRPERSON

Havvanur Yurtsever

VOTE COLLECTION OFFICER

Eyyüp UÇAK

MINUTES REPORTER

Nurettin ŞAM



Barbaros Mah. Mor Sümbül Sok. No: 7/2 B Ataşehir/İSTANBUL
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