

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONVENIENCE TRANSLATION OF
THE CONDENSED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2014
TOGETHER WITH AUDITOR'S REVIEW REPORT**

(ORIGINALLY ISSUED IN TURKISH)



**CONVENIENCE TRANSLATION INTO ENGLISH OF
THE INDEPENDENT AUDITOR'S REVIEW REPORT
ORIGINALLY ISSUED IN TURKISH**

To the Board of Directors of
Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş.

Introduction

1. We have reviewed the accompanying condensed statement of financial position of Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. (the "Company") as at 30 June 2014 and the related condensed statements of comprehensive income, changes in equity and cash flows for the six-month period then ended. The management of the Company is responsible for the preparation and fair presentation of this interim financial information in accordance with Turkish Accounting Standard 34 ("TAS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

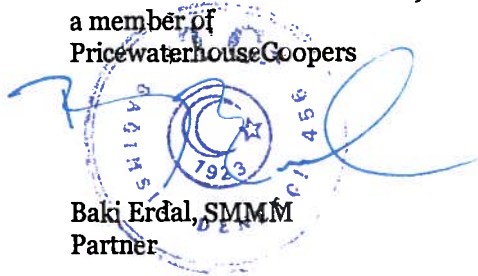
Scope of review

2. We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and the objective of which is to express an opinion on the financial statements. Consequently, a review on the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

3. Based on our review, nothing has come to our attention that causes us to conclude that the accompanying condensed interim financial information of Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. is not prepared, in all material respects, in accordance with TAS 34.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers



Baki Erdal, SMMM
Partner

Istanbul, 8 August 2014

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONDENSED INTERIM FINANCIAL STATEMENTS AT 30 JUNE 2014

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AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONVENIENCE TRANSLATION OF THE CONDENSED BALANCE SHEETS
AT 30 JUNE 2014 AND 31 DECEMBER 2013**

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated.)

	Notes	<i>Reviewed</i> 30 June 2014	<i>Audited</i> 31 December 2013
ASSETS			
Current assets		30,980,040	51,199,081
Cash and cash equivalents	3	29,176,095	48,904,930
Trade receivables			
Receivables from related parties	4	97,252	38,621
Receivables from third parties	4	1,076,181	2,227,415
Prepaid expenses	7	630,512	28,115
Non-current assets		153,218,127	146,325,017
Investment property	5	142,744,810	132,491,102
Intangible assets		6,720	4,645
Prepaid expenses	7	10,466,395	13,829,068
Other non-current assets	7	202	202
Total assets		184,198,167	197,524,098

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**CONVENIENCE TRANSLATION OF THE CONDENSED BALANCE SHEETS
AT 30 JUNE 2014 AND 31 DECEMBER 2013**

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated.)

	<i>Notes</i>	<i>Reviewed</i> 30 June 2014	<i>Audited</i> 31 December 2013
LIABILITIES			
Current liabilities		4,798,490	3,570,641
Trade payables			
Due to related parties	4, 16	15,568	23,422
Other trade payables	4	652,818	202,453
Other payables			
Due to Third Parties	4	1,069,939	896,368
Deferred income	7	1,015,874	1,502,910
Provisions			
Other provisions	6	994,474	773,593
Other current liabilities	7	1,049,817	171,895
Non-current liabilities		139,037	136,134
Other payables			
Other payables to third parties	4	102,000	104,124
Provision for employment termination benefits		37,037	32,010
Equity		179,260,640	193,817,323
Share capital	8	37,264,000	37,264,000
Adjustment to share capital	8	27,745,263	27,745,263
Restricted reserves	8	52,771,674	48,113,674
Retained earnings	8	27,593,186	20,852,421
Net income for the period	8	33,886,517	59,841,965
Total liabilities and equity		184,198,167	197,524,098

These interim financial statements for the period ended 30 June 2014 have been approved by the Board of Directors meeting held on 8 August 2014.

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONVENIENCE TRANSLATION OF THE CONDENSED STATEMENTS OF
COMPREHENSIVE INCOME FOR THE SIX MONTH INTERIM PERIODS ENDED
30 JUNE 2014 AND 2013**

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

	<i>Notes</i>	<i>Reviewed 1 January - 30 June 2014</i>	<i>Not Reviewed 1 April - 30 June 2014</i>	<i>Reviewed 1 January - 30 June 2013</i>	<i>Not Reviewed 1 April - 30 June 2013</i>
CONTINUING OPERATIONS:					
OPERATING INCOME					
Revenue	9	44,353,073	22,212,178	39,637,132	20,021,344
Cost of sales (-)	9	(12,975,673)	(6,599,452)	(10,991,695)	(5,824,389)
Gross profit		31,377,400	15,612,726	28,645,437	14,196,955
General administrative expenses (-)		(2,267,963)	(1,141,065)	(3,570,607)	(1,705,984)
Other operating income	11	2,369,912	1,159,503	2,465,106	1,079,956
Other operating expense (-)	11	(650,000)	-	-	-
Operating profit		30,829,349	15,631,164	27,539,936	13,570,927
Financial income	12	3,323,560	1,562,292	1,328,572	405,969
Financial expenses (-)	13	(266,392)	(55,232)	(65,646)	(49,490)
Continuing operations profit before tax		33,886,517	17,138,224	28,802,862	13,927,406
Tax income/expenses from continuing operations		-	-	-	-
Continuing operations net profit for the period		33,886,517	17,138,224	28,802,862	13,927,406
Other comprehensive income		-	-	-	-
Total comprehensive income		33,886,517	17,138,224	28,802,862	13,927,406
Earnings per share	15				
Earning per share from continuing operations		0.91	0.46	0.77	0.37
Earning per share from discontinuing operations		-	-	-	-
Diluted earnings per share	15				
Diluted earnings per share from continuing operations		0.91	0.46	0.77	0.37
Diluted earnings per share from discontinuing operations		-	-	-	-

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONVENIENCE TRANSLATION OF THE CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTH INTERIM PERIODS ENDED 30 JUNE 2014 AND 2013**

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

	Notes	Share capital	Adjustment to share capital	Restricted reserves	Retained earnings		Total equity
					Previous years' profits	Net profit for the period	
1 January 2013		37,264,000	27,745,263	41,150,403	18,862,625	54,321,987	179,344,278
Transfers	8	-	-	6,963,271	47,358,716	(54,321,987)	-
Dividends paid	8	-	-	-	(45,368,920)	-	(45,368,920)
Net profit for the period	8	-	-	-	-	28,802,862	28,802,862
30 June 2013		37,264,000	27,745,263	48,113,674	20,852,421	28,802,862	162,778,220
1 January 2014		37,264,000	27,745,263	48,113,674	20,852,421	59,841,965	193,817,323
Transfers	8	-	-	4,658,000	55,183,965	(59,841,965)	-
Dividends paid	8	-	-	-	(48,443,200)	-	(48,443,200)
Net profit for the period	8	-	-	-	-	33,886,517	33,886,517
30 June 2014		37,264,000	27,745,263	52,771,674	27,593,186	33,886,517	179,260,640

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**CONVENIENCE TRANSLATION OF THE CONDENSED
STATEMENTS OF CASH FLOWS FOR THE SIX MONTH INTERIM
PERIODS ENDED 30 JUNE 2014 AND 2013**

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

	Notes	1 January - 30 June 2014	1 January - 30 June 2013
Cash flows from operating activities			
Profit before tax		33,886,517	28,802,862
Adjustments to reconcile net cash generated from operating activities to income before tax			
Depreciation and amortisation	10	2,110,022	1,958,849
Provision for employment termination benefits		5,027	5,143
Debt provisions	6,10	277,147	-
Provision for doubtful receivables	4, 10	-	14,913
Interest income	12	(3,024,400)	(1,316,514)
Accrued expenses		69,656	54,641
Interest expenses	13	12,032	10,834
Reversal of provisions	6	(65,165)	-
Operating profit before changes in net working capital		33,270,836	29,530,728
Decrease/ (increase) in accounts receivable		1,151,234	(166,416)
Increase in trade receivables from related parties		(58,631)	-
(Decrease)/ increase in other assets		2,760,276	(1,958,940)
Increase in accounts payable		442,511	233,516
Increase in other payables		875,798	86,159
Doubtful receivables collection	4	-	300,000
Decrease in other liabilities		(374,222)	(143,793)
Net cash generated from operating activities		38,067,802	27,881,254
Interest received		3,254,710	1,474,103
Purchase of intangible assets		(3,072)	-
Additions to investment property	5	(12,362,733)	(798,840)
Net cash used in investing activities		(9,111,095)	675,263
Dividends paid		(48,443,200)	(45,368,920)
Interest paid		(12,032)	(10,834)
Net cash used in financing activities		(48,455,232)	(45,379,754)
Net decrease in cash and cash equivalents		(19,498,525)	(16,823,237)
Cash and cash equivalents at the beginning of the period	3	48,562,542	43,944,149
Cash and cash equivalents at the end of the period	3	29,064,017	27,120,912

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2014

(Amounts expressed in Turkish lira (“TL”) unless otherwise indicated.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

The main activity of Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. (the “Company”) is to create value through the ownership of investment properties. The address of the Company is as follows:

Nispetiye Cad. Akmerkez Tic. Merkezi E3 Kule K:1 Etiler / İstanbul-Turkey

The trade name “Akmerkez Gayrimenkul Yatırımı A.Ş.” has been changed as “Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş.” in the Extraordinary Shareholders Meeting held on 17 February 2005 and this change has been registered on 24 February 2005 by the Ministry of Trade.

With respect to the Board Decision dated 21 June 2005, the trade name of the Company is set as “Akmerkez Alışveriş Merkezi” and this name is certified by the Istanbul Trade Registry as at 1 July 2005.

The Company’s shares have been quoted on the Istanbul Stock Exchange (“ISE”) since 15 April 2005 and as of 30 June 2014, 50.82% of these shares are publicly quoted shares.

The shareholding structure as of 30 June 2014 and 31 December 2013 is as follows:

	30 June 2014	31 December 2013
Akkök Holding A.Ş.	13.12%	13.12%
Tekfen Holding A.Ş.	10.79%	10.79%
Quoted to İstanbul Stock Exchange	50.82%	50.82%
Other (*)	25.27%	25.27%
Total	100.00%	100.00%

(*) Represents total of shareholders less than 10%.

The average number of personnel during the period by categories is as follows:

	30 June 2014	31 December 2013
Administrative	5	5

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Accounting Standards

The accompanying financial statements are prepared in accordance with Communiqué Serial II, No:14.1, “Principles of Financial Reporting in Capital Markets” (“the Communiqué”) published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué, financial statements are prepared in accordance with the Turkish Accounting Standards issued by Public Oversight Accounting and Auditing Standards Authority (“POAASA”). TAS contains Turkish Accounting Standards, Turkish Financial Reporting Standards (“TFRS”) and its addendum and interpretations (“IFRIC”).

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2014

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated.)

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

The financial statements of the Company are prepared as per the CMB announcement of 7 June 2013 relating to financial statements presentations. Comparative figures are reclassified, where necessary, to conform to changes in the presentation of the current year's financial statements.

In accordance with the CMB resolution issued on 17 March 2005, listed companies operating in Turkey are not subject to inflation accounting effective from 1 January 2005. Therefore, the financial statements of the Company have been prepared accordingly.

The Company maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB. These financial statements have been prepared under historical cost conventions. The financial statements are based on the statutory records, which are maintained under historical cost conventions, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with TAS.

Adjustment of Financial Statements During Hyper-Inflationary Periods:

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

Functional and presentation currency

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

2.1.2 Compliance with portfolio restrictions

The information included in Note 20, "Supplementary Note : Control of Compliance with Portfolio Restrictions" represent a condensed information based on the figures extracted from the financial statements that are prepared in accordance with No. II-14.1 "Principals of Financial Reporting in Capital Markets" of the CMB. This condensed information has been prepared in accordance with the requirements of Communiqué Serial VI, No: 11 "Principals of The Real Estate Investment Trusts" of the CMB particularly relating to the principles regarding the control of compliance to portfolio restrictions.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2014

(Amounts expressed in Turkish lira (“TL”) unless otherwise indicated.)

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

2.2. Summary of Significant Accounting Policies

2.2.1 Comparative Figures and the Reclassification to the Financial Statements of the Prior Period

The Company complies with the principles and articles of applicable commercial laws and regulations and Communiqués announced by CMB in the accounting records and the preparation of the financial statements.

In order to determine the financial status and performance trends, the financial statements of the Company have been prepared in comparison with the financial statements of previous periods. The Company prepared its balance sheet as of 30 June 2014 in comparison with the balance sheet prepared as of 31 December 2013; prepared the statement of income, statement of changes in shareholders' equity and cash flow statement between 1 January - 30 June 2014 in comparison with 1 January - 30 June 2013. Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current period.

2.2.2 Changes in standards and interpretations

The standards listed below and the changes and comments introduced to the prior standards have been enforced as of 1 January 2014 and mentioned amendments to the standards have no material effect on the financial statements of the Company:

- TAS/IAS 32 (amendment), “Financial instruments: Presentation”, on offsetting financial assets and financial liabilities, is effective for annual periods beginning on or after 1 January 2014. The amendment updates the application guidance in TAS/IAS 32, ‘Financial instruments: Presentation’, to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.
- TFRS/IFRS 10, TFRS/IFRS 12 ve TAS/IAS 27 (amendments), “Consolidated financial statements”: ‘exceptions for the consolidation of subsidiaries’; is effective for annual periods beginning on or after 1 January 2014. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an ‘investment entity’ definition and which display particular characteristics.
- TAS/IAS 36 (amendments), “Impairment of assets” on recoverable amount disclosures is effective for annual periods beginning on or after 1 January 2014. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.
- TAS 39/IAS 39 (amendments) “Financial Instruments: Recognition and Measurement” - Novation of derivatives is effective for annual periods beginning on or after 1 January 2014. This amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria.
- TFRIC/ IFRYK 21 - TAS/IAS 37, “Levies” is effective for annual periods beginning on or after 1 January 2014. This is an interpretation of TAS 37, 'Provisions, contingent liabilities and contingent assets'. TAS 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.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2014

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated.)

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

2.2.2 Changes in standards and interpretations

New IFRS standards, amendments and IFRICs effective after 1 January 2014 and not early adopted by the Company:

- TAS/ IAS 19 (amendment), "Defined benefit plans", is effective for 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 2012, is effective for annual periods beginning on or after 1 July 2014. These amendments include changes from the 2010-12 cycle of the annual improvements project, that affect 7 standards:
 - IFRS 2, "Share Based Payment"
 - IFRS 3, "Business Combination"
 - IFRS 8, "Operating Segments"
 - IFRS 13, "Fair value measurement"
 - IFRS 16, "Tangible Assets and TAS/IAS 38, Intangible Assets"
 - IFRS 9, "Financial Instruments: TAS/IAS 37, Provisions, Contingent Assets and Liability"
 - IFRS 39, "Financial Instruments-Recognition and Measurement"
- Annual improvements 2013, is effective for annual periods beginning on or after 1 July 2014. These amendments include changes from the 2011-2-13 cycle of the annual improvements project, that affect 4 standards:
 - IFRS 1, "First Adoption of IFRS"
 - IFRS 3, "Business Combinations"
 - IFRS 13, "Fair Value Measurement"
 - IAS 40, "Investment Properties"
- TFRS/IFRS 11 (amendments), "Joint Arrangements", is effective for annual periods beginning on or after 1 July 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.
- TAS/IAS 16 ve TAS/IAS 38 (amendments), "Tangible Assets ", "Intangible Assets", is effective for annual periods beginning on or after 1 July 2016. In this amendment the IASB has clarified that the use of revenuebased 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.
- TFRS/IFRS 14, "Regulatory deferral accounts", is effective for annual periods beginning on or after 1 July 2016. 'Regulatory deferral accounts' permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt TFRS/IFRS. However, to enhance comparability with entities that already apply TFRS/IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2014

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated.)

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

- TFRS/IFRS 15, "Revenue from contracts with customers", is effective for annual periods beginning on or after 1 July 2017. the International Accounting Standards Board (IASB) and the US national standard-setter, the Financial Accounting Standards Board (FASB), initiated a joint project to clarify the principles for recognising revenue and to develop a common revenue standard for IFRS and US GAAP. The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The new model employs an asset and liability approach, rather than current revenue guidance focuses on an 'earnings process'.
- TFRS/IFRS 9 "Financial instruments" - classification and measurement; is effective for annual periods beginning on or after 1 January 2018. This standard on classification and measurement of financial assets and financial liabilities will replace TAS/IAS 39, "financial instruments: Recognition and measurement". TFRS/IFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the TAS/IAS 39 requirements. These include amortised-cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. This change will mainly affect financial institutions.
- Amendments to TFRS/IFRS 9, "Financial instruments", regarding general hedge, is effective for annual periods beginning on or after 1 January 2018. These amendments to TFRS/IFRS 9, "Financial instruments", bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements.

2.3 Restatement and the errors in the Accounting estimates

Material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period financial statements. The effect of changes in accounting estimates affecting the current period is recognized in the current period; the effect of changes in accounting estimates affecting current and future periods is recognized in the current and future periods. For the period 1 January - 30 June 2014 there is no change in accounting estimates.

2.4 Summary of Significant Accounting Policies

The condensed interim financial statements of the Company have been prepared in accordance with IAS 34 "Interim Financial Reporting". The accounting policies used in the preparation of these condensed interim financial statements are consistent with those used in the preparation of annual financial statements for the year ended 31 December 2013. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2013.

2.5 Significant Accounting Estimates and Assumptions

Preparation of financial statements require the usage of estimations and assumptions which may affect the reported amounts of assets and liabilities as of the balance sheet date, disclosure of contingent assets and liabilities and reported amounts of income and expenses during financial period. The accounting assessments, forecasts and assumptions are reviewed continuously considering the past experiences, other factors and the reasonable expectations about the future events under current conditions. Although the estimations and assumptions are based on the best estimates of the management's existing incidents and operations, they may differ from the actual results.

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2014

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated.)

NOTE 3 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents as of 30 June 2014 and 31 December 2013 are as follows:

	30 June 2014	31 December 2013
Cash	6,182	3,405
Banks		
- TL time deposit	28,967,078	48,795,388
- TL demand deposit	39,609	50,336
- Foreign currency denominated demand deposit	163,226	55,801
	29,176,095	48,904,930

As of 30 June 2014, the interest rate on TL deposit accounts at banks is between 10.60% and 10.80% and the accrued interest is TL112,078 (31 December 2013: the interest rate on TL deposit accounts at banks is between %8.80 and %9.26 the accrued interest is TL342,388). The maturity of time deposits is 32 days (31 December 2013: less than one month).

The cash and cash equivalents disclosed in the statements of cash flows are as follows:

	30 June 2014	31 December 2013	30 June 2013	31 December 2012
Cash and cash equivalents	29,176,095	48,904,930	27,205,072	44,185,898
Less: accrued interest	(112,078)	(342,388)	(84,160)	(241,749)
	29,064,017	48,562,542	27,120,912	43,944,149

NOTE 4 - TRADE AND OTHER RECEIVABLES AND PAYABLES

Short-term trade receivables	30 June 2014	31 December 2013
Trade receivables	4,244,052	4,093,136
Notes and post-dated cheques receivable	-	1,302,150
Receivables from related parties	97,252	38,621
	4,341,304	5,433,907
Less: Provision for doubtful receivables	(3,167,871)	(3,167,871)
	1,173,433	2,266,036
	2014	2013
1 January	3,167,871	3,507,557
Provisions made during the period	-	14,913
Doubtful receivables collections	-	(300,000)
30 June	3,167,871	3,222,470

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2014

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated.)

NOTE 4 - TRADE AND OTHER RECEIVABLES AND PAYABLES (Continued)

Short-term trade payables	30 June 2014	31 December 2013
Trade payables	652,818	202,453
Due to related parties (Note 16)	15,568	23,422
	668,386	225,875

As of 30 June 2014 and 31 December 2013, there are no other receivables.

Short-term other payables	30 June 2014	31 December 2013
Taxes payables and other taxes	1,009,335	837,594
Deposits and guarantees received	51,152	49,815
Other	9,452	8,959
	1,069,939	896,368

Long-term other payables	30 June 2014	31 December 2013
Deposits and guarantees received	102,000	104,124
	102,000	104,124

NOTE 5 - INVESTMENT PROPERTY

The movements of the investment property for the six-month interim periods ended 30 June 2014 and 2013 are as follows:

	1 January 2014	Additions	Transfers	30 June 2014
Cost				
Buildings	174,404,180	-	10,831,198	185,235,378
Construction in progress (*)	10,195,387	12,362,733	(10,831,198)	11,726,922
	184,599,567	12,362,733	-	196,962,300
Accumulated amortisation				
Buildings	52,108,465	2,109,025	-	54,217,490
	52,108,465	2,109,025	-	54,217,490
Net book value	132,491,102			142,744,810

(*) Transfers from construction in progress to the building amounting to TL10,831,198 consist of decoration and renovation costs of apart hotels and cinema unit which were completed during the period. Ongoing investments as of 30 June 2014 consist of renovation of the exterior and the corridor of shopping mall that are expected to be completed in the second half of 2014.

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2014

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated.)

NOTE 5 - INVESTMENT PROPERTY (Continued)

	1 January 2013	Additions	Transfers	30 June 2013
Cost				
Buildings	174,404,180	-	-	174,404,180
Construction in progress	9,458,757	798,840	-	10,257,597
	183,862,937	798,840	-	184,661,777
Accumulated amortisation				
Buildings	48,350,086	1,939,920	-	50,290,006
	48,350,086	1,939,920	-	50,290,006
Net book value	135,512,851			134,371,771

The fair value of the Company's investment property based on the valuation report of EVA Gayrimenkul Değerleme Danışmanlık A.Ş. dated 31 December 2013 amount to TL984,257,000 (As of 31 December 2012, the fair value of the Company's investment property based on the valuation report of EVA Gayrimenkul Değerleme Danışmanlık A.Ş. amount to TL944,653,000).

NOTE 6 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provisions, contingent assets and liabilities consist of the following:

Real rights on immovables are as follows:

- There is a rental restriction in favour of TEK (Turkish Electricity Institution) with registry dated 31 December 1992 No: 5538.
- There is a 5 year rental restriction in favour of Yapı Kredi A.Ş. on Çarşı Block 1 basement coded (4,60) at a land share of 76800/25600000 (independent component, no 89) registered on 17 April 1995, No: 1315.

Guarantee notes and letters	Currency of denomination	Amount	30 June 2014
Letters of guarantees received	USD	2,897,504	6,152,559
Guarantee notes received	USD	2,015,942	4,280,651
Guarantee cheques received	TL	581,000	581,000
			11,014,210

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CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2014

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated.)

NOTE 6 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Guarantee notes and letters	Currency of denomination	Amount	31 December 2013
Letters of guarantees received	USD	3,136,446	6,694,116
Guarantee notes received	USD	2,116,545	4,517,342
Guarantee cheques received	TL	581,000	581,000
			11,792,458

The guarantees received consist of letters of guarantees received from the tenants of the shopping mall.

Below are the amounts of guarantees, pledges and mortgages of Company as of balance sheet dates:

	30 June 2014	31 December 2013
CPM's given by the company (Collaterals, Pledges, Mortgages)		
A. CPM's given for companies own legal personality	1,729	1,729
B. CPM's given on behalf of fully consolidated companies	None	None
C. CPM's given for continuation of its economic activities on behalf of third parties	None	None
D. Total amount of other CPM's		
i) Total amount of CPM's given on behalf of the majority shareholder	None	None
ii) Total amount of CPM's given to on behalf of other Group companies which are not companies which are not in scope of B and C	None	None
iii) Total amount of CPM's given on behalf of third parties which are not in scope of C	None	None
	1,729	1,729

The commitments given consist of letters of guarantees given for the cases.

Provision for lawsuits

The provision for the lawsuits against the Company as of 30 June 2014 is TL994,474 (31 December 2013: TL 773,593). The movement of provision for lawsuits are as follows:

	2014	2013
1 January	773,593	646,382
Foreign exchange differences and interests	8,899	48,058
Increase during the period	277,147	-
Reversals during the period	(65,165)	-
30 June	994,474	694,440

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2014

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated.)

NOTE 7 - OTHER ASSETS AND LIABILITIES

The details of other assets and other liabilities as of 30 June 2014 and 31 December 2013 are as follows:

Prepaid expenses - short term	30 June 2014	31 December 2013
Prepaid expenses	614,938	28,115
Advance given	15,574	-
	630,512	28,115

Prepaid expenses - long term	30 June 2014	31 December 2013
Advances given (*)	10,466,395	13,829,068

(*) Consists of advances given for the renovation work.

Other non-current assets:	30 June 2014	31 December 2013
Other	202	202
	202	202

Deferred income	30 June 2014	31 December 2013
Deferred income	972,661	864,252
Advances received	43,213	638,658
	1,015,874	1,502,910

Other non-current liabilities	30 June 2014	31 December 2013
Other liabilities	980,161	-
Expense accruals	69,656	171,895
	1,049,817	171,895

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2014

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated.)

NOTE 8 - EQUITY

At 30 June 2014 and 31 December 2013 the issued and fully paid-in share capital held is as follows:

Shareholders	30 June 2014		31 December 2013	
	Share (%)	Amount	Share (%)	Amount
Akkök Holding A.Ş.	13.12	4,890,900	13.12	4,890,900
Tekfen Holding A.Ş.	10.79	4,019,839	10.79	4,019,839
Quoted to İstanbul Stock Exchange	50.82	18,938,898	50.82	18,938,898
Other (*)	25.27	9,414,363	25.27	9,414,363
Total paid-in capital	100.00	37,264,000	100.00	37,264,000

(*) Represents shareholding less than 10%.

According to Communiqué No: IV-56 Determination and the Enforcement of the Corporate Governance Principles issued by CMB, the application for increasing the upper limit of the registered capital from TL27,400,000 to TL75,000,000 is approved by CMB. The application for increasing the upper limit of the registered capital and amendment of Articles of Incorporation have been registered on 6 June 2012 and published at the Trade Registry Gazette on 12 June 2012.

Equity statement in accordance with the Communiqué II-14.1 is as follows:

	30 June 2014	31 December 2013
Share capital	37,264,000	37,264,000
Adjustment to share capital	27,745,263	27,745,263
Restricted reserves		
- Legal reserves	52,771,674	48,113,674
Retained earnings	27,593,186	20,852,421
Net income for the period	33,886,517	59,841,965
	179,260,640	193,817,323

Retained earnings consist of the following (TL):

	30 June 2014	31 December 2013
Retained earnings	3,047,437	3,326,254
Extraordinary reserves	20,562,533	13,542,951
Inflation difference in extraordinary reserves	521,985	521,985
Inflation difference in legal reserves	3,461,231	3,461,231
	27,593,186	20,852,421

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2014**

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated.)

NOTE 9 - OPERATING INCOME

	1 January - 30 June 2014	1 April - 30 June 2014	1 January - 30 June 2013	1 April - 30 June 2013
Sales				
Shops and warehouse rent income	43,716,470	21,725,403	38,608,873	19,518,878
Apart hotel rent income	636,603	486,775	1,028,259	502,466
	44,353,073	22,212,178	39,637,132	20,021,344
Cost of sales				
Cost of services	(10,866,648)	(5,544,054)	(9,033,843)	(4,845,463)
Depreciation expense	(2,109,025)	(1,055,398)	(1,957,852)	(978,926)
	(12,975,673)	(6,599,452)	(10,991,695)	(5,824,389)
Gross profit	31,377,400	15,612,726	28,645,437	14,196,955

NOTE 10 - EXPENSES BY NATURE

	1 January - 30 June 2014	1 April - 30 June 2014	1 January - 30 June 2013	1 April - 30 June 2013
Cost of services	10,866,648	5,544,054	9,033,843	4,845,463
Depreciation and amortisation expenses	2,110,022	1,055,897	1,958,849	979,424
Personnel expenses	609,207	323,338	551,320	279,084
Insurance, duties, taxes and levies expenses	586,021	293,189	337,771	172,447
Legal expenses	345,169	162,375	379,594	138,127
Consultancy expenses	288,868	139,809	164,083	70,010
Provision for lawsuits	277,147	132,643	-	-
Donation expenses	315	165	1,013,500	1,013,500
Sponsorship expenses	-	-	1,000,000	-
Provision for doubtful receivables	-	-	14,913	-
Other	160,239	89,047	108,429	32,318
	15,243,636	7,740,517	14,562,302	7,530,373
Depreciation and amortisation expenses				
Cost of sales	2,109,025	1,055,398	1,957,852	978,926
General administrative expenses	997	499	997	498
	2,110,022	1,055,897	1,958,849	979,424

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2014

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated.)

NOTE 11 - OTHER INCOME/EXPENSES

	1 January - 30 June 2014	1 April - 30 June 2014	1 January - 30 June 2013	1 April - 30 June 2013
Other operating income				
Rent income of the common areas	2,219,893	1,072,904	2,093,894	1,043,613
Reversal of provisions	65,165	45,165	300,000	-
Other income	84,854	41,434	71,212	36,343
	2,369,912	1,159,503	2,465,106	1,079,956
Other operating expense				
Provision expense (*)	(650,000)	-	-	-
Other operating expense	(650,000)	-	-	-
Other operating income - net	1,719,912	1,159,503	2,465,106	1,079,956

(*) Compensations paid to tenants discharged prior to their contract expiration dates.

NOTE 12 - FINANCIAL INCOME

	1 January - 30 June 2014	1 April - 30 June 2014	1 January - 30 June 2013	1 April - 30 June 2013
Financial income				
Interest income	3,024,400	1,486,368	1,316,514	396,969
Foreign exchange income	299,160	75,924	12,058	9,000
	3,323,560	1,562,292	1,328,572	405,969

NOTE 13 - FINANCIAL EXPENSES

	1 January - 30 June 2014	1 April - 30 June 2014	1 January - 30 June 2013	1 April - 30 June 2013
Financial expenses				
Foreign exchange expense	254,360	49,230	54,812	43,974
Interest expense	12,032	6,002	10,834	5,516
	266,392	55,232	65,646	49,490

NOTE 14 - TAX ASSETS AND LIABILITIES

The Company is exempt from corporate income tax in accordance with paragraph d-4 of Article 5 of the Corporate Income Tax Law and in accordance with paragraph 6-a of Article 94 of the Income Tax Law, the earnings of the real estate investment trusts are subject to withholding taxes, According to the Council of Ministers Decision No. 93/5148, the withholding tax rate is determined as "0". Therefore, the Company has no corporate tax obligation.

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CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2014

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated.)

NOTE 15 - EARNINGS PER SHARE

The earnings per share stated in income statement is calculated by dividing net income for the period by the weighted average number of Company's shares for the period.

The companies in Turkey are allowed to increase their paid-in capital by issuing "free shares" which represent the increases from retained earnings and revaluation funds. The issue of such shares is treated as the issuance of ordinary shares in the calculation of earnings per share. The weighted average number of shares includes such shares and their retrospective effects.

The earnings per share amount is calculated by dividing net income for the period by the weighted average number of Company's shares for the period.

	1 January - 30 June 2014	1 April - 30 June 2014	1 January - 30 June 2013	1 April - 30 June 2013
Weighted average number of shares as of the reporting date (per share of TL 1 nominal value)	37,264,000	37,264,000	37,264,000	37,264,000
Net profit for the period	33,886,517	17,138,224	28,802,862	13,927,406
Earnings per share	0.91	0.46	0.77	0.37

NOT 16 - RELATED PARTY DISCLOSURES

Related party disclosures

	30 June 2014	31 December 2013
Advances given to related parties	10,481,969	13,829,068
Due to related parties	15,568	23,422

	1 January - 30 June 2014	1 April - 30 June 2014	1 January - 30 June 2013	1 April - 30 June 2013
Purchases from related party	15,753,764	10,148,803	9,153,254	4,865,858
Sales to related parties	957,793	480,411	757,054	380,811

Purchases and sales consist of rent income, purchase and sales of services, and similar items. The Company provides services like security, maintenance, repair, cleaning, and management from the related party Üçgen Bakım ve Yönetim Hizmetleri A.Ş. to whom the Company charged TL4,296,068 regarding the revenue collected on behalf of the Company for the first six months of 2014 (1 January - 30 June 2013: TL4,409,176).

As of 1 January - 30 June 2014, remuneration provided to top executives management such as the CEO and Board of Directors members is TL499,128 (1 January-30 June 2013: TL463,024).

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2014

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated.)

NOTE 17 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS

Foreign currency risk

The foreign currency amounts stated in the assets and liabilities are as follows:

	30 June 2014	31 December 2013
Assets	163,226	1,320,451
Liabilities	(460,303)	(462,665)
Net position	(297,077)	857,786

As of 30 June 2014 and 2013, fluctuation of USD had been 10% higher/lower ceteris paribus, net income for the period would have been TL29,708 (30 June 2013: TL36,687) lower/higher.

As of 30 June 2014 the assets and liabilities denominated in foreign currencies which do not bear guaranteed rates of exchange, and foreign currency amounts stated in the assets are as follows:

30 June 2014	USD	TL equivalent
Current assets		
Monetary financial assets	76,870	163,226
Total assets	76,870	163,226
Current liabilities		
Other Monetary Liabilities	(144,650)	(307,150)
Other-non-Monetary Financial Liabilities	(24,090)	(51,153)
Non-current Liabilities		
Other non- monetary financial liabilities	(48,036)	(102,000)
Total liabilities	(216,776)	(460,303)
Net Foreign Currency Asset / (Liability) Position	(139,906)	(297,077)
Monetary Items Net Foreign Currency Asset / (Liability) Position	(67,780)	(143,924)

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CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2014

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NOTE 17 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

As of 31 December 2013 the assets and liabilities denominated in foreign currencies which do not bear guaranteed rates of exchange, and foreign currency amounts stated in the assets are as follows:

31 December 2013	USD	TL equivalent
Current Assets		
Trade receivables	592,536	1,264,650
Monetary financial assets	26,145	55,801
Total assets	618,681	1,320,451
Current Liabilities		
Other monetary financial liabilities	(144,650)	(308,726)
Other non-monetary financial liabilities	(23,340)	(49,815)
Non-current Liabilities		
Other non- monetary financial liabilities	(48,786)	(104,124)
Total liabilities	(216,776)	(462,665)
Net Foreign Currency Asset / (Liability) Position	401,905	857,786
Monetary Items Net Foreign Currency Asset / (Liability) Position	474,031	1,011,725

NOTE 18 - OTHER ISSUES MATERIALLY AFFECTING THE FINANCIAL STATEMENTS AND REQUIRING DISCLOSURE FOR UNDERSTANDING OF THE FINANCIAL STATEMENTS

Insurance totals of assets with respect to the periods are as follows;

30 June 2014 :	140,100,000	USD
31 December 2013 :	140,100,000	USD

NOTE 19 - SUBSEQUENT EVENTS

As per the Board resolutions taken on 1 July 2014 and 23 July 2014 decision is made upon to make a 10% discount over the dollar-denominated rental fees of the tenants of Akmerkez Ticaret Merkezi. This resolution comprises respectively the period July 2014 and August 2014 only for the tenants selected by the Company among those who have been paying their rental fees in accordance with the conditions suggested in their rental contracts on regular basis and provided that (respectively USD1 is not below TL1.95) in that the USD rate defined is not to be regarded as a reduction in rental fees and/or amendment of the rental contract.

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CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2014

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NOTE 20 - SUPPLEMENTARY NOTE: CONTROL OF COMPLIANCE WITH PORTFOLIO RESTRICTIONS

Disclosures made within the framework of Communiqué No. III-48.1 on Principles Regarding Real Estate Investment Trusts state that joint ventures are obliged to comply with the provisions of the Board's Communiqué No. II-14.1 on Principles Regarding Financial Reporting in Capital Markets when issuing and making public financial statements. The financial statements should include the information about portfolio limitation controls defined in Communiqué No. III-48.1 on Principles Regarding Real Estate Investment Trusts taken from unconsolidated financial statement account items in the manner defined by the Board.

In this scope, total assets, total portfolio and information relating to portfolio restrictions are as follows as of 30 June 2014 and 31 December 2013:

Non-consolidated (stand-alone)			
financial statement accounts items		30 June 2014	31 December 2013
A	Cash and capital market instruments	29,176,095	48,904,930
B	Real estate, real estate-based project, Real estate-based rights	142,744,810	132,491,102
C	Affiliates	-	-
	Due from related parties (non-trade)	-	-
	Other Assets	12,277,262	16,128,066
D	Total Assets	184,198,167	197,524,098
E	Borrowings	-	-
F	Other financial liabilities	-	-
G	Leasing obligation	-	-
H	Due to related parties (non-trade)	-	389
I	Equity	179,260,640	193,817,323
	Other Liabilities	4,936,417	3,706,386
D	Total Liabilities	184,198,167	197,524,098
Other non-consolidated (stand-alone)			
financial information		30 June 2014	31 December 2013

A1	Portion of cash and capital market instruments reserved for three-year real estate payments	-	-
A2	TL/foreign currency denominated time/demand deposits	29,169,913	48,901,525
A3	Foreign capital market instruments	-	-
B1	Foreign real estates, real estate-based projects, real estate-based rights	-	-
B2	Lands on which no projects developed	-	-
C1	Foreign affiliates	-	-
C2	Participation in administrator companies	-	-
J	Non-cash loans	1,729	1,729
K	Encumbrance amounts of encumbered lands which do not belong to the Group and on which a project will be develop	-	-

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2014

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated.)

NOTE 20 - SUPPLEMENTARY NOTE: CONTROL OF COMPLIANCE WITH PORTFOLIO RESTRICTIONS (Continued)

Portfolio Restriction	30 June 2014	31 December 2013	Minimum / Maximum Rate
1 Encumbrance amounts of encumbered lands which do not belong to the Group and on which a project will be developed (K/D)	-	-	≤10%
2 Real estate, real estate-based project, Real estate-based rights (B+A1)/D)	77%	67%	≥51%
3 Cash and capital market instruments and Affiliates (A+C-A1)/D)	16%	25%	≤49%
4 Foreign real estates, real estate-based projects, real estate-based rights, Affiliates, capital market instruments (A3+B1+C1)/D)	-	-	≤49%
5 Lands on which no projects developed (B2)/D)	-	-	≤20%
6 Participation in administrator companies (C2)/D)	-	-	≤10%
7 Borrowing ceiling (E+F+G+H+J)/İ	-	-	≤500%
8 TL/foreign currency denominated time/demand deposits (A2-A1)/D (*)	16%	25%	≤10%

(*) At 30 June 2014, the fair value of the investment property is TL984,257,000. In the table above, the investment property amounting to TL142,744,810 represents the net book value which is cost less depreciation. When the fair value of the investment property is considered in the above table, the ratio of the TL/foreign currency denominated time/demand deposit to total assets as at 30 June 2014 is 2.8% (31 December 2013: 4.7%).

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