

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONVENIENCE TRANSLATION OF
THE CONDENSED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 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 September 2014 and the related condensed statements of comprehensive income, changes in equity and cash flows for the nine-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

Engin Çubukçu, SMMM
Partner

Istanbul, 7 November 2014

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONDENSED INTERIM FINANCIAL STATEMENTS AT 30 SEPTEMBER 2014

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

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

		<i>Reviewed</i>	<i>Audited</i>
	Notes	30 September 2014	31 December 2013
ASSETS			
Current assets		44,515,940	51,199,081
Cash and cash equivalents	3	41,730,398	48,904,930
Trade receivables			
Receivables from related parties	4	130,121	38,621
Receivables from third parties	4	1,155,708	2,227,415
Prepaid expenses	7	687,827	28,115
Other current assets	7	811,886	-
Non-current assets		155,928,121	146,325,017
Investment property	5	146,929,911	132,491,102
Property and equipment		109,612	-
Intangible assets		29,919	4,645
Prepaid expenses	7	8,858,477	13,829,068
Other non-current assets	7	202	202
Total assets		200,444,061	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 SEPTEMBER 2014 AND 31 DECEMBER 2013**

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

		<i>Reviewed</i>	<i>Audited</i>
	Notes	30 September 2014	31 December 2013
LIABILITIES			
Current liabilities		4,002,932	3,570,641
Trade payables			
Due to related parties	4, 16	566,698	23,422
Other trade payables	4	675,543	202,453
Other payables			
Due to third parties	4	500,191	896,368
Deferred income	7	1,037,606	1,502,910
Provisions			
Other provisions	6	1,180,701	773,593
Other current liabilities	7	42,193	171,895
Non-current liabilities		150,396	136,134
Other payables			
Other payables to third parties	4	111,083	104,124
Provision for employment termination benefits		39,313	32,010
Equity		196,290,733	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	50,916,610	59,841,965
Total liabilities and equity		200,444,061	197,524,098

These interim financial statements for the period ended 30 September 2014 have been approved by the Board of Directors meeting held on 7 November 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 NINE MONTH INTERIM PERIODS
ENDED 30 SEPTEMBER 2014 AND 2013**

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

		<i>Reviewed</i> 1 January - Notes 30 September 2014	<i>Reviewed</i> 1 July - 30 September 2014	<i>Reviewed</i> 1 January - 30 September 2013	<i>Reviewed</i> 1 July - 30 September 2013
CONTINUING OPERATIONS:					
OPERATING INCOME					
Revenue	9	66,599,384	22,246,311	60,538,534	20,901,402
Cost of sales (-)	9	(18,968,078)	(5,992,405)	(16,611,878)	(5,620,183)
Gross profit		47,631,306	16,253,906	43,926,656	15,281,219
General administrative expenses (-)		(3,358,137)	(1,090,174)	(4,291,342)	(720,735)
Other operating income	11	3,387,582	1,017,670	3,720,939	1,255,833
Other operating expense (-)	11	(650,000)	-	(66,698)	(66,698)
Operating profit		47,010,751	16,181,402	43,289,555	15,749,619
Financial income	12	4,245,674	922,114	2,131,105	802,533
Financial expenses (-)	13	(339,815)	(73,423)	(109,979)	(44,333)
Continuing operations profit before tax		50,916,610	17,030,093	45,310,681	16,507,819
Tax income/expenses from continuing operations		-	-	-	-
Continuing operations net profit for the period		50,916,610	17,030,093	45,310,681	16,507,819
Other comprehensive income		-	-	-	-
Total comprehensive income		50,916,610	17,030,093	45,310,681	16,507,819
Earnings per share	15				
Earning per share from continuing operations		1.37	0.46	1.22	0.44
Earning per share from discontinuing operations		-	-	-	-
Diluted earnings per share	15				
Diluted earnings per share from continuing operations		1.37	0.46	1.22	0.44
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 NINE MONTH INTERIM PERIODS ENDED 30 SEPTEMBER 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	-	-	-	-	45,310,681	45,310,681
30 September 2013		37,264,000	27,745,263	48,113,674	20,852,421	45,310,681	179,286,039
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	-	-	-	-	50,916,610	50,916,610
30 September 2014		37,264,000	27,745,263	52,771,674	27,593,186	50,916,610	196,290,733

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 NINE MONTH INTERIM PERIODS ENDED 30 SEPTEMBER 2014 AND 2013

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

	Notes	1 January - 30 September 2014	1 January - 30 September 2013
Cash flows from operating activities			
Profit before tax		50,916,610	45,310,681
Adjustments to reconcile net cash generated from operating activities to income before tax			
Depreciation and amortisation	10	3,222,844	2,929,308
Provision for employment termination benefits		7,303	7,497
Debt provisions	6,10	414,637	-
Provision for doubtful receivables	4, 10	-	14,913
Interest income	12	(3,920,032)	(2,115,636)
Accrued expenses		42,193	41,848
Interest expenses	13	17,647	17,820
Reversal of provisions	6	(65,165)	-
Loss on sales of property and equipments		-	66,698
Operating profit before changes in net working capital		50,636,037	46,273,129
Decrease/ (increase) in accounts receivable		980,207	(901,665)
Decrease/ (increase) in other assets		3,498,993	(5,015,675)
Increase in accounts payable		1,016,366	267,000
Decrease in other payables		(122,743)	(113,282)
Doubtful receivables collection	4	-	354,599
Decrease in other liabilities		(863,685)	(177,979)
Net cash generated from operating activities		55,145,175	40,686,127
Interest received		4,136,669	2,275,549
Purchase of intangible assets		(143,669)	-
Proceeds from the sales of property and equipments		-	82,735
Additions to investment property	5	(17,652,870)	(1,227,723)
Net cash used in investing activities		(13,659,870)	1,130,561
Dividends paid		(48,443,200)	(45,368,920)
Borrowings obtained		-	982,505
Interest paid		-	(17,820)
Net cash used in financing activities		(48,443,200)	(44,404,235)
Net decrease in cash and cash equivalents		(6,957,895)	(2,587,547)
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	41,604,647	41,356,602

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 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 September 2014, 50.82% of these shares are publicly quoted shares.

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

	30 September 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 September 2014	31 December 2013
Administrative	5	5

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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

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”).

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.

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

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

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

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. III-48.1 "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.

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 September 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 September 2014 in comparison with 1 January - 30 September 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 30 September 2014 and mentioned amendments to the standards have no material effect on the financial statements of the Company:

- 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 IFRS 10, "Consolidated financial statements", IFRS 12 and IAS 27 for investment entities, effective from 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. Changes have also been made IFRS 12 to introduce disclosures that an investment entity needs to make.
- 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.

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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

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

- 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.
- 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.
- 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 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
 - IAS 16, Property, plant and equipment' and IAS 38, Intangible assets
 - Consequential amendments to IFRS 9, Financial instruments, IAS 37, Provisions, contingent liabilities and contingent assets, and
 - IAS 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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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

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

Standards, amendments and interpretations not yet effective as of 30 September 2014 and not early adopted by the Company:

- IFRS 14 "Regulatory deferral accounts", effective from annual periods beginning on or after 1 January 2016. IFRS 14, '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 IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items.
- 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 amortisation, effective from annual periods beginning on or after 1 January 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. The IASB has 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 IAS 27, "Separate financial statements" on the equity method, effective from annual periods beginning on or after 1 January 2016. These amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.
- 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 recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised 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.

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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

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

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 September 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.

NOTE 3 - CASH AND CASH EQUIVALENTS

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

	30 September 2014	31 December 2013
Cash	5,458	3,405
Banks		
- TL time deposit	41,375,751	48,795,388
- TL demand deposit	174,010	50,336
- Foreign currency denominated demand deposit	175,179	55,801
	41,730,398	48,904,930

As of 30 September 2014, the interest rate on TL deposit accounts at banks is between 9.20% and 10.00% and the accrued interest is TL125,751 (31 December 2013: the interest rate on TL deposit accounts at banks is 8.80% and 9.26% the accrued interest is TL 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 September 2014	31 December 2013	30 September 2013	31 December 2012
Cash and cash equivalents	41,730,398	48,904,930	41,438,438	44,185,898
Less: accrued interest	(125,751)	(342,388)	(81,836)	(241,749)
	41,604,647	48,562,542	41,356,602	43,944,149

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

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

NOTE 4 - TRADE AND OTHER RECEIVABLES AND PAYABLES

Short-term trade receivables	30 September 2014	31 December 2013
Trade receivables	4,323,579	4,093,136
Notes and post-dated cheques receivable	-	1,302,150
Receivables from related parties	130,121	38,621
	4,453,700	5,433,907
Less: Provision for doubtful receivables	(3,167,871)	(3,167,871)
	1,285,829	2,266,036

	2014	2013
1 January	3,167,871	3,507,557
Provisions made during the period	-	14,913
Doubtful receivables collections	-	(354,599)
30 September	3,167,871	3,167,871

Short-term trade payables	30 September 2014	31 December 2013
Trade payables	675,543	202,453
Due to related parties (Note 16)	566,698	23,422
	1,242,241	225,875

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

Short-term other payables	30 September 2014	31 December 2013
Taxes payables and other taxes	438,983	837,594
Deposits and guarantees received	53,285	49,815
Other	7,923	8,959
	500,191	896,368

Long-term other payables	30 September 2014	31 December 2013
Deposits and guarantees received	111,083	104,124
	111,083	104,124

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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

NOTE 5 - INVESTMENT PROPERTY

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

	1 January 2014	Additions	Transfers	30 September 2014
Cost				
Buildings	174,404,180	-	12,856,770	187,260,950
Construction in progress(*)	10,195,387	17,652,870	(12,856,770)	14,991,487
	184,599,567	17,652,870	-	202,252,437
Accumulated amortisation				
Buildings	(52,108,465)	(3,214,061)	-	(55,322,526)
	(52,108,465)	(3,214,061)	-	(55,322,526)
Net book value	132,491,102			146,929,911

(*)Transfers from construction in progress to the building amounting to TL12,856,770 consist of decoration and renovation costs of apart hotels, corridor and cinema unit which were completed during the period. Ongoing investments as of 30 September 2014 consist of renovation of the exterior and the corridor of shopping mall that are expected to be completed by the end of 2014.

	1 January 2013	Additions	Transfers	30 September 2013
Cost				
Buildings	174,404,180	-	-	174,404,180
Construction in progress	9,458,757	1,227,723	-	10,686,480
	183,862,937	1,227,723	-	185,090,660
Accumulated amortisation				
Buildings	48,350,086	2,909,880	-	51,259,966
	48,350,086	2,909,880	-	51,259,966
Net book value	135,512,851			133,830,694

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).

Insurance coverage on assets are as follows;

30 September 2014	: USD140,100,000
31 December 2013	: USD140,100,000

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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

NOTE 6 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Restrictions on immovables are as follows:

- a) There is a rental restriction in favour of TEK (Turkish Electricity Institution) with registry dated 31 December 1992 No: 5538.
- b) 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.

Type of guarantees received	Currency of denomination	Amount	30 September 2014
Letters of guarantees received	USD	3,429,242	7,814,900
Guarantee notes received	USD	1,702,974	3,880,905
Guarantee cheques received	TL	581,000	581,000
Guarantee notes received	TL	30,000	30,000
			12,306,805

Type of guarantees received	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 September 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.

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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

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

Provision for lawsuits

The provision for the lawsuits against the Company as of 30 September 2014 is TL 1,180,701 (31 December 2013: TL773,593). The movement of provision for lawsuits are as follows:

	2014	2013
1 January	773,593	646,382
Foreign exchange differences and interests	57,636	84,150
Increase during the period	414,637	-
Reversals during the period	(65,165)	-
30 September	1,180,701	730,532

Ömer Dinçök, one of the shareholders, filed a lawsuit on 30 June 2014 with a demand of appointment of a special auditor for the Company as per Article 439/1 of Turkish Commercial Code. Furthermore, another lawsuit was filed by Ömer Dinçök on the same date with a demand of cancellation of the decisions taken with regard to reading and negotiation of 2013 Annual Report prepared by the Board of Directors, discharge of each Board of Directors member due to the Company's 2013 activities, determining the salaries of Board of Directors members and independent members of the Board, granting the Board of Directors members with the permits and powers stated in the provisions of Article 395 and 396 of Turkish Commercial Code and presenting the upper limit determined for the donations to be made in 2014 as per Capital Markets Law to the approval of the General Assembly.

NOTE 7 - OTHER ASSETS AND LIABILITIES

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

Prepaid expenses - short term	30 September 2014	31 December 2013
Advances given	360,506	-
Prepaid expenses	327,321	28,115
	687,827	28,115

Prepaid expenses - long term	30 September 2014	31 December 2013
Advances given (*)	8,858,477	13,829,068

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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

NOTE 7 - OTHER ASSETS AND LIABILITIES (Continued)

Other current assets:	30 September 2014	31 December 2013
VAT receivables	811,886	-
	811,886	-
Other non-current assets:	30 September 2014	31 December 2013
Other	202	202
	202	202
Deferred income	30 September 2014	31 December 2013
Deferred income	958,485	864,252
Advances received	79,121	638,658
	1,037,606	1,502,910
Other non-current liabilities	30 September 2014	31 December 2013
Expense accruals	42,193	171,895

NOTE 8 - EQUITY

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

Shareholders	30 September 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 compability of Articles of Incorporation to Communiqué No: IV-56 Determination and the Enforcement of the Corporate Governance Principles issued by CMB, the appeal of increasing the upper limit of registered capital from TL27,400,000 to TL75,000,000 is approved by CMB. The appeal of increasing the upper limit of registered capital and amendment of Articles of Incorporation are registered on 6 June 2012 and published at the Trade Registry Gazette on 12 June 2012.

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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

NOTE 8 – EQUITY (Continued)

At 30 September 2014 and 31 December 2013 equity statement in accordance with the Communiqué II-14.1 is as follows:

	30 September 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	50,916,610	59,841,965
	196,290,733	193,817,323

Retained earnings consist of the following (TL) :

	30 September 2014	31 December 2013
Prior years' income	3,326,254	3,326,254
Extraordinary reserves	20,283,716	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

NOTE 9 - OPERATING INCOME

	1 January - 30 September 2014	1 July - 30 September 2014	1 January - 30 September 2013	1 July - 30 September 2013
Revenue				
Shops and warehouse rent income	65,395,977	21,679,507	59,335,278	20,726,405
Apart hotel rent income	1,203,407	566,804	1,203,256	174,997
	66,599,384	22,246,311	60,538,534	20,901,402
Cost of sales				
Cost of services	(15,754,017)	(4,887,369)	(13,684,066)	(4,650,223)
Depreciation expense	(3,214,061)	(1,105,036)	(2,927,812)	(969,960)
	(18,968,078)	(5,992,405)	(16,611,878)	(5,620,183)
Gross profit	47,631,306	16,253,906	43,926,656	15,281,219

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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

NOTE 10 - EXPENSES BY NATURE

	1 January - 30 September 2014	1 July - 30 September 2014	1 January - 30 September 2013	1 July - 30 September 2013
Cost of services	15,754,017	4,887,369	13,684,066	4,650,223
Depreciation and amortisation expenses	3,222,844	1,112,822	2,929,308	970,459
Personnel expenses	939,389	330,182	867,833	316,513
Insurance, duties, taxes and levies expenses	881,495	295,474	506,061	168,290
Legal expenses	479,878	134,709	499,301	119,707
Consultancy expenses	415,357	126,489	228,215	64,132
Provision for lawsuits	414,637	137,490	-	-
Donation expenses	315	-	1,016,367	2,867
Sponsorship expenses	-	-	1,000,000	-
Provision for doubtful receivables	-	-	14,913	-
Other	218,283	58,044	157,156	48,727
	22,326,215	7,082,579	20,903,220	6,340,918

Depreciation and amortisation expenses

Cost of sales	3,214,061	1,105,036	2,927,812	969,960
General administrative expenses	8,783	7,786	1,496	499
	3,222,844	1,112,822	2,929,308	970,459

NOTE 11 - OTHER INCOME/EXPENSES

	1 January - 30 September 2014	1 July - 30 September 2014	1 January - 30 September 2013	1 July - 30 September 2013
Other operating income				
Rent income of the common areas	3,188,413	968,520	3,076,090	982,196
Reversal of provisions	65,165	-	354,599	54,599
Infrastructure service income	-	-	169,492	169,492
Other income	134,004	49,150	120,758	49,546
	3,387,582	1,017,670	3,720,939	1,255,833
Other operating expense				
Loss on sales of property and equipments	-	-	(66,698)	(66,698)
Tazminat giderleri (*)	(650,000)	-	-	-
	(650,000)	-	(66,698)	(66,698)
Other operating income - net	2,737,582	1,017,670	3,654,241	1,189,135

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

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NOTE 12 - FINANCIAL INCOME

	1 January - 30 September 2014	1 July - 30 September 2014	1 January - 30 September 2013	1 July - 30 September 2013
Financial income				
Interest income	3,920,032	895,632	2,115,636	799,122
Foreign exchange income	325,642	26,482	15,469	3,411
	4,245,674	922,114	2,131,105	802,533

NOTE 13 - FINANCIAL EXPENSES

	1 January - 30 September 2014	1 July - 30 September 2014	1 January - 30 September 2013	1 July - 30 September 2013
Financial expenses				
Foreign exchange expense	322,168	67,808	92,159	37,347
Interest expense	17,647	5,615	17,820	6,986
	339,815	73,423	109,979	44,333

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.

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.

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

NOTE 15 - EARNINGS PER SHARE

	1 January - 30 September 2014	1 July - 30 September 2014	1 January - 30 September 2013	1 July - 30 September 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	50,916,610	17,030,093	45,310,681	16,507,819
Earnings per share	1.37	0.46	1.22	0.44

NOT 16 - RELATED PARTY DISCLOSURES

As of 30 September 2014 and 31 December 2013 receivables from related parties and due to related parties are as follows:

	30 September 2014	31 December 2013
Due from related parties		
Üçgen Bakım ve Yönetim Hizmetleri A.Ş.	130,121	38,621
Due to related parties		
Akgirişim Mütahhithlik Müşavirlik ve Çevre Teknolojileri San.ve Tic.A.Ş.	526,416	-
Akkök Holding A.Ş.	25,712	21,219
Dinkal Sigorta Acenteliği A.Ş.	12,927	-
Aktek Bilgi İletişim Teknoloji San. Ve Tic. A.Ş.	1,251	1,813
Other	392	390
	566,698	23,422

	30 September 2014	31 December 2013
Advances given		
Üçgen Bakım ve Yönetim Hizmetleri A.Ş. (Note 7)	9,218,983	13,829,068

The advances given balance consist of advance given to related party Üçgen Bakım ve Yönetim Hizmetleri A.Ş. for the renovation work on exterior side of the building.

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NOT 16 - RELATED PARTY DISCLOSURES (Continued)

	1 January - 30 September 2014	1 July - 30 September 2014	1 January - 30 September 2013	1 July - 30 September 2013
Purchases from related party	33,898,497	18,144,733	14,197,911	5,044,657
Sales to related parties	1,438,035	480,242	1,200,624	443,570

Purchases and sales consist of rent income, purchase and sales of services, and renovation expenses. The related party purchases amounting to TL29,101,085 comprise of cinema, corridor and apart renovation expenses, management expenses and other expenses provided by Üçgen Bakım ve Yönetim Hizmetleri A.Ş. ("Üçgen"). The remaining balance amounting to TL4,625,253 comprise of the renovation work on exterior side of the building provided by Akgirişim Müteahhitlik Müşavirlik ve Çevre Teknolojileri San.ve Tic.A.Ş. and TL172,160 comprise of other expenses. The Company provides common areas services like car park, valet and apart hotel rent incomes from the related party Üçgen, in addition to these the Company has cinema and office floor rent incomes from the related party Üçgen to whom the Company charged TL 6,367,328 regarding the revenue collected on behalf of the Company for the first nine months of 2014 (1 January - 30 September 2013: TL5,981,700).

As of 1 January - 30 September 2014, remuneration provided to top executives management such as the General Manager and the members of Board of Directors is TL 720,671 (1 January-30 September 2013: TL687,221).

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

There is no significant change in the Company's financial risk policies and credit risk management compared to prior periods.

Foreign currency risk

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

	30 September 2014	31 December 2013
Assets	175,179	1,320,451
Liabilities	(494,011)	462,665
Net position	(318,832)	857,786

As of 30 September 2014 and 2013, fluctuation of USD had been 10% higher/lower ceteris paribus, net income for the period would have been TL31,883 (30 September 2013: TL38,775) lower/higher.

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

As of 30 September 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:

	USD	TL equivalent
Current assets		
Monetary financial assets	76,870	175,179
Total assets	76,870	175,179
Current liabilities		
Other Monetary Liabilities	(144,650)	(329,643)
Other-non-Monetary Financial Liabilities	(23,382)	(53,285)
Non-current Liabilities		
Other non- monetary financial liabilities	(48,744)	(111,083)
Total liabilities	(216,776)	(494,011)
Net Foreign Currency Asset / (Liability) Position	(139,906)	(318,832)
Monetary Items Net Foreign Currency Asset / (Liability) Position	(67,780)	(154,464)

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:

	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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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NOTE 18 - SUBSEQUENT EVENTS

As per the Board resolution taken on 24 September 2014 it was decided to make a 10% discount over the dollar-denominated rental fees of the tenants of Akmerkez Ticaret Merkezi. This resolution comprises respectively the period September 2014 and November 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 TL1.98) in that the USD rate defined is not to be regarded as a reduction in rental fees and/or amendment of the rental contract.

NOTE 19 - 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 September 2014 and 31 December 2013:

Non-consolidated (stand-alone)			
financial statement accounts items		30 September 2014	31 December 2013
A	Cash and capital market instruments	41,730,398	48,904,930
B	Real estate, real estate-based project, Real estate-based rights	146,929,911	132,491,102
C	Affiliates	-	-
	Due from related parties (non-trade)	-	-
	Other Assets	11,783,752	16,128,066
D	Total Assets	200,444,061	197,524,098
E	Borrowings	-	-
F	Other financial liabilities	-	-
G	Leasing obligation	-	-
H	Due to related parties (non-trade)	-	-
I	Equity	196,290,733	193,817,323
	Other Liabilities	4,153,328	3,706,775
D	Total Liabilities	200,444,061	197,524,098

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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

NOTE 19 - SUPPLEMENTARY NOTE: CONTROL OF COMPLIANCE WITH PORTFOLIO RESTRICTIONS (Continued)

Other non-consolidated (stand-alone) financial information

	30 September 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	41,724,940	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 developed	-	-

Portfolio Restriction	30 September 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	73%	67%	≥51%
3	Cash and capital market instruments and Affiliates (A+C-A1)/D	21%	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 (*)	21%	25%	≤10%

(*) At 30 September 2014, the fair value of the investment property is TL984,257,000 (Note 5). In the table above, the investment property amounting to TL146,929,911 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 September 2014 is 4% (31 December 2013: 4.7%).

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