EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ, IT'S SUBSIDIARIES AND JOINT OPERATIONS

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE PERIODS ENDED AT 31 DECEMBER 2014, 2013 AND 2012

CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and shareholders of
Emay İnşaat Taahhüt Sanayi ve Ticaret Anonim Şirketi
Ankara, Turkey

Independent Auditors' Report to the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Emay İnşaat Taahhüt Sanayi ve Ticaret Anonim Şirketi, its subsidiaries and joint operations ("Group") which comprise the consolidated balance sheet as of 31 December 2014, 2013 and 2012 and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

Group's management is responsible for the preparation and fair presentation of financial statements in accordance with the International Financial Reporting Standards issued by International Accounting Standards Board and for such internal controls as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to error and/or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our audit was conducted in accordance with standards on auditing issued by International Accounting Standards Board. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The Reasons of Qualified Opinion

We did not observe the taking of the physical inventories, notes receivables and cash counting of the Group as of 31 December 2013, 2012 because the date was prior to the time we were initially engaged as auditors for the Group.

The Group's cash movements are examined in the transaction limits determined by regulations and has been reviewed that there are several transactions over the amount TRY 8,000 that is regulated by legal regulations.

Qualified Opinion

In our opinion, except the subjects on the reasons of qualified opinion paragraph the accompanying consolidated financial statements present fairly, in all material respects, the financial positions of Emay İnşaat Taahhüt Sanayi ve Ticaret Anonim Şirketi, its subsidiaries and joint operations as of 31 December 2014, 2013 and 2012 and of its real operating results, change in share capital and cash flow, from the point of important matter, for the accounting year then ended in accordance with International Financial Reporting Standards issued by International Accounting Standards Board.

Reports on Other Responsibilities Arising from Regulatory Requirements

In accordance with subparagraph 4, Article 402 of the TCC, except the subjects on the reasons of qualified opinion paragraph no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2014, 2013 and 2012 and financial statements are not in compliance with the code and provisions of the Group's articles of association in relation to financial reporting.

In accordance with subparagraph 4, Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

ATA Uluslararası Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
Member Firm of Kreston International

Dr. Ali Yürüdü
Managing Partner

Istanbul, 25 February 2015

19 Mayıs Cad. No:4 Nova Baran Plaza
Kat 21 Şişli / İstanbul
Tel : +90-212-286 47 27
Fax : +90-212-286 10 51
www.atadenetim.com

(Currency – Turkish Lira unless otherwise expressed.)

	Footnote References	Current Period Audited 31.12.2014	Prior Period Audited 31.12.2013	Prior Period Audited 31.12.2012
ASSETS				
Current Assets		**320,871,865**	**343,248,756**	**504,605,775**
Cash and Cash Equivalents	6	59,890,642	28,015,522	94,151,168
Financial Investments	7	15,830,629	-	-
Trade Receivables	9	25,939,537	33,353,369	14,062,331
- Trade receivables from related parties		-	-	-
- Trade receivables from other parties		*25,939,537*	*33,353,369*	*14,062,331*
Other Receivables	10	54,587,073	59,087,509	54,423,288
- Other receivables from related parties		*9,686,251*	*41,318,753*	*2,513,430*
- Other receivables from other parties		*44,900,822*	*17,768,756*	*51,909,858*
Inventories	12	157,116,449	197,952,391	253,028,680
Prepaid Expenses	13	277,575	1,817,600	68,174,156
Assets Relevant to Current Period Taxes	29	38,758	103,016	979,071
Other Current Assets	20	7,191,202	22,919,349	19,787,081
Non - Current Assets		**975,052,552**	**671,211,627**	**462,690,155**
Trade Receivables	9	19,508,659	19,263,727	9,782,179
- Trade receivables from related parties		-	-	-
- Trade receivables from other parties		*19,508,659*	*19,263,727*	*9,782,179*
Other Receivables	10	51,219,151	51,579,078	68,344,246
- Due from related parties		*16,675,928*	*18,568,492*	*41,612,951*
- Due from other parties		*34,543,223*	*33,010,586*	*26,731,295*
Financial Investments	7	53,836,371	-	-
Inventories	12	42,388,985	13,171,446	17,937,005
Investment Properties	14	677,163,000	460,751,677	274,122,273
Tangible Fixed Assets	15	70,065,991	62,585,701	53,885,937
Intangible Fixed Assets	16	9,753	17,111	9,098
- Goodwill		-	-	-
- Other intangible fixed assets		9,753	17,111	9,098
Deferred Tax Assets	29	9,990,299	18,764,652	8,489,440
Other Non-Current Assets	20	50,870,343	45,078,235	30,119,977
TOTAL ASSETS		**1,295,924,417**	**1,014,460,383**	**967,295,930**

The explanatory notes are an integral part of these statements.

(Currency – Turkish Lira unless otherwise expressed.)

	Footnote References	Current Period Audited 31.12.2014	Prior Period Audited 31.12.2013	Prior Period Audited 31.12.2012
LIABILITIES				
Current Liabilities		**304,406,493**	**301,561,545**	**535,515,835**
Financial Borrowings	8	84,318,084	83,099,093	99,906,860
Current Installment of Long Term Financial Borrowings	8	149,333,409	94,947,004	51,138,421
Trade Payables	9	33,580,113	89,098,781	50,787,281
- Due to related parties		*211,015*	-	-
- Due to other parties		*33,369,098*	*89,098,781*	*50,787,281*
Employee Benefit Liabilities	11	690,405	1,294,203	1,400,458
Other Payables	10	25,365,790	5,338,471	14,896,761
- Due to related parties		-	-	-
- Due to other parties		*25,365,790*	*5,338,471*	*14,896,761*
Deferred Income	13	10,878,556	21,975,700	316,789,058
Current Tax Liabilities	29	-	5,662,650	66,623
Current Provisions		240,136	145,643	530,373
- Provision for employee benefits	19	-	*12,053*	-
- Other current provisions	17	*240,136*	*133,590*	*530,373*
Non-Current Liabilities		**617,974,836**	**414,228,220**	**204,687,833**
Financial Borrowings	8	488,543,885	327,482,322	161,019,153
Trade Payables	9	3,498,436	3,548,225	4,000,000
- Due to related parties		-	-	-
- Due to other parties		*3,498,436*	*3,548,225*	*4,000,000*
Other Payables	10	312,552	6,515,738	4,664,350
- Due to related parties		-	-	-
- Due to other parties		*312,552*	*6,515,738*	*4,664,350*
Deferred Income	13	101,646,251	55,266,860	14,515,441
Non-Current Provisions		250,762	336,737	238,361
- Provision for employee benefits	19	*250,762*	*336,737*	*238,361*
Deferred Tax Liabilities	29	23,722,950	21,078,338	20,250,528
SHAREHOLDERS' EQUITY		**373,543,088**	**298,670,618**	**227,092,262**
Parent Company's Equity		**353,054,552**	**277,618,543**	**206,622,627**
Paid In Capital	21.1	113,000,000	10,000,000	10,000,000
Inflationary Adjustments of Shareholder's Equity	21.2	421,267	421,267	421,267
Other Comprehensive Income or Expense Not to Be Reclassified on Profit or Loss				
- Actuarial gains/losses on defined benefit plans	21.3	87,486	(6,258)	(43,389)
- Revaluation of Tangible Fixed Assets	21.4	38,115,926	30,666,920	27,531,683
Effect of Business Mergers Subject to Common Control	3	(72,591,088)	(72,591,088)	(72,591,088)
Restricted Reserves	21.5	8,076,472	-	-
Retained Earnings (Losses)	21.6	198,051,230	241,304,154	207,811,111
Net Profit / (Loss) for the Period	30	67,893,259	67,823,548	33,493,043
Minority Interest	21.7	**20,488,536**	**21,052,075**	**20,469,635**
TOTAL EQUITY		**1,295,924,417**	**1,014,460,383**	**967,295,930**

The explanatory notes are an integral part of these statement.

CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIODS ENDED AT 31 DECEMBER 2014, 2013 AND 2012
(Currency – Turkish Lira unless otherwise expressed,)

	Footnote References	Current Period Audited 01.01.- 31.12.2014	Prior Period Audited 01.01.- 31.12.2013	Prior Period Audited 01.01.- 31.12.2012
OPERATING ACTIVITIES				
Sales	22.1	193,174,016	337,583,318	80,475,309
Cost of Sales (-)	22.2	(146,897,317)	(258,002,988)	(75,096,738)
GROSS PROFIT / (LOSS)		**46,276,699**	**79,580,330**	**5,378,571**
General Administrative Expenses (-)	24.1	(9,287,124)	(7,369,394)	(2,952,419)
Marketing Expenses (-)	24.2	(2,791,840)	(3,683,351)	(3,647,993)
Revaluation of Investment Properties	25	119,163,640	62,834,693	33,833,433
Other Operating Income	26	7,639,093	5,925,522	7,894,408
Other Operating Expenses (-)	26	(16,083,607)	(13,949,858)	(5,847,574)
OPERATING PROFIT/ (LOSS		**144,916,861**	**123,337,942**	**34,658,426**
Investment Activities Income	27	2,339,227	2,419,093	170,540
Investment Activities Expenses (-)	27	-	(27,782)	(227,256)
OPERATING ACTIVITY PROFIT / (LOSS) BEFORE FINANCIAL INCOME / (EXPENSE)		**147,256,088**	**125,729,253**	**34,601,710**
Financial Income	28	2,704,166	5,963,826	10,977,695
Financial Expenses (-)	28	(72,858,977)	(67,423,114)	(9,600,062)
OPERATING ACTIVITY PROFIT / (LOSS) BEFORE TAXATION		**77,101,277**	**64,269,965**	**35,979,343**
Operating Activity Tax Income / (Expense)		**(10,941,015)**	**3,969,014**	**(2,173,592)**
Current Tax (Expense) / Income	29	-	(5,662,650)	(66,623)
Deferred Tax (Expense) / Income	29	(10,941,015)	9,631,664	(2,106,969)
INCOME / (LOSS) FOR THE PERIOD		**66,160,262**	**68,238,979**	**33,805,751**
Profit / (Loss) Distribution				
Minority Interests	21.7	(1,732,997)	415,431	312,708
Parent Company's Share	30	67,893,259	67,823,548	33,493,043
Earnings Per Share	30	**5.80**	**6.82**	**3.38**

The explanatory notes are an integral part of these statements.

(Currency – Turkish Lira unless otherwise expressed.)

	Footnote References	Current Period Audited 01.01.-31.12.2014	Prior Period Audited 01.01.-31.12.2013	Prior Period Audited 01.01.-31.12.2012
PROFIT / (LOSS) FOR THE PERIOD		**66,160,262**	**68,238,979**	**33,805,751**
OTHER COMPREHENSIVE INCOME / (LOSS)				
Not to Be Reclassified on Profit or Loss		**8,712,208**	**3,339,377**	**39,317,452**
Actuarial gains/losses on defined benefit plans	19	122,932	53,859	(16,905)
Changes in Revaluation of Tangible Fixed Assets	15	9,067,226	3,469,780	41,401,027
Taxes in Other Comprehensive Income Not to Be Classified to Profit or Loss				
- Deferred Tax Expense / Income	29	(477,950)	(184,262)	(2,066,670)
OTHER COMPREHENSIVE INCOME / (EXPENSE)		**8,712,208**	**3,339,377**	**39,317,452**
TOTAL COMPREHENSIVE INCOME / (EXPENSE)		**74,872,470**	**71,578,356**	**73,123,203**
Distribution of Total Comprehensive Income / (Expense)				
Minority Interest		(563,539)	582,440	12,113,797
Parent Company's Shares		75,436,009	70,995,916	61,009,406

The explanatory notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED AT 31 DECEMBER 2014 ,2013 AND 2012
(Currency - Turkish Lira 'TRY' unless expressed otherwise)

				Accumulated Other Comprehensive Income Not to Be Reclassified on Profit or Loss				Accumulated Profit /(Losses)				
	Footnote References	Paid In Capital	Adjustment of Shareholders' Equity	Actuarial gains/(losses) on defined benefit plans	Revaluation Reserve for the Tangible Fixed Assets	Effect of Business Mergers Subject to Common Control	Restricted Reserves	Retained Earnings / (Losses)	Net Profit/ (Loss) For The Period	Parent Company's Equity	Minority Interest	Total Shareholder's Equity
Balances at 31 December 2011		**10,000,000**	**421,267**	**(28,069)**	**-**	**-**	**-**	**132,169,987**	**75,641,124**	**218,204,309**	**-**	**218,204,309**
Transfer from retained earnings		-	-	-	-	-	-	75,641,124	(75,641,124)	-	-	-
Effect of Business Mergers Subject to Common Control	3		-	-	-	(72,591,088)	-	-	-	(72,591,088)	8,355,838	(64,235,250)
Total comprehensive income / (expense) , net		-	-	(15,320)	27,531,683	-	-	-	33,493,043	61,009,406	12,113,797	73,123,203
Balances at 31 December 2012		**10,000,000**	**421,267**	**(43,389)**	**27,531,683**	**(72,591,088)**	**-**	**207,811,111**	**33,493,043**	**206,622,627**	**20,469,635**	**227,092,262**
Transfer from retained earnings		-	-	-	-	-	-	33,493,043	(33,493,043)	-	-	-
Total comprehensive income / (expense) , net		-	-	37,131	3,135,237	-	-	-	67,823,548	70,995,916	582,440	71,578,356
Balances at 31 December 2013		**10,000,000**	**421,267**	**(6,258)**	**30,666,920**	**(72,591,088)**	**-**	**241,304,154**	**67,823,548**	**277,618,543**	**21,052,075**	**298,670,618**
Capital increase												
- Transfer	21.1	103,000,000	-	-	-	-	-	(103,000,000)	-	-	-	-
Transfer from retained earnings	21.5	-	-	-	-	-	8,076,472	59,747,076	(67,823,548)	-	-	-
Total comprehensive income / (expense) , net		-	-	93,744	7,449,006	-	-	-	67,893,259	75,436,009	(563,539)	74,872,470
Balances at 31 December 2014		**113,000,000**	**421,267**	**87,486**	**38,115,926**	**(72,591,088)**	**8,076,472**	**198,051,230**	**67,893,259**	**353,054,552**	**20,488,536**	**373,543,088**

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED AT 31 DECEMBER 2014, 2013 AND 2012

(Currency - Turkish Lira (TRY) unless expressed otherwise.)

	Footnote References	Current Period Audited 01.01.-31.12.2014	Prior Period Audited 01.01.-31.12.2013	Prior Period Audited 01.01.-31.12.2012
A. CASH FLOW FROM OPERATING ACTIVITIES		**(33,200,642)**	**(124,560,964)**	**(81,114,718)**
Net profit / (loss) for the period		66,160,262	68,238,979	33,805,751
Adjustments to Reconcile Net Profit / (Loss) for the Period				
Tangible Fixed Assets Amortization	15	1,830,818	1,560,864	925,841
Intangible Fixed Assets Depreciation	16	7,358	9,127	4,254
Adjustment Related to Retirement Pay Provision	19 - 21.3	(98,028)	147,560	173,259
Interest Accruals of Bank Borrowings	8	6,459,205	5,018,408	5,763,965
Revaluation of Investment Properties	25	(119,163,640)	(62,834,693)	(33,833,433)
Adjustment to Provision for Expenses and Lawsuits	17	170,856	54,280	15,000
Adjustment to Provision for Doubtful Receivables	24.1	1,285,503	572,634	5,202
Adjustment to Unearned Interest on Receivables	26	(5,582,545)	(7,357,019)	(4,248,040)
Adjustment to Unearned Interest on Payables	26	7,418,352	5,462,223	7,852,648
Adjustment to Tax	29	10,941,015	(9,631,664)	2,106,969
Effect of Business Mergers Subject to Common Control		-	-	(72,591,088)
Deferred Taxes Accounted for at Equity	29	477,950	184,262	2,066,670
Changes in Operating Assets and Liabilities				
Changes in Trade Receivables	9	11,465,942	(21,988,201)	4,927,219
Changes in Other Receivables	10	4,860,363	12,100,947	47,167,969
Changes in Inventories	12	11,618,403	59,841,848	(167,129,834)
Changes in Other Assets	20	11,579,080	49,245,101	(46,306,625)
Changes in Trade Payables	9	(62,986,809)	32,397,502	23,483,053
Changes in Other Payables	10 -11 - 13	20,470,394	(257,041,096)	115,487,908
Changes in Current Provisions	17 - 19	(76,363)	(439,010)	187,665
Cash Flow From Operating Activities				
Taxes Paid	29	(38,758)	(103,016)	(979,071)
B. CASH FLOW FROM INVESTING ACTIVITIES		**(75,464,992)**	**(130,020,259)**	**(54,399,640)**
Cash Paid from Purchasing of Tangible and Intangible Assets and Investment Properties	14 - 15 - 16	(74,934,289)	(130,788,179)	(66,237,082)
Cash from Selling of Tangible and Intangible Assets and Investment Properties	14 - 15 - 16	32,836	185,480	-
Changes in minority interests	21.7	(563,539)	582,440	20,469,635
Additions from Acquisition of Subsidiary		-	-	(8,632,193)
C. CASH FLOW FROM FINANCING ACTIVITIES		**140,540,754**	**188,445,577**	**116,499,050**
Changes in financial investment	7	(69,667,000)	-	-
Changes in borrowings	8	210,207,754	188,445,577	116,499,050
NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS (A+B+C)		**31,875,120**	**(66,135,646)**	**(19,015,308)**
D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**28,015,522**	**94,151,168**	**113,166,476**
CASH AND CASH EQUIVALENTS AT THE AND OF THE PERIOD (A+B+C+D)		**59,890,642**	**28,015,522**	**94,151,168**

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

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

For the purpose of the consolidated financial statements Emay İnşaat Taahhüt Sanayi Ve Ticaret Anonim Şirketi ("Parent Company" and "Emay İnşaat") with its subsidiary and joint operation are referred as "Group". The summarized information of entities are comprised of the following;

Emay İnşaat Taahhüt Sanayi ve Anonim Şirketi

Emay İnşaat Taahhüt Sanayi ve Ticaret Anonim Şirketi ("Company"), was established in the year of 1995 in Ankara. The activities of the company are residence construction, development and renting the project of trade property.

As of the report date, Kentplus Ataşehir Centrium, Kentplus Mimarsinan, Kentplus Centrium Park ve Tower, Brandium Ataşehir AVM ve Rezidans, Hilton İstanbul Kozyatağı Konferans Merkezi ve Spa, and Pleon Sportivo projects was completed by Emay İnşaat Taahhüt Sanayi ve Ticaret Anonim Şirketi.

The Company as of the report date, Kent Plus Kadıköy housing project is continuing.

Kent Plus Kadıköy that located on 27,000 m2 land in Kadıköy/İstanbul, consist of 3 blocks which each of them has ground and 25 floors. As of the report date excavation work has been completed and the project is targetted to be completed in 2017 by the Company's management.

For the period ended at 31 December 2014, the average personnel number of the Company is 304 (31 December 2013: 454, 31 December 2012: 321).

As of 31 December 2014, 2013 and 2012 partnership structure of the Company are presented in Note 21.1

As of report date, head office and the office address of the Company are as follows;

Head Office:
Turan Güneş Bulvarı Gata1 İş Merkezi 32/11 Çankaya / Ankara

Istanbul Office:
Değirmenyolu Caddesi Çetinkaya Sokak 18/4 Ataşehir - Istanbul

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

Kent Toplu Konut İnşaat Gayrimenkul Ticaret Anonim Şirketi

Kent Toplu Konut İnşaat Gayrimenkul Ticaret Anonim Şirketi ("Kent Toplu"), was established in 2005 in İstanbul. The Company is engaged in building residences, apartments, housing facilities, housing, swimming pool, construction in return for flat and rent the building about all kind of public and private institutions at domestic and abroad.

For the period ended at 31 December 2014, the average personnel number of Kent Toplu is 66 (31 December 2013: 79, 31 December 2012: 81).

As of the report date, Kent Toplu Konut İnşaat Gayrimenkul Ticaret Anonim Şirketi has completed Kentplus Kartal project and there is no any ongoing projects. As of the report date, Kent Plus is managing the sport facilities with the name of Pleon Sportivo.

As of 31 December 2014, 2013 and 2012 the shareholders of Kent Toplu are as follows;

	31.12.2014		31.12.2013		31.12.2012	
	Share		Share		Share	
	Amount	Rate	Amount	Rate	Amount	Rate
Emay İnşaat Taahhüt Sanayi ve Ticaret Anonim Şirketi	3,500,000	70.00%	3,500,000	70.00%	3,500,000	70.00%
Hakan Çağlar	750,000	15.00%	750,000	15.00%	750,000	15.00%
Yusuf Gören	525,000	10.50%	525,000	10.50%	525,000	10.50%
Burak Gören	220,000	4.40%	220,000	4.40%	220,000	4.40%
Yakup Aday	2,500	0.05%	2,500	0.05%	2,500	0.05%
Ahmet Alper	2,500	0.05%	2,500	0.05%	2,500	0.05%
	5,000,000	100%	5,000,000	100%	5,000,000	100%

As of report date, address of the Company is as follows;

Değirmenyolu Caddesi Çetinkaya Sokak 18/4 Ataşehir – Istanbul

Kent İnşaat ve Maslak Yapı Ortak Girişimi

Kent İnşaat ve Maslak Yapı Ortak Girişimi ("Kent Maslak"), was established in 2005 in İstanbul as a joint operation 50% - 50% with the ratio of Kent Toplu Konut İnşaat Gayrimenkul Ticaret Anonim Şirketi and Kent Maslak Limited Şirketi. The main activity of the Company is building residences, apartments, housing facilities, housing, swimming pool, construction in return for flat and rent the building about all kind of public and private institutions at domestic and overseas.

For the period ended at 31 December 2014, the average personnel number of Kent Maslak is 17 (31 December 2013: 47, 31 December 2012: 34).

Kent İnşaat ve Maslak Yapı Ortak Girişimi has completed project named Newport Kent Plus in 2013 and there is no any ongoing projects as of the report date.

As of report date, address of Kent Maslak is as follows;

Değirmenyolu Caddesi Çetinkaya Sokak 18/4 Ataşehir – Istanbul

Kent İnşaat ve İpek İnşaat Ortak Girişimi

Kent İnşaat ve İpek İnşaat Ortak Girişimi ("Kent İpek"), established in 2005 in İstanbul as a joint operation with the ratio of 80% - 20% percentage of Emay İnşaat Taahhüt Sanayi ve Ticaret Anonim Şirketi and İpek İnşaat Limited Şirketi. The main activity of the Company is building residences, apartments, housing facilities, housing, swimming pool, construction in return for flat and rent the building about all kind of public and private institutions at domestic and overseas.

Kent İnşaat ve İpek İnşaat Ortak Girişimi, has completed project with the name of Kentplus Ataşehir in 2008 and there is no any ongoing projects as of the report date.

For the period ended at 31 December 2014, there is no personnel at Kent İpek (31 December 2013: 24, 31 December 2012: 48).

As of report date, address of the Company is as follows;

Değirmenyolu Caddesi Çetinkaya Sokak 18/4 Ataşehir – Istanbul

NOTE 2 – BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

2. a Basis of Presentation

Compatibility Statement

Consolidated companies prepare their statutory financial statements in accordance with the principles of, Turkish Commercial Code and Tax Legislation and the Uniform Chart of Accounts issued by the Ministry of Finance and presents in Turkish Liras (TRY). The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards issued by International Accounting Standard ('IFRS/IAS') published by International Accounting Standard ("IAS"), the necessary adjustments and reclassifications made for the fair presentation in accordance with Accounting Standards by CMB.

The Preparation of Financial Statements

The interim condensed consolidated financial statements and disclosures have been prepared in accordance with the communiqué numbered II-14.1 "Communique on the Principles of Financial Reporting In Capital Markets" announced by the Capital Markets Board on 13 June 2013 which is published on Official Gazette numbered 28676, in accordance with article fifth of the "Related Communique", companies should apply International Financial Reporting Standards issued by International Accounting Standard ('IFRS/IAS') and interpretations regarding these standards as adopted by International Accounting Standard ("IAS").

Financial Statements Correction in High Inflation Period

The CMB has announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with CMB Accounting Standards. Therefore Group was abolished inflation accounting application for 1 January 2005.

Currency

The financial statements and the prior period financial statements for comparison purpose, in the accompanying statements are prepared in terms of Turkish Lira (TRY).

Approval of Consolidated Financial Statements

Consolidated financial statements of the Group are approved by the Board of Directors and granted authority to publish on 25 February 2015. The Board of Directors and some regulative agencies have the right to change the financial statements that were prepared according to legal regulations after they have been published.

Basis of Consolidation

The companies are subject to "Complete Consolidation Method" if directly or indirectly 50% or more than 50% of their shares or over 50% of their voting rights or the controlling rights regarding companies' operations are belonging to the Parent Company. Parent Company has controlling rights if it is able to govern the financial and operating policies of an enterprise so as to benefit from its activities. The companies which have continuous relationship on management and power to govern Parent Company's policies and/or which have direct or indirect capital and management relationship or which have voting share of Parent Company between the rates 20-50% are accounted by using equity pick-up method. On the projects which conducted by the Parent Company or its subsidiary company within the scope of joint operations with together, because of having joint control on liabilities concerning to rights and debts on the assets related to the agreement, on the conducted projects within the scope of joint operations, proportionate consolidation method is used.

Complete consolidation method

The principles of consolidation followed in the preparation of the accompanying financial statements are as follows:

- The financial statements of the consolidated subsidiaries have been equipped according to the accounting principles of the Parent Company.

- The share of the Parent Company in the shareholders equity of subsidiaries is eliminated from the financial of subsidiaries these are adjusted according to the accounting principles of financials of the Parent Company.

- All significant intercompany transactions and balances between the Parent Company and the subsidiaries have been comparatively eliminated.

- The minority part of shareholders' equity including paid capital of the companies subject to consolidation is classified as "Minority Interest" in accompanying financial statement.

- The income statements of the Parent Company and the subsidiaries are consolidated a line by line basis and the transaction between companies are eliminated mutually. Consolidation of income statements of subsidiaries held in an audit period are based on the investment date and the items after the holding date

The portion of the third parties other than consolidated companies in the net profit or losses of the subsidiaries are classified as "Minority Interest" in the income statements.

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

Proportionate Consolidation Method

Joint operations are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by the company and one or more other parties. Joint operations is a joint arrangement that the parties which has joint control on liabilities about rights and debts on the assets related to the agreement. The group exercises such joint activity through the power to exercise voting rights relating to shares in the companies as a result of ownership interest directly and indirectly by itself.

The Group's interest in joint operations is accounted for by way of proportionate consolidation. According to this method, the Group includes its share of the assets, liabilities, income and expenses of each Joint Activities in the relevant components of the financial statements. Liabilities and expenses resulting from the assets controlled jointly are accounted according to their accrual basis. If the economic benefits related to the share of the Group from the revenue obtained from the usage or the sales of the assets of the enterprises subject to joint control are possible to flow to the Group and their amounts are reliably measurable, then the related share is recorded. Unrealized profits and losses resulting from the transactions between the Group and the Group's jointly controlled enterprises are eliminated in the share rate of the Group in the enterprises subject to joint management.

As of 31 December 2014, 2013 and 2012, the company that are subject to "Complete Consolidation Method" if directly or indirectly 50% or more than 50% of their shares or over 50% of their voting rights or the controlling rights regarding companies' operations are belonging to the Parent Company are as below;

31 December 2014, 2013 and 2012

	Ownership of the Parent through the subsidiary		Minority Interest
Subsidiaries	(Direct)	(Direct+ Indirect)	
Kent Toplu Konut İnşaat Gayrimenkul Ticaret Anonim Şirketi	70.00%	70.00%	30.00%

As of 31 December 2014, 2013 and 2012, the joint activities that are subject to "proportionate consolidation" with the agreement of parties that have joint control and Parent Company as directly or indirectly are as follows;

31 December 2014, 2013 and 2012

	Ownership of the Parent through the subsidiary		Minority Interest
Joint Operations	(Direct)	(Direct+ Indirect)	
Kent İnşaat ve Maslak Yapı Ortak Girişimi	-	35.00%	65.00%
Kent İnşaat ve İpek İnşaat Ortak Girişimi	80.00%	80.00%	20.00%

Adoption of New and Revised International Financing Reporting Standards

The Group, has implemented the new and revised standards and interpretations published by "IAS" and effective from 1 January 2014 which are related to its main operations.

a) Standards, amendments and IFRIC's applicable to 31 December 2014 year ends;

- Amendment to IAS 32, 'Financial instruments: Presentation', on offsetting financial assets and financial liabilities, effective from annual periods beginning on or after 1 January 2014. This amendment updates the application guidance in IAS 32, 'Financial instruments: Presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.

- Amendments to IAS 36, 'Impairment of assets', effective from annual periods beginning on or after 1 January 2014. These amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

- Amendment to IAS 39 'Financial instruments: Recognition and measurement', on novation of derivatives and hedge accounting, effective from annual periods beginning on or after 1 January 2014. These narrow-scope amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met.

- IFRIC 21, 'Levies', effective from annual periods beginning on or after 1 January 2014. This interpretation is on IAS 37, 'Provisions, contingent liabilities and contingent assets'. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

b) Standards and changings that released as of 31 December 2014 but yet become valid

- Annual improvements 2012; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2010-2012 cycle of the annual improvements project that affect 7 standards:

- IFRS 2, Share-Based Payment
- IFRS 3, Business Combinations
- IFRS 8, Operating Segments
- IFRS 13, Fair Value Measurement
- IFRS 16, Property, Plant and Equipment' and IAS 38, 'Intangible Assets
- IFRS 9, Financial Instruments, IAS 37, Provisions, Contingent Liabilities and Contingent Assets
- IFRS 39, Financial Instruments - Recognition and Measurement

- Annual improvements 2013; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2011-12-13 cycle of the annual improvements project that affect 4 standards:

- IFRS 1, First Time Adoption
- IFRS 3, Business Combinations
- IFRS 13, Fair Value Measurement
- IAS 40, Investment Property

- Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation, effective from annual periods beginning on or after 1 January 2016. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions

- Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortization, effective from annual periods beginning on or after 1 January 2016. In this amendment, it has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. It is also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

- Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures', effective from annual periods beginning on or after 1 January 2016. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

- IFRS 15 'Revenue from contracts with customers', effective from annual periods beginning on or after 1 January 2017. IFRS 15, 'Revenue from contracts with customers' is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally.

- IFRS 9 'Financial instruments', effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

- Amendment to IAS 19 regarding defined benefit plans, effective from annual periods beginning on or after 1 July 2014. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

- Annual improvements 2014, effective from annual periods beginning on or after 1 January 2016. These set of amendments impacts 4 standards:

- IFRS 5, "Non-current assets held for sale and discontinued operations'' regarding methods of disposal.
-IFRS 7, "Financial instruments: Disclosures'', (with consequential amendments to IFRS 1) regarding servicing contracts.
-IAS 19, "Employee benefits'' regarding discount rates.
- IAS 34, "Interim financial reporting'' regarding disclosure of information.

The Group will evaluate the effect of the aforementioned changes within its operations and apply changes starting from effective date.

Offsetting

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

Going Concern

The accompanying consolidated financial statements prepared on the principle that the Group will be obtaining benefits from their assets and meet their liabilities within usual scales for the next year.

2.b Changes in Accounting Policies

A company only could change it s accounting policy under following circumstances;

- If a standard or interpretation makes it necessary or
- If the change make effect of operations or incidents on financial position and performance or cash flows more appropriate and reliable.

Financial statements have to be comparable to see trends in financial position of companies, performance and cash flows for user of financial statements. This is why, if the change is not granting one of above conditions, each interim and fiscal periods has to be applied same accounting policy.

Changes in Accounting Estimates and Errors

The accompanying consolidated financial statements necessitate that some predictions about income and expenses regarding possible assets and liabilities in the financial statements prepared by the Group management to be compatible with statements required by Capital Market Board. Realized amounts can differ from the predictions. These predictions are observed regularly and reported periodically in income statements. Changes in accounting estimates and errors explained in title of "Comparative Information and Previous Periods Financial Statements Adjustments" which is explained below.

Comments those would have significant effect on balances reflected in the financial statements and important expectations and valuations considering present or future expectation as of report date, are as following:

Provision for doubtful receivables

Provision for doubtful receivables reflects the future loss that the Group anticipates to incur from the trade receivables as of the balance sheet date which is subject to collection risk considering the current economical conditions. During the impairment test for the receivables, the debtors are assessed with their prior year performances, their credit risk in the current market, their performance after the balance sheet date up to the issuing date of the financial statements; and also the renegotiation conditions with these debtors are considered. The provision for doubtful receivables is presented in Note 9.

Long term VAT deductible

Group classifies its VAT receivables which are expected to be offseted or utilised over twelve months as non-current assets ,where as the remaining is classified as current asset (Note 20).

Recognition of allowance income

On the accounting process of the allowance incomes related to construction contracts, percental completion rate method has been used, and total estimated cost and revenue of the projects is determined within IAS 11 "Construction Contracts" in order to calculation of the total estimated cost rate of the contracts to the accrued contract costs till a specified time (Note 22).

Useful lifetime of tangible and intangible assets

Group reserves provision for depreciation regarding to footnote 2.c that refers to useful lifetime on fixed assets. Information about useful lifetime is described in footnote 2.c.

Fair value measurement for the land and buildings

Expertise reports which has been prepared by Lider Gayrimenkul Değerleme Anonim Şirketi which has been accredited by Capital Markets Board has been used during to fair value determination process on the land and buildings within the scope of IAS 16 and on the investment properties within the scope of IAS 40. (Note 14 and 15)

Provisions for litigation

When making provision, it is evaluated that results of probability of losing related cases with the view of legal adviser. The explanation related to the necessary provision in the direction of the best estimation made by using Group management's data in Note 17.

Severance pay provision

Severance pay provision is calculated with actuarial expectation based on assumptions like discount rates, salary increase in the future and probability to quit the job. This planning covers long term concerns. Hence assumptions involve vital uncertainty. Provisions for employee benefits are given in detail in Note 19.

Deferred Tax

The Group recognizes deferred tax on the temporary timing differences between the carrying amounts of assets and liabilities in the financial statements prepared in accordance with IFRS and statutory financial statements which is used in the computation of taxable profit. The related differences are generally due to the timing difference of the tax base of some income and expense items between statutory and IFRS financial statements. The Group has deferred tax assets resulting from tax loss carry-forwards and deductible temporary differences, which could reduce taxable income in the future periods. All or partial amounts of the realizable deferred tax assets are estimated in current circumstances. The main factors which are considered include future earnings potential; cumulative losses in recent years; history of loss carry-forwards and other tax assets expiring, the carry-forward period associated with the deferred tax assets, future reversals of existing taxable temporary differences that would, if necessary, be implemented, and the nature of the income that can be used to realize the deferred tax asset. As a result of the revaluation, as of 31 December 2014, 2013, 2012 temporary differences due to tax incentives can be foreseen and the fraction falls in continuity of tax incentives within the context of tax legislations, can be benefited from and is to be tax assets and accounted. As of balance sheet date, the details regarding deferred tax calculations are stated in Note 29.

2.c Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalent values contain cash on hand, bank deposits and high liquidity investments. Cash and cash equivalents are showed with obtaining costs and the total of accrued interests.

Financial Investments

Initial measurements of financial asset and financial liabilities

When a financial asset or financial liability is recognized initially, an entity shall measure it at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

When an entity uses settlement date accounting for an asset that is subsequently measured at cost or amortized cost, the asset is recognized initially at its fair value on the trade date.

Subsequent measurement of financial assets

After initial recognition, an entity shall measure financial assets, including derivatives that are assets, at their fair values, without any deduction for transaction cost it may incur on sale or other disposal, except for the following financial assets:

(a) Loan and receivables which shall be measured at amortized cost using the effective interest method,
(b) Held-to-maturity investments which shall be measured at amortized cost using the effective interest method, and
(c) Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that is linked to and must be settled by delivery of such unquoted equity instruments which shall be measured at cost.

A financial asset of financial liability at fair value difference through profit or loss

It is classified as tangible assets hold for future sale. A financial asset or financial liability is classified as tangible assets hold for future sale if it is:

(a) Acquired or incurred principally for the purpose of selling or repurchasing it in the near term,
(b) Part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit making; or
(c) A derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Held-to maturity investments

Non derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity.

(a) Those that the entity upon initial recognition designates as at fair value through profit or loss,
(b) Those that the entity designates as available for sale, and
(c) Those that meet the definition of loans and receivables.

Available-for-sale financial assets

Non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Financial Borrowings

Financial borrowings are recognized initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective yield method; any difference between proceeds, net of transaction costs, and the redemption value is recognized in the income statement over the borrowing period. Borrowing costs are charged to income statement when they incur and reclassified to bank loans.

Trade Receivables and Payables

The trade receivables and payables derived from providing services or selling goods by Group and purchasing goods or receiving services are clarified with deferred financial income and expense in the accompanying financial statements. Post clarification, trade receivables and trade payables are calculated from the values of following the record of the original invoice values, by rediscounting with effective interest rate method. Short term receivables without designated interest rate are reflected the invoice values in case the effective interest rate effect is insignificant.

Provision for Doubtful Receivables

Group sets provisions for doubtful receivable when it is realized uncollectible due to objective findings. Amount of this provision is the difference of registered and collectible amounts. All cash flow including the collectible sum amount from guarantee and assurance is discounted on the base of the effective interest rate of trade receivable occurred.

In case of collecting doubtful receivable that is provided, the collected amount is deducted from the provision for doubtful receivable and in case of a remaining balance; the balance is added to other operating income.

Inventories

Inventories are valued at the lower of cost or net realizable value. The cost of inventories is determined on the weighted average basis for each purchase. Cost elements included in inventories are materials, labor and factory overheads. The cost of borrowings is not included in the costs of inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and estimated costs to make the sale.

The allowance for decrease in value of inventories degrade inventories to net realizable value and losses about the inventories are recognized as expense during the formation of degrade and losses. Allowance for decrease in value of inventories reversed because of the increase of realizable value, recognized to reduce the accrued selling cost in the reverse period. As of every financial statement period, net realizable value is reviewed once again. The provision for losses is reversed in the case of either the conditions causing to degrade the inventories' net realizable value lose validity or changing economic conditions forming an increase in net realizable value is proved (reversed amount is limited with the previous impairment amount).

Purchased lands which are evaluated at residential construction projects, below the "Lands" considering to due date of the project shown under the long or short term inventories.

Tangible Fixed Assets

Tangible fixed assets (except the buildings) to be carried at cost less accumulated depreciation and permanent that occurs after the impairment loss, net worth and financial position are shown in the table. Depreciation is provided on the acquired values of property, plant and equipment on a straight-line method starting from the acquirement date. Land is considered as limitless useful life, so it is not subject to depreciation. Property, plant and equipment fair values of assets are not significant amount are estimated. Buildings are carried to the balance sheet with the fair value which are determined by Lider Gayrimenkul Değerleme Anonim Şirketi.

The depreciation rates for property, plant and equipment, which approximate the useful economic lives of these assets, are as follows:

	Useful life
Buildings	50 years
Machinery and equipments	3 – 15 years
Motor vehicles	4 - 5 years
Furniture, fixtures and office equipment	3 – 15 years
Leasehold improvements	Rent period

Intangible Fixed Assets

Intangible fixed assets comprise of rights and they are recorded at acquisition cost. Intangible fixed assets are amortized on a straight-line method with prorate basis over period of maximum 10 years from the date of acquisition.

Invesment Properties

Land and buildings that are held in the production of supply of goods or services of for administrative purposes or for long term rental yields or for capital appreciation or both rather than for the sale in the ordinary course of business are classified as "investment property". Investment properties shown at consolidated financial statement with the fair value method. Investment property of the Group has been revalued at fair value and reflected in the consolidated financial statements according to the Expert Appraisal Reports which were prepared by Lider Gayrimenkul Değerleme Anonim Şirketi.

Fair Value Measurement

Determination of fair values, fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. Fair value, according to valuation techniques used are classified into the following levels:

Level 1: For identical assets or liabilities in active markets (unadjusted) prices;
Level 2: Data which are observable in terms of assets and liabilities directly (with the help of prices) or indirectly (thereby reproduce from prices) and data except recorded price in level 1.
Level 3: Asset or liability is not based on observable market data in relation to the data (nonobservable data).

Financial Leases

Group acquired assets under finance lease agreements and capitalized at the inception of the lease starting from acquired date. Payables to lease are pursued under financial leasing liability in balance sheet (It was included in the related tangible fixed assets in the financial statements). Calculation of minimum leasing payment is to find out current market value as the valid proportion is calculated practically in financial leasing process then it is, otherwise proportion of interest rate of loan is used as discount factor. Expenses of asset acquisition through financial leasing are included in costs. The liability from financial leasing is decomposed into interest rate and the main loan. Expenses of interest rate are calculated with the fixed interest rate and are issued in related periods.

Impairment of Assets

Tangible and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in income for items of tangibles and intangibles carried at cost.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All of the other borrowing costs are recorded in the income statement in the period in which they are incurred. For the period ended at 31 December 2014, total amounting to TRY 5,955,402 borrowing costs are added to the investment properties and housing project inventories which is recognized as qualifying asset. (01 January - 31 December 2013: TRY 9,458,725 and 01 January - 31 December 2012: TRY 22,282,244).

Effects of Change in Currency Rate

Assets and liabilities in foreign currency and purchase and sale commitments create exchange risk. Foreign exchange risk stemming from depreciation or appreciation of Turkish Lira managed by top management by following the currency position of Group and taking position according to approved limits.

Construction Contract

Contract is expressed as agreement for construction of interrelated assets on the base of utility, technology functionality and design. The starting and ending date of the activities determined by the construction contract can cross different accounting periods. The income and the costs have to reflect in the related period in accordance with the principle of accounting.

Taxes on Income

Taxes on income for the period comprise current tax and the change in the deferred taxes.

Current Tax Provision

The charge for current tax is based on the results for the period as adjusted for items which are non-assessable or disallowed. Taxable profit differs from profit as reported in the income statement because it excludes teems of income or expense that taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases use in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductable temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary differences arisen from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit not the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associates with investments in subsidiaries and associates and interests in joint ventures, except where the Company is able to control the reversal of the temporary differences and it is probable that the temporary differences associated with such investments and interests are only recognized to the extent that it is probable That there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amounts of deferred tax assets is reviewed at each balance sheet date and reduce to extent that is no longer probable that sufficient taxable profits will be available to allow all part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and the tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Directly in equity, receivables or payables recognized as items (in this case related to the items deferred tax recognized directly in equity) and the associated or business combinations initial recognition except that stem from current tax of the period in deferred income tax, profit or loss in the statement of income or expense is recognized as. Business combinations, goodwill in the calculation or purchaser, purchased the subsidiary's identifiable assets, liabilities and contingent liabilities at fair value gained the share purchase exceeds the cost of determining the tax effect is taken into consideration.

Business Mergers Subject to Common Control

Business mergers including joint ventures or joint control means all ventures or businesses, before and after the merge, being controlled by the same person or group and their control is not temporary.

Business mergers subject to joint control should be recognized using the pooling of interest method, and thus goodwill should not be included in the financial statements. While using the pooling of interest method, the financial statements should be prepared as if the combination has taken place as of the beginning of the reporting period in which the common control occurs and should be presented comparatively from the beginning of the reporting period in which the common control occurred. It's admissible to look at the business mergers subject to joint control from parent company's point of view, from beginning of the consolidation date and after Group's parent company obtained the common control, accounting of combined financial statements regulated in regard of the IAS standards as if the financial statements prepared with IAS standards. To fix the inconsistency between assets – liabilities, as a result of the business mergers subject to joint control, "Effect of the Mergers Subject to Joint Control" account classified under equity is used.

Provisions, Contingent Liabilities and Assets

Provisions

Provisions are recognized when an enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Contingent liabilities and assets

Transactions that may give rise to contingencies and commitments are those where the outcome and the performance of which will be ultimately confirmed only on the occurrence or non occurrence of certain future events, unless the expected performance is not very likely. Accordingly, contingent losses are recognized in the financial statements of Group if a reasonable estimate of the amount of the resulting loss can be made. Contingent gains are reflected only if it is probable that the gain will be realized.

Renting Transactions

Group – As renter

Financial Leasing

Group acquired assets under finance lease agreements and capitalized at the inception of the lease starting from acquired date. Payables to lease are pursued under financial leasing liability in balance sheet. Calculation of minimum leasing payment is to find out current market value as the valid proportion is calculated practically in financial leasing process then it is, otherwise proportion of interest rate of loan is used as discount factor. Expenses of asset acquisition through financial leasing are included in costs.

The liability from financial leasing is decomposed into interest rate and the main loan. Expenses of interest rate are calculated with the fixed interest rate and are issued in related periods.

Operating Leases

Leases where a significant portion of the risks and rewards of ownership a retained by the lesser a classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of lease.

Income Accruals

Revenue is recognized on the accrual basis at the time deliveries are made, at the invoiced values. Net sales reflect gross sales, net of sales discounts and returns.

Related Parties

In the presence of one of the following criteria, parties are considered as related to the Group,

(a) Directly, or indirectly through one or more intermediaries, the party,

(i) Controls, is controlled by, or is under common control with, the Group (this includes parents, subsidiaries and fellow subsidiaries);
(ii) Has an interest in the Group that gives it significant influence over the Group; or
(iii) Has joint control over the Group;

(b) The party is an associate of the Group,
(c) The party is a joint venture, in which the Group is a venture,
(d) The party is member of the key management personnel of the Group or its parent,
(e) The party is a close member of the family of any individual referred to in (a) or (d),
(f) The party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e)
(g) The party has a defined benefit plan for the employees of the Group or a related party of the Group.

Transactions with related parties are transfer of resources or obligations between related parties, regardless of whether a price is charged. The Company interacts with its related parties within the frame of ordinary business activities (Note 5).

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

Foreign Currency Assets and Liabilities

Foreign currency transactions are entered in the accounts with current rates in transaction date. Foreign currency assets and liabilities in the balance sheet are converted to the TRY as the rates in the balance sheet date. Foreign exchange profit and loss are reflected to the income statements.

Foreign currency rates that are used at the end of the periods are as follows:

	31.12.2014	31.12.2013	31.12.2012
USD	2.3189	2.1343	1,7826
EUR	2.8207	2.9365	2,3517

Severance Pay Provision / Employee Benefits

Severance Pay

Under Turkish Labor Law, Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who retires in accordance with social insurance regulations or is called up for military service or dies. As of 31 December 2014 payments are calculated on the basis of 30 days' pay limited to a maximum of TRY 3,438 (31 December 2013 and 2012: TRY 3,254- TRY 3,034) per year of employment at the rate of pay applicable at the date of retirement.

Group calculates provisions for severance pay in the attached consolidated financial statements in consideration of previous years experiences on deserving severance pay and also, discount rate generated from effective interest rate and inflation on balance sheet period was included in calculations. All of profits and losses except calculated actuarial profit / (loss) was shown in consolidated statements of income, actuarial profit / (loss) was shown in consolidated statements of changes in equity.

The rates of basic assumptions used at balance sheet date are as follows;

	31 December 2014	31 December 2013	31 December 2012
Rediscount rate	14.24%	12.55%	13.22%
Inflation rate	8.17%	7.00%	7.00%
Real discount rate	5.61%	5.19%	5.81%

Social Insurance Premium

Group pays social security contribution to social security organization compulsorily. So long as Group pays these premiums, it has no liability. These premiums are reflected as personnel expenses in the period in which they are paid.

Dividends

Dividends receivable are recognized as income in the period when they are declared and dividends payables are recognized as an appropriation of profit in the period in which they are declared.

Paid in Capital

Common stocks are classified to equity. Costs related to new shares and option issued, are shown in equity by deducting the collected amounts whose tax effect was deducted.

Government Incentive and Grants

It is a procedure to assist the companies that are unable to achieve certain businesses. It is to stimulate the businesses with the incentives. Government incentives, including those followed at their fair values will be included in the financial statements only if there is reasonable assurance that the Group will fulfill all required conditions and acquire the incentive.

Government incentives, including non-monetary grants at fair value, are included in the financial statements only if there is reasonable assurance that the Group will fulfill all required conditions and acquire the incentive.

Post Balance Sheet Events

Although post balance sheet events arise after the explanation of the financial information to the public or any announcement related to profitability, it encloses all the events with balance sheet date and authorization date for the diffusion of the balance sheet.

The Group adjusts the amounts in the financial statements if there exists any events necessitates adjustment. Subsequent events are stated in the notes to financial statements, if they do not need adjustments.

Earnings Per Share

Earnings per share in the consolidated income statements are calculated by dividing the net profit for the year by the weighted average number of ordinary shares outstanding during the year.

In Turkey, companies can increase their share capital by making distribution of "bonus shares" to existing shareholders from inflation adjustment difference in shareholder's equity. For the purpose of the earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of "bonus shares" issued without corresponding change in resources by giving them retroactive effect for the period in which they were issued and each earlier period.

Revenue

Revenues are recognized on an accrual basis at the time deliveries or acceptances are made, the amount of the revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group, at the fair value of consideration received or receivable. Net sales represent the invoiced value of goods shipped less sales returns, commission and sales taxes. The Group's sales consists of home sales, rental income and gym membership income.

Selling of Houses

Revenue generated from the housing construction projects are accounted for when the group fulfils its requirements defined in the contracts and all the legal rights and those risks that may legally exist from the ownership of the completed goods are transferred to the buyer.

In accordance with the landownership ("LOA") and revenue sharing agreements ("RSA") , the Group commits to develop real estate projects on lands that are owned by other individuals and transfers the corresponding revenue portion obtained from the assets to be build in consideration of the land received based on the "LOA"and thecorresponding sale profit obtained from the premises to be built under the "RSA" to the respective land owners. For landownership agreements, the value of land transferred to the Group is carried at fair value at the date of agreement and when the Group meets all of its contractual liabilities and all risks and awards of the ownership of the assets are transferred to the landowner following the approval of the delivery notice by the landowner, revenue is recognized as the sale profit obtained from the landowner. For "RSA" agreements sale profit is transferred to the landowners at the date when the Group receives the related revenue and the transferred amount is recognized under the advances given to landowners account. When the Group meets its liabilities specified in the revenue from buyers paragraph fair value of the corresponding land portion of the Group is recognized as sale profit obtained from the landowner.

Sales of goods

Revenue from sales of good is recognized when all the following conditions are satisfied:

-The Group has transferred to the buyer the significant risks and rewards of ownership of the goods,
-The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold,
-The amount of revenue can be measured reliably,
-It is probable that the economic benefits associated with the transaction will flow to the entity,
-The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction of transportation incomes and license fee involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognized by reference to the stage of completion of the transaction at the balance sheet date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

-The amount of revenue can be measured reliably;
-It is probable that the economic benefits associated with the transaction will flow to the Group;
-The stage of completion of the transaction at the balance sheet date can be measured reliably; and
-The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income

Interest income is accrued in proportion as effective interest rate which reduces estimated cash addition to recorded value of the asset in corresponding period.

Other incomes are recorded with the possibility of having the worth giving service or accrual of the facts related with income, making the transfer of risk and benefit, determination of income amount and enrollment of economic benefits related with the procedure.

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

Cash Flow Statement

The Group prepares statement of cash flows to inform users of financial statements about changes in net assets and ability to direct financial structure, amounts and timing of cash flows according to changing situations. In the statement of cash flows, current period cash flows are grouped according to operating, financing, and investing activities. Operating cash flows resulting from activities in scope of Group's main operating scope. Cash flows related to investing activities are cash flows resulting from investing activities (fixed investments and financial investments) of the company. Cash flows related to financing activities comprise of funds used in financing activities of the Group and their repayments. Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant change in value.

NOTE 3 – BUSINESS MERGERS SUBJECT TO COMMON CONTROL

Business mergers including joint ventures or joint control means all ventures or businesses, before and after the merge, being controlled by the same person or group and their control is not temporary.

For the period ended at 31 December 2012 details of business mergers subject to common control is as follows;

Emay İnşaat Taahhüt Sanayi ve Ticaret Anonim Şirketi ("Emay İnşaat"), acquired 70% shares of the Kent Toplu Konut İnşaat Gayrimenkul Ticaret Anonim Şirketi ("Kent Toplu") in 2012 amounting to TRY 92,088,044 from therewithal on the partner position Hakan Çağlar, Yusuf Gören and Burak Gönen.

As a result of these acquisition details of acquired net assets and negotiated purchase shown in equity as "Effect of Business Mergers Subject to Common Control" is as follows;

	Book value before merger	IFRS and adjustment consolidated	Adjustment value before
Short term assets	27,232,655	11,214,770	38,447,425
Long term assets	9,650,392	6,267,822	15,918,214
Short term liabilities	(6,256,122)	(237,394)	(6,493,516)
Long term liabilities	(17,342)	(20,001,987)	(20,019,329)
Net assets / (liabilities)			27,852,794
The ratio of Emay's partnership			70%
Net assets / (liabilities) acquired from the company			19,496,956
Acquisition cost			92,088,044
Effect of Business Mergers Subject to Common Control			72,591,088

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

NOTE 4 – SHARES IN OTHER COMPANIES

As of 31 December 2014, 2013 and 2012, the detail of Parent Company's direct or indirect shares in other companies and information of these companies is summarized as follows;

Subsidiaries

	31 December 2014, 2013 and 2012		
	Ownership of the Parent Company through the Subsidiary		Minority Interest
	(Direct)	(Direct+ Indirect)	
Kent Toplu Konut İnşaat Gayrimenkul Ticaret Anonim Şirketi	70.00%	70.00%	30.00%

Joint Operations

	31 December 2014, 2013 and 2012	
	Ownership of the Parent Company through the Joint Activities	
	(Direct)	(Direct+ Indirect)
Kent İnşaat ve Maslak Yapı Ortak Girişimi (*)	-	35.00%
Kent İnşaat ve İpek İnşaat Ortak Girişimi (**)	80.00%	80.00%

(*) Kent İnşaat Maslak Yapı Ortak Girişimi, was established as joint operations with the ratio of 50% - 50% of Kent Toplu Konut İnşaat Gayrimenkul Ticaret A.Ş. and Kent Maslak Ltd.

(**) Kent İnşaat ve Maslak Yapı Ortak Girişimi, was established as a joint operations with the ratio of 80% - 20% per Kent Toplu Konut İnşaat Gayrimenkul Ticaret Anonim Şirketi and İpek İnşaat Limited Şirketi.

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

Summary financial information of other companies whose shares owned by Parent Company, for the period ended at 31 December 2014, 2013 and 2011.

31 December 2014					
Subsidiaries and Joint Operations	Nature of Activities	Total Assets	Total equity	Revenue	Period profit / (loss)
Kent Toplu Konut İnşaat Gayrimenkul Ticaret Anonim Şirketi	Property and gym management	78,916,021	66,124,861	3,924,176	(5,897,230)
Kent İnşaat ve Maslak Yapı Ortak Girişimi	Property sector	10,451,063	4,340,517	214,169	241,147
Kent İnşaat ve İpek İnşaat Ortak Girişimi	Property sector	1,941,175	175,351	-	(2,096)

31 December 2013					
Subsidiaries and Joint Operations	Nature of Activities	Total Assets	Total equity	Revenue	Period profit / (loss)
Kent Toplu Konut İnşaat Gayrimenkul Ticaret Anonim Şirketi	Property and gym management	80,728,429	68,123,895	3,988,312	(534,117)
Kent İnşaat ve Maslak Yapı Ortak Girişimi	Property sector	18,831,920	4,099,370	4,713,986	3,837,771
Kent İnşaat ve İpek İnşaat Ortak Girişimi	Property sector	1,940,847	177,447	-	(3,208)

31 December 2012					
Subsidiaries and Joint Operations	Nature of Activities	Total Assets	Total equity	Revenue	Period profit / (loss)
Kent Toplu Konut İnşaat Gayrimenkul Ticaret Anonim Şirketi	Property and gym management	80,441,729	68,102,802	4,142,359	994,260
Kent İnşaat ve Maslak Yapı Ortak Girişimi	Property sector	52,353,368	258,628	11,245	96,202
Kent İnşaat ve İpek İnşaat Ortak Girişimi	Property sector	1,940,406	180,655	-	(11,641)

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

NOTE 5 – RELATED PARTY TRANSACTIONS

i) Due from/to related parties:

a) Due to the related parties mentioned below is classified under trade payables account are as follows (Note 9):

	31.12.2014	31.12.2013	31.12.2012
Hedef Kentsel Toplu Yapı Yönetim ve İşletme Hizmetleri A.Ş.	211,015	-	-
	211,015	-	-

b) Due from shareholders mentioned below is classified other short term receivables is as follows (Note 10)

	31.12.2014	31.12.2013	31.12.2012
Hakan Çağlar	725,829	17,422,428	212,086
Yusuf Gören	643,960	13,109,078	151,865
Burak Gören	84,269	4,315,270	53,021
	1,454,058	34,846,776	416,972

c) Due from related parties mentioned below is classified under short term receivables is as follows (Note 10):

	31.12.2014	31.12.2013	31.12.2012
Maslak Yapı Ltd. Şti.	1,931,394	2,714,008	4,333
Butol İnşaat Turizm Savunma Sanayi Ticaret A.Ş.	1,739,770	1,469,844	1,315,298
Emaytaş Turizm Gayrimenkul Yönetim A.Ş.	1,009,503	465,325	203,412
Kent Yapı Yönetim ve İşletme Hizmetleri A.Ş.	1,540,178	391,405	-
BYG Gıda Turizm Ltd.Şti.	102,190	77,666	-
Emay-İpek Ortak Girişimi	349,375	348,447	348,415
Bfa Turizm ve İnşaat Sanayi Ticaret A.Ş.	530,000	447,000	-
Gökhan Ayaydın	225,000	225,000	225,000
Others	804,783	333,282	-
	8,232,193	6,471,977	2,096,458

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

d) Due from shareholders mentioned below is classified under long term receivables is as follows: (Not 10):

	31.12.2014	31.12.2013	31.12.2012
Hakan Çağlar	8,337,964	9,284,246	20,806,475
Yusuf Gören	6,253,473	6,963,184	15,604,857
Burak Gören	2,084,491	2,321,062	5,201,619
	16,675,928	18,568,492	41,612,951

ii) Sales, purchases and operations to related parties:

a) Net sales to related parties classified under sales revenue is as following:

	01.01.- 31.12.2014	01.01.- 31.12.2013	01.01.- 31.12.2012
Bfa Turizm Ve İnşaat Sanayi A.Ş.	-	200,000	-
Byg Gıda İnşaat Sanayi ve Ticaret Limited Şirketi	-	600	600
	-	200,600	600

b) Purchases from related parties classified under cost of sales are as follows:

	01.01.- 31.12.2014	01.01.- 31.12.2013	01.01.- 31.12.2012
Hedef Kentsel Toplu Yapı Yönetim ve İşletme Hizmetleri A.Ş.	3,069,346	1,954,016	-
Emaytaş Turizm Gayrimenkul Yönetim Hizmetleri Sanayi ve Ticaret A.Ş.	2,800	-	-
	3,072,146	1,954,016	-

c) Purchases from related parties classified under general administrative expenses are as follows:

	01.01.- 31.12.2014	01.01.- 31.12.2013	01.01.- 31.12.2012
Hedef Kentsel Toplu Yapı Yönetim ve İşletme Hizmetleri A.Ş.	219,325	-	-
	219,325	-	-

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

d) Interest incomes from related parties classified under investment activities incomes are as follows;

	01.01.-31.12.2014	01.01.-31.12.2013	01.01.-31.12.2012
Butol İnşaat Turizm Savunma Sanayi ve Ticaret A.Ş.	154,334	154,548	158,992
Byg Gıda İnşaat Sanayi ve Ticaret Limited Şirketi	9,410	8,166	-
Kent Yapı Yönetim ve İşletme Hizmetleri A.Ş.	98,231	37,636	-
	261,975	200,350	158,992

e) Interest incomes from shareholders classified under investment activities incomes are as follows;

	01.01.-31.12.2014	01.01.-31.12.2013	01.01.-31.12.2012
Hakan Çağlar	819,294	1,086,530	-
Yusuf Gören	614,470	706,246	-
Burak Gören	204,824	271,633	-
Others	-	108,654	-
	1,638,588	2,173,063	-

f) Detail of tangible and intangible fixed assets purchasing from related parties is as follows;

	01.01.-31.12.2014	01.01.-31.12.2013	01.01.-31.12.2012
Hakan Çağlar	-	2,825,000	-
Yusuf Gören	-	2,825,000	-
	-	5,650,000	-

g) Wage and benefits provided for the board members and managers are as follows;

	01.01.-31.12.2014	01.01.-31.12.2013	01.01.-31.12.2012
Short term employee benefits	2,793,940	2,755,833	884,932
Benefits provided after leaving	-	-	-
Other long term benefits	-	-	-
Benefits provided due to termination	-	-	-
Share based payments	-	-	-
	2,793,940	2,755,833	884,932

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

NOTE 6 – CASH AND CASH EQUIVALENTS

As of 31 December 2014, 2013 and 2012, the details of cash and cash equivalents are as follows;

	31.12.2014	31.12.2013	31.12.2012
Cash	19,522	55,417	30,024
Banks			
- Time deposits whose maturities less than 3 months	50,990,407	4,213,222	80,327,614
- Demand Deposits	8,289,327	22,338,397	11,560,531
Other liquid assets	557,012	1,408,486	2,218,600
Accrual of interest of time deposits	34,374	-	14,399
	59,890,642	28,015,522	94,151,168

As of 31 December 2014, 2013 and 2012 Group's bank deposits compose time deposit and demand deposits. As of 31 December 2014, there is blockage over the bank deposits with the amount of TRY 907,380 (31 December 2013 and 2012: None). Other liquid assets are composed of the receivables from banks relating to sales by credit cards.

As of 31 December 2014 the details of time deposits are as follows;

Currency Type	Maturity	Interest Rate	TRY Amount
TRY	01.01.2015	9.50%	30,000,000
TRY	01.01.2015	9.50%	19,965,115
TRY	01.01.2015	3.00%	962,513
TRY	01.01.2015	8.75%	60,000
TRY	01.01.2015	10.00%	2,500
TRY	01.01.2015	10.00%	242
TRY	01.01.2015	10.00%	37
			50,990,407

As of 31 December 2013 the details of time deposits are as follows;

Currency Type	Maturity	Interest Rate	TRY Amount
TRY	02.01.2014	10.00%	590,000
TRY	31.03.2014	10.00%	300
TRY	02.01.2014	10.00%	672,947
TRY	07.01.2014	10.00%	1,258,136
TRY	07.01.2014	10.00%	1,691,839
			4,213,222

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

As of 31 December 2012 the details of time deposits are as follows;

Currency Type	Maturity	Interest Rate	TRY Amount
USD	02.01.2013	3.50%	59,692,063
TRY	21.01.2013	7.30%	11,493,555
TRY	02.01.2013	10.00%	7,769,996
TRY	11.01.2013	7.30%	951,000
TRY	02.01.2013	10.00%	421,000
			80,327,614

NOTE 7 – FINANCIAL INVESTMENTS

As of 31 December 2014, 2013 and 2012 details of financial investments are as following;

Short term financial investments

	31.12.2014	31.12.2013	31.12.2012
Blockage time deposits whose maturies between 3 and 12 months (*)	15,730,629	-	-
Financial asset purpose of purchase and sale			
Bond	100,000	-	-
	15,830,629	-	-

Long term financial investments

	31.12.2014	31.12.2013	31.12.2012
Blockage time deposits whose maturity over than 1 year (*)	53,836,371	-	-
	53,836,371	-	-

(*) On all of the time deposits of Group, there is blocked account which is referring to sell and lease back, in favor of related financial institution which has committed with Albaraka Türk Katılım Bankası A.Ş. According to the agreement between Group and financial institution; amounting to TRY 69,567,000 (USD 30,000,000) which is held as term and blocked, be set-off arising from financial leases payment and blocked amount will be closed as of the date of 14 July 2017. There withal blocked deposits be followed at the time deposits until the date of 14 July 2015 which is first payment of financial leases.

As of the 31 December 2014 detail of related to the term of blocked deposits is as follows;

	31.12.2014
In the year of 2015	15,730,629
In the year of 2016	31,461,258
In the year of 2017	22,375,113
	69,567,000

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

NOTE 8 – FINANCIAL BORROWINGS

As of 31 December 2014, 2013 and 2012 the details of short and long term financial borrowings are as follows;

	31.12.2014	31.12.2013	31.12.2012
Short term bank borrowings	77,858,879	78,080,685	94,142,895
Short term lease payables, net	24,558,119	11,460,816	1,319,022
Current installments of long term bank borrowings	124,775,290	83,486,188	49,819,399
Accrued interest of bank borrowings and financial leases	6,459,205	5,018,408	5,763,965
Total short term financial payables	233,651,493	178,046,097	151,045,281
Long term bank borrowings	251,528,783	278,928,602	145,055,924
Long term lease payables, net	237,015,102	48,553,720	15,963,229
Total long term financial borrowings	488,543,885	327,482,322	161,019,153
Total financial borrowings	722,195,378	505,528,419	312,064,434

As of 31 December 2014 the average effective interest rates of USD, EUR and TRY bank borrowings are %6.24, %6.76 and %14.24 (31 December 2013: USD - %5.66, EUR - %7.22, TRY - %12.55, 31 December 2012: USD - %5.64, EUR - %7.43, TRY - %13.32).

As of 31 December 2014, 2013 and 2012 maturity analysis of short term bank borrowings (except accrued interest on borrowings) is as follows:

	31.12.2014	31.12.2013	31.12.2012
Due in 0 – 1 months	9,019,231	6,080,376	9,816,046
Due in 1 - 3 months	34,961,011	35,101,976	31,676,574
Due in 3 - 12 months	158,653,927	120,384,521	102,469,674
	202,634,169	161,566,873	143,962,294

As of 31 December 2014, the details of the short term bank borrowings (except accrued interest on borrowings) based on currency are as follows:

Currency	Amount	Currency rate	TRY Equivalent
TRY	185,991,075	1.0000	185,991,075
USD	6,791,649	2.3189	15,749,155
EUR	316,921	2.8207	893,939
			202,634,169

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

As of 31 December 2013, the details of the short term bank borrowings (except accrued interest on borrowings) based on currency are as follows:

Currency	Amount	Currency rate	TRY Equivalent
TRY	149,227,761	1.0000	149,227,761
USD	5,740,476	2.1343	12,251,898
EUR	29,700	2.9365	87,214
			161,566,873

As of 31 December 2012, the details of the short term bank borrowings (except accrued interest on borrowings) based on currency are as follows:

Currency	Amount	Currency rate	TRY Equivalent
TRY	135,618,847	1.0000	135,618,847
USD	4,584,791	1.7826	8,172,848
EUR	72,543	2.3517	170,599
			143,962,294

As of 31 December 2014, 2013 and 2012 maturity analysis of long term bank borrowings (except accrued interest on borrowings) is as follows:

	31.12.2014	31.12.2013	31.12.2012
Due in 1 - 2 years	97,261,736	80,287,967	34,195,285
Due in 2 - 3 years	40,323,842	52,544,554	28,701,977
Due in 3 - 4 years	27,486,326	27,949,474	18,962,141
Due in 4 - 5 years	25,500,620	27,744,497	18,941,312
Due in 5 - 6 years	23,595,972	27,701,060	18,941,312
Due in 6 - 7 years	23,595,972	27,701,060	16,348,453
Due in 7 - 8 years	13,764,315	23,611,826	5,976,951
Due in 8 - 9 years	-	11,388,164	2,988,493
	251,528,783	278,928,602	145,055,924

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

As of 31 December 2014, the details of the long term bank borrowings (except accrued interest on borrowings) based on currency are as follows:

Currency	Amount	Currency rate	TRY Equivalent
TRY	86,830,269	1.0000	86,830,269
USD	70,355,821	2.3189	163,148,113
EUR	549,651	2.8207	1,550,401
			251,528,783

As of 31 December 2013, the details of the long term bank borrowings (except accrued interest on borrowings) based on currency are as follows:

Currency	Amount	Currency rate	TRY Equivalent
USD	94,406,173	2.1343	201,491,095
TRY	76,964,334	1.0000	76,964,334
EUR	161,135	2.9365	473,173
			278,928,602

As of 31 December 2012, the details of the long term bank borrowings (except accrued interest on borrowings) based on currency are as follows:

Currency	Amount	Currency rate	TRY Equivalent
USD	68,841,999	1.7826	122,717,747
TRY	22,225,448	1.0000	22,225,448
EUR	47,935	2.3517	112,729
			145,055,924

As of 31 December 2014, 2013 and 2012 maturity analysis of short term financial lease payables (except accrued interest) are as below:

	31.12.2014	31.12.2013	31.12.2012
Due in 0 - 1 months	1,613,595	422,187	8,218
Due in 1 - 3 months	3,219,312	998,781	16,618
Due in 3 - 12 months	19,725,212	10,039,848	1,294,186
	24,558,119	11,460,816	1,319,022

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

As of 31 December 2014, the details of short term financial lease payables (except accrued interest) based on currency are as below:

Currency	Amount	Currency rate	TRY Equivalent
TRY	1,793,293	1.0000	1,793,293
USD	3,032,461	2.3189	7,031,974
EUR	5,577,641	2.8207	15,732,852
			24,558,119

As of 31 December 2013, the details of short term financial lease payables (except accrued interest) based on currency are as below:

Currency	Amount	Currency rate	TRY Equivalent
TRY	1,022,618	1.0000	1,022,618
USD	911,075	2.1343	1,944,507
EUR	2,892,454	2.9365	8,493,691
			11,460,816

As of 31 December 2012, the details of short term financial lease payables (except accrued interest) based on currency are as below:

Currency	Amount	Currency rate	TRY Equivalent
TRY	26,953	1.0000	26,953
USD	395,208	1.7826	704,498
EUR	249,850	2.3517	587,571
			1,319,022

As of 31 December 2014, 2013 and 2012 maturity analysis of long term financial lease payables (except accrued interest) are as below:

	31.12.2014	31.12.2013	31.12.2012
Due in 1 - 2 years	39,261,022	14,904,634	4,131,079
Due in 2 - 3 years	38,796,955	15,935,407	4,294,120
Due in 3 - 4 years	29,146,676	14,432,164	4,479,676
Due in 4 - 5 years	27,437,158	3,281,515	3,058,354
Due in 5 - 6 years	24,585,530	-	-
Due in 6 - 7 years	26,463,199	-	-
Due in 7 - 8 years	28,462,404	-	-
Due in 8 - 9 years	22,862,158	-	-
	237,015,102	48,553,720	15,963,229

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

As of 31 December 2014, the details of long term financial lease payables (except accrued interest) based on currency are as below:

Currency	Amount	Currency Rate	TRY Equivalent
TRY	5,214,956	1.0000	5,214,956
USD	81,355,067	2.3189	188,654,265
EUR	15,296,161	2.8207	43,145,881
			237,015,102

As of 31 December 2013, the details of long term financial lease payables (except accrued interest) based on currency are as below:

Currency	Amount	Currency Rate	TRY Equivalent
TRY	7,198,152	1.0000	7,198,152
USD	2,588,668	2.1343	5,524,994
EUR	12,201,796	2.9365	35,830,574
			48,553,720

As of 31 December 2012, the details of long term financial lease payables (except accrued interest) based on currency are as below:

Currency	Amount	Currency Rate	TRY Equivalent
TRY	12,312	1.0000	12,312
USD	2,793,488	1.7826	4,979,672
EUR	4,665,240	2.3517	10,971,245
			15,963,229

As of 31 December 2014, the Group gave mortgage with the amount of TRY 487,405,000 and notes receivables with the amount of TRY 80,805,799 to the finance corporations for the borrowings. Furthermore, there are personal guarantees of the shareholders for bank loans. (Note 17).

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

NOTE 9 – TRADE RECEIVABLES AND PAYABLES

As of 31 December 2014, 2013 and 2012 the details of trade receivables are as follows;

Short term trade receivables

	31.12.2014	31.12.2013	31.12.2012
Trade receivables	691,414	531,406	14,100
Notes receivables	26,678,095	33,897,132	13,421,541
Unearned interest on trade receivables (-)	(1,497,321)	(1,269,318)	(777,764)
Income accruals in accordance with the agreements	-	148,685	1,404,454
Doubtful trade receivables	2,376,475	825,021	206,923
Provision for doubtful trade receivables (-)	(2,309,126)	(779,557)	(206,923)
	25,939,537	33,353,369	14,062,331

For the periods ended at 31 December 2014, 2013 and 2012 the movement schedule of provision for doubtful receivables is as follows:

	01.01.- 31.12.2014	01.01.- 31.12.2013	01.01.- 31.12.2012
Opening balance	779,557	206,923	205,723
Collections	(16,739)	-	-
Provisions for the period	1,546,308	572,634	1,200
Closing balance	2,309,126	779,557	206,923

As of 31 December 2014, 2013 and 2012 maturity schedule of notes receivables is as follows:

	31.12.2014	31.12.2013	31.12.2012
Overdue	383,761	3,603,417	-
1-30 days	6,035,607	5,452,113	756,766
31-60 days	1,568,936	3,168,966	1,291,046
61-90 days	3,438,397	2,906,057	1,323,724
91-120 days	1,389,672	2,141,767	1,580,358
121-150 days	1,910,652	2,637,101	1,469,347
151-180 days	2,673,730	2,818,184	709,709
181-210 days	1,313,927	2,353,821	1,199,420
211-240 days	1,161,286	1,963,614	789,640
241-270 days	1,372,641	1,793,436	1,155,495
271-300 days	1,286,112	1,730,645	924,638
301-330 days	902,884	1,266,951	899,634
331-360 days	3,240,490	2,061,060	1,321,764
	26,678,095	33,897,132	13,421,541

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

Long term trade receivables

	31.12.2014	31.12.2013	31.12.2012
Notes receivables	25,757,951	23,855,327	12,909,141
Unearned interest on notes receivables (-)	(6,249,292)	(4,591,600)	(3,126,962)
	19,508,659	19,263,727	9,782,179

As of 31 December 2014, 2013 and 2012 maturity schedule of notes receivables is as follows:

	31.12.2014	31.12.2013	31.12.2012
1 - 2 years	14,561,638	14,760,022	5,942,771
2 - 3 years	7,101,569	6,770,798	3,800,116
3 - 4 years	3,006,628	1,797,624	2,605,937
4 - 5 years	764,866	90,659	542,902
5 - 6 years	323,250	-	17,415
6 - 7 years	-	436,224	-
	25,757,951	23,855,327	12,909,141

As of 31 December 2014, Group has received letters of guarantees with the amount of TRY 2,663,690 and notes receivables with the amount of TRY 400,558 from the customers for the short and long term trade receivables (Note 17).

As of 31 December 2014, part of TRY 80,805,799 on notes receivables which amounting to TRY 52,436,046 in the trade receivables account and notes receivables which amounting to TRY 58,613,597 in the other receivables account were given to various bank institutions as guarantees.

Although the apartments has been delivered to customers, Group has not assigned the deeds in order to make them guarantee for their notes receivables which amounting to TRY 40,952,532. After the collecting debts, deed transfers will be occurred. In order to guarantee for the Group's financial liabilities, there is a mortgage on the flats which are already delivered to customers but deeds not transfered, amounting to of TRY 111,500,000 in favor of financial institutions.

As of 31 December 2014, 2013 and 2012 the credit risk analysis of trade receivables have been prepared at Note 31.

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

As of 31 December 2014, 2013 and 2012 the details of trade payables are as follows;

Short term trade payables

	31.12.2014	31.12.2013	31.12.2012
Trade payables	10,534,625	16,871,901	25,034,135
Notes payables	23,801,926	25,651,589	27,060,965
Due to related parties (Note 5)	211,015	-	-
Unearned interest on trade payables (-)	(1,055,871)	(1,105,722)	(1,496,101)
Accrued expenses in accordance with agreements	88,418	47,681,013	188,282
	33,580,113	89,098,781	50,787,281

Maturity schedule of notes payables as of 31 December 2014, 2013 and 2012 are as following:

	31.12.2014	31.12.2013	31.12.2012
1-30 days	5,954,720	10,395,450	11,382,675
31-60 days	5,290,860	6,277,405	8,366,678
61-90 days	6,510,576	4,803,939	3,598,596
91-120 days	2,767,770	2,650,395	2,203,685
121-150 days	1,610,000	1,050,000	866,110
151-180 days	1,068,000	140,400	273,728
181-210 days	300,000	-	-
211-240 days	40,000	-	-
241-270 days	-	334,000	365,000
301-330 days	260,000	-	4,493
	23,801,926	25,651,589	27,060,965

Long term trade payables

	31.12.2014	31.12.2013	31.12.2012
Notes payables	4,000,000	4,000,000	4,000,000
Unearned interest on trade payables (-)	(501,564)	(451,775)	-
	3,498,436	3,548,225	4,000,000

As of 31 December 2014, 2013 and 2012 all of the long term trade payables consist of debts to the landowners.

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

NOTE 10 – OTHER RECEIVABLES AND PAYABLES

As of 31 December 2014, 2013 and 2012 the details of other receivables are as follows;

Other current receivables

	31.12.2014	31.12.2013	31.12.2012
Due from shareholders (Note 5)	1,454,058	34,846,776	416,972
Due from related parties (Note 5)	8,232,193	6,471,977	2,096,458
Notes receivables which are received as advance (**)	24,130,268	17,522,956	51,868,725
Receivables from the tax office (*)	20,709,335	-	-
Sundry debtors	61,219	245,800	41,133
	54,587,073	59,087,509	54,423,288

(*) The Group assumed that the application of VAT return/deduction that the Group made to various tax offices will be calculated in 2015, therefore, the Group reclassed the related receivables to the short term receivables in financial statement for the period of 31 December 2014.

As of 31 December 2014, 2013 and 2012 maturity schedule of notes receivables which are received as advance are as follows:

	31.12.2014	31.12.2013	31.12.2012
Overdue	234,485	1,466,385	2,662,318
1-30 days	1,891,856	1,463,413	6,606,437
31-60 days	1,376,403	1,353,133	4,420,665
61-90 days	1,380,693	1,680,102	3,847,209
91-120 days	2,500,875	1,285,657	5,381,595
121-150 days	2,746,490	1,320,551	4,924,136
151-180 days	2,784,410	1,498,797	4,521,550
181-210 days	1,725,540	1,040,467	3,302,651
211-240 days	1,637,040	1,037,483	2,903,039
241-270 days	2,087,220	1,601,140	3,522,471
271-300 days	1,664,400	1,454,952	2,904,372
301-330 days	1,405,200	1,041,847	3,467,261
331-360 days	2,695,656	1,279,029	3,405,021
	24,130,268	17,522,956	51,868,725

(**) Notes receivables take as advance consist of advances obtained from customers for the flats which has not been delivered as of the date of financial statement and the on-going housing projects.

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

Other non-current receivables

	31.12.2014	31.12.2013	31.12.2012
Deposits and guarantees given	59,894	59,894	-
Notes receivables which are received as advance (*)	34,483,329	29,512,564	24,206,615
Receivables from the tax offices	-	3,438,128	2,524,680
Due from shareholders (Note 5)	16,675,928	18,568,492	41,612,951
	51,219,151	51,579,078	68,344,246

As of 31 December 2014, 2013 and 2012 maturity schedule of notes receivables as an advance are as follows:

	31.12.2014	31.12.2013	31.12.2012
Between 1 - 2 years	20,184,986	17,180,284	14,028,369
Between 2 - 3 years	11,540,403	9,807,705	9,229,034
Between 3 - 4 years	1,941,990	2,524,575	473,850
Between 4 - 5 years	815,950	-	36,684
Between 5 - 6 years	-	-	437,428
Between 6 - 7 years	-	-	1,250
	34,483,329	29,512,564	24,206,615

(*) Notes receivables taken as advance consist of advances taken from the customers for the flats which is not delivery yet, as of the Group's financial statement and for the continuing housing-project.

As of 31 December 2014, 2013 and 2012 the credit risk analysis of other receivables have been prepared at Note 31.

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

As of 31 December 2014, 2013 and 2012 the details of other payables are as follows;

Other current payables

	31.12.2014	31.12.2013	31.12.2012
Taxes and funds payable	415,631	304,451	315,974
Overdue Taxes (*)	13,324,308	198,368	168,152
Deposit and guarantees received	3,564,106	4,552,977	903,382
Other payables	8,061,745	282,675	13,509,253
	25,365,790	5,338,471	14,896,761

(*) As of the date of financial statement, related amounts consist of Social Security Institution (SSI) debts and tax debts which has not paid on the date. The Group applied to the various tax offices in order to offset their VAT tax receivables with related tax debts. Social Security Institution liabilities and related interest accruals reflected to the accompanying consolidated financial statements. The payment of other tax liabilities, except Social Security Institution, without interest from overdue, is belong to the issueless result of deduction process. With the assumption of related deduction process will be resulted in 2015, the Group, reclassed the related receivables to short-term receivables in financial statement for the period of 31 December 2014. As of the report date, the tax liabilities with the amount of TRY 9,247,065 of parent company has been offsetting from tax receivables, by the tax offices. The deduction process of Social Security Instution liabilities is continuing.

Other non-current payables

	31.12.2014	31.12.2013	31.12.2012
Deposit and guarantees received	312,552	3,660,817	3,406,170
Overdue taxes	-	2,854,921	1,258,180
	312,552	6,515,738	4,664,350

Deposit and guarantees received consist of cash guarantee that has been received from organizations which carry on a business as subcontractors on Group's housing projects.

NOTE 11 –EMPLOYEE BENEFITS LIABILITIES

As of 31 December 2014, 2013 and 2012, payables from employee benefits are as follows;

	31.12.2014	31.12.2013	31.12.2012
Social security premiums payable	254,201	386,124	465,203
Due to personnel	436,204	908,079	935,255
	690,405	1,294,203	1,400,458

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

NOTE 12 – INVENTORIES

As of 31 December 2014, 2013 and 2012 the details of inventories are as follows;

Short Term Inventories

	31.12.2014	31.12.2013	31.12.2012
Land inventories	700,000	700,000	29,001,054
Construction in progress inventories	-	-	221,471,800
Ready for sale flat inventories	156,416,449	197,252,391	2,555,826
	157,116,449	197,952,391	253,028,680

Long Term Inventories

	31.12.2014	31.12.2013	31.12.2012
Land inventories for projects	826,481	826,481	1,526,481
Construction in progress inventories (*)	41,131,969	11,914,430	12,490,293
Flat inventories	430,535	430,535	3,920,231
	42,388,985	13,171,446	17,937,005

(*) Construction in progress inventories classified under long term inventories consist of costs about Group's continued Kentplus Kadıköy housing project. As declaration of Groups administration, related project planned to completed in the year of 2017.

As of 31 December 2014, the insurance on construction in progress projects and inventories is amounting to TRY 84,986,709.

As of 31 December 2014, in order to guarantee for the Group's financial liabilities, there is a mortgage on the flats which was already delivered to customers but deeds not transfered (these are not exist on the statements due to already delivered to the customers) and there is a mortgage on flat inventories in the attached statements, amount of TRY 111,500,000 in favor of financial institutions.

NOTE 13 – PREPAID EXPENSES AND DEFERRED INCOME

As of 31 December 2014, 2013, and 2012, the details of short term prepaid expenses are as follows;

	31.12.2014	31.12.2013	31.12.2012
Order advances given	-	797,843	-
Prepaid expenses - short term	-	638,889	100,924
Advances given for business purposes	277,575	380,868	68,073,232
	277,575	1,817,600	68,174,156

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

As of 31 December 2014, 2013 and 2012, the details of deferred income are as follows;

Deferred income short term

	31.12.2014	31.12.2013	31.12.2012
Advances received (*)	3,354,090	19,796,280	314,054,282
Deferred income short term (**)	7,524,466	2,179,420	2,734,776
	10,878,556	21,975,700	316,789,058

Deferred income long term

	31.12.2014	31.12.2013	31.12.2012
Advances received (*)	70,528,435	54,934,300	13,859,480
Deferred income long term (**)	31,117,816	332,560	655,961
	101,646,251	55,266,860	14,515,441

(*) As of 31 December 2014, TRY 58,613,597 of long and short term advances received (31 December 2013: TRY 47,035,520, 31 December 2012: TRY 76,075,340) consists of notes receivables qualified as sale advances. Remained advances consists of cash advances.

(**) As of 31 December 2014, 2013 and 2012, the Group used some of their real estates on the "Sell and Lease Back" lease method in order to funding. Before sell and lease back lease process, difference between book value and transaction amount of the releated real estates not reflected directly on the profit and loss statement. The difference will be reflect to the profit and loss statement according to the lease maturity. As of 31 December 2014, amounting to of TRY 5,506,706 on the short term, amounting to TRY 30,766,864 long term consist of sell and lease back lease method (31 December 2013: Short term: TRY 6,479, long term: TRY 26,995 – 31 December 2012: None).

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

NOTE 14 – INVESTMENT PROPERTIES

Movements in investment property for the period at the date of 31 December 2014, 2013 and 2012 are as follows;

Costs	31 December 2011	Addition	Additions due to acquisition of subsidiary	Revaluation funds	31 December 2012	Addition	Revaluation funds	Transfer	31 December 2013	Addition	Revaluation funds	Transfer	31 December 2014
Buildings	-	-	-	-	-	70,902,009	54,414,693	211,762,542	337,079,244	74,657,571	141,753,752	122,771,193	676,261,760
Construction in progress	176,866,110	62,744,963	677,767	33,833,433	274,122,273	52,892,702	8,420,000	(211,762,542)	123,672,433	-	-	(122,771,193)	901,240
Total	176,866,110	62,744,963	677,767	33,833,433	274,122,273	123,794,711	62,834,693	-	460,751,677	74,657,571	141,753,752	-	677,163,000
Fair value	176,866,110				274,122,273				460,751,677				677,163,000

Investment properties has been shown in the accompanying consolidated financial statements by adopting fair value method. There is not any restriction related to the transfer incomes from Investment Properties to the Group. Purchasing, development and construction expenses related to Investment Properties belong to Group as owner. Maintenance, repair and improvement expenses about operations related to Investment Properties belong to renters. Expertise value of the Group's investment properties has been calculated by Lider Gayrimenkul Değerleme A.Ş. which is existed on the real estate valuation companies list of the CMB. Difference between numbers according to the valuation result and book value of the related investment properties has been recognised on the statements of income. (Note 25). Between investment properties which has been subjected to Group's expertise valuation and fair value hierarchy of the related assets are in 2nd level. As of current period, there has not been crossing between 1st level and 2nd level.

Group's investment properties consist of Brandium AVM located on Ataşehir / İstanbul (40% of the total shopping mall value), Hilton Otel located on Kozyatağı / İstanbul (50% of the total hotel value), 28 flats on the Brandium Rezidans keeping for rental income, Trade Center located on Küçükçekmece / İstanbul, Trade Center located on Ümraniye / İstanbul and some flats and shops on the Centrium project are keeping for rental income.

As of 31 December 2014, amounting to TRY 236,673,000 of the investment properties of the Group's are expertise value acquired with financial leasing method (sell and lease back). (31 December 2013: TRY 3,295,000 - 31 December 2012: None).

As of 31 December 2014 , there is a mortgage amounting to TRY 346,890,000 in favor of financial institutions over Group's in the borrowings investment properties. As of 31 December 2014, the insurance on investment properties is amounting to TRY 184,130,775.

Additions due to acquisition of subsidiary contain acquired subsidiary's investment properties for the period ended at 31 December 2012.

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

NOTE 15 – TANGIBLE FIXED ASSETS

Movements in tangible fixed assets for the periods ended at the date of 31 December 2014, 2013 and 2012 are as follows:

Costs	31 December 2011	Addition	Disposal	Additions due to acquisition of subsidiary	Revaluation funds	31 December 2012	Addition	Disposal	Revaluation funds	31 December 2013	Addition	Disposal	Revaluation funds	31 December 2014
Land	-	612,500	-	-	-	612,500	-	-	-	612,500	-	-	-	612,500
Buildings	14,700	1,904,762	-	7,093,273	41,401,027	50,413,762	6,728,680	-	3,469,780	60,612,222	198,956	-	9,067,226	69,878,404
Machinery	1,869,656	584,536	-	1,926,210	-	4,380,402	190,722	-	-	4,571,124	75,881	-	-	4,647,005
Vehicles	1,630,173	206,213	(24,271)	84,849	-	1,896,964	-	(334,526)	-	1,562,438	-	(842,078)	-	720,360
Fixtures and fittings	596,735	183,037	-	1,108,736	-	1,888,508	56,926	-	-	1,945,434	1,881	-	-	1,947,315
Leasehold improvements	11,567	-	-	-	-	11,567	-	-	-	11,567	-	-	-	11,567
Total	4,122,831	3,491,048	(24,271)	10,213,068	41,401,027	59,203,703	6,976,328	(334,526)	3,469,780	69,315,285	276,718	(842,078)	9,067,226	77,817,151
Accumulated Depreciation (-)														
Buildings	1,813	175,494	-	289,101	-	466,408	760,753	-	-	1,227,161	1,147,703	-	-	2,374,864
Machinery	593,269	350,504	-	1,337,071	-	2,280,844	392,540	-	-	2,673,384	392,681	-	-	3,066,065
Vehicles	1,141,057	202,889	(24,271)	45,152	-	1,364,827	193,328	(149,046)	-	1,409,109	84,516	(809,242)	-	684,383
Fixtures and fittings	412,760	194,640	-	592,889	-	1,200,289	211,930	-	-	1,412,219	203,604	-	-	1,615,823
Leasehold improvements	3,084	2,314	-	-	-	5,398	2,313	-	-	7,711	2,314	-	-	10,025
Total	2,151,983	925,841	(24,271)	2,264,213	-	5,317,766	1,560,864	(149,046)	-	6,729,584	1,830,818	(809,242)	-	7,751,160
Net Book Value	1,970,848					53,885,937				62,585,701				70,065,991

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

As of 31 December 2014, the total amount of insurance on tangible fixed assets is amounting to TRY 24,536,129

Additions due to acquisition of subsidiary contain acquired subsidiary's tangible fixed assets for the period ended at 31 December 2012.

As of 31 December 2014, there are mortgages amounting to TRY 26,250,000 in favor of financial and other institutions over Group's land and buildings in the borrowings (Note 17).

As of 31 December 2014, 2013 and 2012 buildings Group's are revalued at fair value and reflected in the consolidated financial statements according to expert appraisal reports which are prepared by Lider Gayrimenkul Değerleme A.Ş. that is approved by the CMB. Between tangible assets which has been subjected to Group's appraisement valuation and fair value hierarchy of the related asset is in 2nd level. As of current period, there has not been crossing between 1st level and 2nd level.

As of 31 December 2014, amounting to TRY 4,539,473 of buildings, machineries and devices of the Group are acquired with financial leasing method and as of 31 December 2014, net book value of leased fixed assets is TRY 4,283,206 (31 December 2013: acquired to TRY 3,089,473 – Net book value: TRY 2,855,479, 31 December 2012: acquired to TRY 214,473 – Net book value: TRY 62,627).

For the periods ended at 31 December 2014, 2013 and 2012, details of fixed asset purchases from related parties are stated in Note 5.

NOTE 16 – INTANGIBLE FIXED ASSETS

Movements in intangible fixed assets for the period ended at the date of 31 December 2014, 2013 and 2012 are as follows:

Cost	31 December 2011	Addition	Additions due to acquisition of subsidiary	31 December 2012	Addition	31 December 2013	Addition	31 December 2014
Rights	11,368	1,071	6,200	18,639	17,140	35,779	-	35,779
Total	11,368	1,071	6,200	18,639	17,140	35,779	-	35,779
Accumulated Depreciation (-)								
Rights	4,658	4,254	629	9,541	9,127	18,668	7,358	26,026
Total	4,658	4,254	629	9,541	9,127	18,668	7,358	26,026
Net Book Value	6,710			9,098		17,111		9,753

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

NOTE 17 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As of 31 December 2014, 2013 and 2012 provisions, commitments and contingent liabilities are as follows;

Short term provisions

	31.12.2014	31.12.2013	31.12.2012
Provision for the lawsuits	240,136	69,280	15,000
Expense accruals	-	64,310	515,373
	240,136	133,590	530,373

For the periods ended at 31 December 2014, 2013 and 2012, movement schedule of provision for the lawsuits are as follows;

	01.01.- 31.12.2014	01.01.- 31.12.2013	01.01.- 31.12.2012
Opening balance	69,280	15,000	15,000
Payments done in the period	-	-	-
Provision for the period	170,856	54,280	-
Closing balance	240,136	69,280	15,000

Contingent Assets

Contingent assets of Group are as follows;

Letters of guarantee - As of 31 December 2014, the Group has received letters of guarantee amounting to TRY 2,663,690 for trade receivables from customers. All of the letters of guarantees in TRY currency.

Security bonds - As of 31 December 2014, the Group has received security bonds amounting to TRY 400,558 from the customers. All of the security bonds in TRY currency.

Mortgages- Group has not delivered the deeds to customers despite delivered to the their flats in order to provide guarantee to the notes receivable purchasers amounting to TRY 40,952,532. After the recovery of debts, deed transaction will completed.

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

Contingent Liabilities

As of 31 December 2014 guarantee / security / mortgage ("GSM") of the Parent Company are as follows:

Given GSM (Guarantee-Security-Mortgage) by Parent Company	31.12.2014
A. Total Amount of GSM given on behalf of legal entity	558,462,097
B. Total Amount of GSM given for partnerships which are included in full consolidation	None
C. Total Amount of GSM given for the purpose of guaranteeing third party loans to carry the regular trade activities	None
D. Total Amount of other GSM given	None
I. Total Amount of GSM given for the Parent Company	None
ii. Total Amount of GSM given for Other Group Companies not included in B and C clauses	None
iii. Total Amount of GSM given for third parties not included in C clause	None
	558,462,097

Ratio of other GSM given by the Parent Company to Shareholders' Equity as of 31 December 2014 is 0% (31 December 2013 and 2012: 0%).

The details of the Group's contingent liabilities are as follows;

Letters of guarantees – As of 31 December 2014, Group has given letters of guarantee amounting to TRY 16,501,298 to various parties. The details of the letter of guarantees are as follows.

	Currency	Currency Amount	Currency Rate	TRY Equivalent
Emlak Planlama İnşaat Proje Yönetimi ve Ticaret A.Ş.	TRY	6,000,000	1.000	6,000,000
İstanbul Büyük Şehir Belediyesi / Job Commitment	TRY	5,993,461	1.0000	5,993,461
Other tender organizations	TRY	1,826,219	1.0000	1,826,219
Aesaş İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş	TRY	240,000	1.0000	240,000
T.C. Sgk Başkanlığı / Hizmet Teslim Taahhüdü	TRY	800,000	1.0000	800,000
Courts and Executive Offices	TRY	814,262	1.0000	814,262
Ayedaş Elektrik Dağıtım A.Ş.	TRY	89,256	1.0000	89,256
Tax Offices	TRY	400,000	1.0000	400,000
Ataşehir Belediye Başkanlığı	TRY	338,100	1.0000	338,100
				16,501,298

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

As of 31 December 2014, the details of the letter of guarantees based on banks and currencies are as follows;

	Currency	Currency Amount	Currency Rate	TRY Equivalent
Akbank Ticaret A.Ş.	TRY	692,858	1.0000	692,858
Albaraka Türk Katılım Bankası A.Ş.	TRY	800,000	1.0000	800,000
Türkiye Vakıflar Bankası T.A.O.	TRY	5,934,000	1.0000	5,934,000
Şekerbank Ticaret A.Ş.	TRY	8,676,879	1.0000	8,676,879
Türkiye İş Bankası A.Ş.	TRY	29,500	1.0000	29,500
Denizbank Ticaret A.Ş.	TRY	368,061	1.0000	368,061
				16,501,298

Mortgages - As of 31 December 2014, in order to guarantee for the Group's bank credit there is a mortgage on the inventory, lands, buildings and the flats which as delivered customers but not transferred their deeds of the Groups amounting to TRY 487,405,000 in favor of financial and other institutions. The details of mortgage are as follows;

Mortgage given to:	Location	Degree	Currency Amount	Currency Rate	TRY Equivalent
Türkiye İş Bankası A.Ş.	Ataşehir	1/0	100,000,000	1.0000	100,000,000
Türkiye İş Bankası A.Ş.	Ataşehir	1/0	100,000,000	2.3189	231,890,000
Türkiye Finans Katılım Bankası A.Ş.	Maltepe	1/0	4,500,000	1.0000	4,500,000
Turklandbank	Maltepe	1/0	14,000,000	1.0000	14,000,000
Private Individuals	Kadıköy	2/0	2,765,000	1.0000	2,765,000
Kuveyttürk Katılım Bankası A.Ş.	Maltepe	1/0	50,000,000	1.0000	50,000,000
Fibabank A.Ş.	Maltepe	1/0	15,000,000	1.0000	15,000,000
Fibabank A.Ş.	Ataşehir	1/0	15,000,000	1.0000	15,000,000
Albaraka Türk Katılım Bankası A.Ş.	Maltepe	1/0	15,000,000	1.0000	15,000,000
Anternatifbank Anonim Şirketi	Ataşehir	1/0	13,000,000	1.0000	13,000,000
Akbank Ticaret A.Ş. (*)	Ataşehir	1/0	26,250,000	1.0000	26,250,000
					487,405,000

(*) Except releated mortgage, all of the mortgages has been given to financial organizations by the Parent Company.

Security bonds - As of 31 December 2014 the Group has given security bonds in order to guarantee for the borrowings amounting to TRY 80,805,799 to financial institutions.

Litigations – Group, from time to time is defendant in law suits related business issues. Related risks have been analyzed as to likelihood of occurrence. As a result of these analyses, as of 31 December 2014, Group management had provision for cases amounting to of TRY 240,136 (31 December 2013 and 2012: TRY 69,280 TL and TRY 15,000).

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

NOTE 18 – COMMITMENTS

As of 31 December 2014, Emay İnşaat has commitments for the ongoing housing projects. Details of the related project as is follows:

KentPlus Kadıköy Project

As of 2014 Emay İnşaat has started construction project on the land which are belong to the owners not to the related parties, 27,000 m2 and located on Fikirtepe / Kadıköy / İstanbul in order to develop a housing project which include total 3 blocks and 1,330 flats. The land obtain from land owners with flat for land method at the rate of 55% for all part of independent sections Delivery of the flats will be made after experts calculation over flat owner's m2, after the flats completion. According to the contract, Emay İnşaat has accepted to give proprietary right of the completed construction which %55 of the total value the construction will be built on land to the land owners. Emay İnşaat plan to start construction in 12 months after acquiring building licence then, plan to deliver the project related to contract in 36 months. In case of a delay on the delivery of the building related to contract for more than 80 days, Emay İnşaat will pay double hire purchase for each of independent section. As of 31 December 2014 excavation process has been completed and groundbreaking process are going on for the basement floor. Referring to agreement, after sale, Emay İnşaat responsible to make houses ready on the contract date for the deliver to the buyers. Until the time of delivery of housing, the production company, according to the number of available apartments TRY 900 will be paid to the land owners, for shops varying according to the average monthly m2 on land owned, TRY 900 – 1,400 will be paid for floor deprivation and TRY 1,000 transportation fee.

NOTE 19 – PROVISIONS FOR EMPLOYEE BENEFITS

The Group's reserve for retirement pay is calculated as explained in Note 2. Payments are calculated on the basis of 30 days' pay, limited to a maximum of TRY 3,438 per person per year of employment, at the rate of pay applicable at the date of retirement or termination. (31 December 2013: TRY 3,254 and 31 December 2012: TRY 3,034)

In the consolidated financial statements as of 31 December 2014, 2013 ve 2012, the Group reflected a liability for reserve for retirement pay based at the balance sheet date by using expected inflation rates and an appropriate discount rate. Except Calculated Actuarial Profit/Loss Fund, all earnings has been shown at consolidated statement of profit and loss. Calculated Actuarial Profit/Loss Fund has been shown at consolidated statement of changes in shareholder's equity.

As of 31 December 2014, 2013 and 2012 the ratios base on calculations are as follows;

	31.12.2014	31.12.2013	31.12.2012
Rediscound rate	14.24%	12.55%	13.32%
Inflation rate	8.17%	7.00%	7.00%
Reel discount rate	5.61%	5.19%	5.81%
Used rate to estimate the probability of retirement (%)	98.42%	98.42%	100%

The Group does not provide any other employee benefit than the reserve for retirement pay described above.

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

As of 31 December 2014, 2013 and 2012, the short and long-term provisions for employee benefits are as follows;

	31.12.2014	31.12.2013	31.12.2012
Severance pay provision – Short Term	-	12,053	-
Severance pay provision – Long Term	250,762	336,737	238,361
	250,762	348,790	238,361

The movement schedule of severance pay provision is as below;

	01.01. - 31.12.2014	01.01. - 31.12.2013	01.01. - 31.12.2012
Balance at the begining of the period	348,790	238,361	94,539
Service cost	91,022	150,842	114,639
Interest cost	25,540	26,148	12,479
Severance pay that are paid in the period	(91,658)	(12,702)	(201)
Actuarial difference	(122,932)	(53,859)	16,905
Closing Balance	250,762	348,790	238,361

NOTE 20 – OTHER ASSETS AND LIABILITIES

As of 31 December 2014, 2013 and 2012, the details of other assets and liabilities are as follows;

Other Current Assets

	31.12.2014	31.12.2013	31.12.2012
VAT carried forward	7,191,202	22,919,349	19,787,081
	7,191,202	22,919,349	19,787,081

Other Non-Current Assets

	31.12.2014	31.12.2013	31.12.2012
VAT carried forward	50,870,343	45,078,235	30,119,977
	50,870,343	45,078,235	30,119,977

Other Current and Non-Current Liabilities

None (31 December 2013 and 2012 - None).

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

NOTE 21 – SHAREHOLDERS' EQUITY, RESERVES AND OTHER EQUITY COMPONENTS

21.1 Paid in Capital

As of 31 December 2014, 2013 and 2012 the capital structure of parent company is as follows:

	31 December 2014		31 December 2013		31 December 2012	
Shareholders:	Ratio	Amount (TRY)	Ratio	Amount (TRY)	Ratio	Amount (TRY)
Hakan Çağlar	50.00%	56,500,000	50.00%	5,000,000	50.00%	5,000,000
Yusuf Gören	37.50%	42,375,000	32.50%	3,250,000	32.50%	3,250,000
Burak Gören	12.50%	14,125,000	12.50%	1,250,000	12.50%	1,250,000
Halil Gören	-	-	2.50%	250,000	2.50%	250,000
Neriman Gören	-	-	2.50%	250,000	2.50%	250,000
Total	100.00%	113,000,000	100.00%	10,000,000	100.00%	10,000,000

21.2 Inflation Adjustment of Shareholders' Equity

As of 31 December 2014, 2013 and 2012, the details of inflation adjustment to shareholders' equity are as follows;

	31.12.2014	31.12.2013	31.12.2012
Inflation Adjustment of Shareholders' Equity	421,267	421,267	421,267
	421,267	421,267	421,267

21.3 Actuarial gains/losses on defined benefit plans

For the period ended at 31 December 2014, 2013 and 2012, based on mentioned principles at Note 2, Group reflected severance pay liabilities which was reduced to the date of balance sheet by the using expected inflation rate and real discount rate to consolidated financial statements. All gain and losses other than calculated actuarial gain / (losses) in the consolidated income statement, Actuarial gain / (losses) are shown in the consolidated statement of changes in equity.

	31.12.2014	31.12.2013	31.12.2012
Actuarial gains/losses on defined benefit plans	87,486	(6,258)	(43,389)
	87,486	(6,258)	(43,389)

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

21.4 Increase/decrease in Revaluation of Tangible Fixed Assets

Revaluation reserves consist of surplus of indexed value of the buildings on tangible asset and deferred tax which has calculated on the surplus of the indexed value. Group's buildings has been presented on consolidated financial statements over fair values that determined on the valuation works by Lider Gayrimenkul Değerleme A.Ş. which is gotten authorization by CMB

Details of growth fund as is follows:

	31.12.2014	31.12.2013	31.12.2012
Exceeding part of the expertise value of index value	53,938,034	44,870,807	41,401,027
Minority interest	(13,125,206)	(11,960,347)	(11,799,293)
Deferred tax liabilities	(2,696,902)	(2,243,540)	(2,070,051)
Total growth fund	38,115,926	30,666,920	27,531,683

21.5 Restricted Reserves

In the legal book, the accumulated profits can be distributed except the claim related legal reserves stated below.

According to the Turkish Commercial Code, legal reserves consist of first and second legal reserves. The first legal reserve is appropriated out of the statutory profits at the rate of 5%, until the total reserve reaches a maximum of 20% of the Company's share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's share capital. The first and second legal reserves are not available for distribution unless they exceed 50% of the share capital, but may be used to absorb losses in the event that the general reserve is exhausted. The statutory accumulated profits and statutory current year profit are available for distribution, subject to the reserve requirements referred to above.

As of 31 December 2014, 2013 and 2012, the details of restricted reserves are as following;

	31.12.2014	31.12.2013	31.12.2012
Restricted Reserves	8,076,472	-	-
	8,076,472	-	-

21.6 Retained Earnings / Loss

Listed companies are subject to dividend requirements regulated by the CMB as follows: Share of profit guideline was prepared in accordance with the article II-19.1 of capital market board share of profit statement which became valid on 1 February 2014. Share of profit guideline and statement's regulations are summarized in the below.

Distribution of Profit margin will be determined by the General assembly and will be distributed by the decision at general assembly within the scope share of profit. Shareholders not only determine share of profit distribution policy but also decide whatever or not to distribution of profit margin. In this context distribution at profit margin is optional in principly. Capital Market Board will be able to determine difference essentials related to share of profit distribution policy in accordance with the campaigns qualifications.

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

Dividend policy of Shareholder:

- The apportionment
- Dividend rates and item of account for rates
- Methods of payment and time
- Dividend distributed as cash or as bonus share or not (for companies traded on the stock exchange)
- The profit share advances are to be dealt, the topics are organized.

The upper limit of dividend distribution is as much as distributable amount of related dividend distribution resource. Profit share dividing equal to the existing lots as of distribution date as a rule. Date of exclusion lots is not concerned. According to Turkish commercial code profit share is not reserved for the reserve fund principal agreement and shareholders who mentioned in profit share policy and can not be decided to transfer next year.

Provided that mentioned in the principal agreement the share can be given to own of the and other people who is not employee and not sharer. But without paying cash of profit share that was determined for sharer to the privileged share buissance sharer the employee and other people. Profit share can not be paid. Builetin as a principle if it is not specified in principal agreement the profit share easy to the above mentioned people can not be more than ¼ of the profit share that was given to sharer. If it is subject to dividend distribution to the other people except share and pay by instalments partial payment must be prop ortoinal with the payments made to shareholders.

According to The new Capital Market Law and bulletin, shareholders enable to donate. But Terms sought that articles of incorparation the amount of the donations are decided by plenary session and CMB can get upper limit

Traded companies:
- Proposol regaring to dividend distribution board of directors
-Regarding to dividend distribution advance of the board of directors
- Statement of profit distribution or dividend advance distribution table

it is compulsory to announce statement as profit appropriation latest the day that announced subject general assembly

21.7 Minority Interest

As of 31 December 2014, 2013 and 2012 details of minority interests are as follows;

	31.12.2014	31.12.2013	31.12.2012
Capital	1,515,000	1,515,000	1,515,000
Revaluation reserve	13,125,206	11,960,347	11,799,293
Retained earnings/(losses)	7,581,327	7,161,297	6,842,634
Profit / (loss) for the period, net	(1,732,997)	415,431	312,708
	20,488,536	21,052,075	20,469,635

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

NOTE 22 – SALES AND COST OF SALES

22.1 Sales revenue

Details of sales for the periods ended at 31 December 2014, 2013 and 2012 are as follows;

	01.01.-31.12.2014	01.01.-31.12.2013	01.01.-31.12.2012
Flat sales	121,587,783	265,972,904	6,987,726
Real estate rental income	19,040,582	13,100,872	-
Incomes from contract works	49,673,472	54,591,031	69,094,989
Incomes from gym memberships	3,924,176	4,024,985	4,190,587
Other incomes	384,183	376,354	202,007
	194,610,196	338,066,146	80,475,309
Sales returns	(768,988)	(26,000)	-
Sales discounts	(667,192)	(456,828)	-
	193,174,016	337,583,318	80,475,309

22.2 Cost of Sales

Details of cost of sales for the periods ended at 31 December 2014, 2013 and 2012 are as follows;

	01.01.-31.12.2014	01.01.-31.12.2013	01.01.-31.12.2012
Cost of flat	91,044,209	197,954,429	3,843,334
Cost of services	3,073,853	2,414,169	-
Cost of contracting	48,720,984	53,737,295	67,825,005
Cost of gym services	4,058,271	3,801,857	3,347,623
Other costs	-	95,238	80,776
	146,897,317	258,002,988	75,096,738

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

NOTE 23 – GENERAL ADMINISTRATIVE EXPENSES AND MARKETING EXPENSES

For the periods ended at 31 December 2014, 2013 and 2012, marketing and general administrative expenses are mentioned below;

	01.01.-31.12.2014	01.01.-31.12.2013	01.01.-31.12.2012
General administrative expenses	9,287,124	7,369,394	2,952,419
Marketing expenses	2,791,840	3,683,351	3,647,993
	12,078,964	11,052,745	6,600,412

NOTE 24 – EXPENSES ACCORDING TO QUALIFICATIONS

24.1 General administrative expenses

Details of general administrative expenses for the periods ended at 31 December 2014, 2013 and 2012 are as following;

	01.01.-31.12.2014	01.01.-31.12.2013	01.01.-31.12.2012
Personnel expenses	4,371,106	4,044,422	1,478,459
Provision for doubtful expenses	1,529,569	572,634	5,202
Consultancy fee	920,188	545,626	335,004
Taxes and duties	755,282	187,565	131,319
Depreciation and amortization	275,126	251,665	282,084
Rent expenses	262,864	198,921	8,538
Provision for court cases	170,856	54,280	-
Vehicle expenses	143,409	59,996	51,195
Repair and maintenance expense	85,467	70,875	98,218
Stationery expenses	49,145	48,993	44,204
Food expense	85,066	65,751	62,045
Travel expenses	46,282	40,251	29,464
Provision for severance pay expenses	11,417	138,140	114,438
Mail, phone, cargo expenses	5,988	5,819	5,529
Other expenses	575,359	1,084,456	306,720
	9,287,124	7,369,394	2,952,419

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

24.2 Marketing expenses

For the periods ended at 31 December 2014, 2013 and 2012, the details of marketing expenses are as following;

	01.01.-31.12.2014	01.01.-31.12.2013	01.01.-31.12.2012
Advertising expenses	2,233,680	3,182,987	3,196,081
Personnel expenses	558,160	500,364	451,912
	2,791,840	3,683,351	3,647,993

NOTE 25 –INCREASE IN VALUE OF INVESTMENT PROPERTIES

For the periods ended at 31 December 2014, 2013 and 2012 increase in value of investment properties are as following;

	01.01.-31.12.2014	01.01.-31.12.2013	01.01.-31.12.2012
Increase in value of investment properties	119,163,640	62,834,693	33,833,433
	119,163,640	62,834,693	33,833,433

NOTE 26 –OTHER OPERATING INCOME / (EXPENSES)

Details of other operating income for the periods ended at 31 December 2014, 2013 and 2012 are as following;

	01.01.-31.12.2014	01.01.-31.12.2013	01.01.-31.12.2012
Rediscount income	7,418,352	5,462,223	7,852,648
Foreign exchange income from commercial operations	-	17,861	15,432
Other incomes	220,741	445,438	26,328
	7,639,093	5,925,522	7,894,408

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

Details of other operating expenses for the periods ended at 31 December 2014, 2013 and 2012 is as following;

	01.01.-31.12.2014	01.01.-31.12.2013	01.01.-31.12.2012
Rediscount expense	9,304,109	7,357,019	4,248,040
Foreign exchange expense from commercial operations	21,743	90,473	656
Donation expenses (**)	1,175,210	3,859,720	1,450,276
Other expenses (*)	5,582,545	2,642,646	148,602
	16,083,607	13,949,858	5,847,574

(*) As of 31 December 2014, TRY 5,445,415 part of related amount consist of recognise as an expense of the "Due from shareholders" within law number 6552. As of 31 December 2013, TRY 2,564,215 part of related amount consist of recognise as an expense of the "Interest income from other receivables" which is located on Note 27 and its VAT.

(**) A school construction has been started in Bayrampaşa / İstanbul in order to handover to T.C. Ministry of National Education for the period ended at 31 December 2012. The construction in progress as of report date. According to periodicity concept, expenses related to constractions reflected to income statement on its own period.

NOTE 27 - INVESTMENT ACTIVITIES INCOME / (EXPENSES)

Details of investment activities income for the periods ended at 31 December 2014, 2013 and 2012 are as following;

	01.01.-31.12.2014	01.01.-31.12.2013	01.01.-31.12.2012
Interest income from non - trade receivables	1,900,563	2,373,413	158,992
Profit on sale of fixed assets	438,664	45,680	11,548
	2,339,227	2,419,093	170,540

Details of investment activities expense for the periods ended at 31 December 2014, 2013 and 2012 are as following;

	01.01.-31.12.2014	01.01.-31.12.2013	01.01.-31.12.2012
Loss on sale of fixed assets	-	27,770	-
Loss on sale of marketable security	-	12	227,256
	-	27,782	227,256

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

NOTE 28 – FINANCE INCOME / (EXPENSES)

For the periods ended at 31 December 2014, 2013 and 2012 finance incomes are as follows;

	01.01.-31.12.2014	01.01.-31.12.2013	01.01.-31.12.2012
Interest income	242,146	641,633	5,179,803
Foreign exchange gains	2,462,020	5,322,193	5,797,892
	2,704,166	5,963,826	10,977,695

For the periods ended at 31 December 2014, 2013 and 2012 finance expenses are as follows;

	01.01.-31.12.2014	01.01.-31.12.2013	01.01.-31.12.2012
Interest expense	52,174,602	25,447,456	4,309,102
Foreign exchange losses	20,285,608	41,321,861	5,059,129
Other financing expenses	398,767	653,797	231,831
	72,858,977	67,423,114	9,600,062

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

NOTE 29 –TAX ASSETS AND LIABILITIES

Deferred Taxes

The potential deferred tax assets / (liabilities) of the Company represents the tax effects of temporary differences, arising between the financial statements reported for IFRS purposes and the statutory tax financial statements. Such differences arise due to the different treatment of certain items of income and expense included in the IFRS financial statements compared to the local tax return, in accordance with applicable tax laws.

As of balance sheet date, accrued temporary differences and deferred tax assets and liabilities prepared by using current tax rates are as following:

	31 December 2014		31 December 2013		31 December 2012	
	Total temporary differences	Deferred tax assets / (liabilities)	Total temporary differences	Deferred tax assets / (liabilities)	Total temporary differences	Deferred tax assets / (liabilities)
Deferred tax assets:						
Taxable losses	9,936,382	1,987,276	-	-	21,792,617	4,358,523
Depreciation and indexation differences of tangible and intangible fixed assets	1,033,433	206,687	1,984,885	396,977	1,117,484	223,497
Provision for doubtful receivables	2,483,662	496,732	937,354	187,471	364,720	72,944
Unearned interests on receivables	7,746,612	1,549,322	5,860,918	1,172,184	3,904,726	780,945
Accrued interest expenses on loans	6,459,205	1,291,841	5,335,158	1,067,032	5,763,965	1,152,793
Severance pay provision	250,762	50,152	348,790	69,758	238,361	47,672
Classification of borrowing cost	11,310,061	2,262,012	-	-	-	-
Classification of sales due to periodicity concept	-	-	777,615	155,523	1,541,276	308,255
Expense accruals	73,500	14,700	69,263,005	13,852,601	64,310	12,862
Reversal of capitalized expenses	6,564,395	1,312,879	1,386,602	121,996	6,839,455	1,367,891
Provision for lawsuit	240,136	48,027	69,280	13,856	15,000	3,000
Foreign exchange	3,853,343	770,671	8,636,260	1,727,254	805,277	161,058
Deferred tax assets		9,990,299		18,764,652		8,489,440
Deferred Tax Liabilities:						
Buildings depreciation	(2,850,332)	(142,517)	(3,495,693)	(174,785)	(2,078,929)	(103,946)
Depreciation and indexation differences of tangible and intangible fixed assets	(7,317,428)	(1,463,486)	(5,163)	(1,033)	(4,109)	(822)
Unearned interest on payables	(1,557,435)	(311,487)	(1,105,722)	(221,144)	(1,496,101)	(299,220)
Differences of the fair value at buildings	(53,938,033)	(2,696,902)	(44,870,807)	(2,243,540)	(41,401,027)	(2,070,051)
Differences of the fair value at investment property	(351,001,165)	(17,550,058)	(209,247,413)	(10,462,371)	(146,412,720)	(7,320,636)
Income Accruals	(309,795)	(61,959)	(957,753)	(191,551)	(2,027,571)	(405,514)
Classification of upcoming expenses	-	-	(638,889)	(127,778)	(100,923)	(20,185)
Classification of borrowing cost	-	-	(23,370,235)	(4,674,047)	(27,633,035)	(5,526,607)
Classification of sales due to periodicity concept	(7,407,211)	(1,481,442)	(13,297,686)	(2,659,537)	(22,517,715)	(4,503,547)
Foreign exchange gain	(75,478)	(15,099)	(1,612,753)	(322,552)	-	-
Deferred Tax Liabilities		(23,722,950)		(21,078,338)		(20,250,528)
Deferred tax assets / (liabilities), net		(13,732,651)		(2,313,686)		(11,761,088)

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

For the periods ended at 31 December 2014, 2013 and 2012 tax income / (expense) on income statement are as follows;

	01.01.-31.12.2014	01.01.-31.12.2013	01.01.-31.12.2012
Net Income / (Expense) for the Period	-	(5,662,650)	(66,623)
Deferred Tax Income / (Expense)	(10,941,015)	9,631,664	(2,106,969)
Tax income / (expense), net	(10,941,015)	3,969,014	(2,173,592)

As of 31 December 2014,2013 and 2012, the movements of deferred tax assets and liabilities are as follows:

	01.01.-31.12.2014	01.01.-31.12.2013	01.01.-31.12.2012
Opening balance	2,313,686	11,761,088	7,828,883
Business combination effect	-	-	(241,434)
Deferred tax recognized in equity			
Differences of the fair value at buildings	453,362	173,489	2,070,051
Actuarial profit in severance pay calculating	24,588	10,773	(3,381)
Deferred tax assets and liabilities by the end of the period, net	(13,732,651)	(2,313,686)	(11,761,088)
Deferred tax income / (expense), net	(10,941,015)	9,631,664	(2,106,969)

As of 31 December 2014, the carry forward taxables losses of Group's and the last periods of that this losses could be used are as below;

The last period of using taxable losses	Period financial loss occurred	Taxable losses
2019	2014	9,936,382
Total		9,936,382

As of 31 December 2014, 2013 and 2012, Group's relevant assets of current period tax and tax liabilities of period income is as following;

	31.12.2014	31.12.2013	31.12.2012
Prepaid Taxes	38,758	103,016	979,071
Corporation Tax Liabilities	-	(5,662,650)	(66,623)

Corporation Tax

Company is liable to corporation tax valid in Turkey. The necessary provisions are made on the attached financial statements for expected tax liabilities related to the Company's current period activity results.

Corporation tax rate that will be accrued over corporation tax base is calculated over the tax base that remains after adding expenses recorded as expense in determination of commercial earnings that are nondeductible from tax base and subtracting tax-exempt profit, tax- free income and other deductions (if there are losses from previous years and used investment allowances if preferred).

The applied effective interest rate in 2014 is 20% (2013 and 2012: 20%).

Permanent tax is calculated and accrued quarterly in Turkey. As of temporary tax periods, the effective corporation tax rate is 20% in 2014 (2013 and 2012 %20).

There is no absolute and certain confirmation procedure related to tax evaluation in Turkey. Companies prepare their tax return between 1-25 Aprils coming after the related year's balancing period (for the companies having special account period, between 1st and 25th of fourth month following the closing of period). These tax returns and related accounting records may be inspected and changed by tax department in five years.

There are some exceptions on Corporation Tax Law. These exceptions that company will possibly utilize are explained as below;

Taxable losses
According to Turkish Tax Legislation, deduction of financial losses which are decelerated on financial statements, are possible to deduct from profit of the company with the condition not exceeding 5 years. However, financial losses are not possible to be set-off from previous year profits.

The Real Estate and Subsidiary Share Sales Gain Exemption
The 75 % of income of corporations composed of subsidiary shares, real estates, privilege, and promoter's stock and perpetual bonds are exemptions of Corporation tax. In order to benefit from exemption, the questioned income should be kept in a fund account in liabilities and should not be removed of operation during 5 years. The sale price should be received at the end of the following 2nd calendar year. Corporations getting income from the sale of such kind of values they own, like Stocks and bonds and real estate trading and renting are beyond the scope of exemption.

Withholding Tax

In addition to Corporation tax, it is required to calculate withholding tax from the dividends distributed by full pledge taxpayer enterprise and include in its income tax base and except dividends distributed by foreign companies to its subsidiary in Turkey. As of 23 July 2006 income tax stoppage rate was altered to 15%. Dividends that are added to capital without distribution are not subject to income tax stoppage.

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

NOTE 30 – EARNINGS PER SHARE

For the periods ended at 31 December 2014, 2013 and 2012 profit / (loss) per share which nominal value is TRY 1 is as follows:

	01.01.-31.12.2014	01.01.-31.12.2013	01.01.-31.12.2012
Net profit / (loss) for the period	66,160,262	68,238,979	33,805,751
Net Profit/(loss) relevant to minority interests	1,732,997	(415,431)	(312,708)
Net profit (loss) relevant to parent company	67,893,259	67,823,548	33,493,043
Number of weighted average shares	11,410,959	10,000,000	10,000,000
Profit/ (loss) per share (TRY)	5.80	6.82	3.38

NOTE 31 – EXPOSURE TO FINANCIAL RISKS DUE TO FINANCIAL INSTRUMENTS

Financial Instruments

Credit Risk

The Group is subject to credit risk arising from trade receivables related to credit sales and deposits at banks. These risks are managed by limiting the aggregate risk from any individual counterparty and obtaining sufficient collateral where necessary and making only cash based sales to customer considered as having a higher risk. Collect ability of trade receivables are evaluated by management depending on their past experiences and current economic condition, and presented in the financial statements net of adequate doubtful provision.

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

As of 31 December 2014 2013 and 2012 credit risk of Company in terms of financial instruments is as follows:

	Trade receivables		**Other receivables**		**Bank**	
31 December 2014	**Related party**	**Other**	**Related party**	**Other**	**Deposit**	**Other**
Maximum net credit risk as of balance sheet date (A+B+C+D+E) (*)	**-**	**45,448,196**	**26,362,179**	**79,444,045**	**128,846,734**	**591,386**
The part of maximum risk under guarantee with collateral	-	44,016,780	-	-	-	-
A. Net book value of financial assets that are neither overdue nor impaired	-	45,000,285	26,362,179	79,209,560	128,846,734	591,386
B. Net book values of financial assets that are renegotiated, if not that will be accepted as overdue or impaired	-	-	-	-	-	-
C. Book value of financial assets that are overdue but not impaired (**)	-	383,761	-	234,485	-	-
- The part under guarantee with collateral etc	-	-	-	-	-	-
D. Net book value of impaired assets	-	64,510	-	-	-	-
- Overdue (gross book value amount)	-	*2,129,210*	-	-	-	-
- Impairment (-)	-	*(2,065,060)*	-	-	-	-
The part of net value under guarantee with collateral etc	-	-	-	-	-	-
Non overdue (gross book value amount)	-	-	-	-	-	-
Impairment (-)	-	-	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
E. Factors Including Off-Balance Sheet Risk	-	-	-	-	-	-

(*) This line represents the total of the rows A, B, C, D and E. Factors mitigating credit risk such as guarantees received have not been taken into consideration.

(**) As of 31 December 2014 explanations related to the aging of overdue but not impaired receivables are as below;

	Receivable			
	Trade Receivable	Other receivable	Bank Deposit	Other
Overdue 1-30 days	234,936	234,485	-	-
Overdue 1-3 months	147,825	-	-	-
Overdue 3-12 months	1,000	-	-	-
Overdue 1-5 years	-	-	-	-

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

	Trade receivables		**Other receivables**		**Bank**	
31 December 2013	**Related Party**	**Other**	**Related Party**	**Other**	**Deposit**	**Other**
Maximum net credit risk as of balance sheet date (A+B+C+D+E) (*)	**-**	**52,617,096**	**59,887,245**	**50,779,342**	**26,551,619**	**1,408,486**
The part of maximum risk under guarantee with collateral	-	-	-	-	-	-
A. Net book value of financial assets that are neither overdue nor impaired	-	48,968,215	59,887,245	49,312,957	26,551,619	1,408,486
B. Net book values of financial assets that are renegotiated, if not that will be accepted as overdue or impaired	-	-	-	-	-	-
C. Book value of financial assets that are overdue but not impaired (**)	-	3,603,417	-	1,466,385	-	-
- The part under guarantee with collateral etc	-	-	-	-	-	-
D. Net book value of impaired assets	-	45,464	-	-	-	-
- Overdue (gross book value amount)	-	*825,021*	-	-	-	-
- Impairment (-)	-	*(779,557)*	-	-	-	-
The part of net value under guarantee with collateral etc	-	-	-	-	-	-
Non overdue (gross book value amount)	-	-	-	-	-	-
Impairment (-)	-	-	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
E. Factors Including Off-Balance Sheet Risk	-	-	-	-	-	-

(*) This line represents the total of the rows A, B, C, D and E. Factors mitigating credit risk such as guarantees received have not been taken into consideration.

(**) As of 31 December 2013 explanations related to the aging of overdue but not impaired receivables are as below;

	Receivable			
	Trade Receivable	Other receivable	Bank Deposit	Other
Overdue 1-30 days	1,133,951	352,897	-	-
Overdue 1-3 months	368,901	334,950	-	-
Overdue 3-12 months	2,100,565	689,076	-	-
Overdue 1-5 years	-	89,462	-	-

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

31 December 2012	**Trade receivables** Related Party	**Other**	**Other receivables** Related Party	**Other**	**Bank** Related Party	**Other**
Maximum net credit risk as of balance sheet date (A+B+C+D+E) (*)	**-**	**23,844,510**	**44,126,381**	**78,641,153**	**91,888,145**	**2,232,999**
The part of maximum risk under guarantee with collateral	-	-	-	-	-	-
A. Net book value of financial assets that are neither overdue nor impaired	-	23,844,510	44,126,381	75,978,835	91,888,145	2,232,999
B. Net book values of financial assets that are renegotiated, if not that will be accepted as overdue or impaired	-	-	-	-	-	-
C. Book value of financial assets that are overdue but not impaired (**)	-	-	-	2,662,318	-	-
- The part under guarantee with collateral etc	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Overdue (gross book value amount)	-	*206,923*	-	-	-	-
- Impairment (-)	-	*(206,923)*	-	-	-	-
The part of net value under guarantee with collateral etc	-	-	-	-	-	-
Non overdue (gross book value amount)	-	-	-	-	-	-
Impairment (-)	-	-	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
E. Factors Including Off-Balance Sheet Risk	-	-	-	-	-	-

(*) This line represents the total of the rows A, B, C, D and E. Factors mitigating credit risk such as guarantees received have not been taken into consideration.

(**) As of 31 December 2012 explanations related to the aging of overdue but not impaired receivables are as below;

	Receivable			
	Trade Receivable	Other receivable	Bank Deposit	Other
Overdue 1-30 days	-	1,847,351	-	-
Overdue 1-3 months	-	316,490	-	-
Overdue 3-12 months	-	453,550	-	-
Overdue 1-5 years	-	44,927	-	-

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

Interest rate risk

The value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. The Group's interest rate risk is primarily attributable to its borrowings.

Although interest rates of financial borrowings with interest may change, financial assets with interest have fixed interest rate and cash flows in future do not change with the extent of these assets. Risk exposure to changing market interest rate of the Group, is mostly based on the borrowing liabilities with variable interest rate of the Group. The policy of the Group is managing interest cost by using borrowings with fixed and variable interest.

Interest Rate Sensitivity
If the interest rates of variable interest-bearing USD and EUR denominated borrowings were 100 basis points (1%) higher / lower with all other variables held constant, profit before tax for the year would have been lower/higher by TRY 2,506,806 at 31 December 2014, due to higher / lower interest expense (01 January-31 December 2013 TRY 2,986,046 -01 January - 31 December 2012: 2,108,999 TL).

Interest position table of the Group is as following;

	31.12.2014	31.12.2013	31.12.2012
Fixed-rate financial instrument			
Financial assets			
-Assets of at fair value through profit or loss	120,557,407	4,213,222	80,327,614
Financial liabilities	471,514,741	206,923,773	101,164,558
Variable interest financial instrument			
Financial liabilities	250,680,637	298,604,646	210,899,876

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

Liquidity risk

Fair liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business the Group aims at maintaining flexibility in funding by keeping committed credit lines. The Group management manages liquidity risk by distributing the funds and by keeping sufficient cash and cash equivalents resources to cover the current and possible liabilities.

As of 31 December 2014, 2013 and 2012 liquidity risk table of the Group is as following;

31 December 2014	Book value	Cash outflow according to agreement (=I+II+III+IV)	Less than 3 months (I)	Between 3-12 months (II)	Between 1- 5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Financial liabilities	722,195,378	888,955,080	68,063,540	222,968,756	445,231,738	152,691,046
Trade payables						
Related party	211,015	211,015	211,015	-	-	-
Third party	36,867,534	38,424,968	26,139,264	8,285,704	4,000,000	-
Employee benefits liabilities	690,405	690,405	690,405	-	-	-
Other payables						
Third party	25,678,342	25,678,342	11,767,295	13,598,495	312,552	-
Provisions	240,136	240,136	-	240,136	-	-
	785,882,810	954,199,946	106,871,519	245,093,091	449,544,290	152,691,046

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

31 December 2013	**Book value**	**Cash outflow according to agreement (=I+II+III+IV)**	**Less than 3 months (I)**	**Between 3-12 months (II)**	**Between 1- 5 years (III)**	**More than 5 years (IV)**
Non-derivative financial liabilities						
Financial liabilities	505,528,419	597,192,745	57,305,015	155,895,360	285,022,979	98,969,391
Trade payables						
Related party	-	-	-	-	-	-
Third party	92,647,006	94,204,503	31,709,035	58,495,468	4,000,000	-
Employee benefits liabilities	1,294,203	1,294,202	1,294,202	-	-	-
Other payables						
Third party	-	-	-	-	-	-
Provisions	11,854,209	11,854,209	502,819	4,835,652	6,515,738	-
Other payables	145,643	145,643	-	145,643	-	-
	611,469,480	704,691,302	90,811,071	219,372,123	295,538,717	98,969,391

31 December 2012	**Book value**	**Cash outflow according to agreement (=I+II+III+IV)**	**Less than 3 months (I)**	**Between 3-12 months (II)**	**Between 1- 5 years (III)**	**More than 5 years (IV)**
Non-derivative financial liabilities						
Financial liabilities	312,064,434	365,546,812	53,743,961	121,534,475	142,532,896	47,735,480
Trade payables						
Other party	54,787,281	56,283,382	13,444,798	37,737,237	5,101,347	-
Employee benefits liabilities	1,400,458	1,400,458	1,400,458	-	-	-
Other payables						
Third party	19,561,111	19,561,111	4,791,365	10,105,396	4,664,350	-
Provisions	530,373	530,373	515,373	15,000	-	-
	388,343,657	443,322,136	73,895,955	169,392,108	152,298,593	47,735,480

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

Foreign Currency Risk

The effects occurring from exchange rate fluctuation, in case of having foreign currency assets, liabilities, off-balance sheet liabilities, are foreign currency risk. Transactions in foreign currencies during the year have been translated at the exchange rate prevailing at dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the balance sheet dates. Foreign exchange gains or losses arising from the settlement of such transactions and from the translation of monetary assets and liabilities are recognized in the statement of profit/loss. Monetary liabilities of the Group exceed monetary assets of the Group; in case of exchange rate rise, the Group is exposed to foreign currency risk.

As of 31 December 2014, 2013 and 31 December 2012 exchange rates are as following;

	31.12.2014	31.12.2013	31.12.2012
USD	2.3189	2.1343	1.7826
EUR	2.8207	2.9365	2.3517

As of 31 December 2014, amounts of assets and liabilities of the Group in foreign currency are as follows:

	TRY equivalent functional currency	**USD**	**EUR**
1. Trade Receivables	-	-	-
2a. Monetary Financial Assets (Including cash, banks)	16,592,511	7,146,248	7,472
2b. Non-monetary financial assets	-	-	-
3. Other	-	-	-
4. Current Assets (1+2+3)	**16,592,511**	**7,146,248**	**7,472**
5. Trade Receivables	-	-	-
6a. Monetary financial assets	53,836,371	23,216,340	-
6b. Non-monetary financial assets	-	-	-
7. Other	-	-	-
8. Non-Current Assets (5+6+7)	**53,836,371**	**23,216,340**	**-**
9. Total Assets (4+8)	**70,428,882**	**30,362,588**	**7,472**
10. Trade Payables	-	-	-
11. Financial Liabilities	39,407,920	9,824,110	5,894,562
12a. Other monetary liabilities	-	-	-
12b. Other non-monetary liabilities	-	-	-
13. Current Liabilities (10+11+12)	**39,407,920**	**9,824,110**	**5,894,562**
14. Trade Payables	-	-	-
15. Financial Liabilities	396,498,660	151,710,888	15,845,812
16a. Other monetary liabilities	-	-	-
16b. Other non-monetary liabilities	-	-	-
17. Non-Current Liabilities (14+15+16)	**396,498,660**	**151,710,888**	**15,845,812**
18. Total Liabilities	**435,906,580**	**161,534,998**	**21,740,374**
19. Net asset / liability position of off- balance sheet derivative instruments (19a-19b)	-	-	-
19a. Hedged amount of assets	-	-	-
19b. Hedged amount of liabilities	-	-	-
20. Net foreign currency position asset / liabilities (9-18+19)	**(365,477,698)**	**(131,172,410)**	**(21,732,902)**
21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	**(365,477,698)**	**(131,172,410)**	**(21,732,902)**
22. Fair value of derivative instruments used in foreign currency hedge	**-**	**-**	**-**

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

As of 31 December 2013, amounts of assets and liabilities of the Group in foreign currency are as follows:

	TRY equivalent functional currency	**USD**	**EUR**
1. Trade Receivables	-	-	-
2a. Monetary Financial Assets (Including cash, banks)	3,155,112	1,468,392	7,193
2b. Non-monetary financial assets	-	-	-
3. Other	-	-	-
4. Current Assets (1+2+3)	**3,155,112**	**1,468,392**	**7,193**
5. Trade Receivables	-	-	-
6a. Monetary financial assets	-	-	-
6b. Non-monetary financial assets	-	-	-
7. Other	-	-	-
8. Non-Current Assets (5+6+7)	**-**	**-**	**-**
9. Total Assets (4+8)	**3,155,112**	**1,468,392**	**7,193**
10. Trade Payables	-	-	-
11. Financial Liabilities	22,777,311	6,651,551	2,922,154
12a. Other monetary liabilities	-	-	-
12b. Other non-monetary liabilities	-	-	-
13. Current Liabilities (10+11+12)	**22,777,311**	**6,651,551**	**2,922,154**
14. Trade Payables	-	-	-
15. Financial Liabilities	243,319,836	96,994,841	12,362,931
16a. Other monetary liabilities	-	-	-
16b. Other non-monetary liabilities	-	-	-
17. Non-Current Liabilities (14+15+16)	**243,319,836**	**96,994,841**	**12,362,931**
18. Total Liabilities	**266,097,147**	**103,646,392**	**15,285,085**
19. Net asset / liability position of off- balance sheet derivative instruments (19a-19b)	**-**	**-**	**-**
19a. Hedged amount of assets	**-**	**-**	**-**
19b. Hedged amount of liabilities	**-**	**-**	**-**
20. Net foreign currency position asset / liabilities (9-18+19)	**(262,942,035)**	**(102,178,000)**	**(15,277,892)**
21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	**(262,942,035)**	**(102,178,000)**	**(15,277,892)**
22. Fair value of derivative instruments used in foreign currency hedge	**-**	**-**	**-**

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

As of 31 December 2012, amounts of assets and liabilities of the Group in foreign currency are as follows:

	TRY equivalent functional currency	**USD**	**EUR**
1. Trade Receivables	-	-	-
2a. Monetary Financial Assets (Including cash, banks)	59,692,134	33,485,955	30
2b. Non-monetary financial assets	-	-	-
3. Other	-	-	-
4. Current Assets (1+2+3)	**59,692,134**	**33,485,955**	**30**
5. Trade Receivables	-	-	-
6a. Monetary financial assets	-	-	-
6b. Non-monetary financial assets	-	-	-
7. Other	-	-	-
8. Non-Current Assets (5+6+7)	**-**	**-**	**-**
9. Total Assets (4+8)	**59,692,134**	**33,485,955**	**30**
10. Trade Payables	-	-	-
11. Financial Liabilities	9,635,518	4,979,999	322,393
12a. Other monetary liabilities	-	-	-
12b. Other non-monetary liabilities	-	-	-
13. Current Liabilities (10+11+12)	**9,635,518**	**4,979,999**	**322,393**
14. Trade Payables	-	-	-
15. Financial Liabilities	138,781,393	71,635,487	4,713,175
16a. Other monetary liabilities	-	-	-
16b. Other non-monetary liabilities	-	-	-
17. Non-Current Liabilities (14+15+16)	**138,781,393**	**71,635,487**	**4,713,175**
18. Total Liabilities	**148,416,911**	**76,615,486**	**5,035,568**
19. Net asset / liability position of off- balance sheet derivative instruments (19a-19b)	**-**	**-**	**-**
19a. Hedged amount of assets	**-**	**-**	**-**
19b. Hedged amount of liabilities	**-**	**-**	**-**
20. Net foreign currency position asset / liabilities (9-18+19)	**(88,724,777)**	**(43,129,531)**	**(5,035,538)**
21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	**(88,724,777)**	**(43,129,531)**	**(5,035,538)**

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

Foreign Currency Risk Sensitivity

As of 31 December 2014, if TRY evaluates / devaluates against foreign currency by 10% and all other variables remains the same, profit before tax which occurs as a result of the foreign exchange loss / gain arising from net foreign exchange exposure would have been TRY 36,547,770 more / less.

	Profit / (Loss)/ Shareholders Equity	
	Appreciation of foreign currency against TRY	Appreciation of foreign currency against TRY
	In case of appreciation / depreciation of USD against TRY by 10%	
1-USD net asset / liability	(30,417,570)	30,417,570
2- Hedged amount against USD risk (-)	-	-
3-USD net effect (1+2)	**(30,417,570)**	**30,417,570**
	In case of appreciation / depreciation of EUR against TRY by 10%	
4- EUR net asset / liability	(6,130,200)	6,130,200
5- Hedged amount against EUR risk (-)	-	-
6- EUR net effect (4+5)	**(6,130,200)**	**6,130,200**
TOTAL (3+6)	**(36,547,770)**	**36,547,770**

As of 31 December 2013, if TRY evaluates / devaluates against foreign currency by 10% and all other variables remains the same, profit before tax which occurs as a result of the foreign exchange loss / gain arising from net foreign exchange exposure would have been TRY 26,294,204 more / less.

	Profit / (Loss)/ Shareholders Equity	
	Appreciation of foreign currency against TRY	Appreciation of foreign currency against TRY
	In case of appreciation / depreciation of USD against TRY by 10%	
1-USD net asset / liability	(21,807,851)	21,807,851
2- Hedged amount against USD risk (-)	-	-
3-USD net effect (1+2)	**(21,807,851)**	**21,807,851**
	In case of appreciation / depreciation of EUR against TRY by 10%	
4- EUR net asset / liability	(4,486,353)	4,486,353
5- Hedged amount against EUR risk (-)	-	-
6- EUR net effect (4+5)	**(4,486,353)**	**4,486,353**
TOTAL (3+6)	**(26,294,204)**	**26,294,204**

As of 31 December 2012, if TRY evaluates / devaluates against foreign currency by 10% and all other variables remains the same, profit before tax which occurs as a result of the foreign exchange loss / gain arising from net foreign exchange exposure would have been TRY 8,872,478 more / less.

	Profit / (Loss)/ Shareholders Equity	
	Appreciation of foreign currency against TRY	Appreciation of foreign currency against TRY
	In case of appreciation / depreciation of USD against TRY by 10%	
1-USD net asset / liability	(7,688,271)	7,688,271
2- Hedged amount against USD risk (-)	-	-
3-USD net effect (1+2)	**(7,688,271)**	**7,688,271**
	In case of appreciation / depreciation of EUR against TRY by 10%	
4- EUR net asset / liability	(1,184,207)	1,184,207
5- Hedged amount against EUR risk (-)	-	-
6- EUR net effect (4+5)	**(1,184,207)**	**1,184,207**
TOTAL (3+6)	**(8,872,478)**	**8,872,478**

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

Capital Risk Management

In capital management, the Group's aims at enhancing profitability while keeping a reasonable leverage, on the other hand rendering sustainability in its operations.

The Group follows capital by using debt to equity ratio. This rate is found by dividing net debt to total equity. Net debt is calculated by deducting cash and cash equivalents from total payable amount (as shown in balance sheet total short and long term liabilities). Liquid assets consist of cash and cash equivalents and blocked bank deposits. Total capital, as shown in balance sheet, is calculated by adding up equity and net debt**.**

As of 31 December 2014, 2013 and 2012 net debt / total equity ratio is as follows;

	31.12.2014	31.12.2013	31.12.2012
Total debts	922,381,329	715,789,765	740,203,668
Less: Liquid assets	129,557,642	28,015,522	94,151,168
Net debt	792,823,687	687,774,243	646,052,500
Total equity	373,543,088	298,670,618	227,092,262
Total capital	1,166,366,775	986,444,861	873,144,762
	68%	70%	74%

NOTE 32 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING DISCLOSURES)

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists. The estimated fair values of financial instruments have been determined by the Group using available markets information in Turkey and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

The following methods and assumptions are utilized for the current values of financial instruments which are predictable in practice:

Financial Assets

Monetary assets for which fair value approximates carrying value:

-Balances denominated in foreign currencies are converted at period exchange rates.
-The fair value of certain financial assets carried at cost, including cash and cash equivalents are considered to approximate their respective carrying amounts in the financial statements.
-The carrying value of trade receivables, net of allowances for possible non-recovery of uncollectible are considered to approximate their fair values.

Financial Liabilities

Monetary liabilities for which fair value approximates carrying value:

-The fair value of short-term bank loans and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature.
-The fair values of long-term bank borrowings, which are denominated in foreign currencies and converted at period exchange rates, are considered to approximate their carrying values.
-The carrying amount of accounts payable and accrued expenses reported in the financial statements for estimated third party payer settlements approximates its fair values.

Fair value hiearchy

The Group classifies the fair value measurement of each class of financial instruments that are measured at fair value on the balance sheet, according to the source, using three-level hierarchy, as follows:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Valuation techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

31 December 2014	Level 1	Level 2	Level 3
Time deposits(Including account of financial investment)	-	120,557,407	-

31 December 2013	Level 1	Level 2	Level 3
Time deposits(Including account of financial investment)	-	4,213,222	-

31 December 2012	Level 1	Level 2	Level 3
Time deposits (Including account of financial investment)	-	80,327,614	-

Financial liabilities that deducted from transaction costs in the balance sheet are presented with their fair values. The fair values of the financial liabilities were estimated with using the method of discount of future cash flows based on the contracts by current period interest rates of similar financial instruments classified as Level 2 which is appropriate for the Group. Fair values of short term trade receivables and payables are estimated by deducting provision of impairment from their book values. In the period ended at 31 December 2014, 2013 and 2012, Group has not made any transfer between 1st level and 2nd level or from 3rd

A s of 31 December 2014, classifications and fair values of financial assets as is follows;

	Loans and receivables (Including cash and cash equivalents)	Financial liabilities showed by amortized value	Financial assets as at fair value through profit or loss	Book value	Note
Financial assets					
Cash and cash equivalents	59,890,642	-	-	59,890,642	6
Trade receivables	45,448,196	-	-	45,448,196	9
Financial investment	69,667,000	-	-	69,667,000	7
Financial liabilities					
Financial payables	-	722,195,378	-	722,195,378	8
Trade payables	-	37,078,549	-	37,078,549	9

(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

A s of 31 December 2013, classifications and fair values of financial assets as is follows;

	Loans and receivables (Including cash and cash equivalents)	Financial liabilities showed by amortized value	Financial assets as at fair value through profit or loss	Book value	Note
<u>Financial assets</u>					
Cash and cash equivalents	28,015,522	-	-	28,015,522	6
Trade receivables	52,617,096	-	-	52,617,096	9
<u>Financial liabilities</u>					
Financial payables	-	505,528,419	-	505,528,419	8
Trade payables	-	92,647,006	-	92,647,006	9

As of 31 December 2012 classifications and fair values of financial assets as is follows;

	Loans and receivables (Including cash and cash equivalents)	Financial liabilities showed by amortized value	Financial assets as at fair value through profit or loss	Book value	Note
<u>Financial assets</u>					
Cash and cash equivalents	94,151,168	-	-	94,151,168	6
Trade receivables	23,844,510	-	-	23,844,510	9
<u>Financial liabilities</u>					
Financial payables	-	312,064,434	-	312,064,434	8
Trade payables	-	54,787,281	-	54,787,281	9

NOTE 33 – POST BALANCE SHEET EVENTS

None.

NOTE 34 – OTHER ISSUES AFFECTING THE CONSOLIDATED FINANCIAL STATEMENTS SIGNIFICANTLY OR REQUIRED TO BE DISCLOSED FOR CLEAR, UNDERSTANDABLE AND INTERPRETABLE PRESENTATION

None (31 December 2013 and 2012 - None).