



**EMLAK KONUT REIC**  
**01.01.2018 - 31.03.2018**  
**BOARD OF DIRECTORS ACTIVITY REPORT**



# EMLAK KONUT

REAL ESTATE INVESTMENT COMPANY

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

We set out on this journey 65 years ago to meet our citizens' housing needs. Today, we undertake Turkey's most prestigious projects. We are pleased to share that we pride ourselves on becoming the leading actor of the national economy.

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# EMLAK KONUT

REAL ESTATE INVESTMENT COMPANY

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

Planned and quality  
modern urban life,

Peaceful and safe  
warmth of a house,

Awareness of green  
and environment.

## Vision (Target)

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

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

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

## Mission (Goal)

Following real estate developments and innovations closely as one of the leading organizations shaping the domestic industry,

Caring about the social value and customer satisfaction and producing planned, quality and environment-friendly establishment centers that offer peaceful and safe living places,

Caring about employees' and shareholders' material and spiritual satisfaction.

# THE POSITION OF EMLAK KONUT REIC

▶ 101th REIT  
in the World

## Global

Real Estate Investment Company		TOTAL EQUITY* (Billion USD)
94	SABRA HEALTH CARE REIT INC	3.44
95	GREAT PORTLAND ESTATES PLC	3.43
96	DAIWA HOUSE REIT INVESTMENT	3.43
97	WP CAREY INC	3.41
98	HEALTHCARE TRUST OF AME-CL A	3.37
99	SPIRIT REALTY CAPITAL INC	3.32
100	EQUITY COMMONWEALTH	3.30
▶ 101	<b>EMLAK KONUT GYO A.Ş.</b>	<b>3.29</b>
102	SENIOR HOUSING PROP TRUST	3.28
103	GRAMERCY PROPERTY TRUST	3.25
104	UNITED URBAN INVESTMENT CORP	3.18
105	STORE CAPITAL CORP	3.17
106	LIBERTY PROPERTY TRUST	3.16
107	ORIX JREIT INC	3.04
108	EPR PROPERTIES	2.93

▶ 21th REIT  
in the  
EMEA Region

## EMEA Region

Real Estate Investment Company		TOTAL EQUITY* (Billion USD)
14	FONCIERE LYONNAISE	5.10
15	ICADE	4.94
16	REDEFINE PROPERTIES LTD	4.13
17	ALTAREA	3.80
18	SHAFESBURY PLC	3.55
19	FORTRESS REIT LTD-A	3.46
20	GREAT PORTLAND ESTATES PLC	3.43
▶ 21	<b>EMLAK KONUT GYO A.Ş.</b>	<b>3.29</b>
22	FONCIERE DES MURS	2.89
23	BENI STABILI SPA	2.64
24	TRITAX BIG BOX REIT PLC	2.61
25	WERELDHAVE NV	2.55
26	RESILIENT REIT LTD	2.47
27	COFINIMMO	2.39
28	UNITE GROUP PLC	2.37

▶ Turkey's  
largest REIC  
with total  
assets of  
TRY 21.90 bn

## Turkey

Real Estate Investment Company		TOTAL EQUITY* (Billion USD)
▶ 1	<b>EMLAK KONUT GYO A.Ş.</b>	<b>3.29B</b>
2	TORUNLAR GAYRIMENKUL YATIRIM	1.68B
3	IS GAYRIMENKUL YATIRIM ORTAK	866.23M
4	AKIS GAYRIMENKUL YATIRIMI AS	660.02M
5	YENI GIMAT GAYRIMENKUL ORTAK	510.81M
6	HALK GAYRIMENKUL YATIRIM ORTAK	496.25M
7	OZAK GAYRIMENKUL YATIRIM ORTAK	390.68M
8	KILER GAYRIMENKUL YATIRIM ORTAK	291.23M
9	VAKIF GAYRIMENKUL YATIRIM	248.29M
10	REYSAS GAYRIMENKUL YATIRIM O	247.61M
11	PANORA GAYRIMENKUL YATIRIM O	243.72M
12	ALARKO GAYRIMENKUL YATIRIM	242.80M
13	SINPAS GAYRIMENKUL YATIRIM O	235.84M
14	DOGUS GAYRIMENKUL YATIRIM ORTAK	232.52M
15	AKFEN GAYRIMENKUL YATIRIM ORTAK	160.49M
16	SERVET GAYRIMENKUL YATIRIM O	112.32M
17	ATAKULE GAYRIMENKUL YATIRIM	95.85M
18	OZDERICI GAYRIMENKUL YATIRIM	86.39M
19	PEKER GAYRIMENKUL YATIRIM ORTAK	82.70M
20	MARTI GAYRIMENKUL YATIRIM ORTAK	77.75M

\*As of 31.12.2017

Source: BLOOMBERG/GICS/ All REITs

## 2018 1<sup>st</sup> QUARTER BUSINESS RESULTS

► Solid net profit results and balance land portfolio...

### 1<sup>st</sup> Quarter Figures

**867 Million TRY**

2018 1Q Net Profit

**4.8 Billion TRY**

Land Portfolio Value

► Total sales revenue is increasing...

### 2018 1Q Pre-Sales Figures

**1,05 Billion TRY**

2018 1Q Pre-sales Revenue

**983**

Number of Units Sold

**152 k sqm**

Sold Area

**131 Million TRY**

Sold to Foreigners

► We increase our tender capacity by 100%...

### 2017 Tenders and Land Purchase

**9 Tenders**

Completed

**1,83**

Average Multiplier

**2,06 Billion TRY**

Total Min Emlak Konut Share\*

**13 Billion TRY**

Total Sales Revenue from tenders

**1,27 Billion TRY**

Billion worth of land purchase

\*In Beykoz Riva and İzmir Konak tenders, Emlak REIC owns 20% of the Min. Company Share and 80% will belong to the land owners. Therefore, actual aggregated Min. Emlak Konut Share in 2017 is TRY 2,06 BN.

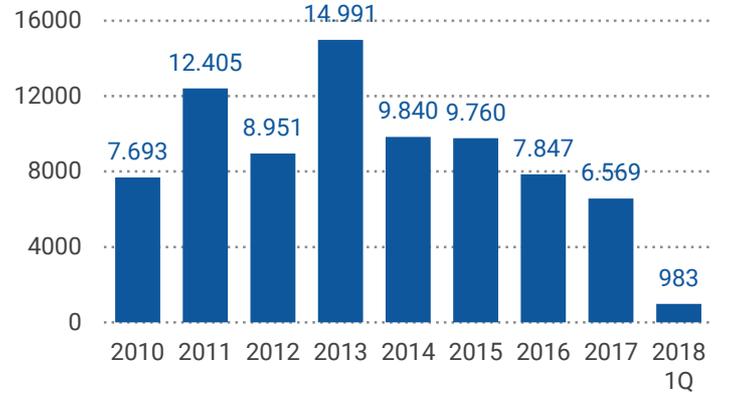
## SUMMARY TABLE OF SIGNIFICANT FIGURES

<b>TOTAL ASSETS</b>	
<b>21,901,718,000</b>	
Appraisal Value of Land Stock	Cost of Land and Residential Unit Inventories
<b>4,796,042,334</b>	<b>13,799,994,000</b>
Appraisal Value of Buildings	Cost of Investment Property
<b>1,515,203,929</b>	<b>330,324,000</b>
Company Share of Total Revenue for RSM Projects	Liabilities
<b>12,961,639,842</b>	<b>8,568,940,000</b>
Cost of Purchase + Progress Payments (Turn- Key)	
<b>2,723,897,429</b>	
<b>21,199,243,534</b>	

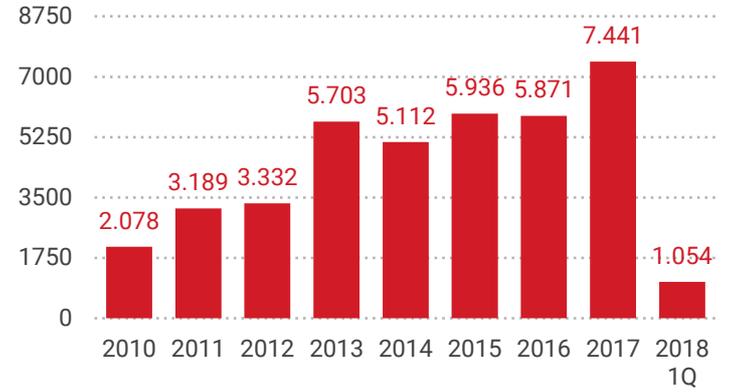
## COMPANY SALES DATA

► We completed the period in line with our sales targets...

### Unit Sales (Number)



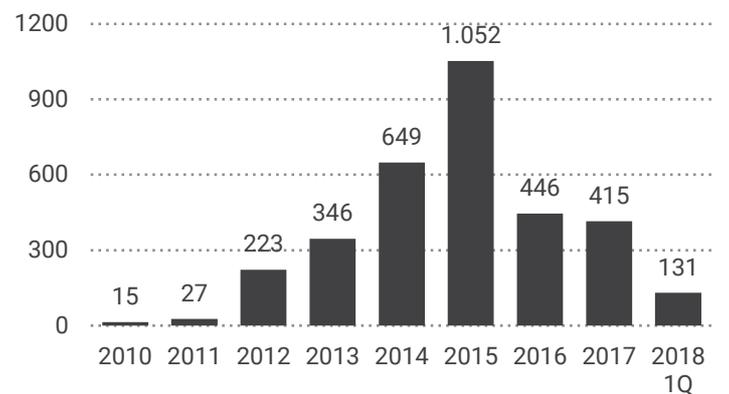
### Sales Total Value (`mn TRY)



### Total Unit Size Sold (`000 sqm)

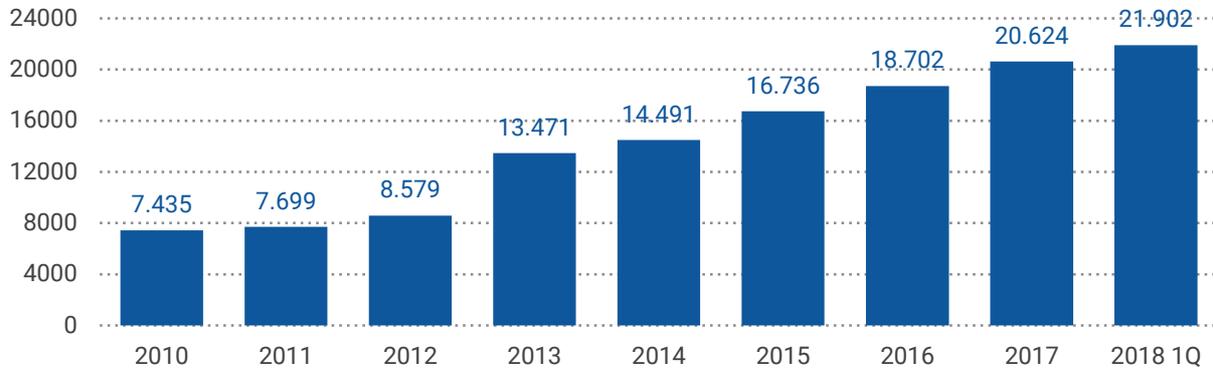


### Sales to Foreigners (`mn TRY)

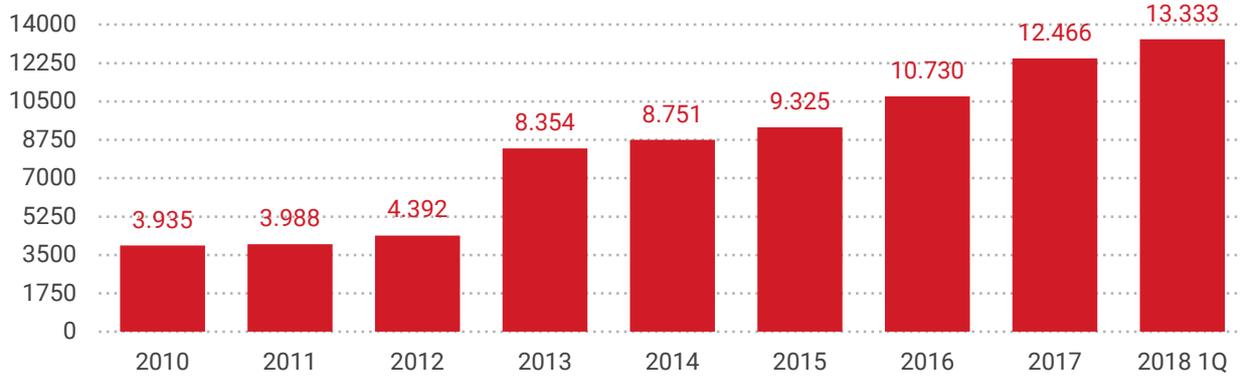


# FINANCIAL TRACK RECORD

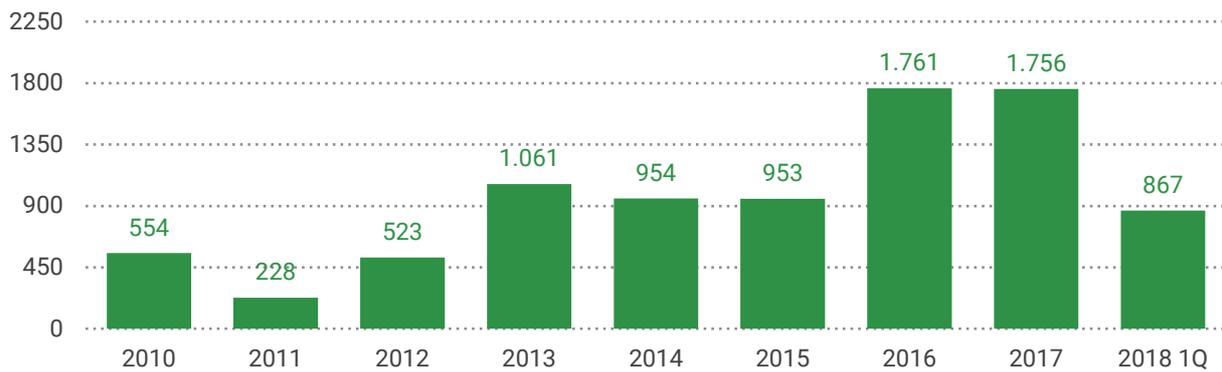
## Total Assets (TRY mn)



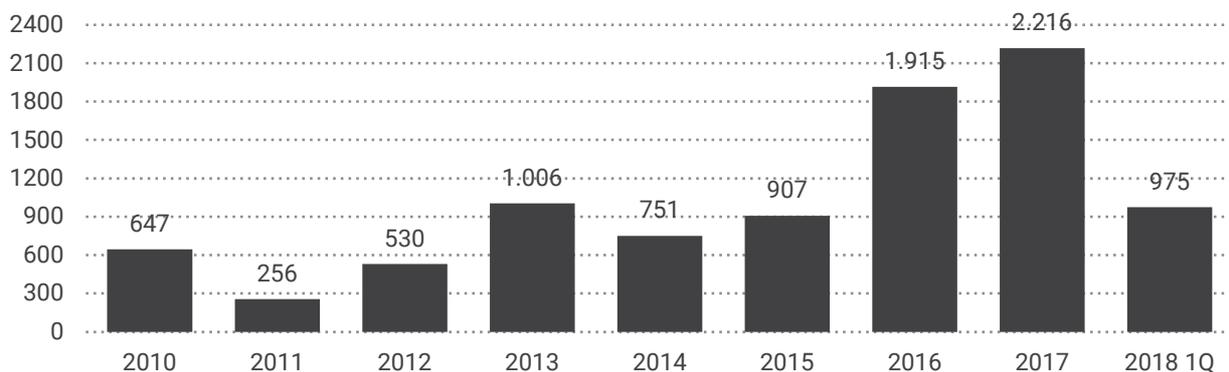
## Equity (TRY bn)



## Profit for Period (TRY mn)



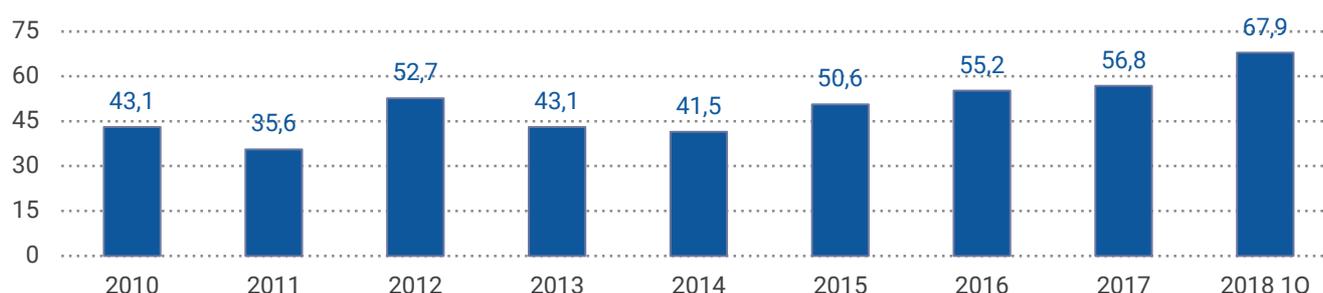
## EBITDA for Period (TRY mn)



## KEY FINANCIAL HIGHLIGHTS

▶ EBITDA margin is watching at high levels...

### EBITDA Margin (%)



### Key Financials (mn TRY)

	2010	2011	2012	2013	2014	2015	2016	2017	2018 1Q
Net Sales	1,497.9	716.6	1,004.6	2,331.1	1,804.5	1,786.8	3,455.9	3,900.6	1,435.3
EBITDA <sup>(1)</sup>	646.5	255.6	530.4	1,005.8	750.8	907.4	1,914.6	2,215.9	975.2
EBITDA Margin (%) <sup>(2)</sup>	43.2	35.7	52.8	43.1	41.6	50.8	55.4	56.8	67.9
Profit for Period	554.3	228.3	523.4	1,060.5	954.4	952.6	1,761.3	1,756.1	867.2
Total Assets	7,434.7	7,698.8	8,578.9	13,471.0	14,490.6	16,736.0	18,702.4	20,623.7	21,901.7
Shareholder's Equity	3,934.7	3,987.5	4,392.3	8,353.6	8,751.3	9,325.4	10,730.2	12,465.5	13,332.7
Dividend Per Share (TRY)	0.0702	0.0474	0.0800	0.1231	0.0965	0.0968	0.0000	-	-
Return on Equity (%)	0.14	0.06	0.12	0.13	0.11	0.10	0.16	0.14	0.06
Cash Flow	1,538.6	470	1,171.1	4,298	1,453.4	759	956	385	950

1: EBITDA: Profit Before Income Tax -Financial Expenses +Financial Income -Income From Investing Activities -Amortizations.

2: EBITDA Margin: Margin calculated as EBITDA /Net sales.

### Receivables Yearly Basis ('000 TRY)\*

31 March 2018	Trade Receivables	Off-balance sheet deferred revenue	Total
1 year	300,870	718,005	1,018,875
2 year	427,893	597,746	1,025,639
3 year	354,108	471,176	825,284
4 year	220,476	351,076	571,552
5 year and above	908,441	1,666,936	2,575,377
	<b>2,211,788</b>	<b>3,804,939</b>	<b>6,016,727</b>

# FINANCIAL RATIOS

## Liquidity Ratios

Current Ratio  
3.111

Cash Ratio  
0.272

Acid-Test Ratio  
0.940

## Financial Structure Ratios

Financial Leverage Ratio  
0.391

Financial Leverage Ratio  
0.642

Shareholder's Equity/Total Assets  
0.608

Self-Financing Ratio  
1.555

## Operating Ratios

Assets Turnover Ratio  
0.065

Shareholder's Equity Turnover Ratio  
0.107

Net Working Capital Turnover Ratio  
0.106

## Profitability Ratios

Return on Equity  
0.065

Return on Assets  
0.039

Net Profit Margin  
0.604

Gross Profit Margin  
0.625

Operating Profit Margin  
0.678



I am fully convinced that 2018 will be a much better year for both our country and our industry. At Emlak Konut, we have prepared well for the new year establishing robust goals and identifying the means to achieve them.

## Dear Shareholders,

Since its establishment, Emlak Konut REIC has undertaken many quality and successful projects suited to the needs of the times. As an innovative company, it has always pioneered the introduction of the firsts and set a course for the real estate industry.

We think that Emlak Konut REIC's 15 years of steady accomplishments will continue to lend great strength to us on the path to the 2023 vision. In this sense, we also believe that 2018 will be a much better year for both Turkey and our industry.

An examination of the economy in general terms makes us think that the impressive growth rate enjoyed by Turkey is a great source of motivation for the real estate industry as well as other industries. Turkey has been one of the world's fastest-growing economies with 7.4 percent growth in 2017. In addition to a growing economy, general housing sales across the country prove the opposite of the alleged slowdown in the industry. At the end of the first quarter of 2018, the number of houses sold in Turkey stands at 304,000 with Istanbul having the highest share.

We embarked on our 2018 activities with great enthusiasm and faith in the light of these developments. Our company announced our 2018 targets earlier. I would like to highlight that we have delivered a performance in alignment with our targets so far. In the first three months of 2018, the Company sold units worth TRY 1,05 billion in parallel with our sales target of TRY 1.140 billion. Also, we exceeded our sales target of 144,000 square meters reaching 151,000 square meters. Although the level of interest rates is relatively higher than the previous periods, we see that our sales were not adversely affected thanks to the industry dynamics, our flexible management understanding and efforts to develop swift actions in every development.

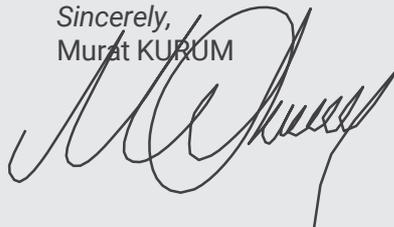
In the first quarter, we generated a profit of TRY 867 million thanks to the projects completed in this period.

Therefore, we reached 48% of our year-end profit target of TRY 1.8 billion. Furthermore, we have quickly started the tenders planned for 2018. Accordingly, we have completed the tender of Istanbul Şişli, Istanbul Çekmeköy, and Istanbul Florya lands, in which Galatasaray Sports Club Association has a share. As part of all the tenders, total sales revenue and company share have reached TRY 5.12 billion and 1.89 billion, respectively. TRY 1.06 billion of it belongs to Emlak Konut REIC. The multiplier ratio in these tenders stood at 1.74. I think that these lands have a higher potential and that we will achieve higher multiplier ratios with the completion of relevant projects.

In our Ordinary General Assembly on March 28, 2018, we presented to the approval of our shareholders the distribution of dividends worth TRY 666.9 million, 40% of our distributable period income in 2017. Based on the approval of the shareholders, our company will distribute cash dividends to its investors in late May. However, our plans do not involve any land purchases this year unless the company encounters a very favorable land opportunity. This period will enable the Company's cash flow to follow a very positive course.

We are going through a period where significant investment decisions are made regarding Turkey along with the re-establishment of the balances in internal and external politics. In this context, Turkey will have an early election to remove the element of uncertainty from everyone's agenda in the interim before the presidential and parliamentary elections which were initially expected to take place in 2019. I hope that their results will be favorable for our country and perpetuate the continued stability atmosphere of 15 years.

Sincerely,  
Murat KURUM



# BİZİM MAHALLE

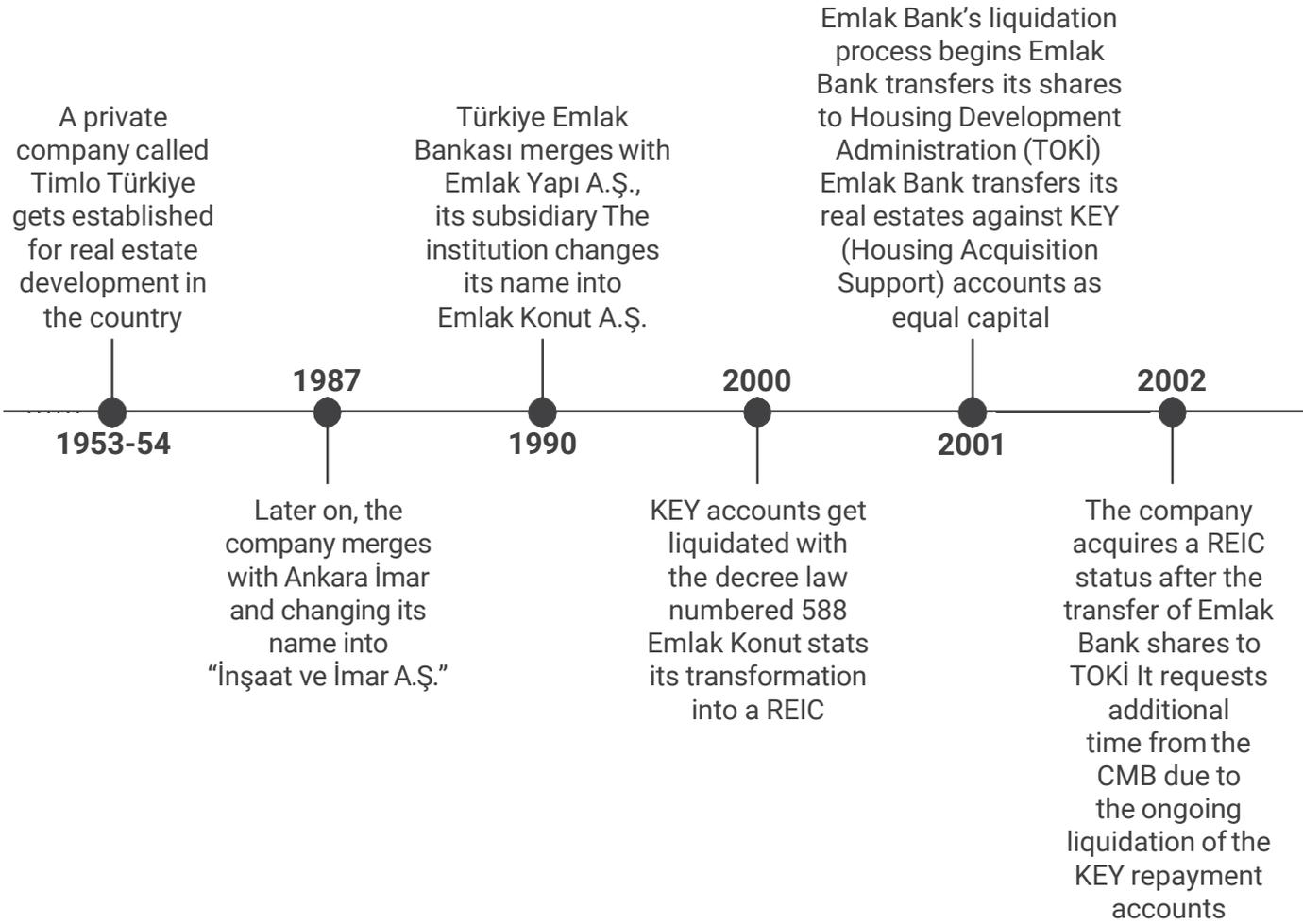
## İstanbul's new neighborhood

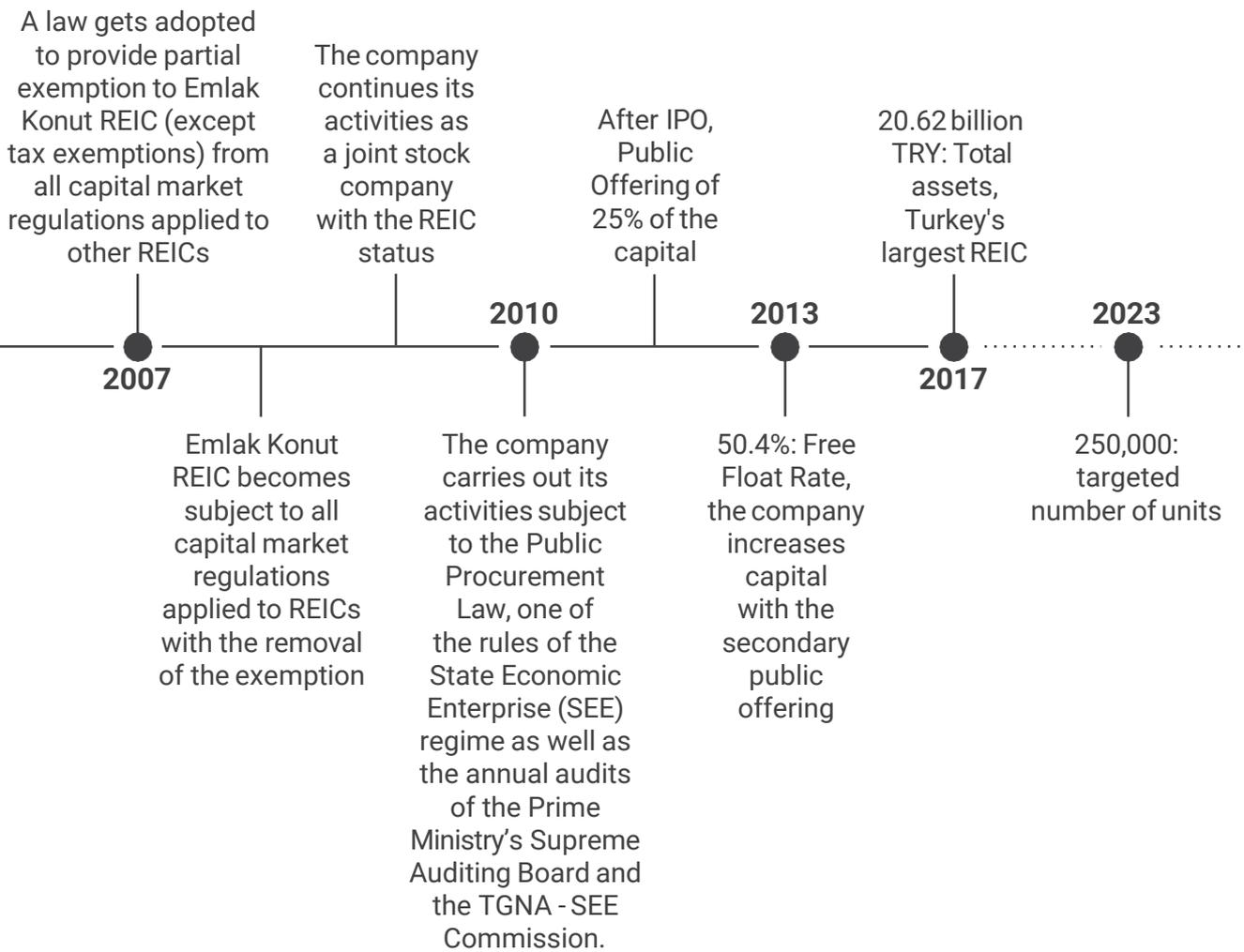
Neighborhood means the place where sincere relationships are established. With Bizim Mahalle Project, Emlak Konut REIC is reviving the old neighborhood life that is longed for in an area of 1 million square meters in Küçükçekmece.





## EMLAK KONUT REIC MILESTONES







**EMLAK KONUT**

— GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. —

T.C. BAŞBAKANLIK TOKİ İSTİRAKİDİR

**KUZEY  
YAKASI**



# 2018 TENDER SCHEDULE AND PRE-SALES TARGETS

## 2018 Tender Schedule

Revenue Sharing Model			
Project	Appraisal Value	Min. Company Share	Total Sales Revenue
1. İstanbul Şişli Teşvikiye	455,121,540	705,500,000	1,763,750,000
2. İstanbul Bakırköy Şevketiye	422,925,600	-	-
3. İstanbul Çekmeköy Taşdelen	247,830,000	355,552,000	1,111,100,000
4. İstanbul Küçükçekmece Bizim Mahalle 1 <sup>st</sup> and 3 <sup>rd</sup> Stage	514,036,001	-	-
5. İstanbul Florya	383,554,450	832,500,000	2,250,000,000
6. Ankara Çankaya Saraçoğlu	0	-	-
7. Hoşdere Mass Housing Area 2nd Stage	109,528,318	-	-
<b>Total</b>	<b>2,132,995,909</b>	<b>1,893,552,000</b>	<b>5,124,850,000</b>

Turn - Key Model	
1. Samsun Canik	94,264,873

## 2018 Sales Target

FIRST QUARTER

Sales Value	Gross Saleable Area
<b>1.14 Billion TRY</b>	<b>144 k</b>

SECOND QUARTER

Sales Value	Gross Saleable Area
<b>1.51 Billion TRY</b>	<b>192 k</b>

THIRD QUARTER

Sales Value	Gross Saleable Area
<b>1.43 Billion TRY</b>	<b>178 k</b>

FOURTH QUARTER

Sales Value	Gross Saleable Area
<b>3.16 Billion TRY</b>	<b>315 k</b>

TOTAL PRE-SALES TARGET

Sales Value	Gross Saleable Area
<b>7.3 Billion TRY</b>	<b>830 k sqm</b>

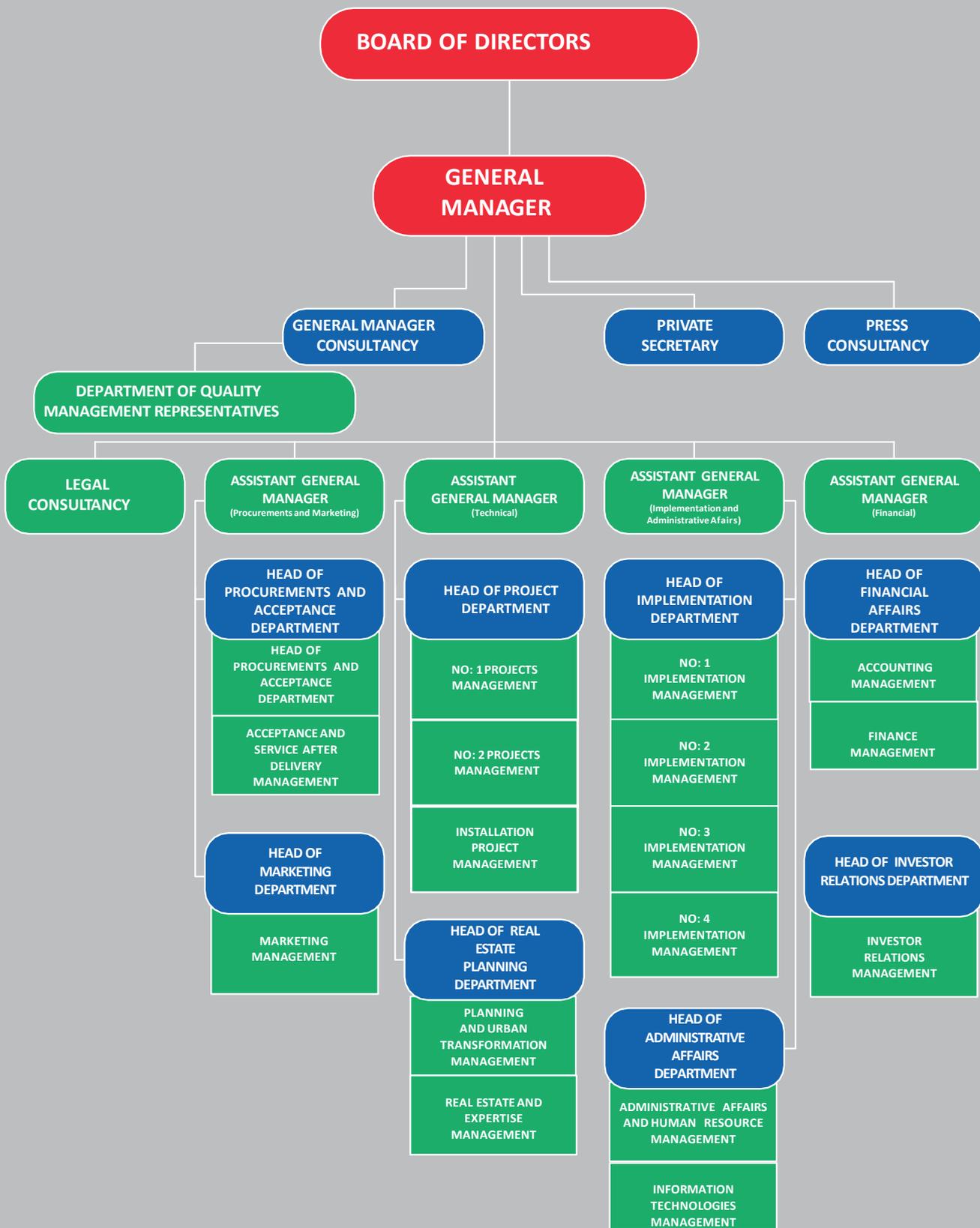
**2018**

**Profit Target**

Net Profit Target

**1.8 Billion TRY**

# ORGANIZATION CHART



# ACCESS TO INSIDER INFORMATION

## BOARD OF DIRECTORS

NAME	PROFESSION	POSITION
Ertan Yetim	Civil Engineer	Chairman
Ertan Keleş	Civil Engineer	Vice Chairman
Murat Kurum	Civil Engineer	Member and CEO
Sami Er	Mechanical Engineer (MSc.)	Member
Mehmet Özçelik	Civil Engineer	Member
Muhterem İnce	Public Administration	Member
Havvanur Yurtsever	Lawyer	Member

## SENIOR MANAGEMENT

NAME	PROFESSION	POSITION
Murat Kurum	Civil Engineer	General Manager, Board Member
Sinan Ayoğlu	Civil Engineer	Deputy General Manager
Hakan Akbulut	Public Administration	Deputy General Manager
Metin Tekin	Civil Engineer	Deputy General Manager
Hakan Gedikli	Topographical Engineer	Deputy General Manager
Nurettin Şam	Lawyer	First Legal Advisor
Zeynep Basa	Economics	Head of Marketing Department
Hasan Vehbi Arslantürk	Civil Engineer; Business Administration	Head of Investor Relations Department
Hasan Saka	Civil Engineer MSc.	Head of Procurement and Acceptance Department
Hicran Çakmak	Architect	Head of Projects Department
Mustafa Aşıkcutlu	Civil Engineer MSc.	Head of Real Estate and Planning Department
Ercan Alioğlu	Business Administration	Head of Real Estate and Planning Department
Halil İbrahim Şahin	Economics	Head of Administrative Affairs Department
Nurullah Öztürk	Civil Engineer	Head of Implementation Department
Halim Ataş	Business Administration	Private Secretary
İlyas Fehim Çelik	Architect	Project Manager No.1
Yaşar Altun	Civil Engineer	Project Manager No.2
İbrahim Oflaz	Mechanical Engineer MSc.	Installation Project Manager
Hakan Bakırdal	Topographical and Civil Engineer	Real Estate and Appraisal Manager
Fatih Kanitoğlu	Civil Engineer	Acceptance and Service After Delivery Manager
Selçuk Aydemir	Topographical Engineer	Planning and Urban Transformation Manager
Mehmet Akif Aydoğan	Public Administration	Marketing Manager
Mehmet Akagündüz	Public Administration	Finance Manager
Adem Hacıhasanoğlu	Forest Engineer	Procurement and Progress Payments Manager
Serdar Bala	Physics	Information Technology Manager
Salih Çetin	Business Administration	Accounting Manager
Enver Turan	Civil Engineer MSc.	Implementation Manager No.1
Mecit Altınar	Civil Engineer MSc.	Implementation Manager No.2
Alim Kaplaner	Civil Engineer MSc.	Implementation Manager No.3
Yasir Yılmaz	Civil Engineer MSc. / Business Adm.	Implementation Manager No.4
Ali Haydar Yıldırım	Business Administration	Administrative Affairs, Human Resources Manager
Mustafa Buğa	Business and Finance	Investor Relations Manager
Fatih İbiş	Public Relations and Press	Press Advisor
İsmet Kubilay	Lawyer	Legal Advisor
Eyyüp Ocak	Lawyer	Legal Advisor
Rasim Faruk Kadioğlu	Civil Technician	Consultant to the General Manager
Sadık Soylu	High School Graduate	Consultant to the General Manager
Mustafa Bayraktar	Civil Engineer	Consultant to the General Manager
Özlem Hanoğlu Çelik	Economics	Consultant to the General Manager
Yasemin Ülkü	Civil Engineer	Consultant to the General Manager

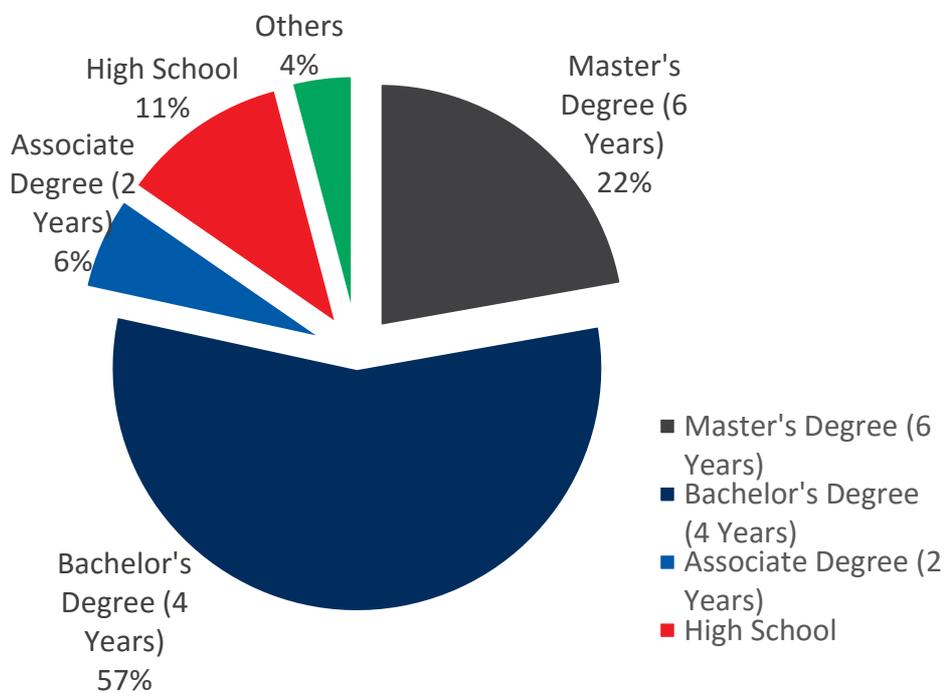
## HUMAN RESOURCES

► An effective and efficient human resources policy with young human resources...

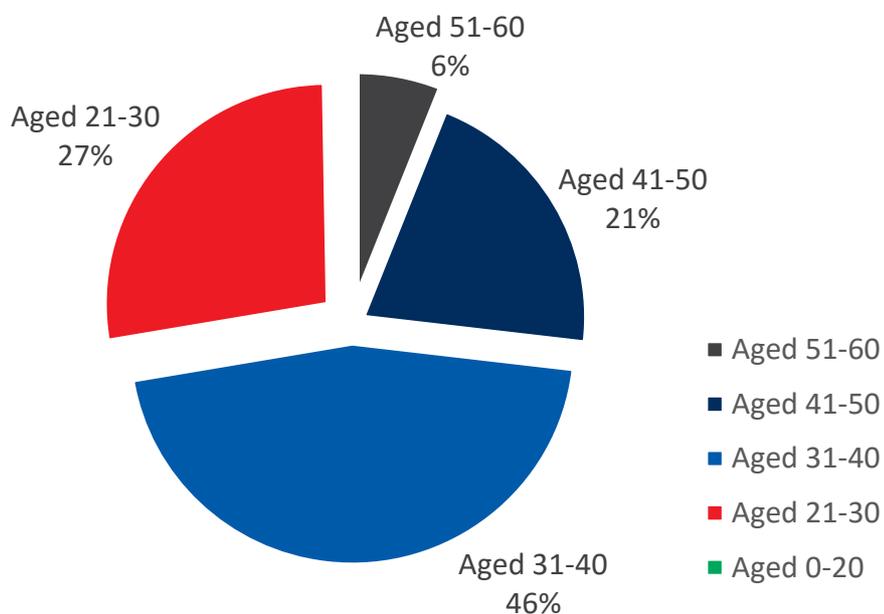
► Our Company believes in the power of human capital and attaches particular importance to professional and specialist training for its personnel...

► Our Company adopts a human resources policy that aspires to create values in alignment with our corporate vision and mission...

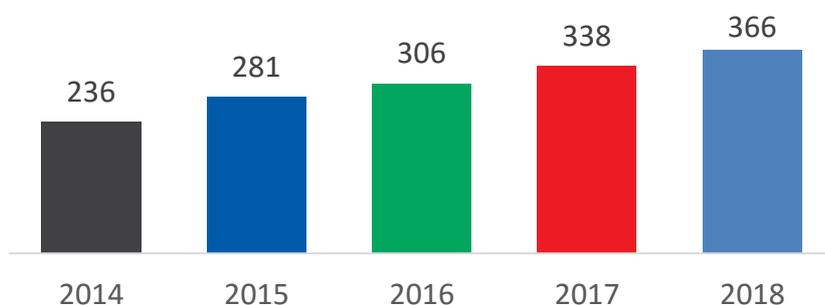
### Personnel Education Status (2017)



### Personnel Age Range (2017)



### Number of Employees



## OTHER DEVELOPMENTS

### Significant Developments in the Period Ahead

1. As a part of social responsibility projects to support educational, cultural and art activities; our company donated 18.000.000 TL to "İstanbul Cami ve Eğitim Kültür Hizmet Birimleri Yapıtırma ve Yaşatma Derneği", the association which is building a Mosque, Turkish Islamic Arts Museum, art gallery, library, craft shops and conference hall in Çamlıca.
2. The first session of Ankara Çankaya Saraçoğlu Revenue Sharing Model Project in Return for Land Sale tender which is planned to be held on 26.04.2018 Thursday at 14:30, is postponed until the judicial process is completed.

### Significant Developments Within the Period

1. The Company's 2017 Ordinary General Assembly will be held on April 26, 2017, at 10.00 at MorSümbül Sokak No:7/2 B, Barbaros Mahallesi, Ataşehir, Istanbul. We presented all the stakeholders with the Ordinary General Assembly items, Invitation to the General Assembly, Proxy Form, 2017 Dividend Payout Table, and Information Document through the Public Disclosure Platform.
2. The total amount of TRY 844,130,395 receivables stem from installment sales have been assigned irrevocably against 632,387,965 TRY cash amounts on 23th and 28th of February. On the other hand, "CPI escalation differences" arising from CPI based receivables in the amount of TRY 844,130,395 are not subjected to the assignment and will be received by our company
3. Company have used a credit from Ziraat Bank with an amount of 200.000.000 TL under the conditions below; First year grace period (no principal amount payment), totally 4 years payback period, Only interest payments every 3 months in the first year, After the grace period, the principal + interest payments every 3 months
4. A goodwill letter was given to counterparties regarding the sale of the commercial units which are named "42. Cadde" within the scope of "Temaşehir Konya" project under development by our Company and contractor Torkam İnşaat ve Ystırım A.Ş. To a Real Estate

Real Estate Investment Fund which is established by "Global MD Portföy Yönetimi A.Ş." and regarding a possible partnership in that fund with a share proportion of 10,5 % if the conditions are met.

5. As a new example of its long-standing social responsibility projects in line with its vision, Emlak Konut REIC offers sponsorship to Emlak Konut Sports Club, which was founded in 2017. Instilling the sports discipline into the Turkish youth and contributing to the development of sports, the company aspires to raise honest, and sports- loving generations who benefit their country.

Emlak Konut REIC aims to reflect the success it garners within its industry to sports thanks to its growth momentum, a human-focused corporation philosophy, and its leading position in the industry. The Company's sports club now competes in basketball with five different teams with over 50 licensed sportspeople aged from 13-18 in the following categories: U13 Men, U13 Women, U14 Women, U15 Women and U18 Women.

### Consultancy, Audit and Appraisal Enterprises Offering Services

#### INDEPENDENT AUDIT FIRM

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

#### APPRAISAL COMPANIES

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

#### CERTIFIED PUBLIC ACCOUNTANT

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

#### PRESS AND PR COMPANY

Native Reklam ve Medya İletişim Hizmetleri Ticaret A.Ş.

#### CORPORATE RESOURCE MANAGEMENT SYSTEM SOFTWARE CONSULTANCY COMPANY

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

## EMLAK KONUT REIC SCOPE OF BUSINESS

Founded in 1953, Emlak Konut REIC one of Turkey's oldest enterprises whose main field of expertise is residential production.

Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş. was established under the title Emlak Konut A.Ş. as a subsidiary of Türkiye Emlak Bankası A.Ş. and started its operations after its registration and announcement on March 6, 1991. The company's Articles of Association was amended in 2001. Our Company was transformed into a Real Estate Investment Company with the the amendment bill for the Articles of Association and it was submitted to the General Assembly for its approval. The amendment bill was adopted by the Extraordinary General Assembly on July, 22, 2002.

The Articles of Association was registered at İstanbul Trade Registry Office on July 29, 2002, and entered into force after their publication in the Trade Registry Gazette on August 1, 2002. (Our Company's Trade Registration No. is 273488-221070, Central Registration System (MERSİS) No. is 5669-3333-4423-6524). The Company's name was changed from Emlak Gayrimenkul Yatırım Ortaklığı A.Ş. to Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş. following the General Assembly on February 28, 2006. No time limit was set on the legal entity of the Company. This value, which has been obtained in years and through many projects, was transformed to Real Estate Company in 2002 and has been continuing its operations since then.

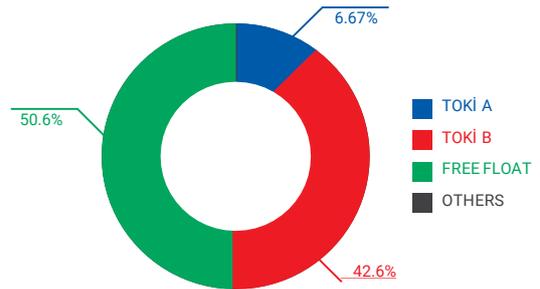
Our activities include purchasing land in Turkey, developing real estate for the middle and upper-middle class, and marketing and selling real estate. Our Company considers producing value for our country as one of the most important aspects. Emlak Konut REIC conducted its initial public offering in

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

Emlak Konut REIC., whose main shareholder is TOKİ, is the biggest real estate investment company in Turkey in terms of market value, real estate portfolio and land inventory. Our 3,800,000,000 TL paid capital and 4,000,000,000 TL registered capital demonstrate the Company's leading role in the sector.

Emlak Konut REIC's goal and area of activity:

- (a) developing real estate projects majority of them consisting of residential, as well as commercial units, education units, social facilities, infrastructure, highways, and all kinds of landscapes;
- (b) supervision of construction in developed projects;
- (c) marketing and sales of completed units.



## Capital and Partnership Structure

	Group	Type	Share Amount	Number of Shares	%
Housing Development Adm. (TOKİ)	A	Registered (Privileged)	253,369,919.00	25,336,991,900	6.67
Housing Development Adm. (TOKİ)	B	Bearer	1,621,460,838.35	162,146,083,835	42.6
Free Float	B	Bearer	1,925,168,452.01	192,516,845,201	50.6
Others	B	Bearer	50,265.33	5,0236,033	<1
		Total	3,800,000,000.00	380,000,000,000	100

# BUSINESS MODELS

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

- One of the most important values of Emlak Konut REIC is the models it executes and develops.
- Emlak Konut REIC procures lands for project development majorly from TOKİ, and partially from third parties.
- By virtue of the construction and real estate sector accounting, sales and costs are added to the income statement only when it is confirmed that the project has been completed by Emlak Konut REIC.
- Our Company has a conscientiously developed 65- year brand value. It proves effective in the relevant models contributing positively to the construction, marketing and sales stages.

## Revenue Sharing Model

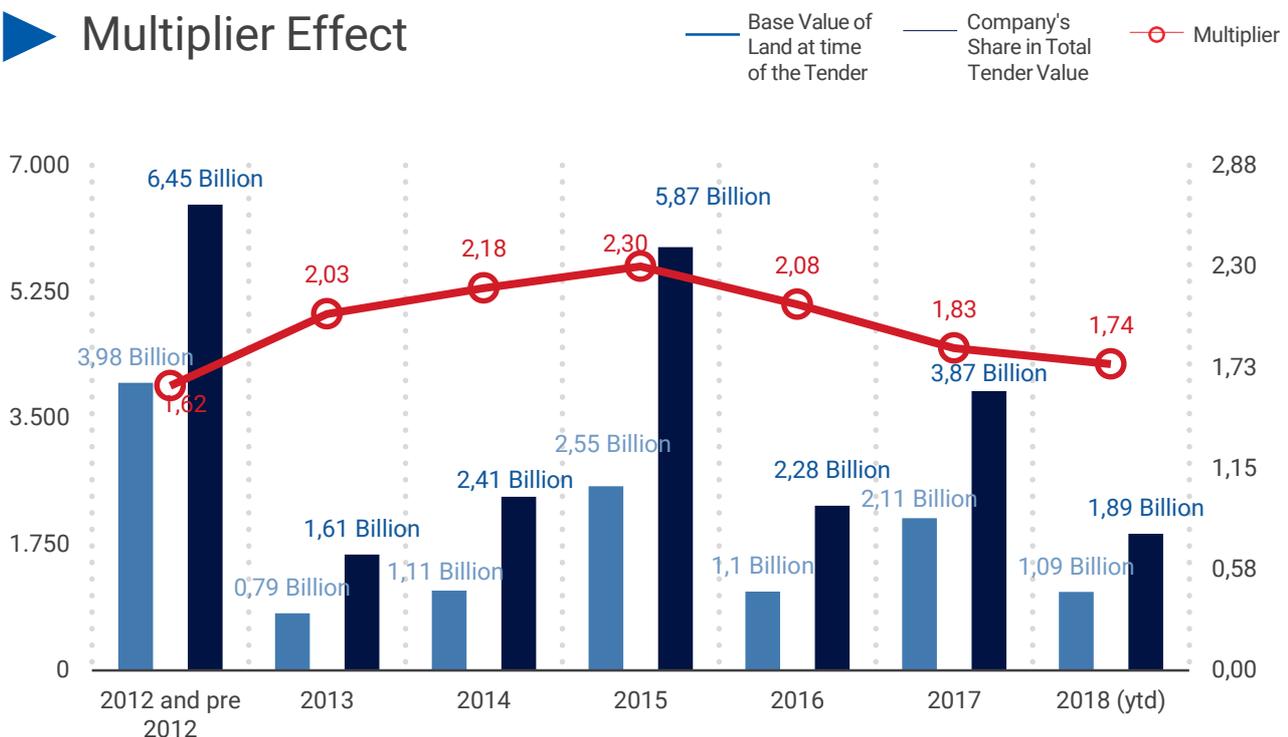
This is the primary income creation model of the Company. This is an original model used especially for projects intended for the upper- middle and upper income groups and provides profitability and fund flow for the Company. When it is deemed necessary, our Company purchase units in revenue sharing model- based projects throughout or after the completion of a project or may share such units with the contractor at the end of a project. Company Share in Total Revenue" given in the charts is the amount that contractors committed to pay to our company in tenders or after with protocols; Emlak Konut's share of the bank commissions that have been paid to decrease the interest rate for mortgage loans in unit sales will be added to related project cost along with the completion.

## Turn- Key Model Projects

The contractor is selected via a tender process pursuant to some criterias among the most appropriate and the lowest bid. Emlak Konut assumes all risks and responsibilities for the project development. All income earned from the sales of the units belong to Emlak Konut.

## The Progress of Multiplier for Revenue Sharing Model Projects (2003 - 2017)

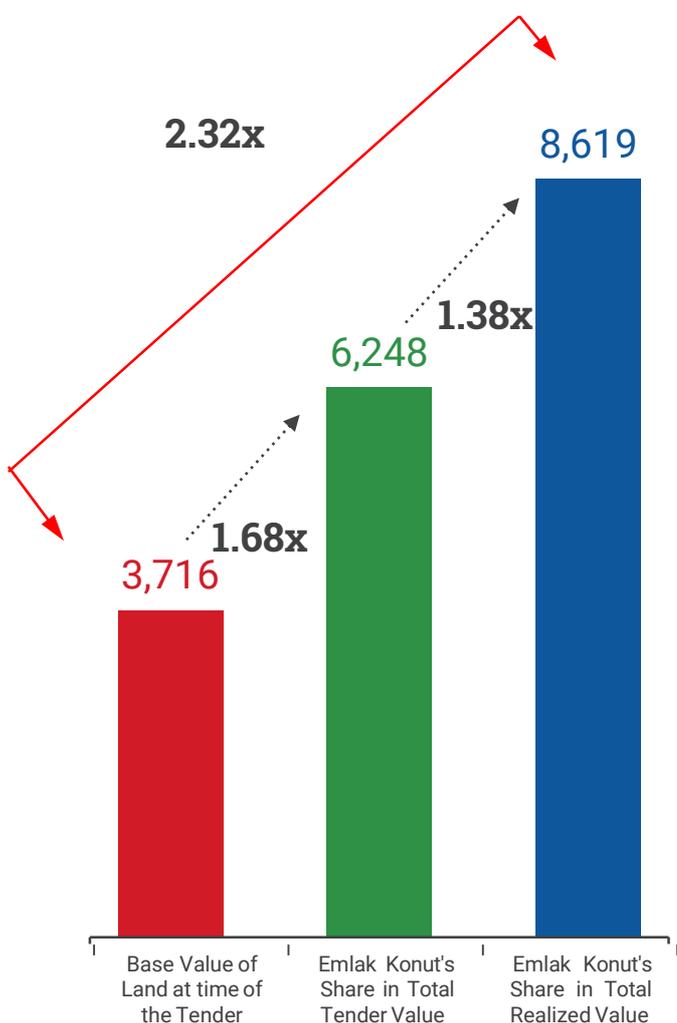
### ► Multiplier Effect



# MULTIPLIER FOR REVENUE SHARING MODEL

▶ Multiplier for Completed Projects is 2.27...

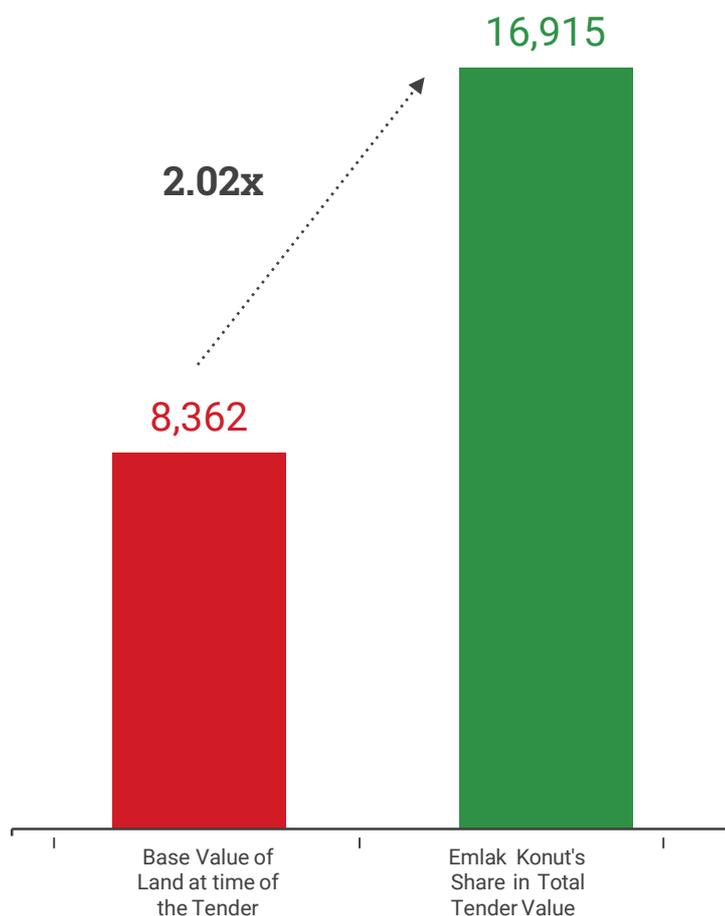
▶ Emlak Konut REIC expects to maintain high multiplier on ongoing projects...



- Base Value of Land at time of the Tender
- Emlak Konut's Share in Total Tender Value
- Emlak Konut's Share in Total Realized Value

### Completed Projects

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



- Base Value of Land at time of the Tender
- Emlak Konut's Share in Total Tender Value

### Ongoing Projects

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

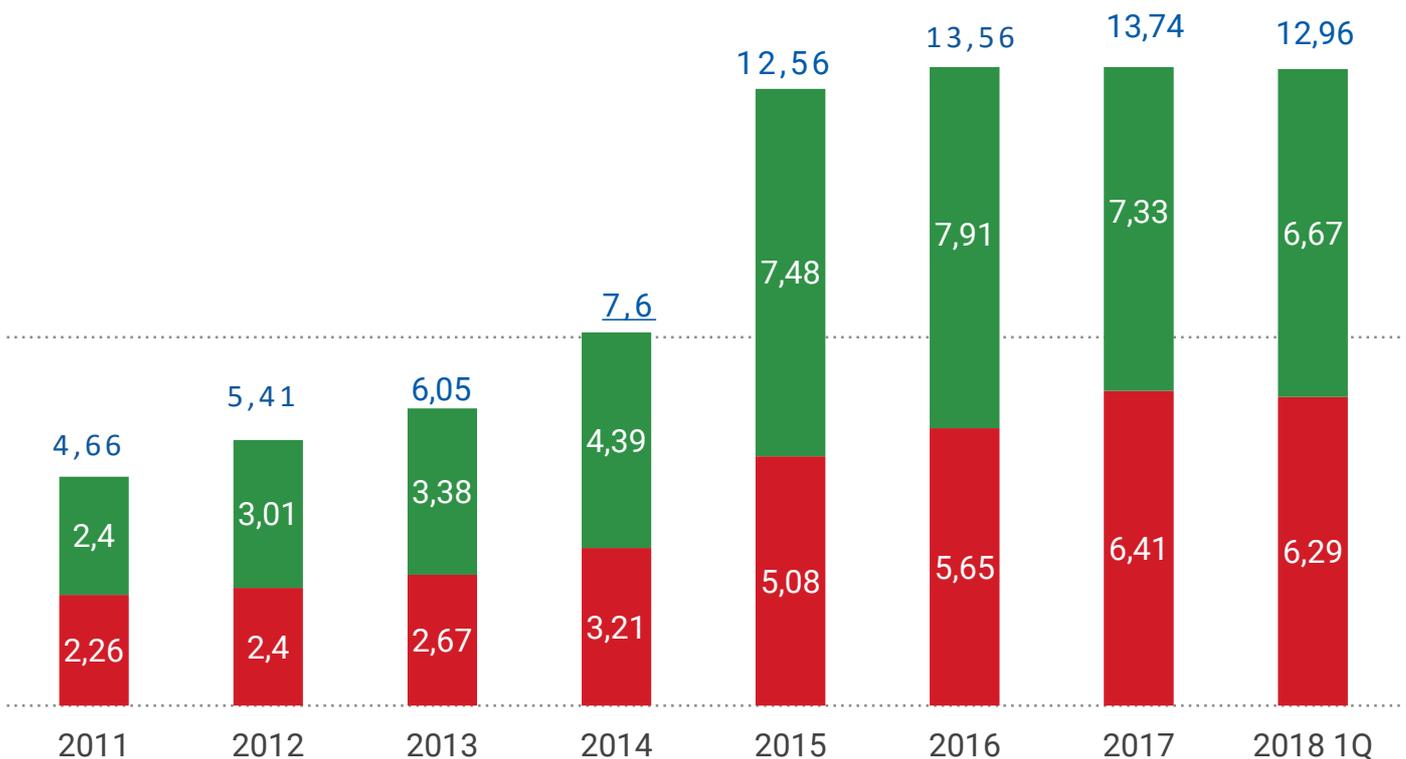
## PROGRESS OF GUARANTEED PROFIT IN RSM PROJECTS (BILLION TRY)

### ► Strong earnings visibility ahead from RSM projects...

Emlak REIC expects to recognize 7.33 Billion TRY of profit over the next 4 years.

Emlak REIC Min. Guaranteed Revenue recognition depends on completion of construction. Abovementioned values will be recognized when we complete our projects.

■ Guaranteed Minimum Profit  
■ Book value



# NİDAPARK İSTİNYE

Constructed on a 73,000-square-meter area, Nidapark İstinye Project will raise your living standards to the highest level with its magnificent sea view and architectural features including 55 blocks, 538 apart units, indoor and outdoor swimming pools, fitness centers, park and parking lot sections that breath new life into the area with a width of 47,500 square meters.





Nidapark İstinye

## ONGOING REVENUE SHARING MODEL PROJECTS

### MASLAK 1453

CONTRACTOR  
AKDENİZ

EXP. COMPLETION DATE  
02.06.2018

LAND AREA  
241,905 sqm

NUMBER OF UNITS  
5,258

Estimated Total Sales Revenue  
3,250,000,000 TRY

Company Revenue Share Ratio  
35.50 %

Min. Company Share in  
Total Revenue  
1,153,750,000 TRY

Progress Level  
94.48 %



### GÖL PANAROMA



CONTRACTOR  
BE-MA

EXP. COMPLETION DATE  
31.12.2017

LAND AREA  
94,255 sqm

NUMBER OF UNITS  
1,471

Estimated Total Sales Revenue  
530,000,000 TRY

Company Revenue Share Ratio  
28.00 %

Min. Company Share in  
Total Revenue  
148,400,000 TRY

Progress Level  
91,36 %

## ONGOING REVENUE SHARING MODEL PROJECTS

### ANKARA ÇANKAYA ORAN



CONTRACTOR  
YP

EXP. COMPLETION DATE  
21.01.2021

LAND AREA  
20,854 sqm

NUMBER OF UNITS  
163\*

Estimated Total Sales Revenue  
156,000,000 TRY

Company Revenue Share Ratio  
30.00 %

Min. Company Share in  
Total Revenue  
46,800,000 TRY

Progress Level  
0.0 %

### BİZİM MAHALLE 2<sup>ND</sup> STAGE



CONTRACTOR  
DAĞ

EXP. COMPLETION DATE  
27.11.2022

LAND AREA  
118,099 sqm

NUMBER OF UNITS  
1,200\*

Estimated Total Sales Revenue  
2,000,000,000 TRY

Company Revenue Share Ratio  
27.55 %

Min. Company Share in  
Total Revenue  
551,000,000 TRY

Progress Level  
0.00 %

## ONGOING REVENUE SHARING MODEL PROJECTS

### EVVEL / ADIM İSTANBUL

CONTRACTOR  
İNTAYA & İNTES & EYG

EXP. COMPLETION DATE  
31,07,2018

LAND AREA  
94,637 sqm

NUMBER OF UNITS  
1,423

Estimated Total Sales Revenue  
726,000,000 TRY

Company Revenue Share Ratio  
26.00 %

Min. Company Share in  
Total Revenue  
188,760,000 TRY

Progress Level  
81.15%



### İSTMARİNA

CONTRACTOR  
DAP-ELTES

EXP. COMPLETION DATE  
30.05.2018

LAND AREA  
64,502 sqm

NUMBER OF UNITS  
1,625

Estimated Total Sales Revenue  
1,335,000,000 TRY

Company Revenue Share Ratio  
40,00 %

Min. Company Share in  
Total Revenue  
534,000,000 TRY

Progress Level  
89.18%



## ONGOING REVENUE SHARING MODEL PROJECTS

### TUAL ADALAR

CONTRACTOR  
DAĞ

EXP. COMPLETION DATE  
06.11.2018

LAND AREA  
47,565 sqm

NUMBER OF UNITS  
542

Estimated Total Sales Revenue  
420,000,000 TRY

Company Revenue Share Ratio  
29.50 %

Min. Company Share in  
Total Revenue  
123,900,000 TRY

Progress Level  
22,90 %



### AVRUPARK

CONTRACTOR  
CİHAN & KONUTYAPI

EXP. COMPLETION DATE  
27.07.2018

LAND AREA  
106,834 sqm

NUMBER OF UNITS  
1,480

Estimated Total Sales Revenue  
602,000,000 TRY

Company Revenue Share Ratio  
26.00 %

Min. Company Share in  
Total Revenue  
156,520,000 TRY

Progress Level  
68,39 %



## ONGOING REVENUE SHARING MODEL PROJECTS

### TEMAŞEHİR KONYA

CONTRACTOR  
TORKAM

EXP. COMPLETION DATE  
03.04.2019

LAND AREA  
72,727 sqm

NUMBER OF UNITS  
905

Estimated Total Sales Revenue  
705,000,000 TRY

Company Revenue Share Ratio  
30.00 %

Min. Company Share in  
Total Revenue  
212,500,000 TRY

Progress Level  
48,76 %



### KARAT 34

CONTRACTOR  
KELİF JOINT VENTURE

EXP. COMPLETION DATE  
16.09.2018

LAND AREA  
36,175 sqm

NUMBER OF UNITS  
592

Estimated Total Sales Revenue  
440,000,000 TRY

Company Revenue Share Ratio  
39.00 %

Min. Company Share in  
Total Revenue  
171,600,000 TRY

Progress Level  
50,08 %



## ONGOING REVENUE SHARING MODEL PROJECTS

### NİDAPARK KAYAŞEHİR



CONTRACTOR	TAHİNCİOĞLU KAYABAŞI JOINT VENTURE
EXP. COMPLETION DATE	20.10.2018
LAND AREA	103,277 sqm
NUMBER OF UNITS	1,139
Estimated Total Sales Revenue	1,072,600,000 TRY
Company Revenue Share Ratio	38.00 %
Min. Company Share in Total Revenue	407,588,000 TRY
Progress Level	83,41 %

### KOORDİNAT ÇAYYOLU



CONTRACTOR	YP İNŞAAT
EXP. COMPLETION DATE	10.05.2019
LAND AREA	38,152 sqm
NUMBER OF UNITS	432
Estimated Total Sales Revenue	545,454,545 TRY
Company Revenue Share Ratio	33.00 %
Min. Company Share in Total Revenue	180,000,000 TRY
Progress Level	40,41 %

## ONGOING REVENUE SHARING MODEL PROJECTS

### VALİDEBAĞ KONAKLARI

CONTRACTOR  
ELTES & İSTLIFE

EXP. COMPLETION DATE  
03.09.2019

LAND AREA  
17,237 sqm

NUMBER OF UNITS  
366

Estimated Total Sales Revenue  
810,000,000 TRY

Company Revenue Share Ratio  
50.15 %

Min. Company Share in  
Total Revenue  
406,215,000 TRY

Progress Level  
18.40 %



### OFİS KARAT BAKIRKÖY

CONTRACTOR  
BAŞYAPI & GÜNEY &  
ELİT VİZYON

EXP. COMPLETION DATE  
12.03.2019

LAND AREA  
5,250 sqm

NUMBER OF UNITS  
90

Estimated Total Sales Revenue  
200,000,000 TRY

Company Revenue Share Ratio  
31.00 %

Min. Company Share in  
Total Revenue  
62,000,000 TRY

Progress Level  
20,97 %



## ONGOING REVENUE SHARING MODEL PROJECTS

### TUAL BAHÇEKENT



CONTRACTOR  
DAĞ

EXP. COMPLETION DATE  
14.05.2019

LAND AREA  
189,901 sqm

NUMBER OF UNITS  
1,925

Estimated Total Sales Revenue  
1,090,000,000 TRY

Company Revenue Share Ratio  
25.26 %

Min. Company Share in  
Total Revenue  
275,334,000 TRY

Progress Level  
33,11 %

### EVORA DENİZLİ



CONTRACTOR  
TEKNİK YAPI & UCD

EXP. COMPLETION DATE  
28.08.2020

LAND AREA  
115,291 sqm

NUMBER OF UNITS  
1,558

Estimated Total Sales Revenue  
514,727,778 TRY

Company Revenue Share Ratio  
18.00 %

Min. Company Share in  
Total Revenue  
82,651,000 TRY

Progress Level  
28,99 %

## ONGOING REVENUE SHARING MODEL PROJECTS

### İSTANBUL FİNANS MERKEZİ

**CONTRACTOR**  
AKDENİZ & İFM JOINT VENTURE

**EXP. COMPLETION DATE**  
12.11.2020

**LAND AREA**  
115,497 sqm

**NUMBER OF UNITS**  
1,447

Estimated Total Sales Revenue  
1,460,000,000 TRY

Company Revenue Share Ratio  
4.15 %

Min. Company Share in  
Total Revenue  
60,590,000 TRY

Progress Level  
44.28 %



### SEMT BAHÇEKENT

**CONTRACTOR**  
SUR YAPI & HATAY AKPINAR

**EXP. COMPLETION DATE**  
01.06.2020

**LAND AREA**  
66,656 sqm

**NUMBER OF UNITS**  
1,039

Estimated Total Sales Revenue  
602,000,000 TRY

Company Revenue Share Ratio  
25.00 %

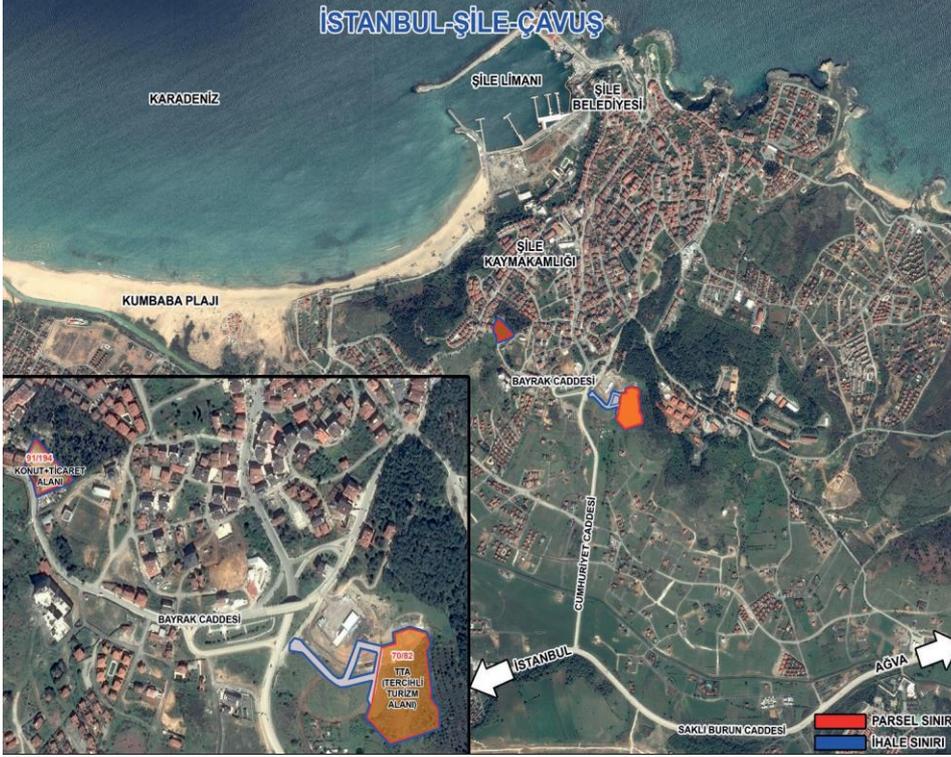
Min. Company Share in  
Total Revenue  
150,500,000 TRY

Progress Level  
5.4 %



## ONGOING REVENUE SHARING MODEL PROJECTS

### İDEALİSTKORU/İDEALİSTCADDE



<b>CONTRACTOR</b>	İDEALİST İNŞAAT & İDEALİST GYO
<b>EXP. COMPLETION DATE</b>	10.08.2019
<b>LAND AREA</b>	17,933 sqm
<b>NUMBER OF UNITS</b>	170*
<b>Estimated Total Sales Revenue</b>	68,500,000 TRY
<b>Company Revenue Share Ratio</b>	22.00 %
<b>Min. Company Share in Total Revenue</b>	15,070,000 TRY
<b>Progress Level</b>	0.00 %

### KÖY



<b>CONTRACTOR</b>	SİYAHKALEM
<b>EXP. COMPLETION DATE</b>	10.03.2020
<b>LAND AREA</b>	348,807 sqm
<b>NUMBER OF UNITS</b>	1,291 *
<b>Estimated Total Sales Revenue</b>	1,475,000,000 TRY
<b>Company Revenue Share Ratio</b>	32.25 %
<b>Min. Company Share in Total Revenue</b>	475,687,500 TRY
<b>Progress Level</b>	35.03 %

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

## ONGOING REVENUE SHARING MODEL PROJECTS

### EBRULİ İSPARTAKULE

CONTRACTOR  
SITAR & ASLAN & TORKAM

EXP. COMPLETION DATE  
03.08.2019

LAND AREA  
47,168 sqm

NUMBER OF UNITS  
776

Estimated Total Sales Revenue  
600,000,000 TRY

Company Revenue Share Ratio  
22.00 %

Min. Company Share in  
Total Revenue  
132,000,000 TRY

Progress Level  
7.74 %



### NİDAPARK İSTİNYE

CONTRACTOR  
TAHİNCİOĞLU İSTİNYE  
JOINT VENTURE

EXP. COMPLETION DATE  
07.11.2020

LAND AREA  
158,498 sqm

NUMBER OF UNITS  
555

Estimated Total Sales Revenue  
3,672,000,000 TRY

Company Revenue Share Ratio  
51.10 %

Min. Company Share in  
Total Revenue  
1,876,392,000 TRY

Progress Level  
10.10 %



## ONGOING REVENUE SHARING MODEL PROJECTS

### BAHÇETEPE ISPARTAKULE / TEM 34 TAHTAKALE



CONTRACTOR  
AKYAPI & EŞBAH

EXP. COMPLETION DATE  
31.05.2019

LAND AREA  
44,825 sqm

NUMBER OF UNITS  
632

Estimated Total Sales Revenue  
342,400,000 TRY

Company Revenue Share Ratio  
25.00 %

Min. Company Share in  
Total Revenue  
85,600,000 TRY

Progress Level  
0.00 %

### AVRUPARK HAYAT



CONTRACTOR  
CİHAN İNŞ. & KONUTYAPI

EXP. COMPLETION DATE  
30.12.2019

LAND AREA  
42,020 sqm

NUMBER OF UNITS  
1,184

Estimated Total Sales Revenue  
626,000,000 TRY

Company Revenue Share Ratio  
25.00 %

Min. Company Share in  
Total Revenue  
156,500,000 TRY

Progress Level  
9.27 %

## ONGOING REVENUE SHARING MODEL PROJECTS

### AVANGART İSTANBUL

CONTRACTOR  
GÜL İNŞAAT

EXP. COMPLETION DATE  
04.12.2018

LAND AREA  
36,750 sqm

NUMBER OF UNITS  
959\*

Estimated Total Sales Revenue  
1,300,000,000 TRY

Company Revenue Share Ratio  
49.00 %

Min. Company Share in  
Total Revenue  
637,000,000 TRY

Progress Level  
7.55 %



### YENİKÖY KONAKLARI

CONTRACTOR  
YENİYAPI & TACA

EXP. COMPLETION DATE  
24.06.2019

LAND AREA  
35,856 sqm

NUMBER OF UNITS  
349

Estimated Total Sales Revenue  
442,500,000 TRY

Company Revenue Share Ratio  
38.00 %

Min. Company Share in  
Total Revenue  
168,150,000 TRY

Progress Level  
9.61 %



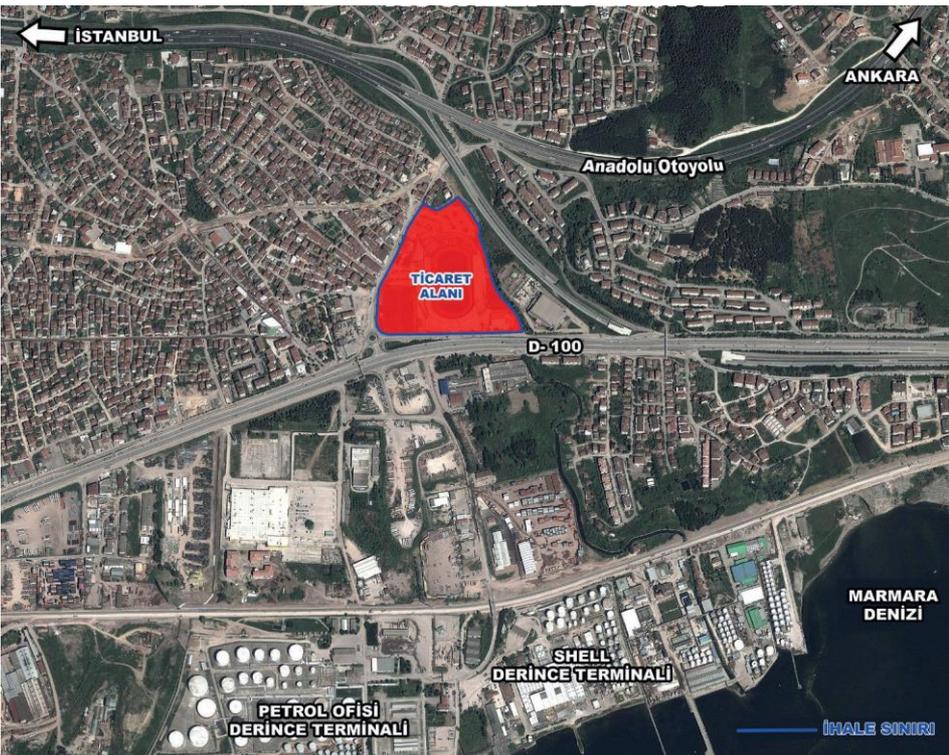
## ONGOING REVENUE SHARING MODEL PROJECTS

### CER İSTANBUL



CONTRACTOR	EGE & YEDİ KULE
EXP. COMPLETION DATE	06.07.2019
LAND AREA	41,162 sqm
NUMBER OF UNITS	148*
Estimated Total Sales Revenue	302,680,000 TRY
Company Revenue Share Ratio	35.01 %
Min. Company Share in Total Revenue	105,968,268 TRY
Progress Level	0.00 %

### KOCAELİ / DERİNCE



CONTRACTOR	KUMUŞOĞLU & TOKAL
EXP. COMPLETION DATE	01.09.2021
LAND AREA	72,313 sqm
NUMBER OF UNITS	680*
Estimated Total Sales Revenue	385,000,000 TRY
Company Revenue Share Ratio	21.61 %
Min. Company Share in Total Revenue	83,198,500 TRY
Progress Level	0.00 %

## ONGOING REVENUE SHARING MODEL PROJECTS

### ANTALYA MURATPAŞA

CONTRACTOR  
MESA & MESKEN

EXP. COMPLETION DATE  
29.10.2020

LAND AREA  
40,000 sqm

NUMBER OF UNITS  
500\*

Estimated Total Sales Revenue  
1,060,000,000 TRY

Company Revenue Share Ratio  
28.50 %

Min. Company Share in  
Total Revenue  
302,100,000 TRY

Progress Level  
0.00 %



### BÜYÜKYALI İSTANBUL

CONTRACTOR  
ÖZAK & YENİGÜN & ZİYLAN

EXP. COMPLETION DATE  
23.04.2021

LAND AREA  
111,023 sqm

NUMBER OF UNITS  
1,766

Estimated Total Sales Revenue  
4,240,000,000 TRY

Company Revenue Share Ratio  
37.00 %

Min. Company Share in  
Total Revenue  
1,568,800,000 TRY

Progress Level  
33.42 %



## ONGOING REVENUE SHARING MODEL PROJECTS

### MERKEZ ANKARA



CONTRACTOR  
PASİFİK & ÇİFTAY

EXP. COMPLETION DATE  
24.03.2020

LAND AREA  
137,249 sqm

NUMBER OF UNITS  
3,060

Estimated Total Sales Revenue  
4,194,550,000 TRY

Company Revenue Share Ratio  
30.00 %

Min. Company Share in  
Total Revenue  
1,258,365,000 TRY

Progress Level  
9.94 %

### TUAL ARTI



CONTRACTOR  
DAĞ

EXP. COMPLETION DATE  
29.07.2020

LAND AREA  
9,600 sqm

NUMBER OF UNITS  
110\*

Estimated Total Sales Revenue  
185,000,000 TRY

Company Revenue Share Ratio  
29.15 %

Min. Company Share in  
Total Revenue  
53,927,500 TRY

Progress Level  
0.00 %

## ONGOING REVENUE SHARING MODEL PROJECTS

### İZMİR KONAK 1<sup>ST</sup> STAGE

CONTRACTOR  
TEKNİK YAPI & HALK GYO

EXP. COMPLETION DATE  
16.09.2021

LAND AREA  
47,070 sqm

NUMBER OF UNITS  
1,065\*

Estimated Total Sales Revenue  
1,672,000,000 TRY

Company Revenue Share Ratio  
35.00 %

Min. Company Share in  
Total Revenue  
585,200,000 TRY \*

Progress Level  
0.00 %



\* 20% of the company share in total revenue (117,040,000 TRY) will be allocated to Emlak Konut.

### ALLSANCAK

CONTRACTOR  
PEKİNTAŞ & BURAKCAN

EXP. COMPLETION DATE  
21.08.2021

LAND AREA  
78,558 sqm

NUMBER OF UNITS  
1,391

Estimated Total Sales Revenue  
2,200,000,000 TRY

Company Revenue Share Ratio  
33.00 %

Min. Company Share in  
Total Revenue  
726,000,000 TRY \*

Progress Level  
0.00 %



\* 20% of the company share in total revenue (145,200,000 TRY) will be allocated to Emlak Konut.

## ONGOING REVENUE SHARING MODEL PROJECTS

### NİDAPARK KÜÇÜKYALI



CONTRACTOR	TAHİNCİOĞLU & KOZKEN
EXP. COMPLETION DATE	16.09.2021
LAND AREA	114,239 sqm
NUMBER OF UNITS	2,025
Estimated Total Sales Revenue	3,635,715,000 TRY
Company Revenue Share Ratio	42.00 %
Min. Company Share in Total Revenue	1,527,000,300 TRY
Progress Level	16.10 %

### ZEYTİNBURNU BEŞTELSİZ



CONTRACTOR	BEŞTELSİZ JOINT VENTURE
EXP. COMPLETION DATE	27.08.2021
LAND AREA	96,968 sqm
NUMBER OF UNITS	478
Estimated Total Sales Revenue	1,730,000,000 TRY
Company Revenue Share Ratio	37.00 %
Min. Company Share in Total Revenue	640,100,000 TRY
Progress Level	0.00 %

## ONGOING REVENUE SHARING MODEL PROJECTS

### DÜŞLER VADİSİ



CONTRACTOR  
YILMAZ İNŞAAT

EXP. COMPLETION DATE  
22.09.2023

LAND AREA  
1,157,004sqm

NUMBER OF UNITS  
1,400\*

Estimated Total Sales Revenue  
3,808,000,000 TRY

Company Revenue Share Ratio  
25.00 %

Min. Company Share in  
Total Revenue  
952,000,000 TRY \*

Progress Level  
0.00 %

\* 20% of the company share in total revenue (190,400,000 TRY) will be allocated to Emlak Konut.

## ONGOING REVENUE SHARING MODEL PROJECTS TABLE 31.03.2018

No	Project Name	Emlak Konut Min. Guaranteed Revenue(TRY)	Minimum Profit	Total Number of Units	Units Sold (March 18)	(%) Sold
1	AĞAOĞLU MASLAK 1453	34.173.875	-1.295.575	5.258	4.976	95%
2	GÖL PANORAMA EVLERİ	34.132.033	12.607.727	1.471	1.464	100%
3	EVVEL / ADIM İSTANBUL	113.895.876	15.129.144	1.423	1.060	74%
4	İSTMARINA	58.000.000	42.677.775	1.625	1.553	96%
5	AVRUPARK	156.520.000	74.781.141	1.480	1.285	87%
6	KARAT 34	171.600.000	104.433.934	592	332	56%
7	NİDAPARK KAYAŞEHİR	407.588.000	208.147.830	1.139	707	62%
8	KOORDİNAT ÇAYYOLU	180.000.000	82.862.061	432	253	59%
9	TEMAŞEHİR KONYA	198.759.060	112.055.370	905	481	53%
10	TUAL ADALAR	116.961.600	26.119.576	542	260	48%
11	TUAL BAĞÇEKENT	275.334.000	156.405.084	1.925	1.167	61%
12	EVORA DENİZLİ	92.651.000	16.394.653	1.558	413	27%
13	VALİDEBAĞ KONAKLARI	439.887.380	286.123.535	366	240	66%
14	OFİS KARAT BAKIRKÖY	62.000.000	31.081.309	90	7	8%
15	İDEALİSTKORU/İDEALİST CADDE	15.070.000	5.256.866	-	-	- Not on sale
16	KÖY	422.466.071	219.211.896	1.156	538	39%
17	İFM	29.200.000	29.200.000	1.447	-	- Not on sale
18	SEMT BAĞÇEKENT	150.500.000	100.345.871	1.038	158	15%
19	BAĞÇETEPE İSPARTAKULE / TEM 34 TAHTAKALE	85.600.000	37.620.770	632	-	- Not on sale
20	AVRUPARK HAYAT	156.500.000	102.443.628	1.184	335	29%
21	EBRULİ İSPARTAKULE	132.000.000	73.894.561	776	74	10%
22	NİDAPARK İSTİNYE	1.876.392.000	882.201.967	555	83	15%
23	CER İSTANBUL	105.968.270	38.447.821	161	-	- Not on sale
24	KOCAELİ / DERİNCE	96.147.618	25.788.103	-	-	- Not on sale
25	AVANGART İSTANBUL	637.000.000	518.727.029	953	64	7%
26	YENİKÖY KONAKLARI	168.150.000	122.781.853	349	88	25%
27	MERKEZ ANKARA	1.258.365.000	623.814.794	3.060	144	5%
28	İSTANBUL / TUZLA İÇMELER	53.927.500	33.911.140	-	-	- Not on sale
29	ANTALYA / MURATPAŞA	302.100.000	105.426.842	-	-	- Not on sale
30	BÜYÜKYALI İSTANBUL	1.568.800.000	911.991.798	1.766	338	19%
31	NİDAPARK KÜÇÜKYALI	1.527.000.300	849.285.524	2.025	708	35%
32	İSTANBUL / ZEYTİNBURNU BEŞTELSİZ	640.100.000	232.054.434	478	-	- Not on sale
33	İZMİR/ KONAK 1ST STAGE	117.040.000	117.040.000	-	-	- Not on sale
34	İZMİR/ KONAK 2.ND STAGE	145.200.000	145.200.000	-	-	- Not on sale
35	İSTANBUL / BEYKOZ RİVA	534.810.259	190.400.000	-	-	- Not on sale
36	BİZİM MAHALLE 2ND STAGE	551.000.000	124.987.727	-	-	- Not on sale
37	ANKARA ÇANKAYA ORAN	46.800.000	13.720.672	-	-	- Not on sale
38	ANKARA SARAÇOĞLU	-	-1.152.000	-	-	- Not on sale
<b>TOTAL</b>		<b>12.961.639.842</b>	<b>6.670.124.855</b>	<b>38.544</b>	<b>20.048</b>	<b>52%</b>

Emlak Konut's share of the bank commissions of TRY 117 million that have been paid to decrease the interest rate for mortgage loans in unit sales will be added to related project cost along with the completion.



**EMLAK KONUT**

— GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. —

T.C. BASBAKANLIK TOKİ İŞTİRAKİDİR

**CER  
İSTANBUL**



# BAŞKENT EMLAK KONUTLARI

Rising in Çankaya, Başkent Emlak Konutları will allow you to escape from the city stress, traffic, and crowds as well as to set sail for a completely new world. Your every requirement is well thought down to the last detail in Başkent Emlak Konutları.

## ONGOING TURN - KEY MODEL PROJECTS

### AYAZMA EMLAK KONUTLARI 1

CONTRACTOR  
GÜRYAPI

EXP. COMPLETION DATE  
29.05.2018

LAND AREA  
140,793 sqm

NUMBER OF UNITS  
1,239

Current Agreement Value  
387,959,681.72 TRY

Book Value  
Progress Payments  
431,550,546.25 TRY

Progress Level  
79.44%



### KÖRFEZKENT 4<sup>TH</sup> STAGE

CONTRACTOR  
ZEK-SAN

EXP. COMPLETION DATE  
05.05.2018

LAND AREA  
79,804 sqm

NUMBER OF UNITS  
1,124

Current Agreement Value  
158,712,000 TRY

Book Value  
Progress Payments  
126,008,458.05 TRY

Progress Level  
79.35 %



## ONGOING TURN - KEY MODEL PROJECTS

### EMLAK KONUT ISPARTAKULE EVLERİ - 1/1



CONTRACTOR	YÖRÜK & ERMİT
EXP. COMPLETION DATE	16.08.2018
LAND AREA	85,871 sqm
NUMBER OF UNITS	978
Current Agreement Value	268,650,000 TRY
Book Value	Progress Payments
	265,455,017.20 TRY
Progress Level	64.34%

### EMLAK KONUT ISPARTAKULE EVLERİ - 1/2



CONTRACTOR	BALPA
EXP. COMPLETION DATE	16.08.2018
LAND AREA	89,368 sqm
NUMBER OF UNITS	904
Current Agreement Value	239,900,000 TRY
Book Value	Progress Payments
	223,584,083.26 TRY
Progress Level	60.59%

## ONGOING TURN - KEY MODEL PROJECTS

### EMLAK KONUT BAŞAKŞEHİR EVLERİ 2<sup>ND</sup> STAGE

CONTRACTOR  
KALYON

EXP. COMPLETION DATE  
22.12.2017

LAND AREA  
44,365 sqm

NUMBER OF UNITS  
271

Current Agreement Value  
85,639,547.42 TRY

Book Value  
Progress Payments  
128,922,092.21 TRY

Progress Level  
90.36 %



### NEVŞEHİR EMLAK KONUTLARI

CONTRACTOR  
CENT YAPI

EXP. COMPLETION DATE  
19.11.2018

LAND AREA  
29,541 sqm

NUMBER OF UNITS  
420

Current Agreement Value  
116,722,000 TRY

Book Value  
Progress Payments  
163,996,483.86 TRY

Progress Level  
71.43 %



## ONGOING TURN - KEY MODEL PROJECTS

### AYAZMA EMLAK KONUTLARI 2



CONTRACTOR	YILMAZ İNŞAAT
EXP. COMPLETION DATE	24.07.2018
LAND AREA	21,407 sqm
NUMBER OF UNITS	386
Current Agreement Value	87,914,154.16 TRY
Book Value	108,260,951.42 TRY
Progress Payments	
Progress Level	89.44 %

### BAŞKENT EMLAK KONUTLARI 1



CONTRACTOR	KALYON
EXP. COMPLETION DATE	25.07.2019
LAND AREA	89,502 sqm
NUMBER OF UNITS	1,329
Current Agreement Value	559,500,000 TRY
Book Value	338,730,840.37 TRY
Progress Payments	
Progress Level	22.30 %

## ONGOING TURN - KEY MODEL PROJECTS

### NİĞDE EMLAK KONUTLARI

CONTRACTOR  
PEKİNTAŞ YAPI

EXP. COMPLETION DATE  
19.05.2019

LAND AREA  
25,643 sqm

NUMBER OF UNITS  
365

Current Agreement Value  
101,700,000 TRY

Book Value  
Progress Payments  
64,636,114.58 TRY

İlerleme Oranı  
37.68 %



### GEBZE EMLAK KONUTLARI - 3/1

CONTRACTOR  
MUSTAFA EKŞİ

EXP. COMPLETION DATE  
18.07.2019

LAND AREA  
91,565 sqm

NUMBER OF UNITS  
1,040

Current Agreement Value  
314,800,000 TRY

Book Value  
Progress Payments  
95,990,551.61 TRY

Progress Level  
21.89 %



## ONGOING TURN - KEY MODEL PROJECTS

### GEBZE EMLAK KONUTLARI - 3/2



CONTRACTOR	SİYAHKALEM
EXP. COMPLETION DATE	20.03.2019
LAND AREA	90,774 sqm
NUMBER OF UNITS	950
Current Agreement Value	315,900,000 TRY
Book Value	Progress Payments
	115,432,441.63 TRY
Progress Level	23.41 %

### KUZEY YAKASI



CONTRACTOR	YAPI & YAPI İNŞAAT
EXP. COMPLETION DATE	14.09.2019
LAND AREA	372,995 sqm
NUMBER OF UNITS	373
Current Agreement Value	509,513,550 TRY
Book Value	Progress Payments
	227,940,879.59 TRY
Progress Level	46.94 %

## ONGOING TURN - KEY MODEL PROJECTS

### BAŞKENT EMLAK KONUTLARI 2

CONTRACTOR  
ASL İNŞAAT

EXP. COMPLETION DATE  
30.08.2018

LAND AREA  
30,521 sqm

NUMBER OF UNITS  
507

Current Agreement Value  
203,800,000 TRY

Book Value  
Progress Payments  
131,649,427.56 TRY

Progress Level  
28.07 %



### GEBZE EMLAK KONUTLARI – 3/3

CONTRACTOR  
At The Tender  
Process

EXP. COMPLETION DATE  
At The Tender  
Process

LAND AREA  
6,338 sqm

NUMBER OF UNITS  
62

Current Agreement Value  
At The Tender  
Process

Book Value  
Progress Payments  
2,173,025.88 TRY

Progress Level  
At The Tender  
Process



## ONGOING TURN - KEY MODEL PROJECTS

### KÖRFEZKENT ÇARŞI

CONTRACTOR  
AHESİNŞAAT

EXP. COMPLETION DATE  
27.01.2019

LAND AREA  
11,967 sqm

NUMBER OF UNITS  
106

Current Agreement Value  
49,041,053 TRY

Book Value  
Progress Payments  
11,261,810.21 TRY

Progress Level  
25.72 %



## ONGOING TURNKEY MODEL PROJECTS TABLE 31.03.2018

No	City / Region	Project Name	Book Value + Progress Payments (TRY)	Number of Units	Number of units Sold (Mar 18)
1	İSTANBUL AYAZMA	AYAZMA EMLAK KONUTLARI 1	467.015.297,23	1.239	1.215
2	KOCAELİ KÖRFEZ	KÖRFEZKENT 4TH STAGE	153.187.010,35	1.124	1.106
3	İSTANBUL AVCILAR	EMLAK KONUT ISPARTAKULE EVLERİ 1-1	287.300.275,65	978	972
4	İSTANBUL AVCILAR	EMLAK KONUT ISPARTAKULE EVLERİ 1-2	244.759.064,18	904	900
5	İSTANBUL BAŞAKŞEHİR	EMLAK KONUT BAŞAKŞEHİR EVLERİ 2ND STAGE	138.769.593,75	271	266
6	NEVŞEHİR MERKEZ	NEVŞEHİR EMLAK KONUTLARI	172.990.718,03	420	318
7	İSTANBUL AYAZMA	AYAZMA EMLAK KONUTLARI 2	121.586.778,10	386	-
8	ANKARA MÜHYE	BAŞKENT EMLAK KONUTLARI 1	366.418.511,10	1.329	145
9	NİĞDE	NİĞDE EMLAK KONUTLARI	72.259.916,21	365	60
10	KOCAELİ GEBZE	GEBZE EMLAK KONUTLARI 3-1	122.290.049,49	1.040	507
11	KOCAELİ GEBZE	GEBZE EMLAK KONUTLARI 3-2	134.727.097,64	950	336
12	İSTANBUL KAYABAŞI	KUZEY YAKASI	276.169.521,31	373	65
13	ANKARA MÜHYE	BAŞKENT EMLAK KONUTLARI 2	148.089.577,88	507	-
14	KOCAELİ GEBZE	GEBZE EMLAK KONUTLARI 3-3	2.173.025,88	62	-
15	KOCAELİ KÖRFEZ	KÖRFEZKENT ÇARŞI	16.160.602,82	106	24
TOTAL			2,723,897,429.62	10,054	5,914

# BAŞKENT EMLAK KONUTLARI



# LEASED AND RENTED PROPERTIES

Leased Properties (TRY)						
No	Tenant	Starting Date	Ending Date	Duration	Property Information	Rent Value*
1	GÜRYAPI RESTORASYON TAH. VE TİC. A.Ş.	03.08.2015	03.03.2018	2 yıl 7 ay	İstanbul / Başakşehir 13344 / 2 LAND	2.200,00 TL
2	CİHAN İNŞAAT VE KONUT YAPI ADI ORTAKLIĞI	01.10.2016	01.10.2017	1 yıl	İstanbul / Başakşehir 324 / 2 LAND	1.700,00 TL
3	İFM&AKDENİZ İN. İŞ ORTAKLIĞI	01.09.2016	01.09.2017	1 yıl	İstanbul / Ataşehir 3317 / 2 LAND	12.500,00 TL
4	YILMAZ İNŞAAT TAH. VE TİC. A.Ş.	01.07.2016	01.07.2018	2 yıl	İstanbul / Başakşehir 1335 / 15 LAND	6.773,00 TL
5	T.HALK BANKASI A.Ş.	15.11.2017	15.11.2022	5 yıl	İstanbul / Ataşehir 3331 / 5 A 1 OFFICE	425.000,00 TL
6	AKSÜS YAPI VE ENTEGRE ATIK İŞLETMELERİ SANAYİ VE TİCARET A.Ş.	08.05.2017	08.05.2020	3 YIL	İstanbul / Ataşehir 3385 / 2 LAND	1.000,00 TL
7	KREM TURİZM İNŞ. SAN. VE TİC. LTD. ŞTİ.	10.06.2017	10.06.2019	2 YIL	Tekirdağ / Çerkezköy 1544 / 1 LAND	10.000,00 TL
8	ROTA MAĞAZICILIK SAN. VE TİC. A.Ş.	15.03.2018	03.11.2027	10 YIL	İstanbul / Avclar 639 / 1 D SHOP	43.800,00 TL
9	Çetin ERGÜN	01.04.2018	01.01.2019	1	İstanbul / Avclar 639 / 1 D SHOP	5.500,00 TL
10	AKSÜS MARMARA REYHAN ADI ORTAKLIĞI	15.02.2018	25.02.2019	1	İstanbul / Ataşehir 3385 / 5 LAND	1.000,00 TL
11	COM GIDA SANAYİ VE TİC. LTD ŞTİ.	01.07.2018	01.07.2028	5+5	İstanbul / Küçükçekmece 800 / 11 B3 24 SHOP	36.000,00 TL
12	KRİSTAL KONSEPT GAYRİMENKUL YATIRIMI VE DAN. HİZ. LTD. ŞTİ.	02.03.2018	02.03.2019	1	İstanbul / Ataşehir 3317 5 B 436 SHOP	1.500,00 TL
<b>TOTAL</b>						<b>546.973 TRY</b>

Rented Properties (TRY)						
No	Tenant	Starting Date	Ending Date	Duration	Property Information	Rent Value*
1	EMLAK KONUT GYO A.Ş.	01.05.2017	01.05.2018	1 yıl	ANKARA-ÇANKAYA, 14	6.193,78 TL
2	EMLAK KONUT GYO A.Ş.	01.04.2017	01.04.2020	3 yıl	NİĞDE/MERKEZ	1.666,66 TL
<b>TOTAL</b>						

\* Not included VAT, values are expressed in Turkish Lira and monthly. The exchange rate of USD Dollar is fixed with 3 TRY for the foreign currency renting.

\*\* Turnover share is not included the rent value. The rent values will be shared with the contractor over the share ratios specified in the contract.

(1) The rental fee will be collected as of the opening date.

## Leased Properties (USD)

No	Tenant	Starting Date	Ending Date	Duration	Property Information	Rent Value*
1	ZORLUTEKS TEKSTİL SAN. TİC. A.Ş.	15.11.2016	14.11.2017	1 yıl	Ağaoğlu Maslak 1453 SHOP	2.000,00 + %15 Turnover Ratio**
2	ÖZ EMLAK GAYRİMENKUL	01.09.2016	21.08.2017	1 yıl	Ağaoğlu Maslak 1453 SHOP	4.127,00
3	REMAX ABC GM DAN. HİZ. SELAMİ ARPACI	01.09.2016	31.08.2017	1 yıl	Ağaoğlu Maslak 1453 SHOP	5.146,00
4	TİNKON TURİZM KONGRE VE ORG. HİZ. TİC. LTD. ŞTİ.	01.11.2016	31.01.2018	1 yıl 3 ay	Ağaoğlu Maslak 1453 SHOP	4.708,33
5	NURAY ÖZKAN	01.09.2016	30.08.2017	1 yıl	Ağaoğlu Maslak 1453 SHOP	5.507,00
6	SELES KURU TEM. TİC. LTD. ŞTİ.	01.10.2016	30.09.2017	1 yıl	Ağaoğlu Maslak 1453 SHOP	5.045,00
7	CAN DOSTLAR KUAFÖR VE GÜZ. SALONLARI İŞLT. LTD. ŞTİ.	01.12.2017	30.11.2022	1 yıl	Ağaoğlu Maslak 1453 SHOP	11.000,00
8	RAHVALI GAYRİMENKUL GELİŞTİRME LTD. ŞTİ.	01.12.2017	30.11.2022	5 yıl	Ağaoğlu Maslak 1453 SHOP	3.686,90
9	EGE TEM. HİZ. VE YÖN. LTD.ŞTİ.	15.12.2016	14.12.2017	1 yıl	Ağaoğlu Maslak 1453 SHOP	4.800,00
10	FERİŞTE HACİSÜLEYMAN	01.06.2017	30.09.2018	1 yıl 4 ay	Ağaoğlu Maslak 1453 SHOP	12.500,00
11	TİNKON TURİZM KONGRE VE ORG. HİZ. TİC. LTD. ŞTİ.	01.10.2017	30.09.2022	5 yıl	Ağaoğlu Maslak 1453 SHOP	12.500,00 + %15 Turnover Ratio**
12	NAPİ GIDA SAN. VE TİC. A.Ş.	01.10.2017	30.09.2022	5 yıl	Ağaoğlu Maslak 1453 SHOP	7.500,00 + %15 Turnover Ratio**
13	FERTAŞ İÇ VE DIŞ TİC. LTD. ŞTİ	15.09.2017	14.09.2022	5 yıl	Ağaoğlu Maslak 1453 SHOP	22.500,00 + %15 Turnover Ratio**
14	DDY GIDA İNŞ. TAH. TURİZM İTH. İHR. SAN.TİC. A.Ş.	15.10.2017	14.10.2022	5 yıl	Ağaoğlu Maslak 1453 SHOP	20.000,00 + %15 Turnover Ratio**
15	SİRTAŞ İÇ VE DIŞ TİC. A.Ş.	01.11.2017	31.10.2022	5 yıl	Ağaoğlu Maslak 1453 SHOP	4.500,00
16	GREKO GIDA ÜRÜNLERİ SAN. TİC. LTD. ŞTİ.	01.11.2017	31.10.2022	5 yıl	Ağaoğlu Maslak 1453 SHOP	\$ 15.000,00 + %15 Turnover Ratio**
17	YDC TURİZM GIDA İNŞAAT REKLAM ORG. SAN. VE TİC. LTD. ŞTİ.	01.10.2017	30.09.2022	5 yıl	Ağaoğlu Maslak 1453 SHOP	9.500,00 + %15 Turnover Ratio**
18	HC TURİSTİK TESİS İŞLETMECİLİĞİ SAN. VE TİC. LTD. ŞTİ.	15.11.2017	14.11.2022	5 yıl	Ağaoğlu Maslak 1453 SHOP	18.000,00 + %15 Turnover Ratio**
19	M.R.C. DENİZCİLİK TUR.	01.11.2017	31.10.2022	5 yıl	Ağaoğlu Maslak 1453 SHOP	15.500,00 + %15 Turnover Ratio**
20	SHAYA KAHVE SANAYİ VE TİCARET A.Ş.	Kira sözleşmesi imzalamaya tarihi itibarıyla	Kiralananın fiili açılış tarihi itibarıyla	10 yıl	Ağaoğlu Maslak 1453 SHOP	%15 Turnover Ratio**
21	FERTAŞ İÇ VE DIŞ TİC. LTD. ŞTİ	01.10.2017	30.09.2022	5 yıl	Ağaoğlu Maslak 1453 SHOP	\$ 2.000,00
22	YENİ BOYUT TURİZM EĞLENCE VE GIDA TİC. A.Ş.	01.01.2018	31.12.2022	5 yıl	Ağaoğlu Maslak 1453 SHOP	13.000,00
23	SUSAM MARMARİS GIDA TURİZM İNŞ. TİC. LTD. ŞTİ.	01.12.2017	30.11.2022	5 yıl	Ağaoğlu Maslak 1453 SHOP	5.000,00
24	YURDAKÜL KORKMAZ	10.03.2018	09.03.2023	5 yıl	Ağaoğlu Maslak 1453 SHOP	%15 Turnover Ratio**
<b>TOTAL</b>						<b>186.520,23 USD</b>

\* Not included VAT, values are expressed in Turkish Lira and monthly. The exchange rate of USD Dollar is fixed with 3 TRY for the foreign currency renting.

\*\* Turnover share is not included the rent value. The rent values will be shared with the contractor over the share ratios specified in the contract.

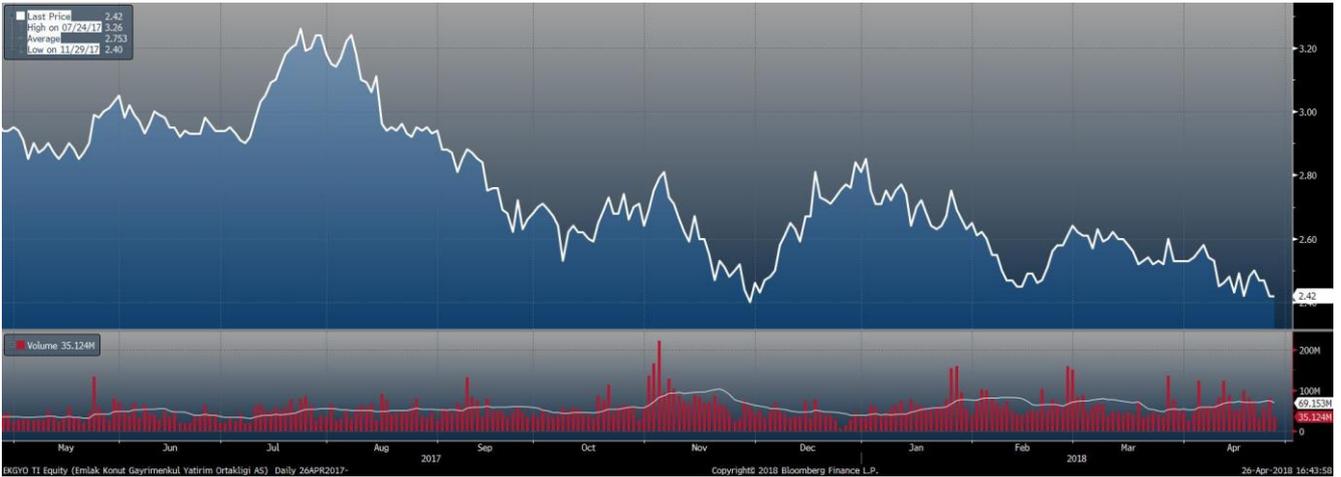
(1) The rental fee will be collected as of the opening date.

## SHARE PERFORMANCE

- ▶ Traded in the COLLECTIVE AND STRUCTURED PRODUCTS Market at İstanbul Stock Exchange...
- ▶ Included in XU100, XU30, XU50, XUMALI, XUTUM, XGMYO indexes...
- ▶ The symbol tickers are as follows; BIST TICKER: EKGYO, BLOOMBERG TICKER: EKGYO.TI, REUTERS TICKER: EKGYO.IS

### Share Performance

#### EKGYO



Source: BLOOMBERG

### EKGYO/ XGMYO/ XU100

XU100 Index

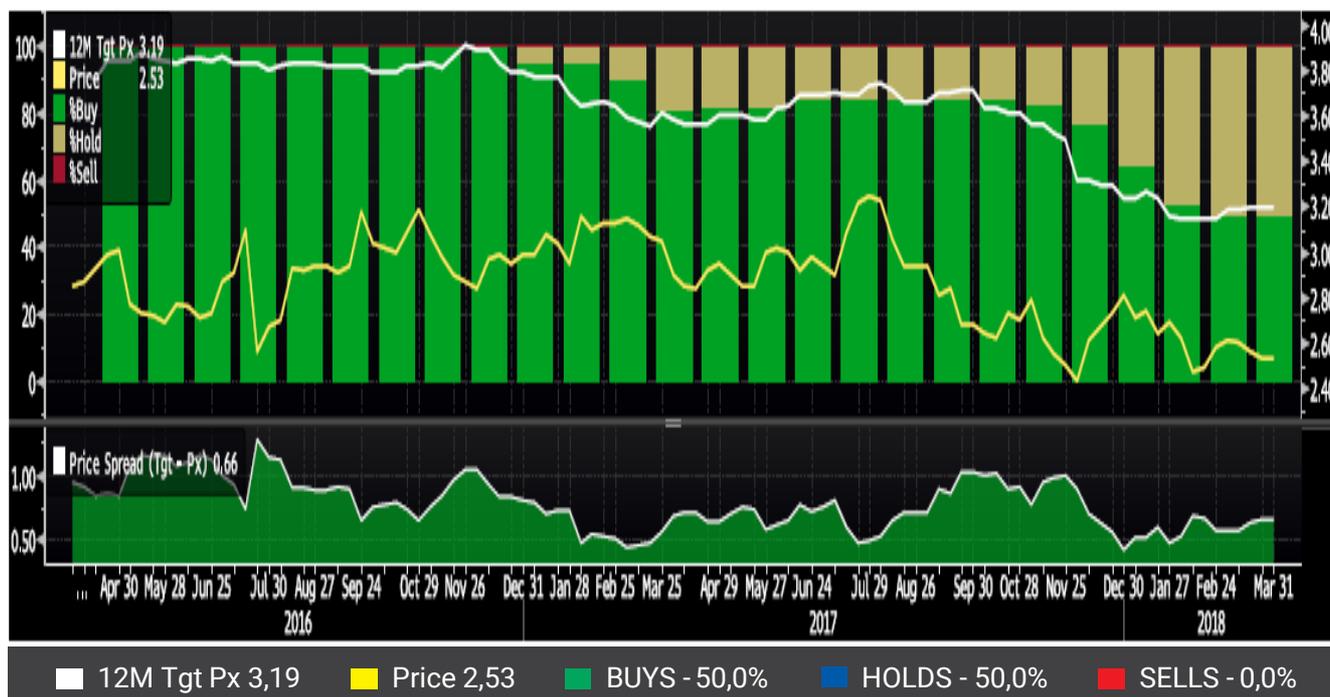
XGMYO Index

EKGYO



Source: BLOOMBERG

# RECOMMENDATIONS AND SHARE BUYBACK



Source: BLOOMBERG

## CONSTRUCTION AND HOUSING SECTOR OUTLOOK

### House Sales Statistics (March 2018)

**In March 2018, 110.905 houses were sold in Turkey.**

In Turkey, house sales decreased by 14% in March 2018 compared to the same month of the previous year and hence, became 110 905. For the house sales of March 2018, İstanbul had the highest share of house sales with 16.9% and 18 714 sold house. The followers of İstanbul were Ankara with 11 269 house sales and İzmir with 6 787 house sales with the share of 10.2% and 6.1% respectively. The least house sold provinces were Ardahan with 11, Hakkari with 13, Bayburt with 36 house sales respectively.

**In March 2018, 32 786 ownership of the houses changed by mortgage sales.**

The mortgaged house sales throughout Turkey became 32 786 by decreasing 35% compared to the same month of the previous year. House sales with mortgage had a 29.6% share of all house sales in Turkey. Most of house sales with mortgage was in İstanbul with 6 050 sales. İstanbul was the first province in Turkey ranking that has most house sales with mortgage share with 18.5%. Mortgaged house sales had the highest share in Artvin with 45.4% of all house sales.

**Ownership of 78 119 houses changed by other sales.**

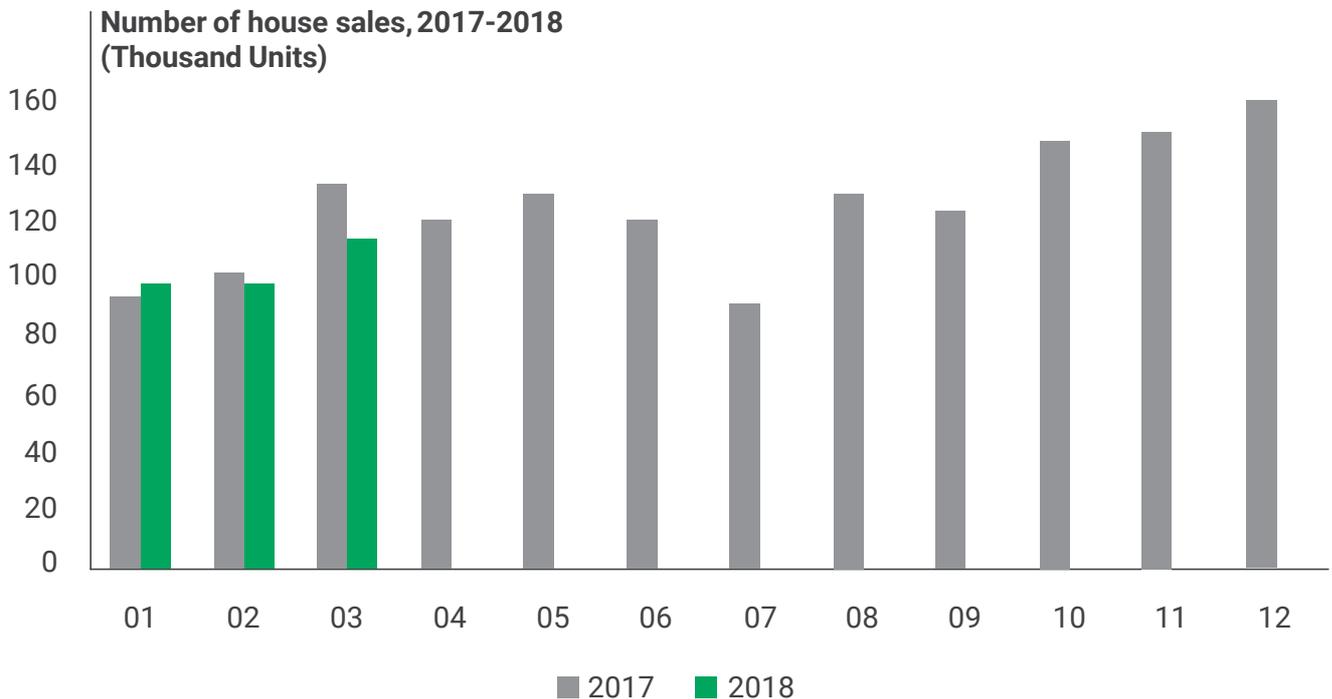
Other house sales in Turkey became 78 119 by decreasing 0.5% compared to the same month of the previous year. In the other sales, İstanbul was the first province with 12 664 sales and 16.2% share. Other house sales had 67.7% share of all house sales in İstanbul. Ankara was the second province with 7 270 sales. Ankara was followed by İzmir with 4 599 sales. The least other house sales was realized in Ardahan with 9 house sales.

**In house sales, 50 701 of houses were sold for the first time.**

First house sales in Turkey became 50 701 by decreasing 10.1% compared to the same month of the previous year. First house sales had 45.7% share of all house sales in Turkey. The most first house sales was in İstanbul with 8 774 sales. İstanbul was the first province in Turkey ranking that had most first house sales share with 17.3%. The followers of İstanbul were Ankara with 3 751 house sales and İzmir with 2 753 house sales.

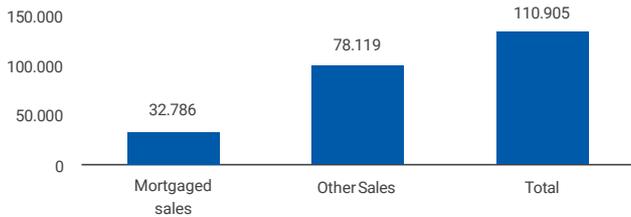
**Ownership of 60 204 houses changed by second hand sales.**

Second hand house sales in Turkey became 60 204 by decreasing 17% compared to the same month of the previous year. In the second hand sales, İstanbul

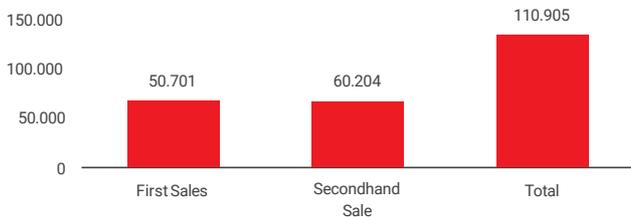


was the first province again with 9\_940 sales and 16.5% share. Share of the second hand sales was 53.1% in İstanbul in total house sales. Ankara was the second province with 7 518 sales and Ankara was followed by İzmir with 4\_034 sales.

### House sales by type of sales, March 2018



### House sales by state of sales, March 2018



### In March 2018, 1.827 houses were sold to foreigners.

In house sales to foreigners became 1 827 by increasing 15.8% compared to the same month of the previous year. İstanbul was the first province with 556 sales in March 2018. The followers of İstanbul were Antalya with 446 house sales, Trabzon with 134 house sales, Bursa with 109 house sales and Yalova with 89 house sales.

### Most house sales were made to Iraq citizens according to country nationalities.

Iraqi citizens bought 348 houses from Turkey in March. The followers of Iraq were Saudi Arabia with 181 house sales, Iran with 156 house sales, Russia with 120 house sales and Afghanistan with 108 house sales.

The next release on this subject will be on May 18, 2018.

## Building Construction Cost Index, Quarter IV: October - December, 2017

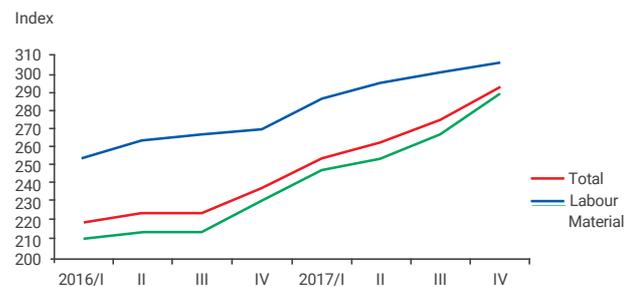
Building construction cost index increased by 6.5% compared with the previous quarter.

Building construction cost index increased by 6.5% compared with the previous quarter, by 22.8% compared with the same quarter of the previous year and by 19.7% compared with the four quarter average in the fourth quarter of 2017. In the fourth quarter of 2017, labour index increased by 1.8% and material index increased by 7.9% compared with the previous quarter. Annual changes were 13.7% increase in labour index and 25.6% increase in material index.

Building construction cost index, 2016-2017 [2005=100]

	2016 quarter IV			2017 quarter IV		
	Total	Labour	Material	Total	Labour	Material
Quarterly Change	5.9	1.1	7.5	6.5	1.8	7.9
Annual Change	12.4	10.6	12.9	22.8	13.7	25.6
Compared with the four quarter average	7.7	10.6	6.9	19.7	12.7	21.9

### Building construction cost index, 2016-2017 [2005=100]

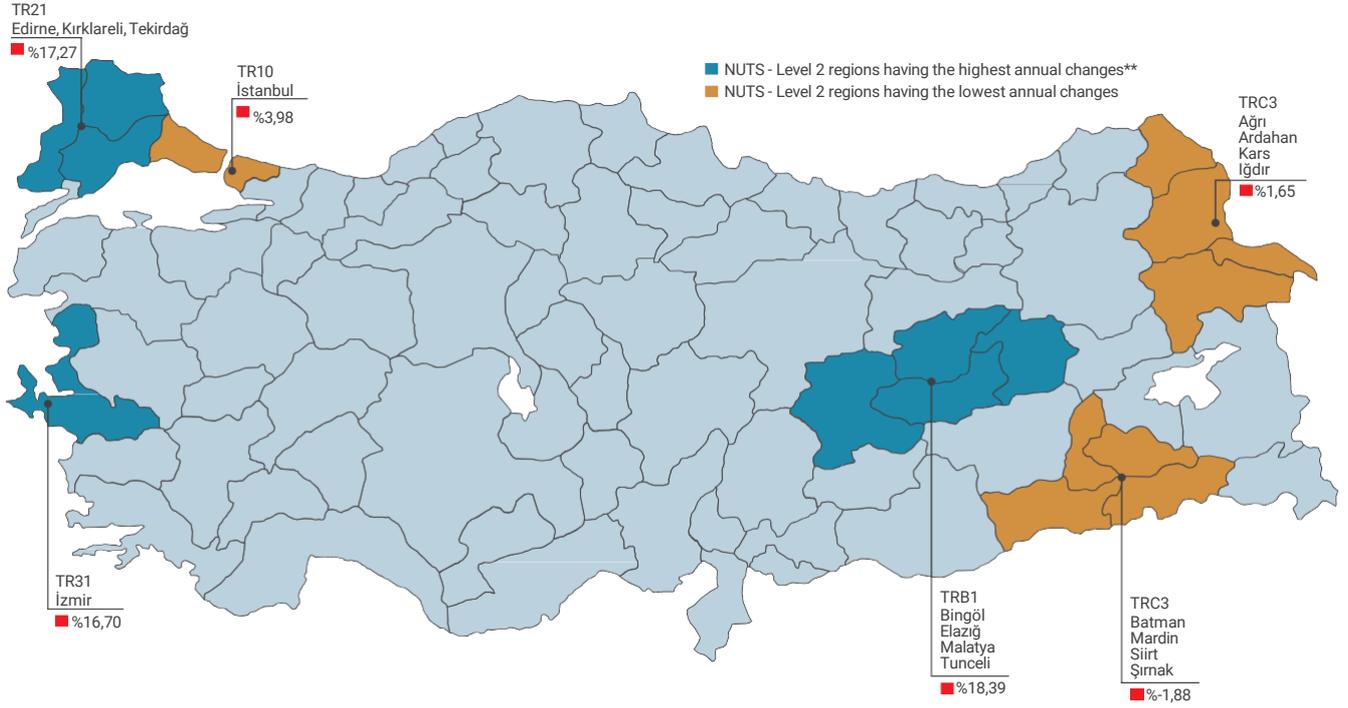


## House Price Index (2018 November)

### Hedonic House Price Index (HHPI)

In February 2018, HHPI increased monthly by 0.76 percent, recorded an annual increase of 9.51 percent in nominal terms and decreased by 0.68 percent in real terms.

## Hedonic House Price Index (HHPI)



## House price Indices and unit Prices

	Hedonic House Price Index	House Price Index*	Unit Prices (TRY/sqm)*	New Housing Price Index*	Existing Housing Price Index*
	217,84 (%9,51)	254,46 (%10,09)	2.138,35 TRY	242,87 (%9,74)	252,05 (%9,46)
	267,72 (%3,98)	302,62 (%5,15)	3.910,33 TRY	303,42 (%5,69)	294,89 (%5,30)
	193,28 (%6,16)	200,11 (%6,39)	1.738,15 TRY	220,60 (%5,54)	193,73 (%5,80)
	249,97 (%16,70)	275,95 (%16,18)	2.710,64 TRY	277,89 (%18,69)	274,27 (%16,26)

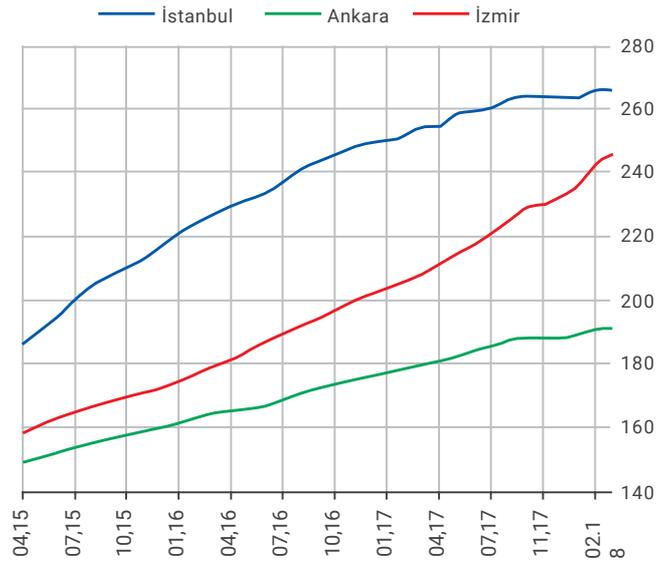
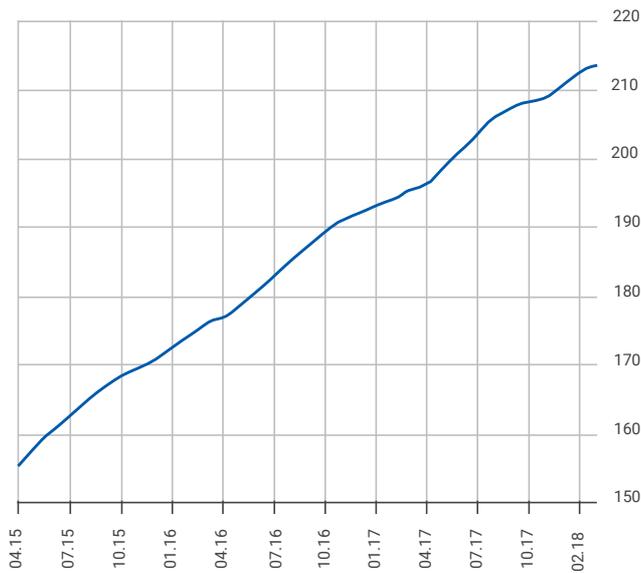
\*House Price Index, Square Meter Prices, New and Existing Housing Price Indices are constructed by using the Stratified Median Price method.

\*\*Nomenclature of Territorial Units for Statistics (NUTS) Level 2 definitions are given in the Metadata note. Figures in parentheses indicate annual percentage changes.

The Hedonic House Price Index (HHPI) (2010=100), which measures quality adjusted price changes by controlling the observable characteristics of the houses in Turkey stands at 217.84 in February 2018 by a monthly increase of 0.76 percent..

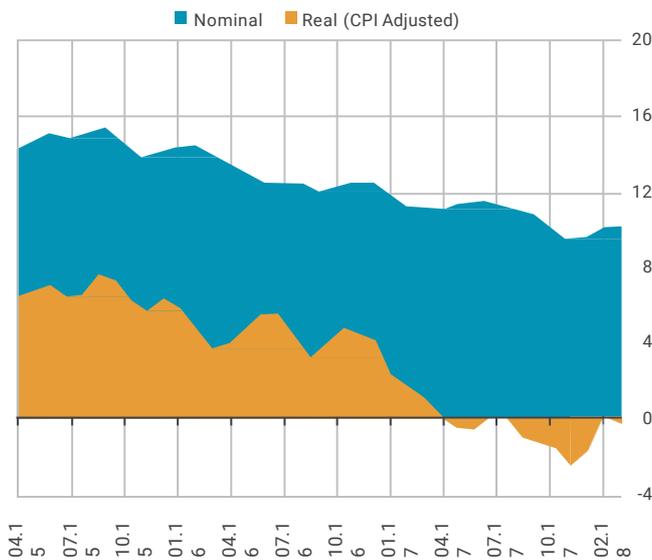
In February 2018, the HHPI increased monthly by 0.55, 0.13 and 1.24 percent in İstanbul, Ankara and İzmir respectively. These three major cities recorded an annual increase of 3.98, 6.16 and 16.70 percent respectively..

Graph 1: Hedonic House Price Index  
(Level, 2010=100)



The HHPI increased annually by 9.51 percent in nominal terms and decreased by 0.68 percent in real terms..

Graph 2: Hedonic House Price Index  
(Annual % Change)



# METROPOL İSTANBUL

A world-class project rising in one of the world's metropolises... Every step needed to be worth it on these lands, which have been a cradle of innovation and played host to countless civilizations in history. Working with only the best, we set out to develop an innovative project that would make a name for itself.





## ANNEX 8 - LAWSUIT INVOLVING OUR COMPANY

### MASLAK 1453 PROJECT

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

The case was brought against the Ministry of Environment and Urban Planning and the Housing Development Administration at the Chamber No. 6 of the Council of State with the file No. 2012/4412 for the stay of execution and cancellation of the Revision Master Zoning Plan (scale: 1: 1,500 and Revision Application Zoning Plan (scale: 1: 1,000) (both dated: 16.09.2011 and No. 103140) for the Slum Prevention Zone in Ayazağa, Şişli. Our company joined the case as an intervenor together with the defendant institutions. The court rendered a stay of execution judgment and dismissed the objection to the judgment of the stay of execution. The expert report based on the survey reached the conclusion that the implementation plans in dispute violate the legislation, public interest, the principles and procedures of urban planning, and planning techniques and that the geological and geotechnical surveys and evaluations conducted based on the zoning plan did not cause any issues for housing. Our company made necessary objections to the report.

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

The case was brought against Sarıyer Municipality Mayorship and Şişli Municipality Mayorship at the Istanbul Administrative Court No. 12 with the file No. 2015/1354 E. for the reversal of the dismissal of the request for stay of execution and cancellation of the construction and renovation licenses and the said licenses themselves granted for the Section No. 2, Block No. 1, and Parcel No. 20, 49, and 50 (previously Block No. 1 and Parcel No. 145 and after the zoning application Block No. 10622 and Parcel No. 1) in Ayazağa Slum Prevention Zone, Şişli District, Istanbul. Our company joined the case as an intervenor together with the defendant institutions. The court rejected the request for the stay of execution, and the plaintiff's objection to the dismissal of the request for the stay of execution was rejected by Istanbul Regional Administrative Court. The court decided to dismiss the case on 05.10.2017.

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

The case was brought at the Istanbul Administrative Court No. 10 with the file No. 2016/1026 E. against the Ministry of Environment and Urban Planning for the stay of execution and cancellation of the Environmental Plan Amendment (scale: 1:100,000), Master Zoning Plan Amendment (scale: 1/5,000) and Application Zoning Plan (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning ex officio on 19.01.2016 for the Ayazağa Shanty Prevention Area within Sarıyer District, Istanbul. The court decided to reject the request for the stay of execution. Our company joined the case as an intervenor together with the defendant institutions. The report came against, and the company made the necessary objection.

#### 4-) UCTEA Chamber of Architects, Istanbul Büyükşehir Branch, UCTEA Chamber of City Planners, Istanbul Branch

The case was brought at the Istanbul Administrative Court No. 4 with the file No. 2016/685 E. against the Ministry of Environment and Urban Planning for the stay of execution and cancellation of the Environmental Plan Amendment for Istanbul with one-sheet plan proceeding No. İÇDP-17092,2 (scale: 1:100,000), one-sheet plan proceeding No. NİP-17063 Master Zoning Plan Amendment (scale: 1/5,000) and five-sheet plan proceeding No. NİP-17066 Application Zoning Plan (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning ex officio on 19.01.2016 for the Ayazağa Shanty Prevention Area within Sarıyer District, Istanbul. Proceedings continue with the file No. 2016/6417 at the Chamber No. 6 of the Council upon the court's dismissal of the case on the ground of authorization on 21.04.2016, and the referral of the file to the Council of State. On 17.11.2017, our company submitted a request to intervene together with the defendants.

### ZEKERİYAKÖY PROJECT

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

The case was brought against the Ministry of Environment and Urban Planning and Housing Development Administration at the Chamber No. 6 of the Council of State with the file No. 2012/3789 for the stay of execution and cancellation of the Protective Master Zoning Plan (scale: 1:1,500) and Application Zoning Plan (scale: 1:1,000) for Zekeriyaköy Mas Housing Development Area, prepared for the third-degree natural protected area within

Zekeriyaköy Neighborhood, Sarıyer District, Istanbul and granted approval (dated: 13.03.2012, No. 1769) On 30.06.2016, the court decided to annul the transaction in dispute. An appeal was made against the decision and the parties wait for the result of the appellate review.

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

The case was brought against the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 7 with the file No. 2013/2478 E. for the stay of execution and cancellation of the Protective Master Zoning Plan (scale: 1:5,000) and the Protective Application Zoning Plan (scale: 1:1,000) (dated: 14.08.2013, No. 8097) for the Zekeriyaköy Mass Housing Development Area within Zekeriyaköy Neighborhood, Sarıyer, District, Istanbul. Our company joined the case as an intervenor together with the defendant institutions. The court ordered a discovery, which came in favor of our company. On 09.10.2017, the court decided to dismiss the request for the stay of execution. The Chamber No. 4 of the District Administrative Court dismissed the objection of the plaintiff to the relevant ruling on 15.11.2017. The court dismissed the case.

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

The case was brought against the Housing Development Administration (TOKİ), Ministry of National Defense, Ministry of Finance at the Istanbul Administrative Court No. 3 with the file No. 2014/268 E. for the stay of execution and cancellation of the transaction for the transfer of 34 immovables allocated to the Ministry of National Defense in Zekeriyaköy Neighborhood, Sarıyer District, Istanbul, to Housing Development Administration (TOKİ) as well as the Ministry of Finance's transaction for the transfer of these immovables to TOKİ. Our company joined the case as an intervenor together with the defendant institutions.

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

## Kuasar Project

### 1-) Serdar Bayraktar et al.,

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

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

The case was brought at the Istanbul Administrative Court No. 5 with the file No. 2013/2103 E. for the stay of execution and cancellation of the Master Zoning Plan amendment (scale: 1:5,000) and the Application Zoning Plan amendment (scale: 1:1,000) (both dated: 19.06.2013 and No. 6186) regarding the immovable in Section No. 58, Block No. 1199, and Parcel No. 230, Dikilitaş Neighborhood, Şişli District. Our company joined the case as an intervenor together with the defendant institutions. The court accepted the case and decided to cancel the plan in dispute. An appeal was made against the judgment of the stay of execution. The Chamber No 6th of the Council of State decided that the ruling of the first instance court should be dismissed.

## Istanbul Kapadık Area

### 1-) Avcılar Municipality Mayorship

The case was brought against the Ministry of Environment and Urban Planning at the Chamber No. 6 of the Council of State with the file No. 2013/6332 E. for the stay of execution and cancellation of the Master Zoning Plan Revision (scale: 1:5,000) and the Application Zoning Plan Revision (scale: 1:1,000) approved by the Ministry

Zekeriyaköy Neighborhood, Sarıyer District, Istanbul and granted approval (dated: 13.03.2012, No. 1769) On 30.06.2016, the court decided to annul the transaction in dispute. An appeal was made against the decision and the parties wait for the result of the appellate review.

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

The case was brought against the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 7 with the file No. 2013/2478 E. for the stay of execution and cancellation of the Protective Master Zoning Plan (scale: 1:5,000) and the Protective Application Zoning Plan (scale: 1:1,000) (dated: 14.08.2013, No. 8097) for the Zekeriyaköy Mass Housing Development Area within Zekeriyaköy Neighborhood, Sarıyer, District, Istanbul. Our company joined the case as an intervenor together with the defendant institutions. The court ordered a discovery, which came in favor of our company. On 09.10.2017, the court decided to dismiss the request for the stay of execution. The Chamber No. 4 of the District Administrative Court dismissed the objection of the plaintiff to the relevant ruling on 15.11.2017. The court dismissed the case.

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

The case was brought against the Housing Development Administration (TOKİ), Ministry of National Defense, Ministry of Finance at the Istanbul Administrative Court No. 3 with the file No. 2014/268 E. for the stay of execution and cancellation of the transaction for the transfer of 34 immovables allocated to the Ministry of National Defense in Zekeriyaköy Neighborhood, Sarıyer District, Istanbul, to Housing Development Administration (TOKİ) as well as the Ministry of Finance's transaction for the transfer of these immovables to TOKİ. Our company joined the case as an intervenor together with the defendant institutions.

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

## **Kuasar Project**

### **1-) Serdar Bayraktar et al.,**

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

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

The case was brought at the Istanbul Administrative Court No. 5 with the file No. 2013/2103 E. for the stay of execution and cancellation of the Master Zoning Plan amendment (scale: 1:5,000) and the Application Zoning Plan amendment (scale: 1:1,000) (both dated: 19.06.2013 and No. 6186) regarding the immovable in Section No. 58, Block No. 1199, and Parcel No. 230, Dikilitaş Neighborhood, Şişli District. Our company joined the case as an intervenor together with the defendant institutions. The court accepted the case and decided to cancel the plan in dispute. An appeal was made against the judgment of the stay of execution. The Chamber No 6th of the Council of State decided that the ruling of the first instance court should be dismissed.

## **Istanbul Kapadık Area**

### **1-) Avclar Municipality Mayorship**

The case was brought against the Ministry of Environment and Urban Planning at the Chamber No. 6 of the Council of State with the file No. 2013/6332 E. for the stay of execution and cancellation of the Master Zoning Plan Revision (scale: 1:5,000) and the Application Zoning Plan Revision (scale: 1:1,000) approved by the Ministry

as an intervenor together with the defendant institution. The court decided to annul the disputed process. Our company made a request for appeal. On 24.04.2017, the Chamber No. 4 of the Istanbul Regional Administrative Court examining the appeal request requested the conduct of a discovery and expert survey and decided for the stay of execution until the submission of the expert report. A survey was conducted on 26.07.2017, and the report was notified to the parties. The expert report was in the company's favor. However, we made an objection to the statements of expert Kılıç Ali who lodged da statement of opposition. The decision was appealed against by both parties, and the parties wait for the result of the appeal.

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

The case was brought against the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 5 with the file No. 2014/1641 E. for the stay of execution and cancellation of the Master Zoning Plan (scale: 1:5,000) and Application Zoning Plan amendment (scale: 1:1,000) (dated: 19.11.2013 and No. 17978) for Block No. 774 and Parcel No. 6 and 31 within Kazlıçeşme Neighborhood, Zeytinburnu District, Istanbul as well as the Master Zoning Plan (scale: 1:5,000) and the Application Zoning Plan amendment (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning with the office consent (dated: 20.03.2014, No. 4446). Our company joined the case as an intervenor together with the defendant institution. The court decided to annul the disputed process. Our company made a request for appeal. On 24.04.2017, the Chamber No. 4 of the Istanbul Regional Administrative Court examining the appeal request requested the conduct of a discovery and expert survey and decided for the stay of execution until the submission of the expert report. A survey was conducted on 26.07.2017, and the report was notified to the parties. The expert report was in the company's favor. However, we made an objection to the statements of expert Kılıç Ali who lodged da statement of opposition. The decision was appealed against by both parties, and the parties wait for the result of the appeal.

## Kartal Project

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

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

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

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

## Financial Center Project

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

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

overcome the contradictions in the two expert reports in the file, and the report after the discovery was positive. The plaintiff applied to the appeal court against the decision.

### 2-) UCTEA, Chamber of Architects

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

The file was taken by the Istanbul Administrative Court No. 7 as 2014/1102 E. The court ruled, with its interim decision, that its file No. 2013/621 E. should function as a waiting matter for this file. The plaintiff applied to the appeal court against the decision.

### 3-) UCTEA, Chamber of Architects

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

## İstinye Project

### Sarıyer Municipality Mayorship

The plaintiff, Sarıyer Municipality Mayorship, brought the case at the Civil Court of First Instance No. 12 with the file No. 2015/73 for the stay of execution and cancellation of the tender to be carried out on 03.03.2015 with the Land Sale-based Revenue Sharing method for the immovables owned by our company within Block No. 380 and Parcel No. 17, 18 and 38; Block No. 360 and Parcel No. 3 and 64; Block No. 1352 and Parcel No. 3 within İstinye Neighborhood, Sarıyer, Istanbul. On 02.03.2015, the court made the judgment No. 2015/79 K. to dismiss the case on the grounds of authorization. Our company made an appeal against the judgment together with the plaintiff. The Court of Cassation decided that the Court of First Instance was authorized as a result of its the appellate review. After the reversal of the decision, the proceedings continue in the file based on the file No. 2017/232 of the Istanbul Civil Court of First Instance No.12.

## Fatih Yedikule

The plaintiff, Hikmet Öz et al. brought the case against Istanbul Metropolitan Municipality Mayorship, Ministry of Culture and Tourism, and Fatih Municipality Mayorship at the Istanbul Administrative Court No. 2 with the file No. 2013/347 E. for the stay of execution and cancellation of the protective Application Plan and plan provisions (scale: 1:1,000) for Historic Peninsula's Urban History, Urban Archaeological, 1st Degree Archaeological Area (Turkish State Railways, TCDD Workshops and Yedikule Gashouse), accepted with the Fatih Municipality Council's decision (dated: 09.05.2012 and No. 2012/44) and approved by the Istanbul Metropolitan Municipality Mayorship on 04.10.2012. On 10.10.2016, the court ruled that a decision cannot be given with the disputed zoning plan related to Topkapı İETT Terminal area and Sirkeci Train Station area and decided to reject the case with respect to the other aspects of the plan. The plaintiff made a request for appeal. On 15.05.2017, the Chamber No. 4 of the Istanbul Regional Administrative Court made a judgment for the partial acceptance and dismissal of the appeal request.

overcome the contradictions in the two expert reports in the file, and the report after the discovery was positive. The plaintiff applied to the appeal court against the decision.

### 2-) UCTEA, Chamber of Architects

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

The file was taken by the Istanbul Administrative Court No. 7 as 2014/1102 E. The court ruled, with its interim decision, that its file No. 2013/621 E. should function as a waiting matter for this file. The plaintiff applied to the appeal court against the decision.

### 3-) UCTEA, Chamber of Architects

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

## Istinye Project

### Sarıyer Municipality Mayorship

The plaintiff, Sarıyer Municipality Mayorship, brought the case at the Civil Court of First Instance No. 12 with the file No. 2015/73 for the stay of execution and cancellation of the tender to be carried out on 03.03.2015 with the Land Sale-based Revenue Sharing method for the immovables owned by our company within Block No. 380 and Parcel No. 17, 18 and 38; Block No. 360 and Parcel No. 3 and 64; Block No. 1352 and Parcel No. 3 within İstinye Neighborhood, Sarıyer, Istanbul. On 02.03.2015, the court made the judgment No. 2015/79 K. to dismiss the case on the grounds of authorization. Our company made an appeal against the judgment together with the plaintiff. The Court of Cassation decided that the Court of First Instance was authorized as a result of its the appellate review. After the reversal of the decision, the proceedings continue in the file based on the file No. 2017/232 of the Istanbul Civil Court of First Instance No.12.

## Fatih Yedikule

The plaintiff, Hikmet Öz et al. brought the case against Istanbul Metropolitan Municipality Mayorship, Ministry of Culture and Tourism, and Fatih Municipality Mayorship at the Istanbul Administrative Court No. 2 with the file No. 2013/347 E. for the stay of execution and cancellation of the protective Application Plan and plan provisions (scale: 1:1,000) for Historic Peninsula's Urban History, Urban Archaeological, 1st Degree Archaeological Area (Turkish State Railways, TCDD Workshops and Yedikule Gashouse), accepted with the Fatih Municipality Council's decision (dated: 09.05.2012 and No. 2012/44) and approved by the Istanbul Metropolitan Municipality Mayorship on 04.10.2012. On 10.10.2016, the court ruled that a decision cannot be given with the disputed zoning plan related to Topkapı İETT Terminal area and Sirkeci Train Station area and decided to reject the case with respect to the other aspects of the plan. The plaintiff made a request for appeal. On 15.05.2017, the Chamber No. 4 of the Istanbul Regional Administrative Court made a judgment for the partial acceptance and dismissal of the appeal request.

intervenor together with the defendant institution. On 08.12.2017, the court accepted the case and decided to cancel the proceeding in dispute.

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

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

#### **7-) Gazi SÖNMEZ**

The case was brought against the Governorship of Ankara at the Istanbul Administrative Court No. 5 with the file No. 2017/550 E. regarding the "Emlak Konut Mühye Mass Housing Project" planned to be constructed within Block No. 29396, Parcel No. 3, Block No. 29397 and Parcel No. 3, Block No. 29397 and Parcel No. 4 within Mühye Neighborhood, Çankaya district, Ankara. The plaintiff requested the stay of execution and cancellation of the decision "No Environmental Impact Assessment is required" given by the Ministry of Environment and Urban Planning on 24.11.2016. On 18.05.2017, our company made a request to join the case as an intervenor together with the defendant institution and the court accepted this intervention request on 26.09.2017. The report arranged by the experts was unfavorable.

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

The case was brought against the Housing Development Administration and Çankaya Municipality at the Ankara Administrative Court No. 1 with the file No. 2017/562 E. for the stay of execution and cancellation of the amendment of Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000), parcel plan amendment and the granted construction permit as approved by the Housing Development Administration with the office consent (dated: 01.09.2016, No. 3996) for the immovable property No. parcel No. 921 within in Mühye Village, Çankaya District, Ankara. On 15.05.2017, our company submitted a request to join the case as an intervenor together with the defendant institutions. On 14.06.2017, the court decided to obtain a survey and expert review and rule on the stay of execution after obtaining such survey and expert review. On 13.09.2017, the court decided to accept our company's request to intervene. Our company made necessary objections to the report.

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

The case was brought against the Housing Development Administration at the Ankara Administrative Court No. 5 with the file No. 2017/722 E.for the stay of execution and cancellation of the Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Housing Development Administration with the office consent (dated: 01.09.2016, No. 3996) for the Slum Prevention Zone in Mühye Neighborhood, Çankaya District, Ankara. On 12.05.2017, the court decided to notify our company of the case and rule on the stay of execution after obtaining survey and expert review in the relevant location. On 05.06.2017, our company submitted a request to join the case as an intervenor together with the defendant institution. On 21.06.2017, the court decided to review the request for the stay of execution after the same court made a ruling regarding the stay of execution in the file No. 2017/1011 E. The court decided to accept our intervention request on 08.12.2017. Also, it decided that there was no ground for making a decision regarding the stay of execution request as the request lost its substance due to another cancellation decision, on 08.12.2017, regarding the case No. 2017/1011 brought for the cancellation of the same zoning plans. Also, it decided that there was no ground for making a decision as the case did not have any subject due to another cancellation decision on 08.12.2017 regarding the case No. 2017/1011 filed for the cancellation of the same zoning plans. Our company made a request for appeal and waits for the outcome.

intervenor together with the defendant institution. On 08.12.2017, the court accepted the case and decided to cancel the proceeding in dispute.

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

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

#### 7-) Gazi SÖNMEZ

The case was brought against the Governorship of Ankara at the Istanbul Administrative Court No. 5 with the file No. 2017/550 E. regarding the "Emlak Konut Mühye Mass Housing Project" planned to be constructed within Block No. 29396, Parcel No. 3, Block No. 29397 and Parcel No. 3, Block No. 29397 and Parcel No. 4 within Mühye Neighborhood, Çankaya district, Ankara. The plaintiff requested the stay of execution and cancellation of the decision "No Environmental Impact Assessment is required" given by the Ministry of Environment and Urban Planning on 24.11.2016. On 18.05.2017, our company made a request to join the case as an intervenor together with the defendant institution and the court accepted this intervention request on 26.09.2017. The report arranged by the experts was unfavorable.

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

The case was brought against the Housing Development Administration and Çankaya Municipality at the Ankara Administrative Court No. 1 with the file No. 2017/562 E. for the stay of execution and cancellation of the amendment of Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000), parcel plan amendment and the granted construction permit as approved by the Housing Development Administration with the office consent (dated: 01.09.2016, No. 3996) for the immovable property No. parcel No. 921 within in Mühye Village, Çankaya District, Ankara. On 15.05.2017, our company submitted a request to join the case as an intervenor together with the defendant institutions. On 14.06.2017, the court decided to obtain a survey and expert review and rule on the stay of execution after obtaining such survey and expert review. On 13.09.2017, the court decided to accept our company's request to intervene. Our company made necessary objections to the report.

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

The case was brought against the Housing Development Administration at the Ankara Administrative Court No. 5 with the file No. 2017/722 E. for the stay of execution and cancellation of the Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Housing Development Administration with the office consent (dated: 01.09.2016, No. 3996) for the Slum Prevention Zone in Mühye Neighborhood, Çankaya District, Ankara. On 12.05.2017, the court decided to notify our company of the case and rule on the stay of execution after obtaining survey and expert review in the relevant location. On 05.06.2017, our company submitted a request to join the case as an intervenor together with the defendant institution. On 21.06.2017, the court decided to review the request for the stay of execution after the same court made a ruling regarding the stay of execution in the file No. 2017/1011 E. The court decided to accept our intervention request on 08.12.2017. Also, it decided that there was no ground for making a decision regarding the stay of execution request as the request lost its substance due to another cancellation decision, on 08.12.2017, regarding the case No. 2017/1011 brought for the cancellation of the same zoning plans. Also, it decided that there was no ground for making a decision as the case did not have any subject due to another cancellation decision on 08.12.2017 regarding the case No. 2017/1011 filed for the cancellation of the same zoning plans. Our company made a request for appeal and waits for the outcome.

### 3-) Ela Betül Termeli

The case was brought against Ankara Metropolitan Municipality Mayorship and the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 17 with the file No. 2016/4065 E. for the cancellation of the zoning plan amendments approved by the Ministry of Environment and Urban Planning on 21.05.2015 ex officio regarding the Parcel No. 1 within the Block No. 29622 and Parcel No. 1, 2, 3, and 4 (953) within the Block No. 29479 in Çayyolu Neighborhood, Çankaya District, Ankara as well as the stay of execution of the related construction building permit. Our company submitted a request to intervene. On 17.05.2017, the court decided to accept our intervention request. On 18.05.2017, it decided to dismiss the case on grounds of capacity and period of limitation. The plaintiff party made a request of appeal on 18.09.2017. The plaintiff made a request for appeal and the parties wait for the outcome.

### 4-) UCTEA, Chamber of City Planners, Ankara Branch

The case was brought against the Ministry of Environment and Urban Planning at the Ankara Administrative Court No. 1 with the file No. 2017/2665 for stay of execution and cancellation of the Başkent Ankara Master Zoning Plan Amendment (Scale: 1:25,000), Master Zoning Plan Amendment (scale: 1:5,000), and Application Zoning Plan Amendment (scale: 1:1,000) prepared for Parcel No. 1, 2, 3, 4 within Block No. 29479, Parcel No. 1, Block No. 29622, park and road area in Çayyolu Neighborhood, Çankaya district, Ankara approved by the Ministry of Environment ex officio on 10.06.2017. On 20.09.2017, the court decided to review the request for the stay of execution after taking the defendant administration's first defense and fulfillment of the interim judgment. On 17.11.2017, our company submitted a request to intervene.

## Alibeyköy

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

The case was brought against the Ministry of Environment at the Istanbul Administrative Court No. 5 with the file No. 2015/2131 E. for the stay of execution and cancellation of the Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan Amendment (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning on 08.09.2015 ex officio for the Block No. 859 and Parcel No. 6 (Block No. 2, Parcel No. 6 in the new records) within Osmanpaşa Area, Alibeyköy Neighborhood, Eyüp District, Istanbul. Our company intervened in the case. Our company made an objection to the unfavorable aspects of the relevant report examined by an expert. On 31.05.2017, the court decided to cancel the procedure in dispute. Our company made a request for appeal regarding the above-cited ruling. The Chamber No. 4 of the District Administrative Court decided to dismiss our request for the stay of execution based on the survey of the file No. 2017/1623 E. On 31.05.2017, the court decided to cancel the procedure in dispute. Our company made a request for appeal regarding the above-cited ruling. The Chamber No. 4 of the District Administrative Court decided to dismiss our request for the stay of execution based on the review of the file No. 2017/1623 E.

## Maltepe Küçükyalı Project

### 1-) Maltepe Municipality Mayorship

The case was brought by Maltepe Municipality Mayorship against the Ministry of Environment and Urban Planning and the Housing Development Administration at the Istanbul Administrative Court No. 10 with the file No. 2016/1529 E. for the stay of execution and cancellation of the Master Zoning Plan (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) regarding the Parcel No. 2 and 3 within Block No. 1396, and various parcels within Block No. 2775 and 1586 owned by our company and the planning area consisting of non-registered areas in Küçükyalı and Başbüyük neighborhoods, Maltepe District, Istanbul. Our company and the contractor Tahincioğlu-Küçükyalı Joint Venture requested to participate in the case together with the defendant institutions and the court accepted this request for intervention. In accordance with the decision of the Chamber No. 10 of the Istanbul Regional Administrative Court on 24.05.2017, the file was sent to the Administrative Court No. 4. due to its relation. The file was registered to Istanbul Administrative Court No. 4 with the docket No. 2017/1137. The court decided to cancel the plan in dispute with the decision No. 2017/1949 K on 12.10.2017. Our company will apply for an appellate review.

## 2-) Özgür AYDIN – Hakkı SAĞLAM

The case was brought by plaintiffs Özgür Aydın and Hakkı Sağlam against the Ministry of Environment and Urban Planning and the Housing Development Administration at the Istanbul Administrative Court No. 10 with the file No. 2016/1478 E. for the stay of execution and cancellation of the Master Zoning Plan (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) regarding the Parcel No. 2 and 3 within Block No. 1396, and various parcels within Block No. 2775 and 1586 owned by our company and the planning area consisting of non-registered areas in Küçükyalı and Başbüyük neighborhoods, Maltepe District, Istanbul. Our company and the contractor Tahincioğlu-Küçükyalı Joint Venture requested to participate in the case together with the defendant institutions and the court accepted this request for intervention. In accordance with the decision of the Chamber No. 10 of the Istanbul Regional Administrative Court on 24.05.2017, the file was sent to the Administrative Court No. 4. due to its relation. The file was registered to Istanbul Administrative Court No. 4 with the docket No. 2017/1138. The court decided that there was no ground for making a decision because the Istanbul Administrative Court No. 4 decided to cancel the plans in dispute with the decision No. 2017/1137 E. 2017/1949 K.

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

The case was brought by UCTEA Chamber of City Planners against the Ministry of Environment and Urban Planning and at the Istanbul Administrative Court No. 13 with the file No. 2016/1065 E. for the stay of execution and cancellation of the Master Zoning Plan (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) regarding the Parcel No. 2 and 3 within Block No. 1396, and various plots within Block No. 2775 and 1586 owned by our company and the planning area consisting of non-registered areas in Küçükyalı and Başbüyük neighborhoods, Maltepe District, Istanbul. UCTEA Chamber of Architects requested to participate in the case together with plaintiff while our company and the contractor Tahincioğlu-Küçükyalı Joint Venture requested to participate in the case together with the defendant institutions and the court accepted these requests. The court rejected the request for the stay of the execution, and the trial continues.

## Revenue Sharing Based on Land Sales in İstasyon, Yenimahalle, Ankara.

### UCTEA, Chamber of Architects, Ankara Branch

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

## BAKIRKÖY YENİMAHALLE

### Bakırköy Municipality Mayorship,

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

## ANTALYA MURATPAŞA

### 1-) Antalya Murapaşa Municipality Mayorship,

The case was brought against the Ministry of Environment at the Izmir Administrative Court No. 1 with the file No. 2016/1489 E. for the stay of execution and cancellation of the Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning on 20.07.2016 for the parcel No. 6, Block No. 12581 within Bahçelievler Neighborhood, Muratpaşa District, Antalya. On 22.02.2017, the court decided to dismiss the request for the stay of execution. On 01.08.2017, our company submitted a request to join the case together with the defendant institution. On 21.12.2017, the court decided to accept our company's request to intervene. The court waits for the expert report.

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

The case was brought against the Ministry of Environment at the Izmir Administrative Court No. 1 with the file No. 2016/1200 E. for the stay of execution and cancellation of the Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning on 20.07.2016 for the parcel No. 6, Block No. 12581 within Bahçelievler Neighborhood, Muratpaşa District, Antalya. On 18.01.2017, the court decided to dismiss the request for the stay of execution. On 01.08.2017, our company submitted a request to join the case together with the defendant institution. On 21.12.2017, the court decided to accept our company's request to intervene. The court waits for the expert report.

## İZMİR KONAK

### Izmir Branch of the UCTEA Chamber of City Planners, General Presidency of the UCTEA Chamber of Architects

The case was brought against the Ministry of Environment at the Izmir Administrative Court No. 1 with the file No. 2017/1124 E. for the stay of execution and cancellation of the Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning on 10.05.2017 for the various panels within Kuruçay and Umurbey Neighborhoods, Konak District, Izmir. On 26.07.2017, the court decided to examine the request for the stay of execution after taking the defendant's statement. Our company submitted a request to join the case with the defendant institution. On 08.11.2017, the court decided to dismiss the request for the stay of execution and accepted our company's request to intervene.

## KÜÇÜKÇEKMECE HALKALI BİZİM MAHALLE

### 1-) Bekir Güler, Erhan Aslaner, Enis Koçak, Nurettin Aydın

The case was brought against the Ministry of Environment and Urban Planning at Istanbul Administrative Court No. 5 with the file No. 2017/2034 E. for stay of execution and cancellation of Environmental Plan Amendment (Scale: 1:100,000), Master Zoning Plan Amendment (scale: 1:5,000), and Application Zoning Plan Amendment (scale: 1:1,000) prepared for Parcel No. 1, 2 in Block No. 808 and Parcel No. 6, 7, 8 and immediate vicinity in Block No. 853 in Halkalı Neighborhood, Küçükçekmece district, Istanbul approved by the Ministry of Environment and Urban Planning on 15.08.2017. Our company submitted a request to intervene.

### 2-) UCTEA, Chamber of City Planners (Istanbul branch), UCTEA, Chamber of Architects (Istanbul Büyükşehir Branch)

The case was brought against the Ministry of Environment and Urban Planning at Istanbul Administrative Court No. 2 with the file No. 2017/2087 E. for stay of execution and cancellation of Environmental Plan Amendment (Scale: 1:100,000), Master Zoning Plan Amendment (scale: 1:5,000), and Application Zoning Plan Amendment (scale: 1:1,000) prepared for Parcel No. 1, 2 in Block No. 808 and Parcel No. 6, 7, 8 and immediate vicinity in Block No. 853 in Halkalı Neighborhood, Küçükçekmece district, Istanbul approved by the Ministry of Environment and Urban Planning on 15.08.2017. Our company submitted a request to intervene.

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

**CONVENIENCE TRANSLATION OF  
CONDENSED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2018**

**(ORIGINALLY ISSUED IN TURKISH)**

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.****CONDENSED STATEMENTS OF FINANCIAL POSITION  
AT 31 MARCH 2018 AND 31 DECEMBER 2017**

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

		<i>Not Reviewed</i> 31 March 2018	<i>Audited</i> 31 December 2017
	<b>Notes</b>		
<b>ASSETS</b>			
<b>Current assets</b>		<b>19,780,492</b>	<b>18,796,338</b>
Cash and cash equivalents	4	1,561,581	897,501
Financial investments	5	168,880	186,274
Trade receivables	7	1,676,983	1,681,689
<i>Trade receivables due from related parties</i>	20	6,985	8,239
<i>Trade receivables due from third parties</i>		1,669,998	1,673,450
Other receivables	8	1,192,780	1,180,466
<i>Other receivables due from third parties</i>		1,192,780	1,180,466
Inventories	9	13,799,994	13,646,631
Prepaid expenses	14	1,077,566	986,501
Other current assets	13	302,708	217,276
<b>Non-current assets</b>		<b>2,121,226</b>	<b>1,827,322</b>
Trade receivables	7	1,674,530	1,686,645
<i>Trade receivables due from third parties</i>		1,674,530	1,686,645
Other receivables	8	1,029	988
Investment property		330,324	57,283
Property, plant and equipment	10	66,086	66,858
Intangible assets		2,627	2,911
Other non-current assets	13	46,630	12,637
<b>Total assets</b>		<b>21,901,718</b>	<b>20,623,660</b>

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

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.****CONDENSED STATEMENTS OF FINANCIAL POSITION  
AT 31 MARCH 2018 AND 31 DECEMBER 2017**

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

		<i>Not Reviewed</i> 31 March 2018	<i>Audited</i> 31 December 2017
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>		<b>6,357,159</b>	<b>6,083,525</b>
Current portion of non-current borrowings	6	695,564	482,364
Trade payables	7	1,750,434	1,266,648
<i>Trade payables due to related parties</i>	20	771,075	744,713
<i>Trade payables due to third parties</i>		979,359	521,935
Other payables	8	549,776	554,767
Deferred income	14	3,310,779	3,728,717
<i>Deferred income from related parties</i>	20	64,732	64,732
<i>Deferred income from third parties</i>		3,246,047	3,663,985
Current provisions		50,606	51,029
<i>Current provisions for employee benefits</i>		3,614	4,113
<i>Other current provisions</i>	12	46,992	46,916
<b>Non-current liabilities</b>		<b>2,211,781</b>	<b>2,074,616</b>
Long term borrowings	6	1,930,385	1,932,308
Trade payables		221,407	95,666
Other payables		50,574	37,306
Deferred income		3,362	3,174
Long term provisions		6,053	6,162
<i>Long term provisions for employee benefits</i>		6,053	6,162
<b>Shareholders' equity</b>		<b>13,332,778</b>	<b>12,465,519</b>
Paid-in capital	15	3,800,000	3,800,000
Treasury shares (-)		(284,480)	(284,480)
Share premium		2,378,513	2,378,513
Other comprehensive income / expense not to be reclassified to profit or loss		(42)	(42)
- <i>Gain/(loss) on remeasurement of employee benefits</i>		(42)	(42)
Restricted reserves		511,347	511,347
Retained earnings		6,060,181	4,304,087
Net profit for the year		867,259	1,756,094
<b>Total liabilities and equity</b>		<b>21,901,718</b>	<b>20,623,660</b>

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

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.****CONDENSED STATEMENTS OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2018 AND 2017**  
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

		<i>Not Reviewed</i> 1 January- 31 March 2018	<i>Not Reviewed</i> 1 January- 31 March 2017
<b>Profit or loss</b>			
Revenue	16	1,435,382	834,092
Cost of sales (-)	16	(537,046)	(385,151)
<b>Gross profit</b>		<b>898,336</b>	<b>448,941</b>
General administrative expenses (-)	17	(40,415)	(31,455)
Marketing expenses (-)	17	(13,716)	(18,960)
Other income from operating activities	18	161,965	108,997
Other expenses from operating activities (-)	18	(32,717)	(66,794)
<b>Operating profit</b>		<b>973,453</b>	<b>440,729</b>
Income from investing activities		82	1,361
<b>Operating profit before financial income / (expense)</b>		<b>973,535</b>	<b>442,090</b>
Financial income	19	20,646	13,263
Financial expenses (-)	19	(126,922)	(135,657)
<b>Profit for the year</b>		<b>867,259</b>	<b>319,696</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<b>867,259</b>	<b>319,696</b>
<b>Earnings per share (in full TL)</b>		<b>0.0024</b>	<b>0.0009</b>

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

**EMIAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**

**CONDENSED STATEMENTS OF CHANGES IN EQUITY**

**FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2018 AND 2017**

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

	Income and Expense not to be Reclassified to Profit or Loss					Retained Earnings		Total equity
	Share capital	Treasury shares (-)	Share premium	Restricted reserves	Gain/Loss on remeasurement of employee benefits	Retained earnings	Net income for the year	
1 January 2017	3,800,000	(262,857)	2,378,513	423,295	(897)	2,630,863	1,761,276	10,730,193
Transfers	-	-	-	-	-	1,761,276	(1,761,276)	-
Total comprehensive income	-	-	-	-	-	-	319,696	319,696
31 March 2017	3,800,000	(262,857)	2,378,513	423,295	(897)	4,392,139	319,696	11,049,889
1 January 2018	3,800,000	(284,480)	2,378,513	511,347	(42)	4,304,087	1,756,094	12,465,519
Transferler	-	-	-	-	-	1,756,094	(1,756,094)	-
Total comprehensive income	-	-	-	-	-	-	867,259	867,259
31 March 2018	3,800,000	(284,480)	2,378,513	511,347	(42)	6,060,181	867,259	13,332,778

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

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## CONDENSED STATEMENTS OF CASH FLOWS FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2018 AND 2017

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

	Notes	1 January- 31 March 2018	1 January- 31 March 2017
<b>Cash flow from operating activities:</b>			
Profit for the year		867,259	319,696
<b>Adjustments to reconcile net profit</b>			
Depreciation and amortization expenses	17	1,790	1,633
Adjustments for impairments		30,963	17,237
Adjustments for impairment loss (reversal of impairment loss) of inventories	9	7,630	17,237
Adjustments for impairment loss (reversal of impairment loss) of investment properties	18	23,333	-
Changes in provisions		(531)	21,181
Adjustments for (reversal of) provisions related with employee benefits		(607)	(4,506)
Adjustments for (reversal of) lawsuit and/or penalty provisions	12	76	(5,222)
Adjustments for (reversal of) other provisions		-	30,909
Adjustments for interest (income) expenses		(43,503)	37,683
Adjustments for interest income		(170,211)	(97,827)
Adjustments for interest expense	19	126,708	135,510
<b>Changes in net working capital</b>		<b>855,978</b>	<b>397,430</b>
Adjustments for decrease (increase) in trade accounts receivable		(137,115)	(604,680)
Decrease (increase) in trade accounts receivables from related parties	20	1,254	7,491
Decrease (increase) in trade accounts receivables from third parties		(138,369)	(612,171)
Adjustments for decrease (increase) in inventories		(457,367)	(248,530)
Adjustments for increase (decrease) in trade accounts payable		586,462	(602,585)
Increase (decrease) in trade payables to related parties		3,297	(829,951)
Increase (decrease) in trade payables to third parties		583,165	227,366
Adjustments for (decrease) in other operating receivables		(5,653)	(25,502)
Adjustments for increase (decrease) in other operating payables		(364,945)	541,379
Other adjustments for other increase (decrease) in working capital		(89,776)	(372,285)
<b>Net cash flow from operating activities:</b>			
Interest received		31,734	30,991
Payments related with provisions for employee benefits		-	(141)
Income taxes paid		(44,475)	(29,904)
<b>Cash flow from operating activities:</b>		<b>374,843</b>	<b>(913,827)</b>
<b>Cash flow from investing activities:</b>			
Purchases of investment properties, tangible and intangible assets		(1,018)	(1,476)
Sales of tangible and intangible assets		284	-
Interest received		82	1,361
Purchases of financial assets		(7,000)	(4,831)
Returns of financial assets		7,410	103,774
Other inflows (outflows) of cash		16,986	-
<b>Cash flow from investing activities:</b>		<b>16,744</b>	<b>98,828</b>
<b>Cash flow from financing activities:</b>			
Proceeds from borrowings		200,000	621,006
Proceeds from loans		200,000	621,006
Repayments of borrowings, classified as financing activities		-	(55,000)
Loan repayments		-	(55,000)
Interest paid		(47,183)	(25,232)
Interest received	19	20,639	13,261
Other inflows (outflows) of cash		(56)	(190)
<b>Cash flow from financing activities:</b>		<b>173,400</b>	<b>553,845</b>
<b>Net Increase (decrease) in cash and cash equivalents:</b>		<b>564,987</b>	<b>(261,154)</b>
Cash and cash equivalents at the beginning of the year	4	385,081	956,205
<b>Cash and cash equivalents at the end of the year</b>	<b>4</b>	<b>950,068</b>	<b>695,051</b>

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

## **EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**

### **NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2018**

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

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#### **NOTE 1 – ORGANIZATION AND OPERATION OF THE COMPANY**

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

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

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

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

The registered address of the Company is as follows:

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

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

The financial statements at 31 March 2018 have been approved by the Board of Directors on 30 April 2018. The General Assembly of the Company has the power to amend these financial statements.

The ultimate parent and ultimate controlling party of the company is T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı (the Housing Development Administration of Turkey, "TOKİ"). TOKİ is a state institution under the control of Republic of Turkey Prime Ministry. Emlak Konut Spor Kulübü Derneği was established on 23 August 2017 by the Company and Company's employees. The centre of Emlak Konut Spor Kulübü Derneği is located in Istanbul.

## **EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**

### **NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2018**

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

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#### **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/IFRS") 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 2018 in accordance with the Communiqué and announcements regarding this Communiqué, in accordance with TAS 34, "Interim Financial Reporting". In this respect, the Company has preferred to prepare condensed interim financial statements in the interim periods and prepared the mentioned condensed interim financial statements in compliance with CMB Accounting Standards. The condensed interim financial statements and the related notes to them are presented in accordance with the declaration dated 7 June 2013 and with the formats required by the CMB.

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

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

##### **Accounting for the effects of hyperinflation**

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

##### **Functional and presentation currency**

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

## EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2018

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

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#### 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 2018 are consistent with those prepared as of 31 December 2017. Therefore, condensed interim financial statements have to be considered with year end financial statements.

##### 3.1 New and Revised Turkish Accounting Standards

###### a) New and revised TFRSs in issue:

TFRS 9	<i>Financial Instruments</i>
TFRS 15	<i>Revenue from Contracts with Customers</i>
Amendments to TFRS 10 and TAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>
Amendments to TFRS 2	<i>Classification and Measurement of Share-Based Payment Transactions</i>
TFRS Interpretation 22	<i>Foreign Currency Transactions and Advance Consideration</i>
Amendments to TAS 40	<i>Transfers of Investment Property</i>
Annual Improvements to TFRS Standards 2014–2016 Cycle	<i>TFRS 1, TAS 28</i>

###### **TFRS 9 *Financial Instruments***

TFRS 9 introduced new requirements for the classification and measurement of financial assets / liabilities and for derecognition and for general hedge accounting.

Key requirements of TFRS 9:

- all recognized financial assets that are within the scope of TFRS 9 are required to be subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2018**

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

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**NOTE 3 – ACCOUNTING POLICIES (Continued)**

**3.1 New and Revised Turkish Accounting Standards (Continued)**

a) New and revised TFRSs in issue (Continued)

cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under TFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading nor contingent consideration recognized by an acquirer in a business combination) in other comprehensive income, with only dividend income generally recognized in profit or loss.

- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, TFRS 9 requires that the amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under TAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.
- in relation to the impairment of financial assets, TFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under TAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.
- the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in TAS 39. Under TFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The amendments to TFRS 9 disclosed in the Note 3.2.

**TFRS 15 *Revenue from Contracts with Customers***

TFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. TFRS 15 will supersede the current revenue recognition guidance including TAS 18 *Revenue*, TAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2018**

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

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**NOTE 3 – ACCOUNTING POLICIES (Continued)**

**3.1 New and Revised Turkish Accounting Standards (Continued)**

a) New and revised TFRSs in issue (Continued)

The core principle of TFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Under TFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Later on *Clarifications to TFRS 15* in relation to the identification of performance obligations, principal versus agent considerations were issued, as well as licensing application guidance.

The amendments to TFRS 15 disclosed in the Note 3.2.

**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.

The amendments to TFRS 10 and TAS 28 do not have any effect on the company's financial statements.

**Amendments to TFRS 2 *Classification and Measurement of Share-Based Payment Transactions***

The amendments clarify the standard in respect of the share-based payment arrangement has a 'net settlement feature', such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.

The amendments to TFRS 2 do not have any effect on the company's financial statements

**TFRS Interpretation 22 *Foreign Currency Transactions and Advance Consideration***

The interpretation addresses foreign currency transactions or parts of transactions where:

- there is consideration that is denominated or priced in a foreign currency;
- the entity recognizes a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and
- the prepayment asset or deferred income liability is non-monetary.

## EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2018 (Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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#### NOTE 3 – ACCOUNTING POLICIES (Continued)

##### 3.1 New and Revised Turkish Accounting Standards (Continued)

###### a) New and revised TFRSs in issue (Continued)

The Interpretations Committee came to the following conclusion:

- The date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability.
- If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

TFRS Interpretation 22 do not have any effect on the company's financial statements.

###### Amendments to TAS 40 *Transfers of Investment Property*

The amendments to TAS 40:

- Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use.
- The list of examples of evidence in paragraph 57(a) – (d) is now presented as a non-exhaustive list of examples instead of the previous exhaustive list.

The amendments to TFRS 40 do not have any effect on the company's financial statements.

###### Annual Improvements to TFRS Standards 2014–2016 Cycle

- **TFRS 1:** Deletes the short-term exemptions in paragraphs E3–E7 of TFRS 1, because they have now served their intended purpose.
- **TAS 28:** Clarifies that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

Annual Improvements to TFRS Standards 2014–2016 Cycle do not have any effect on the company's financial statements.

###### b) New and revised TAS in issue but not yet effective

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

TFRS 16	<i>Leases</i> <sup>1</sup>
TFRS 28 (Amendments)	<i>Long-term Interests in Associates and Joint Ventures</i> <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2019.

## **EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**

### **NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2018**

(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 in issue but not yet effective**

###### **Amendments to TAS 16 *Leases***

IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

###### **Amendments to TAS 28 *Long-term Interests in Associates and Joint Ventures***

This amendment clarifies that an entity applies TFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

The Company does not evaluate the effects of these standards, amendments and improvements on the financial statements.

##### **3.2 Changes in accounting policies**

This note explains the impact of the adoption of TFRS 9 Financial Instruments, TFRS 15 Revenue from Contracts with Customers and also discloses the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior periods.

###### **a) The change in accounting policies of impact on the Company's condensed interim financial statements**

The application of changing accounting policies for the first time has no significant effect on the Company's financial statements.

###### **b) TFRS 9 Financial instruments**

###### **Impact on the Financial Statement**

TFRS 9 replaces the provisions of TAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

As a result of the adoption of TFRS 9, there have been some changes in accounting policies since 1 January 2018, the amendments to TFRS 9 do not have any significant effect on the Company's financial statements.

###### **Classification and Measurement**

The Company management has assessed business models as of 1 January 2018, in which the financial instruments will be presented in the categories specified in TFRS 9.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2018**  
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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**NOTE 3 – ACCOUNTING POLICIES (Continued)**

**3.2 Changes in accounting policies (Continued)**

**b) TFRS 9 Financial instruments (Continued)**

- Revenue classified as held-to-maturity (Note 5): These are held within the scope of the business model aimed at collecting contractual cash flows, which include interest payments on principal and principal balance only. Therefore, these financial assets will continue to be measured at their amortized cost after the application of TFRS 9.
- Trade and other receivables shown at amortized cost (Note 7): These are held within the business model aimed at collecting contractual cash flows, which include interest payments on principal and principal balance only. Therefore, these financial assets will continue to be measured at their amortized cost after the application of TFRS 9.
- All other financial assets and liabilities will continue to be measured in accordance with TAS 39 as it is currently accepted.

**Impairment**

Financial assets measured at amortized cost are subject to impairment provisions stated in TFRS 9.

The Company accounts for the impairment, which is equal to the expected life-time losses, using the simplified approach permitted by TFRS 9 for trade receivables.

**3.3 Significant accounting policies - TFRS 9 Financial instruments**

New standards and interpretations applied TFRS 9 Financial instruments The last version of TFRS 9, issued in 19 Jan 2017, replaces the existing guidance in TAS 39 "Financial Instruments: Recognition and Measurement". It also carries forward the guidance on recognition, classification, measurement and derecognition of financial instruments from TAS 39 to TFRS 9. The last version of TFRS 9 includes a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements and also includes guidance issued in previous versions of TFRS 9. TFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018.

**Classification and measurement – Financial assets**

TFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI (fair value through other comprehensive income) and FVTPL (fair value through profit or loss).The standard eliminates the existing TAS 39 categories of held to maturity, loans and receivables and available for sale.

The new classification requirements would have had a impact on its accounting for trade receivables, investments in debt securities, cash and cash equivalents and other financial assets.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2018**  
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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**NOTE 3 – ACCOUNTING POLICIES (Continued)**

**3.3 Significant accounting policies - TFRS 9 Financial instruments (Continued)**

Impairment – Financial assets and contract assets

TFRS 9 replaces the 'incurred loss' model in TAS 39 with a forward looking 'expected credit loss' (ECL) model. This will require considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments, and to contract assets.

Under TFRS 9, loss allowances will be measured on either the following bases.

- 12 month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12 month ECL measurement applies if it has not.

An entity may determine that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date. However lifetime ECL measurement (simplified approach) always apply for trade receivables and contract assets without a significant financing component. The Company will apply lifetime ECL measurement.

The Company has taken advantage of the exemption allowing it not to restate comparative information for prior periods with respect to classification and measurement (including impairment) changes. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of TFRS 9 are recognized in retained earnings and reserves as at 1 January 2018.

**3.4 Assigned receivables transactions**

The Company performed two assigned transactions in 2018. The first is on-balance sheet receivables originating from delivered independent parts and the other comprises of off-balance sheet items that have not yet been delivered. In the first assigned transaction, the receivables from the sale of residential and commercial units excluding some portion whose credit risk remains with the Company and the future CPI escalation differences are assigned as "non-recourse". The difference between the carrying value of the receivables from the sale of residential and commercial units and the cash received is accounted in the statement of profit or loss as finance expense. The cash received is presented as operating cash flows. In the second factoring transaction, the Company factored its off balance sheet receivables arising from its pre-sales contracts excluding some portion whose credit risk remains with the Company and the future CPI escalation differences are assigned as "non-recourse" and collected cash. The cash collected is recorded as liability in deferred income. The difference between the receivables of the residential and commercial units that are transferred and the cash received shall be deducted from the sales revenue of the individual section delivery in the statement of profit or loss table. The cash received is presented as operating cash flows in the statement of cash flows.

## EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2018 (Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

#### NOTE 4 – CASH AND CASH EQUIVALENTS

	31 March 2018	31 December 2017
Banks	1,561,581	897,501
- Demand deposit	188,974	191,479
- Time deposits up to 3 months maturity	1,372,607	706,022
	<u>1,561,581</u>	<u>897,501</u>

Maturities of cash and cash equivalents are as follows:

	31 March 2018	31 December 2017
Demand	188,974	191,479
Up to 3 month	1,372,607	706,022
Less: Blocked deposits with maturities less than 3 months	(36,232)	(30,977)
	<u>1,525,349</u>	<u>866,524</u>

Average effective interest rates of in TL time deposits are as follows:

31 March 2018	31 December 2017
(%)	(%)
13.35%	10.41%

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

	31 March 2018	31 December 2017
Cash and cash equivalents	1,561,581	897,501
Less: Interest accruals	(5,938)	(2,707)
Less: LSRSA project deposits (*)	(320,873)	(237,198)
Less: TOKİ deposits (**)	(261,277)	(255,176)
Less: Blocked deposits	(23,425)	(17,339)
	<u>950,068</u>	<u>385,081</u>

(\*) 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 320,873 (31 December 2017: TL 237,198) part of the total project amount deposits TL 12,807 (31 December 2017: TL 13,638) comprises of blocked deposits.

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

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2018

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

### NOTE 5 - FINANCIAL INVESTMENTS

Financial investments	31 March 2018	31 December 2017
Blocked deposits more than 3 months maturity (**)	148,757	165,741
Bond	8,106	8,266
Special issue government bonds (*)	12,017	12,267
	<b>168,880</b>	<b>186,274</b>

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

(\*\*) In order to provide low interest rate financing to customers who want to buy home from the projects developed by the company, the aim is to keep the loan amounts used by the customers as blocked deposits in the bank. The relevant amounts are ready for the use of the company in the specified period. The contractor portion of blocked deposits in the bank accounts which opened in the name of the related project and more than 3 months maturity, is TL 76,031 (31 December 2017: TL 80,748) while the company portion of the blocked shares is TL 72,726 (December 31, 2017: TL 84,993).

The Company acquired bonds amounting to 8,106 TL as of 31 March 2018 (31 December 2017: 8,266 TL) from free market. These bonds are measured at fair value. The fair value of these bonds are calculated by using the effective interest rates quarterly. Average effective interest rate of financial assets at 31 March 2018 is 14.09 % (31 December 2017: 12.92%). As of 31 March 2018, average term of the treasure bills changes between three and six months (31 December 2017: changes between three and six months).

### NOTE 6 - FINANCIAL LIABILITIES

	31 March 2018	31 December 2017
<b>Short-term financial liabilities</b>		
Short-term portion of long-term borrowings	695,564	482,364
	<b>695,564</b>	<b>482,364</b>
<b>Long-term financial liabilities</b>		
Long-term borrowings	1,930,385	1,932,308
	<b>1,930,385</b>	<b>1,932,308</b>

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2018

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

### NOTE 6 - FINANCIAL LIABILITIES (Continued)

The weighted average interest rate of the borrowing as at 31 March 2018 is 14.31% (31 December 2017: 14.75 %).

The redemption schedules of the borrowings at 31 March 2018 and 31 December 2017 are as follows:

	31 March 2018	31 December 2017
2019	605,769	746,154
2020	807,692	746,154
2021	501,538	440,000
2022	15,386	-
	<b>1,930,385</b>	<b>1,932,308</b>

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

	31 March 2018	31 December 2017
Less than 3 months	105,385	47,692
Between 3 - 12 months	590,179	434,672
Between 1 - 5 years	1,930,385	1,932,308
	<b>2,625,949</b>	<b>2,414,672</b>

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

### NOTE 7 - TRADE RECEIVABLES AND PAYABLES

	31 March 2018	31 December 2017
<b>Short-term trade receivables</b>		
Receivables from LSRSA contractors invoiced	1,320,873	951,881
Receivables from sale of residential and commercial units	300,870	721,531
Assigned receivables from sale of residential and commercial units (*)	44,958	-
Receivables from land sales	10,376	11,289
Receivables from related parties (Note 20)	6,985	8,239
Rent receivables	1,084	1,572
Other	2,428	2,429
Unearned finance income	(10,591)	(15,252)
	<b>1,676,983</b>	<b>1,681,689</b>
Doubtful receivables	1,837	1,837
Less: Provision for doubtful receivables	(1,837)	(1,837)
	<b>1,676,983</b>	<b>1,681,689</b>

(\*)The Company has assigned a certain portion of its receivables arising from instalment sales that it has realized as "irrevocable". This amount comprises of the receivables from the receivables financing company.

**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 7 - TRADE RECEIVABLES AND PAYABLES (Continued)**

	31 March 2018	31 December 2017
<b>Long-term trade receivables</b>		
Receivables from sale of residential and commercial units	1,910,918	1,944,998
Unearned finance income	(236,388)	(258,353)
	<b>1,674,530</b>	<b>1,686,645</b>

	31 March 2018	31 December 2017
<b>Short-term trade payables</b>		
Payables to related parties (Note 20)	771,075	744,713
Payables to LSRSA contractors invoiced	555,616	314,001
Trade payables	412,630	195,211
Time deposit interest accruals from LSRSA contractors invoiced (*)	11,113	12,723
	<b>1,750,434</b>	<b>1,266,648</b>

(\*) 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 8 - OTHER RECEIVABLES AND PAYABLES**

	31 March 2018	31 December 2017
<b>Short-term other receivables</b>		
Receivables from contractors	795,482	783,205
Housing Acquisition Support ("HAS") related receivables from Turkish Treasury	390,771	390,771
Receivables from the authorities	6,393	6,360
Other	134	130
	<b>1,192,780</b>	<b>1,180,466</b>

	31 March 2018	31 December 2017
<b>Long-term other receivables</b>		
Deposits and guarantees given	1,029	988
	<b>1,029</b>	<b>988</b>

	31 March 2018	31 December 2017
<b>Short term other payables</b>		
Payable to HAS beneficiaries	402,960	403,013
Payable to contractors (*)	88,752	88,752
Taxes and funds payable	6,155	10,187
Other	51,909	52,815
	<b>549,776</b>	<b>554,767</b>

(\*) The amount includes the unissued invoice by the contractor amount of TL 88,752 regarding to the units received as a result of revenue allocation at İzmir Mavisehir Phase 3 project, where the contractor filed a lawsuit regarding the revenue sharing percentages (31 December 2017: TL 88,752).

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

**NOTE 8 - OTHER RECEIVABLES AND PAYABLES (Continued)**

As of 31 March 2018, other long-term payables comprises of deposits and guarantees received.

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 2018 and 2017 are shown below:

	1 January 2018	Additions within the period	Disposals	31 March 2018
<b>Treasury support share</b>				
Receivable from Treasury	390,771	-	-	390,771
Special purpose government Bond (Note 5)	12,267	-	(250)	12,017
Cash generated from government bond redemption	(25)	250	(53)	172
<b>Total consideration received or receivable from Treasury</b>	<b>403,013</b>			<b>402,960</b>
<b>Payable to HAS beneficiaries</b>	<b>(403,013)</b>			<b>(402,960)</b>

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

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.****NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
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**NOTE 9 -INVENTORIES**

	31 March 2018	31 December 2017
Lands	4,080,173	4,022,623
<i>Cost</i>	4,097,527	4,033,188
<i>Impairment</i>	(17,354)	(10,565)
Planned land by LSRSA	6,291,515	6,362,982
Planned land by turnkey project	2,723,897	2,433,661
Residential and commercial units ready for sale	704,409	827,365
<i>Cost</i>	713,493	838,629
<i>Impairment</i>	(9,084)	(11,264)
	<b>13,799,994</b>	<b>13,646,631</b>

As of 31 March 2018, independent valuation reports prepared by Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş. ve Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş. are taken into consideration in order to calculate the fair value and impairment loss, if any, on land units and commercial units ready for sale.

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

	2018	2017
Balance at 1 January	18,808	18,808
Impairment charge for the period	8,810	26,717
Reversal of impairment	(1,180)	(9,480)
Balance at 31 March	<b>26,438</b>	<b>36,045</b>

**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 - INVENTORIES (Continued)**

The details of land and residential stocks of the company are shown below as of 31 March 2018 and 31 December 2017:

Lands	31 March 2018	31 December 2017
İstanbul Küçükçekmece Lands	1,412,120	1,341,390
İstanbul Bakırköy Lands	685,406	685,406
İstanbul Şişli Lands	455,122	455,122
İstanbul Başakşehir Lands	367,637	352,243
İstanbul Amavutköy Lands	333,309	333,309
İstanbul Çekmeköy Lands	247,830	247,830
İstanbul Tuzla Lands	205,916	205,917
İstanbul Kartal Lands	133,878	133,878
Samsun Camık Lands	94,265	94,265
İstanbul Ataşehir Lands	40,136	40,136
İstanbul Esenyurt Lands	49,588	49,588
Ankara Çankaya Lands	18,094	46,042
İstanbul İstinye Lands	7,734	7,734
Kocaeli Gebze Lands	7,214	7,839
Tekirdağ Kapaklı Lands	6,210	6,210
Tekirdağ Çorlu Lands	6,153	6,153
Maltepe Küçükyalı Lands	3,010	3,010
İstanbul Şile Lands	2,441	2,441
İstanbul Unraniye Lands	1,844	1,844
Kocaeli Tütüncüiftliği Lands	1,528	1,528
İstanbul Zekeriyaköy Lands	677	677
Other	61	61
	<b>4,080,173</b>	<b>4,022,623</b>

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.****NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
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**NOTE 9 - INVENTORIES (Continued)**

Planned lands by LSRSA	31 March 2018	31 December 2017
Nidapark İstinye Project	994,193	994,512
Nidapark Kucukyali Project	677,715	678,835
Büyükyalı Project	656,808	656,805
Merkez Ankara Project	634,550	639,672
Bizim 2. Mahalle Project	426,012	486,288
Zeytinburnu Beştelsiz Project	408,046	407,730
Beykoz Riva Project	344,410	-
Köy Project	203,254	225,564
Nidapark Kayasehir Project	199,440	179,903
Antalya Muratpaşa Project	196,673	194,435
Validebağ Konakları Project	153,764	153,775
Tual Bahçekent Project	118,929	105,104
Avangart İstanbul Project	118,273	120,077
Evvel İstanbul Project	98,767	72,590
Koordinat Çayyolu Project	97,138	97,138
Tual Adalar Project	90,842	91,079
Temaşehir Konya Project	86,704	86,704
Avrupark Project	81,739	71,818
Evora Denizli Project	76,256	77,197
Kocaeli Derince Project	70,360	70,360
Cer İstanbul Project	67,520	67,520
Karat 34 Project	67,166	67,438
Ebruli İspartakule Project	58,105	57,817
Avrupark Hayat Project	54,056	48,665
Semt Bahçekent Project	50,154	45,413
İspartakule 6. Etap Project	47,979	47,979
Yeniköy Konakları İstanbul Project	45,368	45,475
Maslak 1453 Project	35,469	35,469
Çankaya Oran Project	33,079	-
Ofis Karat Bakırköy Project	30,919	30,919
Göl Panorama Project	21,524	13,720
Tuzla İçmeler Project	20,016	20,016
İstmarina Project	15,322	194,406
Şile Çavuş Project	9,813	9,813
Ankara Saraçoğlu Project	1,152	-
Avrupa Komutan Başakşehir Project	-	126,977
Other	-	141,769
	<b>6,291,515</b>	<b>6,362,982</b>

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.****NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
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**NOTE 9 - INVENTORIES (Continued)**

<b>Planned lands by turnkey project</b>	<b>31 March 2018</b>	<b>31 December 2017</b>
Ayazma Emlak Komutları Project	467,015	431,551
Başkent Emlak Komutları Project	514,508	470,380
Ispartakule 1. Etap 1. Kısım Project	287,300	265,455
Kuzey Yakası Project	276,170	227,941
Gebze Emlak Komutları	259,190	211,815
Ispartakule 1. Etap 2. Kısım Project	244,759	223,584
Nevşehir Emlak Komutları Project	172,991	163,996
Körfezkent 4. Etap Project	153,187	126,008
Emlak Konut Başakşehir Evleri 2. Etap Project	138,770	128,922
Başakşehir Ayazma 2. Etap Project	121,587	108,261
Niğde Emlak Komutları	72,260	64,486
Kocaeli Körfezkent Commercial Units	16,160	11,262
	<b>2,723,897</b>	<b>2,433,661</b>
<b>Completed units</b>	<b>31 March 2018</b>	<b>31 December 2017</b>
Sarphan Finanspark Project	231,042	231,042
Maslak 1453 Project	168,335	168,335
Esenler Emlak Konutları	82,996	138,828
Metropol İstanbul Project	77,723	141,096
Batışehir Project	38,554	41,631
Nidakule Ataşehir Project	30,862	30,862
Unikonut Project	23,435	23,435
Dumankaya MİKS Project	24,866	24,866
Bahçekent Emlak Konutları 1.Etap 3.Kısım	11,302	11,616
Başakşehir Emlak Konutları 1. Etap 2.Kısım	4,345	4,345
Bulvar İstanbul Project	3,917	3,917
Kayabaşı Emlak Konutları	2,657	2,418
Park Yaşam Mavişehir Evleri	1,739	1,739
Kocaeli Körfezkent Emlak Konutları	1,089	1,089
Spradon Vadi Evleri	-	599
Other	1,547	1,547
	<b>704,409</b>	<b>827,365</b>

## EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2018

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#### NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

31 March 2018	Buildings	Motor vehicles	Furniture, equipment and fix assets	Construction in progress	Total
Net book value as of 1 January 2018	58,504	833	7,427	94	66,858
Additions	-	-	210	3	213
Depreciation expense(-)	(165)	(99)	(721)	-	(985)
<b>Net book value 31 March 2018</b>	<b>58,339</b>	<b>734</b>	<b>6,916</b>	<b>97</b>	<b>66,086</b>
Cost	62,129	2,160	18,071	97	82,457
Accumulated depreciation (-)	(3,790)	(1,426)	(11,155)	-	(16,371)
<b>Net book value 31 March 2018</b>	<b>58,339</b>	<b>734</b>	<b>6,916</b>	<b>97</b>	<b>66,086</b>

31 March 2017	Buildings	Motor vehicles	Furniture, equipment and fix assets	Construction in progress	Total
Net book value as of 1 January 2017	59,327	1,226	8,599	29	69,181
Additions	94	-	789	-	883
Depreciation expense(-)	(529)	(99)	(710)	-	(1,338)
<b>Net book value 31 March 2017</b>	<b>58,892</b>	<b>1,127</b>	<b>8,678</b>	<b>29</b>	<b>68,726</b>
Cost	61,345	2,436	16,812	29	80,622
Accumulated depreciation (-)	(2,453)	(1,309)	(8,134)	-	(11,896)
<b>Net book value 31 March 2017</b>	<b>58,892</b>	<b>1,127</b>	<b>8,678</b>	<b>29</b>	<b>68,726</b>

#### NOTE 11 - INVESTMENT PROPERTIES

Investment properties are for rent and sales comparison approach and income methods by discounted cash flows are used as fair value in these valuations and impairment calculations.

Regarding the measurement of fair values of investment properties at 31 March 2018, the valuation reports are taken from independent valuation CMB authorised firms Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş. and Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş. (31 December 2017: Atak Gayrimenkul Değerleme A.Ş.). The fair values of the investment property determined by independent valuation experts are as follows:

	31 March 2018	31 December 2017
Lands	23,744	23,744
Atasehir General Management Office A Block	83,524	83,524
Independent commercial units of Istmarina AVM (*)	270,950	-
	<b>378,218</b>	<b>107,268</b>

(\*)The Company purchased independent commercial units in 2018 with the aim of obtaining rental income from the Istmarina shopping center, which was completed within the scope of "İstanbul Kartal LSRSA Project".

## EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2018 (Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

#### NOTE 12 –PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

	31 March 2018	31 December 2017
<b>Provisions</b>		
Provision for lawsuits	46,992	46,916
	<b>46,992</b>	<b>46,916</b>

The movements of provision for lawsuits as of 31 March 2018 and 2017 are as follows:

	2018	2017
<b>Balance at 1 January</b>	<b>46,916</b>	<b>73,238</b>
Provision released within the current period (Note 18)	-	(5,222)
Provision charged for the period (Note 18)	76	-
Provision used in the period	-	(9,565)
<b>Balance at 31 March</b>	<b>46,992</b>	<b>58,451</b>

#### 12.1 Continued and Contingency Cases

- 12.1.1 Contractor firm filed a lawsuit against the Company claiming compensation because of damage caused by our company in the agreement of The LSRSA Project regarding İstanbul Bakırköy, 51/4 section 257 zone 33 & 38 parcels. the requested case has been concluding against the Company by the local court and the judgment of the Court of Cassation is dismissed in favor of the Company and the decision of the local court is expected. The Company made provision amounting to TL 19,738 from the related case.
- 12.1.2 Plaintiff contractor firm filed a lawsuit against the Company claiming compensation because of receivables, cancellation of title deed, registration. The decision of the contractor to unjustly terminate the contract has been finalized. Lawsuits filed by the company, amounting to TL 6.681, have been partially accepted and the trial has been appealed The Company made provision amounting to TL 6,717 from the related case.
- 12.1.3 The plaintiff is requested by the contractor to register a legal mortgage amounting to TL 4,065 for the buildings constructed in İstanbul, Kucukcekmece District 478, parcel 6, and parcel 844, parcel 1. The İstanbul 16th Asliye Commercial Court dismissed the lack of jurisdiction by stating that the Bakırköy courts were the definite authority. The decision has been appealed and the Court of Cassation upheld the decision of the local court. The proceedings are continuing at the Bakırköy 4th Asliye Commercial Court. The Company made provision amounting to TL 4,117 from the related case.

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**NOTE 12 –PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)**

**12.2 Contingent Liabilities of Emlak Konut GYO**

In the financial statements prepared as of 31 March, 2018, the ongoing litigation liabilities were evaluated in the following matters. According to the opinion of the Company Management and its lawyers, no provision has been made in the financial statements prepared as of 31 March, 2018 on the grounds that it is not probable that the outflow of resources with economic benefits will be realized in cases filed against the Company in order to fulfill its obligation.

**12.2.1** The LSRSA Project Agreement dated 21 December 2005 regarding 750 units in İzmir Mavisehir Upper North Area 2. Phase has been abolished on 21 December 2009 since the contractor did not meet the requirements of the provisions in the agreement. Following the cancellation of the agreement, the project has been transferred to the Company and the remaining part of the project has been completed by another construction company which was assigned in accordance with public tender law. The related units have been completed and are sold by the Company as in Turnkey projects.

The prior contractor filed a lawsuit against the Company claiming that the completion percentage of the project was significantly high and that the agreement between the parties was based on construction right in return for flat. The Company and the contractor filed counter lawsuits in the following period and an additional report was decided to be issued. The additional report is about the final receivables and payables of the parties considering all the claims. The additional report is completed. The court decided to apply secondary expert report as a result of additional report examination on 11 June 2014.

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

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

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

**12.2.2** The LSRSA project agreement regarding İzmir Mavisehir Upper North Area 3. Phase has been signed on 19 December 2005 and following almost all the contractual obligations have been performed by the parties, the Contractor filed a lawsuit against the Company claiming that the agreement conditions should be revised considering the changing conditions. The Contractor wants all the agreement provisions to be cancelled except for the provisions where the Company's revenue portion is TL 67,515 plus VAT calculated as TL 175,000 plus VAT total project revenue times 38.58% Company's revenue portion.

The Contractor wants all the properties and related land portion to be valued by an independent valuation company as of the date of the lawsuit and that 38.58% of the total value to be appropriated to the Company and the remaining 61.42% of the total value to be appropriated to the Contractor.

## EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2018

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#### NOTE 12 –PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

##### 12.2 Contingent Liabilities of Emlak Konut GYO (Continued)

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

12.2.3 Contractor firm filed a lawsuit against the Company claiming compensation amounting to 21.690 TL. The court decided to accept the case. The decision of the local court was corrupted by the Court of Cassation in favor of Emlak Konut GYO. The correctness of the decision is expected. 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.

12.2.4 Contractor of İzmir Mavisehir Upper North Area 2. Phase LSRSA Project, the contractor was filed a lawsuit for assignment that the claimant has given. The case is proceeding and According to comments received from the Company's lawyer, it is not expected to arise any liability that put the Company under obligation as a result of related case.

12.2.5 In terms of the assignment given by the Istanbul Ümraniye Phase 1 LSRSA contractor, ordinary partnership received amount of TL 46,000 from Şekerbank T.A.Ş. according to the contract with Emlak Konut GYO. Şekerbank T.A.Ş. claiming that the amount of TL 34,134 has not been paid unjustly to the transferring entity. The plaintiff requested that the mortgage be put on a part of the immovable subject matter in order to constitute the guarantee of taking the case. The trial is ongoing.

##### 12.3 Contingent Assets of Emlak Konut GYO

12.3.1 As of 31 March 2018 and 31 December 2017, the breakdown of nominal trade receivables resulted from the residential and commercial unit sales and the expected timing of the nominal installments not due or not collected that are not included in the balance sheet as TAS 18 criteria has not been met since the construction is still ongoing or the construction has been completed but the units have not been delivered in accordance with pre-sales contract:

31 March 2018	Trade Receivables	Off-balance sheet deferred revenue	Total
1 year	300,870	718,005	1,018,875
2 year	427,893	597,746	1,025,639
3 year	354,108	471,176	825,284
4 year	220,476	351,076	571,552
5 year and above	908,441	1,666,936	2,575,377
	<b>2,211,788</b>	<b>3,804,939</b>	<b>6,016,727</b>

31 December 2017	Trade Receivables	Off-balance sheet deferred revenue	Total
1 year	721,531	755,373	1,476,904
2 year	480,164	564,401	1,044,565
3 year	343,526	488,004	831,530
4 year	217,240	345,673	562,913
5 year and above	904,068	1,622,221	2,526,289
	<b>2,666,529</b>	<b>3,775,672</b>	<b>6,442,201</b>

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.****NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
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**NOTE 13 - OTHER ASSETS AND LIABILITIES**

	31 March 2018	31 December 2017
<b>Other current assets</b>		
Accrued income	174,600	111,557
Progress payments given to contractors	84,636	83,020
Receivables from tax office	23,714	20,187
Deferred VAT	19,758	2,512
	<b>302,708</b>	<b>217,276</b>
	31 March 2018	31 December 2017
<b>Other non-current assets</b>		
Deferred VAT	46,630	12,637
	<b>46,630</b>	<b>12,637</b>

**NOTE 14 - DEFERRED INCOME AND PREPAID EXPENSES**

	31 March 2018	31 December 2017
<b>Short-term deferred income</b>		
Deferred income from LSRSA projects (*)	1,488,395	2,069,084
Advances taken from LSRSA contractors (**)	703,875	850,342
Advances taken from turnkey project sales	611,947	582,153
Alienable deferred incomes (***)	350,000	-
Deferred income from sales of completed units	91,830	162,406
Advances taken from related parties (Note 20)	64,732	64,732
	<b>3,310,779</b>	<b>3,728,717</b>

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

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

(\*\*\*)The Company is obliged to collect cash by assigning a certain portion of its receivables arising from term sales that it has realized as "irrevocable recourse".

	31 March 2018	31 December 2017
<b>Prepaid expenses</b>		
Advances given for inventory (*)	1,077,130	986,501
Prepaid expenses	436	-
	<b>1,077,566</b>	<b>986,501</b>

(\*) A protocol has been signed between the Company and the Tarıř Cooperative Associations to develop revenue sharing project on a total of 143,366-m<sup>2</sup> land, which is belonging to the Tarıř Cooperative Unions, located within the boundaries of Kurukay / Umurbey, Konak district of İzmir. The Company has provided an advance of stock amounting to TL 400,585. The Company has also provided a stock advance of 639,886 TL to the contractors for the houses and commercial units they have received from Ankara Yenimahalle Station and Büyükyah projects.

## EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2018

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#### NOTE 15 - SHAREHOLDERS' EQUITY

The Company's authorized capital amount is TL 3,800,000 (31 December 2017: TL 3,800,000) and consists of 380,000,000,000 (31 December 2017: 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 2018 and 31 December 2017 is as follows:

Shareholders	31 March 2018		31 December 2017	
	Share (%)	TL	Share (%)	TL
Public offering portion	50.66	1,925,111	50.66	1,925,111
T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı ("TOKİ")	49.34	1,874,831	49.34	1,874,831
HAS beneficiaries	0.00	56	0.00	56
Other	0.00	2	0.00	2
<b>Total paid in capital</b>	<b>100</b>	<b>3,800,000</b>	<b>100</b>	<b>3,800,000</b>

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve balance reaches 20% of the Company's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

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

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

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

The Company paid dividend to its shareholders amounting to TL 367,888 according to the decision in general assembly meeting on 14 April 2016. The dividend amounting to TL 11,618 which correspond to its treasury shares has been accounted in share premium account in equity.

Between 1 November 2017 and 17 November 2017, The Company has repurchased 8,309,000 numbers of shares with nominal value between full TL 2.55 and full TL 2.70 and total amounting to full TL 21,623,770 full TL). Shares average purchase price is TL 2.60 and as a result of the purchases, the share of the total shares to the total share lot is 3.38%

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.****NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
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**NOTE 16 - REVENUE AND COST OF SALES**

	1 January- 31 March 2018	1 January- 31 March 2017
<b>Sales income</b>		
Land sales	1,277,923	412,505
<i>Income from sale of land and plots by way of LSRSA</i>	<i>1,277,923</i>	<i>412,505</i>
Residential and commercial units sales	158,034	421,060
Other Income	1,084	538
	<b>1,437,041</b>	<b>834,103</b>
Sales returns	(926)	(11)
Sales discounts	(733)	-
<b>Net sales income</b>	<b>1,435,382</b>	<b>834,092</b>
<b>Cost of sales</b>		
Cost of land sales	(415,411)	(64,767)
<i>Cost of land and plots sold by way of LSRSA</i>	<i>(415,411)</i>	<i>(64,767)</i>
Cost of residential and commercial units sales	(121,635)	(320,384)
	<b>(537,046)</b>	<b>(385,151)</b>
<b>Gross profit</b>	<b>898,336</b>	<b>448,941</b>

**NOTE 17 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES**

	1 January- 31 March 2018	1 January- 31 March 2017
<b>General administrative expenses</b>		
Personnel expenses	(15,251)	(11,659)
Taxes, duties and fees	(9,091)	(6,886)
Subcontracting service expenses	(3,375)	(2,824)
Consultancy expenses	(3,100)	(3,112)
Depreciation and amortisation	(1,790)	(1,633)
Travel expenses	(1,739)	(1,484)
Office expenses	(1,511)	(392)
Maintenance	(702)	(816)
Due and contribution expenses	(547)	(817)
Donations	(155)	(30)
Insurance expenses	(117)	(31)
Lawsuit and notary expenses	(117)	(328)
Communication	(91)	(125)
Other	(2,829)	(1,318)
	<b>(40,415)</b>	<b>(31,455)</b>

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.****NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2018***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)***NOTE 17 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES  
(Continued)**

	1 January- 31 March 2018	1 January- 31 March 2017
<b>Marketing, sales and distribution expenses</b>		
Advertising expenses	(11,444)	(17,441)
Personnel expenses	(947)	(1,205)
Office expenses	(120)	(115)
Notary expenses	(17)	-
Other	(1,188)	(199)
	<b>(13,716)</b>	<b>(18,960)</b>

**NOTE 18- OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES**

	1 January- 31 March 2018	1 January- 31 March 2017
<b>Other income from operating activities</b>		
Finance income from credit sales	110,309	63,908
Delay penalty interest from project contractors	39,180	19,533
Recirculate commission income	6,628	4,074
Impairment provision reversals (Note 9)	1,180	9,480
Fee returns from land offices	514	-
Income from tender contract sales	125	-
Released lawsuit provisions (Note 12)	76	5,222
Other	3,953	6,780
	<b>161,965</b>	<b>108,997</b>

	31 March 2018	31 March 2017
<b>Other expenses from operating activities</b>		
Investment properties impairment provision expenses	(23,333)	-
Home and land inventories impairment provision expenses	(8,810)	(26,717)
Reversal of due date differences	-	(39,091)
Other	(574)	(986)
	<b>(32,717)</b>	<b>(66,794)</b>

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.****NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
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**NOTE 19 - FINANCIAL INCOME / EXPENSES**

	1 January- 31 March 2018	1 January- 31 March 2017
<b>Financial income</b>		
Interest income from time deposits	20,639	13,261
Foreign exchange income	7	2
	<b>20,646</b>	<b>13,263</b>
	1 January- 31 March 2018	1 January- 31 March 2017
<b>Financial expenses</b>		
Loan interest expense	(58,460)	(18,251)
Assigned receivables and commission expense	(44,438)	-
Interest expense on payable to TOKI (*)	(23,065)	(110,628)
Interest discount on pay off debt	(745)	(1,073)
Foreign exchange loss	(214)	(147)
Interest expense on Turkish Treasury borrowings	-	(5,558)
	<b>(126,922)</b>	<b>(135,657)</b>

(\*) This amount comprises of the interest expense accrued as of 31 March 2018 for the debts arising from payments of land received from the Toplu Konut İdaresi.

## EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2018

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#### NOTE 20 - RELATED PARTY DISCLOSURES

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

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

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

- Balances and transactions with respect to Turkish Treasury are detailed in Note 4, 5 and 8.
- The Company mostly deposits its cash in State Banks in compliance with its related statute. The bank balances with state banks amounted to TL 947,176 as of 31 March 2018 (31 December 2017: TL 508,974) Regarding these bank balances, the Company also generated interest income from the related State banks amounted to TL 26,740 in as of 31 March 2018 (31 March 2017: TL 34,539). Average effective interest rates of time deposits of the Company as of 31 March 2018 are explained in Note 4.

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

	31 March 2018	31 December 2017
<b>Trade receivables from related parties</b>		
Emlak Planl. İnş. Prj. Yön. A.Ş. - Ege Yapı Ltd. Şti.	99	1,353
Emlak Planl. İnş. Prj. Yön. A.Ş. - Fideltus İnş-Öztaş İnş O.G.	5,576	5,576
Emlak Planl. İnş. Prj. Yön. A.Ş. - Cathay Ortak Girişimi	1,310	1,310
	<b>6,985</b>	<b>8,239</b>

	31 March 2018	31 December 2017
<b>Trade payables to related parties</b>		
T.C. Başbakanlık Toplu Konut İdaresi Başkanlığı ("TOKİ") (*)	769,692	743,388
Ege Yapı Ltd. Şti.-Emlak Pazarlama O.G.	1,383	1,325
	<b>771,075</b>	<b>744,713</b>

(\*) The Company has purchased various lands from its ultimate parent company (TOKİ). The remaining payable from this purchases to TOKİ is amounting to TL 489,380 (31 December 2017: TL 489,380) and accrued interest is TL 58,403 (31 December 2017: TL 38,200).

**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 20 - RELATED PARTY DISCLOSURES (Continued)**

Advances received from related parties	31 March 2018	31 December 2017
Emlak Planl. İnş. Prj. Yön. A.Ş. - Fideltus İnş.- Öztaş İnş. O.G. (*)	64,732	64,732
	<b>64,732</b>	<b>64,732</b>

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

Purchases from related parties	1 January- 31 March 2018	1 January- 31 March 2017
T.C. Başbakanlık Toplu Komut İdaresi Başkanlığı ("TOKİ")	12,058	-
Emlak Planlama İnş. Prj. Yön. A.Ş. - Emlak Basın Yayın A.Ş.	286	225
	<b>12,344</b>	<b>225</b>

Finance expense from related parties	31 March 2018	31 March 2017
T.C. Başbakanlık Toplu Komut İdaresi Başkanlığı ("TOKİ")	23,065	110,628
	<b>23,065</b>	<b>110,628</b>

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

Sales to related parties	1 January- 31 March 2018	1 January- 31 March 2017
Emlak Planlama İnş. Prj. Yön. A.Ş. - Ege Yapı Ltd. Şti.	-	2
	<b>-</b>	<b>2</b>

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

Remuneration of key management	1 January- 31 March 2018	1 January- 31 March 2017
Salaries and other short-term employee benefits	1,296	1,533
	<b>1,296</b>	<b>1,533</b>

## EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2018

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#### NOTE 21 - COMMITMENTS

The mortgage and guarantees received of the Company as of 31 March 2018 and 31 December 2017 are explained below;

	31 March 2018	31 December 2017
Guarantees received (*)	3,750,067	3,606,210
Mortgages received (**)	57,685	57,685
	<b>3,807,752</b>	<b>3,663,895</b>

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

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

The collaterals, pledges and mortgages ("CPM") of the Company as of 31 March 2018 and 31 December 2017 are explained below;

	31 March 2018	31 December 2017
A. CPM given on behalf of the Company's legal personality	56,323	56,397
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	-	-
	<b>56,323</b>	<b>56,397</b>

#### NOTE 22 - EVENTS AFTER THE REPORTING PERIOD

The Company has agreed "ordinary partnership" with Dap Yapı İnşaat San. ve Tic. A.Ş. (%59,7), Eltes İnş. Tes. San. Tic. A.Ş. (%0,3) and the Company (%40), aim of initiating operational (rent) activities of the shopping center. The construction of the shopping center (spread on a area of 51.000 m2) is completed within Istmarina Project (Istanbul Kartal LSRSA Project).

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

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
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**ADDITIONAL NOTE - CONTROL OF COMPLIANCE WITH THE PORTFOLIO  
LIMITATIONS**

	Non-Consolidated (Individual) Financial Statements		Current Period	Prior Period
	Main Account Items	Related Regulation	31 March 2018	31 December 2017
			(TL)	(TL)
A	Money and Capital Market Instruments	Series III-No:48, Art.24(b)	1,148,311	591,401
B	Properties, Projects based on Properties and Rights based on Properties	Series III-No:48, Art.24(a)	14,229,042	13,802,092
C	Affiliates	Series III-No:48, Art.24(b)	-	-
	Due from related parties (Non Commercial)	Series III-No:48, Art.23(f)	-	-
	Other Assets		6,524,365	6,134,501
D	Total Assets	Series III-No:48, Art.3/(k)	21,901,718	20,527,994
E	Financial Liabilities	Series III-No:48, Art.31	2,625,949	2,414,672
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	13,332,778	12,465,519
	Other Resources		5,942,991	5,647,803
D	Total Resources	Series III-No:48, Art.3/(k)	21,901,718	20,527,994
	Non-Consolidated (Individual) Financial Statements		Current Period	Prior Period
	Other Account Items	Related Regulation	31 March 2018	31 December 2017
			(TL)	(TL)
A1	The portion of Money and Capital Market Instruments held for Payables of Properties for the following 3 Years	Series III-No:48, Art.24(b)	1,148,311	591,401
A2	Term Demand/ Currency	Series III-No:48, Art.24(b)	950,068	385,081
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)	314,581	330,670
C1	Foreign Affiliates	Series III-No:48, Art.24(d)	-	-
C2	Affiliates for Operating Company	Series III-No:48, Art.28	-	-
J	Non-cash Loans	Series III-No:48, Art.31	56,323	56,397
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 PERIODS ENDED 31 MARCH 2018**  
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)**ADDITIONAL NOTE - CONTROL OF COMPLIANCE WITH THE PORTFOLIO  
LIMITATIONS (Continued)**

			31 March 2018 (%)	31 December 2017 (%)	Minimum/ Maximum Rate
1	Portfolio restrictions:	Related regulation			
1	Mortgage amount of Servient Lands Which Will Be Developed And Not Owned	Series:III-No:48, Art.22(e)	-	-	<10%
2	Properties, Projects based on Properties and Rights based on Properties	Series:III-No:48, Art.24(a)(b)	70	70	>50%
3	Money and Capital Market Instruments and Affiliates	Series:III-No:48, Art.24(b)	-	8	<50%
4	Foreign Properties, Projects based on Properties, Rights based on Properties, Affiliates, Capital Market Instruments	Series:III-No:48, Art.24(d)	-	-	<49%
5	Idle Lands	Series:III-No:48, Art.24(c)	1	2	<20%
6	Affiliates to the Operating Company	Series:III-No:48, Art.28	-	-	<10%
7	Borrowing Limit	Series:III-No:48, Art.31	20	3	<500%
8	TL and Foreign Currency Time and Demand Deposits	Series:III-No:48, Art.22(e)	-	-	<10%

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

# ANNEX-2 EMLAK KONUT REIC

## TABLE OF TENDERED LAND PLOTS (31.03.2018)

Revenue Sharing Model in Return for the Land Sale	SQM	Date of Purchase	Book Value (TRY)	Current Company Share in Total Revenue	Explanation
AĞAOĞLU MASLAK 1453 İSTANBUL PROJECT İSTANBUL ŞİŞLİ AYAZAĞA 1ST STAGE (AKDENİZ İNŞAAT)	7.194,46	30.09.2010	35.469.450,45	34.173.875,00	Construction permit obtained.
KÖY PROJECT İSTANBUL SARIYER ZEKERİYAKÖY (SİYAH KALEM MÜH.)	343.062,46	2.03.2011	228.725.474,89	475.687.500,00	The agreement of the project was signed on 19.07.2012, the construction permits for the parcels 1791/2, 1789/4, 1790/3, 1789/2, 1790/4 were obtained on 25.07.2014, 31.12.2014, 24.06.2013, 06.07.2015, 06.07.2015 respectively.
İSTMARİNA PROJECT İSTANBUL KARTAL (ELTES İNŞAAT)	4.665,28	22.04.2012	15.322.224,89	58.000.000,00	The agreement of the project was signed on 04.02.2013, the construction permits for the parcels 9051/1, 9048/2, 9049/1, 9050/1 were obtained on 14.03.2014, 10.06.2015, 18.05.2015, 27.05.2015 respectively.
GÖL PANAROMA EVLERİ PROJECT İSTANBUL AVCILAR KAPADIK (BE-MA İNŞAAT)	85.251,43	30.07.2012	21.524.306,53	34.132.033,20	The agreement of the project was signed on 05.07.2013, the construction permit was obtained on 25.04.2014.
FATİH YEDİKULE PROJECT İSTANBUL FATİH YEDİKULE ( EGE YAPI - MYMETROPOL-SENA-BUKTOR JOINT VENTURE)	40.945,86	30.07.2012	67.520.449,32	105.968.270,00	The agreement of the project was signed on 02.08.2013, the construction permits were obtained 24.03.2017, 11.04.2017, 26.04.2017, 27.04.2017 respectively.
EVVEL / ADIM İSTANBUL PROJECT İSTANBUL BAŞAKŞEHİR KAYABAŞI 3RD STAGE (İNTAYA & EYG& İNTES JOINT VENTURE)	35.076,70	3.12.2012	98.766.732,41	113.895.876,18	The agreement of the project was signed on 17.12.2013. The construction permits for the parcels 884/1, 891/1, 892/1 were obtained on 04.11.2014, 31.08.2015, 31.08.2015 respectively.
ZEYTİNBURNU KAZLIÇEŞME PROJECT İSTANBUL ZEYTİNBURNU KAZLIÇEŞME (ÖZAK-YENİGÜN-ZIYLAN JOINT VENTURE)	111.262,55	24.04.2013	656.808.201,70	1.568.800.000,00	The agreement of the project was signed on 08.04.2014, the construction permits were obtained on 25.01.2016 and 18.03.2016.
AVRUPARK PROJECT İSTANBUL BAŞAKŞEHİR HOŞDERE 3RD STAGE (CİHAN İNŞ. - KONUT YAPI JOINT VENTURE)	78.639,77	14.06.2011	81.738.859,49	156.520.000,00	The agreement of the project was signed on 20.05.2014, the construction permit was obtained on 16.03.2015.
KOCAELİ DERİNCE PROJECT (KUMUŞOĞLU İNŞAAT - TOKAL İNŞAAT JOINT VENTURE)	72.313,00	3.04.2014	70.359.515,10	96.147.617,66	The agreement of the project was signed on 21.08.2014, the construction permit have not been obtained yet.
KARTAL YAKACIK PROJECT (DAĞ MÜHENDİSLİK)	24.763,18	28.05.2014	90.842.023,83	116.961.600,00	The agreement of the project was signed on 30.12.2014, the construction permit for the parcel 12626/1 was obtained on 21.01.2016 and permit for the parcel 12624/4 was obtained on 10.05.2017.
İSTANBUL BAHÇELİEVLER YENİBOSNA PROJECT (KELİF JOINT VENTURE)	36.174,56	28.05.2014	67.166.065,89	171.600.000,00	The agreement of the project was signed on 09.01.2015, the construction permit was obtained on 25.01.2016.
İSTANBUL BAŞAKŞEHİR HOŞDERE 4TH STAGE PROJECT (DAĞ MİMARLIK YAPI GAYRİMENKUL TİC.LTD.ŞTİ.)	152.621,06	14.06.2011 - 30.07.2012	118.928.916,38	275.334.000,00	The agreement of the project was signed on 26.05.2015, the construction permit was obtained on 22.01.2016.
İSTANBUL SARIYER İSTİNYE PROJECT (TAHİNCİOĞLU GAYRİMENKUL - TAHİNCİOĞLU YAPI-NİDA JOINT VENTURE)	129.487,27	28.05.2014	994.190.033,26	1.876.392.000,00	The agreement of the project was signed on 03.06.2015, the construction permit were obtained on 14.07.2017.
KONYA MERAM YENİCE PROJECT (TORKAM İNŞAAT - BUKTOR YAPI SAN. JOINT VENTURE)	60.675,48	5.03.2015	86.703.690,24	198.759.060,00	The agreement of the project was signed on 08.06.2015, the construction permits were obtained on 24.05.2016 for the parcels 37594/5 and 37595/5.
ANKARA YENİMAHALLE İSTASYON (PASİFİK GAYRİMENKUL - ÇİFTAY İNŞAAT JOINT VENTURE)	124.475,80	3.04.2014	634.550.206,25	1.258.365.000,00	The agreement of the project was signed on 09.07.2015, the construction permit was obtained on 06.02.2017.
İSTANBUL KAĞITHANE SEYRANTEPE PROJECT (GÜL İNŞAAT PROJE A.Ş. - GÜL İNŞAAT A.Ş. JOINT VENTURE)	36.749,99	5.03.2015	118.272.971,40	637.000.000,00	The agreement of the project was signed on 14.07.2015, construction permit for parcels 7752/2 and 7752/4 were obtained on 16.01.2017 and 17.04.2017 respectively.
KAYABAŞI 5TH STAGE PROJECT (TAHİNCİOĞLU - NİDA İNŞAAT JOINT VENTURE)	77.327,02	3.04.2014	199.440.170,26	407.588.000,00	The agreement of the project was signed on 20.07.2015, the construction permit was obtained on 04.02.2016.
DENİZLİ MERKEZEFENDİ (TEKNİK YAPI KONUT - TEKNİK YAPI TEKNİK YAPILAR- UCD YAPI JOINT VENTURE)	95.294,22	5.03.2015	76.256.346,83	92.651.000,00	The agreement of the project was signed on 14.09.2015, the construction permit was obtained on 29.01.2016.
ANKARA ÇANKAYA ÇAYYOLU PROJECT (YP İNŞAAT A.Ş.)	29.916,83	3.04.2014	97.137.939,18	180.000.000,00	The agreement of the project was signed on 08.10.2015, the construction permit was obtained on 15.06.2016 for the parcel 29479/1.

Revenue Sharing Model in Return for the Land Sale	SQM	Date of Purchase	Book Value (TRY)	Current Company Share in Total Revenue	Explanation
İSTANBUL ÜSKÜDAR BARBAROS PROJECT (ELTES İNŞAAT - ISTLIFE YAPI JOINT VENTURE)	17.528,55	5.03.2015	153.763.845,28	439.887.380,00	The agreement of the project was signed on 23.10.2015, the construction permit was obtained on 05.02.2016.
AVCILAR İSPARTAKULE 5TH STAGE PROJECT (TORKAM - SITAR İNŞAAT)	41.168,49	1.06.2007	58.105.439,44	132.000.000,00	The agreement of the project was signed on 09.06.2016, the construction permit was obtained on 03.02.2017.
İSTANBUL EYÜP ALİBEYKÖY (YENİ YAPI TACA İNŞAAT)	27.368,93	5.03.2015	45.368.147,50	168.150.000,00	The agreement of the project was signed on 11.05.2016, the construction permit of B and D Blocks were obtained on 24.03.2017, A and C Blocks were obtained on 23.06.2017.
İSTANBUL ESENYURT HOŞDERE 5TH STAGE (CİHAN İNŞAAT KONUT YAPI)	42.019,75	14.06.2011-	54.056.372,38	156.500.000,00	The agreement of the project was signed on 16.06.2016, the construction permit was obtained on 02.07.2017.
BAKIRKÖY YENİ MAHALLE (BAŞYAPI İNŞ. - GÜNEY GAYRİMENKUL - ELİT VİZYON JOINT VENTURE)	5.250,00	5.03.2015	30.918.691,09	62.000.000,00	The agreement of the project was signed on 15.04.2016, the construction permit was obtained on 19.01.2017.
ESENYURT HOŞDERE 6TH STAGE (SURYAPI HAYAT AKPINAR JOINT VENTURE)	53.823,56	14.06.2011	50.154.128,54	150.500.000,00	The agreement of the project was signed on 04.08.2016, the construction permit of 707/1 parcel was obtained on 14.04.2017.
MALTEPE KÜÇÜKYALI (TAHİNCİOĞLU GAYRİMENKUL - TAHİNCİOĞLU KÜÇÜKYALI - KOZKEN JOINT VENTURE)	78.097,81	28.05.2014	677.714.776,39	1.527.000.300,00	The agreement of the project was signed on 02.09.2016, the construction permits of 16771/1, 16772/1, 16773/2 were obtained on 29.12.2016.
AVCILAR İSPARTAKULE 6TH STAGE (AKYAPI İNŞAT A.Ş. EŞBAH JOINT VENTURE)	38.529,21	3.04.2015	47.979.230,35	85.600.000,00	The agreement of the project was signed on 01.09.2016, the construction permit was obtained on 30.06.2017.
İSTANBUL BEYKOZ RİVA PROJECT (YILMAZ İNŞAAT TAAH. TİC.A.Ş.)	1.076.022,18	13.09.2017	344.410.259,27	534.810.259,27	The agreement of the project signed on 13.09.2017, the construction permit have not been obtained yet.
İSTANBUL ZEYTİNBURNU BEŞTELSİZ PROJECT (GÜNEY - BAŞYAPI - ELİT - AKKOM JOINT VENTURE)	36.782,54	5.03.2015	408.045.565,87	640.100.000,00	The agreement of the project signed on 14.08.2017, the construction permit was obtained on 30.09.2017.
İSTANBUL TUZLA İÇMELER PROJECT (DAĞ MİMARLIK MÜH. GAY. SAN. TİC.A.Ş.)	10.998,00	5.03.2015	20.016.360,00	53.927.500,00	The agreement of the project signed on 14.07.2017, the construction permit have not been obtained yet.
İSTANBUL ŞİLE ÇAVUŞ PROJECT (İDEALİSKENT - İDEALİST GYO JOINT VENTURE)	21.140,51	5.03.2015	9.813.133,52	15.070.000,00	The agreement of the project signed on 20.07.2017, the construction permit have not been obtained yet.
İZMİR 1ST STAGE PROJECT (TEKNİK YAPI HALK GYO JOINT VENTURE)	47.750,00	30.12.2016	-	117.040.000,00	The agreement of the project signed on 25.08.2017, the construction permit have not been obtained yet.
İZMİR 2ND STAGE PROJECT (PEKİNCAN YAPI BURAKCAN İNŞ. JOINT VENTURE)	95.616,00	30.12.2016	-	145.200.000,00	The agreement of the project signed on 08.08.2017, the construction permit have not been obtained yet.
BİZİM MAHALLE 2ND STAGE PROJECT	118.098,98	20.11.2017	426.012.273,27	551.000.000,00	The agreement of the project signed on 20.11.2017, the construction permit have not been obtained yet.
ANTALY MURATPAŞA PROJECT	40.000,00	17.10.2017	196.673.158,47	302.100.000,00	The agreement of the project signed on 20.11.2017, the construction permit have not been obtained yet.
ANKARA Çankaya Oran	15.520,46		33.079.327,54	46.800.000,00	10.01.2018 Agreement signer
ANKARA SARAÇOĞLU PROJESİ	-		1.152.000,00	-	10.01.2018 Agreement signed

Supervision Project	SQM	Date of Purchase	Book Value (TRY)	Current Company Share in Total Revenue	Explanation
İSTANBUL INTERNATIONAL FINANCE CENTRE PROJECT SPECIFIC PROJECT RECREATION AREA (İFM - AKDENİZ İNŞAAT JOINT VENTURE)	115,497.01	31.05.2000	-	29,200,000.00	The construction permit for the parcel 3328/14 and 3328/1 parcel were obtained on 01.12.2014 and 31.12.2015 respectively.

Total of Revenue Sharing Model in Return for the Land Sale 3,427,108.90 6,291,986.94 12,961,639,842.23

Revenue Sharing Model in Return for the Land	SQM	Date of Purchase	Book Value (TRY)	Current Company Share in Total Revenue	Explanation
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Total of Revenue Sharing Model in Return for the Land - - -

Total of Revenue Sharing Model in Return for the (Land Sale/ Land) 6,291,986.94 12,961,639,842.23

TurnKey Model Projects	SQM	Date of Purchase	Book Value + Progress Payments (TRY)	Explanation
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KÖRFEZKENT 4TH STAGE (ZEK-SAN İNŞAAT) 79.804,19 25.02.2008 153.187.010,35 The agreement of the project was signed on 07.02.2015, the construction permit for parcel 1930/1 and 1925/2 were obtained on 21.11.2014 and 18.11.2014 respectively.

İSTANBUL AYAZMA 1ST STAGE (GÜR YAPI A.Ş.) 99.874,55 1.12.2010 467.015.297,23 The agreement of the project was signed on 26.05.2015, the construction permit was obtained on 18.12.2014.

EMLAK KONUT İSPARTAKULE 1ST STAGE 1ST PART PROJECT (YÖRÜK YAPI - ERMIT MÜH. JOINT VENTURE) 85.871,43 1.06.2007 287.300.275,65 The agreement of the project was signed on 18.09.2015, the construction permit was obtained on 01.06.2015.

EMLAK KONUT İSPARTAKULE 1ST PART 2ND PART PROJECT (BALPA İNŞAAT TEKS. SAN. VE TİC. A.Ş.) 74.346,32 1.06.2007 244.759.064,18 The agreement of the project was signed on 18.09.2015, the construction permit was obtained on 01.06.2015.

EMLAK KONUT BAŞAKŞEHİR EVLERİ 2ND STAGE PROJECT (KALYON İNŞAAT) 24.272,40 3.04.2014 138.769.593,75 The agreement of the project was signed on 02.02.2016, the construction permit was obtained on 11.08.2015.

NEVŞEHİR MERKEZ (CENT YAPI TİCARET LTD.ŞTİ.) 29.541,40 3.04.2014 172.990.718,03 The agreement of the project was signed on 24.05.2016, the construction permit was obtained on 07.03.2016.

BAŞAKŞEHİR AYAZMA 2ND STAGE PROJECT (YILMAZ İNŞAAT SAN. TİC. A.Ş.) 21.406,97 3.04.2014 121.586.778,10 The agreement of the project was signed on 25.04.2016, the construction permit was obtained on 31.12.2015.

NİĞDE EMLAK KONUTLARI (PEKİNİTAŞ YAPI) 25.643,04 27.05.2016 72.259.916,21 The agreement of the project was signed on 22.11.2016, the construction permit was obtained on 20.09.2016.

GEBZE EMLAK KONUTLARI 3RD STAGE 1ST PART (MUSTAFA EKŞİ İNŞAAT) 91.564,72 30.06.2010 122.290.049,49 The agreement of the project was signed on 22.12.2016, the construction permit was obtained on 28.10.2016.

GEBZE EMLAK KONUTLARI 3RD STAGE 2ND PART (SİYAH KALEM MÜHENDİSLİK) 90.774,12 30.06.2010 134.727.097,64 The agreement of the project was signed on 18.01.2017, the construction permit was obtained on 28.10.2016.

GEBZE EMLAK KONUTLARI 3RD STAGE 3RD PART 6.337,96 3.04.2014 2.173.025,88 The agreement of the project have not been signed yet, the construction permit was obtained on 28.10.2016.

KAYABAŞI RECREATION AREA (YAPI VE YAPI İNŞAAT A.Ş.) 363.979,03 3.04.2014 276.169.521,31 The agreement of the project was signed on 08.12.2016, the construction permit was obtained on 05.10.2016.

BAŞKENT EMLAK KONUTLARI 2ND STAGE PROJECT (ASL İNŞAAT TAAH. TİC. LTD.ŞTİ.) 30.521,16 3.04.2014 148.089.577,88 The agreement of the project was signed on 16.02.2017, the construction permit was obtained on 04.01.2017.

Turn-Key Model Projects	SQM	Date of Purchase	Book Value + Progress Payments (TRY)	Explanation
BAŞKENT EMLAK KONUTLARI 1ST STAGE PROJECT (KALYON İNŞAAT)	89,502.19	3.04.2014	366,418,511.10	The agreement of the project was signed on 24.01.2017, the construction permit was obtained on 06.12.2016.
KÖRFEZKENT ÇARŞI	11,966.61	3.04.2014	16,160,602.82	The agreement of the project was signed on 18.07.2017, the construction permit was obtained on 21.02.2017.
<b>Total of Turn-Key Model Projects</b>	<b>1,125,406.09</b>		<b>2,723,897,039.62</b>	-
<b>TOTAL OF ONGOING PROJECTS</b>	<b>4,552,514.99</b>		<b>9,015,412,026.56</b>	<b>12,961,639,842.23</b>

## ANNEX-3 EMLAK KONUT REIC TABLE OF LAND STOCK (31.03.2018)

Appraisal Report Name	# of parcels	Sqm	Date of Purchase	Book Value (TRY)	Appraisal Value (TRY)
TEKİRDAĞ ÇORLU PARSELLERİ	4,00	35.923,48	24.03.2006 - 30.09.2010	6.152.734,00	8.965.010,00
TEKİRDAĞ ÇERKEZKÖY PARSELLERİ	17,00	371.235,69	09.12.2005	6.209.808,41	125.633.276,90
KOCAELİ KÖRFEZ PARSELLERİ	4,00	16.610,44	25.02.2008	1.528.023,00	5.365.000,00
KOCAELİ GEBZE GÜZELLER PARSELLERİ	27,00	19.707,51	21.03.2007- 29.06.2009 - 17.02.2010	7.214.258,00	8.783.908,00
KASTAMONU CİDE PARSELLERİ	1,00	9.110,04	06.10.2011 - 07.08.2012 14.06.2011 - 30.07.2012	52.663,00	60.000,00
İSTANBUL ESENYURT HOŞDERE PARSELLERİ	3,00	53.689,19	14.06.2011 - 30.07.2012	49.588.110,00	89.169.988,00
İSTANBUL ÜMRANIYE PARSELLERİ	4,00	17.067,99	31.12.2012	1.843.977,00	28.250.000,02
İSTANBUL ZEKERİYAKÖY PARSELİ	1,00	992,00	02.03.2011	677.397,00	719.200,00
ANKARA ÇANKAYA CEBECİ PARSELLERİ	2,00	400,00	18.05.1990	0,08	291.518,00
İSTANBUL BÜYÜKÇEKMECE PARSELİ	1,00	78,10	31.08.1987	1,00	16.853,20
İSTANBUL ARNAVUTKÖY PARSELLERİ	14,00	3.639.116,50	05.06.2013	333.309.401,00	444.956.714,80
İSTANBUL ATAŞEHİR PARSELLERİ	12,00	25.192,25	24.04.2013 - 22.04.2012	40.135.570,42	80.021.876,08
İSTANBUL MALTEPE PARSELLERİ	1,00	305,84	28.05.2014	3.010.214,00	3.012.524,00
İSTANBUL ŞİLE PARSELLERİ	1,00	7.231,97	05.03.2015	2.440.657,00	2.640.000,00
İSTANBUL ŞİŞLİ ARSALARI	3,00	24.468,90	29.05.2015	455.121.541,23	455.121.540,00
İSTANBUL KÜÇÜKÇEKMECE HALKALI ARSALARI	2,00	841.289,96	03.04.2014	1.412.120.941,98	1.666.007.793,10
NEVŞEHİR PARSELİ	2,00	26,10	03.04.2014	8.088,00	8.500,00

Appraisal Report Name	# of parcels	Sqm	Date of Purchase	Book Value (TRY)	Appraisal Value (TRY)
ANKARA ÇANKAYA MÜHYE PARSELLERİ	9,00	22.913,39	03.04.2014	18.093.857,00	30.259.331,00
İSTANBUL,SARIYER, İSTİNYE ARSALARI	4,00	1.373,21	28.05.2014	7.733.586,01	7.782.155,00
İSTANBUL KARTAL PARSELLERİ	19,00	73.969,72	24.04.2013 - 22.04.2012	133.877.656,00	152.096.920,85
İSTANBUL BAŞAKŞEHİR HOŞDERE PARSELLERİ	20,00	286.161,98	14.06.2011 - 06.10.2011 30.07.2012 - 07.08.2012	83.605.058,86	115.461.922,80
İSTANBUL BAŞAKŞEHİR İKİTELLİ-2 PARSELLERİ	34,00	220.075,84	01.12.2010 - 07.03.2012 25.09.2012 - 01.10.2012 - 05.03.2015	225.902.078,25	276.207.002,25
İSTANBUL TUZLA PARSELLERİ	5,00	66.410,18	30.12.2005 05.03.2015 - 01.06.2007	205.916.871,00	209.580.826,74
İSTANBUL BAKIRKÖY ŞEVKETİYE PARSELLERİ	1,00	81.328,00	30.05.2017	422.905.600,09	422.905.600,00
İSTANBUL BAŞAKŞEHİR KAYABAŞI PARSELLERİ	1,00	20.396,70	30.05.2017	58.129.999,61	58.130.000,00
İSTANBUL ÇEKMEKÖY PARSELLERİ	1,00	187.750,00	30.05.2017	247.830.000,36	247.830.000,00
SAMSUN CANIK PARSELLERİ	3,00	51.697,64	30.05.2017	94.264.874,02	94.264.873,50
İSTANBUL BAKIRKÖY ŞENLİK PARSELLERİ	1,00	40.722,50	30.05.2017	262.500.000,00	262.500.000,00
<b>TOTAL OF LAND STOCKI</b>	<b>197,00</b>	<b>6.115.245,12</b>		<b>4.080.172.966,32</b>	<b>4.796.042.334,24</b>

## ANNEX – 4 EMLAK KONUT REIC TABLE OF BUILDING INVENTORY (31.03.2018)

Building Inventory	Number of Buuildings in Inventory	Sqm	Book Value(TRY)	Appraisal Value(TRY)
İSTANBUL ATAŞEHİR VARYAP MERIDIEN	2	137,60	805.413,00	1.040.000,00
İZMİR PARK YAŞAM MAVİŞEHİR	1	345,07	1.738.800,00	1.738.800,00
İZMİR EMLAK KONUT MAVİŞEHİR EVLERİ	1	143,87	403.960,00	403.960,40
ANKARA ÇANKAYA NEXTLEVEL	4	989,00	7.454.892,14	9.065.000,00
STÜDYO 24 PROJESİ	2	116,77	335.300,00	360.000,00
KÖRFEZKENT 3. ETAP	6	1.057,50	1.089.468,00	2.016.900,00
BATIŞEHİR PROJESİ	16	3.472,41	38.553.639,00	38.560.373,83
UNİKONUT	11	3.761,01	23.434.913,00	23.439.120,39
BAŞAKŞEHİR EMLAK KONUT EVLERİ 1. ETAP 2 KISIM	12	1.488,48	4.345.144,00	13.765.358,50
BAHÇEKENT EMLAK KONUTLARI 1. ETAP 3. KISIM	41	4.743,17	11.302.497,75	12.559.261,04
EMLAK KONUT BAŞAKŞEHİR EVLERİ 1-4	8	1.370,19	2.656.937,08	6.793.616,50

RESMİ KURUM BİNASI	2	49.771,00	91.258.522,90	198.675.000,00
DUMANKAYA MİKS PROJESİ	31	2.569,85	24.866.400,31	25.733.021,19
BULVAR İSTANBUL PROJESİ	4	659,98	3.917.000,29	3.917.000,00
NIDAKULE ATAŞEHİR PROJESİ	5	1.505,92	30.862.400,00	30.975.000,00
ESENLER EMLAK KONUTLARI	227	29.756,16	82.995.569,99	128.089.900,00
BÜYÜK YALI PROJESİ	31	3.920,81	0,00	81.435.900,00
METROPOL İSTANBUL PROJESİ	56	6.410,43	77.722.727,00	77.724.788,30
SARPHAN FİNANSPARK PROJESİ	180	8.815,33	231.042.188,00	232.510.229,61
MERKEZ ANKARA PROJESİ	36	22.191,47	0,00	187.112.100,00
AĞAOĞLU MASLAK 1453 PROJESİ	88	14.087,27	168.335.406,00	168.338.200,00
İSTMARİNA PROJESİ	12	42.532,89	294.283.469,62	270.950.400,00
<b>TOTAL</b>	<b>776</b>	<b>199.846,18</b>	<b>1.097.404.648,08</b>	<b>1.515.203.929,76</b>

## ANNEX 5- SUMMARY APPRAISAL REPORTS

### SUMMARY APPRAISAL REPORTS ANNEX 6- SUMMARY APPRAISAL REPORTS (PROJECTS)

<b>NAME OF THE WORK SUBJECT TO VALUATION</b>	Bahçekent Flora Project
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	19.03.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway
DEED INFORMATION	See Corresponding Report Article 4.1. Ownership Status
PROJECT'S VALUE AFTER COMPLETION	466.200.000,-TL
EMLAK KONUT REIC'S SHARE UPON THE COMPLETION OF THE PROJECT	118.877.096,40 TL

<b>NAME OF THE WORK SUBJECT TO VALUATION</b>	Dumankaya Miks Project, Rental Market Values of 3 Offices
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	22.03.2018
REPORT TYPE	Project
CURRENT USE	Office
DEED INFORMATION	See Corresponding Report Article 4.1. Ownership Status
RENTAL MARKET VALUE OF 3 UNITS	3.435,00 TL

<b>NAME OF THE WORK SUBJECT TO VALUATION</b>	Emlak Konut Ayazma 2nd Stage, Rental Market Values of 26 Shops
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	20.03.2018
REPORT TYPE	Project
CURRENT USE	Shop
DEED INFORMATION	See Corresponding Report Article 4.1. Ownership Status
RENTAL MARKET VALUE OF 26 UNITS	110.285,00 TL

<b>NAME OF THE WORK SUBJECT TO VALUATION</b>	Emlak Konut Ispartakule Evleri 1st Stage 1st Part, Rental Market Values of 5 Shops
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	05.03.2018
REPORT TYPE	Project
CURRENT USE	Shop
DEED INFORMATION	See Corresponding Report Article 4.1. Ownership Status
RENTAL MARKET VALUE OF 5 UNITS	27.150,00 TL

<b>NAME OF THE WORK SUBJECT TO VALUATION</b>	Emlak Konut Ispartakule Evleri 1st Stage 2nd Part, Rental Market Values of 1 Shop
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	05.03.2018
REPORT TYPE	Project
CURRENT USE	Shop
DEED INFORMATION	See Corresponding Report Article 4.1. Ownership Status
RENTAL MARKET VALUE OF 1 UNIT	4.805,00 TL

<b>NAME OF THE WORK SUBJECT TO VALUATION</b>	Emlak Konut Körfezkent 4th Stage, Rental Market Values of 18 Shops
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	19.03.2018
REPORT TYPE	Building
CURRENT USE	Shop
DEED INFORMATION	See Corresponding Report Article 4.1. Ownership Status
RENTAL MARKET VALUE OF 18 UNITS	34.940,00 TL

<b>NAME OF THE WORK SUBJECT TO VALUATION</b>	Ayazma Emlak Konutları 1st Stage, Rental Market Values of 1239 Units
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Atak Gayrimenkul Değerleme A.Ş.
REPORT DATE	17.01.2018
REPORT TYPE	Project
CURRENT USE	Building-Shop
DEED INFORMATION	See Corresponding Report Article 3.2
RENTAL MARKET VALUE OF 1239 UNITS	1.863.600,00 TL

SUMMARY APPRAISAL REPORTS  
ANNEX 6- SUMMARY APPRAISAL REPORTS (PROJECTS)

NAME OF THE WORK SUBJECT TO VALUATION	Dumankaya Miiks Project Rental Market Values of 1 Shop
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Atak Gayrimenkul Değerleme A.Ş.
REPORT DATE	16.01.2018
REPORT TYPE	Building
CURRENT USE	Shop
DEED INFORMATION	See Corresponding Report Article 3.2
RENTAL MARKET VALUE OF 12 UNITS	11.260,00 TL

+	Emlak Konut Körfezkent 4th Stage, Rental Market Values of 1106 Units
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	26.03.2018
REPORT TYPE	Project
CURRENT USE	Shop ve residences
DEED INFORMATION	See Corresponding Report Article 4.1. Ownership Status
RENTAL MARKET VALUE OF 1106 UNITS	691.410,00 TL

NAME OF THE WORK SUBJECT TO VALUATION	Büyükyalı İstanbul Project
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Atak Gayrimenkul Değerleme A.Ş.
REPORT DATE	23.01.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway
DEED INFORMATION	See Corresponding Report Article 3.2
PROJECT'S VALUE AFTER COMPLETION	5.012.060.887,57 TL
EMLAK KONUT REIC'S SHARE UPON THE COMPLETION OF THE PROJECT	1.854.462.528,40 TL

NAME OF THE WORK SUBJECT TO VALUATION	Büyükyalı İstanbul Project
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Atak Gayrimenkul Değerleme A.Ş.
REPORT DATE	30.01.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway
DEED INFORMATION	See Corresponding Report Article 3.2
PROJECT'S VALUE AFTER COMPLETION	5.162.900.189,80 TL
EMLAK KONUT REIC'S SHARE UPON THE COMPLETION OF THE PROJECT	1.910.273.070,22 TL

NAME OF THE WORK SUBJECT TO VALUATION	Ebrulü Ispartakule Project
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	09.02.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway
DEED INFORMATION	See Corresponding Report Article 5.3
PROJECT'S VALUE AFTER COMPLETION	461.513.891,00 TL
EMLAK KONUT REIC'S SHARE UPON THE COMPLETION OF THE PROJECT	132.000.000,00 TL

NAME OF THE WORK SUBJECT TO VALUATION	Evora Denizli Project
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Atak Gayrimenkul Değerleme A.Ş.
REPORT DATE	11.01.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway
DEED INFORMATION	See Corresponding Report Article 3.2
PROJECT'S VALUE AFTER COMPLETION	527.320.763,21 TL
EMLAK KONUT REIC'S SHARE UPON THE COMPLETION OF THE PROJECT	94.917.737,38 TL

SUMMARY APPRAISAL REPORTS  
ANNEX 6- SUMMARY APPRAISAL REPORTS (PROJECTS)

<b>NAME OF THE WORK SUBJECT TO VALUATION</b>	Evora Denizli Project
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	14.02.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway
DEED INFORMATION	See Corresponding Report Article 5.3
PROJECT'S VALUE AFTER COMPLETION	533.451.568,24 TL
EMLAK KONUT REIC'S SHARE UPON THE COMPLETION OF THE PROJECT	96.021.282,28 TL

<b>NAME OF THE WORK SUBJECT TO VALUATION</b>	Kuzey Yakası Project
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	13.03.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway
DEED INFORMATION	982/1-982/2-982/3-982/4
CURRENT PROJECT VALUE	293.589.028,83 TL
PROJECT'S VALUE AFTER COMPLETION	608.708.944,00 TL

<b>NAME OF THE WORK SUBJECT TO VALUATION</b>	Nevşehir Emlak Konutları Project (44 Units)
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	22.03.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway
DEED INFORMATION	70/771
CURRENT PROJECT VALUE	152.421.287 TL
PROJECT'S VALUE AFTER COMPLETION	204.044.733 TL

<b>NAME OF THE WORK SUBJECT TO VALUATION</b>	Başkent Emlak Konutları Project (1151 Units)
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	06.03.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway
DEED INFORMATION	29396/11
CURRENT PROJECT VALUE	408.484.646,80 TL
PROJECT'S VALUE AFTER COMPLETION	863.633.714,00 TL
LAND VALUE	290.882.117,50 TL

<b>NAME OF THE WORK SUBJECT TO VALUATION</b>	Ayazma Emlak Konutları 1st Stage Project (1236 Units)
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	02.03.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway
DEED INFORMATION	1340/5,1340/36
RENTAL MARKET VALUE OF 1236 UNITS (VAT EXC.)	1.533.400,00 TL
RENTAL MARKET VALUE OF 1236 UNITS (VAT INC.)	1.553.095,00 TL

SUMMARY APPRAISAL REPORTS  
ANNEX 6- SUMMARY APPRAISAL REPORTS (PROJECTS)

NAME OF THE WORK SUBJECT TO VALUATION	Nıdapark Küçükyalı Project
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
REPORT DATE	19.01.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway
DEED INFORMATION	
PROJECT'S VALUE AFTER COMPLETION	2.381.685.000,00 TL
EMLAK KONUT REIC'S SHARE UPON THE COMPLETION OF THE PROJECT	1.527.000.300,00 TL

NAME OF THE WORK SUBJECT TO VALUATION	Niğde Emlak Konutları Project (16 Units)
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	13.03.2018
REPORT TYPE	Project
CURRENT USE	Construction activities are underway
DEED INFORMATION	3337/2
RENTAL MARKET VALUE OF 16 UNITS (VAT EXC.)	59.650,00 TL
RENTAL MARKET VALUE OF 16 UNITS (VAT INC.)	70.387,00 TL

SUMMARY APPRAISAL REPORTS  
ANNEX 7- SUMMARY APPRAISAL REPORTS (LAND PLOTS)

NAME OF THE WORK SUBJECT TO VALUATION	Ankara Çankaya Namık Kemal ve Yenışehir Quarters Located Units Valuation Report
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Terra Gayrimenkul Değerleme A.Ş.
REPORT DATE	21.03.2018
REPORT TYPE	Land
CURRENT USE	14 Lands and registered buildings on
DEED INFORMATION	See Corresponding Report Article 4.1.
TOTAL MARKET VALUE (VAT EXC.)	486.611.823,00 TL

NAME OF THE WORK SUBJECT TO VALUATION	İstanbul Ataşehir Küçükbakkalköy Quarter 3385 Block 5 Parcel Emlak Konut REIC's Share of Monthly Rental Income
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Atak Gayrimenkul Değerleme A.Ş.
REPORT DATE	29.01.2018
REPORT TYPE	Land
CURRENT USE	Empty Land
DEED INFORMATION	See Corresponding Report Article 3.2
EMLAK KONUT REIC'S SHARE OF RENTAL VALUE	23.000,00 TL

SUMMARY APPRAISAL REPORTS  
ANNEX 8- SUMMARY APPRAISAL REPORTS (BUILDINGS)

<b>NAME OF THE WORK SUBJECT TO VALUATION</b>	Bahçekent Emlak Konutları Project Rental Value of 4 Units
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Atak Gayrimenkul Değerleme A.Ş.
REPORT DATE	16.01.2018
REPORT TYPE	Building
CURRENT USE	Shop
DEED INFORMATION	See Corresponding Report Article 3.2
RENTAL MARKET VALUE OF 4 UNITS	6,595.21 TL

<b>NAME OF THE WORK SUBJECT TO VALUATION</b>	İstanbul Başakşehir Evleri 1-2 Project Rental Value of 12 Units
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
REPORT DATE	24.01.2018
REPORT TYPE	Building
CURRENT USE	Shop
DEED INFORMATION	12 Shops
RENTAL MARKET VALUE OF 12 UNITS	57.245,00 TL

<b>NAME OF THE WORK SUBJECT TO VALUATION</b>	İstanbul Başakşehir Evleri 1-4 Project Rental Value of 8 Units
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
REPORT DATE	24.01.2018
REPORT TYPE	Building
CURRENT USE	Shop
DEED INFORMATION	8 Shops
RENTAL MARKET VALUE OF 8 UNITS	28260

<b>NAME OF THE WORK SUBJECT TO VALUATION</b>	Batışehir Project, Stage Rental Value of 13 Shops
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	15.03.2018
REPORT TYPE	Building
CURRENT USE	Shop
DEED INFORMATION	See Corresponding Report Article 4.1. Ownership Status
RENTAL MARKET VALUE OF 24 UNITS	136.240,-TL

<b>NAME OF THE WORK SUBJECT TO VALUATION</b>	Emlak Konut Körfezkent 3rd Stage Rental Value of 5 Shops
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	15.03.2018
REPORT TYPE	Building
CURRENT USE	Shop
DEED INFORMATION	See Corresponding Report Article 4.1. Ownership Status
RENTAL MARKET VALUE OF 5 UNITS	7.610,-TL

<b>NAME OF THE WORK SUBJECT TO VALUATION</b>	İstanbul Esenler Emlak Konutları Stage Rental Value of 12 Shops
INSTITUTION REQUESTING VALUATION	Emlak Konut REIC
INSTITUTION PREPARING THE REPORT	Atak Gayrimenkul Değerleme A.Ş.
REPORT DATE	16.01.2018
REPORT TYPE	Building
CURRENT USE	Shop
DEED INFORMATION	See Corresponding Report Article 3.2
RENTAL MARKET VALUE OF 12 UNITS	39,898.53 TL

**MINUTES OF THE  
2017 ORDINARY GENERAL ASSEMBLY  
MARCH 28, 2018**

## EMLAK KONUT REAL ESTATE INVESTMENT COMPANY

### **MINUTES OF THE ORDINARY GENERAL ASSEMBLY REGARDING THE YEAR 2017 DATED MARCH 28, 2018**

Emlak Konut Real Estate Investment Company's Ordinary General Assembly regarding 2017 was held on Wednesday, March 28, 2018, at 10:00, at the Head Office at Barbaros Mahallesi, Mor Sümbül Sokak, No: 7/2 B, Ataşehir, Istanbul, under the supervision of Mustafa Kendi, the Ministry Representative, appointed with the letter numbered 33107457 and dated 27.03.2018 from Istanbul Provincial Directorate of Trade, Ministry of Customs and Trade.

As stipulated in the Law and Articles of Association, invitation to the meeting with information on the agenda was published at least three weeks prior to the meeting date in the Turkish Trade Registry Gazette numbered 9530 and dated 06.03.2018, *Diriliş Postası* newspaper dated 02.03.2018, on the Company's corporate website, [www.emlakkonut.com.tr](http://www.emlakkonut.com.tr), Public Disclosure Platform and the Central Registry Agency's Electronic General Assembly System. Also, the necessary notifications were made from Ataşehir PTT office through registered mail with return receipt on 02.03.2017 to the shareholders holding registered shares that are not traded on the Stock Exchange.

The list of attendees was examined, and it was seen that out of the company's capital of 3,800,000,000 shares with a total value of TRY 3,800,000,000, 270,200,528,448 shares with a total nominal value of TRY 2,702,005,284.48 were represented by proxy, whereas 187,483,145,298 shares with a total nominal value of TRY 1,874,831,452.98 were represented in person. Mustafa Kendi, the Ministry Representative, stated that there was no obstacle to the commencement of the meeting as the meeting quorum stipulated by the Turkish Commercial Code and the Articles of Association was present.

The representative of the Ministry took the floor. Hacer Sevim, assigned with the letter numbered 45505 and dated 15.03.2018 of Beyoğlu Real Estate Directorate of the European Side National Real Estate Department of the Financial Office of the Republic of Turkey Governorship of Istanbul, stated that she attended not as an officer but as an observer, that she would not sign the attendance sheet for the SHARE REGISTERED TO THE NAME OF THE EUROPEAN SIDE NATIONAL REAL ESTATE DEPARTMENT WORTH TRY 8.95. The Ministry representative entered this into the meeting minutes.

The Company was found to have made the Electronic General Assembly preparations in accordance with legal regulations pursuant to paragraph 5 and 6 of Article 1527 of the Turkish Commercial Code. Murat Kurum, the Board Member, and General Manager, appointed Aydagül Ekmen to use the electronic general assembly system. The meeting was simultaneously opened physically and electronically, and the agenda items were addressed.

Board Member and General Manager Murat Kurum delivered an opening speech and provided information about company's activities. It was followed by the discussion of the agenda items.

The following decisions were made after the deliberations in accordance with the agenda.

#### **Agenda Item - 1**

As per Agenda Item 1, the proposal was read submitted by Eyyüp Uçak, representative of the Republic of Turkey Prime Ministry Housing Development Administration, which is a shareholder of the company, to elect a Chairperson to preside over the General Assembly

and authorize him/her to sign the minutes at the end of the meeting. It was submitted to the approval of shareholders participating physically and electronically. As a result of the voting, Havvanur Yurtsever was elected as the Chairperson of the General Assembly by a unanimous vote with shares worth 2,702,005,284.48 TRY.

The Chairperson made an explanation about the voting method. As stipulated in the Law and Company's Articles of Association, without prejudice to the provisions about electronic vote counting, shareholders who were physically present at the meeting should vote by show of hands while those who would vote against should verbally declare their objections. The chairperson stated that she appointed Eyyüp Uçak as the vote collecting officer and Nurettin Şam as the minutes officer.

The Chairperson stated that the necessary documents regarding the agenda items to be negotiated at the General Assembly were present, that she, Ertan Yetim, Murat Kurum and Mehmet Özçelik participated in the meeting as the Board members, whereas Gökhan Yalçın represented DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., the Independent Audit Company, and that the other members could not attend the meeting by offering excuses.

The Chairperson read the meeting agenda and asked whether there was a suggestion for changing the order of the agenda items. The shareholders did not propose changes.

The Chairperson thanked those present and stated that they would proceed to Agenda Item 2.

### **Agenda Item - 2**

2.1 As per Agenda Item 2, Chairperson read the written motion submitted by Eyyüp Uçak, the representative of the Republic of Turkey Prime Ministry Housing Development Administration. As the 2017 Annual Report of the Board of Directors had been disclosed to the examination of shareholders at the company's head office, branches, on [www.emlakkonut.com.tr](http://www.emlakkonut.com.tr), the corporate website, Public Disclosure Platform, and the Electronic General Assembly System of the Central Registry Agency three weeks prior to the General Assembly with adequate time for the shareholders to read and examine it and because the attending partners examined it, the motion for deeming the report already read out was submitted to the approval of the shareholders attending the meeting physically and electronically. It was decided by a majority of votes with 2,697,130,818.48 votes in favor and 4,874,466 votes against that the document should be deemed to have been read out.

The deliberations started for the Company's Annual Report on the activities of the year 2017. The attendees were asked whether they wished to take the floor. No attendees wanted to take the floor. 2017 Annual Report was submitted to the approval of shareholders participating physically and electronically. It was accepted by a majority of votes with votes worth TRY 2,697,130,818.48 in favor and those worth TRY 4,874,466 against.

### **Agenda Item - 3**

As per Agenda Item 3, the Chairperson requested that the Summary of the Independent Audit Report be read out. Independent Auditor Gökhan Yalçın presented to the shareholders the considerations section of the Independent Auditors' Report, which was prepared for 2017 accounting period by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (DELOİTTE) and announced to shareholders at the company's head office, branches, on the corporate website, [www.emlakkonut.com.tr](http://www.emlakkonut.com.tr), the Public Disclosure Platform, and the Electronic General Assembly System of the Central Registry Agency three weeks prior to the General Assembly. The shareholders were informed that no voting would be held for this

item as it was on the agenda for information purposes. The Board proceeded to the discussion of Agenda Item 4.

#### **Agenda Item - 4**

As per Agenda Item 4, the Chairperson read the written motion submitted by Eyyüp Uçak, the representative of the Republic of Turkey Prime Ministry Housing Development Administration. And the fact that the company's independently audited 2017 Financial Statements prepared pursuant to Capital Markets Board's "Communique on the Principles Related to the Financial Reports on the Capital Markets" Series II, No. 14.1 could be considered to have been read was presented to the approval of the shareholders participating in the physical and electronic environments because they were open to the examination of shareholders at the company's head office, branches, on [www.emlakkonut.com.tr](http://www.emlakkonut.com.tr), the corporate website, Public Disclosure Platform, and the Electronic General Assembly System of the Central Registry Agency three weeks prior to the General Assembly with adequate time for the shareholders to read and examine it and because the attending partners examined it. It was accepted by a majority of votes with votes worth TRY 2,697,130,818.48 in favor and those worth TRY 4,874,466 against.

The deliberations began for 2017 Financial Tables. The attendees were asked whether they wished to take the floor. No attendees wanted to take the floor. 2017 Financial Statements were presented to the approval of the shareholders participating physically and electronically. It was accepted by a majority of votes with votes worth TRY 2,697,130,818.48 in favor and those worth TRY 4,874,466 against. The Board proceeded to the discussion of Agenda Item 5.

#### **Agenda Item - 5**

As per Agenda Item 5, the release of each Board member from liability regarding their activities pertaining to 2017 was submitted to the approval of shareholders participating physically and electronically. The release of each Board member from liability regarding their activities in 2017 was accepted by a majority of votes with votes worth TRY 2,697,858,635.48 in favor and those worth TRY 4,146,649 against. The Board proceeded to the discussion of Agenda Item 6.

#### **Agenda Item - 6**

As per Agenda Item 6 and in alignment with the written motion by Eyyüp Uçak, the representative of the Republic of Turkey Prime Ministry Housing Development Administration, for the discussion of the dividend payout for the year 2017 and its date; Hakan Akbulut read the dividend payout proposal of the Board of Directors, which was prepared in line with the Company's dividend payout policy and published at the company's head office, branches, on the corporate website, [www.emlakkonut.com.tr](http://www.emlakkonut.com.tr), Public Disclosure Platform, the Electronic General Assembly System of the Central Registry Agency and the annual report three weeks prior to the General Assembly.

In line with the motion, the following was submitted to the approval of the shareholders participating physically and electronically: acceptance of the Board of Directors' dividend payout proposal for 2017, distribution of the profit of 2017 in cash in the following manner pursuant to the profit distribution regulations of the Prime Ministry Capital Markets Board, and the identification of the payment date as 31.05.2018.

EMLAK KONUT REAL ESTATE INVESTMENT COMPANY DIVIDEND PAYOUT TABLE FOR THE YEAR 2017 (TRY)				
1.	Paid/Issued Capital			3,800,000,000.00
2.	Total Legal Contingency Reserve (According to Legal Records)			503,579,396.20
	Information on privileges, if any, regarding dividend payout pursuant to the Articles of Association			
			According to CMB	According to Legal Records (RL)
3.	Period Income		1,756,094,493.00	2,073,954,121.30
4.	Tax Payable	(-)	0.00	0.00
5.	Net Period Income	(=)	1,756,094,493.00	2,073,954,121.30
6.	Losses from Previous Years	(-)	0.00	0.00
7.	Primary Legal Reserves	(-)	103,697,706.07	103,697,706.07
8.	NET DISTRIBUTABLE PERIOD INCOME	(=)	1,652,396,786.94	1,970,256,415.24
9.	Donations throughout the year	(+)	15,000,000.00	
10.	Net Distributable Period Income including Donations to Calculate First Dividend		1,667,396,786.94	
11.	First Dividend Payout to Shareholders (*)		666,976,000.00	
	- Cash		666,976,000.00	
	- No-Par			
	- Total		666,976,000.00	
12.	Dividends Distributed to Privileged Shareholders			
13.	Dividend Distribution to Board of Directors, Employees, etc.			
14.	Dividend Distribution to Redeemed Shareholders			
15.	Second Dividend Payout to Shareholders			
16.	Secondary Legal Contingency Reserve		47,697,600.00	
17.	Statutory Reserves			
18.	Special Reserves			
19.	EXCESS RESERVE		937,723,186.93	1,255,582,815.24
20.	Other Resources Estimated to be Distributed			
	-Profit of the previous year			
	-Excess Reserves			
	- Other Reserves distributable as Required by the Law and Articles of Association			
<b>INFORMATION ON DIVIDEND PAYOUT RATIO</b>				
<b>DIVIDEND INFORMATION PER SHARE</b>				
	GROUP	TOTAL DIVIDEND AMOUNT (TRY)	DIVIDEND CORRESPONDING TO SHARE WITH A NOMINAL VALUE OF TRY 1	
			AMOUNT (TRY)	PERCENTAGE (%)
NET	A	44,471,488.18	0.17552	17.55200
	B	622,504,511.82	0.17552	17.55200
	Total	666,976,000.00		
THE RATIO OF THE DIVIDEND PAYOUT TO THE NET INCOME DISTRIBUTABLE PERIOD INCOME INCLUDING DONATIONS				
THE AMOUNT OF THE DIVIDEND PAYOUT TO THE SHAREHOLDERS (TRY)		THE RATIO OF THE DIVIDEND PAYOUT FOR THE SHAREHOLDERS TO DISTRIBUTABLE NET PERIOD INCOME INCLUDING DONATIONS (%)		
666,976,000.00		0.400010366594284		

With votes worth TRY 23,251 against and votes worth TRY 2,701,982,033,48 in favor, it was decided by a majority of the votes that TRY 666.976.000,00, the first dividend amount allocated from the net profit for the period to be distributed to the company partners, be distributed as gross (= Net) TRY 0.17552 in cash/to the account for 2017 dividend coupons owned by them and the dividend distribution date was decided as 31.05.2018. The Board proceeded to the discussion of Agenda Item 7.

## **Dissenting opinions given in the Electronic General Assembly regarding the dividend payout discussed as per Agenda Item 6:**

Sinan Demir said: "I accept only distribution decisions with 40% or a higher ratio."

Uğur Kömerik; "I suggest that the Board's proposal for the distribution of 40% of the profit of the year 2017 be changed to 50%." The reason for my proposal is that no dividend payout took place in 2016."

Kürşat Öztürk; "The distribution of less than 40% or a decision not to distribute dividends is unacceptable because no dividend was distributed in 2016 and because even 40% is low." I do not approve the dividend distribution with a ratio lower than 40%.

The opinions of above shareholders Sinan Erdem, Uğur Kömerik and Kürşat Öztürk were entered as dissenting opinions.

## **Agenda Item - 7**

As per Agenda Item 7, the Board's selection, based on the opinion of the Audit Committee, of the DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Central Registration No: 0291001097600016, Boğaziçi Corporate Tax Office No: 291 001 0976) registered at Istanbul Register of Commerce with the registration number 304099 and located at Eski Büyükdere Caddesi Maslak Mahallesi No: 1 Maslak Plaza Maslak 34398 Sarıyer, İstanbul to audit the financial statements for the accounting period 2018 and to carry out other activities under the Turkish Commercial Code and Capital Markets Law was presented to the approval of the shareholders participating physically and electronically. It was accepted by a majority of votes with votes worth TRY 2,655,069,052.48 in favor and those worth TRY 46,936,232 against. The Board proceeded to the discussion of Agenda Item 8.

## **Agenda Item - 8**

As per Agenda Item 8, the General Assembly proceeded to the discussion of the election of the Board members and establishment of their terms of office pursuant to Article 12 of the Articles of Association. The written motion by Eyyüp Uçak, the representative of the Republic of Turkey Prime Ministry Housing Development Administration, was read out. The motion was submitted to the approval of shareholders participating physically and electronically.

The Chairperson informed the shareholders that the candidacy and duty acceptance statement of the candidates who could not personally attend the meeting was seen by the Ministry Representative. It was stated that the resumes of the members of the Board of Directors were announced at the Company headquarters, branches, on the corporate website, [www.emlakkonut.com.tr](http://www.emlakkonut.com.tr), and Public Disclosure Platform.

It was decided by a majority of votes with the votes worth TRY 2,029,993,277.48 in favor and those worth TRY 672,012,007 against that the Board should consist of seven members including the independent members pursuant to the Articles of Association. Accordingly, it was decided that Ertan Yetim (ID No: 38303119570), Murat Kurum (ID No: 29813087008), Sami Er (ID No: 15431599962), Mehmet Özçelik (ID No: 24370453334) should serve as Board members and Havvanur Yurtsever (ID No: 15668187710), Ertan Keleş (ID No: 39430363652) and Muhterem İnce (ID No: 22111408728) should serve as independent board members pursuant to the Capital Markets Board's Communiqué until the General Assembly to be held to discuss the accounting period 2018.

The Board proceeded to the discussion of Agenda Item 9.

### **Agenda Item - 9**

As per Agenda Item 9, Head of the Investor Relations Department Hasan Vehbi Aslantürk informed shareholders about the proposal to approve the "Remuneration Policy" for the Board Members and Senior Executives dated 07.03.2018, which was presented to the Board of Directors by the Remuneration Committee and added to the minutes of the general assembly in accordance with the Corporate Governance Principles as well as a payment of monthly net TRY8,000.00 and a bonus payment equal to four net salaries per year for the Board members as recommended by the Remuneration Committee. It was submitted to the approval of shareholders participating physically and electronically. It was accepted by a majority of votes with votes worth TRY 1,994,063,853.48 in favor and those worth TRY 707,941,431 against. The Board proceeded to the discussion of Agenda Item 10.

### **Agenda Item - 10**

As per Agenda Item 10, Deputy General Manager Hakan Akbulut informed the shareholders that the company gave donations and grants worth TRY 15,000,000.00 in 2017 and referred to its details in footnote no. 18 of the Company's financial statements. In addition, the motion submitted by Eyyüp Uçak, the Representative of the Republic of Turkey Prime Ministry Housing Development Administration, to determine an upper limit of TRY 20,000,000.00 for the company's donations in 2018 was submitted to the approval of the shareholders participating physically and electronically. It was accepted by a majority of votes with votes worth TRY 1,963,705,847.48 in favor and those worth TRY 738,299,437 against. The Board proceeded to the discussion of Agenda Item 11.

### **Agenda Item - 11**

As per Agenda Item 11, Hasan Vehbi Aslantürk, Head of the Investor Relations Department, informed the shareholders about authorizing the Board of Directors to implement a "Share buy-back program," which is prepared to regulate the principles to be applied in the company's repurchase of its own shares as accepted with the Board resolution dated 27.02.2018, which was added to the minutes of the general assembly and presented to the review of the shareholders at the company's head office, branches, on [www.emlakkonut.com.tr](http://www.emlakkonut.com.tr), the corporate website, Public Disclosure Platform, the Electronic General Assembly System of the Central Registry Agency and the annual report three weeks prior to the General Assembly. It was submitted to the approval of shareholders participating physically and electronically. It was accepted by a majority of votes with votes worth TRY 2,700,377,845.48 in favor and those worth TRY 1,627,439 against. The Board proceeded to the discussion of Agenda Item 12.

### **Agenda Item - 12**

As per Agenda Item 12, the authorization of the Company's Board of Directors to carry out transactions under Articles 395 and 396 of the Turkish Commercial Code was presented to the approval of the shareholders participating physically and electronically. It was accepted by a majority of votes with votes worth TRY 2,619,572,023.48 in favor and those worth TRY 82,433,261 against. The Board proceeded to the discussion of Agenda Item 13.

### **Agenda Item - 13**

As per Agenda Item 13, Deputy General Manager Hakan Akbulut informed the shareholders that the company did not have any collaterals, pledges, mortgages, and suretyships given for the third parties in 2017 as stated by footnote No. 28 of 2017 Financial Statements, which

were made public in accordance with the regulations of the Capital Markets Board regulations. The shareholders were informed that no voting would be held for this item as it was on the agenda for information purposes. The Board proceeded to the discussion of Agenda Item 14.

#### **Agenda Item - 14**

As per Agenda Item 14, the General Assembly was informed that, under Article 1.3.6 of the Capital Markets Board's Corporate Governance Principles, our shareholders with control over the management, Board Members, managers with administrative responsibilities, their spouses and relatives up to second degree did not engage in any significant transactions that could lead to a conflict of interest with the Company, that they did not carry out commercial transactions related to the Company's field of operation on behalf of themselves or others, or that they did not participate as a personal liability partner in a company engaged in such transactions. The shareholders were informed that no voting would be held for this item as it was on the agenda for information purposes. The Board proceeded to the discussion of Agenda Item 15.

#### **Agenda Item - 15**

As per Agenda Item 15, information regarding the Remuneration Policy for the Board Members and Senior Executives presented to the shareholders' information and approval at the Ordinary General Assembly dated 14.04.2016, the Company's corporate website and Public Disclosure Platform in accordance with the Corporate Governance Principles. Hasan Vehbi Aslantürk, Head of the Investor Relations Department, informed the shareholders that footnote no. 25 of 2017 financial statements stated the benefits provided to the members of the Board of Directors and Senior Executives who served in 2017. The shareholders were informed that no voting would be held for this item as it was on the agenda for information purposes. The Board proceeded to the discussion of Agenda Item 16.

#### **Agenda Item - 16**

As per Agenda Item 16, the Chairperson made a thank-you speech. As there was no other agenda item to be discussed, the meeting was adjourned by the president. These meeting minutes were drawn up at the place and signed by **Mustafa Kendi, the Representative of the Istanbul Provincial Directorate of Trade, Ministry of Customs and Trade.**

MINISTRY REPRESENTATIVE  
Mustafa Kendi

MEETING CHAIRPERSON  
Havvanur Yurtsever

VOTE COLLECTION OFFICER  
Eyyüp Uçak

MINUTES OFFICER  
Nurettin Şam

**THE SHARE BUY-BACK PROGRAM OF EMLAK KONUT REAL ESTATE INVESTMENT COMPANY**

1.	Purpose of the Buy-back Program	:	To reduce possible price fluctuations pursuant to capital market requirements or against the possibility that the market price of the company shares may not reflect the actual performance of its operations depending on possible economic crises and price movements.
2.	Duration of the Buy-back Program	:	36 months
3.	Total Funds Allocated to the Buy-back Program and their Source	:	TRY 1,000,000,000 Buy-back shall be financed with existing cash assets and the Company's operating income.
4.	Maximum Number of Shares Subject to Buy-back Program	:	25,162,013,800 shares equivalent to a capital of TRY 251,620,138. The nominal value of the shares to be bought back shall not exceed 10% of the issued capital including the previous buy-back programs*** Shares bought back and sold throughout the program shall not be considered as a discount item in the calculation of this ratio. The total price of the repurchased shares shall not exceed the total amount of the sources that can be subject to dividend payout. The program shall be terminated after reaching the maximum number of shares subject to buy-back.
5.	Lower and Upper Price Limits Determined for the Buy-back of Shares	:	0.00 TRY-4.00 TRY In the case of the transactions that require the correction of the stock price of the shares, the same correction shall be applied to the lower and upper price limits set for the repurchase of shares. Upper and lower price limits that corrected in this way shall be announced on the PDP with a material event disclosure.
6.	Principles on the Sale of Repurchased Shares	:	The Communique provisions shall apply.
7.	The Number of Repurchased Shares and those not Sold/Their Ratio to Capital and the Results of the Previous Program	:	Shares with a nominal value of 128,379,862 TRY were repurchased. Their ratio of these shares to the capital is approximately 3.38% .
8.	Possible Effects of the Buy-back Program on the Company's Financial Position and Operating Results	:	The planned buy-back program will not have a negative impact on the Company's financial activities.
9.	Information on the Lowest, Highest and Weighted Average Share Price on an Annual Basis	:	In the past year, the lowest and highest closing prices were 2.40 TRY and 3.26 TRY, respectively. The weighted average price stands at 2.87 TRY.
10.	Information on the Lowest, Highest and Weighted Average Share on a Quarterly Basis	:	In the past quarter, the lowest and highest closing prices were TRY 2.43 and TRY 2.85, respectively. The weighted average price stands at 2.65 TRY.
11.	Person Authorized for Repurchases	:	Board of Directors
12.	Date of the General Assembly to Review the Program for Approval	:	March 28, 2018
13.	Benefits to be Gained by the	:	None.

	Related Parties from the Buy-back Transaction	
14.	Public Disclosures	<p>: -The buy-back program prepared by the Board of Directors shall be announced to the public through a material event disclosure no later than three weeks prior to the General Assembly excluding additional meeting days, and shall be concurrently published on the company website.</p> <p>-If the General Assembly makes any changes to a submitted buy-back program, the modified version shall be announced to the public through a material event disclosure on the first working day after the General Assembly and shall be concurrently published on the company website.</p> <p>-Two business days prior to the commencement of buy-back transactions under the program, the company shall make a material event disclosure regarding the starting and ending dates of scheduled buy-back period, nominal value and ratio to the capital of the shares to be repurchased.***</p> <p>-For each buy-back transaction, before the first session on the business day after the transaction date, the company makes a material event disclosure on nominal value, transaction price, ratio to capital of repurchased shares as well as nominal value of shares previously repurchased under the program, privileges, if any, associated with these shares, and the transaction date</p> <p>-In the sales of the repurchased shares including the previous acquisitions, and before start of session on the business day after the transaction date, the company shall make a material event disclosure on nominal value, transaction price, ratio to capital of these shares and the ratio of remaining shares to capital, amount of actual earnings/losses, and privileges, if any, associated with these shares and transaction date.</p> <p>-Within three business days following the buy-back period, the termination of the program and completion of repurchases under the program, the company makes a material event disclosure on the maximum and average prices paid for the repurchased shares, the cost and sources used, the total number of repurchased shares, and their shares to capital. - If and when the shares repurchased by the company are sold during the program information on the total nominal value of sold shares, and the total amount of earnings/losses and average sale price, and privileges, if any, associated with traded shares and transaction dates shall be disclosed. Information summarizing the transactions under the buy-back program shall also be presented to the shareholders in the General Assembly.</p>

15.	Other Information Relating to Buy-Back Program	:	Legal reserves with the same price of repurchased shares shall be reserved and classified as limited legal reserves under equities. Such allocated reserves shall be released equal to their repurchase values in the case of their sales or redemption. Acquired shares shall not be taken into consideration in the calculation of the quorum at the general assembly.
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\*\*\*The CMB's press announcements dated 21.07.2016 and 25.07.2016 are taken into consideration.

Mustafa Kendi  
Ministry Representative

Havvanur Yurtsever  
Meeting Chairperson

## REMUNERATION POLICY

The duty of the Remuneration Committee established under the Corporate Governance Principles shall be to provide the Board of Directors with recommendations on the principles of remuneration of the Board members, senior executives and staff by taking into account the Company's long-term targets.

The remuneration policy to be presented to the approval of the General Assembly on 28.03.2018 for the Company's Board members includes the following:

- (i) The Board members shall be paid a net monthly salary of TRY 8,000 and also a bonus worth four net salaries.
- (ii) Emlak Konut REIC shall pay the income tax amount (accruing from fees paid by more than one employer) at the end of the fiscal year.
- (iii) The salaries to be paid to the Board members shall be submitted to the examination of the shareholders and be approved at the Ordinary General Assembly of the relevant accounting period.
- (iv) Dividends, share options or performance-based payment plans shall not be used to determine the remuneration of the independent board members. The salaries of the independent board members shall be at a level which will maintain their independence.
- (v) The company shall determine remuneration amounts for its senior executives in accordance with legal obligations and by taking into consideration the current economic indicators, the wage policies in the market, long-term company goals and policies, and the past responsibilities and experience of such executives in the company.

Mustafa Kendi

Havvanur Yurtsever

## **EMLAK KONUT REAL ESTATE INVESTMENT COMPANY**

### **AGENDA FOR THE 2017 ORDINARY GENERAL ASSEMBLY DATED MARCH 28, 2018**

17. The identification of a Meeting Chairperson and authorization of the Meeting Chairperson to sign the General Assembly minutes,
18. Announcement and discussion of the Board of Directors' Annual Report for the accounting period 2017,
  - 2.1 Deeming Board of Directors' 2017 Annual Report to have been read out,
19. Announcement and discussion of the Independent Audit Report for the accounting period 2017,
20. The announcement, discussion and approval of the Financial Statements for the accounting period 2017,
  - 4.1 Deeming 2017 Financial Statements to have been read out.
21. Discussion of the release of each member of the Board of Directors from liability for the Company's activities in 2017 and submitting the decision to the General Assembly's approval,
22. Acceptance, revision or refusal of the Board of Directors' dividend payout proposal for 2017 prepared in accordance with the Company's dividend payout policy,
23. Approval of the Independent Audit Firm as selected by the Board of Directors pursuant to the Turkish Commercial Code and Capital Market Legislation,
24. The election of the members of the Board of Directors and identification of their terms of office pursuant to Article 12 of the Articles of Association,
25. Determining the annual salaries of the members of the Board of Directors,
26. Submitting information to the shareholders regarding the Company's donations in 2017, and determination of an upper limit for donations to be made in 2018,
27. Discussion and resolution of the authorization of the Board of Directors for the repurchase of company shares according to the program prepared pursuant to the relevant legislative provisions,
28. Authorization of the Board Members to perform transactions stated in Article 395 and 396 of the TCC,
29. Informing the shareholders regarding the guarantees, pledges, mortgages, suretyships given to the third parties, and incomes or benefits received in 2017 pursuant to the regulations of the Republic of Turkey Prime Ministry Capital Markets Board,
30. Informing the General Assembly about the procedures stated in Article 1.3.6 of the Corporate Governance Principles,
31. Informing the shareholders regarding the principles on the remuneration of the Board of Directors and Senior Executives pursuant to the Corporate Governance Principles,
32. Comments and closing.

Murat KURUM

Ertan YETİM

## LEGAL NOTICE

This interim report includes information about the Company's operations and accounts for the period from January 1 to December 31, 2017. It was prepared in accordance with legal regulations and based on the Board of Directors Report, Corporate Governance Compliance Report and Financial Statements.

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

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



**EMLAK KONUT**

REAL ESTATE INVESTMENT COMPANY

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