

SEPTEMBER 2017

EMLAK KONUT REIC
9 MONTH INTERIM ACTIVITY REPORT



EMLAK KONUT

REAL ESTATE INVESTMENT COMPANY

THE PARTICIPATION OF T.C. PRIME MINISTRY TOKİ
(HOUSING DEVELOPMENT ADMINISTRATION)

EMLAK KONUT REIC 9 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)

Barbaros Mahallesi Mor
Sümbül Sokak No:7/2B
Ataşehir/İSTANBUL

p. +90 216 579 1515
f. +90 216 456 4875

info@emlakkonut.com.tr
www.emlakkonut.com.tr

Contents

I.	MESSAGE FROM THE GENERAL MANAGER	4
II.	ABOUT EMLAK KONUT	6
	Our Company At A Glance	6
	Scope of Business	7
	Capital and Partnership Structure.....	8
	Our Vision, Mission and Quality Policy.....	9
	Business Models	10
	Revenue Sharing Model	11
	TENDERED REVENUE SHARING MODEL PROJECTS	11
	MULTIPLIER FOR REVENUE SHARING MODEL PROJECTS (2003-YEAR TO DATE)	12
	Ongoing Revenue Sharing Model Projects.....	13
	Completed Revenue Sharing Model Projects.....	33
	Ongoing Revenue Sharing Model Projects.....	34
	Turn Key Model Projects	35
	Ongoing Turnkey Model Projects.....	37
	Number of Units Sold.....	44
	Total Sales Value	44
	Total Squaremeters Sold	44
	Number of Units Sold to Foreigners	45
	Total Sales Value to Foreigners	45
	Squaremeters Sold to Foreigners.....	45
	Summary of Financial Results.....	46
	Financial Ratios	48
	Summary Table of Significant Figures.....	49
	Leased Properties	50
	Rented Properties.....	52
	Share Performance.....	53
	SHARE PERFORMANCE.....	53
	EKGYO SHARE/ XGMYO INDEX COMPARISON	53
	EKGYO SHARE/ XU100 INDEX COMPARISON	54
	Board of Directors.....	56
	Senior Management	57
	Access to Insider Information	57
	BOARD OF DIRECTORS.....	58
	SENIOR MANAGEMENT	59
	Organization Chart	60

III.	CONSTRUCTION AND HOUSING SECTOR OUTLOOK.....	61
	House Price Index (August 2017)	61
	House Sales Statistics (September 2017)	64
IV.	MISCELLANEOUS DEVELOPMENTS	67
	Lawsuit Brought Against Our Company.....	67
	Administration and Judicial Sanction.....	84
	Share Buyback Program.....	84
	R&D Activities	84
	Housing Acquisition Aid (HAA).....	84
	Donations.....	84
V.	SIGNIFICANT DEVELOPMENTS WITHIN THE PERIOD	85
	Land Purchase Protocol between our Company and TOKİ.....	85
	Land Sales.....	85
	Company Donations to Social Responsibility Projects.....	85
VI.	SIGNIFICANT DEVELOPMENTS AFTER THE PERIOD	86
	The Signing of Antalya Muratpaşa Agreement	86
	The Result of Bakırköy Şevketiye Land Tender.....	86
	The Result of 2nd Session of the 2nd Stage of Istanbul Küçükçekmece Bizim Mahalle Project	86
	The Result of 1st Stage Tender of Istanbul Küçükçekmece Bizim Mahalle	86
VII.	INVESTOR RELATIONS	87
VIII.	HUMAN RESOURCES	88
	Educational Status.....	88
	Personnel Age Range.....	89
	Number of Employees.....	89
IX.	PORTFOLIO STRUCTURE AND REAL ESTATES	90
X.	CONSULTANCY, AUDIT AND APPRAISAL ENTERPRISES OFFERING SERVICES.....	91
XI.	ANNEXES	92
XII.	LEGAL NOTICE.....	93

MESSAGE FROM THE GENERAL MANAGER



Dear esteemed investors, stakeholders, and employees,

Carrying out its activities successfully, Emlak Konut REIC has served as the growth engine of the Turkish real estate industry during the first nine months of 2017. Serving Turkey for many years now, our company has instilled a perception of trustworthiness and quality in people's minds with its track record, reputation, and brand value. Continuing its journey with a positive outlook, Emlak Konut will keep building modern and environment-friendly cities with residential projects that deliver comfort to its customers.

During this period, our housing sales performance has been largely in line with our targets. We reached our nine-month targets of 5.21 billion Turkish lira and 814,000 square meters of saleable area, together with the targeted 1.9 billion Turkish lira sales value and 295,000 square meters of saleable area for the third quarter. These results have provided us with further motivation and determination to achieve our year-end goals. As well, we expect to achieve a net income over 1.8 billion by the end of the fiscal year 2017 on the back of a profit of 1.07 billion TL in the first nine months.

The total business volume from 49 projects, along with ongoing infrastructure projects, urban parks, social facilities, schools, mosques and health facilities, helps us maintain our leading position in Turkey while enabling us to compete with other global players in terms of capacity. The company has seen a busy nine months, thanks to its rapidly completed projects. In addition to the purchase of seven lands worth 1 billion Turkish lira from TOKI in the first half of the year, we have added the Bakırköy Şenlik parcel, which is adjacent to the Galatasaray parcel, to our portfolio.

MESSAGE FROM THE GENERAL MANAGER

With this acquisition, we have gained a greater land area that will enable us to produce a more extensive project. In addition, we have created funds for the acquisition of new land in which we can conclude investments faster in the short term by selling the Ankara Balıkuyumcu, İzmir Urla, and Yalova Çiftlikköy parcels, which were included in the long-term investment policies with a total area of approximately three million square meters. Unrivaled in Turkey thanks to its land size inventory, Real Konut REIC continues to transform these lands into projects in the most efficient manner.

Emlak Konut REIC has set an excellent record, with revenue of 12.7 billion Turkish lira and a guaranteed company share of 3.8 billion Turkish lira from the eight tenders invited in the recent period. In the rest of the year, the company agenda will feature the tender of various Emlak Konut REIC lands at Istanbul's central points.

We signed contracts in our nine new revenue-sharing projects during the first nine months of 2017, and our contractors have already started working. We will sign contracts for other tendered projects, and we will commence our activities throughout the rest of the year.

We are all aware of the value added by Emlak Konut REIC projects to our cities. Accordingly, we have started to announce our new projects. One of the two most important projects represents Istanbul's first example of neighborhood concept as we know from our childhood. Rising on a one-million square meter area in Küçükçekmece, a portion of which has been tendered recently, the project will feature outstanding qualities. The other is the Kuzey Yaka project, which includes a range of construction concepts from a zoo to offices, and a congress center to a hotel and city park, as seen in global metropolises.

I would like to express my warmest thanks to the Board of Directors and all our employees for their invaluable contributions to Emlak Konut REIC's journey, as well as its future vision. As we create added value for all our stakeholders, we will continue to add new success stories, grow our company, and make the most worthwhile investments in the right areas.

Sincerely,

Murat KURUM

ABOUT EMLAK KONUT

Our Company At A Glance

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

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

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

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

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

CONTACT INFORMATION

HEADQUARTERS: Barbaros Mahallesi, Mor Sümbül Sokak No:7/2B Ataşehir
İSTANBUL

BRANCH 1: Bilkent Plaza A3 Blok No:14 Çankaya – Ankara

BRANCH 2: Kızılırmak Mahallesi Dumlupınar Bulvarı (Eskişehir Highway) No:3/A Next
Level Ofis Kule Kat: 18 Söğütözü Çankaya – Ankara

Tel: +90 216 579 1515

Fax 1: +90 216 456 4875

Fax 2: +90 0216 579 1699

E-mail: info@emlakkonut.com.tr

Web Site: www.emlakkonut.com.tr

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.

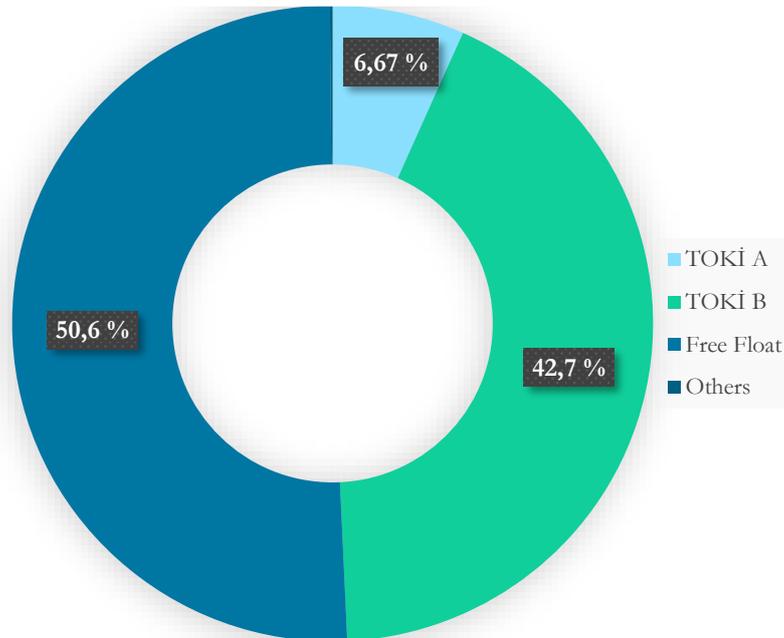
As stated in Article 5 of the Articles of Association, our Company is a joint stock public company founded with the registered capital in order to deal with the goals and subjects specified in the arrangements of the Capital Markets Board regarding investment companies and to make investments in actual 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, Mission and Quality Policy



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.

Quality Policy

- ❖ To comply with the quality standards by the Management System and continuously improve,
- ❖ To put emphasis on the employee training activities, to promote creativity and effectiveness,
- ❖ To closely follow up developments and innovations in the sector,
- ❖ To protect the material and nonmaterial rights of shareholders and investors, as a Company whose public shares are trading at Istanbul Stock Exchange,
- ❖ To understand the history as the legacy of the past within an understanding emphasizing the Historical and Cultural values,
- ❖ To consider social values along with customer preferences and expectations, - Under the brand assurance of "Emlak Konut", to create settlements those contain places to be lived peacefully and safely, bear a modern urbanism mentality, are planned, high quality and eco-friendly,
- ❖ To carry the "Emlak Konut" brand, which was constituted as a result of the successful works we have performed as of foundation, into the future under the light of our knowledge and experience, and by the virtue of "We" oriented management understanding acting with the conscious of becoming a family with our personnel.

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.



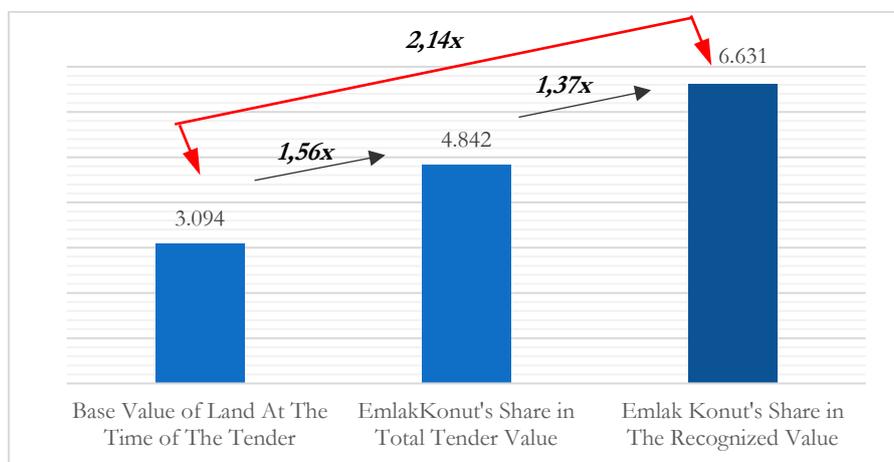
ABOUT EMLAK KONUT

Revenue Sharing Model

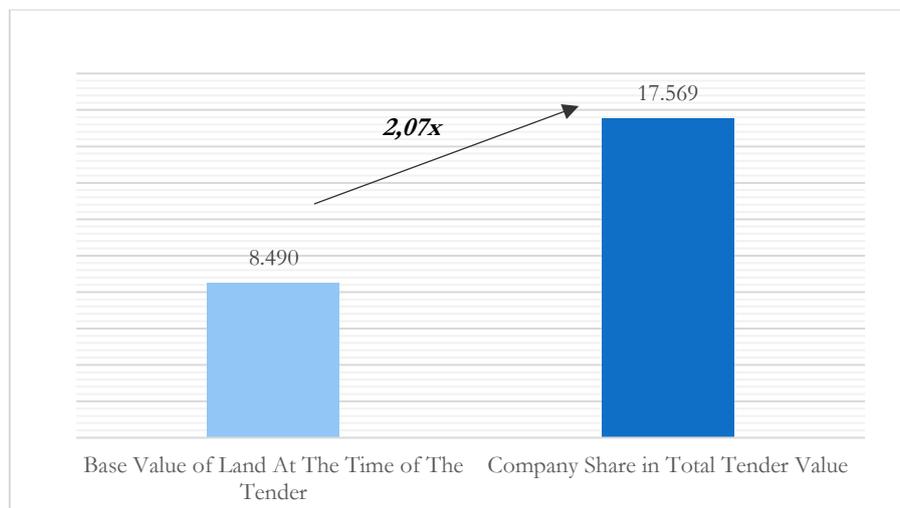
This is the primary income creation model of the Company. This is an original model used especially for projects intended for the upper- middle and upper income groups and provides profitability and fund flow for the Company. When it is deemed necessary, our Company purchase units in revenue sharing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

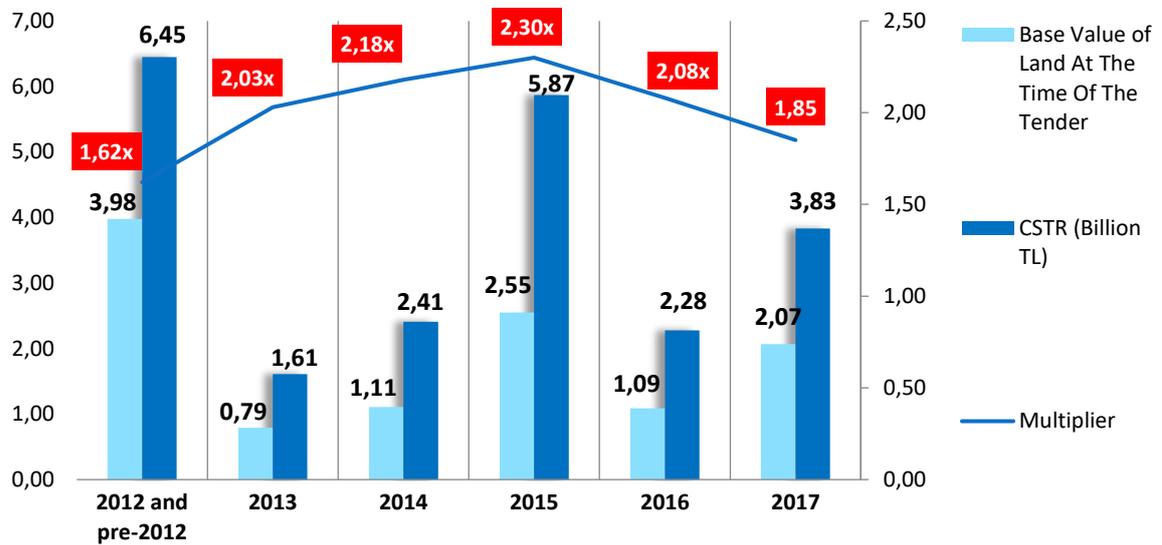


* The figures are in million TL. Please note that, the past performance is not necessarily an indicator of future performance.

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	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Metropol İstanbul	Gap~Kefeli	~1.16 bn TL	43.15%	~501 mn TL	74.28 %	04.04.2017	99,108 sqm	2,139



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Maslak 1453 İstanbul	Akdeniz	3.25 bn TL	35.50 %	~1.15 bn TL	94.48 %	05.10.2017	241,905 sqm	5,258

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Fatih Yedikule	Ege~ Yedikule	~303 mn TL	35.01 %	~106 mn TL	0.00 %	07.04.2019	41,162 sqm	161



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Bahçkent Flora	İzka~ Dağ~ Sitar	320 mn TL	25.26 %	~81 mn TL	92.23 %	30.11.2017	119,757 sqm	1,219

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Göl Panorama	Be-Ma	530 mn TL	28.00 %	~148 mn TL	91.36 %	22.10.2017	94,255 sqm	1,471



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
İstmarina	Dap-Eltes	~1.34 mlr TL	40.00 %	534 mn TL	76.15 %	30.05.2018	64,502 sqm	1,625

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Evvel İstanbul	İntaya~ İntes~ EYG	726 mn TL	26.00 %	~189 mn TL	69.97 %	02.04.2018	94,637 sqm	1,423



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Köy	Siyahkalem	~1.48 bn TL	32.25 %	~ 476 mn TL	30.45 %	10.03.2020	348,807 sqm	1,156*

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

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



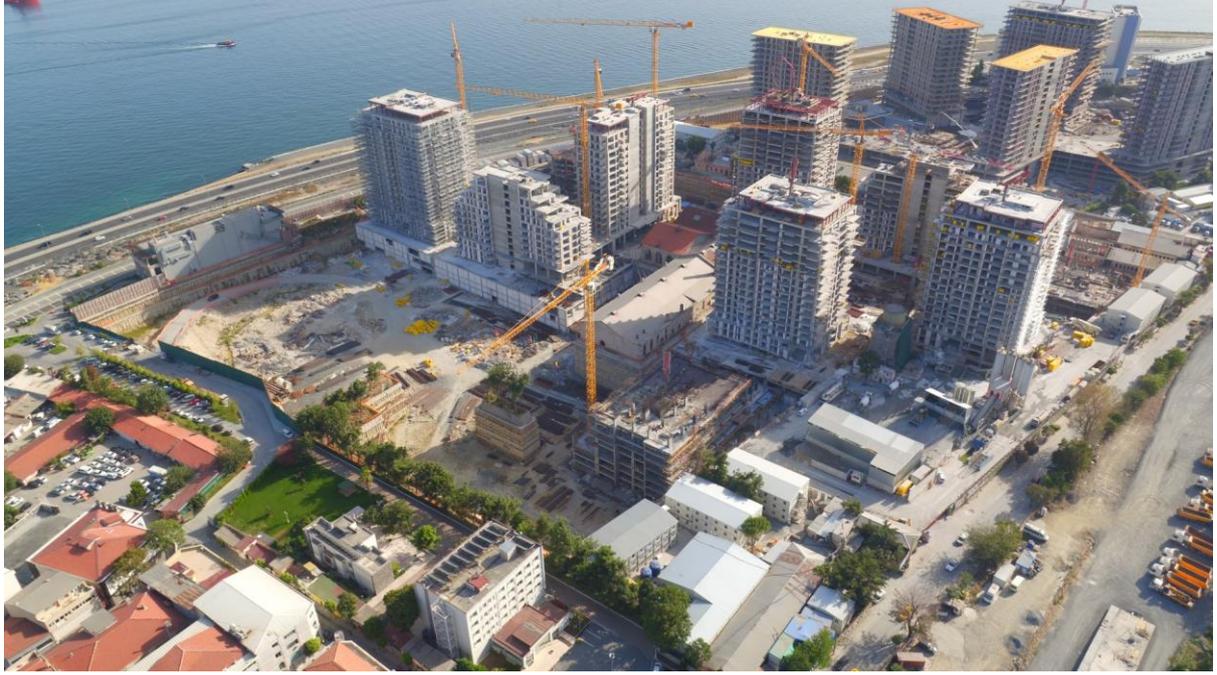
PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Park Mavera	Makro~Akyapı	~1.4 bn TL	30.00 %	~420 mn TL	91.20 %	25.06.2018	143,701 sqm	1,815



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Avrupark	Cihan~Konut Yapı	602 mn TL	26.00 %	~157 mn TL	49.42 %	27.07.2018	106,834 sqm	1,480

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Büyükyalı İstanbul	Özak~ Yenigün ~ Ziylan	4.24 mlr TL	37.00 %	~1.57mlr TL	21.70 %	23.04.2021	111,023 sqm	1,712



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Sofaloca	Başyapı ~ Solaryapı	180 mn TL	30.00 %	54 mn TL	80.19 %	15.11.2017	18,228 sqm	156

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Kocaeli Derince	Kumuşoğlu ~ Tokal	385 mn TL	21.61 %	~83 mn TL	0.00 %	01.09.2021	72,313 sqm	-



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Tual Adalar	Dağ	420 mn TL	29.50 %	~124 mn TL	26.76 %	06.11.2018	48,158 sqm	542*

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

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Karat 34	Kelif Joint Venture	440 mn TL	39.00 %	~172 mn TL	31.90 %	14.03.2018	36,175 m ²	592



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Avrupa Konutları Başakşehir	Artaş	876 mn TL	40.00 %	~350 mn TL	80.09 %	23.08.2018	89,247 sqm	968

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Tual Bahçekent	Dağ	1.09 bn TL	25.26 %	~275 mn TL	22.98 %	14.05.2019	189,901 sqm	1,925



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Nidapark İstinye	Tahincioğlu İstinye Joint Venture	~3.67 bn TL	51.10 %	~1.88 bn TL	0.00 %	07.11.2020	158,498 sqm	555

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Temeşehir Konya	Torkam	705 mn TL	30.00 %	~212 mn TL	34.53 %	22.06.2018	72,727 sqm	905



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Merkez Ankara	Pasifik ~ Çiftay	4.2 bn TL	30.00 %	~1.3 bn TL	5.39 %	24.03.2020	137,249 sqm	3,060

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Avangart İstanbul	Gül İnşaat	1.3 bn TL	49.00 %	637 mn TL	7.55 %	04.12.2018	36,750 sqm	953



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Nidapark Kayaşehir	Tahincioğlu Kayabaşı Joint Venture	~1.07 bn TL	38.00 %	~408 mn TL	38.24 %	20.10.2018	103,277 sqm	1,139

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Evora Denizli	Teknik Yapı~UCD	~515 mn TL	18.00 %	~93 mn TL	16.81 %	28.08.2019	115,291 sqm	1,555



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Koordinat Çayyolu	YP İnşaat	~545 mn TL	33.00 %	180 mn TL	31.72 %	10.05.2019	38,152 sqm	432

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Validebağ Konakları	Eltes~ İst Life	810 mn TL	50.15 %	~406 mn TL	7.17 %	03.09.2019	17,237 sqm	366



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Ebruli İspartakule	Sitar~ Aslan~ Torkam	600 mn TL	22.00 %	132 mn TL	3.76 %	03.08.2019	47,168 sqm	776

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Yeniköy Konakları	YeniYapı ~ Taca	~443 mn TL	38.00 %	168 mn TL	5.33 %	24.06.2019	35,856 sqm	349



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Avrurpark Hayat	Cihan İnş.~ Konut Yapı	626 mn TL	25.00 %	~157 mn TL	0.00 %	30.12.2019	42,020 sqm	1,184

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Ofis Karat Bakırköy	Başyapı ~ Güney~ Elit Vizyon	~200 mn TL	31.00 %	62 mn TL	3.46 %	12.03.2019	5,250 sqm	90



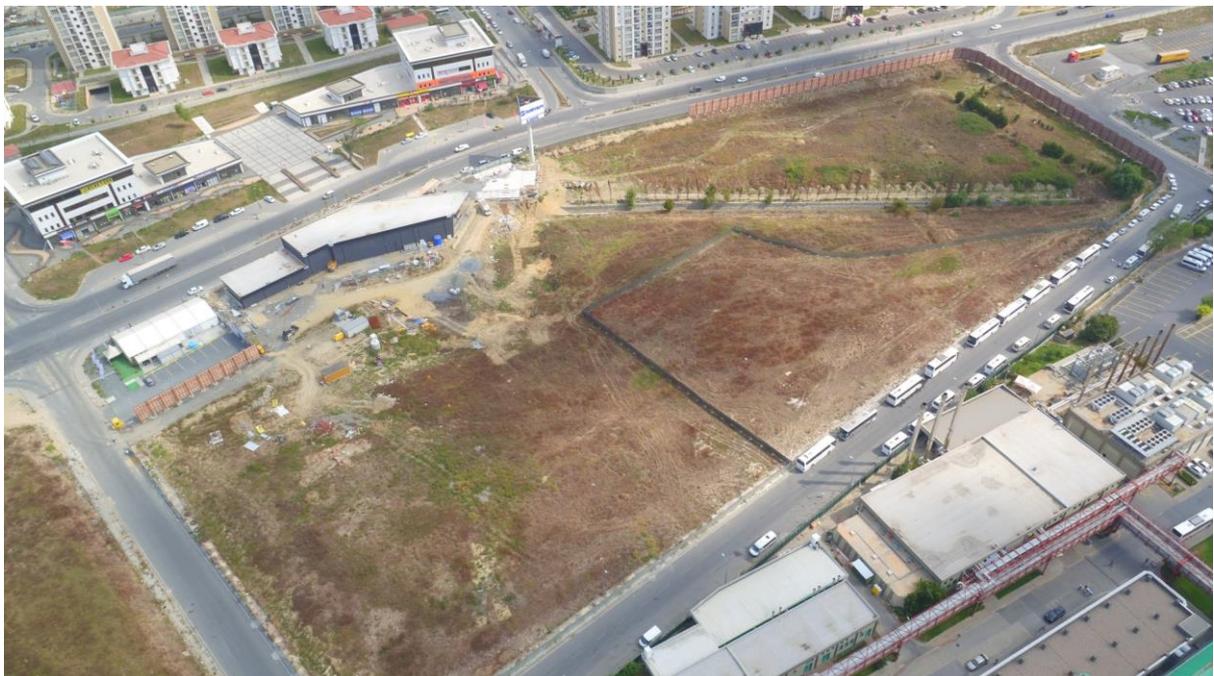
PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Nidapark Küçükyalı	Tahincioğlu ~ Kozken	3.64 bn TL	42.00 %	~1.53 bn TL	8.14 %	15.04.2021	114,239 sqm	2,025

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Avcılar Ispartakule 6th Stage	Ak Yapı~ Eşbah	~342 mn TL	25.00 %	~86 mn TL	0.00%	31.05.2019	44,825 sqm	632



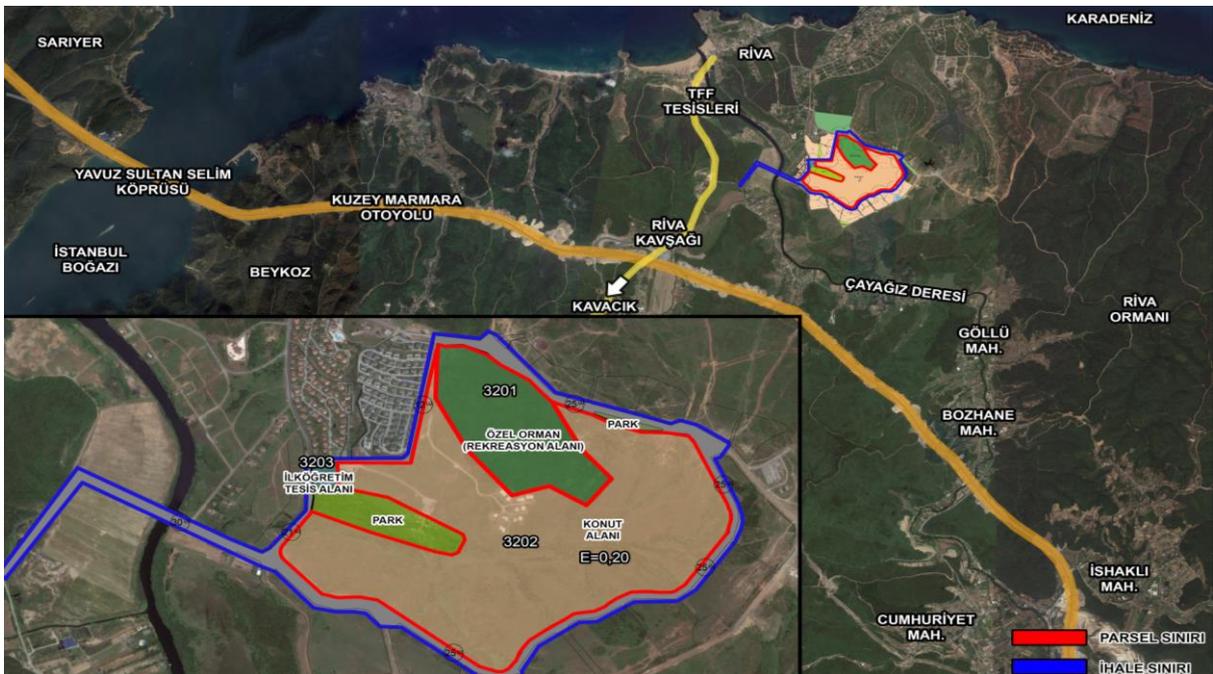
PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Semt Bahçekent	Sur Yapı~ Hatay Akpınar	602 mn TL	25.00 %	~151 mn TL	4.41 %	01.06.2019	66,656 sqm	1,038

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Zeytinburnu Beşelsiz	Beşelsiz Joint Venture	1.73 bn TL	37.00 %	~640 mn TL	0.00 %	27.08.2021	96,968 sqm	478



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Beykoz Riva	Yılmaz İnşaat	~3.81 bn TL	25.00 %	952 mn TL*	0.00 %	22.09.2021 22.09.2023	1,157,004 sqm	-

* 20 % of CSTR figure (190.400.000 TL) will be allocated to Emlak Konut.

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Tuzla İçmeler	Dağ	185 mn TL	29.15 %	~54 mn TL	0.00 %	29.07.2020	9,600 sqm	-



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
İzmir Konak 1st Stage	Teknik Yapı ~ Halk GYO	~1.67 bn TL	35.00 %	~585 mn TL*	94.48 %	16.09.2021	47,070 sqm	-

* 20 % of CSTR figure (117.040.000 TL) will be allocated to Emlak Konut.

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
İzmir Konak 2nd Stage	Pekintaş ~ Burakcan	2.2 bn TL	33.00 %	726 mn TL*	0.00 %	21.08.2021	78,558 sqm	-



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Şile Çavuş	İdealist İnşaat ~ İdealist GYO	~69 mn TL	22.00 %	15 mn TL	0.00 %	10.08.2019	17,933 sqm	-

* 20 % of CSTR figure (145.200.000 TL) will be allocated to Emlak Konut.

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	Contractor	ETSR	CRSR	CSTR	Progress Level	Expected Completion Date	Land Area	Number of Units
Istanbul Finance Center	Akdeniz ~IFM Joint Venture	1.46 bn TL	4.15 %	~61 mn TL	44.28 %	12.11.2020	115,497 sqm	1,442*

TERMINOLOGY

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 (ETSRx CRSR)

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

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

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 MİMARŞINAN	9,732,640	42.120.000	35.10	54,717,096
12	EMLAK KONUT PELİKAN	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 KONAKLARI	105,535,000	137.700.000	50.00	225,371,578
27	VARYAP MERIDIAN	214,793,710	338.189.000	44.15	446,569,757
28	MY TOWERLAND	42,000,000	107.019.000	47.00	234,766,505
29	SOYAK PARK APARTS/ EVOSTAR	72,904,525	102.312.000	26.10	102,312,000
30	EVORA İSTANBUL	47,815,045	163.903.000	32.65	177,362,987
31	EVORA İSTANBUL MARMARA	49,868,323	153.600.000	32.00	166,077,766
32	AVRUPA KONUTLARI TEM 2	42,910,000	73.328.640	30.00	83,925,799
33	DUMANKAYA MİKS	37,590,590	82.502.500	30.50	82,610,259
34	KUASAR İSTANBUL	237,485,823	375.337.542	50.00	467,638,254
35	BATIŞEHİR	351,665,405	424.000.000	32.00	573,782,822
36	BAHÇETEPE İSTANBUL	110,649,748	165.100.000	26.00	189,630,902
37	SEYRANŞEHİR	23,170,000	51.520.000	28.00	58,365,088
38	NİDAKULE ATAŞEHİR	63,551,681	190.231.000	36.20	192,736,638
39	SARPHAN FİNANS PARK	51,786,200	61.500.000	37.51	304,015,436,09
40	BULVAR İSTANBUL	128,386,000	202.440.000	28.00	232,162,918,19
TOTAL		3,093,755,459	4,841,540,585		6.631.182.782
The Weighted Average of Company Revenue Share Ratio (%)				34	

*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 ISTANBUL	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	BAHÇEŞEHİR GÖL PANORAMA	80,810,000	148,400,000	28.00	1.84
6	FATİH YEDİKULE	67,915,000	105,968,270	35.01	1.56
7	EVVEL İSTANBUL	97,500,000	188,760,000	26.00	1.94
8	BAHÇEKENT FLORA	55,245,000	80,832,000	25.26	1.46
2013		515,515,000	1,057,960,270	<i>Average Multiplier</i>	2.05
9	BÜYÜKYALI İSTANBUL	725,700,000	1,568,800,000	37.00	2.16
10	PARK MAVERA	124,615,000	420,000,000	30.00	3.37
11	AVRUPARK	63,698,214	156,520,000	26.00	2.46
12	SOFALOCA	36,547,140	54,000,000	30.00	1.48
13	KOCAELİ, DERİNCE	70,000,000	83,198,500	21.61	1.19
14	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
15	KARAT 34	63,564,095	171,600,000	39.00	2.70
16	NİDAPARK İSTİNYE	1,062,270,000	1,876,392,000	51.10	1.77
17	TUAL BAHÇEKENT	115,680,485	275,334,000	25.26	2.38
18	AVRUPA KONUTLARI BAŞAKŞEHİR	115,200,000	350,400,000	40.00	3.04
19	TEMAŞEHİR KONYA	85,000,000	211,500,000	30.00	2.49
20	AVANGART İSTANBUL	115,953,466	637,000,000	49.00	5.49
21	MERKEZ ANKARA	622,000,000	1,258,365,000	30.00	2.02
22	NİDAPARK KAYAŞEHİR	117,420,000	407,588,000	38.00	3.47
23	EVORA DENİZLİ	74,738,419	92,651,000	18.00	1.24
24	KOORDİNAT ÇAYYOLU	95,156,250	180,000,000	33.00	1.89
25	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
26	OFİS KARAT BAKIRKÖY	32,025,000	62,000,000	31.00	1.94
27	YENİKÖY KONAKLARI	46,400,000	168,150,000	38.00	3.62
28	EBRULİ İSPARTAKULE	72,111,718	132,000,000	22.00	1.83
29	AVRUPARK HAYAT	83,391,734	156,500,000	25.00	1.88
30	SEMT BAHÇEKENT	86,255,477	150,500,000	25.00	1.74
31	NİDAPARK KÜÇÜKYALI	713,096,640	1,527,000,300	42.00	2.14
32	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
33	ZEYTİNBURNU BEŞTELSİZ**	418,966,961	640,100,000	37.00	1.53
34	BEYKOZ RİVA**	396,012,119 ¹	952,000,000	25.00	2.40
35	TUZLA İÇMELER**	24,745,500	53,927,500	29.15	2.18
36	İZMİR KONAK 1ST STAGE**	540,599,500 ¹	585,200,000	35.00	2.43
37	İZMİR KONAK 2ND STAGE**		726,000,000	33.00	
38	ŞİLE ÇAVUŞ**	10,031,311	15,070,000	22.00	1.50
39	ANTALYA MURATPAŞA ²	190,000,000	302,100,000	28.50	1.59
40	KÜÇÜKÇEKMECE 2ND STAGE ³	492,617,322	551,000,000	27.55	1.12
2017		2,072,972,713	3,825,397,500	<i>Average Multiplier</i>	1.85
TOTAL		8,490,050,222	17,568,980,570	<i>Multiplier</i>	2.07

*CSTR figures are the initial tender values.

** Construction permits have not been obtained yet.

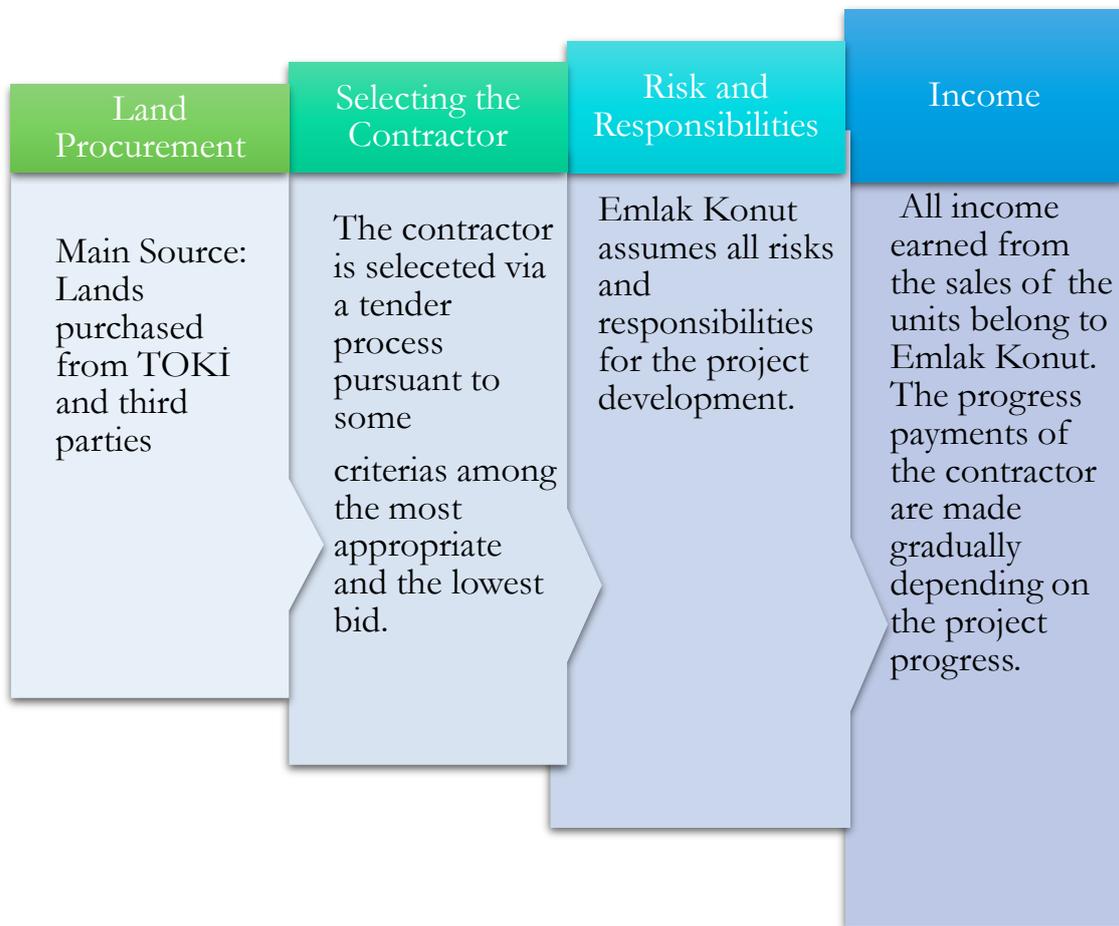
(1) Beykoz Riva and İzmir Konak tenders multiplier are calculated on the basis of appraisal values.

(2) The agreement of Antalya Muratpaşa has been signed on 16.10.2017.

(3) The agreement of Küçükçekmece 2nd Stage has not been signed 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 Headquarter's Building
Sultanbeyli Emlak Konutları
Alemdağ Emlak Konutları
Tuzla Emlak Konutları 1
Tuzla Emlak Konutları 2
Körfezkent 2
Körfezkent 3
Gebze Emlak Konutları 1
Gebze Emlak Konutları 2
Emlak Konut Mavişehir Evleri
Selimpaşa Emlak Konutları
Burgazkent
Lüleburgaz Çarşı
Yıldızkent 1
Yıldızkent 2
Yıldızkent 3

Ongoing Turn-Key Model Projects

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

ABOUT EMLAK KONUT

Ongoing Turnkey Model Projects



PROJECT	Contractor	Current Agreement Value	Book Value of The Land+Progress Payments	Progress Level	Expected Completion Date	Land Area	Number of Units
Ayazma Emlak Konutları 1	Güryapı	~ 366 mn TL	~377 mn TL	62.92 %	29.05.2018	99,875 sqm	1,239



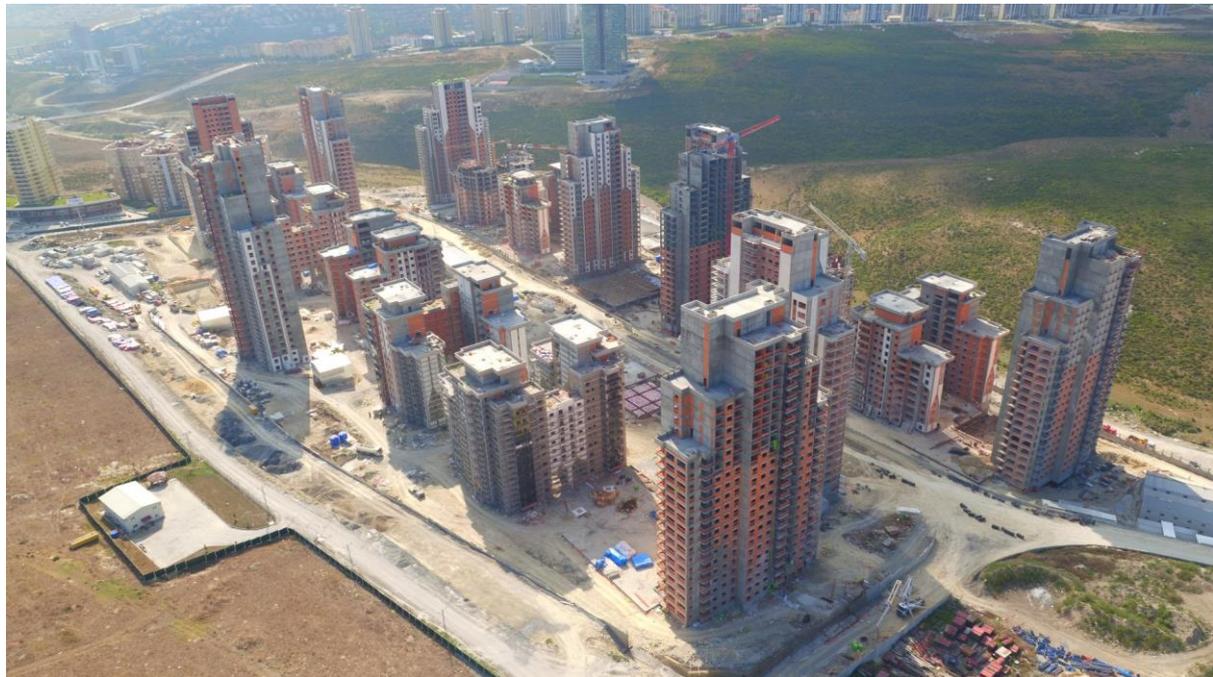
PROJECT	Contractor	Current Agreement Value	Book Value of The Land+Progress Payments	Progress Level	Expected Completion Date	Land Area	Number of Units
Körfezkent 4	Zek-San	~ 159 mn TL	~114 mn TL	54.79 %	22.11.2017	79,804 sqm	1,124

ABOUT EMLAK KONUT

Ongoing Turnkey Model Projects(Continued)



PROJECT	Contractor	Current Agreement Value	Book Value of The Land+Progress Payments	Progress Level	Expected Completion Date	Land Area	Number of Units
Ispartakule 1st Stage 1st Part	Yörük~ Ermit	~ 269 mn TL	~234 mn TL	45.56 %	16.08.2018	85,871 sqm	978



PROJECT	Contractor	Current Agreement Value	Book Value of The Land+Progress Payments	Progress Level	Expected Completion Date	Land Area	Number of Units
Ispartakule 1st Stage 2nd Part	Balpa	~ 240 mn TL	~180 mn TL	40.31 %	16.08.2018	74,346 sqm	904

ABOUT EMLAK KONUT

Ongoing Turnkey Model Projects(Continued)



PROJECT	Contractor	Current Agreement Value	Book Value of The Land+Progress Payments	Progress Level	Expected Completion Date	Land Area	Number of Units
Kayabaşı Emlak Konutları 2	Kalyon	~ 83 mn TL	~111 mn TL	73.51 %	22.12.2017	24,272 sqm	271



PROJECT	Contractor	Current Agreement Value	Book Value of The Land+Progress Payments	Progress Level	Expected Completion Date	Land Area	Number of Units
Nevşehir Emlak Konutları	Cent Yapı	~ 117 mn TL	~146 mn TL	50.03 %	19.11..2018	29,541 sqm	420

ABOUT EMLAK KONUT

Ongoing Turnkey Model Projects(Continued)



PROJECT	Contractor	Current Agreement Value	Book Value of The Land+Progress Payments	Progress Level	Expected Completion Date	Land Area	Number of Units
Ayazma Emlak Konutları 2	Yılmaz İnşaat	~ 88 mn TL	~102 mn TL	67.83 %	24.07.2018	21,407 sqm	386



PROJECT	Contractor	Current Agreement Value	Book Value of The Land+Progress Payments	Progress Level	Expected Completion Date	Land Area	Number of Units
Niğde Emlak Konutları	Pekintaş Yapı	~ 102 mn TL	~51 mn TL	18.75 %	19.05.2019	25,643 sqm	365

ABOUT EMLAK KONUT

Ongoing Turnkey Model Projects(Continued)



PROJECT	Contractor	Current Agreement Value	Book Value of The Land+Progress Pavments	Progress Level	Expected Completion Date	Land Area	Number of Units
Gebze Emlak Konutları 3rd Stage 1st Part	Mustafa Ekşi	~ 315 mn TL	~81 mn TL	5.72 %	13.03.2019	91,565 sqm	1,040



PROJECT	Contractor	Current Agreement Value	Book Value of The Land+Progress Pavments	Progress Level	Expected Completion Date	Land Area	Number of Units
Gebze Emlak Konutları 3rd Stage 2nd Part	Siyahkalem	~ 316 mn TL	~70 mn TL	7.61 %	20.03.2019	90,774 sqm	

ABOUT EMLAK KONUT

Ongoing Turnkey Model Projects(Continued)



PROJECT	Contractor	Current Agreement Value	Book Value of The Land+Progress Payments	Progress Level	Expected Completion Date	Land Area	Number of Units
Başkent Emlak Konutları 1	Kalyon	~ 560 mn TL	~289 mn TL	8.24 %	25.07.2019	89,502 sqm	1,329



PROJECT	Contractor	Current Agreement Value	Book Value of The Land+Progress Payments	Progress Level	Expected Completion Date	Land Area	Number of Units
Kayabaşı Recreation	Yapı ve Yapı İnşaat	~ 510 mn TL	~186 mn TL	28.39 %	14.09.2019	363,979 sqm	373

ABOUT EMLAK KONUT

Ongoing Turnkey Model Projects(Continued)



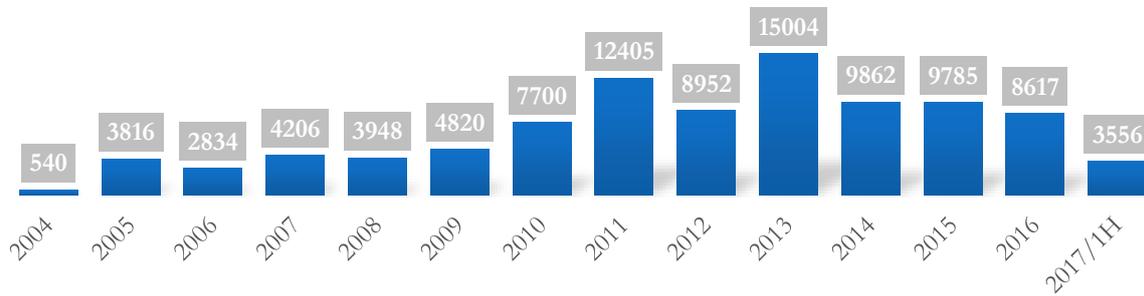
PROJECT	Contractor	Current Agreement Value	Book Value of The Land+Progress Payments	Progress Level	Expected Completion Date	Land Area	Number of Units
Başkent Emlak Konutları 2	ASL İnşaat	~ 204 mn TL	~101 mn TL	8.90 %	30.08.2018	30,521 sqm	507



PROJECT	Contractor	Current Agreement Value	Book Value of The Land+Progress Payments	Progress Level	Expected Completion Date	Land Area	Number of Units
Körfezkent Çarşısı	Ahes İnşaat	~ 49 mn TL	~5 mn TL	0.00 %	27.01.2019	16,953 sqm	106

ABOUT EMLAK KONUT

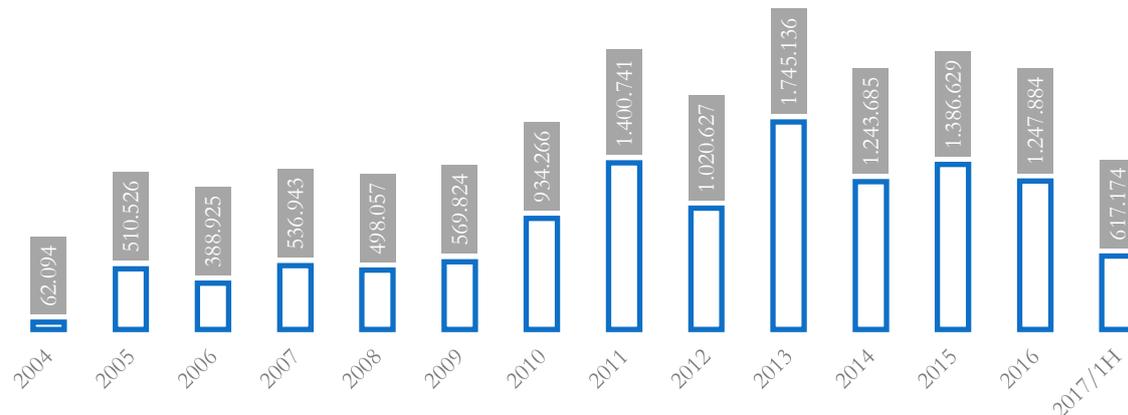
Number of Units Sold



Total Sales Value (1) TL



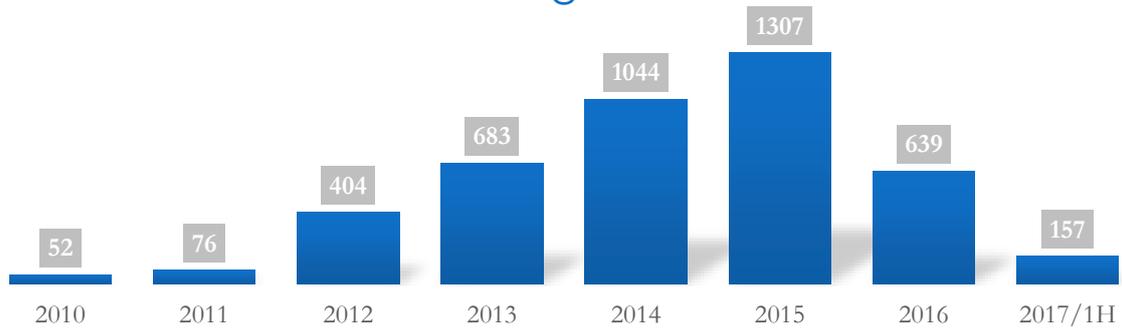
Total Squaremeters Sold (2) sqm



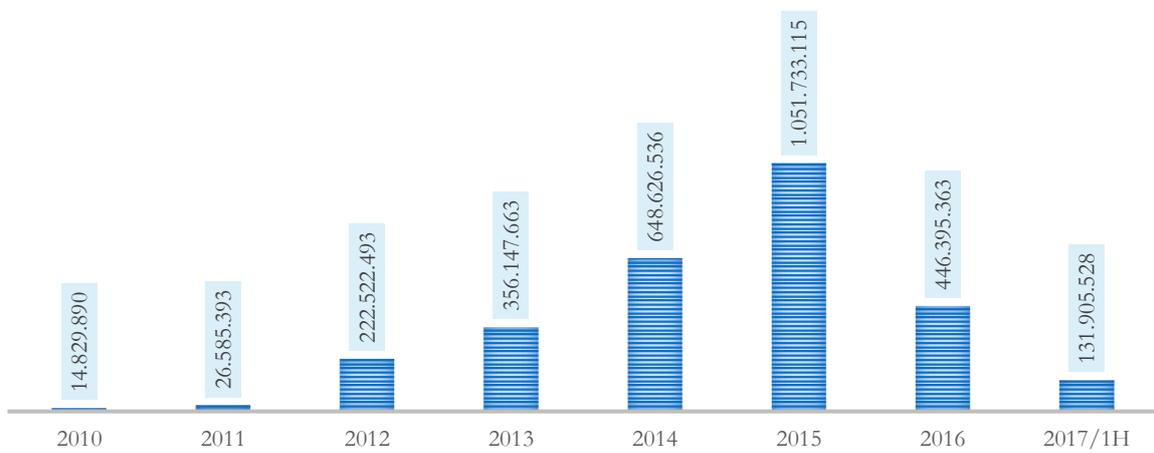
- (1) Excluding VAT
- (2) Squaremeters sold. Add-ons not included.

ABOUT EMLAK KONUT

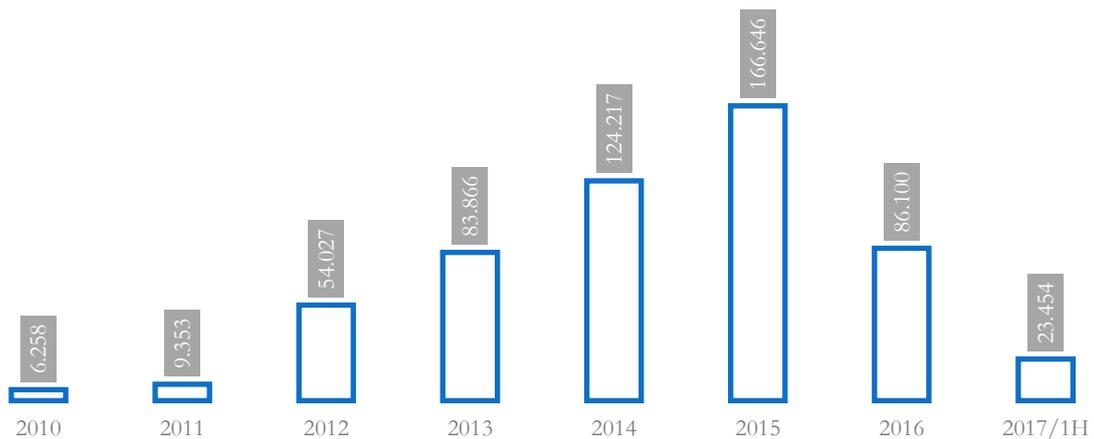
Number of Units Sold to Foreigners



Total Sales Value to Foreigners (1) TL



Squaremeters Sold to Foreigners (2) sqm

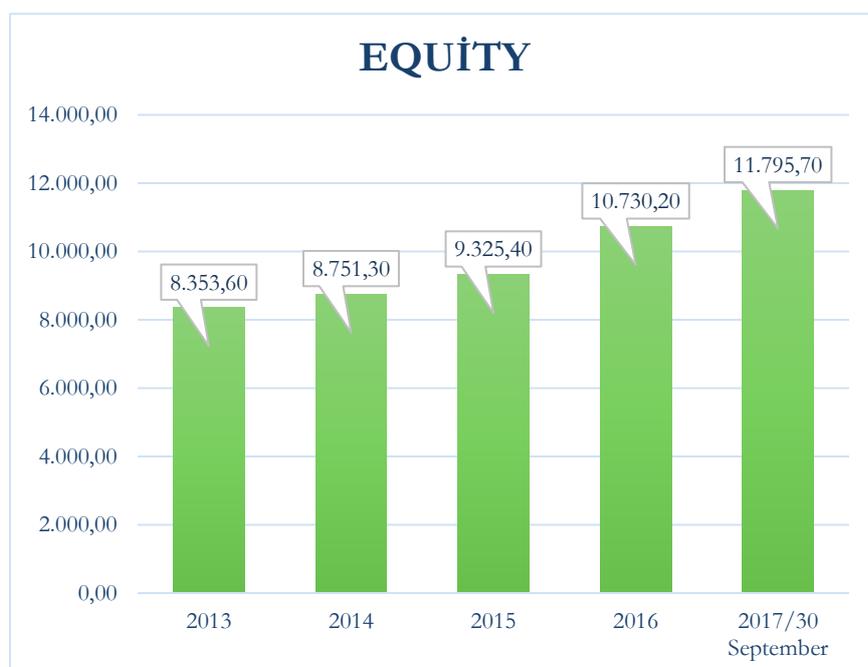


- (3) Excluding VAT
(4) Squaremeters sold. Add-ons not included.

ABOUT EMLAK KONUT

Summary OF Financial Results

Financial Data	2017/30 September	2016	2015	2014	2013	2012
Income Statement						
<i>Net Sales</i>	2,802.5	3,455.9	1,786.8	1,804.5	2,331.1	1,004.6
<i>EBITDA</i>	1,343.5	1,907.5	904.3	749.0	1,004.4	529.8
<i>EBITDA Margin</i>	47.9 %	55.2 %	50.6 %	41.5 %	43.1 %	52.7 %
<i>Profit for The Period</i>	1,065.5	1,761.3	952.6	954.4	1,060.5	523.4
Balance Sheet						
<i>Total Assets</i>	19,906.7	18,702.4	16,736.0	14,490.6	13,471.0	8,578.9
<i>Our Equity</i>	11,795.7	10,730.2	9,325.4	8,751.3	8,353.6	4,392.3



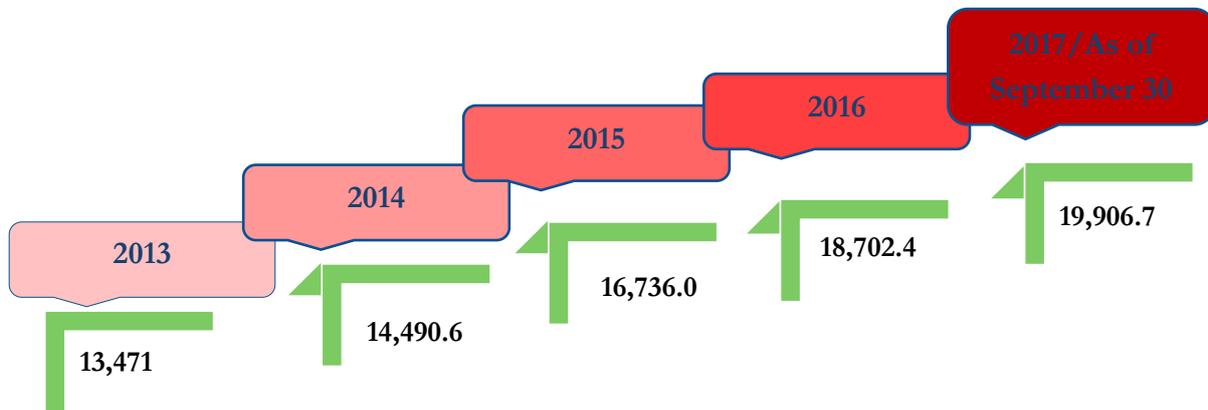
✓ OUR EQUITY

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

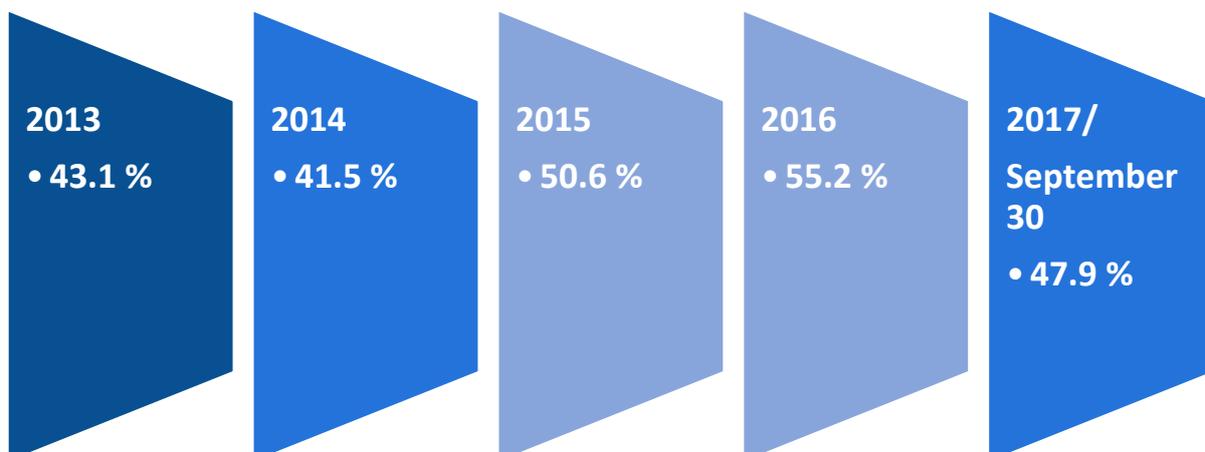
ABOUT EMLAK KONUT

Summary of Financial Results

✓ Total assets has increased year over year.

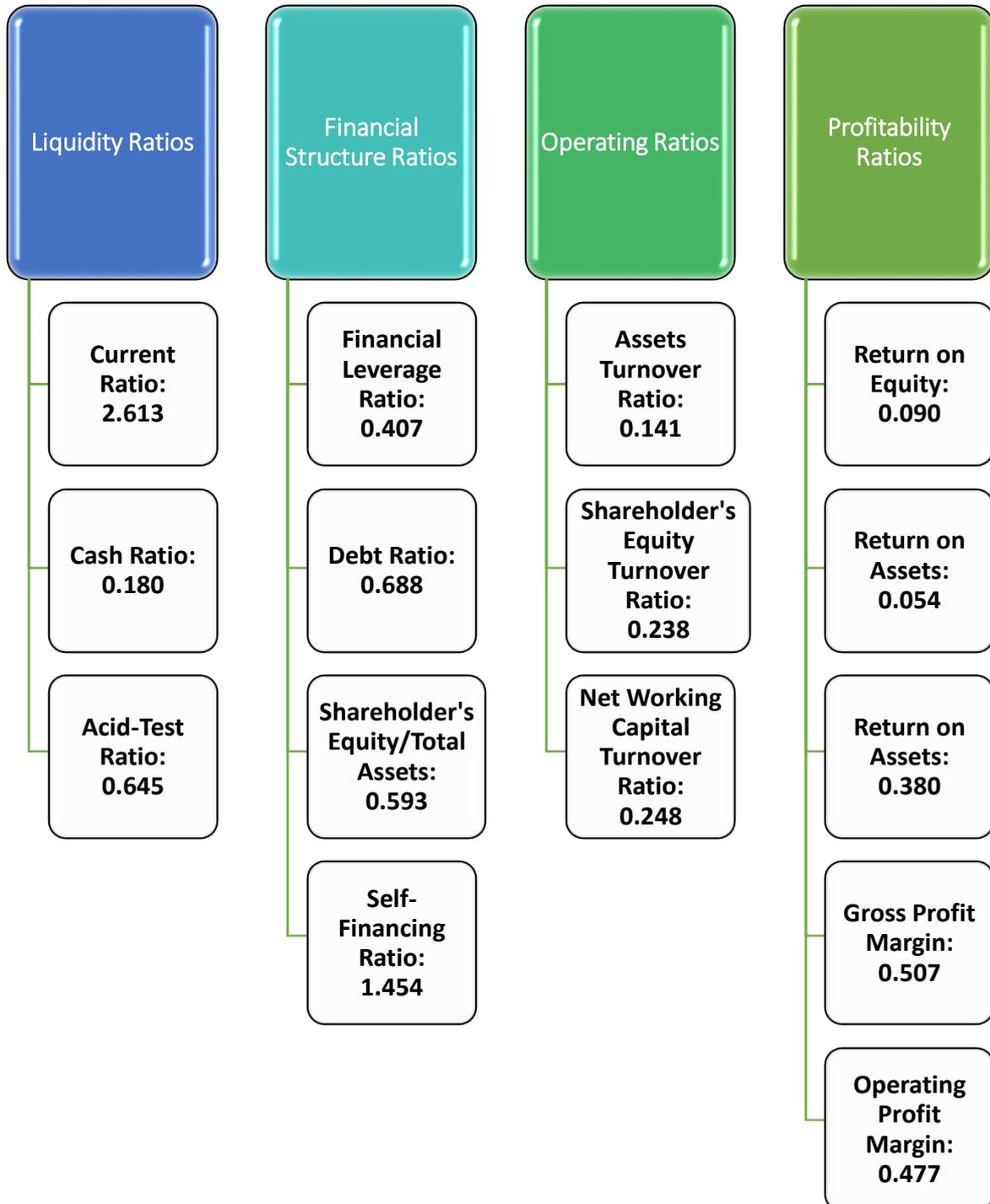


EBITDA MARGIN (EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION)



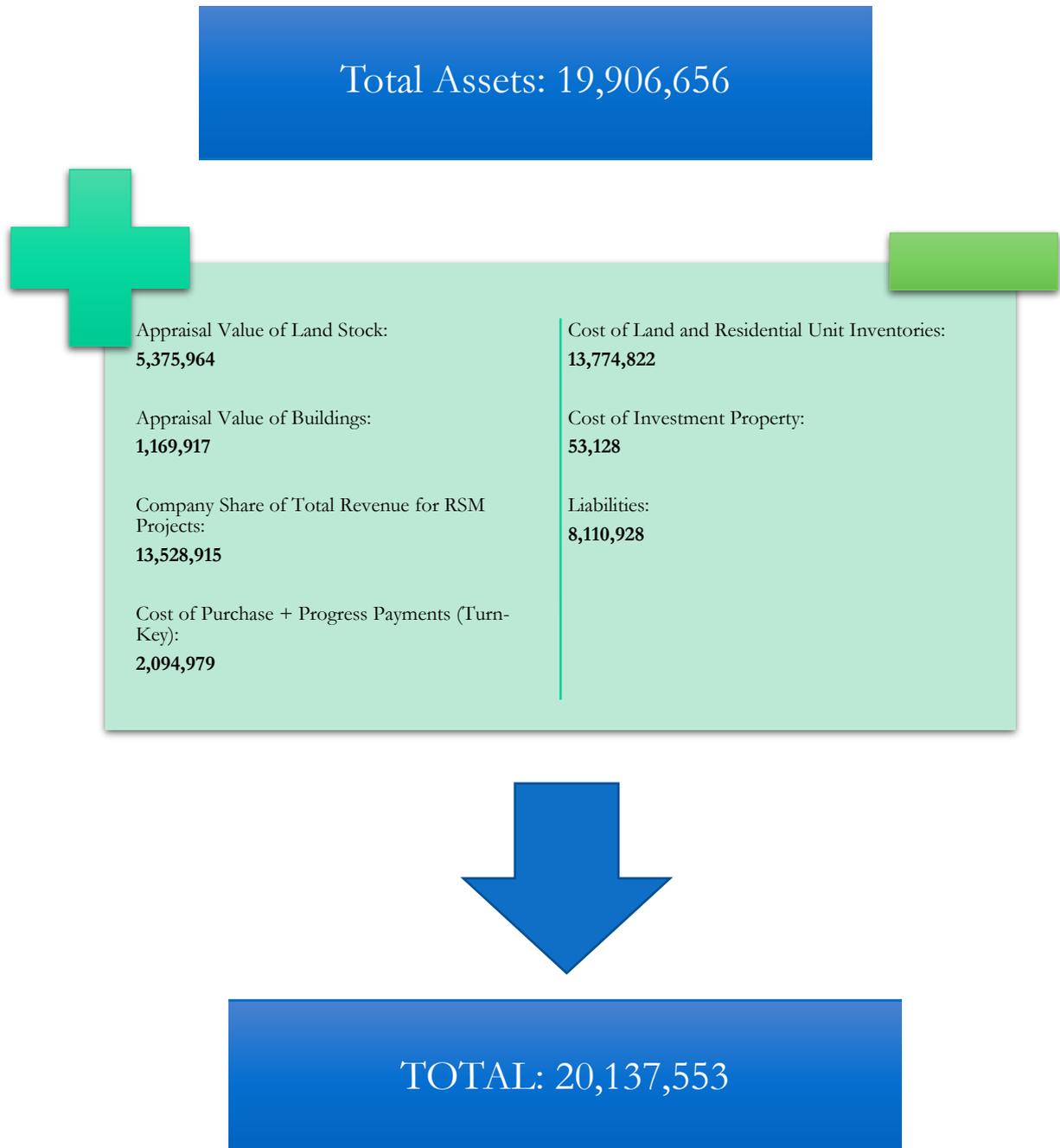
ABOUT EMLAK KONUT

Financial Ratios



ABOUT EMLAK KONUT

Summary Table of Significant Figures 30.09.2017 ('000 TL)



ABOUT EMLAK KONUT

Leased Properties

No	Tenant	Starting Date	Ending Date	Duration	Property Information	Rent Value*
1	İFM&AKDENİZ İN. İŞ ORTAKLIĞI	01.09.2016	01.09.2017	1 year	İstanbul-Kadıköy, 3317/22	12,500.00 TL
2	GÜRYAPI RESTORASYON TAH. VE TİC. A.Ş.	03.08.2015	03.03.2018	2 years 7 months	İstanbul-Başakşehir, 1344/2	2,200.00 TL
3	CİHAN İNŞAAT VE KONUT YAPI ADI ORTAKLIĞI	01.10.2016	01.10.2017	1 year	İstanbul-Başakşehir, 324 /2	1,700.00 TL
4	NİDA İNŞAAT VE TURİZM A.Ş.	01.11.2016	01.11.2017	1 year	İstanbul-Ümraniye 3317/21 and 3317/20	6,955.03 TL
5	TEKDEN FİLM YAPIMI YMONTH.REK. İNŞ.SAN.TİC. LTD. ŞTİ.	01.04.2017	01.11.2017	7 months	İstanbul-Beykoz 3201	35,000.00 TL
6	YEARMAZ İNŞAAT TAH. VE TİC. A.Ş.	01.07.2016	01.07.2018	2 years	İstanbul-Başakşehir 1335/15	6,773.00 TL
7	T.HALK BANKASI	-	-	5 years	3331/5 A Block No:1	425,000.00 TL
8	AKSÜS YAPI VE ENTEGRE ATIK İŞLETMELERİ SANMONTHİ VE TİC.A.Ş.	08.05.2017	08.05.2020	3 years	İstanbul Ataşehir 3358/2 Parcel	1,000.00 TL
9	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	1year	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	NURMONTHS 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	1year	C5 BLOCK-123	7,500.00 \$
9	RAHVALI GMONTHSRİMEN KUL GELİŞTİRME LTD. ŞTİ.	01.12.2016	30.12.2017	1year	C3 BLOCK-150	3,206.00 \$
10	EGE TEM. HİZ. VE YÖN. LTD. ŞTİ.	15.12.2016	14.12.2017	1year	C8 BLOCK-150	4,800.00 \$
11	FERİŞTE HACISÜLEYMAN	01.06.2017	30.09.2018	1 year 4 months	C5 BLOCK-124	12,500.00 \$
12	TİNKON TURİZM KONGRE VE ORG.HİZ.TİC.LTD. ŞTİ.	01.10.2017	30.09.2022	5 years	OB BLOK-22	12.500.00 \$, 15% Turnover Share**



* Not included VAT, values are expressed 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	6,193.78 TL
3	EMLAK KONUT GYO A.Ş.	01.04.2017	01.04.2020	3 years	NİĞDE/MERKEZ	1,666.66 TL
TOTAL						10.485.44 TL



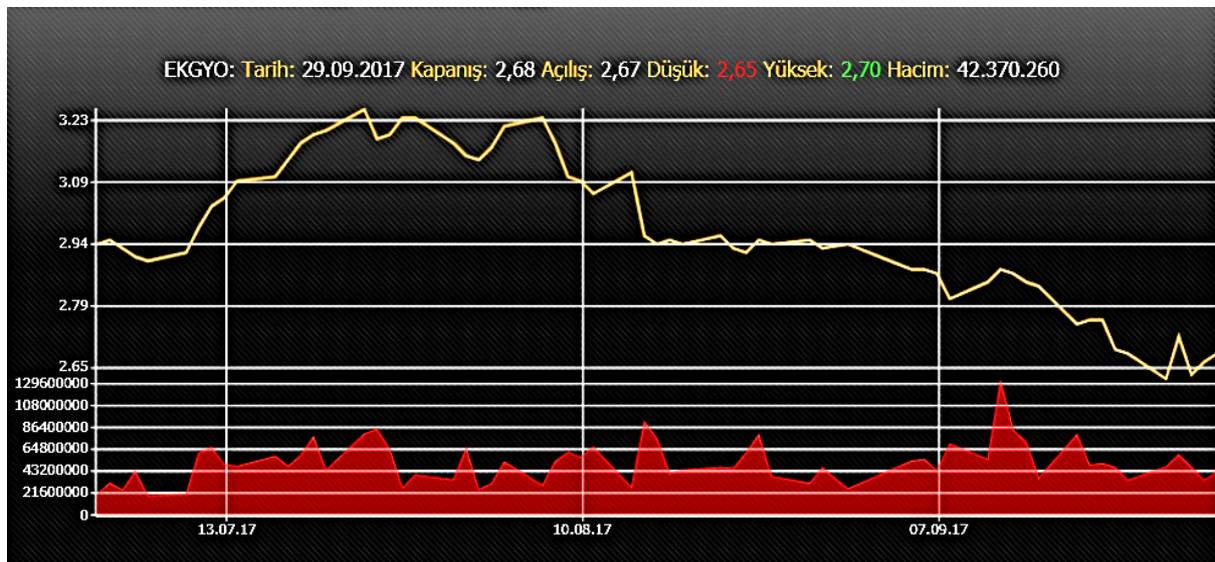
* Not included VAT, values are expressed in Turkish Lira and monthly.

ABOUT EMLAK KONUT

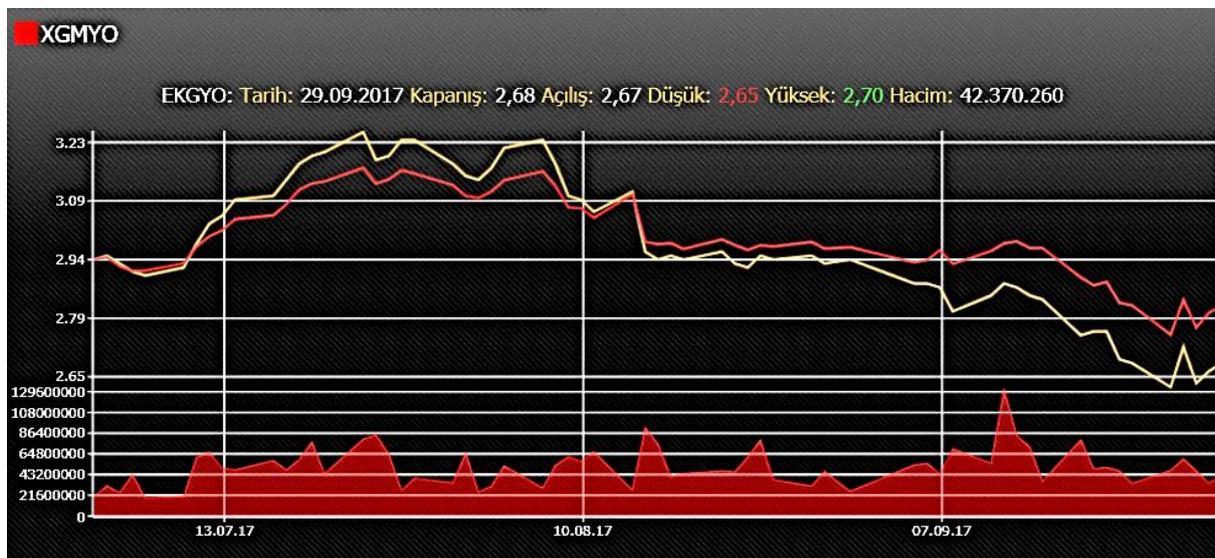
Share Performance

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



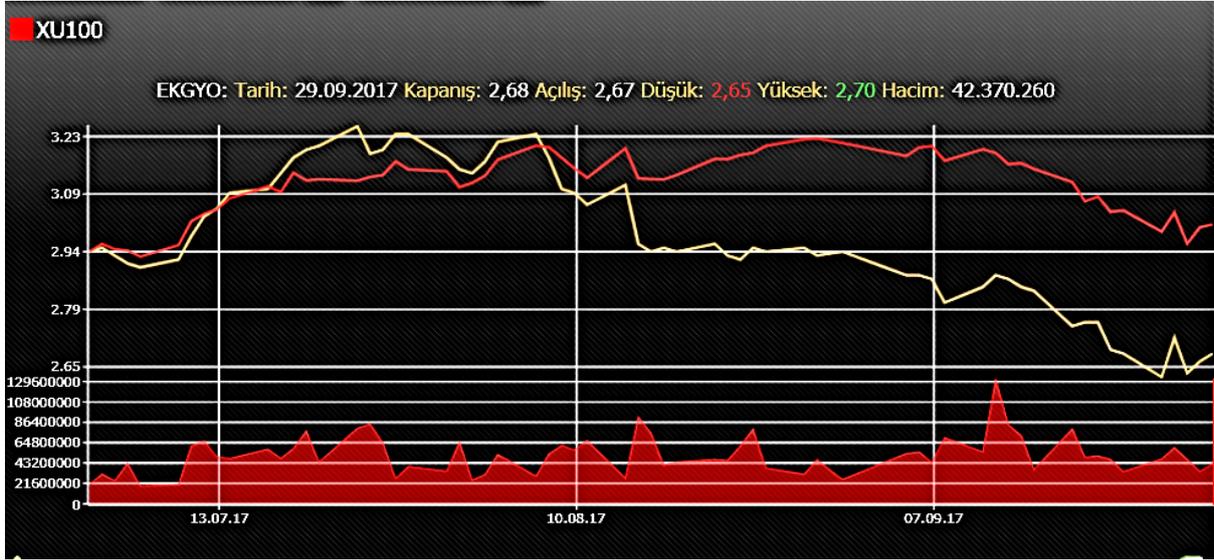
EKGYO SHARE/ XGMYO INDEX COMPARISON



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 63 resolutions between July 1, 2017, and September 30, 2017. All the resolutions were passed unanimously and applied.

The Board of Directors adopted 166 resolutions between January 1, 2017, and September 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 (MSc.)	-	A, B
MEHMET ÖZÇELİK	Member	Civil Engineer	-	A, B
MUHTEREM İNCE	Member	PublicAdministration	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 Ayođlu** 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

ABOUT EMLAK KONUT

Access to Insider Information (Continued)

considered a special circumstance under any conditions. If Emlak Konut REIC determines that insider information was disclosed to the third parties unintentionally and concludes that the confidentiality of information could not be maintained, it will issue a material disclosure pursuant to the capital markets legislation.

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

BOARD OF DIRECTORS

Name	Position	Profession	Whether Independent Board Member or not	Share Group(s)
ERTAN YETİM	Chairman	Civil Engineer	-	A, B
ERTAN KELEŞ	Vice Chairman	Civil Engineer	Independent	B
MURAT KURUM	Member and CEO	Civil Engineer	-	A, B
SAMİ ER	Member	Mechanical Engineer(MSc.)	-	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

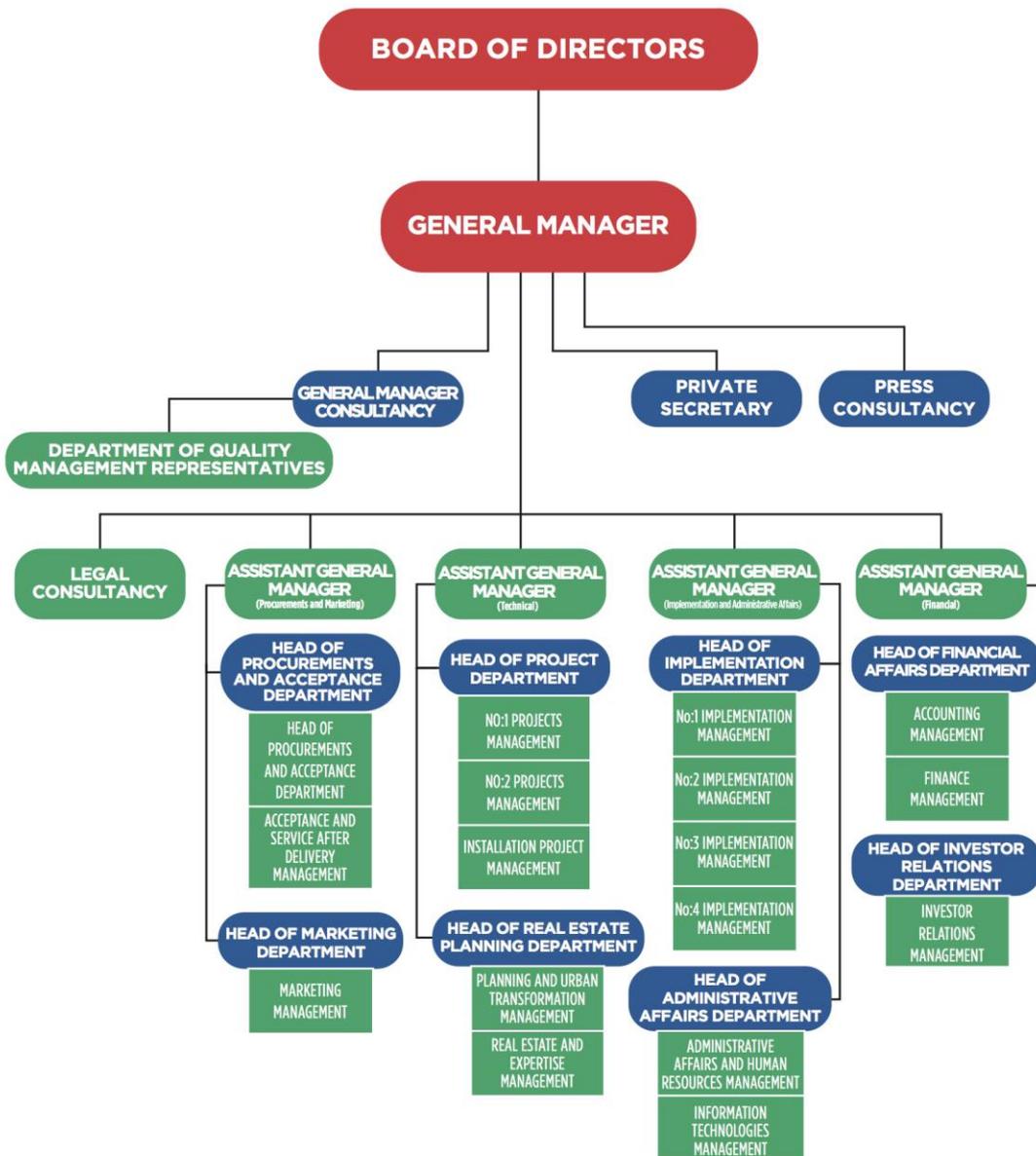
Access to Insider Information (Continued)

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 Őakmak	Architect	Head of Projects Department
Mustafa AŐikkutlu	Civil Engineer MSc.	Head of Real Estate and Planning Department
Ercan Aliođlu	Business Administration	Head of Real Estate and Planning Department
Halil İbrahim Őahin	Economics	Head of Administrative Affairs Department
Nurullah Öztürk	Civil Engineer	Head of Implementation Department
Halim AtaŐ	Business Administration	Private Secretary
İlyas Fehim Őelik	Architect	Project Manager No.1
YaŐar Altun	Civil Engineer	Project Manager No.2
İbrahim Oflaz	Mechanical Engineer Msc.	Installation Project Manager
Hakan Bakırdal	Topographical and Civil Engineer	Real Estate and Appraisal Manager
Fatih Kanitođlu	Civil Engineer	Acceptance and Service After Delivery Manager
SelŐuk Aydemir	Topographical Engineer	Planning and Urban Transformation Manager
Mehmet Akif Aydođan	Public Administration	Marketing Manager
Mehmet Akagündüz	Public Administration	Finance Manager
Adem Hacıhasanođlu	Forest Engineer	Procurement and Progress Payments Manager
Serdar Bala	Physics	Information Technology Manager
Salih Őetin	Business Administration	Accounting Manager
Enver Turan	Civil Engineer	Implementation Manager No.1
Mecit Altıner	Civil Engineer MSc.	Implementation Manager No.2
Alim Kaplaner	Civil Engineer MSc.	Implementation Manager No.3
Yasir Yılmaz	Civil Engineer	Implementation 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 Őelik	Economics	Consultant to the General Manager
Yasemin Ülkü	Civil Engineer	Consultant to the General Manager

ABOUT EMLAK KONUT

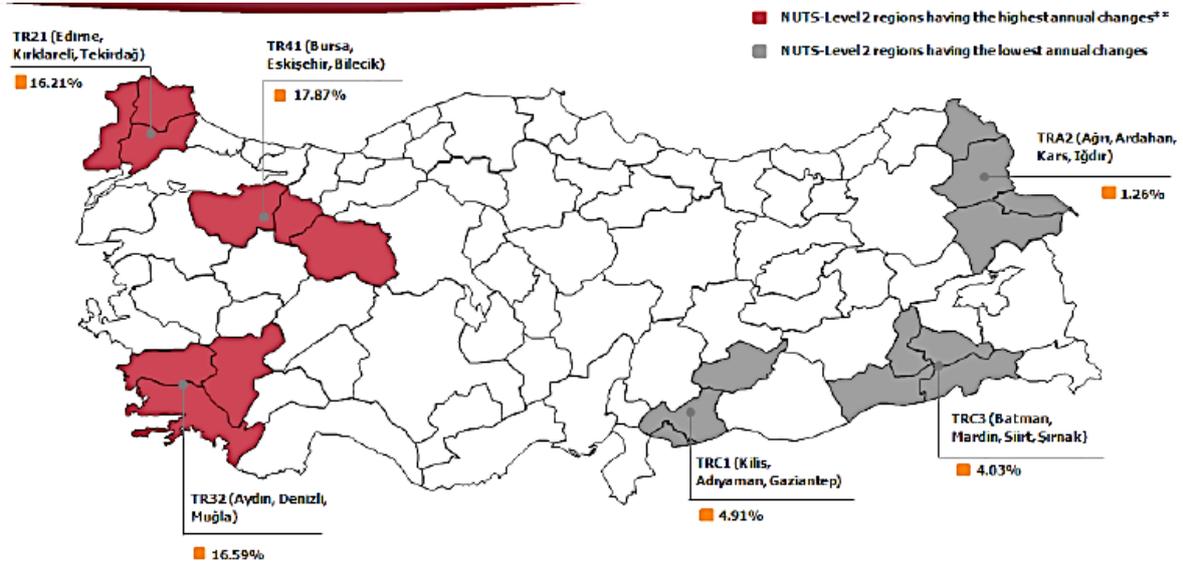
Organization Chart



CONSTRUCTION AND HOUSING SECTOR OUTLOOK

House Price Index (August 2017)

In August 2017, HHPI increased monthly by 0.48 percent, recorded an annual growth of 9.42 percent in nominal and decreased by 1.14 percent in real terms.



Hedonic House Price Index	House Price Index*	Squaremeter Prices (TL/sqm)*	New Housing Price Index*
<ul style="list-style-type: none">• 208.87• 9.42 %	<ul style="list-style-type: none">• 244.54• 11.31%	<ul style="list-style-type: none">• 2,056.61 TL	<ul style="list-style-type: none">• 231.68• 11.01 %

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 parantheses indicate annual percentage changes.

CONSTRUCTION AND HOUSING SECTOR OUTLOOK

House Price Index (August 2017)



İstanbul

Hedonic House Price Index: 262.52 (5.88 %)
House Price Index: 297.88 (7.05 %)
Square Meter Prices (TL/sqm): 3,776.50 TL
New Housing Price Index: 296.60 (8.94%)



Ankara

Hedonic House Price Index: 187.95 (7.72%)
House Price Index: 193.54 (8.28%)
Square Meter Prices (TL/sqm): 1,660.88 TL
New Housing Price Index: 207.00 (8.32%)



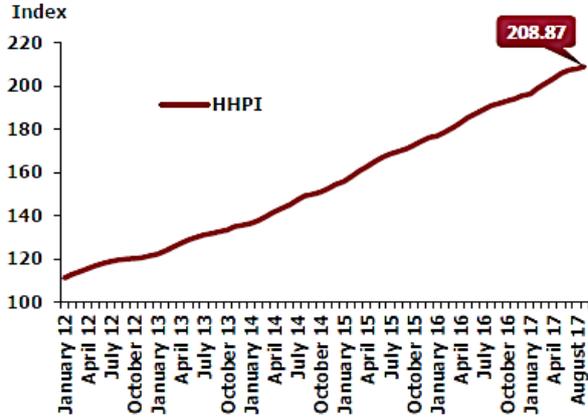
İzmir

Hedonic House Price Index: 232.05 (16.12%)
House Price Index: 259.13 (19.80%)
Square Meter Prices (TL/sqm): 2,528.15 TL
New Housing Price Index: 260.08 (22.32%)

Source: CBRT

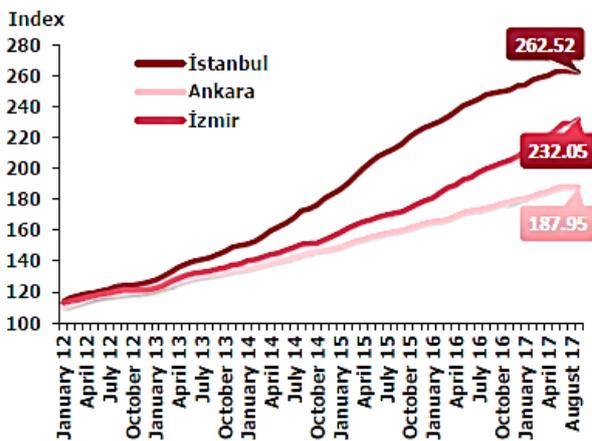
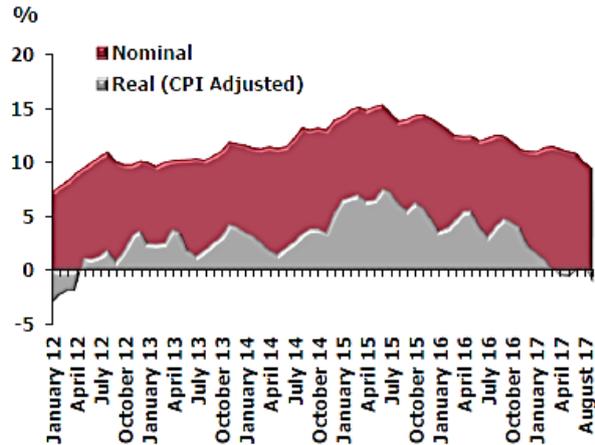
CONSTRUCTION AND HOUSING SECTOR OUTLOOK

House Price Index (August 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 208.87 in August 2017 by a monthly growth of 0.48 percent.

The HHPI increased annually by 9.42 percent in nominal and decreased by 1.14 percent in real terms.



In August 2017, the HHPI decreased monthly by 0.14 and 0.09 percent in İstanbul and Ankara respectively and increased by 1.33 percent in İzmir. These three major cities recorded an annual growth of 5.88, 7.72 and 16.12 percent respectively.

Source: CBRT

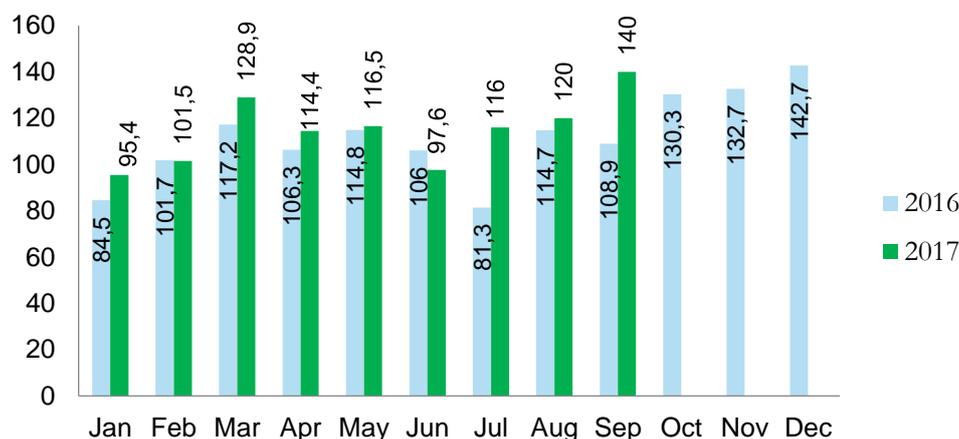
CONSTRUCTION AND HOUSING SECTOR OUTLOOK

House Sales Statistics (September 2017)

In September 2017, 140,298 houses were sold in Turkey.

In Turkey, house sales increased by 28.8% in September 2017 compared to the same month of the previous year and hence, became 140,298. For the house sales of September 2017, İstanbul had the highest share of house sales with 16.7% and 23,471 sold house. The followers of İstanbul were Ankara with 13,945 house sales and 9.9% and İzmir 7,575 house sales and 5.4%. The least house sold provinces were Şırnak with 28 house sales, Ardahan with 29 house sales, Hakkari with 35 house sales.

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



In September 2017, 40,534 ownership of the houses changed by mortgage sales.

The mortgaged house sales throughout Turkey became 40,534 by decreasing 3.7% compared to the same month of the previous year. House sales with mortgage had a 28.9% share of all house sales in Turkey. Most of house sales with mortgage was in İstanbul with 6,910 sales. İstanbul was the first province in Turkey ranking that has most house sales with mortgage share with 17%. Mortgaged house sales had the highest share in Ardahan with 41.4% of all house sales.

Ownership of 99,764 houses changed by other sales.

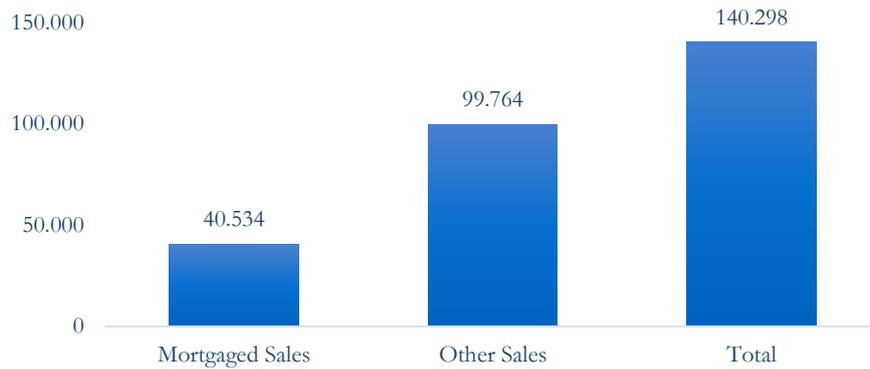
Other house sales in Turkey became 99,764 by increasing 49.3% compared to the same month of the previous year. In the other sales, İstanbul was the first province with 16,561 sales and 16.6% share. Other house sales had 70.6% share of all house sales in İstanbul. Ankara was the second province with 9,091 sales. Ankara was followed by İzmir with 5,033 sales. The least other house sales was realized in Ardahan with 17 house sales.

Source: TurkStat

CONSTRUCTION AND HOUSING SECTOR OUTLOOK

House Sales Statistics (September 2017)

House Sales by Type of Sales, September 2017



House Sales by State of Sales, September 2017



In house sales, 70,019 of houses were sold for the first time.

First house sales in Turkey became 70,019 by increasing 37.4% compared to the same month of the previous year. First house sales had 49.9% share of all house sales in Turkey. The most first house sales was in İstanbul with 12,690 sales. İstanbul was the first province in Turkey ranking that had most first house sales share with 18.1%. The followers of İstanbul were Ankara with 5,858 house sales and İzmir with 3,314 house sales.

Source: TurkStat

CONSTRUCTION AND HOUSING SECTOR OUTLOOK

House Sales Statistics (September 2017)

Ownership of 70,279 houses changed by second hand sales.

Second hand house sales in Turkey became 70,279 by increasing 21.3% compared to the same month of the previous year. In the second hand sales, İstanbul was the first province again with 10,871 sales and 15.3% share. Share of the second hand sales was 45.9% in İstanbul in total house sales. Ankara was the second province with 8,087 sales and Ankara was followed by İzmir with 4,261 sales.

In September 2017, 2,236 houses were sold to foreigners.

In house sales to foreigners became 2,236 by increasing 75.2% compared to the same month of the previous year. İstanbul was the first province with 797 sales in September 2017. The followers of İstanbul were Antalya with 520 house sales, Aydın, Bursa and Trabzon with 119 house sales.

Most house sales were made to Iraqi citizens according to country nationalities.

Iraqi citizens bought 383 houses from Turkey in September. The followers of Iraq were Saudi Arabia with 344 house sales, Kuwait with 160 house sales, Russia with 129 house sales and United Kingdom with 103 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 dismissed 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)

1/5,000) and Application Zoning Plan (scale: 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

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

ZEKERİYAKÖY PROJECT (Continued)

No. 2014/268 E. for the stay of execution and cancellation of the transaction for the transfer of 34 immovables allocated to the Ministry of National Defense in Zekeriyaköy Neighborhood, Sariyer District, Istanbul, to Housing Development Administration (TOKİ) as well as the Ministry of Finance's transaction for the transfer of these immovables to TOKİ. Our company joined the case as an intervenor together with the defendant institutions. The court dismissed the case. The plaintiff appealed against the Administrative Court's judgment with a request for the stay of execution. On 24.02.2016, the Chamber No. 10 of the Council of State decided to suspend the execution. The parties wait for the result of the appellate review.

KUASAR PROJECT

1-) Serdar Bayraktar et al.,

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

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 cancel the plan in dispute. An appeal was made against the judgment of the stay of execution. The Chamber No 6th of the Council of State decided that the ruling of the first instance court should be dismissed.

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 cancel 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 cancel the transaction in dispute on 22.03.2017. 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 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

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

İSTANBUL ZEYTİNBURNU (Continued)

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

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

FINANCE 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 taken 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 Administration and published on 14.03.2008 after its approval on 15.02.2008 by the Istanbul

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

FINANCE CENTER PROJECT (Continued)

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 at the Civil Court of First Instance No. 12 with the file No. 2015/73 for the stay of execution and cancellation of the tender to be carried out on 03.03.2015 with the Land Sale-based Revenue Sharing method for the immovables owned by our company within Block No. 380 and Parcel No. 17, 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-) The plaintiff, Hikmet Öz et al.

The plaintiff, Hikmet Öz et al. brought the case against Istanbul Metropolitan Municipality Mayorship, Ministry of Culture and Tourism, and Fatih Municipality Mayorship at the Istanbul Administrative Court No. 2 with the file No. 2013/347 E. for the stay of execution and cancellation of the protective Application Plan and plan provisions (scale: 1:1,000) for Historic Peninsula's Urban History, Urban Archaeological, 1st Degree Archaeological Area (Turkish State Railways, TCDD Workshops and Yedikule Gashouse), accepted with the Fatih Municipality Council's decision (dated: 09.05.2012 and No. 2012/44) and approved by the Istanbul

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

FATİH YEDİKULE (Continued)

Metropolitan Municipality Mayorship on 04.10.2012. On 10.10.2016, the court ruled that a decision cannot be given with the disputed zoning plan related to Topkapı İETT Terminal area and Sirkeci Train Station area and decided to reject the case with respect to the other aspects of the plan. The plaintiff made a request for appeal. On 15.05.2017, the Chamber No. 4 of the Istanbul Regional Administrative Court made a judgment for the partial acceptance and dismissal of the appeal request. The plaintiff and the defendant authorities appealed against this ruling waiting for the outcome of the appellate review.

MÜHYE LAND

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

The case was brought against the Ministry of Environment and Urbanization and Housing Development Administration for the stay of execution and cancellation of the Başkent Ankara Master Zoning Plan Amendment (scale: 1:25,000), Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) (dated: 27.02.2015, No. 3341) for the Parcel No. 2 of the Block No. 644, 831, 919, 920, 921, 3189, 3198, 3320, 3321 and 28060 within Mühye Neighborhood, Çankaya District, Ankara. The trial took place with the file No. 2015/2968 E. of the Ankara Administrative Court No. 5. The court decided to cancel the transaction, and our company appealed the verdict. 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 Housing Development Administration for the stay of execution and cancellation of the Başkent Ankara Master Zoning Plan Amendment (scale: 1:25,000), Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) (dated: 27.02.2015, No. 3341) for the Parcel No. 2 of the Block No. 644, 831, 919, 920, 921, 3189, 3198, 3320, 3321 and 28060 within Mühye Neighborhood, Çankaya District, Ankara. Our company intervened in the case. The trial continued with the file No. 2015/2940 E. of the Ankara Administrative Court No. 5. On 04.05.2017, the court decided to cancel the transaction in dispute. Our company made a request for appeal and 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 Urban Planning 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 Housing Development Administration at the Ankara Administrative Court No. 5 with the file No. 2017/1011 E.for the stay of execution and cancellation of the Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Housing Development Administration with the office consent (dated: 01.09.2016, No. 3996) for the Slum Prevention Zone in Mühye Neighborhood, Çankaya District, Ankara. On 17.02.2017, our company submitted a request to join the case as an intervenor together with the defendant institution. On 25.04.2017, the court decided to accept our intervention and rule on the request for the stay of execution after the completion of an examination and expert review.

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

MÜHYE LAND (Continued)

6-) UCTEA, Chamber of Architects, Ankara Branch

The case was brought against the Housing Development Administration at the Ankara Administrative Court No. 17 with the file No. 2016/5166 E. for the stay of execution and cancellation of the Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Housing Development Administration with the office consent (dated: 01.09.2016, No. 3996) for the Slum Prevention Zone in Mühye Neighborhood, Çankaya District, Ankara. On 17.02.2017, our company submitted a request to join the case as an intervenor together with the defendant institution. The court ruled for a discovery and expert examination, and the parties currently wait for the examination day. On 31.05.2017, the court decided to accept our intervention request, have an examination and expert review, and rule on the request for a stay of execution after the relevant expert review.

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.

8-) İlyas Kara as a proxy of Hüseyin Zorlu,

The case was brought against the Housing Development Administration and Çankaya Municipality at the Ankara Administrative Court No. 1 with the file No. 2017/562 E. for the stay of execution and cancellation of the amendment of Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000), parcel plan amendment and the granted construction permit as approved by the Housing Development Administration with the office consent (dated:

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

MÜHYE LAND (Continued)

01.09.2016, No. 3996) for the immovable property No. parcel No. 921 within in Mühye Village, Çankaya District, Ankara. On 05.15.2017, our company submitted a request to join the case as an intervenor together with the defendant institutions. On 14.06.2017, the court decided to obtain an examination and expert review and rule on the stay of execution after obtaining such examination and expert review. On 13.09.2017, the court decided to accept our company's request to intervene.

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

The case was brought against the Housing Development Administration at the Ankara Administrative Court No. 5 with the file No. 2017/722 E. for the stay of execution and cancellation of the Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Housing Development Administration with the office consent (dated: 01.09.2016, No. 3996) for the Slum Prevention Zone in Mühye Neighborhood, Çankaya District, Ankara. On 14.06.2017, the court decided to notify our company of the case and rule on the stay of execution after obtaining examination and expert review in the relevant location. On 05.06.2017, our company submitted a request to join the case as an intervenor together with the defendant institution. On 21.06.2017, the court decided to review the request for the stay of execution after the same court made a ruling regarding the stay of execution in the file No. 2017/1011 E.

ÇAYYOLU LAND

1-) UCTEA, Chamber of Architects, Ankara Branch

The case was brought against the Ministry of Environment at the Ankara Administrative Court No. 10 with the file No. 2015/1987 E. for the 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. 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.

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

ÇAYYOLU LAND (Continued)

2-) TMMOB Şehir Plancıları Odası Ankara Şubesi

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 District 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. On 30.03.2017, the court decided to cancel the part ("floor area ratio calculation shall be conducted based on cadaster parcel No. 953") of the plan note No. 10 of the Application Zoning Plan in dispute, while dismissing the case regarding other procedures in dispute. Our company made a request for appeal regarding the above-cited ruling and waits for the outcome.

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.

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

ÇAYYOLU LAND (Continued)

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 Block No. 29622 and Parcel No. 1, 2, 3, and 4 (953) within the Block No. 29479 in Çayyolu Neighborhood, Çankaya District, Ankara as well as the stay of execution of the related construction building permit. Our company submitted a request to intervene. On 17.05.2017, the court decided to accept our intervention request. On 18.05.2017, it decided to dismiss the case on grounds of capacity and period of limitation. The plaintiff party made a request of appeal on 18.09.2017.

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. On 31.05.2017, the court decided to cancel the procedure in dispute. Our company made a request for appeal regarding the above-cited ruling. The Chamber No. 4 of the District Administrative Court decided to dismiss our request for the stay of execution based on the examination of the file No. 2017/1623 E.

MALTEPE KÜÇÜKYALI PROJECT

1-) Maltepe Municipality Mayorship

The case was brought by Maltepe Municipality Mayorship against the Ministry of Environment and Urbanization and the Housing Development Administration at the Istanbul Administrative

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

MALTEPE KÜÇÜKYALI PROJECT (Continued)

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 owned by our company and the planning area consisting of non-registered areas in Küçükaly and Başbüyük neighborhoods, Maltepe District, Istanbul. Our company and the contractor Tahincioğlu-Küçükaly Joint Venture requested to participate in the case together with the defendant institutions and the court accepted this request for intervention. 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 SAĞLAM

The case was brought by plaintiffs Özgür Aydın and Hakkı Sağlam 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 Tahincioğlu-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

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

MALTEPE KÜÇÜKYALI PROJECT (Continued)

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 Küçükalyalı and Başbüyük neighborhoods, Maltepe District, Istanbul. UCTEA Chamber of Architects requested to participate in the case together with plaintiff while our company and the contractor 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 REVENUE SHARING 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.

BAKIRKÖY YENİMAHALLE

1-) Bakırköy Municipality Mayorship

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

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

ANTALYA MURATPAŞA

1-) Antalya Murapaşa Municipality Mayorship,

The case was brought against the Ministry of Environment at the Izmir Administrative Court No. 1 with the file No. 2016/1489 E. for the stay of execution and cancellation of the Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Ministry of Environment and Urbanization on 10.05.2014 for the parcel No. 6, Block No. 12581 within Bahçelievler Neighborhood, Muratpaşa District, Antalya. On 22.02.2017, the court decided to dismiss the request for the stay of execution. On 01.08.2017, our company submitted a request to join the case as an intervenor together with the defendant institution.

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

The case was brought against the Ministry of Environment at the Izmir Administrative Court No. 1 with the file No. 2016/1200 E. for the stay of execution and cancellation of the Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Ministry of Environment and Urbanization on 10.05.2014 for the parcel No. 6, Block No. 12581 within Bahçelievler Neighborhood, Muratpaşa District, Antalya. On 18.01.2017, the court decided to dismiss the request for the stay of execution. On 01.08.2017, our company submitted a request to join the case as an intervenor together with the defendant institution.

İZMİR KONAK

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

The case was brought against the Ministry of Environment at the Izmir Administrative Court No. 1 with the file No. 2017/1124 E. for the stay of execution and cancellation of the Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Ministry of Environment and Urbanization on 10.05.2014 for the various panels within Kuruçay and Umurbey Neighborhoods, Konak District, Izmir. On 26.07.2017, the court decided to examine the request for the stay of execution after taking the defendant's statement. On 08.09.2017, our company submitted a request to join the case as an intervenor together with the defendant institution.

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 30.09.2017.

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.

The Company did not receive any requests or petitions regarding the KEY transfers between 01.07.2017 and 30.09.2017.

Donations

The Company donated an amount of 13,622,000 Turkish lira to several institutions and organizations between 01.07.2017- 30.09.2017.

SIGNIFICANT DEVELOPMENTS WITHIN THE PERIOD

Land Purchase Protocol between our Company and TOKİ

Our company signed a protocol with the Prime Ministry Housing Development Administration on 15.09.2017 for the cash purchase of 40,722 square meters of land at 262,500,000 Turkish lira in Şenlik neighborhood, Bakırköy, Istanbul within parcel no. 220 and block no. 202, which is adjacent to the 22,627 square meter land of Galatasaray Sports Club Association where another project development is planned pursuant to the protocol dated 29.06.2016.

Land Sales

Our company sold the following lands to OYAK at a total VAT-excluding price of 675,000,000 TL and VAT-including price of 796,500,000 TL: Ankara Balıkuyumcu (1,919,107 square meters, 395,000,000 TL excluding VAT), İzmir Urla land (367,780 square meters, 30,000,000 TL excluding VAT) and Yalova Çiftlikköy land (1,455,000 square meters, 250,000,000 TL excluding VAT).

Company Donations to Social Responsibility 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.



SIGNIFICANT DEVELOPMENTS AFTER THE PERIOD

The Signing of Antalya Muratpaşa Agreement

The company signed a contract with MESA MESKEN SANAYİ A.Ş. on 16.10.2017 for the tender of Antalya Muratpaşa Land Sale-based Revenue Sharing Project the 2nd session of which was held on 25.07.2017.

The Result of Bakırköy Şevketiye Land Tender

The tender for the Istanbul Bakırköy Şevketiye Land Sale-based Revenue Sharing Project, the second session of which was held on 11.10.2017, was canceled and it was postponed to be held on a further date.

The Result of 2nd Session of the 2nd Stage of Istanbul Küçükçekmece Bizim Mahalle Project

Our company held the 2nd session of the tender for the 2nd Stage of Istanbul Küçükçekmece Bizim Mahalle Land Sale-based Revenue Sharing Project on 05.10.2017. The bids made at the tender are in the evaluation stage.

The Result of 1st Stage Tender of Istanbul Küçükçekmece Bizim Mahalle

Our company held the second session of the tender for the 1st Stage of Istanbul Küçükçekmece Bizim Mahalle Land Sale-based Revenue Sharing Project on 03.10.2017. The tender was canceled due to the fact that the financial bids of the participants of the tender were below the Company-determined Minimum Amount of the Immovable Properties and postponed to be held at a later date.

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 2 overseas conferences in the third quarter of 2017 to share operational, strategic and financial developments with the existing investors/potential investors and analysts and had meetings with 19 investors/analysts from 17 institutions/funds during these events. The company held 6 meetings and 1 conference call meeting at its headquarters and shared the company-related developments with 12 investors/analysts from 8 institutions/funds.

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



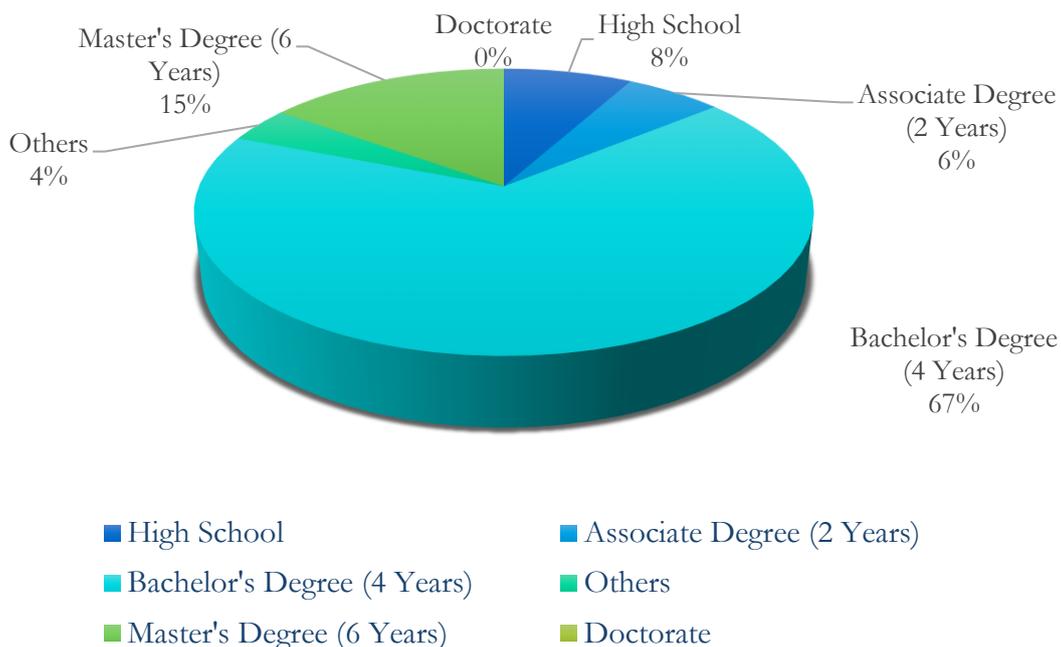
HUMAN RESOURCES

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.

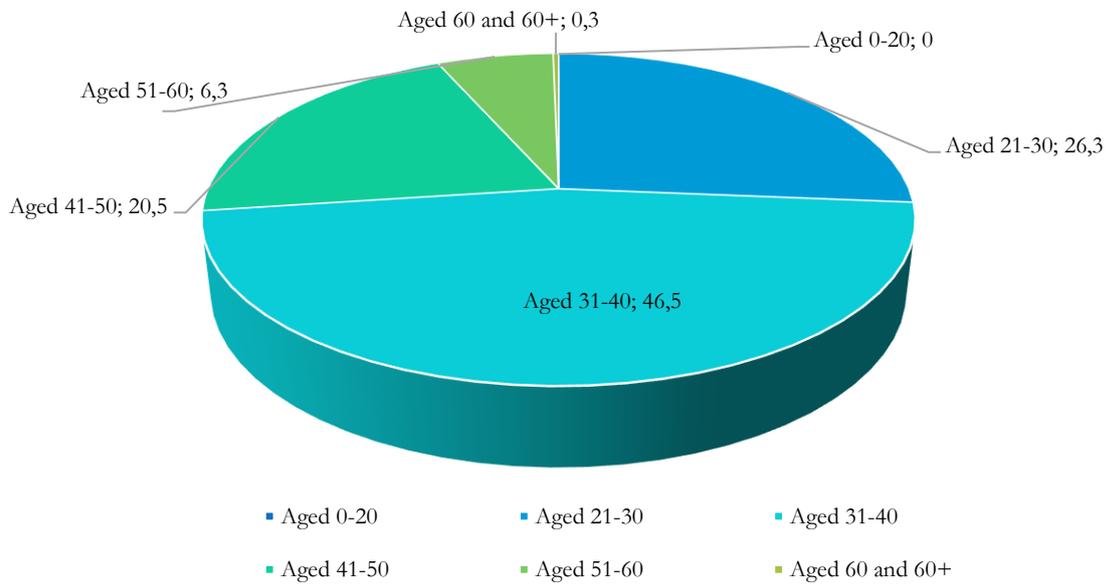
The Company notifies its employees of their job definitions, work distribution as well as performance and reward criteria. The company takes productivity into account when determining salaries and other benefits given to employees. The company conducts transactions, processes, and applications under 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 (30/09/2017)

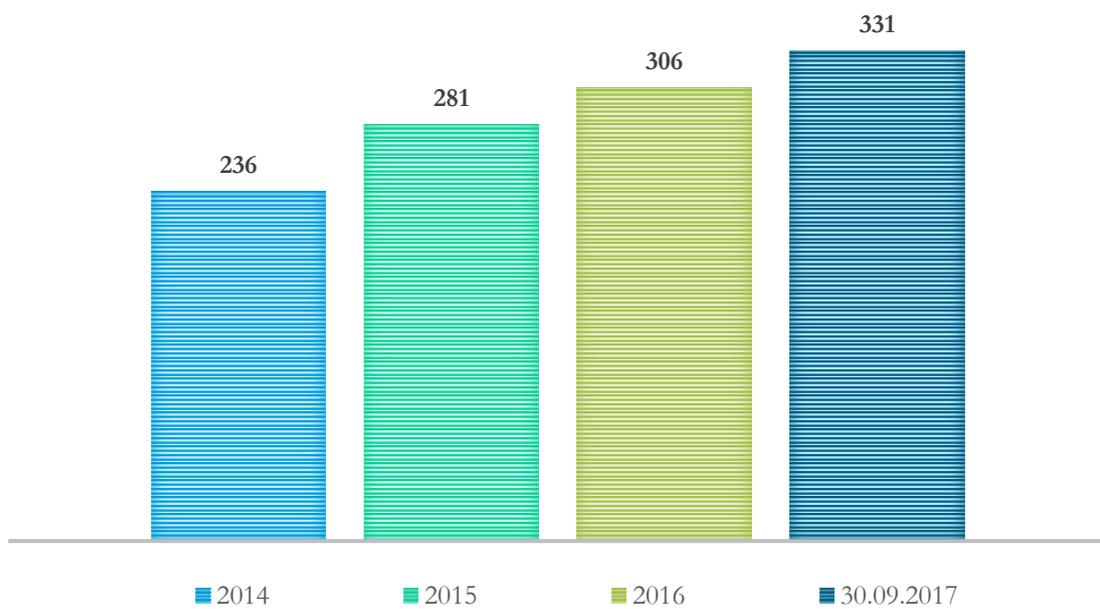


HUMAN RESOURCES

PERSONNEL AGE RANGE (30/09/2017)



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

Dönem içerisinde arsa alımı gerçekleştirilmemiştir. 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 purchased the following seven lands with an area of 381,172.34 square meters at 1,012,000,473.50 Turkish lira from Republic of Turkey Prime Ministry Housing Development Administration (TOKİ). 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 lira).

Land Purchases between July 1, 2017 and September 30, 2017

Our company purchased from signed a protocol with the Prime Ministry Housing Development Administration on 15.09.2017 for the land purchase of 40,722 square meters of land at 262,500,000 Turkish lira in Şenlik neighborhood, Bakırköy, Istanbul within parcel no. 220 and block no. 202, which is adjacent to the 22,627 square meter land of Galatasaray Sports Club Association where another project development is planned pursuant to the protocol dated 29.06.2016.

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**

LEGAL NOTICE

This interim report includes information about the Company's operations and accounts for the period from January 1 to September 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 September 2017

(Originally Issued in Turkish)

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĐI A.Ő.

**CONVENIENCE TRANSLATION
CONDENSED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2017**

(ORIGINALLY ISSUED IN TURKISH)

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONTENTS	PAGE
INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION	1-2
INTERIM CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	3
INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY.....	4
INTERIM CONDENSED STATEMENTS OF CASH FLOWS.....	5
EXPLANATORY NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS.....	6-32
NOTE 1 ORGANIZATION AND OPERATION OF THE COMPANY.....	6
NOTE 2 BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS.....	7-8
NOTE 3 ACCOUNTING POLICIES.....	8-9
NOTE 4 CASH AND CASH EQUIVALENTS.....	10
NOTE 5 FINANCIAL INVESTMENTS.....	11
NOTE 6 FINANCIAL LIABILITIES.....	11-12
NOTE 7 TRADE RECEIVABLES AND PAYABLES	12-13
NOTE 8 OTHER RECEIVABLES AND PAYABLES.....	13-14
NOTE 9 INVENTORIES.....	15-18
NOTE 10 PROPERTY, PLANT AND EQUIPMENT.....	19
NOTE 11 OTHER SHORT TERM PROVISIONS.....	20
NOTE 12 OTHER ASSETS AND LIABILITIES.....	20
NOTE 13 DEFERRED INCOME AND PREPAID EXPENSES.....	21
NOTE 14 SHAREHOLDERS' EQUITY.....	22
NOTE 15 REVENUE AND COST OF SALES.....	23
NOTE 16 GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES.....	23-24
NOTE 17 OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES	24
NOTE 18 FINANCIAL INCOME / EXPENSES.....	24-25
NOTE 19 RELATED PARTY DISCLOSURES.....	25-27
NOTE 20 CONTINGENT ASSETS AND LIABILITIES.....	28-30
NOTE 21 EVENTS AFTER THE REPORTING PERIOD.....	30
ADDITIONAL NOTE CONTROL OF COMPLIANCE WITH THE PORTFOLIO LIMITATIONS.....	31-32

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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

		<i>Not Reviewed</i> 30 September 2017	<i>Audited</i> 31 December 2016
	Notes		
ASSETS			
Current assets		18,321,059	17,076,882
Cash and cash equivalents	4	1,032,215	2,420,030
Financial investments	5	229,588	221,998
Trade receivables	7	1,441,863	682,868
<i>Trade receivables due from related parties</i>	<i>19</i>	<i>10,838</i>	<i>21,087</i>
<i>Trade receivables due from third parties</i>		<i>1,431,025</i>	<i>661,781</i>
Other receivables	8	1,272,980	838,505
<i>Other receivables due from third parties</i>		<i>1,272,980</i>	<i>838,505</i>
Inventories	9	13,774,822	12,085,195
Prepaid expenses	13	407,346	543,811
Other current assets	12	162,245	284,475
Non-current assets		1,585,597	1,625,485
Trade receivables	7	1,460,987	1,466,854
<i>Trade receivables due from third parties</i>		<i>1,460,987</i>	<i>1,466,854</i>
Other receivables	8	936	1,053
Investment property		53,128	38,199
Property, plant and equipment	10	67,835	69,181
Intangible assets		2,711	2,605
Other non-current assets		-	47,593
Total assets		19,906,656	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 SEPTEMBER 2017 AND 31 DECEMBER 2016**

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

		<i>Not Reviewed</i> 30 September 2017	<i>Audited</i> 31 December 2016
	Notes		
LIABILITIES AND EQUITY			
Current liabilities		6,912,357	7,954,280
Short term borrowings	6	2	-
Current portion of non-current borrowings	6	370,748	219,490
Trade payables	7	2,236,048	3,824,119
<i>Trade payables due to related parties</i>	19	1,729,540	3,510,865
<i>Trade payables due to third parties</i>		506,508	313,254
Other payables	8	567,545	560,576
Deferred income	13	3,700,536	3,215,821
<i>Deferred income from related parties</i>	19	64,732	64,732
<i>Deferred income from third parties</i>		3,635,804	3,151,089
Current provisions		37,478	134,274
<i>Current provisions for employee benefits</i>		3,444	6,190
<i>Other current provisions</i>	11	34,034	128,084
Non-current liabilities		1,198,571	17,894
Long term borrowings	6	1,063,846	-
Trade payables		99,961	71
Other payables		26,171	9,352
Deferred income		2,990	2,963
Long term provisions		5,603	5,508
<i>Long term provisions for employee benefits</i>		5,603	5,508
Shareholders' equity		11,795,728	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		511,347	423,295
Retained earnings		4,304,087	2,630,863
Net profit for the year		1,065,535	1,761,276
Total liabilities and equity		19,906,656	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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017 AND 2016 (Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

	Notes	Not Reviewed 1 January- 30 September 2017	Not Reviewed 1 July- 30 September 2017	Not Reviewed 1 January- 30 September 2016	Not Reviewed 1 July- 30 September 2016
Profit or loss					
Revenue	15	2,802,489	1,435,004	3,061,999	1,793,617
Cost of sales (-)	15	(1,380,359)	(809,380)	(1,518,930)	(816,560)
Gross profit		1,422,130	625,624	1,543,069	977,057
General administrative expenses (-)	16	(142,262)	(71,034)	(97,065)	(37,843)
Marketing expenses (-)	16	(52,281)	(20,764)	(40,161)	(16,354)
Other income from operating activities	17	261,039	52,078	180,574	66,253
Other expenses from operating activities (-)	17	(151,080)	(63,855)	(25,382)	(20,514)
Operating profit		1,337,546	522,049	1,561,035	968,599
Income from investing activities		2,226	466	10,870	3,300
Operating profit before financial income / (expense)		1,339,772	522,515	1,571,905	971,899
Financial income	18	63,389	16,970	69,779	20,109
Financial expenses (-)	18	(337,626)	(99,794)	(116,719)	(97,812)
Profit for the period from continued operations		1,065,535	439,691	1,524,965	894,196
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		1,065,535	439,691	1,524,599	894,196
Earnings per share (in full TL)		0.0029	0.0012	0.0041	0.0024

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 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	-	-	-	-	-	(367,689)	-	(367,689)
Increases / (decreases) related to the acquisition of treasury shares	-	-	11,618	-	-	-	-	11,618
Total comprehensive income	-	-	-	-	(366)	-	1,524,965	1,524,599
30 September 2016	3,800,000	(262,857)	2,378,513	423,295	(853)	2,630,864	1,524,965	10,493,927
1 January 2017	3,800,000	(262,857)	2,378,513	423,295	(897)	2,630,863	1,761,276	10,730,193
Transferler	-	-	-	88,052	-	1,673,224	(1,761,276)	-
Total comprehensive income	-	-	-	-	-	-	1,065,535	1,065,535
30 September 2017	3,800,000	(262,857)	2,378,513	511,347	(897)	4,304,087	1,065,535	11,795,728

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 SEPTEMBER 2017 AND 2016

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

Notes	1 January- 30 September 2017	1 January- 30 September 2016
Cash flows from operating activities		
Profit for the period	1,065,535	1,524,965
Adjustments to reconcile net profit		
Depreciation and amortization expenses	16	5,922
Adjustments for impairments	21,063	16,429
<i>Adjustments for impairment loss (reversal of impairment loss) of inventories</i>	9	21,063
Changes in provisions	(87,040)	(28,691)
<i>Adjustments for (reversal of) provisions related with employee benefits</i>	(2,642)	1,756
<i>Adjustments for (reversal of) lawsuit and/or penalty provisions</i>	11	(29,552)
<i>Adjustments for (reversal of) other provisions</i>	11	(54,846)
Adjustments for interest (income) expenses	98,706	(99,580)
<i>Adjustments for interest income</i>	(238,735)	(216,151)
<i>Adjustments for interest expense</i>	18	337,441
Changes in net working capital	1,104,186	1,417,712
Adjustments for decrease (increase) in trade accounts receivable	(753,128)	271,298
<i>Decrease (increase) in trade accounts receivables from related parties</i>	19	10,249
<i>Decrease (Increase) in trade accounts receivables from third parties</i>	(763,377)	89,281
Adjustments for decrease (increase) in inventories	(1,124,390)	685,064
Adjustments for increase (decrease) in trade accounts payable	(2,242,062)	(798,999)
<i>Increase (decrease) in trade accounts payables to related parties</i>	(2,260,175)	(598,000)
<i>Increase (decrease) in trade accounts payables to third parties</i>	18,113	(200,999)
Adjustments for increase (decrease) in other operating receivables	(108,701)	(73,491)
Adjustments for increase (decrease) in other operating payables	635,926	(1,017,372)
Other adjustments for other increase (decrease) in working capital	800,628	189,602
Net cash flow from operating activities		
Interest received	97,414	87,767
Payments related with provisions for employee benefits	(9)	(111)
Income taxes paid	(136,668)	(17,215)
Cash flows from operating activities	(1,726,804)	744,255
Cash flows from investing activities		
Purchases of tangible and intangible assets	(19,611)	(16,246)
Interest received	2,226	11,009
Purchases of financial assets	(39,169)	(108,114)
Returns of financial assets	147,810	99,884
Other inflows (outflows) of cash	(116,231)	-
Cash flow from investing activities	(24,975)	(13,467)
Cash flows from financing activities		
Proceeds from borrowings	1,384,294	864
<i>Proceeds from loans</i>	1,384,294	864
Repayments of borrowings, classified as financing activities	(165,000)	(165,000)
<i>Loan repayments</i>	(165,000)	(165,000)
Interest paid	(112,124)	(30,375)
Dividends paid	-	(356,071)
Interest received	49,972	69,710
Other inflows (outflows) of cash	(378)	(444)
Cash flow from financing activities	1,156,764	(481,316)
Increase (decrease) in cash and cash equivalents before effect of exchange rate changes		
before effect of exchange rate changes	(595,015)	249,472
Effect of exchange rate changes on cash and cash equivalents	-	-
Net Increase (decrease) in cash and cash equivalents	(595,015)	249,472
Cash and cash equivalents at the beginning of the period	4	985,315
Cash and cash equivalents at the end of the period	4	390,300
	390,300	1,008,965

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 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 September 2017 have been approved by the Board of Directors on 30 October 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 Spor Kulübü Derneği was established on 23 August 2017 by the Company and Company’s employees. The centre of Emlak Konut Spor Kulübü Derneği is located in Istanbul.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 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 September 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 NINE MONTH PERIOD ENDED 30 SEPTEMBER 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 September 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 Standarts

- 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 NINE MONTH PERIOD ENDED 30 SEPTEMBER 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 "cash flows from financing activities" amounting to TRY 69,710 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 NINE MONTH PERIOD ENDED 30 SEPTEMBER 2017

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

NOTE 4 – CASH AND CASH EQUIVALENTS

	30 September 2017	31 December 2016
Cash on hand	-	2
Banks	1,032,215	2,420,028
- Demand deposit	119,529	52,545
- Time deposits up to 3 months maturity	912,686	2,367,483
	1,032,215	2,420,030

Maturities of cash and cash equivalents are as follows:

	30 September 2017	31 December 2016
Demand	119,529	52,547
Up to 3 month	912,686	2,367,483
Less: Blocked deposits with maturities less than 3 months	(29,784)	(6,991)
	1,002,431	2,413,039

Average effective interest rates of time deposits are as follows:

	30 September 2017	31 December 2016
	(%)	(%)
	7.71%	7.94%

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

	30 September 2017	31 December 2016
Cash and cash equivalents	1,032,215	2,420,030
Less: Interest accruals	(4,720)	(8,074)
Less: LSRSA project deposits (*)	(203,821)	(313,266)
Less: TOKİ deposits (**)	(419,955)	(1,111,138)
Less: Blocked deposits	(13,419)	(2,237)
	390,300	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 203,821 (31 December 2016: TL 313,266) part of the total project amount deposits TL 16,365 (31 December 2016: TL 4,754) comprises of blocked deposits.

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2017

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

NOTE 5 - FINANCIAL INVESTMENTS

Financial investments	30 September 2017	31 December 2016
Blocked deposits more than 3 months maturity (**)	197,434	81,203
Bond	19,887	128,278
Special issue government bonds (*)	12,267	12,517
	229,588	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 110,643 (31 December 2016: TL 55,015) while the company portion of the blocked shares is TL 86,791 (December 31, 2016: TL 26,188).

The Company acquired bonds amounting to 19,887 TL as of 30 September 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 September 2017 is 12.21 % (31 December 2016: 8.95%). As of 30 September 2017, 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 September 2017	31 December 2016
Short-term financial liabilities		
Short-term bank borrowings	2	-
Short-term portion of long-term borrowings	370,748	219,490
	370,750	219,490

Long-term financial liabilities	30 September 2017	31 December 2016
Long-term borrowings	1,063,846	-
	1,063,846	-

According to the agreement signed with the Turkish Treasury in 25 July 2008, the Company has TL 49,000 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 weighted average interest rate of the borrowing as at 30 September 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 NINE MONTH PERIOD ENDED 30 SEPTEMBER 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 September 2017 and 31 December 2016 are as follows:

	30 September 2017	31 December 2016
2018	105,385	-
2019	421,538	-
2020	421,538	-
2021	115,385	-
	1,063,846	-

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

	30 September 2017	31 December 2016
Less than 3 months	49,000	115,490
Between 3 - 12 months	321,750	104,000
Between 1 - 5 years	1,063,846	-
	1,434,596	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 September 2017	31 December 2016
Short-term trade receivables		
Receivables from LSRSA contractors invoiced	887,052	237,016
Receivables from sale of residential and commercial units	529,086	418,768
Receivables from related parties (Note 19)	10,838	21,087
Receivables from land sales	11,734	6,514
Rent receivables	1,502	1,449
Other	2,127	978
Unearned finance income	(476)	(2,944)
	1,441,863	682,868
Doubtful receivables	1,837	1,866
Less: Provision for doubtful receivables	(1,837)	(1,866)
	1,441,863	682,868

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2017

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

NOTE 7 - TRADE RECEIVABLES AND PAYABLES (Continued)

	30 September 2017	31 December 2016
Long-term trade receivables		
Receivables from sale of residential and commercial units	1,646,056	1,539,837
Unearned finance income	(185,069)	(72,983)
	1,460,987	1,466,854

	30 September 2017	31 December 2016
Short-term trade payables		
Payables to related parties (Note 19)	1,729,540	3,510,865
Payables to LSRSA contractors invoiced	277,487	279,154
Trade payables	212,719	16,931
Time deposit interest accruals from LSRSA contractors invoiced (*)	16,302	17,169
	2,236,048	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 September 2017	31 December 2016
Short-term other receivables		
Receivables from contractors	876,069	441,771
Housing Acquisition Support (“HAS”) related receivables from Turkish Treasury	390,768	390,780
Receivables from the authorities	6,013	5,826
Other	130	128
	1,272,980	838,505

	30 September 2017	31 December 2016
Long-term other receivables		
Deposits and guarantees given	936	1,053
	936	1,053

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2017

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

NOTE 8 - OTHER RECEIVABLES AND PAYABLES (Continued)

	30 September 2017	31 December 2016
Short term other payables		
Payable to HAS beneficiaries	403,070	403,447
Payable to contractors (*)	88,752	88,752
Taxes and funds payable	29,379	14,447
Other	46,344	53,930
	567,545	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 September 2017 and 2016 are shown below:

	1 January 2017	Additions within the period	Disposals	30 September 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	(381)	35
Total consideration received or receivable from Treasury	403,447			403,070
Payable to HAS beneficiaries	(403,447)			(403,070)

	1 January 2016	Additions within the period	Disposals	30 September 2016
Treasury support share				
Receivable from Treasury	390,750	54	(14)	390,790
Special purpose government Bond	13,267	-	(500)	12,767
Cash generated from government bond redemption	62	615	(599)	78
Total consideration received or receivable from Treasury	404,079			403,635
Payable to HAS beneficiaries	(404,079)			(403,635)

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2017

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

NOTE 9 -INVENTORIES

	30 September 2017	31 December 2016
Lands	4,653,699	4,293,728
<i>Cost</i>	4,661,634	4,305,099
<i>Impairment</i>	(7,935)	(11,370)
Planned land by LSRSA	5,946,820	5,664,474
Planned land by turnkey project	2,092,724	1,841,251
Residential and commercial units ready for sale	1,081,579	285,741
<i>Cost</i>	1,113,515	293,179
<i>Impairment</i>	(31,936)	(7,438)
	13,774,822	12,085,195

As of 30 September 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	34,399	18,868
Reversal of impairment	(13,336)	(2,439)
Balance at 30 September	39,871	27,803

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 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 September 2017 and 31 December 2016:

Lands	30 September 2017	31 December 2016
İstanbul Küçükçekmece Lands	1,825,441	1,822,839
İstanbul Bakırköy Lands	685,406	-
İstanbul Şişli Lands	455,122	455,122
İstanbul Başakşehir Lands	359,504	299,141
İstanbul Arnavutköy Lands	317,309	317,309
İstanbul Çekmeköy Lands	247,830	-
İstanbul Tuzla Lands	205,917	225,933
Antalya Muratpaşa Lands	190,000	-
İstanbul Kartal Lands	132,283	132,283
Samsun Canik Lands	93,416	-
İstanbul Ataşehir Lands	41,979	41,979
İstanbul Esenyurt Lands	36,654	36,181
Ankara Çankaya Lands	17,802	15,358
Tekirdağ Kapaklı Lands	8,248	8,248
İstanbul İstinye Lands	7,734	-
Tekirdağ Çorlu Lands	6,153	6,153
Maltepe Küçükyalı Lands	2,753	2,753
İstanbul Şile Lands	2,441	10,213
Kocaeli Tütünciftliği Lands	1,528	3,417
Kocaeli Gebze Lands	1,308	2,999
İstanbul Zekeriyaköy Lands	677	677
İzmir Urla Lands	-	10,166
İstanbul Zeytinburnu Lands	-	400,045
Ankara Yeni Mahalle Lands	-	272,783
Yalova Lands	-	178,340
Bursa Osmangazi Lands	-	27,336
Other	14,194	24,453
	4,653,699	4,293,728

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2017

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

NOTE 9 - INVENTORIES (Continued)

Planned lands by LSRSA	30 September 2017	31 December 2016
Sarıyer İstinye Project	993,780	1,006,171
Nidapark Kucukyali Project	678,812	677,675
Büyükyali Project	659,551	656,808
Ankara Yenimahalle İstasyon Project	638,371	634,574
Zeytinburnu Beştelsiz Project	405,063	-
Köy Project	225,506	225,241
İstmarina Project	182,094	186,635
Metropol İstanbul Project	182,046	182,046
Kayabaşı 5. Etap Project	173,298	117,552
Kayabaşı 6. Etap Project	166,718	113,982
Validebağ Konakları Project	153,775	108,107
Hoşdere 3. Etap Projesi	146,957	159,150
Avangart İstanbul Project	115,150	118,273
Hoşdere 4. Etap Project	108,251	104,977
Tual Adalar Project	94,066	106,405
Park Maveria Project	93,922	116,866
Temaşehir Konya Project	90,121	86,704
Fatih Yedikule Projesi	78,455	121,491
Evora Denizli Project	77,548	76,268
Kocaeli Derince Project	70,360	70,001
Karat 34 Project	68,995	68,063
Isparta Kule 5.Etap Project	57,817	58,105
Hoşdere 2. Etap Project	48,665	47,628
Göl Panorama Project	47,736	79,722
Yenikoy Konakları İstanbul Project	45,475	30,130
Koordinat Çayyolu Project	35,685	37,299
Maslak 1453 Project	35,469	230,386
Ataşehir Finans Merkezi Project	19,455	17,587
Other	253,679	226,628
	5,946,820	5,664,474

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2017

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

NOTE 9 - INVENTORIES (Continued)

Planned lands by turnkey project	30 September 2017	31 December 2016
Başkent Emlak Konutları	435,801	336,250
Ayazma Emlak Konutları Project	376,896	224,918
Ispartakule 1. Etap 1. Kısım Project	234,092	156,515
Ispartakule 1. Etap 2. Kısım Project	180,035	130,396
Kayabası Recreation Project	186,348	143,298
Gebze Project	150,910	68,682
Nevşehir Emlak Konutları Project	145,799	97,816
Körfezkent 4. Etap Project	113,681	73,926
Emlak Konut Başakşehir Evleri 2. Kısım Project	111,483	66,922
Başakşehir Ayazma 2. Etap Project	101,526	44,112
Nigde Project	50,535	24,419
Kocaeli Körfezkent Quran Course Construction Projesi	4,997	-
Bursa Kentsel Dönüşüm Project	425	424
İstanbul Esenler Kentsel Dönüşüm Project	196	472,911
Kocaeli Gebze Kirazpınar Kentsel Dönüşüm Project	-	662
	2,092,724	1,841,251

Completed units	30 September 2017	31 December 2016
Esenler Emlak Konutları	245,667	-
Sarphan Finanspark Project	229,106	28,440
Merkez Ankara Project	222,813	-
Metropol İstanbul Project	148,780	-
Büyükyalı Project	80,472	-
Batışehir Project	43,949	136,932
Unikonut Project	27,237	31,572
Nidakule Ataşehir Project	25,028	26,210
Dumankaya Miks Project	24,778	16,911
Hoşdere Emlak Konutları	12,469	28,330
Bulvar İstanbul Evleri	9,106	3,138
Başakşehir Emlak Konutları	4,345	5,287
Kayabaşı Emlak Konutları	2,350	1,654
Park Yaşam Mavişehir Evleri	1,486	1,486
Kocaeli Körfez Kent Emlak Konutları	1,089	1,238
Spradon Vadi Evleri	624	2,195
Evora 2. Etap Project	303	303
Other	1,977	2,045
	1,081,579	285,741

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2017

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

NOTE 10 – PROPERTY, PLANT AND EQUIPMENT

30 September 2017	Buildings	Motor vehicles	Furniture, equipment and fix assets	Construction in progress	Total
Net book value as of 1 January 2017	59,327	1,226	8,599	29	69,181
Additions	1,190	-	1,551	62	2,803
Depreciation expense(-)	(1,603)	(296)	(2,250)	-	(4,149)
Net book value 30 September 2017	58,914	930	7,900	91	67,835
Cost	62,439	2,160	17,566	91	82,256
Accumulated depreciation (-)	(3,525)	(1,230)	(9,666)	-	(14,421)
Net book value 30 September 2017	58,914	930	7,900	91	67,835

30 September 2016	Buildings	Motor vehicles	Furniture, equipment and fix assets	Construction in progress	Total
Net book value as of 1 January 2016	9,584	737	4,650	63,750	78,721
Additions	9,652	887	5,180	-	15,719
Disposal, net (-)	-	-	(44)	-	(44)
Transfers from constructions in progress, (net)	63,750	-	-	(63,750)	-
Transfers from stock, (net)	(2,340)	-	-	-	(2,340)
Depreciation expense(-)	(1,222)	(295)	(1,814)	-	(3,331)
Impairment (-)	575	-	-	-	575
Net book value 30 September 2016	79,999	1,329	7,972	-	89,300
Cost	81,485	2,437	14,491	-	98,413
Accumulated depreciation (-)	(1,486)	(1,108)	(6,519)	-	(9,113)
Net book value 30 September 2016	79,999	1,329	7,972	-	89,300

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2017

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

NOTE 11 – OTHER SHORT TERM PROVISIONS

	30 September 2017	31 December 2016
Provisions		
Provision for lawsuits	34,034	73,238
Provision for cost accruals	-	54,846
	34,034	128,084

The movement of provision for lawsuits as of 30 September 2017 and 2016 are as follows:

	2017	2016
Balance at 1 January	73,238	78,088
Provision released within the current period (Note 17)	(31,612)	(5,722)
Provision charged for the period (Note 17)	2,060	2,613
Provision paid in the period	(9,610)	-
Provision used in the period	(42)	(1,247)
Balance at 30 September	34,034	73,732

NOTE 12 - OTHER ASSETS AND LIABILITIES

	30 September 2017	31 December 2016
Other current assets		
Accrued income	65,452	122,946
Progress payments given to contractors	80,234	118,700
Receivables from tax office	15,919	34,066
Deferred VAT	-	8,500
Other	640	263
	162,245	284,475

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2017

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

NOTE 13 - DEFERRED INCOME AND PREPAID EXPENSES

	30 September 2017	31 December 2016
Short-term deferred income		
Deferred income from LSRSA projects (*)	2,179,818	1,727,759
Advances taken from LSRSA contractors (**)	876,781	976,954
Advances taken from turnkey project sales	457,590	371,128
Deferred income from sales of completed units	121,615	75,248
Advances taken from related parties (Note 19)	64,732	64,732
	3,700,536	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 September 2017	31 December 2016
Prepaid expenses		
Advances given for inventory (*)	406,472	542,674
Prepaid expenses	874	1,137
	407,346	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 382,789.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 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 September 2017 and 31 December 2016 is as follows:

Shareholders	30 September 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%

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2017

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

NOTE 15 - REVENUE AND COST OF SALES

	1 January- 30 September 2017	1 July- 30 September 2017	1 January- 30 September 2016	1 July- 30 September 2016
Sales income				
Land sales	2,205,409	1,256,149	1,480,416	1,022,131
<i>Income from sale of land and plots by way of LSRSA</i>	<i>1,510,324</i>	<i>561,064</i>	<i>1,415,990</i>	<i>1,002,412</i>
<i>Land sales income</i>	<i>695,085</i>	<i>695,085</i>	<i>64,426</i>	<i>19,719</i>
Residential and commercial units sales	683,358	183,247	1,583,211	772,854
Other Income	1,975	274	356	78
	2,890,742	1,439,670	3,063,983	1,795,063
Sales returns	(87,861)	(4,570)	(1,443)	(1,407)
Sales discounts	(392)	(96)	(541)	(39)
Net sales income	2,802,489	1,435,004	3,061,999	1,793,617
Cost of sales				
Cost of land sales	(934,760)	(725,339)	(352,124)	(271,702)
<i>Cost of land and plots sold by way of LSRSA</i>	<i>(457,635)</i>	<i>(248,214)</i>	<i>(340,326)</i>	<i>(267,481)</i>
<i>Cost of land sales</i>	<i>(477,125)</i>	<i>(477,125)</i>	<i>(11,798)</i>	<i>(4,221)</i>
Cost of residential and commercial units sales	(445,599)	(84,041)	(1,166,806)	(544,858)
	(1,380,359)	(809,380)	(1,518,930)	(816,560)
Gross profit	1,422,130	625,624	1,543,069	977,057

NOTE 16 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES

	1 January- 30 September 2017	1 July- 30 September 2017	1 January- 30 September 2016	1 July- 30 September 2016
General administrative expenses				
Personnel expenses	(42,451)	(16,474)	(38,044)	(14,393)
Taxes, duties and fees	(38,673)	(22,499)	(28,698)	(12,462)
Donations	(14,565)	(13,759)	-	-
Consultancy expenses	(11,720)	(4,433)	(5,628)	(2,019)
Subcontracting service expenses	(9,547)	(4,075)	(7,162)	(3,352)
Depreciation and amortisation	(5,922)	(2,475)	(4,589)	(1,596)
Due and contribution expenses	(3,829)	(1,233)	(1,567)	(553)
Office expenses	(3,220)	(1,960)	(1,025)	(1,025)
Travel expenses	(3,084)	(876)	(2,174)	(725)
Maintenance	(1,641)	(663)	(1,433)	(746)
Lawsuit and notary expenses	(1,126)	(198)	(2,844)	(464)
Communication	(417)	(145)	(485)	(126)
Insurance expenses	(1,077)	(862)	(136)	(50)
Other	(4,990)	(1,382)	(3,280)	(332)
	(142,262)	(71,034)	(97,065)	(37,843)

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2017

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

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

	1 January- 30 September 2017	1 July- 30 September 2017	1 January- 30 September 2016	1 July- 30 September 2016
Marketing, sales and distribution expenses				
Advertising expenses	(47,406)	(18,996)	(35,703)	(14,909)
Personnel expenses	(3,987)	(1,411)	(3,340)	(1,390)
Other	(888)	(357)	(1,118)	(55)
	(52,281)	(20,764)	(40,161)	(16,354)

NOTE 17 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

	1 January- 30 September 2017	1 July- 30 September 2017	1 January- 30 September 2016	1 July- 30 September 2016
Other income from operating activities				
Finance income from credit sales	126,819	19,663	84,424	24,140
Delay penalty interest from project contractors	46,423	14,350	45,327	27,549
Released lawsuit provisions (Note 11)	31,612	10	5,722	(163)
Impairment provision reversals (Note 9,10)	13,336	3,856	3,014	391
Not realized finance income	-	-	5,820	2,777
Recirculate commission income	9,728	1,767	6,538	1,028
Other	33,121	12,432	29,729	10,531
	261,039	52,078	180,574	66,253

	1 January- 30 September 2017	1 July- 30 September 2017	1 January- 30 September 2016	1 July- 30 September 2016
Other expenses from operating activities				
Reversal of due date differences	(109,619)	(57,675)	(1,570)	-
Impairment provision expenses (Note 9)	(34,399)	(3,409)	(18,868)	(17,257)
Lawsuit provision charge for the period (Note 11)	(2,060)	(2,060)	(2,613)	(2,613)
Other	(5,002)	(711)	(2,331)	(644)
	(151,080)	(63,855)	(25,382)	(20,514)

NOTE 18 - FINANCIAL INCOME / EXPENSES

	1 January- 30 September 2017	1 July- 30 September 2017	1 January- 30 September 2016	1 July- 30 September 2016
Financial income				
Interest income from time deposits	49,972	16,968	69,710	20,045
Interest income from TOKI	13,295	-	-	-
Foreign exchange income	122	2	69	64
	63,389	16,970	69,779	20,109

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2017

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

NOTE 18 - FINANCIAL INCOME / EXPENSES (Continued)

	1 January- 30 September 2017	1 July- 30 September 2017	1 January- 30 September 2016	1 July- 30 September 2016
Financial expenses				
Interest expense on payable to TOKİ (**)	(180,876)	(45,758)	-	-
Loan interest expense	(97,435)	(49,670)	-	-
Interest discount on pay off debt	(48,629)	(2,590)	(91,638)	(91,638)
Interest expense on Turkish Treasury borrowings (*)	(10,501)	(1,738)	(24,933)	(6,169)
Foreign exchange loss	(185)	(38)	(146)	(3)
Commission expenses	-	-	(2)	(2)
	(337,626)	(99,794)	(116,719)	(97,812)

(*) Interest expense of borrowing for HAS beneficiaries payments from Turkish Treasury amounting to TL 49,000 as of 30 September 2017 calculated in accordance with Domestic Government Debt Securities issuance compound interest rate announced at the time of payment periods.

(**) This amount comprises of the interest expense accrued as of 30 September 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
11. Emlak Konut Spor Kulübü Derneği

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.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 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 800,743 as of 30 September 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 102,585 in as of 30 September 2017 (30 September 2016: TL 49,411). Average effective interest rates of time deposits of the Company as of 30 September 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 September 2017	31 December 2016
Trade receivables from related parties		
Emlak Planl. İnş. Prj. Yön. A.Ş. - Ege Yapı Ltd. Şti.	3,894	14,178
Emlak Planl. İnş. Prj. Yön. A.Ş. - Fideltus İnş-Öztaş İnş O.G.	5,576	5,567
Emlak Planl. İnş. Prj. Yön. A.Ş. - Cathay Ortak Girişimi	1,368	1,342
	10,838	21,087

	30 September 2017	31 December 2016
Trade payables to related parties		
T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı (“TOKİ”) (*)	1,727,816	3,509,541
Ege Yapı Ltd. Şti.-Emlak Pazarlama O.G.	1,324	1,324
Emlak Konut Spor Kulübü Derneği	400	-
	1,729,540	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 1,221,818 (31 December 2016: TL 3,080,088) and accrued interest is TL 505,998 (31 December 2016: TL 429,453).

	30 September 2017	31 December 2016
Advances received from related parties		
Emlak Planl. İnş. Prj. Yön. A.Ş. - Fideltus İnş.- Öztaş İnş. O.G. (*)	64,732	64,732
	64,732	64,732

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

	1 January- 30 September 2017	1 July- 30 September 2017	1 January- 30 September 2016	1 July- 30 September 2016
Purchases from related parties				
T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı (“TOKİ”)	1,274,500	262,500	2,294,361	16,000
Emlak Planlama İnş. Prj. Yön. A.Ş. - Ege Yapı Ltd Şti.	1,791	-	152,191	-
Emlak Planlama İnş. Prj. Yön. A.Ş. - Emlak Basın Yayın A.Ş.	702	197	643	174
	1,276,993	262,697	2,447,195	16,174

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2017

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

NOTE 19 - RELATED PARTY DISCLOSURES (Continued)

	1 January- 30 September 2017	1 July- 30 September 2017	1 January- 30 September 2016	1 January- 30 September 2016
Finance expense from related parties				
T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı (“TOKİ”)	180,876	45,758	-	-
	180,876	45,758	-	-

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

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

	1 January- 30 September 2017	1 July- 30 September 2017	1 January- 30 September 2016	1 January- 30 September 2016
Sales to related parties				
T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı (“TOKİ”)	27,309	-	50,102	-
Emlak Planlama İnş. Prj. Yön. A.Ş. - Ege Yapı Ltd. Şti.	88	2	-	-
Emlak Planlama İnş. Prj. Yön. A.Ş. - Cathay Ortak Girişimi	-	-	53	4
	27,397	2	50,155	4

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 September 2017	1 July- 30 September 2017	1 January- 30 September 2016	1 January- 30 September 2016
Remuneration of key management				
Salaries and other short-term employee benefits	4,474	1,552	2,743	1,186
	4,474	1,552	2,743	1,186

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2017

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

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

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

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2017

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

NOTE 20 - CONTINGENT ASSETS AND LIABILITIES (Continued)

- 3 Contractor of İzmir Mavisehir 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.
- 4 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.
- 5 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.
- 6 Mortgage and guarantees received are;

	30 September 2017	31 December 2016
Guarantees received (*)	3,528,624	3,027,085
Mortgages received (**)	45,878	45,878
	3,574,502	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.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2017

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

NOTE 20 - CONTINGENT ASSETS AND LIABILITIES (Continued)

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

	30 September 2017	31 December 2016
A. CPM given on behalf of the Company's legal personality	56,364	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	-	-
	56,364	65,511

NOTE 21 - EVENTS AFTER THE REPORTING PERIOD

1. Emlak Konut GYO will apply a discount, if payment is made in full or in part by the customers who reside or buy the residential / commercial unit on or before December 31, 2016. The discount campaign will be available from 20 October to 11 December 2017.
2. Emlak Konut GYO has announced on 3 October 2017 that it has revised the terms of sale of certain commercial units in the projects it has identified. According to these revisions, sales in these commercial units will be able to be offset with 0.50% fixed installments or maturity differences, and payments will start in January 2018.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 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	Prior Period
	Main Account Items	Related Regulation	30 September 2017	31 December 2016
			(TL)	(TL)
A	Money and Capital Market Instruments	Series:III-No:48, Art,24/(b)	638,027	2,405,012
B	Properties, Projects based on Properties and Rights based on Properties	Series:III-No:48, Art,24/(a)	13,945,311	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		5,323,318	4,092,436
D	Total Assets	Series:III-No:48, Art,3/(k)	19,906,656	18,702,367
E	Financial Liabilities	Series:III-No:48, Art,31	1,434,596	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	11,795,728	10,730,193
	Other Resources		6,676,332	7,752,613
D	Total Resources	Series:III-No:48, Art,3/(k)	19,906,656	18,702,367
	Non-Consolidated (Individual) Financial Statements		Current Period	Prior Period
	Other Account Items	Related Regulation	30 September 2017	31 December 2016
			(TL)	(TL)
A1	The portion of Money and Capital Market Instruments held for Payables of Properties for the following 3 Years	Series:III-No:48, Art,24/(b)	638,027	956,203
A2	Term/ Demand/ Currency	Series:III-No:48, Art,24/(b)	390,300	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)	258,367	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	56,364	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 NINE MONTH PERIOD ENDED 30 SEPTEMBER 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 September 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)	73	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)	1	2	<20%
6	Affiliates to the Operating Company	Series:III-No:48, Art,28	-	-	<10%
7	Borrowing Limit	Series:III-No:48, Art,31	13	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.

.....

APPENDIX 2 EMIAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. TENDERED LAND PLOTS 19.09.2017					
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 AT ASHİRH EAST REGION 2ND STAGE (VARAP VARILBASAR - GAP İNŞAAT JOINT VENTURE)	99.388,09	31.05.2009	192.845.996,07	445.208.609,09	Construction permit obtained.
AGAĞOĞLU MASLAK 1450 İSTANBUL PROJECT - İSTANBUL ŞİŞLİ AYAZGA İST STAGE (AKMENZ İNŞAAT)	7.194,46	30.09.2010	35.409.498,45	34.173.875,00	Construction permit obtained.
KÜV PROJECT - İSTANBUL SARDIYER ZEKERİYAKÖY (SİYAHİ KALEM MÜHÜR)	343.962,46	2.03.2011	228.740.307,50	475.687.500,00	The agreement of the project was signed on 17.07.2012, the construction permits for the parcels 1790/4, 1790/5, 1790/6, 1790/8 were obtained on 25.07.2014, 31.12.2014, 24.06.2015, 06.07.2015, 06.07.2015 respectively.
İSTANBUL PROJESİ - İSTANBUL KARTAL (İLTİS İNŞAAT)	53.687,97	22.04.2012	187.096.917,87	472.308.000,00	The agreement of the project was signed on 04.02.2013, the construction permits for the parcels 9691/1, 9692/2, 9693/1, 9693/2 were obtained on 14.03.2014, 14.03.2014, 14.03.2014, 27.06.2014 respectively.
GÖL PANAROMA EYLERİ PROJECT - İSTANBUL AYVALIK KAPARIK (BE-MA İNŞAAT)	85.251,43	30.07.2012	47.951.829,31	74.674.986,47	The agreement of the project was signed on 05.07.2013, the construction permit was obtained on 25.08.2014.
FATİH YERDEMLİ PROJECT - İSTANBUL FATİH YERDEMLİ (EGE YAPI - MİMİTROPOL-SENA-BUKTOR JOINT VENTURE)	40.943,86	30.07.2012	67.482.342,53	165.968.278,00	The agreement of the project was signed on 02.08.2013, the construction permits were obtained 24.03.2017, 11.04.2017, 24.04.2017, 27.04.2017 respectively.
BAHÇEKENT FLORA PROJECT - İSTANBUL HOSBEYER 2ND STAGE (İZKA İNŞAAT & DAĞ MİHENDİSLİK & SİTAR İNŞAAT JOINT VENTURE)	74.279,87	14.06.2011	14.428.723,63	51.179.863,50	The agreement of the project was signed on 22.11.2013, the construction permits for the parcels 6502, 6572 were obtained on 23.05.2014. The construction permits for the parcels 6503, 6573 were obtained on 31.12.2014.
LEVVEL İSTANBUL PROJECT - İSTANBUL BAŞAŞEHİR KAYABAŞI 3RD STAGE (İSTAY & ENKA İNTEK JOINT VENTURE)	35.676,78	3.12.2012	70.392.080,27	113.895.874,18	The agreement of the project was signed on 17.12.2013, the construction permits for the parcels 8891, 8911, 8921 were obtained on 04.11.2014, 11.08.2015, 11.08.2015 respectively.
ZEYİNBURSU KAZIÇIŞME PROJECT - İSTANBUL ZEYİNBURSU KAZIÇIŞME (ÖZKA VE ENKA İNTEK JOINT VENTURE)	111.262,55	24.04.2013	662.676.763,93	1.568.000.000,00	The agreement of the project was signed on 08.04.2014, the construction permits were obtained on 25.01.2016 and 14.03.2016.
PARKMAVERA PROJECT - İSTANBUL BAŞAŞEHİR KAYABAŞI 4TH STAGE (MAKRO - AKYAPI JOINT VENTURE)	45.309,81	3.12.2012	95.311.865,77	195.921.251,99	The agreement of the project was signed on 25.04.2014, the construction permits for the parcels 8891, 8931 were obtained on 08.10.2014, 02.09.2015 respectively.
AVRUPARK PROJECT - İSTANBUL BAŞAŞEHİR HOSBEYER 3RD STAGE (ÇHAN İNŞ. - KONUT YAPI JOINT VENTURE)	78.639,77	14.06.2011	74.435.942,54	154.528.000,00	The agreement of the project was signed on 20.05.2014, the construction permit was obtained on 14.03.2015.
KOCALIĞI HERBİNE PROJECT - (AKMENZ İNŞAAT - TOKAL İNŞAAT JOINT VENTURE)	72.343,00	3.04.2014	78.339.515,88	83.198.500,00	The agreement of the project was signed on 21.08.2014, the construction permit have not been obtained yet.
SOFALICA PROJECT - ANKARA ETTİMİŞGÜT PROJECT (BASYAPİ İNŞAAT - SOLAR YAPI JOINT VENTURE)	18.228,00	3.04.2014	38.315.875,62	54.000.000,00	The agreement of the project was signed on 15.08.2014, the construction permit was obtained on 11.12.2014.
KARTAL YAKARCI PROJECT - (DAĞ MİHENDİSLİK)	25.462,91	28.05.2014	93.827.118,57	123.900.000,00	The agreement of the project was signed on 30.12.2014, the construction permit for the parcel 126247 was obtained on 21.01.2016 and permit for the parcel 126244 was obtained on 08.05.2017.
İSTANBUL BAĞCILIKLILAR YENİSİMA PROJESİ - (KELİP JOINT VENTURE)	36.174,56	28.05.2014	69.008.695,36	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 BAŞAŞEHİR KAYABAŞI 4TH STAGE PROJECT - (ARTAS İNŞAAT SANAYİ VE TİC. A.Ş.)	72.796,72	3.04.2014	167.580.167,55	358.000.000,00	The agreement of the project was signed on 22.02.2015, the construction permit was obtained on 19.01.2016.
İSTANBUL BAŞAŞEHİR HOSBEYER 3RD STAGE PROJECT - (DAĞ MİMARLIK YAPI GAYRİMENKUL TİC.LTD.ŞTİ)	112.623,06	14.06.2011 - 30.07.2012	108.101.717,35	275.534.000,00	The agreement of the project was signed on 26.05.2015, the construction permit was obtained on 22.01.2016.
İSTANBUL SARDIYER İSTİYER PROJECT - (FABİNGÖĞÜLÜ GAYRİMENKUL - FABİNGÖĞÜLÜ YAPISIDA JOINT VENTURE)	129.407,27	26.05.2014	993.452.912,26	1.876.992.000,00	The agreement of the project was signed on 08.06.2015, the construction permit was obtained on 14.07.2017.
KONYA MİRAM YEMECİ PROJECT - (TORKAM İNŞAAT - BUKTOR YAPISAN JOINT VENTURE)	40.673,49	5.03.2015	90.845.499,44	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 379425 and 379455.
ANKARA YENİMARALIE İSTASYON - (PAMER GAYRİMENKUL - ÇİFTAY İNŞAAT JOINT VENTURE)	124.479,80	3.04.2014	634.599.206,25	1.258.365.000,00	The agreement of the project was signed on 09.07.2015, the construction permit was obtained on 06.02.2017.
İSTANBUL KAĞITBAŞI SEYRANTEPE PROJECT - (GÜL İNŞAAT PROJE A.Ş. - GÜL İNŞAAT A.Ş. JOINT VENTURE)	36.749,99	5.03.2015	126.609.582,87	637.000.000,00	The agreement of the project was signed on 14.07.2015, the construction permit for parcels 7752/2 and 7752/4 were obtained on 14.03.2017 and 15.04.2017 respectively.
KAYABAŞI 3TH STAGE PROJECT - (FABİNGÖĞÜLÜ - NİDA İNŞAAT JOINT VENTURE)	77.327,62	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 MERKEZİ FENBİ - TEKNİK YAPI KİMYA - TEKNİK YAPI TEKNİK YAPILAR - ÜÇ YAPI JOINT VENTURE)	95.294,22	5.03.2015	74.989.391,69	92.651.000,00	The agreement of the project was signed on 14.09.2015, the construction permit was obtained on 29.01.2016.
ANKARA ÇANKAYA GAYOLU PROJECT - (YF İNŞAAT A.Ş.)	30.669,27	3.04.2014	99.149.391,26	180.000.000,00	The agreement of the project was signed on 08.02.2015, the construction permit was obtained on 15.06.2016 for the parcel 124793.
İSTANBUL ÜSKÜDAR BARBAROS PROJECT - (İLTİS İNŞAAT - İSTİRE YAPI JOINT VENTURE)	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.
AYVALIK İSPARTAKULE 3TH STAGE PROJECT - (TORKAM - SİTAR İNŞAAT)	41.168,49	1.06.2007	58.185.439,44	132.000.000,00	The agreement of the project was signed on 09.06.2016, the construction permit was obtained on 03.02.2017.
İSTANBUL EYİP ALBAYRAKÖY - (YENİ YAPILAR İNŞAAT)	27.360,83	5.03.2015	47.777.179,63	168.158.000,00	The agreement of the project was signed on 11.05.2016, the construction permit of B and D blocks were obtained on 14.03.2017, A and C blocks were obtained on 23.06.2017.
İSTANBUL ESENYURT HOSBEYER 3TH STAGE - ÇİHAN İNŞAAT KİMYA YAPI)	42.019,75	14.06.2011 - 30.07.2012	48.321.476,29	154.500.000,00	The agreement of the project was signed on 17.06.2016, the construction permit was obtained on 02.08.2017.
BAKIRKÖY YENİMARALIE - (BASYAPİ İNŞ. - GENEY GAYRİMENKUL - ELİT VİZYON JOINT VENTURE)	5.258,00	5.03.2015	30.665.541,98	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 HOSBEYER 4TH STAGE - (SURYAYI HAYAT AKSARAJ JOINT VENTURE)	13.823,56	14.06.2011	45.136.679,11	158.500.000,00	The agreement of the project was signed on 04.08.2016, the construction permit of 7073 parcel was obtained on 14.04.2017.
MALTEPE KÜÇÜKAL - (FABİNGÖĞÜLÜ GAYRİMENKUL - FABİNGÖĞÜLÜ KÜÇÜKAL - 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 147711, 147721, 147731 were obtained on 29.12.2016.
AYVALIK İSPARTAKULE 4TH STAGE - (AKYAPI İNŞAAT A.Ş. - İSRAHİ JOINT VENTURE)	38.529,21	3.04.2015	45.979.238,35	85.600.000,00	The agreement of the project was signed on 01.09.2016, the construction permit was obtained on 30.06.2017.
İSTANBUL BEYAZIĞA PROJESİ (YERLİ İNŞAAT TAALİMİK A.Ş.)	1.076.622,18	13.09.2017	-	170.000.000,00	The agreement of the project signed on 13.09.2017, the construction permit have not been obtained yet.
İSTANBUL ZEYİNBURSU BEŞİTLİSİZ PROJESİ (GENEY - BASYAPİ - ELİT - AKKON JOINT VENTURE)	36.762,54	5.03.2015	408.045.565,87	648.100.000,00	The agreement of the project signed on 12.08.2017, the construction permit have not been obtained yet.
İSTANBUL TUZLA İÇMELER PROJESİ (DAĞ MİMARLIK MÜHÜR GAY. SAN.TİC.A.Ş.)	18.990,00	5.03.2015	20.816.360,69	53.927.500,00	The agreement of the project signed on 14.07.2017, the construction permit have not been obtained yet.
İSTANBUL ŞİLE ÇAYIR PROJESİ (BİRALBENET - BİRALBET GYO JOINT VENTURE)	21.849,51	5.03.2015	9.833.133,52	15.070.000,00	The agreement of the project signed on 20.07.2017, the construction permit have not been obtained yet.
İZMİR 1ST STAGE PROJECT (TEKNİK YAPI HALK GYO JOINT VENTURE)	47.598,00	30.12.2016	0,11	117.840.000,00	The agreement of the project signed on 25.08.2017, the construction permit have not been obtained yet.
İZMİR 2ND STAGE PROJECT (PERKANCAN YAPI BURACAN İNŞ. JOINT VENTURE)	95.654,00	30.12.2016	0,28	145.200.000,00	The agreement of the project signed on 08.08.2017, the construction permit have not been obtained yet.
Supervision Project	SQM	Date of Purchase	Book Value (TL)	Current Company Share in Total Revenue	Explanation
İSTANBUL INTERNATIONAL FINANCE CENTRE PROJECT-SPECIFIC PROJECT RECREATION AREA (İM - AKMENZ İNŞAAT JOINT VENTURE)	115.497,61	31.05.2009	0,83	29.200.000,00	The construction permit for the parcel 332014 was obtained on 01.12.2014.
Total of Revenue Sharing Model in Return for the Land Sale	3.613.676,80		6.811.824.726,06	13.528.914.712,14	
Revenue Sharing Model in Return for the Land	SQM	Date of Purchase	Book Value (TL)	Current Company Share in Total Revenue	Explanation
Total of Revenue Sharing Model in Return for the Land	-		-	-	
Total of Revenue Sharing Model in Return for the Land Sale + Land			6.811.824.726,06	13.528.914.712,14	
Turn-Key Model Projects	SQM	Date of Purchase	Book Value - Progress Payments (TL)		Explanation
KÖRFEZKENT 4TH STAGE (ZEKSA İNŞAAT)	79.804,19	25.02.2008	115.081.424,63		The agreement of the project was signed on 07.02.2015, the construction permit for parcel 19301 and 19252 were obtained on 21.11.2014 and 01.11.2014 respectively.
İSTANBUL AYAZGA İST STAGE (GÜR YAPI A.Ş.)	99.875,55	1.12.2010	376.936.394,80		The agreement of the project was signed on 24.05.2015, the construction permit was obtained on 05.12.2014.
EMIAK KONUT İSPARTAKULE 1ST STAGE 1ST PART PROJECT (YÖREK YAPI - ERMİT MÜHÜR JOINT VENTURE)	85.871,43	1.06.2007	234.992.301,16		The agreement of the project was signed on 18.09.2015, the construction permit was obtained on 01.06.2015.
EMIAK KONUT İSPARTAKULE 1ST PART 2ND PART PROJECT (BALPA İNŞAAT TEKS. SAN. VE TİC. A.Ş.)	74.348,32	1.06.2007	188.834.962,27		The agreement of the project was signed on 18.09.2015, the construction permit was obtained on 01.06.2015.
EMIAK KONUT BAŞAŞEHİR EYLERİ 2ND STAGE PROJECT (KALYON İNŞAAT)	34.272,40	3.04.2014	111.482.747,68		The agreement of the project was signed on 02.02.2016, the construction permit was obtained on 11.08.2015.
SEYİRHİR MERKEZİ (ENY YAPI TEHARİT LTD.ŞTİ)	25.541,40	3.04.2014	145.799.339,25		The agreement of the project was signed on 24.05.2016, the construction permit was obtained on 07.03.2016.
BAŞAŞEHİR AYAZGA 2ND STAGE PROJECT (YERLİ İNŞAAT SAN.TİC.A.Ş.)	21.400,97	3.04.2014	101.525.566,33		The agreement of the project was signed on 23.04.2016, the construction permit was obtained on 31.12.2015.
MİĞRE EMIAK KONUTLARI - (PERKANCAN YAPI)	25.643,04	27.05.2016	58.685.309,61		The agreement of the project was signed on 22.11.2016, the construction permit was obtained on 20.09.2016.
GERZE EMIAK KONUTLARI 3RD STAGE 1ST PARTUMUTAJA İNŞAAT)	91.564,72	30.06.2010	80.873.063,76		The agreement of the project was signed on 22.12.2016, the construction permit was obtained on 28.10.2016.
GERZE EMIAK KONUTLARI 3RD STAGE 2ND PART (SİYAHİ KALEM MİHENDİSLİK)	90.774,12	30.06.2010	69.559.352,44		The agreement of the project was signed on 19.01.2017, the construction permit was obtained on 28.10.2016.
GERZE EMIAK KONUTLARI 3RD STAGE 3RD PART	6.337,96	3.04.2014	2.258.492,88		The agreement of the project have not been signed yet, the construction permit was obtained on 25.10.2016.
KAYABAŞI RECREATION AREA YATIRIM YAPISI İNŞAAT A.Ş.)	82.748,17	3.04.2014	186.347.664,62		The agreement of the project was signed on 08.12.2016, the construction permit was obtained on 05.10.2016.
BASİNTEN EMIAK KONUTLARI 3RD STAGE PROJECT	18.114,08	3.04.2014	46.577.398,79		The agreement of the project have not been signed yet, the construction permit was obtained on 06.12.2016.
BASİNTEN EMIAK KONUTLARI 2ND STAGE PROJECT (AN İNŞAAT TAALİMİK LTD.ŞTİ)	30.521,16	3.04.2014	108.758.817,88		The agreement of the project was signed on 14.02.2017, the construction permit was obtained on 04.01.2017.
BASİNTEN EMIAK KONUTLARI 1ST STAGE PROJECT (KALYON İNŞAAT)	89.362,19	3.04.2014	289.418.265,67		The agreement of the project was signed on 24.01.2017, the construction permit was obtained on 06.12.2016.
KÖRFEZKENT COMMERCIAL AND BELGIENS FACILITY PROJECT	11.966,61	3.04.2014	4.996.796,09		The agreement of the project was signed on 18.07.2017, the construction permit was obtained on 21.02.2017.
Total of Turn-Key Model Projects	862.281,31		2.894.979.638,14		
TOTAL OF ONGOING PROJECTS	4.475.958,11		8.196.803.756,20	13.528.914.712,14	

APPENDIX-3
EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
SUMMARY TABLE OF BUILDING INVENTORY
(30.09.2017)

Building Inventory	Number of Units in Inventory	SQM	Date of Purchase	Book Value (TL)	Expertise Date	Expertise Value (TL)	Explanation
UNITS IN SPRADON QUARTZ	3	188,37	22.09.2011-17.07.2012	640.549,15	31.12.2016	696.273,00	
UNITS IN VARYAP MERİDİAN	2	137,60	7.05.2013	805.413,49	31.12.2016	976.960,00	
UNITS IN PARKYAŞAM MAVİŞEHİR	1	345,07	31.10.2013	1.738.800,00	31.12.2016	1.485.675,00	
UNITS IN ANKARA ÇANKAYA NEXT LEVEL	4	989,00	23.11.2013	8.082.523,14	31.12.2016	8.892.000,00	
UNITS IN EMLAK KONUT MAVİŞEHİR EVLERİ	2	252,41	31.12.2013	775.690,87	31.12.2016	800.646,00	
STÜDYO 24 PROJECT	2	116,77	30.04.2014	335.300,00	31.12.2016	346.000,00	
EVORA 2 PROJECT	1	63,71	28.07.2015	302.500,00	31.12.2016	382.755,00	
UNİKONUT PROJECT	21	4.985,38	28.02.2015	28.380.923,23	31.12.2016	27.848.513,00	
BATIŞEHİR PROJECT	24	4.508,71	31.12.2015	44.258.814,32	31.12.2016	45.598.464,00	
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	47	5.379,50	29.02.2016	12.764.535,69	31.12.2016	15.518.737,60	
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	92.165.033,43	31.12.2016	190.889.394,00	
DUMANKAYA MİKS PROJECT	31	2.569,85	22.09.2016	26.172.302,40	31.12.2016	25.562.490,00	
BULVAR İSTANBUL PROJECT	11	2.193,83	30.12.2016	9.181.892,49	31.12.2016	9.105.640,01	
NİDAKULE ATAŞEHİR PROJECT	5	1.505,92	30.12.2016	30.862.400,00	31.12.2016	25.028.300,00	
ESENLER EMLAK KONUTLARI	488	66.487,31	30.12.2016	294.870.949,49	31.12.2016	276.740.300,00	
BÜYÜK YALI PROJECT*	31	5.967,05	30.12.2016	80.472.309,66	31.12.2016	80.536.500,00	*Related units have been obtained from pre-sales and the units are still under the construction process.
METROPOL İSTANBUL PROJECT*	156	76.360,59	30.12.2016	151.485.986,84	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 FİNANS PARK PROJECT	178	8.676,56	30.12.2016	229.105.747,52	31.12.2016	229.617.761,76	
MERKEZ ANKARA PROJECT*	12	8.672,17	30.12.2016	56.486.387,60	31.12.2016	60.139.100,00	*Related units have been obtained from pre-sales and the units are still under the construction process.
YILDIZKENT EMLAK KONUTLARI 2ND STAGE	1	48,77	30.12.2016	62.437,44	31.12.2016	105.000,00	
TOTAL	1.047	243.015,26		1.076.952.178,46		1.169.917.017,37	

APPENDIX-4
EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
TABLE OF LAND STOCK
(30.09.2017)

Location/ Appraisal Report Name	# of Parcels	SQM	Date of Purchase	Expertise Date	Book Value (TL)	Expertise Value (TL)
TEKİRDAĞ ÇORLU PARCELS	4	35.923,48	24.03.2006 - 30.09.2010	31.12.2016	6.152.734,20	8.965.010,00
TEKİRDAĞ ÇERKEZKÖY PARCELS	17	371.235,69	9.12.2005	31.12.2016	8.247.941,97	110.324.894,20
KOCAELİ KÖRFEZ PARCELS	4	16.610,44	25.02.2008	31.12.2016	1.528.022,72	4.925.270,80
KOCAELİ GEBZE GÜZELLER PARCELS	14	10.454,00	21.03.2007- 29.06.2009 - 17.02.2010	31.12.2016	1.307.800,00	2.404.000,00
KASTAMONU CİDE PARCEL	1	9.110,04	06.10.2011 - 07.08.2012 - 14.06.2011 - 30.07.2012	31.12.2016	52.663,05	55.000,00
İSTANBUL ESENYURT HOŞDERE PARCELS	3	53.689,19	14.06.2011 - 30.07.2012	31.12.2016	49.588.110,14	86.485.529,00
İSTANBUL ÜMRANİYE PARCELS	4	17.067,99	31.12.2012	31.12.2016	1.843.977,00	27.736.380,50
İSTANBUL ZEKERİYAKÖY PARCEL	1	992,00	2.03.2011	31.12.2016	677.397,25	696.294,72
İSTANBUL BEŞİKTAŞ PARCEL	1	1.298,32	22.12.1989	31.12.2016	296.673,67	4.200.000,00
ANKARA ÇANKAYA CEBECİ PARCELS	2	400,00	18.05.1990	31.12.2016	0,08	280.800,00
İSTANBUL BÜYÜKÇEKMECE PARCEL	1	78,10	31.08.1987	31.12.2016	1,00	16.231,52
İSTANBUL ARNAVUTKÖY PARCELS	14	3.645.527,92	5.06.2013	31.12.2016	317.309.414,26	395.369.806,07
İSTANBUL, ATAŞEHİR 13 PARCELS	12	25.252,88	24.04.2013 - 22.04.2012	31.12.2016	40.135.504,89	76.715.202,22
İSTANBUL MALTEPE PARCEL	1	305,84	28.05.2014	31.12.2016	2.752.560,00	2.752.560,00
İSTANBUL BAĞCILAR PARCEL	1	531,70	5.03.2015	31.12.2016	903.890,00	918.658,80
İSTANBUL ŞİLE PARCEL	1	7.231,97	5.03.2015	31.12.2016	2.440.656,88	2.531.189,00
İSTANBUL ŞİŞLİ TEŞVİKİYE PARCELS	3	24.468,90	29.05.2015	31.12.2016	455.121.540,00	455.121.540,00
İSTANBUL KÜÇÜKÇEKMECE HALKALI PARCELS	2	959.388,94	3.04.2014	31.12.2016	1.825.440.894,40	2.158.625.115,00
NEVŞEHİR PARCELS	2	26,10	3.04.2014	31.12.2016	8.088,01	8.482,50
ANKARA ÇAYYOLU PARCEL	1	778,68	3.04.2014	31.12.2016	1.031.412,07	1.031.751,00
ANKARA ÇANKAYA MÜHYE PARCELS	10	20.646,99	3.04.2014	31.12.2016	16.770.893,65	23.859.389,00
İSTANBUL SARIYER İSTİNYE PARCELS	4	1.373,21	28.05.2014	31.12.2016	7.733.585,37	7.782.155,00
İSTANBUL KARTAL PARCELS	18	73.269,99	24.04.2013 - 22.04.2012	31.12.2016	132.283.105,86	149.086.144,14
İSTANBUL BAŞAKŞEHİR HOŞDERE PARCELS	20	286.161,98	14.06.2011 - 06.10.2011- 30.07.2012 -07.08.2012	31.12.2016	80.462.861,14	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	31.12.2016	222.041.335,19	257.944.281,28
İSTANBUL TUZLA PARCELS	5	66.410,18	30.12.2005 - 05.03.2015 - 01.06.2007	31.12.2016	205.916.870,70	208.843.522,57
İSTANBUL BAKIRKÖY YEŞİLKÖY ŞEVKETİYE PARCEL	1	81.328,00	30.05.2017	30.05.2017	422.905.600,00	422.905.600,00
İSTANBUL BAŞAKŞEHİR KAYABAŞI PARCEL	1	20.396,70	30.05.2017	30.05.2017	57.000.000,00	57.000.000,00
İSTANBUL TAŞDELEN - ÇEKMEKÖY PARCEL	1	187.750,00	30.05.2017	30.05.2017	247.830.000,00	247.830.000,00
SAMSUN CANİK PARCELS	3	51.697,64	30.05.2017	30.05.2017	93.416.024,59	94.264.873,50
ANTALYA MURATPAŞA PARCEL	1	40.000,00	30.05.2017	30.05.2017	190.000.000,00	190.000.000,00
İSTANBUL BAKIRKÖY ŞENLİK PARCEL	1	40.722,50	30.05.2017	30.05.2017	262.500.000,00	262.500.000,00
TOTAL OF LAND STOCK	187	6.254.078			4.653.699.558	5.375.963.872

**ANNEX-5
APPRAISAL REPORT SUMMARY OF LANDS**

1

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	1 Parcel within Hoşdere, Esenyurt, Istanbul			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	20.09.2017			
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.
	See: Section 3.2 of the Report			
Current Use	Empty Land			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	See: Section 3.3 of the Report			
Values Agreed on the Valuation Report (Excluding VAT)				
TOTAL EVALUATED ANNUAL RENT VALUE (EXCEPT VAT)	1,680,616.32 TL			

2

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	The appraisal report specifying the present appraised sales value of the immovables with Parcel no. 1 within Block No. 808 and plot No. 6 within Block No. 853 in Halkalı Neighborhood, Küçükçekmece District, Istanbul under the CMB legislation.			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.			
Report Number	2017/6081			
Report Date	21.08.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	808/1	379,495.94	130/12727	21.03.2008/5552
	853/6	579,893	153/14952	08.04.2016/12937
Current Use				
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	808	1	*University Area	-
	853	6	*University Area	-
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of the Parcels Excluding VAT	2,158,625,115 TL			

3

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Market value of the Parcel No. 2, Block No. 979 within Kayabaşı Neighborhood, Başakşehir, Istanbul			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.			
Report Date	20.07.2017			
Summary Information on the Real Estate Subject to Valuation				
Title Deed Information	Parcel No. 2 with a 21,509.33-square-meter surface area within Block No. 979 within Kayabaşı Neighborhood, Başakşehir District, Istanbul.			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	979/2	21,509.33	143/14171	14.02.2017/2952
Current Use	Empty land			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	979	2	Official facility area	FAR: 1.25, H: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
Total Market Value	12,058,560 TL			

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

1

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	AYAZMA EMLAK KONUTLARI 1ST STAGE PROJECT			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	27.07.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC PROVINCE: Istanbul District: Başakşehir Neighborhood: İkitelli 2			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	1340/5	61,103.97	154/15166	08.09.2011/9524
	1340/36	38,770.58	160/15800	09.06.2014/9426
Current Use	Housing Project with commercial units.			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	1340	5	Residential Area	FAR:1.50, Max. H: Unconstrained
	1340	36	Residential Area	FAR:1.50, Max. H: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of 1 Unit upon the Fulfillment of Turnkey Conditions	1,000,000 TL			
Project's Current Value	398,530,000 TL			
Project's Value after Completion	697,161,358.53 TL			
Parcel Value	169,800,000 TL			

2

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Dumankaya Miks Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	10.08.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC PROVINCE: Istanbul District: Küçükçekmece Neighborhood: Halkalı			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	800/11	27,737.16 m ²	Construction servitude was established.	
Current Use	Housing Project with commercial units and offices.			
Zoning Status	Located as a "Commercial Area" within Halkalı Housing Revision Application Zoning Plan (scale: 1/1,000) approved on 07.11.2010-07.03.2011-14.08.2012-13.02.2013, FAR:1,75 /Max. H: It has unconstrained construction conditions.			
Values Agreed on the Valuation Report (Excluding VAT)				
The Current Market Value of 8 Units (Excluding VAT)	6,134,500 TL			
The Current Market Value of 8 Units (Including VAT)	6,832,325 TL			

3

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Istanbul Sarıyer Ayazağa Maslak 1453 Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	5.09.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC PROVINCE: Istanbul District: Sarıyer Neighborhood: Ayazağa			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	10622/2	183,484.18	34/3291	10.06.2016/6059
	10623/1	7,996.27	30/2876	26.01.2012/1453
	10623/2	4,729.3	30/2877	26.01.2012/1453
	10640/1	260.39	34/3292	10.06.2016/6059
	1/155	2,515.04	30/2873	26.01.2012/1453
1/156	5,685.49	30/2874	26.01.2012/1453	
Current Use	Housing project with houses and commercial units.			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	10622	2	Residential Area	Footprint Ratio: 0.55, FAR: 2.20
	10623	1	Special Education Area+Parking Area	FAR: 2.00
	10623	2	Special Education Area	FAR: 2.00
	10640	1	Special Education Area	FAR: 2.00
	1	155	Transformer Area	-
1	156	Transformer Area	-	
Values Agreed on the Valuation Report (Excluding VAT)				
Total Monthly Rental Value of 231 Units upon the Fulfillment of Turnkey Conditions Excluding VAT	4,966,300 TL			

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 Kayışehir 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 Kayışehir 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 76 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	2017-5455			
Report Date	17.08.2017			
Summary Information on the Real Estates Subject to Valuation				
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	443/69	10,224.7	142/14086	14.02.2017/2952
	443/71	19,971.4	142/14088	14.02.2017/2952
	458/24	12,027.6	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	372,335,000 TL			
Project's Value for Emlak Konut REIC in its Current State Value Share	197,995,000 TL			
Project's Value after Completion	1,003,085,000 TL			
Emlak Konut REIC's Share upon the Completion of the Project	407,588,000 TL			

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	AVRUPARK HAYAT PROJECT			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	21.08.2017			
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.
	701/4	41,094,37	3	25.10.2016/67645
702/3	925,38	2	08.03.2015/11893	
Current Use	Housing project with commercial functions.			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	701	4	T3 Commercial Area	FAR: 2.50
	702	3	T2 Commercial Area	FAR: 1.00
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of the Project in its Current State	105.267.840,00 TL			
Present Value of the Project if Completed	97.959.840,00 TL			
Share of Emlak Konut REIC upon the Completion of the Project	431.427.870,00 TL			
Total Market Value of 1184 Units with the Fulfillment of Turnkey Conditions Excluding VAT	435.996.100,00 TL			

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Büyükyalı İstanbul Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	21.09.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul, District: Zeytinburnu, Neighborhood: Kazlıçeşme			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	774/69	70,945,13	8/757	15.10.2015/12539
	774/70	2,616,10	8/758	15.10.2015/12538
	774/71	4,052,07	8/759	15.10.2015/11702
774/73	33,409,63	8/761	15.10.2015/12539	
Current Use	Housing project with hotel, office, stores and apartments.			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	774	69	Commercial+Housing	FAR: 2.00
	774	70	Religious Facility Area	FAR: 1.50
	774	71	Educational Facility Area	FAR: 2.00
774	73	Tourism+Trade	FAR: 2.50	
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of the Project in its Current State	1.163.927.970,00 TL			
Present Value of the Project if Completed	4.782.100.347,65 TL			
Share of Emlak Konut REIC upon the Completion of the Project	935.066.970,00 TL			
Total Market Value of 24 Units with the Fulfillment of Turnkey Conditions Excluding VAT	78.420.300,00 TL			

7

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Nidapark İstinye Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	18.08.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Sanyer Neighborhood: İstinye			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	360/3	19877,09	3	11.10.2016/10041
	360/64	27980	9	12.06.2014/5458
	380/18	1719,96	6	11.10.2016/10041
	380/38	5895,1	13	11.10.2016/10041
	380/84	26212,23	34	11.10.2016/10041
	1352/11	15280,78	35	21.06.2017/6065
	1352/12	244,84	35	21.06.2017/6065
1353/4	32277,27	34	11.10.2016/10041	
Current Use	Housing project with commercial functions.			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	360	3	Park	Avan Pro. FAR: FAR: 1,00, Max. H: 9,50
	360	64	Park	-
	380	18	Tourism Facility Area	Avan Pro. FAR: FAR: 1,00, Max. H: 9,50
	380	38	Educational Facility Area	-
	380	84	Tourism Facility Area	Avan Pro. FAR: FAR: 1,00, Max. H: 9,50
	1352	11	Tourism Facility Area	Avan Pro. FAR: FAR: 1,00, Max. H: 9,50
	1352	12	Tourism Facility Area	Provided that no bed units are constructed, FAR: 0,10, Footprint Ratio :0,05
	1353	4	Tourism Facility Area	Avan Pro. FAR: FAR: 1,00, Max. H: 9,50
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of the Project in its Current State	1.283.976.412,00 TL			
Present Value of the Project if Completed	3.445.355.006,78 TL			
Share of Emlak Konut REIC upon the Completion of the Project	1.876.392.000,00 TL			
Total Market Value of 538 Units with the Fulfillment of Turnkey Conditions Excluding VAT	3.094.993.500,00 TL			

8

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Dumankaya Miks Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	13.09.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul District: Küçükçekmece Neighborhood: Halkalı			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	800/11	27,737.16 m ²	Construction servitude was established.	
Current Use	Housing Project with commercial units and offices.			
Zoning Status	Located as a "Commercial Area" within Halkalı Housing Revision Application Zoning Plan (scale: 1/1,000) approved on 07.11.2010-07.03.2011-14.08.2012-13.02.2013, FAR:1,75 /Max. H: It has unconstrained construction conditions.			
Values Agreed on the Valuation Report (Excluding VAT)				
The Total Current Market Value of 1 Units (Excluding VAT)	364.390,00 TL			
The Total Current Market Value of 1 Units (Including VAT)	429.980,20 TL			

9

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Dumankaya Miks Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	7.07.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC PROVINCE: Istanbul District: Küçükçekmece Neighborhood: Halkalı			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	800/11	27,737.16 m ²	Construction servitude was established.	
Current Use	Housing Project with commercial units and offices.			
Zoning Status	Located as a "Commercial Area" within Halkalı Housing Revision Application Zoning Plan (scale: 1/1,000) approved on 07.11.2010-07.03.2011-14.08.2012-13.02.2013, FAR:1,75 /Max. H: It has unconstrained construction conditions.			
Values Agreed on the Valuation Report (Excluding VAT)				
The Total Current Rental Value of 18 Units (Excluding VAT)	78.700,00 TL			
The Total Current Rental Value of 18 Units (Including VAT)	92.866,00 TL			

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	13.07.2017			
Summary Information on the Real Estates Subject to Valuation				
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	982/1	25073,74	143/14174	14.02.2017/2952
	982/2	37381,65	143/14175	14.02.2017/2952
	982/3	20284,78	143/14176	14.02.2017/2952
	982/4	281238,86	143/14177	14.02.2017/2952
Current Use	The construction activity is underway.			
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	192.720.000 TL			
Project's Value after Completion	571.225.000 TL			
Total Value of 370 Units	450.950.000 TL			

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Büyükyalı İstanbul Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	23.08.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC PROVINCE: Istanbul, District: Zeytinburnu, Neighborhood: Kazlıçeşme			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	774/69	70.945,13	8/757	15.10.2015/12539
	774/70	2.616,10	8/758	15.10.2015/12538
	774/71	4.052,07	8/759	15.10.2015/11702
774/73	33.409,63	8/761	15.10.2015/12539	
Current Use	Housing project with hotel, office, stores and apartments.			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	774	69	Commercial+Housing	FAR: 2.00
	774	70	Religious Facility Area	FAR: 1.50
	774	71	Educational Facility Area	FAR: 2.00
	774	73	Tourism+Trade	FAR: 2.50
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of the Project in its Current State	1.133.281.970,00 TL			
Present Value of the Project if Completed	4.782.100.347,65 TL			
Share of Emlak Konut REIC upon the Completion of the Project	1.769.377.128,63 TL			
Total Market Value of 223 Units with the Fulfillment of Turnkey Conditions Excluding VAT	668.625.300,00 TL			

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Ebrulü İspartakule Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	15.09.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC PROVINCE: Istanbul, District: Avcılar, Neighborhood: Tahtakale			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	633/2	19.915,64	122/12023	03.04.2015/6909
	678/11	21.252,85	124/12251	08.11.2016/24421
	678/11	21.252,85	124/12251	08.11.2016/24421
Current Use	Housing project with commercial functions.			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	633/2	1	Commercial	FAR: 2.00
	678/11	1	Commercial	FAR: 2.00
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of the Project in its Current State	80.192.900,00 TL			
Present Value of the Project if Completed	348.145.656,00 TL			
Share of Emlak Konut REIC upon the Completion of the Project	132.000.000,00 TL			
Total Market Value of 52 Units with the Fulfillment of Turnkey Conditions Excluding VAT	66.287.900,00 TL			

Real Estate Valuation Report Summary

Name of the Work Subject to Valuation	Market value of the Parcel No. 2220, Block No. 292 within Florya Neighborhood, Bakırköy, İstanbul			
Institution Requesting Valuation	Emlak Konut REİC			
Institution Preparing the Report	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.			
Report Date	13.09.2017			
Summary Information on the Real Estate Subject to Valuation				
Title Deed Information	Parcel No. 220 with "land" qualification with a surface area of 40,722.50 square meters within Block No. 202, Sheet No. 75 in Şenlik Neighborhood, Bakırköy district, İstanbul			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	202/220	40722,5	46/4437	20.10.2010/10233
Current Use	Empty land			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	292	220	sports area	
Values Agreed on the Valuation Report (Excluding VAT)				
Total Market Value	262.500.000,00 TL			

Real Estate Valuation Report Summary

Name of the Work Subject to Valuation	Körfezkent Trade Turnkey Contract Project within Körfez Yanmca, Kocaeli			
Institution Requesting Valuation	Emlak Konut REİC			
Institution Preparing the Report	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.			
Report Date	15.09.2017			
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 Yanmca (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)				
Total Monthly Rental Value of 106 Units	225.885,00 TL			

ANNEX-7
APPRAISAL REPORT SUMMARY OF BUILDINGS

1

Real Estate Valuation Report Summary					
Name of the Work Subject to Valuation		Total monthly rental value of 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		07.07.2017			
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 (m²)	Volume No./Page No.	Date/Journal No.
		3334/5	13,020.3 TL	533/52699	06.05.2016/9605
Current Use		Shop			
Zoning Status		Block No.	Parcel No.	Zoning Function	Construction Conditions
		3334	5	Social and Cultural Facility Area	FAR: 1.5
Values Agreed on the Valuation Report (Excluding VAT)					
Total Monthly Rental Value of 5 Units		116,870 TL			



EMLAK KONUT

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

Barbaros Mah. Mor Sümbül Sok. No: 7/2 B Ataşehir/İSTANBUL
Phone: 0 216 579 15 15 Fax: 0 216 456 48 75

emlakkonut.com.tr