

INTERIM REPORT

March - 2016

EMLAK KONUT REIC'S
BOARD OF DIRECTORS INTERIM REPORT
FIRST QUARTER 2016

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Comments by

Murat KURUM, General Manager

Dear Shareholders,

Setting the bar above approximately TL 6.3 million turnover in 2015, we aim to bring it up to TL 7.6 billion in the next operating period. Considering all contracts and projects that we envisage to complete, I would like to share my conviction that our goals are realistic and also motivating with our distinguished shareholders. A look at our financial results indicate that our profits totaled **TL176,89 million** in the first quarter of 2016 as a result of the construction projects that we have successfully completed.

In the first quarter of 2016, we successfully launched three different revenue sharing projects. Tual Islands, situated in Kartal, a popular area on the Anatolian side, was the first project that we have launched. We subsequently launched the second phase of our Park Mavera

project, which is ongoing in Kayabaşı, Başakşehir, a rapidly developing area on the European side. We also launched our project entitled Karat34, in a central part of Bahçelievler, in the same quarter. I am pleased to inform you that there is a high interest in all those projects and that their sales successfully continue at full speed.

There are some general figures about our company's projects that I would like to share with you. It is our expectation that total turnover from 16 contracts that we have completed since 2015 will bring an approximate turnover of TL 20 billion (USD 7 billion). Of this, minimum share that our company will receive from that amount is TL 7.4 billion.

In light of new projects that we plan to initiate after 2015, when we sold around 1.45 million square meters of marketable area and 10,453 independent



units, we expect to sell approximately 11,000 independent units with a total marketable area of 1.5 million square meters. While we predict that these sales will generate a turnover of TL 7.6 billion and our company's net profits will total TL 1,5 billion, we believe that we have the potential to increase it further in following years.

In addition to our projects put on sale, we started the tendering process for some of our plots worth TL 3.9 billion in our portfolio of plots, which were not awarded yet, early in the year. Following four successful tenders that we launched for our plots with a total appraisal value of TL 234 million, including those in Eyüp (Alibeyköy), Bakırköy (Yenimahalle), Avcılar, and Esenyurt, our company earned

approximately TL 519 million in the form of its shares. In addition, our preparations for tenders regarding plots in Maltepe and Zeytinburnu, which are in our portfolio and have a significant size, are under way. High interest and competition that we witnessed in our recent tenders made us particularly happy and optimistic about projects that we plan to carry out over the short term. Emlak Konut GYO, which we have developed with the support of our shareholders and are carrying forward to the future with the same level of determination, has also reached a satisfactory point also in terms of goodwill and visibility in addition to works it has carried out.

In the first quarter, we obtained permits for revenue sharing projects which targeted 4.2 million TL income, including "Büyükyalı İstanbul" project to be developed on our plot in Kazlıçeşme, Zeytinburnu and Nidakule Başakşehir, Üsküdar Barbaros, and Avrupa Konutları Başakşehir, which are expected to bring revenues to the tune of TL 407 million, TL 406 million, and TL 350 million, respectively, in the form of company share. We will start the sale of these projects over the short term.

As our successful operations continued in the first quarter, we had the opportunity to meet our shareholders again on April 14 on the occasion of our annual meeting of shareholders. We were glad to see that our distinguished shareholders were maintaining confidence in the existing management. I would like to emphasize once again that we are determined to do our best in order to ensure that our company becomes even more successful while contributing to the development of our company thanks to support and encouragement that we get from our shareholders.

Before concluding my remarks, I would like to thank you and all people who placed their confidence in Emlak Konut and helped our company to secure its current market position. While taking determined step in light of our vision, we are reaping the fruits of our efforts aimed at attaining our foals and share them with you. Our Board of Directors and all employees will maintain our operations

without any loss of pace in order to sustain our growth trend and make Emlak Konut a global player in its segment.

Best Regards,,

Murat Kurum

ABOUT THE COMPANY



Founded in 1953, Emlak Konut REIT is one of the most well established Turkish companies that specialize in housing unit development. The company has operated as a Real Estate Investment Company since 2002. Its brand value is based on years of experience and numerous successful projects.

Emlak Konut has become a reliable institution for all stakeholders, thanks to its adaptive management approach that fostered a strong corporate culture for more than 60 years. The brand value that has been created over the years allows our company to enjoy a management approach that continuously raises standards in the real estate industry. The company is a leader and role model in the area of social awareness, especially in building systems, design, environmental awareness and business practices.

TOKİ (Housing Development Administration of Turkey) is the main shareholder of Emlak Konut REIC. Today the company is the largest real estate investment trust in Turkey based on its market value, real estate portfolio and land inventory.

Our core business activities include purchasing land in Turkey and developing real estate projects for middle and upper-middle income groups. Our main objective is to increase both pecuniary and non-pecuniary value for our shareholders and other stakeholders by implementing innovative and contemporary projects.

The paid-in capital of 3,800,000,000 Turkish lira and the authorized capital of 4,000,000,000 Turkish lira reflect the leading role of company in the real estate industry.

Emlak Konut REIC was offered to the public in 2010 and in 2013 with the goal of maintaining rapid growth. The IPO attracted unprecedented attention: the demand by domestic individual investors set a record in Turkey, becoming one of the five biggest public offerings in the history of Turkey. The second public offering, which was made in November 2013, was oversubscribed by 2.3 times the available offer shares. With more than 100 international investors from 20 countries interested in Emlak Konut shares as capital increase in Central-Eastern Europe, Middle East and Africa. It became the largest public offering of the year.



COMPANY

AREA OF OPERATIONS



Emlak Konut Real Estate Investment Company was incorporated on December 26, 1990, under the title of Emlak Konut A.Ş., as a subsidiary of Türkiye Emlak Bankası A.Ş., in accordance with its articles of association, the main statute of Türkiye Emlak Bankası A.Ş., Decree-Law No. 233 on State Economic Enterprises and the Turkish Commercial Code. Its incorporation was registered and announced on March 6, 1991, after which the company began its operations. Pursuant to Law No. 4603, its articles of associations were amended on May 19, 2001, and the company was therefore subjected to the provisions of the Turkish Commercial Code.

Pursuant to Higher Planning Council Decision No. 99/T-29 on August 4, 1999 and Decree-Law No. 588 on December 29, 1999, the company has

decided to restructure as a Real Estate Investment Company. As per the permissions granted by the Capital Markets Board (permission no. 298 on June 20, 2002) and the Ministry of Science, Industry and Technology (permission no. 5320 on June 25, 2002), the draft amendment to the articles of association was presented to the General Assembly for approval. The articles of association were revised following the approval of the draft amendment during the Extraordinary General Assembly Meeting on July 22, 2002.

The company's articles of association were registered by Istanbul Trade Register Office on July 29, 2002, and became effective following the announcement in the Trade Registry Gazette on August 1, 2002. (Trade Registry No: 273488-221070; MERSIS [Central Registry] No: 5669-3333-4423-6524)

Per the resolution of the General Assembly Meeting on February 28, 2006, the company's business name was changed from "Emlak Gayrimenkul Yatırım Ortaklığı A.Ş." to "Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş." (Emlak Konut Real Estate Investment Company). The company has no restrictions on its legal entity.

The company's legal entity was modified to real estate investment company for engaging in activities and topics as indicated in the Capital Markets Board of Turkey (CMB) Communiqué on Principles Regarding Real Estate Investment Companies. As a result, the company acts in accordance to the provisions of relevant legislation.

Per article 5 of the articles of association, the company's areas of activity are defined as follows: The company is a publicly-held corporation established with authorized capital that engages in activities and topics as indicated in the CMB Communiqué on Principles Regarding Real Estate Investment Companies and primarily invests in real estate, real estate backed capital market instruments, real estate projects and real estate rights.

Emlak Konut REIC's objective and areas of activity are: (a) developing real estate projects that include mostly housing units as well as commercial units, educational facilities, social outfits, infrastructure, roads, and landscapes; (b) acting as construction supervisor of developed projects; (c) the marketing and sales of completed independent units. Emlak Konut REIC subcontracts all construction work by means of tenders, as it cannot serve as a construction contractor pursuant to the CMB communiqués and regulations on real estate investment companies.

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Ankara

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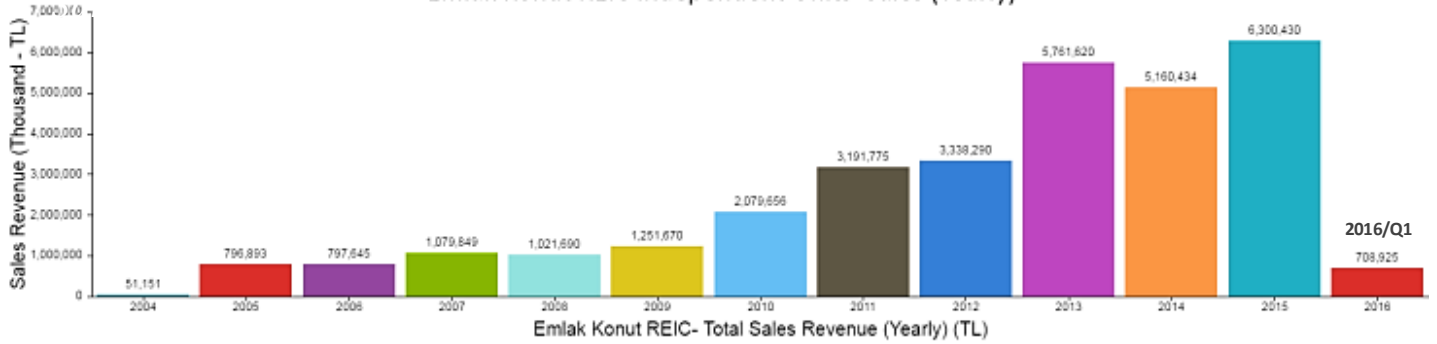
Fax 2 : 0216 579 1699

e-mail : info@emlakkonut.com.tr

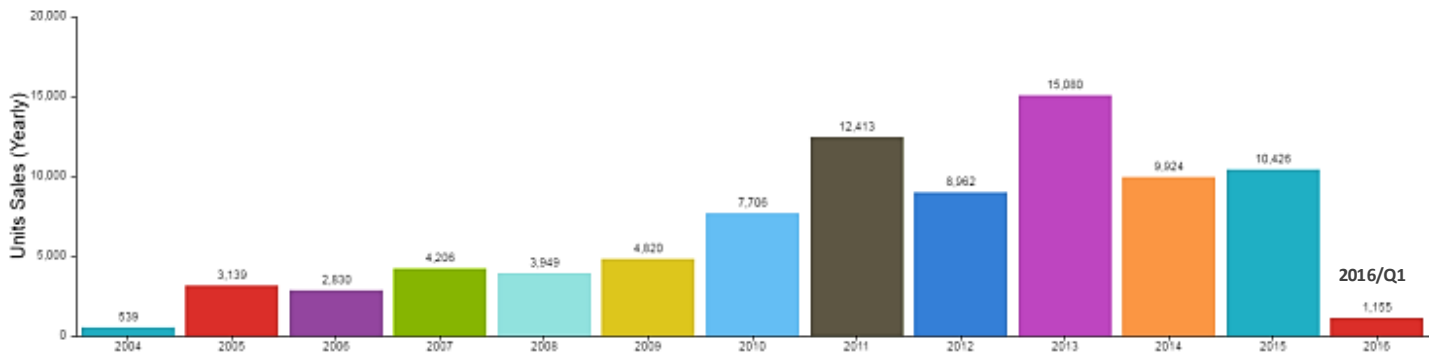
Web Site : www.emlakkonut.com.tr

SUMMARY OF FINANCIAL DATA

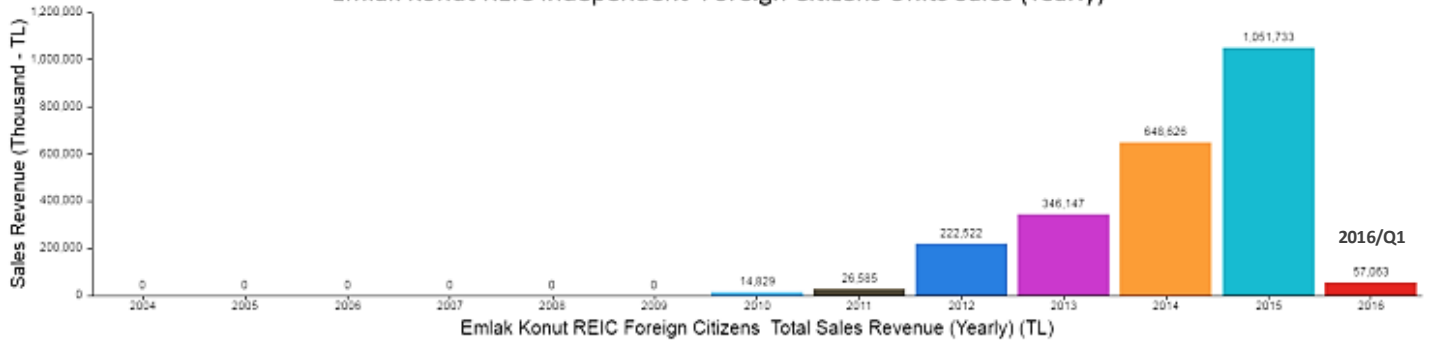
Emlak Konut REIC Independent Units Sales (Yearly)



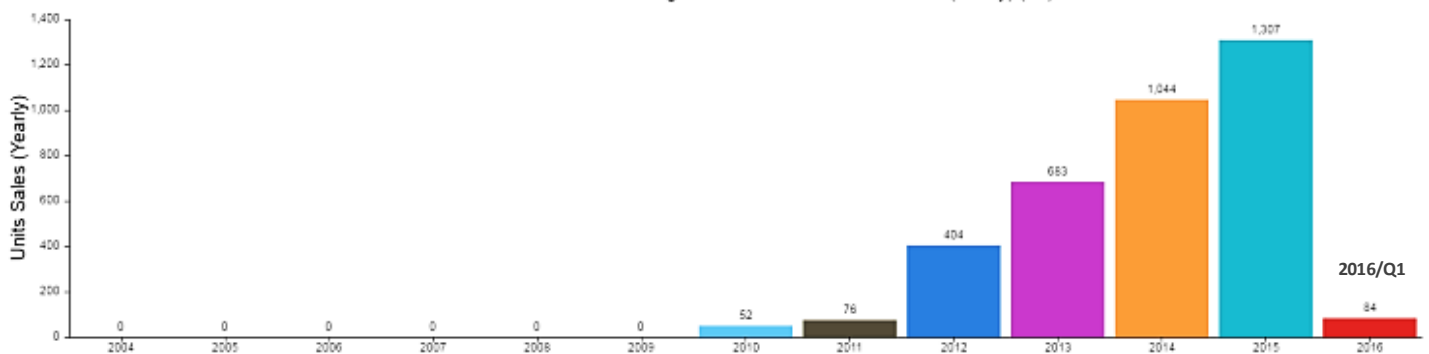
Emlak Konut REIC- Total Sales Revenue (Yearly) (TL)



Emlak Konut REIC Independent Foreign Citizens Units Sales (Yearly)



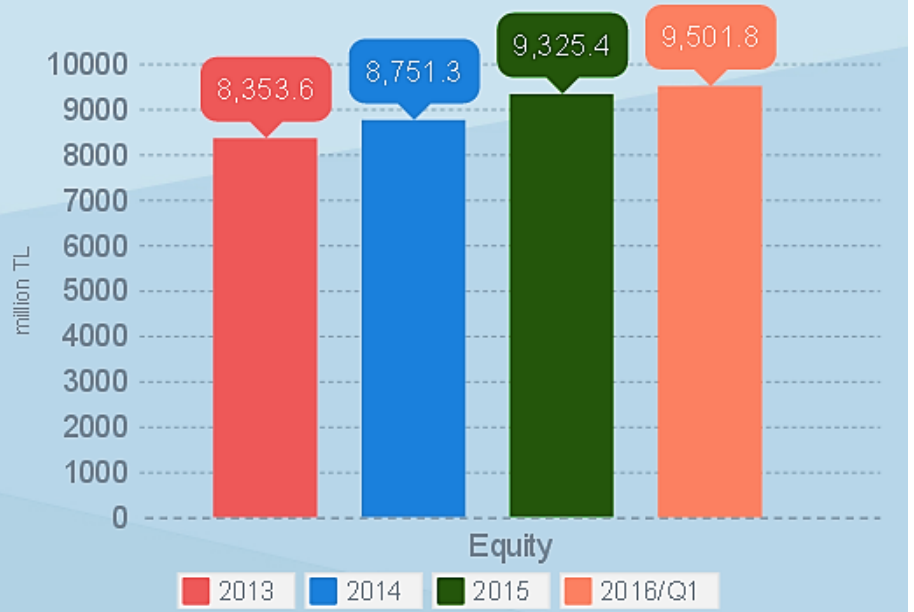
Emlak Konut REIC Foreign Citizens Total Sales Revenue (Yearly) (TL)



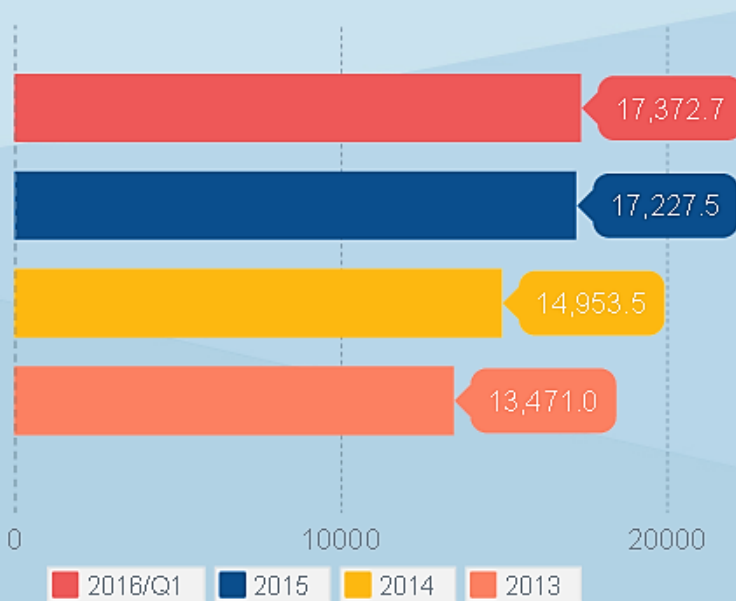
SUMMARY OF FINANCIAL DATA

✓ Our Equity

Our profitability continues for years has turned into a strong funding source.



million TL



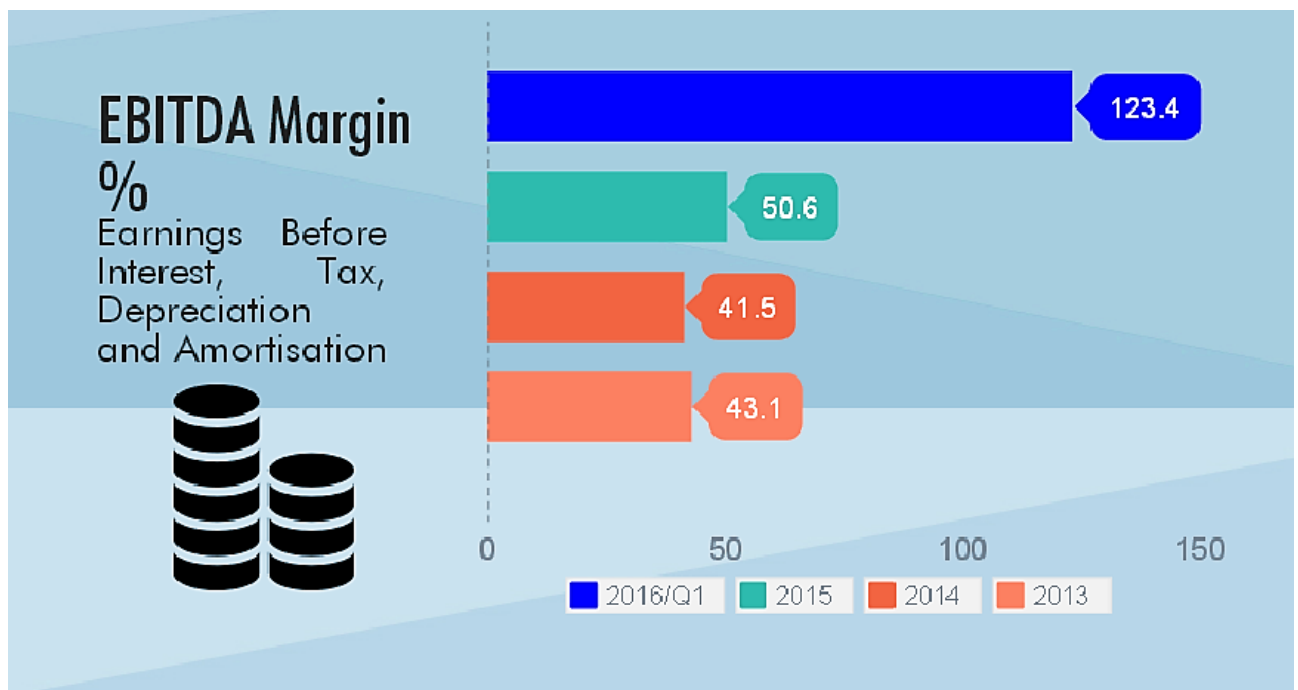
Total Assets

Our assets has been increased year over year.

SUMMARY OF FINANCIAL DATA

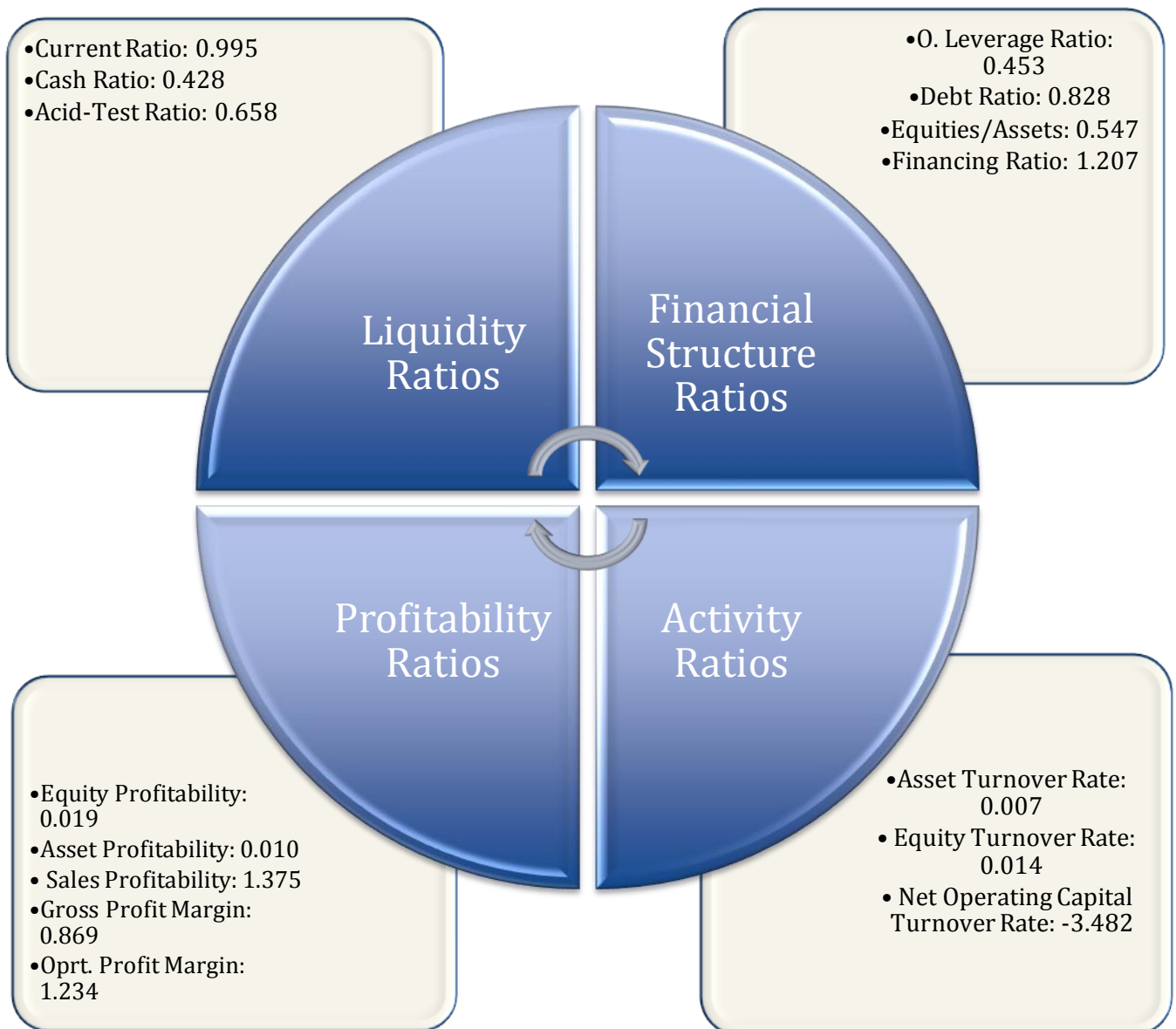
Basic Financial Data per Year (million TL)

Financial Data	2016/Q1	2015	2014	2013	2012
Income Statement					
Net Sales	128.6	1,786.8	1,804.5	2,331.1	1,004.6
EBITDA	158.7	904.3	749.0	1,004.4	529.8
EBITDA Margin	123.4%	50.6%	41.5%	43.1%	52.7%
Period Profit	176.8	952.6	954.4	1,060.5	523.4
Balance Sheet					
Total Assests	17,372.7	17,227.5	14,953.5	13,471.0	8,578.9
Equity	9,501.8	9,325.4	8,751.3	8,353.6	4,392.3



SUMMARY OF FINANCIAL DATA

Financial Ratios



EMLAK KONUT'S STRATEGY

<p>FOCUSING ON MIDDLE AND UPPER-MIDDLE INCOME GROUPS</p>	<ul style="list-style-type: none"> • Making use of existing demographical tendencies such as economic urbanization in Turkey • Continuing to develop housing units for middle and upper-middle income groups • Investing in developing regions
<p>PROCURING LAND FOR DEVELOPING MORE HOUSING UNITS</p>	<ul style="list-style-type: none"> • Maintaining strategic relationship with TOKİ <ul style="list-style-type: none"> ○ Purchasing lands without tender processes, and ○ Opportunity for accessing the most suitable lands for development by Emlak Konut. • Continuing to access TOKİ's land inventory • Purchasing land from third parties as needed
<p>CREATING CASH FLOW BY COMPLETING CURRENT PROJECTS</p>	<ul style="list-style-type: none"> • Using cash flow from ongoing projects in new development opportunities • Implementing large scale projects by applying revenue sharing model for projects in favored locations and achieving higher profits by limiting economic risks

Our goal is to maintain the position of the leading real estate development company in Turkey and to move forward and become a global real estate company. In line with this goal specified as part of the corporate vision and mission, the company's main principle is to have a continuously improving management.

Our goal is to ensure sustainable growth by creating permanent value for all our stakeholders with the power stemming from 60 years of accumulated knowledge and corporate culture.

Our logo symbolizes;



A planned and qualified approach to urban development



The peaceful and safe feeling of home



A sensitivity to green spaces and the environment

CAPITAL AND PARTNERSHIP STRUCTURE

	GROUP	TYPE	SHARE AMOUNT	NUMBER OF SHARES	%
Housing Development Administration	A	Registered (Privileged)	253,369,919.00	25,336,991,900	6.67
Housing Development Administration	B	Bearer	1,621,460,838.35	162,146,083,835	42.67
Free-floating	B	Bearer	1,925,111,072.26	192,511,107,226	50.66
Others	B	Bearer	58,170.39	5,817,039	<1
		Total	3,800,000,000.00	380,000,000,000	100



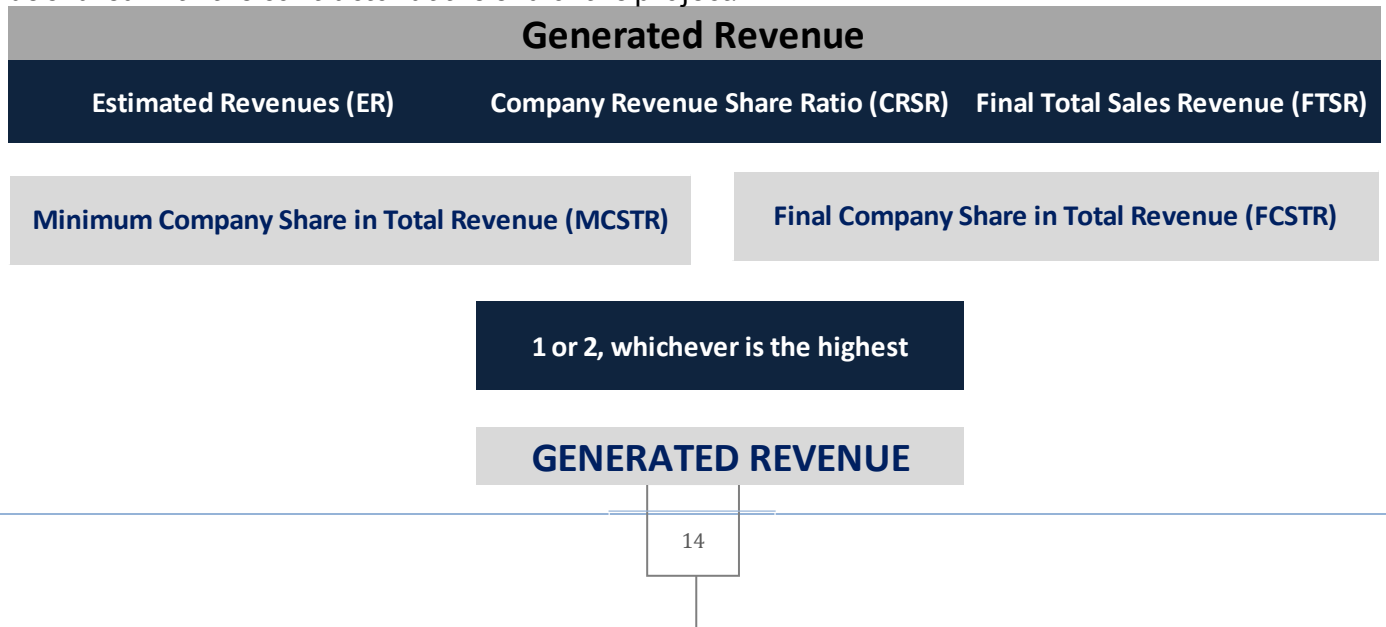
BUSINESS MODELS

Emlak Konut REIC effectively applies two different business models in order to achieve its administrative targets and strategies. The process flows and comparison of the two business models are provided below.

- The business models developed and implemented by Emlak Konut REIC are an essential asset for the company. With an adaptive approach, Emlak Konut continuously improves these models. The models also serve as an important tool in managing risk, since they seek flawless completion of the process by taking into account both financial planning and construction phases of the projects.
- The models which include profit, cost and risk control from a financial perspective, also provide important contributions to construction techniques, safety and supervision.
- Emlak Konut REIC develops its projects under two business models: The Revenue Sharing Model (RSM) and Turnkey (TK) Project Model.
- Emlak Konut REIC acquires land plots for project development from TOKİ, resources as capital in-kind from Emlak Bankası and also in limited amounts from third parties.
- Pursuant to accounting requirements in construction and real estate industries, the sales and costs are added to income statement only after Emlak Konut REIC approves the project completion.
- The company's brand value, which is the fruit of 60 years of meticulous labor, influences the business models and greatly contributes to construction, marketing and sale phases of the projects.

Revenue Sharing Model

As the company's most important model in terms of generating income, the Revenue Sharing Model is used primarily in projects that are intended for upper-middle and high income groups. It is a unique model that ensures high profitability and fund flows. The company may purchase independent units of revenue-sharing projects during or after its realization, if deemed necessary or independent units may be shared with the contractor at the end of the project.



- Below is the summary of Emlak Konut REIC's projects, whose contracts were awarded in 2016 but not yet signed or signed after March 31, 2016.

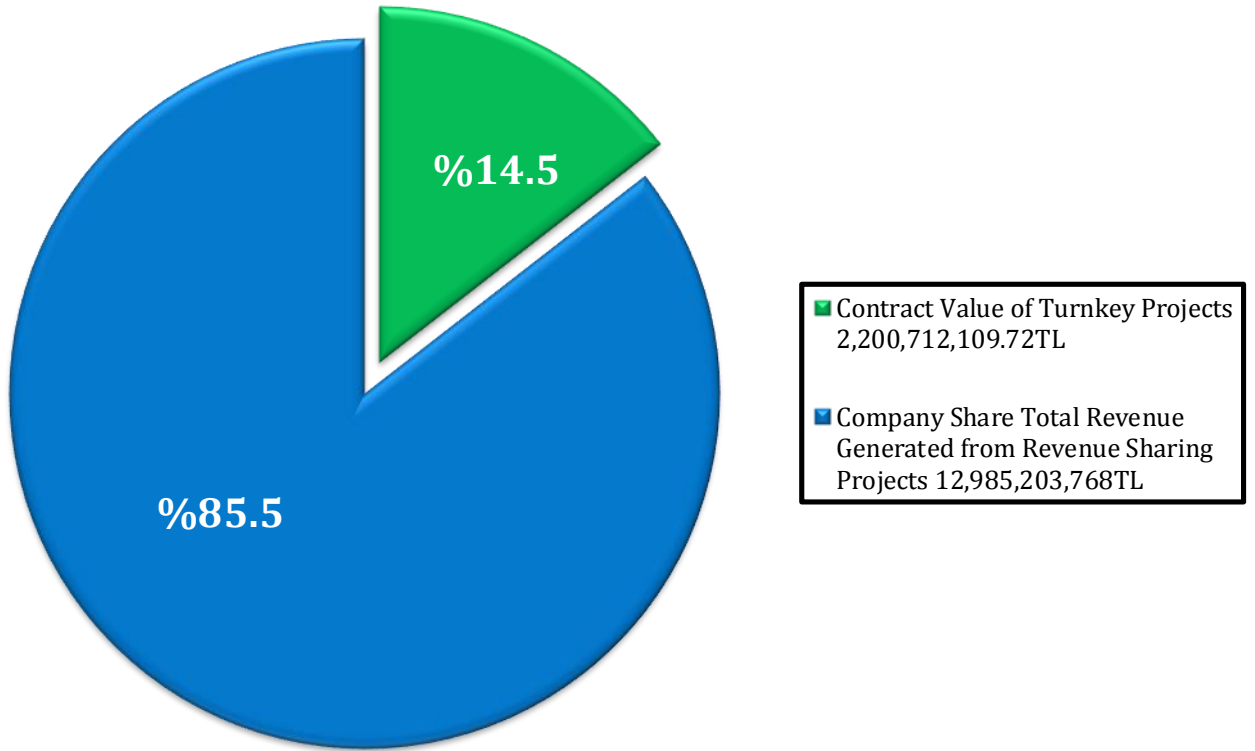
The first and second sessions of the “Istanbul Esenyurt Hoşdere Stage 5 Revenue Sharing Model Based Project in Return For Land Sale” tender were held on March 22, 2016, and March 30, 2016, respectively, and **“CİHAN İNŞ. MÜH. SAN.VE TİC. A.Ş.”** submitted the highest bid as follows: Final Total Sales Revenues in Return for Land Sale: 626,000,000 TL+VAT; Company Share Total Revenue in Return for Land Sale: 156,500,000 TL+VAT; Company Revenue Share Ratio in Return for Land Sale: 25%. The project contract has not been signed yet.

The first and second sessions of the “Istanbul Avcılar Ispartakule Stage 5 Revenue Sharing Model Based Project in Return For Land Sale” tender were held on March 8, 2016 and March 16, 2016, respectively, and **“TORKAM İNŞ. VE YATIRIM A.Ş.”** submitted the highest bid as follows: Final Total Sales Revenues in Return for Land Sale: 600,000,000 TL+VAT; Company Share Total Revenue in Return for Land Sale: 132,000,000 TL+VAT; Company Revenue Share Ratio in Return for Land Sale: 22%. The project contract has not been signed yet.

The first and second sessions of the “Istanbul Bakırköy Yenimahalle Revenue Sharing Model Based Project in Return For Land Sale” tender were held on February 25, 2016, and March 3, 2016, respectively, and **“BAŞ YAPI İNŞ. TAAH. VE TURZ. SAN. DIŞ TİC. LTD. ŞTİ.”** submitted the highest bid as follows: Final Total Sales Revenues in Return for Land Sale: 200,000,000 TL+VAT; Company Share Total Revenue in Return for Land Sale: 62,000,000 TL+VAT; Company Revenue Share Ratio in Return for Land Sale: 31%. The project contract was signed on April 15, 2016.

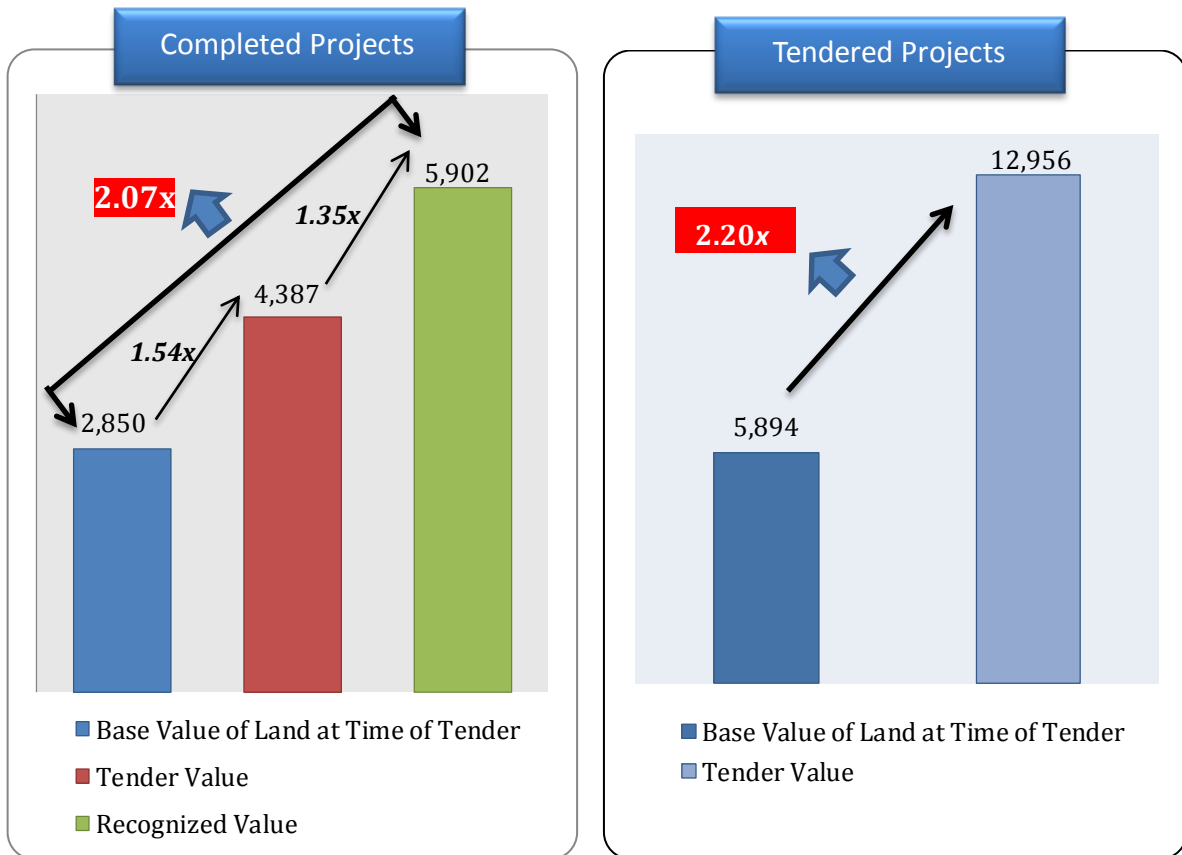
The first and second sessions of the “Istanbul Eyüp Alibeyköy Revenue Sharing Model Based Project in Return For Land Sale” tender were held on January 21, 2016, and February 2, 2016, respectively, and **“YENİ YAPI İNŞAAT SAN. VE TİC A.Ş. ~ TACA İNŞ. VE TİC. A.Ş. İŞ ORTAKLIĞI”** submitted the highest bid as follows: Final Total Sales Revenues in Return for Land Sale: 442,500,000 TL+VAT; Company Share Total Revenue in Return for Land Sale: 168,150,000 TL+VAT; Company Revenue Share Ratio in Return for Land Sale: 38%. The project contract has not been signed yet.

Breakdown of Ongoing Projects Based on Value



BUSINESS MODELS

Project Status Charts



* The figures are in billion TL. It must be noted that past performance is not an indicator of future results.



BUSINESS MODELS

Completed Revenue Sharing Model Projects

No	Project	Base Value of Land at time of Tender TL	CSTR (TL)	CRSR (%)	Recognized 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.ETAP	11.380.501	15.253.903	16,00	17.260.313
6	UPHILL COURT ATAŞEHİR	57.076.350	136.400.000	34,10	207.875.855
7	MY WORLD ATAŞEHİR	127.236.476	311.850.000	38,50	531.870.815
8	SOYAK MAVİŞEHİR	43.600.000	51.600.000	24,00	94.915.970
9	NOVUS RESIDENCE	16.408.600	57.750.000	55,00	115.760.305
10	MİSSTANBUL	56.779.661	112.050.000	41,50	157.780.977
11	KENTPLUS MİMARŞİNAN	9.732.640	42.120.000	35,10	54.717.096
12	EMLAK KONUT PELİKAN PROJESİ	20.849.150	67.515.000	38,58	87.123.867
13	ÇERKEZKÖY DREAMCITY	3.990.647	10.065.000	30,50	13.624.442
14	BİZİMEVLER 2	48.686.587	48.750.000	33,00	54.270.185
15	ERGENE VADİSİ	23.935.426	31.000.000	25,00	42.405.496
16	SPRADON QUARTZ	75.291.059	88.520.000	41,00	131.118.805
17	İZMİR MAVİŞEHİR 5.ETAP	25.145.000	27.001.000	31,00	29.434.971
18	MERKEZ KAYAŞEHİR	29.440.000	32.000.000	32,00	40.273.717
19	ELITE CITY	54.896.071	56.000.000	35,00	71.317.909
20	MY WORLD EUROPE	179.089.192	228.018.000	30,50	305.449.312
21	PARKYAŞAM MAVİŞEHİR	51.186.000	60.000.000	25,00	76.168.663
22	AVRUPA KONUTLARI ATAKENT 3	240.000.000	264.000.000	30,00	279.524.564
23	SPRADON VADİ	50.291.820	50.310.000	26,00	61.770.244
24	BULVAR 216*	10.860.000	52.200.000	36,00	56.880.000
25	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
Total		2.850.031.578	4.387.369.585		5.902.267.789
Weighted Average Company Share Revenue (%)				34,20	

BUSINESS MODELS

Tendered Revenue Sharing Model Projects

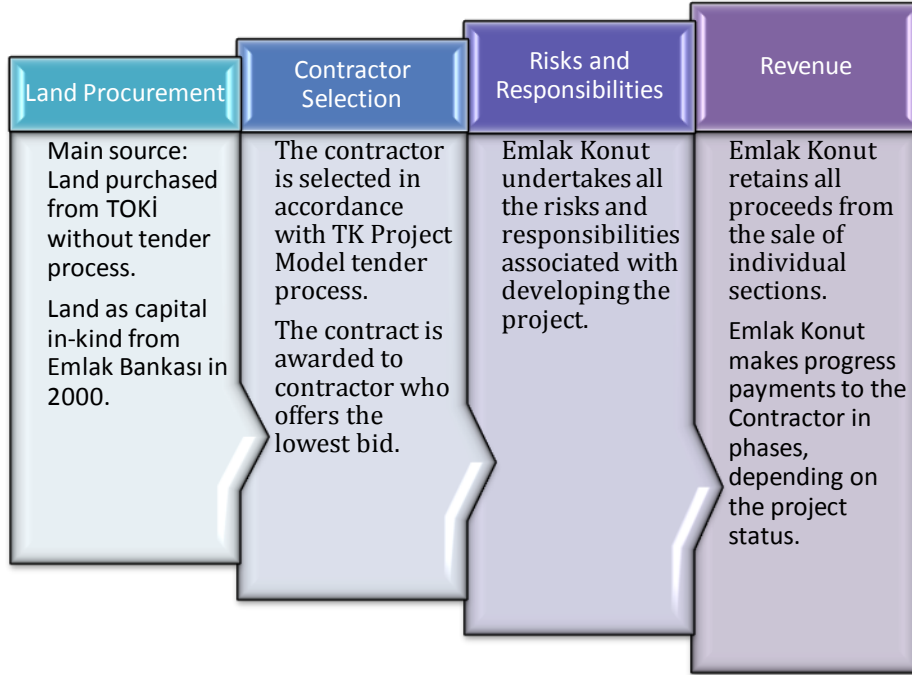
No	Project	Base Value of Land at time of Tender TL	CSTR (TL)	CSRS (%)	Multiplier Effect for Each Project
1	SARPHAN FINANS PARK	51.786.200	61.500.000	37,50	1,19
2	METROPOL İSTANBUL	290.998.144	500.971.500	43,15	1,72
3	AĞAOĞLU MASLAK 1453 İSTANBUL	604.940.000	1.153.750.000	35,50	1,91
4	KÖY	252.910.000	475.687.500	32,25	1,88
2012 and prior		1.200.634.344	2.191.909.000	Average Multiplier	1,83
5	İSTMARINA	214.045.000	534.000.000	40,00	2,49
6	BULVAR İSTANBUL	128.386.000	202.440.000	28,00	1,58
7	NİDAKULE ATAŞEHİR	63.551.681	190.231.000	36,20	1,58
8	BAHÇEŞEHİR GÖL PANORAMA EVLER	80.810.000	148.400.000	28,00	1,84
9	FATİH YEDİKULE *	67.915.000	105.968.270	35,01	1,84
10	EVVEL İSTANBUL	97.500.000	188.760.000	26,00	1,94
11	BAHÇEKENT FLORA	55.245.000	80.832.000	25,26	1,46
2013		707.452.681	1.450.631.270	Average Multiplier	2,05
12	ZEYTİNBURNU, KAZLIÇEŞME	725.700.000	1.568.800.000	37,00	2,16
13	PARK MAVERA	124.615.000	420.000.000	30,00	3,37
14	AVRUPARK	63.698.214	156.520.000	26,00	2,46
15	SOFALOCA	36.547.140	54.000.000	30,00	1,48
16	KOCAELİ, DERİNCE *	70.000.000	83.198.500	21,61	1,19
17	TUAL ADALAR	85.030.299	123.900.000	26,00	1,46
2014		1.105.590.653	2.406.418.500	Average Multiplier	2,18
18	KARAT 34	63.564.095	171.600.000	39,00	2,70
19	İSTİNYE SARIYER *	1.062.270.000	1.876.392.000	51,10	1,77
20	TUAL BAHÇEKENT	115.680.485	275.334.000	25,26	2,38
21	AVRUPA KONUTLARI BAŞAKŞEHİR	115.200.000	350.400.000	40,00	3,04
22	TEMAŞEHİR KONYA *	85.000.000	211.500.000	30,00	2,49
23	İSTANBUL KAĞITHANE *	115.953.466	637.000.000	49,00	5,49
24	ANKARA YENİMAHALLE *	622.000.000	1.258.365.000	30,00	2,02
25	BAŞAKŞEHİR 5TH STAGE	117.420.000	407.588.000	38,00	3,47
26	ANKARA MÜHYE *	328.314.175	1.040.000.000	38,00	3,17
27	EVORA DENİZLİ *	74.738.419	92.651.000	38,00	1,24
28	ANKARA ÇANKAYA *	95.156.250	180.000.000	38,00	1,89
29	İSTANBUL ÜSKÜDAR	85.003.711	406.215.000	38,00	4,78
2015		2.880.300.601	6.907.045.000	Average Multiplier	2,40
Total		5.893.978.279	12.956.003.770	Multiplier	2,20

Source: Company Data

* Construction permits have not been obtained yet for projects marked with

CSTR: Company Share Total Revenue CSRS: Company Revenue Share Ratio

Turnkey (TK) Project Model



Since 2004, Emlak Konut has completed the tender process of 30 TK projects. 16 of these projects are completed and 14 are in progress. The 16 completed projects resulted with 10.600 saleable independent units. The completed TK projects are Ataşehir Resmi Kurum Binası, Körfezkent 3, Sultanbeyli Emlak Konutları, Alemdağ Emlak Konutları, Tuzla Emlak Konutları 1, Gebze Emlak Konutları 2, Tuzla Emlak Konutları 2, Körfezkent 2, Gebze Emlak Konutları 1, Emlak Konut Mavişehir Evleri, Selimpaşa Emlak Konutları, Burgazkent, Lüleburgaz Çarşı, Yıldızkent 1, Yıldızkent 2 and Yıldızkent 3.

The ongoing TK projects which are under construction or whose contracts were awarded and executed are the following: Kayabaşı Emlak Konutları 2. Etap, 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, Körfezkent Stage 4, Ayazma Emlak Konutları, Emlak Konut Ispartakule Evleri 1. Etap 1. Kısım, Emlak Konut Ispartakule Evleri 1. Etap 2.Kısım, Emlak Konut Başakşehir Evleri 2. Etap and Esenler Emlak Konutları. 10,241 units will be constructed in TK projects.

The Board of Directors

As the most important administrative component of our company, the Board of Directors makes strategic decisions that are compliant with the provisions of the articles of association and applicable legal regulations, and in utmost consideration of the rights of all stakeholders. The Board of Directors performs managerial functions required for achieving the sustainable growth that is in line with the long-term corporate goals and interests.

Pursuant to CMB's Communique On Corporate Governance (II-17.1), the company has amended its articles of association for compliance to relevant regulations.

The Board of Directors

The Board of Directors

- The Board of Directors is the most senior decision-making body within Emlak Konut.
- It is responsible for managing and representing Emlak Konut, performing corporate activities, building the company's relationship with shareholders and recruiting.
- It is accountable for ensuring that the corporate activities are performed in accordance with the articles of association and the relevant provisions of the law.
- Board members are elected by the general meeting of shareholders.
- The Board consists of seven members: Chairman, Vice-Chairman and five other members, three of which are independent.

The Board of Directors fulfills the duties determined by the Turkish Commercial Code, the Capital Markets Board of Turkey, other relevant legislation and the General Assembly. The Board of Directors may execute contracts that go past the incumbency of the Board.

Actively engaged in the corporate operations, the Board of Directors intends to increase the business value (pecuniary or non-pecuniary) by acting in accordance with relevant regulations for decision-making processes and fluctuations in actual conditions.

Board members are elected by the general meeting of shareholders. The Board consists of seven members: Chairman, Vice-Chairman and five other members, three of which are independent.

BOARD OF DIRECTORS

Irrespective of his or her position and duties, each member of the Board of Directors is entitled to one vote, which must be cast in person. Members who cannot participate in the General Assembly meetings may not submit their votes in writing or by proxy.

In cases when no members request to call a meeting, a decision can be made as long as members submit their written approvals for the proposition.

All significant matters resolved by Board of Directors are released to the public via material event disclosure in accordance with our disclosure policy.

Members have not been granted weighted voting rights and/or veto rights. The Board of Directors applies its powers and responsibilities, and represents the company in line with the authority entrusted by stakeholders at general assembly and pursuant to legislation, articles of incorporation, intra-company regulations and policies. It also develops strategic plans in accordance with the corporate vision. Irrespective of his or her position and duties, each member of the Board of Directors is entitled to one vote, which must be cast in person. Members who cannot participate in the General Assembly meetings may not submit their votes in writing or by proxy. In cases when no members request to call a meeting, a decision can be made as long as members submit their written approvals for the proposition. All significant matters resolved by Board of Directors are released to the public via material event disclosure.

Actual participation is ensured on all topics related to CMB's Communique on Corporate Governance. The Board of Directors may delegate their authority, completely or partially, either to one or more executive members or to managers who are not required to be shareholders. There are no managing members in the Board of Directors. The following Board members were elected in the General Assembly meeting on April 6, 2015:

THE BOARD OF DIRECTORS

Full Name	Position	Occupation	Whether an Independent Member or Not	Share Group(s)
Ertan Yetim	Chairman	Civil Engineer	-	A, B
Ertan Keleş	Vice-Chairman	Civil Engineer	Independent Member	B
Murat Kurum	Member and General Manager	Civil Engineer	-	A, B
Sami Er	Member	Mechanical Engineer	-	A, B
Aliseydi Karaoğlu	Member	Business Administration	-	A, B
Veysel Ekmen	Member	CPA	Independent Member	B

BOARD OF DIRECTORS

Havvanur Yurtsever

Member

Lawyer

Independent Member

B

Activities of the Board of Directors

The Board is the most senior decision-making body within Emlak Konut REIC. It is responsible for managing and representing Emlak Konut REIC, performing corporate activities, building the company's relationship with shareholders and recruiting. In addition, it is accountable for ensuring that the corporate activities are performed in accordance with the articles of association and the relevant provisions of the law.

Republic of Turkey The Board of Directors was established in accordance with the provisions on board structure and terms for independence set forth in the CMB's Corporate Governance Communiques.

Board members are elected by the general meeting of shareholders. The Board consists of seven members: Chairman, Vice-Chairman and five other members, three of which are independent.

There were **42 resolutions** from **January 1, 2016 to March 31, 2016**. All resolutions were made unanimously. Board members have not been granted weighted voting rights and/or veto rights.

The Board of Directors applies its powers and responsibilities, and represents the company in line with the authority entrusted by stakeholders at general assembly and pursuant to legislation, articles of incorporation, intra-company regulations and policies. It also develops and conducts strategic plans in accordance with the corporate vision.

Amendments to the Articles of Association

No revisions were made to the articles of association between 01.01.2016 and 31.03.2016

Voting Rights and Minority Rights

Pursuant to Voting Right Principle under Shareholders section of Corporate Governance Principles, there are no compulsory practices for the exercise of voting rights by our shareholders.

Group A shares have nomination privileges in Board of Directors elections. All Board members, excluding independent members, are elected by the General Assembly among candidates nominated by Group A shareholders. Other than the nomination privileges granted to Group A shareholders, no privileges, including nominations for Board of Directors, may be issued or securities that provide privileges may be removed during election of the Board members. The transfer of privileged shares is subject to the permission of the Capital Markets Board of Turkey. Each share equals to one vote at General Assembly. Five non-independent members of the Board are elected by the General Assembly from among candidates nominated by Group A shareholders. Three independent members of the

BOARD OF DIRECTORS

Board are elected from among candidates nominated by the Housing Development Administration of Turkey. There are no minority rights within the company's capital structure.

Corporate Governance and Committees

Emlak Konut REIC has acknowledged compliance to the CMB's Corporate Governance Principles and Regulations as its primary governance principle. Therefore, Emlak Konut REIC has implemented processes for the stages of compliance such as organization, principles and managerial activities. We follow our amended legislation in our operations concerning Equality, Transparency, Accountability and Responsibility, which are the key aspects of the Corporate Governance Principles.

Emlak Konut REIC has started the standardization of its governance principles on December 30, 2011 when the CMB's Communique on Determination and Implementation of Corporate Governance Principles (IV-56) was published in the Official Gazette No. 28158 and put into effect. Based on Capital Markets Law No: 6362 (published in the Official Gazette No. 28513 on December 30, 2012), the CMB's Corporate Governance Communique No: II-17.1 (published in the Official Gazette No. 28871 on January 3, 2014) finalized the regulations, which the Company put into effect. These regulations classify publicly-traded companies by their compliance to corporate governance principles. Emlak Konut REIC is among the companies in the "First Group."

Emlak Konut REIC has introduced all mandatory rules required to comply with Corporate Governance Principles.

The Board of Directors makes use of committee efforts during its activities. The efforts by committees and related decisions are submitted to Board of Directors as proposals, and the Board makes the final decision. Detailed information about working principles of committees is declared by PDP and is also available on the corporate website at www.emlakkonut.com.tr. Committees function in compliance with these principles.

The Corporate Governance Committee also serves as the Nomination Committee and the Wages Committee. As a result of the discussions and voting that occurred during the first meeting held on April 6, 2015 by the Board of Directors elected at the Ordinary General Assembly Meeting held on April 6, 2015, it has been agreed that:

Corporate Governance Committee

Full Name	Position	Date elected
Veysel EKMEK	Independent Board Member/Chairman of the Committee	April 6, 2015
Aliseydi Havvanur	Board Member/Committee Member	April 6, 2015
Hakan AKBULUT	Deputy General Manager/Committee Member	April 6, 2015

The dates and the main agenda items of the meetings held by the Committee are as follows:

BOARD OF DIRECTORS

- March 25, 2016: Wages Policy

Early Detection of Risk and Risk Management Committee

Early Detection of Risk and Risk Management Committee

Full Name	Position	Date Elected
Ertan Keleş	Independent Board Member/Chairman of the Committee	April 6, 2015
Sami ER	Board Member/Committee Member	April 6, 2015
Aliseydi Karaoğlu	Board Member/Committee Member	April 6, 2015

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

The dates and the main agenda items of the meetings held by the Committee are as follows:

- February 8, 2016: Work on Early Detection of Risk and Risk Management Committee
- March 28, 2015: Work on Early Detection of Risk and Risk Management Committee

Audit Committee

Audit Committee

Full Name	Position	Date Elected
Ertan Keleş	Independent Board Member/Chairman of the Committee	April 6, 2015
Veysel Ekmen	Independent Board Member/Committee Member	April 6, 2015
Havvanur Yurtsever	Board Member/Committee Member	April 6, 2015

The committee works under Board of Directors; and intends to ensure supervision of company accounting system, public disclosure of financial information, functioning and efficiency of independent audit and internal control system.

The dates and the main agenda items of the meetings held by the Committee are as follows:

- February 29, 2016: Declaration of Responsibility about the Financial Statements

Risk Management

Implementation of risk management and related policies is today one of the most indispensable elements of the business management. Knowing that risk management is, by its nature, a dynamic force, Emlak Konut REIC pays attention to make management decisions accordingly.

As a capital market institution, Emlak Konut REIC attaches importance to risk management and continues for constant improvement in this aspect. The company intends to make risk management a corporate element, and implement practices toward total and effective risk management in order to ensure sustainable growth.

Formed in 2012, the Early Detection of Risk and Risk Management Committee is actively involved in the management and decision-making mechanism of the company.

The Committee works to detect the risks early which may jeopardize the existence, development and continuity of the Company, to implement necessary measures against such risks and to manage risks.

Management and other relevant party inputs are requested in regards to risk detection plans that identify areas of weaknesses as well as their elimination. Risk management systems are reviewed at least once a year. The committee reviews any complaints, analyzes them, provides a resolution and ensures that employees communicate such issues to management pursuant to confidentiality principles.

For risk monitoring at the macro level, the Board of Directors may require reporting and analysis from departments and then duly evaluates the results. Internal control mechanism and Audit Committee also closely monitor risk potentials by monitoring the business developments. In addition, the Early Detection of Risk and Risk Management Committee collects necessary information within the company and assists the Board of directors regarding risk management.

As Emlak Konut REIC adopts the principles of Corporate Risk Management, it pays attention to analyze risks beforehand and take necessary measures. The company also employs the effective use of the risk-avoidance and risk-transfer methods, which are indispensable tools of risk management,

Emlak Konut REIC. strives for establishing an optimum relation between risk and income in both financial and non-financial activities. One of the main objectives of the committee is to ensure sustainable growth of the company via effective risk management. The committee intends to provide all shareholders and stakeholders with a permanent growth trend through other management means and procedures as well.

Executive Management

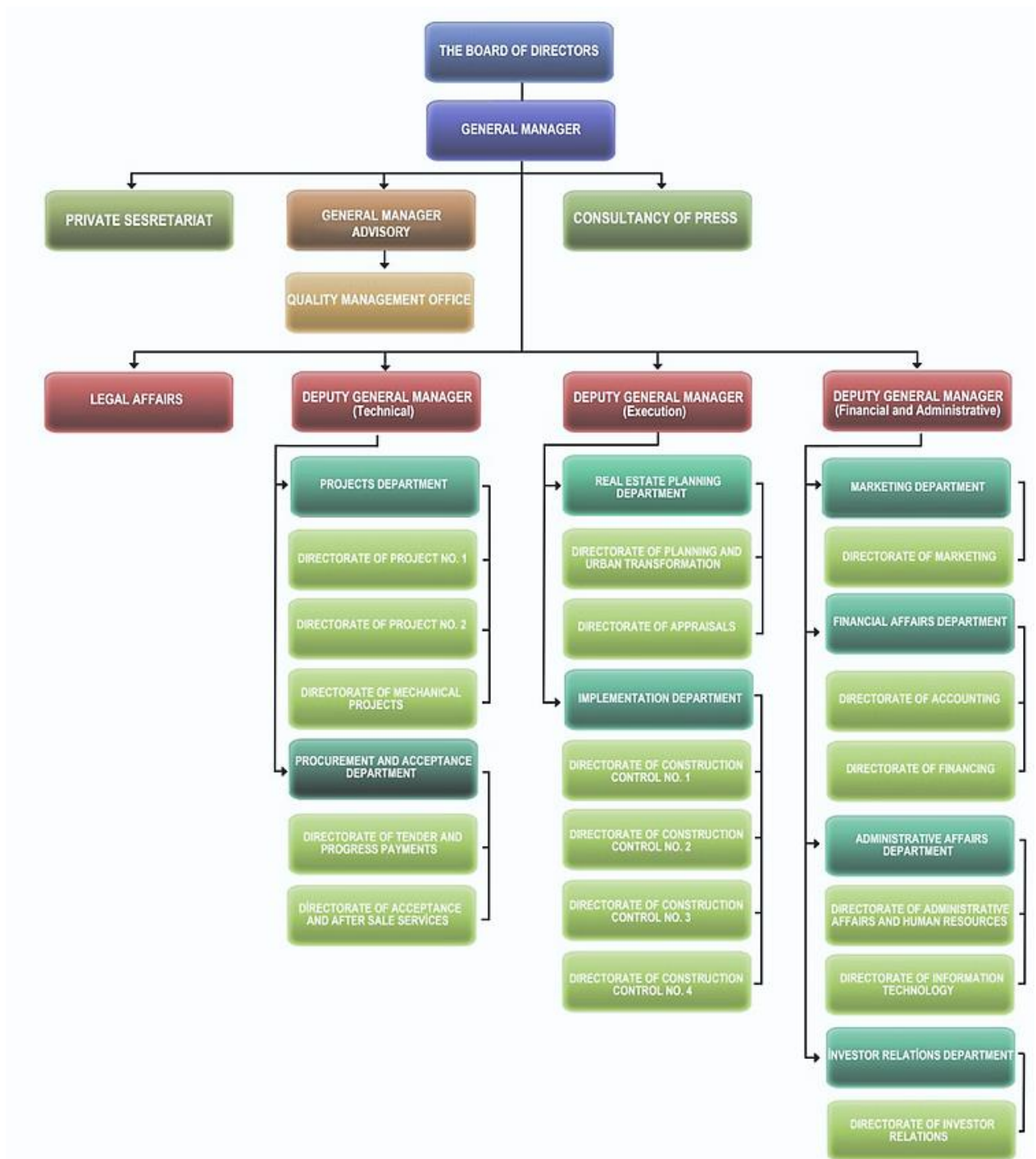
Executive Managers fulfill their duties in accordance with corporate vision and mission by exercising the power granted by relevant legislation and internal regulations. Emlak Konut's experienced executive management team collaborates with their staff and other units in the organization and makes administrative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

Within the company, **Murat Kurum** is the General Manager, **Hakan Akbulut** is Deputy General Manager of Financial and Administrative Affairs, **Sinan Ayođlu** is Deputy General Manager of Technical Services and **Metin Tekin** is Deputy General Manager of Implementation.

Our company did not change the top Management between January, 01 2016 and March 31, 2016.

EXECUTIVE MANAGEMENT

Organization Diagram



Other Developments in the Reporting Period

Regarding Company Real Estates

An auction tender was held on January 28, 2016, for various lands and commercial units belonging to our company and two offers were received for two items of land. The total offer amount made for the lands was 57,900,000 TL+VAT.

Regarding Remuneration Policy Change

The Board of Directors of the Company resolved on March 11, 2016, to revise the Company's Pricing Policy pursuant to the Capital Markets Board Communique Serial II, No: 17.1 on Corporate Governance and submit to the approval of the partners at the Ordinary General Assembly on April 14, 2016.

Regarding Selection of the Independent Audit Company

In line with Board of Directors resolution dated March 11, 2016, it was decided to submit to the approval of the General Assembly the proposal for the selection of DRT BAĞIMSIZ DENETİM VE SMMM A.Ş. (DELOITTE) as the Independent Audit Company and to execute a service contract for the 2016 accounting period.

Regarding the Cooperation Protocol Made with the Turkish Standard Institute

A "Cooperation Protocol" was signed between the Turkish Standards Institute and Emlak Konut REIC with the goal of strengthening the quality infrastructure in our country, expanding the services provided by the Turkish Standards Institute, and increasing collaboration between the two organizations.

Regarding the Company Buy-Back Program

According to the article pertaining to the buy-back of Company shares, adopted in the Company's Board of Directors to be valid for a period of three years, the Board of Directors resolved to allocate funds for shares to be bought back if deemed necessary between January 11 and December 31, 2016 at a price level of up to 4 Turkish lira with a total nominal share value of 259,929,138 Turkish lira, and to authorize Chairman Ertan Yetim or General Manager Murat Kurum to conduct the operations.

During this period, the Company may buy back shares at the amount and price deemed necessary, on the condition of remaining within the stated limits.

Regarding the Company's 2016 Sales Targets

In the Company's ongoing and slated projects in 2016, we project the number of independent units to be sold to reach 11,000 and the total salable area of the these units to stretch to nearly 1.5 million

OTHER DEVELOPMENTS

square meters with a total sales value of 7.6 billion Turkish Lira. The Company forecast a net profit of 1.5 billion Turkish Liras.

Based on the sales forecast on current market conditions and expectations on the developments that will shape both the Turkish and global economies next year, the Company remains confident of meeting its sales targets. In case of unforeseen circumstances, the Company will reassess its sales targets.

R&D Activities

Emlak Konut REIC has no research & development activities.

KEY Payments

Until end of March 2016 from the beginning of year, a total of **308.41** transfers (share amount) were made to the accounts of shareholders with KEY (shares against Housing Support).

Lawsuits against Emlak Konut REIC

Of the ongoing lawsuits against Emlak Konut REIC, the following are the large-scale proceedings:

MASLAK 1453 PROJECT

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

The stay of execution of the Application Zoning Plan, with the scale of 1/1,000, and the Master Development Plan, with the scale of 1/5,000, which was published between August 18 and September 17, 2010; regarding the Squatter Prevention Area of the Ayazağa neighborhood of Şişli District on file no. 2010/2191E of the First Administrative Court of Istanbul; was requested to be canceled by the Constitutional Court in accordance with article 4 of Law No: 2985 and article 7 of Law No: 5793. The company joined the lawsuit as Intervenor together with the Defendant. The expert witness report, which was prepared following the survey and investigation, stated that the disputed zoning plan was in violation of the urbanization and planning principles. Therefore, the court ruled in favor of canceling the revisions to the disputed plan. The decision of the Administrative Court was approved by decision no: 2013/4248, 2014/5118 of the Sixth State Council on June 26, 2014. The approval was appealed for correction and results of correction request are expected.

2. **Istanbul Büyükkent Branch of UCTAE**

The stay of execution of the Application Zoning Plan, with the scale of 1/1,000, and Master Development Plan, with the scale of 1/5,000, which was published between August 18 and September 17, 2010; regarding the Squatter Prevention Area of the Ayazağa neighborhood of Şişli District on file no. 2010/2300 E of the Eighth Administrative Court of Istanbul; is requested to be canceled. The company joined the lawsuit as Intervenor together with the Defendant. The expert witness report, which was prepared following a survey and investigation, stated that the disputed zoning plan was in violation of the urbanization and planning principles. Therefore, the court ruled in favor of canceling the revisions to the disputed plan. The Administrative Court decision was appealed and the results of the appeal investigation are expected.

3. **TMMOB Urban Planners İstanbul Branch**

The stay of execution of the Application Zoning Plan, with the scale of 1/1,000, and Master Development Plan, with the scale of 1/5,000, regarding the Squatter Prevention Area of the Ayazağa neighborhood of Şişli District on file no. 2010/2480E of the Sixth Administrative Court of Istanbul; was requested to be canceled. The company joined the lawsuit as Intervenor together with the Defendant. The dismissal decision of the Administrative Court was reversed by the decision no: 2013/4255, 2014/2354 of the Sixth State Council on March 26, 2014. An appeal for the reversal of the decision was filed and the results of the appeal is expected.

4. **TMMOB Urban Planners İstanbul Branch**

The Revised Application Zoning Plan with the scale of 1/1,000 and the Revised Master Development Plan with the scale of 1/5,000, which was published between November 29 and December 29, 2011, regarding the Squatter Prevention region of Ayazağa neighborhood of Şişli District on the file no: 2012/401E of the Fifth Administrative Court of Istanbul was requested to be put on hold and canceled. Although the lawsuit is brought is against TOKİ, the Court decided Ministry of Environment and Urbanization to be considered as adverse party too. On May 10, 2012, the Court rejected the lawsuit in terms of authorization and sent it to Council of State. The file is registered under no: 2012/4412 of Sixth Department of the Council of State and the company joined the lawsuit as Intervenor together with the Defendant Institutions. The Court has made the decision of stay of execution and also denied the appeal against the stay of execution. The construction permit and Application Zoning Plan with the scale of 1/1,000 and Revision Master Development Plan with the scale of 1/5,000 on September 16, 2009, regarding the Squatter Prevention region of Ayazağa neighborhood of Şişli District on the file no: 2012/1913 E of the First Administrative Court of Istanbul is requested to be canceled and put on hold. The company joined the lawsuit as Intervenor together with the Defendant Institutions. The appeal against Regional Administrative Court of Istanbul has also been rejected. The

OTHER DEVELOPMENTS

Administrative Court dismissed the case based on qualification on November 25, 2013. The plaintiff appealed and the Sixth Department of the Council of State approved the decision of the Administrative Court on September 18, 2014.

5. TMMOB Urban Planners İstanbul Branch

The stay of execution of the construction and renovation licenses against Sarıyer Mayoralty and Şişli Mayoralty; regarding the Squatter Prevention Area of the Ayazağa neighborhood of Sarıyer District on 2 plate, 1 plot, parcels no; 20, 49, and 50 (former 1 plate, 145 parcel 10622 which was created by zone planning plot 1 parcel), no. 2015/1354 E of the Twelfth Administrative Court of İstanbul; is requested to be canceled. The company joined the lawsuit as Intervenor together with the Defendant. The court has decided to revoke the case our Company took part in on the side of defendants

ZEKERİYAKÖY PROJECT

1. İstanbul Branch of UCTAE Urban Planners

Regarding the lawsuit brought against TOKİ and the Ministry of Environment and Urbanization by the Sixth Department of the Council of State with the file no: 2012/3789E for the suspension of execution and cancellation of the Master Development Plan with the scale of 1/5,000 and the Application Zoning Plan with the scale of 1/1,000, which were approved by transaction no: 1769 on March 13, 2012 regarding the Zekeriyaköy Mass Housing Area located in the Third Degree Natural Protected Area within the borders of Zekeriyaköy Neighborhood, Sarıyer District in İstanbul; the Court has ruled that “the request for stay of execution is accepted based on the conditions and uniqueness of the case until a new decision is made in accordance with the report to be prepared and submitted to the Court following the survey and investigation by the expert witness.” The appeal against the stay of execution was also denied. Based on the results of the survey and investigation that were carried out on January 17, 2014, the Court has made the decision of stay of execution on July 7, 2014. Appeal by the plaintiff was dismissed by the Chambers for Administrative Cases. The company filed a request on August 26, 2014 to join the lawsuit as Intervenor together with the Defendant Institutions. The request was accepted on May 4, 2015. The hearing was held on June 24, 2015. The case on December 12, 2015 has decided to notify the Forestry and Water Affairs Ministry.

2. İstanbul Branch of UCTAE Urban Planners

Regarding the lawsuit brought against the Ministry of Environment and Urbanization by the Seventh Administrative Court of İstanbul with the file no: 2013/2478E for the suspension of

OTHER DEVELOPMENTS

execution and cancellation of the Master Development Plan with the scale of 1/5,000 and the Protective Application Zoning Plan with the scale of 1/1,000, which were approved by the Ministry of Environment and Urbanization on August 14, 2013 (Regulatory Approval No. 8097), regarding Zekeriyaköy Mass Housing Area in Zekeriyaköy Neighborhood, Sarıyer District in Istanbul; The company joined the lawsuit as Intervenor together with the Defendant. Survey realized on May 5, 2015 and expert witness report was declared to our Company. Discovery was made on May, 20 2015, the expert's report has been notified to the company on February, 19 2016. Our company has made an appeal to against the parts of the expert report.

3. Istanbul Branch of UCTAE Chamber of Forest Engineers

Regarding the lawsuit brought against TOKİ, the Ministry of National Defense, and the Ministry of Finance by the Third Administrative Court of Istanbul with the file no: 2014/268E for the suspension of execution and cancellation of the transfer of 34 real estate properties, which are located in Zekeriyaköy Neighborhood, Sarıyer District, Istanbul, from the Ministry of National Defense to TOKİ as approved in writing by the Ministry of National Defense (No: 3075-10 on February 9, 2010) and by the Ministry of Finance (No: 37014 on November 4, 2010); the company filed a request on November 20, 2014, to join the lawsuit as Intervenor together with the Defendant Institutions. Court accepted our request to join the lawsuit as Intervenor with Siyah Kalem Müh.'in and Chamber of Forest Engineers of Turkey. The court case has been dismissed. The plaintiff has appealed the Administrative Court with a motion for stay of execution of the decision. 10th Council of State Chamber of February 24 2016 has decided to suspend the execution date; it is expected as a result of appellate review.

KUASAR PROJESİ

1. Istanbul Büyükşehir Branch of Chamber of UCTAE Architects

Stay of execution and cancellation of the revisions to the Master Development Plan with the scale of 1/5,000, which was approved on February 22, 2011, regarding the property on Sheet no: 58, Block no: 1199, Parcel No: 230, in Dikilitaş Neighborhood of Şişli District was requested by the Sixth Administrative Court of Istanbul under file no: 2011/920E. The company joined the lawsuit as Intervenor together with the Defendant. The expert witness report, which was prepared following the survey and investigation, stated that the disputed zoning plan was in violation of the urbanization and planning principles. Therefore, the court ruled in favor of canceling the revisions to the disputed plan. Decision on the Council of State upheld, result of the correction request is expecting.

OTHER DEVELOPMENTS

2. Serdar Bayraktar and friends,

Stay of execution and cancellation of Master Development Plan with the scale of 1/5,000 which is accepted by the approval dated June 19, 2013 and no: 6186 and Application Zoning Plan with the scale of 1/1,000 regarding the property on the parcel no: 230, block no: 1199 and plot no:58 within the borders of Dikilitaş neighborhood of Şişli district is requested by the file no: 2014/260 E of Fifth Administrative Court of Istanbul. The company joined the lawsuit as Intervenor together with the Defendant Institutions. The Court rejected the request of stay of execution by the decision taken on February 11, 2014. Expert witness review completed which was ordered by Court and report was challenged. Our company participated in the proceedings as interveners' next respondent Administrations. The court accepted the case; it was decided to cancel the plan. The result of appeal review is expecting.

3. Istanbul Branch of UCTAE Urban Planners

Stay of execution and cancellation of the revisions to the Master Development Plan with the scale of 1/5,000 and the Application Zoning Plan with the scale of 1/1,000, which were approved on June 19, 2013 with decision no: 6186, regarding the property on Sheet no: 58, Block no: 1199 and Parcel No:230 in Dikilitaş Neighborhood of Şişli District was requested by the Fifth Administrative Court of Istanbul under file no: 2013/2103E. Our company participated in the proceedings as interveners' next respondent Administrations. The court accepted the case; it was decided to cancel the plan. The result of appeal review is expecting.

İSTANBUL/KAPADIK DISRICT

1. Avcılar Municipality

Regarding the lawsuit brought against the Ministry of Environment and Urbanization by the Sixth Department of the Council of State with file no: 2013/6332E for the stay of execution, cancellation of the revisions to the Application Zoning Plan with the scale of 1/1,000 and the Master Development Plan with the scale of 1/5,000, which were approved by the Ministry of Environment and Urbanization on April 1, 2014 (approval no: 4989); regarding the property in Kapadık Locality, Yeşilkent Neighborhood, Avcılar District in Istanbul and combining the case with the lawsuit by the Sixth Department of the Council of State with file no: 2012/4041E; the Court notified TOKİ and Emlak Konut. The company filed a request to join the lawsuit as Intervenor together with the Defendant Institution on April 2, 2014. The company's objections were presented against the expert report notified as a result of the survey carried out. Based on the expert witness report, the Court ruled a stay of execution on December 1, 2014. An appeal was submitted against the Court's decision. On March 2, 2015, the company requested a new expert witness report as well as a new trial. The Council of State Administrative Cases Board,

OTHER DEVELOPMENTS

the rejection of our appeal to the decision of execution has decided on April 27, 2015. Chamber of Chamber of City Planners Istanbul Branch's request to participate in the proceedings alongside the plaintiff was rejected. On November 26, 2015 the Supreme Administrative Court prosecutor has given our opinion prosecution statement against the view presented on December 18, 2015.

2. Avcılar Municipality,

Regarding the lawsuit brought against the Ministry of Environment and Urbanization by the Sixth Department of the Council of State with file no: 2012/4041E for the stay of execution, cancellation of the revisions to the Application Zoning Plan with the scale of 1/1,000 and the Master Development Plan with the scale of 1/5,000, which were approved by the Ministry of Environment and Urbanization on January 1, 2012 (approval no: 491); regarding the property in Kapadık Locality, Yeşilkent Neighborhood, Avcılar District in Istanbul and combining the case with the lawsuit by the Sixth Department of the Council of State with file no: 2013/6332E. The company filed a request to join the lawsuit as Intervenor together with the Defendant Institution on April 9, 2015 and the request was granted on June 29, 2015. Prosecutor of the State Council has given opinions on October 11, 2015. Our statement against the prosecution was submitted on December 18, 2015.

İSTANBUL/KAYABAŞI

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

Regarding the lawsuit brought against the Ministry of Environment and Urbanization by the file of the Ninth Administrative Court of Istanbul with file no: 2013/2096E for the stay of execution and cancellation of the revisions to the Revised Application Development Plan with the scale of 1/5,000 and the Revised Master Development Plan with the scale of 1/1,000, which were approved by the Ministry of Environment and Urbanization on May 9, 2013 (Regulatory Approval No. 7096), regarding the Kayabaşı Mass Housing Area in Başakşehir District of Istanbul; the company filed a request to join the lawsuit as Intervenor together with the Defendant Institution on April 21, 2014 and the request was granted on June 30, 2014. The discovery is made on November 25 2015, the expert report has been notified on February 22, 2016 to our company. The company has objected to the expert's report on April 03 2016.

İSTANBUL/ZEYTİNBURNU

1. Istanbul Branch of UCTAE Urban Planners

OTHER DEVELOPMENTS

Regarding the lawsuit brought against the Ministry of Environment and Urbanization by the Fifth Administrative Court of Istanbul with file no: 2014/561E for the stay of execution and cancellation of the Master Development Plan with the scale of 1/5,000, which were approved by the Ministry of Environment and Urbanization on November 19, 2013 (Regulatory Approval No. 17978), regarding Block No: 774, Parcel No: 6 and 31 in Kazlıçeşme Neighborhood, Zeytinburnu District in Istanbul, the company joined the lawsuit as Intervenor together with the Defendant. Following the rejection by the Court of the request of stay of execution on September 22, 2014, the plaintiff appeal against the Regional Administrative Court of Istanbul was also rejected. The expert report has come to favor. The plaintiff appealed to the side report.

2. Istanbul Büyükşehir Branch of Chamber of UCTAE Architects

Regarding the lawsuit brought against the Ministry of Environment and Urbanization by the Fifth Administrative Court of Istanbul with file no: 2014/1641E for the stay of execution and cancellation of the revisions to the Master Development Plan with the scale of 1/5,000 and the Application Zoning Plan with the scale of 1/1,000, which were approved by the Ministry of Environment and Urbanization on November 19, 2013 (Regulatory Approval No. 17978), regarding Block No: 774, Parcel No: 6 and 31 in Kazlıçeşme Neighborhood, Zeytinburnu District in Istanbul as well as the revisions to the said plans, which were approved by the Ministry on March 20, 2014 (Regulatory Approval No. 4446) and published between April 9, 2014 and May 8, 2014; the company filed a request on to join the lawsuit as Intervenor together with the Defendant Institution March 26, 2015. The request was accepted on May 27, 2015.

The case is being heard together with the related file no: 2014/561E of the Fifth Administrative Court of Istanbul. . The expert report has come to favor. The plaintiff appealed to the side report.

KARTAL PROJESİ

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

Regarding the lawsuit brought against the Ministry of Environment and Urbanization by the Ninth Administrative Court of Istanbul with file no: 2013/2105E for the stay of execution and cancellation of the decision no. 16997 that approved the revision of the Application Zoning Plan with the scale of 1/1,000 and Master Development Plan with the scale of 1/5,000 regarding Block No: 674, Parcel No: 1, 4, 5, and 6, Block No: 675, Parcel No: 1, 2, and 3, Block No: 676, Parcel No: 108, Block No: 720, Parcel No: 2, 4, 8, 19, and 34 in Kartal district on November 5, 2012; the company's request to join the lawsuit as Intervenor together with the Defendant

OTHER DEVELOPMENTS

Institution was granted by the Court. The Court dismissed the case on April 27, 2015. The result of plaintiff's appeal challenge is expecting.

2. Istanbul Branch of UCTAE Urban Planners

Regarding the lawsuit brought against the Ministry of Environment and Urbanization by the First Administrative Court of Istanbul with file no: 2013/685E for the stay of execution and cancellation of the decision no. 16997 that approved the revision of the Application Zoning Plan with the scale of 1/1,000 and Master Development Plan with the scale of 1/5,000 regarding Block No: 674, Parcel No: 1, 4, 5, and 6, Block No: 675, Parcel No: 1, 2, and 3, Block No: 676, Parcel No: 108, Block No: 720, Parcel No: 2, 4, 8, 19, and 34 in Kartal district on November 5, 2012; the company's request to join the lawsuit as Intervenor together with the Defendant Institution was granted by the Court. The Court dismissed the case on April 16, 2015. The result of plaintiff's appeal challenge is expecting.

ISTANBUL FINANCE CENTER PROJECT

1. Istanbul Branch of UCTAE Urban Planners

The proceeding regarding the issue of stay order and cancellation has been requested for the 1/5000 scaled Istanbul Finance Center Master Plan and 1/1000 scaled Istanbul Finance Center Implementary Development Plan, which was announced between the dates of June 25, 2012, and July 24, 2012, at the zone known as the Istanbul Finance Center within the borders of Ümraniye and Ataşehir districts, against the Ministry of Environment and Urbanization as per the case file numbered 2013/621 E. of Istanbul 7th Administrative Court. Our company took part in the proceeding on the side of defendant administration. An expert report that is drawn up upon inspection has been delivered to our Company, and a statement has been made on the expert report within the legal term.

2. Chamber of UCTAE Architects

The stay of execution of the Application Zoning Plan with the scale of 1/1,000 and Master Development Plan with the scale of 1/5,000 which is published between June 25 and July 24, 2012 regarding the Istanbul Finance Center Area of Ümraniye and Ataşehir Districts on file no. 2012/1672 E of the Eighth Administrative Court of Istanbul was requested to be canceled, the company filed a request on February 23, 2014 to join the lawsuit as Intervenor together with the Defendant Institution. Since this case is related to file no: 2013/621E of the Seventh Administrative Court of Istanbul, the file was closed and sent to the Seventh Administrative Court of Istanbul. The file was registered under no: 2014/1102E of the Seventh Administrative

OTHER DEVELOPMENTS

Court of Istanbul. With the understanding that the decision on file no: 2013/621E would affect the present case, the Court has decided to adjourn the trial until a decision is made on the said trial following the evaluation of the expert witness report ordered for the survey and investigation of the disputed sites. The Court has decided to reach a verdict on file no: 2014/1102E based on the decision to be made on file no: 2013/621E.

3. Chamber of UCTAE Architects

It is requested on the proceeding brought against the Housing Development Administration and Istanbul Metropolitan Municipality with the case file numbered 2013/1927 E. of the Istanbul 1st Administrative Court to cancel the "Ataşehir Housing Estate 1/5000 Scaled Revision Master Plan Amendment," which was verified on February 15, 2008, and announced on March 14, 2008; and "Ataşehir Housing Estate 1/1000 Scaled Revision Implementary Development Plan," which was verified on February 15, 2008, and announced on March 12, 2008, which are collectively drawn up by the Housing Development Administration and approved by Istanbul Metropolitan Municipality City Council. The court has decided to revoke the case our Company took part in on the side of defendants; the result of the appellate review is pending.

BURSA/OSMANGAZI

1. TMMOB Şehir Plancıları Odası Bursa Şubesi,

Regarding the lawsuit brought against the Privatization Administration by the Sixth Department of the Council of State with file no: 2012/4341E for the stay of execution and cancellation of the decision no: 2012/18 by the Privatization High Council that approved the revisions to the Central Planning Area Master Development Plan with the scale of 1/25,000, Master Development Plan with the scale of 1/5,000 and the Application Zoning Plan with the scale of 1/1,000 regarding Tepecik Ayazması Locality, Demirtaş Neighborhood, Osmangazi District in Bursa on February 6, 2012; the Court has ruled a stay of execution on November 18, 2013. The company filed a request on January 28, 2015 to join the lawsuit as Intervenor together with the Defendant Institution. The request was accepted on April 14, 2015. The Court accepted the case and cancelled sued procession July 1, 2015 and The Administrative Court decision was appealed and the legal proceedings were decided canceled. Result of appellate review, the Supreme Administrative Court, Administrative Cases has decided to uphold the decision of the General Assembly.

İSTİNYE PROJESİ

OTHER DEVELOPMENTS

1. Sariyer Municipality

Regarding the lawsuit filed by the plaintiff Sariyer Municipality at the Third Administrative Court of Istanbul under file no:2012/268E, the plaintiff has requested a stay of execution and cancellation of the Revenue Sharing Model Based Project in Return For Land Sale Tender for Emlak Konut's real estate located in Istinye Neighborhood, Sariyer District of Istanbul (Block no: 380, Parcel No: 17, 18 and 38; Block no: 360, Parcel No: 3 and 64; and Block No: 1352, Parcel No: 3 scheduled for March 3, 2015. The Court dismissed the case based on appointment on March 17, 2015 under decision no: 2015/481K. The Administrative Court decision was appealed and the results of the appeal investigation are expected.

2. Regarding the lawsuit filed by the plaintiff Sariyer Municipality at the Twelfth Civil Court of Istanbul under file no:2015/73, the plaintiff requested a stay of execution and cancellation of the Revenue Sharing Model Based Project in Return For Land Sale Tender for Emlak Konut's real estate located in Istinye Neighborhood, Sariyer District of Istanbul (Block no: 380, Parcel No: 17, 18 and 38; Block no: 360, Parcel No: 3 and 64; and Block No: 1352, Parcel No: 3 scheduled for March 3, 2015. The Court dismissed the case based on appointment on March 2, 2015 under decision no: 2015/79. The Court decision was appealed by the Company together with the plaintiff and the results of the appeal are expected.

3. Regarding the lawsuit filed by the plaintiff Sariyer Municipality against the Privatization Administration at the Thirteenth Chamber of the Council of State under the file no.2014/2899 E, the plaintiff requested a stay of execution and cancellation of the decision no: 2014/51 dated May 16, 2014 by the Privatization High Council on the sales by tender of real estates located in Istinye Quarter, Sariyer District, Istanbul (registered to the Treasury with Block no: 380, parcel no: 17, 18, and 38; Block no: 360, parcel no: 3 and 64; Block no: 1352, parcel no: 3) to Emlak Konut REIC under the Law no. 4046. Although a party to the tender and sales, the Company was not shown as a party to the aforementioned lawsuit; however, the company was externally informed on the lawsuit and filed a request in April 2015 to join it as Intervenor. Upon the decision by the Thirteenth Chamber on this request, the Company will submit its meritorious defense. The court stopped the execution by the plaintiff's interim decision dated October 10, 2015 has decided to reject the request.

FATİH YEDİKULE

1. Hikmet Öz and friends

The stay of execution of the Application Zoning Plan with the scale of 1/1,000 and Master Development Plan with the scale of 1/5,000 which is published on October 4, 2012 Historical Peninsula Urban History, Urban Archeology, 1st Degree Archeological Site (Yedikule TCDD

OTHER DEVELOPMENTS

Ateliers and Yedikule Gas Station) regarding the on file no. 2013/347E of the Second Administrative Court of Istanbul was requested to be canceled. The court accepted the request partially on April 4, 2015. The company filed a request on to join the lawsuit as Intervenor together with the Defendant Institutions August 7, 2015. The District Administrative Court 1st Board has accepted the appeal made by the defendant administrations on the Issue of Stay Order; and has decided to revoke the decision of Stay Order dated April 24, 2015, to make a new decision on the request of Stay Order as per the report to be gathered upon fulfillment of the examination survey. Our demand to intervene was accepted on January 1, 2016; and the Ministry of Transport, Maritime Affairs and Communication has applied to take part in the proceeding on the side of defendants on March 3, 2016.

MÜHYE LAND

1. Istanbul Branch of UCTAE Urban Planners

Regarding the lawsuit brought against the Ministry of Environment and Urbanization and Housing Development Administration of Turkey by the Eighth Administrative Court with file no. 2015/1224E, the stay of execution of the Application Zoning Plan with the scale of 1/1,000, Master Development Plan with the scale of 1/5,000 and capital city Ankara Master Development Plan with the scale of 1/25,000, which were approved by the Ministry of Environment and Urbanization on February 27, 2015 (Regulatory Approval No. 3341), regarding Block No: 644, 831, 919, 920, 921, 3189, 3198, 3320, 3321 and 28060/no.2 in Mühye Neighborhood, Çankaya District in Ankara. The company filed a request on September 10, 2015 to join the lawsuit as Intervenor together with the Defendant Institution. As per the decision of joinder of the Ankara District Administrative Court 1st Board dated October 21, 2015, numbered 2015/2933 E., 2015/2724 K., the case basis was closed and sent to the Ankara 5th Administrative Court. The court decided to conduct an examination survey upon the examination survey made on the stay order on December 3, 2015, during the proceeding ongoing with the file numbered 2015/2968 E. of the Ankara 5th Administrative Court. Our demand to intervene was accepted on January 13, 2016; and the examination will be conducted on April 12, 2016.

2. Chamber of UCTAE Architects, Ankara Branch

Regarding the lawsuit brought against the Ministry of Environment and Urbanization and Housing Development Administration of Turkey by the Fourth Administrative Court with file no. 2015/1482E, the stay of execution of the Application Zoning Plan with the scale of

1/1,000, Master Development Plan with the scale of 1/5,000 and capital city Ankara Master Development Plan with the scale of 1/25,000, which were approved by the Ministry of Environment and Urbanization on February 27, 2015 (Regulatory Approval No. 3341), regarding Block No: 644, 831, 919, 920, 921, 3189, 3198, 3320, 3321 and 28060/no.2 in Mühye Neighborhood, Çankaya District in Ankara. The company filed a request on September 10, 2015 to join the lawsuit as Intervenor together with the Defendant Institution. As per the decision of joinder of the Ankara District Administrative Court 1st Board dated October 21, 2015, numbered 2015/3087 E., 2015/2723 K., the case basis was closed and sent to the Ankara 5th Administrative Court. The court decided to conduct examination survey upon the examination survey made on the stay order on December 3, 2015, during the proceeding ongoing with the file numbered 2015/3052 E. of the Ankara 5th Administrative Court. Our demand to intervene was accepted on January 13, 2016; and the examination will be conducted on April 12, 2016.

3. Çankaya Municipality

Regarding the lawsuit brought against the Ministry of Environment and Urbanization and Housing Development Administration of Turkey by the Ninth Administrative Court with file no. 2015/1554E, the stay of execution of the Application Zoning Plan with the scale of 1/1,000, Master Development Plan with the scale of 1/5,000 and capital city Ankara Master Development Plan with the scale of 1/25,000, which were approved by the Ministry of Environment and Urbanization on February 27, 2015 (Regulatory Approval No. 3341), regarding Block No: 644, 831, 919, 920, 921, 3189, 3198, 3320, 3321 and 28060/no.2 in Mühye Neighborhood, Çankaya District in Ankara. The company filed a request on September 10, 2015 to join the lawsuit as Intervenor together with the Defendant Institution. As per the decision of joinder of the Ankara District Administrative Court 1st Board dated October 21, 2015, numbered 2015/2369 E., 2015/2726 K., the case basis was closed and sent to the Ankara 5th Administrative Court. The court decided to conduct an examination survey upon the examination survey made on the stay order on December 3, 2015, during the proceeding ongoing with the file numbered 2015/2940 E. of the Ankara 5th Administrative Court. Our demand to intervene was accepted on January 13, 2016; and the examination will be conducted on April 12, 2016. Fatma Nazan Özyay's demand to intervene was accepted on March 09, 2016.

4. Gazi Sönmez and friends (44 plaintiffs, owners)

OTHER DEVELOPMENTS

Regarding the lawsuit brought against the Ministry of Environment and Urbanization and Housing Development Administration of Turkey by the Fifth Administrative Court with file no. 2015/1521E, the stay of execution of the Application Zoning Plan with the scale of 1/1,000, Master Development Plan with the scale of 1/5,000 and capital city Ankara Master Development Plan with the scale of 1/25,000, which were approved by the Ministry of Environment and Urbanization on February 27, 2015 (Regulatory Approval No. 3341), regarding Block No: 644, 831, 919, 920, 921, 3189, 3198, 3320, 3321 and 28060/no.2 in Mühye Neighborhood, Çankaya District in Ankara. The company filed a request on September 10, 2015 to join the lawsuit as Intervenor together with the Defendant Institution. The Ankara 5th Administrative Court was deemed to have authority over the decisions of the Ankara District Administrative Court 1st Board dated October 21, 2015, as well as associated files. The court decided to conduct an examination survey upon the examination survey made on the stay order on December 3, 2015. The Housing Development Administration's and our Company's demand to intervene was accepted on January 13, 2016; and the examination will be conducted on April 12, 2016. Fatma Nazan Özay's demand to intervene was accepted on March 09, 2016.

ÇAYYOLU LAND

1. The Union of Chambers of Turkish Engineers and Architects (UCTEA) Ankara Branch,
The plaintiff requested and pleaded stay of execution and cancellation regarding the lawsuit brought against the Ministry of Environment and Urbanization by the 10th Administrative Court of Ankara with file No. 2015/1987 E. with regard to the Capital Ankara Master Development Plan Change with a scale of 1/25,000, Master Development Plan Change with a scale of 1/5,000, and Implementary Development Plan with a scale of 1/1,000, which were approved by the Ministry of Environment and Urbanization on May 21, 2015 concerning Parcel No: 953 at Çayyolu Mah., Çankaya District address in Ankara. The company filed a request on October 2, 2015, to join the lawsuit as an intervening party together with the defendant institutions. On October 14, 2015, it was ruled to perform an expert examination, disclose our intervention request to the parties, and assess the request for stay of execution after completing the discovery and expert examination. An examination was conducted on January 20, 2016; and the drawn up expertise report is in favor. Contractor YP İnşaat A.Ş. applied to take part in on January 25, 2016.

2. UCTEA Chamber of City Planners Ankara Branch,

OTHER DEVELOPMENTS

The plaintiff requested and pleaded stay of execution and cancellation regarding the lawsuit brought against the Ministry of Environment and Urbanization by the 16th Administrative Court of Ankara with file No. 2015/2300 E. with regard to the Capital Ankara Master Development Plan Change with a scale of 1/25,000, Master Development Plan Change with a scale of 1/5,000, and Implementary Development Plan with a scale of 1/1,000, which were approved by the Ministry of Environment and Urbanization on May 21, 2015, concerning Parcel No: 953 at Çayyolu Mah., Çankaya District address in Ankara. The company filed a request on December 16, 2015, to join the lawsuit as Intervener together with the Defendant Institutions. It was decided to accept the demand to intervene of the Housing Development Administration on December 24, 2015; and our Company on February 15, 2016.

Dividend Distribution Policy and Principles

Emlak Konut REIC takes as principle to show due sensitivity and compliance with relevant regulations with respect to profit distribution to its shareholders. The company emphasizes the concept of “profit share/dividend” efficiency in the capital markets. Accordingly, it strives to ensure that the dividend yield is higher than risk-free alternative investment yield in terms of financial asset valuation. The company’s Dividend Distribution Policy is compliant to relevant legislation (provided below) and the related provision of the company’s Articles of Association. In addition, detailed information about the Dividend Distribution Policy is provided under the Investor Relations section of the company’s website at www.emlakkonut.com.tr.

With the Board of Directors resolution on March 31, 2014:

Pursuant to the Capital Markets Board Communique No: II-19.1 on Dividends, the company has decided to prepare its Dividend Distribution Policy as provided below and has agreed to inform its shareholders during the first General Assembly Meeting to be held. The related disclosure was issued on PDP on March 31, 2014. The Dividend Distribution Policy is available on the corporate website.

The dividend distribution policy for 2014 was adopted at the Ordinary General Assembly Meeting held on April 6, 2015. The dividend distribution table, which was disclosed on PDP, is also provided in the Appendix.

Article 30 of Emlak Konut's articles of association is stated below.

Articles of Association; Article 30 - Profit Distribution:

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

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

First legal reserve:

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

First dividend:

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

Second dividend:

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

Second legal reserve:

- d) The second legal reserve is set aside pursuant to article 519 paragraph 2 sub-paragraph (c) of the Turkish Commercial Code.
- e) Unless the above-mentioned reserve funds and the first dividend are set aside, the decisions on reserving additional funds or carrying forward the profit to the following year cannot be made. Unless the first dividend is paid, the decision cannot be made to distribute profit shares to members of the Board of Directors, officers, employees and workers.
- f) Dividend advances may be distributed to shareholders pursuant to article 20 of the Capital Markets Law.

By taking into consideration the operational performance of its current projects and the company's financial situation as well as any negative developments in domestic and global economic conditions, the Board of Directors sets its dividend distribution proposal in accordance with the CMB Communiqués and Regulations. Subsequent to approval by the General Assembly, the company may distribute at least 40 percent of the net distributable period profit as dividends in cash, bonus shares, or as both cash and bonus shares.

Per the company's articles of association, the General Assembly may authorize the Board of Directors for distributing dividend advances to the shareholders in accordance with the Capital Markets Law and the relevant regulations of the Capital Markets Board. The Board's authority to distribute dividend advances is limited to the year in which the authorization is granted by the General Assembly.

Dividend Distribution for 2015

The proposal of the Board of Management for the profit appropriation of the year 2015 was read out. It was accepted to confirm the proposal of the Board of Management stated in the Annual Report regarding the profit appropriation of the year 2015 as is; to confirm the proposal of the Board of Management to launch the profit appropriation in line with the resolution proposed on May 24, 2016 as is; to distribute the profit of the year 2015 in cash as follows in line with the profit appropriation regulations of the Republic of Turkey Prime Minister's Office, Capital Markets Board; to set the dividend distribution date as of May 24, 2016; by a majority vote against the negative votes representing the 1,209,126 Turkish lira of the capital. Related statement was made on Public Disclosure Platform in legal period.

Disclosure Policy

Emlak Konut REIC applies its Disclosure Policy pursuant to the provisions set forth in the Corporate Governance Principles of the CMB. The policy is disclosed to public via company website and annual report. The Disclosure Policy indicates which information will be declared by whom, through which means and at which frequency. The company discloses complete and accurate information in a timely, understandable and easily accessible manner.

With the Board of Directors resolution on March 31, 2014:

Pursuant to the Capital Markets Board Communique No: II-15.1 on Material Events Disclosures, the company has decided to prepare its Disclosure Policy as provided below and has agreed to inform the shareholders during the first General Assembly Meeting to be held. The related disclosure was issued on PDP on March 31, 2014. The Disclosure Policy is available on the corporate website.

Objective and Scope

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

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

Means for Public Disclosure

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

- Material Event Disclosures
- Financial Statements and Footnotes periodically communicated to BIST and Independent Audit Report
- Quarterly Reports
- Annual Reports

DISCLOSURE POLICY

- Corporate Website (<http://www.emlakkonut.com.tr>)
- Investor and Analyst Meetings
- Press Releases
- Press Conferences

Emlak Konut REIC immediately updates the website upon any changes in the shareholding and management structure. The company endeavors to promptly responding to any inquiry received via the website.

Emlak Konut REIC's Directorate of Press and Public Relations is responsible for preparing press releases for the purposes of public disclosure and/or corporate communications. The Directorate engages intra-company or external support on topics that require expertise.

Communications with Shareholders and individuals Authorized to Make Public Disclosures

Pursuant to CMB's Communique on the Principles Regarding the Public Disclosure of Material Events (No: II-15.1),

- the Chairman and Members of the Board of Directors,
- the Chairman and Members of the Audit Committee,
- the General Manager, and
- the Directorate of Investor Relations

will evaluate any information request for ramifications on investment decisions and value of the capital market instruments. The authorized individuals will also determine if the requested information is considered a trade secret and respond accordingly to the requester either verbally or in writing. No other employee is authorized for responding to requests. Emlak Konut REIC employees forward incoming questions to the Directorate of Investor Relations.

Authority and Responsibility

The Disclosure Policy is developed by the Emlak Konut REIC Board of Directors, pursuant to Board Resolution. The Board of Directors is authorized and responsible for monitoring, supervising, and updating the policy. Amendments are subject to Board resolution.

The provisions of the Disclosure Policy are managed by the Directorate of Investor Relations.

Principles for determining individuals with administrative responsibility

Individuals with administrative responsibility are board members and non-members who access insider information, directly or indirectly, on a regular basis and have the authority to make administrative decisions that affects the company's development and commercial targets. Emlak

DISCLOSURE POLICY

Konut REIC has identified the Board Members and Executive Management as individuals with administrative responsibility.

Principles regarding the disclosure of the company's assessment regarding the future

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

Directorate of Investor Relations

Emlak Konut REIC has an Directorate of Investor Relations that manages the relations of the company with its shareholders. The department reports directly to **Hakan Akbulut**, the Deputy General Manager responsible for Financial and Administrative Affairs (hakbulut@emlakkonut.com.tr). **Hasan Vehbi Arslantürk** (harslanturk@emlakkonut.com.tr) is the Acting Head of IR. **Selman Aydemir** is the Acting manager of IR (saydemir@emlakkonut.com.tr). The department employs specialists in order to provide superior service to the shareholders and other investors.

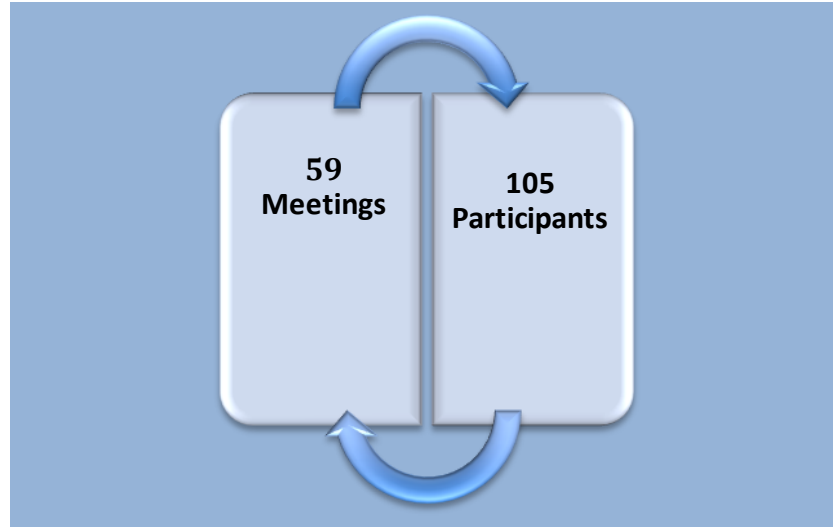
IR Department diagram is shown below. Because of increasing importance of IR and better servicing to the stakeholders, IR section upgraded to the separate department since November 26, 2015.

In addition to the e-mail addresses provided above, authorized staff may be reached via telephone at **+90 (216) 579 1515**, fax at **+90 (216) 456 4875**, or via the company email address info@emlakkonut.com.tr.

Emlak Konut REIC The Directorate of Investor Relations operates in accordance with the relevant legislation and internal regulations. The Company responds to meeting and interview requests from domestic and foreign corporate investors, in accordance with its Disclosure Policy and within reasonable bounds. The meetings organized by the Directorate of Investor Relations during the reporting period are as follows:

- **During the first quarter of 2016**, the department organized **59 events** with the participation of domestic and/or foreign corporations, funds and analysts. A total of **105 investors and analysts** participated in the events, including international conferences and teleconferences, as well as in meetings held at the corporate headquarters.

Emlak Konut REIC is expected to continue to draw attention from domestic and foreign investors and institutions.



Material Event Disclosures

All Deputy General Managers are responsible for making Material Event Disclosures about their own departments.

During the first quarter of 2016, 105 Material Event Disclosures were made. All disclosures were made by Emlak Konut REIC. Neither the CMB nor the BIST request additional written clarifications following these disclosures.

Insider Information and Access List

In case of a material event, the other parties who communicate with Emlak Konut REIC employees with access to insider information will be informed of their obligation to maintain the confidentiality of this information until it is clarified and disclosed on the PDP. Emlak Konut REIC employees will not release any information that may be considered a material event with third parties under any circumstances. If the company concludes that the confidentiality of information that is unintentionally disclosed to third parties cannot be maintained. Emlak Konut REIC will issue a material event disclosure in accordance with the Capital Markets regulations.

Pursuant to CMB's Communique on the Principles Regarding the Public Disclosure of Material Events, Emlak Konut REIC will prepare a list of natural individuals or legal entities, including their subordinates, who work for or on behalf of the company directly or indirectly and have access to insider information. The company departments will provide the names of people with access to insider information to the Administrative Affairs and Human Resources Directorate, where the list will be prepared and updated.

In accordance with the changing project scopes and current issues, Emlak Konut REIC will regularly update the list of individuals with access to insider information. The list will be submitted to the

DISCLOSURE POLICY

relevant government agencies and organizations upon request. The company will inform, in writing, all individuals on the list of their obligation to protect the confidentiality of the insider information.

In accordance with the provisions of the CMB's Communiques, Emlak Konut REIC may postpone the disclosure of the list to prevent damage to the legitimate rights and interests of the individuals on the list. Insider information list for the reporting period is provided below.

EMLAK KONUT REIC's

List of Individuals with Access to Insider Information

THE BOARD OF DIRECTORS

Full Name	Occupation	Position
Ertan Yetim	Civil Engineer	Chairman of the Board
Ertan Keleş	Civil Engineer	Vice Chairman, Independent Board Member Member
Murat Kurum	Civil Engineer	Board Member, General Manager
Aliseydi Karaoğlu	Business Administration	Board Member
Sami Er	Mechanical Engineer	Board Member
Veysel Ekmen	Independent Accountant CPA	Independent Board Member
Havvanur Yurtsever	Lawyer	Independent Board Member

EXECUTIVE MANAGEMENT

Full Name	Occupation	Position
Sinan Ayoğlu	Civil Engineer	Deputy General Manager
Hakan Akbulut	Public Administration	Deputy General Manager
Metin Tekin	Civil Engineer	Deputy General Manager
Rasim Faruk Kadioğlu	Civil Technician	Consultant to the General Manager
Sadık Soylu	High School Graduate	Consultant to the General Manager
Nurettin Şam	Lawyer	1. Legal Counsel
Eyüp Ocak	Lawyer	Legal Counsel
İbrahim Keskin	Lawyer	Legal Counsel
İsmet Kubilay	Lawyer	Legal Counsel
Halim Ataş	Business Administration	Private Secretariat
Mustafa Aşikkutlu	Civil Engineer M. Sc.	Head of Implementation Department
Fatih Kanitoğlu	Civil Engineer	Manager, Construction Control No. 1
Hasan Saka	Civil Engineer M. Sc.	Manager, Construction Control No. 2
Alim Kaplaner	Civil Engineer M. Sc.	Manager, Construction Control No. 3
Hakan Gedikli	Survey Engineer	Head of Real Estate Planning Department

DISCLOSURE POLICY

Hakan Bakırdal	Survey Engineer	Real Estate and Appraisals Manager
Selçuk Aydemir	Senior City Planner	Planning and Urban Transformation Manager
Zeynep Basa	Economics	Head of Marketing Department
Mehmet Akif Aydođan	Public Administration	Marketing Manager
Ercan Aliođlu	Business Administration	Head of Financial Affairs Department and Accounting
Mehmet Akagündüz	Public Administration	Finance Manager
Hicran Çakmak	Architect	Head of Projects Department
İlyas Fehim Çelik	Architect	Project No. 1 Manager
Yaşar Altun	Civil Engineer	Project No. 2 Manager
Halil İbrahim Şahin	Economics	Head of Administrative Affairs
Serdar Bala	Physics	Information Technology Manager
Tülay Odakır	Civil Engineer	Acting Head of Tender and Progress Payments
Hasan Vehbi Arslantürk	Civil Engineer, Exports	Acting Head of Investor Relations
Özlem Hanođlu Çelik	Economics	Press Officer
Yasemin Ülkü	Civil Engineer	After-Sales Services and Property Management Manager
Fatih İbiş	Public Relations	Acting Manager of Administration and HR
Selman Aydemir	Economics	Acting Manager of Investor Relations Manager
Adem Hacıhasanođlu	Forest Engineer	Acting Manager of Tender and Progress Payments

Human Resources and HR Policy

Emlak Konut REIC considers human resources as one of its most precious assets. The company has adopted a Human Resources policy that seeks to create value for achieving its vision and mission.

The fundamentals of the Human Resources Policy are as follows:

- To recruit competent employees, who fit the qualifications stated in the job descriptions, for vacant positions company wide.
- To provide opportunities for the professional development of all employees by providing training programs based on their competence and skill levels.
- To respect our employees and protect their rights and benefits.
- To provide a work environment that motivates their desire to work and promotes better working relationships.
- To lead our employees towards success, create equal opportunities for growth based on their knowledge and competence levels, and to reward success.
- To promote from within to fill vacant executive positions by providing management and leadership training.
- To not over-staff and to ensure employees work with maximum efficiency in their positions, which are appropriate for their knowledge and skills.
- To meet our employees' social and cultural needs within the allocated budget, to make the company an attractive place to work by providing social services and benefits equally to all employees.
- To provide competent, successful employees with the chance of promotion based on available positions, and to ensure job security.
- To inform employees in a timely manner about issues that relate to them, to develop communication procedures to enable them to provide their recommendations and opinions to the management team easily.
- To support our employees' career paths by providing effective training programs.
- To maintain and boost the morale and motivation of all employees.
- To protect and improve the tangible and intangible rights of our employees.
- To provide a work environment that motivates their desire to work.
- To ensure our employees foster a team spirit and commitment to the corporate culture.

It is one the main objectives of Emlak Konut REIC to employ individuals who are loyal to ethical values, welcome innovation and self-improvement; and who are capable of long-term planning, prone to teamwork, and aware of corporate culture and brand value. Our Human Resources Policy is available on the corporate website. Emlak Konut REIC treats all its employees equally, regardless of race,

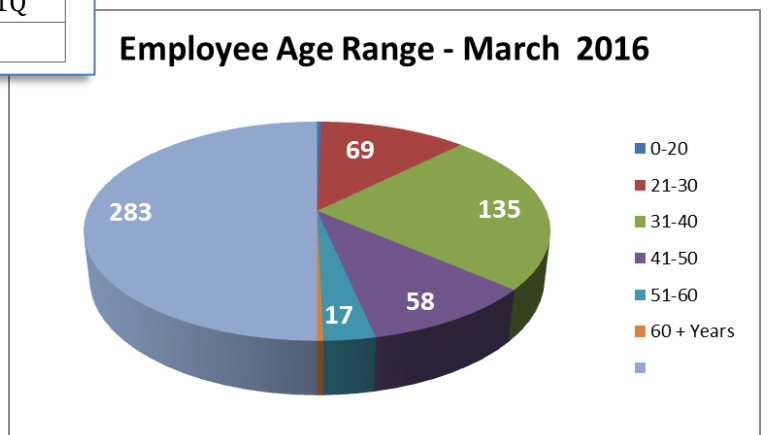
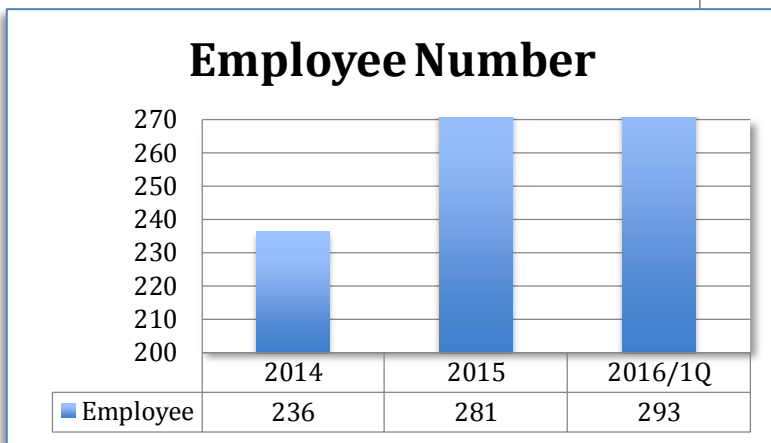
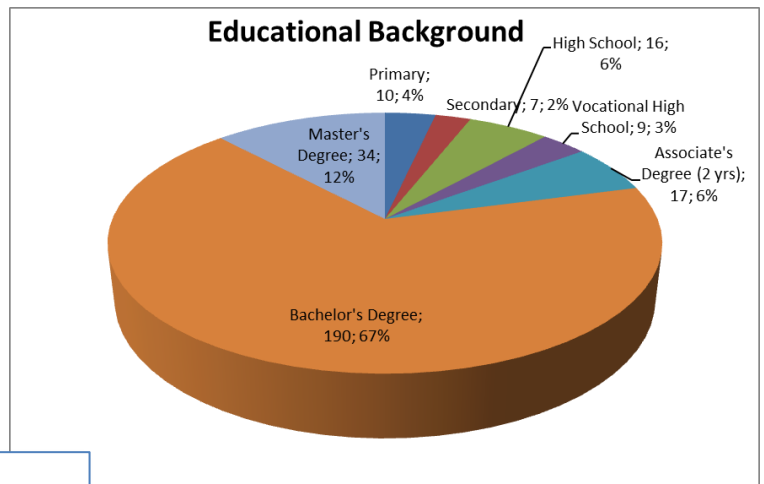
HUMAN RESOURCES POLICY

religion, color, language, gender, nationality, age or marital status. The company takes preventive measures against discrimination and toward the protection of its employees. The company has never received any discrimination complaints.

The company provides information such as job descriptions and position distributions as well as performance and reward criteria to its employees. Employee productivity forms the basis when determining salary and benefits. The company acts in accordance with Labor Law No: 4857 and provisions of other legislation for issues that are not covered by the Personnel Regulations and other regulations of the company.

Personnel Structure

Emlak Konut REIC believes in the power of human capital, and emphasizes occupational training and specialized training for its employees. With a meticulous approach to human resources management, the company is continuing to improve and develop its employee management skills. 84 percent of employees have graduate degrees.



Remuneration Principles for Board of Directors and of the Executive Management

The Remuneration Committee, established according to the Corporate Governance Principles, is responsible for advising on the remuneration of the Members of the Board of Directors, senior executives and employees to the Board of Directors, taking long-term objectives of the Company into account.

After the remuneration policy for the Board of Directors and the executive management is established,;

- I. The Members of the Board of Directors are paid a net salary of 6,600.00 Turkish lira and an annual bonus in the amount of four salaries.
- II. Income tax to be levied upon these payments (payments received from multiple employers) at the end of the fiscal year will be covered by Emlak Konut REIC.
- III. The payment amounts to be made to the Members of the Board of Directors are presented to the approval of the shareholders at the Ordinary General Assembly Meeting of the related activity period.
- IV. Dividends, stock options, or performance-based payment plans cannot be applied to the salaries of Independent Board Members. It is essential that the remuneration of the Independent Board Members are high enough to maintain their independence.
- V. The salaries of senior executives are determined and paid pursuant to legal liabilities, in consideration of current economic data and common salary policies in the market, long-term objectives and policies of the company, as well as the tasks, responsibilities and work experiences of the executives.

It is therefore decided to present this report drawn up by us to the approval of the Board of Directors.

Environmental Awareness

Emlak Konut REIC shows great sensitivity to the environment and environmental developments. The company acts in the awareness that the ecological system is the most important inheritance to be passed down to future generations.

The green color present in the Company's logo represents environmental awareness.

Emlak Konut REIC has a policy of being sensitive to the environment and clean energy resources; accordingly, it works toward the use of recyclable and non-polluting products in order to minimize carbon emissions.

The company pays utmost attention to heat, waste water use, energy conversion, environmental health, and sustainable and efficient energy saving in its operations to build environment-friendly living spaces.

The company displays due diligence in regards to the reutilization of consumables by recycling within the corporation. In collaboration with subcontractors, the company develops exemplary nature-conscious projects that use clean energy resources.





Code of Conduct and Social Responsibility

The company traditionally respects ethical principles thanks to its corporate culture and updates its approach-based actual conditions. As a predominantly public company, Emlak Konut REIC also looks after the public interest in its operations, and strives for renewable energy and environmental awareness as well as compliance of its projects to such issues.

Emlak Konut REIC performs its social responsibility projects based on the concepts of sustainability and social value creation. In this respect, the projects focus on education, culture and the arts.

Donations

No donation was made in first quarter.

SUBSEQUENT DEVELOPMENTS



As Emlak Konut REIC adopts a management approach of continuous improvement, both management systems and personnel structure are established in line with this approach. Accordingly, the Company intends to review the Quality Policy and to urgently make any necessary improvements to attain strategic objectives.

The Corporate Governance Committee made some adjustments to the Quality Policy at its meeting held on May 8, 2015. These adjustments are summarized below:

- To comply with and continuously improve the management system and quality standards,
- To attach importance to employee training and encourage them to enhance their creativity and efficiency,
- To closely monitor developments and innovations in the industry,
- To care for tangible and intangible rights of its shareholders and investors as a publicly-traded company,
- To appreciate historical and cultural values,
- To consider social values, as well as customer preferences and expectations,
- To develop planned, qualified, environmentally-sensitive settlements that offer peaceful and safe living spaces with a contemporary urban planning approach under the brand assurance of Emlak Konut.
- To make best efforts to move forward the Emlak Konut brand, which has been built as a result of our achievements since the foundation of the Company,
- To enable the Company to the future through focused of “together” management approach based on being a family in the light of our know-how and experience.

SUBSEQUENT DEVELOPMENTS

Assessment of the Relevant Activity Period

More than 60 years, Emlak Konut REIC has been a major corporation in the Turkish Construction and Real Estate Industry. Close examination of the real estate industry in Turkey has become a management tool for Emlak Konut REIC, as part of the corporate culture and management approach across the years. The brand value that has been created over the years empowers our company with a management approach that continuously raises standards in the real estate industry. The company is a leader in social awareness, especially in terms of building systems, design, environmental awareness and business practices.

Since Emlak Konut REIC adopts a sustainable and innovative management mentality, the risk and income opportunities are analyzed and assessed with this in mind. The main objective is to reach the strategic goals while paying the utmost consideration to the rights of all stakeholders.

We live in a world where many things, from the economy to demographic structure, can change in the blink of an eye. Monitoring these developments and trends is a managerial requirement. Keeping up with risk management components and the industry trends is crucial both in terms of operation and decision making processes of the company.

The company performs past and future period assessments while carrying out its operations. For this purpose, it keeps a close eye on economic variables, and also on developments related to the industry and business. The economic growth of the real estate industry that interacts with many other industries is especially significant at the macro level. Therefore, due diligence and plans are vital for the real estate businesses as well as institutions or consumers that have economic relations with real estate business.

Emlak Konut REIC provides these types of analysis particularly in annual and interim annual reports with an awareness to inform the public. It also maintains similar activities with the “Real Estate and Housing Industry” report, published for the benefit of all stakeholders.

The following section contains a short analysis of the important developments that took place between the end of last year and the first quarter of 2016.

Major Developments in the World and Turkish Economies

The most critical milestone for the global economy was the global crisis of 2008. The after effects are still being felt from a crisis that affected every economy at some level. It therefore had an impact on global economic conditions while changing them.

Even though it has been nearly eight years since the second large global economic crisis, it is still difficult to state that socioeconomic figures have gone back to pre-crisis levels. This is especially felt in the economies of emerging countries. Although emerging countries have recovered quickly from the crisis, in the last few years problems began to increase in these economies.

ASSESSMENT OF THE RELEVANT ACTIVITY PERIOD

It has become a necessity to keep up with all crucial developments as a result of globalization and increasing ties between economies. Other countries are not immune to the devastating effects of economic fluctuations and crises in medium-size countries.

As countries in different stages of the global crisis have highly differentiated their own economic programs and implemented structurally incompatible economic policies, global uncertainty has further increased.

The outlook in the world economy at the outset of 2016 demonstrates that financial markets continue to fluctuate due to the downward risks in global growth. Emerging countries in particular were greatly affected in the third quarter of the year as a result of the Fed's interest hike; concerns regarding slowing Chinese economy; and the downward trend in commodity prices. In this period, portfolio movements toward emerging countries remained weak and fluctuating.¹

The rising downtrend in the world economy appears to have prompted “monetary expansion and incentive methods” from the policy makers, both in developed and emerging countries. The size of the situation is manifested with different characteristics and reasons in each country, and thus they appear hard to solve with a standard prescription.

Central banks have been the most decisive implementers of pre-crisis economic policies. Decisions made by the largest and most influential global central banks have not only affected their home countries, but have also acted as the main catalysts for international fund movements. Emerging countries' assets have been affected the most by the negative or positive changes.

Continued uncertainties with regard to normalization process of global monetary policies have a direct impact on risk appetite and capital inflow. In the coming days, capital inflow toward emerging countries will be shaped by both country-specific and global developments. In this picture, emerging countries' growth outlook, inflation rate and external balance will come to the fore. On the other hand, a weak economic outlook recently makes it more likely that normalization in global monetary policies will be delayed.²

Despite of the visible recovery achieved in the US economy after the second half of 2015, the same cannot be said at all for the rest of the world. The EU, BRIC countries and other emerging economies suffer from “insufficient growth” problems.

Risks related to global growth are expected to continue on a downward trend in the coming period. Recently, increased volatility in the financial markets must be considered as a short-term risk on growth performance in both developed and emerging countries.³

¹CBRT, 'Report on Financial Stability,' November 2015, issue 21, p.1

²CBRT, 'Report on Financial Stability,' November 2014, issue 19, p.1

³CBRT, 'Report on Inflation Stability,' July 2015, issue III, p.13

ASSESSMENT OF THE RELEVANT ACTIVITY PERIOD

The three biggest central banks, the US Federal Reserve (the Fed), the European Central Bank (ECB) and the Bank of Japan (BOJ), affect and shape global economies. Policies by these banks therefore give rise to implications that need to be followed closely by other economies.

Immediately following the crisis, the Fed began swiftly implementing expansionary fiscal policies. Accordingly, a number of methods were applied like interest rate cuts, bond purchases, funding the financial system through asset purchases, and utilizing the loan mechanisms. The goal of such a monetary policy was to come out of depression (crisis) by achieving the ultimate objective of growth through financial stability and stimulation of investment and consumption.

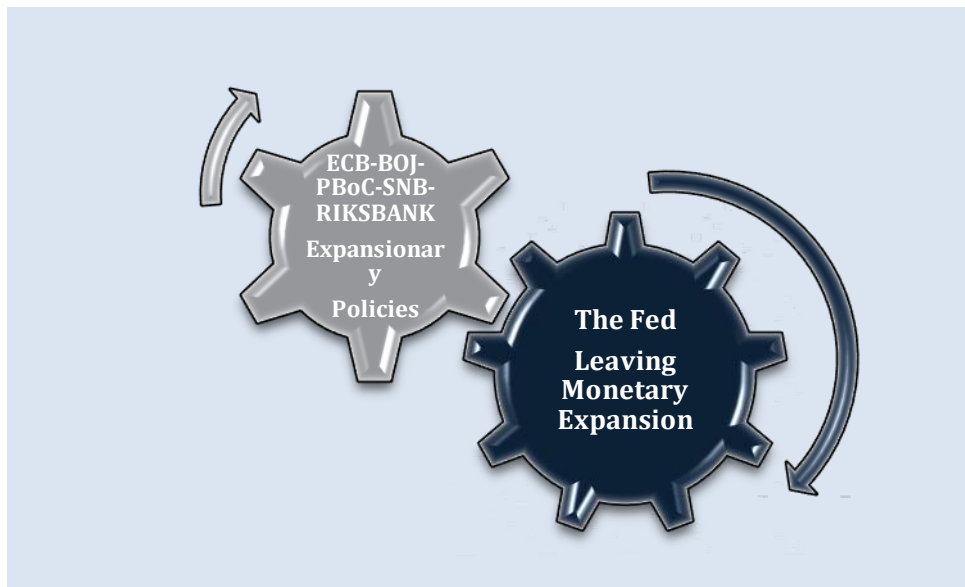
Other big central banks failed to react as quickly as the Fed. The ECB lagged behind in implementing monetary expansion and related various policies due to the political approval mechanism. The BOJ, the other prominent central bank, found it hard to produce effective policies against the “deflationary” processes that arose in the Japanese economy long before the global crisis.

By the 2014 year-end, the Fed took rapid action to cease bond buy-back and some liquidity-generating measures it had implemented at the outset of the crisis. In the following process, the Fed frequently talked of a likely interest hike process with the goal of preparing the world for such a move in the US. Fed President Janet Yellen made a presentation at the House of Representatives on July 15, 2015 and clearly stressed that monetary expansion come to an end.⁴ Later, in the Fed meeting on December 16, 2015, the interest rate band was increased to 0.25-0.50 percent after seven years.

⁴<http://www.haberturk.com/ekonomi/ekonomi/haber/1103755-yellendan-faiz-mesaji>, July 16, 2015

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Diversifying Policies by Central Banks (2015-March 2016)



While the Fed pursued policies to leave monetary expansion, the ECB, the BOJ, and the central banks of Sweden, Switzerland and Denmark began to apply the negative interest rate method by following looser policies. Meanwhile, the Central Bank of China implemented monetary incentive policies to bolster the economy and halt the drop in the growth rate.

Despite of the recovery in the US economy, the lack of a positive trend in the world economy seems to have affected the Fed's interest hike process as well. At the 2015 year-end, it had said that it may increase the interest rates four times in 2016, whereas now, it is now giving signs of shortening the process.

A number of central banks, primarily the ECB, the BOJ and the PBOC, maintained expansionary monetary policies with the expectation that the Fed would not employ a very fast monetary tightening, which indicated a better outlook in terms of funding risks in countries such as Turkey, South Africa, Brazil, India, and Indonesia.

As a result of the different attitudes of central banks in developed countries and fluctuating funds movements and risk appetite, central banks in emerging countries generally adopted a defensive attitude, trying to protect their local currencies and reduce the inflation threat. The CBRT decided to cut the policy interest, which it had increased at the outset of 2014, while protecting monetary tightening and liquidity control mechanisms. Throughout 2015, it maintained a cautious stand with an eye to preserve inflation and liquidity balance. By 2016, as a result of changing events internally and externally, it lowered the upper interest level to 10 percent, down from 10.5 percent, by performing gradual improvements in the interest corridor.

ASSESSMENT OF THE RELEVANT ACTIVITY PERIOD

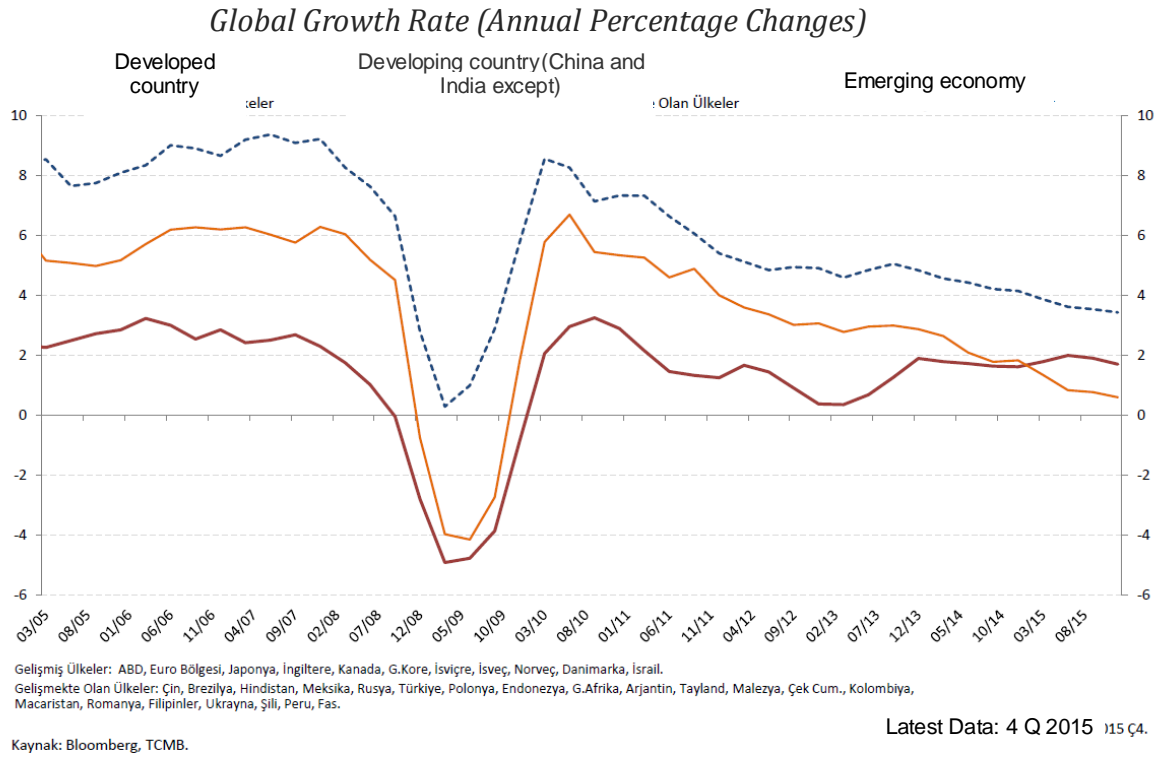
The following comments are made with regard to the CBRT’s adjustment to the interest corridor upper level⁵ Credit growth rates remain at acceptable levels as a result of a tight monetary policy and the macroprudential measures taken. Positive developments in international trade terms and a moderate trend in consumer loans support the improvement in the current account balance. Exports continue to gain strength due to rising demand in the European Countries, despite rising geopolitical risks. Disclosed data and leading indicators demonstrate that economic activity maintains a moderate and stable growth trend. The Board believes that implementing structural reforms will significantly boost growth potential. With the continuing decline in recent global fluctuations, global financial conditions have improved. In addition to these developments, the need for a wide interest corridor is thought to have lessened due to effective application of the policy instruments stated in the roadmap published in the August issue. Accordingly, the Board has decided to take a measured step toward simplification.”

In 2015, global growth was meager with notable differences depending on the region and country. The US is demonstrating a stronger growth performance than other developed countries. Despite signs of recovery in the Eurozone, economic growth is still on a weak trend. On the other hand, the growth rate is slowing in emerging countries, which represent a considerable part of global economy.

Whereas in 2016, global growth rates could recover in line with the results of the global expansionary economy policies. Having said that, for 2016, it must be remembered that risk and growth perceptions will be shaped by the three main factors in the global economic conditions: Whether the Chinese economy will see healthy growth; the course of commodity prices; and the Fed’s monetary policy and related developments.

⁵The CBRT Monetary Policy Announcement, issue 2016-19, April 20, 2016

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Source: CBRT, Bloomberg

Sustainable growth seems to be the most significant challenge for both economic leaders and central banks in periods of uncertainty.

In summary, the global economy was projected to continue slowing down in the last quarter of the past year (2015), mostly due to developments in emerging countries, with a global growth rate lower than the previous quarter. According to the Consensus Forecasts bulletins for January, 2015 growth projection was revised upward in October. In the developed countries group, 2015 growth projections for the US and UK were revised downward. Meanwhile, in the emerging countries group, 2015 year-end projections for Latin America and Eastern European regions were revised upward. The significant downward revision of the growth projection for Brazil's economy is striking. Projections for the Asia Pacific region were not changed. It is therefore possible to say that the fragile outlook in Turkey's foreign demand lingered in the last quarter of 2015.⁶

The IMF report on global growth projects global growth rate to be 3.1 percent in 2015. The projected growth rates for 2016 and 2017 are 3.2 percent and 3.5 percent, respectively. The same study estimates the growth rates for the US economy as 1.9 percent, 1.9 percent, and 2 percent in 2015, 2016 and 2017, respectively. Growth projections for the Eurozone, another important economic region, are 2.4 percent, 2.4 percent and 2.5 percent in 2015, 2016 and 2017, respectively. In 2016 and 2017, growth rates in Turkey are expected to be 3.8 percent and 3.4 percent.⁷

⁶CBRT, 'Report on Inflation,' 2016-I, p.15

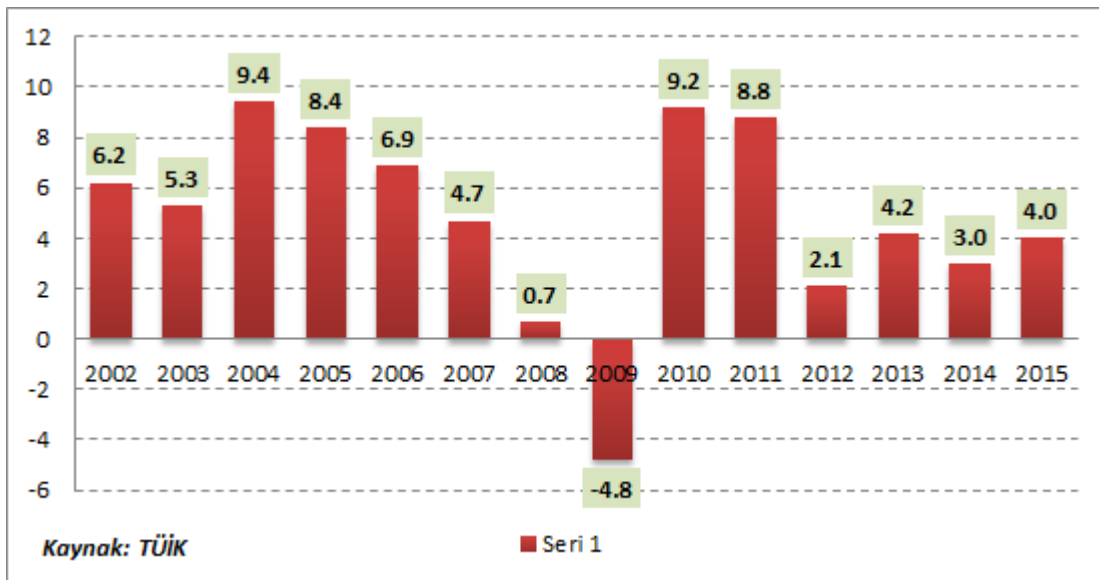
⁷IMF; 'Global Prospects And Policy Challenges,' February 26-27, 2016, Shanghai, China, p.168,171

ASSESSMENT OF THE RELEVANT ACTIVITY PERIOD

A fluctuating trend in the world economy is having an effect in the countries' economies, albeit in various levels. However, lessening or positively changing chronic problems in the Turkish economy in the past decade have strengthened the economy against fluctuations. Turkey's general economic outlook and indicators have reached a much better state compared to those of many other countries.

The success in sustainable growth is one of the biggest achievements in the Turkish economy. One of the most critical problems in the world is insufficient growth of countries' economies. Our country now sets an example in this regard. Up until the 2001 crisis, the Turkish economy had failed to record growth for four consecutive years. It then accomplished a great feat by achieving positive growth for six consecutive years, from 2002 to 2008. During the 2008 global crisis, it registered negative growth only in 2009, and then managed to recover quickly in 2010.

Annual Growth Rates in Turkish Economy (GDP, %)



Source: TurkStat

An overview of the Turkish economy in recent years shows that it has achieved an average of 4.9 percent growth in the 2002-2014 period. One of the striking growth figures is the 68.8 percent of real growth performance the Turkish economy has achieved in the 2002-2013 year-end period. Turkey has grown 5.8 percent uninterruptedly in the past 19 quarters.⁸ This accomplishment becomes even more significant when taking into consideration the growth problems experienced by the rest of the world.

According to TurkStat⁹ data published in the third quarter of 2015, growth rates were above market expectations, reflecting the buoyancy of the Turkish economy despite various risks. While growth rates are falling below usual levels all around the world, the growth rate is remarkable in the Turkish economy.

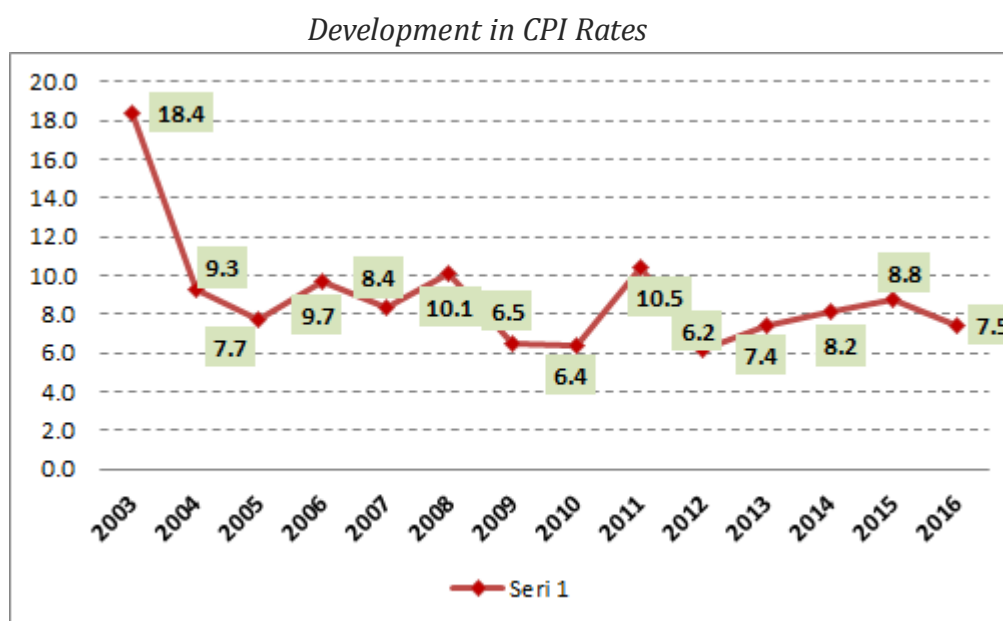
⁸Based on data from TurkStat and the Ministry of Economy

⁹TurkStat; 'News Bulletin,' Issue: 21510, 31 March 2016

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Even though the rise in general price levels (one of the critical structural problems of our country) is now largely under control, inflation has increased in the past 24 months as a result of consumption and foreign currency volatility. Key inputs and unprocessed food prices rose due to a mediocre harvest caused by drought. In 2015, the CPI was posted as 8.81 percent and D-PPI as 5.71 percent annually¹⁰.

Turkey has endured disinflation since 2002. In 2012, the inflation rate was at the lowest level for the last 45 years. The long-term target is to ensure an inflation rate which does not affect investment and consumption decisions.



Source: TurkStat

In 2015, inflation was pulled above the level of uncertainty, thanks in part to a high increase in food prices. Despite the significant rise in production this year, in contrast to the shrinking agricultural production the year before, expectations of a slowdown in annual food inflation did not pan out, as it closed the year at 10.9 percent, just a little lower than the previous year. In particular, unprocessed food inflation displayed a high rising trend with an average of 13 percent in the past three years. Food prices had an adverse effect on the service inflation mainly due to catering services providers. Other influential factors in the high trend of service inflation included the increase in foreign-currency sensitive items, effects of stagnation, and wage developments. Declining import prices, especially in oil, had a limited effect on the CPI due to currency increase.¹¹

¹⁰TurkStat; 'News Bulletin,' Issue: 21684 and 21727, January 4, 2016

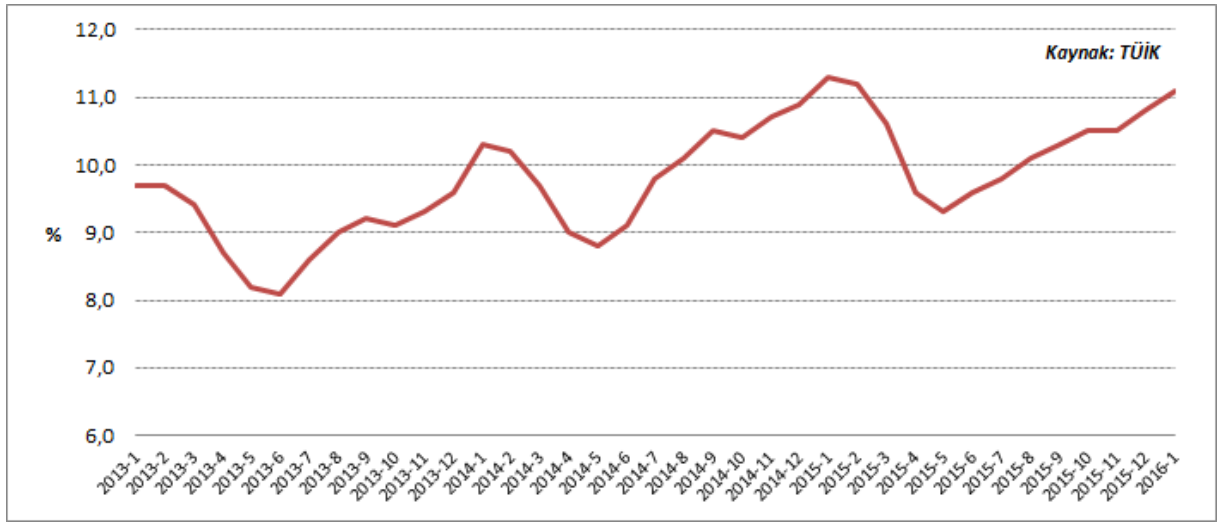
¹¹CBRT, 'Report on Inflation,' 2016-I, p.20

ASSESSMENT OF THE RELEVANT ACTIVITY PERIOD

Inflation rates registered a significant drop in the first quarter of 2016. The CPI was 7.46 percent between March 2015 and March 2016¹². Even though falling agricultural product prices and the trend in global commodity prices had an effect on the decline of inflation, cautious monetary policy by the CBRT also played a role. Another monetary result of falling inflation is receding interest rates. Accordingly, the decline in monetary costs and a vibrancy in growth can be expected to continue.

Developments in the employment market is another variable that needs to be kept in check by the decision makes in the Turkish economy. Creating more jobs and decreasing unemployment are among the most critical issues faced throughout the world. In a number of Western countries, along with growth, employment-related problems stand as the major issue in the post-crisis period.

Labor Indicators in Turkey (Seasonally-Adjusted)



Source: TurkStat

The significant improvement of the Turkish economy from 2002 to 2013 also shows itself in the growth indicators of employment and labor force participation rate. The economy has created additional employment for about 6 million people since 2009. The Turkish economy created 1 million additional jobs in the last year alone. The rate of unemployment dropped by 0.2 percent to 11.1 percent in January 2016 year-on-year. The number of employed people rose to 26.28 million and the employment rate to 45 percent in January 2016. In January 2016, labor force population was 29.57 million with a labor force participation rate of 50.7 percent.¹³

Our country appears to have made significant gains in the issue of unemployment through employment incentive policies. Still, there may be differentiation in unemployment levels, depending on growth rate fluctuations and future projections.

¹²TurkStat; 'News Bulletin,' Issue: 21687, April 4, 2016

¹³<http://www.ekonomi.gov.tr>

ASSESSMENT OF THE RELEVANT ACTIVITY PERIOD

In the light of the basic variables summarized, the Turkish economy promises high growth potential as a country that has solved its structural problems considerably, especially when taking into account the developments in the global conjuncture since 2008. The occasional fluctuations that have been experienced and that may be repeated in the future are not expected to cause changes in the main trend in the long term. Nevertheless, risk management will become ever more crucial both in macro- and micro-based approaches. It must be remembered that global fluctuations in particular can affect the country's economy, albeit in various levels.

Developments in the Construction and Real Estate Industries

This section analyzes the effects of the aforementioned macro changes on the construction and real estate industries.

Construction industry and its complementary sub-sectors represent a significant asset for every economy. The construction industry holds a special place in most countries' economies as it acts as a leverage through the added value and employment opportunities it creates. Today, the concept of construction comprises not only building structures, but also related activities, such as maintenance, repair, and operations. Nowadays, construction is defined not only by building a structure but also by creating environmentally-friendly, socially-responsible, transparent and sustainable products that have a direct effect on society.¹⁴

The construction industry and sub-sector components are among the sectors that are greatly affected by general economic conditions. The industry is susceptible to the economy at varying levels in every country throughout the world. The Turkish construction industry, largely dependent on national capital, has a significant impact on employment and production as it is related to many fields of occupation. The industry boasts huge domestic and international experience and potential, functioning as a "locomotive industry" due to its capacity to put in motion over 250 sub-sectors that rely on it, and as an "unemployment absorber" due to its ability to provide a high number of jobs.

Even though the Turkish construction industry and its components (sub-industries) have achieved rapid growth in the past 30 years, they have benefited the most from the economic stability that followed the 2001 crisis. The construction industry has not only achieved economic growth, but it has also made gains in institutionalization and organization during this period.

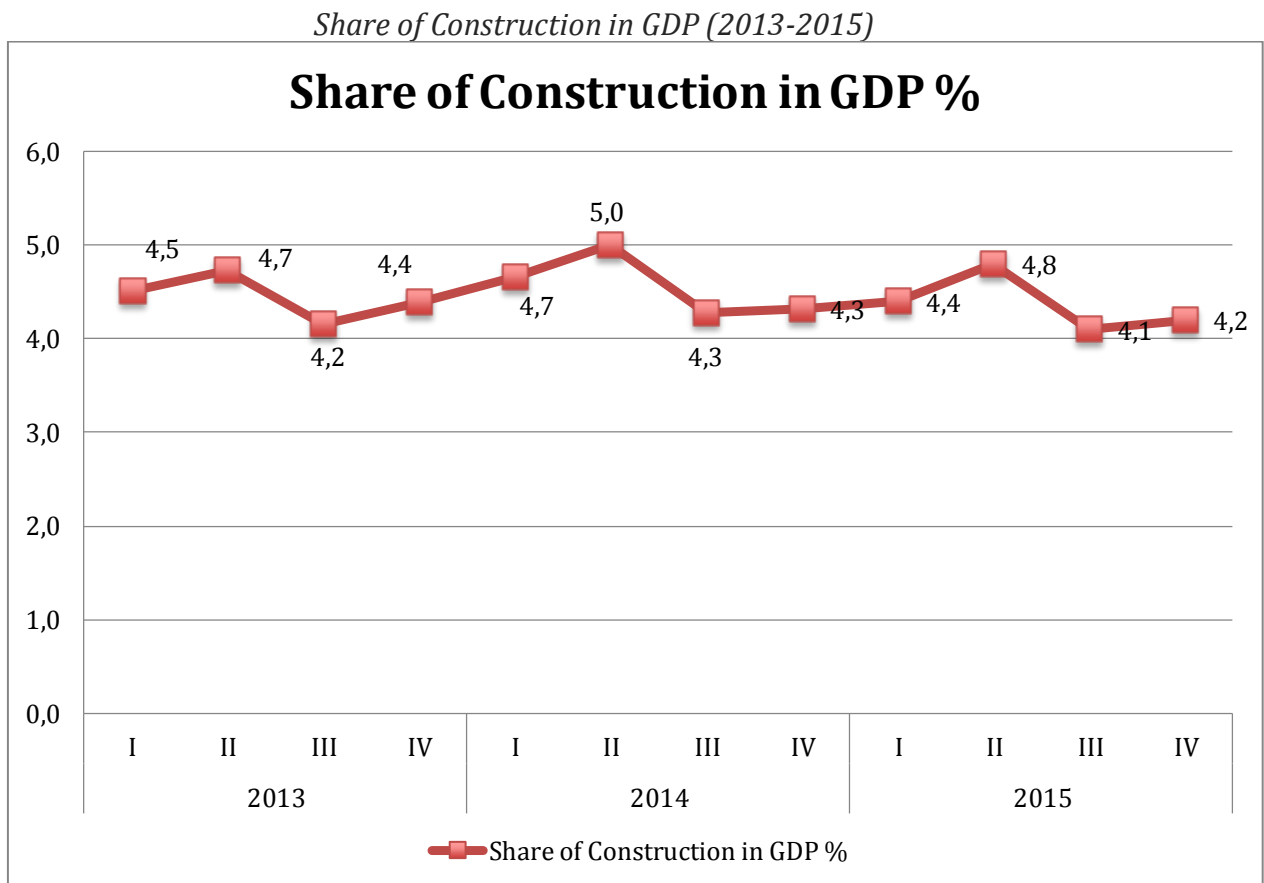
The industry also has an important role in the development of a country, as it is directly related with the basic human needs such as housing, transportation, and health care. It is safe to say that the industry has an effect on the daily lives of many people due to its strong social impact.

¹⁴Ergül, Nuray, "Effects of Globalization on the Construction Industry", Tax Issues Magazine, August 2007, [Issue: 227](#), August 2007

ASSESSMENT OF THE RELEVANT ACTIVITY PERIOD

The construction industry plays an important role in economic growth, and there is a significant correlation between the construction industry and GDP (growth) rates. The fast decline experienced after the 2001 crisis in Turkey significantly affected both industry and GDP.

A similar situation occurred during the aftermath of the 2008 global crisis. Nevertheless, it must be noted that along with GDP, a very swift and sharp recovery took place in the industry. The strength of the incline shrunk during the improvement period following the fast recovery of 2010 as a result of balancing policies that were implemented for 2013 and later. The industry's share in the GDP was 4.6 percent and 4.4 percent in 2014 and 2015, respectively, displaying a similar trend in the past three years.¹⁵



Source: TurkStat

Since the construction industry is susceptible to the country's growth, it is affected by changes in the GDP. For this reason, construction industry's share in the GDP fluctuates at current prices according to TurkStat data.

¹⁵TurkStat; 'News Bulletin' Issue: 21510, March 31, 2016

ASSESSMENT OF THE RELEVANT ACTIVITY PERIOD

The decline of the construction industry's share in GDP in the third quarter 2014 is the typical result of the slowdown of home sales in the first half of 2014 (compared to 2013) and the stagnation of investments in the construction industry. Following a drop in the second quarter of 2014, it closed the year at almost the same level as the last two quarters. By the end of 2014, the share in the GDP rose slightly in the first six months of 2015 with the help of reviving home sales. Afterwards, precipitated with deteriorating investments due to changing risk perception, the share in the GDP declined; however, it looks as it will maintain a course close to the 2015 averages.

Demographics is another matter that affects the industry. Analysis of the population's structure and components is crucial for both investment decisions and understanding of the economy. As for the construction industry itself, following demographic features stand out:

- Rapid population growth
- Migration to big cities
- The effect of foreign migration to our country
- Changing demand perception with the rise in the shares obtained from factor revenues
- Urbanization
- Infrastructure works

The abovementioned factors are the variables that need to be followed closely as they create economic and social outcomes.

Turkey's young and dynamic demographics stand out as a positive effect on the economy. Demographic characteristics are vitally important especially for consumption-based industries and they are among the most critical elements in increasing sales in real estate as well as white and brown goods industries. It must be remembered that this population dynamic also has an impact on total economic growth.

TurkStat¹⁶ data (January 2016) put Turkey's population at 78.7 million, half of which is under 31 (median age) years old. The number of people living in Turkey increased by 1.05 million year-on-year in 2015. Male and female population accounted for 50.2 percent and 49.8 percent of the total population with 39.51 million and 39.23 million people, respectively.

In 2015, the 15-64 age group (working age) accounted for 67.8 percent (53.36 million people) of the total population, same as the previous year. The ratio of child age group (age 0-14) declined to 24 percent (18.89 million people), whereas 65-and-older age group rose to 8.2 percent (6.50 million

¹⁶TurkStat, 'Address-Based Population Registration System Results, 2016,' Issue: 21507, January 28, 2016

ASSESSMENT OF THE RELEVANT ACTIVITY PERIOD

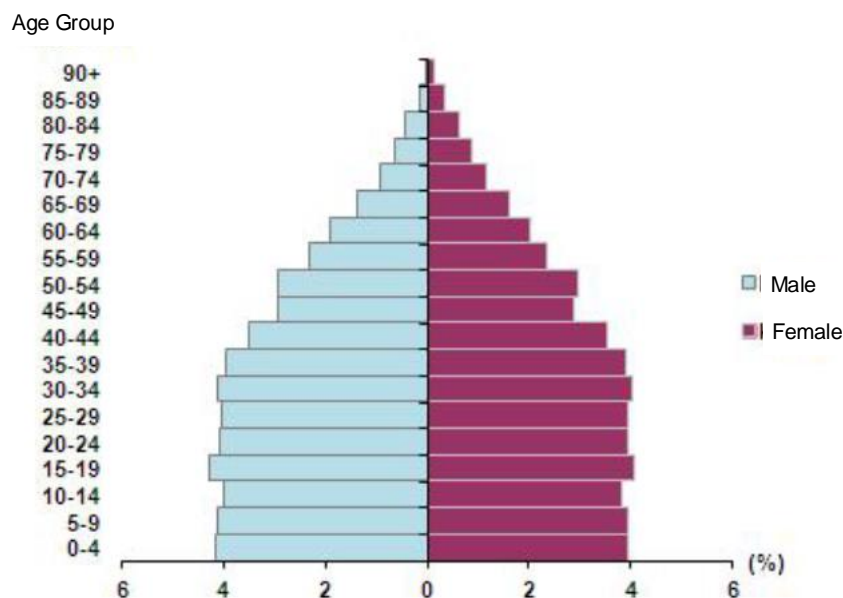
people). The annual population growth rate increased to 13.4 per thousand in 2015, up from 13.3 per thousand in 2014.

The population growth rate is 0.2 percent on average in the EU and -0.1 percent in Germany.¹⁷ It is obvious that demographics influence consumption, investment and expectations in any economy. In this respect, the our large and young population is a significant factor. The rising urbanization ratio is another significant social trend in the population structure. The number people living in the cities is swelling as a result of migration and population increase. The ratio of the city dwellers jumped to 92.1 percent in 2015, up from 91.8 percent in 2014. The ratio of people living in towns and villages was 7.9 percent.

Istanbul stands out as an important hub in terms of population density and urbanization. Home to 18.6 percent of Turkey's population, Istanbul had the highest population with 14.66 million people. Followed by Ankara with 6.7 percent (5.27 million people), Izmir with 5.3 percent (4.16 million people), Bursa with 3.6 percent (2.84 million people), and Antalya with 2.9 percent (2.29 million people).

Turkey's young population creates a key input for economic vitality when compared to other countries. There is ongoing rural-to-urban migration in Turkey.

Turkey Population Pyramid (January 2016)



Source: TurkStat

The urbanization of our country has begun to differ in terms of demographic attitudes (especially in the five big cities). In addition to the number of families with a large number of children, families with a single child or without children have also increased. These types of attitude changes have brought adjustments in the types of homes and number of rooms in a dwelling, as well as in related industries such as white goods and energy.

¹⁷The Ministry of Economy, 'Economic Outlook Presentation,' June 2014, p.21

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Three largest real estate region (İstanbul, Ankara, Izmir) represents around 42 percent of the overall real estate market in Turkey. Emlak Konut REIC operates mainly in these three real estate areas; however, it has operations in various parts of Anatolia as well.

Although total consumption decreased due to the aforementioned controlled growth and risk-reducing policies in Turkey, an exact opposite situation is observed in industries which are expected to be most affected by total demand slowdown, such as construction, white goods, and automotive. The main reason for this is to bring the demand forward and to activate the deferred demand. On the other hand, the impact of a young population and the migration must not be overlooked. A similar process may be expected to continue in 2016 should the risk perception does not change.

Revenue and production indexes constitute other data that need to be monitored closely in the construction industry. These indexes make it possible to keep track of production speeds and cash flows from sales. Particularly, seasonal effects on the industry and analysis of the seasonally-adjusted situation are critical. These data (particularly production index) can also provide an insight into the industry's future expectations.

According to TurkStat data¹⁸, the seasonally and calendar-adjusted construction turnover index rose by 4.5 percent year-on-year in the fourth quarter of 2015. Meanwhile, the calendar-adjusted construction turnover Index improved by 10 percent when compared to the same quarter of the previous year. Conversely, it rose by 0.5 percent in 2015 year-on-year.



Source: TurkStat

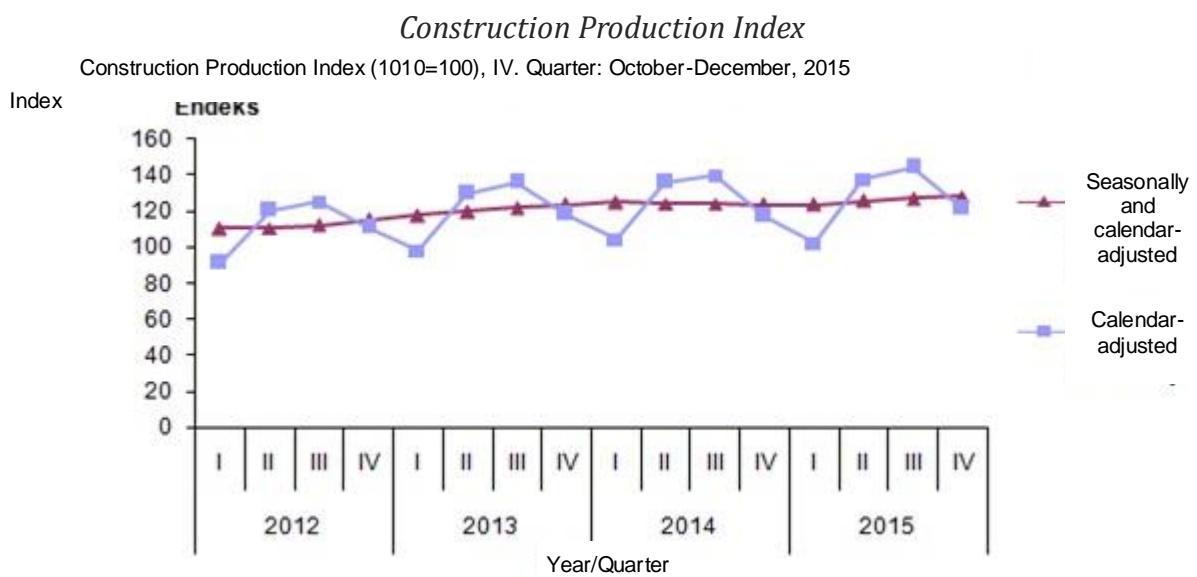
¹⁸TurkStat; "Construction Turnover and Production Indexes, **4th Quarter: October-December, 2015**, Issue: 21751, April 7, 2016

ASSESSMENT OF THE RELEVANT ACTIVITY PERIOD

Seasonally and calendar-adjusted construction production index rose by 1.1 percent in the fourth quarter of 2015 year-on-year. Meanwhile, the calendar-adjusted construction production Index improved by 3.8 percent when compared to the same quarter of the previous year. Conversely, it rose by 1.7 percent in 2015 year-on-year.

The seasonally and calendar-adjusted construction production index displayed a moderate upward trend in the first quarter of 2012, with a very fast rise in calendar-adjusted figures, especially after the third quarter of 2015.

The seasonally and calendar-adjusted construction production index maintained a significantly balanced rising trend since 2012. Thus, its seasonally-adjusted trend continues to be strong. Meanwhile, seasonal fluctuations in production arises from the general character of the construction industry.



Source: TurkStat

Construction turnover and production indexes provide an insight into the industry's economic activity, as well as into the general direction of the economy. As stated previously, the effects of growth and other related macroeconomic developments are reflected on these indexes.

ASSESSMENT OF THE RELEVANT ACTIVITY PERIOD

Construction Turnover and Production Index (2015)

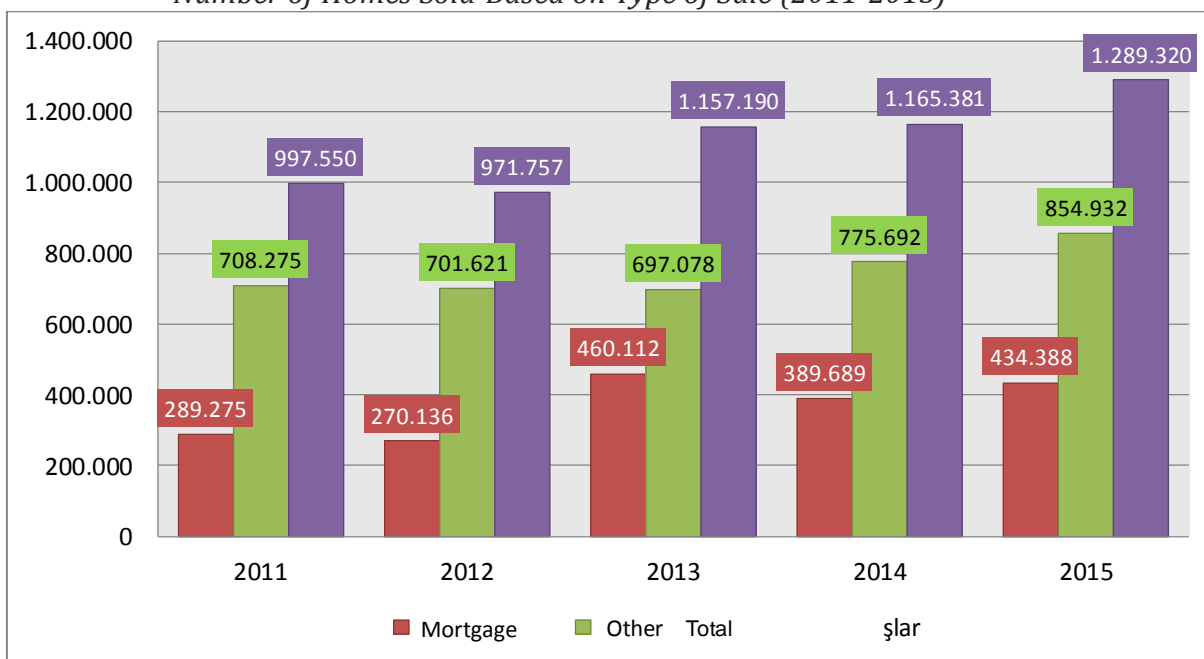
Change Ratios in Construction Turnover and Production Index (2010=100), IV. Quarter: October-December, 2015

Indicator	Calendar Non-adjusted		Calendar-adjusted				Seasonally and calendar-adjusted	
	Index 2015 IV	Index 2015 Average	Index 2015 IV	Annual change 2015/IV (%)	Index 2015 Average	Annual change Average (%)	Index 2015 IV	Quarter change 2015/IV (%)
Turnover	198,6	133.6	198,6	10,0	133,6	0,5	139,7	4,5
Production	122,6	126,5	121,8	3,8	126,6	1,7	128,7	1,1

Source: TurkStat

As one of the most critical components of the real estate industry, the housing sub-industry is particularly crucial in comparison to other real estate types due to the social and economic impact of the sales. Housing sales are affected from a number of variables. It is influenced by economic factors, as well as behavioral variables. In some cases, rational behaviors by investors may vary as well. Home sales are a data group that must be closely watched as a macroeconomic indicator as well as an assessment of the industry.

Number of Homes Sold-Based on Type of Sale (2011-2015)¹⁹



Source: TurkStat

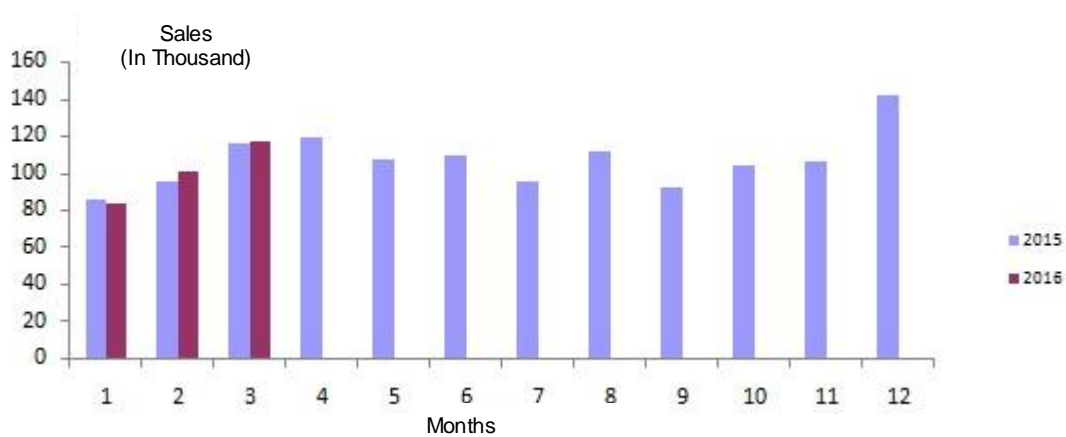
¹⁹The General Directorate of Land Registry and Cadaster (TKGM) changed its database system and began recording sales with mortgages as a separate item as of August 2009. Subsequently, the lack of scope in terms of home sales between 2009-2012 has been fixed and data from those years has been updated.

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In 2015, home sales broke the record with the highest ever number of sales. The momentum of the last five years is quite pleasing for the industry. A detailed analysis of the sales reveal that “mortgage” home sales soared quickly until 2013, and then declined from 2014 onwards in line with rising interest rates. Then, in 2015, it reached peak of the past two years with 434,388 units sold. Sales through contractor financing, and by check or promissory notes, which we call other sales types, reached record numbers in 2015.

Home sales across Turkey²⁰ rose by 1 percent to 117,205 units in March 2016 year-on-year. Istanbul took the biggest share in home sales with 21,993 units (18.8 percent), followed by Ankara with 12,730 units (10.9 percent), and Izmir with 7,549 units (6.4 percent). In the first quarter of 2016, sales fell below the previous year in the same period, only in January, and rose year-on-year in the other two months.

Number of Homes Sold (2015-March 2016)



Source: TurkStat

Turkish housing industry was most active in the three big cities with Istanbul taking the lead by far. Bursa and Antalya markets succeeded these cities. Emlak Konut REIT continues operations in Istanbul, Ankara and Izmir, the three big cities with the highest sales. The aforementioned housing markets remain vibrant due to improvements in transportation and interest from foreign investors. Domestic and foreign migration toward these cities further affect the demand.

²⁰TurkStat, News Bulletin, 'Home Sales Statistics-December,' Issue: 21708, January 22, 2016

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Home Sales in Three Big Cities Based on Type

	Total (January-March 2015)	Mortgage	Other	Total (January-March 2016)	Mortgage	Other
Turkey	297,218	115,445	181,773	303,464	95,861	207,603
Ankara	34,738	15,920	18,818	32,432	12,168	20,268
Istanbul	56,188	24,676	31,512	55,661	20,852	34,809
Izmir	18,178	7,831	10,347	19,272	6,929	12,343

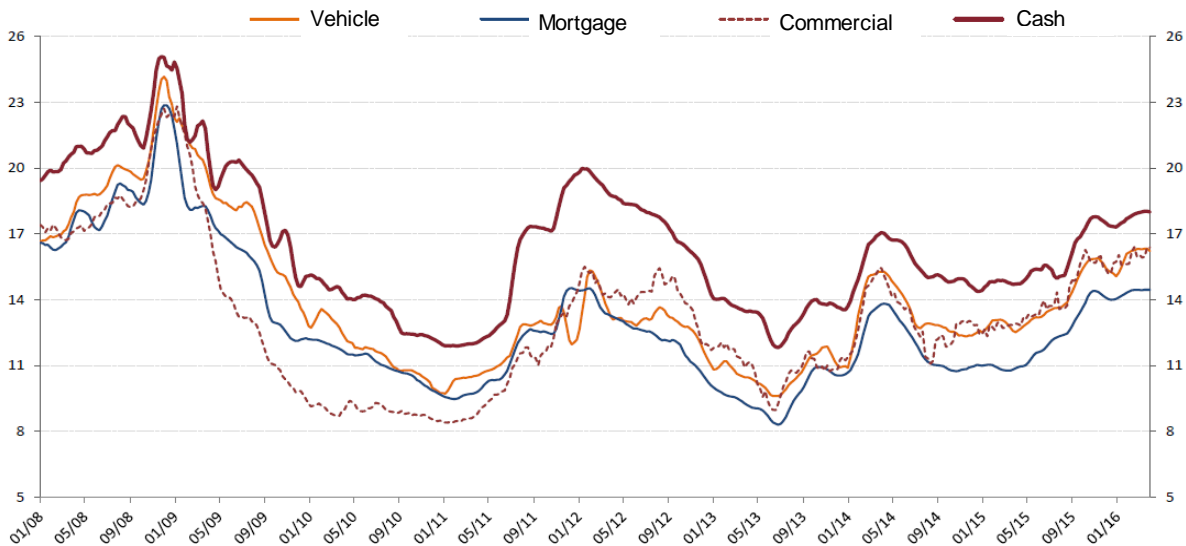
Source: TurkStat

House sales figures are now used as a leading indicator in many modern economies, and they are monitored in order to ensure sound development and in terms of growth numbers. In this sense, loan process and interest rates affect the construction industry as they do all other industries.

Economically, price and borrowing rates (or alternative costs) are the main variables that affect the consumer's (or investor's) decision making process. Interest rates and risk predictability are crucial in the housing sector in terms of both supply and demand. Financial sector funnels money into the system. However, it is clear that the loans that have been issued to the financial sector must not create a risk for the system by going into default. The Turkish banking and finance sector manages the risks through substantial regulations and implementations (also through internal know-how).

Loan Interest Rates

(Trend Data, Annual Interest Rates, Percentage, 4-Week Moving Average)



Kaynak: TCMB.

Latest Data: April 1, 2016

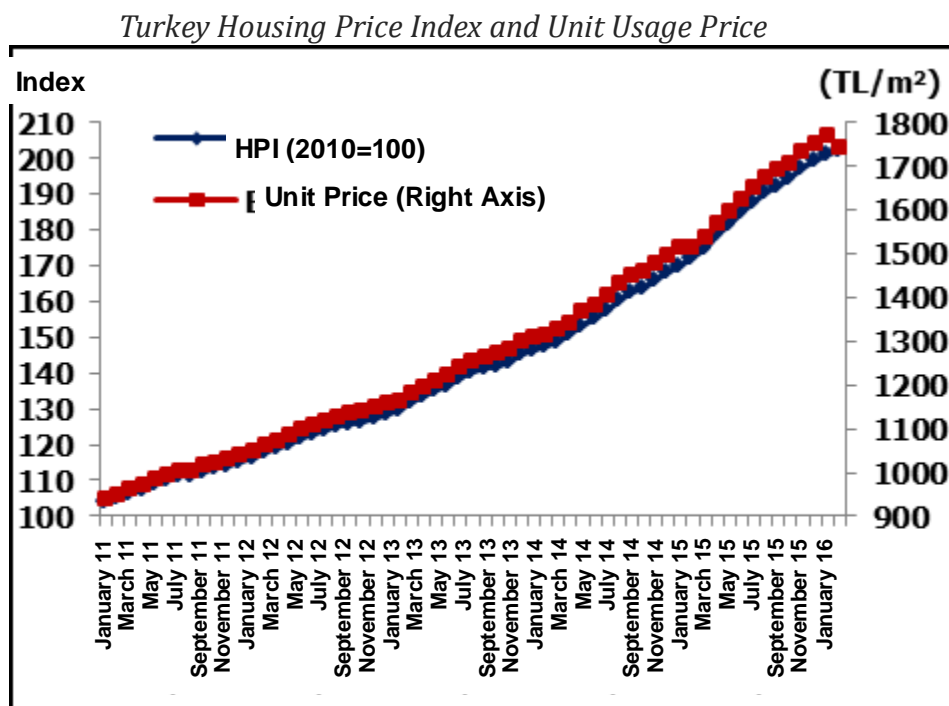
Source: CBRT

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Funding costs for consumers and producers could be expected drop as a result of the low negative interest rate trend in the global economy and the CBRT's recent policy of reducing interest rates to achieve growth. Many industries, particularly the housing industry, may experience an increase in activities as a result.

Turkey House Price Index (THPI) by the CBRT shows that inflation-adjusted price increases remain at reasonable levels. The following are the results of analysis of the housing price index announced by the CBRT on March 28, 2016.²¹

THPI (2010=100) is calculated by using the weighted average price method to monitor price changes in the Turkish housing market. In January 2016 (December 2015, and January-February 2016 period), it rose by 0.52 percent to 202.32 points, compared to the previous month (November-December 2015, and January 2016). The THPI climbed by 17.50 percent year-on-year, with a real growth rate of 7.23 percent in the same period. Unit prices, which are calculated as the value of the house per square meter, surged to 1,741.17 TL/m² in January 2016, up from 1,511.75 TL/m² year-on-year.²²



Source: CBRT

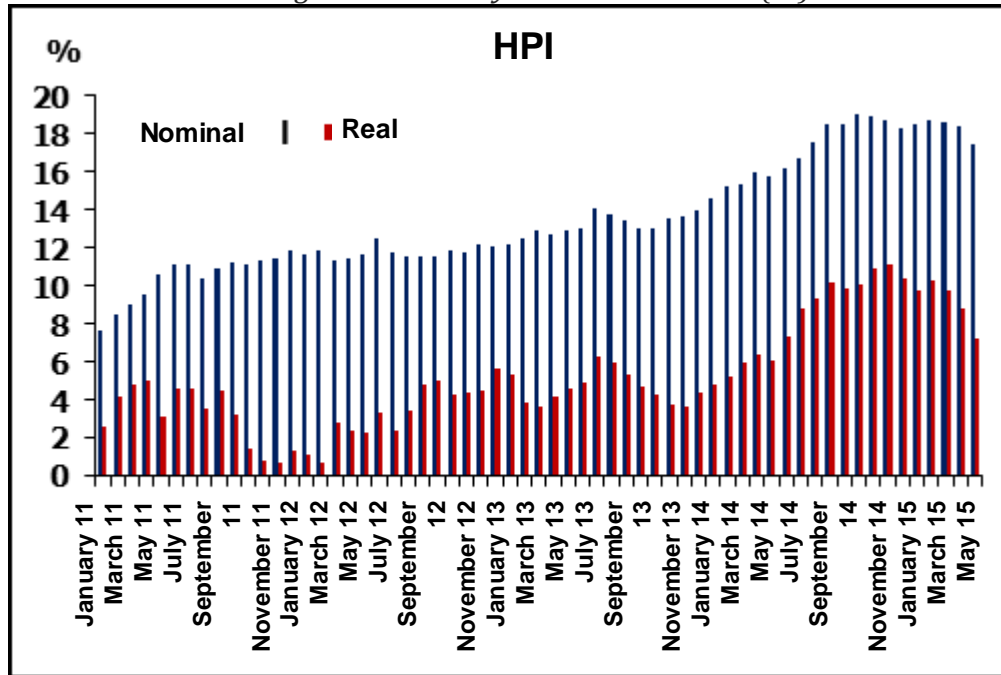
²¹CBRT "Turkey House Price Index", March 28, 2016 - The house price index is calculated quarterly, and the last published index covers the December 2015, and January-February, 2016 period.

²²CBRT, "Turkey Housing Price Index," March 28, 2016, p.1

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The following graphic shows nominal and real price changes of the THPI. After a rise since November 2014, nominal and real prices are experiencing a moderate adjustment since October 2015. ²³

Annual Change in the Turkey House Price Index (%)



Source: CBRT

In the real estate and construction industries, behaviors of foreign investors are another important issue following the law of reciprocity. Foreign investors continue to show interest in Turkish real estate industry, the appreciation of exchange rate having an additional impact on these investors.

Number of Homes Sold to Foreigners (September 2014-2015)

	January-March 2015	January-March 2016
Total (Units)	4,268	4,642
Istanbul	1,391	1,636
Antalya	1,199	1,003
Bursa	290	385
Muğla	155	142
Yalova	291	240
Ankara	106	185
Aydın	200	178
Sakarya	164	192
Samsun	23	101
Trabzon	68	136
Other cities	381	444

Source: General Directorate of Land Registry and Cadaster

²³Nominal price describes the price change of the asset by a certain period, whereas real prices is calculated by deducting inflation rate from the nominal price.

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Sales to foreigners appear to be for investment and usage purposes both. Purchases are made mainly for usage purposes at holiday resorts and in some big cities, and for investment purposes in Istanbul and neighboring regions. It is obvious that sales to foreigners bring in foreign currency to the Turkish economy.

Turkish economy boasts a specific dynamic character that allows it to recover quickly following a crisis or fluctuation. The same goes for the Turkish Construction and Housing industry.

The following is a summary of some of the factors that has affected and will possibly affect the Turkish Real Estate and Construction Industry in 2016:

- Growing interest from foreign investors,
- After falling in the first half of 2014, housing demand maintains its high trend with record figures in 2015,
- Turkey maintains its geopolitical importance in its immediate and neighboring geography,
- Despite the volatility and uptrend in the credit interest rates, investors are less sensitive to increased interest rate of the present period and housing prices increase and are expected to continue to increase more rapidly than interest expenses,
- Istanbul is drawing attention from every corner of the world as a brand city,
- There is work to turn Istanbul into a finance center,
- Infrastructure projects are creating a center of attraction and interest. Among these, the Körfez crossing, the third Bosphorus bridge, the submerged metro tunnel under the Istanbul Strait, the third airport in Istanbul, the rail transport and metro projects being introduced in almost every big city, and the Kanal Istanbul project all stand out,
- Expanding city surroundings and a growing countryside as a result of improvements in transportation vehicles and means,
- Continuing urban transformation and related regulations,
- Benefits of professionally and better-managed companies that are directly related to the industry,
- Ongoing rural-urban migration,
- Natural demand created by a young population,
- Increasing housing needs as a result of changing notion of nuclear family, marriages and divorces,
- Rapidly growing per capita income following the 2001 crisis, and easier financial terms,

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- Both demand- and supply-side housing market becomes increasingly more rational and flexible,
- Investors who follow up the changes in the housing prices also purchase houses from regions with lower price increase and are interested in Turkey as a whole,
- The industry remains volatile, thanks to the measures to encourage house purchases and savings,
- The end is near with regard to the legal and administrative process that is required for the construction and real estate industry to reach the resources and small investors by way of “securities.”

Subsequent Developments in the Post-Reporting Period

Significant developments that occurred in reporting period are provided below.

Regarding Board Members

- TOKİ nominated Ertan Yetim, Murat Kurum, Sami Er and Mehmet Özçelik as board member candidates at General Assembly to be held on April 14, 2016.

Regarding Independent Board Members

- Pursuant to the Nomination Committee decision, the Board of Directors resolved to nominate Ertan Keleş, Veysel Ekmen and Havvanur Yurtsever as independent board members at the Company's Ordinary General Assembly to be held on April 14, 2016.

Regarding the Authorization Given for the Company Share Buy-Back

- At the Company's Ordinary General Assembly held on April 14, 2016, the following changes were made regarding the Company share buy-back authorization:
"It was resolved to authorize the Board of Directors at the Company's Ordinary General Assembly held on April 14, 2016 to replace Chairman Ertan Yetim and General Manager Murat KURUM, who were authorized for the buy-back in the buy-back program approved at the Ordinary General Assembly held on April 6, 2015."

Regarding Cash Dividend Payment

Cash Dividend Payment Method	Cash
Cash Dividend Payment Date	May 24, 2016

Share Group Information	Cash Dividend Share Payment for 1 TL Nominal Value Share - Gross (TL)	Cash Dividend Share Payment for 1 TL Nominal Value Share - Net (TL)
Group B, EKGYO (Previous), TREEGYO00017	0.0967600	0.0967600
Group A, Inactive (Privileged),TREEGYO00025	0.0967600	0.0967600

Regarding Board of Directors and Committee Appointments

- As a result of the discussions and voting during the first meeting on April 14, 2016, of the Board of Directors, elected at the Ordinary General Assembly held on April 14, 2016, it has been agreed that:

Pursuant to Article 366 of the TCC, the duties were distributed as follows: Ertan Yetim was appointed as the Chairman of the Board, Independent Member Ertan Keleş was appointed as the Vice Chairman, and Murat Kurum, Sami Er, Mehmet Özçelik and Havvanur Yurtsever were appointed as Board Members.

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Also,

It was resolved to elect the following persons to the committees created:

Corporate Governance Committee:

Ertan Keleş (Committee Chairman), Veysel Ekmen, Sami Er, Hakan Akbulut;

Audit Committee:

Ertan Keleş (Committee Chairman), Veysel Ekmen, Havvanur Yurtsever;

Early Detection of Risk and Risk Management Committee:

Havvanur Yurtsever (Committee Chairwoman), Ertan Keleş, Mehmet Özçelik.

The Board also resolved to disclose the members of the Corporate Governance Committee, Audit Committee, and the Early Detection of Risk and Risk Management Committee on the PDP and the corporate website.

With the approval of the Office of General Manager on 14.04.2016, it was decided to:

1. Set up an "Office of Installation Projects Manager," which will report to the "Projects Department" under "Office of Deputy General Manager (Technical)" and to appoint İbrahim Oflaz, a mechanical engineer and a Technical Specialist for Construction Supervision Offices," "Installation Projects Manager;"
2. Set up "Fourth Office of Construction Supervision Manager," which will report to the "Implementation Department" under "Office of Deputy General Manager (Implementation)" and to appoint Nurullah Öztürk, a civil engineer and a Technical Specialist for Construction Supervision Offices," "Fourth Construction Supervision Manager;"

and to revise the organizational chart accordingly.

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Portfolio Structure and Real Estate

This section addresses the mandatory requirements of article 42 of the CMB Communiqué on Principles of Real Estate Investment Companies (No: III-48.1). Detailed reports about our current projects, including real estate valuation tables (projects, land and buildings) and construction completion status, will be included in the appendix of the annual report, for providing clarity and making it easier for the reader to review.

Based on our principle to disclose public information in a transparent, understandable and easily accessible manner, we have provided a summary of the two business developments methods under the “Business Models” section in our activity report. In addition, information about completed and tendered “Revenue Share” projects and completed and ongoing “Turnkey Projects” are available in the sub-sections.

Lease and Rented Properties

LEASED PROPERTIES						
No.	Lessee	Start Date	End Date	Lease Term	Property Information	Lease Amount (TL)
1	EMLAK PAZARLAMA-YENİ SARP İNŞ. JOINT VENTURE	23.12.2013	23.12.2016	3	İSTANBUL-ATAŞEHİR	4.530,40
2	TAHİNCİOĞLU GRUBU JOINT VENTURE	15.09.2015	15.09.2017	2	İSTANBUL-ATAŞEHİR - 3334 / 8	2.577,48
3	ILGIN İNŞAAT İÇ VE DIŞ TİC. A.Ş. (BAHÇEKENT 1 PHASE 2 PART)	01.08.2015	01.08.2016	1	İSTANBUL-BAŞAKŞEHİR	1.476,76
4	İFM&AKDENİZ İN. JOINT VENTURE	01.09.2015	01.09.2016	1	İSTANBUL - KADIKÖY 3317 / 22	4.793,46
5	GÜRYAPI RESTORASYON TAH. VE TİC. A.Ş.	03.08.2015	03.03.2018	2 years 7 months	İSTANBUL -BAŞAKŞEHİR 1344 /2	2.200,00
6	CİHAN İNŞAAT VE KONUT YAPI JOINT VENTURE	01.10.2015	01.10.2016	1 years	İSTANBUL-BAŞAKŞEHİR 324 /2	1.500,00
7	OLCAY GÜVENCİ	06.11.2015	06.05.2016	5 months	İstanbul Çatalca - 304 Parcel (10,828.15m2), 1481 Parcel (293,692.95 m2), 135 Plot 148 Parcel (164,850.47 m2), 138 Plot 5 Parcel (998,671.73 m2), 139 Plot 5 Parcel (806,281.04 m2),	71.500,00
8	NİDA İNŞAAT VE TURİZM A.Ş.	01.11.2015	01.11.2016	1 years	İstanbul-Ümraniye 3317 Plot 21 Parcel ve 3317 Plot 20 Parcel	6.500,00
9	İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.	01.12.2015	01.12.2016	1 years	İstanbul-Ümraniye 3317 Plot 21 Parcel ve 3317 Plot 20 Parcel	5.000,00
10	OLCAY GÜVENCİ	01.12.2015	01.06.2016	5 months	İstanbul Çatalca-304 Parcel (10,828.15m2), 1481 Parcel (293,692.95 m2), 135 Plot 148 Parcel (164,850.47 m2), 138 Plot 5 Parcel (998,671.73 m2), 139 Plot 5 Parcel (806,281.04 m2), 296 Parcel (206.523,00 m2) ve 738 Parcel (402.003,00 m2)	49.500,00
NOTE: Lease amount excludes VAT					TOTAL	149.578,10

PROPERTIES LEASED BY EMLAK KONUT							
No	Lessee	Start Date	End Date	Lease Term (Year)	Property Information	Use	Lease Amount (TL)
1	EMLAK KONUT GYO A.Ş.	01.05.2015	01.05.2016	1	ANKARA - ÇANKAYA- 14	OFİS	6.017,98
NOTE: Lease amount excludes VAT						TOTAL	6.017,98

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2016/Q1 UNIT SALES / MONTHLY

NO	PROJECT NAME	Jan	Feb	Mar
		NUMBER OF UNITS	NUMBER OF UNITS	NUMBER OF UNITS
1	AĞAOĞLU MASLAK 1453 İSTANBUL	3	6	51
2	AVRUPARK	52	69	53
3	BAHÇEKENT EMLAK KONUTLARI 1 - 3	10	2	10
4	BAHÇEKENT FLORA	51	14	30
5	BULVAR İSTANBUL	1		1
6	BURGAZKENT			1
7	EMLAK KONUT BAŞAKŞEHİR EVLERİ 1-1			1
8	EMLAK KONUT BAŞAKŞEHİR EVLERİ 1-2	1	1	1
9	EMLAK KONUT BAŞAKŞEHİR EVLERİ 1-3		1	
10	EMLAK KONUT BAŞAKŞEHİR EVLERİ 1-4		1	
11	EMLAK KONUT BAŞAKŞEHİR EVLERİ 2. ETAP	3		
12	EMLAK KONUT İSPARTAKULE EVLERİ		4	1
13	EMLAK KONUT MAVİŞEHİR EVLERİ		1	
14	ESENLER EMLAK KONUTLARI		1	1
15	EVORA İSTANBUL 1.BÖLGE	11	17	24
16	EVVEL İSTANBUL	6	23	15
17	GÖL PANORAMA EVLERİ	6	28	20
18	İSTMARINA	19	22	6
19	KARAT 34			13
20	KÖRFEZKENT 4.ETAP	134	34	26
21	KÖY	8	19	25
22	METROPOL İSTANBUL	10	1	1
23	NİDAKULE ATAŞEHİR	1		3
24	PARK MAVERA	1	1	37
25	SARPHAN FİNANS PARK	14	21	21
26	SEYRAN ŞEHİR		54	
27	SOFALOCA		1	2
28	TUAL ADALAR		35	54
29	UNIKONUT		61	10
	Total	331	417	407

NOTE	Only certain sale figures of our Marketing Department and sales office occurs monthly and annual sales report. Options are not considered in this table.
	Sales transaction is completing only with signing contract at notary, payment of advance amount, mortgage credits transferring to our bank account. These transactions may take time. Therefore previous months sales figures may increased. Customers can cancel the contract and also seller can cancel the contract because of that sales figures may decrease. Please take this point in to your consideration.

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Plots of Land Purchased for Developing Projects

In line with its strategy, risk and profitability targets, the company has completed the purchase of the following plots of land:

Plots of Land Purchased in the First Quarter of 2016.

No land was purchased in the period.

Current Projects

Detailed information on current projects are provided in Appendix-3, Appendix-4, Appendix-5, and Appendix-7.

Appraisal Reports

Appraisal reports about projects, land and buildings are provided in Appendix-2.

Current Status and Rates of Completion of the Projects

Status updates and completion rates of the projects managed by Emlak Konut REIC are provided in Appendix-3. Project completion timelines are provided in Appendix-7.

Portfolio Limitations

Portfolio Limitation Tables are presented in the notes to the Consolidated Financial Statements in Appendix-1.

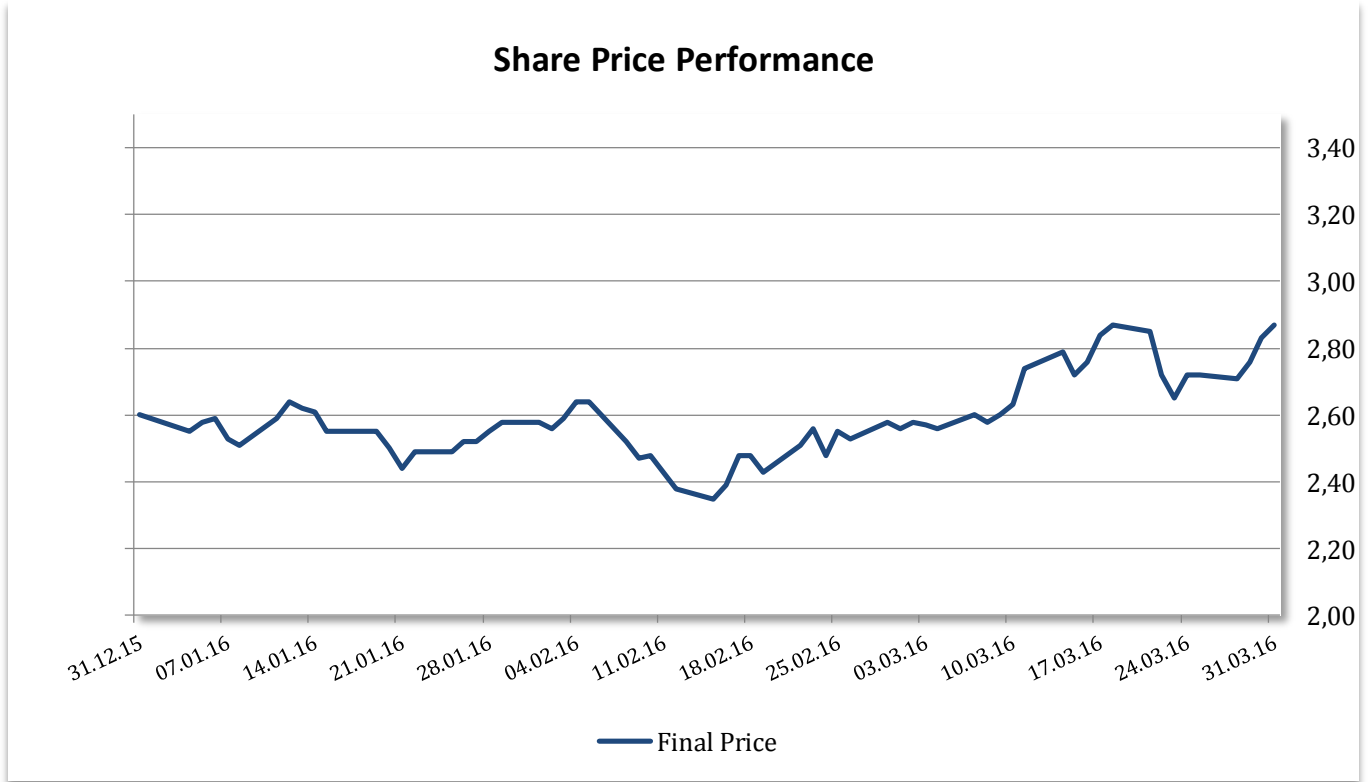
Share Price Performance

Traded Market - Index - Group

The company's Group A share stocks are traded on the Borsa Istanbul National Market. Our shares have been included in BIST GAYRİMENKUL YAT. ORT., BIST MALİ, BIST TÜM, BIST 100, BIST 30, and BIST 50 indices. The symbol tickers are as follows: **BIST TICKER:** EKGYO, **BLOOMBERG TICKER:** EKGYO.TI, **REUTERS TICKER:** EKGYO.IS.

Stock Prices and Volume Change Charts

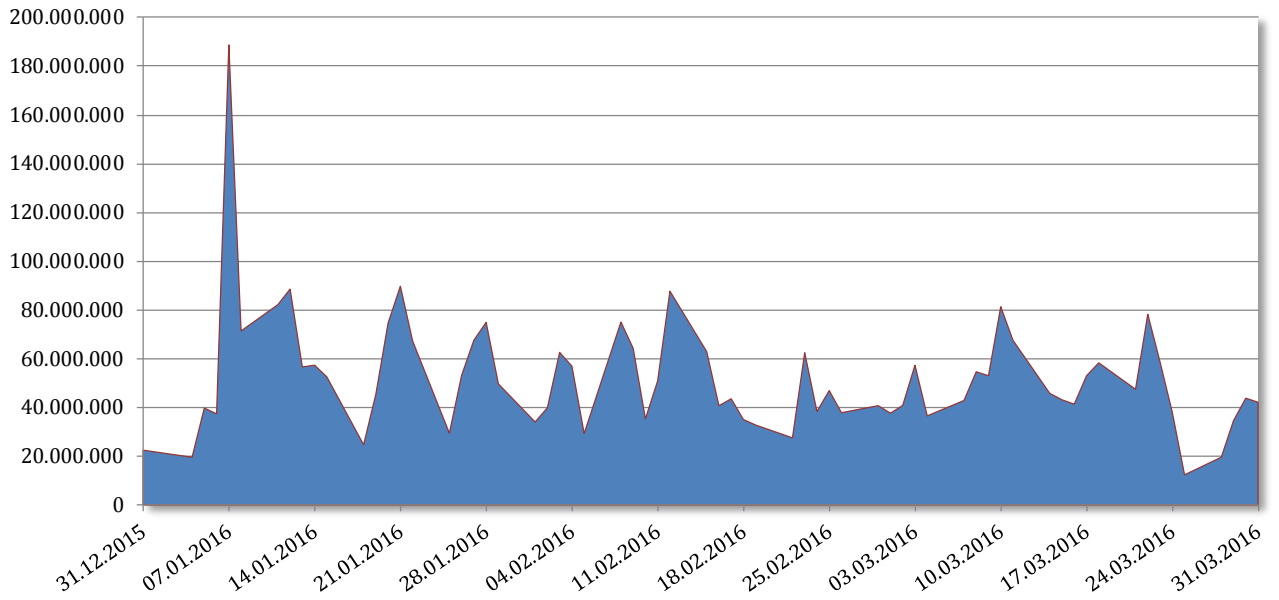
Annual Share Performance



SHARE PRICE PERFORMANCE

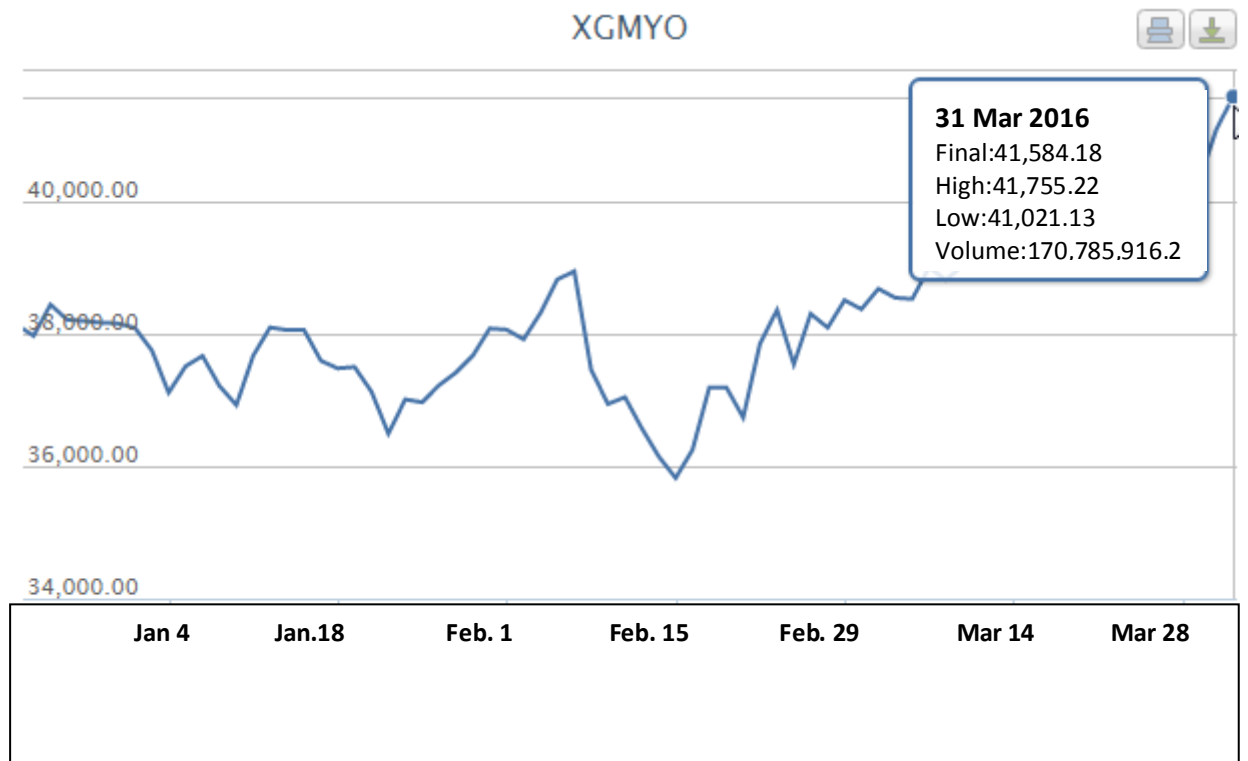
Annual Share Volume (Lot)

Jan - Mar 2016 Volume



SHARE PRICE PERFORMANCE

GYO Index



Service Providers that Serve Assets and Rights in the Shareholder Portfolio

Independent Audit Company

During the Ordinary General Assembly Meeting on April 14, 2016, the Company Policy for the Selection of an Independent Audit Company and the related Board Resolution was read and submitted for approval by the shareholders. It was decided by a majority vote - the No votes representing 68,888,466 Turkish lira - to appoint **DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.** (a member of DELOITTE TOUCHE TOHMATSU LIMITED) to perform the independent audit of the company for 2016.

Appraisal Companies

In line with Board resolutions, it was decided to purchase appraisal services from “**Atak Gayrimenkul Değerleme A.Ş.**” and “**Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.**” for the appraisal of every asset currently in the company’s portfolio and that will be added to the portfolio in 2016. The Board Resolution was made in accordance with article 35 with the title “Determining Real Estate Appraisal Company” of the CMB Communique on Principles of Real Estate Investment Companies (III-48.1a).

Investor Relations Consultant Firm

It was mutually agreed that **Dalfin Finansal Kurumsal İletişim ve Danışmanlık Hizmetleri Ltd. Şti.** will provide consulting services throughout the project duration on topics such as structuring investor relations and training.

Certified Public Accountant

It was decided to receive the services of **Sırdaş Denetim ve Yönetim Danışmanlığı Yeminli Mali Müşavirlik A.Ş.** under contract from January 1, 2016 to December 31, 2016.

Press and Public Relations PR Agency

It was decided to receive the creative and media-related services of **F5 Görsel Sanatlar Merkezi Tic. Ltd. Şti.** under contract from September 17, 2015 to September 16, 2016.

APPENDICES

- 1. Independent Audit Report and Consolidated Financial Statements**
- 2. Summary Reports on Asset Appraisals**
- 3. Construction Progress Phases**
- 4. Summary Table of Tendered Land Plots**
- 5. Summary Table of Building Inventory**
- 6. Summary Table of Land Plots without Developed Projects**
- 7. Table of Construction Completion Dates**
- 8. 2015 Ordinary General Meeting Assembly Minutes**

This Quarterly Report includes the Board of Directors Report, the Auditor's Report, Consolidated Financial Statements, and Independent Auditor's Report, which provide information about the company's operations and accounts in the first quarter of 2016.

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

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

APPENDIX -1

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONDENSED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2016**

(ORIGINALLY ISSUED IN TURKISH)

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY-31 MARCH 2016

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EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONDENSED STATEMENTS OF FINANCIAL POSITION AT 31 MARCH 2016 AND 31 DECEMBER 2015

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

		<i>Unaudited</i>	<i>Audited</i>
	Notes	31 March	31 December
		2016	2015
ASSETS			
Current assets		7,618,010	7,066,056
Cash and cash equivalents	5	3,130,305	3,005,003
Financial assets	6	144,277	143,819
Trade receivables	8	1,055,171	1,410,160
<i>Trade receivables from related parties</i>	19	39,308	204,172
<i>Trade receivables from third parties</i>		1,015,863	1,205,988
Other receivables	9	516,457	499,781
<i>Other receivables from third parties</i>		516,457	499,781
Land and residential unit inventories	10	2,552,556	1,807,059
Prepaid expenses	13	34,972	33,962
Other current assets	12	184,272	166,272
Non-current assets		9,754,691	10,161,448
Trade receivables	8	1,553,511	1,483,100
<i>Trade receivables from third parties</i>		1,553,511	1,483,100
Other receivables	9	456	168
Land and residential unit inventories	10	8,024,469	8,523,344
Investment property		16,000	16,000
Property, plant and equipment		86,822	78,721
Intangible assets		1,269	1,874
Other non-current assets		72,164	58,241
Total assets		17,372,701	17,227,504

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 2016 AND 31 DECEMBER 2015**

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

		<i>Unaudited</i>	<i>Audited</i>
		31 March	31 December
	Notes	2016	2015
LIABILITIES AND EQUITY			
Current liabilities		7,654,934	7,631,665
Short term borrowings	7	793	-
Short term portion of long term borrowings	7	228,520	230,657
Trade payables	8	2,452,277	2,553,198
<i>Trade payables to related parties</i>	19	1,872,147	1,881,778
<i>Trade payables to third parties</i>	8	580,130	671,420
Other payables	9	523,269	517,994
<i>Other payables to third parties</i>		523,269	517,994
Deferred income	13	4,315,081	4,159,158
Short term provisions		134,994	170,658
<i>Short term provisions for employee benefits</i>		4,551	4,626
<i>Other short term provisions</i>	11	130,443	166,032
Non-current liabilities		215,952	270,440
Long term borrowings	7	159,000	214,000
Trade payables	8	36,121	36,192
<i>Trade payables to third parties</i>		36,121	36,192
Other payables		13,750	13,814
<i>Other payables to third parties</i>		13,750	13,814
Deferred income	13	2,510	2,448
Long term provisions for employee benefits		4,571	3,986
Shareholders' equity		9,501,815	9,325,399
Paid-in capital	14	3,800,000	3,800,000
Treasury shares (-)	14	(262,857)	(262,857)
Share premiums / discounts	14	2,366,895	2,366,895
Other comprehensive income / expense not to be reclassified to profit or loss		(853)	(487)
- <i>Gain/(loss) on remeasurement of employee benefits</i>		(853)	(487)
Restricted reserves		357,908	357,908
Retained earnings		3,063,940	2,111,335
Net profit for the period		176,782	952,605
Total liabilities and equity		17,372,701	17,227,504

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 AT 31 MARCH 2016 AND 2015

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

	Notes	Unaudited 1 January- 31 March 2016	Unaudited 1 January- 31 March 2015
Profit or loss			
Sales	15	128,566	191,002
Cost of sales (-)	15	(16,902)	(78,278)
Gross profit		111,664	112,724
General administrative expenses (-)	16	(25,961)	(29,579)
Marketing, sales and distribution expenses (-)	16	(15,148)	(8,207)
Other operating income	17	90,655	46,363
Other operating expenses (-)	17	(2,551)	(1,932)
Operating profit		158,659	119,369
Income from investing activities		2,276	4,830
Operating profit before financial income / (expense)		160,935	124,199
Financial income	18	26,037	25,615
Financial expenses (-)	18	(10,190)	(11,557)
Profit for the period from continued operations		176,782	138,257
Other comprehensive income			
Actuarial computation related to employee benefit liabilities		(366)	(125)
Total comprehensive income for the period		176,416	138,132
Earnings per share (in full TL)		0.0005	0.0004

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 2016 AND 2015**

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

	Share Capital	Adjustment to Share Capital	Share Premium	Legal Reserves	Other Comprehensive Income and Expense not to be Reclassified to Profit or Loss	Net Income		Total Equity
					Gain / (Loss) on Remeasurement of Employee Benefits	Retained	Net Income	
						Earnings	for the Period	
1 January 2015	3,800,000	(240,687)	2,366,895	292,674	(203)	1,578,208	954,397	8,751,284
Transfers	-	-	-	-	-	954,397	(954,397)	-
Total comprehensive income	-	-	-	-	(125)	-	138,257	138,132
31 March 2015	3,800,000	(240,687)	2,366,895	292,674	(328)	2,532,605	138,257	8,889,416
1 January 2016	3,800,000	(262,857)	2,366,895	357,908	(487)	2,111,335	952,605	9,325,399
Transferler	-	-	-	-	-	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

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 2016 AND 2015

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

	Notes	1 January- 31 March 2016	1 January- 31 March 2015
Cash flows from operating activities			
Profit for the period		176,782	138,257
Adjustments to reconcile net profit			
Depreciation and amortization expenses	16	1,563	547
Adjustments for impairments	10	1,143	442
Changes in provisions		(35,068)	(8,284)
Adjustments for interest income and expenses		(91,871)	(58,980)
Unrealized exchange losses on cash and cash equivalents		-	246
Net cash before changes in assets and liabilities		52,549	72,228
Changes in net working capital			
Increase in land and residential unit inventories		(247,765)	(1,313,618)
(Increase) / decrease in trade receivables		291,273	(9,736)
Increase / (decrease) in trade payables		(100,992)	1,188,671
(Increase) / decrease in other receivables		(9,613)	74,979
Increase / (decrease) in other payables		188,696	194,291
Change in project deposits		(52,031)	(1,008,791)
Net cash flow from operating activities			
Interest received		33,330	3,721
Tax payments / returns		(17,215)	(9,395)
Employee termination indemnity paid		(11)	(105)
Net cash flow from operating activities		138,221	(807,755)
Cash flow from investing activities			
Purchases of tangible and intangible assets		(9,059)	(5,502)
Interest received		3,682	3,943
Purchases of financial assets		(101,358)	(172,437)
Returns of financial assets		100,900	164,065
Cash flow from investing activities		(5,835)	(9,931)
Cash flow from financing activities			
Cash inflows due to debt		793	-
Cash outflows due to discharge of debt		(55,000)	(40,515)
Interest received		-	26,685
Interest paid		(12,053)	(13,191)
Decrease in payables to HAS beneficiaries		250	1,142
Increase in payables to HAS beneficiaries		(438)	(1,632)
Cash flow from financing activities		(66,448)	(27,511)
Net increase / (decrease) in cash and cash equivalents before currency translation differences		65,938	(845,197)
Effects of unrealized gain / (loss) on cash and cash equivalents		-	(4)
Net increase / (decrease) in cash and cash equivalents		65,938	(845,201)
Cash and cash equivalents at the beginning of the period	5	759,493	1,453,400
Cash and cash equivalents at the end of the period	5	825,431	608,199

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 2016

(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 Sömbül 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 can not be a part of construction business, but only can organize it by auctioning between the contractors.

The condensed financial statements at 31 March 2016 have been approved by the Board of Directors on 2 May 2016. 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 2016

(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 2016 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.

Interim condensed financial statements of the Company do not include all the information and disclosures required in the annual financial statements, therefore should be read in conjunction with the Company’s annual financial statements as of 31 December 2015.

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 dated on 17 March 2005 and numbered 11/367 by the CMB which is effective from 1 January 2005, for companies operating in Turkey and preparing their financial statements in accordance with Turkish Accounting Standards the application of inflation accounting is no longer required. Accordingly, TAS 29 “Financial Reporting in Hyperinflationary Economies” did not be applied for the accounting periods starting 1 January 2005.

Functional and Presentation Currency

The financial statements of the Company are presented in the currency of the primary economic environment in which the entity operates (“functional currency”). The functional currency of the Company is expressed in Turkish Lira (“TL”), the presentation currency amounts are expressed in thousands of Turkish Lira (“TL”).

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2016

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

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

2.1 Basis of Preparation (Continued)

Offsetting

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

Going concern

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

2.2 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 2016 are consistent with those prepared as of 31 December 2015. Therefore, condensed interim financial statements have to be considered with year end financial statements.

3.1 New and Revised Turkish Accounting Standards

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

None.

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

Amendments to TAS 16 and TAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i> ¹
Amendments to TAS 16 and TAS 41 and amendments to TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40	<i>Agriculture: Bearer Plants</i> ¹
Amendments to TFRS 11 and TFRS 1 Annual Improvements to 2011-2013 Cycle	<i>Accounting for Acquisition of Interests in Joint operations</i> ¹
Amendments to TAS 1 Annual Improvements to 2012-2014 Cycle	<i>TFRS 1</i> ²
Amendments to TAS 1 Annual Improvements to 2012-2014 Cycle	<i>Disclosure Initiative</i> ²
Amendments to TAS 27	<i>TFRS 5, TFRS 7, TAS 34, TAS 19</i> ²
Amendments to TFRS 10 and TAS 28	<i>Equity Method in Separate Financial Statements</i> ²
Amendments to TFRS 10, TFRS 12 and TAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ²
TFRS 14	<i>Investment Entities: Applying the Consolidation Exception</i> ²
	<i>Regulatory Deferral Accounts</i> ²

¹ Effective for annual periods beginning on or after 31 December 2015.

² Effective for annual periods beginning on or after 1 January 2016.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2016

(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)

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

Amendments to TAS 16 and TAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

This amendment clarifies that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment, and introduces a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. The amendment also adds guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

Amendments to TAS 16 and TAS 41 and Amendments to TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40 Agriculture: Bearer Plants

This amendment includes ‘bearer plants’ within the scope of TAS 16 rather than TAS 41, allowing such assets to be accounted for as property, plant and equipment and measured after initial recognition on a cost or revaluation basis in accordance with TAS 16. The amendment also introduces a definition of ‘bearer plants’ as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales, and clarifies that produce growing on bearer plants remains within the scope of TAS 41.

Amendments to TAS 16 and TAS 41 also led to amendments in related provisions of TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40, respectively.

Amendments to TFRS 11 and TFRS 1 Accounting for Acquisition of Interests in Joint operations

This amendment requires an acquirer of an interest in a joint operation in which the activity constitutes a business to:

- apply all of the business combinations accounting principles in TFRS 3 and other TAS, except for those principles that conflict with the guidance in TFRS 11,
- disclose the information required by TFRS 3 and other TAS for business combinations.

Amendments to TFRS 11 also led to amendments in related provisions of TFRS 1.

Annual Improvements 2011-2013 Cycle

TFRS 1: Clarify which versions of TAS can be used on initial adoption (amends basis for conclusions only).

Amendments to TAS 1 Disclosure Initiative

This amendment addresses perceived impediments to preparers exercising their judgment in presenting their financial reports.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2016

(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)

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

Annual Improvements 2012-2014 Cycle

TFRS 5: Adds specific guidance in TFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

TFRS 7: Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements.

TAS 34: Clarify the meaning of ‘elsewhere in the interim report’ and require a cross-reference.

Annual Improvements to 2012-2014 Cycle also led to amendments in related provisions of TAS 19.

Amendments to TAS 27 *Equity Method in Separate Financial Statements*

This amendment permits investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.

Amendments to TFRS 10 and TAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

This amendment clarifies the treatment of the sale or contribution of assets from an investor to its associate or joint venture.

Amendments to TFRS 10, TFRS 12 and TAS 28 *Investment Entities: Applying the Consolidation Exception*

This amendment addresses issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points:

- The exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value.
- A subsidiary that provides services related to the parent’s investment activities should not be consolidated if the subsidiary itself is an investment entity.
- When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.
- An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by TFRS 12.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2016

(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)

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

IFRS 14 Regulatory Deferral Accounts

IFRS 14 *Regulatory Deferral Accounts* permits an entity which is a first-time adopter of Turkish Financial Reporting Standards to continue to account, with some limited changes, for ‘regulatory deferral account balances’ in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements.

IFRS 14 also led to amendments in related provisions of IFRS 1.

- c) New and revised TAS in issue but not yet effective

The Company has not applied the following new and revised TAS that have been issued but are not yet effective:

IFRS 9	<i>Financial Instruments</i>
Amendments to IFRS 9 and IFRS 7	<i>Mandatory Effective Date of IFRS 9 and Transition Disclosures</i>

IFRS 9 Financial Instruments

IFRS 9, issued in November 2009, introduces new requirements for the classification and measurement of financial assets. IFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Amendments to IFRS 9 and IFRS 7 Mandatory Effective Date of IFRS 9 and Transition Disclosures

The mandatory effective date of IFRS 9 will be no earlier than annual periods beginning on or after 1 January 2018.

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

3.2 Critical accounting estimates, assumptions and judgments

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

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2016

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

NOTE 4- SIGNIFICANT EVENTS AND TRANSACTIONS RELATED WITH THE PERIOD

The events and transactions which have significant impacts on the financial statements at the period ended at 31 March 2016 are as follows:

The Company issued land invoices amounting to TL 68,646 in the three months period ended 31 March 2016 regarding temporary admissions made on the parts of ongoing constructions of LSRSA (Note 15).

The Company made collections amounting to TL 645,799 based on the sales agreements signed with the resident buyers of the ongoing LSRSA projects. TL 207,136 portion of the total amount belongs to the Company and is accounted for at Other Current Liabilities - Deferred Revenue from LSRSA Projects. The remaining portion amounting to TL 438,663 was collected to be paid to the subcontractors in accordance with the percentage of completion levels of the projects. The unpaid portion of this balance is accounted for at Short-term Trade Payables - Payables To Contractors According to LSRSA Projects.

The Company received advances amounting to TL 25,334 regarding to the LSRSA projects with terms of the rates defined in the construction agreements.

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2016

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

NOTE 5 - CASH AND CASH EQUIVALENTS

	31 March 2016	31 December 2015
Cash on hand	31	4
Banks	3,130,274	3,004,999
- Demand deposit	81,734	65,500
- Time deposit	3,048,540	2,939,499
	3,130,305	3,005,003

Maturities of cash and cash equivalents are as follows:

	31 March 2016	31 December 2015
Demand	81,765	65,504
Up to 3 month	3,048,540	2,939,499
Less: Blocked deposits	(44,112)	(41,432)
	3,086,193	2,963,571

Average effective interest rates of time deposits are as follows:

	31 March 2016	31 December 2015
	(%)	(%)
	9.35	8.90

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

	31 March 2016	31 December 2015
Cash and cash equivalents	3,130,305	3,005,003
Less: Interest accruals	(14,116)	(8,525)
Less: LSRSA project deposits (*)	(317,117)	(301,997)
Less: TOKI deposits (**)	(1,944,962)	(1,908,051)
Less: Blocked deposits	(28,679)	(26,937)
	825,431	759,493

(*) The contractors' portion of the residential unit sales in accordance with the related agreements, realized from the ongoing LSRSA projects is deposited in time deposit bank accounts that are opened for the related LSRSA projects. The Company has the authority to control these accounts TL 317,117 (31 December 2015: TL 301,997) part of the total project amount deposits TL 15,433 (31 December 2015: TL 14,495) consists of blocked deposits.

(**) According to the protocols signed with TOKİ regarding to land purchases, the cost of lands purchased from TOKİ is evaluated in term accounts of Emlak Konut in the name of TOKİ, until the payment date determined by TOKİ. All of this accumulated interest income on term 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 2016

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

NOTE 6 - FINANCIAL INVESTMENTS

	31 March 2016	31 December 2015
Financial Investments		
Treasury bills	131,260	130,552
Special issue government bonds (*)	13,017	13,267
	144,277	143,819

(*) The Republic of Turkey, Undersecretariat of Treasury (“Turkish Treasury”) issues special Domestic Government Debt securities in the name of the Company to make the HAS payments on behalf of Turkish Treasury. In 2010, special Domestic Government Debt securities amounted to TL 429,617 has been issued to the Company. The Bonds are redeemed partially and early redempted and the amount is transferred to the Company’s accounts when the HAS lists are specified (Note 9). These government bonds are non-interest bearing and are not subject to sale on secondary market therefore the fair values are also their nominal values.

The Company issues treasury bills amounting to TL 131,260 as of 31 March 2016 (31 December 2015: TL 130,552) from Turkish Treasury. These treasury bills are measured at fair value. The fair value of these treasury bills are calculated by using the effective interest rates as quarterly which are announced by Turkish Treasury. Average effective interest rate of financial assets at 31 March 2016 is 10.68 % (31 December 2015: 10.84%). As of 31 March 2016 average term of the treasure bills changes between four and six months (31 December 2015: changes between four and six months).

NOTE 7 - FINANCIAL LIABILITIES

	31 March 2016	31 December 2015
Short-term financial liabilities		
Short-term bank borrowings	793	-
Short-term portion of long-term borrowings	228,520	230,657
	229,313	230,657
Long-term financial liabilities		
Long-term borrowings	159,000	214,000
	159,000	214,000

According to the agreement signed with the Turkish Treasury in 25 July 2008, the Company has borrowed TL 1,314,000 from the Turkish Treasury for financing its HAS payment liability. With respect to the agreement signed with the Turkish Treasury, the related borrowing has a floating interest rate and has a maturity of 10 October 2017. The interest rate is defined as the weighted average of the compound rate of discounted Government bonds issued by Turkish Treasury before each payment period.

The interest rate of the borrowing at 31 March 2016 is 10.93% (31 December 2015: 10.14%).

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2016

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

NOTE 7 - FINANCIAL LIABILITIES (Continued)

The redemption schedules of the borrowings at 31 March 2016 and 31 December 2015 are as follows:

	31 March 2016	31 December 2015
2017	159,000	214,000
	159,000	214,000

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

	31 March 2016	31 December 2015
Less than 3 months	64,313	65,657
Between 3 - 12 months	165,000	165,000
Between 1 - 5 years	159,000	214,000
	388,313	444,657

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

NOTE 8 - TRADE RECEIVABLES AND PAYABLES

	31 March 2016	31 December 2015
Short-term trade receivables		
Notes receivables	413,656	500,348
Receivables from sale of residential and commercial units	370,638	445,708
Receivables from LSRSA contractors invoiced	197,791	233,822
Receivables from related parties (Note 19)	39,308	204,172
Receivables from land sales	33,785	28,083
Rent receivables	1,452	1,385
Other	815	693
Unearned finance income	(2,274)	(4,051)
	1,055,171	1,410,160
Doubtful receivables	1,929	1,965
Less: Provision for doubtful receivables	(1,929)	(1,965)
	1,055,171	1,410,160

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2016

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

NOTE 8 - TRADE RECEIVABLES AND PAYABLES (Continued)

	31 March 2016	31 December 2015
Long-term trade receivables		
Receivables from sale of residential and commercial units	1,631,384	1,565,891
Unearned finance income	(77,873)	(82,791)
	1,553,511	1,483,100

	31 March 2016	31 December 2015
Short-term trade payables		
Payables to related parties (Note 19)	1,872,147	1,881,778
Payables to LSRSA contractors invoiced	535,872	629,146
Time deposit interest accruals from LSRSA contractors invoiced (*)	25,347	31,457
Trade payables	18,911	10,817
	2,452,277	2,553,198

(*) The contractors’ portion of the residential unit sales as defined in the agreement which gained from ongoing LSRSA projects is deposited in the time deposit bank accounts under control of the Company within the related LSRSA projects (Note 5).

	31 March 2016	31 December 2015
Long-term trade payables		
Payables to land owners (**)	36,121	36,192
	36,121	36,192

(**) In the context of collaboration protocol dated 28 February 2014 for urban transformation project, the control of the land amounting to TL 36,121 has been transferred to the Company and since the payment will be in done with the delivery of the residential and commercial units, the payable to landowner has been classified in long term trade payables.

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2016

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NOTE 9 - OTHER RECEIVABLES AND PAYABLES

	31 March 2016	31 December 2015
Short-term other receivables		
Housing Acquisition Support (“HAS”) related		
receivables from Turkish Treasury	390,750	390,750
Receivables from contractors	120,039	103,726
Receivables from the authorities	5,599	5,279
Other	69	26
	516,457	499,781

	31 March 2016	31 December 2015
Long-term other receivables		
Deposits and guarantees given	456	168
	456	168

	31 March 2016	31 December 2015
Short term other payables		
Payable to HAS beneficiaries	403,891	404,079
Payable to contractors (*)	88,752	88,752
Taxes and funds payable	8,037	8,470
Deferred income	11,319	4,704
Other	11,270	11,989
	523,269	517,994

(*) The amount includes the unissued invoice amount of TL 88,752 regarding to the units received as a result of revenue allocation at İzmir Mavişehir Phase 3 project, where the contractor filed a lawsuit regarding the revenue sharing percentages (31 December 2015: TL 88,752).

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
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(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

NOTE 9 - OTHER RECEIVABLES AND PAYABLES (Continued)

The movements of the payments either from Company’s shareholder’s equity to HAS beneficiaries and the detail of HAS payments and HAS receivables and payables related to Treasury Support as of for 31 March 2016 and 2015 are shown below:

	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 (Note 6)	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)

	1 January 2015	Additions within the period	Disposals	31 March 2015
Treasury support share				
Receivable from Treasury	391,001	6	(257)	390,750
Special purpose government Bond	13,767	-	(500)	13,267
Cash generated from government bond redemption	462	1,232	(1,632)	62
Total consideration received or receivable from Treasury	405,230			404,079
Payable to HAS beneficiaries	(405,230)			(404,079)

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NOTE 10 - LAND AND RESIDENTIAL UNIT INVENTORIES

Short-term inventories	31 March 2016	31 December 2015
Planned land by LSRSA	1,051,402	884,599
Planned land by Turnkey Project	1,333,846	910,539
Residential and commercial units ready for sale	167,308	11,921
<i>Cost</i>	<i>167,643</i>	<i>12,179</i>
<i>Impairment</i>	<i>(335)</i>	<i>(258)</i>
	2,552,556	1,807,059

Long-term inventories	31 March 2016	31 December 2015
Planned land by LSRSA	4,387,017	4,524,500
Planned land by Turnkey Project	422,110	736,768
Land	3,215,342	3,262,076
<i>Cost</i>	<i>3,227,524</i>	<i>3,273,192</i>
<i>Impairment</i>	<i>(12,182)</i>	<i>(11,116)</i>
	8,024,469	8,523,344

As of 31 December 2015, independent valuation reports prepared by Atak Gayrimenkul Değerleme A.Ş. ve Peritus Gayrimenkul Değerleme A.Ş. are taken into consideration in order to calculate the fair value and impairment loss, if any, on land units and commercial units ready for sale. The valuation methods that the independent valuation companies took into consideration included sales comparison and discounted cash flow methods, where the major assumptions were comprised of total cash flows expected from the projects, discount rates to calculate the present value of the related projects and comparable m² sales amounts. All of the final values used in the valuation reports has been determined over the fair comparison.

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

	2016	2015
Balance at 1 January	11,374	12,293
Impairment charge for the period	1,718	220
Reversal of impairment due to sales	(575)	(66)
Balance at 31 March	12,517	12,447

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NOTE 10 - LAND AND RESIDENTIAL UNIT INVENTORIES (Continued)

The details of land and residential stocks of the company are shown below as of 31 March 2016 and 31 December 2015:

Lands (Long term)	31 March 2016	31 December 2015
İstanbul Maltepe Lands	665,557	665,557
İstanbul Başakşehir Lands	435,115	433,905
İstanbul Zeytinburnu Lands	400,042	400,006
İstanbul Arnavutköy Lands	317,309	317,309
Ankara Yeni Mahalle Lands	273,036	273,036
İstanbul Tuzla Lands	225,933	225,933
Yalova Lands	178,340	178,340
İstanbul Esenyurt Lands	141,282	141,282
İstanbul Kartal Lands	132,283	132,283
İstanbul Avcılar Lands	106,085	106,085
Nevşehir Lands	70,907	70,042
Kocaeli Gebze Lands	45,174	45,174
İstanbul Ataşehir Lands	41,979	41,979
İstanbul Eyüp Lands	30,129	30,091
İstanbul Bakırköy Lands	30,005	30,005
Bursa Osmangazi Lands	27,336	27,336
Niğde Lands	20,664	20,304
İzmir Urla Lands	19,537	19,537
Ankara Çankaya Lands	12,861	16,578
İstanbul Şile Lands	10,210	10,210
Tekirdağ Çorlu Lands	10,185	11,849
Tekirdağ Kapaklı Lands	8,248	8,248
Kocaeli Tütünciftliği Lands	3,267	3,267
İstanbul Zekeriyaköy Lands	682	677
Balıkesir Merkez Lands	-	44,000
Other	9,176	9,043
	3,215,342	3,262,076

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NOTE 10 - LAND AND RESIDENTIAL UNIT INVENTORIES (Continued)

Planned lands by LSRSA	31 March 2016	31 December 2015
Sarıyer İstinye Project	1,006,171	1,006,171
Kazlıçeşme Project	656,808	656,408
Ankara Yenimahalle İstasyon Project	634,550	634,550
Maslak 1453 Project	549,415	549,415
Ankara Çankaya Mühye Project	317,495	316,662
Metropol İstanbul Project	246,166	246,166
Köy Project	225,233	224,276
İstanbul Kartal Project	186,888	186,778
İstanbul Kağıthane Seyrantepe Project	118,273	115,953
Kayabaşı 5. Area Project	117,552	117,552
Kayabaşı 6. Area Project	115,554	115,227
Park Maveria Project	115,513	115,859
İstanbul Üsküdar Project	108,107	85,006
Hoşdere 4. Area Project	104,935	104,935
Kartal Yakacık Project	91,914	91,905
Kayabaşı 3. Area Project	88,883	88,794
Konya Meram Yenice Project	86,704	86,704
Avcılar Kapadık Project	80,294	79,343
Denizli Merkez Efendi Project	76,256	74,761
Hoşdere 3. Area Project	71,973	72,016
Kocaeli Derince Project	70,001	70,001
Yenibosna Project	68,334	68,334
Fatih Yedikule Project	65,646	65,646
Hoşdere 2. Area Project	55,816	55,878
Ankara Etimesgut Project	37,288	37,288
Ataşehir Finance Center Project	15,738	14,951
Bulvar İstanbul Project	14,138	14,136
Other	112,774	114,384
	5,438,419	5,409,099

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NOTE 10 - LAND AND RESIDENTIAL UNIT INVENTORIES (Continued)

Planned lands by Turnkey Project	31 March 2016	31 December 2015
İstanbul Esenler Urban Transformation Project	412,096	348,366
Kayabaşı 1.Area 1.Part Project	233,351	221,819
Hoşdere 1.Part 2.Area Project	149,658	145,460
Ayazma Emlak Konutları Project	152,695	133,791
Kayabaşı 1.Area 3.Part Project	129,144	129,013
Kayabaşı 1.Area 4.Part Project	123,865	125,384
Hoşdere 1.Part 1.Area Project	114,305	119,608
Kayabaşı 1.Area 2.Part Project	109,724	107,553
Ispartakule 1.Area 1.Part Project	99,371	95,535
Ispartakule 1.Area 2.Part Project	84,492	83,358
Hoşdere 1.Part 3.Area Project	61,703	61,703
Körfezkent 4.Area Project	47,782	39,199
Emlak Konut Başakşehir Evleri 2.Part Project	36,683	35,432
Kocaeli Gebze Kirazpınar Urban Transformation Project	662	662
Bursa Urban Transformation Project	425	424
	1,755,956	1,647,307

Completed Units	31 March 2016	31 December 2015
Batışehir Project	152,191	-
My Towerland	3,752	3,752
Gardenya 7B Plaza	2,339	-
Park Yaşam Mavişehir Evleri	1,739	1,739
Kocaeli Körfez Kent Emlak Konutları	1,238	1,238
Spradon Vadi Evleri	1,086	1,086
Evora 2.Area Project	979	979
Burgazkent Çarşı Project	950	950
Other	3,034	2,177
	167,308	11,921

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NOTE 11 – OTHER SHORT TERM PROVISIONS

	31 March 2016	31 December 2015
Debt Provisions		
Provision for lawsuits	72,369	78,088
Provision for cost accruals	58,074	87,944
	130,443	166,032

The movements of provision for lawsuits as of 31 March 2016 and 2015 are as follows:

	2016	2015
Balance at 1 January	78,088	69,699
Provision charged for the period	-	1,176
Provision released within the current period	(5,719)	(2,853)
Balance at 31 March	72,369	68,022

NOTE 12 - OTHER ASSETS AND LIABILITIES

	31 March 2016	31 December 2015
Other current assets		
Progress payments given to contractors	78,219	79,286
Accrued income	48,511	43,842
Receivables from tax office (*)	33,132	33,144
Deferred VAT	15,000	10,000
Other	9,410	-
	184,272	166,272

(*) Receivables from tax office consist of bank stoppages paid on interest income, which have been requested from the tax office to be paid back.

NOTE 13 - DEFERRED REVENUE AND PREPAID EXPENSES

	31 March 2016	31 December 2015
Short-term deferred revenue		
Deferred revenue from LSRSA projects (*)	2,427,118	2,330,071
Advances taken from Turnkey Project sales	1,029,288	1,000,469
Advances taken from LSRSA contractors (**)	793,943	763,886
Advances taken from related parties (Note 19)	64,732	64,732
	4,315,081	4,159,158

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

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

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NOTE 13 - DEFERRED REVENUE AND PREPAID EXPENSES (Continued)

	31 March 2016	31 December 2015
Long-term deferred revenue		
Other advances taken	2,510	2,448
	2,510	2,448

	31 March 2016	31 December 2015
Prepaid expenses		
Advances given for inventory (*)	31,753	32,414
Prepaid expenses	3,219	1,548
	34,972	33,962

(*) The inventory advances given consists of prepayments of the 53 office units which the Company purchased from Sarphan Finansbank and 30 office units from Unikonut Project.

NOTE 14 - SHAREHOLDERS' EQUITY

The Company's authorized capital amount is TL 3,800,000 (31 December 2015: TL 3,800,000) and consists of 380,000,000,000 (31 December 2015: 380,000,000,000) authorized number of shares with a nominal value of TL 0,01 each.

The Company's shareholders and their shareholding percentages as of 31 March 2016 and 31 December 2015 is as follows:

Shareholders	31 March 2016		31 December 2015	
	Share (%)	TL	Share (%)	TL
Public offering portion	50.66	1,925,000	50.66	1,925,000
T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı ("TOKİ")	49.34	1,874,831	49.34	1,874,831
HAS beneficiaries	0.00	167	0.00	167
Other	0.00	2	0.00	2
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.

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NOTE 14 - SHAREHOLDERS' EQUITY (Continued)

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

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

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

NOTE 15 - SALES AND COST OF SALES

	1 January - 31 March 2016	1 January - 31 March 2015
Sales income		
Land sales	112,883	177,498
<i>Income from sale of land and plots by way of LSRSA</i>	68,646	177,498
<i>Land sales income</i>	44,237	-
Residential and commercial units sales	15,991	14,073
Other income	142	100
	129,016	191,671
Sales returns	(14)	(537)
Sales discounts	(436)	(132)
Net sales income	128,566	191,002
Cost of sales		
Cost of land sales	(9,891)	(68,464)
<i>Cost of land and plots sold by way of LSRSA</i>	(2,314)	(68,464)
<i>Cost of land sales</i>	(7,577)	-
Cost of residential and commercial units sales	(7,011)	(9,814)
	(16,902)	(78,278)
Gross profit	111,664	112,724

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2016

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

NOTE 16 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING, SALES AND DISTRIBUTION EXPENSES

	1 January- 31 March 2016	1 January- 31 March 2015
General administrative expenses		
Personnel expenses	(11,711)	(9,319)
Consultancy expenses	(5,923)	(2,334)
Taxes, duties and fees	(2,025)	(12,907)
Depreciation and amortisation	(1,563)	(547)
Subcontracting service expenses	(1,399)	(898)
Travel expenses	(780)	(357)
Due and contribution expenses	(607)	(495)
Communication expenses	(154)	(101)
Legal and notary expenses	(151)	(273)
Maintenance and repair expenses	(78)	-
Insurance expenses	(41)	(439)
Electronic archiving expenses	-	(1,167)
Other	(1,529)	(742)
	(25,961)	(29,579)
Marketing, sales and distribution expenses		
Advertising expenses	(13,689)	(6,512)
Personnel expenses	(872)	(913)
Other	(587)	(782)
	(15,148)	(8,207)

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2016**

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

NOTE 17 - OTHER INCOME / EXPENSES

	1 January- 31 March 2016	1 January- 31 March 2015
Other income		
Finance income from credit sales	53,895	34,208
Delay penalty interest from project contractors	12,886	3,721
Released lawsuit provisions (Note 11)	5,719	2,853
Unearned finance income, net	6,695	1,871
Commission income on transfers of ownership	2,706	1,598
Impairment provision reversals	575	66
Other	8,179	2,046
	90,655	46,363

	1 January- 31 March 2016	1 January- 31 March 2015
Other expenses		
Impairment provision expenses	(1,718)	(508)
Reversal of due date differences	(122)	(45)
Lawsuit provision charge for the period (Note 11)	-	(1,176)
Other	(711)	(203)
	(2,551)	(1,932)

NOTE 18 - FINANCIAL INCOME / EXPENSES

	1 January- 31 March 2016	1 January- 31 March 2015
Financial income		
Interest income from time deposits	26,034	25,611
Foreign exchange income	3	4
	26,037	25,615

	1 January- 31 March 2016	1 January- 31 March 2015
Financial expenses		
Interest expense on Turkish Treasury borrowings (*)	(9,916)	(11,391)
Foreign exchange loss	(67)	(85)
Commission expenses	(207)	(81)
	(10,190)	(11,557)

(*) Interest expense of borrowing for HAS beneficiaries payments from Turkish Treasury amounting to TL 1,314,000 calculated in accordance with Domestic Government Debt Securities issuance compound interest rate announced at the time of payment periods.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2016

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

NOTE 19 - RELATED PARTY TRANSACTIONS

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

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

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

- Balances and transactions with respect to Turkish Treasury are detailed in Note 6, 7 and 9.
- The Company mostly deposits its cash in State Banks in compliance with its related statute. The bank balances with state banks amounted to TL 2,781,070 as of 31 March 2016 (31 December 2015: TL 2,725,418) Regarding these bank balances, the Company also generated interest income from the related State banks amounted to TL 26,034 in as of 31 March 2016 (31 March 2015: TL 25,611). Average effective interest rates of time deposits of the Company as of 31 March 2016 are explained in Note 5.

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

	31 March 2016	31 December 2015
Trade receivables from related parties		
Emlak Planl. İnş. Prj. Yön. A.Ş. - Ege Yapı Ltd. Şti.	32,413	197,277
Emlak Planl. İnş. Prj. Yön. A.Ş. - Fideltus İnş-Öztaş İnş	5,567	5,567
Emlak Planl. İnş. Prj. Yön. A.Ş. - Cathay Ortak Girişimi	1,328	1,328
	39,308	204,172
Trade payables to related parties		
T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı (“TOKİ”) (*)	1,872,147	1,881,778
	1,872,147	1,881,778

(*) The Company has purchased various lands from its ultimate parent company (TOKİ) in 2016 and 2015. The remaining payable from this purchases to TOKİ is amounting to TL 1,660,935 (31 December 2015: TL 1,711,926) and accrued interest is TL 211,176 (31 December 2015: TL 169,852).

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2016

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

NOTE 19 - RELATED PARTY TRANSACTIONS (Continued)

	31 March 2016	31 December 2015
Advances received from related parties		
Emlak Planl. İnş. Prj. Yön. A.Ş. - Fideltus İnş. - Öztaş İnş. O.G. (*)	64,732	64,732
	64,732	64,732

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

	1 January - 31 March 2016	1 January - 31 March 2015
Purchases from related parties		
T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı (“TOKİ”)	-	1,292,655
Emlak Planl. İnş. Prj. Yön. A.Ş. - Ege Yapı Ltd. Şti.	152,191	-
Emlak Planl. İnş. Prj. Yön. A.Ş. - Emlak Basın Yayın A.Ş.	205	-
	152,396	1,292,655

	1 January - 31 March 2016	1 January - 31 March 2015
Sales to related parties		
T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı (“TOKİ”) (*)	50,102	-
Emlak Planl. İnş. Prj. Yön. A.Ş. - Cathay Ortak Girişimi	49	-
	50,151	-

(*) Sales performed to T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı (“TOKİ”) are composed of land restitutions and update fees of related restituted lands in the current period.

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

	1 January - 31 March 2016	1 January - 31 March 2015
Remuneration of key management		
Salaries and other short-term employee benefits	569	442
	569	442

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2016**

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

The prior contractor filed a lawsuit against the Company claiming that the completion percentage of the project was significantly high and that the agreement between the parties was based on construction right in return for flat. The expert report on the project stated that the completion percentage was 83% but that the agreement between the parties was not based on construction right in return for flat. The Company and the contractor filed counter lawsuits in the following period and an additional report was decided to be issued. The additional report is about the final receivables and payables of the parties considering all the claims. The additional report is completed. 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. The Company does not expect any obligation or liability to be incurred as a result of the lawsuit.

In the expert report dated 19 January 2016, it has been made a decision of whether related cancellation is unfair, and there alternative calculations has been realized over the possibility of whether the cancellation is right and over the effects on forward and backward. The expert report has been contested and it has been requested from the court that the expert report is declared "null and void" and that to receive a report that contains the objections of parties by creating a new committee. The court has given trial day on 4 May 2016.

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 Mavişehir Upper North Area 3. Phase has been signed on 19 December 2005 and following almost all the contractual obligations have been performed by the parties, the Contractor filed a lawsuit against the Company claiming that the agreement conditions should be revised considering the changing conditions. The Contractor wants all the agreement provisions to be cancelled except for the provisions where the Company's revenue portion is TL 67,515 plus VAT calculated as TL 175,000 plus VAT total project revenue times 38.58% Company's revenue portion. The Contractor wants all the properties and related land portion to be valued by an independent valuation company as of the date of the lawsuit and that 38.58% of the total value to be appropriated to the Company and the remaining 61.42% of the total value to be appropriated to the Contractor (Note 9).

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.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2016

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

NOTE 20 - CONTINGENT ASSETS AND LIABILITIES (Continued)

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

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

3. Mortgage and guarantees received are;

	31 March 2016	31 December 2015
Guarantees received (*)	2,887,704	3,256,850
Mortgages received (**)	45,970	126,221
	2,933,674	3,383,071

(*) Guarantees received consist of accurate and temporary guarantees given by contractors for construction projects during the tendering process.

(**) Mortgages taken consist of mortgaged independent sections and land which sold but not yet collected.

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

	31 March 2016	31 December 2015
A. CPM given on behalf of the Company's legal personality	57,553	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	-	-
	57,553	58,040

NOTE 21 - EVENTS AFTER THE REPORTING PERIOD

The Company has taken a decision pursuant to the profit sharing regulations of Capital Markets Board's (CMB), in the Ordinary Meeting of the General Assembly dated 14 April 2016, to realize dividend distribution amounted TL 367,688,000 that has been reserved in order to distribute from net profit in cash for the year 2015 and to determine the dividend payment date as 24 May 2016.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2016**

(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 2016 (TL)	Prior Period 31 December 2015 (TL)
A	Money and Capital Market Instruments	Series:III-No:48, Art,24/(b)	2,957,465	938,774
B	Properties, Projects based on Properties and Rights based on Properties	Series:III-No:48, Art,24/(a)	10,692,069	10,355,987
C	Affiliates	Series:III-No:48, Art,24/(b)	-	-
	Due from related parties (Non Commercial)	Series:III-No:48, Art,23/(f)	-	-
	Other Assets		3,723,167	5,932,743
D	Total Assets	Series:III-No:48, Art,3/(k)	17,372,701	17,227,504
E	Financial Liabilities	Series:III-No:48, Art,31	388,313	444,657
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	9,501,815	9,325,399
	Other Resources		7,482,573	7,457,448
D	Total Resources	Series:III-No:48, Art,3/(k)	17,372,701	17,227,504
	Non-Consolidated (Individual) Financial Statements Other Account Items	Related Regulation	Current Period 31 March 2016 (TL)	Prior Period 31 December 2015 (TL)
A1	The portion of Money and Capital Market Instruments held for Payables of Properties for the following 3 Years	Series:III-No:48, Art,24/(b)	1,151,177	938,774
A2	Term/ Demand/ Currency	Series:III-No:48, Art,24/(b)	911,745	759,489
A3	Foreign Capital Market Instruments	Series:III-No:48, Art,24/(d)	-	-
B1	Foreign Properties, Projects based on properties and Rights based on Properties	Series:III-No:48, Art,24/(d)	-	-
B2	Idle Lands	Series:III-No:48, Art,24/(c)	635,847	543,047
C1	Foreign Affiliates	Series:III-No:48, Art,24/(d)	-	-
C2	Affiliates for Operating Company	Series:III-No:48, Art,28	-	-
J	Non-cash Loans	Series:III-No:48, Art,31	57,553	58,103
K	Mortgage amount of Servient Lands Which Will Be Developed And Not Owned	Series:III-No:48, Art,22/(e)	-	-

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2016

(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	2016 (%)	2015 (%)	Minimum/ Maximum Rate
1	Mortgage amount of Servient Lands Which Will Be Developed And Not Owned	Series:III-No:48, Art,22/(e)	-	-	<10%
2	Properties, Projects based on Properties and Rights based on Properties	Series:III-No:48, Art,24/(a)(b)	68	67	>50%
3	Money and Capital Market Instruments and Affiliates	Series:III-No:48, Art,24/(b)	10	-	<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)	4	3	<20%
6	Affiliates to the Operating Company	Series:III-No:48, Art,28	-	-	<10%
7	Borrowing Limit	Series:III-No:48, Art,31	5	5	<500%
8	TL and Foreign Currency Time and Demand Deposits	Series:III-No:48, Art,22/(e)	1	-	<10%

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

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APPENDIX - 2/A

TENDERED PLOTS OF LAND SUMMARY TABLE

1 REAL ESTATE APPRAISAL REPORT SUMMARY					
NAME OF THE APPRAISED JOB		İstanbul Başakşehir Kayabaşı 6. Etap Avrupa Konutları			
ORGANIZATION REQUESTING THE APPRAISAL		Emlak Konut REIC			
ORGANIZATION PROVIDING THE APPRAISAL		Atak Gayrimenkul Değerleme A.Ş.			
REPORT DATE		11.03.2016			
INFORMATION ABOUT THE APPRAISED REAL ESTATES					
LAND REGISTRY INFORMATION		OWNER : Emlak Konut REIC			
		CITY : İstanbul			
		DISTRICT : Başakşehir			
		QUARTER : Kayabaşı			
		Plot/PARCEL	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
443/44	11.327,51	123/12151	23.06.2014/10172		
443/45	17.343,21	123/12152	23.06.2014/10172		
882/1	44.036,00	124/12251	23.06.2014/10172		
CURRENT USE		Residence Project which contains commercial units			
ZONING STATUS		Block NO	PARCEL NO	Zoning Category	Construction Conditions
		443	44	Residence	FAR:1,35 Hmaks:Unrestricted
		443	45	Residence	FAR:1,70 Hmaks:Unrestricted
		882	1	Residence	FAR:1,70 Hmaks:Unrestricted
INFORMATION ABOUT THE APPRAISED REAL ESTATES (VAT EXCLUDED)					
CURRENT MARKET VALUE OF THE PROJECT		160.838.780,00 TL			
TOTAL ESTIMATED MARKET VALUE OF THE COMPLETED PROJECT		558.604.204,85 TL			
EMLAK KONUT REIC'S REVENUE SHARE OF THE COMPLETED PROJECT		350.400.000,00 TL			
2 REAL ESTATE APPRAISAL REPORT SUMMARY					
NAME OF THE APPRAISED JOB		ZEKERİYAKÖY PROJESİ			
ORGANIZATION REQUESTING THE APPRAISAL		Emlak Konut REIC			
ORGANIZATION PROVIDING THE APPRAISAL		Atak Gayrimenkul Değerleme A.Ş.			
REPORT DATE		29.02.2016			
INFORMATION ABOUT THE APPRAISED REAL ESTATES					
LAND REGISTRY INFORMATION		OWNER : Emlak Konut REIC			
		CITY : İstanbul			
		DISTRICT : Sarıyer			
		QUARTER : Zekeriyaköy			
		Plot/PARCEL	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
		1789/2	51.880,88	51/5023	03.07.2014/6194
		1789/3	7.603,30	51/5024	03.07.2014/6192
		1789/4	25.235,23	51/5025	03.07.2014/6194
		1790/1	795,72	51/5027	03.07.2014/6194
		1790/3	9.188,44	51/5029	03.07.2014/6192
		1790/4	79.215,81	51/5030	03.07.2014/6194
		1791/2	149.511,21	51/5034	03.07.2014/6194
		1791/3	1.134,67	51/5035	03.07.2014/6192
1791/4	18.497,20	51/5036	03.07.2014/6192		
CURRENT USE		Residence Project which contains commercial units			
ZONING STATUS		Block NO	Zoning Category	Construction Conditions	
		1789/2	Residence	0,3	
		1789/3	Commercial +Residence	0,8	
		1789/4	Residence	0,3	
		1790/1	Health Facility	1	
		1790/3	Commercial +Residence	0,8	
		1790/4	Residence	0,3	
		1791/2	Residence	0,3	
1791/3	Pre-primary education area	1			
1791/4	Commercial +Residence	0,8			
INFORMATION ABOUT THE APPRAISED REAL ESTATES (VAT EXCLUDED)					
TOTAL VALUE OF 381 UNITS		465.663.000,00 TL			
CURRENT MARKET VALUE OF THE PROJECT		395.857.952,00 TL			
TOTAL ESTIMATED MARKET VALUE OF THE COMPLETED PROJECT		1.523.247.819,60 TL			
EMLAK KONUT REIC'S REVENUE SHARE OF THE COMPLETED PROJECT		491.247.421,82 TL			
3 REAL ESTATE APPRAISAL REPORT SUMMARY					
NAME OF THE APPRAISED JOB		İSTANBUL BAĞÇELİEVLER YENİBOSNA KARAT 34			
ORGANIZATION REQUESTING THE APPRAISAL		Emlak Konut REIC			
ORGANIZATION PROVIDING THE APPRAISAL		Atak Gayrimenkul Değerleme A.Ş.			
REPORT DATE		22.03.2016			
INFORMATION ABOUT THE APPRAISED REAL ESTATES					
LAND REGISTRY INFORMATION		OWNER : Emlak Konut REIC			
		CITY : İstanbul			
		DISTRICT : Bağçelievler			
		QUARTER : Yenibosna			
Plot/PARCEL	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.		
1542/37	21.438,07	200/19722	12.08.2015/21741		
CURRENT USE		Residence Project which contains commercial units			
ZONING STATUS		Bağçelievler Municipality Housing and Urban Development Directorate of the information and documents obtained from the authorities report on parcels 14.11.2014 Date 1643 No. İstanbul Metropolitan Municipality Assembly approved 1/1000 scale with decision Bağçelievler District, Yenibosna Quarter, 1542 islands within the scope of the application development plan for the 37 parcels' 'T1 Trade and Service Area' is planned.			
INFORMATION ABOUT THE APPRAISED REAL ESTATES (VAT EXCLUDED)					
621 NUMBER FULFILLING THE TERMS OF THE UNITS IN CASE OF TURNKEY TOTAL FAIR VALUE		373.385.700,00 TL			
CURRENT MARKET VALUE OF THE PROJECT		99.826.909,00 TL			
EMLAK KONUT REIC'S REVENUE SHARE OF THE COMPLETED PROJECT		96.471.315,00 TL			
TOTAL ESTIMATED MARKET VALUE OF THE COMPLETED PROJECT		346.114.416,69 TL			
COMPLETION OF THE PROJECT IN CASE OF EMLAK KONUT REIC PRESENT VALUE OF THE REVENUE INCOME SHARES		171.600.000,00 TL			

APPENDIX - 2/A

TENDERED PLOTS OF LAND SUMMARY TABLE

4 REAL ESTATE APPRAISAL REPORT SUMMARY					
NAME OF THE APPRAISED JOB		İSTMARINA PROJESİ			
ORGANIZATION REQUESTING THE APPRAISAL		Emlak Konut REIC			
ORGANIZATION PROVIDING THE APPRAISAL		Atak Gayrimenkul Değerleme A.Ş.			
REPORT DATE		30.03.2016			
INFORMATION ABOUT THE APPRAISED REAL ESTATES					
LAND REGISTRY INFORMATION		OWNER : Emlak Konut REIC			
		CITY : İstanbul			
		DISTRICT : Kartal			
		QUARTER : Çavuşoğlu			
		Plot/PARCEL	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.
9048/2	1.403,89	61/5970	13.03.2014/5257		
9049/1	4.665,28	61/5971	13.03.2014/5257		
9050/1	2.332,78	61/5972	13.03.2014/5257		
9051/1	45.286,02	61/5973	13.03.2014/5257		
CURRENT USE		On-site shopping mall, offices, shops and apartments hosting residence project.			
ZONING STATUS		Block NO	Zoning Category	Construction Conditions	
		9048	2	Commercial Area	FAR: 2.50 Hmaks:Unrestricted
		9049	1	Private Health Area	FAR: 2.50 Hmaks:Unrestricted
		9050	1	Education Area	FAR: 2.00 Hmaks:Unrestricted
		9051	1	Residential and Service Area	FAR: 2.70 Hmaks:Unrestricted
INFORMATION ABOUT THE APPRAISED REAL ESTATES (VAT EXCLUDED)					
CURRENT MARKET VALUE OF THE PROJECT		577.810.000,00 TL			
COMPLETION OF THE PROJECT IN CASE OF PRESENT VALUE		1.582.609.316,46 TL			
EMLAK KONUT REIC'S REVENUE SHARE OF THE COMPLETED PROJECT		672.380.000,00 TL			
621 NUMBER FULFILLING THE TERMS OF THE UNITS IN CASE OF TURNKEY TOTAL FAIR VALUE(VAT EXCLUDED)		91.418.300,00 TL			
5 REAL ESTATE APPRAISAL REPORT SUMMARY					
NAME OF THE APPRAISED JOB		Kayabaşı Park Maveria Projesi			
ORGANIZATION REQUESTING THE APPRAISAL		Emlak Konut REIC			
ORGANIZATION PROVIDING THE APPRAISAL		Atak Gayrimenkul Değerleme A.Ş.			
REPORT DATE		11.02.2016			
INFORMATION ABOUT THE APPRAISED REAL ESTATES					
LAND REGISTRY INFORMATION		OWNER : Emlak Konut REIC			
		CITY : İstanbul			
		DISTRICT : Başakşehir			
		QUARTER : Kayabaşı			
Plot/PARCEL	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.		
883/1	45.389,81 m ²	124 / 12256	10.01.2014 / 415		
889/1	53.086,96 m ²	124 / 12263	10.01.2014 / 415		
CURRENT USE		Residence Project which contains commercial units			
ZONING STATUS		Block NO	Zoning Category	Construction Conditions	
		883	1	T1 Zone	FAR: 2.00 Hmaks:Unrestricted
		889	1	T1 Zone	FAR: 2.00 Hmaks:Unrestricted
INFORMATION ABOUT THE APPRAISED REAL ESTATES (VAT EXCLUDED)					
TOTAL VALUE OF 556 UNITS		344.676.000,00 TL			
CURRENT MARKET VALUE OF THE PROJECT		206.801.217,00 TL			
TOTAL ESTIMATED MARKET VALUE OF THE COMPLETED PROJECT		1.213.473.588,28 TL			
EMLAK KONUT REIC'S REVENUE SHARE OF THE COMPLETED PROJECT		420.000.000,00 TL			
6 REAL ESTATE APPRAISAL REPORT SUMMARY					
NAME OF THE APPRAISED JOB		İstanbul Ümraniye Phase 1 Land Sales Provision for revenue sharing of the İstanbul province, Ümraniye, Küçükbakkalköy Quarter 3317 island No. 5 overall value in the case of the completion of the Sarphan Finanspark project located on parcels and Emlak Konut REIC falling value of its share of the project's current status and value of the Emlak Konut REIC. The easement to share the floor with the falling value of the current situation in the stock valuation report containing the basis of the current fair value determined Located 166 units			
ORGANIZATION REQUESTING THE APPRAISAL		Emlak Konut REIC			
ORGANIZATION PROVIDING THE APPRAISAL		Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.			
REPORT DATE		15.02.2016			
INFORMATION ABOUT THE APPRAISED REAL ESTATES					
LAND REGISTRY INFORMATION		OWNER : Emlak Konut REIC			
		Plot/PARCEL	Surface Area (m ²)	Volume No./Page No.	
3317/5	20.714,48	1/27	09.07.2010/18400		
CURRENT USE					
ZONING STATUS		Block NO	Zoning Category	Construction Conditions	
		3317	5	T1-Commercial Area	FAR:2.50 Hmaks:Unrestricted
INFORMATION ABOUT THE APPRAISED REAL ESTATES (VAT EXCLUDED)					
CURRENT MARKET VALUE OF THE PROJECT		533.556.171,90 TL			
CURRENT STATUS OF THE PROJECT RESIDENTIAL EMLAK KONUT REIC THE VALUE PER SHARE		267.063.052,20 TL			
TOTAL ESTIMATED MARKET VALUE OF THE COMPLETED PROJECT		745.802.594,88 TL			
EMLAK KONUT REIC'S REVENUE SHARE OF THE COMPLETED PROJECT		279.675.973,08 TL			
TOTAL VALUE OF 166 UNITS		153.222.702,00 TL			
7 REAL ESTATE APPRAISAL REPORT SUMMARY					
NAME OF THE APPRAISED JOB		İstanbul Bahçeşehir İspartakule 1. Bölge 5. Kısım Stüdyo 24 Projesi			
ORGANIZATION REQUESTING THE APPRAISAL		Emlak Konut REIC			
ORGANIZATION PROVIDING THE APPRAISAL		Atak Gayrimenkul Değerleme A.Ş.			
REPORT DATE		29.01.2016			
INFORMATION ABOUT THE APPRAISED REAL ESTATES					
LAND REGISTRY INFORMATION		OWNER : Emlak Konut REIC			
		CITY : İstanbul			
		DISTRICT : Avcılar			
		QUARTER : Firuzköy			
Plot/PARCEL	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.		
634/2	15.103,39	165/16297	03.04.2015/6909		
634/2	15.103,39	165/16298	03.04.2015/6909		
CURRENT USE		Within the residential, commercial and office units hosting the project.			
ZONING STATUS		Block NO	Zoning Category	Construction Conditions	
		634	2	T1-Commercial Area	FAR:2.00 Hmaks:Unrestricted
INFORMATION ABOUT THE APPRAISED REAL ESTATES (VAT EXCLUDED)					
TOTAL VALUE OF 2 UNITS		339.200,00 TL			
CURRENT MARKET VALUE OF THE PROJECT		67.350.900,00TL			
TOTAL ESTIMATED MARKET VALUE OF THE COMPLETED PROJECT		76.794.585,00TL			
EMLAK KONUT REIC'S REVENUE SHARE OF THE COMPLETED PROJECT		4.223.702,18TL			

APPENDIX - 2/A

TENDERED PLOTS OF LAND SUMMARY TABLE

8 REAL ESTATE APPRAISAL REPORT SUMMARY				
NAME OF THE APPRAISED JOB		İSTANBUL KARTAL YAKACIK ARSA SATIŞI KARŞILIĞI GELİR PAYLAŞIMI İŞİ		
ORGANIZATION REQUESTING THE APPRAISAL		Emlak Konut REİC		
ORGANIZATION PROVIDING THE APPRAISAL		Atak Gayrimenkul Değerleme A.Ş.		
REPORT DATE		26.01.2016		
INFORMATION ABOUT THE APPRAISED REAL ESTATES				
LAND REGISTRY INFORMATION		OWNER : Emlak Konut REİC CITY : İstanbul DISTRICT : Kartal QUARTER : Yakacık		
		Plot/PARCEL	Surface Area (m ²)	Volume No./Page No.
		12341/68	7,701.76	181
		12624/1	61.40	181
		12624/2	298.30	181
		12624/3	3,402.98	181
		12626/1	21,000.50	181
		12627/36	699.73	181
CURRENT USE		Residence Project		
ZONING STATUS		Block NO	Zoning Category	Construction Conditions
		12341	68	Middle School Facilities Area
		12624	1	Residence
		12624	2	Residence
		12624	3	Residence
		12626	1	Residence
				FAR= 1,75
				FAR= 1,75
				FAR= 1,75
				FAR= 2.00
INFORMATION ABOUT THE APPRAISED REAL ESTATES (VAT EXCLUDED)				
471 NUMBER FULFILLING THE TERMS OF THE UNITS IN CASE OF TURNKEY TOTAL FAIR VALUE		274.484.400,00 TL		
CURRENT MARKET VALUE OF THE PROJECT		90.117.834,00 TL		
TOTAL ESTIMATED MARKET VALUE OF THE COMPLETED PROJECT		420.000.000,00 TL		
EMLAK KONUT REİC'S REVENUE SHARE OF THE COMPLETED PROJECT		123.900.000,00 TL		
9 REAL ESTATE APPRAISAL REPORT SUMMARY				
NAME OF THE APPRAISED JOB		UNIKONUT PROJESİ		
ORGANIZATION REQUESTING THE APPRAISAL		Emlak Konut REİC		
ORGANIZATION PROVIDING THE APPRAISAL		Atak Gayrimenkul Değerleme A.Ş.		
REPORT DATE		29.01.2016		
INFORMATION ABOUT THE APPRAISED REAL ESTATES				
LAND REGISTRY INFORMATION		OWNER : Emlak Konut REİC CITY : İstanbul DISTRICT : Avclar QUARTER : Firuzköy		
		Plot/PARCEL	Surface Area (m ²)	Volume No./Page No.
		639/1	24.506,00	Easement right is established.
CURRENT USE		Residence Project which contains commercial units		
ZONING STATUS		Block NO	Zoning Category	Construction Conditions
		639	1	Commercial Area
				FAR:2.00 Hmaks:Unrestricted
INFORMATION ABOUT THE APPRAISED REAL ESTATES (VAT EXCLUDED)				
CURRENT MARKET VALUE OF THE PROJECT		127.029.875,00 TL		
COMPLETION OF THE PROJECT IN CASE OF PRESENT VALUE		153.521.391,33 TL		
EMLAK KONUT REİC'S REVENUE SHARE OF THE COMPLETED PROJECT		5.952.791,95 TL		
1 NUMBER FULFILLING THE TERMS OF THE UNIT IN CASE OF TURNKEY TOTAL FAIR VALUE(VAT EXCLUDED)		381.600,00 TL		
10 REAL ESTATE APPRAISAL REPORT SUMMARY				
NAME OF THE APPRAISED JOB		UNIKONUT PROJESİ		
ORGANIZATION REQUESTING THE APPRAISAL		Emlak Konut REİC		
ORGANIZATION PROVIDING THE APPRAISAL		Atak Gayrimenkul Değerleme A.Ş.		
REPORT DATE		14.01.2016		
INFORMATION ABOUT THE APPRAISED REAL ESTATES				
LAND REGISTRY INFORMATION		OWNER : Emlak Konut REİC CITY : İstanbul DISTRICT : Avclar QUARTER : Firuzköy		
		Plot/PARCEL	Surface Area (m ²)	Volume No./Page No.
		639/1	24.506,00	Easement right is established.
CURRENT USE		Residence Project which contains commercial units		
ZONING STATUS		Block NO	Zoning Category	Construction Conditions
		639	1	Commercial Area
				FAR:2.00 Hmaks:Unrestricted
INFORMATION ABOUT THE APPRAISED REAL ESTATES (VAT EXCLUDED)				
CURRENT MARKET VALUE OF THE PROJECT		127.029.875,00 TL		
COMPLETION OF THE PROJECT IN CASE OF PRESENT VALUE		153.521.391,33 TL		
EMLAK KONUT REİC'S REVENUE SHARE OF THE COMPLETED PROJECT		5.952.791,95 TL		
28 NUMBER FULFILLING THE TERMS OF THE UNITS IN CASE OF TURNKEY TOTAL FAIR VALUE(VAT EXCLUDED)		13.225.700,00 TL		
11 REAL ESTATE APPRAISAL REPORT SUMMARY				
NAME OF THE APPRAISED JOB		Kocaeli Körfez Kent Emlak Konut 4. Stage Housing with Infrastructure and Landscaping Construction in Kocaeli Province under the Project, Gulf County, Yarımca (Compartmentalisation) Quarter 1925 island No. 2 parcel and in 1930 the island Körfez Kent on No. 1 parcel 4. The baseline value of Phase project land value and the current fair value of the project is completed, the project site is located in 28 commercial units with a value in the form of a valuation report containing the detected.		
ORGANIZATION REQUESTING THE APPRAISAL		Emlak Konut REİC		
ORGANIZATION PROVIDING THE APPRAISAL		Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.		
DATE OF EXPERTISE		19.02.2016		
REPORT DATE		22.02.2016		
INFORMATION ABOUT THE APPRAISED REAL ESTATES				
LAND REGISTRY INFORMATION		Kocaeli Province, Körfez County, Yarımca (compartmentalisation) 1925 and 1930 island parcel number 2 Real estate registered with the parcel number 1 Emlak Konut REİC is owned, there are no encumbrances on the land register.		
		Plot/PARCEL	Surface Area (m ²)	Volume No./Page No.
		1925/2	19.079,91	278/27318
		1930/1	60.724,28	263/25817
MEVCUT KULLANIM		Residence Project which contains commercial units		
ZONING STATUS		Block NO	Zoning Category	Construction Conditions
		1925	2	RESIDENTIAL AREA
		1930	1	E=1,50, H=30,50 m
INFORMATION ABOUT THE APPRAISED REAL ESTATES (VAT EXCLUDED)				
CURRENT MARKET VALUE OF THE PROJECT		65.541.823,27 TL		
TOTAL ESTIMATED MARKET VALUE OF THE COMPLETED PROJECT		249.835.404,00 TL		
LAND VALUE		39.902.095,00 TL		
TOTAL VALUE OF 28 UNITS		10.122.153,10 TL		

APPENDIX - 2/B

BUILDINGS SUMMARY TABLE

REAL ESTATE APPRAISAL REPORT SUMMARY	
NAME OF THE APPRAISED JOB	Kirklareli province, Lüleburgaz District, Kurtulus Quarter, 1266 islands, No. 1, 34146.00 m ² area is, "Two nine-storey and seven pieces of eight storey apartment building and the land of" 1 block on skilled main immovable, 32. and 4 Block 28 is to determine the current market value of units
ORGANIZATION REQUESTING THE APPRAISAL	Emlak Konut REIC
ORGANIZATION PROVIDING THE APPRAISAL	Atak Gayrimenkul Değerleme A.Ş
REPORT DATE	19.01.2016
INFORMATION ABOUT THE APPRAISED REAL ESTATES	
LAND REGISTRY INFORMATION	Kirklareli province, Lüleburgaz District, Kurtulus Quarter, 1266 islands, No. 1, 34146.00 m ² area is, "Two nine-storey and seven pieces of eight storey apartment building and the land of" skilled master on immovable 4 (B03) Block, 6th floor position 28 the independent section and 1 (A01) located on the 7th floor of Block 32 is an independent department.
CURRENT USE	Residence
ZONING STATUS	Residence area, E:1.20, H max: Unrestricted
INFORMATION ABOUT THE APPRAISED REAL ESTATES (VAT EXCLUDED)	
TOTAL VALUE OF 2 UNITS	256.000 TL

REAL ESTATE APPRAISAL REPORT SUMMARY	
NAME OF THE APPRAISED JOB	Kocaeli Province Gebze district Guzeller Quarter, 5797 islands, No. 1, 63242.70 m ² area is, "Seven Pieces On Seven-Storey Two Fifteen Floor Three Piece Two Storey RC Buildings and Land" B1 Block on skilled main immovable, on the ground floor position, to determine the current market value of the individual part number 1
ORGANIZATION REQUESTING THE APPRAISAL	Emlak Konut REIC
ORGANIZATION PROVIDING THE APPRAISAL	Atak Gayrimenkul Değerleme A.Ş
REPORT DATE	02.02.2016
INFORMATION ABOUT THE APPRAISED REAL ESTATES	
LAND REGISTRY INFORMATION	Kocaeli Province Gebze district Guzeller Quarter, 5797 islands, No. 1, 63242.70 m ² area is, "Seven Pieces On Seven-Storey Two Fifteen Floor Three Piece Two Storey RC Buildings and Land" B1 Block on skilled main immovable, on the ground floor position, No. 1 unit
CURRENT USE	Residence
ZONING STATUS	Residence area, E:1.00, H max: Unrestricted
INFORMATION ABOUT THE APPRAISED REAL ESTATES (VAT EXCLUDED)	
TOTAL VALUE OF 4 UNITS	158.000 TL

REAL ESTATE APPRAISAL REPORT SUMMARY									
NAME OF THE APPRAISED JOB	İZMİR KARŞIYAKA MAVİŞEHİR 1 ADET B.B.								
ORGANIZATION REQUESTING THE APPRAISAL	Emlak Konut REIC								
ORGANIZATION PROVIDING THE APPRAISAL	Atak Gayrimenkul Değerleme A.Ş.								
REPORT DATE	14.03.2016								
INFORMATION ABOUT THE APPRAISED REAL ESTATES									
LAND REGISTRY INFORMATION	OWNER : Emlak Konut GYO A.Ş., CITY : İzmir, DISTRICT : Karşıyaka, QUARTER : Şemikler								
	<table border="1"> <thead> <tr> <th>Block/Parcel</th> <th>Surface Area (m²)</th> <th>Volume No./Page No.</th> <th>Date/Journal No.</th> </tr> </thead> <tbody> <tr> <td>26023/3</td> <td>49.012,00</td> <td>See. Report 4.2. section</td> <td></td> </tr> </tbody> </table>	Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.	26023/3	49.012,00	See. Report 4.2. section	
Block/Parcel	Surface Area (m ²)	Volume No./Page No.	Date/Journal No.						
26023/3	49.012,00	See. Report 4.2. section							
CURRENT USE	Konut ve Ticari Üniteler								
ZONING STATUS	<table border="1"> <thead> <tr> <th>BLOCK NO</th> <th>PARCEL NO</th> <th>Zoning Category</th> <th>Construction Conditions</th> </tr> </thead> <tbody> <tr> <td>26023</td> <td>3</td> <td>See. Report 4.3. section</td> <td></td> </tr> </tbody> </table>	BLOCK NO	PARCEL NO	Zoning Category	Construction Conditions	26023	3	See. Report 4.3. section	
	BLOCK NO	PARCEL NO	Zoning Category	Construction Conditions					
26023	3	See. Report 4.3. section							
INFORMATION ABOUT THE APPRAISED REAL ESTATES (VAT EXCLUDED)									
1 PCS B. B. SHARES OF PROPERTY OR HOUSING EMLAK KONUT REIC(1/1) (VAT EXCLUDED-TL)	431.610,00								

APPENDIX - 2/C

LAND STOCK SUMMARY TABLE

REAL ESTATE APPRAISAL REPORT SUMMARY			
NAME OF THE APPRAISED JOB	İSTANBUL BAŞAKŞEHİR İKİTELLİ 9 ADET PARSEL		
ORGANIZATION REQUESTING THE APPRAISAL	Emlak Konut REİC		
ORGANIZATION PROVIDING THE APPRAISAL	Atak Gayrimenkul Değerleme A.Ş.		
REPORT DATE	02.03.2016		
INFORMATION ABOUT THE APPRAISED REAL ESTATES			
LAND REGISTRY INFORMATION	OWNER: Emlak Konut GYO A.Ş. CITY: İstanbul, DISTRICT: Başakşehir, QUARTER : İkitelli		
	Block/Parcel	Surface Area (m ²)	Volume No./Page No.
	Date/Journal No.		
CURRENT USE	See. Report 4.2. section		
ZONING STATUS	BLOCK NO	PARCEL NO	Land (empty)
	See. Report 4.3. section		
	Zoning Category		
	Construction Conditions		
INFORMATION ABOUT THE APPRAISED REAL ESTATES (VAT EXCLUDED)			
TOTAL VALUE OF PARCELS(VAT EXCLUDED)	89.103.836,00		

APPENDIX - 3

CONSTRUCTION PROGRESS PHASES TABLE

	Project Name	City	District	Progress Level
1	YILDIZKENT 1	TEKİRDAĞ	KAPAKLI	Final Acceptance Completed.
2	YILDIZKENT 2	TEKİRDAĞ	KAPAKLI	Final Acceptance Completed.
3	SOYAK MAVİŞEHİR	İZMİR	KARŞIYAKA	Final Acceptance Completed.
4	YILDIZKENT 3	TEKİRDAĞ	KAPAKLI	Final Acceptance Completed.
5	NOVUS RESIDENCE	İSTANBUL	BAKIRKÖY	Final Acceptance Completed.
6	MİSSTANBUL	İSTANBUL	BAŞAKŞEHİR	Final Acceptance Completed.
7	KENTPLUS MİMARŞINAN	İSTANBUL	B.ÇEKMECE	Final Acceptance Completed.
8	EMLAK KONUT PELİKAN SİTESİ	İZMİR	KARŞIYAKA	Final Acceptance Completed.
9	EMLAK KONUT MAVİŞEHİR EVLERİ	İZMİR	KARŞIYAKA	Final Acceptance Completed.
10	DREAMCITY ÇERKEZKÖY	TEKİRDAĞ	KAPAKLI	Final Acceptance Completed.
11	SPRADON QUARTZ	İSTANBUL	BAŞAKŞEHİR	Final Acceptance Completed.
12	İSPARTAKULE EVLERİ	İSTANBUL	AVCILAR	Final Acceptance Completed.
13	AVRUPA KONUTLARI İSPARTAKULE 1	İSTANBUL	AVCILAR	Final Acceptance Completed.
14	BİZİMEVLER 4	İSTANBUL	AVCILAR	Final Acceptance Completed.
15	MY TOWN İSPARTAKULE	İSTANBUL	AVCILAR	Final Acceptance Completed.
16	BURGAZKENT	KIRKLARELİ	LÜLEBURGAZ	Final Acceptance Completed.
17	AVRUPA KONUTLARI TEM	İSTANBUL	G.OSMANPAŞA	Final Acceptance Completed.
18	SELİMPAŞA EMLAK KONUTLARI	İSTANBUL	SİLİVRİ	Final Acceptance Completed.
19	ERGENE VADİSİ	TEKİRDAĞ	ÇORLU	Final Acceptance Completed.
20	PARKYAŞAM MAVİŞEHİR	İZMİR	KARŞIYAKA	Final Acceptance Completed.
21	BİZİMEVLER 2	İSTANBUL	AVCILAR	Final Acceptance Completed.
22	BİZİMEVLER 3	İSTANBUL	AVCILAR	Final Acceptance Completed.
23	MAVİŞEHİR MODERN	İZMİR	ÇİĞLİ	Final Acceptance Completed.
24	MY WORLD EUROPE	İSTANBUL	BAŞAKŞEHİR	Final Acceptance Completed.
25	AVRUPA KONUTLARI İSPARTAKULE 2	İSTANBUL	AVCILAR	Final Acceptance Completed.
26	ELITE CITY	İSTANBUL	K.ÇEKMECE	Final Acceptance Completed.
27	SOYAK PARK APARTS/ SOYAK EVOSTAR	İSTANBUL	K.ÇEKMECE	Provisional Acceptance Completed.
28	AVRUPA KONUTLARI İSPARTAKULE 3	İSTANBUL	AVCILAR	Final Acceptance Completed.
29	AVRUPA KONUTLARI ATAKENT 3	İSTANBUL	K.ÇEKMECE	Final Acceptance Completed.
30	MERKEZ KAYAŞEHİR	İSTANBUL	BAŞAKŞEHİR	Final Acceptance Completed.
31	LÜLEBURGAZ ÇARŞI	KIRKLARELİ	LÜLEBURGAZ	Final Acceptance Completed.
32	SPRADON VADI	İSTANBUL	BAŞAKŞEHİR	Final Acceptance Completed.
33	STUDYO 24	İSTANBUL	AVCILAR	Final Acceptance Completed.
34	İSTANBUL	İSTANBUL	AVCILAR	Provisional Acceptance Completed.
35	AVRUPA KONUTLARI TEM 2	İSTANBUL	G.OSMANPAŞA	Provisional Acceptance Completed.
36	BAHÇEKENT EMLAK KONUTLARI 1 ETAP 1 KISIM	İSTANBUL	BAŞAKŞEHİR	Provisional Acceptance Completed.
37	BAHÇEKENT EMLAK KONUTLARI 1 ETAP 2 KISIM	İSTANBUL	BAŞAKŞEHİR	Provisional Acceptance Completed.
38	BAHÇEKENT EMLAK KONUTLARI 1 ETAP 3 KISIM	İSTANBUL	BAŞAKŞEHİR	Provisional Acceptance Completed.
39	BAHÇEKENT FLORA	İSTANBUL	BAŞAKŞEHİR	%46,52
40	AVRUPARK	İSTANBUL	BAŞAKŞEHİR	%13,52
41	BAHÇELİEVLER YENİBOSNA	İSTANBUL	BAHÇELİEVLER	%0,00
42	ZEYTİNBURNU / KAZLIÇEŞME	İSTANBUL	ZEYTİNBURNU	%0,00
43	FATİH YEDİKULE	İSTANBUL	FATİH	%0,00
44	GÖL PANORAMA	İSTANBUL	AVCILAR	%43,82
45	UNİKONUT	İSTANBUL	AVCILAR	Provisional Acceptance Completed.
46	BATIŞEHİR	İSTANBUL	SULTANGAZİ	Provisional Acceptance Completed.
47	DUMANKAYA MİKS	İSTANBUL	K.ÇEKMECE	Provisional Acceptance Completed.
48	SARIYER/ ZEKERİYAKÖY	İSTANBUL	ZEKERİYAKÖY	%9,72
49	TUAL BAHÇEKENT	İSTANBUL	BAŞAKŞEHİR	%0,00
50	İSPARTAKULE EVLERİ 1	İSTANBUL	BAŞAKŞEHİR	%1,07
51	İSPARTAKULE EVLERİ 2	İSTANBUL	BAŞAKŞEHİR	%0,49
52	ATAŞEHİR RESİDENCE	İSTANBUL	ATAŞEHİR	Final Acceptance Completed.
53	İDEALİSTKENT	İSTANBUL	ÜMRANİYE	Final Acceptance Completed.
54	UPHILL COURT	İSTANBUL	ATAŞEHİR	Final Acceptance Completed.
55	MY WORLD	İSTANBUL	ATAŞEHİR	Final Acceptance Completed.

APPENDIX - 3

CONSTRUCTION PROGRESS PHASES TABLE

	Project Name	City	District	Progress Level
56	KENTPLUS ATAŞEHİR	İSTANBUL	ATAŞEHİR	Final Acceptance Completed.
57	KÖRFEZKENT 1	KOCAELİ	KÖRFEZ	Final Acceptance Completed.
58	ŞEHRİZAR KONAKLARI	İSTANBUL	ÜSKÜDAR	Final Acceptance Completed.
59	VARYAP MERIDIAN	İSTANBUL	ATAŞEHİR	Final Acceptance Completed.
60	MY TOWERLAND	İSTANBUL	ATAŞEHİR	Final Acceptance Completed.
61	ALEMDAĞ EMLAK KONUTLARI	İSTANBUL	ÇEKMEKÖY	Final Acceptance Completed.
62	KÖRFEZKENT 2	KOCAELİ	KÖRFEZ	Final Acceptance Completed.
63	GEBZE EMLAK KONUTLARI 1	KOCAELİ	GEBZE	Final Acceptance Completed.
64	GEBZE EMLAK KONUTLARI 2	KOCAELİ	GEBZE	Final Acceptance Completed.
65	TUZLA EMLAK KONUTLARI 2	İSTANBUL	TUZLA	Final Acceptance Completed.
66	TUZLA EMLAK KONUTLARI 1	İSTANBUL	TUZLA	Final Acceptance Completed.
67	SULTANBEYLİ	İSTANBUL	SULTANBEYLİ	Final Acceptance Completed.
68	EVORA İSTANBUL MARMARA/ EVORA İSTANBUL DENİZ/ EVORA İSTANBUL PLATINUM	İSTANBUL	TUZLA	Provisional Acceptance Completed.
69	EVORA İSTANBUL/ EVORA İSTANBUL ADALAR/ EVORA İSTANBUL REZİDANS	İSTANBUL	TUZLA	Provisional Acceptance Completed.
70	SARPHAN FİNANS PARK	İSTANBUL	ÜMRANİYE	Partial Provisional Acceptance %93,71
71	KUASAR İSTANBUL	İSTANBUL	ŞİŞLİ	Provisional Acceptance Completed.
72	AĞAOĞLU MASLAK 1453 İSTANBUL	İSTANBUL	ŞİŞLİ	%59,77
73	METROPOL İSTANBUL	İSTANBUL	ATAŞEHİR	%55,34
74	İSTANBUL FİNANS MERKEZİ	İSTANBUL	ATAŞEHİR	%39,76
75	KARTAL İSTMARİNA	İSTANBUL	KARTAL	%31,22
76	KÖRKEZKENT 3	KOCAELİ	KÖRFEZ	Provisional Acceptance Completed.
77	KÖRFEZKENT 4	KOCAELİ	KÖRFEZ	%17,70
78	ATAŞEHİR GENEL MÜDÜRLÜK BİNASI	İSTANBUL	ATAŞEHİR	Provisional Acceptance Completed.
79	NİDAKULE ATAŞEHİR	İSTANBUL	ATAŞEHİR	Partial Provisional Acceptance %83,49
80	ANKARA SOFALOCA	ANKARA	ETİMESGUT	%21,69
81	KOCAELİ DERİNCE	KOCAELİ	DERİNCE	% 0,00
82	KARTAL YAKACIK	İSTANBUL	KARTAL	2,88
83	SARIYER İSTİNYE	İSTANBUL	SARIYER	% 0,00
84	KONYA MERAM	KONYA	MERAM	% 0,00
85	ANKARA YENİMAHALLE	ANKARA	YENİMAHALLE	% 0,00
86	İSTANBUL SEYRANTEPE	İSTANBUL	KAĞITHANE	% 0,00
87	ANKARA ÇANKAYA MÜHYE	ANKARA	ÇANKAYA	% 0,00
88	DENİZLİ MERKEZ EFENDİ	DENİZLİ	MERKEZ	% 0,00
89	ANKARA ÇANKAYA ÇAYYOLU KOORDİNAT ÇAYYOLU	ANKARA	ÇANKAYA	% 0,00
90	İSTANBUL ÜSKÜDAR BARBAROS ARSA SATIŞI KARŞILIĞI GELİR PAYLAŞIMI İŞİ	İSTANBUL	ÜSKÜDAR	% 0,00
91	KAYABAŞI EMLAK KONUTLARI 1. ETAP 1. KISIM	İSTANBUL	BAŞAKŞEHİR	Provisional Acceptance Completed.
92	KAYABAŞI EMLAK KONUTLARI 1. ETAP 2. KISIM	İSTANBUL	BAŞAKŞEHİR	Provisional Acceptance Completed.
93	KAYABAŞI EMLAK KONUTLARI 1. ETAP 3. KISIM	İSTANBUL	BAŞAKŞEHİR	Provisional Acceptance Completed.
94	KAYABAŞI EMLAK KONUTLARI 1. ETAP 4. KISIM	İSTANBUL	BAŞAKŞEHİR	Provisional Acceptance Completed.
95	KAYABAŞI 2. ETAP SEYRANŞEHİR	İSTANBUL	BAŞAKŞEHİR	Provisional Acceptance Completed.
96	KAYABAŞI 3. ETAP EVVEL İSTANBUL	İSTANBUL	BAŞAKŞEHİR	%32,07
97	KAYABAŞI 4. ETAP PARK MAVERA	İSTANBUL	BAŞAKŞEHİR	%33,74
98	ESENLER 1. ETAP 1. KISIM KENTSEL DÖNÜŞÜM	İSTANBUL	ESENLER	%85,00
99	ESENLER 1. ETAP 2. KISIM KENTSEL DÖNÜŞÜM	İSTANBUL	ESENLER	%90,50
100	ESENLER 2. ETAP KENTSEL DÖNÜŞÜM	İSTANBUL	ESENLER	%68,81
101	AYAZMA 2. ETAP BAĞÇETEPE İSTANBUL	İSTANBUL	BAŞAKŞEHİR	Partial Provisional Acceptance Completed
102	AYAZMA 3. ETAP BULVAR İSTANBUL	İSTANBUL	İKİTELLİ	Partial Provisional Acceptance %93,01
103	KAYABAŞI 6. ETAP	İSTANBUL	BAŞAKŞEHİR	0,00%
104	AYAZMA EMLAK KONUTLARI 1. ETAP	İSTANBUL	BAŞAKŞEHİR	12,70
105	KAYABAŞI 5. ETAP	İSTANBUL	BAŞAKŞEHİR	% 0,00
106	İSTANBUL KAYABAŞI EMLAK KONUTLARI 2. ETAP	İSTANBUL	BAŞAKŞEHİR	% 0,00

APPENDIX - 4

TENDERED PLOTS OF LAND

Revenue Sharing Model Projects in Return For The Land Sale	SQM	Date of Purchase	Book Value	Company Share in Total Revenue	Description
SARPHAN FİNANSARK PROJECT - İSTANBUL ÜMRANİYE 1ST STAGE (EMLAK PAZARLAMA - YENİSAR JOINT VENTURE)	20.714,48	31.05.2000	11.854.794,15	233.369.916,18	The construction permit has been obtained.
METROPOL İSTANBUL PROJECT - İSTANBUL ATAŞEHİR EAST REGION 2ND STAGE (VARYAP VARLIBAŞLAR - GAPJOINT VENTURE)	99.108,08	31.05.2000	246.165.569,09	500.971.500,00	The construction permit has been obtained.
AĞAOĞLU MASLAK 1453 İSTANBUL PROJECT - İSTANBUL ŞİŞLİ AYAZGA 1ST STAGE (AKDENİZ)	222.549,42	30.09.2010	549.414.999,94	1.627.715.108,70	The construction permit has been obtained.
KÖY PROJECT - İSTANBUL SARIYER ZEKERİYAKÖY (SİYAH KALEM)	343.062,46	02.03.2011	225.354.876,16	475.687.500,00	The agreement of the project has been signed on 19th July 2012, the construction permit of 1791 plot/2 parcel has been obtained on 25th July 2014, the construction permit of 1789 plot/4 parcel has been obtained on 31st December 2014, the construction permit of 1790 plot/3 parcel has been obtained on 24th June 2013, the construction permit of 1789/2 and 1790/4 block/parcel has been obtained on 6th July 2015.
İSTMARİNA PROJECT - İSTANBUL KARTAL (ELTES)	53.687,97	22.04.2012	186.694.277,39	672.380.800,00	The agreement of the project has been signed on 4th February 2013, the construction permit of 9051 plot/3 parcel has been obtained on 14th March 2014, the construction permit of 9048 plot/2 parcel has been obtained on 19th June 2014, 9048 plot/1 parcel 18th May 2015, 9052 plot/1 parcel has been obtained on 22nd April 2013, the construction permit has been obtained on 31st May 2013. The construction amendment date:28.08.2013, the occupancy permit has been obtained on 31st December 2015.
BULVAR İSTANBUL PROJECT - İSTANBUL BAŞAKŞEHİR AYAZMA 3RD STAGE (ÖZÜKE - ÖZ KAR JOINT VENTURE)	50.209,32	01.12.2010	14.135.799,79	38.018.147,01	The construction permit of 3334 plot/5 parcel and 3331 plot/6 parcel have been obtained on 23th August 2013.
NİDAKULE ATAŞEHİR PROJECT - İSTANBUL ATAŞEHİR WEST REGION 1ST PART 6TH REGION (TAHİNCİOĞLU - KOZKEN JOINT VENTURE)	19.554,44	31.05.2000	4.817.656,87	121.632.000,00	The construction permit of 3334 plot/5 parcel and 3331 plot/6 parcel have been obtained on 23th August 2013.
GÖL PANAROMA EVLERİ PROJECT - İSTANBUL AVCILAR KAPADIK (BE-MA)	85.251,43	30.07.2012	79.298.587,28	148.400.000,00	The agreement of the project has been signed on 5th July 2013, the construction permit has been obtained on 25th April 2014.
FATH YEDİKULE PROJECT - İSTANBUL FATH YEDİKULE (EGE YAPI - MYMETROPOL-SENA-BUKTOR JOINT VENTURE)	40.945,86	30.07.2012	65.645.743,88	105.968.270,00	The agreement of the project has been signed on 2nd August 2013, the construction permit has not been obtained yet.
BAHÇEKENT FLORA PROJECT - İSTANBUL HOŞDERE 2ND STAGE (İZK& DAĞ MÜHENDİSLİK & SİTAR JOINT VENTURE)	119.756,54	14.06.2011	55.766.808,58	110.491.029,00	The agreement of the project has been signed on 22nd November 2013, the construction permit of 656/2 block/parcel and 657/2 block/parcel have been obtained on 23rd May 2014, the construction permit of 656/1 block/parcel and 657/1 block/parcel have been obtained on 31st December 2014.
EVVEL İSTANBUL PROJECT - İSTANBUL BAŞAKŞEHİR KAYABAŞI 3RD STAGE (İNTAYA & EYĞ& İNTES JOINT VENTURE)	75.197,88	03.12.2012	88.794.095,91	188.760.000,00	The agreement of the project has been signed on 17th December 2013, the construction permit of 884/1 block/parcel has been obtained on 6th November 2014, and the construction permit of 891/1 and 892/1 block/parcel have been obtained on 31st August 2015.
ZEYTİNBURNU KAZIÇIŞEME PROJECT - İSTANBUL ZEYTİNBURNU KAZIÇIŞEME (ÖZAK-YENİGÜN-ZYLAN JOINT VENTURE)	111.262,55	24.04.2013	656.808.201,70	1.568.800.000,00	Project Agreement was signed on the date 08/04/2014, 25/01/2016 and 03/18/2016 date has been in the Construction Permit.
PARK MAVERA PROJECT - İSTANBUL BAŞAKŞEHİR KAYABAŞI 4TH STAGE (MAKRO - AK YAPI JOINT VENTURE)	98.476,77	03.12.2012	115.513.251,21	420.000.000,00	The agreement of the project has been signed on 25th April 2014, the construction permit of 889/1 block/parcel has been obtained on 8th October 2014, 883/1 block/parcel has been obtained on 2nd September 2015.
AVRUPARK PROJECT - İSTANBUL BAŞAKŞEHİR HOŞDERE 3RD STAGE (ÇİHAN İNŞ. - KONUT YAPI JOINT VENTURE)	78.639,77	14.06.2011	71.972.724,58	156.520.000,00	The agreement of the project has been signed on 20th May 2014, the construction permit has been obtained on 16th March 2015.
KOCAELİ DERİNCE PROJECT - (KUMUŞOĞLU- TOKAL JOINT VENTURE)	72.313,00	03.04.2014	70.001.245,10	83.198.500,00	The agreement of the project has been signed on 21st August 2014, the construction permit has not been obtained yet.
SOFALOCA PROJECT - ANKARA ETİMESGUT PROJECT(BAŞYAPI- SOLARYAPI JOINT VENTURE)	18.228,00	03.04.2014	37.287.611,69	54.000.000,00	The agreement of the project has been signed on 18th August 2014, the construction permit has been obtained on 11st December 2014.
KARTAL YAKACIK PROJECT - (DAĞ MÜHENDİSLİK)	25.462,91	28.05.2014	91.914.283,16	123.900.000,00	Project Agreement was signed on the date 30.12.2014, Construction Permit has been 12626/1 island parcel on 01/21/2016.
İSTANBUL BAHÇELİEVLER YENİBOSNA PROJECT - (DOĞA ŞEHİRCİLİK- BAŞYAPI JOINT VENTURE)	36.174,56	28.05.2014	68.334.381,63	171.600.000,00	Project Agreement was signed on the date 09.01.2015, Construction Permit has been taken on 01/25/2016.
İSTANBUL BAŞAKŞEHİR KAYABAŞI 6TH STAGE PROJECT - (ARTAŞ SANAYİ VE TİC. A.Ş.)	72.706,72	03.04.2014	115.227.284,92	350.400.000,00	Project Agreement was signed on the date 25.05.2015, Construction Permit has been taken on 01/29/2016.
İSTANBUL BAŞAKŞEHİR HOŞDERE 4TH STAGE PROJECT - (DAĞ MİMARLIK - DAĞ MÜHENDİSLİK JOINT VENTURE)	152.621,06	14.06.2011 - 30.07.2012	104.935.001,43	275.334.000,00	Project Agreement was signed on the date 26.05.2015, Construction Permit has been taken on 01/22/2016.
İSTANBUL SARIYER İSTİNYE PROJECT - (TAHİNCİOĞLU GAYRİMENKUL - TAHİNCİOĞLU YAPI-NİDA JOINT VENTURE)	158.497,62	28.05.2014	1.006.171.102,62	1.876.392.000,00	The agreement of the project has been signed on 9th May 2014, the construction permit has not been obtained yet.
KONYA MERAM YENİCE PROJECT - (TORKAM- BUKTOR YAPI SAN. JOINT VENTURE)	60.675,48	05.03.2015	86.703.690,24	211.500.000,00	The agreement of the project has been signed on 8th June 2015, the construction permit has not been obtained yet.
ANKARA YENİMAHALLE İSTASYON - (PASİFİK GAYRİMENKUL - ÇİFTAY JOINT VENTURE)	124.475,80	03.04.2014	634.550.206,25	1.258.365.000,00	The agreement of the project has been signed on 9th September 2015, the construction permit has not been obtained yet.
İSTANBUL KAĞITHANE SEYRANTEPE PROJECT - (GÜLPROJE A.Ş. - GÜLA.Ş. JOINT VENTURE)	36.749,96	05.03.2015	118.272.971,40	637.000.000,00	The agreement of the project has been signed on 14th July 2015, the construction permit has not been obtained yet.
KAYABAŞI 5TH STAGE PROJECT - (TAHİNCİOĞLU - NİDA JOINT VENTURE)	77.327,02	03.04.2014	117.552.126,69	407.588.000,00	The agreement of the project has been signed on 20th July 2015, the construction permit has been obtained on 4th February 2016.
ANKARA ÇANKAYA MÜHYE PROJECT - (MAKRO - AK YAPI JOINT VENTURE)	181.522,94	03.04.2014	317.495.484,16	1.040.000.000,00	The agreement of the project has been signed on 5th August 2015, the construction permit has not been obtained yet.
DENİZLİ MERKEZFENDİ - (TEKNİK YAPI KONUT - TEKNİK YAPI TEKNİK YAPILAR - UCD YAPI JOINT VENTURE)	95.294,22	05.03.2015	76.256.346,83	92.651.000,00	The agreement of the project has been signed on 14th September 2015, the construction permit has been obtained on 29th January 2016.
ANKARA ÇANKAYA ÇAYYOLU PROJECT - (YP A.Ş.)	30.669,27	03.04.2014	96.082.202,11	180.000.000,00	The agreement of the project has been signed on 8th October 2015, the construction permit has not been obtained yet.
İSTANBUL ÜSKÜDAR BARBAROS PROJECT - (ELTES- İSTİFYE YAPI JOINT VENTURE)	17.528,55	05.03.2015	108.107.491,38	439.887.380,00	The agreement of the project has been signed on 23th October 2015, the construction permit has been obtained on 5th February January 2016.
Supervision Project	SQM	Date of Purchase	Book Value	Company Share in Total Revenue	Description
İSTANBUL INTERNATIONAL FINANCE CENTRE SPECIAL/ RECREATION AREA PROJECT (İFM - AKDENİZ JOINT VENTURE)	115.497,01	31.05.2000	0,03	29.200.000,00	The construction permit of 1328/1st block/parcel has been obtained on 1st December 2014.
Total for Revenue Sharing Model Projects in Return For The Land Sale	2.694.161,09		5.421.128.816,17	13.599.730.150,89	
Turn Key Model Project	SQM	Date of Purchase	Book Value + Progress Payments		Description
İSTANBUL HOŞDERE 1ST PART 1ST STAGE (EGEMEN)	37.404,01	14.06.2011	119.607.542,76		The construction permit has been obtained on 18th April 2013.
İSTANBUL HOŞDERE 1ST PART 2ND STAGE (İLGİN)	76.702,91	14.06.2011	149.657.521,66		The construction permit has been obtained on 18th April 2013.
İSTANBUL HOŞDERE 1ST PART 3RD STAGE (ZEK-SAN)	55.986,50	14.06.2011	61.703.276,68		The construction permit has been obtained on 18th April 2013.
KAYABAŞI 1ST STAGE 1ST PART (TÜRKERLER)	81.536,59	30.07.2012	233.351.209,27		The agreement of the project has been signed on 12th August 2013, the construction permit has been obtained on 31st May 2013.
KAYABAŞI 1ST STAGE 2ND PART (BİNBAY - ZİRVE JOINT VENTURE)	31.724,08	03.12.2012	109.724.206,44		The agreement of the project has been signed on 29th July 2013, the construction permit has been obtained on 31st May 2013.
KAYABAŞI 1ST STAGE 3RD PART (ALTINDAĞ)	33.755,50	30.07.2012	129.144.156,70		The agreement of the project has been signed on 02nd September 2013, the construction permit has been obtained on 31st May 2013.
KAYABAŞI 1ST STAGE 4TH PART (MAKSEM YAPI - CENT YAPI JOINT VENTURE)	38.624,32	03.12.2012	129.012.645,74		The agreement of the project has been signed on 02nd September 2013, the construction permit has been obtained on 31st May 2013.
İSTANBUL ESENLER URBAN TRANSFORMATION PROJECT (ESKON)	56.841,92	10.03.2014	412.191.505,28		The agreement of the project has been signed on 16th April 2014,19th June 2014,20th June 2014 the construction permit has been obtained on 20th March 2014 and 09th April 2014.
KÖRFEZKENT 4TH STAGE PROJECT	79.804,19	25.02.2008	47.782.476,45		The construction permit has been obtained on 21st November 2014.The agreement has been signed on 07th February 2015.
İSTANBUL AYAZMA 1ST STAGE (GÜR YAPI A.Ş.)	99.874,55	01.12.2010	152.694.984,40		The construction permit has been obtained on 18th December 2014.The agreement has been signed on 26th May 2015.
EMLAK KONUT İSPARTAKULE 1ST STAGE 1ST PART PROJECT (YÖRÜK YAPI - ERMIT MÜH. JOINT VENTURE)	85.871,43	01.06.2007	99.371.462,63		The construction permit has been obtained on 01st June 2015.The agreement has been signed on 18th September 2015.
EMLAK KONUT İSPARTAKULE 1ST STAGE 2ND PART PROJECT (BALPA İNŞAAT TEKS. SAN. VE TİC. A.Ş.)	74.346,32	01.06.2007	84.492.250,36		The construction permit has been obtained on 01st June 2015.The agreement has been signed on 18th September 2015.
EMLAK KONUT BAŞAKŞEHİR EVLERİ 2ND STAGE PROJECT	24.272,40	03.04.2014	36.682.613,87		The construction permit has been obtained on 11th August 2015.The agreement has been signed on 2nd February 2015.
ANAHTAR PROJELERİ TOPLAMI	776.744,72		1.765.415.852,24		

APPENDIX - 5

BUILDINGS SUMMARY TABLE

BUILDINGS	Number of Units	SQM	Date of Purchase	Book Value	Date of Appraisal	Appraisal Value TL
ATAŞEHİR HEADQUARTERS OFFICE BUILDING	3	7.539,84	31.05.2000	73.604.377,96	31.12.2015	203.922.677,50
İSTANBUL BAĞÇEŞEHİR SPRADON QUARTZ PROJECT	5	352,57	22.09.2011-17.07.2012	1.085.836,75	31.12.2015	1.199.418,00
İSTANBUL ATAŞEHİR VARYAP MERİDİEN PROJECT	2	137,60	31.12.2012	805.413,49	31.12.2015	921.920,00
KIRKLARELİ LÜLEBURGAZ ÇARŞI COMMERCIAL PROJECT	1	1.188,23	07.05.2013	1.208.400,00	31.12.2015	950.000,00
İSTANBUL ATAŞEHİR MY TOWERLAND PROJECT ANDROMEDA PLUS (2445/2)	3	336,24	31.10.2013	3.752.000,00	31.12.2015	3.817.778,00
İZMİR PARK YAŞAM MAVİŞEHİR PROJECT	1	345,07	23.11.2013	1.738.800,00	31.12.2015	1.763.001,00
İZMİR EMLAK KONUT MAVİŞEHİR EVLERİ	7	828,36	31.12.2013	1.337.483,24	31.12.2015	2.706.271,22
ANKARA ÇANKAYA NEXTLEVEL PROJECT	4	989,00	30.04.2014	8.082.523,14	31.12.2015	8.892.000,00
KÖRFEZKENT KONUTLARI 1ST STAGE	1	87,37	28.07.2015	77.227,72	31.12.2015	103.000,00
STÜDYO 24 PROJECT	2	116,77	28.02.2015	335.300,00	31.12.2015	340.400,00
2ND STAGE 2ND PART EVORA İSTANBUL PROJESİ	3	408,33	28.02.2015	979.297,70	31.12.2015	1.159.500,00
KÖRFEZKENT 3TH STAGE	8	1.126,11	31.12.2015	1.237.977,36	31.12.2015	2.314.100,00
KIRKLARELİ LÜLEBURGAZ ÇARŞI COMMERCIAL PROJECT	1	149,60	31.12.2015	123.267,33	31.12.2015	127.160,00
BATIŞEHİR PROJECT	242	28.673,39	30.01.2016	152.190.635,60	31.12.2015	152.246.615,10
UNİKONUT PROJECT	2	262,50	29.02.2016	431.583,76	31.12.2015	731.000,00
TOTAL FOR BUILDINGS	285	42.540,98		246.990.124,05		381.194.840,82

APPENDIX - 6

LAND STOCK SUMMARY TABLE

LOCATION	Number of Parcels	SQM	Date of Purchase	Book Value	Date of Appraisal	Appraisal Value TL
ANKARA ETİMESGUT BALIKUYUMCU PARCELS	91	1.919.107,39	26.10.2006	273.036.259,40	31.12.2015	348.330.603,40
TEKİRDAĞ ÇORLU PARCELS	5	60.976,48	24.03.2006 - 30.09.2010	10.306.663,55	31.12.2015	15.720.000,00
İZMİR KONAK PARCELS	1	6.810,00	31.05.2000	734.812,18	31.12.2015	10.623.600,00
TEKİRDAĞ ÇERKEZKÖY PARCELS	17	371.235,69	09.12.2005	8.247.941,97	31.12.2015	106.615.693,05
KOCAELİ KÖRFEZ PARCELS	5	28.577,05	25.02.2008	3.267.381,58	31.12.2015	10.757.969,00
KOCAELİ GEBZE GÜZELLER PARCELS	49	187.978,68	21.03.2007- 29.06.2009 - 17.02.2010	45.378.813,70	31.12.2015	66.112.146,70
İSTANBUL ATAŞEHİR PARCELS	13	27.788,87	10.11.1992 - 23.12.1996 - 31.05.2000 - 31.12.2012-05.03.2015	40.144.660,15	31.12.2015	79.975.845,00
İSTANBUL BAŞAKŞEHİR HOŞDERE PARCELS	20	286.161,98	06.10.2011 - 07.08.2012 - 14.06.2011 - 30.07.2012	78.905.095,95	31.12.2015	110.687.836,50
KASTAMONU CİDE PARCELS	2	10.262,82	11.04.2011	66.866,81	31.12.2015	62.000,00
İSTANBUL ESENYURT HOŞDERE PARCELS	8	149.532,50	14.06.2011 - 30.07.2012	141.282.481,14	31.12.2015	253.448.294,00
İSTANBUL BAŞAKŞEHİR İKİTELLİ-2 PARCELS	35	225.355,87	01.12.2010 - 07.03.2012 - 14.09.2012 - 25.09.2012 - 01.10.2012 - 05.03.2015 - 01.12.2010	239.321.778,27	31.12.2015	287.212.439,00
İSTANBUL ÜMRANİYE PARCELS	4	17.067,99	01.11.2005	1.843.977,03	31.12.2015	27.202.365,00
İSTANBUL TUZLA PARCELS	5	12.285,83	31.12.2012	20.016.360,04	31.12.2015	25.196.240,50
İZMİR KARŞIYAKA PARCELS	1	2.787,00	30.12.2005	0,01	31.12.2015	891.840,00
İSTANBUL ZEKERİYAKÖY PARCELS	1	992,00	02.03.2011	677.397,25	31.12.2015	677.397,25
İSTANBUL BEŞİKTAŞ PARCELS	1	1.298,32	22.12.1989	296.673,67	31.12.2015	4.091.850,00
İSTANBUL ŞİŞLİ VE SARIYER PARCELS	1	23,30	18.05.1990	50,49	31.12.2015	137.000,00
ANKARA ÇANKAYA CEBECİ PARCELS	3	525,00	31.08.1987	0,10	31.12.2015	598.144,00
İSTANBUL BÜYÜKÇEKMECE PARCELS	1	78,10	28.04.2006	1,00	31.12.2015	15.620,00
İSTANBUL ARNAVUTKÖY PARCELS	14	3.645.527,92	05.06.2013	333.309.400,26	31.12.2015	380.894.195,14
İSTANBUL KARTAL PARCELS	18	73.269,99	24.04.2013 - 22.04.2012	132.283.105,86	31.12.2015	145.408.330,39
İZMİR URLA PARCELS	1	368.342,54	24.04.2013	19.536.918,32	31.12.2015	22.100.552,40
İSTANBUL MALTEPE PARCELS	47	118.849,44	28.05.2014	665.556.864,00	31.12.2015	713.096.640,00
BURSA OSMANGAZİ PARCELS	4	54.745,33	28.05.2014	27.336.415,48	31.12.2015	32.918.080,00
ESKİŞEHİR PARCELS	1	23.941,74	28.05.2014	5.367.042,79	31.12.2015	5.746.000,00
İSTANBUL BAŞAKŞEHİR KAYABAŞI PARCELS	1	372.994,63	03.04.2014	116.893.150,47	31.12.2015	130.548.120,50
NEVŞEHİR PARCELS	3	29.567,50	05.03.2015	72.976.783,20	31.12.2015	70.907.190,00
İSTANBUL BAĞCILAR PARCELS	1	531,70	05.03.2015	903.890,00	31.12.2015	893.700,00
NİĞDE PARCELS	1	27.769,32	05.03.2015	20.663.911,59	31.12.2015	22.215.456,00
İSTANBUL ŞİLE PARCELS	2	34.590,00	05.03.2015	12.034.200,00	31.12.2015	12.562.500,00
YALOVA ÇİFTLİKKÖY PARCELS	4	1.455.000,00	05.03.2015	178.340.000,00	31.12.2015	194.470.000,00
İSTANBUL ZEYTİNBURNU PARCELS	3	36.782,54	05.03.2015	400.041.964,00	31.12.2015	411.175.200,00
İSTANBUL BAKIRKÖY PARCELS	1	5.250,00	05.03.2015	30.004.940,73	31.12.2015	32.025.000,00
İSTANBUL AVCILAR PARCELS	5	79.697,70	01.06.2007	106.084.669,79	31.12.2015	133.968.435,00
İSTANBUL TUZLA PARCELS	1	65.122,35	29.05.2015	205.916.870,70	31.12.2015	208.391.520,00
ANKARA ÇANKAYA MÜHYE PARCELS	9	12.334,88	03.04.2014	12.105.048,85	31.12.2015	12.523.969,50
İSTANBUL EYÜP PARCELS	1	46.400,00	03.04.2014	30.128.964,69	31.12.2015	46.400.000,00
ANKARA ÇAYYOLU PARCELS	1	778,68	03.04.2014	1.031.412,07	31.12.2015	1.012.284,00
TOTAL FOR LAND STOCK	381	9.760.341,13		3.234.042.767,09		3.925.614.056,33

APPENDIX - 7
CONSTRUCTION PROGRESS PHASES TABLE

EMLAK KONUT REİC			
RESIDENTIAL, COMMERCIAL UNITS, SCHOOL AND CONSTRUCTION WORK BY REVENUE SHARING MODEL IN RETURN FOR THE LAND SALE TABLE			
NO	PROJECT NAME	CONTRACTOR	COMPLETION DATE (BASED ON THE AGREEMENT)
1	METROPOL İSTANBUL	VARYAP VARLIBAŞLAR YAPI SANAYİ VE TURİZM YATIRIMLARI TİC. A.Ş. ~ GAP İNŞAAT YATIRIM VE DIŞ TİC. A.Ş. JOINT VENTURE	09.08.2016
2	SARPHAN FİNANS PARK	YENİ SARP İNŞAAT ~ ÖZ AKAR ELEKTRİK ASSOCIATION	30.09.2016
3	MASLAK 1453	AKDENİZ İNŞ. VE EĞT. HİZM. A.Ş.	16.07.2016
4	KÖY	SİYAHKALEM MÜH. İNŞ. SAN. VE TİC. A.Ş.	14.07.2019
5	İSTANBUL ULUSLARARASI FİNANS MERKEZİ	AKDENİZ İNŞ. VE EĞT. HİZM. A.Ş. ~ İFM İSTANBUL FİNANS MERKEZİ İNŞ. TAAH. A.Ş. İŞ ORTAKLIĞI	28.06.2018
6	İSTMARİNA	DAP YAPI İNŞ. SAN. VE TİC. A.Ş. ~ ELTES İNŞ. TESİSAT SAN. VE TİC. A.Ş. JOINT VENTURE	02.10.2017
7	BULVAR İSTANBUL	BULVAR İSTANBUL JOINT VENTURE	08.10.2016
8	NİDAKULE ATAŞEHİR	TAHİNCİOĞLU GAYR. İNŞ. VE TUR. A.Ş. ~ KOZKEN İNŞ. TAAH. VE TUR. A.Ş. JOINT VENTURE	02.03.2016
9	GÖL PANAROMA EVLERİ	BE-MA İNŞAAT SAN. VE TİC. LTD. ŞTİ.	03.12.2016
10	FATİH YEDİKULE	EGE YAPI LTD. ŞTİ. ~ METROPOLİST YAPI TİC. LTD. ŞTİ. ~ SENA GAYRİMENKUL YAT. TİC. A.Ş. ~ BUKTOR YAPI SAN. VE TİC. LTD. ŞTİ. JOINT VENTURE	20.09.2017
11	BAHÇEKENT FLORA	İZKA İNŞAAT TAAH. MÜH. LTD. ŞTİ. ~ DAĞ MÜH. MÜT. TİC. VE SAN. LTD. ŞTİ.~SITAR İNŞ. GIDA VE TARM. ÜRÜNLERİ SAN.TİC. AŞ. JOINT VENTURE	01.12.2016
12	EVVEL İSTANBUL	İNTAYA İNŞAAT TAAHHÜT YATIRIM A.Ş. ~ İNTES İNŞAAT SAN. VE TİC. A.Ş. ~ EYG EMLAK YATIRIM VE GAYRİMENKUL GELİŞTİRME A.Ş. JOINT VENTURE	02.01.2017
13	BÜYÜKYALI İSTANBUL	ÖZAK GAYRİMENKUL YAT. ORT. A.Ş. ~ YENİGÜN İNŞ. SAN. VE TİC. A.Ş. ~ ZİMLAN GAYRİMENKUL YAT. VE YÖN. A.Ş. JOINT VENTURE	03.09.2018
14	PARK MAVERA	MAKRO ~ AKYAPI KAYABAŞI 4. ETAP JOINT VENTURE	28.10.2017
15	AVRUPARK	CİHAN İNŞ. MÜH. SAN. VE TİC. A.Ş.~ KONUT YAPI ENDÜSTRİ SAN. VE TİC. A.Ş. JOINT VENTURE	29.11.2017

APPENDIX - 7
CONSTRUCTION PROGRESS PHASES TABLE

EMLAK KONUT REIC			
RESIDENTIAL, COMMERCIAL UNITS, SCHOOL AND CONSTRUCTION WORK BY REVENUE SHARING MODEL IN RETURN FOR THE LAND SALE TABLE			
NO	PROJECT NAME	CONTRACTOR	COMPLETION DATE (BASED ON THE AGREEMENT)
16	SOFALOCA	BAŞ YAPI İNŞ. TAAH. VE TUR. SAN. DIŞ TİC. LTD. ŞTİ. ~ SOLARYAPI MÜH. İNŞ. TAAH. VE SAN. DIŞ TİC. LTD. ŞTİ. JOINT VENTURE	21.02.2017
17	KOCAELİ DERİNCE	KUMUŞOĞLU İNŞ. TUR. SAN. VE TİC. LTD. ŞTİ. ~ TOKAL İNŞ.YAPI MALZ. SANAYİ TİC. LTD. ŞTİ. JOINT VENTURE	31.12.2019
18	TUAL ADALAR	DAĞ MÜH. MÜT. TİC. VE SAN. A.Ş.	07.03.2018
19	KARAT 34	KELİF JOINT VENTURE	17.07.2017
20	SARIYER İSTİNYE	TAHİNCİOĞLU GAYRİMENKUL İNŞ. VE TUR. A.Ş. ~ TAHİNCİOĞLU YAPI İNŞ. A.Ş. ~ NİDA İNŞAAT VE TUR. A.Ş. JOINT VENTURE	13.06.2019
21	AVRUPA KONUTLARI BAŞAKŞEHİR	ARTAŞ İNŞ. SAN. VE TİC. A.Ş.	24.02.2018
22	TUAL BAHÇEKENT	DAĞ MİMARLIK YAPI GAYR. TİC. VE SAN. LTD. ŞTİ.	16.09.2018
23	TEMAŞEHİR KONYA	TORKAM İNŞ. VE YATIRIM A.Ş. ~ BUKTOR YAPI SAN. VE TİC. LTD. ŞTİ. JOINT VENTURE	22.06.2018
24	KAĞITHANE SEYRANTEPE	GÜL İNŞAAT PROJE A.Ş. ~ GÜL İNŞAAT A.Ş. İŞ ORTAKLIĞI	11.01.2018
25	NİDAKULE KAYAŞEHİR	TAHİNCİOĞLU GAYR. İNŞ. VE TUR. A.Ş. ~ NİDA İNŞ. VE TUR. A.Ş. İŞ ORTAKLIĞI	23.04.2018
26	ANKARA YENİMAHALLE	PASİFİK GAYRİMENKUL YATIRIM İNŞ. A.Ş. ~ ÇİFTAY İNŞ. TAAH. VE TİC. A.Ş. JOINT VENTURE	18.07.2019
27	ANKARA ÇANKAYA MÜHYE	MAKRO İNŞAAT TİC. A.Ş. ~ AKYAPI İNŞ. TAAH. SAN. VE TİC. A.Ş. İŞ ORTAKLIĞI	26.07.2019
28	EVORA DENİZLİ	TEKNİK YAPI KONUT SAN. VE TİC. A.Ş. ~ TEKNİK YAPI TEKNİK YAPILAR SAN. VE TİC. A.Ş. ~ UCD YAPI A.Ş. JOINT VENTURE	10.01.2019
29	KOORDİNAT ÇAYYOLU	YP İNŞAAT A.Ş.	14.07.2018
30	ÜSKÜDAR BARBAROS	ELTES İNŞ. TESİSAT SAN. VE TİC. A.Ş. & İSTLİFE YAPI SAN. VE TİC. A.Ş. JOINT VENTURE	23.04.2018

APPENDIX - 7
CONSTRUCTION PROGRESS PHASES TABLE - 2

EMLAK KONUT REIC URBAN TRANSFORMATION CONSTRUCTION WORK TABLE			
NO	PROJECT NAME	CONTRACTOR	COMPLETION DATE (BASED ON THE AGREEMENT)
1	ESENLER EMLAK KONUTLARI	SIYAHKALEM MÜH. İNŞ. SAN. VE TİC. A.Ş.	16.04.2016
2	ESENLER EMLAK KONUTLARI	ÖZYAZICI İNŞAAT ELK. MAK. MÜŞ. VE TAAH. SAN. VE TİC. LTD. ŞTİ.	10.12.2016
3	ESENLER EMLAK KONUTLARI	GÜRYAPI RESTORASYON TAAH. VE TİC. A.Ş.	23.06.2016

TURNKEY MODEL PROJECTS TABLE			
NO	PROJECT NAME	CONTRACTOR	COMPLETION DATE (BASED ON THE AGREEMENT)
1	KÖRFEZKENT EMLAK KONUTLARI 4. ETAP	ZEK-SAN İNŞAAT TİC. VE SAN. LTD.ŞTİ.	22.11.2017
2	BAŞAKŞEHİR AYAZMA EMLAK KONUTLARI 1. ETAP	GÜRYAPI RESTORASYON TAAH. VE TİC. A.Ş.	28.02.2018
3	İSTANBUL EMLAK KONUT İSPARTAKULE EVLERİ 1.ETAP 1.KISIM	YÖRÜK YAPI MAD. MÜH. NAK. İTH. İHR. SAN. VE TİC. LTD. ŞTİ. ~ ERMİT MÜH. İNŞ. SAN. VE TİC. LTD. ŞTİ. JOINT VENTURE	19.03.2018
4	İSTANBUL EMLAK KONUT İSPARTAKULE EVLERİ 1.ETAP 2.KISIM	BALPA İNŞ. TEKS. SAN. VE TİC. A.Ş.	19.03.2018
5	İSTANBUL KAYABAŞI EMLAK KONUTLARI 2. ETAP	KALYON İNŞ. SAN. VE TİC. A.Ş.	25.06.2017
6	RESMİ KURUM BİNASI	TURYAPI İNŞ. TAAH. TİC. SAN. A.Ş.	31.10.2015
7	BAHÇEKENT EMLAK KONUTLARI 1	EGEMEN İNŞAAT VE TİCARET A.Ş.	07.12.2015
8	BAHÇEKENT EMLAK KONUTLARI 2	ILGIN İNŞAAT İÇ VE DIŞ TİCARET A.Ş.	16.03.2016
9	BAHÇEKENT EMLAK KONUTLARI 3	ZEK-SAN İNŞAAT TİC. VE SAN. LTD. ŞTİ.	07.12.2015
10	EMLAK KONUT BAŞAKŞEHİR EVLERİ 2	BİNBAY YAPI İNŞ.SAN.VE TİC. LTD. ŞTİ ~ ZİRVE İNŞ.TİC. LTD. ŞTİ. JOINT VENTURE	25.12.2015
11	EMLAK KONUT BAŞAKŞEHİR EVLERİ 1	TÜRKERLER İNŞ. TURZ. MAD. ENERJİ. ÜRETİM TİC. VE SAN. A.Ş.	14.03.2016
12	EMLAK KONUT BAŞAKŞEHİR EVLERİ 3	ALTINDAĞ İNŞ. TAAH. TİC. İTH. İHR. LTD. ŞTİ.	01.03.2016
13	EMLAK KONUT BAŞAKŞEHİR EVLERİ 4	MAKSEM YAPI TİC. A.Ş. - CENT YAPI İNŞ. SAN. TİC. LTD. ŞTİ. JOINT VENTURE	12.11.2015

APPENDIX 8

EMLAK KONUT REIC

ORDINARY GENERAL ASSEMBLY MEETING MINUTES DATED APRIL 14, 2016

Emlak Konut REIC Ordinary General Meeting of Shareholders was organized under the supervision of Mr. Devrim DEMİRCAN, Representative of the Ministry of Customs and Trade, authorized as per the letter of the Istanbul Trade District Directorate of Ministry of Customs and Trade dated April 13, 2016, and numbered 15304315 at the Headquarters in the address of Barbaros Mah., Mor Smbl Sok. No:7/2 B Ataehir, Istanbul on April 14, 2016, Thursday, at 10:00.

It has also been organized as set forth under the Article 414 of the Turkish Commercial Code and in the articles of incorporation, published in the issue dated March 16, 2016, numbered 9033 of the Turkish Trade Registry Gazette; in the issue of Yenign Newspaper dated March 12, 2016; and on our Company's website www.emlakkonut.com.tr as well as by way of notification of the shareholders through registered letter with return receipt on March 3, 2016, and declaring the date and agenda of the meeting at Merkezi Kayıt Kuruluu A.. and E-General Assembly System of the Public Disclosure Platform.

As per the Article 1527 of the Turkish Commercial Code No. 6102, E-General Assembly Preparations of the Company were met in compliance with legal requirements. The General Assembly Meeting was commenced simultaneously in the physical and electronic environment.

At time of the verification of the list of attendants, after it was confirmed that 380,000,000,000 shares of the company amounting to total 3,800,000,000 Turkish lira capital with nominal value; 262,586,701,023 shares amounting to total 2,625,867,010.23 Turkish lira capital with nominal value by proxy, 187,483,180,123 shares amounting to total 1,874,831,801.23 Turkish lira capital with nominal value were represented personally in the meeting, and the quorum as stipulated by the Company's articles of incorporation was present. Ministry Representative Mr. Devrim DEMİRCAN declared that there was no obstacle to launch the meeting.

Mr. Veysel EKMEN delivered the opening speech, then the shareholders were informed of the number of votes to be cast in the General Assembly, their privileges and the voting procedure. Subsequently, **Mr. Veysel EKMEN** launched the meeting to discuss the agenda.

ARTICLE - 1

In line with the resolution proposed, by a majority vote against the negative votes by the shareholders representing the 770,159 Turkish lira of the capital, **Mr. Veysel EKMEN** was elected as the Council Chairman; **Mr. Eyyp UAK** as the vote collector; **Mr. İbrahim KESKİN** as the minutes clerk.

ARTICLE - 2

At the end of the meeting, it was accepted by a majority vote against negative votes by the shareholders representing the 770,159 Turkish lira of the capital to authorize the Council Committee to sign the Minutes of General Assembly.

ARTICLE - 3

In the Annual Report of our Company related to the Ordinary General Assembly, the section titled "2015 Operations" and opinion section of the Independent Audit Report were discussed. CEO Mr. Murat KURUM gave information on the operations. By a majority vote against negative votes by the shareholders representing the 1,209,126 Turkish lira of the capital, the Annual Report and Independent Audit Report of the Board were accepted.

ARTICLE - 4

Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (*a member of Pricewaterhouse Coopers*) representative **Mr. Görkem SOKULLU** made statement on the company's financial statements and the period of audit in line with the Corporate Governance Principles of the Capital Markets Board (CMB) for the balance sheet and profit and loss accounts in 2015. After the statement, balance sheet and profit and loss accounts in 2015 were discussed. The 2015 balance sheet and profit and loss accounts were accepted by a majority vote against negative votes by the shareholders representing the 770,159 Turkish lira of the capital.

ARTICLE - 5

The acquittal of the Board of Management's operations in 2015 was negotiated. Each member of the Board of Management was acquitted separately by a majority vote against negative votes by the shareholders representing the 15,645,492 Turkish lira of the capital. Members of the Board of Management did not participate in the voting.

ARTICLE - 6

The proposal of the Board of Management for the profit appropriation of the year 2015 was read out. It was accepted to confirm the proposal of the Board of Management stated in the Annual Report regarding the profit appropriation of the year 2015 as is; to confirm the proposal of the Board of Management to launch the profit appropriation in line with the resolution proposed on May 24, 2016 as is; to distribute the profit of the year 2015 in cash as follows in line with the profit appropriation regulations of the Republic of Turkey Prime Minister's Office, Capital Markets Board; to set the dividend distribution date as of May 24, 2016; by a majority vote against the negative votes representing the 1,209,126 Turkish lira of the capital.

1.	Paid-in/Issued Capital		3,800,000,000.00
2.	Total Legal Reserves (As Per Legal Records)		350,139,670.23
Information on the privilege, if any on the profit appropriation as per the main agreement			
		As per the Capital	As per the Legal Records
3.	Profit for the Period	952,605,000.00	952,378,339.02
4.	Tax Payable (-)	0.00	0.00
5.	Net Profit for the Period (=)	952,605,000.00	952,378,339.02
6.	Accumulated Losses (-)	0.00	0.00
7.	Primary Legal Reserve (-)	47,618,916.95	47,618,916.95
8.	Distributable Net Profit of the Period (=)	904,986,083.05	904,759,422.07
9.	Donations within the Year (+)	14,226,647.90	
10.	Net Distributable Profit for the Period Including Donations Calculated for the Primary	919,212,730.95	
11.	Primary Dividend to Shareholders (*)	367,688,000.00	
	- Cash	367,688,000.00	
	- Free of charge		
	- Total	367,688,000.00	
12.	Dividend to Preferred Shareholders		
13.	Dividend to Board Members and Employees		
14.	Dividend to Redeemed Shareholders		
15.	Secondary Dividend to Shareholders		
16.	Secondary Legal Reserves	17,768,800.00	
17.	Statutory Reserves		
18.	Special Reserves		
19.	EXTRAORDINARY RESERVES	519,529,283.05	519,302,622.07
20.	Other Resources Estimated to be Distributed		
	- Retained Earnings		
	- Extraordinary Reserves		
	- Other Reserves Distributable as per the Legislation and Main Contract		

INFORMATION ON THE DISTRIBUTED DIVIDEND PERCENTAGE

INFORMATION ON THE DIVIDEND PER SHARE

	GROUP	TOTAL DIVIDEND AMOUNT (TL)	DIVIDEND CORRESPONDING TO SHARE WITH 1 TL NOMINAL VALUE	
			AMOUNT (TL)	PERCENTAGE (%)
GROSS	A	24,516,073.36	0.09676	9.67600
	B	343,171,926.64	0.09676	9.67600
	TOTAL	367,688,000.00		
NET	A	24,516,073.36	0.09676	9.67600
	B	343,171,926.64	0.09676	9.67600
	TOTAL	367,688,000.00		

RATE OF DIVIDEND TO NET DISTRIBUTABLE PROFIT FOR THE PERIOD INCLUDING DONATIONS

DIVIDEND TO SHAREHOLDERS (TL)	RATE OF DIVIDEND FOR SHAREHOLDERS TO NET DISTRIBUTABLE PROFIT FOR THE PERIOD INCLUDING DONATIONS
367,688,000.00	0.4000031632

As a consequence, it was therefore decided to distribute 367,688,000 Turkish lira to the Company's shareholders in exchange for the dividend coupons as the primary dividend **0.09676** Turkish lira in cash/on account (=Net) on **May 24, 2016** by a majority vote against the negative votes representing the 1,209,126 Turkish lira of the capital.

ARTICLE - 7

The decision of the Board of Management on the Corporate Policy on the Selection of Independent Audit Entity was read out. DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of DELOITTE TOUCHE TOHMATSU LIMITED), which will render independent audit service for a 1 year period in 2016, was introduced to be approved by the General Assembly. It was then accepted by a majority vote against negative votes representing the 68,888,466 Turkish lira of the capital.

ARTICLE - 8

The agenda topic on the selection of the Members of Board of Management as per articles 12 and 13 of the company's Articles of Association was discussed. The backgrounds of the candidate Members of the Board of Management were addressed.

In line with the resolution proposed, to perform the duty of Member of the Board of Management for 1 year;

Among the candidates being present in the meeting and expressly stating the candidacy intention, it was decided to elect **Mr. Ertan Yetim** (TR ID No: 38303119570), **Mr. Murat KURUM** (TR ID No: 29813087008), **Mr. Sami ER** (TR ID No: 15431599962) and **Mr. Mehmet ÖZÇELİK** as per the deed of consent of Bakırköy Notary No. 49 dated April 8, 2016, doc. number 4154 (TR ID No: 24370453334); and being present in the meeting and expressly stating the candidacy intention **Mr. Veysel EKMEN** (TR ID No: 46873091042), **Ms. Havvanur YURTSEVER** (TR ID No: 15668187710) and **Mr. Ertan KELEŞ** (TR ID No: 39430363652) as independent members of the board of management by a majority vote against the negative votes representing the 706,203,696 Turkish lira of the capital.

ARTICLE - 9

It was decided to pay 6,600.00 Turkish lira and premium amounting the four times of the net salary annually to the members of the Board of Management. This was done in accordance with the Pricing Policy that has already been determined for the Members of the Board of Management and Senior Executives as per the Corporate Governance Principles by a majority vote against the negative votes representing the 2,657,596 Turkish lira of the capital.

ARTICLE - 10

The General Assembly was informed of donations amounting to 14,226,647.90 Turkish lira by our Company in 2015. It was decided to be able to make donations up to 15,000,000 Turkish lira in 2016 by a majority vote against negative votes representing the 557,004,423 Turkish lira of the capital.

ARTICLE - 11

The General Assembly was informed of the guarantees, securities and liens granted by our Company on behalf of third parties and that there are not revenues and benefits gained in 2015.

ARTICLE - 12

The General Assembly was informed that individuals who fall under the Article 1.3.6. of the Corporate Governance Principles of the CMB did not perform any significant action that may lead to conflict of interest with the company; did not deal with any commercial transaction related to the field of operation of the company on behalf of neither themselves or any other third party; or did not participate in any company that deals with such actions as unlimited partners in 2015.

ARTICLE - 13

The shareholders were informed of the pricing principles of the Members of the Board of Management and Senior Executives, which were drawn up as per the Corporate Governance Principles.

ARTICLE - 14

Regarding the buy-back of the company shares; it was proposed to the approval of the General Assembly to authorize Board of Management on behalf of Chairman of the Board, Ertan Yetim or CEO, Murat Kurum, who are authorized for Buy-Backs under the Buy-Back Program approved during the Ordinary General Assembly Meeting dated April 6, 2015; information was provided on the buy-back program. It was accepted by a majority vote against negative votes by the shareholders representing the 12,094,789 Turkish lira of the capital.

ARTICLE - 15

It was proposed to the approval of the General Assembly to authorize the Company's Management of Board to deal with transactions stated under the Articles 395 and 396 of the Turkish Commercial Code. It was accepted to authorize the Management of Board to deal with the transactions stated under the Articles 395 and 396 of the Turkish Commercial Code by a majority of votes against the negative votes representing the 83,782,209 Turkish lira of the capital.

ARTICLE - 16

The Council Chairman delivered the ending speech. As there was not any other topic to be discussed as part of the agenda, the Council Chairman therefore declared an end the meeting, to issue this document to be signed by the

Representative of Istanbul Trade District Directorate of the Republic of Turkey's Ministry of Customs and Trade, Mr. Devrim DEMİRCAN.

COUNCIL CHAIRMAN

MINISTRY REPRESENTATIVE

DEVRİM DEMİRCAN

VEYSEL EKMEK

VOTE COLLECTOR

EYYÜP UÇAK

MINUTES CLERK

İBRAHİM KESKİN