EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ, ITS SUBSIDIARIES AND JOINT OPERATIONS

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE PERIOD ENDED AT 30 JUNE 2015

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INDEPENDENT AUDITORS' 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 30 June 2015 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 Reason of Qualified Opinion

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 effects of the subject on the reason 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 30 June 2015 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.

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

Dr. Ali Yürüdü
Managing Partner

Istanbul, 02 October 2015

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(Currency – Turkish Lira unless otherwise expressed.)

	Footnote References	Current Period Audited 30.06.2015	Prior Period Audited 31.12.2014
ASSETS			
Current Assets		**409,695,523**	**320,871,865**
Cash and Cash Equivalents	6	136,001,694	59,890,642
Financial Investments	7	27,434,419	15,830,629
Trade Receivables	9	24,490,217	25,939,537
- Trade receivables from related parties		-	-
- Trade receivables from other parties		*24,490,217*	*25,939,537*
Other Receivables	10	72,433,259	54,587,073
- Other receivables from related parties		*18,785,179*	*9,686,251*
- Other receivables from other parties		*53,648,080*	*44,900,822*
Inventories	12	143,040,323	157,116,449
Prepaid Expenses	13	974,098	277,575
Assets Relevant to Current Period Taxes	29	313,568	38,758
Other Current Assets	20	5,007,945	7,191,202
Non - Current Assets		**1,245,080,828**	**975,052,552**
Trade Receivables	9	18,827,541	19,508,659
- Trade receivables from related parties		-	-
- Trade receivables from other parties		*18,827,541*	*19,508,659*
Other Receivables	10	62,700,122	51,219,151
- Due from related parties		*16,675,928*	*16,675,928*
- Due from other parties		*46,024,194*	*34,543,223*
Financial Investments	7	44,143,108	53,836,371
Inventories	12	62,635,809	42,388,985
Investment Properties	14	902,320,000	677,163,000
Tangible Fixed Assets	15	74,997,023	70,065,991
Intangible Fixed Assets	16	6,408	9,753
- Goodwill		-	-
- Other intangible fixed assets		*6,408*	*9,753*
Prepaid Expenses	13	56,096	-
Deferred Tax Assets	29	23,222,824	9,990,299
Other Non-Current Assets	20	56,171,897	50,870,343
TOTAL ASSETS		**1,654,776,351**	**1,295,924,417**

The explanatory notes are an integral part of these statements.

(Currency – Turkish Lira unless otherwise expressed.)

	Footnote References	**Current Period Audited 30.06.2015**	**Prior Period Audited 31.12.2014**
LIABILITIES			
Current Liabilities		**335,261,052**	**304,406,493**
Financial Borrowings	8	56,816,370	84,318,084
Current Installment of Long Term Financial Borrowings	8	216,664,304	149,333,409
Trade Payables	9	20,935,795	33,580,113
- Due to related parties		*289,425*	*211,015*
- Due to other parties		*20,646,370*	*33,369,098*
Employee Benefit Liabilities	11	774,260	690,405
Other Payables	10	24,442,886	25,365,790
- Due to related parties		-	-
- Due to other parties		*24,442,886*	*25,365,790*
Deferred Income	13	15,104,815	10,878,556
Current Provisions		522,622	240,136
- Provision for employee benefits	19	-	-
- Other current provisions	17	*522,622*	*240,136*
Non-Current Liabilities		**800,033,622**	**617,974,836**
Financial Borrowings	8	625,712,152	488,543,885
Trade Payables	9	-	3,498,436
Other Payables	10	-	312,552
Deferred Income	13	138,286,484	101,646,251
Non-Current Provisions		244,046	250,762
- Provision for employee benefits	19	*244,046*	*250,762*
Deferred Tax Liabilities	29	35,790,940	23,722,950
SHAREHOLDERS' EQUITY		**519,481,677**	**373,543,088**
Parent Company's Equity		**497,561,425**	**353,054,552**
Paid In Capital	21.1	113,000,000	113,000,000
Inflationary Adjustments of Shareholder's Equity	21.2	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	114,521	87,486
- Revaluation of Tangible Fixed Assets	21.4	43,124,342	38,115,926
Effect of Business Mergers Subject to Common Control	3	(72,591,088)	(72,591,088)
Restricted Reserves	21.5	8,076,472	8,076,472
Retained Earnings (Losses)	21.6	265,944,489	198,051,230
Net Profit / (Loss) for the Period		139,471,422	67,893,259
Minority Interest	21.7	**21,920,252**	**20,488,536**
TOTAL EQUITY		**1,654,776,351**	**1,295,924,417**

The explanatory notes are an integral part of these statement.

(Currency – Turkish Lira unless otherwise expressed.)

	Footnote References	Current Period Audited 01.01.- 30.06.2015	Prior Period Non-Reviewed 01.01.- 30.06.2014
OPERATING ACTIVITIES			
Sales	22.1	34,126,550	147,042,916
Cost of Sales (-)	22.2	(22,307,191)	(125,272,824)
GROSS PROFIT / (LOSS)		**11,819,359**	**21,770,092**
General Administrative Expenses (-)	24.1	(5,087,870)	(4,525,852)
Marketing Expenses (-)	24.2	(4,964,357)	(2,132,595
Revaluation of Investment Properties	25	226,313,919	87,638,251
Other Operating Income	26	9,067,093	8,038,725
Other Operating Expenses (-)	26	(12,098,910)	(8,063,843)
OPERATING PROFIT/ (LOSS		**225,049,234**	**102,724,778**
Investment Activities Income	27	7,383,214	1,486,658
OPERATING ACTIVITY PROFIT / (LOSS) BEFORE FINANCIAL INCOME / (EXPENSE)		**232,432,448**	**104,211,436**
Financial Income	28	14,587,231	10,022,511
Financial Expenses (-)	28	(109,149,264)	(31,300,840)
OPERATING ACTIVITY PROFIT / (LOSS) BEFORE TAXATION		**137,870,415**	**82,933,107**
Operating Activity Tax Income / (Expense)		**1,514,921**	**(8,176,757)**
Current Tax (Expense) / Income	29	-	-
Deferred Tax (Expense) / Income	29	1,514,921	(8,176,757)
OPERATING ACTIVITY INCOME / (LOSS) FOR THE PERIOD		**139,385,336**	**74,756,350**
INCOME / (LOSS) FOR THE PERIOD		**139,385,336**	**74,756,350**
Profit / (Loss) Distribution			
Minority Interests	21.7	(86,086)	86,715
Parent Company's Share	30	139,471,422	74,669,635
Earnings Per Share	30	**1.23**	**7.48**

The explanatory notes are an integral part of these statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE PERIODS ENDED AT 30 JUNE 2015 AND 2014
(Currency – Turkish Lira unless otherwise expressed)

	Footnote References	Current Period Audited 01.01.-30.06.2015	Prior Period Non-Reviewed 01.01.-30.06.2014
PROFIT / (LOSS) FOR THE PERIOD		**139,385,336**	**74,756,350**
OTHER COMPREHENSIVE INCOME / (LOSS)			
Not to Be Reclassified on Profit or Loss		**6,553,253**	**3,442,704**
Defined benefit plans remeasurement gains/(losses)	19	34,695	67,703
Changes in Revaluation of Tangible Fixed Assets	15	6,868,944	3,566,886
Taxes in Other Comprehensive Income Not to Be Reclassified to Profit or Loss			
- Current Tax (Expense) / Income			
- Deferred Tax Expense / Income	29	(350,386)	(191,885)
OTHER COMPREHENSIVE INCOME / (EXPENSE)		**6,553,253**	**3,442,704**
TOTAL COMPREHENSIVE INCOME / (EXPENSE)		**145,938,589**	**78,199,054**
Distribution of Total Comprehensive Income / (Expense)			
Minority Interest		1,431,716	352,189
Parent Company's Shares		144,506,873	77,846,865

The explanatory notes are an integral part of these statements.

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED AT 30 JUNE 2015 AND 2014
(Currency – Turkish Lira unless otherwise expressed.)

			Accumulated Other Comprehensive Income Not to Be Reclassified on Profit or Loss				Accumulated Profit /(Losses)				
	Paid In Capital	Adjustment of Shareholders' Equity	Defined Benefit Plans Remeasurement Gains / Losses)	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 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**
Transfer from retained earnings	-	-	-	-	-	-	67,823,548	(67,823,548)	-	-	-
Total comprehensive income / (expense) , net	-	-	52,067	3,125,163	-	-	-	74,669,635	77,846,865	352,189	78,199,054
Balances at 30 June 2014	**10,000,000**	**421,267**	**45,809**	**33,792,083**	**(72,591,088)**	**-**	**309,127,702**	**74,669,635**	**355,465,408**	**21,404,264**	**376,869,672**
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**
Transfer from retained earnings	-	-	-	-	-	-	67,893,259	(67,893,259)	-	-	-
Total comprehensive income / (expense) , net	-	-	27,035	5,008,416	-	-	-	139,471,422	144,506,873	1,431,716	145,938,589
Balances at 30 June 2015	**113,000,000**	**421,267**	**114,521**	**43,124,342**	**(72,591,088)**	**8,076,472**	**265,944,489**	**139,471,422**	**497,561,425**	**21,920,252**	**519,481,677**

The explanatory notes are an integral part of these statements.

(Currency – Turkish Lira unless otherwise expressed.)

	Footnote References	Current Period Audited 01.01.-30.06.2015	Prior Period Non-Reviewed 01.01.-30.06.2014
A. CASH FLOW FROM OPERATING ACTIVITIES		**(89,028,437)**	**2,148,811**
Net profit / (loss) for the period		139,385,336	74,756,350
Adjustments to Reconcile Net Profit / (Loss) for the Period			
Tangible Fixed Assets Amortization	15	898,310	941,688
Intangible Fixed Assets Depreciation	16	3,345	4,013
Adjustment Related to Retirement Pay Provision	19 - 21.3	(6,716)	57,696
Interest Accruals of Bank Borrowings	8	13,489,584	7,333,163
Revaluation of Investment Properties	25	(226,313,919)	(87,638,251)
Adjustment to Provision for Expenses and Lawsuits	17	282,486	106,546
Adjustment to Provision for Doubtful Receivables	24.1	539,306	930,438
Adjustment to Unearned Interest on Receivables	26	(9,593,175)	(7,758,542)
Adjustment to Unearned Interest on Payables	26	8,322,244	8,009,106
Adjustment to Tax	29	(1,514,921)	8,176,757
Deferred Taxes Accounted under Equity	29	350,386	191,885
Changes in Operating Assets and Liabilities			
Changes in Trade Receivables	9	11,184,307	17,896,508
Changes in Other Receivables	10	(29,327,157)	(5,469,511)
Changes in Inventories	12	(6,170,698)	(981,843)
Changes in Other Assets	20	(3,832,158)	5,617,446
Changes in Trade Payables	9	(24,464,998)	(24,760,112)
Changes in Other Payables	10 -11 - 13	38,053,569	4,911,685
Changes in Current Provisions	17 - 19	-	(137,453)
Cash Flow From Operating Activities			
Taxes Paid	29	(313,568)	(38,758)
B. CASH FLOW FROM INVESTING ACTIVITIES		**3,542,152**	**(28,089,983)**
Cash Paid from Purchasing of Tangible and Intangible Assets and Investment Properties	14 - 15 - 16	(4,344,478)	(27,857,345)
Cash from Selling of Tangible and Intangible Assets and Investment Properties	14 - 15 - 16	6,541,000	32,836
Changes in minority interests	21.7	1,345,630	(265,474)
C. CASH FLOW FROM FINANCING ACTIVITIES		**161,597,337**	**14,359,372**
Changes in financial investment	7	(1,910,527)	(100,000)
Changes in borrowings	8	163,507,864	14,459,372
NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS (A+B+C)		**76,111,052**	**(11,581,800)**
D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**59,890,642**	**28,015,522**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D)		**136,001,694**	**16,433,722**

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 is 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.

As of report date, The Company continues the construction of Kent Plus Kadıköy residence project.

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 works has been completed and construction works are in progress. The project is targeted to be completed in 2017 according to Company's management decleration.

For the period ended at 30 June 2015, the average personnel number of the Company is 137 (31 December 2014: 304).

As of 30 June 2015 and 31 December 2014, partnership structure of the Company is 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 30 June 2015, the average personnel number employed by Kent Toplu is 65 (31 December 2014: 66).

As of the report date, Kentplus Kartal project has been completed by Kent Toplu Konut İnşaat Gayrimenkul Ticaret Anonim Şirketi and the Company has not an ongoing projects currently. As of the report date, Kent Plus is managing the sport facilities with the name of Pleon Sportivo.

As of 30 June 2015 and 31 December 2014, the shareholders of Kent Toplu are as follows;

	30.06.2015		31.12.2014	
	Share		Share	
	Amount	Ratio	Amount	Ratio
Emay İnşaat Taahhüt Sanayi ve Ticaret Anonim Şirketi	3,500,000	70.00%	3,500,000	70.00%
Hakan Çağlar	750,000	15.00%	750,000	15.00%
Yusuf Gören	525,000	10.50%	525,000	10.50%
Burak Gören	220,000	4.40%	220,000	4.40%
Yakup Aday	2,500	0.05%	2,500	0.05%
Ahmet Alper	2,500	0.05%	2,500	0.05%
	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 30 June 2015, The Company has not employed any personnel (31 December 2014: 0).

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

For the period ended at 30 June 2015, The Company has not employed any personnel (31 December 2014: 0).

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/ International Accounting Standards ('IFRS/IAS') published by the 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 02 October 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 are a joint arrangement that the parties which have 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 30 June 2015 and 31 December 2014, 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;

30 June 2015 and 31 December 2014

	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 30 June 2015 and 31 December 2014, 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;

As of 30 June 2015 and 31 December 2014

	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 "POA" and effective from 1 January 2014 which are related to its main operations.

a) Standards, amendments and IFRIC's applicable to 30 June 2015 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 30 June 2015 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 utilized 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 Rehber 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 30 June 2015 and 31 December 2014, 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 is determined by Rehber 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.

Investment 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 Rehber 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 (no observable 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 30 June 2015, amounting to TRY 1,456,743 borrowing costs are added to the residence project inventories which is recognized as qualifying asset. (01 January - 31 December 2014: TRY 5,955,402).

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:

	30.06.2015	31.12.2014
USD	2.6863	2.3189
EUR	2.9822	2.8207

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 30 June 2015 payments are calculated on the basis of 30 days' pay limited to a maximum of TRY 3,541 (31 December 2014 TRY 3,438) 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;

	30 June 2015	31 December 2014
Rediscount rate	%14.06	%14.24
Inflation rate	%8.00	%8.17
Real discount rate	%5.61	%5.61

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 consist 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 the corresponding 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 subject to common 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 follow;

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 with the amount of TRY 92,088,044 from Hakan Çağlar, Yusuf Gören and Burak Gönen who are already in partner position. Net assets subjected to transfer are less then acquisition amount with TRY 72,591,088, therefore, related amount has been accounted under "The Effect of Business Mergers Subject to Common Control" in equity.

NOTE 4 – SHARES IN OTHER COMPANIES

As of 30 June 2015 and 31 December 2014, the detail of Parent Company's direct or indirect shares in other companies and information of these companies is summarized as follows;

<u>Subsidiaries</u>

	30 June 2015 and 31 December 2014		
	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%

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

Joint Operations

	30 June 2015 and 31 December 2014	
	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% of Kent Toplu Konut İnşaat Gayrimenkul Ticaret Anonim Şirketi and İpek İnşaat Limited Şirketi.

Summary financial information of other companies whose shares owned by Parent Company, for the period ended at 30 June 2015 and 31 December 2014 are as follows;

30 June 2015					
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	88,564,533	70,905,971	2,053,556	(278,231)
Kent İnşaat ve Maslak Yapı Ortak Girişimi	Property sector	11,650,951	4,323,067	-	(17,450)
Kent İnşaat ve İpek İnşaat Ortak Girişimi	Property sector	1,941,175	146,481	-	(28,870)

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	853,426	241,147
Kent İnşaat ve İpek İnşaat Ortak Girişimi	Property sector	1,941,175	175,351	-	(2,096)

(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):

	30.06.2015	31.12.2014
Hedef Kentsel Toplu Yapı Yönetim ve İşletme Hizmetleri A.Ş.	289,425	211,015
	289,425	211,015

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

	30.06.2015	31.12.2014
Hakan Çağlar	5,856,168	725,829
Yusuf Gören	2,717,834	643,960
Burak Gören	335,764	84,269
	8,909,766	1,454,058

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

	30.06.2015	31.12.2014
Maslak Yapı Ltd. Şti.	1,885,013	1,931,394
Butol İnşaat Turizm Savunma Sanayi Ticaret A.Ş.	1,829,854	1,739,770
Emaytaş Turizm Gayrimenkul Yönetim A.Ş.	1,135,441	1,009,503
Kent Yapı Yönetim ve İşletme Hizmetleri A.Ş.	3,009,802	1,540,178
BYG Gıda Turizm Ltd.Şti.	100,326	102,190
Emay-İpek Ortak Girişimi	355,194	349,375
Bfa Turizm ve İnşaat Sanayi Ticaret A.Ş.	530,000	530,000
Gökhan Ayaydın	225,000	225,000
Others	804,783	804,783
	9,875,413	8,232,193

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

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

	30.06.2015	31.12.2014
Hakan Çağlar	8,337,964	8,337,964
Yusuf Gören	6,253,473	6,253,473
Burak Gören	2,084,491	2,084,491
	16,675,928	16,675,928

ii) Sales, purchases and operations to related parties:

a) Net sales to related parties classified under sales are as follows:

	01.01.- 30.06.2015	01.01.- 30.06.2014
Hedef Kentsel Toplu Yapı Yönetim ve İşletme Hizmetleri A.Ş.	6,300	-
Emaytaş Turizm Gayrimenkul Yönetim Hizmetleri Sanayi ve Ticaret A.Ş.	494,299	-
	500,599	-

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

	01.01.- 30.06.2015	01.01.- 30.06.2014
Hedef Kentsel Toplu Yapı Yönetim ve İşletme Hizmetleri A.Ş.	1,164,783	799,918
Emaytaş Turizm Gayrimenkul Yönetim Hizmetleri Sanayi ve Ticaret A.Ş.	95,461	-
	1,260,244	799,918

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

	01.01.- 30.06.2015	01.01.- 30.06.2014
Butol İnşaat Turizm Savunma Sanayi ve Ticaret A.Ş.	90,087	154,334
Byg Gıda İnşaat Sanayi ve Ticaret Limited Şirketi	5,291	8,155
Kent Yapı Yönetim ve İşletme Hizmetleri A.Ş.	147,066	66,211
	242,444	228,700

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

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

	01.01.-30.06.2015	01.01.-30.06.2014
Hakan Çağlar	531,278	409,647
Yusuf Gören	314,220	307,235
Burak Gören	97,459	102,412
	942,957	819,294

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

	01.01.-30.06.2015	01.01.-30.06.2014
Short term employee benefits	1,506,067	1,392,966
Benefits provided after leaving	-	-
Other long term benefits	-	-
Benefits provided due to termination	-	-
Share based payments	-	-
	1,506,067	1,392,966

NOTE 6 – CASH AND CASH EQUIVALENTS

As of 30 June 2015 and 31 December 2014, the details of cash and cash equivalents are as follows;

	30.06.2015	31.12.2014
Cash	147,951	19,522
Banks		
- Time deposits with maturities less than 3 months	124,858,028	50,990,407
- Demand Deposits	9,363,256	8,289,327
Other liquid assets	837,989	557,012
Accrual interest of time deposits	794,470	34,374
	136,001,694	59,890,642

As of 30 June 2015 and 31 December 2014, Group's bank deposits compose of time deposit and demand deposits. As of 30 June 2015, there is blockage over the bank deposits with the amount of TRY 11,291,121 (31 December 2014: TRY 907,380). Other liquid assets are composed of the receivables from banks relating to sales by credit cards. Total amount of TRY 2,179,648 of bank deposits are blocked against of loans used.

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

As of 30 June 2015, the details of time deposits are as follows;

Currency Type	Maturity	Interest Rate	TRY Amount
USD	14.07.2015	1.80%	9,111,473
TRY	06.07.2015	10.35%	50,000,000
TRY	03.08.2015	12.15%	42,000,000
TRY	01.07.2015	10.80%	10,300,000
TRY	01.07.2015	8.25%	7,300,000
TRY	06.07.2015	10.35%	5,500,000
TRY	01.07.2015	3.00%	646,555
			124,858,028

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

NOTE 7 – FINANCIAL INVESTMENTS

As of 30 June 2015 and 31 December 2014, details of financial investments are as following;

Short term financial investments

	30.06.2015	31.12.2014
Blockaged time deposits whose maturities between 3 and 12 months (*)	27,334,419	15,730,629
Financial asset purpose of purchase and sale		
Bond	100,000	100,000
	27,434,419	15,830,629

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

Long term financial investments

	30.06.2015	31.12.2014
Blockage time deposits whose maturity over than 1 year (*)	44,143,108	53,836,371
	44,143,108	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 80,589,000 (USD 30,000,000) which is held as time deposit and blocked, be set-off arising from financial leases payment and blocked amount will be closed as of the date of 14 July 2017. As of 30 June 2015, total amount of TRY 9,111,473 (USD 3,391,830) is classified in time deposits under the cash and cash equivalents due to being less than 3 months maturity day with the due date on 14 July 2015.

As of the 30 June 2015 detail of related to the term of blocked deposits is as follows;

	30.06.2015
In the year of 2015	9,111,473
In the year of 2016	36,445,892
In the year of 2017	25,920,162
	71,477,527

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 30 June 2015 and 31 December 2014, the details of short and long term financial borrowings are as follows;

	30.06.2015	31.12.2014
Short term bank borrowings	43,326,786	77,858,879
Short term lease payables, net	38,534,059	24,558,119
Current installments of long term bank borrowings	178,130,245	124,775,290
Accrued interest of bank borrowings and financial leases	13,489,584	6,459,205
Total short term financial payables	273,480,674	233,651,493
Long term bank borrowings	350,394,690	251,528,783
Long term lease payables, net	250,317,462	237,015,102
Bonds Issued (*)	25,000,000	-
Total long term financial borrowings	625,712,152	488,543,885
Total financial borrowings	899,192,826	722,195,378

(*)At the date of 22 April 2015, Emay İnşaat Taahhüt Sanayi ve Ticaret Anonim Şirketi release bond issuance with the amount of TRY 25,000,000 which has interest payments quarterly and its capital payments due date is 19 April 2017. The interest rate of issued bonds are changeable and first coupon payment rate is %3.4634 at 22 July 2015. Related interest rate has been determined with the average of two matters, which are benchmark interest rate average of TRT161116T19 coded bond and annual interest rate 4.75 decided by Emay İnşaat Taahhüt Sanayi ve Ticaret Anonim Şirketi.

As of 30 June 2015 the average effective interest rates of USD, EUR and TRY bank borrowings are 6.24%, 6.61% and 14.06% respectively. (31 December 2014: USD – 6.24%, EUR – 6.76 %, TRY -14.24 %)

As of 30 June 2015 and 31 December 2014, maturity analysis of short term bank borrowings (except accrued interest on borrowings) is as follows:

	30.06.2015	31.12.2014
Due in 0 – 1 months	28,918,950	9,019,231
Due in 1 - 3 months	37,800,458	34,961,011
Due in 3 - 12 months	154,737,623	158,653,927
	221,457,031	202,634,169

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

As of 30 June 2015, 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	181,834,766	1.0000	181,834,766
USD	11,313,385	2.6863	30,391,146
EUR	3,095,406	2.9822	9,231,119
Total			221,457,031

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

As of 30 June 2015 and 31 December 2014, maturity analysis of long term bank borrowings (except accrued interest on borrowings) is as follows:

	30.06.2015	31.12.2014
Due in 1 - 2 years	110,243,939	97,261,736
Due in 2 - 3 years	79,586,599	40,323,842
Due in 3 - 4 years	47,370,556	27,486,326
Due in 4 - 5 years	45,212,685	25,500,620
Due in 5 - 6 years	38,368,590	23,595,972
Due in 6 - 7 years	27,334,450	23,595,972
Due in 7 - 8 years	2,277,871	13,764,315
	350,394,690	251,528,783

As of 30 June 2015, 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	116,732,822	1.0000	116,732,822
USD	64,690,396	2.6863	173,777,812
EUR	20,080,496	2.9822	59,884,056
			350,394,690

(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 30 June 2015 and 31 December 2014, maturity analysis of short term financial lease payables (except accrued interest) are as below:

	30.06.2015	31.12.2014
Due in 0 - 1 months	1,775,720	1,613,595
Due in 1 - 3 months	3,949,974	3,219,312
Due in 3 - 12 months	32,808,365	19,725,212
	38,534,059	24,558,119

As of 30 June 2015, the details of short term financial lease payables (except accrued interest) based on currency are as below:

Currency	Amount	Currency rate	TRY Equivalent
TRY	1,313,209	1.0000	1,313,209
USD	6,923,419	2.6863	18,598,380
EUR	6,244,541	2.9822	18,622,470
			38,534,059

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

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

As of 30 June 2015 and 31 December 2014, maturity analysis of long term financial lease payables (except accrued interest) are as below:

	30.06.2015	31.12.2014
Due in 1 - 2 years	45,739,687	39,261,022
Due in 2 - 3 years	39,489,400	38,796,955
Due in 3 - 4 years	30,651,123	29,146,676
Due in 4 - 5 years	29,823,751	27,437,158
Due in 5 - 6 years	29,556,763	24,585,530
Due in 6 - 7 years	31,789,678	26,463,199
Due in 7 - 8 years	34,187,580	28,462,404
Due in 8 - 9 years	9,079,480	22,862,158
	250,317,462	237,015,102

As of 30 June 2015, the details of long term financial lease payables (except accrued interest) based on currency are as below:

Currency	Amount	Currency Rate	TRY Equivalent
TRY	3,044,952	1.0000	3,044,952
USD	76,926,307	2.6863	206,647,138
EUR	13,622,618	2.9822	40,625,372
			250,317,462

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 30 June 2015, the Group gave mortgage with the amount of TRY 910,582,120 and notes receivables with the amount of TRY 65,792,190 to the finance corporations for the borrowings and Group has blocked account amount of TRY 82,768,648 on bank deposits in favor of financial institutions. (Note 6, 7 and 17). Furthermore, the personal guarantees of the shareholders are issued for bank loans.

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

NOTE 9 – TRADE RECEIVABLES AND PAYABLES

As of 30 June 2015 and 31 December 2014, the details of trade receivables are as follows;

Short term trade receivables

	30.06.2015	31.12.2014
Trade receivables	1,474,487	691,414
Notes receivables	23,776,739	26,678,095
Unearned interest on trade receivables (-)	(1,307,431)	(1,497,321)
Income accruals in accordance with the agreements	494,299	-
Doubtful trade receivables	2,665,456	2,376,475
Provision for doubtful trade receivables (-)	(2,613,333)	(2,309,126)
	24,490,217	25,939,537

For the periods ended at 30 June 2015 and 31 December 2014 the movement schedule of provision for doubtful receivables is as follows:

	01.01.-30.06.2015	01.01.-31.12.2014
Opening balance	2,309,126	779,557
Collections	(235,099)	(16,739)
Provisions for the period	539,306	1,546,308
Closing balance	2,613,333	2,309,126

As of 30 June 2015 and 31 December 2014 maturity schedule of notes receivables is as follows:

	30.06.2015	31.12.2014
Overdue	3,033,817	383,761
1-30 days	2,357,366	6,035,607
31-60 days	1,380,405	1,568,936
61-90 days	1,957,220	3,438,397
91-120 days	1,356,041	1,389,672
121-150 days	1,589,813	1,910,652
151-180 days	3,255,772	2,673,730
181-210 days	1,894,824	1,313,927
211-240 days	1,105,449	1,161,286
241-270 days	1,421,915	1,372,641
271-300 days	1,365,281	1,286,112
301-330 days	1,490,082	902,884
331-360 days	1,568,754	3,240,490
	23,776,739	26,678,095

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

Long term trade receivables

	30.06.2015	31.12.2014
Notes receivables	25,555,851	25,757,951
Unearned interest on notes receivables (-)	(6,728,310)	(6,249,292)
	18,827,541	19,508,659

As of 30 June 2015 and 31 December 2014 maturity schedule of notes receivables is as follows:

	30.06.2015	31.12.2014
1 - 2 years	13,201,986	14,561,638
2 - 3 years	7,170,527	7,101,569
3 - 4 years	3,871,838	3,006,628
4 - 5 years	500,000	764,866
5 - 6 years	811,500	323,250
	25,555,851	25,757,951

As of 30 June 2015, Group has received letters of guarantees with the amount of TRY 2,006,711 and notes receivables with the amount of TRY 513,027 from the customers for the short and long term trade receivables (Note 17).

As of 30 June 2015, The Group has given TRY 49,332,590 notes receivables which are classified under trade receivables and TRY 65,792,190 which is the part of TRY 79,294,571 of notes receivables which are classified under other receivables to banks as guarantee against of loans used.

Although the flats have been delivered to customers, Group has not assigned the deeds in order to make them guarantee for their notes receivables which amounting to TRY 48,737,114. After the collection of the notes receivable by the Group, deed transfers will be occurred. The mortgage on the flats which are already delivered to customers but deeds not transferred, amounting to of TRY 252,321,120 in favor of financial institutions to be guarantee to the loans.

As of 30 June 2015 and 31 December 2014, the credit risk analysis of trade receivables have been prepared at Note 31.

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

As of 30 June 2015 and 31 December 2014, the details of trade payables are as follows;

Short term trade payables

	30.06.2015	31.12.2014
Trade payables	9,599,918	10,534,625
Due to related parties (Note 5)	289,425	211,015
Notes payables	11,188,924	23,801,926
Unearned interest on trade payables (-)	(575,632)	(1,055,871)
Accrued expenses in accordance with agreements	433,160	88,418
	20,935,795	33,580,113

Maturity schedule of notes payables as of 30 June 2015 and 31 December 2014 are as following:

	30.06.2015	31.12.2014
1-30 days	3,087,745	5,954,720
31-60 days	3,584,985	5,290,860
61-90 days	2,516,504	6,510,576
91-120 days	1,649,690	2,767,770
121-150 days	350,000	1,610,000
151-180 days	-	1,068,000
181-210 days	-	300,000
211-240 days	-	40,000
301-330 days	-	260,000
	11,188,924	23,801,926

Long term trade payables

	30.06.2015	31.12.2014
Trade payables	-	4,000,000
Unearned interest on trade payables (-)	-	(501,564)
	-	3,498,436

As of 31 December 2014, 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 30 June 2015 and 31 December 2014, the details of other receivables are as follows;

Other current receivables

	30.06.2015	31.12.2014
Due from shareholders (Note 5)	8,909,766	1,454,058
Due from related parties (Note 5)	9,875,413	8,232,193
Notes receivables which are received as advance (**)	33,330,326	24,130,268
Receivables from the tax office (*)	19,618,316	20,709,335
Other receivables	699,438	61,219
	72,433,259	54,587,073

(*) The Group assumed that the application of VAT return/deduction that the Group made to various tax offices will be completed in one year, therefore, the Group reclassed the related receivables to the short term receivables in financial statement for the period of 30 June 2015.

As of 30 June 2015 and 31 December 2014, maturity schedule of notes receivables which are received as an advance are as follows:

	30.06.2015	31.12.2014
Overdue	832,700	234,485
1-30 days	2,827,691	1,891,856
31-60 days	2,622,495	1,376,403
61-90 days	2,794,550	1,380,693
91-120 days	2,108,680	2,500,875
121-150 days	2,169,680	2,746,490
151-180 days	3,739,604	2,784,410
181-210 days	2,054,489	1,725,540
211-240 days	1,573,779	1,637,040
241-270 days	2,101,189	2,087,220
271-300 days	3,368,429	1,664,400
301-330 days	2,750,234	1,405,200
331-360 days	4,386,806	2,695,656
	33,330,326	24,130,268

(**) Notes receivables taken 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

	30.06.2015	31.12.2014
Deposits and guarantees given	59,949	59,894
Notes receivables which are received as advance (*)	45,964,245	34,483,329
Due from shareholders (Note 5)	16,675,928	16,675,928
	62,700,122	51,219,151

As of 30 June 2015 and 31 December 2014, maturity schedule of notes receivables which are received as an advance are as follows:

	30.06.2015	31.12.2014
Between 1 - 2 years	24,741,150	20,184,986
Between 2 - 3 years	14,159,605	11,540,403
Between 3 - 4 years	6,023,020	1,941,990
Between 4 - 5 years	1,040,470	815,950
	45,964,245	34,483,329

(*) Notes receivables which are received as advance, consist of advances taken from the customers for the continuing house project which is not delivery yet.

As of 30 June 2015 and 31 December 2014, the credit risk analysis of other receivables have been prepared at Note 31.

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

As of 30 June 2015 and 31 December 2014, the details of other payables are as follows;

Other current payables

	30.06.2015	31.12.2014
Taxes and funds payable	246,674	415,631
Overdue Taxes (*)	12,937,041	13,324,308
Deposit and guarantees received	3,151,459	3,564,106
Other payables	8,107,712	8,061,745
	24,442,886	25,365,790

(*)As of the date of financial statement, related amounts consist of Social Security Institution (SSI) debts and tax debts which has not paid at maturity 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 belonging to the issueless result of deduction process. With the assumption of related deduction process will be resulted in a year according to the financial position statement's date , the Group, reclassed the related receivables to short-term receivables in financial statement for the period of 30 June 2015. As of the report date, the tax liabilities with the amount of TRY 8,277,359 of parent company has been offsetting from tax receivables, by the tax offices. The deduction process of Social Security Instution liabilities is continuing.

(**)Group and Berza-Es Sağlık Turizm Enerji Sanayi ve Ticaret A.Ş. ("Berza") which is land owner of Hilton Hotel located in Kozyatağı / İstanbul takes each other to court about debit-credit case. Against of execution proceeding commenced by "Berza" with the amount of TRY 9,644,869, Emay İnsaat Taahhüt Sanayi ve Ticaret Anonim Şirketi takes "Berza" to the court with TRY 6,251,933 and commenced an execution proceeding with TRY 6,631,821. Total amount of TRY 7,820,970 is reflected in accompanying consolidated financial statements as payables, the amount and method of payment will be determined with the final result of related case.

Other non-current payables

	30.06.2015	31.12.2014
Deposit and guarantees given	-	312,552
	-	312,552

NOTE 11 –EMPLOYEE BENEFITS LIABILITIES

As of 30 June 2015 and 31 December 2014, payables to employee benefits are as follows;

	30.06.2015	31.12.2014
Social security premiums payable	192,648	254,201
Due to personnel	581,612	436,204
	774,260	690,405

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

NOTE 12 – INVENTORIES

As of 30 June 2015 and 31 December 2014, the details of inventories are as follows;

Short Term Inventories

	30.06.2015	31.12.2014
Land inventories	700,000	700,000
Finished goods	142,340,323	156,416,449
	143,040,323	157,116,449

Long Term Inventories

	30.06.2015	31.12.2014
Land inventories for projects	826,481	826,481
Construction in progress inventories (*)	61,378,793	41,131,969
Flat inventories	430,535	430,535
	62,635,809	42,388,985

(*) Construction in progress inventories classified under long term inventories consist of costs about Group's continued Kentplus Kadıköy residence project. The project is targeted to be completed in 2017 according to Company's management decleration.

As of 30 June 2015, the insurance on construction in progress projects and inventories is amounting to TRY 82,077,509.

As of 30 June 2015, 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 transferred (these are not exist on the financial statements due to already delivered to the customers) and flats which are classified as inventories in the accompanying financial statements, with the amount of TRY 500,702,120 in favor of financial institutions.

NOTE 13 – PREPAID EXPENSES AND DEFERRED INCOME

As of 30 June 2015 and 31 December 2014, the details of prepaid expenses are as follows;

Short Term Prepaid Expenses

	30.06.2015	31.12.2014
Prepaid expenses - short term	74,795	-
Advances given for business purposes	899,303	277,575
	974,098	277,575

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

Long Term Prepaid Expenses

	30.06.2015	31.12.2014
Prepaid expenses	56,096	-
	56,096	-

As of 30 June 2015 and 31 December 2014, the details of deferred income are as follows;

Deferred income short term

	30.06.2015	31.12.2014
Advances received (*)	7,940,230	3,354,090
Deferred income short term (*)	7,164,585	7,524,466
	15,104,815	10,878,556

Deferred income long term

	30.06.2015	31.12.2014
Advances received (*)	109,653,489	70,528,435
Deferred income short term (**)	28,632,995	31,117,816
	138,286,484	101,646,251

(*) As of 30 June 2015, TRY 79,294,571 of long and short term advances received (31 December 2014: TRY 58,613,597) consists of notes receivables qualified as sale advances. Remaining advances consists of cash advances.

(**) As of 31 December 2014, and 2013, 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 related 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 30 June 2015, amounting to TRY 5,479,711 on the short term and amounting to TRY 28,027,009 long term consist of sell and lease back lease method (31 December 2014: Short term: TRY 5,506,706, long term: TRY 30,766,864).

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

NOTE 14 – INVESTMENT PROPERTIES

Movements in investment property for the period at the date of 30 June 2015 and 31 December 2014, are as follows;

Costs	31 December 2013	Addition	Revaluation funds	Transfer	31 December 2014	Addition	Disposal	Revaluation funds	Transfer	30 June 2015
Buildings	337,079,244	74,657,571	141,753,752	122,771,193	676,261,760	4,274,902	(3,505,000)	227,423,098	(2,134,760)	902,320,000
Construction in progress	123,672,433	-	-	(122,771,193)	901,240	-	-	-	(901,240)	-
Total	460,751,677	74,657,571	141,753,752	-	677,163,000	4,274,902	(3,505,000)	227,423,098	(3,036,000)	902,320,000
Fair value	460,751,677				677,163,000					902,320,000

Investment properties has been shown in the accompanying consolidated financial statements by adopting fair value method. The restrictions are not made 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 Rehber Gayrimenkul Değerleme A.Ş. which is existed on the real estate valuation companies list of the CMB. Difference between fair value amount and book value of the related investment properties has been recognized 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 Hotel located on Kozyatağı / İstanbul (50% of the total hotel value), 25 flats on the Brandium Rezidans keeping for rental income, Trade Center located on Ümraniye / İstanbul and some flats and shops on the Centrium project are keeping for rental income.

As of 30 June 2015, amounting to TRY 341,915,000 of the investment properties of the Group's are expertise value acquired with financial leasing method (sell and lease back). (31 December 2014: TRY 236,673,000).

As of 30 June 2015, the mortgageges amounting to TRY 383,630,000 has been given in favor of financial institutions over Group's borrowings on investment properties. As of 30 June 2015, the insurance on investment properties is amounting to TRY 210,679,804.

(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 30 June 2015 and 31 December 2014 are as follows:

Costs	31 December 2013	Addition	Disposal	Revaluation funds	31 December 2014	Addition	Revaluation funds	30 June 2015
Land	612,500	-	-	-	612,500	-	-	612,500
Buildings	60,612,222	198,956	-	9,067,226	69,878,404	37,284	5,759,766	75,675,454
Machinery	4,571,124	75,881	-	-	4,647,005	-	-	4,647,005
Vehicles	1,562,438	-	(842,078)	-	720,360	-	-	720,360
Fixtures and fittings	1,945,434	1,881	-	-	1,947,315	32,292	-	1,979,607
Leasehold improvements	11,567	-	-	-	11,567	-	-	11,567
Total	69,315,285	276,718	(842,078)	9,067,226	77,817,151	69,576	5,759,766	83,646,493
Accumulated Depreciation (-)								
Buildings	1,227,161	1,147,703	-	-	2,374,864	599,151	-	2,974,015
Machinery	2,673,384	388,372	-	-	3,061,756	184,388	-	3,246,144
Vehicles	1,409,109	84,516	(809,242)	-	684,383	17,893	-	702,276
Fixtures and fittings	1,412,219	207,913	-	-	1,620,132	95,722	-	1,715,854
Leasehold improvements	7,711	2,314	-	-	10,025	1,156	-	11,181
Total	6,729,584	1,830,818	(809,242)	-	7,751,160	898,310	-	8,649,470
Net Book Value	62,585,701				70,065,991			74,997,023

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

As of 30 June 2015, the total amount of insurance on tangible fixed assets is amounting to TRY 24,536,129.

As of 30 June 2015, the mortgages amounting to TRY 26,250,000 has been given in favor of financial and other institutions over Group's land and buildings for the borrowings (Note 17).

As of 30 June 2015 and 31 December 2014, buildings of Group are revalued at fair value and reflected in the consolidated financial statements according to expert appraisal reports which are prepared by Rehber 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 30 June 2015, amounting to TRY 6,122,611 of buildings, machineries and devices of the Group are acquired with financial leasing method and as of As of 30 June 2015, net book value of leased fixed assets is TRY 5,813,194 (31 December 2014: acquired to TRY 4,539,473 – Net book value: TRY 4,283,206).

For the periods ended at 30 June 2015 and 31 December 2014, 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 30 June 2015 and 31 December 2014 are as follows:

Cost	31 December 2013	Addition	31 December 2014	Addition	30 June 2015
Rights	35,779	-	35,779	-	35,779
Total	35,779	-	35,779	-	35,779
Accumulated Depreciation (-)					
Rights	18,668	7,358	26,026	3,345	29,371
Total	18,668	7,358	26,026	3,345	29,371
Net Book Value	17,111		9,753		6,408

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

NOTE 17 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As of 30 June 2015 and 31 December 2014 provisions, commitments and contingent liabilities are as follows;

Short term provisions

	30.06.2015	31.12.2014
Provision for the lawsuits	522,622	240,136
	522,622	240,136

For the periods ended at 30 June 2015 and 31 December 2014, movement schedule of provision for the lawsuits are as follows;

	30.06.2015	31.12.2014
Opening balance	240,136	69,280
Cancelled during the period/ paid provision	(30,000)	-
Provision for the period	312,486	170,856
Closing balance	522,622	240,136

Contingent Assets

Contingent assets of Group are as follows;

Letters of guarantee - As of 30 June 2015, the Group has received letters of guarantee amounting to TRY 2,006,711 for trade receivables from customers. All of the letters of guarantees are in TRY currency.

Security bonds - As of 30 June 2015, the Group has received security bonds amounting to TRY 513,027 from the customers. All of the security bonds are in TRY currency.

Mortgages- Group has not delivered the deeds to customers despite delivered to the their flats in order to provide to be guarantee to the notes receivable amounting to TRY 48,737,114. After the collection of notes receivables, deed transaction will completed.

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

Contingent Liabilities

As of 30 June 2015, guarantee / security / mortgage ("GSM") of the Parent Company are as follows:

Given GSM (Guarantee-Security-Mortgage) by Parent Company	30.06.2015
A. Total Amount of GSM given on behalf of legal entity	962,779,294
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
	962,779,294

Ratio of other GSM given by the Parent Company to Shareholders' Equity as of 30 June 2015 is 177%.

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

Letters of guarantees – As of 30 June 2015, Group has given letters of guarantee amounting to TRY 10,475,336 to various parties. The details of the letter of guarantees are as follows.

	Currency	Currency Amount	Currency Rate	TRY Equivalent
İstanbul Büyükşehir Belediyesi / Job Commitment	TRY	5,993,461	1.0000	5,993,461
Other Tender Organizations	TRY	1,948,606	1.0000	1,948,606
Tax Offices	TRY	1,126,665	1.0000	1,126,665
Ataşehir Municipality	TRY	338,100	1.0000	338,100
Courts and Executive Offices	TRY	753,848	1.0000	753,848
Aesaş İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.	TRY	240,000	1.0000	240,000
Ayedaş Elektrik Dağıtım A.Ş.	TRY	74,656	1.0000	74,656
				10,475,336

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

As of 30 June 2015, 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
Türkiye Vakıflar Bankası T.A.O.	TRY	5,934,000	1.0000	5,934,000
Şekerbank Ticaret A.Ş.	TRY	2,706,971	1.0000	2,706,971
Türkiye İş Bankası A.Ş.	TRY	29,500	1.0000	29,500
Yapı Kredi Bankası A.Ş.	TRY	726,665	1.0000	726,665
Birleşik Fon Bankası A.Ş	TRY	17,281	1.0000	17,281
Denizbank Ticaret A.Ş.	TRY	368,061	1.0000	368,061
				10,475,336

Mortgages - As of 30 June 2015, in order to guarantee for the Group's bank credit, the mortgages on inventory, lands, buildings and the flats which are delivered to customers but not transferred their deeds of the Groups amounting to TRY 910,582,120 in favor of financial and other institutions. The details of mortgages are as follows;

Mortgage given to:	Location	Degree	Currency Amount	Currency Rate	TRY Equivalent
Albaraka Türk Katılım Bankası A.Ş.	Maltepe	1/0	24,700,000	1.0000	24,700,000
Albaraka Türk Katılım Bankası A.Ş.	Büyükçekmece	1/0	18,000,000	1.0000	18,000,000
Alternatifbank Anonim Şirketi	Ataşehir	1/0	13,000,000	1.0000	13,000,000
Alternatifbank Anonim Şirketi	Maltepe	1/0	20,000,000	1.0000	20,000,000
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	2.6863	268,630,000
Anadolubank A.Ş.	Maltepe	1/0	34,000,000	1.0000	34,000,000
Burgan Bank A.Ş.	Büyükçekmece	1/0	8,200,000	1.0000	8,200,000
Burgan Bank A.Ş.	Maltepe	1/0	1,220,000	1.0000	1,220,000
Credit Europe Bank (Suisse) SA	Ataşehir	1/0	30,000,000	2.9822	89,466,000
Denizbank A.Ş.	Büyükçekmece	1/0	16,621,120	1.0000	16,621,120
Denizbank A.Ş.	Maltepe	1/0	15,050,000	1.0000	15,050,000
Fibabank A.Ş.	Ataşehir	1/0	28,000,000	1.0000	28,000,000
Fibabank A.Ş.	Maltepe	1/0	25,000,000	1.0000	25,000,000
Finansbank A.Ş.	Maltepe	1/0	7,500,000	1.0000	7,500,000
Kuveyttürk Katılım Bankası	Büyükçekmece	1/0	1,500,000	1.0000	1,500,000
Kuveyttürk Katılım Bankası	Maltepe	1/0	50,000,000	1.0000	50,000,000
Şekerbank T.A.Ş.	Büyükçekmece	1/0	21,345,000	1.0000	21,345,000
Şekerbank T.A.Ş.	Maltepe	1/0	4,695,000	1.0000	4,695,000
Tekstil Bankası A.Ş.	Maltepe	1/0	23,280,000	1.0000	23,280,000
Private Individuals	Kadıköy	2/0	2,765,000	1.0000	2,765,000
Turklandbank	Ataşehir	1/0	30,000,000	1.0000	30,000,000
Turklandbank	Maltepe	1/0	59,000,000	1.0000	59,000,000
Türkiye Finans Katılım Bankası	Maltepe	1/0	22,360,000	1.0000	22,360,000
Akbank Ticaret A.Ş. (*)	Ataşehir	1/0	26,250,000	1.0000	26,250,000
					910,582,120

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

Security bonds - As of 30 June 2015 the Group has given security bonds in order to guarantee for the borrowings amounting to TRY 65,792,190 to financial institutions.

Blocked deposits – The total amount of TRY 82,768,648 is blocked against of bank credits as guarantee which are shown under cash and cash equivalents and financial investments footnotes in the accompanying consolidated financial statements (Note 6 and 7).

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 30 June 2015, Group management had provision for cases amounting to of TRY 522,622 (31 December 2014: TRY 240,136).

NOTE 18 – COMMITMENTS

As of 30 June 2015, Emay İnşaat has commitments for the ongoing housing projects. Details of the related project as is follows:

KentPlus Kadıköy Project

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 in the year of 2014. 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 180 days, Emay İnşaat will pay double hire purchase for each of independent section. As of 30 June 2015, the excavation works has been completed and construction works are in progress. 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 3,541 per person per year of employment, at the rate of pay applicable at the date of retirement or termination. (31 December 2014: TRY 3,438).

In the consolidated financial statements as of 30 June 2015 and 31 December 2014, 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.

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

As of 30 June 2015 and 31 December 2014 the ratios base on calculations are as follows;

	30.06.2015	31.12.2014
Rediscount rate	14.06%	14.24%
Inflation rate	8.00%	8.17%
Reel discount rate	5.61%	5.61%
Used rate to estimate the probability of retirement (%)	98.42%	98.42%

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

As of 30 June 2015 and 31 December 2014, the short and long-term provisions for employee benefits are as follows;

	30.06.2015	31.12.2014
Severance pay provision	244,046	250,762
	244,046	250,762

The movement schedule of severance pay provision is as below;

	01.01. - 30.06.2015	01.01. - 31.12.2014
Balance at the beginning of the period	250,762	336,737
Service cost	36,835	91,022
Interest cost	18,878	25,540
Severance pay that are paid in the period	(27,734)	(79,605)
Actuarial difference	(34,695)	(122,932)
Closing Balance	244,046	250,762

NOTE 20 – OTHER ASSETS AND LIABILITIES

As of 30 June 2015 and 31 December 2014, the details of other assets and liabilities are as follows;

Other Current Assets

	30.06.2015	31.12.2014
VAT carried forward	5,007,945	7,191,202
	5,007,945	7,191,202

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

Other Non-Current Assets

	30.06.2015	31.12.2014
VAT carried forward	56,171,897	50,870,343
	56,171,897	50,870,343

Other Current and Non-Current Liabilities

None (31 December 2014- None).

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

21.1 Paid in Capital

As of 30 June 2015 and 31 December 2014, the capital structure of parent company is as follows:

	30 June 2015		31 December 2014	
Shareholders:	Ratio	Amount (TRY)	Ratio	Amount (TRY)
Hakan Çağlar	50.00%	56,500,000	50.00%	56,500,000
Yusuf Gören	37.50%	42,375,000	37.50%	42,375,000
Burak Gören	12.50%	14,125,000	12.50%	14,125,000
Total	100.00%	113,000,000	100.00%	113,000,000

21.2 Inflation Adjustment of Shareholders' Equity

As of 30 June 2015 and 31 December 2014, the details of inflation adjustment to shareholders' equity are as follows;

	30.06.2015	31.12.2014
Inflation Adjustment of Shareholders' Equity	421,267	421,267
	421,267	421,267

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

21.3 Actuarial gains/losses on defined benefit plans

For the period ended at 30 June 2015 and 31 December 2014, 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.

	30.06.2015	31.12.2014
Defined benefit plans remeasurement gains/losses	114,521	87,486
	114,521	87,486

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. Buildings of Group are revalued at fair value and reflected in the consolidated financial statements according to expert appraisal reports which are prepared by Rehber Gayrimenkul Değerleme A.Ş. that is approved by the CMB.

Details of fund as is follows:

	30.06.2015	31.12.2014
Exceeding part of the expertise value of index value	60,806,978	53,938,034
Minority interest	(14,642,287)	(13,125,206)
Deferred tax liabilities	(3,040,349)	(2,696,902)
Total fund	43,124,342	38,115,926

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.

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

As of 30 June 2015 and 31 December 2014, the details of restricted reserves are as following;

	30.06.2015	31.12.2014
Restricted Reserves	8,076,472	8,076,472
	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 principally. Capital Market Board will be able to determine difference essentials related to share of profit distribution policy in accordance with the campaigns qualifications.

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 nuisance 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 installments partial payment must be prop optional 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 incorporation the amount of the donations are decided by plenary session and CMB can get upper limit

Traded companies:
- Proposal regarding 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.

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

21.7 Minority Interest

As of 30 June 2015 and 31 December 2014, details of minority interests are as follows;

	30.06.2015	31.12.2014
Capital	1,515,000	1,515,000
Revaluation reserve	14,642,287	13,125,206
Retained earnings/(losses)	5,849,051	7,581,327
Profit / (loss) for the period, net	(86,086)	(1,732,997)
	21,920,252	20,488,536

NOTE 22 – SALES AND COST OF SALES

22.1 Sales revenue

Details of sales for the periods ended at 30 June 2015 and 2014 are as follows;

	01.01.-30.06.2015	01.01.-30.06.2014
Flat sales	23,446,740	23,426,648
Real estate rental income	8,872,543	9,953,953
Incomes from contract works	-	111,754,383
Incomes from gym memberships	2,053,556	2,539,408
Other incomes	66,711	257,897
	34,439,550	147,932,289
Sales returns	-	(686,547)
Sales discounts	(313,000)	(202,826)
Sales incomes (net)	34,126,550	147,042,916

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

22.2 Cost of Sales

Details of cost of sales for the periods ended at 30 June 2015 and 2014 are as follows;

	01.01.- 30.06.2015	01.01.- 30.06.2014
Cost of flat	18,845,454	11,585,017
Cost of services	1,245,669	799,918
Cost of contracting	-	110,801,895
Cost of gym services	2,216,068	2,085,994
Cost of sales, net	22,307,191	125,272,824

NOTE 23 – GENERAL ADMINISTRATIVE EXPENSES AND MARKETING EXPENSES

For the periods ended at 30 June 2015 and 2014, marketing and general administrative expenses are mentioned below;

	01.01.- 30.06.2015	01.01.- 30.06.2014
General administrative expenses	5,087,870	4,525,852
Marketing expenses	4,964,357	2,132,595
	10,052,227	6,658,447

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

NOTE 24 – EXPENSES ACCORDING TO QUALIFICATIONS

24.1 General administrative expenses

Details of general administrative expenses for the periods ended at 30 June 2015 and 2014, are as following;

	01.01.- 30.06.2015	01.01.- 30.06.2014
Personnel expenses	2,070,800	2,296,098
Provision for doubtful receivables	539,306	930,438
Consultancy fee	369,369	354,527
Taxes and duties	890,631	216,485
Depreciation and amortization	301,878	122,555
Provision for court cases	282,486	45,456
Vehicle expenses	104,453	78,452
Repair and maintenance expense	44,577	46,437
Stationery expenses	21,633	20,798
Food expense	29,049	31,764
Travel expenses	41,544	13,205
Provision for severance pay expenses	9,101	58,533
Mail, phone, cargo expenses	27,597	4,785
Other expenses	355,446	306,319
	5,087,870	4,525,852

24.2 Marketing expenses

For the periods ended at 30 June 2015 and 2014, the details of marketing expenses are as following;

	01.01.- 30.06.2015	01.01.- 30.06.2014
Advertising expenses	1,829,489	1,223,150
Rent expenses (*)	143,858	102,738
Duties, taxes and title fees	2,644,791	527,626
Personnel expenses	346,219	279,081
	4,964,357	2,132,595

(*) Consists of Fikirtepe project sale offices rent.

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

NOTE 25 –INCREASE IN VALUE OF INVESTMENT PROPERTIES

For the periods ended at 30 June 2015 and 2014, increase in value of investment properties are as following;

	01.01.- 30.06.2015	01.01.- 30.06.2014
Increase in value of investment properties	226,313,919	87,638,251
	226,313,919	87,638,251

NOTE 26 –OTHER OPERATING INCOME / (EXPENSES)

Details of other operating income for the periods ended at 30 June 2015 and 2014 are as following;

	01.01.- 30.06.2015	01.01.- 30.06.2014
Foreign exchange income from commercial operations	177,401	-
Rediscount income	8,322,244	8,009,106
Reversal of unnecessary provision	511,377	-
Other incomes	56,071	29,619
	9,067,093	8,038,725

Details of other operating expenses for the periods ended at 30 June 2015 and 2014 is as following;

	01.01.- 30.06.2015	01.01.- 30.06.2014
Rediscount expense	9,593,175	7,758,542
Foreign exchange expense from commercial operations	6,730	19,676
Donation expenses (*)	1,866,997	259,363
Other expenses	632,008	26,262
	12,098,910	8,063,843

(*) 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 constructions reflected to income statement on its own period.

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

NOTE 27 - INVESTMENT ACTIVITIES INCOME / (EXPENSES)

Details of investment activities income for the periods ended at 30 June 2015 and 2014 are as following;

	01.01.- 30.06.2015	01.01.- 30.06.2014
Interest income from non - trade receivables	1,185,401	1,047,994
Profit on sale of fixed assets	6,197,813	438,664
	7,383,214	1,486,658

NOTE 28 – FINANCE INCOME / (EXPENSES)

For the periods ended at 30 June 2015 and 2014 finance incomes are as follows;

	01.01.- 30.06.2015	01.01.- 30.06.2014
Interest income	2,383,604	34,135
Foreign exchange gains	12,203,627	9,988,376
	14,587,231	10,022,511

For the periods ended at 30 June 2015 and 2014 finance expenses are as follows;

	01.01.- 30.06.2015	01.01.- 30.06.2014
Interest expense	38,927,257	24,722,366
Foreign exchange losses	68,586,296	6,396,329
Commission and other financing expenses	1,635,711	182,145
	109,149,264	31,300,840

(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:

	30 June 2015		31 December 2014	
	Total temporary differences	Deferred tax assets / (liabilities)	Total temporary differences	Deferred tax assets / (liabilities)
Deferred tax assets:				
Taxable losses	19,209,047	3,841,809	9,936,382	1,987,276
Depreciation and indexation differences of tangible and intangible fixed assets	1,098,957	219,791	1,033,433	206,687
Provision for doubtful receivables	2,787,869	557,574	2,483,662	496,732
Unearned interests on receivables	8,035,741	1,607,148	7,746,612	1,549,322
Accrued interest expenses on loans	13,489,584	2,697,917	6,459,205	1,291,841
Severance pay provision	244,046	48,809	250,762	50,152
Classification of borrowing cost	12,209,250	2,441,850	11,310,061	2,262,012
Expense accruals	433,160	86,632	73,500	14,700
Reversal of capitalized expenses	3,237,379	647,476	6,564,395	1,312,879
Provision for lawsuit	522,622	104,525	240,136	48,027
Foreign exchange	54,846,467	10,969,293	3,853,343	770,671
Deferred tax assets		23,222,824		9,990,299
Deferred Tax Liabilities:				
Buildings depreciation	(2,428,174)	(121,409)	(2,850,332)	(142,517)
Depreciation and indexation differences of tangible and intangible fixed assets	(12,176,842)	(2,435,369)	(7,317,428)	(1,463,486)
Unearned interest on payables	(575,632)	(115,126)	(1,557,435)	(311,487)
Differences of the fair value at buildings	(59,697,799)	(2,984,890)	(53,938,033)	(2,696,902)
Differences of the fair value at investment property	(579,160,830)	(28,958,042)	(351,001,165)	(17,550,058)
Income Accruals	(2,430,900)	(486,180)	(309,795)	(61,959)
Classification of sales due to periodicity concept	(3,321,753)	(664,350)	(7,407,211)	(1,481,442)
Foreign exchange gain	(131,347)	(25,574)	(75,478)	(15,099)
Deferred Tax Liabilities		(35,790,940)		(23,722,950)
Deferred tax assets / (liabilities), net		(12,568,116)		(13,732,651)

For the periods ended at 30 June 2015 and 2014 tax income / (expense) on income statement are as follows;

	01.01.- 30.06.2015	01.01.- 30.06.2014
Deferred Tax Income / (Expense)	1,514,921	(8,176,757)
Tax income / (expense), net	1,514,921	(8,176,757)

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

As of 30 June 2015 and 2014, the movements of deferred tax assets and liabilities are as follows:

	01.01.- 30.06.2015	01.01.- 30.06.2014
Opening balance	13,732,651	2,313,686
Deferred tax recognized in equity		
Differences of the fair value at buildings	343,447	178,345
Actuarial profit in severance pay calculating	6,939	13,540
Deferred tax assets and liabilities by the end of the period, net	(12,568,116)	(10,682,328)
Deferred tax income / (expense), net	1,514,921	(8,176,757)

As of 30 June 2015, 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	9,694,683
2020	2015	9,514,364
Total		19,209,047

As of 30 June 2015 and 31 December 2014, Group's relevant assets of current period tax and tax liabilities of period income is as following;

	30.06.2015	31.12.2014
Prepaid Taxes	313,568	38,758

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 2015 is 20% (2014: 20%).

Permanent tax is calculated and accrued quarterly in Turkey. As of temporary tax periods, the effective corporation tax rate is 20% in 2015 (2014 %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 30 June 2015 and 2014, profit / (loss) per share which nominal value is TRY 1 is as follows:

	01.01.- 30.06.2015	01.01.- 30.06.2014
Net profit / (loss) for the period	139,385,336	74,756,350
Net Profit/(loss) relevant to minority interests	(86,086)	86,715
Net profit (loss) relevant to parent company	139,471,422	74,669,635
Number of weighted average shares	113,000,000	10,000,000
Profit/ (loss) per share (TRY)	1.23	7.48

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 30 June 2015 and 31 December 2014 credit risk of Company in terms of financial instruments is as follows:

	Receivables					
	Trade receivables		**Other receivables**		**Bank**	
30 June 2015	Related party	Other	Related party	Other	**Deposit**	**Other**
Maximum net credit risk as of balance sheet date (A+B+C+D+E) (*)	**-**	**43,317,758**	**35,461,107**	**99,672,274**	**134,221,284**	**1,632,459**
The part of maximum risk under guarantee with collateral	-	51,256,852	-	-	-	-
A. Net book value of financial assets that are neither overdue nor impaired	-	40,231,818	35,461,107	98,839,574	134,221,284	1,632,459
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 (**)	-	3,033,817	-	832,700	-	-
- The part under guarantee with collateral etc	-	-	-	-	-	-
D. Net book value of impaired assets	-	52,123	-	-	-	-
- Overdue (gross book value amount)	-	2,665,456	-	-	-	-
- Impairment (-)	-	(2,613,333)	-	-	-	-
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 30 June 2015 explanations related to the aging of overdue but not impaired receivables are as below;

	Receivables			
	Trade Receivable	Other receivable	Bank Deposit	Other
Overdue 1-30 days	829,382	625,360	-	-
Overdue 1-3 months	93,805	113,340	-	-
Overdue 3-12 months	2,110,630	94,000	-	-
Overdue 1-5 years	-	-	-	-

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

31 December 2014	**Trade receivables Related Party**	**Trade receivables Other Party**	**Other receivables Related Party**	**Other receivables Other Party**	**Bank 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	-	44,997,086	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	-	67,349	-	-	-	-
- Overdue (gross book value amount)	-	*2,376,475*	-	-	-	-
- Impairment (-)	-	*(2,309,126)*	-	-	-	-
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;

	Receivables			
	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)

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 2,876,142 at 30 June 2015, due to higher / lower interest expense (01 January-31 December 2014 TRY 2,506,806).

Interest position table of the Group is as following;

	30.06.2015	31.12.2014
Fixed-rate financial instrument		
Financial assets		
-*Assets of at fair value through profit or loss*	196,335,555	120,557,407
Financial liabilities	611,578,616	471,514,741
Variable interest financial instrument		
Financial liabilities	287,614,210	250,680,637

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.

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

As of 30 June 2015 and 31 December 2014, liquidity risk table of the Group is as following;

30 June 2015	**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	899,192,826	988,860,985	96,036,445	202,281,378	503,978,732	186,564,430
Trade payables						
Related party	289,425	289,425	289,425	-	-	-
Third party	20,646,370	21,222,002	17,883,602	3,338,400	-	-
Employee benefits liabilities	774,260	774,260	774,260	-	-	-
Other payables						
Third party	24,442,886	24,442,886	10,482,098	13,960,788	-	-
Provisions	522,622	522,622	-	522,622	-	-
	945,868,389	1,036,112,180	125,465,830	220,103,188	503,978,732	186,564,430

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)

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 30 June 2015 and 31 December 2014, exchange rates are as following;

	30.06.2015	31.12.2014
USD	2.6863	2.3189
EUR	2.9822	2.8207

As of 30 June 2015, 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)	37,669,560	13,999,723	20,825
2b. Non-monetary financial assets	-	-	-
3. Other	-	-	-
4. Current Assets (1+2+3)	**37,669,560**	**13,999,723**	**20,825**
5. Trade Receivables	-	-	-
6a. Monetary financial assets	44,143,108	16,432,680	-
6b. Non-monetary financial assets	-	-	-
7. Other	-	-	-
8. Non-Current Assets (5+6+7)	**44,143,108**	**16,432,680**	**-**
9. Total Assets (4+8)	**81,812,668**	**30,432,403**	**20,825**
10. Trade Payables	-	-	-
11. Financial Liabilities	76,843,115	18,236,804	9,339,947
12a. Other monetary liabilities	-	-	-
12b. Other non-monetary liabilities	-	-	-
13. Current Liabilities (10+11+12)	**76,843,115**	**18,236,804**	**9,339,947**
14. Trade Payables	-	-	-
15. Financial Liabilities	480,934,378	141,616,703	33,703,114
16a. Other monetary liabilities	-	-	-
16b. Other non-monetary liabilities	-	-	-
17. Non-Current Liabilities (14+15+16)	**480,934,378**	**141,616,703**	**33,703,114**
18. Total Liabilities	**557,777,493**	**159,853,507**	**43,043,061**
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)	**(475,964,825)**	**(129,421,104)**	**(43,022,236)**
21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	**(475,964,825)**	**(129,421,104)**	**(43,022,236)**
22. Fair value of derivative instruments used in foreign currency hedge	**-**	**-**	**-**

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

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)

Foreign Currency Risk Sensitivity

As of 30 June 2015, 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 47,596,482 more / less.

	Profit / (Loss)/ Shareholders Equity	
	Appreciation of foreign currency against TRY	Depreciation of foreign currency against TRY
	In case of appreciation / depreciation of USD against TRY by 10%	
1-USD net asset / liability	(34,766,391)	34,766,391
2- Hedged amount against USD risk (-)	-	-
3-USD net effect (1+2)	**(34,766,391)**	**34,766,391**
	In case of appreciation / depreciation of EUR against TRY by 10%	
4- EUR net asset / liability	(12,830,091)	12,830,091
5- Hedged amount against EUR risk (-)	-	-
6- EUR net effect (4+5)	**(12,830,091)**	**12,830,091**
TOTAL (3+6+9+12)	**(47,596,482)**	**47,596,482**

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	Depreciation 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**

(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 30 June 2015 and 31 December 2014 net debt / total equity ratio is as follows;

	30.06.2015	31.12.2014
Total debts	1,135,294,674	922,381,329
Less: Liquid assets	207,579,221	129,557,642
Net debt	927,715,453	792,823,687
Total equity	519,481,677	373,543,088
Total capital	1,447,197,130	1,166,366,775
Net Debt/ Total capital	64%	68%

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.

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

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 hierarchy

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.

30 June 2015	Level 1	Level 2	Level 3
Time deposits (Including account of financial investment)	-	196,335,555	-

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

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 30 June 2015 and 31 December 2014, Group has not made any transfer between 1st level and 2nd level or from 3rd.

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

A s of 30 June 2015, 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	136,001,694	-	-	136,001,694	6
Trade receivables	43,317,758	-	-	43,317,758	9
Financial investment	71,577,527	-	-	71,577,527	7
Financial liabilities					
Financial payables	-	899,192,826	-	899,192,826	8
Trade payables	-	20,935,795	-	20,935,795	9

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

NOTE 33 – POST BALANCE SHEET EVENTS

According to the Official Gazette on 02 July, 2015, the capital amount has been increased from TRY 113,000,000 to TRY 163,000,000 by capitalizing adequate retained earning balance as of 31 December 2014.

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

The loan agreement which consisting of "Type A" and "Type B" credits were signed between Emay İnşaat Taahhüt Sanayi ve Ticaret Anonim Şirketi and Alternatifbank A.Ş. with the amount of EUR against of USD 110,000,000 at 30 June 2015. Total principal amount of Type A credit is EUR 31,446,541 and total principal amount of Type B credit is EUR 67,385,445 which are used in 1 July 2015, therefore, total amount of 7 years maturity date İşbankası credit USD 72,076,740 has been closed by these credit at the same date.

Relating to the "Type A" credit, Emay İnşaat Taahhüt Sanayi ve Ticaret Anonim Şirketi has realized "European Type Cross Currency Swap with Knock Out".

The payment schedule of "Type A" and "Type B" credits used in on 1 July 2015 by Parent Company are as follows;

	Type A	Type B
Due in 0 - 1 years	8,309,610	-
Due in 1 - 2 years	14,245,044	-
Due in 2 - 3 years	14,245,044	2,465,071
Due in 3 - 4 years	14,245,044	3,751,195
Due in 4 - 5 years	14,245,044	10,985,642
Due in 5 - 6 years	14,245,044	17,952,147
Due in 6 - 7 years	14,245,044	27,196,164
Due in 7 - 8 years	-	42,999,937
Due in 8 - 9 years	-	51,444,960
Due in 9 - 10 years	-	43,602,808
Due in 10 - 11 years	-	558,950
	93,779,874	200,956,874

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

None (31 December 2014 - None).