

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONVENIENCE TRANSLATION OF
THE CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2015
TOGETHER WITH AUDITOR'S REVIEW REPORT**

(ORIGINALLY ISSUED IN TURKISH)



**CONVENIENCE TRANSLATION INTO ENGLISH OF
THE INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM CONDENSED
FINANCIAL INFORMATION
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 2015 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 condensed interim financial information in accordance with Turkish Accounting Standard 34 ("TAS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed 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 does not give a true and fair view of the financial position of Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. at 30 September 2015 and of its financial performance and cash flows for the nine-month period then ended 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, 6 November 2015

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

FINANCIAL STATEMENTS AT 30 SEPTEMBER 2015

CONTENTS	PAGE
CONDENSED STATEMENTS OF FINANCIAL POSITION/(BALANCE SHEET)	1-2
CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	3
CONDENSED STATEMENTS OF CHANGES IN EQUITY	4
CONDENSED STATEMENTS OF CASH FLOWS	5
NOTES TO THE CONDENSED FINANCIAL STATEMENTS	6-25
NOTE 1 ORGANISATION AND NATURE OF OPERATIONS.....	6
NOTE 2 BASIS FOR THE PRESENTATION OF FINANCIAL STATEMENTS.....	6-11
NOTE 3 CASH AND CASH EQUIVALENTS.....	11-12
NOTE 4 TRADE AND OTHER RECEIVABLES AND PAYABLES	12-13
NOTE 5 INVESTMENT PROPERTY	13-14
NOTE 6 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES.....	14-15
NOTE 7 EMPLOYEE BENEFITS	16
NOTE 8 OTHER ASSETS AND LIABILITIES	16-17
NOTE 9 EQUITY	17-18
NOTE 10 OPERATING INCOME.....	18
NOTE 11 EXPENSES BY NATURE.....	19
NOTE 12 OTHER OPERATING INCOME/EXPENSES.....	19
NOTE 13 FINANCIAL INCOME.....	20
NOTE 14 FINANCIAL EXPENSES.....	20
NOTE 15 TAX ASSETS AND LIABILITIES	20
NOTE 16 EARNINGS PER SHARE	20
NOTE 17 RELATED PARTY DISCLOSURES	21-22
NOTE 18 NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS.....	22-23
NOTE 19 SUBSEQUENT EVENTS.....	24
NOTE 20 SUPPLEMENTARY NOTE: CONTROL OF COMPLIANCE WITH PORTFOLIO RESTRICTIONS	24-25

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONVENIENCE TRANSLATION OF THE CONDENSED STATEMENTS OF
FINANCIAL POSITION/(BALANCE SHEET)**

AT 30 SEPTEMBER 2015 AND 31 DECEMBER 2014

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

		<i>Reviewed</i>	<i>Audited</i>
	Notes	30 September 2015	31 December 2014
ASSETS			
Current assets		37,350,737	52,853,704
Cash and cash equivalents	3	32,763,720	49,917,145
Trade receivables			
<i>Receivables from related parties</i>	4,17	-	70,504
<i>Receivables from third parties</i>	4	3,529,068	1,260,813
Prepaid expenses	8	1,054,159	25,927
Other current assets	8	3,790	1,579,315
Non-current assets		179,679,917	164,783,897
Investment property	5	177,968,821	164,588,118
Property and equipment		135,167	168,832
Intangible assets		18,803	26,745
Prepaid expenses	8	1,556,924	-
Other non-current assets	8	202	202
Total assets		217,030,654	217,637,601

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**CONVENIENCE TRANSLATION OF THE CONDENSED STATEMENTS OF
FINANCIAL POSITION/(BALANCE SHEET)****AT 30 SEPTEMBER 2015 AND 31 DECEMBER 2014**

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

		<i>Reviewed</i>	<i>Audited</i>
	Notes	30 September 2015	31 December 2014
LIABILITIES			
Current liabilities		7,939,742	6,412,510
Short - term borrowings		1,233,929	-
Trade payable			
<i>Due to related parties</i>	4, 17	138,244	1,737,452
<i>Other trade payables</i>	4	644,805	224,955
Other payables			
<i>Due to third parties</i>	4	1,415,009	583,398
Deferred income	8	1,547,984	1,285,692
Provisions			
<i>Other provisions</i>	6	2,822,011	1,756,613
Other current liabilities	8	137,760	824,400
Non-current liabilities		1,477,579	163,075
Other payables			
<i>Other payables to third parties</i>	4	485,008	113,032
Provision for employment termination benefits	7	992,571	50,043
Equity		207,613,333	211,062,016
Share capital	9	37,264,000	37,264,000
Adjustment to share capital	9	27,745,263	27,745,263
Other comprehensive income/expense not to be reclassified to profit or loss			
- <i>Actuarial gains arising from employee benefits</i>	9	39,067	-
Restricted reserves	9	58,547,594	52,771,674
Retained earnings	9	27,882,759	27,593,186
Net income for the period	9	56,134,650	65,687,893
Total liabilities and equity		217,030,654	217,637,601

These interim financial statements for the period ended 30 September 2015 have been approved by the Board of Directors held on 6 November 2015.

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE NINE MONTH INTERIM PERIODS ENDED 30 SEPTEMBER 2015 AND 2014

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

	<i>Reviewed</i> Notes	<i>Reviewed</i> 1 January - 30 September 2015	<i>Reviewed</i> 1 July - 30 September 2015	<i>Reviewed</i> 1 January - 30 September 2014	<i>Reviewed</i> 1 July - 30 September 2014
CONTINUING OPERATIONS:					
OPERATING INCOME					
Revenue	10	77,629,957	27,239,198	69,915,801	23,257,981
Cost of sales (-)	10	(21,187,290)	(7,058,799)	(19,817,112)	(6,275,416)
Gross profit		56,442,667	20,180,399	50,098,689	16,982,565
General administrative expenses (-)		(3,540,034)	(1,246,682)	(2,509,103)	(807,163)
Other operating income	12	35,461	13,912	71,165	6,000
Other operating expense (-)	12	(344,217)	(344,217)	(650,000)	-
Operating profit		52,593,877	18,603,412	47,010,751	16,181,402
Financial income	13	3,984,078	1,116,107	4,245,674	922,114
Financial expenses (-)	14	(443,305)	(190,509)	(339,815)	(73,423)
Continuing operations profit before tax		56,134,650	19,529,010	50,916,610	17,030,093
Tax income/expenses from continuing operations		-	-	-	-
Continuing operations net profit for the period		56,134,650	19,529,010	50,916,610	17,030,093
Earnings per share	16				
Earning per share from continuing operations		1.51	0.52	1.37	0.46
Earning per share from discontinuing operations-		-	-	-	-
Diluted earnings per share	16				
Diluted earnings per share from continuing operations		1.51	0.52	1.37	0.46
Diluted earnings per share from discontinuing operations		-	-	-	-
OTHER COMPREHENSIVE INCOME:					
Items not to be classified to profit or loss					
Actuarial losses arising from employee benefits		39,067	(104,760)	-	-
Total comprehensive income		56,173,717	19,424,250	50,916,610	17,030,093

The accompanying explanations and notes form an integral part of these interim condensed 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 2015 AND 2014**

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

	Notes	Share capital	Adjustment to share capital	Other comprehensive income/expense not to be reclassified to profit or loss	Restricted reserves	Retained earnings		Total equity
				Actuarial losses arising from employee benefits		Retained earnings	Net profit for the period	
1 January 2014		37,264,000	27,745,263	-	48,113,674	20,852,421	59,841,965	193,817,323
Transfers	9	-	-	-	4,658,000	55,183,965	(59,841,965)	-
Dividend paid	9	-	-	-	-	(48,443,200)	-	(48,443,200)
Total comprehensive income	9	-	-	-	-	-	50,916,610	50,916,610
30 September 2014 (Reviewed)		37,264,000	27,745,263	-	52,771,674	27,593,186	50,916,610	196,290,733
1 January 2015		37,264,000	27,745,263	-	52,771,674	27,593,186	65,687,893	211,062,016
Transfers	9	-	-	-	5,775,920	59,911,973	(65,687,893)	-
Dividend paid	9	-	-	-	-	(59,622,400)	-	(59,622,400)
Total comprehensive income	9	-	-	39,067	-	-	56,134,650	56,173,717
30 September 2015 (Reviewed)		37,264,000	27,745,263	39,067	58,547,594	27,882,759	56,134,650	207,613,333

The accompanying explanations and notes form an integral part of these interim condensed 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 2015 AND 2014**

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

	Notes	<i>Reviewed</i> 1 January - 30 September 2015	<i>Reviewed</i> 1 January - 30 September 2014
Cash flows from operating activities			
Profit before tax		56,134,650	50,916,610
Adjustments to reconcile net cash generated from operating activities to income before tax			
Depreciation and amortisation	11	3,569,471	3,222,844
Provision for employment termination benefits	7	1,113,779	7,303
Debt provisions	6, 11	808,987	414,637
Provision for doubtful receivables	4, 11	127,430	-
Interest income	13	(3,543,637)	(3,920,032)
Accrued expenses	8	137,759	42,193
Interest expenses	14	50,302	17,647
Reversal of provisions	6	-	(65,165)
Operating profit before changes in net working capital		58,398,741	50,636,037
(Increase)/decrease in accounts receivable		(2,395,685)	1,071,707
Decrease/(increase) in trade receivables from related parties		70,504	(91,500)
(Increase)/decrease in other assets		(1,009,631)	3,498,993
Increase in accounts payable		419,850	473,090
(Decrease)/increase in related parties payable		(1,599,208)	543,276
Increase/(decrease) in other payables		1,203,587	(122,743)
Increase/(decrease) in other liabilities		(305,696)	(846,038)
Employment termination benefit payments	7	(132,184)	-
Net cash generated from operating activities		54,650,278	55,162,822
Interest received		3,540,988	4,136,669
Purchase of intangible assets		-	(143,669)
Additions to investment property	5	(16,908,567)	(17,652,870)
Net cash used in investing activities		(13,367,579)	(13,659,870)
Proceeds from borrowings		1,233,929	-
Dividends paid		(59,622,400)	(48,443,200)
Interest paid	14	(50,302)	(17,647)
Net cash used in financing activities		(58,438,773)	(48,460,847)
Net decrease in cash and cash equivalents		(17,156,074)	(6,957,895)
Cash and cash equivalents at the beginning of the period	3	49,779,073	48,562,542
Cash and cash equivalents at the end of the period	3	32,622,999	41,604,647

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2015

(Amounts expressed in Turkish lira (“TRY”) 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 real estates investment property. The address of the Company is as follows:

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

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 50.82% of these shares are publicly quoted shares as of 30 September 2015.

The shareholding structure as of 30 September 2015 and 31 December 2014 is as follows:

Shareholders	30 September 2015	31 December 2014
Akkök Holding A.Ş.	13.12%	13.12%
Tekfen Holding A.Ş.	10.79%	10.79%
Public offering	50.82%	50.82%
Other (*)	25.27%	25.27%
Total	100.00%	100.00%

(*) Other represents shareholders with less than 10% shareholdings.

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

	30 September 2015	31 December 2014
Administrative	4	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 FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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

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

2.1.1 Accounting Standards (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 TRY.

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 No. III-48.1 “Principals of The Real Estate Investment Trusts” of the CMB particularly relating to the principles regarding the control of compliance to portfolio restrictions.

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2015

(Amounts expressed in Turkish lira ("TRY") 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 September 2015 in comparison with the balance sheet prepared as of 31 December 2014; prepared the statement of income, statement of changes in shareholders' equity and cash flow statement between 1 January - 30 September 2015 in comparison with 1 January - 30 September 2014. Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current period. In the comparative financial statements, the Company made some reclassifications as summarized follows:

- Rent income of the common areas amounting to TRY3,188,413 and other incomes amounting to TRY128,004 which was accounted for under other operating income has been reclassified to revenue for the period between 1 January 2014 - 30 September 2014.
- Rent income of the common areas amounting to TRY968,520 and other incomes amounting to TRY43,150 which was accounted for under other operating income the has been reclassified to revenue for the period between 1 July 2014 - 30 September 2014.
- Real estate tax expense amounting to TRY849,034 which was accounted for under general administrative expenses has been reclassified to cost of sales for the period between 1 January 2014 – 30 September 2014.
- Real estate tax expense amounting to TRY283,011 which was accounted for under general administrative expenses, has been reclassified to cost of sales for the period between 1 July 2014 - 30 September 2014.

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 2015 and mentioned amendments to the standards have no material effect on the financial statements of the Company:

- Amendment to TAS 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.

**CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED
FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM
PERIOD ENDED 30 SEPTEMBER 2015**

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

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

2.2.2 Changes in standards and interpretations (Continued)

- Annual improvements 2010 - 2012; effective from 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:
 - TFRS 2, 'Share-based payment'
 - TFRS 3, 'Business Combinations'
 - TFRS 8, 'Operating segments'
 - TFRS 13, 'Fair value measurement'
 - TAS 16, 'Property, plant and equipment' and TAS 38, 'Intangible assets'
 - Consequential amendments to TFRS 9, 'Financial instruments', TAS 37, 'Provisions, contingent liabilities and contingent assets', and
 - TAS 39, 'Financial instruments - Recognition and measurement'.
- Annual improvements 2011 - 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:
 - TFRS 1, 'First time adoption'
 - TFRS 3, 'Business combinations'
 - TFRS 13, 'Fair value measurement' and
 - TAS 40, 'Investment property'.

The new standards, amendments and interpretations introduced to the prior Financial Statements as of 30 September 2015:

- Amendment to TFRS 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.
- Amendments to TAS 16 'Property, plant and equipment', and TAS 41, 'Agriculture', regarding bearer plants, effective from annual periods beginning on or after 1 January 2016. These amendments change the financial reporting for bearer plants, such as grape vines, rubber trees and oil palms. It has been decided that bearer plants should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of TAS 16, instead of TAS 41. The produce growing on bearer plants will remain within the scope of TAS 41.
- Amendment to TAS 16, 'Property, plant and equipment' and TAS 38, 'Intangible assets', on depreciation and amortisation, effective from annual periods beginning on or after 1 January 2016. In this amendment the it has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. It is also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.
- TFRS 14 'Regulatory deferral accounts', effective from annual periods beginning on or after 1 January 2016. TFRS 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 TFRS. However, to enhance comparability with entities that already apply TFRS 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
FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM
PERIOD ENDED 30 SEPTEMBER 2015**

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

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

2.2.3 Changes in standards and interpretations (Continued)

- Amendments to TAS 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 TFRS 10, 'Consolidated financial statements' and TAS 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 TFRS 10 and those in TAS 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.
- Annual improvements 2014, effective from annual periods beginning on or after 1 January 2016. These set of amendments impacts 4 standards:
 - TFRS 5, 'Non-current assets held for sale and discontinued operations' regarding methods of disposal.
 - TFRS 7, 'Financial instruments: Disclosures', (with consequential amendments to TFRS 1) regarding servicing contracts.
 - TAS 19, 'Employee benefits' regarding discount rates.
 - TAS 34, 'Interim financial reporting' regarding disclosure of information.
- Amendment to TAS 1, 'Presentation of financial statements' on the disclosure initiative, effective from annual periods beginning on or after 1 January 2016, these amendments are as part of the IASB initiative to improve presentation and disclosure in financial reports
- Amendment to TFRS 10 'Consolidated financial statements' and TAS 28, 'Investments in associates and joint ventures', effective from annual periods beginning on or after 1 January 2016. These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.
- TFRS 15 'Revenue from contracts with customers', effective from annual periods beginning on or after 1 January 2018. TFRS 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.
- TFRS 9 'Financial instruments', effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in TAS 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 FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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

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

2.2.4 Changes in standards and interpretations (Continued)

- As of date of issue of this bullet, following standards, amendments and interpretations were published by Public Oversight Accounting and Auditing Standards Authority;
 - TFRS 9 "Financial instruments"
 - TFRS 15 "Revenue from contracts with customers"

Above mentioned amendments to the standards effects to its operations will be evaluated by the Company and will be effective at validity date.

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 2015 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 TAS 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 2014. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2014.

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 2015 and 31 December 2014 are as follows:

	30 September 2015	31 December 2014
Cash	4,462	7,167
Banks		
- TRY time deposits	30,727,590	49,721,607
- Foreign currency denominated time deposits	1,757,028	-
- TRY demand deposits	139,973	25,202
- Foreign currency denominated demand deposits	134,667	163,169
Total	32,763,720	49,917,145

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

As of 30 September 2015, the interest rate on TRY deposit accounts at banks is between 11.55% and 12.90%, foreign currency denominated time deposits at banks is 2.1% and the accrued interests are TRY140,590 and TRY131 (As of 30 September 2014, the interest rate on TRY deposit accounts at banks is between 9.20% and 10.00% the accrued interest is TRY125,751). The maturity of time deposits is less than one month (30 September 2014: 32 days).

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

	30 September 2015	31 December 2014	30 September 2014	31 December 2013
Cash and cash equivalents	32,763,720	49,917,145	41,730,398	48,904,930
Less: accrued interest	(140,721)	(138,072)	(125,751)	(342,388)
	32,622,999	49,779,073	41,604,647	48,562,542

NOTE 4 - TRADE AND OTHER RECEIVABLES AND PAYABLES

Short-term trade receivables	30 September 2015	31 December 2014
Trade receivables	6,271,185	4,088,684
Notes and post-dated cheques receivable	553,184	340,000
Receivables from related parties (Note 17)	-	70,504
	6,824,369	4,499,188
Less: Provision for doubtful receivables	(3,295,301)	(3,167,871)
	3,529,068	1,331,317
	2015	2014
1 January	3,167,871	3,167,871
Provision made during the period	127,430	-
30 September	3,295,301	3,167,871
Short-term trade payables	30 September 2015	31 December 2014
Trade payables	644,805	224,955
Due to related parties (Note 17)	138,244	1,737,452
	783,049	1,962,407
As of 30 September 2015 and 31 December 2014, there are no other receivables.		
Short-term other payables	30 September 2015	31 December 2014
Taxes payables and other taxes	1,405,496	549,186
Deposits and guarantees received	-	25,489
Other	9,513	8,723
	1,415,009	583,398

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED
FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM
PERIOD ENDED 30 SEPTEMBER 2015**

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

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

Long-term other payables	30 September 2015	31 December 2014
Deposits and guarantees received	485,008	113,032
	485,008	113,032

NOTE 5 - INVESTMENT PROPERTY

The movements of the investment property for the nine-month interim periods ended 30 September 2015 and 2014 are as follows:

	1 January 2015	Additions	Transfers	30 September 2015
Cost				
Buildings	187,914,200	-	163,752	188,077,952
Construction in progress (*)	33,076,086	16,908,567	(163,752)	49,820,901
	220,990,286	16,908,567	-	237,898,853
Accumulated amortisation				
Buildings	(56,402,168)	(3,527,864)	-	(59,930,032)
	(56,402,168)	(3,527,864)	-	(59,930,032)
Net book value	164,588,118			177,968,821

(*) Ongoing investments as of 30 September 2015 consist of renovation of the exterior of shopping mall that is expected to be completed in 2015.

	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

The fair value of the Company's investment property based on the valuation report of Vektor Gayrimenkul Değerleme A.Ş. dated 31 December 2014 amount to TRY1,236,260,978 (As of 31 December 2013, the fair value of the Company's investment property based on the valuation report of EVA Gayrimenkul Değerleme Danışmanlık A.Ş. amount to TRY984,257,000).

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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

NOTE 5 - INVESTMENT PROPERTY (Continued)

Insurance coverage on assets as of 30 September 2015 and 31 December 2014 is as follows;

	30 September 2015	31 December 2014
USD	160,608,300	160,608,300

NOTE 6 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

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 September 2015
Letters of guarantees received	USD	3,227,306	9,821,662
Guarantee notes received	USD	1,601,706	4,874,470
Guarantee cheques received	TRY	581,000	581,000
			15,277,132

Guarantee notes and letters	Currency of denomination	Amount	31 December 2014
Letters of guarantees received	USD	3,203,509	7,428,619
Guarantee notes received	USD	1,626,672	3,772,089
Guarantee cheques received	TRY	581,000	581,000
Letters of guarantees received	TRY	30,000	30,000
			11,811,708

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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

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

Below are the amounts of guarantees, pledges and mortgages of Company

	30 September 2015	31 December 2014
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

Provision for lawsuits

The provision for the lawsuits against the company as of 30 September 2015 is TRY2,822,011 (31 December 2014: TRY1,756,613). The movements of provision for lawsuits are as follows:

	2015	2014
1 January	1,756,613	773,593
Foreign exchange differences and interests	256,411	57,636
Increase during the period	808,987	414,637
Reversals during the period	-	(65,165)
30 September	2,822,011	1,180,701

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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

NOTE 7 - EMPLOYEE BENEFITS

At 30 September 2015, the amount payable consists of one month's salary limited to a maximum of TRY3,828,37 for each year of service.

In the financial statements, Company management reflected a liability calculated in accordance with TAS 19 and based upon factors derived using their experience of personnel terminating their services and being eligible to receive retirement pay and discounted by using the current market yield at the balance sheet date on government bonds. All actuary gain and losses are recognized in comprehensive income statement. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	1 January - 30 September 2015	1 January - 31 December 2014
Discount rate (%)	2.97	2.97
Turnover rate to estimate the probability of retirement (%)	94.57	100.00

Movements in the provision for employment termination benefits are as follows (TRY):

	2015	2014
1 January	50,043	32,010
Cost of service	1,022,958	7,303
Cost of interest (Note 14)	90,821	-
Actuarial gain	(39,067)	-
Payments made during the period (-)	(132,184)	-
30 September	992,571	39,313

Provision for employment termination benefits amounting to TRY49,701 comprise of the Company's personnel termination benefits expenses and TRY942,870 comprise of the Company's share in Üçgen Bakım ve Yönetim Hizmetleri A.Ş.'s personnel termination benefits expenses.

NOTE 8 - OTHER ASSETS AND LIABILITIES

The details of other assets and other liabilities as of 30 September 2015 and 31 December 2014 are as follows:

	30 September 2015	31 December 2014
Prepaid expenses - short term		
Advances given	725,720	7,029
Prepaid expenses	328,439	18,898
	1,054,159	25,927
Prepaid expenses - long term	30 September 2015	31 December 2014
Advances given (*)	1,556,924	-
	1,556,924	-

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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

NOTE 8 - OTHER ASSETS AND LIABILITIES (Continued)

Other current assets:	30 September 2015	31 December 2014
VAT receivables	-	1,573,552
Other	3,790	5,763
	3,790	1,579,315
Other non-current assets:	30 September 2015	31 December 2014
Deposits given	202	202
	202	202
Deferred income	30 September 2015	31 December 2014
Deferred income	1,167,074	948,309
Advances received	380,910	337,383
	1,547,984	1,285,692
Other current liabilities	30 September 2015	31 December 2014
Expense accruals	137,760	824,400
	137,760	824,400

NOTE 9 - EQUITY

At 30 September 2015 and 31 December 2014 the issued and fully paid-in share capital held is as follows:

Shareholders	30 September 2015		31 December 2014	
	Pay (%)	Amount	Pay (%)	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 individual shareholdings 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 TRY27,400,000 to TRY75,000,000 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 FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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

NOTE 9 - EQUITY (Continued)

At 30 September 2015 and 31 December 2014 equity statement in accordance with the Communiqué II-14.1 is as follows:

	30 September 2015	31 December 2014
Share capital	37,264,000	37,264,000
Adjustment to share capital	27,745,263	27,745,263
Other comprehensive income/expense not to be reclassified to profit or loss		
- Actuarial gains arising from employee benefits	39,067	-
Restricted reserves		
- Legal reserves	58,547,594	52,771,674
Retained earnings	27,882,759	27,593,186
Net income for the period	56,134,650	65,687,893
	207,613,333	211,062,016

Retained earnings consist of the following:

	30 September 2015	31 December 2014
Retained earnings	3,326,254	3,326,254
Extraordinary reserves	20,573,289	20,283,716
Inflation difference in extraordinary reserves	521,985	521,985
Inflation difference in legal reserves	3,461,231	3,461,231
	27,882,759	27,593,186

NOTE 10 - OPERATING INCOME

	1 January - 30 September 2015	1 July - 30 September 2015	1 January - 30 September 2014	1 July - 30 September 2014
Revenue				
Shops and warehouse rent income	72,541,426	25,227,698	65,395,977	21,679,507
Common areas rent income	2,898,262	899,714	3,316,417	1,011,670
Apart hotel rent income	2,190,269	1,111,786	1,203,407	566,804
	77,629,957	27,239,198	69,915,801	23,257,981
Cost of sales				
Cost of services	(17,659,426)	(5,882,845)	(16,603,051)	(5,170,380)
Depreciation expense	(3,527,864)	(1,175,954)	(3,214,061)	(1,105,036)
	(21,187,290)	(7,058,799)	(19,817,112)	(6,275,416)
Gross profit	56,442,667	20,180,399	50,098,689	16,982,565

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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

NOTE 11 - EXPENSES BY NATURE

	1 January - 30 September 2015	1 July - 30 September 2015	1 January - 30 September 2014	1 July - 30 September 2014
Cost of services	16,632,412	5,875,560	16,603,051	5,170,380
Depreciation and amortisation expenses	3,569,471	1,189,786	3,222,844	1,112,822
Personnel expenses	1,064,553	399,357	939,389	330,182
Provision for employment termination benefits expenses	1,036,870	5,934	7,303	2,276
Legal expenses	820,695	259,235	479,878	134,709
Provision for lawsuits	808,987	268,363	414,637	137,490
Consultancy expenses	388,032	105,590	415,357	126,489
Provision for doubtful receivables	127,430	127,430	-	-
Insurance, duties, taxes and levies expenses	83,120	26,711	32,461	12,463
Other	195,754	47,515	211,295	55,768
	24,727,324	8,305,481	22,326,215	7,082,579

Depreciation and amortisation expenses

Cost of sales	3,527,864	1,175,954	3,214,061	1,105,036
General administrative expenses	41,607	13,832	8,783	7,786
	3,569,471	1,189,786	3,222,844	1,112,822

NOTE 12 - OTHER OPERATING INCOME/EXPENSES

	1 January - 30 September 2015	1 July - 30 September 2015	1 January - 30 September 2014	1 July - 30 September 2014
Other operating income				
Reversal of provisions	35,461	13,912	65,165	-
Other income	-	-	6,000	6,000
	35,461	13,912	71,165	6,000
Other operating expense				
Apart renovation expenses (*)	(344,217)	(344,217)	-	-
Provision expenses	-	-	(650,000)	-
	(344,217)	(344,217)	(650,000)	-
Other operating income/(expense), net	(308,756)	(330,305)	(578,835)	6,000

(*) Apart renovation expenses comprise of the renovation of the apart fitness centre of the shopping mall.

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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

NOTE 13 - FINANCIAL INCOME

	1 January - 30 September 2015	1 July - 30 September 2015	1 January - 30 September 2014	1 July - 30 September 2014
Financial income				
Interest income	3,543,637	836,841	3,920,032	895,632
Foreign exchange income	440,441	279,266	325,642	26,482
	3,984,078	1,116,107	4,245,674	922,114

NOTE 14 - FINANCIAL EXPENSES

	1 January - 30 September 2015	1 July - 30 September 2015	1 January - 30 September 2014	1 July - 30 September 2014
Financial expenses				
Foreign exchange expense	302,182	167,188	322,168	67,808
Interest expenses related to employee benefits	90,821	4,495	-	-
Interest expense	50,302	18,826	17,647	5,615
	443,305	190,509	339,815	73,423

NOTE 15 - 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 16 - 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 September 2015	1 July - 30 September 2015	1 January - 30 September 2014	1 July - 30 September 2014
Weighted average number of shares as of the reporting date (per share of TRY1 nominal value)	37,264,000	37,264,000	37,264,000	37,264,000
Net profit for the period	56,134,650	19,529,010	50,916,610	17,030,093
Earnings per share	1.51	0.52	1.37	0.46

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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

NOT 17 - RELATED PARTY DISCLOSURES

As of 30 September 2015 and 31 December 2014 receivables from related parties and due to related parties are as follows:

	30 September 2015	31 December 2014
Receivables from related parties		
Üçgen Bakım ve Yönetim Hizmetleri A.Ş.	-	67,947
Akmerkez Lokantacılık Gıda San. ve Tic. A.Ş.	-	2,557
	-	70,504

	30 September 2015	31 December 2014
Due to related parties		
Akgirişim Müteahhitlik Müşavirlik ve Çevre Teknolojileri San.ve Tic. A.Ş. (*)	84,225	258,666
Dinkal Sigorta Acenteliği A.Ş.	32,734	20,757
Akkök Holding A.Ş.	19,734	20,472
Aktek Bilgi İletişim Teknoloji San. ve Tic. A.Ş.	1,143	-
Akhan Bakım Yön. Servis Hiz. Güvenlik Malz. Tic. A.Ş.	191	-
Üçgen Bakım ve Yönetim Hizmetleri A.Ş.	-	1,437,340
Due to shareholders	217	217
	138,244	1,737,452

(*) The due balance consist given to related party Akgirişim Müteahhitlik Müşavirlik ve Çevre Teknolojileri San.ve Tic. A.Ş. for the renovation work.

	30 September 2015	31 December 2014
Advances given		
Üçgen Bakım ve Yönetim Hizmetleri A.Ş.	2,268,985	-

The advances given balance consist of advance given to related party Üçgen Bakım ve Yönetim Hizmetleri A.Ş. for the renovation work and management expenses.

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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

NOT 17 - RELATED PARTY DISCLOSURES (Continued)

	1 January - 30 September 2015	1 July - 30 September 2015	1 January - 30 September 2014	1 July - 30 September 2014
Purchases from related party	33,795,010	7,922,305	33,898,497	18,144,733
Sales to related parties	1,852,568	727,512	1,438,035	480,242

Purchases and sales consist of rent income, purchase and sales of services, and renovation expenses. The related party purchases amounting to TRY17,184,155 comprise of management expenses and other expenses provided by Üçgen Bakım ve Yönetim Hizmetleri A.Ş. ("Üçgen"). The remaining balance amounting to TRY16,400,884 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 TRY209,971 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 TRY6,920,143 regarding the revenue collected on behalf of the Company for the first nine months of 2015 (1 January - 30 September 2014: TRY6,367,328).

As of 1 January - 30 September 2015, remuneration provided to top executives management such as the General Manager and the members of Board of Directors is TRY750,543 (1 January-30 September 2014: TRY720,671).

NOTE 18 - 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 September 2015	31 December 2014
Assets	1,891,564	163,169
Liabilities	(925,221)	(473,950)
Net position	966,343	(310,781)

As of 30 September 2015, fluctuation of USD and Euro had been 10% higher/lower ceteris paribus, net income for the period would have been TRY96,634 (31 December 2014: TRY31,078 lower/higher) higher/lower.

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED
FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM
PERIOD ENDED 30 SEPTEMBER 2015**

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

**NOTE 18 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL
INSTRUMENTS (Continued)**

As of 30 September 2015 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:

	EURO	USD	TRY equivalent
Current assets			
Cash and cash equivalents	30,862	586,856	1,891,564
Total assets	30,862	586,856	1,891,564
Current liabilities			
Short-term provisions	-	(144,650)	(440,213)
Non-current Liabilities			
Other payables	-	(159,369)	(485,008)
Total liabilities	-	(304,019)	(925,221)
Net Foreign Currency Asset Position	30,862	282,837	966,343

As of 31 December 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	TRY equivalent
Current assets		
Cash and cash equivalents	70,365	163,169
Total assets	70,365	163,169
Current liabilities		
Short-term provisions	(144,650)	(335,429)
Other payables	(10,992)	(25,489)
Non-current Liabilities		
Other payables	(48,744)	(113,032)
Total liabilities	(204,386)	(473,950)
Net Foreign Currency Liability Position	(134,021)	(310,781)

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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

NOTE 19 - SUBSEQUENT EVENTS

As per the Board resolutions taken on 1 September 2015 and 2 November 2015 decisions are made exchange rate fixing to USD1 is equal to TRY2.50 for the dollar-denominated rental fees of the tenants of Akmerkez Ticaret Merkezi. This resolution comprises the period September - October - November - December 2015 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 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 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 September 2015 and 31 December 2014:

Non-consolidated (stand-alone) financial statement accounts items		Related regulations	30 September 2015	31 December 2014
A	Cash and capital market instruments	Art.24/(b)	32,763,720	49,917,145
B	Real estate, real estate-based project, Real estate-based rights	Art.24/(a)	177,968,821	164,588,118
C	Affiliates	Art.24/(b)	-	-
	Due from related parties (non-trade)	Art.23/(f)	-	-
	Other assets		6,298,113	3,132,338
D	Total assets	Art.3/(p)	217,030,654	217,637,601
E	Borrowings	Art.31	1,233,929	-
F	Other financial liabilities	Art.31	-	-
G	Leasing obligation	Art.31	-	-
H	Due to related parties (non-trade)	Art.23/(f)	216	216
I	Equity	Art.31	207,613,333	211,062,016
	Other liabilities		8,183,176	6,575,369
D	Total liabilities	Art.3/(p)	217,030,654	217,637,601
Other non-consolidated (stand-alone) financial information		Related regulations	30 September 2015	31 December 2014
A1	Portion of cash and capital market instruments reserved for three-year real estate payments	Art.24/(b)	-	-
A2	TRY/foreign currency denominated time/demand deposits	Art.24/(b)	32,759,258	49,909,978
A3	Foreign capital market instruments	Art.24/(d)	-	-
B1	Foreign real estates, real estate-based projects, real estate-based rights	Art.24/(d)	-	-
B2	Lands on which no projects developed	Art.24/(c)	-	-
C1	Foreign affiliates	Art.24/(d)	-	-
C2	Participation in administrator companies	Art.28/1(a)	-	-
J	Non-cash loans	Art.31	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	Art.22/(e)	-	-
L	Total investments of monetary and capital market instruments at one company	Art.22/(i)	-	-

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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

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

Portfolio Restriction	Related regulations	30 September 2015	31 December 2014	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)	Art.22/(e)	-	-	≤%10
2 Real estate, real estate-based project, Real estate-based rights (B+A1)/D)	Art.24/(a),(b)	82%	76%	≥%51
3 Cash and capital market instruments and Affiliates (A+C-A1)/D)	Art.24/(b)	15%	23%	≤%49
4 Foreign real estates, real estate-based projects, real estate-based rights, Affiliates, capital market instruments (A3+B1+C1)/D)	Art.24/(d)	-	-	≤%49
5 Lands on which no projects developed (B2/D)	Art.24/(c)	-	-	≤%20
6 Participation in administrator companies (C2/D)	Art.28/1(a)	-	-	≤%10
7 Borrowing ceiling (E+F+G+H+J)/İ	Art.31	1%	-	≤%500
8 TRY/foreign currency denominated time/demand deposits (A2-A1)/D (*)	Art.24/(b)	15%	23%	≤%10
9 Total investments of monetary and capital market instruments at one company (L/D)	Art.22/(i)	-	-	≤%10

(*) As of 30 September 2015, the fair value of the investment property amounts to TRY1,236,260,978 however within the table above, the net book value of the investment property on the basis of the historical cost is stated which amounts to TRY177,968,821 at the same date. When the fair value of the investment property is taken into consideration, the ratio of the TRY/foreign currency denominated time/demand deposit to total assets is 2.6% at 30 September 2015 (31 December 2014: 3.9%).

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