

EMLAK KONUT REIC

INTERIM PERIOD ACTIVITY REPORT 2017



EMLAK KONUT

REAL ESTATE INVESTMENT COMPANY
THE PARTICIPATION OF T.C. MINISTRY OF ENVIRONMENT, URBANIZATION AND CLIMATE DEVELOPMENT ADMINISTRATION

emlakkonut.com.tr

**MARCH
2017**

EMLAK KONUT GYO A.Ş.

INTERIM ACTIVITY REPORT

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MESSAGE FROM THE GENERAL MANAGER



Dear Shareholders,

Having completed 2016 successfully despite all the difficulties we experienced across our country, we carried on operations without any pause in 2017. And now we have completed the first quarter of the year. As you know, we set a higher target for 2017 with a sales goal of 8 billion Turkish lira. The figures and consistent results we obtained in 2016 despite the challenging market conditions indicate that our 2017 targets are not difficult to achieve. Based on our financial statement disclosures, the company's profit stood at 319.7 Turkish lira by the end of the first quarter. I hope that we will reach our target profit for the rest of the year on the back of our planned projects.

In the first quarter of 2017, we added a new campaign to those in 2016, and it enabled us to sell 2,833 units. We aimed to offer various appealing payment options to home buyers through this campaign; considering the demands of our citizens aspiring to buy homes, we offered a 20-year payment option for the first time in our country. We set the monthly interest rate for this option as 0.79 percent compared to 0.45 percent and 0 percent for the 10- and five-year options, respectively. And we achieved total sales of 2.88 billion Turkish lira as we were able to meet such demands properly. The sales in this period fare well above the targeted quarter revenue of 1 billion TL, 1,350 units, and a total gross area of 183,655 square meters. Starting with this premise, it is a satisfactory development for our company that we move steadily towards our 2017 goals: reaching a net profit figure of 1.8 billion Turkish lira by selling a total of 9,900 units, and 1.28 million square meters of space.

MESSAGE FROM THE GENERAL MANAGER

In this period, we continued to launch new projects. I am pleased to inform you that we have accomplished the sales of the following projects together with our campaign quickly and successfully: Validebağ Mansions located in Üsküdar, Istanbul; Nidapark Küçükyalı in Maltepe district; Avangart Istanbul, Yeniköy Konakları, and Ebruli Ispartakule on the European side in Kağıthane, Eyüp, and Avcılar, respectively.

Similarly, I would like to update you regarding the lands we plan to put out to tender just as we announced this quarter. We plan to put out eight lands to tender, seven of them through a revenue-sharing model and one as a turnkey delivery. They include Florya and Riva lands, the tender of which we will base on our agreement with GS Sports Club Association as well as Şişli Teşvikiye and Zeytinburnu Beştelsiz lands, which are extremely valuable locations. The total cost value of the properties that remain in our company's ownership amounts to over 2 billion Turkish lira while their total appraisal value is worth more than 3 billion Turkish lira. Thus, in 2017, we plan to put out a significant part of our 5.2-billion Turkish lira land stock to tender together with the lands we acquired from TOKI last year (worth 2.3 billion Turkish lira).

We firmly believe the great interest in and competition for our past tenders will be surpassed by the ones planned for this year. Our plans also include an average land purchase of 1 billion Turkish lira to maintain our portfolio diversity and dynamism.

Finally, we chose the slogan "We Believe in Our Country's Future," which lights our way conceptually when we organize our campaigns because we are assured that our country will succeed in overcoming difficult times. This statement expresses our confidence that Turkey, one of the world's 20 largest economies today, will reach a much better point in the near term if stability is achieved. At Emlak Konut, we will continue to do everything in our power and evaluate every opportunity which we think will benefit our nation. I owe a debt of gratitude to all our colleagues supporting us with their dedicated efforts in our challenging campaign processes; our contractors who join us in our success stories; all home buyers who take us to the top place with their keen interest in our projects; and of course, all our investors who trust us and prefer our company in their investments. Emlak Konut REIC will keep striding towards our future with decisive steps together with our nation.

Sincerely Yours,

Murat KURUM

ABOUT EMLAK KONUT

Our Company At A Glance

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

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

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

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

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

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ABOUT EMLAK KONUT

Scope Of Business

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

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

The Articles of Association was registered at İstanbul Trade Registry Office on July 29, 2002, and entered into force after their publication in the Trade Registry Gazette on August 1, 2002. (Our Company's Trade Registration No. is 273488-221070, Central Registration System (MERSİS) No. is 5669-3333-4423-6524)

The Company's name was changed from Emlak Gayrimenkul Yatırım Ortaklığı A.Ş. to Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş. following the General Assembly on February 28, 2006. No time limit was set on the legal entity of the Company.

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

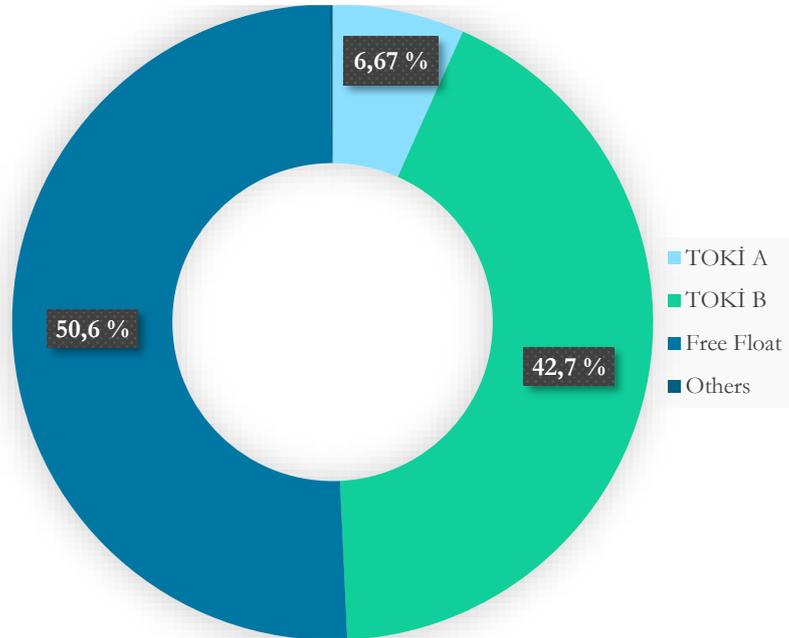
As stated in Article 5 of the Articles of Association, our Company is a joint stock public company founded with the registered capital in order to deal with the goals and subjects specified in the arrangements of the Capital Markets Board regarding investment companies and to make investments in actual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

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

ABOUT EMLAK KONUT

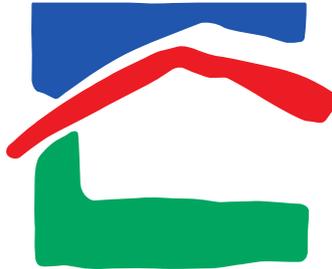
Capital and Partnership Structure

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



ABOUT EMLAK KONUT

Our Vision and Mission



OUR EMBLEM STANDS FOR;

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

Vision (Target)

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

Mission (Goal)

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

ABOUT EMLAK KONUT

Business Models

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

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



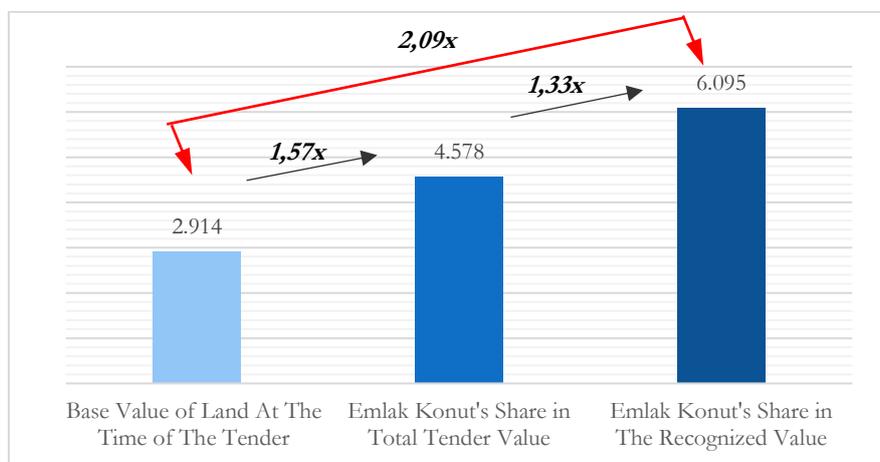
ABOUT EMLAK KONUT

Revenue Sharing Model

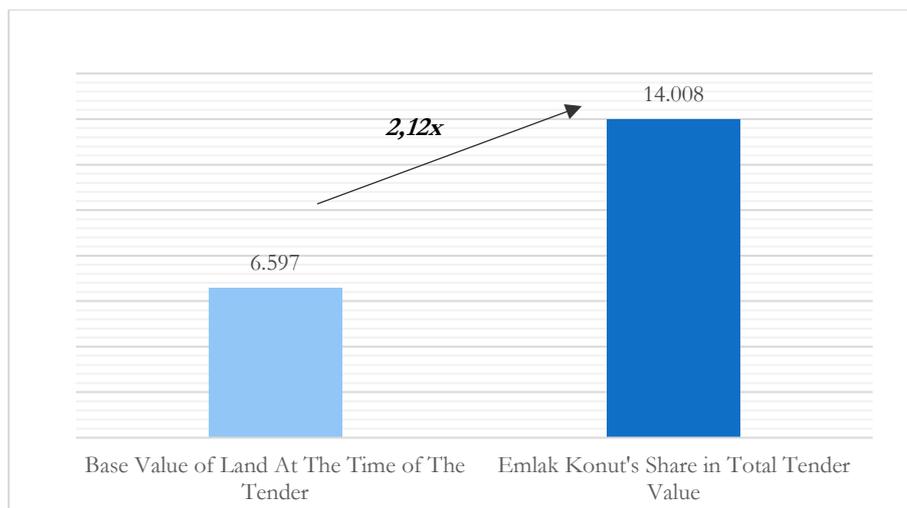
This is the primary income creation model of the Company. This is an original model used especially for projects intended for the upper- middle and upper income groups and provides profitability and fund flow for the Company. When it is deemed necessary, our Company purchase units in revenue sharing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

TENDERED REVENUE SHARING MODEL PROJECTS

COMPLETED REVENUE SHARING MODEL PROJECTS



ONGOING REVENUE SHARING MODEL PROJECTS

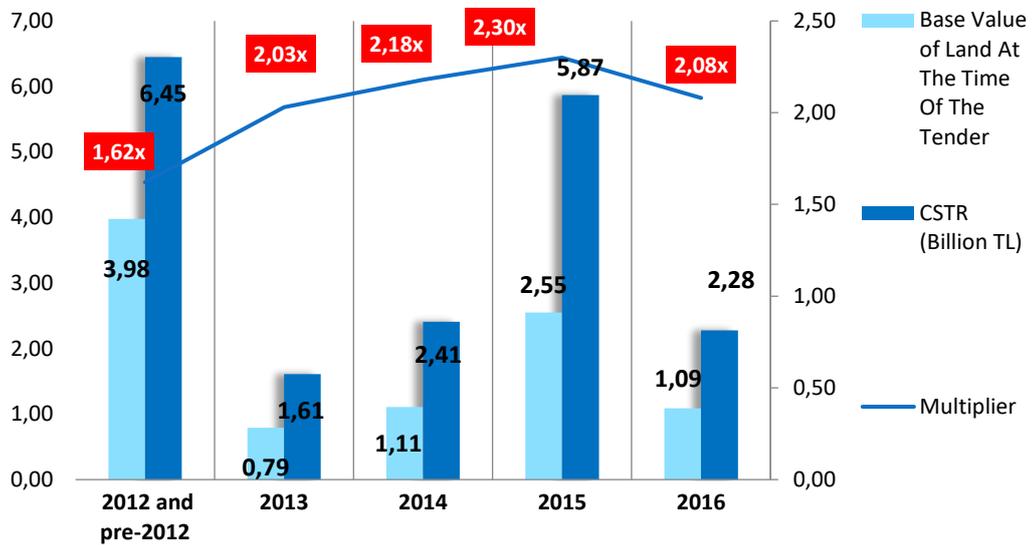


* The figures are in billion TL. Please note that, the past performance is not necessarily an indicator of future performance.

ABOUT EMLAK KONUT

Revenue Sharing Model (Continued)

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



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

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects



PROJECT	SARPHAN FİNANSPARK
CONTRACTOR	YENİ SARP ~ ÖZ AKAR
ETSR	164,000,000 TL
CRSR	37.50 %
CSTR	61,500,000 TL
PROGRESS LEVEL	93.71 %
COMPLETION DATE	28.05.2017
LAND AREA	20,714.48
NUMBER OF UNITS	969



PROJECT	METROPOL İSTANBUL
CONTRACTOR	VARYAP ~ GAP
ETSR	1,161,000,000 TL
CRSR	43,15 %
CSTR	500,971,500 TL
PROGRESS LEVEL	71.28 %
COMPLETION DATE	04.04.2017
LAND AREA	99,108.08
NUMBER OF UNITS	2,177



ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	MASLAK 1453 İSTANBUL
CONTRACTOR	AKDENİZ
ETSR	3,250,000,000 TL
CRSR	35.50 %
CSTR	1,153,750,000 TL
PROGRESS LEVEL	90.28 %
COMPLETION DATE	07.07.2017
LAND AREA	241,905.00
NUMBER OF UNITS	5,261



PROJECT	FATİH YEDİKULE
CONTRACTOR	EGE ~ METROPOLİST~ SENA~ BUKTOR
ETSR	302,680,000 TL
CRSR	35.01 %
CSTR	105,968,268 TL
PROGRESS LEVEL	0.00 %
COMPLETION DATE	07.11.2018
LAND AREA	41,161.52
NUMBER OF UNITS	5 *



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

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	BAHÇEKENT FLORA
CONTRACTOR	İZKA ~ DAĞ ~ SITAR
ETSR	320,000,000 TL
CRSR	25.26 %
CSTR	80,832,000 TL
PROGRESS LEVEL	80.84 %
COMPLETION DATE	30.04.2017
LAND AREA	119,756.54
NUMBER OF UNITS	1,219



PROJECT	GÖL PANORAMA EVLERİ
CONTRACTOR	BE-MA
ETSR	530,000,000 TL
CRSR	28.00 %
CSTR	148,400,000 TL
PROGRESS LEVEL	80.68 %
COMPLETION DATE	01.05.2017
LAND AREA	94,255.00
NUMBER OF UNITS	1,471



ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	İSTMARINA
CONTRACTOR	DAP ~ ELTES
ETSR	1,335,000,000 TL
CRSR	40.00 %
CSTR	534,000,000 TL
PROGRESS LEVEL	59.93 %
COMPLETION DATE	30.05.2018
LAND AREA	64,502.36
NUMBER OF UNITS	1,625



PROJECT	BULVAR İSTANBUL
CONTRACTOR	BULVAR İSTANBUL JOINT VENTURE
ETSR	723,000,000 TL
CRSR	28.00 %
CSTR	202,440,000 TL
PROGRESS LEVEL	97.68 %
COMPLETION DATE	05.06.2017
LAND AREA	111,693.37
NUMBER OF UNITS	1,746



ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	EVVEL İSTANBUL
CONTRACTOR	İNTAYA ~ EYG ~ İNTES
ETSR	726,000,000 TL
CRSR	26.00 %
CSTR	188,760,000 TL
PROGRESS LEVEL	63.01 %
COMPLETION DATE	03.10.2017
LAND AREA	94,636.88
NUMBER OF UNITS	1,423



PROJECT	KÖY
CONTRACTOR	SİYAHKALEM
ETSR	1,475,000,000 TL
CRSR	32.25 %
CSTR	475,687,500 TL
PROGRESS LEVEL	20.24 %
COMPLETION DATE	10.03.2020
LAND AREA	348,806.67
NUMBER OF UNITS	996 *



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

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	PARK MAVERA
CONTRACTOR	MAKRO ~ AKYAPI
ETSR	1,400,000,000 TL
CRSR	30.00 %
CSTR	420,000,000 TL
PROGRESS LEVEL	80.01 %
COMPLETION DATE	25.06.2018
LAND AREA	143,700.64
NUMBER OF UNITS	1,815



PROJECT	AVRUPARK
CONTRACTOR	CIHAN ~ KONUT YAPI
ETSR	602,000,000 TL
CRSR	26.00 %
CSTR	156,520,000 TL
PROGRESS LEVEL	38.10 %
COMPLETION DATE	27.07.2018
LAND AREA	106,833.88
NUMBER OF UNITS	1,480



ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	BÜYÜKYALI İSTANBUL
CONTRACTOR	ÖZAK ~ YENİGÜN ~ ZİYLAN
ETSR	4,240,000,000 TL
CRSR	37.00 %
CSTR	1,568,800,000 TL
PROGRESS LEVEL	13.21 %
COMPLETION DATE	21.06.2020
LAND AREA	111,022.93
NUMBER OF UNITS	1,680



PROJECT	SOFALOCA
CONTRACTOR	BAŞYAPI ~ SOLARYAPI
ETSR	180,000,000 TL
CRSR	30.00 %
CSTR	54,000,000 TL
PROGRESS LEVEL	53.40 %
COMPLETION DATE	17.08.2017
LAND AREA	18,228.00
NUMBER OF UNITS	156



ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	KOCAELİ DERİNCİ
CONTRACTOR	KUMUŞOĞLU ~ TOKAL
ETSR	385,000,000 TL
CRSR	21.61 %
CSTR	83,198,500 TL
PROGRESS LEVEL	0.00 %
COMPLETION DATE	31.12.2019
LAND AREA	72,313.00
NUMBER OF UNITS	N/A



PROJECT	TUAL ADALAR
CONTRACTOR	DAĞ MÜHENDİSLİK
ETSR	420,000,000 TL
CRSR	29.50 %
CSTR	123,900,000 TL
PROGRESS LEVEL	18.55 %
COMPLETION DATE	06.11.2018
LAND AREA	48,157.60
NUMBER OF UNITS	471*



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

ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	KARAT 34
CONTRACTOR	KELİF JOINT VENTURE
ETSR	440,000,000 TL
CRSR	39.00 %
CSTR	171,600,000 TL
PROGRESS LEVEL	20.91 %
COMPLETION DATE	14.03.2018
LAND AREA	36,174.56
NUMBER OF UNITS	592



PROJECT	AVRUPA KONUTLARI BAŞAKŞEHİR
CONTRACTOR	ARTAŞ
ETSR	876,000,000 TL
CRSR	40.00 %
CSTR	350,400,000 TL
PROGRESS LEVEL	46.15 %
COMPLETION DATE	17.08.2018
LAND AREA	89,246.72
NUMBER OF UNITS	968



ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	TUAL BAHÇEKENT
CONTRACTOR	DAĞ MİMARLIK VE MÜH.
ETSR	1,090,000,000 TL
CRSR	25.26 %
CSTR	275,334,000 TL
PROGRESS LEVEL	13.46 %
COMPLETION DATE	14.05.2019
LAND AREA	189,901.42
NUMBER OF UNITS	1,925



PROJECT	NİDAPARK İSTİNYE
CONTRACTOR	TAHİNCİOĞLU ~ NİDA
ETSR	3,672,000,000 TL
CRSR	51.10 %
CSTR	1,876,392,000 TL
PROGRESS LEVEL	0.00 %
COMPLETION DATE	13.06.2019
LAND AREA	158,497.62
NUMBER OF UNITS	N/A



ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	TEMAŞEHİR KONYA
CONTRACTOR	TORKAM
ETSR	705,000,000 TL
CRSR	30.00 %
CSTR	211,500,000 TL
PROGRESS LEVEL	15.77 %
COMPLETION DATE	22.06.2018
LAND AREA	72,726.73
NUMBER OF UNITS	905



PROJECT	MERKEZ ANKARA
CONTRACTOR	PASİFİK ~ ÇİFTAY
ETSR	4,194,550,000 TL
CRSR	30.00 %
CSTR	1,258,365,000 TL
PROGRESS LEVEL	0.00 %
COMPLETION DATE	24.03.2020
LAND AREA	137,248.80
NUMBER OF UNITS	3,230



ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	AVANGART İSTANBUL
CONTRACTOR	GÜL İNŞAAT
ETSR	1,300,000,000 TL
CRSR	49.00 %
CSTR	637,000,000 TL
PROGRESS LEVEL	2.41 %
COMPLETION DATE	04.12.2018
LAND AREA	36,749.96
NUMBER OF UNITS	953



PROJECT	NİDAPARK KAYAŞEHİR
CONTRACTOR	TAHİNCİOĞLU ~ NİDA
ETSR	1,072,600,000 TL
CRSR	38.00 %
CSTR	407,588,000 TL
PROGRESS LEVEL	10.01 %
COMPLETION DATE	20.10.2018
LAND AREA	103,277.02
NUMBER OF UNITS	1,139



ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	EVORA DENİZLİ
CONTRACTOR	TEKNİK YAPI ~ UCD
ETSR	514,727,778 TL
CRSR	18.00 %
CSTR	92,651,000 TL
PROGRESS LEVEL	9.53 %
COMPLETION DATE	10.01.2019
LAND AREA	115,291.32
NUMBER OF UNITS	1,550



PROJECT	KOORDİNAT ÇAYYOLU
CONTRACTOR	YP İNŞAAT
ETSR	545,454,545 TL
CRSR	33.00 %
CSTR	180,000,000 TL
PROGRESS LEVEL	16.85 %
COMPLETION DATE	10.05.2019
LAND AREA	38,151.67
NUMBER OF UNITS	432



ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	VALİDEBAĞ KONAKLARI
CONTRACTOR	ELTES ~ İSTLIFE
ETSR	810,000,000 TL
CRSR	50.15 %
CSTR	406,215,000 TL
PROGRESS LEVEL	0.00 %
COMPLETION DATE	03.09.2019
LAND AREA	17,528.55
NUMBER OF UNITS	366



PROJECT	EBRULİ İSPARTAKULE
CONTRACTOR	SİTAR ~ ASLAN ~ TORKAM
ETSR	600,000,000 TL
CRSR	22.00 %
CSTR	132,000,000 TL
PROGRESS LEVEL	2.98 %
COMPLETION DATE	05.05.2019
LAND AREA	47,168.49
NUMBER OF UNITS	776



ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	YENİKÖY KONAKLARI
CONTRACTOR	YENİYAPI ~ TACA İNŞAAT
ETSR	442,500,000 TL
CRSR	38.00%
CSTR	168,150,000 TL
PROGRESS LEVEL	0.00 %
COMPLETION DATE	27.10.2018
LAND AREA	35,856.00
NUMBER OF UNITS	210



PROJECT	HOŞDERE 5.ETAP
CONTRACTOR	CIHAN İNŞ. ~ KONUT YAPI
ETSR	626,000,000 TL
CRSR	25.00 %
CSTR	156,500,000 TL
PROGRESS LEVEL	2,98 %
COMPLETION DATE	01.10.2019
LAND AREA	42,019.75
NUMBER OF UNITS	N/A



ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



PROJECT	OFİS KARAT BAKIRKÖY
CONTRACTOR	BAŞYAPI ~ GÜNEY ~ ELİT VİZYON
ETSR	200,000,000 TL
CRSR	31.00 %
CSTR	62,000,000 TL
PROGRESS LEVEL	0,00 %
COMPLETION DATE	12.03.2019
LAND AREA	5,250.00
NUMBER OF UNITS	90



PROJECT	NİDAPARK KÜÇÜKYALI
CONTRACTOR	TAHİNCİOĞLU ~ KOZKEN
ETSR	3,635,715,000 TL
CRSR	42.00 %
CSTR	1,527,000,300 TL
PROGRESS LEVEL	5.43 %
COMPLETION DATE	15.04.2021
LAND AREA	114,239.00
NUMBER OF UNITS	2,025



ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



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



PROJECT	SEMT BAHÇEKENT
CONTRACTOR	SUR YAPI ~ HATAY
ETSR	602,000,000 TL
CRSR	25.00 %
CSTR	150,500,000 TL
PROGRESS LEVEL	0.00 %
COMPLETION DATE	01.06.2019
LAND AREA	88,719.67
NUMBER OF UNITS	695



ABOUT EMLAK KONUT

Ongoing Revenue Sharing Model Projects (Continued)



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

TERMINOLOGY

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

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

CRSR: Company Revenue Share Ratio

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

CSTR*: Minimum Company Share in Total Revenue

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

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

ABOUT EMLAK KONUT

Completed Revenue Sharing Model Projects

Line	PROJECT NAME	BASE VALUE OF LAND AT THE TIME OF THE TENDER (TL)	CSTR (TL)	CRSR (%)	EMLAK KONUT'S REALIZED VALUE (TL)
1	ATAŞEHİR RESIDENCE	3,519,000	10,255,000	32.53	18,181,734
2	KENTPLUS ATAŞEHİR	72,748,200	131,100,000	33.61	179,475,009
3	IDEALISTKENT	36,600,740	38,100,000	31.75	96,143,402
4	AVRUPA TEM KONUTLARI	162,344,327	186,000,000	30.00	216,075,517
5	KÖRFEZKENT 1 ST STAGE	11,380,501	15,253,903	16.00	17,260,313
6	UPHILL COURT ATAŞEHİR	57,076,350	136,400,000	34.10	207,875,855
7	MY WORLD ATAŞEHİR	127,236,476	311,850,000	38.50	531,870,815
8	SOYAK MAVİŞEHİR	43,600,000	51,600,000	24.00	94,915,970
9	NOVUS RESIDENCE	16,408,600	57,750,000	55.00	115,760,305
10	MİSTANBUL	56,779,661	112,050,000	41.50	157,780,977
11	KENTPLUS MİMARŞİNAN	9,732,640	42,120,000	35.10	54,717,096
12	EMLAK KONUT PELİKAN PROJESİ	20,849,150	67,515,000	38.58	87,123,867
13	ÇERKEZKÖY DREAMCITY	3,990,647	10,065,000	30.50	13,624,442
14	BİZİMEVLER 2	48,686,587	48,750,000	33.00	54,270,185
15	ERGENE VADİSİ	23,935,426	31,000,000	25.00	42,405,496
16	SPRADON QUARTZ	75,291,059	88,520,000	41.00	131,118,805
17	İZMİR MAVİŞEHİR 5 TH STAGE	25,145,000	27,001,000	31.00	29,434,971
18	MERKEZ KAYAŞEHİR	29,440,000	32,000,000	32.00	40,273,717
19	ELITE CITY	54,896,071	56,000,000	35.00	71,317,909
20	MY WORLD EUROPE	179,089,192	228,018,000	30.50	305,449,312
21	PARKYAŞAM MAVİŞEHİR	51,186,000	60,000,000	25.00	76,168,663
22	AVRUPA KONUTLARI ATAKENT 3	240,000,000	264,000,000	30.00	279,524,564
23	SPRADON VADİ	50,291,820	50,310,000	26.00	61,770,244
24	BULVAR 216*	10,860,000	52,200,000	36.00	56,880,000
25	İSTANBUL	102,555,962	105,000,000	30.00	154,434,905
26	ŞEHRİZAR KONAKLARI	105,535,000	137,700,000	50.00	225,371,578
27	VARYAP MERIDIAN	214,793,710	338,189,000	44.15	446,569,757
28	MY TOWERLAND	42,000,000	107,019,000	47.00	234,766,505
29	SOYAK PARK APARTS/ EVOSTAR	72,904,525	102,312,000	26.10	102,312,000
30	EVORA İSTANBUL	47,815,045	163,903,000	32.65	177,362,987
31	EVORA İSTANBUL MARMARA	49,868,323	153,600,000	32.00	166,077,766
32	AVRUPA KONUTLARI TEM 2	42,910,000	73,328,640	30.00	83,925,799
33	DUMANKAYA MİKS	37,590,590	82,502,500	30.50	82,610,259
34	KUASAR İSTANBUL	237,485,823	375,337,542	50.00	467,638,254
35	BATIŞEHİR	351,665,405	424,000,000	32.00	573,782,822
36	BAHÇETEPE İSTANBUL	110,649,748	165,100,000	26.00	189,630,902
37	SEYRANŞEHİR	23,170,000	51,520,000	28.00	58,365,088
38	NİDAKULE ATAŞEHİR	63,551,681	190,231,000	36.20	192,736,638
TOTAL		2,913,583,259	4,577,600,585		6,095,004,427
THE WEIGHTED AVERAGE OF COMPANY REVENUE SHARE RATIO (%)				34.28	

* Project has been completely sold with its current status.

ABOUT EMLAK KONUT

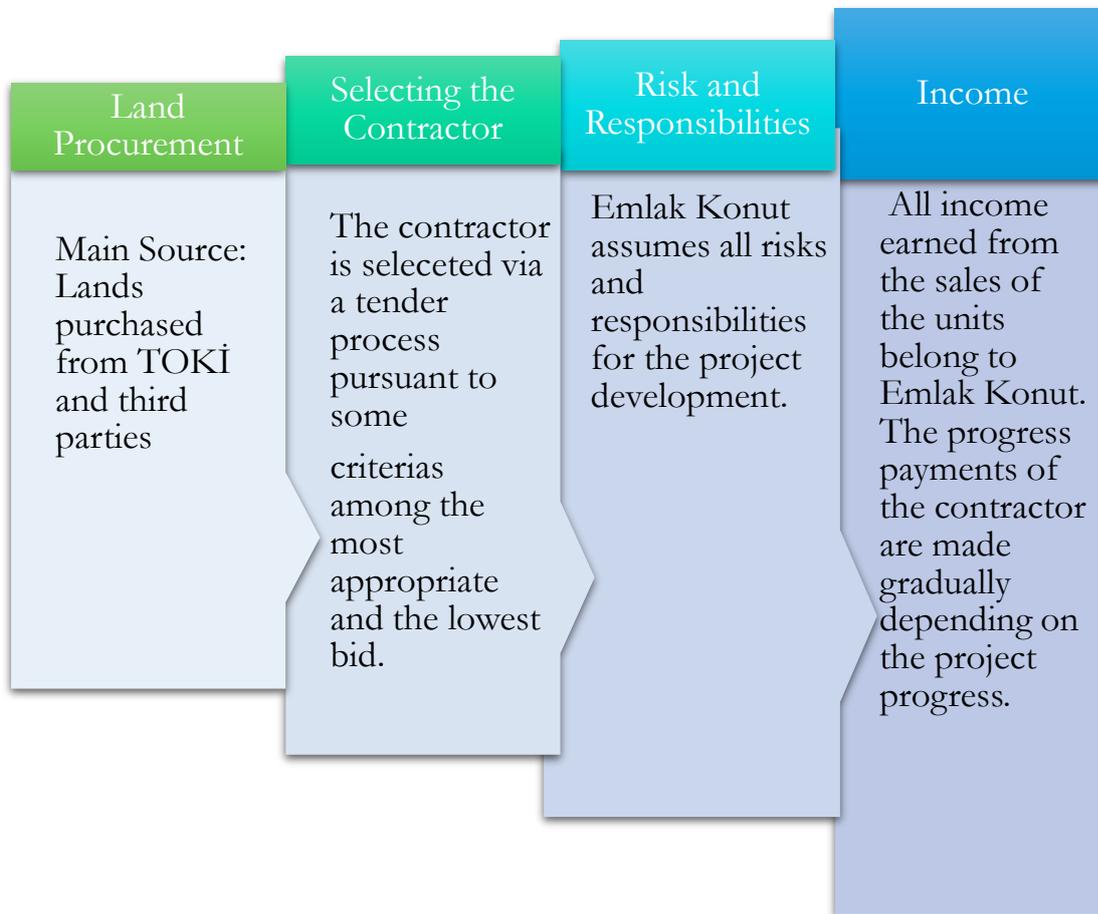
Ongoing Revenue Sharing Model Projects Table

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

* Construction permits have not been obtained yet.

ABOUT EMLAK KONUT

Turn-Key Model Projects



ABOUT EMLAK KONUT

Turn-Key Model Projects(Continued)

Completed Turn-Key Model Projects

Esenler Emlak Konutları
Bahçekent Emlak Konutları 1
Bahçekent Emlak Konutları 2
Bahçekent Emlak Konutları 3
Emlak Konut Başakşehir Evleri 1
Emlak Konut Başakşehir Evleri 2
Emlak Konut Başakşehir Evleri 3
Emlak Konut Başakşehir Evleri 4
Ataşehir Headquarters Office Building
Körfezkent 3
Sultanbeyli Emlak Konutları
Alemdağ Emlak Konutları
Tuzla Emlak Konutları 2
Tuzla Emlak Konutları 1
Körfezkent 2
Gebze Emlak Konutları 2
Gebze Emlak Konutları 1
Emlak Konut Mavişehir Evleri
Selimpaşa Emlak Konutları
Burgazkent
Lüleburgaz Çarşı
Yıldızkent 1
Yıldızkent 2
Yıldızkent 3

Ongoing Turn-Key Model Projects

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

ABOUT EMLAK KONUT

Ongoing Turn-Key Model Projects

PROJECT	AYAZMA EMLAK KONUTLARI 1
CONTRACTOR	GÜRYAPI
CURRENT AGREEMENT VALUE	365,844,495.76 TL
BOOK VALUE + PROGRESS PAYMENTS	268,043,849.97 TL
PROGRESS LEVEL	40.95 %
COMPLETION DATE	29.05.2018
LAND AREA	140,792.55
NUMBER OF UNITS	1,239



PROJECT	KÖRFEZKENT EMLAK KONUTLARI 4
CONTRACTOR	ZEK-SAN
CURRENT AGREEMENT VALUE	158,712,000 TL
BOOK VALUE + PROGRESS PAYMENTS	79,829,727.98 TL
PROGRESS LEVEL	39.48 %
COMPLETION DATE	22.11.2017
LAND AREA	79,804.19
NUMBER OF UNITS	1,124

ABOUT EMLAK KONUT

Ongoing Turn-Key Model Projects

PROJECT	ISPARTAKULE 1ST STAGE 1ST PART
CONTRACTOR	YÖRÜK ~ ERMIT
CURRENT AGREEMENT VALUE	268,650,000 TL
BOOK VALUE + PROGRESS PAYMENTS	179,032,876.41 TL
PROGRESS LEVEL	27.67 %
COMPLETION DATE	16.08.2018
LAND AREA	85,871.43
NUMBER OF UNITS	978



PROJECT	ISPARTAKULE 1ST STAGE 2ND PART
CONTRACTOR	BALPA
CURRENT AGREEMENT VALUE	239,900,000 TL
BOOK VALUE + PROGRESS PAYMENTS	149,908,867.08 TL
PROGRESS LEVEL	23.79 %
COMPLETION DATE	16.08.2018
LAND AREA	89,367.50
NUMBER OF UNITS	904

ABOUT EMLAK KONUT

Ongoing Turn-Key Model Projects

PROJECT	KAYABAŞI EMLAK KONUTLARI 2ND STAGE
CONTRACTOR	KALYON
CURRENT AGREEMENT VALUE	78,137,500 TL
BOOK VALUE + PROGRESS PAYMENTS	73,747,480.17 TL
PROGRESS LEVEL	45.68 %
COMPLETION DATE	23.09.2017
LAND AREA	44,365.18
NUMBER OF UNITS	271



PROJECT	NEVŞEHİR EMLAK KONUTLARI
CONTRACTOR	CENT YAPI
CURRENT AGREEMENT VALUE	116,722,000 TL
BOOK VALUE + PROGRESS PAYMENTS	106,589,721.21 TL
PROGRESS LEVEL	26.39 %
COMPLETION DATE	19.11.2018
LAND AREA	29,541.40
NUMBER OF UNITS	420

ABOUT EMLAK KONUT

Ongoing Turn-Key Model Projects

PROJECT	AYAZMA EMLAK KONUTLARI 2ND STAGE
CONTRACTOR	YILMAZ
CURRENT AGREEMENT VALUE	872,914,154.16 TL
BOOK VALUE + PROGRESS PAYMENTS	57,543,763.89 TL
PROGRESS LEVEL	34.42 %
COMPLETION DATE	24.07.2018
LAND AREA	21,406.97
NUMBER OF UNITS	386



PROJECT	NİĞDE EMLAK KONUTLARI
CONTRACTOR	PEKİNTAŞ YAPI
CURRENT AGREEMENT VALUE	101,700,000 TL
BOOK VALUE + PROGRESS PAYMENTS	27,033,840,36 TL
PROGRESS LEVEL	1.89 %
COMPLETION DATE	19.05.2019
LAND AREA	25,643.04
NUMBER OF UNITS	365

ABOUT EMLAK KONUT

Ongoing Turn-Key Model Projects

PROJECT	GEBZE EMLAK KONUTLARI 3TH STAGE 1ST PART
CONTRACTOR	MUSTAFA EKŞİ
CURRENT AGREEMENT VALUE	314,800,000 TL
BOOK VALUE + PROGRESS PAYMENTS	45,494,713.35 TL
PROGRESS LEVEL	0.00 %
COMPLETION DATE	13.03.2019
LAND AREA	91,564.72
NUMBER OF UNITS	1,040



PROJECT	GEBZE EMLAK KONUTLARI 3RD STAGE 2ND PART
CONTRACTOR	SİYAHKALEM
CURRENT AGREEMENT VALUE	315,900,000 TL
BOOK VALUE + PROGRESS PAYMENTS	38,983,045.04 TL
PROGRESS LEVEL	0.34 %
COMPLETION DATE	20.03.2019
LAND AREA	91,564.72
NUMBER OF UNITS	950

ABOUT EMLAK KONUT

Ongoing Turn-Key Model Projects

PROJECT	BAŞKENT EMLAK KONUTLARI 1ST STAGE
CONTRACTOR	KALYON
CURRENT AGREEMENT VALUE	559,500,000 TL
BOOK VALUE + PROGRESS PAYMENTS	274,437,258.08 TL
PROGRESS LEVEL	% 0.00
COMPLETION DATE	25.07.2019
LAND AREA	89,502.19
NUMBER OF UNITS	1,329



PROJECT	KAYABAŞI RECREATION AREA
CONTRACTOR	YAPI VE YAPI İNŞ.
CURRENT AGREEMENT VALUE	509,513,550 TL
BOOK VALUE + PROGRESS PAYMENTS	143,676,088.82 TL
PROGRESS LEVEL	% 1.64
COMPLETION DATE	14.09.2019
LAND AREA	30,386.61
NUMBER OF UNITS	373

ABOUT EMLAK KONUT

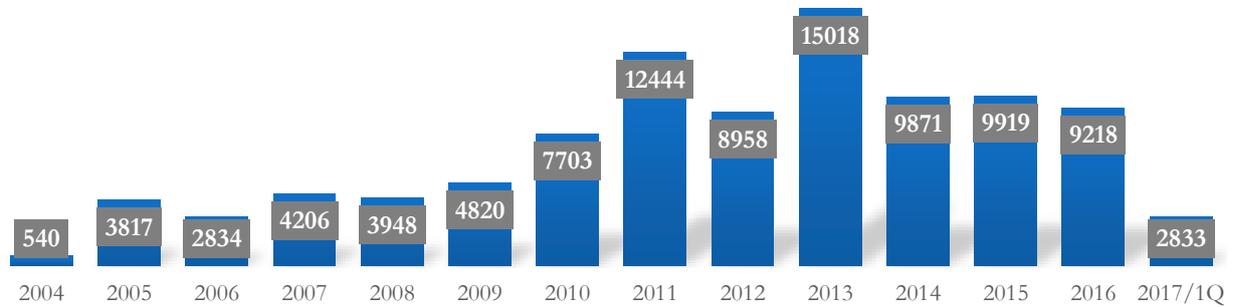
Ongoing Turn-Key Model Projects

PROJECT	BAŞKENT EMLAK KONUTLARI 2ND STAGE
CONTRACTOR	ASL
CURRENT AGREEMENT VALUE	203,800,000 TL
BOOK VALUE + PROGRESS PAYMENTS	71,996,297.72 TL
PROGRESS LEVEL	% 0.00
COMPLETION DATE	30.08.2018
LAND AREA	30,52.16
NUMBER OF UNITS	507

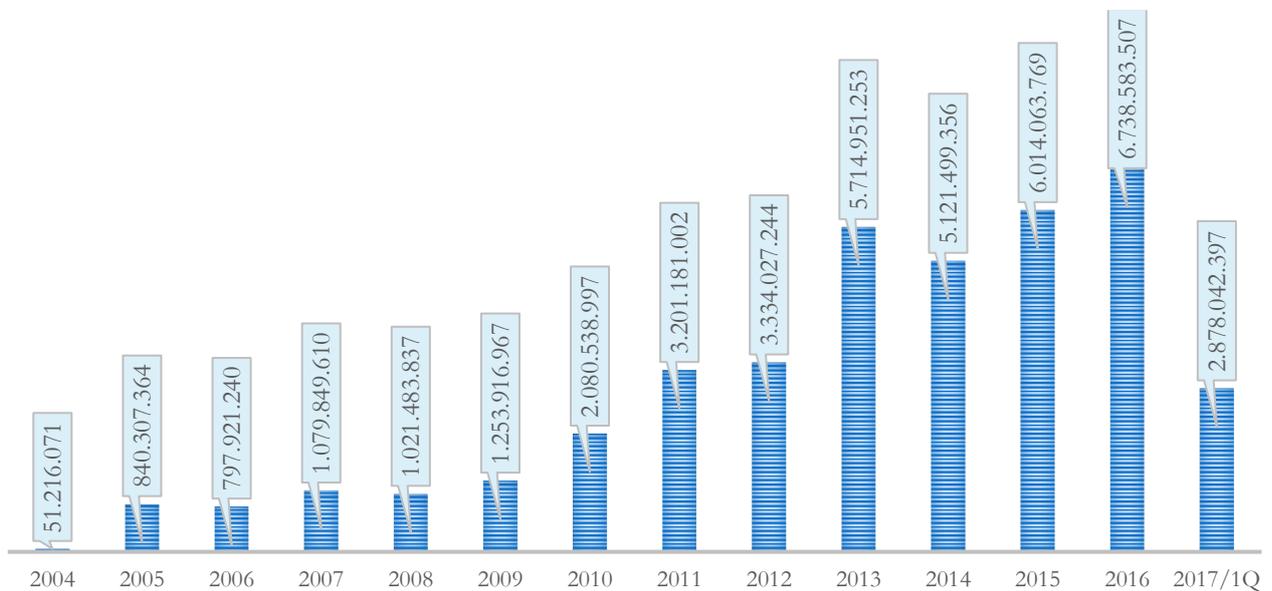


ABOUT EMLAK KONUT

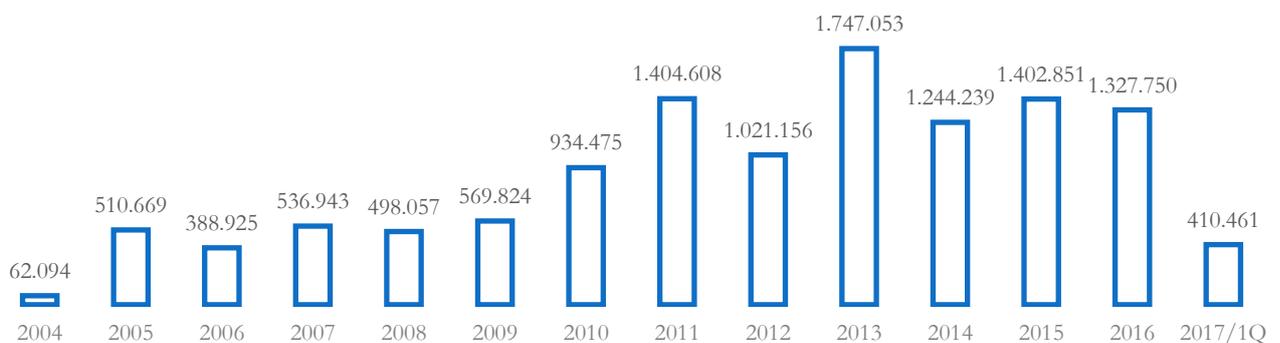
Number of Units Sold



Total Sales Value (1)



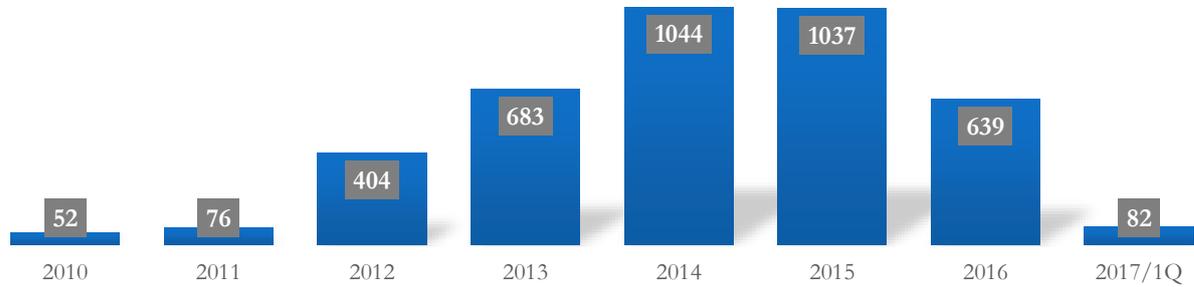
Total Squaremeters Sold (2)



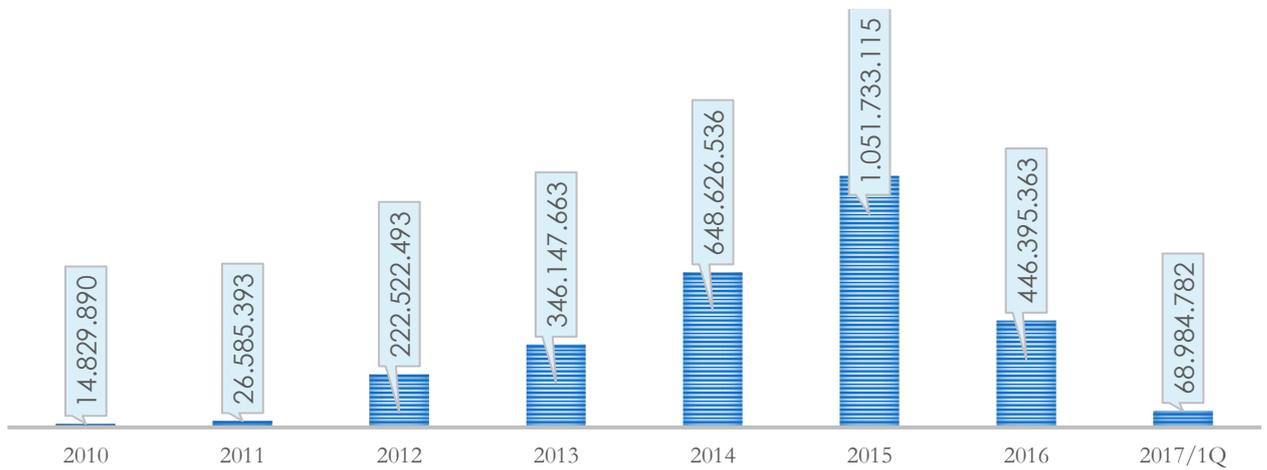
- (1) Excluding VAT
- (2) Squaremeters sold. Add-ons not included.

ABOUT EMLAK KONUT

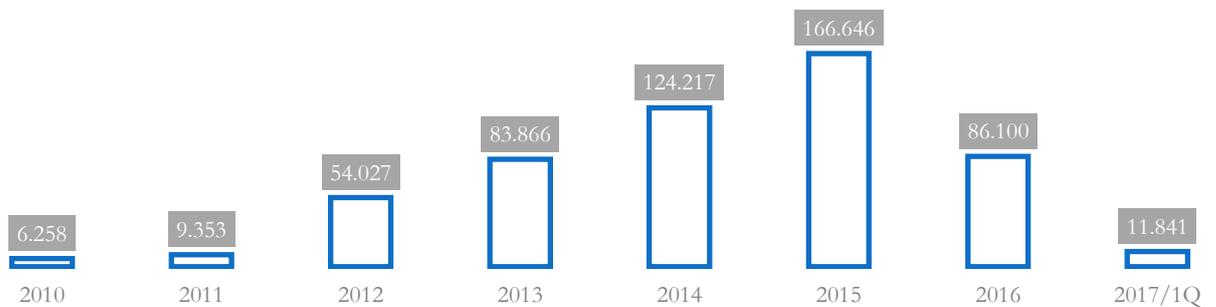
Number Of Units Sold To Foreigners



Total Sales Value To Foreigners (1)



Squaremeters Sold To Foreigners (2)

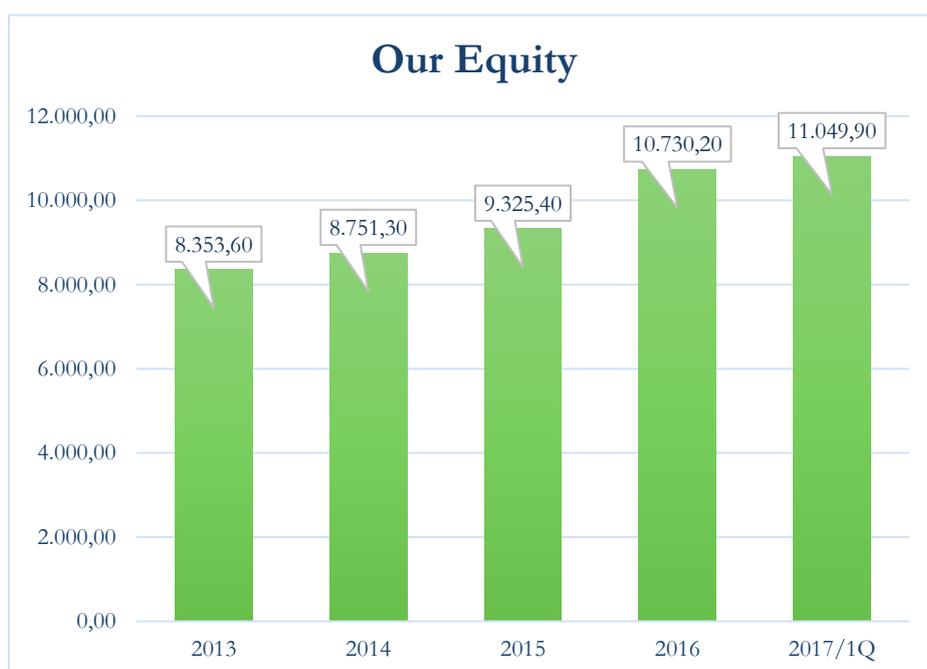


- (1) Excluding VAT
- (2) Squaremeters sold. Add-ons not included.

ABOUT EMLAK KONUT

Summary of Financial Results

Financial Data	2017/1Q	2016	2015	2014	2013	2012
Income Statement						
<i>Net Sales</i>	834.1	3,455.9	1,786.8	1,804.5	2,331.1	1,004.6
<i>EBITDA</i>	440.7	1,907.5	904.3	749.0	1,004.4	529.8
<i>EBITDA Margin</i>	52.8	55.2 %	50.6 %	41.5 %	43.1 %	52.7 %
<i>Profit for The Period</i>	319.7	1,761.3	952.6	954.4	1,060.5	523.4
Balance Sheet						
<i>Total Assets</i>	19,627.0	18,702.4	16,736.0	14,490.6	13,471.0	8,578.9
<i>Our Equity</i>	11,049.9	10,730.2	9,325.4	8,751.3	8,353.6	4,392.3



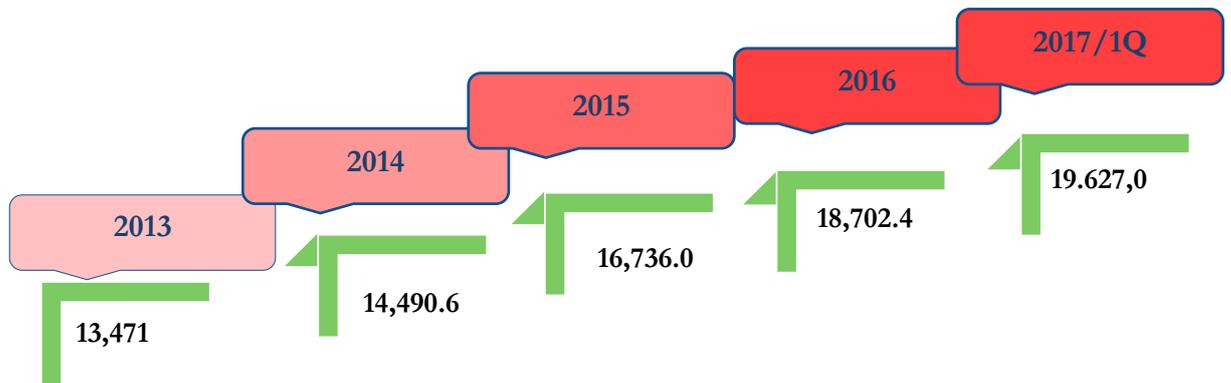
✓ OUR EQUITY

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

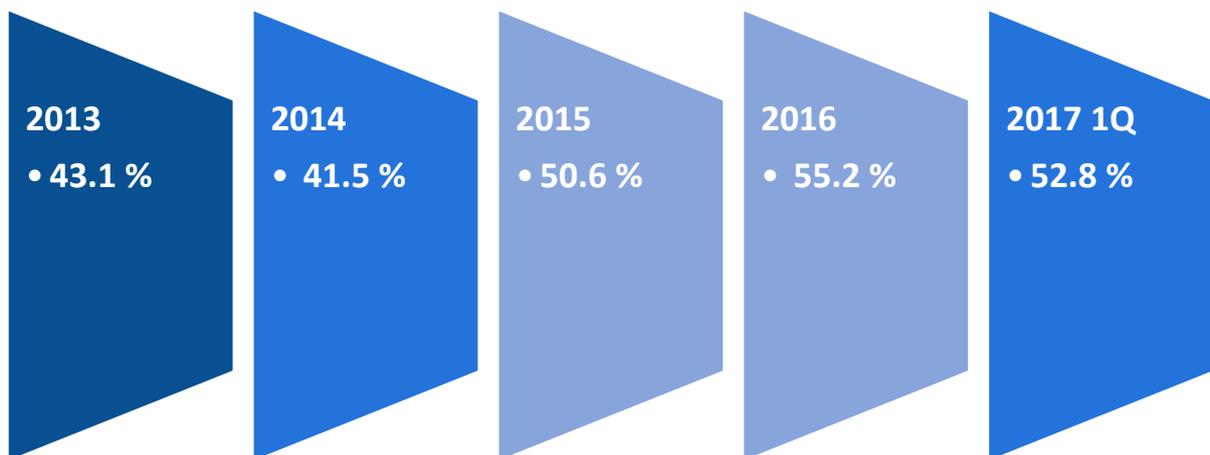
ABOUT EMLAK KONUT

Summary of Financial Results

✓ Total assets has increased year over year.

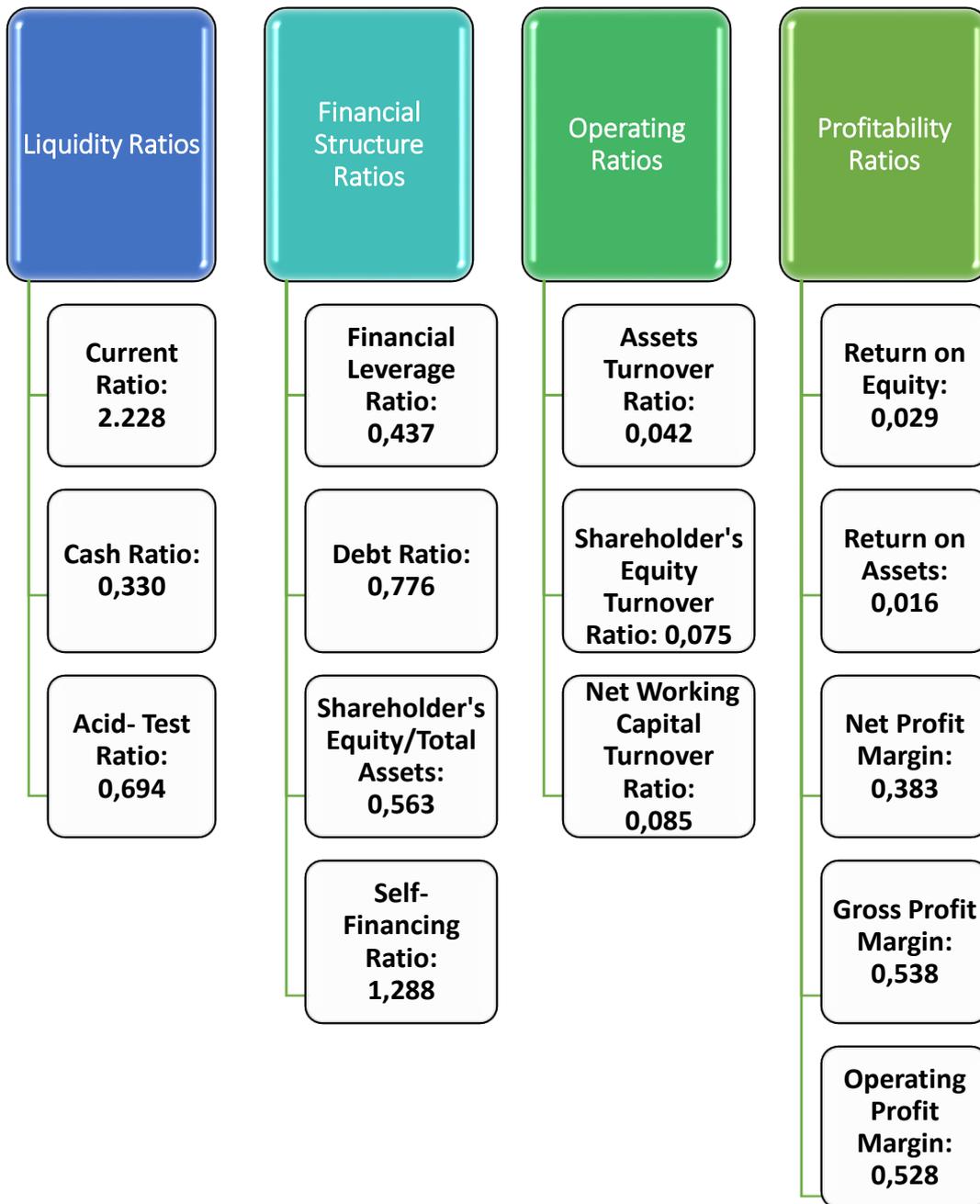


EBITDA MARGIN (EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION)



ABOUT EMLAK KONUT

Financial Ratios



ABOUT EMLAK KONUT

Summary Table of Significant Figures

31.03.2017
('000 TL)

Total Assets	19.627.012
Cost of Land and Residential Unit Inventories	-12.316.488
Cost of Investment Property	-38.199
Liabilities	-8.577.123
Appraisal Value of Land Stock	5.219.168
Appraisal Value of Buildings	950.599
Company Share of Total Revenue for RSM	13.137.073
Cost of Purchase + Progress Payments (Turn- Key)	1.519.343
TOTAL	19.521.385

ABOUT EMLAK KONUT

Leased Properties

No	Tenant	Starting Date	Ending Date	Duration	Property Information	Rent Value*
1	TAHİNCİOĞLU GROUP JOINT VENTURE	01.04.2017	15.07.2017	10 months	İSTANBUL-ATAŞEHİR, 3334 / 8	8,500.00 TL
2	İFM&AKDENİZ İN. JOINT VENTURE	01.09.2016	01.09.2017	1 year	İSTANBUL - KADIKÖY, 3317 / 22	12,500.00 TL
3	GÜRYAPI RESTORASYON TAH. VE TİC. A.Ş.	03.08.2015	03.03.2018	2 years 7 months	İSTANBUL - BAŞAKŞEHİR, 1344 / 2	2,200.00 TL
4	CİHAN İNŞAAT VE KONUT YAPI JOINT VENTURE	01.10.2016	01.10.2017	1 year	İSTANBUL-BAŞAKŞEHİR, 324 / 2	1,700.00 TL
5	NİDA İNŞAAT VE TURİZM A.Ş.	01.11.2016	01.11.2017	1 year	İstanbul-Ümraniye 3317/21 and 3317/20	6,500.00 TL
6	İŞ GYO A.Ş.	01.12.2016	01.12.2017	1 year	İstanbul-Ümraniye 3317/21 and 3317/20	5,000.00 TL
7	YILMAZ İNŞAAT TAH. VE TİC. A.Ş.	01.07.2016	01.07.2018	2 years	İstanbul-Başakşehir 1335/15	6,000.00 TL
8	T.HALK BANKASI			5 years	3331/5 A Block No:1	425,000.00 TL
9	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
10	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
11	İBRAHİM ÖZ	01.09.2016	21.08.2017	1 year	C4 Block-119	4,127.00 \$
12	REMAX ABC GM DAN. HİZ. SELAMİ ARPACI	01.09.2016	31.08.2017	1 year	A2 Block-262	5,146.00 \$
13	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 \$
14	NURAY ÖZKAN	01.09.2016	30.08.2017	1 year	C10 Block-118	5,507.00 \$
15	SELES KURU TEM. TİC. LTD. ŞTİ.	01.10.2016	30.09.2017	1 year	C4 Block-123	5,045.00 \$
16	CAN DOSTLAR KUAFÖR VE GÜZ. SALONLARI İŞLT. LTD. ŞTİ.	01.12.2016	30.11.2017	1 year	C5 Block-123	7,500.00 \$
17	RAHVALI GAYRİMENKUL GELİŞTİRME LTD. ŞTİ.	01.12.2016	30.12.2017	1 year	C3 Block-150	3,206.00 \$
18	EGE TEM. HİZ. VE YÖN. LTD. ŞTİ.	15.12.2016	14.12.2017	1 year	C8 Block-150	4,800.00 \$

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

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.	01.05.2016	01.05.2017	1 year	ANKARA-ÇANKAYA, 14	5,536.35 TL
3	EMLAK KONUT GYO A.Ş.	01.04.2017	01.04.2020	3 years	NİĞDE/MERKEZ	1,666.66 TL
TOTAL						9,828.01



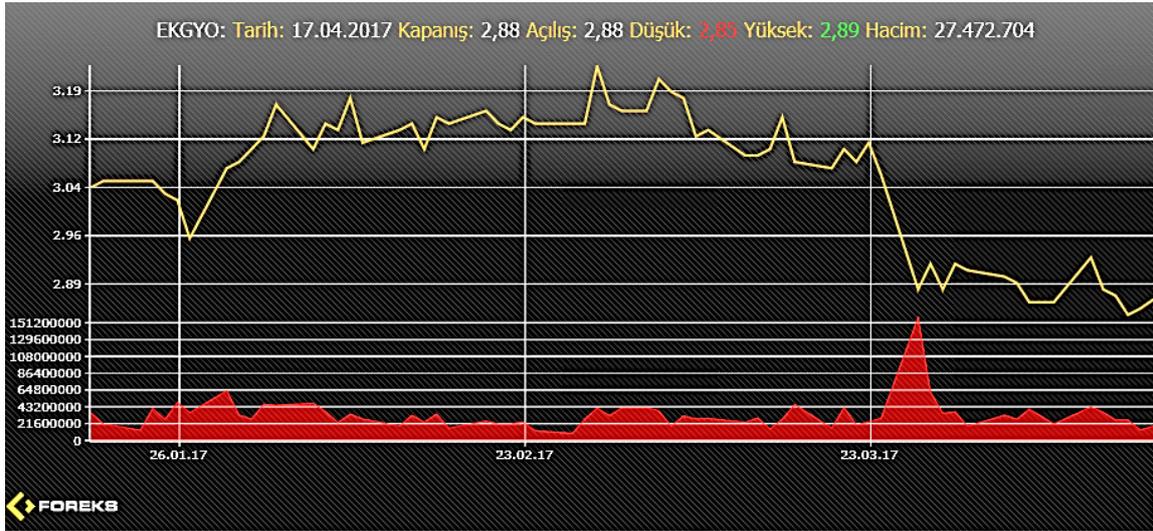
* Not included VAT, values are expressed in Turkish Lira and monthly.

ABOUT EMLAK KONUT

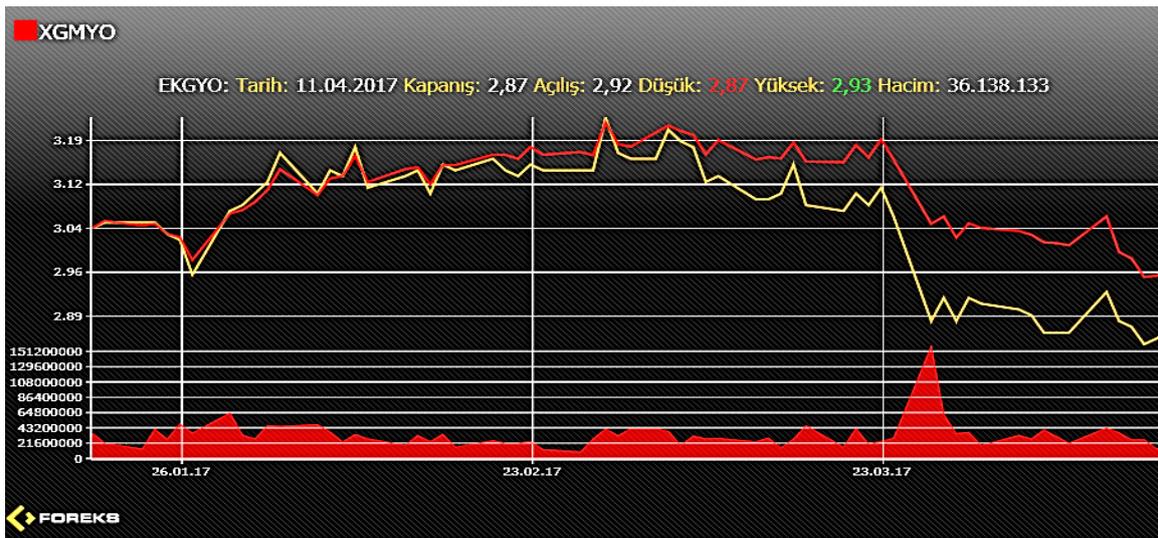
Share Performance

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



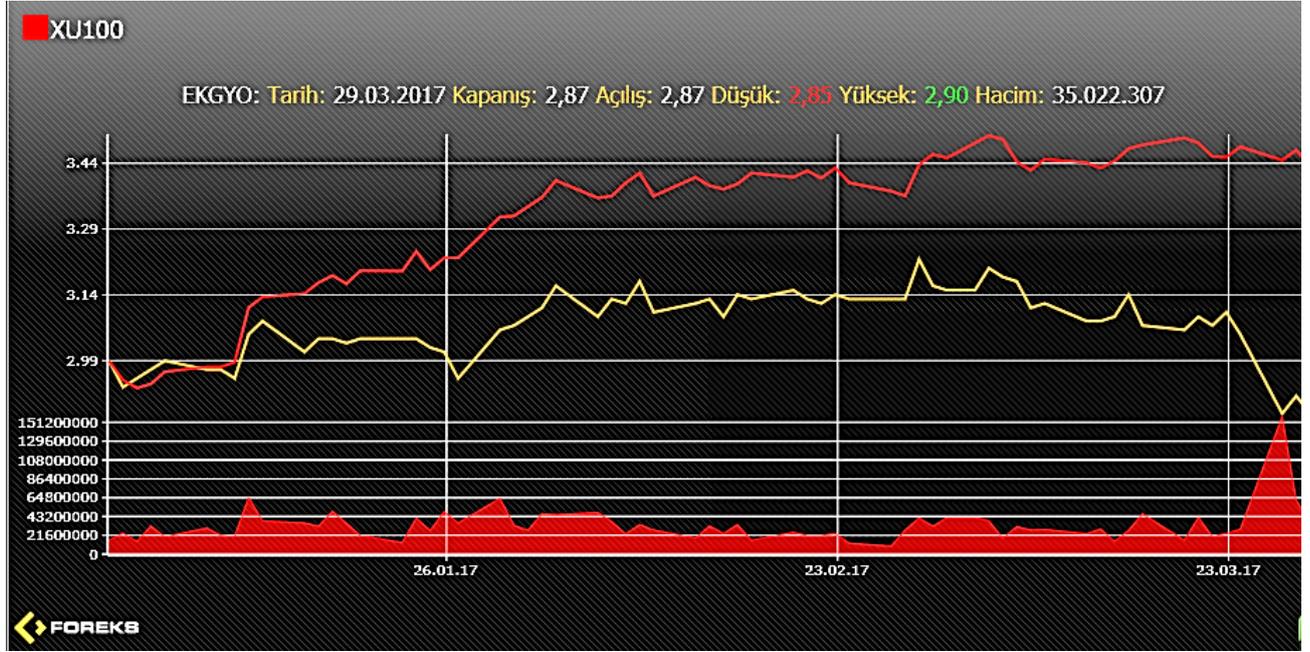
EKGYO SHARE/ XGMYO INDEX COMPARISON



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 54 resolutions between January 1, 2017, and March 31, 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
SAMİ ER	Member	Mechanical Engineer	-	A, B
MEHMET ÖZÇELİK	Member	Civil Engineer	-	A, B
MUHTEREM İNCE	Member	Public Administration	Independent	B
HAVVANUR YURTSEVER	Member	Lawyer	Independent	B

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 considered a special circumstance under any conditions. If Emlak Konut REIC determines that insider information was disclosed to the third parties unintentionally and concludes that the

ABOUT EMLAK KONUT

Access to Insider Information (Continued)

confidentiality of information could not be maintained, it will issue a material disclosure pursuant to the capital markets legislation.

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

BOARD OF DIRECTORS

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



ABOUT EMLAK KONUT

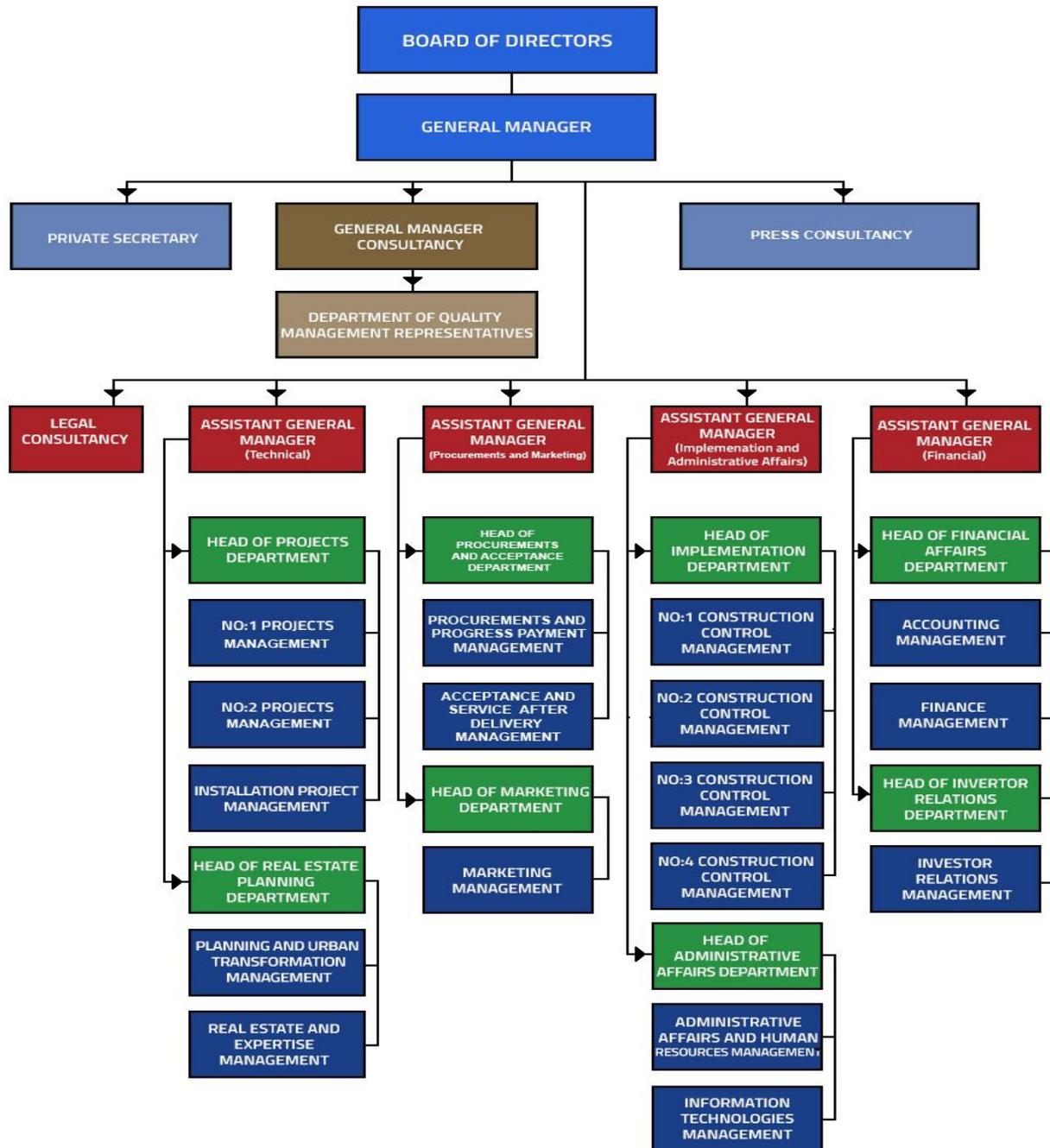
Access to Insider Information (Continued)

SENIOR MANAGEMENT

Name	Profession	Position
Murat Kurum	Civil Engineer	General Manager, Board Member
Sinan Ayođlu	Civil Engineer	Deputy General Manager
Hakan Akbulut	Public Administration	Deputy General Manager
Metin Tekin	Civil Engineer	Deputy General Manager
Hakan Gedikli	Topographical Engineer	Deputy General Manager
Nurettin Őam	Lawyer	First Legal Advisor
Zeynep Basa	Economics	Head of Marketing Department
Hasan Vehbi Arslantürk	Civil Engineer; Business	Head of Investor Relations Department
Hasan Saka	Civil Engineer MSc.	Head of Procurement and Acceptance Department
Hicran akmak	Architect	Head of Projects Department
Mustafa AŐikkutlu	Civil Engineer MSc.	Head of Real Estate and Planning Department
Ercan Aliođlu	Business Administration	Head of Real Estate and Planning Department
Halil İbrahim Őahin	Economics	Head of Administrative Affairs Department
Nurullah Öztürk	Civil Engineer	Acting Head of Implementation Department
Halim AtaŐ	Business Administration	Private Secretary
İlyas Fehim elik	Architect	Project Manager No.1
YaŐar Altun	Civil Engineer	Project Manager No.2
İbrahim Ofiaz	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
Seluk 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 etin	Business Administration	Accounting Manager
Enver Turan	Civil Engineer	Construction Control Manager No.1
Mecit Altınır	Civil Engineer MSc.	Construction Control Manager No.2
Alim Kaplaner	Civil Engineer MSc.	Construction Control Manager No.3
Yasir Yılmaz	Civil Engineer	Construction Control Manager No.4
Ali Haydar Yıldırım	Business Administration	Administrative Affairs, Human Resources Manager
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 elik	Economics	Consultant to the General Manager
Yasemin Ülkü	Civil Engineer	Consultant to the General Manager

ABOUT EMLAK KONUT

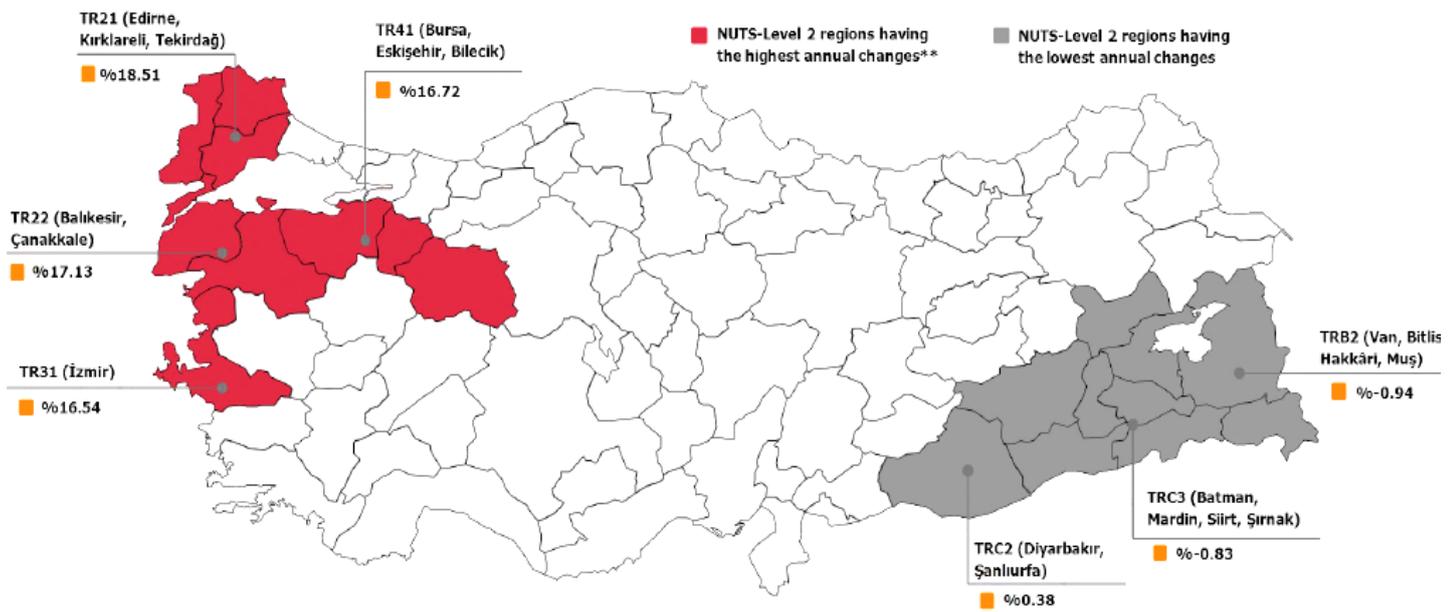
Organisation Chart



CONSTRUCTION AND HOUSING SECTOR OUTLOOK

House Price Index (January 2017)

In January 2017, HHPI increased monthly by 0.13 percent and recorded an annual growth of 10.70 percent in nominal and 1.36 percent in real terms.



Hedonic House Price Index	House Price Index*	Squaremeter Prices (TL/m ²)*	New Housing Price Index*
<ul style="list-style-type: none">• 195.74• 10.70 %	<ul style="list-style-type: none">• 228.57• 12.97 %	<ul style="list-style-type: none">• 1922.34 TL	<ul style="list-style-type: none">• 217.37• 12.48 %

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 (January 2017)



İstanbul

Hedonic Hose Price Index: 253.97 (11.09 %)
House Price Index: 284.39 (11.92 %)
Square Meter Prices (TL/m²): 3,605.50 TL
New Housing Price Index: 281.08 (11.82 %)



Ankara

Hedonic Hose Price Index: 180.34 (8.78 %)
House Price Index: 186.65 (8.78 %)
Square Meter Prices (TL/m²): 1,601.79 TL
New Housing Price Index: 207.62 (12.90 %)



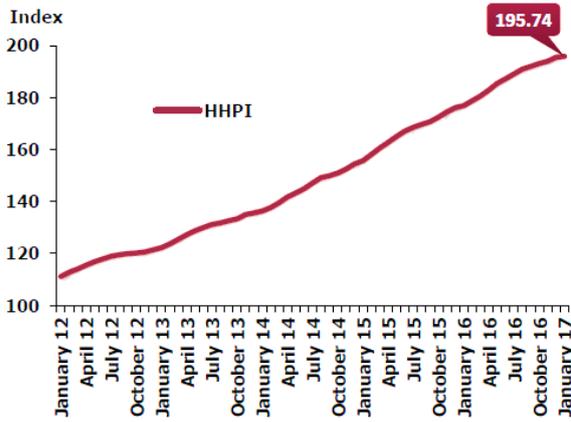
İzmir

Hedonic Hose Price Index: 210.73 (16.54 %)
House Price Index: 232.24 (19.25 %)
Square Meter Prices (TL/m²): 2,265.76 TL
New Housing Price Index: 229.09 (16.44 %)

Source: CBRT

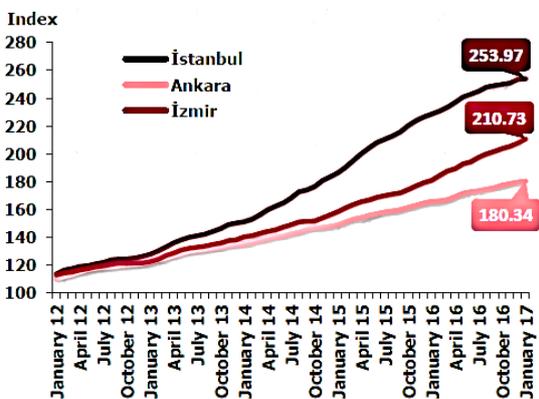
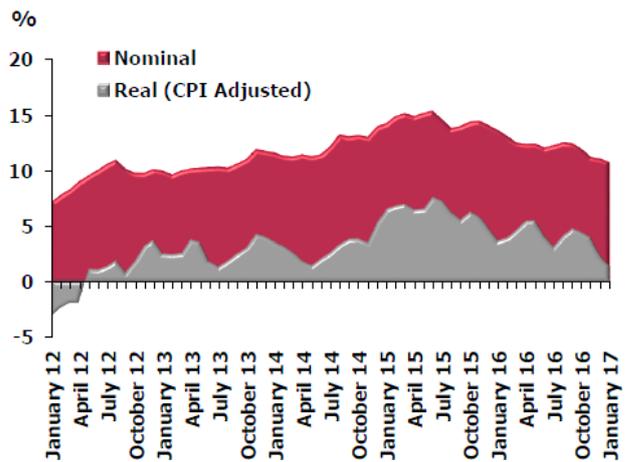
CONSTRUCTION AND HOUSING SECTOR OUTLOOK

House Price Index (January 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 195.74 in January 2017 by a monthly growth of 0.13 percent.

The HHPI increased annually by 10.70 percent in nominal and by 1.36 percent in real terms.



In January 2017, the HHPI increased monthly by 0.15, 0.36 and 1.41 percent in İstanbul, Ankara and İzmir respectively. These three major cities recorded annual growth of 11.09, 8.86 and 16.54 percent respectively.

Source: CBRT

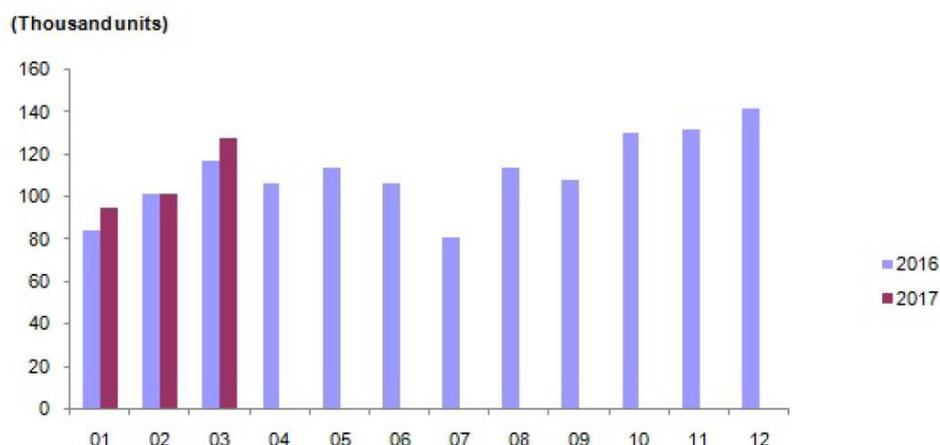
CONSTRUCTION AND HOUSING SECTOR OUTLOOK

House Sale Statistics (March 2017)

In March 2017, 128,923 houses were sold in Turkey.

In Turkey, house sales increased by 10% in March 2017 compared to the same month of the previous year and hence, became 128,923. For the house sales of March 2017, İstanbul had the highest share of house sales with 17.4% and 22,443 sold house. The followers of İstanbul were Ankara with 15,004 house sales and 11.6% and İzmir 8,059 house sales and 6.3%. The least house sold provinces were Hakkari with 8 house sales, Ardahan with 12 house sales, Bayburt with 39 house sales.

Number of House Sales, 2016-2017



In March 2017, 50,424 ownership of the houses changed by mortgage sales.

The mortgaged house sales throughout Turkey became 50,424 by increasing 29.9% compared to the same month of the previous year. House sales with mortgage had a 39.1% share of all house sales in Turkey. Most of house sales with mortgage was in İstanbul with 9,661 sales. İstanbul was the first province in Turkey ranking that has most house sales with mortgage share with 19.2%. Mortgaged house sales had the highest share in Artvin with 59.1% of all house sales.

Ownership of 78,499 houses changed by other sales.

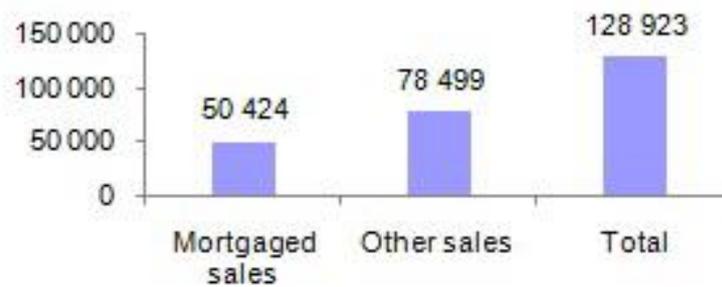
Other house sales in Turkey became 78,499 by increasing 0.1% compared to the same month of the previous year. In the other sales, İstanbul was the first province with 12,782 sales and 16.3% share. Other house sales had 57% share of all house sales in İstanbul. Ankara was the second province with 8,525 sales. Ankara was followed by İzmir with 4,667 sales. The least other house sales was realized in Hakkari and Ardahan with 5 house sales.

Source: Turkstat

CONSTRUCTION AND HOUSING SECTOR OUTLOOK

House Sale Statistics (March 2017)

House Sales By Type of Sales, March 2017



House Sales By State of Sales, March 2017



In house sales, 56,376 of houses were sold for the first time.

First house sales in Turkey became 56,376 by increasing 7.6% compared to the same month of the previous year. First house sales had 43.7% share of all house sales in Turkey. The most first house sales was in İstanbul with 9,972 sales. İstanbul was the first province in Turkey ranking that had most first house sales share with 17.7%. The followers of İstanbul were Ankara with 5,355 house sales and İzmir with 3,117 house sales.

Source: Turkstat

CONSTRUCTION AND HOUSING SECTOR OUTLOOK

House Sale Statistics (March 2017)

Ownership of 72,547 houses changed by second hand sales

Second hand house sales in Turkey became 72,547 by increasing 11.9% compared to the same month of the previous year. In the second hand sales, İstanbul was the first province again with 12,471 sales and 17.2% share. Share of the second hand sales was 55.6% in İstanbul in total house sales. Ankara was the second province with 9,649 sales and Ankara was followed by İzmir with 4,942 sales.

In March 2017, 1,578 houses were sold to foreigners

In house sales to foreigners became 1,578 by decreasing 1.1% compared to the same month of the previous year. İstanbul was the first province with 579 sales in March 2017. The followers of İstanbul were Antalya with 313 house sales, Bursa with 124 house sales, Yalova with 88 house sales, Sakarya with 80 house sales and Ankara with 73 house sales.

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

Iraqi citizens bought 323 houses from Turkey in March. The followers of Iraq were Saudi Arabia with 148 house sales, Kuwait with 139 house sales, Russia with 115 house sales and Afghanistan with 112 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 at the Istanbul Administrative Court No. 5 with the file No. 2012/401 E. for the stay of execution and cancellation of the Revision Master Zoning Plan (scale: 1:5,000) and the Revision Application Zoning Plan (scale: 1: 1,000) for the Slum Prevention Zone in Ayazağa, Şişli, which was published between 29.11.2011 and 29.12.2011 after the Ministry of Environment and Urban Planning approval (dated 16.09.2011, No. 103140). The court decided to include the Ministry of Environment and Urban Planning as an adverse party although the case was brought against the Housing Development Administration (TOKİ). On 10.05.2012, the court dismissed the case on the basis of authorization and referred the file to the Council of State. The file was registered to the docket No. 2012/4412 of the Chamber No. 6 of the Council of State, and our company joined the case as an intervenor together with the defendant institutions. The court rendered a stay of execution judgment and dismissed the objection to the judgment of the stay of execution. An examination was conducted on 30.05.2016. The expert report reached the conclusion that the implementation plans in dispute violate the legislation, public interest, the principles and procedures of urban planning, and planning techniques and that the geological and geotechnical surveys and evaluations conducted based on the zoning plan did not cause any issues for housing. We objected to the report on 28.12.2016.

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

The case was brought against Sarıyer Municipality Mayorship and Şişli Municipality Mayorship at the Istanbul Administrative Court No. 12 with the file No. 2015/1354 E. for the reversal of the dismissal of the request for 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. The court accepted our request to intervene in the case together with the defendants, and dismissed the request for the stay of execution on 29.02.2016. The plaintiff's objection to the dismissal of the request for the stay of execution was dismissed by Istanbul District Administrative Court on 06.04.2016.

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

MASLAK 1453 PROJECT (Continued)

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

The case was brought at the Istanbul Administrative Court No. 10 with the file No. 2016/1026 E. against the Ministry of Environment and Urban Planning for the stay of execution and cancellation of the Environmental Plan Amendment (scale: 1:100,000), Master Zoning Plan Amendment (scale: 1/5,000) and Application Zoning Plan (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning ex officio on 19.01.2016 for the Ayazağa Shanty Prevention Area within Sarıyer District, Istanbul published between 21.01.2016 and 19.02.2016. On 02.08.2016, the court decided to dismiss the request for the stay of execution. We made a request to intervene on 10.13.2016. We submitted an additional declaration petition on 03.11.2016.

ZEKERİYAKÖY PROJECT

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

The case was brought against the Ministry of Environment and Urban Planning and Housing Development Administration at the Chamber No. 6 of the Council of State with the file No. 2012/3789 for the 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 13.05.2013, the court rendered the judgment to “accept the request for the stay of execution due to the nature of the case and situation until another judgment is made on the issue following the issuance of a report after an examination and expert review” and dismissed the objection to the stay of execution. The court decided to suspend the execution on 07.07.2014 in line with the examination and expert review, which took place on 17.01.2014. And the objections to this judgment was dismissed by the Plenary Session of Administrative Law Chambers. Our company submitted a request to join the case as an intervenor together with the defendant institutions, and the court accepted our request on 04.05.2015. The hearing took place on 24.06.2015. The court decided to notify the Ministry of Forestry and Water Affairs of the case

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

ZEKERİYAKÖY PROJECT (Continued)

on 08.12.2015. The Ministry of Forestry and Water Affairs requested the reporting of the case to the Directorate General of Forestry with its letter dated 17.02.2016. On 30.06.2016, the court decided to annul the disputed process. We wait for the result of our appeal.

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

The case was brought against the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 7 with the file No. 2013/2478 E. for the 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) approved by the Ministry of Environment and Urban Planning with the office consent (dated: 14.08.2013, No. 8097) for the Zekeriyaköy Mass Housing Development Area within Zekeriyaköy Neighborhood, Sarıyer, District, Istanbul. The examination was made on 20.05.2015, and the expert report was notified to our company on 19.02.2016. Our company made an objection to the expert report's unfavorable parts. With the interlocutory decision on 12.04.2016, the court decided to review the stay of execution request after the report was received. And the discovery took place on 14.02.2017. The court waits for the expert report.

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

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

The court dismissed the case. The plaintiff appealed against the Administrative Court's judgment with a request for the 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.

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

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) accepted with the Consent (dated: 19.06.2013 and No. 6186) regarding the immovable in Section No. 58, Block No. 1199, and Parcel No. 230, Dikilitaş Neighborhood, Şişli District. Our company joined the case as an intervenor together with the defendant institutions. The court accepted the case and decided to annul the plan in dispute. The parties wait for the result of the appellate review.

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

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

İSTANBUL KAPADIK AREA

1-) Avcılar Municipality Mayorship,

The case was brought against the Ministry of Environment and Urban Planning at the Chamber No. 6 of the Council of State with the file No. 2013/6332 E. for the 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 Urban Planning with the office consent (dated: 01.04.2013 and No. 4989) for Kapadık Area, Yeşilkent Neighborhood, Avcılar District, Istanbul. There was also a request to associate the case with the file No. 2012/4041 E. of the Chamber No. 6 of the Council of State. The court decided to

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İSTANBUL KAPADIK MEVKİİ (Continued)

notify TOKİ and our company of the case. On 02.04.2014, our company submitted a request to join the case as an intervenor together with the defendant institution. Our company presented its objections to the expert report notified after the examination. The court decided to suspend the execution in line with the expert report on 01.12.2014, and the Plenary Session of Administrative Law Chambers of the Council of State dismissed our appeal against the judgment to suspend the execution. On 02.03.2015, our company requested a new expert review and trial. On 27.04.2015, the Plenary Session of Administrative Law Chambers of the Council of State dismissed our appeal against the judgment to suspend the execution. The court dismissed the request of the Istanbul Branch of the Chamber of City Planners, UCTEA, to attend the case together with the plaintiff. On 26.11.2015, the Council of State prosecutor gave an opinion against which we presented a counter statement on 18.12.2015.

2-) Avcılar Municipality Mayorship,

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

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

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

MISCELLANEOUS DEVELOPMENTS

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İSTANBUL KAPADIK AREA (Continued)

cancellation of the execution of the Ministry of Environment and Urban Planning procedure No. 8199, dated 17.05.2016 for the approval of the Master Zoning Plan Amendment (scale: 1:5,000) and Application Zoning Plan Amendment (scale: 1:5,000) regarding the immovable with the former Parcel No. 557 in Kapadık Neighborhood, Avcılar District, Istanbul. On 19.10.2016, the court decided to review the request for the stay of execution after taking the defendant administration's first defense and fulfillment of the interim judgment. We made a request to intervene on 28.12.2016.

İSTANBUL KAYABAŞI

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

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

İSTANBUL ZEYTİNBURNU

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

The case was brought against the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 5 with the file No. 2014/561 E. for the stay of execution and cancellation of the Master Zoning Plan (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning after amendment with the office consent (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

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İSTANBUL ZEYTİNBURNU (Continued)

an intervenor together with the defendant institution. On 22.09.2014, the court decided to dismiss the request for the stay of execution, and the plaintiff's objection was also by the District Administrative Court. The expert report came in our company's favor, whereas the plaintiff objected to it. On 31.03.2016, the court decided to hold the file No. 2014/1641 E. until the preparation and submission of an expert report to the court following an examination and expert review. The examination and the expert review were conducted on the said file on 15.07.2016. The Court decided to cancel the Master Development Plan (scale: 1/5,000) approved on 19.11.2013 and the Application Development Plan (scale: 1:1,000) which was followed by an appeal request.

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

The case was brought against the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 5 with the file No. 2014/1641 E. for the stay of execution and cancellation of the Master Zoning Plan (scale: 1:5,000) and Application Zoning Plan amendment (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning after amendment with the office consent (dated: 19.11.2013 and No. 17978) for Block No. 774 and Parcel No. 6 and 31 within Kazlıçeşme Neighborhood, Zeytinburnu District, Istanbul as well as the Master Zoning Plan (scale: 1:5,000) and the Application Zoning Plan amendment (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning with the office consent (dated: 20.03.2014, No. 4446) and published between 09.04.2014 and 08.05.2014 for the same area. On 26.03.2015, our company submitted a request to join the case as an intervenor together with the defendant institution. On 27.05.2015, the court accepted our company's request to intervene. The case was heard at the Istanbul Administrative Court No. 5 with the file No. 2014/561 E. The expert report came in our company's favor, whereas the plaintiff objected to it. On 15.07.2016, an examination and the expert review were conducted by a 5-person panel. Our company made an objection to the unfavorable parts of the prepared report. On 22.02.2017, the Court decided to cancel the Master Development Plan (scale: 1/5,000) approved on 20.03.2014 and the Application Development Plan (scale: 1:1,000). The parties currently wait for the outcome of the appeal request.

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KARTAL PROJECT

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

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

FINANCE CENTER PROJECT

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

The case was brought against the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 7 with the file No. 2013/621 E. for the stay of execution and subsequent cancellation of the Istanbul Financial Center Master Zoning Plan (scale: 1:5,000) and Istanbul Financial Center Application Zoning Plan (scale: 1:1,000) published between 25.06.2012 and 24.07.2012 for the region known as Istanbul Financial Center within Ümraniye and Ataşehir districts. Our company joined the case as an intervenor together with the defendant institution. The expert report prepared after the examination was unfavorable for our

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

FİNANS MERKEZİ PROJESİ (Continued)

company and we made an objection to it. Our objection was accepted by the Court, and we currently wait for the determination of the examination day.

2-) UCTEA, Chamber of Architects,

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

3-) UCTEA, Chamber of Architects,

The case was brought against the Housing Development Administration and Istanbul Metropolitan Municipality Mayorship at the Istanbul Administrative Court No. 1 with the file No. 2013/1927 E. for the cancellation of the “Ataşehir Mass Housing Development Area Revision Master Zoning Plan Amendment” (scale: 1:5,000) prepared by the Housing Development Administration and published on 14.03.2008 after its approval on 15.02.2008 by the Istanbul Metropolitan Municipality Council. The same request was made for the Ataşehir Mass Housing Development Area Revision Application Zoning Plan Amendment (scale: 1:1,000), which was published on 12.03.2008 after its approval on 15.02.2008. Our company joined the case as an intervenor together with the defendants. The court dismissed the case, and the parties wait for the outcome of the appellate review.

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İSTİNYE PROJECT

1-) Sarıyer Municipality Mayorship

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

FATİH YEDİKULE

1-) Hikmet Öz et al.,

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

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FATİH YEDİKULE (Continued)

Station area and decided to reject the case with respect to the other aspects of the plan. The plaintiff made a request for appeal and the parties currently wait for the outcome.

MÜHYE LAND

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

The case was brought against the Ministry of Environment and Urban Planning and the Housing Development Administration at the Ankara Administrative Court No. 8 with the file No. 2015/1224 E. for the stay of execution and cancellation of the Başkent Ankara Master Zoning Plan Amendment (scale: 1:25,000), Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning with the office consent (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. On 10.09.2015, our company submitted a request to join the case as an intervenor together with the defendant institutions. As per the unification judgment of the Chamber No. 1 of the Ankara District Administrative Court (dated: 21.10.2015, No. 2015/2933 E., 2015/2724 K.), the file was closed and referred to the Ankara Administrative Court No. 5. The trial continued with the file No. 2015/2968 E. of the Ankara Administrative Court No. 5. On 13.01.2016, the court decided to accept our company's request to intervene in the case. The expert report following the examination and expert review conducted on 12.04.2016 was against our company, and we objected to it on 11.07.2016. Also, the court made a judgment for the stay of execution on 27.07.2016, and we made an appeal against this judgment on 18.08.2016. On 03.10.2016, the Chamber No. 5 of the District Administrative Court decided to remove the judgment to suspend the execution. On 02.11.2016, the court decided to review the request for the stay of execution after the same court made a ruling regarding the stay of execution in the file No. 2015/2940 E. The court made a judgment for the stay of execution on 19.01.2017, and we made an appeal against this judgment. The Chamber No. 5 of the District Administrative Court, which examined the objection, decided to reject the appeal.

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

MÜHYE LAND (Continued)

2-) UCTEA, Chamber of Architects, Ankara Branch,

The case was brought against the Ministry of Environment and Urban Planning and the Housing Development Administration at the Ankara Administrative Court No. 4 with the file No. 2015/1482 E. for the stay of execution and cancellation of the Başkent Ankara Master Zoning Plan Amendment (scale: 1:25,000), Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning with the office consent (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. On 10.09.2015, our company submitted a request to join the case as an intervenor together with the defendant institutions. As per the unification judgment of the Chamber No. 1 of the Ankara District Administrative Court (dated: 21.10.2015, No. 2015/2933 E., 2015/2724 K.), the file was closed and referred to the Ankara Administrative Court No. 5. The trial continued with the file No. 2015/3052 E. of the Ankara Administrative Court No. 5. On 13.01.2016, the court decided to accept our company's request to intervene in the case. The expert report following the examination and expert review conducted on 12.04.2016 was against our company, and we objected to it on 11.07.2016. Also, the court made a judgment to suspend the execution on 27.07.2016. The Chamber No. 8 of the District Administrative Court accepted our objection to the judgment of the stay of execution and the court decided to reverse this judgment on 24.08.2016. On 29.09.2016, the court decided to receive an additional report and review the request for the stay of execution after the presentation of objections to the additional report. The additional report dated 15.12.2016 was unfavorable for our company, and we made an objection to it. The court made a judgment for the stay of execution on 19.01.2017, and we made an appeal against this judgment. The Chamber No. 5 of the District Administrative Court, which examined the objection, decided to reject the appeal.

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

MÜHYE LAND (Continued)

3-) Çankaya Municipality Mayorship,

The case was brought against the Ministry of Environment and Urban Planning and the Housing Development Administration at the Ankara Administrative Court No. 9 with the file No. 2015/1554 E. for the stay of execution and cancellation of the Başkent Ankara Master Zoning Plan Amendment (scale: 1:25,000), Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning with the office consent (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. On 10.09.2015, our company submitted a request to join the case as an intervenor together with the defendant institutions. As per the unification judgment of the Chamber No. 1 of the Ankara District Administrative Court (dated: 21.10.2015, No. 2015/2933 E., 2015/2724 K.), the file was closed and referred to the Ankara Administrative Court No. 5. The trial continued with the file No. 2015/2940 E. of the Ankara Administrative Court No. 5. On 03.12.2015, the court made a judgment to obtain an expert review and rule on the stay of execution after obtaining the expert review. On 13.01.2016, the court decided to accept our company's request to intervene. On 09.03.2016, the court accepted Fatma Nazan Özay's request to intervene. The expert report following the examination and expert review conducted on 12.04.2016 was against our company, and we objected to it on 11.07.2016. Also, the court made a judgment to suspend the execution on 27.07.2016. The Chamber No. 5 of the District Administrative Court accepted our objection to the judgment of the stay of execution and the court decided to reverse this judgment on 03.10.2016. On 02.11.2016, the court decided to request an additional report and review the request for the stay of execution after the expiry of the objection period for the additional report. The additional report dated 15.12.2016 was unfavorable for our company, and we made an objection to it. The court made a judgment for the stay of execution on 19.01.2017, and we made an appeal against this judgment. The Chamber No. 5 of the District Administrative Court, which examined the objection, decided to reject the appeal.

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MÜHYE LAND (Continued)

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. 9 with the file No. 2015/1554 E. for the stay of execution and cancellation of the Başkent Ankara Master Zoning Plan Amendment (scale: 1:25,000), Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning with the office consent (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. On 10.09.2015, our company submitted a request to join the case as an intervenor together with the defendant institutions. On 21.10.2015, the Chamber No. 1 of Ankara District Administrative Court decided to authorize the Ankara Administrative Court No. 5 regarding the associated files. On 03.12.2015, the court made a judgment to obtain an expert review and rule on the stay of execution after obtaining the expert review. On 13.01.2016, the court decided to accept TOKİ's and our company's request to intervene. On 09.03.2016, the court accepted Fatma Nazan Özyay's request to intervene. The expert report following the examination and expert review conducted on 12.04.2016 was against our company, and we objected to it on 11.07.2016. Also, the court made a judgment to suspend the execution on 27.07.2016. The Chamber No. 5 of the District Administrative Court accepted our objection to the judgment of the stay of execution and the court decided to reverse this judgment on 03.10.2016. On 02.11.2016, the court decided to review the request for the stay of execution after the same court made a ruling regarding the stay of execution in the file No. 2015/2940 E. The court made a judgment for the stay of execution on 19.01.2017, and we made an appeal against this judgment.

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

The case was brought against the Republic of Turkey Prime Ministry Housing Development Administration at the Ankara Administrative Court No. 2 with the file No. 2016/5040 E. for the stay of execution and cancellation of the Master Zoning Plan Amendment (scale: 1:5,000)

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MÜHYE LAND (Continued)

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.

6-) UCTEA, Chamber of Architects, Ankara Branch,

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

ÇAYYOLU LAND

1-) UCTEA, Chamber of Architects, Ankara Branch,

The case was brought against the Ministry of Environment at the Ankara Administrative Court No. 10 with the file No. 2015/1987 E. for the stay of execution and cancellation of the Başkent Ankara Master Zoning Plan Amendment (scale: 1:25,000) Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning ex officio on 21.05.2015 for the Parcel No. 953 within Çayyolu Neighborhood, Çankaya District, Ankara. On 02.10.2015, our company submitted a request to join the case as an intervenor together with the defendant institutions. On 14.10.2015, the court made a judgment for an expert review and the notification of our intervention petition to the parties. And the court decided to rule on the request for the stay of execution after the completion of an examination and expert review. The examination was made on 20.01.2016, and the expert report came in our favor. On 25.01.2016, the contractor, YP İnşaat A.Ş., submitted a request to intervene in the case. The court decided to dismiss the case on 25.03.2016, and the parties wait for the review of the plaintiff's appeal.

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

ÇAYYOLU LAND (Continued)

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

The case was brought against the Ministry of Environment at the Ankara Administrative Court No. 16 with the file No. 2015/2300 E. for the stay of execution and cancellation of the Başkent Ankara Master Zoning Plan Amendment (scale: 1:25,000) Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning ex officio on 21.05.2015 for the Parcel No. 953 within Çayyolu Neighborhood, Çankaya District, Ankara. On 16.12.2015, our company submitted a request to join the case as an intervenor together with the defendant institutions. The court decided to accept TOKİ's and our company's request to intervene on 24.12.2015 and 15.02.2016, respectively. The expert report following the examination and expert review conducted on 07.06.2016 was against our company, and we objected to it on 03.10.2016. On 04.11.2016, the court decided to review the request for the stay of execution after the conduct of an additional expert review and the submission of the additional expert report to the court. On 19.01.2017, the court decided to dismiss 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.

3-) Ela Betül Termeli,

The case was brought against Ankara Metropolitan Municipality Mayorship and the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 17 with the file No. 2016/4065 E. for the cancellation of the zoning plan amendments approved by the Ministry of Environment and Urban Planning on 21.05.2015 ex officio regarding the Parcel No. 1 within the Block No. 29622 and Parcel No. 1, 2, 3, and 4 (953) within the Block No. 29479 in Çayyolu Neighborhood, Çankaya District, Ankara as well as the stay of execution of the related construction building permit. On 02.11.2016, the court decided to review the request for the

MISCELLANEOUS DEVELOPMENTS

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ÇAYYOLU LAND (Continued)

stay of execution after taking the defendant administration's first defense and fulfillment of the interim judgment. We made a request to intervene on 23.12.2016.

ALİBEYKÖY

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

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

MALTEPE KÜÇÜKYALI PROJECT

1-) Maltepe Municipality Mayorship,

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

MISCELLANEOUS DEVELOPMENTS

Lawsuit Brought Against Our Company

MALTEPE KÜÇÜKYALI PROJECT (Continued)

2-) Özgür AYDIN – Hakkı SAĞLAM,

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

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

The case was brought by UCTEA Chamber of City Planners against the Ministry of Environment and Urban Planning and at the Istanbul Administrative Court No. 13 with the file No. 2016/1065 E. for the 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 Küçükalyalı and Başıbüyük 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.

MISCELLANEOUS DEVELOPMENTS

Administration and Judicial Sanction

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

Share Buyback Program

The company did not make any share repurchases between 01.01.2017- 31.03.2017.

As of 31.03.2017, under our "Buyback Program," the total number of Emlak Konut REIC shares repurchased by the company reached 120,070,862 lots and 3.16 percent of the company capital.

R&D Activities

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

Housing Acquisition Aid (HAA)

Between 01.01.2017- 31.03.2017, the Company received one written request regarding the transfer of closed shares from the Housing Acquisition Aid (HAA) beneficiaries' accounts to the relevant investment account. Beneficiaries' claims were processed, and HAA-equivalent shares were transferred into their accounts. The total transfer amount (share amount) was 2,228.31 in this period.

Donations

The company did not make any donations between 01.01.2017- 31.03.2017.

About the Commissions Regarding The Sale Campaign

Within the scope of the campaign called "Güçlü Türkiye", 89.866.669,38 TL is paid as a contribution by Emlak Konut. The part of 54.198.917,24 TL from this payment is incorporated into land cost of the projects dated 31.03.2017 and the remaining 35.667.752,14 TL is going to be incorporated into land cost in second quarter of 2017.

SIGNIFICANT DEVELOPMENTS IN THE PERIOD

About Sales Target of 2017

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

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

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

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

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

All in all, selling 9,900 units with a total gross area of 1,279,513 square meters and a sales value of 8,004,918,475 Turkish lira excluding VAT throughout the year with the net profit standing at 1.8 billion Turkish lira.

The Company can achieve the sales forecasts based on our analyses if the current market conditions and developments take place in the national and global economy throughout the year in line with our expectations.

Our Company may reassess its targets if unexpected conditions occur.

About The Loan Use

Our Company has acquired a loan worth 620,000,000 Turkish lira from Vakıfbank with an annual interest rate of 12.46 percent.

Loan use conditions:

A grace period of one year with interest payments every three months, and then principal+interest payments every three months for the next three years.

SIGNIFICANT DEVELOPMENTS IN THE PERIOD

About the Update of the Committee Members

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

Corporate Governance Committee:

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

Audit Committee:

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

About the Selection of the Independent Auditing Firm

The Company's Board of Directors decided with its resolution dated April 10, 2017, that it would propose at the General Assembly approving DRT BAĞIMSIZ DENETİM VE SMMM A.Ş. (DELOITTE) as the Independent Auditing firm for 2017.

Planning for the Tender of Lands Throughout 2017

On April 24, 2017, our Company announced the information regarding all the lands to be tendered throughout 2017 to all stakeholders with the PDP disclosure.

About the General Assembly

The Company's 2016 Ordinary General Assembly will be held on April 26, 2017, at 10.00 at Mor Sömbül Sokak No:7/2 B, Barbaros Mahallesi, Ataşehir, Istanbul.

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

SIGNIFICANT DEVELOPMENTS AFTER THE PERIOD

About The Sales Campaign

Our Company launched a discount campaign for the buyers who purchased units before February 1, 2017 from the Company's specific projects and continued their installment payments.

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

The main campaign highlights are as follows.

The following discounts will be offered for the payment of current debt obligations;

20 percent discount if 100 percent is paid, 15 percent discount if 75 percent is paid, 10 percent discount if 50 percent is paid, 5 percent discount if 25 percent is paid.

About Credit Rating

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

The Candidates of the Independent Board Members

It is decided by the Board of Directors that Ertan KELEŞ, Muhterem İNCE and Havvanur YURTSEVER will be proposed as nominee for Independent Board Members in accordance with the Nominee Committee Decision, at the Ordinary General Assembly Meeting which will be held on April 26, 2017.

About Büyükyalı Project Lawsuit

There is no final court order related our land plot in Zeytinburnu district (previously tank factory) about the cancellation of zoning plans, the judicial process regarding this issue is continuing. Also, the construction and the sales processes about the project are continuing in line with the construction permit and legal regulations.

SIGNIFICANT DEVELOPMENTS AFTER THE PERIOD

About Büyükyalı Project Lawsuit

Regarding to the court orders about the cancellation of the zoning plan related to our land plot in Zeytinburnu district (previously tank factory), our company applied to the appellate court and İstanbul 4th Administrative Court decided the suspension of execution for the cancellation orders. The judicial process regarding this issue is continuing. In addition, the construction and the sale processes about the Project are continuing in line with the construction permit and legal regulations.

About the Result of Ordinary General Assembly for 2016

The Company's 2016 Ordinary General Assembly held on April 26, 2017, at 10.00 at Company Headquarter's. All the documents have been published in the Public Disclosure Platform and presented to the stakeholders.

Board Members and Committee Members

As a result of the negotiations and voting in 26.04.2017 dated first meeting of The Board of Directors who have been elected in 26.04.2017 dated Ordinary General Assembly;

Mr. Ertan YETİM has been elected as the Chairman of The Board of Directors, Independent Member Mr. Ertan KELEŞ as The Vice Chairman of the Board of Directors, Mr. Murat KURUM, Mr. Muhterem İNCE, Mr. Sami ER, Mr. Mehmet ÖZÇELİK and Mrs.Havvanur YURTSEVER as the Members of the Board of Directors.

In addition, it has been decided that the persons given below to be assigned to the committees and publicly announced via Public Disclosure Platform (KAP) and our Company's web site.

Corporate Governance Committee: Ertan KELEŞ (Committee Chairman), Muhterem İNCE, Sami ER, Hakan AKBULUT, Hasan Vehbi ARSLANTÜRK

Audit Committee: Ertan KELEŞ (Committee Chairman), Muhterem İNCE, Havvanur YURTSEVER

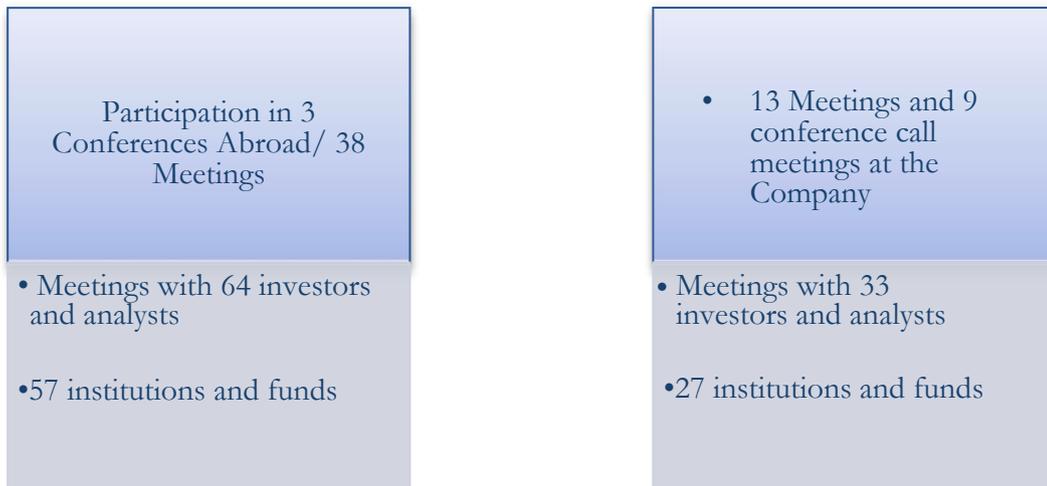
Early Detection of Risk and Risk Management Committee: Havvanur YURTSEVER (Committee Chairman), Ertan KELEŞ, Mehmet ÖZÇELİK Kurumsal Yönetim Komitesi:

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 3 overseas conferences in the first quarter of 2017 to share operational, strategic and financial developments with the existing investors/potential investors and analysts and had meetings with 64 investors/analysts from 57 institutions and funds during these events. The company held 13 meetings and 9 conference call meetings at its headquarters and shared the company-related developments with 33 investors/analysts from 27 institutions and funds.

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



HUMAN RESOURCES

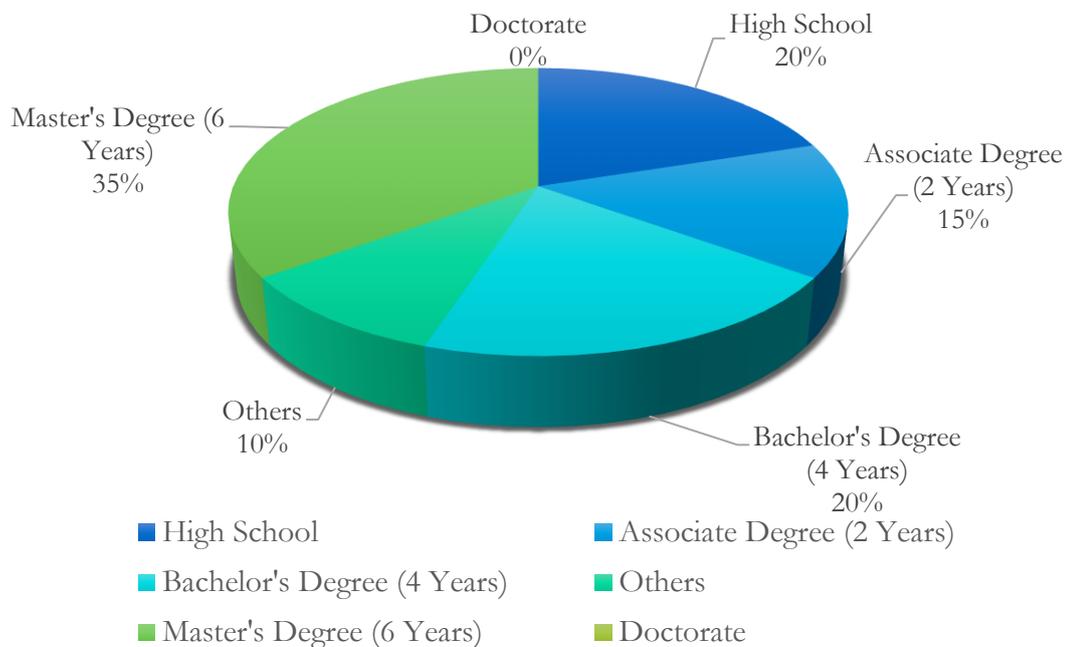
The company believes in the power of the human capital and attaches particular importance to professional and specialist training for its personnel. We apply the meticulous approach to our human resources management processes as well as operations. We carry on our improvement- and development-focused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

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

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

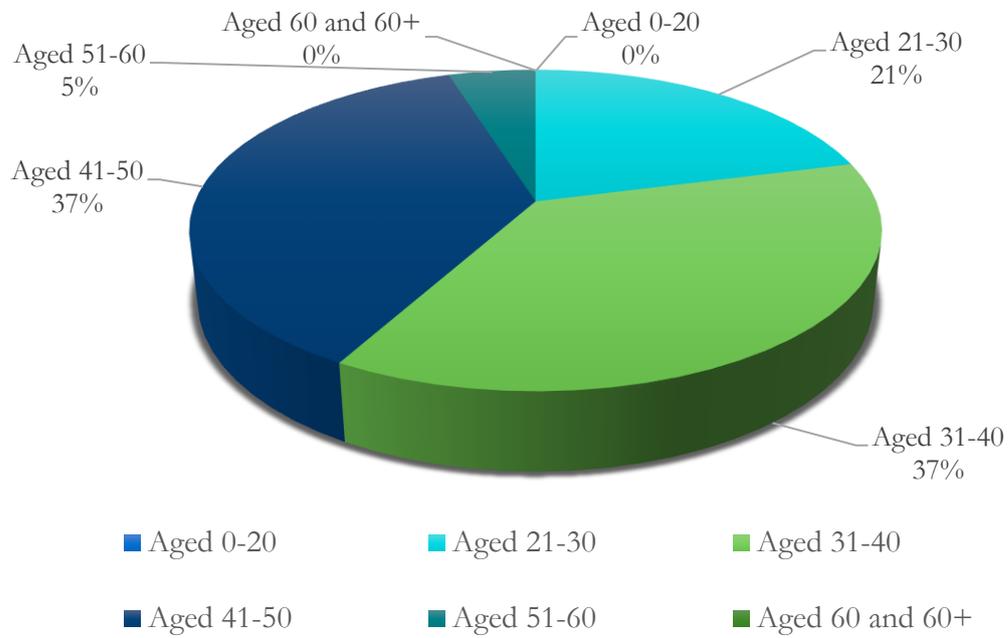
Detailed information on the Human Resources Policy and its operation is also available in Part III of the 'Corporate Governance Compliance Report.

EDUCATIONAL STATUS

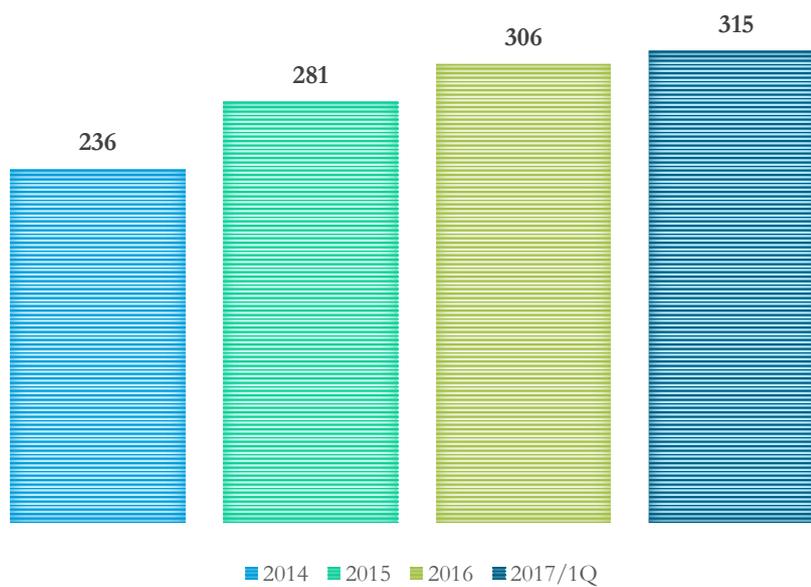


HUMAN RESOURCES

PERSONNEL AGE RANGE



NUMBER OF EMPLOYEES



PORTFOLIO STRUCTURE AND REAL ESTATES

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

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

PLOTS OF LAND PURCHASED FOR PROJECT DEVELOPMENTS

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

Land Purchases between January 1, 2017 and March 31, 2017

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

CONSULTANCY, AUDIT AND APPRAISAL ENTERPRISES OFFERING SERVICES

INDEPENDENT AUDIT FIRM

DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of DELOITTE TOUCHE TOHMATSU LIMITED)

APPRAISAL COMPANIES

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

INVESTOR RELATIONS CONSULTANCY COMPANY

Dalfin Finansal Kurumsal İletişim ve Danışmanlık Hizmetleri Ltd. Şti.

CERTIFIED PUBLIC ACCOUNTANT

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

PRESS AND PR COMPANY

Native Reklam ve Medya İletişim Hizmetleri Ticaret A.Ş.

CORPORATE RESOURCE MANAGEMENT SYSTEM SOFTWARE CONSULTANCY COMPANY

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

- 1. Convenience Translation of The Condensed Financial Statements for the Interim Period**
- 2. Table of Tendered Land Plots**
- 3. Table of Building Inventory**
- 4. Table of Land Stock**
- 5. Summary of Land Plots' Appraisal Reports**
- 6. Summary of Projects' Appraisal Reports**
- 7. Summary of Buildings' Appraisal Reports**
- 8. Dividend Distribution Table**

LEGAL NOTICE

This interim report includes information about the Company's operations and accounts for the period from January 1 to March 31, 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- 31 MARCH 2017

(Originally Issued in Turkish)

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONVENIENCE TRANSLATION OF
CONDENSED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2017**

(ORIGINALLY ISSUED IN TURKISH)

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

INTERIM CONDENSED FINANCIAL STATEMENTS AT 31 MARCH 2017

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EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONDENSED STATEMENTS OF FINANCIAL POSITION AT 31 MARCH 2017 AND 31 DECEMBER 2016

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

	Notes	Not Reviewed 31 March 2017	Audited 31 December 2016
ASSETS			
Current assets		17,895,184	17,076,882
Cash and cash equivalents	4	2,612,070	2,501,233
Financial investments	5	41,852	140,795
Trade receivables	7	1,133,613	682,868
<i>Trade receivables due from related parties</i>	19	13,596	21,087
<i>Trade receivables due from unrelated parties</i>		1,120,017	661,781
Other receivables	8	1,054,091	838,505
<i>Other receivables due from unrelated parties</i>		1,054,091	838,505
Inventories	9	12,316,488	12,085,195
Prepaid expenses	13	466,759	543,811
Other current assets	12	270,311	284,475
Non-current assets		1,731,828	1,625,485
Trade receivables	7	1,620,789	1,466,854
<i>Trade receivables due from unrelated parties</i>		1,620,789	1,466,854
Other receivables	8	1,211	1,053
Investment property		38,199	38,199
Property, plant and equipment	10	68,726	69,181
Intangible assets		2,903	2,605
Other non-current assets		-	47,593
Total assets		19,627,012	18,702,367

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

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

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

		<i>Not Reviewed</i> 31 March 2017	<i>Audited</i> 31 December 2016
	Notes		
LIABILITIES AND EQUITY			
Current liabilities		8,033,321	7,954,280
Current portion of non-current borrowings	6	259,458	219,490
Trade payables	7	3,332,233	3,824,119
<i>Trade payables due to related parties</i>	19	2,791,542	3,510,865
<i>Trade payables due to unrelated parties</i>		540,691	313,254
Other payables	8	556,049	560,576
Deferred income	13	3,739,899	3,215,821
<i>Deferred income from related parties</i>	19	64,732	64,732
<i>Deferred income from unrelated parties</i>		3,675,167	3,151,089
Current provisions		145,682	134,274
<i>Current provisions for employee benefits</i>		1,476	6,190
<i>Other current provisions</i>	11	144,206	128,084
Non-current liabilities		543,802	17,894
Long term borrowings	6	524,615	-
Trade payables	7	-	71
Other payables		10,549	9,352
Deferred income	13	3,063	2,963
Long term provisions		5,575	5,508
<i>Long term provisions for employee benefits</i>		5,575	5,508
Share holders' equity		11,049,889	10,730,193
Paid-in capital	14	3,800,000	3,800,000
Treasury shares (-)		(262,857)	(262,857)
Share premium		2,378,513	2,378,513
Other comprehensive income / expense not to be reclassified to profit or loss		(897)	(897)
- <i>Gain/(loss) on remeasurement of employee benefits</i>		(897)	(897)
Restricted reserves		423,295	423,295
Retained earnings		4,392,139	2,630,863
Net profit for the year		319,696	1,761,276
Total liabilities and equity		19,627,012	18,702,367

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2017 AND 2016

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

	Notes	Not Reviewed 1 January- 31 March 2017	Not Reviewed 1 January- 31 March 2016
Profit or loss			
Revenue	15	834,092	128,566
Cost of sales (-)	15	(385,151)	(16,902)
Gross profit		448,941	111,664
General administrative expenses (-)	16	(31,455)	(25,961)
Marketing expenses (-)	16	(18,960)	(15,148)
Other income from operating activities	17	108,997	90,655
Other expenses from operating activities (-)	17	(66,794)	(2,551)
Operating profit		440,729	158,659
Income from investing activities		1,361	2,276
Operating profit before financial income / (expense)		442,090	160,935
Financial income	18	13,263	26,037
Financial expenses (-)	18	(135,657)	(10,190)
Profit for the period from continued operations		319,696	176,782
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		319,696	176,416
Earnings per share (in full TL)		0.0009	0.0005

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTH PERIODS ENDED 31 MARCH 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	-	-	-	-	-	952,605	(952,605)	-
Total comprehensive income	-	-	-	-	(366)	-	176,782	176,416
31 March 2016	3,800,000	(262,857)	2,366,895	357,908	(853)	3,063,940	176,782	9,501,815
1 January 2017	3,800,000	(262,857)	2,378,513	423,295	(897)	2,630,863	1,761,276	10,730,193
Transferler	-	-	-	-	-	1,761,276	(1,761,276)	-
Total comprehensive income	-	-	-	-	-	-	319,696	319,696
31 March 2017	3,800,000	(262,857)	2,378,513	423,295	(897)	4,392,139	319,696	11,049,889

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONDENSED STATEMENTS OF CASH FLOWS AT 31 MARCH 2017 AND 2016

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

	Notes	1 January- 31 March 2017	1 January- 31 March 2016
Cash flows from operating activities			
Profit for the period		319,696	176,782
Adjustments to reconcile net profit			
Depreciation and amortization expenses	16	1,633	1,563
Adjustments for impairments		17,237	1,143
<i>Adjustments for impairment loss (reversal of impairment loss) of inventories</i>	9	17,237	1,143
Changes in provisions		21,181	(35,068)
<i>Adjustments for (reversal of) provisions related with employee benefits</i>		(4,506)	521
<i>Adjustments for (reversal of) lawsuit and/or penalty provisions</i>	11	(5,222)	(5,719)
<i>Adjustments for (reversal of) other provisions</i>	11	30,909	(29,870)
Adjustments for interest (income) expenses		37,683	(91,871)
<i>Adjustments for interest income</i>		(97,827)	(101,787)
<i>Adjustments for interest expense</i>	18	135,510	9,916
Changes in net working capital		397,430	52,549
Adjustments for decrease (increase) in trade accounts receivable		(604,680)	291,273
<i>Decrease (increase) in trade accounts receivables from related parties</i>	19	7,491	126,409
<i>Decrease (Increase) in trade accounts receivables from unrelated parties</i>	7	(612,171)	164,864
Adjustments for decrease (increase) in inventories		(248,530)	(247,765)
Adjustments for increase (decrease) in trade accounts payable		(602,585)	(100,992)
<i>Increase (decrease) in trade accounts payables to related parties</i>		(829,951)	(9,631)
<i>Increase (decrease) in trade accounts payables to unrelated parties</i>	7	227,366	(91,361)
Adjustments for increase (decrease) in other operating receivables		(25,502)	(9,613)
Adjustments for increase (decrease) in other operating payables		541,379	188,696
Other adjustments for other increase (decrease) in working capital		(372,285)	(52,031)
Net cash flow from operating activities			
Interest received		30,991	33,330
Payments related with provisions for employee benefits		(141)	(11)
Income taxes paid		(29,904)	(17,215)
Cash flows from operating activities		(913,827)	138,221
Purchases of tangible and intangible assets		(1,476)	(9,059)
Interest received		1,361	3,682
Purchases of financial assets		(4,831)	(101,358)
Returns of financial assets		103,774	100,900
Cash flow from investing activities			
Proceeds from borrowings		621,006	-
<i>Proceeds from Loans</i>		621,006	-
Repayments of borrowings, classified as financing activities		(55,000)	(55,000)
<i>Loan repayments</i>		(55,000)	(55,000)
Interest paid		(25,232)	(12,053)
Interest received		13,261	-
Other inflows (outflows) of cash		(190)	605
Cash flow from financing activities		553,845	(66,448)
Increase (decrease) in cash and cash equivalents before effect of exchange rate before effect of exchange rate changes			
		(261,154)	65,938
Effect of exchange rate changes on cash and cash equivalents		-	-
Net Increase (decrease) in cash and cash equivalents		(261,154)	65,938
Cash and cash equivalents at the beginning of the period	4	956,205	759,493
Cash and cash equivalents at the end of the period	4	695,051	825,431

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 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 Sümül Sok. No: 7/2 B (Batı Ataşehir) Ataşehir - İstanbul

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

The financial statements at 31 March 2017 have been approved by the Board of Directors on 28 April 2017. The General Assembly of the Company has the power to amend these financial statements.

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 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 31 March 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 CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 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 31 March 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.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

c) New and revised TAS in issue but not yet effective (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 unless before 1 February 2015.

TFRS 15 *Revenue from Contracts with Customers*

TFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

- Identify the contract with the customer,
- Identify the performance obligations in the contract,
- Determine the transaction price,
- Allocate the transaction price to the performance obligations in the contracts,
- 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.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017

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

NOTE 4 – CASH AND CASH EQUIVALENTS

	31 March 2017	31 December 2016
Cash on hand	-	2
Banks	2,612,070	2,501,231
- Demand deposit	430,659	133,748
- Time deposits up to 3 months maturity	2,181,411	2,367,483
	2,612,070	2,501,233

Maturities of cash and cash equivalents are as follows:

	31 March 2017	31 December 2016
Demand	430,659	133,748
Up to 3 month	2,181,411	2,367,483
Less: Blocked deposits with maturities less than 3 months	(88,405)	(88,194)
	2,523,665	2,413,037

Average effective interest rates of time deposits are as follows:

	31 March 2017	31 December 2016
	(%)	(%)
	6.78%	7.94%

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

	31 March 2017	31 December 2016
Cash and cash equivalents	2,612,070	2,501,233
Less: Interest accruals	(7,642)	(8,074)
Less: LSRSA project deposits (*)	(572,364)	(368,484)
Less: TOKİ deposits (**)	(1,279,543)	(1,111,138)
Less: Blocked deposits	(57,470)	(57,332)
	695,051	956,205

(*) 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 572,364 (31 December 2016: TL 368,484) part of the total project amount deposits TL 30,935 (31 December 2016: TL 30,862) consists of blocked deposits.

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017

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

NOTE 5 - FINANCIAL INVESTMENTS

	31 March 2017	31 December 2016
Financial investments		
Bond	29,585	128,278
Special issue government bonds (*)	12,267	12,517
	41,852	140,795

(*) 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.

The Company acquired bonds amounting to 29,585 TL as of 31 March 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 31 March 2017 is 10.66 % (31 December 2016: 8.95%). As of 31 December 2016, average term of the treasure bills changes between three and six months (31 December 2016: changes between four and six months).

NOTE 6 - FINANCIAL LIABILITIES

	31 March 2017	31 December 2016
Short-term financial liabilities		
Short-term portion of long-term borrowings	259,458	219,490
	259,458	219,490
Long-term financial liabilities	31 March 2017	31 December 2016
Long-term borrowings	524,615	-
	524,615	-

According to the agreement signed with the Turkish Treasury in 25 July 2008, the Company has TL 159,000 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 Company has borrowed loan from Vakıfbank for financing payments to TOKİ on 9 January 2017. The related loan has fixed rate and has a maturity of 31 December 2020.

The interest rate of the borrowing at 31 March 2017 is 10.89% (31 December 2016: 9.32%).

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017

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

NOTE 6 - FINANCIAL LIABILITIES (Continued)

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

	31 March 2017	31 December 2016
2018	143,077	-
2019	190,769	-
2020	190,769	-
	524,615	-

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

	31 March 2017	31 December 2016
Less than 3 months	60,073	115,490
Between 3 - 12 months	199,385	104,000
Between 1 - 5 years	524,615	-
	784,073	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

	31 March 2017	31 December 2016
Short-term trade receivables		
Receivables from sale of residential and commercial units	575,627	418,768
Receivables from LSRSA contractors invoiced	538,543	237,016
Receivables from related parties (Note 19)	13,596	21,087
Receivables from land sales	6,615	6,514
Rent receivables	1,618	1,449
Other	1,017	978
Unearned finance income	(3,403)	(2,944)
	1,133,613	682,868
Doubtful receivables	1,852	1,866
Less: Provision for doubtful receivables	(1,852)	(1,866)
	1,133,613	682,868

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017

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

NOTE 7 - TRADE RECEIVABLES AND PAYABLES (Continued)

	31 March 2017	31 December 2016
Long-term trade receivables		
Receivables from sale of residential and commercial units	1,732,403	1,539,837
Unearned finance income	(111,614)	(72,983)
	1,620,789	1,466,854
	31 March 2017	31 December 2016
Short-term trade payables		
Payables to related parties (Note 19)	2,791,542	3,510,865
Payables to LSRSA contractors invoiced	503,815	279,154
Time deposit interest accruals from LSRSA contractors invoiced (*)	13,106	17,169
Trade payables	23,770	16,931
	3,332,233	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).

	31 March 2017	31 December 2016
Long-term trade payables		
Payables to land owners	-	71
	-	71

NOTE 8 - OTHER RECEIVABLES AND PAYABLES

	31 March 2017	31 December 2016
Short-term other receivables		
Housing Acquisition Support (“HAS”) related receivables from Turkish Treasury	390,774	390,780
Receivables from contractors	657,257	441,771
Receivables from the authorities	5,931	5,826
Other	129	128
	1,054,091	838,505
	31 March 2017	31 December 2016
Long-term other receivables		
Deposits and guarantees given	1,211	1,053
	1,211	1,053

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017**

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

NOTE 8 - OTHER RECEIVABLES AND PAYABLES (Continued)

	31 March 2017	31 December 2016
Short term other payables		
Payable to HAS beneficiaries	403,257	403,447
Payable to contractors (*)	88,752	88,752
Taxes and funds payable	21,608	14,447
Other	42,432	53,930
	556,049	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 31 March 2017 and 2016 are shown below:

	1 January 2017	Additions within the period	Disposals	31 March 2017
Treasury support share				
Receivable from Treasury	390,780	2	(8)	390,774
Special purpose government Bond (Note 5)	12,517	-	(250)	12,267
Cash generated from government bond redemption	150	258	(192)	216
Total consideration received or receivable from Treasury	403,447			403,257
Payable to HAS beneficiaries	(403,447)			(403,257)

	1 January 2016	Additions within the period	Disposals	31 March 2016
Treasury support share				
Receivable from Treasury	390,750	-	-	390,750
Special purpose government Bond	13,267	-	(250)	13,017
Cash generated from government bond redemption	62	250	(188)	124
Total consideration received or receivable from Treasury	404,079			403,891
Payable to HAS beneficiaries	(404,079)			(403,891)

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017

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

NOTE 9 -INVENTORIES

	31 March 2017	31 December 2016
Land	4,331,717	4,293,728
<i>Cost</i>	4,339,180	4,305,099
<i>Impairment</i>	(7,463)	(11,370)
Planned land by LSRSA	5,741,962	5,664,474
Planned land by turnkey project	1,519,069	1,841,251
Residential and commercial units ready for sale	723,740	285,741
<i>Cost</i>	752,322	293,179
<i>Impairment</i>	(28,582)	(7,438)
	12,316,488	12,085,195

As of 31 March 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	26,717	1,718
Reversal of impairment	(9,480)	(575)
Balance at 31 December	36,045	12,517

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 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 31 March 2017 and 31 December 2016:

Lands	31 March 2017	31 December 2016
İstanbul Küçükçekmece Lands	1,822,839	1,822,839
İstanbul Şişli Lands	455,122	455,122
İstanbul Zeytinburnu Lands	400,045	400,045
İstanbul Arnavutköy Lands	317,309	317,309
İstanbul Başakşehir Lands	299,694	299,141
Ankara Yeni Mahalle Lands	272,783	272,783
İstanbul Tuzla Lands	225,933	225,933
Yalova Lands	178,340	178,340
İstanbul Kartal Lands	132,283	132,283
İstanbul Ataşehir Lands	41,979	41,979
İstanbul Esenyurt Lands	36,181	36,181
İstanbul İstinye Lands	28,829	-
Bursa Osmangazi Lands	27,336	27,336
İzmir Urla Lands	19,647	10,166
Ankara Çankaya Lands	15,358	15,358
İstanbul Şile Lands	10,427	10,213
Tekirdağ Kapaklı Lands	8,248	8,248
Tekirdağ Çorlu Lands	6,153	6,153
Kocaeli Tütüncüiftliği Lands	4,019	3,417
Maltepe Kucukyali Lands	2,753	2,753
Kocaeli Gebze Lands	1,308	2,999
İstanbul Zekeriyaköy Lands	677	677
Other	24,454	24,453
	4,331,717	4,293,728

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017

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

NOTE 9 - INVENTORIES (Continued)

Planned lands by LSRSA	31 March 2017	31 December 2016
Sarıyer İstinye Project	993,436	1,006,171
Nidapark Kucukyali Project	677,675	677,675
Kazlıçeşme Project	656,808	656,808
Ankara Yenimahalle İstasyon Project	637,329	634,574
Metropol İstanbul Project	353,970	182,046
Köy Project	225,241	225,241
İstmarina Project	183,060	186,635
Hoşdere 3. Etap Projesi	161,563	159,150
Maslak 1453 Project	144,184	230,386
Fatih Yedikule Projesi	120,421	121,491
Park Maveria Project	117,496	116,866
Kayabaşı 6. Etap Project	116,178	113,982
Avangart İstanbul Project	115,707	118,273
Kayabaşı 5. Etap Project	115,135	117,552
Validebağ Konakları Project	108,119	108,107
Hoşdere 4. Etap Project	106,316	104,977
Tual Adalar Project	107,554	106,405
Temaşehir Konya Project	89,368	86,704
Göl Panorama Project	79,925	79,722
Evora Denizli Project	76,466	76,268
Kocaeli Derince Project	70,360	70,001
Karat 30 Project	68,652	68,063
Isparta Kule 5.Etap Project	57,817	58,105
Hoşdere 2. Etap Project	47,629	47,628
Koordinat Çayyolu Project	36,117	37,299
Yenikoy İstanbul Project	30,704	30,130
Ataşehir Finans Merkezi Project	18,302	17,587
Other	226,430	226,628
	5,741,962	5,664,474

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017

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

NOTE 9 - INVENTORIES (Continued)

Planned lands by turnkey project	31 March 2017	31 December 2016
Başkent Emlak Konutları	348,815	336,250
Ayazma Emlak Konutları Project	268,044	224,918
Ispartakule 1. Etap 1. Kısım Project	179,033	156,515
Ispartakule 1. Etap 2. Kısım Project	149,909	130,396
Kayabaşı Recreation Project	143,676	143,298
Nevşehir Emlak Konutları Project	106,590	97,816
Körfezkent 4. Etap Project	79,830	73,926
Gebze Project	83,135	68,682
Emlak Konut Başakşehir Evleri 2. Kısım Project	73,747	66,922
Başakşehir Ayazma 2. Etap Project	57,544	44,112
Nigde Project	26,977	24,419
İstanbul Esenler Kentsel Dönüşüm Project	681	472,911
Kocaeli Gebze Kirazpınar Kentsel Dönüşüm Project	662	662
Bursa Kentsel Dönüşüm Project	426	424
	1,519,069	1,841,251

Completed units	31 March 2017	31 December 2016
Sarphan Finanspark Project	256,678	28,440
Esenler Emlak Konutları	255,437	-
Batışehir Project	90,511	136,932
Unikonut Project	34,113	31,572
Nidakule Ataşehir Project	25,028	26,210
Hoşdere Emlak Konutları	24,671	28,330
Dumankaya Miks Project	19,641	16,911
Başakşehir Emlak Konutları	4,975	5,287
Bulvar İstanbul Evleri	3,138	3,138
Kayabaşı Emlak Konutları	2,350	1,654
Spradon Vadi Evleri	1,998	2,195
Park Yaşam Mavişehir Evleri	1,486	1,486
Kocaeli Körfez Kent Emlak Konutları	1,238	1,238
Evora 2. Etap Project	303	303
Burgazkent Çarşı Project	127	-
Other	2,045	2,045
	723,739	285,741

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017

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

NOTE 10 – PROPERTY, PLANT AND EQUIPMENT

31 March 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	94	-	789	-	883
Depreciation expense(-)	(529)	(99)	(710)	-	(1,338)
Net book value 31 March 2017	58,892	1,127	8,678	29	68,726
Cost	61,345	2,436	16,812	29	80,622
Accumulated depreciation (-)	(2,453)	(1,309)	(8,134)	-	(11,896)
Net book value 31 March 2017	58,892	1,127	8,678	29	68,726

31 March 2016	Buildings	Motor vehicles	Furniture, equipment and fix assets	Construction in progress	Total
Net book value as of 1 January 2016	9,584	739	4,650	63,750	78,723
Additions	5,175	687	2,661	-	8,523
Disposal, (net) (-)	-	-	(44)	-	(44)
Transfers from constructions in progress, (net)	63,750	-	-	(63,750)	-
Depreciation expense(-)	(397)	(80)	(478)	-	(955)
Impairment (-)	575	-	-	-	575
Net book value 31 March 2016	78,687	1,346	6,789	-	86,822
Cost	79,348	2,239	11,971	-	93,558
Accumulated depreciation (-)	(661)	(893)	(5,182)	-	(6,736)
Net book value 31 March 2016	78,687	1,346	6,789	-	86,822

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017

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

NOTE 11 – OTHER SHORT TERM PROVISIONS

	31 March 2017	31 December 2016
Provisions		
Provision for lawsuits	58,451	73,238
Provision for cost accruals	85,755	54,846
	144,206	128,084

The movements of provision for lawsuits as of 31 March 2017 and 2016 are as follows:

	2017	2016
Balance at 1 January	73,238	78,088
Provision released within the current period	(5,222)	(5,719)
Provision used in the period	(9,565)	-
Balance at 31 March	58,451	72,369

NOTE 12 - OTHER ASSETS AND LIABILITIES

	31 March 2017	31 December 2016
Other current assets		
Progress payments given to contractors	139,286	118,700
Accrued income	91,604	122,946
Receivables from tax office	39,312	34,066
Deferred VAT	-	8,500
Other	109	263
	270,311	284,475

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017

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

NOTE 13 - DEFERRED INCOME AND PREPAID EXPENSES

	31 March 2017	31 December 2016
Short-term deferred income		
Deferred income from LSRSA projects (*)	2,154,989	1,727,759
Advances taken from turnkey project sales	380,511	371,128
Advances taken from LSRSA contractors (**)	905,329	976,954
Deferred income from sales of completed units	234,338	75,248.00
Advances taken from related parties (Note 19)	64,732	64,732
	3,739,899	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

	31 March 2017	31 December 2016
Long-term deferred income		
Other advances taken	3,063	2,963
	3,063	2,963

	31 March 2017	31 December 2016
Prepaid expenses		
Advances given for inventory (*)	466,296	542,674
Prepaid expenses	463	1,137
	466,759	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 377,328.

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 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 2015: 380,000,000,000) authorized number of shares with a nominal value of TL 0,01 each.

The Company's shareholders and their shareholding percentages as of 31 March 2017 and 31 December 2016 is as follows:

Shareholders	31 March 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 CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017

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

NOTE 15 - REVENUE AND COST OF SALES

	1 January- 31 March 2017	1 January- 31 March 2016
Sales income		
Land sales	412,505	112,883
<i>Income from sale of land and plots by way of LSRSA</i>	412,505	68,646
<i>Land sales income</i>	-	44,237
Residential and commercial units sales	421,060	15,991
Rent Income	538	142
	834,103	129,016
Sales returns	(11)	(14)
Sales discounts	-	(436)
Net sales income	834,092	128,566
Cost of sales		
Cost of land sales	(64,767)	(9,891)
<i>Cost of land and plots sold by way of LSRSA</i>	(64,767)	(2,314)
<i>Cost of land sales</i>	-	(7,577)
Cost of residential and commercial units sales	(320,384)	(7,011)
	(385,151)	(16,902)
Gross profit	448,941	111,664

NOTE 16 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES

	1 January- 31 March 2017	1 January- 31 March 2016
General administrative expenses		
Personnel expenses	(11,659)	(11,711)
Taxes, duties and fees	(6,886)	(2,025)
Consultancy expenses	(3,112)	(5,923)
Subcontracting service expenses	(2,824)	(1,399)
Depreciation and amortisation	(1,633)	(1,563)
Travel expenses	(1,484)	(780)
Maintenance	(816)	(78)
Due and contribution expenses	(817)	(607)
Lawsuit and notary expenses	(328)	(151)
Communication	(125)	(154)
Insurance expenses	(31)	(41)
Donations	(30)	-
Other	(1,710)	(1,529)
	(31,455)	(25,961)

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017

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

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

	1 January- 31 March 2017	1 January- 31 March 2016
Marketing, sales and distribution expenses		
Advertising expenses	(17,441)	(13,689)
Personnel expenses	(1,205)	(872)
Other	(314)	(587)
	(18,960)	(15,148)

NOTE 17 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

	1 January- 31 March 2017	1 January- 31 March 2016
Other income from operating activities		
Finance income from credit sales	63,908	53,895
Delay penalty interest from project contractors	19,297	12,886
Impairment provision reversals (Note 9)	9,480	575
Recirculate commission income	4,074	2,706
Released lawsuit provisions (Note 11)	5,222	5,719
Not realized finance income	-	6,695
Other	7,016	8,179
	108,997	90,655

	1 January- 31 March 2017	1 January- 31 March 2016
Other expenses from operating activities		
Reversal of due date differences	(39,091)	(122)
Impairment provision expenses (Note 9)	(26,717)	(1,718)
Other	(986)	(711)
	(66,794)	(2,551)

NOTE 18 - FINANCIAL INCOME / EXPENSES

	1 January- 31 March 2017	1 January- 31 March 2016
Financial income		
Interest income from time deposits	13,261	26,034
Foreign exchange income	2	3
	13,263	26,037

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017

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

NOTE 18 - FINANCIAL INCOME / EXPENSES (Continued)

	1 January- 31 March 2017	1 January- 31 March 2016
Financial expenses		
Interest expense on payable to TOKI (**)	(110,628)	-
Loan interest expense	(18,251)	-
Interest expense on Turkish Treasury borrowings (*)	(5,558)	(9,916)
Interest discount on pay off debt	(1,073)	-
Foreign exchange loss	(147)	(67)
Commission expenses	-	(207)
	(135,657)	(10,190)

(*) Interest expense of borrowing for HAS beneficiaries payments from Turkish Treasury amounting to TL 159,000 calculated in accordance with Domestic Government Debt Securities issuance compound interest rate announced at the time of payment periods.

(**) This amount consists of the interest expense accrued as of 31 March 2017 for the debts arising from payments of land received from the Toplu Konut İdaresi

NOTE 19 - RELATED PARTY DISCLOSURES

The main shareholder of the Company is T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı (“TOKİ”). TOKİ is a state institution under control of Republic of Turkey Prime Ministry. Related parties of the Company are as listed below:

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

According to the revised TAS 24 – “Related Parties Transactions Standard”, exemptions have been brought to the disclosure requirements of balances. The Company has transactions with state banks (T.C.Ziraat Bankası A.Ş., Türkiye Vakıflar Bankası T.A.O., Türkiye Halk Bankası A.Ş.) and Turkish Treasury.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 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 2,287,814 as of 31 March 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 34,859 in as of 31 March 2017 (31 March 2016: TL 26,034). Average effective interest rates of time deposits of the Company as of 31 March 2017 are explained in Note 4.

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

	31 March 2017	31 December 2016
Trade receivables from related parties		
Emlak Planl. İnş. Prj. Yön. A.Ş. - Ege Yapı Ltd. Şti.	6,686	14,178
Emlak Planl. İnş. Prj. Yön. A.Ş. - Fideltus İnş-Öztaş İnş O.G.	5,567	5,567
Emlak Planl. İnş. Prj. Yön. A.Ş. - Cathay Ortak Girişimi	1,343	1,342
	13,596	21,087

	31 March 2017	31 December 2016
Trade payables to related parties		
T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı (“TOKİ”) (*)	2,790,220	3,509,541
Ege Yapı Ltd. Şti.-Emlak Pazarlama O.G.	1,322	1,324.00
	2,791,542	3,510,865

(*) The Company has purchased various lands from its ultimate parent company (TOKİ) in 2016 and 2015. The remaining payable from this purchases to TOKİ is amounting to TL 2,280,088 (31 December 2016: TL 3,080,088) and accrued interest is TL 510,148 (31 December 2016: TL 429,453)

	31 March 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- 31 March 2017	1 January- 31 March 2016
Purchases from related parties		
T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı (“TOKİ”)	-	1,293,514
Emlak Planlama İnş. Prj. Yön. A.Ş. - Emlak Basın Yayın A.Ş.	225	786
	225	1,294,300

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017

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

NOTE 19 - RELATED PARTY DISCLOSURES (Continued)

Finance expense from related parties	31 March 2017	31 March 2016
T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı (“TOKİ”)	110,628	-
	110,628	-

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

Sales to related parties	1 January- 31 March 2017	1 January- 31 March 2016
T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı (“TOKİ”)	-	306,851
Emlak Planlama İnş. Prj. Yön. A.Ş. - Ege Yapı Ltd. Şti.	2	-
	2	306,851

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

Remuneration of key management	1 January- 31 March 2017	1 January- 31 March 2016
Salaries and other short-term employee benefits	1,533	2,027
	1,533	2,027

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 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 court has given trial day on 20 September 2017.

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

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

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

The court has been decided to examine the file for the evaluation of the request that receiving report from the new expert committee and to adjournment of hearing on 5 March 2015.

The court rejected the case on 5 March 2015. The claimant has filed an appeal. The result of appeal is being waited.

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

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017

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

NOTE 20 - CONTINGENT ASSETS AND LIABILITIES (Continued)

- 3- Albayrak Turizm Sey. İnş. Tic. A.Ş. filed a lawsuit against the Company claiming that the agreement of The LSRSA project regarding İzmir Mavişehir Upper North Area 3. Phase should be revised considering the changing conditions. The court rejected the case. The result of appeal is being waited. According to comments received from the Company’s lawyer, it is not expected to arise any liability that put the Company under obligation as a result of related case.
- 4- Contractor of İzmir Mavişehir Upper North Area 2. Phase LSRSA Project, Bozoğlu İnş. San. Tic. Ltd. Şti, was filed a lawsuit for assignment that the claimant has given. The case is proceeding and According to comments received from the Company’s lawyer, it is not expected to arise any liability that put the Company under obligation as a result of related case.
- 5- Contractor of İzmir Mavişehir Upper North Area 2. Phase LSRSA Project filed a lawsuit against the Company regarding term inaction of the contract. The Company filed a lawsuit as well for collecting amount of TL 100,000 without prejudice to further claims. The case is proceeding and According to comments received from the Company’s lawyer, it is not expected to arise any liability that put the Company under obligation as a result of related case.
6. Mortgage and guarantees received are;

	31 March 2017	31 December 2016
Guarantees received (*)	2,973,650	3,027,085
Mortgages received (**)	45,878	45,878
	3,019,528	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.

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

	31 March 2017	31 December 2016
A. CPM given on behalf of the Company's legal personality	55,958	58,040
B. CPM given on behalf of fully consolidated subsidiaries	-	-
C. CPM given for continuation of its economic activities on behalf of third parties	-	-
D. Total amount of other CPM	-	-
i) Total amount of CPM given on behalf of majority shareholder	-	-
ii) Total amount of CPM given on behalf of other companies which are not in scope of B and C	-	-
iii) Total amount of CPM given on behalf of third parties which are not in scope of C	-	-
	55,958	58,040

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017

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NOTE 21 - EVENTS AFTER THE REPORTING PERIOD

The Company has started a campaign for buyers who purchase office units and pay installment. The related campaign is valid for 1 April-9 June 2017. According to the campaign, %20 discount will be applied if %100 current debt is paid, %15 discount will be applied if %75 current debt is paid, %10 discount will be applied if %50 current debt is paid and %5 discount will be applied if %25 current debt is paid.

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**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 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 Main Account Items	Related Regulation	Current Period 31 March 2017 (TL)	Prior Period 31 December 2016 (TL)
A	Money and Capital Market Instruments	Series:III-No:48, Art,24/(b)	802,014	2,405,012
B	Properties, Projects based on Properties and Rights based on Properties	Series:III-No:48, Art,24/(a)	12,435,777	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		6,389,221	4,092,436
D	Total Assets	Series:III-No:48, Art,3/(k)	19,627,012	18,702,367
E	Financial Liabilities	Series:III-No:48, Art,31	784,073	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	11,049,889	10,730,193
	Other Resources		7,793,050	7,752,613
D	Total Resources	Series:III-No:48, Art,3/(k)	19,627,012	18,702,367
	Non-Consolidated (Individual) Financial Statements Other Account Items	Related Regulation	Current Period 31 March 2017 (TL)	Prior Period 31 December 2016 (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)	802,014	956,203
A2	Term/ Demand/ Currency	Series:III-No:48, Art,24/(b)	695,050	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)	441,359	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	55,958	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 CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 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	31 March 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)	67	70	>50%
3	Money and Capital Market Instruments and Affiliates	Series:III-No:48, Art,24/(b)	0	8	<50%
4	Foreign Properties, Projects based on Properties, Rights based on Properties, Affiliates, Capital Market Instruments	Series:III-No:48, Art,24/(d)	-	-	<49%
5	Idle Lands	Series:III-No:48, Art,24/(c)	2	2	<20%
6	Affiliates to the Operating Company	Series:III-No:48, Art,28	-	-	<10%
7	Borrowing Limit	Series:III-No:48, Art,31	8	3	<500%
8	TL and Foreign Currency Time and Demand Deposits	Series:III-No:48, Art,22/(e)	-	-	<10%

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

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ANNEX-2
EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. SUMMARY TABLE OF TENDERED LAND PLOTS*
(31.03.2017)

Revenue Sharing Model Projects in Return For The Land Sale	SQM	Date of Purchase	Book Value (TL)	Current Emlak Konut's Share in Total Revenue (TL)	Explanation
SARPHAN FINANCE PARK PROJECT - İSTANBUL İMRANİYE 1ST STAGE (EMLAK PAZARLAMA - YENİSARP İNŞAAT ADI ORTAKLIĞI)	20.714,48	31.05.2000	4.916.352,34	102.503.434,62	Construction permit obtained.
METROPOL İSTANBUL PROJECT - İSTANBUL ATAŞEHİR EAST REGION 2ND STAGE (ARYAP VARILBASAR - GAP İNŞAAT JOINT VENTURE)	99.108,08	31.05.2000	182.045.996,07	445.208.699,00	Construction permit obtained.
AĞAĞLU MASLAK 1453 İSTANBUL PROJECT - İSTANBUL ŞİŞLİ AYAZGA 1ST STAGE (AKDENİZ İNŞAAT)	190.678,64	30.09.2010	142.979.964,57	220.880.558,46	Construction permit obtained.
KÖY PROJECT - İSTANBUL SARIYER ZEKERİYAKÖY (SİYAH KALEM MÜH)	343.062,46	2.03.2011	228.312.137,88	475.687.500,00	The agreement of the project was signed on 19.07.2012, the construction permits for the parcels 1791/2, 1789/4, 1790/3, 1790/2, 1790/4 were obtained on 25.07.2014, 31.12.2014, 24.06.2013, 06.07.2015, 06.07.2015 respectively.
İSTMARİNA PROJECT - İSTANBUL KARTAL (ELTES İNŞAAT)	53.687,97	22.04.2012	186.694.277,39	672.380.800,00	The agreement of the project was signed on 04.02.2013, the construction permits for the parcels 9051/1, 9048/2, 9049/1, 9050/1 were obtained on 14.03.2014, 10.06.2015, 18.05.2015, 27.05.2015 respectively.
BULVAR İSTANBUL PROJECT - İSTANBUL BAŞAKŞEHİR AYAZMA 3RD STAGE (ÖZİLKE - ÖZKAR JOINT VENTURE)	50.209,32	1.12.2010	14.135.599,79	40.330.413,20	The agreement of the project was signed on 02.04.2014, the construction permit was obtained on 31.05.2013, modification permit was obtained on 28.08.2013, occupancy permit was obtained on 31.12.2015
GÖL PANAROMA EVLERİ PROJECT - İSTANBUL AVCILAR KAPADIK (BE-MA İNŞAAT)	85.251,43	30.07.2012	79.958.311,60	148.400.000,00	The agreement of the project was signed on 05.07.2013, the construction permit was obtained on 25.04.2014.
FATH YEDİKULE PROJECT - İSTANBUL FATH YEDİKULE (EGE YAPI - MYMETROPOL-SENA-BUKTOR JOINT VENTURE)	40.945,86	30.07.2012	67.482.343,93	105.968.270,00	The agreement of the project was signed on 02.08.2013, the construction permit have not been obtained yet.
BAIÇEKENT FLORA PROJECT - İSTANBUL HOŞDERE 2ND STAGE (İZKA İNŞAAT & DAĞ MİHENDİSLİK & SİTAR İNŞAAT JOINT VENTURE)	119.756,54	14.06.2011	55.766.808,58	118.877.096,40	The agreement of the project was signed on 23.11.2013, the construction permits for the parcels 656/2, 657/2 were obtained on 23.05.2014. The construction permits for the parcels 656/1, 657/1 were obtained on 31.12.2014.
EVVEL İSTANBUL PROJECT - İSTANBUL BAŞAKŞEHİR KAYABAŞI 3RD STAGE (NTAY & EYGA İNTEZ JOINT VENTURE)	75.197,88	3.12.2012	89.891.251,08	188.760.000,00	The agreement of the project was signed on 17.12.2013, the construction permits for the parcels 884/1, 891/1, 892/1 were obtained on 04.11.2014, 31.08.2015, 31.08.2015 respectively.
ZEYTİNBURNU KAZIÇEŞME PROJECT - İSTANBUL ZEYTİNBURNU KAZIÇEŞME (ÖZAK-YENİGÜN-ZİVALAN JOINT VENTURE)	111.262,55	24.04.2013	658.589.888,63	1.568.800.000,00	The agreement of the project was signed on 08.04.2014, the construction permit was obtained on 25.01.2016 and 18.03.2016.
PARK MAVERA PROJECT - İSTANBUL BAŞAKŞEHİR KAYABAŞI 4TH STAGE (MAKRO - AK YAPI JOINT VENTURE)	98.476,77	3.12.2012	116.872.994,69	420.000.000,00	The agreement of the project was signed on 25.04.2014, the construction permits for the parcels 889/1, 883/1 were obtained on 08.10.2014, 02.09.2015 respectively.
AVRUPARK PROJECT - İSTANBUL BAŞAKŞEHİR HOŞDERE 3RD STAGE (ÇHAN İNŞ. - KONUT YAPI JOINT VENTURE)	78.639,77	14.06.2011	73.200.410,13	156.520.000,00	The agreement of the project was signed on 20.05.2014, the construction permit was obtained on 16.03.2015.
KOCAELİ DERİNCE PROJECT - (KUMUŞOĞLU İNŞAAT - TOKAL İNŞAAT JOINT VENTURE)	72.313,00	3.04.2014	70.359.515,10	83.198.500,00	The agreement of the project was signed on 21.08.2014, the construction permit have not been obtained yet.
SOFALOCA PROJECT - ANKARA ETİMESGÜZ PROJECT (BASUYAPI İNŞAAT - SOLARYAPI JOINT VENTURE)	18.228,00	3.04.2014	38.152.091,43	54.000.000,00	The agreement of the project was signed on 18.08.2014, the construction permit was obtained on 11.12.2014.
KARTAL YAKACIK PROJECT - (DAĞ MİHENDİSLİK)	25.462,91	28.05.2014	93.496.991,37	123.900.000,00	The agreement of the project was signed on 08.12.2014, the construction permit for the parcel 1262/1 was obtained on 21.01.2016
İSTANBUL BAİÇELİEVLER YENİBOSNA PROJECT - (DOĞA ŞEHİRCİLİK - BASUYAPI JOINT VENTURE)	36.174,56	28.05.2014	68.824.942,89	171.600.000,00	The agreement of the project was signed on 09.01.2015, the construction permit was obtained on 25.01.2016.
İSTANBUL BAŞAKŞEHİR KAYABAŞI 6TH STAGE PROJECT - (ARTAŞ İNŞAAT SANAYİ VE TİC.A.Ş.)	72.706,72	3.04.2014	117.643.863,25	350.400.000,00	The agreement of the project was signed on 25.05.2015, the construction permit was obtained on 19.01.2016.
İSTANBUL BAŞAKŞEHİR HOŞDERE 4TH STAGE PROJECT - (DAĞ MİMARLIK - DAĞ MİHENDİSLİK JOINT VENTURE)	152.621,06	14.06.2011 - 30.07.2012	106.977.313,43	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 SARIYER İSTİNYE PROJECT - (TAHİNCİOĞLU GAYRİMENKUL - TAHİNCİOĞLU YAPI-NIDA JOINT VENTURE)	129.487,27	28.05.2014	993.432.511,26	1.876.392.000,00	The agreement of the project was signed on 03.06.2015, the construction permit have not been obtained yet.
KONYA MERAM YENİCE PROJECT - (TORKAM İNŞAAT - BUKTOR YAPISAN JOINT VENTURE)	60.675,48	5.03.2015	89.706.653,62	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 37594/5 and 37595/5.
ANKARA YENİMAHALLE İSTASYON - (PAŞİFİK GAYRİMENKUL - ÇİFT AŞ İNŞAAT JOINT VENTURE)	124.475,80	3.04.2014	634.550.206,25	1.258.365.000,00	The agreement of the project was signed on 09.07.2015, the construction permit have not been obtained yet.
İSTANBUL KAĞITHANE SEYRANTEPE PROJECT - (GÜL İNŞAAT PROJİ A.Ş. - GÜL İNŞAAT A.Ş. JOINT VENTURE)	36.749,99	5.03.2015	120.530.716,57	637.000.000,00	The agreement of the project was signed on 14.07.2015, the construction permit have not been obtained yet.
KAYABAŞI 5TH STAGE - (TAHİNCİOĞLU - NIDA İNŞAAT JOINT VENTURE)	77.327,02	3.04.2014	121.259.640,16	407.588.000,00	The agreement of the project was signed on 20.07.2015, the construction permit was obtained on 04.02.2016.
DENİZLİ MERKEZEFENDİ - (TEKNİK YAPI KONUT - TEKNİK YAPI TEKNİK YAPILAR - UCD YAPI JOINT VENTURE)	95.294,22	5.03.2015	76.593.340,38	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 ÇAYYOLU PROJECT - (YAP İNŞAAT A.Ş.)	30.669,27	3.04.2014	98.163.014,44	180.000.000,00	The agreement of the project was signed on 08.10.2015, the construction permit was obtained on 15.06.2016 for the parcel 29479/1.
İSTANBUL ÜSKÜDAR BARBAROS PROJECT - (ELTES İNŞAAT - İSTİYE YAPI JOINT VENTURE)	17.528,55	5.03.2015	111.920.937,90	439.857.300,00	The agreement of the project was signed on 23.10.2015, the construction permit was obtained on 05.02.2016.
AVCILAR İSPARTAKULE 5TH STAGE PROJECT - (TORKAM İNŞAAT)	41.168,49	1.06.2007	58.105.429,44	132.000.000,00	The agreement of the project was signed on 09.06.2016, the construction permit have not been obtained yet.
İSTANBUL EYÜP ALİBEYKÖY - (YENİ YAPI TACA İNŞAAT)	27.368,93	5.03.2015	30.703.940,94	168.150.000,00	The agreement of the project was signed on 15.05.2016, the construction permit have not been obtained yet.
İSTANBUL ESENYURT HOŞDERE 5TH STAGE - (ÇHAN İNŞAAT KONUT YAPI)	42.019,75	14.06.2011 - 30.07.2012	47.628.099,82	156.500.000,00	The agreement of the project was signed on 17.06.2016, the construction permit have not been obtained yet.
BAKIRKÖY YENİMAHALLE - (BASUYAPI İNŞ. - GÜNEY GAYRİMENKUL - ELİT VİZYON JOINT VENTURE)	5.250,00	5.03.2015	30.665.241,98	62.000.000,00	The agreement of the project was signed on 15.04.2016, the construction permit have not been obtained yet.
SURUYAPİ HATAY AKPINAR JOINT VENTURE ESENYURT HOŞDERE 6TH STAGE	53.823,56	14.06.2011	44.652.420,94	150.500.000,00	The agreement of the project was signed on 04.08.2016, the construction permit have not been obtained yet and project study is proceeding.
MALTEPE KÜÇÜKYALI TAHCİOĞLU JOINT VENTURE	78.097,81	28.05.2014	700.087.335,79	1.527.000.300,00	The agreement of the project was signed on 02.09.2016, the construction permit of 16771/1, 16772/1, 16773/2 was obtained on 29.12.2016.
AKYAPI İNŞAAT AVCILAR İSPARTAKULE 6TH STAGE	38.529,21	3.04.2015	47.979.230,35	85.600.000,00	The agreement of the project was signed on 01.09.2016, and project study is proceeding.
Supervision Projects	SQM	Date of Purchase	Book Value	Current Emlak Konut's Share in Total Revenue (TL)	Explanation
İSTANBUL INTERNATIONAL FINANCE CENTER SPECIAL RECREATION AREA PROJECT (İFM - AKDENİZ İNŞAAT JOINT VENTURE)	115.497,01	31.05.2000	0,03	29.200.000,00	The construction permit for the parcel 3328/14 was obtained on 01.12.2014.
TOTAL OF REVENUE SHARING MODEL IN RETURN FOR THE LAND SALE	2.718.460,36		5.602.121.983,02	13.137.072.861,68	
Revenue Sharing Model In Return For Land	SQM	Date of Purchase	Book Value	Current Emlak Konut's Share in Total Revenue (TL)	Explanation
TOTAL OF REVENUE SHARING MODEL IN RETURN FOR THE LAND	-		-	-	
TOTAL OF REVENUE SHARING MODEL IN RETURN FOR THE LAND SALE/LAND			5.602.121.983,02	13.137.072.861,68	
Turn- Key Model Projects	SQM	Date of Purchase	Book Value + Progress Payments (TL)		Explanation
KÖRFEZKENT 4TH STAGE (ZEK-SAN İNŞAAT)	79.804,19	25.02.2008	79.829.727,98		The agreement of the project was signed on 07.02.2015, the construction permit was obtained on 21.11.2014.
İSTANBUL AYAZMA 1ST STAGE (GÜR YAPI A.Ş.)	99.874,55	1.12.2010	268.043.849,97		The agreement of the project was signed on 26.05.2015, the construction permit was obtained on 18.12.2014.
EMLAK KONUT İSPARTAKULE 1ST STAGE 1ST PART PROJECT (YÖRÜK YAPI - ERMİT MÜH. JOINT VENTURE)	85.871,43	1.06.2007	179.032.876,41		The agreement of the project was signed on 18.09.2015, the construction permit was obtained on 01.06.2015.
EMLAK KONUT İSPARTAKULE 1ST STAGE 2ND PART PROJECT (BALPA İNŞAAT TEKS. SAN. VE TİC. A.Ş.)	74.346,32	1.06.2007	149.908.867,08		The agreement of the project was signed on 18.09.2015, the construction permit was obtained on 01.06.2015.
KAYABAŞI EMLAK KONUTLARI 2ND STAGE PROJECT (KALYON İNŞAAT)	24.272,40	3.04.2014	73.747.480,17		The agreement of the project was signed on 02.02.2016, the construction permit was obtained on 11.08.2015.
NEVŞEHİR EMLAK KONUTLARI (CENT YAPI HİCARET LTD.ŞTİ)	29.541,40	3.04.2014	106.589.721,21		The agreement of the project was signed on 24.05.2016, the construction permit was obtained on 07.03.2016.
BAŞAKŞEHİR AYAZMA 2ND STAGE PROJECT (YILMAZ İNŞAAT SAN. TİC. A.Ş.)	21.406,97	3.04.2014	57.543.763,89		The agreement of the project was signed on 25.04.2016, the construction permit was obtained on 31.12.2015.
BAŞKENT EMLAK KONUTLARI	107.616,27	3.04.2014	274.437.258,08		The agreement of the project was signed on 24.01.2017, the construction permit was obtained on 06.12.2016.
NİĞDE EMLAK KONUTLARI - (PEKİNİTAŞ YAPI)	25.643,04	27.05.2016	27.033.840,36		The agreement of the project was signed on 22.11.2016, the construction permit was obtained on 20.09.2016.
KOCAELİ GERZE EMLAK KONUTLARI 3RD STAGE 1ST PART (MUSTAFA EKŞİ İNŞAAT)	91.564,72	30.06.2010	45.494.713,35		The agreement of the project was signed on 22.12.2016, the construction permit was obtained on 28.10.2016.
GERZE EMLAK KONUTLARI 3RD STAGE 2ND PART (SİYAH KALEM MİHENDİSLİK)	97.112,08	30.06.2010	38.983.045,04		The agreement of the project was signed on 18.01.2017, the construction permit was obtained on 28.10.2016.
KAYABAŞI RECREATION AREA (YAPI VE YAPI İNŞAAT A.Ş.)	363.979,03	3.04.2014	143.676.088,82		The agreement of the project was signed on 08.12.2016, the construction permit was obtained on 05.10.2016.
BAŞKENT EMLAK KONUTLARI 2ND STAGE PROJECT (ASL İNŞAAT TAHLİ TİC. LTD.ŞTİ)	30.521,16	3.04.2014	75.021.866,52		The agreement of the project was signed on 16.02.2017, the construction permit was obtained on 04.01.2017.
TOTAL OF TURN-KEY MODEL PROJECTS	1.131.553,56		1.519.343.098,88	-	
TOTAL OF PROJECTS	3.850.013,92		7.121.465.081,90	13.137.072.861,68	

* Within the scope of the campaign called "Güçlü Türkiye", 89.866.669,38 TL is paid as a contribution by Emlak Konut. The part of 54.198.917,24 TL from this payment is incorporated into land cost of the projects dated 31.03.2017 and the remaining 35.667.752,14 TL is going to be incorporated into land cost in second quarter of 2017.

ANNEX- 3
EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
SUMMARY TABLE OF BUILDING INVENTORY
(31.03.2017)

Building Inventory	Number of Units in Inventory	SQM	Date of Purchase	Book Value (TL)	Expertise Date	Expertise Value (TL)
UNITS IN SPRADON QUARTZ	8	523,82	22.09.2011-17.07.2012	1.997.982,72	31.12.2016	2.179.086,96
UNITS IN VARYAP MERIDIAN	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 PROJECT	2	252,41	31.12.2013	775.690,87	31.12.2016	800.646,00
STÜDYO 24 PROJECT	3	179,08	30.04.2014	467.973,27	31.12.2016	508.300,00
EVORA 2 PROJECT	1	63,71	28.07.2015	302.500,00	31.12.2016	382.755,00
UNİKONUT PROJECT	21	6.108,16	28.02.2015	34.988.506,16	31.12.2016	34.503.374,00
BATIŞEHİR PROJECT	104	14.019,69	31.12.2015	91.148.892,64	31.12.2016	91.279.974,00
KÖRFEZKENT 3RD STAGE	8	1.126,11	31.12.2015	1.237.977,36	31.12.2016	2.314.100,00
BAHÇEKENT EMLAK KONUTLARI 1ST STAGE 3RD PART	97	10.399,03	29.02.2016	24.843.524,19	31.12.2016	34.503.189,05
BAŞAKŞEHİR EMLAK KONUT EVLERİ 1ST STAGE 2ND PART	13	1.612,52	30.06.2016	4.974.877,80	31.12.2016	15.183.149,50
EMLAK KONUT BAŞAKŞEHİR EVLERİ 1-4	7	1.249,71	31.03.2016	2.567.070,40	31.12.2016	5.713.358,50
ATAŞEHİR HEADQUARTER'S BUILDING	2	49.771,00	31.03.2016	75.913.507,55	31.12.2016	190.889.394,00
DUMANKAYA MİKS PROJECT	27	2.432,84	22.09.2016	20.463.961,92	31.12.2016	20.475.791,97
BULVAR İSTANBUL PROJECT	6	626,52	30.12.2016	3.138.168,32	31.12.2016	3.138.168,32
NİDAKULE ATAŞEHİR PROJECT	5	1.505,92	30.12.2016	30.862.400,00	31.12.2016	25.028.300,00
ESENLER EMLAK KONUTLARI PROJECT	495	67.791,81	30.12.2016	301.182.112,23	31.12.2016	282.953.900,00
UNITS IN BURGAZKENT	1	117,87	30.12.2016	143.192,42	31.12.2016	127.160,00
BÜYÜK YALI PROJESİ *	31	5.967,05	30.12.2016	80.536.500,00	31.12.2016	80.536.500,00
METROPOL İSTANBUL PROJESİ *	156	9.119,34	30.12.2016	148.727.600,00	31.12.2016	148.727.600,00
TOTAL	994	174.338		834.899.174		950.599.382

* Related units have been obtained from pre-sales, and the units are still under the construction process.

ANNEX-4
EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
LAND STOCK SUMMARY TABLE
(31.03.2017)

LOCATION	Number	SQM	Date of Purchase	Book Value (TL)	Expertise Date	Expertise Value (TL)	Explanation
ANKARA ETİMESGUT BALIKUYUMCU PARCELS	91	1.919.107,39	26.10.2006	273.036.259,40	31.12.2016	349.424.348,05	
TEKİRDAĞ ÇORLU PARCELS	4	35.923,48	24.03.2006 - 30.09.2010	6.152.734,20	31.12.2016	8.965.010,00	
İZMİR KONAK PARSEL	1	6.810,00	31.05.2000	734.812,18	31.12.2016	10.896.000,00	
TEKİRDAĞ ÇERKEZKÖY PARCELS	17	371.235,69	9.12.2005	8.247.941,97	31.12.2016	110.324.894,20	
KOCAELİ KÖRFEZ PARCELS	5	28.577,05	25.02.2008	4.019.109,65	31.12.2016	10.886.455,80	
KOCAELİ GEBZE GÜZELLER PARCELS	14	10.454,00	21.03.2007- 29.06.2009 - 17.02.2010	1.307.800,13	31.12.2016	2.404.000,00	
KASTAMONU CİDE PARCELS	1	9.110,04	06.10.2011 - 07.08.2012 - 14.06.2011 - 30.07.2012	52.663,05	31.12.2016	55.000,00	
İSTANBUL ESENYURT HOŞDERE PARCELS	3	53.689,19	14.06.2011 - 30.07.2012	49.001.960,38	31.12.2016	86.485.529,00	
İSTANBUL ÜMRANİYE PARCELS	4	17.067,99	31.12.2012	1.843.977,03	31.12.2016	27.736.380,50	
İSTANBUL ZEKERİYAKÖY PARCEL	1	992,00	2.03.2011	677.397,25	31.12.2016	696.294,72	
İSTANBUL BEŞİKTAŞ PARCEL	1	1.298,32	22.12.1989	296.673,67	31.12.2016	4.200.000,00	
ANKARA ÇANKAYA CEBECİ PARCELS	2	400,00	18.05.1990	0,08	31.12.2016	280.800,00	
İSTANBUL BÜYÜKÇEKMECE PARCEL	1	78,10	31.08.1987	1,00	31.12.2016	16.231,52	
İSTANBUL ARNAVUTKÖY PARCELS	14	3.645.527,92	5.06.2013	333.309.400,26	31.12.2016	395.369.806,07	
13 PARCELS IN ATAŞEHİR	12	25.252,88	24.04.2013 - 22.04.2012	40.144.660,14	31.12.2016	76.715.202,22	
İSTANBUL MALTEPE PARCELS	1	305,84	28.05.2014	3.010.213,51	31.12.2016	2.752.560,00	
BURSA OSMANGAZİ PARCELS	4	54.745,33	28.05.2014	27.336.415,48	31.12.2016	29.197.770,15	
ESKİŞEHİR PARCEL	1	23.941,74	28.05.2014	5.367.042,79	31.12.2016	5.865.726,30	
İZMİR URLA PARCEL	1	367.780,27	3.04.2014	19.646.918,32	31.12.2016	22.066.816,00	
İSTANBUL BAĞCILAR PARCEL	1	531,70	5.03.2015	903.890,00	31.12.2016	918.658,80	
İSTANBUL ZEYTİNBURNU PARCELS	3	36.782,54	5.03.2015	400.045.453,14	31.12.2016	418.966.961,00	
İSTANBUL ŞİLE PARCELS	3	28.372,48	5.03.2015	12.251.253,42	31.12.2016	12.562.500,00	
YALOVA ÇİFTLİKKÖY PARCELS	4	1.455.000,00	5.03.2015	178.340.000,00	31.12.2016	209.020.000,00	
İSTANBUL ŞİŞLİ TEŞVİKİYE PARCELS	3	24.468,90	29.05.2015	461.040.424,09	31.12.2016	455.121.540,00	
İSTANBUL KÜÇÜKÇEKMECE HALKALI PARCELS	2	959.388,94	3.04.2014	2.055.995.979,21	31.12.2016	1.822.838.986,00	
NEVŞEHİR PARCELS	2	26,10	3.04.2014	8.088,01	31.12.2016	8.482,50	
ANKARA ÇAYYOLU PARCEL	1	778,68	3.04.2014	1.031.412,07	31.12.2016	1.031.751,00	
ANKARA ÇANKAYA MÜHYE PARCELS	10	20.646,99	3.04.2014	16.770.893,67	31.12.2016	23.859.389,00	
İSTANBUL SARIYER İSTİNYE PARCELS	4	1.373,21	28.05.2014	12.738.591,36	31.12.2016	7.782.155,00	
İSTANBUL KARTAL PARCELS	18	73.269,99	24.04.2013 - 22.04.2012	132.283.105,86	31.12.2016	149.086.144,14	
İSTANBUL BAŞAKŞEHİR HOŞDERE PARCELS	20	286.161,98	14.06.2011 - 06.10.2011 - 30.07.2012 - 07.08.2012	78.905.095,95	31.12.2016	114.784.190,78	
İSTANBUL BAŞAKŞEHİR İKİTELLİ-2 PARCELS	33	203.948,90	01.12.2010 - 07.03.2012 - 25.09.2012 - 01.10.2012 - 05.03.2015	221.640.208,96	31.12.2016	257.944.281,28	
İSTANBUL TUZLA PARCELS	6	77.408,18	30.12.2005 - 05.03.2015 - 01.06.2007	225.933.230,74	31.12.2016	233.589.022,57	
İZMİR KONAK KURUÇAY PARCELS *	31	143.366,00	30.12.2016	367.315.324,44	31.12.2016	367.315.324,44	* A contract has been signed with Taris Associations in order to share income to be obtained in the form of 80 % Taris 20% Emlak Konut GYO A.Ş. In this scope, 367.315.324,44 TL as advance payment has been made to the associations and will be collected together with interest when the project is developed.
TOTAL OF LAND STOCK	319	9.883.821,82		4.939.388.931,41		5.219.168.211,05	

ANNEX-5 Summary of Land Plots' Appraisal Reports

1

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	14 Parcels in Güzeller, Gebze, Kocaeli			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	29.03.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Block/Parcel	Surface Area	Volume No./Page No.	Date/Journal No.
	6183/12	3,483.56	169/16745	23.08.2016/17810
	6183/15	4,015	169/16748	23.08.2016/17810
Current Use	There are simple structures belonging to shareholders on certain parcels.			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	6183	12	Commercial	FAR: 1.00
	6183	15	Commercial	FAR: 1.00
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of Emlak Konut REIC's Shares of the Parcels Excluding VAT (TL)	679,539			

2

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	The appraisal report specifying the present appraised rental value of the immovables considered "Land" with Parcel no. 20 and 21 within Block No. 3317 in Küçükbakkalköy Neighborhood, Ümraniye District, Istanbul under the CMB legislation.			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.			
Report Number	17.01-01-018			
Report Date	27.01.2017			
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.
	3317/20	2,006.36	1/43	25.12.2012/34454
	3317/21	8,673.95	1/44	25.12.2012/34454
Current Use				
Zoning Status	LAND	PARCEL	Zoning Function	Construction Conditions
	3317	20	Pre-School Education Area	FAR: 1.50 H: Unconstrained
	3317	21	Primary Education Facility Area (Development Readjustment Share)	FAR: 1.50 H: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
Monthly Rental Value of Parcel Excluding VAT (m ² /TL)	6.25			

3

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Florya Land			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	31.01.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul, District: Bakırköy, Neighborhood: Şenlikköy			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	1032/6	22,627	6	26.12.2011/9377
Current Use	Sports Facility			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	1032	6	Sports Facility Area	FAR: 0.20
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of the Parcel Excluding VAT (TL)	119,923,100			

4

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Riva Parcels			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	7.02.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	3201	20,6497.84	36/3603	1355/7.2.2017
	3202	869,522.18	36/3604	1355/7.2.2017
Current Use				
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	0	3201	We found out that the parcels were under the scope of the Conservation Development Plan for Parcel 2942 within in Beylik Mandıra Area, Beykoz Riva (Çayağzı) approved on 10.05.2001, and that the Parcel No. 3201 was located in "Special Forest Area," and Parcel No. 3202 were located in the "Residential Area."	-
	0	3202		0,20
Values Agreed on the Valuation Report (Excluding VAT)				
Value of 2 Parcels Excluding VAT (TL)	396,012,118.8			

ANNEX-6 Summary of Projects' Appraisal Reports

1

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Başkent Emlak Konutları			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	15.02.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Ankara, District: Çankaya, Neighborhood: Mühye			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	29396/3	89,502.19	60/7019	15.11.2016/86034
	29397/3	8,022.29	60/7025	15.11.2016/86034
	29397/4	19,494.8	60/7026	15.11.2016/86034
	29401/7	3,004.07	65/7517	15.11.2016/86034
	29401/4	4,599.79	60/7036	15.11.2016/86034
	29402/1	4,554.46	60/7039	15.11.2016/86034
	29400/1	2,593.62	60/7032	15.11.2016/86034
	29403/1	6,366.21	60/7040	15.11.2016/86034
	29405/1	2,372.64	60/7042	03.11.2015/68610
	29406/1	7,900.31	60/7043	03.11.2015/68610
	29404/1	4,560.32	60/7041	03.11.2015/68610
29401/6	1,674.14	60/7038	03.11.2015/68610	
Current Use	The project with housing and commercial units.			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	29396	3	Residential+Commercial	FAR: 2.00, MCHP: 70.00 m.
	29397	3	Residential+Commercial	FAR: 2.00, MCHP: 70.00 m.
	29397	4	Residential Area Development	FAR: 2.00, MCHP: 70.00 m.
	29401	7	Exclusive Recreation Area	FAR: 0.30, MCHP: 12.00 m.
	29401	4	Residential+Commercial	FAR: 2.00, MCHP: 70.00 m.
	29402	1	Residential Area Development	FAR: 1.50, MCHP: 27.00 m.
	29400	1	Health Facility Area	FAR: 1.00, MCHP: 12.00 m.
	29403	1	Residential Area Development	FAR: 1.50, MCHP: 27.00 m.
	29405	1	Mosque Area	FAR: 0.60
	29406	1	Primary Education Facility Area	FAR: 1.00, MCHP: Unconstrained
29404	1	Mosque Area	FAR: 0.60	
29401	6	Mosque Area	FAR: 0.60	
Values Agreed on the Valuation Report (Excluding VAT)				
The Project's Present Value (TL)	440,082,403.50			
The Project's Value after Completion (TL)	1,424,696,122			
Total Value of 163 Units Excluding VAT with the Fulfillment of Turnkey Conditions (TL)	138,818,500			

2

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Istanbul International Finance Center			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	24.03.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: Istanbul, District: Ümraniye, Neighborhood: Küçükbakkalköy			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	3328/1	54,144.94	1/45	25.12.2012/34454
	3328/13	8,454.56	1/57	25.12.2012/34454
3328/14	52,897.61	1/58	25.12.2012/34454	
Current Use	A mixed project with offices, residences, and commercial units (stores, etc).			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	3328	1	Recreation Area	FAR: 0.15, Hmax: Unconstrained
	3328	13	Recreation Area	FAR: 0.15, Hmax: Unconstrained
3328	14	Exclusive Project Area	FAR: 2.85, Hmax: Unconstrained	
Values Agreed on the Valuation Report (Excluding VAT)				
Present Value of the Project When Completed	2,687,100,148.15			
Share of Emlak Konut REIC upon the Completion of the Project (TL)	53,742,002.96			
Total Market Value of 1296 Units with the Fulfillment of Turnkey Conditions Excluding VAT (TL)	1,512,515,000			
Total Market Value of 1296 Units with the Fulfillment of Turnkey Conditions Including VAT (TL)	1,746,434,009			

3

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Avangart Istanbul Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.			
Report Date	9.02.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Parcel No. 2 with a surface area of 9,458 square meters within Block No. 7752 in İ. Ayazağa Neighborhood, Sarıyer District, Istanbul; and Parcel No. 4 with a surface area of 27,292 square meters within Block No. 7752 in Merkez Neighborhood, Kağıthane District, Istanbul			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	7752/2	9,458	34/268	29.02.2016/2075
	7752/4	27,292	454/44716	09.02.2016/2742
Current Use	Housing project with houses and store units.			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	7752	2	housing	FAR: 2.25
	7752	4	housing	FAR: 2.25
Values Agreed on the Valuation Report (Excluding VAT)				
The Total Value of 262 Units (TL)	192,355,000			
The Project's Present Value (TL)	238,320,000			
The Project's Value after Completion (TL)	731,455,000			
Emlak Konut REIC's Share upon the Completion of the Project (TL)	358,415,000			

4

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Maslak 1453 Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	10.03.2017			
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 25 Units upon the Fulfillment of Turnkey Conditions Excluding VAT (TL)	311,000 TL			

5

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Büyükyalı Istanbul Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	14.02.2017			
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	2,616.1	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 (TL)	1,017,870,584			
Present Value of the Project When Completed	4,303,235,958.71			
Share of Emlak Konut REIC upon the Completion of the Project (TL)	1,592,197,304.72			
Total Market Value of 142 Units with the Fulfillment of Turnkey Conditions Excluding VAT (TL)	349,163,400			

6

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Nidapark Küçükyağı Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	31.01.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province : İstanbul District : Maltepe Neighborhood : Küçükyağı			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	16771/1	18,344.34	60	25.11.2016/29592
	16772/1	35,479.85	60	25.11.2016/29592
16773/2	14,961.7	60	25.11.2016/29592	
Current Use	Housing project with commercial functions.			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	16771	1	Residential+Commercial	FAR: 1.80
	16772	1	Residential+Commercial	FAR: 1.80
	16773	2	Residential+Commercial	FAR: 1.80
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of the Project in its Current State (TL)	739,663,165			
Present Value of the Project When Completed	2,585,525,026			
Share of Emlak Konut REIC upon the Completion of the Project (TL)	1,527,000,300			
Total Market Value of 793 Units with the Fulfillment of Turnkey Conditions Excluding VAT (TL)	654,967,400			

7

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Nidapark Küçükyağı Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	15.02.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province : İstanbul District : Maltepe Neighborhood : Küçükyağı			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	16771/1	18,344.34	60	25.11.2016/29592
	16772/1	35,479.85	60	25.11.2016/29592
16773/2	14,961.7	60	25.11.2016/29592	
Current Use	Housing project with commercial functions.			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	16771	1	Residential+Commercial	FAR: 1.80
	16772	1	Residential+Commercial	FAR: 1.80
	16773	2	Residential+Commercial	FAR: 1.80
Values Agreed on the Valuation Report (Excluding VAT)				
Total Value of the Project in its Current State (TL)	739,663,165			
Present Value of the Project When Completed	2,408,463,881			
Share of Emlak Konut REIC upon the Completion of the Project (TL)	1,527,000,300			
Total Market Value of 689 Units with the Fulfillment of Turnkey Conditions Excluding VAT (TL)	639,345,800			

8

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Ebrülü İspartakule Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	14.02.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province : İstanbul 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
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 (TL)	76,349,900			
Present Value of the Project When Completed	353,518,371			
Share of Emlak Konut REIC upon the Completion of the Project (TL)	132,000,000			
Total Market Value of 724 Units with the Fulfillment of Turnkey Conditions Excluding VAT (TL)	308,455,900			

9

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Ofis Karat Bakırköy Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.			
Report Date	6.02.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Block No. 901 and Parcel No. 18 with a surface area of 5,164.46 square meters located in Mera Oğalan İstanbul Caddesi Area, Yenimahalle Neighborhood, Bakırköy District, İstanbul.			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	901/18	5,164.46	7/613	16.01.2017/524
Current Use	Commercial project with office and store units.			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	901	18	Commercial	FAR: 1.5, H: 18.50
Values Agreed on the Valuation Report (Excluding VAT)				
The Total Value of 72 Units (TL)	8,0138,000			
The Project's Present Value (TL)	33,235,000			
The Project's Value after Completion (TL)	108,660,000			
Emlak Konut REIC's Share upon the Completion of the Project (TL)	33,685,000			

10

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Ofis Karat Bakırköy Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.			
Report Date	9.03.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Block No. 901 and Parcel No. 18 with a surface area of 5,164.46 square meters located in Mera Oğalan İstanbul Caddesi Area, Yenimahalle Neighborhood, Bakırköy District, İstanbul.			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	901/18	5,164.46	7/613	16.01.2017/524
Current Use	Commercial project with office and store units.			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	901	18	Commercial	FAR: 1.5, H: 18.50
Values Agreed on the Valuation Report (Excluding VAT)				
The Total Value of 18 Units (TL)	32,856,000			
The Project's Present Value (TL)	34,200,000			
The Project's Value after Completion (TL)	109,710,000			
Emlak Konut REIC's Share upon the Completion of the Project (TL)	34,010,000			

11

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Yeniköy Konakları Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.			
Report Date	27.03.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Parcel No. 129 with a surface area of 22,302.56 square meters within Block No. 859 in Alibeyköy Neighborhood, Eyüp District, İstanbul.			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	859/129	22,302.56	180/17822	23.03.2017/6400
Current Use	Commercial project with office and store units.			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	859	129	Housing	FAR: 1.5
Values Agreed on the Valuation Report (Excluding VAT)				
The Total Value of 210 Units (TL)	142,448,000			
The Project's Present Value (TL)	67,915,000			
The Project's Value after Completion (TL)	233,485,000			
Emlak Konut REIC's Share upon the Completion of the Project (TL)	88,725,000			

12

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Sarphan Finans Park Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.			
Report Date	13.03.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	175 units within Parcel No. 5 within Block No. 3317 in Küçükbakkalköy Neighborhood, Ümraniye District, Istanbul			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	3317/5	20,714.48		9.07.2010
Current Use	Commercial project with office and store units.			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	3317	5	Commercial	FAR: 2.5, H: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
The Total Value of 175 Units (TL)	226,145,000			
The Value of Emlak Konut REIC's share in the Current State of the Project (TL)	211,275,000			
Emlak Konut REIC's Share upon the Completion of the Project (TL)	219,535,000			

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Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	Validabağ Konakları Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.			
Report Date	15.02.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Parcel No. 48 with a surface area of 17,528.55 square meters within Block No. 1137 in Altunizade Neighborhood, Üsküdar District, Istanbul.			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	1137/48	17,528.55	38/3659	04.02.2016/2366
Current Use	Commercial project with office and store units.			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	1137	48	Housing	FAR: 1
Values Agreed on the Valuation Report (Excluding VAT)				
The Total Value of 366 Units (TL)	596,167,000			
The Project's Present Value (TL)	178,420,000			
The Project's Value after Completion (TL)	617,335,000			
Emlak Konut REIC's Share upon the Completion of the Project (TL)	309,595,000			

ANNEX-7 Summary of Buildings' Appraisal Reports

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	1 Unit in Mavişehir, Karşıyaka, İzmir			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	22.03.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: İzmir, District: Karşıyaka, Neighborhood: Şemikler			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	26023/3	49,012	See: Section 3.2 of the Report	
Current Use	Residential and Commercial Units			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	26023	3	See: Section 3.3 of the Report	
Values Agreed on the Valuation Report (Excluding VAT)				
1 Units The Value of Emlak Konut REIC's Share (1/1) Excluding VAT (TL)	504,000			

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	16 Units within Unikonut Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	22.02.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner: Emlak Konut REIC Province: İstanbul, District: Avcılar, Neighborhood: Fırızköy			
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	639/1	24,506	Property ownership established. (See: Section 3.2 of the Report)	
Current Use	Housing project with stores and apartments.			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	639	1	Commercial Area	FAR: 2.00 Hmax: Unconstrained
Values Agreed on the Valuation Report (Excluding VAT)				
Total Market Value of 13 Units (TL)	6,302,834.5			

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	1 Unit within İstanbul Başakşehir Spradon Quartz Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	22.02.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner	Emlak Konut REIC		
	Province	İstanbul		
	District	Başakşehir		
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	563/1	13,193.56	See: Section 3.2 of the Report	
Current Use	Residential and Commercial Units			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	563	1	Residential Area	FAR in Block Order: 1.50
Values Agreed on the Valuation Report (Excluding VAT)				
1 Units The Value of Emlak Konut REIC's Share (1/1) Excluding VAT (TL)	239,894			

Real Estate Valuation Report Summary				
Name of the Work Subject to Valuation	2 Unit within İstanbul Başakşehir Spradon Quartz Project			
Institution Requesting Valuation	Emlak Konut REIC			
Institution Preparing the Report	Atak Gayrimenkul Değerleme A.Ş.			
Report Date	6.03.2017			
Summary Information on the Real Estates Subject to Valuation				
Title Deed Information	Owner	Emlak Konut REIC		
	Province	İstanbul		
	District	Başakşehir		
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
	217/1	14,431.11	See: Section 3.2 of the Report	
	563/1	13,193.56	See: Section 3.2 of the Report	
Current Use	Housing			
Zoning Status	Block No.	Parcel No.	Zoning Function	Construction Conditions
	217	1	Residential Area	FAR in Block Order: 1.50
	563	1	Residential Area	FAR in Block Order: 1.50
Values Agreed on the Valuation Report (Excluding VAT)				
2 Units The Value of Emlak Konut REIC's Share (1/1) Excluding VAT (TL)	467,779			

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

1.	Paid / Issued Capital		3.800.000.000,00
2.	Total Legal Contingency Reserve (According to Legal Records)		415.527.387,18
Information on concession, if any, regarding profit distribution as required by the articles of incorporation			
		According to CMB	According to Legal Records(LR)
3.	Period Income	1.761.276.000,00	1.761.040.180,39
4.	Taxes to be paid (-)	0,00	0,00
5.	Net Period Income (=)	1.761.276.000,00	1.761.040.180,39
6.	Losses from Previous Years (-)	0,00	0,00
7.	Primary Legal Reserve (-)	88.052.009,02	88.052.009,02
8.	NET DISTRIBUTABLE PERIOD INCOME (=)	1.673.223.990,98	1.672.988.171,37
9.	Donations Made Throughout the Year (+)	14.993.484,43	
10.	Net Distributable Period Income by adding Donations to be calculated for First Dividend	1.688.217.475,41	
11.	First Dividend Shareholders (*)	0,00	
	- Cash	0,00	
	- No-par		
	- Total	0,00	
12.	Dividends Distributed to Preference Shareholders		
13.	Dividends to Members (Divide)		
14.	Dividends Distributed to Dividend Shareholders		
15.	Second Dividend for Shareholders		
16.	Secondary Legal Contingency Reserve	0,00	
17.	Status Reserves		
18.	Special Reserves		
19.	EXCESS RESERVE	1.673.223.990,98	1.672.988.171,37
20.	Other Resources Estimated to be Distributed		
	- Profit of previous year		
	- Excess Reserves		
	- Other Reserves distributable as Required by the Law and articles of Incorporation		

INFORMATION ON DISTRIBUTES PROFIT SHARE PERCENTAGES				
DIVIDEND INFORMATION PER SHARE				
	GROUP	TOTAL DIVIDEND AMOUNT (TL)	DIVIDEND CORRESPONDING TO SHARE WITH A NOMINAL VALUE OF 1 TL	
			AMOUNT(TL)	PERCENTAGE (%)
GROSS	A	0,00	0,00000	0,00000
	B	0,00	0,00000	0,00000
	TOTAL	0,00		
NET	A	0,00	0,00000	0,00000
	B	0,00	0,00000	0,00000
	TOPLAM	0,00		
RATIO OF AMOUNT OF PROFIT SHARE DISTRIBUTED TO THE NET DISTRIBUTABLE PERIOD INCOME INCLUDING DONATIONS (%)				
AMOUNT OF PROFIT SHARE DISTRIBUTED SHAREHOLDERS (TL)		RATIO OF AMOUNT OF PROFIT SHARE DISTRIBUTED TO SHAREHOLDERS TO THE NET DISTRIBUTABLE PERIOD INCOME INCLUDING DONATIONS (%)		
0,00		0,0000000000		